WHO WE ARE
A Multilateral Development Bank (MDB) established by international treaty and headquartered in Beijing. AIIB was founded to address Asia's infrastructure funding needs.

OUR MISSION
Financing Infrastructure for Tomorrow:
- **Green Infrastructure**
- **Connectivity and Regional Cooperation**
- **Technology-enabled Infrastructure**
- **Private Capital Mobilization**

OWNERSHIP
103 approved members as shareholders. Enjoys the same general status, immunities and privileges granted to fellow MDBs. Seven largest shareholders are China, India, Russia, Germany, Korea, Australia and France. 90% of members are rated investment grade.

AAA CREDIT STRENGTH
- USD100 billion capital stock, with USD20 billion paid-in capital.
- Exceptional capital commitment from diverse shareholder base.
- Strong governance and risk management framework.
- Extremely sound financial profile.
- Very high projected liquidity position, expected to remain exceedingly liquid over the coming years.
- Very high strength of member support—via size of callable capital.
- Preferred creditor treatment.
- BIS 0% risk weighting.

SUSTAINABILITY AT THE HEART OF AIIB
AIIB’s Environmental and Social Framework (ESF) is the cornerstone of its commitment to supporting environmentally and socially sustainable infrastructure projects. AIIB’s financial resources are directed to support sustainable economic and social development in Asia. It is part of our mission to help our members address their commitments to the Sustainable Development Goals (SDGs) and to achieve their nationally determined contributions under the Paris Agreement.

AIIB has chosen to reflect its sustainable nature in the Use of Proceeds language it has adopted for all borrowings, which references its mandate and adherence throughout the investments it supports to the Environmental and Social Policy (ESP). The ESP contains the procedures for addressing environmental and social issues in the preparation and implementation of Bank-supported investments and includes three Environmental and Social Standards—ESS 1, Environmental and Social Assessment and Management; ESS 2, Involuntary Resettlement; and ESS 3, Indigenous Peoples—and an Environmental and Social Exclusion List.

AIIB screens and categorizes each proposed project based on its environmental and social risks and impacts; identifies actions to avoid, minimize, mitigate and/or offset impacts and includes provisions for disclosure of information and public consultation. Every project has a Grievance Redress Mechanism accessible to the general public.

ESG RATINGS
AIIB has received ESG ratings by three rating agencies based on industry-specific social, environmental and governance (ESG) criteria. The Bank was assigned a “C+ (Prime)” rating by ISS ESG. Average Performer by Sustainalytics, and Robust by Vigeo Eiris.

SUSTAINABLE FINANCING THEMES
Our funding of sustainable infrastructure finance is demonstrated by our investment in projects related to mitigation of the impact of climate change, climate adaptation and other environmental objectives.
LENDING ACTIVITIES

- Investments are made via sovereign and nonsovereign loans, equity participations and guarantees.
- No country, sector or regional strategy favors one type of project or member/region over the other. Our conservative investment approval process helps to ensure that projects are financially viable and incorporate AIIB’s commitment to sound environmental and social business practices.
- Over the coming two years, AIIB expects energy and transport sectors to be core to its investment operations.
- AIIB will continue to cofinance projects with other lenders in addition to expanding its stand-alone portfolio.

AIIB IN THE CAPITAL MARKETS

AIIB’s goal is to optimize borrowing costs over the medium to long term, in line with its investor-driven funding strategy. Issuance is via a combination of USD Global benchmark bonds, Eurobonds and private placements in various markets. Funding needs are expected to rise gradually to reach in excess of USD10 billion per annum by the mid-2020s. Investor marketing initiatives are managed on an ongoing basis. The Funding Team’s core objective is to be viewed as a flexible, transparent and responsive issuer, providing liquid public offerings and reverse-inquiry, tailor-made investment solutions.

AIIB BALANCE SHEET

(USD billions, at September 30, 2020)

<table>
<thead>
<tr>
<th>Assets</th>
<th>Liabilities and Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Operations</td>
<td>7.630</td>
</tr>
<tr>
<td>Treasury Liquidity</td>
<td>22.387</td>
</tr>
<tr>
<td>Portfolio*</td>
<td>20.127</td>
</tr>
<tr>
<td>Others*</td>
<td>10.251</td>
</tr>
<tr>
<td>Other Liabilities*</td>
<td>0.399</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td><strong>30.777</strong></td>
</tr>
</tbody>
</table>

1. Loan investments at amortized cost, bond investments at amortized cost, investment in associate, investments in Trust, and LP Funds and others. Total amount of approved financings is USD24.16 billion as at November 20, 2020.
2. Cash and cash equivalents, term deposits and certificates of deposit, and investments at fair value through profit or loss (other than investments in Trust, and LP funds and others).
3. Paid-in capital receivables, funds deposited for cofinancing arrangements, derivative assets, intangible assets, property, plant, equipment, and other assets.
4. Paid-in capital plus retained earnings minus reserve for accretion of paid-in capital receivables plus reserve for unrealized gain on fair-valued borrowings arising from changes in own credit risk.
5. Derivative liabilities, prepaid paid-in capital and other liabilities.

PRUDENT RISK MANAGEMENT

AIIB’s risk management framework is made up of policies, directives and procedures to analyze, measure, monitor and report on a range of risks. Exposure to quantifiable risks is managed via several layers of risk limits. All risk is managed to defend, preserve and protect AIIB’s triple-A ratings.

Economic Capital (Ecap) is the core metric of risk appetite and management, ensuring sufficient capital is preserved. Capital adequacy is stress-tested for extreme events, within a 99.99% confidence interval over a 10-day period.

Credit Risk is managed by sound credit assessment and loan monitoring. Treasury’s exposures are limited by minimum ratings thresholds for bank counterparties. Two-way CSAs will be used for risk mitigation.

Liquidity portfolio required to hold at least 40% of net cash requirements for the upcoming 36 months, and 100% of net cash needs for any upcoming 12-month period. Liquid asset and investment activity is conservatively monitored. Liquid assets must be held with counterparties rated at minimum of single-A or better (<13 months A-/P-1).

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