



**Minutes of the Meeting of the Board of Directors of the
Asian Infrastructure Investment Bank
held on December 7-8, 2017
at the AIIB Headquarters in Beijing, China**

PRESENT:

Chair:

JIN Liqun, President

Directors:

Khalid AL-KHUDAIRY
Mehmet Alper BATUR
Grigory BUTRIN
Ahmed KOUCKOUK
Christopher LEGG
Emil LEVENDOGLU
Md. Zahidul HAQUE* (Boonchai)
Bandana PREYASHI* (Sharma)
Nikolai PUTSCHER
Rionald SILABAN
CHEN Shixin
Taesik YOON

Alternate Directors:

Adel AL HOSANI (Al-Khudairy)
Nurym AYZABAYEV (Butrin)
Philippe BAUDRY (Putscher)
Muhammed Aslam CHAUDHARY (Batur)
Alberto COGLIATI (Putscher)
Toghrul GULIYEV (Batur)
Michelle GYSIN (Levendoglu)
Dao Thuy HANG (Legg)
Fisseha Abera KIDANE (Kouchouk)
Angkhansada MOUNGKHAM (Silaban)
Ofer PELEG (Yoon)
Radek PYFFEL (Levendoglu)
R.M. Priyantha RATHNAYAKE (Silaban)
WU Guoqi (Chen)

* Alternate Director acting as 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
O. Barron, K. Fang, M. Hagen, S. Lee, G. Liu, Y.E. Pang, L. Regeness, D. Shim, D. Stipe, E. Sun, S. Teravaninthorn, H. Yang, J. Yoo, Q. Zheng.

External Members of Audit and Risk Committee attending for the following agenda items: Progress Update from Management; Publication of Interim Financial Statements; and Risk Appetite Statement.

Jan ENGSTROM, C. MAH.

Progress Report from Management

1. The Board of Directors received and discussed updates on human resources, financial activities, risk and the Board of Directors' Indicative Work Plan.

Publication of Interim Financial Statements

2. The Board of Directors considered the President's Memorandum on the Publication of the Interim Financial Statements and the report from the Chair of the Audit and Risk Committee and approved the publication of the Interim Financial Statements on the Bank's website.

Update from Committee Chairs

3. The Board of Directors received and discussed updates from the Chairs of the Audit and Risk Committee; Budget and Human Resources Committee; and Policy and Strategy Committee. Directors agreed that proposed changes to the composition of the Committees of the Board of Directors should be considered for approval by the Board on an Absence of Objection basis.

2018 Business Plan and Budget

4. The Board of Directors considered the President's Memorandum on the Proposed 2018 Business Plan and Budget and approved the Bank's proposed 2018 administrative budget and the Performance Milestones of 2018 Business Plan.

Accountability Framework

5. The Board of Directors received and discussed an update on the development of a proposed Accountability Framework.

Strategy on Mobilizing Private Capital

6. The Board of Directors received and discussed an update on the development of the Bank's Strategy on Mobilizing Private Capital for Infrastructure.

Strategy on Financing Operations in Non-Regional Members

7. The Board of Directors received and discussed an update on the development of the Bank's Strategy for Financing Operations in Non-Regional Members.

Risk Appetite Statement

8. The Board of Directors considered the proposed Risk Appetite Statement and agreed the issue should be considered for decision on an Absence of Objection basis.

Asset Liability Management Policy

9. The Board of Directors considered the President's Memorandum on the proposed Asset Liability Management Policy and approved the Bank's Asset Liability Management Policy substantially in the form recommended.

Global Borrowing Authority

10. The Board of Directors considered the President's Memorandum on the Proposed Global Borrowing Authority and approved the Bank's Global Borrowing Authority for 2018 substantially in the form recommended.

Consideration of Investment Projects

11. The Board of Directors considered the President's Memorandum on the Bangalore Metro Rail Project (Project Number 000038) and approved the proposed US\$335 million loan as recommended.
12. The Board of Directors considered the President's Memorandum on the Beijing Air Quality Improvement and Coal Replacement Project (Project Number 000037) and approved the proposed US\$250 million loan as recommended.
13. The Board of Directors considered the President's Memorandum on the Oman Broadband Infrastructure Project (Project Number 000027) and approved the proposed loan of US\$239.2 million, including an A loan of no more than US\$152.1 million and a B loan of no less than US\$87.1 million.

Report on the Board Visit to Pakistan

14. The Board of Directors considered a report on the Board visit to Pakistan, which took place in November 2017.

Investment Operations Quarterly Monitoring Report

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

Investment Program

16. The Board of Directors received an update on the Bank's Investment Program.

Other Business

17. The Board of Directors received an update on governance issues from the Corporate Secretary.

The following Board session took place *in camera* on December 7, 2017, chaired by Sir Danny Alexander, Vice President and Corporate Secretary

Update from the Managing Director of the Compliance, Effectiveness and Integrity Unit

18. The Board of Directors received an update from Mr. Hamid Sharif, Managing Director of the Compliance, Effectiveness and Integrity Unit.

The following item(s) have been approved on an Absence of Objection basis between September 26, 2017 and December 6, 2017:

19. The Minutes of the Meeting of the Board of Directors, September 26-27, 2017 (Sec2017-101).
20. The proposed amendments to the Committees of the Board of Directors (Sec2017-103).
21. The proposed report and accompanying draft Resolutions concerning Amendments to the By Laws and Rules of Procedure of the Board of Governors (Sec2017-104).
22. The proposed amendments to the Rules of Procedure of the Board of Directors (Sec2017-105).
23. The proposed report and accompanying draft Resolution from the Board of Directors to the Board of Governors concerning the extension of the deadline for Founding Signatories to Ratify the Bank's Articles of Agreement (Sec2017-108).
24. The proposed report and accompanying draft Resolution from the Board of Directors to the Board of Governors concerning the Fourth Group of New Member Applications (Sec2017-120).