# UNITED STATES
# SECURITIES AND EXCHANGE COMMISSION
**Washington, D.C. 20549**
# FORM 10-Q

**☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

**For the quarterly period ended June 30, 2021**

**OR**

**☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
**For the transition period from to**

**Commission file number 001-35121**

# AIR LEASE CORPORATION
(Exact name of registrant as specified in its charter)

| | |
|---|---|
| **Delaware** | **27-1840403** |
| (State or other jurisdiction of incorporation or organization) | (I.R.S. Employer Identification No.) |
| **2000 Avenue of the Stars, Suite 1000N Los Angeles, California** | **90067** |
| (Address of principal executive offices) | (Zip Code) |

Registrant's telephone number, including area code: **(310) 553-0555**

Securities registered pursuant to Section 12(b) of the Act:

| **Title of each class** | **Trading Symbol(s)** | **Name of each exchange on which registered** |
|---|---|---|
| Class A Common Stock | AL | New York Stock Exchange |
| 6.150% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A | AL PRA | New York Stock Exchange |

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, a smaller reporting company, or an emerging growth company. See definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act:

| | | | |
|---|---|---|---|
| Large accelerated filer | ☒ | Accelerated filer | ☐ |
| Non-accelerated filer | ☐ | Smaller reporting company | ☐ |
| Emerging growth company | ☐ | | |

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

At August 4, 2021, there were 114,141,103 shares of Air Lease Corporation's Class A common stock outstanding.

**Air Lease Corporation and Subsidiaries**

**Form 10-Q**
**For the Quarterly Period Ended June 30, 2021**

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## NOTE ABOUT FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q contains statements that constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Those statements appear in a number of places in this Form 10-Q and include statements regarding, among other matters, the state of the airline industry, the impact of the coronavirus (“COVID-19”) pandemic on us, our lessees and aircraft manufacturers, our anticipated capital expenditures and aircraft sales, our access to the capital markets, aircraft delivery delays and other factors affecting our financial condition or results of operations. Words such as “can,” “could,” “may,” “predicts,” “potential,” “will,” “projects,” “continuing,” “ongoing,” “expects,” “anticipates,” “intends,” “plans,” “believes,” “seeks,” “estimates” and “should,” and variations of these words and similar expressions, are used in many cases to identify these forward-looking statements. Any such forward-looking statements are not guarantees of future performance and involve risks, uncertainties, and other factors that may cause our actual results, performance or achievements, or industry results to vary materially from our future results, performance or achievements, or those of our industry, expressed or implied in such forward-looking statements. Such factors include, among others:

- the extent to which the COVID-19 pandemic and measures taken to contain its spread ultimately impact our business, results of operation and financial condition;
- our inability to obtain additional capital on favorable terms, or at all, to acquire aircraft, service our debt obligations and refinance maturing debt obligations;
- increases in our cost of borrowing or changes in interest rates;
- our inability to generate sufficient returns on our aircraft investments through strategic acquisition and profitable leasing;
- the failure of an aircraft or engine manufacturers to meet its delivery obligations to us, including or as a result of technical or other difficulties with aircraft before or after delivery;
- obsolescence of, or changes in overall demand for, our aircraft;
- changes in the value of, and lease rates for, our aircraft, including as a result of aircraft oversupply, manufacturer production levels, our lessees’ failure to maintain our aircraft, and other factors outside of our control;
- impaired financial condition and liquidity of our lessees, including due to lessee defaults and reorganizations, bankruptcies or similar proceedings;
- increased competition from other aircraft lessors;
- the failure by our lessees to adequately insure our aircraft or fulfill their contractual indemnity obligations to us;
- increased tariffs and other restrictions on trade;
- changes in the regulatory environment, including changes in tax laws and environmental regulations;
- other events affecting our business or the business of our lessees and aircraft manufacturers or their suppliers that are beyond our or their control, such as the threat or realization of epidemic diseases in addition to COVID-19, natural disasters, terrorist attacks, war or armed hostilities between countries or non-state actors; and
- any additional factors discussed under “Part I — Item 1A. Risk Factors,” in our Annual Report on Form 10-K for the year ended December 31, 2020 and other SEC filings, including future SEC filings.

The factors noted above and the risks included in our other SEC filings may be increased or intensified as a result of the COVID-19 pandemic, including as a result of ongoing resurgences of the COVID-19 virus and its variants. The extent to which the COVID-19 pandemic ultimately impacts our business, results of operations and financial condition will depend on future developments, which are highly uncertain and cannot be predicted. All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations. You are therefore cautioned not to place undue reliance on such statements. Any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events.

## PART I—FINANCIAL INFORMATION

## ITEM 1. FINANCIAL STATEMENTS

**Air Lease Corporation and Subsidiaries**
**CONSOLIDATED BALANCE SHEETS**
**(In thousands, except share and par value amounts)**

| | June 30, 2021 | December 31, 2020 |
|---|---|---|
| | (unaudited) | |
| **Assets** | | |
| Cash and cash equivalents | $ 1,210,054 | $ 1,734,155 |
| Restricted cash | 22,706 | 23,612 |
| Flight equipment subject to operating leases | 25,306,684 | 23,729,742 |
| Less accumulated depreciation | (3,775,369) | (3,349,392) |
| | 21,531,315 | 20,380,350 |
| Deposits on flight equipment purchases | 1,656,358 | 1,800,119 |
| Other assets | 1,335,087 | 1,276,939 |
| **Total assets** | $ 25,755,520 | $ 25,215,175 |
| Liabilities and Shareholders' Equity | | |
| Accrued interest and other payables | $ 532,440 | $ 492,473 |
| Debt financing, net of discounts and issuance costs | 16,540,258 | 16,518,338 |
| Security deposits and maintenance reserves on flight equipment leases | 1,090,004 | 1,072,704 |
| Rentals received in advance | 136,114 | 142,915 |
| Deferred tax liability | 954,989 | 916,404 |
| **Total liabilities** | $ 19,253,805 | $ 19,142,834 |
| **Shareholders' Equity** | | |
| Preferred Stock, $0.01 par value; 50,000,000 shares authorized; 10,300,000 (aggregate liquidation preference of $550,000) and 10,000,000 (aggregate liquidation preference of $250,000) shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively | $ 103 | $ 100 |
| Class A common stock, $0.01 par value; 500,000,000 shares authorized; 114,141,103 and 113,852,896 shares issued and outstanding at June 30, 2021 and December 31, 2020, respectively | 1,141 | 1,139 |
| Class B non-voting common stock, $0.01 par value; authorized 10,000,000 shares; no shares issued or outstanding | — | — |
| Paid-in capital | 3,094,708 | 2,793,178 |
| Retained earnings | 3,406,912 | 3,277,599 |
| Accumulated other comprehensive (loss) / income | (1,149) | 325 |
| **Total shareholders' equity** | $ 6,501,715 | $ 6,072,341 |
| **Total liabilities and shareholders' equity** | $ 25,755,520 | $ 25,215,175 |

(See Notes to Consolidated Financial Statements)

**Air Lease Corporation and Subsidiaries**
**CONSOLIDATED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME**
**(In thousands, except share and per share amounts)**

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | (unaudited) | | | |
| **Revenues** | | | | |
| Rental of flight equipment | $ 452,044 | $ 497,869 | $ 920,139 | $ 994,556 |
| Aircraft sales, trading and other | 39,833 | 23,480 | 46,565 | 38,180 |
| Total revenues | 491,877 | 521,349 | 966,704 | 1,032,736 |
| | | | | |
| **Expenses** | | | | |
| Interest | 113,598 | 102,693 | 231,584 | 210,234 |
| Amortization of debt discounts and issuance costs | 12,513 | 10,233 | 24,538 | 20,761 |
| Interest expense | 126,111 | 112,926 | 256,122 | 230,995 |
| Depreciation of flight equipment | 217,817 | 194,020 | 426,782 | 382,915 |
| Selling, general and administrative | 26,687 | 26,581 | 53,601 | 54,903 |
| Stock-based compensation | 6,700 | 3,892 | 12,108 | 8,321 |
| Total expenses | 377,315 | 337,419 | 748,613 | 677,134 |
| Income before taxes | 114,562 | 183,930 | 218,091 | 355,602 |
| Income tax expense | (21,140) | (36,305) | (40,577) | (70,826) |
| Net income | $ 93,422 | $ 147,625 | $ 177,514 | $ 284,776 |
| Preferred stock dividends | (7,835) | (3,844) | (11,679) | (7,688) |
| Net income available to common stockholders | $ 85,587 | $ 143,781 | $ 165,835 | $ 277,088 |
| | | | | |
| **Other Comprehensive Income/(Loss):** | | | | |
| Foreign currency translation adjustment | (4,265) | (10,239) | (8,072) | 13,238 |
| Change in fair value of hedged transactions | 3,976 | 10,905 | 6,197 | (14,481) |
| Total tax benefit/(expense) on other comprehensive income/loss | 62 | (142) | 401 | 289 |
| **Other Comprehensive income/(loss), net of tax** | (227) | 524 | (1,474) | (954) |
| **Total comprehensive income available for common stockholders** | $ 85,360 | $ 144,305 | $ 164,361 | $ 276,134 |
| | | | | |
| **Earnings per share of common stock:** | | | | |
| Basic | $ 0.75 | $ 1.26 | $ 1.45 | $ 2.44 |
| Diluted | $ 0.75 | $ 1.26 | $ 1.45 | $ 2.43 |
| Weighted-average shares outstanding | | | | |
| Basic | 114,133,135 | 113,690,839 | 114,046,252 | 113,581,392 |
| Diluted | 114,377,965 | 113,773,127 | 114,373,576 | 113,840,929 |
| | | | | |
| Dividends declared per share of common stock | $ 0.16 | $ 0.15 | $ 0.32 | $ 0.30 |

(See Notes to Consolidated Financial Statements)

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# Air Lease Corporation and Subsidiaries
## CONSOLIDATED STATEMENTS OF STOCKHOLDERS’ EQUITY
## (In thousands, except share and per share amounts)

| | Preferred Stock | | Class A Common Stock | | Class B Non-Voting Common Stock | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (unaudited) | Shares | Amount | Shares | Amount | Shares | Amount | Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income/(Loss) | Total |
| **Balance at December 31, 2020** | 10,000,000 | $ 100 | 113,852,896 | $ 1,139 | — | $ — | $ 2,793,178 | $ 3,277,599 | $ 325 | $ 6,072,341 |
| Issuance of preferred stock | 300,000 | 3 | — | — | — | — | 295,446 | — | — | 295,449 |
| Issuance of common stock upon exercise of options and vesting of restricted stock units | — | — | 425,232 | 4 | — | — | 1,437 | — | — | 1,441 |
| Stock-based compensation expense | — | — | — | — | — | — | 5,408 | — | — | 5,408 |
| Cash dividends (declared $0.16 per share of Class A common stock) | — | — | — | — | — | — | — | (18,259) | — | (18,259) |
| Preferred dividends (declared on Series A preferred stock) | — | — | — | — | — | — | — | (3,844) | — | (3,844) |
| Change in foreign currency translation adjustment and in fair value of hedged transactions, net of tax | — | — | — | — | — | — | — | — | (1,247) | (1,247) |
| Tax withholdings on stock based compensation | — | — | (157,266) | (2) | — | — | (7,167) | — | — | (7,169) |
| Net income | — | — | — | — | — | — | — | 84,092 | — | 84,092 |
| **Balance at March 31, 2021** | 10,300,000 | $ 103 | 114,120,862 | $ 1,141 | — | $ — | $ 3,088,302 | $ 3,339,588 | $ (922) | $ 6,428,212 |
| Issuance of preferred stock | — | — | — | — | — | — | (19) | — | — | (19) |
| Issuance of common stock upon exercise of options and vesting of restricted stock units | — | — | 25,956 | — | — | — | — | — | — | — |
| Stock-based compensation expense | — | — | — | — | — | — | 6,700 | — | — | 6,700 |
| Cash dividends (declared 0.16 per share of Class A common stock) | — | — | — | — | — | — | — | (18,263) | — | (18,263) |
| Preferred dividends (declared on Series A and Series B preferred stock) | — | — | — | — | — | — | — | (7,835) | — | (7,835) |
| Change in foreign currency translation adjustment and in fair value of hedged transactions, net of tax | — | — | — | — | — | — | — | — | (227) | (227) |
| Tax withholdings on stock based compensation | — | — | (5,715) | — | — | — | (275) | — | — | (275) |
| Net income | — | — | — | — | — | — | — | 93,422 | — | 93,422 |
| **Balance at June 30, 2021** | 10,300,000 | $ 103 | 114,141,103 | $ 1,141 | — | $ — | $ 3,094,708 | $ 3,406,912 | $ (1,149) | $ 6,501,715 |

# Air Lease Corporation and Subsidiaries
## CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
## (In thousands, except share and per share amounts)

| | Preferred Stock | | Class A Common Stock | | Class B Non-Voting Common Stock | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| (unaudited) | Shares | Amount | Shares | Amount | Shares | Amount | Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income/(Loss) | Total |
| **Balance at December 31, 2019** | 10,000,000 | $ 100 | 113,350,267 | $ 1,134 | — | $ — | $ 2,777,601 | $ 2,846,106 | $ (1,397) | $ 5,623,544 |
| Issuance of common stock upon vesting of restricted stock units and upon exercise of options | — | — | 480,978 | 4 | — | — | 2,021 | — | — | 2,025 |
| Stock-based compensation | — | — | — | — | — | — | 4,429 | — | — | 4,429 |
| Cash dividends (declared 0.15 per share of Class A common stock) | — | — | — | — | — | — | — | (17,045) | — | (17,045) |
| Preferred dividends (declared on Series A preferred stock) | — | — | — | — | — | — | — | (3,844) | — | (3,844) |
| Change in foreign currency translation adjustment and in fair value of hedged transactions, net of tax | — | — | — | — | — | — | — | — | (1,478) | (1,478) |
| Tax withholding related to vesting of restricted stock units and exercise of stock options | — | — | (191,334) | (2) | — | — | (8,411) | — | — | (8,413) |
| Net income | — | — | — | — | — | — | — | 137,151 | — | 137,151 |
| **Balance at March 31, 2020** | 10,000,000 | $ 100 | 113,639,911 | $ 1,136 | — | $ — | $ 2,775,640 | $ 2,962,368 | $ (2,875) | $ 5,736,369 |
| Issuance of common stock upon vesting of restricted stock units and upon exercise of options | — | — | 144,417 | 2 | — | — | 2,500 | — | — | 2,502 |
| Stock-based compensation | — | — | — | — | — | — | 3,892 | — | — | 3,892 |
| Cash dividends (declared 0.15 per share of Class A common stock) | — | — | — | — | — | — | — | (17,067) | — | (17,067) |
| Preferred dividends (declared on Series A preferred stock) | — | — | — | — | — | — | — | (3,844) | — | (3,844) |
| Change in foreign currency translation adjustment and from current period hedged transaction | — | — | — | — | — | — | — | — | 524 | 524 |
| Tax withholding related to vesting of restricted stock units and exercise of stock options | — | — | (6,605) | — | — | — | (200) | — | — | (200) |
| Net income | — | — | — | — | — | — | — | 147,625 | — | 147,625 |
| **Balance at June 30, 2020** | 10,000,000 | $ 100 | 113,777,723 | $ 1,138 | — | $ — | $ 2,781,832 | $ 3,089,082 | $ (2,351) | $ 5,869,801 |

(See Notes to Consolidated Financial Statements)

**Air Lease Corporation and Subsidiaries**
**CONSOLIDATED STATEMENTS OF CASH FLOWS**
**(In thousands)**

| | Six Months Ended June 30, 2021 | Six Months Ended June 30, 2020 |
|---|---|---|
| | (unaudited) | |
| **Operating Activities** | | |
| Net income | $ 177,514 | $ 284,776 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Depreciation of flight equipment | 426,782 | 382,915 |
| Stock-based compensation | 12,108 | 8,321 |
| Deferred taxes | 38,985 | 68,773 |
| Amortization of debt discounts and issuance costs | 24,538 | 20,761 |
| Amortization of prepaid lease costs | 22,267 | 21,210 |
| Gain on aircraft sales, trading and other activity | 2,604 | (24,642) |
| Changes in operating assets and liabilities: | | |
| Other assets | (100,083) | (265,775) |
| Accrued interest and other payables | 4,751 | (16,256) |
| Rentals received in advance | (6,801) | (11,741) |
| Net cash provided by operating activities | 602,665 | 468,342 |
| **Investing Activities** | | |
| Acquisition of flight equipment under operating lease | (1,098,174) | (550,034) |
| Payments for deposits on flight equipment purchases | (202,938) | (399,028) |
| Proceeds from aircraft sales, trading and other activity | 2,042 | 134,609 |
| Acquisition of aircraft furnishings, equipment and other assets | (102,303) | (88,110) |
| Net cash used in investing activities | (1,401,373) | (902,563) |
| **Financing Activities** | | |
| Issuance of common stock upon exercise of options | 1,439 | 4,526 |
| Cash dividends paid on Class A common stock | (36,475) | (34,049) |
| Net proceeds from preferred stock issuance | 295,428 | — |
| Preferred dividends paid | (11,679) | (7,687) |
| Tax withholdings on stock-based compensation | (7,442) | (8,611) |
| Net change in unsecured revolving facility | — | (20,000) |
| Proceeds from debt financings | 2,574,089 | 2,386,061 |
| Payments in reduction of debt financings | (2,576,841) | (1,295,549) |
| Debt issuance costs | (7,937) | (4,219) |
| Security deposits and maintenance reserve receipts | 67,289 | 72,852 |
| Security deposits and maintenance reserve disbursements | (24,170) | (55,174) |
| Net cash provided by financing activities | 273,701 | 1,038,150 |
| Net (decrease)/increase in cash | (525,007) | 603,929 |
| Cash, cash equivalents and restricted cash at beginning of period | 1,757,767 | 338,061 |
| Cash, cash equivalents and restricted cash at end of period | $ 1,232,760 | $ 941,990 |
| **Supplemental Disclosure of Cash Flow Information** | | |
| Cash paid during the period for interest, including capitalized interest of $26,116 and $26,185 at June 30, 2021 and 2020, respectively | $ 262,949 | $ 229,801 |
| Cash paid for income taxes | $ 2,491 | $ 2,372 |
| **Supplemental Disclosure of Noncash Activities** | | |
| Buyer furnished equipment, capitalized interest and deposits on flight equipment purchases applied to acquisition of flight equipment | $ 449,486 | $ 201,623 |
| Cash dividends declared on Class A common stock, not yet paid | $ 18,263 | $ 17,066 |

(See Notes to Consolidated Financial Statements)

## Note 1. Company Background and Overview

Air Lease Corporation (the “Company”, “ALC”, “we”, “our” or “us”) is a leading aircraft leasing company that was founded by aircraft leasing industry pioneer, Steven F. Udvar-Házy. The Company is principally engaged in purchasing new commercial jet aircraft directly from manufacturers, such as The Boeing Company (“Boeing”) and Airbus S.A.S (“Airbus”). The Company leases these aircraft to airlines throughout the world with the intention to generate attractive returns on equity. As of June 30, 2021, the Company owned a fleet of 354 aircraft in its operating lease portfolio, managed 89 aircraft and had 338 aircraft on order with aircraft manufacturers and 24 aircraft purchase options. In addition to its leasing activities, the Company sells aircraft from its operating lease portfolio to third parties, including other leasing companies, financial services companies, airlines and other investors. The Company also provides fleet management services to investors and owners of aircraft portfolios for a management fee.

## Note 2. Basis of Preparation and Critical Accounting Policies

The Company consolidates financial statements of all entities in which the Company has a controlling financial interest, including the accounts of any Variable Interest Entity in which the Company has a controlling financial interest and for which it is the primary beneficiary. All material intercompany balances are eliminated in consolidation. The accompanying Consolidated Financial Statements have been prepared in accordance with Generally Accepted Accounting Principles in the United States of America (“GAAP”) for interim financial information and in accordance with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements.

The accompanying unaudited Consolidated Financial Statements include all adjustments, consisting only of normal, recurring adjustments, which are in the opinion of management necessary to present fairly the Company’s financial position, results of operations and cash flows at June 30, 2021, and for all periods presented. The results of operations for the three and six months ended June 30, 2021 are not necessarily indicative of the operating results expected for the year ending December 31, 2021. These financial statements and related notes should be read in conjunction with the Consolidated Financial Statements and related notes included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2020.

## Note 3. Debt Financing

The Company’s consolidated debt as of June 30, 2021 and December 31, 2020 is summarized below (in thousands):

| | June 30, 2021 | December 31, 2020 |
|---|---|---|
| **Unsecured** | | |
| Senior notes | $ 16,397,710 | $ 15,583,544 |
| Term financings | 174,950 | 811,550 |
| Total unsecured debt financing | 16,572,660 | 16,395,094 |
| **Secured** | | |
| Term financings | 133,023 | 276,032 |
| Export credit financing | 21,628 | 24,955 |
| Total secured debt financing | 154,651 | 300,987 |
| | | |
| Total debt financing | 16,727,311 | 16,696,081 |
| Less: Debt discounts and issuance costs | (187,053) | (177,743) |
| **Debt financing, net of discounts and issuance costs** | $ 16,540,258 | $ 16,518,338 |

*Senior unsecured notes (including Medium-Term Note Program)*

As of June 30, 2021, the Company had $16.4 billion in senior unsecured notes outstanding. As of December 31, 2020, the Company had $15.6 billion in senior unsecured notes outstanding.

During the six months ended June 30, 2021, the Company issued approximately $2.6 billion in aggregate principal amount of Medium-Term Notes comprised of (i) $750.0 million in aggregate principal amount of 0.70% Medium-Term Notes due 2024, (ii)

$1.2 billion in aggregate principal amount of 1.875% Medium-Term Notes due 2026 and (iii) $600.0 million in aggregate principal amount of Medium-Term Notes due 2022 bearing interest at a floating rate of three-month LIBOR plus 0.35%.

*Unsecured revolving credit facility*

The Company has an unsecured revolving credit facility (the "Revolving Credit Facility"). As of June 30, 2021 and December 31, 2020, the Company did not have any amounts outstanding under the Revolving Credit Facility.

Borrowings under the Revolving Credit Facility accrue interest at either (a) LIBOR plus a margin of 1.05% per year or (b) an alternative base rate plus a margin of 0.05% per year, subject, in each case, to increases or decreases based on declines or improvements in the credit ratings for the Company's debt. The Company is required to pay a facility fee of 0.20% per year (also subject to increases or decreases based on declines or improvements in the credit ratings for the Company's debt) in respect of total commitments under the Revolving Credit Facility. Borrowings under the Revolving Credit Facility are used to finance the Company's working capital needs in the ordinary course of business and for other general corporate purposes.

In April 2021, the Company amended and extended its Revolving Credit Facility through an amendment that, among other things, extended the final maturity date from May 5, 2023 to May 5, 2025 and, after giving effect to commitments that matured on May 5, 2021, increased the total revolving commitments to approximately $6.4 billion, representing an increase of 6.7% from December 31, 2020. As of August 5, 2021, lenders held revolving commitments totaling approximately $5.7 billion that mature on May 5, 2025, commitments totaling $575.0 million that mature on May 5, 2023 and commitments totaling $105.0 million that mature on May 5, 2022. The amended Revolving Credit Facility also added benchmark replacement language with respect to LIBOR largely based on Alternative Reference Rates Committee LIBOR fallback language and amended certain financial maintenance covenants, including removing the maximum consolidated leverage ratio covenant, increasing the required level for minimum consolidated shareholders equity and removing the mechanism for suspending the minimum interest coverage ratio if certain debt ratings are met.

*Secured debt financing*

As of June 30, 2021, the outstanding balance on the Company's secured debt financings, including its export credit financing, was $154.7 million and it had pledged three aircraft as collateral with a net book value of $227.3 million. As of December 31, 2020, the outstanding balance on the Company's secured debt financings, including its secured warehouse facility and its export credit financing, was $301.0 million and it had pledged 12 aircraft as collateral with a net book value of $628.7 million. As of June 30, 2021 and December 31, 2020, all of the Company's secured obligations are recourse in nature.

*Maturities*

Maturities of debt outstanding as of June 30, 2021 are as follows (in thousands):

| **Years ending December 31,** | | |
|---|---|---|
| 2021 | $ | 17,639 |
| 2022 | | 2,733,882 |
| 2023 | | 2,490,951 |
| 2024 | | 2,297,929 |
| 2025 | | 2,313,889 |
| Thereafter | | 6,873,021 |
| Total | $ | 16,727,311 |

## Note 4. Commitments and Contingencies

As of June 30, 2021, the Company had commitments to acquire a total of 338 new aircraft for delivery through 2027 as follows:

| | Estimated Delivery Years | | | | | | |
|---|---|---|---|---|---|---|---|
| Aircraft Type | 2021 | 2022 | 2023 | 2024 | 2025 | Thereafter | Total |
| Airbus A220-300[1] | — | 3 | 10 | 15 | 12 | 11 | 51 |
| Airbus A320/321neo[2] | 19 | 24 | 22 | 26 | 19 | 21 | 131 |
| Airbus A330-900neo | 1 | 8 | 4 | — | — | — | 13 |
| Airbus A350-900/1000 | 3 | 3 | 4 | 5 | 1 | — | 16 |
| Boeing 737-7/8/9 MAX | 19 | 19 | 24 | 27 | 8 | — | 97 |
| Boeing 787-9/10 | 10 | 8 | 7 | 5 | — | — | 30 |
| Total | 52 | 65 | 71 | 78 | 40 | 32 | 338 |

(1) In addition to the Company's commitments, as of June 30, 2021, the Company had options to acquire up to 24 Airbus A220 aircraft. If exercised, deliveries of these aircraft are scheduled to commence in 2026 and continue through 2028.

(2) The Company's Airbus A320/321neo aircraft orders include 34 long-range variants and 29 extra long-range variants.

Pursuant to the Company's purchase agreements with Boeing and Airbus for new aircraft, the Company and each manufacturer agree to contractual delivery dates for each aircraft ordered. These dates can change for a variety of reasons, and in the last several years manufacturing delays have significantly impacted the Company's actual delivery dates. The Company has experienced delivery delays for certain of its Airbus orderbook aircraft, including the A320neo family aircraft and the A330neo aircraft. The worldwide grounding of the Boeing 737 MAX aircraft ("737 MAX") beginning in March 2019 has also resulted in material delivery delays of those aircraft from the Company's orderbook. The Federal Aviation Administration ("FAA") and the European Union Aviation Safety Agency ("EASA") lifted their grounding order on November 18, 2020 and January 27, 2021, respectively. Although many additional countries and regulatory entities have approved return to service of the aircraft, the 737 MAX still remains grounded in a number of jurisdictions. Deliveries resumed for markets where the aircraft had been approved to return to service until April 2021, when a specific group of 737 MAX aircraft were removed from service due to an electrical power system issue unrelated to the previous grounding order. On April 28, 2021, the FAA issued a new airworthiness directive detailing the modifications required before the impacted aircraft can return to service and deliveries of 737 MAX aircraft have subsequently restarted. Although deliveries of 737 MAX have resumed, Boeing continues to have a significant number of 737 MAX aircraft completed and stored in its inventory and delays are likely to continue as the aircraft are prepared for delivery.

During the fourth quarter of 2020, Boeing identified manufacturing defects on its 787 aircraft. As a result, Boeing suspended deliveries of 787 aircraft between October 2020 and March 2021. Boeing temporarily resumed the 787 aircraft deliveries in March 2021; however, in May 2021, deliveries were once again halted while the FAA completes its evaluation of Boeing's inspection process. In July 2021, the FAA announced that manufacturing quality control issues relating to the fuselage in some undelivered 787 aircraft would require further modifications to be completed to resume deliveries. Boeing expects to temporarily reduce 787 production to less than five per month, and that it will deliver fewer than half of the aircraft currently in inventory during 2021. At this time, it is not yet clear when all of the Company's delayed aircraft will be delivered.

The ongoing COVID-19 pandemic has also caused delivery delays of aircraft in the Company's orderbook. As discussed in further detail in Note 11, "Impact of COVID-19 Pandemic," the COVID-19 pandemic has resulted in numerous travel restrictions and business shutdowns or other operating limitations.

The aircraft purchase commitments discussed above also could be impacted by lease cancellations. The Company's leases typically provide that the Company and the airline customer each have a cancellation right related to certain aircraft delivery delays. The Company's purchase agreements with Boeing and Airbus also generally provide that the Company and the manufacturer each have cancellation rights that typically parallel the Company's cancellation rights in its leases. The Company's leases and its purchase agreements with Boeing and Airbus generally provide for cancellation rights starting at one year after the original contractual delivery date, regardless of cause. As of August 5, 2021, the Company has canceled its orders for 23 737 MAX aircraft and one 787 aircraft with Boeing.

The Company has commitments for the acquisition of 338 aircraft for delivery through 2027, calculated at an estimated aggregate purchase price (including adjustments for anticipated inflation) of approximately $22.2 billion at June 30, 2021, which are due as follows (in thousands):

| Years ending December 31, | | |
|---|---|---|
| 2021 | $ | 4,073,106 |
| 2022 | | 5,286,947 |
| 2023 | | 4,838,802 |
| 2024 | | 4,597,940 |
| 2025 | | 1,973,435 |
| Thereafter | | 1,427,700 |
| Total | $ | 22,197,930 |

The Company has made non-refundable deposits on the aircraft for which the Company has commitments to purchase of approximately $1.7 billion and $1.8 billion as of June 30, 2021 and December 31, 2020, respectively, which are subject to manufacturer performance commitments. If the Company is unable to satisfy its purchase commitments, the Company may be forced to forfeit its deposits. Further, the Company would be exposed to breach of contract claims by its lessees and manufacturers.

## Note 5. Rental Income

At June 30, 2021, minimum future rentals on non-cancellable operating leases of flight equipment in the Company’s fleet are as follows (in thousands):

| Years ending December 31, | | |
|---|---|---|
| 2021 (excluding the six months ended June 30, 2021) | $ | 1,045,014 |
| 2022 | | 2,034,572 |
| 2023 | | 1,886,383 |
| 2024 | | 1,766,655 |
| 2025 | | 1,624,051 |
| Thereafter | | 5,920,978 |
| Total | $ | 14,277,653 |

## Note 6. Earnings Per Share

Basic earnings per share is computed by dividing net income by the weighted-average number of common shares outstanding for the period. Diluted earnings per share reflects the potential dilution that would occur if securities or other contracts to issue common stock were exercised or converted into common stock; however, potential common equivalent shares are excluded if the effect of including these shares would be anti-dilutive. The Company’s two classes of common stock, Class A and Class B Non-Voting, have equal rights to dividends and income, and therefore, basic and diluted earnings per share are the same for each class of common stock. As of June 30, 2021, the Company did not have any Class B Non-Voting common stock outstanding.

Diluted earnings per share takes into account the potential conversion of stock options, restricted stock units, and warrants using the treasury stock method and convertible notes using the if-converted method. For the three and six months ended June 30, 2021, the Company did not exclude any potentially dilutive securities, whose effect would have been anti-dilutive, from the computation of diluted earnings per share. The Company excluded 1,085,311 and 1,032,305 shares related to restricted stock units for which the performance metric had yet to be achieved as of June 30, 2021 and 2020, respectively.

The following table sets forth the reconciliation of basic and diluted earnings per share (in thousands, except share and per share amounts):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| **Basic earnings per share:** | | | | |
| Numerator | | | | |
| Net income | $ 93,422 | $ 147,625 | $ 177,514 | $ 284,776 |
| Preferred stock dividends | (7,835) | (3,844) | (11,679) | (7,688) |
| Net income available to common stockholders | $ 85,587 | $ 143,781 | $ 165,835 | $ 277,088 |
| Denominator | | | | |
| Weighted-average common shares outstanding | 114,133,135 | 113,690,839 | 114,046,252 | 113,581,392 |
| Basic earnings per share | $ 0.75 | $ 1.26 | $ 1.45 | $ 2.44 |
| **Diluted earnings per share:** | | | | |
| Numerator | | | | |
| Net income | $ 93,422 | $ 147,625 | $ 177,514 | $ 284,776 |
| Preferred stock dividends | (7,835) | (3,844) | (11,679) | (7,688) |
| Net income available to common stockholders | $ 85,587 | $ 143,781 | $ 165,835 | $ 277,088 |
| Denominator | | | | |
| Number of shares used in basic computation | 114,133,135 | 113,690,839 | 114,046,252 | 113,581,392 |
| Weighted-average effect of dilutive securities | 244,830 | 82,288 | 327,324 | 259,537 |
| Number of shares used in per share computation | 114,377,965 | 113,773,127 | 114,373,576 | 113,840,929 |
| Diluted earnings per share | $ 0.75 | $ 1.26 | $ 1.45 | $ 2.43 |

## Note 7. Fair Value Measurements

*Assets and Liabilities Measured at Fair Value on a Recurring and Non-recurring Basis*

The Company has a cross-currency swap related to its Canadian dollar Medium-Term Notes which was issued in December 2019. The fair value of the swap as a foreign currency exchange derivative is categorized as a Level 2 measurement in the fair value hierarchy and is measured on a recurring basis. As of June 30, 2021, the estimated fair value of the foreign currency exchange derivative asset was $20.6 million. As of December 31, 2020, the estimated fair value of the foreign currency exchange derivative asset was $14.4 million.

*Financial Instruments Not Measured at Fair Values*

The fair value of debt financing is estimated based on the quoted market prices for the same or similar issues, or on the current rates offered to the Company for debt of the same remaining maturities, which would be categorized as a Level 2 measurement in the fair value hierarchy. The estimated fair value of debt financing as of June 30, 2021 was approximately $17.4 billion compared to a book value of $16.7 billion. The estimated fair value of debt financing as of December 31, 2020 was $17.6 billion compared to a book value of $16.7 billion.

The following financial instruments are not measured at fair value on the Company's Consolidated Balance Sheets at June 30, 2021, but require disclosure of their fair values: cash and cash equivalents and restricted cash. The estimated fair value of such instruments at June 30, 2021 and December 31, 2020 approximates their carrying value as reported on the Consolidated Balance Sheets. The fair value of all these instruments would be categorized as Level 1 in the fair value hierarchy.

## Note 8. Shareholders' Equity

The Company was authorized to issue 500,000,000 shares of Class A common stock, $0.01 par value, at June 30, 2021 and December 31, 2020. As of June 30, 2021 and December 31, 2020, the Company had 114,141,103 and 113,852,896 Class A common shares issued and outstanding, respectively. The Company did not have any shares of Class B non-voting common stock, $0.01 par value, issued or outstanding as of June 30, 2021 and December 31, 2020.

The Company was authorized to issue 50,000,000 shares of preferred stock, $0.01 par value, at June 30, 2021 and December 31, 2020. As of June 30, 2021, the Company had 10,000,000 shares of 6.15% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A (the "Series A Preferred Stock") issued and outstanding with an aggregate liquidation preference of $250.0 million ($25.00 per share) and 300,000 shares of 4.65% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series B (the "Series B Preferred Stock") with an aggregate liquidation preference of $300.0 million ($1,000 per share). As of December 31, 2020, the Company had 10,000,000 shares of Series A Preferred Stock issued and outstanding with an aggregate liquidation preference of $250.0 million.

On March 2, 2021, the Company issued 300,000 shares of Series B Preferred Stock, $0.01 par value, with a liquidation preference of $1,000 per share. The Company will pay dividends on the Series B Preferred Stock only when, as and if declared by the board of directors. Dividends will accrue, on a non-cumulative basis, on the stated amount of $1,000 per share at a rate per annum equal to: (i) 4.65% through June 15, 2026, and payable quarterly in arrears beginning on June 15, 2021, and (ii) the Five-year U.S. Treasury Rate as of the applicable reset dividend determination date plus a spread of 4.076% per reset period from June 15, 2026 and reset every five years and payable quarterly in arrears.

The Company may redeem shares of the Series B Preferred Stock at its option, in whole or in part, from time to time, on any dividend payment date on June 15, 2026, for cash at a redemption price equal to $1,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends. The Company may also redeem shares of the Series B Preferred Stock at the Company's option under certain other limited conditions. The Series B Preferred Stock ranks on a parity with the Series A Preferred Stock.

The following table summarizes the Company's preferred stock issued and outstanding as of June 30, 2021 (in thousands, except for share and per share amounts and percentages):

| | Shares Issued and Outstanding as of June 30, 2021 | Liquidation Preference as of June 30, 2021 | Issue Date | Dividend Rate in Effect at June 30, 2021 | Next dividend rate reset date | Dividend rate after reset date |
|---|---|---|---|---|---|---|
| Fixed-to-floating-rate: | | | | | | |
| Series A | 10,000,000 | $ 250,000 | March 5, 2019 | 6.150 % | March 15, 2024 | 3M LIBOR plus 3.65% |
| Fixed-rate reset: | | | | | | |
| Series B | 300,000 | 300,000 | March 2, 2021 | 4.650 % | June 15, 2026 | 5 Yr U.S. Treasury + 4.076% |
| Total Preferred Stock | 10,300,000 | $ 550,000 | | | | |

## Note 9. Stock-based Compensation

On May 7, 2014, the stockholders of the Company approved the Air Lease Corporation 2014 Equity Incentive Plan (the "2014 Plan"). Upon approval of the 2014 Plan, no new awards may be granted under the Amended and Restated 2010 Equity Incentive Plan (the "2010 Plan"). As of June 30, 2021, the number of stock options ("Stock Options") and restricted stock units ("RSUs") authorized under the 2014 Plan is approximately 4,491,496.

The Company recorded $6.7 million and $3.9 million of stock-based compensation expense for the three months ended June 30, 2021 and 2020, respectively. The Company recorded $12.1 million and $8.3 million of stock-based compensation expense for the six months ended June 30, 2021 and 2020, respectively.

*Stock Options*

A summary of stock option activity for the six months ended June 30, 2021 follows:

| | Shares | | Exercise Price | Remaining Contractual Term (in years) | | Aggregate Intrinsic Value (in thousands)[1] |
|---|---|---|---|---|---|---|
| Balance at December 31, 2020 | 50,000 | $ | 28.80 | 0.32 | $ | 781 |
| Granted | — | $ | — | — | $ | — |
| Exercised | (50,000) | $ | 28.80 | — | $ | 993 |
| Forfeited/canceled | — | $ | — | — | $ | — |
| Balance at June 30, 2021 | — | $ | — | 0.00 | $ | — |

(1) The aggregate intrinsic value is calculated as the difference between the exercise price of the underlying awards and the closing stock price of the Company's Class A common stock as of the respective date.

As of June 30, 2021, there were no unrecognized compensation costs related to outstanding stock options. For the three and six months ended June 30, 2021 and 2020, there were no stock-based compensation expenses related to Stock Options.

*Restricted Stock Units*

Compensation cost for stock awards is measured at the grant date based on fair value and recognized over the vesting period. The fair value of book value and time based RSUs is determined based on the closing market price of the Company's Class A common stock on the date of grant, while the fair value of RSUs that vest based on the attainment of Total Shareholder Return ("TSR") goals is determined at the grant date using a Monte Carlo simulation model. Included in the Monte Carlo simulation model were certain assumptions regarding a number of highly complex and subjective variables, such as expected volatility, risk-free interest rate and expected dividends. To appropriately value the award, the risk-free interest rate is estimated for the time period from the valuation date until the vesting date and the historical volatilities were estimated based on a historical timeframe equal to the time from the valuation date until the end date of the performance period.

During the six months ended June 30, 2021, the Company granted 597,728 RSUs of which 116,599 are TSR RSUs. The following table summarizes the activities for the Company's unvested RSUs for the six months ended June 30, 2021:

| | Unvested Restricted Stock Units | | |
|---|---|---|---|
| | Number of Shares | | Weighted-Average Grant-Date Fair Value |
| Unvested at December 31, 2020 | 1,466,060 | $ | 42.03 |
| Granted | 597,728 | $ | 47.64 |
| Vested | (423,402) | $ | 41.91 |
| Forfeited/canceled | (65,373) | $ | 49.89 |
| Unvested at June 30, 2021 | 1,575,013 | $ | 43.86 |
| Expected to vest after June 30, 2021 | 1,444,634 | $ | 44.19 |

As of June 30, 2021, there was $36.5 million of unrecognized compensation cost related to unvested stock-based payments granted to employees. Total unrecognized compensation cost will be recognized over a weighted-average remaining period of 2.04 years.

**Note 10. Aircraft Under Management**

As of June 30, 2021, the Company managed 89 aircraft across three aircraft management platforms. The Company managed 51 aircraft through three separate entities under its Thunderbolt platform, 34 aircraft through the Blackbird investment funds and four on behalf of two financial institutions.

The Company managed 34 aircraft on behalf of third-party investors, through two investment funds, Blackbird Capital I, LLC and Blackbird Capital II, LLC ("Blackbird II"). These funds invest in commercial aircraft and lease them to airlines throughout the world. The Company provides management services to these funds for a fee. As of June 30, 2021, the Company's non-controlling interests in each fund are 9.5% and are accounted for under the equity method of accounting. The Company's investment in these funds aggregated $59.6 million and $52.6 million as of June 30, 2021 and December 31, 2020, respectively, and is included in Other assets on the Consolidated Balance Sheets. The Company continues to source aircraft investment opportunities for Blackbird II. As of August 5, 2021, Blackbird II has remaining equity capital commitments to acquire up to approximately $363.1 million in aircraft assets, for which the Company has committed to fund up to $10.3 million related to these potential investments.

Additionally, the Company continues to manage aircraft that it sells through its Thunderbolt platform. As of June 30, 2021, the Company managed 51 aircraft through its Thunderbolt platform across three separate transactions. The Company has non-controlling interests in two of these entities of approximately 5.0%, which are accounted for under the cost method of accounting. The Company's total investment in aircraft sold through its Thunderbolt platform was $9.3 million as of each of June 30, 2021 and December 31, 2020 and is included in Other assets on the Consolidated Balance Sheets.

**Note 11. Impact of COVID-19 Pandemic**

In response to the COVID-19 pandemic, governments around the world have implemented numerous measures to try to contain the virus, including travel restrictions. These measures, coupled with a significant decrease in spending on travel as a result of COVID-19, have materially impacted airline traffic and operations throughout the world, including the Company's airline customers.

While domestic and regional airline traffic have improved since the industry low in April 2020, passenger traffic remains challenged, especially with respect to international and business air travel demand, due to ongoing cases of the virus, the emergence of new variants of the virus, including the Delta variant, vaccine availability and acceptance, and continuing travel restrictions.

Since the pandemic began in the first quarter of 2020, the Company has received requests from its customers for accommodations such as deferrals of lease payments or other lease concessions. On a case-by-case basis, the Company has agreed to accommodations with approximately 63% of its lessees. Generally, these accommodations have been in the form of partial lease deferrals for payments that were originally due during 2020, and in many cases, include lease extensions. While the majority of the accommodations are in the form of lease deferrals, the Company has also entered into some lease restructurings. The impact of these restructurings was a decrease to the Company's total revenues of $45.1 million for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020. The Company remains in active discussions with its airline customers and may continue to provide accommodations on a case-by-case basis.

While lease deferrals may delay the Company's receipt of cash, the Company generally recognizes lease revenue during the period even if a deferral is provided to the lessee, unless it determines collection is not reasonably assured. The Company monitors all lessees with past due lease payments and discusses relevant operational and financial issues facing those lessees in order to determine an appropriate course of action. In addition, if collection is not reasonably assured, the Company will not recognize rental income for amounts due under the Company's lease contracts and will recognize revenue for such lessees on a cash basis. The Company did not recognize rental revenue of $41.6 million and $90.3 million for the three and six months ended June 30, 2021, respectively, because lease receivables exceeded the lease security package held and collection was not reasonably assured for certain lessees. Aircraft on lease with these lessees represented approximately 10.9% of the Company's fleet by net book value as of June 30, 2021.

**Note 12. Subsequent Events**

On August 4, 2021, the Company's board of directors approved quarterly dividends for the Company's Class A common stock, Series A Preferred Stock and Series B Preferred Stock. The following table summarizes the details of the dividends that were declared:

| Title of each class | Cash dividend per share | | Record Date | Payment Date |
|---|---|---|---|---|
| Class A Common Stock | $ | 0.16 | September 10, 2021 | October 8, 2021 |
| Series A Preferred Stock | $ | 0.384375 | August 31, 2021 | September 15, 2021 |
| Series B Preferred Stock | $ | 11.625 | August 31, 2021 | September 15, 2021 |

## ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read together with our Consolidated Financial Statements and related notes included in Part I, Item 1 of this Quarterly Report on Form 10-Q.

### Overview

Air Lease Corporation (the "Company", "ALC", "we", "our" or "us") is a leading aircraft leasing company that was founded by aircraft leasing industry pioneer, Steven F. Udvar-Házy. We are principally engaged in purchasing new commercial jet aircraft directly from aircraft manufacturers, such as The Boeing Company ("Boeing") and Airbus S.A.S. ("Airbus"), and leasing those aircraft to airlines throughout the world with the intention to generate attractive returns on equity. In addition to our leasing activities, we sell aircraft from our operating lease portfolio to third-parties, including other leasing companies, financial services companies, airlines and other investors. We also provide fleet management services to investors and owners of aircraft portfolios for a management fee. Our operating performance is driven by the growth of our fleet, the terms of our leases, the interest rates on our debt, and the aggregate amount of our indebtedness, supplemented by the gains from aircraft sales and our management fees.

### Impact of the COVID-19 Pandemic

In response to the COVID-19 pandemic, governments around the world have implemented numerous measures to try to contain the virus, including travel restrictions. These measures, coupled with a significant decrease in spending on travel as a result of COVID-19, have materially impacted airline traffic and operations throughout the world, including our airline customers.

While domestic and regional airline traffic have improved since the industry low in April 2020, passenger traffic remains challenged, especially with respect to international and business air travel demand, due to ongoing cases of the virus, the emergence of new variants of the virus, including the Delta variant, vaccine availability and acceptance, and continuing travel restrictions. It is unclear how long and to what extent these measures will remain in place and they may remain in place in some form for an extended period of time. As a result of these challenges and impacts, we have experienced weakened lease rates.

Air travel has begun to recover and travel restrictions are easing in certain locations where vaccination rates are rising. We believe widespread vaccination can reduce the impact of COVID-19 on the commercial airline industry; however, we cannot predict the pace of vaccinations or how long it will take the industry to recover. In addition, many countries are working on ways to further enable air travel despite the virus, including the use of digital certifications for COVID-19 vaccination or negative test results for purposes of travel. We anticipate that the long-term return of air travel domestically and internationally will occur in phases and vary by region and be driven by rising vaccination rates, easing travel restrictions and by the efforts of countries working independently and collectively in developing new ways to reduce travel restrictions.

Since the pandemic began in the first quarter of 2020, we have received requests from our customers for accommodations such as deferrals of lease payments or other lease concessions. On a case-by-case basis, we have agreed to accommodations with approximately 63% of our lessees. Generally, these accommodations have been in the form of partial lease deferrals for payments that were originally due during 2020, and in many cases, include lease extensions. As of August 5, 2021, our total deferrals, net of repayments, was $115.0 million. To date, we have agreed to defer $241.9 million in lease payments, of which $126.9 million or 52% of the total deferral amount has been repaid. We expect approximately 80% of our total deferrals granted to be repaid by the end of 2022. Our net deferrals represented approximately 1.5% of our total available liquidity as of June 30, 2021. While the majority of the accommodations are in the form of lease deferrals, we have also entered into some lease restructurings, which typically included lease extensions. The impact of these restructurings was a decrease to the Company's total revenues of $45.1 million for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020. We remain in active discussions with our airline customers and may continue to provide accommodations on a case-by-case basis.

Our collection rate for the three and six months ended June 30, 2021 was 87% and 86%, respectively. We expect that our collection rate will remain under pressure due to the impact of COVID-19. Collection rate is defined as the sum of cash collected from lease rentals and maintenance reserves, and includes cash recovered from outstanding receivables from previous periods, as a percentage of the total contracted receivables due for the period. The collection rate is calculated after giving effect to lease deferral arrangements made as of June 30, 2021. In addition, we did not recognize rental revenue of $41.6 million and $90.3 million for the three and six months ended June 30, 2021, respectively, because lease receivables exceeded the lease security package held and collection was not reasonably assured for certain lessees, of which $27.9 million is related to Vietnam Airlines, with whom we are working towards a resolution. In the aggregate, aircraft on lease with these lessees represented approximately 10.9% of our fleet by net book value as of June 30, 2021 as compared to 7.8% as of December 31, 2020. The severity and the length of the impact of the COVID-19 pandemic on air travel and on our airline customers continues to be uncertain and could intensify. As a result, we could experience increased requests for lease deferrals or restructurings, declines in our collection rate and additional lease revenue that will not be recognized in future quarters because collection will not be reasonably assured for certain lessees.

Our lease utilization rate for the quarters ended June 30, 2021 and March 31, 2021 was 99.7% and 99.6%, respectively. The lease utilization rate is calculated based on the number of days each aircraft was subject to a lease or letter of intent during the period, weighted by the net book value of the aircraft. The severity and longevity of the COVID-19 pandemic on our airline customers could result in a decline in our lease utilization rate if our lessees return aircraft to us before the return date in their lease agreement or experience insolvency or initiate bankruptcy or similar proceedings that result in aircraft being returned to us. If this occurs, we may not be able to reposition the aircraft with other airlines as quickly as we have historically been able to do and we may incur increased costs in repositioning such aircraft. A decline in our lease utilization rate would adversely impact our financial results, including our revenue and profitability.

Due to travel restrictions and business limitations and shutdowns, we expect continuing challenges when transitioning, acquiring or selling aircraft during the COVID-19 pandemic.

We have experienced aircraft delivery delays related to COVID-19. While the commitment table in Note 4, “Commitments and Contingencies” above and the discussion of “Our Fleet” below reflect our current delivery expectations, we are in ongoing discussions with Boeing and Airbus to determine the extent and duration of delivery delays. The delays could result in a cancellation of leases for those aircraft. As of June 30, 2021, we have canceled our orders for 23 737 MAX aircraft and one 787 aircraft with Boeing. While we have planned our capital expenditures for the remainder of 2021 and beyond based on currently expected delivery schedules, given the current industry circumstances, our aircraft delivery schedule could continue to be subject to material changes. In any case, our capital expenditures will be less than what we planned prior to the pandemic, which will slow our revenue growth, but will further improve our strong liquidity position. Accordingly, we will significantly scale back our aircraft sales activity during 2021.

We expect our business, results of operations and financial condition will continue to be negatively impacted in the near term, and the pandemic could have a larger impact on our results of operations in 2021 than during the prior year. In addition, given the dynamic nature of this situation, we cannot reasonably estimate the continued impacts of the COVID-19 pandemic on our business, results of operations and financial condition for the foreseeable future.

We believe, however, that the airline industry will eventually recover and aircraft travel will return to historical levels over the long term. See “Aircraft Industry and Sources of Revenues” below. Further, we believe we are well positioned to offer solutions for airlines, because we can offer the ability to lease younger, more fuel-efficient aircraft at a time when airlines will be focused on reducing capital requirements and managing costs.

**Second Quarter Overview**

During the three months ended June 30, 2021, we purchased and took delivery of 12 aircraft from our new order pipeline ending the period with a total of 354 aircraft in our operating lease portfolio with a net book value of $21.5 billion. The weighted average lease term remaining on our operating lease portfolio was 6.9 years and the weighted average age of our fleet was 4.3 years as of June 30, 2021. Our fleet grew by 5.6% based on net book value of $21.5 billion as of June 30, 2021, compared to $20.4 billion as of December 31, 2020. In addition, we had a managed fleet of 89 aircraft as of June 30, 2021, compared to a managed fleet of 81 aircraft as of December 31, 2020. We have a globally diversified customer base comprised of 115 airlines in 59 countries as of June 30, 2021. As of August 5, 2021, all aircraft in our operating lease portfolio, except for two aircraft, were subject to letters of intent or lease agreements.

As of June 30, 2021, we had commitments to purchase 338 aircraft from Airbus and Boeing for delivery through 2027, with an estimated aggregate commitment of $22.2 billion. We ended the second quarter of 2021 with $27.1 billion in committed minimum future rental payments and placed approximately 93% of our committed orderbook on long-term leases for aircraft delivering through 2022 and 80% through the end of 2023. This includes $14.3 billion in contracted minimum rental payments on the aircraft in our existing fleet and $12.8 billion in minimum future rental payments related to aircraft which will be delivered during the remainder of 2021 through 2025.

During the three months ended June 30, 2021, we issued $1.2 billion in Medium-Term Notes due 2026 bearing interest at a fixed rate of 1.875% and $600.0 million in Medium-Term Notes due 2022 bearing interest at a floating rate of three-month LIBOR plus

0.35%. In addition, we ended the second quarter of 2021 with an aggregate borrowing capacity under our Revolving Credit Facility of $6.4 billion and total liquidity of $7.6 billion. We ended the second quarter of 2021 with total debt outstanding of $16.7 billion, of which 94.6% was at a fixed rate and 99.1% was unsecured. Our composite cost of funds decreased to 2.91% as of June 30, 2021 compared to 3.13% as of December 31, 2020.

Our total revenues for the quarter ended June 30, 2021 decreased by 5.7% to $491.9 million, compared to the quarter ended June 30, 2020. Despite the continued growth of our fleet, we were not able to recognize $41.6 million of rental revenue during the three months ended June 30, 2021 because lease receivables exceeded the lease security package held and collection was not reasonably assured for certain leases, of which $27.9 million is related to Vietnam Airlines, with whom we are working towards a resolution. In addition, the impact of lease restructurings resulted in a decrease to our revenue of $45.1 million for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020. These decreases in revenue were partially offset by an increase in other revenues of $34.0 million recognized in connection with the sale to a third party of certain unsecured claims, related to insolvency proceedings for Aeromexico. Our net income available to common stockholders for the quarter ended June 30, 2021 was $85.6 million compared to $143.8 million for the quarter ended June 30, 2020. Our diluted earnings per share for the quarter ended June 30, 2021 was $0.75 compared to $1.26 for the quarter ended June 30, 2020. The decrease in net income available to common stockholders in the second quarter of 2021 as compared to 2020 was primarily due to the decrease in rental revenues as discussed above and an increase in depreciation and interest expense from the growth of our fleet.

Our adjusted net income before income taxes excludes the effects of certain non-cash items, one-time or non-recurring items, that are not expected to continue in the future and certain other items. Our adjusted net income before income taxes for the three months ended June 30, 2021 was $125.9 million or $1.10 per diluted share, compared to $194.2 million or $1.71 per diluted share for the three months ended June 30, 2020. As discussed above, the decrease in our adjusted net income before income taxes was principally driven by the decrease in revenues and an increase in depreciation and interest expense. Adjusted net income before income taxes, adjusted pre-tax profit margin and adjusted diluted earnings per share before income taxes are measures of financial and operational performance that are not defined by U.S. Generally Accepted Accounting Principles (“GAAP”). See Note 1 under the “Results of Operations” table for a discussion of adjusted net income before income taxes, adjusted pre-tax profit margin and adjusted diluted earnings per share before income taxes as non-GAAP measures and reconciliation of these measures to net income available to common stockholders.

## Our Fleet

Portfolio metrics of our fleet as of June 30, 2021 and December 31, 2020 are as follows:

| | June 30, 2021 | | | December 31, 2020 | | |
|---|---|---|---|---|---|---|
| Aggregate fleet net book value | $ | 21.5 | billion | $ | 20.4 | billion |
| Weighted-average fleet age[(1)] | | | 4.3 years | | | 4.1 years |
| Weighted-average remaining lease term[(1)] | | | 6.9 years | | | 6.9 years |
| | | | | | | |
| Owned fleet | | | 354 | | | 332 |
| Managed fleet | | | 89 | | | 81 |
| Aircraft on order | | | 338 | | | 361 |
| Aircraft purchase options[(2)] | | | 24 | | | 25 |
| Total | | | 805 | | | 799 |
| | | | | | | |
| Current fleet contracted rentals | $ | 14.3 | billion | $ | 13.6 | billion |
| Committed fleet rentals | $ | 12.8 | billion | $ | 13.2 | billion |
| Total committed rentals | $ | 27.1 | billion | $ | 26.8 | billion |

(1) Weighted-average fleet age and remaining lease term calculated based on net book value of our operating lease portfolio.

(2) As of June 30, 2021 and December 31, 2020, we had options to acquire up to 24 and 25 Airbus A220 aircraft, respectively.

The following table sets forth the net book value and percentage of the net book value of our flight equipment subject to operating lease in the indicated regions based on each airline's principal place of business as of June 30, 2021 and December 31, 2020:

| | June 30, 2021 | | | | December 31, 2020 | | | |
|---|---|---|---|---|---|---|---|---|
| Region | Net Book Value | | % of Total | | Net Book Value | | % of Total | |
| | (in thousands, except percentages) | | | | | | | |
| Europe | $ | 6,909,760 | 32.1 | % | $ | 6,413,557 | 31.4 | % |
| Asia (excluding China) | | 5,630,120 | 26.1 | % | | 5,513,498 | 27.1 | % |
| China | | 3,016,662 | 14.0 | % | | 2,766,543 | 13.5 | % |
| The Middle East and Africa | | 2,364,252 | 11.0 | % | | 2,356,418 | 11.6 | % |
| U.S. and Canada | | 1,450,385 | 6.7 | % | | 1,298,974 | 6.4 | % |
| Central America, South America, and Mexico | | 1,222,200 | 5.7 | % | | 1,074,792 | 5.3 | % |
| Pacific, Australia, and New Zealand | | 937,936 | 4.4 | % | | 956,568 | 4.7 | % |
| Total | $ | 21,531,315 | 100.0 | % | $ | 20,380,350 | 100.0 | % |

The following table sets forth the number of aircraft we owned by aircraft type as of June 30, 2021 and December 31, 2020:

| | June 30, 2021 | | | December 31, 2020 | | |
|---|---|---|---|---|---|---|
| Aircraft type | Number of Aircraft | % of Total | | Number of Aircraft | % of Total | |
| Airbus A319-100 | 1 | 0.3 | % | 1 | 0.3 | % |
| Airbus A320-200 | 31 | 8.8 | % | 31 | 9.4 | % |
| Airbus A320-200neo | 22 | 6.2 | % | 19 | 5.7 | % |
| Airbus A321-200 | 28 | 7.9 | % | 28 | 8.4 | % |
| Airbus A321-200neo | 56 | 15.7 | % | 49 | 14.8 | % |
| Airbus A330-200 | 13 | 3.7 | % | 13 | 3.9 | % |
| Airbus A330-300 | 8 | 2.3 | % | 8 | 2.4 | % |
| Airbus A330-900neo | 9 | 2.5 | % | 8 | 2.4 | % |
| Airbus A350-900 | 12 | 3.4 | % | 11 | 3.3 | % |
| Airbus A350-1000 | 2 | 0.6 | % | 2 | 0.6 | % |
| Boeing 737-700 | 4 | 1.1 | % | 4 | 1.2 | % |
| Boeing 737-800 | 88 | 24.9 | % | 88 | 26.5 | % |
| Boeing 737-8 MAX | 21 | 5.9 | % | 15 | 4.5 | % |
| Boeing 737-9 MAX | 1 | 0.3 | % | — | — | % |
| Boeing 777-200ER | 1 | 0.3 | % | 1 | 0.3 | % |
| Boeing 777-300ER | 24 | 6.8 | % | 24 | 7.2 | % |
| Boeing 787-9 | 26 | 7.3 | % | 23 | 7.0 | % |
| Boeing 787-10 | 6 | 1.7 | % | 6 | 1.8 | % |
| Embraer E190 | 1 | 0.3 | % | 1 | 0.3 | % |
| Total | 354 | 100.0 | % | 332 | 100.0 | % |

As of June 30, 2021, we had commitments to acquire a total of 338 new aircraft for delivery through 2027 as follows:

| | Estimated Delivery Years | | | | | | |
|---|---|---|---|---|---|---|---|
| Aircraft Type | 2021 | 2022 | 2023 | 2024 | 2025 | Thereafter | Total |
| Airbus A220-300[(1)] | — | 3 | 10 | 15 | 12 | 11 | 51 |
| Airbus A320/321neo[(2)] | 19 | 24 | 22 | 26 | 19 | 21 | 131 |
| Airbus A330-900neo | 1 | 8 | 4 | — | — | — | 13 |
| Airbus A350-900/1000 | 3 | 3 | 4 | 5 | 1 | — | 16 |
| Boeing 737-7/8/9 MAX | 19 | 19 | 24 | 27 | 8 | — | 97 |
| Boeing 787-9/10 | 10 | 8 | 7 | 5 | — | — | 30 |
| Total | 52 | 65 | 71 | 78 | 40 | 32 | 338 |

(1) In addition to our commitments, as of June 30, 2021, we had options to acquire up to 24 Airbus A220 aircraft. If exercised, deliveries of these aircraft are scheduled to commence in 2026 and continue through 2028.

(2) Our Airbus A320/321neo aircraft orders include 34 long-range variants and 29 extra long-range variants.

***Aircraft Delivery Delays***

Pursuant to our purchase agreements with Boeing and Airbus for new aircraft, we and each manufacturer agree to contractual delivery dates for each aircraft ordered. These dates can change for a variety of reasons, and in the last several years manufacturing delays have significantly impacted our actual delivery dates.

The worldwide grounding of the 737 MAX beginning in March 2019 has resulted in material delivery delays of those aircraft from our orderbook. The FAA and EASA lifted their grounding order on November 18, 2020 and January 27, 2021, respectively. While the majority of the 737 MAX in our owned fleet have resumed service, the 737 MAX still remains grounded in a number of jurisdictions. The grounding of the aircraft has caused airlines to adjust flight schedules, cancel flights, or keep older aircraft in service longer. We are unable to speculate as to when the grounding of the 737 MAX in the remaining countries and jurisdictions will be lifted.

In addition to the grounding issue noted above, in April 2021, a specific group of 737 MAX aircraft were removed from service due to an electrical power system issue unrelated to the previous grounding order. On April 28, 2021, the FAA issued a new airworthiness directive detailing the modifications required before the impacted aircraft can return to service and deliveries of 737 MAX aircraft have subsequently restarted. Although deliveries of 737 MAX have resumed, Boeing continues to have a significant number of 737 MAX aircraft completed and stored in its inventory and delays are likely to continue as the aircraft are prepared for delivery.

As of June 30, 2021, we owned and leased 22 737 MAX aircraft and we had 97 737 MAX aircraft on order. With respect to the 737 MAX aircraft we own and lease, our airline customers are obligated to continue to make payments under the lease, irrespective of any difficulties the lessees may encounter, including an aircraft fleet grounding. However, the lease payments for some of our 737 MAX airline customers are in arrears.

During the fourth quarter of 2020, Boeing identified manufacturing defects on its 787 aircraft. As a result, Boeing suspended deliveries of 787 aircraft between October 2020 and March 2021. Boeing temporarily resumed the 787 aircraft deliveries in March 2021; however, in May 2021, deliveries were once again halted while the FAA completes its evaluation of Boeing's inspection process. In July 2021, the FAA announced that manufacturing quality control issues relating to the fuselage in some undelivered 787 aircraft would require further modifications to be completed to resume deliveries. Boeing expects to temporarily reduce 787 production to less than five per month, and that it will deliver fewer than half of the aircraft currently in inventory during 2021. At this time, it is not yet clear when all of our delayed aircraft will be delivered. As such, we are not yet able to determine the impact of the delivery delays.

As a result of the aforementioned items occurring with both the 737 MAX and 787 aircraft, as of August 5, 2021, we anticipate that Boeing may continue to experience challenges in delivering these aircraft resulting in delivery delays on both the 737 MAX and 787 throughout the remainder of 2021 and delivery delays could potentially extend well into 2022 and beyond.

We have also experienced delivery delays for certain of our Airbus orderbook aircraft, including the A320neo family aircraft and, to a lesser extent, the A330neo aircraft. Airbus has advised us to continue to expect several months of delivery delays relating to such aircraft scheduled to deliver through 2022. These delays also have impacted airline operations and the profitably of certain airlines.

As a result of the manufacturing delays and the delays related to the COVID-19 pandemic, discussed in further detail above in "Impact of COVID-19 Pandemic," many of our aircraft deliveries have been delayed. We are in ongoing discussions with Boeing and Airbus to determine the impact and duration of delivery delays. However, we are not yet able to determine the impact of the delivery delays, and as such, our expected delivery dates could materially change. While we have planned our capital expenditures for the remainder of 2021 and beyond based on currently expected delivery schedules, given the current industry circumstances, our aircraft delivery schedule could continue to be subject to material changes.

We expect that if the grounding of the 737 MAX continues in certain countries and jurisdictions for an extended time, or if there are significant 737 MAX delivery delays in countries and jurisdictions where the grounding has been lifted, more of our customers may seek to cancel their lease contracts for the 737 MAX with us. Our leases typically provide that we and our airline customer each have a cancellation right related to certain aircraft delivery delays. Our purchase agreements with Boeing and Airbus also generally provide that we and the manufacturer each have cancellation rights that typically parallel our cancellation rights in our leases. Our leases and our purchase agreements with Boeing and Airbus generally provide for cancellation rights starting at one year after the original contractual delivery date, regardless of cause.

We believe that the majority of our 737 MAX aircraft and some of our 787 aircraft deliveries in our orderbook will be delayed more than 12 months, which would give us, our airline customers and Boeing the right to cancel these aircraft commitments. As of August 5, 2021, we have canceled our orders for 23 737 MAX aircraft and one 787 aircraft with Boeing. It is unclear at this point if we will cancel more of our 737 MAX or 787 delivery positions with Boeing or attempt to find replacement lessees. We are currently in discussions with Boeing regarding the mitigation of damages resulting from the delivery delays associated with the 737 MAX and 787 aircraft that we own and have on order.

The following table, which is subject to change based on Airbus and Boeing delivery delays, shows the number of new aircraft scheduled to be delivered as of June 30, 2021, along with the lease placements of such aircraft as of August 5, 2021. As noted above, we expect delivery delays for all aircraft deliveries in our orderbook. We remain in discussions with Boeing and Airbus to determine the extent and duration of delivery delays, but given the dynamic nature of the ongoing COVID-19 pandemic, we are not yet able to determine the full impact of the delivery delays.

| Delivery Year | Number of Aircraft | Number Leased | % Leased |
|---|---|---|---|
| 2021 | 52 | 52 | 100.0 % |
| 2022 | 65 | 57 | 87.7 % |
| 2023 | 71 | 42 | 59.2 % |
| 2024 | 78 | 21 | 26.9 % |
| 2025 | 40 | 5 | 12.5 % |
| Thereafter | 32 | — | — % |
| Total | 338 | 177 | |

**Aircraft Industry and Sources of Revenues**

Our revenues are principally derived from operating leases with scheduled and charter airlines throughout the world. As of June 30, 2021, we had a globally diversified customer base comprised of 115 airlines in 59 different countries, with over 95% of our business revenues from airlines domiciled outside of the U.S., and we anticipate that most of our revenues in the future will be generated from foreign customers.

Performance of the commercial airline industry is linked to global economic health and development, which may be negatively impacted by economic disruption, macroeconomic conditions and geopolitical and policy risks, among other factors. COVID-19 has caused significant disruption to the commercial airline industry resulting in a significant decline in air travel, negatively impacting airlines, aircraft manufacturers, and other related businesses. While the International Air Transport Association ("IATA") has reported that passenger traffic has increased 193% year-over-year for the first six months of 2021, air travel has still not recovered to 2019 levels primarily due to the ongoing impact of COVID-19. IATA reported that passenger traffic for the first six months of 2021 is still 67% below passenger traffic for the first six months of 2019 and air traffic for the month of June 2021 fell 60% from its June 2019 level. While domestic and regional airline traffic have improved since the industry low in April 2020, passenger traffic remains challenged, especially with respect to international and business air travel demand, due to ongoing cases of the virus, the emergence of new variants of the virus, including the Delta variant, vaccine availability and acceptance, and continuing travel restrictions. Air travel has begun to recover and travel restrictions are easing in certain locations where vaccination rates are rising. We believe widespread vaccination can reduce the impact of COVID-19 on the commercial airline industry; however, we cannot predict the pace of vaccinations or how long it will take the industry to recover. In addition, many countries are working on ways to further enable air travel despite the virus, including the use of digital certifications for COVID-19 vaccination or negative test results for purposes of travel. We anticipate that the long-term return of air travel domestically and internationally will occur in phases and vary by region and be driven by rising vaccination rates, easing travel restrictions and by the efforts of countries working independently and collectively in developing new ways to reduce travel restrictions.

We expect our airline customers to continue to experience financial difficulties through 2021 and potentially longer, which could result in additional requests for lease accommodations, requests to return aircraft early and lease defaults. We also expect more airline reorganizations, liquidations, or other forms of bankruptcies, which may include our aircraft customers and result in the early return of aircraft or changes in our lease terms. As of the date of this filing, we had 16 aircraft across five airlines which were subject to various forms of insolvency proceedings.

Approximately 74% of the net book value of our fleet are leased to flag carriers or airlines that have some form of governmental ownership; however, this does not guarantee our ability to collect contractual rent payments. We believe that having a large portion of the net book value of our fleet on lease with flag carriers or airlines with some form of governmental ownership, coupled with the overall quality of our aircraft and security deposits and maintenance reserves under our leases will help mitigate our customer default risk.

We expect the aviation industry to recover over time from the impact of COVID-19, and in the long-term we remain optimistic. While we believe some aircraft lessors may consolidate or cease operations as a result of the pandemic, we believe the aircraft leasing industry has remained resilient over time across a variety of global economic conditions and remain optimistic about the long-term fundamentals of our business. As a result of the COVID-19 pandemic, some airlines have accelerated their plans to retire older, less fuel-efficient aircraft that have higher maintenance costs in the current environment, and we anticipate that airlines will continue to accelerate the retirement of this type of aircraft, ultimately increasing demand for newer aircraft over time. We also anticipate that when airlines need to add new aircraft to their fleet, they will increasingly elect to lease aircraft instead of purchasing aircraft to reduce capital requirements and manage other operating expenses, and that we will benefit from that trend. We expect a number of these trends to continue for the remainder of 2021.

We and airlines around the world have continued to experience delivery delays from Boeing and Airbus and have been impacted by the 737 MAX grounding, as discussed above in “Our Fleet.” Aircraft manufacturer delays and the 737 MAX grounding have impacted the growth of our company as well as the growth of our airline customers, passenger growth and airline profitability and we expect this to continue. As a result of continued manufacturing delays and the impact of COVID-19, our aircraft delivery schedule could continue to be subject to material changes and delivery delays could potentially extend well into 2022 and beyond. Accordingly, we will significantly scale back our aircraft sales activity during 2021.

As a result of various impacts of COVID-19 including border restrictions and other travel limitations, we have seen further reduced demand for certain aircraft in our fleet, which has resulted in weakened lease rates for these aircraft. This includes demand for and lease rates on widebody aircraft which have, in particular, been impacted by travel restrictions curtailing long-haul international travel. Due to the grounding of the 737 MAX and other narrow body delivery delays, our fleet currently has a greater concentration of widebody aircraft than we typically target.

In October 2019, the U.S. government imposed a 10% tariff on new aircraft imported from Europe, including Airbus aircraft. In March 2020, the tariff was raised to 15%. In November 2020, the European Union (“E.U.”) imposed a 15% tariff on new aircraft imported into the E.U. from the U.S., including Boeing aircraft. In June 2021, the U.S. and the E.U. agreed to temporarily suspend all retaliatory tariffs related to new aircraft imports for five years.

While our leases are primarily structured as triple net leases, whereby the lessee is responsible for all operating costs including taxes, insurance, aircraft maintenance and the costs associated with the importation of the aircraft, deliveries to customers and future demand for our orderbook aircraft could be negatively impacted by tariffs. Moreover, we cannot predict what further actions may ultimately be taken with respect to tariffs or trade relations between the U.S. and U.S. trading partners. Accordingly, it is difficult to predict exactly how, and to what extent, such actions may impact our business, or the business of our lessees or aircraft manufacturers. Any unfavorable government policies on international trade, such as capital controls or tariffs, may affect the demand for aircraft, increase the cost of aircraft components, further delay production, impact the competitive position of certain aircraft manufacturers or prevent aircraft manufacturers from being able to sell aircraft in certain countries.

It is unclear at this time how competition within the aircraft leasing industry will evolve or change in the coming months and what the corresponding impact will be on lease rates as a result of the impact of COVID-19 on the airline industry, changes in the competitive landscape of the aircraft leasing industry, evolving international trade matters, and ongoing aircraft delays from Airbus and Boeing, among other items.

## Liquidity and Capital Resources

### *Overview*

We finance the purchase of aircraft and our business with available cash balances, internally generated funds, including through aircraft sales and trading activity, and an array of financing products. We have structured ourselves with the goal to maintain investment-grade credit metrics and our debt financing strategy has focused on funding our business on an unsecured basis with primarily fixed-rate debt. Unsecured financing provides us with operational flexibility when selling or transitioning aircraft from one airline to another and also reduces structural subordination in our capital structure. We also have the ability to seek debt financing secured by our assets, as well as financings supported through the Export-Import Bank of the United States and other export credit agencies for future aircraft deliveries. Our access to a variety of financing alternatives including unsecured public bonds, private capital, bank debt, preferred stock and secured markets provides us with a key advantage in managing our liquidity and we have continued to access a number of these markets during the COVID-19 pandemic. Aircraft delivery delays as a product of the COVID-19 pandemic, the 737 MAX grounding and other manufacturer delays are expected to further reduce our capital requirements for the next six to twelve months and potentially beyond. We continue to monitor COVID-19 and its impact on our overall liquidity position and outlook.

We had total debt outstanding of approximately $16.7 billion as of each of June 30, 2021 and December 31, 2020. Our unsecured debt increased to $16.6 billion as of June 30, 2021 from $16.4 billion as of December 31, 2020. Our unsecured debt as a percentage of total debt increased to 99.1% as of June 30, 2021 from 98.2% as of December 31, 2020.

Our cash flows provided by operating activities increased by 28.7% or $134.3 million, to $602.7 million for the six months ended June 30, 2021 as compared to $468.3 million for the six months ended June 30, 2020. Despite the decrease in our net income, our cash flow provided by operating activities during the six months ended June 30, 2021 as compared to the six months ended June 30, 2020 was higher primarily due to the growth of our fleet and an increase in our cash collections. Our cash flow used in investing activities was $1.4 billion for the six months ended June 30, 2021, which resulted primarily from the purchase of aircraft. Our cash flow used in investing activities was $902.6 million for the six months ended June 30, 2020, which resulted primarily from the purchase of aircraft, partially offset by proceeds from our sales and trading activity. Our cash flow provided by financing activities was $273.7 million for the six months ended June 30, 2021, which resulted primarily from the issuance of unsecured notes and the issuance of our Series B preferred stock partially offset by the repayment of outstanding debt. Our cash flow provided by financing activities was $1.0 billion for the six months ended June 30, 2020, which resulted primarily from the issuance of unsecured notes partially offset by the repayment of outstanding debt. The continued impact of COVID-19, including as a result of rent deferrals and other lease concessions made or that we may make in the future to our customers, may negatively affect our cash flow from operating activities in the future.

We ended the second quarter of 2021 with available liquidity of $7.6 billion which is comprised of unrestricted cash of $1.2 billion and an available borrowing capacity under our Revolving Credit Facility of $6.4 billion. Our Revolving Credit Facility does not condition our ability to borrow on the lack of a material adverse effect to us or the general economy. A key component of the ongoing liquidity available to us is our Revolving Credit Facility, for which the substantial majority of the commitments mature in 2025. As of August 5, 2021, our Revolving Credit Facility is syndicated across 49 financial institutions from around various regions of the world, diversifying our reliance on any individual lending institution. We continue to utilize our Revolving Credit Facility in the normal course of business.

We have a balanced approach to capital allocation based on the following priorities, ranked in order of importance: first, investing in modern, in-demand aircraft to profitably grow our core aircraft leasing business while maintaining strong fleet metrics and creating sustainable long-term shareholder value; second, maintaining our investment grade balance sheet utilizing unsecured debt as our primary form of financing; and finally, in lockstep with the aforementioned priorities, returning excess cash to shareholders through our dividend policy as well as regular evaluation of share repurchases, as appropriate.

The ultimate impact the COVID-19 pandemic may have on our business, results of operations and financial condition over the next 12 months is currently uncertain and will depend on certain developments, including, among others, the impact of the COVID-19 pandemic on our airline customers and the magnitude and duration of the pandemic. We currently believe that our cash on hand, current debt arrangements and general ability to access the capital markets will be sufficient to finance our operations and fund our debt service requirements and capital expenditures, including aircraft acquisition over the next 12 months.

As of June 30, 2021, we were in compliance in all material respects with the covenants contained in our debt agreements. While a ratings downgrade would not result in a default under any of our debt agreements, it could adversely affect our ability to issue debt and obtain new financings, or renew existing financings, and it would increase the costs of certain financings. Our liquidity plans are subject to a number of risks and uncertainties, including those described in our Annual Report on Form 10-K for the year ended December 31, 2020.

***Debt***

Our debt financing was comprised of the following at June 30, 2021 and December 31, 2020 (in thousands, except percentages):

| | June 30, 2021 | | | December 31, 2020 | | |
|---|---|---|---|---|---|---|
| **Unsecured** | | | | | | |
| Senior notes | $ | 16,397,710 | | $ | 15,583,544 | |
| Term financings | | 174,950 | | | 811,550 | |
| Total unsecured debt financing | | 16,572,660 | | | 16,395,094 | |
| **Secured** | | | | | | |
| Term financings | | 133,023 | | | 276,032 | |
| Export credit financing | | 21,628 | | | 24,955 | |
| Total secured debt financing | | 154,651 | | | 300,987 | |
| | | | | | | |
| Total debt financing | | 16,727,311 | | | 16,696,081 | |
| Less: Debt discounts and issuance costs | | (187,053) | | | (177,743) | |
| **Debt financing, net of discounts and issuance costs** | $ | 16,540,258 | | $ | 16,518,338 | |
| **Selected interest rates and ratios:** | | | | | | |
| Composite interest rate[(1)] | | 2.91 | % | | 3.13 | % |
| Composite interest rate on fixed-rate debt[(1)] | | 3.04 | % | | 3.26 | % |
| Percentage of total debt at a fixed-rate | | 94.62 | % | | 93.02 | % |

(1) This rate does not include the effect of upfront fees, facility fees, undrawn fees or amortization of debt discounts and issuance costs.

*Senior unsecured notes (including Medium-Term Note Program)*

As of June 30, 2021, we had $16.4 billion in senior unsecured notes outstanding. As of December 31, 2020, we had $15.6 billion in senior unsecured notes outstanding.

During the six months ended June 30, 2021, we issued approximately $2.6 billion in aggregate principal amount of Medium-Term Notes comprised of (i) $750.0 million in aggregate principal amount of 0.70% Medium-Term Notes due 2024, (ii) $1.2 billion in aggregate principal amount of 1.875% Medium-Term Notes due 2026 and (iii) $600.0 million in aggregate principal amount of Medium-Term Notes due 2022 bearing interest at a floating rate of three-month LIBOR plus 0.35%.

*Unsecured revolving credit facility*

As of June 30, 2021 and December 31, 2020, we did not have any amounts outstanding under our unsecured revolving credit facility (the “Revolving Credit Facility”).

Borrowings under our Revolving Credit Facility accrue interest at either (a) LIBOR plus a margin of 1.05% per year or (b) an alternative base rate plus a margin of 0.05% per year, subject, in each case, to increases or decreases based on declines or improvements in the credit ratings for our debt. We are required to pay a facility fee of 0.20% per year (also subject to increases or decreases based on declines or improvements in the credit ratings for our debt) in respect of total commitments under our Revolving Credit Facility. Borrowings under our Revolving Credit Facility are used to finance our working capital needs in the ordinary course of business and for other general corporate purposes.

In April 2021, we amended and extended our Revolving Credit Facility through an amendment that, among other things, extended the final maturity date from May 5, 2023 to May 5, 2025 and, after giving effect to commitments that matured on May 5, 2021, increased the total revolving commitments to approximately $6.4 billion, representing an increase of 6.7% from December 31, 2020. As of August 5, 2021, lenders held revolving commitments totaling approximately $5.7 billion that mature on May 5, 2025, commitments totaling $575.0 million that mature on May 5, 2023 and commitments totaling $105.0 million that mature on May 5, 2022. The amended Revolving Credit Facility also added benchmark replacement language with respect to LIBOR largely based on Alternative Reference Rates Committee LIBOR fallback language and amended certain financial maintenance covenants, including removing the maximum consolidated leverage ratio covenant, increasing the required level for minimum consolidated shareholders equity and removing the mechanism for suspending the minimum interest coverage ratio if certain debt ratings are met.

*Secured debt financing*

As of June 30, 2021, the outstanding balance on our secured debt financings, including our export credit financing, was $154.7 million and we had pledged three aircraft as collateral with a net book value of $227.3 million. As of December 31, 2020, the outstanding balance on our secured debt financings, including our secured warehouse facility and our export credit financing, was $301.0 million and we had pledged 12 aircraft as collateral with a net book value of $628.7 million.

***Preferred equity***

On March 5, 2019, we issued 10,000,000 shares of 6.15% Fixed-to-Floating Non-Cumulative Perpetual Preferred Stock, Series A (the “Series A Preferred Stock”), $0.01 par value, with a liquidation preference of $25.00 per share. See “Item 1. Financial Statements – Note 8, Shareholders’ Equity,” in this Quarterly Report on Form 10-Q for the quarter ended June 30, 2021 for a discussion of the Series A Preferred Stock dividend rate.

On March 2, 2021, we issued 300,000 shares of 4.65% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series B (the “Series B Preferred Stock”), $0.01 par value, with a liquidation preference of $1,000 per share. We will pay dividends on the preferred stock only when, as and if declared by the board of directors. Dividends will accrue, on a non-cumulative basis, on the stated amount of $1,000 per share at a rate per annum equal to: (i) 4.65% through June 15, 2026, and payable quarterly in arrears beginning on June 15, 2021, and (ii) the Five-year U.S. Treasury Rate as of the applicable reset dividend determination date plus a spread of 4.076% per reset period from June 15, 2026 and reset every five years and payable quarterly in arrears.

We may redeem shares of the Series B Preferred Stock at our option, in whole or in part, from time to time, on or after June 15, 2026, for cash at a redemption price equal to $1,000 per share, plus any declared and unpaid dividends, without accumulation of any undeclared dividends. We may also redeem shares of the Series B Preferred Stock at our option under certain other limited conditions. The Series B Preferred Stock ranks on a parity with the Series A Preferred Stock.

A cash dividend of $0.384375 per share on our outstanding Series A Preferred Stock was paid on each of March 15, 2021 and June 15, 2021. Additionally, a cash dividend of $13.304167 per share on our outstanding Series B Preferred Stock was paid on June 15, 2021.

***Potential Impact of LIBOR Transition***

As of June 30, 2021, we had approximately $0.9 billion of floating rate debt outstanding that used LIBOR as the applicable reference rate to calculate the interest on such debt. Additionally, our Series A Preferred Stock will in the future accrue dividends at a floating rate determined by reference to LIBOR, if available. The Chief Executive of the U.K. Financial Conduct Authority (the “FCA”), which regulates LIBOR, has announced that the FCA will no longer persuade or compel banks to submit rates for the calculation of LIBOR after 2021. However, for U.S dollar LIBOR, it appears that the relevant date may be deferred to June 30, 2023 for certain tenors (including overnight and one, three, six and 12 months), at which time the LIBOR administrator has indicated that it intends to cease publication of U.S. dollar LIBOR. Despite this potential deferral, the LIBOR administrator has advised that no new contracts using U.S. dollar LIBOR should be entered into after December 31, 2021. These actions indicate that the continuation of U.S. LIBOR on the current basis cannot and will not be guaranteed after June 30, 2023. Moreover, it is possible that U.S. LIBOR will be discontinued or modified prior to June 30, 2023. The U.S. Federal Reserve and the Bank of England have begun publishing a Secured Overnight Funding Rate and a reformed Sterling Overnight Index Average, respectively, which are intended to serve as alternative reference rates to LIBOR. At this time, however, it is not possible to predict the establishment of any market-accepted alternative reference rates or any other reforms to LIBOR and the effect of any such changes.

Furthermore, while fallback provisions governing the calculation of floating rate interest and dividends in the event LIBOR is unavailable have recently been established by the Alternative Reference Rate Committee, these provisions are not reflected in many agreements. The lack of a market practice and inconsistency in fallback provisions is reflected across our floating rate debt and Series A Preferred Stock and the discontinuation of LIBOR could lead to unexpected outcomes that may vary between our various debt and equity securities that reference LIBOR to determine the rate in which interest or dividends, as applicable, accrue. For example, if

LIBOR is discontinued, the fallback provisions contained in our credit facility, outstanding floating rate notes and the certificate of designations applicable to our Series A Preferred Stock are not the same among the various instruments and could lead to such debt or preferred stock bearing interest or paying dividends, as applicable, at, among other things, a rate of interest equal to the interest rate last in effect for which LIBOR was determinable, a floating rate determined in reference to a predetermined fallback reference rate or an alternative reference rate to be agreed upon by the parties to such agreement or that has been selected by the central bank, reserve bank, monetary authority or any similar institution, and a rate of interest representative of the cost to applicable lenders of funding their participation in the debt.

If the rate used to calculate interest on our outstanding floating rate debt that currently uses LIBOR and our Series A Preferred Stock were to increase by 1.0% either as a result of an increase in LIBOR or the result of the use of an alternative reference rate determined under the fallback provisions in the applicable debt if LIBOR is discontinued, we would expect to incur additional interest expense on such indebtedness as of June 30, 2021 of approximately $9.0 million on an annualized basis. Further, if LIBOR is discontinued and there is no acceptable alternative reference rate, some of our floating rate debt, including certain senior unsecured notes issued under our Medium-Term Note Program, and our Series A Preferred Stock may effectively become fixed rate debt. As a result, the cost of this debt and equity would increase to us if and as interest rates decreased.

While we do not expect the potential impact of any LIBOR transition to have a material effect on our financial results based on our currently outstanding floating rate debt and equity, uncertainty as to the nature of potential changes to LIBOR, fallback provisions, alternative reference rates or other reforms could adversely impact our interest expense on our floating rate debt that currently uses LIBOR as the applicable reference rate and our Series A Preferred Stock. In addition, any alternative reference rates to LIBOR may result in interest or dividend payments that do not correlate over time with the payments that would have been made on our indebtedness or Series A Preferred Stock, respectively, if LIBOR was available in its current form. Further, the discontinuance or modification of LIBOR and uncertainty of an alternative reference rate may result in the increase in the cost of future indebtedness, which could have a material adverse effect on our financial condition, cash flow and results of operations. We intend to closely monitor the financial markets and the use of fallback provisions and alternative reference rates in anticipation of the discontinuance or modification of LIBOR by June 30, 2023.

***Credit Ratings***

In July 2021, Fitch Ratings reaffirmed our long-term debt and corporate rating and upgraded our outlook to Stable. The following table summarizes our current credit ratings:

| Rating Agency | Long-term Debt | Corporate Rating | Outlook | Date of Last Ratings Action |
|---|---|---|---|---|
| Kroll Bond Ratings | A- | A- | Negative | March 25, 2021 |
| Standard and Poor's | BBB | BBB | Stable | April 7, 2021 |
| Fitch Ratings | BBB | BBB | Stable | July 1, 2021 |

While a ratings downgrade would not result in a default under any of our debt agreements, it could adversely affect our ability to issue debt and obtain new financings, or renew existing financings, and it would increase the cost of our financings.

**Results of Operations**

The following table presents our historical operating results for the three and six month periods ended June 30, 2021 and 2020 (in thousands, except per share amounts and percentages):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | (unaudited) | | | |
| **Revenues** | | | | |
| Rental of flight equipment | $ 452,044 | $ 497,869 | $ 920,139 | $ 994,556 |
| Aircraft sales, trading and other | 39,833 | 23,480 | 46,565 | 38,180 |
| Total revenues | 491,877 | 521,349 | 966,704 | 1,032,736 |
| **Expenses** | | | | |
| Interest | 113,598 | 102,693 | 231,584 | 210,234 |
| Amortization of debt discounts and issuance costs | 12,513 | 10,233 | 24,538 | 20,761 |
| Interest expense | 126,111 | 112,926 | 256,122 | 230,995 |
| Depreciation of flight equipment | 217,817 | 194,020 | 426,782 | 382,915 |
| Selling, general and administrative | 26,687 | 26,581 | 53,601 | 54,903 |
| Stock-based compensation | 6,700 | 3,892 | 12,108 | 8,321 |
| Total expenses | 377,315 | 337,419 | 748,613 | 677,134 |
| Income before taxes | 114,562 | 183,930 | 218,091 | 355,602 |
| Income tax expense | (21,140) | (36,305) | (40,577) | (70,826) |
| Net income | $ 93,422 | $ 147,625 | $ 177,514 | $ 284,776 |
| Preferred stock dividends | (7,835) | (3,844) | (11,679) | (7,688) |
| Net income available to common stockholders | $ 85,587 | $ 143,781 | $ 165,835 | $ 277,088 |
| | | | | |
| **Earnings per share of common stock** | | | | |
| Basic | $ 0.75 | $ 1.26 | $ 1.45 | $ 2.44 |
| Diluted | $ 0.75 | $ 1.26 | $ 1.45 | $ 2.43 |
| | | | | |
| **Other financial data** | | | | |
| Pre-tax profit margin | 23.3 % | 35.3 % | 22.6 % | 34.4 % |
| Adjusted net income before income taxes[(1)] | $ 125,940 | $ 194,211 | $ 243,058 | $ 376,996 |
| Adjusted pre-tax profit margin[(1)] | 25.6 % | 37.3 % | 25.1 % | 36.5 % |
| Adjusted diluted earnings per share before income taxes[(1)] | $ 1.10 | $ 1.71 | $ 2.13 | $ 3.31 |
| Pre-tax return on common equity (trailing twelve months) | 8.5 % | 13.9 % | 8.5 % | 13.9 % |
| Adjusted pre-tax return on common equity (trailing twelve months)[(1)] | 9.6 % | 15.0 % | 9.6 % | 15.0 % |

(1) Adjusted net income before income taxes (defined as net income available to common stockholders excluding the effects of certain non-cash items, one-time or non-recurring items, that are not expected to continue in the future and certain other items), adjusted pre-tax profit margin (defined as adjusted net income before income taxes divided by total revenues), adjusted diluted earnings per share before income taxes (defined as adjusted net income before income taxes divided by the weighted average diluted common shares outstanding) and adjusted pre-tax return on common equity (defined as adjusted net income before income taxes divided by average common shareholders' equity) are measures of operating performance that are not defined by GAAP and should not be considered as an alternative to net income available to common stockholders, pre-tax profit margin, earnings per share, diluted earnings per share and pre-tax return on common equity, or any other performance measures derived in accordance with GAAP. Adjusted net income before income taxes, adjusted pre-tax profit margin, adjusted diluted earnings per share before income taxes and adjusted pre-tax return on common equity are presented as supplemental disclosure because management believes they provide useful information on our earnings from ongoing operations.

Management and our board of directors use adjusted net income before income taxes, adjusted pre-tax profit margin, adjusted diluted earnings per share before income taxes and adjusted pre-tax return on common equity to assess our consolidated financial and operating performance. Management believes these measures are helpful in evaluating the operating performance of our ongoing operations and identifying trends in our performance, because they remove the effects of certain non-cash items, one-time or non-recurring items that are not expected to continue in the future and certain other items from our operating results. Adjusted net income before income taxes, adjusted pre-tax profit margin, adjusted diluted earnings per share before income taxes and adjusted pre-tax return on common equity, however, should not be considered in isolation or as a substitute for analysis of our operating results or cash flows as reported under GAAP. Adjusted net income before income taxes, adjusted pre-tax profit margin, adjusted diluted earnings per share before income taxes and adjusted pre-tax return on common equity do not reflect our cash expenditures or changes in our cash requirements for our working capital needs. In addition, our calculation of adjusted net income before income taxes, adjusted pre-tax profit margin, adjusted diluted earnings per share before income taxes and adjusted pre-tax return on common equity may differ from the adjusted net income before income taxes, adjusted pre-tax profit margin, adjusted diluted earnings per share before income taxes and adjusted pre-tax return on common equity, or analogous calculations of other companies in our industry, limiting their usefulness as a comparative measure.

The following table shows the reconciliation of the numerator for adjusted pre-tax profit margin (in thousands, except percentages):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | (unaudited) | | | |
| **Reconciliation of the numerator for adjusted pre-tax profit margin (net income available to common stockholders to adjusted net income before income taxes):** | | | | |
| Net income available to common stockholders | $ 85,587 | $ 143,781 | $ 165,835 | $ 277,088 |
| Amortization of debt discounts and issuance costs | 12,513 | 10,233 | 24,538 | 20,761 |
| Stock-based compensation | 6,700 | 3,892 | 12,108 | 8,321 |
| Provision for income taxes | 21,140 | 36,305 | 40,577 | 70,826 |
| Adjusted net income before income taxes | $ 125,940 | $ 194,211 | $ 243,058 | $ 376,996 |
| | | | | |
| **Denominator for adjusted pre-tax profit margin:** | | | | |
| Total revenues | $ 491,877 | $ 521,349 | $ 966,704 | $ 1,032,736 |
| Adjusted pre-tax profit margin[(a)] | 25.6 % | 37.3 % | 25.1 % | 36.5 % |

(a) Adjusted pre-tax profit margin is adjusted net income before income taxes divided by total revenues

The following table shows the reconciliation of the numerator for adjusted diluted earnings per share before income taxes (in thousands, except share and per share amounts):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2021 | 2020 | 2021 | 2020 |
| | (unaudited) | | | |
| **Reconciliation of the numerator for adjusted diluted earnings per share (net income available to common stockholders to adjusted net income before income taxes):** | | | | |
| Net income available to common stockholders | $ 85,587 | $ 143,781 | $ 165,835 | $ 277,088 |
| Amortization of debt discounts and issuance costs | 12,513 | 10,233 | 24,538 | 20,761 |
| Stock-based compensation | 6,700 | 3,892 | 12,108 | 8,321 |
| Provision for income taxes | 21,140 | 36,305 | 40,577 | 70,826 |
| Adjusted net income before income taxes | $ 125,940 | $ 194,211 | $ 243,058 | $ 376,996 |
| | | | | |
| **Denominator for adjusted diluted earnings per share:** | | | | |
| Weighted-average diluted common shares outstanding | 114,377,965 | 113,773,127 | 114,373,576 | 113,840,929 |
| Adjusted diluted earnings per share before income taxes[(b)] | $ 1.10 | $ 1.71 | $ 2.13 | $ 3.31 |

(b) Adjusted diluted earnings per share before income taxes is adjusted net income before income taxes divided by weighted-average diluted common shares outstanding

The following table shows the reconciliation of pre-tax return on common equity to adjusted pre-tax return on common equity (in thousands, except percentages):

| | Trailing Twelve Months June 30, | |
|---|---|---|
| | 2021 | 2020 |
| | (unaudited) | |
| **Reconciliation of numerator for pre-tax return on common equity to adjusted pre-tax return on common equity:** | | |
| Net income available to common stockholders | $ 389,636 | $ 590,123 |
| Amortization of debt discounts and issuance costs | 46,802 | 40,200 |
| Stock-based compensation | 21,415 | 19,029 |
| Provision for income taxes | 100,165 | 150,309 |
| Adjusted net income before income taxes | $ 558,018 | $ 799,661 |
| | | |
| **Reconciliation of denominator for pre-tax return on common equity to adjusted pre-tax return on common equity:** | | |
| Common shareholders’ equity as of beginning of the period | $ 5,619,801 | $ 5,049,884 |
| Common shareholders’ equity as of end of the period | $ 5,951,715 | $ 5,619,801 |
| Average common shareholders’ equity | $ 5,785,758 | $ 5,334,843 |
| | | |
| Adjusted pre-tax return on common equity[c] | 9.6 % | 15.0 % |

(c) Adjusted pre-tax return on common equity is adjusted net income before income taxes divided by average common shareholders’ equity

***Three months ended June 30, 2021, compared to the three months ended June 30, 2020***

*Rental revenue*

As of June 30, 2021, we owned 354 aircraft with a net book value of $21.5 billion and recorded $452.0 million in rental revenue for the quarter then ended, which included $9.9 million in amortization expense related to initial direct costs, net of overhaul revenue. In the prior year, as of June 30, 2020, we owned 301 aircraft with a net book value of $19.1 billion and recorded $497.9 million in rental revenue for the quarter ended June 30, 2020, which included $8.1 million in amortization expense related to initial direct costs, net of overhaul revenue. Despite the growth in our fleet, our rental revenue for the quarter ended June 30, 2021 decreased as compared to the prior year due to $41.6 million of rental revenue we were not able to recognize because lease receivables exceeded the lease security package held and collection was not reasonably assured for certain of our leases, of which $27.9 million was related to Vietnam Airlines, with whom we are working towards a resolution. In the aggregate, aircraft on lease with these lessees represented approximately 10.9% of our fleet by net book value as of June 30, 2021. In addition, the impact of lease restructurings resulted in a decrease to our revenue of $45.1 million for the three months ended June 30, 2021 as compared to the three months ended June 30, 2020.

*Aircraft sales, trading and other revenue*

Aircraft sales, trading and other revenue totaled $39.8 million for the three months ended June 30, 2021, of which $34.0 million is from the sale to a third party of certain unsecured claims related to Aeromexico’s insolvency proceedings. Aircraft sales, trading and other revenue totaled $23.5 million for the three months ended June 30, 2020, of which $4.9 million in gains was related to the sale of four aircraft and $13.6 million in other revenue related to the repurchase of $185.2 million in aggregate principal of our Floating Rate Medium-Term Notes due 2021.

*Interest expense*

Interest expense totaled $126.1 million for the three months ended June 30, 2021 compared to $112.9 million for the three months ended June 30, 2020. The increase was primarily due to an increase in our aggregate debt balance driven by the growth of our fleet and the increase in our liquidity position, partially offset by a decrease in our composite interest rate. We ended the quarter with $7.6 billion in available liquidity. We expect that our interest expense will increase as our average debt balance outstanding continues to increase. Interest expense will also be impacted by changes in our composite cost of funds.

*Depreciation expense*

We recorded $217.8 million in depreciation expense of flight equipment for the three months ended June 30, 2021 compared to $194.0 million for the three months ended June 30, 2020. The increase in depreciation expense for the three months ended June 30, 2021, compared to the three months ended June 30, 2020, is primarily attributable to the acquisition of additional aircraft in our operating fleet during the last twelve months.

*Net income available to common stockholders*

For the three months ended June 30, 2021, we reported consolidated net income available to common stockholders of $85.6 million, or $0.75 per diluted share, compared to a consolidated net income available to common stockholders of $143.8 million, or $1.26 per diluted share, for the three months ended June 30, 2020. Despite the continued growth of our fleet, our net income available to common stockholders decreased for the second quarter of 2021 as compared to the second quarter of 2020, due to the decrease in our revenues as described above and an increase in depreciation and interest expense from the growth of our fleet.

*Adjusted net income before income taxes*

For the three months ended June 30, 2021, we recorded adjusted net income before income taxes of $125.9 million, or $1.10 per diluted share, compared to an adjusted net income before income taxes of $194.2 million, or $1.71 per diluted share, for the three months ended June 30, 2020. Adjusted net income before income taxes decreased for the second quarter 2021 as compared to the second quarter 2020, due to the decrease in our revenues as described above and an increase in depreciation and interest expense.

***Six months ended June 30, 2021, compared to the six months ended June 30, 2020***

*Rental revenue*

As of June 30, 2021, we owned 354 aircraft with a net book value of $21.5 billion and recorded $920.1 million in rental revenue for the six months then ended, $12.3 million in amortization expense related to initial direct costs, net of overhaul revenue. In the prior year, as of June 30, 2020, we owned 301 aircraft with a net book value of $19.1 billion and recorded $994.6 million in rental revenue for the six months then ended, $13.7 million in amortization expense related to initial direct costs, which is net of overhaul revenue. This increase was principally driven by the continued growth of our fleet as compared to prior year. Despite the growth in our fleet, our rental revenue for the six months ended June 30, 2021 decreased as compared to the prior year due to $90.3 million of rental revenue we were not able to recognize because lease receivables exceeded the lease security package held and collection was not reasonably assured for certain of our leases, of which $46.4 million was related to Vietnam Airlines, with whom we are working towards a resolution. In the aggregate, aircraft on lease with these lessees represented approximately 10.9% of our fleet by net book value as of June 30, 2021. In addition, the impact of lease restructurings resulted in a decrease to our revenue of $82.1 million for the six months ended June 30, 2021 as compared to the six months ended June 30, 2020.

*Aircraft sales, trading and other revenue*

Aircraft sales, trading and other revenue totaled $46.6 million for the six months ended June 30, 2021 compared to $38.2 million for the six months ended June 30, 2020. During the six months ended June 30, 2021, we recorded $34.0 million from the sale to a third party of certain unsecured claims related to Aeromexico’s insolvency proceedings. During the six months ended June 30, 2020, we recorded $6.5 million in gains from the sale of seven aircraft from our operating lease portfolio, $6.5 million in other revenue from the forfeiture of security deposits and $13.6 million in other revenue related to the repurchase of $185.2 million in aggregate principal of our Floating Rate Medium-Term Notes due 2021.

*Interest expense*

Interest expense totaled $256.1 million for the six months ended June 30, 2021 compared to $231.0 million for the six months ended June 30, 2020. The increase was primarily due to an increase in our aggregate debt balance driven by the growth of our fleet and the increase in our liquidity position, partially offset by a decrease in our composite interest rate. We ended the quarter with $7.6 billion in available liquidity. We expect that our interest expense will increase as our average debt balance outstanding continues to increase. Interest expense will also be impacted by changes in our composite cost of funds.

*Depreciation expense*

We recorded $426.8 million in depreciation expense of flight equipment for the six months ended June 30, 2021 compared to $382.9 million for the six months ended June 30, 2020. The increase in depreciation expense for the six months ended June 30, 2021, compared to the six months ended June 30, 2020, is primarily attributable to the acquisition of additional aircraft during the last twelve months.

*Net income available to common stockholders*

For the six months ended June 30, 2021, we reported consolidated net income available to common stockholders of $165.8 million, or $1.45 diluted share, compared to a consolidated net income available to common stockholders of $277.1 million, or $2.43 diluted share, for the six months ended June 30, 2020. Despite the continued growth of our fleet, our net income available to common stockholders decreased for the six months ended June 30, 2021 as compared to 2020, due to the decrease in our revenues as described above and an increase in depreciation and interest expense from the growth of our fleet.

*Adjusted net income before income taxes*

For the six months ended June 30, 2021, we recorded adjusted net income before income taxes of $243.1 million, or $2.13 per diluted share, compared to an adjusted net income before income taxes of $377.0 million, or $3.31 per diluted share, for the six months ended June 30, 2020. Our adjusted net income before income taxes decreased for the six months ended June 30, 2021 as compared to 2020, primarily due to the decrease in our revenues as described above and an increase in depreciation and interest expense.

Adjusted net income before income taxes and adjusted diluted earnings per share before income taxes are measures of financial and operational performance that are not defined by GAAP. See Note 1 under the “Results of Operations” table above for a discussion of adjusted net income before income taxes and adjusted diluted earnings per share before income taxes as non-GAAP measures and reconciliation of these measures to net income available to common stockholders.

**Contractual Obligations**

Our contractual obligations as of June 30, 2021, are as follows (in thousands):

| | 2021 | 2022 | 2023 | 2024 | 2025 | Thereafter | Total |
|---|---|---|---|---|---|---|---|
| Long-term debt obligations | $ 17,639 | $ 2,733,882 | $ 2,490,951 | $ 2,297,929 | $ 2,313,889 | $ 6,873,021 | $ 16,727,311 |
| Interest payments on debt outstanding(1) | 239,097 | 479,937 | 414,535 | 339,077 | 272,351 | 461,453 | 2,206,450 |
| Purchase commitments(2)(3) | 4,073,106 | 5,286,947 | 4,838,802 | 4,597,940 | 1,973,435 | 1,427,700 | 22,197,930 |
| Operating leases | 3,565 | 6,791 | 7,261 | 5,667 | 7,882 | 25,594 | 56,760 |
| Total | $ 4,333,407 | $ 8,507,557 | $ 7,751,549 | $ 7,240,613 | $ 4,567,557 | $ 8,787,768 | $ 41,188,451 |

(1) Future interest payments on floating rate debt are estimated using floating rates in effect at June 30, 2021.

(2) Purchase commitments reflect our estimate of future Boeing and Airbus aircraft deliveries based on information currently available to us. The actual delivery dates of such aircraft and expected time for payment of such aircraft may differ from our estimates and could be further impacted by ongoing COVID-19 pandemic and the pace at which Boeing can deliver aircraft following the lifting of the 737 MAX grounding, among other factors. Purchase commitments include only the costs of aircraft in our committed orderbook and do not include costs of aircraft that we have the option to purchase or have the right to purchase through memorandums of understanding or letters of intent.

(3) Due to the expected aircraft delivery delays, we expect approximately $3.5 billion of our purchase commitments will be subject to cancellation, at our option, by the time of delivery.

The above table does not include any dividends we may pay on our preferred stock or common stock.

**Off-Balance Sheet Arrangements**

We have not established any unconsolidated entities for the purpose of facilitating off-balance sheet arrangements or for other contractually narrow or limited purposes. We have, however, from time to time established subsidiaries and created partnership arrangements or trusts for the purpose of leasing aircraft or facilitating borrowing arrangements, all of which are consolidated.

We have non-controlling interests in two investment funds in which we own 9.5% of the equity of each fund. We account for our interest in these funds under the equity method of accounting due to our level of influence and involvement in the funds. Also, we manage aircraft that we have sold through our Thunderbolt platform. In connection with the sale of these aircraft portfolios through our Thunderbolt platform, we hold non-controlling interests of approximately 5.0% in two entities. These investments are accounted for under the cost method of accounting.

**Critical Accounting Policies**

Our critical accounting policies reflecting management’s estimates and judgments are described in our Annual Report on Form 10-K for the year ended December 31, 2020. We have reviewed recently adopted accounting pronouncements and determined that the adoption of such pronouncements is not expected to have a material impact, if any, on our Consolidated Financial Statements. Accordingly, there have been no material changes to critical accounting policies in the six months ended June 30, 2021.

**ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

Market risk represents the risk of changes in value of a financial instrument, caused by fluctuations in interest rates and foreign exchange rates. Changes in these factors could cause fluctuations in our results of operations and cash flows. We are exposed to the market risks described below.

**Interest Rate Risk**

The nature of our business exposes us to market risk arising from changes in interest rates. Changes, both increases and decreases, in our cost of borrowing, as reflected in our composite interest rate, directly impact our net income. Our lease rental stream is generally fixed over the life of our leases, whereas we have used floating-rate debt to finance a significant portion of our aircraft acquisitions. As of June 30, 2021 and December 31, 2020, we had $0.9 billion and $1.2 billion in floating-rate debt outstanding, respectively. If interest rates increase, we would be obligated to make higher interest payments to our lenders. If we incur significant fixed-rate debt in the future, increased interest rates prevailing in the market at the time of the incurrence of such debt would also increase our interest expense. If interest rates were to increase by 1.0%, we would expect to incur additional interest expense on our existing indebtedness of approximately $9.0 million and $11.7 million as of June 30, 2021 and December 31, 2020, respectively, each on an annualized basis, which would put downward pressure on our operating margins. Further, as of June 30, 2021, 94.6% of our total debt incurred interest at a fixed rate.

We also have interest rate risk on our forward lease placements. This is caused by us setting a fixed lease rate in advance of the delivery date of an aircraft. The delivery date is when a majority of the financing for an aircraft is arranged. We partially mitigate the risk of an increasing interest rate environment between the lease signing date and the delivery date of the aircraft by having interest rate adjusters in a majority of our forward lease contracts which would adjust the final lease rate upward if certain benchmark interest rates are higher at the time of delivery of the aircraft than at the lease signing date.

**Foreign Exchange Rate Risk**

We attempt to minimize currency and exchange risks by entering into aircraft purchase agreements and a majority of lease agreements and debt agreements with U.S. dollars as the designated payment currency. Thus, most of our revenue and expenses are denominated in U.S. dollars. Approximately 0.5% and 0.6% of our lease revenues were denominated in foreign currency as of June 30, 2021 and December 31, 2020, respectively. As our principal currency is the U.S. dollar, fluctuations in the U.S. dollar as compared to other major currencies should not have a significant impact on our future operating results.

In December 2019, we issued C$400.0 million in aggregate principal amount of 2.625% notes due 2024. We effectively hedged our foreign currency exposure on this transaction through a cross-currency swap that converts the borrowing rate to a fixed 2.535% U.S. dollar denominated rate. See Note 7 of Notes to Consolidated Financial Statements included in Part I, Item 1 of this Quarterly Report on Form 10-Q for additional details on the fair value of the swap.

## ITEM 4. CONTROLS AND PROCEDURES

**Evaluation of Disclosure Controls and Procedures**

We maintain disclosure controls and procedures that are designed to ensure that information required to be disclosed in our filings under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the periods specified in the rules and forms of the Securities and Exchange Commission ("SEC"), and such information is accumulated and communicated to our management, including the Chief Executive Officer and Chief Financial Officer (collectively, the "Certifying Officers"), as appropriate, to allow timely decisions regarding required disclosure. In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, can provide only reasonable assurance of achieving the desired control objectives as the Company's controls are designed to do, and management necessarily was required to apply its judgment in evaluating the risk related to controls and procedures.

We have evaluated, under the supervision and with the participation of management, including the Certifying Officers, the effectiveness of our disclosure controls and procedures, as defined in Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934, as amended, as of June 30, 2021. Based on that evaluation, our Certifying Officers have concluded that our disclosure controls and procedures were effective at June 30, 2021.

**Changes in Internal Control Over Financial Reporting**

There were no changes in our internal control over financial reporting during the quarter ended June 30, 2021 that materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

# PART II—OTHER INFORMATION

## ITEM 1. LEGAL PROCEEDINGS

From time to time, we may be involved in litigation and claims incidental to the conduct of our business in the ordinary course. Our industry is also subject to scrutiny by government regulators, which could result in enforcement proceedings or litigation related to regulatory compliance matters. We are not presently a party to any enforcement proceedings or litigation related to regulatory compliance matters or material legal proceedings. We maintain insurance policies in amounts and with the coverage and deductibles we believe are adequate, based on the nature and risks of our business, historical experience and industry standards.

## ITEM 1A. RISK FACTORS

There have been no material changes in our risk factors from those discussed under "Part I—Item 1A. Risk Factors," in our Annual Report on Form 10-K for the year ended December 31, 2020.

## ITEM 2. UNREGISTERED SALES OF EQUITY SECURITIES AND USE OF PROCEEDS

None.

## ITEM 3. DEFAULTS UPON SENIOR SECURITIES

None.

## ITEM 4. MINE SAFETY DISCLOSURES

None.

## ITEM 5. OTHER INFORMATION

None.

## ITEM 6. EXHIBITS

| Exhibit Number | Exhibit Description | Incorporated by Reference | | | |
|---|---|---|---|---|---|
| | | Form | File No. | Exhibit | Filing Date |
| 3.1 | Restated Certificate of Incorporation of Air Lease Corporation | S-1 | 333-171734 | 3.1 | January 14, 2011 |
| 3.2 | Fourth Amended and Restated Bylaws of Air Lease Corporation | 8-K | 001-35121 | 3.1 | March 27, 2018 |
| 3.3 | Certificate of Designations with respect to the 6.150% Fixed-to-Floating Rate Non-Cumulative Perpetual Preferred Stock, Series A, of Air Lease Corporation, dated March 4, 2019, filed with the Secretary of State of Delaware and effective on March 4, 2019. | 8-A | 001-35121 | 3.2 | March 4, 2019 |
| 3.4 | Certificate of Designations with respect to the 4.650% Fixed-Rate Reset Non-Cumulative Perpetual Preferred Stock, Series B, dated February 26, 2021, filed with the Secretary of State of Delaware and effective on February 26, 2021. | 8-K | 001-35121 | 3.1 | March 2, 2021 |
| 10.1 | Sixth Amendment and Extension Agreement, dated April 29, 2021, to the Second Amended and Restated Credit Agreement, dated as of May 5, 2014 among Air Lease Corporation, as Borrower, the several lenders from time to time parties thereto, and JP Morgan Chase Bank, N.A., as Administrative Agent. | 8-K | 001-35121 | 10.1 | April 30, 2021 |
| 10.2† | Amendment No. 2 to the A220 Purchase Agreement, dated April 6, 2021, by and between Air Lease Corporation and Airbus Canada Limited Partnership. | | | | Filed herewith |
| 10.3† | Amendment No. 3 to the A220 Purchase Agreement, dated June 3, 2021, by and between Air Lease Corporation and Airbus Canada Limited Partnership. | | | | Filed herewith |
| 10.4† | Amendment No. 30 to A320 NEO Family Purchase Agreement, dated April 28, 2021, by and between Air Lease Corporation and Airbus S.A.S. | | | | Filed herewith |
| 10.5† | Amendment No. 31 to A320 NEO Family Purchase Agreement, dated June 3, 2021, by and between Air Lease Corporation and Airbus S.A.S. | | | | Filed herewith |
| 10.6† | Amendment No. 3 to Agreement, dated April 6, 2021, between Airbus S.A.S. and Air Lease Corporation | | | | Filed herewith |
| 10.7† | Supplemental Agreement No. 27 to Purchase Agreement No. PA-03791, dated April 6, 2021, by and between Air Lease Corporation and The Boeing Company | | | | Filed herewith |
| 31.1 | Certification of the Chief Executive Officer and President Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | | Filed herewith |
| 31.2 | Certification of the Executive Vice President and Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | | Filed herewith |
| 32.1 | Certification of the Chief Executive Officer and President Pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith). | | | | Furnished herewith |
| 32.2 | Certification of the Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002 (furnished herewith). | | | | Furnished herewith |
| 101.INS | XBRL Instance Document (the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document) | | | | |

| Exhibit Number | Exhibit Description | Incorporated by Reference | | | |
|---|---|---|---|---|---|
| | | Form | File No. | Exhibit | Filing Date |
| 101.SCH | XBRL Taxonomy Extension Schema | | | | |
| 101.CAL | XBRL Taxonomy Extension Calculation Linkbase | | | | |
| 101.DEF | XBRL Taxonomy Extension Definition Linkbase | | | | |
| 101.LAB | XBRL Taxonomy Extension Label Linkbase | | | | |
| 101.PRE | XBRL Taxonomy Extension Presentation Linkbase | | | | |
| 104 | The cover page from Air Lease Corporation's Quarterly Report on Form 10-Q for the quarter ended June 30, 2021, formatted in Inline XBRL and contained in Exhibit 101 | | | | |

† The Company has omitted portions of the referenced exhibit pursuant to Item 601(b) of Regulation S-K because it (a) is not material and (b) is the type of information that the Company both customarily and actually treats as private and confidential.

## SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

| | |
|---|---|
| | AIR LEASE CORPORATION |
| August 5, 2021 | */s/ John L. Plueger* |
| | John L. Plueger<br>Chief Executive Officer and President<br>*(Principal Executive Officer)* |
| August 5, 2021 | */s/ Gregory B. Willis* |
| | Gregory B. Willis<br>Executive Vice President and Chief Financial Officer<br>*(Principal Financial Officer and Principal Accounting Officer)* |

**EXHIBIT 10.2**

**CERTAIN IDENTIFIED INFORMATION MARKED BY [*] HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT THE REGISTRANT BOTH CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE AND CONFIDENTIAL**

# AMENDMENT N°2

# TO THE

# A220 PURCHASE AGREEMENT

# BETWEEN

# AIRBUS CANADA LIMITED PARTNERSHIP

**as the Seller**

# AND

# AIR LEASE CORPORATION

**as the Buyer**

This amendment N°2 (the “**Amendment N°2**”) is made on the 6th day of April 2021,

**BETWEEN:**

**AIRBUS CANADA LIMITED PARTNERSHIP**, duly acting and represented by its managing general partner, **AIRBUS CANADA MANAGING GP INC**., having its registered office at 13100 Boulevard Henri Fabre, Mirabel, QC, Canada J7N 3C6 (the “**Seller**”)

**AND:**

**AIR LEASE CORPORATION**, a corporation organised and existing under the laws of the State of Delaware, U.S.A., having its principal place of business at 2000 Avenue of the Stars, Suite 1000N, Los Angeles, California 90067, U.S.A. (the “**Buyer**”).

The Buyer and Seller together are referred to as the “**Parties**” and individually as a “**Party**”.

**WHEREAS**

A. On 20 December 2019 the Buyer and the Seller have signed a purchase agreement with reference CLC-CT1906081 for the manufacture and sale by the Seller and purchase by the Buyer of certain A220 Aircraft hereinafter together with its Annexes and Letter Agreements referred to as the “**Purchase Agreement**”.

B. On 31 August 2020 the Buyer and the Seller entered into **Amendment N°1** to the Purchase Agreement in order to, among other things, [*].

   The Purchase Agreement as amended and supplemented pursuant to the foregoing shall be referred to as the “**Agreement**”.

C. The Parties now wish to enter into this Amendment N°2 in order to, among other things, [*], subject to the terms and conditions set out herein.

   The terms “herein”, “hereof” and “hereunder” and words of similar import refer to this Amendment N°2. Capitalized terms used herein and not otherwise defined herein will have the meanings assigned thereto in the Agreement.

**NOW IT IS HEREBY AGREED AS FOLLOWS:**

**1 [*]**

**2 [*]**

**3 [*]**

## 4 CUSTOMIZATION

Clause 6.1.1 of the Agreement is hereby deleted in its entirety and replaced by the following quoted text:

QUOTE

6.1.1 Customization Milestones for Head of Version

Contractual Definition Freeze for a Head of Version (as such term is defined in Clause 6.2 herein) Aircraft shall be [*] prior to the first day of the Scheduled Delivery Month (the “**Leadtime**”) for the Aircraft scheduled for delivery [*]. This Leadtime [*].

Notwithstanding the foregoing, should the Buyer wish to select Long Lead Items (“**LLI**”), corresponding to A220 features that require selection and contractual commitment by the Buyer [*] corresponding Aircraft.

UNQUOTE

## 5 INCONSISTENCY AND CONFIDENTIALITY

5.1 In the event of any inconsistency between the terms and conditions of the Agreement and those of this Amendment N°2, the latter shall prevail to the extent of such inconsistency, whereas the part of the Agreement not concerned by such inconsistency shall remain in full force and effect.

5.2 This Amendment N°2 reflects the understandings, commitments, agreements, representations and negotiations related to the matters set forth herein whatsoever, oral and written, and may not be varied except by an instrument in writing of even date herewith or subsequent hereto executed by the duly authorised representatives of both Parties.

5.3 This Amendment N°2 shall be treated by both Parties as confidential and shall not be released in whole or in part to any third party without the prior consent of the other Party except as may be required by law, or to professional advisors for the implementation hereof.

## 6 COUNTERPARTS

This Amendment N°2 may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

## 7 LAW AND JURISDICTION

This Amendment N°2 will be governed by and construed and the performance thereof will be determined in accordance with the laws of the State of New York, without giving effect to its conflicts of laws provisions that would result in the application of the law of any other jurisdiction.

The other provisions of Clause 21 of the Agreement shall apply to this Amendment N°2 as if the same were set out in full herein, mutatis mutandis.

**IN WITNESS WHEREOF** this Amendment N°2 has been entered into on the date first written above.

**AIRBUS CANADA LIMITED PARTNERSHIP,**
duly acting and represented by its managing general partner,
**AIRBUS CANADA MANAGING GP INC**.,

| | |
|---|---|
| Per: | /s/ Philippe Balducchi |
| Name: | Philippe Balducchi |
| Title: | CEO |

**AIR LEASE CORPORATION**

| | |
|---|---|
| Per: | /s/ Grant Levy |
| Name: | Grant Levy |
| Title: | Executive Vice President |

## APPENDIX 1
## DELIVERY SCHEDULE

[*]

**EXHIBIT 10.3**

**CERTAIN IDENTIFIED INFORMATION MARKED BY [*] HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT THE REGISTRANT BOTH CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE AND CONFIDENTIAL**

# AMENDMENT N°3

# TO THE

# A220 PURCHASE AGREEMENT

# BETWEEN

# AIRBUS CANADA LIMITED PARTNERSHIP

**as the Seller**

**AND**

# AIR LEASE CORPORATION

**as the Buyer**

This amendment N°3 (the “**Amendment N°3**”) is made on the 3rd day of June 2021,

**BETWEEN:**

**AIRBUS CANADA LIMITED PARTNERSHIP**, duly acting and represented by its managing general partner, **AIRBUS CANADA MANAGING GP INC**., having its registered office at 13100 Boulevard Henri Fabre, Mirabel, QC, Canada J7N 3C6 (the “**Seller**”)

**AND:**

**AIR LEASE CORPORATION**, a corporation organised and existing under the laws of the State of Delaware, U.S.A., having its principal place of business at 2000 Avenue of the Stars, Suite 1000N, Los Angeles, California 90067, U.S.A. (the “**Buyer**”).

The Buyer and Seller together are referred to as the “**Parties**” and individually as a “**Party**”.

**WHEREAS**

A. On 20 December 2019 the Buyer and the Seller have signed a purchase agreement with reference CLC-CT1906081 for the manufacture and sale by the Seller and purchase by the Buyer of certain A220 Aircraft hereinafter together with its Annexes and Letter Agreements referred to as the “**Purchase Agreement**”.

B. On 31 August 2020 the Buyer and the Seller entered into **Amendment N°1** to the Purchase Agreement in order to, among other things, [*].

C. On 06 April 2021, the Parties entered into **Amendment N°2** in order to, among other things, [*].

   The Purchase Agreement as amended and supplemented pursuant to the foregoing shall be referred to as the “**Agreement**”.

D. The Parties now wish to enter into this Amendment N°3 in order to, among other things, [*], subject to the terms and conditions set out herein.

   The terms “herein”, “hereof” and “hereunder” and words of similar import refer to this Amendment N°3. Capitalized terms used herein and not otherwise defined herein will have the meanings assigned thereto in the Agreement.

**NOW IT IS HEREBY AGREED AS FOLLOWS:**

**1** [*]

**1.2** [*]

**1.3 PAYMENT TERMS**

**[*]**

**1.4 SUPPORT/ TRAINING MATTERS**

1.4.1 The Buyer and the Seller hereby agree that Clause 1.1.1 of Annex A of the Agreement shall be deleted in its entirety and replaced as follows:

QUOTE

1.1.1 For the fleet of fifty-one (51) Aircraft, the Seller shall provide to the Buyer the services of Seller customer support representatives (each a "**Seller Representative**"), at each Initial Operator's facility or such other locations as the Parties may agree from time to time, for a total of:

[*] man-months, earned at a rate of [*] per Aircraft.

For the sake of clarity, man-month is unit of assigning any Seller Representative service provided per month, independent of the representative's gender.

Except as otherwise mutually agreed between the Parties, the number of such Seller Representatives shall not exceed [*] per Initial Operator at any one time, unless otherwise mutually agreed.

It is agreed and understood by the Buyer that the man-months of Seller Representative services earned for each Aircraft include the statutory vacation period of the Seller Representatives, during which the Initial Operator shall have access to the services set out in Article 1.2.2.

UNQUOTE

1.4.2 The Buyer and the Seller hereby agree that Exhibit A of Annex A of the Agreement shall be deleted in its entirety and replaced as follows:

QUOTE

**EXHIBIT A**

**<u>TRAINING ALLOWANCE</u>**

All training allowances indicated in Exhibit A hereto are the total allowances granted for the entire fleet of fifty-one (51) Aircraft, unless otherwise specified herein.

The Seller shall provide to the Buyer the training courses set out in this Exhibit A during the period starting [*] prior to the Scheduled Delivery Month of the first Aircraft [*] and ending [*] after Delivery of such first Aircraft [*].

Notwithstanding the above, [*] of in this Exhibit A shall be provided by the Seller within a period starting [*] before and ending [*] after the corresponding Aircraft's Delivery.

Any deviation to the above training validity shall be mutually agreed between the Buyer and the Seller.

**1 FLIGHT TRAINING**

**1.1 Pilot Initial Type Rating**

Pilot Initial Type Rating for [*] flight crews per Aircraft, each flight crew being comprised of two (2) pilots.
The Pilot Initial Type Rating course consists of ground school and simulator training.

1.2 [*] pilot instructor-months of flight supervision support services by flight supervision personnel, holding an International Civil Aviation Organisation ("ICAO") recognized license and medicals, for the purposes of providing advisory pilot support services to flight operation team, of providing assistance in the training of the Initial Operator's training captains and line captains and/or assisting in route proving or ferry flights.

Except if otherwise agreed to better match the Aircraft delivery schedule, the maximum number of pilot Instructors present at any one time to perform flight supervision support services shall not exceed [*].

This allowance shall be earned at a rate of [*] instructor-month per firmly delivered Aircraft.

**1.3 Flight Attendant**

[*] Flight Attendant Courses.
Each course shall be for up to [*] flight attendant instructors.

**1.4 Flight Dispatcher Training**

[*] Flight Dispatcher training courses.
Each training course shall be for up to [*] flight dispatcher personnel.

**2 MAINTENANCE TRAINING**

**2.1** EASA type B1/B2 Training for [*] trainees, earned at a rate of [*] trainees per Aircraft, and

**2.2** Engine Run-up Training for [*] trainees.

UNQUOTE

**2** [*]

## 3 INCONSISTENCY AND CONFIDENTIALITY

3.1 In the event of any inconsistency between the terms and conditions of the Agreement and those of this Amendment N°3, the latter shall prevail to the extent of such inconsistency, whereas the part of the Agreement not concerned by such inconsistency shall remain in full force and effect.

3.2 This Amendment N°3 reflects the understandings, commitments, agreements, representations and negotiations related to the matters set forth herein whatsoever, oral and written, and may not be varied except by an instrument in writing of even date herewith or subsequent hereto executed by the duly authorised representatives of both Parties.

3.3 This Amendment N°3 shall be treated by both Parties as confidential and shall not be released in whole or in part to any third party without the prior consent of the other Party except as may be required by law, or to professional advisors for the implementation hereof.

## 4 COUNTERPARTS

This Amendment N°3 may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

## 5 LAW AND JURISDICTION

This Amendment N°3 will be governed by and construed and the performance thereof will be determined in accordance with the laws of the State of New York, without giving effect to its conflicts of laws provisions that would result in the application of the law of any other jurisdiction.

The other provisions of Clause 21 of the Agreement shall apply to this Amendment N°3 as if the same were set out in full herein, mutatis mutandis.

**IN WITNESS WHEREOF** this Amendment N°3 has been entered into on the date first written above.

**AIRBUS CANADA LIMITED PARTNERSHIP,**
duly acting and represented by its managing general partner,
**AIRBUS CANADA MANAGING GP INC**.,

| | |
|---|---|
| Per: | /s/ Philippe Balducchi |
| Name: | Philippe Balducchi |
| Title: | CEO |

**AIR LEASE CORPORATION**

| | |
|---|---|
| Per: | /s/ Grant Levy |
| Name: | Grant Levy |
| Title: | Executive Vice President |

**APPENDIX 1**
**DELIVERY SCHEDULE**

[*]

**AIR LEASE CORPORATION**
2000 Avenue of the Stars, Suite 1000N
Los Angeles, California 90067, U.S.A.

June 3, 2021

Subject: **SPECIFIC PROVISIONS**

**AIR LEASE CORPORATION** ("the Buyer") and **AIRBUS CANADA LIMITED PARTNERSHIP** ("the Seller") have entered into an Amendment N°3 dated even date herewith (the "**Amendment**") to the A220 Purchase Agreement dated as of December 20, 2019 ("**the Agreement**") which covers, among other things, [*]. The Buyer and the Seller have agreed to set forth in this Letter Agreement N°1 to the Amendment (the "**Letter Agreement**") certain additional terms and conditions regarding [*].

Capitalized terms used herein and not otherwise defined in this Letter Agreement shall have the meanings assigned thereto in the Agreement and the Amendment.

Both parties agree that this Letter Agreement, upon execution thereof, shall constitute an integral, nonseverable part of said Agreement and shall be governed by all its provisions, as such provisions have been specifically amended pursuant to this Letter Agreement.

**1** [*]

## 2 MISCELLANEOUS

### 2.1 Inconsistencies

In the event of any inconsistency between the terms of this Letter Agreement and the terms of the Agreement, the terms of this Letter Agreement shall prevail over the terms of the Agreement to the extent of such inconsistency, whereas the part of the Agreement not concerned by such inconsistency shall remain in full force and effect.

### 2.2 Assignment

Notwithstanding any other provision of this Letter Agreement or of the Agreement, this Letter Agreement and the rights and obligations of the Buyer herein shall not be assigned or transferred in any manner, and any attempted assignment or transfer in contravention of the provisions of this Clause shall be void and of no force or effect.

### 2.3 Confidentiality

This Letter Agreement (and its existence) shall be treated by both parties as confidential and shall not be released (or revealed) in whole or in part to any third party without the prior consent of the other party. In particular, each party agrees not to make any press release concerning the whole or any part of the contents and/or subject matter hereof or of any future addendum hereto without the prior consent of the other party.

### 2.4 Law and jurisdiction

This Letter Agreement shall be governed by, and construed in accordance with, the laws of the state of New York, United States of America and the provisions of Clause 21 of the Agreement shall apply to this Letter Agreement.

### 2.5 Counterparts

This Letter Agreement may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

| | |
|---|---|
| Agreed and Accepted | Agreed and Accepted |
| For and on behalf of | For and on behalf of |
| **AIR LEASE CORPORATION** | **AIRBUS CANADA LIMITED PARTNERSHIP**<br>by its managing general partner,<br>**AIRBUS CANADA MANAGING GP INC.** |
| By : /s/ Grant Levy | By : /s/ Philippe Balducchi |
| Its : Executive Vice President | Its : CEO |

**EXHIBIT 10.4**

**CERTAIN IDENTIFIED INFORMATION MARKED BY [*] HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT THE REGISTRANT BOTH CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE AND CONFIDENTIAL**

# AMENDMENT N°30

**TO THE**

**A320 NEO FAMILY PURCHASE AGREEMENT**

**BETWEEN**

**AIRBUS S.A.S.**

**as Seller**

**and**

**AIR LEASE CORPORATION**

**as Buyer**

**AMENDMENT N°30 TO THE**
**A320 NEO FAMILY PURCHASE AGREEMENT**

This amendment N°30 (the "**Amendment N°30**") dated 28 April 2021 is made

BETWEEN:

**AIRBUS S.A.S.**, a *société par actions simplifiée,* created and existing under French law having its registered office at 2 Rond-Point Emile Dewoitine, 31707 Blagnac-Cedex, France and registered with the Toulouse *Registre du Commerce* under number RCS Toulouse 383 474 814 (the "**Seller**"),

and

**AIR LEASE CORPORATION**, a corporation organised and existing under the laws of the State of Delaware, U.S.A., having its principal place of business at 2000 Avenue of the Stars, Suite 1000N, Los Angeles, California 90067, U.S.A. (the "**Buyer**").

The Buyer and the Seller together are referred to collectively as the "**Parties**", and individually as a "**Party**".

**WHEREAS:**

A. On 10 May 2012, the Buyer and the Seller have signed a purchase agreement with reference CLC-CT1103377 for the manufacture and sale by the Seller and purchase by the Buyer of thirty-six (36) firm A320 NEO Family aircraft hereinafter together with its Exhibits and Letter Agreements referred to as the "**Purchase Agreement**".

B. On 28 December 2012, the Buyer and the Seller entered into **Amendment N°1** to the Purchase Agreement for the manufacture and sale by the Seller and purchase by the Buyer of fourteen (14) incremental A320 NEO Family aircraft.

C. On 14 July 2014, the Seller and the Buyer entered into **Amendment N°2** to the Purchase Agreement in order to, among other things, [*].

D. On 14 July 2014, the Buyer and the Seller entered into **Amendment N°3** to the Purchase Agreement for the manufacture and sale by the Seller and purchase by the Buyer of sixty (60) incremental A320 NEO Family aircraft.

E. On 10 October 2014, the Buyer and the Seller entered into **Amendment N°4** to the Purchase Agreement for [*].

F. On 03 March 2015, the Buyer and the Seller entered into **Amendment N°5** to the Purchase Agreement for the cancellation of sixty (60) Amendment 3 NEO Aircraft and for the manufacture and sale by the Seller and purchase by the Buyer of ninety (90) incremental A321 NEO Family aircraft.

G. On 18 March 2015, the Buyer and the Seller entered into **Amendment N°6** to the Purchase Agreement in order to [*].

H. On 09 November 2015, the Buyer and the Seller entered into **Amendment N°7** to the Purchase Agreement in order to [*].

I. On 08 January 2016, the Buyer and the Seller entered into **Amendment N°8** to the Purchase Agreement in order to [*].

J. On 04 April 2016, the Buyer and the Seller entered into **Amendment N°9** to the Purchase Agreement in order to [*].

K. On 12 April 2016, the Buyer and the Seller entered into **Amendment N°10** to the Purchase Agreement in order to [*].

L. On 02 June 2016, the Buyer and the Seller entered into **Amendment N°11** to the Purchase Agreement in order to [*].

M. On 17 August 2016, the Buyer and the Seller entered into **Amendment n°12** to the Purchase Agreement in order to, among other things, (i) introduce the new A321-200NX standard specification, [*].

N. On 20 December 2016, the Buyer and the Seller entered into **Amendment N°13** to the Purchase Agreement in order to [*].

O. On 03 March 2017, the Buyer and the Seller entered into **Amendment N°14** to the Purchase Agreement in order to, among other things, [*].

P. On 10 April 2017, the Buyer and the Seller entered into **Amendment N°15** to the Purchase Agreement in order to, among other things, [*].

Q. On 19 June 2017, the Buyer and the Seller entered into **Amendment N°16** to the Purchase Agreement in order to [*].

R. On 19 June 2017, the Buyer and the Seller entered into **Amendment N°17** to the Purchase Agreement in order to provide for the manufacture and sale of twelve (12) incremental A320 NEO Family aircraft.

S. On 12 July 2017, the Buyer and the Seller entered into **Amendment N°18** to the Purchase Agreement in order to amend certain terms of Amendment N°16.

T. On 31 July 2017, the Buyer and the Seller entered into **Amendment N°19** to the Purchase Agreement in order to [*].

U. On 29 September 2017, the Buyer and the Seller entered into **Amendment N°20** to the Purchase Agreement in order to [*].

V. On 27 December 2017, the Buyer and the Seller entered into **Amendment N°21** to the Purchase Agreement in order to provide for the manufacture and sale of six (6) incremental A320 NEO Family Aircraft.

W. On 16 February 2018, the Buyer and the Seller entered into **Amendment N°22** to the Purchase Agreement in order to, among other things, [*].

X. On 31 December 2018, the Buyer and the Seller entered into **Amendment N°23** to the Purchase Agreement in order to, among other things, [*].

Y. On 18 October 2019, the Buyer and the Seller entered into **Amendment N°24** to the Purchase Agreement in order to [*].

Z. On 20 December 2019, the Buyer and the Seller entered into **Amendment N°25** to the Purchase Agreement in order to cover (i) the manufacture and sale by the Seller and purchase by the Buyer of twenty-five (25) incremental A321 NEO Aircraft; (ii) the manufacture and sale by the Seller and purchase by the Buyer of twenty-seven (27) A321XLR Aircraft (as defined below); and (iii) [*].

AA. On 07 April 2020, the Buyer and the Seller entered into **Amendment N°26** to the Purchase Agreement in order to, among other things, [*].

AB. On 31 August 2020, the Buyer and the Seller entered into **Amendment N°27** to the Purchase Agreement in order to, among other things, [*].

AC. On 22 December 2020, the Buyer and the Seller entered into **Amendment N°28** to the Purchase Agreement in order to, among other things, [*].

AD. On 24 December 2020, the Buyer and the Seller entered into **Amendment N°29** to the Purchase Agreement in order to, among other things, [*].

The Purchase Agreement as amended and supplemented pursuant to the foregoing shall be referred to as the "**Agreement**".

AD. The Parties now wish to enter into this Amendment N°30 in order to, among other things, [*], subject to the terms and conditions set out herein.

The terms "herein", "hereof" and "hereunder" and words of similar import refer to this Amendment N°30. Capitalized terms used herein and not otherwise defined herein will have the meanings assigned thereto in the Agreement.

**NOW IT IS HEREBY AGREED AS FOLLOWS:**

**1.** [*]

**2.** [*]

**3.** [*]

## 4 INCONSISTENCY AND CONFIDENTIALITY

4.1 In the event of any inconsistency between the terms and conditions of the Agreement and those of this Amendment N°30, the latter shall prevail to the extent of such inconsistency, whereas the part of the Agreement not concerned by such inconsistency shall remain in full force and effect.

4.2 This Amendment N°30 reflects the understandings, commitments, agreements, representations and negotiations related to the matters set forth herein whatsoever, oral and written, and may not be varied except by an instrument in writing of even date herewith or subsequent hereto executed by the duly authorised representatives of both Parties.

4.3 This Amendment N°30 shall be treated by both Parties as confidential and shall not be released in whole or in part to any third party without the prior consent of the other Party except as may be required by law, or to professional advisors for the implementation hereof.

## 5 COUNTERPARTS

This Amendment N°30 may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

## 6 LAW AND JURISDICTION

This Amendment N°30 will be governed by and construed and the performance thereof will be determined in accordance with the laws of the State of New York, without giving effect to its conflicts of laws provisions that would result in the application of the law of any other jurisdiction.

The other provisions of Clause 22.6 of the Agreement shall apply to this Amendment N°30 as if the same were set out in full herein, mutatis mutandis.

IN WITNESS WHEREOF this Amendment N°30 was entered into the day and year first above written.

| | |
|---|---|
| ı behalf of | For and on behalf of |
| **;E CORPORATION** | **AIRBUS S.A.S** |
| ınt Levy | By: /s/ Benoît de Saint-Exupéry |
| tive Vice President | Its: Senior Vice President, Contracts |

# APPENDIX 1

**[*]**

**AIR LEASE CORPORATION**
2000 Avenue of the Stars, Suite 1000N
Los Angeles, California 90067, U.S.A.

April 28, 2021

Subject : **SPECIFIC PROVISIONS**

AIR LEASE CORPORATION (the “**Buyer**") and AIRBUS S.A.S. (the “**Seller**") have entered into an Amendment N°30 dated even date herewith (the “**Amendment**”) to the A320 NEO Family Purchase Agreement dated as of May 10, 2012 (the “**Agreement**”), [*]. The Buyer and the Seller have agreed to set forth in this Letter Agreement N°1 to the Amendment (the “**Letter Agreement**”) certain additional terms and conditions regarding [*].

Capitalized terms used herein and not otherwise defined in this Letter Agreement shall have the meanings assigned thereto in the Agreement and the Amendment.

The Parties agree that this Letter Agreement, upon execution thereof, shall constitute an integral, non-severable part of the Amendment, that the provisions of the Amendment are hereby incorporated herein by reference, and that if the Agreement, the Amendment and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

**1** [*]

**2** [*]

**3 ASSIGNMENT**

The provisions of Clause 21 of the Agreement shall apply to this Letter Agreement as if the same were set out in full herein, mutatis mutandis.

**4 LAW AND JURISDICTION**

This Letter Agreement will be governed by and construed and the performance thereof will be determined in accordance with the laws of the State of New York, without giving effect to its conflicts of laws provisions that would result in the application of the law of any other jurisdiction.

The other provisions of Clause 22.6 of the Purchase Agreement shall apply to this Letter Agreement as if the same were set out in full herein, mutatis mutandis.

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

| | |
|---|---|
| For and on behalf of | For and on behalf of |
| **AIR LEASE CORPORATION** | **AIRBUS S.A.S** |
| By: /s/ Grant Levy | By: /s/ Benoît de Saint-Exupéry |
| Its: Executive Vice President | Its: Senior Vice President, Contracts |

**EXHIBIT 10.5**

**CERTAIN IDENTIFIED INFORMATION MARKED BY [*] HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT THE REGISTRANT BOTH CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE AND CONFIDENTIAL**

# AMENDMENT N°31

**TO THE**

**A320 NEO FAMILY PURCHASE AGREEMENT**

**BETWEEN**

**AIRBUS S.A.S.**

**as Seller**

**and**

**AIR LEASE CORPORATION**

**as Buyer**

**AMENDMENT N°31 TO THE**
**A320 NEO FAMILY PURCHASE AGREEMENT**

This amendment N°31 (the "**Amendment N°31**") dated 3 June 2021 is made

BETWEEN:

**AIRBUS S.A.S.**, a *société par actions simplifiée,* created and existing under French law having its registered office at 2 Rond-Point Emile Dewoitine, 31707 Blagnac-Cedex, France and registered with the Toulouse *Registre du Commerce* under number RCS Toulouse 383 474 814 (the "**Seller**"),

and

**AIR LEASE CORPORATION**, a corporation organised and existing under the laws of the State of Delaware, U.S.A., having its principal place of business at 2000 Avenue of the Stars, Suite 1000N, Los Angeles, California 90067, U.S.A. (the "**Buyer**").

The Buyer and the Seller together are referred to collectively as the "**Parties**", and individually as a "**Party**".

**WHEREAS:**

A. On 10 May 2012, the Buyer and the Seller have signed a purchase agreement with reference CLC-CT1103377 for the manufacture and sale by the Seller and purchase by the Buyer of thirty-six (36) firm A320 NEO Family aircraft hereinafter together with its Exhibits and Letter Agreements referred to as the "**Purchase Agreement**".

B. On 28 December 2012, the Buyer and the Seller entered into **Amendment N°1** to the Purchase Agreement for the manufacture and sale by the Seller and purchase by the Buyer of fourteen (14) incremental A320 NEO Family aircraft.

C. On 14 July 2014, the Seller and the Buyer entered into **Amendment N°2** to the Purchase Agreement in order to, among other things, [*].

D. On 14 July 2014, the Buyer and the Seller entered into **Amendment N°3** to the Purchase Agreement for the manufacture and sale by the Seller and purchase by the Buyer of sixty (60) incremental A320 NEO Family aircraft.

E. On 10 October 2014, the Buyer and the Seller entered into **Amendment N°4** to the Purchase Agreement for [*].

F. On 03 March 2015, the Buyer and the Seller entered into **Amendment N°5** to the Purchase Agreement for the cancellation of sixty (60) Amendment 3 NEO Aircraft and for the manufacture and sale by the Seller and purchase by the Buyer of ninety (90) incremental A321 NEO Family aircraft.

G. On 18 March 2015, the Buyer and the Seller entered into **Amendment N°6** to the Purchase Agreement in order to [*].

H. On 09 November 2015, the Buyer and the Seller entered into **Amendment N°7** to the Purchase Agreement in order to [*].

I. On 08 January 2016, the Buyer and the Seller entered into **Amendment N°8** to the Purchase Agreement in order to [*].

J. On 04 April 2016, the Buyer and the Seller entered into **Amendment N°9** to the Purchase Agreement in order to [*].

K. On 12 April 2016, the Buyer and the Seller entered into **Amendment N°10** to the Purchase Agreement in order to [*].

L. On 02 June 2016, the Buyer and the Seller entered into **Amendment N°11** to the Purchase Agreement in order to [*].

M. On 17 August 2016, the Buyer and the Seller entered into **Amendment n°12** to the Purchase Agreement in order to, among other things, (i) introduce the new A321-200NX standard specification, [*].

N. On 20 December 2016, the Buyer and the Seller entered into **Amendment N°13** to the Purchase Agreement in order to [*].

O. On 03 March 2017, the Buyer and the Seller entered into **Amendment N°14** to the Purchase Agreement in order to, among other things, [*].

P. On 10 April 2017, the Buyer and the Seller entered into **Amendment N°15** to the Purchase Agreement in order to, among other things, [*].

Q. On 19 June 2017, the Buyer and the Seller entered into **Amendment N°16** to the Purchase Agreement in order to [*].

R. On 19 June 2017, the Buyer and the Seller entered into **Amendment N°17** to the Purchase Agreement in order to provide for the manufacture and sale of twelve (12) incremental A320 NEO Family aircraft.

S. On 12 July 2017, the Buyer and the Seller entered into **Amendment N°18** to the Purchase Agreement in order to amend certain terms of Amendment N°16.

T. On 31 July 2017, the Buyer and the Seller entered into **Amendment N°19** to the Purchase Agreement in order to [*].

U. On 29 September 2017, the Buyer and the Seller entered into **Amendment N°20** to the Purchase Agreement in order to [*].

V. On 27 December 2017, the Buyer and the Seller entered into **Amendment N°21** to the Purchase Agreement in order to provide for the manufacture and sale of six (6) incremental A320 NEO Family Aircraft.

W. On 16 February 2018, the Buyer and the Seller entered into **Amendment N°22** to the Purchase Agreement in order to, among other things, [*].

X. On 31 December 2018, the Buyer and the Seller entered into **Amendment N°23** to the Purchase Agreement in order to, among other things, [*].

Y. On 18 October 2019, the Buyer and the Seller entered into **Amendment N°24** to the Purchase Agreement in order to [*].

Z. On 20 December 2019, the Buyer and the Seller entered into **Amendment N°25** to the Purchase Agreement in order to cover (i) the manufacture and sale by the Seller and purchase by the Buyer of twenty-five (25) incremental A321 NEO Aircraft; (ii) the manufacture and sale by the Seller and purchase by the Buyer of twenty-seven (27) A321XLR Aircraft (as defined below); and (iii) [*].

AA. On 07 April 2020, the Buyer and the Seller entered into **Amendment N°26** to the Purchase Agreement in order to, among other things, [*].

AB. On 31 August 2020, the Buyer and the Seller entered into **Amendment N°27** to the Purchase Agreement in order to, among other things, [*].

AC. On 22 December 2020, the Buyer and the Seller entered into **Amendment N°28** to the Purchase Agreement in order to, among other things, [*].

AD. On 24 December 2020, the Buyer and the Seller entered into **Amendment N°29** to the Purchase Agreement in order to, among other things, [*].

AE. On 28 April 2021, the Buyer and the Seller entered into **Amendment N°30** to the Purchase Agreement in order to, among other things, [*].

The Purchase Agreement as amended and supplemented pursuant to the foregoing shall be referred to as the "**Agreement**".

AD. The Parties now wish to enter into this Amendment N°31 in order to, among other things, provide for the manufacture and sale by the Seller and purchase by the Buyer of one (1) incremental A321 NEO Aircraft, subject to the terms and conditions set out herein.

The terms "herein", "hereof" and "hereunder" and words of similar import refer to this Amendment N°31. Capitalized terms used herein and not otherwise defined herein will have the meanings assigned thereto in the Agreement.

**NOW IT IS HEREBY AGREED AS FOLLOWS:**

**1. SCOPE**

1.1 The Seller hereby agrees to sell, and the Buyer agrees to purchase from the Seller, one (1) incremental A321 NEO Aircraft (the "**Amendment 31 NEO Aircraft**"), which sale and purchase will be subject to the same terms and conditions applicable to the Amendment 25 NEO Aircraft as defined in the Agreement, except as described herein.

1.2 The definition of the term "Aircraft" in Clause 0 of the Agreement shall be deleted and replaced by the following quoted text:

QUOTE

**Aircraft** means any or all of the two hundred and eleven (211) firm A320 NEO Family aircraft for which the delivery schedule is set forth in Clause 9.1 to be sold by the Seller and purchased by the Buyer pursuant to this Agreement, including the Airframe and all components, equipment, parts and accessories installed in or on such aircraft and the Propulsion Systems installed thereon upon delivery.

UNQUOTE

**2.** [*]

**3. PAYMENT TERMS**

[*]

**4. SUPPORT/ TRAINING MATTERS**

4.1 The Buyer and the Seller hereby agree that Appendix A to Clause 15 of the Agreement shall be deleted in its entirety and replaced as follows:

QUOTE

**SELLER REPRESENTATIVE ALLOCATION**

The Seller Representative allocation provided to the Buyer pursuant to Clause 15.1 is defined hereunder.

**1** The Seller will provide to the Buyer, Seller Representative services at the Buyer's main base or at other locations to be mutually agreed for the fleet of two hundred and eleven (211) Aircraft [*]. This allocation shall be further assignable by the Buyer on a prorata basis to each of the Buyer's Operators. [*]. In the event that the Agreement is terminated in respect of any Aircraft, then the aggregate support allocations specified in this Appendix A which are not specified on a per Aircraft basis, shall be reduced on a pro-rata basis by the ratio of the number of terminated Aircraft to the total number of Aircraft pursuant to the Agreement (it being understood that such reduction shall be rounded to the nearest whole number, if applicable).

**2** For the sake of clarification, such Seller Representatives' services will include initial [*].

**3** The number of the Seller Representatives assigned to the Buyer at any one time will be mutually agreed, [*].

UNQUOTE

4.2 The Buyer and the Seller hereby agree that Appendix A to Clause 16 of the Agreement shall be deleted in its entirety and replaced as follows:

QUOTE

**APPENDIX "A" TO CLAUSE 16**

**TRAINING ALLOWANCE**

For the avoidance of doubt, all quantities indicated below are the total quantities granted for the whole of the Buyer's fleet of two hundred and eleven (211) Aircraft firmly ordered (such quantities take into account the amount of training allowances previously provided by the Seller to the Buyer prior to the date of Amendment N°30), unless otherwise specified. In the event that the Agreement is terminated in respect of any Aircraft, then the aggregate support allocations specified in this Appendix A and which are not specified on a per Aircraft basis, shall be reduced on a pro-rata basis by the ratio of the number of terminated Aircraft to the total number of Aircraft pursuant to the Agreement (it being understood that such reduction shall be rounded to the nearest whole number, if applicable).

The contractual training courses defined in this Appendix A will be provided up to [*].

Notwithstanding the above, flight operations training courses granted per firmly ordered Aircraft in this Appendix A will be provided by the Seller within a period [*] after said Aircraft Delivery.

Any deviation to said training delivery schedule will be mutually agreed between the Buyer and the Seller.

**1 FLIGHT OPERATIONS TRAINING**

**1.1 Flight Crew Training (standard transition course)**

The Seller will provide [*] per firmly ordered Aircraft.

**1.2 Flight Crew Line Initial Operating Experience**

The Seller will provide to the Buyer pilot Instructor(s) [*] for the Buyer's fleet of two hundred and eleven (211) Aircraft firmly ordered and only provided to new Airbus Aircraft operator airlines.

Unless otherwise agreed during the Training Conference, in order to follow the Aircraft Delivery schedule, the maximum number of [*] present at any one time will be limited to [*].

**1.3 Type Specific Cabin Crew Training Course**

The Seller will provide to the Buyer [*] in total for the Buyer's fleet of two hundred and eleven (211) Aircraft firmly ordered.

**2 PERFORMANCE / OPERATIONS COURSE(S)**

The Seller will provide to the Buyer [*] in total for the Buyer's fleet of two hundred and eleven (211) Aircraft firmly ordered.

**3 MAINTENANCE TRAINING**

**3.1** The Seller will provide to the Buyer [*] in total for the buyer's fleet of two hundred and eleven (211) Aircraft firmly ordered.

**3.2** The Seller will provide to the Buyer [*] in total for the Buyer's fleet of two hundred and eleven (211) Aircraft firmly ordered.

**4 TRAINEE DAYS ACCOUNTING**

Trainee days are counted as follows:

**4.1** For instruction at the Seller's Training Centers: one (1) day of instruction for one (1) trainee equals one (1) trainee day. The number of trainees originally registered at the beginning of the course will be counted as the number of trainees to have taken the course.

**4.2** For instruction outside of the Seller's Training Centers: one (1) day of instruction by one (1) Seller Instructor equals the actual number of trainees attending the course or a minimum of twelve (12) trainee days, except for structure maintenance training course(s).

**4.3** For structure maintenance training courses outside the Seller's Training Center(s), one (1) day of instruction by one (1) Seller Instructor equals the actual number of trainees attending the course or the minimum number of trainees as indicated in the Seller's Customer Services Catalog.

**4.4** For practical training, whether on training devices or on aircraft, one (1) day of instruction by one (1) Seller Instructor equals the actual number of trainees attending the course or a minimum of six (6) trainee days.

UNQUOTE

## 5 INCONSISTENCY AND CONFIDENTIALITY

5.1 In the event of any inconsistency between the terms and conditions of the Agreement and those of this Amendment N°31, the latter shall prevail to the extent of such inconsistency, whereas the part of the Agreement not concerned by such inconsistency shall remain in full force and effect.

5.2 This Amendment N°31 reflects the understandings, commitments, agreements, representations and negotiations related to the matters set forth herein whatsoever, oral and written, and may not be varied except by an instrument in writing of even date herewith or subsequent hereto executed by the duly authorised representatives of both Parties.

5.3 This Amendment N°31 shall be treated by both Parties as confidential and shall not be released in whole or in part to any third party without the prior consent of the other Party except as may be required by law, or to professional advisors for the implementation hereof.

## 6 COUNTERPARTS

This Amendment N°31 may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

## 7 LAW AND JURISDICTION

This Amendment N°31 will be governed by and construed and the performance thereof will be determined in accordance with the laws of the State of New York, without giving effect to its conflicts of laws provisions that would result in the application of the law of any other jurisdiction.

The other provisions of Clause 22.6 of the Agreement shall apply to this Amendment N°31 as if the same were set out in full herein, mutatis mutandis.

IN WITNESS WHEREOF this Amendment N°31 was entered into the day and year first above written.

| | |
|---|---|
| ı behalf of | For and on behalf of |
| **;E CORPORATION** | **AIRBUS S.A.S** |
| ınt Levy | By: /s/ Benoît de Saint-Exupéry |
| tive Vice President | Its: Senior Vice President, Contracts |

## APPENDIX 1

[*]

**AIR LEASE CORPORATION**
2000 Avenue of the Stars, Suite 1000N
Los Angeles, California 90067, U.S.A.

June 3rd, 2021

Subject : **SPECIFIC PROVISIONS**

AIR LEASE CORPORATION (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into an Amendment N°31 dated even date herewith (the "**Amendment**") to the A320 NEO Family Purchase Agreement dated as of May 10, 2012 (the "**Agreement**"), which covers, among other things, the manufacture and sale by the Seller and purchase by the Buyer of one (1) incremental A321 NEO Aircraft. The Buyer and the Seller have agreed to set forth in this Letter Agreement N°1 to the Amendment (the "**Letter Agreement**") certain additional terms and conditions regarding the Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement shall have the meanings assigned thereto in the Agreement and the Amendment.

The Parties agree that this Letter Agreement, upon execution thereof, shall constitute an integral, non-severable part of the Amendment, that the provisions of the Amendment are hereby incorporated herein by reference, and that if the Agreement, the Amendment and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

**1** [*]

**2** [*]

**3 ASSIGNMENT**

The provisions of Clause 21 of the Agreement shall apply to this Letter Agreement as if the same were set out in full herein, mutatis mutandis.

**4 LAW AND JURISDICTION**

This Letter Agreement will be governed by and construed and the performance thereof will be determined in accordance with the laws of the State of New York, without giving effect to its conflicts of laws provisions that would result in the application of the law of any other jurisdiction.

The other provisions of Clause 22.6 of the Purchase Agreement shall apply to this Letter Agreement as if the same were set out in full herein, mutatis mutandis.

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

For and on behalf of

**AIR LEASE CORPORATION**

By: /s/ Grant Levy

Its: Executive Vice President

For and on behalf of

**AIRBUS S.A.S**

By: /s/ Benoît de Saint-Exupéry

Its: Senior Vice President, Contracts

**LETTER AGREEMENT N° 2**

**AIR LEASE CORPORATION**
2000 Avenue of the Stars, Suite 1000N
Los Angeles, California 90067, U.S.A.

June 3rd, 2021

Subject : [*]

AIR LEASE CORPORATION (the "**Buyer**") and AIRBUS S.A.S. (the "**Seller**") have entered into an Amendment N°31 dated even date herewith (the "**Amendment**") to the A320 NEO Family Purchase Agreement dated as of May 10, 2012 (the "**Agreement**"), which covers, among other things, the manufacture and sale by the Seller and purchase by the Buyer of one (1) incremental A321 NEO Aircraft. The Buyer and the Seller have agreed to set forth in this Letter Agreement N°2 to the Amendment (the "**Letter Agreement**") certain additional terms and conditions regarding the Amendment 31 NEO Aircraft.

Capitalized terms used herein and not otherwise defined in this Letter Agreement shall have the meanings assigned thereto in the Agreement and the Amendment.

The Parties agree that this Letter Agreement, upon execution thereof, shall constitute an integral, non-severable part of the Amendment, that the provisions of the Amendment are hereby incorporated herein by reference, and that if the Agreement, the Amendment and this Letter Agreement have specific provisions which are inconsistent, the specific provisions contained in this Letter Agreement shall govern.

1. [*]

## 2 ASSIGNMENT

The provisions of Clause 21 of the Agreement shall apply to this Letter Agreement as if the same were set out in full herein, mutatis mutandis.

## 3 LAW AND JURISDICTION

This Letter Agreement will be governed by and construed and the performance thereof will be determined in accordance with the laws of the State of New York, without giving effect to its conflicts of laws provisions that would result in the application of the law of any other jurisdiction.

The other provisions of Clause 22.6 of the Purchase Agreement shall apply to this Letter Agreement as if the same were set out in full herein, mutatis mutandis.

If the foregoing correctly sets forth our understanding, please execute two (2) originals in the space provided below and return one (1) original of this Letter Agreement to the Seller.

| | |
|---|---|
| For and on behalf of | For and on behalf of |
| **AIR LEASE CORPORATION** | **AIRBUS S.A.S** |
| By: /s/ Grant Levy | By: /s/ Benoît de Saint-Exupéry |
| Its: Executive Vice President | Its: Senior Vice President, Contracts |

**EXHIBIT 10.6**

**CERTAIN IDENTIFIED INFORMATION MARKED BY [*] HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT THE REGISTRANT BOTH CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE AND CONFIDENTIAL**

# AMENDMENT N°3

**TO THE**

**[*] AGREEMENT**

**BETWEEN**

**AIRBUS S.A.S.**

**and**

**AIR LEASE CORPORATION**

**[*]**

This amendment n°3 (the “**Amendment N°3**”) dated 6 April 2021 is made

BETWEEN:

**AIRBUS S.A.S.**, a French *société par actions simplifiée*, with its registered office at 2, rond-point Emile Dewoitine, 31700 Blagnac, France, registered with the Commercial and Companies Register of Toulouse under number 383 474 814 (the “**Seller**”),

and

**AIR LEASE CORPORATION**, a corporation organised and existing under the laws of the State of Delaware, U.S.A., having its principal place of business at 2000 Avenue of the Stars, Suite 1000N, Los Angeles, California 90067, U.S.A. (the “**Buyer**”).

The Buyer and the Seller together are referred to as the “**Parties**” and individually as a “**Party**”.

**WHEREAS:**

A. [*]

B. [*]

C. [*]

D. [*]

E. [*]

F. [*]

The [*] Agreement as amended and supplemented pursuant to the foregoing shall be referred to as the “**[*] Agreement**”.

G. The Parties now wish to enter into this Amendment N°3 in order to, among other things, [*], subject to the terms and conditions set out herein.

The terms “herein”, “hereof” and “hereunder” and words of similar import refer to this Amendment N°3. Capitalised terms used herein and not otherwise defined in this Amendment N°3 shall have the meanings assigned to them in the [*], and/or the [*] Agreement, as applicable.

**NOW IT IS HEREBY AGREED AS FOLLOWS:**

## 1 [*]

## 2 [*]

## 3 INCONSISTENCY AND CONFIDENTIALITY

3.1 In the event of any inconsistency between the terms and conditions of the [*] Agreement and those of this Amendment N°3, the latter shall prevail to the extent of such inconsistency, whereas the part of the [*] Agreement not concerned by such inconsistency shall remain in full force and effect.

3.2 This Amendment N°3 reflects the understandings, commitments, agreements, representations and negotiations related to the matters set forth herein whatsoever, oral and written, and may not be varied except by an instrument in writing of even date herewith or subsequent hereto executed by the duly authorised representatives of both Parties.

3.3 This Amendment N°3 shall be treated by both Parties as confidential and shall not be released in whole or in part to any third party without the prior consent of the other Party except as may be required by law, or to professional advisors for the implementation hereof.

## 4 COUNTERPARTS

This Amendment N°3 may be executed by the Parties in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute one and the same instrument.

## 5 LAW AND JURISDICTION

This Amendment N°3 will be governed by and construed and the performance thereof will be determined in accordance with the laws of the State of New York, without giving effect to its conflicts of laws provisions that would result in the application of the law of any other jurisdiction.

The other provisions of Clause 7 of the [*] Agreement shall apply to this Amendment N°3 as if the same were set out in full herein, mutatis mutandis.

IN WITNESS WHEREOF this Amendment N°3 was entered into the day and year first above written.

| | |
|---|---|
| ı behalf of | For and on behalf of |
| **;E CORPORATION** | **AIRBUS S.A.S** |
| ınt Levy | By: /s/ Benoît de Saint-Exupéry |
| tive Vice President | Its: Senior Vice President, Contracts |

**EXHIBIT 10.7**

**CERTAIN IDENTIFIED INFORMATION MARKED BY [*] HAS BEEN EXCLUDED FROM THIS EXHIBIT BECAUSE IT IS BOTH (I) NOT MATERIAL AND (II) THE TYPE OF INFORMATION THAT THE REGISTRANT BOTH CUSTOMARILY AND ACTUALLY TREATS AS PRIVATE AND CONFIDENTIAL**

Supplemental Agreement No. 27

to

Purchase Agreement No. 03791

between

THE BOEING COMPANY

and

AIR LEASE CORPORATION

THIS SUPPLEMENTAL AGREEMENT is entered into as of April 6, 2021 (**Supplemental Agreement No. 27**) by and between THE BOEING COMPANY (**Boeing**) and AIR LEASE CORPORATION (**Customer**).

WHEREAS, Boeing and Customer have entered into Purchase Agreement No. 03791 dated as of July 3, 2012 as amended and supplemented (**Purchase Agreement**) relating to the purchase and sale of Model 737-8 and 737-9 Aircraft;

WHEREAS, Boeing and Customer desire to [*].

[*]

WHEREAS, Boeing and Customer desire to clarify that [*].

NOW THEREFORE, in consideration of the mutual covenants herein contained, the parties agree to amend the Purchase Agreement as follows:

1. <u>TABLE OF CONTENTS</u>.

The Table of Contents is deleted in its entirety and replaced by a new Table of Contents, provided as Enclosure 1, and incorporated into the Purchase Agreement. The new Table of Contents reflects the revisions set forth in this Supplemental Agreement No. 27.

2. TABLES.

2.1 Table 1C is deleted in its entirety and replaced by a revised Table 1C, provided as Enclosure 2, which is incorporated into the Purchase Agreement by this reference. The new Table 1C reflects [*].

2.2 Table 1I, provided hereto as Enclosure 3, is incorporated into the Agreement by this reference. This new Table 1I [*].

3. EXHIBITS.

3.1 New Exhibit A2-1, HAZ/[*] 737-8 Aircraft Configurations [*], provided as Enclosure 4 to this Supplemental Agreement No. 27, is incorporated into the Purchase Agreement. [*].

4. LETTER AGREEMENTS.

4.1 Letter Agreement HAZ-PA-03791-LA-1208078R9, entitled "[*]" is deleted in its entirety, and replaced with a revised Letter Agreement HAZ-PA-03791-LA-1208078R10, entitled "[*]," ([*]) which is provided as Enclosure 5 to this Supplemental Agreement No. 27, and incorporated into the Purchase Agreement.

4.2 Letter Agreement HAZ-PA-03791-LA-1208090R9, entitled "[*]" is deleted in its entirety, and replaced with a revised Letter Agreement HAZ-PA-03791-LA-1208090R10, entitled "[*]" which is provided as Enclosure 6 to this Supplemental Agreement No. 27, and incorporated into the Purchase Agreement.

4.3 New Letter Agreement HAZ-PA-03791-LA-2100098, entitled "[*]" which is provided as Enclosure 7 to this Supplemental Agreement No. 27, is incorporated into the Purchase Agreement.

5. [*]

6. MISCELLANEOUS.

6.1 All terms used but not defined in this Supplemental Agreement No. 27 will have the same meaning as such terms have in the Purchase Agreement.

6.2 This Supplemental Agreement No. 27 will become effective upon execution and receipt by both parties of this Supplemental Agreement No. 27. The terms of this Supplemental Agreement No. 27 will expire if not executed by April 1, 2021.

EXECUTED IN DUPLICATE as of the day and year first above written.

| THE BOEING COMPANY | | AIR LEASE CORPORATION | |
|---|---|---|---|
| By: | /s/ Sydney A. Bard | By: | /s/ Grant Levy |
| Its: | Attorney-In-Fact | Its: | Executive Vice President |

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# TABLE OF CONTENTS

**EXHIBITS**



**SUPPLEMENTAL EXHIBITS**

# TABLE OF CONTENTS

# Table 1C
## to Purchase Agreement No. PA-03791
## 737-8 Block C (2014 Base) Aircraft Delivery, Description, Price and Advance Payments

| | | |
|---|---|---|
| **Airframe Model/MTOW:** | 737-8 | 181,200 pounds |
| **Engine Model/Thrust:** | CFMLEAP-1B25 | 25,000 pounds |
| **Airframe Price:** | | [*] |
| **Estimated Optional Features:** | | [*] |
| **Sub-Total of Airframe and Features:** | | [*] |
| **Engine Price (Per Aircraft):** | | [*] |
| **Aircraft Basic Price (Excluding BFE/SPE):** | | [*] |
| **Buyer Furnished Equipment (BFE) Estimate:** | | [*] |
| **Seller Purchased Equipment (SPE) Estimate:** | | [*] |
| **Refundable Deposit/Aircraft at Proposal Accept:** | | [*] |

| | | |
|---|---|---|
| **Detail Specification:** | D019A008-J (1/16/2015) | |
| **Airframe Price Base Year/Escalation Formula:** | [*] | [*] |
| **Engine Price Base Year/Escalation Formula:** | [*] | [*] |
| **Airframe Escalation Data:** | | |
| **Base Year Index (ECI):** | [*] | |
| **Base Year Index (CPI):** | [*] | |

| Delivery Date | Number of Aircraft | Manufacturer Serial No. | Escalation Factor (Airframe) | Lessee | P.A. Exhibit A | Escalation Estimate Adv Payment Base Price Per A/P | Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery): | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | [*] | [*] | [*] | [*] |
| | | | | | | | [*] | [*] | [*] | [*] |
| [*]-2019 | 1 | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] |
| [*] | 1 | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] |
| [*] | 1 | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] |
| [*]-2021 | 1 | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] |
| Total: | 4 | | | | | | | | | |

[*]

* Manufacturer serial number is subject to change due to production changes.

[*]

# Table 1I To
# Purchase Agreement No. PA-03791
# Aircraft Delivery, Description, Price and Advance Payments
# Block I

| | | | | | |
|---|---|---|---|---|---|
| **Airframe Model/MTOW:** | 737-8 | 181,200 pounds | **Detail Specification:** | D019A007-A (2/3/2012) | |
| **Engine Model/Thrust:** | CFMLEAP-1B27 | 26,400 pounds | **Airframe Price Base Year/Escalation Formula:** | [*] | [*] |
| **Airframe Price:** | | [*] | **Engine Price Base Year/Escalation Formula:** | [*] | [*] |
| **Estimated Optional Features:** | | [*] | | | |
| **Sub-Total of Airframe and Features:** | | [*] | **<u>Airframe Escalation Data:</u>** | | |
| **Engine Price (Per Aircraft):** | | [*] | **Base Year Index (ECI):** | [*] | |
| **Aircraft Basic Price (Excluding BFE/SPE):** | | [*] | **Base Year Index (CPI):** | [*] | |
| **Buyer Furnished Equipment (BFE) Estimate:** | | [*] | | | |
| **Seller Purchased Equipment (SPE) Estimate:** | | [*] | | | |
| | | | | | |
| **Refundable Deposit/Aircraft at Proposal Accept:** | | [*] | | | |

| Delivery Date | Number of Aircraft | Manufacturer Serial No. | Escalation Factor (Airframe) | Lessee | P.A. Exhibit A | Escalation Estimate Adv Payment Base Price Per A/P | Advance Payment Per Aircraft (Amts. Due/Mos. Prior to Delivery): | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | [*] | [*] | [*] | [*] |
| | | | | | | | [*] | [*] | [*] | [*] |
| [*]-2021 | 1 | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] |
| [*] | 1 | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] |
| [*]-2021 | 1 | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] | [*] |
| Total: | 3 | | | | | | | | | |

[*]

# HAZ/[*] 737-8 AIRCRAFT CONFIGURATION

**between**

**THE BOEING COMPANY**

**and**

**AIR LEASE CORPORATION**

**Exhibit A2-1**

**to Purchase Agreement Number PA-03791**

**Exhibit A2-1**

**AIRCRAFT CONFIGURATION**

**Dated April 6, 2021**

**relating to**

**BOEING MODEL 737-8 AIRCRAFT**

The Detail Specification is [*]. The Detail Specification provides further description of Customer's configuration set forth in this Exhibit A2-1. Such Detail Specification will be comprised of Boeing Configuration Specification [*]. Boeing will furnish to Customer copies of the Detail Specification, which copies will reflect [*].

# Exhibit A2-1 To
# Boeing Purchase Agreement

| | |
|---|---|
| Customer: | HAZ-Air Lease Corporation - [*] |
| Model: | 737-8 |
| Base Date: | [*] |

[*]

**BOEING**

The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

HAZ-PA-03791-LA-1208078**R10**

Air Lease Corporation
2000 Avenue of the Stars, Suite 1000N
Los Angeles, CA 90067

Subject: Advance Payment Matters

Reference: Purchase Agreement No. PA-03791 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Air Lease Corporation (**Customer**) relating to Model 737-8 and 737-9 aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) cancels and supersedes all previous versions with an acceptance date prior to the acceptance date indicated below and amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement.

The Purchase Agreement incorporates the terms and conditions of HAZ-AGTA between Boeing and Customer. This Letter Agreement modifies certain terms and conditions of the AGTA with respect to the Aircraft.

1. <u>Deferred Advance Payment Schedule</u>.

1.1 Notwithstanding the Aircraft advance payment schedule provided in Table 1 of the Purchase Agreement, Customer may elect to pay an alternative fixed advance payment schedule for the Aircraft, as set forth below (**Alternative Advance Payment Schedule**).

[*]

2. [*]

3. [*]

4. [*]

5. <u>Assignment</u>.

Notwithstanding any other provisions of the Purchase Agreement, the rights and obligations described in this Letter Agreement are provided to Customer in consideration of Customer taking title to the Aircraft at the time of delivery and leasing the Aircraft and cannot be assigned in whole or, in part.

6. Confidential Treatment.

Customer understands and agrees that the information contained herein represents confidential business information of Boeing and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to (a) its directors and officers, (b) employees of Customer with a need to know the contents for performing its obligations (including, without limitation, those employees performing accounting, finance, administration and other functions necessary to finance and purchase, deliver or lease the Aircraft) and who understand they are not to disclose its contents to any other person or entity (other than those to whom disclosure is permitted by this paragraph 6) without the prior written consent of Boeing and (c) any auditors, financial advisors, attorneys and independent contractors of Customer who have a need to know such information and have signed a confidentiality agreement in the same form and substance similar to this paragraph 6. Customer shall be fully responsible to Boeing for compliance with such obligations.

Very truly yours,

THE BOEING COMPANY

By /s/ Sydney A. Bard

Its Attorney-in-fact

ACCEPTED AND AGREED TO this

Date: April 6, 2021

AIR LEASE CORPORATION

By /s/ Grant Levy

Its Executive Vice President

The Boeing Company
P.O. Box 3707
Seattle, WA 98124-2207

HAZ-PA-03791-LA-1208090**R10**

Air Lease Corporation
2000 Avenue of the Stars, Suite 1000N
Los Angeles, CA 90067

Subject: Special Matters for 737-8 and 737-9 Aircraft

Reference: Purchase Agreement No. PA-03791 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Air Lease Corporation (**Customer**) relating to Model 737-8 and 737-9 aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) cancels and supersedes all previous versions with an acceptance date prior to the acceptance date indicated below and amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement shall have the same meaning as in the Purchase Agreement.

1. Credit Memoranda. In consideration of Customer's purchase of the Aircraft, at the time of delivery of each such Aircraft or [*], unless otherwise noted, Boeing will provide to Customer the following credit memoranda:

1.1 Basic Credit Memorandum. Boeing will issue to Customer a basic credit memorandum (**Basic Credit Memorandum**) at delivery of each Aircraft or [*] in an amount shown in the table immediately below for the respective minor model [*].

| Basic Credit Memorandum | | | | | |
|---|---|---|---|---|---|
| | | Model Type | | | |
| Aircraft Block | [*] | 737-8 Aircraft | 737-9 Aircraft | 737-9 [*] | 737-8 [*] |
| Block A | [*] | [*] | [*] | [*] | [*] |
| Block B | [*] | [*] | [*] | [*] | [*] |
| Block C | [*] | [*] | [*] | [*] | [*] |
| Block D | [*] | [*] | [*] | [*] | [*] |
| Block E | [*] | [*] | [*] | [*] | [*] |
| Block G | [*] | [*] | [*] | [*] | [*] |
| Block H | [*] | [*] | [*] | [*] | [*] |

1.2 Leasing Credit Memorandum. Customer expressly intends to lease the Aircraft and [*] to a third party or parties (**Lessee or Lessees**) who are in the commercial airline business as aircraft operators. As an additional consideration and incentive for entering into a lease for the Aircraft and [*] prior to delivery of each such Aircraft or [*], Boeing will issue to Customer a leasing credit memorandum (**Leasing Credit Memorandum)** in an amount shown in the table immediately below for the respective Aircraft or [*] minor model and [*]. Customer will not be permitted to assign this Leasing Credit Memorandum without the prior written consent of Boeing.

| Leasing Credit Memorandum | | | | | |
|---|---|---|---|---|---|
| | | Model Type | | | |
| Aircraft Block | [*] | 737-8 Aircraft | 737-9 Aircraft | 737-9 [*] | 737-8 [*] |
| Block A | [*] | [*] | [*] | [*] | [*] |
| Block B | [*] | [*] | [*] | [*] | [*] |
| Block C | [*] | [*] | [*] | [*] | [*] |
| Block D | [*] | [*] | [*] | [*] | [*] |
| Block E | [*] | [*] | [*] | [*] | [*] |
| Block G | [*] | [*] | [*] | [*] | [*] |
| Block H | [*] | [*] | [*] | [*] | [*] |

1.3 [*]

1.4 [*]

1.5 [*]

1.6 [*]

1.7 [*]

1.8 [*]

1.9 [*]

1.10 [*]

1.11 [*]

1.12 [*]

1.13 [*]

1.14 [*]

1.15 [*]

1.16 [*]

1.17 [*]

1.18 [*]

1.19 [*]

BOEING

1.20 [*]

1.21 [*]

1.22 [*]

1.23 [*]

1.24 [*]

1.25 [*]

1.26 [*]

1.27 [*]

1.28 [*]

1.29 [*]

1.30 [*]

1.31 [*]

1.32 [*]

1.33 [*]

1.34 [*]

1.35 [*]

1.36 [*]

1.37 Escalation of Credit Memoranda. Unless otherwise noted, the amounts of the Credit Memoranda stated in [*] will be escalated from the base year indicated to the scheduled month of the respective Aircraft or [*] delivery pursuant to the Airframe Escalation formula set forth in the Purchase Agreement applicable to such Aircraft or [*]. The Credit Memoranda may, at the election of Customer, be (i) applied against the Aircraft Price of the respective Aircraft or [*] at the time of delivery, or (ii) used for the purchase of other Boeing goods and services (but shall not be applied to advance payments).

2. [*]

3. Assignment.

Unless otherwise noted herein, the Credit Memoranda described in this Letter Agreement are provided as a financial accommodation to Customer and in consideration of Customer's taking title to the Aircraft and [*] at time of delivery and leasing the Aircraft and [*]. This Letter Agreement cannot be assigned, in whole or in part, without the prior written consent of Boeing.

4. Confidentiality.

Customer understands and agrees that the information contained herein represents confidential business information of Boeing and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to (a) its directors and officers, (b) employees of Customer with a need to know the contents for performing its obligations (including, without limitation, those employees performing accounting, finance, administration and other functions necessary to finance and purchase, deliver or lease the Aircraft) and who understand they are not to disclose its contents to any other person or entity (other than those to whom disclosure is permitted by this paragraph 3) without the prior written consent of Boeing and (c) any auditors, financial advisors, attorneys and independent contractors of Customer who have a need to know such information and have signed a confidentiality agreement in the same form and substance similar to this paragraph 3. Customer shall be fully responsible to Boeing for compliance with such obligations.

Very truly yours,

THE BOEING COMPANY

By /s/ Sydney A. Bard

Its Attorney-in-fact

ACCEPTED AND AGREED TO this

Date: April 6, 2021

AIR LEASE CORPORATION

By /s/ Grant Levy

Its Executive Vice President

The Boeing Company
P.O. Box 3707
Seattle, WA 98124 2207

HAZ-PA-03791-LA-2100098

Air Lease Corporation
2000 Avenue of the Stars, Suite 1000N
Los Angeles, CA 90067

Subject: Miscellaneous Matters – Block I Aircraft

Reference: Purchase Agreement No. PA-03791 (**Purchase Agreement**) between The Boeing Company (**Boeing**) and Air Lease Corporation (**Customer**) relating to Model 737-8 and 737-9 aircraft (**Aircraft**)

This letter agreement (**Letter Agreement**) amends and supplements the Purchase Agreement. All terms used but not defined in this Letter Agreement will have the same meaning as in the Purchase Agreement. This Letter Agreement applies to the Aircraft in Table 1I of the Purchase Agreement (**Block I Aircraft**).

For purposes of this Letter Agreement, [*].

1. [*]
2. [*]
3. [*]
4. <u>Maintenance Planning Document Tasks</u>.

4.1 In accordance with AGTA Article 3.1 Certificates, Boeing will provide a FAA Standard Certificate of Airworthiness or Export Certificate of Airworthiness at delivery of each Block I Aircraft. Without exception and for the Block I Aircraft, maintenance tasks with calendar time driven intervals, as defined and performed in accordance with Maintenance Planning Document No. D626A011, are based on the date of issuance of the Certificate of Airworthiness. Prior to delivery, Boeing will issue to Customer documentation which summarizes the maintenance tasks performed on the Block I Aircraft prior to transfer of title of such Block I Aircraft.

4.2 Boeing further confirms that the maintenance clock start-time for landing gear parts and the first landing gear overhaul for the Block I Aircraft begins on the issuance of the Certificate of Airworthiness.

4.3 If there are any future deviations or exceptions to this approach on the timing of the maintenance clock start-time for the Block I Aircraft, as determined by the FAA or another civil aviation authority, then Boeing will assist Customer in any related technical discussions with the aim of sharing Boeing's rationale for why time driven maintenance intervals are, from a Boeing perspective, based on the issuance of the Certificate of Airworthiness.

4.4 Upon delivery of the Block I Aircraft to Customer, Boeing will provide a list of all hard time parts, life limited parts and time tracked parts installed on the Block I Aircraft, which will include the relevant time consumed for such parts. In addition, Boeing will support any other reasonable Customer requests for traceability documents involving equipment installed on Block I Aircraft.

4.5 Boeing is looking into a potential attachment to the Airworthiness Directive letters to provide compliance statements (including method of compliance) and support documentation related to the 737-8 and 737-9 return to service airworthiness directive as issued by the FAA, EASA and any other regulatory authority having specific return to service requirements.

5. [*]

6. Confidentiality.

Customer understands and agrees that the information contained herein represents confidential business information of Boeing and has value precisely because it is not available generally or to other parties. Customer agrees to limit the disclosure of its contents to (a) its directors and officers, (b) employees of Customer with a need to know the contents for performing its obligations (including, without limitation, those employees performing accounting, finance, administration and other functions necessary to finance and purchase, deliver or lease the Aircraft) and who understand they are not to disclose its contents to any other person or entity (other than those to whom disclosure is permitted by this paragraph 6) without the prior written consent of Boeing and (c) any auditors, financial advisors, attorneys and independent contractors of Customer who have a need to know such information and have signed a confidentiality agreement in the same form and substance similar to this paragraph 6. Customer shall be fully responsible to Boeing for compliance with such obligations.

Very truly yours,

THE BOEING COMPANY

ACCEPTED AND AGREED TO this

Date: April 6, 2021

| AIR LEASE CORPORATION | | THE BOEING COMPANY | |
|---|---|---|---|
| By: | /s/ Grant Levy | By: | /s/ Sydney A. Bard |
| Name: | Grant Levy | Name: | Sydney A. Bard |
| Title: | Executive Vice President | Title: | Attorney-In-Fact |

Schedule A
[*]

**EXHIBIT 31.1**

**CERTIFICATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, John L. Plueger, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Air Lease Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2021

*/s/ John L. Plueger*
John L. Plueger
Chief Executive Officer and President
(*Principal Executive Officer*)

**EXHIBIT 31.2**

**CERTIFICATION OF THE SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER PURSUANT TO SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002**

I, Gregory B. Willis, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of Air Lease Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant’s other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)), for the registrant and have:

   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) Evaluated the effectiveness of the registrant’s disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant’s internal control over financial reporting; and

5. The registrant’s other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant’s auditors and the audit committee of the registrant’s board of directors (or persons performing the equivalent functions):

   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant’s ability to record, process, summarize and report financial information; and

   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant’s internal control over financial reporting.

Date: August 5, 2021

*/s/ Gregory B. Willis*

Gregory B. Willis
Executive Vice President and Chief Financial Officer
(*Principal Financial Officer and Principal Accounting Officer*)

**EXHIBIT 32.1**

**CERTIFICATION OF THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Air Lease Corporation (the “Company”) on Form 10-Q for the period ended June 30, 2021 (the “Report”), I, John L. Plueger, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(i) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2021

*/s/ John L. Plueger*

John L. Plueger
Chief Executive Officer and President *(Principal Executive Officer)*

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.

**EXHIBIT 32.2**

**CERTIFICATION OF THE SENIOR VICE PRESIDENT AND CHIEF FINANCIAL OFFICER PURSUANT TO 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002**

In connection with the Quarterly Report of Air Lease Corporation (the "Company") on Form 10-Q for the period ended June 30, 2021 (the "Report"), I, Gregory B. Willis, Executive Vice President and Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. section 1350, as adopted pursuant to section 906 of the Sarbanes-Oxley Act of 2002, that to the best of my knowledge:

(i) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(ii) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: August 5, 2021

*/s/ Gregory B. Willis*
Gregory B. Willis
Executive Vice President and Chief Financial Officer
(*Principal Financial Officer and Principal Accounting Officer*)

The foregoing certification is being furnished pursuant to 18 U.S.C. Section 1350. It is not being filed for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liability of that section, and it is not to be incorporated by reference into any filing of the Company, regardless of any general incorporation language in such filing.