

Concessional Lending and Debt Relief Trusts

Statements of financial position at April 30, 2012, and 2011

(In millions of SDRs)

	PRG Trust		PRG-HIPC Trust and Related Account		MDRI-II Trust		PCDR Trust and Related Account	
	2012	2011	2012	2011	2012	2011	2012	2011
Assets								
Cash and cash equivalents	161	233	25	35	— ¹	—	1	—
Interest and other receivables	16	16	—	—	— ¹	—	—	—
Investments (Note 5)	5,292	5,069	448	449	38	38	101	102
Loans receivable (Note 6)	5,432	4,807	—	—	—	—	—	—
Total assets	<u>10,901</u>	<u>10,125</u>	<u>473</u>	<u>484</u>	<u>39</u>	<u>38</u>	<u>102</u>	<u>102</u>
Liabilities and resources								
Interest payable and other liabilities	27	26	—	—	—	—	—	—
Borrowings (Note 8)	5,537	4,854	197	223	—	—	—	—
Total liabilities	<u>5,564</u>	<u>4,880</u>	<u>197</u>	<u>223</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Resources	5,337	5,245	276	261	39	38	102	102
Total liabilities and resources	<u>10,901</u>	<u>10,125</u>	<u>473</u>	<u>484</u>	<u>39</u>	<u>38</u>	<u>102</u>	<u>102</u>

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

The financial statements were approved by the Managing Director and the Director of Finance on June 21, 2012.

¹ Less than SDR 500,000.

/s/ Andrew Tweedie
Director, Finance Department

/s/ Christine Lagarde
Managing Director

Concessional Lending and Debt Relief Trusts

Statements of comprehensive income and changes in resources for the years ended April 30, 2012, and 2011

(In millions of SDRs)

	PRG Trust		PRG-HIPC Trust and Related Account		MDRI-II Trust		PCDR Trust and Related Account	
	2012	2011	2012	2011	2012	2011	2012	2011 ¹
Resources, beginning of year	5,245	5,159	261	654	38	33	102	—
Investment income (Note 9)	106	46	8	3	— ²	—	—	—
Interest income on loans	—	—	—	—	—	—	—	—
Interest expense	(39)	(32)	—	(1)	—	—	—	—
Operational income	67	14	8	2	— ²	—	—	—
Contributions								
Bilateral donors	25	72	12	52	—	—	—	—
Special Disbursement Account	63	46	—	—	—	—	—	280
Administered Account for Liberia	—	—	—	309	—	—	—	—
Debt Relief								
MDRI grant assistance	—	—	—	—	—	5	—	—
HIPC assistance (Note 7)	—	—	(5)	(756)	—	—	—	—
PCDR assistance (Note 7)	—	—	—	—	—	—	—	(178)
Transfer through the Special Disbursement Account	(63)	(46)	—	—	—	—	—	—
Other comprehensive income	—	—	—	—	—	—	—	—
Net comprehensive income (loss)/ changes in resources	<u>92</u>	<u>86</u>	<u>15</u>	<u>(393)</u>	<u>—²</u>	<u>5</u>	<u>—</u>	<u>102</u>
Resources, end of year	<u>5,337</u>	<u>5,245</u>	<u>276</u>	<u>261</u>	<u>39</u>	<u>38</u>	<u>102</u>	<u>102</u>

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

¹ From inception to April 30, 2011.

² Less than SDR 500,000.

Concessional Lending and Debt Relief Trusts

Statements of cash flows for the years ended April 30, 2012, and 2011

(In millions of SDRs)

	PRG Trust		PRG-HIPC Trust and Related Account		MDRI-II Trust		PCDR Trust and Related Account	
	2012	2011	2012	2011	2012	2011	2012	2011 ¹
Cash flows from operating activities								
Net comprehensive income (loss)	92	86	15	(393)	— ²	5	—	102
Adjustments to reconcile net comprehensive income (loss) to cash generated by operations								
Interest income on investments	(79)	(99)	(8)	(10)	— ²	—	—	—
Interest expense	39	32	—	1	—	—	—	—
	52	19	7	(402)	— ²	5	—	102
Change in accrued MDRI grant assistance	—	—	—	—	—	(5)	—	—
Loan disbursements	(1,066)	(914)	—	—	—	—	—	—
Loan repayments	441	1,144	—	—	—	—	—	—
Cash (used in)/provided by operations	(573)	249	7	(402)	— ²	—	—	102
Interest received	79	99	8	10	— ²	—	—	—
Interest paid	(38)	(30)	—	(1)	—	—	—	—
Net cash (used in)/provided by operating activities	(532)	318	15	(393)	—²	—	—	102
Cash flows from investment activities								
Net (acquisition)/disposition of investments	(223)	(142)	1	138	—	(8)	1	(102)
Net cash (used in)/provided by investment activities	(223)	(142)	1	138	—	(8)	1	(102)
Cash flows from financing activities								
Borrowings	1,186	972	—	—	—	—	—	—
Repayment of borrowings	(503)	(1,245)	(26)	(71)	—	—	—	—
Net cash provided by/(used in) financing activities	683	(273)	(26)	(71)	—	—	—	—
Net (decrease)/ increase in cash and cash equivalents	(72)	(97)	(10)	(326)	— ²	(8)	1	—
Cash and cash equivalents, beginning of year	233	330	35	361	—	8	—	—
Cash and cash equivalents, end of year	161	233	25	35	—²	—	1	—

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

¹ From inception to April 30, 2011.

² Less than SDR 500,000.

Concessional Lending and Debt Relief Trusts

Notes to the financial statements for the years ended April 30, 2012, and 2011

1. Nature of operations

The IMF is the Trustee of the Poverty Reduction and Growth Trust (PRG Trust), the Trust for Special Poverty Reduction and Growth Operations for the Heavily Indebted Poor Countries and Interim Extended Credit Facility Subsidy Operations (the PRG-HIPC Trust) and the related Umbrella Account for HIPC Operations (the PRG-HIPC Umbrella Account), the Multilateral Debt Relief Initiative-II Trust (the MDRI-II Trust), and the Post-Catastrophe Debt Relief Trust (the PCDR Trust) and the related Umbrella Account for PCDR Operations (the PCDR Umbrella Account), collectively referred to as the Concessional Lending and Debt Relief Trusts or the Trusts. The Trusts provide loans on concessional terms and/or debt relief to low-income members. The Trusts may also provide grants to subsidize emergency post-conflict and natural disaster purchases made as of January 7, 2010.

The resources of the Trusts are held separately from the assets of all other accounts of, or administered by, the IMF and may not be used to discharge liabilities or to meet losses incurred in the administration of other accounts. Resources not immediately needed in operations are invested in fixed-term deposits or fixed-income securities, as allowed by the instruments establishing the Trusts.

PRG Trust

Established originally as the Enhanced Structural Adjustment Facility Trust in December 1987, the PRG Trust provides loans on concessional terms to qualifying low-income country members. The PRG Trust provides financial assistance tailored to the diverse needs of low-income countries with higher concessionality of financial support. Financing is available under a set of facilities, including: the Extended Credit Facility (ECF) for members with protracted balance of payments problems under three-year arrangements; the Standby Credit Facility (SCF) for actual or potential short-term balance of payments needs under one- to two-year arrangements; and for urgent balance of payments needs, the Rapid Credit Facility (RCF), which provides financial support in outright loan disbursements. No new commitments under the Exogenous Shocks Facility (ESF) were made after April 6, 2010. The repayment terms are 5½ to ten years for the ECF, ESF, and RCF and four to eight years for the SCF, in equal semi-annual installments. From early January 2010 to end-December 2011, interest on outstanding Trust loans was waived by the Executive Board. In December 2011, the Executive Board completed its first two-year review of the interest rate structure and extended the interest rate waiver on outstanding Trust loans through end-December 2012. Commencing in 2013, interest on outstanding ECF and RCF loans will be set at zero percent while interest on outstanding SCF loans will be charged at a rate of 0.25 percent per annum. Interest rates on all PRG Trust loans are reviewed every two years and may be reset in light of developments in the SDR interest rate.

The operations of the PRG Trust are conducted through four Loan Accounts, the Reserve Account, and four Subsidy Accounts. The resources of the Loan Accounts consist of proceeds from borrowings, repayments of principal, and interest payments on loans extended by the Trust. The resources held in the Reserve Account consist of transfers by the IMF

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

PRG-HIPC Trust and the PRG-HIPC Umbrella Account

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

MDRI-II Trust

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

PCDR Trust and the PCDR Umbrella Account

The PCDR Trust was established in June 2010 to provide additional exceptional support in the form of debt relief (grants) to eligible low-income countries that suffer an exceptional natural disaster. The PCDR Trust was funded through a transfer of SDR 280 million from the MDRI-I Trust (through the Special Disbursement Account) and may receive additional financing from grant contributions, borrowings, and net income from investments. Operations are conducted through the PCDR Trust Account and the related Umbrella Account. The PCDR Umbrella Account receives and administers the proceeds of grants made by the PCDR Trust to eligible countries for the purposes of the repaying their eligible debt to the IMF.

2. Basis of preparation and measurement

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

New and Revised International Financial Reporting Standards and Interpretations

Revised IAS 24, "Related Party Disclosures" was issued in November 2009 and superseded IAS 24 (as revised in 2003). The major revisions include simplifying the definition of a related party and providing partial exemption for government-related entities. The revised standard, which became effective for annual periods beginning on or after January 1, 2011, had no impact on the Trusts' financial statements.

The following new standards have been issued by the IASB but are not yet effective and have not yet been implemented by the Trusts.

IFRS 9, "Financial Instruments" was issued in November 2009 as the first step in replacing *IAS 39, "Financial Instruments: Recognition and Measurement."* Under IFRS 9, financial assets currently within the scope of IAS 39 will be divided into two categories: those measured at amortized cost and those measured at fair value. The effective date for adoption of IFRS 9 is for annual periods beginning on or after January 1, 2015, but early adoption is permitted. As the Trusts already measure financial assets at amortized cost or fair value, the implementation of IFRS 9 is not expected to have an impact on the Trusts' financial position or results of operations.

IFRS 13, "Fair Value Measurement" was issued in May 2011 and defines fair value, sets out a framework for measuring fair value, and requires extensive disclosures about fair value. The effective date is for annual periods beginning on or after January 1, 2013. The implementation of IFRS 13 is expected to result in additional disclosures in the Trusts' financial statements, but will not have a significant impact on the recognition and measurement of assets and liabilities.

The following new standards and amendments to existing standards issued by the IASB are expected to have little or no impact on the Trusts' financial statements:

Amendments to IFRS 7, "Disclosures – Transfers of Financial Assets" (effective for annual periods beginning on or after July 1, 2011).

Amendments to IAS 1, "Presentation of Items of Other Comprehensive Income" (effective for annual periods beginning on or after July 1, 2012).

Unit of account

The financial statements are presented in Special Drawing Rights (SDRs), which is the IMF's functional unit of account. The U.S. dollar equivalent of the SDR is determined daily by the IMF by summing specific amounts of the four basket currencies (see below) in U.S. dollar equivalents on the basis of market exchange rates. The IMF reviews the SDR valuation basket at five-year intervals. The last review was completed in November 2010.

No changes were made to the basket currencies, but the weights of the four currencies in the basket were changed and became effective on January 1, 2011. The currencies in the basket at April 30, 2012, and 2011 and their specific amounts, relative to one SDR, were as follows:

Currency	Amount
Euro	0.423
Japanese yen	12.1
Pound sterling	0.111
U.S. dollar	0.660

At April 30, 2012, one SDR was equal to US\$1.55055 (US\$1.62096 at April 30, 2011).

Use of estimates and judgment

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

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

Information about significant areas of estimation, uncertainty, and critical judgments in applying accounting policies that have the most significant effect on the amount recognized in the financial statements are described in Notes 3, 5, and 7.

3. Summary of significant accounting and related policies

Cash and cash equivalents

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

Investments

Investments comprise fixed-term deposits and fixed-income securities, none of which include asset-backed securities, and are managed primarily by external investment managers. Investments and the related assets and liabilities in accounts managed solely for the Trusts and the net asset value of the Trusts' share of pooled investment accounts are reported in the statements of financial position.

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

Recognition

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

Derecognition

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

Fair value measurement

A three-level fair value hierarchy under which financial instruments are categorized based on the priority of the inputs to the valuation technique is used to determine fair value. The fair value hierarchy has the following levels: quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1); inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices) (Level 2); and inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3). When the inputs used to measure fair value fall within different levels of the hierarchy, the level within which the fair value measurement is categorized is based on the lowest level input that is significant to the fair value measurement of the instrument in its entirety. Thus, a Level 3 fair value measurement may include inputs that are both observable and unobservable.

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 and net of management and custodian fees.

Interest income is recognized on an accrual basis by reference to the principal outstanding and the effective interest rate applicable.

Loans

Loans in the PRG 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 (see Note 1 for repayment and interest terms).

It is the PRG Trust's policy to exclude from income, interest on loans that are six months or more overdue. At the end of each reporting period, the loans are reviewed to determine whether there is objective evidence of loan impairment. If any such evidence exists, an impairment loss would be recognized to the extent that the present value of estimated future cash flows falls below the carrying amount. No impairment losses have been recognized in the financial years ended April 30, 2012, and 2011.

Borrowings

The PRG and PRG-HIPC Trusts borrow on such terms and conditions as agreed between the Trustee and creditors. A new financing framework to facilitate the mobilization of loan resources for the PRG Trust was endorsed by the Executive Board in March 2010, and became effective in June 2010. The framework includes borrowing by the PRG Trust under loan and note purchase agreements ("borrowing agreements"). The repayment periods for the PRG Trust borrowing match the maturity of the loans extended by the PRG Trust, which are to be repaid in 10 equal semi-annual installments beginning 5 ½ years from the date of each disbursement in the case of the ECF, RCF, and ESF; and in nine equal semi-annual installments beginning four years from the date of each disbursement in the case of the SCF. Drawings under PRG Trust borrowing

agreements may have shorter initial maturities (e.g., six months) that can be extended, at the sole discretion of the Trustee, up to the maturity dates of the corresponding Trust loans for which they were drawn. Creditors to the PRG Trust may participate in a voluntary "encashment" regime, under which they can seek early repayment of outstanding claims in case of balance of payment needs if they allow drawings under their own agreement for encashment by other participating creditors. Early repayment is subject to availability of resources under borrowing agreements with other creditors.

Claims from drawings under PRG Trust borrowing agreements are transferable within the official sector, which includes all IMF members, their central banks or other fiscal agencies, and prescribed SDR holders. Borrowings are recorded and subsequently stated at amortized cost.

PRG-HIPC Trust borrowings are repayable in one installment at their maturity dates (see Note 8).

Foreign currency translation

Transactions in currencies other than SDRs are recorded at the rate of exchange on the date of the transaction. Exchange differences arising from the settlement of transactions at rates different from those at the originating date of the transaction are included in the determination of net comprehensive income.

Contributions

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

4. Financial risk management

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

Credit risk

PRG Trust Lending

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

The PRG Trust has established limits on overall access to its resources. Total access to concessional financing under the PRG Trust is normally limited to 100 percent of the member's IMF quota per year, with a cumulative limit of 300 percent of quota (net of scheduled loan repayments). Facility based limits may also apply to RCF and SCF financing. Under the RCF, access is normally limited to 25 percent of quota per year, with a cumulative limit of 75 percent of quota (net of scheduled loan repayments) but higher access limits apply under the RCF shocks window, for countries facing an urgent financing need for a limited duration (up to 50 percent of quota annually and up to 100 percent of quota cumulatively). Under the SCF, access is normally limited to 50 percent of quota per year if at the time of the approval of the SCF arrangement, the member has a potential balance

of payments need. In each individual case, the amount of access granted will depend on relevant factors such as the country's balance of payments need, the strength of its adjustment program, its capacity to repay, and its previous and outstanding use of IMF credit. The IMF may approve access in excess of these limits in exceptional circumstances, provided that it shall in no case exceed (i) a maximum annual limit of 150 percent of quota and (ii) a maximum cumulative limit of 450 percent of quota, net of scheduled repayments.

Most disbursements under PRG Trust arrangements are made in tranches and are 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 operations and help ensure that PRG Trust loan resources are used for intended purposes. Misreporting by member countries on performance criteria and other conditions may entail early repayment of non-complying loans.

The maximum credit risk exposure is the carrying value of the PRG Trust's outstanding loans and the undrawn commitments (see Notes 6 and 10, respectively), and amounted to SDR 7.6 billion and SDR 6.5 billion at April 30, 2012, and 2011, respectively.

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

	2012		2011	
	<i>(In millions of SDRs and percent of total PRG Trust credit outstanding)</i>			
Largest user of credit	524	9.6%	396	8.2%
Three largest users of credit	1,275	23.5%	986	20.5%
Five largest users of credit	1,869	34.4%	1,494	31.1%

The five largest users of credit at April 30, 2012, in descending order, were Kenya, Côte d'Ivoire, Ghana, Democratic Republic of the Congo, and Bangladesh (Pakistan, Kenya, Democratic Republic of the Congo, Zambia, and Ghana at April 30, 2011). Outstanding credit by member is provided in Schedule 1.

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

	2012		2011	
	<i>(In millions of SDRs and percent of total PRG Trust credit outstanding)¹</i>			
Africa	3,651	67.3%	3,019	62.8%
Asia and Pacific	393	7.2%	384	8.0%
Europe	264	4.9%	237	4.9%
Western Hemisphere	231	4.2%	220	4.6%
Middle East and Central Asia	893	16.4%	947	19.7%
Total	<u>5,432</u>	<u>100%</u>	<u>4,807</u>	<u>100%</u>

¹ During the financial year ended April 30, 2012, certain minor changes were made to align members' regional grouping with the IMF's internal classifications.

To protect the lenders to the PRG 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. At April 30, 2012, and 2011, available resources in the Reserve Account amounted to SDR 3.9 billion.

Investments

Credit risk on investment activities represents the potential loss that the Trusts may incur if obligors and counterparties default on their contractual obligations. Credit risk is managed through the conservative range of investments including (i) domestic government bonds of countries in the Euro area, Japan, the United Kingdom, and the United States, i.e., members whose currencies are included in the SDR basket; (ii) obligations of international financial organizations, including the Bank for International Settlements (BIS); and (iii) deposits with national official financial institutions, international financial institutions or, with respect to non-SDA resources, commercial banks. Credit risk is further minimized by limiting eligible investments to marketable securities rated A or higher by a major credit rating agency, and for deposits, the Trusts may invest in obligations issued by institutions with a credit rating of A or higher.

The investments of the MDRI-II and PCDR Trusts consist of fixed-term deposits with the BIS. The credit risk exposure in the PRG Trust and PRG-HIPC Trust and Related Account portfolios at April 30 was as follows:

	2012			2011		
	Rating	PRG Trust Percentage	PRG-HIPC Trust	Rating	PRG Trust Percentage	PRG-HIPC Trust
Government bonds						
Austria	—	—	—	AAA	— ¹	0.8
Belgium	AA	— ¹	— ¹	—	—	—
Germany	AAA	15.5	29.2	AAA	15.2	27.7
Japan	AA-	4.4	8.4	AA	3.9	7.4
United Kingdom	AAA	2.7	4.2	AAA	3.2	9.2
United States	AA+	18.3	35.2	AAA	15.9	27.3
Non-government bonds						
Bank for International Settlements	Not rated	51.5	—	Not rated	51.4	—
Other international financial institutions	AAA	4.0	9.2	AAA	5.2	5.9
	AA+	0.4	0.4			
Fixed-term deposits						
Bank for International Settlements	Not rated	3.2	12.9	Not rated	3.9	16.6
Other financial institutions	AA	—	—	AA	— ¹	1.7
	AA-	— ¹	0.5	AA-	0.1	0.6
	A+	—	—	A+	1.2	2.8
		<u>100</u>	<u>100</u>		<u>100</u>	<u>100</u>

¹ Less than 0.1%.

Market risk

Interest rate risk

PRG Trust Lending

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

Investments

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

A 10 basis point change in the average effective yields of the Trusts' portfolios at April 30 would result in the following:

Change in yield	2012		2011	
	Net (loss)/gain	As a percentage of the portfolio	Net (loss)/gain	As a percentage of the portfolio
	In millions of SDRs		In millions of SDRs	
PRG Trust				
10 basis point increase	(10.0)	0.18%	(9.1)	0.17%
10 basis point decrease	10.0	0.18%	9.0	0.17%
PRG-HIPC Trust				
10 basis point increase	(0.8)	0.16%	(0.7)	0.14%
10 basis point decrease	0.8	0.16%	0.7	0.14%

Exchange rate risk

Lending and borrowing

Exchange rate risk is the exposure to the effects of fluctuations in foreign currency exchange rates on an entity's financial position and cash flows. The PRG and PRG-HIPC Trusts have no exchange rate risk on their loans and borrowings as receipts, 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 portfolios are regularly rebalanced to reflect currency weights in the SDR basket.

The value of the SDR is the sum of the market values, in U.S. dollar equivalents, of the predetermined amounts of the four currencies in the SDR valuation basket (see Note 2). The effective share of each currency in the valuation of the SDR depends on the prevailing exchange rate at noon in the London market against the U.S. dollar on that day. Since the proportionate share of a currency in the SDR valuation basket is determined by reference to the market value against the U.S. dollar, the exchange risk can be measured indirectly by the exchange rate movements between a basket

currency and the U.S. dollar. The net effect on the investment portfolios of a 10 percent increase in the market exchange rates of the basket currencies against the U.S. dollar at April 30 would be as follows:

	PRG Trust			
	Net loss			
	2012		2011	
In millions of SDRs	As a percentage of investments not denominated in SDRs	In millions of SDRs	As a percentage of investments not denominated in SDRs	
Euro	(0.48)	0.01%	(0.18)	0.00%
Japanese yen	(0.05)	—	(1.01)	0.02%
Pound sterling	(0.28)	0.01%	(1.04)	0.02%

	PRG-HIPC Trust			
	Net (loss)/gain			
	2012		2011	
In millions of SDRs	As a percentage of investments not denominated in SDRs	In millions of SDRs	As a percentage of investments not denominated in SDRs	
Euro	(0.09)	0.02%	(0.05)	0.01%
Japanese yen	0.01	—	(0.03)	0.01%
Pound sterling	(0.01)	—	(0.03)	0.01%

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

	PRG Trust			
	Net gain/(loss)			
	2012		2011	
In millions of SDRs	As a percentage of investments not denominated in SDRs	In millions of SDRs	As a percentage of investments not denominated in SDRs	
Euro	0.51	0.01%	(1.22)	0.02%
Japanese yen	0.03	—	(0.42)	0.01%
Pound sterling	0.27	0.01%	(0.33)	0.01%

	PRG-HIPC Trust			
	Net gain/(loss)			
	2012		2011	
In millions of SDRs	As a percentage of investments not denominated in SDRs	In millions of SDRs	As a percentage of investments not denominated in SDRs	
Euro	0.10	0.03%	(0.05)	0.01%
Japanese yen	(0.01)	—	(0.06)	0.02%
Pound sterling	0.01	—	(0.07)	0.02%

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

Liquidity risk

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

The PRG 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 PRG Trust to liquidity risk. However, all

new lending agreements are subject to the availability of uncommitted resources in the PRG Trust. In the financial years ended April 30, 2012, and 2011, resources in the Subsidy Accounts are expected to meet the estimated needs based on the level of loans outstanding. In addition, the Reserve Account may transfer up to SDR 620 million to the Subsidy Accounts if no other resources are available to subsidize lending. Resources held in the PRG-HIPC and MDRI-II Trusts are adequate to provide debt relief under the HIPC and the MDRI Initiatives to members, except those in protracted arrears to the IMF, that are likely to qualify for such relief.

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

5. Investments

The Trusts' investments comprise fixed-term deposits and fixed-income securities (see Note 4). The following table presents the fair value of investments classified as Level 2 at April 30, 2012, and 2011. There were no investments classified as Level 1 or 3 at April 30, 2012, and 2011.

	PRG Trust		PRG-HIPC Trust		MDRI-II Trust		PCDR Trust	
	2012	2011	2012	2011	2012	2011	2012	2011
	<i>(In millions of SDRs)</i>							
Fixed-term deposits	170	189	60	94	38	38	101	102
Fixed-income securities	5,122	4,880	388	355	—	—	—	—
Total	<u>5,292</u>	<u>5,069</u>	<u>448</u>	<u>449</u>	<u>38</u>	<u>38</u>	<u>101</u>	<u>102</u>

The maturities of the investments are as follows:

Financial year ending April 30	PRG Trust	PRG-HIPC Trust	MDRI-II Trust	PCDR Trust
	<i>(In millions of SDRs)</i>			
2013	304	69	38	101
2014	2,623	202	—	—
2015	2,339	174	—	—
2016	8	1	—	—
2017	7	1	—	—
2018 and beyond	11	1	—	—
Total	<u>5,292</u>	<u>448</u>	<u>38</u>	<u>101</u>

6. Loans receivable

At April 30, 2012, the resources of the Loan Account included net cumulative transfers from the Reserve Account of SDR 69 million, related to the nonpayment of principal by Zimbabwe (SDR 71 million at April 30, 2011).

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

Financial year ending April 30	
	<i>(In millions of SDRs)</i>
2013	421
2014	396
2015	472
2016	652
2017	742
2018 and beyond	2,680
Overdue	69
Total	<u>5,432</u>

7. MDRI, HIPC, and PCDR grant assistance

Total MDRI assistance to members through April 30, 2012, including disbursements from the MDRI-I, MDRI-II, and PRG-HIPC Trusts, is provided in Schedule 5. Related PRG Trust loans were repaid in full and no impairment loss has been recognized in the PRG Trust Loan Accounts.

Grant assistance from the MDRI-II Trust provides debt relief to cover debt owed to the IMF at December 31, 2004 that is not covered by debt relief under the HIPC Initiative and that has not been repaid at the time the member qualifies for HIPC relief. At April 30, 2012 and 2011, only one of the five remaining MDRI-eligible members was expected to have debt outstanding from 2004 upon reaching completion point, and this debt is expected to be covered by resources in the PRG-HIPC Trust. As such, no liability was recorded for the MDRI-II Trust.

During the year ended April 30, 2012, HIPC assistance totaling SDR 5 million was provided to one member (five members received HIPC assistance of SDR 756 million during the year ended April 30, 2011).

During the year ended April 30, 2011, one member (Haiti) qualified for PCDR assistance and SDR 178 million was disbursed to settle its PRG Trust obligations early (none in the year ended April 30, 2012).

8. Borrowings

The PRG and PRG-HIPC Trusts borrow on such terms and conditions as agreed between the Trusts and the lenders. The weighted average interest rate on actual PRG Trust borrowings was 0.75 percent and 0.62 percent for financial years ended April 30, 2012, and 2011, respectively. During the same periods, interest rates on actual PRG-HIPC Trust borrowings varied between 0 percent and 2 percent per annum, and had a weighted average interest rate of 0.11 percent for the financial year ended April 30, 2012 (0.26 percent for the financial year ended April 30, 2011).

The PRG Trust did not make any early repayments to lenders during the year ended April 30, 2012 (SDR 666 million during the financial year ended April 30, 2011, following the repayment of PRG Trust loans by members that either received HIPC Initiative and MDRI grant assistance or PCDR assistance).

Scheduled repayments of borrowings are summarized below:

Financial year ending April 30	PRG Trust	PRG-HIPC Trust
	<i>(In millions of SDRs)</i>	
2013	444	6
2014	424	12
2015	474	3
2016	611	—
2017	752	—
2018 and beyond	2,832	176
Total	<u>5,537</u>	<u>197</u>

Current borrowing and note purchase agreements are shown in Schedule 3.

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

	2012	2011
	<i>(In millions of SDRs)</i>	
Loan Accounts	8,761	9,329
Subsidy Accounts	34	46

9. Investment income

Investment income comprised the following for the financial years ended April 30 (investment income of the PCDR Trust and the MDRI-II Trust amounted to less than SDR 1 million for the financial years ended April 30, 2012, and 2011):

	PRG Trust		PRG-HIPC Trust and Related Account	
	2012	2011	2012	2011
	<i>(In millions of SDRs)</i>			
Interest income	79	99	8	10
Realized (losses)/gains, net	(55)	49	2	(4)
Unrealized gains/(losses), net	83	(101)	(2)	(3)
Other, net	(1)	(1)	—	—
Total	<u>106</u>	<u>46</u>	<u>8</u>	<u>3</u>

10. Commitments under PRG Trust arrangements

An arrangement under the PRG Trust is a decision that gives a member the assurance that the IMF as Trustee stands ready to provide foreign exchange or SDRs during a specified period and up to a specified amount in accordance with the terms of the decision. Upon approval by the Trustee, resources of the Loan Accounts of the PRG Trust are committed to qualifying members for a three-year period for ECF arrangements or a one- to two-year period for SCF arrangements. At April 30, 2012, undrawn balances under 28 arrangements amounted to SDR 2,119 million (SDR 1,675 million under 31 arrangements at April 30, 2011). Undrawn balances by member are provided in Schedule 2.

11. Related party transactions

For the financial years ended April 30, 2012, and 2011, the Executive Board of the IMF decided to forgo the reimbursement by the PRG Trust

to the General Resources Account for the cost of administering the Trust, amounting to SDR 63 million and SDR 46 million, respectively. The reimbursements are instead to be transferred from the Reserve Account, through the Special Disbursement Account, to the General Subsidy Account of the PRG Trust. The expenses of conducting the business of the PRG-HIPC and MDRI-II Trusts were paid by the General Resources Account of the IMF. For the financial year ended April 30, 2012, the PCDR Trust reimbursed SDR 0.06 million to the GRA for the cost of administering the PCDR Trust (SDR 0.5 million for the year ended April 30, 2011).

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

	2012	2011
	<i>(In millions of SDRs)</i>	
PRG Trust Reserve Account	2,893	2,893
PRG Trust Subsidy Accounts	1,017	954
PRG-HIPC Trust	1,239	1,239
PCDR Trust	280	280
Total	<u>5,429</u>	<u>5,366</u>

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

The statements of financial position and statements of comprehensive income and changes in resources of the PRG Trust, PRG-HIPC Trust, and the PCDR Trust (including the Umbrella Accounts) are as follows:

Concessional Lending and Debt Relief Trusts
Combining statements of financial position
at April 30, 2012, and 2011

(In millions of SDRs)

	PRG Trust				PRG-HIPC Trust and Related Account				PCDR Trust and Related Account				
	2012		2011		2012		2011		2012		2011		
	Loan Accounts	Reserve Account	Subsidy Accounts	Total	Total	PRG-HIPC Trust Account	Umbrella Account for HIPC Operations	Total	Total	PCDR Trust Account	Umbrella Account for PCDR Operations	Total	Total
Assets													
Cash and cash equivalents	— ¹	105	56	161	233	24	1	25	35	1	—	1	— ¹
Interest and other receivables	16	— ¹	— ¹	16	16	— ¹	—	— ¹	— ¹	— ¹	—	— ¹	— ¹
Investments	—	3,760	1,532	5,292	5,069	448	—	448	449	101	—	101	102
Loans receivable	5,432	—	—	5,432	4,807	—	—	—	—	—	—	—	—
Accrued account transfers	(49)	68	(19)	—	—	—	—	—	—	—	—	—	—
Total assets	<u>5,399</u>	<u>3,933</u>	<u>1,569</u>	<u>10,901</u>	<u>10,125</u>	<u>472</u>	<u>1</u>	<u>473</u>	<u>484</u>	<u>102</u>	<u>—</u>	<u>102</u>	<u>102</u>
Liabilities and resources													
Interest payable and other liabilities	27	—	— ¹	27	26	— ¹	—	— ¹	— ¹	—	—	—	—
Borrowings	5,303	—	234	5,537	4,854	197	—	197	223	—	—	—	—
Total liabilities	<u>5,330</u>	<u>—</u>	<u>234</u>	<u>5,564</u>	<u>4,880</u>	<u>197</u>	<u>—</u>	<u>197</u>	<u>223</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Resources	69	3,933	1,335	5,337	5,245	275	1	276	261	102	—	102	102
Total liabilities and resources	<u>5,399</u>	<u>3,933</u>	<u>1,569</u>	<u>10,901</u>	<u>10,125</u>	<u>472</u>	<u>1</u>	<u>473</u>	<u>484</u>	<u>102</u>	<u>—</u>	<u>102</u>	<u>102</u>

¹ Less than SDR 500,000.

Note 12 (concluded)

Concessional Lending and Debt Relief Trusts
Combining statements of comprehensive income and changes in resources
for the years ended April 30, 2012, and 2011

(In millions of SDRs)

	PRG Trust				PRG-HIPC Trust and Related Account				PCDR Trust and Related Account				
	2012		2011		2012		2011		2012		2011 ¹		
	Loan Accounts	Reserve Account	Subsidy Accounts	Total	Total	PRG-HIPC Trust Account	Umbrella Account for HIPC Operations	Total	Total	PCDR Trust Account	Umbrella Account for PCDR Operations	Total	Total
Resources, beginning of year	71	3,915	1,259	5,245	5,159	261	— ²	261	654	102	—	102	—
Investment income	— ²	79	27	106	46	8	—	8	3	— ²	—	— ²	— ²
Interest income on loans	—	—	—	—	—	—	—	—	—	—	—	—	—
Interest expense	(38)	—	(1)	(39)	(32)	— ²	—	— ²	(1)	—	—	—	—
Operational (loss) income	(38)	79	26	67	14	8	— ²	8	2	— ²	—	— ²	— ²
Contributions													
Bilateral donors	—	—	25	25	72	12	—	12	52	—	—	—	—
Special Disbursement Account Administered Account for Liberia	—	—	63	63	46	—	—	—	—	—	—	—	280
HIPC grants	—	—	—	—	—	(6)	6	—	—	—	—	—	—
Transfer through the Special Disbursement Account	—	(63)	—	(63)	(46)	—	—	—	—	—	—	—	— ²
HIPC disbursements	—	—	—	—	—	—	(5)	(5)	(756)	—	—	—	—
PCDR disbursements	—	—	—	—	—	—	—	—	—	—	—	—	(178)
Transfers between:													
Loan and Reserve Accounts	(2)	2	—	—	— ²	—	—	—	—	—	—	—	—
Loan and Subsidy Accounts	38	—	(38)	—	—	—	—	—	—	—	—	—	—
Net comprehensive income (loss)/changes in resources	(2)	18	76	92	86	14	1	15	(393)	— ²	—	— ²	102
Resources, end of year	69	3,933	1,335	5,337	5,245	275	1	276	261	102	—	102	102

¹ From inception to April 30, 2011.

² Less than SDR 500,000.

Schedule 1

PRG Trust
Schedule of outstanding loans
at April 30, 2012

(In millions of SDRs)

Member	ECF	ESF	SCF	RCF	Total	
					Balance	Percent
Afghanistan, Islamic Republic of	87	—	—	—	87	1.60
Albania	19	—	—	—	19	0.35
Armenia	116	—	—	—	116	2.14
Azerbaijan	17	—	—	—	17	0.31
Bangladesh	285	—	—	—	285	5.25
Benin	67	—	—	—	67	1.23
Burkina Faso	92	—	—	—	92	1.69
Burundi	87	—	—	—	87	1.60
Cameroon	17	93	—	—	110	2.03
Cape Verde	3	—	—	—	3	0.06
Central African Republic	59	—	—	—	59	1.09
Chad	4	—	—	—	4	0.07
Comoros	7	2	—	—	9	0.17
Congo, Democratic Republic of the	201	108	—	—	309	5.69
Congo, Republic of	20	—	—	—	20	0.37
Côte d'Ivoire	312	—	—	81	393	7.22
Djibouti	17	—	—	—	17	0.31
Dominica	5	3	—	2	10	0.18
Ethiopia	—	187	—	—	187	3.44
Gambia, The	23	—	—	—	23	0.42
Georgia	79	—	—	—	79	1.45
Ghana	358	—	—	—	358	6.59
Grenada	19	—	—	—	19	0.35
Guinea	44	—	—	—	44	0.81
Guinea-Bissau	7	—	—	—	7	0.13
Guyana	28	—	—	—	28	0.52
Haiti	26	—	—	—	26	0.48
Honduras	14	—	—	—	14	0.26
Kenya	388	136	—	—	524	9.64
Kyrgyz Republic	57	33	—	22	112	2.05
Lao People's Democratic Republic	2	—	—	—	2	0.04
Lesotho	38	—	—	—	38	0.70
Liberia	38	—	—	—	38	0.70
Madagascar	59	—	—	—	59	1.09
Malawi	59	35	—	—	94	1.73
Maldives	—	2	—	—	2	0.04
Mali	66	—	—	—	66	1.22
Mauritania	54	—	—	—	54	0.99
Moldova	245	—	—	—	245	4.51
Mongolia	2	—	—	—	2	0.04
Mozambique	8	114	—	—	122	2.25
Nepal	43	—	—	29	72	1.33
Nicaragua	116	—	—	—	116	2.14
Niger	48	—	—	—	48	0.88
Pakistan	224	—	—	—	224	4.12

Schedule 1 (concluded)

PRG Trust
Schedule of outstanding loans
at April 30, 2012

(In millions of SDRs)

Member	ECF	ESF	SCF	RCF	Total	
					Balance	Percent
Rwanda	9	—	—	—	9	0.17
St. Lucia	—	7	—	4	11	0.20
St. Vincent and the Grenadines	—	4	—	3	7	0.13
Samoa	—	6	—	—	6	0.11
São Tomé and Príncipe	3	—	—	—	3	0.06
Senegal	13	121	—	—	134	2.47
Sierra Leone	79	—	—	—	79	1.45
Solomon Islands	—	—	12	—	12	0.22
Sri Lanka	8	—	—	—	8	0.15
Tajikistan	91	—	—	—	91	1.68
Tanzania	9	219	—	—	228	4.20
Togo	95	—	—	—	95	1.75
Uganda	4	—	—	—	4	0.07
Vietnam	4	—	—	—	4	0.07
Yemen, Republic of	35	—	—	61	96	1.77
Zambia	269	—	—	—	269	4.95
Zimbabwe	69	—	—	—	69	1.27
Total loans outstanding	<u>4,148</u>	<u>1,070</u>	<u>12</u>	<u>202</u>	<u>5,432</u>	<u>100</u>

Schedule 2

PRG Trust
Status of arrangements
at April 30, 2012

(In millions of SDRs)

Member	Date of arrangement	Expiration date	Amount agreed	Undrawn balance
ECF arrangements				
Afghanistan, Islamic Republic of	Nov. 14, 2011	Nov. 13, 2014	85	73
Armenia	Jun. 28, 2010	Jun. 27, 2013	133	59
Bangladesh	Apr. 11, 2012	Apr. 10, 2015	640	549
Benin	Jun. 14, 2010	Sep. 13, 2013	74	32
Burkina Faso	Jun. 14, 2010	Jun. 13, 2013	46	19
Burundi	Jan. 27, 2012	Jan. 26, 2015	30	29
Comoros	Sep. 21, 2009	Sep. 20, 2012	14	6
Congo, Democratic Republic of the	Dec. 11, 2009	Dec. 10, 2012	346	148
Côte d'Ivoire	Nov. 4, 2011	Nov. 3, 2014	390	309
Djibouti	Sep. 17, 2008	Jun. 16, 2012	22	6
Ghana	Jul. 15, 2009	Jul. 14, 2012	387	119
Grenada	Apr. 18, 2010	Apr. 17, 2013	9	6
Guinea	Feb. 24, 2012	Feb. 23, 2015	129	110
Guinea-Bissau	May 7, 2010	May 6, 2013	22	7
Haiti	Jul. 21, 2010	Jul. 20, 2013	41	15
Kenya	Jan. 31, 2011	Jan. 30, 2014	489	216
Kyrgyz Republic	Jun. 20, 2011	Jun. 19, 2014	67	48
Lesotho	Jun. 2, 2010	Jun. 1, 2013	51	17
Liberia	Mar. 14, 2008	May 31, 2012	248	4
Malawi	Feb. 19, 2010	Feb. 18, 2013	52	38
Mali	Dec. 27, 2011	Dec. 26, 2014	30	24
Mauritania	Mar. 15, 2010	Mar. 14, 2013	77	33
Moldova	Jan. 29, 2010	Jan. 28, 2013	185	28
Niger	Mar. 16, 2012	Mar. 15, 2015	79	68
Sierra Leone	Jul. 1, 2010	Jun. 30, 2013	31	13
Tajikistan	Apr. 21, 2009	May 15, 2012	104	13
Total ECF arrangements			<u>3,781</u>	<u>1,989</u>
SCF arrangements				
Georgia	Apr. 11, 2012	Apr. 10, 2014	125	125
Solomon Islands	Dec. 6, 2011	Dec. 5, 2012	5	5
Total SCF arrangements			<u>130</u>	<u>130</u>
Total PRG Trust			<u><u>3,911</u></u>	<u><u>2,119</u></u>

PRG and PRG-HIPC Trusts
Schedule of borrowing and note purchase agreements
at April 30, 2012

(In millions of SDRs)

Creditor	Interest rate (In percent)	Amount of agreement	Amount drawn	Outstanding balance
PRG Trust Loan Accounts				
<i>Borrowing Agreements</i>				
ECF Loan Account				
National Bank of Belgium	Variable ¹	350.0	350.0	116.8
Canada	Variable ¹	400.0	400.0	41.5
China	Variable ¹	200.0	200.0	47.4
Central Bank of Egypt	Variable ¹	155.6	155.6	55.6
Agence Française de Développement (France)	Variable ¹	2,770.0	2,623.2	1,405.4
Banque de France	Variable ¹	1,328.0	287.1	287.1
Kreditanstalt für Wiederaufbau (Germany)	Variable ¹	2,050.0	2,050.0	648.5
Bank of Italy	Variable ¹	1,600.0	975.9	559.1
Japan Bank for International Cooperation	Variable ¹	2,934.8	2,934.8	914.5
De Nederlandsche Bank NV	Variable ¹	450.0	450.0	304.6
Bank of Spain	Variable ¹	425.0	425.0	330.3
Spain	0.50	67.0	67.0	3.7
Swiss National Bank	Variable ¹	401.7	401.7	205.2
General Loan Account				
Canada	Variable ¹	500.0	28.5	28.5
Danmarks Nationalbank	Variable ¹	200.0	3.1	3.1
Bank of Korea	Variable ¹	500.0	—	—
De Nederlandsche Bank NV	Variable ¹	500.0	—	—
Saudi Arabian Monetary Agency	Variable ¹	500.0	—	—
Bank of Spain	Variable ¹	405.0	—	—
Swiss National Bank	Variable ¹	500.0	—	—
RCF Loan Account				
Norway	Variable ¹	150.0	150.0	150.0
SCF Loan Account				
Norway	Variable ¹	150.0	9.4	9.4
<i>Note Purchase Agreements</i>				
ECF Loan Account				
People's Bank of China	Variable ¹	800.0	168.7	168.7
General Loan Account				
Japan	Variable ¹	1,800.0	23.6	23.6
United Kingdom	Variable ¹	1,328.0	—	—
Total—PRG Trust Loan Accounts		<u>20,465.1</u>	<u>11,703.6</u>	<u>5,303.0</u>

Schedule 3 (concluded)

PRG and PRG-HIPC Trusts
Schedule of borrowing and note purchase agreements
at April 30, 2012

(In millions of SDRs)

Creditor	Interest rate (In percent)	Amount of agreement	Amount drawn	Outstanding balance
PRG Trust Subsidy Accounts				
<i>Borrowing Agreements</i>				
ECF Subsidy Account				
Trinidad and Tobago	1.00	3.0	3.0	3.0
General Subsidy Account				
China	Variable ²	100.0	100.0	100.0
Morocco	—	7.8	7.8	7.8
Peru	0.10	6.1	6.1	6.1
Saudi Fund for Development	0.50	132.6	100.7	100.7
Spain	0.50	60.3	58.5	14.7
Uruguay	—	2.0	2.0	2.0
Total—PRG Trust Subsidy Accounts		<u>311.8</u>	<u>278.1</u>	<u>234.3</u>
PRG-HIPC Trust				
<i>Borrowing Agreements</i>				
Algeria	—	7.6	7.6	7.6
Argentina	—	15.6	15.6	15.6
Botswana	Variable ²	6.1	6.1	6.1
Brunei Darussalam	—	0.1	0.1	0.1
Banco de la República de Colombia	—	1.2	1.2	1.2
Croatia	—	0.5	0.5	0.5
Czech National Bank	—	5.7	5.7	5.7
Egypt	—	1.7	1.7	1.7
Fiji	—	0.2	0.2	0.2
Finland	—	5.8	5.8	5.8
Hungary	—	9.2	9.2	9.2
India	—	31.4	31.4	31.4
Bank Indonesia	—	4.9	4.9	4.9
Kuwait	—	4.2	4.2	4.2
Libya	—	10.0	10.0	10.0
Bank Negara Malaysia	—	7.4	7.4	7.4
Morocco	—	2.2	2.2	2.2
Oman	—	1.1	1.1	1.1
State Bank of Pakistan	—	4.7	4.7	4.7
Poland	—	7.1	7.1	7.1
Qatar	—	0.7	0.7	0.7
Saudi Arabia	—	16.7	16.7	16.7
Saudi Fund for Development	0.50	15.2	15.2	15.2
Singapore	—	4.0	4.0	4.0
Sri Lanka	—	0.8	0.8	0.8
Sveriges Riksbank (Sweden)	—	18.6	18.6	18.6
Bank of Thailand	—	6.1	6.1	6.1
Tonga	—	— ³	— ³	— ³
Tunisia	0.50	2.4	2.4	2.4
United Arab Emirates	—	5.1	5.1	5.1
Vietnam	—	0.5	0.5	0.5
Total—PRG-HIPC Trust		<u>196.8</u>	<u>196.8</u>	<u>196.8</u>

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

PRG and PRG-HIPC Trusts
Cumulative contributions and resources
at April 30, 2012

(In millions of SDRs)

Member	PRG Trust Subsidy Accounts					Total	PRG-HIPC Trust subaccounts			
	ECF	RCF	SCF	General	Other ¹		ECF-HIPC	PRG	HIPC	Total
Direct contributions²										
Algeria	—	—	—	2.30	—	2.30	0.41	—	—	0.41
Argentina	27.20	—	—	3.90	—	31.10	11.72	—	—	11.72
Australia	14.64	—	—	17.63	—	32.27	—	—	17.02	17.02
Austria	3.90	—	—	—	—	3.90	4.99	—	9.98	14.97
Bangladesh	0.58	—	—	—	0.13	0.71	1.16	—	—	1.16
Barbados	—	—	—	—	—	—	0.25	—	—	0.25
Belgium	—	—	—	—	—	—	25.93	—	—	25.93
Belize	—	—	—	—	—	—	0.20	—	—	0.20
Brazil	—	—	—	—	—	—	11.03	—	—	11.03
Brunei Darussalam	—	—	—	—	—	—	— ³	—	—	— ³
Cambodia	—	—	—	—	—	—	0.03	—	—	0.03
Canada	199.87	—	—	25.16	14.98	240.01	32.93	—	—	32.93
China	12.00	—	—	—	—	12.00	13.13	—	—	13.13
Colombia	—	—	—	—	—	—	0.01	—	—	0.01
Croatia	—	—	—	—	—	—	0.03	—	—	0.03
Cyprus	—	—	—	—	—	—	0.54	—	—	0.54
Czech Republic	10.00	—	—	—	—	10.00	—	—	—	—
Denmark	38.30	—	—	3.57	—	41.87	13.07	—	—	13.07
Egypt	10.00	—	—	—	—	10.00	0.04	—	—	0.04
Estonia	—	—	—	—	—	—	0.37	—	—	0.37
Republic of Fiji	—	—	—	—	—	—	0.02	—	—	0.02
Finland	22.68	—	—	—	—	22.68	2.58	—	—	2.58
France	17.42	—	—	—	—	17.42	60.90	—	—	60.90
Gabon	—	—	—	—	—	—	0.46	—	—	0.46
Germany	153.44	—	—	—	—	153.44	45.63	—	—	45.63
Greece	—	—	—	—	—	—	2.20	—	—	2.20
Iceland	3.30	—	—	—	—	3.30	0.64	—	—	0.64
India	8.58	—	—	—	1.94	10.52	0.39	—	—	0.39
Ireland	6.91	—	—	—	—	6.91	3.94	—	—	3.94
Israel	—	—	—	—	—	—	1.19	—	—	1.19
Italy	174.50	—	—	—	—	174.50	43.31	—	—	43.31
Jamaica	—	—	—	—	—	—	1.80	—	—	1.80
Japan	541.05	—	—	15.80	—	556.85	98.36	—	—	98.36
Korea	35.98	—	—	4.45	—	40.43	10.63	—	—	10.63
Kuwait	—	—	—	2.61	—	2.61	0.11	—	—	0.11
Latvia	—	—	—	—	—	—	0.71	—	—	0.71
Lithuania	—	—	—	—	—	—	0.73	—	—	0.73
Luxembourg	9.64	—	—	—	0.69	10.33	0.93	—	—	0.93
Malaysia	—	—	—	—	—	—	4.11	—	—	4.11
Malta	0.20	—	—	—	—	0.20	0.71	—	—	0.71
Mauritius	—	—	—	—	—	—	0.04	—	—	0.04
Mexico	—	—	—	—	—	—	39.98	—	—	39.98
Morocco	7.28	—	—	—	—	7.28	0.05	—	—	0.05
Nepal	—	—	—	—	—	—	0.11	—	—	0.11
Netherlands	99.28	—	—	3.68	—	102.96	—	35.73	16.35	52.08
New Zealand	—	—	—	—	—	—	2.21	—	—	2.21
Nigeria	—	—	—	—	—	—	6.15	—	—	6.15
Norway	28.08	5.48	5.48	—	11.10	50.14	12.94	—	—	12.94
Oman	2.24	—	—	—	—	2.24	0.07	—	—	0.07
Pakistan	—	—	—	—	—	—	0.11	—	—	0.11
Philippines	—	—	—	0.38	—	0.38	4.50	—	—	4.50
Poland	—	—	—	—	—	—	8.81	—	—	8.81
Portugal	—	—	—	—	—	—	4.43	—	—	4.43
Qatar	—	—	—	0.60	—	0.60	—	—	—	—
Russian Federation	35.66	—	—	—	—	35.66	10.20	—	—	10.20

Schedule 4 (concluded)

PRG and PRG-HIPC Trusts
Cumulative contributions and resources
at April 30, 2012

(In millions of SDRs)

Member	PRG Trust Subsidy Accounts					Total	PRG-HIPC Trust subaccounts			
	ECF	RCF	SCF	General	Other ¹		ECF-HIPC	PRG	HIPC	Total
St. Vincent and the Grenadines	—	—	—	—	—	—	0.11	—	—	0.11
Samoa	—	—	—	—	—	—	— ³	—	—	— ³
San Marino	—	—	—	—	—	—	0.03	—	—	0.03
Saudi Arabia	—	—	—	—	—	—	0.98	—	—	0.98
Singapore	—	—	—	—	—	—	2.26	—	—	2.26
Slovak Republic	—	—	—	—	—	—	2.67	—	—	2.67
Slovenia	—	—	—	—	—	—	0.31	—	—	0.31
South Africa	—	—	—	—	—	—	20.90	—	—	20.90
Spain	5.26	—	—	8.82	—	14.08	16.55	—	—	16.55
Sri Lanka	—	—	—	—	—	—	0.01	—	—	0.01
Swaziland	—	—	—	—	—	—	0.02	—	—	0.02
Sweden	110.89	—	—	1.84	—	112.73	5.32	—	—	5.32
Switzerland	41.21	—	—	5.44	—	46.65	38.33	—	—	38.33
Thailand	—	—	—	—	—	—	2.17	—	—	2.17
Tonga	—	—	—	—	—	—	— ³	—	—	— ³
Tunisia	—	—	—	—	—	—	0.14	—	—	0.14
Turkey	10.00	—	—	—	—	10.00	—	—	—	—
United Arab Emirates	—	—	—	—	—	—	0.35	—	—	0.35
United Kingdom	372.92	—	—	13.35	—	386.27	23.55	—	33.84	57.39
United States	126.08	—	—	—	—	126.08	—	—	221.93	221.93
Vietnam	—	—	—	—	—	—	0.01	—	—	0.01
Zambia	—	—	—	—	—	—	1.19	—	—	1.19
Total direct contributions	2,129.09	5.48	5.48	109.53	28.84	2,278.42	599.69	35.73	299.12	934.54
Net income transfers										
Austria	40.45	—	—	—	—	40.45	—	—	—	—
Belgium	77.95	—	—	—	—	77.95	—	—	—	—
Botswana	1.35	—	—	—	—	1.35	—	—	—	—
Chile	2.91	—	—	—	—	2.91	—	—	—	—
Greece	25.94	—	—	—	—	25.94	—	—	—	—
Indonesia	5.00	—	—	—	—	5.00	7.89	—	—	7.89
Iran, Islamic Republic of	1.35	—	—	—	—	1.35	—	—	—	—
Portugal	3.56	—	—	—	—	3.56	—	—	—	—
Government of Spain (ICO)	0.94	—	—	—	—	0.94	—	—	—	—
Total net income transfers	159.45	—	—	—	—	159.45	7.89	—	—	7.89
Other contributions										
Special Disbursement Account	870.32	—	—	147.93	—	1,018.25	—	—	—	—
Administered account for Liberia	—	—	—	—	—	—	—	—	339.59	339.59
Total other contributions	870.32	—	—	147.93	—	1,018.25	—	—	339.59	339.59
Total contributions received	3,158.86	5.48	5.48	257.46	28.84	3,456.12	607.58	35.73	638.71	1,282.02
Other resources										
Transfers from/(to):										
Special Disbursement Account	—	—	—	—	—	—	409.70	—	757.10	1,166.80
General Resources Account	—	—	—	—	—	—	72.46	—	—	72.46
ECF Subsidy Account	(95.04)	—	—	—	95.04	—	—	—	—	—
ESF Subsidy Account	(0.04)	—	—	—	0.04	—	—	—	—	—
RCF Subsidy Account	(1.39)	6.72	—	—	(5.33)	—	—	—	—	—
SCF Subsidy Account	(2.93)	—	8.25	—	(5.32)	—	—	—	—	—
General Subsidy Account	(241.27)	—	—	256.17	(14.90)	—	—	—	—	—
PRG-HIPC Subaccount	—	—	—	—	—	—	(26.65)	—	26.65	—
Contributions to the MDRI-II Trust	(1,120.00)	—	—	—	—	(1,120.00)	—	—	—	—
Cumulative net income	1,146.22	0.12	0.20	17.20	3.70	1,167.44	244.66	10.32	63.21	318.19
Disbursements to provide:										
Subsidies for Trust lending	(2,065.49)	(1.23)	(0.11)	—	(102.07)	(2,168.90)	—	—	—	—
HIPC grants for debt relief	—	—	—	—	—	—	(1,078.60)	—	(1,485.67)	(2,564.27)
Total resources	778.92	11.09	13.82	530.83	—	1,334.66	229.15	46.05	—	275.20

¹ Formerly the PRGF and ESF Subsidy Accounts.² In addition to direct contributions, a number of members also make loans available to the PRG Trust on concessional terms.³ Less than SDR 5,000.

PRG-HIPC and MDRI Trusts
Disbursed Multilateral Debt Relief Initiative assistance
at April 30, 2012

(In millions of SDRs)

Financial year ended and member	Eligible debt			Sources of grant assistance		
	PRG Trust	GRA	Total	MDRI-I Trust	MDRI-II Trust	PRG-HIPC Trust
April 30, 2006						
Benin	36	—	36	—	34	2
Bolivia	71	90	161	—	155	6
Burkina Faso	62	—	62	57	—	5
Cambodia	57	—	57	57	—	—
Cameroon	173	—	173	—	149	24
Ethiopia	112	—	112	80	—	32
Ghana	265	—	265	220	—	45
Guyana	45	—	45	—	32	13
Honduras	107	—	107	—	98	9
Madagascar	137	—	137	128	—	9
Mali	75	—	75	62	—	13
Mozambique	107	—	107	83	—	24
Nicaragua	141	—	141	—	92	49
Niger	78	—	78	60	—	18
Rwanda	53	—	53	20	—	33
Senegal	100	—	100	—	95	5
Tajikistan	69	—	69	69	—	—
Tanzania	234	—	234	207	—	27
Uganda	88	—	88	76	—	12
Zambia	403	—	403	—	398	5
Subtotal	2,413	90	2,503	1,119	1,053	331
April 30, 2007						
Malawi	27	11	38	15	—	23
Mauritania	33	—	33	—	30	3
São Tomé and Príncipe	1	—	1	1	—	—
Sierra Leone	117	—	117	77	—	40
Subtotal	178	11	189	93	30	66
April 30, 2008						
Gambia, The	9	—	9	7	—	2
April 30, 2009						
Burundi	27	—	27	9	—	18
April 30, 2010						
Central African Republic	4	—	4	2	—	2
Congo, Republic of	8	—	8	—	5	3
Subtotal	12	—	12	2	5	5
April 30, 2011						
Congo, Democratic Republic of the	248	—	248	—	—	248
Guinea-Bissau	1	—	1	—	—	1
Subtotal	249	—	249	—	—	249
April 30, 2012						
Total	<u>2,888</u>	<u>101</u>	<u>2,989</u>	<u>1,230</u>	<u>1,088</u>	<u>671</u>

Schedule 6

Umbrella Account for HIPC Operations
Grants, interest, disbursements, and changes in resources
for the year ended April 30, 2012

(In millions of SDRs)

Member	Opening balance	Grants from PRG-HIPC Trust Account	Interest earned	Disbursements	Ending balance
Chad	0.01	—	— ¹	—	0.01
Côte d'Ivoire	— ¹	5.04	— ¹	5.04	— ¹
Guinea	0.03	1.29	— ¹	—	1.32
	<u>0.04</u>	<u>6.33</u>	<u>—¹</u>	<u>5.04</u>	<u>1.33</u>

¹ Less than SDR 5,000.

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Independent Auditors' Report

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

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We have audited the accompanying statements of financial position as of April 30, 2012 and 2011, and the related statements of comprehensive income and changes in resources and of cash flows for the years then ended for the following Other Administered Accounts (the "Accounts") of the International Monetary Fund:

- Administered Account – Japan
- Administered Account for Selected Fund Activities – Japan
- Framework Administered Account for Technical Assistance Activities
- Framework Administered Account for Selected Fund Activities
- Administered Account for Interim Holdings of Voluntary Contributions for Fund Activities
- Supplementary Financing Facility Subsidy Account
- The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account
- Administered Account – Indonesia
- Post-SCA-2 Administered Account
- Administered Account for Liberia
- SCA-1/Deferred Charges Administered Account

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

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

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Accounts of the International Monetary Fund at April 30, 2012 and 2011, and the results of their operations and their cash flows for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedules listed on page 76 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 Account'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 21, 2012

Member of
Deloitte Touche Tohmatsu