

# AerCap Global Aviation Trust

Annual report

For the financial year ended 31 December 2022

## **AerCap Global Aviation Trust**

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## AerCap Global Aviation Trust

### Year end Management responsibility statement

In preparing these financial statements, the Management is required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether the financial statements have been prepared in accordance with applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that AerCap Global Aviation Trust will continue in business.

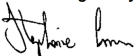
Management is responsible for ensuring that the AerCap Global Aviation Trust keeps or causes to be kept adequate accounting records which correctly explain and record the transactions of AerCap Global Aviation Trust enable at any time the assets, liabilities, financial position and profit or loss of AerCap Global Aviation Trust to be determined with reasonable accuracy, and enable the financial statements to be audited.

They are also responsible for safeguarding the assets of the Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

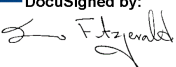
We confirm to the best of our knowledge:

- The audited financial statements for the year ended 31 December 2022, have been prepared in accordance with applicable accounting standards and give a true and fair view of the assets, liabilities, financial position and income statement of AerCap Global Aviation Trust.
- The management report includes a fair review of the development and performance of the business and position of AerCap Global Aviation Trust, together with a description of the principal risks and uncertainties it faces.

Approved and authorised by management on 21 April 2023 and signed on its behalf by:

DocuSigned by:  
  
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S. Crean  
Chief Financial Officer

DocuSigned by:  
  
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S. Fitzgerald  
Chief Executive Officer

## **AerCap Global Aviation Trust**

### **Management report for the financial year ended 31 December 2022**

Management present their report and the audited financial statements for the financial year ended 31 December 2022.

#### **Background**

AerCap Global Aviation Trust's ("Trust") business primarily comprises the leasing of commercial jet aircraft. The Trust lease most of its aircraft to airlines under operating leases. Rather than purchasing their aircraft, many airlines operate their aircraft under operating leases because operating leases reduce their capital requirements and costs, and allow them to manage their fleet more efficiently.

The Trust is an indirect wholly-owned subsidiary of AerCap Holdings N.V. ("AerCap"), a global leader in aircraft leasing. AerCap Group and its subsidiaries ("AerCap Group") is the global leader in aircraft leasing with a portfolio of over 1,800 aircraft, over 900 engines and over 300 helicopters, together with an order book of approximately 450 of the most in-demand new technology aircraft in the world. AerCap serves approximately 300 customers around the world with comprehensive fleet solutions.

The Trust operates its business on a global basis, leasing aircraft to customers in every major geographical region.

AerCap is incorporated in the Netherlands and is listed on the New York Stock Exchange under the ticker symbol AER. The Group has its headquarters in Dublin with offices in Shannon, Singapore, Amsterdam, Shanghai, Dubai, Memphis, Seattle and Miami. We also have a representative office with one of the world's largest aircraft manufacturers, Airbus in Toulouse.

AerCap Holdings N.V. and AerCap Ireland Designated Activity Company ("AICDC") entered into an agreement with American International Group Inc. ("AIG") for the purchase of 100% of International Lease Finance Corporation ("ILFC"), AIG's aircraft leasing business in late 2013.

The Trust, a statutory Trust in the State of Delaware, United States, was formed on 5 February 2014, with its principal office in Ireland. AICDC is the principal beneficiary of AerCap Global Aviation Trust. On the Closing Date, immediately after completing the ILFC Transaction, substantially all of ILFC's assets were transferred as an entirety to, and substantially all of ILFC's liabilities were assumed by, the Trust (the "Reorganisation").

In connection with the Reorganisation, the Trust agreed to assume ILFC's obligations under its debt agreements and AerCap and certain of its subsidiaries agreed to guarantee such obligations. Accordingly, the Trust became the successor obligor in respect of the notes issued under ILFC's various indentures ("ILFC Legacy Notes"). These ILFC Legacy Notes were listed on the Main Securities Market of the Irish Stock Exchange and were repaid during 2022. Since the closing of the ILFC transaction, AICDC and the Trust have co-issued a series of notes which are jointly and severally, and fully unconditionally guaranteed by AerCap Holdings N.V.

## **AerCap Global Aviation Trust**

### **Management report for the financial year ended 31 December 2022 (continued)**

#### **Principal risks and uncertainties**

Management is subject to numerous risks and uncertainties that could materially and adversely affect the Trust's future operating profit or financial position. The principal risks and uncertainties are described below:

##### *Asset risk*

The Trust leases aircraft on an operating lease and bears the asset risk of a deterioration in the underlying value of the aircraft. Management look to mitigate this risk by where possible either extending the lease term on the aircraft or remarketing the aircraft.

##### *Credit risk*

The Trust's financial condition depends, in part, on the financial strength of its lessees, and factors outside of the Trust's control may adversely affect its lessees' operations, their ability to meet the obligations to the Trust or their demand for the Trust's aircraft. The Trust bears the credit risk of the airline during the life of the lease. Management look to mitigate this risk by collecting maintenance reserves and/or collecting security deposits where appropriate.

##### *Geopolitical and economic risk*

The Trust provides flight equipment leasing services to companies in the aviation industry, exposing it to many and varying economic, social, legal and geopolitical risks, instability in key markets, and global health pandemics. Exposure to multiple jurisdictions may adversely affect the Trust's future performance. The adequacy and timeliness of the Trust's response to emerging risks in these jurisdictions are of critical importance to the mitigation of their potential impact on the Trust's results and financial position.

##### *Macroeconomic risks*

After a sustained period of relatively low inflation rates, current rates of inflation are above or near recent historical highs in the United States, the European Union, the United Kingdom, and other countries. High rates of inflation may have a number of adverse effects on the business. Inflation may increase the costs of goods, services and labour used in operations, thereby increasing expenses.

Interest rates have also increased significantly in the United States, the European Union, the United Kingdom and other countries, and it is expected that rates will continue to increase during the year ending 31 December 2023. If and when interest rates increase, the Trust will be obligated to make higher interest payments to the lenders of floating rate debt; this will negatively impact the net income to the extent that those payments are not hedged.

To the extent that the Trust derives income from leases with fixed rates of payment, high rates of inflation and interest will cause a greater decrease in the value of those payments than had the rates of inflation and interest remained lower. Typically, leases have fixed lease rates and are generally multi-year. As a result, there may be a lag in the ability to adjust the lease rates for a particular aircraft accordingly.

Suppliers and lessees may also be subject to material adverse effects as a result of high rates of inflation, including as a result of the impact on their financial conditions, changes in demand patterns, price volatility, and supply chain disruption. Rising interest rates may also have a negative impact on the financial condition of the lessees, who may find it more difficult to service their debt and obtain new financing on favourable terms.

For the year ended 31 December 2022, there was no material impact on the Trust from increases in inflation. For the impact of increases in interest rates refer to page 5.

## **AerCap Global Aviation Trust**

### **Management report for the financial year ended 31 December 2022 (continued)**

#### *Impact from the risks related to the Covid-19 pandemic*

On 11 March 2020, the World Health Organization declared that the Covid-19 outbreak was a pandemic. The Covid-19 pandemic and responsive government actions have caused significant economic disruption and a dramatic reduction in commercial airline traffic, resulting in a broad adverse impact on air travel, the aviation industry and demand for commercial aircraft globally, all of which has impacted the results of operations. The continued impact of the Covid-19 pandemic on the business will depend, among other things, on the duration of the pandemic and the speed and effectiveness of vaccination efforts; the rate of recovery in air travel and the aviation industry, including the future demand for commercial aircraft; and global economic conditions.

While commercial airline traffic recovered significantly in 2022, the Covid-19 pandemic continues to pose a range of risks to the business. The emergence of new variants, developments in the public health situation, the reimposition or continuation of travel restrictions, and other pandemic-related complications could have a negative impact on the business. The Covid-19 pandemic has had, and may continue to have, a negative impact on the financial condition of the lessees, which could have a negative impact on the business.

In connection with the Covid-19 pandemic, the Trust has agreed with some of our lessees to defer rent obligations. Lessee deferrals related to Covid-19 decreased from \$47.7m in 2021 to \$31.1m in 2022 representing a positive turnaround in our customers financial health, however, the Trust may determine to grant further accommodations in the future, which could, have a negative impact on basic lease rents.

#### *Funding risk*

As at 31 December 2022, the Trust had 146 aircraft on order. Due to the capital-intensive nature of the business, the Trust expects that it will incur additional indebtedness in the future and continue to maintain substantial levels of indebtedness. The Trust have significant principal and interest payments on our outstanding indebtedness and substantial aircraft forward purchase contract payments. In order to meet these commitments, and to maintain an adequate level of unrestricted cash, the Trust will need to raise additional funds by accessing committed debt facilities, securing additional financing from banks or through capital markets transactions, or possibly selling aircraft. The Trust's typical sources of funding may not be sufficient to meet its liability needs, in which case it may be required to raise capital from new sources, including by issuing new types of debt.

The Trust primarily uses fixed rate debt to finance its business, which provides an interest rate hedge against lease rentals, which in turn are largely fixed over their term.

Interest rate benchmarks, including the London Interbank Offered Rates ("LIBOR"), are the subject of ongoing reform and, in some cases, discontinuation. On 27 July 2017, the Chief Executive of the U.K. Financial Conduct Authority ("FCA"), which regulates LIBOR, announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. This has subsequently been extended to June 2023 for the major USD LIBOR tenors. The Trust has exposure to IBORs on its financial instruments and we expect to transition to the Secured Overnight Financing Rate ("SOFR") on or before June 2023. As of 31 December 2022, we had approximately \$450m of floating rate debt outstanding that used either one-month, three-month or six-month USD LIBOR as the applicable reference rate to calculate interest on such debt.

## **AerCap Global Aviation Trust**

### **Management report for the financial year ended 31 December 2022 (continued)**

#### *Impact of changes in interest rates*

Like many leasing companies, we are subject to interest rate risk. We use a mix of fixed rate and floating rate debt to finance our business. Our cost of borrowing is affected by the interest rates that we obtain on our debt financings, which can fluctuate based on, among other things, general market conditions, the market's assessment of our credit risk, prevailing interest rates in the market, fluctuations in U.S. Treasury rates and other benchmark rates and the duration of the debt we issue.

During the year ended 31 December, 2022, interest rates have increased significantly in the United States, the European Union, the United Kingdom and other countries, and we expect that rates will continue to increase during the year ending 31 December, 2023. If and when interest rates increase, we will be obligated to make higher interest payments to the lenders of our floating rate debt; this will negatively impact our net income to the extent that those payments are not hedged. Increasing rates may also increase the cost of any new financing we may raise during this period, which could impact the trust's net income. Typically, we are not able to immediately offset this negative impact by increasing the rates on our leases. During the year ended 31 December, 2022, 98.2% of AerCap Group's basic lease rents from flight equipment under operating leases was attributable to leases with fixed lease rates and 1.8% was derived from leases with lease rates tied to floating interest rates.

Rising interest rates may also have a negative impact on the financial condition of our lessees, who may find it more difficult to service their debt and obtain new financing on favourable terms. While most of our leases have fixed lease rates, some lessees do have floating rate leases, and rising interest rates may increase the risk of a lessee with floating rate lease rates defaulting as payments due to us increase.

We are also exposed to certain risks from interest rate decreases. Decreases in interest rates may adversely affect our interest revenue on cash deposits and our lease revenue. A decrease in interest rates would also cause a decrease in our lease revenue from leases with lease rates tied to floating interest rates. We could also experience reduced lease revenue from our fixed rate leases if interest rates decrease because these are based, in part, on prevailing interest rates at the time we enter into the lease. As a result, new fixed rate leases we enter into at a time of lower interest rates may be at lower lease rates than had no such interest rate decrease occurred, adversely affecting our lease revenue. This may be particularly harmful to our business if we incur debt at higher interest rates and enter into leases at a time of lower interest rates.

AerCap Group's primary market risk exposure is interest rate risk associated with short- and long-term borrowings bearing variable interest rates and lease payments under leases tied to floating interest rates. To manage this interest rate exposure, from time to time, AerCap Group enter into interest rate swap and cap agreements.

#### *Lease Expirations*

In the event of lease expirations, Management actively plan for their re-lease, or plan for a lease extension or plan for aircraft sale or part out sale. Management of the Trust continually monitor lease expirations.

#### *Financial Instruments Risks*

Due to the nature of its business, the Trust is exposed to the effects of fluctuations in interest rates. In order to manage these exposures, the Trust is using primarily fixed interest rates.

The Trusts limited exposure to the effects of fluctuations in foreign currency exchange rates as the majority of the transactions are denominated in the functional currency. Refer to "Impact of changes in interest rates" for further information.

## AerCap Global Aviation Trust

### Management report for the financial year ended 31 December 2022 (continued)

#### *Impact from the risks related to the Ukraine Conflict*

On 24 February 2022, Russia launched a large-scale military invasion of Ukraine and has since been engaged in a broad military conflict with Ukraine (the “Ukraine Conflict”). In response to the Ukraine Conflict and ongoing related hostilities, the United States, the European Union, the United Kingdom and other countries have imposed broad, far-reaching sanctions against Russia, certain Russian persons and certain activities involving Russia or Russian persons. These sanctions include prohibitions regarding the supply of aircraft and aircraft components to Russian persons or for use in Russia (the “Sanctions”).

In compliance with all applicable Sanctions in March 2022, the AerCap Group terminated the leasing of all aircraft and engines with Russian airlines. These terminations have resulted in reduced revenues and operating cash flows in AerCap.

The Ukraine Conflict, the Sanctions and the actions of former Russian lessees and the Russian government together represent an unusual and infrequent event and therefore the related net charges are classified separately on the income statement as “Exceptional item”. During 2022, the Trust recognised a pre-tax net charge of \$253m to the earnings, comprised of write-offs and impairments of flight equipment, which were partially offset by the derecognition of lease-related assets and liabilities (including maintenance rights and lease premium intangible assets, maintenance liabilities, lessor contributions, security deposits and other balances) and the collection of letters of credit proceeds. The Trust recognised a total loss write-off with respect to the assets that remain in Russia and Ukraine, and impairment losses with respect to the assets the Trust has recovered from Russian and Ukrainian airlines. The impairments recognised with respect to assets recovered from Russian and Ukrainian airlines were based on the expected commercial strategy and corresponding cash flow estimates for each asset.

The lessees are required to provide insurance coverage with respect to leased aircraft and the Trust is named as insured under those policies in the event of a total loss of an aircraft or engine. AerCap also purchase contingent and possessed insurance (“C&P Policy”) which provides us with coverage when flight equipment is not subject to a lease or where a lessee’s policy fails to indemnify us. In March 2022, AerCap submitted an insurance claim under the C&P Policy with respect to all aircraft and engines remaining in Russia. In June 2022, AerCap commenced legal proceedings in London, England, to recover these insurance claims in connection with the previously submitted claim under the C&P Policy.

In parallel, during the year ended 31 December 2022, AerCap submitted claims as an additional insured under the Russian airlines’ insurance policies. Efforts to recover from the airlines’ Russian insurers and their reinsurers continue. The collection, timing and amount of any potential recoveries under the C&P Policy and under the airlines’ insurance and reinsurance policies are uncertain. The Trust has not recognised any claim receivables in respect of the claims under the C&P Policy and under the Russian airlines’ insurance and reinsurance policies as of 31 December 2022. It is not possible to predict the broader or longer-term consequences of the Ukraine Conflict, which could include expansion of the conflict, further sanctions, embargoes, regional instability, geopolitical shifts and adverse effects on macroeconomic conditions, security conditions, fuel prices, currency exchange rates and financial markets. Such geopolitical instability and uncertainty could have a negative impact on the ability to lease aircraft, engines and helicopters, collect payments from, and support customers in certain regions based on trade restrictions, embargoes and export control law restrictions, and logistics restrictions including closures of air space, and could materially and adversely affect the business.



## AerCap Global Aviation Trust

### Management report for the financial year ended 31 December 2022 (continued)

#### Business review

The significant events that occurred during the period ended 31 December, 2022 and their impact on the financial statements are described below:

The Trust realised a profit of \$149.0m during the year ended 31 December 2022 with a turnover of \$629.3m. During the year ended 31 December 2021, the Trust realised a profit of \$45.7m with a turnover of \$743.2m. We would like to draw your attention to the following movements:

- Turnover decreased by \$113.9m to \$629.3m for the year ended 31,December 2022 compared to the prior year. The decrease was primarily as a result of the lower number of aircraft on lease in the period as a result of the Ukraine conflict (further details provided below) in addition to lease restructuring and transitions.
- The gross profit margin (gross profit/turnover) increased to 53.9% for the year ended 31 December 2022 from 12.9% for the year ended 31 December 2021. This increase is as a result of a reduction in impairment (excluding write-offs and impairment of flight equipment related to the Ukraine conflict as included in the exceptional item line) of \$297m.
- Other operating income for the period ended 31 December, 2022 decreased by \$149.6m to \$22.9m. This compared with \$172.5m during the equivalent period in 2021. The decrease is primarily due to a loss in provisions for amounts due from group companies of \$6.9m in 2022 (Note 7) compared with a gain in provisions for amounts due from group companies of \$118m in 2021. This decrease is further offset by a reduction in other income of \$12.7m from the prior year.
- An exceptional item of \$252.8m for the period ended 31 December, 2022 relates to the net charges as a result of the Ukraine conflict. The majority of these net charges are write-offs and impairments of aircraft that were not recovered by the Trust. Furthermore, aircraft that were recovered by the Trust were subsequently impaired and are included in the aforementioned net charges.
- Interest receivable and similar income increased by \$571.1m to \$1,224.8m for the year ended 31 December 2022. This increase primarily relates to interest earned on Loans from Group Undertakings as a result of the GECAS transaction in the last year of 2021.
- Interest payable and similar expenses increased by \$431.2m to \$1,252.2m for the year ended 31 December 2022. This increase is primarily due to the cost related to the GECAS acquisition notes (see Note 19 Loans & Borrowings) compared with the prior year.

The most significant movement in the statement of financial position between 31 December 2022 and 31 December 2021 were the reductions in investments, the changes in loans and borrowings and the net book value of tangible assets.

- The Trust's investments decreased by \$4.7bn primarily as a result of a distribution received from AerCap U.S. Global Aviation LLC which was accounted for as a return on investment. This was further distributed to its parent.
- The net book value of the tangible assets decreased by \$438.9m. This was driven by the sale of 41 aircraft with a net book value of \$963.0m and depreciation and impairment of \$290.0m (\$404.4m related to Ukraine write-offs and impairments) partially offset by new acquisitions of \$1,218.3m. Of the 41 aircraft sold during the year ended 31 December 2022, 21 were intercompany sales.
- In January 2022, AerCap Trust and AICDC completed the scheduled repayments of \$284.2m aggregate outstanding 8.63% the ILFC Legacy Notes.
- In March 2022, AerCap Trust and AICDC completed the redemption of all \$372.1m outstanding 3.5% Senior Notes due May 2022.
- On 26 April, 2022, the Trust received a distribution of \$1,095m from AerCap US Global Aviation LLC. The Trust made a distribution of \$1,095m to AICDC.
- On 25 May, 2022, AerCap Trust and AICDC completed the redemption of all \$500.0m outstanding aggregate principal amount of their 4.625% Senior Notes due 2022.

## **AerCap Global Aviation Trust**

### **Management report for the financial year ended 31 December 2022 (continued)**

- On 26 May, 2022, AerCap Trust and AICDC completed the redemption of all \$367.7m outstanding aggregate principal amount of their 3.5% Senior Notes due 2022.
- In June 2022, AerCap Trust and AICDC completed the scheduled repayment of all \$750m aggregate outstanding 5.88% ILFC Legacy Notes.
- On 29 November, 2022, the Trust received a distribution of \$3,602m from AerCap US Global Aviation LLC. The Trust made a distribution of \$3,602m to AICDC.
- On 23 December, 2022, AerCap Trust and AICDC completed the redemption of all \$600.0m outstanding aggregate principal amount of their 3.3% Senior Notes due 2023.

### **GECAS Transaction**

AerCap completed the acquisition of 100% of GE Capital Aviation Services a wholly-owned subsidiary of GE on November 1, 2021. Under the terms of the transaction agreement, GE received 111.5m newly issued AerCap shares, approximately \$23bln of cash and \$1bl of AerCap notes. The GE shares were subject to a lock-up period which expired on February 1, 2023. On 13 March, 2023, AerCap announced the completion of an underwritten secondary offering (the "Secondary Offering") of 23,000,000 AerCap ordinary shares by GE at a price to the public of \$58.50 per ordinary share, and completed the repurchase of 8,788,890 of AerCap's ordinary shares from GE for \$500 million. Following the Secondary Offering and AerCap's repurchase of shares, GE held approximately 33.5% of AerCap's issued and outstanding ordinary shares. GE has entered into agreements with AerCap regarding voting restrictions, standstill provisions and certain registration rights.

### **Post balance sheet events**

On 16 March 2023, the Trust made a distribution of US\$500m to AerCap Ireland Capital Designated Activity Company.

On 14 April, 2023 the Trust transferred its investment in the Hyperion Aircraft Limited structure to AerCap Ireland Limited.



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## **INDEPENDENT AUDITOR'S REPORT TO THE MANAGEMENT OF AERCAP GLOBAL AVIATION TRUST**

### **Report on the audit of the financial statements**

#### ***Opinion***

We have audited the financial statements of AerCap Global Aviation Trust ('the Trust') for the year ended 31 December 2022 set out on pages 14 to 53, which comprise the Income Statement, Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland issued in the United Kingdom by the Financial Reporting Council.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Trust as at 31 December 2022 and of the Trust's profit for the year then ended; and
- the Trust financial statements have been properly prepared in accordance with FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

#### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the audit of the financial statements section of our report. We have fulfilled our ethical responsibilities under, and we remained independent of the Trust in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), as applied to listed entities.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Conclusions relating to going concern***

In auditing the financial statements, we have concluded that the management's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the management's assessment of the Trust's ability to continue to adopt the going concern basis of accounting included inter alia, review of the management cashflow forecasts:

- Completion of a risk assessment to identify factors that could impact the going concern basis of accounting, including the impact of Covid-19.
- Evaluation of the managements' assessment of the Trust's ability to continue to adopt the going concern basis of accounting. In our evaluation of the management conclusions, we considered the inherent risks to the Trust's business model and analysed how those risks might affect the Trust's funding and liquidity position or ability to continue operations over the going concern period.
- Consideration of sensitivities over the level of available financial resources to the Trust from the ultimate parent, AerCap Holdings N.V.



Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Trust's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the management with respect to going concern are described in the relevant sections of this report.

### **Key audit matters: our assessment of risks of material misstatement**

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matter described below to be the key audit matter to be communicated in our report:

#### ***Impairment of Aircraft \$4.5 billion (2021: \$4.9 billion)***

*Refer to page 22 (accounting policy) and pages 31 to 32 (Tangible Assets disclosures)*

#### **The key audit matter**

At 31 December 2022, the carrying value of the Trust's Tangible assets made up \$4.5 billion or 10% of Total Assets.

The Trust applies the requirements of Section 27 of FRS 102 in order to determine whether it is necessary to recognise an impairment loss on any Tangible assets.

Determining whether or not an impairment exists, and the amount of any impairment, requires the exercise of significant judgement relating to tangible assets current market values and estimated future residual values, future lease rates, the timing and cost of maintenance events and the discount rate applied to the portfolio as well as consideration of both internal and external sources of information.

#### **How the matter was addressed in our audit**

In relation to the audit of the impairment assessment of aircraft and related components, the procedures we undertook included, amongst others:

We obtained an understanding of and documented the key controls around the impairment assessment of aircraft and related components, testing the effectiveness of design and implementation, including consideration of approval by the Board of Directors.

We evaluated the (i) competence, capabilities and objectivity of the external valuers employed by the Company to provide aircraft current market values and (ii) the appropriateness of their work as audit evidence. We obtained the external valuers valuation reports to validate the inputs into the impairment model.

We assessed and evaluated the key inputs and significant assumptions used in management determination of recoverable amounts for each aircraft (aircraft current market values and estimated future residual values, future lease rentals, timing and discount rate) by comparing these to, in-force contractual arrangements (specifically lease and any



related deferral (or similar) arrangements), recent trends and externally available industry, economic data (including that provided by the Company's external valuers).

We evaluated management identification of impairment indicators, and assessed the methodology adopted in its impairment model with reference to our understanding of the Company's business and the requirements of the accounting standards. We assessed the calculations underlying the impairment model by checking that the key inputs and assumptions input into the model were in agreement with those that we had evaluated.

We performed sensitivity analysis of the discount rates applied and the assumptions in respect of lease rates and residual values used by the Managing Agent in the impairment model through applying additional downside sensitivities to assess what changes thereto, either individually or collectively, would result in a different conclusion being reached and assessed whether there were any indicators of management bias in the setting of key assumptions.

We assessed the adequacy of the disclosures made by the Company regarding the impairment assessment of aircraft and related components in the financial statements for compliance with the accounting standards.

Based on the procedures we performed, we considered that the key inputs and significant assumptions used in the impairment assessment are reasonable

### **Our application of materiality and an overview of the scope of our audit**

Materiality for the Trust financial statements was set at \$75m (2021: \$72.6m), determined with reference to a benchmark of Total Assets, of which it represents 1% and adjusted accordingly to align with AerCap Group materiality.

We agreed to report to the Management any corrected or uncorrected identified misstatements exceeding \$3.75m (2021: \$3.62m), in addition to other identified misstatements that warranted reporting on qualitative grounds.

We applied materiality to assist us determine what risks were significant risks and the procedures to be performed.

Our audit of the Trust was undertaken to the materiality specified above and was all performed by one engagement team in Ireland.

***Other information***

The management are responsible for the preparation of the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Management's report.

The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information undertaken during the course of the audit, we report that:

- we have not identified material misstatements in the Management's report; and
- in our opinion, the information given in the Management's report is consistent with the financial statements.

**Respective responsibilities and restrictions on use*****Management's responsibilities***

As explained more fully in Management Responsibility statement set out on page 1, management are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

***Auditor's responsibilities for the audit of the financial statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.




A fuller description of our responsibilities is provided on IAASA's website at <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements/>.

***The purpose of our audit work and to whom we owe our responsibilities***

Our report is made solely to the management, as a body, in accordance with our engagement letter dated 4 April 2023. Our audit work has been undertaken so that we might state to the Management those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Trust and management, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

  
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25 April 2023

Colm O'Rourke  
for and on behalf of  
KPMG  
Chartered Accountants, Statutory Audit Firm  
1 Harbourmaster Place  
IFSC  
Dublin 1  
D01 F6F5

## AerCap Global Aviation Trust

### Income statement for the financial year ended 31 December 2022

	Note	2022 \$ 000	2021 \$ 000
Turnover	4	629,253	743,234
Depreciation and impairment	11	<u>(289,991)</u>	<u>(647,272)</u>
<b>Gross profit</b>		339,262	95,962
Other operating income	5	22,857	172,488
Operating expenses	7	(102,153)	(108,322)
Profit on sale of tangible fixed assets		<u>32,845</u>	<u>29,237</u>
<b>Operating profit</b>		292,811	189,365
Exceptional item	6	(252,776)	-
Impairment provision on investment	12	-	(3,002)
Interest receivable and similar income	8	1,224,805	653,708
Interest payable and similar expenses	9	(1,252,175)	(820,956)
Dividend income	10	<u>136,340</u>	<u>26,600</u>
<b>Profit before taxation</b>		149,005	45,715
Tax on profit		<u>-</u>	<u>-</u>
<b>Profit for the financial year</b>		<u><u>149,005</u></u>	<u><u>45,715</u></u>

The above results were derived from continuing operations.



**AerCap Global Aviation Trust****Statement of comprehensive income  
for the financial year ended 31 December 2022**

	<b>Note</b>	<b>2022</b> <b>\$ 000</b>	<b>2021</b> <b>\$ 000</b>
Profit for the year		149,005	45,715
Other comprehensive income		<u>-</u>	<u>-</u>
Total comprehensive income for the year		<u>149,005</u>	<u>45,715</u>

## AerCap Global Aviation Trust

### Statement of financial position as at 31 December 2022

	Note	2022 \$ 000	2021 \$ 000
<b>Fixed assets</b>			
Tangible assets	11	4,468,889	4,907,776
Investments	12	1,022,788	5,720,710
Prepayments on aircraft purchases		655,926	556,664
		<u>6,147,603</u>	<u>11,185,150</u>
<b>Current assets</b>			
Inventory		437	192
Debtors: (including \$214m due after more than one year 2021: \$435m)	14, 13	39,127,884	41,323,458
Cash and cash equivalents	16	220,930	221,712
		39,349,251	41,545,362
<b>Creditors:</b> Amounts falling due within one year	17	<u>(6,445,349)</u>	<u>(4,250,851)</u>
<b>Net current assets</b>		32,903,902	37,294,511
<b>Creditors:</b> Amounts falling due after more than one year	18	<u>(30,405,701)</u>	<u>(35,284,940)</u>
<b>Net assets</b>		<u>8,645,804</u>	<u>13,194,721</u>
<b>Capital and reserves</b>			
Share capital		-	-
Beneficial ownership interest	24	4,544,018	4,544,018
Capital contributions		201,843	4,899,765
Retained earnings		3,899,943	3,750,938
<b>Total equity</b>		<u>8,645,804</u>	<u>13,194,721</u>

The notes on pages 18 to 53 form an integral part of these financial statements.

## AerCap Global Aviation Trust

### Statement of changes in equity for the financial year ended 31 December 2022

	<b>Beneficial ownership interest \$ 000</b>	<b>Other reserves \$ 000</b>	<b>Retained earnings \$ 000</b>	<b>Total \$ 000</b>
At 1 January 2022	4,544,018	4,899,765	3,750,938	13,194,721
Profit for the financial year	-	-	149,005	149,005
Distributions	-	(4,697,922)	-	(4,697,922)
At 31 December 2022	<u>4,544,018</u>	<u>201,843</u>	<u>3,899,943</u>	<u>8,645,804</u>

	<b>Beneficial ownership interest \$ 000</b>	<b>Other reserves \$ 000</b>	<b>Retained earnings \$ 000</b>	<b>Total \$ 000</b>
At 1 January 2021	4,544,018	101,356	3,705,223	8,350,597
Profit for the financial year	-	-	45,715	45,715
Distributions	-	(1,784,541)	-	(1,784,541)
Capital contribution	-	6,582,950	-	6,582,950
At 31 December 2021	<u>4,544,018</u>	<u>4,899,765</u>	<u>3,750,938</u>	<u>13,194,721</u>

The notes on pages 18 to 53 form an integral part of these financial statements.

## **AerCap Global Aviation Trust**

### **Notes to the financial statements for the financial year ended 31 December 2022**

#### **1 General information**

AerCap Global Aviation Trust is a Delaware Statutory Trust, formed on 5 February 2014, with its principal offices in Ireland. The address of its registered office is Aviation House, Shannon, Co. Clare, Ireland.

AerCap Ireland Designated Activity Company owns 100% of AerCap Global Aviation Trust.

AerCap Global Aviation Trust has subsidiaries which are referenced in note 12 to the financial statements.

#### **2 Accounting policies**

##### **Summary of significant accounting policies**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the financial years presented, unless otherwise stated.

##### **Basis of preparation**

These financial statements have been prepared on the going concern basis in accordance with Generally Accepted Accounting Standards in the Republic of Ireland, including Financial Reporting Standards 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ('FRS 102') and present AerCap Trust on an entity basis only. Were AerCap Trust to prepare consolidated financial statements, the consolidated statement of financial position, consolidated income statement and consolidated statement of comprehensive income would be materially different from that presented in these accounts.

These financial statements have been prepared using the historical cost convention and are stated in US Dollars, which is the principal operating currency of the Trust and of the aviation industry.

Consolidated financial statements have not been prepared as the Trust is a subsidiary of AerCap Holdings N.V. for which consolidated financial statements are prepared and publicly available. The results of the Trust are included in the consolidated financial statements of AerCap Holdings N.V. which are prepared in accordance with accounting principles generally accepted in the United States of America. These financial statements are available upon request from the Trade Register in the city of Amsterdam under the number 34251954.

## **AerCap Global Aviation Trust**

### **Notes to the financial statements for the financial year ended 31 December 2022 (continued)**

#### **2 Accounting policies (continued)**

For the year ended 31 December, 2022, the Trust recognised a net profit and as at 31 December, 2022 it is in a net current asset position. The Management have reasonable expectation that the Trust will continue in operational existence for the twelve months from the date of approval of the financial statements ("the period of assessment") and have prepared the financial statements on a going concern basis. In making the assessment the Management considered the potential impact of COVID-19 and the Ukraine conflict on the aviation industry and the Trust's business including:

- the continued impacts of the Ukraine Conflict, including the resulting sanctions by the United States, the European Union, the United Kingdom and other countries, on our business and results of operations, financial condition and cash flows;
- the rate of recovery in air travel in certain jurisdictions related to the Covid-19 pandemic;
- aviation industry market conditions, including general economic and political conditions;
- the Trust's funding and liquidity position;
- cashflow forecasts and potential impact of rent deferral agreements granted or other lease modifications granted;
- the Trust's capital commitments;
- the Trust's debt maturity profile and covenants headroom; and
- the ability and intent of the ultimate parent, AerCap Holdings N.V. to provide support.

These financial statements are presented in US Dollars, which is the functional currency of AerCap Trust, denoted by the symbol "\$", which is the principal operating currency of the AerCap Group.

## **AerCap Global Aviation Trust**

### **Notes to the financial statements for the financial year ended 31 December 2022 (continued)**

#### **2 Accounting policies (continued)**

These audited financial statements were prepared on a consistent basis with the audited financial statements for the year ended 31 December 2021. AerCap Trust's financial statements have been prepared under the historical cost convention and are stated in U.S. dollars, which is the principal operating currency of AerCap Group.

The principal activity of the Trust continues to be the leasing of commercial jet aircraft. While the Trust continues to borrow funds externally and lends these onwards to group entities, this is not its principal activity and therefore management have concluded that it is not a financial institution. The Trust did not earn net interest margin in the current year from lending to subsidiaries and is not exposed to any additional significant risk in this respect that is not already disclosed in the financial statements.

AerCap Trust is considered a qualifying entity for the purposes of FRS 102. Note 12 gives details of AerCap Trust's ultimate controlling party into which it consolidates and from where its consolidated financial statements may be obtained.

As a qualifying entity AerCap Trust has availed of a number of exemptions from the disclosure requirements of FRS 102 in the preparation of the entity financial statements. In accordance with FRS102 the Trust has availed of the following exemptions:

- The requirements of section 7 and paragraph 3.17(d) to present a statement of cash flows;
- The requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26 (in relation to those cross-referenced paragraphs from which a disclosure exemption is available), 12.27, 12.29(a), 12.29(b), and 12.29A to disclose information about financial instruments;
- The requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23 to disclose certain information about share based payment arrangements: and
- The requirements of paragraph 33.7 to disclose the Trust key management personnel compensation.

#### **Lease classification**

On the inception of each new lease, a detailed assessment is carried out to classify the lease as an operating or finance lease. The assessment examines whether the lease is for the major part of the economic life of the asset and/or if there are any purchase options available to the lessee at the end of the lease term. Where the specific criteria are met, the Trust will classify the lease as an operating or finance lease accordingly. Where there is an amendment to an existing lease that meets the definition of a lease modification it is considered a new lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incident to ownership. All other leases are classified as operating leases.

## **AerCap Global Aviation Trust**

### **Notes to the financial statements for the financial year ended 31 December 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Turnover**

Income from flight equipment on operating leases is recognised and presented as Turnover in the Income statement, as it accrues over the period of the lease on a straight line basis. Variable rents are recognised when earned. Unearned revenue from finance leases is amortized to lease income in a manner which produces a constant rate of return on the net investment in the lease.

Most of the Trust's lease contracts require payment in advance. Rentals received, but unearned under these lease agreements, are recorded as deferred or accrued income on the statement of financial position. Penalties & charges on lessee notes receivable is recognised as other income as it accrues.

In most lease contracts not requiring the payment of supplemental rents, the lessee is required to re-deliver the aircraft in a similar maintenance condition (normal wear and tear excepted) as when accepted under the lease. To the extent that the aircraft are redelivered in a different condition than at acceptance, there is normally an end-of-lease compensation adjustment for the difference at redelivery. The Trust recognise receipts of end-of-lease compensation adjustments as operating lease income and payments of end-of-lease adjustments as leasing expenses when agreed.

Lease termination fees arise from contractual obligations upon early termination of leases by lessees. The Trust recognises this revenue in operating lease income at the fair value of consideration received or receivable.

##### **Finance income and costs**

Interest income and interest expense are recognised using the effective interest method. Interest income is presented as interest receivable and similar income and interest expense is presented as interest payable and similar charges in the income statement. Accrued interest is included in the creditors / debtors balances on the statement of financial position.

##### **Foreign currencies**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

## **AerCap Global Aviation Trust**

### **Notes to the financial statements for the financial year ended 31 December 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Tangible assets**

Flight equipment consists of aircraft and engines. These are stated at historical cost less accumulated depreciation. Additional depreciation is charged to reduce the carrying value of specific assets to the recoverable amount where impairment is considered to have occurred in accordance with Section 27 of FRS102. An impairment review is required where there has been an indication of impairment. Where the recoverable amount is greater than the carrying value no adjustment is made.

Recoverable amount is the higher of the net realisable value and value in use. Net realisable value is the amount at which an asset could be disposed of less any direct selling costs, and value in use is the present value of future cashflows obtainable as a result of an asset's continued use, including those resulting from its ultimate disposal, discounted at 7.5% (2021: 6.5%). In instances where the purchase of flight equipment includes consideration which can be allocated to the value of an acquired lease containing above market terms, such allocated costs are recognised as a lease premium asset and depreciated, on a straight line basis, over the term of the related lease.

Cost comprises the invoiced cost net of manufacturers' discounts, but inclusive of applicable capitalised interest. Depreciation is calculated on a straight-line basis. The estimates of useful lives and residual values are reviewed periodically. Original cost is defined as the average purchase price of each asset type in the year of manufacture. The estimated useful life of aircraft is up to 25 years from the date of manufacture. The remaining estimated useful life is 1 - 25 years for flight equipment held at 31 December 2022.

##### **Disposal of tangible fixed assets**

Gains or losses from aircraft trading transactions are recognised separately in the income statement when the contract for sale or supply of the relevant aircraft is completed and the risk of ownership of the equipment is transferred.

##### **Prepayments on aircraft purchases**

The Trust recognise non-refundable deposits on aircraft purchase commitments as assets on the statement of financial position when the deposit is paid to the aircraft manufacturer. The Trust capitalise interest on the prepayments and add the capitalised interest to the prepayment. The non-refundable deposits are recognised on a current or non-current basis, dependent on the expected aircraft delivery date.

##### **Investments**

Investments are shown at cost less provisions for impairments in value. Investments are reviewed for impairment whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. Determining whether an impairment has occurred typically requires various estimates and judgements. Income from investments is recognised in the income statement in the period in which it is received.

##### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.



## **AerCap Global Aviation Trust**

### **Notes to the financial statements for the financial year ended 31 December 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Debtors**

Debtors are amounts due from customers in relation to lease rentals in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Debtors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. For amounts due from Group Companies the Trust is applying accounting policy in accordance with Section 11 and 12 of FRS102.

##### **Provision for bad debts**

Provisions are made for doubtful debts where it is considered that there is a significant risk of non recovery. The assessment of risk of non recovery is primarily based on the extent to which amounts outstanding exceed the value of the security held together with an assessment of the financial strength and condition of a lessee and the economic conditions persisting in the lessee's operating environment.

##### **Inventory**

Inventory is stated at the lower of cost and net realisable value. Cost comprises purchase price, cost of conversion and where applicable, those costs that have been incurred in bringing the inventory to its present location and condition. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. Any write downs to net realisable value are recognised in the income statement in the periods in which the write down occurs.

##### **Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

##### **Conditional sales agreements ("CSA")**

Where the Trust has entered into a CSA to sell an asset at a future date, the Trust holds the asset until the risks and rewards related to the asset transfer to the purchaser. On the date that the CSA is signed ("CSA commencement date"), the initial instalment payment received from the purchaser is recorded as a liability within creditors. This liability is adjusted for lease rents transferable to the purchaser during the CSA period. When the conditions required to complete the sale are met by both the buyer and seller, the sale is recognised and the instalment payment accrual is applied as part of the sales proceeds.

During the CSA period, interest is calculated on a monthly basis on the instalment payment liability based on the rate of interest set out in the relevant CSA. This interest is recorded within creditors and interest payable and similar charges.

##### **Security deposits**

Lessee security deposits are recognised at their fair value and discounting is applied where appropriate. All discounted amounts are accreted to their respective nominal values using the effective interest method within interest expense.

## **AerCap Global Aviation Trust**

### **Notes to the financial statements for the financial year ended 31 December 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Maintenance advances and liabilities**

In most lease contracts the lessee has the obligation to pay for maintenance costs on airframes, engines and other major life-limited components which arise during the term of the lease. In many lease contracts the lessee makes a payment of supplemental rent to cover the anticipated maintenance cost. In the majority of leases, the Trust does not recognise supplemental rent as revenue, but as an accrued liability. In these contracts, upon lessee presentation of invoices evidencing the completion of qualifying maintenance on the aircraft, the Trust reimburses the lessee for the maintenance up to a maximum of the supplemental rent received in respect to the lease contract. In addition, the Trust may be obligated in some instances to contribute to the maintenance work from its own reserves. Any surplus amounts of accrued maintenance liability existing on termination of a lease are recorded as income at that time.

In most lease contracts not requiring the payment of supplemental rents, the lessee is required to re-deliver the aircraft in a similar maintenance condition (normal wear and tear accepted) as when accepted under the lease, with reference to major life-limited components of the aircraft. To the extent that such components are redelivered in a different condition than at acceptance, there is normally an end-of-lease compensation adjustment for the difference at redelivery. The Trust recognise receipts of end-of-lease compensation adjustments as supplemental rent when received and payments of end-of-lease adjustments as leasing expenses when paid.

##### **Lessor contributions**

Lessor contributions to the cost of maintenance work performed by lessees are recorded as a liability at the beginning of a lease contract. The corresponding asset is recognised as a lease incentive asset. Lease incentive assets are included within debtors and lessor contributions are included within creditors. The lease incentive asset is amortised to lease income on a straight line basis over the life of the lease. The liability is released when the obligation is settled or no longer required.

##### **Loans and borrowings**

Loans and borrowings are carried at the principal amount borrowed, including unamortised discounts and premiums, fair value adjustments and debt issuance costs, where applicable. The Trust amortises the amount of discounts, premiums and fair value adjustments over the period the debt is outstanding using the effective interest method. The costs incurred for issuing debt are deferred and amortised to the income statement over the expected term of the debt using the effective interest method. Where debt is repaid, the related portion of the original deferred financing cost is expensed.

##### **Lease incentives**

The Trust capitalises the amounts paid or value provided to lessees as lease incentives. These lease incentives are amortised on a straight-line basis over the term of the related lease as a reduction in lease revenue.

##### **Reportable segments**

We manage our business and analyze and report our results of operations on the basis of one business segment: leasing, financing, sales and management of commercial flight equipment.

## **AerCap Global Aviation Trust**

### **Notes to the financial statements for the financial year ended 31 December 2022 (continued)**

#### **2 Accounting policies (continued)**

##### **Finance lease receivable**

Leases where the lessee assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases. Assets recognised under finance leases are classified as finance lease receivable at the inception of the leases based on the lower of the fair value of the lease assets and the present value of the minimum lease payments.

Lease receipts are apportioned between finance income in the income statement and reduction in the outstanding finance lease receivable so as to achieve a constant rate of interest on the remaining balance.

##### **Dividends**

Dividend distribution to the Trust's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are approved by management. Dividend income is recognised when the right to receive payment is established. Dividend income is presented in the Income statement.

#### **3 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of financial statements requires Management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements are described in the following:

## **AerCap Global Aviation Trust**

### **Notes to the financial statements for the financial year ended 31 December 2022 (continued)**

#### **3 Critical accounting judgements and key sources of estimation uncertainty (continued)**

##### **Flight equipment**

We test aircraft for impairment whenever there is an indication that the carrying amount of the assets may not be recoverable. Impairment trigger events, including consideration of the impact of Covid-19, include potential sale transactions, early terminated leases, credit events impacting lessees or forecasted significant and permanent declines in the demand for aircraft types.

The quantitative impairment test is performed at the lowest level for which identifiable cash flows are largely independent of other groups of assets, which is the individual aircraft, including the lease-related assets and liabilities of that aircraft, such as lease incentives, and maintenance liabilities (the "Asset Group"). An impairment is measured by comparing the net carrying value of the Asset Group with the recoverable amount. The recoverable amount is the higher of the net realisable value and value in use. Value in use is based on the anticipated future cash flows, lease rates and residual value discounted at 7.5% (2021: 6.5%). In addition to discount rate other key assumptions used in the impairment test are uncontracted lease rates and aircraft residual values.

Expected future lease rates are based on all relevant information available, including current contracted rates for similar aircraft and industry trends. Due to the Covid-19 pandemic, many of our airline customers have significantly curtailed their commercial operations and are under significant financial stress, which could result in lease defaults, lease terminations and related aircraft repossessions.

The Trust estimates the expected useful life and the expected residual value of flight equipment. An increase in the expected useful life or the residual value of flight equipment would result in a reduced depreciation charge in the profit and loss account. Estimates are determined through the use of industry experience supported by estimates received from independent appraisers taking into consideration the type, vintage and the expected utilisation of flight equipment. The assumptions used in the valuation of aircraft include certain forward-looking projected financial information that is based on current estimates and forecasts. Actual results could differ materially

##### **Investments**

Investments are tested annually for impairment where an indicator of impairment exists. For impairment testing the assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or cash generating units ('CGUs'). Management applies judgment to determine the CGUs based on characteristics of investments held by the Trust at year end. At the current financial year end management did not identify any indicator that CGU might be impaired.

##### **Lessor contributions**

Lessor contributions are estimated at a commencement of the lease based on the amount that the lessor is expected to pay out and contribute towards the expected maintenance events during the lease term. This estimate is based on maintenance forecasting model which forecasts the maintenance inflows and outflows from the lease commencement date to the lease termination date using data for expected aircraft utilisation as well as time and cost of specific maintenance events. Cash flows used in the model are reviewed on annual basis and the impact of any change to the amount of lessor contribution already recognised is accounted for prospectively.

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### Collectability of trade debtors

Evaluating the collectability of trade debtors requires some level of subjectivity and judgement. When the collectability of rental payments is not deemed probable, the lease debtor is considered for impairment. Collectability is evaluated based on factors such as the lessee's credit rating, payment performance, financial condition and requests for modifications of lease terms and conditions as well as security received from the lessee in the form of security deposits, guarantees and/or letters of credit.

#### 4 Turnover

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Operating lease income	607,932	719,999
Finance lease income	<u>21,321</u>	<u>23,235</u>
	<u><u>629,253</u></u>	<u><u>743,234</u></u>

Included in operating lease income is an amount of \$112.2m (2021: \$122.2m) for the year. The consists of both the release of maintenance reserves on lease terminations of \$59.3m (2021: \$47.3m) and end of lease compensation adjustments of \$52.8m (2021: \$74.9m).

Management have overall responsibility for the Trust's activities and are therefore considered the chief operating decision maker. Management are of the opinion that the Trust is engaged in a single segment of business, being leasing of commercial jet aircraft. Management consider this appropriate due to the nature of the revenue earned for the business as a whole from its aircraft, being lease income from lessees.

Income arising from the leasing of flight equipment under operating leases and finance leases. The source of the income is derived from the following regions where the customers are based:

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>\$ 000</b>	<b>%</b>	<b>\$ 000</b>	<b>%</b>
France	107,124	17.02%	89,379	12.02%
China	90,123	14.32%	113,701	15.30%
United States of America	83,487	13.27%	76,444	10.29%
The Netherlands	43,503	6.91%	47,067	6.33%
Canada	42,124	6.70%	25,786	3.47%
Israel	36,179	5.75%	35,604	4.79%
Jordan	21,665	3.44%	21,769	2.93%
Thailand	21,449	3.41%	-	0.00%
United Kingdom	20,391	3.24%	19,717	2.65%
Russia	20,156	3.20%	66,934	9.01%
Other	<u>143,052</u>	<u>22.74%</u>	<u>246,833</u>	<u>33.21%</u>
	<u><u>629,253</u></u>	<u><u>100.00%</u></u>	<u><u>743,234</u></u>	<u><u>100.00%</u></u>

One customer has a concentration of greater than 10% in 2022 (2021: One greater than 10%).

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 4 Turnover (continued)

##### Minimum operating lease rentals receivable under non-cancellable leases:

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Less than one year	891,827	487,752
One to two years	790,870	454,681
Two to three years	656,296	354,804
Three to four years	562,320	275,013
Four to five years	503,362	234,758
More than five years	1,507,304	720,498
	<u>4,911,979</u>	<u>2,527,506</u>

The total operating lease payments to which the Trust is committed and the periods in which they expire are as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
<b>Minimum operating lease payments under non-cancellable leases:</b>		
Not later than one year	-	1,860
Later than one year and not later than five years	-	1,612
	<u>-</u>	<u>3,472</u>

#### 5 Other operating income

The analysis of the Trust's other operating income for the year is as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Lease termination income	1,253	70
Sale of parts	436	254
Other income	20,120	32,863
Gain from changes in provisions	1,048	139,301
	<u>22,857</u>	<u>172,488</u>

Included in the gain from changes in provision is \$1.0m relating to the provision for notes receivable (2021: \$20m). The provision for amounts due from Group Companies is \$6.9m (expense) compared to a gain of \$118m in 2021. (Note 14).

Other income primarily relates to proceeds from legal settlements of \$15m in 2022 (2021: \$20m).

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 6 Exceptional item

The analysis of the trust's exceptional items for the year are as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Write-off and impairments related to Ukraine Conflict	404,206	-
Derecognition of lease-related assets and liabilities	(150,630)	-
Letter of credit receipt	(800)	-
	<u>252,776</u>	<u>-</u>

The Ukraine conflict, including the sanctions and the actions of our former Russian leasees and the Russian government, represents an unusual and infrequent event that is classified separately on our income statement. For the year ended 31 December 2022, we recognised a net charge of \$252.8m to our earnings, comprised of write-offs and impairments of flight equipment (see note 11). These were partially offset by the derecognition of lease-related assets and liabilities (including maintenance liabilities, security deposits and other balances) and the collection of letter of credit proceeds (see note 18).

#### 7 Operating expenses

The analysis of the Trust's operating expenses for the year are as follows:

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Maintenance expense	-	2,345
Repairs maintenance and technical costs	15,227	4,009
Group recharges	47,708	55,340
Other operating expenses	21,949	21,017
Integration expenses	-	9,505
Loss from changes in provisions	16,499	-
Foreign exchange	770	16,106
	<u>102,153</u>	<u>108,322</u>

Included in the loss from changes in provisions is a finance lease provision of \$9.0m (2021: nil), a provision for amounts due from Group Companies of \$6.9m (2021: \$118 income -see Note 5) and a provision for trade debtors of \$0.5m (2021: nil).

#### 8 Interest receivable and similar income

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Interest on amounts due from group companies	1,217,195	644,948
Other finance income	7,610	8,760
	<u>1,224,805</u>	<u>653,708</u>

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 9 Interest payable and similar expenses

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Interest payable to group undertakings (i)	78,525	37,987
External debt interest (ii)	1,173,313	773,981
Other finance costs	337	8,988
	<u>1,252,175</u>	<u>820,956</u>

(i) Interest is payable in respect of loans from group undertakings and are payable on demand.

(ii) External debt interest is shown net of capitalised interest of \$14.8m (2021: \$9.6m)

#### 10 Dividend income

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Dividend income	<u>136,340</u>	<u>26,600</u>

Dividend income amounting to \$136.3m (2021:\$26.6m) was received from subsidiary entities during the year.



## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 11 Tangible assets

	<b>2022</b>	<b>2021</b>
	<b>Flight</b>	<b>Flight</b>
	<b>equipment</b>	<b>equipment</b>
	<b>\$ 000</b>	<b>\$ 000</b>
<b>Cost</b>		
Opening balance at 1 January	7,698,851	9,245,076
Additions	1,218,286	1,374,744
Disposals	(1,398,542)	(2,920,969)
Write-offs and impairments related to Ukraine Conflict	(632,471)	-
At 31 December	<u>6,886,124</u>	<u>7,698,851</u>
<b>Depreciation</b>		
Opening balance at 1 January	2,791,075	2,610,576
Charge for the year	238,601	301,059
Disposals	(435,567)	(466,773)
Impairment	51,391	346,213
Write-offs and impairments Related to Ukraine Conflict	(228,265)	-
At 31 December	<u>2,417,235</u>	<u>2,791,075</u>
<b>Carrying amount</b>		
At 31 December	<u>4,468,889</u>	<u>4,907,776</u>
At beginning of the year	<u>4,907,776</u>	<u>6,634,500</u>

Aircraft may be analysed as follows based on the remaining term outstanding on the associated operating leases for a further period of:

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Aircraft not on lease	134,145	317,413
Less than one year	277,704	168,164
From one to two years	654,729	555,267
From two to five years	1,014,668	1,363,699
After five years	2,387,643	2,503,233
	<u>4,468,889</u>	<u>4,907,776</u>

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 11 Tangible assets (continued)

In accordance with the Trust's stated accounting policy, an impairment review was performed. As a result of this review, an impairment provision of \$51.4m was recognised during the year ended 31 December, 2022 (2021: \$346.2m). Impairment is mainly as a result of potential sale transactions, early terminated leases, and credit events impacting lessees. The impairment provision was calculated by comparing the net carrying value of the aircraft to the higher of their net realisable value and value in use, based on anticipated future cash flows, discounted at 7.5% (2021: 6.5%). The Trust recognised write offs and impairment of flight equipment of \$404.2m (2021: \$nil) related to the Ukraine Conflict. Please refer to note 6 for further details.

None of the assets have been pledged as security (2021: None)

The following table presents our aircraft portfolio by type of aircraft:

	<b>2022</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>
	<b>Number of aircraft</b>	<b>% of total net book value</b>	<b>Number of aircraft</b>	<b>% of total net book value</b>
<b>Passenger aircraft</b>				
Airbus A320 family	53	16.73%	70	20.92%
Airbus A320neo family	17	17.74%	16	14.53%
Airbus A330	7	2.98%	8	3.12%
Airbus A350	2	3.94%	2	3.72%
Boeing 737NG	36	16.39%	43	17.61%
Boeing 767	5	0.34%	6	0.36%
Boeing 777-200ER	1	0.03%	2	0.36%
Boeing 777-300 / 300ER	7	6.81%	9	8.83%
Boeing 787	16	34.99%	16	30.45%
Other	1	0.05%	1	0.10%
	<u>145</u>	<u>100.00%</u>	<u>173</u>	<u>100.00%</u>

#### 12 Investments

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Opening balance at the start of year	5,720,710	922,293
Additions	-	6,585,960
Return on investment	(4,697,922)	(1,784,541)
Provisions	-	(3,002)
Closing balance at the end of year	<u>1,022,788</u>	<u>5,720,710</u>

There was a distribution of \$4.7bln received by the Trust from AerCap U.S. Global Aviation LLC which was accounted for as a return on investment. In 2021, additions comprised of capital contribution of \$6.6bln to AerCap U.S. Global Aviation LLC which was used to acquire the GECAS group of entities. During 2022, some of these investments were distributed to other AerCap group companies. The total value of the new additions to the Trust's Investments are less than \$1,000. Similarly, the total value of disposals was less than \$1000.

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 12 Investments (continued)

##### Details of undertakings

The following were subsidiary undertakings of AerCap Trust at 31 December 2022:

Name of company	Country of incorporation	Status	Holding	Proportion of voting rights and shares held	
				2022	2021
<b>Subsidiary undertakings</b>					
AerCap Dutch Global Aviation B.V.	Netherlands	Active	Flight Equipment Leasing	100%	100%
Calais Location S.A.R.L.	France	Active	Flight Equipment Leasing	100%	100%
Grenoble Location S.A.R.L.	France	Active	Flight Equipment Leasing	100%	100%
ILFC Aruba A.V.V.	Aruba	Active	Flight Equipment Leasing	100%	100%
ILFC France S.A.R.L.	France	Active	Flight Equipment Leasing	100%	100%
ILFC Labuan Ltd.	Malaysia	Active	Flight Equipment Leasing	100%	100%
ILFC UK Limited	United Kingdom	Active	Flight Equipment Leasing	100%	100%
International Lease Finance Corporation (Sweden) AB	Sweden	Active	Flight Equipment Leasing	100%	100%
AerCap U.S. Global Aviation LLC	United States	Active	Flight Equipment Leasing	100%	100%
AerCap US Holdings Aviation LLC	United States	Active	Flight Equipment Leasing	100%	100%
International Lease Finance Corporation	United States	Active	Flight Equipment Leasing	100%	100%
AerCap Hangar 52, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
AerCap US Aviation LLC	United States	Active	Flight Equipment Leasing	100%	100%
AerCap, LLC	United States	Active	Flight Equipment Leasing	100%	100%
AerCap Group Services, LLC	United States	Active	Flight Equipment Leasing	100%	100%
AerCap Leasing USA I, LLC	United States	Active	Flight Equipment Leasing	100%	100%
AerCap Leasing USA II, LLC	United States	Active	Flight Equipment Leasing	100%	100%
Acsal Holdco LLC	United States	Active	Flight Equipment Leasing	19.44%	19.44%
Aircraft 32A-1658 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-2024 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-2731 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 73B-28252 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 73B-41794 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 73B-41806 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 73B-41815 Inc.	United States	Active	Flight Equipment Leasing	100%	100%

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 12 Investments (continued)

Name of company	Country of incorporation	Status	Holding	Proportion of voting rights and shares held	
				2022	2021
Aircraft 77B-29404 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 77B-32723 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft SPC-3, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
CABREA, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
ILFC Dover, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft SPC-8, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Apollo Aircraft Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 73B-30036 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 73B-32841 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Pelican 35302, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Diadem Aircraft Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Diadem Aircraft Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Doheny Investment Holding Trust	United States	Active	Flight Equipment Leasing	100%	100%
Camden Aircraft Leasing Trust	United States	Active	Flight Equipment Leasing	100%	100%
Fleet Solutions Holdings LLC	United States	Active	Flight Equipment Leasing	100%	100%
AeroTurbine, LLC	United States	Active	Flight Equipment Leasing	100%	100%
ILFC AIRCRAFT 32A-10072 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 78B-38799 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
ILFC Australia Holdings Pty. Ltd.	Australia	Active	Flight Equipment Leasing	100%	100%
Wombat 3668 Leasing Pty Ltd	Australia	Active	Flight Equipment Leasing	100%	100%
ILFC Australia Pty. Ltd.	Australia	Active	Flight Equipment Leasing	100%	100%
Aircraft 33A-358 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft B767 29388 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft SPC-4, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Brokat Leasing, LLC	United States	Active	Flight Equipment Leasing	100%	100%
Euclid Aircraft, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
ILFC Aviation Consulting, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
ILFC Volare, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Interlease Aircraft Trading Corporation	United States	Active	Flight Equipment Leasing	100%	100%
Interlease Management Corporation	United States	Active	Flight Equipment Leasing	100%	100%

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 12 Investments (continued)

Name of company	Country of incorporation	Status	Holding	Proportion of voting rights and shares held	
				2022	2021
Aircraft SPC-12, LLC	United States	Active	Flight Equipment Leasing	100%	100%
Whitney Ireland Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Aircraft SPC-9, LLC	United States	Active	Flight Equipment Leasing	100%	100%
Sierra Leasing Limited	Bermuda	Active	Flight Equipment Leasing	100%	100%
ILFC Labuan ECA Ltd.	Malaysia	Active	Flight Equipment Leasing	100%	100%
Calliope Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Camden Aircraft Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Camden Aircraft Leasing Trust	United States	Active	Flight Equipment Leasing	100%	100%
Excalibur Aircraft Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Flying Fortress Investments, LLC	United States	Active	Flight Equipment Leasing	100%	100%
Flying Fortress Financing, LLC	United States	Active	Flight Equipment Leasing	100%	100%
Flying Fortress Holdings, LLC	United States	Active	Flight Equipment Leasing	100%	100%
Flying Fortress Ireland Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Arfaj Aircraft Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Flying Fortress Bermuda Leasing Ltd.	Bermuda	Active	Flight Equipment Leasing	100%	100%
Fortress Aircraft 76B-29383 Designated Activity Company	Ireland	Active	Flight Equipment Leasing	100%	100%
Fortress Aircraft 78B-38761 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Fortress Ireland Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 32A-666 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 33A-444 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-30694 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-30695 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Flying Fortress US Leasing Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-585 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-645 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-726 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-760 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-775 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-782 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 33A-132, Inc.	United States	Active	Flight Equipment Leasing	100%	100%

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 12 Investments (continued)

Name of company	Country of incorporation	Status	Holding	Proportion of voting rights and shares held	
				2022	2021
Aircraft 34A-395 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 34A-48 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 34A-93 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 74B-27602 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 75B-28834 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 75B-28836 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 76B-26261 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 76B-26329 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 76B-27613 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 76B-28206 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft B757 29377 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Grand Staircase Aircraft, LLC	United States	Active	Flight Equipment Leasing	100%	100%
Park Topanga Aircraft, LLC	United States	Active	Flight Equipment Leasing	100%	100%
Temescal Aircraft, LLC	United States	Active	Flight Equipment Leasing	100%	100%
Ballysky Aircraft Ireland Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Ballystar Aircraft Solutions Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Belmar Bermuda Leasing Limited	Bermuda	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 32A-3114 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 32A-3116 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 32A-3124 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-35275 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Menelaus I Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Mentes I Ireland Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Mentes II Ireland Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Mentes III Ireland Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Mentes IV Ireland Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Mentes V Ireland Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Mentes VI Ireland Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Mentes VII Ireland Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Sunstar Limited	China	Active	Flight Equipment Leasing	100%	100%
Temescal Aircraft 32A-2383 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 12 Investments (continued)

Name of company	Country of incorporation	Status	Holding	Proportion of voting rights and shares held	
				2022	2021
Temescal Aircraft 33A-0758 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Temescal UK Limited	United Kingdom	Active	Flight Equipment Leasing	100%	100%
Hyperion Aircraft Financing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Hyperion Aircraft Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Delos Aircraft Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Artemis (Delos) Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
AerCap Aircraft 73B-30661 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
AerCap Aircraft 73B-32841 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
AerCap Aircraft 77B-32717 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
AerFunding Bermuda Leasing Limited	Bermuda	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-3424 Limited	United Kingdom	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-3454 Limited	United Kingdom	Active	Flight Equipment Leasing	100%	100%
Archytas Aviation Limited	United Kingdom	Active	Flight Equipment Leasing	100%	100%
Artemis Aircraft 32A-1925 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Artemis Aircraft 32A-3309 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Artemis Aircraft 32A-3385 (Ireland) Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Artemis Aircraft 32A-3388 (Ireland) Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Artemis Aircraft 77B-32725 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Artemis Ireland Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Artemis US Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-1905 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-1946 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 32A-993, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 73B-26317 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 73B-30646 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 73B-30661 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 73B-30730 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 76B-26327 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft 76B-27597 Inc.	United States	Active	Flight Equipment Leasing	100%	100%

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 12 Investments (continued)

Name of company	Country of incorporation	Status	Holding	Proportion of voting rights and shares held	
				2022	2021
Aircraft 76B-28132 Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Aircraft Andros Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Eden Aircraft Holding No. 2 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
XLease MSN 3008 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
XLease MSN 3420 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 32A-1905 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 32A-2707 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 33A-469 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 33A-822 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-29344 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-30658 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-30665 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-30696 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-38828 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-41784 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-41785 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 75B-29381 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 76B-27610 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 76B-27616 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 76B-27958 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 76B-28111 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 76B-28207 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 76B-29435 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Poseidon Leasing (Bermuda) Limited	Bermuda	Active	Flight Equipment Leasing	100%	100%
Skylease MSN (3392) Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Skylease MSN 3564 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Skylease MSN 3825 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Skylease MSN 3859 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Skylease MSN 4241 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Skylease MSN 4267 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Delos Finance S.a.r.l.	Luxembourg	Active	Flight Equipment Leasing	100%	100%



## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 12 Investments (continued)

Name of company	Country of incorporation	Status	Holding	Proportion of voting rights and shares held	
				2022	2021
ILFC (Bermuda) 5, Ltd.	Bermuda	Active	Flight Equipment Leasing	100%	100%
ILFC (Bermuda) III, Ltd.	Bermuda	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 32A-2797 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Cayman Limited	Cayman Islands	Active	Flight Equipment Leasing	100%	100%
ILFC Ireland Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 32A-1808 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 32A-1901 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 32A-2279 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 33A-272 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-30667 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-30669 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-30672 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-41789 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-41802 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-41803 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 75B-26330 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 75B-27208 Designated Activity Company	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Ireland Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Singapore Pte. Ltd.	Singapore	Active	Flight Equipment Leasing	100%	100%
North Star Company Limited	China	Active	Flight Equipment Leasing	100%	100%
Whitney Leasing Limited	Bermuda	Active	Flight Equipment Leasing	100%	100%
Whitney UK Leasing Limited	United Kingdom	Active	Flight Equipment Leasing	100%	100%
Quiescent Holdings Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Shrewsbury Aircraft Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
AFS Investments 52 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments XI LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments XIII LLC	United States	Active	Flight Equipment Leasing	100%	100%
Gemanco Inc.	United States	Active	Flight Equipment Leasing	100%	100%
NAS FSC Carpenter-J, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Spoon River Aircraft Finance, Inc.	United States	Active	Flight Equipment Leasing	100%	100%

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 12 Investments (continued)

Name of company	Country of incorporation	Status	Holding	Proportion of voting rights and shares held	
				2022	2021
NAS Aviation Services LLC	United States	Active	Flight Equipment Leasing	100%	100%
AerCap ACM, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 48 LLC	United States	Active	Flight Equipment Leasing	100%	100%
GIF Management, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
NAS Investments 2 LLC	United States	Active	Flight Equipment Leasing	100%	100%
NAS Investments 8 LLC	United States	Active	Flight Equipment Leasing	100%	100%
Silvermine River Finance Two LLC	United States	Active	Flight Equipment Leasing	100%	100%
NAS U.S. Equity Holdings, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
NAS Investments 9 LLC	United States	Active	Flight Equipment Leasing	100%	100%
NAS Investments 10 LLC	United States	Active	Flight Equipment Leasing	100%	100%
NAS Investments 12 LLC	United States	Active	Flight Equipment Leasing	100%	100%
NAS Investments 76, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 54 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 55 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 56 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 57 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 60 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 66 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 67 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 67-F, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 68 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 69 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 70 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 71 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 72 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 73 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 74 LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments 75, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments I, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments X LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments XII LLC	United States	Active	Flight Equipment Leasing	100%	100%

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 12 Investments (continued)

Name of company	Country of incorporation	Status	Holding	Proportion of voting rights and shares held	
				2022	2021
AFS Investments XIX LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments XL-C LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments XLI LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments XLII LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments XVIII LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments XX LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments XXII LLC	United States	Active	Flight Equipment Leasing	100%	100%
AFS Investments XXVII LLC	United States	Active	Flight Equipment Leasing	100%	100%
Andromeda FSC Corporation	United States	Active	Flight Equipment Leasing	100%	100%
Sukuk Aviation Leasing LLC	United States	Active	Flight Equipment Leasing	100%	100%
NAS Investments 75, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
The Memphis Group, LLC	United States	Active	Flight Equipment Leasing	100%	100%
AerCap ACM, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
The Milestone Aviation Group LLC	United States	Active	Flight Equipment Leasing	100%	100%
Vertical Aviation No. 1 LLC	United States	Active	Flight Equipment Leasing	100%	100%
NAS Investments 77, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
NAS LLC Trust	United States	Active	Flight Equipment Leasing	100%	100%
Spoon River Aircraft Finance, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
AerCap Materials, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Logistechs, LLC	United States	Active	Flight Equipment Leasing	100%	100%
Fortress Aircraft 1 Limited (formerly Fortress Aircraft 32A-2730 Limited)	Ireland	Active	Flight Equipment Leasing	100%	100%
Delos Aircraft Leasing Designated Activity Company (formerly Delos Aircraft 76B-29387 Designated Activity Company)	Ireland	Active	Flight Equipment Leasing	100%	100%
Baunacloka Leasing Limited (formerly ILFC Aircraft 73B-30701 Limited)	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 1 Limited (formerly ILFC Aircraft 33A-1284 Limited)	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 6 Limited (formerly ILFC Aircraft 32A-2064 Limited)	Ireland	Active	Flight Equipment Leasing	100%	100%

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 12 Investments (continued)

Name of company	Country of incorporation	Status	Holding	Proportion of voting rights and shares held	
				2022	2021
ILFC Aircraft 4 Limited (formerly ILFC Aircraft 32A-2076 Limited)	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 5 Limited (formerly ILFC Aircraft 32A-2726 Limited)	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 7 Limited (formerly ILFC Aircraft 32A-3065 Limited)	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 3 Limited (formerly ILFC Aircraft 32A-3070 Limited)	Ireland	Active	Flight Equipment Leasing	100%	100%
Archerfish Aviation Inc. (formerly Aircraft 73B-38821 Inc)	United States	Active	Flight Equipment Leasing	100%	100%
Macra Aircraft Leasing Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Fortress Aircraft 33A-0366 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-41790 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-41791 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-41792 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 73B-41793 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
ILFC Aircraft 77B-29908 Limited	Ireland	Active	Flight Equipment Leasing	100%	100%
Castle Harbour Leasing LLC	United States	Active	Flight Equipment Leasing	100%	100%
Polaris Holding Company LLC	United States	Active	Flight Equipment Leasing	100%	100%
Windy City Holdings LLC	United States	Active	Flight Equipment Leasing	100%	100%
Castle Harbour - I Limited-Liability Company	United States	Active	Flight Equipment Leasing	100%	100%
Charles River Aircraft Finance, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Tuolumne River Aircraft Finance, Inc.	United States	Active	Flight Equipment Leasing	100%	100%
Go3 LLC Trust	United States	Active	Flight Equipment Leasing	100%	100%
Charles River Aircraft Finance, Inc. Voting Trust	United States	Active	Flight Equipment Leasing	100%	100%
Tuolmne River Aircraft Finance Inc. Voting Trust	United States	Active	Flight Equipment Leasing	100%	100%
AerCap Australia PTY LTD	Australia	Active	Flight Equipment Leasing	100%	0%
Celestial Aviation Trading 34 Limited	Ireland	Active	Flight Equipment Leasing	100%	0%
Aistrigh Limited	Bermuda	Active	Flight Equipment Leasing	100%	0%
AerCap Materials UK	United Kingdom	Active	Flight Equipment Leasing	100%	0%

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 12 Investments (continued)

Name of company	Country of incorporation	Status	Holding	Proportion of voting rights and shares held	
				2022	2021
SAL Investments 2 LLC	United States	Inactive	Flight Equipment Leasing	0%	100%

#### 13 Debtors: Amounts falling due after more than one year

	2022	2021
	\$ 000	\$ 000
Finance lease receivables (see note 15)	103,523	307,399
Lease incentives	76,608	104,527
Accrued income	33,646	23,470
	<u>213,777</u>	<u>435,396</u>

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 14 Debtors: Amounts falling due within one year

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
Trade debtors(i)	34,543	53,341
Provision for impairment of trade debtors (ii)	(536)	(12,025)
Net trade debtors	34,007	41,316
Amounts due from group companies (iii)	38,816,282	40,741,522
Other debtors and prepayments	27,582	19,364
Finance lease receivables (see note 15)	36,236	85,860
	<u>38,914,107</u>	<u>40,888,062</u>

(i) Included above, the Trust has a contractually deferred balance of \$31.9m (2021: \$47.7m).

(ii) The opening balance of provision for impairment of debtors was \$12m with a closing provision of \$0.5m at 31 December, 2022. The movement during the year was a write off of Russian related debtors of \$10.5m to the exceptional item line and \$1.0m to gain on changes in provisions (See note 5).

(iii) Included within amounts due from group companies are amounts under sublease arrangements of \$1.9m (2021: \$20.0m). Opening balance of provision with respect of amounts due from group companies was \$108.4m (2021 \$227.0m opening balance) and closing balance of provision was \$115.3m. Movement during the financial year represents an increase in the provision with respect of amounts due from group companies of \$6.9m. (2021: Gain from provision of \$118.6m. See note 7). Interest is charged at a composite rate of 3.6% (2021: 4.3%).

The Trust is managing the credit risk by monitoring the quality of assets of the group companies and initiating additional capital contribution to be provided by the ultimate parents company to the relevant group company as necessary. All amounts due from group companies are unsecured and are repayable on demand; therefore, there is no amount considered past due as of financial year end. Management of the Trust assess all outstanding balances as recoverable.

#### 15 Finance lease receivables

	<b>2022</b>	<b>2021</b>
	<b>\$ 000</b>	<b>\$ 000</b>
<b>Present value of minimum lease payments</b>		
Not later than one year	35,289	85,860
Later than one year and not later than five years	87,676	233,794
Later than five years	16,793	73,605
	<u>139,758</u>	<u>393,259</u>

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 15 Finance lease receivables (continued)

	2022 \$ 000	2021 \$ 000
<b>Gross investment in finance lease</b>		
Not later than one year	42,524	104,737
Later than one year and not later than five years	101,298	274,227
Later than five years	19,001	79,712
	<u>162,823</u>	<u>458,676</u>

The total unearned finance lease income as at 31 December 2022 was \$22.1m (2021: \$65.4m). Unguaranteed residual value accruing to the benefit of the lessor amounted to \$90.1m (2021: \$262.5m). An allowance of \$0.9m (2021: \$nil) was recognised in the period. During 2022, the number of finance leases reduced from 32 to 12 due to external sales and intercompany transfers.

#### 16 Cash and cash equivalents

	2022 \$ 000	2021 \$ 000
Cash at bank	<u>220,930</u>	<u>221,712</u>

#### 17 Creditors: Amounts falling due within one year

	2022 \$ 000	2021 \$ 000
Creditors (i)	24,131	9,598
Accrued expenses	7,813	3,597
Amounts due to Group companies (ii)	1,992,670	1,997,947
Other payables	-	538
Loans and borrowings (see note 19)	4,058,969	1,861,791
Accrued interest	300,689	316,617
Deferred income	-	13,122
Security deposits	12,187	17,529
Maintenance reserves	44,742	30,112
Lessor contributions	4,148	-
	<u>6,445,349</u>	<u>4,250,851</u>

(i) Creditors include \$21.7m (2021: \$5.5m) of initial instalment payments received under CSA.

(ii) All amounts owed to Group companies are due to the parent undertaking and fellow subsidiary undertakings and are repayable on demand. Interest is charged at a composite rate of 3.6% (2021: 4.3%).

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 18 Creditors: Amounts falling due after more than one year

	2022 \$ 000	2021 \$ 000
Loans and borrowings (see note 19)	30,006,778	34,665,811
Lessor contributions	82,177	-
Security deposits	76,847	92,083
Maintenance reserves	199,973	486,872
Vendor credit allocations	39,926	39,926
Other creditors	-	248
	<u>30,405,701</u>	<u>35,284,940</u>

Included in the opening balance in maintenance reserves are lessor contributions of \$95.1m. The decrease in maintenance reserves of \$177.4m during the year is primarily due to the derecognition of Russian related liabilities and other lease expiries of \$204.7m. Further decreases are due to claims of \$36.8m, transfers of \$4.0m and aircraft sales of \$14.5m. This decrease was offset by new billings of \$83.0m.

The lessees of the Trust's aircraft have provided letters of credit totalling \$27.6m (2021: \$47.4m) as security against their rental and maintenance obligations under the lease agreements.

Included in Security Deposits are amounts of \$55.5 million greater than 5 years (2021: \$61.8 million). Included in Maintenance Reserves are amounts of \$66.3 million greater than 5 years (2021: \$136.8 million)

#### 19 Loans and borrowings

	2022 \$ 000	2022 \$ 000	2021 \$ 000	2021 \$ 000
	Nominal value	Book value	Nominal Value	Book Value
<i>Unsecured Notes</i>				
ILFC Legacy notes	-	-	1,034,274	1,038,484
AerCap Trust & AICDC	10,700,000	10,643,563	12,167,202	12,087,834
GE notes	1,000,000	1,000,000	1,000,000	999,990
GE acquisition notes	<u>21,000,000</u>	<u>20,877,849</u>	<u>21,000,000</u>	<u>20,856,271</u>
<b>Total unsecured notes</b>	32,700,000	32,521,412	35,201,476	34,982,579
ECAPS subordinated debt	999,788	999,788	1,000,000	999,784
Junior subordinated notes	500,000	496,387	500,000	496,322
Other secured debt	<u>47,801</u>	<u>47,801</u>	<u>48,916</u>	<u>48,916</u>
<b>Balance at 31 December</b>	<u>34,247,589</u>	<u>34,065,388</u>	<u>36,750,392</u>	<u>36,527,601</u>



## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 19 Loans and borrowings (continued)

Analysis of the maturity of loans is given below:

	2022 \$ 000	2021 \$ 000
<i>Loan Maturity</i>		
Amounts falling due within one year	4,058,969	1,861,791
Amounts falling due within one to two years	6,765,634	4,658,914
Amounts falling due within two to five years	10,945,477	16,123,080
Amounts falling due after more than five years	12,295,308	13,883,816
	<u>34,065,388</u>	<u>36,527,601</u>

Interest rate benchmarks, including the London Interbank Offered Rates (“LIBOR”), are the subject of ongoing reform and, in some cases, discontinuation. On 27 July, 2017, the Chief Executive of the U.K. Financial Conduct Authority (the “FCA”), which regulates LIBOR, announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. This has subsequently been extended to June 2023 for the major USD LIBOR tenors. The Trust has exposures to IBORs on its financial instruments and we expect to transition to the Secured Overnight Financing Rate (“SOFR”) on or before 30 June, 2023. As of 31 December, 2022, we had approximately \$450m (2021: \$1bn) of floating rate debt outstanding that used either one-month, three-month or six-month USD LIBOR as the applicable reference rate to calculate interest on such debt.

A reconciliation of the movement in class of debt for the period ended 31, December, 2022 is set out below:

	Opening Balance 2022 \$ 000	Issued 2022 \$ 000	Repaid 2022 \$ 000	Amortised 2022 \$ 000	Closing Balance 2022 \$ 000
ILFC legacy notes	1,038,485	-	(1,034,274)	(4,211)	-
AerCap Trust and AICDC	12,087,834	-	(1,467,202)	22,930	10,643,562
GECAS notes	999,990	-	-	10	1,000,000
GECAS acquisition notes	20,856,270	-	-	21,580	20,877,850
	34,982,579	-	(2,501,476)	40,309	32,521,412
ECAPS subordinated debt	999,846	-	-	(58)	999,788
Junior subordinated debt	496,260	-	-	127	496,387
Other secured debt	48,916	-	(1,115)	-	47,801
	<u>36,527,601</u>	<u>-</u>	<u>(2,502,591)</u>	<u>40,378</u>	<u>34,065,388</u>

A reconciliation of the movement in class of debt for the year ended 31, December, 2021 is set out below:

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 19 Loans and borrowings (continued)

	Opening Balance 2021 \$ 000	Issued 2021 \$ 000	Repaid 2021 \$ 000	Amortised 2021 \$ 000	Closing Balance 2021 \$ 000
ILFC Legacy notes	1,220,604	-	(164,614)	(17,505)	1,038,485
AerCap Trust & AICDC	12,710,213	982,532	(1,629,924)	25,013	12,087,834
GECAS Notes	-	999,990	-	-	999,990
GECAS acquisition notes	-	20,852,511	-	3,759	20,856,270
	<u>13,930,817</u>	<u>22,835,033</u>	<u>(1,794,538)</u>	<u>11,267</u>	<u>34,982,579</u>
ECAPS subordinated debt	999,781	-	-	65	999,846
Junior subordinated notes	496,260	-	-	-	496,260
Other secured debt	25,771	23,814	(669)	-	48,916
	<u>15,452,629</u>	<u>22,858,847</u>	<u>(1,795,207)</u>	<u>11,332</u>	<u>36,527,601</u>

#### *ILFC Legacy notes*

In June 2022, AerCap Trust and AICDC completed the scheduled repayment of all \$750m aggregate outstanding 5.88% ILFC Legacy Notes. In July 2022, AerCap Trust and AICDC completed the scheduled repayment of all \$284.2m aggregate outstanding 8.63% ILFC Legacy Notes.

#### *AerCap Trust & AICDC Notes*

From time to time since the completion of the ILFC Transaction, AerCap Trust and AICDC have co-issued additional senior unsecured notes (the "AGAT/AICDC Notes"). The proceeds from these offerings were used for general corporate purposes.

	2022 \$ 000	2021 \$ 000	Interest Rate	Maturity
June 2015 notes	-	500,000	4.25%-4.625%	2022
January 2017 notes	-	367,702	3.50%	2022
July 2017 notes	1,000,000	1,000,000	3.65%	2027
November 2017 notes	800,000	800,000	3.50%	2025
January 2018 notes	1,150,000	1,150,000	3.30%-3.875%	2023-2028
June 2018 notes	-	600,000	4.125%	2023
August 2018 notes	600,000	600,000	4.45%	2025
January 2019 notes	900,000	900,000	4.875%	2024
April 2019 notes	500,000	500,000	4.45%-4.875%	2024-2026
August 2019 notes	750,000	750,000	2.875%	2024
June 2020 notes	1,250,000	1,250,000	6.5%	2025
July 2020 notes	1,250,000	1,250,000	4.5%	2023
September 2020 notes	900,000	900,000	3.15%	2024
September 2020 notes	600,000	600,000	4.625%	2027
January 2021 notes	1,000,000	1,000,000	1.75%	2026
	<u>10,700,000</u>	<u>12,167,702</u>		

## **AerCap Global Aviation Trust**

### **Notes to the financial statements for the financial year ended 31 December 2022 (continued)**

#### **19 Loans and borrowings (continued)**

The AerCap Trust/AICDC Notes are registered with the SEC. The AerCap Trust/AICDC Notes are jointly and severally and fully and unconditionally guaranteed by AerCap Holdings N.V. and by AerCap Ireland, AerCap Aviation Solutions B.V., ILFC and AerCap U.S. Global Aviation LLC. Except as described below, the AerCap Trust/AICDC Notes are not subject to redemption prior to their stated maturity and there are no sinking fund requirements. We may redeem each series of the AerCap Trust/AICDC Notes in whole or in part, at any time, at a price equal to 100% of the aggregate principal amount plus the applicable “make-whole” premium plus accrued and unpaid interest, if any, to the redemption date.

The indentures governing the AerCap Trust/AICDC Notes contain customary covenants that, among other things, restrict our, and our restricted subsidiaries’, ability to incur liens on assets and to consolidate, merge, sell, or otherwise dispose of all or substantially all of our assets. The indentures also provide for customary events of default, including, but not limited to, the failure to pay scheduled principal and interest payments on the AerCap Trust/AICDC Notes, the failure to comply with covenants and agreements specified in the indentures, the acceleration of certain other indebtedness resulting from non-payment of that indebtedness and certain events of insolvency. If any event of default occurs, any amount then outstanding under the indentures may immediately become due and payable.

On 28 March, 2022, AerCap Trust and AICDC completed the redemption of all \$367.2 million outstanding aggregate principal amount of their 3.5% Senior Notes due 2022.

On 25 May, 2022, AerCap Trust and AICDC completed the redemption of all \$500.0 million outstanding aggregate principal amount of their 4.625% Senior Notes due 2022.

On 23 December, 2022, AerCap Trust and AICDC completed the redemption of all \$600.0 million outstanding aggregate principal amount of their 3.3% Senior Notes due 2023.

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 19 Loans and borrowings (continued)

##### *GECAS acquisition notes*

The Trust and AICDC co-issued \$21 billion of Senior Unsecured Notes in aggregate (the “GECAS acquisition notes”) in connection with the GECAS Transaction on 29 October 2021. The GECAS acquisition notes are fully and unconditionally guaranteed on a senior unsecured basis by AerCap and certain other AerCap subsidiaries. The proceeds from the issuance of the GECAS acquisition notes were used to fund a portion of the cash consideration to be paid in the GECAS Transaction, and to pay related fees and expenses, with any excess proceeds to be used for general corporate purposes.

The following table provides a summary of the outstanding GECAS acquisition notes as of 31 December 2022:

	<b>2022</b>		
	<b>\$ 000</b>	<b>Interest Rate</b>	<b>Maturity</b>
October 2021 notes	500,000	SOFR & 0.68%	2023
October 2021 notes	1,500,000	3.85%	2024
October 2021 notes	1,500,000	3.40%	2033
October 2021 notes	4,000,000	3.30%	2032
October 2021 notes	3,750,000	3.00%	2028
October 2021 notes	3,750,000	2.45%	2026
October 2021 notes	1,000,000	1.75%	2024
October 2021 notes	3,250,000	1.65%	2024
October 2021 notes	1,750,000	1.15%	2023
	<u>21,000,000</u>		

##### *GE notes*

On 1 November 2021, the Trust and AICDC co-issued \$1.0bln of 1.899% Senior Unsecured Notes due 2025 to a subsidiary of GE in connection with the closing of the GECAS transaction.

##### *Junior Subordinated Notes*

In June 2015, AerCap Trust issued \$500.0m of junior subordinated notes due 2045 to AIG. The Junior Subordinated Notes initially bear interest at a fixed interest rate of 6.5%, and beginning in June 2025, will bear interest at a floating rate of three-month LIBOR (or, if three-month LIBOR is no longer quoted at such time, the last quote available for three-month LIBOR) plus 4.3%.

The Junior Subordinated Notes are guaranteed by AerCap and certain of its subsidiaries. We may defer any interest payments on the Junior Subordinated Notes for up to five consecutive deferral periods. At the end of five years following the commencement of any deferral period, we must pay all accrued and unpaid deferred interest, including compounded interest.

We may at our option redeem the Junior Subordinated Notes before their maturity in whole or in part, at any time and from time to time, on or after 15 June, 2025 at 100% of their principal amount plus any accrued and unpaid interest thereon.

The Junior Subordinated Notes are junior subordinated unsecured obligations, rank equally with all of AerCap Trust’s future equally ranking junior subordinated indebtedness, if any, and are subordinate and junior in right of payment to all of AerCap Trust’s existing and future senior indebtedness.

## **AerCap Global Aviation Trust**

### **Notes to the financial statements for the financial year ended 31 December 2022 (continued)**

#### **19 Loans and borrowings (continued)**

##### *ECAPS subordinated notes*

In December 2005, ILFC issued two tranches of subordinated notes in an aggregate principal amount of \$1.0bln. Both the \$400.0m and \$600.0m tranches have a floating interest rate, with margins of 1.80% and 1.55% respectively, plus the highest of three-month LIBOR, ten-year constant maturity U.S. Treasury, and 30-year constant maturity U.S. Treasury. The ECAPS contain customary financial tests, including a minimum ratio of equity to total managed assets and a minimum fixed charge coverage ratio. Failure to comply with these financial tests will result in a “mandatory trigger event.”

If a mandatory trigger event occurs and we are unable to raise sufficient capital in a manner permitted by the terms of the subordinated debt to cover the next interest payment on the subordinated debt, a “mandatory deferral event” will occur, requiring us to defer all interest payments and prohibiting the payment of cash dividends on the Trust’s or ILFC’s capital stock or its equivalent until both financial tests are met or we have raised sufficient capital to pay all accumulated and unpaid interest on the subordinated debt. Mandatory trigger events and mandatory deferral events are not events of default under the indenture governing the subordinated debt.

Upon consummation of the ILFC Transaction, the subordinated notes were assumed by the Trust, and AerCap and certain of its subsidiaries became guarantors. ILFC remains a co-obligor under the indentures governing the subordinated notes. The addition of these subsidiary guarantors did not affect the subordinated ranking of these notes.

These ECAPS subordinated notes were listed on the Main Securities Market of the Irish Stock Exchange.

#### **20 Capital contributions**

Capital contributions of \$6.6bln were provided by AerCap Ireland Limited to the Trust during 2021. This was used to assist in the acquisition of the GECAS US group of entities. This Capital Contribution is non-interest bearing and non-refundable. Also in 2021 a \$1.8bln distribution was made to its parent. During 2022, a further distribution was made to its parent of \$4.7bln bringing the total distributions to \$6.5bln at the end of 2022.

## AerCap Global Aviation Trust

### Notes to the financial statements for the financial year ended 31 December 2022 (continued)

#### 21 Commitments

##### *Prepayments of aircraft purchases*

As at 31 December 2022, the Trust had commitments to purchase 146 new aircraft scheduled for delivery through 2027. Our contractual commitments for the purchase of flight equipment amount to an estimated total of \$7.4bln (including adjustments for certain contractual escalation provisions). These commitments are based upon purchase agreements with Boeing, Airbus and Embraer. Total Prepayments have a closing balance of \$655.9m (2021: \$556.6m) The movement represents the delivery of aircraft during 2022 and any further payments made.

These agreements establish the pricing formulae and various other terms with respect to the purchase of aircraft. Under certain circumstances the Trust have the right to alter the mix of aircraft types ultimately acquired. As at 31 December 2022, the Trust had made non-refundable deposits on these purchase commitments (exclusive of capitalised interest) of approximately \$528.3m (2021: \$416.8m).

The amounts of borrowing costs capitalised in the year ended 31 December 2022 was \$14.7m (2021: \$9.6m) at a capitalisation rate of 3.4% (2021: 4.1%).

Management anticipates that a portion of the aggregate purchase price for the acquisition of aircraft will be funded by incurring additional debt. The amount of indebtedness to be incurred will depend upon the final purchase price of the aircraft, which can vary due to a number of factors, including inflation.

##### *Legal proceedings*

In the ordinary course of business, the Trust are a party to various legal actions, which management believe are incidental to the operations of our business. The Trust regularly reviews the possible outcome of such legal actions, and accrues for legal actions at the time a loss is probable and the amount of the loss can be estimated. In addition, the Trust also reviews the applicable indemnities and insurance coverage. Based on the information currently available, we believe the potential outcome of these cases, and our estimates of the reasonably possible losses exceed amounts already recognised on an aggregated basis and is immaterial to the Trust's financial condition, results of operations or cash flows.

#### 22 Related party transactions

Under FRS102, the Trust is exempt from the requirement to disclose related party transactions with other group companies on the grounds that it is a wholly owned indirect subsidiary of AerCap Holdings NV, which prepares consolidated financial statements that are available to the public.

#### 23 Ultimate parent undertaking

The Trust's ultimate parent is AerCap Holdings N.V., incorporated in the Netherlands, into which the results of the AerCap Global Aviation Trust are consolidated. The consolidated accounts of AerCap Holdings N.V. are publicly available from the Trade Register in the city of Amsterdam under the number 34251954.

## **AerCap Global Aviation Trust**

### **Notes to the financial statements for the financial year ended 31 December 2022 (continued)**

#### **24 Beneficial ownership interest**

Prior to the closing date of the ILFC Transaction on 14 May 2014, AICDC, as beneficial owner of the Trust, made a contribution of \$45bln to the Trust to acquire all of ILFC's assets and substantially all of ILFC's liabilities in line with the reorganisation.

In return for this contribution, the Trust issued ownership interests ("Interests") in the Trust, the rights of which are set out in the AerCap Trust Deed. These Interests include (i) rights to profits, losses, allocations and distributions, (ii) rights to vote or grant or withhold consents with respect to the Trust and (iii) beneficial interest in the property of the Trust.

The Interests are a single class of beneficial ownership interest with no differences between the rights, preferences and restrictions of each interest.

#### **25 Subsequent events**

On 16 March 2023, the Trust made a distribution of US\$500m to AerCap Ireland Capital Designated Activity Company.

On 14 April, 2023 the Trust transferred its investment in the Hyperion Aircraft Limited structure to AerCap Ireland Limited.