

 Early Warning System

IFC-48906

AerCap Indigo



Quick Facts

Countries	Ireland
Financial Institutions	International Finance Corporation (IFC)
Status	Approved
Bank Risk Rating	B
Voting Date	2024-05-28
Borrower	AerCap Holdings N.V.
Sectors	Infrastructure, Transport
Investment Type(s)	Loan
Investment Amount (USD)	\$ 250.00 million
Project Cost (USD)	\$ 250.00 million



Project Description

According to the Bank's website, the proposed investment is in the form of a long-term, secured, and guaranteed debt financing of up to US\$155.5 million to a special purpose vehicle, Pio Engine Leasing Limited (the SPV or the Borrower) to be incorporated in Ireland and 100% owned by AerCap Ireland Limited, a 100% subsidiary of AerCap Holdings N.V. (AerCap or the Sponsor).

The financing is for acquisition of 13 CFM Leading Edge Aviation Propulsion (LEAP)-1A26 and CFM LEAP-1A30 new generation (spare) engines to be leased to InterGlobe Aviation Limited (which operates as IndiGo), in India, with lease terms of over 10 years (the Project).

The LEAP-1A engine features some of the industry's most cutting-edge technologies, offering up to 15% better fuel efficiency and up to 50% reduction of NOx emissions in comparison to the current tech CFM56-5B engine. Each lease for the 13 engines may be structured via a head-lease/sub-lease structure through one or more entities, which may be established directly or indirectly within Gujarat International Finance Tec-City (GIFT City) in India.



Early Warning System Project Analysis

This is a Category B project according to IFC's Policy on Environmental and Social Sustainability (2012) because the IFC-financed business activity has limited adverse environmental or social risks and/or impacts that are few in number, generally site-specific, largely reversible, and readily addressed through mitigation measures. Considering that AerCap SPV will not have a direct role in the delivery, operation, maintenance, or repair of the leased engines, the key E&S aspect under this project relates to monitoring by the SPV of the Lessee's compliance with the lease agreement provisions, Original Equipment Manufacturer (OEM) specifications, and regulatory authority directives; especially where these involve health and safety conditions, and pollution prevention.



Investment Description

- International Finance Corporation (IFC)

A long-term, secured, and guaranteed debt financing of up to US\$155.5 million to a special purpose vehicle (the SPV or the Borrower) incorporated in Ireland. The starting loan to value (LTV) percent depends on the current valuation of the 13 engines, which stands at approximately US\$239 million based on average maintenance adjusted valuation (based on three valuation reports), translating to an LTV percent of approximately 65 percent for the proposed loan amount of US\$155.5 million.

IFC's Investment as Approved by the Board: Loan 250.0 million (USD)



Private Actors Description

AerCap is the global leader in aviation leasing with 2,063 aircraft owned, managed or on order, over 1,000 engines (including engines owned and managed by Shannon Engine SupportSES), over 300 owned helicopters, and total assets of \$71 billion as of June 30, 2024.

AerCap's ordinary shares are listed on the New York Stock Exchange under the ticker symbol AER. AerCap's headquarters are in Dublin, Ireland, with other offices in Shannon, Miami, Singapore, Memphis, Amsterdam, Shanghai, Dubai and other locations.

It is rated internationally BBB+ by S&P, BBB by Fitch and Baa1 by Moody's and is the world's first independent lessor to hold investment grade rating. The Company serves approximately 300 customers around the world with comprehensive fleet solutions and has an employee base of c.650 people.



Private Actor 1	Private Actor 1 Role	Private Actor 1 Sector	Relation	Private Actor 2	Private Actor 2 Role	Private Actor 2 Sector
-	-	-	-	AerCap Holdings NV	Client	-



Contact Information

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ACCESS TO INFORMATION

You can submit a request for information disclosure at: <https://disclosures.ifc.org/#/inquiries>

If you believe that your request for information from IFC has been unreasonably denied, or that this Policy has been interpreted incorrectly, you can submit a complaint at the link above to IFC's Access to Information Policy Advisor, who reports directly to IFC's Executive Vice President.

ACCOUNTABILITY MECHANISM OF IFC/MIGA

The Compliance Advisor Ombudsman (CAO) is the independent complaint mechanism and fact-finding body for people who believe they are likely to be, or have been, adversely affected by an IFC or MIGA- financed project. If you submit a complaint to the CAO, they may assist you in resolving a dispute with the company and/or investigate to assess whether the IFC is following its own policies and procedures for preventing harm to people or the environment. If you want to submit a complaint electronically, you can email the CAO at CAO@worldbankgroup.org You can learn more about the CAO and how to file a complaint at <http://www.cao-ombudsman.org>



Bank Documents

- [Environmental & Social Review Summary \(ESRS\)](#)