

**AIB Project Preparation Special Fund**  
**Condensed Financial Statements (Unaudited)**  
**for the Three Months Ended March 31, 2020**

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### Financial Statements

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**AIIB Project Preparation Special Fund  
Condensed Statement of Comprehensive Income  
For the three months ended March 31, 2020**

| <i>In thousands of US Dollars</i>  | <b>Note</b> | <b>For the three<br/>months ended<br/>March 31, 2020<br/>(unaudited)</b> | <b>For the three<br/>months ended<br/>March 31, 2019<br/>(unaudited)</b> |
|--|-------------|--|--|
| Interest income  | C2          | 543  | 635  |
| Disbursements  | C1          | (816)  | (320)  |
| General and administrative expenses  |             | (17)   | (17)   |
| <b>Net (loss)/profit and total<br/>comprehensive income for the<br/>period</b> |             | <b>(290)</b>   | <b>298</b>   |
| <b>Attributable to:</b>  |             |  |  |
| Contributors   |             | <b>(290)</b>   | <b>298</b>   |

The accompanying notes are an integral part of these financial statements.

**AIB Project Preparation Special Fund  
Condensed Statement of Financial Position  
As at March 31, 2020**

| <i>In thousands of US Dollars</i>                    | <b>Note</b> | <b>March 31, 2020<br/>(unaudited)</b> | <b>Dec. 31, 2019<br/>(audited)</b> |
|--|-------------|---------------------------------------|------------------------------------|
| <b>Assets</b>  |             |                                       |                                    |
| Cash and cash equivalents                            | C2          | 10,978                                | 41,725                             |
| Term deposits  | C2          | 105,670                               | 75,196                             |
| Other assets   |             | 828                                   | 845                                |
| <b>Total assets</b>                                  |             | <b>117,476</b>                        | <b>117,766</b>                     |
| <b>Liabilities</b>                                   |             |                                       |                                    |
| Other liabilities                                    |             | 31                                    | 31                                 |
| <b>Total liabilities</b>                             |             | <b>31</b>                             | <b>31</b>                          |
| <b>Contributors' resources</b>                       |             |                                       |                                    |
| Contributions  | C3          | 115,500                               | 115,500                            |
| Accumulated gains                                    |             | 1,945                                 | 2,235                              |
| <b>Total contributors' resources</b>                 |             | <b>117,445</b>                        | <b>117,735</b>                     |
| <b>Total liabilities and contributors' resources</b> |             | <b>117,476</b>                        | <b>117,766</b>                     |

The accompanying notes are an integral part of these financial statements.

**AIIB Project Preparation Special Fund**  
**Condensed Statement of Changes in Contributors' Resources**  
**For the three months ended March 31, 2020**

| <i>In thousands of US Dollars</i> | <b>Note</b> | <b>Contributions</b> | <b>Accumulated gains</b> | <b>Total</b>   |
|-----------------------------------|-------------|----------------------|--------------------------|----------------|
| <b>Jan. 1, 2019</b>               |             | <b>93,000</b>        | <b>1,481</b>             | <b>94,481</b>  |
| Contributions                     | C3          | 10,000               | -                        | <b>10,000</b>  |
| Net profit for the period         |             | -                    | 298                      | <b>298</b>     |
| <b>March 31, 2019 (unaudited)</b> |             | <b>103,000</b>       | <b>1,779</b>             | <b>104,779</b> |
| <b>Jan. 1, 2020</b>               |             | <b>115,500</b>       | <b>2,235</b>             | <b>117,735</b> |
| Contributions                     | C3          | -                    | -                        | -              |
| Net loss for the period           |             | -                    | (290)                    | (290)          |
| <b>March 31, 2020 (unaudited)</b> |             | <b>115,500</b>       | <b>1,945</b>             | <b>117,445</b> |

The accompanying notes are an integral part of these financial statements.

**AIIB Project Preparation Special Fund  
Condensed Statement of Cash Flows  
For the three months ended March 31, 2020**

| <i>In thousands of US Dollars</i>                           | <b>Note</b> | <b>For the three<br/>months ended<br/>March 31, 2020<br/>(unaudited)</b> | <b>For the three<br/>months ended<br/>March 31, 2019<br/>(unaudited)</b> |
|---|-------------|--|--|
| <b>Cash flows from operating activities</b>                 |             |  |  |
| Net (loss)/profit for the period                            |             | (290)  | 298  |
| Adjustments for:  |             |  |  |
| Interest income from term deposits                          |             | (474)  | -  |
| Decrease/(increase) other assets                            |             | 17   | (83)   |
| <hr/>   |             |  |  |
| Net cash (used in)/from operating activities                |             | (747)  | 215  |
| <hr/>   |             |  |  |
| <b>Cash flows from investing activities</b>                 |             |  |  |
| Increase in term deposits                                   |             | (30,000)   | -  |
| <hr/>   |             |  |  |
| Net cash used in investing activities                       |             | (30,000)   | -  |
| <hr/>   |             |  |  |
| <b>Cash flows from financing activities</b>                 |             |  |  |
| Contributions received                                      | C3          | -  | 10,000   |
| <hr/>   |             |  |  |
| Net cash from financing activities                          |             | -  | 10,000   |
| <hr/>   |             |  |  |
| <b>Net (decrease)/increase in cash and cash equivalents</b> |             | <b>(30,747)</b>  | <b>10,215</b>  |
| Cash and cash equivalents at the beginning of the period    |             | 41,725   | 93,820   |
| <hr/>   |             |  |  |
| <b>Cash and cash equivalents at the end of the period</b>   |             | <b>10,978</b>  | <b>104,035</b>   |
| <hr/>   |             |  |  |

The accompanying notes are an integral part of these financial statements.

**AIIB Project Preparation Special Fund**  
**Notes to the Condensed Financial Statements**  
**For the three months ended March 31, 2020**  
*(All amounts in thousands of US Dollars unless otherwise stated)*

**A General Information**

On June 24, 2016, the AIIB Project Preparation Special Fund (the “Special Fund”) was established as a special fund of the Asian Infrastructure Investment Bank (the “Bank” or “AIIB”) in accordance with Article 17.1 of the Bank’s Articles of Agreement (the “AOA”).

The Special Fund is established as a multi-donor fund, which is open to contributions by all Bank members and others (the “Contributors”). The purpose of the Special Fund is to support and facilitate preparatory activities during the preparation and early implementation of projects to be financed by the Bank. The resources from the Contributors are accepted, held, managed, administered, used, committed, expended or otherwise disposed of by the Bank in accordance with the AOA, the Rules and Regulations of the Special Fund and the Contribution Agreements.

The following table sets out the total commitments and paid contributions as at March 31, 2020.

| <b>Contributors</b>                                  | <b>Commitments</b> | <b>Paid Contributions</b> |
|--|--------------------|---------------------------|
| People’s Republic of China                           | 50,000             | 50,000                    |
| United Kingdom of Great Britain and Northern Ireland | 50,000             | 37,500                    |
| Republic of Korea                                    | 18,000             | 18,000                    |
| Hong Kong, China                                     | 10,000             | 10,000                    |
| <b>Total</b>   | <b>128,000</b>     | <b>115,500</b>            |

**B Accounting Policies**

**B1 Basis of preparation**

These condensed interim financial statements for the three months ended March 31, 2020 have been prepared in accordance with International Financial Reporting Standard (IFRS): IAS 34 *Interim Financial Reporting*, and should be read in conjunction with the annual financial statements for the year ended Dec. 31, 2019.

The accounting policies adopted are consistent with those used in the Special Fund’s annual financial statements for the year ended Dec. 31, 2019.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in its process of applying the accounting policies. The area involving a higher degree of judgment or complexity is the determination of the recognition period for AIIB administration fee. The financial statements have been prepared on a going concern basis.

**AIIB Project Preparation Special Fund**  
**Notes to the Condensed Financial Statements**  
**For the three months ended March 31, 2020**  
*(All amounts in thousands of US Dollars unless otherwise stated)*

**B Accounting Policies**

**B2 New accounting pronouncements**

The new accounting pronouncements, amendments and interpretations issued during the three months ended March 31, 2020 do not have any significant impact on the operating results, financial position and comprehensive income of the Special Fund.

**B3 Comparatives**

The comparative date of the Condensed Statement of Financial Position is as of Dec. 31, 2019, while the comparative period of the Condensed Statement of Comprehensive Income, the Condensed Statement of Cash Flows and the Condensed Statement of Changes in Contributors' Resources is from Jan. 1, 2019 to March 31, 2019.



**AIIB Project Preparation Special Fund**  
**Notes to the Condensed Financial Statements**  
**For the three months ended March 31, 2020**  
*(All amounts in thousands of US Dollars unless otherwise stated)*

**C Disclosure Notes**

**C1 Disbursements**

| <b>Total projects</b>                         | <b>Commitments approved</b> | <b>Disbursements</b> | <b>Undrawn commitments</b> |
|---|-----------------------------|----------------------|----------------------------|
| At Dec. 31, 2018                              | 6,541                       | 223                  | 6,318                      |
| Movement in the year 2019                     | 4,134                       | 1,657                | 2,477                      |
| At Dec. 31, 2019                              | 10,675                      | 1,880                | 8,795                      |
| Movement in three months ended March 31, 2020 | 7,994                       | 816                  | 7,178                      |
| <b>At March 31, 2020</b>                      | <b>18,669</b>               | <b>2,696</b>         | <b>15,973</b>              |

**C2 Cash, cash equivalents, and deposits with banks**

|  | <b>March 31, 2020</b> | <b>Dec. 31, 2019</b> |
|--|-----------------------|----------------------|
| Cash   | -                     | -                    |
| Deposits with banks  |                       |                      |
| - Demand deposits  | 10,978                | 5,629                |
| - Term deposits with initial maturity of less than three months                | -                     | 36,096               |
| <b>Total cash and cash equivalents</b>   | <b>10,978</b>         | <b>41,725</b>        |
| Add: term deposits with initial maturity more than three months <sup>(1)</sup> | 105,670               | 75,196               |
| <b>Total cash, cash equivalents, and deposits with banks</b>                   | <b>116,648</b>        | <b>116,921</b>       |

Interest income presented in the Statement of Comprehensive Income is generated from bank deposits held by the Special Fund.

<sup>(1)</sup> Term deposits with initial maturity more than three months have maturities up to 12 months.

**C3 Contributions**

|  | <b>Three months ended March 31, 2020</b> | <b>Year ended Dec. 31, 2019</b> |
|--|--|---------------------------------|
| <b>As at Jan. 1, 2020/2019</b>                       | <b>115,500</b>                           | <b>93,000</b>                   |
| Contributions received from:                         |  |                                 |
| United Kingdom of Great Britain and Northern Ireland | -  | 12,500                          |
| Hong Kong, China                                     | -  | 10,000                          |
| <b>As at March 31, 2020/Dec. 31, 2019</b>            | <b>115,500</b>                           | <b>115,500</b>                  |

**AIIB Project Preparation Special Fund**  
**Notes to the Condensed Financial Statements**  
**For the three months ended March 31, 2020**  
*(All amounts in thousands of US Dollars unless otherwise stated)*

**C Disclosure Notes**

**C4 Fair value of financial assets and financial liabilities**

The carrying amounts of financial assets and liabilities presented on the Statement of Financial Position approximate their fair values, due to the short-term in nature.

**C5 Events after the end of the reporting period**

On May 7, 2020, the Board of Directors of the Bank has approved:

- (i) the establishment of a new Special Fund, namely the “Special Fund Window under the COVID-19 Crisis Recovery Facility”, and
- (ii) the transfer of USD30 million from the Special Fund to this Special Fund Window.

The transfer is likely to take place within the second quarter of 2020.

There have been no other material events since the reporting date that would require disclosure or adjustment to these financial statements.