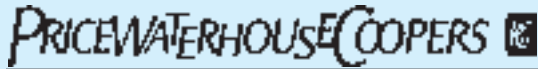


# APPENDIX IX

## Financial Statements

April 30, 2003



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### Report of the Independent Accountants

**To the Board of Governors  
 of the International Monetary Fund:**

In our opinion, the accompanying balance sheets and the related statements of income, changes in resources and cash flows give a true and fair view of the financial condition of the General Department of the International Monetary Fund (the "IMF") as at April 30, 2003 and 2002, and its results of operations and cash flows for the years then ended in conformity with International Accounting Standards. These financial statements are the responsibility of the IMF's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with International Standards on Auditing, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 162 to 167 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

June 16, 2003

**General Department**  
**Balance Sheets**  
**as at April 30, 2003 and 2002**

*(In thousands of SDRs)*

	2003	2002		2003	2002
<b>Assets</b>			<b>Liabilities and Resources</b>		
Credit outstanding	65,977,977	52,080,697	Liabilities:		
Usable currencies	97,028,740	102,460,003	Remuneration payable	244,544	272,187
Other currencies	47,692,348	54,625,246	Other liabilities	140,347	120,750
Total currencies (Notes 3 and 4)	<u>210,699,065</u>	<u>209,165,946</u>	Special Contingent Account (Note 10)	1,401,019	1,307,019
SDR holdings	962,641	1,484,927	Total Liabilities	<u>1,785,910</u>	<u>1,699,956</u>
Gold holdings (Note 5)	5,851,771	5,851,771	Members' Resources:		
Receivables (Note 6)	576,570	500,670	Quotas, represented by:		
Other assets (Notes 7 and 14)	714,092	752,987	Reserve tranche positions (Notes 2 and 4)	68,008,951	55,327,139
Investments held in the Special Disbursement Account (Note 8)	2,590,349	2,537,301	Subscription payments: Usable	97,028,740	102,460,003
Structural Adjustment Facility loans (Note 3)	136,816	341,692	Other	47,693,609	54,628,758
Total Assets	<u>221,531,304</u>	<u>220,635,294</u>	Total quotas	<u>212,731,300</u>	<u>212,415,900</u>
			Reserves of the General Resources Account	4,286,929	3,640,445
			Accumulated resources of the Special Disbursement Account	2,727,165	2,878,993
			Total Liabilities and Resources	<u>221,531,304</u>	<u>220,635,294</u>

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

/s/ Eduard Brau  
*Director, Finance Department*

/s/ Horst Köhler  
*Managing Director*

**General Department**  
**Income Statements**  
**for the Years Ended April 30, 2003 and 2002**

*(In thousands of SDRs)*

	2003	2002
Operational Income		
Interest and charges (Note 6) . . . . .	2,295,250	1,985,921
Interest on SDR holdings . . . . .	28,038	41,284
Investment income of the Special Disbursement Account . . . . .	61,431	132,503
Other charges and income (Note 6) . . . . .	131,629	157,496
	<u>2,516,348</u>	<u>2,317,204</u>
Operational Expenses		
Remuneration (Note 9) . . . . .	1,201,347	1,293,961
Administrative Expenses (Note 13) . . . . .	607,086	530,794
	<u>1,808,433</u>	<u>1,824,755</u>
Total Net Income . . . . .	<u>707,915</u>	<u>492,449</u>
Net Income of the General Department comprises:		
Net Income of the General Resources Account . . . . .	646,484	359,946
Income of the Special Disbursement Account . . . . .	61,431	132,503
	<u>707,915</u>	<u>492,449</u>

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

**General Department**  
**Statements of Changes in Resources**  
**for the Years Ended April 30, 2003 and 2002**

*(In thousands of SDRs)*

	General Resources Account			Total Reserves	Special Disbursement Account Accumulated Resources
	Quotas	Special Reserve	General Reserve		
Balance at April 30, 2001	212,414,900	2,344,982	935,517	3,280,499	2,838,454
Quota subscriptions	1,000	—	—	—	—
Net income	—	46,242	313,704	359,946	132,503
Transfers from the Trust Fund	—	—	—	—	191
Transfers from the Supplementary Financing					
Facility Subsidy Account	—	—	—	—	103
Transfers to the PRGF Trust	—	—	—	—	(30,658)
Transfers to the PRGF-HIPC Trust	—	—	—	—	(61,600)
Balance at April 30, 2002	212,415,900	2,391,224	1,249,221	3,640,445	2,878,993
Quota subscriptions	315,400	—	—	—	—
Net (loss)/income	—	(9,770)	656,254	646,484	61,431
Transfers to the PRGF Trust	—	—	—	—	(149,259)
Transfers to the PRGF-HIPC Trust	—	—	—	—	(64,000)
Balance at April 30, 2003	212,731,300	2,381,454	1,905,475	4,286,929	2,727,165

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

**General Department**  
**Statements of Cash Flows**  
**for the Years Ended April 30, 2003 and 2002**

*(In thousands of SDRs)*

	2003	2002
<b>Usable currencies and SDRs from operating activities</b>		
Net income	707,915	492,449
Adjustments to reconcile net income to usable resources generated by operations:		
Changes in receivables and other assets	(37,005)	3,948
Changes in remuneration payable and other liabilities	(8,046)	(149,227)
Increase in the Special Contingent Account	94,000	94,000
Unrealized losses on investments	—	24,415
Usable currencies and SDRs from credit to members:		
Purchases in currencies and SDRs, including reserve tranche purchases	(21,783,516)	(29,194,497)
Repurchases in currencies and SDRs	7,783,894	19,207,036
Repayments of Structural Adjustment Facility loans	204,876	90,834
<b>Net usable currencies and SDRs used in operating activities</b>	<b>(13,037,882)</b>	<b>(9,431,042)</b>
<b>Usable currencies and SDRs from investment activities</b>		
Net acquisition of investments by the Special Disbursement Account	(53,048)	(155,788)
<b>Net usable currencies and SDRs used by investment activities</b>	<b>(53,048)</b>	<b>(155,788)</b>
<b>Usable currencies and SDRs from financing activities</b>		
Subscription payments in SDRs and usable currencies	78,850	250
Changes in composition of usable currencies	7,271,790	1,532,302
Transfers to the PRGF Trust, PRGF-HIPC Trust, and other accounts	(213,259)	(91,964)
<b>Net usable currencies and SDRs provided by financing activities</b>	<b>7,137,381</b>	<b>1,440,588</b>
Net decrease in usable currencies and SDRs	(5,953,549)	(8,146,242)
Usable currencies and SDRs, beginning of period	103,944,930	112,091,172
<b>Usable currencies and SDRs, end of period</b>	<b>97,991,381</b>	<b>103,944,930</b>

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

## General Department

### Notes to the Financial Statements as at April 30, 2003 and 2002

#### 1. Purpose and Organization

The IMF is an international organization of 184 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 to member countries under adequate safeguards to help ease balance of payments adjustment. The IMF conducts its operations and transactions through the General Department and the Special Drawing Rights Department (the SDR Department). The General Department consists of the General Resources Account (GRA), the Special Disbursement Account (SDA), and the Investment Account. The latter has not been activated. The IMF also administers trusts and accounts established to perform financial and technical services and financial operations consistent with the purposes of the IMF. The resources of these trusts and accounts are contributed by members or the IMF through the SDA. The financial statements of the SDR Department and these trusts and accounts are presented separately.

#### General Resources Account

The GRA holds the general resources of the IMF. Its resources reflect the receipt of quota subscriptions, use and repayment of IMF credit, collection of charges on the use of credit, payment of remuneration on creditor positions, borrowings, and payment of interest and repayment of borrowings.

#### Special Disbursement Account

The assets and resources of the SDA are held separately from other accounts of the General Department. Resources of the SDA include transfers received from the Trust Fund, an account administered by the IMF, and part of the proceeds from the sales of the IMF's gold in the past (there were no gold sales in financial year 2003 or 2002). Income from the investment of gold profits in the SDA is to be transferred, as needed, to the Poverty Reduction and Growth Facility—Heavily Indebted Poor Countries Trust (PRGF-HIPC Trust), in accordance with decisions of the IMF. The SDA also holds outstanding loans extended under the Structural Adjustment Facility (SAF), which was established in March 1986 to provide balance of payments assistance on concessional terms to qualifying low-income developing country members.

Assets that exceed the financing needs of the SDA, excluding investments arising from the sales of gold undertaken pursuant to the 1999 decision on gold sales by the IMF, are transferred to the Reserve Account of the Poverty Reduction and Growth Facility Trust (PRGF Trust), which is administered separately by the IMF as trustee.

#### 2. Summary of Significant Accounting Policies

##### Basis of Presentation

The financial statements of the IMF are prepared in accordance with International Accounting Standards (IAS). Specific accounting principles and disclosure practices are explained further below. The preparation of financial statements in conformity with IAS 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. Actual results could differ from those estimates.

##### Revenue and Expense Recognition

The financial statements are prepared on the accrual basis; accordingly, income is recognized as it is earned, and expenses are recorded as they are incurred.

##### Unit of Account

The financial statements are expressed in terms of SDRs. 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 latest review was completed in October 2000, and the new composition of the SDR valuation basket became effective on January 1, 2001. The currencies in the basket as of April 30, 2003 and 2002 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.577

As of April 30, 2003, one SDR was equal to 1.38391 U.S. dollars (one SDR was equal to 1.26771 U.S. dollars as of April 30, 2002).

##### Credit Outstanding

The IMF provides balance of payments assistance in accordance with established policies by selling to members, in exchange for their own currencies, SDRs or currencies of other members. When members make purchases, they incur obligations to repurchase the IMF's holdings of their currencies arising from the purchases within specified periods by payments in SDRs or other currencies, as determined by the IMF. Fund credit is subject to specific repayment schedules over periods which vary depending on the type of facility used. Repayment schedules comprise two elements: (i) repurchase expectations, aimed at securing early repayment from members in a position to do so, in keeping with a long-standing principle of the IMF that its resources should be used only as long as there is a balance of payments need, and (ii) repurchase obligations. Repayments on the *expectation* schedules can be extended by a period of up to one year for credit

tranche and Supplemental Reserve Facility (SRF) purchases or three years for Extended Fund Facility (EFF) purchases (up to six months for SRF and one year for Contingent Credit Lines (CCL) purchases after February 21, 2003), upon a member's request if its external position is not sufficiently strong.

In financial year 2003, the IMF approved requests from Argentina to extend by one year repurchase expectations amounting to SDR 5.8 billion (one repurchase from Argentina in financial year 2002 for an amount of SDR 741 million was extended by one year). The financial year 2003 extensions include scheduled repurchase expectations in the period from May to August 2003 amounting to SDR 390 million. The IMF also approved requests from Ecuador, Sri Lanka and Uruguay to extend by one year repurchase expectations amounting to SDR 14 million, SDR 52 million and SDR 129 million arising during financial years 2004, 2004 and 2003, respectively.

A member is considered overdue after failure to make payment on a repurchase obligation. Failure to obtain an extension from the IMF for payment according to the repurchase expectations schedule date would result, inter alia, in a suspension of the right to make further purchases, including prospective purchases under an existing arrangement. The IMF's policies on the use of its general resources are intended to ensure that their use is temporary and will be reversed within agreed-upon repurchase periods.

A member is entitled to repurchase, at any time, the IMF's holdings of its currency on which charges are levied and is expected to make repurchases as and when its balance of payments and reserve position improve.

#### *Overdue Obligations and the First Special Contingent Account*

It is the policy of the IMF to exclude from current income, charges due by members that are six months or more overdue in meeting payments to the IMF, unless these members are current in the payment of charges.

Debtor and creditor members share equally the financial consequences of overdue obligations under a mechanism referred to as burden sharing. The IMF recovers amounts equal to unpaid and deferred charges, excluding special charges, by adjusting the rates of charge and remuneration. Members that have borne the financial consequences of overdue charges will receive refunds only to the extent that overdue charges that had given rise to burden sharing adjustments are settled, and these adjustments are therefore not presented as liabilities. In view of the risk resulting from overdue credit, the IMF also accumulates balances in the first Special Contingent Account (SCA-1). In assessing the risk of impairment, the IMF considers balances in the SCA-1. Allocations to the SCA-1 are financed by further adjustments to the rates of charge and remuneration (see Note 10).

#### *Currencies*

Currencies consist of members' currencies and securities held by the IMF. Each member has the option to substitute non-negotiable and non-interest-bearing securities for the IMF's holdings of its currency that exceed  $\frac{1}{4}$  of 1 percent of the member's quota. These securities are encashable by the IMF on demand.

Each member is required to pay to the IMF its initial quota and subsequent quota increases partly in its own currency, with the remainder to be paid in usable currencies prescribed by the IMF, or SDRs. One exception was the quota increase of 1978, which was paid entirely in members' own currencies.

#### *Usable Currencies*

Usable currencies consist of currencies of members considered by the IMF to have strong balance of payment and reserve positions. These currencies are included in the IMF's financial transactions plan to finance purchases and other transfers of the IMF. Participation in the financial transactions plan is reviewed on a quarterly basis. The IMF considers cash and cash equivalents to be usable currencies and SDR holdings. The changes in non-usable currency result from the IMF's transactions (purchases and repurchases) where a member's currency is exchanged for another member's currency, or from the inclusion/exclusion of a member's currency in the IMF's transaction plan.

#### *Valuation of Currencies*

Currencies, including securities, are valued in terms of the SDR on the basis of the currency/SDR exchange rate determined for each currency. Securities are not marketable, but can be converted into cash on demand. Each member is obligated to maintain, in terms of the SDR, the SDR value of the balances of its currency held by the IMF in the GRA. This requirement is referred to as the maintenance-of-value obligation. Whenever the IMF revalues its holdings of a member's currency, a receivable or a payable is established for the amount required to maintain the SDR value of the IMF's holdings of that currency. The currency balances in the balance sheet include these receivables and payables. All currencies were revalued in terms of the SDR on April 30, 2003 and 2002.

#### *SDR Holdings*

Although SDRs are not allocated to the IMF, the IMF may acquire, hold, and dispose of SDRs through the GRA. The IMF receives SDRs from members in the settlement of their financial obligations to the IMF and uses SDRs in transactions and operations with members. The IMF earns interest on its SDR holdings at the same rate as all other holders of SDRs.

#### *SDR Interest Rate*

The SDR interest rate is determined weekly by reference to a combined market interest rate, which is a weighted average of yields on short-term instruments in the capital markets of the euro area, Japan, the United Kingdom, and the United States.

#### *Gold Holdings*

The Articles of Agreement limit the use of gold in the IMF's operations and transactions. Any use provided for in the Articles requires a decision supported by an 85 percent majority of the total voting power. In accordance with the provisions of the Articles, whenever the IMF sells gold held on the date of the Second Amendment of the IMF's Articles of Agreement (April 1, 1978), the portion of the proceeds equivalent at the time of sale to one SDR per 0.888671 gram of fine gold, which is equal to SDR 35 per fine troy ounce, must be



placed in the GRA. Any excess over this value will be held in the SDA or transferred to the Investment Account. The IMF may also sell gold held on the date of the Second Amendment to those members that were members on August 31, 1975, in proportion to their quotas on that date, in exchange for their own currencies, at a price equivalent at the time of sale to one SDR per 0.888671 gram of fine gold.

The IMF values its gold holdings at historical cost using the specific identification method (see Note 5).

#### *SAF Loans in the Special Disbursement Account*

SAF loans in the SDA are held at historical cost. Allowances for loan losses would be established if and when the IMF expected to incur a loss; no losses have been incurred in the past, and it is the current expectation that no losses will be incurred in the future. Repayments of all SAF loans are transferred to the PRGF Trust Reserve Account when received.

#### *Investments in the Special Disbursement Account*

The resources of the SDA are invested pending their use. Investments are made in debt securities and fixed-term deposits, either directly or by participation in an investment pool. Debt securities comprise securities issued by international financial organizations and domestic government bonds in the euro area, Japan, the United Kingdom and the United States. Investments are marked to market on the last business day of the accounting period. The carrying amounts of investments approximate their fair value. Purchases are valued and reflected on the trade date basis and sales are based on the actual settlement date valuations. Investment income comprises interest earned on investments, realized and unrealized gains and losses on investments, and currency valuation differences arising from exchange rate movements against the SDR.

Interest rate risk is managed by limiting the investment portfolio to a weighted average effective duration that does not exceed three years. Currency risk is minimized by investing in securities denominated in SDRs or in the constituent currencies of the SDR valuation basket. Risk is further minimized by ensuring that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR valuation basket.

#### *Fixed Assets*

Fixed assets with a cost in excess of a threshold amount are capitalized at cost. Buildings and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which range from 3 years for equipment to 30 years for buildings.

#### *Quotas*

Each member is assigned a quota that forms the basis of its financial and organizational relationship with the IMF. A member's quota is related to, but not strictly determined by, economic factors such as national income, the value of external trade and payments, and the level of official reserves. Quotas determine members' subscriptions to the IMF, their relative voting power, access to financing, and their share in SDR allocations. Should a member withdraw from the Fund, quotas are repayable to the extent they are

not needed to settle other net obligations of the member to the Fund.

#### *Reserve Tranche Position*

A member has a reserve tranche in the IMF when the IMF's holdings of its currency, excluding holdings that reflect the member's use of IMF credit, are less than the member's quota. A member's reserve tranche is considered a part of the member's external reserves and the member may draw on the reserve tranche at any time when it represents that it has a balance of payments need. Reserve tranche purchases are not subject to repurchase obligations or charges.

#### *Reserves*

The IMF determines annually what part of its net income will be retained and placed to the General Reserve or the Special Reserve, and what part, if any, will be distributed. The Articles of Agreement permit the IMF to use the Special Reserve for any purpose for which it may use the General Reserve, except distribution. After meeting the cost of administering the PRGF Trust, net operational income generated from the surcharges on purchases under the SRF, the credit tranches, and the EFF, has been transferred to the General Reserve. All other income has been transferred to the Special Reserve.

#### *Charges*

The IMF levies periodic charges on members' use of IMF credit. The rate of charge is set as a proportion of the SDR interest rate. For financial year 2003, the basic rate of charge after the retroactive reduction in charges was 123.5 percent (116.4 percent during financial year ended April 30, 2002) of the SDR interest rate. The basic rate of charge is increased to offset the effect on the IMF's income of the deferral of unpaid charges and to finance the additions to the SCA-1. The average adjusted rate of charge before applicable surcharges for financial year 2003 was 2.74 percent (for financial year 2002 the average rate was 3.44 percent). A surcharge progressing from 150 to 500 basis points above the rate of charge applies to use of credit under the SRF and the CCL. In addition, credit outstanding in excess of 200 percent of quota, resulting from purchases after November 28, 2000 in the credit tranches and under the EFF (other than those under the SRF and CCL), is subject to a surcharge of 100–200 basis points. Special charges are levied on members' currency holdings that are not repurchased when due and on overdue charges. Special charges do not apply to members that are six months or more overdue to the IMF. A service charge is levied by the IMF on all purchases, except reserve tranche purchases. A refundable commitment fee is charged on Stand-By and Extended Arrangements. At the expiration or cancellation of an arrangement, the unrefunded portion of the commitment fee is taken into income.

#### *Remuneration*

The IMF pays interest, referred to as remuneration, on a member's reserve tranche position. The rate of remuneration is equal to the SDR interest rate, adjusted downward to finance a share of the nonpayment of charges and additions to the SCA-1. The average adjusted rate of remuneration for the financial year ended April 30, 2003 was 1.96 percent (2.65

percent for the financial year 2002). A portion of the reserve tranche is unremunerated and 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 Fund's 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 unremunerated reserve tranche remains fixed for each member in nominal terms, but because of subsequent quota increases, it is now significantly lower when expressed as a percentage of quota. The average is equal to 3.8 percent of quota at April 30, 2003 and 2002, but the actual percentage is different for each member.

### Pension and Other Post-Retirement Obligations

The IMF operates two defined-benefit pension plans and provides post-retirement benefits to retired staff.

The pension plans are funded by payments from the staff and the IMF, taking into account the recommendations of independent actuaries. Assets of the plans are held in separate trustee-managed funds and are measured at fair value as of the balance sheet date. Pension obligations are measured using the Projected Unit Credit Method, which measures the present value of the estimated future cash outflows, using interest rates of government securities that have maturities approximating the terms of the pension liabilities.

The assets set aside for the provision of post-retirement benefits are held in an investment account administered by the IMF. This account is funded by contributions from the IMF. The expected costs of the post-retirement medical and life insurance benefits are accrued over the period of employment using the Projected Unit Credit Method. Valuations of these obligations are carried out by independent actuaries.

### Comparatives

When necessary, comparative figures have been reclassified to conform with changes in the presentation of the current year.

During the current year, the presentation in the income statement of amounts collected for the SCA-1 has been changed. Since these amounts are refundable once arrears to the IMF are cleared, or earlier if the IMF so decides, the amounts are more properly reflected as adjustments to charges collected and remuneration paid. They are therefore no longer included in the income statement. Accordingly, comparative figures in the income statement for the year ended April 30, 2002 have been reclassified as follows: periodic charges have been decreased by SDR 47 million, remuneration has been increased by SDR 47 million and the allocation to the SCA-1 has been decreased by SDR 94 million. These reclassifications do not have any impact on the net income of the IMF for the year ended April 30, 2002.

Further, the operating results of the General Department have been amended to reflect a total revenues presentation for the income of the Special Disbursement Account and the General Resources Account with one single net income for the General Department.

### 3. Credit Outstanding

Changes in the outstanding use of IMF credit under the various facilities of the GRA during the years ended April 30, 2003 and 2002 were as follows:

	April 30, 2001	Purchases	Repur- chases	April 30, 2002	Purchases	Repur- chases	April 30, 2003
<i>In millions of SDRs</i>							
Credit tranches	16,706	17,219	(5,698)	28,227	9,664	(3,993)	33,898
Extended Fund Facility	15,957	959	(1,425)	15,491	1,451	(2,000)	14,942
Supplemental Reserve Facility	4,085	10,891	(9,101)	5,875	10,566	(741)	15,700
Systemic Transformation Facility	1,933	—	(622)	1,311	—	(667)	644
Enlarged Access	430	—	(109)	321	—	(42)	279
Compensatory and Contingency Financing Facility	2,992	—	(2,246)	746	—	(332)	414
Supplementary Financing Facility	116	—	(6)	110	—	(9)	101
Total credit outstanding	<u>42,219</u>	<u>29,069</u>	<u>(19,207)</u>	<u>52,081</u>	<u>21,681</u>	<u>(7,784)</u>	<u>65,978</u>

As of April 30, 2003 and 2002, SDA loans and interest receivable computed at 0.5 percent a year, consisted of the following:

	2003	2002
<i>In millions of SDRs</i>		
Structural Adjustment Facility loans	137	341
Interest accrued	1	8
Less: interest deferred	<u>(1)</u>	<u>(8)</u>
	<u>137</u>	<u>341</u>

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

Financial Year Ending April 30	General Resources Account	Special Disbursement Account
<i>In millions of SDRs</i>		
2004	22,837	51
2005	17,476	40
2006	14,478	37
2007	5,656	—
2008	2,464	—
2009 and beyond	2,330	—
Overdue	<u>737</u>	<u>9</u>
Total	<u>65,978</u>	<u>137</u>

As of April 30, 2003 and 2002, use of credit in the GRA by the largest users was as follows:

	2003	2002
<i>In millions of SDRs and as a percent of total GRA credit outstanding</i>		
Largest user of credit	18,192 27.6%	14,510 27.9%
Three largest users of credit	45,382 68.8%	32,337 62.1%
Five largest users of credit	56,127 85.1%	41,143 79.0%

The five largest users of credit as of April 30, 2003 were Brazil, Turkey, Argentina, Indonesia, and the Russian Federation. Outstanding credit, by member, is provided in Schedule 1. The concentration of GRA outstanding credit by regional geographical area as of April 30, 2003 and 2002 was as follows:

	2003		2002	
	<i>In millions of SDRs and as a percent of total GRA credit outstanding</i>			
Africa	1,751	2.6%	2,195	4.2%
Asia and Pacific	8,742	13.3%	10,769	20.7%
Europe	7,704	11.7%	9,129	17.5%
Latin America and the Caribbean	30,824	46.7%	15,100	29.0%
Middle East and Turkey	16,957	25.7%	14,888	28.6%
Total	<u>65,978</u>	<u>100%</u>	<u>52,081</u>	<u>100%</u>

#### Overdue Obligations

At April 30, 2003, six members (as of April 30, 2002, seven members) were six months or more overdue in settling their financial obligations to the IMF. Four (five members as of April 30, 2002) of these members were overdue to the General Department.

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

	Repurchases and SAF Loans		Charges and SAF Interest	
	2003	2002	2003	2002
<i>In millions of SDRs</i>				
Total overdue	746	1,033	993	1,055
Overdue for six months or more	726	1,010	982	1,039
Overdue for three years or more	663	977	900	930

The type and duration of the overdue amounts in the General Department as of April 30, 2003, were as follows:

	Repurchases and SAF Loans	Charges and SAF Interest	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>				
Liberia	201	245	446	May 1985
Somalia	105	94	199	July 1987
Sudan	357	646	1,003	July 1985
Zimbabwe	83	8	91	February 2001
Total	<u>746</u>	<u>993</u>	<u>1,739</u>	

#### 4. Currencies

Changes in the IMF's holdings of members' currencies for the years ended April 30, 2003 and 2002 were as follows:

	April 30, 2001	Net Change	April 30, 2002	Net Change	April 30, 2003
<i>In millions of SDRs</i>					
Members' quotas	212,415	1	212,416	315	212,731
Members' outstanding use of IMF credit in the GRA	42,219	9,862	52,081	13,897	65,978
Members' reserve tranche positions in the GRA	(46,733)	(8,594)	(55,327)	(12,682)	(68,009)
Administrative currency balances	3	(7)	(4)	3	(1)
Total currencies	<u>207,904</u>	<u>1,262</u>	<u>209,166</u>	<u>1,533</u>	<u>210,699</u>

Receivables and payables arising from valuation adjustments at April 30, 2003, when all holdings of currencies of members were last revalued, amounted to SDR 20,947 million and SDR 4,985 million, respectively (SDR 17,953 million and SDR 3,648 million, respectively, at April 30, 2002). Settlements of these receivables or payables are required to be made promptly after the end of each financial year.

Other currency holdings, other than those resulting from the use of credit or usable currencies, amounted to SDR 47,692 million (SDR 54,625 million as of April 30, 2002); of this amount SDR 28,335 million (SDR 28,996 million as of April 30, 2002) represents currencies of members that use IMF credit.

#### 5. Gold Holdings

At April 30, 2003 and 2002, the IMF held 3,217,341 kilograms of gold, equal to 103,439,916 fine ounces of gold, at designated depositories. As of April 30, 2003, the value of the IMF's holdings of gold calculated at the market price was SDR 25.2 billion (SDR 25.1 billion at April 30, 2002).

#### 6. Interest and Charges

As of April 30, 2003, the total holdings on which the IMF levies charges amounted to SDR 65,978 million (SDR 52,081 million as of April 30, 2002). Charges and other receivables due to the IMF as of April 30, 2003 and 2002 were as follows:

	2003	2002
<i>In millions of SDRs</i>		
Periodic charges	1,568	1,546
Less: deferred income	(996)	(1,053)
	572	493
Other receivables	5	8
Receivables	<u>577</u>	<u>501</u>

Periodic charges for the years ended April 30, 2003 and 2002 consisted of the following:

	2003	2002
<i>In millions of SDRs</i>		
Periodic charges	2,267	2,002
Adjustments for deferred charges, net of refunds	(28)	17
Settlements of deferred charges above/(below) income deferred	56	(33)
Total periodic charges	<u>2,295</u>	<u>1,986</u>

Interest earned on SAF loans for the years ended April 30, 2003 and 2002 amounted to SDR 8.4 million and SDR 1.1 million, respectively.

Special charges, service charges and the unrefunded commitment fees are included in *Other Charges and Income* which amounted to SDR 132 million (SDR 157 million for the year ended April 30, 2002).

#### 7. Fixed Assets

Other assets include fixed assets, which at both April 30, 2003 and 2002 amounted to SDR 238 million, and consisted of:

	2003	2002
	<i>In millions of SDRs</i>	
Land and buildings	326	314
Equipment	<u>39</u>	<u>45</u>
Total fixed assets	365	359
Less: accumulated depreciation	<u>(127)</u>	<u>(121)</u>
Net fixed assets	<u>238</u>	<u>238</u>

### 8. Investments

As at April 30, 2003 the investments in the SDA consisted of fixed-term deposits with maturity of less than one year and amounted to SDR 2,590 million (SDR 2,537 million as at April 30, 2002). Fixed-term deposits include cash equivalents amounting to SDR 21 million (SDR 2,166 million as at April 30, 2002) comprising short-term deposits with maturities of less than ninety days.

Investment income for the years ended April 30 included the following:

	2003	2002
	<i>In millions of SDRs</i>	
Interest income	53	96
Realized gains	—	60
Unrealized losses	—	(25)
Total income	<u>53</u>	<u>131</u>

### 9. Remuneration

At April 30, 2003, total creditor positions on which the IMF paid remuneration amounted to SDR 61,428 million (SDR 48,817 million at April 30, 2002). Remuneration for the years ended April 30, 2003 and 2002 consisted of the following:

	2003	2002
	<i>In millions of SDRs</i>	
Remuneration	1,173	1,311
Adjustments for deferred charges net of refunds	<u>28</u>	<u>(17)</u>
	<u>1,201</u>	<u>1,294</u>

### 10. Deferred Income and the First Special Contingent Account

The SCA-1 is financed by quarterly adjustments to the rate of charge and the rate of remuneration. Balances in the SCA-1 are to be distributed to the members that shared the cost of its financing when there are no outstanding overdue repurchases and charges, or at such earlier time as the IMF may decide. At April 30, 2003, the balances held in the SCA-1 amounted to SDR 1,401 million (SDR 1,307 million at April 30, 2002).

Cumulative charges, net of settlements, that have been deferred since May 1, 1986 and have resulted in adjustments to charges and remuneration amounted to SDR 810 million at April 30, 2003 (SDR 865 million at April 30, 2002). The cumulative refunds for the same period, resulting from the settlements of deferred charges for which burden sharing adjustments have been made, amounted to SDR 1,072 million (SDR 994 million at April 30, 2002).

### 11. Borrowings

Under the General Arrangements to Borrow (GAB), 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 25, 2008. Interest on borrowings under the GAB is calculated at a rate equal to the SDR interest rate.

Under the New Arrangements to Borrow (NAB), the IMF may borrow up to SDR 34 billion of supplementary resources. The NAB is the facility of first and principal recourse, but it does not replace the GAB, which will remain 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 for a five-year period on November 17, 1998 and was activated on December 2, 1998. In November 2002, the NAB was renewed through November 16, 2008. 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 arrangement.

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

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 terms of the arrangement. Credit under these arrangements is subject to interest and charges that are uniform to all members and that reflect the cost to the IMF of financing such credit, plus a margin. In addition, certain surcharges may apply. At April 30, 2003, the undrawn balances under the 18 arrangements that were in effect in the GRA amounted to SDR 23,620 million (SDR 26,908 million under 17 arrangements at April 30, 2002).

The IMF has committed to lease commercial office space through 2005. Expenditures totaling SDR 15 million will be incurred over this period.

### 13. Administrative Expenses

The administrative expenses for the years ended April 30, 2003 and 2002 were as follows:

	2003	2002
	<i>In millions of SDRs</i>	
Personnel	370	338
Pension and other related expenses	79	5
Travel	72	73
Other	88	117
Less: reimbursements for the administration of the SDR Department	<u>(2)</u>	<u>(2)</u>
Total administrative expenses, net of reimbursements	<u>607</u>	<u>531</u>

The majority of these expenses are incurred in U.S. dollars; exchange gains and losses incurred in the normal course of business are reflected in administrative expenses and are not significant.

The GRA is reimbursed for the cost of administering the SDR Department.

The GRA is to be reimbursed annually for expenses incurred in administering the SDA and the PRGF Trust. Following the establishment of the SRF and CCL and the consequent increase in net operational income, the Executive Board decided to forgo reimbursement of the expenses incurred in administering the PRGF Trust for financial years 2003 and 2002 and to transfer the amounts that would otherwise have been reimbursed to the GRA from the PRGF Trust Reserve Account, through the SDA, to the PRGF-HIPC Trust. These transfers amounted to SDR 64.0 million for financial year 2003 (SDR 61.6 million for financial year 2002) and have been included under transfers to the PRGF-HIPC Trust in the statement of income and changes in resources.

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

The IMF has a defined-benefit Staff Retirement Plan (SRP) that covers substantially all eligible staff and a Supplemental Retirement Benefits Plan (SRBP) for selected participants of the SRP. Participants contribute a fixed percentage of their pensionable remuneration. The IMF contributes the remainder of the cost of funding the plans and pays certain administrative costs of the plans. In addition, the IMF provides other employment and post-retirement benefits, including medical, life insurance and other long-term benefits. In 1995, the IMF established a separate account, the Retired Staff Benefits Investment Account (RSBIA), to hold and invest resources set aside to fund the cost of these other benefits.

In December 2002, a plan amendment was adopted to allow certain periods of past employment to qualify for determination of participants' benefits in the SRP and the SRBP. This plan amendment will become operational in financial year 2004 and the estimated liability resulting from the amendment has been recognized in the actuarial valuation (SDR 32 million).

The obligations of the SRP, SRBP, and RSBIA are valued by independent actuaries every year using the Projected Unit Credit Method. The latest actuarial valuations were carried out as at April 30, 2003. The key assumptions used are as shown below. The present value of the defined-benefit obligation and current service cost was calculated using the Projected Unit Credit Method.

Amounts recognized in the balance sheet are as follows:

	2003				2002
	SRP	SRBP	RSBIA	Total	Total
	<i>In millions of SDRs</i>				
Fair value of plan assets	2,478	—	269	2,747	3,099
Present value of the defined benefit obligation	(1,934)	(99)	(421)	(2,454)	(2,884)
Unrecognized actuarial gains/(losses)	216	(41)	(76)	99	242
Unrecognized prior service cost	14	18	11	43	13
Net balance sheet asset/(liability)	<u>774</u>	<u>(122)</u>	<u>(217)</u>	<u>435</u>	<u>470</u>

Movement in the net balance sheet asset:

	2003				2002
	SRP	SRBP	RSBIA	Total	Total
	<i>In millions of SDRs</i>				
Net balance sheet asset/(liability), beginning of year	778	(108)	(200)	470	431
Income/(expense) recognized in income statement	(21)	(18)	(40)	(79)	(5)
Contributions paid	17	4	23	44	44
Net balance sheet asset/(liability), end of year	<u>774</u>	<u>(122)</u>	<u>(217)</u>	<u>435</u>	<u>470</u>

The expense recognized in the income statement includes SDR 40 million which represents the effect of a change in the actuarial cost resulting from a revision in some participants' data. This expense relates for the most part to the present value of the defined benefit obligation as originally estimated when IAS 19 was introduced in financial year 2000. The amounts recognized in the income statements are as follows:

	2003				2002
	SRP	SRBP	RSBIA	Total	Total
	<i>In millions of SDRs</i>				
Current service cost	69	12	25	106	116
Interest cost	158	8	37	203	186
Expected loss on assets	(248)	—	(26)	(274)	(295)
Amortization of actuarial loss/(gain)	—	—	2	2	(2)
Prior service cost	42	(2)	2	42	—
Total (income)/expense recognized in income statement	<u>21</u>	<u>18</u>	<u>40</u>	<u>79</u>	<u>5</u>
Actual (loss)/return on assets	<u>(75)</u>	<u>0</u>	<u>3</u>	<u>(72)</u>	<u>(79)</u>

Principal actuarial assumptions used:

	2003	2002
	<i>In percent</i>	
Discount rate	6.5	7.5
Expected return on plan assets	8.3	9.3
Future salary increases	4.0–6.75	6.4–10.8
Ultimate health care costs growth rates	4.0	5.5



Schedule 1

**General Department**  
**Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,**  
**and Members' Use of Resources**  
**as at April 30, 2003**

(In thousands of SDRs)

Member	General Resources Account				Credit Outstanding				
	Quota	IMF's holdings of currencies <sup>1</sup>		Reserve tranche position	GRA		PRGF		Total <sup>5</sup>
		Total	Percent of quota		Amount	Percent <sup>2</sup>	SDA <sup>3</sup>	Trust <sup>4</sup>	
				(A)	+ (B)	+ (C)	=	(D)	
Afghanistan, Islamic State of	120,400	119,688	99.4	728	—	—	—	—	—
Albania	48,700	45,350	93.1	3,355	—	—	—	61,229	61,229
Algeria	1,254,700	2,056,781	163.9	85,082	887,161	1.34	—	—	887,161
Angola	286,300	286,445	100.1	—	—	—	—	—	—
Antigua and Barbuda	13,500	13,499	100.0	6	—	—	—	—	—
Argentina	2,117,100	12,724,723	601.0	25	10,607,635	16.08	—	—	10,607,635
Armenia, Republic of	92,000	104,661	113.8	—	12,656	0.02	—	135,850	148,506
Australia	3,236,400	1,793,188	55.4	1,443,222	—	—	—	—	—
Austria	1,872,300	1,124,310	60.0	748,015	—	—	—	—	—
Azerbaijan	160,900	250,811	155.9	10	89,911	0.14	—	91,856	181,767
Bahamas, The	130,300	124,063	95.2	6,239	—	—	—	—	—
Bahrain, Kingdom of	135,000	66,099	49.0	68,932	—	—	—	—	—
Bangladesh	533,300	557,650	104.6	186	24,531	0.04	—	—	24,531
Barbados	67,500	62,594	92.7	4,916	—	—	—	—	—
Belarus, Republic of	386,400	415,608	107.6	20	29,208	0.04	—	—	29,208
Belgium	4,605,200	2,759,904	59.9	1,845,300	—	—	—	—	—
Belize	18,800	14,562	77.5	4,239	—	—	—	—	—
Benin	61,900	59,721	96.5	2,188	—	—	350	53,290	53,640
Bhutan	6,300	5,280	83.8	1,020	—	—	—	—	—
Bolivia	171,500	205,518	119.8	8,875	42,880	0.06	—	140,300	183,180
Bosnia and Herzegovina	169,100	261,009	154.4	—	91,904	0.14	—	—	91,904
Botswana	63,000	37,399	59.4	25,601	—	—	—	—	—
Brazil	3,036,100	21,228,575	699.2	—	18,191,872	27.57	—	—	18,191,872
Brunei Darussalam	215,200	157,127	73.0	58,288	—	—	—	—	—
Bulgaria	640,200	1,401,612	218.9	32,778	794,170	1.20	—	—	794,170
Burkina Faso	60,200	52,937	87.9	7,264	—	—	3,476	85,590	89,066
Burundi	77,000	86,266	112.0	360	9,625	0.01	—	—	9,625
Cambodia	87,500	88,021	100.6	—	521	—	—	75,300	75,821
Cameroon	185,700	185,125	99.7	613	—	—	—	223,098	223,098
Canada	6,369,200	3,663,916	57.5	2,705,292	—	—	—	—	—
Cape Verde	9,600	9,596	100.0	5	—	—	—	2,460	2,460
Central African Republic	55,700	55,569	99.8	134	—	—	—	24,480	24,480
Chad	56,000	55,719	99.5	282	—	—	—	77,281	77,281
Chile	856,100	474,057	55.4	382,045	—	—	—	—	—
China	6,369,200	3,625,683	56.9	2,743,564	—	—	—	—	—
Colombia	774,000	488,202	63.1	285,803	—	—	—	—	—
Comoros	8,900	8,362	94.0	540	—	—	270	—	270
Congo, Democratic Republic of	533,000	533,000	100.0	—	—	—	—	446,667	446,667
Congo, Republic of	84,600	95,558	113.0	536	11,480	0.02	—	9,727	21,207
Costa Rica	164,100	144,113	87.8	20,000	—	—	—	—	—
Côte d'Ivoire	325,200	324,721	99.9	482	—	—	—	355,099	355,099
Croatia, Republic of	365,100	364,943	100.0	159	—	—	—	—	—
Cyprus	139,600	90,492	64.8	49,115	—	—	—	—	—
Czech Republic	819,300	619,941	75.7	199,364	—	—	—	—	—
Denmark	1,642,800	928,518	56.5	714,288	—	—	—	—	—
Djibouti	15,900	15,699	98.7	1,100	899	—	—	13,630	14,529
Dominica	8,200	10,242	124.9	9	2,050	—	—	—	2,050
Dominican Republic	218,900	233,786	106.8	3	14,888	0.02	—	—	14,888
Ecuador	302,300	542,079	179.3	17,153	256,930	0.39	—	—	256,930
Egypt	943,700	943,716	100.0	—	—	—	—	—	—

Schedule 1 (continued)

Member	General Resources Account				Credit Outstanding				
	Quota	IMF's holdings of currencies <sup>1</sup>		Reserve tranche position	GRA		SDA <sup>3</sup>	PRGF Trust <sup>4</sup>	Total <sup>5</sup>
		Total	Percent of quota		Amount	Percent <sup>2</sup>			
El Salvador	171,300	171,303	100.0	—	—	—	—	—	—
Equatorial Guinea	32,600	32,609	100.0	—	—	—	443	109	552
Eritrea	15,900	15,900	100.0	5	—	—	—	—	—
Estonia, Republic of	65,200	65,195	100.0	6	—	—	—	—	—
Ethiopia	133,700	126,520	94.6	7,188	—	—	7,766	94,056	101,822
Fiji	70,300	55,209	78.5	15,126	—	—	—	—	—
Finland	1,263,800	757,025	59.9	506,862	—	—	—	—	—
France	10,738,500	6,388,793	59.5	4,349,862	—	—	—	—	—
Gabon	154,300	203,658	132.0	179	49,531	0.08	—	—	49,531
Gambia, The	31,100	29,618	95.2	1,485	—	—	—	23,500	23,500
Georgia	150,300	171,113	113.8	10	20,813	0.03	—	193,800	214,613
Germany	13,008,200	7,758,331	59.6	5,249,939	—	—	—	—	—
Ghana	369,000	369,004	100.0	— <sup>6</sup>	—	—	—	264,545	264,545
Greece	823,000	500,550	60.8	322,451	—	—	—	—	—
Grenada	11,700	14,631	125.1	—	2,930	—	—	—	2,930
Guatemala	210,200	210,206	100.0	—	—	—	—	—	—
Guinea	107,100	107,026	99.9	75	—	—	—	99,000	99,000
Guinea-Bissau	14,200	17,040	120.0	— <sup>6</sup>	2,840	—	—	13,349	16,189
Guyana	90,900	90,902	100.0	—	—	—	492	65,768	66,260
Haiti	60,700	66,323	109.3	68	5,691	0.01	—	12,140	17,831
Honduras	129,500	138,687	107.1	8,627	17,813	0.03	—	119,148	136,961
Hungary	1,038,400	574,794	55.4	463,607	—	—	—	—	—
Iceland	117,600	99,016	84.2	18,585	—	—	—	—	—
India	4,158,200	3,669,344	88.2	488,881	—	—	—	—	—
Indonesia	2,079,300	8,402,605	404.1	145,500	6,468,801	9.80	—	—	6,468,801
Iran, Islamic Republic of	1,497,200	1,497,204	100.0	—	—	—	—	—	—
Iraq	504,000	504,013	100.0	—	—	—	—	—	—
Ireland	838,400	492,535	58.7	345,870	—	—	—	—	—
Israel	928,200	596,198	64.2	332,009	—	—	—	—	—
Italy	7,055,500	4,073,766	57.7	2,981,734	—	—	—	—	—
Jamaica	273,500	288,092	105.3	—	14,542	0.02	—	—	14,542
Japan	13,312,800	7,769,164	58.4	5,544,900	—	—	—	—	—
Jordan	170,500	500,747	293.7	52	330,297	0.50	—	—	330,297
Kazakhstan, Republic of	365,700	365,700	100.0	5	—	—	—	—	—
Kenya	271,400	258,795	95.4	12,612	—	—	—	64,616	64,616
Kiribati	5,600	5,601	100.0	5	—	—	—	—	—
Korea	1,633,600	1,222,627	74.8	411,069	—	—	—	—	—
Kuwait	1,381,100	815,983	59.1	565,125	—	—	—	—	—
Kyrgyz Republic	88,800	88,800	100.0	5	—	—	—	138,351	138,351
Lao People's Democratic Republic	52,900	52,900	100.0	—	—	—	—	30,011	30,011
Latvia, Republic of	126,800	136,296	107.5	55	9,531	0.01	—	—	9,531
Lebanon	203,000	184,168	90.7	18,833	—	—	—	—	—
Lesotho	34,900	31,361	89.9	3,543	—	—	—	15,133	15,133
Liberia	71,300	272,062	381.6	28	200,781	0.30	—	—	223,671
Libya	1,123,700	728,206	64.8	395,505	—	—	—	—	—
Lithuania, Republic of	144,200	186,018	129.0	16	41,831	0.06	—	—	41,831
Luxembourg	279,100	166,762	59.7	112,348	—	—	—	—	—
Macedonia, former Yugoslav Republic of	68,900	87,619	127.2	—	18,717	0.03	—	27,185	45,902
Madagascar	122,200	122,174	100.0	27	—	—	—	108,653	108,653
Malawi	69,400	84,462	121.7	2,290	17,350	0.03	—	50,117	67,467
Malaysia	1,486,600	877,957	59.1	608,649	—	—	—	—	—
Maldives	8,200	6,646	81.0	1,554	—	—	—	—	—
Mali	93,300	84,457	90.5	8,846	—	—	508	121,069	121,577
Malta	102,000	61,741	60.5	40,261	—	—	—	—	—
Marshall Islands	3,500	3,500	100.0	1	—	—	—	—	—

Schedule 1 (continued)

Member	General Resources Account				Credit Outstanding					
	Quota	IMF's holdings of currencies <sup>1</sup>		Reserve tranche position	GRA		SDA <sup>3</sup>		PRGF	Total <sup>5</sup>
		Total	Percent of quota		Amount	Percent <sup>2</sup>	+ (B)	+ (C)	= (D)	
Mauritania	64,400	64,406	100.0	—	—	—	—	77,500	77,500	
Mauritius	101,600	87,125	85.8	14,476	—	—	—	—	—	
Mexico	2,585,800	2,279,346	88.1	306,529	—	—	—	—	—	
Micronesia, Federated States of	5,100	5,100	100.0	1	—	—	—	—	—	
Moldova, Republic of	123,200	203,200	164.9	5	80,000	0.12	—	27,720	107,720	
Mongolia	51,100	51,017	99.8	85	—	—	—	29,298	29,298	
Morocco	588,200	517,760	88.0	70,441	—	—	—	—	—	
Mozambique	113,600	113,600	100.0	7	—	—	—	144,375	144,375	
Myanmar	258,400	258,402	100.0	—	—	—	—	—	—	
Namibia	136,500	136,458	100.0	45	—	—	—	—	—	
Nepal	71,300	65,557	91.9	5,746	—	—	—	1,679	1,679	
Netherlands	5,162,400	3,018,010	58.5	2,144,401	—	—	—	—	—	
New Zealand	894,600	530,258	59.3	364,357	—	—	—	—	—	
Nicaragua	130,000	130,010	100.0	—	—	—	—	128,291	128,291	
Niger	65,800	57,240	87.0	8,561	—	—	—	76,344	76,344	
Nigeria	1,753,200	1,753,121	100.0	143	—	—	—	—	—	
Norway	1,671,700	945,469	56.6	726,247	—	—	—	—	—	
Oman	194,000	114,968	59.3	79,090	—	—	—	—	—	
Pakistan	1,033,700	1,744,395	168.8	118	710,812	1.08	—	737,640	1,448,452	
Palau	3,100	3,100	100.0	1	—	—	—	—	—	
Panama	206,600	230,585	111.6	11,860	35,833	0.05	—	—	35,833	
Papua New Guinea	131,600	216,778	164.7	368	85,540	0.13	—	—	85,540	
Paraguay	99,900	78,428	78.5	21,475	—	—	—	—	—	
Peru	638,400	745,433	116.8	—	107,000	0.16	—	—	107,000	
Philippines	879,900	1,881,914	213.9	87,276	1,089,282	1.65	—	—	1,089,282	
Poland, Republic of	1,369,000	855,136	62.5	513,864	—	—	—	—	—	
Portugal	867,400	514,358	59.3	353,082	—	—	—	—	—	
Qatar	263,800	155,709	59.0	108,092	—	—	—	—	—	
Romania	1,030,200	1,393,613	135.3	—	363,408	0.55	—	—	363,408	
Russian Federation	5,945,400	10,220,142	171.9	1,184	4,275,896	6.48	—	—	4,275,896	
Rwanda	80,100	80,113	100.0	—	—	—	—	62,454	62,454	
St. Kitts and Nevis	8,900	9,429	105.9	82	609	—	—	—	609	
St. Lucia	15,300	15,295	100.0	7	—	—	—	—	—	
St. Vincent and the Grenadines	8,300	7,800	94.0	500	—	—	—	—	—	
Samoa	11,600	10,918	94.1	693	—	—	—	—	—	
San Marino, Republic of	17,000	12,900	75.9	4,101	—	—	—	—	—	
São Tomé and Príncipe	7,400	7,403	100.0	— <sup>6</sup>	—	—	—	1,902	1,902	
Saudi Arabia	6,985,500	4,230,520	60.6	2,754,983	—	—	—	—	—	
Senegal	161,800	160,345	99.1	1,457	—	—	—	178,158	178,158	
Serbia and Montenegro	467,700	984,639	210.5	—	516,925	0.78	—	—	516,925	
Seychelles	8,800	8,799	100.0	1	—	—	—	—	—	
Sierra Leone	103,700	103,685	100.0	24	—	—	5,404	109,069	114,473	
Singapore	862,500	496,791	57.6	365,867	—	—	—	—	—	
Slovak Republic	357,500	357,505	100.0	—	—	—	—	—	—	
Slovenia, Republic of	231,700	136,124	58.8	95,587	—	—	—	—	—	
Solomon Islands	10,400	9,852	94.7	550	—	—	—	—	—	
Somalia	44,200	140,907	318.8	—	96,701	0.15	8,840	—	112,004	
South Africa	1,868,500	1,868,077	100.0	425	—	—	—	—	—	
Spain	3,048,900	1,840,214	60.4	1,208,691	—	—	—	—	—	
Sri Lanka	413,400	586,277	141.8	47,818	220,670	0.34	—	55,190	275,860	
Sudan	169,700	526,647	310.3	11	356,927	0.54	—	—	416,155	
Suriname	92,100	85,976	93.4	6,125	—	—	—	—	—	
Swaziland	50,700	44,154	87.1	6,552	—	—	—	—	—	
Sweden	2,395,500	1,362,919	56.9	1,032,588	—	—	—	—	—	
Switzerland	3,458,500	1,983,225	57.3	1,475,292	—	—	—	—	—	



Schedule 1 (concluded)

Member	General Resources Account				Credit Outstanding					
	Quota	IMF's holdings of currencies <sup>1</sup>		Reserve tranche position	GRA		PRGF			Total <sup>5</sup> (D)
		Total	Percent of quota		Amount (A)	Percent <sup>2</sup>	SDA <sup>3</sup> + (B)	+ (C)	=	
Syrian Arab Republic	293,600	293,603	100.0	5	—	—	—	—	—	—
Tajikistan, Republic of	87,000	87,000	100.0	2	—	—	—	60,960	60,960	60,960
Tanzania	198,900	188,903	95.0	9,999	—	—	—	293,878	293,878	293,878
Thailand	1,081,900	1,219,383	112.7	20	137,500	0.21	—	—	—	137,500
Timor-Leste, The Democratic Republic of	8,200	8,200	100.0	1	—	—	—	—	—	—
Togo	73,400	73,095	99.6	305	—	—	—	35,838	35,838	35,838
Tonga	6,900	5,195	75.3	1,712	—	—	—	—	—	—
Trinidad and Tobago	335,600	249,238	74.3	86,366	—	—	—	—	—	—
Tunisia	286,500	266,335	93.0	20,167	—	—	—	—	—	—
Turkey	964,000	17,433,968	1,808.5	112,775	16,582,740	25.13	—	—	—	16,582,740
Turkmenistan, Republic of	75,200	75,200	100.0	5	—	—	—	—	—	—
Uganda	180,500	180,506	100.0	— <sup>6</sup>	—	—	—	183,571	183,571	183,571
Ukraine	1,372,000	2,689,977	196.1	3	1,317,977	2.00	—	—	—	1,317,977
United Arab Emirates	611,700	359,134	58.7	252,567	—	—	—	—	—	—
United Kingdom	10,738,500	6,218,175	57.9	4,520,352	—	—	—	—	—	—
United States	37,149,300	20,713,655	55.8	16,430,162	—	—	—	—	—	—
Uruguay	306,500	1,829,532	596.9	—	1,523,025	2.31	—	—	—	1,523,025
Uzbekistan, Republic of	275,600	317,163	115.1	5	41,563	0.06	—	—	—	41,563
Vanuatu	17,000	14,506	85.3	2,496	—	—	—	—	—	—
Venezuela, República Bolivariana de	2,659,100	2,337,199	87.9	321,902	—	—	—	—	—	—
Vietnam	329,100	333,127	101.2	5	4,027	0.01	—	263,120	263,120	267,147
Yemen, Republic of	243,500	287,739	118.2	13	44,250	0.07	—	238,750	238,750	283,000
Zambia	489,100	489,101	100.0	18	—	—	109,050	636,529	636,529	745,579
Zimbabwe	353,400	470,579	133.2	328	117,505	0.18	—	88,623	88,623	206,128
<b>Total</b>	<b>212,731,300</b>	<b>210,699,065</b>		<b>68,008,951</b>	<b>65,977,977</b>	<b>100.00</b>	<b>136,599</b>	<b>6,667,296</b>	<b>72,870,452</b>	

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

<sup>2</sup>Represents the percentage used by each member of total use of GRA resources (column A).

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

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

<sup>5</sup>Includes outstanding Trust Fund loans to Liberia (SDR 23 million), Somalia (SDR 6 million), and Sudan (SDR 59 million).

<sup>6</sup>Less than SDR 500.

Schedule 2

**General Department**  
**Financial Resources and Liquidity Position**  
**in the General Resources Account**  
**as at April 30, 2003 and 2002**

(In thousands of SDRs)

	2003	2002
<b>Total Resources</b>		
Currencies . . . . .	210,699,065	209,165,946
SDR holdings . . . . .	962,641	1,484,927
Gold holdings . . . . .	5,851,771	5,851,771
Other assets <sup>1</sup> . . . . .	905,771	860,720
Total resources . . . . .	<u>218,419,248</u>	<u>217,363,364</u>
<b>Less: Non-Usable Resources<sup>2</sup></b> . . . . .	120,427,867	113,418,434
of which: Credit outstanding . . . . .	<u>65,977,977</u>	<u>52,080,697</u>
<b>Equals: Usable Resources<sup>3</sup></b> . . . . .	97,991,381	103,944,930
<b>Less: Undrawn balances under GRA arrangements<sup>4</sup></b> . . . . .	<u>23,620,403</u>	<u>26,695,937</u>
<b>Equals: Uncommitted usable resources</b> . . . . .	74,370,978	77,248,993
<b>Plus: Repurchases one year forward<sup>5</sup></b> . . . . .	19,066,175	12,511,585
<b>Less: Prudential balance<sup>6</sup></b> . . . . .	<u>32,612,340</u>	<u>30,932,860</u>
<b>Equals: One year forward commitment capacity (FCC)<sup>7</sup></b> . . . . .	<u>60,824,813</u>	<u>58,827,718</u>
<b>Memorandum items:</b> . . . . .		
Resources available under borrowing arrangements . . . . .	34,000,000	34,000,000
Quotas of members that finance IMF transactions . . . . .	163,061,700	154,664,300
Net uncommitted usable resources <sup>8</sup> . . . . .	60,589,269	64,748,491
Liquid liabilities <sup>9</sup> . . . . .	68,008,951	55,327,139
Liquidity ratio <sup>10</sup> . . . . .	89.1%	117.0%

<sup>1</sup>Other 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.

<sup>2</sup>Resources regarded as non-usable in the financing of the IMF's ongoing operations and transactions are (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.

<sup>3</sup>Usable 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.

<sup>4</sup>Amounts committed under arrangements but not yet disbursed. This includes arrangements considered precautionary and Contingent Credit Lines.

<sup>5</sup>Repurchases by member countries during the coming one-year period. It is assumed that repurchases would be made on an expectation basis for SRF and CCL, and on an obligation basis under all other facilities.

<sup>6</sup>Prudential balance is set at 20 percent of quotas of members that issue the currencies that are used in the financing of IMF transactions and any amounts activated under borrowing arrangements.

<sup>7</sup>FCC is a measure of the resources available for new financial commitments in the coming year. It is equal to uncommitted usable resources plus repurchases one-year forward minus the prudential balance.

<sup>8</sup>Net uncommitted usable resources are defined as usable resources less resources committed under arrangements (adjusted to exclude inoperative arrangements, one-half of the amounts committed under precautionary arrangements) and minimum working balances (set at 10 percent of the quotas of members deemed sufficiently strong for their currencies to be used in operations and transactions).

<sup>9</sup>Liquid liabilities consist of (1) members' reserve tranche positions, and (2) the amount of any outstanding borrowing by the IMF under the GAB or NAB. Both reserve tranche positions and outstanding lending under the GAB and NAB (together called members' reserve positions in the IMF) are part of members' international reserves. A member may draw on its reserve position when it represents that it has a need, and the IMF must therefore at all times be in a position to meet such requests.

<sup>10</sup>The liquidity ratio is a measure of the IMF's liquidity position, represented by the ratio of its net uncommitted usable resources to its liquid liabilities.

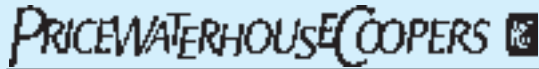
**General Department**  
**Status of Arrangements**  
**as at April 30, 2003**

*(In thousands of SDRs)*

Member	Date of Arrangement	Expiration	Total Amount Agreed	Undrawn Balance
<b>General Resources Account</b>				
<b>Stand-By Arrangements</b>				
Argentina	January 24, 2003	August 31, 2003	2,174,500	1,201,300
Bolivia	April 2, 2003	April 1, 2004	85,750	42,870
Bosnia and Herzegovina	August 2, 2002	November 1, 2003	67,600	36,000
Brazil	September 6, 2002	December 31, 2003	22,821,120 <sup>1</sup>	15,215,070
Bulgaria	February 27, 2002	February 26, 2004	240,000	104,000
Colombia	January 15, 2003	January 14, 2005	1,548,000	1,548,000
Croatia, Republic of	February 3, 2003	April 2, 2004	105,880	105,880
Dominica	August 28, 2002	August 27, 2003	3,280	1,230
Ecuador	March 21, 2003	April 20, 2004	151,000	120,800
Jordan	July 3, 2002	July 2, 2004	85,280	74,620
Macedonia, former Yugoslav Republic of	April 30, 2003	June 15, 2004	20,000	20,000
Peru	February 1, 2002	February 29, 2004	255,000	255,000
Romania	October 31, 2001	October 15, 2003	300,000	110,223
Turkey	February 4, 2002	December 31, 2004	12,821,200	2,381,400
Uruguay	April 1, 2002	March 31, 2005	2,128,300 <sup>2</sup>	798,100
Total Stand-By Arrangements			<u>42,806,910</u>	<u>22,014,493</u>
<b>Extended Arrangements</b>				
Indonesia	February 4, 2000	December 31, 2003	3,638,000	1,032,180
Serbia and Montenegro	May 14, 2002	May 13, 2005	650,000	450,000
Sri Lanka	April 18, 2003	April 17, 2006	144,400	123,730
Total Extended Arrangements			<u>4,432,400</u>	<u>1,605,910</u>
Total General Resources Account			<u>47,239,310</u>	<u>23,620,403</u>

<sup>1</sup>Includes SDR 7.61 billion available until September 5, 2003 under the Supplemental Reserve Facility, of which SDR 3.8 billion was drawn.

<sup>2</sup>Includes SDR 128 million available under the Supplemental Reserve Facility which has been fully drawn.



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### Report of the Independent Accountants

**To the Board of Governors  
 of the International Monetary Fund:**

In our opinion, the accompanying balance sheets and the related statements of income and cash flows give a true and fair view of the financial condition of the SDR Department of the International Monetary Fund (the "IMF") as at April 30, 2003 and 2002, and its results of operations and cash flows for the years then ended in conformity with International Accounting Standards. These financial statements are the responsibility of the IMF's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with International Standards on Auditing, which require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit 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, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 173 to 178 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

June 16, 2003

**SDR Department**  
**Balance Sheets**  
**as at April 30, 2003 and 2002**

*(In thousands of SDRs)*

	2003	2002		2003	2002
<b>Assets</b>			<b>Liabilities</b>		
Charges receivable . . . . .	93,221	119,954	Interest payable . . . . .	93,562	120,458
Overdue assessments and charges (Note 3) . . . . .	85,849	108,863			
Participants with holdings below allocations (Note 2)			Participants with holdings above allocations (Note 2)		
Allocations . . . . .	11,967,946	12,484,980	SDR holdings . . . . .	15,971,257	15,778,796
Less: SDR holdings . . . . .	<u>3,953,068</u>	<u>3,847,668</u>	Less: allocations . . . . .	<u>9,465,384</u>	<u>8,948,350</u>
Allocations in excess of holdings . . . . .	<u>8,014,878</u>	<u>8,637,312</u>	Holdings in excess of allocations . . . . .	<u>6,505,873</u>	<u>6,830,446</u>
			Holdings by the General Resources Account . . . . .	962,641	1,484,927
			Holdings of SDRs by prescribed holders . . . . .	<u>631,872</u>	<u>430,298</u>
Total Assets . . . . .	<u>8,193,948</u>	<u>8,866,129</u>	Total Liabilities . . . . .	<u>8,193,948</u>	<u>8,866,129</u>

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

/s/ Eduard Brau  
*Director, Finance Department*

/s/ Horst Köhler  
*Managing Director*

**SDR Department**  
**Income Statements**  
**for the Years Ended April 30, 2003 and 2002**

*(In thousands of SDRs)*

	2003	2002
<b>Revenue</b>		
Net charges from participants with holdings below allocations .....	173,884	240,177
Assessments on SDR allocations .....	<u>1,600</u>	<u>2,409</u>
	<u>175,484</u>	<u>242,586</u>
<b>Expenses</b>		
Interest on SDR holdings		
Net interest to participants with holdings above allocations .....	134,405	186,618
General Resources Account .....	28,038	41,283
Prescribed holders .....	<u>11,441</u>	<u>12,276</u>
	173,884	240,177
Administrative expenses .....	<u>1,600</u>	<u>2,409</u>
	<u>175,484</u>	<u>242,586</u>
Net 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, 2003 and 2002**

*(In thousands of SDRs)*

	2003	2002
<b>Cash flows from operating activities</b>		
Receipts of SDRs		
Transfers among participants and prescribed holders .....	6,000,803	5,053,550
Transfers from participants to the General Resources Account .....	4,554,703	3,992,991
Transfers from the General Resources Account to		
participants and prescribed holders .....	<u>5,076,989</u>	<u>4,944,808</u>
Total Receipts of SDRs .....	<u>15,632,495</u>	<u>13,991,349</u>
Uses of SDRs		
Transfers among participants and prescribed holders .....	5,838,527	4,825,971
Transfers from participants to the General Resources Account .....	4,524,125	3,937,218
Transfers from the General Resources Account to		
participants and prescribed holders .....	5,076,989	4,944,808
Charges paid in the SDR Department .....	215,704	272,764
Other .....	<u>(22,850)</u>	<u>10,588</u>
Total Uses of SDRs .....	<u>15,632,495</u>	<u>13,991,349</u>

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

## SDR Department

### Notes to the Financial Statements as at April 30, 2003 and 2002

#### 1. Nature of Operations

The 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 was created as a supplement to existing reserve assets and is allocated by the IMF to members participating in the SDR Department. Its value as a reserve asset derives, essentially, from the commitments of participants to hold and accept SDRs and to honor various obligations connected with its proper functioning as a reserve asset.

At April 30, 2003, 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. A proposed amendment of the IMF's Articles of Agreement was approved by the Executive Board in January 1998 to allow for a special one-time allocation of SDRs equal to 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. Upon termination of participation 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, 2003 and 2002, 16 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. The IMF ensures, by designating participants to provide freely usable currency in exchange for SDRs, 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 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.

#### 2. Summary of Significant Accounting Policies

##### Basis of Presentation

The financial statements of the IMF are prepared in accordance with International Accounting Standards (IAS). Specific accounting principles and disclosure practices are explained further below. The preparation of financial statements in conformity with IAS 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. Actual results could differ from those estimates.

##### Unit of Account

The financial statements are expressed in terms of SDRs. 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 latest review was completed in October 2000 and the new composition of the SDR valuation basket became effective on January 1, 2001. The currencies in the basket as of April 30, 2003 and 2002 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.577

As of April 30, 2003, one SDR was equal to 1.38391 U.S. dollars (one SDR was equal to 1.26771 U.S. dollars as of April 30, 2002).

##### Allocations and Holdings

At April 30, 2003 and 2002, IMF net cumulative allocations to participants totaled SDR 21.4 billion. Participants with holdings in excess of their allocations have established a net claim on the SDR Department, which is represented on the balance sheet as a liability. Participants with holdings below their allocations have used part of their allocations, which results in a net obligation to the SDR Department and is presented as an asset of the SDR Department. Participants' net SDR positions as of April 30, 2003 and 2002 were as follows:

	2003			2002		
	Total	Below Allocations	Above Allocations	Total	Below Allocations	Above Allocations
<i>In millions of SDRs</i>						
Cumulative allocations	21,433.3	11,967.9	9,465.4	21,433.3	12,485.0	8,948.3
Holdings of SDRs by participants	19,924.4	3,953.1	15,971.3	19,626.4	3,847.7	15,778.7
Net SDR positions	1,508.9	8,014.8	(6,505.9)	1,806.9	8,637.3	(6,830.4)

A summary of SDR holdings is provided below:

	2003	2002
<i>In millions of SDRs</i>		
Participants	19,924.4	19,626.5
General Resources Account	962.6	1,484.9
Prescribed holders	631.8	430.3
	21,518.8	21,541.7
Less: Overdue charges receivable	85.5	108.4
Total holdings	21,433.3	21,433.3

### 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 in SDRs by the SDR Department at the end of each financial year. For this purpose, the SDR Department levies an assessment on all participants in proportion to their net cumulative allocations.

### Interest and Charges

Interest is paid on holdings of SDRs. Charges are levied on each participant's cumulative allocations plus any allocations in excess of holdings of the participant and unpaid charges. Interest on SDR holdings is paid quarterly. Charges on net cumulative allocations are also collected quarterly. Interest and charges are levied at the same rate and are settled by crediting and debiting individual holdings accounts on the first day of the subsequent quarter. The SDR Department is required to pay interest to each 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 a combined market interest rate, which is a weighted

average of yields or rates on short-term instruments in the capital markets of the euro area, Japan, the United Kingdom, and the United States. The combined market interest rate used to determine the SDR 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 following Sunday. The average SDR interest rate was 2.07 percent for the year ended April 30, 2003 (2.79 percent for the year ended April 30, 2002).

### Overdue Obligations

An allowance for losses resulting from overdue SDR obligations would be created if and when the IMF were to expect a loss to be incurred; no losses have been incurred in the past, and it is the current expectation that no losses will be incurred in the future, and consequently no allowance account has been established.

### 3. Overdue Assessments and Charges

At April 30, 2003, assessments and charges amounting to SDR 85.8 million were overdue to the SDR Department (SDR 108.9 million at April 30, 2002). At April 30, 2003, four members were six months or more overdue in meeting their financial obligations to the SDR Department (six members at April 30, 2002).

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

	2003	2002
<i>In millions of SDRs</i>		
Total	85.8	108.9
Overdue for six months or more	83.9	104.2
Overdue for three years or more	68.1	74.2

The amount and duration of arrears as of April 30, 2003 were as follows:

	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>		
Iraq	52.3	November 1990
Liberia	23.5	April 1986
Somalia	9.9	February 1991
Sudan	0.1	April 1991
Total	85.8	



**SDR Department**  
**Statements of Changes in SDR Holdings**  
**for the Years Ended April 30, 2003 and 2002**

*(In thousands of SDRs)*

	Participants	General Resources Account	Prescribed Holders	Total	
				2003	2002
Total holdings, beginning of the year	19,626,464	1,484,927	430,298	21,541,689	21,531,101
<b>Receipts of SDRs</b>					
Transfers among participants and prescribed holders					
Transactions by agreement	2,759,085	—	99,331	2,858,416	3,669,075
Operations					
Loans	464,746	—	—	464,746	250
Settlement of financial obligations	546,849	—	174,770	721,619	290,246
IMF-related operations					
SAF and PRGF loans	771,606	—	—	771,606	267,991
SAF repayments and interest	—	—	159,282	159,282	17,136
Special charges on SAF, PRGF, Trust Fund	—	—	95	95	2
PRGF contributions and payments	84,359	—	414,479	498,838	180,839
PRGF repayments and interest	—	—	334,263	334,263	330,349
HIPC payments	2,830	—	—	2,830	6,726
PRGF-HIPC contributions	1,037	—	25,137	26,174	61,402
SCA-2 refunds	—	—	—	—	1,182
Post-conflict subsidy payments	658	—	—	658	773
Net interest on SDRs	151,111	—	11,165	162,276	227,579
Transfers from participants to the General Resources Account					
Repurchases	—	1,954,711	—	1,954,711	1,630,640
Charges	—	2,505,183	—	2,505,183	2,303,949
Quota payments	—	62,468	—	62,468	250
Interest on SDRs	—	30,578	—	30,578	55,773
Assessment on SDR allocation (Note 2)	—	1,763	—	1,763	2,379
Transfers from the General Resources Account to participants and prescribed holders					
Purchases	2,215,089	—	—	2,215,089	2,360,765
In exchange for currencies of other members					
Acquisitions to pay charges	1,597,594	—	—	1,597,594	1,129,701
Remuneration	1,175,248	—	—	1,175,248	1,360,694
Other					
Refunds and adjustments	89,058	—	—	89,058	93,648
Total receipts	9,859,270	4,554,703	1,218,522	15,632,495	13,991,349

Schedule 1 (concluded)

	Participants	General Resources Account	Prescribed Holders	Total	
				2003	2002
<b>Uses of SDRs</b>					
Transfers among participants and prescribed holders					
Transactions by agreement	2,795,095	—	63,321	2,858,416	3,669,075
Operations					
Loans	464,746	—	—	464,746	250
Settlement of financial obligations	639,516	—	82,103	721,619	290,246
IMF-related operations					
SAF and PRGF loans	—	—	771,606	771,606	267,991
SAF repayments and interest	159,282	—	—	159,282	17,136
Special charges on SAF, PRGF, Trust Fund	95	—	—	95	2
PRGF contributions and payments	414,479	—	84,359	498,838	180,839
PRGF repayments and interest	334,263	—	—	334,263	330,349
HIPC payments	—	—	2,830	2,830	6,726
PRGF-HIPC contributions	14,103	—	12,071	26,174	61,402
SCA-2 refunds	—	—	—	—	1,182
Post-conflict subsidy payments	—	—	658	658	773
Transfers from participants to the General Resources Account					
Repurchases	1,954,711	—	—	1,954,711	1,630,640
Charges	2,505,183	—	—	2,505,183	2,303,949
Quota payments	62,468	—	—	62,468	250
Assessment on SDR allocation (Note 2)	1,763	—	—	1,763	2,379
Transfers from the General Resources Account to participants and prescribed holders					
Purchases	—	2,215,089	—	2,215,089	2,360,765
In exchange for currencies of other members					
Acquisitions to pay charges	—	1,597,594	—	1,597,594	1,129,701
Remuneration	—	1,175,248	—	1,175,248	1,360,694
Other					
Refunds and adjustments	—	89,058	—	89,058	93,648
Charges paid in the SDR department					
Net charges due	192,854	—	—	192,854	283,352
Total uses	9,538,558	5,076,989	1,016,948	15,632,495	13,991,349
Charges not paid when due	5,873	—	—	5,873	12,177
Settlement of unpaid charges	(28,723)	—	—	(28,723)	(1,589)
Total holdings, end of the year	19,924,326	962,641	631,872	21,518,839	21,541,689

**SDR Department**  
**Allocations and Holdings of Participants**  
**as at April 30, 2003**

*(In thousands of SDRs)*

Participant	Net Cumulative Allocations	Holdings		
		Total	Percent of Cumulative Allocations	Above (Below) Allocations
Afghanistan, Islamic State of	26,703	—	—	(26,703)
Albania	—	60,922	—	60,922
Algeria	128,640	94,006	73.1	(34,634)
Angola	—	142	—	142
Antigua and Barbuda	—	6	—	6
Argentina	318,370	736,309	231.3	417,939
Armenia, Republic of	—	17,385	—	17,385
Australia	470,545	104,049	22.1	(366,496)
Austria	179,045	127,824	71.4	(51,221)
Azerbaijan	—	3,177	—	3,177
Bahamas, The	10,230	121	1.2	(10,109)
Bahrain, Kingdom of	6,200	747	12.0	(5,453)
Bangladesh	47,120	2,701	5.7	(44,419)
Barbados	8,039	36	0.4	(8,003)
Belarus, Republic of	—	203	—	203
Belgium	485,246	415,100	85.5	(70,146)
Belize	—	1,500	—	1,500
Benin	9,409	241	2.6	(9,168)
Bhutan	—	240	—	240
Bolivia	26,703	27,027	101.2	324
Bosnia and Herzegovina	20,481	1,258	6.1	(19,223)
Botswana	4,359	32,874	754.2	28,515
Brazil	358,670	206,204	57.5	(152,466)
Brunei Darussalam	—	7,205	—	7,205
Bulgaria	—	52,503	—	52,503
Burkina Faso	9,409	274	2.9	(9,135)
Burundi	13,697	133	1.0	(13,564)
Cambodia	15,417	2,001	13.0	(13,416)
Cameroon	24,463	748	3.1	(23,715)
Canada	779,290	538,136	69.1	(241,154)
Cape Verde	620	4	0.6	(616)
Central African Republic	9,325	54	0.6	(9,271)
Chad	9,409	56	0.6	(9,353)
Chile	121,924	27,859	22.8	(94,065)
China	236,800	706,890	298.5	470,090
Colombia	114,271	112,353	98.3	(1,918)
Comoros	716	18	2.5	(698)
Congo, Democratic Republic of	86,309	5,720	6.6	(80,589)
Congo, Republic of	9,719	165	1.7	(9,554)
Costa Rica	23,726	77	0.3	(23,649)
Côte d'Ivoire	37,828	679	1.8	(37,149)
Croatia, Republic of	44,205	516	1.2	(43,689)
Cyprus	19,438	1,636	8.4	(17,802)
Czech Republic	—	4,026	—	4,026
Denmark	178,864	87,356	48.8	(91,508)
Djibouti	1,178	457	38.8	(721)
Dominica	592	17	2.9	(575)
Dominican Republic	31,585	326	1.0	(31,259)
Ecuador	32,929	1,833	5.6	(31,096)
Egypt	135,924	38,483	28.3	(97,441)

Schedule 2 (continued)

**SDR Department**  
**Allocations and Holdings of Participants**  
**as at April 30, 2003**

(In thousands of SDRs)

Participant	Net Cumulative Allocations	Total	Holdings	
			Percent of Cumulative Allocations	Above (Below) Allocations
El Salvador	24,985	24,983	100.0	(2)
Equatorial Guinea	5,812	266	4.6	(5,546)
Eritrea	—	—	—	—
Estonia, Republic of	—	50	—	50
Ethiopia	11,160	54	0.5	(11,106)
Fiji	6,958	5,070	72.9	(1,888)
Finland	142,690	147,733	103.5	5,043
France	1,079,870	472,597	43.8	(607,273)
Gabon	14,091	369	2.6	(13,722)
Gambia, The	5,121	33	0.6	(5,088)
Georgia	—	376	—	376
Germany	1,210,760	1,283,682	106.0	72,922
Ghana	62,983	2,207	3.5	(60,776)
Greece	103,544	12,041	11.6	(91,503)
Grenada	930	25	2.7	(905)
Guatemala	27,678	5,951	21.5	(21,727)
Guinea	17,604	170	1.0	(17,434)
Guinea-Bissau	1,212	684	56.4	(528)
Guyana	14,530	1,405	9.7	(13,125)
Haiti	13,697	1,838	13.4	(11,859)
Honduras	19,057	293	1.5	(18,764)
Hungary	—	25,970	—	25,970
Iceland	16,409	84	0.5	(16,325)
India	681,170	2,835	0.4	(678,335)
Indonesia	238,956	40,392	16.9	(198,564)
Iran, Islamic Republic of	244,056	268,062	109.8	24,006
Iraq	68,464	—	—	(68,464)
Ireland	87,263	49,861	57.1	(37,402)
Israel	106,360	4,115	3.9	(102,245)
Italy	702,400	82,695	11.8	(619,705)
Jamaica	40,613	330	0.8	(40,283)
Japan	891,690	1,800,779	202.0	909,089
Jordan	16,887	5,202	30.8	(11,685)
Kazakhstan, Republic of	—	766	—	766
Kenya	36,990	7,634	20.6	(29,356)
Kiribati	—	10	—	10
Korea	72,911	10,064	13.8	(62,847)
Kuwait	26,744	100,482	375.7	73,738
Kyrgyz Republic	—	5,046	—	5,046
Lao People's Democratic Republic	9,409	7,187	76.4	(2,222)
Latvia, Republic of	—	125	—	125
Lebanon	4,393	20,251	461.0	15,858
Lesotho	3,739	435	11.6	(3,304)
Liberia	21,007	—	—	(21,007)
Libya	58,771	452,609	770.1	393,838
Lithuania, Republic of	—	286	—	286
Luxembourg	16,955	7,140	42.1	(9,815)
Macedonia, former Yugoslav Republic of	8,379	4,132	49.3	(4,247)
Madagascar	19,270	107	0.6	(19,163)
Malawi	10,975	314	2.9	(10,661)

Schedule 2 (continued)

**SDR Department**  
**Allocations and Holdings of Participants**  
**as at April 30, 2003**

(In thousands of SDRs)

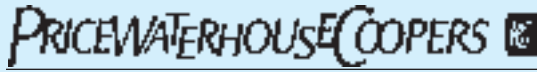
Participant	Net Cumulative Allocations	Total	Holdings	
			Percent of Cumulative Allocations	Above (Below) Allocations
Malaysia	139,048	113,704	81.8	(25,344)
Maldives	282	285	101.1	3
Mali	15,912	262	1.6	(15,650)
Malta	11,288	29,191	258.6	17,903
Marshall Islands	—	—	—	—
Mauritania	9,719	105	1.1	(9,614)
Mauritius	15,744	17,083	108.5	1,339
Mexico	290,020	288,483	99.5	(1,537)
Micronesia, Federated States of	—	1,182	—	1,182
Moldova, Republic of	—	615	—	615
Mongolia	—	26	—	26
Morocco	85,689	82,325	96.1	(3,364)
Mozambique	—	53	—	53
Myanmar	43,474	345	0.8	(43,129)
Namibia	—	17	—	17
Nepal	8,105	44	0.5	(8,061)
Netherlands	530,340	536,233	101.1	5,893
New Zealand	141,322	16,613	11.8	(124,709)
Nicaragua	19,483	118	0.6	(19,365)
Niger	9,409	1,567	16.7	(7,842)
Nigeria	157,155	771	0.5	(156,384)
Norway	167,770	231,168	137.8	63,398
Oman	6,262	6,863	109.6	601
Pakistan	169,989	91,954	54.1	(78,035)
Palau	—	—	—	—
Panama	26,322	587	2.2	(25,735)
Papua New Guinea	9,300	3,878	41.7	(5,422)
Paraguay	13,697	83,675	610.9	69,978
Peru	91,319	1,293	1.4	(90,026)
Philippines	116,595	11,519	9.9	(105,076)
Poland, Republic of	—	31,155	—	31,155
Portugal	53,320	57,255	107.4	3,935
Qatar	12,822	20,463	159.6	7,641
Romania	75,950	3,940	5.2	(72,010)
Russian Federation	—	27,079	—	27,079
Rwanda	13,697	21,452	156.6	7,755
St. Kitts and Nevis	—	6	—	6
St. Lucia	742	1,481	199.7	739
St. Vincent and the Grenadines	354	17	4.9	(337)
Samoa	1,142	2,383	208.7	1,241
San Marino, Republic of	—	444	—	444
São Tomé and Príncipe	620	19	3.0	(601)
Saudi Arabia	195,527	256,216	131.0	60,689
Senegal	24,462	1,497	6.1	(22,965)
Serbia and Montenegro	56,665	4,403	7.8	(52,262)
Seychelles	406	8	1.9	(398)
Sierra Leone	17,455	17,357	99.4	(98)
Singapore	16,475	132,341	803.3	115,866
Slovak Republic	—	853	—	853
Slovenia, Republic of	25,431	5,413	21.3	(20,018)

Schedule 2 (concluded)

**SDR Department**  
**Allocations and Holdings of Participants**  
**as at April 30, 2003**

(In thousands of SDRs)

Participant	Net Cumulative Allocations	Holdings		
		Total	Percent of Cumulative Allocations	Above (Below) Allocations
Solomon Islands	654	3	0.5	(651)
Somalia	13,697	—	—	(13,697)
South Africa	220,360	222,766	101.1	2,406
Spain	298,805	264,997	88.7	(33,808)
Sri Lanka	70,868	2,776	3.9	(68,092)
Sudan	52,192	265	0.5	(51,927)
Suriname	7,750	1,393	18.0	(6,357)
Swaziland	6,432	2,463	38.3	(3,969)
Sweden	246,525	135,278	54.9	(111,247)
Switzerland	—	12,573	—	12,573
Syrian Arab Republic	36,564	172	0.5	(36,392)
Tajikistan, Republic of	—	187	—	187
Tanzania	31,372	321	1.0	(31,051)
Thailand	84,652	2,349	2.8	(82,303)
Timor-Leste, The Democratic Republic of	—	—	—	—
Togo	10,975	134	1.2	(10,841)
Tonga	—	197	—	197
Trinidad and Tobago	46,231	345	0.7	(45,886)
Tunisia	34,243	5,657	16.5	(28,586)
Turkey	112,307	185,391	165.1	73,084
Turkmenistan, Republic of	—	—	—	—
Uganda	29,396	7,176	24.4	(22,220)
Ukraine	—	11,899	—	11,899
United Arab Emirates	38,737	946	2.4	(37,791)
United Kingdom	1,913,070	275,903	14.4	(1,637,167)
United States	4,899,530	8,292,339	169.2	3,392,809
Uruguay	49,977	19,681	39.4	(30,296)
Uzbekistan, Republic of	—	480	—	480
Vanuatu	—	857	—	857
Venezuela, República Bolivariana de	316,890	7,988	2.5	(308,902)
Vietnam	47,658	5,541	11.6	(42,117)
Yemen, Republic of	28,743	30,416	105.8	1,673
Zambia	68,298	51,707	75.7	(16,591)
Zimbabwe	10,200	49	0.5	(10,151)
Above allocations	9,465,384	15,971,257	168.7	6,505,873
Below allocations	11,967,946	3,953,068	33.0	(8,014,878)
Total Participants	21,433,330	19,924,326		
General Resources Account		962,641		
Prescribed holders		631,872		
Overdue charges	85,509			
	<u>21,518,839</u>	<u>21,518,839</u>		



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### Report of the Independent Accountants

**To the Board of Governors  
 of the International Monetary Fund:**

We have audited the accompanying combined balance sheets as at April 30, 2003 and 2002, and the related combined statements of income and changes in resources for the years then ended of the following entities:

Poverty Reduction and Growth Facility Trust

Poverty Reduction and Growth Facility—Heavily Indebted Poor Countries Trust and Related Accounts

We have also audited the accompanying balance sheets at April 30, 2003 and 2002, and the related statements of income and changes in resources for the years then ended of the following entities:

Poverty Reduction and Growth Facility Administered Accounts

- Austria
- Belgium
- Botswana
- Greece
- Indonesia
- Islamic Republic of Iran
- Portugal

Other Administered Accounts

- Administered Account Japan
- Administered Account for Selected Fund Activities—Japan
- Framework Administered Account for Technical Assistance Activities
- Administered Account—Spain
- Supplementary Financing Facility Subsidy Account
- Post-Conflict Emergency Assistance Subsidy Account

These financial statements are the responsibility of the management of the International Monetary Fund, as trustee or administrator of the trusts and accounts listed above. 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. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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, the financial statements referred to above give a true and fair view of the financial position of the trusts and accounts listed above as at April 30, 2003 and 2002, and the results of their operations for the years then ended in conformity with International Accounting Standards.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information on pages 185 to 188 and 199 to 204 is presented for purposes of additional analysis and is not a required part of the basic financial statements. The supplementary information has been subjected to the auditing procedures applied in the audits of the respective financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

June 16, 2003

## Poverty Reduction and Growth Facility Trust

### Combined Balance Sheets as at April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
<b>Assets</b>		
Cash and cash equivalents . . . . .	2,481,040	2,684,641
Investments (Note 3) . . . . .	3,205,052	2,629,285
Loans receivable (Note 4) . . . . .	6,667,296	6,172,848
Interest receivable . . . . .	18,979	15,993
Total Assets . . . . .	<u>12,372,367</u>	<u>11,502,767</u>
<b>Liabilities and Resources</b>		
Borrowings (Note 5) . . . . .	7,431,854	6,764,434
Interest payable . . . . .	39,333	42,412
Other liabilities . . . . .	2,930	76
Total Liabilities . . . . .	<u>7,474,117</u>	<u>6,806,922</u>
Resources . . . . .	4,898,250	4,695,845
Total Liabilities and Resources . . . . .	<u>12,372,367</u>	<u>11,502,767</u>

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

/s/ Eduard Brau  
Director, Finance Department

/s/ Horst Köhler  
Managing Director

## Poverty Reduction and Growth Facility Trust

### Combined Statements of Income and Changes in Resources for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
Balance, beginning of the year . . . . .	4,695,845	4,518,775
Investment income (Note 3) . . . . .	118,480	232,344
Interest on loans . . . . .	31,058	30,292
Interest expense . . . . .	(138,104)	(174,670)
Other expenses . . . . .	(1,575)	(1,650)
Operational income . . . . .	9,859	86,316
Contributions (Note 6) . . . . .	43,287	60,096
	53,146	146,412
Transfers from the Special Disbursement Account (Note 8) . . . . .	213,259	92,258
Transfers through the Special Disbursement Account to the PRGF-HIPC Trust (Note 8) . . . . .	(64,000)	(61,600)
Net changes in resources . . . . .	<u>202,405</u>	<u>177,070</u>
Balance, end of the year . . . . .	<u>4,898,250</u>	<u>4,695,845</u>

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



## Poverty Reduction and Growth Facility Trust

### Notes to the Combined Financial Statements as at April 30, 2003 and 2002

#### 1. Nature of Operations

The Poverty Reduction and Growth Facility Trust (PRGF Trust), for which the IMF is Trustee, was established in December 1987 and was extended and enlarged in February 1994 to provide loans on concessional terms to qualifying low-income developing country members. The resources of the Trust 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.

The operations of the Trust are conducted through a Loan Account, a Reserve Account, and a Subsidy Account. Combining balance sheets and statements of income and changes in resources for each of these accounts are provided in Note 9 to these financial statements.

##### Loan Account

The resources of the Loan Account consist of the proceeds from borrowings, repayments of principal, and interest payments on loans extended by the Trust. At April 30, 2003, loans totaling SDR 6,667.3 million were outstanding (SDR 6,172.8 million at April 30, 2002). At April 30, 2003, the resources of the Loan Account included an advance from the Reserve Account of SDR 65.5 million resulting from the non-payment of principal by Zimbabwe (SDR 41.5 million at April 30, 2002).

##### Reserve Account

The resources of the Reserve Account consist of amounts transferred by the IMF from the Special Disbursement Account and net earnings from investment of resources held in the Reserve Account and in the Loan Account.

The resources held in the Reserve Account 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.

##### Subsidy Account

The resources held in the Subsidy Account consist of contributions to the Trust, including transfers of net earnings from PRGF Administered Accounts, SDR 400 million transferred by the IMF from the Special Disbursement Account, net earnings on loans made to the Trust for the Subsidy Account, and the net earnings from investment of Subsidy Account resources.

The resources available in the Subsidy Account are drawn by the Trustee to pay the difference, with respect to each interest period, between the interest due from the borrowers under the Trust and the interest due on Loan Account borrowings.

#### 2. Summary of Significant Accounting Policies

##### Basis of Presentation

The financial statements of the PRGF Trust are prepared in accordance with International Accounting Standards (IAS). Specific accounting principles and disclosure practices are

explained further below. The preparation of financial statements in conformity with IAS 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. Actual results could differ from those estimates. The financial statements do not include a cash flow statement because the statement of income and changes in resources includes the PRGF Trust's main cash flows.

##### Revenue and Expense Recognition

The financial statements of the Trust are maintained on the accrual basis; accordingly, income is recognized as it is earned, and expenses are recorded as they are incurred.

##### Unit of Account

The financial statements are expressed in terms of SDRs. 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 latest review was completed in October 2000 and the new composition of the SDR valuation basket became effective on January 1, 2001. The currencies in the basket as of April 30, 2003 and 2002 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.577

As of April 30, 2003, one SDR was equal to 1.38391 U.S. dollars (one SDR was equal to 1.26771 dollars as of April 30, 2002).

##### Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost, not exceeding market value. Interest on these instruments varies and is based on prevailing market rates.

##### Investments

The resources of the Trust are invested pending their use. The Trust invests in debt securities and fixed-term deposits, either directly or by participation in an investment pool. Investments are marked to market on the last business day of the accounting period. The carrying amounts of investments approximate their fair value. Purchases are valued and reflected on the trade date basis and sales are based on the actual settlement date valuations. Investment income comprises interest income, realized and unrealized gains and losses on investments, and currency valuation differences arising from exchange rate movements against the SDR.

Interest rate risk is managed by limiting the investment portfolio to a weighted-average effective duration that does not exceed three years. Currency risk is minimized by investing in securities denominated in SDRs or in the constituent currencies of the SDR basket. Risk is further minimized by ensuring that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR basket.

#### Loans

Loans in the Trust are valued at historical cost. Allowances for loan losses would be established if and when the Trust expects to incur a loss; no losses have been incurred in the past, and it is the current expectation that no losses will be incurred in the future.

#### Overdue Obligations

Interest on loans that are six months or more overdue is excluded from income.

#### 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.

#### Transfers

Internal transfers of resources within the IMF are accounted for under the accrual method of accounting.

#### Foreign Currency Translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rates. Exchange differences arising on 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 income.

#### Comparatives

When necessary, comparative figures have been reclassified to conform with changes in the presentation of the current year.

### 3. Investments

The maturities of the investments are as follows:

Maturity as at April 30	2003	2002
	<i>In thousands of SDRs</i>	
Less than 1 year	2,612,829	1,794,460
1-3 years	566,905	724,909
3-5 years	4,982	91,997
Over 5 years	20,336	17,919
Total	<u>3,205,052</u>	<u>2,629,285</u>

At April 30, investments consisted of the following:

	2003	2002
	<i>In thousands of SDRs</i>	
Debt securities	2,923,255	2,271,428
Fixed-term deposits	281,797	357,857
Total	<u>3,205,052</u>	<u>2,629,285</u>

At April 30, investment income comprised:

	2003	2002
	<i>In thousands of SDRs</i>	
Interest income	143,367	207,462
Realized losses, net	(52,803)	(26,318)
Unrealized gains, net	29,686	52,705
Exchange rate losses, net	(1,770)	(1,505)
Total	<u>118,480</u>	<u>232,344</u>

### 4. Loans Receivable

Resources of the Loan Account are committed to qualifying members for a three-year period, upon approval by the Trustee of three-year arrangements in support of the members' macroeconomic and structural adjustment programs. Interest on the outstanding loan balances is currently set at the rate of ½ of 1 percent per annum. Scheduled repayments of loans by borrowers are summarized below:

Period of Repayment, Financial Year Ending April 30	
	<i>In thousands of SDRs</i>
2004	835,429
2005	876,190
2006	854,789
2007	726,485
2008	817,790
2009 and beyond	2,491,070
Overdue	65,543
Total	<u>6,667,296</u>

The above includes one member that is overdue at the end of financial year 2003 for more than six months in the amount of SDR 65.5 million (SDR 41.5 million as at April 30, 2002).

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

	2003		2002	
	<i>In millions of SDRs and percent of total PRGF credit</i>			
Largest user of credit	737.6	11.1%	636.2	10.3%
Three largest users of credit	1,820.8	27.3%	1,571.6	25.5%
Five largest users of credit	2,469.8	37.0%	2,138.3	34.6%

### 5. Borrowings

The following summarizes the borrowing agreements concluded as of April 30:

	Amount Undrawn	
	2003	2002
	<i>In thousands of SDRs</i>	
Loan Account	5,718,318	6,613,837
Subsidy Account	3,330	3,997

The Trustee has agreed to hold and invest, on behalf of a lender, principal repayments of Trust borrowing in a suspense account within the Loan Account. Principal repayments will be accumulated until the final maturity of the borrowing, when the full proceeds are to be transferred to the lender. Amounts deposited in this account are

invested by the Trustee, and payments of interest to the lender are to be made exclusively from the earnings on the amounts invested.

The Trust borrows on such terms and conditions as agreed between the Trustee and the lenders. Interest rates on borrowings at April 30, 2003 and April 30, 2002 varied between 0.5 percent and 6.9 percent a year. The principal amounts of the borrowings are repayable in one installment at maturity dates.

Scheduled repayments of borrowings are summarized below:

Period of Repayment, Financial Year Ending April 30	<i>In thousands of SDRs</i>
2004	704,176
2005	953,566
2006	1,504,589
2007	982,706
2008	822,951
2009 and beyond	2,463,866
Total	<u>7,431,854</u>

Borrowings and repayments during the financial year ended April 30, 2003 amounted to SDR 1,194 million and SDR 714 million, respectively (SDR 925 million and SDR 685 million, respectively, for the financial year ended April 30, 2002).

## 6. Contributions

The Trustee accepts contributions for the Subsidy Account on such terms and conditions as agreed between the Trustee and the contributors. At April 30, 2003, cumulative contributions received, including transfers from the Special Disbursement Account, amounted to SDR 2,395.8 million (SDR 2,352.5 million at April 30, 2002).

## 7. Commitments Under Loan Arrangements

An arrangement is a decision of the IMF that gives a member the assurance that the institution 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. At April 30, 2003, undrawn balances under 36 loan arrangements amounted to SDR 2,473.8 million (SDR 2,700.6 million under 35 arrangements at April 30, 2002).

## 8. Transfers Through the Special Disbursement Account

The expenses of conducting the business of the Trust are paid by the General Resources Account of the IMF and reimbursed by the Reserve Account of the Trust through the Special Disbursement Account; corresponding transfers are made from the Reserve Account to the Special Disbursement Account when and to the extent needed. For financial years 2003 and 2002, the Executive Board of the IMF decided to forgo such reimbursement to the General Resources Account and to transfer an equivalent amount from the Reserve Account, through the Special Disbursement Account, to the PRGF-HIPC Trust. The amounts transferred for financial years 2003 and 2002 were SDR 64.0 million and SDR 61.6 million respectively.

Resources of up to SDR 250 million may be transferred, as needed, from the Reserve Account through the Special Disbursement Account to the PRGF-HIPC Trust to be used to provide grants or loans to eligible members under the HIPC initiative. At April 30, 2003 and 2002, SDR 43.5 million had been transferred for this purpose.

## 9. Combining Balance Sheets, Statements of Income and Changes in Resources

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

Note 9

### Combining Balance Sheets as at April 30, 2003 and 2002

*(In thousands of SDRs)*

	Loan Account		Reserve Account		Subsidy Account		Combined	
	2003	2002	2003	2002	2003	2002	2003	2002
<b>Assets</b>								
Cash and cash equivalents	453,718	341,378	1,102,840	1,263,561	924,482	1,079,702	2,481,040	2,684,641
Investments (Note 3)	281,797	204,657	1,959,143	1,591,760	964,112	832,868	3,205,052	2,629,285
Loans receivable (Note 4)	6,667,296	6,172,848	—	—	—	—	6,667,296	6,172,848
Accrued account transfers	19,270	14,221	3,208	13,068	(22,478)	(27,289)	—	—
Interest receivable	17,338	14,363	1,329	1,402	312	228	18,979	15,993
Total Assets	<u>7,439,419</u>	<u>6,747,467</u>	<u>3,066,520</u>	<u>2,869,791</u>	<u>1,866,428</u>	<u>1,885,509</u>	<u>12,372,367</u>	<u>11,502,767</u>
<b>Liabilities and Resources</b>								
Borrowings (Note 5)	7,333,068	6,664,950	—	—	98,786	99,484	7,431,854	6,764,434
Interest payable	37,878	40,947	—	—	1,455	1,465	39,333	42,412
Other liabilities	2,930	76	—	—	—	—	2,930	76
Total Liabilities	<u>7,373,876</u>	<u>6,705,973</u>	<u>—</u>	<u>—</u>	<u>100,241</u>	<u>100,949</u>	<u>7,474,117</u>	<u>6,806,922</u>
Resources	65,543	41,494	3,066,520	2,869,791	1,766,187	1,784,560	4,898,250	4,695,845
Total Liabilities and Resources	<u>7,439,419</u>	<u>6,747,467</u>	<u>3,066,520</u>	<u>2,869,791</u>	<u>1,866,428</u>	<u>1,885,509</u>	<u>12,372,367</u>	<u>11,502,767</u>

Note 9 (concluded)

**Combining Statements of Income and Changes in Resources  
for the Years Ended April 30, 2003 and 2002**

*(In thousands of SDRs)*

	Loan Account		Reserve Account		Subsidy Account		Combined	
	2003	2002	2003	2002	2003	2002	2003	2002
Balance, beginning of the year	41,494	—	2,869,791	2,743,494	1,784,560	1,775,281	4,695,845	4,518,775
Investment income (Note 3)	486	191	74,918	138,942	43,076	93,211	118,480	232,344
Interest on loans	31,058	30,292	—	—	—	—	31,058	30,292
Interest expense	(136,437)	(172,875)	—	—	(1,667)	(1,795)	(138,104)	(174,670)
Other expenses	—	(76)	(1,575)	(1,574)	—	—	(1,575)	(1,650)
Operational (loss) income	(104,893)	(142,468)	73,343	137,368	41,409	91,416	9,859	86,316
Contributions (Note 6)	—	—	—	—	43,287	60,096	43,287	60,096
	(104,893)	(142,468)	73,343	137,368	84,696	151,512	53,146	146,412
Transfers from the Special Disbursement Account (Note 8)	—	—	213,259	92,258	—	—	213,259	92,258
Transfers through the Special Disbursement Account to the PRGF-HIPC Trust (Note 8)	—	—	(64,000)	(61,600)	—	—	(64,000)	(61,600)
Transfers between:								
Reserve and Subsidy Accounts	—	—	—	(52)	—	52	—	—
Loan and Reserve Accounts	25,873	41,677	(25,873)	(41,677)	—	—	—	—
Loan and Subsidy Accounts	103,069	142,285	—	—	(103,069)	(142,285)	—	—
Net changes in resources	24,049	41,494	196,729	126,297	(18,373)	9,279	202,405	177,070
Balance, end of the year	<u>65,543</u>	<u>41,494</u>	<u>3,066,520</u>	<u>2,869,791</u>	<u>1,766,187</u>	<u>1,784,560</u>	<u>4,898,250</u>	<u>4,695,845</u>

**Poverty Reduction and Growth Facility Trust**  
**Schedule of Outstanding Loans**  
**as at April 30, 2003**

*(In thousands of SDRs)*

Member	PRGF Loan Account		Structural Adjustment Facility <sup>1</sup>	
	Balance	Percent	Balance	Percent
Albania	61,229	0.92	—	—
Armenia, Republic of	135,850	2.04	—	—
Azerbaijan	91,856	1.38	—	—
Benin	53,290	0.80	350	0.26
Bolivia	140,300	2.10	—	—
Burkina Faso	85,590	1.28	3,476	2.54
Cambodia	75,300	1.13	—	—
Cameroon	223,098	3.35	—	—
Cape Verde	2,460	0.04	—	—
Central African Republic	24,480	0.37	—	—
Chad	77,281	1.16	—	—
Comoros	—	—	270	0.20
Congo, Democratic Republic of	446,667	6.70	—	—
Congo, Republic of	9,727	0.15	—	—
Côte d'Ivoire	355,099	5.33	—	—
Djibouti	13,630	0.20	—	—
Equatorial Guinea	109	—	443	0.32
Ethiopia	94,056	1.41	7,766	5.69
Gambia, The	23,500	0.35	—	—
Georgia	193,800	2.91	—	—
Ghana	264,545	3.95	—	—
Guinea	99,000	1.48	—	—
Guinea-Bissau	13,349	0.20	—	—
Guyana	65,768	0.99	492	0.36
Haiti	12,140	0.18	—	—
Honduras	119,148	1.79	—	—
Kenya	64,616	0.97	—	—
Kyrgyz Republic	138,351	2.08	—	—
Lao People's Democratic Republic	30,011	0.45	—	—
Lesotho	15,133	0.23	—	—
Macedonia, former Yugoslav Republic of	27,185	0.41	—	—
Madagascar	108,653	1.63	—	—
Malawi	50,117	0.72	—	—
Mali	121,069	1.82	508	0.37
Mauritania	77,500	1.16	—	—
Moldova, Republic of	27,720	0.42	—	—
Mongolia	29,298	0.44	—	—
Mozambique	144,375	2.17	—	—
Nepal	1,679	0.03	—	—
Nicaragua	128,291	1.92	—	—
Niger	76,344	1.15	—	—
Pakistan	737,640	11.06	—	—
Rwanda	62,454	0.94	—	—
São Tomé and Príncipe	1,902	0.03	—	—
Senegal	178,158	2.67	—	—
Sierra Leone	109,069	1.64	5,404	3.96
Somalia	—	—	8,840	6.47
Sri Lanka	55,190	0.83	—	—
Tajikistan, Republic of	60,960	0.91	—	—
Tanzania	293,878	4.41	—	—
Togo	35,838	0.54	—	—
Uganda	183,571	2.75	—	—
Vietnam	263,120	3.95	—	—
Yemen, Republic of	238,750	3.58	—	—
Zambia	636,529	9.55	109,050	79.83
Zimbabwe	88,623	1.33	—	—
Total loans outstanding	<u>6,667,296</u>	<u>100.00</u>	<u>136,599</u>	<u>100.00</u>

<sup>1</sup>Since Structural Adjustment Facility (SAF) loans have been disbursed in connection with PRGF arrangements, the above list includes these loans, as well as loans disbursed to members under SAF arrangements. These loans are held by the Special Disbursement Account and reflected in the financial statements of the General Department. Repayments of all SAF loans are transferred to the PRGF Reserve Account when received.

Schedule 2

**Poverty Reduction and Growth Facility Trust**  
**Contributions to and Resources of the Subsidy Account**  
**as at April 30, 2003**

*(In thousands of SDRs)*

Contributor <sup>1</sup>	Amount
<b>Direct contributions to the Subsidy Account</b>	
Argentina	18,133
Australia	5,592
Bangladesh	437
Canada	182,198
China	7,800
Czech Republic	9,000
Denmark	38,299
Egypt	9,000
Finland	22,684
Germany	132,832
Iceland	3,200
India	6,486
Ireland	4,223
Italy	146,059
Japan	506,997
Korea	31,663
Luxembourg	8,256
Morocco	6,580
Netherlands	89,753
Norway	28,074
Sweden	110,887
Switzerland	32,960
Turkey	5,000
United Kingdom	307,281
United States	126,079
Total direct contributions to the Subsidy Account	<u>1,839,473</u>
<b>Net income transferred from PRGF Administered Accounts</b>	
Austria	40,156
Belgium	76,902
Botswana	1,482
Chile	2,910
Greece	25,886
Indonesia	4,482
Iran, Islamic Republic of	1,312
Portugal	3,154
Total net income transferred from Administered Accounts	<u>156,284</u>
Total contributions received	1,995,757
Transfers from Special Disbursement Account	<u>400,000</u>
Total contributions received and transfers from Special Disbursement Account	2,395,757
Cumulative net income of the Subsidy Account	837,881
Resources disbursed to subsidize Trust lending	(1,467,451)
Total resources of the Subsidy Account	<u><u>1,766,187</u></u>

<sup>1</sup>In addition to direct contributions, a number of members also make loans available to the Loan Account on concessional terms. See Schedule 3.

## Poverty Reduction and Growth Facility Trust

Schedule of Borrowing Agreements  
as at April 30, 2003

(In thousands of SDRs)

Member	Interest Rate (in percent)	Amount of Agreement	Amount Drawn	Outstanding Balance
<b>Loan Account</b>				
Prior to enlargement of PRGF				
Canada	Fixed <sup>1</sup>	300,000	300,000	115,161
France	0.50 <sup>2</sup>	800,000	800,000	196,986
Germany	Variable <sup>3</sup>	700,000	700,000	234,705
Italy	Variable <sup>3</sup>	370,000	370,000	130,637
Japan	Variable <sup>3</sup>	2,200,000	2,200,000	855,791
Korea	Variable <sup>3</sup>	65,000	65,000	13,210
Norway	Variable <sup>3</sup>	90,000	90,000	24,762
Spain	Variable <sup>3</sup>	220,000	216,429 <sup>4</sup>	5,062
Total prior to enlargement of PRGF		<u>4,745,000</u>	<u>4,741,429</u>	<u>1,576,314</u>
For enlargement of PRGF				
Belgium	Variable <sup>3</sup>	350,000	198,041	198,041
Canada	Variable <sup>3</sup>	400,000	316,913	312,403
China	Variable <sup>3</sup>	200,000	143,522	141,730
Denmark	Variable <sup>3</sup>	100,000	71,995	71,995
Egypt	Variable <sup>3</sup>	155,600	100,000	97,231
France	Variable <sup>2</sup>	2,100,000	741,819	736,167
Germany	Variable <sup>3</sup>	2,050,000	757,784	756,308
Italy	Variable <sup>3</sup>	1,010,000	529,916	529,916
Japan	Variable <sup>3</sup>	2,934,800	1,689,533	1,685,665
Korea	Variable <sup>3</sup>	27,700	27,700	27,700
Netherlands	Variable <sup>3</sup>	450,000	105,179	105,179
Norway	Variable <sup>3</sup>	60,000	60,000	58,680
OPEC Fund for International Development	Variable <sup>3</sup>	36,129 <sup>5</sup>	36,990	36,990
Spain—Government of Spain (ICO)	Fixed	67,000	67,000	67,000
Spain—Bank of Spain	Variable	425,000	41,410	41,410
Switzerland	Variable <sup>3</sup>	401,700	161,810	154,824
Total for enlargement of PRGF		<u>10,767,929</u>	<u>5,049,612</u>	<u>5,021,239</u>
Resources held pending repayment	6	—	—	<u>735,515</u> <sup>6</sup>
Total—Loan Account		<u>15,512,929</u>	<u>9,791,041</u>	<u>7,333,068</u>
<b>Subsidy Account</b>				
Malaysia (1994 loans)	2.00	40,000	40,000	40,000
Malta	0.50	2,730	2,730	1,365
Pakistan	0.50	10,000	6,670	6,670
Singapore	2.00	80,000	80,000	40,000
Tunisia	0.50	3,551	3,551	3,551
Uruguay	Variable <sup>7</sup>	7,200	7,200	7,200
Total—Subsidy Account		<u>143,481</u>	<u>140,151</u>	<u>98,786</u>

<sup>1</sup>The loans under this agreement are made at market-related rates of interest fixed at the time the loan was disbursed.<sup>2</sup>The agreement with France made before the enlargement of PRGF (SDR 800 million) provides that the interest rate shall be 0.5 percent on the first SDR 700 million drawn, and for variable, market-related rates of interest thereafter. The agreement with France made for the enlargement of the PRGF (SDR 2.1 billion) provides that the interest rate shall be 0.5 percent until the cumulative implicit interest subsidy reaches SDR 250 million, and at variable, market-related rates of interest thereafter.<sup>3</sup>The loans under these agreements are made at variable, market-related rates of interest.<sup>4</sup>The agreement expired with an undrawn balance of SDR 3.6 million.<sup>5</sup>The agreement with the OPEC Fund for International Development is for an amount of \$50 million.<sup>6</sup>This amount represents principal repayments held and invested on behalf of a lender.<sup>7</sup>The interest rate payable on the borrowing from Uruguay is equal to the rate on SDR-denominated deposits less 2.6 percent a year.



## Poverty Reduction and Growth Facility Trust

Status of Loan Arrangements  
as at April 30, 2003*(In thousands of SDRs)*

Member	Date of Arrangement	Expiration Date	Amount Agreed	Undrawn Balance
Albania	Jun. 21, 2002	Jun. 20, 2005	28,000	20,000
Armenia, Republic of	May 23, 2001	May 22, 2004	69,000	29,000
Azerbaijan	Jul. 6, 2001	Jul. 5, 2004	80,450	64,350
Benin	Jul. 17, 2000	Mar. 31, 2004	27,000	4,040
Cameroon	Dec. 21, 2000	Dec. 20, 2003	111,420	47,740
Cape Verde	Apr. 10, 2002	Apr. 9, 2005	8,640	6,180
Chad	Jan. 7, 2000	Dec. 6, 2003	47,600	10,400
Congo, Democratic Republic of	Jun. 12, 2002	Jun. 11, 2005	580,000	133,333
Côte d'Ivoire	Mar. 29, 2002	Mar. 28, 2005	292,680	234,140
Ethiopia	Mar. 22, 2001	Mar. 21, 2004	100,277	31,287
Gambia, The	Jul. 18, 2002	Jul. 17, 2005	20,220	17,330
Georgia	Jan. 12, 2001	Jan. 11, 2004	108,000	58,500
Guinea	May 2, 2001	May 1, 2004	64,260	38,556
Guinea-Bissau	Dec. 15, 2000	Dec. 14, 2003	14,200	9,120
Guyana	Sep. 20, 2002	Sep. 19, 2005	54,550	49,000
Kenya	Aug. 4, 2000	Aug. 3, 2003	190,000	156,400
Kyrgyz Republic	Dec. 6, 2001	Dec. 5, 2004	73,400	38,240
Lao People's Democratic Republic	Apr. 25, 2001	Apr. 24, 2004	31,700	18,110
Lesotho	Mar. 9, 2001	Mar. 8, 2004	24,500	10,500
Madagascar	Mar. 1, 2001	Nov. 30, 2004	79,430	45,389
Malawi	Dec. 21, 2000	Dec. 20, 2003	45,110	38,670
Mali	Aug. 6, 1999	Aug. 5, 2003	51,315	6,150
Moldova, Republic of	Dec. 21, 2000	Dec. 20, 2003	110,880	83,160
Mongolia	Sep. 28, 2001	Sep. 27, 2004	28,490	24,420
Mozambique	Jun. 28, 1999	Jun. 27, 2003	87,200	16,800
Nicaragua	Dec. 13, 2002	Dec. 12, 2005	97,500	90,535
Niger	Dec. 22, 2000	Dec. 21, 2003	59,200	25,360
Pakistan	Dec. 6, 2001	Dec. 5, 2004	1,033,700	602,980
Rwanda	Aug. 12, 2002	Aug. 11, 2005	4,000	3,426
Senegal	Apr. 28, 2003	Apr. 27, 2006	24,270	24,270
Sierra Leone	Sep. 26, 2001	Sep. 25, 2004	130,840	56,003
Sri Lanka	Apr. 18, 2003	Apr. 17, 2006	269,000	230,610
Tajikistan, Republic of	Dec. 11, 2002	Dec. 10, 2005	65,000	57,000
Tanzania	Apr. 4, 2000	Jun. 30, 2003	135,000	15,000
Uganda	Sep. 13, 2002	Sep. 12, 2005	13,500	12,000
Vietnam	Apr. 13, 2001	Apr. 12, 2004	290,000	165,800
			<u>4,450,332</u>	<u>2,473,799</u>

<sup>1</sup>The Saudi Fund for Development may also provide resources to support arrangements under the PRGF through loans to qualifying members in association with loans under the PRGF. As at April 30, 2003, SDR 49.5 million of such associated loans had been disbursed.



## Poverty Reduction and Growth Facility Administered Accounts

Balance Sheets  
as at April 30, 2003 and 2002

(In thousands of SDRs)

	Austria		Belgium		Botswana			
	2003	2002	2003	2002	2003	2002	2003	2002
<b>Assets</b>								
Cash and cash equivalents	—	—	80,000	—	—	—	—	—
Investments (Note 3)	25,000	35,000	—	80,000	6,894	6,894	—	—
Advance payments to the								
PRGF Trust Subsidy Account	102	160	—	—	116	116	—	—
Interest receivable	—	—	225	20	—	—	—	—
Total Assets	<u>25,102</u>	<u>35,160</u>	<u>80,225</u>	<u>80,020</u>	<u>7,010</u>	<u>7,010</u>	—	—
<b>Liabilities and Resources</b>								
Deposits (Note 4)	25,000	35,000	80,000	80,000	6,894	6,894	—	—
Interest payable	102	160	2	2	116	116	—	—
Total liabilities	<u>25,102</u>	<u>35,160</u>	<u>80,002</u>	<u>80,002</u>	<u>7,010</u>	<u>7,010</u>	—	—
Resources	—	—	223	18	—	—	—	—
Total Liabilities and Resources	<u>25,102</u>	<u>35,160</u>	<u>80,225</u>	<u>80,020</u>	<u>7,010</u>	<u>7,010</u>	—	—
<hr/>								
	Greece		Indonesia		Iran, I. R. of		Portugal	
	2003	2002	2003	2002	2003	2002	2003	2002
<b>Assets</b>								
Cash and cash equivalents	—	—	25,000	—	—	—	—	—
Investments (Note 3)	7,000	14,000	—	25,000	5,000	5,000	10,517	11,831
Advance payments to the								
PRGF Trust Subsidy Account	15	15	—	—	23	23	50	57
Interest receivable	—	—	70	214	—	—	—	—
Total Assets	<u>7,015</u>	<u>14,015</u>	<u>25,070</u>	<u>25,214</u>	<u>5,023</u>	<u>5,023</u>	<u>10,567</u>	<u>11,888</u>
<b>Liabilities and Resources</b>								
Deposits (Note 4)	7,000	14,000	25,000	25,000	5,000	5,000	10,517	11,831
Interest payable	15	15	17	118	23	23	50	57
Total liabilities	<u>7,015</u>	<u>14,015</u>	<u>25,017</u>	<u>25,118</u>	<u>5,023</u>	<u>5,023</u>	<u>10,567</u>	<u>11,888</u>
Resources	—	—	53	96	—	—	—	—
Total Liabilities and Resources	<u>7,015</u>	<u>14,015</u>	<u>25,070</u>	<u>25,214</u>	<u>5,023</u>	<u>5,023</u>	<u>10,567</u>	<u>11,888</u>

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

/s/ Eduard Brau  
Director, Finance Department/s/ Horst Köhler  
Managing Director

## Poverty Reduction and Growth Facility Administered Accounts

Statements of Income and Changes in Resources  
for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	Austria		Belgium		Botswana			
	2003	2002	2003	2002	2003	2002		
Balance, beginning of the year . . . . .	—	—	18	10	—	—		
Investment income . . . . .	801	2,134	1,630	2,420	178	358		
Other expenses . . . . .	(20)	(27)	—	—	(4)	(5)		
Interest expense on deposits . . . . .	(130)	(201)	(400)	(400)	(138)	(138)		
Net income	651	1,906	1,230	2,020	36	215		
Transfers to the:								
PRGF Trust Subsidy Account . . . . .	(651)	(1,906)	(1,025)	(2,012)	(36)	(215)		
Net changes in resources . . . . .	—	—	205	8	—	—		
Balance, end of the year . . . . .	—	—	223	18	—	—		
	Greece		Indonesia		Iran, I. R. of		Portugal	
	2003	2002	2003	2002	2003	2002	2003	2002
Balance, beginning of the year . . . . .	—	—	96	—	—	—	—	—
Investment income . . . . .	325	1,052	508	635	130	259	274	616
Other expenses . . . . .	(8)	(12)	—	—	(3)	(3)	(7)	(8)
Interest expense on deposits . . . . .	(61)	(96)	(62)	(240)	(25)	(25)	(53)	(59)
Net income	256	944	446	395	102	231	214	549
Transfers to the:								
PRGF Trust Subsidy Account . . . . .	(256)	(944)	(489)	(299)	(102)	(231)	(214)	(549)
Net changes in resources . . . . .	—	—	(43)	96	—	—	—	—
Balance, end of the year . . . . .	—	—	53	96	—	—	—	—

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

## Poverty Reduction and Growth Facility Administered Accounts

### Notes to the Financial Statements as at April 30, 2003 and 2002

#### 1. Nature of Operations

At the request of certain member countries, the IMF established the Poverty Reduction and Growth Facility Administered Accounts (“PRGF Administered Accounts” or “Administered Accounts”) for the benefit of the Subsidy Account of the PRGF Trust. The Administered Accounts comprise deposits made by contributors. The difference between interest earned by the Administered Accounts and the interest payable on deposits is transferred to the Subsidy Account of the PRGF Trust.

The Saudi Fund for Development (SFD) Special Account was established at the request of the SFD to provide supplementary financing in association with loans under the Poverty Reduction and Growth Facility (PRGF). IMF acts as the agent of the SFD. Disbursements from the SFD Special Account are made simultaneously with PRGF disbursements. Payments of interest and principal due to the SFD under associated loans are to be transferred to the SFD.

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

#### 2. Summary of Significant Accounting Policies

##### Basis of Presentation

The financial statements of the PRGF Administered Accounts are prepared in accordance with International Accounting Standards (IAS). Specific accounting principles and disclosure practices are explained further below. The preparation of financial statements in conformity with IAS 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. Actual results could differ from those estimates. The financial statements do not include a cash flow statement because the statement of income and changes in resources includes the PRGF Administered Accounts’ main cash flows.

##### Revenue and Expense Recognition

The financial statements are maintained on the accrual basis; accordingly, income is recognized as it is earned and expenses are recorded as they are incurred.

##### Unit of Account

The financial statements are expressed in terms of SDRs. 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 latest review was completed in October 2000 and the new composition of the SDR valuation basket became effective on January 1, 2001. The currencies in the

basket as of April 30, 2003 and 2002 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.577

As of April 30, 2003, one SDR was equal to 1.38391 U.S. dollars (one SDR was equal to 1.26771 U.S. dollars as of April 30, 2002).

##### Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost, not exceeding market value. Interest received on these instruments varies and is based on prevailing market rates.

##### Investments

The resources of the Administered Accounts are invested pending their use. Investments are made in debt securities and fixed-term deposits, either directly or by participation in an investment pool. Investments are marked to market value on the last business day of the accounting period. The carrying amounts of investments approximate their fair value. Purchases are valued and reflected on the trade date basis and sales are based on the actual settlement date valuations. Investment income comprises interest income, realized and unrealized gains and losses and currency valuation differences arising from exchange rate movements against the SDR.

Interest rate risk is managed by limiting the investment portfolio to a weighted-average effective duration that does not exceed three years. Currency risk is minimized by investing in securities denominated in SDRs or in the constituent currencies of the SDR basket. Risk is further minimized by ensuring that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR basket.

##### Transfers

Internal transfers of resources within the IMF are accounted for under the accrual method of accounting.

##### Foreign Currency Translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, 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 income.

### Transfers to PRGF Trust Subsidy Account

The difference between the income earned by the PRGF Administered Accounts on the amount invested and the interest payable on the deposits of the Administered Accounts, net of any cost, is to be transferred to the Subsidy Account of the PRGF Trust.

### Administrative Costs

The expenses of conducting the activities of the Administered Accounts are incurred and borne by the General Department of the IMF.

## 3. Investments

The maturities of the investments are as follows:

Maturity as at April 30	2003	2002
	<i>In thousands of SDRs</i>	
Less than 1 year	50,374	165,674
1-3 years	3,950	12,051
3-5 years	87	—
Total	<u>54,411</u>	<u>177,725</u>

At April 30, investments consisted of the following:

	2003	2002
	<i>In thousands of SDRs</i>	
Debt securities	54,411	72,725
Fixed-term deposits	—	105,000
Total	<u>54,411</u>	<u>177,725</u>

At April 30, investment income comprised:

	2003	2002
	<i>In thousands of SDRs</i>	
Interest income	4,313	6,990
Realized (losses)/gains, net	(560)	1,802
Unrealized gains/(losses), net	93	(1,318)
Total	<u>3,846</u>	<u>7,474</u>

## 4. Deposits

### Austria

The Administered Account Austria was established on December 27, 1988 for the administration of resources deposited in the account by the Austrian National Bank. Two deposits (one of SDR 60.0 million made on December 30, 1988 and one of SDR 50.0 million made on August 10, 1995) are to be repaid in ten equal semiannual installments beginning five and a half years after the date of each deposit and ending at the end of the tenth year after the date of each deposit. The deposits bear interest at a rate of ½ of 1 percent a year. The first deposit from Austria had been repaid in full.

### Belgium

The Administered Account Belgium was established on July 27, 1988 for the administration of resources deposited in the account by the National Bank of Belgium. Four deposits (SDR 30.0 million made on July 29, 1988; SDR 35.0 mil-

lion made on December 30, 1988; SDR 35.0 million made on June 30, 1989; and SDR 80.0 million made on April 29, 1994) have an initial maturity of six months and are renewable by the IMF on the same basis. The final maturity of each deposit, including renewals, will be ten years from the initial dates of the individual deposits. The deposits bear interest at a rate of ½ of 1 percent a year. In accordance with an addendum to the account, effective on July 24, 1998, the maturities of the first three deposits will be extended by the National Bank of Belgium, for further periods of six months, provided that the total maturity period of each deposit does not exceed five years. The deposits are invested by the IMF as administrator, and the IMF as administrator pays the National Bank of Belgium interest on each deposit at an annual rate of ½ of 1 percent. The difference between the interest paid to the National Bank of Belgium and the interest earned on the deposits (net of any cost to the IMF) was retained in the account and invested. As of January 31, 2001, the Ministry of Finance of Belgium authorized a transfer of SDR 8.2 million in net earnings to the PRGF-HIPC Trust. The first three deposits, totaling SDR 100 million, were paid in full in January 2001.

### Botswana

The Administered Account Botswana was established on July 1, 1994 for the administration of resources deposited in the account by the Bank of Botswana. The deposit, totaling SDR 6.9 million, is to be repaid in one installment ten years after the date of deposit. The deposit bears interest at a rate of 2 percent a year.

### Greece

The Administered Account Greece was established on November 30, 1988 for the administration of resources deposited in the account by the Bank of Greece. Two deposits of SDR 35.0 million each (December 15, 1988 and April 29, 1994) are to be repaid in ten equal semiannual installments beginning five and a half years after the date of deposit and will be completed at the end of the tenth year after the date of the deposits. The deposits bear interest at a rate of ½ of 1 percent a year. The first deposit from Greece has been repaid in full.

### Indonesia

The Administered Account Indonesia was established on June 30, 1994 for the administration of resources deposited in the account by the Bank Indonesia. The deposit, totaling SDR 25.0 million, is to be repaid in one installment ten years after the date the deposit was made. The interest payable on the deposit is equivalent to that obtained for the investment of the deposit less 2 percent a year.

### Islamic Republic of Iran

The Administered Account Islamic Republic of Iran was established on June 6, 1994 for the administration of resources deposited in the account by the Central Bank of the Islamic Republic of Iran (CBIRI). The CBIRI has made five annual deposits, each of SDR 1.0 million. All of the deposits will be repaid at the end of ten years after the date of the first deposit. Each deposit bears interest at a rate of ½ of 1 percent a year.

*Portugal*

The Administered Account Portugal was established on May 16, 1994 for the administration of resources deposited in the account by the Banco de Portugal (BdP). The BdP has made six annual deposits, each of SDR 2.2 million. 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 ½ of 1 percent a year.

*5. Associated Loans under the SFD Special Account*

The SFD has provided additional resources to support arrangements under the PRGF. Funds become available under an associated loan after a bilateral agreement between the SFD and the recipient country has been effected. Amounts denominated in SDRs, for disbursement to a recipient country under an associated loan, are placed by the SFD in the Saudi Fund for Development Special Account for disbursement by the IMF simultaneously with disbursements under a PRGF arrangement. These loans are repayable in ten equal semiannual installments commencing not later than the

end of the first six months of the sixth year, and are to be completed at the end of the tenth year after the date of disbursement. Interest on the outstanding balance is currently set at a rate of ½ of 1 percent a year.

The receipts and uses of resources for the Saudi Fund for Development Special Account as of April 30 were as follows:

	2003	2002
	<i>In thousands of SDRs</i>	
<b>Receipts of Resources</b>		
Cumulative transfers from the		
Saudi Fund for Development	49,500	49,500
Cumulative repayments of associated loans	40,500	34,300
Cumulative receipts of interest on associated loans	1,858	1,783
Accrued interest on associated loans	18	28
	<u>91,876</u>	<u>85,611</u>
<b>Uses of Resources</b>		
Associated loans	49,500	49,500
Cumulative repayments to the		
Saudi Fund for Development	40,500	34,300
Cumulative payments of interest on transfers	1,858	1,783
Accrued interest on transfers	18	28
	<u>91,876</u>	<u>85,611</u>

## PRGF-HIPC Trust and Related Accounts

Combined Balance Sheets  
as at April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
<b>Assets</b>		
Cash and cash equivalents . . . . .	999,948	965,867
Investments (Note 3) . . . . .	316,929	438,524
Interest receivable . . . . .	4,180	2,236
Total Assets . . . . .	<u>1,321,057</u>	<u>1,406,627</u>
<b>Liabilities and Resources</b>		
Borrowings (Note 5) . . . . .	601,125	541,787
Interest payable . . . . .	1,298	1,085
Total Liabilities . . . . .	<u>602,423</u>	<u>542,872</u>
Resources . . . . .	718,634	863,755
Total Liabilities and Resources . . . . .	<u>1,321,057</u>	<u>1,406,627</u>

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

/s/ Eduard Brau  
Director, Finance Department

/s/ Horst Köhler  
Managing Director

## PRGF-HIPC Trust and Related Accounts

Combined Statements of Income and Changes in Resources  
for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	2003	2002
Balance, beginning of the year . . . . .	863,755	975,533
Investment income (Note 3) . . . . .	31,821	51,266
Interest expense . . . . .	(1,938)	(1,925)
Other expenses . . . . .	(265)	(173)
Operational income . . . . .	29,618	49,168
Contributions received . . . . .	35,425	73,697
Disbursements . . . . .	(263,130)	(251,532)
Transfers . . . . .	52,966	16,889
Net changes in resources . . . . .	<u>(145,121)</u>	<u>(111,778)</u>
Balance, end of the year . . . . .	<u>718,634</u>	<u>863,755</u>

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

## PRGF-HIPC Trust and Related Accounts

### Notes to the Combined Financial Statements as at April 30, 2003 and 2002

#### 1. Nature of Operations

The Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and for Interim PRGF Subsidy Operations (the PRGF-HIPC Trust) and Related Accounts comprise the PRGF-HIPC Trust Account, the Umbrella Account for HIPC Operations, and the Post-SCA-2 Administered Account. The PRGF-HIPC Trust Account comprises three subaccounts: the PRGF-HIPC, PRGF, and HIPC subaccounts. Combining balance sheets and income statements and changes in resources for each of these accounts are provided in Note 6. Transactions between the above accounts are eliminated on combination in the combined balance sheets and combined income statements and changes in resources.

##### *PRGF-HIPC Trust*

The PRGF-HIPC Trust, for which the IMF is trustee, was established on February 4, 1997 to provide balance of payments assistance to low-income developing members by making grants or loans to eligible members for the purpose of reducing their external debt burden and for interim PRGF subsidy purposes. The resources of the PRGF-HIPC Trust 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.

The operations of the PRGF-HIPC Trust are conducted through the PRGF-HIPC Trust Account and the Umbrella Account for HIPC Operations.

##### *PRGF-HIPC Trust Account*

The resources of the PRGF-HIPC Trust Account consist of grant contributions, borrowings, and other types of investments made by contributors; amounts transferred by the IMF from the Special Disbursement Account and the General Resources Account; and net earnings from investment of resources held in the PRGF-HIPC Trust Account.

The PRGF-HIPC subaccount holds resources that can finance either HIPC operations or interim PRGF subsidy operations; the PRGF subaccount holds resources earmarked for interim PRGF subsidy operations, while the HIPC subaccount holds resources earmarked for HIPC operations. PRGF-HIPC subaccount resources used to finance HIPC operations through the HIPC subaccount are repayable to the PRGF-HIPC subaccount and bear interest at a rate equal to the average return on investments in the Special Disbursement Account.

The resources held in the PRGF-HIPC Trust Account are to be used by the trustee to make grants or loans to eligible members that qualify for assistance under the HIPC Initiative and for subsidizing the interest rate on interim PRGF operations to PRGF-eligible members.

##### *Umbrella Account for HIPC Operations*

The Umbrella Account for HIPC Operations (the Umbrella Account) receives and administers the proceeds of grants or loans made to eligible members that qualify for assistance under the terms of the PRGF-HIPC Trust. Within the Umbrella Account, resources received are administered through the establishment of subaccounts for each eligible member upon the approval of disbursements under the PRGF-HIPC Trust.

The resources of a subaccount of the Umbrella Account consist of (1) amounts disbursed from the PRGF-HIPC Trust Account as grants or loans for the benefit of a member, and (2) net earnings from investment of the resources held in the subaccount.

The resources held in a subaccount of the Umbrella Account are to be used to meet the member's debt obligations to the IMF, or accounts administered by it, in accordance with the schedule agreed upon by the trustee and the member for the use of the proceeds of the PRGF-HIPC Trust disbursements.

##### *Post-SCA-2 Administered Account*

The Post-SCA-2 Administered Account, which is administered by the IMF on behalf of members, was established on December 8, 1999 for the temporary administration of resources transferred by members following the termination of the second Special Contingent Account (SCA-2), prior to the final disposition of those resources.

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. The assets held in the Post-SCA-2 Administered Account are held separately from the assets and property 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.

#### 2. Summary of Significant Accounting Policies

##### *Basis of Presentation*

The financial statements of the IMF are prepared in accordance with International Accounting Standards (IAS). Specific accounting principles and disclosure practices are explained further below. The preparation of financial statements in conformity with IAS 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. Actual results could differ from those estimates. The financial statements do not include a cash flow statement because the statement of income and changes in resources includes the PRGF-HIPC Trust and Related Accounts' main cash flows.

##### *Revenue and Expense Recognition*

The financial statements are prepared on the accrual basis; accordingly, income is recognized as it is earned, and expenses are recorded as they are incurred.

##### *Unit of Account*

The financial statements are expressed in terms of SDRs. 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 latest review was completed in October 2000 and the new composi-



tion of the SDR valuation basket became effective from January 1, 2001. The currencies in the basket as of April 30, 2003 and 2002 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.577

As of April 30, 2003, one SDR was equal to 1.38391 U.S. dollars (one SDR was equal to 1.26771 U.S. dollars as of April 30, 2002).

### Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost not exceeding market value. Interest received on these instruments varies and is based on prevailing market rates.

### Investments

The resources of the Trust are invested pending their use. The Trust invests in debt securities and fixed-term deposits, either directly or by participation in an investment pool. Investments are marked to market on the last business day of the accounting period. The carrying amounts of investments approximate their fair value. Purchases are valued and reflected on the trade date basis and sales are based on the actual settlement date valuations.

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

Interest rate risk is managed by limiting the investment portfolio to a weighted-average effective duration that does not exceed three years. Currency risk is minimized by investing in securities denominated in SDRs or in the constituent currencies of the SDR basket. Regular portfolio rebalancing to ensure that the currency composition of the investment portfolio matches, as closely as possible, the currency composition of the SDR basket further minimizes risk.

### 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.

### Transfers

Internal transfers of resources within the IMF are accounted for under the accrual method of accounting.

### Foreign Currency Translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the balance sheet date, 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 income.

### Administrative Costs

The expenses of conducting activities of the Trust and related accounts are incurred and borne by the General Department of the IMF.

### 3. Investments

The maturities of the investments are as follows:

Maturity as at April 30	2003	2002
	<i>In thousands of SDRs</i>	
Less than 1 year	287,084	376,817
1–3 years	29,205	61,707
3–5 years	640	—
Total	<u>316,929</u>	<u>438,524</u>

At April 30, investments consisted of the following:

	2003	2002
	<i>In thousands of SDRs</i>	
Debt securities	316,929	225,352
Fixed-term deposits	—	213,172
Total	<u>316,929</u>	<u>438,524</u>

At April 30, investment income is comprised of:

	2003	2002
	<i>In thousands of SDRs</i>	
Interest income	34,682	49,714
Realized (losses)/gains, net	(2,711)	4,677
Unrealized losses, net	(130)	(3,152)
Exchange rate (losses)/gains, net	(20)	27
Total	<u>31,821</u>	<u>51,266</u>

### 4. Transfers Receivable and Payable

At April 30, 2003, the HIPC subaccount had transfers payable to the PRGF-HIPC subaccount arising from past disbursements to the Umbrella Account under the HIPC Initiative in the amount of SDR 796.7 million, including interest (SDR 437.0 million at April 30, 2002). Interest payable between subaccounts is eliminated on combination.

### 5. Borrowings

The Trust borrows on such terms and conditions as agreed between the Trust and the lenders. Interest rates on borrowings at April 30, 2003 and 2002 varied between 0 percent and 2 percent a year. The principal amounts of the borrowings are repayable in one installment at their maturity dates. Scheduled repayments of borrowings are summarized below:

Financial Year Ending April 30	
	<i>In thousands of SDRs</i>
2004	—
2005	15,000
2006	—
2007	—
2008	19,066
2009 and beyond	<u>567,059</u>
Total	<u>601,125</u>

Borrowings during the financial year ended April 30, 2003 amounted to SDR 31 million (SDR 150 million for the financial year ended April 30, 2002). There were no repayments in the year ended April 30, 2003 (SDR 15 million for the year ended April 30, 2002). Borrowings include foreign currency amounts.



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

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

### Combining Balance Sheets as at April 30, 2003 and 2002

(In thousands of SDRs)

	2003							2002			
	PRGF-HIPC Trust Account subaccount				Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total
	PRGF-HIPC	PRGF	HIPC	Combined							
<b>Assets</b>											
Cash and cash equivalents	535,457	3,862	—	539,319	420,606	40,023	999,948	585,756	330,115	49,996	965,867
Investments	302,544	14,385	—	316,929	—	—	316,929	438,524	—	—	438,524
Transfers to and from subaccounts	797,010	—	(797,010)	—	—	—	—	—	—	—	—
Interest receivable	3,303	—	—	3,303	703	174	4,180	944	1,013	279	2,236
Total Assets	<u>1,638,314</u>	<u>18,247</u>	<u>(797,010)</u>	<u>859,551</u>	<u>421,309</u>	<u>40,197</u>	<u>1,321,057</u>	<u>1,025,224</u>	<u>331,128</u>	<u>50,275</u>	<u>1,406,627</u>
<b>Liabilities and Resources</b>											
Borrowings	601,125	—	—	601,125	—	—	601,125	541,787	—	—	541,787
Interest payable	1,298	—	—	1,298	—	—	1,298	1,085	—	—	1,085
Total Liabilities	<u>602,423</u>	<u>—</u>	<u>—</u>	<u>602,423</u>	<u>—</u>	<u>—</u>	<u>602,423</u>	<u>542,872</u>	<u>—</u>	<u>—</u>	<u>542,872</u>
Accumulated resources	<u>1,035,891</u>	<u>18,247</u>	<u>(797,010)</u>	<u>257,128</u>	<u>421,309</u>	<u>40,197</u>	<u>718,634</u>	<u>482,352</u>	<u>331,128</u>	<u>50,275</u>	<u>863,755</u>
Total Liabilities and Resources	<u>1,638,314</u>	<u>18,247</u>	<u>(797,010)</u>	<u>859,551</u>	<u>421,309</u>	<u>40,197</u>	<u>1,321,057</u>	<u>1,025,224</u>	<u>331,128</u>	<u>50,275</u>	<u>1,406,627</u>

Note 6 (concluded)

### Combining Statements of Income and Changes in Resources for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	2003							2002			
	PRGF-HIPC Trust Account subaccount				Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Post-SCA-2 Administered Account	Combined Total
	PRGF-HIPC	PRGF	HIPC	Combined							
Balance, beginning of the year	904,762	14,591	(437,001)	482,352	331,128	50,275	863,755	538,805	343,410	93,318	975,533
Investment income	37,141	422	—	23,107 <sup>1</sup>	7,758	956	31,821	39,910	9,688	1,668	51,266
Interest expense	(1,938)	—	(14,456)	(1,938) <sup>1</sup>	—	—	(1,938)	(1,925)	—	—	(1,925)
Other expenses	(255)	(10)	—	(265)	—	—	(265)	(173)	—	—	(173)
Operational income/(loss)	34,948	412	(14,456)	20,904	7,758	956	29,618	37,812	9,688	1,668	49,168
Contributions received	32,181	3,244	—	35,425	—	—	35,425	73,697	—	—	73,697
Grants	—	—	(345,553)	(345,553)	345,553	—	—	(229,562)	229,562	—	—
Disbursements	—	—	—	—	(263,130)	—	(263,130)	—	(251,532)	—	(251,532)
	67,129	3,656	(360,009)	(289,224)	90,181	956	(198,087)	(118,053)	(12,282)	1,668	(128,667)
Transfers	64,000	—	—	64,000	—	(11,034)	52,966	61,600	—	(44,711)	16,889
Net changes in resources	131,129	3,656	(360,009)	(225,224)	90,181	(10,078)	(145,121)	(56,453)	(12,282)	(43,043)	(111,778)
Balance, end of the year	<u>1,035,891</u>	<u>18,247</u>	<u>(797,010)</u>	<u>257,128</u>	<u>421,309</u>	<u>40,197</u>	<u>718,634</u>	<u>482,352</u>	<u>331,128</u>	<u>50,275</u>	<u>863,755</u>

<sup>1</sup>Interest payable between subaccounts amounting to SDR 14.5 million (SDR 17.5 million at April 30, 2002) has been eliminated in the combined totals.

Schedule 1

### Post-SCA-2 Administered Account

#### Holdings, Interest, and Transfers for the Year Ended April 30, 2003

(In thousands of SDRs)

Member	Balance Beginning of the Year	Interest Earned	Transfers to PRGF-HIPC Trust	Balance End of the Year
Argentina	5,316	111		5,427
Brazil	10,898	135	(11,033)	—
Dominican Republic	984	20	—	1,004
Estonia, Republic of	1	—	(1)	—
Fiji	212	4	—	216
Jordan	1,117	24	—	1,141
Tonga	28	1	—	29
Trinidad and Tobago	2,400	50	—	2,450
Vanuatu	48	1	—	49
Venezuela, República Bolivariana de	29,271	610	—	29,881
Total	<u>50,275</u>	<u>956</u>	<u>(11,034)</u>	<u>40,197</u>

Schedule 2

**PRGF-HIPC Trust Account**  
**Contributions and Transfers**  
**for the Years Ended April 30, 2003 and 2002**

(In thousands of SDRs)

	Subaccount			Combined
	PRGF-HIPC	PRGF	HIPC	
<i>Year ended April 30, 2002</i>				
Algeria	412	—	—	412
Australia	—	—	3,920	3,920
Belgium	2,621	—	—	2,621
Belize	20	—	—	20
Brunei Darussalam	4	—	—	4
Colombia	13	—	—	13
Croatia, Republic of	31	—	—	31
Denmark	2,386	—	—	2,386
Estonia, Republic of	372	—	—	372
Finland	322	—	—	322
Gabon	458	—	—	458
Iceland	184	—	—	184
Japan	15,441	—	—	15,441
Latvia, Republic of	157	—	—	157
Malaysia	478	—	—	478
Mexico	7,982	—	—	7,982
Netherlands	—	—	16,347 <sup>1</sup>	16,347
Nigeria	4,314	—	—	4,314
Norway	2,302	—	—	2,302
Oman	73	—	—	73
Poland, Republic of	1,234	—	—	1,234
St. Vincent and the Grenadines	22	—	—	22
Saudi Arabia	978	—	—	978
Singapore	249	—	—	249
South Africa	4,000	—	—	4,000
Sweden	5,322	—	—	5,322
Switzerland	3,216	—	—	3,216
Thailand	350	—	—	350
Tunisia	136	—	—	136
United Arab Emirates	353	—	—	353
	53,430	—	20,267	73,697
Transfers from SDA	61,600	—	—	61,600
	<u>115,030</u>	<u>—</u>	<u>20,267</u>	<u>135,297</u>
<i>Year ended April 30, 2003</i>				
Belgium	3,625	—	—	3,625
Belize	20	—	—	20
Brazil	11,033	—	—	11,033
Denmark	2,188	—	—	2,188
Estonia, Republic of	1	—	—	1
Latvia, Republic of	142	—	—	142
Mexico	7,961	—	—	7,961
Netherlands	—	3,244	—	3,244
St. Vincent and the Grenadines	11	—	—	11
South Africa	4,000	—	—	4,000
Switzerland	3,200	—	—	3,200
	32,181	3,244	—	35,425
Transfers from SDA	64,000	—	—	64,000
	<u>96,181</u>	<u>3,244</u>	<u>—</u>	<u>99,425</u>

<sup>1</sup>Includes an additional grant contribution by the Netherlands to Zambia in the context of the HIPC Initiative.

**Umbrella Account for HIPC Operations**  
**Grants, Interest, and Disbursements**  
**for the Years Ended April 30, 2003 and 2002**

*(In thousands of SDRs)*

	Balance Beginning of the Year	Grants from PRGF-HIPC Trust Account	Interest Earned	Disbursements	Balance End of the Year
<i>Year ended April 30, 2002</i>					
Benin	802	3,680	50	3,839	693
Bolivia	2,584	44,234	1,090	8,851	39,057
Burkina Faso	14,696	15,240	456	4,644	25,748
Cameroon	431	290	15	—	736
Chad	—	2,850	57	2,067	840
Ethiopia	—	4,036	33	2,212	1,857
Gambia, The	72	—	2	9	65
Ghana	—	9,913	36	—	9,949
Guinea	2,235	—	30	2,238	27
Guinea-Bissau	391	—	7	393	5
Guyana	18,640	—	465	6,857	12,248
Honduras	—	4,500	46	2,250	2,296
Madagascar	6	1,446	13	—	1,465
Malawi	1,144	—	22	1,143	23
Mali	10,238	5,746	358	6,999	9,343
Mauritania	5,009	6,960	117	7,640	4,446
Mozambique	63,732	12,519	1,864	17,339	60,776
Niger	437	1,079	15	430	1,101
Rwanda	3,708	2,367	79	5,845	309
Senegal	3,115	3,387	44	3,132	3,414
Sierra Leone	—	23,640	37	9,818	13,859
Tanzania	13,420	69,715	809	13,332	70,612
Uganda	83,374	1,585	2,287	18,607	68,639
Zambia	119,376	16,375 <sup>1</sup>	1,756	133,887	3,620
	<u>343,410</u>	<u>229,562</u>	<u>9,688</u>	<u>251,532</u>	<u>331,128</u>

Schedule 3 (concluded)

## Umbrella Account for HIPC Operations

### Grants, Interest, and Disbursements for the Years Ended April 30, 2003 and 2002

(In thousands of SDRs)

	Balance Beginning of the Year	Grants from PRGF-HIPC Trust Account	Interest Earned	Disbursements	Balance End of the Year
<i>Year ended April 30, 2003</i>					
Benin	693	12,680	49	3,735	9,687
Bolivia	39,057	—	735	7,746	32,046
Burkina Faso	25,748	1,342	513	6,967	20,636
Cameroon	736	—	11	325	422
Chad	840	1,475	29	2,327	17
Ethiopia	1,857	4,129	34	3,904	2,116
Gambia, The	65	—	1	26	40
Ghana	9,949	—	95	9,874	170
Guinea	27	2,746	31	1,888	916
Guinea-Bissau	5	—	—	—	5
Guyana	12,248	4,133	253	6,728	9,906
Honduras	2,296	—	13	2,278	31
Madagascar	1,465	2,887	28	2,182	2,198
Malawi	23	—	1	—	24
Mali	9,343	32,038	239	7,645	33,975
Mauritania	4,446	21,545	366	9,474	16,883
Mozambique	60,776	—	1,087	14,352	47,511
Nicaragua	—	1,888	9	665	1,232
Niger	1,101	1,812	9	1,098	1,824
Rwanda	309	838	8	1,068	87
Senegal	3,414	—	26	3,413	27
Sierra Leone	13,859	23,640	156	23,560	14,095
Tanzania	70,612	—	1,235	16,159	55,688
Uganda	68,639	—	1,224	16,917	52,946
Zambia	3,620	234,400 <sup>1</sup>	1,606	120,799	118,827
	<u>331,128</u>	<u>345,553</u>	<u>7,758</u>	<u>263,130</u>	<u>421,309</u>

<sup>1</sup>Includes an additional grant contribution by the Netherlands to Zambia in the context of the HIPC Initiative.

**PRGF-HIPC Trust Account**  
**Cumulative Contributions and Transfers**  
**as at April 30, 2003**

*(In thousands of SDRs)*

	Subaccount			Combined
	PRGF-HIPC	PRGF	HIPC	
Algeria	412	—	—	412
Australia	—	—	17,019	17,019
Austria	—	—	9,981	9,981
Bangladesh	1,163	—	—	1,163
Barbados	250	—	—	250
Belgium	18,454	—	—	18,454
Belize	100	—	—	100
Brazil	11,033	—	—	11,033
Brunei Darussalam	4	—	—	4
Cambodia	27	—	—	27
Canada	32,929	—	—	32,929
China	13,132	—	—	13,132
Colombia	13	—	—	13
Croatia, Republic of	31	—	—	31
Cyprus	544	—	—	544
Denmark	13,068	—	—	13,068
Egypt	37	—	—	37
Estonia, Republic of	372	—	—	372
Finland	2,583	—	—	2,583
France	55,892	—	—	55,892
Gabon	458	—	—	458
Greece	2,200	—	—	2,200
Iceland	643	—	—	643
India	390	—	—	390
Indonesia	124	—	—	124
Ireland	3,937	—	—	3,937
Israel	1,189	—	—	1,189
Italy	43,309	—	—	43,309
Jamaica	1,800	—	—	1,800
Japan	98,355	—	—	98,355
Korea	10,625	—	—	10,625
Kuwait	108	—	—	108
Latvia, Republic of	568	—	—	568
Luxembourg	488	—	—	488
Malaysia	478	—	—	478
Malta	706	—	—	706
Mauritius	40	—	—	40
Mexico	23,943	—	—	23,943
Morocco	49	—	—	49
Netherlands	—	16,336	16,347 <sup>1</sup>	32,683
New Zealand	1,158	—	—	1,158
Nigeria	5,416	—	—	5,416
Norway	10,698	—	—	10,698
Oman	73	—	—	73
Pakistan	105	—	—	105

Schedule 4 (concluded)

**PRGF-HIPC Trust Account**  
**Cumulative Contributions and Transfers**  
**as at April 30, 2003**

(In thousands of SDRs)

	Subaccount			Combined
	PRGF-HIPC	PRGF	HIPC	
Philippines	4,500	—	—	4,500
Poland, Republic of	2,112	—	—	2,112
Portugal	4,430	—	—	4,430
Russian Federation	10,200	—	—	10,200
St. Vincent and the Grenadines	33	—	—	33
Samoa	3	—	—	3
San Marino, Republic of	32	—	—	32
Saudi Arabia	978	—	—	978
Singapore	249	—	—	249
Slovak Republic	2,669	—	—	2,669
Slovenia, Republic of	311	—	—	311
South Africa	12,895	—	—	12,895
Spain	16,550	—	—	16,550
Sri Lanka	12	—	—	12
Swaziland	20	—	—	20
Sweden	5,322	—	—	5,322
Switzerland	9,600	—	—	9,600
Thailand	350	—	—	350
Tunisia	136	—	—	136
United Arab Emirates	353	—	—	353
United Kingdom	23,551	—	33,837	57,388
United States	—	—	221,932	221,932
Vietnam	10	—	—	10
	<u>451,220</u>	<u>16,336</u>	<u>299,116</u>	<u>766,672</u>
Transfers from SDA	351,997	—	—	351,997
Transfers from GRA	72,456	—	—	72,456
	<u>424,453</u>	<u>—</u>	<u>—</u>	<u>424,453</u>
	<u>875,673</u>	<u>16,336</u>	<u>299,116</u>	<u>1,191,125</u>

<sup>1</sup>Includes an additional grant contribution by the Netherlands to Zambia in the context of the HIPC Initiative.



## Other Administered Accounts

### Balance Sheets as at April 30, 2003 and 2002

	Administered Account Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Administered Account—Spain		Supplementary Financing Facility Subsidy Account		The Post-Conflict Emergency Assistance Subsidy Account <sup>1</sup>	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	← (In thousands of U.S. dollars) →						← (In thousands of SDRs) →					
<b>Assets</b>												
Cash and cash equivalents	119,037	117,277	25,031	20,459	14,659	8,484	—	—	2,341	2,290	5,441	587
Interest receivable	—	—	—	—	—	—	—	—	10	13	—	—
Total Assets	<u>119,037</u>	<u>117,277</u>	<u>25,031</u>	<u>20,459</u>	<u>14,659</u>	<u>8,484</u>	<u>—</u>	<u>—</u>	<u>2,351</u>	<u>2,303</u>	<u>5,441</u>	<u>587</u>
<b>Resources</b>												
Total Resources	<u>119,037</u>	<u>117,277</u>	<u>25,031</u>	<u>20,459</u>	<u>14,659</u>	<u>8,484</u>	<u>—</u>	<u>—</u>	<u>2,351</u>	<u>2,303</u>	<u>5,441</u>	<u>587</u>

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

<sup>1</sup>The Post-Conflict Emergency Assistance Account for PRGF-eligible members was established on May 4, 2001.

/s/ Eduard Brau  
Director, Finance Department

/s/ Horst Köhler  
Managing Director

## Other Administered Accounts

Statements of Income and Changes in Resources  
for the Years Ended April 30, 2003 and 2002

	Administered Account Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Administered Account— Spain		Supplementary Financing Facility Subsidy Account		The Post-Conflict Emergency Assistance Subsidy Account <sup>1</sup>	
	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002	2003	2002
	← (In thousands of U.S. dollars) →						← (In thousands of SDRs) →					
Balance, beginning of the year	117,277	114,184	20,459	14,580	8,484	4,539	—	—	2,303	2,343	587	—
Income earned on investments	1,760	3,093	227	298	142	129	—	33	48	63	103	—
Contributions received	—	—	25,508	24,965	14,834	8,411	40	329,154	—	—	5,409	1,360
Payments to and on behalf of beneficiaries	—	—	(21,163)	(19,384)	(8,801)	(4,595)	(40)	(329,187)	—	—	(658)	(773)
Net income	1,760	3,093	4,572	5,879	6,175	3,945	—	—	48	63	4,854	587
Transfers to the Special Disbursement Account (Note 4)	—	—	—	—	—	—	—	—	—	(103)	—	—
Net changes in resources	1,760	3,093	4,572	5,879	6,175	3,945	—	—	48	(40)	4,854	587
Balance, end of the year	<u>119,037</u>	<u>117,277</u>	<u>25,031</u>	<u>20,459</u>	<u>14,659</u>	<u>8,484</u>	<u>—</u>	<u>—</u>	<u>2,351</u>	<u>2,303</u>	<u>5,441</u>	<u>587</u>

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

<sup>1</sup>The Post-Conflict Emergency Assistance Account for PRGF-eligible members was established on May 4, 2001.

## Other Administered Accounts

### Notes to the Financial Statements as at April 30, 2003 and 2002

#### 1. Nature of Operations

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

#### Administered Account Japan

At the request of Japan, the IMF established an account on March 3, 1989 to administer resources, made available by Japan or 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.

#### Administered Account for Selected Fund Activities—Japan

At the request of Japan, the IMF established the Administered Technical Assistance Account—Japan on March 19, 1990 to administer resources contributed by Japan to finance technical assistance to member countries. On July 21, 1997, the account was renamed the Administered Account for Selected Fund Activities—Japan and amended to include the administration of resources contributed by Japan in support of 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 on April 3, 1995 to receive and administer contributed resources that are to be used to finance technical assistance consistent with the purposes of the IMF. 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 Managing Director. 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.

#### Subaccount for Japan Advanced Scholarship Program

At the request of Japan, this subaccount was established on June 6, 1995 to finance the cost of studies and training of nationals of member countries in macroeconomics and related subjects at selected universities and institutions. The scholarship program focuses primarily on the training of nationals of Asian member countries, including Japan.

#### Rwanda—Macroeconomic Management Capacity Subaccount

At the request of Rwanda, this subaccount was established on December 20, 1995 to finance technical assistance to rehabilitate and strengthen Rwanda's macroeconomic management capacity.

#### Australia—IMF Scholarship Program for Asia Subaccount

At the request of Australia, this subaccount was established on June 5, 1996 to finance the cost of studies and training of government and central bank officials in macroeconomic management so as to enable them to contribute to their countries' achievement of sustainable economic growth and development. The program focuses primarily on the training of nationals of Asian countries.

#### Switzerland Technical Assistance Subaccount

At the request of Switzerland, this subaccount was established on August 27, 1996 to finance the costs of technical assistance activities of the IMF that consist of policy advice and training in macroeconomic management.

#### French Technical Assistance Subaccount

At the request of France, this subaccount was established on September 30, 1996 to cofinance the costs of training in economic fields for nationals of certain member countries.

#### Denmark Technical Assistance Subaccount

At the request of Denmark, this subaccount was established on August 25, 1998 to finance the costs of technical assistance activities of the IMF that consist of advising on policy and administrative reforms in the fiscal, monetary, and related statistical fields.

#### Australia Technical Assistance Subaccount

At the request of Australia, this subaccount was established on March 7, 2000 to finance the costs of technical assistance activities of the IMF that consist of advising on the design of policy and administrative reforms in the fiscal, monetary and related statistical fields, as well as to provide training in the formulation and implementation of macroeconomic and financial policies.

#### The Netherlands Technical Assistance Subaccount

At the request of the Netherlands, this subaccount was established on July 27, 2000 to finance projects that seek to enhance the capacity of the members to formulate and implement policies in the 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 United Kingdom Department for International Development (DFID) Technical Assistance Subaccount*

At the request of the United Kingdom, this subaccount was established on June 22, 2001 to finance projects that seek to enhance the capacity of the members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative framework in these core areas.

### *Italy Technical Assistance Subaccount*

At the request of Italy, this subaccount was established on November 16, 2001 to finance projects that seek to enhance the capacity of certain members to formulate and implement policies related to fiscal, financial, and statistical standards and codes, including training programs and projects that strengthen the legal and administrative framework in these core areas.

### *Pacific Financial Technical Assistance Centre Subaccount*

At the request of Australia and New Zealand, this subaccount was established on May 22, 2002 to finance activities of the Pacific Financial Technical Assistance Centre that seek to enhance the capacity of Pacific island countries and territories to formulate and implement policies related to macroeconomic, fiscal, monetary, financial, and statistical fields, including training and activities that strengthen the legal and administrative framework in these core areas.

### *Africa Regional Technical Assistance Centers Subaccount*

At the request of France, the Federal Republic of Germany, Italy, the Netherlands, Norway, Sweden, and the United Kingdom, this subaccount was established on August 9, 2002 to finance activities of the Africa Regional Technical Assistance Centers that seek to support the Poverty Reduction Strategy Paper process in sub-Saharan African countries through fostering the capacity for sound macroeconomic management, strong fiscal institutions and financial systems, and timely and accurate collection and dissemination of economic data, including training and activities that strengthen the legal and administrative framework in these core areas.

The resources of this subaccount are contributed by the above governments and other governments or official agencies, including the Russian Federation, Luxembourg, and China, that reached an understanding with the IMF subsequent to the establishment.

### *Sweden Technical Assistance Subaccount*

At the request of Sweden, this subaccount was established on November 25, 2002 to finance projects that seek to enhance the capacity of members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative framework in these core areas.

### *Administered Account—Spain*

At the request of Spain, the IMF established an account on March 20, 2001 to receive and disburse resources up to \$1 billion contributed by Spain for Argentina. The resources of this account are to be used to assist Argentina in the implementation of the adjustment program supported by the IMF under the Stand-By Arrangement for Argentina approved on March 10, 2000 and augmented on January 12, 2001.

### *Supplementary Financing Facility Subsidy Account*

The Supplementary Financing Facility Subsidy Account administered by the IMF was established in December 1980 to assist low-income developing country members to meet the costs of using resources made available through the IMF's Supplementary Financing Facility and under the policy on exceptional use. 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, two members (Liberia and Sudan), overdue in the payment of charges, remain eligible to receive previously approved subsidy payments of SDR 2.2 million when their overdue charges are settled. Accordingly, the Account remains in operation and has retained amounts for payment to these members after the overdue charges are paid.

### *The Post-Conflict Emergency Assistance Subsidy Account*

The Post-Conflict Emergency Assistance Subsidy Account for PRGF-Eligible Members was established in May 2001 to administer contributed resources for the purpose of providing assistance to PRGF-eligible members in support of their adjustment efforts. Contributions to the account will be used to provide grants to PRGF-eligible members that have made post-conflict emergency assistance purchases under the IMF General Resources Account, effectively subsidizing the basic rate of charge on these purchases to 0.5 percent per annum. The subsidy to each eligible member would be prorated if resources are insufficient to reduce the basic rate of charge to 0.5 percent.

### *Trust Fund*

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

In 1980, the IMF, as trustee, decided that, upon the completion of the final loan disbursements, the Trust Fund would be terminated as of April 30, 1981, and after that date, the activities of the Trust Fund have been confined to the conclusion of its affairs. As of April 30, 2003 and 2002, the Trust Fund had no assets other than loans receivable of SDR 88.6 million. Resources exist in the Trust Fund to the full amount of the loans and are available to absorb any losses should this occur. All interest is deferred. Cash receipts on these loans are to be transferred to the Special Disbursement Account.

Overdue loans, interest and charges at April 30, 2003 were as follows:

Member	Loans	Interest and Special Charges	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>				
Liberia	22.9	7.2	30.1	June 1985
Somalia	6.5	1.4	7.9	July 1987
Sudan	59.2	19.3	78.5	June 1985
Total	88.6	27.9	116.5	

## 2. Summary of Significant Accounting Policies

### Basis of Presentation

The financial statements of the Other Administered Accounts are prepared in accordance with International Accounting Standards (IAS). Specific accounting principles and disclosure practices are explained further below.

The preparation of financial statements in conformity with IAS 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. Actual results could differ from those estimates. The financial statements do not include a cash flow statement because the statement of income and changes in resources includes the Other Administered Accounts' main cash flows.

### Unit of Account

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

These accounts are expressed in U.S. dollars. 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.

#### *The Post-Conflict Emergency Assistance Subsidy Account, Trust Fund, and Supplementary Financing Facility Subsidy Account*

These accounts are expressed in terms of SDRs. 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 basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in October 2000 and the composition of the SDR valuation basket became effective from January 1, 2001. The currencies in the basket as of April 30, 2003 and 2002 and their amounts were as follows:

Currency	Amount
Euro	0.426
Japanese yen	21.0
Pound sterling	0.0984
U.S. dollar	0.577

As of April 30, 2003, one SDR was equal to 1.38391 U.S. dollars (one SDR was equal to 1.26771 U.S. dollars as of April 30, 2002).

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

### Revenue and Expense Recognition

The accounts are maintained on the accrual basis; accordingly, income is recognized as it is earned and expenses are recorded as they are incurred.

### Cash and Cash Equivalents

Cash and cash equivalents include short-term deposits with a maturity of less than ninety days. These deposits are denominated in SDRs or other currencies and are carried at cost not exceeding market value. Interest on these instruments varies and is based on prevailing market rates.

### 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.

### Transfers

Internal transfers of resources within the IMF are accounted for under the accrual method of accounting.

### Foreign Currency Translation

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

### Administrative Expenses

The expenses of conducting the activities of the Other Administered Accounts and the Trust Fund are incurred and borne by the General Department of the IMF. To help defray the expenses incurred by the IMF in the administration of the Administered Account for Selected Fund Activities—Japan and the Framework Administered Account for Technical Assistance Activities, reimbursement equal to 13 percent of the expenses financed from the accounts is paid to the IMF from these accounts. The Administered Account—Spain pays the IMF an annual fee of \$40,000 for administrative costs incurred. As at April 30, 2003 the administrative costs for the Administered Account for Selected Fund Activities—Japan amounted to \$2.1 million (\$2.1 million at April 30, 2002), and for the Framework Administered Account for Technical Assistance Activities \$1.0 million (\$0.5 million at April 30, 2002). These amounts are included in payments to and on behalf of beneficiaries on the income statements and changes in resources.

### Comparatives

When necessary, comparative figures have been reclassified to conform with changes in the presentation of the current year.

### 3. Cumulative Contributions and Disbursements

The cumulative contributions to and disbursements from these administered accounts are as follows:

Account	April 30, 2003		April 30, 2002	
	Cumulative Contributions	Cumulative Disbursements <sup>1</sup>	Cumulative Contributions	Cumulative Disbursements <sup>1</sup>
<i>In millions of U.S. dollars</i>				
<i>Administered Account Japan</i>	135.2	72.5	135.2	72.5
<i>Administered Account for Selected Fund Activities—Japan</i>	204.1	186.3	178.5	165.1
Technical Assistance	184.4	169.8	162.8	150.5
Scholarships	13.0	11.2	10.3	9.3
Office of Asia and Pacific	6.7	5.3	5.4	5.3
<i>Framework Administered Account for Technical Assistance Activities</i>	42.1	28.7	27.3	20.0
Subaccount for Japan				
Advanced Scholarship Program	10.2	8.8	8.7	7.2
Rwanda—Macroeconomic Management Capacity Subaccount	1.5	1.6	1.5	1.6
Australia—IMF Scholarship Program for Asia Subaccount	2.2	2.2	2.0	1.9
Switzerland Technical Assistance Subaccount	9.5	8.1	8.3	6.6
French Technical Assistance Subaccount	0.8	0.5	0.7	0.5
Denmark Technical Assistance Subaccount	2.7	1.1	0.5	0.5
Australia Technical Assistance Subaccount	0.3	—	0.3	—
The Netherlands Technical Assistance Subaccount	2.6	2.0	1.8	1.1
The United Kingdom DFID Technical Assistance Subaccount	3.4	2.9	1.7	0.6
Italy Technical Assistance Subaccount	1.8	0.1	1.8	—
Pacific Financial Technical Assistance Centre Subaccount	1.1	0.8	—	—
Africa Regional Technical Assistance Centers Subaccount	4.9	0.6	—	—
Sweden Technical Assistance Subaccount	1.1	—	—	—
<i>Administered Account—Spain</i>	835.5	835.6	835.5	835.6
<i>In millions of SDRs</i>				
<i>The Post-Conflict Emergency Assistance Subsidy Account</i>	6.8	1.4	1.4	0.8

<sup>1</sup>Disbursements had been made from resources contributed to these accounts as well as from interest earned on these resources.

### 4. Transfer of Resources

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, 2003 and 2002, subsidy payments totaling SDR 2.2 million had not been made to Liberia and Sudan and were being held pending the payment of overdue charges by these members.

### 5. Accounts Termination

#### Administered Account Japan

The account can be terminated by the IMF or by Japan. 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. 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

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. Termination shall be effective on the date that the IMF or the contributor, as the case may be, receives notice of termination. Any balances, net of the continuing liabilities and commitments under the activities financed, that may remain in a subaccount upon its termination are to be returned to the contributor.

#### Administered Account—Spain

The account will be terminated when Argentina repays all the resources that were distributed, or at an earlier time as agreed between Spain and the IMF. Any remaining resources in the account at termination are to be returned to Spain.

#### The Post-Conflict Emergency Assistance Subsidy Account

The account can be terminated by the IMF at any time. Any remaining balances after discharge of all obligations of the account upon the account's termination are to be returned to the contributors in proportion to their contributions.



## Frequently Used Abbreviations

AfDB	African Development Bank	GDDS	General Data Dissemination System
AFRITAC	Africa Regional Technical Assistance Center	GDP	Gross domestic product
AMF	Arab Monetary Fund	<i>GFSR</i>	<i>Global Financial Stability Report</i> (of the IMF)
AML/CFT	Anti-money laundering/combating the financing of terrorism	GNP	Gross national product
APEC	Asia-Pacific Economic Cooperation	GRA	General Resources Account
AsDB	Asian Development Bank	HIPC	Heavily Indebted Poor Countries
ASEAN	Association of South East Asian Nations	HIV/AIDS	Human immunodeficiency virus/acquired immunodeficiency syndrome
BCEAO	Central Bank of West African States	IDA	International Development Association
BIS	Bank for International Settlements	IDB	Inter-American Development Bank
CAC	Collective action clause	IEO	Independent Evaluation Office (of the IMF)
CAEMC	Central African Economic and Monetary Committee	IFC	International Finance Corporation
CAP	Common Agricultural Policy (of the EU)	<i>IFS</i>	<i>International Financial Statistics</i> (of the IMF)
CARTAC	Caribbean Regional Technical Assistance Center	ILO	International Labor Organization
CCL	Contingent Credit Line	IMFC	International Monetary and Financial Committee
CET	Common external tariff (of the WAEMU)	I-PRSP	Interim Poverty Reduction Strategy Paper
CFF	Compensatory Financing Facility	LOI	Letter of Intent
CIS	Commonwealth of Independent States	MDG	Millennium Development Goal
CIS-7	Armenia, Azerbaijan, Georgia, Kyrgyz Republic, Moldova, Tajikistan, and Uzbekistan	NAB	New Arrangements to Borrow
CMCG	Capital Markets Consultative Group	NEPAD	New Partnership for Africa's Development
COBAC	Central African Banking Commission	NPV	Net present value
DSBB	Data Standards Bulletin Board	OECD	Organization for Economic Cooperation and Development
EBRD	European Bank for Reconstruction and Development	OPEC	Organization of Petroleum Exporting Countries
ECB	European Central Bank	PFTAC	Pacific Financial Technical Assistance Center
ECCB	Eastern Caribbean Central Bank	PIN	Public Information Notice
ECOSOC	UN Economic and Social Council	PRGF	Poverty Reduction and Growth Facility
ECOWAS	Economic Community of West African States	PRSP	Poverty Reduction Strategy Paper
ECU	European currency unit	PSIA	Poverty and social impact analysis
EFF	Extended Fund Facility	ROSC	Report on the Observance of Standards and Codes
EMS	European Monetary System	SAF	Structural Adjustment Facility
EMU	European Economic and Monetary Union	SARS	Severe acute respiratory syndrome
ERM	Exchange rate mechanism (of the EMS)	SCA-1	Special Contingent Account
ESAF	Enhanced Structural Adjustment Facility	SDDS	Special Data Dissemination Standard
EU	European Union	SDR	Special drawing right
FATF	Financial Action Task Force	SDRM	Sovereign debt restructuring mechanism
FCC	Forward commitment capacity	SGP	Stability and Growth Pact (of the EU)
FDI	Foreign direct investment	SMP	Staff-monitored program
FSAP	Financial Sector Assessment Program	S&P	Standard and Poor's
FSF	Financial Stability Forum	SRF	Supplemental Reserve Facility
FSLC	Financial Sector Liaison Committee	STF	Systemic Transformation Facility
FSRB	FATF-style regional body	UN	United Nations
FSSA	Financial System Stability Assessment	UNDP	United Nations Development Program
FY	Financial year	VAT	Value-added tax
GAB	General Arrangements to Borrow	WAEMU	West African Economic and Monetary Union
		WTO	World Trade Organization