SMBC AVIATION CAPITAL

2025

ANNUAL REPORT & ACCOUNTS

CONTENTS

ANNUAL REPORT

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS

HIGHLIGHTS 2025

$1.2bn
Profit before tax

A-/BBB+
S&P / Fitch ratings

$25bn
Total assets

1,001
Owned, managed and committed aircraft

261
Aircraft on our orderbook

87%
Of our portfolio are narrowbody aircraft

292
Employees across 12 global locations

73%
Of our fleet is new technology aircraft

12
CSR Programme entering its 12th year with 15 active charity partnerships

10
SMBC Aviation Capital's 10th annual report publication

FIGURES CORRECT AS OF 31 MARCH 2025

CHAIRMAN'S REVIEW

I am extremely proud to have completed my second year as Chairman of SMBC Aviation Capital, one of the world's leading aircraft leasing companies. The past 12 months have been significant, with SMBC Aviation Capital reporting $1.2 billion profit before tax in the financial year ended 31 March 2025. Our record performance demonstrates the underlying strength of our business, which has been made possible thanks to our talented team and the strong financial support from our shareholders. With these foundations, we remain ideally placed to deliver further value with our broad product offering.

During the year, SMBC Aviation Capital also continued to successfully navigate the challenges presented by geopolitical events. We have been aided in our ability to respond proactively to the dynamic and changing global landscape by the quality and tenure of our Executives, together with the expertise of our broader team. Our experience, structure and consistent long-term strategy not only gives us the ability to withstand specific industry and wider economic shocks, but to capitalise on opportunities as they arise.

LONG-TERM SUPPORT

SMBC Aviation Capital is built on the foundation of exceptional shareholder support. Our backing comes from two industry leaders: Sumitomo Mitsui Finance and Leasing ("SMFL"), Japan's premier general leasing company, and Sumitomo Mitsui Banking Corporation ("SMBC"), one of the world's largest financial institutions.

This partnership, built over many years, and the support it provides, gives us an extremely strong financial position, demonstrated by our investment-grade credit ratings.

In addition, as our primary lenders, our shareholders deliver a significant competitive advantage to the business by providing access to large-scale, competitively priced financing across all market cycles.

CUSTOMER FOCUS

At the year end, SMBC Aviation capital had a portfolio of 1,001 owned, managed and committed aircraft, supporting almost 105 airline customers in over 50 countries.

We have made the decision to offer a full range of aviation finance products to our customers - for example, working with our shareholders who promote the business out of Japan, including JOL and JOLCO products. Together with a range of other financing products, this positions us to provide the widest range of aircraft, engine lease and finance solutions to airlines and investors worldwide.

FITZWILLIAM 28 OFFICE OPENING
Mr Paschal Donohoe, Minister for Finance, Ireland (Centre) with Mr Masaki Tachibana, President, Sumitomo Mitsui Finance and Leasing Company (Left), Mr Peter Barrett, CEO, SMBC Aviation Capital (Right) with SMBC Aviation Capital Board Members at the opening of Fitzwilliam 28, July 2024

BUSINESS PERFORMANCE

During the year we continued to capitalise on positive demand dynamics and capture opportunities, integrating increasingly higher yielding aircraft into our fleet and signing $4 billion of new leasing agreements, securing the forward placement of substantially all of our orderbook positions delivering through to late 2027. At the same time, we took advantage of the robust aircraft trading market while also achieving further settlements in our Russian insurance litigation.

Our success is the direct result of our long-term strategy to build a leading, in-demand portfolio of scale, underpinned by our disciplined approach to investment and portfolio management, coupled with significant balance sheet strength. We now have a well-balanced fleet and a strong orderbook.

STATE OF THE ART HEADQUARTERS

A significant milestone for the business over the year was moving into our new headquarters, and we were delighted to host a range of Irish Government members, key stakeholders and shareholder representatives at the formal opening ceremony of Fitzwilliam 28 in July 2024.

These premises not only signify our commitment to Dublin and Ireland as a centre for aircraft leasing, but also the importance we place on investing in our people. They also highlight our focus on sustainability and carbon reduction, with the building meeting the LEEDv4.1 Gold standard.

COMMITMENT TO SUSTAINABILITY

At SMBC Aviation Capital, we are ambitious for ourselves and for the future of aircraft leasing. We believe that aviation makes a hugely positive contribution to society and our actions as a business will help create a more sustainable future for our industry, while also delivering a positive impact for our employees and the communities in which we operate.

In 2024, we opened the Trinity College Dublin Sustainable Aviation Fuel (“SAF”) Research Facility at our headquarters, which is a tangible example of our dedication to contributing to the aviation industry’s overall decarbonisation journey. At SMBC Aviation Capital, we are determined to make a meaningful contribution to the sustainability of our industry, with our approach driven by credible ambition to do real things and play our part.

PICTURED ABOVE
Barry Walsh and Aoife Hafner of SMBC Aviation Capital at our Difference Days Project in Dolphin's Barn, Dublin 8

PICTURED BELOW
SMBC Aviation Capital have been involved with our charity partner Open Arms Malawi since June 2016

As a business, we understand our responsibility to the communities in which we operate. Our Corporate Social Responsibility programme signifies our commitment to giving back at a local and international level by engaging in impactful projects. This also provides our staff with opportunities for growth and development, an important part of our culture.

During this year, two groups of employees travelled once again to India and Malawi to work with our charity partners, Pratyek and Open Arms Malawi. Additionally, over 300 of our employees took part in our 5th Difference Day activity, transforming a community garden area for The Dolphin House Community Centre in Dublin.

THE FUTURE OF AVIATION

At SMBC Aviation Capital we are ambitious for the future of aviation and determined to help sustain its role as a pillar of social and economic progress.

Despite macroeconomic volatility, the fundamentals of our business remain strong. We firmly believe that aircraft leasing is and will remain a key facilitator of the human need to connect and a pillar of economic progress.

I wish to express my thanks to all our employees and our shareholders for their collaboration, with the dedication and commitment of the entire team driving our success.

With our consistent, clear and long-term strategy, a defined focus on the most modern, fuel-efficient, in-demand aircraft types and extensive expertise within the business, we are confident in our ability to maintain our competitive edge and deliver significant long-term value.

NORIYUKI HIRUTA
CHAIRMAN

CHIEF EXECUTIVE'S REVIEW

As I reflect on the past year, I am proud to share the achievements and continued growth that have defined our journey. Our performance has been marked by resilience, innovation and a consistent commitment to our customers and stakeholders, resulting in record performance across all key metrics that demonstrate the strength of our long-term strategy and quality of execution.

LEADING THE WAY IN AIRCRAFT LEASING

SMBC Aviation Capital is an ambitious, large-scale, people-focused aircraft leasing business driven by the principle of partnership. This ethos has been instrumental in navigating the complexities of the aviation industry, enabling us to deliver real value and service while remaining uniquely positioned to meet our customers' evolving needs.

Our strength and scale, combined with the unwavering support of our shareholders, allows us to deliver a compelling offering to the market, ensuring we remain the most trusted partner in aircraft leasing. That position as a trusted partner means we also play a role in delivering real economic and social value as an integral part of a wider aviation industry that stands as a force for good in society, connecting communities, sustaining economies and expanding perspectives across the globe.

Looking ahead, we remain confident in our strategic direction and our ability to continue delivering value to all our stakeholders while contributing to the vital role aviation plays in connecting our world.

STRATEGIC VISION, EXECUTION, AND PORTFOLIO MANAGEMENT

Our performance in the financial year to 31 March 2025 reporting $1.2 billion profit before tax, validates the strength of our strategic approach built over 24 years of disciplined decision-making and consistent execution. This foundation, anchored by our strategy for aircraft investment, active portfolio management, and a robust balance sheet, has enabled us to unlock significant value from large-scale, strategically timed asset growth. We are now very well-positioned to deliver sustained long-term growth and stable returns for our shareholders.

Our strategy centres on building a world-class portfolio of scale, comprising the most liquid and in-demand aircraft types. This targeted focus enhances our relevance with both customers and suppliers while creating substantial competitive advantages. In today's supply-constrained environment, demand for our assets remains strong as airlines and investors compete to secure the precise aircraft types we own.

We executed over 200 aircraft transactions during the year for the purchase, sale, and lease of aircraft across our delivered and committed fleet.

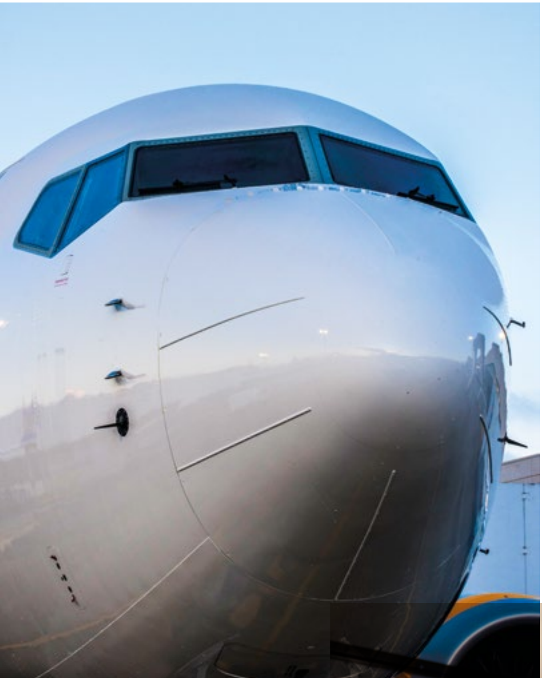
We entered the financial year with a robust orderbook that continues to serve as an important driver of profitability and portfolio enhancement. Current market dynamics (including sector consolidation and persistent supply shortages) strongly favour established players like SMBC Aviation Capital who hold valuable delivery positions.

STRENGTHENING PARTNERSHIPS FOR FUTURE SUCCESS

Our customers remain at the heart of everything we do. We understand that anticipating, meeting, and exceeding our customers' expectations is central to their success and ours. We strive to deliver a differentiated experience, tailored to their individual requirements.

Despite recent macroeconomic volatility, leading airlines continue to turn to the leasing sector in greater numbers to secure capacity in this severely supply-constrained environment. Our commitment to understanding and addressing the unique requirements of each customer has been key to fostering these long-lasting relationships built on trust and mutual success. This customer-centric approach ensures that we remain agile and responsive, providing tailored solutions and a wide product offering that drives efficiency and innovation.

This approach has enabled us to develop and deepen our relationships with some of the world's leading airlines, resulting in an improved counterparty credit profile and strengthening our business. Our strategic decisions, disciplined execution and focus on our customers has put our business in a strong position and we must use this advantage to serve our customers in the best way possible.



OUR PEOPLE: VALUES-DRIVEN PERFORMANCE

Our people are fundamental to our success, and we remain committed to their continuing development.

Our six core values—Respect, Trust, Integrity, Connect, Adapt, and Achieve guide how we operate as an organisation and form the foundation of the strong and distinctive culture we have built. We firmly believe that our culture is integral to our performance, and we ensure that it shapes how we communicate, collaborate, and deliver results. In addition, our culture enables us to create an inclusive environment where diverse perspectives are valued, and innovation can thrive.

Our investment in development, training and support opportunities reflects this performance culture in action. Our new headquarters brings teams together in sustainable offices that support collaboration and innovation. As part of a more global business, our people are experiencing enhanced opportunities such as a wider base of customers, and the platform to execute increasingly complex deals.

OUR COMMITMENT TO SUSTAINABILITY

At SMBC Aviation Capital, we are embracing the sustainability challenge in a way that maintains human connectivity and supports economic growth. We are ambitious for the future of aviation and determined to help sustain its role as a pillar of social and economic progress.

Our sustainable global headquarters, Fitzwilliam 28, located in Dublin's city centre reflects both our commitment to Ireland and the country's position as the world's premier aviation leasing hub. Ireland's aviation heritage provides the foundation for our determination to secure a dynamic future for the sector. This new headquarters stands as a tangible symbol of our commitment and our forward-looking ambition for our business.

We manage one of the most environmentally sustainable portfolios in the industry, with new technology, fuel-efficient aircraft now representing 73% of our portfolio. We have set a target to increase this to at least 80% by 2030, demonstrating our commitment to help the industry's decarbonisation journey.

Sustainable Aviation Fuel ("SAF") is an important part of securing this future for aviation. While we are realistic about the challenges that remain on its affordability and availability, SAF remains the current best option to make meaningful progress towards decarbonising our sector. We are dedicated to exploring and supporting advancements in SAF technology and usage, ensuring that aviation continues to connect communities, sustain economies, and broaden minds.

We are proud partners of Trinity College Dublin, the delivery partner for the EU EASA clearing house for SAF research. Their research facility, located at our headquarters in Dublin highlights our dedication to innovation and sustainability. This partnership exemplifies our ethos of collaboration in addressing sustainability challenges.

Through strategic partnerships and innovative research, we're not just adapting to change—we're driving it, ensuring aviation's sustainable evolution for generations to come.

PICTURED ABOVE
Weiming Liu (Laboratory Manager) of The Trinity College Dublin Sustainable Aviation Fuel Research Facility at SMBC Aviation Capital

CREATING LASTING VALUE FOR ALL OUR STAKEHOLDERS

I am proud of what we have accomplished together and optimistic about what lies ahead. SMBC Aviation Capital's strong performance this past year demonstrates the power of partnership—with our customers, shareholders, and our people.

The steadfast support of our shareholders remains critical to our success, and their confidence in our team, strategy and potential continues to grow. A key advantage is that our primary shareholder is also our primary debt provider, giving us efficient access to large-scale and competitively priced finance in all market conditions.

SMBC Aviation Capital is uniquely positioned to lead the aircraft leasing industry forward. Our strategic vision, combined with our scale, financial strength, and commitment to innovation, places us at the forefront of aviation's evolution. We want to be part of shaping a more sustainable, connected, and prosperous future for aviation worldwide.

I would like to take this opportunity to thank our valued customers, shareholders, and my colleagues for their continued trust, confidence, and commitment.

As we embark on the next chapter, I am confident that our partnership-driven approach positions SMBC Aviation Capital to continue leading the aircraft leasing industry and create lasting value for all of our stakeholders.

PETER BARRETT
CHIEF EXECUTIVE OFFICER

TOGETHER ACADEMY
Pictured above, The Together Academy training cafe based on the ground floor of our Headquarters at Fitzwilliam 28

FINANCIAL REVIEW

FY 2024 was an exceptionally strong year for SMBC Aviation Capital. We executed on over 200 individual transactions for the purchase, sale and lease of aircraft across our portfolio generating a profit before tax of $1.2 billion.

This includes the successful recovery of an additional $630 million of Russian insurance settlement proceeds. Excluding settlement proceeds, our pre-tax income rose by over 22% year-on-year to $563 million - a record level for our business.

FINANCIAL PERFORMANCE

Our ability to drive long-term value through disciplined capital allocation and active portfolio management is clearly reflected in the upward trajectory in our performance. The well-timed, well-priced and well-structured deals we entered into in FY 2024 will be accretive to our profitability for many years to come.

In addition to our existing portfolio, we also enjoy access to 261 Airbus A320neo and Boeing 737MAX delivery positions. This provides us with product, pricing and access to a pipeline of the most technologically advanced aircraft in the world extending out to 2031.

Despite recent volatility, leading airlines continue to turn to the leasing sector to secure capacity in this severely supply-constrained environment. We secured the forward placement of a further 65 aircraft from our direct orderbook in FY 2024.

We also extended over 80% of all lease maturities in 2024 reflecting the eagerness of airlines globally to get ahead of the market and ringfence capacity within their fleets.

We expect the strong demand for aircraft from across our orderbook and portfolio to continue through the coming year and beyond driven by the steady increase in global air traffic levels and on-going supply-side constraints.

RUSSIA UPDATE

SMBC Aviation Capital lost 34 owned aircraft following Russia's invasion of Ukraine resulting in a net economic impact of $1.45 billion as of March 2022. Since then, our team has worked tirelessly to recover the value of these losses.

As previously communicated, we received insurance settlement proceeds of $756 million in FY 2023. We have also received insurance settlement proceeds totalling $654 million in our Russian insurance litigation. This includes $630 million which was recognised in FY 2024. In total, this takes our total recoveries to date to approximately $1.41 billion - close to a full 100% recovery. We will continue to pursue further recoveries, through on-going litigation as well as negotiations with remaining insurers.

2024 - HIGHLIGHTS

2024 was a remarkably strong year for SMBC Aviation Capital. We capitalised on the opportunities presented by the favourable market backdrop to lock in attractive terms on the sale, lease, and re-lease of aircraft from across our portfolio and orderbook.

Over the course of the twelve months, we took delivery of a total of $3.3 billion of aircraft. We also signed $4 billion of new leasing agreements with deliveries ranging out to 2028.

On the trading side, we sold over $1.9 billion of primarily older assets realising attractive gains and further rebalancing our portfolio toward the newest technology aircraft in the process.

Conditions were also constructive in the financing markets last year facilitating the continued diversification of our funding base with $3.1 billion of third-party debt raised. This excludes our most recent $500 million, 5-year bond offering which closed in April further building-out our capital markets program.

FY 2024 ADJUSTED FINANCIAL PERFORMANCE

We recorded a Profit before Tax of $1.2 billion in the Financial Year. Excluding Russian insurance settlement proceeds recognised during the period, this translates to a Profit before Tax of $563 million.

On a like-for-like basis, this equates to a $103 million increase on the corresponding prior year period reflecting the strong underlying profit growth of our business.

Core lease rental, net of credit-related impairments, rose $59 million to $2 billion driven by the continued incorporation of higher yielding aircraft into our fleet. We also continue to see the benefit of the strong operating backdrop for global aviation feed through to different areas of our P&L including the high cash collection rate of 102% across our portfolio.

We sold a total of 48 aircraft realising profits on disposal, adjusted for break gains, of $89 million. Our trading activity continues to be focused on older, current technology assets, which for us is predominantly the Airbus A320ceo and Boeing 737NG. Our operating cash flow, adjusted for insurance settlement proceeds, rose to $1.9 billion for the 12-month period, up $48 million year-on-year.

BALANCE SHEET METRICS

We continue to maintain one of the strongest, most liquid and well-diversified balance sheets in the sector. As of 31 March, we had a 99.8% unsecured debt profile with shareholder capital support of over $20 billion and available liquidity of $14 billion. We also had average third-party debt maturities over the next 5 years of just $1.5 billion per annum and our net leverage now stands at just 2.46x.

ON TRACK TO DRIVE FURTHER PROFIT GROWTH

SMBC Aviation Capital enjoyed a strong year in 2024. We are unlocking the value of the large scale, strategically timed asset growth we have executed.

We are on track to drive further profit growth and portfolio optimisation as we continue to recycle capital from the sale of older assets into the acquisition of increasingly higher yielding new aircraft.

The quality of our portfolio and order book, the attractiveness of our product offering combined with our balance sheet strength means that SMBC Aviation Capital and its people are optimally positioned to capitalise on market dynamics to drive long term value.

AISLING KENNY
CHIEF FINANCIAL OFFICER

DIRECTORS' REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
31 MARCH 2025

CONTENTS

DIRECTORS AND OTHER INFORMATION

DIRECTORS

P Barrett (Irish)
C A Ennis (Irish)
B Flannery (Irish)
D Swan (Irish)
A Kenny (Irish)
N Hiruta (Japanese)
M Tachibana (Japanese)
S Watanabe (Japanese)
T Kusaka (Japanese)
I Tatara (Japanese)
Y Hyakutome (Japanese)
T Toyama (Japanese)
H Okado (Japanese)

SECRETARY

C A Ennis

REGISTERED OFFICE

Fitzwilliam 28
Fitzwilliam Street Lower
Dublin 2
Ireland

INDEPENDENT AUDITOR

KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

SOLICITORS

Clifford Chance, London
10 Upper Bank Street
London
E14 5JJ
United Kingdom

McCann Fitzgerald
Riverside One
Sir John Rogerson's Quay
Dublin 2
Ireland

BANKS

SMBC Bank International plc
100 Liverpool Street
London EC2M 2AT
United Kingdom

Sumitomo Mitsui Banking Corporation
New York Branch
277 Park Avenue
New York, NY10172
United States of America

Citibank Europe plc
1 North Wall Quay
Dublin 1
Ireland

The Directors present their report and the audited consolidated financial statements of SMBC Aviation Capital Limited ("the Company") and its subsidiaries (together "the Group") for the year ended 31 March 2025. The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs"), as adopted by the European Union and with those parts of the Companies Act 2014 applicable to companies reporting under IFRS.

PRINCIPAL ACTIVITIES

The principal business activities of the Group and Company include acting in the capacity of principal, agent or broker, the financing of aircraft, plant, equipment, machinery, engines, vehicles or other modes of transport and their components and parts, by way of loan, hire purchase, lease rental, credit sale or other appropriate methods of finance, and the sale or purchase, ownership, leasing or management or in any other way dealing with aircraft, plant, equipment, machinery, engines, vehicles or other modes of transport and their components parts. The Group and Company also provides financial solutions and brokerage services to the airline and airline related industry in connection with financing and refinancing.

The Group and Company's activities and those of the aircraft industry are undertaken predominantly in US Dollars and this is the functional currency of the Company. The consolidated financial statements are presented in US Dollars.

The Group and Company is a member of the Japanese consortium of Sumitomo Mitsui Financial Group ("SMFG") and Sumitomo Corporation ("SC") (the "Consortium"). The annual reports of these entities can be obtained at:
Sumitomo Corporation – https://www.sumitomocorp.com/en/jp/ir
Sumitomo Mitsui Financial Group - https://www.smfg.co.jp/english/investor/financial/latest_statement.html.

PERFORMANCE AND STRATEGY

The Group and Company's strategy is to work closely and build strong relationships with its airline and investor customers to meet their specific requirements, while owning and leasing the most modern, fuel efficient and desirable aircraft. The Group and Company continues to actively manage the profile of its aircraft portfolio and, as a result, has maintained a young fleet with a weighted average age of 5.6 years as at 31 March 2025 (31 March 2024: 5.5 years).

At the end of the financial year, the statement of financial position showed total assets of $25.0 billion (31 March 2024: $24.1 billion). The net book value of property, plant and equipment, including aircraft classified as finance lease and loan receivables of $663.4 million (31 March 2024: $560.9 million) and aircraft assets classified as held for sale of $346.4 million (31 March 2024: $276.0 million), was $23.6 billion at the year-end (31 March 2024: $22.4 billion).

The Group generated a profit before tax of $1.2 billion during the year ended 31 March 2025 (year ended 31 March 2024: $1.2 billion). The profit before tax in the current and prior period include net insurance settlement proceeds in relation to aircraft previously leased to Russian airlines, which, when excluded, would result in profit before tax of $562.8 million for the year ended 31 March 2025 (year ended 31 March 2024: $459.8 million).

Airline customers continue to experience improved performance, which, in addition to the conclusion of a restructuring during the period, have resulted in lower trade receivables. At 31 March 2025, the Group had trade debtors of $33.7 million (31 March 2024: $89.7 million; note 15) and deferred lease receivables of $35.8 million (31 March 2024: $42.3 million). Favourable payment performance resulting in the settlement of receivables as well as application of security held on conclusion of the restructuring noted above contributed to the decrease. These events resulted in a reversal of overall credit impairment provisions during the year ended 31 March 2025 of $20.6 million (year ended 31 March 2024: reversal of $11.5 million).

During the year, a dividend of $102.2 million was recommended and paid to the Company's shareholders (year ended 31 March 2024: $102.2 million).

The Directors do not recommend the payment of a dividend as at 31 March 2025 (31 March 2024: $nil).

RUSSIAN SANCTIONS

In response to the invasion of Ukraine by the Russian Federation ("Russia") on 24 February 2022, the EU, the United States of America, United Kingdom and other countries imposed a wide range of sanctions against Russia and certain Russian persons and entities. Regulation 2022/328 which was adopted by the EU on 25 February 2022 in response to the Russian invasion of Ukraine included the prohibition on the supply of aircraft and aircraft components to Russia and Russian entities subject to a wind-down period until 28 March 2022.

The Group have complied with all applicable sanctions and terminated the leasing of all our aircraft with Russian airlines. Prior to the Russian invasion of Ukraine, the Group and Company had 35 owned aircraft with a total net book value of $1.67 billion (which included aircraft held for sale) and 1 managed aircraft on lease with Russian airlines. The Group and Company had no aircraft on lease with Ukrainian airlines.

The Group sought to repossess all of our aircraft from Russian airlines and successfully grounded and took redelivery of one of our aircraft in the days following the Russian invasion of Ukraine.

The Company has entitlements under applicable insurance policies which provide coverage in respect of the aircraft which have been lost in Russia and in respect of which the Company is pursuing claims for recovery of losses.

In November 2022, the Company commenced litigation in the Irish courts against the Group's insurers in respect of the aircraft lost in Russia, following a refusal by the Group's insurers to indemnify the Company for its loss. As announced to the Irish Court at a public hearing on 29 April 2025, the Company has discontinued its Irish court proceedings having reached a series of commercial resolutions with all defendant parties, the terms of which are confidential.

On 19 October 2023, the Company commenced litigation in the UK High Court against the insurers and the reinsurers under the airlines' insurance and reinsurance policies in respect of its aircraft lost in Russia, which were formerly on lease to Russian airlines, without prejudice to the Company's claims against the Group's insurers in the Irish Courts. The Company either did not issue or subsequently discontinued (as the case may be) litigation in the UK High Court in respect of airlines and / or aircraft (as the case may be) with whom or in respect of which we concluded insurance settlements. The Company is continuing with its operator policy proceedings in the UK High Court with the remaining defendant parties.

During the current year ended 31 March 2025 and the year ended 31 March 2024, the Group received insurance settlement proceeds (notes 3 and 9) in respect of certain aircraft previously leased to certain Russian airlines. All insurance settlements are carried out in full compliance with all applicable laws, sanctions and regulations.

The Group will continue its efforts to seek to mitigate its losses in respect of its aircraft, which are lost in Russia and were formerly on lease to other Russian airlines.

The Group have recognised an amount of insurance claim receivable as at 31 March 2025 as the timing and amount of recoveries under applicable insurance policies were certain as at that date.

PRINCIPAL RISKS AND UNCERTAINTIES

The airline industry is cyclical and highly competitive. The Group's aircraft are under operating leases where the cost of the aircraft is expected to be substantially recovered over the term of the leases. The oversupply of a specific type of aircraft in the market could depress aircraft lease rates and values, which would affect re-lease rates.

The supply and demand of aircraft is affected by various cyclical factors including:

- passenger air travel and air cargo demand
- fuel prices
- maintenance costs
- technological innovation and the introduction of a new generation of aircraft types
- government and environmental regulations
- geopolitical issues

While global air passenger traffic continued to improve to near pre-pandemic levels during the current financial year, pressures remain on airline liquidity with additional risks highlighted by the outbreak as follows:

- reduced demand for aircraft and negative impact on lease rates
- increased lease rent deferrals
- increased lessee defaults / bankruptcy
- further delay in aircraft deliveries

The Group is also directly exposed to the ongoing impact of the sanctions imposed against Russia.

For further detail on the principal financial risks and the Group and Company's policy for minimising these financial risks, refer to note 21.

FINANCING

The Group continues to benefit from its ownership structure noted above, which combines one of the world's largest financial institutions with one of the world's largest trading companies. This brings substantial financial strength and scale to the Group's offering, which we were able to leverage during the current year. The Group's financial strength is also reflected in the Group's credit rating of A- and BBB+ from Standard & Poor's and Fitch Ratings respectively (31 March 2024: Standard & Poor's: A-; Fitch Ratings: BBB+), positioning the business well to execute on its growth plans in the coming years.

The Group is focused on ensuring that it has sufficient available liquidity to meet its obligations as they fall due. In line with this strategy, the Group successfully closed the sale of $650 million of its 5.30% senior unsecured notes due 2029 as well as the sale of $850 million of its 5.55% senior unsecured notes due 2034 on 3 April 2024 through its wholly-owned subsidiary, SMBC Aviation Capital Finance DAC, fully and unconditionally guaranteed by SMBC Aviation Capital Limited.

As at 31 March 2025, the Group had $13.7 billion of available capacity in place through a combination of undrawn shareholder funding ($10.0 billion), third party availability ($3.0 billion) and unrestricted cash balances.

The Group has short-term debt repayment obligations (due within 12 months) totalling $1.7 billion and other current liabilities of $1.1 billion. The short-term debt obligations include shareholder funding repayments of $842.6 million, which will become available as additional undrawn credit capacity on repayment. Other current liabilities include prepaid lease rentals and fee income of $154.2 million and amounts payable to direct affiliates and other parent group undertakings of $288.3 million. Maintenance reserves and lessor contributions totalling $259.6 million are also included and fall due during the remaining term of each respective lease based on the timing of expected maintenance events. These events may occur later than expected based on actual airline utilisation. The Group also had purchase commitments consisting of direct orders and sale-leaseback commitments totalling $2.8bn due to fall due within a year.

OPERATIONAL

The Group has 105 airline customers in 50 countries. The Group's fleet consists of 1,001 owned, managed and committed aircraft, including aircraft classified as finance lease and loan receivables.

The Group delivered an additional 17 aircraft from its order book across a diversified mix of customers in Europe, Asia and the Americas during the year.

Furthermore, we entered into additional contracts or letters of intent to acquire 55 aircraft through sale and leaseback transactions or portfolio purchases, while 44 had delivered during the current year from new and existing contracts.

The Group continues to transition the portfolio into new technology aircraft with the delivery of $3.3 billion of new technology aircraft, including aircraft classified as finance lease and loan receivables, in the period, which resulted in 73% of our portfolio now consisting of the newest technology aircraft, compared to 67% as at March 2024.

GOING CONCERN

The Group and Company's business activities, together with the factors likely to affect its future development, performance and position are set out above, along with the financial position of the Group and Company. In addition, also as noted above, note 21 to the financial statements includes: the objectives, policies and processes for managing capital; the financial risk management objectives; details of financial instruments and hedging activities; and the exposures to credit risk and liquidity risk, to the extent that these were in place at 31 March 2025 and the preceding year.

Risks are managed in line with guidance given by the Group's parent companies. Exposure to both interest rate risk and currency risk is minimised by the use of derivatives and fixed rate loans.

The Group has one aircraft off-lease at year-end and 24 aircraft on lease which are scheduled to complete their lease term within the next twelve months.

The Directors consider the cash position and resources available to the Group from its shareholders and third parties as highlighted in the Financing section as key, which, along with related forecasts, provide comfort over the sustainability of the Group and Company given the strong financial position.

Based on these factors, the Directors have a reasonable expectation that the Group has adequate liquidity and financial resources to continue in operation for at least the next twelve months and that the going concern basis of preparation remains appropriate.

PEOPLE

The Group continues to develop our team to service the increased activity within our expanding aircraft operating lease base, resulting in an average number of people in the organisation during the year of 280 (2024: average of 268), consisting of both direct employees and representatives. The quality and commitment of staff in the Group, at all levels of the organisation, has been a key driving factor behind its ongoing growth and success.

DIRECTORS' COMPLIANCE STATEMENT

The Directors of the Company acknowledge that they are responsible for securing the Company's compliance with its relevant obligations (as defined in the Companies Act 2014 (the "2014 Act")) and, as required by section 225 of the 2014 Act, the Directors confirm that:

i. a compliance policy statement setting out the Company's policies with regard to complying with the relevant obligations under the 2014 Act has been prepared;

ii. arrangements and structures have been put in place that they consider sufficient to secure material compliance with the Company's relevant obligations; and

iii. a review of the arrangements and structures has been conducted during the financial year to which this Directors' report relates.

DIRECTORS AND SECRETARY

The present Directors and Secretary are listed on page 17.
The following changes took place during the year and up to the date of approval:

Directors	**Appointed**
I Tatara	Appointed 1 April 2024
Y Hyakutome	Appointed 30 April 2024
T Toyama	Appointed 30 April 2024
H Okado	Appointed 30 April 2024

Directors	**Resigned**
T Imaeda	Resigned 30 April 2024
K Tanaka	Resigned 30 April 2024
N Hirose	Resigned 30 April 2024

None of the Directors held an interest in the share capital or the loan capital of the Company, or in the shares or loan capital of any of the subsidiary undertakings of the Company.

None of the Directors held an interest of more than 1%, or had options to acquire an interest of more than 1%, in the shares of the parent undertakings of the Company.

ACCOUNTING RECORDS

The Directors believe that they have complied with the requirements of Section 281 of the Companies Act 2014 with regard to keeping adequate accounting records by employing accounting personnel with the appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Company are maintained at the Company's registered offices at Fitzwilliam 28, Fitzwilliam Street Lower, Dublin 2, Ireland.

POLITICAL DONATIONS

The Company did not make any political donations in the year ended 31 March 2025 (2024: $nil).

AUDIT COMMITTEE

The Board of Directors has considered the establishment of an audit committee and decided that it is not warranted as the Board fulfils the function by performing the duties as required by Section 167 of the Companies Act 2014. The duties performed by the Board include the oversight of:

i. the integrity of the financial statements of the Group,

ii. compliance by the Group with legal and regulatory requirements,

iii. the independent auditor's qualification and independence, and

iv. the performance of the Group's independent auditor

INDEPENDENT AUDITOR

KPMG, Chartered Accountants, have indicated their willingness to continue in office in accordance with Section 383(2) of the Companies Act 2014.

RELEVANT AUDIT INFORMATION

The Directors in office at the date of this report have each confirmed that as far as they are aware, there is no relevant audit information of which the Group's auditor is unaware; and they have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

POST BALANCE SHEET EVENTS

On 1 April 2025, the Group closed the issue of $500 million of its 5.10% senior unsecured notes due 2030 (the "Notes") through its wholly-owned subsidiary, SMBC Aviation Capital Finance DAC. The Notes are fully and unconditionally guaranteed by SMBC Aviation Capital Limited and proceeds from the offering will be used for general corporate purposes, which may include, among other things, the purchase of aircraft and the repayment of existing indebtedness.

On the same date, the Group also received insurance settlement proceeds, which had been recognised as an amount receivable as at 31 March 2025 as the timing and amount of those recoveries were certain as at that date.

No other significant events affecting the Group and Company have occurred since 31 March 2025, which require adjustment to or disclosure in the Consolidated Financial Statements.

Approved by the Board of Directors and signed on behalf of the Board by:

P Barrett	**A Kenny**
Director	Director
Date: 21 May 2025	Date: 21 May 2025

Company Registration No: 270775

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE DIRECTORS' REPORT AND THE GROUP AND COMPANY FINANCIAL STATEMENTS

The Directors are responsible for preparing the Directors' report and the Group and Company financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the Group and Company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and applicable law.

Under company law the Directors must not approve the Group and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year.

In preparing the Group and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the Group and Company financial statements; and
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Group and Company are prepared in accordance with applicable IFRS, as adopted by the EU and comply with the provisions of the Companies Act 2014. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group and Company's website (www.smbc.aero). Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

On behalf of the Board:

P Barrett
Director
Date: 21 May 2025

A Kenny
Director
Date: 21 May 2025

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SMBC AVIATION CAPITAL LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of SMBC Aviation Capital Limited ("the Company") and its consolidated undertakings (together "the Group") for the year ended 31 March 2025 set out on pages 25 to 70, which comprise the Consolidated statement of profit or loss and comprehensive income, Consolidated statement of financial position, Company statement of financial position, Consolidated statement of changes in equity, Company statement of changes in equity, Consolidated statement of cash flows, Company statement of cash flows and related notes, including the summary of material accounting policies set out in note 1.

The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards ("IFRS") as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the Group and Company as at 31 March 2025 and of the Group's profit for the year then ended;
- the Group financial statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company financial statements have been properly prepared in accordance with IFRS as adopted by the European Union, as applied in accordance with the provisions of the Companies Act 2014; and
- the financial statements have been properly prepared in accordance with the requirements of the Companies Act 2014.

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 are independent of the Group 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"), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 Group's or the Company'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 directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' 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 directors' report;
- in our opinion, the information given in the directors' report is consistent with the financial statements;
- in our opinion, the directors' report has been prepared in accordance with the Companies Act 2014.

Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.

In our opinion the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of directors' remuneration and transactions required by Sections 305 to 312 of the Act are not made. We have nothing to report in this regard.

RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE

Responsibilities of Directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 21 to 22, the directors 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 Group and Company'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 Group and Company 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 Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members 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 Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Terence Coveney

Terence Coveney
21 May 2025

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

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Year ended 31 March 2025 US $'000	Year ended 31 March 2024 US $'000
CONTINUING OPERATIONS			
Income			
Lease revenue	2	1,934,552	1,906,918
Other revenue	2	9,600	7,408
Total revenues	2	1,944,152	1,914,326
Other operating income	3	663,379	832,834
		2,607,531	**2,747,160**
Operating expenses			
Depreciation	9	(597,717)	(672,934)
Operating lease asset impairment charge	9	(30,553)	(69,019)
Credit impairment credit / (charge)	15	20,592	11,545
Operating expenses	4	(162,491)	(152,777)
PROFIT FROM OPERATING ACTIVITIES		**1,837,362**	**1,863,975**
Finance income	7	314,492	319,244
Finance expense	7	(979,032)	(988,618)
NET FINANCE COSTS		**(664,540)**	**(669,374)**
PROFIT BEFORE TAXATION		**1,172,822**	**1,194,601**
Tax expense	8	(178,886)	(159,899)
PROFIT FROM CONTINUING OPERATIONS		**993,936**	**1,034,702**
OTHER COMPREHENSIVE INCOME			
Cash flow hedges - effective portion of changes in fair value	13	(55,806)	31,894
Cash flow hedges - reclassified to profit or loss		(3,135)	(1,197)
Movement in fair value of equity investments at FVTOCI		-	1,356
Tax on other comprehensive income		7,368	(3,837)
OTHER COMPREHENSIVE (EXPENSE) / INCOME FOR THE YEAR, NET OF TAX		**(51,573)**	**28,216**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**942,363**	**1,062,918**

All income relates to continuing operations. All profits and total comprehensive income for the current and preceding financial year are attributable to the owners of the company. The accompanying notes form an integral part of these financial statements.

P Barrett
Director
Date: 21 May 2025

A Kenny
Director
Date: 21 May 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	31 March 2025 US $'000	31 March 2024 US $'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	22,417,142	21,654,266
Intangible assets		3,752	4,259
Finance lease and loan receivables	14	613,909	521,482
Investment in associates		7,783	4,242
Lease incentive assets	17	189,125	167,545
Derivative financial instruments	12	15,258	42,666
		23,246,969	22,394,460
CURRENT ASSETS			
Advances to OEMs		146,180	72,629
Assets held for sale	18	356,902	278,054
Finance lease and loan receivables	14	49,463	39,424
Trade and other receivables	15	344,411	222,429
Cash and cash equivalents	16	717,476	1,035,602
Lease incentive assets	17	95,879	52,423
Derivative financial instruments	12	545	9,434
		1,710,856	1,709,995
TOTAL ASSETS		24,957,825	24,104,455
EQUITY			
Share capital	24	2,249,513	2,249,513
Other components of equity	25	471,821	523,394
Retained earnings		3,171,221	2,279,435
TOTAL EQUITY		5,892,555	5,052,342
NON-CURRENT LIABILITIES			
Trade and other payables	19	1,088,832	1,079,609
Borrowings	20	14,207,833	15,046,879
Deferred tax liabilities	22	586,053	491,556
Derivative financial instruments	12	24,103	3,764
Subordinated liabilities	23	300,000	300,000
		16,206,821	16,921,808
CURRENT LIABILITIES			
Liabilities associated with assets held for sale	18	69,614	33,717
Trade and other payables	19	1,074,634	913,378
Borrowings	20	1,714,201	1,183,210
		2,858,449	2,130,305
TOTAL LIABILITIES		19,065,270	19,052,113
TOTAL EQUITY AND LIABILITIES		24,957,825	24,104,455

The accompanying notes form an integral part of these financial statements.

P Barrett
Director
Date: 21 May 2025

A Kenny
Director
Date: 21 May 2025

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2025

	Note	31 March 2025 US $'000	31 March 2024 US $'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	20,550,212	17,663,597
Intangible assets		3,752	4,259
Finance lease and loan receivables	14	1,349,394	3,089,586
Investment in subsidiaries	10	1,569,488	1,572,278
Investment in associates		7,783	4,242
Lease incentive assets	17	189,125	167,545
Derivative financial instruments	12	15,258	42,666
		23,685,012	22,544,173
CURRENT ASSETS			
Advances to OEMs		146,180	72,629
Assets held for sale	18	359,848	216,985
Loan receivables	14	73,962	163,980
Trade and other receivables	15	357,159	240,396
Cash and cash equivalents	16	697,201	981,860
Lease incentive assets	17	95,879	52,423
Derivative financial instruments	12	545	9,434
		1,730,774	1,737,707
TOTAL ASSETS		25,415,786	24,281,880
EQUITY			
Share capital	24	2,249,513	2,249,513
Other components of equity	25	469,854	521,427
Profit or loss account		3,088,166	2,266,276
TOTAL EQUITY		5,807,533	5,037,216
NON-CURRENT LIABILITIES			
Trade and other payables	19	879,700	729,748
Borrowings	20	14,221,312	15,785,064
Deferred tax liabilities	22	559,307	434,736
Derivative financial instruments	12	24,103	3,764
Subordinated liabilities	23	300,000	300,000
		15,984,422	17,253,312
CURRENT LIABILITIES			
Liabilities associated with assets held for sale	18	69,614	14,422
Trade and other payables	19	1,840,016	1,493,720
Borrowings	20	1,714,201	483,210
		3,623,831	1,991,352
TOTAL LIABILITIES		19,608,253	19,244,664
TOTAL EQUITY AND LIABILITIES		25,415,786	24,281,880

The accompanying notes form an integral part of these financial statements.

P Barrett
Director
Date: 21 May 2025

A Kenny
Director
Date: 21 May 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2025

	Note	Share Capital US $'000	Other Reserves (incl. Share Premium) US $'000	Cash Flow Hedge Reserve US $'000	Retained Earnings US $'000	Total Equity US $'000
BALANCE AT 31 MARCH 2023		2,249,513	469,199	25,979	1,346,883	4,091,574
Dividend paid		-	-	-	(102,150)	(102,150)
Total comprehensive income						
Profit for the year		-	-	-	1,034,702	1,034,702
Other comprehensive income for the year	25	-	1,356	26,860	-	28,216
		-	1,356	26,860	1,034,702	1,062,918
BALANCE AT 31 MARCH 2024		2,249,513	470,555	52,839	2,279,435	5,052,342
Dividend paid		-	-	-	(102,150)	(102,150)
Total comprehensive income						
Profit for the year		-	-	-	993,936	993,936
Other comprehensive expense for the year	25	-	-	(51,573)	-	(51,573)
		-	-	(51,573)	993,936	942,363
BALANCE AT 31 MARCH 2025		2,249,513	470,555	1,266	3,171,221	5,892,555

The accompanying notes form an integral part of these financial statements.

COMPANY STATEMENT OF CHANGES IN EQUITY
AS AT 31 MARCH 2025

	Note	Share Capital US $'000	Other Reserves (incl. Share Premium) US $'000	Cash Flow Hedge Reserve US $'000	Retained Earnings US $'000	Total Equity US $'000
BALANCE AT 31 MARCH 2023		2,249,513	467,610	25,979	1,263,769	4,006,871
Dividend paid		-	-	-	(102,150)	(102,150)
Total comprehensive income						
Profit for the year		-	-	-	1,104,657	1,104,657
Other comprehensive income for the year	25	-	978	26,860	-	27,838
		-	978	26,860	1,104,657	1,132,495
BALANCE AT 31 MARCH 2024		2,249,513	468,588	52,839	2,266,276	5,037,216
Dividend paid		-	-	-	(102,150)	(102,150)
Total comprehensive income						
Profit for the year		-	-	-	964,667	964,667
Transferred from merged subsidiaries					(40,627)	(40,627)
Other comprehensive expense for the year	25	-	-	(51,573)	-	(51,573)
		-	-	(51,573)	924,040	872,467
BALANCE AT 31 MARCH 2025		2,249,513	468,588	1,266	3,088,166	5,807,533

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2025

	Note	Year ended 31 March 2025 US $'000	Year ended 31 March 2024 US $'000
PROFIT BEFORE TAX		1,172,822	1,194,601
Adjustments for:			
Depreciation of property, plant and equipment	9	597,717	672,934
Impairment of property, plant and equipment	9	30,553	69,019
Amortisation of computer software intangible assets	4	1,549	1,390
Lease incentive asset amortisation	17	94,971	50,737
Credit impairment (credit) / charge on trade debtors	15	(20,592)	(11,545)
Net interest expense		666,612	670,153
Profit on disposal of assets held under operating leases	3	(30,325)	(57,020)
		2,513,307	2,590,269
(Increase) / decrease in receivables		(56,348)	129,588
(Decrease) / increase in payables		(76,342)	4,402
CASH GENERATED BY OPERATIONS		2,380,617	2,724,259
Income taxes paid		(66,224)	(17,786)
Interest paid		(662,264)	(670,192)
NET CASH FROM OPERATING ACTIVITIES		1,652,129	2,036,281
INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment		1,897,799	1,565,943
Purchases of property, plant and equipment		(3,453,315)	(2,140,610)
Purchases of intangible assets		(1,042)	(1,728)
NET CASH USED IN INVESTING ACTIVITIES		(1,556,558)	(576,395)
FINANCING ACTIVITIES			
Dividends paid		(102,150)	(102,150)
Proceeds from indebtedness		1,862,498	2,169,519
Repayments of indebtedness		(2,173,449)	(3,229,783)
NET CASH USED IN FINANCING ACTIVITIES		(413,101)	(1,162,414)
EFFECT OF EXCHANGE RATE CHANGES ON UNRESTRICTED CASH AND CASH EQUIVALENTS		(596)	(90)
NET (DECREASE) / INCREASE IN UNRESTRICTED CASH AND CASH EQUIVALENTS		(318,126)	297,382
UNRESTRICTED CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		1,035,602	738,220
UNRESTRICTED CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	16	717,476	1,035,602
Unrestricted cash and cash equivalents as above	16	717,476	1,035,602
Restricted cash as reported	16	-	-
Total cash and cash equivalents	16	717,476	1,035,602

The accompanying notes form an integral part of these financial statements.

COMPANY STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2024

	Note	Year ended 31 March 2025 US $'000	Year ended 31 March 2024 US $'000
PROFIT BEFORE TAX		1,130,473	1,253,651
Adjustments for:			
Depreciation of property, plant and equipment	9	447,242	382,991
Impairment of property, plant and equipment	9	26,618	56,127
Amortisation of computer software intangible assets	4	1,549	1,390
Lease incentive asset amortisation	17	94,971	50,737
Credit impairment (credit) / charge on trade debtors	15	(12,931)	(25,046)
Dividend income		(22,000)	(60,000)
Net interest expense		564,500	380,096
Profit on disposal of assets held under operating leases		(20,384)	(47,607)
		2,210,038	1,992,339
(Increase) / decrease in receivables		(193,053)	1,054,354
Increase / (decrease) in payables		161,961	97,541
CASH GENERATED BY OPERATIONS		2,178,946	3,144,234
Income taxes paid		(23,766)	-
Interest paid		(560,920)	(369,193)
NET CASH (USED IN) / FROM OPERATING ACTIVITIES		1,594,260	2,775,041
INVESTING ACTIVITIES			
Proceeds on disposal of property, plant and equipment		1,361,582	1,556,530
Purchases of property, plant and equipment		(4,875,572)	(4,078,232)
Purchases of intangible assets		(1,042)	(1,728)
(Net investment in) / net income from subsidiaries		21,250	(774,438)
Loans repaid by / (provided to) subsidiaries		1,853,948	2,366,302
NET CASH USED IN INVESTING ACTIVITIES		(1,639,834)	(931,566)
FINANCING ACTIVITIES			
Dividends paid		(102,150)	(102,150)
Proceeds from indebtedness		34,988	532,500
Repayments of indebtedness		(171,343)	(1,950,514)
NET CASH USED IN FINANCING ACTIVITIES		(238,505)	(1,520,164)
EFFECT OF EXCHANGE RATE CHANGES ON UNRESTRICTED CASH AND CASH EQUIVALENTS		(580)	196
NET (DECREASE) / INCREASE IN UNRESTRICTED CASH AND CASH EQUIVALENTS		(284,659)	323,507
UNRESTRICTED CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD		981,860	658,353
UNRESTRICTED CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	16	697,201	981,860
Unrestricted cash and cash equivalents as above	16	697,201	981,860
Restricted cash as reported	16	-	-
Total cash and cash equivalents	16	697,201	981,860

The accompanying notes form an integral part of these financial statements.

1 MATERIAL ACCOUNTING POLICIES

SMBC Aviation Capital Limited is a company incorporated and domiciled in Ireland. The address of its registered office is Fitzwilliam 28, Fitzwilliam Street Lower, Dublin 2, Ireland.

a Basis of preparation

The Consolidated Financial Statements have been prepared under the historical cost convention as modified to include the fair valuation of certain financial instruments. The principal accounting policies are set out below.

The Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and with those parts of the Companies Act 2014 applicable to companies reporting under IFRS. The financial statements of the Company have been prepared in accordance with IFRS as adopted by the EU and as applied in accordance with the Companies Act 2014 which permits a company that publishes its Company and Group financial statements together to take advantage of the exemption in Section 304(2) of the Companies Act 2014, from presenting to its members its Company income statement and related notes that form part of the approved Company Financial Statements.

The Company's functional currency is the US Dollar, being the currency of the primary economic environment in which the Company operates. The presentation currency for the Group and Company is US Dollar. All financial information presented in US Dollar has been rounded to the nearest thousand US Dollars unless otherwise stated.

The accounts are prepared on a going concern basis and in accordance with IFRS as adopted by the European Union.

The Group's activities are capital intensive by their nature, and have been funded with a combination of equity and debt capital provided by its shareholders and third party debt financing. The ability of the Group to continue to operate is dependent upon (among other matters) its ability to meet (i) its debt repayment obligations under the respective loan agreements as set out in note 20 'Borrowings' and (ii) its future aircraft purchases as set out in note 28 'Capital Commitments'. The Group has considerable financial resources (see undrawn facilities as described in note 21 'Financial Risk Management') together with long-term lease contracts with airline operators across different geographic areas (see note 26 'Operating Lease Arrangements as Lessor'). As a consequence, the Directors believe that the Group is well placed to manage its business risks successfully despite the current uncertain economic outlook.

In determining the going concern basis of preparation of the financial statements, the Directors have also considered the impact of sanctions on Russia (see note 9 'Property, plant and equipment'). The Directors have considered the cash position, existing equity and resources available to the Group, which, along with related forecasts, provide comfort over the sustainability of the Group and Company.

b Estimates and judgements

The preparation of Financial Statements in conformity with IFRS as adopted by the EU requires management to make use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as at the reporting date and the reported amount of income and expenses during the reported period.

In particular, the judgements and assumptions involved in the Group and Company's accounting policies which have the most significant effect on the amounts recognised in the Financial Statements are as follows:

Note 9 - Property, Plant and Equipment:
The material judgements in respect of property, plant and equipment include the identification and subsequent measurement of impairment such as triggers and estimates of cash flow including residual values and discount rates. The discount rate used in the measurement of impairment was 6% in the current period. Estimates also include the intervals used (currently 5 years) to determine future market values for the purposes of setting depreciation rates for individual aircraft.

Note 15 – Credit impairment provisions
The Group recognises an expected credit loss for financial assets in accordance with IFRS 9 – Financial Instruments. The material judgements in respect of lease receivables, loan receivables and finance lease receivables include the estimation of both the timing and quantum of expected losses. The Group assigns a credit rating to each counterparty which is determined to be predictive of the probability of default and loss given default, having considered collateral arrangements, relevant external ratings, the financial result and position of the airline customer and the experienced credit judgment of the dedicated credit analyst team.

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. Although these estimates are based on management's best knowledge of the amount, event or action, actual results may differ from those estimates.

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

c Basis of consolidation

The Consolidated Financial Statements include the annual Financial Statements of the Company and all of its subsidiaries, drawn up to 31 March 2025. The Group does not have investments in joint ventures as defined in IFRS.

In applying IFRS 10, the standard introduced a single consolidation model for all entities based on control which requires consolidation where the Company has power over the entity, exposure or rights to returns from involvement with the entity and the ability to use power to affect returns. The financial statements of an entity are included in the Consolidated Financial Statements from the date that this control commences until the date that this control ceases.

The Consolidated Financial Statements have been prepared using uniform accounting policies for transactions and other events in similar circumstances.

Subsidiaries

A subsidiary is an entity controlled by the Company. Control exists when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In assessing control, potential voting rights that are substantive are taken into account. All subsidiaries have coterminous financial year ends. The accounting policies of all subsidiaries are consistent with the policies adopted by the Group. Intragroup transactions, intragroup balances and any unrealised gains and losses arising from intragroup transactions are eliminated in preparing the Consolidated Financial Statements. All of the Company's subsidiaries are wholly owned by the Company and, as such, there are no non-controlling interests to present separately in the Consolidated Financial Statements.

Common control transactions

Business combinations under common control are accounted for in the consolidated financial statements prospectively from the date the Group obtains the ownership interest. Assets and liabilities are recognised upon consolidation at their carrying amount in the financial statements of the transferor. Assets and liabilities are adjusted, if necessary, to reflect Group accounting policies and any difference between the net assets acquired, based on book values adjusted for accounting policy differences, is reflected in other reserves.

Associates

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

d Business combinations

Business combinations are accounted for using the acquisition method when control is transferred to the Group. The cost of an acquisition is measured at fair value, as are the identifiable net assets acquired. Acquisition-related costs are expensed as incurred and included in general and administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually.

e Investment in subsidiaries

Investments in subsidiary undertakings are stated in the Company Statement of Financial Position at cost, less any provision for impairment.

f Income under finance and operating leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Finance lease income, which includes the amortisation of the investment in the lease, is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

At each reporting date, the Group assesses whether lease receivables are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Loss allowances for lease receivables are deducted from the gross carrying amount of the lease receivable.

Rentals received, but unearned under lease agreements are recorded as 'Prepaid lease rentals' in trade and other payables.

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

g Lease component assets and liabilities

Aircraft acquired on lease are assessed for the existence of lease component assets and liabilities which are considered to be separate components of aircraft assets. To the extent that lease payments are off-market, they are recognised as either lease component assets or liabilities which are amortised over the remaining lease term.

h Fee income

Arranger fee income earned on the sale and purchase of managed aircraft is recognised on completion of the sale when the aircraft has been accepted by the customer and no further services remain to be completed. Ongoing aircraft management fees are recognised in the accounting period in which the services are rendered.

i Borrowing costs

Borrowing costs attributable to the acquisition of aircraft not yet delivered are capitalised as part of aircraft cost, unless production of an aircraft is deemed to have been suspended, in which case capitalisation is suspended until production resumes in advance of delivery. All other borrowing costs are recognised as an expense in the period in which they are incurred.

j Taxation

Income tax expense or income, comprising current tax and deferred tax, is recorded in the income statement except income tax on items recognised outside the income statement which is credited or charged to other comprehensive income or to equity as appropriate.

Current tax is income tax payable or recoverable in respect of the taxable profit or loss for the period arising in income or in equity. Provision is made for current tax at rates enacted or substantively enacted at the reporting date.

Deferred tax is the tax expected to be payable or recoverable in respect of temporary differences between the carrying amount of an asset or liability for accounting purposes and its carrying amount for tax purposes.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered. Deferred tax is calculated using tax rates expected to apply in the periods when the assets will be realised or the liabilities settled, based on tax rates and laws enacted, or substantively enacted, at the reporting date.

k Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

i. As a lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group and Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate on the Group and Company's net investment outstanding in respect of the leases.

ii. As a lessee

The Group and Company recognise a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, and subsequently at cost less any accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group and Company's incremental borrowing rate as the discount rate.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or rate or, as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to the statement of profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use asset is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. The Group and Company present lease liabilities in 'trade and other payables' in the statement of financial position.

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

l Foreign currency

Transactions in foreign currencies are recorded at the rates of exchange prevailing on the dates of the transactions. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rates prevailing at the date of the transaction. At each reporting date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting date. Gains and losses arising on retranslation are included in the profit or loss for the period.

m Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any recognised impairment loss.

Assets are depreciated to the Consolidated Statement of Profit or Loss and Other Comprehensive Income over their estimated useful economic lives, as follows:

Aircraft for hire under operating leases
– to the next useful economic life ("UEL") point, maximum of 5 years

Office equipment and fixtures & fittings
– 3 to 10 years from date when brought into use

It is the Group and Company's practice to hold aircraft for an average period of 5 years. Because of this, the Group and Company estimates the future market value (residual value) at 5-year intervals which correspond to UEL points.

Aircraft are depreciated to their residual values. Residual values are determined based on estimated values at the end of the useful lives of the aircraft assets.

Estimated residual values based on contractual return conditions of the aircraft are reviewed at each reporting date. This review includes the expected maintenance condition of the asset and any excess maintenance reserves expected to be available on maturity of the lease. Where estimated residual values are found to have changed significantly, this is recorded prospectively and depreciation charges over the remaining useful life are adjusted to take account of the revised estimate.

The carrying amounts of the Group and Company's aircraft are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Impairment losses are recognised in the profit or loss.

Under IAS 39, the Group and Company avail of the own-use exemption in relation to certain capital commitments.

n Maintenance component assets

Maintenance component asset represents the value in the difference between the contractual right under the acquired leases (excluding short term) to receive the aircraft in a specified maintenance condition at the end of the lease and the actual physical condition of the aircraft at the date of acquisition. The maintenance component asset is not depreciated, but capitalised to the operating lease asset at the end of the lease.

o Inventory

Inventory consists primarily of engines and airframes which are valued at the lower of cost or market value. Cost is primarily determined using the specific identification method for individual part purchases and on an allocated basis for engines and airframes. Costs are allocated using the relationship of the cost of the engine or airframe to estimated retail sales value at the time of purchase.

p Intangible assets

Intangible assets are initially recognised at cost which is their fair value at the date of acquisition or capitalisation of related staff costs. Subsequently intangible assets are carried at cost less any accumulated amortisation and impairment. Cost is amortised on a straight-line basis over their estimated useful lives which vary from two years to ten years. Carrying values are reviewed for indicators of impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that the carrying values may not be recoverable.

q Impairment of non-financial assets

Long-term tangible and intangible assets that are subject to amortisation or depreciation are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value-in-use.

Value in use includes cash flow projections of contracted and estimated lease rentals, with probabilities assigned to such cash flows where expected outcomes may vary. When assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows. Non-financial assets other than goodwill that have suffered impairment losses are reviewed for possible reversal of the impairment at each reporting date.

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

r Pre-delivery payments

Pre-delivery payments ("PDPs") are recorded in the Consolidated Statement of Financial Position at cost and are not depreciated. Borrowing costs associated with PDPs and aircraft that are yet to be delivered are capitalised as incurred, unless production of an aircraft is deemed to have been suspended, in which case capitalisation is suspended until production resumes in advance of delivery. As aircraft which are subject to PDPs are delivered, all applicable PDPs and financing costs are re-classified to Property, Plant and Equipment. The recoverability of PDPs is assessed as part of the overall impairment review by considering the market value of the aircraft associated with the relevant PDPs paid.

s Non-current assets and liabilities held for sale

Non-current assets (or disposals groups comprising assets and liabilities) that are expected to be recovered primarily through a sale transaction rather than through continuing use are classified as held for sale. Assets classified as held for sale must be available for immediate sale in its present condition and the sale must be highly probable. An asset held for sale is measured at the lower of its carrying amount and fair value less costs to sell.

t Financial instruments

The Group and Company's financial assets are categorised as either 'financial assets measured at amortised cost' or 'financial assets at fair value through the profit or loss'. The appropriate classification is determined based on the contractual cash flow characteristics of the financial asset and the objective of the business model within which the financial asset is held. Financial assets measured at amortised cost include 'loan receivables', 'advances to OEMs', 'trade and other receivables' and 'cash and cash equivalents' in the Consolidated Statement of Financial Position.

Financial assets at fair value through other comprehensive income include investments in equity instruments which are not held for trading. All other financial assets are classified as measured at fair value through profit or loss ("FVTPL").

The Group and Company's financial liabilities are categorised as either 'financial liabilities measured at amortised cost' or 'financial liabilities at fair value through the profit or loss'. Financial liabilities measured at amortised cost includes 'borrowings', 'obligations under finance leases' and 'trade and other payables' in the Consolidated Statement of Financial Position.

A financial asset is recognised in the Consolidated Statement of Financial Position only when the Group becomes party to its contractual provisions. The purchase of financial assets is recognised using trade date accounting. The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers substantially all the risks and rewards of ownership. Financial liabilities are initially recognised at fair value, less, in the case of financial liabilities subsequently carried at amortised cost, transaction costs. A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

The Group has recognised the hedging instruments set out in note 13 at fair value, which are exposed to the Secured Overnight Financing Rate ("SOFR"). The Group also has certain floating rate liabilities where the reference rate are linked to SOFR.

u Derivatives and hedge accounting

The Group and Company has entered into various financial instruments (derivatives) to manage foreign exchange and interest rate risk. Derivatives include swaps, forwards and options.

All derivatives are recognised on the Consolidated Statement of Financial Position at their fair value (market value). Market value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The method of recognising the resulting gain or loss on derivatives depends on whether the derivative is designated as a hedging instrument.

Non-hedging derivatives are classified at fair value through the profit or loss. Gains and losses arising from changes in fair value of a non-hedging derivative are recognised as they arise in the Consolidated Statement of Profit or Loss and Other Comprehensive Income under trading income/expense.

The Group and Company designates certain derivatives held for risk management as well as certain non-derivative financial instruments as hedging instruments in qualifying hedging relationships. On initial designation of the hedge, the Group and Company formally documents the relationship between the hedging instruments and hedged items, including the risk management objective and strategy in undertaking the hedge, together with the method that will be used to assess the effectiveness of the hedging relationships. The Group and Company makes an assessment both at the inception of the hedge relationship as well as on an ongoing basis, as to whether the hedging instruments are expected to be highly effective in offsetting the changes in cash flows or fair value of the respective hedged items during the period for which the hedge is designated, and whether the actual results of each hedge are within a range of 80-125 percent. The Group and Company makes an assessment for a cash flow hedge of a forecast transaction, as to whether the forecast transaction is highly probable to occur and presents an exposure to variations in cash flows that could ultimately affect profit or loss.

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognised in other comprehensive income in the hedging reserve. The amount recognised in other comprehensive income is reclassified to the profit or loss in the same period as the hedged cash flows affect the profit or loss, and in the same line item in the Consolidated Statement of Profit or Loss and Other Comprehensive Income. Any ineffective portion of changes in the fair value of the derivative is recognised immediately in the profit or loss.

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

u Derivatives and hedge accounting (continued)

When a derivative is designated as the hedging instrument in a fair value hedge, changes in fair value are recorded in the Consolidated Statement of Profit or Loss and Other Comprehensive Income, together with any changes in fair value of the hedged asset or liability that are attributable to the hedged risk.

If the hedging derivative expires or is sold, terminated, or exercised, or the hedge no longer meets the criteria for cash flow hedge accounting, or the hedge designation is revoked, then hedge accounting is discontinued prospectively. In a discounted hedge of a forecast transaction the cumulative amount recognised in Other Comprehensive Income from the period when the hedge was effective is reclassified from other comprehensive income to profit or loss as a reclassification adjustment when the forecast transaction occurs and affects profit or loss. If the forecast transaction is no longer expected to occur, then the balance in other comprehensive income is reclassified immediately to the profit or loss as a reclassification adjustment. If the criteria for hedge accounting cease to be met in relation to a fair value hedge, no further adjustments are made to the hedged item for fair value changes attributable to the hedged risk. The cumulative adjustment to the carrying amount of a hedged item is amortised to profit or loss over the period to maturity using the effective interest method.

Determination of fair values of derivative financial instruments and financial liabilities in fair value hedge relationships

Derivative fair values are determined from quoted prices in active markets where available. Where there is no active market for an instrument, fair value is derived from prices for the derivative's components using appropriate pricing or valuation models. The Group and Company's pricing and valuation methods are managed in conjunction with Sumitomo Mitsui Banking Corporation Capital Markets Inc.

The current pricing models do not entail material subjectivity because the methodologies utilised do not incorporate significant judgement and the parameters included in the models can be calibrated to actively quoted market prices. Values established from pricing models are adjusted for credit risk and liquidity risk.

v Provisions

A provision is recognised if, as a result of a past event, the Group and Company has a present legal or constructive obligation that can be estimated reliably and it is probable that an outflow of economic benefits will be required to settle the obligation and the amount can be reliably estimated. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

w Amounts receivable under finance leases

A finance lease is recognised when there is a contractual right to the asset's cash flows and derecognised when all contractual rights and obligations expire. Amounts due from lessees under finance leases are recorded as receivables at the amount of the net investment in the leases. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income.

Progress payments made prior to the commencement of the primary lease are included at cost together with the amount of any interest charged on such payments.

x Loans receivable and advances to OEMs

Loan receivables and advances to OEMs are measured on initial recognition at fair value, and subsequently measured at amortised cost using the effective interest rate method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

y Cash and cash equivalents

Cash and cash equivalents comprise of cash on hand, demand 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 changes in value.

z Restricted cash

Restricted cash includes cash held by the Group and Company which is ring-fenced or used as security for specific financing arrangements and to which the Group and Company does not have unfettered access.

1 MATERIAL ACCOUNTING POLICIES (CONTINUED)

aa Lease incentive accounting

A lessor contribution liability is established at the commencement of the lease representing the best estimate of the contractually obligated contribution. In addition, a lease incentive asset is recognised for this amount, and it is amortised over the life of the associated lease as a charge against maintenance income.

Lessor contributions represent contractual obligations on the part of the Group and Company to contribute to the lessee's cost of the next planned major maintenance events, expected to occur during the lease.

bb Obligations under finance leases

Assets held under finance leases are recognised as assets of the Group and Company at their fair value or, if lower, at the present value of the minimum lease payments, each determined at the inception of the lease in accordance with the accounting policy applicable to that asset. The corresponding liability to the lessor is included in the Consolidated Statement of Financial Position as a finance lease payable obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability.

cc Maintenance reserves

All cash maintenance reserves collected under the lease agreements are recognised on the Consolidated Statement of Financial Position. At the end of the lease any excess is taken to revenue. Excess supplemental income from maintenance reserve is only recognised as revenue in the income statement when the Group and Company settles the full obligation in accordance with IAS 37, Provisions, Contingent Liabilities and Contingent Assets.

dd Lease component assets and liabilities

Aircraft acquired on lease are assessed for the existence of lease component assets and liabilities which are considered to be separate components of aircraft assets. To the extent that lease payments are off-market, they are recognised as either lease component assets or liabilities which are amortised over the remaining lease term.

ee Pensions

Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit or loss as the related service is received from the employee.

ff Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

gg Profit from operating activities

Operating profit is stated before charging or crediting investment income and finance costs.

hh Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

ii New standards adoption and amendments to IFRS

The following new standards approved by the IASB have been applied in preparing these financial statements:
- Classification of Liabilities as Current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

These standards had no impact on the Group. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

Other standards, amendments to standards and interpretations not yet effective

The following amended standards and interpretations approved by the IASB will be relevant to the Group and Company, but were not effective at 31 March 2025, and have not been applied in preparing these financial statements:

- The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (Amendments to IAS 21)
- Financial Instruments and IFRS 7 Financial Instruments: Disclosures (Amendments to IFRS 9)
- Annual Improvements to IFRS – Volume 11
- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

These are all effective for annual periods beginning on or after 1 January 2025 (unless otherwise noted). The Group and Company have taken the decision not to adopt these amended standards and interpretations early. The impact of these amended standards and interpretations is not expected to be material.

2 REVENUE

	Year ended 31 March 2025 US $'000	Year ended 31 March 2024 US $'000
Operating lease revenue		
Lease rentals	1,978,218	1,927,778
Lease incentive amortisation (note 17)	(94,971)	(50,737)
Maintenance income	51,305	29,877
Lease revenue	1,934,552	1,906,918
Fee income		
Aircraft management fees	9,600	7,408
Other revenue	9,600	7,408
	1,944,152	1,914,326

Maintenance income include redelivery payments received during the period, which increased compared to the prior period due to a higher level of redelivery activity.

Included in operating lease revenue above are the following amounts:

Contingent rentals	34,677	77,393

The contingent element relates to lease rentals that are variable based on market interest rates and certain lease amendment agreements. The rates can be in the favour of the lessee or the Group depending on the contract and prevailing market rates.

Total rentals receivable distribution by geographical region:	Year ended 31 March 2025 US $'000	Year ended 31 March 2025 %	Year ended 31 March 2024 US $'000	Year ended 31 March 2024 %
Emerging Asia	532,141	26.9	493,511	25.6
South America	308,602	15.6	269,889	14.0
Developed Europe	371,905	18.8	427,967	22.2
Emerging Europe	90,998	4.6	69,400	3.6
Asia	197,822	10.0	219,767	11.4
Middle East & Africa	181,996	9.2	177,356	9.2
North America	294,754	14.9	269,888	14.0
	1,978,218	100.0	1,927,778	100.0

The basis for disclosing revenue distribution by geographical region is that the portfolio is managed by region rather than by country.

3 OTHER OPERATING INCOME

	Year ended 31 March 2025 US $'000	Year ended 31 March 2024 US $'000
Profit on disposal of property, plant and equipment	30,325	57,020
Other operating income	633,054	775,814
	663,379	832,834

Profit on disposal of property, plant and equipment decreased in the current period due to lower average gains per transaction despite higher aircraft trading activity.

Other operating income in the current period include insurance settlement proceeds of $630.0 million (year ended 31 March 2024: $755.8 million (note 9)) received or recognised in respect of aircraft previously leased to certain Russian airlines.

4 OPERATING EXPENSES

	Year ended 31 March 2025 US $'000	Year ended 31 March 2024 US $'000
Administration expenses	(160,942)	(151,387)
Amortisation of computer software intangible assets	(1,549)	(1,390)
	(162,491)	(152,777)

Operating expenses increased during the year due to higher staff costs (note 6) and additional legal and other administrative expenses.

5 PROFIT FROM OPERATING ACTIVITIES

Operating profit has been arrived at after charging:	Year ended 31 March 2025 US $'000	Year ended 31 March 2024 US $'000
Depreciation	597,717	672,934
Operating lease asset impairment charge	30,553	69,019
Credit impairment credit / (charge)	(20,592)	(11,545)
Group service fee	5,672	7,883
Auditors remuneration	1,721	1,589
Staff costs (note 6)	95,033	85,383
Other operating expenses	60,887	57,210
Foreign exchange (gain) / loss	(1,589)	(299)
Auditors remuneration:		
Audit of the Group financial statements	645	794
Audit of the Subsidiary financial statements	259	310
Other assurance services	188	181
Other non-audit services	-	-
Tax advisory services	629	304
	1,721	1,589
Of which related to the Company	1,184	1,086

6 STAFF COSTS

	Year ended 31 March 2025 US $'000	Year ended 31 March 2024 US $'000
Staff costs	80,951	72,874
Social security costs	8,384	7,431
Other pension costs	5,698	5,078
	95,033	85,383

Staff costs increased due to higher staff numbers, while no staff costs were capitalised during the year (year ended 31 March 2024: $nil). The average number of people in the organisation during the financial year was 280 (2024: 268), consisting of both direct employees and representatives, of which 96 staff members were dedicated to commercial & strategy functions (2024: 100), 59 to operational (2024: 65) and the remainder to finance, compliance and other support functions.

7 NET FINANCE COSTS

	Year ended 31 March 2025 US $'000	Year ended 31 March 2024 US $'000
Finance income:		
Interest income on swaps	235,742	235,874
Interest income on finance lease and loan receivables	55,751	59,333
Interest income on deposits	22,999	24,037
Total interest income	314,492	319,244

	Year ended 31 March 2025 US $'000	Year ended 31 March 2024 US $'000
Finance expense:		
Interest expense on swaps	(175,242)	(164,178)
Interest expense on borrowings	(794,180)	(804,035)
Less: Interest capitalised to the cost of aircraft (see note 20)	35,325	30,202
Bank charges, guarantee & other fees on borrowings	(44,935)	(50,607)
Total interest expense and related charges	(979,032)	(988,618)
Net interest expense	(664,540)	(669,374)

Interest expense on borrowings is disclosed net of break gains related to derivatives and liability management of $58.4 million (year ended 31 March 2024: $68.3 million).

8 TAXATION

a ANALYSIS OF TAX CHARGE FOR THE YEAR	Year ended 31 March 2025 US $'000	Year ended 31 March 2024 US $'000
Current tax charge:		
- Current year	48,013	14,356
- Pillar Two top-up tax	28,958	-
	76,971	14,356
Deferred tax - origination and reversal of temporary differences:		
- Current year	101,915	145,543
Tax charge	178,886	159,899

b FACTORS AFFECTING THE TAX CHARGE FOR THE YEAR		
Profit before tax subject to tax at 12.5% (2024: 12.5%)	1,154,756	1,184,599
Profit before tax subject to tax at 25% (2024: 25%)	316	1,952
Profit before tax subject to tax at 17% (2024: 17%)	254	131
Profit before tax subject to tax at 16.5% (2024: 16.5%)	1,084	517
Profit before tax subject to tax at 8.25% (2024: 8.25%)	16,412	7,402
	1,172,822	1,194,601
Tax on profit at the rate of 12.5% (2024: 12.5%)	144,345	148,075
Tax on profit at the rate of 25% (2024: 25%)	79	488
Tax on profit at the rate of 17% (2024: 17%)	42	22
Tax on profit at the rate of 16.5% (2024: 16.5%)	179	85
Tax on profit at the rate of 8.25% (2024: 8.25%)	1,354	611
Pillar Two top-up tax	28,958	-
Other differences	3,346	2,179
Permanent difference - non-taxable income	-	(13)
Permanent difference - disallowed expenses	583	8,452
Tax charge	178,886	159,899

On 15 December 2022, the Council of the European Union formally adopted the OECD's Pillar Two Directive. The EU Minimum Tax Directive implements a minimum 15% tax rate on certain multinational enterprises in line with the OECD's Pillar Two Model Rules. Ireland has enacted the EU Minimum Tax Directive into domestic legislation and the Company is in scope for the year ended 31 March 2025. The Company recognised a current tax expense of $28.9 million in respect of the Pillar Two top-up tax (year ended 31 March 2024: $nil) in this regard. Additional guidance is expected from the OECD on the operation of Pillar Two and this could impact the Company's future effective tax rate. The Company has applied a temporary mandatory relief from deferred tax accounting for the impacts of the top-up tax and accounts for it as a current tax when it is incurred.

9 PROPERTY, PLANT AND EQUIPMENT

	Group Aircraft for hire under operating leases US $'000	Group Pre-Delivery Payments US $'000	Group Office equipment and fixtures & fittings US $'000	Group Right-of-use assets US $'000	Group Total US $'000
COST					
At 1 April 2023	24,750,614	982,062	13,576	92,619	25,838,871
Additions	1,947,613	364,725	31,928	960	2,345,226
Transfers	234,453	(234,453)	-	-	-
Written off	(1,072,162)	-	-	-	(1,072,162)
Disposals	(1,648,097)	-	-	(5,689)	(1,653,786)
Transfer to assets held for sale (see note 18)	(301,639)	-	-	-	(301,639)
At 31 March 2024	23,910,782	1,112,334	45,504	87,890	25,156,510
Additions	3,160,579	302,648	1,569	-	3,464,796
Transfers	252,008	(252,008)	-	-	-
Written off	-	-	(3,617)	(28,123)	(31,740)
Disposals	(2,128,912)	-	-	-	(2,128,912)
Transfer to assets held for sale (see note 18)	(499,431)	-	-	-	(499,431)
At 31 March 2025	24,695,026	1,162,974	43,456	59,767	25,961,223
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1 April 2023	4,069,131	-	12,305	9,844	4,091,280
Charge for the year	664,379	-	495	8,060	672,934
Impairment charge for the year	69,019	-	-	-	69,019
Written off	(1,072,162)	-	-	-	(1,072,162)
Disposals	(232,245)	-	-	(945)	(233,190)
Transfer to assets held for sale (see note 18)	(25,637)	-	-	-	(25,637)
At 31 March 2024	3,472,485	-	12,800	16,959	3,502,244
Charge for the year	589,813	-	3,676	4,228	597,717
Impairment charge for the year	30,553	-	-	-	30,553
Written off	-	-	-	(9,549)	(9,549)
Disposals	(423,878)	-	-	-	(423,878)
Transfer to assets held for sale (see note 18)	(153,006)	-	-	-	(153,006)
At 31 March 2025	3,515,967	-	16,476	11,638	3,544,081
CARRYING AMOUNT					
Net Book Value at 31 March 2025	21,179,059	1,162,974	26,980	48,129	22,417,142
Net Book Value at 31 March 2024	20,438,297	1,112,334	32,704	70,931	21,654,266

During the year, assets in the Group with a carrying value of $663.1 million (year ended 31 March 2024: $1.52 billion) and average age of 10.2 years (year ended 31 March 2024: 8.9 years) were assessed for impairment as evidence existed that suggested the economic performance of the aircraft is or will be worse than expected. Impairment was measured by determining the recoverable amount for each aircraft, being the higher of its (i) fair value less costs to sell and (ii) value in use, being the present values of cashflows from the leases attached to the aircraft (including as restructured lease cash flows related to aircraft where lessees were in default or in restructuring processes) and the expected residual values from the realisation of the aircraft at lease-end when discounted at a rate of 6% (year ended 31 March 2024: 6%).

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

The carrying amount before impairment of these aircraft of $693.7 million (year ended 31 March 2024: $1.59 billion) was determined to be higher than the value in use, maintenance adjusted current market value or fair value less costs to sell of $663.1 million (year ended 31 March 2024: $1.52 billion) and an impairment loss of $30.6 million (year ended 31 March 2024: $69.0 million) was recognised during the year. The current and prior year charges related to aircraft where the net book values were in excess of either its respective value in use or maintenance adjusted current market value as set out below.

Value in use includes cash flow projections of contracted and estimated lease rentals in line with market participant expectations, including reduced lease rentals for airlines that have entered restructuring processes. In certain instances these cash flow projections may also include potential cash outflows in respect of near-term scheduled maintenance events. Cash flow assumptions applied for these lease restructurings and for customers with ongoing restructuring negotiations, have been assessed and the highly probable outcomes have been included in line with the customer specific circumstances. If future cash flows were to deviate from current negotiations to worst-case cash flows at market rates, the impact on impairment would be deemed not material. Residual values are projected based on management's view of expected return conditions of the aircraft which is based on current or expected lease redelivery conditions, or in the case of potential repossessions on an 'as is' physical condition. The impairment loss recognised takes account of both the value in use and the maintenance adjusted current market value of the relevant aircraft.

The factors considered in estimating the future cash flows are impacted by changes in contracted lease rates, future projected lease rates, transition costs, estimated time on the ground, estimated residual values, economic conditions, technology and airline demand for particular aircraft variants. These estimated cashflows were discounted at 6% (year ended 31 March 2024: 6%) per annum.

A sensitivity analysis was performed to determine the potential impact of the below movements in the various risk variables:
- 0.5% increase in the discount rate used
- 5% decrease in the future lease rental cashflows of each aircraft
- 5% decrease in the residual value of aircraft at end of its useful economic life
- 3 month increase in the estimated time on the ground between leases

None of the above movements in risk variables would have resulted in a material impact on the impairment charge for property, plant and equipment for the current or prior year.

The value of lease and maintenance component assets included in above is $1.48 billion (31 March 2024: $1.49 billion). These lease and maintenance component assets arose from the purchase of second hand aircraft and the Goshawk acquisition and are accounted for in accordance with our policy as set out in note 1(n). There were no assets subject to obligations under finance leases at 31 March 2025 or 31 March 2024.

At 31 March 2025 the Group owned 510 aircraft, including aircraft classified as finance lease and loan receivables. The Group has one aircraft off-lease at year-end and 24 aircraft on lease which are scheduled to complete their lease term within the next twelve months. There were ten aircraft held for sale at 31 March 2025 (31 March 2024: eight).

The Group recognised a write off of $1.62 billion in the year ended 31 March 2022, representing 100% of the carrying value of the 34 aircraft lost in Russia. Those aircraft were the subject of litigation commenced in the Irish Courts and some of the aircraft are also the subject of litigation before the UK Courts (see details at Russian Sanctions section of Directors' Report).

During the current and prior year, the Group received insurance settlement proceeds (note 3) in respect of certain of its aircraft previously leased to certain Russian airlines. The amounts represent settlements of the Group's insurance claims (i) under the relevant airlines' insurance and reinsurance policies relating to relevant aircraft and associated engines and (ii) under the Group's own insurance policies relating to relevant aircraft and associated engines. The insurance settlements and receipt of the insurance settlement proceeds were carried out in full compliance with all applicable laws, sanctions and regulations and have been approved by the U.S. Department of Commerce and the U.S. Department of the Treasury.

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Company Aircraft for hire under operating leases US $'000	Company Pre-Delivery Payments US $'000	Company Office equipment and fixtures & fittings US $'000	Company Right-of-use assets US $'000	Company Total US $'000
COST					
At 1 April 2023	18,425,995	982,062	13,558	86,574	19,508,189
Additions	3,710,379	364,725	31,929	862	4,107,895
Transfers	234,453	(234,453)	-	-	-
Written off	(1,072,162)	-	-	-	(1,072,162)
Disposals	(1,474,579)	-	-	-	(1,474,579)
Transfer to assets held for sale (see note 18)	(233,486)	-	-	-	(233,486)
At 31 March 2024	19,590,600	1,112,334	45,487	87,436	20,835,857
Additions	4,581,502	302,648	1,569	-	4,885,719
Transfers	252,008	(252,008)	-	-	-
Written off	-	-	(3,617)	(27,669)	(31,286)
Disposals	(1,456,133)	-	-	-	(1,456,133)
Transfer to assets held for sale (see note 18)	(502,897)	-	-	-	(502,897)
At 31 March 2025	22,465,080	1,162,974	43,439	59,767	23,731,260
ACCUMULATED DEPRECIATION AND IMPAIRMENT					
At 1 April 2023	4,005,645	-	12,289	9,283	4,027,217
Charge for the year	375,268	-	494	7,229	382,991
Impairment charge for the year	56,127	-	-	-	56,127
Written off	(1,072,162)	-	-	-	(1,072,162)
Disposals	(203,358)	-	-	-	(203,358)
Transfer to assets held for sale (see note 18)	(18,555)	-	-	-	(18,555)
At 31 March 2024	3,142,965	-	12,783	16,512	3,172,260
Charge for the year	439,346	-	3,676	4,220	447,242
Impairment charge for the year	26,618	-	-	-	26,618
Written off	-	-	-	(9,094)	(9,094)
Disposals	(302,452)	-	-	-	(302,452)
Transfer to assets held for sale (see note 18)	(153,526)	-	-	-	(153,526)
At 31 March 2025	3,152,951	-	16,459	11,638	3,181,048
CARRYING AMOUNT					
Net Book Value at 31 March 2025	19,312,129	1,162,974	26,980	48,129	20,550,212
Net Book Value at 31 March 2024	16,447,635	1,112,334	32,704	70,924	17,663,597

10 INVESTMENT IN SUBSIDIARIES - COMPANY

	31 March 2025 US $'000	31 March 2024 US $'000
At cost	1,569,488	1,572,278

The Company's significant subsidiary undertakings, the capital of which consists of ordinary shares, are shown below. All share capital is wholly owned.

Owned by the Company:	Nature of business:	Country of incorporation
SMBC Aviation Capital Ireland Leasing 3 Limited (1)	Leasing	Ireland
SMBC Aviation Capital Finance Designated Activity Company (1)	Debt issuance	Ireland
SMBC Aviation Capital Management Limited (2)	Leasing	Ireland
SMBC Aviation Capital Hong Kong Limited (3)	Leasing	China
SMBC Aviation Capital Hong Kong 3 Limited (3)	Leasing	China

Registered addresses of entities above, denoted by reference attached to each entity name:

1) Fitzwilliam 28, Fitzwilliam Street Lower, Dublin 2, Ireland

2) 32 Molesworth Street, Dublin 2, Ireland

3) 31 & 32/F, Hysan Place, 500 Hennessy Road, Causeway Bay, Hong Kong

Movements during the year:	US $'000
At 1 April 2023	728,700
Addition during the year	859,058
Repayment of investment	(15,480)
At 31 March 2024	1,572,278
Addition during the year	16,905
Subsidiaries merged during the period	(19,695)
At 31 March 2025	1,569,488

The Company received dividend totalling $22.0 million (2024: $60.0 million) from subsidiary companies during the year.

During the year ended 31 March 2025, a number of subsidiaries of the Company were merged into the Company, with associated asset, liability and retained earnings balances absorbed into the Company's existing respective balances.

11 FINANCIAL INSTRUMENTS

The carrying value and fair value of the Group's financial assets and liabilities by class and category are summarised below:

	Group Carrying Value US $'000	Group Fair Value US $'000	Company Carrying Value US $'000	Company Fair Value US $'000
At 31 March 2025				
Financial assets at fair value through profit or loss				
Derivative financial instruments	15,803	15,803	15,803	15,803
Financial assets measured at amortised cost				
Advances to OEMs	146,180	146,180	146,180	146,180
Finance lease and loan receivables	663,372	663,460	1,423,356	1,588,134
Trade and other receivables	344,411	344,411	357,159	357,159
Cash and cash equivalents	717,476	717,476	697,201	697,201
Financial assets	1,887,242	1,887,330	2,639,699	2,804,477
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	24,103	24,103	24,103	24,103
Financial liabilities measured at amortised cost				
Trade and other payables	2,233,080	2,233,080	2,789,330	2,789,330
Borrowings	15,922,034	15,670,495	15,935,513	15,704,725
Subordinated liabilities	300,000	293,353	300,000	293,353
Financial liabilities	18,479,217	18,221,031	19,048,946	18,811,511

	Group Carrying Value US $'000	Group Fair Value US $'000	Company Carrying Value US $'000	Company Fair Value US $'000
Financial assets at fair value through profit or loss				
Derivative financial instruments	52,100	52,100	52,100	52,100
Financial assets measured at amortised cost				
Advances to OEMs	72,629	72,629	72,629	72,629
Finance lease and loan receivables	560,906	561,413	3,253,566	3,690,496
Trade and other receivables	222,429	222,429	240,396	240,396
Cash and cash equivalents	1,035,602	1,035,602	981,860	981,860
Financial assets	1,943,666	1,944,173	4,600,551	5,037,481
Financial liabilities at fair value through profit or loss				
Derivative financial instruments	3,764	3,764	3,764	3,764
Financial liabilities measured at amortised cost				
Trade and other payables	2,026,704	2,026,704	2,237,890	2,237,890
Borrowings	16,230,089	15,441,268	16,268,274	15,468,676
Subordinated liabilities	300,000	289,967	300,000	289,967
Financial liabilities	18,560,557	17,761,703	18,809,928	18,000,297

The Group's financial instruments that are both carried at fair value and for which fair value is disclosed are categorised by the level of fair value hierarchy. The different levels are based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement. The levels have been defined as follows:

Level 1 Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date
Level 2 Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly
Level 3 Unobservable inputs for the asset or liability

11 FINANCIAL INSTRUMENTS (CONTINUED)

The valuation techniques and significant inputs used in determining the fair values for financial assets and liabilities classified as Level 2 are as follows:

The financial instruments at fair value through profit or loss, being the assets and liabilities shown as above, all fall within Level 2. Fair values are estimated based on a discounted cash flow analysis using observable market inputs.

Cash and cash equivalents - the fair value of cash and cash equivalents is considered to be approximately equal to their carrying amount as the components are highly liquid.

Finance lease and loan receivables measured at amortised cost all fall within Level 2. Fair values are estimated based on a discounted cash flow analysis using observable market inputs.

Advances to OEMs measured at amortised cost all fall within Level 2. Fair values are estimated based on a discounted cash flow analysis using observable market inputs.

Obligations under finance leases, Borrowings and Subordinated liabilities fall within Level 2. Fair values are estimated based on a discounted cash flow analysis using observable market inputs.

The remaining financial assets and liabilities measured at amortised cost all fall within Level 2. Fair values are estimated on the basis that the carrying value has been determined to be a good approximation of fair value.

12 DERIVATIVES AT FAIR VALUE

All derivatives held at the reporting date are with Sumitomo Mitsui Banking Corporation Capital Markets Inc., and are in US Dollars only. All derivatives entered into are for hedging purposes and are carried at fair value. Those derivatives that do not meet IAS 39 hedge accounting criteria are held for economic hedging purposes. The value of derivatives designated as cash flow hedge relationships is $8.3 million (2024: $48.3 million). The value of derivative assets designated as fair value hedge relationships is $nil (2024: $nil). The total amount of the change in fair value estimated in the profit or loss during the period was $nil (2024: $nil) in respect of certain ineffective cashflow hedges and a $nil (2024: $nil) in respect of certain ineffective fair values hedges.

	Group Notional Contract	Group Fair values		Company Notional Contract	Company Fair values	
		Assets	Liabilities		Assets	Liabilities
At 31 March 2025	US $'000	US $'000	US $'000	US $'000	US $'000	US $'000
Derivatives designated as hedging instruments in cash flow hedges						
Interest rate swaps	3,629,474	15,803	(24,103)	3,629,474	15,803	(24,103)
Total	3,629,474	15,803	(24,103)	3,629,474	15,803	(24,103)
At 31 March 2024						
Derivatives designated as hedging instruments in cash flow hedges						
Interest rate swaps	3,600,234	52,100	(3,764)	3,600,234	52,100	(3,764)
Total	3,600,234	52,100	(3,764)	3,600,234	52,100	(3,764)

Summary	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Assets due within one year	545	9,434	545	9,434
Assets due after one year	15,258	42,666	15,258	42,666
Liabilities due within one year	-	-	-	-
Liabilities due after one year	(24,103)	(3,764)	(24,103)	(3,764)
Total	(8,300)	48,336	(8,300)	48,336

13 HEDGE ACCOUNTING

The Group and Company uses interest rate swaps to hedge the interest rate risks arising from receipt of variable interest receivables on leases.

The fair values of derivatives designated as cash flow hedges are as follows:

Group

At 31 March 2025	Notional contract amount	Fair values	
		Assets	Liabilities
	US $'000	US $'000	US $'000
Derivatives designated as hedging instruments in cash flow hedges			
Interest rate swaps	3,629,474	15,803	(24,103)
	3,629,474	15,803	(24,103)
At 31 March 2024			
Derivatives designated as hedging instruments in cash flow hedges			
Interest rate swaps	3,600,234	52,100	(3,764)
	3,600,234	52,100	(3,764)

The time periods in which the hedge cash flows are expected to occur and affect the financial statement of comprehensive income are as follows:

At 31 March 2025	Less than 1 year	In the 2nd year	3 to 5 years	Over 5 years
	US $'000	US $'000	US $'000	US $'000
Cash inflows	186,540	146,773	158,418	2,680
Cash outflows	(173,360)	(155,428)	(166,251)	(2,749)

During the financial year ended 31 March 2025, $55.8 million (2024: $31.9 million) was recognised in the Statement of Other Comprehensive Income relating to the effective portion of cash flow hedges. There was no amount recognised as hedge ineffectiveness in the Statement of Profit and Loss and Other Comprehensive Income (2024: $nil).

Company

At 31 March 2025	Notional contract amount	Fair values	
		Assets	Liabilities
	US $'000	US $'000	US $'000
Derivatives designated as hedging instruments in cash flow hedges			
Interest rate swaps	3,629,474	15,803	(24,103)
	3,629,474	15,803	(24,103)
At 31 March 2024			
Derivatives designated as hedging instruments in cash flow hedges			
Interest rate swaps	3,600,234	52,100	(3,764)
	3,600,234	52,100	(3,764)

13 HEDGE ACCOUNTING (CONTINUED)

The time periods in which the hedge cash flows are expected to occur and affect the financial statement of comprehensive income are as follows:

At 31 March 2025	Less than 1 year US $'000	In the 2nd year US $'000	3 to 5 years US $'000	Over 5 years US $'000
Cash inflows	186,540	146,773	158,418	2,680
Cash outflows	(173,360)	(155,428)	(166,251)	(2,749)

During the financial year ended 31 March 2025, $55.8 million (2024: $31.9 million) was recognised in the Statement of Other Comprehensive Income relating to the effective portion of cash flow hedge. There was no amount recognised as hedge ineffectiveness in the Statement of Profit or Loss and Other Comprehensive Income (2024: $nil).

Analysis of effective portion of changes in fair value of cash flow hedges	Group Year ended 31 March 2025 US $'000	Group Year ended 31 March 2024 US $'000	Company Year ended 31 March 2025 US $'000	Company Year ended 31 March 2024 US $'000
Derivatives in place for the full year	24,887	53,698	24,887	53,698
Derivatives matured during the year	(72,051)	(22,654)	(72,051)	(22,654)
Derivatives entered into during the year	(8,642)	850	(8,642)	850
Effective portion of changes in fair value of cash flow hedges	(55,806)	31,894	(55,806)	31,894
Tax effect	6,976	(3,987)	6,976	(3,987)
	(48,830)	27,907	(48,830)	27,907

14 FINANCE LEASES AND LOAN RECEIVABLES

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Current				
Fixed rate receivables				
Finance leases	6,924	3,546	3,175	-
Loan receivables	-	-	2,523	2,523
Floating rate receivables				
Loan receivables	42,539	35,878	68,264	161,457
	49,463	39,424	73,962	163,980
Non-current				
Fixed rate receivables				
Finance leases	51,385	34,570	20,564	-
Loan receivables	-	-	140,177	66,995
Floating rate receivables				
Loan receivables	562,524	486,912	1,188,653	3,022,591
	613,909	521,482	1,349,394	3,089,586
Total finance lease and loan receivables	663,372	560,906	1,423,356	3,253,566

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
The maturity analysis of finance lease receivables, including the undiscounted lease payments to be received are as follows:				
Less than 1 year	7,354	6,372	982	-
1-2 years	34,739	6,372	2,394	-
2-3 years	2,676	32,345	2,676	-
3-4 years	2,676	-	2,676	-
4-5 years	2,676	-	2,676	-
5+ years	22,301	-	22,301	-
Total undiscounted lease payments receivable	72,422	45,089	33,705	-
Unearned finance income	(14,113)	(6,973)	(9,966)	-
Net investment in finance leases	58,309	38,116	23,739	-

Finance lease receivables - Group:
The Group has entered into lease arrangements as a lessor that are considered to be finance leases. The Group leases two aircraft for which substantially all of the risks and rewards of ownership have transferred, resulting in the classification of these arrangements as finance leases. Finance income in the period on the net investment in leases totalled $55.8 million (31 March 2024: $59.3 million; see note 7). Collateral for these finance leases are the relevant leased aircraft.

Finance lease receivables - Company:
The Company has also entered into a small number of sub-leases as lessor that are considered to be finance leases. These sub-leases represent components of properties surplus to the Group's own requirements.

Loan receivables - Group:
The Group acquired 11 aircraft in recent years, which were placed with airline customers. These leases do not meet the definition of a lease under IFRS 16 and therefore the amounts are classified as loan receivables.

Loan receivables - Company:
Loans receivable by the Company consist of funding provided to its subsidiary undertakings in the normal course of their leasing activities and are considered fully recoverable.

The expected credit loss of the Group's finance lease and loan receivables is assessed based on historic loss rates and the carrying value of the finance lease receivable net of collateral held. No material expected credit loss has been recognised on the Group's finance lease and loan receivables.

15 TRADE AND OTHER RECEIVABLES

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Trade debtors	33,733	89,674	14,828	42,805
Deferred lease receivables	35,815	42,253	26,944	42,253
Credit impairment provisions	(6,193)	(48,061)	(6,193)	(31,712)
Net lease receivables	63,355	83,866	35,579	53,346
Amounts due from parent group undertakings	26,478	16,717	83,645	85,440
Prepayments	94,259	101,369	75,750	85,857
Other debtors	160,319	20,477	162,185	15,753
	344,411	222,429	357,159	240,396
Age analysis of trade debtors				
Less than one month	7,091	10,950	6,081	3,478
One to two months	2,105	10,279	2,153	7,148
More than two months	24,537	68,445	6,594	32,179
	33,733	89,674	14,828	42,805

Most airline customers continue to experience improved performance, which, in addition to the conclusion of a restructuring during the period, have resulted in lower trade receivables. The credit impairment reversal in the current period of $20.6 million (year ended 31 March 2024: reversal of $11.5 million) was impacted by the decrease in receivables and other factors noted above. The credit impairment charge is determined by classifying lessees into four categories with an appropriate provision percentage ascribed to each category depending on payment performance (note 21(d)).

Other debtors include inventory of engines and airframes totalling $3.8 million (31 March 2024: $3.8 million) as well as an amount of insurance proceeds receivable, which was received in April 2025.

16 CASH AND CASH EQUIVALENTS

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Bank account	32,728	54,500	12,453	758
Bank account with parent group undertakings	5,337	14,947	5,337	14,947
Short-term deposits with parent group undertakings	679,411	966,155	679,411	966,155
	717,476	1,035,602	697,201	981,860
Restricted cash	-	-	-	-
Cash and cash equivalents net of restricted cash	717,476	1,035,602	697,201	981,860

17 LEASE INCENTIVE ASSETS

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Lease incentive assets	219,968	184,655	219,968	184,655
Amortised during the year (note 2)	(94,971)	(50,737)	(94,971)	(50,737)
Additions of lease incentive assets	194,964	112,947	194,964	112,947
Release of lease incentive assets on disposal of aircraft	(24,481)	(24,844)	(24,481)	(24,844)
Transfer to assets held for sale (note 18)	(10,476)	(2,053)	(10,476)	(2,053)
	285,004	219,968	285,004	219,968
Current lease incentive assets (amortising within 12 months)	95,879	52,423	95,879	52,423
Non-current lease incentive assets (amortising after 12 months)	189,125	167,545	189,125	167,545
	285,004	219,968	285,004	219,968

The lease incentive assets are amortised over the respective lease terms and recorded as a reduction of lease income (note 2).

18 ASSETS AND LIABILITIES HELD FOR SALE

The aircraft which met the criteria to be classified as assets held for sale and the associated liabilities were as follows:

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Assets held for sale				
Property, plant and equipment - aircraft	346,426	276,001	349,372	214,932
Lease incentive assets	10,476	2,053	10,476	2,053
	356,902	278,054	359,848	216,985
Liabilities associated with assets held for sale				
Security deposits	10,684	3,185	10,684	1,913
Maintenance reserve	40,019	25,956	40,019	9,729
Lessor contributions	18,911	4,576	18,911	2,780
	69,614	33,717	69,614	14,422
	287,288	244,337	290,234	202,563

At 31 March 2025, the Group classified ten aircraft (31 March 2024: eight) as held-for-sale as the Group had agreements for the sale of these aircraft which met the requirement to be classified as held-for-sale. The Group generally continues to recognise lease rental income on all aircraft in this classification, notwithstanding that the arrangements provide for the final selling price on completion of sale to be reduced by the same amount.

19 TRADE AND OTHER PAYABLES

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Security deposits	167,564	153,901	152,172	115,895
Maintenance reserves	719,278	665,138	583,173	329,925
Lessor contributions	401,812	333,645	334,878	309,212
Prepaid lease rentals and fee income received	154,240	148,552	138,126	115,436
Trade creditors	32,388	50,407	32,397	35,612
Accrued interest - third party undertakings	157,449	139,305	79,002	94,056
Amounts due to parent group undertakings	288,271	201,842	1,170,330	926,697
Collateral cash received	4,859	66,800	4,859	66,800
Other creditors	237,605	233,397	224,779	229,835
	2,163,466	1,992,987	2,719,716	2,223,468
Analysed as:				
Non-current trade and other payables (payable after 12 months)	1,088,832	1,079,609	879,700	729,748
Current trade and other payables (payable within 12 months)	1,074,634	913,378	1,840,016	1,493,720
	2,163,466	1,992,987	2,719,716	2,223,468

Analysis of Group trade and other payables:

At 31 March 2025	Due < 12 months US $'000	Due > 12 months US $'000	Total US $'000
Security deposits	5,392	162,172	167,564
Maintenance reserve	80,678	638,600	719,278
Lessor contributions	178,924	222,888	401,812
Prepaid lease rentals and fee income received	154,240	-	154,240
Trade creditors	32,388	-	32,388
Accrued interest - third party undertakings	157,449	-	157,449
Amounts due to parent group undertakings	288,271	-	288,271
Collateral cash received	4,859	-	4,859
Other creditors	172,433	65,172	237,605
	1,074,634	1,088,832	2,163,466

At 31 March 2024	Due < 12 months US $'000	Due > 12 months US $'000	Total US $'000
Security deposits	7,182	146,719	153,901
Maintenance reserve	63,703	601,435	665,138
Lessor contributions	77,042	256,603	333,645
Prepaid lease rentals and fee income received	148,552	-	148,552
Trade creditors	50,407	-	50,407
Accrued interest - third party undertakings	139,305	-	139,305
Amounts due to parent group undertakings	201,842	-	201,842
Collateral cash received	66,800	-	66,800
Other creditors	158,545	74,852	233,397
	913,378	1,079,609	1,992,987

Security deposits fall due at the end of each respective lease, while maintenance reserves, lessor contributions and amounts due to parent group undertakings which relate to operating leases fall due during the remaining term of each respective lease based on the timing of expected maintenance events.

Amounts due to parent group undertakings include cash balances held at period-end on behalf of affiliate group companies in accordance with existing cash pooling agreements.

20 BORROWINGS

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Loan amounts due to third party undertakings	5,476,322	5,503,350	4,420,696	4,585,225
Loan amounts due to parent group undertakings	6,319,227	7,593,453	6,319,227	7,593,453
Loan amounts due to subsidiaries	-	-	5,195,590	4,089,596
Other debt securities issued	4,126,485	3,133,286	-	-
	15,922,034	16,230,089	15,935,513	16,268,274

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
The borrowings are repayable as follows:				
On demand or within one year	1,714,201	1,183,210	1,714,201	483,210
In the second year	1,245,106	1,673,281	1,245,106	1,873,281
In the third to fifth year inclusive	7,480,970	6,197,471	7,480,970	4,568,331
After five years	5,481,757	7,176,127	5,495,236	9,343,452
	15,922,034	16,230,089	15,935,513	16,268,274
Less: Amounts due for settlement within 12 months	(1,714,201)	(1,183,210)	(1,714,201)	(483,210)
Amounts due for settlement after 12 months	14,207,833	15,046,879	14,221,312	15,785,064

As at 31 March 2025, the Group had $13.7 billion of available capacity in place through a combination of undrawn shareholder funding ($10.0 billion), third party availability ($3.0 billion) and unrestricted cash balances. The Group has short-term debt repayment obligations (due within 12 months) totalling $1.7 billion and other current liabilities of $1.1 billion. The short-term debt obligations include shareholder funding repayments of $842.6 million, which will become available as additional capacity on repayment. The Group also had purchase commitments consisting of direct orders and sale-leaseback commitments totalling $2.8bn due to fall due within a year (note 28).

The Group closed the sale of $650 million of its 5.30% senior unsecured notes due 2029 as well as the sale of $850 million of its 5.55% senior unsecured notes due 2034 on 3 April 2024. At 31 March 2025, the Group had the following notes in issuance:
- $500 million of its 2.30% senior unsecured notes due 2028 issued on 15 June 2021
- $500 million of its 1.90% senior unsecured notes due 2026 issued on 15 October 2021
- $650 million of its 5.45% senior unsecured notes due 2028 issued on 3 May 2023
- $1.0 billion of its 5.70% senior unsecured notes due 2033 issued on 18 July 2023
- $650 million of its 5.30% senior unsecured notes due 2029 issued on 3 April 2024
- $850 million of its 5.55% senior unsecured notes due 2034 issued on 3 April 2024

The Group closed the sale of these notes through its wholly-owned subsidiary, SMBC Aviation Capital Finance DAC, fully and unconditionally guaranteed by SMBC Aviation Capital Limited. These debt securities were not designated into a qualifying hedge relationship at inception.

All borrowings are unsecured, interest-bearing at market related interest rates determined by each facility's respective term, collateral and counterparty.

The amount of borrowing costs that were capitalised to the cost of aircraft in the period in the Group was $35.3 million (year ended 31 March 2024: $30.2 million; note 11). The rate at which borrowing costs are capitalised is determined by the appropriate associated funding and is adjusted on an ongoing basis.

20 BORROWINGS (CONTINUED)

Reconciliation of cash and non-cash movements of Group borrowings

	As at 1 April 2024 US $'000	Cash flows in the period US $'000	Non-cash changes Fair value changes US $'000	Non-cash changes Amortisation of issuing costs US $'000	As at 31 March 2025 US $'000
Floating rate borrowings					
Loan amounts due to third party undertakings	4,840,000	(27,512)	-	-	4,812,488
Loan amount due to parent group undertakings	97,500	(20,000)	-	-	77,500
	4,937,500	(47,512)	-	-	4,889,988
Fixed rate borrowings					
Loan amount due to parent group undertakings	7,495,953	(1,254,226)	-	-	6,241,727
Loan amounts due to third party undertakings	663,350	-	-	484	663,834
Other debt securities issued	3,133,286	990,787	-	2,412	4,126,485
	16,230,089	(310,951)	-	2,896	15,922,034

Terms, conditions and analysis of Group borrowings before impact of derivatives:

	Average interest rate %	Average year of maturity	Due < 12 months US $'000	Due > 12 months US $'000	Total US $'000
At 31 March 2025					
Floating rate borrowings					
Loan amounts due to third party undertakings	5.69	2025-2035	772,721	4,039,767	4,812,488
Loan amount due to parent group undertakings	5.90	2028-2029	20,000	57,500	77,500
			792,721	4,097,267	4,889,988
Fixed rate borrowings					
Loan amount due to parent group undertakings	4.42	2026-2035	822,646	5,419,081	6,241,727
Loan amounts due to third party undertakings	2.92	2025-2031	98,834	565,000	663,834
Other debt securities issued	4.70	2026-2034	-	4,126,485	4,126,485
			1,714,201	14,207,833	15,922,034

As at 31 March 2025, the average interest rate on floating rate borrowings after the impact of derivatives is 5.25% (31 March 2024: 5.35%).

	Average interest rate %	Average year of maturity	Due < 12 months US $'000	Due > 12 months US $'000	Total US $'000
At 31 March 2024					
Floating rate borrowings					
Loan amounts due to third party undertakings	6.74	2025-2029	400,000	4,440,000	4,840,000
Loan amount due to parent group undertakings	6.97	2028-2029	20,000	77,500	97,500
			420,000	4,517,500	4,937,500
Fixed rate borrowings					
Loan amount due to parent group undertakings	4.61	2024-2035	263,210	7,232,743	7,495,953
Loan amounts due to third party undertakings	2.92	2025-2031	-	663,350	663,350
Other debt securities issued	4.16	2024-2033	500,000	2,633,286	3,133,286
			1,183,210	15,046,879	16,230,089

21 FINANCIAL RISK MANAGEMENT

Risk Management Framework

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Group and Company's risk management framework. The Board of Directors, in conjunction with the Transportation Business Planning Department ("TBPD") on behalf of the Consortium, develops and monitors the Group and Company's risk management policies which are established to identify and analyse the risks faced by the Group and Company, which include:

a Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and Company seek to minimise cash flow currency risk by ensuring its leases and associated financing are in the same currency, or entering into currency swaps or forwards over the life of the lease. Accounting volatility arises from fair value through profit or loss movements where these derivatives, entered into as an economic hedge, do not qualify for hedge accounting under IAS 39. The Group and Company have no currency swaps in place at year-end.

All financial instruments are in US dollars with the exception of the following: certain bank accounts held in Euro and Sterling as well as certain receivables and payables in Euro and Sterling. There was no material change in the currency risk of the Group and Company during the period.

The carrying amounts of other currency denominated monetary assets and liabilities are as follows:

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Euro assets	301,091	207,753	271,004	185,038
Sterling assets	18,655	16,473	18,365	16,100
Japanese yen assets	3,967	2,997	2,154	1,695
Hong Kong dollar assets	8,419	4,988	7,115	4,427
Euro liabilities	(247,097)	(199,702)	(200,482)	(177,309)
Sterling liabilities	(6,684)	(5,886)	(6,681)	(5,813)
Japanese yen liabilities	(1,601)	(512)	(1,022)	(464)
Hong Kong dollar liabilities	(6,516)	(3,517)	(164)	(284)
Chinese yuan liabilities	(383)	(135)	(383)	(135)

At 31 March 2025, if the foreign currency, on the balances disclosed above, weakened/strengthened against the US dollar by 5% with all other variables held constant, the underlying post-tax profit for the Group for the year would have been $3.5 million lower / higher, and for the Company would have been $4.5 million lower / higher, mainly as a result of foreign exchange gains/losses on retranslation of Euro denominated cash balances, payables and other receivables.

b Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group and Company's policy is to seek to minimise cash flow interest rate risk when entering into leasing transactions by the use of appropriate matched funding, including the use of derivative financial instruments. Accounting volatility arises from fair value through profit or loss movements where these derivatives, entered into as an economic hedge, do not qualify for hedge accounting under IAS 39. There was no material change in the interest rate risk of the Group and Company during the period.

At the end of the reporting period the interest rate profile of the Group and Company's interest-bearing financial instruments was as follows:

Interest rate risk:	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Financial assets				
- variable rate	605,063	522,790	1,256,917	3,184,048
- fixed rate	815,627	1,076,900	923,757	1,108,302
- non-interest bearing	466,552	343,976	459,025	308,201
Total Financial Assets	1,887,242	1,943,666	2,639,699	4,600,551
Financial liabilities				
- variable rate	5,189,988	5,237,500	5,203,468	4,319,375
- fixed rate	11,032,046	11,292,589	11,032,045	12,248,899
- non-interest bearing	2,257,183	2,030,468	2,813,433	2,241,654
Total Financial Liabilities	18,479,217	18,560,557	19,048,946	18,809,928

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

b Interest Rate Risk (continued)

The Group and Company manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. At 31 March 2025, if interest rates on financial assets or liabilities with variable interest rates shifted by 10bps, the underlying post-tax profit for the year would have been $0.2 million lower / higher; other components of equity would have been $9.0 million lower / higher as a result of a decrease/increase in the fair value of cash flow hedge reserves. The weighted average fixed rate for the interest rate swap portfolio was 5.03%.

c Liquidity Risk

Liquidity risk is the risk that the Group and Company will not be able to meet its financial obligations as they fall due. The Group and Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. As at 31 March 2025, the Group had put in place $13.7 billion of available capacity through a combination of undrawn shareholder funding ($10.0 billion), third party availability ($3.0 billion) and unrestricted cash balances. Any maturity mismatch within the overall long-term structure of the Group and Company's assets and liabilities is managed to ensure that term asset commitments may be funded on an economic basis over their life. The short-term maturity structure of the Group and Company's liabilities and assets is managed on a daily basis to ensure that all cash flow obligations can be met as they arise. Operating cash flows remained stable in the current year, which, along with available liquidity capacity, has ensured that there was no material change in the liquidity risk of the Group and Company during the period.

The following are the remaining contractual maturities at the end of the reporting period of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Group Carrying value 31 March 2025 US $'000	Group Contracted cashflows 31 March 2025 US $'000	Group Carrying value 31 March 2024 US $'000	Group Contracted cashflows 31 March 2024 US $'000
Liabilities associated with assets held for sale	69,614	69,614	33,717	33,717
Trade and other payables	2,009,226	2,009,226	1,844,435	1,844,435
Obligations under finance leases	-	-	-	-
Borrowings	15,922,034	17,316,192	16,230,089	19,879,785
Subordinated liabilities	300,000	309,624	300,000	685,357
Interest rate swaps	24,103	497,788	3,764	554,689
	18,324,977	20,202,444	18,412,005	22,997,983

At 31 March 2025	Group Less than 1 year US $'000	Group 1 to 2 years years US $'000	Group 3 to 5 years US $'000	Group Over 5 years US $'000
Non-derivative financial instruments				
Liabilities associated with assets held for sale	(69,614)	-	-	-
Trade and other payables	(920,394)	(130,151)	(514,629)	(444,054)
Borrowings	(2,807,199)	(1,897,433)	(8,808,004)	(3,803,556)
Subordinated liabilities	(309,624)	-	-	-
Total non-derivative financial instruments outflows	(4,106,831)	(2,027,584)	(9,322,633)	(4,247,610)
Derivative financial instruments (gross)				
Interest Rate Swaps				
Net Settled - inflow	13,180	-	-	-
Net Settled - outflow	-	(8,654)	(7,832)	(69)
Total Outflows	(4,093,651)	(2,036,238)	(9,330,465)	(4,247,679)

22 FINANCIAL RISK MANAGEMENT (CONTINUED)

c Liquidity Risk (continued)

At 31 March 2024	Group Less than 1 year US $'000	Group 1 to 2 years years US $'000	Group 3 to 5 years US $'000	Group Over 5 years US $'000
Non-derivative financial instruments				
Liabilities associated with assets held for sale	(33,717)	-	-	-
Trade and other payables	(764,826)	(118,128)	(442,779)	(518,702)
Borrowings	(2,929,295)	(2,284,954)	(7,448,537)	(7,216,999)
Subordinated liabilities	(28,726)	(25,038)	(68,574)	(563,019)
Total non-derivative financial instruments outflows	(3,756,564)	(2,428,120)	(7,959,890)	(8,298,720)
Derivative financial instruments (gross)				
Interest Rate Swaps				
Net Settled - inflow	59,233	13,628	-	436
Net Settled - outflow	-	-	(8,632)	-
Total Outflows	(3,697,331)	(2,414,492)	(7,968,522)	(8,298,284)

It is not expected that the cash flows in the maturity analysis could occur significantly earlier than shown above.

	Company Carrying value 31 March 2025 US $'000	Company Contracted cashflows 31 March 2025 US $'000	Company Carrying value 31 March 2024 US $'000	Company Contracted cashflows 31 March 2024 US $'000
Liabilities associated with assets held for sale	69,614	69,614	33,717	33,717
Trade and other payables	2,581,590	2,581,590	2,108,032	2,108,032
Borrowings	15,935,513	17,329,671	16,268,274	19,917,970
Subordinated liabilities	300,000	309,624	300,000	685,357
Interest rate swaps	24,103	497,788	3,764	554,689
	18,910,820	20,788,287	18,713,787	23,299,765

At 31 March 2025	Company Less than 1 year US $'000	Company 1 to 2 years years US $'000	Company 3 to 5 years US $'000	Company Over 5 years US $'000
Non-derivative Financial Instruments				
Liabilities associated with assets held for sale	(69,614)	-	-	-
Trade and other payables	(1,701,890)	(128,285)	(394,333)	(357,082)
Borrowings	(2,820,678)	(1,897,433)	(8,808,004)	(3,803,556)
Subordinated liabilities	(309,624)	-	-	-
Total Non-derivative Financial Instruments Outflows	(4,901,806)	(2,025,718)	(9,202,337)	(4,160,638)
Derivative Financial Instruments (gross)				
Interest Rate Swaps				
Net Settled - inflow	13,180	-	-	-
Net Settled - outflow	-	(8,654)	(7,832)	(69)
Total Outflows	(4,888,626)	(2,034,372)	(9,210,169)	(4,160,707)

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

c **Liquidity Risk (continued)**

At 31 March 2024	Company Less than 1 year US $'000	Company 1 to 2 years years US $'000	Company 3 to 5 years US $'000	Company Over 5 years US $'000
Non-derivative Financial Instruments				
Liabilities associated with assets held for sale	(33,717)	-	-	-
Trade and other payables	(1,378,284)	(113,486)	(259,548)	(356,712)
Borrowings	(2,967,480)	(2,284,954)	(7,448,537)	(7,216,999)
Subordinated liabilities	(28,726)	(25,038)	(68,574)	(563,019)
Total Non-derivative Financial Instruments Outflows	(4,408,207)	(2,423,478)	(7,776,659)	(8,136,730)
Derivative Financial Instruments (gross)				
Interest Rate Swaps				
Net Settled - inflow	59,233	13,628	-	436
Net Settled - outflow	-	-	(8,632)	-
Total Outflows	(4,348,974)	(2,409,850)	(7,785,291)	(8,136,294)

It is not expected that the cash flows in the maturity analysis could occur significantly earlier than shown above.

d **Credit Risk**

Credit risk is the risk arising from the possibility that the Group and Company will incur losses from the failure of counterparties to meet their obligations. Credit risk is managed with oversight from the Aircraft Credit Department ("ACCD") to enable the Group and Company to achieve appropriate risk versus reward performance whilst maintaining credit risk exposure in line with approved risk appetite on a portfolio basis. The key principles of credit risk management set out in the Framework include:

– Approval of credit exposure must be granted prior to any advance or extension of credit.

– An appropriate credit risk assessment of the customer and related credit facilities must be undertaken prior to approval of credit exposure. This must include an assessment of, amongst others, the purpose of the credit and sources of repayment, repayment history, capacity to repay, sensitivity to economic and market developments and risk-adjusted return.

– Credit risk authority must be specifically granted in writing to all individuals involved in the granting of credit approval, whether this is exercised personally or collectively as part of a credit committee. These individuals must act independently and with balanced commercial judgement in exercising credit authority.

– Where credit authority is exercised personally, the individual must not have any responsibility or accountability for business revenue origination.

– All credit exposures, once approved, must be effectively monitored and managed and reviewed periodically against approved guidelines. Review occurs at least annually, with lower quality exposures being subject to a greater frequency of analysis and assessment.

– Customers with emerging credit problems must be identified early and classified accordingly. Remedial actions must be implemented promptly to minimise the potential loss to the Company and consideration given whether to transfer customers with credit problems to a specialised problem management or recovery unit.

– Portfolio analysis and reporting must be used to identify and manage credit risk concentrations and credit risk quality.

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

d Credit Risk (continued)

The Group's principal financial assets that are subject to the expected credit loss ("ECL") model are trade and other receivables ($344.4 million of which $63.4 million relate to lease receivables) resulting from its leasing activities, advances to OEMs ($146.2 million) and cash and cash equivalents (bank accounts totalling $717.5 million; including $684.7 million with group companies). The Group applies the IFRS 9 simplified approach to measuring ECLs which uses a lifetime expected loss allowance for all trade receivables and has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Letters of credit and security deposits held are considered an integral part of trade receivables and considered in the calculation of impairment.

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9, but the credit risk is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies. The Group did not recognise an impairment allowance as the potential allowance was deemed to be immaterial.

At 31 March 2025, the Group's significant cash and deposit counterparties were:

	US $'000
SMBC (credit rating A (S&P))	684,748
Citibank (credit rating A+ (S&P))	32,728
	717,476

The Group's leasing arrangements require lessees to pay rentals in advance and to provide security deposits and in many cases maintenance reserves. However, an early termination of a lease due to a credit event may expose the Group to consequential economic loss due to lower rentals being available from replacement lessees and also possible costs associated with repossession, repair and maintenance and transitioning of the aircraft to a new lessee. Credit risk with respect to trade receivables relating to lessees is generally mitigated due to the number of lessees and their dispersal across different geographical areas. At 31 March 2025, the Group was exposed to trade debtors of $33.7 million (2024: $89.7 million) and deferred lease receivables of $35.8 million (2024: $42.3 million), and held a provision for expected credit losses against these for $6.2 million (2024: $48.1 million). At the same date, the Group also held letters of credit in relation to lease rentals and maintenance exposures of $490.7 million (2024: $530.0 million) in addition to $937.5 million of cash security deposits and maintenance reserves (2024: $848.2 million; see note 19).

The amounts presented in the Statement of Financial Position are net of allowances for doubtful receivables and gross of collateral held.

The table below provides an analysis of exposure to credit risk and ECLs for trade receivables as at:

	Expected credit loss provision %		Group 31 March 2025		Group 31 March 2024	
	31 March 2025 %	31 March 2024 %	Gross carrying amount US $'000	Impairment loss US $'000	Gross carrying amount US $'000	Impairment loss US $'000
Category 1	0.1%	0.2%	8,424	67	146	-
Category 2	1.8%	1.1%	1,497	1	-	-
Category 3	7.6%	7.2%	3,197	1	3,646	86
Category 4	15% - 100%	33% - 100%	20,615	6,124	85,882	47,975
			33,733	6,193	89,674	48,061

	Expected credit loss provision %		Company 31 March 2025		Company 31 March 2024	
	31 March 2025 %	31 March 2024 %	Gross carrying amount US $'000	Impairment loss US $'000	Gross carrying amount US $'000	Impairment loss US $'000
Category 1	0.1%	0.2%	4,048	66	50	-
Category 2	1.8%	1.1%	756	-	-	-
Category 3	7.6%	7.2%	3,197	-	776	86
Category 4	15% - 100%	33% - 100%	6,827	6,127	41,979	31,626
			14,828	6,193	42,805	31,712

The Group and Company classifies financial assets and calculate respective expected credit losses by reference to the categories noted above, with Category 1 being the lowest risk and Category 4 the highest risk. Classification is determined by a combination of previous default rates and estimated future losses based on credit grading, current economic situation and the increasing level of receivables of each lessee. Category 4 for the Group includes gross trade receivables of $0.6 million, $1.3 million, $18.5 million and $0.2 million with applicable credit loss provision rates of 15%, 33%, 50% and 100% respectively.

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

d Credit Risk (continued)

The Group and Company continues to monitor the economic environment of its customers as well as taking actions to limit its credit exposures. The table above reflects lower overall receivable and provisioning balances at year-end due to improved airline trading conditions, while the Group and Company continues to monitor its credit exposure and manage any lessee concentrations.

Based on counterparty payment history the Company considers all the above financial assets to be of good credit quality.

Impairment Losses	Group US $'000	Company US $'000
The movement in the provision for expected credit losses in respect of financial assets is as follows:		
Balance at 1 April 2023	66,945	58,839
Credit impairment credit on financial assets	(11,545)	(25,046)
Trade debtors written off	(7,339)	(2,081)
Balance at 31 March 2024	48,061	31,712
Credit impairment credit on financial assets	(20,592)	(12,931)
Trade debtors written off	(21,276)	(12,588)
Balance at 31 March 2025	6,193	6,193

The Group provision for expected credit losses include a provision of $6.2 million in relation to lease receivables (31 March 2024: $48.0 million).

e Concentration Risk

Concentration risk is the risk that a high percentage of aircraft are on lease to a single lessee or region resulting in the returns on aircraft being less diverse and more correlated. The largest exposure to a single lessee based on net book value of delivered aircraft is 6.8%.

f Technical, Maintenance and Environmental Risk

Technical, maintenance and environmental risk is the risk that a lessee undertakes responsibility for ensuring that the aircraft complies with current environmental, technical and maintenance regulations and statutory obligations as applicable. The Directors monitor these risks on an ongoing basis.

g Asset Value Risk

Asset value risk is the risk that internal and external factors may adversely affect the inherent value of any asset held. Material judgements also apply in respect of property, plant and equipment and include the identification and subsequent measurement of impairment, which relies on a measurement of estimated cash flows and residual values. A decrease in estimated future cash flows or residual values may result in additional impairment of related assets.

h Capital Management

The Group and Company is a member of a group with regulatory disciplines over the use of its capital. Although the Group and Company itself is not regulated it aims to maintain capital resources commensurate with the nature, scale and risk profile of its business. It regards its capital as the total equity as shown on the Statement of Financial Position.

22 DEFERRED TAX

Movements during the year:	Group US $'000	Company US $'000
At 1 April 2023	341,933	299,715
Charge to income from continuing operations (note 8)	145,543	148,994
Transfers of trade from subsidiaries	243	(17,810)
Charge to other comprehensive income	3,837	3,837
At 31 March 2024	491,556	434,736
Charge to income from continuing operations (note 8)	101,915	138,728
Transfers of trade from subsidiaries	(50)	(6,789)
Charge to other comprehensive income	(7,368)	(7,368)
At 31 March 2025	586,053	559,307

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Deferred tax assets	3,049	582	3,049	582
Deferred tax liabilities	(589,102)	(492,138)	(562,356)	(435,318)
	(586,053)	(491,556)	(559,307)	(434,736)

Full provision has been made for the potential amount of deferred taxation shown below:

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Accelerated capital allowances on assets financed, less carried forward tax losses - net deferred tax liability	(585,872)	(484,008)	(559,126)	(427,188)
Fair value adjustments on financial instruments - deferred tax asset	3,049	582	3,049	582
Fair value adjustments on financial instruments - deferred tax liability	(3,230)	(8,130)	(3,230)	(8,130)
	(586,053)	(491,556)	(559,307)	(434,736)

The Group has estimated tax losses of $5.9 billion (31 March 2024: $6.5 billion) which are available for set-off against future taxable income. These tax losses have arisen from the Group entities incurring operational tax losses. This asset is anticipated to be recovered as financial projections indicate these entities are likely to produce sufficient taxable income in the near future. These deferred tax asset balances were offset against deferred tax liabilities.

23 SUBORDINATED LIABILITIES

	Average interest rate %	Year of maturity	Group & Company 31 March 2025 US $'000	Group & Company 31 March 2024 US $'000
$300 million floating rate loan due to parent group undertakings	8.43	2041	300,000	300,000
			300,000	300,000

In November 2018, the Company entered into a floating rate subordinated loan with an initial 16 year maturity with a parent group undertaking. The maturity date of the loan has since been extended to February 2041, but was settled early during April 2025 with the agreement of both parties.

24 SHARE CAPITAL

	31 March 2025 US $	31 March 2024 US $
Authorised:		
Ordinary shares of $1 each	300,000,000	300,000,000
A Preference shares of $1 each	1,362,000,000	1,362,000,000
B Preference shares of $1 each	700,000,000	700,000,000
	2,362,000,000	2,362,000,000
Issued, called up and fully paid:		
Ordinary shares of $1 each	187,512,800	187,512,800
A Preference shares of $1 each	1,362,000,000	1,362,000,000
B Preference shares of $1 each	700,000,000	700,000,000
	2,249,512,800	2,249,512,800

The Company's ordinary shares have voting rights attached but carry no right to fixed income, while its preference shares have no voting rights attached and may be paid a fixed non-cumulative preferential dividend of 7.5% of nominal value at the Company's discretion in any financial year.

In December 2022, the Company converted existing preference shares to B preference shares and increased its authorised share capital by 1.362 billion non-voting 7.5% non-cumulative A preference shares.

At the same time, and as part of the purchase of Goshawk Leasing, the Company issued 1.362 billion new A preference shares at par to Sumitomo Mitsui Finance and Leasing Company, Ltd. ("SMFL") and Sumitomo Mitsui Banking Corporation ("SMBC") in such proportions that the shareholding of SMFL and SMBC would remain the same.

	31 March 2025 Number of shares	31 March 2024 Number of shares
Authorised:		
Ordinary shares of $1 each	300,000,000	300,000,000
A Preference shares of $1 each	1,362,000,000	1,362,000,000
B Preference shares of $1 each	700,000,000	700,000,000
	2,362,000,000	2,362,000,000
Issued, called up and fully paid:		
Ordinary shares of $1 each	187,512,800	187,512,800
A Preference shares of $1 each	1,362,000,000	1,362,000,000
B Preference shares of $1 each	700,000,000	700,000,000
	2,249,512,800	2,249,512,800

25 OTHER COMPONENTS OF EQUITY

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Share premium	261,102	261,102	261,102	261,102
	261,102	261,102	261,102	261,102
Capital contribution	207,486	207,486	207,486	207,486
Other reserve	1,967	1,967	-	-
Fair value through other comprehensive income	-	-	-	-
Cash flow hedge reserve	1,266	52,839	1,266	52,839
Total other reserves	471,821	523,394	469,854	521,427

The Company issued 18,751,307 new ordinary shares of $1 each at a premium of $12.9245 per share to Sumitomo Mitsui Finance and Leasing Company, Ltd. ("SMFL") and Sumitomo Mitsui Banking Corporation ("SMBC") as part of the shareholder restructuring in November 2018.

In May 2012, the Company's then immediate parent company, International Aviation Management (CI) Limited, irrevocably waived and forgave debt of $207.5 million in the form of a capital contribution. The contribution was made absolutely and the Company's then ultimate parent company, Royal Bank of Scotland Group plc, retained no rights, titles or interest whatsoever in the contribution other than the rights it held as the shareholder.

As described in note 1(c), for newly acquired subsidiaries, the Group adjusts the carrying value of assets and liabilities to reflect the Group's accounting policies. At 31 March 2013, the Group acquired a new subsidiary (SMBC Aviation Capital Aircraft Holdings B.V.; now liquidated) as part of a common control transaction. The impact of harmonising the Group's accounting policies was that the maintenance reserves of SMBC Aviation Capital Aircraft Holdings B.V. were reduced by $2.633 million at 31 March 2013, with a related increase in deferred tax liabilities of $0.658 million. The difference, a net amount of $1.967 million being a transaction with shareholder, was reflected in the other reserve.

The cash flow hedge reserve reflects changes in the mark-to-market value of cash flow hedge accounted derivatives, driven by market rates, and the amortisation of de-designated cash flow hedges.

26 OPERATING LEASE ARRANGEMENTS AS LESSOR

The future minimum lease payments receivable under non-cancellable operating leases, which include variable lease payments based on rent as at the reporting date, are as follows:

	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Within one year	2,038,208	1,934,417	1,856,696	1,553,940
In the second year	2,184,205	1,966,913	2,016,443	1,632,820
In the third year	2,255,239	1,865,882	2,110,862	1,568,904
In the fourth year	2,115,734	1,732,383	2,002,976	1,495,811
In the fifth year	1,930,501	1,550,428	1,843,717	1,359,642
After five years	8,787,414	5,528,006	8,615,199	5,209,246
	19,311,301	14,578,029	18,445,893	12,820,363

27 RELATED PARTIES

The Consolidated Financial Statements include the Financial Statements of the Company and its subsidiaries as documented in the accounting policy note 1(c). A listing of the Company's significant subsidiaries is included in note 10. Transactions to and from, together with outstanding payables and receivables to and from, subsidiaries are eliminated in the preparation of the consolidated financial information in accordance with IAS 27, Consolidated and Separate Financial Statements.

The Group and Company's ultimate parent companies are Sumitomo Mitsui Financial Group (66%) and Sumitomo Corporation (34%). The table below provides a list of any outstanding balances at year end and any transactions entered into during the financial year with the parent companies and its subsidiaries.

Transactions with parent companies:	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
Sumitomo Mitsui Finance and Leasing Co., Ltd				
Transactions during the period:				
Fee income	2,732	1,311	2,732	1,311
Interest expense	120,127	121,872	120,127	121,872
Dividend paid	(69,462)	(69,462)	(69,462)	(69,462)
Operating expenses	8,562	6,698	8,562	6,698
Balances at period end:				
Borrowings	2,292,600	2,490,697	2,292,600	2,490,697
Sundry creditors	(13,224)	(14,439)	(13,224)	(14,439)
Transactions with associate companies:				
Aviation Management Co., Ltd.				
Transactions during the period:				
Fee income	2,745	2,457	2,745	2,450
SMBC Aviation Capital (UK) Limited				
Transactions during the period:				
Lease rental income	14,119	11,985	14,119	11,985
Fee income	8	602	8	602
Interest expense	-	1,773	-	1,773
Balances at period end:				
Amounts due to group undertakings	223,711	165,672	223,711	165,672
SMBC Capital Markets Inc.				
Transactions during the period:				
Interest income / (expense)	53,633	67,289	53,633	67,289
Balances at period end:				
Cash held on behalf of	(4,859)	(66,800)	(4,859)	(66,800)
Derivative Financial Instruments	2,526	(66,221)	2,526	(66,221)
SMBC Trust Bank				
Transactions during the period:				
Interest expense	99,644	160,235	99,644	160,235
Balances at period end:				
Borrowings	2,432,503	2,938,339	2,432,503	2,938,339
Amounts due to group undertakings	10,905	13,500	10,905	13,500
SMBC Bank International plc				
Transactions during the period:				
Fee income	2,461	2,328	2,461	2,328
Interest income	710	6,097	710	6,097
Operating expense	(48)	-	(48)	-
Balances at period end:				
Cash	1,626	2,846	1,626	2,845
Sundry debtors	1,522	1,753	1,522	1,753

27 RELATED PARTIES (CONTINUED)

Transactions with associate companies:	Group 31 March 2025 US $'000	Group 31 March 2024 US $'000	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
SMBC (Japan)				
Transactions during the period:				
Dividend paid	(32,688)	(32,688)	(32,688)	(32,688)
Operating expenses	6,211	14,680	6,211	14,680
Balances at period end:				
Amounts due to group undertakings	2,009	8,513	2,009	8,513
SMBC (New York)				
Transactions during the period:				
Interest expense	56,922	75,880	56,922	75,880
Balances at period end:				
Borrowings	2,286,724	2,455,114	2,286,724	2,455,114
Cash	683,122	978,257	683,122	978,257
Amounts due to group undertakings	19,462	48,429	19,462	48,429
SMFL (China) Co., Ltd.				
Transactions during the period:				
Operating expenses	593	326	593	326
Balances at period end:				
Other Debtors / (Creditors)	(3)	209	(3)	209
SMFL (Singapore) Pte. Ltd.				
Transactions during the period:				
Operating expenses	450	499	450	499
Balances at period end:				
Other Debtors / (Creditors)	-	118	-	118
SMBC Aero Engine Lease B.V.				
Transactions during the period:				
Fee income	-	1,882	-	1,882
Shanghai General SMFL Co., Ltd.				
Transactions during the period:				
Operating expenses	1,334	614	1,334	614
Balances at period end:				
Other Creditors	1,013	143	1,013	143
SMBC Leasing and Finance,Inc.				
Transactions during the period:				
Operating expenses	562	2,160	562	2,160
Balances at period end:				
Other Creditors	3,020	1,066	3,020	1,066
Sumitomo Mitsui Finance Dublin Ltd.				
Transactions during the period: Operating (expense) / income	(72)	-	(72)	-
SMBC Bank EU AG				
Transactions during the period:				
Operating (expense) / income	-	(276)	-	(276)

27 RELATED PARTIES (CONTINUED)

Transactions with subsidiaries	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
SMBC Aviation Capital Management Limited		
Transactions during the period:		
Lease rental income	666	-
Fee income	6,495	27,889
Interest income	63,638	293,902
Balances at period end:		
Amounts due (to) / from group undertakings	(91,804)	2,053,900
SMBC Aviation Capital Ireland Leasing 3 Limited		
Transactions during the period:		
Fee income	3,435	3,318
Interest income	42,780	43,691
Fees related to borrowings	566	-
Dividend income	22,000	15,000
Balances at period end:		
Amounts due from group undertakings	617,659	521,437
SMBC Aviation Capital Netherlands B.V.		
Transactions during the period:		
Fee expense	2,403	2,592
Interest expense	-	1,011
Dividend income	-	45,000
Balances at period end:		
Amounts due to group undertakings	2,881	3,276
SMBC Aviation Capital Paris Leasing 2 SARL		
Transactions during the period:		
Fee expense	995	1,241
Balances at period end:		
Amounts due to group undertakings	(563)	(501)
SMBC Aviation Capital Hong Kong Limited		
Transactions during the period:		
Fee expense	3,686	3,560
Balances at period end:		
Amounts due from group undertakings	1,375	3,031
SMBC Aviation Capital Hong Kong 2 Limited		
Transactions during the period:		
Interest expense	76,433	62,793
Fee expense	8,750	3,947
Balances at period end:		
Amounts due to group undertakings	1,054,756	921,634
SMBC Aviation Capital Hong Kong 3 Limited		
Transactions during the period:		
Interest income	3,528	2,796
Balances at period end:		
Amounts due from group undertakings	109,943	29,236

27 RELATED PARTIES (CONTINUED)

Transactions with subsidiaries	Company 31 March 2025 US $'000	Company 31 March 2024 US $'000
SMBC Aviation Capital Singapore Pte. Ltd.		
Transactions during the period:		
Fee expense	3,721	-
Balances at period end:		
Amounts due to group undertakings	1,466	1,049
SMBC Aviation Capital Finance Designated Activity Company		
Transactions during the period:		
Fee expense	52	14
Interest expense	199,936	119,813
Balances at period end:		
Amounts due to group undertakings	4,200,041	3,174,711

The Group closed the sale of $650 million of its 5.30% senior unsecured notes due 2029 as well as the sale of $850 million of its 5.55% senior unsecured notes due 2034 on 3 April 2024. At 31 March 2025, the Group had the following notes in issuance:

- $500 million of its 2.30% senior unsecured notes due 2028 issued on 15 June 2021
- $500 million of its 1.90% senior unsecured notes due 2026 issued on 15 October 2021
- $650 million of its 5.45% senior unsecured notes due 2028 issued on 3 May 2023
- $1.0 billion of its 5.70% senior unsecured notes due 2033 issued on 18 July 2023
- $650 million of its 5.30% senior unsecured notes due 2029 issued on 3 April 2024
- $850 million of its 5.55% senior unsecured notes due 2034 issued on 3 April 2024

The Group closed the sale of these notes through its wholly-owned subsidiary, SMBC Aviation Capital Finance DAC, fully and unconditionally guaranteed by SMBC Aviation Capital Limited. These debt securities were not designated into a qualifying hedge relationship at inception.

The amounts outstanding are unsecured and will be settled in cash. No other guarantees have been given or received. No provisions have been made for doubtful debts in respect of the amounts owed by related parties.

Key management personnel include directors (executive and non-executive), members of the Executive Committee and the Company Secretary. The compensation paid or payable to key management is shown below and includes no retirement compensation paid during the year ended 31 March 2025 (year ended 31 March 2024: $Nil):

	31 March 2025 US $'000	31 March 2024 US $'000
Salaries and other short-term employee benefits	11,119	10,883
Post-employment benefits	505	493
Other long-term benefits	18,837	1,711
Total	30,461	13,087

28 CAPITAL COMMITMENTS

The Group currently have a number of existing orders with Airbus and Boeing. The most significant of these orders were placed during the year ended 31 March 2015 when the Group placed an order for 110 A320neo aircraft and 5 A321ceo aircraft with Airbus and 90 Boeing 737 MAX 8 aircraft with Boeing respectively. The Group placed further direct orders for a mix of 56 Airbus A320neos and 15 Airbus A321neos during 2018.

Between May 2020 and March 2021, as the impact of the Covid-19 pandemic became clear, a number of agreements were concluded with both Airbus and Boeing to cancel a small number of existing orders, but also to defer the delivery of a large number of imminent deliveries by up to five years, with the latest deferred delivery now scheduled for 2027.

An additional agreement was concluded in May 2021 with Boeing for the purchase of a further 14 aircraft, while the Group's acquisition of Goshawk in December 2022 resulted in the addition of its existing order book with Boeing and Airbus of 20 aircraft each to the Group's total open order book.

More recently, the Group concluded an agreement with Boeing in September 2023 for the purchase of an additional 25 737 MAX aircraft with delivery dates in 2028 – 2029, while on 9 November 2023, the Group concluded an agreement with Airbus for the purchase of an additional 60 A320neo aircraft with delivery dates in 2029 – 2031.

The combined remaining purchase commitment for orders total $13.8 billion, including existing sale-leaseback and other capital commitments of $1.0 billion (31 March 2024: $0.9 billion), and delivery dates are currently scheduled between 2025 and 2031 of which $2.8 billion relates to expected delivery dates within the next twelve months.

All commitments are based upon fixed price agreements with the manufacturers, elements of which are adjusted for inflation and include price escalation formulas, and are net of expected price concessions where applicable.

29 CONTINGENT LIABILITIES

The Group and Company had no contingent liability at 31 March 2025 (31 March 2024: $nil).

30 SUBSEQUENT EVENTS

On 1 April 2025, the Group closed the issue of $500 million of its 5.10% senior unsecured notes due 2030 (the "Notes") through its wholly-owned subsidiary, SMBC Aviation Capital Finance DAC. The Notes are fully and unconditionally guaranteed by SMBC Aviation Capital Limited and proceeds from the offering will be used for general corporate purposes, which may include, among other things, the purchase of aircraft and the repayment of existing indebtedness.

On the same date, the Group also received insurance settlement proceeds, which had been recognised as an amount receivable as at 31 March 2025 as the timing and amount of those recoveries were certain as at that date.

No other significant events affecting the Group and Company have occurred since 31 March 2025, which require adjustment to or disclosure in the Consolidated Financial Statements.

31 APPROVAL OF FINANCIAL STATEMENTS

The Directors approved these Financial Statements on 21 May 2025.

ACRONYMS AND ABBREVIATIONS

ACCD	Aircraft Credit Department
ceo	Current engine option
CGU	Cash generating unit
Companies Act/ The Act	Companies Act 2014
Company	SMBC Aviation Capital Limited
Consortium	SMFG and SC
CSR	Corporate Social Responsibility
ECL	Expected credit loss
EU	European Union
Financial Statements	The Group and Company financial statements
Goshawk	Goshawk Aviation
Group	SMBC Aviation Capital Limited and its subsidiaries
IAS	International Accounting Standards
IASB	International Accounting Standards Board
IFRS	International Financial Reporting Standards
ISA	International Standard on Auditing
IT	Information technology
JOLCO	Japanese operating lease with call option
Managed entity	SMBC Aviation Capital (UK) Limited
MSN	Manufacturers Serial Number
neo	New engine option
OCI	Other comprehensive income
OECD	Organisation for Economic Co-operation and Development
OEM	Original equipment manufacturer
PDP	Pre-delivery payment
ROU	Right of use
Russia	Russian Federation
S&P	Standard & Poor’s
SC	Sumitomo Corporation
SMBC	Sumitomo Mitsui Banking Corporation
SMFG	Sumitomo Mitsui Financial Group
SMFL	Sumitomo Mitsui Finance and Leasing Company, Ltd.
SOFR	Secured Overnight Financing Rate
Structured entity	PDP financing company
TCFD	Task Force on Climate-Related Financial Disclosures
TBPD	Transportation Business Planning Department
UEL	Useful economic life
UK	United Kingdom
USA	United States of America

QUERIES

Investor

Shane StLedger
SMBC Aviation Capital (HQ)

T: +353 (0)1 859 9013
E: shane.stledger@smbc.aero

Media

Conor Irwin
SMBC Aviation Capital (HQ)

T: +353 (0)1 859 9425
E: conor.irwin@smbc.aero