

FIRST HALF 2016 FINANCIAL RESULTS

Earnings Call Presentation

Singapore
29 August 2016



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1H 2016 Overview

Financial Highlights

US\$579 million

Total revenues and other income
+8.2% YoY

US\$220 million

Core lease rental contribution¹
+8.4% YoY

US\$212 million

Net profit after tax
+23.8% YoY

US\$13.6 billion

Total assets

US\$0.31

Earnings per share²

US\$0.061

Dividend per share³

Operational Highlights

Key Corporate Activity

Listed on the Hong Kong Stock Exchange

BOC Aviation was successfully listed on the Main Board of the Stock Exchange of Hong Kong on 1 June 2016 raising US\$1.1 billion from sale of new and existing shares

Debt Capital Markets Issuance

10-year senior notes Rule 144A/Regulation S issuance of US\$750 million in April 2016

All data as of 30 June 2016 unless otherwise indicated

Notes:

1. Calculated as lease rental income less depreciation, finance expenses and amortization of debt issue costs and lease transaction closing costs
2. Based on the number of shares outstanding as at 30 June 2016
3. Payable to shareholders registered at the close of business on the record date, being 19 September 2016
4. Includes commitments under purchase and leaseback transactions, and purchase commitments in respect of which airline customer has the right to acquire the relevant aircraft
5. Six aircraft were acquired by the relevant airline lessees as a result of the exercise of their options to take ownership of aircraft. Such aircraft were not included as owned aircraft sold

1H 2016 Portfolio Activity

218

Aircraft on order ⁴

27

Aircraft deliveries ⁵

41

Leases signed

22

Aircraft sold



1H 2016 at a Glance

Financial Metrics

- Record interim net profit after tax of US\$212 million
- Total revenue and other income of US\$579 million
- Core lease rental contribution¹ of US\$220 million
- Trailing 12M ROE at 14% as IPO proceeds enlarged our equity base
- US\$0.061 interim dividend
- Appraised portfolio value of US\$11 billion representing a 14% premium relative to net book value

Operational Developments

- Fleet utilization rate maintained at 100%
- Cash collection of 100%
- 21 new aircraft added to the owned portfolio in 1H 2016; 30 net deliveries from our orderbook scheduled for 2H 2016
- Average fleet age of 3.3 years² – one of the youngest in the industry
- Signed 41 leases; three new customers added
- Average lease term remaining of 7.2 years²
- Sold 22 aircraft in 1H 2016, including all remaining pre-2007 vintage aircraft
- Ended 1H 2016 with 226 owned and 39 managed aircraft
- Orderbook of 218 aircraft providing visible growth

All data as of 30 June 2016 unless otherwise indicated

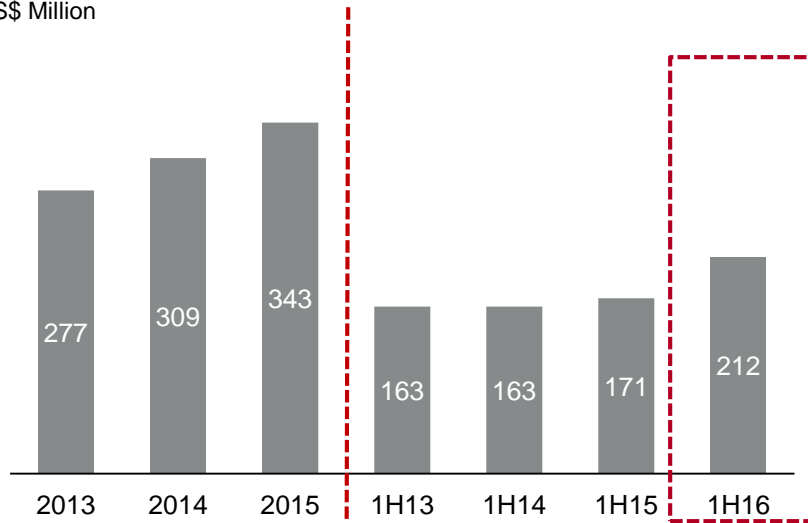
Note:

1. Calculated as lease rental income less depreciation, finance expenses and amortization of debt issue costs and lease transaction closing costs
2. Weighted by net book value of owned fleet

Consistently Strong Financial Performance

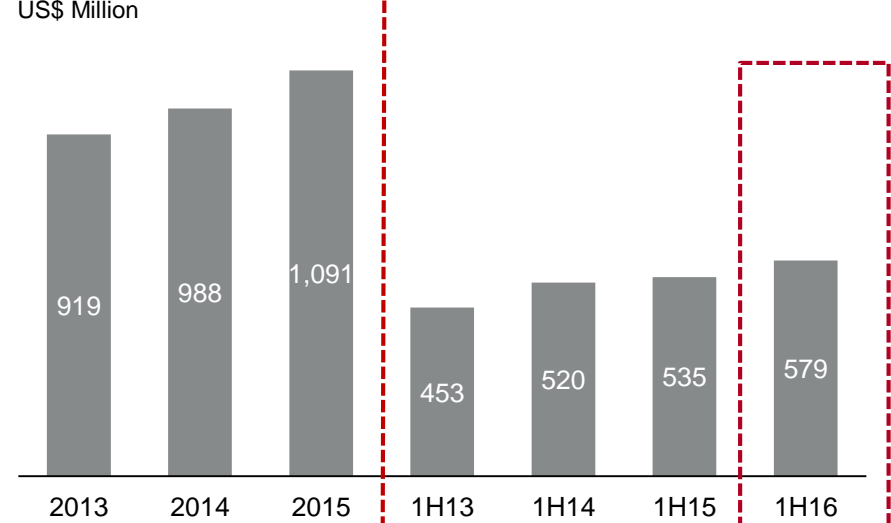
Steadily growing NPAT

US\$ Million



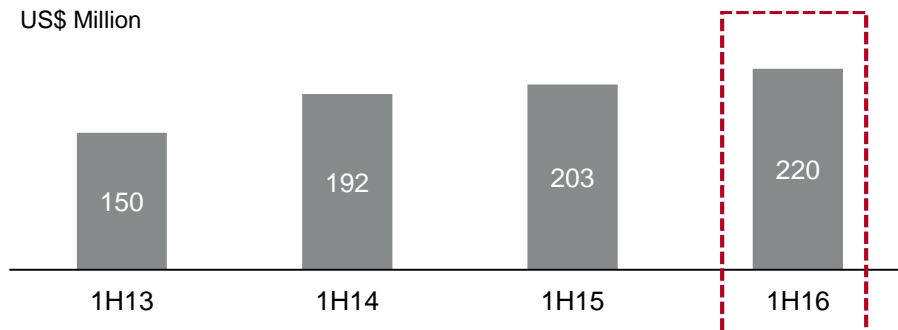
Continued revenue growth

US\$ Million



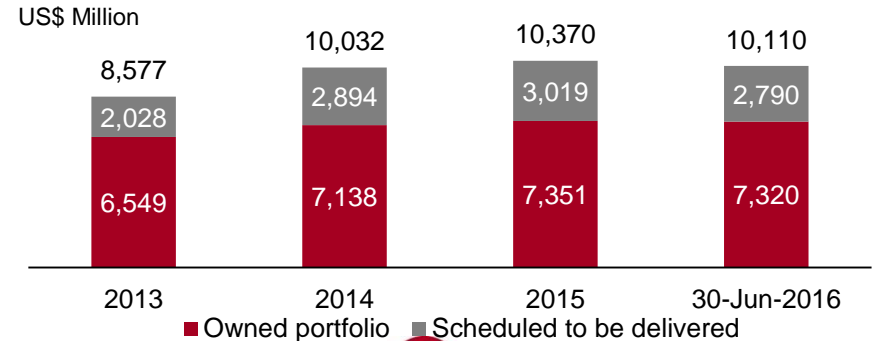
Sustained core lease rental contribution¹

US\$ Million



Committed future operating lease revenues in excess of US\$10 billion

US\$ Million



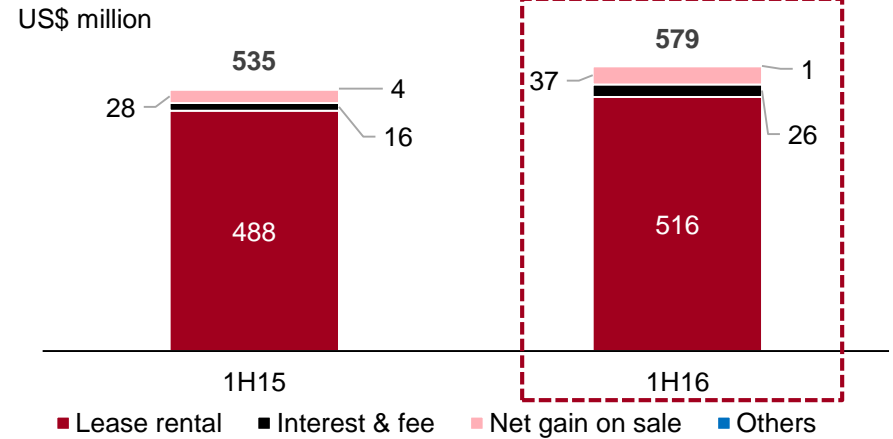
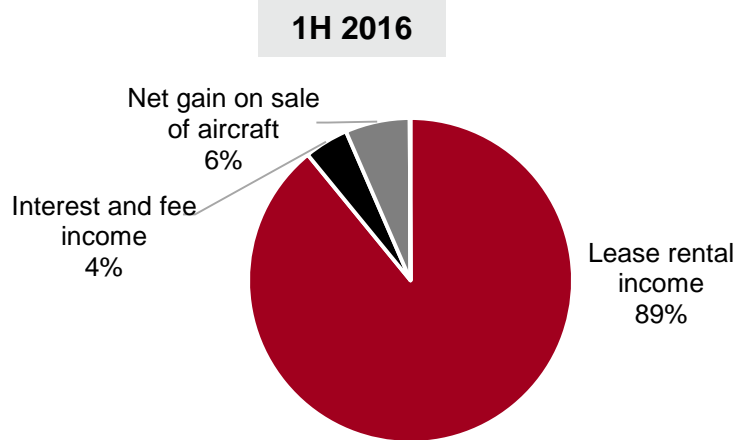
All data as of 30 June 2016 unless otherwise indicated

Note::

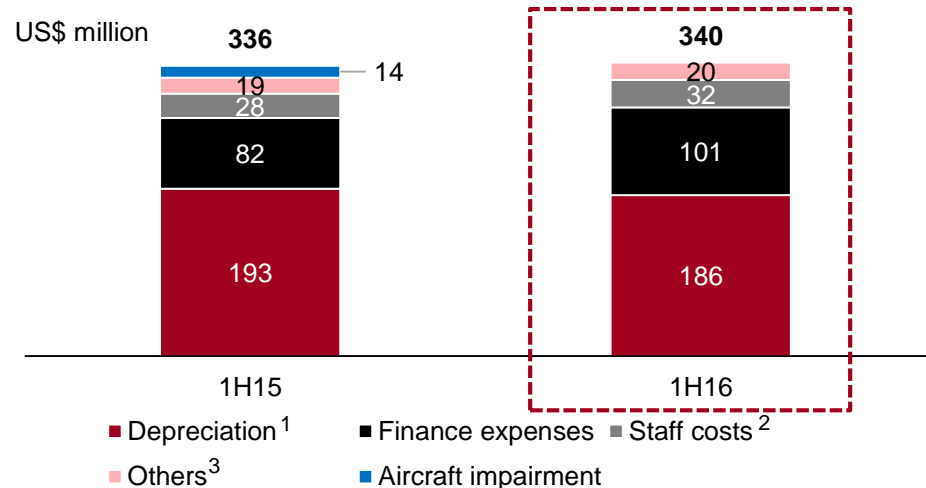
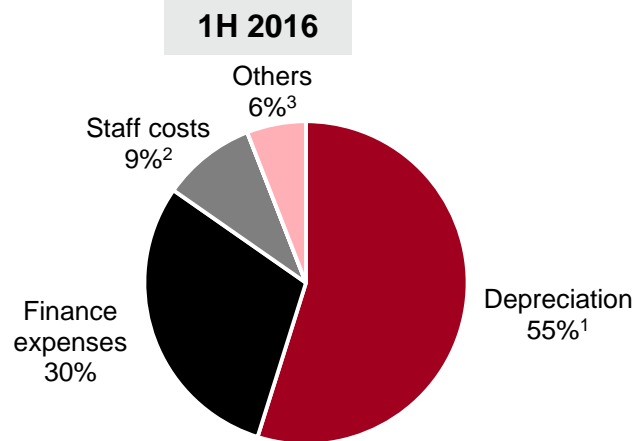
1. Calculated as lease rental income less depreciation, finance expenses and amortization of debt issue costs and lease transaction closing costs

Driven by Lease Rental Income...

Lease rental income consistently c.90% of total revenue and other income



Depreciation of aircraft plus financing costs make up c.85% of total costs



The figures in the charts above may not add up to their respective total due to rounding

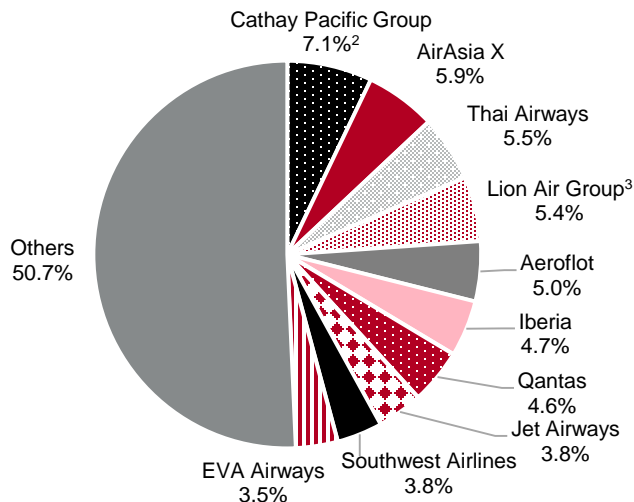
All data as of 30 June 2016 unless otherwise indicated

Notes:

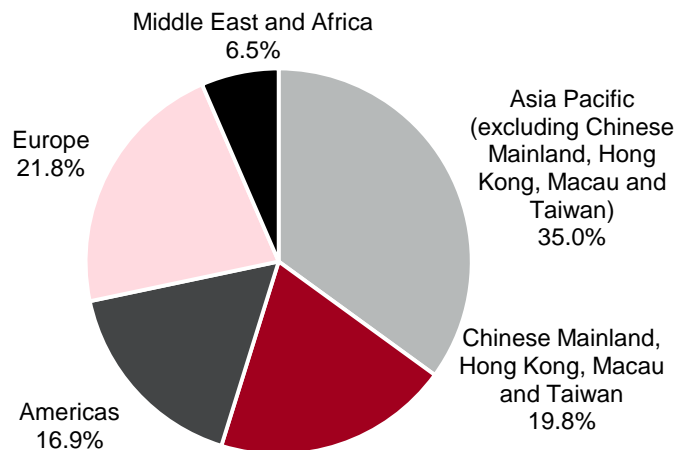
1. Include depreciation of other plant & equipment besides aircraft
2. Include variable bonus expense and provisions
3. Include marketing & travelling expenses, amortization of debt issue costs and lease transaction closing costs, IPO expenses (1H 2016 only) and other expenses

Our Portfolio Remains Well Diversified – and Continued to Pay on Time

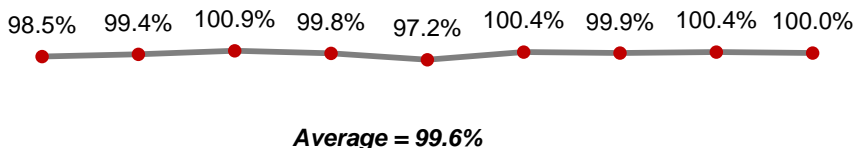
Diversified lease rental income¹



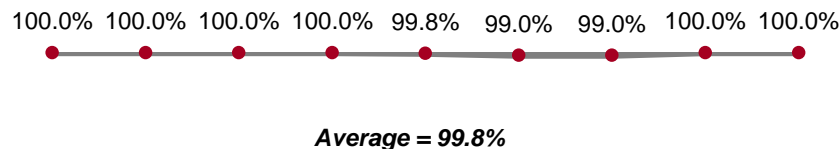
55% of lease rental income from Asia Pacific



High collection rate



Fleet utilization at 100%



The percentage figures in the charts above may not add up to 100% because of rounding

- Notes:
1. Total lease rental income for the six months ended 30 June 2016
 2. Includes our leases with Cathay Pacific (Hong Kong) and Cathay Dragon (Hong Kong)
 3. Includes our leases with Lion Air (Indonesia), Thai Lion Air (Thailand), Malindo Air (Malaysia) and Batik Air (Indonesia)

Our Fleet

Our Aircraft Portfolio

Aircraft Type	Owned Aircraft	Managed Aircraft	Number of Aircraft on Order ¹	Total Number of Aircraft
Airbus A320CEO family	111	14	40	165
Airbus A320NEO family	0	0	64	64
Airbus A330 family	11	8	2	21
Boeing 737NG family	76	8	49	133
Boeing 737 MAX 8	0	0	61	61
Boeing 777-300ER	13	2	2	17
Boeing 777-300	0	1	0	1
Boeing 787	2	0	0	2
Embraer E190 family	11	2	0	13
Freighters	2	4	0	6
Total	226	39	218	483

All data as of 30 June 2016

Note:
 1. Includes commitments under purchase and leaseback transactions, and purchase commitments in respect of which airline customer has the right to acquire the relevant aircraft

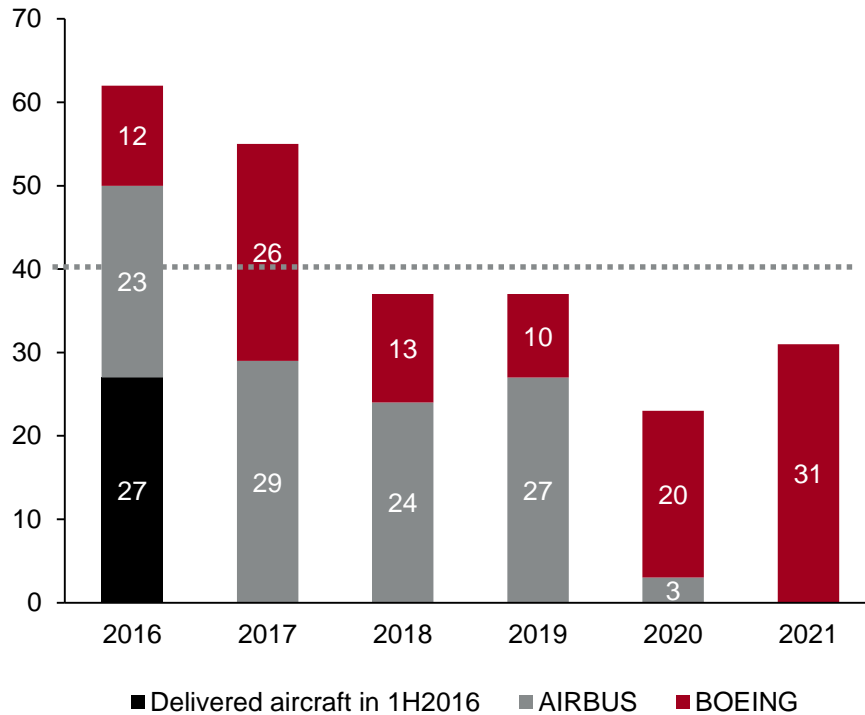


Orderbook Underpins Future Balance Sheet Growth

New deliveries of 218 aircraft

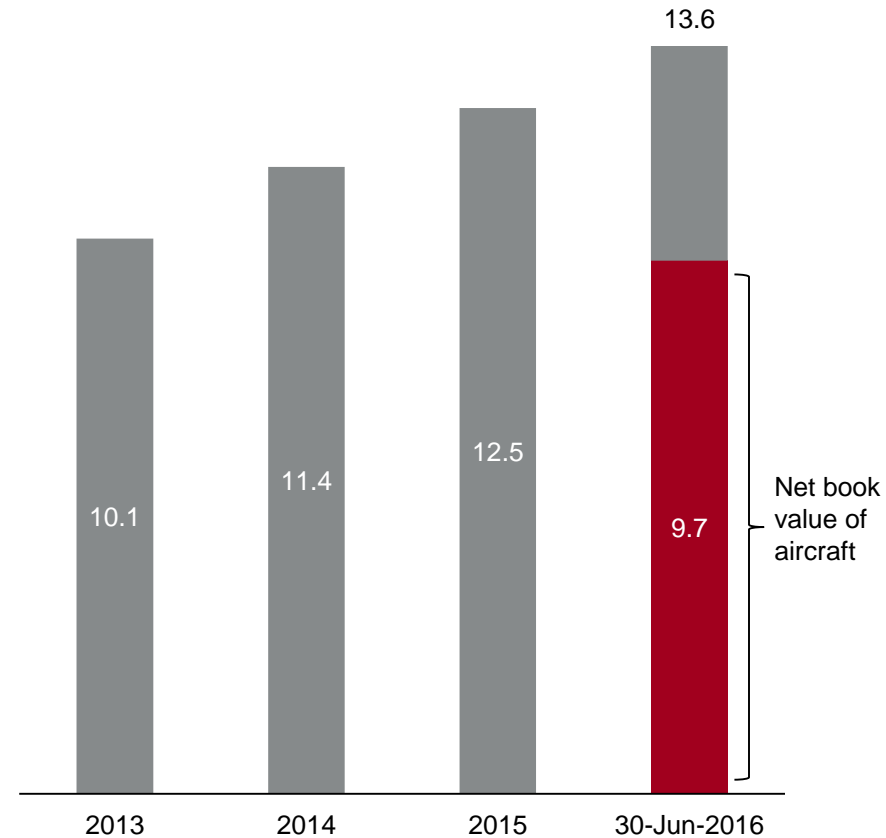
- Average of 40 aircraft committed for delivery until 2021
 - 2H 2016 will be most active in our history
- 100% placed for 2016; approximately 70% placed for 2017 as at 30 June 2016

Number of aircraft



Growing balance sheet

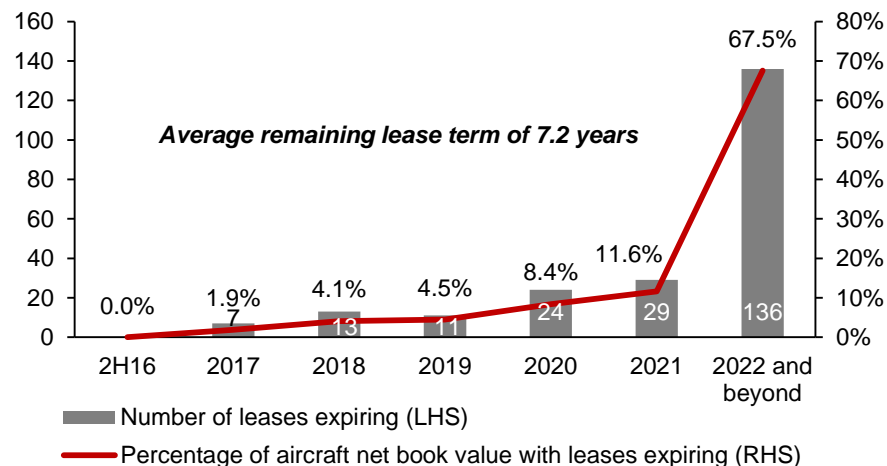
US\$ billion



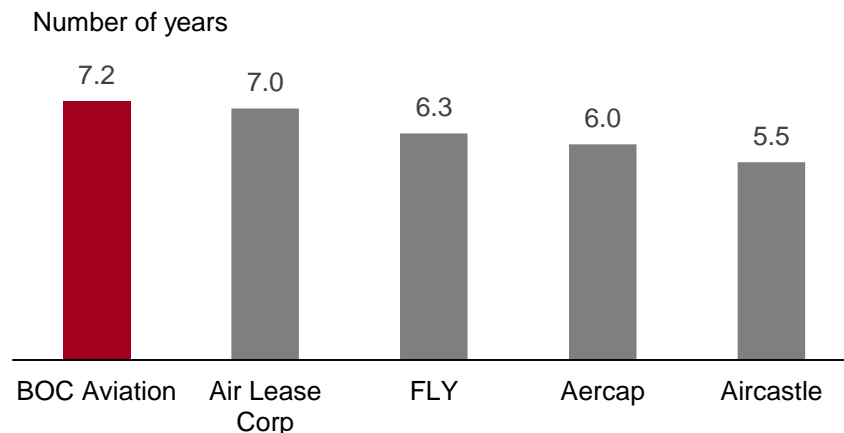
All data as of 30 June 2016 unless otherwise indicated

Long-term, Stable and Contracted USD Cash Flows

Well-dispersed lease expirations



The longest average remaining lease term

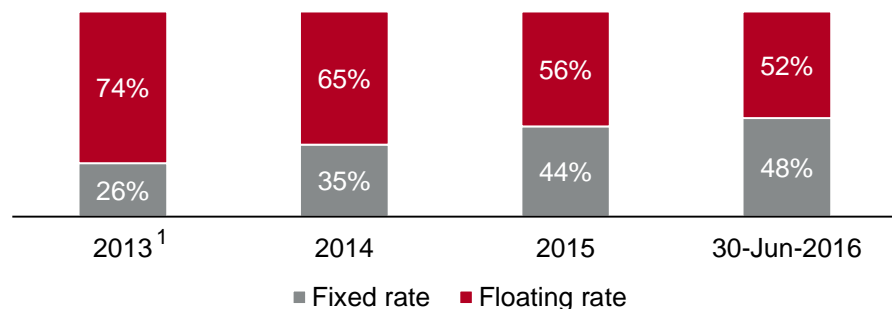


Source: Respective company websites

Number of fixed rate leases rising

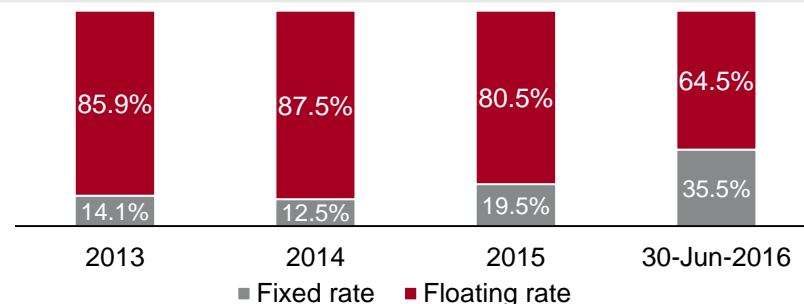
- 100% of our floating rate leases are backed by floating rate debt

By net book value



Proportion of fixed rate debt² also rising

- Hedged c.80% of mismatched fixed interest rate exposure as at end-June 2016
- A 10 basis points increase in interest rates on our floating rate instruments could decrease our profit by c.US\$1 million a year



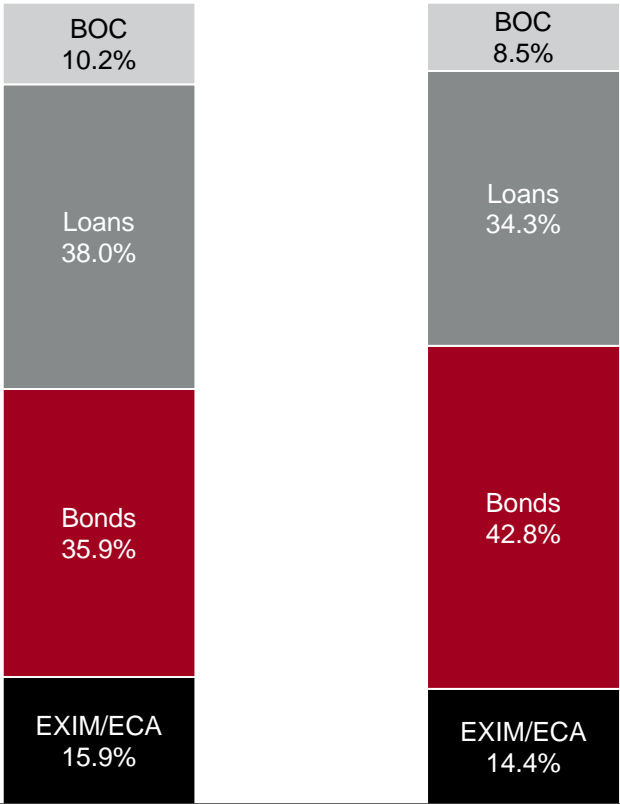
All data as of 30 June 2016 unless otherwise indicated

Notes:

- Excludes one aircraft on ground
- Fixed rate debt included floating rate debt swapped to fixed rate liabilities

Debt Profile

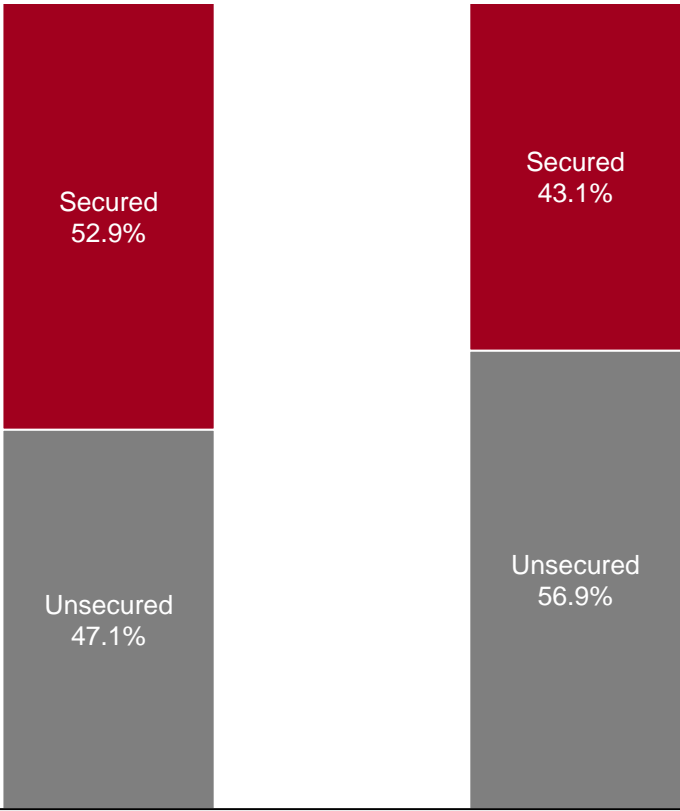
Sources of debt



Dec-2015

Jun-2016

Increasing unsecured funding



Dec-2015

Jun-2016

All data as of 30 June 2016 unless otherwise indicated

Looking Ahead - Positioned for Growth

- Record profits in 1H 2016 and we remain confident of our second half performance
 - Long average remaining lease life based on well-diversified, senior unsecured airline cashflows underpin stable future lease revenues
 - Liquid financing markets support our aircraft sales and funding programmes
 - Fee income linked to our larger pool of managed aircraft
- Strong orderbook provides visibility in long-term earnings
 - Expecting 2H 2016 to be the most active in the company's history with 30 net deliveries from our orderbook
 - All aircraft delivering already placed on long term leases
 - Good demand from customers as passenger traffic growth propels need for new aircraft
- Strong liquidity
 - US\$4.5 billion in cash and undrawn credit lines

Expect future sustained growth in 2H 2016



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