

Financial statements

April 30, 2009

Independent Auditors' Report

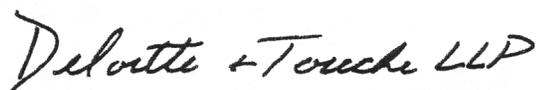
To the Board of Governors
of the International Monetary Fund
Washington, DC

We have audited the accompanying consolidated statements of financial position of the General Department of the International Monetary Fund and subsidiary (the "Department") as of April 30, 2009 and 2008, and the related consolidated statements of comprehensive income, of changes in reserves, resources and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the General Department of the International Monetary Fund at April 30, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Our audits were conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The supplemental schedules listed on pages 18 to 23 are presented for the purpose of additional analysis and are not a required part of the basic consolidated financial statements. These schedules are the responsibility of the Department's management. Such schedules have been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic consolidated financial statements taken as a whole.



June 30, 2009

Member of
Deloitte Touche Tohmatsu

General Department
Consolidated statements of financial position
at April 30, 2009, and 2008

(In millions of SDRs)

	2009	2008	2009	2008
Assets				
Usable currencies	151,982	163,072		44
Credit outstanding (Notes 5 and 6)	20,426	5,896	24	206
Other currencies	37,199	40,823	248	140
Total currencies (Note 5)	209,607	209,791	102	189
SDR holdings	2,133	1,852	1,188	1,188
Interest and charges receivables (Note 11)	97	76		
Investments (Note 7)	6,796	6,786		
Gold holdings (Note 8)	5,852	5,852		
Other assets (Notes 9 and 18)	714	646		
Structural Adjustment Facility loans (Note 6)	9	9		
Total assets	<u>225,208</u>	<u>225,012</u>	<u>225,208</u>	<u>225,012</u>
Liabilities (including quotas)				
Remuneration payable			28,195	13,482
Investment trades payable			189,178	203,891
Other liabilities			217,373	217,373
Accrued MDRI-I Trust grants (Note 10)			219,102	219,140
Special Contingent Account (Note 15)			5,905	5,751
Quotas, represented by (Note 5)				
Reserve tranche positions				—
Subscription payments			201	121
Total liabilities (including quotas)			225,208	225,012
Reserves of the General Resources Account				
Retained earnings of the Investment Account				
Resources of the Special Disbursement Account				
Total liabilities, reserves, and resources			<u>225,208</u>	<u>225,012</u>

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

The financial statements were approved by the Managing Director and the Director of Finance on June 30, 2009.

Isi Andrew Tweedie
Director, Finance Department

Isi Dominique Strauss-Kahn
Managing Director

General Department
Consolidated statements of comprehensive income
for the years ended April 30, 2009, and 2008

(In millions of SDRs)

	2009	2008
Operational income		
Interest and charges (Note 11)	367	512
Interest on SDR holdings	34	88
Net income from investments (Note 7)	377	329
Other charges and income (Note 11)	85	10
	<u>863</u>	<u>939</u>
Operational expenses		
Remuneration (Note 16)	175	375
Administrative expenses (Note 17)	532	681
	<u>707</u>	<u>1,056</u>
Net operational income/(loss)	<u>156</u>	<u>(117)</u>
MDRI grant assistance (Note 10)	78	103
Transfers to the Special Disbursement Account (Note 12)	—	31
Contribution from the Special Disbursement Account to the PRGF-ESF Trust (Note 12)	—	(31)
Other comprehensive income	—	—
Net comprehensive income/(loss)	<u>234</u>	<u>(14)</u>
Net comprehensive income/(loss) of the General Department comprises		
Net comprehensive loss of the General Resources Account	(218)	(443)
Net comprehensive income of the Investment Account	372	317
Net comprehensive income of the Special Disbursement Account	80	112
	<u>234</u>	<u>(14)</u>

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

General Department
Consolidated statements of changes in reserves, resources
and retained earnings for the years ended April 30, 2009, and 2008

(In millions of SDRs)

	General Resources Account			Special Disbursement Account resources	Investment Account retained earnings
	Special reserve	General reserve	Total reserves		
Balance at April 30, 2007	2,357	3,520	5,877	9	—
Net comprehensive (loss)/income	(443)	—	(443)	112	317
Transfers	317	—	317	—	(317)
Balance at April 30, 2008	<u>2,231</u>	<u>3,520</u>	<u>5,751</u>	<u>121</u>	<u>—</u>
Net comprehensive (loss)/income	(218)	—	(218)	80	372
Transfers	372	—	372	—	(372)
Balance at April 30, 2009	<u>2,385</u>	<u>3,520</u>	<u>5,905</u>	<u>201</u>	<u>—</u>

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

General Department
Consolidated statements of cash flows
for the years ended April 30, 2009, and 2008

(In millions of SDRs)

	2009	2008
Usable currencies and SDRs from operating activities		
Net comprehensive income/(loss)	234	(14)
Adjustments to reconcile net comprehensive income/(loss) to usable resources generated by operations		
Depreciation and amortization	24	22
Interest and charges	(367)	(512)
Interest on SDR holdings	(34)	(88)
Interest income from investments	(202)	(224)
Remuneration	175	375
	<u>(170)</u>	<u>(441)</u>
Changes in interest and charges receivables and other assets	(71)	195
Changes in remuneration payable and other liabilities	70	63
Changes in accrued MDRI-I Trust grants	(87)	(110)
Changes in the Special Contingent Account	—	(525)
	<u>(258)</u>	<u>(818)</u>
Usable currencies and SDRs from credit to members		
Purchases in currencies and SDRs, including reserve tranche purchases	(16,363)	(1,467)
Repurchases in currencies and SDRs	1,833	2,905
	<u>(14,788)</u>	<u>620</u>
Interest received		
Interest and charges	334	397
Interest on SDR holdings	46	101
Interest from investments	196	222
Remuneration paid	(196)	(303)
Net usable currencies and SDRs (used in)/provided by operating activities	<u>(14,408)</u>	<u>1,037</u>
Usable currencies and SDRs from investment activities		
Acquisition of fixed assets	(22)	(16)
Net acquisition of investments	(3)	(252)
Net usable currencies and SDRs used in investment activities	<u>(25)</u>	<u>(268)</u>
Usable currencies and SDRs from financing activities		
Subscription payments in SDRs and usable currencies	—	156
Changes in composition of usable currencies	3,624	412
Net usable currencies and SDRs provided by financing activities	<u>3,624</u>	<u>568</u>
Net (decrease) increase in usable currencies and SDRs	(10,809)	1,337
Usable currencies and SDRs, beginning of year	164,924	163,587
Usable currencies and SDRs, end of year	<u>154,115</u>	<u>164,924</u>

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

General Department

Notes to the consolidated financial statements for the years ended April 30, 2009, and 2008

1. Nature of operations

The International Monetary Fund (IMF) is an international organization with 185 member countries. It was established to promote international monetary cooperation and exchange stability and to maintain orderly exchange arrangements among members; to facilitate the expansion and balanced growth of international trade, and contribute thereby to the promotion and maintenance of high levels of employment; and to provide temporary financial assistance under adequate safeguards to member countries to assist in solving their balance of payments problems in a manner consistent with the provisions of the IMF's Articles of Agreement.

The IMF conducts its operations and transactions through the General Department and the Special Drawing Rights Department (the SDR Department), which are distinct entities. The General Department consists of three accounting entities: (1) the General Resources Account (GRA), (2) the Investment Account (IA), and (3) the Special Disbursement Account (SDA). The SDA includes the Multilateral Debt Relief Initiative-I Trust (MDRI-I Trust), for which the IMF is the Trustee and over which the SDA has control.

The resources of the SDR Department are held separately from the assets of all the other accounts owned, or administered by, the IMF. These resources may not be used to meet the liabilities, obligations, or losses incurred in the operations of the General Department or other accounts, except that the SDR Department reimburses the General Department for expenses incurred in conducting the business of the SDR Department. As the IMF does not have control over the SDR Department, the financial statements of the SDR Department are presented separately.

The IMF also administers and/or executes trusts and trust fund accounts established by member countries to perform financial and technical services consistent with the IMF's purposes. The resources of these trusts and trust fund accounts are contributed by members or by the IMF through the SDA. The assets of the trusts and trust fund accounts do not belong to the General Department and the IMF does not have the power to govern the financial and operating policies of the trusts it administers as Trustee, so as to derive benefits from their activities, and therefore the financial statements of these entities are presented separately.

General Resources Account

The operating activities of the IMF through which transactions with members occur are primarily conducted through the GRA. The assets and liabilities in the GRA reflect the payment of quota subscriptions, use and repayment of credit, collection of charges from borrowers, payment of interest (remuneration) on creditor positions, and other operating activities.

Investment Account

The IA holds resources transferred from the GRA (about SDR 6 billion in 2006) to broaden the IMF's income base. The investment objective of the IA is to generate returns that exceed the SDR interest rate over time while

minimizing the frequency and extent of negative returns and underperformance. Investments comprise primarily fixed-income securities. The earnings generated by the IA may be retained in the IA or transferred to the GRA to help meet the expenses of conducting the business of the IMF.

Special Disbursement Account

The SDA is the vehicle for receiving and investing profits from the sale of the IMF gold held at the time of the Second Amendment of the Articles of Agreement (1978). SDA resources can be used for various purposes, including transfers to the GRA for immediate use in operations and transactions, transfers to the IA, or to provide balance of payment assistance on special terms to developing member countries in difficult circumstances.

The SDA also holds claims related to outstanding loans extended under the Structural Adjustment Facility (SAF). Repayments of principal and interest from SAF loans are transferred from the SDA to the Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust (PRGF-ESF Trust), which is administered separately by the IMF as Trustee.

Multilateral Debt Relief Initiative

The Multilateral Debt Relief Initiative (MDRI) provides debt relief to qualifying low-income member countries (see Note 10). For this purpose, the MDRI-I and MDRI-II Trusts were established on January 5, 2006, to provide grant assistance to eligible members under the MDRI. As the IMF has control over the MDRI-I Trust, the latter's financial statements are consolidated with those of the General Department.

2. Basis of preparation and measurement

The consolidated financial statements of the General Department are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). They have been prepared under the historical cost convention, except for the revaluation of financial instruments at fair value through profit and loss. Certain comparative figures have been reclassified in Note 4 to conform with changes in the presentation for the current year.

New International Financial Reporting Standards and Interpretations

During the financial year ended April 30, 2009, the IMF has implemented *Revised IAS 1, "Presentation of Financial Statements."* Revised IAS 1 requires presentation of non-owner changes in equity (comprehensive income) either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The revision does not have a significant impact on the presentation of the consolidated financial statements.

Amended IAS 39, "Financial Instruments: Recognition and Measurement" permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss upon

initial recognition) out of the fair value through profit or loss category in particular circumstances. An entity that has reclassified a financial asset is required to disclose the amount reclassified and the reason for the reclassification under the *Amended IFRS 7, "Financial Instruments: Disclosures."* The amendments, effective from July 1, 2008, have no effect on the General Department's consolidated financial statements.

Amended IAS 32, "Financial Instruments: Presentation" requires classification as an equity instrument particular types of puttable financial instruments that represent the residual interest in the net assets of an entity even though they meet the definition of a financial liability. The amended IAS 32 will become effective for the financial year ending April 30, 2010 and is not expected to have a material impact on the General Department's consolidated financial statements.

IFRIC 14, "IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction" provides guidance on the circumstances under which refunds or reductions in contributions from a defined benefit plan should be regarded as available to an entity for the purpose of recognizing a net defined benefit asset under IAS 19. IFRIC 14, which became mandatory for the General Department's consolidated financial statements for the financial year ended April 30, 2009, does not have a material impact on its financial position, results of operations or cash flows.

Amended IFRS 7, "Financial Instruments: Disclosures" requires the disclosures of the methods and underlying assumptions applied in determining fair values of financial assets or financial liabilities. An entity must also disclose the remaining contractual maturities for financial liabilities and how it manages the related liquidity risk. The amended IFRS 7 will become effective for the financial year ended April 30, 2010, and is expected to enhance the General Department's disclosures of its financial assets and financial liabilities.

Unit of account

These consolidated financial statements are presented in Special Drawing Right (SDR), which is the IMF's functional unit of account. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket at five-year intervals and the current composition of the SDR valuation basket became effective on January 1, 2006. The currencies in the basket at April 30, 2009, and 2008 and their amounts were as follows:

Currency	Amount
Euro	0.4100
Japanese yen	18.4000
Pound sterling	0.0903
U.S. dollar	0.6320

At April 30, 2009, one SDR was equal to US\$1.49783 (US\$1.62378 at April 30, 2008).

Use of estimates and judgment

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the consolidated financial statements are described in Notes 3, 10, 17, and 18.

3. Summary of significant accounting and related policies

The accounting policies set out below comply with IFRS and have been applied consistently for all periods presented.

Basis of consolidation

The consolidated financial statements include the GRA, the IA, the SDA, and the MDRI-I Trust, an entity that the SDA controls. Control is achieved where the IMF has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All transactions and balances between these entities have been eliminated during the consolidation.

Quotas and reserve tranche positions

The IMF's resources are provided by its members through the payment of quotas, which broadly reflect each member's relative economic size. Quotas also determine each member's relative voting power, access to financing, and share in SDR allocations. The IMF conducts general reviews of all members' quotas at five-year intervals. The reviews allow the IMF to assess the adequacy of quota resources to meet its financing needs and to allow for adjustments of members' quotas to reflect their relative positions in the world economy. A quarter of a member's quota is normally paid in reserve assets, and the remainder paid in the member's own currency. Should a member withdraw from the IMF, its quota subscription is refunded to the extent it is not needed to settle the net obligations of the member to the IMF.

A member's reserve tranche is equivalent to its quota less the GRA's holdings of its currency, excluding holdings that reflect the member's use of GRA credit. Reserve tranches result from quota payments and from the use of the member's currency in the GRA's transactions or operations. A member's reserve tranche is considered a part of its international reserves and a liquid claim against the GRA.

Quota subscriptions and the reserve tranche positions are classified as liabilities as they embody an unconditional obligation to redeem the instrument upon a member's withdrawal from the IMF.

Currencies

Currencies consist of members' currencies and securities held by the GRA. Usable currencies are currencies of members with a strong balance of payments and reserves position that can be used by the GRA to finance the use of resources. Usable currencies and the GRA's SDR holdings are considered cash equivalents for financial statement presentation purposes. Other currencies are not used to finance the use of resources by members, and therefore are not considered cash equivalents for financial statement presentation purposes.

All currencies in the GRA are revalued periodically in terms of the SDR, including at each financial year end, and members are required to settle

the currency valuation adjustments promptly thereafter. The currency balances in the statements of financial position include the receivables and payables arising from the revaluation.

SDR holdings

SDRs are not allocated to the IMF, but the IMF can hold SDRs which it acquires from members in the settlement of their financial obligations to the IMF, and it can use SDRs in transactions and operations with members. The IMF earns interest on its SDR holdings at the same rate earned by other holders of SDRs.

Credit outstanding

Credit outstanding represents financing provided to members under the various IMF credit facilities. Members receive credit in the GRA by purchasing SDRs or usable currencies in exchange for their own currencies. IMF credit is repaid by members by repurchasing holdings of their currencies in exchange for SDRs or usable currencies. Depending on the type of IMF credit facility, repayment periods for GRA credit currently vary from 3¼ to 10 years.

An impairment loss would be recognized if there is objective evidence of impairment as a result of a past event that occurred after initial recognition, and is determined as the difference between the outstanding credit's carrying value and the present value of the estimated future cash flows. Such cash flows take into account the proceeds from the burden-sharing mechanism, explained below. No impairment losses have been recognized in the financial years ended April 30, 2009, and 2008.

Burden-sharing mechanism and Special Contingent Account

The IMF excludes from income interest charged on the use of IMF resources by members that are at least six months overdue in meeting any financial obligation to the IMF. The IMF fully recovers such income under the burden-sharing mechanism, through adjustments to the interest (charges) paid by debtor members and interest (remuneration) paid to creditor members. Members that participate in burden sharing for overdue charges receive refunds to the extent that the overdue charges are subsequently settled.

In view of the risk resulting from overdue obligations, the IMF accumulates balances in the first Special Contingent Account (SCA-1) by generating resources under the burden-sharing mechanism. The SCA-1 is intended to address the risks posed to the IMF by overdue financial obligations and balances in the SCA-1 would serve as the first line of defense if the IMF were to incur any loss from overdue obligations. Balances in the SCA-1 are refundable to the members that shared the cost of its financing, in proportion to their contributions, when there are no outstanding overdue repurchases and charges, or at such earlier time as the IMF may decide (See Note 15).

Investments

The IMF has designated its investments in fixed-income securities, other than fixed-term deposits, as financial assets held at fair value through profit or loss. Such designation may be made only upon initial recognition and cannot subsequently be changed. The designated assets are carried at fair value on the statements of financial position, with the change in fair

value included in the statements of comprehensive income in the period in which they arise.

Recognition

Investments are recognized on the trade date at which the IMF becomes a party to the contractual provisions of the instrument.

Derecognition

Investments are derecognized when the contractual rights to the cash flows from the asset expire, or in transactions in which substantially all the risks and rewards of ownership of the investment are transferred.

Fair value measurement

The determination of the fair value of investments, other than fixed-term deposits, is based on quoted market prices for financial instruments traded in active markets. The carrying amount of fixed-term deposits, which typically have maturities of 12 months or less, approximates the fair value.

Investment income

Investment income comprises interest income, realized gains and losses, and unrealized gains and losses, including currency valuation differences arising from exchange rate movements against the SDR.

Gold holdings

The IMF values its gold holdings at historical cost using the specific identification method. In accordance with the provisions of the Articles, whenever the IMF sells gold held on the date of the Second Amendment of the Articles, the portion of the proceeds equal to the historical cost must be placed in the GRA. Any portion of the proceeds in excess of the historical cost will be held in the SDA or transferred to the IA (see Note 8).

Other assets

Other assets include primarily fixed assets, and net assets for pension and other postretirement benefits (see Notes 9 and 18).

Tangible and intangible fixed assets with a cost in excess of a threshold amount are capitalized and depreciated or amortized over their estimated useful lives using the straight-line method. Buildings, equipment, and furniture are depreciated over 30, 3, and 7 years, respectively. Software is amortized over 3 to 5 years.

The IMF has a defined benefit Staff Retirement Plan (SRP) that covers substantially all eligible staff, a Supplemental Retirement Benefits Plan (SRBP) for selected participants of the SRP, and the Retired Staff Benefits Investment Account (RSBIA), to hold and invest resources set aside to fund the cost of the postretirement benefits. The pension plans and other postretirement assets are measured at fair value at the end of the reporting period. Pension costs and expected costs of the postretirement medical and life insurance benefits are determined using the Projected Unit Credit Method.

Borrowings

The IMF may borrow funds on terms and conditions agreed between the IMF and the lenders. Borrowings are recorded and subsequently stated at amortized cost (see Note 13).

Reserves of the General Resources Account

The IMF's reserves (retained earnings) consist of the General Reserve and the Special Reserve. The General Reserve may be used to meet capital losses or operational deficits or for distribution, and the Special Reserve can be used for the same purposes except distribution.

The IMF determines annually what part of its net income (if any) will be retained and placed in the General Reserve or the Special Reserve, and what part, if any, will be distributed. Net losses are charged against the Special Reserve under currently applicable Executive Board decisions.

Charges

The IMF earns interest, referred to as charges, on members' use of IMF credit. The basic rate of charge is set at the beginning of each financial year as the SDR interest rate plus a margin expressed in basis points that is determined by the Executive Board. The SDR interest rate is determined weekly by reference to the weighted average yields on short-term instruments in the capital markets of the Euro area, Japan, the United Kingdom, and the United States.

Credit outstanding exceeding 300 percent of quota for purchases in the credit tranches under the Stand-By Arrangements or the Extended Fund Facility is subject to a surcharge of 200 basis points. Credit outstanding in excess of 300 percent of quota for purchases in the credit tranches under the Stand-By Arrangements or the Extended Fund Facility, and outstanding for more than three years, shall be subject to an additional surcharge of 100 basis points. Special charges are levied on members' currency holdings that are not repaid when due and on overdue charges. Special charges do not apply to members that have overdue obligations of six months or more overdue. A service charge is levied by the IMF on all purchases except reserve tranche purchases. A refundable commitment fee is charged on arrangements. At the expiration or cancellation of an arrangement, the unrefunded portion of the commitment fee is recognized as current income.

Remuneration

The IMF pays interest, referred to as remuneration, on a member's reserve tranche position. A portion of the reserve tranche is unremunerated: that portion is equal to 25 percent of the member's quota on April 1, 1978 (that part of the quota that was paid in gold prior to the Second Amendment of the Articles). For a member that joined the Fund after that date, the unremunerated reserve tranche is the same percentage of its initial quota as the average unremunerated reserve tranche was as a percentage of the quotas of all other members when the new member joined the Fund.

The rate of remuneration is equal to the SDR interest rate less burden-sharing adjustments. The adjusted rate of remuneration cannot be less than 80 percent of the SDR interest rate.

Special Disbursement Account

Loans under the SAF are at concessional interest rates of ½ of 1 percent per annum. The last SAF loan disbursement was made in 1995 and currently one member (Somalia) has overdue SAF repayment obligations. Repayments of SAF loans to the SDA are transferred to the PRGF-ESF Trust when received. Allowances for loan losses would be established if and

when there is objective evidence that an impairment loss on loans has been incurred.

Provisions

Provisions are recognized when the IMF has a current legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are measured at the present value of the amounts that are expected to be paid to settle the obligations.

4. Risk management

The IMF is exposed to various types of operational and financial risks, including credit, market, liquidity, and income risks. The principal risk facing the IMF is credit risk resulting from its financing operations and unique role in the international monetary system.

Risk management framework

The Executive Board of the IMF has overall responsibility for the establishment and oversight of the IMF's risk management framework. The risk management framework encompasses primarily strategic, core mission, financial and operational risks. As part of this framework, the Advisory Committee on Risk Management has been established to analyze, synthesize and report risks. Annual assessments of risks are conducted to (i) report on the perception of residual risks, after taking account of mitigation measures in place; (ii) appraise of risks and efforts to mitigate risks in other areas of the IMF; and (iii) bring to the attention of Office of Internal Audit areas of residual risk, so that these can be taken into account in the design of annual audit plans. Financial risks are also reviewed as part of the annual comprehensive risk assessment exercise.

Credit risk

Credit outstanding

Credit risk refers to potential losses on credit outstanding owing to the inability or unwillingness of member countries to make repurchases. Credit risk is inherent since the IMF has limited ability to diversify its loan portfolio and generally provides financing when other sources are not available to a member. In addition, the IMF's credit concentration is high. The use of credit in the GRA by the largest users was as follows at April 30:

	2009		2008	
	<i>(In millions of SDRs and as a percentage of total GRA credit outstanding)</i>			
Largest user of credit	6,323	31.0%	4,180	70.9%
Three largest users of credit	14,428	70.6%	4,910	83.3%
Five largest users of credit	17,628	86.3%	5,319	90.2%

The five largest users of GRA credit at April 30, 2009, in descending order, were Hungary, Turkey, Ukraine, Pakistan, and Iceland (Turkey, the Dominican Republic, Liberia, Sudan and Ukraine at April 30, 2008).

The concentration of GRA outstanding credit by region was as follows at April 30:

	2009		2008	
	<i>(In millions of SDRs and as a percentage of total GRA credit outstanding)</i>			
Africa	654	3.2%	766	13.0%
Asia and Pacific	2,886	14.1%	267	4.5%
Europe	11,426	55.9%	196	3.3%
Latin America and Caribbean	297	1.5%	395	6.7%
Middle East and Turkey	5,163	25.3%	4,272	72.5%
Total	<u>20,426</u>	<u>100%</u>	<u>5,896</u>	<u>100%</u>

Measures to help mitigate the IMF's credit risk include policies on access limits, program design, monitoring, pre-set qualification criteria and conditionality attached to IMF financing; early repurchase policies; and preventative, precautionary, and remedial measures to cope with the financial consequences of protracted arrears.

The IMF has established limits on overall access to resources in the GRA, excluding access under newly established Flexible Credit Line (FCL) arrangements. The annual overall limit for these purposes is currently set at 200 percent of a member's quota, with a cumulative limit of 600 percent of a member's quota. Access in excess of these limits can be granted in exceptional circumstances. There is no pre-specified maximum on such access, although the IMF will assess factors such as the size of balance of payment pressures, the member's debt sustainability and its ability to regain access to financing from other sources, and the strength of policies to be adopted. Under such circumstances, disbursements tend to be front-loaded with smaller subsequent tranches.

The IMF generally provides financial assistance to a member under an economic program adopted by the member to help it overcome its balance of payments difficulties. IMF assistance may be disbursed in tranches or the entire amount could be made available upfront. With the exception of the FCL, which provides qualified members access to IMF resources with no prior conditions, IMF financial assistance is subject to conditionality in the form of performance criteria and periodic reviews. Safeguards assessments of member central banks are normally undertaken to provide the IMF with reasonable assurance that each central bank's legal structure, controls, and accounting, reporting, and auditing systems are adequate to ensure the integrity of its operations and help ensure that IMF resources are used for intended purposes. Misreporting by member countries may entail early repurchases for noncomplying purchases.

The IMF maintains precautionary balances consisting of its reserves and the SCA-1 that would be used to cover losses from possible overdue repurchase obligations. At April 30, 2009, precautionary balances amounted to SDR 7.1 billion, compared to SDR 6.9 billion at April 30, 2008. In addition, the burden-sharing mechanism generates resources to offset the loss of income due to unpaid charges and thereby helps protect the IMF's overall income and financial position.

The maximum credit risk exposure is the carrying value of the Fund's credit outstanding and undrawn commitments (see notes 6 and 14).

Investments

Credit risk on investments represents the potential loss that the IMF may incur if obligors and counterparties default on their contractual obligations. This risk is managed through the conservative range of eligible

investments, which at present is limited to (i) domestic government bonds of countries in the Euro area, Japan, the United Kingdom, and the United States, that is, members whose currencies are included in the SDR basket; (ii) bonds of international financial organizations; and (iii) claims on the Bank for International Settlements (BIS). Credit risk is further minimized by restricting eligible investments to financial instruments rated A or higher by a major credit rating agency. Compliance controls are enforced to ensure that the investment portfolio does not include a security whose rating is below the minimum rating required.

The credit risk exposure in the investments portfolio at April 30 was as follows:

	2009		2008	
	Rating	Percentage	Rating	Percentage
Government Bonds				
France	AAA	0.7%	AAA	1.3%
Germany	AAA	13.2%	AAA	17.5%
Japan	AA	6.0%	AA	5.4%
Spain	AA+	0.1%	—	—
United Kingdom	AAA	2.4%	AAA	3.1%
United States	AAA	14.6%	AAA	14.2%
Non-Government Bonds				
Bank for International Settlements	Not rated	47.9%	Not rated	46.5%
Other International Financial Institutions	AAA	10.8%	AAA	7.6%
Fixed-term Deposits and Other Bank for International Settlements	Not rated	4.3%	Not rated	4.4%
		<u>100%</u>		<u>100%</u>

The General Department previously engaged its custodian in a securities lending program, in which marketable securities were lent temporarily to other institutions in exchange for a fee and collateral, to enhance the return on its investments. This program was suspended during the financial year ended April 30, 2009.

Market risk

Interest rate risk

Credit outstanding

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Interest rate risk is managed through the use of a floating market interest rate (the SDR interest rate) to determine the rate of charge. The effect of interest rate fluctuations on lending income is minimized because the IMF links the rate of charge directly, by means of a fixed margin, to the cost of financing (which is equal to the SDR interest rate).

Investments

The investment portfolio is exposed to interest rate movements. The interest rate risk is mitigated by limiting the duration of the portfolio to a weighted average of 1–3 years.

A 50 basis point increase in the average effective yields of the IMF portfolio at April 30, 2009, would result in a loss of SDR 59.1 million or approximately 0.89 percent of the portfolio (SDR 56.3 million or 0.85 percent at

April 30, 2008), whereas a 50 basis point decrease would result in a gain of SDR 60.0 million or approximately 0.91 percent of the portfolio (SDR 57.1 million or 0.87 percent at April 30, 2008).

Borrowing

Interest rate risk is limited since all drawings under existing borrowing agreements would normally be subject to the SDR interest rate. The proceeds from the borrowing are used to extend credit to member countries, at the rate of charge, or to repay borrowing under borrowing agreements. Under certain circumstances, higher interest rates can apply, in some cases requiring the agreement of the IMF.

Exchange rate risk

Financial assets and liabilities other than investments

Exchange rate risk is the exposure to the effects of fluctuations in foreign currency exchange rates on an entity's financial position and cash flows. The IMF has no exchange rate risk exposure on its holdings of members' currencies in the GRA since, under the Articles of Agreement, members are required to maintain the value of such holdings in terms of the SDR. Any depreciation/appreciation in a member's currency vis-à-vis the SDR gives rise to a currency valuation adjustment receivable or payable that must be settled promptly after the end of the financial year or at other times as requested by the IMF or the member. The IMF has other assets and liabilities, such as accounts receivables and payables, denominated in currencies other than SDRs and makes administrative payments largely in U.S. dollars, but the exchange rate risk exposure from these other assets and liabilities is limited.

Investments

In accordance with current guidelines, exchange rate risk on investments is managed by investing in financial instruments denominated in SDRs or in constituent currencies of the SDR with the relative amount of each currency matching its weight in the SDR basket. In addition, the portfolio is regularly rebalanced to match the currency weights in the SDR basket.

The value of the SDR is the sum of the market values, in U.S. dollar equivalents, of the predetermined amounts of the four currencies in the SDR valuation basket. The effective share of each currency in the valuation of the SDR fluctuates daily and depends on the prevailing exchange rate in the London market at noon against the U.S. dollar on that day. Since the proportionate share of a currency in the SDR valuation basket is determined by reference to the market value against the U.S. dollar, the exchange risk can be measured indirectly using the exchange rate movements between that basket currency and the U.S. dollar. The net effect on the investment portfolio of a 10 percent increase in the market exchange rates of the basket currencies against the U.S. dollar, at April 30, would be as follows:

	2009		2008	
	Net Loss		Net Gain	
	In millions of SDRs	As a percent of investments not denominated in SDRs	In millions of SDRs	As a percent of investments not denominated in SDRs
Euro	(5.56)	0.09%	0.12	<0.01%
Japanese Yen	(3.14)	0.05%	1.49	0.02%
Pound Sterling	(3.51)	0.06%	0.76	0.01%

The net effect of a 10 percent decrease in the market exchange rate of the basket currencies against the U.S. dollar, at April 30, would be as follows:

	2009		2008	
	Net Loss		Net Gain	
	In millions of SDRs	As a percent of investments not denominated in SDRs	In millions of SDRs	As a percent of investments not denominated in SDRs
Euro	(1.29)	0.02%	1.85	0.03%
Japanese Yen	(3.81)	0.06%	0.50	0.01%
Pound Sterling	(3.51)	0.06%	1.15	0.02%

Borrowing

The IMF has no exchange rate exposure on its borrowing arrangements since all drawings are denominated in SDRs.

Liquidity risk

Use of IMF resources

Liquidity risk is the risk to the IMF of nonavailability of resources to meet the financing needs of members and its own obligations. The IMF must have usable resources available to meet members' demand for IMF financing. While the IMF's resources are of a revolving nature, uncertainties in the timing and amount of credit extended to members during financial crises expose the IMF to liquidity risk. Moreover, the IMF must also stand ready to meet potential demands from members drawing upon their reserve tranche positions, which have no fixed maturity and are part of members' reserves.

The IMF manages its liquidity risk not by matching the maturity of assets and liabilities, but by closely scrutinizing developments in its liquidity position. Long-term liquidity needs are addressed by reviewing the adequacy of quota-based resources. General reviews of members' quotas are conducted at intervals of no more than five years in order to evaluate the adequacy of quota-based resources to meet members' demand for IMF financing. The last general review was completed in January 2008.

Short-term liquidity needs for lending activities are reviewed and approved by the Executive Board on a quarterly basis through a financial transactions plan (FTP) for SDR amounts and member currencies to be used in transactions with members. The IMF also monitors its short-term liquidity position using objective criteria such as the forward-commitment capacity for the next 12-month period. (Schedule 2 provides the GRA's available resources and liquidity position).

The IMF can also borrow to temporarily supplement its quota resources. The Executive Board has established guidelines on borrowing by the IMF to ensure that the financing of the IMF is managed in a prudent and systematic manner. The IMF currently maintains two standing borrowing arrangements—the New Arrangements to Borrow (NAB) and the General Arrangements to Borrow (GAB)—with a total borrowing capacity of SDR 34 billion.

In early 2009, the Executive Board reviewed the adequacy of the IMF's resources to meet members' demand for balance of payment support during the current global financial crisis. The Executive Board agreed on the need to boost the IMF's lending capacity as part of the near-term response to the crisis. While quota subscriptions are and should remain the basic source of IMF financing, Directors agreed that IMF borrowing from the official sector provided the most appropriate avenue to supplement resources in the short-run. At its April 2009 summit, the G-20 committed

to a tripling of the resources available to the IMF to US\$750 billion. The International Monetary and Financial Committee reaffirmed these measures and agreed to complete the next review of quotas by January 2011. The Committee also endorsed an increase in the IMF's resources through bilateral financing from members of US\$250 billion. The borrowings would subsequently be incorporated into an expanded NAB, which would be increased by up to US\$500 billion. The IMF has entered into loan agreements with the Government of Japan (for US\$100 billion), the Norges Bank (SDR 3 billion) and the Government of Canada (US\$10 billion, see Notes 13 and 20). The commitment for financing by other members would be fulfilled upon the completion of domestic and legislative actions.

Investments

Liquidity risk on investments is limited by investing a portion of the portfolios in readily marketable short- and medium-term financial instruments to meet anticipated liquidity needs.

Income risk

The IMF has been relying principally on income from charges levied on outstanding credit to meet its operating costs. At the same time, the level of IMF lending fluctuates significantly. In May 2006, the IMF's Managing Director appointed a committee of well-known experts to study sustainable financing options for the IMF. The committee recommended that the IMF broaden its income sources to more closely align with the IMF's diverse activities.

Based on the recommendations of the committee, the Executive Board proposed new and sustainable income and expenditure frameworks to close the projected income shortfall. Key elements of the new income model include establishing an endowment using the profits from the limited sale of 12.97 million ounces of gold holdings, expanding the investment authority to enhance the expected return on the IMF's investments, and reinstating the practice of reimbursing the IMF for the cost of administering the PRGF-ESF Trust. The expenditure framework proposal includes significant expenditure cuts over the medium term. In May 2008, the IMF's Board of Governors endorsed these proposals and adopted the related resolution on the amendment of the Articles of Agreement. The implementation of the income proposal will require legislative action in many member countries. The amendment will enter into effect after three-fifths of the members having 85 percent of the total voting power have accepted it. As of April 30, 2009, 17 members with 21 percent of the total voting power have consented to the proposed amendment.

Operational risk

Operational risk includes risk of loss attributable to errors or omissions because of failures in executing or processing transactions, inadequate controls, human factors, and/or failures in underlying support systems.

The IMF mitigates operational risk by (i) identifying key operational risks, (ii) maintaining a system of internal controls, (iii) documenting policies and procedures on administrative and accounting and reporting processes, and (iv) conducting internal audits to provide independent reviews of the effectiveness of the control processes and risk management. The design and effectiveness of controls are evaluated continuously and improvements are implemented on a timely basis. The results of the internal audits are reported by the Office of Internal Audit and Inspection both to the Managing Director and the External Audit Committee (EAC), which also exercises oversight over the external audit of the IMF's accounts and its controls.

5. Currencies

Net changes in the IMF's holdings of members' currencies for the financial years ended April 30, 2009, and 2008 were as follows:

	April 30, 2007	Net change	April 30, 2008	Net change	April 30, 2009
<i>(In millions of SDRs)</i>					
Members' quotas	216,748	625	217,373	—	217,373
Members' outstanding use of IMF credit in the GRA	7,333	(1,437)	5,896	14,530	20,426
Members' reserve tranche positions in the GRA	(14,996)	1,514	(13,482)	(14,713)	(28,195)
Administrative currency balances	5	(1)	4	(1)	3
Total currencies	<u>209,090</u>	<u>701</u>	<u>209,791</u>	<u>(184)</u>	<u>209,607</u>

Receivables and payables arising from valuation adjustments at April 30, 2009, when all holdings of currencies of members were last revalued, amounted to SDR 16,359 million and SDR 6,990 million, respectively (SDR 7,127 million and SDR 7,091 million, respectively, at April 30, 2008). Settlements of these receivables and or payables are required to be made by or to members promptly after the end of each financial year.

6. Credit and loans outstanding

Credit outstanding in the GRA and SAF loans in the SDA are carried at amortized cost.

Changes in the outstanding use of IMF credit under the various facilities of the GRA were as follows:

	April 30, 2007	Pur- chases	Repur- chases	April 30, 2008	Pur- chases	Repur- chases	April 30, 2009
<i>(In millions of SDRs)</i>							
Credit tranches	6,205	1,122	(2,342)	4,985	16,361	(1,601)	19,745
Extended Fund Facility	717	346	(387)	676	2	(210)	468
Enlarged access	262	—	(95)	167	—	(7)	160
Compensatory and Contingency Financing Facility	79	—	(40)	39	—	(5)	34
Supplementary Financing Facility	70	—	(41)	29	—	(10)	19
Total credit outstanding	<u>7,333</u>	<u>1,468</u>	<u>(2,905)</u>	<u>5,896</u>	<u>16,363</u>	<u>(1,833)</u>	<u>20,426</u>

Scheduled repurchases in the GRA and repayment 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>		
2010	266	—
2011	1,914	—
2012	3,267	—
2013	8,457	—
2014	5,989	—
2015 and beyond	233	—
Overdue	300	9
Total	<u>20,426</u>	<u>9</u>

Overdue obligations

During the financial year ended April 30, 2008, Liberia settled all of its overdue obligations to the General Department, including GRA credit outstanding and overdue charges of SDR 200 million and SDR 282 million, respectively. Settlement of the overdue charges generated burden-sharing refunds to members for amounts totaling SDR 230 million that were previously collected through burden-sharing adjustments to the rate of charge and remuneration (see Notes 11 and 16).

At April 30, 2009 and 2008, two members were six months or more overdue in settling their financial obligations to the General Department as follows:

	GRA Repurchases and SAF loans		GRA Charges and SAF interest	
	2009	2008	2009	2008
<i>(In millions of SDRs)</i>				
Total overdue	309	338	826	815
Overdue for six months or more	309	338	821	806
Overdue for three years or more	309	338	776	760

The type and duration of the overdue amounts in the General Department were as follows at April 30, 2009:

	GRA Repurchases and SAF loans	GRA Charges and SAF interest	Total obligation	Longest overdue obligation
<i>(In millions of SDRs)</i>				
Somalia	106	115	221	July 1987
Sudan	203	711	914	July 1985
Total	<u>309</u>	<u>826</u>	<u>1,135</u>	

7. Investments

Investments are held in the Investment Account (SDR 6,498 million and SDR 6,482 million at April 30, 2009, and 2008, respectively) and the MDRI-I Trust (SDR 298 million and SDR 304 million at April 30, 2009, and 2008, respectively) and are managed by external investment managers. These investments comprise fixed-term deposits, short-term investments and fixed-income securities, none of which include asset-backed securities. Fixed income securities include domestic government bonds of the Euro area, Japan, the United Kingdom and the United States, and medium-term instruments issued by the Bank for International Settlements. The fair value of the short-term investments and fixed-income securities is based on the quoted market prices or dealer quotes on the last business day of the financial year.

At April 30, investments consisted of the following:

	2009	2008
<i>(In millions of SDRs)</i>		
Short-term investments	254	73
Fixed-term deposits	84	284
Fixed-income securities	6,458	6,429
Total investments	<u>6,796</u>	<u>6,786</u>

The maturities of the investments were as follows:

Investments maturing in financial year ending April 30

	<i>(In millions of SDRs)</i>
2010	926
2011	3,225
2012	2,434
2013	157
2014 and beyond	54
Total	<u>6,796</u>

Investment income

Investment income amounted to SDR 372 million for the Investment Account and SDR 5 million for the MDRI-I Trust for the financial year ended April 30, 2009 (SDR 317 million and SDR 12 million, respectively, for the financial year ended April 30, 2008).

Investment income comprised the following for the financial years ended April 30:

	2009	2008
<i>(In millions of SDRs)</i>		
Interest income	202	224
Realized gains	130	35
Realized losses	(23)	(5)
Unrealized gains	173	171
Unrealized losses	(105)	(96)
Total	<u>377</u>	<u>329</u>

8. Gold holdings

The IMF acquired the majority of its gold holdings from quota subscriptions and financial transactions prior to the Second Amendment of the Articles of Agreement (April 1, 1978). The IMF also acquired gold through the settlement of obligations by members in 1992 and 1999/2000. The Articles of Agreement limit the use of gold in the IMF's operations and transactions. Any transactions in gold provided for in the Articles require a decision adopted by an 85 percent majority of the total voting power. Under the Articles, the IMF may sell gold outright on the basis of prevailing market prices but cannot engage in any other gold transactions, such as loans, leases, swaps, or the use of gold as collateral. In addition, the IMF does not have the authority to buy gold, but it may accept payments from a member in gold instead of SDRs or currencies in any operation or transaction at the prevailing market prices.

At April 30, 2009, and 2008, the IMF held 3,217,341 kilograms of gold, equal to 103.4 million fine ounces of gold, at designated depositories. Gold holdings were valued at a historical cost of SDR 5,852 million at April 30, 2009, and 2008.

	Ounces	Cost	
		Per ounce	Total
<i>(In millions of SDRs)</i>			
	<i>(In millions)</i>	<i>(In SDRs)</i>	<i>(In millions of SDRs)</i>
Gold acquired from quota subscriptions	90.474	35	3,167
Gold acquired from Cambodia in 1992	.021	241	5
Gold acquired through off-market transactions in 1999	12.944	207	2,680
Total	<u>103.439</u>		<u>5,852</u>

At April 30, 2009, the market value of the IMF's holdings of gold was SDR 61.0 billion (SDR 55.5 billion at April 30, 2008).

9. Other assets—fixed assets

Other assets include fixed assets, which at April 30, 2009, and 2008 amounted to SDR 294 million and SDR 296 million, respectively, and consisted of land, buildings and equipment, furniture, and software.

	Land	Buildings	Other	Total
	<i>(In millions of SDRs)</i>			
Cost				
Beginning of year	96	298	98	492
Additions	—	4	18	22
Disposals	—	—	—	—
End of year	96	302	116	514
Accumulated depreciation and amortization				
Beginning of year	—	142	54	196
Additions	—	10	14	24
Disposals	—	—	—	—
End of year	—	152	68	220
Net book value at April 30, 2009	96	150	48	294
Net book value at April 30, 2008	96	156	44	296

10. HIPC Initiative and Multilateral Debt Relief Initiative

Under the MDRI, effective January 5, 2006, debt relief is provided to qualifying Heavily Indebted Poor Countries (HIPCs) and non-HIPCs with annual per capita income of US\$380 or less, and to qualifying HIPCs with an annual per capita income of more than US\$380. Grant assistance from the MDRI Trusts (together with assistance under the HIPC Initiative) provides debt relief to cover the debt owed to the IMF at December 31, 2004, that remains outstanding at the time the member qualifies for such relief. For the financial years ended April 30, 2009, and 2008, the MDRI-I Trust disbursed SDR 9 million and SDR 7 million in grant assistance, respectively, allowing for early repayment of outstanding loans in the PRGF-ESF Trust.

Since the debt owed to the IMF at December 31, 2004, decreases over time, the actual amount of debt eligible for MDRI assistance for the remaining qualifying HIPCs depends on the timing of their completion points. The IMF periodically reviews the qualification of members for HIPC and MDRI debt relief as these members make progress toward reaching the completion point under the HIPC Initiative.

MDRI grant assistance to the remaining eligible members is subject to the availability of resources and is accrued when it is probable that a liability has been incurred and the amount of such grant assistance needed can be reasonably estimated. The liability recorded in the MDRI-I Trust amounted to SDR 102 million and SDR 189 million at April 30, 2009, and 2008, respectively, and is based on the evaluation of available facts at the end of the reporting period with respect to each individual eligible member. It includes factors such as progress made toward reaching the completion point under the HIPC Initiative and the capacity to meet the macroeconomic performance and other objective criteria after reaching the completion point. As the

qualification of members for MDRI debt relief is assessed, the amounts recorded are reviewed periodically and adjusted to reflect additional information that becomes available. During the financial years ended April 30, 2009 and 2008, the estimate for MDRI grant assistance to be provided by the MDRI-I Trust was reduced by SDR 80 million and 108 million, respectively, to reflect the delay by the remaining eligible members in reaching the completion point.

The reconciliation of accrued MDRI grant assistance for the MDRI-I Trust for the years ended April 30, is as follows:

	2009	2008
	<i>(In millions of SDRs)</i>	
Beginning of year	189	299
Additions	2	5
Amounts utilized	(9)	(7)
Reversals	(80)	(108)
End of year	102	189

11. Interest and charges

At April 30, 2009, the credit outstanding on which the IMF levies charges amounted to SDR 20,426 million (SDR 5,896 million at April 30, 2008). For the financial years ended April 30, 2009, and 2008, the basic rate of charge was set at a fixed margin of 100 basis points above the SDR interest rate. The average rate of charge (adjusted for burden sharing) before applicable surcharges for the financial year ended April 30, 2009, was 2.84 percent (4.90 percent for the financial year ended April 30, 2008).

Interest and charges receivables at April 30 were as follows:

	2009	2008
	<i>(In millions of SDRs)</i>	
Periodic charges	920	878
Amount paid through burden-sharing	(692)	(683)
Unpaid charges	(134)	(134)
	94	61
Interest receivable	3	15
Total interest and charges receivables	97	76

Interest and periodic charges consisted of the following for the years ended April 30:

	2009	2008
	<i>(In millions of SDRs)</i>	
Interest and periodic charges	363	615
Burden-sharing adjustments	4	12
Burden-sharing refunds	—	(115)
Total interest and charges	367	512

Interest earned on SAF loans for the financial years ended April 30, 2009, and 2008 amounted to less than SDR 0.05 million each year.

Service charges and commitment fees on canceled or expired arrangements amounted to SDR 85 million and SDR 10 million for the years ended April 30, 2009, and 2008, respectively, and are included in other charges and income.

12. Special Disbursement Account

Contributions to Administered Accounts

Assets in the SDA can be used for special purposes authorized in the Articles of Agreement, including providing financial assistance on special terms to developing member countries.

Proceeds from the repayment of SAF loans and Trust Fund loans and excess resources from the Supplementary Financing Facility Subsidy Account are transferred from the SDA to the Reserve Account of the PRGF-ESF Trust as contributions. During the financial year ended April 30, 2009, SDR 0.02 million in Trust Fund loan repayments (SDR 31 million for the financial year ended April 30, 2008) were contributed to the PRGF-ESF Trust.

Trust Fund

The IMF is the Trustee of the Trust Fund, which was established in 1976 to provide balance of payments assistance on concessional terms to eligible members that qualified for such assistance. The Trust Fund is in liquidation following its termination in 1981. Since that date, the activities of the Trust Fund have been confined to the conclusion of its affairs. Liberia repaid SDR 31 million in overdue Trust Fund loans during the year ended April 30, 2008. The Trust Fund has no assets other than loans and interest receivable from Somalia and Sudan amounting to SDR 88 million at April 30, 2009 and 2008, respectively. All interest income is deferred. Proceeds from the repayment of these loans are transferred to the SDA for onward transfer to the Reserve Account of the PRGF-ESF Trust.

13. Borrowings

Under the GAB and an associated agreement with Saudi Arabia, the IMF may borrow up to SDR 18.5 billion when supplementary resources are needed, in particular, to forestall or to cope with an impairment of the international monetary system. The GAB became effective on October 24, 1962, and has been renewed through December 26, 2013. Interest on borrowings under the GAB is set at the SDR interest rate.

Under the NAB, the IMF may borrow up to SDR 34 billion in supplementary resources. The NAB is the facility of first and principal recourse, but it does not replace the GAB, which remains in force. Outstanding drawings and commitments under these two borrowing arrangements are limited to a combined total of SDR 34 billion. The NAB became effective on November 17, 1998, and has been renewed through November 17, 2013. Interest on borrowings under the NAB is payable to the participants at the SDR interest rate or any such higher rate as may be agreed between the IMF and participants representing 80 percent of the total credit arrangements. There were no outstanding borrowings under the GAB or the NAB at April 30, 2009, and 2008.

To temporarily supplement its financial resources, the IMF entered into a loan agreement with the Government of Japan in February 2009. The agreement became effective on May 1, 2009, has an initial term of one year, and can be extended for up to five years. The IMF may borrow up to \$100 billion (equivalent to SDR 67 billion), and drawings under the agreement are to be denominated in SDR and will carry interest at the SDR interest rate. Outstanding drawings are repayable in three months but the maturity can be unilaterally extended by the IMF for additional three-month periods for a total maturity period of up to five years.

There were no outstanding borrowings at April 30, 2009.

14. Arrangements

An arrangement is a decision of the IMF that gives a member the assurance that the IMF stands ready to provide SDRs or usable currencies during a specified period and up to a specified amount, in accordance with the agreed terms. At April 30, 2009, the undrawn balances under the 16 arrangements that were in effect in the GRA amounted to SDR 51,775 million (SDR 3,086 million under nine arrangements at April 30, 2008). See Schedule 3. In May 2009, the IMF approved one-year arrangements for Poland (for SDR 13,690 million) and Colombia (SDR 6,966 million) under the Flexible Credit Line.

15. 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 reduced to offset the effect on the IMF's income of the nonpayment of charges and also to finance additions to the SCA-1. Since November 1, 2006, the accumulation of further balances in the SCA-1 has been suspended.

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 692 million at April 30, 2009 (SDR 683 million at April 30, 2008). 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 1,320 million at April 30, 2009, and 2008.

Balances in the SCA-1 are to be distributed to the members that contributed towards the SCA-1 when there are no longer any outstanding overdue repurchases and charges, or at such earlier time as the IMF may decide. Amounts collected from members for the SCA-1 are akin to refundable cash deposits and are recorded as collections of cash and as a liability to those who paid them. Losses arising from overdue obligations, if realized, would be shared by members in proportion to their cumulative contributions to the SCA-1. No additions have been made to the SCA-1 during the financial year ended April 30, 2009, and 2008. There were no distributions to contributing members during the financial year ended April 30, 2009 (a partial distribution of SDR 525 million was made to contributing members during the financial year ended April 30, 2008).

16. Remuneration

At April 30, 2009, total creditor positions on which the IMF paid remuneration amounted to SDR 21,301 million (SDR 6,598 million at April 30, 2008). The average rate of remuneration (adjusted for burden-sharing) for the financial year ended April 30, 2009, was 1.74 percent (3.47 percent for the financial year ended April 30, 2008). Remuneration consisted of the following for the years ended April 30:

	2009	2008
	<i>(In millions of SDRs)</i>	
Remuneration	179	271
Burden-sharing adjustments	(4)	(12)
Burden-sharing refunds	—	116
	<u>175</u>	<u>375</u>

17. Administrative expenses

Administrative expenses, the majority of which were incurred in U.S. dollars, were as follows for the years ended April 30:

	2009	2008
	<i>(In millions of SDRs)</i>	
Personnel	341	351
Pension and other long-term employee benefits	46	117
Travel	52	62
Other	86	83
Restructuring	7	68
Total administrative expenses, net of reimbursements	<u>532</u>	<u>681</u>

During the financial year ended April 30, 2008, the IMF embarked on an institutional restructuring plan that involved voluntary staff separations. At April 30, 2008, a provision of SDR 68 million was made for expected severance and other termination benefits for separating staff, as well as outplacement and other direct costs.

During the year ended April 30, 2009, costs related to separating staff amounting to SDR 20 million were charged against the provision. The provision for restructuring cost was increased by SDR 7 million to reflect the effects of changes in the SDR/U.S. dollar exchange rate, and the latest estimate on benefit payments and outplacement costs.

The reconciliation of the provision was as follows for the years ended April 30:

	2009	2008
	<i>(In millions of SDRs)</i>	
Beginning of year	68	—
Additions	7	68
Amounts utilized	(20)	—
End of year	<u>55</u>	<u>68</u>

18. Pension and other postretirement 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 gross remuneration, and the IMF contributes the remainder of the cost of funding the Plans. In addition, the IMF provides other employment and postretirement benefits, including medical, life insurance, and other long-term benefits. In 1995, the IMF established a separate account, the Retired Staff Benefits Investment Account (RSBIA), to hold and invest resources set aside to fund the cost of postretirement benefits.

The defined benefit obligations are valued annually by independent actuaries using the Projected Unit Credit Method. The actuarial valuations carried out at April 30, 2009, include the amortization of prior service costs (SDR 3 million) and the effect of an amendment to the Medical Benefits Plans, effective September 1, 2008. This amendment resulted in the recognition of an additional SDR 32 million of prior service cost during the financial year ended April 30, 2009, for benefits that are vested immediately. The actuarial valuation at April 30, 2008, included the effect amounting to SDR 33 million of an amendment to the SRP to provide an additional option for eligible staff to receive pension benefits at the early retirement age of 50. In addition, the staff benefits and postretirement

benefits for the financial year ended April 30, 2008, included a curtailment charge of SDR 7 million and accelerated service cost of SDR 21 million as a result of institutional restructuring.

The amounts recognized in the statements of financial position for the SRP, the SRBP and other employee benefits for the financial years ended April 30 are determined as follows:

	2009				2008
	SRP	SRBP	Other	Total	Total
	<i>(In millions of SDRs)</i>				
Fair value of plan assets	3,420	11	408	3,839	4,940
Present value of the defined benefit obligation	(3,153)	(410)	(805)	(4,368)	(4,000)
Unrecognized actuarial losses/(gains)	709	42	105	856	(652)
Unrecognized prior service cost	—	—	24	24	16
Net balance sheets asset/(liability)	<u>976</u>	<u>(357)</u>	<u>(268)</u>	<u>351</u>	<u>304</u>

The IMF expects to contribute SDR 129 million to its defined benefit pension plans during the financial year ending April 30, 2010.

The reconciliation of the defined benefit obligation for the financial years ended April 30 is as follows:

	2009				2008
	SRP	SRBP	Other	Total	Total
	<i>(In millions of SDRs)</i>				
Defined benefit obligation at beginning of year	3,019	379	602	4,000	4,201
Current service cost	64	29	42	135	177
Interest cost	197	26	40	263	254
Staff contributions	25	1	—	26	26
Benefits paid	(106)	(11)	(46)	(163)	(146)
Prior service cost (plan amendment)	—	—	41	41	44
Curtailment and accelerated service cost (restructuring)	—	—	—	—	28
Actuarial (gains)/losses	(318)	(50)	70	(298)	(303)
Exchange differences	272	36	56	364	(281)
Defined benefit obligation at end of year	<u>3,153</u>	<u>410</u>	<u>805</u>	<u>4,368</u>	<u>4,000</u>

The amounts recognized in the statements of comprehensive income for the financial years ended April 30 are as follows:

	2009				2008
	SRP	SRBP	Other	Total	Total
	<i>(In millions of SDRs)</i>				
Current service cost	64	29	42	135	177
Interest cost	197	26	40	263	254
Expected return on assets	(329)	(1)	(39)	(369)	(370)
Amortization of actuarial (gains)/losses	(10)	2	(10)	(18)	(5)
Prior service cost (plan amendment)	—	—	35	35	33
Curtailment and accelerated service cost (restructuring)	—	—	—	—	28
Total (income)/expense recognized in the statement of comprehensive income	<u>(78)</u>	<u>56</u>	<u>68</u>	<u>46</u>	<u>117</u>
Actual return on assets				(1,412)	349

The pension and other postretirement benefits expenses recognized in the statement of comprehensive income include the amortization, over the estimated average remaining service lives of IMF staff, of actuarial gains and losses in excess of a corridor that is the larger of 10 percent of either the defined benefit obligation or the fair value of assets at the beginning of the financial year.

The reconciliation of changes in fair value of assets for the financial years ended April 30 is as follows:

	2009				2008 Total
	SRP	SRBP	Other	Total	
	<i>(In millions of SDRs)</i>				
Fair value of assets at the beginning of year	4,409	13	518	4,940	4,928
Expected return on assets	329	1	39	369	370
Losses on assets	(1,602)	(1)	(179)	(1,782)	(21)
Employer contributions	47	7	39	93	96
Staff contributions	25	1	—	26	26
Benefits paid	(106)	(11)	(46)	(163)	(146)
Exchange differences	318	1	37	356	(313)
Actual fair value of assets at end of year	<u>3,420</u>	<u>11</u>	<u>408</u>	<u>3,839</u>	<u>4,940</u>

The funded status and the experience adjustments for the current and previous four financial years are as follows:

	2009	2008	2007	2006	2005
	<i>(In millions of SDRs)</i>				
Defined benefit obligation	(4,368)	(4,000)	(4,201)	(3,834)	(3,720)
Plan assets	<u>3,839</u>	<u>4,940</u>	<u>4,928</u>	<u>4,468</u>	<u>3,504</u>
(Deficit)/surplus in the Plans	<u>(529)</u>	<u>940</u>	<u>727</u>	<u>634</u>	<u>(216)</u>
Experience adjustments on:					
Plan liabilities	299	(303)	(195)	312	(45)
Plan assets	(1,782)	(20)	287	593	136
Exchange rates	(9)	(33)	(19)	(17)	25

The major categories of plan assets as a percentage of the total value of plan assets at April 30 were as follows:

	2009	2008
	<i>(In percentage)</i>	
Cash	5.2	6.1
Fixed income	18.9	15.4
Equity	44.8	49.6
Real estate	3.0	3.8
Private equity and other	<u>28.1</u>	<u>25.1</u>
	<u>100.0</u>	<u>100.0</u>

The principal actuarial assumptions used in the actuarial valuations for the financial years ended April 30 were as follows:

	2009	2008
	<i>(In percentage)</i>	
Discount rate	7.25	6.50
Expected return on plan assets	7.50	7.50
Future salary increases	6.40–10.8	6.40–10.8
Health-care trend rate	5.00–11.75	4.00–8.50

The expected return on plan assets is set by reference to historical returns on each of the main asset classes, current market indicators such as long-term bond yields, and the expected long-term strategic asset allocation of each plan.

The effects of the assumed health care costs growth rates on the defined benefit plans are as follows:

	Increase of 1 percentage point	Decrease of 1 percentage point
	<i>(In millions of SDRs)</i>	
Effect on the aggregate of the service cost and interest cost	11	(9)
Effect on defined benefit obligation	123	(98)

19. Related party transactions

The General Department conducts its transactions with the SDR Department on the same terms and conditions applicable to participants in the SDR Department. The expenses of conducting the SDR Department, the SRP, the RSBA, and other accounts administered by the IMF as Trustee are borne by the GRA. Effective in FY 2009, administrative expenses of the SRP and RSBA are reimbursed to the GRA. In addition, reimbursements are made by the SDR Department and some, but not all, of the administered accounts.

The following summarizes the inter-entity balances at April 30, 2009, and 2008, and the related party transactions for the financial years then ended:

	2009	2008
	<i>(In millions of SDRs)</i>	
SDR Department Administrative expenses (reimbursed)	2	2
PRGF-ESF Trust Cumulative SDA transfers to the:		
Reserve Account	2,893	2,893
Subsidy Accounts	870	870
Administrative expenses (reimbursements forgone)	41	43
PRGF-HIPC Trust Cumulative transfers from the SDA	1,239	1,239
SRP and RSBA Administrative expenses (reimbursed)	2	—

20. Subsequent Events

In May 2009, the IMF entered into a loan agreement with Norges Bank to borrow up to SDR 3 billion for a period of one year. Outstanding borrowings, denominated in SDRs and with interest payable at the SDR interest rate, are repayable in three months but may be renewed at the IMF's option for a period of up to 5 years. In June 2009, the IMF also entered into a loan agreement with similar terms for US \$10 billion for a period of two years with the Government of Canada.

On June 29, 2009, the Republic of Kosovo became a member of the IMF.

Schedule 1

General Department
Quotas, IMF's holdings of currencies, reserve tranche positions,
and outstanding credit and loans
as at April 30, 2009

(In millions 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-ESF Trust ⁴ (C)	=	Total ⁵ (D)
		Total	Percent of quota		Amount (A)	Percent ² +				
Afghanistan, Islamic Republic of	161.9	161.9	100.0	—	—	—	—	69.7	—	69.7
Albania	48.7	53.9	110.6	3.4	8.5	0.04	—	42.6	—	51.2
Algeria	1,254.7	1,169.6	93.2	85.1	—	—	—	—	—	—
Angola	286.3	286.4	100.1	—	—	—	—	—	—	—
Antigua and Barbuda	13.5	13.5	100.0	0.0 ⁶	—	—	—	—	—	—
Argentina	2,117.1	2,116.9	100.0	0.2	—	—	—	—	—	—
Armenia	92.0	253.6	275.6	—	161.6	0.79	—	82.4	—	244.0
Australia	3,236.4	2,815.2	87.0	421.7	—	—	—	—	—	—
Austria	1,872.3	1,596.6	85.3	275.7	—	—	—	—	—	—
Azerbaijan	160.9	161.7	100.5	0.1	0.9	—	—	46.8	—	47.6
Bahamas, The	130.3	124.0	95.2	6.3	—	—	—	—	—	—
Bahrain	135.0	63.8	47.3	71.2	—	—	—	—	—	—
Bangladesh	533.3	666.3	124.9	0.3	133.3	0.65	—	311.8	—	445.1
Barbados	67.5	61.8	91.6	5.7	—	—	—	—	—	—
Belarus	386.4	904.2	234.0	0.0 ⁶	517.8	2.53	—	—	—	517.8
Belgium	4,605.2	3,854.2	83.7	751.0	—	—	—	—	—	—
Belize	18.8	19.3	102.5	4.2	4.7	0.02	—	—	—	4.7
Benin	61.9	59.7	96.5	2.2	—	—	—	14.6	—	14.6
Bhutan	6.3	5.3	83.8	1.0	—	—	—	—	—	—
Bolivia	171.5	162.6	94.8	8.9	—	—	—	—	—	—
Bosnia and Herzegovina	169.1	169.1	100.0	0.0 ⁶	—	—	—	—	—	—
Botswana	63.0	54.5	86.6	8.5	—	—	—	—	—	—
Brazil	3,036.1	3,035.9	100.0	0.3	—	—	—	—	—	—
Brunei Darussalam	215.2	201.7	93.7	13.7	—	—	—	—	—	—
Bulgaria	640.2	606.6	94.8	33.6	—	—	—	—	—	—
Burkina Faso	60.2	52.8	87.7	7.4	—	—	—	35.3	—	35.3
Burundi	77.0	76.6	99.5	0.4	—	—	—	51.4	—	51.4
Cambodia	87.5	87.5	100.0	—	—	—	—	—	—	—
Cameroon	185.7	184.9	99.6	0.8	—	—	—	18.6	—	18.6
Canada	6,369.2	5,332.7	83.7	1,036.5	—	—	—	—	—	—
Cape Verde	9.6	9.6	99.9	0.0 ⁶	—	—	—	7.8	—	7.8
Central African Republic	55.7	55.5	99.7	0.2	—	—	—	39.3	—	39.3
Chad	56.0	55.7	99.5	0.3	—	—	—	23.0	—	23.0
Chile	856.1	747.7	87.3	108.4	—	—	—	—	—	—
China	8,090.1	6,811.2	84.2	1,279.0	—	—	—	—	—	—
Colombia	774.0	488.2	63.1	285.8	—	—	—	—	—	—
Comoros	8.9	9.5	106.4	0.5	1.1	0.01	—	2.2	—	3.3
Congo, Democratic Republic of	533.0	533.0	100.0	—	—	—	—	552.7	—	552.7
Congo, Republic of	84.6	84.0	99.3	0.6	—	—	—	24.8	—	24.8
Costa Rica	164.1	144.1	87.8	20.0	—	—	—	—	—	—
Côte d'Ivoire	325.2	324.4	99.8	0.8	—	—	—	194.5	—	194.5
Croatia	365.1	364.9	100.0	0.2	—	—	—	—	—	—
Cyprus	139.6	122.2	87.5	17.5	—	—	—	—	—	—
Czech Republic	819.3	715.3	87.3	104.0	—	—	—	—	—	—
Denmark	1,642.8	1,376.3	83.8	266.5	—	—	—	—	—	—
Djibouti	15.9	14.8	93.1	1.1	—	—	—	10.8	—	10.8
Dominica	8.2	10.2	124.9	0.0 ⁶	2.1	0.01	—	7.7	—	9.7
Dominican Republic	218.9	507.8	232.0	0.0 ⁶	288.9	1.41	—	—	—	288.9
Ecuador	302.3	285.1	94.3	17.2	—	—	—	—	—	—
Egypt	943.7	943.7	100.0	—	—	—	—	—	—	—

Schedule 1 (continued)

Member	General Resources Account				Outstanding credit and loans					
	Quota	IMF's holdings of currencies ¹		Reserve tranche position	GRA		SDA ³	PRGF-ESF Trust ⁴		Total ⁵
		Total	Percent of quota		Amount (A)	Percent ² +		+ (C)	=	
El Salvador	171.3	171.3	100.0	—	—	—	—	—	—	—
Equatorial Guinea	32.6	32.6	100.0	—	—	—	—	—	—	—
Eritrea	15.9	15.9	100.0	0.0 ⁶	—	—	—	—	—	—
Estonia	65.2	65.2	100.0	0.0 ⁶	—	—	—	—	—	—
Ethiopia	133.7	126.3	94.4	7.5	—	—	—	33.4	—	33.4
Fiji	70.3	54.4	77.4	15.9	—	—	—	—	—	—
Finland	1,263.8	1,103.8	87.3	160.1	—	—	—	—	—	—
France	10,738.5	9,080.7	84.6	1,657.9	—	—	—	—	—	—
Gabon	154.3	153.8	99.7	0.5	—	—	—	—	—	—
Gambia, The	31.1	29.6	95.2	1.5	—	—	—	13.1	—	13.1
Georgia	150.3	438.2	291.6	0.0 ⁶	287.9	1.41	—	129.7	—	417.6
Germany	13,008.2	11,351.8	87.3	1,656.4	—	—	—	—	—	—
Ghana	369.0	369.0	100.0	0.0 ⁶	—	—	—	105.5	—	105.5
Greece	823.0	718.3	87.3	104.8	—	—	—	—	—	—
Grenada	11.7	12.8	109.4	—	1.1	0.01	—	7.0	—	8.0
Guatemala	210.2	210.2	100.0	—	—	—	—	—	—	—
Guinea	107.1	107.0	99.9	0.1	—	—	—	44.6	—	44.6
Guinea-Bissau	14.2	17.7	124.6	0.1	3.6	0.02	—	2.0	—	5.6
Guyana	90.9	90.9	100.0	—	—	—	—	37.1	—	37.1
Haiti	81.9	81.8	99.9	0.1	—	—	—	91.3	—	91.3
Honduras	129.5	120.9	93.3	8.6	—	—	—	20.3	—	20.3
Hungary	1,038.4	7,287.1	701.8	73.8	6,322.5	30.95	—	—	—	6,322.5
Iceland	117.6	659.0	560.4	18.6	560.0	2.74	—	—	—	560.0
India	4,158.2	3,544.3	85.2	614.0	—	—	—	—	—	—
Indonesia	2,079.3	1,933.8	93.0	145.5	—	—	—	—	—	—
Iran, Islamic Republic of	1,497.2	1,497.2	100.0	0.0 ⁶	—	—	—	—	—	—
Iraq	1,188.4	1,017.3	85.6	171.1	—	—	—	—	—	—
Ireland	838.4	732.1	87.3	106.3	—	—	—	—	—	—
Israel	928.2	813.9	87.7	114.3	—	—	—	—	—	—
Italy	7,055.5	5,907.1	83.7	1,148.4	—	—	—	—	—	—
Jamaica	273.5	273.5	100.0	—	—	—	—	—	—	—
Japan	13,312.8	11,187.5	84.0	2,126.0	—	—	—	—	—	—
Jordan	170.5	180.0	105.6	0.3	9.8	0.05	—	—	—	9.8
Kazakhstan	365.7	365.7	100.0	0.0 ⁶	—	—	—	—	—	—
Kenya	271.4	258.5	95.3	12.9	—	—	—	160.1	—	160.1
Kiribati	5.6	5.6	100.0	0.0 ⁶	—	—	—	—	—	—
Korea, Republic of	2,927.3	2,553.9	87.2	373.4	—	—	—	—	—	—
Kuwait	1,381.1	1,207.3	87.4	173.8	—	—	—	—	—	—
Kyrgyz Republic	88.8	88.8	100.0	0.0 ⁶	—	—	—	100.1	—	100.1
Lao People's Democratic Republic	52.9	52.9	100.0	—	—	—	—	11.8	—	11.8
Latvia	126.8	662.1	522.2	0.1	535.3	2.62	—	—	—	535.3
Lebanon	203.0	260.3	128.2	18.8	76.1	0.37	—	—	—	76.1
Lesotho	34.9	31.3	89.7	3.6	—	—	—	17.9	—	17.9
Liberia	129.2	471.9	365.3	0.0 ⁶	342.8	1.68	—	214.3	—	557.0
Libya	1,123.7	728.2	64.8	395.5	—	—	—	—	—	—
Lithuania	144.2	144.2	100.0	0.0 ⁶	—	—	—	—	—	—
Luxembourg	279.1	234.0	83.9	45.1	—	—	—	—	—	—
Macedonia, former Yugoslav Republic of	68.9	68.9	100.0	—	—	—	—	—	—	—
Madagascar	122.2	122.2	100.0	0.0 ⁶	—	—	—	64.4	—	64.4
Malawi	69.4	67.1	96.6	2.3	—	—	—	80.9	—	80.9
Malaysia	1,486.6	1,246.4	83.8	240.2	—	—	—	—	—	—
Maldives	8.2	8.7	106.1	1.6	2.1	0.01	—	—	—	2.1
Mali	93.3	83.5	89.5	9.9	—	—	—	26.0	—	26.0
Malta	102.0	61.7	60.5	40.3	—	—	—	—	—	—
Marshall Islands	3.5	3.5	100.0	0.0 ⁶	—	—	—	—	—	—
Mauritania	64.4	64.4	100.0	—	—	—	—	10.3	—	10.3
Mauritius	101.6	88.4	87.1	13.2	—	—	—	—	—	—
Mexico	3,152.8	2,649.8	84.0	503.1	—	—	—	—	—	—
Micronesia, Federated States of	5.1	5.1	100.0	0.0 ⁶	—	—	—	—	—	—
Moldova	123.2	125.3	101.7	0.0 ⁶	2.1	0.01	—	101.9	—	103.9

Schedule 1 (continued)

Member	General Resources Account				Outstanding credit and loans				
	Quota	IMF's holdings of currencies ¹		Reserve tranche position	GRA		SDA ³	PRGF-ESF Trust ⁴	Total ⁵
		Total	Percent of quota		Amount (A)	Percent ² +			
Mongolia	51.1	102.1	199.7	0.1	51.1	0.25	—	11.1	62.2
Montenegro	27.5	20.9	76.0	6.6	—	—	—	—	—
Morocco	588.2	517.8	88.0	70.4	—	—	—	—	—
Mozambique	113.6	113.6	100.0	0.0 ⁶	—	—	—	9.7	9.7
Myanmar	258.4	258.4	100.0	—	—	—	—	—	—
Namibia	136.5	136.4	100.0	0.1	—	—	—	—	—
Nepal	71.3	71.3	100.0	—	—	—	—	49.9	49.9
Netherlands	5,162.4	4,331.3	83.9	831.2	—	—	—	—	—
New Zealand	894.6	780.9	87.3	113.7	—	—	—	—	—
Nicaragua	130.0	130.0	100.0	—	—	—	—	72.1	72.1
Niger	65.8	57.2	86.9	8.6	—	—	—	32.9	32.9
Nigeria	1,753.2	1,753.1	100.0	0.1	—	—	—	—	—
Norway	1,671.7	1,396.9	83.6	274.8	—	—	—	—	—
Oman	194.0	180.4	93.0	13.6	—	—	—	—	—
Pakistan	1,033.7	3,672.7	355.3	0.1	2,639.1	12.92	—	723.6	3,362.7
Palau	3.1	3.1	100.0	0.0 ⁶	—	—	—	—	—
Panama	206.6	194.8	94.3	11.9	—	—	—	—	—
Papua New Guinea	131.6	131.2	99.7	0.4	—	—	—	—	—
Paraguay	99.9	78.4	78.5	21.5	—	—	—	—	—
Peru	638.4	638.4	100.0	—	—	—	—	—	—
Philippines	879.9	792.2	90.0	87.7	—	—	—	—	—
Poland	1,369.0	1,171.2	85.6	197.8	—	—	—	—	—
Portugal	867.4	752.3	86.7	115.1	—	—	—	—	—
Qatar	263.8	230.5	87.4	33.3	—	—	—	—	—
Romania	1,030.2	1,030.2	100.0	—	—	—	—	—	—
Russian Federation	5,945.4	5,151.4	86.6	794.0	—	—	—	—	—
Rwanda	80.1	80.1	100.0	—	—	—	—	8.6	8.6
St. Kitts and Nevis	8.9	8.8	99.1	0.1	—	—	—	—	—
St. Lucia	15.3	15.3	100.0	0.0 ⁶	—	—	—	—	—
St. Vincent and the Grenadines	8.3	7.8	94.0	0.5	—	—	—	—	—
Samoa	11.6	10.9	94.1	0.7	—	—	—	—	—
San Marino	17.0	12.9	75.9	4.1	—	—	—	—	—
São Tomé and Príncipe	7.4	7.4	100.0	—	—	—	—	2.8	2.8
Saudi Arabia	6,985.5	5,848.9	83.7	1,136.6	—	—	—	—	—
Senegal	161.8	160.1	99.0	1.7	—	—	—	41.6	41.6
Serbia	467.7	467.7	100.0	—	—	—	—	—	—
Seychelles	8.8	15.8	180.0	0.0 ⁶	7.0	0.03	—	—	7.0
Sierra Leone	103.7	103.7	100.0	0.0 ⁶	—	—	—	34.5	34.5
Singapore	862.5	721.5	83.7	141.2	—	—	—	—	—
Slovak Republic	357.5	311.5	87.1	46.0	—	—	—	—	—
Slovenia	231.7	201.6	87.0	30.1	—	—	—	—	—
Solomon Islands	10.4	9.9	94.7	0.6	—	—	—	—	—
Somalia	44.2	140.9	318.8	—	96.7	0.47	8.8	—	112.0
South Africa	1,868.5	1,867.1	99.9	1.4	—	—	—	—	—
Spain	3,048.9	2,553.3	83.7	495.6	—	0.01	—	—	—
Sri Lanka	413.4	425.9	103.0	47.9	60.3	0.30	—	30.7	91.0
Sudan	169.7	373.0	219.8	0.0 ⁶	203.3	1.00	—	—	262.5
Suriname	92.1	86.0	93.4	6.1	—	—	—	—	—
Swaziland	50.7	44.1	87.1	6.6	—	—	—	—	—
Sweden	2,395.5	2,002.8	83.6	392.7	—	—	—	—	—
Switzerland	3,458.5	2,992.2	86.5	466.4	—	—	—	—	—
Syrian Arab Republic	293.6	293.6	100.0	0.0 ⁶	—	—	—	—	—
Tajikistan	87.0	87.0	100.0	0.0 ⁶	—	—	—	—	—
Tanzania	198.9	188.9	95.0	10.0	—	—	—	11.2	11.2
Thailand	1,081.9	907.8	83.9	174.1	—	—	—	—	—
Timor-Leste	8.2	8.2	100.0	0.0 ⁶	—	—	—	—	—
Togo	73.4	73.1	99.5	0.3	—	—	—	31.2	31.2
Tonga	6.9	5.2	75.2	1.7	—	—	—	—	—
Trinidad and Tobago	335.6	280.9	83.7	54.7	—	—	—	—	—
Tunisia	286.5	266.3	92.9	20.2	—	—	—	—	—

Schedule 1 (concluded)

Member	General Resources Account				Outstanding credit and loans					
	Quota	IMF's holdings of currencies ¹		Reserve tranche position	GRA		SDA ³	PRGF-ESF Trust ⁴		Total ⁵
		Total	Percent of quota		Amount (A)	Percent ² +		+ (C)	=	
Turkey	1,191.3	6,154.9	516.7	112.8	5,076.3	24.85	—	—	—	5,076.3
Turkmenistan	75.2	75.2	100.0	0.0 ⁶	—	—	—	—	—	—
Uganda	180.5	180.5	100.0	—	—	—	—	6.0	—	6.0
Ukraine	1,372.0	4,401.6	320.8	0.0 ⁶	3,029.6	14.83	—	—	—	3,029.6
United Arab Emirates	611.7	533.9	87.3	78.4	—	—	—	—	—	—
United Kingdom	10,738.5	8,993.6	83.8	1,745.0	—	—	—	—	—	—
United States	37,149.3	31,639.9	85.2	5,508.3	—	—	—	—	—	—
Uruguay	306.5	306.5	100.0	—	—	—	—	—	—	—
Uzbekistan	275.6	275.6	100.0	0.0 ⁶	—	—	—	—	—	—
Vanuatu	17.0	14.5	85.3	2.5	—	—	—	—	—	—
Venezuela, República Bolivariana de	2,659.1	2,337.2	87.9	321.9	—	—	—	—	—	—
Vietnam	329.1	329.1	100.0	0.0 ⁶	—	—	—	70.4	—	70.4
Yemen, Republic of	243.5	244.4	100.4	0.0 ⁶	0.9	—	—	45.0	—	45.9
Zambia	489.1	489.1	100.0	0.0 ⁶	—	—	—	62.0	—	62.0
Zimbabwe	353.4	353.1	99.9	0.3	—	—	—	73.8	—	73.8
Total	217,372.7	209,607.6		28,195.1	20,426.5	100.0	8.8	4,124.5	=	24,625.5

The ending balances include rounding differences

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

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

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

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

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

⁶Less than SDR 50,000.

Schedule 2

General Department
Financial resources and liquidity position
in the General Resources Account
at April 30, 2009, and 2008

(In millions of SDRs)

	2009	2008
Total resources		
Currencies	209,607	209,791
SDR holdings	2,133	1,852
Gold holdings	5,852	5,852
Other assets ¹	6,875	6,816
Total resources	<u>224,467</u>	<u>224,311</u>
Less: Non-usable resources²	70,352	59,386
of which: Credit Outstanding	<u>20,426</u>	<u>5,896</u>
Equals: Usable resources³	<u>154,115</u>	<u>164,925</u>
Less: Undrawn balances under GRA arrangements	<u>51,775</u>	<u>3,086</u>
Equals: Uncommitted usable resources	<u>102,340</u>	<u>161,839</u>
Plus: Repurchases one year forward⁴	266	222
Less: Prudential balance⁵	<u>35,733</u>	<u>34,879</u>
Equals: One year forward commitment capacity (FCC)	<u>66,873</u>	<u>127,182</u>
Memorandum items		
Resources available under borrowing arrangements	101,000	34,000
Quotas of members that finance IMF transactions	178,664	174,394
Liquid liabilities	28,195	13,482

¹Other assets reflect current assets (charges, interest, and other receivables) and other assets (which include capital assets such as land, buildings, and equipment), net of other liabilities including remuneration payable.

²Resources regarded as nonusable if they cannot be used in the financing of the IMF's ongoing operations and transactions. These resources include (1) gold holdings, (2) currencies of members that are using IMF credit, (3) currencies of other members with relatively weak external positions, and (4) other assets.

³Usable resources consist of (1) holdings of currencies of members considered by the IMF as having balance of payments and reserve positions sufficiently strong for their currencies to be used in transfers, (2) SDR holdings, and (3) any unused amounts under credit lines that have been activated.

⁴Repurchases by member countries during the coming one-year period.

⁵Prudential balance is set at 20 percent of quotas of members whose currencies are used in the financing of IMF transactions and any amounts activated under borrowing arrangements.

General Department
Status of arrangements in the
General Resources Account at April 30, 2009

(In millions of SDRs)

Member	Date of arrangement	Expiration	Amount agreed	Undrawn balance
Stand-By Arrangements				
Armenia	March 6, 2009	July 5, 2011	368	206
Belarus	January 12, 2009	April 11, 2010	1,618	1,100
Costa Rica	April 11, 2009	July 10, 2010	492	492
El Salvador	January 16, 2009	March 31, 2010	514	514
Gabon	May 7, 2007	May 6, 2010	77	77
Georgia	September 15, 2008	March 14, 2010	477	189
Guatemala	April 22, 2009	October 21, 2010	631	631
Hungary	November 6, 2008	April 5, 2010	10,538	4,215
Iceland	November 19, 2008	November 18, 2010	1,400	840
Latvia	December 23, 2008	March 22, 2011	1,522	986
Mongolia	April 1, 2009	October 1, 2010	153	102
Pakistan	November 24, 2008	October 23, 2010	5,169	2,533
Serbia	January 16, 2009	April 15, 2010	351	351
Seychelles	November 14, 2008	November 13, 2010	18	11
Ukraine	November 5, 2008	November 4, 2010	11,000	8,000
Total Stand-by Arrangements			<u>34,328</u>	<u>20,247</u>
Flexible Credit Line				
Mexico	April 17, 2009	April 16, 2010	31,528	31,528
Total Flexible Credit Line			<u>31,528</u>	<u>31,528</u>
Total General Resources Account			<u>65,856</u>	<u>51,775</u>

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Independent Auditors' Report

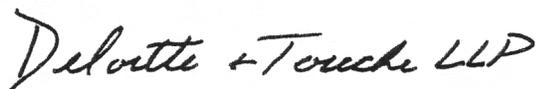
To the Board of Governors
of the International Monetary Fund
Washington, DC

We have audited the accompanying statements of financial position of SDR Department of the International Monetary Fund (the "Department") as of April 30, 2009 and 2008, and the related statements of comprehensive income and of cash flows for the years then ended. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the SDR Department of the International Monetary Fund at April 30, 2009 and 2008, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules on pages 29 to 34 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the Department's management. Such schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.



June 30, 2009

SDR Department
Statements of financial position at April 30, 2009, and 2008

(in millions of SDRs)

	2009	2008	2009	2008
Assets				
Net charges and assessments receivable	10	54	10	54
Overdue charges and assessments (Note 4)	14	13	15,568	14,995
Participants with holdings below allocations (Note 5)			10,553	10,142
Allocations	10,880	11,291		
Less: SDR holdings	3,190	3,597	5,015	4,853
Allocations in excess of holdings	7,690	7,694	2,133	1,852
Total assets	<u>7,714</u>	<u>7,761</u>	<u>556</u>	<u>1,002</u>
			<u>7,714</u>	<u>7,761</u>
Liabilities				
Net interest payable				
Participants with holdings above allocations (Note 5)				
SDR holdings				
Less: allocations				
Holdings in excess of allocations				
Holdings by the General Resources Account				
Holdings by prescribed holders				
Total liabilities				

The accompanying notes are an integral part of these financial statements.
 These financial statements were approved by the Managing Director and the Director of Finance on June 30, 2009.

/s/ Andrew Tweedie
 Director, Finance Department

/s/ Dominique Strauss-Kahn
 Managing Director

SDR Department
Statements of comprehensive income
for the years ended April 30, 2009, and 2008

(In millions of SDRs)

	2009	2008
Revenue		
Net charges from participants with holdings below allocations	138	285
Assessment on SDR allocations	<u>2</u>	<u>2</u>
	<u>140</u>	<u>287</u>
Expenses		
Interest on SDR holdings		
Net interest to participants with holdings above allocations	91	176
General Resources Account	33	88
Prescribed holders	<u>14</u>	<u>21</u>
	138	285
Administrative expenses	<u>2</u>	<u>2</u>
	<u>140</u>	<u>287</u>
Other comprehensive income	—	—
Net comprehensive income	<u>—</u>	<u>—</u>

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

SDR Department
Statements of cash flows
for the years ended April 30, 2009, and 2008

(In millions of SDRs)

	2009	2008
Cash flows from operating activities		
Receipts of SDRs		
Transfers among participants and prescribed holders	2,094	3,549
Transfers from participants and prescribed holders to the General Resources Account	753	1,287
Transfers from the General Resources Account to participants and prescribed holders	518	2,133
Interest received:		
Participants	118	191
General Resources Account	46	101
Prescribed holders	<u>18</u>	<u>20</u>
Total receipts of SDRs	<u>3,547</u>	<u>7,281</u>
Uses of SDRs		
Transfers among participants and prescribed holders	2,094	3,549
Transfers from participants and prescribed holders to the General Resources Account	753	1,287
Transfers from the General Resources Account to participants and prescribed holders	518	2,133
Charges paid by participants	181	309
Other	<u>1</u>	<u>3</u>
Total uses of SDRs	<u>3,547</u>	<u>7,281</u>

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

SDR Department

Notes to the financial statements for the years ended April 30, 2009, and 2008

1. Nature of operations

The Special Drawing Right (SDR) is an international interest-bearing reserve asset created by the IMF following the First Amendment of the Articles of Agreement in 1969. All transactions and operations involving SDRs are conducted through the SDR Department. The SDR may be allocated by the IMF, as a supplement to existing reserve assets, to members participating in the SDR Department. Its value as a reserve asset derives from the commitments of participants to hold and accept SDRs and to honor various obligations connected with the SDR's proper functioning as a reserve asset.

The resources of the SDR Department are held separately from the assets of all the other accounts owned, or administered by, the IMF. They may not be used to meet the liabilities, obligations, or losses of the Fund incurred in the operations of the General Department or other accounts, except that the SDR Department reimburses the General Department for expenses incurred in conducting the business of the SDR Department.

At April 30, 2009, and 2008, all members of the IMF were participants in the SDR Department. SDRs have been allocated by the IMF to members that are participants in the SDR Department at the time of the allocation in proportion to their quotas in the IMF. Six allocations have been made (in 1970, 1971, 1972, 1979, 1980, and 1981) for a total of SDR 21.4 billion. Upon termination of participation in, or liquidation of, the SDR Department, the IMF will provide to holders the currencies received from the participants in settlement of their obligations. The IMF is empowered to prescribe certain official entities as holders of SDRs; at April 30, 2009, and 2008, 15 institutions were prescribed as holders. Prescribed holders do not receive allocations.

The SDR is also used by a number of international and regional organizations as a unit of account or as the basis for their units of account. Several international conventions also use the SDR as a unit of account, notably those expressing liability limits for the international transport of goods and services.

Uses of SDRs

Participants and prescribed holders can use and receive SDRs in transactions and operations by agreement among themselves. Participants can also use SDRs in operations and transactions involving the General Resources Account, such as the payment of charges and repurchases. By designating participants to provide freely usable currency in exchange for SDRs, the IMF ensures that a participant can use its SDRs to obtain an equivalent amount of currency if it has a need because of its balance of payments, its reserve position, or developments in its reserves.

General allocations and cancellations of SDRs

The IMF has the authority to provide unconditional liquidity through general allocations of SDRs to participants in the SDR Department in proportion to their quotas in the IMF. The IMF cannot allocate SDRs to itself or to other holders it prescribes. The Articles of Agreement also provide for

the cancellation of SDRs, although to date there have been no cancellations. In its decisions on general allocations of SDRs, the IMF, as prescribed under its Articles, has sought to meet the long-term global need to supplement existing reserve assets in such a manner as will promote the attainment of the IMF's purposes and avoid economic stagnation and deflation, as well as excess demand and inflation.

A proposed amendment of the IMF's Articles of Agreement was approved by the Board of Governors in January 1998 to allow for a special one-time allocation of SDRs equal to SDR 21.4 billion. The amendment will enter into force after three-fifths of the members having 85 percent of the total voting power have accepted it. At April 30, 2009, 131 out of 185 members representing 77.7 percent of the total voting power have accepted the proposed amendment.

In April 2009, the International Monetary and Financial Committee of the IMF's Board of Governors called on the IMF to strengthen the global financial safety net in view of the current crisis. The Committee supports the rapid approval by the IMF membership of a general allocation of SDRs equivalent to US\$250 billion, to become effective before the 2009 Annual Meetings in October 2009. Adoption of the Board of Governor's resolution to allocate SDRs requires an 85 percent majority of the total voting power of members that are participants in the SDR Department.

2. Basis of preparation and measurement

The financial statements of the SDR Department are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention. Specific accounting principles and disclosure practices, as set out below, are in accordance with and comply with IFRS and have been applied consistently for all periods presented.

New International Financial Reporting Standards and Interpretations

During the financial year ended April 30, 2009, the financial statements of the SDR Department were prepared in accordance with *Revised IAS 1, "Presentation of Financial Statements."* Revised IAS 1 requires presentation of non-owner changes in equity (comprehensive income) either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The Revised IAS 1 did not have a significant impact on the presentation of the financial statements.

Unit of account

The financial statements of the SDR Department are presented in SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The current composition of the SDR valuation basket became effective on January 1, 2006.

The currencies in the basket at April 30, 2009, and 2008, and their amounts were as follows:

Currency	Amount
Euro	0.4100
Japanese yen	18.4000
Pound sterling	0.0903
U.S. dollar	0.6320

At April 30, 2009, one SDR was equal to US\$1.49783 (one SDR was equal to US\$1.62378 at April 30, 2008).

Use of estimates and judgment

The preparation of consolidated financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in Note 3.

3. Summary of significant accounting and reporting policies

Interest and charges

Interest is paid on holdings of SDRs. Charges are levied on each participant's net cumulative allocations plus any negative balance of the participant and unpaid charges. Interest and charges are levied at the same rate and are settled by crediting and debiting the appropriate individual holdings accounts. The SDR Department is required to pay interest to each SDR holder, whether or not sufficient SDRs are received to meet the payment of interest. If sufficient SDRs are not received because charges are overdue, additional SDRs are temporarily created.

The rate of interest on the SDR is determined by reference to the combined market interest rate, which is a weighted average of yields or rates on short-term instruments in the money markets of the Euro area, Japan, the United Kingdom, and the United States. The combined market interest rate is calculated each Friday, using the yields or rates of that day. The SDR interest rate, which is set equal to the combined market interest rate, enters into effect on the following Monday and applies through the subsequent Sunday. The average SDR interest rate was 1.80 percent for the financial year ended April 30, 2009 (3.64 percent for the financial year ended April 30, 2008).

Administrative expenses

The expenses of conducting the business of the SDR Department are paid by the IMF from the General Resources Account, which is reimbursed by the SDR Department at the end of each financial year (SDR 1.6 million and

SDR 1.5 million for the financial years ended April 30, 2009, and 2008, respectively). For this purpose, the SDR Department levies an assessment on all participants in proportion to their net cumulative allocations.

Overdue obligations

An allowance for losses resulting from overdue SDR obligations would be created if the IMF expected a loss to be incurred; no losses have been incurred.

4. Overdue charges and assessments

At April 30, 2009, and 2008, one member (Somalia) was six months or more overdue (since 1991) in meeting its financial obligations, amounting to SDR 14.1 million and SDR 13.5 million, respectively, to the SDR Department. During the financial year ended April 30, 2008, Liberia settled its overdue assessments and charges totaling SDR 30.1 million, which had previously been recognized as income.

Assessments and charges due from Somalia that are six months or more overdue to the SDR Department were as follows at April 30:

	2009	2008
	<i>(In millions of SDRs)</i>	
Total	14.1	13.5
Overdue for six months or more	14.0	12.9
Overdue for three years or more	11.4	10.8

5. Allocations and holdings

At April 30, 2009 and 2008, 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 at April 30, 2009, and 2008 were as follows:

	2009		2008			
	Below Total allocations	Above allocations	Below Total allocations	Above allocations		
	<i>(In millions of SDRs)</i>					
Cumulative allocations	21,433	10,880	10,553	21,433	11,291	10,142
Holdings of SDRs by participants	18,758	3,190	15,568	18,592	3,597	14,995
Net SDR positions	<u>2,675</u>	<u>7,690</u>	<u>(5,015)</u>	<u>2,841</u>	<u>7,694</u>	<u>(4,853)</u>

A summary of SDR holdings is provided below:

	2009	2008
	<i>(In millions of SDRs)</i>	
Participants	18,758	18,592
General Resources Account	2,133	1,852
Prescribed holders	556	1,002
	<u>21,447</u>	<u>21,446</u>
Less: Overdue charges receivable	14	13
Total holdings	<u>21,433</u>	<u>21,433</u>

Schedule 1

SDR Department
Statements of changes in SDR holdings for the
years ended April 30, 2009, and 2008

(In millions of SDRs)

	Participants	General Resources Account	Prescribed holders	Total	
				2009	2008
Total holdings, beginning of year	18,592	1,852	1,002	21,447	21,474
Receipts of SDRs					
Transfers among participants and prescribed holders					
Transactions by agreement	1,235	—	88	1,323	1,051
Operations					
Extension of credit	—	—	—	—	558
Settlement of financial obligations	—	—	3	3	574
IMF-related operations					
PRGF-ESF Trust loans	149	—	—	149	226
SAF/Trust Fund repayments and interest	—	—	—	—	31
PRGF-ESF Trust contributions and payments	133	—	115	248	327
PRGF-ESF Trust repayments and interest	—	—	337	337	295
PRGF-HIPC contributions and interest payments	11	—	1	12	37
Contributions to and deposits in Administered Accounts	—	—	—	—	441
Emergency Assistance, SFF subsidy and HIPC payments	19	—	—	19	9
Refunds, distributions and other	3	—	—	3	—
Net interest on SDRs	118	—	18	136	211
Transfers from participants and prescribed holders to the General Resources Account					
Repurchases	—	213	—	213	542
Charges	—	536	—	536	694
Quota payment	—	—	—	—	47
Interest on SDRs	—	46	—	46	101
Assessment on SDR Allocations	—	2	—	2	2
Reimbursement of expenses by MDRI-I Trust	—	2	—	2	2
Transfers from the General Resources Account to participants and prescribed holders					
Purchases	49	—	—	49	719
In exchange for currencies of other members					
Acquisitions to pay charges	248	—	—	248	359
Remuneration	196	—	—	196	303
Refunds, distributions and other	25	—	—	25	753
Total receipts	2,186	799	562	3,547	7,281

Schedule 1 (concluded)

SDR Department
Statements of changes in SDR holdings for the
years ended April 30, 2009, and 2008

(In millions of SDRs)

	Participants	General Resources Account	Prescribed holders	Total	
				2009	2008
Uses of SDRs					
Transfers among participants and prescribed holders					
Transactions by agreement	632	—	691	1,323	1,051
Operations					
Extension of credit	—	—	—	—	558
Settlement of financial obligations	3	—	—	3	574
IMF-related operations					
PRGF-ESF Trust loans	—	—	149	149	226
SAF/Trust Fund repayments and interest	—	—	—	—	31
PRGF-ESF Trust contributions and interest payments	115	—	133	248	327
PRGF-ESF Trust repayments and interest	337	—	—	337	295
PRGF-HIPC contributions and interest payments	1	—	11	12	37
Contributions to and deposits in Administered Accounts	—	—	—	—	441
Emergency Assistance, SFF subsidy and HIPC payments	—	—	19	19	9
Refunds, distributions and other	—	—	3	3	—
Transfers from participants and prescribed holders to the					
General Resources Account					
Repurchases	213	—	—	213	542
Charges	536	—	—	536	694
Quota payment	—	—	—	—	47
Assessment on SDR allocations	2	—	—	2	2
Reimbursement of expenses by MDRI-I Trust	—	—	2	2	2
Transfers from the General Resources Account to participants					
and prescribed holders					
Purchases	—	49	—	49	719
In exchange for currencies of other members					
Acquisitions to pay charges	—	248	—	248	359
Remuneration	—	196	—	196	303
Refunds, distributions and other	—	25	—	25	753
Charges paid in the SDR department					
Net charges due	182	—	—	182	312
Total uses					
Charges not paid when due	1	—	—	1	3
Settlement of unpaid charges and assessments	(1)	—	—	(1)	(30)
Total holdings, end of year	18,758	2,133	556	21,447	21,447

The ending balances include rounding differences.

SDR Department
Allocations and holdings of participants
at April 30, 2009

(In millions of SDRs)

Participant	Net cumulative allocations	Total	Holdings	
			Percentage of cumulative allocations	(+) Above (-) Below allocations
Afghanistan, Islamic Republic of	26.7	0.1	0.3	(26.6)
Albania	—	3.6	—	3.6
Algeria	128.6	6.3	4.9	(122.4)
Angola	—	0.2	—	0.2
Antigua and Barbuda	—	0.0	—	0.0
Argentina	318.4	320.6	100.7	2.3
Armenia	—	2.9	—	2.9
Australia	470.5	112.6	23.9	(357.9)
Austria	179.0	198.7	111.0	19.7
Azerbaijan	—	0.5	—	0.5
Bahamas, The	10.2	0.0	0.2	(10.2)
Bahrain	6.2	9.2	149.1	3.0
Bangladesh	47.1	1.1	2.3	(46.0)
Barbados	8.0	0.0	0.3	(8.0)
Belarus	—	0.1	—	0.1
Belgium	485.2	366.5	75.5	(118.7)
Belize	—	2.3	—	2.3
Benin	9.4	0.0	0.2	(9.4)
Bhutan	—	0.4	—	0.4
Bolivia	26.7	27.5	102.9	0.8
Bosnia and Herzegovina	20.5	0.1	0.6	(20.4)
Botswana	4.4	39.7	909.8	35.3
Brazil	358.7	0.8	0.2	(357.9)
Brunei Darussalam	—	12.8	—	12.8
Bulgaria	—	4.2	—	4.2
Burkina Faso	9.4	0.0	0.4	(9.4)
Burundi	13.7	0.1	0.4	(13.6)
Cambodia	15.4	0.0	0.2	(15.4)
Cameroon	24.5	3.0	12.1	(21.5)
Canada	779.3	644.4	82.7	(134.9)
Cape Verde	0.6	0.0	7.5	(0.6)
Central African Republic	9.3	0.0	0.4	(9.3)
Chad	9.4	0.1	0.6	(9.3)
Chile	121.9	36.8	30.2	(85.2)
China	236.8	789.0	333.2	552.2
Colombia	114.3	149.1	130.5	34.8
Comoros	0.7	0.0	2.7	(0.7)
Congo, Democratic Republic of	86.3	0.8	0.9	(85.5)
Congo, Republic of	9.7	0.1	1.5	(9.6)
Costa Rica	23.7	0.1	0.4	(23.6)
Côte d'Ivoire	37.8	0.6	1.5	(37.2)
Croatia	44.2	0.1	0.2	(44.1)
Cyprus	19.4	1.8	9.0	(17.7)
Czech Republic	—	13.9	—	13.9
Denmark	178.9	192.6	107.7	13.7
Djibouti	1.2	0.1	9.5	(1.1)
Dominica	0.6	0.0	3.0	(0.6)
Dominican Republic	31.6	1.6	4.9	(30.0)
Ecuador	32.9	17.0	51.7	(15.9)
Egypt	135.9	72.5	53.3	(63.4)

Schedule 2 (continued)

SDR Department
Allocations and holdings of participants
at April 30, 2009

(In millions of SDRs)

Participant	Net cumulative allocations	Total	Holdings	
			Percentage of cumulative allocations	(+) Above (-) Below allocations
El Salvador	25.0	25.0	100.1	0.0
Equatorial Guinea	5.8	0.5	7.9	(5.4)
Eritrea	—	—	—	—
Estonia	—	0.1	—	0.1
Ethiopia	11.2	0.0	0.2	(11.1)
Fiji	7.0	6.9	99.0	(0.1)
Finland	142.7	155.4	108.9	12.7
France	1,079.9	627.7	58.1	(452.1)
Gabon	14.1	0.3	2.1	(13.8)
Gambia, The	5.1	0.1	1.0	(5.1)
Georgia	—	2.0	—	2.0
Germany	1,210.8	1,429.9	118.1	219.2
Ghana	63.0	0.1	0.2	(62.9)
Greece	103.5	15.4	14.8	(88.2)
Grenada	0.9	0.5	49.8	(0.5)
Guatemala	27.7	1.2	4.3	(26.5)
Guinea	17.6	0.2	1.4	(17.4)
Guinea-Bissau	1.2	0.0	3.9	(1.2)
Guyana	14.5	0.0	0.2	(14.5)
Haiti	13.7	4.5	33.1	(9.2)
Honduras	19.1	0.0	0.2	(19.0)
Hungary	—	31.6	—	31.6
Iceland	16.4	4.5	27.7	(11.9)
India	681.2	0.8	0.1	(680.4)
Indonesia	239.0	21.5	9.0	(217.4)
Iran, Islamic Republic of	244.1	283.4	116.1	39.3
Iraq	68.5	93.3	136.3	24.9
Ireland	87.3	63.8	73.1	(23.4)
Israel	106.4	8.5	8.0	(97.9)
Italy	702.4	189.0	26.9	(513.4)
Jamaica	40.6	0.1	0.2	(40.5)
Japan	891.7	1,974.4	221.4	1,082.7
Jordan	16.9	2.0	11.6	(14.9)
Kazakhstan	—	0.9	—	0.9
Kenya	37.0	0.5	1.4	(36.5)
Kiribati	—	0.0	—	0.0
Korea	72.9	56.4	77.3	(16.5)
Kuwait	26.7	152.7	570.8	125.9
Kyrgyz Republic	—	29.3	—	29.3
Lao People's Democratic Republic	9.4	9.8	104.2	0.4
Latvia	—	3.5	—	3.5
Lebanon	4.4	21.6	492.0	17.2
Lesotho	3.7	3.9	105.6	0.2
Liberia	21.0	14.2	67.4	(6.8)
Libya	58.8	587.0	998.8	528.2
Lithuania	—	0.1	—	0.1
Luxembourg	17.0	13.5	79.4	(3.5)
Macedonia, former Yugoslav Republic of	8.4	0.9	10.4	(7.5)
Madagascar	19.3	0.1	0.5	(19.2)
Malawi	11.0	0.0	0.2	(11.0)
Malaysia	139.0	147.3	106.0	8.3
Maldives	0.3	0.4	141.4	0.1
Mali	15.9	0.0	0.1	(15.9)
Malta	11.3	11.8	104.3	0.5
Marshall Islands	—	—	—	—

Schedule 2 (continued)

SDR Department
Allocations and holdings of participants
at April 30, 2009

(In millions of SDRs)

Participant	Net cumulative allocations	Total	Holdings	
			Percentage of cumulative allocations	(+) Above (-) Below allocations
Mauritania	9.7	0.1	0.6	(9.7)
Mauritius	15.7	18.8	119.7	3.1
Mexico	290.0	292.7	100.9	2.7
Micronesia, Federated States of	—	1.4	—	1.4
Moldova	—	0.0	—	0.0
Mongolia	—	0.1	—	0.1
Montenegro	—	0.3	—	0.3
Morocco	85.7	12.4	14.5	(73.3)
Mozambique	—	0.1	—	0.1
Myanmar	43.5	0.1	0.3	(43.4)
Namibia	—	0.0	—	0.0
Nepal	8.1	5.4	66.6	(2.7)
Netherlands	530.3	650.6	122.7	120.3
New Zealand	141.3	14.4	10.2	(127.0)
Nicaragua	19.5	0.0	0.2	(19.4)
Niger	9.4	1.0	10.1	(8.5)
Nigeria	157.2	0.4	0.2	(156.8)
Norway	167.8	283.5	169.0	115.8
Oman	6.3	12.9	205.6	6.6
Pakistan	170.0	109.1	64.2	(60.9)
Palau	—	—	—	—
Panama	26.3	0.4	1.7	(25.9)
Papua New Guinea	9.3	0.0	0.5	(9.3)
Paraguay	13.7	28.8	210.0	15.1
Peru	91.3	5.6	6.1	(85.8)
Philippines	116.6	6.7	5.8	(109.8)
Poland	—	71.0	—	71.0
Portugal	53.3	79.7	149.6	26.4
Qatar	12.8	29.4	229.5	16.6
Romania	76.0	78.9	103.8	2.9
Russian Federation	—	1.4	—	1.4
Rwanda	13.7	20.4	149.0	6.7
St. Kitts and Nevis	—	0.0	—	0.0
St. Lucia	0.7	1.6	217.7	0.9
St. Vincent and the Grenadines	0.4	0.0	0.2	(0.4)
Samoa	1.1	2.6	231.6	1.5
San Marino	—	1.1	—	1.1
São Tomé and Príncipe	0.6	0.0	2.8	(0.6)
Saudi Arabia	195.5	480.0	245.5	284.5
Senegal	24.5	0.1	0.2	(24.4)
Serbia	56.7	0.4	0.8	(56.2)
Seychelles	0.4	0.0	11.2	(0.4)
Sierra Leone	17.5	19.7	113.0	2.3
Singapore	16.5	241.0	1,462.9	224.5
Slovak Republic	—	1.0	—	1.0
Slovenia	25.4	7.7	30.1	(17.8)
Solomon Islands	0.7	0.0	1.2	(0.6)
Somalia	13.7	—	—	(13.7)
South Africa	220.4	223.1	101.2	2.7
Spain	298.8	148.7	49.8	(150.1)
Sri Lanka	70.9	1.2	1.6	(69.7)
Sudan	52.2	1.1	2.1	(51.1)
Suriname	7.8	0.3	4.5	(7.4)
Swaziland	6.4	2.6	39.7	(3.9)
Sweden	246.5	197.0	79.9	(49.5)

Schedule 2 (concluded)

SDR Department
Allocations and holdings of participants
at April 30, 2009

(In millions of SDRs)

Participant	Net cumulative allocations	Total	Holdings	
			Percentage of cumulative allocations	(+) Above (-) Below allocations
Switzerland	—	82.6	—	82.6
Syrian Arab Republic	36.6	36.6	100.0	0.0
Tajikistan	—	0.4	—	0.4
Tanzania	31.4	0.1	0.3	(31.3)
Thailand	84.7	85.5	101.0	0.8
Timor-Leste	—	—	—	—
Togo	11.0	0.1	0.5	(10.9)
Tonga	—	0.5	—	0.5
Trinidad and Tobago	46.2	0.6	1.4	(45.6)
Tunisia	34.2	3.3	9.7	(30.9)
Turkey	112.3	43.2	38.5	(69.1)
Turkmenistan	—	—	—	—
Uganda	29.4	0.1	0.2	(29.3)
Ukraine	—	16.3	—	16.3
United Arab Emirates	38.7	11.2	28.9	(27.5)
United Kingdom	1,913.1	288.4	15.1	(1,624.7)
United States	4,899.5	6,074.0	124.0	1,174.5
Uruguay	50.0	2.5	5.1	(47.5)
Uzbekistan	—	0.5	—	0.5
Vanuatu	—	1.3	—	1.3
Venezuela, República Bolivariana de	316.9	13.6	4.3	(303.3)
Vietnam	47.7	1.1	2.4	(46.5)
Yemen, Republic of	28.7	4.2	14.6	(24.5)
Zambia	68.3	6.7	9.8	(61.6)
Zimbabwe	10.2	0.0	0.2	(10.2)
Above allocations	10,553.0	15,568.6	147.5	5,016
Below allocations	10,880.3	3,189.6	29.3	(7,691)
Total Participants	21,433.3	18,758.2		
General Resources Account	—	2,133.1		
Prescribed holders	—	556.0		
Overdue charges	14.0	—		
	21,447.3	21,447.3		

Independent Auditors' Report

To the Board of Governors
of the International Monetary Fund
Washington, DC

We have audited the accompanying statements of financial position as of April 30, 2009 and 2008, and the related statements of comprehensive income and changes in resources and of cash flows for the years then ended of the following entities of the International Monetary Fund:

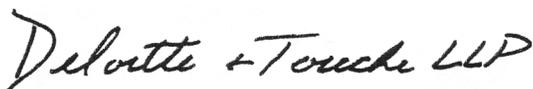
- Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust ("PRGF-ESF")
- Poverty Reduction and Growth Facility for Heavily Indebted Poor Countries Trust ("PRGF-HIPC")
- Multilateral Debt Relief Initiative—II Trust ("MDRI II")

These financial statements are the responsibility of PRGF-ESF, PRGF-HIPC, and MDRI II's (the "Trusts") management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial positions of the PRGF-ESF, PRGF-HIPC, and MDRI II Trusts of the International Monetary Fund at April 30, 2009 and 2008, and the results of their operations and their cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed on pages 47 to 55 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the Trusts' management. Such schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.



June 30, 2009

Member of
Deloitte Touche Tohmatsu

**PRGF-ESF, PRGF-HIPC, MDRI-II Trusts
and Related Account**

**Statements of financial position
at April 30, 2009, and 2008**

(In millions of SDRs)

	PRGF-ESF Trust		PRGF-HIPC Trust and Related Account		MDRI-II Trust	
	2009	2008	2009	2008	2009	2008
Assets						
Cash and cash equivalents	330	337	832	332	43	3
Interest and other receivables	22	34	—	5	—	—
Investments (Note 5)	4,869	4,842	435	941	—	39
Loans receivable (Note 6)	4,125	3,873	—	—	—	—
Total assets	<u>9,346</u>	<u>9,086</u>	<u>1,267</u>	<u>1,278</u>	<u>43</u>	<u>42</u>
Liabilities and resources						
Interest payable and other liabilities	38	56	1	1	—	—
Accrued MDRI grant assistance (Note 7)	—	—	—	—	10	19
Borrowings (Note 8)	4,324	4,266	581	621	—	—
Total liabilities	<u>4,362</u>	<u>4,322</u>	<u>582</u>	<u>622</u>	<u>10</u>	<u>19</u>
Resources	4,984	4,764	685	656	33	23
Total liabilities and resources	<u>9,346</u>	<u>9,086</u>	<u>1,267</u>	<u>1,278</u>	<u>43</u>	<u>42</u>

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

The financial statements were approved by the Managing Director and the Director of Finance on June 30, 2009.

/s/ Andrew Tweedie
Director, Finance Department

/s/ Dominique Strauss-Kahn
Managing Director

**PRGF-ESF, PRGF-HIPC, MDRI-II Trusts
and Related Account**

**Statements of comprehensive income and
changes in resources for the years ended April 30, 2009, and 2008**

(In millions of SDRs)

	PRGF-ESF Trust		PRGF-HIPC Trust and Related Account		MDRI-II Trust	
	2009	2008	2009	2008	2009	2008
Resources, beginning of year	4,764	4,585	656	574	23	8
Investment income (Note 9)	296	261	43	54	1	2
Interest on loans	19	18	—	—	—	—
Interest expense	(119)	(165)	(2)	(2)	—	—
Operational income	196	114	41	52	1	2
Contributions						
Bilateral donors	24	34	16	24	—	—
Special Disbursement Account	—	31	—	—	—	—
Administered Account for Liberia	—	—	15	15	—	—
Debt Relief						
MDRI grant assistance (Note 8)	—	—	—	—	9	13
HIPC assistance	—	—	(43)	(9)	—	—
Other comprehensive income	—	—	—	—	—	—
Net comprehensive income/changes in resources	<u>220</u>	<u>179</u>	<u>29</u>	<u>82</u>	<u>10</u>	<u>15</u>
Resources, end of year	<u>4,984</u>	<u>4,764</u>	<u>685</u>	<u>656</u>	<u>33</u>	<u>23</u>

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

**PRGF-ESF, PRGF-HIPC, MDRI-II Trusts
and Related Account**

**Statements of cash flows for the
years ended April 30, 2009, and 2008**

(In millions of SDRs)

	PRGF-ESF Trust		PRGF-HIPC Trust and Related Account		MDRI-II Trust	
	2009	2008	2009	2008	2009	2008
Cash flows from operating activities						
Net comprehensive income	220	179	29	82	10	15
Adjustments to reconcile net comprehensive income to cash generated by operations						
Interest income on investments	(160)	(187)	(34)	(48)	(1)	(2)
Interest income on loans	(19)	(18)	—	—	—	—
Interest expense	119	165	2	2	—	—
	<u>160</u>	<u>139</u>	<u>(3)</u>	<u>36</u>	<u>9</u>	<u>13</u>
Change in accrued MDRI grant assistance	—	—	—	—	(9)	(13)
Changes in other liabilities	2	3	—	—	—	—
Loan disbursements	(720)	(484)	—	—	—	—
Loan repayments	468	396	—	—	—	—
Cash (used in)/provided by operations	(90)	54	(3)	36	—	—
Interest received	191	202	39	52	1	2
Interest paid	(139)	(170)	(2)	(2)	—	—
Net cash (used in)/provided by operating activities	<u>(38)</u>	<u>86</u>	<u>34</u>	<u>86</u>	<u>1</u>	<u>2</u>
Cash flows from investment activities						
Net (acquisition)/disposition of investments	(27)	48	490	166	39	—
Net cash (used in)/provided by investment activities	<u>(27)</u>	<u>48</u>	<u>490</u>	<u>166</u>	<u>39</u>	<u>—</u>
Cash flows from financing activities						
Borrowings	726	498	6	—	—	—
Repayment of borrowings	(668)	(617)	(25)	(20)	—	—
Net cash provided by/(used in) financing activities	<u>58</u>	<u>(119)</u>	<u>(19)</u>	<u>(20)</u>	<u>—</u>	<u>—</u>
Net (decrease)/increase in cash and cash equivalents	(7)	15	505	232	40	2
Effect of exchange rate changes on cash and cash equivalents	—	—	(5)	—	—	—
Cash and cash equivalents, beginning of year	337	322	332	100	3	1
Cash and cash equivalents, end of year	<u>330</u>	<u>337</u>	<u>832</u>	<u>332</u>	<u>43</u>	<u>3</u>
Supplemental disclosure						
Change in ending balances resulting from exchange rate fluctuations:						
Investments	—	—	(16)	19	—	—
Borrowings	—	—	(21)	19	—	—

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

PRGF-ESF, PRGF-HIPC, MDRI-II Trusts and Related Account

Notes to the financial statements for the years ended April 30, 2009, and 2008

1. Nature of operations

The IMF is the Trustee of the Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust (the PRGF-ESF Trust), the Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and for Interim PRGF Subsidy Operations (the PRGF-HIPC Trust) and the related Umbrella Account for HIPC Operations (the Umbrella Account), and the Multilateral Debt Relief Initiative-II Trust (the MDRI-II Trust), collectively referred to as the Trusts, whose purposes are to provide loans on concessional terms and debt relief to low-income members.

The resources of the Trusts 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. Resources not immediately needed in operations are invested in fixed-term deposits or fixed-income securities, as allowed by the instruments establishing the Trusts. The Trusts' investment objective is to generate returns that exceed the SDR interest rate over time while minimizing the frequency and extent of negative returns and underperformance.

For the current year presentation, the financial statements of the PRGF-ESF Trust, the PRGF-HIPC Trust and Umbrella Account, and the MDRI-II Trust administered by the IMF as executing agent are shown concurrently. Separate financial statements were presented for each of the Trusts in prior years.

PRGF-ESF Trust

Established in December 1987, the PRGF-ESF Trust provides loans on concessional terms to qualifying low-income country members. Assistance under the Poverty Reduction and Growth Facility (PRGF) is made available under three-year arrangements in support of macroeconomic and adjustment programs, and under the Exogenous Shocks Facility (ESF) to support member countries' adjustment programs, ranging from one to two years, to cope with exogenous shocks. The operations of the PRGF-ESF Trust are conducted through the Loan Account, the Reserve Account, and three Subsidy Accounts.

The resources of the Loan Account consist of proceeds from borrowings, repayments of principal, and interest payments on loans extended by the Trust. The resources held in the Reserve Account consist of transfers by the IMF from the Special Disbursement Account (the SDA) and net earnings from investments. Reserve Account resources are to be used by the Trustee in the event that borrowers' principal repayments and interest payments, together with the authorized interest subsidy, are insufficient to repay loan principal and interest on borrowings of the Loan Account. The resources held in the Subsidy Accounts consist of grant contributions, borrowings, transfers from the SDA, transfers of earnings from the PRGF Administered Accounts, and net earnings from investments. The available resources in the Subsidy Accounts are drawn by the Trustee to pay the difference between the interest due from the borrowers under the PRGF-ESF Trust and the interest due on Loan Account borrowings.

PRGF-HIPC Trust and the Umbrella Account

The PRGF-HIPC Trust was established in February 1997 to provide assistance to low-income developing countries by making grants or loans for purposes of reducing their external debt burden to sustainable levels. The operations of the PRGF-HIPC Trust are conducted through the PRGF-HIPC Trust Account and the related Umbrella Account. The resources of the PRGF-HIPC Trust Account consist of grant contributions, borrowings, transfers from the SDA, transfers of earnings from the PRGF Administered Accounts, and net earnings from investments. The Umbrella Account receives and administers the proceeds of grants made by the PRGF-HIPC Trust to the HIPC-eligible members for the purposes of repaying their debt to the IMF in accordance with the agreed upon schedule.

MDRI-II Trust

The IMF framework for debt relief to qualifying low-income countries under the Multilateral Debt Relief Initiative (MDRI) became effective in January 2006. Debt relief operations are conducted through two trusts: the MDRI-I Trust, for HIPC and non-HIPC members with annual per capita income of US\$380 or less; and the MDRI-II Trust for HIPC members with annual per capita income above that threshold. Resources in the two MDRI Trusts consist of grant contributions and net earnings from investments. Since the IMF, through the SDA, has control over the MDRI-I Trust, the financial statements of the MDRI-I Trust are consolidated with those of the General Department.

2. Basis of preparation and measurement

The financial statements include the PRGF-ESF Trust, the PRGF-HIPC Trust (including the Umbrella Account), and the MDRI-II Trust. The financial statements of the Trusts are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). They have been prepared under the historical cost convention, except for the revaluation of financial instruments at fair value through profit and loss. Specific accounting principles and disclosure practices, as set out below, are in accordance with and comply with IFRS and have been applied consistently for all periods presented. Comparative figures have been reclassified to conform with changes in the presentation for the current year.

New International Financial Reporting Standards and Interpretations

The financial statements of the Trusts are prepared in accordance with *Revised IAS 1, "Presentation of Financial Statements."* Revised IAS 1 requires presentation of non-owner changes in equity (comprehensive income) either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The Revised IAS 1 did not have a significant impact on the presentation of the financial statements.

Amended IAS 39, "Financial Instruments: Recognition and Measurement" permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss upon initial recognition) out of the fair value through profit or loss category in particular circumstances. An entity that has reclassified a financial asset is required to disclose the amount reclassified and the reason for the reclassification under the Amended IFRS 7, "Financial Instruments: Disclosures." The amendments, effective from July 1, 2008, have no effect on the financial statements.

Amended IFRS 7, "Financial Instruments: Disclosures" requires the disclosures of the methods and underlying assumptions applied in determining fair values of financial assets or financial liabilities. An entity must also disclose the remaining contractual maturities for financial liabilities and how it manages the related liquidity risk. The amended IFRS 7 will become effective for the financial year ending April 30, 2010 and is expected to enhance the disclosures of financial assets and financial liabilities in the financial statements of the Trusts.

Unit of account

The financial statements are presented in Special Drawing Right (SDR). The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket at five-year intervals and the current composition of the SDR valuation basket became effective on January 1, 2006. The currencies in the basket as of April 30, 2009, and 2008 and their amounts were as follows:

Currency	Amount
Euro	0.4100
Japanese yen	18.4000
Pound sterling	0.0903
U.S. dollar	0.6320

As of April 30, 2009, one SDR was equal to US\$1.49783 (US\$1.62378 as of April 30, 2008).

Use of estimates and judgment

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in Note 3.

3. Summary of significant accounting and related policies

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other highly liquid short-term investments that are readily convert-

ible to a known amount of cash and are subject to an insignificant risk of changes in value.

Investments

Investments are managed primarily by external investment managers. Investments and the related assets and liabilities in accounts managed solely for the Trusts and the net asset value of Trusts' share of pooled investment accounts are reported in the statements of financial position.

Financial assets at fair value through profit or loss

The Trusts have designated the investments in fixed-income securities, other than fixed-term deposits, as financial assets held at fair value through profit or loss. Such designation may be made only upon initial recognition and cannot subsequently be changed. The designated assets are carried at fair value on the statements of financial position, with the change in fair value included in the statements of comprehensive income in the period in which they arise.

Recognition

Investments are recognized on the trade date at which the Trusts become a party to the contractual provisions of the instrument.

Derecognition

Investments are derecognized when the contractual rights to the cash flows from the asset expire, or in transactions where substantially all the risks and rewards of ownership of the investment are transferred.

Fair value measurement

The determination of the fair values of the investments, other than fixed-term deposits, is based on quoted market prices for financial instruments traded in active markets. The carrying amount of fixed-term deposits, which typically have maturities of 12 months or less, approximates fair value.

Investment income

Investment income comprises interest income, management and custodian fees, realized gains and losses, and unrealized gains and losses, including currency valuation differences arising from exchange rate movements against the SDR.

Loans

Loans in the PRGF-ESF Trust are initially recorded at the amount disbursed provided that the present value of the cash flows from stated interest due and the Subsidy Accounts is equal to or exceeds the disbursed amount. Thereafter, the carrying value of the loans is amortized cost.

PRGF and ESF loans are repayable in 10 equal semi-installments beginning 5½ years after disbursement. Interest on loans accrues at the stated interest rate of ½ of 1 percent per annum, subject to the availability of adequate subsidy resources to support this interest rate. It is the PRGF-ESF Trust's policy to exclude from income interest on loans that are six months or more overdue. At the end of each reporting period, the loans are reviewed to determine whether there is objective evidence of loan impairment. If any such evidence exists, an impairment loss would be recognized to the extent that the present value of estimated future cash flows falls below the carrying amount.

Borrowings

The PRGF-ESF and PRGF-HIPC Trusts borrow on such terms and conditions as agreed between the Trustee and the lenders. The principal amounts of the PRGF-ESF Trust borrowings are repayable in 10 equal semi-annual installments 5½ years after drawing; PRGF-HIPC Trust borrowings are repayable in one installment at their maturity dates. Borrowings are recorded and subsequently stated at amortized cost.

Foreign currency translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rates. Exchange differences arising from the settlement of transactions at rates different from those at the originating date of the transaction and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net comprehensive income.

Contributions

Contributions are reflected as increases in resources after the achievement of specified conditions and are subject to bilateral agreements stipulating how the resources are to be used.

4. Financial risk management

In providing financial assistance to member countries, conducting its operations and investing its resources, the Trusts are exposed to various types of operational and financial risks, including credit, market, and liquidity risks.

Credit risk

PRGF-ESF Trust Lending

Credit risk refers to potential losses on loans receivable owing to the inability, or unwillingness, of member countries to repay loans. Measures to help mitigate credit risk include policies on access limits, program design, monitoring, and conditionality attached to PRGF-ESF financing.

The PRGF-ESF Trust has established limits on overall access to its resources. The limits for PRGF and ESF arrangements are currently set at 280 percent (in exceptional cases up to 370 percent) and 150 percent (higher in exceptional circumstances), respectively, of members' IMF quotas. In each individual case, the amount of access granted will depend on relevant factors such as the country's balance of payments need, the strength of its adjustment program, and its previous and outstanding use of IMF credit.

Disbursements under PRGF and ESF arrangements are made in tranches and subject to conditionality in the form of performance criteria and periodic reviews. Safeguards assessments of member central banks are undertaken to provide the Trustee with reasonable assurance that the banks' legal structure, controls, accounting, reporting, and auditing systems are adequate to ensure the integrity of their operation and ensure that PRGF-ESF Trust loan resources are used for intended purposes. Misreporting by member countries on performance criteria and other conditions may entail early repayment for non-complying borrowers.

The maximum credit risk exposure is the carrying value of the PRGF-ESF Trust's outstanding loans and the undrawn commitments (see Notes 6 and 10, respectively).

As of April 30, use of credit in the PRGF-ESF Trust by the largest users was as follows:

	2009		2008	
	<i>(In millions of SDRs and percent of total PRGF-ESF credit)</i>			
Largest user of credit	724	17.5%	826	21.3%
Three largest users of credit	1,588	38.5%	1,654	42.7%
Five largest users of credit	1,997	48.4%	2,028	52.4%

The five largest users of credit as of April 30, 2009, in descending order, were Pakistan, Democratic Republic of the Congo, Bangladesh, Liberia and Côte d'Ivoire. Outstanding credit by member is provided in Schedule 1.

The concentration of PRGF-ESF outstanding credit by region was as follows at April 30:

	2009		2008	
	<i>(In millions of SDRs and percent of total PRGF-ESF credit outstanding)</i>			
Africa	2,041	49.5%	1,645	42.5%
Asia and Pacific	1,210	29.3%	1,356	35.0%
Europe	403	9.8%	445	11.5%
Latin America and Caribbean	235	5.7%	164	4.2%
Middle East and Central Asia	236	5.7%	263	6.8%
Total	<u>4,125</u>	<u>100%</u>	<u>3,873</u>	<u>100%</u>

To protect the lenders to the PRGF-ESF Trust, resources are accumulated in the Reserve Account and are available to repay the lenders in the event of delays in repayment or nonpayment by borrowers. As of April 30, 2009, and 2008, available resources in the Reserve Account amounted to SDR 3.9 billion and SDR 3.6 billion, respectively.

Investments

Credit risk on investment activities represents the potential loss that the Trusts may incur if obligors and counterparties default on their contractual obligations. Credit risk is managed through the conservative range of eligible investments including (i) domestic government bonds of countries in the Euro area, Japan, the United Kingdom and the United States, i.e., members whose currencies are included in the SDR basket; (ii) obligations of international financial organizations; (iii) claims on the Bank for International Settlementment (BIS); and (iv) deposits with a commercial bank, a national official financial institution, or an international financial institution. Credit risk is further minimized by limiting eligible investments to marketable securities rated AA or higher by a major credit rating agency, and for deposits, the Trusts may invest in obligations issued by institutions with a credit rating of A or higher. Compliance controls are enforced to ensure that the portfolio does not include a security whose rating is below the minimum rating required.

The MDRI-II Trust's investments consist of fixed-term deposits with the Bank for International Settlements. The credit risk exposure in the PRGF-ESF and PRGF-HIPC Trust and Related Account portfolios at April 30 was as follows:

	2009			2008		
	Rating	PRGF-ESF Trust	PRGF-HIPC Trust	Rating	PRGF-ESF Trust	PRGF-HIPC Trust
		Percentage			Percentage	
Government bonds						
France	AAA	0.2	0.1	AAA	0.7	0.3
Germany	AAA	15.0	12.4	AAA	15.0	12.7
Italy	—	—	—	AA	0.2	0.1
Japan	AA	5.5	4.6	AA	4.3	3.8
Spain	AA+	0.2	0.1	—	—	—
United Kingdom	AAA	2.3	1.6	AAA	3.0	0.8
United States	AAA	12.6	15.0	AAA	10.7	13.8
Non-government bonds						
Bank for International Settlements	Not rated	51.5	—	Not rated	48.7	—
Other international financial institutions	AAA	7.5	3.2	AAA	6.6	4.1
Fixed-term deposits						
Bank for International Settlements	Not rated	5.2	62.9	Not rated	10.1	64.2
Other financial institutions	—	—	—	AA	0.7	0.2
	A	—	0.1	—	—	—
		100	100		100	100

The Trustee previously engaged its custodian in a securities lending program, in which marketable securities were lent temporarily to other institutions in exchange for a fee and collateral, to enhance the return on the Trusts' investments. This program was suspended during the financial year ended April 30, 2009.

Market risk

Interest rate risk

PRGF-ESF Trust Lending

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The PRGF-ESF Trust accumulates resources through contributions and investments earnings to cover the interest shortfall arising from the difference between the market-based interest rate paid on borrowings and the concessional rate (½ of 1 percent per annum) applicable to outstanding loans. Should such resources be deemed inadequate for this purpose, the PRGF-ESF Trust instrument allows an increase in the interest rate levied on outstanding loans.

Investments

The investment portfolios are exposed to market interest rate fluctuations. The interest rate risk is mitigated by limiting the duration of the portfolios to a weighted-average of 1-3 years.

A 50 basis point change in the average effective yields of the Trusts' portfolios at April 30 would result in the following:

	2009		2008	
	Net (loss)/gain		Net (loss)/gain	
	In millions of SDRs	As a percentage of the portfolio	In millions of SDRs	As a percentage of the portfolio
PRGF-ESF Trust				
50 basis point increase	(44.3)	0.85%	(40.2)	0.77%
50 basis point decrease	45.0	0.87%	40.8	0.78%
PRGF-HIPC Trust				
50 basis point increase	(4.3)	0.34%	(3.7)	0.29%
50 basis point decrease	4.4	0.35%	3.7	0.29%

Exchange rate risk

Lending and Borrowing

Exchange rate risk is the exposure to the effects of fluctuations in foreign currency exchange rates on an entity's financial position and cash flows. The PRGF-ESF Trust has no exchange rate risk on its loans and borrowings as receipts, disbursements, repayments and interest payments are denominated in SDRs. The PRGF-HIPC Trust has no exchange rate risk on borrowings as receipts, repayments and interest are either denominated in SDRs or, if denominated in currency, are invested and maintained in the same currency.

Investments

In accordance with current guidelines, exchange rate risk on investments is managed by investing in financial instruments denominated in SDRs or in constituent currencies of the SDR with the relative amount of each currency matching its weight in the SDR basket. In addition, the portfolios are regularly rebalanced to reflect currency weights in the SDR basket.

The value of the SDR is the sum of the market values, in U.S. dollar equivalents, of the predetermined amounts of the four currencies in the SDR valuation basket (see Note 2). The effective share of each currency in the valuation of the SDR depends on the prevailing exchange rate at noon in the London market against the U.S. dollar on that day. Since the proportionate share of a currency in the SDR valuation basket is determined by reference to the market value against the U.S. dollar, the exchange risk can be measured indirectly by the exchange rate movements between a basket currency and the U.S. dollar. The net effect on the investment portfolios of a 10 percent increase in the market exchange rates of the basket currencies against the U.S. dollar at April 30 would be as follows:

	PRGF-HIPC Trust			
	Net (loss)/gain			
	2009		2008	
	In millions of SDRs	As a percentage of investments not denominated in SDRs	In millions of SDRs	As a percentage of investments not denominated in SDRs
Euro	(0.31)	0.07%	<0.01	<0.01%
Japanese yen	(0.29)	0.07%	0.03	0.01%
Pound sterling	(0.11)	0.02%	(0.05)	0.01%

	PRGF-ESF Trust			
	Net (loss)/gain			
	2009		2008	
	In millions of SDRs	As a percentage of investments not denominated in SDRs	In millions of SDRs	As a percentage of investments not denominated in SDRs
Euro	(4.19)	0.09%	(0.24)	0.01%
Japanese yen	(2.26)	0.05%	1.14	0.03%
Pound sterling	(2.68)	0.06%	0.77	0.02%

The net effect of a 10 percent decrease in the market exchange rate of the basket currencies against the U.S. dollar at April 30 would be as follows:

	PRGF-HIPC Trust			
	Net (loss)/gain			
	2009		2008	
	In millions of SDRs	As a percentage of investments not denominated in SDRs	In millions of SDRs	As a percentage of investments not denominated in SDRs
Euro	(0.16)	0.04%	0.13	0.03%
Japanese yen	(0.20)	0.05%	0.09	0.02%
Pound sterling	(0.37)	0.09%	0.18	0.04%

	PRGF-ESF Trust			
	Net (loss)/gain			
	2009		2008	
	In millions of SDRs	As a percentage of investments not denominated in SDRs	In millions of SDRs	As a percentage of investments not denominated in SDRs
Euro	(0.97)	0.02%	1.67	0.04%
Japanese yen	(2.96)	0.06%	0.29	0.01%
Pound sterling	(2.61)	0.06%	0.58	0.01%

The Trusts have other assets and liabilities denominated in currencies other than SDRs, such as interest payable and receivable, but the amount of such other assets and liabilities (and hence the exchange rate risk exposure) is minimal.

Liquidity risk

Liquidity risk is the risk of non-availability of resources to meet the Trusts' financing needs and obligations. The IMF, as Trustee, conducts semi-annual reviews to determine the adequacy of resources in the Trusts to provide financial assistance to eligible IMF members.

The PRGF-ESF Trust must have usable resources available to meet members' demand for credit and uncertainties in the timing and amount of credit extended to members expose the PRGF-ESF Trust to liquidity risk.

Resources in the Subsidy Accounts are expected to exceed estimated needs based on the present level of loans outstanding, and the balance in the Reserve Account is projected to increase and reach the level sufficient to cover all outstanding obligations to lenders. Resources held in the PRGF-HIPC and MDRI-II Trusts are adequate to provide debt relief under the HIPC and the MDRI Initiatives to members, except those in protracted arrears to the IMF, that are likely to qualify for such relief.

To minimize the risk of loss from liquidating long-term investments, the Trusts hold resources in readily marketable short-term financial instruments to meet anticipated liquidity needs.

5. Investments

Investments, the fair value of which is based on the quoted market prices or dealer quotes on the last business day of the financial year, consisted of the following at April 30:

	PRGF-ESF Trust		PRGF-HIPC Trust		MDRI-II Trust	
	2009	2008	2009	2008	2009	2008
	<i>(In millions of SDRs)</i>					
Fixed-term deposits	135	404	—	528	—	39
Fixed-income securities	4,734	4,438	435	413	—	—
Total	4,869	4,842	435	941	—	39

The maturities of the investments are as follows:

Financial year ending April 30	PRGF-ESF Trust	PRGF-HIPC Trust
	<i>(In millions of SDRs)</i>	
2010	403	73
2011	2,444	160
2012	1,973	76
2013	3	108
2014	19	1
2015 and beyond	27	17
Total	4,869	435

6. Loans receivable

At April 30, 2009, and 2008, the resources of the Loan Account included net cumulative transfers from the Reserve Account of SDR 74 million, related to the nonpayment of principal by Zimbabwe.

Scheduled repayments of loans by borrowers, including Zimbabwe's overdue obligations, are summarized below:

Financial year ending April 30	
	<i>(In millions of SDRs)</i>
2010	463
2011	523
2012	553
2013	502
2014	472
2015 and beyond	1,538
Overdue	74
Total	4,125

As of April 30, 2009, scheduled repayments of loans include PRGF loans totaling SDR 481 million due from members that are potentially eligible for MDRI debt relief assistance.

7. HIPC and MDRI grant assistance

MDRI grant assistance, together with assistance under the HIPC Initiative, provides debt relief to cover the debt owed to the IMF (including the PRGF-ESF Trust) at December 31, 2004, that remains outstanding at the time the member qualifies for such relief. For the financial year ended April 30, 2009, one HIPC member reached the completion point and combined HIPC and MDRI grant assistance of SDR 27 million was disbursed to settle PRGF-ESF Trust obligations. Since the IMF adopted the MDRI, 24 HIPC members and 2 non-HIPC members received HIPC and MDRI grant assistance totaling SDR 2,728 million. The eligible debt covered by the grant assistance included GRA and PRGF-ESF Trust obligations of SDR 101 million and SDR 2,627 million, respectively. Disbursed MDRI assistance by member is provided in Schedule 5. The PRGF-ESF Trust loans were repaid in full and no impairment loss has been recognized in the PRGF-ESF Trust Loan Account.

All remaining MDRI-eligible members will qualify for MDRI debt relief upon reaching the completion point under the HIPC Initiative. MDRI grant assistance to the remaining eligible members is subject to the availability of resources and is accrued when it is probable that a liability has been incurred and the amount of such grant assistance can be reasonably estimated. The amount of liability recorded for the MDRI-II Trust (SDR 10 million and SDR 19 million at April 30, 2009, and 2008, respectively) is based on the evaluation of currently available facts with respect to each individual eligible member and includes factors such as progress made toward reaching the completion point under the HIPC Initiative, and the capacity to meet the macroeconomic performance and other objective criteria. As the qualification of members for MDRI debt relief is assessed, the amounts recorded are reviewed periodically and adjusted to reflect the additional information that becomes available.

Since the stock of debt owed to the IMF as of December 31, 2004, decreases over time, the actual debt eligible for MDRI assistance for the remaining potentially eligible members depends on the timing of their completion points. There is no comparable cut-off date for HIPC Initiative assistance; rather, the Trustee commits a specific amount of debt relief at the decision point, and delivers this relief as conditions are being met.

The reconciliation of accrued MDRI grant assistance for the financial years ended April 30 is as follows:

	2009	2008
	<i>(In millions of SDRs)</i>	
Beginning of year	19	32
Additions	6	1
Reversals	(15)	(14)
End of year	<u>10</u>	<u>19</u>

8. Borrowings

The PRGF-ESF and PRGF-HIPC Trusts borrow on such term and conditions as agreed between the Trusts and the lenders. The weighted average interest rate on PRGF-ESF Trust borrowings was 2.83 percent and 3.87 percent for financial years ended April 30, 2009 and 2008, respectively. During the same periods, interest rates on PRGF-HIPC Trust borrowings varied between 0 percent and 2 percent per annum. Current borrowing agreements are shown in Schedule 3.

The PRGF-ESF Trust made early repayments of SDR 61 million and SDR 16 million during the financial year ended April 30, 2009 and 2008, respectively, to lenders following the repayment of PRGF-ESF Trust loans by members that either received HIPC Initiative and MDRI grant assistance or returned non-complying disbursements.

Scheduled repayments of borrowings are summarized below:

Financial year ending April 30	PRGF-ESF Trust	PRGF-HIPC Trust
	<i>(In millions of SDRs)</i>	
2010	588	287
2011	621	71
2012	602	26
2013	507	6
2014	457	12
2015 and beyond	<u>1,549</u>	<u>179</u>
Total	<u>4,324</u>	<u>581</u>

The following summarizes the undrawn balances of the PRGF-ESF Trust borrowing agreements in effect as of April 30 (all PRGF-HIPC Trust borrowing arrangements have been fully drawn):

	2009	2008
	<i>(In millions of SDRs)</i>	
Loan Account	2,013	2,733
Subsidy Accounts	110	126

9. Investment income

Investment income comprised the following for the financial years ended April 30:

	PRGF-ESF Trust		PRGF-HIPC Trust and Related Account		MDRI-II Trust	
	2009	2008	2009	2008	2009	2008
	<i>(In millions of SDRs)</i>					
Interest income	160	187	34	48	1	2
Realized gains/ (losses), net	70	19	14	(1)	—	—
Unrealized gains/ (losses), net	67	56	(5)	7	—	—
Other, net	(1)	(1)	—	—	—	—
Total	<u>296</u>	<u>261</u>	<u>43</u>	<u>54</u>	<u>1</u>	<u>2</u>

10. Commitments under PRGF-ESF Trust loan arrangements

An arrangement under the PRGF or ESF is a decision that gives a member the assurance that the IMF as Trustee stands ready to provide foreign exchange or SDRs during a specified period and up to a specified amount in accordance with the terms of the decision. Upon approval by the Trustee, resources of the Loan Account of the PRGF-ESF Trust are committed to qualifying members for a three-year period for PRGF arrangements or a one- to two-year period for ESF arrangements. At April 30, 2009, undrawn balances under 28 loan arrangements amounted to SDR 806 million (SDR 458 million under 25 arrangements at April 30, 2008). Undrawn balances by member are provided in Schedule 2.

11. Related party transactions

For the financial years ended April 30, 2009, and 2008, the Executive Board of the IMF decided to forgo the reimbursement by the PRGF-ESF Trust to the General Resources Account for the cost of administering the Trust. Such reimbursement would have amounted to SDR 41 million and SDR 43 million, respectively. The expenses of conducting the business of the PRGF-HIPC and MDRI-II Trusts were paid by the General Resources Account of the IMF.

The IMF's cumulative contributions, via the Special Disbursement Account, to the PRGF-ESF and the PRGF-HIPC Trusts were as follows at April 30:

	2009	2008
	<i>(In millions of SDRs)</i>	
PRGF-ESF Trust Reserve Account	2,893	2,893
PRGF-ESF Trust Subsidy Accounts	870	870
PRGF-HIPC Trust	<u>1,239</u>	<u>1,239</u>
Total	<u><u>5,002</u></u>	<u><u>5,002</u></u>

The PRGF-ESF Trust Subsidy Account and the PRGF-HIPC Trust receive contributions from member countries that had placed deposits in the Poverty Reduction and Growth Facility Administered Accounts at low interest rates. Net investment income transferred from those Accounts to the PRGF-ESF Trust Subsidy Account and the PRGF-HIPC Trust amounted to SDR 0.06 million and SDR 0.5 million, respectively, for the financial year ended April 30, 2009 (SDR 0.05 million and 0.8 million for the financial year ended April 30, 2008). During the financial years ended April 30, 2009, and 2008, the PRGF-HIPC Trust also received contributions amounting to SDR 15 million each from the Administered Account for Liberia.

12. Combining statements of financial position and statements of comprehensive income and changes in resources

The statements of financial position and statements of comprehensive income and changes in resources of the PRGF-ESF Trust and the PRGF-HIPC Trust (including the Umbrella Account) are presented below:

Note 12

PRGF-ESF Trust and PRGF-HIPC Trust and Related Account

Combining statements of financial position at April 30, 2009, and 2008

(In millions of SDRs)

	PRGF-ESF Trust				PRGF-HIPC Trust and Related Account				Umbrella Account for HIPC Operations	Combined total	Combined total		
	2009		2008		2009		2008					2009	2008
	Loan Account	Reserve Account	Subsidy Accounts	Total	PRGF-HIPC	PRGF	HIPC	Total					
Assets													
Cash and cash equivalents	120	91	119	330	337	345	14	452	811	21	832	332	
Interest and other receivables	22	—	—	22	34	— ¹	—	— ¹	— ¹	— ¹	— ¹	5	
Investments	135	3,718	1,016	4,869	4,842	405	30	—	435	—	435	941	
Loans receivable	4,125	—	—	4,125	3,873	—	—	—	—	—	—	—	
Accrued account transfers	(34)	61	(27)	—	—	—	—	—	—	—	—	—	
Total assets	4,368	3,870	1,108	9,346	9,086	750	44	452	1,246	21	1,267	1,278	
Liabilities and resources													
Borrowings	4,256	—	68	4,324	4,266	581	—	—	581	—	581	621	
Interest payable and other liabilities	38	—	—	38	56	1	—	—	1	—	1	1	
Total liabilities	4,294	—	68	4,362	4,322	582	—	—	582	—	582	622	
Resources	74	3,870	1,040	4,984	4,764	168	44	452	664	21	685	656	
Total liabilities and resources	4,368	3,870	1,108	9,346	9,086	750	44	452	1,246	21	1,267	1,278	

¹Less than SDR 500,000.

PRGF-ESF Trust and PRGF-HIPC Trust and Related Account
Combining statements of comprehensive income and changes in
resources for the years ended April 30, 2009, and 2008

(In millions of SDRs)

	PRGF-ESF Trust				PRGF-HIPC Trust and Related Account				Umbrella Account for HIPC Operations	Combined total	Combined total
	2009		2008		2009		2008				
	Loan Account	Reserve Account	Subsidy Accounts	Total	PRGF-HIPC	PRGF	HIPC	Total			
Resources, beginning of the year	74	3,646	1,044	4,764	123	42	473	638	18	656	574
Investment income	8	224	64	296	31	2	10	43	— ¹	43	54
Interest income on loans	19	—	—	19	—	—	—	—	—	—	—
Interest expense	(119)	—	—	(119)	(2)	—	—	(2)	—	(2)	(2)
Operational (loss) income	(92)	224	64	196	29	2	10	41	—	41	52
Contributions											
Bilateral donors	—	—	24	24	16	—	—	16	—	16	24
Special Disbursement Account	—	—	—	—	—	—	—	—	—	—	—
Administered Account for Liberia	—	—	—	—	—	—	15	15	—	15	15
HIPC Grants	—	—	—	—	—	—	(46)	(46)	46	—	—
HIPC Disbursements	—	—	—	—	—	—	—	—	(43)	(43)	(9)
Transfers between:											
Loan and Reserve Accounts	— ¹	— ¹	—	—	—	—	—	—	—	—	—
Loan and Subsidy Accounts	92	—	(92)	—	—	—	—	—	—	—	—
Net comprehensive income	—	224	(4)	220	45	2	(21)	26	3	29	82
(loss)/changes in resources	—	224	(4)	220	45	2	(21)	26	3	29	82
Resources, end of the year	74	3,870	1,040	4,984	168	44	452	664	21	685	656

¹Less than SDR 500,000.

Schedule 1

PRGF-ESF Trust
Schedule of outstanding loans
at April 30, 2009

(In millions of SDRs)

	PRGF-ESF		ESF		Total balance
	Balance	Percent	Balance	Percent	
Afghanistan, Islamic Republic of	70	1.80	—	—	70
Albania	43	1.11	—	—	43
Armenia	82	2.11	—	—	82
Azerbaijan	47	1.21	—	—	47
Bangladesh	312	8.04	—	—	312
Benin	15	0.39	—	—	15
Burkina Faso	35	0.90	—	—	35
Burundi	51	1.31	—	—	51
Cameroon	19	0.49	—	—	19
Cape Verde	8	0.21	—	—	8
Central African Republic	39	1.01	—	—	39
Chad	23	0.59	—	—	23
Comoros	—	—	2	0.82	2
Congo, Democratic Republic of	419	10.80	133	54.28	552
Congo, Republic of	25	0.64	—	—	25
Côte d'Ivoire	195	5.03	—	—	195
Djibouti	11	0.28	—	—	11
Dominica	7	0.18	—	—	7
Ethiopia	—	—	34	13.88	34
Gambia, The	13	0.34	—	—	13
Georgia	130	3.35	—	—	130
Ghana	105	2.71	—	—	105
Grenada	7	0.18	—	—	7
Guinea	45	1.16	—	—	45
Guinea-Bissau	2	0.05	—	—	2
Guyana	37	0.95	—	—	37
Haiti	91	2.35	—	—	91
Honduras	20	0.52	—	—	20
Kenya	160	4.12	—	—	160
Kyrgyz Republic	83	2.14	17	6.94	100

Schedule 1 (concluded)

PRGF-ESF Trust
Schedule of outstanding loans
at April 30, 2009

(In millions of SDRs)

	PRGF-ESF		ESF		Total balance
	Balance	Percent	Balance	Percent	
Lao People's Democratic Republic	12	0.31	—	—	12
Lesotho	18	0.46	—	—	18
Liberia	214	5.52	—	—	214
Madagascar	64	1.65	—	—	64
Malawi	46	1.19	35	14.28	81
Mali	26	0.67	—	—	26
Mauritania	10	0.26	—	—	10
Moldova	102	2.63	—	—	102
Mongolia	11	0.28	—	—	11
Mozambique	10	0.26	—	—	10
Nepal	50	1.29	—	—	50
Nicaragua	72	1.86	—	—	72
Niger	33	0.85	—	—	33
Pakistan	724	18.65	—	—	724
Rwanda	9	0.23	—	—	9
São Tomé and Príncipe	3	0.08	—	—	3
Senegal	17	0.44	24	9.80	41
Sierra Leone	35	0.90	—	—	35
Sri Lanka	31	0.80	—	—	31
Tanzania	11	0.28	—	—	11
Togo	31	0.80	—	—	31
Uganda	6	0.15	—	—	6
Vietnam	70	1.80	—	—	70
Yemen, Republic of	45	1.16	—	—	45
Zambia	62	1.60	—	—	62
Zimbabwe	74	1.91	—	—	74
Total loans outstanding	3,880	100	245	100	4,125

PRGF-ESF Trust
Status of loan arrangements
at April 30, 2009

(In millions of SDRs)

Member	Date of arrangement	Expiration date	Amount agreed	Undrawn balance
PRGF arrangements				
Afghanistan, Islamic Republic of	Jun. 26, 2006	Mar. 31, 2010	81	11
Benin	Aug. 5, 2005	Aug. 4, 2009	15	1
Burkina Faso	Apr. 23, 2007	Apr. 22, 2010	15	3
Burundi	Jul. 7, 2008	Jul. 6, 2011	46	33
Central African Republic	Dec. 22, 2006	Dec. 21, 2009	45	9
Congo, Republic of	Dec. 8, 2008	Dec. 7, 2011	8	7
Côte d'Ivoire	Mar. 27, 2009	Mar. 26, 2012	374	215
Djibouti	Sep. 17, 2008	Sep. 16, 2011	13	9
Gambia, The	Feb. 21, 2007	Feb. 20, 2010	20	7
Grenada	Apr. 17, 2006	Apr. 16, 2010	12	5
Guinea	Dec. 21, 2007	Dec. 20, 2010	70	45
Haiti	Nov. 20, 2006	Nov. 19, 2009	115	24
Liberia	Mar. 14, 2008	Mar. 13, 2011	239	25
Madagascar	Jul. 21, 2006	Jul. 20, 2009	73	20
Mali	May 28, 2008	May 27, 2011	28	10
Mauritania	Dec. 18, 2006	Dec. 17, 2009	16	6
Moldova	May 5, 2006	May 4, 2009	111	23
Nicaragua	Oct. 5, 2007	Oct. 4, 2010	78	48
Niger	Jun. 2, 2008	Jun. 1, 2011	23	17
Rwanda	Jun. 12, 2006	Jun. 11, 2009	8	1
São Tomé and Príncipe	Mar. 2, 2009	Mar. 1, 2012	3	2
Sierra Leone	May 10, 2006	May 9, 2010	42	21
Tajikistan	Apr. 21, 2009	Apr. 20, 2012	78	78
Togo	Apr. 21, 2008	Apr. 20, 2011	84	53
Zambia	Jun. 4, 2008	Jun. 3, 2011	49	42
Total PRGF arrangements			1,646	715
ESF arrangements				
Kyrgyz Republic	Dec. 10, 2008	Jun. 9, 2010	67	50
Malawi	Dec. 3, 2008	Dec. 2, 2009	52	17
Senegal	Dec. 19, 2008	Dec. 18, 2009	49	24
Total ESF arrangements			168	91
Total PRGF-ESF Trust			1,814	806

Schedule 3

PRGF-ESF and PRGF-HIPC Trusts
Schedule of borrowing agreements at April 30, 2009

(In millions of SDRs)

Member	Interest rate (In percent)	Amount of agreement	Amount drawn	Outstanding balance
PRGF-ESF Trust				
Loan Account				
Belgium	Variable ¹	350.0	307.7	110.6
Canada	Variable ¹	400.0	400.0	159.3
China	Variable ¹	200.0	200.0	86.7
Egypt	Variable ¹	155.6	128.8	39.5
France	Variable ¹	2,100.0	1,537.6	591.8
Germany	Variable ¹	2,050.0	1,316.4	486.6
Italy	Variable ¹	800.0	597.8	452.0
Japan	Variable ¹	2,934.8	2,826.7	1,655.9
Netherlands	Variable ¹	450.0	346.2	244.0
Spain—Bank of Spain	Variable ¹	425.0	259.5	218.1
Spain—Government of Spain (ICO)	0.50	67.0	67.0	19.5
Switzerland	Variable ¹	401.7	333.3	191.5
Total—Loan Account		10,334.1	8,321.0	4,255.5
Subsidy Account				
Pakistan	0.50	10.0	10.0	10.0
Saudi Arabia	0.50	132.6	38.2	38.2
Spain-Government of Spain (ICO)	0.50	60.3	44.5	17.2
Trinidad and Tobago	1.00	3.0	3.0	3.0
Total—Subsidy Account		205.9	95.7	68.4
PRGF-HIPC Trust				
Algeria	—	7.6	7.6	7.6
Argentina	—	15.6	15.6	15.6
Botswana	Variable ²	6.1	6.1	6.1
Brunei Darussalam	—	0.1	0.1	0.1
Colombia	—	1.2	1.2	1.2
Croatia	—	0.5	0.5	0.5
Czech Republic	—	5.7	5.7	5.7
Egypt	—	1.7	1.7	1.7
Fiji	—	0.2	0.2	0.2
Finland	—	5.8	5.8	5.8

Schedule 3 (concluded)

PRGF-ESF and PRGF-HIPC Trusts
Schedule of borrowing agreements
at April 30, 2009

(In millions of SDRs)

Member	Interest rate (In percent)	Amount of agreement	Amount drawn	Outstanding balance
Germany	—	265.9	265.9	265.9
Ghana	0.50	1.0	1.0	1.0
Greece	—	5.4	5.4	5.4
Hungary	—	9.2	9.2	9.2
India	—	31.4	31.4	31.4
Indonesia	—	4.9	4.9	4.9
Kuwait	—	4.2	4.2	4.2
Libya	—	9.9	9.9	9.9
Malaysia	Variable ²	12.4	12.4	12.4
Morocco	—	2.2	2.2	2.2
Oman	—	1.1	1.1	1.1
Pakistan	—	4.7	4.7	4.7
Peru	1.50	6.1	6.1	6.1
Poland	—	7.1	7.1	7.1
Qatar	—	0.7	0.7	0.7
Saudi Arabia	Variable ²	94.4	94.4	94.4
Singapore	Variable ²	34.1	34.1	34.1
Sri Lanka	—	0.8	0.8	0.8
St. Lucia	0.50	0.1	0.1	0.1
Sweden	—	18.6	18.6	18.6
Thailand	—	6.1	6.1	6.1
Tonga	—	— ³	— ³	— ³
Tunisia	0.50	2.4	2.4	2.4
United Arab Emirates	—	5.1	5.1	5.1
Uruguay	Variable ²	7.9	7.9	7.9
Vietnam	—	0.5	0.5	0.5
Total—PRGF-HIPC Trust		<u>580.7</u>	<u>580.7</u>	<u>580.7</u>

¹The loans under these agreements are made at variable, market-related rates of interest.²Interest rate terms specified in the borrowing agreements.³Less than SDR 50,000.

Schedule 4

PRGF-ESF and PRGF-HIPC Trusts
Cumulative contributions and resources
at April 30, 2009

(In millions of SDRs)

Member	PRGF-ESF Trust Subsidy Accounts				PRGF-HIPC Trust subaccounts			
	PRGF-ESF	PRGF	ESF	Total	PRGF-HIPC	PRGF	HIPC	Total
Direct contributions¹								
Algeria	—	—	—	—	0.41	—	—	0.41
Argentina	27.07	—	—	27.07	—	—	—	—
Australia	13.35	—	—	13.35	—	—	17.02	17.02
Austria	—	—	—	—	—	—	9.98	9.98
Bangladesh	0.58	0.13	—	0.71	1.16	—	—	1.16
Barbados	—	—	—	—	0.25	—	—	0.25
Belgium	—	—	—	—	25.93	—	—	25.93
Belize	—	—	—	—	0.20	—	—	0.20
Brazil	—	—	—	—	11.03	—	—	11.03
Brunei Darussalam	—	—	—	—	— ²	—	—	— ²
Cambodia	—	—	—	—	0.03	—	—	0.03
Canada	199.87	—	14.98	214.85	32.93	—	—	32.93
China	12.00	—	—	12.00	13.13	—	—	13.13
Colombia	—	—	—	—	0.01	—	—	0.01
Croatia	—	—	—	—	0.03	—	—	0.03
Cyprus	—	—	—	—	0.54	—	—	0.54
Czech Republic	10.00	—	—	10.00	—	—	—	—
Denmark	38.30	—	—	38.30	13.07	—	—	13.07
Egypt	10.00	—	—	10.00	0.04	—	—	0.04
Estonia	—	—	—	—	0.37	—	—	0.37
Fiji	—	—	—	—	0.02	—	—	0.02
Finland	22.68	—	—	22.68	2.58	—	—	2.58
France	17.42	—	—	17.42	60.90	—	—	60.90
Gabon	—	—	—	—	0.46	—	—	0.46
Germany	153.44	—	—	153.44	—	—	—	—
Greece	—	—	—	—	2.20	—	—	2.20
Iceland	3.30	—	—	3.30	0.64	—	—	0.64
India	8.58	1.94	—	10.52	0.39	—	—	0.39
Ireland	6.91	—	—	6.91	3.94	—	—	3.94
Israel	—	—	—	—	1.19	—	—	1.19
Italy	174.50	—	—	174.50	43.31	—	—	43.31
Jamaica	—	—	—	—	1.80	—	—	1.80
Japan	541.05	—	—	541.05	98.36	—	—	98.36
Korea, Republic of	35.27	—	—	35.27	10.63	—	—	10.63
Kuwait	—	—	—	—	0.11	—	—	0.11
Latvia	—	—	—	—	0.71	—	—	0.71
Lithuania	—	—	—	—	0.73	—	—	0.73
Luxembourg	9.64	0.69	—	10.33	0.93	—	—	0.93
Malaysia	—	—	—	—	4.11	—	—	4.11
Malta	—	—	—	—	0.71	—	—	0.71
Mauritius	—	—	—	—	0.04	—	—	0.04
Mexico	—	—	—	—	39.98	—	—	39.98
Morocco	7.28	—	—	7.28	0.05	—	—	0.05
Nepal	—	—	—	—	0.11	—	—	0.11
Netherlands	99.28	—	—	99.28	—	35.73	16.35	52.08
New Zealand	—	—	—	—	2.21	—	—	2.21
Nigeria	—	—	—	—	6.15	—	—	6.15
Norway	28.08	—	5.37	33.45	12.94	—	—	12.94
Oman	2.24	—	—	2.24	0.07	—	—	0.07
Pakistan	—	—	—	—	0.11	—	—	0.11
Philippines	—	—	—	—	4.50	—	—	4.50
Poland	—	—	—	—	5.78	—	—	5.78
Portugal	—	—	—	—	4.43	—	—	4.43
Russian Federation	21.66	—	—	21.66	10.20	—	—	10.20
St. Vincent and the Grenadines	—	—	—	—	0.10	—	—	0.10

Schedule 4 (concluded)

PRGF-ESF and PRGF-HIPC Trusts
Cumulative contributions and resources
at April 30, 2009

(In millions of SDRs)

Member	PRGF-ESF Trust Subsidy Accounts				PRGF-HIPC Trust subaccounts			
	PRGF-ESF	PRGF	ESF	Total	PRGF-HIPC	PRGF	HIPC	Total
Samoa	—	—	—	—	— ²	—	—	— ²
San Marino	—	—	—	—	0.03	—	—	0.03
Saudi Arabia	—	—	—	—	0.98	—	—	0.98
Singapore	—	—	—	—	2.26	—	—	2.26
Slovak Republic	—	—	—	—	2.67	—	—	2.67
Slovenia	—	—	—	—	0.31	—	—	0.31
South Africa	—	—	—	—	20.90	—	—	20.90
Spain	5.26	—	—	5.26	16.55	—	—	16.55
Sri Lanka	—	—	—	—	0.01	—	—	0.01
Swaziland	—	—	—	—	0.02	—	—	0.02
Sweden	110.89	—	—	110.89	5.32	—	—	5.32
Switzerland	41.21	—	—	41.21	35.17	—	—	35.17
Thailand	—	—	—	—	2.17	—	—	2.17
Tonga	—	—	—	—	— ²	—	—	— ²
Tunisia	—	—	—	—	0.14	—	—	0.14
Turkey	10.00	—	—	10.00	—	—	—	—
United Arab Emirates	—	—	—	—	0.35	—	—	0.35
United Kingdom	345.28	—	—	345.28	23.55	—	33.84	57.39
United States	126.08	—	—	126.08	—	—	221.93	221.93
Vietnam	—	—	—	—	0.01	—	—	0.01
Zambia	—	—	—	—	1.19	—	—	1.19
Total direct contributions	<u>2,081.22</u>	<u>2.76</u>	<u>20.35</u>	<u>2,104.33</u>	<u>531.15</u>	<u>35.73</u>	<u>299.12</u>	<u>866.00</u>
Net income transfers from								
Austria	40.45	—	—	40.45	—	—	—	—
Belgium	77.95	—	—	77.95	—	—	—	—
Botswana	1.35	—	—	1.35	—	—	—	—
Chile	2.91	—	—	2.91	—	—	—	—
Greece	25.94	—	—	25.94	—	—	—	—
Indonesia	5.00	—	—	5.00	7.69	—	—	7.69
Iran, Islamic Republic of	1.35	—	—	1.35	—	—	—	—
Portugal	3.56	—	—	3.56	—	—	—	—
Spain—Government of Spain (ICO)	0.94	—	—	0.94	—	—	—	—
Total net income transfers	<u>159.45</u>	<u>—</u>	<u>—</u>	<u>159.45</u>	<u>7.69</u>	<u>—</u>	<u>—</u>	<u>7.69</u>
Other contributions								
Special Disbursement Account	870.32	—	—	870.32	—	—	—	—
Administered Account for Liberia	—	—	—	—	—	—	30.14	30.14
Total other contributions	<u>870.32</u>	<u>—</u>	<u>—</u>	<u>870.32</u>	<u>—</u>	<u>—</u>	<u>30.14</u>	<u>30.14</u>
Total contributions received	<u>3,110.99</u>	<u>2.76</u>	<u>20.35</u>	<u>3,134.10</u>	<u>538.84</u>	<u>35.73</u>	<u>329.26</u>	<u>903.83</u>
Other resources								
Transfers from/between:								
Special Disbursement Account	—	—	—	—	409.70	—	757.10	1,166.80
General Resources Account	—	—	—	—	72.46	—	—	72.46
PRGF Subsidy Account	(95.04)	95.04	—	—	—	—	—	—
ESF Subsidy Account	(0.04)	—	0.04	—	—	—	—	—
Contributions to the MDRI-II Trust	(1,120.00)	—	—	(1,120.00)	—	—	—	—
Cumulative net income	1,100.71	1.76	1.83	1,104.30	225.74	8.32	62.05	296.11
Disbursements to provide:								
Subsidies for Trust lending	(1,978.66)	(99.56)	(0.51)	(2,078.73)	—	—	—	—
HIPC grants for debt relief	—	—	—	—	(1,078.60)	—	(696.40)	(1,775.00)
Total resources	<u>1,017.96</u>	<u>—</u>	<u>21.71</u>	<u>1,039.67</u>	<u>168.14</u>	<u>44.05</u>	<u>452.01</u>	<u>664.20</u>

¹In addition to direct contributions, a number of members also make loans available to the PRGF-ESF Trust on concessional terms.²Less than SDR 5,000.

Schedule 5

PRGF-HIPC and MDRI Trusts
Disbursed Multilateral Debt Relief Initiative assistance
as of April 30, 2009

(In millions of SDRs)

Member	Eligible debt			Sources of grant assistance		
	PRGF-ESF Trust	GRA	Total	MDRI-I Trust	MDRI-II Trust	PRGF-HIPC Trust
Benin	36	—	36	—	34	2
Bolivia	71	90	161	—	155	6
Burkina Faso	62	—	62	57	—	5
Burundi	27	—	27	9	—	18
Cambodia	57	—	57	57	—	—
Cameroon	173	—	173	—	149	24
Ethiopia	112	—	112	80	—	32
Gambia, The	9	—	9	7	—	2
Ghana	265	—	265	220	—	45
Guyana	45	—	45	—	32	13
Honduras	107	—	107	—	98	9
Madagascar	137	—	137	128	—	9
Malawi	27	11	38	15	—	23
Mali	75	—	75	62	—	13
Mauritania	33	—	33	—	30	3
Mozambique	107	—	107	83	—	24
Nicaragua	141	—	141	—	92	49
Niger	78	—	78	60	—	18
Rwanda	53	—	53	20	—	33
São Tomé and Príncipe	1	—	1	1	—	—
Senegal	100	—	100	—	95	5
Sierra Leone	117	—	117	77	—	40
Tajikistan	69	—	69	69	—	—
Tanzania	234	—	234	207	—	27
Uganda	88	—	88	76	—	12
Zambia	403	—	403	—	398	5
Total	2,627	101	2,728	1,228	1,083	417

Umbrella Account for HIPC Operations
Grants, interest, disbursements, and
changes in resources for the year ended April 30, 2009

(In millions of SDRs)

Member	Opening balance	Grants from PRGF-HIPC Trust Account	Interest earned	Disbursements	Ending balance
Burundi	0.04	22.10	— ¹	22.14	—
Central African Republic	1.75	3.12	0.01	3.32	1.56
Chad	0.01	—	— ¹	— ¹	0.01
Congo, Democratic Republic of	— ¹	—	—	— ¹	—
Congo, Republic of	—	0.08	— ¹	0.04	0.04
Côte d'Ivoire	—	5.04	— ¹	2.58	2.46
Guinea	3.05	—	0.02	2.98	0.09
Guinea-Bissau	0.01	—	— ¹	—	0.01
Haiti	0.04	0.17	— ¹	0.14	0.07
Liberia	13.36	15.11	0.17	11.32	17.32
Togo	—	0.04	— ¹	0.02	0.02
	<u>18.26</u>	<u>45.66</u>	<u>0.20</u>	<u>42.54</u>	<u>21.58</u>

¹Less than SDR 5,000.

Independent Auditors' Report

To the Board of Governors
of the International Monetary Fund
Washington, DC

We have audited the accompanying statements of financial position as of April 30, 2009 and 2008, and the related statements of comprehensive income and changes in resources and of cash flows for the years then ended for the following Other Administered Accounts (the "Accounts") of the International Monetary Fund:

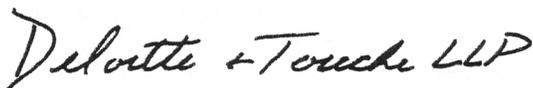
- Administered Account—Japan
- Administered Account for Selected Fund Activities—Japan
- Framework Administered Account for Technical Assistance Activities
- Supplementary Financing Facility Subsidy Account
- The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account
- Poverty Reduction and Growth Facility Administered Account—Indonesia
- Poverty Reduction and Growth Facility Administered Account—Portugal
- Administered Account Austria—II
- Post-SCA-2 Administered Account
- Administered Account for Liberia
- SCA-1/Deferred Charges Administered Account
- Japan Administered Account for Liberia

These financial statements are the responsibility of the Accounts' management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Accounts' internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Other Administered Accounts, of the International Monetary Fund and the results of their operations and their cash flows for the periods mentioned above in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules on pages 69 to 72 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the Accounts' management. Such schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.



June 30, 2009

Member of
Deloitte Touche Tohmatsu

Other Administered Accounts
 Statements of financial position
 at April 30, 2009, and 2008

	Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Supplementary Financing Facility Subsidy Account		The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account		PRGF Administered Account—Indonesia		PRGF Administered Account—Portugal	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Assets												
Cash and cash equivalents	130,663	129,458	22,442	20,509	35,750	26,942	1,018	990	12,954	10,345	440	—
Investments (Note 5)	—	—	—	—	—	—	—	—	—	7,000	—	1,315
Interest/other receivables	—	—	—	—	—	—	1	11	9	199	—	56
Total assets	130,663	129,458	22,442	20,509	35,750	26,942	1,019	1,001	12,963	17,544	440	1,371
Liabilities												
Deposits (Note 6)	—	—	—	—	—	—	—	—	—	—	25,000	438
Interest payable and other liabilities	—	—	—	—	78	54	—	—	—	—	—	2
Total liabilities	—	—	—	—	78	54	—	—	—	—	25,000	440
Resources												
Total liabilities and resources	130,663	129,458	22,442	20,509	35,672	26,888	1,019	1,001	12,963	17,544	—	50
	130,663	129,458	22,442	20,509	35,750	26,942	1,019	1,001	12,963	17,544	440	1,371

(In thousands of U.S. dollars)

(In thousands of SDRs)

The accompanying notes are an integral part of these financial statements.
 These financial statements were approved by the Managing Director and the Director of Finance on June 30, 2009.

/s/ Andrew Tweedie
 Director, Finance Department

/s/ Dominique Strauss-Kahn
 Managing Director

Other Administered Accounts
Statements of financial position
at April 30, 2009, and 2008

(In thousands of SDRs)

	Administered Account—Austria-II		Post-SCA-2 Administered Account		Administered Account for Liberia		SCA-1/Deferred Charges Administered Account		Japan Administered Account for Liberia	
	2009	2008	2009	2008	2009	2008	2009	2008	2009	2008
Assets										
Cash and cash equivalents	7,035	160	46,797	45,711	228,766	382,620	113,666	115,090	6,212	6,088
Investments (Note 5)	—	7,000	—	—	148,933	—	—	—	—	—
Interest/other receivables	8	45	58	316	58	1,309	141	400	8	22
Total assets	<u>7,043</u>	<u>7,205</u>	<u>46,855</u>	<u>46,027</u>	<u>377,757</u>	<u>383,929</u>	<u>113,807</u>	<u>115,490</u>	<u>6,220</u>	<u>6,110</u>
Liabilities										
Deposits (Note 6)	7,000	7,000	—	—	—	—	—	—	—	—
Interest payable and other liabilities	43	205	—	—	—	—	—	—	—	—
Total liabilities	<u>7,043</u>	<u>7,205</u>	—	—	—	—	—	—	—	—
Resources										
Total liabilities and resources	<u>—</u>	<u>—</u>	<u>46,855</u>	<u>46,027</u>	<u>377,757</u>	<u>383,929</u>	<u>113,807</u>	<u>115,490</u>	<u>6,220</u>	<u>6,110</u>
	<u>7,043</u>	<u>7,205</u>	<u>46,855</u>	<u>46,027</u>	<u>377,757</u>	<u>383,929</u>	<u>113,807</u>	<u>115,490</u>	<u>6,220</u>	<u>6,110</u>

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

Other Administered Accounts

Statements of comprehensive income and
changes in resources for the years ended
April 30, 2009, and 2008

	← (In thousands of U.S. dollars) →		← (In thousands of U.S. dollars) →		← (In thousands of SDRs) →		← (In thousands of SDRs) →							
	2009	2008	2009	2008	2009	2008	2009	2008						
Resources, beginning of the year	129,458	133,935	20,509	22,638	28,357	28,357	1,001	2,264	17,544	20,824	—	208	50	45
Interest and investment income	1,205	5,428	290	1,097	303	1,235	18	79	257	705	589	1,114	10	60
Contributions received	—	—	20,963	18,244	36,670	22,824	—	—	3,175	1,952	—	—	—	—
Interest expense on deposits	—	—	—	—	—	—	—	—	—	—	(121)	(532)	(2)	(7)
Payments to and on behalf of beneficiaries	—	—	(19,320)	(21,470)	(25,528)	(25,528)	—	(1,342)	(8,013)	(5,937)	—	—	0	—
Operational income/(loss)	1,205	5,428	1,933	(2,129)	8,784	(1,469)	18	(1,263)	(4,581)	(3,280)	468	582	8	53
Transfers (Note 8)	—	(9,905)	—	—	—	—	—	—	—	—	(468)	(790)	(58)	(48)
Other comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Net comprehensive income	—	—	—	—	—	—	—	—	—	—	—	—	—	—
(loss)/changes in resources	1,205	(4,477)	1,933	(2,129)	8,784	(1,469)	18	(1,263)	(4,581)	(3,280)	—	(208)	(50)	5
Resources, end of the year	130,663	129,458	22,442	20,509	35,672	26,888	1,019	1,001	12,963	17,544	—	—	—	50

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

Other Administered Accounts

Statements of comprehensive income and changes in resources for the years ended April 30, 2009, and 2008

(In thousands of SDRs)

	Administered Account—Austria-II		Post-SCA-2 Administered Account		Administered Account for Liberia		SCA-1/Deferred Charges Administered Account		Japan Administered Account for Liberia	
	2009	2008	2009	2008	2009	2008 ¹	2009	2008 ¹	2009	2008 ¹
Resources, beginning of the year	—	—	46,027	44,385	383,929	—	115,490	—	6,110	—
Interest and investment income	138	275	828	1,642	8,007	1,311	2,039	400	110	20
Contributions received	—	—	—	—	931	397,648	—	115,152	—	6,090
Interest expense on deposits	(35)	(35)	—	—	—	—	—	—	—	—
Payments to and on behalf of beneficiaries	—	—	—	—	—	—	—	—	—	—
Operational income	103	240	828	1,642	8,938	398,959	2,039	115,552	110	6,110
Transfers (Note 8)	(103)	(240)	—	—	(15,110)	(15,030)	(3,722)	(62)	—	—
Other comprehensive income	—	—	—	—	—	—	—	—	—	—
Net comprehensive income (loss)/changes in resources	—	—	828	1,642	(6,172)	383,929	(1,683)	115,490	110	6,110
Resources, end of the year	—	—	46,855	46,027	377,757	383,929	113,807	115,490	6,220	6,110

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

¹From inception to April 30, 2008.

Other Administered Accounts
Statements of cash flows for the years ended
April 30, 2009, and 2008

(In thousands of SDRs)

	Administered Account—Austria-II		Post-SCA-2 Administered Account		Administered Account for Liberia		SCA-1/Deferred Charges Administered Account		Japan Administered Account for Liberia	
	2009	2008	2009	2008	2009	2008 ¹	2009	2008 ¹	2009	2008 ¹
Cash flows from operating activities										
Net comprehensive income/(loss)	—	—	828	1,642	(6,172)	383,929	(1,683)	115,490	110	6,110
Adjustments to reconcile net comprehensive income to cash generated by operations	(138)	(275)	(828)	(1,642)	(8,145)	(1,311)	(2,039)	(400)	(110)	(22)
Interest income	35	35	—	—	—	—	—	—	—	—
Interest expense	(103)	(240)	—	—	(14,317)	382,618	(3,722)	115,090	—	6,088
Changes in other assets	(162)	—	—	—	—	—	—	—	—	—
Changes in other liabilities	(265)	(216)	—	—	(14,317)	382,618	(3,722)	115,090	—	6,088
Interest received	175	366	1,086	1,779	9,396	2	2,298	—	124	—
Interest paid	(35)	(35)	—	—	—	—	—	—	—	—
Net cash provided by/(used in) operating activities	(125)	115	1,086	1,779	(4,921)	382,620	(1,424)	115,090	124	6,088
Cash flow from investment activities										
Net disposal/(acquisition) of investments	7,000	—	—	—	(148,933)	—	—	—	—	—
Net cash provided by/(used in) investment activities	7,000	—	—	—	(148,933)	—	—	—	—	—
Cash flow from financing activities										
Repayment of deposits	—	—	—	—	—	—	—	—	—	—
Net cash provided by/(used in) financing activities	—	—	—	—	—	—	—	—	—	—
Net increase (decrease) in cash and cash equivalents	6,875	115	1,086	1,779	(153,854)	382,620	(1,424)	115,090	124	6,088
Cash and cash equivalents, beginning of year	160	45	45,711	43,932	382,620	—	115,090	—	6,088	—
Cash and cash equivalents, end of year	7,035	160	46,797	45,711	228,766	382,620	113,666	115,090	6,212	6,088

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

¹From inception to April 30, 2008.

Other Administered Accounts

Notes to the financial statements for the years ended April 30, 2009, and 2008

1. Nature of operations

At the request of members, the IMF has established special-purpose accounts (the Other Administered Accounts or the Accounts) to administer contributed resources provided to fund 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.

Administered Account—Japan

The Account was established in March 1989, to administer resources made available by Japan—and, under a subsequent amendment, by other countries with Japan's concurrence—that are to be used to assist certain members with overdue obligations to the IMF. The resources of the Account are to be disbursed in amounts specified by Japan and to members designated by Japan. Effective March 5, 2008, the Instrument governing the Account was amended to allow the provision of assistance to these members in the context of an internationally agreed comprehensive package that integrates arrears clearance and subsequent debt relief.

Administered Account for Selected Fund Activities—Japan

The Account was established in March 1990, to administer resources contributed by Japan to finance technical assistance to member countries and to support the IMF's Regional Office for Asia and the Pacific (OAP). The resources of the Account designated for technical assistance activities are used with the approval of Japan and include the provision of scholarships. The resources designated for the OAP are used as agreed between Japan and the IMF for certain activities of the IMF with respect to Asia and the Pacific through the OAP. Disbursements can also be made from the Account to the General Resources Account to reimburse the IMF for qualifying technical assistance projects and OAP expenses.

Framework Administered Account for Technical Assistance Activities

The Framework Administered Account for Technical Assistance Activities (the Framework Account) was established by the IMF in April 1995, to receive and administer contributed resources that are to be used to finance technical assistance of the IMF to official agencies of countries and to international organizations. Technical assistance is provided on macroeconomic, fiscal, monetary, financial and related statistical fields, including training programs and projects that strengthen the legal and administrative framework in these core areas. The financing of technical assistance activities is implemented through the establishment and operation of subaccounts within the Framework Account. Resources are to be used in accordance with the written understandings between the contributor and the IMF. Disbursements can also be made from the Framework Account to the General Resources Account to reimburse the IMF

for its costs incurred on behalf of technical assistance activities financed by resources from the Framework Account. After March 27, 2009, upon approval of the establishment of the Framework Administered Account for Selected Fund Activities, no new subaccounts will be established under the Framework Account.

Framework Administered Account for Selected Fund Activities

The Account (the SFA Framework Account) was established in March 2009 to administer externally contributed resources that are to be used to finance the selected IMF activities, including the full range of IMF technical assistance activities and activities in support of technical assistance provided directly to recipients. In addition, subaccounts will be established to finance a range of other non-technical assistance activities of the IMF, upon approval of the IMF's Executive Board.

The financing of selected Fund activities will be implemented through the establishment and operation of subaccounts within the SFA Framework Account. Resources are to be used in accordance with essential terms and conditions established by IMF, with the concurrence of contributors. Disbursements can also be made from the SFA Framework Account to the General Resources Account to reimburse the IMF for the costs incurred in connection with activities financed by resources from the SFA Framework Account. Since its inception and through April 30, 2009, there have been no contributions and transactions recorded in the Account.

Supplementary Financing Facility Subsidy Account

The Account was established in December 1980 to assist low-income member countries to meet the costs of using resources made available through the IMF's Supplementary Financing Facility and under the policy on exceptional access. All repurchases due under these policies were scheduled for completion by January 31, 1991, and the final subsidy payments were approved in July 1991. However, one member (Sudan), overdue in the payment of charges at April 30, 2009, remains eligible to receive previously approved subsidy payments of SDR 0.9 million (SDR 0.9 million at April 30, 2008) when its overdue charges are settled. Accordingly, the Account remains in operation and has retained amounts for payment to Sudan after the overdue charges are paid.

The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account

The Account was established in May 2001 to administer resources contributed by members for the purpose of providing assistance to PRGF-eligible members in support of the subsidization of emergency assistance for post conflict and, since January 2005, natural disasters. The subsidy to each eligible member effectively reduces the interest rate on IMF financial support to ½ of 1 percent but will be prorated if resources are insufficient to reduce interest rate to such an extent.

PRGF Administered Accounts

The PRGF Administered Account—Indonesia was established on June 30, 1994 for the administration of resources deposited by Bank Indonesia for the benefit of the PRGF-HIPC Trust. The PRGF Administered Account—Portugal was established on May 16, 1994, for the administration of resources deposited by the Banco de Portugal for the benefit of the PRGF-ESF Subsidy Account of the PRGF-ESF Trust Account.

Austria-II Administered Account

The Account was established in April 2006, to provide resources to subsidize charges on purchases under the policy on Emergency Natural Disaster Assistance (ENDA) by PRGF-eligible countries. The resources in the Account are to be invested, and the difference between the investment earnings and the interest due on the deposit is to be transferred to the ENDA Subaccount of the Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account for PRGF-eligible members.

Post-SCA-2 Administered Account

The Account was established in December 1999, for the temporary administration of resources transferred by members following the termination of the second Special Contingent Account (SCA-2) in the General Department of the IMF, prior to the final disposition of those resources in accordance with members' instructions.

Administered Account for Liberia

The Account was established in March 2008, to facilitate fund-raising for, and delivery of, debt relief to Liberia in respect of obligations owed to the IMF. The resources of the Account consist of contributions by members and are to be used to make contributions to the PRGF-HIPC Trust in the context of delivering HIPC Initiative debt relief to Liberia, as well as to provide additional debt relief to Liberia beyond HIPC assistance.

SCA-1/Deferred Charges Administered Account

The Account was established in March 2008, as an interim vehicle to hold and administer members' refunds resulting from the distribution of certain SCA-1 balances and from the payment of deferred charges adjustments that had been made in respect of overdue charges attributed to Liberia. Following Liberia's arrears clearance, members were given the option to temporarily deposit their refunds into this Account pending their decisions as to the final disposition of those resources.

Japan Administered Account for Liberia

At the request of Japan, the Account was established in March 2008, to hold and administer resources disbursed from the Administered Account—Japan, pending their transfer to the Administered Account for Liberia for use in the financing of the IMF's debt relief to Liberia. The transfer of these resources shall be initiated when staff proposes that the Executive Board decide that Liberia has reached the completion point under the enhanced HIPC Initiative.

2. Basis of preparation and measurement

The financial statements of the Other Administered Accounts are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention. Specific accounting principles and disclosure practices, as set out below, are in accordance with and comply with IFRS and have been applied consistently for all periods presented.

New International Financial Reporting Standards and Interpretation

During the financial year ended April 30, 2009, the financial statements of the Other Administered Accounts were prepared in accordance with *Revised IAS 1, "Presentation of Financial Statements."* Revised IAS 1 requires presentation of non-owner changes in equity (comprehensive income) either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The Revised IAS 1 did not have a significant impact on the presentation of the financial statements.

Unit of account

Administered Account—Japan, Administered Account for Selected Fund Activities—Japan, Framework Administered Account for Technical Assistance Activities, and Framework Administered Account for Selected Fund Activities

The functional and presentation currency of these Accounts is the U.S. dollar. All transactions and operations of these Accounts, including the transfers to and from the Accounts, are denominated in U.S. dollars, except for transactions and operations in respect of the OAP, which are denominated in Japanese yen, or transactions in other currencies as agreed between Japan and the IMF. Contributions denominated in other currencies are converted into U.S. dollars upon receipt of the funds.

Supplementary Financing Facility, The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account, PRGF Administered Account—Indonesia, PRGF Administered Account—Portugal, Administered Account Austria-II, Post-SCA-2 Administered Account, Administered Account for Liberia, SCA-1/Deferred Charges Administered Account, and Japan Administered Account for Liberia

The financial statements are presented in Special Drawing Right (SDR). The SDR is also the IMF's unit of account, and is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates of the currencies in the basket. The IMF reviews the SDR valuation basket at five-year intervals, and the current composition of the SDR valuation basket became effective on January 1, 2006.

The currencies in the basket at April 30, 2009, and 2008, and their amounts were as follows:

Currency	Amount
Euro	0.4100
Japanese yen	18.4000
Pound sterling	0.0903
U.S. dollar	0.6320

At April 30, 2009, one SDR was equal to US\$1.49783 (one SDR was equal to US\$1.62378 at April 30, 2008).

Transactions and operations of the Accounts are denominated in SDRs. Contributions denominated in other currencies are converted into SDRs upon receipt of the funds.

Use of estimates and judgment

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The determination of estimates requires the exercise of judgment based on various assumptions and other factors, such as historical experience and current and expected economic conditions. Actual results could differ from those estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in Note 3.

3. Summary of significant accounting and related policies

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and demand deposits, and other highly liquid short-term investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Investments

Investments consist of fixed-term deposits, and their carrying amount approximates the fair value.

Contributions

Bilateral contributions are reflected as increases in resources after the achievement of specified conditions and are subject to bilateral agreements stipulating how the resources are to be used.

Payments to and on behalf of beneficiaries

Payments to and on behalf of beneficiaries are recognized when the specified conditions in the respective agreements are achieved.

Foreign currency translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the end of each financial reporting period, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rates. Exchange differences arising

from the settlement of transactions at rates different from those on the date of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net comprehensive income.

Administrative expenses

The expenses of conducting the activities of the Other Administered Accounts are paid by the IMF from the General Resources Account and partial reimbursements were made by several Administered Accounts. For the Administered Account for Selected Fund Activities—Japan, the reimbursements were US\$2.0 million and US\$2.3 million for the financial years ended April 30, 2009, and 2008, respectively. The administrative expenses of the Framework Account that were reimbursed amounted to US\$3.2 million and US\$2.8 million for the financial years ended April 30, 2009, and 2008, respectively. These reimbursements are included in payments to and on behalf of beneficiaries in the statements of comprehensive income and changes in resources.

4. Risk management

In administering contributed resources and funding financial and technical services, the Other Administered Accounts are exposed to various types of risks, including credit, liquidity, and market risks.

This note presents information about the Accounts' exposure to each of the above risks, the Accounts' objectives, policies, and the processes for measuring and managing risk.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss to an entity by failing to discharge obligations when due. Credit risk is minimized by limiting investments to claims on the Bank for International Settlements.

Liquidity risk

Liquidity risk is the risk of nonavailability of resources to meet financing needs and obligations. Liquidity risk is limited by maintaining sufficient resources to meet anticipated liquidity needs.

Market risk

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Interest rate risk is managed by limiting the investments to short-term fixed deposits and investing resources with the objective of earning sufficient interest income to cover interest expense and to meet disbursement obligations.

Exchange rate risk

Exchange rate risk is the exposure to the effects of fluctuations in prevailing foreign currency exchange rates on an entity's financial position and cash flows. Exchange rate risk is managed, to the extent possible, by holding all financial assets and liabilities in the reporting currency designated for each of the Accounts.

5. Investments

The investments in the Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account, PRGF Administered Accounts, Administered Account Austria-II at April 30, 2008, and Administered Account for Liberia at April 30, 2009 consisted of fixed-term deposits with maturities of less than one year.

6. Deposits

PRGF Administered Account—Indonesia

The deposit of SDR 25 million, made by Indonesia on June 30, 1994, was to be repaid in one installment 10 years after the date the deposit was made. The interest payable on the deposit is equivalent to that obtained from the investment of the deposit less 2 percent a year. Upon maturity in June 2004, the deposit was reinvested for another 10 years and investment income of 2 percent per annum (or any lesser amount if investment returns are below 2 percent) is to be transferred to the PRGF-HIPC Trust.

PRGF Administered Account—Portugal

The Banco de Portugal has made six annual deposits, each in the amount of SDR 2.2 million, since May 1994. Each deposit is to be repaid in five equal annual installments beginning six years after the date of the deposit and will be completed at the end of the tenth year after the date of the deposit. Each deposit bears interest at a rate of $\frac{1}{2}$ of 1 percent a year and any income earned above this threshold is to be transferred to the PRGF-ESF Subsidy Account of the PRGF-ESF Trust.

Austria-II Administered Account

The deposit of SDR 7 million is due on May 2, 2011 and bears interest at a rate of $\frac{1}{2}$ of 1 percent per annum.

7. Cumulative contributions and disbursements

The cumulative contributions to and disbursements from the Other Administered Accounts are as follows:

Account	April 30, 2009 ¹		April 30, 2008 ¹	
	Cumulative contributions ²	Cumulative disbursements ³	Cumulative contributions ²	Cumulative disbursements ³
	<i>(In millions of U.S. dollars)</i>			
Administered Account—Japan	135.2	82.4	135.2	82.4
Administered Account for Selected Fund Activities—Japan	325.9	314.6	305.0	295.3
Technical assistance	281.7	273.4	264.5	258.7
Scholarships	28.4	26.1	26.0	23.4
Office of Asia and the Pacific	15.8	15.1	14.5	13.2
Framework Administered Account for Technical Assistance Activities	182.0	152.2	145.4	124.1
Japan Advanced Scholarship Program Subaccount	19.4	18.9	17.8	17.5
Rwanda—Macroeconomic Management Capacity Subaccount	1.5	1.6	1.5	1.6
Australia—IMF Scholarship Program for Asia Subaccount	5.8	5.6	4.8	4.8
Switzerland Technical Assistance Subaccount	18.6	17.5	17.5	15.7
French Technical Assistance Subaccount	1.2	0.7	1.2	0.7
Denmark Technical Assistance Subaccount	6.8	6.2	6.8	5.5
Australia Technical Assistance Subaccount	2.9	2.5	2.0	1.6
The Netherlands Technical Assistance Subaccount	9.4	8.1	6.7	6.6
The United Kingdom DFID Technical Assistance Subaccount	16.6	14.2	14.4	11.6
Italy Technical Assistance Subaccount	3.7	3.4	3.7	2.7
Pacific Financial Technical Assistance Center Subaccount	8.7	8.0	6.9	6.5
Africa Regional Technical Assistance Centers Subaccount	37.2	34.4	28.6	27.8
Sweden Technical Assistance Subaccount	1.3	1.2	1.3	1.2
China Technical Assistance Subaccount	0.4	0.4	0.4	0.3
Technical Assistance Subaccount for Iraq	6.0	5.2	6.0	4.6
Canada Technical Assistance Subaccount	6.5	3.1	3.4	2.2
Middle East Regional Technical Assistance Center Subaccount	8.8	7.6	5.8	5.9
Technical Assistance Subaccount to Support Macroeconomic and Financial Policy Formulation and Management	2.8	2.0	2.2	1.3
Spain Technical Assistance Subaccount	2.0	0.9	2.0	0.6
European Commission Technical Assistance Subaccount for METAC	2.2	1.8	2.2	1.5
European Investment Bank Technical Assistance Subaccount	1.4	0.6	0.6	0.4
Central Africa Regional Technical Assistance Center Subaccount	7.7	7.4	4.4	3.6
Islamic Development Bank Technical Assistance Subaccount	0.4	0.1	0.4	0.1
FIRST Technical Assistance Subaccount	7.7	1.0	3.3	—
Belgium Technical Assistance Subaccount	3.0	0.7	1.5	—
	<i>(In millions of SDRs)</i>			
The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account	37.5	27.3	34.3	19.3

¹The ending balances include rounding differences.

²Net of refunds of contributions to donors owing to termination of projects financed by resources in the Administered Account.

³Disbursements had been made from contributed resources as well as from interest earned on these resources.

8. Transfer of resources

Administered Account—Japan

Following the amendment of the Instrument for the Account, effective March 5, 2008, SDR 6.1 million (US\$ 9.9 million) was transferred to the Japan Administered Account for Liberia during the financial year ended April 30, 2008.

Supplementary Financing Facility Subsidy Account

Resources of the Supplementary Financing Facility Subsidy Account in excess of the remaining subsidy payments are to be transferred to the Special Disbursement Account. At April 30, 2009 and 2008, subsidy payments totaling SDR 0.9 million had not been made to Sudan and were being held pending the payment of overdue charges by this member.

PRGF Administered Accounts

For the financial years ended April 30, 2009, and 2008, net investment income transferred from the PRGF Administered Accounts to the PRGF-ESF Subsidy Account of the PRGF-ESF Trust amounted to SDR 0.06 million and SDR 0.05 million, respectively; contributions to the PRGF-HIPC Trust amounted to SDR 0.5 million and SDR 0.8 million for the financial years ended April 30, 2009, and 2008, respectively.

Administered Account Austria-II

The difference between investment earnings and the interest due on the deposit is transferred to the ENDA Subaccount of the Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account for PRGF-eligible members. For the financial years ended April 30, 2009 and 2008, net investment income transferred to the ENDA Subaccount amounted to SDR 0.1 million and SDR 0.2 million, respectively.

Administered Account for Liberia

Transfers from the Liberia Administered Account for Liberia to the PRGF-HIPC Trust amounted to SDR 15.0 million each for the financial year ended April 30, 2009 and from inception to April 30, 2008.

SCA-1/Deferred Charges Administered Account

For the financial year ended April 30, 2009 transfers to the Administered Account for Liberia and to members amounted to SDR 0.9 million and SDR 2.8 million, respectively. Transfers of SDR 0.06 million were made to the Administered Account for Liberia for the financial year ended April 30, 2008.

9. Accounts termination

For the financial years ended April 30, 2009 and 2008, none of the Accounts were terminated.

Administered Account—Japan

The Account can be terminated by the IMF or by Japan at any time. Any remaining resources in the Account at termination are to be returned to Japan.

Administered Account for Selected Fund Activities—Japan

The Account can be terminated by the IMF or by Japan at any time. Any resources that may remain in the Account at termination, net of accrued liabilities under technical assistance projects or in respect of the OAP, are to be returned to Japan.

Framework Administered Account for Technical Assistance Activities and Framework Administered Account for Selected Fund Activities

The Framework Account or any subaccount thereof may be terminated by the IMF at any time. The termination of the Framework Account shall terminate each subaccount thereof. A subaccount may also be terminated by the contributor of the resources to the subaccount or, in the case of a subaccount comprising resources from more than one contributor, by all the contributors participating in the subaccount at the time of termination, provided that a contributor to such a subaccount may cease its own participation in the subaccount at any time without termination of the subaccount. Termination shall be effective on the date that the IMF or the contributor, as the case may be, receives notice of termination. The disposition of any balances, net of continuing liabilities and commitments under the activities financed, is governed by the conditions agreed between the IMF and the contributor, or contributors in the case of a subaccount with more than one contributor. Absent such agreement, the balances are returned to the contributor(s).

The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account

The Account can be terminated by the IMF at any time. Any balances remaining in the Account after discharge of all obligations of the Account upon its termination are to be transferred to each contributor in the proportion its respective contribution bears to the total contributions. In the case of earmarked contributions that have been fully used, no such transfer shall be made. A contributor may also designate its share or a specified portion for such other purposes as may be mutually agreed between the contributor and the IMF.

PRGF Administered Account—Indonesia

The Account shall be terminated upon completion of its operation. Once the obligation to repay all deposits has been discharged and the final payment of interest has been made, any surplus remaining shall be transferred to the PRGF-HIPC Trust.

PRGF Administered Account—Portugal

The Account shall be terminated upon completion of its operation. Once the obligation to repay all deposits has been discharged and the final payment of interest has been made, any surplus remaining shall be transferred to the PRGF-ESF Subsidy Account of the PRGF-ESF Trust.

Austria-II Administered Account

The Account will be terminated upon completion of its operation. Any assets remaining after the repayment of the deposit and interest due thereon will be transferred to the Natural Disaster Emergency Assistance

Subaccount of the Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account for PRGF-eligible members.

Post-SCA-2 Administered Account

Upon termination of the Account, resources received from a member's cumulative SCA-2 contributions, together with the member's pro rata share of investment returns, shall be transferred to the PRGF-HIPC Trust or to the member, in accordance with the member's instructions.

Administered Account for Liberia

The Account shall remain in effect for as long as is necessary until the IMF decides to terminate it. Any balance remaining in the Account on the date of its termination and after the discharge of all obligations of the Account shall be transferred to the PRGF-HIPC Trust for use in accordance with the provisions of the PRGF-HIPC Trust Instrument; provided that, at the request of a contributor, its pro rata share of any such resources remaining in the Account, or any portion of such share, shall be distributed to the contributor.

SCA-1/Deferred Charges Administered Account

The Account shall be terminated on March 13, 2011, three years from the effective date of the decision establishing the Account and each member with resources remaining in the Account shall be paid its respective balance in full. The Account may also be terminated as promptly as practicable following the receipt of instructions from every member regarding the distribution of its resources in the Account.

Japan Administered Account for Liberia

The Account shall be terminated following the transfer of its resources to the Administered Account for Liberia. It could also be terminated at such earlier time as may be agreed upon between the IMF and Japan, taking into account Liberia's adjustment efforts and the time frame within which it is expected to reach the completion point under the HIPC Initiative. In the latter case, resources in the Account shall be transferred back to the Administered Account—Japan for use in accordance with the purposes of that Account.

Post-SCA-2 Administered Account
Holdings, interest and transfers for the year
ended April 30, 2009

(In thousands of SDRs)

Member	Beginning balance	Interest earned	Transfers to PRGF-HIPC Trust	Ending balance
Argentina	6,252	112	—	6,364
Dominican Republic	1,157	21	—	1,178
Jordan	1,314	24	—	1,338
Trinidad and Tobago	2,823	51	—	2,874
Vanuatu	56	1	—	57
Venezuela, República Bolivariana de	34,425	619	—	35,044
	<u>46,027</u>	<u>828</u>	<u>—</u>	<u>46,855</u>

Schedule 2

Administered Account for Liberia
Contributions, interest, and transfers for the year ended April 30, 2009

(In thousands of SDRs)

Member	Beginning balance	Contributions	Interest earned	Transfers to PRGF-HIPC Trust	Ending balance
Albania	62	—	1	2	61
Algeria	1,832	—	39	72	1,799
Angola	1	—	— ¹	— ¹	1
Armenia	34	—	1	2	33
Australia	4,001	—	83	157	3,927
Belize	55	—	1	2	54
Botswana	220	—	5	9	216
Bulgaria	1,688	—	35	66	1,657
Burundi	33	—	1	2	32
Cambodia	26	—	1	1	26
Cameroon	538	—	11	21	528
Canada	10,992	—	229	432	10,789
Central African Republic	99	—	3	4	98
China	12,204	—	254	479	11,979
Congo, Democratic Republic of	2,692	—	57	106	2,643
Côte d'Ivoire	1,729	—	36	68	1,697
Croatia	483	—	10	20	473
Cyprus	224	—	5	9	220
Czech Republic	2,146	—	45	84	2,107
Denmark	3,712	—	77	146	3,643
Dominica	21	—	— ¹	— ¹	21
Egypt	1,173	—	24	46	1,151
Estonia	—	175	3	7	171
Finland	2,781	—	58	110	2,729
Gabon	624	—	13	25	612
Gambia, The	51	—	1	2	50
Ghana	1,299	—	27	52	1,274
Greece	1,274	—	26	50	1,250
Guinea	94	—	2	3	93
Iceland	84	—	1	3	82
India	10,752	—	224	422	10,554
Iran, Islamic Republic of	37	—	1	2	36
Ireland	2,026	—	42	79	1,989
Israel	1,032	—	21	40	1,013
Italy	20,828	—	433	818	20,443
Jamaica	2,012	—	42	79	1,975
Japan	39,864	—	830	1,565	39,129
Kazakhstan	968	—	20	38	950
Kenya	809	—	17	32	794
Korea, Republic of	6,885	—	143	270	6,758

Schedule 2 (concluded)

Administered Account for Liberia
Contributions, interest, and transfers from inception to April 30, 2009

(In thousands of SDRs)

Member	Beginning balance	Contributions	Interest earned	Transfers to PRGF-HIPC Trust	Ending balance
Kuwait	2,675	—	56	105	2,626
Latvia	314	—	7	12	309
Lesotho	19	—	1	1	19
Liberia	2,032	—	42	80	1,994
Libya	4,367	—	91	171	4,287
Macedonia, former Yugoslav Republic of	101	—	2	4	99
Madagascar	311	—	7	12	306
Malawi	235	—	5	9	231
Malta	375	—	8	15	368
Mauritania	145	—	3	6	142
Mexico	7,408	—	154	291	7,271
Morocco	2,189	—	46	86	2,149
Namibia	— ¹	—	— ¹	— ¹	—
Netherlands	10,660	—	222	418	10,464
Nicaragua	56	—	1	2	55
Norway	6,089	—	126	239	5,976
Pakistan	5,924	—	123	233	5,814
Papua New Guinea	350	—	7	13	344
Philippines	1,504	—	32	59	1,477
Portugal	2,841	—	59	111	2,789
Romania	1,582	—	32	62	1,552
Russian Federation	34,102	—	710	1,339	33,473
Saudi Arabia	10,846	—	226	426	10,646
Senegal	12	—	— ¹	— ¹	12
Slovak Republic	1,548	—	32	60	1,520
Slovenia	516	—	11	20	507
South Africa	1,772	—	38	70	1,740
Spain	10,325	—	216	405	10,136
Sri Lanka	1,669	—	34	66	1,637
Togo	118	—	3	4	117
Ukraine	2,455	—	51	96	2,410
United Kingdom	20,093	—	418	789	19,722
United States	115,535	—	2,406	4,536	113,405
Uruguay	—	756	8	30	734
Yemen, Republic of	376	—	8	15	369
	<u>383,929</u>	<u>931</u>	<u>8,007</u>	<u>15,110</u>	<u>377,757</u>

¹Less than SDR 500.

Schedule 3

SCA-1/Deferred Charges Administered Account
Contributions, interest and disbursements
for the year ended April 30, 2009

(In thousands of SDRs)

Member	Beginning balance	Interest earned	Disbursements	Ending balance
Argentina	39,064	703	—	39,767
Austria	4,883	88	—	4,971
Belgium	7,600	137	—	7,737
Brazil	33,926	611	—	34,537
Estonia	175	— ¹	175	—
France	21,173	381	—	21,554
Sweden	5,148	93	—	5,241
Uruguay	3,521	26	3,547	—
	<u>115,490</u>	<u>2,039</u>	<u>3,722</u>	<u>113,807</u>

¹Less than SDR 500.