

**AIB Project Preparation Special Fund**  
**Condensed Financial Statements (Unaudited)**  
**for the Three Months Ended March 31, 2019**

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**AIIB Project Preparation Special Fund  
Condensed Statement of Comprehensive Income  
For the three months ended March 31, 2019**

<i>In thousands of US Dollars</i>	<b>Note</b>	<b>For the three months ended March 31, 2019 (unaudited)</b>	<b>For the three months ended March 31, 2018 (unaudited)</b>
Interest income		635	208
Disbursements	C1	(320)	(200)
General and administrative expenses		(17)	(17)
<b>Net profit/(losses) and total comprehensive income/(losses) for the period</b>		<b>298</b>	<b>(9)</b>
<b>Attributable to:</b>			
Contributors		<b>298</b>	<b>(9)</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, 2019**

<i>In thousands of US Dollars</i>	<b>Note</b>	<b>March 31, 2019 (unaudited)</b>	<b>Dec. 31, 2018 (audited)</b>
<b>Assets</b>			
Cash and cash equivalents		104,035	93,820
Other assets		773	690
<b>Total assets</b>		<b>104,808</b>	<b>94,510</b>
<b>Liabilities</b>			
Other liabilities		29	29
<b>Total liabilities</b>		<b>29</b>	<b>29</b>
<b>Contributors' resources</b>			
Contributions	C2	103,000	93,000
Accumulated gains		1,779	1,481
<b>Total contributors' resources</b>		<b>104,779</b>	<b>94,481</b>
<b>Total liabilities and contributors' resources</b>		<b>104,808</b>	<b>94,510</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, 2019**

<i>In thousands of US Dollars</i>	<b>Note</b>	<b>Contributions</b>	<b>Accumulated gains/(losses)</b>	<b>Total</b>
<b>Jan. 1, 2018</b>		<b>38,000</b>	<b>259</b>	<b>38,259</b>
Contributions	C2	12,500	-	12,500
Net losses for the period		-	(9)	(9)
<b>March 31, 2018 (unaudited)</b>		<b>50,500</b>	<b>250</b>	<b>50,750</b>
<b>Jan. 1, 2019</b>		<b>93,000</b>	<b>1,481</b>	<b>94,481</b>
Contributions	C2	10,000	-	10,000
Net profit for the period		-	298	298
<b>March 31, 2019 (unaudited)</b>		<b>103,000</b>	<b>1,779</b>	<b>104,779</b>

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

**AIIB Project Preparation Special Fund  
Condensed Statements of Cash Flows  
For the three months ended March 31, 2019**

<i>In thousands of US Dollars</i>	<b>Note</b>	<b>For the three months ended March 31, 2019 (unaudited)</b>	<b>For the three months ended March 31, 2018 (unaudited)</b>
<b>Cash flows from operating activities</b>			
Net profit/(losses) for the period		298	(9)
Adjustments for:			
Interest income from term deposits		-	(25)
Increase in other assets		(83)	(108)
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Net cash used in operating activities		215	(142)
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<b>Cash flows from investing activities</b>			
Increase in term deposits		-	(7,943)
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Net cash used in investing activities		-	(7,943)
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<b>Cash flows from financing activities</b>			
Contribution received	C2	10,000	12,500
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Net cash from financing activities		10,000	12,500
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<b>Net increase in cash and cash equivalents</b>		<b>10,215</b>	<b>4,415</b>
Cash and cash equivalents at the beginning of the period		93,820	38,075
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<b>Cash and cash equivalents at the end of the period</b>		<b>104,035</b>	<b>42,490</b>
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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, 2019**  
*(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 the preparation 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 of March 31, 2019.

<b>Contributors</b>	<b>Commitments</b>	<b>Contributions</b>
People’s Republic of China	50,000	50,000
United Kingdom of Great Britain and Northern Ireland	50,000	25,000
Republic of Korea	18,000	18,000
Hong Kong, China	10,000	10,000
<b>Total</b>	<b>128,000</b>	<b>103,000</b>

**B Accounting Policies**

**B1 Basis of preparation**

These condensed interim financial statements for the three months ended March 31, 2019 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, 2018.

The accounting policies adopted are consistent with those used in the Special Fund’s annual financial statements for the year ended Dec. 31, 2018.

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, 2019**  
*(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, 2019 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, 2018, 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, 2018 to March 31, 2018.



**AIIB Project Preparation Special Fund**  
**Notes to the Condensed Financial Statements**  
**For the three months ended March 31, 2019**  
*(All amounts in thousands of US Dollars unless otherwise stated)*

**C Disclosure Notes**

**C1 Disbursements**

As of March 31, 2019, USD0.3 million has been disbursed by the Special Fund to Nepal for Urban Infrastructure Improvement Project, and USD0.02 million has been disbursed to Pakistan for Lahore Water and Wastewater Management Project.

**C2 Contributions**

	<b>Three months ended March 31, 2019</b>	<b>Year ended Dec. 31, 2018</b>
<b>As at Jan. 1, 2019/2018</b>	<b>93,000</b>	<b>38,000</b>
Contributions received from:		
People's Republic of China	-	20,000
Republic of Korea	-	10,000
United Kingdom of Great Britain and Northern Ireland	-	25,000
Hong Kong, China	10,000	-
<b>As at March 31, 2019/ Dec. 31, 2018</b>	<b>103,000</b>	<b>93,000</b>

**C3 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.

**C4 Approved projects**

For the three months ended March 31, 2019, the Bank has approved USD0.9 million grant to Nepal for preparation of Tamakoshi V Hydroelectric Project. The grant agreement of the project has been signed between the Bank and the Governments of Nepal.

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

The Grant Agreements for preparation of Mymensingh Kewatkhali Bridge Improvement Project and preparation of Sylhet to Tamabil Road Upgradation Project have been executed on April 2, 2019.

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