

**ASIAN INFRASTRUCTURE INVESTMENT BANK
AIIB PROJECT PREPARATION SPECIAL FUND**

**CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE THREE
MONTHS ENDED MARCH 31, 2017
(UNAUDITED)**

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AIIB PROJECT PREPARATION SPECIAL FUND
Condensed Statement of Comprehensive Income
For the three months ended March 31, 2017 (unaudited)

**For the period from
January 1, 2017 to
March 31, 2017
(unaudited)**

<i>In thousands of US Dollars</i>	
Income	50
General and administrative expenses	(200)
Net loss and total comprehensive loss for the period	(150)
Attributable to:	
Contributors	(150)

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

AIIB PROJECT PREPARATION SPECIAL FUND
Condensed Statement of Financial Position
As at March 31, 2017 (unaudited)

<i>In thousands of US Dollars</i>	March 31, 2017 (unaudited)	December 31, 2016 (audited)
Assets		
Cash and cash equivalents	29,750	9,900
Total assets	29,750	9,900
Liabilities		
Other liabilities	26	26
Total liabilities	26	26
Contributors' Resources		
Contributions	30,000	10,000
Accumulated losses	(276)	(126)
Total contributors' resources	29,724	9,874
Total liabilities and contributors' resources	29,750	9,900

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

AIIB PROJECT PREPARATION SPECIAL FUND
Condensed Statement of Changes in Contributors' Resources
For the three months ended March 31, 2017 (unaudited)

<i>In thousands of US Dollars</i>	Contribution	Accumulated losses	Total
December 31, 2016	10,000	(126)	9,874
Contribution	20,000	-	20,000
Total comprehensive loss for the period	-	(150)	(150)
March 31, 2017	30,000	(276)	29,724

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

AIIB PROJECT PREPARATION SPECIAL FUND
Condensed Statements of Cash Flows
For the three months ended March 31, 2017 (unaudited)

<i>In thousands of US Dollars</i>	For the period from January 1, 2017 to March 31, 2017 (unaudited)
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Cash flows from operating activities	
Net loss for the period	(150)
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Net cash used in operating activities	(150)
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Cash flows from financing activities	
Contribution received	20,000
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Net cash from financing activities	20,000
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Net increase in cash and cash equivalents	19,850
Cash and cash equivalents at January 1, 2017	9,900
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Cash and cash equivalents at March 31, 2017	29,750
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The accompanying notes are an integral part of these condensed interim financial statements.

AIIB PROJECT PREPARATION SPECIAL FUND
Notes to Condensed interim financial statements
For the three months ended March 31, 2017 (unaudited)

1 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”). On June 25, 2016, the Ministry of Finance of the People’s Republic of China (the “MoF”) and the Bank signed a Contribution Agreement in respect of the initial contribution.

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.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

These condensed interim financial statements for the three months ended March 31, 2017 have been prepared in accordance with International Financial Reporting Standard: IAS 34 Interim Financial Reporting.

2.2 Financial statement preparation

These condensed interim financial statements have been prepared in accordance with the same accounting policies adopted in the Special Fund’s audited financial statements for the period from June 24, 2016 (date of the establishment of the special fund) to December 31, 2016.

3 COMPARATIVES

As the Special Fund was established on June 24, 2016, there were no comparative figures for the three months ended March 31, 2016 in respect of condensed statement of comprehensive income, condensed statement of changes in contributor’s resources and condensed statement of cash flows.