Air Lease Corporation

2017 Investor Day

May 24, 2017

Forward Looking Statements & Non-GAAP Measures

Statements in this presentation that are not historical facts are hereby identified as "forward-looking statements," including any statements about our expectations, beliefs, plans, predictions, forecasts, objectives, assumptions or future events or performance that are not historical facts and may be forward-looking. These statements are often, but not always, made through the use of words or phrases such as "anticipate," "believes," "can," "could," "may," "predicts," "potential," "should," "will," "estimate," "plans," "projects," "continuing," "ongoing," "expects," "intends" and similar words or phrases. Accordingly, these statements are only predictions and involve estimates, known and unknown risks, assumptions and uncertainties that could cause actual results to differ materially from those expressed in them. We wish to caution you that our actual results could differ materially from those anticipated in such forward-looking statements as a result of several factors, including the following:

- Our inability to obtain additional financing on favorable terms, if required, to complete the acquisition of sufficient aircraft as currently contemplated or to fund the operations and growth of our business;
- Our inability to obtain refinancing prior to the time our respective debts mature;
- Impaired financial condition and liquidity of our lessees;
- Deterioration of economic conditions, generally, and especially in the commercial aviation industry;
- Increased maintenance, operating or other expenses or changes in the timing thereof;
- Changes in law and the regulatory environment, and in government fiscal and monetary policies, domestic and foreign;
- Our inability to effectively deploy the net proceeds from our capital raising activities; and
- Potential natural disasters, terrorist attacks and the risk of loss of aircraft and the amount of our insurance coverage, if any, relating thereto.

We also refer you to the documents the Company files from time to time with the Securities and Exchange Commission ("SEC"), specifically the Company's most recent Annual Report on Form 10-K, which contains and identifies important factors that could cause the actual results for the Company on a consolidated basis to differ materially from expectations and any subsequent documents the Company files with the SEC. All forward-looking statements are necessarily only estimates of future results, and there can be no assurance that actual results will not differ materially from expectations, and, therefore, you are cautioned not to place undue reliance on such statements. Further, any forward-looking statement speaks only as of the date on which it is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which the statement is made or to reflect the occurrence of unanticipated events. If any such risks or uncertainties develop, our business, results of operation and financial condition could be adversely affected. You may obtain copies of the Company's most recent Annual Report on Form 10-K and the other documents it files with the SEC for free by visiting EDGAR on the SEC website at www.sec.gov.

This presentation does not constitute an offer to sell, or the solicitation of an offer to buy, any of the Company's securities. Any offering of the Company's securities may be made only by means of a prospectus and related prospectus supplement.

In addition to financial results prepared in accordance with U.S. generally accepted accounting principles, or GAAP, this presentation contains certain non-GAAP financial measures. Management believes that in addition to using GAAP results in evaluating our business, it can also be useful to measure results using certain non-GAAP financial measures. Investors and potential investors are encouraged to review the reconciliation of non-GAAP financial measures with their most direct comparable GAAP financial results set forth in the Appendix section.

Overview

John L. Plueger
Chief Executive Officer

Driving superior results

ALC Management and Board aligned with investors, holding ~10% of outstanding common stock

26 Avg. years of commercial aviation experience among sr. management team	**200+** Airline relationships in 70 countries[1]	**353** Modern aircraft on order with manufacturers[1]
$24 billion Contracted and committed fleet rentals[1]	**18.8%** Adjusted Pre-Tax Return on Equity ("ROE")[2]	**$184 million** Assets per employee[3] **$19 million** Revenue per employee[3]

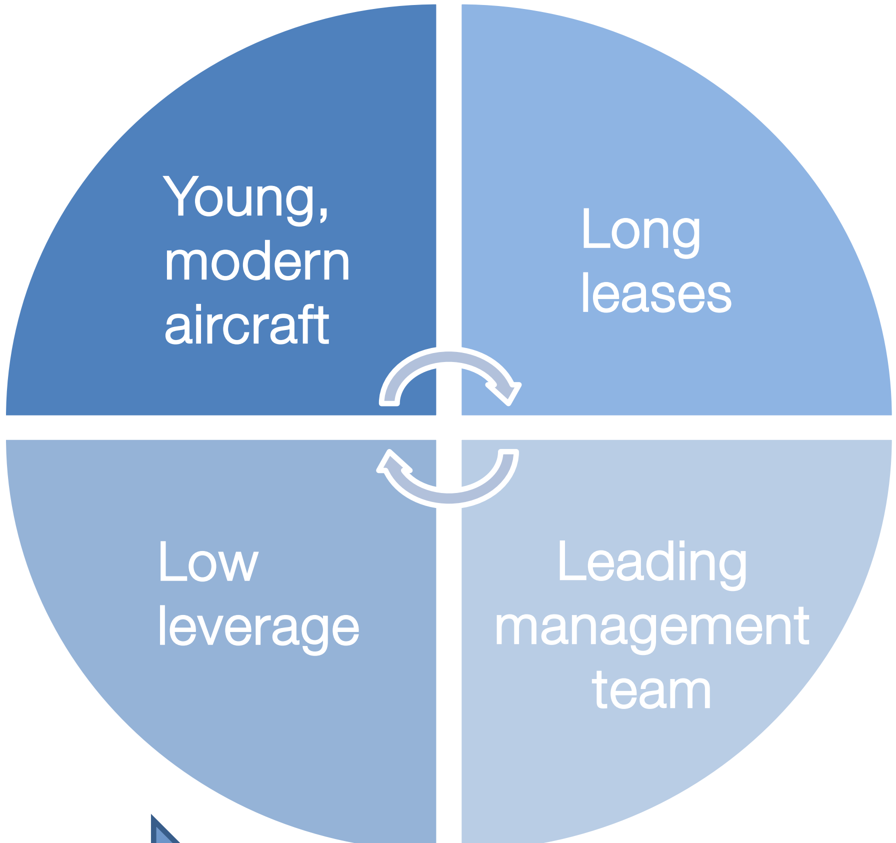
[1]As of March 31, 2017; [2]TTM as of March 31, 2017; Adjusted Return on Equity Before Income Taxes is calculated as the trailing twelve month Adjusted Net Income Before Income Taxes divided by average shareholders' equity. Adjusted Net Income Before Income Taxes is a non-GAAP financial measure. See appendix for a reconciliation to its most directly comparable GAAP measure. [3]For the fiscal year ended December 31, 2016

Business highlights

Scale	$12.6 billion fleet[1] with $27.6 billion of aircraft on order 50 managed aircraft[2]
Visibility	72% of orderbook placed on long term leases through 2020 and $24 billion in contracted rentals
Opportunity	Leveraging airline and OEM relationships to drive growth and profitability
Liquidity	Substantial liquidity and reliable access to capital markets
Ratings	Investment grade capital structure (S&P: BBB / Fitch: BBB / Kroll: A-)
Returns	18.8% adjusted pre-tax return on equity[3]

Note: As of March 31, 2017 unless otherwise noted, [1]Aggregate fleet net book value [2]Includes 31 managed aircraft as of March 31, 2017 plus 19 Thunderbolt aircraft; [3]TTM as of March 31, 2017; Adjusted Return on Equity Before Income Taxes is calculated as the trailing twelve month Adjusted Net Income Before Income Taxes divided by average shareholders' equity. Adjusted Net Income Before Income Taxes is a non-GAAP financial measure. See appendix for a reconciliation to its most directly comparable GAAP measure.

Air Lease strategy has remained unchanged since inception



$0 → 7 years → >$12bn → 5 years → >$24bn

>$12bn: Aggregate fleet net book value as of March 31, 2017

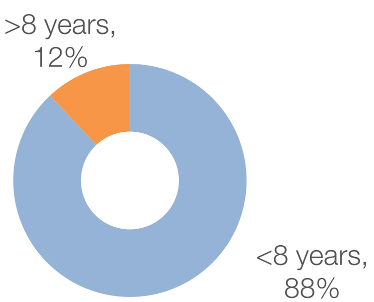
>$24bn: Projected aggregate fleet net book value

AIR LEASE CORPORATION

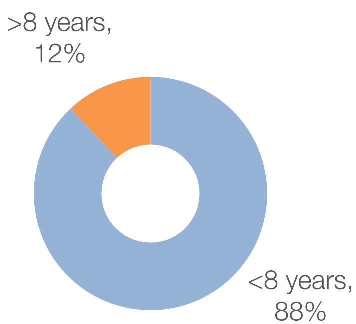
ALC owns a fleet of young aircraft

- Assuming no sales, ALC's fleet age will remain well under 5 years through 2022[1]

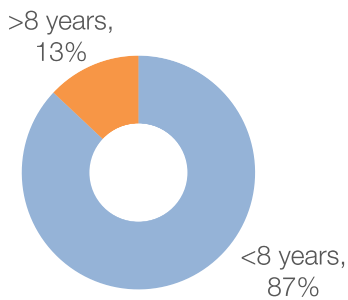
2017



2019



2022



2017	2019	2022
Average Fleet Age: **3.7 years**	Average Fleet Age: **3.9 years**	Average Fleet Age: **4.1 years**

[1] Assumes that ALC purchases and receives aircraft on order based on the current anticipated delivery schedule
Note: Percentages based on net book value

Aircraft placements remain strong

Select aircraft placements announced in 2017

Widebody

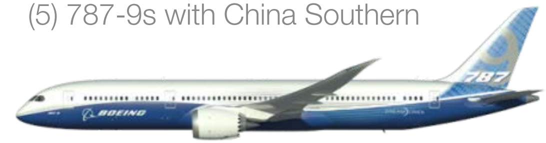
(1) 787-9 with Aeromexico

(2) 787-9s with Air Canada

(2) A330-900neos with Air Mauritius

(1) 787-9 with Air New Zealand

(5) 787-9s with China Southern



(1) 787-9 with LOT Polish

(1) A350-900 with Sichuan

Narrowbody

(7) A321neo LRs with Aer Lingus

(2) 737 MAX 8 with MIAT Mongolian

(8) 737 MAX 9 with Primera Air Nordic

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Globally diversified customer base

- Long standing relationships with over 200 airlines spanning 70 countries

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ALC's management business

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BlackbirdCapital — 19 managed aircraft

- Source of contingent and opportunity capital
- A risk management tool

CommonwealthBank — 12 managed aircraft

- Broadens key relationships

Thunderbolt AIRCRAFT LEASE — 19 managed aircraft

- Opens a new sales channel for mid-life aircraft
- Allows ALC to retain customer relationships as aircraft age

Goal is to compliment our strategy while expanding ROE

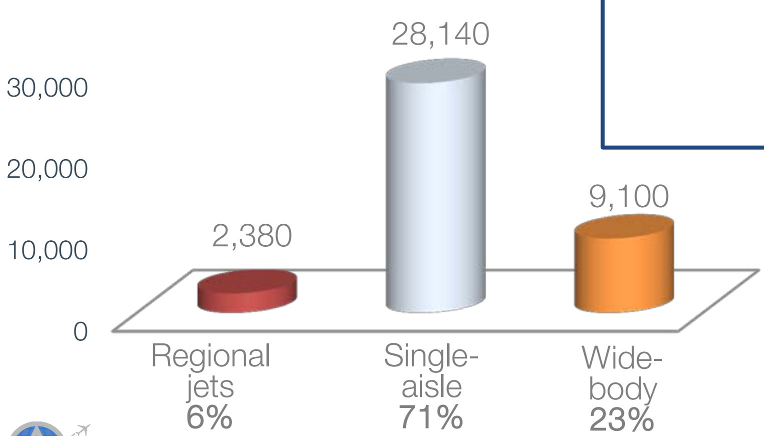
Note: 31 managed aircraft as of March 31, 2017 plus 19 Thunderbolt aircraft

Airlines are expected to need 39,620 new airplanes between 2016 and 2035 – valued at ~$5.9 trillion

Airplane deliveries: 39,620

2016 - 2035

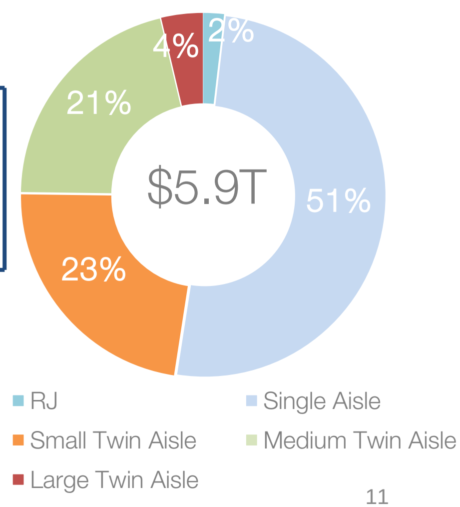
ALC Primary Market: $5,600B



Market value: $5,930B

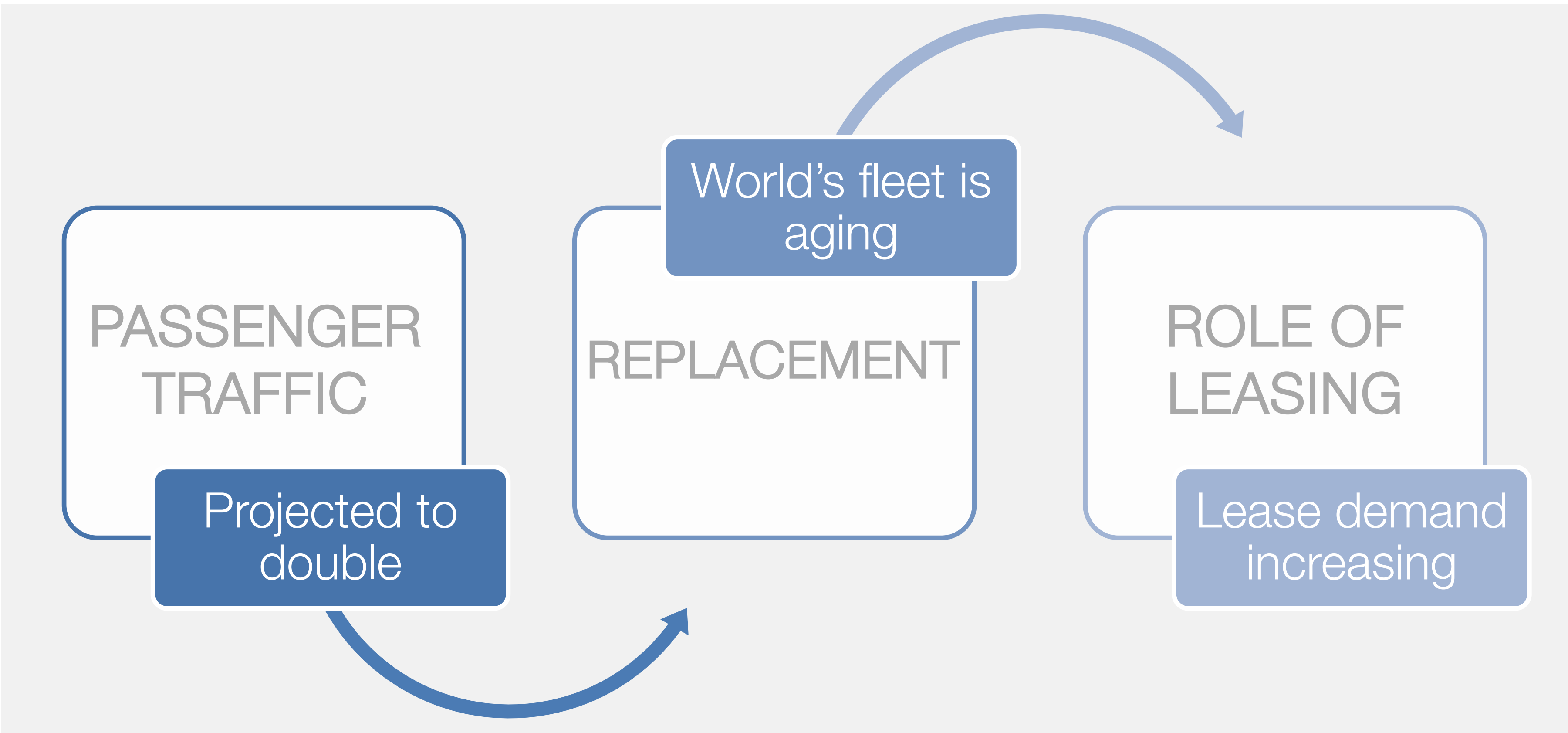
2016 - 2035

Airplane Type	Value
Regional jets	$110B
Single-aisle	$3,000B
Small wide-body	$1,350B
Medium wide-body	$1,250B
Large wide-body	$220B
World Total	$5,930B



Source: Boeing, Current Market Outlook, 2016

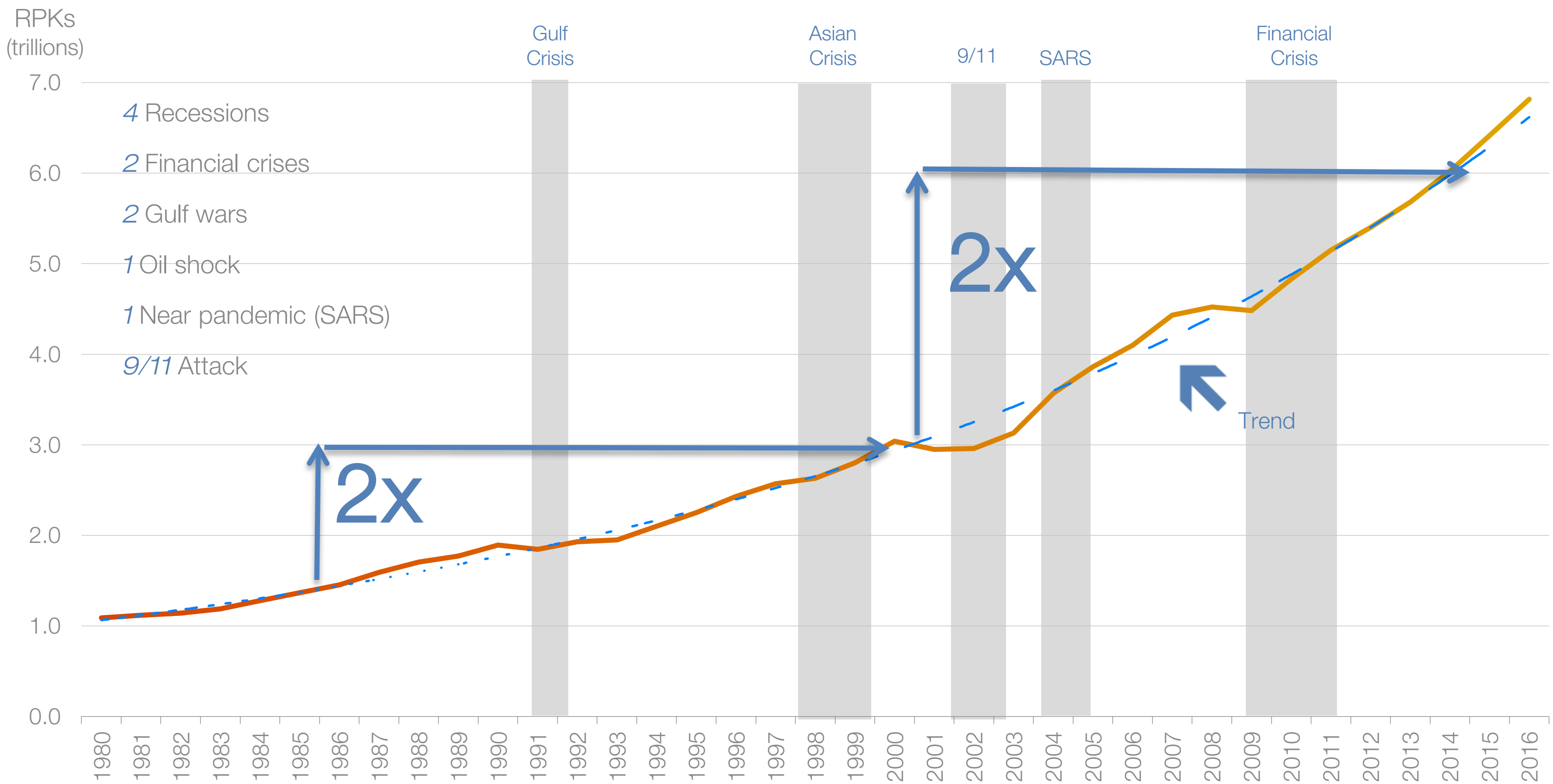
Positive macro trends benefiting aircraft lessors



Note: Management views based on Boeing, IATA and Ascend literature/data

Passenger traffic drives demand

- Airline passenger traffic is a key driver of demand for aircraft
- Historically, passenger traffic has been resilient and has grown at 2x GDP

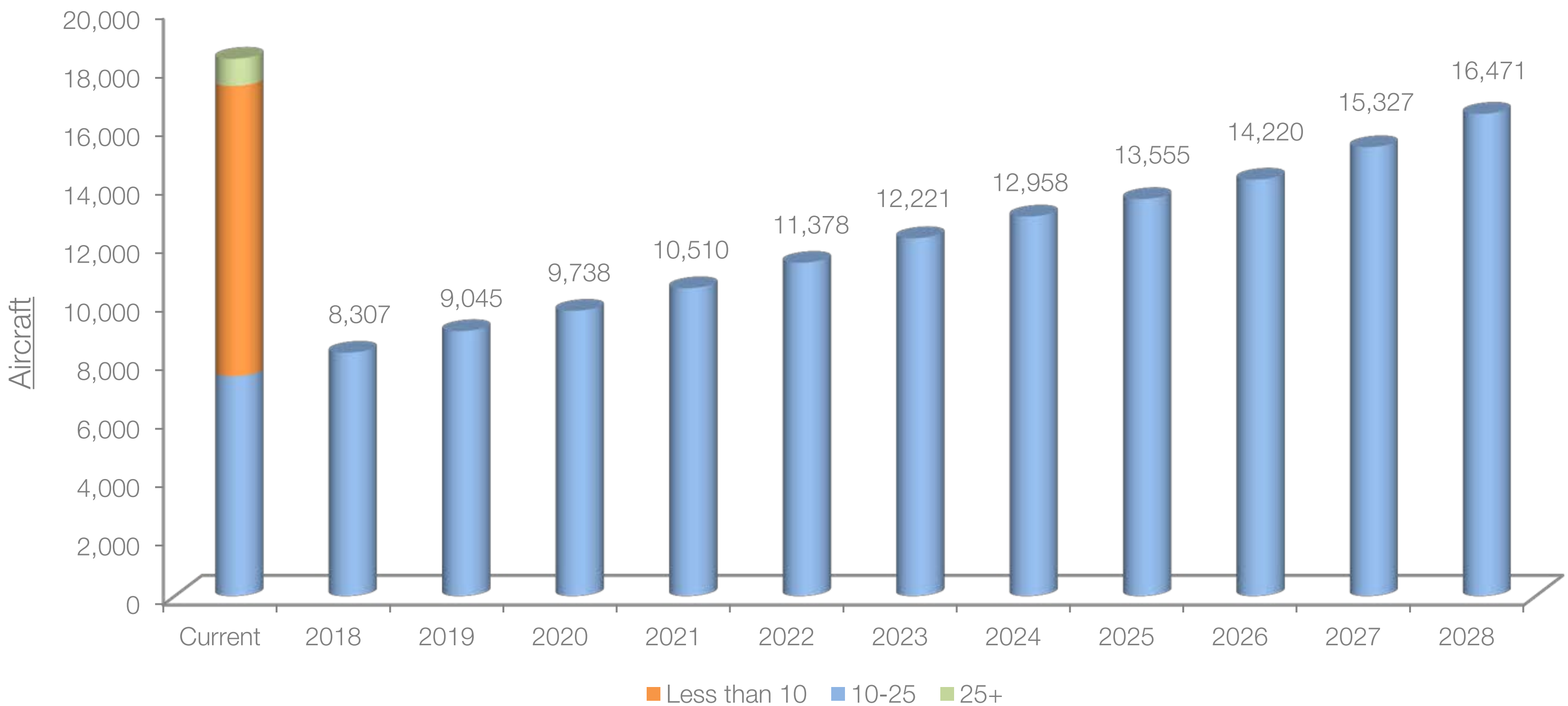


Source: Boeing and ICAO scheduled traffic (September 2015) & IATA Jan 2017
Note: RPKs = Revenue Passenger Kilometers

ALC's target replacement market continues to grow

- ALC's target replacement market is aircraft over 10 years of age
- More than 40% of the world's fleet is between 10-25 years of age

ALC's Target Replacement Market
World's Aging Fleet (Aircraft between 10-25 years over the next decade)



Source: Ascend as of March 2017 and OEM literature

Increasing role of leasing

- ALC estimates an industry capital requirement of $790 billion for new aircraft delivering between 2017 and 2021

Why Lease?

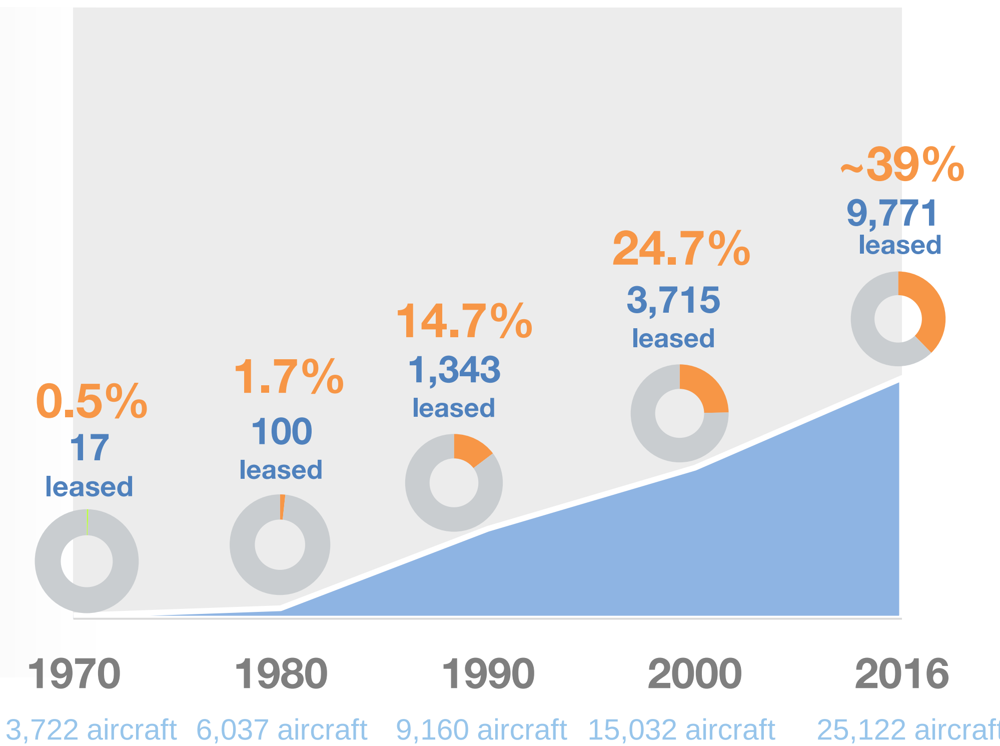
Less Cash & Financing Required

Fleet Flexibility

Key Delivery Positions

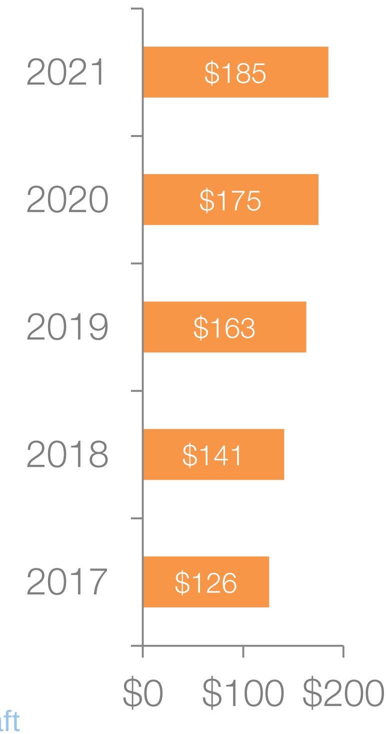
Eliminate Residual Value Risk

Lessor Fleet Ownership



Industry Required Capital ($billions)

Total: $790 Billion

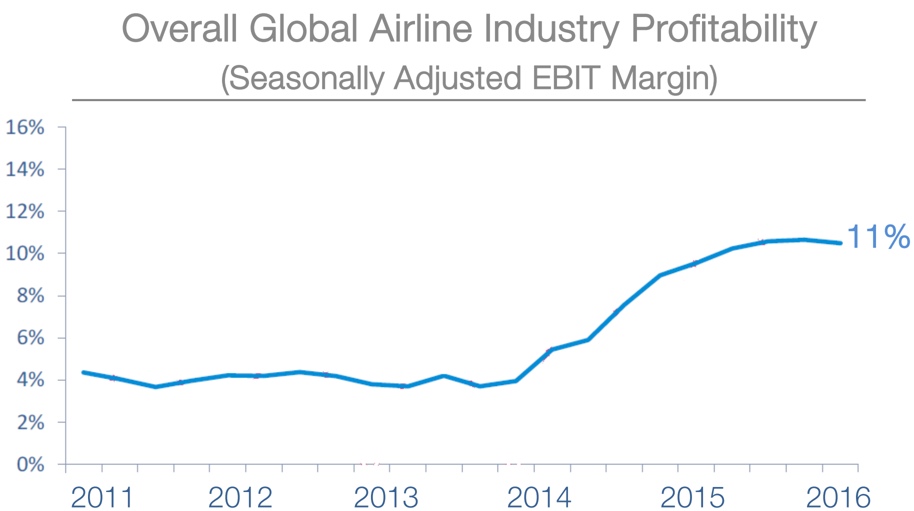


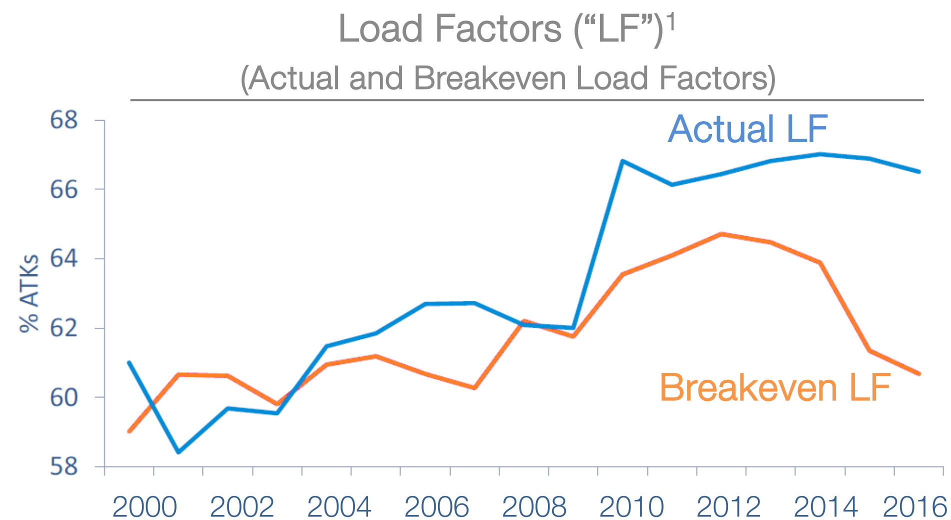
Source: Boeing; Data as of December 31, 2016

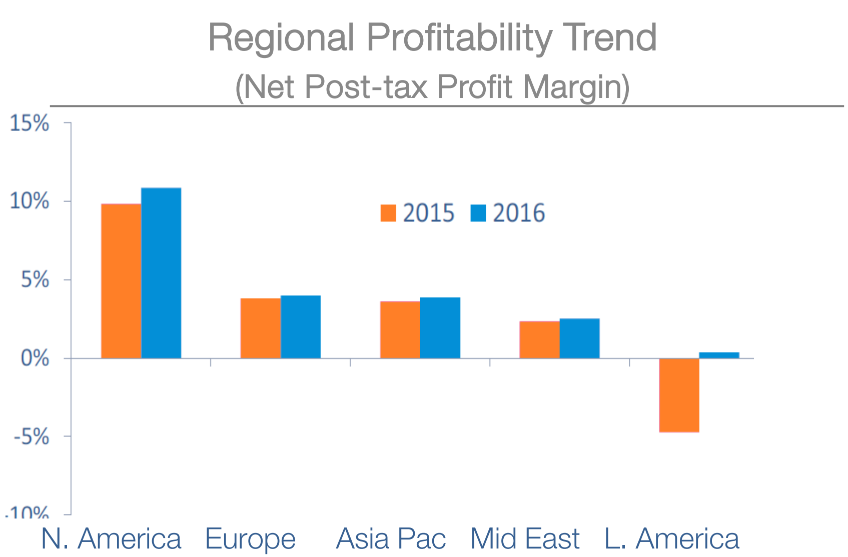
Industry View

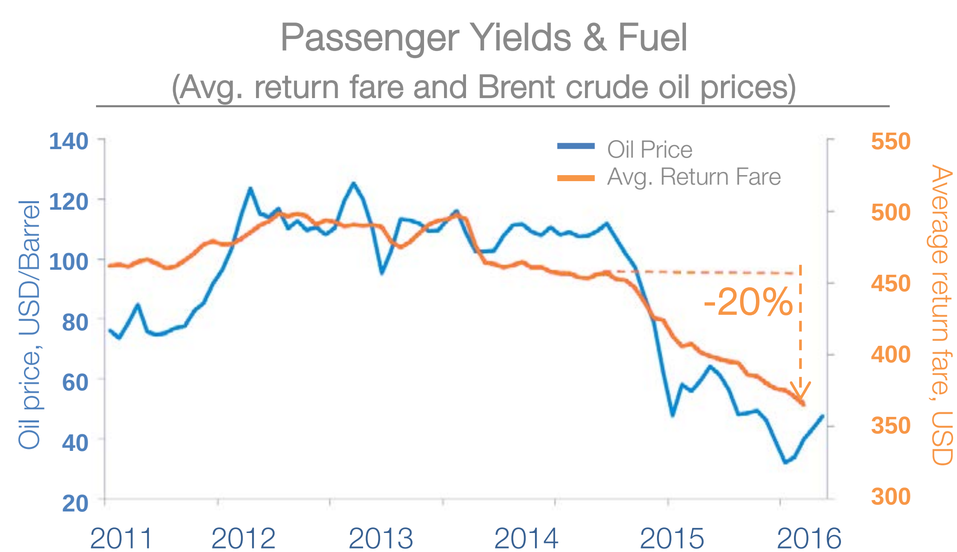
Steven F. Udvar-Házy
Executive Chairman

Positive global airline trends





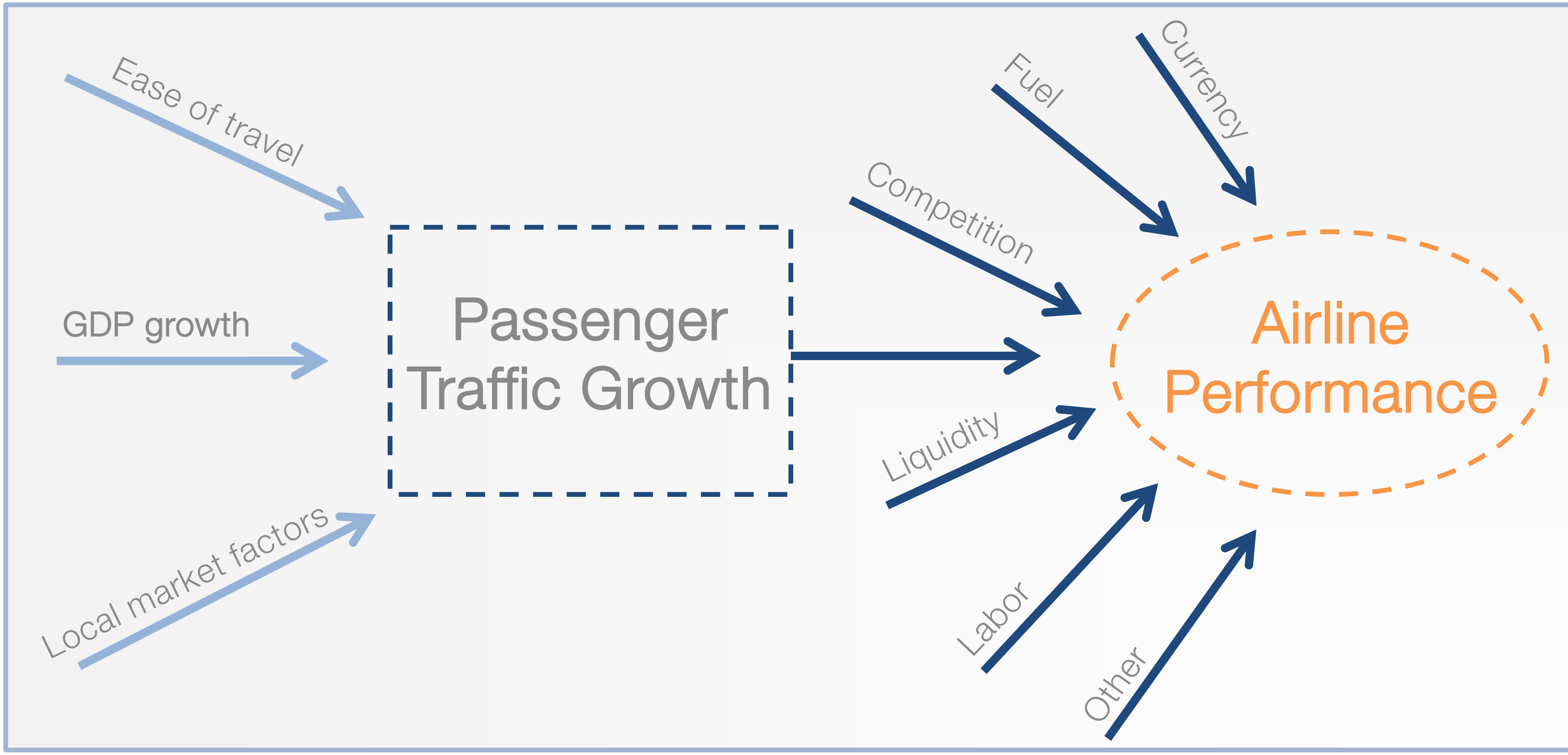




Source: IATA September 2016; [1] Includes cargo

Many factors impact airlines

- Looking at individual variables in isolation is an oversimplification and often leads to wrong conclusions



ALC monitors payments and profitability as early warning signs of airline distress

Lessors have successfully navigated environments historically challenging for airlines

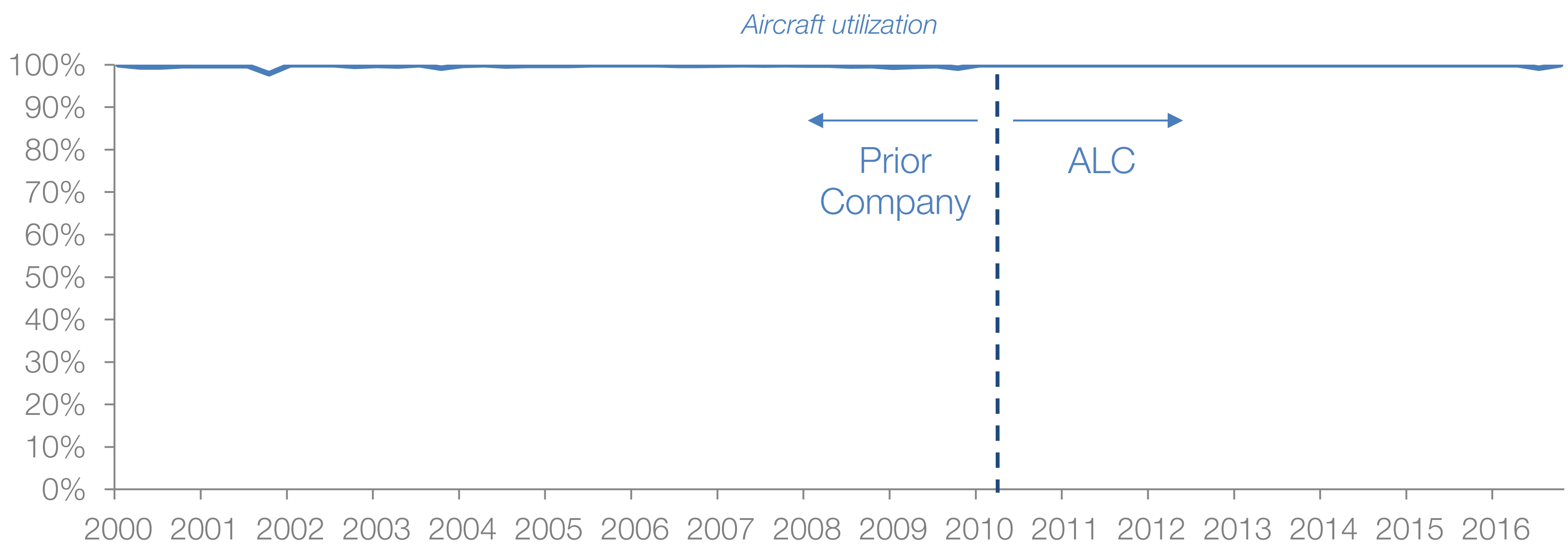
Key ALC Risk Mitigants	
Aircraft Type	Focus on liquid, in-demand aircraft types, which airlines can operate profitably
Mobile Assets	Ability to quickly obtain and redeploy assets throughout the world
Lessee Diversification	Minimize exposure to individual airlines and jurisdictions
Lease Security	Deposits and reserves provide bridge to new lease in event aircraft needs to be relocated

We believe that the biggest driver of lessor stability is growth in passenger traffic

Lessors are less impacted by aviation cycles than airlines

- Lessors have performed well through aviation cycles because of resiliency of passenger traffic
- In good times, airlines need lessors for additional capacity and, in bad times, airlines need lessor balance sheets

Lessor Stability



Note: Utilization is defined as the aircraft on lease divided by total owned aircraft at time of filing; ALC's management team's track record covers performance at ALC and prior company

ALC's orderbook will position us for long term success

AIRBUS

BOEING

A320/321/321LR/NEO (A321LR NEO Launch Customer)

138
on order

737-800 & 737 MAX8/9

121
on order

A330-800/900NEO (Launch Customer)

25
on order

787-9/10 (787-10 Launch Customer)

45
on order

A350-900/1000

24
on order

Orderbook: 353
widely distributed, modern single & twin-aisle commercial aircraft

AIR LEASE CORPORATION

Note: As of March 31, 2017

Advantages of orderbook strategy

Different from sale-leaseback

- Access to a long term pipeline of **attractively priced aircraft**
- Provides a substantial amount of **financial visibility**
- **Higher barriers to entry** and rational competition
- Through the placement of our orderbook we obtain **key market intelligence**
  - Aides in credit and procurement decisions
- **Trusted advisor** to our clients
  - We help them to enhance their position in their markets
  - We offer an independent view for aircraft and engine selection

We believe that the success of this strategy is proven through the financial results that ALC has generated

Widebody aircraft play a vital role in aviation

- Service routes over 3,000nm
- Connecting major city pairs
- Addressing airport slot congestion
- Growing need for high density short to medium haul routes
- We forecast continued demand for widebody aircraft

Note: Based on management views

Widebody lease placements demonstrating demand

We have placed 25% of our widebody orderbook since the beginning of 2016

12	6	3	4
787-9s	A330-900s	A350-900s	A350-1000s

To a diverse customers base[1]

On long term lease agreements

Over $4 billion in contracted cash flows

[1] Only certain publicly announced customer placements shown above

Widebody replacement market overview

- 50% of widebodies in service today are over 10 years of age

Widebody type	# of aircraft type 10 years or older
767	628
777	590
A330	438
747	412
A300	212
A340	175
MD-11	122
DC-10	109
A310	58
Other[1]	10
Total	2,754

- More than 1,000 of these aircraft are prime candidates to be replaced by new widebody aircraft over the next five years

Source: Ascend as of May 2017; [1] Other includes A380s and L-1011 TriStar; Note: Data excludes non-western built aircraft

Key drivers of aircraft replacement

Aircraft replacement is a multifaceted equation

Fuel efficiency
- Reduction in fuel burn per passenger

Maintenance costs
- Significant reduction in maintenance costs and maintenance holidays

Capacity / range
- Increased revenue potential from higher capacity and new city pairs

Dispatch reliability
- Fewer flight cancellations or delays due to mechanical faults

Environmental
- Compliance with new noise/emission regulations

Customer experience
- Enhanced passenger experience with new cabins, seating configurations, overhead bin size, lighting, etc.

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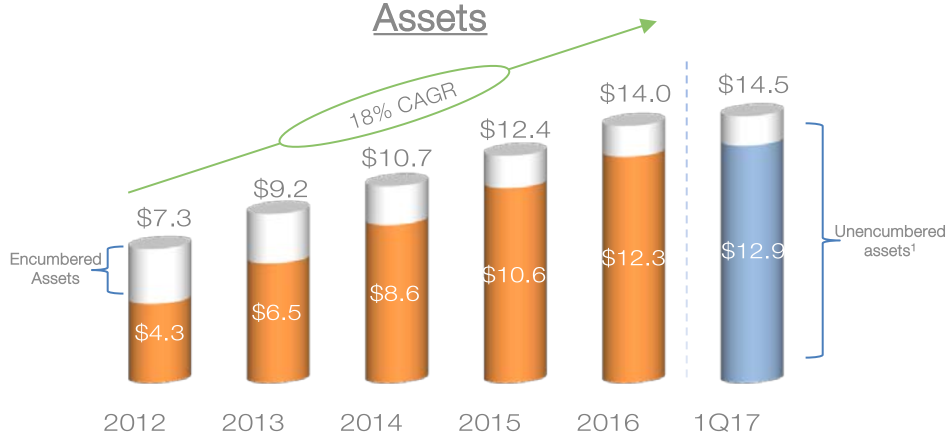
Financial Review

Gregory B. Willis
Chief Financial Officer

AIR LEASE CORPORATION

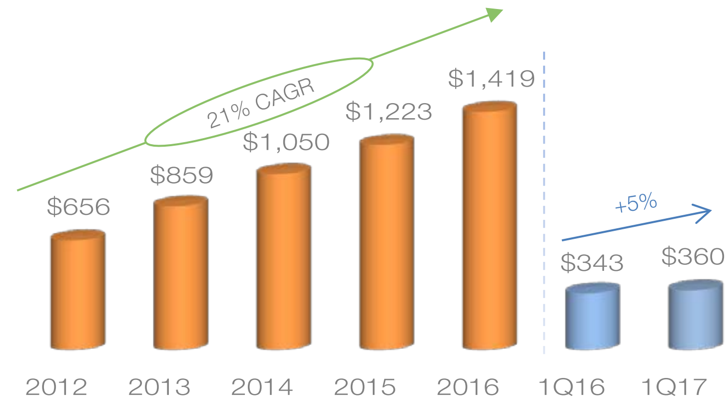
Track record of strong and consistent performance

Assets

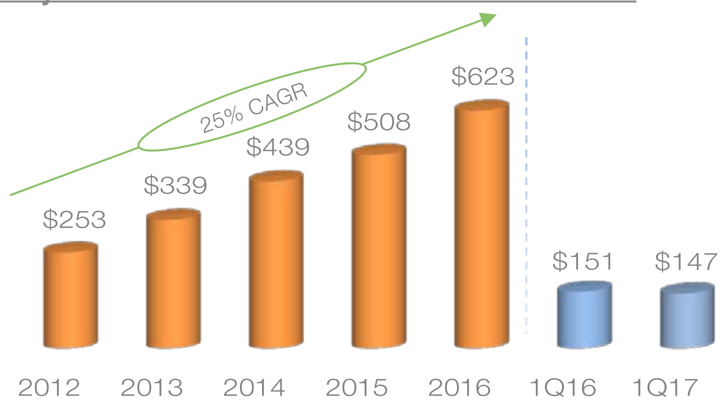


Fleet Count:	155	193	213	240	237	243

Revenues

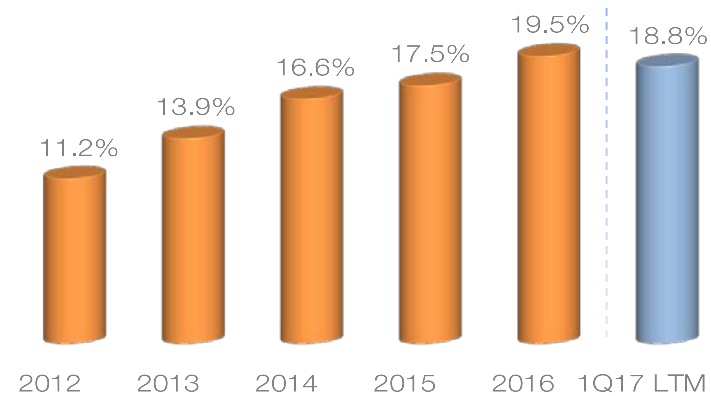


Adj. Net Income Before Income Taxes[2]



	2012	2013	2014	2015	2016	1Q16	1Q17
Adj. margin before income taxes (%):	38.5	39.4	41.8	41.7	44.1	44.4	40.7
Adj. diluted EPS before income taxes ($):	2.40	3.16	4.03	4.64	5.67	1.38	1.33

Adj. Return on Equity Before Income Taxes[3]

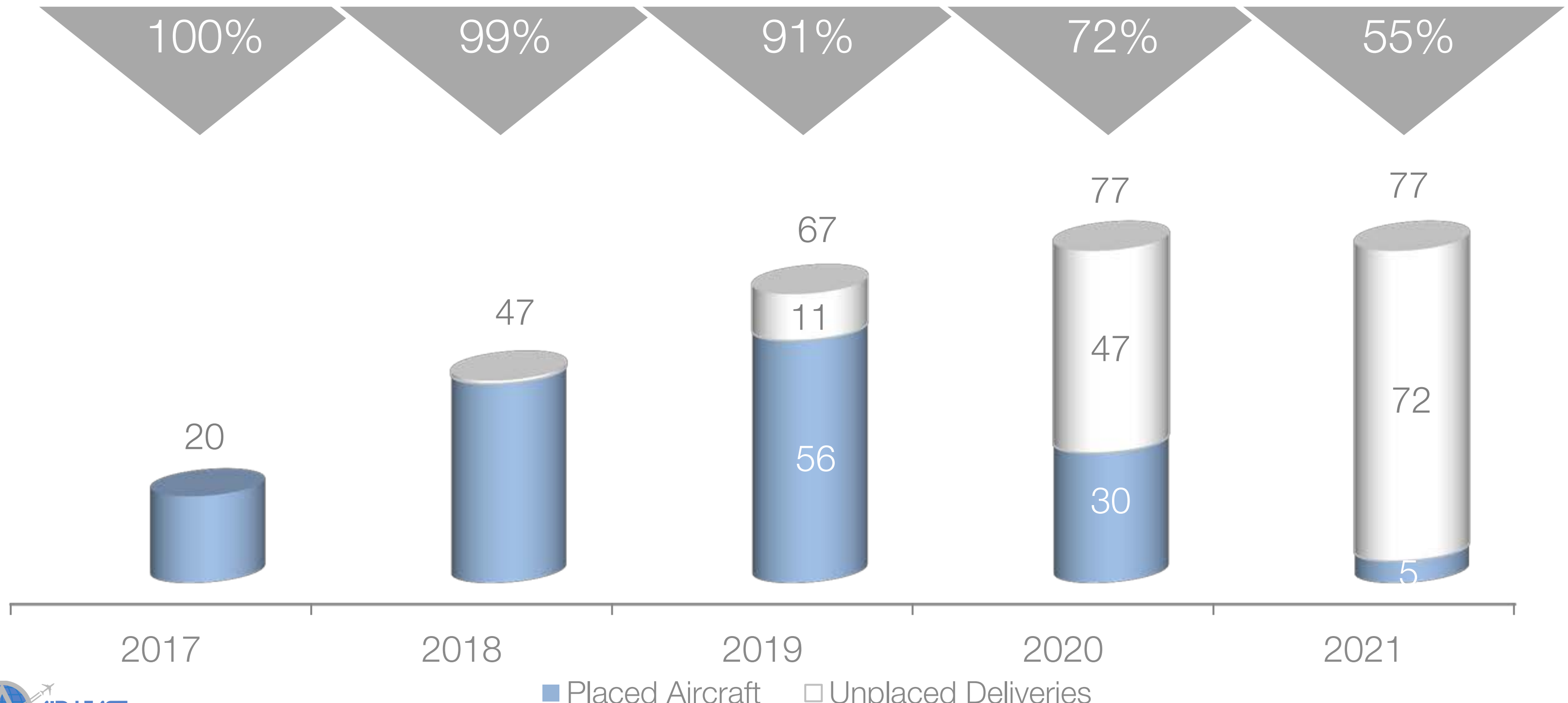


[1] Comprised of unrestricted cash plus unencumbered flight equipment (calculated as flight equipment subject to operating leases less accumulated depreciation less net book value of aircraft pledged as collateral) plus deposits on flight equipment purchases plus certain other assets. [2]Adjusted Net Income Before Income Taxes, Adjusted Margin Before Income Taxes, and Adjusted Diluted Earnings Per Share Before Income Taxes are non-GAAP financial measures. See appendix for reconciliations to their most directly comparable GAAP measures. [3] Adjusted Return on Equity Before Income Taxes is calculated as the trailing twelve month Adjusted Net Income Before Income Taxes divided by average shareholders' equity. Adjusted Net Income Before Income Taxes is a non-GAAP financial measure. See appendix for a reconciliation to its most directly comparable GAAP measure.

Our orderbook placement is key to our consistency

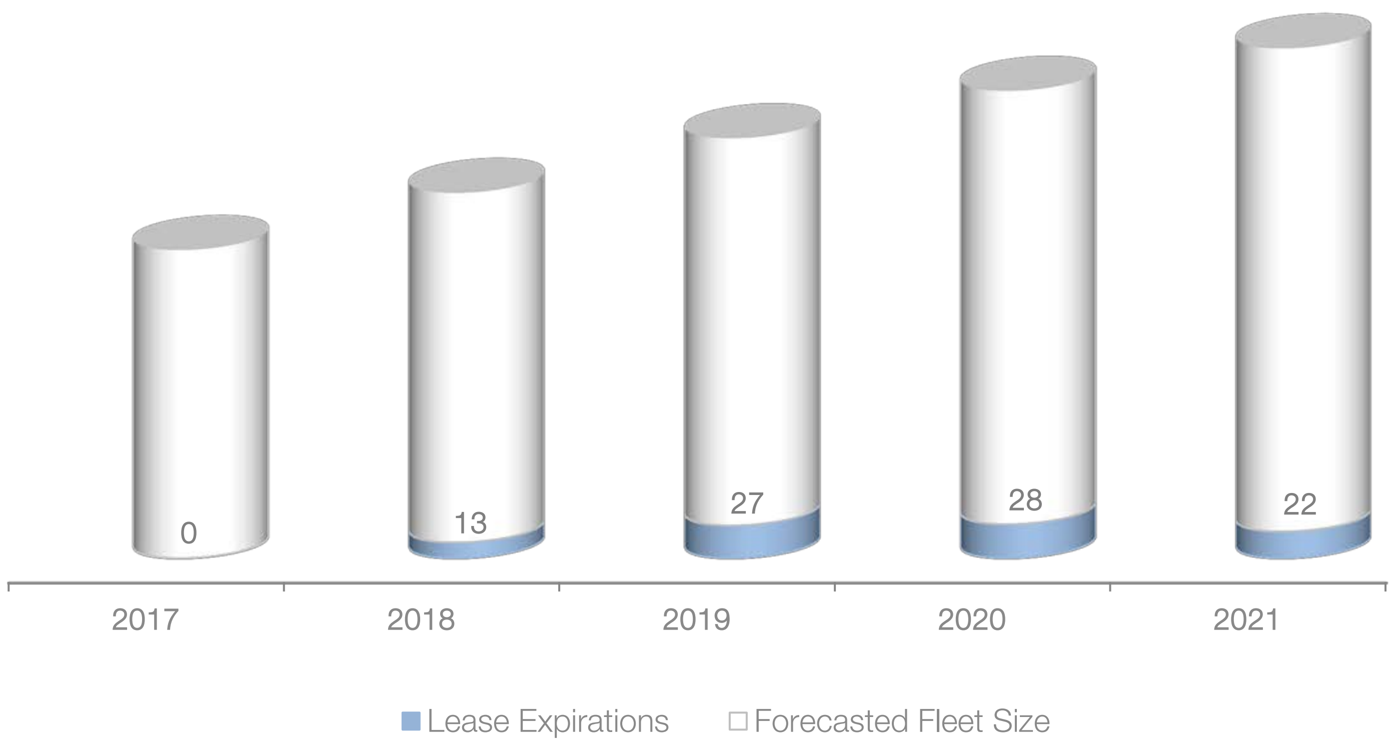
- We have experienced robust demand for our orderbook, resulting in 72% of aircraft placed through 2020
- We are well ahead of schedule for the placement of our orderbook

Cumulative Placement



Limited lease repricing risk

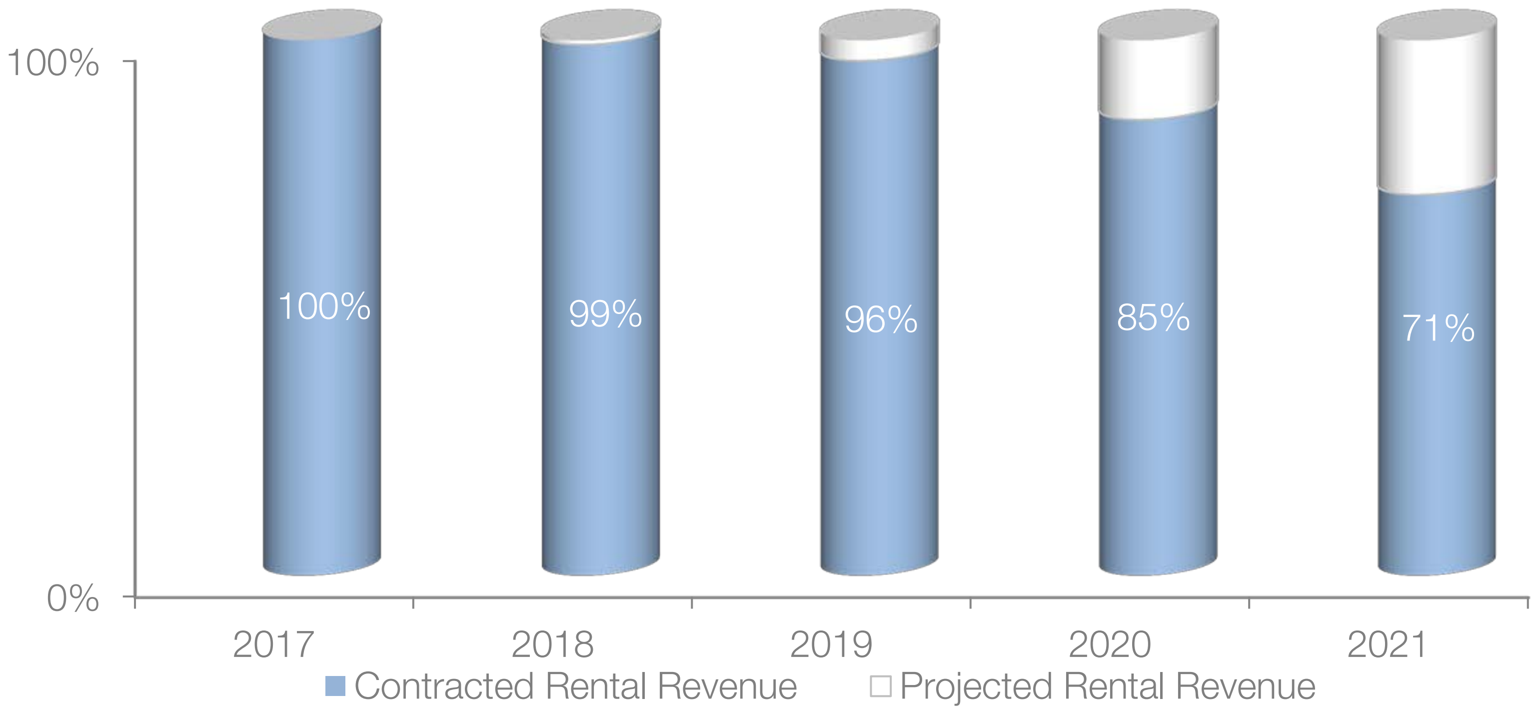
- ALC has minimal lease expirations over the next 5 years



Note: As of December 31, 2016

ALC has strong forward visibility

- Through 2021, ALC has 87% of its projected rental revenues under contract

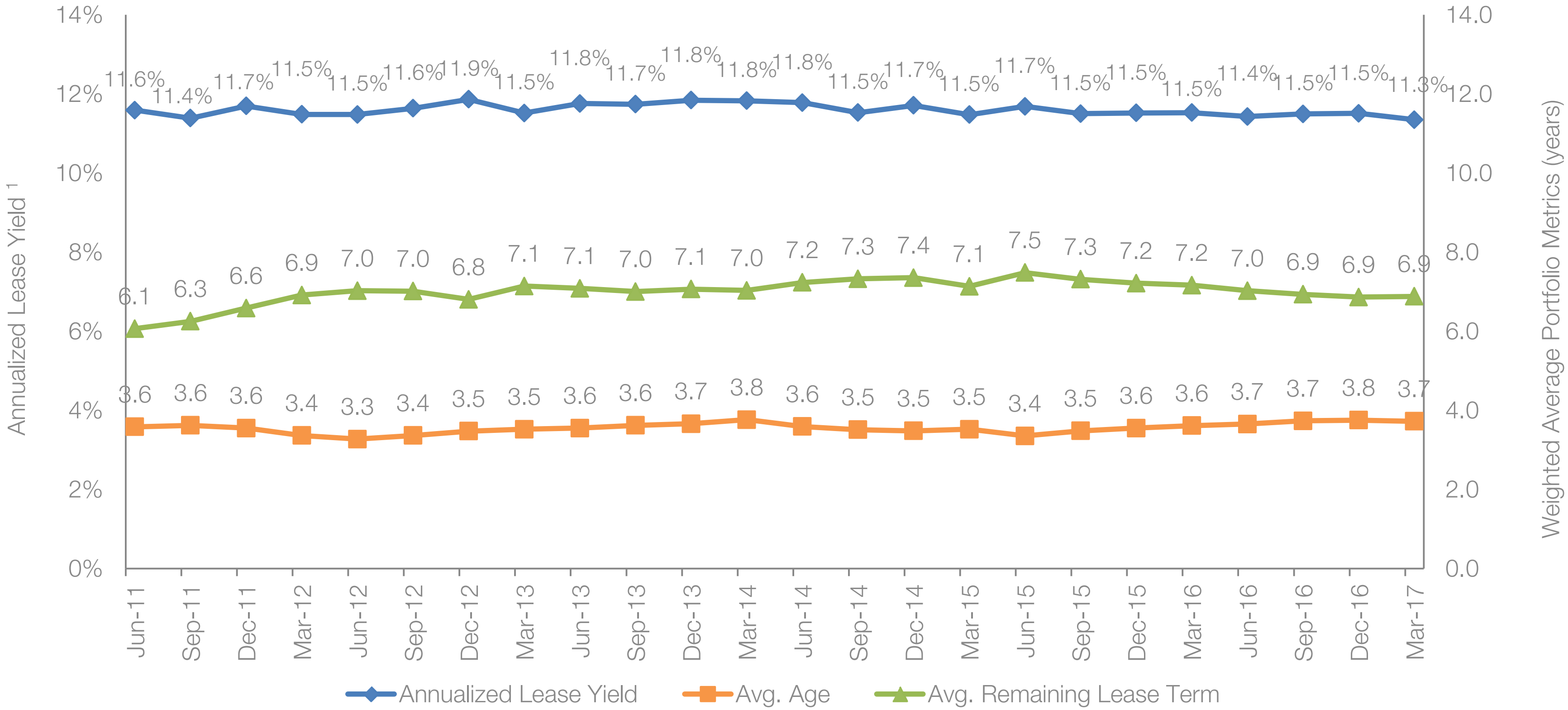


Based on our signed leases, we do not anticipate significant changes to our key portfolio metrics

Note: Excludes aircraft sales

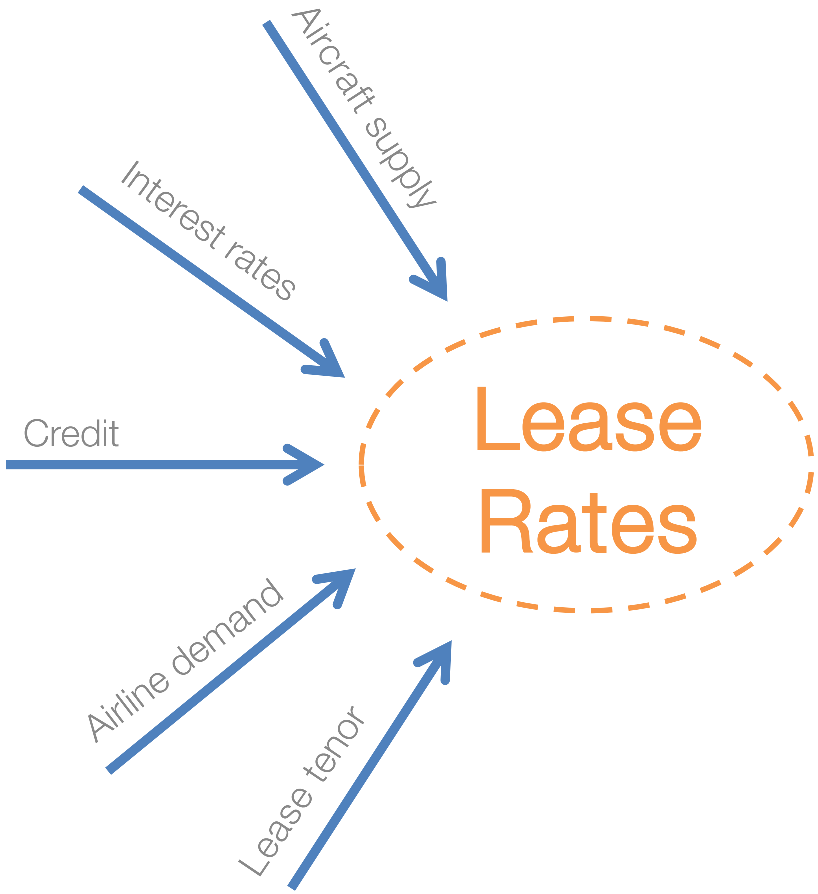
Consistency of fleet metrics have driven financial performance

- ALC's yields and portfolio metrics have remained consistent
- Macro volatility has had minimal impact on ALC's fleet metrics
- Our rental revenues have averaged 11.6% of average net book value since 2011



[1] Calculated as rental of flight equipment, excluding overhaul revenue and amortization of prepaid lease costs, divided by quarterly average net book value

What drives lease rates?

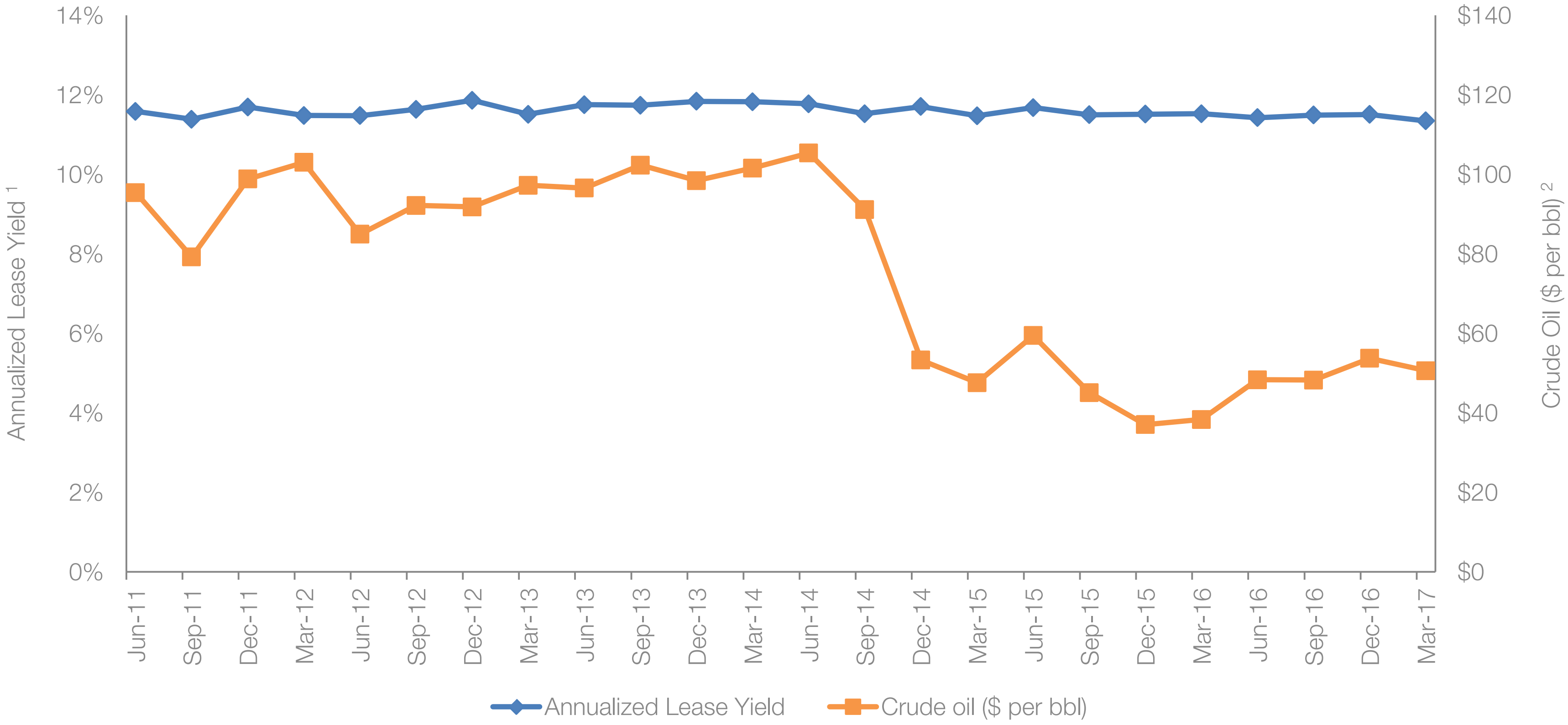


- Supply / demand - has been the most influential factor during the last several years
- Oil - has not had a significant impact on lease rates
- Interest rates – have a delayed impact on the leasing market
- We anticipate that as interest rates and fuel costs rise, there will be a positive impact on lease rates

Variables should not be isolated

ALC's lease rates vs. oil

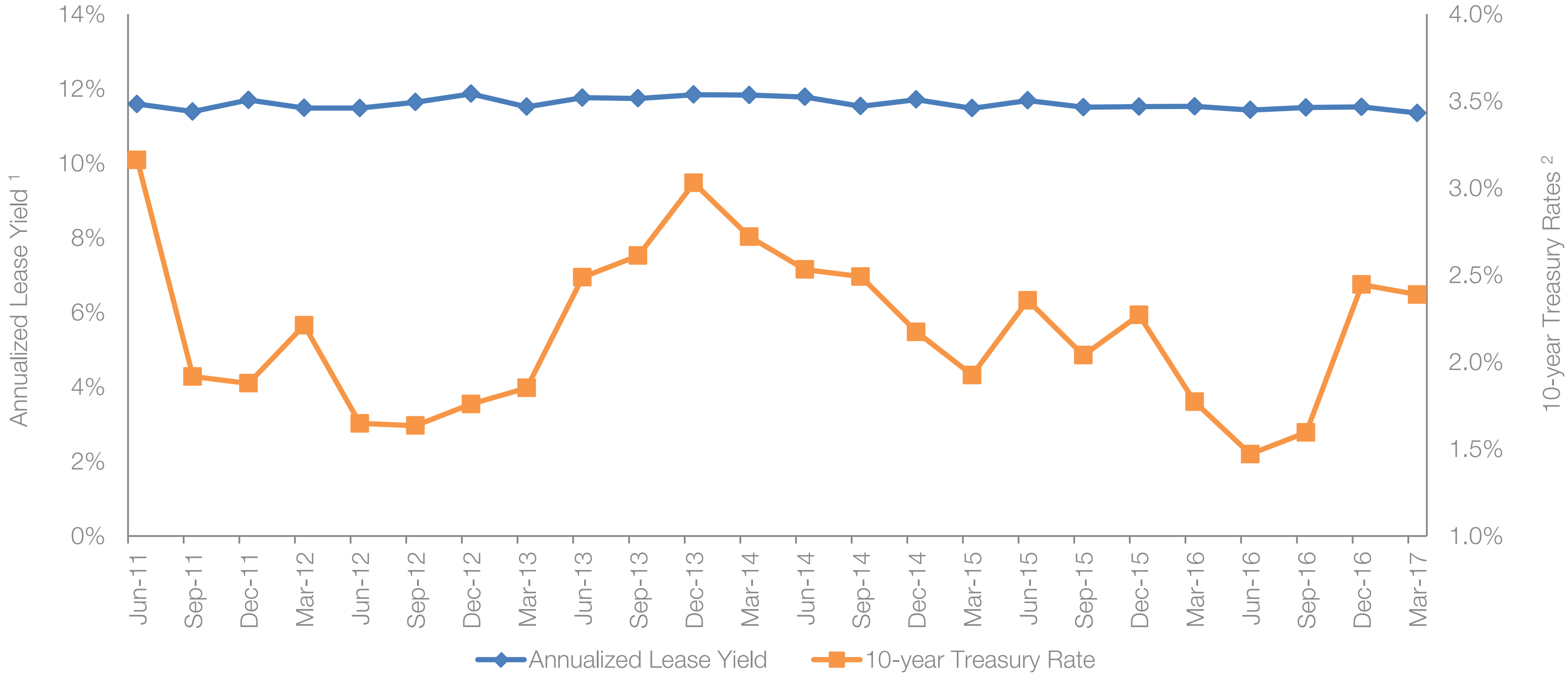
- ALC's lease rate factors have remained consistent despite the volatility in oil prices



[1] Calculated as rental of flight equipment, excluding overhaul revenue, divided by average net book value
[2] Source: Bloomberg May 2017

ALC's lease rates vs. interest rates

- ALC's lease rate factors have remained consistent as interest rates have fluctuated
- We have interest rate adjusters in the majority of our forward lease contracts which would adjust the final lease rate upward if benchmark interest rates are higher at the time of aircraft delivery



[1] Calculated as rental of flight equipment, excluding overhaul revenue, divided by average net book value
[2] Source: Bloomberg May 2017

How we manage interest rates

Liability Side:

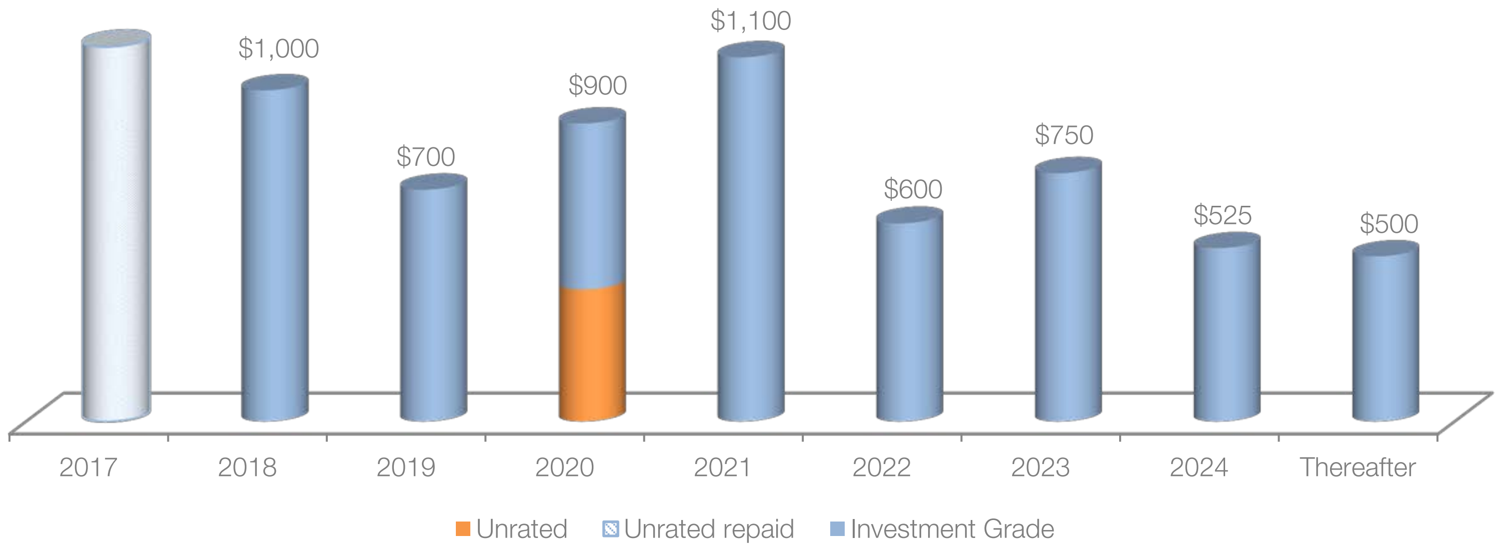
- **High Fixed Rate Debt Target** – 80% fixed rate debt
- **Extending duration** through longer dated fixed rate issuances
- **Floating Rate Exposure** – Limited to short-term bank facilities tied to 1-month LIBOR
- **Low Debt/Equity Target** – 2.5:1

Forward Lease Placement Protection:

- **Interest Rate Escalators** – Over 90% of our forward placements contain interest rate escalators
  - Provides a one time adjustment to the base lease rate at the time of delivery
  - This adjusts the lease rate for the financing environment at the time of delivery

Interest savings from refinancing of unrated bonds

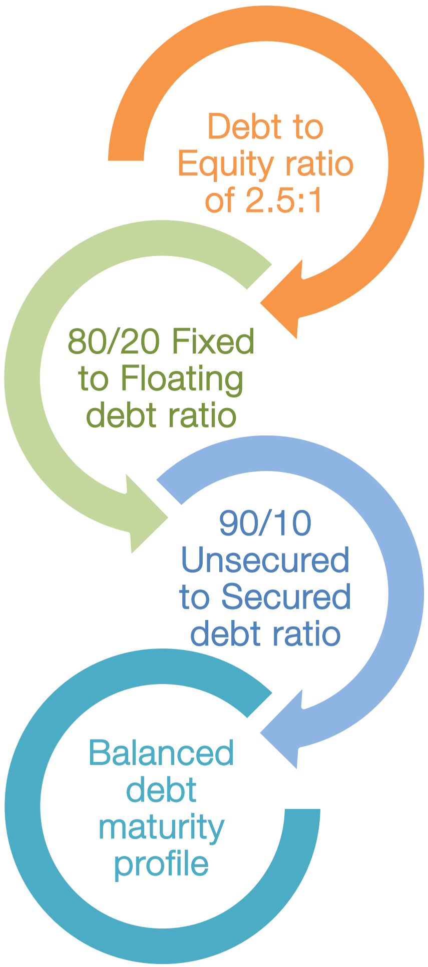
- We anticipate $20-30 million in interest savings as we refinance the last of our unrated bonds
  - Already refinanced: $1.1 billion of 5.625% notes repaid in early April 2017
  - Still outstanding: $400 million of 4.750% notes due in 2020
- Assuming current financing levels this should proactively contribute to ROE
- Balanced debt maturity with ample liquidity



Note: Chart excludes convertible bonds and indebtedness under our revolving credit facility

Capital structure and financing strategy

Key Debt Portfolio Targets



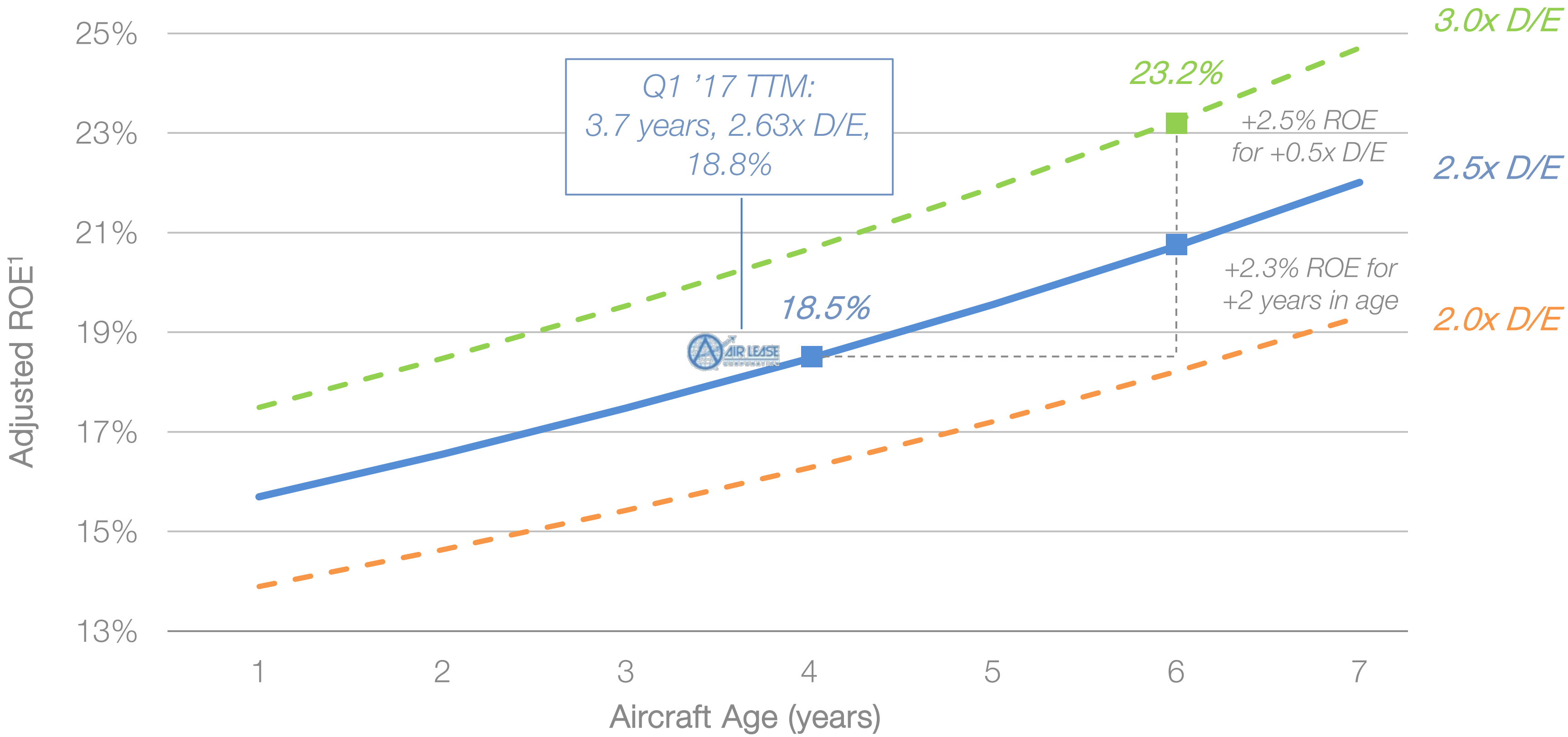
Capitalization – March 31, 2017

	($mm)	% of capitalization
Unrestricted cash	$156	1%
Total assets	14,477	115%
Unsecured debt		
Senior notes	7,452	59%
Revolving credit facility	706	6%
Term financings	205	2%
Convertible senior notes	200	2%
Total unsecured debt	8,563	68%
Secured debt		
Term financings	582	5%
Export credit financing	50	0%
Total secured debt	632	5%
Less: debt discount	(93)	
Total debt	9,103	72%
Shareholder's equity	3,459	28%
Total capitalization	$12,562	100%
Selected credit metrics		
Debt/Equity		2.63x
Contracted Cash Flows/Debt[1]		107%
Residual Fleet Value / Equity[2]		83%
Secured Debt/Total Assets		4.4%
Fixed Rate Debt/Debt		85.1%

[1] Calculated as: Contracted Minimum Lease Payments / Debt, as of March 31, 2017
[2] Calculated as: (Net Flight Equipment – Undiscounted Contracted Minimum Lease Payments) / Equity, as of March 31, 2017

ALC is generating a strong adjusted ROE

- When evaluating ROE, it is important to consider fleet age and financial leverage
- Adding financial leverage and increasing the age should increase ROE
- Hypothetically, as shown below, increasing the portfolio average age by 2 years impacts ROE by ~2.3%, and increasing financial leverage by 0.5x should increase ROE by ~2.5%



[1] Adjusted pre-tax return on equity calculated as adjusted net income before income taxes divided by average shareholders' equity

What is driving adjusted ROE?

- **Executing our leasing strategy** – buying the right assets at the right price, leveraging the orderbook strategy and selling aircraft as they enter midlife
- **Efficient financing** – Benefiting from our investment grade ratings provides us with deep access to capital and low cost financing. The refinancing of our $1.1 billion notes is anticipated to save ~$30 million in interest and contribute ~1% point of adjusted ROE
- **Operating leverage** – Our revenue growth will outpace our SG&A growth. Reducing our SG&A ratio to revenue by 1% will contribute ~0.3% points of adjusted ROE
- **Management Fees** – Currently our management fees are contributing $10 million annually which approximates ~0.3% points of adjusted ROE

Through deploying these strategies, ALC has generated strong adjusted ROEs

Behind the stability of our business

- **Lease rates** – ALC has 87% of its rental revenue under contract through 2021 and our forward placements have interest rate protections in place
- **Interest rates** – ALC has a high fixed rate debt target ratio of 80%. In order to move ALC's composite rate by 1%, floating rates would need to move by ~4%
- **Aircraft values** – ALC has a demonstrated track record of selling aircraft at a premium to carrying value an a significant premium to appraised value
- **Liquidity** – Our financing strategies produce credit metrics well inside of investment grade standards and provide access to the US investment grade capital markets
- **Event risk** – Ultimately air travel has become the world's form of mass transportation. This has supported the growth and resiliency of air travel and the demand for aircraft. ALC mitigates event risk through lessee diversification

ALC has successfully designed a stable aircraft leasing business

Management Business

Ryan McKenna
VP & Head of Strategic Planning

ALC Management Platform

- Air Lease is developing three verticals within its business, providing a long term growth strategy to maintain key financial strength

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- Investment grade rated with a young, largely unencumbered fleet
- Orderbook strategy that takes advantage of bulk pricing
- Strong relationships across airline industry
- Significant experience managing mid-life aircraft, which are critical for global airline operations

BlackbirdCapital

- Joint venture with Napier Park
- Accommodates incremental airline demand yet manages capacity constraints
- Credit positive tool to manage leverage, concentrations, portfolio age and an incremental funding source for ALC
- 12-year term allows for long dated management of aircraft assets and earnings power

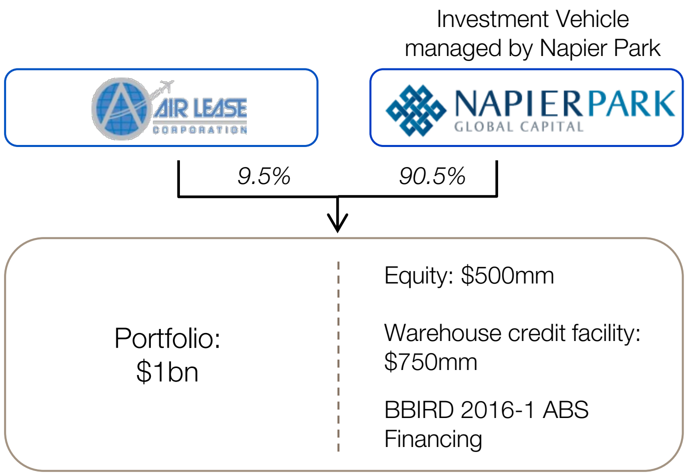
Thunderbolt

- The Thunderbolt Aircraft Leasing ("TBOLT") platform represents a strategic initiative to enable ALC to sell aircraft into managed vehicles and enhance investment grade metrics
- Allows ALC to maintain airline relationship as ALC continues to act as servicer
- We expect programmatic issuances as aircraft age in ALC's fleet

Blackbird Capital I Platform Overview

Blackbird Capital I Joint Venture

- In November 2014, ALC entered into Blackbird Capital I LLC with Napier Park for the purpose of investing in commercial aircraft and leasing them to airlines around the world
- 90.5% owned by third party long-term institutional investors managed by Napier Park and 9.5% owned by ALC
- Acquired over $1.0bn of aircraft assets



$800MM ABS financing for Blackbird Capital I

- First aircraft ABS transaction serviced by ALC
- Largest investor base with orders from 40 unique investors
- Innovative yet easy to understand structure, featuring first ‘AA’ note post-crisis

Pricing Summary

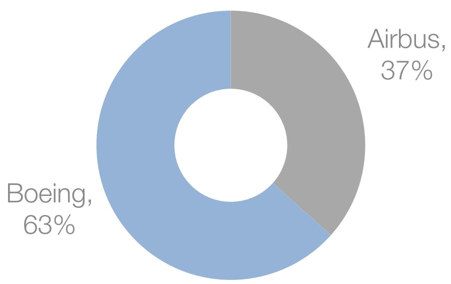
- Strong investor demand led to oversubscription levels of ~10x, ~2x and ~6x on the AA, A and B series, respectively

BBIRD 2016-1 (November 4, 2016) (144A / Reg S)				
Class	Size ($mm)	WAL (to ARD)[1]	Rating (S/K)	Yield
AA	200	4.20	AA/AA	2.50%
A	540	6.10	A/A	4.25%
B	60	6.10	BBB/BBB	5.75%
Total/Avg	800	5.63		4.05%

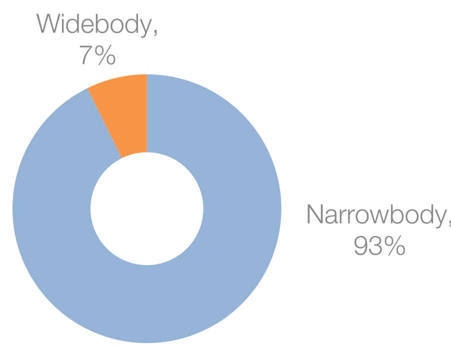
[1] Weighted average life to notes’ Anticipated Repayment Date

Thunderbolt Portfolio

Aircraft by Manufacturer



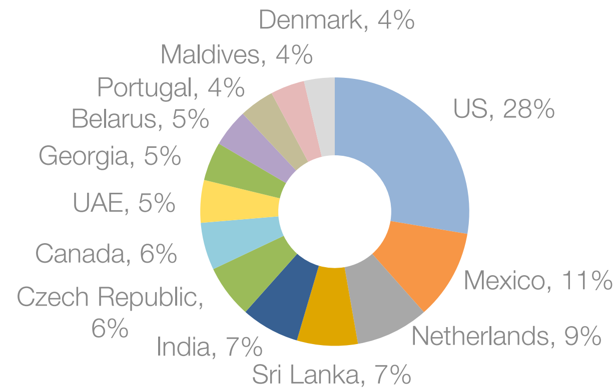
Aircraft by Type



Fleet Metrics

Fleet size	19 aircraft
Weighted average fleet age	12.57 years
Weighted average remaining lease term	3.19 years
Contracted Minimum Rentals	$172.1M

Aircraft by Country



Note: Fleet metrics based on 3/31/17 net book value

TBOLT 2017 ABS Debt Summary

Thunderbolt Aircraft Lease 2017

$344,700,000

April 2017

144A & Reg S Transaction

Transaction Highlights

- First mid-life and second overall aircraft ABS transaction serviced by ALC
- True mid-life portfolio features a weighted average age of approximately 12.5[1] years (no aircraft older than 15 years) and weighted average remaining lease term of approximately 3.4 years[1]
- Tied with BBIRD 2016-1 for largest investor base in aircraft ABS with 56 orders from 40 unique debt investors, notable given mid-life assets significantly smaller debt size

Debt Pricing Summary

- Strong investor demand led to oversubscription levels of ~7.6x, ~2.7x and ~5.1x on the Series A, B and C, respectively which allowed the transaction to tighten materially from whisper to pricing
- Debt process completed in approx. 6 weeks and pre-marketed, announced and priced in just over 1 week

TBOLT 2017 (April 25, 2017)							
Class	Size ($MM)	Initial LTV[2]	WAL (to ARD)	Rating (S/K)	Spread	Yield	Coupon
A	$253.40	58.1%	5.19	A/A	+226	4.250%	4.212%
B	$69.30	73.9%	5.19	BBB-/BBB	+401	6.000%	5.750%
C	$22.00	79.0%	3.57	BB/BB-	+581	7.625%	4.500%
Total	$344.70		5.08	*Triple-B WA:*	*+278*	*4.760%*	*4.540%*

[1] WA Age and Lease Term Calculations as of 2/28/2017 and calculated as a percent of the average of the Maintenance Adjusted Initial Appraised Values (as defined in the Offering Memorandum) provided by BK, CV and IBA

[2] Based as a percentage of the Average of the Maintenance Adjusted Initial Appraised Values (as defined in the Offering Memorandum) provided by BK, CV and IBA

Thunderbolt Strategy and Anticipated Economics

Alignment of Interest

TBOLT's innovative earn-out structure is unique versus other recent portfolio sale transactions, providing for alignment of interest between debt, equity and ALC

- TBOLT is an important platform to ALC, which will enable us to maintain a larger presence in the mid-life market as a servicer, with third party equity investors to finance portfolios in the term ABS market
  - Alignment of interest is critically important to investors in these partnerships

Over the expected 7 year term of Thunderbolt, ALC's earn-out fees will be back loaded based on performance

$14 million	• ALC, as servicer earns a standard 3% of rental revenues and 1.5% on disposition proceeds
+	
$59 million	• To achieve alignment, ALC is incentivized to "earn-out" a substantial portion of our economics in the transaction over time, based on successful re-leasing and sales • Using modified Ascend benchmarks for expected future lease rates and asset values, we will earn 50% of all proceeds generated above certain specified benchmarks

Note: Expected fees based on management case assumptions on re-lease rates and sales proceeds

ALC's Thunderbolt Transaction Economics

- The 19-aircraft Thunderbolt transaction generated a 17.8% IRR over an average holding period of 5.4 years through the transaction's economic closing date of January 31, 2017

IRR: 17.8%

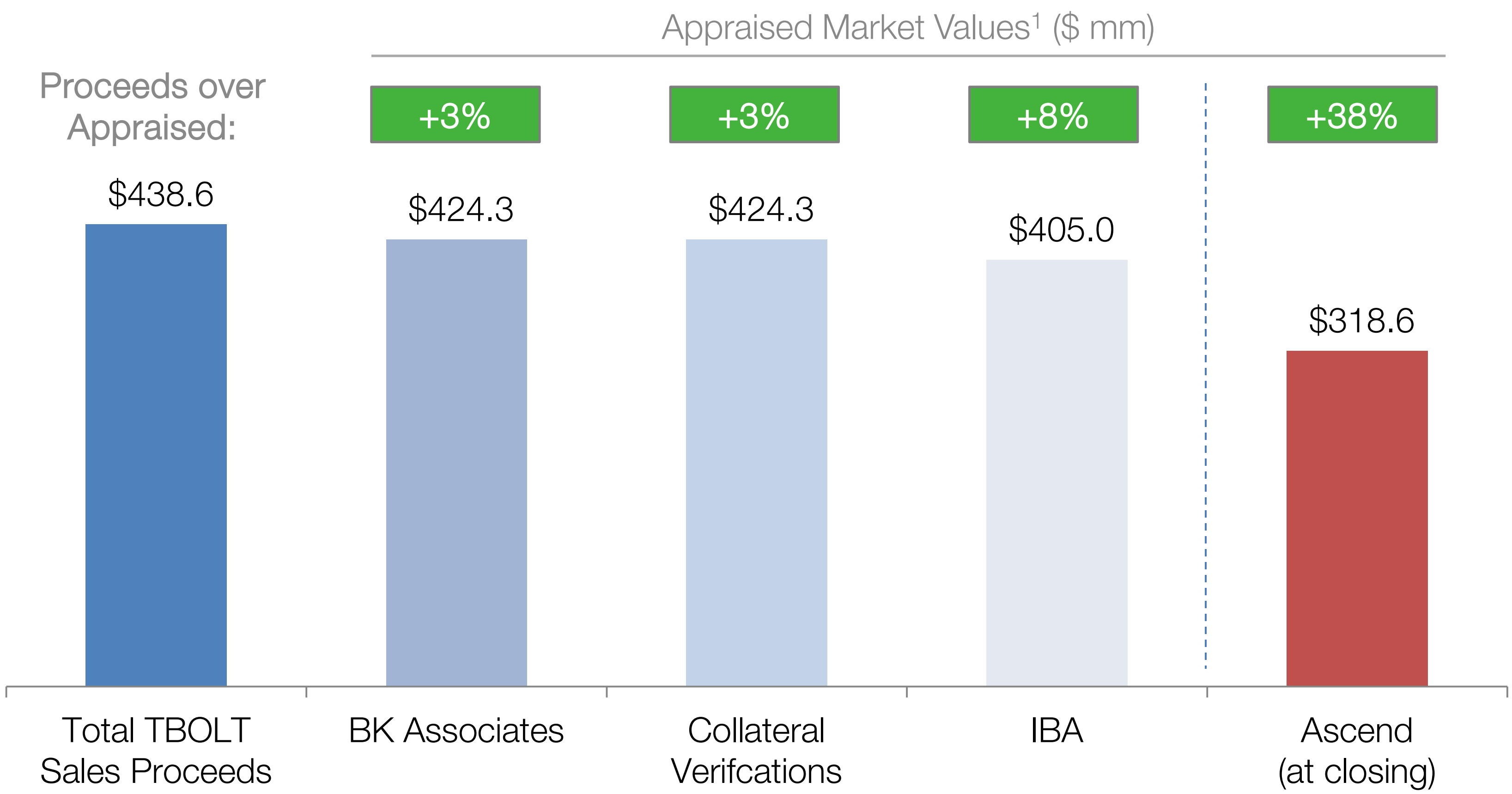
(in $ millions)

Year	Aircraft Acquisition (equity contribution)	Rental Revenue	Interest Expense	Debt Repayment	SG&A	Gross Sales Proceeds	Net Cash
2010	(58.1)	9.8	(1.5)	(2.1)	(0.6)		(52.5)
2011	(69.8)	41.4	(7.7)	(11.6)	(2.5)		(50.2)
2012	0.0	53.9	(13.0)	(16.4)	(3.2)		21.4
2013	(7.5)	53.7	(11.3)	(16.4)	(3.2)		15.2
2014	0.0	54.5	(11.7)	(17.9)	(3.3)		21.7
2015	(10.9)	58.0	(11.7)	(19.2)	(3.5)		12.8
2016	0.0	56.7	(10.3)	(26.2)	(3.4)		16.8
2017	0.0	4.3	(0.9)	(293.0)	(0.3)	438.6	148.8

Note: Analysis based on 1/31/17 economic closing date. Interest expense based on composite interest rate for the relevant year.
Debt repayment to maintain 2.5x debt to equity. SG&A expense equal to 6% of rental revenues. Excludes taxes given non-cash tax position of ALC.

Thunderbolt Sales Proceeds vs. Appraised Values

- Thunderbolt sales proceeds represent a 3-8% premium over appraised value and a **38%** premium over Ascend's value



[1]Current market values as of September 30, 2016 for BK Associates, Collateral Verifications, and IBA
Current market values as of March 31, 2017 for Ascend

Thunderbolt Current Lease Rates vs. Ascend

- Thunderbolt lease rates are meaningfully higher than Ascend

	Monthly Lease Rentals	Lease Rate Factor[1]
Aggregate Thunderbolt	$4.534 million	1.42%
Ascend Market	$3.495 million	1.10%
Difference	$1.039 million	0.33%
TBOLT Premium to Ascend	+30%	+30%

[1]Calculated as monthly lease rental divided by Ascend appraised value of TBOLT aircraft as of March 31, 2017

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Questions?

Appendix

Appendix – Non-GAAP Reconciliations

(in thousands, except share and per share data)	Three Months Ended Q1 2017	Three Months Ended Q1 2016	Year Ended December 31, 2016	2015	2014	2013	2012
Reconciliation of net income to adjusted net income before income taxes:							
Net income	$ 84,937	$ 92,858	$ 374,925	$ 253,391	$ 255,998	$ 190,411	$ 131,919
Amortization of debt discounts and issuance costs	8,992	7,161	30,942	30,507	27,772	23,627	16,994
Stock-based compensation	3,773	3,239	16,941	17,022	16,048	21,614	31,688
Settlement	-	-	-	72,000	-	-	-
Insurance recovery on settlement	-	(3,250)	(5,250)	(4,500)	-	-	-
Provision for income taxes	48,941	51,133	205,313	139,562	138,778	103,031	72,054
Adjusted net income before income taxes	$ 146,643	$ 151,141	$ 622,871	$ 507,982	$ 438,596	$ 338,683	$ 252,655
Assumed conversion of convertible senior notes	1,424	1,454	5,780	5,806	5,811	5,783	5,627
Adjusted net income before income taxes plus assumed conversions	$ 148,067	$ 152,595	$ 628,651	$ 513,788	$ 444,407	$ 344,466	$ 258,282
Total revenues	$ 360,187	$ 343,328	$ 1,419,055	$ 1,222,840	$ 1,050,493	$ 858,675	$ 655,746
Weighted-average diluted shares outstanding	111,429,926	110,563,526	110,798,727	110,628,865	110,192,771	108,963,550	107,656,463
Adjusted margin before income taxes[1]	40.7%	44.4%	44.1%	41.7%	41.8%	39.4%	38.5%
Adjusted diluted earnings per share before income taxes	$ 1.33	$ 1.38	$ 5.67	$ 4.64	$ 4.03	$ 3.16	$ 2.40

[1] Adjusted margin before income taxes is adjusted net income before income taxes divided by total revenues, excluding insurance recoveries

Appendix – Non-GAAP Reconciliations

(in thousands, except share and per share data)	Q1 2017 LTM	Year Ended December 31, 2016	2015	2014	2013	2012
Reconciliation of net income to adjusted net income before income taxes:						
Net income	$ 367,004	$ 374,925	$ 253,391	$ 255,998	$ 190,411	$ 131,919
Amortization of debt discounts and issuance costs	32,773	30,942	30,507	27,772	23,627	16,994
Stock-based compensation	17,475	16,941	17,022	16,048	21,614	31,688
Settlement	-	-	72,000	-	-	-
Insurance recovery on settlement	(2,000)	(5,250)	(4,500)	-	-	-
Provision for income taxes	203,121	205,313	139,562	138,778	103,031	72,054
Adjusted net income before income taxes	$ 618,373	$ 622,871	$ 507,982	$ 438,596	$ 338,683	$ 252,655
Average shareholders' equity	$ 3,281,818	$ 3,201,050	$ 2,895,987	$ 2,647,748	$ 2,428,028	$ 2,254,452
Adjusted return on equity before income taxes	18.8%	19.5%	17.5%	16.6%	13.9%	11.2%

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Appendix – Cash Flow Coverage Calculations

- ALC's residual value risk low when compared to peers and contracted rents are in excess of debt balance

($ in millions)			March 31, 2017
Net Book Value of Aircraft	A	$	12,623
Minimum Future Lease Rentals from Operating Leases	B	$	9,756
Residual Exposure	A - B	$	2,867
Shareholders Equity	C	$	3,459
Residual Value Risk	(A-B) / C		83%
Total Debt	D	$	9,103
Contracted Cash Flows / Debt	B / D		107%