

2023 FINAL RESULTS REVIEW

MARCH 2024

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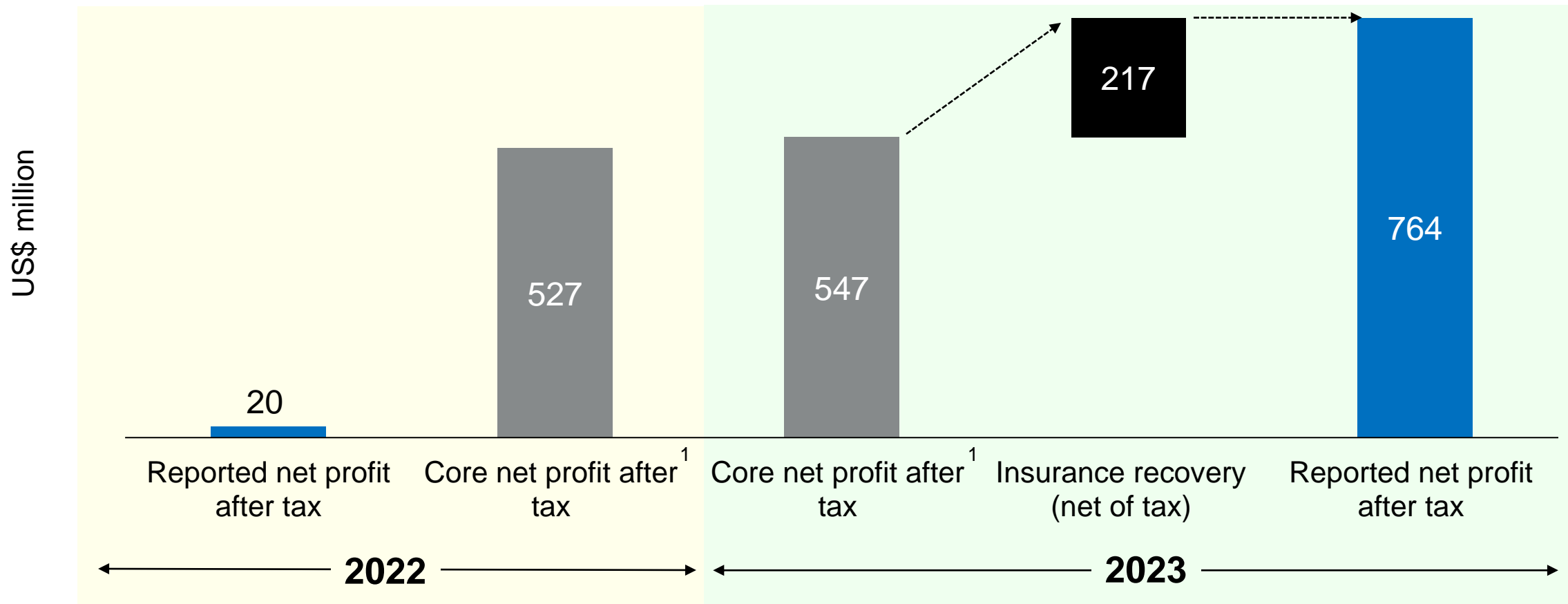
2023 OVERVIEW

2023: A Year of Record Performance

Key Indicators	2023 US\$ million	2022 US\$ million	2023 vs 2022 Variance
Total revenues and other income	2,461	2,307	 7%
Profit before tax	861	29	 2,818%
Net profit after tax	764	20	 3,708%
Earnings per share (US\$)	1.10	0.03	 3,708%

30th year of unbroken profitability

Strong Improvement in Net Profit After Tax







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

Note:

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

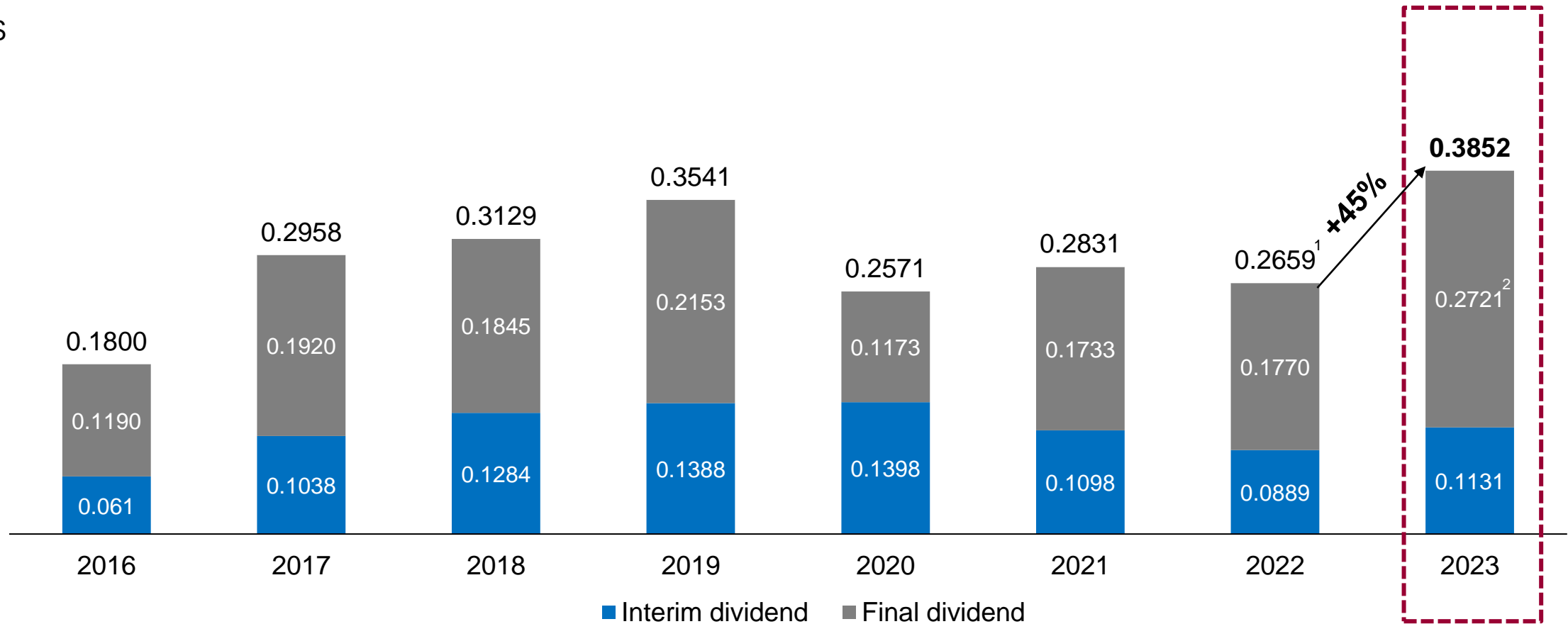
Robust Balance Sheet and Liquidity

Key Indicators	31 December 2023	31 December 2022	Variance
Total assets (US\$ billion)	24.2	22.1	 10%
Total available liquidity (US\$ billion)	5.6	5.3	 6%
Total equity (US\$ billion)	5.7	5.2	 11%
Net assets per share (US\$)	8.28	7.50	 11%
Gross debt to equity (times)	2.9	2.9	 Stable

Total assets grew at the fastest pace since 2020

Highest Dividend Since IPO

US\$



Total dividend per share of US\$0.3852 in 2023; annual payout ratio consistent at 35% of NPAT

Notes:

1. Represents a payout ratio of 35% of core net profit after tax
2. The recommended final dividend of US\$0.2721 per share, pending approval at the AGM, will be payable to shareholders registered at the close of business on the record date, being 7 June 2024



Key 2023 Highlights

30th year of unbroken profitability

Record NPAT of US\$764 million in 2023

Most aircraft deliveries since 2017

Took delivery of 65 aircraft in 2023

Significant future capex of US\$12 billion

Committed to purchase additional 95 aircraft in 2023

Successful management transition

Steven Townend succeeded Robert Martin as Chief Executive Officer and Managing Director¹

Robust liquidity

Total liquidity of US\$5.6 billion; collection rate exceeded 100% for the second consecutive year

Strong credit ratings

A- with stable outlook reaffirmed by Fitch Ratings and S&P Global

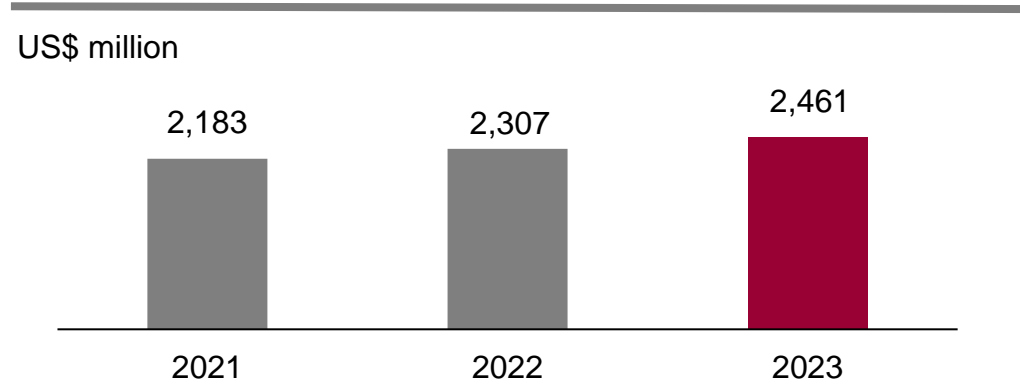
Strong platform for growth in 2024

Note:

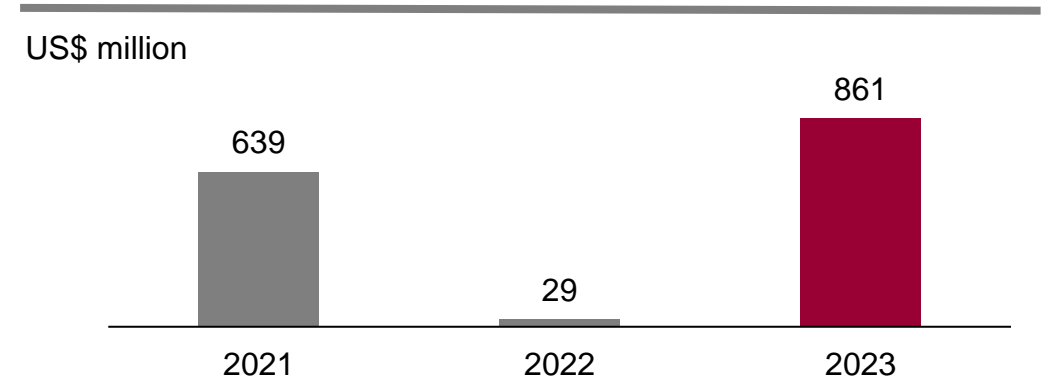
1. With effect from 1 January 2024

Continued Improvement in Key Metrics

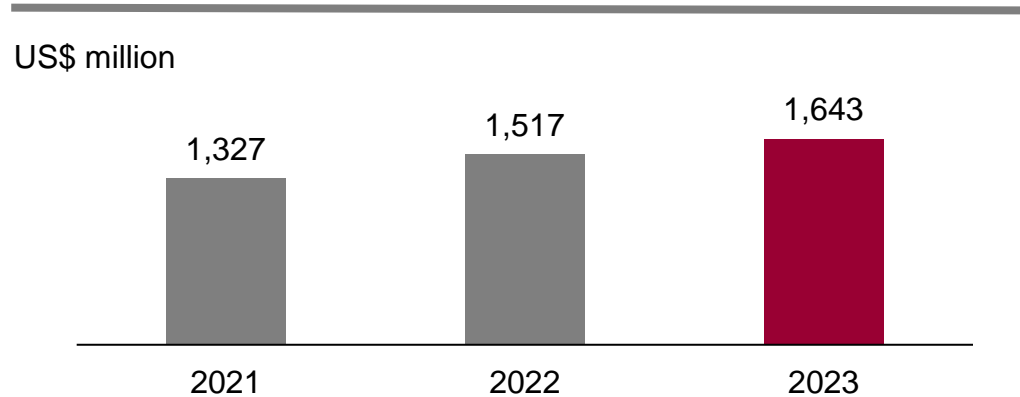
Total revenues



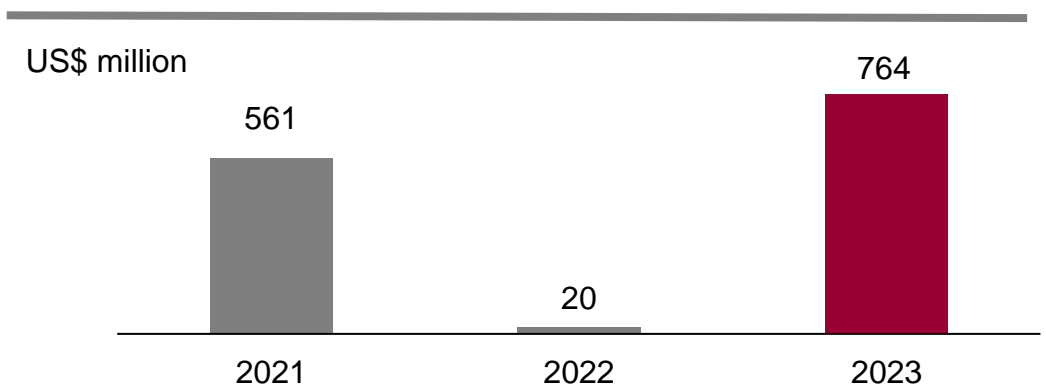
Profit before tax



Operating cash flow net of interest¹



Net profit after tax



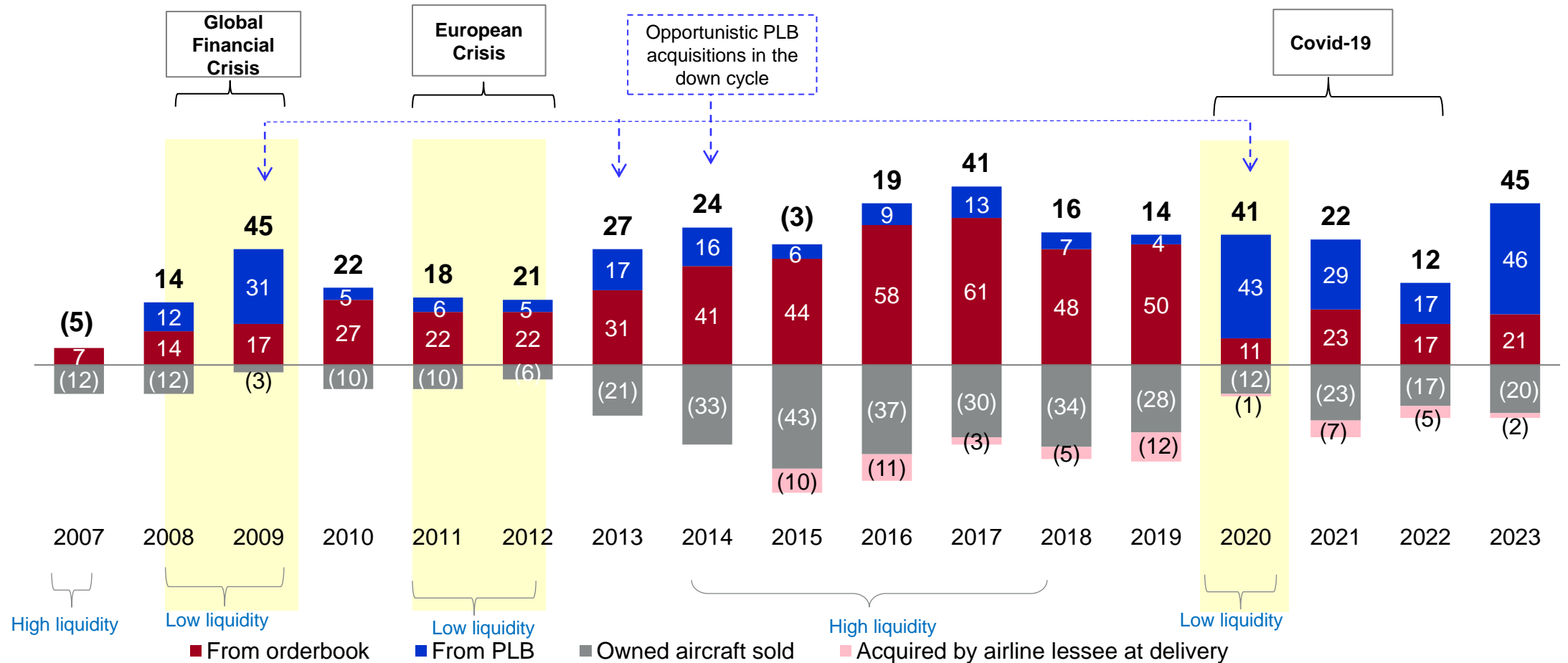
Strong rebound in earnings from growth in underlying business and recoveries from aircraft in Russia

Note:

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

How We Invest

Number of aircraft delivered, purchased and sold

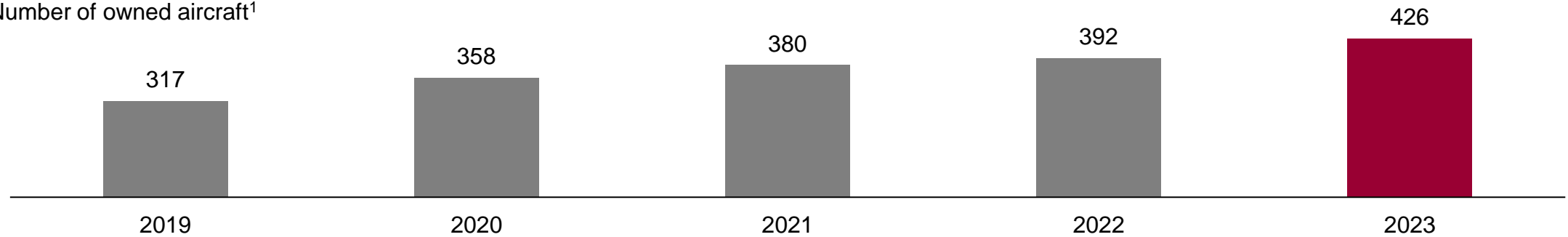


2023 saw largest fleet growth in our history

Returning to Growth

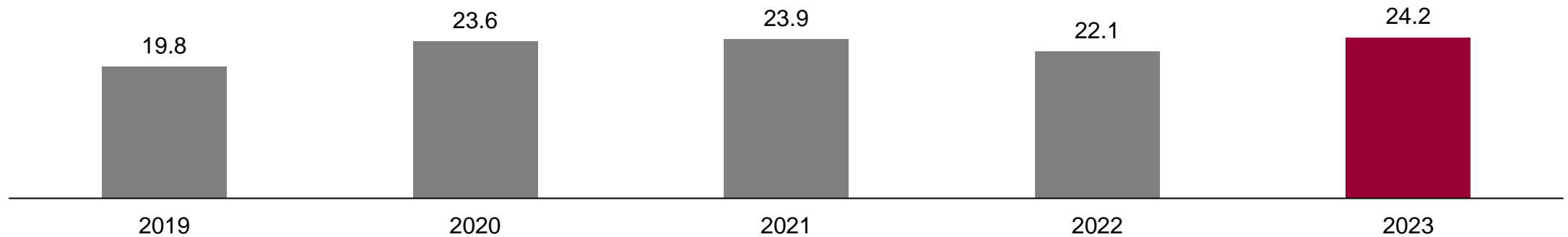
Expanding owned fleet

Number of owned aircraft¹



Total assets in excess of US\$24 billion

Total assets (US\$ billion)



Record asset base achieved in 2023



Note:

1. Includes aircraft on leases classified as finance lease in accordance with IFRS 16 (*Leases*)

100% of Orderbook Comprises Latest Technology Aircraft

Our aircraft portfolio

Aircraft type	Owned aircraft	Managed aircraft	Aircraft on order	Total
Airbus A220 family	18	0	0	18
Airbus A320CEO family	83	14	0	97
Airbus A320NEO family	122	0	124	246
Airbus A330CEO family	8	1	0	9
Airbus A330NEO family	6	0	0	6
Airbus A350 family	9	0	0	9
Boeing 737NG family	61	13	0	74
Boeing 737-8/9	60	0	93	153
Boeing 777-300ER	27	4	0	31
Boeing 787 family	27	1	7	35
Freighters	5	1	0	6
Total	426	34	224	684

77% of existing fleet is latest technology aircraft¹

All data as at 31 December 2023

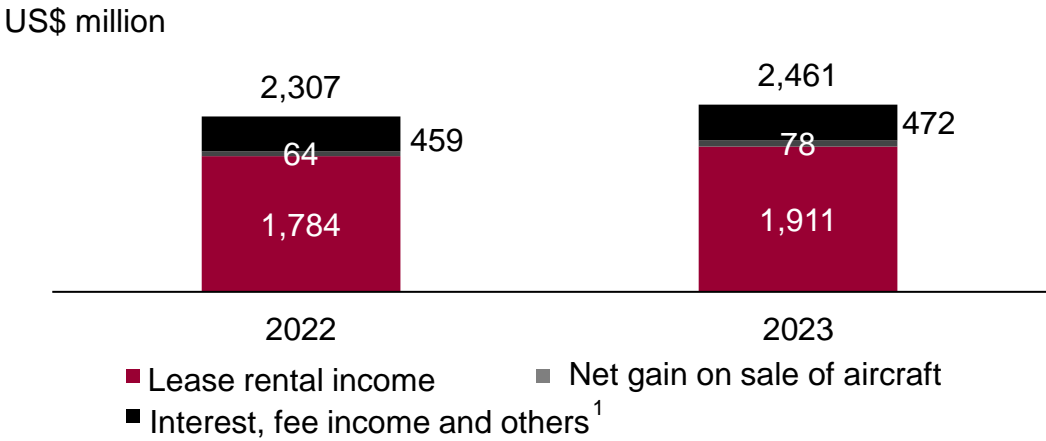
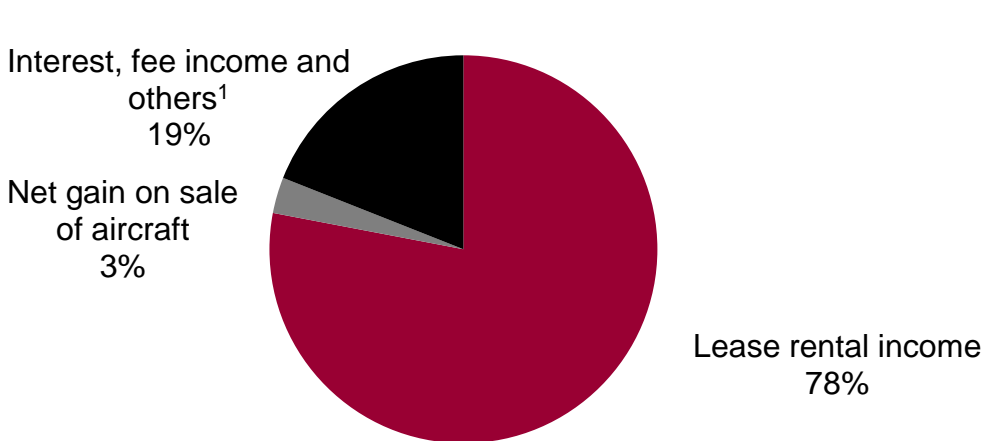
Note:

1. Based on net book value and including aircraft subject to finance leases

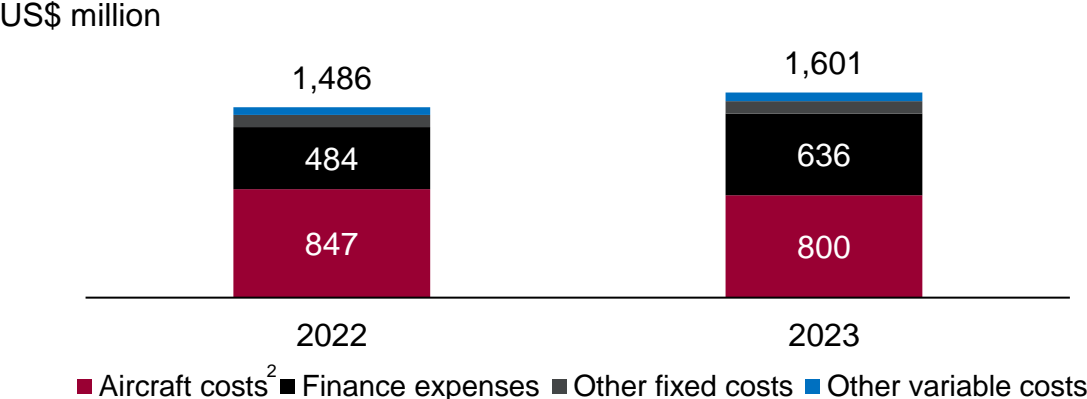
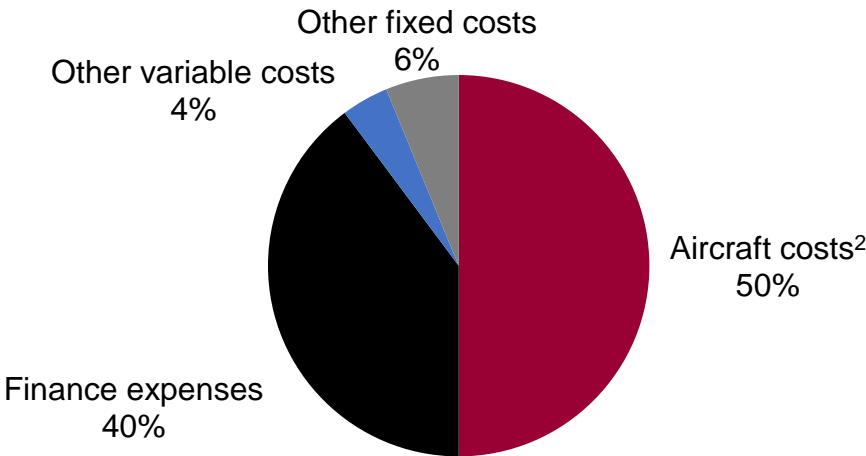


Lease Rental Income Continues to Drive Revenue

Lease rental income drives total revenues and other income



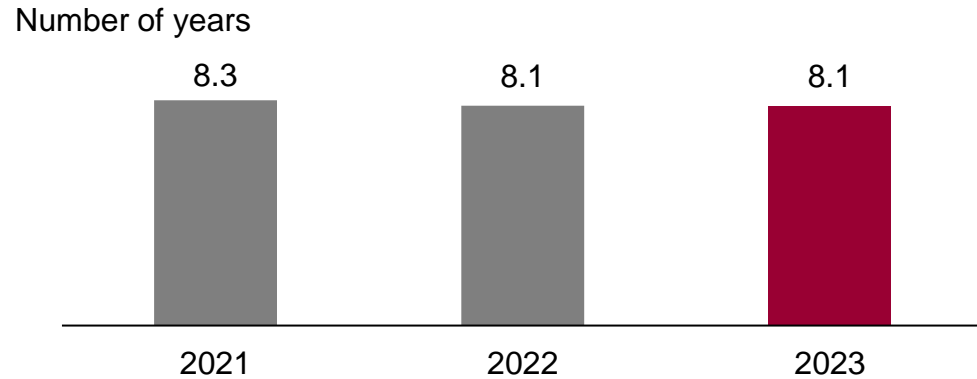
Depreciation of aircraft and financing costs are key costs



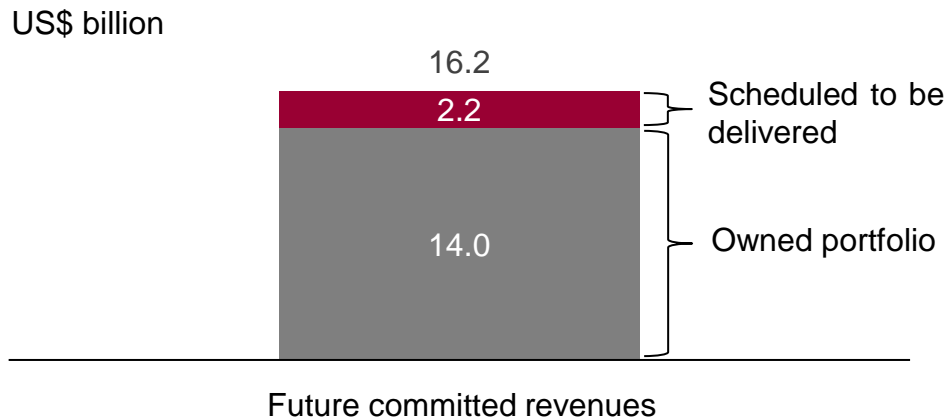
Notes:
 1. Includes income arising from termination of leases with airlines in Russia in 2022 and the recovery in respect of aircraft in Russia in 2023
 2. Comprises aircraft depreciation and impairment charges (excludes the impairment of aircraft in Russia in 2022)

Long-Term Leases A Key Feature of the Company

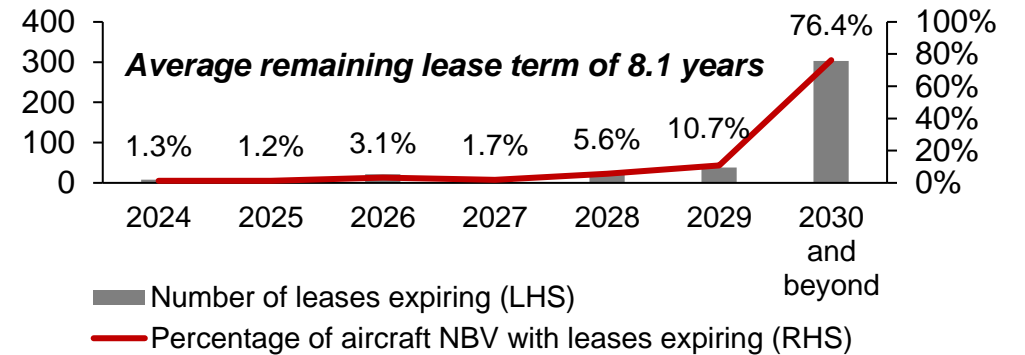
A long average remaining lease term¹



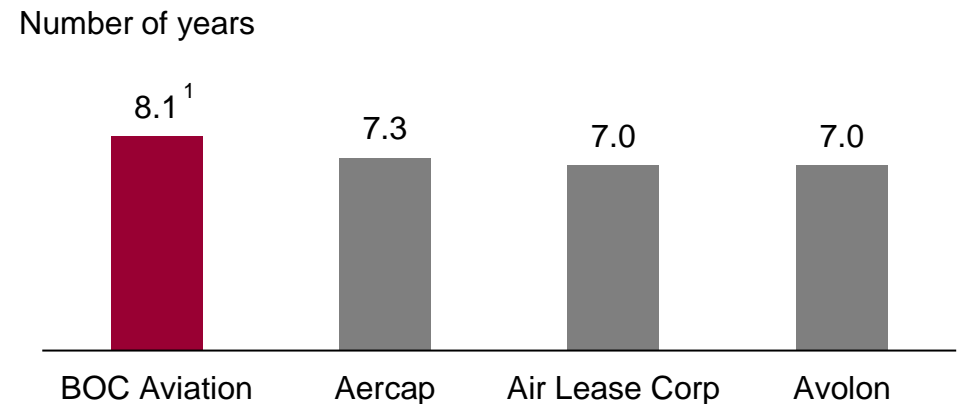
High future committed operating lease revenue



Well-dispersed scheduled lease expiries²



Industry-leading average remaining lease term³

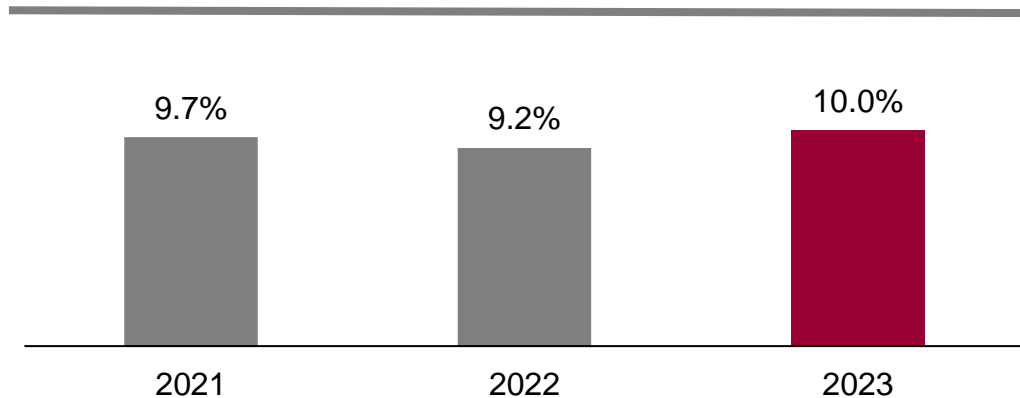


Notes:

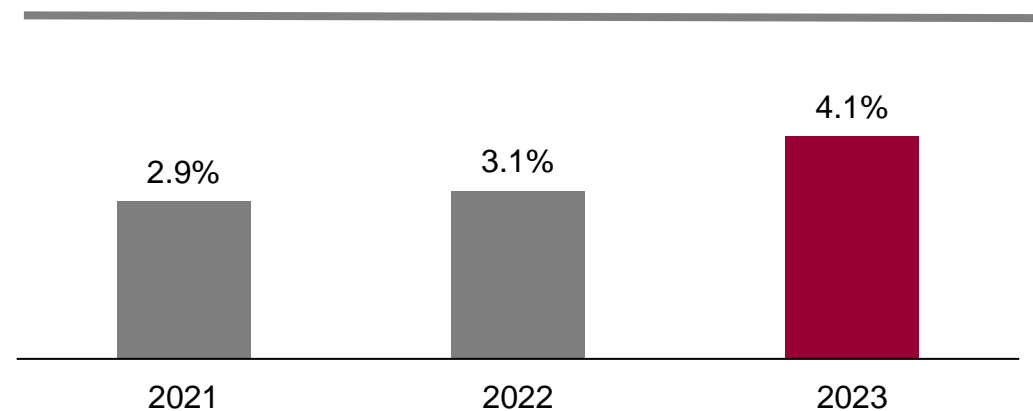
1. Weighted by net book value of owned fleet and finance lease receivables in respect of aircraft on leases classified as finance leases in accordance with IFRS 16 (Leases)
2. Owned aircraft with lease expiring in each calendar year, weighted by net book value including finance lease receivables in respect of aircraft on leases classified as finance leases in accordance with IFRS 16 (Leases)
3. Updated as at 31 December 2023

Improving Operating Lease Yields

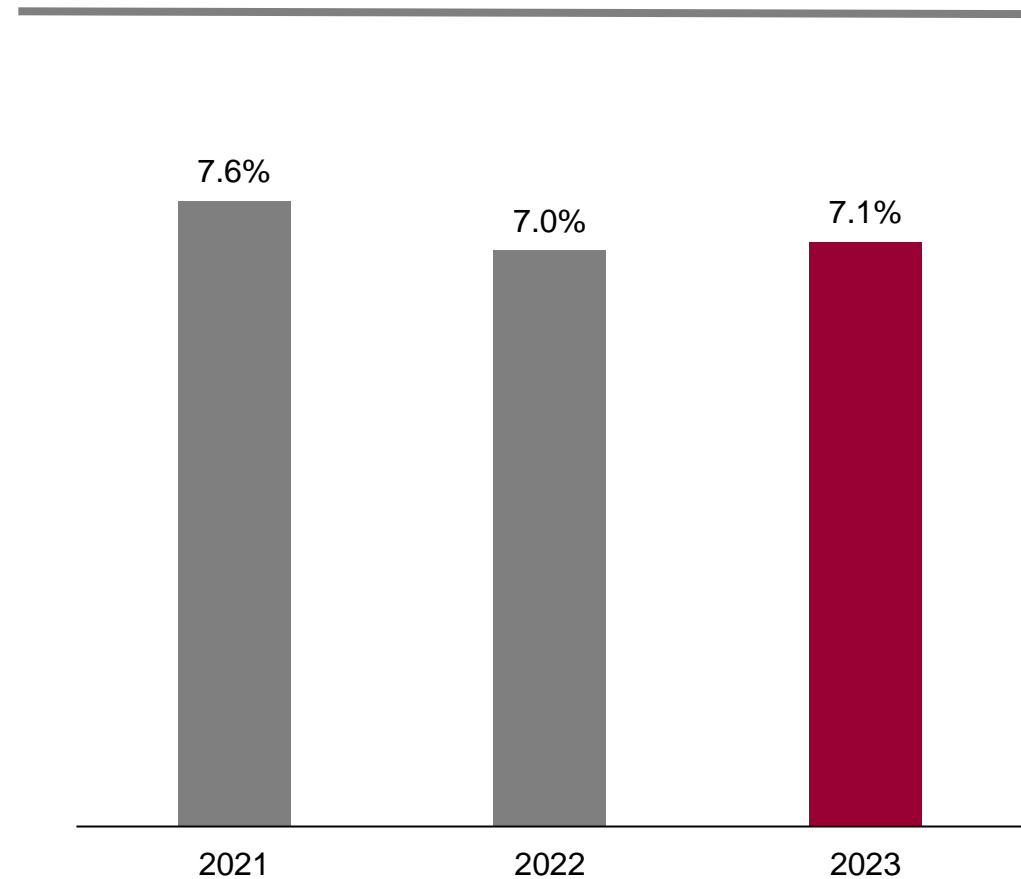
Lease rate factor¹



Cost of debt²



Net lease yield³

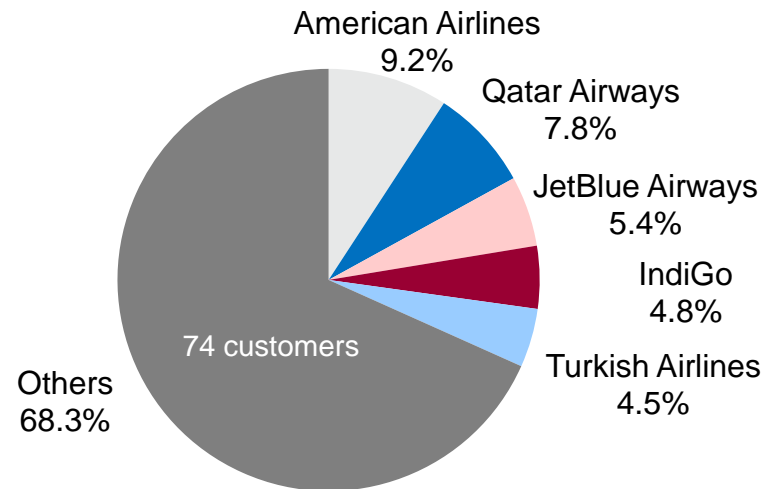


Notes:

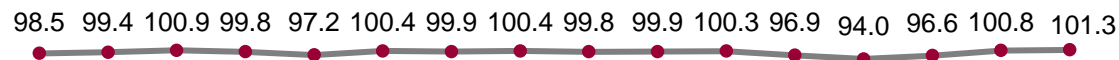
1. Calculated as operating lease rental income divided by average aircraft net book value and multiplied by 100%
2. Calculated as the sum of finance expenses and capitalised interest, divided by average total indebtedness. Total indebtedness represents loans and borrowings before adjustments for deferred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



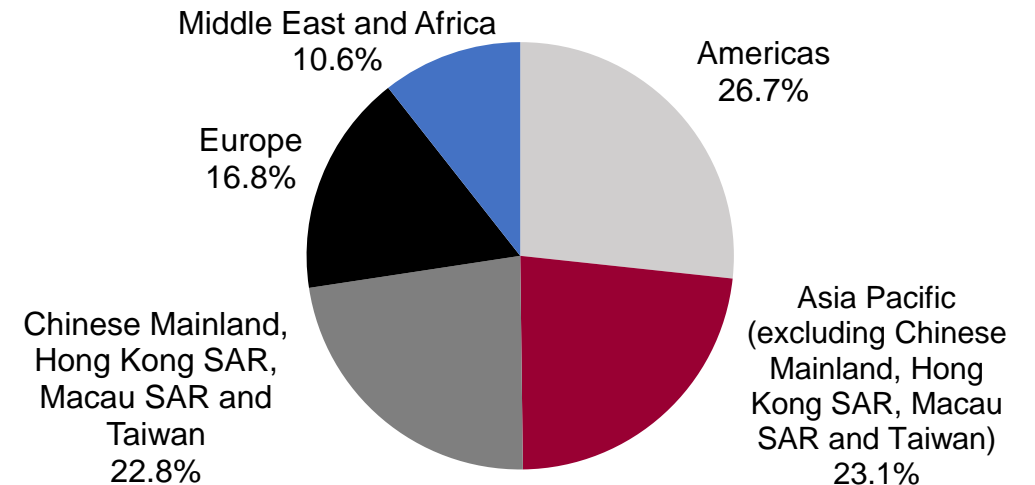
Collection rate (%)



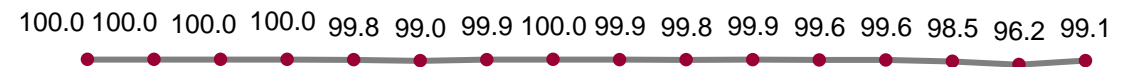
Average = 99.1%

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

...and diversified by geography²



Fleet utilisation (%)³



Average = 99.5%

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

All data as at 31 December 2023

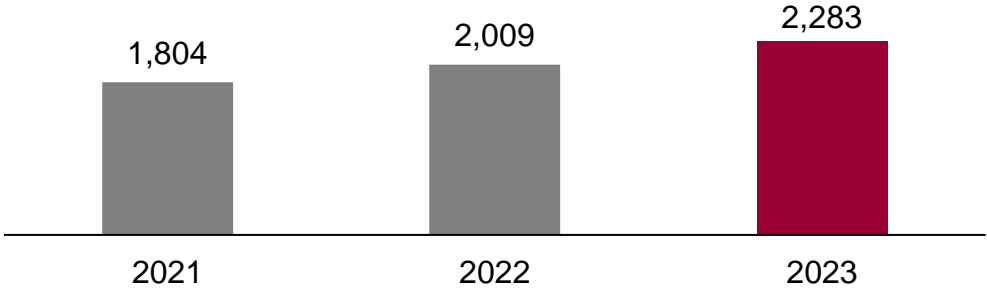
Notes:

1. Based on net book value (excluding off lease aircraft) and including finance lease receivables in respect of aircraft on leases classified as finance leases in accordance with IFRS 16 (*Leases*)
2. Based on net book value of aircraft including finance lease receivables in respect of aircraft on leases classified as finance leases in accordance with IFRS 16 (*Leases*) and excluding off lease aircraft
3. Fleet utilisation is the total days on-lease in the period as a percentage of total available lease days in the period

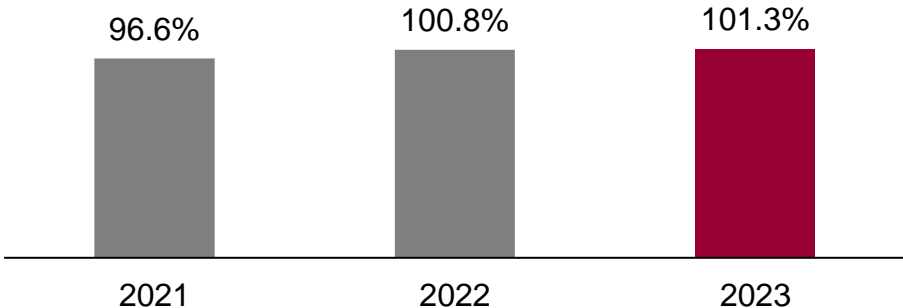
Record High Operating Cash Flow Net of Interest

Net cash flow from operating activities

US\$ million

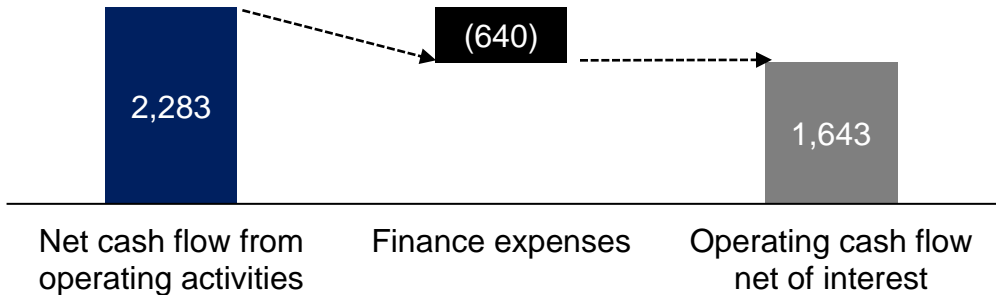


Collection rate exceeded 100% for the second consecutive year



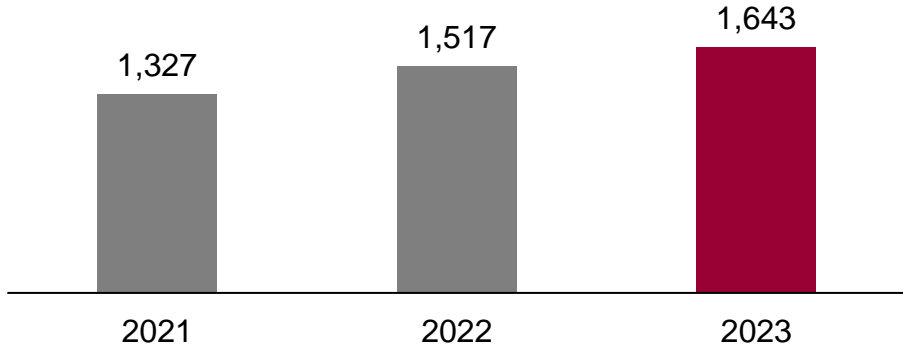
2023 operating cash flow net of interest^{1,2}

US\$ million



Improving operating cash flow net of interest^{1,2}

US\$ million



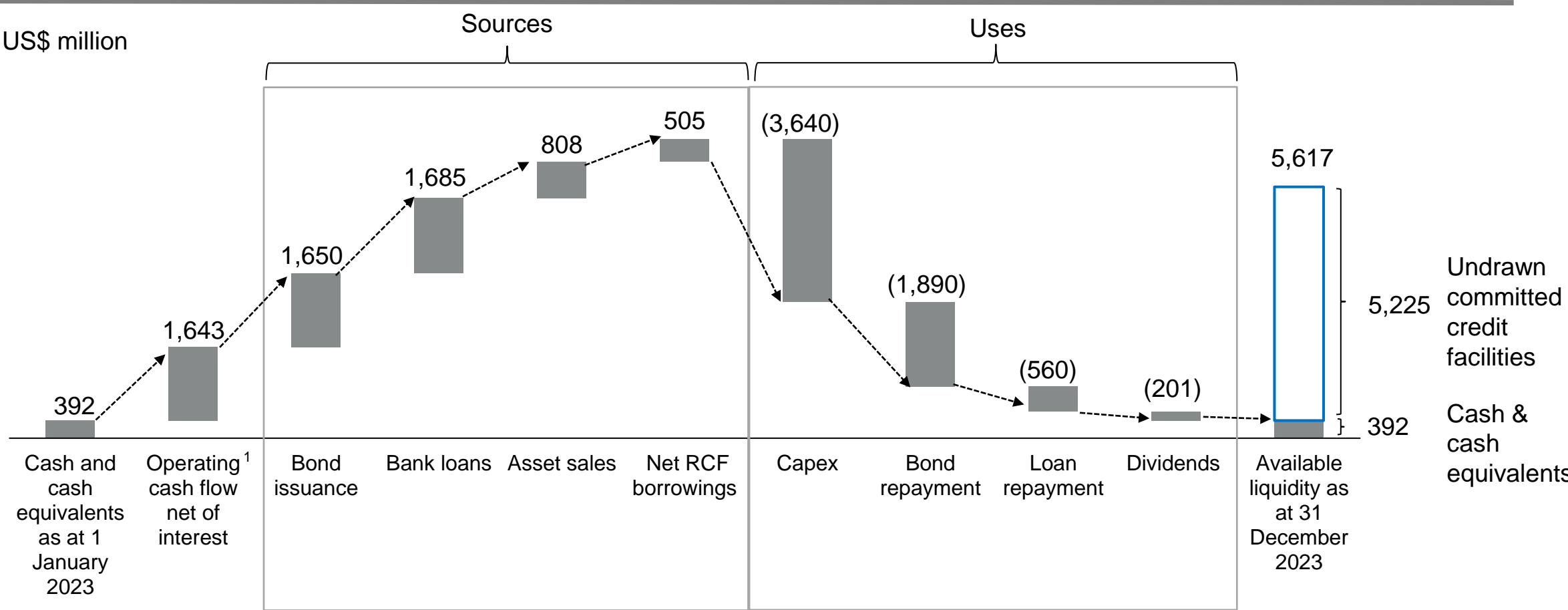
Collection rate of more than 100% and recoveries from aircraft in Russia contributed to record high cash flow

Notes:
 1. Calculated as net cash flow from operating activities less finance expenses paid
 2. Included recovery in respect of aircraft in Russia in 2023



Diverse Funding Channels Utilised in 2023

Sources and Uses of Cash



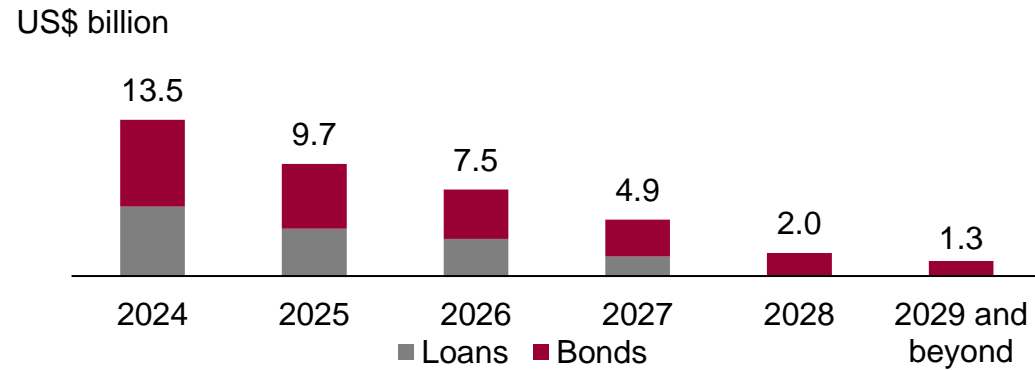
US\$5.6 billion of committed liquidity



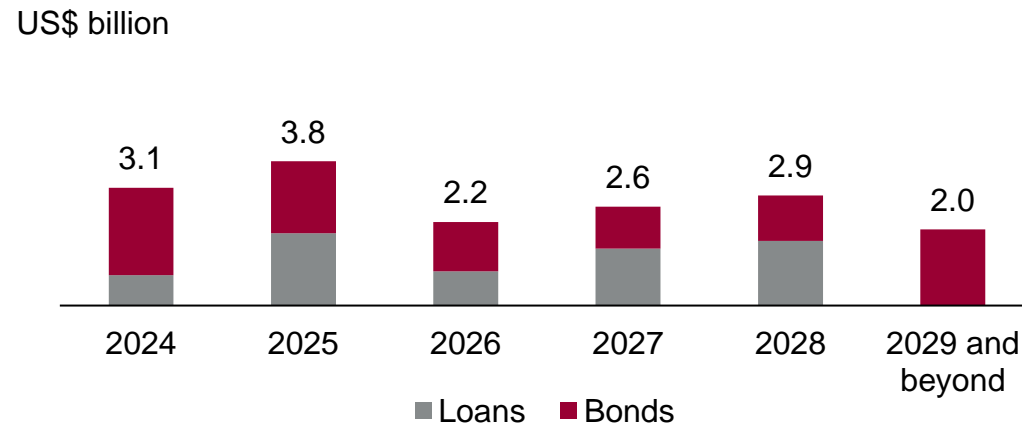
Note:
1. Calculated as net cash flow from operating activities less finance expenses paid

Flexible Capital Structure

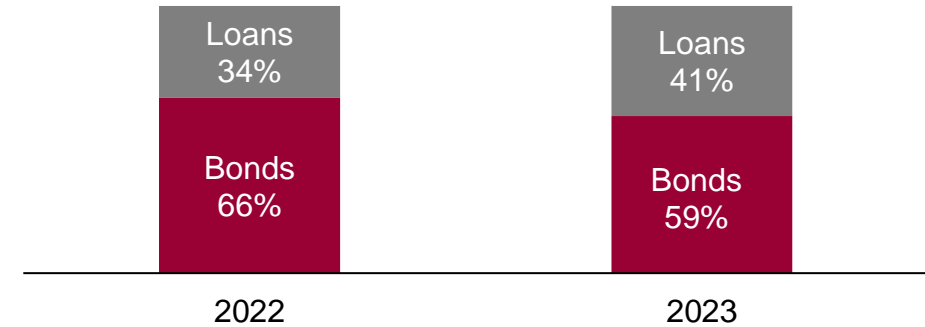
Outstanding debt amortises over a long term



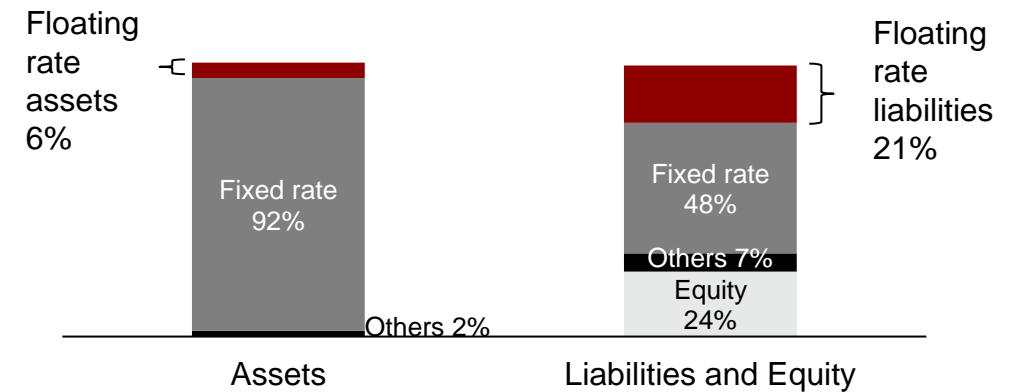
Outstanding debt maturity profile



Sources of debt¹



Asset and liability profile



Long-term unsecured debt is a key strength

All data as at 31 December 2023

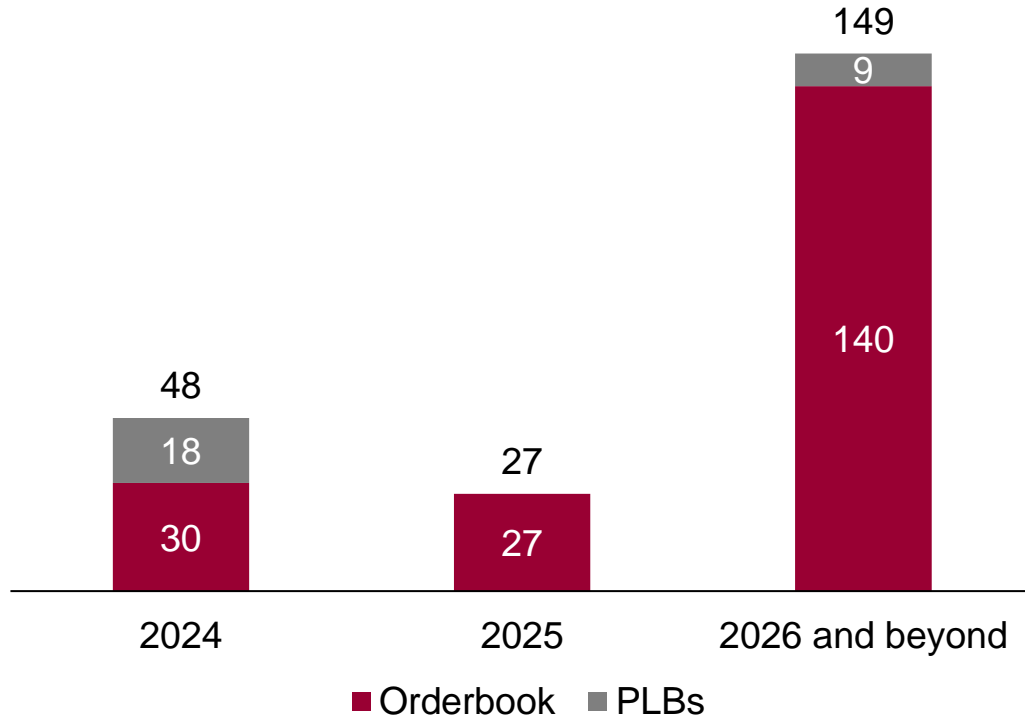
Note:

1. Drawn debt only

Highest Committed Capex Since IPO

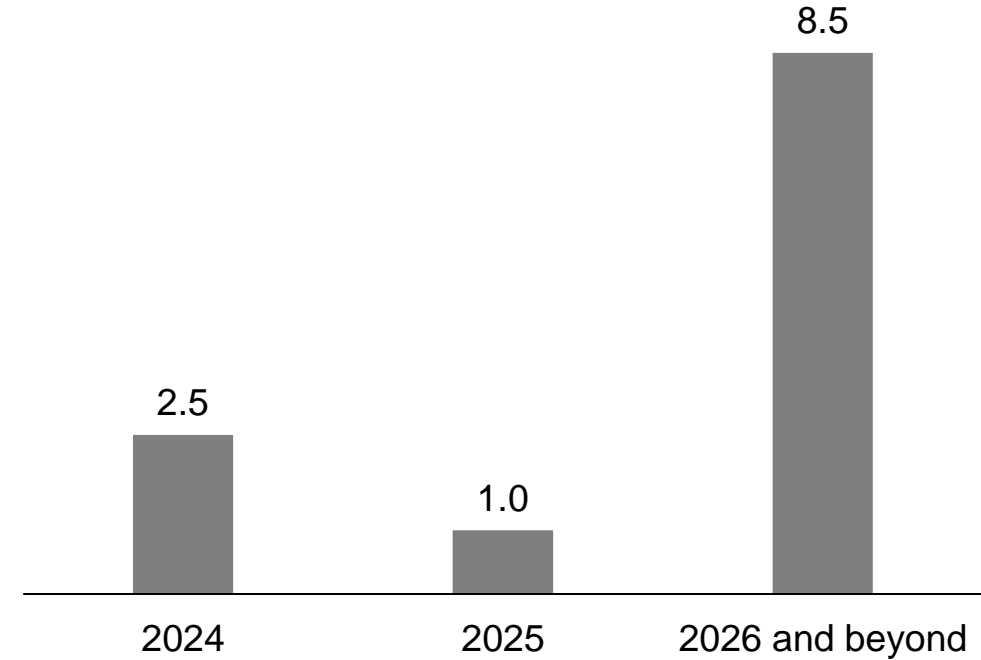
Orderbook delivery schedule¹

Number of aircraft



Total committed capex of US\$12 billion

US\$ billion



Added another 10 aircraft to 2024's delivery skyline so far in 2024

All data as at 31 December 2023

Note:

1. Based on expected delivery dates

Conclusion

- Record NPAT of US\$764 million in 2023
 - 30th year of unbroken profitability
- Total dividend of US\$0.3852 per share the highest since IPO
 - Payout ratio of 35% of 2023 reported NPAT
- Positive 2024 industry dynamics
 - Global passenger traffic is at 2019 levels¹
 - Airline profitability expected to rise 10% in 2024 on continued demand growth¹
 - Airline industry is estimated to take delivery of US\$100 billion of aircraft in 2024, its highest since 2018²
- Liquidity and orderbook support future growth
 - More room for balance sheet growth with our total future capex of US\$12 billion
 - US\$5.6 billion of liquidity to support aircraft investments

A top five global aircraft lessor well positioned for future growth

All data as at 31 December 2023 unless otherwise indicated

Notes:

1. Source: The International Air Transport Association (IATA)
2. Sources: BOC Aviation analysis, Cirium fleet data; based on estimated value of aircraft deliveries

APPENDICES

BOC Aviation – Who are We?

Top 5

Global aircraft operating lessor¹

Listed on HKEX

HKEX code: 2588

>US\$6.2 billion

Cumulative profits since inception

>US\$5.6 billion

Available liquidity

224

Aircraft on order

Bank of China

70% owned by BOC

A- Investment grade credit ratings from S&P and Fitch

US\$24.2 billion

Total assets

684

Aircraft in fleet²

4.6 years; 8.1 years

Average fleet age & lease term remaining³

Industry leader focused on long-term sustainable earnings

All data as at 31 December 2023

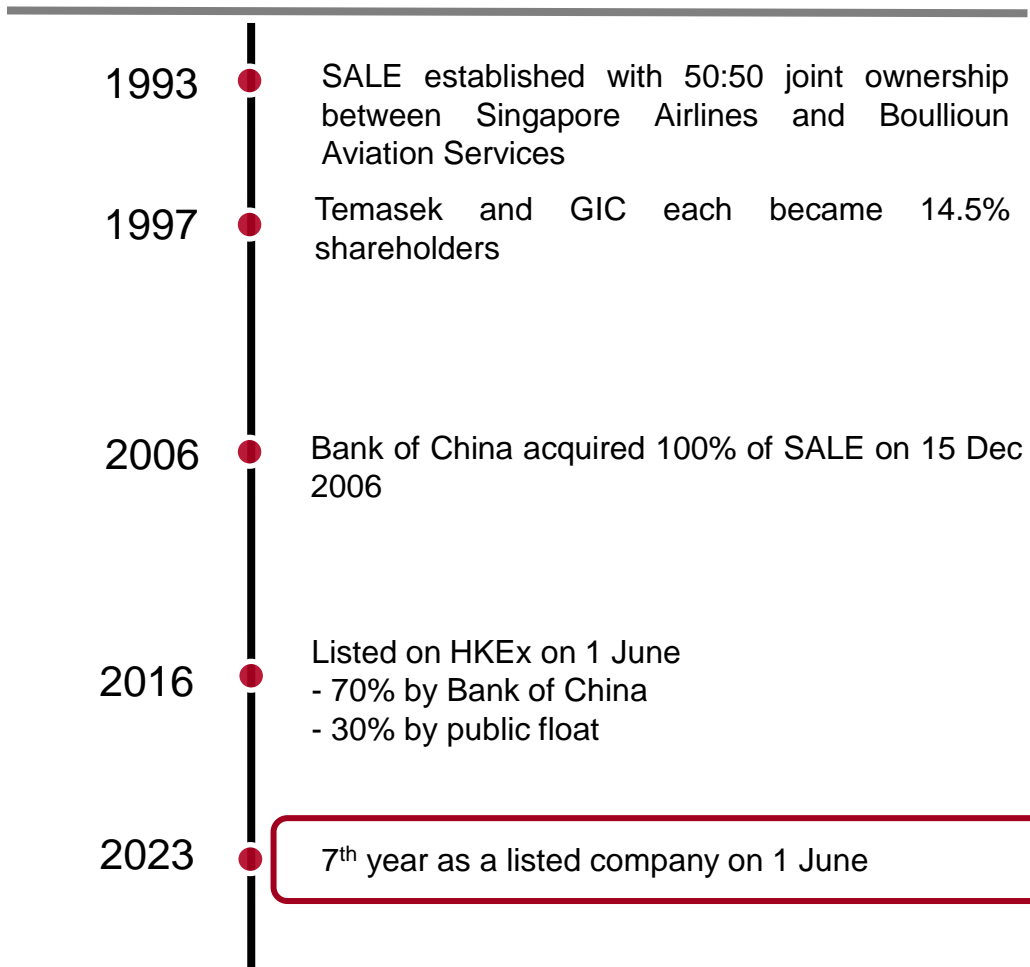
Notes:

1. By net book value of owned aircraft
2. Includes owned, managed and aircraft on order
3. Weighted by net book value of owned fleet including finance lease receivables in respect of aircraft classified as finance leases in accordance with IFRS 16 (*Leases*)

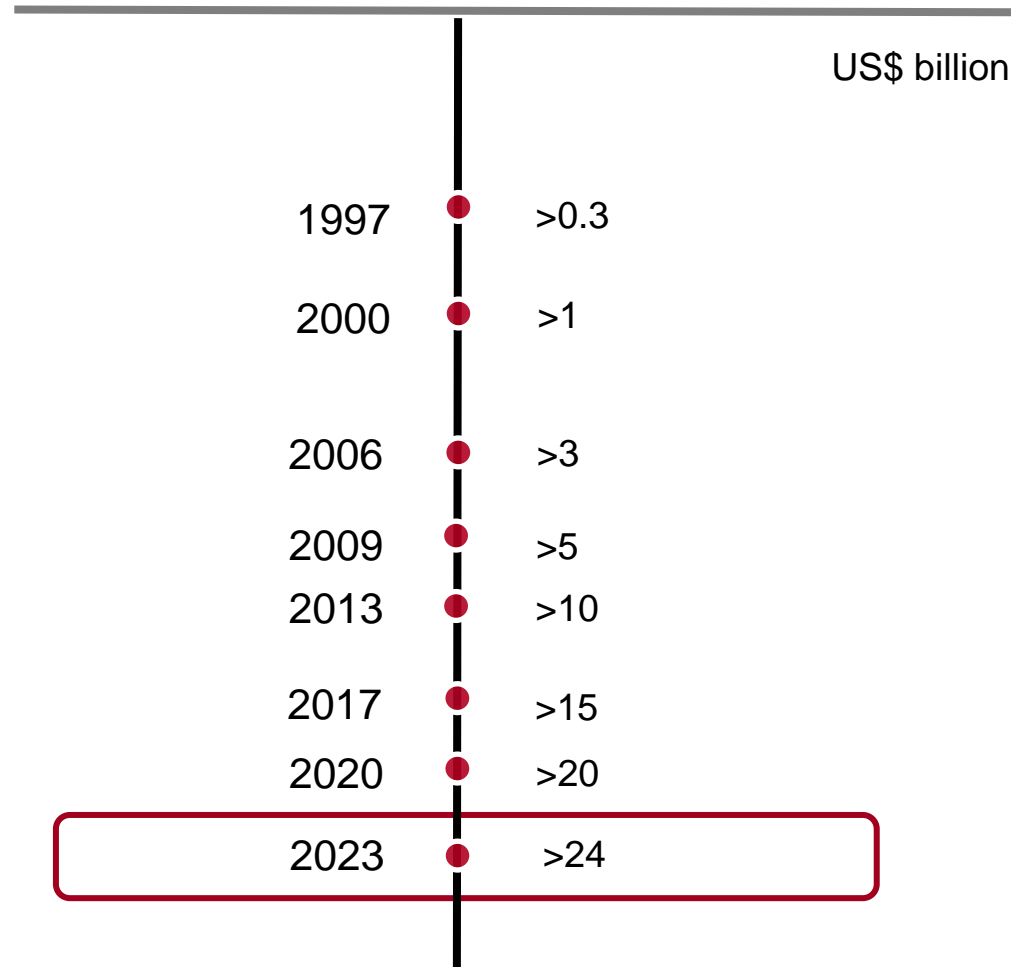


The BOC Aviation Journey – 30 Years in 2023

Ownership



Total assets



Market capitalisation of US\$5.3 billion¹

All data as at the end of the relevant period

Note:

1. Source: Bloomberg (as at 31 December 2023)

Our Management Team



Steven Townend
Chief Executive Officer & Managing Director

Zhang Xiaolu
Vice-Chairman & Deputy Managing Director

Wu Jianguang
Chief Financial Officer

Tom Chandler
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
- Appointed as a Director and Chief Executive Officer and Managing Director on 1 January 2024

- 34 years of banking experience
- Oversees Risk Management, Market Research, Board Secretariat and Corporate Affairs departments

- 32 years of banking experience
- Oversees Financial Planning and Analysis, Financial Control, Accounting and Reporting, Tax, Treasury and Settlement departments

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

- 26 years of banking and leasing experience
- Oversees revenue activities for Asia Pacific and Middle East

- 28 years of aircraft finance and leasing experience
- Oversees revenue activities for Europe, Americas and Africa

Nationality



Highly experienced senior management team

Core Competencies - BOC Aviation Track Record

Since inception in 1993:

- Purchasing More than 1,100 aircraft purchased totalling more than US\$63 billion
- Leasing More than 1,300 leases executed with 190 airlines in > 60 countries and regions
- Financing More than US\$42 billion in debt raised

- Sales More than 430 owned and managed aircraft sold
- Transitions More than 130 transitions
- Repossessions¹ 67 aircraft in 20 jurisdictions

The outcome:

- Total number of aircraft delivered **887**
- Proportion of aircraft sold² **49%**
- Proportion of transitions³ **10%**
- Proportion of repossessions³ **5%**

All data as at 31 December 2023, since inception unless otherwise indicated

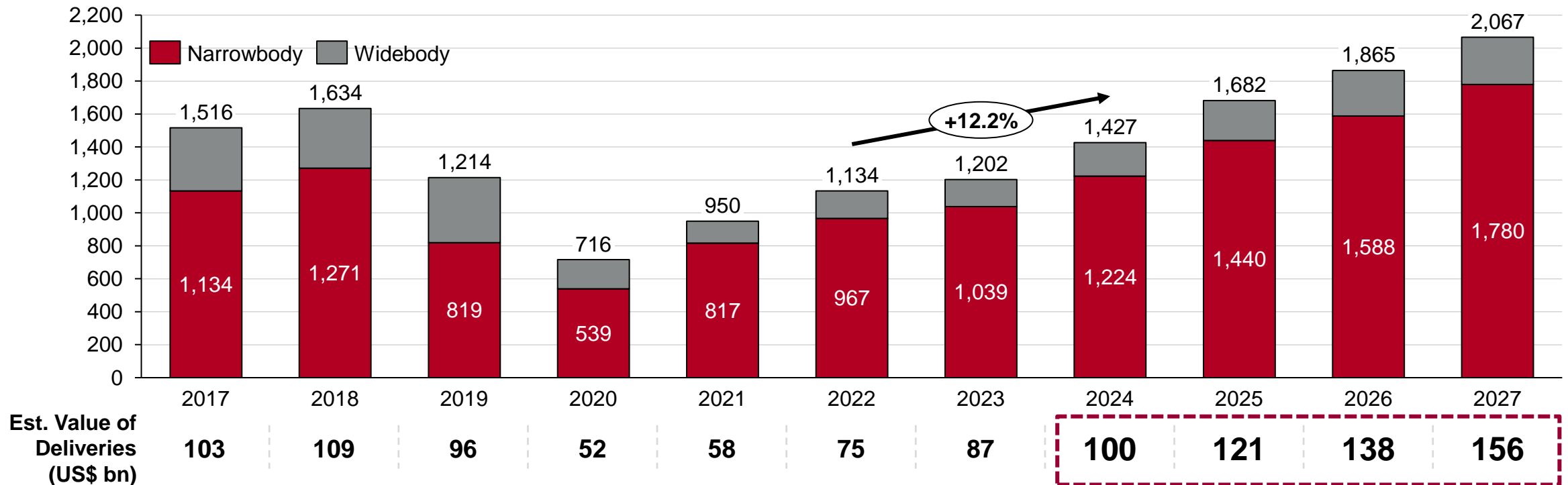
Notes:

1. Includes repossessions and consensual early returns
2. As a proportion of aircraft delivered
3. As a proportion of leases executed

Industry Will Need to Fund US\$100 Billion of Aircraft in 2024

Passenger aircraft deliveries

Passenger aircraft >100 seats¹, 2010-2027



Delivery values back close to near record levels in 2024

Sources: BOC Aviation analysis, Cirium fleet data

Note:

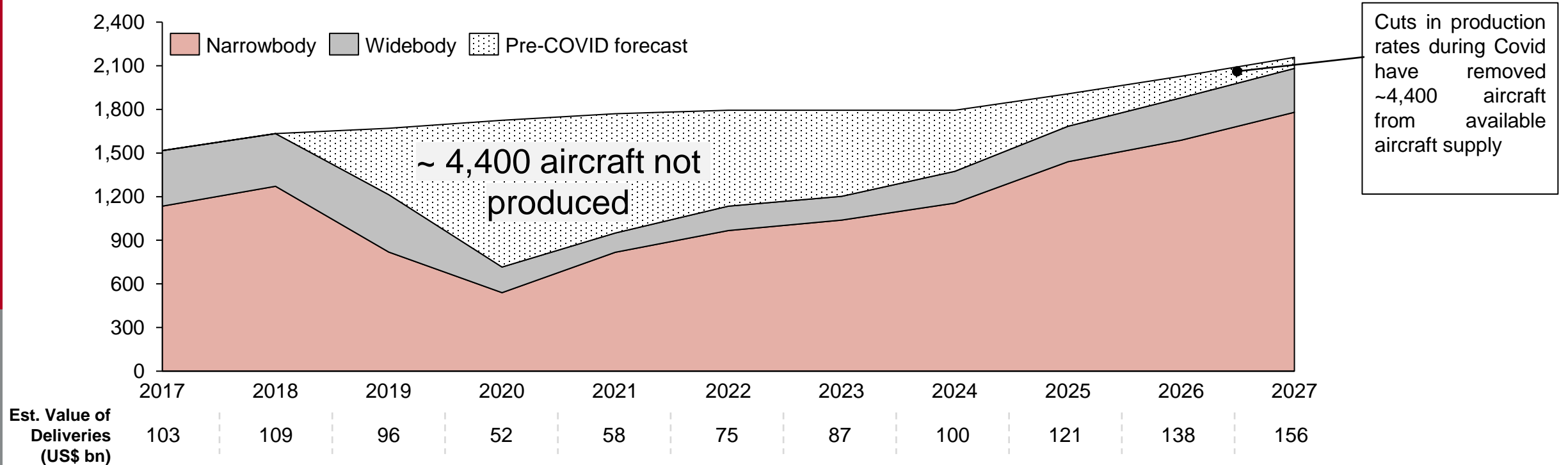
1. Defined as widebody, narrowbody and large regional jets



Aircraft Supply Remains Extremely Tight

Passenger aircraft deliveries

Passenger aircraft >100 seats¹, 2017-2027

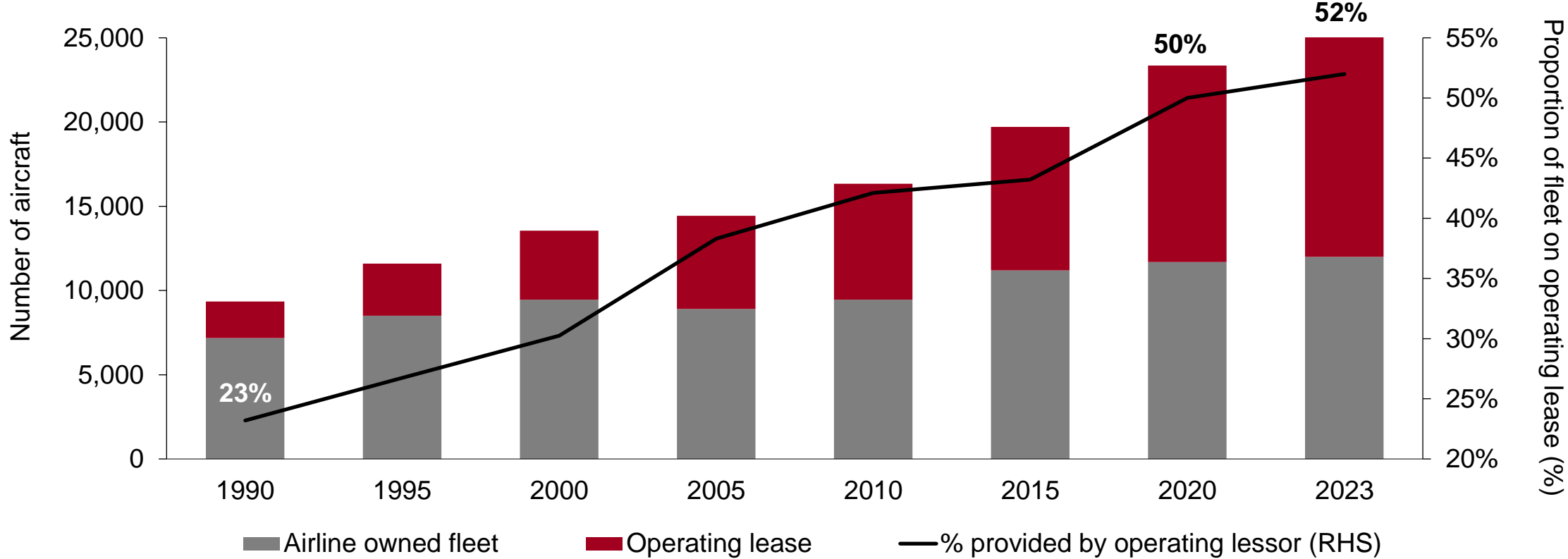


Industry needs to fund US\$100 billion of aircraft in 2024

Notes: 1) Defined as widebody, narrowbody and large regional jets
 Source: BOC Aviation analysis, Cirium fleet data, Forecast as at 21 February 2024, based on guidance published by OEMs

Operating Lessors' Share of the Market

Proportion of fleet on operating lease



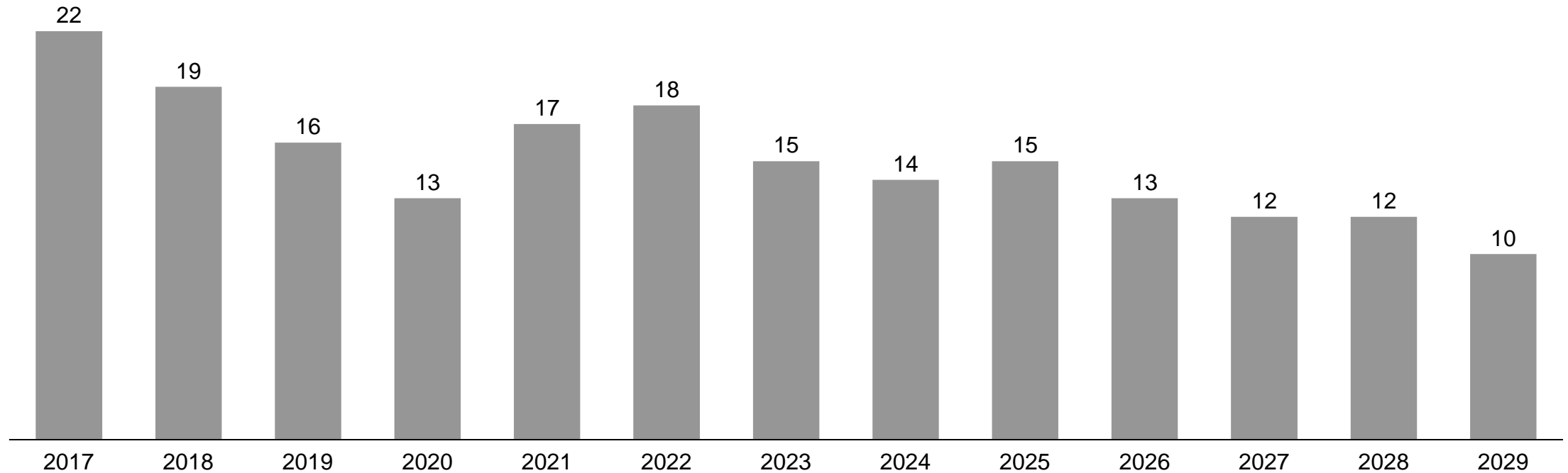
Lessors own 52% of the aircraft market today

Source: Ascend, as at 31 December 2023 based on aircraft of 100 seats Fleet data for 2020 onwards includes aircraft in service and aircraft additionally parked from end 2019 due to Covid 19 fleet grounding



Fewer Lessors Have Orderbooks

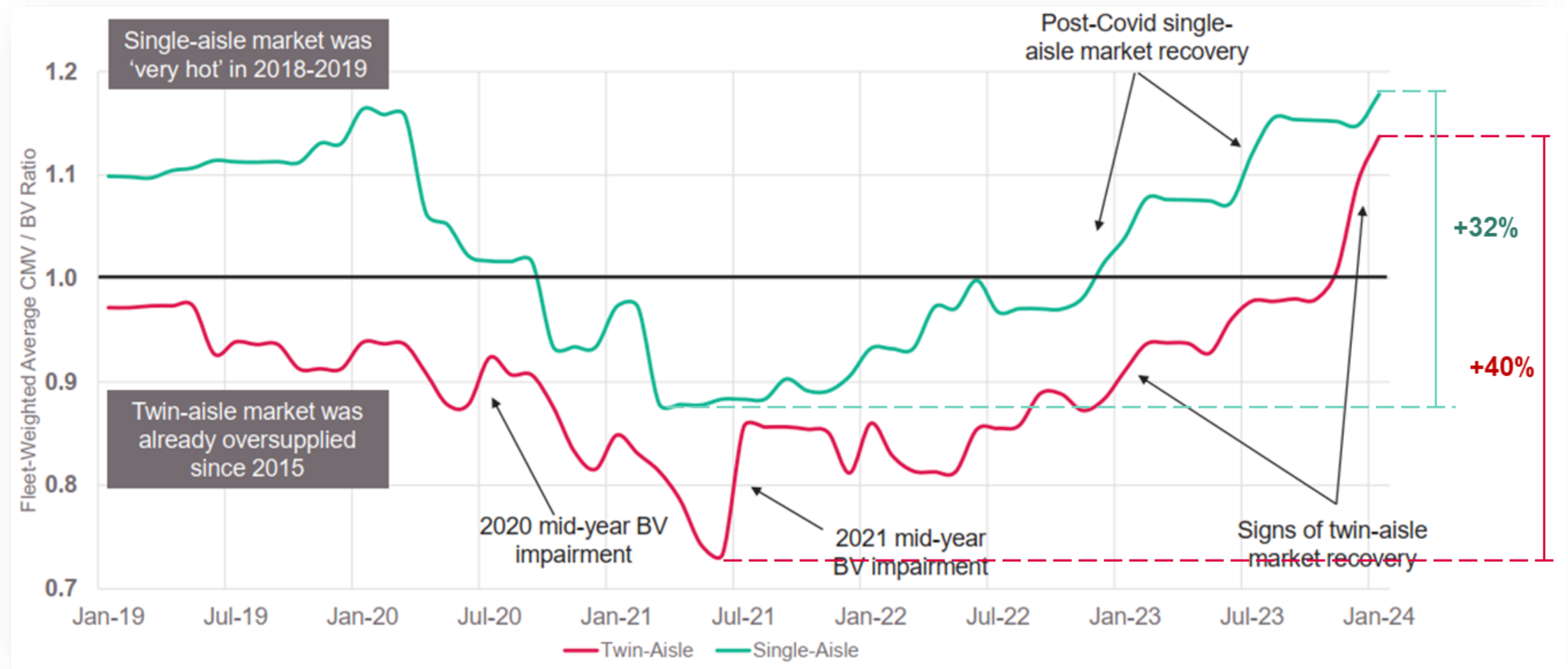
Number of lessors with orderbook deliveries



More rational competition in the placement market

Sources: BOC Aviation analysis, Cirium fleet data

Recovery in Aircraft Values

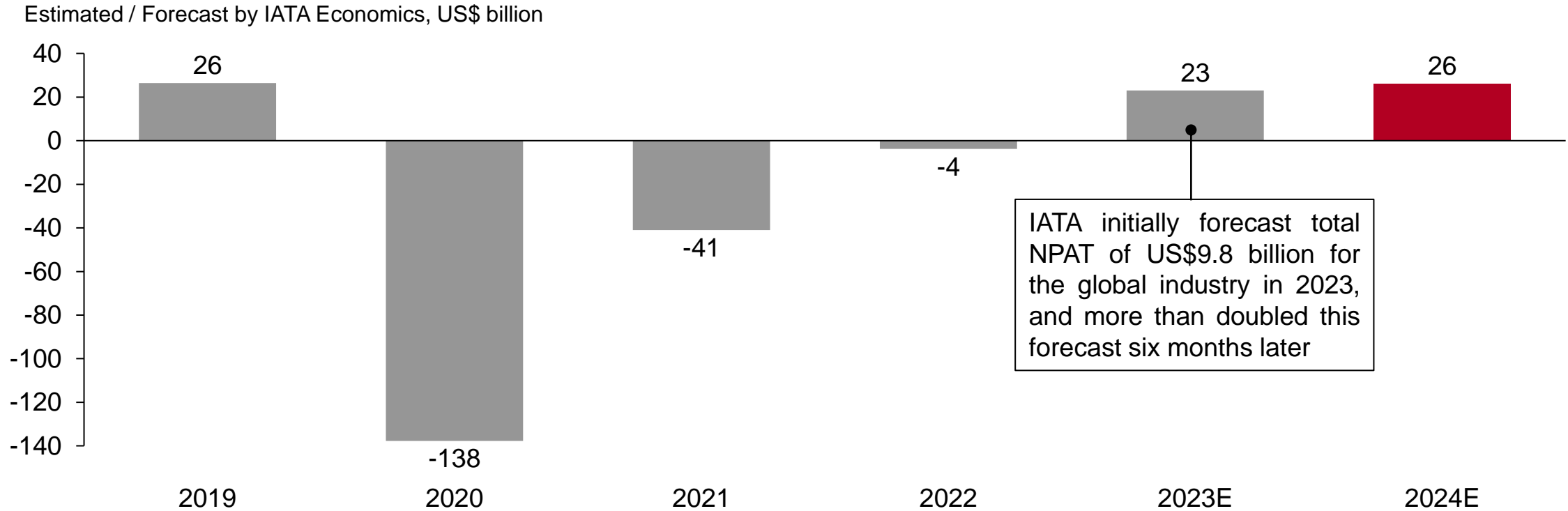


Improving aircraft market values underpinned by robust passenger traffic

Source: BOC Aviation analysis, Cirium, updated 18 January 2024

Improving Airline Industry Profits

IATA global airline industry net post-tax profit



Further recovery in Asia-Pacific international travel will underpin growth in 2024

Source: IATA Economics, IATA Sustainability & Economics, The Airline Analyst



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