BOEING FORECASTS STABLE GROWTH AND FUNDING DIVERSIFICATION FOR AIRCRAFT FINANCING IN 2018

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Approximately $139 billion in new aircraft funding needed in 2018, up $17 billion from 2017

Innovations in aircraft finance bolster customer choices in a healthy financing market

Boeing anticipates diverse markets and participants will continue the upward trend in availability of efficient financing for record new aircraft deliveries in the next year.

Now in its tenth year, the annual Boeing Current Aircraft Finance Market Outlook (CAFMO) evaluates and forecasts the sources of financing for new commercial airplane deliveries in the coming year and the industry's overall delivery financing requirements for the next five years. The CAFMO also explores the trends within major funding sources and the potential impact on the broader market.

"Financiers and investors continue to be attracted to the aircraft market, and part of that appeal is because it's a growth business with stable returns," said Tim Myers, president of Boeing Capital Corporation. "We've remained in a robust market for some time now along with consistently increasing growth in global diversity of passenger travel, and this has also spurred a steady increase in the number of lessors entering the industry worldwide."

Much of the strength in the aircraft finance market comes from the recent year-over-year growth of new airplane deliveries across the industry. Boeing forecasts continued strong

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demand for new commercial airplanes in 2018, resulting in about $139 billion in deliveries by major manufacturers with potential to grow to $189 billion by 2022. Myers added that this growth in need for aircraft financing is expected to be met in a variety of ways.

“Looking ahead to 2018, traditional funding means like commercial banks and capital markets will continue to be the largest sources of financing,” Myers said. “Yet we know customer needs vary. So we’re also seeing innovations in new markets, like insurance and global export credit, to help meet those delivery funding needs. It’s important to note these innovations are complementary to the critical role permanent access to domestic export credit plays, especially in times of poor market performance.”

Highlights of the 2018 CAFMO include:

- Commercial bank debt is likely to again finance the largest share of Boeing deliveries
- Capital markets and cash should remain viable sources of financing
- Export credit is expected to regain modest market share as export credit agencies around the globe are used as a selective source of financing
- Innovations in aircraft finance like the newly created Aircraft Finance Insurance Consortium non-payment insurance market is expected to grow in 2018

The 2018 CAFMO is available at www.boeing.com/CAFMO, which this year includes additional data on regional-specific financing trends as well as more information on global financing markets.

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