



International Monetary Fund

FINANCIAL STATEMENTS

Quarter Ended
October 31, 2001

CONTENTS

PART ONE

FINANCIAL STATEMENTS OF THE INTERNATIONAL MONETARY FUND

	Page
I. FINANCIAL STATEMENTS OF THE GENERAL DEPARTMENT	
Balance Sheet	5
Income Statement	6
Statement of Changes in Resources	7
Statement of Cash Flows.....	8
Notes to the Financial Statements	9
Schedule 1--Quotas, Fund's Holdings of Currencies, Reserve Tranche Positions, and Members' Use of Resources.....	25
Schedule 2—Financial Resources and Liquidity Position in the General Resources Account	30
Schedule 3--Status of Arrangements.....	31
II. FINANCIAL STATEMENTS OF THE SDR DEPARTMENT	
Balance Sheet	35
Income Statement	36
Statement of Cash Flows.....	37
Notes to the Financial Statements	38
Schedule 1—Statement of Changes in SDR Holdings.....	44
Schedule 2--Allocations and Holdings of Participants.....	46

PART TWO

FINANCIAL STATEMENTS OF THE ACCOUNTS ADMINISTERED BY THE INTERNATIONAL MONETARY FUND

I. FINANCIAL STATEMENTS OF THE POVERTY REDUCTION AND GROWTH FACILITY TRUST	
Combined Balance Sheet	55
Combined Income Statement and Changes in Resources.....	56
Notes to the Financial Statements	57
Schedule 1--Schedule of Outstanding Loans	66
Schedule 2--Contributions to and Resources of the Subsidy Account	68

Schedule 3--Schedule of Borrowing Agreements.....	70
Schedule 4--Status of Loan Arrangements.....	72

CONTENTS

II.	FINANCIAL STATEMENTS OF THE POVERTY REDUCTION AND GROWTH FACILITY ADMINISTERED ACCOUNTS	
	Balance Sheets.....	75
	Income Statements and Changes in Resources	76
	Notes to the Financial Statements	77
III.	FINANCIAL STATEMENTS OF THE PRGF-HIPC TRUST AND RELATED ACCOUNTS	
	Combined Balance Sheet	87
	Combined Income Statement and Changes in Resources.....	88
	Notes to the Financial Statements	89
	Schedule 1--Schedule of Holdings, Interest, and Transfers	97
	Schedule 2--Contributions and Transfers	98
	Schedule 3—Schedule of Borrowings.....	100
	Schedule 4—Grants, Interest, and Disbursements	102
	Schedule 5—Cumulative Contributions and Transfers	103
IV.	FINANCIAL STATEMENTS OF ADMINISTERED ACCOUNTS ESTABLISHED AT THE REQUEST OF MEMBERSs	
	Balance Sheets.....	107
	Income Statements and Changes in Resources	108
	Notes to the Financial Statements	109
V.	FINANCIAL STATEMENTS OF THE RETIRED STAFF BENEFITS INVESTMENT ACCOUNT	
	Balance Sheet	121
	Income Statement and Changes in Resources.....	122
	Notes to the Financial Statements	123

PART ONE

**Financial Statements
of the
International Monetary Fund**

I. General Department

II. SDR Department

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

General Department
Balance Sheets
as at October 31, 2001 and 2000
(In thousands of SDRs)

	2001	2000		2001	2000
Assets			Liabilities and Resources		
Credit outstanding	53,479,836	39,581,345	Liabilities:		
Usable currencies	101,146,863	109,975,488	Remuneration payable	340,900	443,669
Other currencies	<u>54,505,492</u>	<u>55,551,403</u>	Other liabilities	173,439	182,092
Total currencies (Notes 3 and 4)	<u>209,132,191</u>	<u>205,108,236</u>	Special Contingent Account (Note 10)	<u>1,260,019</u>	<u>1,166,019</u>
SDR holdings	1,296,486	2,984,637	Total Liabilities	<u>1,774,358</u>	<u>1,791,780</u>
Gold holdings (Note 5)	5,851,771	5,851,771	Members' Resources:		
Receivables (Note 6)	553,842	652,086	Quotas, represented by:		
Other assets (Note 7 and 14)	806,608	626,742	Reserve tranche positions (Notes 2 and 4)	56,762,842	44,724,651
Assets of the Special Disbursement Account			Subscription payments: Usable	101,146,863	109,975,488
Investments (Note 8)	2,514,407	2,315,463	Other	<u>54,505,195</u>	<u>55,551,261</u>
Structural Adjustment Facility loans (Note 3)	386,462	466,137	Total quotas	212,414,900	210,251,400
Total Assets	<u>220,541,767</u>	<u>218,005,072</u>	Reserves of the General Resources Account	3,451,640	3,180,292
			Accumulated resources of the Special Disbursement Account	2,900,869	2,781,600
			Total Liabilities and Resources	<u>220,541,767</u>	<u>218,005,072</u>

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

General Department
Income Statements
for the Six Months Ended October 31, 2001 and 2000

(In thousands of SDRs)

	2001	2000
Operational Income		
Interest and charges (Note 6)	1,065,153	1,130,666
Interest on SDR holdings	25,240	58,195
Other charges and income	96,144	11,421
	<u>1,186,537</u>	<u>1,200,282</u>
Operational Expenses		
Remuneration and financing costs (Note 9)	701,250	887,182
Allocations to the Special Contingent Account	47,000	47,000
	<u>748,250</u>	<u>934,182</u>
Administrative Expenses (Note 13)	267,146	190,842
Net Income of the General Resources Account	<u>171,141</u>	<u>75,258</u>
Income of the Special Disbursement Account		
Investment income	108,479	59,574
Interest on SAF loans	626	644
Net Income of the Special Disbursement Account	<u>109,105</u>	<u>60,218</u>

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

General Department
Statements of Changes in Resources
for the Six Months Ended October 31, 2001 and 2000

(In thousands of SDRs)

	General Resources Account			Special Disbursement Account	
	Quotas	Reserves		Accumulated Resources	
		Special	General	Total	
Balance at April 30, 2000	210,251,400	2,178,382	926,652	3,105,034	2,767,727
Quota subscriptions	--	--	--	--	--
Net income of General Resources Account					
transferred to reserves	--	75,258	--	75,258	--
Net income of the Special Disbursement Account	--	--	--	--	60,218
Transfers from the SFF subsidy account	--	--	--	--	104
Transfers from the Trust Fund	--	--	--	--	131
Transfers to the PRGF Trust	--	--	--	--	(20,405)
Transfers to the PRGF-HIPC Trust	--	--	--	--	(26,175)
Balance at October 31, 2000	210,251,400	2,253,640	926,652	3,180,292	2,781,600
Balance at April 30, 2001	212,414,900	2,344,982	935,517	3,280,499	2,838,454
Quota subscriptions	--	--	--	--	--
Net income of General Resources Account					
transferred to reserves	--	77,401	93,740	171,141	--
Net income of the Special Disbursement Account	--	--	--	--	109,105
Transfers from the Trust Fund	--	--	--	--	144
Transfers from the SFF subsidy account	--	--	--	--	102
Transfers to the PRGF Trust	--	--	--	--	(16,386)
Transfers to the PRGF-HIPC Trust	--	--	--	--	(30,550)
Balance at October 31, 2001	212,414,900	2,422,383	1,029,257	3,451,640	2,900,869

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

General Department
Statements of Cash Flows
for the Six Months Ended October 31, 2001 and 2000

(In thousands of SDRs)

	2001	2000
<hr/>		
Usable currencies and SDRs from operating activities		
Net income of the General Resources Account	77,401	75,258
Net income of the Special Disbursement Account	109,105	60,218
Adjustments to reconcile net income		
to usable resources generated by operations		
Changes in receivables and other assets	(102,845)	(26,271)
Changes in remuneration payable and other liabilities	(27,825)	(15,679)
Allocation to the Special Contingent Account	47,000	47,000
Net usable currencies and SDRs provided by operating activities	<u>102,836</u>	<u>140,526</u>
 Usable currencies and SDRs from investment activities		
Net acquisition of investments by the Special Disbursement Account	(108,479)	(59,374)
Net usable currencies and SDRs provided/(used) by investment activities	<u>(108,479)</u>	<u>(59,374)</u>
 Usable currencies and SDRs generated/(absorbed) in providing credit to members		
Purchases in currencies and SDRs, including reserve tranche purchases	(17,671,498)	(1,590,681)
Repurchases in currencies and SDRs	6,405,224	5,881,027
Repayments of Structural Adjustment Facility loans	46,064	45,501
Net usable currencies and SDRs generated/(absorbed) in providing credit to members	<u>(11,220,210)</u>	<u>4,335,847</u>
 Usable currencies and SDRs from financing activities		
Changes in composition of usable currencies	1,530,980	365,299
Transfers to the PRGF Trust, PRGF-HIPC Trust, and other accounts	(46,690)	(46,345)
Net usable currencies and SDRs provided by financing activities	<u>1,484,290</u>	<u>318,954</u>
Net increase in usable currencies and SDRs	(9,741,563)	4,735,953
Usable currencies and SDRs, beginning of period	112,091,172	108,224,172
Usable currencies and SDRs, end of period	<u><u>102,349,609</u></u>	<u><u>112,960,125</u></u>

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

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

1. Purpose and Organization

The IMF is an international organization of 183 member countries. It was established, among other purposes, to promote international monetary cooperation and exchange stability and to maintain orderly exchange arrangements among members; to foster economic growth and high levels of employment; and to provide temporary financial assistance to 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 never 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 and the IMF. 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. 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, 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.

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

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.

In financial year 2001, the IMF elected early adoption of IAS 39, *Financial Instruments: Recognition and Measurement*. The adoption of IAS 39 had no material effect on the IMF's financial statements.

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 value of the SDR in terms of U.S. dollars on the last business day prior to the change (December 29, 2000) was identical under both valuation baskets. The currencies in the basket and their amounts were as follows:

Currency	Amount	
	October 31, 2000	October 31, 2001
Euro		0.426
Euro (Germany)	0.228	
Euro (France)	0.1239	
Japanese yen	27.2	21.0
Pound sterling	0.105	0.0984
U.S. dollar	0.5821	0.577

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

As of October 31, 2001, one SDR was equal to 1.27808 U.S. dollars (one SDR was equal to 1.27934 U.S. dollars as of October 31, 2000).

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 within specified periods by payments in SDRs or other currencies, as determined by the IMF. 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 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 generates compensating income equal to unpaid and deferred charges, excluding special charges, by adjustments to 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 amounts are therefore not presented as liabilities. In view of protracted overdue repurchase obligations, the IMF also accumulates precautionary balances in the first Special Contingent Account (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 nonnegotiable and non-interest-bearing securities for the IMF's holdings of its currency that exceeds $\frac{1}{4}$ 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 and SDRs. One exception was the quota increase of 1978, which was paid entirely in members' own currencies.

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

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.

Valuation of Currencies

Currencies and 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, including securities, 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 are revalued in terms of the SDR at the end of the IMF's financial year.

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 France, Germany, 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, 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

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

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 on the specific identification method (see Note 5).

SAF Loans in the Special Disbursement Account

SAF loans in the SDA are valued 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.

Investments in the Special Disbursement Account

The resources of the SDA are invested pending their use. Investments are made in debt securities, medium-term instruments, which are fixed-income securities, and fixed-term deposits, either directly or by participation in an investment pool. Investments are marked to fair value on the last business day of the accounting period. 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.

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

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 it may draw on the reserve tranche at any time when it represents that it has a need. Reserve tranche purchases are not considered a use of IMF credit and are not subject to repurchase obligations or charges.

Reserves

The IMF determines annually what part of its net income will be retained and placed in 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. The IMF has decided that for financial year 2002, net operational income generated by the surcharges on purchases under the Supplemental Reserve Facility (SRF) and the Contingent Credit Lines (CCL) and the surcharges on purchases in the credit tranches and under the Extended Fund Facility, after meeting the expenses of conducting the PRGF Trust, would be transferred to the General 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 2002, the basic rate of charge was 117.6 percent 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 the six months ended October 31, 2001 was 4.05 percent (for the six months ended October 31, 2000 the average rate was 5.46 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 Contingent Credit Lines (CCL). In addition, credit outstanding in excess of 200 percent of quota, resulting from purchases after November 28, 2000 (other than the use 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 obligations 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

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

share of the nonpayment of charges and additions to the SCA-1. The average adjusted rate of remuneration for the six months ended October 31, 2001 was 3.17 percent (4.39 percent for the six months ended October 31, 2000). A portion of the reserve tranche is unremunerated. This portion is equal to 25 percent of the member's quota on April 1, 1978—that part of the quota that was paid in gold prior to the Second Amendment of the 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 October 31, 2001 and 2000, 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. In financial year 2000, the IMF adopted International Accounting Standard 19 on employee benefits.

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.

3. Credit Outstanding

Changes in the outstanding use of IMF credit under the various facilities of the GRA during the six months ended October 31, 2001 were as follows:

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

	April 30, 2001	Purchases	Repurchases	October 31, 2001
<i>In millions of SDRs</i>				
Regular facilities	16,706	6,670	3,754	19,622
Extended Fund Facility	15,957	683	623	16,017
Supplemental Reserve Facility	4,085	10,313	--	14,398
Systemic Transformation Facility	1,933	--	311	1,622
Enlarged Access	430	--	71	359
Compensatory and Contingency Financing Facility	2,992	--	1,636	1,356
Supplementary Financing Facility	116	--	10	106
Total credit outstanding	<u>42,219</u>	<u>17,666</u>	<u>6,405</u>	<u>53,480</u>

As of October 31, 2001 and 2000, SDA loans and interest receivable, computed at 0.5 percent per annum, consisted of the following:

	2001	2000
<i>In millions of SDRs</i>		
Structural Adjustment Facility loans	386	466
Interest accrued	8	7
Less: interest deferred	(8)	(7)
	<u>386</u>	<u>466</u>

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

Scheduled repurchase obligations in the GRA and repayments of SAF loans in the SDA as of October 31, 2001 are summarized below:

Financial Year Ending April 30	General Resources Account	Special Disbursement Account
<i>In millions of SDRs</i>		
2002	5,738	45
2003	19,381	62
2004	9,399	51
2005	8,526	40
2006	3,882	36
2007 and beyond	5,687	--
Overdue	867	152
	-----	----
Total	<u>53,480</u>	<u>386</u>

As of October 31, 2001 and 2000, use of credit in the GRA by the largest users was as follows:

	2001		2000	
	<i>In millions of SDRs and as a percent of total GRA credit outstanding</i>			
Largest user of credit	11,208	21.0%	9,196	23.2%
Three largest users of credit	28,524	53.3%	21,976	55.5%
Five largest users of credit	41,732	78.0%	26,877	67.9%

Overdue Obligations

At October 31, 2001, seven members (as of October 31, 2000, six members and the Federal Republic of Yugoslavia (Serbia/Montenegro)) were six months or more overdue in settling their financial obligations to the IMF. Five 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 to the General Department were as follows:

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

	Repurchases and SAF Loans		Charges and SAF Interest	
	2001	2000	2001	2000
	<i>In millions of SDRs</i>			
Total overdue	1,018	1,087	1,039	1,013
Overdue for six months or more	1,000	1,087	1,016	988
Overdue for three years or more	976	1,053	909	876

The type and duration of these arrears as of October 31, 2001, were as follows:

	Repurchases and SAF Loans	Charges and SAF Interest	Total Obligation	Longest Overdue Obligation
	<i>In millions of SDRs</i>			
Congo, Democratic Republic of	300	80	380	May 1991
Liberia	201	237	438	May 1985
Somalia	106	90	196	July 1987
Sudan	387	630	1,017	July 1985
Zimbabwe	<u>24</u>	<u>2</u>	<u>26</u>	February 2001
Total	<u>1,018</u>	<u>1,039</u>	<u>2,057</u>	

4. Currencies

Changes in the IMF's holdings of members' currencies for the six months ended October 31, 2001 were as follows:

	April 30, 2001	Net Change	October 31, 2001
	<i>In millions of SDRs</i>		
Members' quotas	212,415	--	212,415
Members' outstanding use of IMF credit in the GRA	42,219	11,261	53,480
Members' reserve tranche positions in the GRA	(46,733)	(10,030)	(56,763)
Administrative currency balances	3	(3)	--
Currencies	<u>207,904</u>	<u>1,228</u>	<u>209,132</u>

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

Receivables and payables arising from valuation adjustments at October 31, 2001, amounted to SDR 6,373 million and SDR 438 million, respectively (SDR 6,038 million and SDR 2,829 million, respectively, at October 31, 2000). Settlements of these receivables or payables are required to be made promptly.

Other currency holdings, other than those resulting from the use of credit or usable currencies, amounted to SDR 54,505 million (SDR 55,551 million as of October 31, 2000); of this amount SDR 31,334 million (SDR 32,481 million as of October 31, 2000) represents currencies of members that use IMF credit.

5. Gold Holdings

During the financial year ended April 30, 2000, the IMF sold 12,944,253 fine ounces of gold at market prices to members with repurchase obligations falling due to the IMF. The same amount of gold, also valued at market price, was accepted in repurchase obligations. Proceeds in excess of the carrying value of gold, amounting to SDR 2,226 million, were placed in the SDA and subsequently invested. Income from investments will be transferred on an "as needed" basis to a separate subaccount of the PRGF-HIPC Trust to finance the HIPC initiative.

At October 31, 2001 and October 31, 2000, the IMF held 3,217,341 kilograms of gold, equal to 103,439,916 fine ounces of gold, at designated depositories. As of October 31, 2001, the value of the IMF's holdings of gold calculated at the market price was SDR 22.6 billion (SDR 21.4 billion at October 31, 2000).

6. Interest and Charges

As of October 31, 2001, the total holdings on which the IMF levies charges amounted to SDR 53,480 million (SDR 39,637 million as of October 31, 2000). Charges and other receivables due to the IMF as of October 31, 2001 and October 31, 2000 were as follows:

	2001	2000
	<i>In millions of SDRs</i>	
Periodic charges due	1,583	1,585
<i>Less: deferred income</i>	<u>(1,040)</u>	<u>(1,020)</u>
	543	565
Other receivables	<u>11</u>	<u>87</u>
Receivables	<u>554</u>	<u>652</u>

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

Periodic charges for the months ended October 31, 2001 and 2000 consisted of the following:

	2001	2000
	<i>In millions of SDRs</i>	
Periodic charges	1,051	1,120
<i>Add:</i> adjustments for deferred charges, net of refunds, and for contributions to the SCA-1	34	37
<i>Less:</i> income deferred, net of settlements	<u>(20)</u>	<u>(26)</u>
Total periodic charges	<u>1,065</u>	<u>1,131</u>

7. Fixed Assets

Other assets include capital assets, which at October 31, 2001 and 2000 amounted to SDR 225 million and SDR 222 million, respectively, and consisted of:

	2001	2000
	<i>In millions of SDRs</i>	
Land and buildings	313	304
Equipment	48	41
	---	---
Total fixed assets	361	345
<i>Less:</i> accumulated depreciation	<u>(136)</u>	<u>(123)</u>
Net fixed assets	<u>225</u>	<u>222</u>

8. Investments of the Special Disbursement Account

As of October 31, the investments consisted of the following:

	2001	2000
	<i>In millions of SDRs</i>	
Medium-term instruments	2,510	1,549
Debt securities	--	762
Fixed-term deposits	<u>4</u>	<u>4</u>
Total	<u>2,514</u>	<u>2,315</u>

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

As of October 31, 2001, the maturity profile of the investments, which were all in fixed income instruments, is summarized below:

	2001	2000
	<i>In millions of SDRs</i>	
Less than 1 year	19	89
1-3 years	2,397	2,121
3-5 years	98	105
Over 5 years	<u>--</u>	<u>--</u>
Total	<u>2,514</u>	<u>2,315</u>

Investment income for the six months ended October 31, 2001 and 2000 included the following:

	2001	2000
	<i>In millions of SDRs</i>	
Interest income	56	60
Realized and unrealized gains (losses)	<u>52</u>	<u>--</u>
Net investment income	<u>108</u>	<u>60</u>

9. Remuneration and Financing Costs

At October 31, 2001, total creditor positions on which the IMF paid remuneration amounted to SDR 50,206 million (SDR 38,211 million at October 31, 2000). Remuneration and financing costs for the six months ended October 31, 2001 and 2000 consisted of the following:

	2001	2000
	<i>In millions of SDRs</i>	
Remuneration	736	923
<i>Less:</i> adjustments for deferred charges net of refunds, and for contributions to the SCA-1	<u>(35)</u>	<u>(36)</u>
	<u>701</u>	<u>887</u>

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

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 charges and repurchases, or at such earlier time as the IMF may decide. At October 31, 2001, the balances held in the SCA-1 amounted to SDR 1,260 million (SDR 1,166 million at October 31, 2000).

The 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 852 million at October 31, 2001 (SDR 831 million at October 31, 2000). 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 993 million (SDR 971 million at October 31, 2000).

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 extended through December 25, 2003. Interest on borrowings under the GAB is calculated at 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.

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. At October 31, 2001, the undrawn balances under the 20 arrangements that were in effect in the GRA amounted to SDR 28,239 million (SDR 26,743 million under 26 arrangements at October 31, 2000).

The IMF has committed to lease commercial office space through 2005. Expenditures totaling SDR 45 million will be incurred over this five-year period.

General Department

Notes to the Financial Statements as at October 31, 2001 and 2000

13. Administrative Expenses

The administrative expenses for the six months ended October 31, 2001 and 2000 were as follows:

	2001	2000
	<i>In millions of SDRs</i>	
Personnel	172	109
Travel	34	36
Other	62	48
Less: reimbursements for the administration of the SDR Department	(1)	(2)
	—	—
Total administrative expenses, net of reimbursements	<u>267</u>	<u>191</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 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.

14. Pension and Other Post-Retirement Benefits

The IMF has established 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 and life insurance benefits. The IMF established a separate account, the Retired Staff Benefits Investment Account (RSBIA), where resources are held and invested to fund part of the cost of these other post-retirement benefits.

On March 23, 2001, the RSBIA was amended to include the funding and administration of all existing long-term benefits, other than pension benefits for regular staff, including separation and repatriation benefits, accrued annual leave up to 60 days, payments in lieu of pension for contractual employees, and associated tax allowances.

General Department

**Notes to the Financial Statements
as at October 31, 2001 and 2000**

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, 2001. The key assumptions used are as disclosed below. The present value of the defined benefit obligation and current service cost was calculated using the Projected Unit Credit Method.

The amounts recognized in the income statements are as follows:

	2001	2000
	<i>(in millions of SDRs)</i>	
Current service cost	58	45
Interest cost	93	90
Expected return on assets	(147)	(159)
Net actuarial (gain)/loss	<u>(1)</u>	<u>(21)</u>
Total expense/(gain) recognized in income statement	<u>3</u>	<u>(45)</u>

Principal actuarial assumptions used:

	2001	2000
	<i>(Percentage)</i>	
Discount rate	7.5	8.0
Expected return on plan assets	9.3	9.3
Future salary increases	6.6-11.0	6.6-11.0
Health care growth rates		
End of financial year	8.5	8.5

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at October 31, 2001

(In thousands of SDRs)

Member	General Resources Account				Use of Resources				
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		PRGF		
		Total	Percent of quota		Amount	Percent	SDA 2/ +	Trust 3/ =	Total 4/ (D)
Afghanistan, Islamic State of	120,400	115,488	95.9	4,928	--	--	--	--	--
Albania	48,700	50,866	104.4	3,355	5,516	0.01	--	62,547	68,063
Algeria	1,254,700	2,404,770	191.7	85,082	1,235,147	2.31	--	--	1,235,147
Angola	286,300	286,445	100.1	--	--	--	--	--	--
Antigua and Barbuda	13,500	13,499	100.0	1	--	--	--	--	--
Argentina	2,117,100	13,325,267	629.4	--	11,208,138	20.96	--	--	11,208,138
Armenia, Republic of	92,000	113,098	122.9	--	21,094	0.04	--	117,662	138,756
Australia	3,236,400	2,232,260	69.0	1,004,162	--	--	--	--	--
Austria	1,872,300	1,311,385	70.0	560,840	--	--	--	--	--
Azerbaijan	160,900	310,211	192.8	10	149,311	0.28	--	89,950	239,261
Bahamas, The	130,300	124,063	95.2	6,239	--	--	--	--	--
Bahrain	135,000	68,295	50.6	66,710	--	--	--	--	--
Bangladesh	533,300	631,244	118.4	186	98,125	0.18	--	25,875	124,000
Barbados	67,500	62,794	93.0	4,715	--	--	--	--	--
Belarus, Republic of	386,400	450,658	116.6	20	64,258	0.12	--	--	64,258
Belgium	4,605,200	2,942,444	63.9	1,662,784	--	--	--	--	--
Belize	18,800	14,562	77.5	4,239	--	--	--	--	--
Benin	61,900	59,721	96.5	2,188	--	--	2,450	56,449	58,899
Bhutan	6,300	5,280	83.8	1,020	--	--	--	--	--
Bolivia	171,500	162,638	94.8	8,875	--	--	--	171,830	171,830
Bosnia and Herzegovina	169,100	260,495	154.0	--	91,390	0.17	--	--	91,390
Botswana	63,000	40,733	64.7	22,277	--	--	--	--	--
Brazil	3,036,100	9,670,710	318.5	--	6,633,933	12.40	--	--	6,633,933
Brunei Darussalam	150,000	114,727	76.5	35,285	--	--	--	--	--
Bulgaria	640,200	1,521,526	237.7	32,778	914,085	1.71	--	--	914,085
Burkina Faso	60,200	52,975	88.0	7,225	--	--	8,216	81,328	89,544
Burundi	77,000	76,641	99.5	360	--	--	--	3,655	3,655
Cambodia	87,500	89,584	102.4	--	2,083	--	--	62,828	64,911
Cameroon	185,700	185,169	99.7	532	--	--	--	193,960	193,960
Canada	6,369,200	3,991,252	62.7	2,377,969	--	--	--	--	--
Cape Verde	9,600	9,598	100.0	2	--	--	--	--	--
Central African Republic	55,700	55,592	99.8	111	--	--	--	24,480	24,480
Chad	56,000	55,719	99.5	282	--	--	--	71,708	71,708
Chile	856,100	600,253	70.1	255,847	--	--	--	--	--
China	6,369,200	4,298,853	67.5	2,070,393	--	--	--	--	--
Colombia	774,000	488,202	63.1	285,803	--	--	--	--	--
Comoros	8,900	8,362	93.9	540	--	--	675	--	675
Congo, Democratic Republic of	291,000	448,109	154.0	--	157,109	0.29	142,910	--	300,019
Congo, Republic of	84,600	101,893	120.4	536	17,815	0.03	--	13,896	31,711
Costa Rica	164,100	144,113	87.8	20,000	--	--	--	--	--

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at October 31, 2001

(In thousands of SDRs)

Member	General Resources Account				Use of Resources						
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		SDA 2/		PRGF		Total 4/
		Total	Percent of quota		Amount	Percent	+ (B)	+ (C)	= (D)		
										(A)	
Côte d'Ivoire	325,200	324,893	99.9	311	--	--	--	391,839	--	391,839	
Croatia, Republic of	365,100	462,175	126.6	159	97,232	0.18	--	--	--	97,232	
Cyprus	139,600	104,238	74.7	35,369	--	--	--	--	--	--	
Czech Republic	819,300	746,858	91.2	72,451	--	--	--	--	--	--	
Denmark	1,642,800	1,145,093	69.7	497,709	--	--	--	--	--	--	
Djibouti	15,900	18,341	115.4	1,100	3,541	0.01	--	5,452	--	8,993	
Dominica	8,200	8,192	99.9	9	--	--	--	--	--	--	
Dominican Republic	218,900	258,599	118.1	3	39,700	0.07	--	--	--	39,700	
Ecuador	302,300	436,295	144.3	17,153	151,146	0.28	--	--	--	151,146	
Egypt	943,700	823,643	87.3	120,075	--	--	--	--	--	--	
El Salvador	171,300	171,303	100.0	--	--	--	--	--	--	--	
Equatorial Guinea	32,600	32,609	100.0	--	--	--	1,880	604	--	2,484	
Eritrea	15,900	15,900	100.0	5	--	--	--	--	--	--	
Estonia, Republic of	65,200	75,851	116.3	6	10,656	0.02	--	--	--	10,656	
Ethiopia	133,700	126,587	94.7	7,123	--	--	21,900	64,252	--	86,152	
Fiji	70,300	55,307	78.7	15,000	--	--	--	--	--	--	
Finland	1,263,800	880,533	69.7	383,331	--	--	--	--	--	--	
France	10,738,500	6,786,467	63.2	3,952,084	--	--	--	--	--	--	
Gabon	154,300	218,826	141.8	179	64,698	0.12	--	--	--	64,698	
Gambia, The	31,100	29,618	95.2	1,485	--	--	--	17,175	--	17,175	
Georgia	150,300	184,988	123.1	10	34,688	0.06	--	187,275	--	221,963	
Germany	13,008,200	8,288,552	63.7	4,719,664	--	--	--	--	--	--	
Ghana	369,000	369,004	100.0	--	--	--	--	246,205	--	246,205	
Greece	823,000	570,476	69.3	252,526	--	--	--	--	--	--	
Grenada	11,700	11,701	100.0	--	--	--	--	--	--	--	
Guatemala	210,200	210,206	100.0	--	--	--	--	--	--	--	
Guinea	107,100	107,026	99.9	75	--	--	--	101,847	--	101,847	
Guinea-Bissau	14,200	17,750	125.0	-- 5/	3,550	0.01	--	15,108	--	18,658	
Guyana	90,900	90,902	100.0	--	--	--	5,658	75,566	--	81,224	
Haiti	60,700	75,821	124.9	56	15,175	0.03	--	15,175	--	30,350	
Honduras	129,500	168,374	130.0	8,627	47,500	0.09	--	128,640	--	176,140	
Hungary	1,038,400	777,447	74.9	260,954	--	--	--	--	--	--	
Iceland	117,600	99,023	84.2	18,580	--	--	--	--	--	--	
India	4,158,200	3,669,489	88.2	488,776	--	--	--	--	--	--	
Indonesia	2,079,300	9,552,434	459.4	145,479	7,618,612	14.25	--	--	--	7,618,612	
Iran, Islamic Republic of	1,497,200	1,497,204	100.0	--	--	--	--	--	--	--	
Iraq	504,000	504,013	100.0	--	--	--	--	--	--	--	
Ireland	838,400	558,061	66.6	280,356	--	--	--	--	--	--	
Israel	928,200	795,848	85.7	132,359	--	--	--	--	--	--	
Italy	7,055,500	4,415,617	62.6	2,639,883	--	--	--	--	--	--	

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at October 31, 2001

(In thousands of SDRs)

Member	General Resources Account				Use of Resources					
	IMF's holdings of currencies 1/			Reserve tranche position	GRA		PRGF			Total 4/
	Quota	Total	Percent of quota		Amount	Percent	SDA 2/	Trust 3/	Total 4/	
				(A)						+
Jamaica	273,500	309,779	113.3	--	36,229	0.07	--	--	--	36,229
Japan	13,312,800	8,287,650	62.3	5,025,975	--	--	--	--	--	--
Jordan	170,500	524,092	307.4	52	353,642	0.66	--	--	--	353,642
Kazakhstan, Republic of	365,700	365,700	100.0	5	--	--	--	--	--	--
Kenya	271,400	258,910	95.4	12,496	--	--	--	85,663	--	85,663
Kiribati	5,600	5,601	100.0	--	--	--	--	--	--	--
Korea	1,633,600	1,424,776	87.2	208,831	--	--	--	--	--	--
Kuwait	1,381,100	964,376	69.8	416,724	--	--	--	--	--	--
Kyrgyz Republic	88,800	99,550	112.1	5	10,750	0.02	--	123,187	--	133,937
Lao People's Democratic Republic	52,900	52,900	100.0	--	--	--	1,172	30,923	--	32,095
Latvia, Republic of	126,800	147,734	116.5	55	20,969	0.04	--	--	--	20,969
Lebanon	203,000	184,168	90.7	18,833	--	--	--	--	--	--
Lesotho	34,900	31,365	89.9	3,539	--	--	--	12,134	--	12,134
Liberia	71,300	272,372	382.0	28	201,091	0.38	--	--	--	224,028
Libya	1,123,700	728,206	64.8	395,505	--	--	--	--	--	--
Lithuania, Republic of	144,200	267,955	185.8	16	123,769	0.23	--	--	--	123,769
Luxembourg	279,100	200,181	71.7	78,946	--	--	--	--	--	--
Macedonia, former Yugoslav Republic of	68,900	97,264	141.2	--	28,362	0.05	--	29,004	--	57,366
Madagascar	122,200	122,174	100.0	27	--	--	--	90,027	--	90,027
Malawi	69,400	67,166	96.8	2,236	--	--	--	58,663	--	58,663
Malaysia	1,486,600	878,450	59.1	608,156	--	--	--	--	--	--
Maldives	8,200	6,646	81.1	1,554	--	--	--	--	--	--
Mali	93,300	84,468	90.5	8,835	--	--	3,048	127,234	--	130,282
Malta	102,000	61,746	60.5	40,260	--	--	--	--	--	--
Marshall Islands	2,500	2,500	100.0	1	--	--	--	--	--	--
Mauritania	64,400	64,406	100.0	--	--	--	1,023	76,987	--	78,010
Mauritius	101,600	87,132	85.8	14,474	--	--	--	--	--	--
Mexico	2,585,800	2,585,438	100.0	375	--	--	--	--	--	--
Micronesia, Federated States of	5,100	5,100	100.0	1	--	--	--	--	--	--
Moldova, Republic of	123,200	223,825	181.7	5	100,625	0.19	--	18,480	--	119,105
Mongolia	51,100	51,049	99.9	56	--	--	--	38,759	--	38,759
Morocco	588,200	517,761	88.0	70,441	--	--	--	--	--	--
Mozambique	113,600	113,600	100.0	7	--	--	--	163,195	--	163,195
Myanmar	258,400	258,402	100.0	--	--	--	--	--	--	--
Namibia	136,500	136,463	100.0	38	--	--	--	--	--	--
Nepal	71,300	65,557	91.9	5,746	--	--	--	6,714	--	6,714
Netherlands	5,162,400	3,290,745	63.7	1,871,664	--	--	--	--	--	--
New Zealand	894,600	613,968	68.6	280,636	--	--	--	--	--	--
Nicaragua	130,000	130,010	100.0	--	--	--	--	127,332	--	127,332
Niger	65,800	57,240	87.0	8,561	--	--	--	65,220	--	65,220

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at October 31, 2001

(In thousands of SDRs)

Member	General Resources Account				Use of Resources					
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		PRGF			Total 4/ (D)
		Total	Percent of quota		Amount	Percent	SDA 2/ (B)	Trust 3/ (C)	=	
(A)	+	(D)								
Nigeria	1,753,200	1,753,122	100.0	143	--	--	--	--	--	--
Norway	1,671,700	1,162,028	69.5	509,697	--	--	--	--	--	--
Oman	194,000	128,196	66.1	65,871	--	--	--	--	--	--
Pakistan	1,033,700	2,040,418	197.4	114	1,006,831	1.88	10,926	358,580		1,376,337
Palau	3,100	3,100	100.0	1	--	--	--	--	--	--
Panama	206,600	240,552	116.4	11,860	45,800	0.09	--	--		45,800
Papua New Guinea	131,600	217,109	165.0	286	85,790	0.16	--	--		85,790
Paraguay	99,900	78,428	78.5	21,475	--	--	--	--		--
Peru	638,400	946,230	148.2	--	307,797	0.58	--	--		307,797
Philippines	879,900	2,348,901	267.0	87,182	1,556,180	2.91	--	--		1,556,180
Poland, Republic of	1,369,000	1,082,164	79.0	286,836	--	--	--	--		--
Portugal	867,400	608,097	70.1	259,305	--	--	--	--		--
Qatar	263,800	182,273	69.1	81,527	--	--	--	--		--
Romania	1,030,200	1,309,443	127.1	--	279,237	0.52	--	--		279,237
Russian Federation	5,945,400	12,517,910	210.5	1,034	6,573,527	12.29	--	--		6,573,527
Rwanda	80,100	86,063	107.4	--	5,950	0.01	--	61,880		67,830
St. Kitts and Nevis	8,900	10,445	117.4	82	1,625	--	--	--		1,625
St. Lucia	15,300	15,300	100.0	1	--	--	--	--		--
St. Vincent and the Grenadines	8,300	7,800	94.0	500	--	--	--	--		--
Samoa	11,600	10,918	94.1	683	--	--	--	--		--
San Marino, Republic of	17,000	12,900	75.9	4,101	--	--	--	--		--
São Tomé and Príncipe	7,400	7,403	100.0	--	--	--	--	1,902		1,902
Saudi Arabia	6,985,500	4,868,921	69.7	2,116,583	--	--	--	--		--
Senegal	161,800	160,386	99.1	1,415	--	--	277	205,320		205,597
Seychelles	8,800	8,800	100.0	1	--	--	--	--		--
Sierra Leone	103,700	103,685	100.0	24	--	--	13,510	109,114		122,624
Singapore	862,500	591,674	68.6	270,844	--	--	--	--		--
Slovak Republic	357,500	357,505	100.0	--	--	--	--	--		--
Slovenia, Republic of	231,700	167,544	72.3	64,162	--	--	--	--		--
Solomon Islands	10,400	9,867	94.9	543	--	--	--	--		--
Somalia	44,200	140,907	318.8	--	96,701	0.18	8,840	--		112,004
South Africa	1,868,500	1,868,172	100.0	336	--	--	--	--		--
Spain	3,048,900	2,148,115	70.5	900,798	--	--	--	--		--
Sri Lanka	413,400	468,989	113.4	47,785	103,350	0.19	--	72,800		176,150
Sudan	169,700	556,784	328.1	11	387,063	0.73	--	--		446,291
Suriname	92,100	85,975	93.4	6,125	--	--	--	--		--
Swaziland	50,700	44,154	87.1	6,552	--	--	--	--		--
Sweden	2,395,500	1,678,999	70.1	716,506	--	--	--	--		--
Switzerland	3,458,500	2,216,185	64.1	1,242,333	--	--	--	--		--
Syrian Arab Republic	293,600	293,603	100.0	5	--	--	--	--		--

General Department
Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions,
and Members' Use of Resources
as at October 31, 2001

(In thousands of SDRs)

Member	General Resources Account				Use of Resources					
	Quota	IMF's holdings of currencies 1/		Reserve tranche position	GRA		SDA 2/ +	PRGF		Total 4/
		Total	Percent of quota		Amount	Percent		Trust 3/ =	Total 4/	
Tajikistan, Republic of	87,000	97,313	111.9	2	10,313	0.02	--	78,280	88,593	
Tanzania	198,900	188,932	95.0	9,975	--	--	--	277,640	277,640	
Thailand	1,081,900	2,694,395	249.0	20	1,612,500	3.02	--	--	1,612,500	
Togo	73,400	73,103	99.6	300	--	--	--	48,234	48,234	
Tonga	6,900	5,197	75.3	1,710	--	--	--	--	--	
Trinidad and Tobago	335,600	311,036	92.7	24,566	--	--	--	--	--	
Tunisia	286,500	266,338	93.0	20,167	--	--	--	--	--	
Turkey	964,000	10,548,768	1,094.3	112,775	9,697,540	18.13	--	--	9,697,540	
Turkmenistan, Republic of	75,200	75,200	100.0	5	--	--	--	--	--	
Uganda	180,500	180,507	100.0	--	--	--	--	229,122	229,122	
Ukraine	1,372,000	2,922,492	213.0	3	1,550,492	2.90	--	--	1,550,492	
United Arab Emirates	611,700	433,176	70.8	178,525	--	--	--	--	--	
United Kingdom	10,738,500	6,956,220	64.8	3,782,357	--	--	--	--	--	
United States	37,149,300	23,229,442	62.5	13,917,004	--	--	--	--	--	
Uruguay	306,500	385,032	125.6	35,675	114,200	0.21	--	--	114,200	
Uzbekistan, Republic of	275,600	342,100	124.1	5	66,500	0.12	--	--	66,500	
Vanuatu	17,000	14,506	85.3	2,496	--	--	--	--	--	
Venezuela, República Bolivariana de	2,659,100	2,349,368	88.4	321,900	12,167	0.02	--	--	12,167	
Vietnam	329,100	339,167	103.1	5	10,067	0.02	--	246,760	256,827	
Yemen, Republic of	243,500	303,881	124.8	13	60,391	0.11	--	238,750	299,141	
Yugoslavia, Federal Republic of (Serbia/Montenegro)	467,700	684,639	146.4	--	216,925	0.41	--	--	216,925	
Zambia	489,100	489,101	100.0	18	--	--	163,575	651,453	815,028	
Zimbabwe	353,400	472,030	133.6	327	118,955	0.24	--	90,071	209,026	
Total	212,414,900	209,132,191		56,762,842	53,479,836	100.00	386,060	5,948,734	59,903,258	

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

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

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

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

5/ Less than SDR 500.

General Department
Financial Resources and Liquidity Position
in the General Resources Account
as at October 31, 2001 and 2000

(In thousands of SDRs)

	2001	2000
Total Resources		
Currencies	209,132,191	205,108,236
SDR holdings	1,296,486	2,984,637
Gold holdings	5,851,771	5,851,771
Sundry assets, net of sundry liabilities ^{1/}	846,111	653,067
Total resources	<u>217,126,559</u>	<u>214,597,711</u>
Less: Non-Usable Resources ^{2/}	<u>114,683,210</u>	<u>101,637,586</u>
Equals: Usable Resources ^{3/}	<u>102,443,349</u>	<u>112,960,125</u>
Resources Committed and Working Balances		
Undrawn balances under arrangements ^{4/}	23,875,963	16,306,488
Minimum working balances ^{4/}	15,466,430	15,120,910
Resources committed and working balances	<u>39,342,393</u>	<u>31,427,398</u>
Net Uncommitted Usable Resources ^{5/}	<u><u>63,100,956</u></u>	<u><u>81,532,727</u></u>
Liquid Liabilities		
Reserve tranche positions ^{6/}	<u>56,762,842</u>	<u>44,724,651</u>
Liquidity Ratio ^{7/}	111.2%	182.3%
Memorandum Item		
Resources available under borrowing arrangements	34,000,000	34,000,000

^{1/} Sundry assets, net of sundry liabilities, reflect current assets (charges, interest, and other receivables) and other assets (which include capital assets such as land, buildings, and equipment), net of sundry liabilities (remuneration payable and other liabilities).

^{2/} 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) sundry assets, net of sundry liabilities.

^{3/} 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.

^{4/} Amounts committed under arrangements, which reflect undrawn balances committed under operative Stand-By and Extended Arrangements, other than precautionary arrangements, are deducted from the total of usable resources, as are one-half of the amounts committed under precautionary arrangements. The Executive Board has decided that the minimum working balances be set at 10 percent of the quotas of members deemed sufficiently strong for their currencies to be used in operations and transactions.

^{5/} Net uncommitted usable resources are defined as usable resources less resources committed under arrangements and minimum working balances, as described above. The amount represents the resources available to meet requests for use of IMF credit under new credit arrangements and for members' use of their reserve positions in the IMF.

^{6/} 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. The IMF cannot challenge a request by a member to draw on its reserve position, and the IMF must therefore at all times be in a position to meet such requests.

^{7/} 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 October 31, 2001**

(In thousands of SDRs)

Member	Date of Arrangement	Expiration	Total Amount Agreed	Undrawn Balance
General Resources Account				
Stand-By Arrangements				
Argentina	March 10, 2000	March 9, 2003	16,936,800 1/	7,180,490
Brazil	September 14, 2001	December 13, 2002	12,144,400 2/	8,468,817
Croatia, Republic of	March 19, 2001	May 18, 2002	200,000	200,000
Ecuador	April 19, 2000	December 31, 2001	226,730	75,584
Gabon	October 23, 2000	April 22, 2002	92,580	79,360
Latvia, Republic of	April 20, 2001	December 19, 2002	33,000	33,000
Lithuania, Republic of	August 30, 2001	March 29, 2003	86,520	86,520
Panama	June 30, 2000	March 29, 2002	64,000	64,000
Peru	March 12, 2001	March 11, 2002	128,000	128,000
Romania	October 31, 2001	April 29, 2003	300,000	300,000
Sri Lanka	April 20, 2001	June 19, 2002	200,000	96,650
Turkey	December 22, 1999	December 21, 2002	15,038,400 3/	5,702,360
Uruguay	May 31, 2000	March 31, 2002	150,000	150,000
Yugoslavia, Federal Republic of	June 11, 2001	March 31, 2002	200,000	100,000
Total Stand-By Arrangements			45,800,430	22,664,781
Extended Arrangements				
Colombia	December 20, 1999	December 19, 2002	1,957,000	1,957,000
Indonesia	February 4, 2000	December 31, 2002	3,638,000	2,477,200
Jordan	April 15, 1999	April 14, 2002	127,880	60,890
Kazakhstan, Republic of	December 13, 1999	December 12, 2002	329,100	329,100
Macedonia, former Yugoslav Republic of	November 29, 2000	November 28, 2003	24,115	22,967
Ukraine	September 4, 1998	August 15, 2002	1,919,950	726,950
Total Extended Arrangements			7,996,045	5,574,107
Total General Resources Account			53,796,475	28,238,888

1/ Includes SDR 6.09 billion available until September 6, 2002 under the Supplemental Reserve Facility.

2/ Includes SDR 9.95 billion available until September 13, 2002 under the Supplemental Reserve Facility.

3/ Includes SDR 5.78 billion available until May 14 2002, under the Supplemental Reserve Facility.

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

SDR Department
Balance Sheets
as at October 31, 2001 and 2000

(In thousands of SDRs)

	2001	2000		2001	2000
Assets			Liabilities		
Charges receivable	165,592	256,229	Interest payable	166,065	256,752
Overdue assessments and charges (Note 3)	104,716	113,730			
Participants with holdings below allocations (Note 2)			Participants with holdings above allocations (Note 2)		
Allocations	12,239,034	12,382,224	SDR holdings	16,012,437	14,650,609
<i>Less</i> : SDR holdings	3,821,506	3,277,392	<i>Less</i> : allocations	9,194,296	9,051,106
Allocations in excess of holdings	8,417,528	9,104,832	Holdings in excess of allocations	6,818,141	5,599,503
			Holdings by the General Resources Account	1,296,485	2,984,637
			Holdings of SDRs by prescribed holders	407,145	633,899
Total Assets	8,687,836	9,474,791	Total Liabilities	8,687,836	9,474,791

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

SDR Department
Income Statements
for the Six Months Ended October 31, 2001 and 2000
(In thousands of SDRs)

	2001	2000
<hr/>		
Revenue		
Net charges from participants with holdings below allocations	142,523	212,476
Assessment on SDR allocations	1,150	1,750
	<hr/>	<hr/>
	143,673	214,226
	<hr/>	<hr/>
Expenses		
Interest on SDR holdings		
Net interest to participants with holdings above allocations	109,923	139,922
General Resources Account	25,240	58,195
Prescribed holders	7,360	14,359
	<hr/>	<hr/>
	142,523	212,476
Administrative expenses	1,150	1,750
	<hr/>	<hr/>
	143,673	214,226
	<hr/>	<hr/>
Net Income	--	--
	<hr/> <hr/>	<hr/> <hr/>

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

SDR Department

Statements of Cash Flows for the Six Months Ended October 31, 2001 and 2000

(In thousands of SDRs)

	2001	2000
Cash flows from operating activities		
Receipts of SDRs		
Transfers among participants and prescribed holders	3,071,077	3,656,929
Transfers from participants to the General Resources Account	2,303,046	3,142,121
Transfers from the General Resources Account to participants and prescribed holders	3,443,305	2,881,376
Total Receipts of SDRs	<u>8,817,428</u>	<u>9,680,426</u>
Uses of SDRs		
Transfers among participants and prescribed holders	2,940,575	3,509,307
Transfers from participants to the General Resources Account	2,266,710	3,087,537
Transfers from the General Resources Account to participants and prescribed holders	3,443,305	2,881,376
Charges paid in the SDR Department	160,366	194,077
Other	6,472	8,129
Total Uses of SDRs	<u>8,817,428</u>	<u>9,680,426</u>

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

SDR Department

Notes to the Financial Statements as at October 31, 2001 and 2000

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 October 31, 2001, 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 October 31, 2001, 16 institutions (15 at October 31, 2000) 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.

SDR Department

Notes to the Financial Statements as at October 31, 2001 and 2000

General Allocations and Cancellations of SDRs

The IMF has the authority to create 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 will 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.

In financial year 2001, the IMF elected early adoption of IAS 39, *Financial Instruments: Recognition and Measurement*. The adoption of IAS 39 had no material effect on the SDR Department's financial statements.

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 value of the SDR in terms of U.S. dollars on the last business day prior to the change (December 29, 2000) was identical under both valuation baskets. The currencies in the basket and their amounts were as follows:

SDR Department

Notes to the Financial Statements as at October 31, 2001 and 2000

Currency	Amount	
	October 31, 2000	October 31, 2001
Euro		0.426
Euro (Germany)	0.228	
Euro (France)	0.1239	
Japanese yen	27.2	21.0
Pound sterling	0.105	0.0984
U.S. dollar	0.5821	0.577

As of October 31, 2001, one SDR was equal to 1.27808 U.S. dollars (one SDR was equal to 1.27934 U.S. dollars as of October 31, 2000).

Allocations and Holdings

At October 31, 2001 and 2000, 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 October 31, 2001 and 2000 were as follows:

	2001			2000		
	<u>Total</u>	<u>Below Allocations</u>	<u>Above Allocations</u>	<u>Total</u>	<u>Below Allocations</u>	<u>Above Allocations</u>
	<i>In millions of SDRs</i>					
Cumulative allocations	21,433.3	12,239.0	9,194.3	21,433.3	12,382.2	9,051.1
Holdings of SDRs by participants	<u>19,833.9</u>	<u>3,821.5</u>	<u>16,012.4</u>	<u>17,928.0</u>	<u>3,277.4</u>	<u>14,650.6</u>
Net SDR positions	<u>1,599.4</u>	<u>8,417.5</u>	<u>(6,818.1)</u>	<u>3,505.3</u>	<u>9,104.8</u>	<u>(5,599.5)</u>

SDR Department

Notes to the Financial Statements as at October 31, 2001 and 2000

A summary of SDR holdings as of October 31 is provided below:

	2001	2000
	<i>In millions of SDRs</i>	
Participants	19,833.9	17,928.0
General Resources Account	1,296.5	2,984.6
Prescribed holders	<u>407.2</u>	<u>633.9</u>
	21,537.6	21,546.5
Less: Overdue charges receivable	<u>104.3</u>	<u>113.2</u>
Total holdings	<u>21,433.3</u>	<u>21,433.3</u>

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 negative balance or 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 France, Germany, 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.

SDR Department

Notes to the Financial Statements as at October 31, 2001 and 2000

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 October 31, 2001, assessments and charges amounting to SDR 104.7 million were overdue to the SDR Department (SDR 113.7 million at October 31, 2000). At October 31, 2001 and 2000, six members were six months or more overdue in meeting their financial obligations to the SDR Department. The Federal Republic of Yugoslavia (Serbia/Montenegro) notified the IMF in January 1993 that it agreed to its share in the assets and liabilities of the former Socialist Federal Republic of Yugoslavia (SFRY) in the IMF. On December 20, 2000, the IMF's Executive Board made a finding that the Federal Republic of Yugoslavia (Serbia/Montenegro) is able to fulfill its obligations under the Articles of Agreement and therefore succeeds to the membership in the IMF effective December 14, 1992. On December 20, 2000, the Federal Republic of Yugoslavia (Serbia/Montenegro) settled its overdue charges and assessments.

As of October 31, assessments and charges due from members that are six months or more overdue to the SDR Department were as follows:

	2001	2000
	<i>In millions of SDRs</i>	
Total	104.7	113.7
Overdue for six months or more	98.2	105.6
Overdue for three years or more	68.6	71.7

SDR Department

Notes to the Financial Statements as at October 31, 2001 and 2000

The amount and duration of arrears as of October 31, 2001 were as follows:

	Total	Longest Overdue Obligation
<hr/>		
<i>In millions of SDRs</i>		
Afghanistan, Islamic State of	6.9	February 1996
Congo, Democratic Republic of	18.0	April 1992
Iraq	48.1	November 1990
Liberia	22.0	April 1986
Somalia	9.1	February 1991
Sudan	<u>0.6</u>	April 1991
Total	<u>104.7</u>	

SDR Department
Statements of Changes in SDR Holdings
for the Six Months Ended October 31, 2001 and 2000

(In thousands of SDRs)

	Participants	General		Total	
		Resources Account	Prescribed Holders	2001	2000
Total holdings, beginning of the year	18,556,379	2,436,744	537,978	21,531,101	21,538,408
Receipts of SDRs					
Transfers among participants and prescribed holders					
Transactions by agreement	2,320,979	--	56,453	2,377,432	3,082,640
Operations					
Settlement of financial obligations	21,993	--	68,915	90,908	54,950
IMF-related operations					
SAF and PRGF loans	143,616	--	--	143,616	48,478
SAF repayments and interest	--	--	9,807	9,807	9,827
Special charges on SAF, PRGF, Trust Fund	--	--	1	1	2
PRGF contributions and payments	44,338	--	72,186	116,524	88,027
PRGF repayments and interest	--	--	162,242	162,242	148,629
HIPC payments	3,038	--	--	3,038	--
PRGF-HIPC contributions	519	--	35,306	35,825	75,555
SCA-2 refunds	--	--	1,182	1,182	1,199
Net interest on SDRs	120,881	--	9,621	130,502	147,622
Transfers from participants to the General Resources Account					
Repurchases	--	1,090,850	--	1,090,850	1,897,662
Charges	--	1,175,860	--	1,175,860	1,189,875
Interest on SDRs	--	36,336	--	36,336	54,584
Transfers from the General Resources Account to participants and prescribed holders					
Purchases	2,076,515	--	--	2,076,515	1,481,815
In exchange for currencies of other members					
Acquisitions to pay charges	541,664	--	--	541,664	500,079
Remuneration	750,349	--	--	750,349	891,762
Other					
Refunds and adjustments	74,777	--	--	74,777	7,720
Total receipts	6,098,669	2,303,046	415,713	8,817,428	9,680,426

SDR Department

Statements of Changes in SDR Holdings for the Six Months Ended October 31, 2001 and 2000

(In thousands of SDRs)

	Participants	General		Total	
		Resources Account	Prescribed Holders	2001	2000
Uses of SDRs					
Transfers among participants and prescribed holders					
Transactions by agreement	2,078,674	--	298,758	2,377,432	3,082,640
Operations					
Settlement of financial obligations	68,915	--	21,993	90,908	54,950
IMF-related operations					
SAF and PRGF loans	--	--	143,616	143,616	48,478
SAF repayments and interest	9,807	--	--	9,807	9,827
Special charges on SAF, PRGF, Trust Fund	1	--	--	1	2
PRGF contributions and payments	72,186	--	44,338	116,524	88,027
PRGF repayments and interest	162,242	--	--	162,242	148,629
HIPC payments	--	--	3,038	3,038	--
PRGF-HIPC contributions	1,022	--	34,803	35,825	75,555
SCA-2 refunds	1,182	--	--	1,182	1,199
Transfers from participants to the General Resources Account					
Repurchases	1,090,850	--	--	1,090,850	1,897,662
Charges	1,175,860	--	--	1,175,860	1,189,875
Transfers from the General Resources Account to participants and prescribed holders					
Purchases	--	2,076,515	--	2,076,515	1,481,815
In exchange for currencies of other members					
Acquisitions to pay charges	--	541,664	--	541,664	500,079
Remuneration	--	750,349	--	750,349	891,762
Other					
Refunds and adjustments	--	74,777	--	74,777	7,720
Charges paid in the SDR department					
Net charges due	166,838	--	--	166,838	202,207
Total uses	4,827,577	3,443,305	546,546	8,817,428	9,680,427
Charges not paid when due	7,184	--	--	7,184	8,793
Settlement of unpaid charges	(712)	--	--	(712)	(663)
Total holdings, October 31	19,833,943	1,296,485	407,145	21,537,573	21,546,537

SDR Department Allocations and Holdings of Participants

as at October 31, 2001
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Afghanistan, Islamic State of	26,703	--	--	(26,703)
Albania	--	66,332	--	66,332
Algeria	128,640	5,361	4.2	(123,279)
Angola	--	137	--	137
Antigua and Barbuda	--	6	--	6
Argentina	318,370	185,335	58.2	(133,035)
Armenia, Republic of	--	9,968	--	9,968
Australia	470,545	83,583	17.8	(386,962)
Austria	179,045	206,321	115.2	27,276
Azerbaijan	--	985	--	985
Bahamas, The	10,230	158	1.5	(10,072)
Bahrain	6,200	882	14.2	(5,318)
Bangladesh	47,120	8,014	17.0	(39,106)
Barbados	8,039	89	1.1	(7,950)
Belarus, Republic of	--	910	--	910
Belgium	485,246	366,642	75.6	(118,604)
Belize	--	1,335	--	1,335
Benin	9,409	368	3.9	(9,041)
Bhutan	--	204	--	204
Bolivia	26,703	27,311	102.3	608
Bosnia and Herzegovina	20,481	8,838	43.1	(11,644)
Botswana	4,359	31,185	715.4	26,826
Brazil	358,670	58,786	16.4	(299,884)
Brunei Darussalam	--	6,003	--	6,003
Bulgaria	--	41,425	--	41,425
Burkina Faso	9,409	454	4.8	(8,955)
Burundi	13,697	149	1.1	(13,548)
Cambodia	15,417	2,088	13.5	(13,329)
Cameroon	24,463	201	0.8	(24,261)
Canada	779,290	477,592	61.3	(301,698)
Cape Verde	620	20	3.2	(600)
Central African Republic	9,325	78	0.8	(9,247)
Chad	9,409	75	0.8	(9,334)
Chile	121,924	22,134	18.2	(99,790)
China	236,800	660,744	279.0	423,944
Colombia	114,271	109,179	95.5	(5,092)
Comoros	716	25	3.4	(692)
Congo, Democratic Republic of	86,309	--	--	(86,309)
Congo, Republic of	9,719	82	0.8	(9,637)
Costa Rica	23,726	167	0.7	(23,559)

SDR Department Allocations and Holdings of Participants

as at October 31, 2001
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Côte d'Ivoire	37,828	863	2.3	(36,965)
Croatia, Republic of	44,205	86,092	194.8	41,887
Cyprus	19,438	1,058	5.4	(18,380)
Czech Republic	--	401	--	401
Denmark	178,864	257,922	144.2	79,058
Djibouti	1,178	154	13.1	(1,024)
Dominica	592	7	1.2	(585)
Dominican Republic	31,585	284	0.9	(31,301)
Ecuador	32,929	951	2.9	(31,978)
Egypt	135,924	28,865	21.2	(107,059)
El Salvador	24,985	24,985	100.0	--
Equatorial Guinea	5,812	767	13.2	(5,045)
Eritrea	--	--	--	--
Estonia, Republic of	--	136	--	136
Ethiopia	11,160	232	2.1	(10,928)
Fiji	6,958	4,741	68.1	(2,217)
Finland	142,690	139,299	97.6	(3,391)
France	1,079,870	372,967	34.5	(706,903)
Gabon	14,091	120	0.9	(13,971)
Gambia, The	5,121	53	1.0	(5,068)
Georgia	--	759	--	759
Germany	1,210,760	1,395,133	115.2	184,373
Ghana	62,983	5,618	8.9	(57,365)
Greece	103,544	6,842	6.6	(96,702)
Grenada	930	8	0.9	(922)
Guatemala	27,678	6,891	24.9	(20,787)
Guinea	17,604	1,993	11.3	(15,611)
Guinea-Bissau	1,212	172	14.1	(1,041)
Guyana	14,530	4,446	30.6	(10,084)
Haiti	13,697	692	5.1	(13,005)
Honduras	19,057	174	0.9	(18,883)
Hungary	--	14,684	--	14,684
Iceland	16,409	126	0.8	(16,283)
India	681,170	7,475	1.1	(673,695)
Indonesia	238,956	84,362	35.3	(154,594)
Iran, Islamic Republic of	244,056	267,227	109.5	23,171
Iraq	68,464	--	--	(68,464)
Ireland	87,263	42,091	48.2	(45,172)
Israel	106,360	1,450	1.4	(104,910)
Italy	702,400	209,217	29.8	(493,183)

SDR Department Allocations and Holdings of Participants

as at October 31, 2001
(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Jamaica	40,613	1,853	4.6	(38,760)
Japan	891,690	1,869,801	209.7	978,111
Jordan	16,887	4,258	25.2	(12,629)
Kazakhstan, Republic of	--	95	--	95
Kenya	36,990	5,280	14.3	(31,710)
Kiribati	--	9	--	9
Korea	72,911	2,291	3.1	(70,620)
Kuwait	26,744	82,459	308.3	55,715
Kyrgyz Republic	--	4,412	--	4,412
Lao People's Democratic Republic	9,409	5,197	55.2	(4,212)
Latvia, Republic of	--	368	--	368
Lebanon	4,393	19,136	435.6	14,743
Lesotho	3,739	473	12.7	(3,266)
Liberia	21,007	--	--	(21,007)
Libya	58,771	435,486	741.0	376,715
Lithuania, Republic of	--	580	--	580
Luxembourg	16,955	4,554	26.9	(12,401)
Macedonia, former Yugoslav Republic of	8,379	3,203	38.2	(5,176)
Madagascar	19,270	239	1.2	(19,031)
Malawi	10,975	156	1.4	(10,819)
Malaysia	139,048	95,839	68.9	(43,209)
Maldives	282	239	84.7	(43)
Mali	15,912	395	2.5	(15,517)
Malta	11,288	26,011	230.4	14,723
Marshall Islands	--	--	--	--
Mauritania	9,719	230	2.4	(9,489)
Mauritius	15,744	16,742	106.3	998
Mexico	290,020	283,523	97.8	(6,497)
Micronesia, Federated States of	--	1,141	--	1,141
Moldova, Republic of	--	490	--	490
Mongolia	--	15	--	15
Morocco	85,689	100,256	117.0	14,567
Mozambique	--	51	--	51
Myanmar	43,474	775	1.8	(42,699)
Namibia	--	16	--	16
Nepal	8,105	113	1.4	(7,992)
Netherlands	530,340	642,594	121.2	112,254
New Zealand	141,322	12,118	8.6	(129,204)
Nicaragua	19,483	234	1.2	(19,249)
Niger	9,409	972	10.3	(8,437)

SDR Department Allocations and Holdings of Participants

as at October 31, 2001

(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Nigeria	157,155	1,724	1.1	(155,431)
Norway	167,770	277,895	165.6	110,125
Oman	6,262	4,586	73.2	(1,676)
Pakistan	169,989	13,180	7.8	(156,809)
Palau	--	--	--	--
Panama	26,322	1,117	4.2	(25,205)
Papua New Guinea	9,300	7,628	82.0	(1,672)
Paraguay	13,697	81,001	591.4	67,304
Peru	91,319	1,222	1.3	(90,097)
Philippines	116,595	26,132	22.4	(90,463)
Poland, Republic of	--	18,722	--	18,722
Portugal	53,320	47,706	89.5	(5,614)
Qatar	12,822	17,360	135.4	4,538
Romania	75,950	8,821	11.6	(67,129)
Russian Federation	--	2,146	--	2,146
Rwanda	13,697	10,233	74.7	(3,464)
St. Kitts and Nevis	--	8	--	8
St. Lucia	742	1,455	196.2	714
St. Vincent and the Grenadines	354	34	9.6	(320)
Samoa	1,142	2,334	204.4	1,192
San Marino, Republic of	--	310	--	310
São Tomé & Príncipe	620	2	0.2	(618)
Saudi Arabia	195,527	179,922	92.0	(15,605)
Senegal	24,462	3,383	13.8	(21,079)
Seychelles	406	21	5.2	(385)
Sierra Leone	17,455	1,340	7.7	(16,115)
Singapore	16,475	116,692	708.3	100,216
Slovak Republic	--	524	--	524
Slovenia, Republic of	25,431	3,764	14.8	(21,667)
Solomon Islands	654	9	1.4	(645)
Somalia	13,697	--	--	(13,697)
South Africa	220,360	222,545	101.0	2,185
Spain	298,805	273,201	91.4	(25,604)
Sri Lanka	70,868	3,282	4.6	(67,586)
Sudan	52,192	--	--	(52,192)
Suriname	7,750	1,599	20.6	(6,151)
Swaziland	6,432	2,450	38.1	(3,982)
Sweden	246,525	163,666	66.4	(82,859)
Switzerland	--	124,003	--	124,003
Syrian Arab Republic	36,564	602	1.6	(35,962)

SDR Department Allocations and Holdings of Participants

as at October 31, 2001

(In thousands of SDRs)

PARTICIPANT	NET CUMULATIVE ALLOCATIONS	TOTAL	HOLDINGS	
			PERCENT OF CUMULATIVE ALLOCATIONS	(+) ABOVE (-) BELOW ALLOCATIONS
Tajikistan, Republic of	--	4,969	--	4,969
Tanzania	31,372	623	2.0	(30,749)
Thailand	84,652	20,613	24.4	(64,039)
Togo	10,975	267	2.4	(10,708)
Tonga	--	141	--	141
Trinidad and Tobago	46,231	449	1.0	(45,782)
Tunisia	34,243	5,520	16.1	(28,723)
Turkey	112,307	152,314	135.6	40,007
Turkmenistan, Republic of	--	--	--	--
Uganda	29,396	4,851	16.5	(24,545)
Ukraine	--	242,012	--	242,012
United Arab Emirates	38,737	2,039	5.3	(36,698)
United Kingdom	1,913,070	257,487	13.5	(1,655,583)
United States	4,899,530	8,471,101	172.9	3,571,571
Uruguay	49,977	577	1.2	(49,400)
Uzbekistan, Republic of	--	1,252	--	1,252
Vanuatu	--	771	--	771
Venezuela	316,890	20,720	6.5	(296,170)
Vietnam	47,658	7,693	16.1	(39,965)
Yemen, Republic of	28,743	6,361	22.1	(22,382)
Yugoslavia, Federal Republic of (Serbia/Montenegro)	56,665	8,897	15.7	(47,768)
Zambia	68,298	30,545	44.7	(37,753)
Zimbabwe	10,200	92	0.9	(10,108)
ABOVE ALLOCATIONS	9,194,296	16,012,437	174.2	6,818,141
BELOW ALLOCATIONS	12,239,034	3,821,506	31.2	(8,417,528)
TOTAL PARTICIPANTS	21,433,330	19,833,943		
GENERAL RESOURCES ACCOUNT		1,296,485		
PRESCRIBED HOLDERS		407,145		
OVERDUE CHARGES	104,243			
	21,537,573	21,537,573		

PART TWO

Financial Statements
of the
Accounts Administered
by the
International Monetary Fund

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

Poverty Reduction and Growth Facility Trust

Combined Balance Sheets as at October 31, 2001 and 2000

(In thousands of SDRs)

	2001	2000
Assets		
Cash and cash equivalents	662,207	1,161,455
Investments (Note 3)	4,506,795	3,726,476
Loans receivable (Note 4)	5,948,734	5,783,662
Interest receivable	15,883	18,699
Total Assets	11,133,619	10,690,292
	=====	=====
Liabilities and Resources		
Borrowings (Note 5)	6,394,037	6,225,656
Interest payable	57,295	72,427
Other liabilities	--	341
Total Liabilities	6,451,332	6,298,424
Accumulated Resources	4,682,287	4,391,868
Total Liabilities and Resources	11,133,619	10,690,292
	=====	=====

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Poverty Reduction and Growth Facility Trust

Combined Income Statements and Changes in Resources for the Six Months Ended October 31, 2001 and 2000

(In thousands of SDRs)

	2001	2000
Balance, beginning of the year	4,518,775	4,305,726
Investment income (Note 3)	187,887	110,638
Interest on loans	14,890	14,492
Interest expense	(101,069)	(118,348)
Other expenses	(774)	(452)
Operational income	100,934	6,330
Contributions (Note 6)	46,192	59,407
	147,126	65,737
Transfers from the Special Disbursement Account	46,936	46,580
Transfers through the Special Disbursement Account to the PRGF-HIPC Trust (Note 8)	(30,550)	(26,175)
Net changes in resources	163,512	86,142
Balance, end of the period	4,682,287	4,391,868

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

Poverty Reduction and Growth Facility Trust

Notes to the Financial Statements as at October 31, 2001 and 2000

1. Nature of Operations

The name of the Enhanced Structural Adjustment Facility Trust was changed to the Poverty Reduction and Growth Facility Trust ("PRGF Trust " or " the Trust ") on November 22, 1999. The 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 income statements and statements of 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 October 31, 2001, loans totaling SDR 5,948.7 million were outstanding (SDR 5,783.7 million at October 31, 2000).

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 donations to the Trust, including transfers of net earnings from PRGF Administered Accounts (formerly ESAF 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.

Poverty Reduction and Growth Facility Trust

Notes to the Financial Statements as at October 31, 2001 and 2000

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.

In financial year 2001, the IMF elected early adoption of IAS 39, *Financial Instruments: Recognition and Measurement*. The adoption of IAS 39 had no material effect on the PRGF Trust's financial statements.

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 value of the SDR in terms of U.S. dollars on the last business day prior to the change (December 29, 2000) was identical under both valuation baskets. The currencies in the basket and their amounts were as follows:

Currency	Amount	
	October 31, 2000	October 31, 2001
Euro		0.426
Euro (Germany)	0.228	
Euro (France)	0.1239	
Japanese yen	27.2	21.0
Pound sterling	0.105	0.0984
U.S. dollar	0.5821	0.577

Poverty Reduction and Growth Facility Trust

Notes to the Financial Statements as at October 31, 2001 and 2000

As of October 31, 2001, one SDR was equal to 1.27808 U.S. dollars (one SDR was equal to 1.27934 dollars as of October 31, 2000).

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. 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.

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.

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.

Poverty Reduction and Growth Facility Trust

Notes to the Financial Statements as at October 31, 2001 and 2000

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.

3. Investments

The maturities of the investments are as follows:

<u>Maturity from October 31</u>	<u>2001</u>	<u>2000</u>
	<i>In thousands of SDRs</i>	
Less than 1 year	342,169	400,284
1 – 3 years	3,768,500	3,073,289
3 – 5 years	355,327	225,720
Over 5 years	<u>40,799</u>	<u>27,183</u>
Total	<u>4,506,795</u>	<u>3,726,476</u>

At October 31, the investments consisted of the following:

	<u>2001</u>	<u>2000</u>
	<i>In thousands of SDRs</i>	
Debt securities	4,350,540	3,726,476
Fixed-term deposits	<u>156,255</u>	<u>-</u>
Total	<u>4,506,795</u>	<u>3,726,476</u>

At October 31, investment income was comprised of the following:

	<u>2001</u>	<u>2000</u>
	<i>In thousands of SDRs</i>	
Interest income	115,832	120,399
Realized gains (losses), net	(5,049)	(37,660)
Unrealized gains (losses), net	77,880	28,586
Exchange rate gains (losses), net	<u>(776)</u>	<u>(687)</u>
Total	<u>187,887</u>	<u>110,638</u>

Poverty Reduction and Growth Facility Trust

Notes to the Financial Statements as at October 31, 2001 and 2000

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 Ending October 31	<i>In thousands of SDRs</i>
2002	896,310
2003	785,185
2004	876,264
2005	852,690
2006	704,261
2007 and beyond	1,807,133
Overdue	<u>26,891</u>
Total	<u>5,948,734</u>

The above includes one member that is overdue as of October 31, 2001 for less than six months for an amount of SDR 26.9 million.

As of October 31, 2001 and 2000, use of credit in the Trust by the largest users was as follows:

	2001		2000	
	<i>In millions of SDRs and percent of total PRGF credit</i>			
Largest user of credit	651.5	10.95%	681.6	11.8%
Three largest users of credit	1,401.9	23.57%	1,508.2	26.1%
Five largest users of credit	1,926.3	32.39%	2,011.6	34.8%

5. Borrowings

The following summarizes the borrowing agreements concluded as of October 31, 2001 and 2000:

Poverty Reduction and Growth Facility Trust

Notes to the Financial Statements as at October 31, 2001 and 2000

	Amount Undrawn	
	2001	2000
	<i>In thousands of SDRs</i>	
Loan Account	3,072,173	3,811,106
Subsidy Account	4,664	5,331

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 Trust and the lenders. Interest rates on borrowings at October 31, 2001 varied between 0.5 percent and 7.4 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:

Period Ending October 31	<i>In thousands of SDRs</i>
2002	179,327
2003	525,455
2004	704,176
2005	953,566
2006	1,504,589
2007 and beyond	<u>2,526,924</u>
Total	<u>6,394,037</u>

6. Contributions

The Trustee accepts contributions for the Subsidy Account on such terms and conditions as agreed between the Trust and the contributors. At October 31, 2001, cumulative contributions received, including transfers from the Special Disbursement Account, amounted to SDR 2,338.6 million (SDR 2,224.8 million at October 31, 2000).

7. Commitments Under Loan Arrangements

An arrangement is a decision of the IMF that gives a member the assurance that the PRGF Trust stands ready to provide foreign exchange or SDRs during a specified period and up to a

Poverty Reduction and Growth Facility Trust

Notes to the Financial Statements as at October 31, 2001 and 2000

specified amount in accordance with the terms of the decision. At October 31, 2001, undrawn balances under 39 loan arrangements amounted to SDR 1,973.4 million (SDR 1,446.7 million under 29 arrangements at October 31, 2000).

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 2002 and 2001, 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 amount transferred for the period ending October 31, 2001 was SDR 30.6 million. (SDR 26.2 million for the period ending October 31, 2000).

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 October 31, 2001 and 2000, SDR 43.5 million had been transferred for this purpose.

9. Combining Balance Sheets, Income Statements, and Statements of Resources

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

Note 9

**Combining Balance Sheets
as at October 31, 2001 and 2000**

(In thousands of SDRs)

	<u>Loan Account</u>		<u>Reserve Account</u>		<u>Subsidy Account</u>		<u>Combined</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Assets								
Cash and cash equivalents	235,982	373,206	272,468	458,811	153,757	329,438	662,207	1,161,455
Investments (Notes 3)	156,255	--	2,549,538	2,143,748	1,801,002	1,582,728	4,506,795	3,726,476
Loans receivable (Note 4)	5,948,734	5,783,662	--	--	--	--	5,948,734	5,783,662
Accrued account transfers	(3,063)	19,141	53,234	41,869	(50,171)	(61,010)	--	--
Interest receivable	13,956	13,248	1,305	3,960	622	1,491	15,883	18,699
Total Assets	<u>6,351,864</u>	<u>6,189,257</u>	<u>2,876,545</u>	<u>2,648,388</u>	<u>1,905,210</u>	<u>1,852,647</u>	<u>11,133,619</u>	<u>10,690,292</u>
Liabilities and Resources								
Borrowings (Note 5)	6,295,221	6,117,506	--	--	98,816	108,150	6,394,037	6,225,656
Interest payable	56,643	71,751	--	--	652	676	57,295	72,427
Other liabilities	--	--	--	177	--	164	--	341
Total Liabilities	<u>6,351,864</u>	<u>6,189,257</u>	<u>--</u>	<u>177</u>	<u>99,468</u>	<u>108,990</u>	<u>6,451,332</u>	<u>6,298,424</u>
Accumulated Resources	<u>--</u>	<u>--</u>	<u>2,876,545</u>	<u>2,648,211</u>	<u>1,805,742</u>	<u>1,743,657</u>	<u>4,682,287</u>	<u>4,391,868</u>
Total Liabilities and Resources	<u>6,351,864</u>	<u>6,189,257</u>	<u>2,876,545</u>	<u>2,648,388</u>	<u>1,905,210</u>	<u>1,852,647</u>	<u>11,133,619</u>	<u>10,690,292</u>

Poverty Reduction and Growth Facility Trust

Schedule of Outstanding Loans as at October 31, 2001

(In thousands of SDRs)

Member	PRGF Loan Account		Structural Adjustment Facility 1/	
	Balance	Percent	Balance	Percent
Albania	62,547	1.05	--	--
Armenia, Republic of	117,662	1.98	--	--
Azerbaijan	89,950	1.51	--	--
Bangladesh	25,875	0.43	--	--
Benin	56,449	0.95	2,450	0.64
Bolivia	171,830	2.90	--	--
Burkina Faso	81,328	1.37	8,216	2.13
Burundi	3,655	0.06	--	--
Cambodia	62,828	1.06	--	--
Cameroon	193,960	3.26	--	--
Central African Republic	24,480	0.41	--	--
Chad	71,708	1.21	--	--
Comoros	--	--	675	0.17
Congo, Democratic Republic of	--	--	142,910	37.02
Congo, Republic of	13,896	0.23	--	--
Côte d'Ivoire	391,839	6.59	--	--
Djibouti	5,452	0.09	--	--
Equatorial Guinea	604	0.01	1,880	0.49
Ethiopia	64,252	1.08	21,900	5.67
Gambia, The	17,175	0.29	--	--
Georgia	187,275	3.15	--	--
Ghana	246,205	4.14	--	--
Guinea	101,847	1.71	--	--
Guinea-Bissau	15,108	0.25	--	--
Guyana	75,566	1.27	5,658	1.47
Haiti	15,175	0.26	--	--
Honduras	128,640	2.16	--	--
Kenya	85,663	1.44	--	--
Kyrgyz Republic	123,187	2.07	--	--
Lao People's Democratic Republic	30,923	0.52	1,172	0.30
Lesotho	12,134	0.20	--	--
Macedonia, former Yugoslav Republic of	29,004	0.49	--	--
Madagascar	90,027	1.51	--	--
Malawi	58,663	0.99	--	--
Mali	127,234	2.14	3,048	0.79

Poverty Reduction and Growth Facility Trust

Schedule of Outstanding Loans as at October 31, 2001

(In thousands of SDRs)

Member	PRGF Loan Account		Structural Adjustment Facility 1/	
	Balance	Percent	Balance	Percent
Mauritania	76,987	1.29	1,023	0.26
Moldova, Republic of	18,480	0.31	--	--
Mongolia	38,759	0.65	--	--
Mozambique	163,195	2.74	--	--
Nepal	6,714	0.11	--	--
Nicaragua	127,332	2.14	--	--
Niger	65,220	1.10	--	--
Pakistan	358,580	6.03	10,926	2.83
Rwanda	61,880	1.04	--	--
São Tomé and Príncipe	1,902	0.03	--	--
Senegal	205,320	3.45	277	0.07
Sierra Leone	109,114	1.83	13,510	3.50
Somalia	--	--	8,840	2.29
Sri Lanka	72,800	1.22	--	--
Tajikistan, Republic of	78,280	1.32	--	--
Tanzania	277,640	4.67	--	--
Togo	48,234	0.81	--	--
Uganda	229,122	3.85	--	--
Vietnam	246,760	4.15	--	--
Yemen, Republic of	238,750	4.01	--	--
Zambia	651,453	10.95	163,575	42.37
Zimbabwe	90,071	1.52	--	--
Total loans outstanding	5,948,734	100.00	386,060	100.00

1/ 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 repayments of all SAF loans are transferred to the PRGF Reserve Account when received.

Poverty Reduction and Growth Facility Trust

Contributions to and Resources of the Subsidy Account as at October 31, 2001

(In thousands of SDRs)

Contributor 1/	Amount
Direct contributions to the Subsidy Account	
Argentina	18,133
Australia	4,488
Bangladesh	387
Canada	168,897
China	7,100
Czech Republic	8,000
Denmark	38,299
Egypt	8,000
Finland	22,684
Germany	129,879
Iceland	2,800
India	5,739
Ireland	3,769
Italy	142,215
Japan	506,997
Korea	30,875
Luxembourg	6,762
Morocco	5,806
Netherlands	81,538
Norway	28,074
Sweden	110,887
Switzerland	28,840
Turkey	4,000
United Kingdom	296,673
United States	126,079
Total direct contributions to the Subsidy Account	<u>1,786,921</u>
Net income transferred from Administered Accounts	
Austria	39,213
Belgium	74,951
Botswana	1,380
Chile	2,910
Greece	25,561
Indonesia	3,635
Iran, Islamic Republic of	1,163
Portugal	2,833
Total net income transferred from Administered Accounts	<u>151,646</u>
Total contributions received	<u>1,938,567</u>

Poverty Reduction and Growth Facility Trust

Contributions to and Resources of the Subsidy Account as at October 31, 2001

(In thousands of SDRs)

Contributor 1/	Amount
Transfers from Special Disbursement Account	<u>400,000</u>
Total contributions received and transfers from Special Disbursement Account	2,338,567
Cumulative net income of the Subsidy Account	781,248
Resources disbursed to subsidize Trust lending	<u>(1,314,073)</u>
Total resources of the Subsidy Account	<u><u>1,805,742</u></u>

1/ 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 October 31, 2001

(In thousands of SDRs)

Member	Interest Rate (in percent)	Amount of Agreement	Amount Drawn	Outstanding Balance
Loan Account				
Prior to enlargement of PRGF				
Canada	Fixed 1/	300,000	300,000	185,794
France	0.50 2/	800,000	800,000	342,531
Germany	Variable 3/	700,000	700,000	372,784
Italy	Variable 3/	370,000	370,000	221,118
Japan	Variable 3/	2,200,000	2,200,000	1,347,939
Korea	Variable 3/	65,000	65,000	29,099
Norway	Variable 3/	90,000	90,000	47,175
Spain	Variable 3/	220,000	216,429 4/	48,196
		4,745,000	4,741,429	2,594,636
For enlargement of PRGF				
Belgium	Variable 3/	200,000	185,001	185,001
Canada	Variable 3/	400,000	239,924	239,924
China	Variable 3/	100,000	100,000	100,000
Denmark	Variable 3/	100,000	21,180	21,180
Egypt	Variable 3/	100,000	100,000	100,000
France	Variable 3/	1,100,000	584,521	584,521
Germany	Variable 3/	1,050,000	420,554	420,554
Italy	Variable 3/	460,000	233,000	233,000
Japan	Variable 3/	2,150,000	1,069,473	1,069,473
Korea	Variable 3/	27,700	27,700	27,700
Netherlands	Variable 3/	250,000	29,930	29,930
Norway	Variable 3/	60,000	60,000	60,000
OPEC Fund for International Development	Variable 3/	39,121 5/	36,732	36,732
Spain	0.50	192,000	48,633	48,633
Switzerland	Variable 3/	151,700	151,700	151,700
		6,380,521	3,308,348	3,308,348
Resources held pending repayment	6/	--	--	392,237 6/
Total--Loan Account		11,125,521	8,049,777	6,295,221

Poverty Reduction and Growth Facility Trust

Schedule of Borrowing Agreements as at October 31, 2001

(In thousands of SDRs)

Member	Interest Rate (in percent)	Amount of Agreement	Amount Drawn	Outstanding Balance
Subsidy Account				
Malaysia (1994 loans)	2.00	40,000	40,000	40,000
Malta	0.50	2,730	2,730	2,730
Pakistan	0.50	10,000	5,336	5,336
Singapore	2.00	80,000	80,000	40,000
Tunisia	0.50	3,551	3,551	3,551
Uruguay	Variable 7/	7,200	7,200	7,200
		143,481	138,817	98,817
		143,481	138,817	98,817

1/ The loans under this agreement are made at market-related rates of interest fixed at the time the loan was disbursed.

2/ 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 1.1 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.

3/ The loans under these agreements are made at variable, market-related rates of interest.

4/ The agreement expired with an undrawn balance of SDR 3.6 million.

5/ The agreement with the OPEC Fund for International Development is for an amount of \$50 million.

6/ This amount represents principal repayments held and invested on behalf of a lender.

7/ 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 1/ as at October 31, 2001

(In thousands of SDRs)

Member	Date of Arrangement	Expiration Date	Amount Agreed	Undrawn Balance
Armenia, Republic of	May. 23, 2001	May. 22, 2004	69,000	59,000
Azerbaijan	Jul. 6, 2001	Jul. 5, 2004	80,450	72,400
Benin	Jul. 17, 2000	Jul. 16, 2003	27,000	16,160
Bolivia	Sep. 18, 1998	Jun. 7, 2002	100,960	37,097
Burkina Faso	Sep. 10, 1999	Sep. 9, 2002	39,120	16,760
Cambodia	Oct. 22, 1999	Oct. 21, 2002	58,500	25,072
Cameroon	Dec. 21, 2000	Dec. 20, 2003	111,420	79,580
Central African Republic	Jul. 20, 1998	Jan. 19, 2002	49,440	24,960
Chad	Jan. 7, 2000	Jan. 6, 2003	42,000	18,200
Djibouti	Oct. 18, 1999	Oct. 17, 2002	19,082	13,630
Ethiopia	Mar. 22, 2001	Mar. 21, 2004	86,900	52,138
Gambia, The	Jun. 29, 1998	Dec. 31, 2001	20,610	3,435
Georgia	Jan. 12, 2001	Jan. 11, 2004	108,000	90,000
Ghana	May. 3, 1999	May. 2, 2002	228,800	105,165
Guinea	May. 2, 2001	May. 1, 2004	64,260	51,408
Guinea-Bissau	Dec. 15, 2000	Dec. 14, 2003	14,200	9,120
Guyana	Jul. 15, 1998	Dec. 31, 2001	53,760	28,880
Honduras	Mar. 26, 1999	Dec. 31, 2002	156,750	48,450
Kenya	Aug. 4, 2000	Aug. 3, 2003	190,000	156,400
Lao People's Democratic Republic	Apr. 25, 2001	Apr. 24, 2004	31,700	27,170
Lesotho	Mar. 9, 2001	Mar. 8, 2004	24,500	17,500
Macedonia, former Yugoslav Republic of	Dec. 18, 2000	Dec. 17, 2003	10,335	8,613
Madagascar	Mar. 1, 2001	Feb. 29, 2004	79,430	68,083
Malawi	Dec. 21, 2000	Dec. 20, 2003	45,110	38,670
Mali	Aug. 6, 1999	Aug. 5, 2003	51,315	26,400
Mauritania	Jul. 21, 1999	Jul. 20, 2002	42,490	18,210
Moldova, Republic of	Dec. 21, 2000	Dec. 20, 2003	110,880	92,400
Mongolia	Sep. 28, 2001	Sep. 27, 2004	28,490	24,420
Mozambique	Jun. 28, 1999	Jun. 27, 2002	87,200	25,200
Nicaragua	Mar. 18, 1998	Mar. 17, 2002	148,955	33,635
Niger	Dec. 22, 2000	Dec. 21, 2003	59,200	42,280
Rwanda	Jun. 24, 1998	Apr. 30, 2002	71,400	9,520
São Tomé and Príncipe	Apr. 28, 2000	Apr. 27, 2003	6,657	4,755
Senegal	Apr. 20, 1998	Apr. 19, 2002	107,010	19,536
Sierra Leone	Sep. 26, 2001	Sep. 25, 2004	130,840	84,002
Tajikistan, Republic of	Jun. 24, 1998	Dec. 24, 2001	100,300	22,020
Tanzania	Apr. 4, 2000	Apr. 3, 2003	135,000	55,000
Vietnam	Apr. 13, 2001	Apr. 12, 2004	290,000	248,600
Zambia	Mar. 25, 1999	Mar. 28, 2003	254,450	199,510
			<u>3,335,514</u>	<u>1,973,379</u>

1/ 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 October 31, 2001, SDR 49.5 million of such associated loans had been disbursed.

**II. Financial Statements
of the
Poverty Reduction and Growth
Facility Administered Accounts**

Poverty Reduction and Growth Facility Administered Accounts

Balance Sheets as at October 31, 2001 and 2000

(In thousands of SDRs)

	Austria		Belgium		Botswana			
	2001	2000	2001	2000	2001	2000		
Assets								
Cash and cash equivalents	--	--	--	187,214	--	--		
Investments (Note 3)	40,000	50,000	80,000	--	6,894	6,894		
Interest receivable	--	--	10	45	--	--		
Advance payments to the PRGF Trust Subsidy Account	67	85	(7)	--	47	48		
Total Assets	40,067	50,085	80,003	187,259	6,941	6,942		
Liabilities and Resources								
Deposits (Note 4)	40,000	50,000	80,000	180,000	6,894	6,894		
Interest payable	67	78	3	159	47	47		
Other liabilities	--	7	--	--	--	1		
Total Liabilities	40,067	50,085	80,003	180,159	6,941	6,942		
Resources	--	--	--	7,100	--	--		
Total Liabilities and Resources	40,067	50,085	80,003	187,259	6,941	6,942		
Greece								
Indonesia								
Iran, I. R. of								
Portugal								
	2001	2000	2001	2000	2001	2000	2001	2000
Assets								
Cash and cash equivalents	--	--	--	25,366	--	--	--	--
Investments (Note 3)	17,500	24,500	25,000	--	5,000	5,000	11,831	12,708
Interest receivable	--	--	288	30	--	--	--	--
Advance payments to the PRGF Trust Subsidy Account	67	88	47	--	10	11	27	31
Total Assets	17,567	24,588	25,335	25,396	5,010	5,011	11,858	12,739
Liabilities and Resources								
Deposits (Note 4)	17,500	24,500	25,000	25,000	5,000	5,000	11,831	12,708
Interest payable	67	84	155	261	10	10	27	29
Other liabilities	--	4	--	1	--	1	--	2
Total Liabilities	17,567	24,588	25,155	25,262	5,010	5,011	11,858	12,739
Resources	--	--	180	134	--	--	--	--
Total Liabilities and Resources	17,567	24,588	25,335	25,396	5,010	5,011	11,858	12,739

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Poverty Reduction and Growth Facility Administered Accounts

Income Statements and Changes in Resources for the Six Months Ended October 31, 2001 and 2000

(In thousands of SDRs)

	<u>Austria</u>		<u>Belgium</u>		<u>Botswana</u>			
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>		
Balance, beginning of the year	--	--	10	2,331	--	--		
Investment income	1,771	1,247	1,284	4,261	290	173		
Other expenses	(14)	(13)	--	--	(2)	(2)		
Interest expense on deposits	(107)	(126)	(202)	(453)	(70)	(70)		
Net income	1,650	1,108	1,082	3,808	218	101		
Transfers to the PRGF Trust Subsidy Account	(1,650)	(1,108)	(1,092)	961	(218)	(101)		
Net changes in resources	--	--	(10)	4,769	--	--		
Balance, end of the period	--	--	--	7,100	--	--		
	=====	=====	=====	=====	=====	=====		
	<u>Greece</u>		<u>Indonesia</u>		<u>Iran, I. R. of</u>		<u>Portugal</u>	
	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>	<u>2001</u>	<u>2000</u>
Balance, beginning of the year	--	361	--	117	--	26	--	11
Investment income	881	1,224	352	942	210	125	500	317
Other expenses	(7)	(7)	--	--	(2)	(1)	(4)	(3)
Interest expense on deposits	(53)	(71)	(278)	(246)	(12)	(13)	(30)	(32)
Net Income	821	1,146	74	696	196	111	466	282
Transfers to the PRGF Trust Subsidy Account	(821)	(1,507)	106	(679)	(196)	(137)	(466)	(293)
Net changes in resources	--	(361)	180	17	--	(26)	--	(11)
Balance, end of the period	--	--	180	134	--	--	--	--
	=====	=====	=====	=====	=====	=====	=====	=====

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 October 31, 2001 and 2000

1. Nature of Operations

The name of the Enhanced Structural Adjustment Facility Administered Accounts was changed to the Poverty Reduction and Growth Facility Administered Accounts ("the Administered Accounts" or "PRGF Administered Accounts") on November 22, 1999. At the request of certain member countries, the IMF established the Administered Accounts for the benefit of the Subsidy Account of the Poverty Reduction and Growth Facility Trust (the PRGF Trust, formerly the Enhanced Structural Adjustment Facility 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.

In addition to the PRGF Administered Accounts, the IMF also administers the Saudi Fund for Development (SFD) Special Account which was established at the request of the SFD to provide supplementary financing in association with loans under the Poverty Reduction and Growth Facility. 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.

In financial year 2001, the IMF elected early adoption of IAS 39, *Financial Instruments: Recognition and Measurement*. The adoption of IAS 39 had no material effect on the PRGF Administered Accounts' financial statements.

Poverty Reduction and Growth Facility Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

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 value of the SDR in terms of U.S. dollars on the last business day prior to the change (December 29, 2000) was identical under both valuation baskets. The currencies in the basket and their amounts were as follows:

Currency	Amount	
	October 31, 2000	October 31, 2001
Euro		0.426
Euro (Germany)	0.228	
Euro (France)	0.1239	
Japanese yen	27.2	21.0
Pound sterling	0.105	0.0984
U.S. dollar	0.5821	0.577

As of October 31, 2001, one SDR was equal to 1.27808 U.S. dollars (1.27934 U.S. dollars as of October 31, 2000).

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

Poverty Reduction and Growth Facility Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

investment pool. Investments are marked to market value on the last business day of the accounting period. 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.

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 investments and the interest payable on the deposits, 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.

Poverty Reduction and Growth Facility Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

3. Investments

The maturities of the Administered Accounts' investments are as follows:

Maturity as at October 31	2001	2000
	<i>in thousands of SDRs</i>	
Less than 1 year	107,299	734
1 – 3 years	73,826	95,871
3 – 5 years	5,003	2,230
Over 5 years	97	267
Total	<u>186,225</u>	<u>99,102</u>

At October 31, investments consisted of the following:

	2001	2000
	<i>in thousands of SDRs</i>	
Debt securities	81,225	99,102
Fixed-term deposits	105,000	-
Total	<u>186,225</u>	<u>99,102</u>

At October 31, investment income is comprised of:

	2001	2000
	<i>In thousands of SDRs</i>	
Interest income	3,845	8,695
Realized gains (losses), net	1,848	(876)
Unrealized gains (losses), net	(405)	470
Total	<u>5,288</u>	<u>8,289</u>

4. Deposits

Administered Account – 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 (SDR 60.0 million made on December 30, 1988 and 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.

Poverty Reduction and Growth Facility Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

Administered Account – 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 million 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. The deposits are invested by the IMF, and the IMF pays the National Bank of Belgium interest at an annual rate of ½ of 1 percent. 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 as of October 31, 2001.

Administered Account – 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.

Administered Account – 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.

Administered Account – 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.

Poverty Reduction and Growth Facility Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

Administered Account – 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.

Administered Account – 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 Saudi Fund for Development 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 October 31 were as follows:

Poverty Reduction and Growth Facility Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

	2001	2000
	<hr/> <i>In thousands of SDRs</i>	
Receipts of Resources		
Cumulative transfers from the Saudi Fund for Development	49,500	49,500
Cumulative repayments of associated loans	31,100	21,200
Cumulative receipts of interest on associated loans	1,731	1,591
Accrued interest on associated loans	37	53
	----	----
	<u>82,368</u>	<u>72,344</u>
Uses of Resources		
Associated loans	49,500	49,500
Cumulative repayments to the Saudi Fund for Development	31,100	21,200
Cumulative payments of interest on transfers	1,731	1,591
Accrued interest on transfers	37	53
	----	----
	<u>82,368</u>	<u>72,344</u>

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

PRGF-HIPC Trust and Related Accounts

Combined Balance Sheets as at October 31, 2001 and 2000

(In thousands of SDRs)

	2001	2000
Assets		
Cash and cash equivalents	858,608	1,050,070
Investments (Note 3)	575,791	272,839
Interest receivable	6,462	6,112
	<u> </u>	<u> </u>
Total Assets	1,440,861	1,329,021
	=====	=====
Liabilities and Resources		
Borrowings (Note 5)	525,413	351,994
Interest payable	728	591
Other liabilities	--	20
	<u> </u>	<u> </u>
Total Liabilities	526,141	352,605
	<u> </u>	<u> </u>
Accumulated resources	914,720	976,416
	<u> </u>	<u> </u>
Total Liabilities and Resources	1,440,861	1,329,021
	=====	=====

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

PRGF-HIPC Trust and Related Accounts

Combined Income Statements and Changes in Resources for the Six Months Ended October 31, 2001 and 2000

(In thousands of SDRs)

	2001	2000
Balance, beginning of the year	975,533	928,927
Investment income (Note 3)	34,974	29,312
Interest expense	(931)	(681)
Other expenses	(100)	(63)
Operational income	33,943	28,568
Contributions received	132,984	208,832
Grants	(95,506)	(103,182)
Disbursements	(129,681)	(42,132)
	(58,260)	92,086
Transfers	(2,553)	(44,597)
Net changes in resources	(60,813)	47,489
Balance, end of the period	914,720	976,416
	=====	=====

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

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

1. Nature of 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 (formerly the ESAF-HIPC Trust)

The name of the Trust for Special ESAF Operations for the Heavily Indebted Poor Countries and for Interim ESAF Subsidy Operations was changed to the Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and for Interim PRGF Subsidy Operations (the "PRGF-HIPC Trust") on November 22, 1999. 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 (formerly the ESAF-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 or through 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.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

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 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, disclose 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.

In financial year 2001, the IMF elected early adoption of IAS 39, *Financial Instruments: Recognition and Measurement*. The adoption of IAS 39 had no material effect on the PRGF-HIPC Trust and Related Accounts' financial statements.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

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 from January 1, 2001. The value of the SDR in terms of U.S. dollars on the last business day prior to the change (December 29, 2000) was identical under both valuation baskets. The currencies in the basket and their amounts were as follows:

Currency	Amount	
	October 31, 2000	October 31, 2001
Euro		0.426
Euro (Germany)	0.228	
Euro (France)	0.1239	
Japanese yen	27.2	21.0
Pound sterling	0.105	0.0984
U.S. dollar	0.5821	0.577

As of October 31, 2001, one SDR was equal to 1.27808 U.S. dollars (one SDR was equal to 1.27934 U.S. dollars as of October 31, 2000).

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, either directly or by participation in an investment pool. Investments are valued at their

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

market value on the last business day of the accounting period. 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. 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.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

3. Investments

The maturities of the investments in debt securities are as follows:

Maturity as at October 31	2001	2000
	<i>In thousands of SDRs</i>	
Less than 1 year	214,746	15,740
1 - 3 years	338,493	243,837
3 - 5 years	22,159	10,990
Over 5 years	393	2,272
Total	575,791	272,839

At October 31, investments consisted of the following:

	2001	2000
	<i>In thousands of SDRs</i>	
Debt securities	363,550	237,796
Fixed-term deposits	212,241	35,043
Total	575,791	272,839

At October 31, investment income was comprised of:

	2001	2000
	<i>In thousands of SDRs</i>	
Interest income	28,849	29,964
Realized gains (losses), net	5,361	(1,776)
Unrealized gains (losses), net	763	1,142
Exchange rate gains (losses), net	1	(18)
Total	34,974	29,312

4. Transfers Receivable and Payable

At October 31, 2001, 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 292.6 million, including interest (SDR 206.6 million at October 31, 2000). 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 2001 and 2000 varied between 0 percent and 2 percent a year.

PRGF-HIPC Trust and Related Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

The principal amounts of the borrowings are repayable in one installment at their maturity dates. Scheduled repayments of borrowings are summarized below:

Period Ending October 31	<i>In thousands of SDRs</i>
2002	14,607
2003	-
2004	-
2005	15,000
2006	-
2007 and beyond	<u>495,806</u>
Total	<u>525,413</u>

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

The balance sheets and income statements 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 October 31, 2001 and 2000**

(In thousands of SDRs)

	2001							2000			
	PRGF-HIPC Trust Account subaccount			Combined	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								
Assets											
Cash and cash equivalents	478,356	6,512	--	484,868	312,892	60,848	858,608	671,658	189,652	188,760	1,050,070
Investments	567,910	7,881	--	575,791	--	--	575,791	237,796	35,043	--	272,839
Transfers to and from subaccounts	292,575	--	(292,575)	--	--	--	--	--	--	--	--
Interest receivable	3,635	51	--	3,686	2,306	470	6,462	3,014	869	2,229	6,112
Total Assets	<u>1,342,476</u>	<u>14,444</u>	<u>(292,575)</u>	<u>1,064,345</u>	<u>315,198</u>	<u>61,318</u>	<u>1,440,861</u>	<u>912,468</u>	<u>225,564</u>	<u>190,989</u>	<u>1,329,021</u>
Liabilities and Resources											
Borrowings	525,413	--	--	525,413	--	--	525,413	351,994	--	--	351,994
Interest payable	728	--	--	728	--	--	728	591	--	--	591
Other liabilities	--	--	--	--	--	--	--	20	--	--	20
Total Liabilities	<u>526,141</u>	<u>--</u>	<u>--</u>	<u>526,141</u>	<u>--</u>	<u>--</u>	<u>526,141</u>	<u>352,605</u>	<u>--</u>	<u>--</u>	<u>352,605</u>
Accumulated resources	<u>816,335</u>	<u>14,444</u>	<u>(292,575)</u>	<u>538,204</u>	<u>315,198</u>	<u>61,318</u>	<u>914,720</u>	<u>559,863</u>	<u>225,564</u>	<u>190,989</u>	<u>976,416</u>
Total Liabilities and Resources	<u>1,342,476</u>	<u>14,444</u>	<u>(292,575)</u>	<u>1,064,345</u>	<u>315,198</u>	<u>61,318</u>	<u>1,440,861</u>	<u>912,468</u>	<u>225,564</u>	<u>190,989</u>	<u>1,329,021</u>

Note 6 (continued)

**Combining Income Statements and Changes in Resources
for the Six Months Ended October 31, 2001 and 2000**

(In thousands of SDRs)

	2001							2000			
	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	<u>735,089</u>	<u>14,003</u>	<u>(210,287)</u>	<u>538,805</u>	<u>343,410</u>	<u>93,318</u>	<u>975,533</u>	<u>511,051</u>	<u>160,825</u>	<u>257,051</u>	<u>928,927</u>
Investment income	34,511	443	50	27,908 ¹	5,963	1,103	34,974	20,913	3,689	4,710	29,312
Interest expense	(931)	--	(7,096)	(931) ¹	--	--	(931)	(681)	--	--	(681)
Other expenses	(95)	(2)	(3)	(100)	--	--	(100)	(63)	--	--	(63)
Operational income/(loss)	33,485	441	(7,049)	26,877	5,963	1,103	33,943	20,169	3,689	4,710	28,568
Contributions received	17,211	--	20,267	37,478	95,506	--	132,984	105,650	103,182	--	208,832
Grants	--	--	(95,506)	(95,506)	--	--	(95,506)	(103,182)	--	--	(103,182)
Disbursements	--	--	--	--	(129,681)	--	(129,681)	--	(42,132)	--	(42,132)
	<u>50,696</u>	<u>441</u>	<u>(82,288)</u>	<u>(31,151)</u>	<u>(28,212)</u>	<u>1,103</u>	<u>(58,260)</u>	<u>22,637</u>	<u>64,739</u>	<u>4,710</u>	<u>92,086</u>
Transfers	<u>30,550</u>	<u>--</u>	<u>--</u>	<u>30,550</u>	<u>--</u>	<u>(33,103)</u>	<u>(2,553)</u>	<u>26,175</u>	<u>--</u>	<u>(70,772)</u>	<u>(44,597)</u>
Net changes in resources	<u>81,246</u>	<u>441</u>	<u>(82,288)</u>	<u>(601)</u>	<u>(28,212)</u>	<u>(32,000)</u>	<u>(60,813)</u>	<u>48,812</u>	<u>64,739</u>	<u>(66,062)</u>	<u>47,489</u>
Balance, end of the period	<u>816,335</u>	<u>14,444</u>	<u>(292,575)</u>	<u>538,204</u>	<u>315,198</u>	<u>61,318</u>	<u>914,720</u>	<u>559,863</u>	<u>225,564</u>	<u>190,989</u>	<u>976,416</u>

¹ Interest payable between subaccounts amounting to SDR 7.1 million (SDR 5.8 million at October 31, 2000) has been eliminated in the combined totals.

Post-SCA-2 Administered Account

Interest, Transfers and Changes in Holdings for the Six Months Ended October 31, 2001 and 2000

(In thousands of SDRs)

Member	Balance Beginning of Year	Interest Earned	Transfers from Member	Transfers to Member	Transfers to PRGF-HIPC Trust	Balance End of Period
Algeria	412	--	--	--	(412)	--
Argentina	20,794	91	--	--	(15,628)	5,257
Brazil	10,598	178	--	--	--	10,776
Brunei Darussalam	55	1	--	--	(52)	4
Colombia	--	12	1,182	--	(1,182)	12
Croatia, Republic of	31	--	--	--	(31)	--
Dominican Republic	957	16	--	--	--	973
Estonia, Republic of	146	2	--	--	--	148
Fiji	206	4	--	--	--	210
Finland	322	--	--	--	(322)	--
Gabon	458	--	--	--	(458)	--
Jordan	1,087	18	--	--	--	1,105
Latvia, Republic of	17	--	--	(2)	(15)	--
Malaysia	7,821	24	--	--	(7,845)	--
Oman	1,123	7	--	--	(1,130)	--
Saudi Arabia	978	--	--	--	(978)	--
Singapore	249	--	--	--	(249)	--
Sweden	11,254	188	--	--	--	11,442
Thailand	350	--	--	--	(350)	--
Tonga	27	1	--	--	--	28
Trinidad & Tobago	2,334	39	--	--	--	2,373
Tunisia	136	--	--	--	(136)	--
United Arab Emirates	5,450	45	--	--	(5,495)	--
Vanuatu	46	1	--	--	--	47
Venezuela	28,467	476	--	--	--	28,943
Total at October 31, 2001	93,318	1,103	1,182	(2)	(34,283)	61,318
Total at October 31, 2000	257,051	4,710	--	(197)	(70,575)	190,989

PRGF-HIPC Trust Account

Contributions and Transfers for the Six Months Ended October 31, 2001 and 2000 (In thousands of SDRs)

	Subaccount			Combined
	PRGF-HIPC	PRGF	HIPC	
<i>Period ended October 31, 2000</i>				
Australia	--	--	3,910	3,910
Belgium	4,000	--	--	4,000
Belize	20	--	--	20
Egypt	37	--	--	37
India	390	--	--	390
Indonesia	124	--	--	124
Italy	43,309	--	--	43,309
Kuwait	108	--	--	108
Mexico	8,000	--	--	8,000
Morocco	49	--	--	49
Netherlands	--	2,991	--	2,991
New Zealand	1,158	--	--	1,158
Pakistan	105	--	--	105
Poland, Republic of	877	--	--	877
South Africa	4,000	--	--	4,000
Sri Lanka	12	--	--	12
Switzerland	3,184	--	--	3,184
United Kingdom	--	--	33,366	33,366
Vietnam	10	--	--	10
	<u>65,383</u>	<u>2,991</u>	<u>37,276</u>	<u>105,650</u>
Transfers from SDA	26,175	--	--	26,175
	<u>91,558</u>	<u>2,991</u>	<u>37,276</u>	<u>131,825</u>
<i>Period ended October 31, 2001</i>				
Algeria	412	--	--	412
Australia	--	--	3,920	3,920
Belgium	2,621	--	--	2,621
Belize	20	--	--	20
Croatia, Republic of	31	--	--	31

PRGF-HIPC Trust Account

Contributions and Transfers for the Six Months Ended October 31, 2001 and 2000 (In thousands of SDRs)

	Subaccount			Combined
	PRGF-HIPC	PRGF	HIPC	
Finland	322	--	--	322
Gabon	458	--	--	458
Latvia, Republic of	15	--	--	15
Malaysia	478	--	--	478
Netherlands	--	--	16,347 ¹	16,347
Nigeria	2,154	--	--	2,154
Oman	73	--	--	73
St. Vincent and the Grenadines	22	--	--	22
Saudi Arabia	978	--	--	978
Singapore	249	--	--	249
Sweden	5,323	--	--	5,323
Switzerland	3,216	--	--	3,216
Thailand	350	--	--	350
Tunisia	136	--	--	136
United Arab Emirates	353	--	--	353
	<u>17,211</u>	<u> </u>	<u>20,267</u>	<u>37,478</u>
Transfers from SDA	30,550	--	--	30,550
	<u>47,761</u>	<u> </u>	<u>20,267</u>	<u>68,028</u>

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

PRGF-HIPC Trust Account**Borrowings
as at October 31, 2001 and 2000***(In thousands of SDRs)*

Date of Arrangement	Maturity ¹	Interest Rate (in Percent)	Outstanding Balance	
			2001	2000
PRGF-HIPC subaccount				
<i>SDR-denominated</i>				
April 30, 1997	April 29, 2002	2.0	14,607	14,607
May 30, 1997	May 29, 2007	0.5	1,000	1,000
May 30, 1998	May 29, 2007	0.5	1,000	1,000
June 29, 1998	June 28, 2008	2.0	15,000	15,000
November 20, 1998	November 19, 2008	2.0	10,000	10,000
May 30, 1999	May 29, 2007	0.5	1,000	1,000
August 24, 1999	August 23, 2009	2.0	5,000	5,000
August 30, 1999	August 29, 2009	2.0	10,000	10,000
October 4, 1999	October 3, 2004	0.5	15,000	15,000
January 31, 2000	January 30, 2010	1.5	6,144	6,144
February 24, 2000	February 23, 2020	0.0	5,664	5,664
March 31, 2000	December 30, 2018	0.0	31,370	31,370
April 24, 2000	December 23, 2018	0.0	789	789
May 17, 2000	May 16, 2010	0.5	982	982
May 24, 2000	December 31, 2018	0.0	523	523
May 27, 2000	December 31, 2018	0.0	750	750
May 30, 2000	May 29, 2007	0.5	1,000	1,000
June 12, 2000	June 11, 2020	0.0	7,074	7,074
June 16, 2000	December 31, 2018	0.0	1,724	1,724
June 22, 2000	June 21, 2020	0.0	2,187	2,187
June 22, 2000	June 21, 2020	0.0	4,659	4,659
July 18, 2000	December 17, 2018	0.0	4,850	4,850
July 25, 2000	December 24, 2018	0.0	4,197	4,197
August 23, 2000	August 22, 2010	0.5	100	100
August 30, 2000	August 29, 2010	2.0	10,000	10,000
December 8, 2000	December 7, 2018	0.0	9,237	--
February 27, 2001	February 26, 2011	0.0	5,440	--
February 28, 2001	December 30, 2018	0.0	5,812	--
March 14, 2001	March 13, 2020	0.0	6,128	--
March 20, 2001	March 19, 2021	0.5	2,362	--
March 27, 2001	December 26, 2018	0.0	16,710	--
March 27, 2001	December 26, 2018	0.5	3,000	--
March 27, 2001	December 26, 2018	0.5	49,820	--
March 27, 2001	March 26, 2021	0.0	7,600	--
April 9, 2001	January 8, 2019	0.0	519	--
April 13, 2001	January 12, 2019	0.5	1,500	--

PRGF-HIPC Trust Account**Borrowings
as at October 31, 2001 and 2000***(In thousands of SDRs)*

Date of Arrangement	Maturity ¹	Interest Rate (in Percent)	Outstanding Balance	
			2001	2000
April 24, 2001	April 23, 2011	0.0	4,046	--
May 4, 2001	May 3, 2020	0.0	15,628	--
May 29, 2001	December 28, 2018	0.0	7,368	--
May 30, 2001	May 29, 2011	0.5	1,000	--
June 22, 2001	March 21, 2019	0.5	200	--
July 5, 2001	January 4, 2019	0.0	1,057	--
July 24, 2001	December 23, 2018	0.0	5,141	--
July 31, 2001	April 29, 2019	0.5	250	--
August 29, 2001	August 28, 2011	2.0	10,000	--
September 21, 2001	December 20, 2018	0.0	1,182	--
September 27, 2001	June 26, 2019	0.5	3,000	--
October 12, 2001	July 11, 2019	0.5	1,500	--
October 24, 2001	December 23, 2018	0.0	52	--
			313,172	154,620
<i>Currency-denominated</i>				
February 11, 2000	February 10, 2010	0.0	212,241 ²	197,374
Total			525,413	351,994

¹ The principal amounts of all the deposits are payable in one installment at their maturity dates.

² The principal amount of the borrowing is for euro 300 million.

Umbrella Account for HIPC Operations

Grants, Interest, Disbursements and Changes in Resources for the Six Months Ended October 31, 2001 and 2000 (In thousands of SDRs)

	Opening Balance	Grants from PRGF-HIPC Trust Account	Interest Earned	Disbursements	Ending Balance
<i>Period ended October 31, 2000</i>					
Benin	--	3,700	39	1,190	2,549
Bolivia	7,906	--	143	3,395	4,654
Burkina Faso	--	17,800	241	1,750	16,291
Cameroon	--	2,240	5	--	2,245
Guyana	18,862	--	410	1,828	17,444
Mali	--	11,490	75	440	11,125
Mauritania	--	3,762	11	2,985	788
Mozambique	83,423	--	1,687	11,935	73,175
Senegal	--	1,690	11	265	1,436
Tanzania	13,375	--	194	6,677	6,892
Uganda	37,259	62,500	873	11,667	88,965
	<u>160,825</u>	<u>103,182</u>	<u>3,689</u>	<u>42,132</u>	<u>225,564</u>
	=====	=====	=====	=====	=====
<i>Period ended October 31, 2001</i>					
Benin	802	3,680	30	1,967	2,545
Bolivia	2,584	44,234	603	2,929	44,492
Burkina Faso	14,696	1,650	278	1,975	14,649
Cameroon	431	--	8	--	439
Chad	--	2,850	37	708	2,179
Gambia, The	72	--	1	9	64
Guinea	2,235	--	27	1,218	1,044
Guinea-Bissau	391	--	6	158	239
Guyana	18,640	--	309	4,207	14,742
Honduras	--	4,500	6	--	4,506
Madagascar	6	--	--	--	6
Malawi	1,144	--	20	804	360
Mali	10,238	5,746	222	3,760	12,446
Mauritania	5,009	--	59	4,290	778
Mozambique	63,732	12,519	1,129	8,750	68,630
Niger	437	--	8	--	445
Rwanda	3,708	2,367	54	3,038	3,091
Senegal	3,115	--	35	1,811	1,339
Tanzania	13,420	--	155	7,618	5,957
Uganda	83,374	1,585	1,465	11,079	75,345
Zambia	119,376	16,375 ¹	1,511	75,360	61,902
	<u>343,410</u>	<u>95,506</u>	<u>5,963</u>	<u>129,681</u>	<u>315,198</u>
	=====	=====	=====	=====	=====

¹ 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 October 31, 2001

(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	14,829	--	--	14,829
Belize	80	--	--	80
Cambodia	27	--	--	27
Canada	32,929	--	--	32,929
China	13,132	--	--	13,132
Croatia, Republic of	31	--	--	31
Cyprus	544	--	--	544
Denmark	8,494	--	--	8,494
Egypt	37	--	--	37
Finland	2,573	--	--	2,573
France	55,892	--	--	55,892
Gabon	458	--	--	458
Greece	2,200	--	--	2,200
Iceland	459	--	--	459
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	82,914	--	--	82,914
Korea	10,625	--	--	10,625
Kuwait	108	--	--	108
Latvia, Republic of	284	--	--	284
Luxembourg	488	--	--	488
Malaysia	478	--	--	478
Malta	706	--	--	706
Mauritius	40	--	--	40
Mexico	8,000	--	--	8,000
Morocco	49	--	--	49
Netherlands	--	13,092	16,347 ¹	29,439
New Zealand	1,158	--	--	1,158
Nigeria	3,256	--	--	3,256
Norway	8,396	--	--	8,396
Oman	73	--	--	73

Schedule 5 (concluded)

PRGF-HIPC Trust Account

Cumulative Contributions and Transfers

as at October 31, 2001

(In thousands of SDRs)

	Subaccount			Combined
	PRGF-HIPC	PRGF	HIPC	
Pakistan	105	--	--	105
Philippines	4,500	--	--	4,500
Poland, Republic of	877	--	--	877
Portugal	4,430	--	--	4,430
Russian Federation	10,200	--	--	10,200
St. Vincent and the Grenadines	22	--	--	22
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	4,895	--	--	4,895
Spain	16,550	--	--	16,550
Sri Lanka	12	--	--	12
Swaziland	20	--	--	20
Sweden	5,322	--	--	5,322
Switzerland	6,400	--	--	6,400
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>382,809</u>	<u>13,092</u>	<u>299,116</u>	<u>695,017</u>
Transfers from SDA	256,947	--	--	256,947
Transfers from GRA	72,456	--	--	72,456
	<u>329,403</u>	<u>--</u>	<u>--</u>	<u>329,403</u>
	<u>712,212</u>	<u>13,092</u>	<u>299,116</u>	<u>1,024,420</u>

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

**IV. Financial Statements
of Other
Administered Accounts**

Other Administered Accounts

Balance Sheets as at October 31, 2001 and 2000

	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 for PRGF-Eligible Members
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001
<----- (In thousands of U.S. dollars) ----->						<----- (In thousands of SDRs) ----->					
Assets											
Cash and cash equivalents	116,223	110,970	9,713	10,164	4,078	4,666	--	--	2,260	2,265	569
Interest receivable	--	--	--	--	--	--	--	--	17	27	--
Total Assets	116,223	110,970	9,713	10,164	4,078	4,666	--	--	2,277	2,292	569
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====
Resources											
Total Resources	116,223	110,970	9,713	10,164	4,078	4,666	--	--	2,277	2,292	569
	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====	=====

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Other Administered Accounts
Income Statements and Changes in Resources
for the Six Months Ended October 31, 2001 and 2000

	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 for PRGF-Eligible Members
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000	2001
	<i><----- (In thousands of U.S. dollars) -----></i>						<i><----- (In thousands of SDRs) -----></i>				
Balance, beginning of the year	114,184	107,439	14,580	18,854	4,539	4,201	--	--	2,343	2,343	--
Income earned on											
investments	2,039	3,531	214	481	78	134	33	--	37	53	--
Contributions received	--	--	3,002	634	1,633	2,190	329,114	--	--	--	569
Payments to and on											
behalf of beneficiaries	--	--	(8,083)	(9,805)	(2,172)	(1,859)	(329,147)	--	--	--	--
	2,039	3,531	(4,867)	(8,690)	(461)	465	--	--	37	53	569
Transfers to the Special											
Disbursement Account (Note 4)	--	--	--	--	--	--	--	--	(103)	(104)	--
Net changes in resources	2,039	3,531	(4,867)	(8,690)	(461)	465	--	--	(66)	(51)	569
Balance, end of the period	116,223	110,970	9,713	10,164	4,078	4,666	--	--	2,277	2,292	569

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

Other Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

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.

Other Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

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.

Other Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

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.

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 and September 7, 2001.

The Post-Conflict Emergency Assistance Subsidy Account for PRGF-Eligible Members

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.

Other Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

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. The final Trust Loan settlement was due on March 31, 1991. As of October 31, 2001 and 2000, the Trust Fund had no assets other than loans receivable of SDR 88.6 million and SDR 88.8 million, respectively. Interest continues to be charged on the outstanding balances, all of which are overdue, and all interest recognition is deferred. Cash receipts on these loans are to be transferred to the Special Disbursement Account.

Loans

Loans in the Trust Fund 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.

An overdue member would have to become current in the IMF and in the Trust Fund before access to credit could be restored and consequently no loss is expected on the loans. The member's resources or other resources would be used to reimburse the Trust Fund.

Deferred Income

Interest income and special charges (apply to overdue repayments and overdue charges that are less than six months) on outstanding Trust Fund loans in arrears for six months or more are being deferred and are recognized as income only when paid.

Overdue Obligations

At October 31, 2001 and 2000, three members with obligations to the Trust Fund were six months or more overdue in discharging their obligations to the Trust Fund. The recognition of interest income on the loans outstanding to these members and of special charges due from them is being deferred. Overdue loan repayments and interest and special charges due from these members as at October 31, 2001 and 2000 were as follows:

Other Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

	Loans		Interest and Special Charges	
	2001	2000	2001	2000
<i>In millions of SDRs</i>				
Total overdue	88.6	88.8	27.4	27.0
Overdue six months or more	88.6	88.8	27.1	26.7
Overdue three years or more	88.6	88.8	26.0	25.6

The type and duration of the arrears of these members at October 31, 2001 were as follows:

Member	Loans	Interest and Special Charges	Total	Longest Overdue Obligation
<i>In millions of SDRs</i>				
Liberia	22.9	7.1	30.0	April 1985
Somalia	6.5	1.4	7.9	July 1987
Sudan	<u>59.2</u>	<u>18.9</u>	<u>78.1</u>	June 1985
Total	<u>88.6</u>	<u>27.4</u>	<u>116.0</u>	

Transfer of Resources

Since the activities of the Trust are limited to the conclusion of its affairs, the resources of the Trust Fund from the settlement of the overdue obligations will be transferred to the Special Disbursement Account.

Other Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

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.

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.

In financial year 2001, the IMF elected early adoption of IAS 39, Financial Instruments: Recognition and Measurement. The adoption of IAS 39 had no material effect on the other Administered Accounts' financial statements.

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.

Other Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

The Post-Conflict Emergency Assistance Subsidy Account for PRGF-Eligible Members, Trust Fund, and the 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 value of the SDR in terms of U.S. dollars on the last business day prior to the change (December 29, 2000) was identical under both valuation baskets. The method of valuing the SDR has been revised following the introduction of the euro as the common currency of a number of members. The currencies in the basket and their amounts were as follows:

Currency	Amount	
	October 31, 2000	October 31, 2001
Euro		0.426
Euro (Germany)	0.228	
Euro (France)	0.1239	
Japanese yen	27.2	21.0
Pound sterling	0.105	0.0984
U.S. dollar	0.5821	0.577

As of October 31, 2001, one SDR was equal to 1.27808 U.S. dollars (one SDR was equal to 1.27934 U.S. dollars as of October 31, 2000).

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.

Other Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

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, from investment earnings, an annual fee of \$40,000 for administrative costs incurred. As at October 31, 2001 the administrative costs for Administered Account for Selected Fund Activities – Japan amounted to \$1.0 million (\$1.0 million at October 31, 2000), and for Framework Administered Account for Technical Assistance Activities \$0.25 million (\$0.25 million at October 31, 2000). 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.

Other Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

3. Cumulative Contributions and Disbursements

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

Account	October 31, 2001		October 31, 2000	
	Cumulative Contributions	Cumulative Disbursements ¹	Cumulative Contributions	Cumulative Disbursements ¹
<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>	156.6	153.8	139.1	135.5
Technical Assistance	141.2	140.5	128.6	125.4
Scholarships	10.3	8.7	6.6	6.6
Office of Asia and Pacific	5.1	4.6	3.9	3.5
<i>Framework Administered Account for Technical assistance Activities</i>	20.6	17.5	17.2	13.4
Subaccount for Japan Advanced Scholarship Program	7.2	6.5	5.7	4.8
Rwanda - Macroeconomic Management Capacity Subaccount	1.5	1.6	1.5	1.6
Australia - IMF Scholarship Program for Asia Subaccount	1.7	1.5	1.3	1.2
Switzerland Technical Assistance Subaccount	7.1	6.2	6.8	5.0
French Technical Assistance Subaccount	0.7	0.4	0.5	0.3
Denmark Technical Assistance Subaccount	0.5	0.5	0.5	0.5
Australia Technical Assistance Subaccount	0.3	-	0.3	-
The Netherlands Technical Assistance Subaccount	1.0	0.8	0.6	-
The United Kingdom DFID Technical Assistance Subaccount	0.6	-	-	-
<i>Administered Account Spain</i>	835.4	835.5	-	-
<i>(In millions of SDRs)</i>				
<i>The Post-Conflict Emergency Assistance Subsidy Account for PRGF-Eligible Members</i>	0.6	-	-	-

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

Other Administered Accounts

Notes to the Financial Statements as at October 31, 2001 and 2000

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 October 31, 2001 and 2000, 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 for PRGF-Eligible Members

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

**V. Financial Statements
of the
Retired Staff Benefits
Investment Account**

Retired Staff Benefits Investment Account

Balance Sheets as at October 31, 2001 and 2000

(In thousands of U.S. dollars)

	2001	2000
Assets		
Investments (Note 3)		
Cash equivalents	36,305	15,519
Other	303,678	214,562
Accrued interest receivable	1,436	1,157
	<u>341,419</u>	<u>231,238</u>
Total assets	=====	=====
Liabilities and Resources		
Accounts payable	2,481	1,528
Resources	338,938	229,710
	<u>341,419</u>	<u>231,238</u>
Total liabilities and resources	=====	=====

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

/s/ Eduard Brau
Treasurer

/s/ Horst Köhler
Managing Director

Retired Staff Benefits Investment Account

Income Statements and Changes in Resources for the Six Months Ended October 31, 2001 and 2000

(In thousands of U.S. dollars)

	2001	2000
Balance, beginning of the year	351,676	236,072
Contributions received	15,000	3,667
Investment income		
Interest and dividends	5,280	4,655
Net realized gain (loss) on investments	(1,212)	3,422
Net unrealized gain (loss) on investments	(19,029)	(17,195)
Exchange gain (loss)	(83)	(255)
Less: investment fees	(803)	(656)
Net investment income (loss)	<u>(15,847)</u>	<u>(10,029)</u>
Long-Term Benefits payments	<u>(11,891)</u>	<u>--</u>
Net decrease	<u>(12,738)</u>	<u>(6,362)</u>
Balance, end of the period	<u>338,938</u>	<u>229,710</u>

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

Retired Staff Benefits Investment Account

Notes to the Financial Statements as at October 31, 2001 and 2000

1. Purpose

The Retired Staff Benefits Investment Account (“the RSBIA”) was established to hold, administer, and invest resources contributed by the IMF for meeting postretirement medical and life insurance benefits to eligible retirees of the IMF and other beneficiaries. The RSBIA accumulates resources to finance benefits of current and future retirees.

The assets of the RSBIA consist of IMF contributions and the income earned thereon. Assets are owned solely by the IMF and are to be used to meet the claims of retirees and the administrative costs of the RSBIA. Contributions are made periodically from the General Resources Account to the RSBIA, taking into consideration the actuarial valuation of the IMF’s cumulative cost of these benefits. Cumulative contributions received by the RSBIA amounted to \$309.3 million at October 31, 2001 (\$163.6 million at October 31, 2000).

On March 23, 2001, the RSBIA was amended to include the funding and administration of existing long terms benefits, other than pension benefits, including separation and repatriation benefits, accrued annual leave up to 60 days, payments in lieu of pension for contractual employees, and associated tax allowances. These benefits were partially funded with a contribution from the General Resources Account of \$128.2 million on March 29, 2001.

The assets of the RSBIA are kept 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.

2. Accounting Policies

Basis of Presentation

The financial statements of the RSBIA 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Valuation of Investments

In accordance with its investments policy, the RSBIA invests in short-term investments, debt securities, equity securities, and real estate. Cash equivalents are short-term investments with maturities of three months or less. These investments include short-term Treasury securities and other short-term, highly liquid investments and are carried at cost, which approximates market value. Investments in securities listed on stock exchanges are valued at the last

Retired Staff Benefits Investment Account

Notes to the Financial Statements as at October 31, 2001 and 2000

reported market sales price on the last business day of the accounting period. Over-the-counter securities are valued at their bid price on the last business day of the accounting period. The valuation of purchases and sales is made on the trade date basis. For investments in real estate, market value is the last reported adjusted appraised value.

Investment income comprises interest and dividends, realized and unrealized gains and losses, and, for investments denominated in currencies other than the U.S. dollar, valuation differences arising from exchange rate changes of other currencies against the dollar market value.

Comparatives

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

3. Investments

A summary of the RSBIA's investments at market value or fair value as of October 31 is as follows:

Investments	2001	2000
	In millions of U.S. dollars	
Short-term investments	36	16
Debt securities	103	50
Equity securities	172	136
Real Estate	<u>30</u>	<u>29</u>
	<u>341</u>	<u>231</u>

In addition to these investments, the RSBIA held commitments in fixed-income futures contracts to minimize interest rate risk. At October 31, 2001, the notional value of these derivatives amounted to \$3.7 million (\$0.97 million at October 31, 2000) and the unrealized gain was less than \$0.1 million (the unrealized loss was less than \$0.1 million at October 31, 2000)

Retired Staff Benefits Investment Account

Notes to the Financial Statements as at October 31, 2001 and 2000

4. Actuarial Valuation

The defined benefit obligation for long-term employee benefits other than pension benefits is actuarially determined, based on the data in effect at the beginning of the year. The IMF's actuarially determined cost was estimated at \$570 million at April 30, 2001 (\$561 million at April 30, 2000, including the obligation for benefits due to the March 23, 2001 amendment). Each year the IMF transfers amounts from the General Resources Account to the RSBIA to be held and invested pending their use by the IMF. During the six months ended October 31, 2001, \$15.0 million was transferred to the RSBIA (\$3.7 million during the six months ended October 31, 2000).

5. Account Termination

The RSBIA can be terminated by the IMF at any time. After meeting any existing obligations, the resources remaining in the RSBIA are to be transferred to the General Resources Account of the IMF.

