

**Minutes of the Meeting of the Board of Directors of the  
Asian Infrastructure Investment Bank  
held on December 5-7, 2018**

Present:

**Chair:**

JIN Liqun, President

**Directors:**

Khalid ALKHUDAIRY  
Mehmet Alper BATUR  
Veronika BAUMGARTNER-PUTZ  
Grigory BUTRIN  
Chang HUH  
Mark JOVEN  
Sameer KHARE  
Christopher LEGG  
Emil LEVENDOĞLU  
Paul SAMSON  
Rionald SILABAN  
ZHANG Zhengwei\* (Chen)

**Alternate Directors:**

Adel AL HOSANI\*\* (Alkhudairy)  
Khaled Mohammed AL-SUWAIDI (Alkhudairy)  
Volkan ARSLAN\*\*\* (Batur)  
Sukmeena BHASAVANICH (Joven)  
Muhammed Aslam CHAUDHARY (Batur)  
Eva HAGHANIPOUR\*\* (Levendoğlu)  
Md. Zahidul HAQUE (Joven)  
Siska INDIRAWATI\*\*/\*\*\* (Silaban)  
Sukhrob KHOLMURADOV (Huh)  
Ahmed KOUCHOUK (Samson)  
Daniyar MERGENBAYEV (Butrin)  
Anchela NADARAJAH\*\*\* (Samson)  
Philippe O'QUIN (Baumgartner-Putz)  
Ofer PELEG (Huh)  
Nikolai PUTSCHER (Baumgartner-Putz)  
Sisi PYONE (Silaban)  
Dasha RICHARDS\*\* (Legg)  
Paul Sverre Siljan THARALDSEN\*\* (Levendoğlu)  
YE Jiandi\*\*\* (Chen)

\* Alternate Director acting as Director for the duration of the meeting

\*\* Alternate Director acting as Director for one or more agenda items

\*\*\* Temporary Alternate Director

**Staff Participating**

Danny ALEXANDER, Vice President and Corporate Secretary  
Thierry DE LONGUEMAR, Vice President and Chief Financial Officer  
D.J. PANDIAN, Vice President and Chief Investment Officer  
Joachim VON AMSBERG, Vice President – Policy and Strategy  
Luky WURYANTO, Vice President and Chief Administrative Officer  
Gerard SANDERS, General Counsel  
Martin KIMMIG, Chief Risk Officer  
I. Bain, N. Bashnin, O. Barron, H. Bhaskar, E. Dilekli, S. Elbech, S. HA, M.M. Hagen, J.A. Hoybye, K. Fang, L. Fei, S. Kim, H. Lee, Ik Lee, S. Lee, H. Lim, K. Limitovskiy, YE Pang, H. Sharif, S. Teravaninthorn, W. Zhang, Q. Zheng

**External Members of Audit and Risk Committee** attending for agenda items one, two, three, six, seven and eight.

J. ENGSTROM, C. MAH

### **Progress Report from Management**

1. The Board of Directors received and discussed updates on the Bank's 2018 Business Plan and Budget progress, financial activities, risk reporting and the Board of Directors' indicative workplan.

### **Update on Human Resources**

2. The Board of Directors received and discussed an update on Human Resources.

### **Oversight Mechanism**

3. The Board of Directors discussed the Bank's Oversight Mechanism.

### **Update from the Committee Chairs**

4. The Board of Directors received updates from the Chairs of the Audit and Risk Committee, the Budget and Human Resources Committee and the Policy and Strategy Committee.

### **Report from the Board Visit to Egypt**

5. The Board of Directors received a report on the Board's visit to the Arab Republic of Egypt which took place in November 2018.

### **Risk Appetite Statement and Stress Testing**

6. The Board of Directors considered the President's Memorandum and supported the Risk Appetite Statement-2019 Update and approved its top-down allocation of risk in the form recommended. The Board of Directors discussed the Bank's stress testing results for the 2019 Business Plan.

### **Global Borrowing Authority**

7. The Board of Directors considered the President's Memorandum on the Proposed Global Borrowing Authority and approved the Bank's Global Borrowing Authority for 2019 substantially in the form recommended.

### **Review of Loan Pricing and Pricing Policy**

8. The Board of Directors considered the President's Memorandum and approved the proposal to (i) introduce the Variable Spread Loan product, (ii) provide a one-time option for a period of one year for borrowers of existing Fixed Spread Loans to convert into Variable Spread Loans, (iii) maintain the pricing structure and level of AIB's Fixed Spread Loan product, and (iv) revise the pricing policy to include the Variable Spread Loan product.

### **2019 Business Plan and Budget**

9. The Board of Directors considered the President's Memorandum and approved the proposed administrative Budget and the annual plan, as reflected in the Milestones and Key Business Indicators.

### **Corporate Results Framework**

10. The Board of Directors discussed the Corporate Results Framework.

### **Sustainable Cities Strategy**

11. The Board of Directors considered the President's Memorandum and approved the Bank's Sustainable Cities Strategy.

### **Strategy on Investing in Equity**

12. The Board of Directors discussed the Strategy on Investing in Equity.

### **Executive Session**

13. The Board of Directors held an executive session of the Board.

### **Strategy on Financing Operations in Other Productive Sectors**

14. The Board of Directors discussed the Strategy on Financing Operations in Other Productive Sectors.

### **Project-affected Peoples Mechanism**

15. The Board of Directors considered the President's Memorandum and approved the Bank's policy on Project-affected Peoples Mechanism substantially in the form recommended.

### **Consideration of Investment Projects**

16. The Board of Directors considered the President's Memorandum and Recommendation on a proposed loan to the Indonesia Tourism Development Corporation with a guarantee by the Republic of Indonesia for the Mandalika Urban Tourism Infrastructure Project (Project Number 000069) and approved the proposed USD248.4 million loan as recommended.
17. The Board of Directors considered the President's Memorandum and Recommendation on a proposed loan to the Republic of India for the Andhra Pradesh Urban Water Supply and Septage Management Improvement Project (Project Number 000079) and approved the proposed USD400 million loan as recommended.
18. The Board of Directors received a briefing on the AIIB Asia ESG Enhanced Credit Managed Portfolio project.

### **Investment Operations Quarterly Monitoring Report**

19. The Board of Directors discussed the Bank's Investment Operations Quarterly Monitoring Report.

### **Investment Pipeline Update**

20. The Board of Directors received an update on the Bank's investment pipeline.

**The following Board session took place *in camera* on December 7, 2018, chaired by Sir Danny Alexander, Vice President and Corporate Secretary.**

**Update with the Complaints-resolution, Evaluation and Integrity Unit**

The Board of Directors received an update from Mr. Hamid Sharif, Managing Director of the Complaints-resolution, Evaluation and Integrity Unit.

**The following item(s) have been approved on an Absence of Objection Basis between September 28, 2018, and December 7, 2018.**

21. The Board of Directors recorded its approval of the Minutes of the Meeting of the Board of Directors, September 28, 2018.
22. The Board of Directors recorded its approval of the Proposed Change to the Egypt Round II Program on October 1, 2018.
23. The Board of Directors recorded its approval of the Board Retreat September 25, 2018 Summary of Discussion on November 3, 2018.
24. The Board of Directors recorded its approval of the September 28, 2018 Summary Record, Update with the Managing Director of the Compliance, Effectiveness and Integrity Unit on November 9, 2018.
25. The Board of Directors recorded its approval of the September 27-28, 2018, Summary Record of the Meeting of the Board of Directors on November 15, 2018.
26. The Board of Directors recorded its approval of the Memorandum and Recommendation of the President on extending the deadlines for ratification and accession for the Asian Infrastructure Investment Bank's Articles of Agreement on November 26, 2018.
27. The Board of Directors recorded its approval of the President's Memorandum and Recommendation of the President on the Sixth Group of New Member Applications on November 26, 2018.
28. The Board of Directors recorded its approval of the President's Memorandum and Recommendation on the Proposed Amendments of the General Conditions for Sovereign Backed Loans on November 29, 2018.