



ASIAN INFRASTRUCTURE
INVESTMENT BANK

ABOUT AIIB

Ludger Schuknecht
Vice President and
Corporate Secretary



PHOTO: SEMBCORP



Role and strengths of AIIB

Multilateral Development Bank

- Sustainable and sound banking
- Multilateral oversight
- High project standards
- Strong governance and accountability

Values

- Lean, Clean, Green

Credit strength

- USD100 bn capital/USD20 bn paid in
- AAA rating from top 3 ratings agencies
- USD32 bn lending volume

Global interest in AIIB

Mandate

- Foster sustainable economic development
- Promote regional cooperation and partnership

Global Membership

- 106 approved members (51 regional, 55 nonregional), representing 81% of the global population and 65% percent of global GDP
- International collaboration to address global challenges
- Bridge building to provide global public goods

Addressing Asia's Infrastructure Financing Gap

- USD459 billion needed per year*

Multilateral Oversight

- Accountability Framework
- Oversight Mechanism



Governance at AIIB

- Nonresident Board of Directors
- Accountability Framework allows division of labor between Board and Management
 - Board focused on strategy/policy and oversight
 - Management accountable for Bank operations
- Sustainable banking
- ESG standards recognized by partner banks



Balanced Multilateral Governance

Important **checks and balances** on governance and ownership

Regional Members	Voting Power
China	26.58%
India	7.60%
Russia	5.97%
Korea	3.49%
Australia	3.45%
Top 5 Members	47.09%

Nonregional Members	Voting Power
Germany	4.15%
France	3.17%
UK	2.89%
Italy	2.46%
Spain	1.74%
Top 5 Members	14.41%

Financing

- Moving towards concentration limit of **20%** for largest borrowers
- **15% limit** on nonregional operations
- India is AIIB's largest borrower – **23%** of total financing
- China's loans represent **9%** of AIIB's total financing

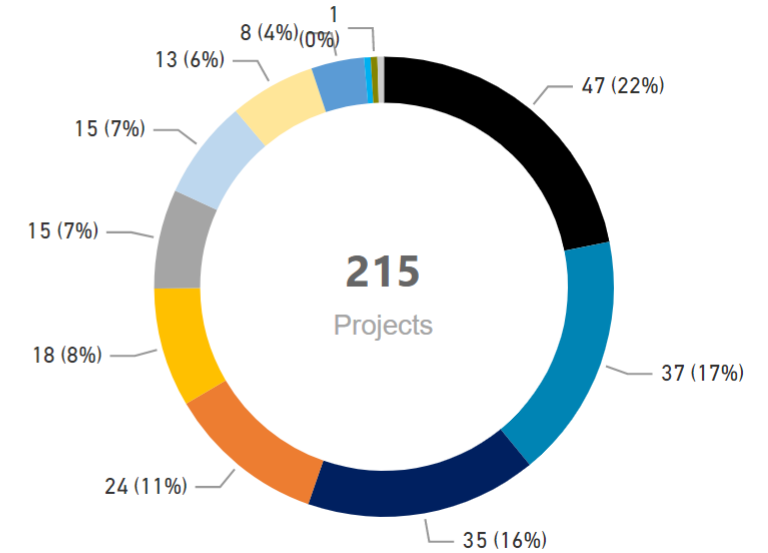
Top 5 Client Members by Investment (USD million)

INDIA	9,916
TÜRKIYE	3,871
CHINA	3,520
BANGLADESH	3,199
INDONESIA	3,130

Staffing

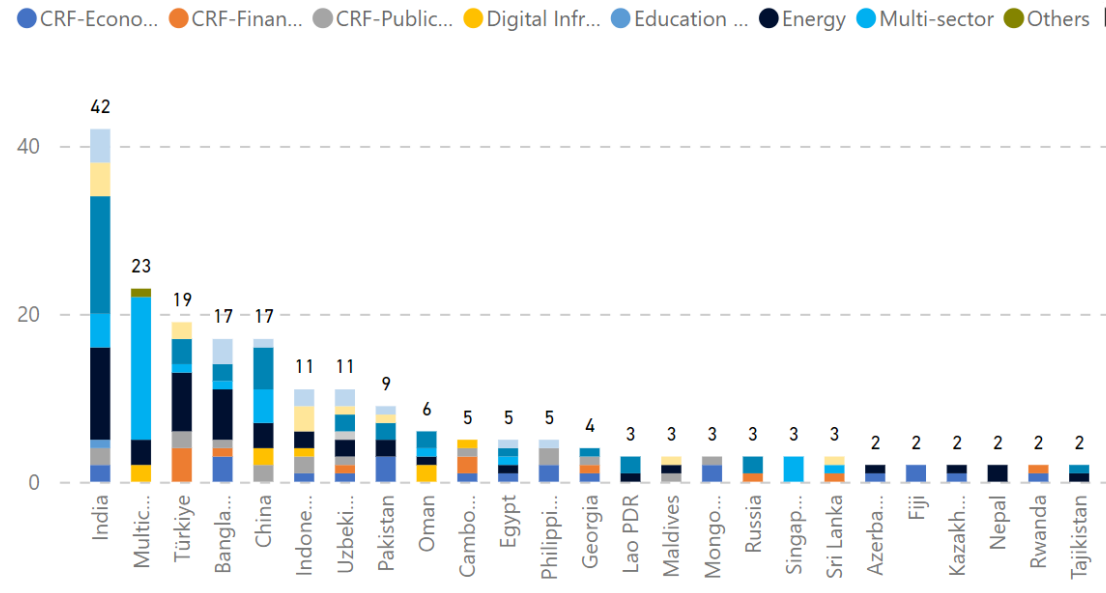
- Over 470 professional staff members, 65 nationalities
- 35% Chinese staff

AIIB is now a major player

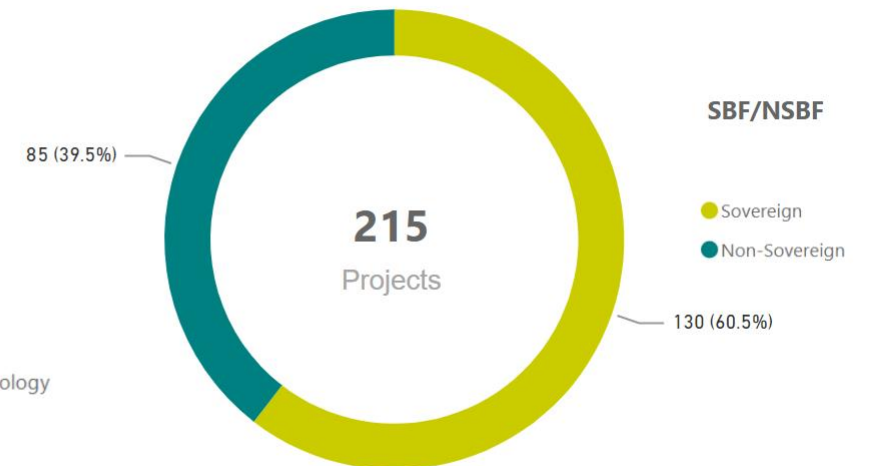


Member Distribution of Investments (Projects #)

Member Distribution of Investments (Project #)



Sector Distribution



AIIB within the MDB community

	AIIB	WBG*	ADB	AfDB	EBRD	EIB
<i>Total assets (USD)</i>	40.2bn	639.6bn	282.1bn	50.9bn	85.0bn	643.0bn
<i>Paid-in Capital (USD)</i>	19.4bn	300.4bn	7.4bn	14.0bn	7.1bn	23.0bn
<i>Approved financing in 2021</i>	9.9bn	104.4bn	22.8bn	6.3bn	11.9bn	63.4bn
<i>Staff</i>	476	15,907	3,687	2,095	2,775	3,450
<i>Membership</i>	106	189	68	81	71	27
<i>Governance</i>	Non-resident Board	Resident Board	Resident Board	Resident Board	Resident Board	Non-resident Board

AIIB's strategic priorities in a post-COVID world

Green infrastructure

Target by 2025: 50% of AIIB's lending will be in climate finance.

Connectivity and regional cooperation

Target by 2030: 25% to 30% of actual financing approvals

Technology-enabled infrastructure

Private capital mobilization

Target by 2030: 50% of actual financing approvals



AIIB's green commitment

Green infrastructure as a Thematic Priority

- Target of 50% climate financing by 2025
- By 2030, this will total USD50 billion

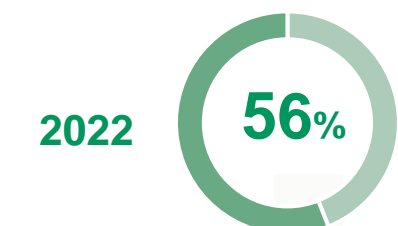
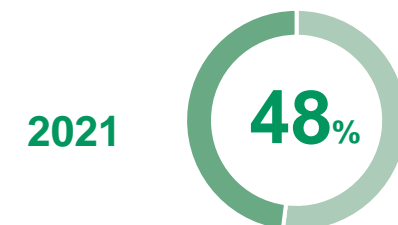
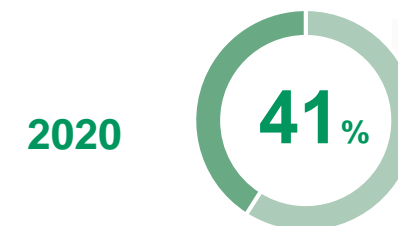
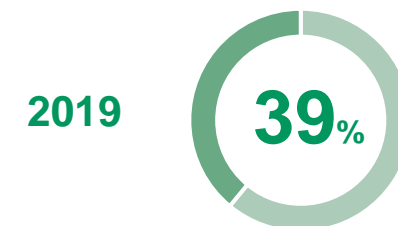
Paris Alignment by July 2023

- All investments to be compatible with the climate change mitigation and resilience objectives of the Paris Agreement
- Joint MDB common framework

Sustainable Capital Markets Initiative

- Winner of Impact Initiative of the Year – Asia, Environmental Finance IMPACT Awards 2021

Climate financing (% of approved financings)



Independent Assessments & Anticipated Impact Reports

Independent Assessments

- **Complaints-resolution, Evaluation and Integrity Unit (CEIU)** is an independent unit within AIIB under the Oversight Mechanism. CEIU reports directly to the Board and publishes an Annual Activity Review.
- CEIU's functions help ensure project quality and identify lessons for continuous improvement in AIIB policies and practices.
 - Prohibited Practices Policy approved in 2016, Project-affected People's Mechanism in 2019 and Learning and Evaluation Policy in 2021.
 - Nine Early Learning Assessments of ongoing Bank financings completed since 2019.
 - Project Learning Reviews of all stand-alone financings after Management Project Completion Note.

Anticipated Impact: AIIB Sustainable Development Bonds Impact Reports

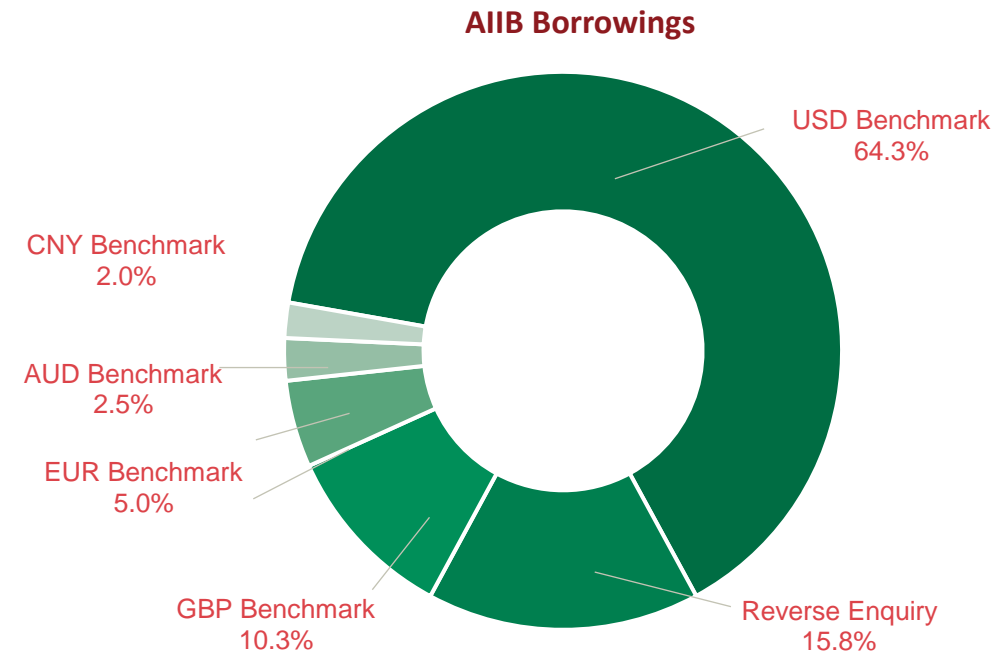
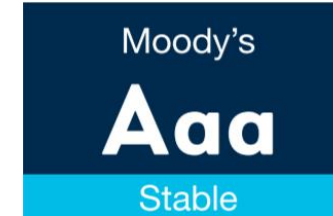
- First launched in 2021 by **AIIB Treasury**, these annual reports illustrate AIIB's impact on its members, presenting:
 - portfolio volume
 - alignment with thematic priorities
 - portfolio performance
 - selected project impact stories



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Financial sustainability

- USD100 billion capital stock, USD20 billion paid-in capital
- Sustainable Development Bond Framework published in April 2021
- Borrowing strategy:
 - optimized borrowing costs
 - diversified borrowing program
 - global investor base
- Frequent USD SEC-registered bond issuer
- Diverse funding source, including bond issuance in USD, EUR, RMB, GBP, AUD and other currencies



Financing

Sovereign-backed financing

To sovereign borrower or requires sovereign guarantee:

- Loans
- Guarantees

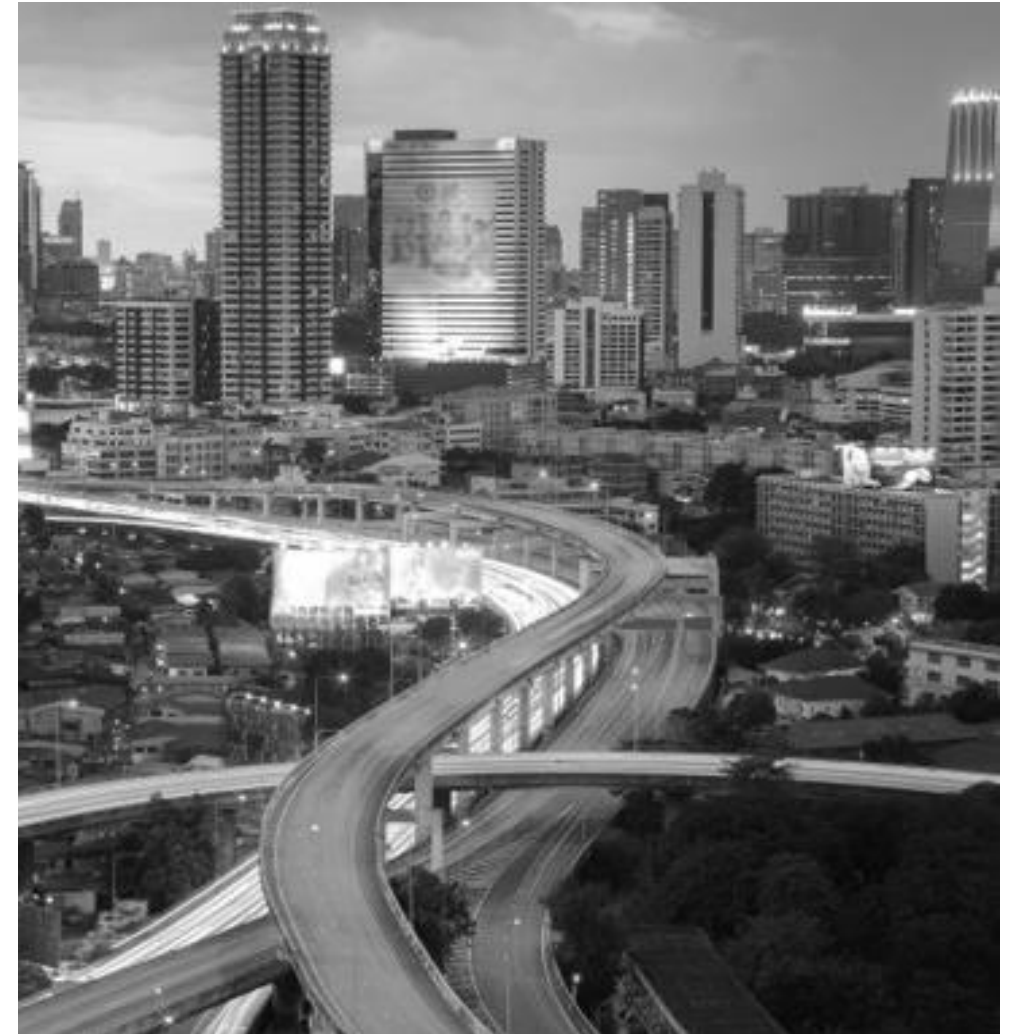
Sovereign-backed financing available in currencies of **G10 countries or currencies of the SDR basket**

Non-sovereign-backed financing

To provincial and municipal governments; state-owned enterprise; private-sector firms.

- Project finance loans, mezzanine debt and equity, corporate loans and equity; platform debt and equity
- Other catalytic investment for funds, bonds, guarantees, etc.

Non-sovereign-backed financing available in **21 hard and local currencies**



Partnership to support operations

Category	Partner Institutions
 MDB Partners	Strong partnership with multilateral development banks (MDBs)
 Operational Partners	To strengthen and expand collaboration with operational partners, including bilateral and multilateral development agencies, philanthropic foundations, and financial facilities.
 Regional Cooperation Partners	To strengthen and expand collaboration with regional cooperation partners, including main regional initiatives and non-regional platforms.
 Knowledge Partners	To strengthen collaboration with knowledge partners such as international organizations, research institutes and UN agencies



Value Addition Areas

Upstream project identification, preparation and capacity building

Downstream co-financing, blended financing, capacity building and implementation support

Serving a broad range of members

- Pay special regard to the needs of less developed members;
- Projects in nonregional members that provide significant benefits to Asia

• **Knowledge accumulation**

Opportunities for national partners

- Universal procurement, regardless of membership
 - National firms are welcome partners in project implementation
- Opportunities for national financial industries' involvement in private-sector financing
 - Collaboration on bond issuance, e.g.
 - working with Deutsche Bank for inaugural Kangaroo bond
 - Financial intermediation, e.g.
 - on-lending through commercial banks to support SMEs during the pandemic
 - developing financial products and markets
 - promoting high standards in the financial industry and amongst borrowers
 - Collaboration with national development banks via cofinancing

Challenges for AIIB on the road ahead

Realizing the vision

- Sustainable while serving all members
- Responsibility and accountability
- Staying lean
- A bridge towards multilateralism

Implementation challenges

- A modern Energy Strategy and mastering climate change
- Promoting private sector-led development
- Operating in the COVID and post-COVID environment



Annex 1: AIIB projects

ASIA INFRASTRUCTURE SECURITIZATION PROGRAM

Project Overview	
Region	Singapore, multi-country
Approved in	2021
Sponsor	Bayfront Infrastructure Management
Investment Type	Capital markets investment
Amount	USD80 million
Objectives	<ul style="list-style-type: none">• Mobilize private capital by investing in an issuance of infrastructure asset-backed securities• Develop Asian infrastructure as an asset class
Highlights	<ul style="list-style-type: none">• Bayfront is Asia's first infrastructure securitization platform• Issuance includes a sustainable tranche collateralized by green and social infrastructure assets



ASIA CLIMATE BOND PORTFOLIO

Project Overview	
Region	Multi-country
Approved in	2019
Investment Advisor	Amundi Asset Management
Investment Type	Capital markets investment
Amount	USD500 million
Objective	Develop climate bond markets by establishing a managed fixed-income portfolio.
Highlights	<ul style="list-style-type: none">• Climate Change Investment Framework• Investing in climate champions, supporting B-list issuers in becoming A-listers• Expected to mobilize USD500 million from climate-change focused institutional investors• Cumulative avoided CO2 emissions per year per USD1 million = 200 to 350 tons



KAZAKHSTAN: ZHANATAS 100 MW WIND POWER PLANT PROJECT

Project Overview	
Region	Regional
Approved in	2019
Borrower	Zhanatas Wind-Power Station LLP
Investment Type	Nonsovereign-backed loan
Amount	USD46.7 million
Objectives	Mobilize private capital to promote the use of renewable energy by investing in a 100-MW wind power project in Kazakhstan.
Highlights	<ul style="list-style-type: none">Cofinanced with the Eurasian Development Bank (AIIB lead financier)Expected to generate approximately 319 GWh of clean electricity every yearWill be the largest wind power plant in Central Asia



CHINA: EXIM BANK GREEN ON-LENDING FACILITY

Project Overview	
Region	Regional
Status	To be approved
Borrower	China EXIM Bank
Investment Type	Nonsovereign-backed loan
Amount	USD200 million equivalent in Chinese Yuan
Objective	Strengthen the impact of China EXIM Bank’s green loan portfolio .
Highlights	<ul style="list-style-type: none">• Financing green sub-projects in China through an on-lending facility• Including renewable energy and ecosystem rehabilitation• Enhancing China EXIM’s Environmental and Social Management System• All sub-projects will be aligned with AIIB’s Environmental and Social Policy



INDIA: RESILIENT KERALA PROGRAM FOR RESULTS

Project Overview	
Region	Regional
Approved in	2021
Borrower	Republic of India
Investment Type	Sovereign-backed loan
Amount	USD125 million
Objectives	To enhance the State of Kerala’s resilience against the impacts of climate change and natural disasters .
Highlights	<ul style="list-style-type: none">• Cofinanced with the World Bank and the Agence Française De Développement• Will support two key government programs: the Rebuild Kerala Development Program and the State Health Mission• Will benefit 8.7 million people



BANGLADESH: SYLHET TO TAMABIL ROAD UPGRADE PROJECT

Project Overview	
Region	Regional
Approved in	2020
Borrower	Government of Bangladesh
Investment Type	Sovereign-backed loan
Amount	USD404 million
Objectives	<ul style="list-style-type: none">Build a safe and efficient road link between Sylhet and TamabilImprove cross-border connectivity between Bangladesh and India
Highlights	<ul style="list-style-type: none">Enhanced road safetySubstantial travel time and associated cost savingsImproved connectivity to health, education, employment and other social services



OMAN: BROADBAND INFRASTRUCTURE PROJECT

Project Overview	
Region	Regional
Approved in	2017
Borrower	Oman Broadband Company SAOC
Investment Type	Nonsovereign-backed loan
Amount	USD152.1 million
Objective	Improve telecommunications connectivity in Oman and increase digital literacy.
Highlights	<ul style="list-style-type: none">• Will support Oman’s goal to diversify its economy• Will attract manufacturing businesses and strategic logistics services to Oman• Rollout of a fiber optic broadband cable network to over 400,000 homes



RWANDA: PRIVATE-SECTOR ACCESS TO FINANCE
FOR POST-COVID RECOVERY AND RESILIENCE

Project Overview	
Region	Non-Regional
Status	Approved
Borrower	Rwanda
Investment Type	CRF-Finance/Liquidity
Amount	USD100 million
Objective	Addressing the financing constraints of small and medium enterprises post COVID-19.
Highlights	<ul style="list-style-type: none">• Co-financed with the World Bank.• At least half the total volume of the investment credit line shall go to the SME sector, and at least 35 percent of sub-loans will go to women-owned and/or managed firms.• Businesses will benefit from risk-sharing schemes, and technical assistance will be provided to strengthen their ability to access finance and sustain their growth.



LIGHTSMITH CLIMATE RESILIENCE PARTNERS

Project Overview	
Region	Multi-country
Approved in	2020
Fund Manager	Lightsmith Climate Resilience Partners
Investment Type	Private equity fund investment
Amount	USD30 million
Objective	Support the development of climate resilience technologies in AIIB members.
Highlights	<ul style="list-style-type: none">• The first dedicated private equity fund focused on investment in climate adaptation technology• Investing in firms focusing on climate resilience software, data, analytics and technology-enabled products/services



RWANDA: DIGITAL ACCELERATION PROJECT

Project Overview	
Region	Nonregional
Approved in	2021
Borrower	Government of Rwanda
Investment Type	Sovereign-backed loan
Amount	USD100 million equivalent in Euros
Objective	Support Rwanda's short and long-term recovery from the pandemic by increasing access to broadband and selected digital public services.
Highlights	<ul style="list-style-type: none">• Under AIIB's COVID-19 Crisis Recovery Facility• Cofinanced with the World Bank• National, multi-sector, whole-of-government digital-acceleration initiative• Strengthening resilience to future pandemics• Expanding digital adoption and increasing fixed and mobile internet penetration rate



INDIA: GUJARAT EDUCATION INFRASTRUCTURE AND TECHNOLOGY MODERNIZATION PROGRAM

Project Overview	
Region	Regional
Approved in	2021
Borrower	Government of India
Investment Type	Sovereign-backed loan
Amount	USD250 million
Objectives	Upgrade physical and digital infrastructure of participating schools through green and disaster-resilient designs
Highlights	<ul style="list-style-type: none">• AIIB’s first education project• Cofinanced with the World Bank• Will benefit 4.5 million students in 9,000 schools• COVID-19 response strategies built-in for systemic resilience



TÜRKIYE: AKBANK COVID-19 CRISIS RECOVERY FACILITY PROJECT

Project Overview	
Region	Regional
Approved in	2020
Borrower	Akbank T.A.Ş.
Investment Type	Nonsovereign-backed loan
Amount	USD100 million
Objective	Address working capital and liquidity shortages in Türkiye caused by the pandemic.
Highlights	<ul style="list-style-type: none">• Under AIIB’s COVID-19 Crisis Recovery Facility• Financing an on-lending facility within Akbank to support micro, small and medium enterprises• All sub-loans will be aligned with AIIB’s Environmental and Social Policy



ABERDEEN STANDARD INVESTCORP INFRASTRUCTURE PARTNERS

Project Overview	
Region	Multi-country
Approved in	2021
Investment Type	Nonsovereign-backed equity
Amount	USD90 million
Objectives	Mobilize private capital investments for infrastructure in MENA via a private equity fund and generate market risk-adjusted returns by partnering with abrdn, a leading global fund manager.
Highlights	The fund will invest across a range of key essential social and economic infrastructure sectors, including but not limited to roads, bridges, rail, water, energy, renewables, waste management, health, education, telecommunications, digital and social housing.

