



# **International Monetary Fund**

## **FINANCIAL STATEMENTS**

Quarter Ended  
October 31, 2005

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**I. Financial Statements  
of the  
General Department**

**General Department**

**Balance Sheets**  
(In thousands of SDRs)

	October 31, 2005 (unaudited)	April 30, 2005	October 31, 2005 (unaudited)	April 30, 2005
<b>Assets</b>				
Usable currencies	131,830,815	122,388,465		247,798
Credit outstanding (Note 2)	40,670,027	49,853,664	223,094	
Other currencies	41,243,581	41,244,248	73,433	151,530
Total currencies	<u>213,744,423</u>	<u>213,486,377</u>		1,589,019
SDR holdings	581,425	574,310		
Gold holdings (Note 3)	5,851,771	5,851,771	40,408,716	49,848,798
Receivables (Note 4)	484,869	568,416	173,069,684	163,629,602
Other assets	676,006	709,940	213,478,400	213,478,400
Investments held in the Special Disbursement Account (Note 5)	2,487,185	2,518,613	215,410,946	215,466,747
Structural Adjustment Facility loans	27,046	45,566		
Total Assets	<u>223,852,725</u>	<u>223,754,993</u>	<u>223,852,725</u>	<u>223,754,993</u>
<b>Liabilities (including Quotas)</b>				
Remuneration payable			223,094	
Other liabilities			73,433	
Special Contingent Account (Note 7)			1,636,019	
Quotas, represented by:				
Reserve tranche positions			40,408,716	49,848,798
Subscription payments			173,069,684	163,629,602
Total Quotas			213,478,400	213,478,400
Total Liabilities (including Quotas)			215,410,946	215,466,747
<b>Reserves of the General Resources Account</b>			5,927,548	5,724,067
<b>Resources of the Special Disbursement Account</b>			2,514,231	2,564,179
Total Liabilities, Reserves and Resources			<u>223,852,725</u>	<u>223,754,993</u>

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

/s/ Michael G. Kuhn  
Director, Finance Department

/s/ Rodrigo de Rato  
Managing Director

**General Department**  
**Income Statements**  
**for the Three and Six Months Ended October 31, 2005 and 2004**  
**(unaudited)**

*(In thousands of SDRs)*

	2005		2004	
	Three Months	Six Months	Three Months	Six Months
Operational Income				
Interest and charges (Note 4)	466,614	1,022,973	609,220	1,191,559
Interest on SDR holdings	5,964	11,510	3,606	7,176
Investment income of the Special Disbursement Account	16,212	31,627	12,444	23,451
Other charges and income	776	9,850	4,838	5,755
	<u>489,566</u>	<u>1,075,960</u>	<u>630,108</u>	<u>1,227,941</u>
Operational Expenses				
Remuneration (Note 6)	234,764	491,707	257,736	499,979
Administrative Expenses	171,433	349,145	175,837	355,276
	<u>406,197</u>	<u>840,852</u>	<u>433,573</u>	<u>855,255</u>
Total Net Income	<u>83,369</u>	<u>235,108</u>	<u>196,535</u>	<u>372,686</u>
Net Income of the General Department comprises:				
Net income of the General Resources Account	67,157	203,481	184,091	349,235
Income of the Special Disbursement Account	16,212	31,627	12,444	23,451
	<u>83,369</u>	<u>235,108</u>	<u>196,535</u>	<u>372,686</u>

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

**General Department**  
**Statements of Changes in Reserves and Resources**  
**for the Six Months Ended October 31, 2005 and 2004**  
**(unaudited)**

*(In thousands of SDRs)*

	<u>General Resources Account</u>	<u>Special Disbursement Account</u>
	<u>Reserves</u>	<u>Accumulated Resources</u>
Balance at April 30, 2004	5,110,717	2,716,712
Net income	349,235	23,451
Net transfers from the SDA	--	( 20,555)
Balance at October 31, 2004	<u>5,459,952</u>	<u>2,719,608</u>
Balance at April 30, 2005	5,724,067	2,564,179
Net income	203,481	31,627
Net transfers from the SDA	--	( 81,575)
Balance at October 31, 2005	<u>5,927,548</u>	<u>2,514,231</u>

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

**General Department**  
**Statements of Cash Flows**  
**for the Six Months Ended October 31, 2005 and 2004**  
**(unaudited)**  
*(In thousands of SDRs)*

	<b>2005</b>	<b>2004</b>
<hr/>		
<b>Usable currencies and SDRs from operating activities</b>		
Net income	235,108	372,686
Adjustments to reconcile net income to usable resources generated by operations:		
Depreciation	8,500	6,641
Changes in receivables and other assets	112,787	( 58,872)
Changes in remuneration payable and other liabilities	( 102,801)	42,720
Increase in the Special Contingent Account	47,000	47,000
Usable currencies and SDRs from credit to members:		
Purchases in currencies and SDRs, including reserve tranche purchases	( 858,535)	( 1,075,140)
Repurchases in currencies and SDRs	10,042,172	5,576,396
Repayments of Structural Adjustment Facility loans	18,520	20,403
<b>Net usable currencies and SDRs provided by operating activities</b>	<b><u>9,502,751</u></b>	<b><u>4,931,834</u></b>
 <b>Usable currencies and SDRs from investment activities</b>		
Acquisition of fixed assets	( 3,806)	( 27,501)
Net disposition / (acquisition) of investments by the Special Disbursement Account	31,428	( 23,299)
<b>Net usable currencies and SDRs provided by / (used in) investment activities</b>	<b><u>27,622</u></b>	<b><u>( 50,800)</u></b>
 <b>Usable currencies and SDRs from financing activities</b>		
Subscription payments in SDRs and usable currencies	--	171,100
Changes in composition of usable currencies	667	1,454
Transfers to the PRGF Trust, PRGF-HIPC Trust, and other accounts	( 81,575)	( 20,555)
<b>Net usable currencies and SDRs (used in) / provided by financing activities</b>	<b><u>( 80,908)</u></b>	<b><u>151,999</u></b>
Net increase in usable currencies and SDRs	9,449,465	5,033,033
Usable currencies and SDRs, beginning of year	122,962,775	103,767,940
<b>Usable currencies and SDRs, end of period</b>	<b><u><u>132,412,240</u></u></b>	<b><u><u>108,800,973</u></u></b>

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

## General Department

### Notes to the Financial Statements

#### 1. Basis of Presentation

The unaudited financial statements have been prepared in accordance with International Accounting Standard 34 (*Interim Financial Reporting*). These financial statements do not include all information and notes required by International Financial Reporting Standards (IFRS) for complete financial statements and should be read in conjunction with the April 30, 2005 financial statements and the notes included therein.

#### *Unit of Account*

As of October 31, 2005, one SDR was equal to 1.4458 U.S. dollars (one SDR was equal to 1.51678 U.S. dollars as of April 30, 2005).

#### 2. Credit Outstanding

Credit outstanding in the General Resources Account (GRA) and Structural Adjustment Facility (SAF) loans in the Special Disbursement Account (SDA) are carried at amortized cost.

Changes in the outstanding use of IMF credit under the various facilities of the GRA during the six months ended October 31, 2005 and 2004 were as follows:

	April 30, 2005	Purchases	Repurchases	October 31, 2005	April 30, 2004	Purchases	Repurchases	October 31, 2004
<i>In millions of SDRs</i>								
Regular facilities	35,458	733	4,589	31,602	41,730	969	3,578	39,121
Extended Fund Facility	9,365	125	870	8,620	13,751	100	1,212	12,639
Supplemental Reserve Facility	4,569	-	4,567	2	6,028	-	662	5,366
Systemic Transformation								
Facility	18	-	11	7	154	-	88	66
Enlarged Access	271	-	3	268	276	-	-	276
Compensatory and								
Contingency								
Financing Facility	84	-	-	84	120	-	31	89
Supplementary Financing								
Facility	89	-	2	87	94	-	5	89
Total credit outstanding	<u>49,854</u>	<u>858</u>	<u>10,042</u>	<u>40,670</u>	<u>62,153</u>	<u>1,069</u>	<u>5,576</u>	<u>57,646</u>



## General Department

### Notes to the Financial Statements

The following repurchases were made by members during the six months ended October 31:

	2005	2004
	<i>(In millions of SDRs)</i>	
Early repurchases	3,509	27
Repurchase expectations	2,309	2,760
Repurchase obligations	<u>4,224</u>	<u>2,789</u>
Total repurchases	<u>10,042</u>	<u>5,576</u>

The IMF approved the following members' requests to extend repurchases from the expectation to the obligation schedule during the six months ended October 31:

	Total repurchase expectations extended	
	2005	2004
	<i>(In millions of SDRs)</i>	
Argentina	1,683	779
Dominica	1	-
Ecuador	-	33
Macedonia	5	-
Turkey	2,520	-

Scheduled repurchases in the GRA and repayments of SAF loans in the SDA are summarized below:

Financial Year Ending April 30	General Resources Account	Special Disbursement Account
<i>In millions of SDRs</i>		
2006	5,320	18
2007	20,174	-
2008	9,901	-
2009	2,841	-
2010	1,356	-
2011 and beyond	462	-
Overdue	616	9
Total	<u>40,670</u>	<u>27</u>

## General Department

### Notes to the Financial Statements

The use of credit in the GRA by the largest users was as follows:

	October 31, 2005		April 30, 2005	
	<i>In millions of SDRs and as a percent of total GRA credit outstanding</i>			
Largest user of credit	10,789	26.5%	15,356	30.8%
Three largest users of credit	28,396	69.8%	36,539	73.3%
Five largest users of credit	35,636	87.6%	44,190	88.6%

The five largest users of credit as of October 31, 2005 were Brazil, Turkey, Argentina, Indonesia and Uruguay. Outstanding credit, by member, is provided in Schedule 1.

The concentration of GRA outstanding credit by regional geographical area was as follows:

	October 31, 2005		April 30, 2005	
	<i>In millions of SDRs and as a percent of total GRA credit outstanding</i>			
Africa	953	2.3	1,168	2.3
Asia and Pacific	6,189	15.2	6,760	13.6
Europe	2,489	6.1	2,701	5.4
Latin America and the Caribbean	20,003	49.2	25,617	51.4
Middle East and Turkey	11,036	27.1	13,608	27.3
Total	40,670	100%	49,854	100%

#### Overdue Obligations

At October 31 and April 30, 2005, four members were six months or more overdue in settling their financial obligations.

GRA repurchases, GRA charges, SAF loan repayments, and SAF interest that are six or more months overdue were as follows:

	Repurchases and SAF Loans		Charges and SAF Interest	
	October 31, 2005	April 30, 2005	October 31, 2005	April 30, 2005
	<i>In millions of SDRs</i>			
Total overdue	625	732	1,042	1,030
Overdue for six months or more	625	730	1,029	1,018
Overdue for three years or more	614	661	981	970

## General Department

### Notes to the Financial Statements

The type and duration of the overdue amounts in the General Department as of October 31, 2005 were as follows:

	Repurchases and SAF Loans	Charges and SAF Interest	Total Obligation	Longest Overdue Obligation
<i>In millions of SDRs</i>				
Liberia	201	258	459	May 1985
Somalia	106	100	206	July 1987
Sudan	307	668	975	August 1985
Zimbabwe	11	16	27	May 2001
Total	<u>625</u>	<u>1,042</u>	<u>1,667</u>	

### 3. Gold Holdings

At October 31 and April 30, 2005, the IMF held 3,217,341 kilograms of gold, equal to 103,439,916 fine ounces of gold, at designated depositories. Gold holdings were valued at a historical cost of SDR 5,852 million as of October 31 and April 30, 2005.

As of October 31, 2005, the market value of the IMF's holdings of gold was SDR 33.7 billion (SDR 29.7 billion at April 30, 2005). If realized, the excess of the market value over the cost of the IMF's gold holdings would be transferred to the SDA or to the Investment Account.

### 4. Interest and Charges

Charges and other receivables due to the GRA were as follows:

	October 31, 2005	April 30, 2005
<i>In millions of SDRs</i>		
Periodic charges	1,525	1,598
Amount paid through burden sharing	(861)	(848)
Unpaid charges	(186)	(187)
	<u>478</u>	<u>563</u>
Other receivables	7	5
Total receivables	<u>485</u>	<u>568</u>

## General Department

### Notes to the Financial Statements

Interest and periodic charges consisted of the following for the six months ended October 31:

	2005	2004
	<i>In millions of SDRs</i>	
Interest and periodic charges	1,017	1,186
Amounts paid through burden sharing adjustments, net of refunds	6	6
Total interest and charges	<u>1,023</u>	<u>1,192</u>

Interest earned on SAF loans for the six months ended October 31, 2005 and 2004 amounted to SDR 0.1 million and SDR 0.2 million, respectively. Service charges and the commitment fees on canceled or expired arrangements are included in Other Charges and Income which amounted to SDR 9.9 million and SDR 5.8 million for the six months ended October 31, 2005 and 2004, respectively.

#### 5. Special Disbursement Account and Trust Fund

As at October 31 and April 30, 2005, the investments in the SDA consisted of short-term fixed deposits maturing in less than one year.

In addition, the IMF is the trustee of the Trust Fund, which is in liquidation. The Trust Fund was established in 1976 to provide balance of payments assistance on concessional terms to eligible members that qualify for assistance.

In 1980, the IMF, as trustee, decided that, upon the completion of the final loan disbursements, the Trust Fund would be terminated as of April 30, 1981, and after that date, the activities of the Trust Fund have been confined to the conclusion of its affairs. The Trust Fund has no assets other than claims receivable, including interest and special charges, from Liberia, Somalia and Sudan amounting to SDR 117.9 million at October 31, 2005 (SDR 117.6 million at April 30, 2005). All interest is deferred. Cash receipts on these loans are to be transferred to the SDA.

## General Department

### Notes to the Financial Statements

#### 6. Remuneration

Remuneration consisted of the following for the six months ended October 31:

	2005	2004
	<hr/>	
	<i>In millions of SDRs</i>	
Remuneration	498	506
Amount withheld through burden sharing adjustment, net of refunds	(6)	(6)
	<hr/>	<hr/>
	<u>492</u>	<u>500</u>

#### 7. Burden Sharing and the Special Contingent Account

Under the burden sharing mechanism, the basic rate of charge is increased and the rate of remuneration is adjusted downward to offset the effect on the IMF's income of the nonpayment of charges and also to finance the additions to the Special Contingent Account (SCA-1).

Cumulative charges, net of settlements, that have resulted in adjustments to charges and remuneration since May 1, 1986 (the date the burden sharing mechanism was adopted) amounted to SDR 861 million at October 31, 2005 (SDR 848 million at April 30, 2005). The cumulative refunds for the same period, resulting from the settlements of overdue charges for which burden sharing adjustments have been made, amounted to SDR 1,073 million at October 31, 2005 and April 30, 2005.

The SCA-1 is financed by adjustments to the rate of charge and the rate of remuneration. For the six months ended October 31, 2005 and 2004, additions to the SCA-1 amounted to SDR 47 million for each period.

#### 8. Arrangements and Commitments in the General Department

At October 31, 2005, the undrawn balances under the 14 arrangements that were in effect in the GRA amounted to SDR 13,362 million (SDR 7,927 million under 12 arrangements at April 30, 2005).

#### 9. Pension and Other Post-Retirement Benefits

The IMF has a defined-benefit Staff Retirement Plan (SRP) that covers substantially all eligible staff and a Supplemental Retirement Benefits Plan (SRBP) for selected participants of the SRP. Participants contribute 7 percent of their pensionable remuneration. The IMF contributes the remainder of the cost of funding the plans and pays certain administrative costs of the plans. In addition, the IMF provides other employment and post-retirement benefits, including medical, life insurance and other long-term benefits. In 1995, the IMF

## General Department

### Notes to the Financial Statements

established a separate account, the Retired Staff Benefits Investment Account (RSBIA), to hold and invest resources set aside to fund the cost of the post-retirement benefits.

The obligations of the SRP, SRBP, and other post-retirement benefits are valued annually by independent actuaries. The latest actuarial valuations were carried out as at April 30, 2005 using the Projected Unit Credit Method and the net assets of the plans amounted to SDR 353 million.

The fair value of plan assets was as follows:

	October 31, 2005	April 30, 2005
	<i>In millions of SDRs</i>	
SRP	3,542	3,142
SRBP	6	3
RSBIA	<u>403</u>	<u>359</u>
Total Assets	<u>3,951</u>	<u>3,504</u>

#### 10. Other Administered Accounts

At the request of members, the IMF has established special purpose accounts to administer contributed resources and to perform financial and technical services consistent with the purposes of the IMF. The assets of each account and each subaccount are separate from the assets of all other accounts of, or administered by, the IMF and are not to be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

The total assets of the Other Administered Accounts were as follows:

	October 31, 2005	April 30, 2005
	<i>In thousands of U.S. dollars</i>	
Administered Account Japan	124,459	122,402
Administered Account for Selected Fund Activities – Japan	14,285	21,691
Framework Administered Account for Technical Assistance Activities	26,073	23,948
Administered Account – Spain	-	40
	<i>In thousands of SDRs</i>	
Supplementary Financing Facility Subsidy Account	2,327	2,296
The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account	22,100	18,684

## **General Department**

### **Notes to the Financial Statements**

#### **11. Subsequent Event**

On November 23, 2005, the Fund adopted the decisions to implement the Multilateral Debt Relief Initiative (MDRI) that will provide debt relief for the stock of debt owed to the Fund as of end-2004 that will remain outstanding when members qualify for such relief. The decisions will become effective upon the consent of all the bilateral contributors to the PRGF Trust Subsidy Account before the end of December 2005. The total cost of financing the MDRI for 35 HIPC member countries depends on the timing of the compliance of members with specified conditions before becoming eligible for debt relief. The cost of this initiative is currently estimated at SDR 3.4 billion. Upon becoming eligible, members' obligations to the GRA and the PRGF Trust will be met by payments made from (i) resources held in the Special Disbursement Account; (ii) HIPC assistance; and (iii) bilateral contributions. In addition, the G-8 has committed to provide additional financing for full debt relief, estimated at SDR 1.8 billion, for two members that may become eligible for the HIPC Initiative (Cambodia and Tajikistan) and for the three protracted arrears cases (Liberia, Somalia and Sudan). Implementation of the MDRI could begin as early as January 2006 and will continue until the final determination of eligibility for all potentially eligible members.

**General Department**  
**Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,**  
**and Outstanding Credit and Loans**  
**as at October 31, 2005**

*(In thousands of SDRs)*

Member	General Resources Account				Outstanding Credit and Loans					
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		PRGF		Total 5/ (D)	
		Total	Percent of quota		Amount (A)	Percent 2/ +	SDA 3/ (B)	Trust 4/ +		=
Afghanistan, Islamic State of	161,900	161,916	100.0	--	--	--	--	--	--	
Albania	48,700	45,350	93.1	3,355	--	--	66,047	--	66,047	
Algeria	1,254,700	1,429,893	114.0	85,082	260,273	0.64	--	--	260,273	
Angola	286,300	286,445	100.1	--	--	--	--	--	--	
Antigua and Barbuda	13,500	13,499	100.0	6	--	--	--	--	--	
Argentina	2,117,100	9,183,603	433.8	195	7,066,684	17.38	--	--	7,066,684	
Armenia, Republic of	92,000	92,005	100.0	--	--	--	123,918	--	123,918	
Australia	3,236,400	2,522,397	77.9	714,110	--	--	--	--	--	
Austria	1,872,300	1,440,445	76.9	431,873	--	--	--	--	--	
Azerbaijan	160,900	186,450	115.9	10	25,550	0.06	--	93,903	119,453	
Bahamas, The	130,300	124,041	95.2	6,260	--	--	--	--	--	
Bahrain, Kingdom of	135,000	63,843	47.3	71,203	--	--	--	--	--	
Bangladesh	533,300	533,079	100.0	230	--	--	--	215,780	215,780	
Barbados	67,500	62,233	92.2	5,283	--	--	--	--	--	
Belarus, Republic of	386,400	386,400	100.0	20	--	--	--	--	--	
Belgium	4,605,200	3,581,875	77.8	1,023,363	--	--	--	--	--	
Belize	18,800	14,562	77.5	4,239	--	--	--	--	--	
Benin	61,900	59,720	96.5	2,188	--	--	--	36,940	36,940	
Bhutan	6,300	5,280	83.8	1,020	--	--	--	--	--	
Bolivia	171,500	262,078	152.8	8,875	99,440	0.24	--	76,203	175,643	
Bosnia and Herzegovina	169,100	219,405	129.7	-- 6/	50,300	0.12	--	--	50,300	
Botswana	63,000	48,621	77.2	14,381	--	--	--	--	--	
Brazil	3,036,100	13,825,669	455.4	260	10,789,106	26.53	--	--	10,789,106	
Brunei Darussalam	215,200	165,641	77.0	49,762	--	--	--	--	--	
Bulgaria	640,200	1,239,749	193.7	32,979	632,503	1.56	--	--	632,503	
Burkina Faso	60,200	52,871	87.8	7,331	--	--	--	75,313	75,313	
Burundi	77,000	76,641	99.5	360	--	--	--	40,700	40,700	
Cambodia	87,500	87,500	100.0	--	--	--	--	56,829	56,829	
Cameroon	185,700	185,007	99.6	694	--	--	--	189,472	189,472	
Canada	6,369,200	4,887,442	76.7	1,481,775	--	--	--	--	--	
Cape Verde	9,600	9,593	99.9	16	--	--	--	8,640	8,640	
Central African Republic	55,700	61,117	109.7	159	5,570	0.01	--	19,536	25,106	
Chad	56,000	55,719	99.5	282	--	--	--	58,026	58,026	
Chile	856,100	658,359	76.9	197,742	--	--	--	--	--	
China	6,369,200	4,974,049	78.1	1,395,198	--	--	--	--	--	
Colombia	774,000	488,202	63.1	285,803	--	--	--	--	--	
Comoros	8,900	8,358	93.9	544	--	--	--	--	--	
Congo, Democratic Republic of	533,000	533,000	100.0	--	--	--	--	553,467	553,467	
Congo, Republic of	84,600	85,392	100.9	536	1,322	--	--	18,499	19,821	
Costa Rica	164,100	144,113	87.8	20,000	--	--	--	--	--	



Schedule 1 (continued)

**General Department**  
**Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,**  
**and Outstanding Credit and Loans**  
**as at October 31, 2005**

(In thousands of SDRs)

Member	General Resources Account				Outstanding Credit and Loans				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		PRGF		
		Total	Percent of quota		Amount	Percent 2/ +	SDA 3/ (B)	Trust 4/ (C)	Total 5/ (D)
Côte d'Ivoire	325,200	324,566	99.8	640	--	--	--	158,346	158,346
Croatia, Republic of	365,100	364,943	100.0	159	--	--	--	--	--
Cyprus	139,600	107,408	76.9	32,207	--	--	--	--	--
Czech Republic	819,300	629,822	76.9	189,483	--	--	--	--	--
Denmark	1,642,800	1,209,252	73.6	433,552	--	--	--	--	--
Djibouti	15,900	14,800	93.1	1,100	--	--	--	13,085	13,085
Dominica	8,200	11,164	136.1	9	2,973	0.01	--	4,205	7,178
Dominican Republic	218,900	499,099	228.0	3	280,200	0.69	--	--	280,200
Ecuador	302,300	352,172	116.5	17,153	67,023	0.16	--	--	67,023
Egypt	943,700	943,723	100.0	--	--	--	--	--	--
El Salvador	171,300	171,303	100.0	--	--	--	--	--	--
Equatorial Guinea	32,600	32,605	100.0	--	--	--	--	--	--
Eritrea	15,900	15,900	100.0	5	--	--	--	--	--
Estonia, Republic of	65,200	65,195	100.0	6	--	--	--	--	--
Ethiopia	133,700	126,520	94.6	7,188	--	--	--	112,073	112,073
Fiji	70,300	55,007	78.2	15,312	--	--	--	--	--
Finland	1,263,800	933,219	73.8	330,653	--	--	--	--	--
France	10,738,500	8,165,926	76.0	2,572,743	--	--	--	--	--
Gabon	154,300	206,803	134.0	199	52,696	0.13	--	--	52,696
Gambia, The	31,100	29,618	95.2	1,485	--	--	--	14,913	14,913
Georgia	150,300	150,300	100.0	10	--	--	--	162,540	162,540
Germany	13,008,200	10,193,926	78.4	2,814,380	--	--	--	--	--
Ghana	369,000	369,004	100.0	-- 6/	--	--	--	303,019	303,019
Greece	823,000	624,105	75.8	198,906	--	--	--	--	--
Grenada	11,700	17,556	150.1	--	5,855	0.01	--	--	5,855
Guatemala	210,200	210,206	100.0	--	--	--	--	--	--
Guinea	107,100	107,026	99.9	75	--	--	--	64,235	64,235
Guinea-Bissau	14,200	14,200	100.0	-- 6/	--	--	--	8,256	8,256
Guyana	90,900	90,902	100.0	--	--	--	--	65,390	65,390
Haiti	81,900	102,308	124.9	68	20,475	0.05	--	4,553	25,028
Honduras	129,500	120,874	93.3	8,627	--	--	--	120,260	120,260
Hungary	1,038,400	797,927	76.8	240,475	--	--	--	--	--
Iceland	117,600	99,014	84.2	18,589	--	--	--	--	--
India	4,158,200	3,175,772	76.4	982,432	--	--	--	--	--
Indonesia	2,079,300	7,561,596	363.7	145,500	5,627,792	13.84	--	--	5,627,792
Iran, Islamic Republic of	1,497,200	1,497,204	100.0	--	--	--	--	--	--
Iraq	1,188,400	1,314,413	110.6	171,100	297,100	0.73	--	--	297,100
Ireland	838,400	629,938	75.1	208,470	--	--	--	--	--
Israel	928,200	713,705	76.9	214,503	--	--	--	--	--
Italy	7,055,500	5,511,498	78.1	1,544,008	--	--	--	--	--

**General Department**  
**Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,**  
**and Outstanding Credit and Loans**  
**as at October 31, 2005**

(In thousands of SDRs)

Member	General Resources Account				Outstanding Credit and Loans				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		PRGF		
		Total	Percent of quota		Amount (A)	Percent 2/ +	SDA 3/ (B)	Trust 4/ + (C)	Total 5/ = (D)
Jamaica	273,500	273,550	100.0	--	--	--	--	--	--
Japan	13,312,800	10,249,317	77.0	3,064,410	--	--	--	--	--
Jordan	170,500	341,750	200.4	116	171,353	0.42	--	--	171,353
Kazakhstan, Republic of	365,700	365,700	100.0	5	--	--	--	--	--
Kenya	271,400	258,670	95.3	12,739	--	--	--	113,585	113,585
Kiribati	5,600	5,601	100.0	4	--	--	--	--	--
Korea	1,633,600	1,204,221	73.7	429,400	--	--	--	--	--
Kuwait	1,381,100	1,016,359	73.6	364,761	--	--	--	--	--
Kyrgyz Republic	88,800	88,800	100.0	5	--	--	--	126,422	126,422
Lao People's Democratic Republic	52,900	52,900	100.0	-- 6/	--	--	--	21,639	21,639
Latvia, Republic of	126,800	126,762	100.0	55	--	--	--	--	--
Lebanon	203,000	184,168	90.7	18,833	--	--	--	--	--
Lesotho	34,900	31,324	89.8	3,601	--	--	--	24,500	24,500
Liberia	71,300	272,062	381.6	31	200,781	0.49	--	--	223,671
Libya	1,123,700	728,203	64.8	395,505	--	--	--	--	--
Lithuania, Republic of	144,200	144,185	100.0	16	--	--	--	--	--
Luxembourg	279,100	211,838	75.9	67,273	--	--	--	--	--
Macedonia, former Yugoslav Republic of	68,900	99,859	144.9	-- 6/	30,957	0.08	--	14,454	45,410
Madagascar	122,200	122,174	100.0	27	--	--	--	149,990	149,990
Malawi	69,400	84,462	121.7	2,290	17,350	0.04	--	40,228	57,578
Malaysia	1,486,600	1,142,777	76.9	343,829	--	--	--	--	--
Maldives	8,200	10,746	131.1	1,554	4,100	0.01	--	--	4,100
Mali	93,300	84,191	90.2	9,116	--	--	--	79,496	79,496
Malta	102,000	61,741	60.5	40,261	--	--	--	--	--
Marshall Islands	3,500	3,500	100.0	1	--	--	--	--	--
Mauritania	64,400	64,404	100.0	--	--	--	--	50,539	50,539
Mauritius	101,600	79,682	78.4	21,919	--	--	--	--	--
Mexico	2,585,800	2,003,900	77.5	581,948	--	--	--	--	--
Micronesia, Federated States of	5,100	5,100	100.0	1	--	--	--	--	--
Moldova, Republic of	123,200	163,200	132.5	5	40,000	0.10	--	27,720	67,720
Mongolia	51,100	50,967	99.7	136	--	--	--	25,084	25,084
Morocco	588,200	517,759	88.0	70,443	--	--	--	--	--
Mozambique	113,600	113,600	100.0	7	--	--	--	113,580	113,580
Myanmar	258,400	258,402	100.0	--	--	--	--	--	--
Namibia	136,500	136,438	100.0	71	--	--	--	--	--
Nepal	71,300	71,311	100.0	--	--	--	--	14,260	14,260
Netherlands	5,162,400	4,016,785	77.8	1,145,633	--	--	--	--	--
New Zealand	894,600	660,927	73.9	233,688	--	--	--	--	--
Nicaragua	130,000	130,010	100.0	--	--	--	--	140,481	140,481
Niger	65,800	57,200	86.9	8,605	--	--	--	79,460	79,460

Schedule 1 (continued)

**General Department**  
**Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,**  
**and Outstanding Credit and Loans**  
**as at October 31, 2005**

(In thousands of SDRs)

Member	General Resources Account				Outstanding Credit and Loans				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		PRGF		
		Total	Percent of quota		Amount	Percent 2/ +	SDA 3/ (B)	Trust 4/ (C)	Total 5/ (D)
Nigeria	1,753,200	1,753,121	100.0	143	--	--	--	--	--
Norway	1,671,700	1,226,108	73.3	445,604	--	--	--	--	--
Oman	194,000	149,187	76.9	44,861	--	--	--	--	--
Pakistan	1,033,700	1,090,454	105.5	118	56,872	0.14	--	1,001,687	1,058,559
Palau	3,100	3,100	100.0	1	--	--	--	--	--
Panama	206,600	213,918	103.5	11,860	19,167	0.05	--	--	19,167
Papua New Guinea	131,600	131,168	99.7	438	--	--	--	--	--
Paraguay	99,900	78,428	78.5	21,475	--	--	--	--	--
Peru	638,400	678,558	106.3	--	40,125	0.10	--	--	40,125
Philippines	879,900	1,064,486	121.0	87,486	272,063	0.67	--	--	272,063
Poland, Republic of	1,369,000	1,051,604	76.8	317,401	--	--	--	--	--
Portugal	867,400	654,996	75.5	212,423	--	--	--	--	--
Qatar	263,800	202,955	76.9	60,846	--	--	--	--	--
Romania	1,030,200	1,229,594	119.4	--	199,389	0.49	--	--	199,389
Russian Federation	5,945,400	5,860,411	98.6	84,994	--	--	--	--	--
Rwanda	80,100	80,113	100.0	--	--	--	--	56,027	56,027
St. Kitts and Nevis	8,900	8,819	99.1	82	--	--	--	--	--
St. Lucia	15,300	15,295	100.0	7	--	--	--	--	--
St. Vincent and the Grenadines	8,300	7,800	94.0	500	--	--	--	--	--
Samoa	11,600	10,918	94.1	693	--	--	--	--	--
San Marino, Republic of	17,000	12,900	75.9	4,101	--	--	--	--	--
São Tomé and Príncipe	7,400	7,403	100.0	-- 6/	--	--	--	2,325	2,325
Saudi Arabia	6,985,500	5,155,876	73.8	1,829,627	--	--	--	--	--
Senegal	161,800	160,245	99.0	1,559	--	--	--	109,381	109,381
Serbia and Montenegro	467,700	1,094,829	234.1	--	627,116	1.54	--	--	627,116
Seychelles	8,800	8,798	100.0	3	--	--	--	--	--
Sierra Leone	103,700	103,685	100.0	24	--	--	--	136,204	136,204
Singapore	862,500	655,450	76.0	207,058	--	--	--	--	--
Slovak Republic	357,500	357,505	100.0	--	--	--	--	--	--
Slovenia, Republic of	231,700	178,132	76.9	53,575	--	--	--	--	--
Solomon Islands	10,400	9,852	94.7	550	--	--	--	--	--
Somalia	44,200	140,907	318.8	--	96,701	0.24	8,840	--	112,004
South Africa	1,868,500	1,867,854	100.0	670	--	--	--	--	--
Spain	3,048,900	2,367,296	77.6	681,614	--	--	--	--	--
Sri Lanka	413,400	593,948	143.7	47,855	228,385	0.57	--	38,390	266,775
Sudan	169,700	476,946	281.1	11	307,226	0.76	--	--	366,454
Suriname	92,100	85,976	93.4	6,125	--	--	--	--	--
Swaziland	50,700	44,147	87.1	6,562	--	--	--	--	--
Sweden	2,395,500	1,869,085	78.0	526,416	--	--	--	--	--
Switzerland	3,458,500	2,647,920	76.6	810,623	--	--	--	--	--

**General Department**  
**Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,**  
**and Outstanding Credit and Loans**  
**as at October 31, 2005**

(In thousands of SDRs)

Member	General Resources Account				Outstanding Credit and Loans					
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		SDA 3/ (B)	PRGF		Total 5/ (D)
		Total	Percent of quota		Amount	Percent 2/ +		Trust 4/ (C)	=	
Syrian Arab Republic	293,600	293,603	100.0	5	--	--	--	--	--	--
Tajikistan, Republic of	87,000	87,000	100.0	2	--	--	--	92,938		92,938
Tanzania	198,900	188,903	95.0	9,999	--	--	--	248,344		248,344
Thailand	1,081,900	950,329	87.8	131,587	--	--	--	--		--
Timor-Leste, The Democratic Republic of	8,200	8,200	100.0	1	--	--	--	--		--
Togo	73,400	73,069	99.5	332	--	--	--	10,860		10,860
Tonga	6,900	5,189	75.2	1,712	--	--	--	--		--
Trinidad and Tobago	335,600	251,269	74.9	84,337	--	--	--	--		--
Tunisia	286,500	266,285	92.9	20,222	--	--	--	--		--
Turkey	964,000	11,391,513	1,181.7	112,775	10,540,285	25.92	--	--		10,540,285
Turkmenistan, Republic of	75,200	75,200	100.0	5	--	--	--	--		--
Uganda	180,500	180,506	100.0	-- 6/	--	--	--	105,007		105,007
Ukraine	1,372,000	2,250,384	164.0	3	878,384	2.16	--	--		878,384
United Arab Emirates	611,700	461,376	75.4	150,925	--	--	--	--		--
United Kingdom	10,738,500	8,240,059	76.7	2,498,489	--	--	--	--		--
United States	37,149,300	28,351,630	76.3	8,797,790	--	--	--	--		--
Uruguay	306,500	1,918,657	626.0	--	1,612,150	3.96	--	--		1,612,150
Uzbekistan, Republic of	275,600	279,756	101.5	5	4,156	0.01	--	--		4,156
Vanuatu	17,000	14,506	85.3	2,496	--	--	--	--		--
Venezuela, República Bolivariana de	2,659,100	2,337,199	87.9	321,902	--	--	--	--		--
Vietnam	329,100	329,100	100.0	5	--	--	--	148,360		148,360
Yemen, Republic of	243,500	270,904	111.3	13	27,417	0.07	--	183,150		210,567
Zambia	489,100	489,101	100.0	18	--	--	18,175	473,262		491,437
Zimbabwe	353,400	364,265	103.1	328	11,191	0.03	--	75,235		86,426
<b>Total</b>	<b>213,478,400</b>	<b>213,744,423</b>		<b>40,408,716</b>	<b>40,670,027</b>	<b>100.00</b>	<b>27,015</b>	<b>6,366,752</b>		<b>47,152,374</b>

1/ Includes nonnegotiable, non-interest-bearing notes that members are entitled to issue in substitution for currencies, and outstanding currency valuation adjustments.

2/ Represents the percentage of total use of GRA resources (column A).

3/ The Special Disbursement Account (SDA) of the General Department had financed loans under Structural Adjustment Facility (SAF) and Poverty Reduction Growth Facility (PRGF) arrangements.

4/ For information purposes only. The PRGF Trust provides financing under PRGF arrangements and is not a part of the General Department.

5/ Includes outstanding Trust Fund loans to Liberia (SDR 22.9 million), Somalia (SDR 6.5 million), and Sudan (SDR 59.2 million).

6/ Less than SDR 500.

**II. Financial Statements  
of the  
SDR Department**

**SDR Department  
Balance Sheets**

*(In thousands of SDRs)*

	October 31, 2005 (unaudited)	April 30, 2005	October 31, 2005 (unaudited)	April 30, 2005
<b>Assets</b>				
Charges receivable	58,559	49,889	58,760	50,090
Overdue assessments and charges (Note 2)	36,832	35,968		
Participants with holdings below allocations (Note 3)				
Allocations	12,160,239	12,133,536	16,594,925	16,617,864
Less : SDR holdings	4,041,146	4,006,504	9,273,091	9,299,794
Allocations in excess of holdings	8,119,093	8,127,032	7,321,834	7,318,070
Participants with holdings above allocations (Note 2)				
SDR holdings			581,425	574,310
Less: allocations			252,465	270,419
Holdings in excess of allocations			8,214,484	8,212,889
Holdings by the General Resources Account				
Holdings of SDRs by prescribed holders				
<b>Total Assets</b>	<u>8,214,484</u>	<u>8,212,889</u>	<u>8,214,484</u>	<u>8,212,889</u>
<b>Liabilities</b>				
Interest payable			58,760	50,090
<b>Total Liabilities</b>			<u>58,760</u>	<u>50,090</u>

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

/s/ Michael G. Kuhn  
Director, Finance Department

/s/ Rodrigo de Rato  
Managing Director

**SDR Department**  
**Income Statements**  
**for the Three and Six Months Ended October 31, 2005 and 2004**  
**(unaudited)**  
*(In thousands of SDRs)*

	2005		2004	
	Three Months	Six Months	Three Months	Six Months
<b>Revenue</b>				
Net charges from participants with holdings below allocations	53,517	111,326	37,144	78,065
Assessment on SDR allocations	375	750	350	750
	53,892	112,076	37,494	78,815
<b>Expenses</b>				
Interest on SDR holdings				
Net interest to participants with holdings above allocations	46,338	96,461	31,617	66,852
General Resources Account	5,546	11,510	3,570	7,176
Prescribed holders	1,633	3,355	1,957	4,037
	53,517	111,326	37,144	78,065
Administrative expenses	375	750	350	750
	53,892	112,076	37,494	78,815
<b>Net Income</b>	--	--	--	--

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

**SDR Department**  
**Statements of Cash Flows**  
**For the Six Month Ended October 31, 2005 and 2004**  
**(unaudited)**  
*(In thousands of SDRs)*

	<b>2005</b>	<b>2004</b>
<b>Cash flows from operating activities</b>		
Receipts of SDRs		
Transfers among participants and prescribed holders	3,200,984	1,668,786
Transfers from participants to the General Resources Account	1,455,868	1,442,803
Transfers from the General Resources Account to participants and prescribed holders	1,448,754	1,577,359
Total Receipts of SDRs	<u>6,105,606</u>	<u>4,688,948</u>
Uses of SDRs		
Transfers among participants and prescribed holders	3,108,130	1,605,762
Transfers from participants to the General Resources Account	1,445,316	1,435,621
Transfers from the General Resources Account to participants and prescribed holders	1,448,754	1,577,359
Charges paid in the SDR Department	102,542	123,760
Other	864	(53,554)
Total Uses of SDRs	<u>6,105,606</u>	<u>4,688,948</u>

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



## SDR Department

### Notes to the Financial Statements

#### 1. Basis of Presentation

The unaudited financial statements have been prepared in accordance with International Accounting Standard 34 (*Interim Financial Reporting*). These financial statements do not include all information and notes required by International Financial Reporting Standards for complete financial statements and should be read in conjunction with the April 30, 2005 financial statements and the notes included therein.

##### *Unit of Account*

As of October 31, 2005, one SDR was equal to 1.44580 U.S. dollars (one SDR was equal to 1.51678 U.S. dollars as of April 30, 2005).

##### *Interest and Charges*

Interest is paid on holdings of SDRs and charges are levied on participants' cumulative allocations at the rate of interest on the SDR. The average SDR interest rate was 2.72 percent for the quarter ended October 31, 2005 (2.08 percent for the year ended April 30, 2005)

#### 2. Overdue Assessments and Charges

At October 31, 2005, assessments and charges amounting to SDR 36.8 million were overdue to the SDR Department (SDR 36.0 million at April 30, 2005). At October 31, 2005 and April 30, 2005, three members were six months or more overdue in meeting their financial obligations to the SDR Department.

Assessments and charges due from members that are six months or more overdue to the SDR Department were as follows:

	October 31, 2005	April 30, 2005
	<i>In millions of SDRs</i>	
Total	36.8	36.0
Overdue for six months or more	36.0	35.2
Overdue for three years or more	32.8	32.1

## SDR Department

### Notes to the Financial Statements

The amount and duration of arrears as of October 31, 2005 were as follows:

	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>		
Liberia	25.6	April 1986
Somalia	11.1	February 1991
Sudan	<u>0.1</u>	April 1991
Total	<u>36.8</u>	

### 3. Allocations and Holdings

At October 31, 2005 and April 30, 2005, IMF net cumulative allocations to participants totaled SDR 21.4 billion. Participants with holdings in excess of their allocations have established a net claim on the SDR Department, which is represented on the balance sheet as a liability. Participants with holdings below their allocations have used part of their allocations, which results in a net obligation to the SDR Department and is presented as an asset of the SDR Department. Participants' net SDR positions were as follows:

	October 31, 2005			April 30, 2005		
	Total	Below Allocations	Above Allocations	Total	Below Allocations	Above Allocations
<i>In millions of SDRs</i>						
Cumulative allocations	21,433.3	12,160.2	9,273.1	21,433.3	12,133.5	9,299.8
Holdings of SDRs by participants	<u>20,636.1</u>	<u>4,041.2</u>	<u>16,594.9</u>	<u>20,624.4</u>	<u>4,006.5</u>	<u>16,617.9</u>
Net SDR positions	<u>797.2</u>	<u>8,119.0</u>	<u>(7,321.8)</u>	<u>808.9</u>	<u>8,127.0</u>	<u>(7,318.1)</u>

## SDR Department

### Notes to the Financial Statements

A summary of SDR holdings is provided below:

	October 31, 2005	April 30, 2005
	<i>In millions of SDRs</i>	
Participants	20,636.1	20,624.4
General Resources Account	581.4	574.3
Prescribed holders	<u>252.4</u>	<u>270.4</u>
	21,469.9	21,469.1
Less: Overdue charges receivable	<u>36.6</u>	<u>35.8</u>
Total holdings	<u>21,433.3</u>	<u>21,433.3</u>

**SDR Department**  
**Statements of Changes in SDR Holdings**  
**for the Six Months Ended October 31, 2005 and 2004**  
*(In thousands of SDRs)*

	Participants	General Resources Account	Prescribed Holders	Total	
				2005	2004
Total holdings, beginning of the year	20,624,368	574,309	270,419	21,469,097	21,521,916
<b>Receipts of SDRs</b>					
Transfers among participants and prescribed holders					
Transactions by agreement	2,761,646	--	46,675	2,808,321	957,220
Operations					
Loans	--	--	--	--	--
Settlement of financial obligations	--	--	17,591	17,591	73,732
IMF-related operations					
SAF/PRGF loan	18,803	--	--	18,803	82,536
SAF repayments and interest	--	--	83	83	1,303
PRGF contributions and payments	55,286	--	20,363	75,649	177,166
PRGF repayments and interest	--	--	183,668	183,668	308,950
PRGF-HIPC contributions	734	--	11	745	4,749
Emergency Assistance subsidy payments	1,908	--	1,362	3,270	105
Net interest on SDRs	89,462	--	3,392	92,854	63,025
Transfers from participants to the General Resources Account					
Repurchases	--	298,762	--	298,762	308,944
Charges	--	1,146,554	--	1,146,554	1,126,676
Quota payment	--	--	--	--	--
Assessment on SDR allocation (Note 2)	--	--	--	--	1
Interest on SDRs	--	10,552	--	10,552	7,182
Transfers from the General Resources Account to participants and prescribed holders					
Purchases	56,895	--	--	56,895	356,806
In exchange for currencies of other members					
Acquisitions to pay charges	843,759	--	--	843,759	775,578
Remuneration	492,266	--	--	492,266	443,196
Other					
Refunds and adjustments	55,834	--	--	55,834	1,779
Total receipts	4,376,593	1,455,868	273,145	6,105,606	4,688,948

Schedule 1 (concluded)

**SDR Department**  
**Statements of Changes in SDR Holdings**  
**for the Six Months Ended October 31, 2005 and 2004**  
*(In thousands of SDRs)*

	Participants	General Resources Account	Prescribed Holders	Total	
				2005	2004
<b>Uses of SDRs</b>					
Transfers among participants and prescribed holders					
Transactions by agreement	2,593,953	--	214,368	2,808,321	957,220
Operations					
Loans	--	--	--	--	--
Settlement of financial obligations	17,591	--	--	17,591	73,732
IMF-related operations					
SAF/PRGF Loan	--	--	18,803	18,803	82,536
SAF repayments and interest	83	--	--	83	1,303
PRGF contributions and payments	20,363	--	55,286	75,649	177,167
PRGF repayments and interest	183,668	--	--	183,668	308,950
PRGF-HIPC contributions	11	--	734	745	4,749
Emergency Assistance subsidy payments	1,362	--	1,908	3,270	105
Transfers from participants to the General Resources Account					
Repurchases	298,762	--	--	298,762	308,944
Charges	1,146,554	--	--	1,146,554	1,126,676
Quota payment	--	--	--	--	--
Assessment on SDR allocation (Note 2)	--	--	--	--	1
Transfers from the General Resources Account to participants and prescribed holders					
Purchases	--	56,895	--	56,895	356,806
In exchange for currencies of other members					
Acquisitions to pay charges	--	843,759	--	843,759	775,578
Remuneration	--	492,266	--	492,266	443,196
Other					
Refunds and adjustments	--	55,834	--	55,834	1,779
Charges paid in the SDR department					
Net charges due	103,406	--	--	103,406	70,206
Total uses	4,365,753	1,448,754	291,099	6,105,606	4,688,948
Charges not paid when due	979	--	--	979	1,715
Settlement of unpaid charges	(115)	--	--	(115)	(55,269)
Total holdings, end of the period	<u>20,636,071</u>	<u>581,425</u>	<u>252,465</u>	<u>21,469,961</u>	<u>21,468,363</u>

Total holdings at end of period may not add up due to rounding.

**SDR Department**  
**Allocations and Holdings of Participants**  
**as at October 31, 2005**  
*(In thousands of SDRs)*

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Afghanistan, Islamic Republic of	26,703	213	0.8	(26,490)
Albania	--	10,566	--	10,566
Algeria	128,640	4,807	3.7	(123,833)
Angola	--	149	--	149
Antigua and Barbuda	--	6	--	6
Argentina	318,370	3,578,157	1,123.9	3,259,787
Armenia, Republic of	--	7,878	--	7,878
Australia	470,545	133,798	28.4	(336,747)
Austria	179,045	100,581	56.2	(78,464)
Azerbaijan	--	3,192	--	3,192
Bahamas, The	10,230	68	0.7	(10,162)
Bahrain, Kingdom of	6,200	1,276	20.6	(4,924)
Bangladesh	47,120	502	1.1	(46,618)
Barbados	8,039	57	0.7	(7,982)
Belarus, Republic of	--	19	--	19
Belgium	485,246	195,465	40.3	(289,781)
Belize	--	1,727	--	1,727
Benin	9,409	78	0.8	(9,331)
Bhutan	--	288	--	288
Bolivia	26,703	25,991	97.3	(712)
Bosnia and Herzegovina	20,481	888	4.3	(19,593)
Botswana	4,359	35,272	809.2	30,913
Brazil	358,670	145,642	40.6	(213,028)
Brunei Darussalam	--	9,813	--	9,813
Bulgaria	--	7,179	--	7,179
Burkina Faso	9,409	65	0.7	(9,344)
Burundi	13,697	185	1.4	(13,512)
Cambodia	15,417	413	2.7	(15,004)
Cameroon	24,463	277	1.1	(24,186)
Canada	779,290	621,126	79.7	(158,164)
Cape Verde	620	12	1.9	(608)
Central African Republic	9,325	140	1.5	(9,185)
Chad	9,409	2,302	24.5	(7,107)
Chile	121,924	36,100	29.6	(85,824)
China	236,800	859,449	362.9	622,649
Colombia	114,271	119,090	104.2	4,819
Comoros	716	7	1.0	(709)
Congo, Democratic Republic of	86,309	2,324	2.7	(83,985)
Congo, Republic of	9,719	3,068	31.6	(6,651)
Costa Rica	23,726	114	0.5	(23,612)

Schedule 2 (continued)

**SDR Department**  
**Allocations and Holdings of Participants**  
as at October 31, 2005  
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Côte d'Ivoire	37,828	304	0.8	(37,524)
Croatia, Republic of	44,205	485	1.1	(43,721)
Cyprus	19,438	2,841	14.6	(16,597)
Czech Republic	--	7,107	--	7,107
Denmark	178,864	27,249	15.2	(151,615)
Djibouti	1,178	52	4.4	(1,126)
Dominica	592	42	7.1	(550)
Dominican Republic	31,585	2,565	8.1	(29,020)
Ecuador	32,929	11,476	34.9	(21,453)
Egypt	135,924	68,915	50.7	(67,009)
El Salvador	24,985	24,980	100.0	(5)
Equatorial Guinea	5,812	441	7.6	(5,371)
Eritrea	--	--	--	--
Estonia, Republic of	--	54	--	54
Ethiopia	11,160	334	3.0	(10,826)
Fiji	6,958	5,523	79.4	(1,435)
Finland	142,690	93,073	65.2	(49,617)
France	1,079,870	602,562	55.8	(477,308)
Gabon	14,091	147	1.0	(13,944)
Gambia, The	5,121	126	2.5	(4,995)
Georgia	--	1,096	--	1,096
Germany	1,210,760	1,326,198	109.5	115,438
Ghana	62,983	4,587	7.3	(58,396)
Greece	103,544	19,725	19.1	(83,819)
Grenada	930	30	3.2	(900)
Guatemala	27,678	4,734	17.1	(22,944)
Guinea	17,604	3,417	19.4	(14,187)
Guinea-Bissau	1,212	425	35.0	(788)
Guyana	14,530	526	3.6	(14,004)
Haiti	13,697	10,240	74.8	(3,457)
Honduras	19,057	121	0.6	(18,936)
Hungary	--	42,913	--	42,913
Iceland	16,409	52	0.3	(16,357)
India	681,170	2,993	0.4	(678,177)
Indonesia	238,956	62,652	26.2	(176,304)
Iran, Islamic Republic of	244,056	274,447	112.5	30,391
Iraq	68,464	295,038	430.9	226,574
Ireland	87,263	60,636	69.5	(26,627)
Israel	106,360	12,388	11.6	(93,972)
Italy	702,400	151,329	21.5	(551,071)

Schedule 2 (continued)

**SDR Department**  
**Allocations and Holdings of Participants**  
as at October 31, 2005  
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Jamaica	40,613	281	0.7	(40,332)
Japan	891,690	1,801,917	202.1	910,227
Jordan	16,887	2,298	13.6	(14,589)
Kazakhstan, Republic of	--	803	--	803
Kenya	36,990	3,027	8.2	(33,963)
Kiribati	--	10	--	10
Korea	72,911	28,161	38.6	(44,750)
Kuwait	26,744	125,765	470.2	99,021
Kyrgyz Republic	--	5,906	--	5,906
Lao People's Democratic Republic	9,409	9,907	105.3	498
Latvia, Republic of	--	99	--	99
Lebanon	4,393	21,774	495.6	17,381
Lesotho	3,739	380	10.2	(3,359)
Liberia	21,007	--	--	(21,007)
Libya	58,771	489,428	832.8	430,656
Lithuania, Republic of	--	54	--	54
Luxembourg	16,955	11,042	65.1	(5,913)
Macedonia, former Yugoslav Republic of	8,379	1,823	21.8	(6,556)
Madagascar	19,270	144	0.7	(19,126)
Malawi	10,975	509	4.6	(10,466)
Malaysia	139,048	135,088	97.2	(3,960)
Maldives	282	317	112.4	35
Mali	15,912	176	1.1	(15,736)
Malta	11,288	31,731	281.1	20,443
Marshall Islands	--	--	--	--
Mauritania	9,719	95	1.0	(9,624)
Mauritius	15,744	17,845	113.3	2,101
Mexico	290,020	308,044	106.2	18,024
Micronesia, Federated States of	--	1,239	--	1,239
Moldova, Republic of	--	110	--	110
Mongolia	--	27	--	27
Morocco	85,689	54,993	64.2	(30,696)
Mozambique	--	55	--	55
Myanmar	43,474	457	1.1	(43,017)
Namibia	--	18	--	18
Nepal	8,105	6,195	76.4	(1,910)
Netherlands	530,340	502,656	94.8	(27,684)
New Zealand	141,322	23,689	16.8	(117,633)
Nicaragua	19,483	206	1.1	(19,277)
Niger	9,409	187	2.0	(9,222)



Schedule 2 (continued)

**SDR Department**  
**Allocations and Holdings of Participants**  
as at October 31, 2005  
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Nigeria	157,155	1,366	0.9	(155,789)
Norway	167,770	200,867	119.7	33,097
Oman	6,262	9,993	159.6	3,731
Pakistan	169,989	154,320	90.8	(15,669)
Palau	--	--	--	--
Panama	26,322	619	2.4	(25,703)
Papua New Guinea	9,300	115	1.2	(9,185)
Paraguay	13,697	87,595	639.5	73,898
Peru	91,319	1,380	1.5	(89,939)
Philippines	116,595	3,901	3.3	(112,694)
Poland, Republic of	--	52,296	--	52,296
Portugal	53,320	70,595	132.4	17,275
Qatar	12,822	24,930	194.4	12,108
Romania	75,950	2,973	3.9	(72,977)
Russian Federation	--	3,919	--	3,919
Rwanda	13,697	18,574	135.6	4,877
St. Kitts and Nevis	--	1	--	1
St. Lucia	742	1,518	204.7	777
St. Vincent and the Grenadines	354	2	0.6	(352)
Samoa	1,142	2,452	214.7	1,310
San Marino, Republic of	--	628	--	628
São Tomé & Príncipe	620	132	21.2	(488)
Saudi Arabia	195,527	371,846	190.2	176,319
Senegal	24,462	397	1.6	(24,065)
Serbia and Montenegro	56,665	15,765	27.8	(40,899)
Seychelles	406	4	0.9	(403)
Sierra Leone	17,455	23,287	133.4	5,832
Singapore	16,475	196,800	1,194.5	180,325
Slovak Republic	--	894	--	894
Slovenia, Republic of	25,431	7,922	31.2	(17,509)
Solomon Islands	654	5	0.7	(650)
Somalia	13,697	--	--	(13,697)
South Africa	220,360	222,850	101.1	2,490
Spain	298,805	228,620	76.5	(70,185)
Sri Lanka	70,868	2,893	4.1	(67,975)
Sudan	52,192	400	0.8	(51,792)
Suriname	7,750	1,105	14.3	(6,645)
Swaziland	6,432	2,478	38.5	(3,954)
Sweden	246,525	100,786	40.9	(145,739)
Switzerland	--	2,862	--	2,862

Schedule 2 (concluded)

**SDR Department**  
**Allocations and Holdings of Participants**  
as at October 31, 2005  
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Syrian Arab Republic	36,564	36,576	100.0	12
Tajikistan, Republic of	--	7,984	--	7,984
Tanzania	31,372	337	1.1	(31,035)
Thailand	84,652	430	0.5	(84,222)
Timor-Leste, The Democratic Republic of	--	--	--	--
Togo	10,975	116	1.1	(10,859)
Tonga	--	272	--	272
Trinidad and Tobago	46,231	2,439	5.3	(43,792)
Tunisia	34,243	864	2.5	(33,379)
Turkey	112,307	164,802	146.7	52,495
Turkmenistan, Republic of	--	--	--	--
Uganda	29,396	6,714	22.8	(22,682)
Ukraine	--	9,579	--	9,579
United Arab Emirates	38,737	5,962	15.4	(32,775)
United Kingdom	1,913,070	200,661	10.5	(1,712,409)
United States	4,899,530	5,688,092	116.1	788,562
Uruguay	49,977	25,462	50.9	(24,515)
Uzbekistan, Republic of	--	48	--	48
Vanuatu	--	974	--	974
Venezuela	316,890	3,928	1.2	(312,962)
Vietnam	47,658	850	1.8	(46,808)
Yemen, Republic of	28,743	20,020	69.7	(8,723)
Zambia	68,298	26,222	38.4	(42,076)
Zimbabwe	10,200	85	0.8	(10,115)
ABOVE ALLOCATIONS	9,273,091	16,594,925	179.0	7,321,834
BELOW ALLOCATIONS	12,160,239	4,041,146	33.2	(8,119,093)
TOTAL PARTICIPANTS	21,433,330	20,636,071		
GENERAL RESOURCES ACCOUNT		581,425		
PRESCRIBED HOLDERS		252,465		
OVERDUE CHARGES	36,631			
	21,469,961	21,469,961		

**III. Financial Statements  
of the  
Poverty Reduction and Growth  
Facility Trust**

**Poverty Reduction and Growth Facility Trust**  
**Combined Balance Sheets**

*(In thousands of SDRs)*

	<b>October 31, 2005 (unaudited)</b>	<b>April 30, 2005</b>
<hr/>		
<b>Assets</b>		
Cash and cash equivalents	4,542,248	1,945,902
Investments (Note 2)	1,333,518	3,900,371
Loans receivable (Note 3)	6,366,752	6,588,065
Interest receivable	26,025	25,669
	<hr/>	<hr/>
Total Assets	12,268,543	12,460,007
	<hr/> <hr/>	<hr/> <hr/>
<b>Liabilities and Resources</b>		
Borrowings (Note 4)	7,182,850	7,411,651
Interest payable	52,268	47,477
Other liabilities and deferred income	7,642	6,399
	<hr/>	<hr/>
Total Liabilities	7,242,760	7,465,527
	<hr/>	<hr/>
Resources	5,025,783	4,994,480
	<hr/>	<hr/>
Total Liabilities and Resources	12,268,543	12,460,007
	<hr/> <hr/>	<hr/> <hr/>

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

/s/ Michael G. Kuhn  
*Director, Finance Department*

/s/ Rodrigo de Rato  
*Managing Director*

**Poverty Reduction and Growth Facility Trust**  
**Combined Statements of Income and Changes in Resources**  
**for the Three and Six Months Ended October 31, 2005 and 2004**  
**(unaudited)**  
*(In thousands of SDRs)*

	2005		2004	
	Three Months	Six Months	Three Months	Six Months
Balance, beginning of the quarter/year	5,022,746	4,994,480	4,954,391	4,925,784
Investment income (Note 5)	<u>29,779</u>	<u>62,283</u>	<u>26,349</u>	<u>44,012</u>
Interest income on loans	8,019	16,117	8,532	16,926
Interest expense	<u>(40,038)</u>	<u>(78,256)</u>	<u>(30,982)</u>	<u>(58,630)</u>
Other expenses	(782)	(1,593)	(730)	(1,522)
Operational income/(loss)	<u>(3,022)</u>	<u>(1,449)</u>	<u>3,169</u>	<u>786</u>
Contributions (Note 6)	6,059	14,177	10,581	21,332
Transfers from the Special Disbursement Account (Note 8)	--	18,575	316	20,555
Net income/changes in resources	<u>3,037</u>	<u>31,303</u>	<u>14,066</u>	<u>42,673</u>
Balance, end of the period	<u>5,025,783</u>	<u>5,025,783</u>	<u>4,968,457</u>	<u>4,968,457</u>

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

**Poverty Reduction and Growth Facility Trust**  
**Combined Statements of Cash Flows**  
**For the Six Months Ended October 31, 2005 and 2004**  
**(unaudited)**  
*(In thousands of SDRs)*

	<b>2005</b>	<b>2004</b>
<hr/>		
<b>Cash flows from operating activities</b>		
Net income	31,303	42,673
Adjustments to reconcile net income to cash generated by operations		
Changes in interest receivable	(356)	(3,708)
Changes in interest payable and other liabilities	6,033	8,755
Cash from credit to members:		
Loan Disbursements	(208,106)	(467,596)
Loan repayments	429,420	438,896
Net cash provided by operating activities	<u><b>258,294</b></u>	<u><b>19,020</b></u>
<b>Cash flows from investment activities</b>		
Net disposition of investments	2,566,853	316,311
Net cash provided by investment activities	<u><b>2,566,853</b></u>	<u><b>316,311</b></u>
<b>Cash flows from financing activities</b>		
Borrowings	212,471	470,631
Repayment of borrowings	(441,272)	(398,716)
Net cash (used in) /provided by financing activities	<u><b>(228,801)</b></u>	<u><b>71,915</b></u>
Cash and cash equivalents, beginning of the year	1,945,902	2,721,670
<b>Cash and cash equivalents, end of period</b>	<u><u><b>4,542,248</b></u></u>	<u><u><b>3,128,916</b></u></u>

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

## Poverty Reduction and Growth Facility Trust

### Notes to the Financial Statements

#### 1. Basis of Presentation

The unaudited financial statements have been prepared in accordance with International Accounting Standard 34 (*Interim Financial Reporting*). These financial statements do not include all information and notes required by IFRS for complete financial statements and should be read in conjunction with the April 30, 2005 financial statements and the notes included therein.

#### *Unit of Account*

As of October 31, 2005, one SDR was equal to 1.4458 U.S. dollars (one SDR was equal to 1.51678 U.S. dollars as of April 30, 2005).

#### 2. Investments

Investments consisted of the following:

	October 31, 2005	April 30, 2005
<i>In thousands of SDRs</i>		
Debt securities	348,847	1,185,595
Fixed-term deposits	<u>984,671</u>	<u>2,714,776</u>
Total	<u>1,333,518</u>	<u>3,900,371</u>

The maturities of the investments are as follows:

	October 31, 2005	April 30, 2005
<i>In thousands of SDRs</i>		
Less than 1 year	1,254,323	3,635,060
1 – 3 years	44,793	228,811
3 – 5 years	<u>34,402</u>	<u>36,500</u>
Total	<u>1,333,518</u>	<u>3,900,371</u>

## Poverty Reduction and Growth Facility Trust

### Notes to the Financial Statements

#### 3. Loans Receivable

Resources of the Loan Account are committed to qualifying members for a three-year period, upon approval by the Trustee of three-year arrangements in support of the members' macroeconomic and structural adjustment programs. Interest on the outstanding loans, which are repayable in ten equal semi-installments beginning 5½ years after disbursement, is set at the rate of ½ of 1 percent per annum. At October 31 and April 30, 2005, the resources of the Loan Account included cumulative advances from the Reserve Account of SDR 75.2 million resulting from the non-payment of principal by Zimbabwe. Scheduled repayments of loans by borrowers, including Zimbabwe's overdue obligations, are summarized below:

Period of Repayment, Financial Year Ending April 30	<i>In thousands of SDRs</i>
2006	425,370
2007	726,142
2008	815,876
2009	820,642
2010	836,219
2011 and beyond	2,667,268
Overdue	<u>75,235</u>
Total	<u>6,366,752</u>

The use of credit in the Trust by the largest users was as follows:

	October 31, 2005	April 30, 2005
	<i>In millions of SDRs and percent of total PRGF credit</i>	
Largest user of credit	1,001.7 15.7%	1,028.2 15.6%
Three largest users of credit	2,028.5 31.9%	2,095.4 31.8%
Five largest users of credit	2,579.8 40.5%	2,655.9 40.3%

The five largest users of credit as of October 31 and April 30, 2005 were Pakistan, The Democratic Republic of Congo, Zambia, Ghana and Tanzania.



## Poverty Reduction and Growth Facility Trust

### Notes to the Financial Statements

#### 4. Borrowings

The Trust borrows on such terms and conditions as agreed between the Trustee and the lenders. Interest rates on borrowings as at October 31, 2005 were at a weighted average rate of 2.16 percent per annum (1.54 percent per annum as at October 31, 2004). The principal amounts of the borrowings are repayable between 5 ½ and 16 years after the first drawing.

Scheduled repayments of borrowings are summarized below:

Period of Repayment, Financial Year Ending April 30	
	<i>In thousands of SDRs</i>
2006	1,064,790
2007	984,181
2008	828,799
2009	827,633
2010	832,087
2011 and beyond	<u>2,645,360</u>
Total	<u>7,182,850</u>

The following summarizes the borrowing agreements:

	Amount Undrawn	
	October 31, 2005	April 30, 2005
	<i>In thousands of SDRs</i>	
Loan Account	3,885,968	4,092,456
Subsidy Account	55,405	58,435

## Poverty Reduction and Growth Facility Trust

### Notes to the Financial Statements

#### 5. Investment Income

Investment income comprised the following for the six months ended October 31:

	2005	2004
	<i>In thousands of SDRs</i>	
Interest income	77,669	66,216
Realized gains, net	25,136	9,088
Unrealized losses, net	(40,421)	(31,096)
Exchange rate losses, net	(101)	(196)
Total	<u>62,283</u>	<u>44,012</u>

#### 6. Contributions

The Trustee accepts contributions for the Subsidy Account on such terms and conditions as agreed between the Trust and the contributors. At October 31, 2005, cumulative contributions received, including transfers from the Special Disbursement Account, amounted to SDR 2,470.8 million (SDR 2,451.3 million at October 31, 2004).

#### 7. Commitments Under Loan Arrangements

At October 31, 2005, undrawn balances under 31 loan arrangements amounted to SDR 1,149.3 million (SDR 1,315.0 million under 31 arrangements at April 30, 2005).

#### 8. Related Party Transactions

The expenses of conducting the business of the Trust are paid by the General Resources Account of the IMF and reimbursed by the Trust through the Special Disbursement Account; transfers corresponding to these expenses are made from the Reserve Account to the Special Disbursement Account when and to the extent needed. In financial years 2006 and 2005, the Executive Board of the IMF decided to forgo such reimbursement to the General Resources Account, which amounted to SDR 54.4 million for the financial year ended April 30, 2005.

Cumulative transfers from the IMF, through the Special Disbursement Account, to the Reserve Account and Subsidy Account as of October 31, 2005 amounted to SDR 2,648 million and SDR 400 million, respectively (SDR 2,630 million and SDR 400 million, respectively, as of April 30, 2005).

#### 9. Poverty Reduction and Growth Facility Administered Accounts

For the benefit of the Subsidy Account of the PRGF Trust and the PRGF-HIPC Trust, certain member countries requested that the IMF establish the Poverty Reduction and Growth Facility Administered Accounts (PRGF Administered Accounts or Administered Accounts). The Administered Accounts comprise deposits made by contributors. The difference between

## Poverty Reduction and Growth Facility Trust

### Notes to the Financial Statements

income earned by the Administered Accounts and the interest payable on deposits is transferred to the Subsidy Account of the PRGF Trust and the PRGF-HIPC Trust.

The resources of each Administered Account are held separately from the assets of all other accounts of, or administered by, the IMF and may not be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

Total assets of the PRGF Administered Accounts and the net investment income transferred to the PRGF Subsidy Account and the PRGF-HIPC Trust Account were as follows:

	Total Assets of the PRGF Administered Accounts		Net Investment Income Transferred to PRGF Subsidy and PRGF-HIPC Accounts for Six Months Ended	
	October 31, 2005	April 30, 2005	October 31, 2005	October 31, 2004
	<i>(In thousands of SDRs)</i>		<i>(In thousands of SDRs)</i>	
Austria	-	5,031	27	92
Indonesia	25,050	25,192	467	67
Iran	-	-	-	5
Portugal	4,392	6,605	50	52
Total	<u>29,442</u>	<u>36,828</u>	<u>544</u>	<u>216</u>

#### 10. Saudi Fund for Development (SFD) Development Account

The Saudi Fund for Development (SFD) Special Account was established at the request of the SFD to provide supplementary financing in association with loans under the PRGF Trust. The SFD makes funds available after a bilateral agreement between it and a recipient country has been effected. The SFD places funds, denominated in SDRs, in the SFD Special Account for disbursement to a recipient country simultaneously with disbursements under a PRGF arrangement. These loans are repayable in ten equal semi-annual installments commencing 5 ½ years after the date of disbursement and interest on these loans is set at a rate of ½ of 1 percent per annum.

The cumulative receipts and uses of resources for the Saudi Fund for Development Special Account were SDR 100.9 million as of October 31, 2005 and 2004.

## **Poverty Reduction and Growth Facility Trust**

### **Notes to the Financial Statements**

#### **11. Subsequent Event**

On November 23, 2005, the Fund adopted the decisions to implement the Multilateral Debt Relief Initiative (MDRI) that will provide debt relief for the stock of debt owed to the Fund as of end-2004 that will remain outstanding when members qualify for such relief. The decisions will become effective upon the consent of all the bilateral contributors to the PRGF Trust Subsidy Account before the end of December 2005. The total cost of financing the MDRI for 35 HIPC member countries depends on the timing of the compliance of members with specified conditions before becoming eligible for debt relief. The cost of this initiative is currently estimated at SDR 3.4 billion. Upon becoming eligible, members' obligations to the GRA and the PRGF Trust will be met by payments made from (i) resources held in the Special Disbursement Account; (ii) HIPC assistance; and (iii) bilateral contributions. In addition, the G-8 has committed to provide additional financing for full debt relief, estimated at SDR 1.8 billion, for two members that may become eligible for the HIPC Initiative (Cambodia and Tajikistan) and for the three protracted arrears cases (Liberia, Somalia and Sudan). Implementation of the MDRI could begin as early as January 2006 and will continue until the final determination of eligibility for all potentially eligible members.

#### **12. Combining Balance Sheet and Statements of Income and Changes in Resources**

The balance sheets and statements of income and changes in resources for each of the accounts in the PRGF-Trust are presented below:

**Poverty Reduction and Growth Facility Trust**

**Combining Balance Sheets**

*(In thousands of SDRs)*

	Loan Account		Reserve Account		Subsidy Account		Combined	
	October 31, 2005 (unaudited)	April 30, 2005	October 31, 2005 (unaudited)	April 30, 2005	October 31, 2005 (unaudited)	April 30, 2005	October 31, 2005 (unaudited)	April 30, 2005
<b>Assets</b>								
Cash and cash equivalents	--	--	3,086,676	888,457	1,455,572	1,057,445	4,542,248	1,945,902
Investments	884,671	885,595	100,000	2,252,108	348,847	762,668	1,333,518	3,900,371
Loans receivable	6,366,752	6,588,065	--	--	--	--	6,366,752	6,588,065
Accrued account transfers	16,723	23,275	67,556	56,196	(84,279)	(79,471)	--	--
Interest receivable	25,496	23,827	505	1,789	24	53	26,025	25,669
Total Assets	<u>7,293,642</u>	<u>7,520,762</u>	<u>3,254,737</u>	<u>3,198,550</u>	<u>1,720,164</u>	<u>1,740,695</u>	<u>12,268,543</u>	<u>12,460,007</u>
<b>Liabilities and Resources</b>								
Borrowings	7,158,556	7,391,721	--	--	24,294	19,930	7,182,850	7,411,651
Interest payable	52,209	47,407	--	--	59	70	52,268	47,477
Other liabilities and deferred income	7,642	6,399	--	--	--	--	7,642	6,399
Total Liabilities	<u>7,218,407</u>	<u>7,445,527</u>	<u>--</u>	<u>--</u>	<u>24,353</u>	<u>20,000</u>	<u>7,242,760</u>	<u>7,465,527</u>
Resources	75,235	75,235	3,254,737	3,198,550	1,695,811	1,720,695	5,025,783	4,994,480
Total Liabilities and Resources	<u>7,293,642</u>	<u>7,520,762</u>	<u>3,254,737</u>	<u>3,198,550</u>	<u>1,720,164</u>	<u>1,740,695</u>	<u>12,268,543</u>	<u>12,460,007</u>

Note 12 (concluded)

**Poverty Reduction and Growth Facility Trust**

**Combining Statements of Income and Changes in Resources  
for the Six Months Ended October 31, 2005 and 2004  
(unaudited)**

*(In thousands of SDRs)*

	Loan Account		Reserve Account		Subsidy Account		Combined	
	2005	2004	2005	2004	2005	2004	2005	2004
Balance, beginning of the year	75,235	74,698	3,198,550	3,098,340	1,720,695	1,752,746	4,994,480	4,925,784
Investment income	--	--	38,468	27,772	23,815	16,240	62,283	44,012
Interest income on loans	16,117	16,926	--	--	--	--	16,117	16,926
Interest expense	(78,198)	(58,592)	--	--	(58)	(38)	(78,256)	(58,630)
Other expenses	--	--	(856)	(790)	(737)	(732)	(1,593)	(1,522)
Operational (loss) income	(62,081)	(41,666)	37,612	26,982	23,020	15,470	(1,449)	786
Contributions	--	--	--	--	14,177	21,332	14,177	21,332
Transfers from the Special Disbursement Account	--	--	18,575	20,555	--	--	18,575	20,555
Transfers between: Loan and Reserve Accounts	--	(2,803)	--	2,803	--	--	--	--
Loan and Subsidy Accounts	62,081	41,666	--	--	(62,081)	(41,666)	--	--
Net income/changes in resources	--	(2,803)	56,187	50,340	(24,884)	(4,864)	31,303	42,673
Balance, end of the period	75,235	71,895	3,254,737	3,148,680	1,695,811	1,747,882	5,025,783	4,968,457

**IV. Financial Statements  
of the  
PRGF-HIPC Trust  
and  
Related Accounts**

## PRGF-HIPC Trust and Related Accounts

### Combined Balance Sheets

*(In thousands of SDRs)*

	<b>October 31, 2005 (unaudited)</b>	<b>April 30, 2005</b>
<b>Assets</b>		
Cash and cash equivalents	1,130,084	503,226
Investments (Note 2)	--	705,406
Interest receivable	1,119	2,272
	<u>1,131,203</u>	<u>1,210,904</u>
	=====	=====
<b>Liabilities and Resources</b>		
Borrowings (Note 3)	603,526	610,324
Interest payable	692	1,277
	<u>604,218</u>	<u>611,601</u>
	=====	=====
Resources	526,985	599,303
	<u>526,985</u>	<u>599,303</u>
	=====	=====
Total Liabilities and Resources	1,131,203	1,210,904
	<u>1,131,203</u>	<u>1,210,904</u>
	=====	=====

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

/s/ Michael G. Kuhn  
Director, Finance Department

/s/ Rodrigo de Rato  
Managing Director



**PRGF-HIPC Trust and Related Accounts**  
**Combined Statements of Income and Changes in Resources**  
**for the Three and Six Months Ended October 31, 2005 and 2004**  
**(unaudited)**

*(In thousands of SDRs)*

	2005		2004	
	Three Months	Six Months	Three Months	Six Months
Balance, beginning of the quarter/year	550,776	599,303	536,158	546,700
Investment income (Note 4)	7,330	14,508	5,972	10,508
Interest expense	( 333)	( 844)	( 521)	( 1,048)
Other expenses	( 35)	( 106)	( 176)	( 196)
Operational income	6,962	13,558	5,275	9,264
Contributions received	3,935	7,438	21	22,062
Disbursements	( 34,688)	( 156,314)	( 36,392)	( 72,964)
Transfers from the SDA	--	63,000	--	--
Net income / changes in resources	( 23,791)	( 72,318)	( 31,096)	( 41,638)
Balance, end of the period	526,985	526,985	505,062	505,062

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

**PRGF-HIPC Trust and Related Accounts**  
**Combined Statements of Cash Flow**  
**for the Six Months Ended October 31, 2005 and 2004**  
(Unaudited)  
*(In thousands of SDRs)*

	2005	2004
<b>Cash flows from operating activities</b>		
Net loss	(72,318)	(41,638)
Adjustments to reconcile net income to cash generated by operations		
Change in interest receivable	1,153	(645)
Change in interest payable	(585)	(653)
Foreign currency translation: Investments	6,798	(8,080)
Borrowings	(6,798)	8,080
Net cash used in operating activities	<u>(71,750)</u>	<u>(42,936)</u>
<b>Cash flows from investment activities</b>		
Net disposition / (acquisition) of investments	698,608	(284,755)
Net cash provided by / (used in) investment activities	<u>698,608</u>	<u>(284,755)</u>
<b>Cash flows from financing activities</b>		
Borrowings	-	3,000
Repayment of Borrowing	-	(15,000)
Net cash (used in) / provided by financing activities	<u>-</u>	<u>(12,000)</u>
Cash and cash equivalents, beginning of year	503,226	590,613
<b>Cash and cash equivalents, end of period</b>	<u><u>1,130,084</u></u>	<u><u>250,922</u></u>

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

## PRGF-HIPC Trust and Related Accounts

### Notes to the Financial Statements

#### 1. Basis of presentation

The unaudited financial statements have been prepared in accordance with International Accounting Standard 34 (*Interim Financial Reporting*). These financial statements do not include all information and notes required by International Financial Reporting Standards for complete financial statements and should be read in conjunction with the April 30, 2005 financial statements and the notes included therein.

#### *Unit of account*

As of October 31, 2005, one SDR was equal to 1.4458 U.S. dollars (one SDR was equal to 1.51678 dollars as of April 30, 2005).

#### 2. Investments

Investments consisted of the following as at:

	<u>October 31, 2005</u>	<u>April 30, 2005</u>
	<i>In thousands of SDRs</i>	
Fixed-term deposits	--	414,213
Debt securities	--	<u>291,193</u>
Total	<u>--</u>	<u>705,406</u>

The maturities of the investments are as follows as at:

	<u>October 31, 2005</u>	<u>April 30, 2005</u>
	<i>In thousands of SDRs</i>	
Less than 1 year	--	687,839
1-3 years	--	<u>17,567</u>
Total	<u>--</u>	<u>705,406</u>

## PRGF-HIPC Trust and Related Accounts

### Notes to the Financial Statements

#### 3. Borrowings

The Trust borrows on such terms and conditions as agreed between the Trust and the lenders. Interest rates on borrowings at October 31 and April 30, 2005 varied between 0 percent and 2 percent a year. The principal amounts of the borrowings are repayable in one installment at their maturity dates. Scheduled repayments of borrowings are summarized below:

Financial year ending April 30	<i>In thousands of SDRs</i>
2006	-
2007	310
2008	20,066
2009	25,000
2010	270,618
2011 and beyond	<u>287,532</u>
Total	<u>603,526</u>

There were no additional borrowings or repayments during the period ended October 31, 2005. During the period ended October 31, 2004, new borrowings amounted to SDR 3 million, while repayments amounted to SDR 15 million.

#### 4. Investment Income

Investment income for the period ended October 31 comprised:

	2005	2004
	<i>In thousands of SDRs</i>	
Interest income	15,509	13,177
Realized gains, net	(18,132)	(1,025)
Unrealized gains / (losses), net	17,130	(1,646)
Exchange rate gains, net	<u>1</u>	<u>2</u>
Total	<u>14,508</u>	<u>10,508</u>

#### 5. Transfers Receivable and Payable

At October 31, 2005, the HIPC subaccount had transfers payable to the PRGF-HIPC subaccount arising from past disbursements to the Umbrella Account under the HIPC

## **PRGF-HIPC Trust and Related Accounts**

### **Notes to the Financial Statements**

Initiative in the amount of SDR 1,178.4 million, including interest (SDR 1,316.0 million at April 30, 2005). Interest payable between subaccounts is eliminated on combination.

#### ***6. Related Party Transactions***

The expenses of conducting the business of the Trust are paid by the General Resources Account of the IMF.

Cumulative transfers from the Special Disbursement Account of the IMF to the PRGF-HIPC Trust amounted to SDR 636.8 million as of October 31, 2005 (SDR 573.8 million as of April 30, 2005). The PRGF-HIPC Trust also receives contributions from member countries that had placed deposits in the Poverty Reduction and Growth Facility Administered Accounts. Net investment income transferred from the Poverty Reduction and Growth Facility Administered Accounts to the PRGF-HIPC Trust amounted to SDR 0.7 million as of October 31, 2005 (SDR 0.3 million as of April 30, 2005).

#### ***7. Subsequent Event***

On November 23, 2005, the Fund adopted the decisions to implement the Multilateral Debt Relief Initiative (MDRI) that will provide debt relief for the stock of debt owed to the Fund as of end-2004 that will remain outstanding when members qualify for such relief. The decisions will become effective upon the consent of all the bilateral contributors to the PRGF Trust Subsidy Account before the end of December 2005. The total cost of financing the MDRI for 35 HIPC member countries depends on the timing of the compliance of members with specified conditions before becoming eligible for debt relief. The cost of this initiative is currently estimated at SDR 3.4 billion. Upon becoming eligible, members' obligations to the GRA and the PRGF Trust will be met by payments made from (i) resources held in the Special Disbursement Account; (ii) HIPC assistance; and (iii) bilateral contributions. In addition, the G-8 has committed to provide additional financing for full debt relief, estimated at SDR 1.8 billion, for two members that may become eligible for the HIPC Initiative (Cambodia and Tajikistan) and for the three protracted arrears cases (Liberia, Somalia and Sudan). Implementation of the MDRI could begin as early as January 2006 and will continue until the final determination of eligibility for all potentially eligible members.

#### ***8. Combining Balance Sheets and Statements of Income and Changes in Resources***

The balance sheets and statements of income and changes in resources for the accounts and subaccounts in the PRGF-HIPC Trust and Related Accounts are presented below.

**PRGF-HIPC Trust and Related Accounts**

Note 8 (continued)

**Combining Balance Sheets**

(In thousands of SDRs)

	October 31, 2005 (unaudited)						April 30, 2005					
	PRGF-HIPC Trust Account subaccount			Umbrella Account for HIPC			PRGF-HIPC Trust Account		Umbrella Account for HIPC Operations		Post-SCA-2 Administered Account Combined Total	
	PRGF-HIPC	PRGF	HIPC	Combined	Operations	Account	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total
<b>Assets</b>												
Cash and cash equivalents	642,711	30,681	--	673,392	414,985	41,707	1,130,084	338,460	41,202	503,226		
Investments	--	--	--	--	--	--	--	150,000	--	705,406		
Transfers to and from subaccounts	1,178,360	--	(1,178,360)	--	--	--	--	--	--	--		
Interest receivable	513	--	--	513	320	286	1,119	1,501	242	2,272		
Total Assets	1,821,584	30,681	(1,178,360)	673,905	415,305	41,993	1,131,203	489,961	41,444	1,210,904		
<b>Liabilities and Resources</b>												
Borrowings	603,526	--	--	603,526	--	--	603,526	--	--	610,324		
Interest payable	692	--	--	692	--	--	692	--	--	1,277		
Total Liabilities	604,218	--	--	604,218	--	--	604,218	--	--	611,601		
Resources	1,217,366	30,681	(1,178,360)	69,687	415,305	41,993	526,985	489,961	41,444	599,303		
Total Liabilities and Resources	1,821,584	30,681	(1,178,360)	673,905	415,305	41,993	1,131,203	489,961	41,444	1,210,904		

Note 8 (concluded)

PRGF-HIPC Trust and Related Accounts

Combining Statements of Income and Changes in Resources  
for the Six Months Ended October 31, 2005 and 2004

(unaudited)  
(In thousands of SDRs)

	Six Months Ended October 31, 2005				Six Months Ended October 31, 2004						
	PRGF-HIPC Trust Account subaccount		Umbrella Account for HIPC Operations		PRGF-HIPC Trust Account		Umbrella Account for HIPC Operations				
	PRGF-HIPC	PRGF	HIPC	Combined	Post-SCA-2 Administered Account	Combined Total	Post-SCA-2 Administered Account	Combined Total			
Balance, beginning of the year	1,357,658	26,540	(1,316,300)	67,898	489,961	41,444	599,303	152,623	353,487	40,590	546,700
Investment income	21,097	361	--	8,336 <sup>1</sup>	5,623	549	14,508	6,824	3,301	383	10,508
Interest expense	(844)	--	(13,122)	(844) <sup>1</sup>	--	--	(844)	(1,048)	--	--	(1,048)
Other expenses	(100)	(6)	--	(106)	--	--	(106)	(196)	--	--	(196)
Operational income/(loss)	20,153	355	(13,122)	7,386	5,623	549	13,558	5,580	3,301	383	9,264
Contributions received	3,652	3,786	--	7,438	--	--	7,438	22,062	--	--	22,062
Grants	--	--	(76,035)	(76,035)	76,035	--	--	(103,227)	103,227	--	--
Disbursements	--	--	--	--	(156,314)	--	(156,314)	--	(72,964)	--	(72,964)
Transfers from SDA	(164,097)	--	227,097	63,000	--	--	63,000	--	--	--	--
Net income / changes in resources	(140,292)	4,141	137,940	1,789	(74,656)	549	(72,318)	(75,585)	33,564	383	(41,638)
Balance, end of the period	1,217,366	30,681	(1,178,360)	69,687	415,305	41,993	526,985	77,038	387,051	40,973	505,062

<sup>1</sup> Interest payable between subaccounts amounting to SDR 13.1 million (SDR 9.9 million at October 31, 2004) has been eliminated in the combined totals.