

**LAPSE OF
TIME**

EBS/23/10

January 23, 2023

To: Members of the Executive Board

From: The Secretary

Subject: **Applications to Become Holders of SDRs**

Board Action:	Executive Directors' consideration on a lapse of time basis
Deadline to Request a Board Meeting, after which Proposed Decisions Deemed Approved:	Wednesday February 8, 2023 12:00 (noon)
Proposed Decisions:	Pages 10-12
Additional Information:	In accordance with past practice and Article XVII, Section 3 (i) of the Articles of Agreement, the attached paper proposes that the following institutions become prescribed holders of SDRs: the Caribbean Development Bank (CDB); the Development Bank of Latin America (<i>Corporacion Andina de Fomento</i> (CAF)); the European Bank for Reconstruction and Development (EBRD); the European Investment Bank (EIB); and the Inter-American Development Bank (IDB). This item was originally proposed as a formal meeting, but converted to lapse of time (owing to workload pressures), which is consistent with past applications by well-established multilateral financial institutions eligible to be prescribed as holders of SDRs.
Publication:	Proposed, after Wednesday, February 15, 2023
Questions:	Mr. Sdravovich, FIN (ext. 36168) Ms. Nkusu, FIN (ext. 37357) Mr. Gororo, FIN (ext. 36812) Mr. Pham, LEG (ext. 34479) Mr. Swanepoel, LEG (ext. 35609)



January 23, 2023

APPLICATIONS TO BECOME HOLDERS OF SDRS

EXECUTIVE SUMMARY

This paper presents for the Executive Board's consideration five applications by official entities to become prescribed holders of SDRs. The entities that have submitted formal applications to become prescribed holders of SDRs are the Caribbean Development Bank (CDB), the Development Bank of Latin America (known as *Corporacion Andina de Fomento* or CAF), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and the Inter-American Development Bank (IADB). These institutions are all well-established multilateral financial institutions and are eligible to be prescribed as holders of SDRs in accordance with Article XVII, Section 3 (i) of the Articles of Agreement.

Staff recommends that the Executive Board prescribe the five applicants as holders of SDRs.

Approved By
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Prepared by The Finance and Legal Departments. The team was led by M. Gororo and M. Nkusu (both FIN), and H. Pham and J. Swanepoel (both LEG); and comprised Q. Chen and B. Oliveira (both FIN) and E. Kabundu (LEG). J. Khaw and C. Sdravovich (both FIN) provided overall guidance, under the supervision of A. Bauer (FIN) and B. Steinki (LEG). R. Flores and A. Mahdi (FIN) helped prepare the report.

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INTRODUCTION

1. **The Special Drawing Right (SDR) is an international reserve asset created to supplement the reserve assets of IMF members.** SDRs are generally allocated to IMF members participating in the SDR Department in proportion to their IMF quotas to meet a long-term global need to supplement existing reserve assets.¹ Pursuant to Article XVII of the Articles of Agreement, SDRs can be held only by the official sector: Fund members that are participants in the SDR Department (currently all Fund members), the Fund itself (through the General Resource Account, GRA), and other official entities referred to as “prescribed holders.” Prescription (i.e., approval) of such official entities as holders of SDRs requires an Executive Board decision adopted by an 85 percent majority of the total voting power.
2. **The Fund has so far prescribed 15 official institutions as holders of SDRs (Box 1).** The prescribed holders are four central banks (Bank of Central African States, Central Bank of West African States, Eastern Caribbean Central Bank, and European Central Bank); three intergovernmental monetary institutions (Bank for International Settlements, Latin American Reserve Fund, and Arab Monetary Fund); and eight multilateral financial institutions (African Development Bank, African Development Fund, Asian Development Bank, International Bank for Reconstruction and Development, the International Development Association, International Fund for Agricultural Development, Islamic Development Bank, and Nordic Investment Bank).
3. **Most prescribed holders were approved in the 1980s (Box 1).**² In the early stages of development of the SDR market, the Fund reached out to some institutions to inquire about their interest in becoming holders of SDRs under Article XVII and subsequently several of them applied. The last application for prescribed holder status was received from the European Central Bank (ECB) following the adoption of the Euro and was approved by the Executive Board in 2000.³
4. **Following the 2021 general SDR allocation, several institutions have explored the possibility of becoming prescribed holders of SDRs.** The historic SDR allocation, which nearly tripled total allocated SDRs to SDR 660.7 billion, prompted renewed interest among institutions to become prescribed holders and thus be able to receive and use SDRs in transactions and operations.⁴

¹ According to the Articles of Agreement, a general allocation of SDRs is distributed to participants in proportion to their quota shares at the Fund. A one-time special SDR allocation was made in 2009 in the context of the Fourth Amendment of the Articles of Agreement. This special allocation aimed to provide members who had become participants in the SDR Department after its creation—including many members from the former Soviet Union—with the same cumulative allocation in terms of quota as if they had been original participants. It thereby allowed members that joined the SDR Department after the first two general SDR allocations to participate equitably in the SDR system.

² To date, all the applications for prescribed holder status were approved by the Executive Board on a lapse-of-time basis.

³ While the euro started on January 1, 1999 as the single currency of the European Economic and Monetary Union, the ECB applied for prescribed holder status only in October 2000.

⁴ The use of the SDR as a unit of account does not require prescription by the Executive Board.

5. This paper presents for Executive Board consideration the applications by five official entities to become prescribed holders of SDRs. The five institutions are: the Caribbean Development Bank (CDB), the Development Bank of Latin America (known as *Corporacion Andina de Fomento* or CAF), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and the Inter-American Development Bank (IADB). Staff assesses that all five institutions are eligible under Article XVII, Section 3 (i) of the Articles of Agreement and staff supports their application.

6. The paper is organized as follows. The next section covers the legal framework and requirements for becoming a prescribed holder, as well as the terms for using SDRs. The section that follows discusses the operational experience with existing prescribed holders of SDRs, followed by a section that discusses the eligibility of the applicants and potential implications for the SDR Department of adding the applicants as new prescribed holders. The last section presents the staff's proposal to prescribe the applicants as holders of SDRs and the proposed decisions.

LEGAL FRAMEWORK FOR BECOMING A PRESCRIBED HOLDER

7. SDR Department and participants. Under the Articles of Agreement, the SDR Department is an entity separate from the General Department as well as trusts and resources administered by the IMF under Article V, Section 2(b). Participation of IMF members in the SDR Department is not mandatory as a condition of Fund membership, but all current Fund members are also participants in the SDR Department. The SDR Department keeps records of SDR allocations to participants and holdings of SDRs by participants and prescribed holders. It is also the entity through which all transactions and operations involving SDRs are conducted and recorded.

8. Qualification criteria for prescribed holders. Under Article XVII, Section 3 (i) of the Articles of Agreement, the Fund has broad authority to prescribe certain official entities as holders of SDRs, namely: non-members, members that are not participants, institutions that perform functions of a central bank for one or more than one member, and other official entities.

9. Terms and conditions to hold and use SDRs. In addition to prescribing an entity to hold and transact in SDRs, the Executive Board, pursuant to Article XVII, Section 3(iii), established in 1980 the terms and conditions under which the entity may accept, hold, and use SDRs (See Annex I). Since then, these standard terms and conditions have applied to all prescribed holders and their activities in the SDR Department.

10. Approval process for prescribed holders. When an application for prescription has been received by the Fund, staff performs basic due diligence to determine whether the requirements for prescription are or could be met. Staff also ascertains the applicant's willingness to accept the standard terms and conditions established by the Executive Board for prescription. If such initial assessment is positive, staff conducts outreach with the Executive Board to determine whether there would be broad support for the application. This is necessary given that approval of the application

requires a decision adopted by an 85 percent of the Executive Board's total voting power. If there appears to be broad support, the application is brought to the Executive Board for its consideration.

11. Prescribed operations and transactions. Prescribed holders may acquire and use SDRs in prescribed operations with participants and other holders. They may elect to take part in the SDR Department's voluntary trading arrangements (VTA).⁵ However, unlike participants in the SDR Department, they do not receive allocations of SDRs, may not request an exchange of SDRs in transactions with designation, and may not initiate transactions with the General Resources Account. Under current decisions, the permitted prescribed operations include the use of SDRs in settlement of financial obligations, loans, pledges, transfers as security for the performance of financial obligations, swap operations, forward operations, and donations.

12. Termination of prescribed holder's status. A prescribed holder's status ends either with (i) a Board decision terminating such status (with majority of the votes cast) or (ii) the Fund receiving written notice from the prescribed holder seeking to terminate its status.⁶

EXPERIENCE WITH EXISTING PRESCRIBED HOLDERS

13. Use of SDRs by existing prescribed holders has generally been limited. Since the creation of the SDR Department, total transactions by prescribed holders amount to about SDR 16 billion or approximately 8 percent of total transactions in the SDR Department by volume, and 14 percent by number of transactions. Transaction volumes within the three categories of prescribed holders are as follows: (i) regional central banks (SDR 6.6 billion); (ii) intergovernmental monetary institutions (SDR 8.5 billion), and (iii) development institutions (SDR 0.6 billion). As of November 30, 2022, six of the fifteen prescribed holders hold SDRs.

14. Most of the transactions of prescribed holders have been between regional central banks or intergovernmental monetary institutions and their member states for the settlement of financial obligations and other transactions. Operations by these entities consist mostly of exchanges of SDRs for freely usable currencies through bilateral transactions by agreements or through the VTAs. In addition, the BIS, as the most active prescribed holder, plays an important role in conducting sales on behalf of the trusts and administered accounts that the Fund administers, including to facilitate the disbursement of loans in currencies funded with resources in SDRs.

⁵ The VTAs are bilateral arrangements between the Fund and SDR participants, in which the VTA members agree to buy and sell SDRs within certain limits. The ECB is currently the only prescribed holder that is also a VTA member.

⁶ Prior to Switzerland becoming a member of the Fund, the Swiss National Bank was a prescribed holder in the SDR Department. Once Switzerland joined the Fund and became a participant in the SDR Department, the Swiss National Bank notified the Fund that it had terminated its status as a prescribed holder.

Box 1. IMF Prescribed Holders and Year of Approval of Prescribed Holder Status**Central banks (4)**

European Central Bank (ECB)	November 15, 2000
Bank of Central African States (BEAC)	February 26, 1982
Central Bank of West African States (BCEAO)	June 29, 1981
Eastern Caribbean Central Bank (ECCB)	May 17, 1984

Intergovernmental monetary institutions (3)

Bank for International Settlements (BIS)	January 21, 1974
Latin American Reserve Fund (FLAR) - Former Andean Reserve Fund	April 18, 1980
Arab Monetary Fund (AMF)	August 26, 1980

Development and other multilateral institutions (8)

African Development Bank (AFDB)	June 25, 1986
African Development Fund (AFDF)	June 25, 1986
Asian Development Bank (ADB)	October 15, 1982
International Bank for Reconstruction and Development (IBRD)	December 23, 1980
International Development Association (IDA)	December 23, 1980
Islamic Development Bank	April 5, 1982
Nordic Investment Bank	April 18, 1980
International Fund for Agricultural Development	April 18, 1980

15. Use of SDRs by multilateral development banks (MDBs) and other multilateral financial institutions has been more sporadic. Most of the transactions by these (non-monetary) institutions are also related to exchange of SDRs for currency by bilateral agreement or through VTAs or the settlement of financial obligations. Of the eight multilateral financial institutions, four have made SDR transactions since becoming prescribed holders.

ASSESSMENT OF THE ELIGIBILITY OF THE APPLICANTS AND IMPLICATIONS OF THEIR PRESCRIPTION AS SDR HOLDERS

16. The five institutions whose applications are presented to the Board in this paper are well-established official institutions in good standing (see Annex II).⁷ Their sovereign shareholders are mostly Fund members and participants in the SDR Department.⁸ The institutions have established track records in the provision of development financing and have operations that are similar to other existing prescribed holders. Further, the Fund engages regularly with these five institutions as part of its operational activities, including in the context of ascertaining financing assurances for Fund-supported programs. The institutions are adequately funded, with robust capital structures, and strong credit ratings affirming sound financial credentials. All applicants had technical discussions with staff on the SDR and related operations. Some have been exploring possible vehicles for SDR channeling to leverage their development financing operations and, based on discussions with staff, the potential participation in SDRs channeling is among the motivations for requesting prescription as holders of the SDR.

17. The five new applicants meet the criteria to become prescribed holders. Based on staff's assessment, these applications are eligible to be prescribed as holders of SDRs in accordance with Article XVII, Section 3 (i) of the Articles of Agreement. All applicants understand and accept that their SDR operations have to conform with the terms and conditions of prescription for SDR operations.

18. In the view of staff, the prescription of these institutions would be in line with the effective functioning of the SDR Department:

- **Benefits for SDR Department participants.** Prescription of the applicants would enlarge the choices of members to use their SDRs, including settling financial obligations and potentially channeling SDRs to them, thereby increasing the attractiveness of the SDR as a reserve asset.
- **Impact on SDR transactions volume.** Based on the experience with existing prescribed holders, the prescription of new holders of SDRs is likely to result in a modest increase in SDR transactions and related operating costs in the near future. If new prescribed holders get SDRs through settlement of financial obligations by their members (or through channeling, in the

⁷ The applicants submitted the necessary documents to enable staff to conduct its assessment. Submitted documents include: (i) description of the type of institution and nature of operations, (ii) description of when institution was established and its functions, including current location of its headquarters and offices, and (iii) organizational structure, governance, and decision-making bodies, and membership. Applicants also submitted a copy of the balance sheet and income statements from most recently published annual reports.

⁸ The EBRD has a single non-IMF member sovereign (Liechtenstein) among its shareholders, with 0.02 percent capital share. The EIB is also a shareholder of the EBRD. The CDB has five small islands as shareholders that are not IMF members, all British Overseas Territories (Anguilla, British Virgin Islands, Cayman Islands, Montserrat, and Turks & Caicos Islands). The CDB classifies the last four as a single member with a 0.19 percent capital share while Anguilla's capital share is 0.16 percent. The CAF, an international legal entity created by states, also includes private institutions as shareholders (13 banks), representing 0.03 percent of the voting power.

future), they could choose to hold the SDRs on their balance sheets or exchange them for currencies in direct exchanges with their members or in the VTA market.

- **Impact on the VTA market.** The impact is likely to be limited in the near term as the applicants would be expected to operate only occasionally in the market. At this point, there is no indication that any of the applicants would become VTA members. The prescription of the applicants as holders of SDRs would not impose any duty on them to acquire SDRs. This, together with the fact that prescribed holders would have no initial holdings of SDRs, makes it difficult for them to become VTA members at the outset. In the longer term, the extent of participation by prescribed holders and impact on the VTA market (and on IMF trusts) would depend on the development of potential SDR channeling options. If such channeling materializes, an expectation could be established that members channeling SDRs to development financing institutions stand ready to exchange freely usable currencies for SDRs in the VTA market. Such an expectation already exists for members channeling SDRs into the PRGT and Resilience and Sustainability Trust (RST). Prescribed holders could also be encouraged to become VTA members if they are expected to maintain sizeable SDR holdings. Participation of any new prescribed holders in the VTA market would be established through an agreement.

19. Potential enterprise risks associated with the approval of the current applications for prescribed holder status are low overall. These risks are as follows:

- **Operational risk.** The nature of financial transactions to be executed by the applicants are expected to be similar to those of existing prescribed holders and would not materially increase operational risk in the near term. Onboarding of the new holders and their integration in the Fund's operating systems would also be relatively straightforward. Over time, operational risks could rise if transactions increase substantially, including from potential channeling of SDRs to prescribed holders. Close monitoring of developments and adequate administrative resources to support financial operations would mitigate these risks.
- **Financial and reputational risk.** Financial and reputational risks to the Fund from prescribing the applicants as holders of SDRs appear low given their characteristics, mandate, and track record, and the expected range and volume of their SDR operations in the near term. Non-prescription could raise questions of evenhanded treatment with similar institutions that are already prescribed holders. Some financial risks could arise over time if substantial amounts of SDRs are channeled to new and existing prescribed holders and these hold on to the SDRs, as this could have a detrimental effect on the liquidity of the VTA market. These risks could be mitigated by encouraging prescribed holders with large SDRs holdings to become VTA members.

STAFF RECOMMENDATION

20. Staff recommends the approval of the five applications. The applicants are all official entities and have indicated that they accept the standard terms and conditions of prescription. Moreover, the prescription of the five applicants as other holders of SDRs would enhance the attractiveness of the SDR as a reserve asset and be consistent with the effective functioning of the SDR Department. Staff therefore proposes that the Executive Board prescribe these entities as holders of SDRs. Pursuant to Article XVII, Section 3(i), the prescription of any holder of SDRs requires an Executive Board decision adopted by an 85 percent of the total voting power.

Proposed Decisions

The following decisions, which may each be adopted by an eighty-five percent majority of the total voting power, are proposed for adoption by the Executive Board:

Proposed Decision 1 - Decision Prescribing European Bank for Reconstruction and Development as a Holder of SDRs.

1. **Prescription as a holder.** The European Bank for Reconstruction and Development is prescribed, in accordance with Article XVII, Section 3(i) of the Articles of Agreement, as a holder of SDRs.
2. **Terms and conditions for acceptance, holding, and use of SDRs.** The European Bank for Reconstruction and Development is authorized to accept, hold, and use SDRs in transactions and operations in accordance with and on the terms and conditions specified in Executive Board Decision No. 6467-(80/71) S, adopted April 14, 1980 ("Terms and Conditions for the Acceptance, Holding, and Use of Special Drawing Rights by Other Holders Prescribed under Article XVII, Section 3").

Proposed Decision 2 - Decision Prescribing the Inter-American Development Bank as a Holder of SDRs.

1. **Prescription as a holder.** The Inter-American Development Bank is prescribed, in accordance with Article XVII, Section 3(i) of the Articles of Agreement, as a holder of SDRs.
2. **Terms and conditions for acceptance, holding, and use of SDRs.** The Inter-American Development Bank is authorized to accept, hold, and use SDRs in transactions and operations in accordance with and on the terms and conditions specified in Executive Board Decision No. 6467-

(80/71) S, adopted April 14, 1980 (“Terms and Conditions for the Acceptance, Holding, and Use of Special Drawing Rights by Other Holders Prescribed under Article XVII, Section 3”).

Proposed Decision 3 - Decision Prescribing the European Investment Bank as a Holder of SDRs.

1. **Prescription as a holder.** The European Investment Bank is prescribed, in accordance with Article XVII, Section 3(i) of the Articles of Agreement, as a holder of SDRs.
2. **Terms and conditions for acceptance, holding, and use of SDRs.** The European Investment Bank is authorized to accept, hold, and use SDRs in transactions and operations in accordance with and on the terms and conditions specified in Executive Board Decision No. 6467-(80/71) S, adopted April 14, 1980 (“Terms and Conditions for the Acceptance, Holding, and Use of Special Drawing Rights by Other Holders Prescribed under Article XVII, Section 3”).

Proposed Decision 4 - Decision Prescribing the Corporacion Andina de Fomento as a Holder of SDRs.

1. **Prescription as a holder.** The Corporacion Andina de Fomento is prescribed, in accordance with Article XVII, Section 3(i) of the Articles of Agreement, as a holder of SDRs.
2. **Terms and conditions for acceptance, holding, and use of SDRs.** The Corporacion Andina de Fomento is authorized to accept, hold, and use SDRs in transactions and operations in accordance with and on the terms and conditions specified in Executive Board Decision No. 6467-(80/71) S, adopted April 14, 1980 (“Terms and Conditions for the Acceptance, Holding, and Use of Special Drawing Rights by Other Holders Prescribed under Article XVII, Section 3”).

Proposed Decision 5 - Decision Prescribing the Caribbean Development Bank as a Holder of SDRs.

1. **Prescription as a holder.** The Caribbean Development Bank is prescribed, in accordance with Article XVII, Section 3(i) of the Articles of Agreement, as a holder of SDRs.

2. **Terms and conditions for acceptance, holding, and use of SDRs.** The Caribbean Development Bank is authorized to accept, hold, and use SDRs in transactions and operations in accordance with and on the terms and conditions specified in Executive Board Decision No. 6467-(80/71) S, adopted April 14, 1980 ("Terms and Conditions for the Acceptance, Holding, and Use of Special Drawing Rights by Other Holders Prescribed under Article XVII, Section 3").

Annex I. Terms and Conditions for Acceptance, Holding, and Use of Special Drawing Rights by Other Holders

The terms and conditions on which other holders prescribed by the Fund may accept, hold, or use SDRs are described under *Decision No. 6467-(80/71), April 14, 1980:*

1. Acceptance, Holding, and Use by Prescribed Holders

(a) Acceptance and use

A prescribed holder may accept or use special drawing rights (i) in exchange for an equivalent amount of a monetary asset other than gold in a transaction entered into by agreement with a participant, or another prescribed holder, or (ii) in an operation entered into by agreement with a participant or another prescribed holder in accordance with and on the same terms and conditions established at that time for participants by decisions of the Fund under Article XIX, Section 2(c).

(b) Holding

A prescribed holder may hold special drawing rights, subject to the provisions of this decision, accepted in accordance with (a) above or received as interest paid on its holdings of special drawing rights in accordance with Article XX, Section 1.

2. Acceptance and Use by Participants in Transactions and Operations with Prescribed Holders

Participants may enter into transactions and operations by agreement with a prescribed holder in accordance with the prescriptions in paragraph 1(a) of this decision.

3. Application of General Provisions

The holding of special drawing rights and the acceptance and use of them in transactions and operations by a prescribed holder shall be governed by the provisions of the Articles, By-Laws, Rules and Regulations, and decisions of the Fund that apply from time to time to all holders of special drawing rights.

4. Exchange Rates

The Rules and Regulations and decisions of the Fund that determine the exchange rates applicable at the time of each use or acceptance of special drawing rights by a participant shall apply to each use or acceptance of them by a prescribed holder. A prescribed holder shall not levy any charge or commission in respect of a transaction involving special drawing rights.

5. Information and Recording

The Fund shall inform prescribed holders of matters relevant to the acceptance, holding, and use of special drawing rights by them. A prescribed holder shall inform the Fund promptly of the facts

necessary to record any transactions or operations in which a prescribed holder accepts or uses special drawing rights.

6. Consultation and Review

(a) Consultation between the Fund and a prescribed holder shall be held at the request of the Fund or the prescribed holder with respect to the application of this decision or the decision prescribing the holder or with respect to transactions or operations entered into involving special drawing rights.

(b) The Executive Board shall review periodically this decision and decisions prescribing holders.

7. General Undertaking

Each prescribed holder shall collaborate with the Fund, participants, and other prescribed holders with respect to its acceptance, holding, and use of special drawing rights in order to facilitate the effective functioning of the Special Drawing Rights Department and the proper use of special drawing rights in accordance with the Articles and the terms and conditions prescribed by the Fund now or in the future for the acceptance, holding, and use of special drawing rights by prescribed holders.

8. Suspension

During any period in which a suspension is in effect under Article XXIII, Section 1 with respect to participants, the suspension shall apply to the same extent to prescribed holders.

9. Termination

(a) The prescription of a holder of special drawing rights may be terminated by the Fund by a decision of the Executive Board or by a notice from the prescribed holder in writing to the Fund at its principal office. Termination shall become effective on the date specified in the decision of the Executive Board but not earlier than the date of the decision, or when notice from the prescribed holder is received by the Fund at its principal office.

(b) A prescribed holder whose status as such has been terminated may continue to hold the special drawing rights it held on termination and to receive special drawing rights as interest on its holdings and may continue to use special drawing rights to dispose of them in transactions or operations in accordance with paragraph 1(a) above. A prescribed holder whose status has been terminated shall make arrangements, with the concurrence of the Fund, to dispose of its holdings of special drawing rights as expeditiously as possible and shall exchange special drawing rights for a freely usable currency selected by the prescribed holder when requested by the Fund.

Annex II. Summary Information on the Applicants

A. European Bank for Reconstruction and Development (EBRD)

The letter of application (see Annex III.A) indicates that the EBRD wishes to be authorized to receive and use SDRs in accordance with the terms and conditions governing the acceptance, holding, and use of SDRs by holders generally.

Membership

- The EBRD is owned by 71 countries from five continents, as well as the European Union and the European Investment Bank. These shareholders have each made a capital contribution, which forms the core source of funding (see Annex III.A).
- The EBRD has its headquarters in London.

Establishment and Functions

- Establishment:
 - The EBRD was established in 1991 to help build a new, post-Cold War era in Central and Eastern Europe. The Bank's governing constituent document is the Agreement Establishing the European Bank for Reconstruction and Development. The EBRD is committed to furthering progress towards market-oriented economies and the promotion of private and entrepreneurial initiative.
- Functions:
 - Since its inception, the Bank has invested over EUR 180 billion in a total of more than 6,500 projects in its countries of operations to support the systemic change that promotes this transition and private sector development. The EBRD invests in economies across three continents, including Central Asia, Europe and Baltic States, and Mediterranean countries.
 - The Bank engages primarily in Banking and Treasury activities. Banking activities represent investments in projects that, in accordance with the Agreement Establishing the European Bank for Reconstruction and Development, are made for the purpose of assisting the economies in which the Bank invests in their transition to open, market economies whilst fostering sustainable and inclusive growth and applying sound banking principles. The main investment products are loans, share investments and guarantees.
 - Treasury activities include raising debt finance, investing surplus liquidity, managing the Bank's foreign exchange and interest rate risks and assisting clients in asset and liability management.

Financial Structure

- Share capital:
 - As of the end of 2021, the Bank's authorized share capital is EUR 30.0 billion, of which subscribed capital amounts to EUR 29.8 billion. Of the subscribed amount, paid-in capital constitutes EUR 6.2 billion.
- Credit rating:
 - The EBRD's credit rating is AAA/Aaa/AAA (stable) credit rating. See <https://www.ebrd.com/work-with-us/capital-markets/investor-information.html>
- Balance sheet information:
 - The balance sheet information (Annex III.A) was excerpted from EBRD' Annual Report. The full document can be accessed via www.ebrd.com.

B. Inter-American Development Bank (IADB)

The letter of application (see Annex III.B) indicates that the IADB wishes to be authorized to receive and use SDRs in accordance with the terms and conditions governing the acceptance, holding, and use of SDRs by holders generally.

Membership

- Currently, 48 countries are members of the IADB and own entirely its capital stock (see Annex III.B).
- The IADB has its headquarters in Washington D.C.

Establishment and Functions

- Establishment:
 - The IADB was established in 1959 to contribute to the acceleration of the process of economic and social development in Latin America and the Caribbean.
- Functions:
 - The IADB's principal activities are providing loans, credit guarantees, and technical assistance to support development projects in its 48 developing member countries. Since its founding, it has approved more than USD 333 billion in loans for projects in key sectors such as

transportation, energy, education, health, and water and sanitation, with an emphasis on poverty reduction.

Financial Structure

- Share capital:
 - Shareholders' support for the Bank is reflected in the capital backing it has received from its members. At December 31, 2021, subscribed capital stock, net of subscriptions receivable, was USD 170.9 billion, of which USD 6 billion is paid-in, USD 5.8 billion is additional paid-in capital, and USD 164.9 billion is callable.
- Credit rating:
 - The Bank is rated AAA/Stable/A-1+ by Standard & Poor's, Aaa/Stable/P1 by Moody's Investor Services and AAA/Stable/F1+ by Fitch Ratings.
<https://www.iadb.org/en/investors/investors>
- Balance sheet information:
 - The balance sheet information (Annex III.B) was excerpted from IADB's Annual Report. The full document can be accessed via IADB's website: www.iadb.org.

C. Development Bank of Latin America (known as *Corporacion Andina de Fomento* or CAF)

The letter of application (Annex III.C) indicates that the CAF wishes to be authorized to receive and use SDRs in accordance with the terms and conditions governing the acceptance, holding, and use of SDRs by holders generally.

Membership

- CAF current membership includes 20 shareholder countries in Latin America, the Caribbean, Spain and Portugal, as well as 13 private banks (see Annex III.C).
- CAF's official headquarters are located in Caracas, Venezuela.

Establishment and Functions

- Establishment:
 - The CAF was established in 1968 pursuant to the Agreement establishing Corporación Andina de Fomento for the purpose of seeking to foster and promote economic development within Latin America and the Caribbean. CAF may operate under the trade

name "Development Bank of Latin America" (Banco de Desarrollo de América Latina). CAF is a multilateral financial institution, created and operating under international public law.

- Functions:
 - CAF offers financial and related services to the governments of, and public and private institutions, corporations and joint ventures operating in, its shareholder countries. Primarily, CAF provides short, medium, and long-term loans and guarantees. To a lesser extent, CAF also participates as a limited equity investor in corporations and investment funds and provides technical and financial assistance, as well as administrative services for certain regional funds.
 - CAF promotes a sustainable development model through credit, non-refundable resources, and support in the technical and financial structuring of projects in the public and private sectors of Latin America. CAF offers financial and related services to the governments of its stockholder countries, as well as their public and private institutions, corporations and joint ventures.
 - CAF's principal activity is to provide short, medium and long-term loans to finance projects, working capital, trade activities and to undertake feasibility studies for investment opportunities in stockholder countries. Furthermore, CAF manages and supervises third-party cooperation funds owned and sponsored by other countries and organizations, destined to finance programs agreed upon with donor countries and organizations which are in line with CAF's policies and strategies.

Financial Structure

- Share capital:
 - The current authorized capital of CAF is USD 25 billion. The subscribed capital of CAF as of December 31, 2021 amounted to USD 7.7 billion of which USD 1.6 billion is callable capital shares, distributed among Series "A", "B" and "C" shares. In December 2021, CAF's Board of Directors approved a USD 7 billion capital increase, the largest in CAF's history. This decision was ratified during the CAF's Shareholders Assembly meeting in March 2022.
 - Series "A" shares may be owned only by the Member Countries. Series "B" shares are currently owned by the Member Countries and are held by the governments either directly or through designated governmental entities, except for certain Series "B" shares constituting approximately 0.03 percent of outstanding shares, which are owned by 13 private sector financial institutions in the Member Countries. Series "C" shares are currently owned by eight associated shareholder countries: Barbados, Chile, Costa Rica, Dominican Republic, Jamaica, Mexico, Portugal and Spain.
- Credit rating:

- On June 17, 2022, Standard and Poor's (S&P Global) raised its long-term credit rating for CAF from AA- to A+ with positive outlook, as well as its short-term credit rating from A-1 to A-1+. Other ratings are as follows:
 - In January 2022, Fitch Ratings revised the Outlook on CAF's Long-Term Issuer Default Rating (IDR) to Positive from Stable and affirmed the IDR at 'A+' Fitch Ratings A+.
 - In September 2022, Japan Credit Rating Agency upgraded CAF's rating to AA+ from AA.
 - Moody's Investor Service rates CAF in Aa3 (See [credit ratings | CAF](#)).
- Balance sheet information:
 - The balance sheet information (Annex III.C) was excerpted from CAF's Annual Report. The full document can be accessed via CAF's website: <https://www.caf.com/media/3682179/caf-annual-ingles31-12-2021conelinformedelosauditoresindependientes.pdf>

D. European Investment Bank (EIB).

The letter of application (Annex III.D) indicates that the EIB wishes to be authorized to receive and use SDRs in accordance with the terms and conditions governing the acceptance, holding, and use of SDRs by holders generally.

Membership

- The members of the European Investment Bank are the 27 Member States of the European Union (see Annex III.D).
- The EIB is headquartered in Luxembourg.

Establishment and Functions

- Establishment:
 - The EIB was established in 1958. The EIB performs its functions and carries out its activities in accordance with the provisions of the EU Treaties and of its Statute.
- Functions:
 - The EIB is a Multilateral Development Bank.
 - The task of the EIB, as set out in Article 309 of the Treaty on the Functioning of the European Union (TFEU), is "to contribute, by having recourse to the capital market and utilizing its own resources, to the balanced and steady development of the internal market in the interest of the Union."

- The EIB works closely with other EU institutions to foster European integration, promote the development of the EU,
- and support EU policies, including development cooperation policy, with operations in over 160 countries around the world.
- The TFEU further specifies the EIB's tasks. In particular, Article 175 of the TFEU provides that the EIB shall contribute to the promotion of economic, social and territorial cohesion in the Union and Article 209 of the TFEU provides that the EIB shall support the implementation of measures outside the EU which support the development cooperation policy of the Union. The role of the EIB is also referenced in the Protocol No 28 on Economic, Social and Territorial Cohesion, annexed to the Treaties.
- The EIB is the European Union's long-term lending institution, and as such provides finance and expertise for economically, technically, financially and environmentally sound investment projects in Europe and beyond, which contribute to EU policy objectives and priorities.

Financial Structure

- Share capital:
 - The Bank's membership comprises the EU Member States. The subscribed capital for each Member State is laid down in Article 4 of the EIB Statute, which is annexed as Protocol No 5 to the EU Treaties.
 - Subscriptions are denominated in absolute euro amounts. The total subscribed capital of the EIB amounts to EUR 248.8 billion (as of 31 December 2021). The subscribed capital is composed of callable and paid-in capital.
- Credit rating:
 - The EIB's credit rating is AAA rating (see [credit rating](#) EIB).
- Balance sheet information:
 - The balance sheet information (Annex III.D) was excerpted from EIB's Annual Report. These documents may be accessed via EIB's website.
<https://www.eib.org/en/publications/financial-report-2021>

E. Caribbean Development Bank (CDB)

The letter of application (see Annex III.E) indicates that the CDB wishes to be authorized to receive and use SDRs in accordance with the terms and conditions governing the acceptance, holding, and use of SDRs by holders generally.

Membership

- CDB has a total of 28 member countries, including 19 regional borrowing members, 4 regional non-borrowing members, and 5 non-regional, non-borrowing members (see Annex III.E).
- The Bank is located in St. Michael, Barbados.

Establishment and Functions

- Establishment:
 - The CDB was established by an Agreement signed in Kingston, Jamaica, on October 18, 1969, and entered into force on January 26, 1970.
- Functions:
 - Article 1 of CDB's Charter states that the purpose of CDB is to contribute to the harmonious economic growth and development of the 28 member countries in the Caribbean and to promote economic co-operation and integration among them, having special and urgent regard for the needs of the less developed members of the region.
 - The CDB's principal activities are providing loans, guarantees, investments, borrowing programs, technical assistance, and policy advice to support its member countries' strategic, economic, social and developmental goals and initiatives.
 - Since its founding, it has approved approximately USD 5.6 billion in loans for projects in key sectors such as agriculture and rural development; manufacturing and industry; power, energy, water and sanitation; social infrastructure and services; and environmental sustainability and disaster reduction.

Financial Structure

- Share capital:
 - The Bank's capital stock is divided into paid-in shares and callable shares. Payment of the amount subscribed to the callable capital is subject to call by the Bank to meet its obligations as and when required by the Bank subject to certain conditions. Payment for paid-in shares subscribed by its members is made over six annual instalments.

- At the fortieth meeting of the Board of Governors in May 2010, a general capital increase of 150 percent was approved. The Bank's capital as at December 31 2021 was as follows:
subscribed capital USD 1.8 billion, callable capital USD 1.4 billion.
- Credit rating:
 - The Bank is rated AA+/Stable/A-I+ by Standard & Poor's, Aa1 Stable by Moody's Investor Services and AA+/Stable/F1+ by Fitch Ratings. <https://www.caribank.org/about-us/investors>
- Balance sheet information:
 - The balance sheet information (Annex III.E) was excerpted from CDB's Annual Report. These documents may be accessed via CDB's website. <https://www.caribank.org/publications-and-resources/resource-library/annual-reports>

Annex III. Letters Submitted by Applicants

ANNEX III.A



European Bank
for Reconstruction and Development

Odile Renaud-Basso
President

Mr. Bernard Lauwers
Director
IMF Finance Department
700 19th Street Washington DC, NW
20431

5 April 2022

Application to become a prescribed holder of SDRs

Dear Mr. Lauwers,

On behalf of the European Bank for Reconstruction and Development (henceforth 'EBRD') we hereby submit our application to become prescribed by the International Monetary Fund (IMF or the Fund) as a holder of Special Drawing Rights (SDRs).

The EBRD seeks to become an 'other holder' of SDRs and have the authority to hold, accept and use them in transactions and operations with participants of the SDR Department and other prescribed holders, consistently with the rules applicable to the SDR Department.

If prescribed by the Fund as an 'other holder', the EBRD stands ready to agree to the terms and conditions prescribed by the Fund.

The EBRD, if prescribed as a holder of SDRs, is prepared to consult with the Fund and will collaborate with the Fund, participants in the SDR Department, and other prescribed holders of SDRs, as necessary, in order to facilitate the effective functioning of the SDR Department and the proper use of SDRs.

Relevant information to support this application is attached. We would be happy to provide you with any further information needed to facilitate the consideration of our application. The relevant contacts in the Bank are Carlos San Basilio (sanc@ebrd.com), Managing Director, Corporate Strategy, and Aldo Schmitt (schmittA@ebrd.com), Principal, Corporate Strategy.

Yours sincerely,

One Exchange Square, London EC2A 2JN, United Kingdom
Tel: +44 20 7338 6000 Web: www.ebrd.com

Listing of Members

Member	Date joined	Capital subscription (€ 000)
Albania	18 Dec 1991	30,010
Algeria	19 Oct 2021	2,030
Armenia	7 Dec 1992	14,990
Australia	30 Mar 1991	300,140
Austria	28 Mar 1991	684,320
Azerbaijan	25 Sep 1992	30,010
Belarus	10 Jun 1992	60,020
Belgium	10 Apr 1991	684,320
Bosnia and Herzegovina	17 Jun 1996	50,710
Bulgaria	28 Mar 1991	237,110
Canada	28 Mar 1991	1,020,490
China	15 Jan 2016	29,000
Croatia	15 Apr 1993	109,420
Cyprus	28 Mar 1991	30,010
Czech Republic	1 Jan 1993	256,110
Denmark	28 Mar 1991	360,170
Egypt	28 Mar 1991	21,010
Estonia	28 Feb 1992	30,010
European Investment Bank	28 Mar 1991	900,440
European Union	28 Mar 1991	900,440
Finland	28 Mar 1991	375,180
France	28 Mar 1991	2,556,510
Georgia	4 Sep 1992	30,010
Germany	28 Mar 1991	2,556,510
Greece	29 Mar 1991	195,080
Hungary	28 Mar 1991	237,110
Iceland	29 May 1991	30,010
India	11 July 2018	9,860
Ireland	28 Mar 1991	90,040
Israel	28 Mar 1991	195,080
Italy	28 Mar 1991	2,556,510
Japan	2 Apr 1991	2,556,510
Jordan	29 Dec 2011	9,860
Kazakhstan	27 Jul 1992	69,020
Korea, Republic of	28 Mar 1991	300,140
Kosovo	17 Dec 2012	5,800
Kyrgyz Republic	5 Jun 1992	21,010
Latvia	18 Mar 1992	30,010
Lebanon	17 Jul 2017	9,860
Libya	16 July 2019	9,860
Liechtenstein	28 Mar 1991	5,990
Lithuania	5 Mar 1992	30,010

Luxembourg	28 Mar 1991	60,020
Malta	28 Mar 1991	2,100
Mexico	28 Mar 1991	45,010
Moldova	5 May 1992	30,010
Mongolia	9 Oct 2000	2,990
Montenegro	3 June 2006	5,990
Morocco	28 Mar 1991	24,640
Netherlands	28 Mar 1991	744,350
New Zealand	19 Aug 1991	10,500
North Macedonia	21 Apr 1993	17,620
Norway	28 Mar 1991	375,180
Poland	28 Mar 1991	384,180
Portugal	5 Apr 1991	126,050
Romania	28 Mar 1991	144,070
Russian Federation	9 Apr 1992	1,200,580
San Marino	7 Jun 2019	2,030
Serbia	19 Jan 2001	140,310
Slovak Republic	1 Jan 1993	128,070
Slovenia	23 Dec 1992	62,950
Spain	28 Mar 1991	1,020,490
Sweden	28 Mar 1991	684,320
Switzerland	29 Mar 1991	684,320
Tajikistan	16 Oct 1992	21,010
Tunisia	29 Dec 2011	9,860
Turkey	28 Mar 1991	345,150
Turkmenistan	1 Jun 1992	2,100
Ukraine	13 Apr 1992	240,110
United Arab Emirates	23 Sep 2021	2,030
United Kingdom	28 Mar 1991	2,556,510
United States of America	28 Mar 1991	3,001,480
Uzbekistan	30 Apr 1992	44,120

Balance sheet

At 31 December 2020	Note	€ million	31 Dec 2020 € million	€ million	31 Dec 2019 € million
Assets					
Placements with and advances to credit institutions	12	18,690		18,368	
Debt securities					
At fair value through profit or loss		1,741		1,789	
At amortised cost		11,243		11,840	
			31,674		31,997
Other financial assets					
Derivative financial instruments	14	5,030		4,300	
Other financial assets		444		456	
			5,474		4,756
Loan investments					
Loans at amortised cost	15	26,016		24,118	
Less: Provisions for impairment	10	(1,141)		(946)	
Loans at fair value through other comprehensive income	16	2,280		2,494	
Loans at fair value through profit or loss	17	319		409	
			27,474		26,075
Share investments					
<i>Banking portfolio:</i>					
At fair value through profit or loss	18	4,872		5,070	
<i>Treasury portfolio:</i>					
Share investments at fair value through other comprehensive income	19	105		112	
			4,977		5,182
Intangible assets	20		77		69
Property and equipment	21		96		122
Total assets			69,772		68,201
Liabilities					
Borrowings					
Amounts owed to credit institutions and other third parties	22	1,353		1,669	
Debts evidenced by certificates	23	46,926		45,821	
			48,279		47,490
Other financial liabilities					
Derivative financial instruments	24	2,733		1,935	
Other financial liabilities		869		946	
			3,602		2,881
Total liabilities			51,881		50,371
Members' equity attributable to equity holders					
Paid-in capital	25	6,217		6,217	
Reserves and retained earnings	26	11,674		11,613	
Total members' equity			17,891		17,830
Total liabilities and members' equity			69,772		68,201
Memorandum items					
Undrawn commitments	27		15,081		14,254

ANNEX III.B

Washington D.C., June 29th, 2021

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
Washington, D.C. 20431

Subject: Application to become holder of SDRs

Dear Ms. Georgieva,

On behalf of Inter-American Development Bank (“IDB”) please accept this application to be prescribed by the International Monetary Fund as a holder of special drawing rights.

The IDB would wish to become an ‘other holder’ of special drawing rights and have the authority to hold special drawing rights and to accept and use them in transactions and operations to the same extent and subject to the same conditions as participants among themselves.

All communications between the IDB and the Fund regarding the IDB's acceptance, holding, and use of special drawing rights, including the IDB's agreement to the terms and conditions prescribed by the Fund, shall be legally binding on the IDB and the Fund if authenticated in a manner agreed between the IDB and the Fund.

The IDB as a holder of special drawing rights would be prepared to consult with the Fund and would undertake to collaborate with the Fund, participants in the special drawing rights department, and other prescribed holders of special drawing rights, as necessary, in order to facilitate the effective functioning of the special drawing rights department and the proper use of special drawing rights.

Yours sincerely,

Mauricio Claver-Carone
President

Enclosures

Listing of Members

Regional developing members	Non-borrowing member countries
Argentina	Austria
Bahamas	Belgium
Barbados	Canada
Belize	China
Bolivia	Croatia
Brazil	Denmark
Chile	Finland
Colombia	France
Costa Rica	Germany
Dominican Republic	Israel
Ecuador	Italy
El Salvador	Japan
Guatemala	Korea, Republic of
Guyana	Netherlands
Haiti	Norway
Honduras	Portugal
Jamaica	Slovenia
Mexico	Spain
Nicaragua	Sweden
Panama	Switzerland
Paraguay	United Kingdom
Peru	United States of America
Suriname	
Trinidad and Tobago	
Uruguay	
Venezuela	

Balance Sheet

(In USD million)

	Dec. 31, 2019	Dec. 31, 2020
Assets		
Cash and Investments	35,504	39,372
Net Development Assets	96,532	104,667
Accrued Interest & Other Charges	841	857
Currency and Interest Rate Swaps	2,166	5,524
Other Assets	1,315	1,317
Total Assets	136,358	151,737
Liabilities and Equity		
Liabilities		
Borrowings	97,011	109,959
Currency and Interest Rate Swaps	2,273	3,357
Other Liabilities	3,203	4,744
Advance Payment of Contribution Quotas	-	-
Total Liabilities	102,487	118,060
Equity		
Paid-in Capital + Additional Paid-in	11,852	11,853
Retained Earnings	22,781	23,243
Accumulated Translation Adjustment + Other	(762)	(1,419)
Total Equity	33,871	33,677
Total Liabilities and Equity	136,358	151,737



PE-229/2021

December 13, 2021

The Secretary
International Monetary Fund
Washington D.C. 20431
USA

Re.: CAF - Application to become holder of SDRs

Dear Sirs:

In furtherance of our recent discussions, on behalf of Corporación Andina de Fomento (“CAF”), I have the pleasure of submitting an application for CAF to be prescribed by the International Monetary Fund (“Fund”) as a holder of special drawing rights, as authorized under Article XVII, Section 3, of the Articles of Agreement of Fund.

CAF would wish to become another holder of special drawing rights and to have the authority to hold special drawing rights, and to accept and use them in transactions and operations to the same extent and subject to the same conditions as participants among themselves.

All communications between CAF and the Fund regarding CAF's acceptance, holding, and use of special drawing rights, including CAF's agreement to the terms and conditions prescribed by the Fund, shall be considered received by CAF and the Fund if authenticated in a manner agreed between CAF and the Fund.

CAF, as a holder of special drawing rights, would be prepared to consult with the Fund and to cooperate in good faith with the Fund and/or any other prescribed holders of special drawing rights, as necessary, in order to allow for the proper use of special drawing rights.

Yours truly,

DocuSigned by:

E6B3585DB73F403...
Sergio Diaz-Granados
Executive President
Corporación Andina de Fomento



**Listing of
SHAREHOLDERS
SERIES A, B and C**



COUNTRY	SHAREHOLDER	LEGAL REPRESENTATIVE	TITLE	STOCKHOLDERS
ARGENTINA	Ministry of Economy	Sergio Massa	Minister	A and B
	Banco de Inversión y Comercio Exterior, S.A.	José Ignacio De Mendiguren	President	B
BOLIVIA	Ministry of Economy and Public Finance	Marcelo Montenegro Gómez	Minister	A and B
	Banco Central de Bolivia	Roger Rojas	President	B
	Shareholder Banks: Banco BISA, S.A.	Julio León Prado	President	B
	Banco Mercantil- Santa Cruz S.A.	Darko Zuazo Batchelder	President of the Board of Directors	B
BRAZIL	Ministry of Economy	Paulo Guedes	Minister	A and B
COLOMBIA	Ministry of Finance and Public Credit	José Antonio Ocampo	Minister	A and B
	Shareholder Banks: Banco DAVIVIENDA S.A.	Javier Suárez Esparragoza	President	B
	Corporación Financiera Colombiana S.A.	María Lorena Gutiérrez	President	B
ECUADOR	Corporación Financiera Nacional	Nelson Andrade	President of the Board of Directors	A and B
	Ministry of Economy and Finance	Pablo Arosemena	Minister	B
	Banco Central del Ecuador	Tatiana Rodríguez	President Monetary and Financial Regulation Board	B
	Shareholder Banks: Banco Guayaquil	Danilo Carrera	President of the Board of Directors	B
	Banco del Pacífico S.A.	Roberto González	Executive President	B
EL SALVADOR	Ministry of Finance	José Alejandro Zelaya	Minister	A and B
PANAMA	Ministry of Economy and Finance	Héctor Alexander	Minister	A and B
PARAGUAY	Ministry of Finance	Óscar Llamosas	Minister	A and B
PERU	Ministry of Economy and Finance	Kurt Burneo	Minister	A and B
	Corporación Financiera de Desarrollo	Carlos Linares	President of the Board of Directors	B
	Shareholder Banks: Banco de Crédito del Perú	Luis Romero Belismelis	President of the Board of Directors	B
	BBVA Banco Continental	Alex Fort Brescia	President	B
	Scotiabank Perú S.A.A.	Francisco Sardón	General Manager	B
Banco Internacional del Perú S.A.A.	Carlos Rodríguez Pastor Persivale	President	B	
TRINIDAD AND TOBAGO	Ministry of Finance	Colm Imbert	Minister	A and B
	Central Bank of Trinidad and Tobago	Alvin Hilaire	Governor	B
URUGUAY	Banco Central del Uruguay	Diego Labat	President	A and B
VENEZUELA	Ministry of the People's Power for Economy, Finance and Foreign Trade	José Félix Rivas Alvarado	Head of the National Office of Public Credit	A and B
	Banco de Desarrollo Económico y Social (BANDES)	Héctor Obregón	President	B
	Shareholder Banks: Banco de Maracaibo	Jimmy Berrios	President FOGADE	B
	Banco del Caribe C.A. Banco Universal (BANCARIBE)	Juan Carlos Dao	President	B
	Mercantil C.A. Banco Universal	Nelson Acosta	Executive President	B
COUNTRY	SERIES "C" SHAREHOLDER			
BARBADOS	Ministry of Finance, Economic Affairs and Investment	Mia Mottley	Minister	C
CHILE	Corporación de Fomento de la Producción (CORFO)	José Miguel Benavente	Executive Vice-President	C
COSTA RICA	Banco Central de Costa Rica	Róger Madrigal López	President	C
SPAIN	Ministry of Economic Affairs and Digital Transformation	Nadia Calviño	Minister	C
JAMAICA	Ministry of Finance and the Public Service	Nigel Clarke	Minister	C
MEXICO	Nacional Financiera, S.N.C.	Luis Antonio Ramírez Pineda	General Director	C
	Secretaría de Hacienda y Crédito Público	Rogelio Ramírez de la O	Secretary	C
DOMINICAN REPUBLIC	Ministry of Finance	José Manuel Vicente	Minister	C
PORTUGUESE REPUBLIC	Ministry of Finance	Fernando Medina	Minister	C

Balance Sheet

As of December 31, 2020 and December 31, 2021 (In thousands of U.S. dollars).

	2021	2020
ASSETS		
Cash and due from banks	112,047	123,204
Deposits with banks	3,210,216	2,825,086
Cash and due from banks and deposits with banks	3,322,263	2,948,290
Marketable securities:		
Trading	12,503,067	10,961,847
Other investments	292,392	811,205
Loans (US\$ 2,389,651 and US\$ 2,088,750 at fair value as of December 31, 2021 and 2020 respectively)	29,595,386	28,117,867
Less loan commissions, net of origination costs	153,955	134,011
Less allowance for loan losses	76,650	95,015
Loans, net	29,364,781	27,888,841
Accrued interest and commissions receivable	357,836	386,625
Equity investments	433,350	432,600
Derivative financial instruments	512,383	1,766,932
Property and equipment, net	105,987	111,734
Other assets	700,291	1,537,829
TOTAL	47,592,350	46,845,903
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Deposits (US\$ 106,119 and US\$ 24,101 at fair value as of December 31, 2021 and 2020 respectively), net	4,002,626	3,337,574
Commercial paper	2,813,646	1,598,696
Borrowings from other financial institutions (US\$ 740,028 and US\$ 792,217 at fair value as of December 31, 2021 and 2020 respectively), net	1,772,171	1,672,301
Bonds (US\$ 24,074,774 and US\$ 24,706,736 at fair value as of December 31, 2021 and 2020 respectively), net	24,260,537	24,882,419
Accrued interest payable	288,233	308,986
Derivative financial instruments	842,958	404,842
Accrued expenses and other liabilities	312,540	1,646,184
Total liabilities	34,292,711	33,851,002
STOCKHOLDERS' EQUITY:		
Subscribed capital	7,716,975	7,867,755
Less callable capital portion	1,589,660	1,589,660
Less capital subscriptions receivable	690,940	912,045
Paid-in capital	5,436,375	5,366,050
Additional paid-in capital	4,091,298	3,961,900
Reserves	3,666,951	3,427,129
Retained earnings	105,015	239,822
Total stockholders' equity	13,299,639	12,994,901
TOTAL	47,592,350	46,845,903



Dr Werner Hoyer
President

Mr. Bernard Lauwers
Director
IMF Finance Department
700 19th Street Washington DC, NW 20431

Luxembourg, 25 July 2022

Subject: Application to become a prescribed holder of SDRs

Dear Mr. Lauwers,

On behalf of the European Investment Bank please find attached an application to become prescribed by the International Monetary Fund (IMF or the Fund) as a holder of Special drawing rights (SDRs).

The European Investment Bank seeks to become an 'other holder' of SDRs and have the authority to hold, accept and use them in transactions and operations with participants of the SDR Department and other prescribed holders, consistently with the rules applicable to the SDR Department.

If prescribed by the Fund as an 'other holder', the European Investment Bank stands ready to agree to the terms and conditions prescribed by the Fund.

The European Investment Bank, if prescribed as a holder of SDRs, is prepared to consult with the Fund and will collaborate with the Fund, participants in the SDR Department, and other prescribed holders of SDRs, as necessary, in order to facilitate the effective functioning of the SDR Department and the proper use of SDRs.

We would be happy to provide you with any further information needed to facilitate the consideration of our application. The relevant contact person at our end is Mr Sean FITZPATRICK (s.fitzpatrick@eib.org).

Yours sincerely,

A handwritten signature in blue ink, appearing to read "Werner Hoyer".

Listing of Members - Total subscribed capital

Germany	€ 46,722,369,149
France	€ 46,722,369,149
Italy	€ 46,722,369,149
Spain	€ 28,033,421,847
Netherland	€ 12,951,115,777
Belgium	€ 12,951,115,777
Poland	€ 11,366,679,827
Sweden	€ 8,591,781,713
Denmark	€ 6,557,521,657
Austria	€ 6,428,994,386
Finland	€ 3,693,702,498
Greece	€ 3,512,961,713
Portugal	€ 2,263,904,037
Czech Rep	€ 2,206,922,328
Hungary	€ 2,087,849,195
Ireland	€ 1,639,379,073
Romania	€ 1,639,379,073
Croatia	€ 1,062,312,542
Slovakia	€ 751,236,149
Slovenia	€ 697,455,090
Bulgaria	€ 510,041,217
Lithuania	€ 437,633,208
Luxembourg	€ 327,878,318
Cyprus	€ 321,508,011
Latvia	€ 267,076,094
Estonia	€ 206,248,240
Malta	€ 122,381,664

Balance sheet

as at 31 December 2021 (in EUR '000)

Assets	31.12.2021	31.12.2020
1. Cash in hand, balances with central banks and post office banks	1,483,285	835,163
2. Treasury bills and other bills eligible for refinancing with central banks	35,678,436	31,180,452
3. Loans and advances to credit institutions		
a) repayable on demand	562,513	463,568
b) other loans and advances	74,551,456	60,182,631
c) loans	93,558,227	103,714,971
d) value adjustments	-57,842	-80,237
	168,614,354	164,280,933
4. Loans and advances to customers		
a) other loans and advances	677,437	900,604
b) loans	322,374,311	321,119,208
c) value adjustments	-381,166	-567,532
	322,670,582	321,452,280
5. Debt securities including fixed income securities		
a) issued by public bodies	4,891,107	5,148,031
b) issued by other borrowers	5,891,460	7,045,395
	10,782,567	12,193,426
6. Shares and other variable-yield securities	8,397,569	8,063,429
7. Participating interests	318,380	334,410
8. Shares in affiliated undertakings	1,549,444	813,089
9. Intangible assets	57,189	38,698
10. Tangible assets	242,445	248,471
11. Other assets	157,329	40,490
12. Subscribed capital and reserves, called but not paid	1,118,948	1,438,648
13. Prepayments and accrued income	14,405,918	13,371,184
Total assets	565,476,446	554,290,673
Liabilities	31.12.2021	31.12.2020
1. Amounts owed to credit institutions		
a) repayable on demand	4,777,422	4,199,057
b) with agreed maturity or periods of notice	18,895,071	12,316,334
	23,672,493	16,515,391
2. Amounts owed to customers		
a) repayable on demand	1,648,539	1,682,533
b) with agreed maturity or periods of notice	175,542	20,951
	1,824,081	1,703,484
3. Debts evidenced by certificates		
a) debt securities in issue	431,104,111	425,622,598
b) others	9,010,748	9,641,151
	440,114,859	435,263,749
4. Other liabilities	4,373,509	4,581,947
5. Accruals and deferred income	15,233,362	19,165,727
6. Provisions		
a) pension plans and health insurance scheme	4,161,030	3,546,431
b) provision in respect of guarantee operations	27,916	10,746
	4,188,946	3,557,177
7. Subscribed capital		
a) subscribed	248,795,607	248,795,607
b) uncalled	-226,604,892	-226,604,892
	22,190,715	22,190,715
8. Reserves		
a) reserve fund	24,879,561	24,328,415
b) additional reserves	12,258,631	11,398,958
c) special activities reserve	12,152,954	11,736,896
d) general loan reserve	2,021,337	2,135,891
	51,312,483	49,600,160
9. Profit for the financial year	2,565,998	1,712,323
Total liabilities	565,476,446	554,290,673



Office of the President

July 7, 2022

Ms. Kristalina Georgieva
Managing Director
International Monetary Fund
700 19th St. Northwest
Washington, D.C. 20431
UNITED STATES OF AMERICA

Dear Ms. Georgieva:

Application to become a Prescribed Holder of Special Drawing Rights

On behalf of the Caribbean Development Bank (CDB) please accept this application to be prescribed by the International Monetary Fund (the Fund) as a holder of special drawing rights (SDRs).

CDB wishes to become an 'other holder' of SDRs and have the authority to hold, accept and use them in transactions and operations with participants of the SDR Department and other prescribed holders, consistent with the rules applicable to the SDR Department.

If prescribed by the Fund as an 'other holder', the terms and conditions on which CDB may accept, hold and use SDRs shall be prescribed by the Fund, after consultation with CDB.

CDB, if prescribed as a holder of SDRs, is prepared to consult with the Fund and will collaborate with the Fund, participants in the SDR Department, and other prescribed holders of SDRs, as necessary, in order to facilitate the effective functioning of the SDR Department and the proper use of SDRs.

Yours sincerely,

A handwritten signature in black ink, appearing to be "Hyginus 'Gene' Leon".

Hyginus 'Gene' Leon
President

Enclosures

cc.: Mr. Bernard Lauwers, Director, Finance Department, International Monetary Fund

Listing of Members

Borrowing Member Countries	Non-Borrowing Member Countries
<p>Anguilla</p> <p>Antigua and Barbuda</p> <p>The Bahamas</p> <p>Barbados</p> <p>Belize</p> <p>British Virgin Islands</p> <p>Cayman Islands</p> <p>Commonwealth of Dominica</p> <p>Grenada</p> <p>Guyana</p> <p>Haiti</p> <p>Jamaica</p> <p>Montserrat</p> <p>Saint Kitts and Nevis</p> <p>Saint Lucia</p> <p>Saint Vincent and the Grenadines</p> <p>Suriname</p> <p>Trinidad and Tobago</p> <p>Turks and Caicos Islands</p>	<p>Brazil</p> <p>Canada</p> <p>China</p> <p>Colombia</p> <p>Germany</p> <p>Italy</p> <p>Mexico</p> <p>United Kingdom</p> <p>Venezuela</p>

Balance Sheet

(In USD million)

	December 31, 2021	December 31, 2020
Assets		
Cash and investments	789.8	633.3
Loans receivable	1,332.8	1,332.1
Members' receivables	24.6	28.1
Derivative instruments	35.3	94.3
Other Assets	34.6	33.5
Total Assets	2,217.1	2,121.3
Liabilities		
Accounts payable and other liabilities	52.1	58.8
Borrowings	1,188.3	1,094.1
Derivative instruments	27.3	-
Total Liabilities	1,267.7	1,152.9
Equity		
Subscriptions matured	388.2	388.2
Retained earnings and reserves	561.2	580.2
Total Equity	949.4	968.4
Total Liabilities and Equity	2,217.1	2,121.3

Appendix I. Draft Press Release



PRESS RELEASE

IMF Executive Board Approves the Applications of Five Institutions to Become Holders of Special Drawing Rights

FOR IMMEDIATE RELEASE

Washington, DC –February X, 2023: The International Monetary Fund (IMF) approved today the applications of the Caribbean Development Bank (CDB), the Development Bank of Latin America (known as Corporacion Andina de Fomento or CAF), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), and the Inter-American Development Bank (IADB) to become prescribed holders of [Special Drawings Rights](#) (SDRs), an international reserve asset created by the Fund to supplement the reserve assets of IMF members. Approval of these institutions brings the number of prescribed holders to twenty (see attached list). The SDR Department keeps records of SDR allocations and holdings and facilitates SDR transactions among participants in the SDR Department (currently all Fund members participate in the SDR Department). The IMF’s Articles of Agreement authorize the Fund to prescribe (i.e., approve) as holders of SDRs (i) non-members, (ii) members that are not participants in the SDR Department, (iii) institutions that perform functions of a central bank for one or more IMF member countries, and (iv) other official entities. The five applicants approved today are all “other official entities”.

Prescribed holders may acquire, hold and use SDRs in transactions by agreement and in operations with IMF members and other prescribed holders.¹ Under current decisions, the permitted uses of SDRs by participants and prescribed holders include exchange of SDRs for currency, loans, settlement of financial obligations, swaps, pledges, transfer as security for the performance of financial obligations, forwards, and donations. Prescribed holders may also elect to take part in the SDR [Voluntary Trading](#)

¹ In transactions by agreement, participants in the SDR Department and/or prescribed holders voluntarily exchange SDRs for currency at the SDR exchange rate determined by the IMF.

[Agreements \(VTAs\)](#). However, prescribed holders do not receive allocations of SDRs, and they may not request an exchange of SDRs in transactions with designation.²

The following institutions are the prescribed holders of SDRs:

African Development Bank (AFDB)
African Development Fund (AFDF)
Arab Monetary Fund (AMF)
Asian Development Bank (ADB)
Bank for International Settlements (BIS)
Bank of Central African States (BEAC)
Caribbean Development Bank (CDB)
Central Bank of West African States (BCEAO)
Development Bank of Latin America (Corporacion Andina de Fomento or CAF)
Eastern Caribbean Central Bank (ECCB)
European Central Bank (ECB)
European Bank for Reconstruction and Development (EBRD)
European Investment Bank (EIB)
Inter-American Development Bank (IADB)
International Bank for Reconstruction and Development (IBRD)
International Development Association (IDA)
International Fund for Agricultural Development
Islamic Development Bank
Latin American Reserve Fund (FLAR) - Former Andean Reserve Fund
Nordic Investment Bank

² For additional information please see [IMF Financial Operations](#), including Box 4.9 on the designation mechanism.