Pricing Policy for Sovereign-Backed Products
(Revised June 2021)

1. Pricing terms for sovereign-backed loans 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.

3. AIIB shall apply a reference rate and charge a spread to that reference rate 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. In addition, the Bank may charge a commitment fee and a front-end fee and in the case of prepayment, where appropriate, a prepayment fee.

8. The President will review and report to the Board annually on the adequacy of the pricing levels and will recommend for approval by the Board any adjustments to these pricing levels deemed necessary or desirable.

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-Committees-Groups-and-Clubs#G10