

# 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 term<sup>1</sup>
- 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



## ROBUST LIQUIDITY

- Total liquidity of US\$6.5 billion<sup>2</sup>
- 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

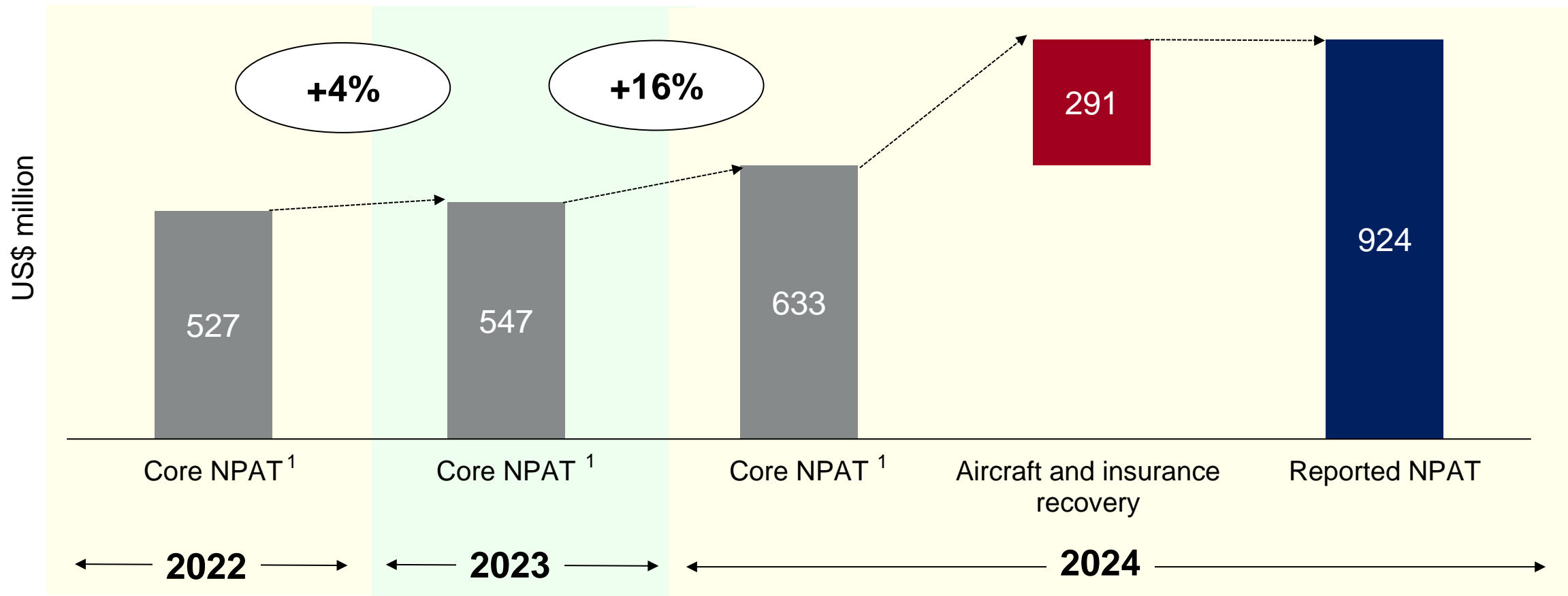
2. As at 31 December 2024

# 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

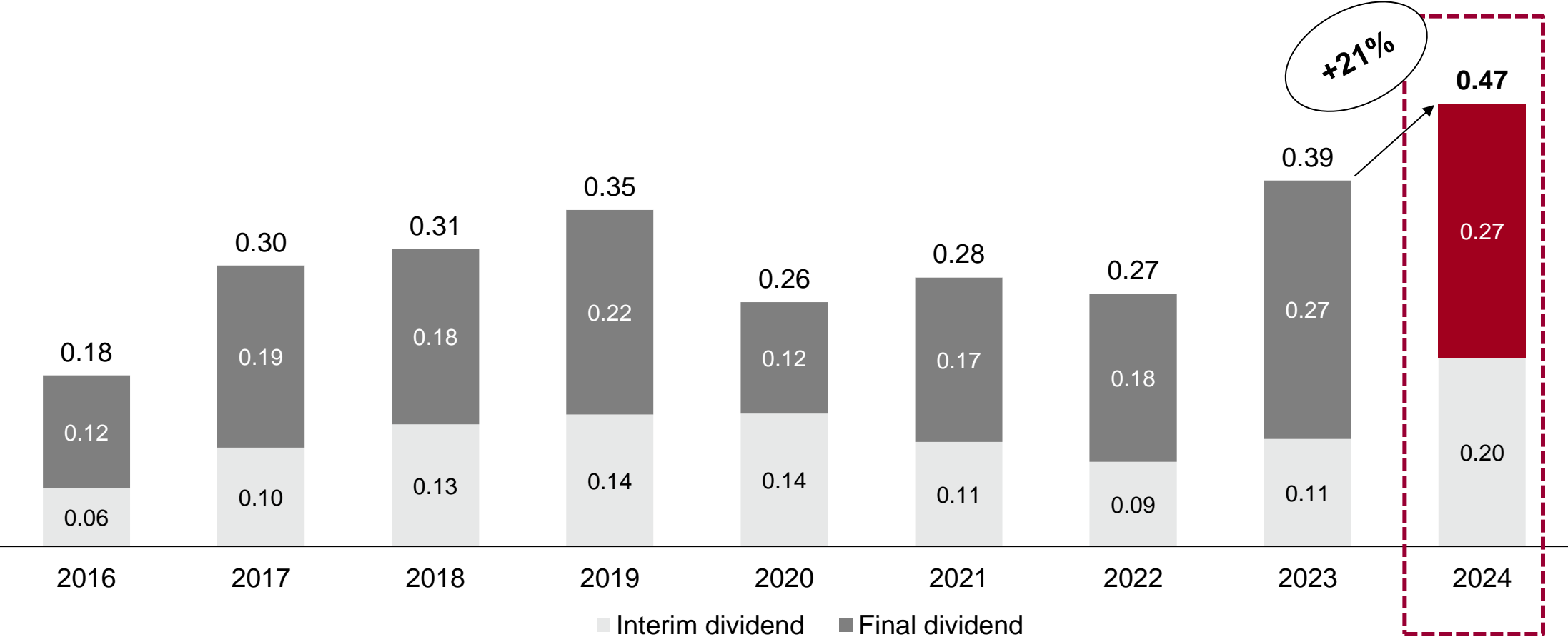


Record performance reflects underlying business growth and success in Russia-related recoveries

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

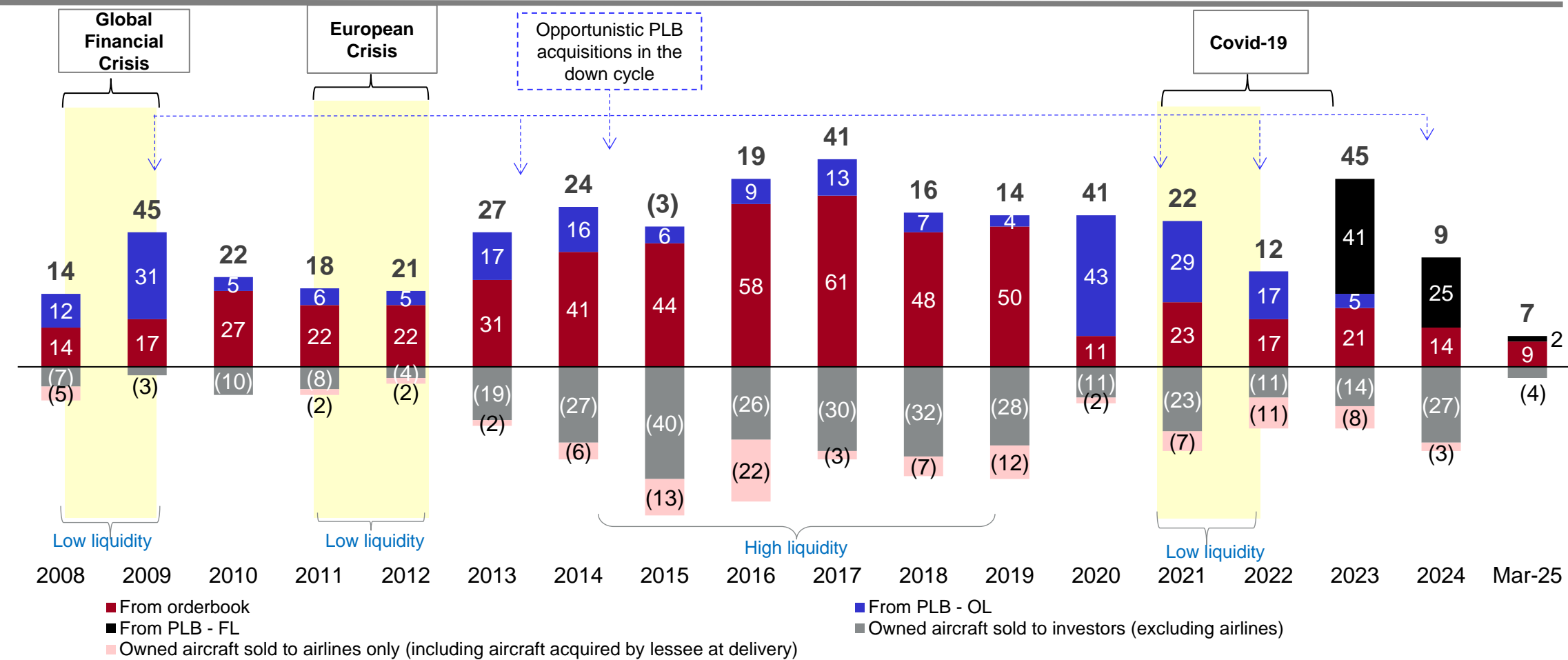
# Strong Balance Sheet and Liquidity

	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 <sup>1</sup>	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
<b>Grand total</b>	<b>451</b>	<b>32</b>	<b>346</b>	<b>829</b>

**80% of existing fleet is latest technology aircraft<sup>2</sup>**

All data as at 31 March 2025 unless otherwise indicated

Notes:

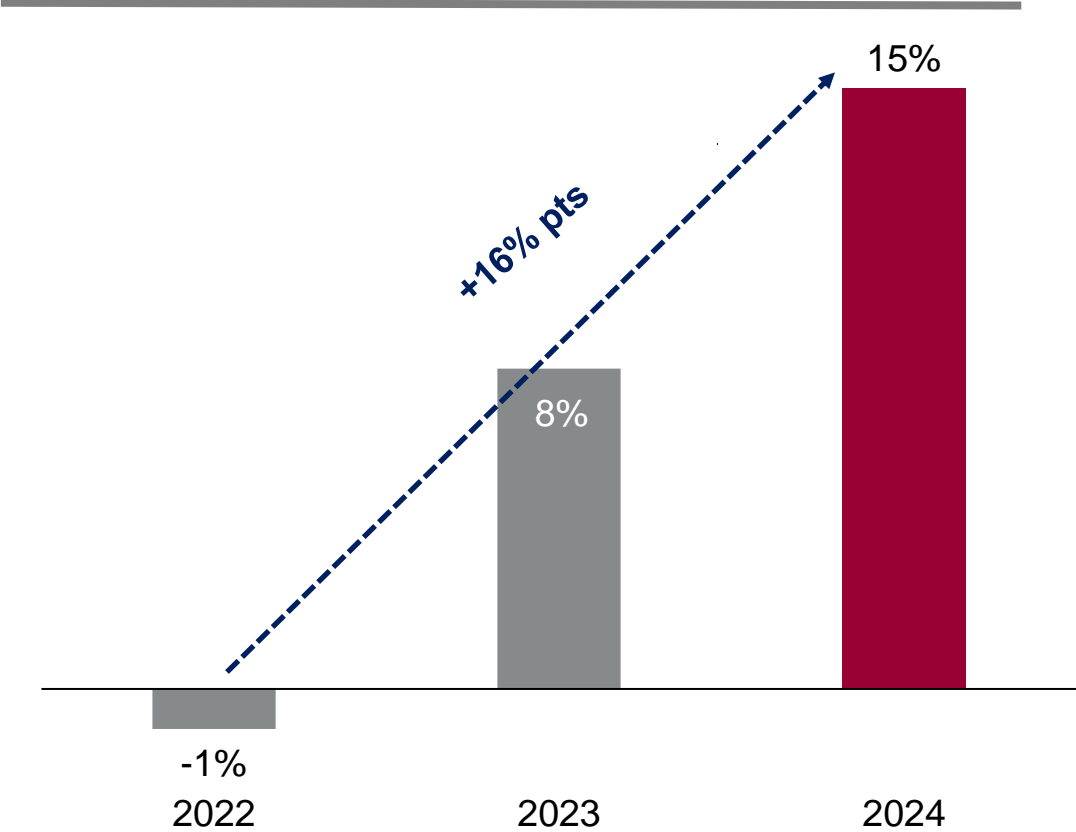
1. Comprises all purchase commitments including 10 where an airline customer has exercised the right to acquire the aircraft on delivery
2. Based on net book value and finance lease receivables as at 31 December 2024



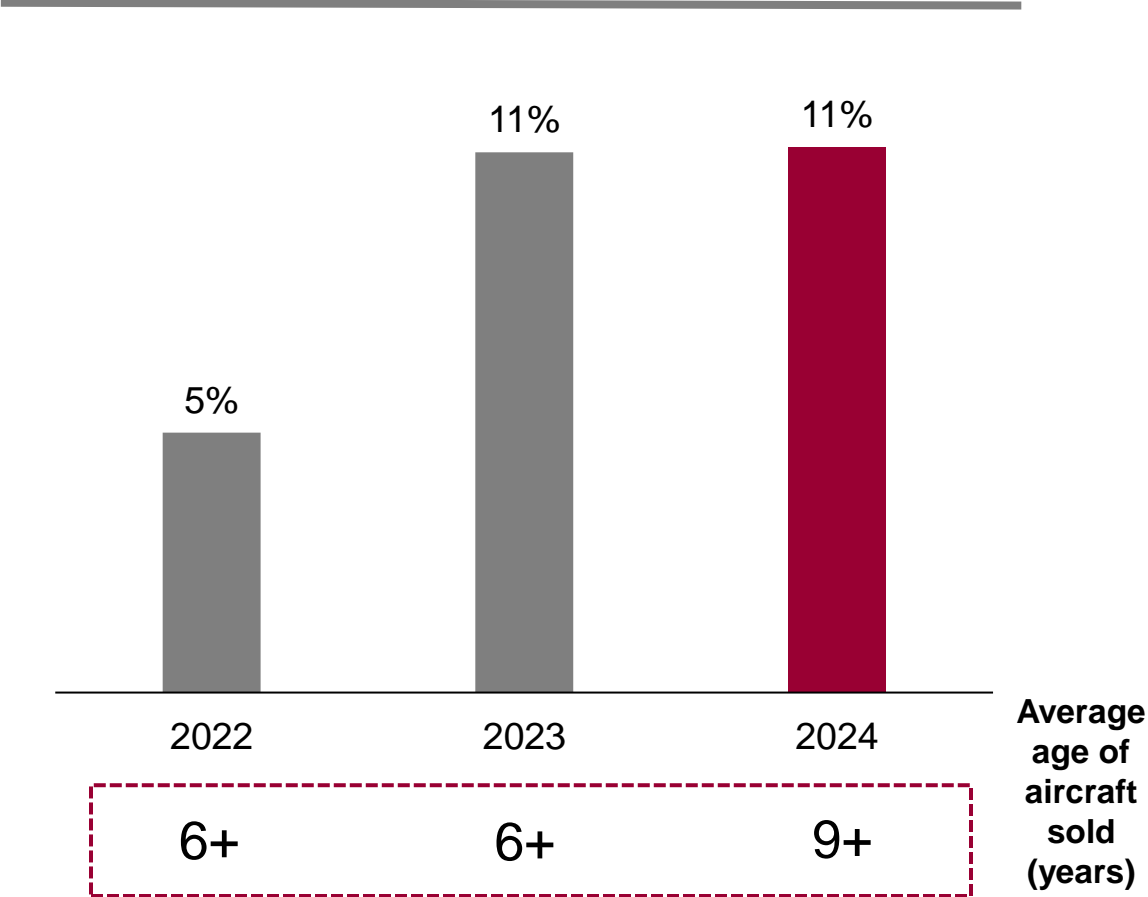


# Higher Gains on Aircraft Sales Deliver Additional Business Value

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 traffic<sup>1</sup>

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**+3%**

Capacity<sup>2</sup>

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**+2%**

Passenger load factor<sup>3</sup>

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**81%**

**Rising aircraft utilisation driven by aircraft shortages**

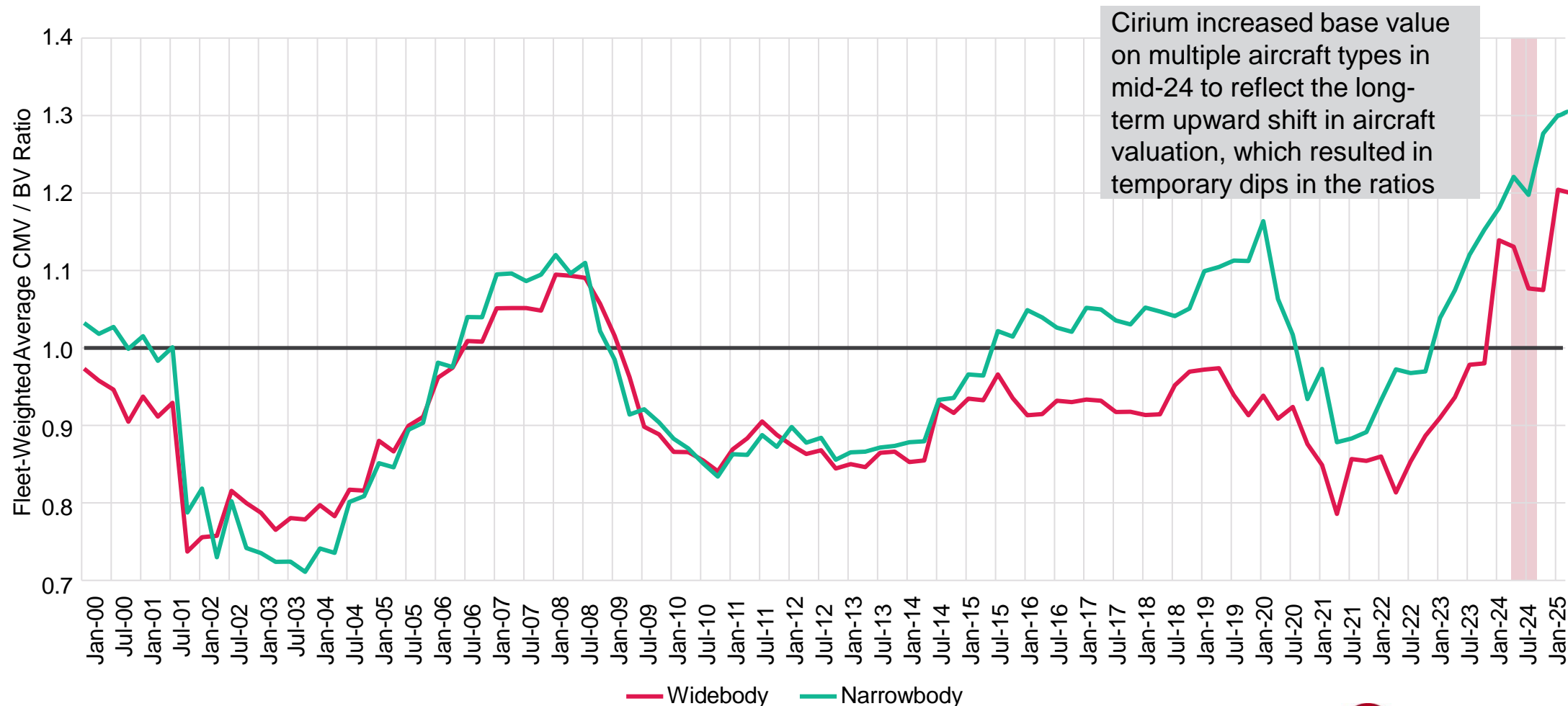
Source: IATA, Air passenger market in detail – February 2025

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

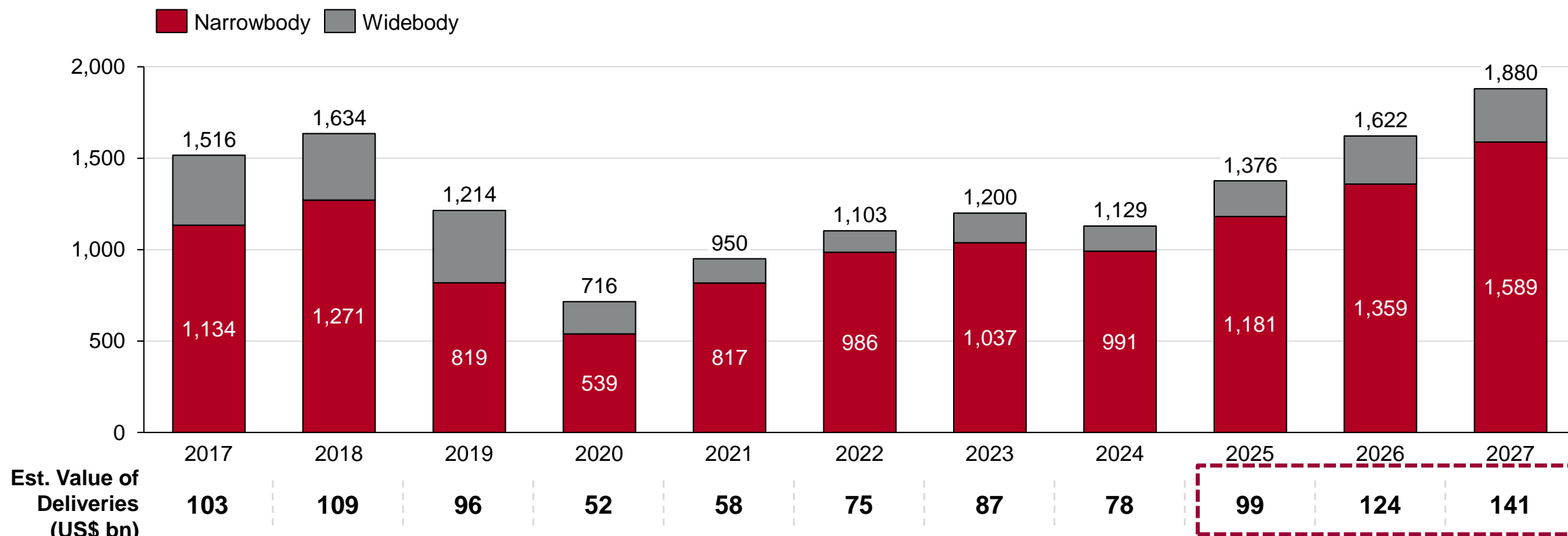


Source: BOC Aviation analysis, Cirium Ascent Consultancy data as at February 2025

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

## Passenger aircraft deliveries

Passenger aircraft >100 seats<sup>1,2</sup>



**Delivery values expected at near record levels in 2025**

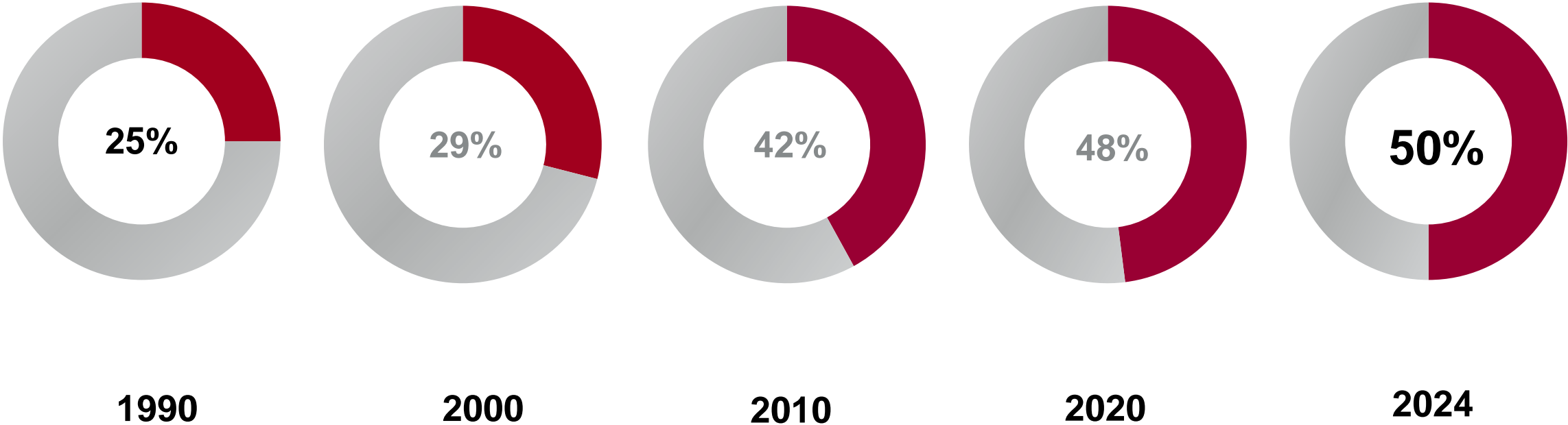
Sources: BOC Aviation analysis, Cirium fleet data, Forecast as at 27<sup>th</sup> Feb 2025, based on guidance published by OEMs

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 December 2024 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  
NPAT<sup>1</sup> & dividend

**81%**

Record passenger  
load factor in Feb

**>20% YoY**

Rising aircraft  
values<sup>2</sup>

**US\$100bn**

Market growth  
expected in 2025

**US\$2.6bn**

Record aircraft  
value premium<sup>3</sup>

**Building capex pipeline will unlock the path to growth**

Sources: BOC Aviation, Cirium fleet data, IATA

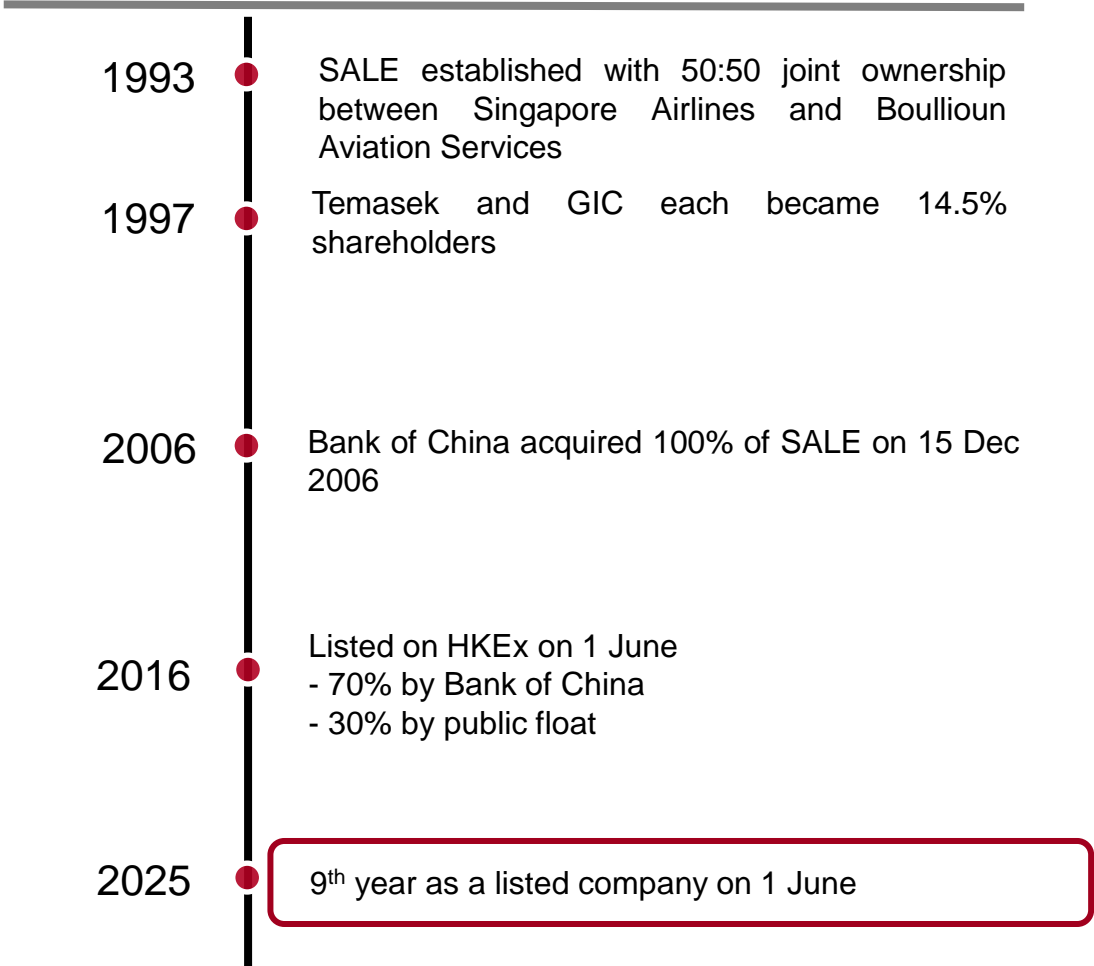
Notes:

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

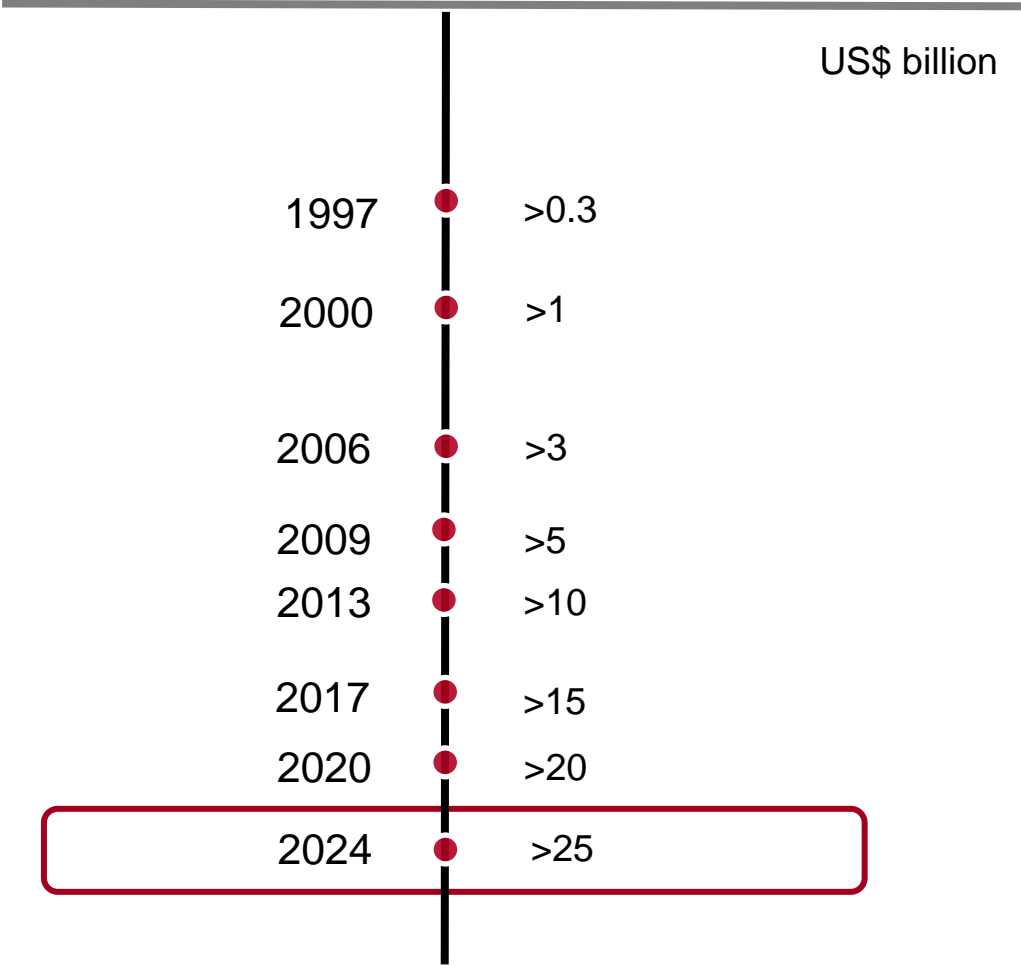
# APPENDICES

# The BOC Aviation Journey

## Ownership



## Total assets



Market capitalisation of US\$5.4 billion<sup>1</sup>

All data as at the end of the relevant period  
Note:  
1. Source: Bloomberg (as at 31 March 2025)



# About Us

Ownership	<b>Bank of China</b> 70% owned by BOC	<b>Listed on HKEX</b> (2588 HK)
Market position	<b>Top 5</b> Global aircraft operating lessor <sup>1</sup>	<b>93</b> customers in <b>48</b> countries and regions <sup>3</sup>
Profit track record	<b>31 years</b> Of unbroken profitability	<b>&gt;US\$7.1 billion</b> Cumulative profits since inception
Balance sheet	<b>US\$25.1 billion</b> Total assets	<b>D/E ratio of 2.6 times</b>
Cash flow	<b>US\$6.5 billion</b> Available liquidity	<b>A- credit ratings</b> Fitch / S&P
Total portfolio	<b>829</b> Aircraft and engines in fleet <sup>2</sup>	<b>346 / 5.1 years / 7.9 years</b> Aircraft on order/ Average fleet age <sup>4</sup> / Average lease term remaining <sup>4</sup>

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*

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



**Wen Lan**  
*Chief Financial Officer*

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



**Tom Chandler**  
*Chief Operating Officer*

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



**Paul Kent**  
*Chief Commercial Officer*

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



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

- 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
- Financing<sup>1</sup> More than US\$46 billion in debt raised

- Sales 470 owned and managed aircraft sold
- Transitions 157 transitions
- Repossessions<sup>2</sup> 70 aircraft in 21 jurisdictions

## The outcome:

- Total number of aircraft delivered **937**
- Proportion of aircraft sold<sup>3</sup> **50%**
- Proportion of transitions<sup>4</sup> **11%**
- Proportion of repossessions<sup>4</sup> **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)
<b>BOC Aviation USA Corp</b>	<b>7/1/2025</b>	<b>3</b>	<b>500</b>	<b>4.750</b>	<b>4.914</b>	<b>60</b>
Aercap	6/1/2025	3	750	4.875	5.061	75
<b>BOC Aviation USA Corp</b>	<b>7/5/2024</b>	<b>5.5</b>	<b>500</b>	<b>5.250</b>	<b>5.323</b>	<b>87.5</b>
Aercap	6/1/2025	7	750	5.375	5.497	98
SMBC	24/3/2025	5	500	5.100	5.123	103
<b>BOC Aviation USA Corp</b>	<b>27/8/2024</b>	<b>7</b>	<b>500</b>	<b>4.625</b>	<b>4.808</b>	<b>105</b>
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

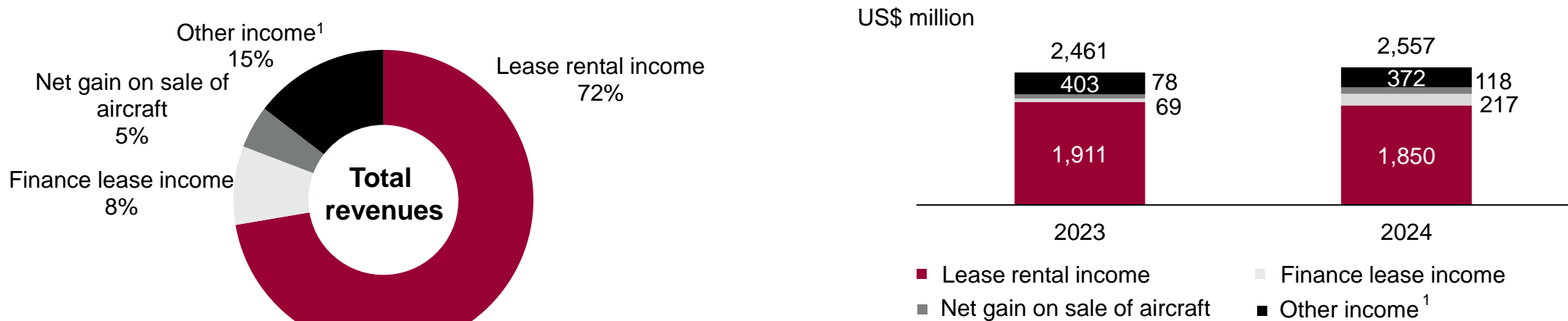
Strength in our cost of debt

Sources: Bloomberg and BOC Aviation's estimates



# Lease Rental Income Continues to Drive Revenue

## Lease rental income drives total revenues and other income



## Depreciation of aircraft and financing costs are key costs

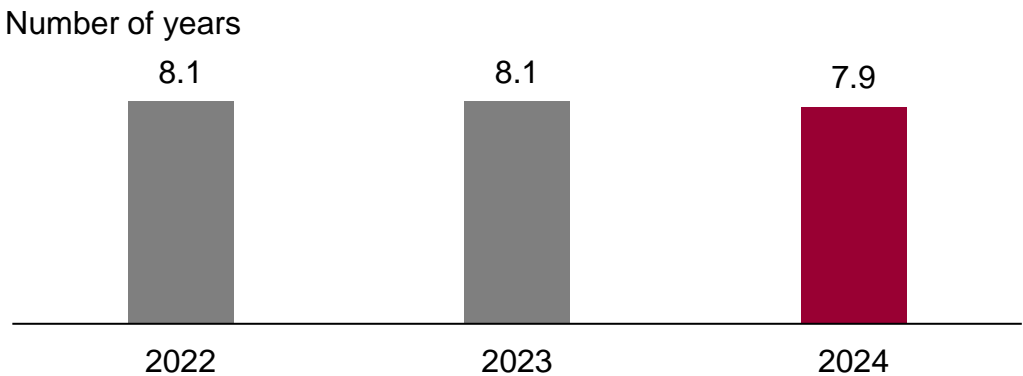


Notes:

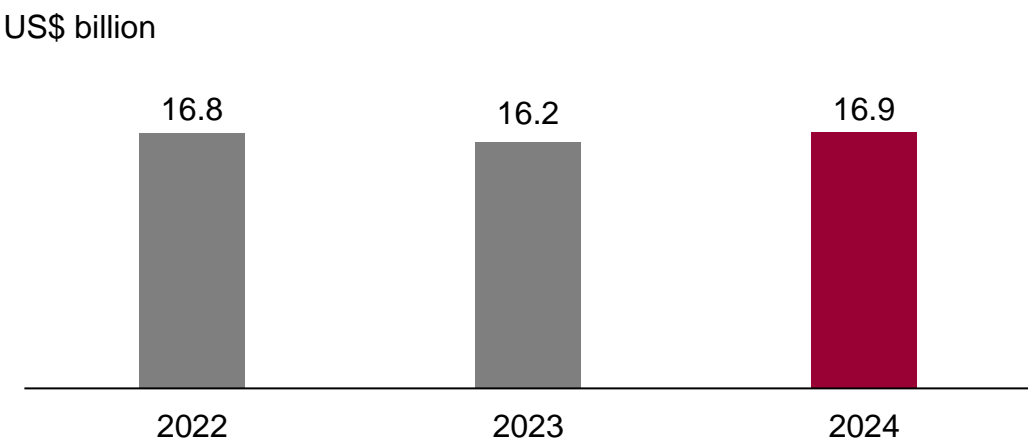
1. Includes insurance recoveries in respect of aircraft in Russia and other interest and fee income
2. Comprises aircraft depreciation and impairment charges
3. Excludes the write back of impairment for two aircraft recovered from Russia

# Long-Term Leases A Key Feature of the Company

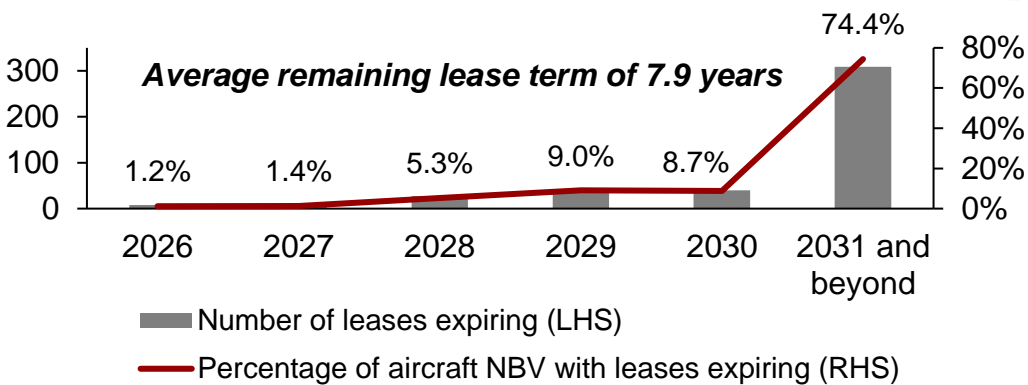
## A long average remaining lease term<sup>1</sup>



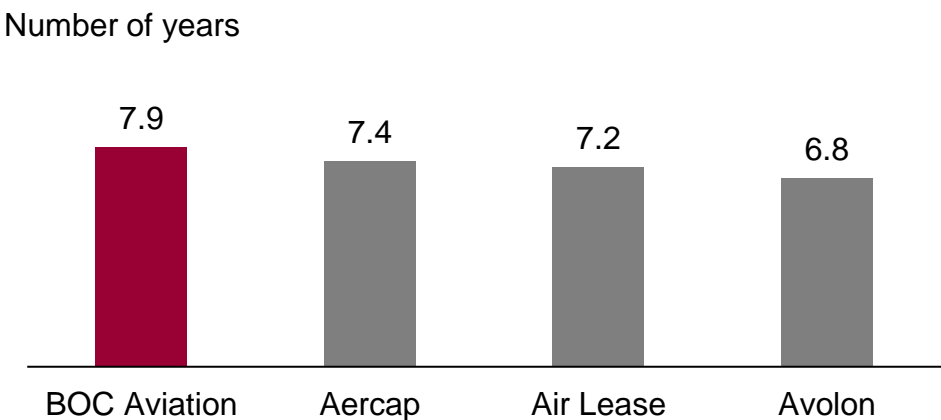
## Rising future committed operating lease revenue



## Well-dispersed scheduled lease expiries<sup>2</sup>



## Industry-leading average remaining lease term



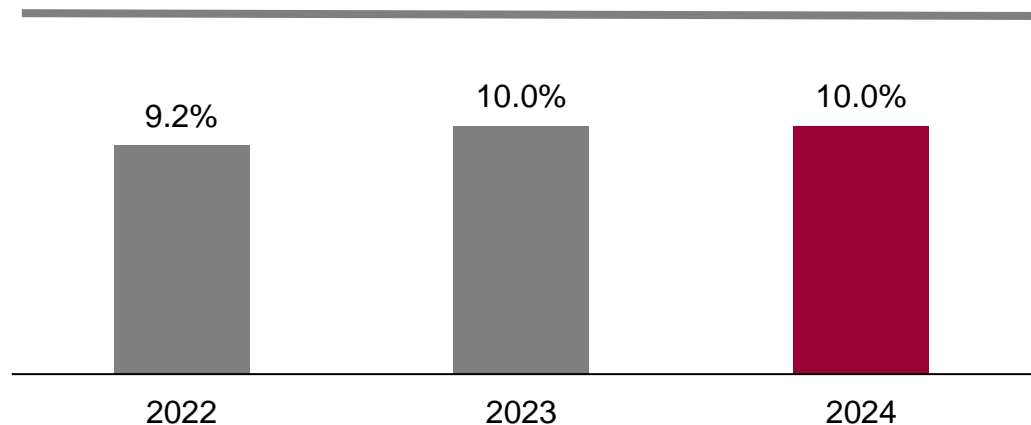
All data as at 31 December 2024

Notes:

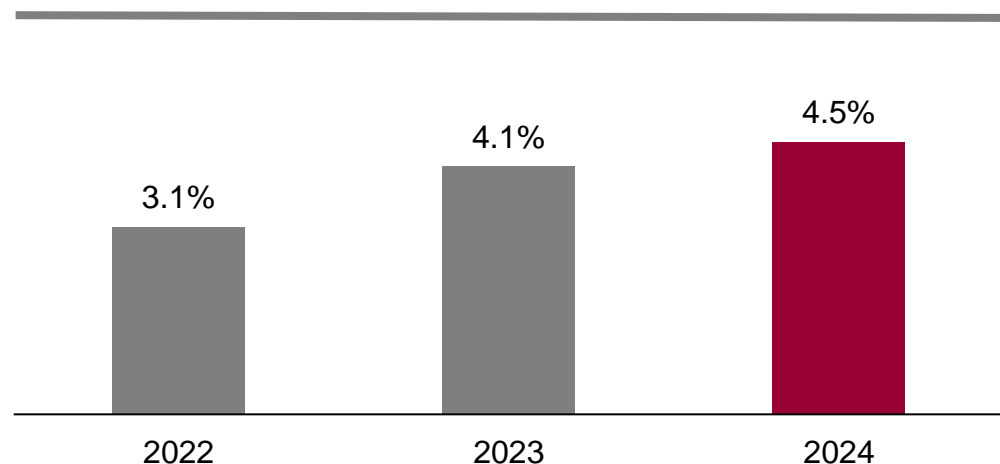
- 1. Weighted by net book value of aircraft and finance lease receivables
- 2. Owned aircraft with lease expiring in each calendar year, weighted by net book value of aircraft and finance lease receivables

# Operating Lease Yields Rising

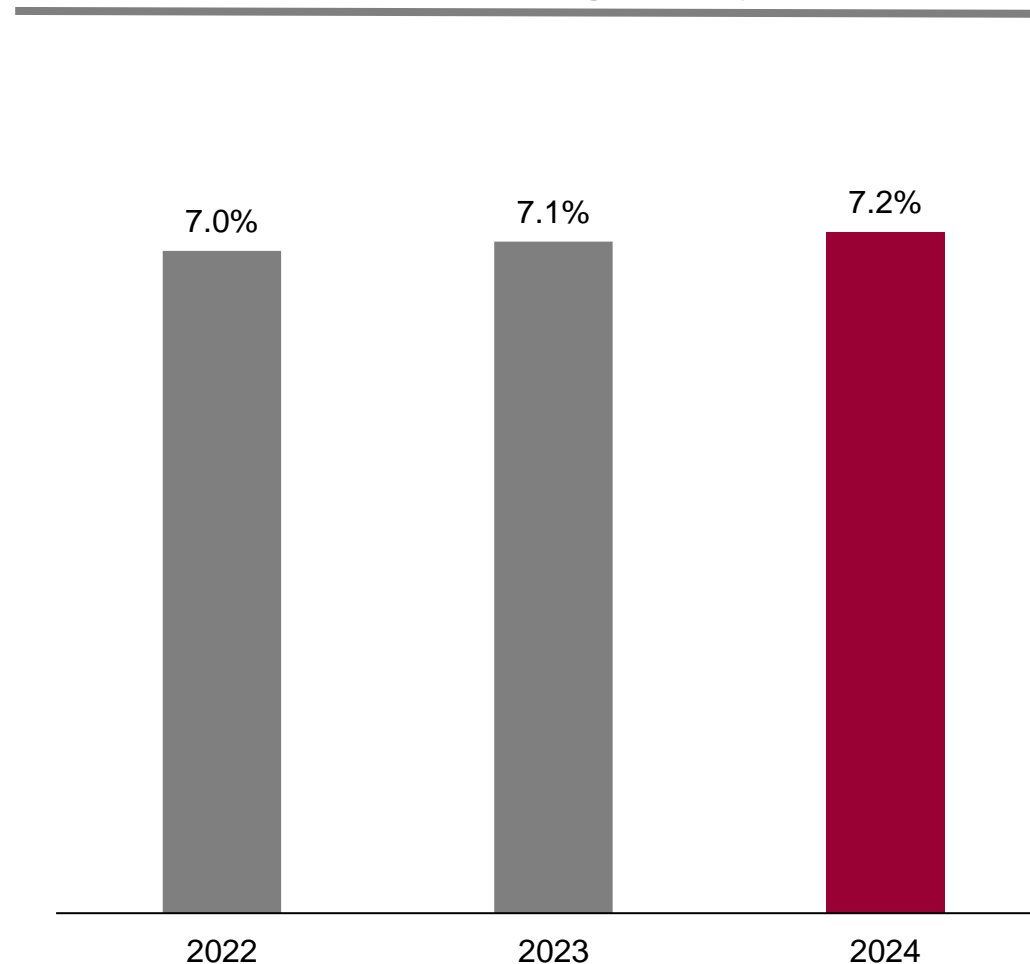
Operating lease rate factor<sup>1</sup>



Cost of debt<sup>2</sup>



Net operating lease yield<sup>3</sup>

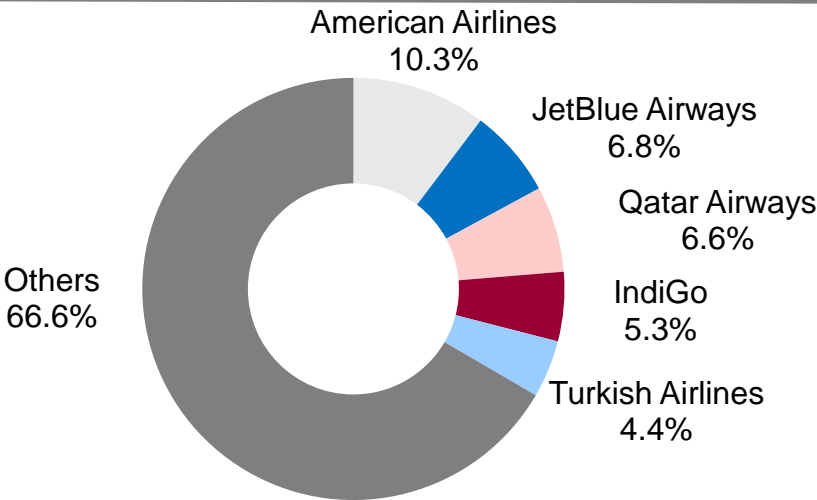


Notes:

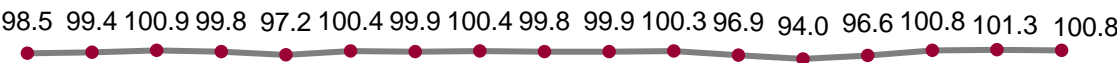
1. Calculated as operating lease rental income divided by average aircraft net book value and multiplied by 100%
2. Calculated as the sum of finance expenses and capitalised interest, divided by average total indebtedness. Total indebtedness represents loans and borrowings before adjustments for deferred 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 customer<sup>1</sup>



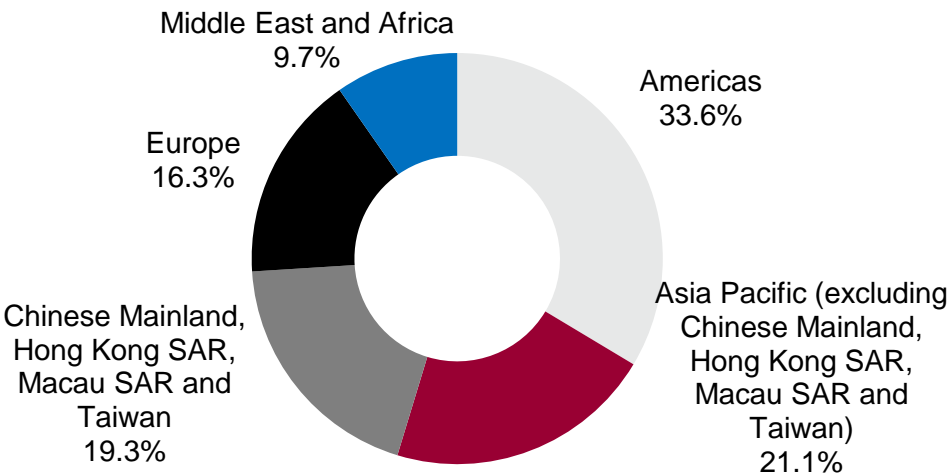
Collection rate (%)



Average = 99.2%

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

...and diversified by geography<sup>1</sup>



Fleet utilisation (%)<sup>2</sup>



Average = 99.5%

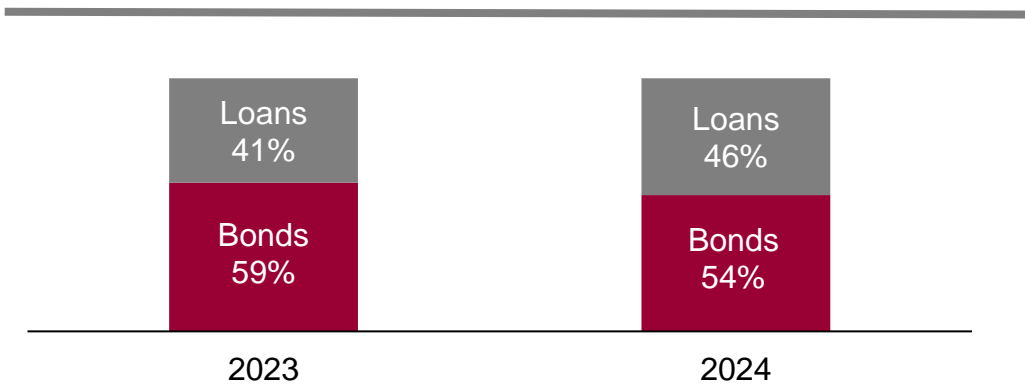
2008 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 Mar 2025

All data as at 31 December 2024 unless otherwise indicated  
 Notes:  
 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

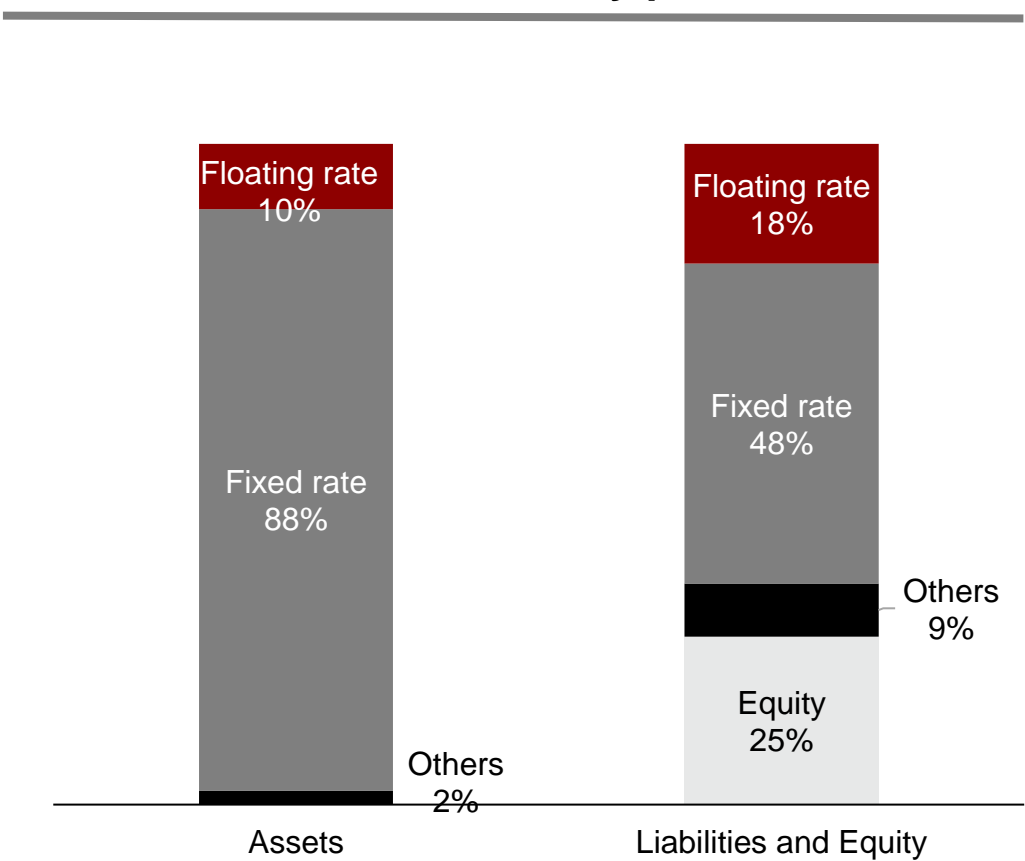


# Flexible Capital Structure

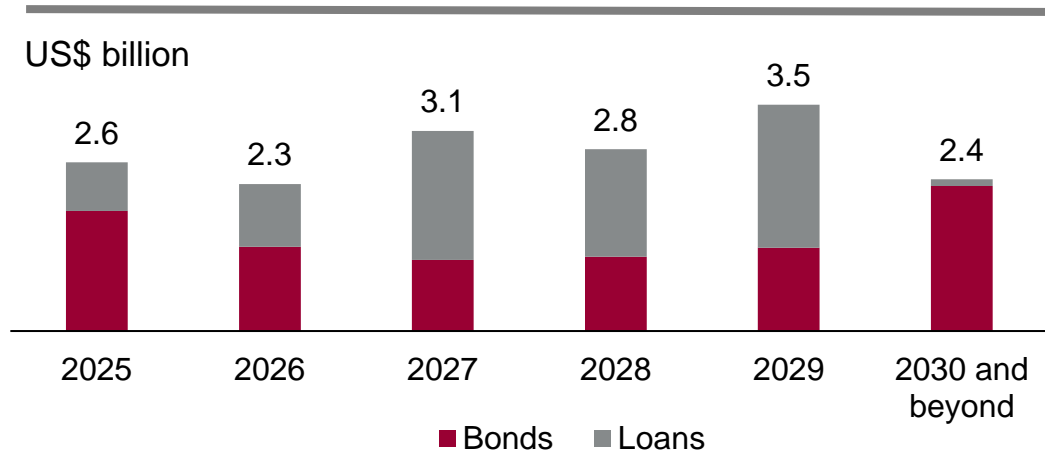
Sources of debt



Asset and liability profile



Outstanding debt maturity profile

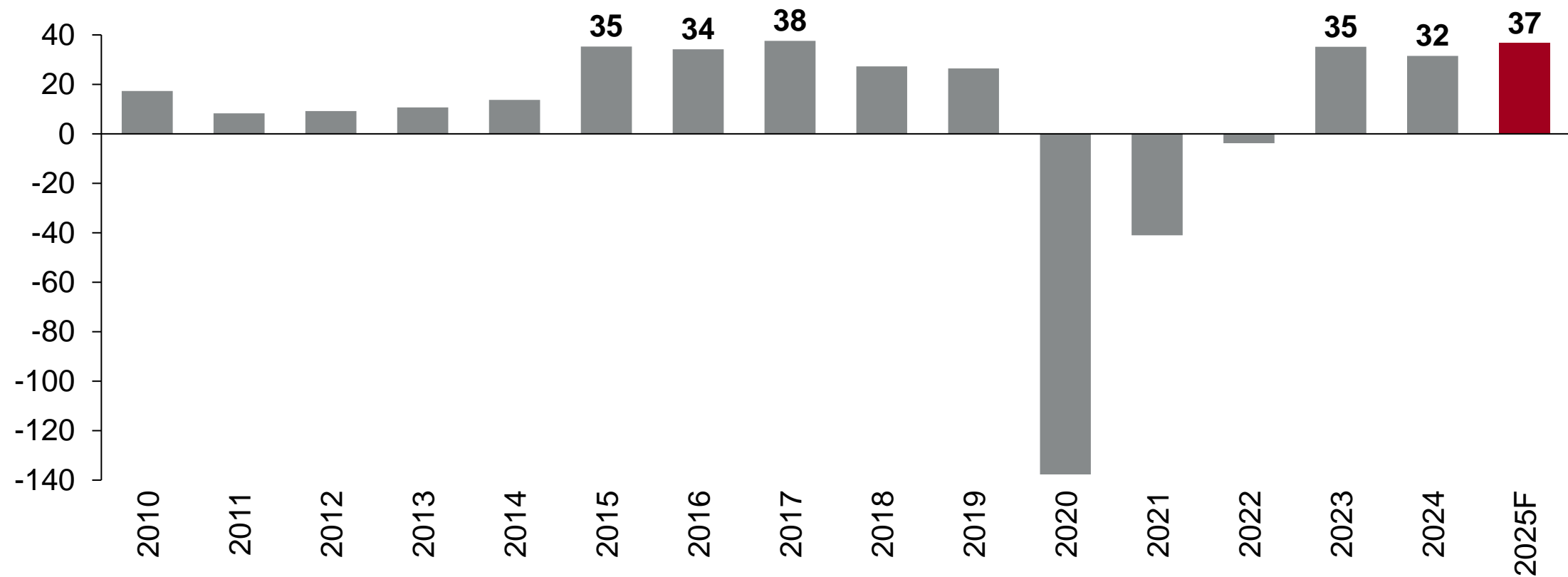


Long-term assets funded by long-term debt

# Improving Airline Industry Profits

IATA global airline industry net post-tax profit

Estimated / Forecast by IATA Economics, US\$ billion



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