Financial statements
April 30, 2008

Deloitte.

Deloitte & Touche LLP
Suite 500
555 12th Street, NW
Washington, DC 20004-1207
USA
Tel: +1 202 879 5600
Fax: +1 202 879 5309
www.deloitte.com

Independent Auditors' Report

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

We have audited the accompanying consolidated balance sheets of the General Department of the International Monetary Fund and subsidiary (the "Department") as of April 30, 2008 and 2007, and the related consolidated statements of income, changes in reserves, resources and retained earnings, and cash flows for the years then ended. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the General Department of the International Monetary Fund at April 30, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards.

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

Deloitte & Touche LLP

June 25, 2008

Member of
Deloitte Touche Tohmatsu

General Department
Consolidated balance sheets as at April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Assets		
Usable currencies	163,072,460	160,989,914
Credit outstanding (Notes 6 and 14)	5,896,074	7,333,633
Other currencies	40,822,661	40,766,433
Total currencies (Note 5)	209,791,195	209,089,980
SDR holdings	1,852,278	2,597,564
Interest and charges receivables (Note 11)	76,416	141,762
Investments (Note 7)	6,786,229	6,536,292
Gold holdings (Note 8)	5,851,771	5,851,771
Other assets (Notes 9 and 18)	645,682	674,838
Structural Adjustment Facility loans (Note 6)	8,840	8,840
Total assets	225,012,411	224,901,047

	2008	2007
Liabilities (including quotas)		
Remuneration payable	44,324	88,427
Investment trades payable	206,069	95,311
Other liabilities	140,294	71,553
Accrued MDRI-I Trust grants (Note 10)	189,003	299,024
Special Contingent Account (Note 15)	1,188,019	1,713,019
Quotas, represented by (Note 5)		
Reserve tranche positions	13,481,535	14,995,543
Subscription payments	203,891,165	201,752,257
Total quotas	217,372,700	216,747,800
Total liabilities (including quotas)	219,140,409	219,015,134
Reserves of the General Resources Account	5,750,600	5,877,073
Retained earnings of the Investment Account	—	—
Resources of the Special Disbursement Account	121,402	8,840
Total liabilities, reserves, and resources	225,012,411	224,901,047

The accompanying notes are an integral part of these consolidated financial statements.
These consolidated financial statements were approved by the Managing Director and the Director of Finance on June 25, 2008.

/s/ Michael G. Kuhn
Director, Finance Department

/s/ Dominique Strauss-Kahn
Managing Director

General Department

Consolidated income statements for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Operational income		
Interest and charges (Note 11)	511,990	686,974
Interest on SDR holdings	88,445	124,444
Net income from investments (Note 7)	328,980	193,330
Other charges and income (Note 11)	9,533	16,421
	938,948	1,021,169
Operational expenses		
Remuneration (Note 16)	374,682	483,991
Administrative expenses (Note 17)	680,762	608,539
	1,055,444	1,092,530
Net operational loss	(116,496)	(71,361)
MDRI grant assistance (Note 10)	102,586	(11,157)
Transfers to the Special Disbursement Account (Note 12)	30,705	195
Contribution from the Special Disbursement Account to the PRGF-ESF Trust (Note 12)	(30,706)	(195)
Net income/(loss)	(13,911)	(82,518)
Net income/(loss) of the General Department comprises		
Net loss of the General Resources Account	(443,170)	(262,437)
Net income of the Investment Account	316,697	179,919
Net income of the Special Disbursement Account	112,562	—
	(13,911)	(82,518)

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

General Department

Consolidated statements of changes in reserves, resources, and retained earnings for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	General Resources Account			Special Disbursement Account resources	Investment Account retained earnings
	Special reserves	General reserves	Total reserves		
Balance at April 30, 2006	2,439,319	3,520,272	5,959,591	8,840	—
Net (loss)/income	(262,437)	—	(262,437)	—	179,919
Transfers	179,919	—	179,919	—	(179,919)
Balance at April 30, 2007	2,356,801	3,520,272	5,877,073	8,840	—
Net (loss)/income	(443,170)	—	(443,170)	112,562	316,697
Transfers	316,697	—	316,697	—	(316,697)
Balance at April 30, 2008	2,230,328	3,520,272	5,750,600	121,402	—

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

General Department

Consolidated statements of cash flows
for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Usable currencies and SDRs from operating activities		
Net loss	(13,911)	(82,518)
Adjustments to reconcile net income/(loss) to usable resources generated by operations		
Depreciation and amortization	22,406	21,793
Interest and charges	(511,990)	(686,974)
Interest on SDR holdings	(88,445)	(124,444)
Interest income from investments	(224,247)	(193,330)
Remuneration	374,682	483,991
	(441,505)	(581,482)
Changes in interest and charges receivables and other assets	195,802	(81,815)
Changes in remuneration payable and other liabilities	63,479	58,107
Changes in accrued MDRI-I Trust grants	(110,021)	(81,174)
Increase in the Special Contingent Account	(525,000)	30,000
	(817,245)	(656,364)
Usable currencies and SDRs from credit to members		
Purchases in currencies and SDRs, including reserve tranche purchases	(1,467,229)	(2,272,461)
Repurchases in currencies and SDRs	2,904,788	14,166,047
	620,314	11,237,222
Interest received		
Interest and charges	396,763	850,618
Interest on SDR holdings	100,851	128,953
Interest from investments	221,693	162,318
Remuneration paid	(302,765)	(498,062)
Net usable currencies and SDRs provided by operating activities	**1,036,856**	**11,881,049**
Usable currencies and SDRs from investment activities		
Acquisition of fixed assets	(16,423)	(11,113)
Net acquisition of investments	(251,845)	(6,078,378)
Net usable currencies and SDRs used in investment activities	**(268,268)**	**(6,089,491)**
Usable currencies and SDRs from financing activities		
Subscription payments in SDRs and usable currencies	156,225	817,350
Changes in composition of usable currencies	412,447	2,205,290
Net usable currencies and SDRs provided by financing activities	**568,672**	**3,022,640**
Net increase in usable currencies and SDRs	1,337,260	8,814,198
Usable currencies and SDRs, beginning of year	163,587,478	154,773,280
Usable currencies and SDRs, end of year	**164,924,738**	**163,587,478**

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

General Department

Notes to the consolidated financial statements for the years ended April 30, 2008, and 2007

1. Nature of operations

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

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

The SDR Department is separate and distinct from the General Department and the General Department does not have the power to govern the financial and operating policies of the SDR Department. Accordingly, the financial statements of the SDR Department are presented separately.

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

General Resources Account

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

Special Disbursement Account

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

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

Multilateral Debt Relief Initiative

The Multilateral Debt Relief Initiative (MDRI) provides full debt relief to qualifying low-income member countries (see Note 10). For this purpose, the MDRI-I and MDRI-II Trusts were established on January 5, 2006, to provide grant assistance under the MDRI. As the IMF is the majority donor, the financial statements of the MDRI-I Trust are consolidated with those of the General Department. The financial statements of the MDRI-II Trust are presented separately since it has been funded by outside donors.

Investment Account

The IA holds resources transferred from the GRA (SDR 6 billion in 2006) to broaden the IMF's income base. The investment objective of the IA is to generate returns that exceed the SDR interest rate over time while minimizing the frequency and extent of negative returns and underperformance. Investments comprise primarily fixed-income securities. The earnings generated by the IA may be retained in the IA or transferred to the GRA to help meet the expenses of conducting the IMF's business.

2. Basis of preparation and measurement

The consolidated financial statements of the General Department are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). They have been prepared under the historical cost convention, except for the revaluation of financial assets at fair value through profit and loss.

Use of estimates

The preparation of consolidated financial statements requires the IMF's management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period.

The determination of estimates requires the exercise of judgment based on various assumptions and other factors, such as historical experience and current and expected economic conditions and, in some cases, actuarial techniques. Actual results could differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Provisions

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

Contingencies

Possible obligations of the IMF, the existence of which will be confirmed only by the occurrence or nonoccurrence of uncertain future events not wholly within the IMF's control, and present obligations of the IMF for which it is not probable that an outflow of economic benefits will be required to settle the obligation or where the amount of the obligation cannot be measured reliably are not recognized in the balance sheet but are disclosed in the notes to the financial statements.

Consolidation

The consolidated financial statements include the GRA, the SDA, the IA, and the MDRI-I Trust, an entity that is determined to be substantially controlled by the SDA owing primarily to the existence of the Trustee's power to terminate the Trust and the SDA's claim on the Trust's entire residual assets upon termination as long as there are no contributor resources in the Trust. All transactions and balances between these entities have been eliminated during the consolidation. Specific accounting principles and disclosure practices, as set out below, are in accordance with and comply with IFRS and have been applied consistently for all periods presented.

Unit of account

The functional and presentation currency of the IMF is the Special Drawing Right (SDR). The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The current composition of the SDR valuation basket became effective on January 1, 2006. The currencies in the basket as at April 30, 2008, and 2007 and their amounts were as follows:

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

As at April 30, 2008, one SDR was equal to US$1.62378 (US$1.52418 as at April 30, 2007).

3. Summary of significant accounting policies

Currencies

Currencies consist of members' currencies and securities held by the IMF. Members may substitute nonnegotiable and non-interest-bearing securities for the IMF's holdings of their currencies. These securities are encashable by the IMF on demand. IMF currency holdings arise primarily from members' quota subscription payments made in local currency or usable currencies of other members.

Usable currencies consist of currencies of member countries considered by the IMF to have strong balance of payments and reserve positions. These currencies are included in the IMF's Financial Transactions Plan (FTP) to finance the use of resources by other members. Participation in the FTP is reviewed on a quarterly basis. Usable currencies and the IMF's SDR holdings are considered cash equivalents. The changes in usable currencies result from the IMF's transactions (purchases and repurchases) or from the inclusion/exclusion of a member's currency in/from the FTP.

Other currencies consist of currencies of member countries not included in the FTP and therefore are not considered cash equivalents for financial statement presentation purposes.

Each member is obligated to maintain, in terms of the SDR, the value of the balances of its currency held by the IMF in the GRA. All currencies are revalued periodically in terms of the SDR, including at each financial year end, and members are required to settle the currency valuation promptly thereafter. Whenever the IMF revalues its holdings of a member's currency, a receivable or 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 sheets include these receivables and payables.

Credit outstanding

Credit outstanding represents balance of payments assistance provided by the IMF to members by exchanging SDRs or usable currencies for their currencies. IMF credit is repaid through repurchases by members of the IMF's holdings of their currencies in exchange for SDRs or usable currencies. Depending on the type of IMF credit facility, repurchase periods vary from 2 years to 5 years or up to 10 years for the Extended Fund Facility.

Overdue obligations and the burden-sharing mechanism

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

An impairment loss would be recognized if there is objective evidence of impairment as a result of a past event that occurred after initial recognition, and is determined as the difference between the outstanding credit's carrying value and the present value of the estimated future cash flows. No impairment losses have been recognized.

First Special Contingent Account

In view of the risk resulting from overdue obligations, the IMF accumulates balances in the first Special Contingent Account (SCA-1) by collecting resources under the burden-sharing mechanism (see above). Effective November 1, 2006, the IMF's Executive Board decided to suspend, for the time being, further additions to the SCA-1. Balances in the SCA-1 are refundable to the members that shared the cost of its financing, in proportion to their contributions, when there are no outstanding overdue repurchases and charges, or at such earlier time as the IMF may decide.

SDR holdings

SDRs are not allocated to the IMF, but the IMF can hold SDRs. It acquires 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.

Investments

The IMF has designated its investments in fixed-income securities, other than fixed-term deposits, as financial assets held at fair value through profit or loss. Such designation may be made only upon initial recognition and cannot subsequently be changed. The designated assets are carried at fair value on the balance sheet, with the change in fair value included in the income statement in the period in which they arise. Investments are recognized on the trade date at which the IMF becomes a party to the contractual provisions of the instrument. Investments are derecognized when the contractual rights to the cash flows from the asset expire, or in transactions in which substantially all the risks and rewards of ownership of the investment are transferred.

The determination of the fair value of investments, other than fixed-term deposits, is based on quoted market prices for financial instruments traded in active markets. The carrying amount of fixed-term deposits, which typically have maturities of 12 months or less, approximates the fair value. Investment income comprises interest income, realized gains and losses, and unrealized gains and losses, including currency valuation differences arising from exchange rate movements against the SDR.

Gold holdings

The IMF values its gold holdings at historical cost using the specific identification method. The IMF acquired the majority of its gold holdings from quota subscriptions and financial transactions prior to the Second Amendment of the Articles of Agreement (April 1, 1978). The IMF also acquired gold through the settlement of obligations by members in 1992 and 1999/2000 (see Note 8). The Articles of Agreement limit the use of gold in the IMF's operations and transactions. Any transactions in gold provided for in the Articles require a decision adopted by 85 percent of the total voting power. Under the Articles, the IMF may sell gold outright on the basis of prevailing market prices but cannot engage in any other gold transactions, such as loans, leases, swaps, or the use of gold as collateral. In addition, the IMF does not have the authority to buy gold, but it may accept payments from a member in gold instead of SDRs or currencies in any operation or transaction under the IMF's Articles at prevailing market prices.

In accordance with the provisions of the Articles, whenever the IMF sells gold held on the date of the Second Amendment of the Articles, the portion of the proceeds equal to the historical cost must be placed in the GRA. Any portion of the proceeds in excess of the historical cost will be held in the SDA or transferred to the Investment Account. The IMF may also sell gold held on the date of the Second Amendment, at the historical cost of SDR 35 per ounce, to those members that were members on August 31, 1975, in proportion to their quotas on that date, in exchange for their own currencies.

Other assets

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

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

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

Special Disbursement Account

Loans under the Structural Adjustment Facility (SAF) were provided directly from the Special Disbursement Account as balance of payments assistance to low-income members at concessional interest rates (½ of 1 percent per annum). The last SAF loan disbursement was made in 1995 and currently one member has overdue repayment obligations. Repayments of SAF loans to the SDA are transferred to the PRGF-ESF Trust Reserve Account when received. Allowances for loan losses would be established if and when there is objective evidence that an impairment loss on loans has been incurred.

Reserve tranche position

A member's reserve tranche in the IMF is equivalent to its quota less the IMF's holdings of its currency, excluding holdings that reflect the member's use of IMF credit. Reserve tranches result from quota payments, part of which are normally made in reserve assets, and the use of the member's currency in the IMF's transactions or operations. A member's reserve tranche is considered a part of its external reserves and a liquid claim against the IMF. The member may draw on the reserve tranche at any time when it represents that it has a balance of payments need.

Quotas

Each member is assigned a quota expressed in SDRs that 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, relative voting power, access to financing, and share in SDR allocations. Should a member withdraw from the Fund, its quota subscriptions are repayable to the extent they are not needed to settle other net obligations of the member to the IMF. Quotas are reviewed at least every five years in relation to the Fund's liquidity needs.

In September 2006, the IMF approved ad hoc quota increases for China, Korea, Mexico, and Turkey of SDR 1,720.9 million, SDR 1,293.7 million, SDR 567.0 million, and SDR 227.3 million, respectively, and payments have since been effected (see Note 5). Montenegro joined the IMF in January 2007, and its initial quota is SDR 27.5 million. In addition, a quota increase for Liberia from SDR 71.3 million to SDR 129.2 million became effective on March 14, 2008, following its clearance of its arrears to the IMF.

On April 28, 2008, the Board of Governors adopted a resolution on reform of quota and voice in the IMF as part of an effort to realign quota shares of member countries with those countries' relative weight and role in the global economy and to enhance the participation and voice of low-income countries. The resolution provides for ad hoc quota increases for 54 members under a new quota formula adopted by the Executive Board to provide a simpler and more transparent means of capturing members' relative positions in the global economy. Total quotas will increase by 9.55 percent if all new quotas become effective. Each member must consent to the proposed increase of its quota no later than October 31, 2008, provided that the Executive Board may extend this period if necessary, and pay to the IMF the increase in quota.

Reserves of the General Resources Account

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

The IMF determines annually what part of its net income (if any) will be retained and placed in the General Reserve or the Special Reserve, and what part, if any, will be distributed. Net losses are charged against the Special Reserve under currently applicable Executive Board decisions. The Executive Board decided to transfer the investment income of the Investment Account for the financial year ended April 30, 2008 (SDR 317 million) to the GRA to meet the expenses of conducting the business of the IMF as it had done for FY2007 (SDR 180 million).

Charges

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

Under the burden-sharing mechanism (see Note 15), the basic rate of charge is increased (i) to offset the effect on the IMF's income of the nonpayment of charges and (ii) to finance additions to the SCA-1 (which have been suspended since November 1, 2006).

Credit outstanding exceeding 200 percent of quota for purchases in the credit tranches under the Stand-By Arrangements or the Extended Fund Facility is subject to a surcharge of 100 basis points (200 basis points for credit in excess of 300 percent of quota). Surcharges ranging from 300 to 500 basis points above the basic rate of charge also apply to purchases under the Supplementary Reserve Facility. Special charges are levied on members' currency holdings that are not repurchased when due and on overdue charges. Special charges do not apply to members that are six months or more overdue to the IMF. A service charge is levied by the IMF on all purchases except reserve tranche purchases. A refundable commitment fee is charged on Stand-By and Extended Arrangements. At the expiration or cancellation of an arrangement, the unrefunded portion of the commitment fee is recognized as current income.

Remuneration

The IMF pays interest, referred to as remuneration, on a member's reserve tranche position. A portion of the reserve tranche is unremunerated: that portion is equal to 25 percent of the member's quota on April 1, 1978 (that part of the quota that was paid in gold prior to the Second Amendment of the Articles). For a member that joined the Fund after that date, the unremunerated reserve tranche is the same percentage of its initial quota as the average unremunerated reserve tranche was 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 with subsequent quota increases is now significantly lower when expressed as a percentage of quota. The average is equal to 3.7 percent of quota at April 30, 2008, and April 30, 2007, respectively.

The rate of remuneration is equal to the SDR interest rate less burden-sharing adjustments (see Note 16).

Adoption of new International Financial Reporting Standards

During the financial year ended April 30, 2008, the IMF adopted IFRS 7, "Financial Instruments: Disclosures" (issued by the IASB in August 2005), which requires disclosures in the financial statements as to the significance of financial instruments for the General Department's financial position and performance, the nature and extent of risks arising from such instruments, and how those risks are managed (see Note 4).

In February 2008, the IASB issued an amendment of IAS 32, "Financial Instruments: Presentation." The amended IAS 32 requires classification as an equity instrument particular types of puttable financial instruments that represent the residual interest in the net assets of an entity even though they meet the definition of a financial liability. The amended IAS 32 will become effective for the financial year ending April 30, 2010. This amendment is not expected to have a material impact on the General Department's financial statements.

In July 2007, the International Financial Reporting Interpretations Committee (IFRIC) issued IFRIC 14, "IAS 19—The Limit on a Defined Benefit Asset, Minimum Funding Requirements and Their Interaction." This interpretation provides guidance on the circumstances under which refunds or reductions in contributions from a defined benefit plan should be regarded as available to an entity for the purpose of recognizing a net defined benefit asset under IAS 19. IFRIC 14 is effective for the General Department in the financial year ending April 30, 2009, and is not expected to have a material impact on its financial position, results of operations, or cash flows.

In September 2007, the IASB issued an amended standard, IAS 1, "Presentation of Financial Statements." The amended IAS 1 requires presentation of nonowner changes in equity (comprehensive income) either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The revised IAS 1 will become effective for the financial year ending April 30, 2010, and its adoption is not expected to have a significant impact on the financial position, results of operations, or cash flows of the General Department.

4. Risk management

In providing financial assistance to member countries, conducting its operations and investing its resources, the IMF is exposed to various types of operational and financial risks, including credit, market, liquidity, and income risks. The principal risk facing the IMF is credit risk resulting from its financing operations and unique role in the international monetary system. The measures in place to mitigate financial risks faced by the IMF are reviewed on a regular basis by the Executive Board and the IMF management. These are based on a multilayered control structure to safeguard against financial risks. All decisions involving the commitment of financial resources and related financial policies are taken by the Board. IMF management is responsible for implementing the policies and risk mitigation measures established by the Board and for ongoing risk management.

Financial risks are also reviewed as part of the annual comprehensive risk assessment exercise, which also covers, inter alia, strategic and core mission risks.

Credit risk

Credit outstanding

Credit risk refers to potential losses on credit outstanding owing to the inability or unwillingness of member countries to make repurchases. Credit risk is inherent since the IMF has limited ability to diversify its loan portfolio and generally provides financing when other sources are not available to a member. As a result, credit concentration is high (see Note 6).

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

The IMF has established limits on overall access to resources in the GRA. The annual overall limit is currently set at 100 percent of a member's quota, with a cumulative limit of 300 percent of a member's quota. Access in excess of these limits can be granted in exceptional circumstances subject to certain procedural requirements and substantive criteria that have been adopted by the Executive Board.

The IMF generally provides financial assistance to a member under an economic program adopted by the member to help it overcome its balance of payments difficulties. IMF assistance is normally disbursed in tranches and subject to conditionality in the form of performance criteria and periodic reviews. Safeguards assessments of member central banks are undertaken to provide the IMF with reasonable assurance that each central bank's legal structure, controls, and accounting, reporting, and auditing systems are adequate to ensure the integrity of their operations and help ensure that IMF resources are used for intended purposes. Misreporting by member countries may entail early repurchases for noncomplying purchases.

The IMF maintains precautionary balances consisting of its reserves and the SCA-1 to cover losses in income and possible overdue principal. As at April 30, 2008, precautionary balances amounted to SDR 7 billion (SDR 7.6 billion as at April 30, 2007). The reduction reflects a partial distribution of SDR 525 million from SCA-1. In addition, the burden-sharing mechanism for deferred charges transfers the financial risk from unpaid charges to creditor and debtor members and helps protect the IMF's overall financial position.

The maximum credit risk exposure is the carrying value of the Fund's credit outstanding and undrawn commitments.

Investments

Credit risk on investments represents the potential loss that the IMF may incur if obligors and counterparties default on their contractual obligations. Credit risk is managed through the conservative range of eligible investments, including (i) domestic government bonds of countries in the euro area, Japan, the United Kingdom, and the United States, that is, members whose currencies are included in the SDR basket; (ii) bonds of international financial organizations; and (iii) claims on the Bank for International Settlements (BIS). Credit risk is further minimized by restricting eligible investments to financial instruments rated A or higher by a major credit rating agency. Compliance controls are enforced to ensure that the investment portfolio does not include a security whose rating is below the minimum rating required.

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

	2008		2007	
	Rating	**Percentage**	**Rating**	**Percentage**
Government bonds				
France	AAA	1.3%	AAA	1.3%
Germany	AAA	17.4%	AAA	15.6%
Japan	AA	5.3%	AA	4.8%
United Kingdom	AAA	3.1%	AAA	4.0%
United States	AAA	14.1%	AAA	14.5%
Nongovernment bonds				
Bank for International Settlements	not rated	46.3%	not rated	47.7%
Other international financial institutions	AAA	7.5%	AAA	7.1%
Fixed-term deposits and other				
Bank for International Settlements	not rated	4.9%	not rated	4.9%
Other international financial institutions	AA	0.1%	AA	0.1%
		100%		100%

The IMF also engages in a securities lending program with its custodian, as lending agent, to enhance the return on its investments. Under this program, marketable securities are lent temporarily to other institutions in exchange for a fee and collateral equal to at least 100 percent of the market value of the lent securities. The IMF maintains effective control over securities lent and therefore continues to report such securities as invested assets. The IMF participates in the lending agent's collateral fund but does not recognize the receipt of the collateral held by the lending agent or the obligation to return the collateral, as there exists no right to sell or repledge the collateral. As at April 30, 2008, the market value of securities lent to other institutions under the securities lending program and the collateral amounted to SDR 1,357 million and SDR 1,385 million, respectively (SDR 1,195 million and SDR 1,222 million, as at April 30, 2007, respectively).

Market risk

Interest rate risk

Credit outstanding

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

Investments

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

A 50 basis point increase in the average effective yields of the IMF portfolio as at April 30, 2008, would result in a loss of SDR 56.3 million, or approximately 0.85% of the portfolio (SDR 52.7 million, or 0.82% as at April 30, 2007), whereas a 50 basis point decrease would result in a gain of SDR 57.1 million, or approximately 0.87% of the portfolio (SDR 53.4 million, or 0.83% as at April 30, 2007).

Exchange rate risk

Financial assets and liabilities other than investments

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

Investments

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

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

	2008		
		Net gain	
	Percentage change of currency unit against SDR	In millions of SDRs	As a percentage of investments not denominated in SDRs
Euro	5.91%	0.12	<0.01%
Japanese yen	9.71%	1.49	0.02%
Pound sterling	8.81%	0.76	0.01%

	2007		
		Net gain	
	Percentage change of currency unit against SDR	In millions of SDRs	As a percentage of investments not denominated in SDRs
Euro	6.18%	0.04	<0.01%
Japanese yen	9.92%	2.02	0.03%
Pound sterling	8.71%	1.61	0.03%

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

	2008		
		Net gain	
	Percentage change of currency unit against SDR	In millions of SDRs	As a percentage of investments not denominated in SDRs
Euro	–6.27%	1.85	0.03%
Japanese yen	–8.24%	0.50	0.01%
Pound sterling	–9.00%	1.15	0.02%

	2007		
		Net gain	
	Percentage change of currency unit against SDR	In millions of SDRs	As a percentage of investments not denominated in SDRs
Euro	–6.52%	3.41	0.06%
Japanese yen	–8.22%	1.36	0.02%
Pound sterling	–8.92%	1.71	0.03%

Liquidity risk

Use of IMF resources

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

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

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

Investments

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

Income risk

The IMF has been relying principally on income from charges levied on outstanding credit to meet its operating costs. The level of IMF lending has declined significantly, and the IMF faces potential annual income shortfalls in the medium term. In May 2006, the IMF's Managing Director appointed a committee of well-known experts to study sustainable financing options for the IMF. The committee's report was publicly released at end-January 2007. The committee recommended that the IMF broaden its income sources to more closely align with the IMF's diverse activities.

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

Operational risk

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

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

The IMF has adopted a Code of Conduct to promote the highest standards of ethics among its staff, including senior management and members of the Executive Board. The Code of Conduct, enforced by the Ethics Officer, is supplemented by procedures for the reporting and investigation of irregularities and improprieties, including fraudulent acts.

5. Currencies

Net changes in the IMF's holdings of members' currencies for the financial years ended April 30, 2008, and 2007 were as follows:

	April 30, 2006	Net change	April 30, 2007	Net change	April 30, 2008
	(In millions of SDRs)				
Members' quotas	213,478	3,270	216,748	625	217,373
Members' outstanding use of IMF credit in the GRA	19,227	(11,894)	7,333	(1,437)	5,896
Members' reserve tranche positions in the GRA	(21,826)	6,830	(14,996)	1,514	(13,482)
Administrative currency balances	—	5	5	(1)	4
Total currencies	210,879	(1,789)	209,090	701	209,791

Receivables and payables arising from valuation adjustments at April 30, 2008, when all holdings of currencies of members were last revalued, amounted to SDR 7,127 million and SDR 7,091 million, respectively (SDR 6,654 million and SDR 4,667 million, respectively, at April 30, 2007). Settlements of these receivables and or payables are required to be made by or to members promptly after the end of each financial year.

6. Credit and loans outstanding

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

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

	April 30, 2006	Purchases	Repurchases	April 30, 2007	Purchases	Repurchases	April 30, 2008
	(In millions of SDRs)						
Credit tranches	11,317	2,270	(7,382)	6,205	1,122	(2,342)	4,985
Extended Fund Facility	7,477	2	(6,762)	717	346	(387)	676
Enlarged access	268	—	(6)	262	—	(95)	167
Compensatory and Contingent Financing Facility	84	—	(5)	79	—	(40)	39
Supplementary Financing Facility	81	—	(11)	70	—	(41)	29
Total credit outstanding	**19,227**	**2,272**	**(14,166)**	**7,333**	**1,468**	**(2,905)**	**5,896**

Members are expected to make repurchases in accordance with the expectation schedule but may request the approval of the IMF Executive Board to extend to the obligation schedule. The following repurchases were made by members during the financial years ended April 30:

	2008	2007
	(In millions of SDRs)	
Early repurchases	331	7,086
Repurchase expectations	1,310	928
Repurchase obligations	1,264	6,152
Total repurchases	2,905	14,166

There were no extensions of repurchases from the expectation to the obligation schedule during the financial years ended April 30, 2008, and 2007.

As at April 30, 2008, and 2007, outstanding and overdue GRA and SAF loans amounted to SDR 329 million and SDR 9 million, respectively.

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

Financial year ending April 30	General Resources Account	Special Disbursement Account
	(In millions of SDRs)	
2009	1,741	—
2010	2,144	—
2011	958	—
2012	278	—
2013	215	—
2014 and beyond	231	—
Overdue	329	9
Total	5,896	9

The use of credit in the GRA by the largest users was as follows at April 30:

	2008		2007	
	(In millions of SDRs and as a percentage of total GRA credit outstanding)			
Largest user of credit	4,180	70.9%	5,237	71.4%
Three largest users of credit	4,910	83.3%	6,020	82.1%
Five largest users of credit	5,319	90.2%	6,581	89.7%

The five largest users of GRA credit as at April 30, 2008, in descending order, were Turkey, the Dominican Republic, Liberia, Sudan, and Ukraine (see Schedule 1).

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

	2008		2007	
	(In millions of SDRs and as a percentage of total GRA credit outstanding)			
Africa	766	13.0%	593	8.1%
Asia and Pacific	267	4.5%	157	2.1%
Europe	196	3.3%	551	7.5%
Latin America and Caribbean	395	6.7%	351	4.8%
Middle East and Turkey	4,272	72.5%	5,681	77.5%
Total	5,896	100%	7,333	100%

Overdue obligations

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

At April 30, 2008, two members (three members at April 30, 2007) were six months or more overdue in settling their financial obligations to the General Department.

GRA repurchases, GRA charges, SAF loan repayments, and SAF interest that are six or more months overdue were as follows as at April 30:

	Repurchases and SAF loans		Charges and SAF interest	
	2008	2007	2008	2007
	(In millions of SDRs)			
Total overdue	338	570	815	1,069
Overdue for six months or more	338	570	806	1,053
Overdue for three years or more	338	570	760	998

The type and duration of the overdue amounts in the General Department were as follows as at April 30, 2008:

	Repurchases and SAF loans	Charges and SAF interest	Total obligation	Longest overdue obligation
	(In millions of SDRs)			
Somalia	106	112	218	July 1987
Sudan	232	703	935	July 1985
Total	338	815	1,153	

7. Investments

Investments are held in the Investment Account (SDR 6,482 million and SDR 6,235 million at April 30, 2008, and 2007, respectively) and the MDRI-I Trust (SDR 304 million and SDR 301 million at April 30, 2008, and 2007, respectively) and are managed by external investment managers. These investments comprise fixed-term deposits, short-term investments, and fixed-income securities, none of which include asset-backed securities. Fixed-income securities include domestic government bonds of the euro area, Japan, the United Kingdom, and the United States, and medium-term instruments issued by the Bank for International Settlements.

At April 30, investments consisted of the following:

	2008	2007
	(In millions of SDRs)	
Short-term investments	73	251
Fixed-term deposits	284	287
Fixed-income securities	6,429	5,998
Total investments	6,786	6,536

The maturities of the investments were as follows:

Investments maturing in financial year ending April 30	
	(In millions of SDRs)
2009	1,093
2010	3,178
2011	2,274
2012	34
2013	207
Total	6,786

Investment income

Investment income amounted to SDR 317 million for the Investment Account and SDR 12 million for the MDRI-I Trust for the financial year ended April 30, 2008 (SDR 180 million and SDR 13 million, respectively, for the financial year ended April 30, 2007).

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

	2008	2007
	(In millions of SDRs)	
Interest income	224	193
Realized gains	35	5
Realized losses	(5)	(5)
Unrealized gains	171	7
Unrealized losses	(96)	(7)
Total	329	193

8. Gold holdings

At April 30, 2008, and 2007, the IMF held 3,217,341 kilograms of gold, equal to 103,439,916 fine ounces of gold, at designated depositories. Gold holdings were valued at a historical cost of SDR 5,852 million as at April 30, 2008, and 2007.

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

As at April 30, 2008, the market value of the IMF's holdings of gold was SDR 55.5 billion (SDR 45.9 billion at April 30, 2007).

9. Other assets—fixed assets

Other assets include fixed assets, which at April 30, 2008, and 2007 amounted to SDR 296 million and SDR 302 million, respectively, and consisted of land, buildings and equipment, furniture, and software.

	Land	Buildings	Other	Total
	(In millions of SDRs)			
Cost				
Beginning of year	96	295	85	476
Additions	—	3	13	16
Disposals	—	—	—	—
End of year	96	298	98	492
Accumulated depreciation and amortization				
Beginning of year	—	132	42	174
Additions	—	10	12	22
Disposals	—	—	—	—
End of year	—	142	54	196
Net book value as at April 30, 2008	96	156	44	296
Net book value as at April 30, 2007	96	163	43	302

10. HIPC Initiative, Multilateral Debt Relief Initiative, and other debt relief

Under the MDRI, effective January 5, 2006, debt relief is provided to qualifying Heavily Indebted Poor Countries (HIPCs) and non-HIPCs with annual per capita income of US$380 or less, and to qualifying HIPCs with an annual per capita income of more than US$380. Grant assistance from the MDRI Trusts (together with assistance under the HIPC Initiative) provides debt relief to cover the debt owed to the IMF as at December 31, 2004, that remains outstanding at the time the member qualifies for such relief. For the financial years ended April 30, 2008, and 2007, the MDRI-I Trust disbursed SDR 7 million and SDR 92 million in grant assistance, respectively, allowing for early repayment of outstanding loans in the PRGF-ESF Trust.

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

MDRI grant assistance to the remaining eligible members is subject to the availability of resources and is accrued when it is probable that a liability has been incurred and the amount of such grant assistance needed can be reasonably estimated. The liability recorded in the MDRI-I Trust amounted to SDR 189 million and SDR 299 million as at April 30, 2008, and 2007, respectively, and is based on the evaluation of available facts at the balance sheet dates with respect to each individual eligible member. It includes factors such as progress made toward reaching the completion point under the HIPC Initiative and the capacity to meet the macroeconomic performance and other objective criteria after reaching the completion point. As the qualification of members for MDRI debt relief is assessed, the amounts recorded are reviewed periodically and adjusted to reflect additional information that becomes available. During the financial year ended April 30, 2008, the estimate for MDRI grant assistance was reduced by SDR 108 million to reflect the delay by the remaining eligible members in reaching the completion point.

The reconciliation of accrued MDRI grant assistance for the financial years ended April 30, 2008, and 2007, is as follows:

	2008	2007
	(In millions of SDRs)	
Beginning of year	299	380
Additions	5	11
Amounts utilized	(7)	(92)
Reversals	(108)	—
End of year	189	299

11. Interest and charges

As at April 30, 2008, the credit outstanding on which the IMF levies charges amounted to SDR 5,896 million (SDR 7,333 million as at April 30, 2007). For the financial years ended April 30, 2008, and 2007, the basic rate of charge was set at a fixed margin of 108 basis points above the SDR interest rate. The average rate of charge (adjusted for burden sharing) before applicable surcharges for the financial year ended April 30, 2008, was 4.90 percent (5.28 percent for the financial year ended April 30, 2007).

Interest and charges receivables as at April 30 were as follows:

	2008	2007
	(In millions of SDRs)	
Periodic charges	878	1,190
Amount paid through burden sharing	(683)	(889)
Unpaid charges	(134)	(186)
	61	115
Interest receivable	15	27
Total interest and charges receivables	76	142

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

	2008	2007
	(In millions of SDRs)	
Interest and periodic charges	615	672
Burden-sharing adjustments	12	15
Burden-sharing refunds	(115)	—
Total interest and charges	512	687

Interest earned on SAF loans for the financial years ended April 30, 2008, and 2007 amounted to less than SDR 0.01 million each year.

Service charges and commitment fees on canceled or expired arrangements amounted to SDR 9 million and SDR 16 million for the years ended April 30, 2008, and 2007, respectively, and are included in other charges and income.

12. Special Disbursement Account

Contributions to Administered Accounts

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

Proceeds from the repayment of SAF loans and Trust Fund loans and excess resources from the Supplementary Financing Facility Subsidy Account are transferred from the SDA to the PRGF-ESF Trust as contributions. During the financial year ended April 30, 2008, SDR 31 million in Trust Fund loan repayments (SDR 0.2 million for the financial year ended April 30, 2007, in excess resources from the Supplementary Financing Facility Subsidy Account) was contributed to the PRGF-ESF Trust.

Trust Fund

The IMF is the Trustee of the Trust Fund, which was established in 1976 to provide balance of payments assistance on concessional terms to eligible members that qualified for such assistance. The Trust Fund is in liquidation following its termination in 1981. Since that date, the activities of the Trust Fund have been confined to the conclusion of its affairs. Liberia repaid SDR 31 million in overdue Trust Fund loans during the year ended April 30, 2008. The Trust Fund has no assets other than claims receivable, including interest and special charges, from Somalia and Sudan amounting to SDR 88 million at April 30, 2008 (SDR 118 million from Liberia, Somalia, and Sudan as at April 30, 2007). All interest income is deferred. Cash receipts on these loans are transferred to the SDA for onward transfer to the Reserve Account of the PRGF-ESF Trust.

13. Borrowings

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

Under the New Arrangements to Borrow (NAB), the IMF may borrow up to SDR 34 billion in supplementary resources. The NAB is the facility of first and principal recourse, but it does not replace the GAB, which remains in force. Outstanding drawings and commitments under these two borrowing arrangements are limited to a combined total of SDR 34 billion. The NAB became effective on November 17, 1998, and has been renewed through November 17, 2013. Interest on borrowings under the NAB is payable to the participants at the SDR interest rate or any such higher rate as may be agreed between the IMF and participants representing 80 percent of the total credit arrangements.

There were no outstanding borrowings under the GAB or the NAB as at April 30, 2008, and 2007.

14. Arrangements

An arrangement is a decision of the IMF that gives a member the assurance that the IMF stands ready to provide SDRs or usable currencies during a specified period and up to a specified amount, in accordance with the agreed terms. At April 30, 2008, the undrawn balances under the nine arrangements that were in effect in the GRA amounted to SDR 3,086 million (SDR 3,911 million under seven arrangements at April 30, 2007). See Schedule 3.

15. Burden sharing and the Special Contingent Account

Under the burden-sharing mechanism, the basic rate of charge is increased and the rate of remuneration is reduced to offset the effect on the IMF's income of the nonpayment of charges and also to finance additions to the SCA-1. Since November 1, 2006, the accumulation of further balances in the SCA-1 has been suspended.

Cumulative charges, net of settlements, that have resulted in adjustments to charges and remuneration since May 1, 1986 (the date the burden-sharing mechanism was adopted) amounted to SDR 683 million at April 30, 2008 (SDR 889 million at April 30, 2007). The cumulative refunds for the same period, resulting from the settlements of overdue charges for which burden-sharing adjustments have been made, amounted to SDR 1,320 million and SDR 1,089 million at April 30, 2008, and 2007, respectively.

Balances in the SCA-1 are to be distributed to the members that shared the cost of its financing when there are no longer any outstanding overdue repurchases and charges, or at such earlier time as the IMF may decide. Amounts collected from members for the SCA-1 are akin to refundable cash deposits and are recorded as collections of cash and as a liability to those who paid them. Losses arising from overdue obligations, if realized, would be shared by members in proportion to their cumulative contributions to the SCA-1. No additions have been made to the SCA-1 during the financial year ended April 30, 2008 (additions of SDR 30 million were made during the first half of the financial year ended April 30, 2007). During the financial year ended April 30, 2008, the Fund decided to make a partial distribution of SDR 525 million to contributing members.

16. Remuneration

At April 30, 2008, total creditor positions on which the IMF paid remuneration amounted to SDR 6,598 million (SDR 8,167 million at April 30, 2007). The average rate of remuneration (adjusted for burden sharing) for the financial year ended April 30, 2008, was 3.47 percent (3.74 percent for the financial year ended April 30, 2007). Remuneration consisted of the following for the years ended April 30:

	2008	2007
	(In millions of SDRs)	
Remuneration	271	499
Burden-sharing adjustments	(12)	(15)
Burden-sharing refunds	116	—
	375	484

17. Administrative expenses

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

	2008	2007
	(In millions of SDRs)	
Personnel	351	362
Pension and other long-term employee benefits	117	81
Travel	62	68
Other	83	98
Restructuring	68	—
Total administrative expenses, net of reimbursements	681	609

Restructuring

During the year ended April 30, 2008, the IMF initiated institutional restructuring to close the projected income-expenditure gap in the medium term. The restructuring, which includes staff reductions and cuts in other nonpersonnel costs, came into effect in April 2008 and will be implemented over the next three years.

The staff separations phase was completed during the year ended April 30, 2008. Administrative expenses for the financial year then ended include a provision of SDR 68 million for expected severance and other employee termination benefits for 492 separating staff, as well as outplacement and other direct costs. Separating staff have the option of receiving severance payments in a lump sum or over a period of up to 22.5 months. The key factors and assumptions underlying the estimate include the timing of staff separation, the choice of payment options, and the discount rate used to determine the present value of the termination benefits.

As explained in Note 18, an actuarial expense was also recognized during the financial year ended April 30, 2008, due to the separation of a large number of employees before their normal retirement date.

18. Pension and other postretirement benefits

The IMF has a defined benefit Staff Retirement Plan (SRP) that covers substantially all eligible staff and a Supplemental Retirement Benefits Plan (SRBP) for selected participants of the SRP. Participants contribute 7 percent of their pensionable gross remuneration, and the IMF contributes the remainder of the cost of funding the plans and pays their administrative costs. In addition, the IMF provides other employment and postretirement benefits, including medical, life insurance, and other long-term benefits. In 1995, the IMF established a separate account, the Retired Staff Benefits Investment Account (RSBIA), to hold and invest resources set aside to fund the cost of postretirement benefits.

The defined benefit obligations are valued annually by independent actuaries using the Projected Unit Credit Method. The latest actuarial valuations, carried out as at April 30, 2008, included the effect of an amendment to the SRP, effective April 1, 2008, to provide an additional option for eligible staff to receive pension benefits at the early retirement age of 50. The mendment resulted in the recognition of past service cost amounting to SDR 33 million during the financial year ended April 30, 2008, for benefits that are vested immediately. In addition, the effects of the institutional restructuring, which includes the separation of 492 employees, resulted in a curtailment charge of SDR 7 million and accelerated service cost of SDR 21 million.

The amounts recognized in the balance sheets for the financial years ended April 30 are determined as follows:

	2008				2007
	SRP	SRBP	Other	Total	Total
		(In millions of SDRs)			
Fair value of plan assets	4,409	13	518	4,940	4,928
Present value of the defined benefit obligation	(3,019)	(379)	(602)	(4,000)	(4,201)
Unrecognized actuarial (gains)/losses	(540)	59	(171)	(652)	(407)
Unrecognized prior service cost	—	—	16	16	6
Net balance sheet asset/ (liability)	850	(307)	(239)	304	326

The IMF expects to contribute SDR 98 million to its defined benefit pension plans during the financial year ending April 30, 2009.

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

	2008				2007
	SRP	SRBP	Other	Total	Total
		(In millions of SDRs)			
Defined benefit obligation at beginning of year	3,176	328	697	4,201	3,834
Current service cost	102	33	42	177	165
Interest cost	191	21	42	254	246
Staff contributions	25	1	—	26	28
Benefits paid	(96)	(9)	(41)	(146)	(133)
Prior service cost (plan amendment)	28	(7)	23	44	—
Curtailment and accelerated service cost (restructuring)	21	8	(1)	28	—
Actuarial (gains)/losses	(216)	27	(114)	(303)	207
Exchange differences	(212)	(23)	(46)	(281)	(146)
Defined benefit obligation at end of year	3,019	379	602	4,000	4,201

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

	2008				2007
	SRP	SRBP	Other	Total	Total
	(In millions of SDRs)				
Current service cost	102	33	42	177	165
Interest cost	191	21	42	254	246
Expected return on assets	(330)	(1)	(39)	(370)	(335)
Amortization of actuarial (gains)/losses	—	2	(7)	(5)	4
Prior service cost (plan amendment)	28	(7)	12	33	1
Curtailment and accelerated service cost (restructuring)	21	8	(1)	28	—
Total expense recognized in income statement	12	56	49	117	81
Actual return on assets				349	622

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

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

	2008				2007
	SRP	SRBP	Other	Total	Total
	(In millions of SDRs)				
Fair value of assets at the beginning of year	4,402	14	512	4,928	4,468
Expected return on assets	330	1	39	370	335
Gains/(losses) on assets	(18)	(1)	(2)	(21)	287
Employer contributions	46	7	43	96	107
Staff contributions	25	1		26	28
Benefits paid	(96)	(9)	(41)	(146)	(133)
Exchange differences	(280)	—	(33)	(313)	(164)
Actual fair value of assets at end of year	4,409	13	518	4,940	4,928

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

	2008	2007	2006	2005	2004
	(In millions of SDRs)				
Defined benefit obligation	(4,000)	(4,201)	(3,834)	(3,720)	(3,570)
Plan assets	4,940	4,928	4,468	3,504	3,265
Surplus/(deficit) in the Plans	940	727	634	(216)	(305)
Experience adjustments on:					
Plan liabilities	(303)	(195)	312	(45)	(1,103)
Plan assets	(20)	287	593	136	442
Exchange rates	(33)	(19)	(17)	25	3

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

	2008	2007
	(In percentage)	
Cash	6.1	6.0
Fixed income	15.4	14.0
Equity	49.6	54.6
Real estate	3.8	4.7
Private equity and other	25.1	20.7
	100.0	100.0

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

	2008	2007
	(In percentage)	
Discount rate	6.5	5.9
Expected return on plan assets	7.5	7.5
Future salary increases	6.4–10.8	6.4–10.8
Health care trend rate	4.0–8.5	4.0–9.0

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

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

	Increase of 1 percentage point	Decrease of 1 percentage point
	(In millions of SDRs)	
Effect on the aggregate of the service cost and interest cost	12	(9)
Effect on defined benefit obligation	85	(68)

19. Related party transactions

The GRA conducts its transactions with the SDR Department on the same terms and conditions applicable to participants in the SDR Department. The expenses of conducting the SDR Department and other accounts administered by the Fund as Trustee are borne by the GRA. Reimbursements are made by the SDR Department and some, but not all, of the administered accounts.

The following summarizes the interentity balances as at April 30, 2008, and 2007, and the related party transactions for the financial years then ended:

	2008	2007
	(In millions of SDRs)	
SDR Department		
GRA's SDR holdings	1,852	2,598
Receipts (repurchases, charges, and interest on SDR holdings)	1,388	1,612
Uses (purchases and remuneration)	2,133	2,655
Administrative expenses (reimbursed)	2	1
PRGF-ESF Trust		
Cumulative transfers to the Reserve Account	2,893	2,862
Cumulative transfers to the Subsidy Accounts	870	870
Administrative expenses (reimbursements forgone)	43	48
PRGF-HIPC Trust		
Cumulative transfers	1,239	1,239

Schedule 1

General Department

Quotas, IMF's holdings of currencies, reserve tranche positions, and outstanding credit and loans as at April 30, 2008

(In thousands of SDRs)

	General Resources Account				Outstanding credit and loans				
		IMF's holdings of currencies[1]			GRA				
Member	Quota	Total	Percent of quota	Reserve tranche position	Amount (A)	Percent[2] +	SDA[3] (B) +	PRGF-ESF Trust[4] (C) =	Total[5] (D)
Afghanistan, Islamic Republic of	161,900	161,916	100.0	—	—	—	—	47,100	47,100
Albania	48,700	51,438	105.6	3,355	6,088	0.10	—	50,626	56,714
Algeria	1,254,700	1,169,619	93.2	85,082	—	—	—	—	—
Angola	286,300	286,445	100.1	—	—	—	—	—	—
Antigua and Barbuda	13,500	13,499	100.0	6	—	—	—	—	—
Argentina	2,117,100	2,116,919	100.0	195	—	—	—	—	—
Armenia	92,000	92,005	100.0	—	—	—	—	94,143	94,143
Australia	3,236,400	3,029,931	93.6	206,856	—	—	—	—	—
Austria	1,872,300	1,738,095	92.8	134,208	—	—	—	—	—
Azerbaijan	160,900	164,515	102.2	48	3,659	0.06	—	55,072	58,731
Bahamas, The	130,300	124,041	95.2	6,260	—	—	—	—	—
Bahrain	135,000	63,843	47.3	71,203	—	—	—	—	—
Bangladesh	533,300	666,364	125.0	278	133,325	2.26	—	316,730	450,055
Barbados	67,500	61,929	91.7	5,582	—	—	—	—	—
Belarus	386,400	386,400	100.0	20	—	—	—	—	—
Belgium	4,605,200	4,276,526	92.9	328,710	—	—	—	—	—
Belize	18,800	14,562	77.5	4,239	—	—	—	—	—
Benin	61,900	59,720	96.5	2,188	—	—	—	3,520	3,520
Bhutan	6,300	5,280	83.8	1,021	—	—	—	—	—
Bolivia	171,500	162,638	94.8	8,875	—	—	—	—	—
Bosnia and Herzegovina	169,100	169,105	100.0	—	—	—	—	—	—
Botswana	63,000	58,583	93.0	4,426	—	—	—	—	—
Brazil	3,036,100	3,036,249	100.0	—	—	—	—	—	—
Brunei Darussalam	215,200	201,730	93.7	13,673	—	—	—	—	—
Bulgaria	640,200	606,845	94.8	33,381	—	—	—	—	—
Burkina Faso	60,200	52,816	87.7	7,385	—	—	—	27,230	27,230
Burundi	77,000	76,641	99.5	360	—	—	—	69,300	69,300
Cambodia	87,500	87,500	100.0	—	—	—	—	—	—
Cameroon	185,700	184,904	99.6	801	—	—	—	13,250	13,250
Canada	6,369,200	5,963,075	93.6	406,137	—	—	—	—	—
Cape Verde	9,600	9,593	99.9	16	—	—	—	8,394	8,394
Central African Republic	55,700	55,547	99.7	159	—	—	—	28,796	28,796
Chad	56,000	55,719	99.5	282	—	—	—	32,338	32,338
Chile	856,100	802,090	93.7	54,011	—	—	—	—	—
China	8,090,100	7,575,436	93.6	514,711	—	—	—	—	—
Colombia	774,000	488,202	63.1	285,803	—	—	—	—	—
Comoros	8,900	8,358	93.9	544	—	—	—	—	—
Congo, Democratic Republic of the	533,000	533,000	100.0	—	—	—	—	511,467	511,467
Congo, Republic of	84,600	84,030	99.3	576	—	—	—	23,580	23,580
Costa Rica	164,100	144,092	87.8	20,019	—	—	—	—	—
Côte d'Ivoire	325,200	405,768	124.8	746	81,300	1.38	—	54,931	136,231
Croatia	365,100	364,943	100.0	159	—	—	—	—	—
Cyprus	139,600	130,145	93.2	9,496	—	—	—	—	—
Czech Republic	819,300	766,926	93.6	52,378	—	—	—	—	—
Denmark	1,642,800	1,538,628	93.7	104,183	—	—	—	—	—
Djibouti	15,900	14,800	93.1	1,100	—	—	—	9,632	9,632
Dominica	8,200	10,242	124.9	9	2,050	0.03	—	7,688	9,738
Dominican Republic	218,900	606,349	277.0	3	387,450	6.57	—	—	387,450
Ecuador	302,300	285,149	94.3	17,153	—	—	—	—	—
Egypt	943,700	943,725	100.0	—	—	—	—	—	—

Schedule 1 *(continued)*

	General Resources Account				Outstanding credit and loans				
		IMF's holdings of currencies[1]			GRA				
Member	**Quota**	**Total**	**Percent of quota**	**Reserve tranche position**	**Amount (A)**	**Percent[2] +**	**SDA[3] (B) +**	**PRGF-ESF Trust[4] (C) =**	**Total[5] (D)**
El Salvador	171,300	171,303	100.0	—	—	—	—	—	—
Equatorial Guinea	32,600	32,605	100.0	—	—	—	—	—	—
Eritrea	15,900	15,900	100.0	5	—	—	—	—	—
Estonia	65,200	65,194	100.0	7	—	—	—	—	—
Ethiopia	133,700	126,306	94.5	7,445	—	—	—	—	—
Fiji	70,300	54,603	77.7	15,730	—	—	—	—	—
Finland	1,263,800	1,178,794	93.3	85,053	—	—	—	—	—
France	10,738,500	10,041,074	93.5	697,493	—	—	—	—	—
Gabon	154,300	164,326	106.5	394	10,416	0.18	—	—	10,416
Gambia, The	31,100	29,618	95.2	1,485	—	—	—	6,000	6,000
Georgia	150,300	150,300	100.0	10	—	—	—	149,015	149,015
Germany	13,008,200	12,175,670	93.6	832,581	—	—	—	—	—
Ghana	369,000	369,004	100.0	—	—	—	—	105,450	105,450
Greece	823,000	769,906	93.5	53,130	—	—	—	—	—
Grenada	11,700	14,261	121.9	—	2,559	0.04	—	1,560	4,119
Guatemala	210,200	210,206	100.0	—	—	—	—	—	—
Guinea	107,100	107,026	99.9	75	—	—	—	37,678	37,678
Guinea-Bissau	14,200	15,950	112.3	30	1,775	0.03	—	3,048	4,823
Guyana	90,900	90,902	100.0	—	—	—	—	37,060	37,060
Haiti	81,900	81,833	99.9	68	—	—	—	43,300	43,300
Honduras	129,500	120,874	93.3	8,627	—	—	—	20,342	20,342
Hungary	1,038,400	972,218	93.6	66,184	—	—	—	—	—
Iceland	117,600	99,012	84.2	18,589	—	—	—	—	—
India	4,158,200	3,861,361	92.9	296,871	—	—	—	—	—
Indonesia	2,079,300	1,933,804	93.0	145,499	—	—	—	—	—
Iran, Islamic Republic of	1,497,200	1,497,204	100.0	—	—	—	—	—	—
Iraq	1,188,400	1,017,313	85.6	171,100	—	—	—	—	—
Ireland	838,400	778,973	92.9	59,437	—	—	—	—	—
Israel	928,200	869,458	93.7	58,750	—	—	—	—	—
Italy	7,055,500	6,606,696	93.6	448,843	—	—	—	—	—
Jamaica	273,500	273,550	100.0	—	—	—	—	—	—
Japan	13,312,800	12,464,433	93.6	849,521	—	—	—	—	—
Jordan	170,500	206,425	121.1	258	36,155	0.61	—	—	36,155
Kazakhstan	365,700	365,700	100.0	5	—	—	—	—	—
Kenya	271,400	258,595	95.3	12,814	—	—	—	166,800	166,800
Kiribati	5,600	5,601	100.0	4	—	—	—	—	—
Korea, Republic of	2,927,300	2,740,744	93.6	186,564	—	—	—	—	—
Kuwait	1,381,100	1,293,147	93.6	87,971	—	—	—	—	—
Kyrgyz Republic	88,800	88,800	100.0	5	—	—	—	89,173	89,173
Lao People's Democratic Republic	52,900	52,900	100.0	—	—	—	—	14,949	14,949
Latvia	126,800	126,762	100.0	55	—	—	—	—	—
Lebanon	203,000	234,918	115.7	18,833	50,750	0.86	—	—	50,750
Lesotho	34,900	31,315	89.7	3,613	—	—	—	21,000	21,000
Liberia	129,200	471,950	365.3	31	342,768	5.81	—	207,260	550,028
Libya	1,123,700	728,202	64.8	395,505	—	—	—	—	—
Lithuania	144,200	144,179	100.0	34	—	—	—	—	—
Luxembourg	279,100	259,363	92.9	19,774	—	—	—	—	—
Macedonia, former Yugoslav Republic of	68,900	68,902	100.0	—[6]	—	—	—	—	—
Madagascar	122,200	122,174	100.0	27	—	—	—	42,772	42,772
Malawi	69,400	67,088	96.7	2,315	—	—	—	31,067	31,067
Malaysia	1,486,600	1,392,460	93.7	94,144	—	—	—	—	—
Maldives	8,200	10,746	131.1	1,554	4,100	0.07	—	—	4,100
Mali	93,300	83,700	89.7	9,609	—	—	—	8,000	8,000
Malta	102,000	61,741	60.5	40,261	—	—	—	—	—
Marshall Islands	3,500	3,500	100.0	1	—	—	—	—	—
Mauritania	64,400	64,404	100.0	—	—	—	—	8,380	8,380
Mauritius	101,600	95,446	93.9	6,154	—	—	—	—	—
Mexico	3,152,800	2,951,037	93.6	201,808	—	—	—	—	—
Micronesia, Federated States of	5,100	5,100	100.0	1	—	—	—	—	—
Moldova	123,200	133,617	108.5	5	10,417	0.18	—	95,964	106,381

Schedule 1 *(continued)*

	General Resources Account				Outstanding credit and loans				
		IMF's holdings of currencies[1]			GRA				
Member	Quota	Total	Percent of quota	Reserve tranche position	Amount (A)	Percent[2] +	SDA[3] (B) +	PRGF-ESF Trust[4] (C) =	Total[5] (D)
Mongolia	51,100	50,967	99.7	136	—	—	—	15,144	15,144
Montenegro	27,500	20,900	76.0	6,601	—	—	—	—	—
Morocco	588,200	517,755	88.0	70,447	—	—	—	—	—
Mozambique	113,600	113,600	100.0	7	—	—	—	9,740	9,740
Myanmar	258,400	258,402	100.0	—	—	—	—	—	—
Namibia	136,500	136,434	100.0	76	—	—	—	—	—
Nepal	71,300	71,311	100.0	—	—	—	—	49,900	49,900
Netherlands	5,162,400	4,833,062	93.6	329,356	—	—	—	—	—
New Zealand	894,600	837,513	93.6	57,122	—	—	—	—	—
Nicaragua	130,000	130,010	100.0	—	—	—	—	53,680	53,680
Niger	65,800	57,193	86.9	8,611	—	—	—	25,380	25,380
Nigeria	1,753,200	1,753,114	100.0	143	—	—	—	—	—
Norway	1,671,700	1,565,520	93.6	106,194	—	—	—	—	—
Oman	194,000	182,556	94.1	11,485	—	—	—	—	—
Pakistan	1,033,700	1,046,221	101.2	119	12,639	0.21	—	825,928	838,567
Palau	3,100	3,100	100.0	1	—	—	—	—	—
Panama	206,600	197,252	95.5	11,860	2,500	0.04	—	—	2,500
Papua New Guinea	131,600	131,163	99.7	438	—	—	—	—	—
Paraguay	99,900	78,428	78.5	21,475	—	—	—	—	—
Peru	638,400	638,433	100.0	—	—	—	—	—	—
Philippines	879,900	792,310	90.0	87,600	—	—	—	—	—
Poland	1,369,000	1,282,277	93.7	86,738	—	—	—	—	—
Portugal	867,400	807,150	93.1	60,267	—	—	—	—	—
Qatar	263,800	246,684	93.5	17,117	—	—	—	—	—
Romania	1,030,200	1,030,205	100.0	—	—	—	—	—	—
Russian Federation	5,945,400	5,708,642	96.0	236,792	—	—	—	—	—
Rwanda	80,100	80,113	100.0	—	—	—	—	6,273	6,273
St. Kitts and Nevis	8,900	8,819	99.1	82	—	—	—	—	—
St. Lucia	15,300	15,295	100.0	7	—	—	—	—	—
St. Vincent and the Grenadines	8,300	7,800	94.0	500	—	—	—	—	—
Samoa	11,600	10,918	94.1	693	—	—	—	—	—
San Marino	17,000	12,900	75.9	4,101	—	—	—	—	—
São Tomé and Príncipe	7,400	7,403	100.0	—[6]	—	—	—	2,046	2,046
Saudi Arabia	6,985,500	6,539,937	93.6	445,566	—	—	—	—	—
Senegal	161,800	160,157	99.0	1,656	—	—	—	17,330	17,330
Serbia	467,700	467,714	100.0	—	—	—	—	—	—
Seychelles	8,800	8,798	100.0	3	—	—	—	—	—
Sierra Leone	103,700	103,685	100.0	24	—	—	—	23,113	23,113
Singapore	862,500	800,390	92.8	62,130	—	—	—	—	—
Slovak Republic	357,500	351,505	98.3	6,000	—	—	—	—	—
Slovenia	231,700	217,631	93.9	14,093	—	—	—	—	—
Solomon Islands	10,400	9,852	94.7	550	—	—	—	—	—
Somalia	44,200	140,907	318.8	—	96,701	1.64	8,840	—	112,004
South Africa	1,868,500	1,867,278	99.9	1,247	—	—	—	—	—
Spain	3,048,900	2,854,437	93.6	194,493	—	0.01	—	—	—
Sri Lanka	413,400	482,693	116.8	47,855	117,130	1.99	—	38,390	155,520
Sudan	169,700	402,341	237.1	11	232,621	3.95	—	—	291,849
Suriname	92,100	85,976	93.4	6,125	—	—	—	—	—
Swaziland	50,700	44,147	87.1	6,562	—	—	—	—	—
Sweden	2,395,500	2,243,154	93.6	152,349	—	—	—	—	—
Switzerland	3,458,500	3,238,623	93.6	219,845	—	—	—	—	—
Syrian Arab Republic	293,600	293,603	100.0	5	—	—	—	—	—
Tajikistan	87,000	87,000	100.0	2	—	—	—	29,400	29,400
Tanzania	198,900	188,903	95.0	9,999	—	—	—	11,200	11,200
Thailand	1,081,900	1,012,583	93.6	69,323	—	—	—	—	—
Timor-Leste	8,200	8,200	100.0	1	—	—	—	—	—
Togo	73,400	73,069	99.5	332	—	—	—	13,260	13,260
Tonga	6,900	5,189	75.2	1,712	—	—	—	—	—
Trinidad and Tobago	335,600	314,126	93.6	21,480	—	—	—	—	—
Tunisia	286,500	266,271	92.9	20,249	—	—	—	—	—

Schedule 1 *(concluded)*

Member	General Resources Account: Quota	IMF's holdings of currencies[1]: Total	IMF's holdings of currencies[1]: Percent of quota	Reserve tranche position	Outstanding credit and loans: GRA Amount (A)	GRA Percent[2]	+ SDA[3] (B)	+ PRGF-ESF Trust[4] (C)	= Total[5] (D)
Turkey	1,191,300	5,258,549	441.4	112,775	4,180,020	70.89	—	—	4,180,020
Turkmenistan	75,200	75,200	100.0	5	—	—	—	—	—
Uganda	180,500	180,506	100.0	—[6]	—	—	—	6,000	6,000
Ukraine	1,372,000	1,548,318	112.9	3	176,318	2.99	—	—	176,318
United Arab Emirates	611,700	573,265	93.7	39,016	—	—	—	—	—
United Kingdom	10,738,500	10,036,000	93.5	702,557	—	—	—	—	—
United States	37,149,300	34,529,765	92.9	2,618,920	—	—	—	—	—
Uruguay	306,500	306,507	100.0	—	—	—	—	—	—
Uzbekistan	275,600	275,600	100.0	5	—	—	—	—	—
Vanuatu	17,000	14,506	85.3	2,496	—	—	—	—	—
Venezuela, República Bolivariana de	2,659,100	2,337,199	87.9	321,902	—	—	—	—	—
Vietnam	329,100	329,100	100.0	5	—	—	—	95,220	95,220
Yemen, Republic of	243,500	248,821	102.2	13	5,333	0.09	—	79,525	84,858
Zambia	489,100	489,101	100.0	18	—	—	—	55,023	55,023
Zimbabwe	353,400	353,075	99.9	328	—	—	—	73,870	73,870
Total	217,372,700	209,791,195		13,481,535	5,896,074	100.00	8,840	3,873,037	9,843,642

The ending balances reflect rounding.

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

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

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

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

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

[6]Less than SDR 500.

Schedule 2

General Department

Financial resources and liquidity position in the General Resources Account as at April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Total resources		
Currencies	209,791,195	209,089,980
SDR holdings	1,852,278	2,597,564
Gold holdings	5,851,771	5,851,771
Other assets[1]	6,816,077	6,798,577
Total resources	224,311,321	224,337,892
Less: Non-usable resources[2]	59,386,583	60,750,415
of which: Credit outstanding	5,896,074	7,333,633
Equals: Usable resources[3]	164,924,738	163,587,477
Less: Undrawn balances under GRA arrangements	3,085,777	3,910,787
Equals: Uncommitted usable resources	161,838,961	159,676,690
Plus: Repurchases one year forward[4]	222,306	1,203,967
Less: Prudential balance[5]	34,878,760	34,765,360
Equals: One-year forward commitment capacity (FCC)	127,182,507	126,115,297
Memorandum items		
Resources available under borrowing arrangements	34,000,000	34,000,000
Quotas of members that finance IMF transactions	174,393,800	173,826,800
Liquid liabilities	13,481,535	14,995,543

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

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

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

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

Schedule 3

General Department

Status of arrangements in the General Resources Account as at April 30, 2008

(In thousands of SDRs)

Member	Date of arrangement	Expiration	Total amount agreed	Undrawn balance
Stand-By Arrangements				
Gabon	May 7, 2007	May 6, 2010	77,150	77,150
Honduras	April 7, 2008	March 30, 2009	38,850	38,850
Iraq	December 19, 2007	March 18, 2009	475,360	475,360
Macedonia, former Yugoslav Republic of	August 31, 2005	August 30, 2008	51,675	41,175
Paraguay	May 31, 2006	August 31, 2008	30,000	30,000
Peru	January 26, 2007	February 28, 2009	172,368	172,368
Turkey	May 11, 2005	May 10, 2008	6,662,040	2,248,439
Total Stand-By Arrangements			7,507,443	3,083,342
Extended Arrangements				
Albania	February 1, 2006	January 31, 2009	8,523	2,435
Liberia	March 14, 2008	March 13, 2011	342,768	—
Total Extended Arrangements			351,291	2,435
Total General Resources Account			7,858,734	3,085,777

Deloitte.

Deloitte & Touche LLP
Suite 500
555 12th Street, NW
Washington, DC 20004-1207
USA
Tel: +1 202 879 5600
Fax: +1 202 879 5309
www.deloitte.com

Independent Auditors' Report

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

We have audited the accompanying balance sheets of SDR Department of the International Monetary Fund (the "Department") as of April 30, 2008 and 2007, and the related statements of income, and cash flows for the years then ended. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the financial position of the SDR Department of the International Monetary Fund at April 30, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards.

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

Deloitte & Touche LLP

June 25, 2008

Member of
Deloitte Touche Tohmatsu

SDR Department

Balance sheets as at April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Assets		
Net charges and assessments receivable	53,743	80,716
Overdue charges and assessments (Note 3)	13,455	40,538
Participants with holdings below allocations (Note 4)		
Allocations	11,291,306	11,033,877
Less: SDR holdings	3,596,659	3,320,699
Allocations in excess of holdings	7,694,647	7,713,178
Total assets	7,761,845	7,834,432

	2008	2007
Liabilities		
Net interest payable	53,779	80,816
Participants with holdings above allocations (Note 4)		
SDR holdings	14,995,449	15,109,390
Less: allocations	10,142,024	10,399,453
Holdings in excess of allocations	4,853,425	4,709,937
Holdings by the General Resources Account	1,852,278	2,597,564
Holdings by prescribed holders	1,002,363	446,115
Total liabilities	7,761,845	7,834,432

The accompanying notes are an integral part of these financial statements.
These financial statements were approved by the Managing Director and the Director of Finance on June 25, 2008.

/s/ Michael G. Kuhn
Director, Finance Department

/s/ Dominique Strauss-Kahn
Managing Director

SDR Department
Income statements
for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Revenue		
Net charges from participants with holdings below allocations	285,305	320,180
Assessment on SDR allocations	1,522	1,035
	286,827	321,215
Expenses		
Interest on SDR holdings		
Net interest to participants with holdings above allocations	176,036	180,493
General Resources Account	88,446	124,444
Prescribed holders	20,823	15,243
	285,305	320,180
Administrative expenses	1,522	1,035
	286,827	321,215
Net income	—	—

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

SDR Department
Statements of cash flows
for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Cash flows from operating activities		
Receipts of SDRs		
Transfers among participants and prescribed holders	3,548,976	2,773,068
Transfers from participants and prescribed holders to the General Resources Account	1,287,012	1,482,993
Transfers from the General Resources Account to participants	2,133,216	2,655,279
Interest received		
Participants	191,349	167,681
General Resources Account	100,851	128,953
Prescribed holders	20,078	13,047
Total receipts of SDRs	7,281,482	7,221,021
Uses of SDRs		
Transfers among participants and prescribed holders	3,548,976	2,773,068
Transfers from participants and prescribed holders to the General Resources Account	1,287,012	1,482,993
Transfers from the General Resources Account to participants	2,133,216	2,655,279
Charges paid by participants	309,236	306,915
Other	3,042	2,766
Total uses of SDRs	7,281,482	7,221,021

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

SDR Department
Notes to the financial statements
for the years ended April 30, 2008, and 2007

1. Nature of operations

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

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

At April 30, 2008, and 2007, 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 Board of Governors in January 1998 to allow for a special one-time allocation of SDRs equal to SDR 21.4 billion. The amendment will enter into force after three-fifths of the members having 85 percent of the total voting power have accepted it. As at April 30, 2008, 131 out of 185 members representing 77.7 percent of the total voting power have accepted the proposed amendment. Upon termination of participation in, or liquidation of, the SDR Department, the IMF will provide to holders the currencies received from the participants in settlement of their obligations. The IMF is empowered to prescribe certain official entities as holders of SDRs; at April 30, 2008, and 2007, 15 institutions were prescribed as holders. Prescribed holders do not receive allocations.

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

Uses of SDRs

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

General allocations and cancellations of SDRs

The IMF has the authority to provide unconditional liquidity through general allocations of SDRs to participants in the SDR Department in proportion to their quotas in the IMF. The IMF cannot allocate SDRs to itself or to other holders it prescribes. The Articles of Agreement also provide for the cancellation of SDRs, although to date there have been no cancellations. In its decisions on general allocations of SDRs, the IMF, as prescribed under its Articles, has sought to meet the long-term global need to supplement existing reserve assets in such a manner as will promote the attainment of the IMF's purposes and avoid economic stagnation and deflation, as well as excess demand and inflation.

2. Summary of significant accounting policies

Basis of preparation and measurement

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

Use of estimates

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

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

Unit of account

The functional and presentation currency of the SDR Department is the SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in November 2005, and the current composition of the SDR valuation basket became effective on January 1, 2006.

The currencies in the basket as at April 30, 2008, and 2007, and their amounts were as follows:

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

As at April 30, 2008, one SDR was equal to US$1.62378 (US$1.52418 as at April 30, 2007).

Interest and charges

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

The rate of interest on the SDR is determined by reference to the combined market interest rate, which is a weighted average of yields or rates on short-term instruments in the money markets of the euro area, Japan, the United Kingdom, and the United States. The combined market interest rate is calculated each Friday, using the yields or rates of that day. The SDR interest rate, which is set equal to the combined market interest rate, enters into effect on the following Monday and applies through the subsequent Sunday. The average SDR interest rate was 3.64 percent for the financial year ended April 30, 2008 (3.97 percent for the financial year ended April 30, 2007).

Administrative expenses

The expenses of conducting the business of the SDR Department are paid by the IMF from the General Resources Account, which is reimbursed by the SDR Department at the end of each financial year (SDR 1.5 million and SDR 1.0 million for the financial years ended April 30, 2008, and 2007, respectively). For this purpose, the SDR Department levies an assessment on all participants in proportion to their net cumulative allocations.

Overdue obligations

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

Adoption of new International Financial Reporting Standards

In September 2007, the International Accounting Standards Board (IASB) issued an amended standard, IAS 1, "Presentation of Financial Statements." The amended IAS 1 requires presentation of nonowner changes in equity (comprehensive income) either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The revised IAS 1 will become effective for the financial year ending April 30, 2010, and its implementation is not expected to have a significant impact on the financial position, results of operations, or cash flows of the SDR Department.

3. Overdue charges and assessments

At April 30, 2008, one member (Somalia) was six months or more overdue (since 1991) in meeting its financial obligations, amounting to SDR 13.5 million, to the SDR Department (two members were overdue, on obligations amounting to SDR 40.5 million, as at April 30, 2007). During the financial year ended April 30, 2008, Liberia settled its overdue assessments and charges totaling SDR 30.1 million, which had previously been recognized as income.

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

	2008	2007
	(In millions of SDRs)	
Total	13.5	40.5
Overdue for six months or more	12.9	39.0
Overdue for three years or more	10.8	34.5

4. Allocations and holdings

At April 30, 2008, and 2007, 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 Department. Participants' net SDR positions as at April 30, 2008, and 2007 were as follows:

	2008			2007		
	Total	Below allocations	Above allocations	Total	Below allocations	Above allocations
	(In millions of SDRs)					
Cumulative allocations	21,433.3	11,291.3	10,142.0	21,433.3	11,033.9	10,399.4
Holdings of SDRs by participants	18,592.1	3,596.7	14,995.4	18,430.1	3,320.7	15,109.4
Net SDR positions	2,841.2	7,694.6	(4,853.4)	3,003.2	7,713.2	(4,710.0)

A summary of SDR holdings is provided below:

	2008	2007
	(In millions of SDRs)	
Participants	18,592.1	18,430.1
General Resources Account	1,852.3	2,597.5
Prescribed holders	1,002.3	446.1
	21,446.7	21,473.7
Less: Overdue charges receivable	13.4	40.4
Total holdings	21,433.3	21,433.3

Schedule 1

SDR Department

Statements of changes in SDR holdings for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	Participants	General Resources Account	Prescribed holders	Total 2008	Total 2007
Total holdings, beginning of year	18,430,089	2,597,564	446,115	21,473,768	21,471,003
Receipts of SDRs					
Transfers among participants and prescribed holders					
Transactions by agreement	806,168	—	245,310	1,051,478	2,299,714
Operations					
Extension of credit	557,503	—	—	557,503	—
Settlement of financial obligations	557,503	—	16,926	574,429	26,030
IMF-related operations					
PRGF-ESF Trust loans	225,680	—	—	225,680	83,854
SAF/Trust Fund repayments and interest	—	—	30,705	30,705	—
PRGF-ESF Trust contributions and payments	96,522	—	230,591	327,113	70,167
PRGF-ESF Trust repayments and interest	—	—	294,843	294,843	274,733
PRGF-HIPC contributions, repayments, and interest	6,028	—	30,990	37,019	1,276
Contributions to and deposits in Administered Accounts	—	—	441,212	441,212	—
Emergency Assistance, SFF subsidy, and HIPC payments	8,993	—	—	8,993	6,450
Net interest on SDRs	191,349	—	20,078	211,427	180,728
MDRI grant assistance	—	—	—	—	10,844
Transfers from participants and prescribed holders to the General Resources Account					
Repurchases	—	541,987	—	541,987	202,487
Charges	—	694,127	—	694,127	870,323
Quota payment	—	47,075	—	47,075	409,150
Interest on SDRs	—	100,851	—	100,851	128,953
Assessment on SDR allocations	—	1,517	—	1,517	1,033
Reimbursement of expenses by MDRI-I Trust	—	2,252	—	2,252	—
Other	—	54	—	54	—
Transfers from the General Resources Account to participants					
Purchases	718,549	—	—	718,549	1,479,924
In exchange for currencies of other members					
Acquisitions to pay charges	359,057	—	—	359,057	662,644
Remuneration	302,765	—	—	302,765	498,062
Other					
Refunds and adjustments	752,845	—	—	752,845	14,649
Total receipts	4,582,963	1,387,863	1,310,657	7,281,482	7,221,021

Schedule 1 *(concluded)*

SDR Department

Statements of changes in SDR holdings for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	Participants	General Resources Account	Prescribed holders	Total 2008	Total 2007
Uses of SDRs					
Transfers among participants and prescribed holders					
Transactions by agreement	636,599	—	414,880	1,051,478	2,299,714
Operations					
Extension of credit	557,503	—	—	557,503	—
Settlement of financial obligations	574,429	—	—	574,429	26,030
IMF-related operations					
PRGF-ESF Trust loans	—	—	225,680	225,680	83,854
SAF/Trust Fund repayments and interest	30,705	—		30,705	—
PRGF-ESF Trust contributions and payments	230,591	—	96,522	327,113	70,167
PRGF-ESF Trust repayments and interest	294,843	—	—	294,843	274,733
PRGF-HIPC contributions, repayments, and interest	30,990	—	6,028	37,019	1,276
Contributions to and deposits in Administered Accounts	441,212	—	—	441,212	—
Emergency Assistance, SFF subsidy, and HIPC payments	—	—	8,993	8,993	6,450
MDRI grant assistance	—	—	—	—	10,844
Transfers from participants and prescribed holders to the General Resources Account					
Repurchases	541,987	—	—	541,987	202,487
Charges	694,127	—	—	694,127	870,323
Quota payments	47,075	—	—	47,075	409,150
Assessment on SDR allocations	1,517	—	—	1,517	1,033
Reimbursement of expenses by MDRI-I Trust	—	—	2,252	2,252	—
Other	—	—	54	54	—
Transfers from the General Resources Account to participants					
Purchases	—	718,549	—	718,549	1,479,924
In exchange for currencies of other members					
Acquisitions to pay charges	—	359,057	—	359,057	662,644
Remuneration	—	302,765	—	302,765	498,062
Other					
Refunds and distributions	—	752,845	—	752,845	14,649
Charges paid in the SDR department					
Net charges due	312,279	—	—	312,279	309,681
Total uses	4,393,859	2,133,216	754,408	7,281,482	7,221,021
Charges not paid when due	3,042	—	—	3,042	2,766
Settlement of unpaid charges and assessments	(30,129)	68	—	(30,061)	—
Total holdings, end of year	**18,592,108**	**1,852,278**	**1,002,363**	**21,446,749**	**21,473,768**

Schedule 2

SDR Department

Allocations and holdings of participants as at April 30, 2008

(In thousands of SDRs)

Participant	Net cumulative allocations	Holdings: Total	Holdings: Percentage of cumulative allocations	Holdings: (+) Above (-) Below allocations
Afghanistan, Islamic Republic of	26,703	262	1.0	(26,441)
Albania	—	9,408	—	9,408
Algeria	128,640	7,956	6.2	(120,684)
Angola	—	164	—	164
Antigua and Barbuda	—	7	—	7
Argentina	318,370	320,620	100.7	2,250
Armenia	—	12,154	—	12,154
Australia	470,545	119,205	25.3	(351,340)
Austria	179,045	147,581	82.4	(31,464)
Azerbaijan	—	665	—	665
Bahamas, The	10,230	112	1.1	(10,118)
Bahrain	6,200	7,629	123.0	1,429
Bangladesh	47,120	1,623	3.4	(45,497)
Barbados	8,039	161	2.0	(7,878)
Belarus	—	616	—	616
Belgium	485,246	387,182	79.8	(98,064)
Belize	—	2,197	—	2,197
Benin	9,409	116	1.2	(9,293)
Bhutan	—	397	—	397
Bolivia	26,703	27,466	102.9	763
Bosnia and Herzegovina	20,481	607	3.0	(19,875)
Botswana	4,359	38,762	889.2	34,403
Brazil	358,670	3,146	0.9	(355,524)
Brunei Darussalam	—	12,361	—	12,361
Bulgaria	—	3,970	—	3,970
Burkina Faso	9,409	88	0.9	(9,321)
Burundi	13,697	120	0.9	(13,577)
Cambodia	15,417	155	1.0	(15,262)
Cameroon	24,463	3,031	12.4	(21,431)
Canada	779,290	642,880	82.5	(136,410)
Cape Verde	620	27	4.3	(593)
Central African Republic	9,325	115	1.2	(9,210)
Chad	9,409	1,039	11.0	(8,370)
Chile	121,924	38,233	31.4	(83,691)
China	236,800	764,193	322.7	527,393
Colombia	114,271	142,751	124.9	28,480
Comoros	716	21	2.9	(695)
Congo, Democratic Republic of the	86,309	1,374	1.6	(84,935)
Congo, Republic of	9,719	222	2.3	(9,497)
Costa Rica	23,726	440	1.9	(23,286)
Côte d’Ivoire	37,828	352	0.9	(37,476)
Croatia	44,205	576	1.3	(43,629)
Cyprus	19,438	2,082	10.7	(17,356)
Czech Republic	—	13,005	—	13,005
Denmark	178,864	171,893	96.1	(6,971)
Djibouti	1,178	102	8.7	(1,076)
Dominica	592	31	5.3	(561)
Dominican Republic	31,585	101,129	320.2	69,544
Ecuador	32,929	17,188	52.2	(15,741)
Egypt	135,924	86,669	63.8	(49,255)
El Salvador	24,985	25,013	100.1	28
Equatorial Guinea	5,812	460	7.9	(5,352)
Eritrea	—	—	—	—
Estonia	—	60	—	60
Ethiopia	11,160	194	1.7	(10,966)

Schedule 2 *(continued)*

SDR Department

Allocations and holdings of participants as at April 30, 2008

(In thousands of SDRs)

Participant	Net cumulative allocations	Holdings: Total	Holdings: Percentage of cumulative allocations	Holdings: (+) Above (-) Below allocations
Fiji	6,958	6,611	95.0	(347)
Finland	142,690	154,106	108.0	11,416
France	1,079,870	628,458	58.2	(451,412)
Gabon	14,091	346	2.5	(13,745)
Gambia, The	5,121	104	2.0	(5,017)
Georgia	—	1,473	—	1,473
Germany	1,210,760	1,411,944	116.6	201,184
Ghana	62,983	527	0.8	(62,456)
Greece	103,544	16,818	16.2	(86,726)
Grenada	930	76	8.2	(854)
Guatemala	27,678	2,795	10.1	(24,883)
Guinea	17,604	1,754	10.0	(15,850)
Guinea-Bissau	1,212	53	4.4	(1,159)
Guyana	14,530	502	3.5	(14,028)
Haiti	13,697	4,879	35.6	(8,818)
Honduras	19,057	356	1.9	(18,701)
Hungary	—	59,075	—	59,075
Iceland	16,409	72	0.4	(16,337)
India	681,170	11,194	1.6	(669,976)
Indonesia	238,956	24,828	10.4	(214,128)
Iran, Islamic Republic of	244,056	282,506	115.8	38,450
Iraq	68,464	89,817	131.2	21,354
Ireland	87,263	63,598	72.9	(23,665)
Israel	106,360	9,928	9.3	(96,432)
Italy	702,400	145,310	20.7	(557,090)
Jamaica	40,613	404	1.0	(40,209)
Japan	891,690	1,933,482	216.8	1,041,792
Jordan	16,887	3,546	21.0	(13,341)
Kazakhstan	—	880	—	880
Kenya	36,990	427	1.2	(36,563)
Kiribati	—	11	—	11
Korea, Republic of	72,911	52,218	71.6	(20,694)
Kuwait	26,744	147,829	552.7	121,085
Kyrgyz Republic	—	18,337	—	18,337
Lao People's Democratic Republic	9,409	9,793	104.1	384
Latvia	—	110	—	110
Lebanon	4,393	22,785	518.7	18,392
Lesotho	3,739	3,996	106.9	257
Liberia	21,007	8,340	39.7	(12,667)
Libya	58,771	565,947	963.0	507,176
Lithuania	—	70	—	70
Luxembourg	16,955	13,184	77.8	(3,771)
Macedonia, former Yugoslav Republic of	8,379	1,044	12.5	(7,335)
Madagascar	19,270	201	1.0	(19,069)
Malawi	10,975	175	1.6	(10,800)
Malaysia	139,048	145,696	104.8	6,648
Maldives	282	385	136.5	103
Mali	15,912	228	1.4	(15,684)
Malta	11,288	38,382	340.0	27,094
Marshall Islands	—	—	—	—
Mauritania	9,719	157	1.6	(9,562)
Mauritius	15,744	18,734	119.0	2,990
Mexico	290,020	333,594	115.0	43,574
Micronesia, Federated States of	—	1,358	—	1,358
Moldova	—	738	—	738

Schedule 2 *(continued)*

SDR Department

Allocations and holdings of participants as at April 30, 2008

(In thousands of SDRs)

Participant	Net cumulative allocations	Holdings: Total	Holdings: Percentage of cumulative allocations	Holdings: (+) Above (-) Below allocations
Mongolia	—	61	—	61
Montenegro	—	175	—	175
Morocco	85,689	16,487	19.2	(69,202)
Mozambique	—	114	—	114
Myanmar	43,474	461	1.1	(43,013)
Namibia	—	20	—	20
Nepal	8,105	5,712	70.5	(2,393)
Netherlands	530,340	553,725	104.4	23,385
New Zealand	141,322	16,964	12.0	(124,358)
Nicaragua	19,483	195	1.0	(19,288)
Niger	9,409	233	2.5	(9,176)
Nigeria	157,155	1,261	0.8	(155,894)
Norway	167,770	236,548	141.0	68,778
Oman	6,262	12,462	199.0	6,200
Pakistan	169,989	135,611	79.8	(34,378)
Palau	—	—	—	—
Panama	26,322	1,535	5.8	(24,787)
Papua New Guinea	9,300	166	1.8	(9,134)
Paraguay	13,697	28,060	204.9	14,363
Peru	91,319	7,525	8.2	(83,794)
Philippines	116,595	8,230	7.1	(108,365)
Poland	—	68,329	—	68,329
Portugal	53,320	78,335	146.9	25,015
Qatar	12,822	28,725	224.0	15,903
Romania	75,950	79,024	104.0	3,074
Russian Federation	—	495	—	495
Rwanda	13,697	20,312	148.3	6,615
St. Kitts and Nevis	—	4	—	4
St. Lucia	742	1,594	214.9	852
St. Vincent and the Grenadines	354	5	1.3	(349)
Samoa	1,142	2,606	228.2	1,464
San Marino	—	1,032	—	1,032
São Tomé and Príncipe	620	19	3.0	(601)
Saudi Arabia	195,527	462,233	236.4	266,706
Senegal	24,462	562	2.3	(23,900)
Serbia	56,665	2,062	3.6	(54,603)
Seychelles	406	9	2.1	(398)
Sierra Leone	17,455	19,807	113.5	2,352
Singapore	16,475	223,955	1,359.3	207,480
Slovak Republic	—	980	—	980
Slovenia	25,431	7,875	31.0	(17,555)
Solomon Islands	654	10	1.5	(645)
Somalia	13,697	—	—	(13,697)
South Africa	220,360	223,049	101.2	2,689
Spain	298,805	180,792	60.5	(118,013)
Sri Lanka	70,868	3,519	5.0	(67,349)
Sudan	52,192	—	—	(52,192)
Suriname	7,750	508	6.6	(7,242)
Swaziland	6,432	2,541	39.5	(3,891)
Sweden	246,525	211,481	85.8	(35,044)
Switzerland	—	169,142	—	169,142
Syrian Arab Republic	36,564	36,571	100.0	7
Tajikistan	—	2,368	—	2,368
Tanzania	31,372	334	1.1	(31,038)
Thailand	84,652	6,026	7.1	(78,626)

Schedule 2 *(concluded)*

SDR Department

Allocations and holdings of participants as at April 30, 2008

(In thousands of SDRs)

Participant	Net cumulative allocations	Holdings: Total	Holdings: Percentage of cumulative allocations	Holdings: (+) Above (-) Below allocations
Timor-Leste	—	—	—	—
Togo	10,975	87	0.8	(10,888)
Tonga	—	442	—	442
Trinidad and Tobago	46,231	1,502	3.2	(44,729)
Tunisia	34,243	3,851	11.2	(30,392)
Turkey	112,307	96,675	86.1	(15,632)
Turkmenistan	—	—	—	—
Uganda	29,396	279	0.9	(29,117)
Ukraine	—	5,113	—	5,113
United Arab Emirates	38,737	10,888	28.1	(27,849)
United Kingdom	1,913,070	212,926	11.1	(1,700,144)
United States	4,899,530	6,014,865	122.8	1,115,335
Uruguay	49,977	540	1.1	(49,437)
Uzbekistan	—	452	—	452
Vanuatu	—	1,237	—	1,237
Venezuela	316,890	15,355	4.8	(301,535)
Vietnam	47,658	1,702	3.6	(45,956)
Yemen, Republic of	28,743	829	2.9	(27,914)
Zambia	68,298	8,445	12.4	(59,853)
Zimbabwe	10,200	79	0.8	(10,121)
Above allocations	10,142,024	14,995,449	147.9	4,853,425
Below allocations	11,291,306	3,596,659	31.9	(7,694,647)
Total participants	21,433,330	18,592,108		
General Resources Account		1,852,278		
Prescribed holders		1,002,363		
Overdue charges	13,419			
	21,446,749	21,446,749		

Deloitte.

Deloitte & Touche LLP
Suite 500
555 12th Street, NW
Washington, DC 20004-1207
USA
Tel: +1 202 879 5600
Fax: +1 202 879 5309
www.deloitte.com

Independent Auditors' Report

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

We have audited the accompanying combined balance sheets of the Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust (the "Trust") as of April 30, 2008 and 2007, and the related combined statements of income and changes in resources and of cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the combined financial position of the Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust at April 30, 2008 and 2007, and the combined results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards.

Our audits were conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The supplemental schedules listed on pages 45 to 49 are presented for the purpose of additional analysis and are not a required part of the basic combined financial statements. These schedules are the responsibility of the Trust's management. Such schedules have been subjected to the auditing procedures applied in our audits of the basic combined financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic combined financial statements taken as a whole.

Deloitte & Touche LLP

June 25, 2008

Member of
Deloitte Touche Tohmatsu

Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust

Combined balance sheets as at April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Assets		
Cash and cash equivalents	336,963	322,061
Investments (Note 4)	4,842,388	4,890,267
Loans receivable (Note 5)	3,873,037	3,784,788
Interest and other receivables	33,540	30,385
Total assets	9,085,928	9,027,501
Liabilities and resources		
Borrowings (Note 6)	4,265,545	4,384,835
Interest payable	42,166	46,833
Other liabilities	14,017	10,916
Total liabilities	4,321,728	4,442,584
Resources	4,764,200	4,584,917
Total liabilities and resources	9,085,928	9,027,501

The accompanying notes are an integral part of these financial statements.
These combined financial statements were approved by the Managing Director and the Director of Finance on June 25, 2008.

/s/ Michael G. Kuhn
Director, Finance Department

/s/ Dominique Strauss-Kahn
Managing Director

Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust

Combined statements of income and changes in resources for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Assets		
Balance, beginning of year	4,584,917	4,448,715
Investment income (Note 8)	261,617	184,973
Interest on loans	18,474	18,465
Interest expense	(165,155)	(158,165)
Other expenses	(1,008)	(1,414)
Operational income	113,928	43,859
Contributions (Note 9) from:		
Bilateral donors	34,649	92,148
Special Disbursement Account	30,706	195
Net income/changes in resources	179,283	136,202
Balance, end of year	4,764,200	4,584,917

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

Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust

Combined statements of cash flows for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Cash flows from operating activities		
Net income	179,283	136,202
Adjustments to reconcile net income to cash generated by operations		
Interest income on investments	(187,058)	(180,626)
Interest income on loans	(18,474)	(18,465)
Interest expense	165,155	158,165
	138,906	95,276
Changes in other assets	135	(195)
Changes in other liabilities	3,101	1,790
Loan disbursements	(484,080)	(477,079)
Loan repayments	395,831	512,051
Cash provided by operations	53,893	131,843
Interest received	202,242	198,234
Interest paid	(169,822)	(152,839)
Net cash provided by/(used in) operating activities	**86,313**	**177,238**
Cash flows from investment activities		
Net acquisition of investments	47,879	(7,872)
Net cash provided by/(used in) investment activities	**47,879**	**(7,872)**
Cash flows from financing activities		
Borrowings	497,470	525,673
Repayment of borrowings	(616,760)	(1,120,304)
Net cash used in financing activities	**(119,290)**	**(594,631)**
Net increase/(decrease) in cash and cash equivalents	14,902	(425,265)
Cash and cash equivalents, beginning of year	322,061	747,326
Cash and cash equivalents, end of year	**336,963**	**322,061**

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

Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust
Notes to the combined financial statements as at April 30, 2008, and 2007

1. Nature of operations

The Poverty Reduction and Growth Facility Trust (the PRGF Trust), for which the IMF is Trustee, was established in December 1987 to provide loans on concessional terms to qualifying low-income country members. Assistance under the Poverty Reduction and Growth Facility (PRGF) is made available under three-year arrangements in support of macroeconomic and adjustment programs. Effective January 5, 2006, the PRGF Trust was renamed the Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust (the Trust) to also support programs under the Exogenous Shocks Facility (ESF) to facilitate member countries' adjustment to sudden and exogenous shocks. Programs under the ESF range from one to two years.

The operations of the Trust are conducted through the Loan Account, the Reserve Account, and three Subsidy Accounts—the PRGF-ESF Subsidy Account, the PRGF Subsidy Account, and the ESF Subsidy Account. 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. Combining balance sheets and statements of income and changes in resources for the Trust are provided in Note 12 of these financial statements.

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

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.

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, net earnings from investment of any resources held in the Loan Account pending their use in operations, and payment of interest on Trust loans to the extent that payment has been made to a lender from the Reserve 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. The Trustee reviews the adequacy of the Reserve Account regularly to determine whether sufficient resources are available to meet all obligations to the lenders to the Loan Account.

Subsidy Accounts

The resources held in the Subsidy Accounts consist of bilateral contributions to the Trust, including transfers of net earnings from the PRGF Administered Accounts, resources transferred from the Special Disbursement Account, and net earnings from investment of Subsidy Accounts resources.

The resources available in the Subsidy Accounts 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.

The resources in the PRGF Subsidy Account are earmarked for PRGF loans only, and the resources in the ESF Subsidy Account are earmarked for ESF loans only. The PRGF-ESF Subsidy Account can be used for both PRGF and ESF loans.

To the extent that resources in the PRGF-ESF Subsidy Account and the PRGF Subsidy Account are insufficient for PRGF subsidy operations, the Trustee will transfer to the PRGF Subsidy Account resources in the PRGF-HIPC Trust Account not earmarked for debt relief under the Heavily Indebted Poor Countries (HIPC) Initiative.

2. Summary of significant accounting policies

Basis of preparation and measurement

The combined financial statements include the Loan Account, the Reserve Account, and the Subsidy Accounts. All receivables, payables, and transfers between these accounts have been eliminated during the combination. The combined financial statements of the PRGF-ESF Trust are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets at fair value through profit and loss. Specific accounting principles and disclosure practices, as set out below, are in accordance with and comply with IFRS and have been applied consistently for all periods presented.

Use of estimates

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

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

Unit of account

The functional and presentation currency of the Trust is the SDR. The value of the SDR is determined by the IMF each day by summing the values in

U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in November 2005, and the new composition of the SDR valuation basket became effective on January 1, 2006. The currencies in the basket as at April 30, 2008, and 2007 and their amounts were as follows:

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

As at April 30, 2008, one SDR was equal to US$1.62378 (US$1.52418 as at April 30, 2007).

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 on 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.

Cash and cash equivalents

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

Investments

Investments are managed primarily by external investment managers. Investments and the related assets and liabilities in accounts managed solely for the Trust and the net asset value of the Trust's share of pooled investment accounts are reported in the Trust's balance sheet.

Financial assets at fair value through profit or loss

The Trust has designated its investments in fixed-income securities, other than fixed-term deposits, as financial assets held at fair value through profit or loss since performance is measured on a fair value basis. Such designation may be made only upon initial recognition and cannot subsequently be changed. The designated assets are carried at fair value on the balance sheet with the change in fair value included in the income statement in the period in which they arise.

Recognition

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

Derecognition

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

Fair value measurement

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

Investment income

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

Loans

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

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

Borrowings

The Trust borrows on such terms and conditions as agreed between the Trustee and the lenders. The principal amounts of the borrowings are repayable in 10 equal semiannual installments 5½ years after drawing. Borrowings are recorded and subsequently stated at amortized cost.

Contributions

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

Transfers

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

Adoption of new International Financial Reporting Standards

During the financial year ended April 30, 2008, the Trust adopted IFRS 7, "Financial Investments: Disclosures" (issued by the IASB in August 2005), which requires disclosures in the financial statements as to the significance of financial instruments for the Trust's financial position and performance, the nature and extent of risks arising from such instruments, and how those risks are managed (see Note 3).

In September 2007, the International Accounting Standards Board (IASB) issued an amended standard, IAS 1, "Presentation of Financial Statements." The amended IAS 1 requires presentation of nonowner changes in equity (comprehensive income) either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The revised IAS 1 will become effective for the financial year ending April 30, 2010, and its implementation is not expected to have a significant impact on the financial position, results of operations, or cash flows of the Trust.

3. Financial risk management

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

Credit risk

Lending

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

The Trust has established limits on overall access to its resources. The limits for PRGF and ESF arrangements are currently set at 140 percent (in exceptional cases up to 185 percent) and 50 percent (higher in exceptional circumstances), respectively, of members' IMF quotas. In each case, the amount will depend on the country's balance of payments need, the strength of its adjustment program, and its previous and outstanding use of IMF credit. Access in excess of these limits can be granted in exceptional circumstances subject to certain procedural requirements and substantive criteria that have been adopted by the Executive Board.

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

To protect the lenders to the Trust, resources are accumulated in the Reserve Account and are available to repay the lenders in the event of delays in repayment or nonpayment by borrowers. As at April 30, 2008, available resources in the Reserve Account amounted to SDR 3.6 billion (SDR 3.4 billion as at April 30, 2007).

The maximum credit risk exposure is the carrying value of the Trust's outstanding loans and the undrawn commitments (see Notes 5 and 10, respectively).

Investments

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

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

	2008		2007	
	Rating	Percentage	Rating	Percentage
Government bonds				
France	AAA	0.69%	AAA	—
Germany	AAA	14.39%	AAA	11.81%
Italy	AA	0.22%	AA	0.20%
Japan	AA	4.15%	AA	3.51%
United Kingdom	AAA	2.87%	AAA	2.90%
United States	AAA	10.23%	AAA	9.19%
Nongovernment bonds				
Bank for International Settlements	Not rated	46.61%	Not rated	43.55%
Other financial institutions	AAA	6.33%	AAA	5.97%
Fixed-term deposits and other				
Bank for International Settlements	Not rated	13.61%	Not rated	18.32%
Other financial institutions	AAA	—	AAA	0.33%
	AA	0.90%	AA	4.22%
		100.00%		100.00%

The Trustee also engages in a securities lending program with its custodian, as lending agent, to enhance the return on its investments. Under this program, marketable securities are lent temporarily to other institutions in exchange for a fee and collateral equal to at least 100 percent of the market value of the lent securities. The Trustee maintains effective control over securities lent and therefore continues to report such securities as invested assets. The Trust participates in the lending agent's collateral fund but does not recognize the receipt of the collateral held by the lending agent or the obligation to return the collateral as there exists no right to sell or repledge the collateral. As at April 30, 2008, the market value of securities lent to other institutions under the securities lending program and the collateral amounted to SDR 1,108 million and SDR 1,132 million, respectively (SDR 1,000 million and SDR 1,023 million as at April 30, 2007, respectively).

Market risk

Interest rate risk

Lending

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. The Trust accumulates resources to cover any interest shortfall arising from the difference between the market-based interest rate paid on borrowings and the concessional rate applicable to outstanding loans. Should such resources be deemed inadequate for this purpose, the Trust instrument allows an increase in the interest rate levied on outstanding loans.

Investments

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

A 50 basis point increase in the average effective yields of the Trust portfolio as at April 30, 2008, would result in a loss of SDR 40.2 million, or approximately 0.77% of the portfolio (SDR 36.9 million, or 0.63% as at April 30, 2007), whereas a 50 basis point decrease would result in a gain of SDR 40.8 million, or approximately 0.78% of the portfolio (SDR 37.5 million, or 0.63%, as at April 30, 2007).

Exchange rate risk

Lending

Exchange rate risk is the exposure to the effects of fluctuations in foreign currency exchange rates on an entity's financial position and cash flows. The Trust has minimal exchange rate risk on its loans and borrowings, as disbursements, repayments, and interest payments are denominated in SDRs.

Investments

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

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

	2008			2007		
		Net gain/loss			Net gain/loss	
	Percentage change of currency unit against SDR	In millions of SDRs	As a percentage of investments not denominated in SDRs	Percentage change of currency unit against SDR	In millions of SDRs	As a percentage of investments not denominated in SDRs
Euro	5.91%	–0.24	–0.01%	6.18%	2.73	0.06%
Japanese yen	9.71%	1.14	0.03%	9.92%	1.95	0.05%
Pound sterling	8.81%	0.77	0.02%	8.71%	0.47	0.01%

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

	2008			2007		
		Net gain/loss			Net gain/loss	
	Percentage change of currency unit against SDR	In millions of SDRs	As a percentage of investments not denominated in SDRs	Percentage change of currency unit against SDR	In millions of SDRs	As a percentage of investments not denominated in SDRs
Euro	–6.27%	1.67	0.04%	–6.52%	–0.47	–0.01%
Japanese yen	–8.24%	0.29	0.01%	–8.22%	0.55	0.01%
Pound sterling	–9.00%	0.58	0.01%	–8.92%	1.92	0.04%

The Trust has other assets and liabilities denominated in currencies other than SDRs, but the exchange rate risk exposure from these assets and liabilities is very limited.

Liquidity risk

Lending

Liquidity risk is the risk of nonavailability of resources to meet the Trust's financing needs and obligations. The Trust must have usable resources available to meet members' demand for credit, and uncertainties in the timing and amount of credit extended to members expose the Trust to liquidity risk.

The Trust conducts semiannual reviews to determine the adequacy of the resources accumulated in the Subsidy and Reserve Accounts. Resources in the Subsidy Accounts are expected to exceed estimated needs based on the present level of loans outstanding, and the balance in the Reserve Account is projected to increase until it reaches a level sufficient to cover all outstanding Trust obligations to lenders.

Investments

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

4. Investments

Investments consisted of the following at April 30:

	2008	2007
	(In thousands of SDRs)	
Fixed-term deposits	404,000	834,641
Fixed-income securities	4,438,388	4,055,626
Total	4,842,388	4,890,267

The maturities of the investments are as follows:

Investments maturing in financial year ending April 30	
	(In thousands of SDRs)
2009	576,282
2010	2,437,679
2011	1,739,651
2012	25,580
2013	63,196
Total	4,842,388

5. Loans receivable

Resources of the Loan Account of the PRGF-ESF Trust are committed to qualifying members for a three-year period, upon approval by the Trustee of three-year PRGF arrangements or ESF arrangements with durations of one to two years in support of members' macroeconomic and structural adjustment programs. Interest on the outstanding loans is set at the rate of ½ of 1 percent per annum.

At April 30, 2008, and 2007, the resources of the Loan Account included cumulative advances from the Reserve Account of SDR 74 million and SDR 75 million, respectively, resulting from the nonpayment of principal by Zimbabwe.

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

Period of repayment, financial year ending April 30	
	(In thousands of SDRs)
2009	436,876
2010	468,231
2011	529,769
2012	559,804
2013	508,516
2014 and beyond	1,295,971
Overdue	73,870
Total	3,873,037

As at April 30, 2008, scheduled repayments of loans included loans totaling SDR 658 million due from members that are potentially eligible for debt relief under the Multilateral Debt Relief Initiative (MDRI).

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

	2008		**2007**	
	(In millions of SDRs and percent of total PRGF-ESF credit)			
Largest user of credit	825.9	21.3%	922.1	24.4%
Three largest users of credit	1,654.1	42.7%	1,792.3	47.4%
Five largest users of credit	2,028.2	52.4%	2,085.9	55.1%

The five largest users of Trust credit as at April 30, 2008, in descending order, were Pakistan, Democratic Republic of the Congo, Bangladesh, Liberia, and Kenya. Outstanding credit by member is provided in Schedule 1.

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

	2008		**2007**	
	(In millions of SDRs and percent of total PRGF-ESF credit outstanding)			
Africa	1,645	42.5%	1,427	37.7%
Asia and Pacific	1,356	35.0%	1,458	38.5%
Europe	445	11.5%	462	12.2%
Latin America and Caribbean	164	4.2%	137	3.6%
Middle East and Turkey	263	6.8%	301	8.0%
Total	3,873	100%	3,785	100%

6. Borrowings

Outstanding borrowings by member are provided in Schedule 3. The weighted average interest rate on borrowings was 3.87 percent per annum for the financial year ended April 30, 2008 (3.42 percent per annum for the financial year ended April 30, 2007).

During the financial year ended April 30, 2008, the PRGF-ESF Trust made early repayments of SDR 16 million (SDR 368 million for the financial year ended April 30, 2007) to lenders following the repayment of Trust loans by members that received HIPC Initiative and MDRI grant assistance.

Scheduled repayments of borrowings are summarized below:

Period of repayment, financial year ending April 30	
	(In thousands of SDRs)
2009	608,729
2010	592,727
2011	624,519
2012	610,386
2013	514,928
2014 and beyond	1,314,256
Total	4,265,545

The following summarizes the borrowing agreements in effect as at April 30:

	Amount undrawn	
Amount undrawn	**2008**	**2007**
	(In thousands of SDRs)	
Loan Account	2,732,576	3,216,657
Subsidy Accounts	126,365	38,754

7. HIPC Initiative, Multilateral Debt Relief Initiative, and other debt relief

Under the MDRI, effective January 5, 2006, the IMF administers resources to provide debt relief to HIPCs and non-HIPCs with annual per capita incomes of US$380 or less and to HIPCs with annual per capita income of more than US$380.

Qualifying members at or below the per capita income threshold receive grant assistance from the MDRI-I Trust, which was funded initially by resources transferred from the Special Disbursement Account (SDR 1.5 billion). Grant assistance to HIPCs with per capita income above the threshold is provided from the MDRI-II Trust through resources contributed by individual members (SDR 1.12 billion). Grant assistance from the MDRI Trusts provides debt relief to cover the full stock of debt owed to the IMF (including loans under the PRGF-ESF Trust) as at December 31, 2004, that is not covered by the HIPC Initiative assistance and remains outstanding at the time the member qualifies for such relief.

For the financial year ended April 30, 2008, one HIPC member reached the completion point under the HIPC Initiative and combined HIPC and MDRI grant assistance of SDR 10 million was disbursed to settle PRGF-ESF Trust obligations. Since the IMF adopted the MDRI, 23 HIPC members and 2 non-HIPC members have received grant assistance totaling SDR 2,702 million under the HIPC Initiative and MDRI combined. The eligible debt covered by the grant assistance has included GRA and PRGF-ESF Trust obligations of SDR 101 million and SDR 2,601 million, respectively. Disbursed MDRI assistance by member is provided in Schedule 5. No impairment loss has been recognized in the Loan Account.

Since the debt owed to the IMF as at December 31, 2004, decreases over time, the actual debt eligible for MDRI assistance for the remaining potentially eligible members depends on the timing of their completion points under the HIPC Initiative. The qualification of members for HIPC and MDRI debt relief is reviewed periodically as progress by these members toward reaching the completion point is being made.

8. Investment income

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

	2008	2007
	(In thousands of SDRs)	
Interest income	187,058	180,626
Realized gains/(losses), net	19,089	(3,128)
Unrealized gains, net	55,429	7,406
Exchange rate gains, net	41	69
Total	261,617	184,973

9. Contributions

The Trustee accepts contributions for the Subsidy Accounts of the PRGF-ESF Trust on such terms and conditions as agreed between the Trustee and the contributors. At April 30, 2008, cumulative contributions amounted to SDR 3,110 million (SDR 3,075 million as at April 30, 2007). Contributions by member are provided in Schedule 2.

10. Commitments under loan arrangements

An arrangement under the PRGF or ESF is a decision that gives a member the assurance that the IMF as Trustee stands ready to provide foreign exchange or SDRs during a specified period and up to a specified amount in accordance with the terms of the decision. At April 30, 2008, undrawn balances under 25 loan arrangements amounted to SDR 458 million (SDR 592 million under 29 arrangements at April 30, 2007). Undrawn balances by member are provided in Schedule 4.

11. Related party transactions

For the financial years ended April 30, 2008, and 2007, the Executive Board of the IMF decided to forgo the reimbursement by the Trust to the General Resources Account for the cost of administering the Trust. Such reimbursement would have amounted to SDR 43 million and SDR 48 million, respectively.

The cumulative contributions to the Trust from the IMF, through the Special Disbursement Account, as at April 30, 2008, and 2007 were as follows:

	2008	2007
	(In thousands of SDRs)	
Reserve Account	2,893	2,862
Subsidy Accounts	870	870
Total	3,763	3,732

The PRGF-ESF Subsidy Account also receives contributions from member countries that had placed deposits in the Poverty Reduction and Growth Facility Administered Accounts at low interest rates. Net investment income transferred from the Poverty Reduction and Growth Facility Administered Accounts to the PRGF-ESF Subsidy Account amounted to SDR 0.05 million for the financial years ended April 30, 2008, and 2007.

12. Combining balance sheets and statements of income and changes in resources

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

Note 12

Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust

Combining balance sheets as at April 30, 2008, and 2007

(In thousands of SDRs)

	Loan Account		Reserve Account		Subsidy Accounts		Combined	
	2008	2007	2008	2007	2008	2007	2008	2007
Assets								
Cash and cash equivalents	156,423	34,123	84,661	57,088	95,879	230,850	336,963	322,061
Investments	270,000	594,341	3,500,793	3,316,598	1,071,595	979,328	4,842,388	4,890,267
Loans receivable	3,873,037	3,784,788	—	—	—	—	3,873,037	3,784,788
Accrued account transfers	(7,548)	(904)	60,933	58,572	(53,385)	(57,668)	—	—
Interest and other receivables	28,562	27,228	143	306	4,835	2,851	33,540	30,385
Total assets	4,320,474	4,439,576	3,646,530	3,432,564	1,118,924	1,155,361	9,085,928	9,027,501
Liabilities and resources								
Borrowings	4,190,330	4,307,024	—	—	75,215	77,811	4,265,545	4,384,835
Interest payable	42,044	46,692	—	—	122	141	42,166	46,833
Other liabilities	14,017	10,909	—	—	—	7	14,017	10,916
Total liabilities	4,246,391	4,364,625	—	—	75,337	77,959	4,321,728	4,442,584
Resources	74,083	74,951	3,646,530	3,432,564	1,043,587	1,077,402	4,764,200	4,584,917
Total liabilities and resources	4,320,474	4,439,576	3,646,530	3,432,564	1,118,924	1,155,361	9,085,928	9,027,501

Note 12 *(concluded)*

Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust

Combining statements of income and changes in resources for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	Loan Account		Reserve Account		Subsidy Accounts		Combined	
	2008	2007	2008	2007	2008	2007	2008	2007
Balance, beginning of year	74,951	75,469	3,432,564	3,319,072	1,077,402	1,054,174	4,584,917	4,448,715
Investment income	22,502	27,418	180,622	113,891	58,493	43,664	261,617	184,973
Interest on loans	18,474	18,465	—	—	—	—	18,474	18,465
Interest expense	(164,751)	(157,822)	—	—	(404)	(343)	(165,155)	(158,165)
Other expenses	—	—	(803)	(972)	(205)	(442)	(1,008)	(1,414)
Operational (loss)/income	(123,775)	(111,939)	179,819	112,919	57,884	42,879	113,928	43,859
Contributions from:								
Bilateral donors	—	—	—	—	34,649	92,148	34,649	92,148
Special Disbursement Account	—	—	30,706	195	—	—	30,706	195
Transfers between								
Loan and Reserve Accounts	(3,441)	(378)	3,441	378	—	—	—	—
Loan and Subsidy Accounts	126,348	111,799	—	—	(126,348)	(111,799)	—	—
Net income (loss)/changes in resources	(868)	(518)	213,966	113,492	(33,815)	23,228	179,283	136,202
Balance, end of year	74,083	74,951	3,646,530	3,432,564	1,043,587	1,077,402	4,764,200	4,584,917

Schedule 1

Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust

Schedule of outstanding PRGF loans as at April 30, 2008

(In thousands of SDRs)

Member	Balance	Percent
Afghanistan, Islamic Republic of	47,100	1.22
Albania	50,626	1.31
Armenia	94,143	2.43
Azerbaijan	55,072	1.42
Bangladesh	316,730	8.18
Benin	3,520	0.09
Burkina Faso	27,230	0.70
Burundi	69,300	1.79
Cameroon	13,250	0.34
Cape Verde	8,394	0.22
Central African Republic	28,796	0.74
Chad	32,338	0.83
Congo, Democratic Republic of the	511,467	13.20
Congo, Republic of	23,580	0.61
Côte d'Ivoire	54,931	1.42
Djibouti	9,632	0.25
Dominica	7,688	0.20
Gambia, The	6,000	0.15
Georgia	149,015	3.85
Ghana	105,450	2.72
Grenada	1,560	0.04
Guinea	37,678	0.97
Guinea-Bissau	3,048	0.08
Guyana	37,060	0.96
Haiti	43,300	1.12
Honduras	20,342	0.53
Kenya	166,800	4.31
Kyrgyz Republic	89,173	2.30
Lao People's Democratic Republic	14,949	0.39
Lesotho	21,000	0.54
Liberia	207,260	5.35
Madagascar	42,772	1.10
Malawi	31,067	0.80
Mali	8,000	0.21
Mauritania	8,380	0.22
Moldova	95,964	2.48
Mongolia	15,144	0.39
Mozambique	9,740	0.25
Nepal	49,900	1.29
Nicaragua	53,680	1.39
Niger	25,380	0.66
Pakistan	825,928	21.32
Rwanda	6,273	0.16
São Tomé and Príncipe	2,046	0.05
Senegal	17,330	0.45
Sierra Leone	23,113	0.60
Sri Lanka	38,390	0.99
Tajikistan	29,400	0.76
Tanzania	11,200	0.29
Togo	13,260	0.34
Uganda	6,000	0.15
Vietnam	95,220	2.46
Yemen, Republic of	79,525	2.05
Zambia	55,023	1.42
Zimbabwe	73,870	1.91
Total PRGF loans outstanding	3,873,037	100.00

Schedule 2

Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust

Cumulative contributions to and resources of the Subsidy Accounts as at April 30, 2008

(In thousands of SDRs)

	Subsidy Accounts			
	PRGF-ESF	PRGF	ESF	Total
Direct contributions to the Subsidy Accounts[1]				
Argentina	27,068	—	—	27,068
Australia	11,896	—	—	11,896
Bangladesh	578	89	—	667
Canada	199,868	—	14,976	214,844
China	11,300	—	—	11,300
Czech Republic	10,004	—	—	10,004
Denmark	38,299	—	—	38,299
Egypt	10,002	—	—	10,002
Finland	22,684	—	—	22,684
France	17,423	—	—	17,423
Germany	153,443	—	—	153,443
Iceland	3,296	—	—	3,296
India	8,580	1,327	—	9,907
Ireland	6,911	—	—	6,911
Italy	174,497	—	—	174,497
Japan	527,185	—	—	527,185
Korea, Republic of	34,824	—	—	34,824
Luxembourg	9,642	680	—	10,322
Morocco	7,284	—	—	7,284
Netherlands	99,278	—	—	99,278
Norway	28,074	—	5,374	33,448
Oman	2,243	—	—	2,243
Russian Federation	14,706	—	—	14,706
Spain	5,257	—	—	5,257
Sweden	110,887	—	—	110,887
Switzerland	41,205	—	—	41,205
Turkey	10,000	—	—	10,000
United Kingdom	345,280	—	—	345,280
United States	126,079	—	—	126,079
Total direct contributions to the Subsidy Accounts	2,057,793	2,096	20,350	2,080,239
Net income transferred to the Subsidy Accounts				
Austria	40,451	—	—	40,451
Belgium	77,953	—	—	77,953
Botswana	1,352	—	—	1,352
Chile	2,910	—	—	2,910
Greece	25,941	—	—	25,941
Indonesia	5,003	—	—	5,003
Iran, Islamic Republic of	1,346	—	—	1,346
Portugal	3,496	—	—	3,496
Spain—Government of Spain (ICO)	907	—	—	907
Total net income transferred to the Subsidy Accounts	159,359	—	—	159,359
	2,217,152	2,096	20,350	2,239,598
Contributions from Special Disbursement Account	870,320	—	—	870,320
Total contributions received	3,087,472	2,096	20,350	3,109,918
Cumulative net income of the Subsidy Accounts	1,037,372	1,755	1,356	1,040,483
Contributions to MDRI-II Trust	(1,120,000)	—	—	(1,120,000)
Transfers to PRGF Subsidy Account	(95,042)	95,042	—	—
Transfers to ESF Subsidy Account	(35)	—	35	—
Resources disbursed to subsidize Trust lending	(1,887,921)	(98,893)	—	(1,986,814)
Total resources of the Subsidy Accounts	1,021,846	—	21,741	1,043,587

[1]In addition to direct contributions, a number of members also make loans available to the Loan Account on concessional terms.

Schedule 3

Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust

Schedule of borrowing agreements as at April 30, 2008

(In thousands of SDRs)

Member	Interest rate *(In percent)*	Amount of agreement	Amount drawn	Outstanding balance
Loan Account				
Belgium	Variable[1]	350,000	266,531	81,000
Canada	Variable[1]	400,000	400,000	188,075
China	Variable[1]	200,000	189,022	85,022
Egypt	Variable[1]	155,600	105,358	25,611
France	Variable[1]	2,100,000	1,418,950	572,539
Germany	Variable[1]	2,050,000	1,077,256	332,863
Italy	Variable[1]	800,000	572,944	485,470
Japan	Variable[1]	2,934,800	2,720,185	1,835,611
Netherlands	Variable[1]	450,000	283,738	223,559
Spain—Bank of Spain	Variable[1]	425,000	221,047	179,637
Spain—Government of Spain (ICO)	0.50	67,000	67,000	28,365
Switzerland	Variable[1]	401,700	279,493	152,578
Total—Loan Account		10,334,100	7,601,524	4,190,330
PRGF-ESF Subsidy Account				
Pakistan	0.50	10,000	10,000	10,000
Saudi Arabia	0.50	136,200	38,200	38,200
Spain—Government of Spain (ICO)	0.50	67,000	38,635	24,015
Trinidad and Tobago	0.50	3,000	3,000	3,000
Total—Subsidy Accounts		216,200	89,835	75,215
Total borrowing agreements		10,550,300	7,691,359	4,265,545

[1]The loans under these agreements are made at variable, market-related rates of interest.

Schedule 4

Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust

Status of loan arrangements as at April 30, 2008

(In thousands of SDRs)

Member	Date of arrangement	Expiration date	Amount agreed	Undrawn balance
Afghanistan, Islamic Republic of	Jun. 26, 2006	Jun. 25, 2009	81,000	33,900
Albania	Feb. 1, 2006	Jan. 31, 2009	8,523	2,435
Armenia	May 25, 2005	May 24, 2008	23,000	3,320
Benin	Aug. 5, 2005	Aug. 4, 2008	6,190	2,670
Burkina Faso	Apr. 23, 2007	Apr. 22, 2010	15,050	11,040
Cameroon	Oct. 24, 2005	Oct. 23, 2008	18,570	5,320
Central African Republic	Dec. 22, 2006	Dec. 21, 2009	36,200	15,500
Chad	Feb. 16, 2005	May 31, 2008	25,200	21,000
Congo, Republic of	Dec. 6, 2004	Jun. 5, 2008	54,990	31,410
Gambia, The	Feb. 21, 2007	Feb. 20, 2010	14,000	8,000
Grenada	Apr. 17, 2006	Apr. 16, 2009	10,530	8,970
Guinea	Dec. 21, 2007	Dec. 20, 2010	48,195	41,310
Haiti	Nov. 20, 2006	Nov. 19, 2009	73,710	30,410
Kyrgyz Republic	Mar. 15, 2005	May 31, 2008	8,880	1,270
Liberia	Mar. 14, 2008	Mar. 13, 2011	239,020	31,760
Madagascar	Jul. 21, 2006	Jul. 20, 2009	54,990	23,566
Malawi	Aug. 5, 2005	Aug. 4, 2008	38,170	4,771
Mauritania	Dec. 18, 2006	Dec. 17, 2009	16,100	7,720
Moldova	May 5, 2006	May 4, 2009	110,880	34,320
Nicaragua	Oct. 5, 2007	Oct. 4, 2010	71,500	59,600
Niger	Jan. 31, 2005	May 31, 2008	26,320	940
Rwanda	Jun. 12, 2006	Jun. 11, 2009	8,010	3,450
São Tomé and Príncipe	Aug. 1, 2005	Jul. 31, 2008	2,960	423
Sierra Leone	May 10, 2006	May 9, 2009	31,110	22,000
Togo	Apr. 21, 2008	Apr. 20, 2011	66,060	52,800
			1,089,158	457,905

Schedule 5

Poverty Reduction and Growth Facility and Exogenous Shocks Facility Trust

Disbursed Multilateral Debt Relief Initiative assistance as of April 30, 2008

(In thousands of SDRs)

	Eligible debt			Sources of grant assistance		
Member	**PRGF-ESF**	**GRA**	**Total**	**MDRI-I Trust**	**MDRI-II Trust**	**PRGF-HIPC Trust**
Benin	36,060	—	36,060	—	34,111	1,949
Burkina Faso	62,120	—	62,120	57,053	—	5,067
Bolivia	71,154	89,780	160,934	—	154,819	6,115
Cambodia	56,829	—	56,829	56,829	—	—
Cameroon	173,260	—	173,260	—	149,169	24,091
Ethiopia	112,073	—	112,073	79,645	—	32,428
Gambia	9,416	—	9,416	7,435	—	1,981
Ghana	265,389	—	265,389	220,020	—	45,369
Guyana	45,058	—	45,058	—	31,572	13,486
Honduras	107,457	—	107,457	—	98,240	9,217
Madagascar	137,286	—	137,286	128,492	—	8,794
Malawi	27,027	10,844	37,871	14,527	—	23,344
Mali	75,066	—	75,066	62,434	—	12,632
Mauritania	32,909	—	32,909	—	30,228	2,681
Mozambique	106,560	—	106,560	83,039	—	23,521
Niger	77,554	—	77,554	59,815	—	17,739
Nicaragua	140,481	—	140,481	—	91,762	48,719
Rwanda	52,743	—	52,743	20,174	—	32,569
São Tomé and Príncipe	1,426	—	1,426	1,049	—	377
Senegal	100,323	—	100,323	—	94,762	5,561
Sierra Leone	117,343	—	117,343	76,755	—	40,588
Tajikistan	69,308	—	69,308	69,308	—	—
Tanzania	234,031	—	234,031	206,990	—	27,041
Uganda	87,728	—	87,728	75,845	—	11,883
Zambia	402,592	—	402,592	—	398,471	4,121
Total	2,601,193	100,624	2,701,817	1,219,410	1,083,134	399,273

Deloitte.

Deloitte & Touche LLP
Suite 500
555 12th Street, NW
Washington, DC 20004-1207
USA
Tel: +1 202 879 5600
Fax: +1 202 879 5309
www.deloitte.com

Independent Auditors' Report

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

We have audited the accompanying combined balance sheets of the Poverty Reduction and Growth Facility-Heavily Indebted Poor Countries Trust and Related Account (the "Trust") as of April 30, 2008 and 2007, and the related combined statements of income and changes in resources and of cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the combined financial position of the Poverty Reduction and Growth Facility-Heavily Indebted Poor Countries Trust and Related Account at April 30, 2008 and 2007, and the combined results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards.

Our audits were conducted for the purpose of forming an opinion on the basic combined financial statements taken as a whole. The supplemental schedules listed on pages 59 to 62 are presented for the purpose of additional analysis and are not a required part of the basic combined financial statements. These schedules are the responsibility of the Trust's management. Such schedules have been subjected to the auditing procedures applied in our audits of the basic combined financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic combined financial statements taken as a whole.

Deloitte & Touche LLP

June 25, 2008

PRGF-HIPC Trust and Related Account

Combined balance sheets
as at April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Assets		
Cash and cash equivalents	331,523	99,597
Investments (Note 4)	941,153	1,088,217
Interest receivable	5,341	9,054
Total assets	1,278,017	1,196,868
Liabilities and resources		
Borrowings (Note 5)	620,782	621,523
Interest payable	1,153	1,548
Total liabilities	621,935	623,071
Resources	656,082	573,797
Total liabilities and resources	1,278,017	1,196,868

The accompanying notes are an integral part of these combined financial statements.
These combined financial statements were approved by the Managing Director and the Director of Finance on June 25, 2008.

/s/ Michael G. Kuhn	/s/ Dominique Strauss-Kahn
Director, Finance Department	*Managing Director*

PRGF-HIPC Trust and Related Account

Combined statements of income and changes in resources
for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Balance, beginning of year	573,797	596,885
Investment income (Note 7)	53,626	43,542
Interest expense	(1,901)	(2,238)
Other expenses	(229)	(318)
Operational income	51,496	40,986
Contributions from		
Bilateral donors	24,338	7,648
Administered Account for Liberia	15,030	—
Disbursements	(8,579)	(71,722)
Net income (loss)/changes in resources	82,285	(23,088)
Balance, end of year	656,082	573,797

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

PRGF-HIPC Trust and Related Account

Combined statements of cash flows
for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Cash flows from operating activities		
Net income/(loss)	82,285	(23,088)
Adjustments to reconcile net income to cash generated by operations		
Interest income	(48,043)	(44,689)
Interest expense	1,901	2,238
Foreign currency translation: Investments	(19,325)	(12,110)
Borrowings	19,325	12,110
Cash provided by/(used in) operations	36,143	(65,539)
Interest received	51,756	42,041
Interest paid	(2,296)	(1,931)
Net cash provided by/(used in) operating activities	**85,603**	**(25,429)**
Cash flows from investment activities		
Net disposition/(acquisition) of investments	166,389	(178,979)
Net cash provided by/(used in) investment activities	**166,389**	**(178,979)**
Cash flows from financing activities		
Repayment of borrowings	(20,066)	(310)
Net cash used in financing activities	**(20,066)**	**(310)**
Net increase/(decrease) in cash and cash equivalents	231,926	(204,718)
Cash and cash equivalents, beginning of year	99,597	304,315
Cash and cash equivalents, end of year	**331,523**	**99,597**

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

PRGF-HIPC Trust and Related Account

Notes to the combined financial statements
for the years ended April 30, 2008, and 2007

1. Nature of operations

The Trust for Special PRGF Operations for the Heavily Indebted Poor Countries and for Interim PRGF Subsidy Operations (the PRGF-HIPC Trust or the Trust) and the Related Account comprise the PRGF-HIPC Trust Account and the Umbrella Account for HIPC Operations. For the current year presentation, the PRGF-HIPC Trust and the Related Account exclude the Post SCA-2 Administered Account. The IMF is the Trustee of the Trust and the Related 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 9. Transactions between the above accounts are eliminated on combination in the combined balance sheets and combined statements of income and changes in resources.

PRGF-HIPC Trust

The PRGF-HIPC Trust 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 purposes of reducing their external debt burden to levels defined as sustainable under the HIPC Initiative 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 related Umbrella Account for HIPC Operations.

PRGF-HIPC Trust Account

The resources of the PRGF-HIPC Trust Account consist of grant contributions, borrowings, and other types of investments made by contributors; amounts transferred by the IMF from the Special Disbursement Account (SDA); 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; and the HIPC subaccount holds resources earmarked for HIPC operations.

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

Umbrella Account for HIPC Operations

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

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

The resources held in a subaccount of the Umbrella Account are to be used to repay the member's existing debt to the IMF and accounts administered by it in accordance with the schedule for using the proceeds of the Trust grants or loans agreed by the Trustee and the member.

2. Summary of significant accounting policies

Basis of preparation and measurement

The combined financial statements include the PRGF-HIPC, PRGF, and HIPC subaccounts of the PRGF-HIPC Trust Account and the Umbrella Account for HIPC Operations. All transfers between the PRGF-HIPC Trust Account and the Umbrella Account for HIPC Operations have been eliminated during the combination. The combined financial statements of the PRGF-HIPC Trust and Related Account are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets at fair value through profit and loss. Specific accounting principles and disclosure practices, as set out below, are in accordance with and comply with IFRS and have been applied consistently for all periods presented.

Use of estimates

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

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

Unit of account

The functional and presentation currency of the PRGF-HIPC Trust and Related Account is the SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in November 2005 and the new composition of the SDR valuation basket became effective on January 1, 2006. The currencies in the basket as at April 30, 2008, and 2007 and their amounts were as follows:

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

As at April 30, 2008, one SDR was equal to US$1.62378 (US$1.52418 as at April 30, 2007).

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 on 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.

Cash and cash equivalents

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

Investments

Investments are managed primarily by external investment managers. Investments and the related assets and liabilities in accounts managed solely for the Trust and the net asset value of the Trust's share of pooled investment accounts are reported in the Trust's balance sheet.

Financial assets at fair value through profit or loss

The Trust has designated its investments in fixed-income securities, other than fixed-term deposits, as financial assets held at fair value through profit or loss since performance is measured on a fair value basis. Such designation may be made only upon initial recognition and cannot subsequently be changed. The designated assets are carried at fair value on the balance sheet with the change in fair value included in the income statement in the period in which they arise.

Recognition

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

Derecognition

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

Fair value measurement

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

Investment income

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

Contributions

Bilateral contributions are reflected as increases in resources and are subject to bilateral agreements stipulating how the resources are to be used.

Adoption of new International Financial Reporting Standards

During the financial year ended April 30, 2008, the Trust adopted IFRS 7, "Financial Investments: Disclosures" (issued by the IASB in August 2005), which requires disclosures in the financial statements as to the significance of financial instruments for the Trust's financial position and performance, the nature and extent of risks arising from such instruments, and how those risks are managed (see Note 3).

In September 2007, the International Accounting Standards Board (IASB) issued an amended standard, IAS 1, "Presentation of Financial Statements." The amended IAS 1 requires presentation of nonowner changes in equity (comprehensive income) either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The revised IAS 1 will become effective for the financial year ending April 30, 2010, and its implementation is not expected to have a significant impact on the financial position, results of operations, or cash flows of the Trust.

3. Financial risk management

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

Credit risk

Credit risk on investments represents the potential loss that the Trust may incur if the obligors or counterparties default on their contractual obligations. Credit risk is managed through the conservative range of eligible investments, including (1) domestic government bonds of countries in the euro area, Japan, the United Kingdom, and the United States, i.e., members whose currencies are included in the SDR basket; (2) bonds of international financial organizations; and (3) deposits with a commercial bank, a national official financial institution, or an international financial institution. Credit risk is further minimized by restricting eligible investments to financial instruments rated AA or higher by a major credit rating agency and, for deposits, the Trust may invest in obligations issued by institutions with a credit rating of A or higher. Compliance controls are enforced to ensure that the portfolio does not include a security whose rating is below the minimum rating required.

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

	2008		2007	
	Rating	Percentage	Rating	Percentage
Government bonds				
France	AAA	0.22%	AAA	—
Germany	AAA	11.51%	AAA	11.32%
Italy	AA	0.07%	AA	0.07%
Japan	AA	3.43%	AA	3.19%
United Kingdom	AAA	0.70%	AAA	3.83%
United States	AAA	12.52%	AAA	12.20%
Nongovernment bonds				
Other financial institutions	AAA	3.68%	AAA	0.10%
Fixed-term deposits and other				
Bank for International Settlements	Not rated	67.56%	Not rated	66.70%
Other financial institutions	AAA	—	AAA	0.11%
	AA	0.31%	AA	2.30%
	A	—	A	0.18%
		100.00%		100.00%

The Trust also engages in a securities lending program with its custodian as lending agent, to enhance the return on its investments. Under this program, marketable securities are lent temporarily to other institutions in exchange for a fee and collateral equal to at least 100 percent of the market value of the lent securities. The Trustee maintains effective control over securities lent and therefore continues to report such securities as invested assets. The Trust participates in the lending agent's collateral fund but does not recognize the receipt of the collateral held by the lending agent or the obligation to return the collateral as there exists no right to sell or repledge the collateral. As at April 30, 2008, the market value of securities lent to other institutions under the securities lending program and the collateral amounted to SDR 263 million and SDR 268 million, respectively (SDR 303 million and SDR 310 million as at April 30, 2007, respectively).

Market risk

Interest rate risk

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

A 50 basis point increase/decrease in the average effective yields of the Trust portfolio as at April 30, 2008, would result in a loss/gain of SDR 3.7 million, or approximately 0.29% of the portfolio (SDR 3.1 million, or 0.26%, as at April 30, 2007).

Exchange rate risk

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

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

	2008			2007		
		Net gain/loss			Net gain	
	Percentage change of currency unit against SDR	In millions of SDRs	As a percentage of investments not denominated in SDRs	Percentage change of currency unit against SDR	In millions of SDRs	As a percentage of investments not denominated in SDRs
Euro	5.91%	<0.01	<0.01%	6.18%	0.11	0.03%
Japanese yen	9.71%	0.03	0.01%	9.92%	0.08	0.02%
Pound sterling	8.81%	–0.05	–0.01%	8.71%	0.01	<0.01%

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

	2008			2007		
		Net gain			Net gain	
	Percentage change of currency unit against SDR	In millions of SDRs	As a percentage of investments not denominated in SDRs	Percentage change of currency unit against SDR	In millions of SDRs	As a percentage of investments not denominated in SDRs
Euro	–6.27%	0.13	0.03%	–6.52%	0.10	0.03%
Japanese yen	–8.24%	0.09	0.02%	–8.22%	0.13	0.03%
Pound sterling	–9.00%	0.18	0.04%	–8.92%	0.21	0.05%

Liquidity risk

Liquidity risk is the risk of nonavailability of resources to meet the Trust's financing needs and obligations. The IMF, as Trustee, conducts semiannual reviews to determine the adequacy of the resources in the PRGF-HIPC Trust to provide debt relief under the HIPC Initiative.

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

4. Investments

Investments consisted of the following at April 30:

	2008	2007
	(In thousands of SDRs)	
Fixed-term deposits	528,108	772,517
Fixed-income securities	413,045	315,700
Total	941,153	1,088,217

The maturities of the investments are as follows:

Investments maturing in financial year ending April 30	
	(In thousands of SDRs)
2009	664,342
2010	116,383
2011	62,848
2012	15,601
2013	81,979
Total	941,153

5. Borrowings

The Trust borrows on such terms and conditions as agreed between the Trust and the lenders. Interest rates on borrowings at April 30, 2008, and 2007 varied between 0 percent and 2 percent a year. The principal amounts of the borrowings are repayable in one installment at their maturity dates. Scheduled repayments of borrowings are summarized below:

Financial year ending April 30

	(In thousands of SDRs)
2009	25,000
2010	308,252
2011	70,842
2012	26,090
2013	6,200
2014 and beyond	184,398
Total	620,782

There were no new borrowings, net of the effect of foreign currency fluctuations, during the financial years ended April 30, 2008, and 2007. Repayments for the financial year ended April 30, 2008, amounted to SDR 20.1 million (SDR 0.3 million for the financial year ended April 30, 2007).

6. HIPC Initiative, Multilateral Debt Relief Initiative, and other debt relief

Effective January 5, 2006, the IMF adopted the Multilateral Debt Relief Initiative (MDRI) to provide debt relief to qualifying Heavily Indebted Poor Countries (HIPCs) and non-HIPC members with an annual per capita income of US$380 or less and to qualifying HIPCs with an annual per capita income of more than US$380, and for this purpose established the MDRI-I and MDRI-II Trusts, respectively. Grant assistance from the MDRI Trusts provides debt relief to cover the debt owed to the IMF (including the PRGF-ESF Trust) as at December 31, 2004, that is not covered by HIPC Initiative assistance and remains outstanding at the time the member qualifies for such relief.

During the financial year ended April 30, 2008, one HIPC member reached the completion point, and combined HIPC and MDRI grant assistance of SDR 10 million was disbursed, of which SDR 2 million was disbursed as HIPC Initiative grant assistance. Four HIPC members received combined HIPC and MDRI grant assistance of SDR 189 million during the financial year ended April 30, 2007, of which SDR 67 million was disbursed as HIPC Initiative grant assistance. Since the IMF adopted the MDRI, eligible debt covered by the grant assistance under the MDRI and the HIPC Initiative included GRA and PRGF-ESF Trust obligations of SDR 101 million and SDR 2,601 million, respectively.

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

7. Investment income

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

	2008	2007
	(In thousands of SDRs)	
Interest income	48,043	44,689
Realized losses, net	(1,093)	(1,862)
Unrealized gains, net	6,686	709
Exchange rate (losses)/gains, net	(10)	6
Total	53,626	43,542

8. Related party transactions

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

Cumulative transfers from the IMF to the PRGF-HIPC Trust amounted to SDR 1,239 million as at April 30, 2008, and 2007. Contributions from the Administered Account for Liberia to the PRGF-HIPC Trust amounted to SDR 15 million for the financial year ended April 30, 2008. The PRGF-HIPC Trust also receives contributions from member countries that had placed deposits in the Poverty Reduction and Growth Facility Administered Accounts. Net investment income transferred from the Poverty Reduction and Growth Facility Administered Account to the PRGF-HIPC Trust amounted to SDR 0.8 million and SDR 0.5 million for the financial years ended April 30, 2008, and 2007, respectively.

9. Combining balance sheets and statements of income and changes in resources

The balance sheets and statements of income and changes in resources for the PRGF-HIPC Trust Subaccounts and the Umbrella Account for HIPC Operations are presented below.

Note 9

PRGF-HIPC Trust and Related Account

Combining balance sheets as at April 30, 2008, and 2007

(In thousands of SDRs)

	2008						2007		
	PRGF-HIPC Trust Account Subaccount				Umbrella Account for HIPC Operations	Combined total	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Combined total
	PRGF-HIPC	PRGF	HIPC	Combined					
Assets									
Cash and cash equivalents	46,718	15,244	251,342	313,304	18,219	331,523	99,094	503	99,597
Investments	694,142	27,011	220,000	941,153	—	941,153	1,088,217	—	1,088,217
Interest receivable	3,783	—	1,517	5,300	41	5,341	9,054	—	9,054
Total assets	744,643	42,255	472,859	1,259,757	18,260	1,278,017	1,196,365	503	1,196,868
Liabilities and resources									
Borrowings	620,782	—	—	620,782	—	620,782	621,523	—	621,523
Interest payable	1,153	—	—	1,153	—	1,153	1,548	—	1,548
Total liabilities	621,935	—	—	621,935	—	621,935	623,071	—	623,071
Accumulated resources	122,708	42,255	472,859	637,822	18,260	656,082	573,294	503	573,797
Total liabilities and resources	744,643	42,255	472,859	1,259,757	18,260	1,278,017	1,196,365	503	1,196,868

Note 9 *(concluded)*

PRGF-HIPC Trust and Related Account

Combining statements of income and changes in resources for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	2008						2007		
	PRGF-HIPC Trust Account Subaccount								
	PRGF-HIPC	PRGF	HIPC	Combined	Umbrella Account for HIPC Operations	Combined total	PRGF-HIPC Trust Account	Umbrella Account for HIPC Operations	Combined total
Balance, beginning of year	71,645	36,255	465,394	573,294	503	573,797	591,358	5,527	596,885
Investment income	33,061	1,794	18,657	53,512	114	53,626	43,506	36	43,542
Interest expense	(1,901)	—	—	(1,901)	—	(1,901)	(2,238)	—	(2,238)
Other expenses	(213)	(16)	—	(229)	—	(229)	(318)	—	(318)
Operational income	30,947	1,778	18,657	51,382	114	51,496	40,950	36	40,986
Contributions from:									
Bilateral donors	20,116	4,222	—	24,338	—	24,338	7,648	—	7,648
Administered Account for Liberia	—	—	15,030	15,030	—	15,030	—	—	—
Grants	—	—	(26,222)	(26,222)	26,222	—	(66,662)	66,662	—
Disbursements	—	—	—	—	(8,579)	(8,579)	—	(71,722)	(71,722)
Net income (loss)/changes in resources	51,063	6,000	7,465	64,528	17,757	82,285	(18,064)	(5,024)	(23,088)
Balance, end of year	122,708	42,255	472,859	637,822	18,260	656,082	573,294	503	573,797

Schedule 1

PRGF-HIPC Trust Account

Contributions and transfers
for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

Member	Subaccount PRGF-HIPC	PRGF	HIPC	Combined
Year ended April 30, 2008				
Belize	20	—	—	20
Indonesia	5,891	—	—	5,891
Lithuania	725	—	—	725
Luxembourg	445	—	—	445
Malaysia	3,629	—	—	3,629
Nepal	113	—	—	113
Netherlands	—	4,222	—	4,222
New Zealand	1,051	—	—	1,051
St. Vincent and the Grenadines	11	—	—	11
Singapore	2,014	—	—	2,014
Switzerland	3,200	—	—	3,200
Thailand	1,824	—	—	1,824
Zambia	1,193	—	—	1,193
	20,116	4,222	—	24,338
Administered Account for Liberia	—	—	15,030	15,030
	20,116	4,222	15,030	39,368
Year ended April 30, 2007				
Belize	20	—	—	20
Indonesia	500	—	—	500
Netherlands	—	3,917	—	3,917
St. Vincent and the Grenadines	11	—	—	11
Switzerland	3,200	—	—	3,200
	3,731	3,917	—	7,648

Schedule 2

Umbrella Account for HIPC Operations

Grants, interest, disbursements, and changes in resources for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

Member	Opening balance	Grants from PRGF-HIPC Trust Account	Interest earned	Disbursements	Ending balance
Year ended April 30, 2008					
Burundi	47	83	1	88	43
Central African Republic	—	3,467	17	1,733	1,751
Chad	13	—	—	—	13
Congo, Democratic Republic of the	10	—	—	10	—
Gambia, The	364	1,852	6	2,222	—
Guinea	27	4,848	48	1,870	3,053
Guinea-Bissau	5	—	—	—	5
Haiti	37	74	1	74	38
Liberia	—	15,030	41	1,714	13,357
São Tomé and Príncipe	—	868	—	868	—
	503	26,222	114	8,579	18,260
Year ended April 30, 2007					
Burundi	46	87	2	88	47
Chad	13	—	—	—	13
Congo, Democratic Republic of the	593	—	4	587	10
Gambia, The	1	360	3	—	364
Guinea	27	—	1	1	27
Guinea-Bissau	5	—	—	—	5
Haiti	—	42	1	6	37
Malawi	1,395	25,624	8	27,027	—
Mauritania	3,409	—	16	3,425	—
Sierra Leone	38	40,549	1	40,588	—
	5,527	66,662	36	71,722	503

Schedule 3

PRGF-HIPC Trust Account

Cumulative contributions and transfers as at April 30, 2008

(In thousands of SDRs)

	Subaccount			
Member	**PRGF-HIPC**	**PRGF**	**HIPC**	**Combined**
Algeria	412	—	—	412
Australia	—	—	17,019	17,019
Austria	—	—	9,981	9,981
Bangladesh	1,163	—	—	1,163
Barbados	250	—	—	250
Belgium	25,930	—	—	25,930
Belize	200	—	—	200
Brazil	11,033	—	—	11,033
Brunei Darussalam	4	—	—	4
Cambodia	27	—	—	27
Canada	32,929	—	—	32,929
China	13,132	—	—	13,132
Colombia	13	—	—	13
Croatia	31	—	—	31
Cyprus	544	—	—	544
Denmark	13,068	—	—	13,068
Egypt	37	—	—	37
Estonia	372	—	—	372
Fiji	21	—	—	21
Finland	2,583	—	—	2,583
France	55,892	—	—	55,892
Gabon	458	—	—	458
Greece	2,200	—	—	2,200
Iceland	643	—	—	643
India	390	—	—	390
Indonesia	7,224	—	—	7,224
Ireland	3,937	—	—	3,937
Israel	1,189	—	—	1,189
Italy	43,309	—	—	43,309
Jamaica	1,800	—	—	1,800
Japan	98,355	—	—	98,355
Korea, Republic of	10,625	—	—	10,625
Kuwait	108	—	—	108
Latvia	710	—	—	710
Lithuania	725	—	—	725
Luxembourg	933	—	—	933
Malaysia	4,107	—	—	4,107
Malta	706	—	—	706
Mauritius	40	—	—	40
Mexico	39,977	—	—	39,977
Morocco	49	—	—	49
Nepal	113	—	—	113
Netherlands	—	35,734	16,347	52,081
New Zealand	2,209	—	—	2,209
Nigeria	6,150	—	—	6,150
Norway	12,942	—	—	12,942
Oman	73	—	—	73
Pakistan	105	—	—	105
Philippines	4,500	—	—	4,500
Poland	5,000	—	—	5,000
Portugal	4,430	—	—	4,430
Russian Federation	10,200	—	—	10,200
St. Vincent and the Grenadines	88	—	—	88
Samoa	3	—	—	3
San Marino	32	—	—	32

Schedule 3 *(concluded)*

PRGF-HIPC Trust Account

Cumulative contributions and transfers as at April 30, 2008

(In thousands of SDRs)

	Subaccount			
Member	**PRGF-HIPC**	**PRGF**	**HIPC**	**Combined**
Saudi Arabia	978	—	—	978
Singapore	2,263	—	—	2,263
Slovak Republic	2,669	—	—	2,669
Slovenia	311	—	—	311
South Africa	20,895	—	—	20,895
Spain	16,550	—	—	16,550
Sri Lanka	12	—	—	12
Swaziland	20	—	—	20
Sweden	5,322	—	—	5,322
Switzerland	25,619	—	—	25,619
Thailand	2,174	—	—	2,174
Tonga	3	—	—	3
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
Zambia	1,193	—	—	1,193
	523,030	35,734	299,116	857,880
Transfers from Special Disbursement Account	409,697	—	757,097	1,166,794
Transfers from General Resources Account	72,456	—	—	72,456
Contributions from Administered Account for Liberia	—	—	15,030	15,030
	482,153	—	772,127	1,254,280
	1,005,183	35,734	1,071,243	2,112,160

Deloitte.

Deloitte & Touche LLP
Suite 500
555 12th Street, NW
Washington, DC 20004-1207
USA
Tel: +1 202 879 5600
Fax: +1 202 879 5309
www.deloitte.com

Independent Auditors' Report

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

We have audited the accompanying balance sheets of the Multilateral Debt Relief Initiative-II Trust (the "Trust") as of April 30, 2008 and 2007, and the related statements of income and changes in resources and cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Multilateral Debt Relief Initiative-II Trust at April 30, 2008 and 2007, and the results of its operations and its cash flows for the years then ended in conformity with International Financial Reporting Standards.

Deloitte & Touche LLP

June 25, 2008

Multilateral Debt Relief Initiative-II Trust

Balance sheets
as at April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Assets		
Cash and cash equivalents	3,165	1,483
Investments (Note 4)	39,000	39,000
Interest receivable	149	217
Total assets	**42,314**	**40,700**
Liabilities and resources		
Accrued MDRI grant assistance (Note 5)	19,438	32,231
Total liabilities	**19,438**	**32,231**
Resources	22,876	8,469
Total liabilities and resources	**42,314**	**40,700**

The accompanying notes are an integral part of these financial statements.
These financial statements were approved by the Managing Director and the Director of the Finance Department on June 25, 2008.

/s/ Michael G. Kuhn
Director, Finance Department

/s/ Dominique Strauss-Kahn
Managing Director

Multilateral Debt Relief Initiative-II Trust

Statements of income and changes in resources for
the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Balance, beginning of year	8,469	—
Investment income (Note 4)	1,614	1,682
Operational income	1,614	1,682
MDRI grant assistance (Note 5)	12,793	6,787
Net income/changes in resources	14,407	8,469
Balance, end of year	22,876	8,469

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

Multilateral Debt Relief Initiative-II Trust
Statements of cash flows
for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

	2008	2007
Cash flows from operating activities		
Net income	14,407	8,469
Adjustments to reconcile net income to cash generated by operations		
Interest income	(1,614)	(1,682)
Change in accrued MDRI grant assistance	(12,793)	(37,015)
Cash used in operations	—	(30,228)
Interest received	1,682	1,770
Net cash provided by/(used in) operating activities	**1,682**	**(28,458)**
Cash flows from investment activities		
Net acquisition of investments	—	(14,000)
Net cash used in investment activities	**—**	**(14,000)**
Cash flows from financing activities		
Net cash used in financing activities	**—**	**—**
Net increase/(decrease) in cash and cash equivalents	1,682	(42,458)
Cash and cash equivalents, beginning of year	1,483	43,941
Cash and cash equivalents, end of year	**3,165**	**1,483**

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

Multilateral Debt Relief Initiative-II Trust

Notes to the financial statements
for the years ended April 30, 2008, and 2007

1. Nature of operations

Effective January 5, 2006, the IMF adopted the Multilateral Debt Relief Initiative (MDRI) to provide full debt relief to qualifying low-income countries. For this purpose, the IMF established the Multilateral Debt Relief Initiative-I (MDRI-I) Trust and the Multilateral Debt Relief Initiative-II (MDRI-II) Trust. The IMF acts as Trustee for both Trusts.

Under the MDRI, the IMF provides debt relief to HIPC and non-HIPC members with annual per capita income of US$380 or less and to HIPCs with annual per capita income of more than US$380. Qualifying members at or below the per capita income threshold receive grant assistance from the MDRI-I Trust, which was initially funded by resources transferred from the Special Disbursement Account (SDR 1.5 billion). Grant assistance to the remaining HIPC members with per capita income above the threshold is provided from the MDRI-II Trust by resources contributed by individual members. The initial contributions to the MDRI-II Trust were received through the transfer of a portion of members' contributions to the PRGF-ESF Trust Subsidy Account (SDR 1.12 billion). Grant assistance from the MDRI Trusts (together with assistance under the HIPC Initiative) provides debt relief to cover the debt owed to the IMF (including the PRGF-ESF Trust) as at December 31, 2004, that remains outstanding at the time the member qualifies for such relief.

2. Summary of significant accounting policies

Basis of preparation and measurement

The financial statements of the MDRI-II Trust (the Trust) are prepared in accordance with International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention. Specific accounting principles and disclosure practices, as set out below, are in accordance with and comply with IFRS and have been applied consistently for all periods presented.

Use of estimates

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

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

Unit of account

The functional and presentation currency of the MDRI-II Trust is the SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the SDR valuation basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in November 2005, and the new composition of the SDR valuation basket became effective on January 1, 2006. The currencies in the basket as at April 30, 2008, and 2007 and their amounts were as follows:

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

As at April 30, 2008, one SDR was equal to US$1.62378 (US$1.52418 as at April 30, 2007).

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 on 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.

Cash and cash equivalents

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

Investments

Investments are made in fixed-term deposits. The carrying amount of fixed-term deposits, which typically have maturities of 12 months or less, approximates the fair value.

Investment income comprises interest income and currency valuation differences arising from exchange rate movements against the SDR.

Contributions

Contributions are reflected as increases in resources and are subject to bilateral agreements stipulating how the resources are to be used.

Administrative costs

The expenses of conducting the business of the MDRI-II Trust were paid by the General Resources Account of the IMF.

Adoption of new International Financial Reporting Standards

During the financial year ended April 30, 2008, the Trust adopted IFRS 7, "Financial Investments: Disclosures" (issued by the IASB in August 2005), which requires disclosures in the financial statements as to the significance of financial instruments for the Trust's financial position and performance, the nature and extent of risks arising from such instruments, and how those risks are managed (see Note 3).

In September 2007, the International Accounting Standards Board (IASB) issued an amended standard, IAS 1, "Presentation of Financial Statements." The amended IAS 1 requires presentation of nonowner changes in equity (comprehensive income) either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The revised IAS 1 will become effective for the financial year ending April 30, 2010, and its implementation is not expected to have a significant impact on the financial position, results of operation, or cash flows of the Trust.

3. Financial risk management

In providing grant assistance to eligible country members and conducting its operations, the Trust is exposed to various types of risks, including credit, liquidity, and market risks.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss to investments held by the Trust by failing to discharge obligations when due. Credit risk is mitigated by investing only in fixed-term deposits with a credit rating of A and above.

Liquidity risk

Liquidity risk is the risk of nonavailability of resources to meet the Trust's obligations. The IMF, as Trustee, conducts semiannual reviews to assess the level of resources in the Trust, which are deemed sufficient to provide MDRI grant assistance to the remaining eligible members.

To minimize the risk of loss from liquidating long-term investments, the Trust holds resources in short-term deposits.

Market risk

Interest rate risk

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Interest rate risk is managed by limiting the investments to short-term fixed deposits.

Exchange rate risk

Exchange rate risk is the exposure to the effects of fluctuations in prevailing foreign currency exchange rates on the Trust's financial position and cash flows. Exchange rate risk is managed by investing in fixed-term deposits denominated in SDRs.

4. Investments and investment income

Investments at April 30, 2008, and 2007 consisted of fixed-term deposits maturing in one year or less. Investment income for the financial years ended April 30, 2008, and 2007 comprised interest income of SDR 2 million for each year.

5. HIPC Initiative and MDRI grant assistance

During the financial year ended April 30, 2008, one HIPC member reached the completion point and received combined HIPC and MDRI grant assistance of SDR 10 million, none of which was disbursed from the MDRI-II Trust. Four HIPC members received combined HIPC and MDRI grant assistance of SDR 189 million during the financial year ended April 30, 2007, of which SDR 30 million was disbursed from the MDRI-II Trust.

MDRI grant assistance to the remaining eligible members is subject to the availability of resources and is accrued when it is probable that a liability has been incurred and the amount of such grant assistance can be reasonably estimated. The amount of liability recorded (SDR 19 million and SDR 32 million as at April 30, 2008, and 2007, respectively) is based on the evaluation of currently available facts with respect to each individual eligible member and includes factors such as progress made toward reaching the completion point under the HIPC Initiative, and the capacity to meet the macroeconomic performance and other objective criteria. As the qualification of members for MDRI debt relief is assessed, the amounts recorded are reviewed periodically and adjusted to reflect additional information that becomes available.

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

	2008	**2007**
	(In millions of SDRs)	
Beginning of year	32	69
Additions	1	1
Amounts utilized	—	(30)
Reversals	(14)	(8)
End of year	19	32

Deloitte.

Deloitte & Touche LLP
Suite 500
555 12th Street, NW
Washington, DC 20004-1207
USA
Tel: +1 202 879 5600
Fax: +1 202 879 5309
www.deloitte.com

Independent Auditors' Report

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

We have audited the accompanying balance sheets as of April 30, 2008 and 2007, and the related statements of income and changes in resources and of cash flows for the years then ended for the following entities: Administered Account—Japan, Administered Account for Selected Fund Activities—Japan, Framework Administered Account for Technical Assistance Activities, Supplementary Financing Facility Subsidy Account, The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account, Poverty Reduction and Growth Facility Administered Account—Indonesia, Poverty Reduction and Growth Facility Administered Account—Portugal, Administered Account Austria—II, and Post-SCA-2 Administered Account. We have also audited the accompanying balance sheets as of April 30, 2008, and the related statements of income and changes in resources and of cash flows for the period from inception to April 30, 2008 for the following entities: Liberia Interim Administered Account, Administered Account for Liberia, SCA-1/Deferred Charges Administered Account, and Japan Administered Account for Liberia. These financial statements are the responsibility of the Other Administered Accounts (the "Accounts") management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

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

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules on pages 83 to 87 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the Accounts' management. Such schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

June 25, 2008

Member of
Deloitte Touche Tohmatsu

-

Balance sheets
as at April 30, 2008, and 2007

	Administered Account—Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Supplementary Financing Facility Subsidy Account		The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account		PRGF Administered Account—Indonesia		PRGF Administered Account—Portugal	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	(In thousands of U.S. dollars)						*(In thousands of SDRs)*							
Assets														
Cash and cash equivalents	129,458	133,935	20,509	22,638	26,942	28,382	990	2,239	10,345	13,054	441	—	—	—
Investments (Note 4)	—	—	—	—	—	—	—	—	7,000	7,585	25,000	25,000	1,315	2,629
Interest/other receivables	—	—	—	—	—	—	11	25	199	185	2	602	56	58
Total assets	**129,458**	**133,935**	**20,509**	**22,638**	**26,942**	**28,382**	**1,001**	**2,264**	**17,544**	**20,824**	**25,443**	**25,602**	**1,371**	**2,687**
Liabilities														
Deposits (Note 5)	—	—	—	—	—	—	—	—	—	—	25,000	25,000	1,315	2,629
Interest payable and other liabilities	—	—	—	—	54	25	—	—	—	—	443	394	6	13
Total liabilities	**—**	**—**	**—**	**—**	**54**	**25**	**—**	**—**	**—**	**—**	**25,443**	**25,394**	**1,321**	**2,642**
Resources	129,458	133,935	20,509	22,638	26,888	28,357	1,001	2,264	17,544	20,824	—	208	50	45
Total liabilities and resources	**129,458**	**133,935**	**20,509**	**22,638**	**26,942**	**28,382**	**1,001**	**2,264**	**17,544**	**20,824**	**25,443**	**25,602**	**1,371**	**2,687**

The accompanying notes are an integral part of these financial statements.
These financial statements were approved by the Managing Director and the Director of Finance on June 25, 2008.

/s/ Michael G. Kuhn
Director, Finance Department

/s/ Dominique Strauss-Kahn
Managing Director

Other Administered Accounts

Balance sheets
as at April 30, 2008, and 2007

(In thousands of SDRs)

	Administered Account—Austria-II		Post-SCA-2 Administered Account		Liberia Interim Administered Account	Administered Account for Liberia	SCA-1/Deferred Charges Administered Account	Japan Administered Account for Liberia
	2008	2007	2008	2007	2008	2008	2008	2008
Assets								
Cash and cash equivalents	160	45	45,711	43,932	—	382,620	115,090	6,088
Investments (Note 4)	7,000	7,000	—	—	—	—	—	—
Interest/other receivables	45	136	316	453	—	1,309	400	22
Total assets	**7,205**	**7,181**	**46,027**	**44,385**	**—**	**383,929**	**115,490**	**6,110**
Liabilities								
Deposits (Note 5)	7,000	7,000	—	—	—	—	—	—
Interest payable and other liabilities	205	181	—	—	—	—	—	—
Total liabilities	**7,205**	**7,181**	**—**	**—**	**—**	**—**	**—**	**—**
Resources	—	—	46,027	44,385	—	383,929	115,490	6,110
Total liabilities and resources	**7,205**	**7,181**	**46,027**	**44,385**	**—**	**383,929**	**115,490**	**6,110**

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

Other Administered Accounts

Statements of income and changes in resources for the years ended April 30, 2008, and 2007 and from inception to April 20, 2008

	Administered Account—Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Supplementary Financing Facility Subsidy Account		The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account		PRGF Administered Account—Indonesia		PRGF Administered Account—Portugal	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	(In thousands of U.S. dollars)						(In thousands of SDRs)							
Balance, beginning of year	133,935	127,127	22,638	24,266	28,357	29,642	2,264	2,364	20,824	24,603	208	206	45	—
Interest and investment income	5,428	6,808	1,097	996	1,235	1,503	79	95	705	812	1,114	957	60	105
Contributions received	—	—	18,244	19,313	22,824	18,201	—	—	1,952	1,859	—	—	—	—
Interest expense on deposits	—	—	—	—	—	—	—	—	—	—	(532)	(455)	(7)	(14)
Payments to and on behalf of beneficiaries	—	—	(21,470)	(21,937)	(25,528)	(20,989)	(1,342)	—	(5,937)	(6,450)	—	—	—	—
Operational income/(loss)	5,428	6,808	(2,129)	(1,628)	(1,469)	(1,285)	(1,263)	95	(3,280)	(3,779)	582	502	53	91
Transfers (Note 7)	(9,905)	—	—	—	—	—	—	(195)	—	—	(790)	(500)	(48)	(46)
Net income (loss)/changes in resources	(4,477)	6,808	(2,129)	(1,628)	(1,469)	(1,285)	(1,263)	(100)	(3,280)	(3,779)	(208)	2	5	45
Balance, end of year	129,458	133,935	20,509	22,638	26,888	28,357	1,001	2,264	17,544	20,824	—	208	50	45

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

Other Administered Accounts

Statements of income and changes in resources for the years ended April 30, 2008, and 2007 and from inception to April 30, 2008

(In thousands of SDRs)

	Administered Account—Austria-II		Post-SCA-2 Administered Account		Liberia Interim Administered Account	Administered Account for Liberia	SCA-1/Deferred Charges Administered Account	Japan Administered Account for Liberia
	2008	2007	2008	2007	←From inception to April 30, 2008			→
Balance, beginning of year/period	—	—	44,385	42,668	—	—	—	—
Interest and investment income	275	331	1,642	1,717	132	1,311	400	20
Contributions received	—	—	—	—	36,292	397,648	115,152	6,090
Interest expense on deposits	(35)	(35)	—	—	—	—	—	—
Payments to and on behalf of beneficiaries	—	—	—	—	—	—	—	—
Operational income	240	296	1,642	1,717	36,424	398,959	115,552	6,110
Transfers (Note 7)	(240)	(296)	—	—	(36,424)	(15,030)	(62)	—
Net income (loss)/changes in resources	—	—	1,642	1,717	—	383,929	115,490	6,110
Balance, end of year	—	—	46,027	44,385	—	383,929	115,490	6,110

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

Other Administered Accounts

Statements of cash flows
for the years ended April 30, 2008, and 2007
and from inception to April 30, 2008

	Administered Account—Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Supplementary Financing Facility Subsidy Account		The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account		PRGF Administered Account—Indonesia		PRGF Administered Account—Portugal	
	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007	2008	2007
	(In thousands of U.S. dollars)						*(In thousands of SDRs)*							
Cash flows from operating activities														
Net (loss)/income	(4,477)	6,808	(2,129)	(1,628)	(1,469)	(1,285)	(1,263)	(100)	(3,280)	(3,779)	(208)	2	5	45
Adjustments to reconcile net income to cash generated by operations														
Interest income	(5,428)	(6,808)	(1,097)	(996)	(1,235)	(1,503)	(79)	(95)	(705)	(812)	(1,114)	(957)	(60)	(105)
Interest expense	—	—	—	—	—	—	—	—	—		532	455	7	14
	(9,905)	—	(3,226)	(2,624)	(2,704)	(2,788)	(1,342)	(195)	(3,985)	(4,591)	(790)	(500)	(48)	(46)
Changes in other assets	—	—	—	—	—	—	—	—	(24)	(146)	179	(179)	7	14
Changes in other liabilities	—	—	—	—	29	25	—	—	—	—	—	—	—	—
	(9,905)	—	(3,226)	(2,624)	(2,675)	(2,763)	(1,342)	(195)	(4,009)	(4,737)	(611)	(679)	(41)	(32)
Interest received	5,428	6,808	1,097	996	1,235	1,503	93	89	715	829	1,535	933	55	54
Interest paid	—	—	—	—	—	—	—	—	—	—	(483)	(254)	(14)	(22)
Net cash provided by/(used in) operating activities	**(4,477)**	**6,808**	**(2,129)**	**(1,628)**	**(1,440)**	**(1,260)**	**(1,249)**	**(106)**	**(3,294)**	**(3,908)**	**441**	—	—	—
Cash flow from investment activities	—	—	—	—	—	—	—	—	585	4,415	—	—	1,314	(2,629)
Net cash provided by/(used in) investment activities	—	—	—	—	—	—	—	—	**585**	**4,415**	—	—	**1,314**	(2,629)
Cash flow from financing activities	—	—	—	—	—	—	—	—	—	—	—	—	(1,314)	(1,753)
Net cash provided by financing activities	—	—	—	—	—	—	—	—	—	—	—	—	**(1,314)**	**(1,753)**
Net increase (decrease) in cash and cash equivalents	(4,477)	6,808	(2,129)	(1,628)	(1,440)	(1,260)	(1,249)	(106)	(2,709)	507	441	—	—	(4,382)
Cash and cash equivalents, beginning of year	133,935	127,127	22,638	24,266	28,382	29,642	2,239	2,345	13,054	12,547	—	—	—	4,382
Cash and cash equivalents, end of year	**129,458**	**133,935**	**20,509**	**22,638**	**26,942**	**28,382**	**990**	**2,239**	**10,345**	**13,054**	**441**	—	—	—

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

Other Administered Accounts

Statements of cash flows
for the years ended April 30, 2008, and 2007
and from inception to April 30, 2008

(In thousands of SDRs)

	Administered Account—Austria-II		Post-SCA-2 Administered Account		Liberia Interim Administered Account	Administered Account for Liberia	SCA-1/Deferred Charges Administered Account	Japan Administered Account for Liberia
	2008	2007	2008	2007	From inception to April 30, 2008			
Cash flows from operating activities								
Net income/(loss)	—	—	1,642	1,717	—	383,929	115,490	6,110
Adjustments to reconcile net income to cash generated by operations								
Interest income	(275)	(331)	(1,642)	(1,717)	(132)	(1,311)	(400)	(22)
Interest expense	35	35	—	—	—	—	—	—
	(240)	(296)	—	—	(132)	382,618	115,090	6,088
Changes in other assets	—	—	—	—	—	—	—	—
Changes in other liabilities	24	146	—	—	—	—	—	—
	(216)	(150)	—	—	(132)	382,618	115,090	6,088
Interest received	366	195	1,779	1,617	132	2	—	—
Interest paid	(35)	—	—	—	—	—	—	—
Net cash provided by/(used in) operating activities	**115**	**45**	**1,779**	**1,617**	**—**	**382,620**	**115,090**	**6,088**
Cash flow from investment activities								
Net disposal/(acquisition) of investments	—	(7,000)	—	—	—	—	—	—
Net cash provided by/(used in) investment activities	**—**	**(7,000)**	**—**	**—**	**—**	**—**	**—**	**—**
Cash flow from financing activities								
Borrowing/(repayment) of deposits	—	7,000	—	—	—	—	—	—
Net cash provided by/(used in) financing activities	**—**	**7,000**	**—**	**—**	**—**	**—**	**—**	**—**
Net increase (decrease) in cash and cash equivalents	115	45	1,779	1,617	—	382,620	115,090	6,088
Cash and cash equivalents, beginning of year/period	45	—	43,932	42,315	—	—	—	—
Cash and cash equivalents, end of year	**160**	**45**	**45,711**	**43,932**	**—**	**382,620**	**115,090**	**6,088**

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

Other Administered Accounts

Notes to the financial statements
for the years ended April 30, 2008, and 2007
and from inception to April 30, 2008

1. Nature of operations

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

For the current year presentation, the Other Administered Accounts include all accounts administered by the IMF as administrator, including those entities (PRGF Administered Account—Indonesia, PRGF Administered Account—Portugal, and Post SCA-2 Administered Account) for which separate financial statements were presented in prior years.

Administered Account—Japan

At the request of Japan, the IMF established the Account on March 3, 1989, to administer resources made available by Japan—and, under a subsequent amendment, by other countries with Japan's concurrence—that are to be used to assist certain members with overdue obligations to the IMF. The resources of the Account are to be disbursed in amounts specified by Japan and to members designated by Japan. Effective March 5, 2008, the Instrument governing the Account was amended to allow the provision of assistance to these members in the context of an internationally agreed comprehensive package that integrates arrears clearance and subsequent debt relief.

Administered Account for Selected Fund Activities—Japan

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.

As at April 30, 2008, the Framework Account comprised the following subaccounts:

Japan Advanced Scholarship Program Subaccount

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

Rwanda—Macroeconomic Management Capacity Subaccount

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

Australia—IMF Scholarship Program for Asia Subaccount

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

Switzerland Technical Assistance Subaccount

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

French Technical Assistance Subaccount

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

Denmark Technical Assistance Subaccount

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

Australia Technical Assistance Subaccount

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

The Netherlands Technical Assistance Subaccount

At the request of the Netherlands, this Subaccount was established on July 27, 2000, to finance projects that seek to enhance the capacity of 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 frameworks 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 29, 2001, to finance projects that seek to enhance the capacity of members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative frameworks in these core areas.

Italy Technical Assistance Subaccount

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

Pacific Financial Technical Assistance Centre Subaccount

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

Africa Regional Technical Assistance Centers Subaccount

At the request of France, Germany, Italy, the Netherlands, Norway, Sweden, and the United Kingdom, this Subaccount was established on August 9, 2002, to finance activities of the Africa Regional Technical Assistance Centers that seek to support the Poverty Reduction Strategy Paper process in sub-Saharan African countries by fostering the capacity for sound macroeconomic management, strong fiscal institutions and financial systems, and timely and accurate collection and dissemination of economic data, including training and activities that strengthen the legal and administrative frameworks in these core areas. The resources of this Subaccount are contributed by the above governments and other governments or official agencies, including those of China, Luxembourg, the Russian Federation, and Switzerland, that reached an understanding with the IMF subsequent to the Subaccount's establishment.

Sweden Technical Assistance Subaccount

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

China Technical Assistance Subaccount

At the request of the People's Republic of China, this Subaccount was established on May 23, 2003, to finance projects that seek to enhance the capacity of members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative frameworks in these core areas.

Technical Assistance Subaccount for Iraq

At the request of Australia, Canada, Italy, and the United Kingdom, this Subaccount was established on July 22, 2003, to finance technical assistance activities that seek to enhance the capacity of Iraq to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and activities that strengthen the legal and administrative frameworks in these core areas. The resources of this Subaccount are contributed by the above governments and the Government of Sweden, which reached an understanding with the IMF subsequent to the Subaccount's establishment.

Canada Technical Assistance Subaccount

At the request of Canada, this Subaccount was established on January 28, 2004, to finance projects that seek to enhance the capacity of members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative frameworks in these core areas.

Middle East Regional Technical Assistance Center Subaccount

At the request of France and Lebanon, this Subaccount was established on August 20, 2004, to finance the technical assistance activities of the Middle East Regional Technical Assistance Center (METAC). METAC seeks to support the efforts of the participating countries/territories to achieve effective macroeconomic management, strong fiscal institutions and financial systems, and timely and accurate collection and dissemination of economic data, including training and activities that strengthen the legal and administrative framework in these areas. The current METAC's participating countries/territories include the Islamic Republic of Afghanistan, Iraq, Jordan, Lebanon, the Socialist People's Libyan Arab Jamahiriya, Sudan, the Syrian Arab Republic, West Bank and Gaza, and the Republic of Yemen. The resources of this Subaccount are contributed by the above governments and other governments or official agencies, including Egypt and Kuwait, that reached an understanding with the IMF subsequent to the Subaccount's establishment.

Technical Assistance Subaccount to Support Macroeconomic and Financial Policy Formulation and Management

At the request of Norway, this Subaccount was established on September 29, 2004, to finance projects that seek to enhance the capacity of members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative frameworks in these core areas. The activities to be financed from the Subaccount will seek in the first instance to enhance the capacity of Poverty Reduction and Growth Facility (PRGF)-eligible countries to formulate and implement the strategies needed to achieve the goals described in their Poverty Reduction Strategy Papers in those core areas of competence of the Fund, including strengthening their anti-money-laundering and combating-the-financing-of-terrorism legislation and implementation capacity, and improving central bank functions and operations in low-income countries.

Spain Technical Assistance Subaccount

At the request of Spain, this Subaccount was established on March 2, 2005, to finance projects that seek to enhance the capacity of members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative frameworks in these core areas.

European Commission Technical Assistance Subaccount for the Middle East Regional Technical Assistance Center

At the request of the European Commission, this Subaccount was established on June 13, 2005, to finance technical assistance activities of the Middle East Regional Technical Assistance Center.

European Investment Bank Technical Assistance Subaccount

At the request of the European Investment Bank, this Subaccount was established on June 29, 2005, to finance projects that seek to enhance the capacity of members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative frameworks in these core areas.

Central Africa Regional Technical Assistance Center Subaccount

At the request of France, this Subaccount was established on November 10, 2006, to finance the technical assistance activities of the Central Africa Regional Technical Assistance Center (Central AFRITAC) that seek to enhance the capacity of members in the sub-Saharan African region to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs, seminars, and projects that strengthen the legal and administrative frameworks in these core areas.

Islamic Development Bank Technical Assistance Subaccount

At the request of the Islamic Development Bank, this Subaccount was established on March 30, 2007, to provide financing for projects that seek to enhance the capacity of members of the IMF that are also members of the Islamic Development Bank. The resources of the Subaccount will be used for projects 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 frameworks in these core areas.

FIRST Technical Assistance Subaccount

At the request of the World Bank, this Subaccount was established on August 30, 2007, to finance technical assistance projects that seek to enhance the capacity of low-income and middle-income 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.

Belgium Technical Assistance Subaccount

At the request of Belgium, this Subaccount was established on November 2, 2007, to finance projects that seek to enhance the capacity of members to formulate and implement policies in the macroeconomic, fiscal, monetary, financial, and related statistical fields, including training programs and projects that strengthen the legal and administrative framework in these core areas.

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 access. All repurchases due under these policies were scheduled for completion by January 31, 1991, and the final subsidy payments were approved in July 1991. However, one member (Sudan) overdue in the payment of charges as at April 30, 2008 (two members, Liberia and Sudan, as at April 30, 2007), remains eligible to receive previously approved subsidy payments of SDR 0.9 million (SDR 2.2 million as at April 30, 2007) when its overdue charges are settled. Accordingly, the Account remains in operation and has retained amounts for payment to Sudan after the overdue charges are paid.

The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account

The Post-Conflict Emergency Assistance Subsidy Account was established in May 2001 to administer resources contributed by members for the purpose of providing assistance to PRGF-eligible members in support of their adjustment efforts. The Account was amended on January 21, 2005, to provide for the subsidization of emergency assistance for natural disasters for PRGF-eligible members. Resources in the Subsidy Account will be used to provide grants to PRGF-eligible members that have made post-conflict and natural disaster emergency assistance purchases in the General Resources Account of the IMF, effectively subsidizing the basic rate of charge on these purchases to ½ of 1 percent per annum. The subsidy to each eligible member will be prorated if resources are insufficient to reduce the basic rate of charge to ½ of 1 percent.

PRGF Administered Accounts

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

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

Austria-II Administered Account

At the request of the Austrian National Bank, the IMF established this Account on April 3, 2006, to provide resources to subsidize charges on purchases under the policy on emergency assistance for natural disasters ("ENDA") by PRGF-eligible countries. The resources in the Account are to be invested, and the difference between the investment earnings and the interest due on the deposit is to be transferred to the ENDA Subaccount of the Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account for PRGF-eligible members.

Post-SCA-2 Administered Account

The 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) in the General Department of the IMF, prior to the final disposition of those resources in accordance with members' instructions.

Liberia Interim Administered Account

At the request of Denmark, the Liberia Interim Administered Account was established on December 26, 2007, to temporarily hold and administer resources that were intended to be contributed to the Administered Account for Liberia in respect of the financing of the IMF's debt relief to Liberia, prior to the entry into effect of the Executive Board decision establishing the Administered Account for Liberia.

Administered Account for Liberia

At the request of Liberia, the Administered Account for Liberia was established on March 14, 2008, to facilitate fund-raising for, and delivery of, debt relief to Liberia in respect of obligations owed to the IMF. The resources of the Account consist of contributions by members and are to be used to make contributions to the PRGF-HIPC Trust in the context of delivering HIPC Initiative debt relief, as well as to provide additional debt relief to Liberia beyond HIPC assistance.

SCA-1/Deferred Charges Administered Account

The SCA-1 and/Deferred Charges Administered Account was established on March 14, 2008, as an interim vehicle to hold and administer balances. Following Liberia's arrears clearance, members that receive refunds from the SCA-1/Deferred Charges Administered Account may temporarily deposit the proceeds in this Account pending their decisions as to the final disposition of those resources.

Japan Administered Account for Liberia

At the request of Japan, the Japan Administered Account for Liberia was established on March 5, 2008, to hold and administer resources that are disbursed from the Administered Account—Japan, pending their transfer to the Administered Account for Liberia for use in the financing of the IMF's debt relief to Liberia, in accordance with the terms and conditions specified in the Instrument that governs the Administered Account for Liberia. The transfer of these resources shall be initiated when staff propose for the decision of the Executive Board that Liberia has reached the completion point under the enhanced HIPC Initiative.

2. Summary of significant accounting policies

Basis of preparation and measurement

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

Use of estimates

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

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

Unit of account

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

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

All other Administered Accounts

The functional and presentation currency of these Accounts is the SDR. The value of the SDR is determined by the IMF each day by summing the values in U.S. dollars, based on market exchange rates, of the currencies in the basket. The IMF reviews the SDR valuation basket every five years. The latest review was completed in November 2005 and the composition of the SDR valuation basket became effective from January 1, 2006.

The currencies in the basket as at April 30, 2008, and 2007 and their amounts were as follows:

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

As at April 30, 2008, one SDR was equal to US$1.62378 (US$1.52418 as at April 30, 2007).

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

Cash and cash equivalents

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

Investments

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

Contributions

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

Payments to and on behalf of beneficiaries

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

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 on the date of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net income.

Administrative expenses

The expenses of conducting the activities of the Other Administered Accounts are paid by the IMF from the General Resources Account. Partial reimbursements were made by several Administered Accounts. For the Administered Account for Selected Fund Activities—Japan, the reimbursements were US$2.3 million and US$2.4 million for the financial years ended April 30, 2008, and 2007, respectively. The administrative expenses of the Framework Account that were reimbursed amounted to US$2.8 million and US$2.4 million for the financial years ended April 30, 2008, and 2007, respectively. These reimbursements are included in payments to and on behalf of beneficiaries in the statements of income and changes in resources.

Adoption of new International Financial Reporting Standards

During the financial year ended April 30, 2008, the Other Administered Accounts adopted IFRS 7, "Financial Investments: Disclosures" (issued by the IASB in August 2005), which requires disclosures in the financial statements as to the significance of financial instruments for the Other Administered Accounts' financial position and performance, the nature and extent of risks arising from such instruments, and how those risks are managed (Note 3).

In September 2007, the International Accounting Standards Board (IASB) issued an amended standard, IAS 1, "Presentation of Financial Statements," which requires presentation of nonowner changes in equity (comprehensive income) either in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). The revised IAS 1 will become effective for financial year ending April 30, 2010, and its implementation is not expected to have a significant impact on the financial position, results of operations, or cash flows of the Other Administered Accounts.

3. Risk management

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

Credit risk

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

Liquidity risk

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

Market risk

Interest rate risk

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

Exchange rate risk

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

4. Investments

As at April 30, 2008, and 2007, the investments in the Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account, PRGF Administered Accounts, and Administered Account Austria-II consisted of short- and fixed-term deposits with maturities of less than one year.

5. Deposits

PRGF Administered Account—Indonesia

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

PRGF Administered Account—Portugal

The Banco de Portugal has made six annual deposits, each in the amount of SDR 2.2 million, since May 1994. Each deposit is to be repaid in five equal annual installments beginning six years after the date of the deposit and will be completed at the end of the tenth year after the date of the deposit. Each deposit bears interest at a rate of ½ of 1 percent a year.

Austria-II Administered Account

The deposit of SDR 7 million is due on May 2, 2011, and bears interest at a rate of ½ of 1 percent per annum.

6. Cumulative contributions and disbursements

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

	April 30, 2008[1]		April 30, 2007[1]	
Account	Cumulative contributions[2]	Cumulative disbursements[3]	Cumulative contributions[2]	Cumulative disbursements[3]
	(In millions of U.S. dollars)			
Administered Account—Japan	**135.2**	**82.4**	**135.2**	**72.5**
Administered Account for Selected Fund Activities—Japan	**305.0**	**295.3**	**286.7**	**273.8**
Technical assistance	264.5	258.7	250.6	241.5
Scholarships	26.0	23.4	23.4	20.8
Office of Asia and the Pacific	14.5	13.2	12.7	11.5
Framework Administered Account for Technical Assistance Activities	**145.4**	**124.1**	**122.6**	**98.5**
Japan Advanced Scholarship Program Subaccount	17.8	17.5	16.3	15.7
Rwanda—Macroeconomic Management Capacity Subaccount	1.5	1.6	1.5	1.6
Australia—IMF Scholarship Program for Asia Subaccount	4.8	4.8	4.2	4.1
Switzerland Technical Assistance Subaccount	17.5	15.7	17.5	14.5
French Technical Assistance Subaccount	1.2	0.7	1.2	0.7
Denmark Technical Assistance Subaccount	6.8	5.5	6.8	5.3
Australia Technical Assistance Subaccount	2.0	1.6	1.2	0.8
The Netherlands Technical Assistance Subaccount	6.7	6.6	5.3	5.1
The United Kingdom DFID Technical Assistance Subaccount	14.4	11.6	10.9	9.1
Italy Technical Assistance Subaccount	3.7	2.7	3.7	2.0
Pacific Financial Technical Assistance Centre Subaccount	6.9	6.5	5.4	5.1
Africa Regional Technical Assistance Centers Subaccount	28.6	27.8	25.8	20.8
Sweden Technical Assistance Subaccount	1.3	1.2	1.3	1.1
China Technical Assistance Subaccount	0.4	0.3	0.4	0.2
Technical Assistance Subaccount for Iraq	6.0	4.6	6.0	3.8
Canada Technical Assistance Subaccount	3.4	2.2	2.2	1.4
Middle East Regional Technical Assistance Center Subaccount	5.8	5.9	4.3	4.4
Technical Assistance Subaccount to Support Macroeconomic and Financial Policy Formulation and Management	2.2	1.3	1.1	0.8
Spain Technical Assistance Subaccount	2.0	0.6	2.0	0.5
European Commission Technical Assistance Subaccount for METAC	2.2	1.5	1.1	0.9
European Investment Bank Technical Assistance Subaccount	0.6	0.4	0.6	0.2
Central Africa Regional Technical Assistance Center Subaccount	4.4	3.6	3.8	0.4
Islamic Development Bank Technical Assistance Subaccount	0.4	0.1	—	—
FIRST Technical Assistance Subaccount	3.3	—	—	—
Belgium Technical Assistance Subaccount	1.5	—	—	—
	(In millions of SDRs)			
The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account	**34.3**	**19.3**	**32.4**	**13.4**

[1]The ending balances reflect rounding differences.

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

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

7. Transfer of resources

Administered Account—Japan

Following the amendment of the Instrument governing the Account, effective March 5, 2008, SDR 6.1 million (US$9.9 million) was transferred to the Japan Administered Account for Liberia.

Supplementary Financing Facility Subsidy Account

Resources of the Supplementary Financing Facility Subsidy Account in excess of the remaining subsidy payments are to be transferred to the Special Disbursement Account. At April 30, 2008, subsidy payments totaling SDR 0.9 million had not been made to Sudan and were being held pending the payment of overdue charges by this member. At April 30, 2007, subsidy payments totaling SDR 2.2 million had not been made to Liberia and Sudan.

PRGF Administered Accounts

The difference between investment earnings and the interest due on the deposit, net of any cost, is transferred to the PRGF-ESF Subsidy Account of the PRGF-ESF Trust and PRGF-HIPC Trust. For the financial years ended April 30, 2008, and 2007, net investment income transferred from the PRGF Administered Accounts to the PRGF-ESF Subsidy Account amounted to SDR 0.05 million for each year, and SDR 0.05 million respectively; contributions to the PRGF-HIPC Trust amounted to SDR 0.8 million and SDR 0.5 million for the financial years ended April 30, 2008, and 2007, respectively.

Administered Account Austria-II

The difference between investment earnings and the interest due on the deposit is transferred to the ENDA Subaccount of the Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account for PRGF-eligible members. For the financial years ended April 30, 2008, and 2007, net investment income transferred to the ENDA Subaccount amounted to SDR 0.2 million and SDR 0.3 million, respectively.

Administered Account for Liberia

From inception to April 30, 2008, transfers to the Administered Account for Liberia from the Liberia Interim Administered Account amounted to SDR 36.4 million. Transfers from the Liberia Administered Account to the PRGF-HIPC Trust amounted to SDR 15.0 million for the fiscal year ended April 30, 2008.

SCA-1/Deferred Charges Administered Account

From inception to April 30, 2008, transfers from the SCA-1/Deferred Charges Administered Account to the Administered Account for Liberia amounted to SDR 0.06 million.

8. Accounts termination

Administered Account—Japan

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

Administered Account for Selected Fund Activities—Japan

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

Framework Administered Account for Technical Assistance Activities

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

The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account

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

PRGF Administered Account—Indonesia

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

PRGF Administered Account—Portugal

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

Austria-II Administered Account

The Account will be terminated upon completion of its operation. Any assets remaining after the repayment of the deposit and interest due thereon will be transferred to the Natural Disaster Emergency Assistance Subaccount of the Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account for PRGF-eligible members.

Post-SCA-2 Administered Account

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

Liberia Interim Administered Account

The Account was terminated when the Executive Board decision establishing the Administered Account for Liberia became effective on March 14, 2008, and its resources were transferred to that Account.

Administered Account for Liberia

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

SCA-1/Deferred Charges Administered Account

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

Japan Administered Account for Liberia

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

Schedule 1

Post-SCA-2 Administered Account

Holdings, interest, and transfers
for the years ended April 30, 2008, and 2007

(In thousands of SDRs)

Member	Beginning balance	Interest earned	Transfers to PRGF-HIPC Trust	Ending balance
Year ended April 30, 2008				
Argentina	6,029	223	—	6,252
Dominican Republic	1,116	41	—	1,157
Jordan	1,267	47	—	1,314
Trinidad and Tobago	2,722	101	—	2,823
Vanuatu	54	2	—	56
República Bolivariana de Venezuela	33,197	1,228	—	34,425
	44,385	1,642	—	46,027
Year ended April 30, 2007				
Argentina	5,796	233	—	6,029
Dominican Republic	1,073	43	—	1,116
Jordan	1,218	49	—	1,267
Trinidad and Tobago	2,617	105	—	2,722
Vanuatu	51	3	—	54
República Bolivariana de Venezuela	31,913	1,284	—	33,197
	42,668	1,717	—	44,385

The ending balances reflect rounding differences.

Schedule 2

Liberia Interim Administered Account

Contributions, interest, and transfers from inception to April 30, 2008

(In thousands of SDRs)

Member	Contributions	Interest earned	Transfers to Administered Account for Liberia	Ending balance
Canada	2,910	7	2,917	—
Denmark	3,822	26	3,849	—
Mexico	7,662	19	7,681	—
United Kingdom	4,907	11	4,918	—
United States	16,990	70	17,060	—
	36,292	132	36,424	—

Schedule 3

Administered Account for Liberia

Contributions, interest, and transfers from inception to April 30, 2008

(In thousands of SDRs)

Member	Contributions	Interest earned	Transfers to PRGF-HIPC Trust	Ending balance
Albania	62	—	—	62
Algeria	1,900	6	74	1,832
Angola	1	—	—[1]	1
Armenia	35	—[1]	1	34
Australia	4,149	14	162	4,001
Belize	57	—[1]	2	55
Botswana	228	1	9	220
Bulgaria	1,750	6	68	1,688
Burundi	34	—[1]	1	33
Cambodia	27	—[1]	1	26
Cameroon	558	2	22	538
Canada	11,398	38	444	10,992
Central African Republic	103	—[1]	4	99
China	12,655	42	493	12,204
Congo, Dem. Rep. of	2,792	9	109	2,692
Côte d'Ivoire	1,793	6	70	1,729
Croatia	500	2	19	483
Cyprus	232	1	9	224
Czech Republic	2,226	7	87	2,146
Denmark	3,849	13	150	3,712
Dominica	22	—[1]	1	21
Egypt	1,216	4	47	1,173
Finland	2,883	10	112	2,781
Gabon	647	2	25	624
Gambia, The	53	—[1]	2	51
Ghana	1,346	5	52	1,299
Greece	1,321	4	51	1,274
Guinea	98	—[1]	4	94
Iceland	87	—[1]	3	84
India	11,150	37	435	10,752
Iran, Islamic Republic of	38	—[1]	1	37
Ireland	2,101	7	82	2,026
Israel	1,070	4	42	1,032
Italy	21,471	66	709	20,828
Jamaica	2,086	7	81	2,012
Japan	41,337	139	1,612	39,864
Kazakhstan	1,004	3	39	968
Kenya	839	3	33	809
Korea, Republic of	7,139	24	278	6,885
Kuwait	2,774	9	108	2,675
Latvia	326	1	13	314
Lesotho	20	—[1]	1	19
Liberia	2,107	7	82	2,032
Libya	4,529	15	177	4,367
Macedonia, former Yugoslav Republic of	105	—[1]	4	101
Madagascar	323	1	13	311
Malawi	244	1	10	235
Malta	389	1	15	375
Mauritania	150	1	6	145
Mexico	7,681	26	299	7,408
Morocco	2,270	8	89	2,189
Namibia	—[1]	—	—[1]	—[1]
Netherlands	11,054	37	431	10,660
Nicaragua	58	—[1]	2	56
Norway	6,081	8	—	6,089

Schedule 3 *(concluded)*

Administered Account for Liberia

Contributions, interest, and transfers from inception to April 30, 2008

(In thousands of SDRs)

Member	Contributions	Interest earned	Transfers to PRGF-HIPC Trust	Ending balance
Pakistan	6,142	21	239	5,924
Papua New Guinea	363	1	14	350
Philippines	1,560	5	61	1,504
Portugal	2,946	10	115	2,841
Romania	1,640	6	64	1,582
Russian Federation	35,362	119	1,379	34,102
Saudi Arabia	11,247	38	439	10,846
Senegal	12	—[1]	—[1]	12
Slovak Republic	1,606	5	63	1,548
Slovenia	524	1	9	516
South Africa	1,838	6	72	1,772
Spain	10,708	35	418	10,325
Sri Lanka	1,730	6	67	1,669
Togo	123	—[1]	5	118
Ukraine	2,450	5	—	2,455
United Kingdom	20,835	70	812	20,093
United States	119,804	405	4,674	115,535
Yemen, Republic of	390	1	15	376
	397,648	1,311	15,030	383,929

[1]Less than SDR 500.

Schedule 4

SCA-1/Deferred Charges Administered Account

Contributions, interest, and disbursements from inception to April 30, 2008

(In thousands of SDRs)

Member	Contributions	Interest earned	Disbusements	Ending balance
Albania	62	—[1]	62	—
Argentina	38,929	135	—	39,064
Austria	4,866	17	—	4,883
Belgium	7,574	26	—	7,600
Brazil	33,808	118	—	33,926
Estonia	174	1	—	175
France	21,100	73	—	21,173
Sweden	5,130	18	—	5,148
Uruguay	3,509	12	—	3,521
	115,152	400	62	115,490

[1]Less than SDR 500.