



UBS Greater China Conference 2021

JANUARY 2021

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2020 Overview



STRONG ASSET QUALITY

- **553 aircraft** owned, managed and on order¹
- **3.5 years²** average fleet age; **8.6 years²** average remaining lease term
- **99.6%** aircraft utilization rate



ROBUST LIQUIDITY

- **RCF of US\$3.5 billion** from Bank of China increased from US\$2 billion and maturity extended to 2026³
- **Total available liquidity** in excess of **US\$5 billion**



PROACTIVE INVESTMENT STRATEGY

- **54** aircraft deliveries in 2020
- **102** lease commitments signed in 2020
- **100%** of aircraft scheduled for delivery before 2023 placed



STRONG CREDIT RATINGS

- **A-** by S&P Global Ratings
- **A-** by Fitch Ratings



RESCULPTED ORDERBOOK

- **Committed to purchase 77** aircraft in the PLB market
- **52** aircraft orders cancelled



EXPERIENCED MANAGEMENT AND OWNERSHIP

- **Experienced management team** successfully managed through multiple cycles
- **Bank of China** provides ongoing support

A resilient performance in a challenging environment

All data as at 31 December 2020 unless otherwise indicated

Notes:

1. Includes all commitments to purchase aircraft including those where an airline customer has the right to acquire the relevant aircraft on delivery
2. Weighted by net book value of owned fleet
3. Announced on 3 December 2020

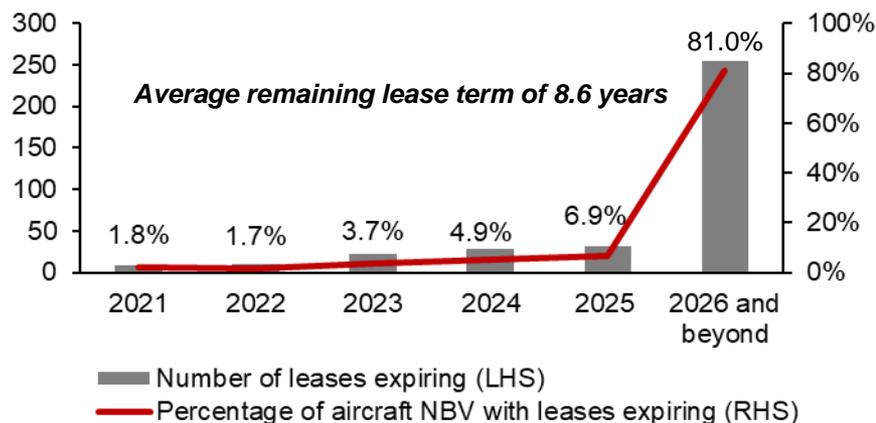


Proactive Strategy

New business generation in 2020

- Expansion of globally diverse customer base: added business in Asia, Europe and the Americas
- New capital expenditure committed is equivalent to approximately 40% of end-2019 aircraft net book value¹

Well-dispersed lease expiries²



Updated guidance

- FY2020E net profit after tax (“NPAT”) is expected to be 25% and 30% lower than FY2019 NPAT of US\$702 million, due to higher levels of provisions for doubtful debts and aircraft impairments
- Core leasing business continues to perform well

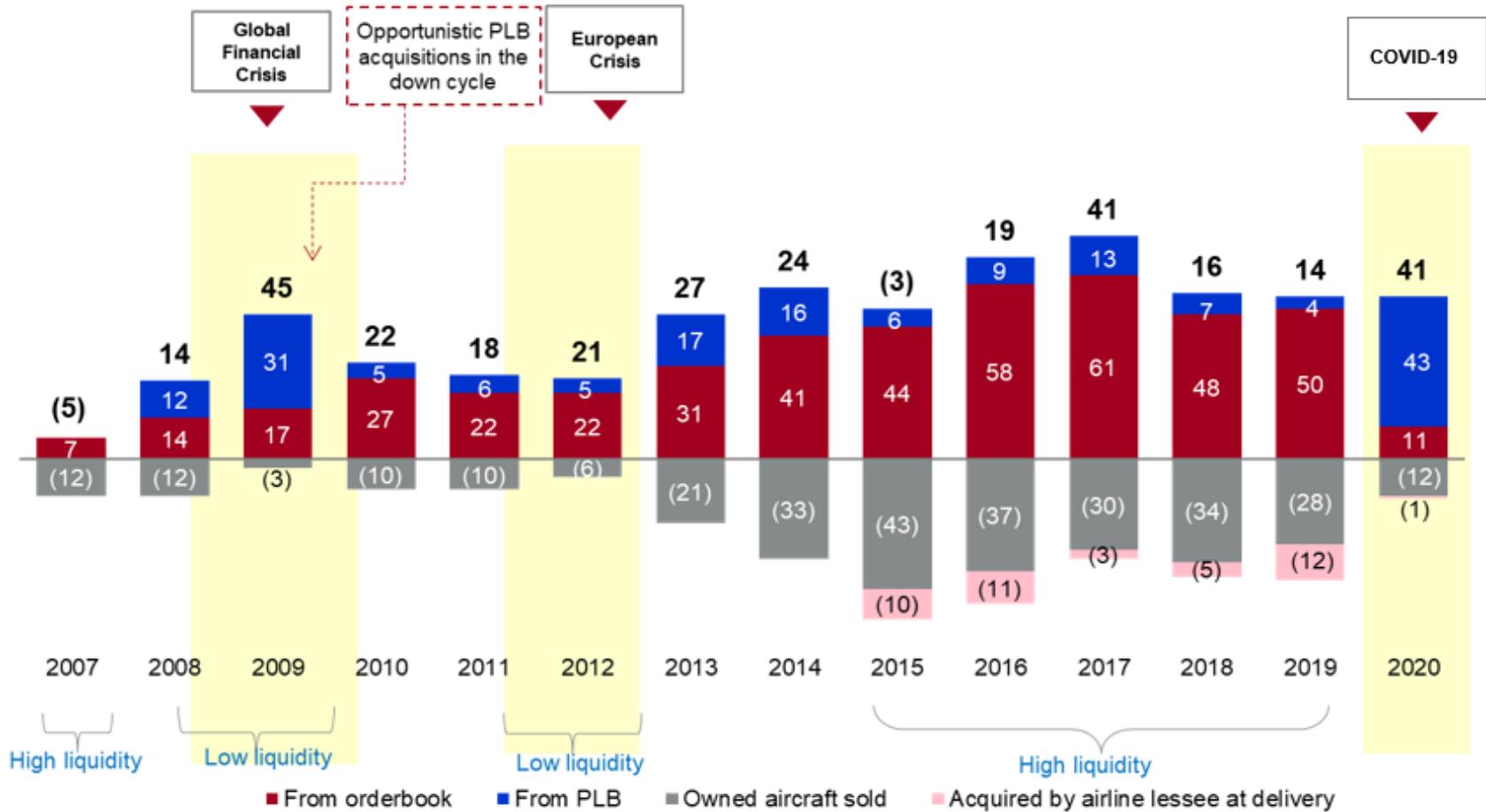
All data as at 31 December 2020 unless otherwise indicated

Notes:

1. As at 30 June 2020
2. Owned aircraft with lease expiring in each calendar year, weighted by net book value, excluding one aircraft off lease and including aircraft on leases classified as finance leases. The aircraft off lease has been committed for lease as at 31 December 2020

How We Invest

Number of aircraft delivered, purchased and sold



All data as the end of the relevant period

Popular and Fuel-Efficient Fleet

Our aircraft portfolio

Aircraft type	Owned aircraft	Managed aircraft	Aircraft on order ¹	Total
Airbus A320CEO family	112	15	0	127
Airbus A320NEO family	68	0	58	126
Airbus A330CEO family	12	3	0	15
Airbus A330NEO family	4	0	2	6
Airbus A350 family	9	0	0	9
Boeing 737NG family	80	15	0	95
Boeing 737 MAX family	24	0	70	94
Boeing 777-300ER	24	4	3	31
Boeing 777-300	0	1	0	1
Boeing 787 family	20	1	22	43
Freighters	5	1	0	6
Total	358	40	155	553

All data as at 31 December 2020

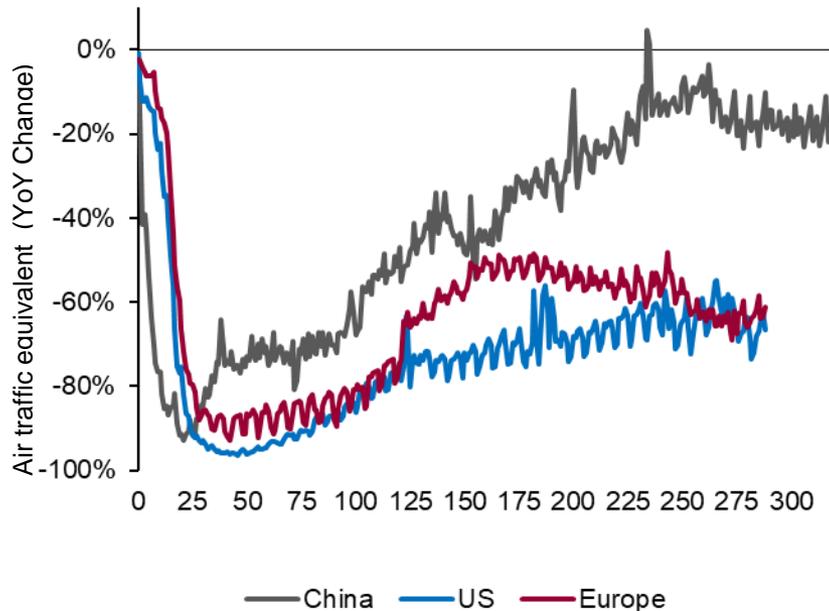
Note:

1. Includes all commitments to purchase aircraft including those where an airline customer has the right to acquire the relevant aircraft on delivery



Air Traffic Recovery

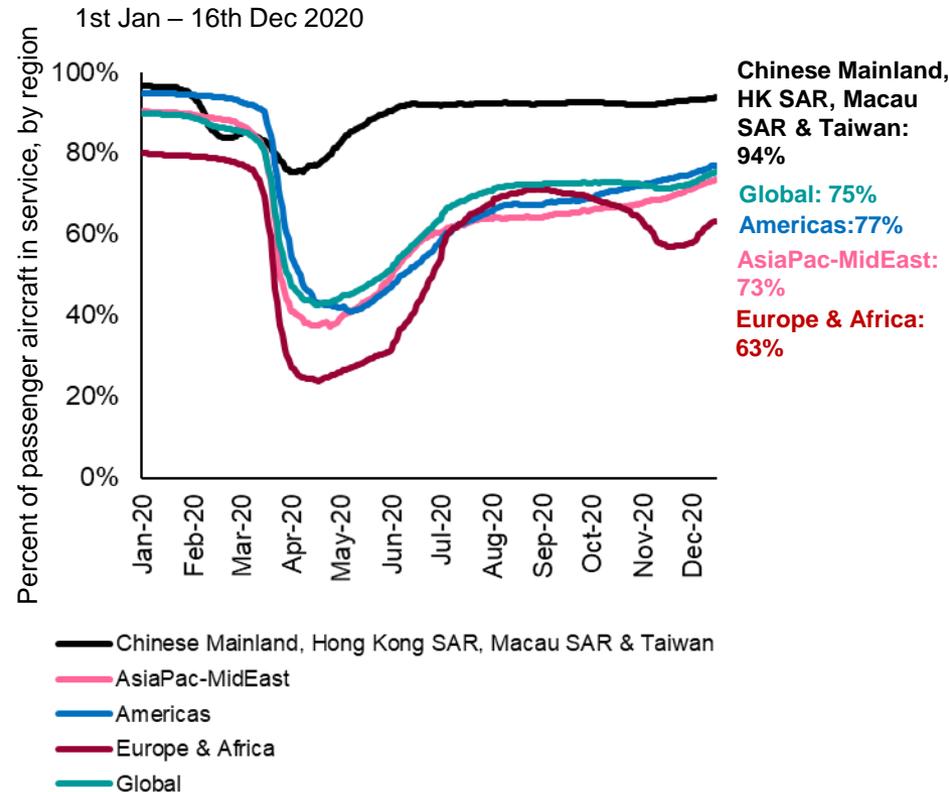
Passenger traffic is up from 2Q2020 lows



Day (Day 0 for each region: China 23-Jan-20, US & Europe 1-Mar-20)

Sources: China MoT (Air Pax YoY) TravelSky (Traffic YoY), TSA (Throughput YoY), Eurocontrol (Flights YoY)

...with China the template for expected global recovery



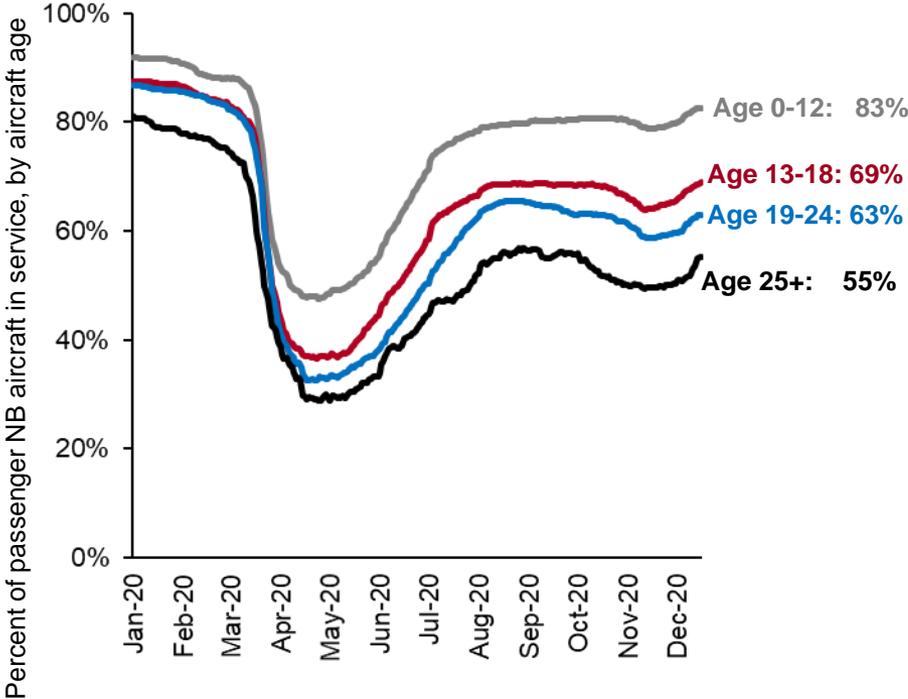
Notes: Includes 737, 747, 757, 767, 777, 787, A320, A330, A350 and A380 aircraft families
Source: Cirium fleet data, BOC Aviation analysis



Rising Utilisation Rates for Younger Narrowbody Aircraft

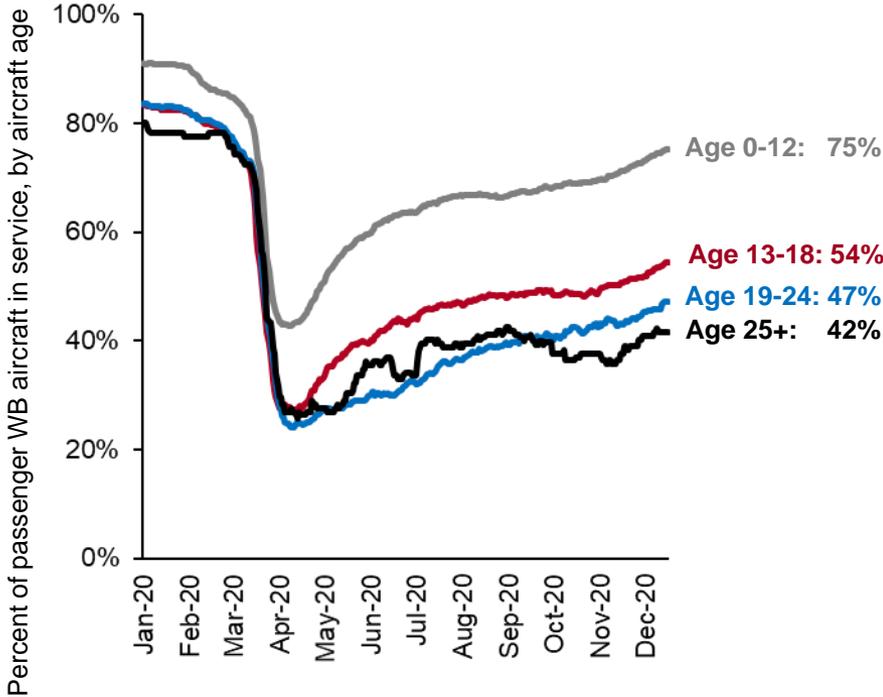
Narrowbodies

1st Jan – 16th Dec 2020



Widebodies

1st Jan – 16th Dec 2020



BOC Aviation fleet has an average age of 3.5 years and most aircraft less than 10 years old

Sources: Cirium fleet data, BOC Aviation analysis



Conclusion

- 1 Asset quality remains best in class
- 2 Proactive investment strategy focuses on in-demand aircraft
- 3 Resculpted orderbook: committed to purchase 77 aircraft in the PLB market and cancelled 52 aircraft orders
- 4 RCF from Bank of China increased from US\$2 billion to US\$3.5 billion and maturity extended to 2026, lifting total available liquidity to more than US\$5 billion at year end
- 5 Strong operating cashflows from 1H 2020 sustained into 2H 2020
- 6 Active support from Bank of China
- 7 Maintained strong credit ratings of A-, one of the highest in the industry

Successfully navigating our way through the COVID-19 environment

All data as at 31 December 2020 unless otherwise indicated

APPENDICES

BOC Aviation – Who Are We?

- **Largest** aircraft operating lessor based in Asia
- **Top 5** globally
- **Bank of China** owns 70%



**INDUSTRY LEADING
AIRCRAFT LESSOR**

- **15%** average ROE since 2007
- **A-** by S&P Global Ratings
- **A-** by Fitch Ratings

- **Consistently profitable** since inception in 1993
- **US\$4.7 billion** of cumulative profits since inception



**27TH YEAR
OF
PROFITABILITY**



**TOTAL ASSETS
OF US\$22.6
BILLION**

- **US\$17.3 billion** in aircraft net book value¹
- **553** aircraft²
- **155** aircraft on order³

Industry leader with best in class financial performance

All data as at 30 June 2020 unless otherwise indicated

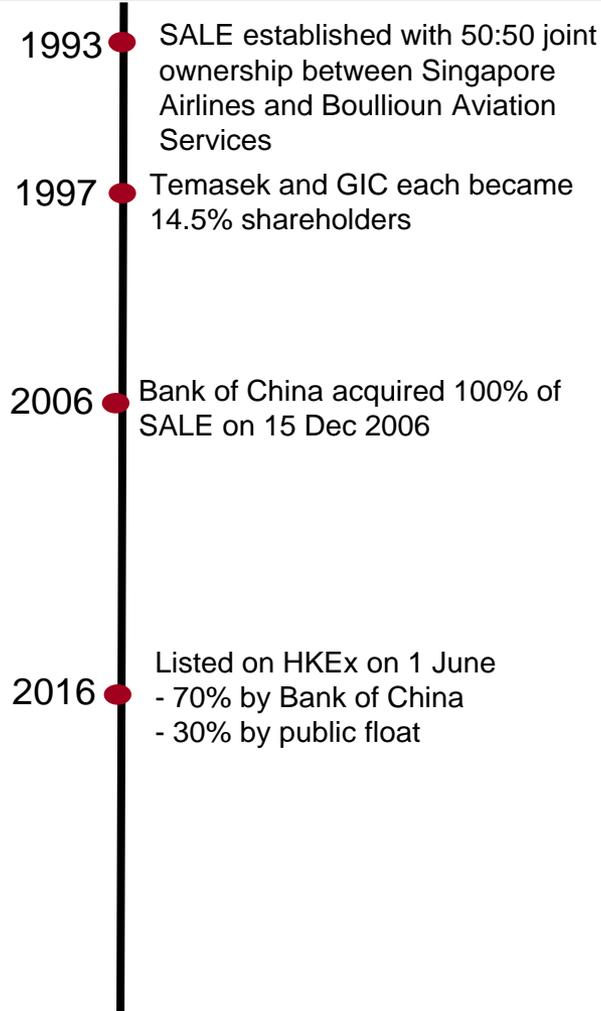
Notes:

1. Excludes aircraft on leases classified as finance leases
2. Includes owned, managed and aircraft on order as at 31 December 2020
3. Includes all commitments to purchase aircraft including those where an airline customer has the right to acquire the relevant aircraft on delivery as at 31 December 2020



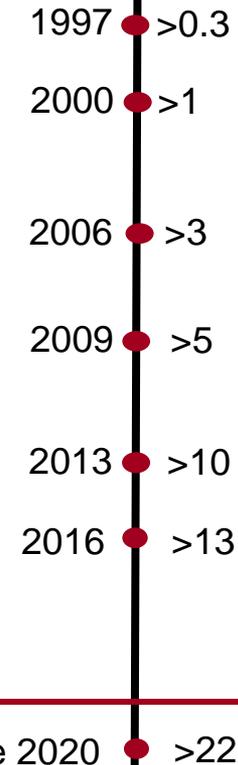
The BOC Aviation Journey

Ownership



Total assets

US\$ billion



All data as at the end of the relevant period



Globally Diverse Management Team



Robert Martin
Managing Director & Chief Executive Officer

Zhang Xiaolu
Vice-Chairman & Deputy Managing Director

Steven Townend
Deputy Managing Director & Chief Financial Officer

David Walton
Deputy Managing Director & Chief Operating Officer

Deng Lei
Chief Commercial Officer (Asia Pacific & the Middle East)

Paul Kent
Chief Commercial Officer (Europe, Americas, Africa)

- 33 years of banking and leasing experience
- Managing Director since July 1998

- 30 years of banking experience
- In charge of Risk Management, Market Research, Board Secretariat and Corporate Affairs departments

- 29 years of banking and leasing experience
- In charge of Finance, Treasury, Tax, Investor Relations and Settlement

- 34 years of legal, aviation finance and leasing experience
- In charge of Procurement, all operations and related departments

- 22 years of banking experience
- In charge of revenue activities for Asia Pacific and Middle East

- 25 years of aircraft finance and leasing experience
- In charge of revenue activities for Europe, Americas and Africa

Nationality



Years of experience

33

30

29

34

22

25

Highly experienced senior management team that has successfully led the Company through multiple cycles

All data as at January 2021



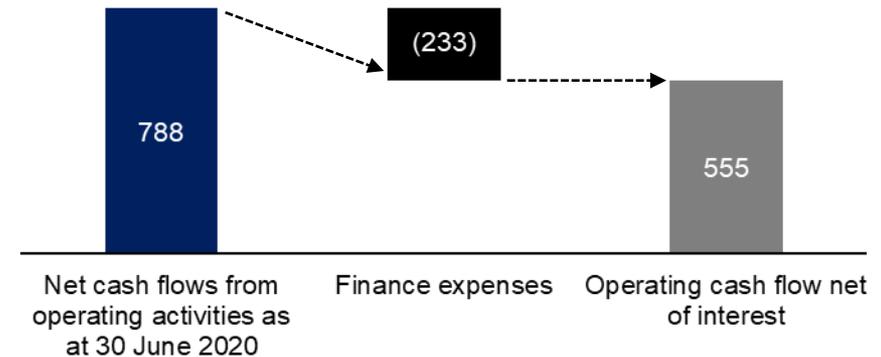
Robust Operating Cash Flow Net of Interest

Operating cash flow net of interest¹

- 1H 2020 operating cash flows net of interest remained robust despite challenging operating environment
- Down 12% compared with 1H 2019
- The incremental investment in 43 purchase-and-leaseback aircraft that delivered in 2020 will further enhance cash flows

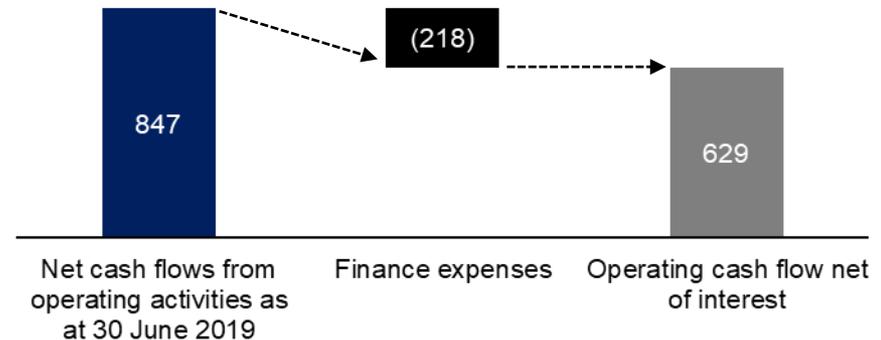
Operating cash flow net of interest¹ as at 30 June 2020

US\$ million



Operating cash flow net of interest¹ as at 30 June 2019

US\$ million



Operating cash flow net of interest is significantly positive

All data as at 30 June 2020 unless otherwise indicated

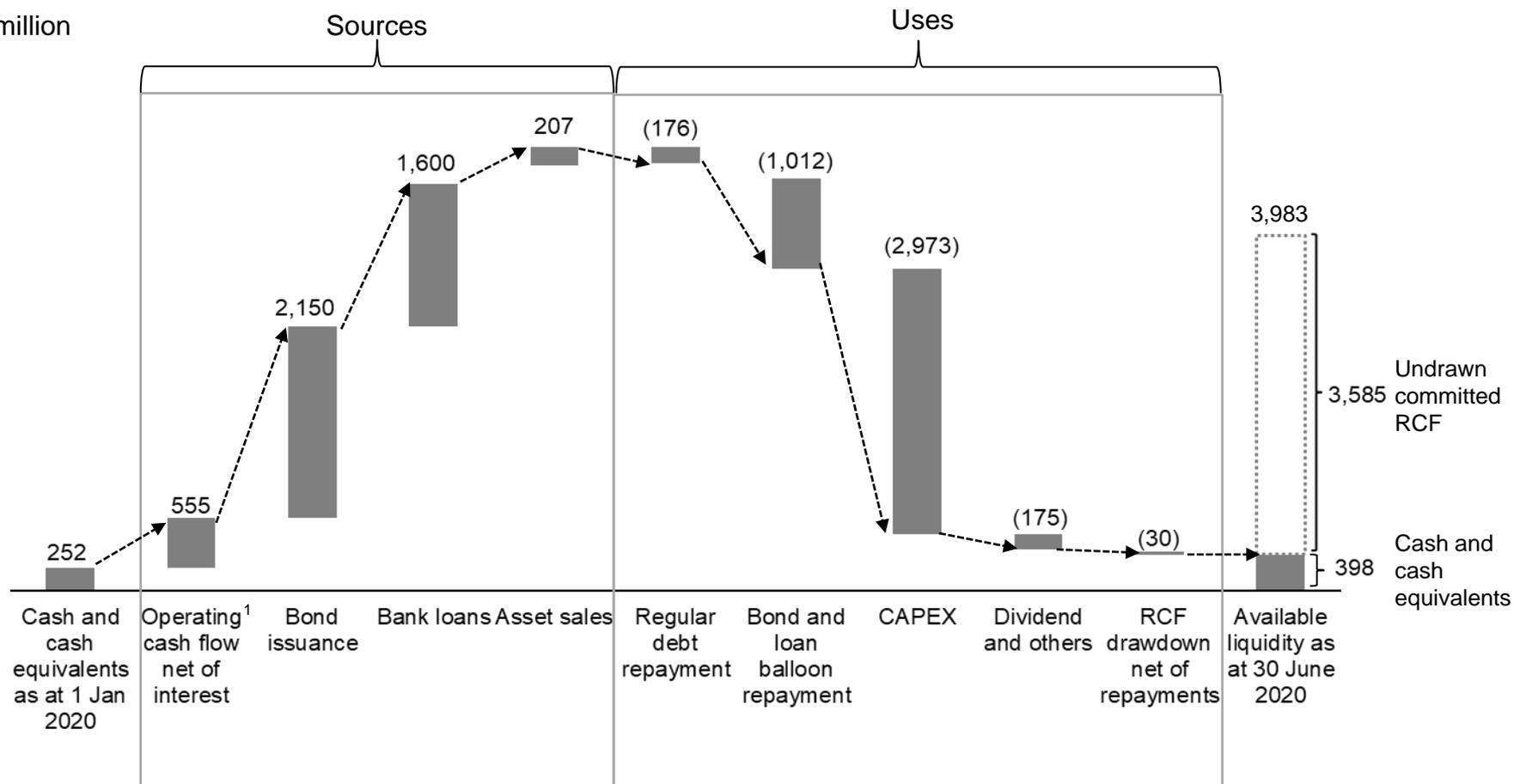
Note:

1. Calculated as net cash flows from operating activities less finance expenses

Diverse Funding Channels Utilised in First Half

Sources and Uses of Cash

US\$ million



Debt funding markets were supportive of our investment activities in 1H 2020

All data as at 30 June 2020

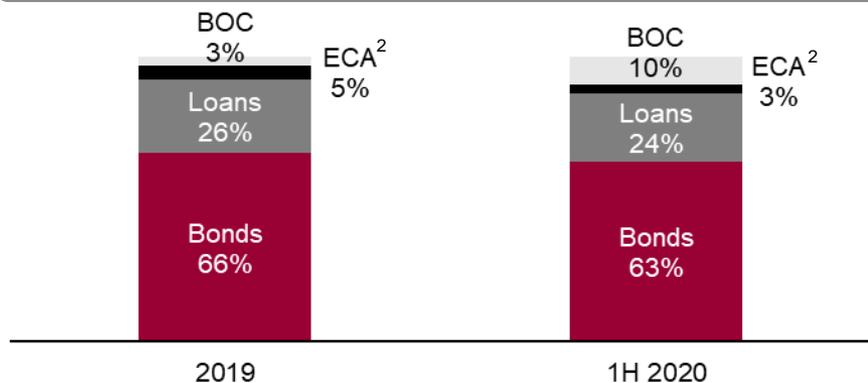
Note:

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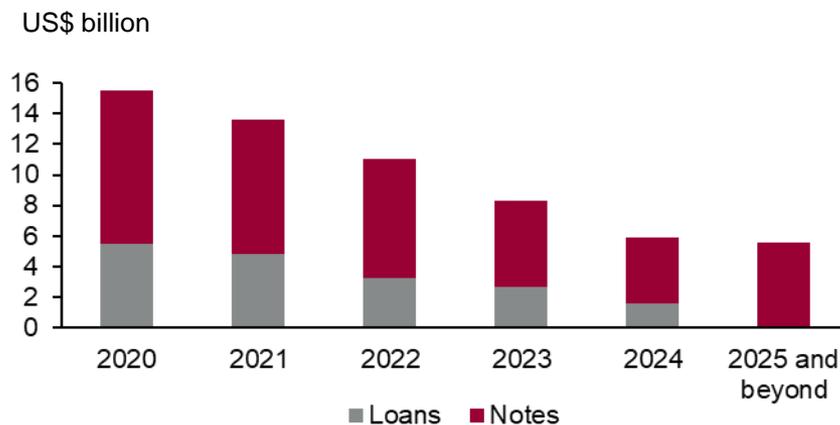


Flexible Capital Structure and Ample Backstop Liquidity

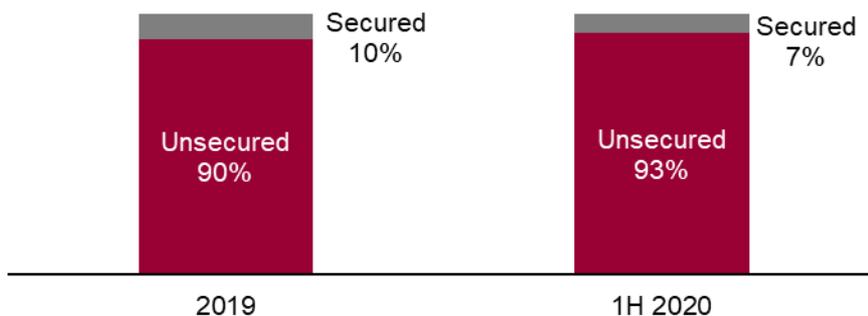
Sources of debt¹



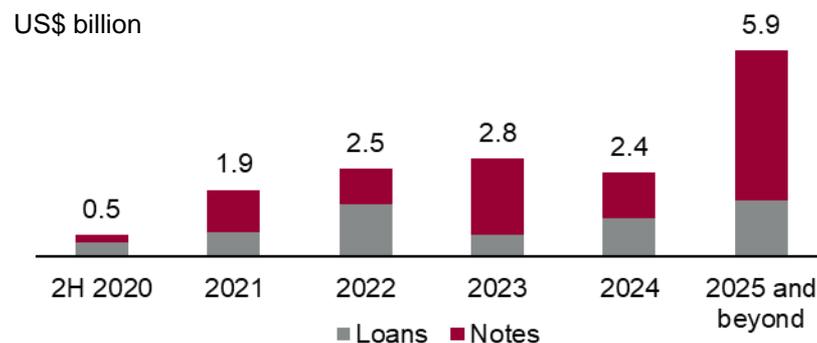
Outstanding debt amortises over a long term



Increasing unsecured funding



Debt repayment by year



Total liquidity in excess of US\$5 billion as at 31 December 2020

All data as at 30 June 2020 unless otherwise indicated

Notes:

1. Drawn debt only
2. ECA refers to debt guaranteed by the export credit agencies of France, Germany, the United Kingdom or the United States

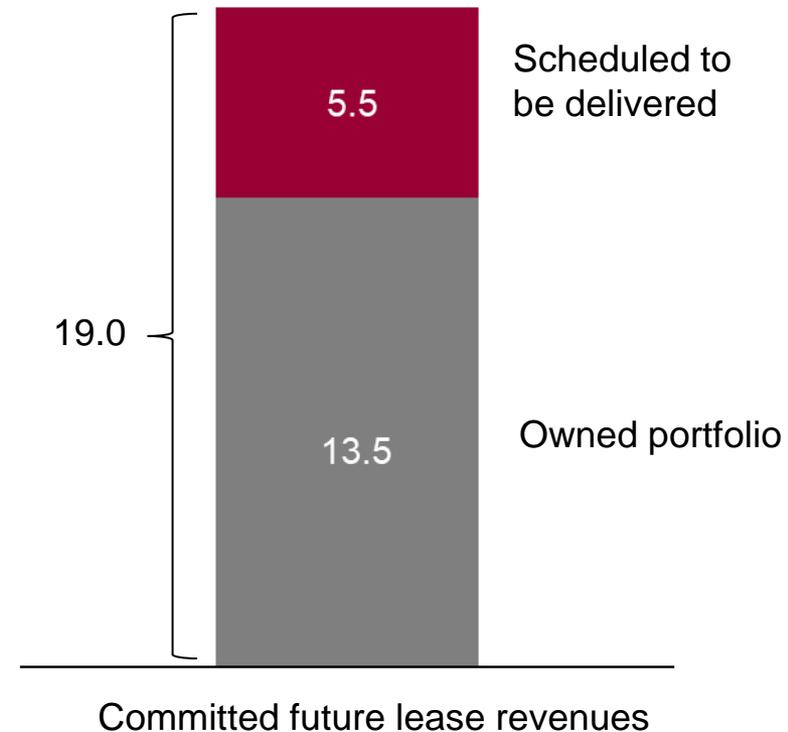
New Investments Drive Growing Committed Lease Revenues

Resculed orderbook to match demand¹

- Committed to purchase 97 aircraft
 - 87 placed on long-term leases
- Delivered 54 aircraft in 2020
- Resculed orderbook, including cancellation of 52 aircraft on order
- Placed all aircraft scheduled for delivery prior to 2023

Committed future lease revenues of US\$19 billion

US\$ billion



De-risking orders scheduled for delivery in 2021 and 2022

All data as at 30 June 2020 unless otherwise indicated

Note:

1. As at 31 December 2020



www.bocaviation.com