



# 9th Annual Deutsche Bank Aircraft Finance & Leasing Conference

4 SEPTEMBER 2019

NEW YORK

25 YEARS  
OF EXCELLENCE

 **BOC AVIATION**

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# The Servicer : BOC Aviation



# BOC Aviation – Who Are We?

- One of the world's top five aircraft lessors
  - The largest in Asia
  - Bank of China owns 70%
- Listed on the HKEX
  - Four Independent Non-Executive Directors
- Total assets of US\$19.2 billion
  - 499 aircraft<sup>1</sup>
- Consistent profitable performance over more than 25 years
  - US\$4 billion in cumulative NPAT generated since 1993
- Leading industry metrics
  - Young fleet age of 3.1 years<sup>2</sup>
  - Long average lease term of 8.2 years<sup>2</sup>
  - Low cost of funds
  - Average ROE of 15% over the last 12 years
  - Investment grade credit ratings of A- from S&P Global Ratings and Fitch Ratings
- Strong aircraft lease servicing track record
  - Serviced more than 90 leases of managed aircraft in the last 25 years

**An established lessor with deep management experience**

All data as at 30 June 2019 unless otherwise indicated

Notes:

1. Includes owned, managed and aircraft on order
2. Weighted by net book value of owned fleet as at 30 June 2019



# Experienced Global Management Team



	<b>Robert Martin</b> <i>Managing Director &amp; Chief Executive Officer</i>	<b>Wang Jian</b> <i>Vice-Chairman &amp; Deputy Managing Director</i>	<b>Phang Thim Fatt</b> <i>Deputy Managing Director &amp; Chief Financial Officer</i>	<b>Steven Townend</b> <i>Chief Commercial Officer (Europe, Americas, Africa)</i>	<b>Gao Jinyue</b> <i>Chief Commercial Officer (Asia Pacific &amp; the Middle East)</i>	<b>David Walton</b> <i>Chief Operating Officer</i>
	<ul style="list-style-type: none"> <li>31 years of banking and leasing experience</li> <li>Managing Director since July 1998</li> </ul>	<ul style="list-style-type: none"> <li>37 years experience at BOC</li> <li>Formerly a Non-executive Director of the Company from December 2006 to June 2012</li> <li>Re-appointed on 1 June 2017 as Executive Director</li> </ul>	<ul style="list-style-type: none"> <li>40 years of airline and leasing experience</li> <li>Involved in establishment of the Company</li> <li>Previously held treasury and finance roles at Singapore Airlines</li> </ul>	<ul style="list-style-type: none"> <li>More than 28 years of banking and leasing experience</li> <li>In charge of revenue activities for Europe, Americas and Africa</li> </ul>	<ul style="list-style-type: none"> <li>33 years of treasury, corporate finance and leasing experience</li> <li>In charge of revenue activities for Asia Pacific and Middle East</li> </ul>	<ul style="list-style-type: none"> <li>33 years of legal, aviation finance and leasing experience</li> <li>In charge of all operations and related departments</li> <li>Joined BOC Aviation in 2014</li> </ul>
<b>Nationality</b>						
<b>Years with BOC Aviation</b>	<b>21</b>	<b>8</b>	<b>23</b>	<b>18</b>	<b>12</b>	<b>4</b>

**Stable and highly experienced senior management team that has successfully led the Company through multiple cycles**

All data as at June 2019



# Core Competencies

## Since inception in 1993:

- |              |   |
|--------------|---|
| • Purchasing | More than 810 aircraft purchased totalling more than US\$44 billion           |
| • Leasing    | More than 900 leases executed with > 160 airlines in 57 countries and regions |
| • Financing  | More than US\$26 billion in debt raised since 1 January 2007                  |
- 
- |                 |  |
|-----------------|--|
| • Sales         | More than 340 aircraft sold                  |
| • Transitions   | 90 transitions                               |
| • Repossessions | 46 aircraft in 14 jurisdictions <sup>1</sup> |

All data as at 30 June 2019, since inception unless otherwise indicated

Note:

1. Includes repossessions and consensual early returns



# Another Record First Half Performance

## Stable earnings growth<sup>1</sup>

**US\$321 million**  
Net profit after tax  **8%**


**US\$0.46**  
Earnings per share  **8%**

### Driven by:

**US\$930 million**  
Total revenues and other income  **13%**


**8.4%**  
Net lease yield<sup>2</sup>  **Stable**

**US\$341 million**  
Core lease rental contribution<sup>3</sup>  **4%**

**US\$352 million**  
Profit before tax  **7%**

## Robust balance sheet<sup>4</sup>

**US\$19.2 billion**  
Total assets  **5%**

**US\$4.3 billion**  
Total equity  **2%**

**US\$6.18**  
Net assets per share  **2%**

## Higher interim dividend per share

**US\$0.1388**  
Interim dividend per share<sup>5</sup>  **8%<sup>6</sup>**

All data as at 30 June 2019

Notes:

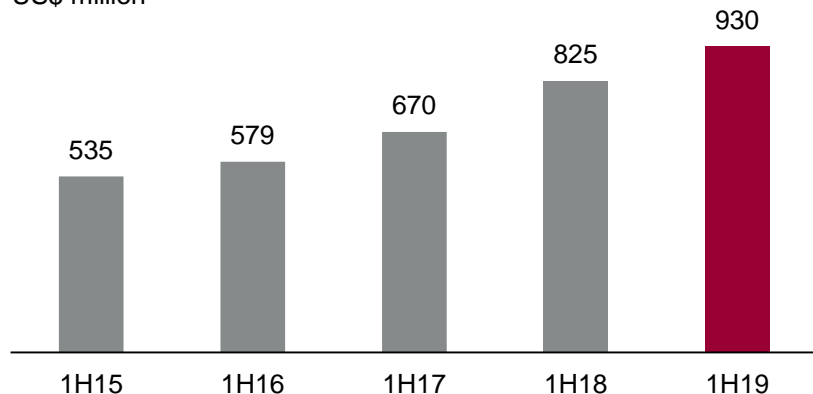
1. Compared to the first six months of 2018 unless otherwise indicated
2. Calculated as annualised lease rental income less annualised finance expenses apportioned to lease rental income, divided by average net book value of aircraft
3. Calculated as lease rental income less aircraft depreciation and finance expenses apportioned to lease rental income, amortisation of deferred debt issue cost and lease transaction closing cost
4. Compared to the year ended 31 December 2018
5. Payable to shareholders registered at the close of business on the record date, being 3 October 2019
6. Compared to US\$0.1284 paid for 1H18



# Record First Half Performance

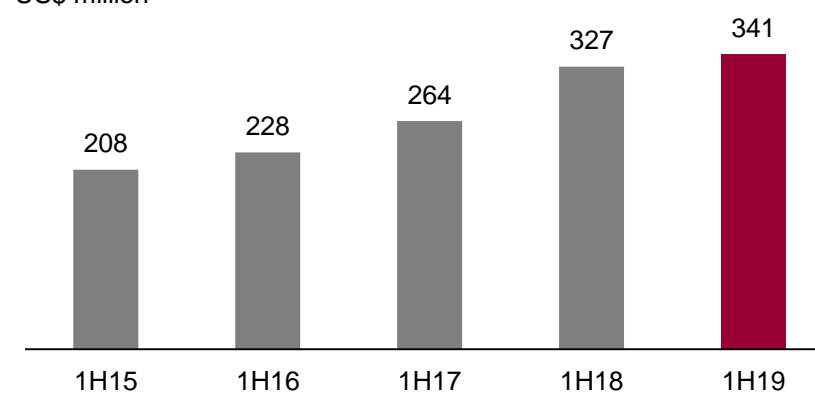
## Fleet growth underpins growth in revenues

US\$ million



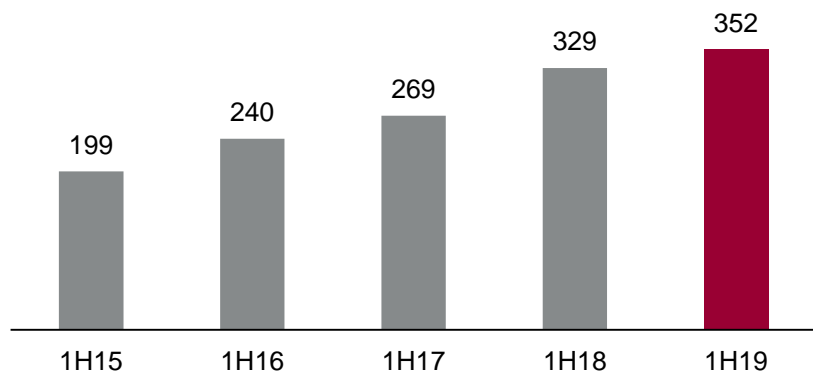
## Improving core lease rental contribution<sup>1</sup>

US\$ million



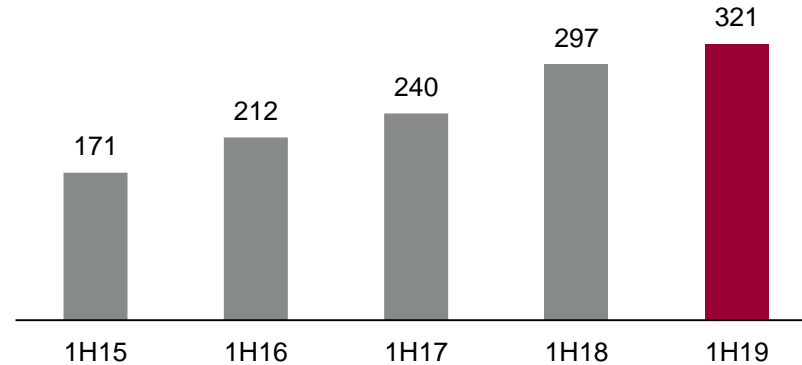
## Continuing PBT Growth

US\$ million



## Robust NPAT performance

US\$ million



All data as at 30 June 2019

Note:

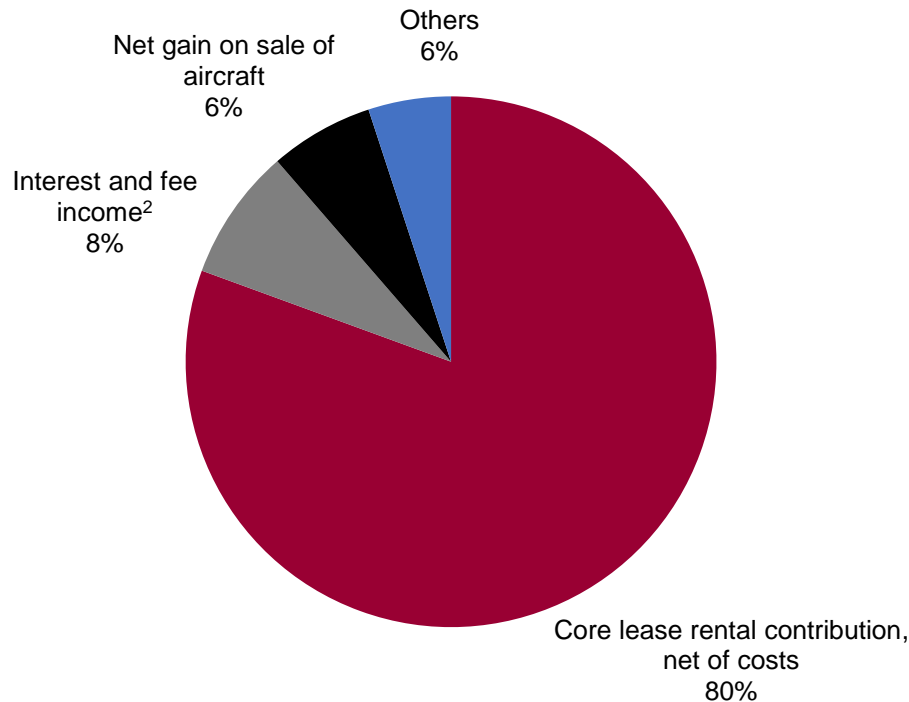
1. Calculated as lease rental income less aircraft depreciation and finance expenses apportioned to lease rental income, amortisation of deferred debt issue cost and lease transaction closing cost





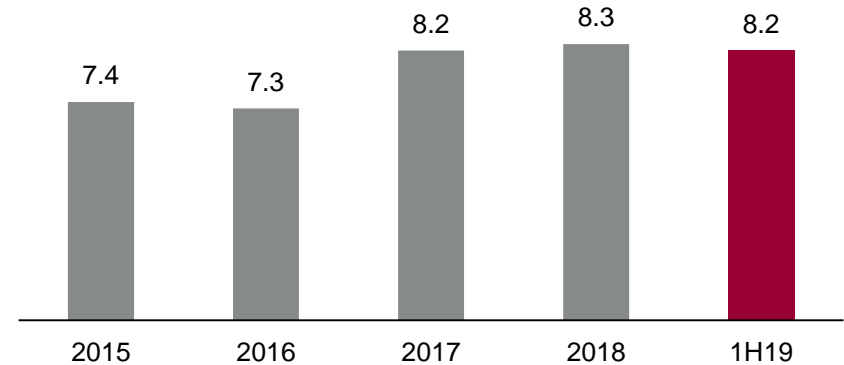
# Core Leasing Business Supports Earnings Growth

80% of PBT is from core lease rental contribution<sup>1</sup>, net of costs



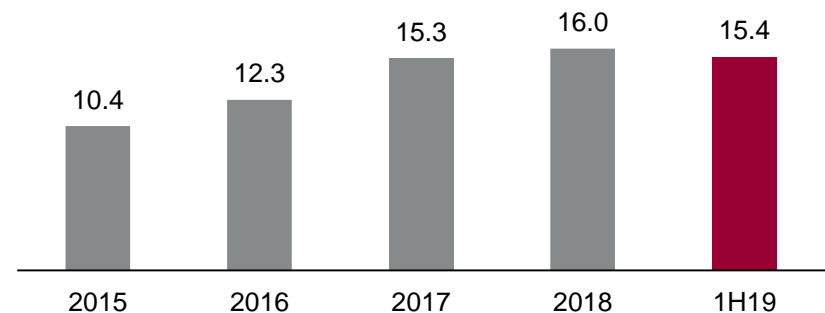
We have a long average remaining lease term<sup>3</sup>

Number of years



... and high future committed lease revenue

US\$ billion



All data as at 30 June 2019 unless otherwise indicated

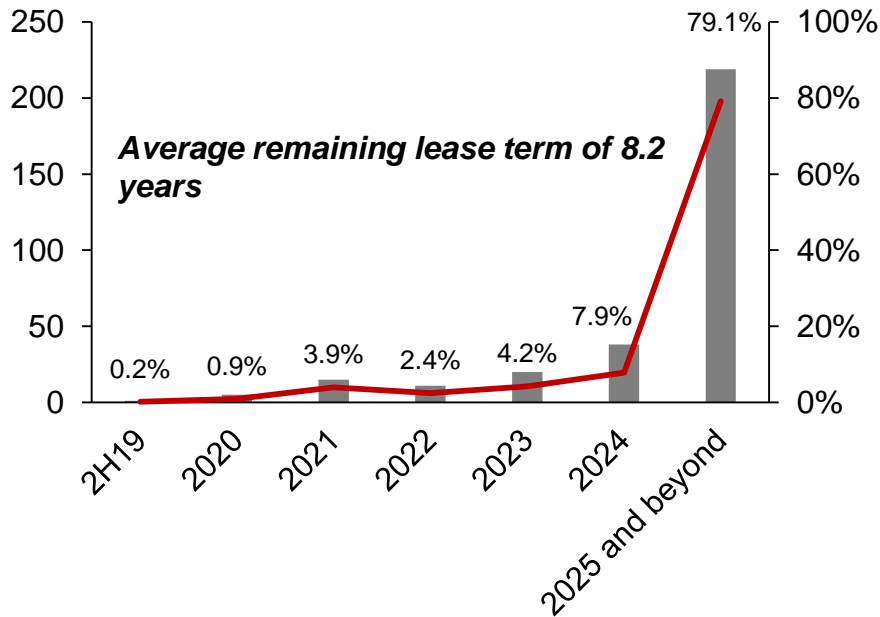
Notes:

1. Calculated as lease rental income less aircraft depreciation and finance expenses apportioned to lease rental income, amortisation of deferred debt issue cost and lease transaction closing cost
2. Calculated as interest and fee income less finance expense apportioned to interest and fee income
3. Weighted by net book value of owned fleet



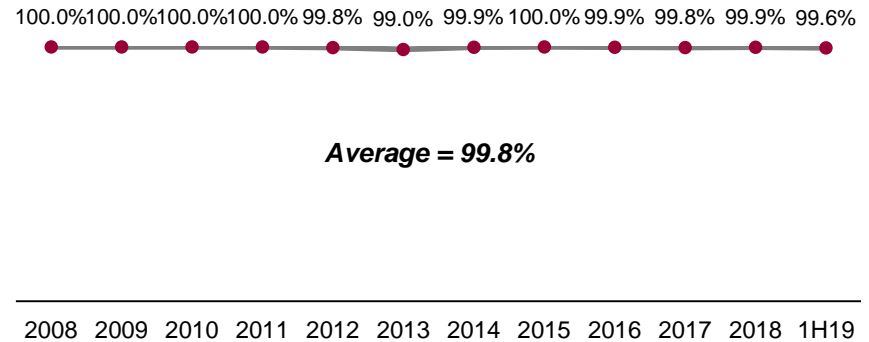
# Quality of Long-term Leases Reflected In Historically High Utilization and Collection Rates

## Well-dispersed lease expiries<sup>1</sup>

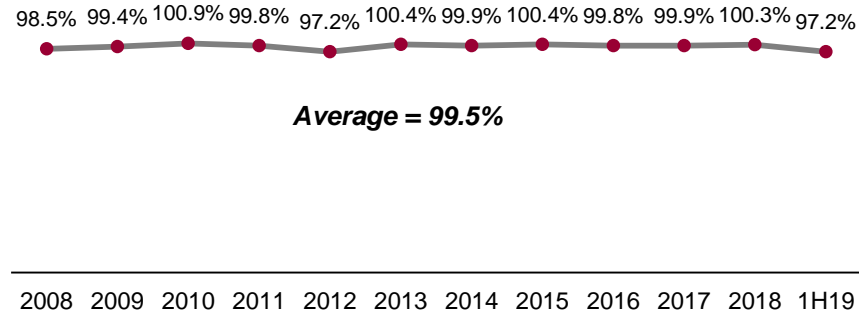


■ Number of leases expiring (LHS)  
 — Percentage of aircraft NBV with leases expiring (RHS)

## High fleet utilization<sup>2</sup>



## High collection rate



All data as at 30 June 2019 unless otherwise indicated

Notes:

- Owned aircraft with lease expiring in each calendar year excluding any aircraft for which BOC Aviation has a sale or lease commitment, weighted by net book value of owned fleet as at 30 June 2019
- Fleet utilization is the total days on-lease in the period as a percentage of total available lease days in the period



# Popular and Fuel-Efficient Fleet

## Our aircraft portfolio

Aircraft type	Owned aircraft	Managed aircraft	Aircraft on order <sup>1</sup>	Total
Airbus A320CEO family	126	7	0	133
Airbus A320NEO family	36	0	52	88
Airbus A330CEO family	12	3	0	15
Airbus A330NEO family	0	0	12	12
Airbus A350 family	6	0	2	8
Boeing 737NG family	95	8	0	103
Boeing 737 MAX family	6	0	87	93
Boeing 777-300ER	19	3	3	25
Boeing 777-300	0	1	0	1
Boeing 787 family	9	0	6	15
Freighters	5	1	0	6
<b>Total</b>	<b>314</b>	<b>23</b>	<b>162</b>	<b>499</b>

All data as at 30 June 2019

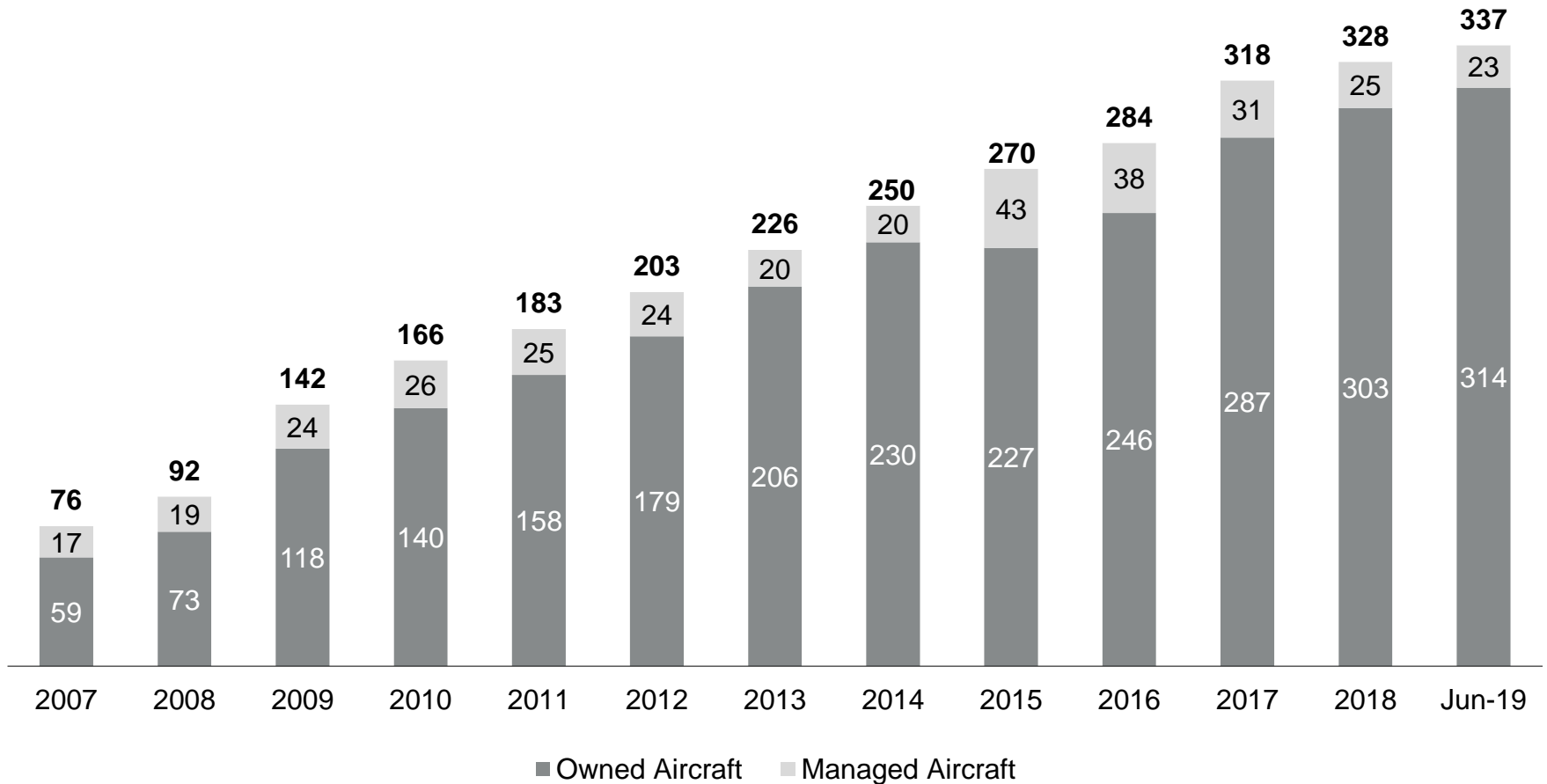
Note:

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



# Disciplined Fleet Growth

Number of aircraft

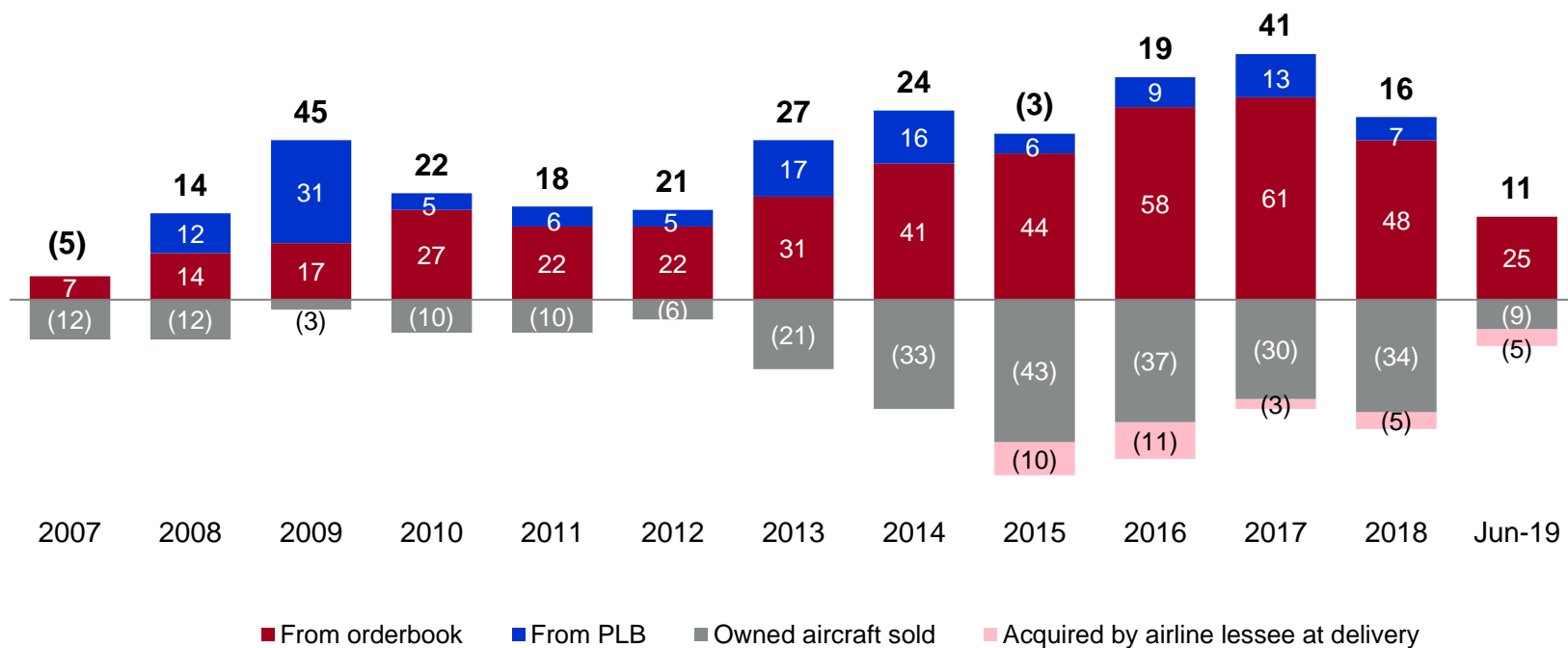


All data as at 31 December of relevant year unless otherwise indicated



# How We Build Our Fleet

Number of aircraft delivered, purchased and sold



**Aircraft sales are a consistent component of our business model**

All data as the end of the relevant period



# SLVRR 2019-1








# SLVRR Overview

- Priced a US\$668m ABS transaction on 28 June 2019
- SLVRR 2019-1 is the first portfolio sale of aircraft with leases attached and a servicing role on the “SILVER” platform
  - Issued three tranches of notes
    - Class A: 2.4x oversubscribed (5 orders of \$100m+)
    - Class B: 3.3x oversubscribed (4 orders of \$30m+)
    - Class C: 4.7x oversubscribed (2 whole-tranche orders)
  - Anchor equity investor committed to 35% of the E-Notes
    - Strong Anchor Equity Investor engagement
    - Commercial, technical and legal due diligence
  - Total execution time of 10 weeks to pricing - a record for tradable E-Note transactions
  - Significant participation from debt and equity investors in Asia
- SLVRR 2019-1 allowed BOC Aviation to integrate its annual sales program with its capital markets activity
- Building a programmatic issuance platform
- Best in class servicer



# SLVRR Portfolio Highlights

Asset Types <sup>1</sup>		<ul style="list-style-type: none"> <li>• Portfolio of 17 in-demand aircraft</li> <li>• 68% narrowbodies and 32% widebodies, by appraised value</li> <li>• A320-200 and 737-800 models make up 47% of the portfolio</li> </ul>
Fleet Age & Remaining Lease Term <sup>1</sup>		<ul style="list-style-type: none"> <li>• Portfolio weighted average age of 6.0 years and weighted average remaining lease term of 5.4 years</li> <li>• 37%<sup>1</sup> of leases expire after ARD and 49%<sup>1</sup> of assets are less than 4 years old</li> <li>• 100% of the leases were originated by BOC Aviation; 15 of 17 aircraft are leased to original lessees</li> </ul>
Lessee Diversification <sup>1</sup>		<ul style="list-style-type: none"> <li>• 14 lessees, with the largest concentrations in Kenya Airways, Cathay Pacific and Southwest Airlines</li> <li>• 48% of the portfolio is on lease to national flag carriers</li> <li>• Aircraft to lessee ratio of 1.2x</li> </ul>
Geographic Diversification <sup>1</sup>		<ul style="list-style-type: none"> <li>• Lessees based in 9 countries / regions</li> <li>• 76% investment grade rated countries and regions<sup>2</sup></li> <li>• 79% of portfolio leased to lessees based in Cape Town jurisdictions</li> </ul>
Portfolio Cash Flows		<ul style="list-style-type: none"> <li>• 47% of leases have monthly maintenance contributions<sup>4</sup></li> <li>• \$133.7mm of net maintenance cash flows through ARD<sup>5</sup></li> <li>• Weighted average lease rate factor of 1.0%<sup>3</sup></li> </ul>

Notes:

1. Reference date of April 30, 2019; based on the average HLBV as provided by CV, mba and IBA (as of 31 March 2019), including a maintenance adjustment as provided by Alton (as of June 2019 except for MSN 36639 for which the maintenance adjustment is as of August 2019 to account for an engine shop visit in June)
2. Based on S&P long-term credit rating
3. Based on the assumptions utilized to prepare the Base Case in the Debt and Equity Offering Memorandums. See "Note Payment Assumptions" in the Debt Offering Memorandum and "Payment Assumptions" in the Equity Offering Memorandum
4. Includes MSN 4366, which has a combination of cash payments for maintenance related to engines and an EOL payments for maintenance related to the airframe, landing gear and auxiliary power unit
5. Excludes EOL Payments





# SLVRR 2019-1 Ownership Details

SLVRR 2019-1 Debt Profile			
	<u>Series A</u>	<u>Series B</u>	<u>Series C</u>
<b>LTV<sup>(1)</sup></b>	67.8%	78.9%	83.8%
<b>Size (mm)</b>	\$443.0	\$73.0	\$32.0
<b>Ratings (Fitch / Kroll)</b>	'A / A'	'BBB / BBB'	'BB / BB'
<b>Yield</b>	4.000%	5.000%	7.000%
<b>WAL</b>	4.9 years	4.9 years	3.4 years
<b>Amortization Format</b>	13 year SL	13 year SL	7 year SL
<b>Expected Final</b>	7.0 years	7.0 years	7.0 years
<b>Legal Final</b>	2044	2044	2044

SLVRR 2019-1 144a E-Notes	
<b>Mx. Adjusted BV<sup>(1)</sup></b>	\$653.8mm
<b>Total Debt Issued</b>	\$548.0mm
<b>Total Equity Raised</b>	\$120.0mm
<b>Total Gross Proceeds</b>	\$668.0mm
<b>Initial Reserve Balance</b>	\$2.5mm
<b>Total Net ABS Proceeds<sup>(3)</sup></b>	\$665.5mm
<b>Passive E-Certificate IRR</b>	19.25%
<b>Anchor Investor Acquisition %</b>	35% of the Equity Certificates
<b>Anchor Investor IRR</b>	21.25%
<b>Anchor Investor Discount</b>	2.0% IRR discount
<b>Seller / Servicer Equity Retention</b>	No Equity Retention

- Around 25 unique debt orders

- Oak Hill Advisors purchased 35% of the E-notes
- Eight passive equity institutional investors
- BOC Aviation does not retain any equity






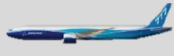

#### Notes:

1. Based on the average HLBV as provided by CV, mba and IBA (as of March 31, 2019), including a maintenance adjustment as provided by Alton (as of June 2019, except for MSN 36639 for which the maintenance adjustment is as of August 2019 to account for an engine shop visit in June)
2. Assumed collateral cutoff date of April 30, 2019
3. Sum of E-Note Valuation and Total Debt Amount (inclusive of reserve funding)



# Portfolio Overview

- The SLVRR 2019-1 portfolio consists of 7 different aircraft variants (3 Airbus and 4 Boeing), all of which are modern, in-demand models, creating a diverse mix of assets
- 47% of the portfolio are A320-200s or 737-800s

Aircraft Type	SLVRR 2019-1 Representation	Commentary <sup>1</sup>
<b>A319-100</b> 	1   2.1%	<ul style="list-style-type: none"> <li>• Global fleet of 1,477 delivered aircraft to 123 operators (86% in service)</li> <li>• Deliveries: 1996 - present</li> <li>• Rossiya</li> </ul>
<b>A320-200</b> 	6   24.4%	<ul style="list-style-type: none"> <li>• Global fleet of 4,701 delivered aircraft to 265 operators (88% in service)</li> <li>• Deliveries: 1988 - present</li> <li>• Aeroflot, Spring Airlines, Indigo, West Air, Tianjin Airlines</li> </ul>
<b>A321-200</b> 	1   7.2%	<ul style="list-style-type: none"> <li>• Global fleet of 1,654 delivered aircraft to 109 operators (97% in service)</li> <li>• Deliveries: 1996 - present</li> <li>• Interjet</li> </ul>
<b>737-700</b> 	3   11.4%	<ul style="list-style-type: none"> <li>• Global fleet of 1,121 delivered aircraft to 79 operators (90% in service)</li> <li>• Deliveries: 1998 - present</li> <li>• Southwest</li> </ul>
<b>737-800</b> 	4   22.9%	<ul style="list-style-type: none"> <li>• Global fleet of 4,966 delivered aircraft to 187 operators (97% in service)</li> <li>• Deliveries: 1998 - present</li> <li>• Alaska Airlines, Nok Air, Lucky Air, Ukraine International</li> </ul>
<b>777-300ER</b> 	1   15.1%	<ul style="list-style-type: none"> <li>• Global fleet of 806 delivered aircraft to 47 operators (98% in service)</li> <li>• Deliveries: 2004 - present</li> <li>• Cathay Pacific</li> </ul>
<b>787-8</b> 	1   16.9%	<ul style="list-style-type: none"> <li>• Global fleet of 363 delivered aircraft to 46 operators (90% in service)</li> <li>• Deliveries: 2011 - present</li> <li>• Kenya Airways</li> </ul>

1. Alton Industry Report; original source: CAPA Fleet Database (as of April 2019)

# Portfolio Summary Statistics

## Key portfolio statistics

Maintenance Adjusted Base Value **\$653.8mm**

Number of Assets **17**

Asset Mix **68% NB,  
32% WB**

Weighted Average Age **6.0 Years**

Weighted Average Remaining Lease Term **5.4 years**

Unique Lessees **14**

Top 3 Lessees **43.4%**

Flag Carriers **47.7%**

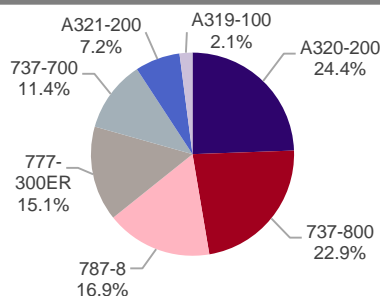
Maintenance Reserve Payers **47.3%**

Top 3 Countries / Regions **52.7%**

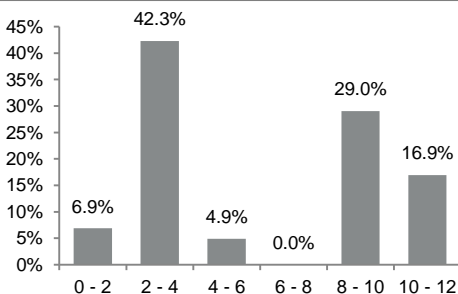
Weighted Average Lease Rate Factor<sup>4</sup> **1.0%**

Developed Markets Exposure **30.0%**

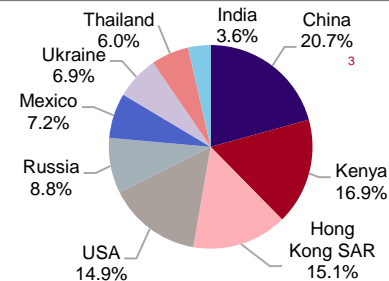
## Portfolio by aircraft type<sup>1</sup>



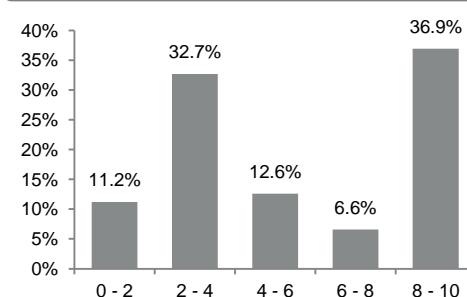
## Portfolio by age<sup>1,2</sup>



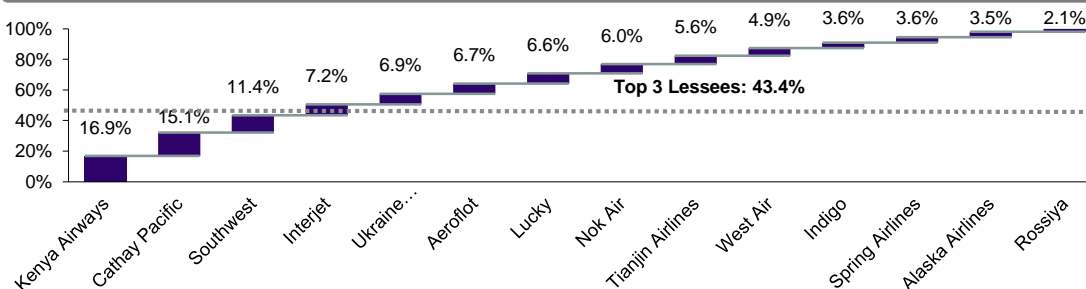
## Portfolio by Country / Region<sup>1</sup>



## Portfolio by RLT<sup>1,2</sup>



## Portfolio by Lessee<sup>1</sup>



### Notes:

- Based on the average HLBV as provided by CV, mba and IBA (as of 31 March 2019), including a maintenance adjustment as provided by Alton (as of June 2019, except for MSN 36639 for which the maintenance adjustment is as of August 2019 to account for an engine shop visit in June)
- Reference date of 30 April 2019
- Excludes Hong Kong SAR; includes China Mainland, Macau SAR and Taiwan
- WA Lease Rate Factor calculated as the weighted average of each asset's current lease rate, divided by their individual mt. adjusted base value



# BOC Aviation: Leasing Strength Enhances Servicer Role

- 1 Cumulative NPAT of US\$4 billion since inception
- 2 Young portfolio of in-demand aircraft on long-term leases to diverse customer base
- 3 Strong track record
- 4 Experienced team with global vision
- 5 Active sales programme as part of our business model
- 6 Managing aircraft part of our long-term strategy

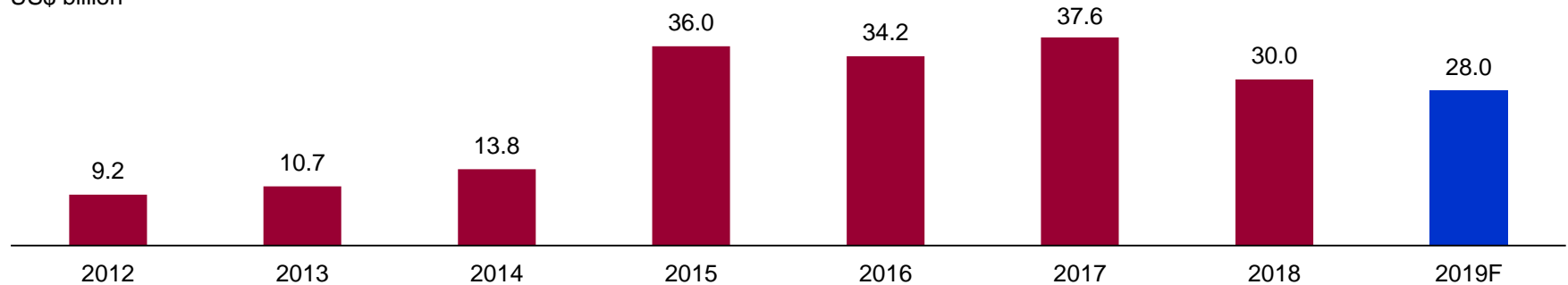
# APPENDICES



# Positive Environment with Sustained Airline Profitability

## Elevated airline profitability sustained

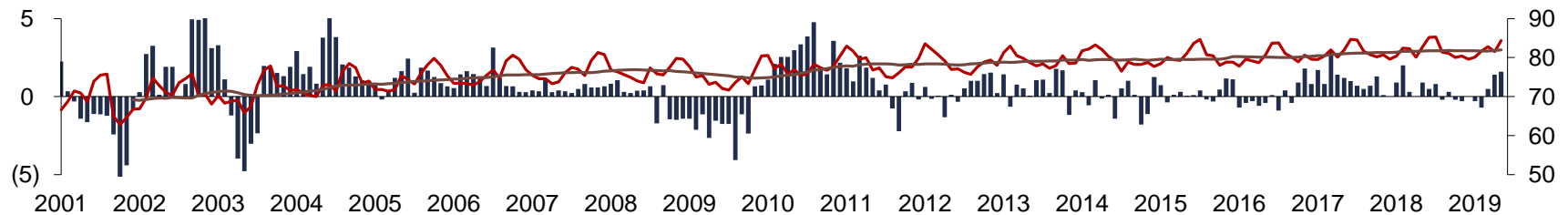
Aggregate net profit  
US\$ billion



Source: IATA Industry Statistics – Fact Sheet (June 2019)

## High load factors suggest well-managed capacity

Passenger Load Factor  
YoY change, %



■ Passenger Load Factor YoY % Change (LHS)

— Passenger Load Factor (RHS)

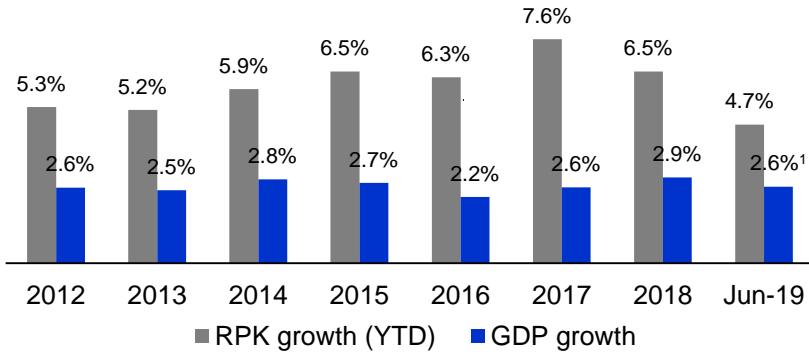
— Passenger Load Factor 12M Mov. Avg (RHS)

Source: IATA (June 2019)



# Underlying Traffic Growth Positive for Core Leasing Business

## Change in passenger demand outpaces GDP growth



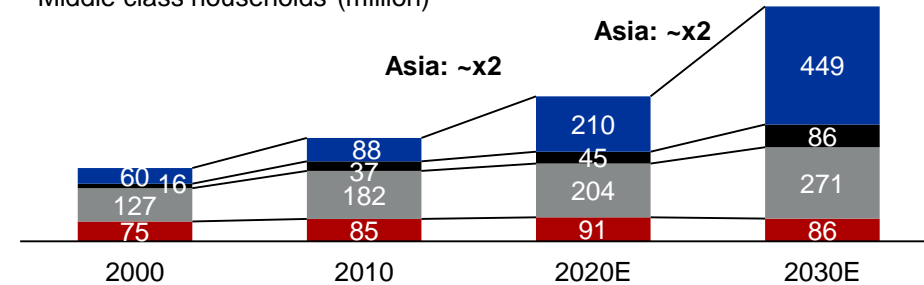
Sources: IATA (June 2019), Oxford Economics, World Bank

Note:

1. Expected GDP growth for 2019 by the World Bank

## Expanding middle classes<sup>2</sup> to be driven by emerging economies

Middle class households (million)



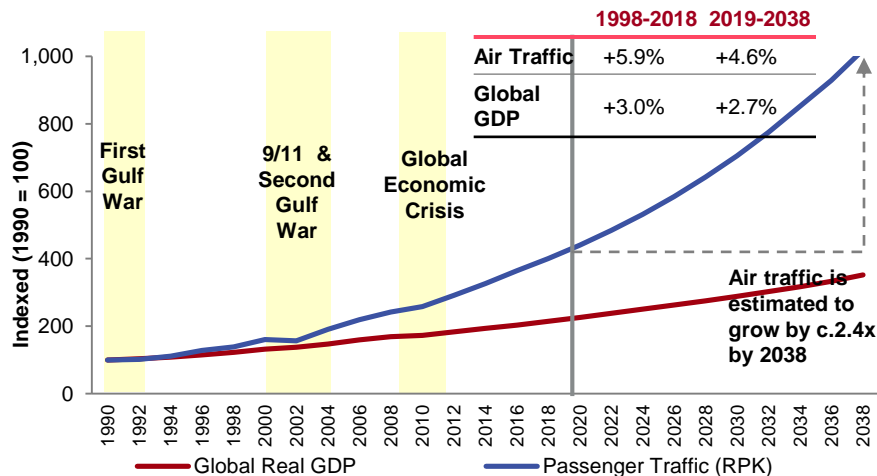
■ North America ■ Europe, Middle East & Africa ■ LATAM ■ Asia Pacific

Source: Euromonitor, August 2019

Note:

2. Defined as number of households with annual disposable income between US\$25,000 and US\$150,000

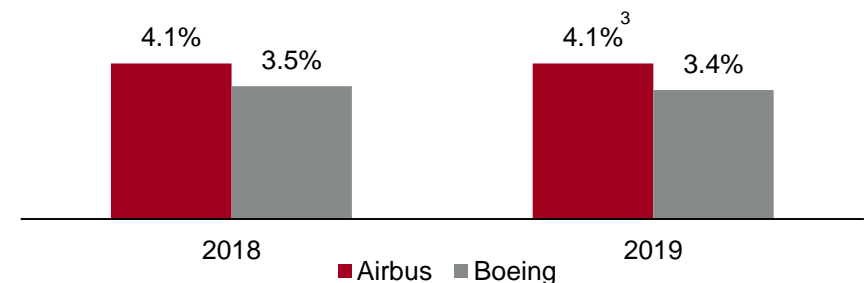
## Air traffic estimated to grow by c.140% in the next two decades...



Source: Ascend Flightglobal Fleet Forecast 2015, Oxford Economics, Boeing Current Market Interactive Forecast 2019-2038

## Fleet expected to double in the next 20 years

20-year fleet growth rate, %



Source: Airbus Global Market Forecast, Boeing Capital Market Outlook

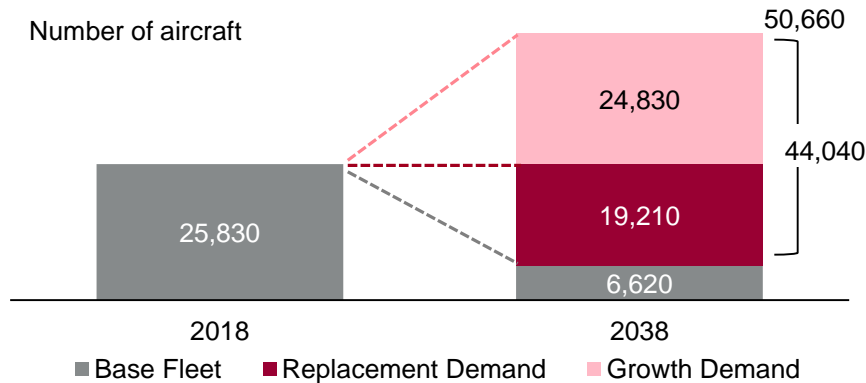
Note:

3. Assumed unchanged from 2018's forecast; based on Airbus Global Market Forecast 2018-2037 as the 2019-2038 edition was not available at publication date



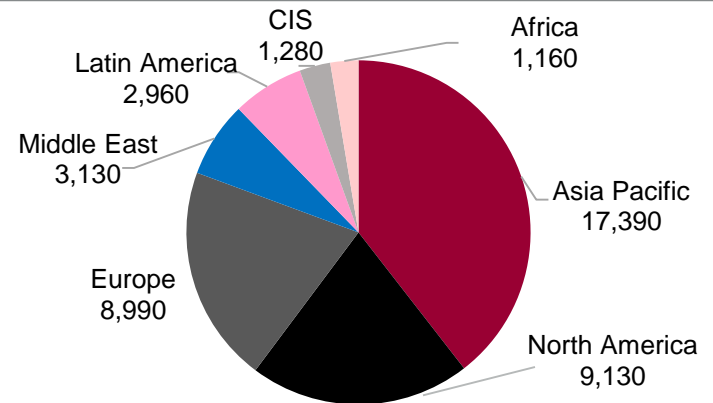
# Aircraft Operating Leasing Drivers

## Demand driven by market growth and replacement of old aircraft



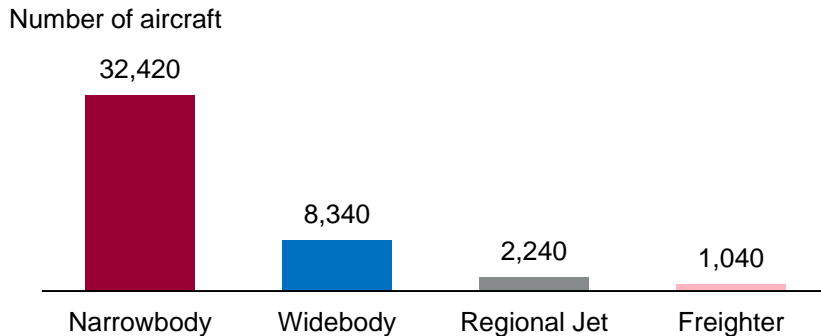
Source: Boeing CMO 2019-2038

## New aircraft demand led by Asia Pacific



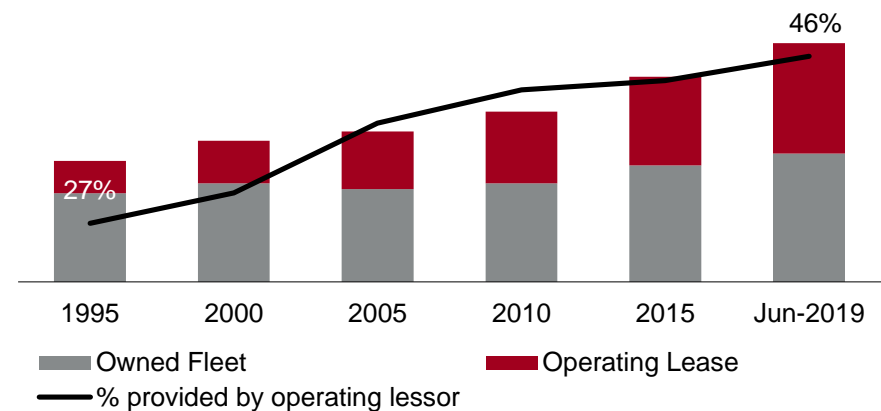
Source: Boeing CMO 2019-2038

## Predominantly single aisle aircraft



Source: Boeing CMO 2019-2038

## Share of operating leases high and stable



Source: Ascend, 30 June 2019





# SLVRR Sources & Uses

Projected Sources	Total (mm)	% of Sources	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7 <sup>1</sup>
Lease Revenue	\$482.5	38.0%	\$77.2	\$74.3	\$68.3	\$66.7	\$66.1	\$65.4	\$64.7
Disposition Proceeds	\$374.5	29.5%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$374.5
Maintenance Reserve Revenue	\$237.1	18.7%	\$15.4	\$19.1	\$28.6	\$35.9	\$39.2	\$44.6	\$54.2
EOL Payments for Excess Proceeds	\$50.6	4.0%	\$0.0	\$18.0	\$19.0	\$1.3	\$0.0	\$7.7	\$4.5
From Maintenance Reserve Account	\$105.7	8.3%	\$5.3	\$0.0	\$34.7	\$4.7	\$17.9	\$38.5	\$4.7
From Class C Reserve	\$0.5	0.0%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.5
Mx. Reserve Account Investment Income	\$0.8	0.1%	\$0.1	\$0.1	\$0.2	\$0.1	\$0.2	\$0.2	\$0.0
From Expense Reserve	\$13.8	1.1%	\$2.0	\$2.0	\$2.0	\$1.9	\$1.9	\$1.9	\$2.2
From Security Deposit Reserve	\$5.6	0.4%	\$0.0	\$1.5	\$0.8	\$1.0	\$0.3	\$1.0	\$1.0
<b>Total Projected Sources</b>	<b>\$1,271.1</b>	<b>100.0%</b>	<b>\$99.9</b>	<b>\$114.9</b>	<b>\$153.5</b>	<b>\$111.6</b>	<b>\$125.6</b>	<b>\$159.3</b>	<b>\$506.3</b>








Projected Uses	Total (mm)	% of Uses	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7 <sup>1</sup>
Maintenance Expenses	\$103.4	8.1%	\$5.3	\$0.0	\$34.7	\$4.7	\$17.9	\$38.5	\$2.4
RRR Costs	\$3.4	0.3%	\$0.0	\$0.8	\$1.6	\$0.4	\$0.2	\$0.2	\$0.2
Security Deposits Due	\$5.6	0.4%	\$0.0	\$1.5	\$0.8	\$1.0	\$0.3	\$1.0	\$1.0
Servicer Fees	\$20.9	1.6%	\$2.3	\$2.5	\$2.3	\$2.0	\$2.0	\$2.1	\$7.6
Asset Manager Fee	\$2.4	0.2%	\$0.4	\$0.4	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3
Anchor Investor Payment	\$2.4	0.2%	\$0.4	\$0.4	\$0.3	\$0.3	\$0.3	\$0.3	\$0.3
Liquidity Facility Commitment Fee	\$0.9	0.1%	\$0.2	\$0.2	\$0.1	\$0.1	\$0.1	\$0.1	\$0.1
Other Expenses	\$12.6	1.0%	\$1.8	\$1.8	\$1.8	\$1.8	\$1.8	\$1.8	\$1.8
Class A Interest	\$88.9	7.0%	\$17.5	\$16.0	\$14.0	\$12.4	\$11.1	\$9.7	\$8.3
Class A Scheduled Principal	\$411.0	32.3%	\$34.1	\$33.9	\$32.4	\$31.8	\$31.7	\$31.4	\$215.8
Class A Excess Proceeds Principal	\$32.0	2.5%	\$0.0	\$12.7	\$12.0	\$0.8	\$0.0	\$4.2	\$2.4
Class B Interest	\$18.2	1.4%	\$3.6	\$3.3	\$2.9	\$2.5	\$2.3	\$2.0	\$1.7
Class B Scheduled Principal	\$67.7	5.3%	\$5.6	\$5.6	\$5.3	\$5.2	\$5.2	\$5.2	\$35.6
Class B Excess Proceeds Principal	\$5.3	0.4%	\$0.0	\$2.1	\$2.0	\$0.1	\$0.0	\$0.7	\$0.4
Class C Interest	\$7.3	0.6%	\$2.0	\$1.7	\$1.4	\$1.0	\$0.7	\$0.4	\$0.1
Class C Scheduled Principal	\$30.3	2.4%	\$4.6	\$4.5	\$4.4	\$4.2	\$4.2	\$4.2	\$4.1
Class C Excess Proceeds Principal	\$1.7	0.1%	\$0.0	\$0.8	\$0.7	\$0.0	\$0.0	\$0.1	\$0.0
Senior Maintenance Reserve Top Up	\$7.3	0.6%	\$1.4	\$0.0	\$2.4	\$1.6	\$1.2	\$0.4	\$0.3
Junior Maintenance Reserve Top Up	\$96.9	7.6%	\$3.3	\$15.7	\$19.4	\$7.8	\$25.0	\$22.5	\$3.3
Expense Reserve Deposit	\$13.3	1.0%	\$2.0	\$2.0	\$1.9	\$1.9	\$1.9	\$1.9	\$1.7
Security Deposit Reserve Deposit	\$5.6	0.4%	\$0.3	\$1.7	\$0.4	\$1.1	\$0.8	\$1.2	\$0.2
<b>Total Equity Cash Flows</b>	<b>\$311.0</b>	<b>24.5%</b>	<b>\$15.3</b>	<b>\$7.5</b>	<b>\$12.4</b>	<b>\$30.4</b>	<b>\$18.5</b>	<b>\$31.2</b>	<b>\$195.7</b>
<b>Cash-on-Cash Yield<sup>2</sup></b>	<b>35.2%</b>	<b>--</b>	<b>12.1%</b>	<b>6.0%</b>	<b>9.8%</b>	<b>24.1%</b>	<b>14.7%</b>	<b>24.8%</b>	<b>155.2%</b>
Servicer Promote <sup>3</sup>	\$23.0	1.8%	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$23.0
<b>Total Projected Uses</b>	<b>\$1,271.1</b>	<b>100.0%</b>	<b>\$99.9</b>	<b>\$114.9</b>	<b>\$153.5</b>	<b>\$111.6</b>	<b>\$125.6</b>	<b>\$159.3</b>	<b>\$506.3</b>

## Notes:

- Includes period 85 cash flows
- Assumes equity basis equal to the passive equity valuation of \$126.1mm
- Servicer to collect 20% of upside after Passive Equity receives a 12% IRR; junior in waterfall



# Debt & Equity Transaction Comps

	 BOC AVIATION	 GOSHAWK	 GE Capital Aviation Services	 AIR LEASE CORPORATION	 BBAM BROOKLYN PARKING & MANAGEMENT	 GE Capital Aviation Services	 CASTLELAKE
	SLVRR 2019-1	PION 2019-1	STARR 2019-1	TBOLT 2018-1	HORZN 2018-1	STARR 2018-1	CLAS 2018-1
Date	TBD	June 2019	April 2019	July 2018	Nov 2018	June 2018	June 2018
Total MABV (mm)	\$653.8	\$640.1	\$588.7	\$575.7	\$737.7	\$695.6	\$1,091.3
Total Deal Size (mm)	\$548	\$529	\$474	\$450	\$612	\$587	\$911
LTV	A: 67.8% B: 78.9% C: 83.8%	A: 66.9% B: 78.6% C: 82.6%	A: 64.9% B: 76.6% C: 80.5%	A: 65.1% B: 78.2%	A: 64.5% B: 76.9% C: 83.0%	A: 61.8% B: 79.1% C: 84.4%	A: 67.0% B: 77.5% C: 83.5%
Structure (mm)	A: \$443.0 B: \$73.0 C: \$32.0	A: \$428.0 B: \$75.0 C: 26.0	A: \$382.0 B: \$69.0 C: 23.0	A: \$375.0 B: \$75.0	A: \$476.0 B: \$91.0 C: \$45.0	A: \$430.0 B: \$120.0 C: \$36.9	A: \$731.2 B: \$114.6 C: \$65.5
Debt Profile (Yrs)	A: 13 B: 13 C: 7	A: 14 B: 14 C: 7	A: 14 B: 14 C: 7	A: 14 B: 14	A: 13 B: 13 C: 7	A: 14 B: 14 C: 7	A: 14 (3) B: 14 (3) C: 7
Ratings	A: [A / A] (F/K) B: [BBB / BBB] C: [BB / BB]	A: A / A (F/K) B: BBB / BBB C: BB / BB	A: A / A (F/K) B: BBB / BBB C: BB / BB	A: A / A (F/K) B: BBB / BBB	A: A / A (F/K) B: BBB / BBB C: BB / BB	A: A / A (S/K) B: BBB / BBB C: BB / BB	A: A / A (F/K) B: BBB / BBB C: BB / BB
<b>Summary Statistics</b>							
Appraised Value (mm) <sup>1</sup>	\$653.8	\$640.1	\$588.7	\$575.7	\$737.7	\$695.6	\$1,091.3
Appraisers	CV, IBA, mba	CV, IBA, mba	Avitas, IBA, mba	CV, Acumen, IBA	CV, IBA, mba	Avitas, IBA, mba	CV, AISI, mba
Number of Aircraft	17	18	20	18	29	24	36
Number of Lessees	14	18	13	16	21	16	18
Number of Assets / Lessee	1.2x	1.0x	1.5x	1.1x	1.4x	1.5x	2.0x
Weighted Average Age (years)	6.0	5.3	5.9	8.0	9.8	7.7	9.7
Weighted Average Lease Term (years)	5.4	5.1	6.6	4.7	3.4	4.5	4.0
<b>Airframe Distribution</b>							
Top Aircraft Type	A320-200	A320-200	B737-800	A320-200	B737-800	B737-800	A320-200
Narrowbody / Widebody / Reg. Jet	68% / 32% / 0%	79% / 18% / 3%	100 / 0% / 0%	88 / 12% / 0%	100 / 0% / 0%	88 / 12% / 0%	77 / 23% / 0%
<b>Market Distribution</b>							
Developed / Emerging	30.0% / 70.0%	21.0% / 79.0%	26.3 / 73.7%	11.8 / 88.2%	44.0 / 56.0%	35.1 / 64.9%	62.1 / 37.9%

## Note:

- Based on the average HLBV as provided by CV, mba and IBA (as of 31 March 2019), including a maintenance adjustment as provided by Alton (as of June 2019 except for MSN 36639 for which the maintenance adjustment is as of August 2019 to account for an engine shop visit in June)



# Modeling Assumptions Overview & Comparison

	SLVRR 2019-1	PION 2019-1 <sup>1</sup>	STARR 2019-1 <sup>1</sup>	HORZN 2018-1 <sup>1</sup>	CLAST 2018-1 <sup>1</sup>	TBOLT 2018-1 <sup>1</sup>	STARR 2018-1 <sup>1</sup>
<b>Asset Assumptions</b>							
Number of Aircraft	• 17	• 18	• 20	• 29	• 36	• 18	• 24
Downtime	• 1 month	• 1 month	• 2 months	• 1 month	• 1 month	• Zero	• 2 months
Transition Costs (mm)	• \$0.2 NB / \$1.0 WB	• \$0.25 NB & RJ / \$1.5 WB	• \$0.5 NB	• \$0.25 NB	• \$0.5 NB / \$1.5 WB	• Zero	• \$0.35 NB / \$1.0 WB
Annual G&A expenses	• \$1.5mm + 18k / aircraft	• \$1.16mm + \$1.8k / aircraft	• \$838k + \$13k / aircraft	• \$1.16mm + \$1.8k / aircraft	• \$1.76mm + \$25k / aircraft	• \$970k + \$1.65k / aircraft	• \$825k
Appraisers	• CV, IBA, mba <sup>2</sup>	• CV, IBA, mba	• Avitas, IBA, mba	• CV, IBA, mba	• AISI, CV, mba	• Acumen, CV, IBA	• Avitas, IBA, mba
Base Case Release Rate	• 100% of average appraisals <sup>3</sup>	• 100% of average appraisals	• 100% of average appraisals	• 100% of average appraisals	• 100% of average appraisals	• 100% of average appraisals	• 100% of average appraisals
Renewal Tenor	• 6 Years	• 6 years	• 6 years	• 6 Years	• 5 Years	• 5 Years	• 6 Years
Disposition Value	• 100% of Mx. Adj. appraisals	• 100% of Mx. Adj. appraisals	• 100% of Mx. Adj. appraisals	• 100% of Mx. Adj. appraisals • In certain scenarios, credit to post-ARD EOL's, at 7% discount	• 100% of Mx. Adj. appraisals • In certain scenarios, credit to post-ARD EOL's, at 12% discount	• 106.5% of Mx. Adj. appraisals	• 100% of Mx. Adj. appraisals
Asset Sale Date	• ARD	• ARD	• ARD	• ARD	• Earlier of i) age >19 years at lease expiry, ii) ARD (June 2025)	• ARD	• ARD
<b>Fees and Alignment of Interest</b>							
Servicer Fee	• 3.0% of Rents (Senior)	• 3.0% of Rents (Senior)	• 3.0% of Rents (Senior)	• 3.5% of Rents (Senior)	• 5.0% of Rents (Senior)	• 3.0% of Rents (Senior) • 1.0% of Rents (Junior)	• 3.0% of Rents (Senior)
Disposition Fee	• 1.5%	• 1.5%	• 1.5%	• 1.5%	• 3.0%	• 1.5%	• 1.5%
Asset Manager Fee	• 1.0% of rents received, minus the amounts of the Anchor Investor Payment (subordinate in the debt waterfall) <sup>4</sup>	• 1.5% of collected rents (junior to debt waterfall)	• 0.35% of AUM (~2% of Rents)	• 1.5% of collected rents (junior to debt waterfall)	• None	• None	• 0.35% of AUM (~2% of Rents)
Promote / Incentive Fees	• Servicer to collect 20% of upside after Passive Equity receives a 12% IRR	• No promote	• No promote	• AM to collect 20% of upside after Passive E-Note receives a 12% IRR	• 1% of Rents via Junior incentive fee if net MR outperforms 80% of projected	• If AM outperforms Ascend benchmarks, 50% upside sharing	• No promote

## Notes:

- As defined in the respective transaction offering memorandums
- Based on the average HLBV as provided by CV, mba and IBA (as of 31 March 2019), including a maintenance adjustment as provided by Alton (as of June 2019, except for MSN 36639 for which the maintenance adjustment is as of August 2019 to account for an engine shop visit in June)
- Based on the average forward lease rates provided by CV, IBA and mba (as of 31 March 2019)
- Anchor Investor Payment is 0.5% of rents received, pari-passu to the Asset Manager Fee, payable to the Anchor Investor





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