



## **Research Announcement: Moody's - AIIB's credit profile compatible with highest-rated multilateral development banks**

Singapore, September 05, 2019 --

—The bank continues to evolve in a manner consistent with the highest-rated multilateral development banks.

—It will show strong capitalization and asset quality, despite challenges faced by some borrowers.

Moody's Investors Service says that the credit profile of the Asian Infrastructure Investment Bank (AIIB, Aaa stable) reflects Moody's view that the bank continues to evolve in a manner consistent with the highest-rated multilateral development banks; specifically, in relation to its operational capabilities, governance and market access.

Investment operations have accelerated, as the bank builds up its staff, enhances internal processes and systems, and sharpens sector-specific strategies.

Moody's expects that the AIIB will maintain strong capitalization, despite near-term challenges to the credit quality of some of its borrowing sovereigns, including Oman (Ba1 negative), Pakistan (B3 negative) and Turkey (B1 negative). At the same time, the AIIB should enjoy preferred creditor status, which will contribute to strong asset quality.

Moody's conclusions are contained in its just-released credit analysis on the Asian Infrastructure Investment Bank, which examines the bank in three categories: capital adequacy, which Moody's assesses at "aa1", liquidity and funding at "aa2", and strength of member support at "very high".

The report constitutes an annual update to investors and is not a rating action.

Moody's report says that shareholder support will remain steadfast, as the bank's membership, and consequently its capital base, expand beyond the levels at its founding in 2015.

The likelihood of further extraordinary support being made available by higher-rated shareholders with a strategic interest in sustaining the bank's operations — including, but not limited to China (A1 stable) — further enhances the bank's credit profile.

Subscribers can access the report "Asian Infrastructure Investment Bank — Aaa stable: Annual credit analysis" at: [http://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC\\_1184771](http://www.moody.com/researchdocumentcontentpage.aspx?docid=PBC_1184771)

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