



BOC Aviation Investor Presentation

APRIL 2025

Latest Developments



STRONG ASSET QUALITY

- 829 aircraft and engines owned, managed and on order
- 5.1 years average fleet age; 7.9 years average remaining lease term¹
- 100% aircraft utilisation rate



PROACTIVE INVESTMENT STRATEGY

- In 1Q 2025:
 - Delivered 11 new aircraft
 - Signed 16 lease commitments
 - Sold four owned aircraft and one engine
 - Committed to acquire 125 aircraft
- Closed 31 March 2025 with a record order book of 346 aircraft
- Placed five Airbus A321NEO aircraft with Thai Airways



ROBUST LIQUIDITY

- Total liquidity of US\$6.5 billion²
- Issued US\$500 million of 3Y bonds in Jan 2025 at 4.750%
- US\$1.5 billion club loan at attractive margin over SOFR
- Well positioned to support future investment



STRONG CREDIT RATINGS

- A- by S&P Global Ratings
- A- by Fitch Ratings, outlook raised to stable from negative



EXPERIENCED MANAGEMENT AND OWNERSHIP

- Experienced management team successfully managed through multiple cycles
- New CFO (Ms Wen Lan) appointed
- Bank of China provides ongoing support

Long-term sustainable growth

All data as at 31 March 2025 unless otherwise indicated

Notes:

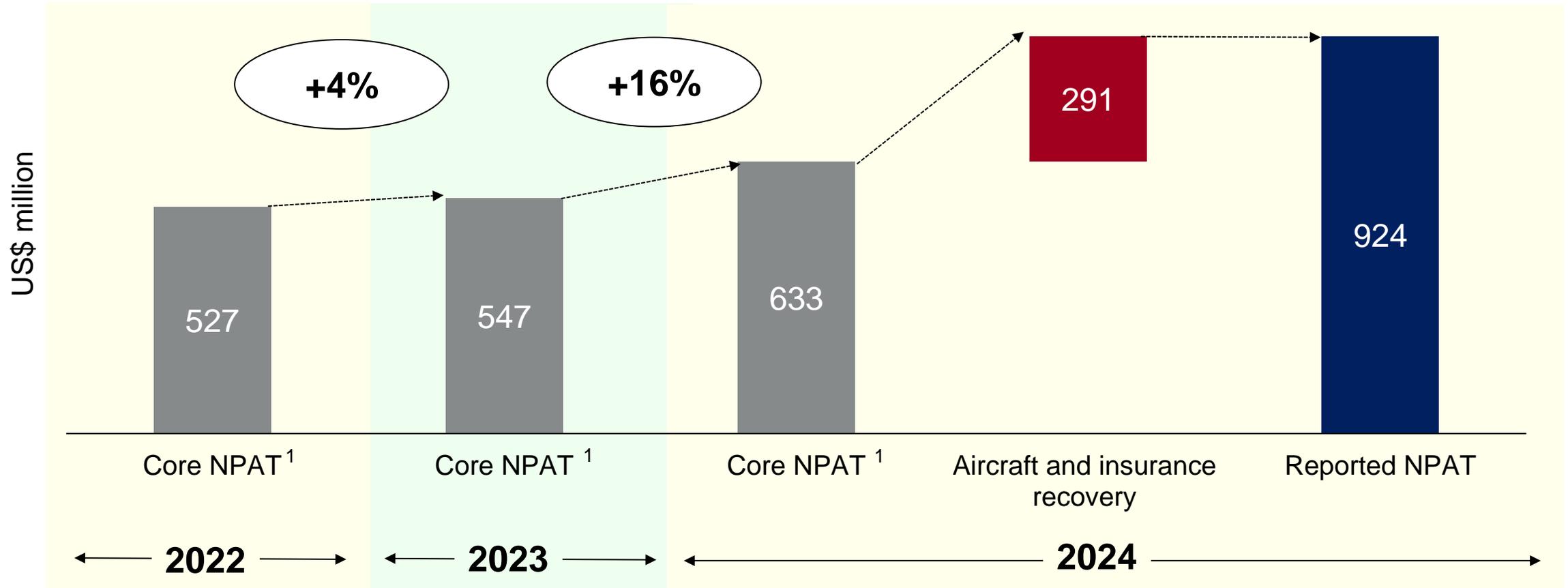
1. Weighted by net book value and finance lease receivables
2. As at 31 December 2024

Reaching New Highs

	2024 US\$ million	2023 US\$ million	Change
Total revenues and other income	2,557	2,461	 4%
Profit before tax	1,039	861	 21%
Net profit after tax	924	764	 21%
Earnings per share (US\$)	1.33	1.10	 21%

Substantial improvement in key metrics

Consistent Improvement in Core Business



Record performance reflects underlying business growth and success in Russia-related recoveries

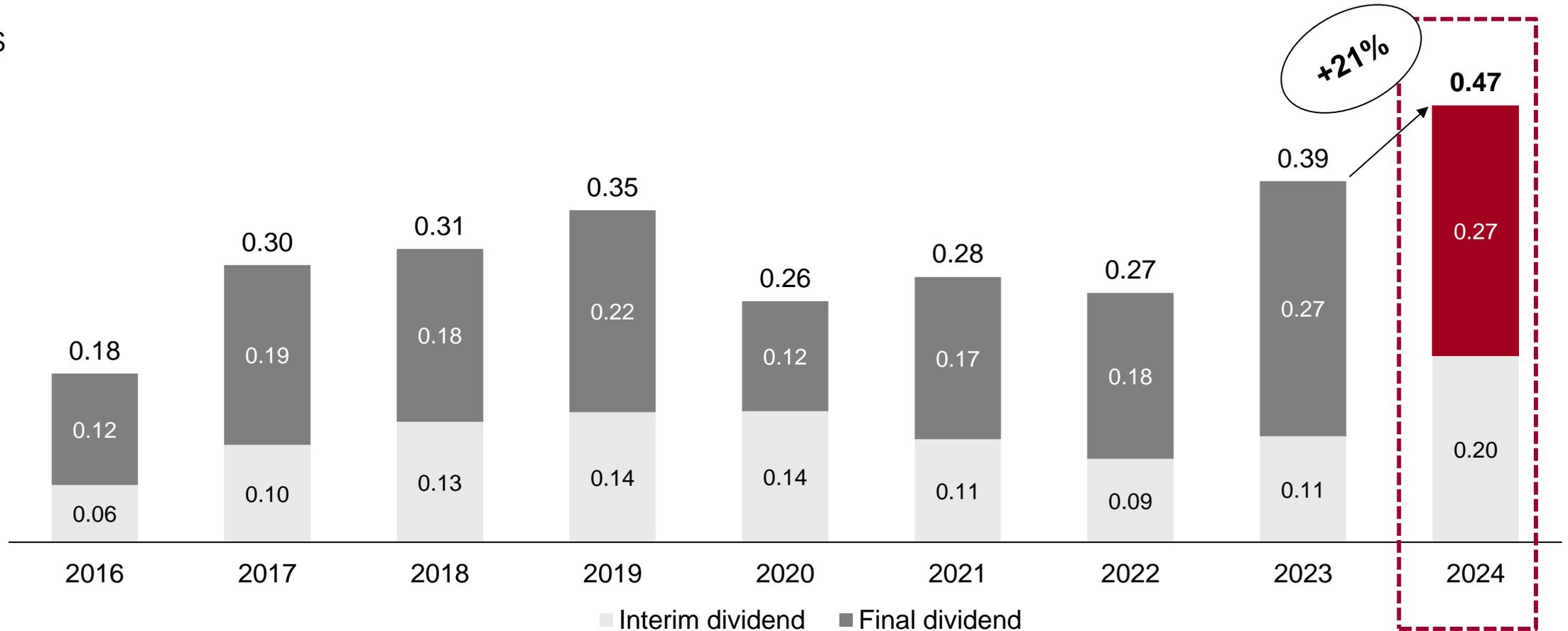


Note:

1. Excludes the net impact of write-downs related to aircraft in Russia.

Record High Annual Dividends

US\$



Total dividend per share of US\$0.4658 in 2024

May not sum to total due to rounding



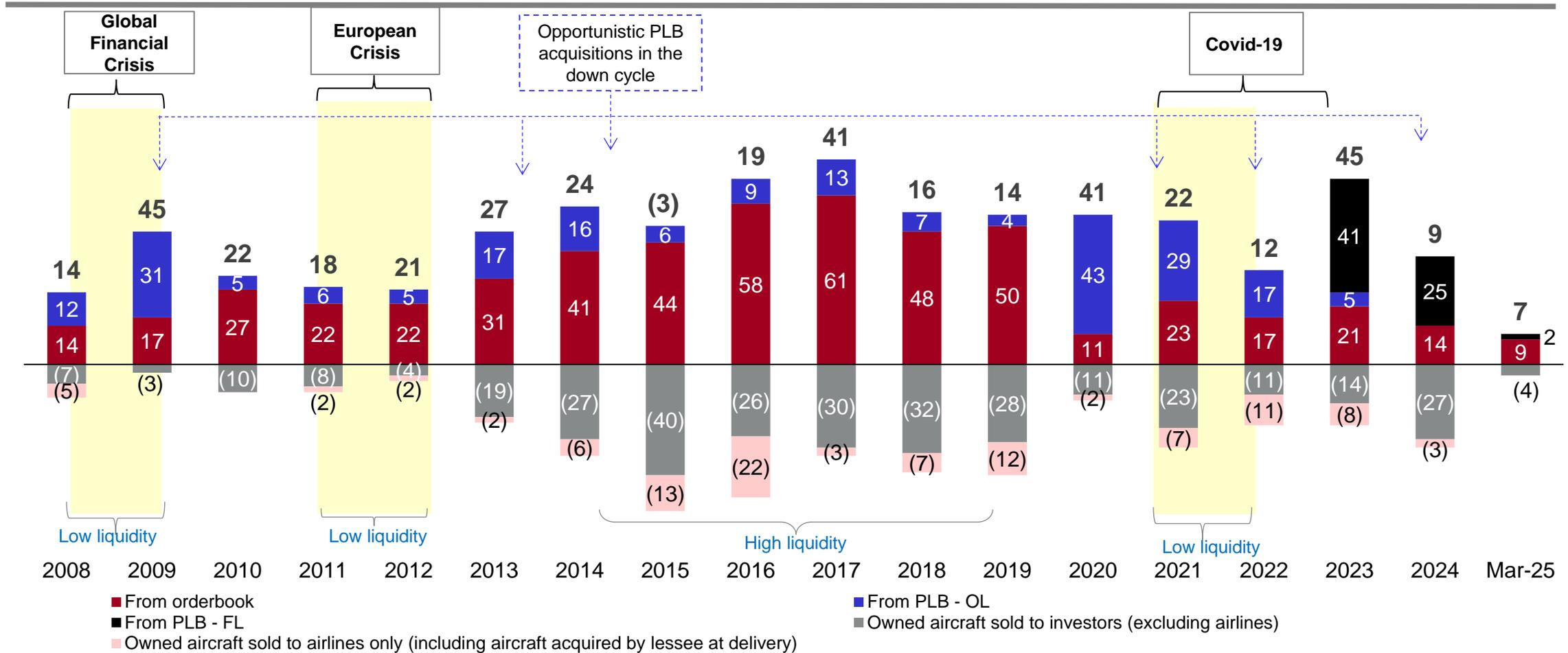
Strong Balance Sheet and Liquidity

	2024	2023	Change
Total assets (US\$ billion)	25.1	24.2	 4%
Total liquidity (US\$ billion)	6.5	5.6	 16%
Total equity (US\$ billion)	6.4	5.7	 11%
Net assets per share (US\$)	9.17	8.28	 11%
Gross debt to equity (times)	2.6	2.9	 0.3x

Total assets exceeded US\$25 billion for the first time in the Company's history

How We Invest

Number of aircraft delivered, purchased and sold



Investing throughout the cycle

Total Portfolio Exceeded 800 Aircraft and Engines

Our portfolio

Asset Type	Owned	Managed	On Order ¹	Total
Airbus A220 family	23	0	0	23
Airbus A320CEO family	64	13	0	77
Airbus A320NEO family	142	0	197	339
Airbus A330CEO family	8	1	0	9
Airbus A330NEO family	6	0	0	6
Airbus A350 family	9	0	0	9
Boeing 737NG family	57	13	0	70
Boeing 737-8/9	78	0	142	220
Boeing 777-300ER	22	3	0	25
Boeing 787 family	28	1	7	36
Freighters	5	1	0	6
Engines	9	0	0	9
Grand total	451	32	346	829

80% of existing fleet is latest technology aircraft²

All data as at 31 March 2025 unless otherwise indicated

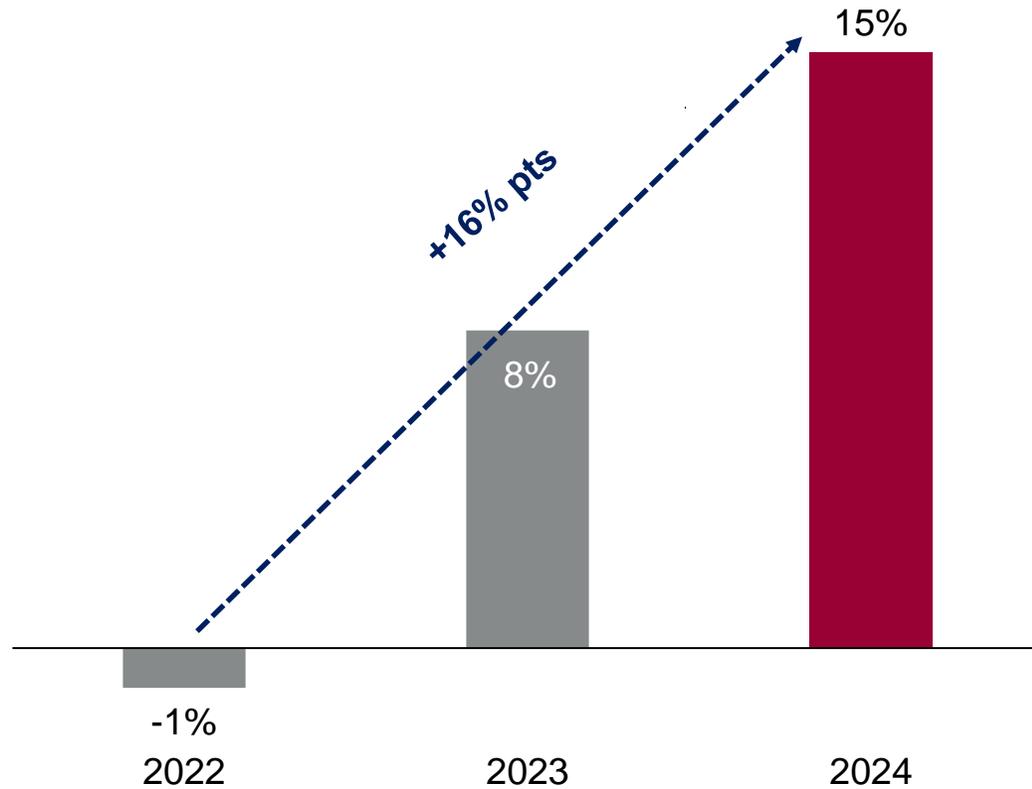
Notes:

1. Comprises all purchase commitments including 10 where an airline customer has exercised the right to acquire the aircraft on delivery
2. Based on net book value and finance lease receivables as at 31 December 2024

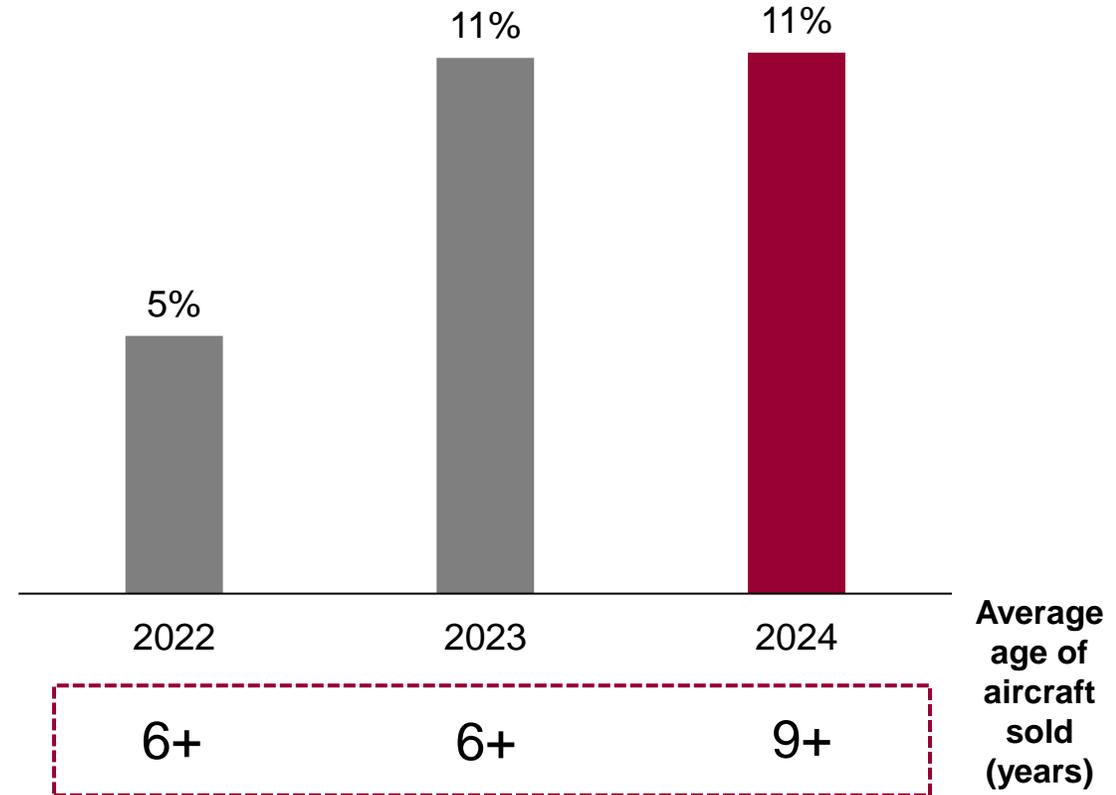


Higher Gains on Aircraft Sales Deliver Additional Business Value

Average appraised values > aircraft NBV



Gains on aircraft sales margin



Gains on sale are above long-run average of 9%

Passenger Load Factor a New High in February

Passenger traffic¹

+3%

Capacity²

+2%

Passenger load factor³

81%

Rising aircraft utilisation driven by aircraft shortages

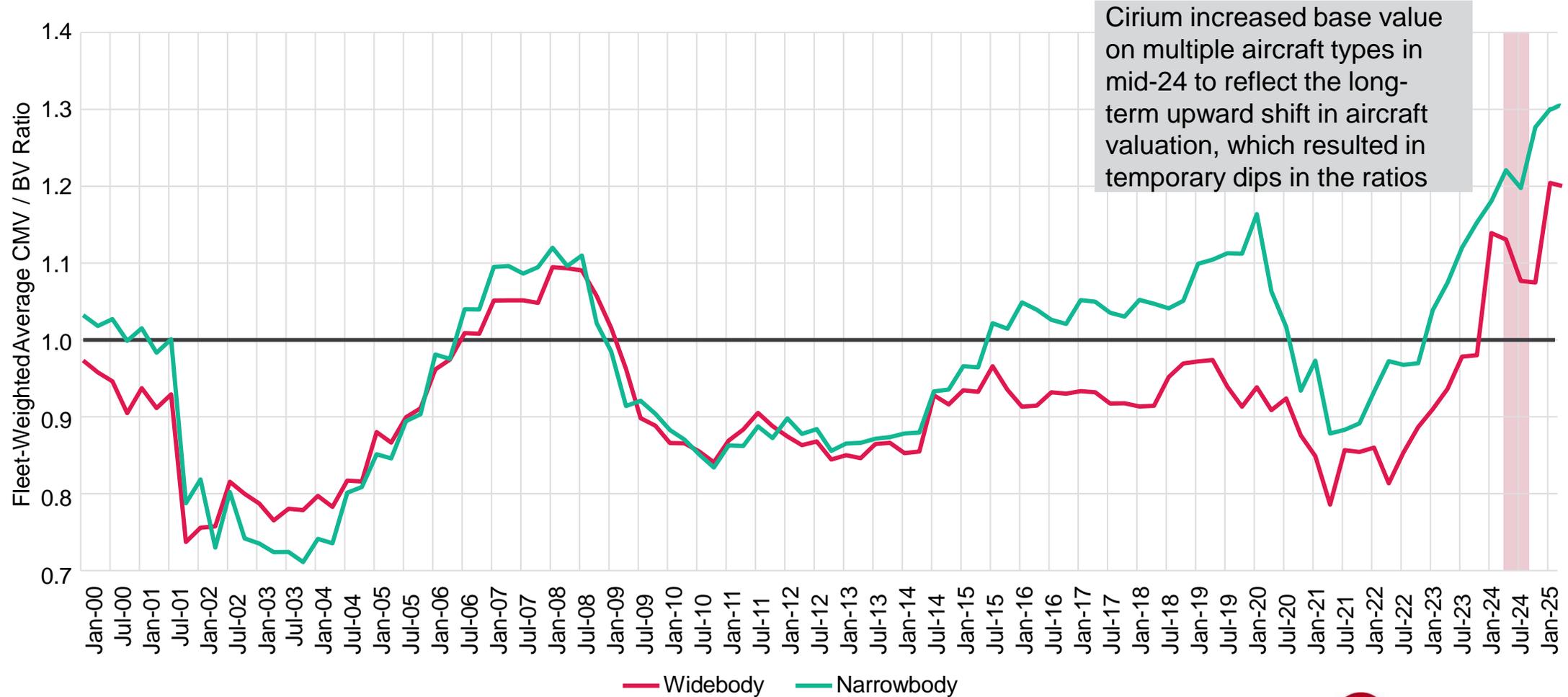
Source: IATA, Air passenger market in detail – February 2025

Notes

1. Revenue Passenger-Kilometers (RPK) YoY growth in February 2025
2. Available Seat-Kilometers (ASK) YoY growth in February 2025
3. Passenger load factor as at 28 February 2025

Rising High Aircraft Valuations

As aircraft shortage continues to intensify, ratios for both narrowbodies and widebodies reached have unprecedented levels, and that occurred despite significant increase in BV around mid-2024 artificially pushing down the ratios



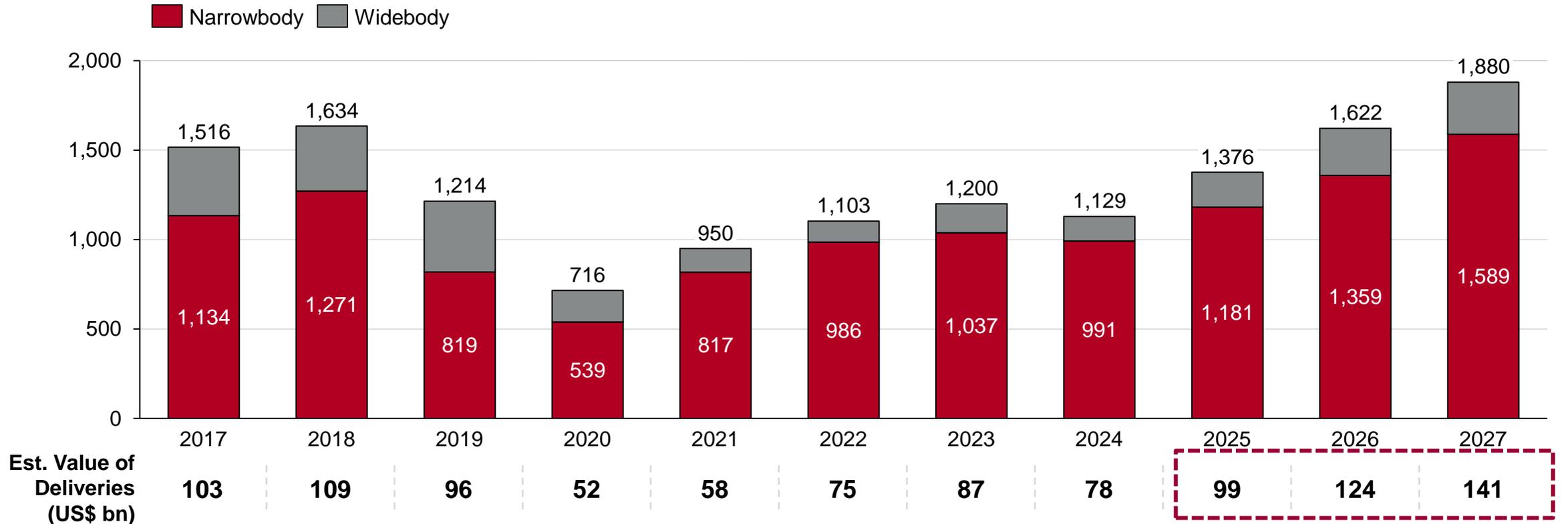
Cirium increased base value on multiple aircraft types in mid-24 to reflect the long-term upward shift in aircraft valuation, which resulted in temporary dips in the ratios

Source: BOC Aviation analysis, Cirium Ascent Consultancy data as at February 2025

Industry Will Need to Fund Around US\$100 Billion of Aircraft in 2025

Passenger aircraft deliveries

Passenger aircraft >100 seats^{1,2}



Delivery values expected at near record levels in 2025

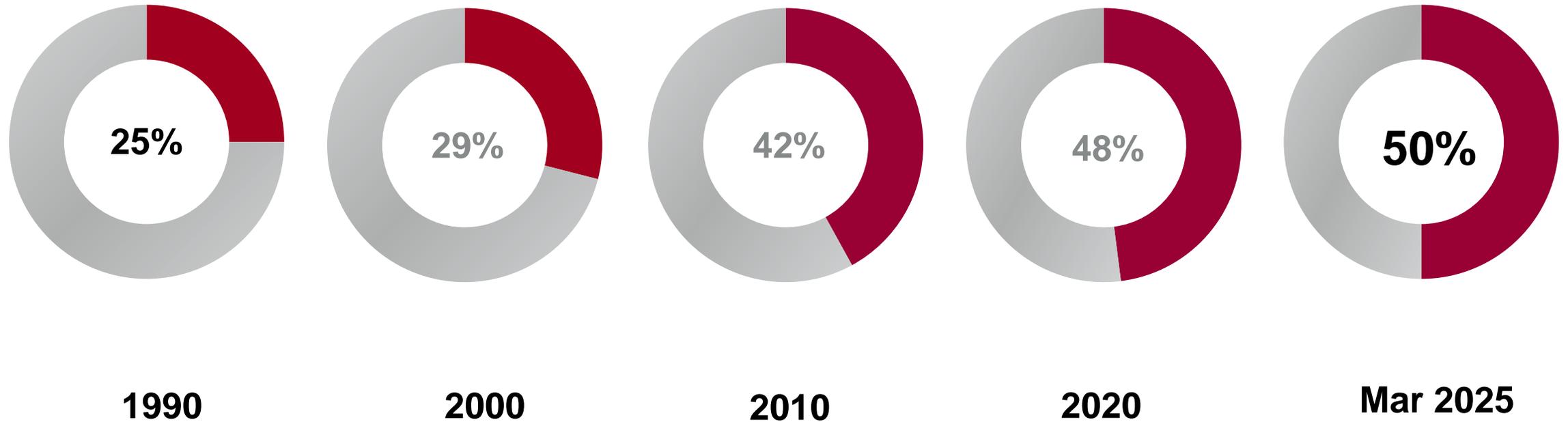
Sources: BOC Aviation analysis, Cirium fleet data, Forecast as at 27th Feb 2025, based on guidance published by OEMs

Notes:

1. Defined as widebody, narrowbody and large regional jets
2. Narrowbody deliveries include C919 from year 2022 onwards.

Growing Lessors' Share of the Market

Proportion of fleet on operating lease



Lessors own 50% of the aircraft market today

Source: Ascend, BOC Aviation's analysis as at 31 March 2025 based on aircraft of 100 seats. Fleet data in 2020 included aircraft in service and aircraft additionally parked from end 2019 due to Covid fleet grounding

Conclusion

US\$924m

Record 2024
NPAT¹ & dividend

81%

Record aircraft
utilisation in Feb

>20% YoY

Rising aircraft
values²

US\$100bn

Market growth
expected in 2025

US\$2.6bn

Record aircraft
value premium³

Building capex pipeline will unlock the path to growth

Sources: BOC Aviation, Cirium fleet data, IATA

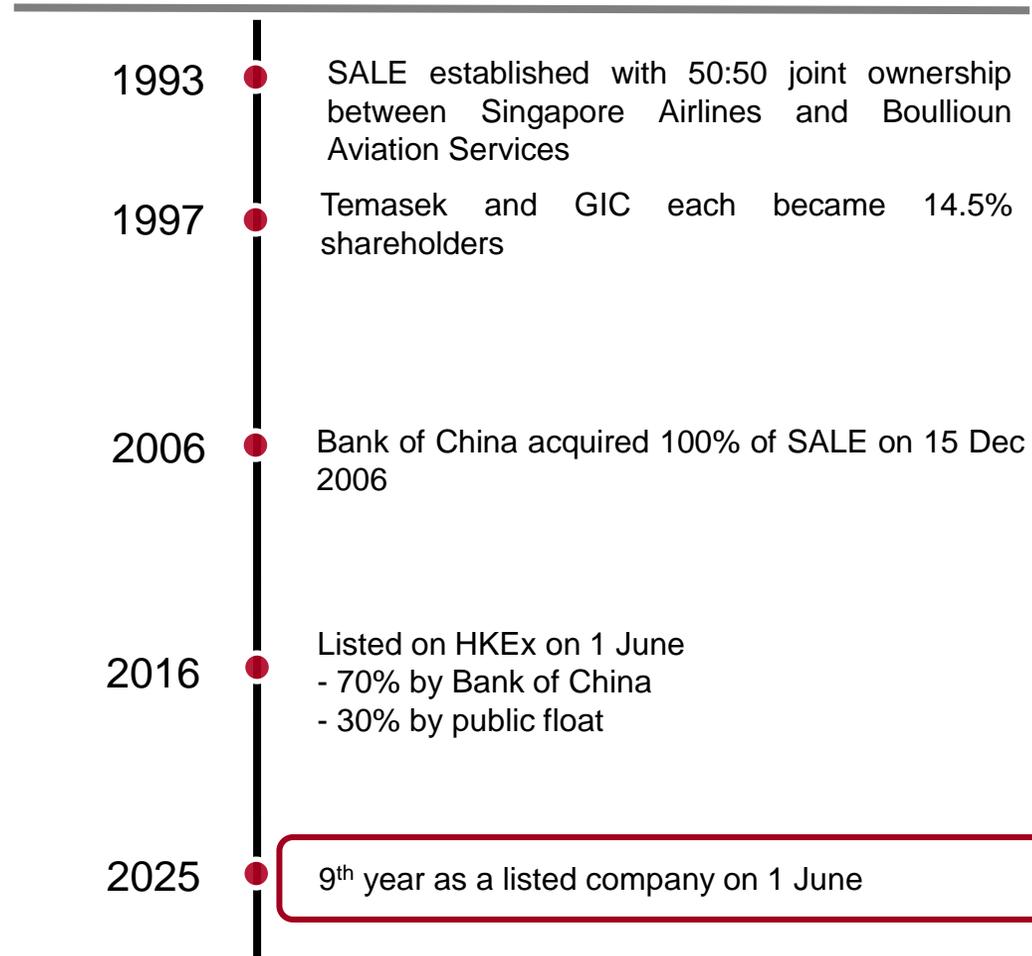
Notes:

1. Including Russia-related recoveries
2. Compared to base values
3. Average appraised aircraft values over aircraft net book value

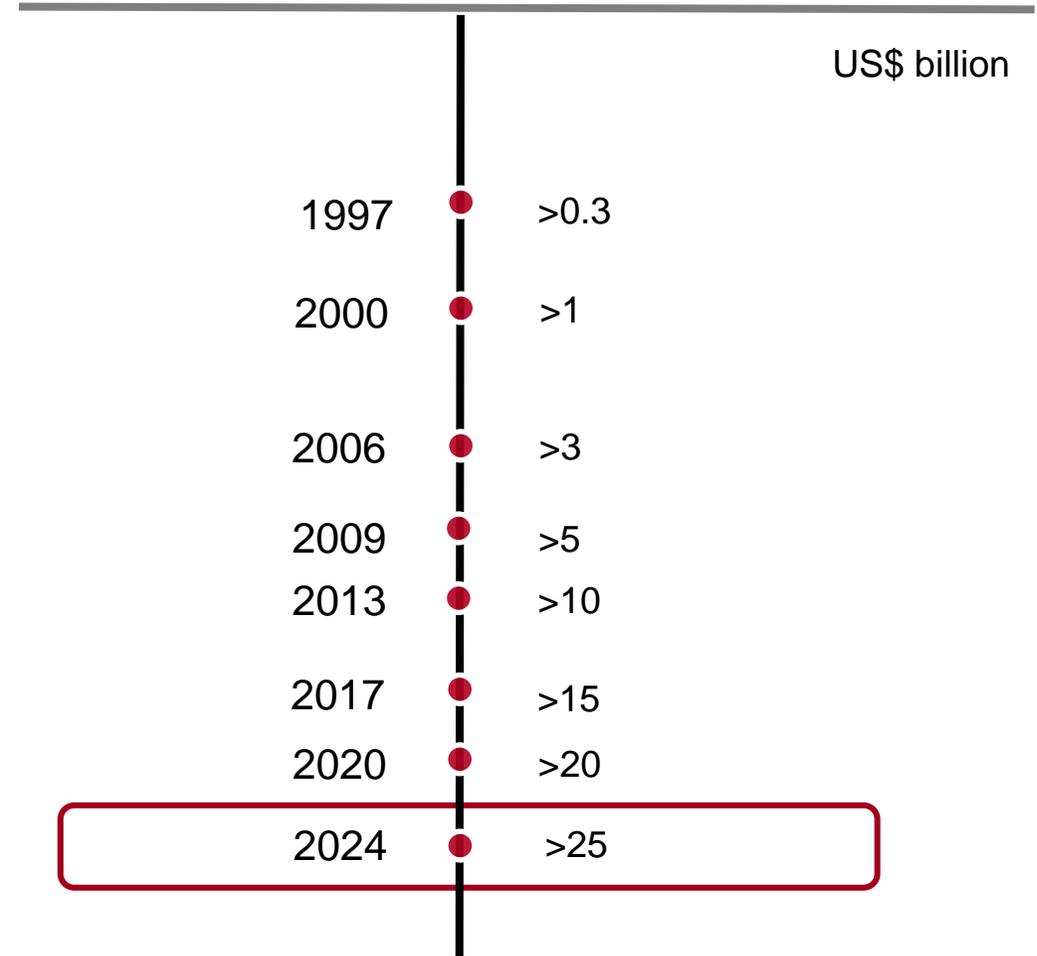
APPENDICES

The BOC Aviation Journey

Ownership



Total assets



Market capitalisation of US\$5.4 billion¹

All data as at the end of the relevant period

Note:

1. Source: Bloomberg (as at 31 March 2025)



About Us

Ownership

Bank of China

70% owned by BOC

Listed on HKEX

(2588 HK)

Market position

Top 5

Global aircraft operating lessor¹

93 customers in **48** countries and regions³

Profit track record

31 years

Of unbroken profitability

>US\$7.1 billion

Cumulative profits since inception

Balance sheet

US\$25.1 billion

Total assets

D/E ratio of 2.6 times

Cash flow

US\$6.5 billion

Available liquidity

A- credit ratings

Fitch / S&P

Total portfolio

829

Aircraft and engines in fleet²

346 / 5.1 years / 7.9 years

Aircraft on order/ Average fleet age⁴ / Average lease term remaining⁴

Industry leader focused on long-term sustainable earnings

All data as at 31 December 2024 unless otherwise indicated

Notes:

1. By net book value of owned aircraft
2. Includes owned, managed and on order as at 31 March 2025
3. As at 31 March 2025
4. Weighted by net book value of aircraft and finance lease receivables as at 31 March 2025



Our Management Team



Steven Townend
*Chief Executive Officer
& Managing Director*

Wen Lan
*Chief Financial
Officer*

Tom Chandler
*Chief Operating
Officer*

Paul Kent
*Chief Commercial
Officer*

Max Qian
*Chief Commercial
Officer (Asia Pacific &
the Middle East)*

- 34 years of banking and leasing experience
- Appointed as a Director and Chief Executive Officer and Managing Director on 1 January 2024

- 26 years of banking experience
- Oversees FP&A, Financial Control, Accounting and Reporting, Tax, Treasury, Settlement and Board Secretariat departments

- 28 years of airline, legal and banking experience
- Oversees Procurement, Technical, Engines, all operations and related departments

- 29 years of aircraft finance and leasing experience
- Oversees global leasing activities

- 32 years of banking experience
- Oversees Aircraft Sales, Risk Management, Market Research and Financial Products departments

Highly experienced senior management team

Core Competencies - BOC Aviation track record

Since inception in 1993:

- Purchasing More than 1,200 aircraft purchased totalling more than US\$70 billion
- Leasing More than 1,400 leases executed with > 190 airlines in > 60 countries and regions
- Financing¹ More than US\$46 billion in debt raised

- Sales 470 owned and managed aircraft sold
- Transitions 157 transitions
- Repossessions² 70 aircraft in 21 jurisdictions

The outcome:

- Total number of aircraft delivered **937**
- Proportion of aircraft sold³ **50%**
- Proportion of transitions⁴ **11%**
- Proportion of repossessions⁴ **5%**

All data as at 31 March 2025, since inception unless otherwise indicated

Notes:

1. As at 31 December 2024
2. Includes repossessions and consensual early returns
3. As a proportion of aircraft delivered
4. As a proportion of leases executed

Recent Lessor Bond Deals

Issuer	Pricing Date	Tenor (years)	Amt Issued (US\$ million)	Coupon (%)	Yield (%)	T-Spread at Issue (bps)
BOC Aviation USA Corp	7/1/2025	3	500	4.750	4.914	60
Aercap	6/1/2025	3	750	4.875	5.061	75
BOC Aviation USA Corp	7/5/2024	5.5	500	5.250	5.323	87.5
Aercap	6/1/2025	7	750	5.375	5.497	98
SMBC	24/3/2025	5	500	5.100	5.123	103
BOC Aviation USA Corp	27/8/2024	7	500	4.625	4.808	105
Aircastle	28/1/2025	10	500	5.383	5.383	105
Aircastle	28/1/2025	5	500	5.250	5.435	108
Aercap Sukuk	26/9/2024	5	500	4.500	4.650	110
Aercap	3/9/2024	5	1,300	4.625	4.758	110
Macquarie AirFinance	24/3/2025	3	650	5.200	5.215	120
Air Lease Corp	17/6/2024	7	600	5.200	5.289	122
Aercap	3/9/2024	10	1,100	4.950	5.152	130
Macquarie AirFinance	10/9/2024	5.5	500	5.150	5.154	172

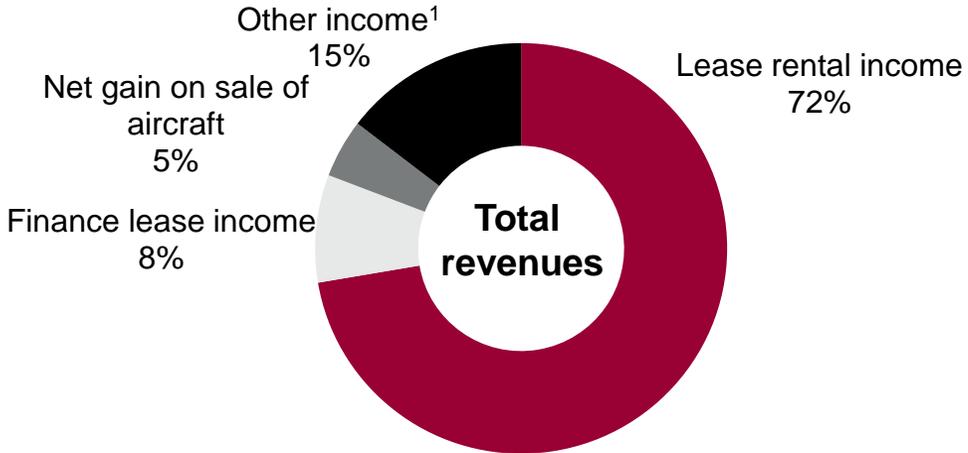
Strength in our cost of debt

Sources: Bloomberg and BOC Aviation's estimates

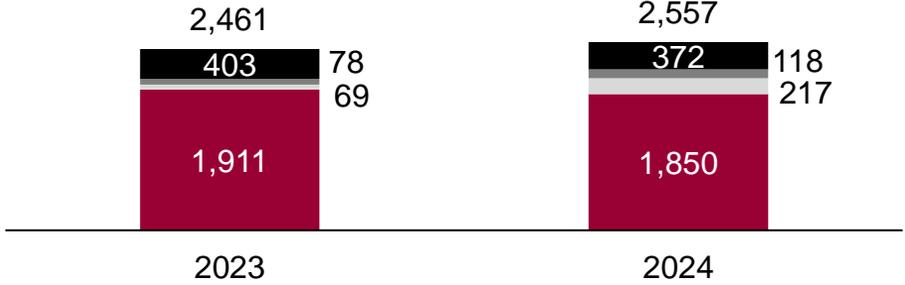


Lease Rental Income Continues to Drive Revenue

Lease rental income drives total revenues and other income

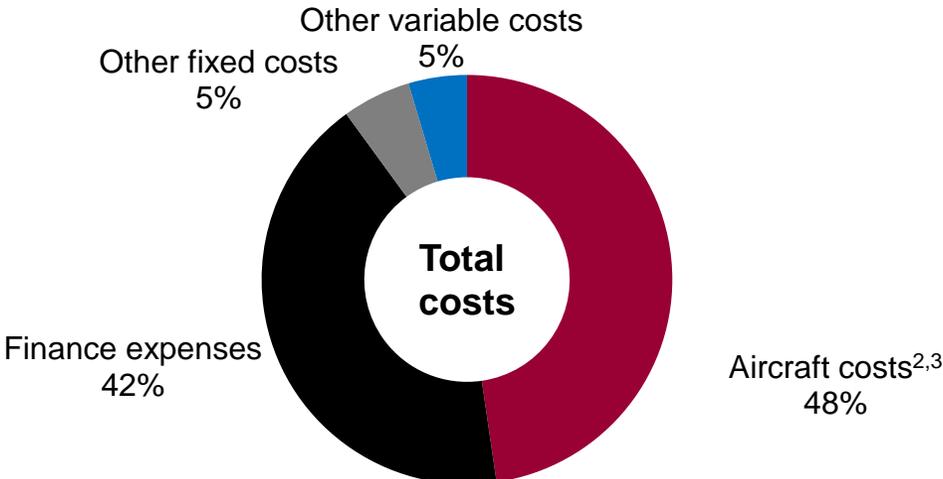


US\$ million

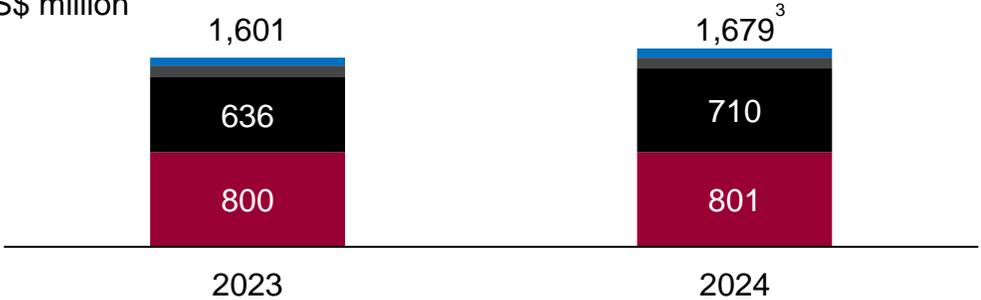


■ Lease rental income
 ■ Finance lease income
 ■ Net gain on sale of aircraft
 ■ Other income¹

Depreciation of aircraft and financing costs are key costs



US\$ million



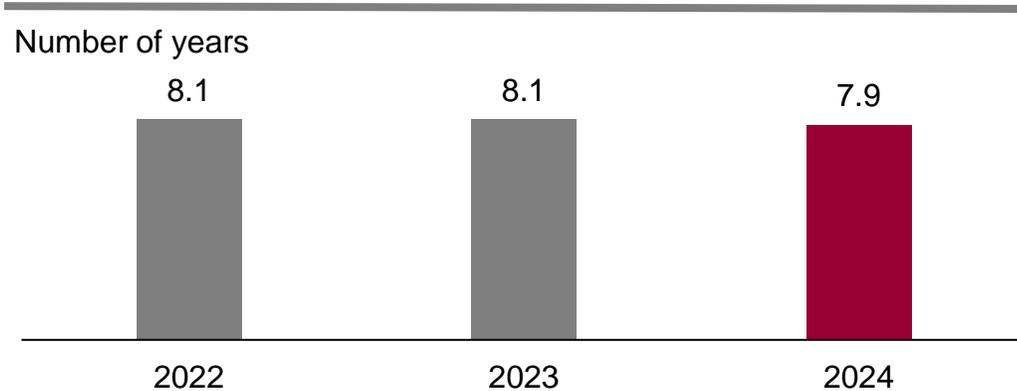
■ Aircraft costs²
 ■ Finance expenses
 ■ Other fixed costs
 ■ Other variable costs

Notes:
 1. Includes insurance recoveries in respect of aircraft in Russia and other interest and fee income
 2. Comprises aircraft depreciation and impairment charges
 3. Excludes the write back of impairment for two aircraft recovered from Russia

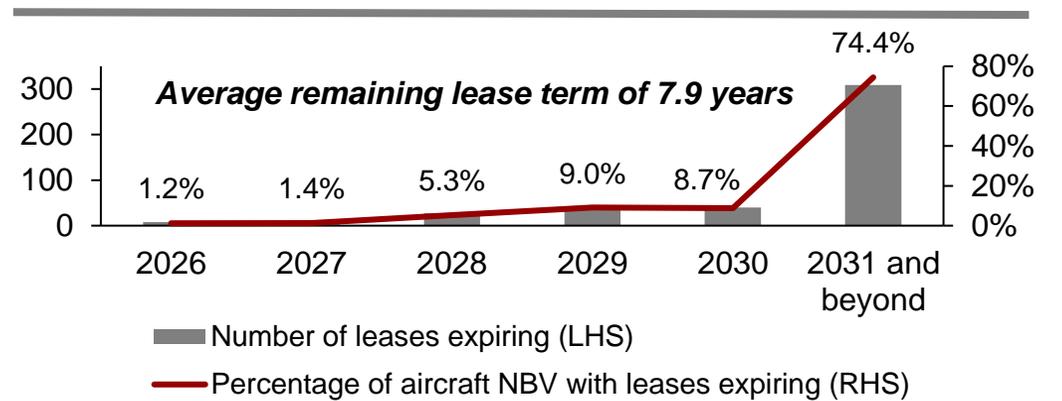


Long-Term Leases A Key Feature of the Company

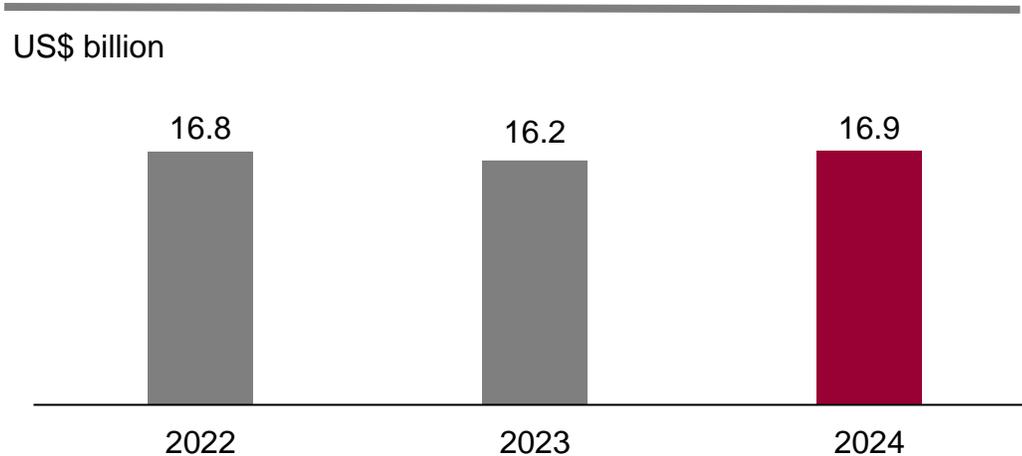
A long average remaining lease term¹



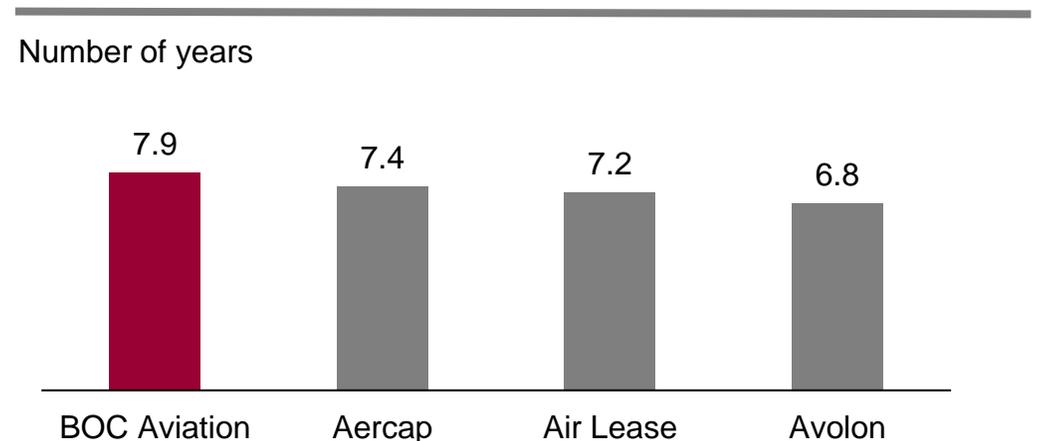
Well-dispersed scheduled lease expiries²



Rising future committed operating lease revenue



Industry-leading average remaining lease term



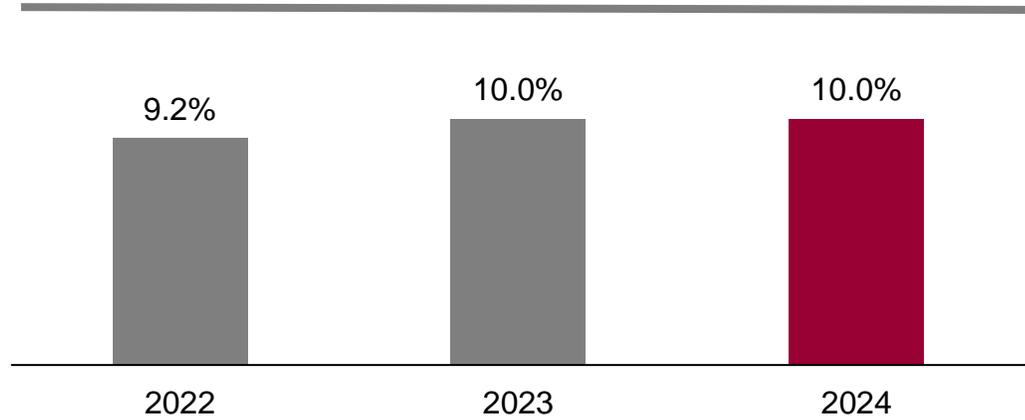
All data as at 31 December 2024

Notes:

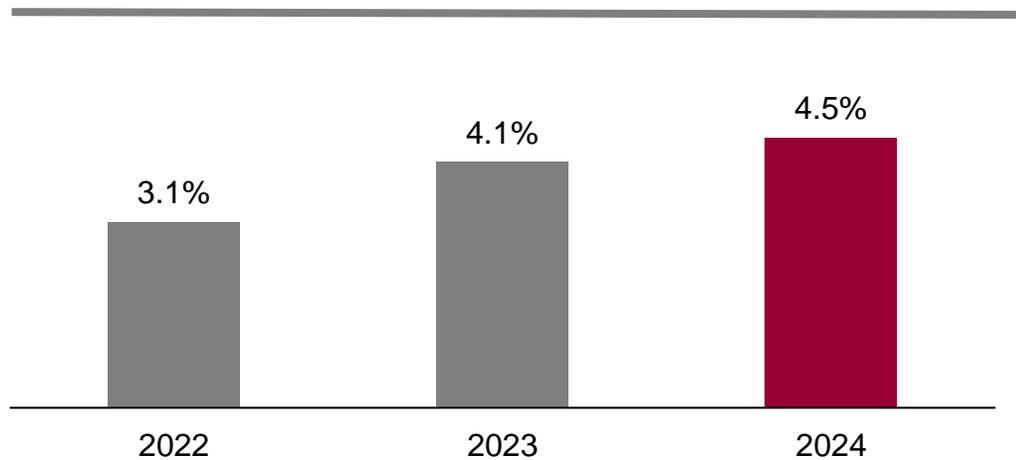
1. Weighted by net book value of aircraft and finance lease receivables
2. Owned aircraft with lease expiring in each calendar year, weighted by net book value of aircraft and finance lease receivables

Operating Lease Yields Rising

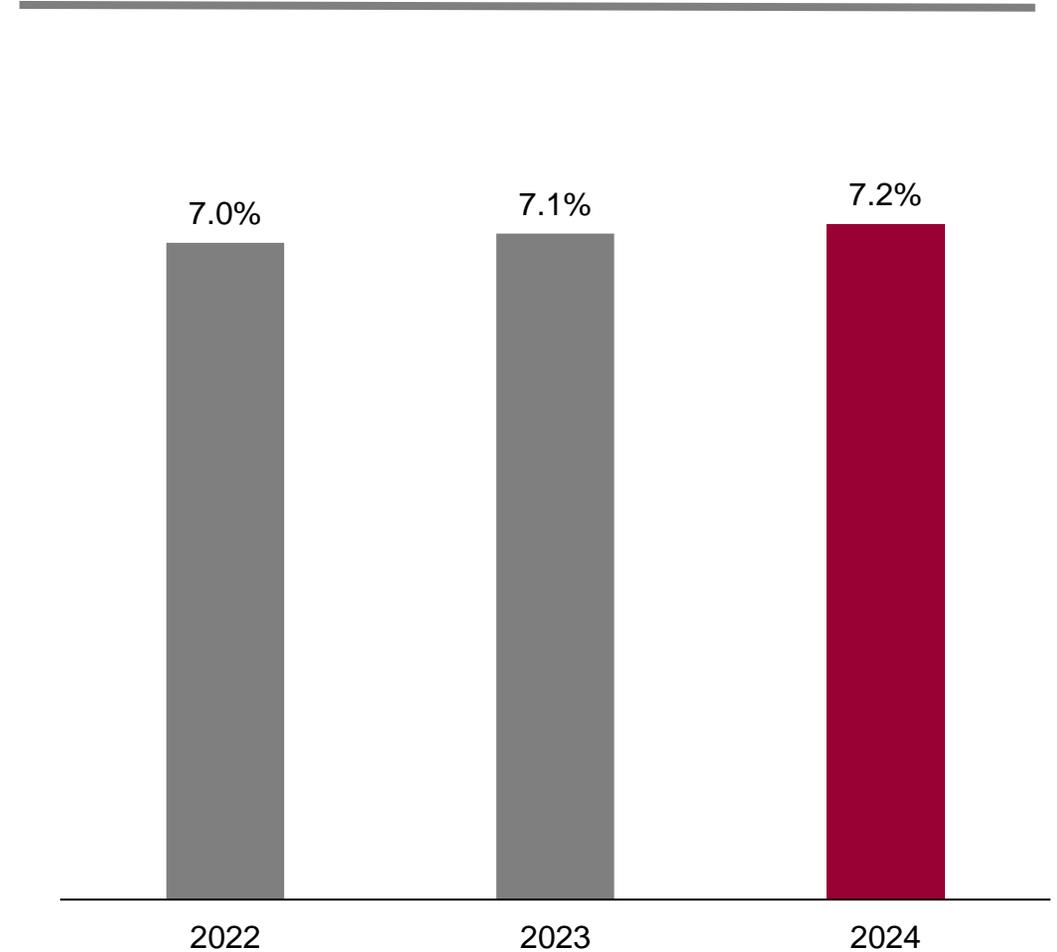
Operating lease rate factor¹



Cost of debt²



Net operating lease yield³

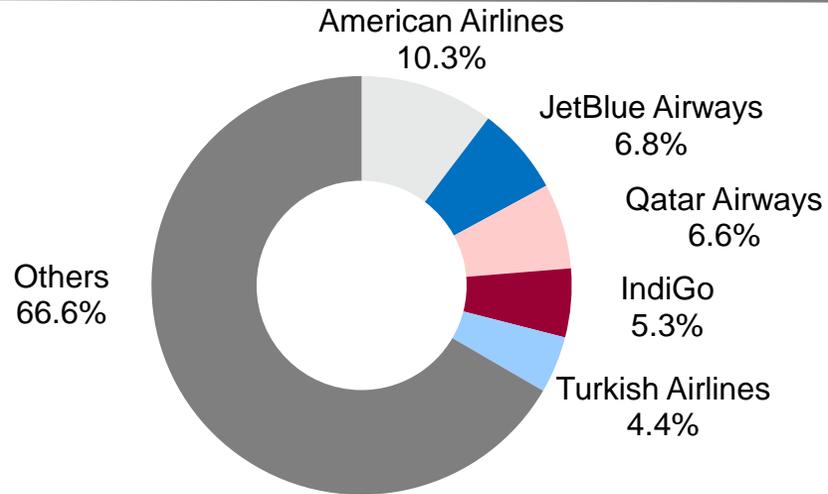


Notes:

1. Calculated as operating lease rental income divided by average aircraft net book value and multiplied by 100%
2. Calculated as the sum of finance expenses and capitalised interest, divided by average total indebtedness. Total indebtedness represents loans and borrowings before adjustments for deferred debt issue costs, fair values, revaluations and discounts/premiums on medium term notes
3. Calculated as operating lease rental income less finance expenses apportioned to operating lease rental income, divided by average aircraft net book value

Globally Diversified Portfolio

Lease portfolio diversified by customer¹



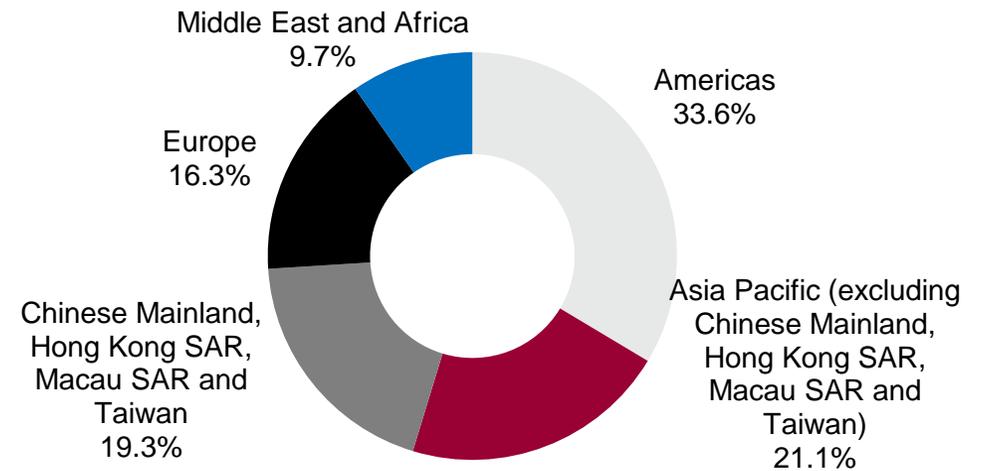
Collection rate (%)



Average = 99.2%

2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024

...and diversified by geography¹



Fleet utilisation (%)²



Average = 99.5%

2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 Mar 2025

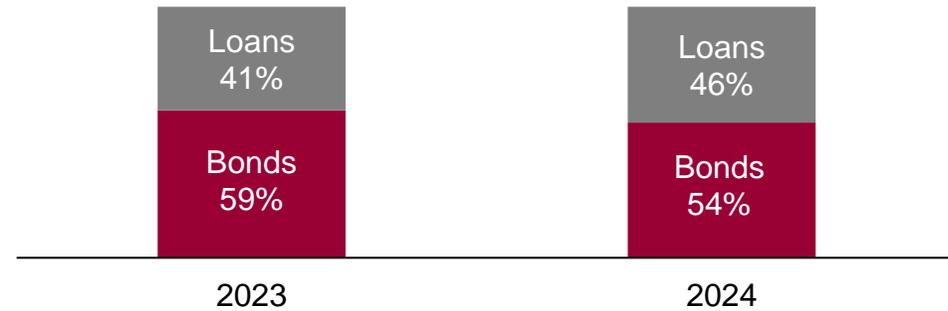
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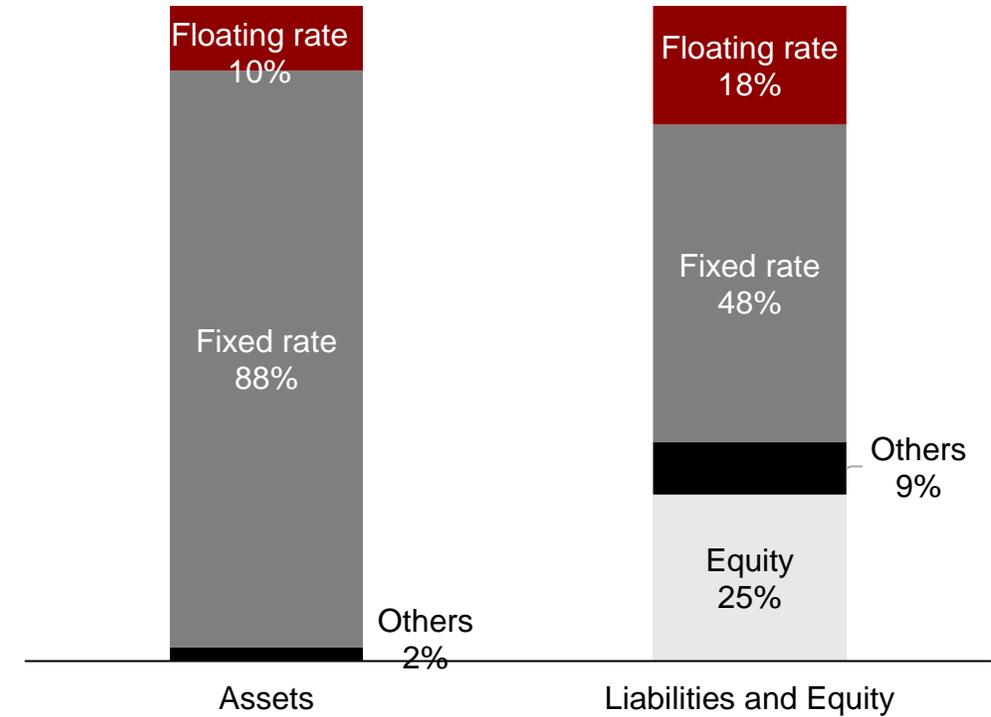
1. Based on net book value of aircraft and finance lease receivables
2. Fleet utilisation is the total days on-lease in the period as a percentage of total available lease days in the period

Flexible Capital Structure

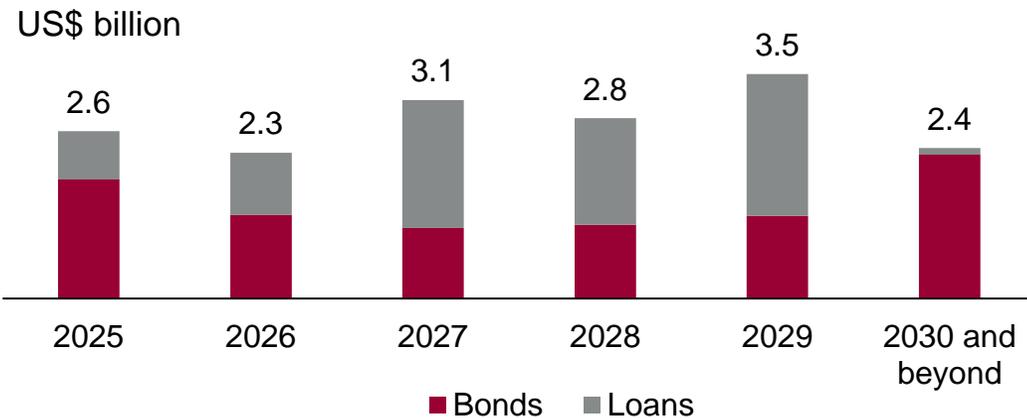
Sources of debt



Asset and liability profile



Outstanding debt maturity profile

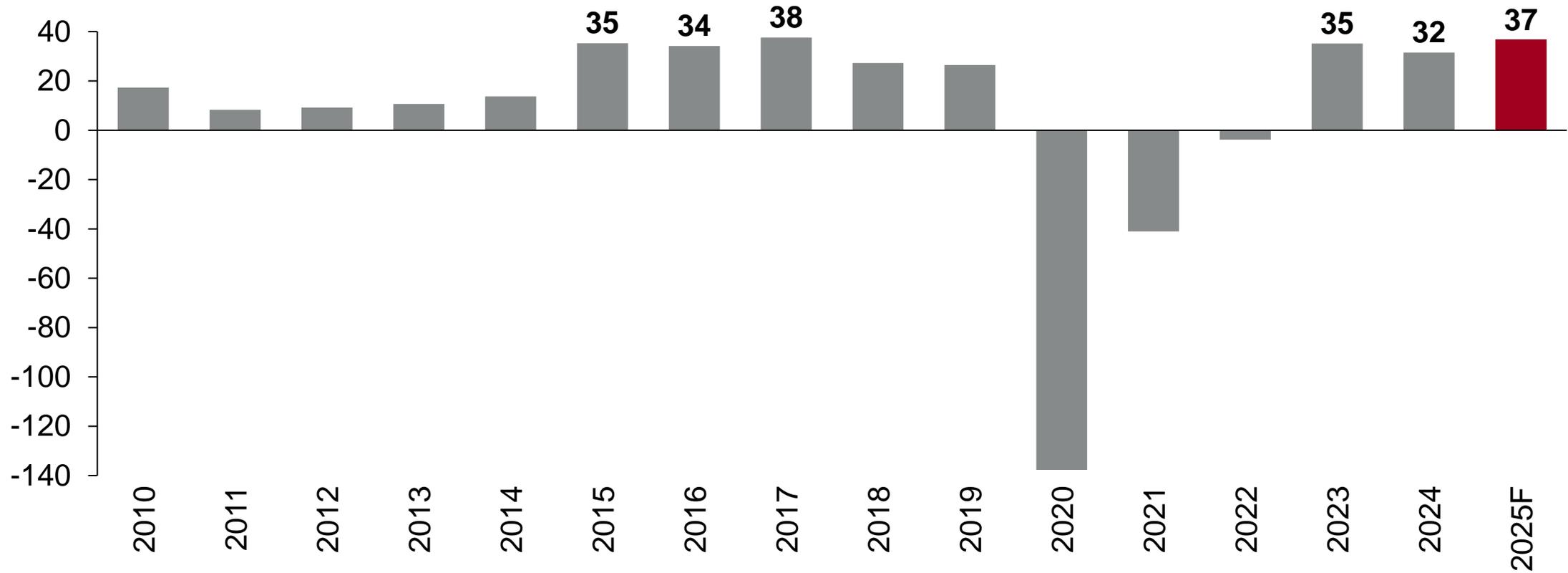


Long-term assets funded by long-term debt

Improving Airline Industry Profits

IATA global airline industry net post-tax profit

Estimated / Forecast by IATA Economics, US\$ billion



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www.bocaviation.com

BOC Aviation Limited 79 Robinson Road #15-01 Singapore 068897 Phone +65 6323 5559
Incorporated in the Republic of Singapore with limited liability
Company Registration No. 199307789K