SOVEREIGN-BACKED LOAN AND GUARANTEE PRICING

January 2016

1. Sovereign-Backed Loan Pricing

The Bank will initially charge a fixed spread to LIBOR (Lending Spread).

A. The fees and spread applicable to sovereign-backed loans are set out in Table 1:

Table 1. Fees and Lending Spread applicable to Sovereign-backed Loans

<table>
<thead>
<tr>
<th>Fee/Spread</th>
<th>Rate</th>
<th>Charged on</th>
<th>One-time/recurring</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front-end Fee</td>
<td>0.25%</td>
<td>Loan principal</td>
<td>One-time</td>
</tr>
<tr>
<td>Commitment Fee</td>
<td>0.25%</td>
<td>Undisbursed loan balances</td>
<td>Recurring</td>
</tr>
<tr>
<td>Lending Spread¹</td>
<td>0.75% to 1.40%</td>
<td>Disbursed and outstanding loan balances</td>
<td>Recurring</td>
</tr>
</tbody>
</table>

¹ The Lending Spread varies depending upon maturity, as set out in Table 2 below.
B. The Lending Spread consists of four components: the contractual lending spread, the maturity premium, the risk premium and the projected funding spread to LIBOR. The individual components of the Lending Spread as well as the overall Lending Spread applicable to different maturity categories are set out in Table 2:

Table 2. Lending Spread Components and overall Lending Spread

<table>
<thead>
<tr>
<th>Average Maturity</th>
<th>Up to 8 years</th>
<th>Greater than 8 through 10 years</th>
<th>Greater than 10 through 12 years</th>
<th>Greater than 12 through 15 years</th>
<th>Greater than 15 through 18 years</th>
<th>Greater than 18 through 20 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contractual Lending Spread</td>
<td>0.50%</td>
<td>0.50%</td>
<td>0.50%</td>
<td>0.50%</td>
<td>0.50%</td>
<td>0.50%</td>
</tr>
<tr>
<td>Maturity Premium</td>
<td>0%</td>
<td>0.10%</td>
<td>0.20%</td>
<td>0.30%</td>
<td>0.40%</td>
<td>0.50%</td>
</tr>
<tr>
<td>Risk Premium</td>
<td>0.10%</td>
<td>0.10%</td>
<td>0.10%</td>
<td>0.10%</td>
<td>0.15%</td>
<td>0.15%</td>
</tr>
<tr>
<td>Projected Funding Spread to LIBOR</td>
<td>0.15%</td>
<td>0.20%</td>
<td>0.20%</td>
<td>0.25%</td>
<td>0.25%</td>
<td>0.25%</td>
</tr>
<tr>
<td>Lending Spread</td>
<td>0.75%</td>
<td>0.90%</td>
<td>1.00%</td>
<td>1.15%</td>
<td>1.30%</td>
<td>1.40%</td>
</tr>
</tbody>
</table>
2. Sovereign-Backed Guarantee Pricing

The fees and charge for sovereign-backed guarantees are set out in Table 3:

**Table 3. Fees and Charges Applicable to Sovereign-backed Guarantees**

<table>
<thead>
<tr>
<th></th>
<th>Rate</th>
<th>Charged on</th>
<th>One-time/recurring</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Front-end Fee</strong></td>
<td>0.25%</td>
<td>Guarantee amount</td>
<td>One-time</td>
</tr>
<tr>
<td><strong>Processing Charge</strong></td>
<td>Up to 0.50%</td>
<td>Guarantee amount</td>
<td>One-time</td>
</tr>
<tr>
<td><strong>Standby Fee</strong></td>
<td>0.25%</td>
<td>Undisbursed amount of financing benefiting from AIIB guarantee</td>
<td>Recurring</td>
</tr>
<tr>
<td><strong>Guarantee Fee</strong></td>
<td>0.50% + Maturity Premium</td>
<td>Financial exposure under the guarantee (present value of the guaranteed payments at earliest call dates)</td>
<td>Recurring</td>
</tr>
</tbody>
</table>

The Guarantee Fee includes an annual maturity premium as set out in Table 4:

**Table 4. Maturity Premium for Sovereign-backed Guarantees**

<table>
<thead>
<tr>
<th>Average Maturity</th>
<th>up to 8 years</th>
<th>Greater than 8 through 10 years</th>
<th>Greater than 10 through 12 years</th>
<th>Greater than 12 through 15 years</th>
<th>Greater than 15 through 18 years</th>
<th>Greater than 18 through 20 years</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maturity Premium</td>
<td>0%</td>
<td>0.10%</td>
<td>0.20%</td>
<td>0.30%</td>
<td>0.40%</td>
<td>0.50%</td>
</tr>
</tbody>
</table>