ASIAN INFRASTRUCTURE INVESTMENT BANK

**Pricing Policy for Sovereign-Backed Products**
(Revised November 26, 2024)

1. Pricing terms for sovereign-backed loans and guarantees to borrowers which meet the Asian Infrastructure Investment Bank's (AIIB) selection criteria are uniform across borrowers.

2. Maturities and repayment schedules for sovereign-backed loans shall, to the extent possible, be adapted to the project profile, and shall have a maximum final maturity of 35 years and a maximum average maturity of 20 years. Guarantees are subject to the same average and final maturity limits as those applicable to a loan.

3. AIIB shall charge a variable interest rate on loans that will be composed of a market based variable reference rate and a spread that is either fixed (Fixed Spread Loan product)[1] or variable (Variable Spread Loan product).

4. The Fixed Spread Loan product shall be offered in US dollars (USD). The Variable Spread Loan product shall be offered in USD or other hard currencies.[2]

5. The fixed spread shall consist of the following elements:
   - 5.1 A contractual lending spread,
   - 5.2 A maturity premium,
   - 5.3 A market risk premium,
   - 5.4 AIIB's projected funding spread to LIBOR over the life of the loan.

6. The variable spread shall consist of the following elements:
   - 6.1 A contractual lending spread,
   - 6.2 A maturity premium,
   - 6.3 A borrowing cost margin applicable for each reference rate, including non-USD- funding cost if the loan is in a non-USD hard currency.

7. The Bank may charge on loans:
   - 7.1 a commitment fee and a front-end fee;
   - 7.2 a transaction fee for each Loan Conversion and the early termination of such

[1] The Fixed Spread Loan product has been suspended as of April 15, 2021, provided that such suspension shall not affect loans that comply with the following conditions: (i) the invitation to Negotiate is issued on or before April 15, 2021; and (ii) the loan is approved on or before September 30, 2021.

[2] Currencies of the Group of Ten (G10) or those included in the SDR basket, i.e., USD, EUR, GBP, JPY, CAD, CHF, SEK and RMB. Members of the G10 include Belgium, Canada, France, Germany, Italy, Japan, Netherlands, Sweden, Switzerland, United Kingdom and United States. https://www.imf.org/en/About/Factsheets/A-Guide-to- CommitteesGroups-and-Clubs#G10

conversion;

7.3 a transaction fee for climate resilient debt clauses; and

7.4 in the case of prepayment, where appropriate, a prepayment fee.

8. Guarantees are committed and payable in United States Dollars or in such other currency or currencies as the Bank may offer from time to time.

9. The pricing of Sovereign-backed guarantees includes several fees, determined on the basis of equivalency with Loans. Guarantee pricing comprises three components:

9.1 a standby fee;
9.2 a guarantee fee; and
9.3 a front-end fee.

10. In addition, the Bank may charge on guarantees a processing charge.

11. Based on the periodic review of the adequacy of the Bank's pricing levels, the President may recommend for approval by the Board any adjustments to:

11.1 The commitment fee and the front-end fee, the contractual lending spread, the projected funding spread, the market risk premium, and the maturity premium elements of the spread for loans; and
11.2 The standby fee, the guarantee fee and the front-end fee and cap on the processing charge for guarantees.

12. The President will set the borrowing cost margin applicable to each reference rate for loans based on a variable spread, and the transaction fees applicable to climate resilient debt clauses, each Loan Conversion and the termination of such conversion, as well as the prepayment fee, as required to reflect prevailing market conditions. The President will also set the processing charge for guarantees subject to the cap on this fee.