EBAP/10/64

July 1, 2010

To: Members of the Executive Board

From: The Acting Secretary

Subject: **Audited Financial Statements for the Financial Year Ended April 30, 2010**

Section 20 of the Fund's By-Laws requires that the financial statements of the Fund and the accounts it administers as trustee be audited by an external audit firm under the general oversight of the External Audit Committee (EAC). Deloitte & Touche (D&T) is the Fund's external audit firm and Mr. O'Neill (Chairman), Mr. Graf and Ms. Cabal serve on the EAC.

The draft financial statements for the financial year ended April 30, 2010 were circulated to the Executive Board on June 21 (EBAP/10/54, 6/21/10). D&T has completed the FY 2010 audit and has issued unqualified audit opinions on the financial statements. In accordance with Rule J-6 of the Fund's Rules and Regulations, the audited financial statements must be submitted to the Executive Board for its consideration at least two months before a regular meeting of the Board of Governors. Attached are the final audited financial statements, which include the audit reports issued by D&T.

The audited financial statements also provide background for the briefing of the Executive Board scheduled for July 19 by the EAC. Following the EAC briefing, the audited financial statements will be transmitted through the Managing Director and the Executive Board to the Board of Governors in accordance with the By-Laws (Section 20(f)). A draft transmittal letter, to be approved by the Executive Board on a lapse-of-time basis, will be circulated separately.

Questions may be referred to Mr. Yuen (ext. 37823) and Mr. Kabwe (ext. 37828) in FIN.

This document will shortly be posted on the extranet, a secure website for Executive Directors and member country authorities.

Att: (1)

Other Distribution:
Department Heads

INTERNATIONAL
MONETARY
FUND

FINANCIAL STATEMENTS

For the years ended April 30, 2010, and 2009

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I. Consolidated Financial Statements of the General Department

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Independent Auditors' Report

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

We have audited the accompanying consolidated statements of financial position of the General Department of the International Monetary Fund and subsidiary (the "Department") as of April 30, 2010 and 2009, and the related consolidated statements of comprehensive income, of changes in reserves, resources and retained earnings, and of cash flows for the years then ended. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such consolidated financial statements present fairly, in all material respects, the financial position of the Department of the International Monetary Fund at April 30, 2010 and 2009, and the results of its operations and its 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 consolidated financial statements taken as a whole. The supplemental schedules listed on pages 44 to 50 are presented for the purpose of additional analysis and are not a required part of the basic consolidated financial statements. These schedules are the responsibility of the Department's management. Such schedules have been subjected to the auditing procedures applied in our audits of the basic consolidated financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic consolidated financial statements taken as a whole.

Deloitte & Touche LLP

June 25, 2010

General Department

Consolidated statements of financial position
at April 30, 2010, and 2009

(In millions of SDRs)

	2010	2009
Assets		
Usable currencies	144,142	151,982
Credit outstanding (Note 6)	41,238	20,426
Other currencies	36,073	37,199
Total currencies (Note 5)	221,453	209,607
SDR holdings	2,635	2,133
Interest and charges receivables (Note 11)	203	97
Investments (Note 7)	6,566	6,796
Gold holdings (Note 8)	4,183	5,852
Fixed assets (Note 9)	290	294
Pension assets and other assets (Note 18)	307	420
Structural Adjustment Facility loans (Note 6)	9	9
Total assets	235,646	225,208

	2010	2009
Liabilities (including quotas)		
Remuneration payable	18	24
Investment trades payable	161	167
Other liabilities	301	248
Accrued MDRI-I Trust grants (Note 10)	2	102
Special Contingent Account (Note 15)	1,188	1,188
Borrowings and issued notes (Note 13)	6,358	--
Quotas, represented by (Note 5)		
Reserve tranche positions	37,221	28,195
Subscription payments	180,211	189,178
Total quotas	217,432	217,373
Total liabilities (including quotas)	225,460	219,102
Reserves of the General Resources Account	9,885	5,905
Retained earnings of the Investment Account	--	--
Resources of the Special Disbursement Account	301	201
Total liabilities, reserves, and resources	235,646	225,208

The accompanying notes are an integral part of these consolidated financial statements.
These consolidated financial statements were approved by the Managing Director and the Director of Finance on June 25, 2010.

Andrew Tweedie /s
Director, Finance Department

Dominique Strauss-Kahn /s
Managing Director

General Department

Consolidated statements of comprehensive income for the years ended April 30, 2010, and 2009

(In millions of SDRs)

	2010	2009
Operational Income		
Interest and charges (Note 11)	697	367
Interest on SDR holdings	7	34
Net income from investments (Note 7)	153	377
Service charges and commitment fees (Note 11)	186	85
	1,043	863
Operational expenses		
Remuneration (Note 16)	84	175
Interest expense on borrowings and issued notes (Note 13)	7	--
Administrative expenses (Note 17)	725	532
	816	707
Net operational income	227	156
Gains on the sales of gold (Note 8)	3,753	--
MDRI grant assistance (Note 10)	100	78
Transfer from the Poverty Reduction and Growth Trust (PRG Trust) Reserve Account to the Special Disbursement Account (SDA)	38	--
Contribution from the SDA to the General Subsidy Account of the PRG Trust (Note 12)	(38)	--
Other comprehensive income	--	--
Net comprehensive income	4,080	234
Net comprehensive income of the General Department comprises:		
Net comprehensive income/(loss) of the General Resources Account	3,828	(218)
Net comprehensive income of the Investment Account	152	372
Net comprehensive income of the Special Disbursement Account	100	80
	4,080	234

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

General Department

Consolidated statements of changes in reserves, resources and retained earnings for the years ended April 30, 2010 and 2009

(In millions of SDRs)

	General Resources Account			Special Disbursement Account	Investment Account
	Special reserve	General reserve	Total reserves	Special Disbursement Account resources	Investment Account retained earnings
Balance at April 30, 2008	2,231	3,520	5,751	121	--
Net comprehensive (loss)/income	(218)	--	(218)	80	372
Transfers	372	--	372	--	(372)
Balance at April 30, 2009	2,385	3,520	5,905	201	--
Net comprehensive income:					
Net operational income	75	--	75	100	152
Gains on the sales of gold	3,753	--	3,753	--	--
Transfers	152	--	152	--	(152)
Balance at April 30, 2010	6,365	3,520	9,885	301	--

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

General Department

Consolidated statements of cash flows
for the years ended April 30, 2010, and 2009

(In millions of SDRs)

	2010	2009
Usable currencies and SDRs from operating activities		
Net comprehensive income	4,080	234
Adjustments to reconcile net comprehensive income to usable resources generated by operations		
Depreciation and amortization	26	24
Interest and charges	(697)	(367)
Interest on SDR holdings	(7)	(34)
Interest income from investments	(163)	(202)
Remuneration	84	175
Interest expense on borrowings and issued notes	7	--
Realized gains on the sales of gold	(3,753)	--
	(423)	(170)
Changes in interest and charges receivables, and pension and other assets	110	(71)
Changes in remuneration payable and other liabilities	42	70
Changes in accrued MDRI-I Trust grants	(100)	(87)
	(371)	(258)
Usable currencies and SDRs from credit to members		
Purchases in currencies and SDRs, including reserve tranche purchases	(21,087)	(16,363)
Repurchases in currencies and SDRs	275	1,833
	(21,183)	(14,788)
Interest received		
Interest and charges	590	334
Interest on SDR holdings	10	46
Interest from investments	153	196
Remuneration and interest paid		
Remuneration	(89)	(196)
Interest on borrowings and issued notes	(4)	--
Net usable currencies and SDRs used in operating activities	**(20,523)**	**(14,408)**
Usable currencies and SDRs from investment activities		
Acquisition of fixed assets	(22)	(22)
Net disposition/(acquisition) of investments	242	(3)
Proceeds from gold sales	5,422	--
Net usable currencies and SDRs provided by/(used in) investment activities	**5,642**	**(25)**
Usable currencies and SDRs from financing activities		
Borrowings and issued notes	6,358	--
Quota subscription payments in SDRs and usable currencies	15	--
Changes in composition of usable currencies	1,170	3,624
Net usable currencies and SDRs provided by financing activities	**7,543**	**3,624**
Net decrease in usable currencies and SDRs	(7,338)	(10,809)
Usable currencies and SDRs, beginning of year	154,115	164,924
Usable currencies and SDRs, end of year	**146,777**	**154,115**

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

General Department

Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

1. Nature of operations

The International Monetary Fund (IMF) is an international organization with 186 member countries. It was established to promote international monetary cooperation and exchange stability and to maintain orderly exchange arrangements among members; to facilitate the expansion and balanced growth of international trade, and contribute thereby to the promotion and maintenance of high levels of employment; and to provide temporary financial assistance under adequate safeguards to member countries to assist in solving their balance of payments problems in a manner consistent with the provisions of the IMF's Articles of Agreement.

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

The resources of the SDR Department are held separately from the assets of all the other accounts owned, or administered by, the IMF. As specified in the IMF's Articles of Agreement, these resources may not be used to meet the liabilities, obligations, or losses incurred in the operations of the General Department (or vice versa), except that expenses of conducting the business of the SDR Department are paid by the General Department and are then reimbursed by the SDR Department to the General Department. As the General Department does not have control over the SDR Department, the financial statements of the SDR Department are presented separately.

The IMF also administers and/or executes other trusts and administered accounts established to perform financial and technical services consistent with the IMF's purposes. The resources of these other trusts and administered accounts are contributed by members or by the IMF through the SDA. The assets of the other trusts and administered accounts do not belong to the General Department and the IMF does not derive benefits from their activities, and therefore the financial statements of these entities are presented separately.

General Resources Account

The operating activities of the IMF with members are primarily conducted through the GRA. The assets and liabilities in the GRA reflect the payment of member quota subscriptions, use and repayment of IMF credit, collection of charges from borrowers, payment of remuneration and interest on creditor positions and to lenders, respectively, and other operating activities.

Investment Account

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

Special Disbursement Account

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

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

Multilateral Debt Relief Initiative

The Multilateral Debt Relief Initiative (MDRI) provides debt relief to qualifying low-income member countries (see Note 10). For this purpose, the MDRI-I and MDRI-II Trusts were established on January 5, 2006, to provide grant assistance to eligible members under the MDRI. As the IMF has control over the MDRI-I Trust, the latter's financial statements are consolidated with those of the General Department.

2. Basis of preparation and measurement

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

General Department

Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

New International Financial Reporting Standards and Interpretations

Amended IAS 32, "Financial Instruments: Presentation" requires classification as equity instrument particular types of puttable financial instruments that represent the residual interest in the net assets of an entity even though they meet the definition of a financial liability. The amended IAS 32, which became effective for annual periods beginning on or after January 1, 2009, has no impact on the General Department's consolidated financial statements.

Amended IFRS 7, "Financial Instruments: Disclosures" requires the disclosures of the methods and underlying assumptions applied in determining fair values of financial assets or financial liabilities. Amended IFRS 7 introduces a three-level hierarchy for fair value measurement disclosures and requires additional disclosures on the relative reliability of fair value measurements. An entity must also disclose the remaining contractual maturities for financial liabilities and how it manages the related liquidity risk. The amended IFRS 7, which became effective for annual periods beginning on or after January 1, 2009, was implemented during the financial year ended April 30, 2010, resulting in enhanced disclosures of the General Department's financial assets and financial liabilities. No comparative information is provided in the current year as allowed for by the standard in the year of implementation.

IFRS 9, "Financial Instruments" was issued in November 2009 as the first step in replacing the *IAS 39, "Financial Instruments: Recognition and Measurement"* standard. 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 mandatory adoption of IFRS 9 is January 1, 2013, but early adoption will be permitted. As the General Department already measures financial assets at amortized cost or fair value, the implementation of IFRS 9 is not expected to have an impact on the General Department's financial position or results of operations.

Unit of account

The consolidated financial statements are presented in Special Drawing Rights (SDR), 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 and the current composition of the SDR valuation basket became effective on January 1, 2006.

General Department

Notes to the consolidated financial statements
for the years ended April 30, 2010, and 2009

The currencies in the basket at April 30, 2010, and 2009 and their specific amounts, relative to one SDR, were as follows:

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

At April 30, 2010, one SDR was equal to US$1.51112 (US$1.49783 at April 30, 2009).

Use of estimates and judgment

The preparation of consolidated financial statements requires the 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 areas involving estimates and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are described in Notes 3, 10, 17, and 18.

3. Summary of significant accounting policies

The accounting policies set out below comply with IFRS and have been applied consistently for all periods presented.

Basis of consolidation

The consolidated financial statements include the GRA, the IA, the SDA, and the MDRI-I Trust. Control is achieved where the IMF has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All transactions and balances between these entities have been eliminated during consolidation.

General Department

Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

Quotas and reserve tranche positions

The IMF's resources are provided by its members through the payment of quotas, which broadly reflect each member's relative economic size. Quotas also determine each member's relative voting power, access to financing, and share in SDR allocations. The IMF conducts general reviews of all members' quotas at five-year intervals. The reviews allow the IMF to assess the adequacy of quota resources to meet its financing needs and to allow for adjustments of members' quotas to reflect their relative positions in the world economy. A quarter of a member's quota is normally paid in reserve assets, and the remainder paid in the member's own currency. Should a member withdraw from the IMF, its quota subscription is refunded to the extent it is not needed to settle the net obligations of the member to the IMF.

A member's reserve tranche is equivalent to its quota less the GRA's holdings of its currency, excluding holdings that reflect the member's use of GRA credit. Reserve tranches result from quota payments in reserve assets and from the use of the member's currency in the GRA's transactions or operations. A member's reserve tranche is considered a part of its international reserves and a liquid claim against the GRA.

Quota subscriptions and the reserve tranche positions are classified as liabilities as they embody an unconditional obligation to redeem the instrument upon a member's withdrawal from the IMF.

Currencies

Currencies consist of members' currencies and securities held by the GRA. Usable currencies are currencies of members with a strong balance of payments and reserves position that can be used by the GRA to finance the use of resources. Usable currencies and the GRA's SDR holdings are considered cash equivalents for financial statement presentation purposes. Other currencies are not used to finance the use of resources by members, and therefore are not considered cash equivalents for financial statement presentation purposes.

All currencies in the GRA are revalued periodically in terms of the SDR, including at each financial year end, and members are required to settle the currency valuation adjustments promptly thereafter. The currency balances in the statements of financial position include the receivables and payables arising from the revaluation.

SDR holdings

SDRs are not allocated to the IMF, but the IMF can hold SDRs, which it can acquire from members in the settlement of their financial obligations to the IMF and it can use SDRs in a

General Department

Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

number of other transactions and operations with members. The IMF earns interest on its SDR holdings at the same rate earned by other holders of SDRs.

Credit outstanding

Credit outstanding represents financing provided to members under the various IMF credit facilities. Members receive credit in the GRA by purchasing SDRs or usable currencies in exchange for their own currencies. IMF credit is repaid by members by repurchasing holdings of their currencies in exchange for SDRs or usable currencies. Depending on the type of IMF credit facility, repayment periods for GRA credit vary from 3¼ to 10 years.

An impairment loss would be recognized if there is objective evidence of impairment as a result of a past event that occurred after initial recognition, and is determined as the difference between the outstanding credit's carrying value and the present value of the estimated future cash flows. Such cash flows take into account the proceeds from the burden sharing mechanism, explained below. No impairment losses have been recognized in the financial years ended April 30, 2010, and 2009.

Burden sharing mechanism and Special Contingent Account

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

The IMF accumulates balances in the first Special Contingent Account (SCA-1) by generating resources under the burden sharing mechanism. The SCA-1 is intended to address the risks posed to the IMF by overdue financial obligations and balances in the SCA-1 would be used first if the IMF were to incur any loss from overdue obligations. Balances in the SCA-1 are refundable to the members that shared the cost of its financing, in proportion to their contributions, when there are no outstanding overdue repurchases and charges, or at such earlier time as the IMF may decide (see Note 15). Effective November 1, 2006, the IMF's Executive Board decided to suspend, for the time being, further additions to the SCA-1.

Investments

The IMF's investments in the IA comprise fixed-term deposits, short-term investments and fixed-income securities, none of which include asset-backed securities. Fixed income securities include domestic government bonds of the Euro area, Japan, the United Kingdom

General Department

Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

and the United States, and medium-term instruments issued by the Bank for International Settlements, and bonds of other international financial organizations.

The IMF has designated its investments in fixed-income securities, other than fixed-term deposits, as financial assets held at fair value through profit or loss. Such designation may be made only upon initial recognition and cannot subsequently be changed. The designated assets are carried at fair value in 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 IMF becomes a party to the contractual provisions of the instrument.

Derecognition

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

Fair value measurement

Amendments to the IFRS 7 standard introduced a three-level fair value hierarchy under which financial instruments are categorized based on the priority of the inputs to the valuation technique 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.

General Department

Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

Gold holdings

The IMF values its gold holdings at historical cost using the specific identification method. In accordance with the provisions of the current Articles, whenever the IMF sells gold held on the date of the Second Amendment of the Articles, the portion of the proceeds equal to the historical cost must be placed in the GRA. Any portion of the proceeds in excess of the historical cost will be held in the SDA or transferred to the IA (see Note 8). This does not apply to gold holdings obtained after the Second Amendment. The proceeds from the sale of such gold are placed in the GRA. The IMF conducted sales of part of its holdings of "post-Second Amendment" gold during the year ended April 30, 2010 and the profits are currently retained in the GRA.

Under the new income model (see Note 4), the profits from the approved gold sales are to be invested in the IA pursuant to an endowment strategy to generate income. The proposed amendment to the Articles of Agreement to expand the investment authority of the IMF mandates the placement of the profits from the sale of post-Second Amendment gold in the IA (including any profits placed in the GRA after April 7, 2008 and prior to the effectiveness of the amendment). The amendment is currently being considered by the membership and is not yet effective.

Fixed assets

Tangible and intangible fixed assets (see Note 9) with a cost in excess of a threshold amount are capitalized and depreciated or amortized over the estimated remaining useful lives using the straight-line method. Buildings, furniture, and equipment are depreciated over 30, 7, and 3 years, respectively. Software is amortized over 3 to 5 years.

Pension assets

The IMF has a defined benefit Staff Retirement Plan (SRP) that covers substantially all eligible staff, a Supplemental Retirement Benefits Plan (SRBP) for selected participants of the SRP, and the Retired Staff Benefits Investment Account (RSBIA) to hold and invest resources set aside to fund the cost of the postretirement benefits. The pension plans and other postretirement assets are measured at fair value at the end of the reporting period. Pension costs and expected costs of the postretirement medical and life insurance benefits are determined using the Projected Unit Credit Method (see Note 18).

General Department

Notes to the consolidated financial statements
for the years ended April 30, 2010, and 2009

Borrowings and issued notes

Quota resources continue to be the basic source of IMF financing, and the next review of quotas is scheduled to be completed by January 2011.

The IMF can borrow to temporarily supplement its quota resources. The Executive Board has established guidelines on borrowing by the IMF to ensure that the financing of the IMF is managed in a prudent and systematic manner. The IMF currently maintains two standing borrowing arrangements—the New Arrangements to Borrow (NAB) and the General Arrangements to Borrow (GAB)—with a total borrowing capacity of SDR 34 billion. In April 2010, the Executive Board approved a ten-fold expansion of the IMF's NAB and modifications to the terms to allow for more flexibility as a tool of crisis management. The NAB will be increased by SDR 333.5 billion (about US$500 billion) to SDR 367.5 billion (about US$550 billion). 13 new participants, including a number of major emerging market economies, have indicated their willingness to join 26 current participants in the NAB. The NAB reform was not effective at April 30, 2010 and will require the concurrence of existing participants (representing at least 96 percent of total credit arrangements of current participants) and the adherence of new participants representing 70 percent of total credit arrangements of new participants.

The IMF may also borrow funds under bilateral borrowing agreements. In early 2009, the Executive Board reviewed the adequacy of the IMF's resources to meet members' potential demand for balance of payment support during the current global financial crisis. The Executive Board agreed on the need to boost the IMF's lending capacity as part of the near-term response to the crisis. The G-20 committed to a tripling of the resources available to the IMF to US$750 billion. The International Monetary and Financial Committee, a policy advisory body, reaffirmed these measures and endorsed an increase in the IMF's resources through bilateral financing from members of US$250 billion. The borrowings will subsequently be incorporated into the expanded NAB. A framework for the issuance of notes to member countries and their central banks was approved by the IMF Executive Board in July 2009. The IMF has entered into several borrowing and note purchase agreements with members or their central banks (see Note 13) and received commitments for financing by other members which will be fulfilled upon the completion of domestic and legislative actions.

The borrowing agreements provide for the IMF to draw on committed resources for initial terms of one or two years, which can be extended, depending on each agreement, for additional periods up to a maximum of five years. Normally, drawings are payable in three months but maturities can be unilaterally extended by the IMF for additional three-month periods for a total of up to five years. Under the note purchase agreements, members or their central banks may purchase IMF notes up to an agreed limit with effective maximum maturities of up to five years. Loan claims and notes are transferable within the official sector, which includes all IMF members, their central banks or other fiscal agencies, and prescribed SDR holders. The borrowings and notes are denominated in SDRs, carry the SDR interest rate, and are recorded and subsequently stated at amortized cost (see Note 13).

Reserves of the General Resources Account

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

The IMF determines annually what part of its net income (if any) will be retained and placed in the General Reserve or the Special Reserve, and what part, if any, will be distributed. Net losses are charged against the Special Reserve under currently applicable Executive Board decisions.

Profits from the gold sales that took place during the financial year ended April 30, 2010 (see Note 8) were placed in the Special Reserve as part of the IMF's net income for the financial year ended April 30, 2010. Balances in the Special Reserve attributable to gold sales profits during the financial year ended April 30, 2010 are excluded from the IMF's concept of precautionary balances (see Note 4).

Charges

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

Effective August 1, 2009, credit outstanding in excess of 300 percent of quota resulting from purchases in the credit tranches (including under the stand-by and flexible credit line arrangements) and under the Extended Fund Facility is subject to a surcharge of 200 basis points per annum above the basic rate of charge. Such holdings outstanding for more than three years after August 1, 2009, are subject to an additional surcharge of 100 basis points. Prior to this regime, credit outstanding in excess of 200 percent of quota resulting from purchases in the credit tranches under stand-by arrangements and under the Extended Fund Facility were subject to a surcharge of 100 basis points (200 basis points for credit in excess of 300 percent of quota). Special charges are levied on members' currency holdings that are not repaid when due and on overdue charges. Special charges do not apply to members that have overdue obligations to the Fund of six months or more. A service charge of 50 basis points is levied by the IMF on all purchases except reserve tranche purchases. A refundable commitment fee is charged on arrangements and is only recorded in income to the extent that the arrangement expires or is cancelled by a member.

Remuneration

The IMF pays interest, referred to as remuneration, on a member's reserve tranche position. A portion of the reserve tranche is unremunerated: that portion is equal to 25 percent of the member's quota on April 1, 1978 (that part of the quota that was paid in gold prior to the Second Amendment of the Articles). For a member that joined the Fund after that date, the unremunerated reserve tranche is the same percentage of its initial quota as the average unremunerated reserve tranche was as a percentage of the quotas of all other members when the new member joined the Fund.

The rate of remuneration is equal to the SDR interest rate. The rate of remuneration after burden sharing adjustments cannot be less than 80 percent of the SDR interest rate.

Special Disbursement Account

Loans under the SAF are at concessional interest rates of ½ of 1 percent per annum. The last SAF loan disbursement was made in 1995 and currently one member (Somalia) has overdue SAF repayment obligations. Repayments of SAF loans to the SDA are transferred to the PRG Trust when received. Allowances for loan losses would be established if and when there is objective evidence that an impairment loss on loans has been incurred. No impairment losses have been recognized in the financial years ended April 30, 2010 and 2009.

Provisions

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

4. Risk management

The IMF is exposed to various types of operational and financial risks, including credit, market, liquidity, and income risks. The principal risk facing the IMF is credit risk resulting from its financing operations and unique role in the international monetary system.

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Risk management framework

The Executive Board of the IMF has overall responsibility for the establishment and oversight of the IMF's risk management framework. The risk management framework encompasses primarily strategic, financial and operational risks. As part of this framework, the Advisory Committee on Risk Management has been established to analyze, synthesize and report risks. Annual assessments of risks are conducted to (i) appraise of risks and efforts to mitigate these risks; (ii) report on the assessment of residual risks, after taking account of mitigation measures in place; and (iii) bring to the attention of Office of Internal Audit areas of residual risk, so that these can be taken into account in the design of annual audit plans. Financial risks are also reviewed as part of the annual comprehensive risk assessment exercise and on an on-going basis in the context of specific policies.

Credit risk

Credit outstanding

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

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

	2010		2009	
	(In millions of SDRs and as a percentage of total GRA credit outstanding)			
Largest user of credit	8,263	20.0%	6,323	31.0%
Three largest users of credit	22,900	55.5%	14,428	70.6%
Five largest users of credit	31,990	77.6%	17,628	86.3%

The five largest users of GRA credit at April 30, 2010, in descending order, were Romania, Hungary, Ukraine, Turkey, and Pakistan (Hungary, Turkey, Ukraine, Pakistan, and Iceland at April 30, 2009).

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

	2010		2009	
	(In millions of SDRs and as a percentage of total GRA credit outstanding)			
Africa	884	2.1%	654	3.2%
Asia and Pacific	4,852	11.8%	2,886	14.1%
Europe	29,223	70.9%	11,426	55.9%
Latin America and Caribbean	979	2.4%	297	1.5%
Middle East and Turkey	5,300	12.8%	5,163	25.3%
Total	41,238	100%	20,426	100%

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

The IMF has established limits on overall access to resources in the GRA, excluding access under the Flexible Credit Line (FCL) arrangements. The annual overall limit for this purpose is currently set at 200 percent of a member's quota, with a cumulative limit of 600 percent of a member's quota (net of scheduled repurchases). Access in excess of these limits can be granted in exceptional circumstances. There is no pre-specified maximum on such access, although the IMF will assess factors such as the size of balance of payment pressures, the member's debt sustainability and its ability to regain access to financing from other sources, and the strength of policies to be adopted. Under such circumstances, disbursements tend to be front-loaded with smaller subsequent tranches.

The IMF generally provides financial assistance to a member under an economic program adopted by the member to help it overcome its balance of payments difficulties. IMF assistance may be disbursed in tranches or the entire amount could be made available upfront. With the exception of the FCL, which provides qualifying member countries with robust policy frameworks and strong track records access to IMF resources with no ex-post conditions, and emergency assistance provided in the form of outright purchases, IMF financial assistance is phased and subject to conditionality in the form of performance criteria and periodic reviews. Safeguards assessments of member central banks are normally undertaken to provide the IMF with reasonable assurance that each central bank's legal structure, controls, and accounting, reporting, and auditing systems are adequate to ensure the integrity of their operations and help ensure that IMF resources are used for intended purposes. Misreporting by member countries may entail early repurchases for non-complying purchases.

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The IMF maintains precautionary balances consisting of its reserves (excluding any balances in the Special Reserve attributable to profits from gold sales during the financial year ended April 30, 2010), and the SCA-1 that would be used to cover losses from possible overdue repurchase obligations. At April 30, 2010, precautionary balances amounted to SDR 7.3 billion, compared to SDR 7.1 billion at April 30, 2009. In addition, the burden sharing mechanism generates resources to offset the loss of income due to unpaid charges and thereby helps protect the IMF's overall income and financial position.

The maximum credit risk exposure is the carrying value of the Fund's credit outstanding and undrawn commitments (see Note 14), which amounted to SDR 117.5 billion and SDR 72.2 billion at April 30, 2010, and 2009, respectively.

Investments

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

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

	2010		2009	
	Rating	Percentage	Rating	Percentage
Government bonds				
France	AAA	0.2%	AAA	0.7%
Germany	AAA	14.3%	AAA	13.2%
Japan	AA	6.1%	AA	6.0%
Spain	--	--	AA+	0.1%
United Kingdom	AAA	2.3%	AAA	2.4%
United States	AAA	16.1%	AAA	14.6%
Non-governmental bonds				
Bank for International Settlements	Not rated	47.8%	Not rated	47.9%
Other International Financial Institutions	AAA	8.6%	AAA	10.8%
Fixed-term deposits and other				
Bank for International Settlements	Not rated	4.6%	Not rated	4.3%
		100%		100%

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The General Department previously engaged its custodian in a securities lending program, in which marketable securities were lent temporarily to other institutions in exchange for a fee and collateral, to enhance the return on its investments. This program was suspended during the financial year ended April 30, 2009 and has not been resumed since.

Market risk

Interest rate risk

Credit outstanding

Interest rate risk is the risk that future cash flows will fluctuate because of changes in market interest rates. Interest rate risk is managed through the use of a floating market interest rate (the SDR interest rate) to determine the rate of charge. Interest rate fluctuations do not affect lending income because the IMF links the rate of charge directly, by means of a fixed margin, to the cost of financing (which is equal to the SDR interest rate).

Investments

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

A 50 basis point increase in the average effective yields of the IMF portfolio at April 30, 2010, would result in a loss of SDR 56.2 million or approximately 0.88 percent of the portfolio (SDR 59.1 million or 0.89 percent at April 30, 2009), whereas a 50 basis point decrease would result in a gain of SDR 57.1 million or approximately 0.89 percent of the portfolio (SDR 60.0 million or 0.91 percent at April 30, 2009).

Borrowings and issued notes

Interest rate risk related to borrowings and issued notes is limited since drawings under existing borrowing and note purchase agreements would normally be subject to the SDR interest rate. The proceeds from the borrowings are used to extend credit to member countries, at the rate of charge, which is based on the SDR interest rate plus a margin, or to repay borrowings under borrowing agreements. Under certain circumstances, higher interest rates can apply, in some cases requiring the agreement of the IMF.

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Exchange rate risk

Financial assets and liabilities other than investments

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

Investments

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

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

	2010		2009	
	Net Loss		Net Loss	
	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	(5.46)	0.09%	(5.56)	0.09%
Japanese yen	(2.96)	0.05%	(3.14)	0.05%
Pound sterling	(3.69)	0.06%	(3.51)	0.06%

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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:

	2010		2009	
	Net Loss		Net Loss	
	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	(1.06)	0.02%	(1.29)	0.02%
Japanese yen	(3.70)	0.06%	(3.81)	0.06%
Pound sterling	(2.98)	0.05%	(3.51)	0.06%

Borrowings and issued notes

The IMF has no exchange rate exposure on its borrowing arrangements since all drawings are denominated in SDRs.

Liquidity risk

Liquidity risk is the risk to the IMF of non availability of resources to meet the financing needs of members and its own obligations. The IMF must have usable resources available to meet members' demand for IMF financing. While the IMF's resources are of a revolving nature, uncertainties in the timing and amount of credit extended to members during financial crises expose the IMF to liquidity risk. Moreover, the IMF must also stand ready to meet potential demands from members drawing upon their reserve tranche positions, which have no fixed maturity and are part of members' reserves, and to meet repayment obligations of the immediate encashability of up to SDR 15 billion under any bilateral borrowing or note purchase agreement if a member represents that its balance of payments and reserve position justify such early repayment.

The IMF manages its liquidity risk not by matching the maturity of assets and liabilities, but by closely scrutinizing developments in its liquidity position. Long-term liquidity needs are addressed by reviewing the adequacy of quota-based resources. General reviews of members' quotas are conducted at intervals of no more than five years in order to evaluate the adequacy of quota-based resources to meet members' demand for IMF financing. The last general review was completed in January 2008. Further, resources from borrowing and note purchase agreements can be used toward the early repayment, at the request of a member, of the IMF's outstanding indebtedness under other such agreements.

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

Investments

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

Income risk

The IMF has been relying principally on income from charges levied on outstanding credit to meet its operating costs. At the same time the level of IMF lending fluctuates significantly, and in the current environment the IMF's income risk has subsided. In May 2006, the IMF's Managing Director appointed a committee of well-known experts to study sustainable financing options for the IMF. The committee recommended that the IMF broaden its income sources to more closely align with the IMF's diverse activities.

Based on the recommendations of the committee, the Executive Board proposed new and sustainable income and expenditure frameworks to close the then projected income shortfall. Key elements of the new income model include establishing an endowment using the profits from the limited sale of 12.97 million ounces of post-Second Amendment gold holdings, expanding the investment authority to enhance the expected return on the IMF's investments, and reinstating the practice of reimbursing the IMF for the cost of administering the PRG Trust. The expenditure framework proposal included significant expenditure cuts over the medium term. In May 2008, the IMF's Board of Governors endorsed these proposals and adopted the related resolution on the amendment of the Articles of Agreement. The implementation of the income proposal will require legislative action in many member countries. The proposed amendment will enter into effect after three-fifths of the members having 85 percent of the total voting power have accepted it. At April 30, 2010, 67 members with 73.8 percent of the total voting power have communicated their acceptance of the proposed amendment.

Operational risk

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

The IMF mitigates operational risk by (i) identifying key operational risks, (ii) maintaining a system of internal controls, (iii) documenting policies and procedures on administrative and

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accounting and reporting processes, and (iv) conducting internal audits to provide independent reviews of the effectiveness of the control processes and risk management. The design and effectiveness of controls are evaluated continuously and improvements are implemented on a timely basis. The results of the internal audits are reported by the Office of Internal Audit and Inspection both to the Managing Director and the External Audit Committee (EAC), which also exercises oversight over the external audit of the IMF's accounts and its controls. In addition, the Office of Internal Audit provides periodic reports to the Executive Board.

5. Currencies

Net changes in the IMF's holdings of members' currencies for the financial years ended April 30, 2010, and 2009 were as follows:

	April 30, 2008	Net change	April 30, 2009	Net Change	April 30, 2010
			(In millions of SDRs)		
Members' quotas	217,373	--	217,373	59	217,432
Members' outstanding use of IMF credit in the GRA	5,896	14,530	20,426	20,812	41,238
Members' reserve tranche positions in the GRA	(13,482)	(14,713)	(28,195)	(9,026)	(37,221)
Administrative currency balances	4	(1)	3	1	4
Total currencies	209,791	(184)	209,607	11,846	221,453

Currency holdings include receivables and payables arising from valuation adjustments at April 30, 2010, when all holdings of currencies of members were last revalued, amounted to SDR 4,192 million and SDR 7,730 million, respectively (SDR 16,359 million and SDR 6,990 million, respectively, at April 30, 2009). Settlements of these receivables or payables are required to be made by or to members promptly after the end of each financial year.

6. Credit and loans outstanding

During the financial year ended April 30, 2010, the IMF approved Stand-By Arrangements for Angola, Bosnia and Herzegovina, Dominican Republic, El Salvador, Iraq, Jamaica, Maldives, Romania, and Sri Lanka totaling SDR 19,827 million, extended arrangements for Moldova and Seychelles for SDR 205 million, and Flexible Credit Line arrangements for Colombia, Mexico, and Poland totaling SDR 52,184 million (Stand-By Arrangements for Armenia, Belarus, Costa Rica, El Salvador, Georgia, Guatemala, Hungary, Iceland, Latvia, Mongolia, Pakistan, Serbia, Seychelles and Ukraine for SDR 34,251 million and Flexible Credit Line arrangements for Mexico for SDR 31,528 million, during the financial year ended April 30, 2009). In addition, the Stand-By Arrangements for Armenia, Belarus, Georgia, Pakistan, and Serbia were augmented by a total of SDR 5,423 million. During the

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same period, drawings under Stand-By Arrangements and extended arrangements amounted to SDR 21,087 million (SDR 16,363 million for the financial year ended April 30, 2009). There were no drawings under Flexible Credit Line arrangements. Credit outstanding in the GRA and SAF loans in the SDA are carried at amortized cost.

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

	April 30, 2008	Purchases	Repurchases	April 30, 2009	Purchases	Repurchases	April 30, 2010
	In millions of SDRs						
Credit tranches	4,985	16,361	(1,601)	19,745	21,064	(228)	40,581
Extended Fund Facility	676	2	(210)	468	23	(44)	447
Enlarged access	167	--	(7)	160	--	(1)	159
Compensatory and Contingency Financing Facility	39	--	(5)	34	--	--	34
Supplementary Financing Facility	29	--	(10)	19	--	(2)	17
Total credit outstanding	5,896	16,363	(1,833)	20,426	21,087	(275)	41,238

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

Financial year ending April 30	General Resources Account	Special Disbursement Account
	(In millions of SDRs)	
2011	1,914	--
2012	3,267	--
2013	13,818	--
2014	16,520	--
2015	5,233	--
2016 and beyond	194	--
Overdue	292	9
Total	41,238	9

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Overdue obligations

At April 30, 2010, and 2009 two members were six months or more overdue in settling their financial obligations to the General Department as follows:

	GRA repurchases and SAF loans		GRA charges and SAF interest	
	2010	2009	2010	2009
	(In millions of SDRs)			
Total overdue	302	309	830	826
Overdue for six months or more	302	309	828	821
Overdue for three years or more	302	309	796	776

The type and duration of the overdue amounts in the General Department were as follows at April 30, 2010:

	GRA repurchases and SAF loans	GRA charges and SAF interest	Total obligation	Longest overdue obligation
	(In millions of SDRs)			
Somalia	106	116	222	July 1987
Sudan	196	714	910	July 1985
Total	302	830	1,132	

7. Investments

Investments are held in the Investment Account (SDR 6,272 million and SDR 6,498 million at April 30, 2010, and 2009, respectively) and the MDRI-I Trust (SDR 294 million and SDR 298 million, at April 30, 2010, and 2009, respectively) and are managed by external investment managers. These investments comprise fixed-term deposits, short-term investments and fixed-income securities, none of which include asset-backed securities. Fixed income securities include domestic government bonds of the Euro area, Japan, the United Kingdom and the United States, and medium-term instruments issued by the Bank for International Settlements.

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At April 30, investments consisted of the following:

	2010	2009
	(In millions of SDRs)	
Short-term investments	47	254
Fixed-term deposits	289	84
Fixed-income securities	6,230	6,458
Total investments	6,566	6,796

The following table presents the fair value hierarchy used to determine the fair value of investments, at April 30, 2010:

	Level 1	Level 2	Level 3	Total
		(In millions of SDRs)		
Short-term investments	40	7	--	47
Fixed-term deposits	--	289	--	289
Fixed-income securities	---	6,230	--	6,230
Total	40	6,526	--	6,566

The maturities of the investments were as follows:

Investments maturing in financial year ending April 30	
	(In millions of SDRs)
2011	950
2012	2,900
2013	2,628
2014	29
2015 and beyond	59
Total	6,566

Investment income

Investment income amounted to SDR 152 million for the Investment Account and SDR 1 million for the MDRI-I Trust for the financial year ended April 30, 2010 (SDR 372 million and SDR 5 million, respectively, for the financial year ended April 30, 2009).

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

	2010	2009
	(In millions of SDRs)	
Interest income	163	202
Realized gains	114	130
Realized losses	(25)	(23)
Unrealized gains	46	173
Unrealized losses	(145)	(105)
Total	153	377

8. Gold holdings

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

In September 2009, the Executive Board approved gold sales in a volume strictly limited to 403.3 metric tons, with these sales to be conducted under modalities that safeguard against disruption of the gold market. Initial sales were approved to be conducted off-market to interested central banks or other official sector holders, and thereafter, an on-market phase would be initiated in a phased manner over time for any amounts remaining from the 403.3 metric tons, following the approach adopted by central banks participating in the Central Bank Gold Agreement, which has pre-announced ceilings on sales from official sources.

In October 2009, the IMF sold 200 metric tons to the Reserve Bank of India for SDR 4,230 million at prevailing market prices. In November 2009, the IMF made further sales of gold to Bank of Mauritius (2 metric tons, for SDR 45 million) and the Central Bank of Sri Lanka (10 metric tons, for SDR 234 million) at prevailing market prices.

In February 2010, the IMF announced that it would initiate the on-market phase of its gold sales program. Subsequently, 39 metric tons were sold on-market through April 30, 2010, on the basis of prevailing market prices, for SDR 913 million. The IMF has continued the on-market gold sales after April 30, 2010.

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The realized gains from sales of gold in the amount of SDR 3,753 million are included in the consolidated statements of comprehensive income and have been placed in the Special Reserve.

At April 30, 2010, the IMF held 2,966 metric tons, equal to 95.4 million fine ounces, at designated depositories (3,217 metric tons, equal to 103.4 million fine ounces, at April 30, 2009). Gold holdings were valued at a historical cost of SDR 4,183 million at April 30, 2010, compared to SDR 5,852 million at April 30, 2009.

		2010		
	Ounces	Cost Per ounce	Total Cost	2009 Total Cost
	(In millions)	*(In SDRs)*	*(In millions of SDRs)*	*(In millions of SDRs*
Gold acquired from quota subscriptions	90.474	35	3,167	3,167
Gold acquired from Cambodia in 1992	--	--	--	5
Gold acquired through off market transactions in 1999/2000	4.912	207	1,016	2,680
Total	95.386		4,183	5,852

At April 30, 2010, the market value of the IMF's holdings of gold was SDR 74.4 billion (SDR 61.0 billion at April 30, 2009).

9. Fixed assets

Fixed assets amounted to SDR 290 million and SDR 294 million at April 30, 2010, and 2009 respectively, and consisted of land, buildings, and equipment, furniture and software.

	Land	Buildings	Other	Total
		(In millions of SDRs)		
Financial year ended April 30, 2009				
Cost				
Beginning of the year	96	298	98	492
Additions	--	4	18	22
Disposals	--	--	--	--
End of the year	96	302	116	514
Accumulated depreciation and amortization				
Beginning of the year	--	142	54	196
Additions	--	10	14	24
Disposals	--	--	--	--
End of the year	--	152	68	220
Net book value at April 30, 2009	96	150	48	294

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	Land	Buildings	Other	Total
		(In millions of SDRs)		
Financial year ended April 30, 2010				
Cost				
Beginning of the year	96	302	116	514
Additions	--	3	19	22
Disposals	--	--	--	--
End of the year	96	305	135	536
Accumulated depreciation and amortization				
Beginning of the year	--	152	68	220
Additions	--	10	16	26
Disposals	--	--	--	--
End of the year	--	162	84	246
Net book value at April 30, 2010	96	143	51	290

10. Multilateral Debt Relief Initiative (MDRI)

Under the MDRI, effective January 5, 2006, debt relief is provided to qualifying Heavily Indebted Poor Countries (HIPCs) and non-HIPCs with annual per capita income of US$380 or less, and to qualifying HIPCs with an annual per capita income of more than US$380. Grant assistance from the MDRI Trusts provides debt relief to cover the debt owed to the IMF at December 31, 2004 not covered by debt relief under the HIPC Initiative that remains outstanding at the time the member qualifies for such relief. For the financial years ended April 30, 2010, and 2009, the MDRI-I Trust disbursed SDR 2 million and SDR 9 million in grant assistance, respectively, allowing for early repayment of outstanding loans in the PRG Trust.

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

MDRI grant assistance to the remaining eligible members is subject to the availability of resources and is accrued when it is probable that a liability has been incurred and the amount of such grant assistance needed can be reasonably estimated. The liability recorded in the MDRI-I Trust amounted to SDR 2 million and SDR 102 million at April 30, 2010, and 2009, respectively, and is based on the evaluation of available facts at the end of the reporting period with respect to each individual eligible member. It includes factors such as progress

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made toward reaching the completion point under the HIPC Initiative and the capacity to meet the macroeconomic performance and other objective criteria after reaching the completion point. As the qualification of members for MDRI debt relief is assessed, the amounts recorded are reviewed periodically and adjusted to reflect additional information that becomes available. During the financial years ended April 30, 2010 and 2009, the estimate for MDRI grant assistance to be provided by the MDRI-I Trust was reduced by SDR 98 million and SDR 80 million, respectively, to reflect the delay by the remaining eligible members in reaching the completion point.

The reconciliation of accrued MDRI grant assistance for the MDRI-I Trust for the financial years ended April 30, is as follows:

	2010	2009
	(In millions of SDRs)	
Beginning of year	102	189
Additions	--	2
Amounts utilized	(2)	(9)
Reversals	(98)	(80)
End of the year	2	102

11. Interest and charges

At April 30, 2010, the total credit outstanding on which the IMF levies charges amounted to SDR 41,238 million (SDR 20,426 million at April 30, 2009). For the financial years ended April 30, 2010, and 2009, the basic rate of charge was set at the SDR interest rate plus a fixed margin of 100 basis points. The average rate of charge (adjusted for burden sharing) before applicable surcharges for the financial year ended April 30, 2010, was 1.30 percent (2.84 percent for the financial year ended April 30, 2009).

Interest and charges receivable at April 30 were as follows:

	2010	2009
	(In millions of SDRs)	
Periodic charges	1,030	920
Amount paid through burden sharing	(695)	(692)
Unpaid charges	(134)	(134)
	201	94
Interest receivable	2	3
Total interest and charges receivables	203	97

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Notes to the consolidated financial statements
for the years ended April 30, 2010, and 2009

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

	2010	2009
	(In millions of SDRs)	
Interest and periodic charges	695	363
Burden sharing adjustments	2	4
Total interest and charges	697	367

Interest earned on SAF loans for the financial years ended April 30, 2010, and 2009 amounted to less than SDR 0.05 million each year.

Service charges and commitment fees on canceled or expired arrangements amounted to SDR 186 million and SDR 85 million for the years ended April 30, 2010, and 2009, respectively.

12. Special Disbursement Account

Contributions to Administered Accounts

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

Proceeds from the repayment of SAF loans and Trust Fund loans and excess resources from the Supplementary Financing Facility Subsidy Account are transferred from the SDA to the Reserve Account of the PRG Trust as contributions. During the financial year ended April 30, 2010, there were no SAF or Trust Fund loan repayments (SDR 0.02 million for the financial year ended April 30, 2009), that were contributed to the PRG Trust.

For the financial year ended April 30, 2010, the IMF Executive Board waived the reimbursement of expenses incurred in administering the PRG Trust, and decided to transfer SDR 38.4 million that would otherwise have been reimbursed to the GRA from the PRG Trust Reserve Account, through the SDA, to the General Subsidy Account of the PRG Trust. No transfer was made during the financial year ended April 30, 2009.

Trust Fund

The IMF is the Trustee of the Trust Fund, which was established in 1976 to provide balance of payments assistance on concessional terms to eligible members that qualified for such assistance. The Trust Fund is in liquidation following its termination in 1981. Since that date, the activities of the Trust Fund have been confined to the conclusion of its affairs. The Trust Fund has no assets other than loans and interest receivable from Somalia and Sudan amounting to SDR 89 million and SDR 88 million at April 30, 2010 and 2009, respectively. All interest income is deferred.

13. Borrowings and issued notes

During the financial year ended April 30, 2010, the IMF met part of its financing needs by drawing on bilateral borrowing agreements in the amount of SDR 4,758 million and on note purchase agreements ("issued notes") in the amount of SDR 1,600 million with member countries or their central banks. Total committed resources from 19 agreements, converted at April 30, 2010 exchange rates, amount to SDR 173,755 million, of which SDR 167,397 million remains undrawn.

The average interest rate on outstanding borrowings and issued notes for the financial year ended April 30, 2010, was 0.25 percent per annum and the interest expense on borrowings and issued notes during the same period was SDR 7 million.

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Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

The following summarizes the borrowing and notes purchase agreements, whose terms commence on the date of the first drawing, in effect at April 30, 2010:

Member	Amount *(in billions)*	Effective date	Undrawn balance *(in millions of SDRs)*
Borrowings			
Japan	US$ 100	February 13, 2009	63,263
Canada	US$ 10	July 6, 2009	6,393
Norway	SDR 3	July 14, 2009	2,873
United Kingdom	SDR 9.92	September 1, 2009	9,660
Germany	€ 15	September 23, 2009	12,809
Netherlands	€ 5.31	October 5, 2009	4,537
Denmark	€ 1.95	November 4, 2009	1,664
Portugal	€ 1.06	November 30, 2009	905
France	€ 11.06	December 2, 2009	9,319
Belgium	€ 4.74	February 12, 2010	4,012
Malta	€ 0.12	February 12, 2010	102
Slovak Republic	€ 0.44	February 12, 2010	372
Czech Republic	€ 1.03	March 31, 2010	885
Sweden	€ 2.47	April 9, 2010	2,176
Finland	€ 1.3	April 26, 2010	1,145
Spain	€ 4.14	April 26, 2010	3,648
			123,764
Issued Notes			
China	SDR 32	September 22, 2009	30,780
Brazil	US$ 10	January 22, 2010	6,446
India	US$ 10	March 8, 2010	6,407
			43,633
Total			167,397

The borrowings and issued notes are encashable, subject to certain conditions, upon demand by the lenders. The new guidelines on IMF borrowing have set an SDR 15 billion limit per agreement on possible immediate encashment of bilateral loans and notes. Under the guidelines, the Executive Board has set the mix between borrowed resources and quota resources for IMF disbursements at a ratio of 50/50 in the context of the quarterly FTP.

Under the GAB and an associated agreement with Saudi Arabia, the IMF may borrow up to SDR 18.5 billion when supplementary resources are needed, in particular, to forestall or to

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Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

cope with an impairment of the international monetary system. The GAB became effective on October 24, 1962, and has been renewed periodically, most recently through December 26, 2013. Interest on borrowings under the GAB is set at the SDR interest rate. The NAB is the facility of first and principal recourse, but it does not replace the GAB. The NAB became effective on November 17, 1998, and has also been renewed periodically, most recently through November 17, 2013. There were no outstanding borrowings under the GAB or the NAB at April 30, 2010, and 2009.

14. Arrangements

An arrangement is a decision of the IMF that gives a member the assurance that the IMF stands ready to provide SDRs or usable currencies during a specified period and up to a specified amount, in accordance with the agreed terms. At April 30, 2010, the undrawn balances under the 23 stand-by and extended arrangements that were in effect in the GRA amounted to SDR 24,097 million (SDR 20,247 million under 15 arrangements at April 30, 2009). See Schedule 3.

At April 30, 2010, three arrangements under the Flexible Credit Line in the amount of SDR 52,184 million were active (one arrangement at April 30, 2009 in the amount of SDR 31,528 million).

15. Burden sharing and the Special Contingent Account

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

Cumulative charges, net of settlements, that have resulted in adjustments to charges and remuneration since May 1, 1986 (the date the burden sharing mechanism was adopted) amounted to SDR 695 million at April 30, 2010 (SDR 692 million at April 30, 2009). The cumulative refunds for the same period, resulting from the settlements of overdue charges for which burden-sharing adjustments have been made, amounted to SDR 1,320 million at April 30, 2010, and 2009, respectively.

Balances in the SCA-1 are to be distributed to the members that contributed towards the SCA-1 when there are no longer any outstanding overdue repurchases and charges, or at such earlier time as the IMF may decide. Amounts collected from members for the SCA-1 are akin to refundable cash deposits and are recorded as collections of cash and as a liability to those who paid them. Losses arising from overdue obligations, if realized, would be shared by

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Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

members in proportion to their cumulative contributions to the SCA-1. No additions have been made to the SCA-1 during the financial years ended April 30, 2010, and 2009.

16. Remuneration

At April 30, 2010, total creditor positions on which the IMF paid remuneration amounted to SDR 30,184 million (SDR 21,301 million at April 30, 2009). The average rate of remuneration (adjusted for burden sharing) for the financial year ended April 30, 2010, was 0.28 percent (1.74 percent for the financial year ended April 30, 2009). Remuneration consisted of the following for the years ended April 30:

	2010	2009
	(In millions of SDRs)	
Remuneration	86	179
Burden sharing adjustments	(2)	(4)
	84	175

17. Administrative expenses

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

	2010	2009
	(In millions of SDRs)	
Personnel	344	341
Pension and other long-term employee benefits	241	46
Travel	62	52
Restructuring	--	7
Other	78	86
Administrative expenses, net of reimbursements	725	532

During the financial year ended April 30, 2008, the IMF embarked on an institutional restructuring plan that involved voluntary staff separations, and a provision of SDR 68 million was made for expected severance and other termination benefits for separating staff, as well as outplacement and other direct costs.

During the year ended April 30, 2010, costs related to separating staff amounting to SDR 28 million were charged against the provision. Other changes in the provision were (i) a reduction in estimated retraining and outplacement costs (SDR 5 million), and (ii) additional costs associated with outsourcing (SDR 5 million).

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Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

Movements in the provision were as follows for the years ended April 30:

	2010	2009
	(In millions of SDRs)	
Beginning of year	55	68
Additions	5	7
Reversals	(5)	--
Amounts utilized	(28)	(20)
End of year	27	55

18. Pension and other post-retirement benefits

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

The defined benefit obligations are valued annually by independent actuaries using the Projected Unit Credit Method. The actuarial valuation carried out at April 30, 2010, include the amortization of prior service costs (SDR 4 million) and the effect of a Plan amendment approved in April 2010 (see below). The actuarial valuations at April 30, 2009, included the amortization of prior service costs (SDR 3 million) and the effect of an amendment to the Medical Benefits Plans, effective September 1, 2008. This amendment resulted in the recognition of an additional SDR 32 million of prior service cost during the financial year ended April 30, 2009, for benefits that vested immediately.

The actuarial valuation of accumulated plan benefits for the financial year ended April 30, 2010 reflected the impact of a Plan amendment, effective May 1, 2011, which increased withdrawal benefits to enhance benefit portability for shorter-term staff; increased commutation factors to reflect improvements in participant mortality; and reduced gross remuneration amounts to reflect decreases in personal income tax rates in comparator countries. The amendment resulted in the immediate recognition during the financial year ended April 30, 2010 of SDR 21 million in past service costs for vested benefits.

The amounts recognized in the statements of financial position for the SRP, the SRBP and other employee benefits for the financial years ended April 30 are determined as follows:

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Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

	2010				2009
	SRP	SRBP	Other	Total	Total
	(In millions of SDRs)				
Fair value of plan assets	4,342	7	531	4,880	3,839
Present value of the defined benefit obligation	(3,815)	(497)	(955)	(5,267)	(4,368)
Unrecognized actuarial losses	408	78	110	596	856
Unrecognized prior service cost	--	--	19	19	24
Net balance sheets asset/(liability)	935	(412)	(295)	228	351

The IMF expects to contribute SDR 114 million to its defined benefit pension plans during the financial year ending April 30, 2011.

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

	2010				2009
	SRP	SRBP	Other	Total	Total
	(In millions of SDRs)				
Defined benefit obligation at beginning of year	3,153	410	805	4,368	4,000
Current service cost	64	29	46	139	135
Interest cost	227	31	59	317	263
Staff contributions	27	1	--	28	26
Benefits paid	(117)	(11)	(47)	(175)	(163)
Prior service cost	20	1	--	21	41
Actuarial losses/(gains)	471	40	100	611	(298)
Exchange differences	(30)	(4)	(8)	(42)	364
Defined benefit obligation at end of year	3,815	497	955	5,267	4,368

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Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

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

	2010				2009
	SRP	SRBP	Other	Total	Total
	(In millions of SDRs)				
Current service cost	64	29	46	139	135
Interest cost	227	31	59	317	263
Expected returns on assets	(254)	(1)	(30)	(285)	(369)
Amortization of actuarial losses/(gains)	39	--	5	44	(18)
Prior service cost	20	2	4	26	35
Total expense recognized in the statements of comprehensive income	96	61	84	241	46
Actual return on assets				1,107	(1,412)

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

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

	2010				2009
	SRP	SRBP	Other	Total	Total
	(In millions of SDRs)				
Fair value of assets at beginning of year	3, 420	11	408	3,839	4,940
Expected return on assets	254	1	30	285	369
Gains/(losses) on assets	736	(1)	87	822	(1,782)
Employer contributions	55	6	56	117	93
Staff contributions	27	1	--	28	26
Benefits paid	(117)	(11)	(47)	(175)	(163)
Exchange differences	(33)	--	(3)	(36)	356
Actual fair value of assets at end of year	4,342	7	531	4,880	3,839

General Department

Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

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

	2010	2009	2008	2007	2006
	(In millions of SDRs)				
Defined benefit obligation	(5,267)	(4,368)	(4,000)	(4,201)	(3,834)
Plan assets	4,880	3,839	4,940	4,928	4,468
(Deficit)/surplus in the Plans	(387)	(529)	940	727	634
Experience adjustments on:					
Plan liabilities	(611)	299	303	(195)	312
Plan assets	822	(1,782)	(20)	287	593
Exchange rates	6	(9)	(33)	(19)	(17)

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

	2010	2009
	(In percentage)	
Cash	4.6	5.2
Fixed income	17.0	18.9
Equity	51.3	44.8
Real assets	5.1	3.0
Private equity and other	22.0	28.1
	100.0	100.0

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

	2010	2009
	(In percentage)	
Discount rate	6.00	7.25
Expected return on plan assets	7.50	7.50
Future salary increases	6.40-10.80	6.40-10.80
Health-care trend rate	5.00-11.00	5.00-11.75

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

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Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

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

	Increase of 1 percentage point	Decrease of 1 percentage point
	(In millions of SDRs)	
Effect on the aggregate of the service cost and interest cost	19	(14)
Effect on defined benefit obligation	165	(129)

Other assets represent miscellaneous receivables and amounted to SDR 79 million and SDR 69 million at April 30, 2010, and 2009, respectively.

19. Related-party transactions

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

The following summarizes the inter-entity balances at April 30, 2010, and 2009, and the related party transactions for the financial years then ended:

	2010	2009
	(In millions of SDRs)	
SDR Department		
Administrative expenses (reimbursed)	2	2
PRG Trust		
Cumulative SDA transfers to the:		
Reserve Account	2,893	2,893
Subsidy Accounts	908	870
Administrative expenses (reimbursements forgone)	38	41
PRG-HIPC Trust		
Cumulative transfers from the SDA	1,239	1,239
SRP and RSBIA		
Administrative expenses (reimbursed)	2	2

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Notes to the consolidated financial statements for the years ended April 30, 2010, and 2009

20. Subsequent Events

In May 2010, the IMF approved a three-year SDR 26.4 billion (Euro 30 billion) Stand-By arrangement for Greece in support of the authorities' economic adjustment and program. An amount of SDR 4.8 billion (about Euro 5.5 billion) was made immediately available to Greece from the IMF as part of joint financing with the European Union (EU), for a combined Euro 20.0 billion in immediate financial support. The Stand-By arrangement, which along with EU financing for Greece amounts to €110 billion over three years, entails exceptional access to IMF resources.

On June 24, 2010, Tuvalu became the 187th member of the IMF. Tuvalu's initial quota in the IMF is SDR 1.8 million.

On June 25, 2010, the IMF Executive Board approved the establishment of a new trust, the Post-Catastrophe Debt Relief Trust (PCDR Trust), to provide balance of payments assistance in the form of grants to eligible low-income members. The assistance shall be in the form of temporary debt flow relief and, in appropriate cases, permanent debt stock relief following an exceptional catastrophic natural disaster occurring any time after January 1, 2010. The IMF Executive Board also authorized the transfer of SDR 280 million in excess SDA resources currently in the MDRI-I Trust to the PCDR Trust to finance the debt relief operations of the PCDR Trust.

Schedule 1

General Department

Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions, and Outstanding Credit and Loans at April 30, 2010

(In millions of SDRs)

	General Resources Account				Outstanding credit and loans				
		IMF's holdings of currencies 1/		Reserve	GRA			PRG	
			Percent	tranche	Amount	Percent 2/	SDA 3/	Trust 4/	Total 5/
Member	Quota	Total	of quota	position	(A) +		(B) +	(C) =	(D)
Afghanistan ,Islamic Republic of	161.9	161.9	100.0	--	--	--	--	75.4	75.4
Albania	48.7	53.9	110.7	3.4	8.5	0.02	--	33.3	41.8
Algeria	1,254.7	1,144.6	91.2	110.1	--	--	--	--	--
Angola	286.3	515.5	180.1	--	229.0	0.56	--	--	229.0
Antigua and Barbuda	13.5	13.5	100.0	-- /6	--	--	--	--	--
Argentina	2,117.1	2,116.9	100.0	0.2	--	--	--	--	--
Armenia	92.0	442.4	480.9	--	350.4	0.85	--	69.3	419.7
Australia	3,236.4	2,540.2	78.5	696.7	--	--	--	--	--
Austria	1,872.3	1,498.1	80.0	374.2	--	--	--	--	--
Azerbaijan	160.9	160.8	99.9	0.1	--	--	--	37.8	37.8
Bahamas, The	130.3	124.0	95.2	6.3	--	--	--	--	--
Bahrain	135.0	63.8	47.3	71.2	--	--	--	--	--
Bangladesh	533.3	666.3	124.9	0.3	133.3	0.32	--	287.0	420.3
Barbados	67.5	61.8	91.6	5.7	--	--	--	--	--
Belarus	386.4	2,655.9	687.3	-- /6	2,269.5	5.50	--	--	2,269.5
Belgium	4,605.2	3,678.6	79.9	926.6	--	--	--	--	--
Belize	18.8	19.3	102.7	4.2	4.7	0.01	--	--	4.7
Benin	61.9	59.7	96.4	2.2	--	--	--	24.8	24.8
Bhutan	6.3	5.3	84.1	1.0	--	--	--	--	--
Bolivia	171.5	162.6	94.8	8.9	--	--	--	--	--
Bosnia and Herzegovina	169.1	473.4	280.0	-- /6	304.4	0.74	--	--	304.4
Botswana	63.0	51.7	82.1	11.3	--	--	--	--	--
Brazil	3,036.1	2,430.1	80.0	606.0	--	--	--	--	--
Brunei Darussalam	215.2	201.7	93.7	13.7	--	--	--	--	--
Bulgaria	640.2	606.4	94.7	33.8	--	--	--	--	--
Burkina Faso	60.2	52.8	87.7	7.4	--	--	--	70.4	70.4
Burundi	77.0	76.6	99.5	0.4	--	--	--	64.6	64.6
Cambodia	87.5	87.5	100.0	--	--	--	--	--	--
Cameroon	185.7	184.9	99.6	0.8	--	--	--	111.4	111.4
Canada	6,369.2	5,002.9	78.5	1,366.4	--	--	--	--	--
Cape Verde	9.6	9.6	100.0	-- /6	--	--	--	6.7	6.7
Central African Republic	55.7	55.5	99.6	0.2	--	--	--	50.0	50.0
Chad	56.0	55.7	99.5	0.3	--	--	--	15.6	15.6
Chile	856.1	673.0	78.6	183.1	--	--	--	--	--
China	8,090.1	6,515.1	80.5	1,575.1	--	--	--	--	--
Colombia	774.0	605.3	78.2	168.7	--	--	--	--	--
Comoros	8.9	8.4	94.4	0.5	--	--	--	6.5	6.5
Congo, Democratic Republic of	533.0	533.0	100.0	--	--	--	--	499.5	499.5
Congo, Republic of	84.6	84.0	99.3	0.6	--	--	--	16.3	16.3
Costa Rica	164.1	144.1	87.8	20.0	--	--	--	--	--
Cote d'Ivoire	325.2	324.4	99.8	0.8	--	--	--	218.5	218.5
Croatia	365.1	364.9	99.9	0.2	--	--	--	--	--
Cyprus	139.6	111.3	79.7	28.4	--	--	--	--	--
Czech Republic	819.3	665.3	81.2	154.0	--	--	--	--	--
Denmark	1,642.8	1,286.3	78.3	356.5	--	--	--	--	--

Schedule 1 *(continued)*

General Department

Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions, and Outstanding Credit and Loans at April 30, 2010

(In millions of SDRs)

	General Resources Account				Outstanding credit and loans				
		IMF's holdings of currencies 1/		Reserve	GRA			PRG	
			Percent	tranche	Amount	Percent 2/	SDA 3/	Trust 4/	Total 5/
Member	Quota	Total	of quota	position	(A)	+	(B) +	(C) =	(D)
Djibouti	15.9	14.8	93.1	1.1	--	--	--	9.8	9.8
Dominica	8.2	10.2	124.4	-- /6	2.1	0.01	--	10.4	12.5
Dominican Republic	218.9	775.1	354.1	-- /6	556.2	1.35	--	--	556.2
Ecuador	302.3	285.1	94.3	17.2	--	--	--	--	--
Egypt	943.7	943.7	100.0	--	--	--	--	--	--
El Salvador	171.3	171.3	100.0	--	--	--	--	--	--
Equatorial Guinea	32.6	32.6	100.0	--	--	--	--	--	--
Eritrea	15.9	15.9	100.0	-- /6	--	--	--	--	--
Estonia	65.2	65.2	100.0	-- /6	--	--	--	--	--
Ethiopia	133.7	126.2	94.4	7.5	--	--	--	107.0	107.0
Fiji	70.3	54.3	77.2	16.0	--	--	--	--	--
Finland	1,263.8	1,018.6	80.6	245.2	--	--	--	--	--
France	10,738.5	8,725.4	81.3	2,013.1	--	--	--	--	--
Gabon	154.3	153.8	99.7	0.5	--	--	--	--	--
Gambia, The	31.1	29.6	95.2	1.5	--	--	--	20.2	20.2
Georgia	150.3	677.4	450.7	-- /6	527.1	1.28	--	114.2	641.3
Germany	13,008.2	10,386.6	79.8	2,621.7	--	--	--	--	--
Ghana	369.0	369.0	100.0	-- /6	--	--	--	173.1	173.1
Greece	823.0	652.3	79.3	170.8	--	--	--	--	--
Grenada	11.7	11.7	100.0	--	--	--	--	17.7	17.7
Guatemala	210.2	210.2	100.0	--	--	--	--	--	--
Guinea	107.1	107.0	99.9	0.1	--	--	--	36.3	36.3
Guinea-Bissau	14.2	19.4	136.6	0.1	5.3	0.01	--	1.0	6.3
Guyana	90.9	90.9	100.0	--	--	--	--	37.1	37.1
Haiti	81.9	81.8	99.9	0.1	--	--	--	178.1	178.1
Honduras	129.5	120.9	93.4	8.6	--	--	--	20.3	20.3
Hungary	1,038.4	8,601.6	828.4	73.8	7,637.0	18.52	--	--	7,637.0
Iceland	117.6	869.0	738.9	18.6	770.0	1.87	--	--	770.0
India	4,158.2	3,270.3	78.6	888.1	--	--	--	--	--
Indonesia	2,079.3	1,933.8	93.0	145.5	--	--	--	--	--
Iran, Islamic Republic of	1,497.2	1,497.2	100.0	-- /6	--	--	--	--	--
Iraq	1,188.4	1,314.4	110.6	171.1	297.1	0.72	--	--	297.1
Ireland	838.4	682.2	81.4	156.2	--	--	--	--	--
Israel	928.2	743.9	80.1	184.3	--	--	--	--	--
Italy	7,055.5	5,590.1	79.2	1,465.4	--	--	--	--	--
Jamaica	273.5	687.8	251.5	--	414.3	1.00	--	--	414.3
Japan	13,312.8	10,675.9	80.2	2,638.0	--	--	--	--	--
Jordan	170.5	176.6	103.6	0.3	6.3	0.02	--	--	6.3
Kazakhstan	365.7	365.7	100.0	-- /6	--	--	--	--	--
Kenya	271.4	258.5	95.2	12.9	--	--	--	284.1	284.1
Kiribati	5.6	5.6	100.0	-- /6	--	--	--	--	--
Korea	2,927.3	2,298.9	78.5	628.4	--	--	--	--	--
Kosovo, Republic of	59.0	44.8	75.9	14.2	--	--	--	--	--
Kuwait	1,381.1	1,127.3	81.6	253.8	--	--	--	--	--
Kyrgyz Republic	88.8	88.8	100.0	-- /6	--	--	--	102.1	102.1

Schedule 1 *(continued)*

General Department

Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions, and Outstanding Credit and Loans at April 30, 2010

(In millions of SDRs)

	General Resources Account				Outstanding credit and loans				
		IMF's holdings of currencies 1/		Reserve	GRA			PRG	
			Percent	tranche	Amount	Percent 2/	SDA 3/	Trust 4/	Total 5/
Member	Quota	Total	of quota	position	(A)	+	(B) +	(C) =	(D)
Lao People's Democratic Republic	52.9	52.9	100.0	--	--	--	--	8.2	8.2
Latvia	126.8	1,019.0	803.6	0.1	892.2	2.16	--	--	892.2
Lebanon	203.0	260.3	128.2	18.8	76.1	0.18	--	--	76.1
Lesotho	34.9	31.3	89.7	3.6	--	--	--	13.3	13.3
Liberia	129.2	471.9	365.2	-- /6	342.8	0.83	--	225.7	568.5
Libya	1,123.7	798.9	71.1	324.8	--	--	--	--	--
Lithuania	144.2	144.2	100.0	-- /6	--	--	--	--	--
Luxembourg	279.1	227.0	81.3	52.1	--	--	--	--	--
Macedonia, Former Yugoslav Rep. of	68.9	68.9	100.0	-- /6	--	--	--	--	--
Madagascar	122.2	122.2	100.0	-- /6	--	--	--	64.4	64.4
Malawi	69.4	67.0	96.5	2.4	--	--	--	87.9	87.9
Malaysia	1,486.6	1,204.4	81.0	282.2	--	--	--	--	--
Maldives	8.2	14.8	180.5	1.6	8.2	0.02	--	2.1	10.3
Mali	93.3	83.4	89.4	9.9	--	--	--	30.0	30.0
Malta	102.0	80.2	78.6	21.8	--	--	--	--	--
Marshall Islands	3.5	3.5	100.0	-- /6	--	--	--	--	--
Mauritania	64.4	64.4	100.0	--	--	--	--	21.4	21.4
Mauritius	101.6	84.3	83.0	17.3	--	--	--	--	--
Mexico	3,152.8	2,539.8	80.6	613.1	--	--	--	--	--
Federated States of Micronesia	5.1	5.1	100.0	-- /6	--	--	--	--	--
Moldova	123.2	143.2	116.2	-- /6	20.0	0.05	--	136.3	156.3
Mongolia	51.1	173.6	339.7	0.1	122.6	0.30	--	6.9	129.5
Montenegro	27.5	20.9	76.0	6.6	--	--	--	--	--
Morocco	588.2	517.8	88.0	70.4	--	--	--	--	--
Mozambique	113.6	113.6	100.0	-- /6	--	--	--	109.1	109.1
Myanmar	258.4	258.4	100.0	--	--	--	--	--	--
Namibia	136.5	136.4	99.9	0.1	--	--	--	--	--
Nepal	71.3	71.3	100.0	-- /6	--	--	--	48.5	48.5
Netherlands	5,162.4	4,274.3	82.8	888.1	--	--	--	--	--
New Zealand	894.6	720.8	80.6	173.8	--	--	--	--	--
Nicaragua	130.0	130.0	100.0	--	--	--	--	95.9	95.9
Niger	65.8	57.2	86.9	8.6	--	--	--	39.5	39.5
Nigeria	1,753.2	1,753.1	100.0	0.1	--	--	--	--	--
Norway	1,671.7	1,346.9	80.6	324.8	--	--	--	--	--
Oman	194.0	158.4	81.6	35.6	--	--	--	--	--
Pakistan	1,033.7	5,202.9	503.3	0.1	4,169.3	10.11	--	568.5	4,737.8
Palau	3.1	3.1	100.0	-- /6	--	--	--	--	--
Panama	206.6	194.8	94.3	11.9	--	--	--	--	--
Papua New Guinea	131.6	131.2	99.7	0.4	--	--	--	--	--
Paraguay	99.9	78.4	78.5	21.5	--	--	--	--	--
Peru	638.4	516.4	80.9	122.0	--	--	--	--	--
Philippines	879.9	792.2	90.0	87.7	--	--	--	--	--
Poland	1,369.0	1,094.5	79.9	274.5	--	--	--	--	--
Portugal	867.4	701.3	80.9	166.1	--	--	--	--	--
Qatar	263.8	212.5	80.6	51.3	--	--	--	--	--

Schedule 1 *(continued)*

General Department

Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions, and Outstanding Credit and Loans at April 30, 2010

(In millions of SDRs)

	General Resources Account				Outstanding credit and loans				
		IMF's holdings of currencies 1/		Reserve	GRA			PRG	
			Percent	tranche	Amount	Percent 2/	SDA 3/	Trust 4/	Total 5/
Member	Quota	Total	of quota	position	(A)	+	(B) +	(C) =	(D)
Romania	1,030.2	9,293.2	902.1	--	8,263.0	20.04	--	--	8,263.0
Russian Federation	5,945.4	4,716.1	79.3	1,229.3	--	--	--	--	--
Rwanda	80.1	80.1	100.0	--	--	--	--	9.7	9.7
St. Kitts and Nevis	8.9	11.0	123.6	0.1	2.2	0.01	--	--	2.2
St. Lucia	15.3	15.3	100.0	-- /6	--	--	--	6.9	6.9
St. Vincent and the Grenadines	8.3	7.8	94.0	0.5	--	--	--	3.7	3.7
Samoa	11.6	10.9	94.0	0.7	--	--	--	5.8	5.8
San Marino	17.0	12.9	75.9	4.1	--	--	--	--	--
Sao Tome and Principe	7.4	7.4	100.0	-- /6	--	--	--	3.2	3.2
Saudi Arabia	6,985.5	5,698.9	81.6	1,286.6	--	--	--	--	--
Senegal	161.8	160.1	98.9	1.7	--	--	--	106.3	106.3
Serbia	467.7	1,648.7	352.5	--	1,180.9	2.86	--	--	1,180.9
Seychelles	8.8	22.9	260.2	-- /6	14.1	0.03	--	--	14.1
Sierra Leone	103.7	103.7	100.0	-- /6	--	--	--	58.9	58.9
Singapore	862.5	694.9	80.6	167.6	--	--	--	--	--
Slovak Republic	357.5	289.7	81.0	67.8	--	--	--	--	--
Slovenia	231.7	189.6	81.8	42.1	--	--	--	--	--
Solomon Islands	10.4	9.9	95.2	0.6	--	--	--	--	--
Somalia	44.2	140.9	318.8	--	96.7	0.23	8.8	--	112.0
South Africa	1,868.5	1,867.0	99.9	1.5	--	--	--	--	--
Spain	3,048.9	2,482.1	81.4	566.8	--	--	--	--	--
Sri Lanka	413.4	784.1	189.7	47.9	418.6	1.02	--	23.0	441.6
Sudan	169.7	365.7	215.5	-- /6	195.9	0.48	--	--	255.1
Suriname	92.1	86.0	93.4	6.1	--	--	--	--	--
Swaziland	50.7	44.1	87.0	6.6	--	--	--	--	--
Sweden	2,395.5	1,932.8	80.7	462.7	--	--	--	--	--
Switzerland	3,458.5	2,717.9	78.6	740.7	--	--	--	--	--
Syrian Arab Republic	293.6	293.6	100.0	-- /6	--	--	--	--	--
Tajikistan	87.0	87.0	100.0	-- /6	--	--	--	26.1	26.1
Tanzania	198.9	188.9	95.0	10.0	--	--	--	210.1	210.1
Thailand	1,081.9	851.8	78.7	230.1	--	--	--	--	--
Timor-Leste	8.2	8.2	100.0	-- /6	--	--	--	--	--
Togo	73.4	73.0	99.5	0.4	--	--	--	58.0	58.0
Tonga	6.9	5.2	75.4	1.7	--	--	--	--	--
Trinidad and Tobago	335.6	275.4	82.1	60.2	--	--	--	--	--
Tunisia	286.5	266.3	92.9	20.2	--	--	--	--	--
Turkey	1,191.3	5,998.7	503.5	112.8	4,920.2	11.93	--	--	4,920.2
Turkmenistan	75.2	75.2	100.0	-- /6	--	--	--	--	--
Uganda	180.5	180.5	100.0	-- /6	--	--	--	6.0	6.0
Ukraine	1,372.0	8,372.0	610.2	-- /6	7,000.0	16.98	--	--	7,000.0
United Arab Emirates	611.7	493.9	80.7	118.4	--	--	--	--	--
United Kingdom	10,738.5	8,683.7	80.9	2,055.0	--	--	--	--	--
United States	37,149.3	29,579.5	79.6	7,568.6	--	--	--	--	--
Uruguay	306.5	306.5	100.0	--	--	--	--	--	--
Uzbekistan	275.6	275.6	100.0	-- /6	--	--	--	--	--

Schedule 1 *(concluded)*

General Department

Quotas, IMF's Holdings of Currencies, Reserve Tranche Positions, and Outstanding Credit and Loans at April 30, 2010

(In millions of SDRs)

	General Resources Account				Outstanding credit and loans				
		IMF's holdings of currencies 1/		Reserve	GRA			PRG	
			Percent	tranche	Amount	Percent 2/	SDA 3/	Trust 4/	Total 5/
Member	Quota	Total	of quota	position	(A)	+	(B) +	(C) =	(D)
Vanuatu	17.0	14.5	85.3	2.5	--	--	--	--	--
Republica Bolivariana de Venezuela	2,659.1	2,337.2	87.9	321.9	--	--	--	--	--
Vietnam	329.1	329.1	100.0	-- /6	--	--	--	45.5	45.5
Yemen, Republic of	243.5	243.5	100.0	-- /6	--	--	--	24.6	24.6
Zambia	489.1	489.1	100.0	-- /6	--	--	--	219.9	219.9
Zimbabwe	353.4	353.1	99.9	0.3	--	--	--	72.9	72.9
Total	217,431.7	221,453.0		37,221.0	41,238.0	100.00	8.8	5,036.8	46,349.3

The ending balances reflect rounding.

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

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

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

4/ For information purposes only. The PRG Trust is not a part of the General Department.

5/ Includes outstanding Trust Fund loans: Somalia (SDR 6.5 million), and Sudan (SDR 59.2 million).

6/ Less than SDR 50,000.

Schedule 2

General Department

Financial resources and liquidity position in the General Resources Account at April 30, 2010 and 2009

(In millions of SDRs)

	April 30, 2010	April 30, 2009
Total resources		
Currencies	221,453	209,607
SDR holdings	2,635	2,133
Gold holdings	4,183	5,852
Other assets [1]	6,592	6,875
	234,863	224,467
Available resources under borrowing and note purchase arrangements[2]	167,397	--
Total resources	402,260	224,467
***Less:* Non-usable resources** [3]	88,086	70,352
of which: credit outstanding	41,238	20,426
***Equals:* Usable resources** [4]	314,174	154,115
***Less:* Undrawn balances under GRA arrangements**	76,281	51,775
***Equals:* Uncommitted usable resources**	237,893	102,340
***Plus:* Repurchases one year forward** [5]	1,914	266
***Less:* Prudential balance** [6]	70,735	35,733
***Equals:* One-year forward commitment capacity (FCC)**	169,072	66,873
Memorandum item		
Resources committed under borrowing and note purchase arrangements		
GAB/NAB	34,000	34,000
Others	173,755	67,000
Quotas of members that finance IMF transactions	179,917	178,664
Liquid liabilities	37,221	28,195

1 Other assets reflect current assets (charges, interest, and other receivables) and other assets (which include capital assets such as land, buildings, and equipment), net of other liabilities including remuneration payable.
2 Includes amounts available for drawing under activated borrowing and note purchase arrangements.
3 Resources are regarded as non usable if they cannot be used in the financing of the IMF's ongoing operations and transactions. These resources include (1) gold holdings, (2) currencies of members that are using IMF credit, (3) currencies of other members with relatively weak external positions, and (4) other assets.
4 Usable resources consist of (1) holdings of currencies of members considered by the IMF as having balance of payments and reserve positions sufficiently strong for their currencies to be used in transfers, (2) SDR holdings, and (3) any unused amounts under credit lines that have been activated.
5 Repurchases by member countries during the coming 12-month period.
6 Prudential balance is set at 20 percent of (i) quotas at members that issue the currencies that are used in the financing of IMF transactions and (ii) any amounts activated under GAB/NAB borrowing arrangements, or otherwise made available under bilateral borrowing and note purchase agreements that are fully in place.

Schedule 3

General Department

Status of arrangements in the General Resources Account at April 30, 2010

(In millions of SDRs)

Member	Date of arrangement	Expiration	Total amount agreed	Undrawn balance
Stand-By Arrangements				
Angola	November 23, 2009	February 22, 2012	859	630
Armenia	March 06, 2009	July 05, 2011	534	183
Bosnia and Herzegovina	July 08, 2009	June 30, 2012	1,015	710
Costa Rica	April 11, 2009	July 10, 2010	492	492
Dominican Republic	November 09, 2009	March 08, 2012	1,095	815
El Salvador	March 17, 2010	March 16, 2013	514	514
Gabon	May 07, 2007	May 06, 2010	77	77
Georgia	September 15, 2008	June 14, 2011	747	220
Guatemala	April 22, 2009	October 21, 2010	631	631
Hungary	November 06, 2008	October 05, 2010	10,538	2,901
Iceland	November 19, 2008	August 31, 2011	1,400	630
Iraq	February 24, 2010	February 23, 2012	2,377	2,080
Jamaica	February 04, 2010	May 03, 2012	821	406
Latvia	December 23, 2008	December 22, 2011	1,522	629
Maldives	December 04, 2009	December 03, 2012	49	41
Mongolia	April 01, 2009	October 01, 2010	153	31
Pakistan	November 24, 2008	December 30, 2010	7,236	3,067
Romania	May 04, 2009	May 03, 2011	11,443	3,180
Serbia, Republic of	January 16, 2009	April 15, 2011	2,619	1,438
Sri Lanka	July 24, 2009	March 23, 2011	1,654	1,240
Ukraine	November 05, 2008	November 04, 2010	11,000	4,000
Total Stand-By Arrangements			56,776	23,915
Extended Arrangements				
Moldova, Republic of	January 29, 2010	January 28, 2013	185	165
Seychelles	December 23, 2009	December 22, 2012	20	17
			205	182
Flexible Credit Line				
Colombia	May 11, 2009	May 10, 2010	6,966	6,966
Mexico	March 25, 2010	March 24, 2011	31,528	31,528
Poland	May 06, 2009	May 05, 2010	13,690	13,690
Total Flexible Credit Line			52,184	52,184
Total General Resources Account			109,165	76,281

II. Financial Statements
of the SDR Department

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Independent Auditors' Report

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

We have audited the accompanying statements of financial position of SDR Department of the International Monetary Fund (the "Department") as of April 30, 2010 and 2009, and the related statements of comprehensive income and of cash flows for the years then ended. These financial statements are the responsibility of the Department's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the financial position of the Department of the International Monetary Fund at April 30, 2010 and 2009, and the results of its operations and its 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 on pages 62 to 68 are presented for the purpose of additional analysis and are not a required part of the basic financial statements. These schedules are the responsibility of the Department's management. Such schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte & Touche LLP

June 25, 2010

SDR Department

Statements of financial position
at April 30, 2010, and 2009
(*In millions of SDRs*)

	2010	2009		2010	2009
Assets			**Liabilities**		
Net charges and assessments receivable	6	10	Net interest payable	6	10
Overdue charges and assessments (Note 4)	--	14			
Participants with holdings below allocations (Note 5)			Participants with holdings above allocations (Note 5)		
Allocations	73,205	10,880	SDR holdings	136,801	15,568
Less : SDR holdings	63,649	3,190	*Less:* allocations	130,778	10,553
Allocations in excess of holdings	9,556	7,690	Holdings in excess of allocations	6,023	5,015
			Participants' holdings held in escrow (Note 5)	--	--
			Holdings by the General Resources Account	2,635	2,133
			Holdings by prescribed holders	898	556
Total assets	9,562	7,714	Total liabilities	9,562	7,714

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

These financial statements were approved by the Managing Director and the Director of Finance on June 25, 2010.

Andrew Tweedie /s
Director, Finance Department

Dominique Strauss-Kahn /s
Managing Director

SDR Department

Statements of comprehensive income
for the years ended April 30, 2010, and 2009
(In millions of SDRs)

	2010	2009
Revenue		
Net charges from participants with holdings		
below allocations	24	138
Assessment on SDR allocations	2	2
	26	140
Expenses		
Interest on SDR holdings		
Net interest to participants with holdings		
above allocations	15	91
General Resources Account	7	33
Prescribed holders	2	14
	24	138
Administrative expenses	2	2
	26	140
Other comprehensive income	--	--
Net comprehensive income	--	--

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

SDR Department

Statements of cash flows
for the years ended April 30, 2010, and 2009
(In millions of SDRs)

	2010	2009
Cash flows from operating activities		
Receipts of SDRs		
SDR allocations	182,550	--
Transfers among participants and prescribed holders	4,885	2,094
Transfers from participants and prescribed holders to the General Resources Account	918	753
Transfers from the General Resources Account to participants and prescribed holders	425	518
Interest received:		
Participants	18	118
General Resources Account	8	46
Prescribed holders	2	18
Total receipts of SDRs	188,806	3,547
Uses of SDRs		
Transfers among participants and prescribed holders	4,885	2,094
Transfers from participants and prescribed holders to the General Resources Account	918	753
Transfers from the General Resources Account to participants and prescribed holders	425	518
Charges paid by participants	28	181
Other	--	1
Total uses of SDRs	6,256	3,547

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

SDR Department

Notes to the financial statements
for the years ended April 30, 2010, and 2009

1. Nature of operations

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

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

At April 30, 2010, and 2009, all members of the IMF were participants in the SDR Department. SDRs have been allocated by the IMF to members that are participants in the SDR Department at the time of the allocation in proportion to their quotas in the IMF. Since the creation of the SDR, three general allocations and one special allocation have been made for a total of SDR 204.0 billion. The third general allocation was made during 2009 and the special allocation was made on September 9, 2009. Upon termination of participation in, or liquidation of, the SDR Department, the IMF will provide to holders the currencies received from the participants in settlement of their obligations. The IMF is empowered to prescribe certain official entities as holders of SDRs; at April 30, 2010, and 2009, 15 institutions were prescribed as holders. Prescribed holders do not participate in SDR allocations.

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

Uses of SDRs

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

SDR Department

Notes to the financial statements
for the years ended April 30, 2010, and 2009

currency if it has a need because of its balance of payments, its reserve position, or developments in its reserves.

General allocations and cancellations of SDRs

The IMF has the authority to provide unconditional liquidity through general allocations of SDRs to participants in the SDR Department in proportion to their quotas in the IMF. The IMF cannot allocate SDRs to itself or to other holders it prescribes. The Articles of Agreement also provide for cancellations of SDRs, although to date there have been no cancellations.

To provide liquidity to the global economic system and supplement member countries' foreign exchange reserves, the Board of Governors of the IMF approved on August 7, 2009 a general allocation in the amount of SDR 161.2 billion, equivalent to US$ 250 billion. The general allocation was made on August 28, 2009 to IMF members that are participants in the SDR Department in proportion to their existing IMF quotas.

The Fourth Amendment to the IMF's Articles of Agreement providing for a special one-time allocation of SDRs entered into force on August 10, 2009, when the Fund certified that at least three-fifths of the IMF membership (112 members) with 85 percent of the total voting power accepted it. The special allocation of SDR 21.5 billion was made to IMF members on September 9, 2009, and it increased members' cumulative SDR allocations using a common benchmark ratio as described in the amendment. In accordance with the Fourth Amendment, SDRs allocated to participants with overdue obligations to the IMF have been deposited and held in an escrow account with the SDR Department and will be released to the participants upon the latter's settlement of all overdue obligations (see Note 5).

In its decisions on general allocations of SDRs, the IMF, as prescribed under its Articles, has sought to meet the long-term global need to supplement existing reserve assets in such a manner as will promote the attainment of the IMF's purposes and avoid economic stagnation and deflation, as well as excess demand and inflation.

2. Basis of preparation and measurement

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

SDR Department

Notes to the financial statements
for the years ended April 30, 2010, and 2009

New International Financial Reporting Standards and Interpretations

IFRS 9, "Financial Instruments" was issued in November 2009 as the first step in replacing the *IAS 39, "Financial Instruments: Recognition and Measurement"* standard. Under IFRS 9, financial assets currently in 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 mandatory adoption of IFRS 9 is January 1, 2013, but early adoption will be permitted. As the SDR Department measures financial assets only at amortized cost, the implementation of IFRS 9 is not expected to have an impact on the SDR Department's financial position or results of operations.

Unit of account

The financial statements of the SDR Department are presented in SDRs. 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 and the current composition of the SDR valuation basket became effective on January 1, 2006.

The currencies in the basket at April 30, 2010, and 2009 and their specific amounts, relative to one SDR, were as follows:

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

At April 30, 2010, one SDR was equal to US$ 1.51112 (one SDR was equal to US$ 1.49783 at April 30, 2009).

Use of estimates and judgment

The preparation of 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.

SDR Department

Notes to the financial statements for the years ended April 30, 2010, and 2009

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 Note 3.

3. Summary of significant accounting and reporting policies

Interest and charges

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

The rate of interest on the SDR is determined by reference to the combined market interest rate, which is a weighted average of yields or rates on short-term instruments in the money markets of the Euro area, Japan, the United Kingdom, and the United States. The combined market interest rate is calculated each Friday, using the yields or rates of that day. The SDR interest rate, which is set equal to the combined market interest rate, enters into effect on the following Monday and applies through the subsequent Sunday. The average SDR interest rate was 0.29 percent for the financial year ended April 30, 2010 (1.80 percent for the financial year ended April 30, 2009).

Overdue obligations

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

4. Overdue charges and assessments

At April 30, 2009, one member (Somalia) was six months or more overdue (since 1991) in meeting its financial obligations, amounting to SDR 14.1 million (none at April 30, 2010).

SDR Department

Notes to the financial statements for the years ended April 30, 2010, and 2009

Subsequent to the general allocation of SDRs to all participants in August 2009, Somalia settled its overdue financial obligations, which had previously been recognized as income.

5. Allocations and holdings

At April 30, 2010, net cumulative allocations to participants totaled SDR 204.0 billion (SDR 21.4 billion at April 30, 2009). Participants with holdings in excess of their allocations have established a net claim on the SDR Department, which is represented on the balance sheet as a liability. Participants with holdings below their allocations have used part of their allocations, resulting in a net obligation to the SDR Department presented as an asset. Participants' net SDR positions at April 30, 2010, and 2009 were as follows:

	2010			2009		
	Total	Below allocations	Above allocations	Total	Below allocations	Above allocations
	(In millions of SDRs)					
Cumulative allocations	203,983	73,205	130,778	21,433	10,880	10,553
Holdings of SDRs by participants	200,450	63,649	136,801	18,758	3,190	15,568
Net SDR positions	3,533	9,556	(6,023)	2,675	7,690	(5,015)

A summary of SDR holdings is provided below:

	2010	2009
	(In millions of SDRs)	
Participants	200,450	18,758
General Resources Account	2,635	2,133
Prescribed holders	898	556
	203,983	21,447
Less: Overdue charges receivable	--	14
Total holdings	203,983	21,433

SDR Department

Notes to the financial statements
for the years ended April 30, 2010, and 2009

In accordance with the provision of the Fourth Amendment of the IMF's Articles of Agreement, SDRs held in escrow account on behalf of participants with overdue obligations amounted to SDR 86.7 million at April 30, 2010. These amounts offset allocations that would be released to the participants upon the settlement of overdue obligations. The amounts were as follows:

	(*in millions of SDRs*)
Somalia	4.2
Sudan	16.1
Zimbabwe	66.4
Total	86.7

6. Related-party transactions and administrative expenses

The SDR Department conducts transactions with the General Department on the same terms and conditions applicable to participants and prescribed holders in the SDR Department. The General Resources Account's holdings of SDRs amounted to SDR 2.6 billion at April 30, 2010 (SDR 2.1 billion at April 30, 2009).

The expenses of conducting the business of the SDR Department are paid by the IMF from the General Resources Account, which is reimbursed by the SDR Department at the end of the each financial year (SDR 1.7 million and SDR 1.6 million for the financial years ended April 30, 2010, and 2009, respectively). For this purpose, the SDR Department levies an assessment on all participants in proportion to their net cumulative allocations.

Schedule 1

SDR Department

Statements of changes in SDR holdings for the years ended April 30, 2010, and 2009

(In millions of SDRs)

	Participants	General Resources Account	Prescribed holders	Total 2010	Total 2009
Total holdings, beginning of year	18,758	2,133	556	21,447	21,447
Receipts of SDRs					
SDR allocations	182,550	--	--	182,550	--
Transfers among participants and prescribed holders					
Transactions by agreement	3,790	--	220	4,010	1,323
Operations					
Settlement of financial obligations	--	--	1	1	3
IMF-related operations					
PRG Trust loans	186	--	--	186	149
PRG Trust contributions and payments	109	--	257	366	248
PRG Trust repayments and interest	--	--	298	298	337
PRG-HIPC Trust contributions and interest payments	11	--	6	17	12
Emergency Assistance, SFF subsidy and HIPC payments	7	--	1	7	19
Refunds, distributions and other	--	--	--	--	3
Net interest on SDRs	18	--	2	20	136
Transfers from participants and prescribed holders to the General Resources Account					
Repurchases	--	17	--	17	213
Charges	--	896	--	896	536
Interest on SDRs	--	8	--	8	46
Assessment on SDR Allocations	--	2	--	2	2
Reimbursement of expenses by MDRI-I Trust	--	3	--	3	2
Transfers from the General Resources Account to participants and prescribed holders					
Purchases	36	--	--	36	49
In exchange for currencies of other members					
Acquisitions to pay charges	252	--	--	252	248
Remuneration	88	--	--	88	196
Interest on borrowings	4	--	--	4	--
Refunds, distributions and other	45	--	--	45	25
Total receipts	187,095	926	785	188,806	3,547

Schedule 1 *(concluded)*

SDR Department

Statements of changes in SDR holdings for the years ended April 30, 2010, and 2009

(In millions of SDRs)

	Participants	General Resources Account	Prescribed holders	Total 2010	Total 2009
Uses of SDRs					
Transfers among participants and prescribed holders					
Transactions by agreement	3,882	--	128	4,010	1,323
Operations					
Settlement of financial obligations	1	--	--	1	3
IMF-related operations					
PRG Trust loans	--	--	186	186	149
PRG Trust contributions and interest payments	257	--	109	366	248
PRG Trust repayments and interest	298	--	--	298	337
PRG-HIPC Trust contributions and interest payments	6	--	11	17	12
Emergency Assistance, SFF subsidy and HIPC payments	1	--	7	7	19
Refunds, distributions and other	--	--	--	--	3
Transfers from participants and prescribed holders to the General Resources Account					
Repurchases	17	--	--	17	213
Charges	896	--	--	896	536
Assessment on SDR allocations	2	--	--	2	2
Reimbursement of expenses by MDRI-I Trust	--	--	3	3	2
Transfers from the General Resources Account to participants and prescribed holders					
Purchases	--	36	--	36	49
In exchange for currencies of other members					
Acquisitions to pay charges	--	252	--	252	248
Remuneration	--	88	--	88	196
Interest on borrowings	--	4	--	4	--
Refunds, distributions and other	--	45	--	45	25
Charges paid in the SDR department					
Net charges due	28	--	--	28	182
Total uses	5,388	425	443	6,256	3,547
Charges not paid when due	0 1/	--	--	0 1/	1
Settlement of unpaid charges and assessments	(14)	--	--	(14)	(1)
Total holdings, end of year	200,450	2,635	898	203,983	21,447

Totals may not add-up due to rounding.

1/ Less than SDR 500,000

Schedule 2

SDR Department

Allocations and holdings of participants at April 30, 2010

(In millions of SDRs)

Participant	Net cumulative allocations	Holdings: Total	Holdings: Percent of cumulative allocations	Holdings: (+) Above (-) Below allocations
Afghanistan, Islamic Republic of	155.3	128.5	82.7	(26.9)
Albania	46.5	46.6	100.4	0.2
Algeria	1,198.2	1,075.6	89.8	(122.6)
Angola	273.0	271.0	99.3	(2.0)
Antigua and Barbuda	12.5	12.5	100.1	-- 1/
Argentina	2,020.0	2,022.2	100.1	2.1
Armenia	88.0	16.9	19.2	(71.1)
Australia	3,083.2	3,098.0	100.5	14.8
Austria	1,736.3	1,750.7	100.8	14.4
Azerbaijan	153.6	153.6	100.0	-- 1/
The Bahamas	124.4	114.2	91.8	(10.2)
Bahrain	124.4	127.6	102.6	3.3
Bangladesh	510.4	448.3	87.8	(62.1)
Barbados	64.4	56.3	87.5	(8.0)
Belarus	368.6	377.6	102.4	9.0
Belgium	4,323.3	4,406.1	101.9	82.8
Belize	17.9	20.2	112.6	2.3
Benin	59.2	49.7	84.0	(9.5)
Bhutan	6.0	6.4	107.2	0.4
Bolivia	164.1	164.9	100.5	0.8
Bosnia and Herzegovina	160.9	1.6	1.0	(159.3)
Botswana	57.4	92.9	161.7	35.5
Brazil	2,887.1	2,887.6	100.0	0.5
Brunei Darussalam	203.5	216.3	106.3	12.8
Bulgaria	610.9	610.9	100.0	-- 1/
Burkina Faso	57.6	48.1	83.5	(9.5)
Burundi	73.8	66.6	90.2	(7.2)
Cambodia	83.9	68.5	81.6	(15.4)
Cameroon	177.3	155.5	87.7	(21.8)
Canada	5,988.1	5,876.5	98.1	(111.6)
Cape Verde	9.2	7.8	85.6	(1.3)
Central African Republic	53.4	2.9	5.3	(50.5)
Chad	53.6	2.8	5.2	(50.8)
Chile	816.9	789.7	96.7	(27.2)
China	6,989.7	8,050.1	115.2	1,060.5
Colombia	738.3	755.5	102.3	17.2
Comoros	8.5	6.7	78.4	(1.8)
Congo, Democratic Republic of	510.9	380.9	74.6	(129.9)
Congo, Republic of	79.7	70.1	87.9	(9.6)
Costa Rica	156.5	132.6	84.7	(23.9)

Schedule 2 (*continued)*

SDR Department

Allocations and holdings of participants at April 30, 2010

(In millions of SDRs)

Participant	Net cumulative allocations	Holdings: Total	Holdings: Percent of cumulative allocations	Holdings: (+) Above (-) Below allocations
Cote d'Ivoire	310.9	272.7	87.7	(38.2)
Croatia	347.3	303.3	87.3	(44.1)
Cyprus	132.8	119.4	89.9	(13.4)
Czech Republic	780.2	794.5	101.8	14.3
Denmark	1,531.5	1,520.7	99.3	(10.8)
Djibouti	15.2	12.8	84.3	(2.4)
Dominica	7.8	6.9	88.6	(0.9)
Dominican Republic	208.8	163.2	78.2	(45.6)
Ecuador	288.4	16.7	5.8	(271.6)
Egypt	898.5	825.2	91.8	(73.3)
El Salvador	163.8	163.3	99.7	(0.5)
Equatorial Guinea	31.3	25.9	82.9	(5.4)
Eritrea	15.2	3.6	24.1	(11.5)
Estonia	62.0	62.0	100.1	0.1
Ethiopia	127.9	17.4	13.6	(110.5)
Fiji	67.1	67.1	100.0	-- 1/
Finland	1,189.5	1,201.8	101.0	12.3
France	10,134.2	9,718.1	95.9	(416.1)
Gabon	146.7	132.8	90.5	(13.9)
Gambia, The	29.8	24.6	82.7	(5.2)
Georgia	144.0	145.6	101.1	1.6
Germany	12,059.2	12,185.4	101.0	126.2
Ghana	353.9	290.5	82.1	(63.4)
Greece	782.4	694.2	88.7	(88.1)
Grenada	11.2	10.6	95.4	(0.5)
Guatemala	200.9	173.7	86.5	(27.2)
Guinea	102.5	80.9	79.0	(21.6)
Guinea-Bissau	13.6	12.4	91.1	(1.2)
Guyana	87.1	2.4	2.8	(84.6)
Haiti	78.5	68.9	87.8	(9.6)
Honduras	123.8	104.8	84.6	(19.1)
Hungary	991.1	890.9	89.9	(100.2)
Iceland	112.2	88.8	79.2	(23.4)
India	3,978.3	3,296.5	82.9	(681.8)
Indonesia	1,980.4	1,762.5	89.0	(218.0)
Iran, Islamic Republic of	1,426.1	1,535.6	107.7	109.5
Iraq	1,134.5	1,156.1	101.9	21.7
Ireland	775.4	752.3	97.0	(23.2)
Israel	883.4	792.3	89.7	(91.1)
Italy	6,576.1	6,011.9	91.4	(564.2)

Schedule 2 *(continued)*

SDR Department

Allocations and holdings of participants at April 30, 2010

(In millions of SDRs)

Participant	Net cumulative allocations	Holdings: Total	Holdings: Percent of cumulative allocations	Holdings: (+) Above (-) Below allocations
Jamaica	261.6	218.7	83.6	(42.9)
Japan	12,285.0	13,378.0	108.9	1,093.0
Jordan	162.1	146.7	90.5	(15.4)
Kazakhstan	343.7	344.6	100.3	0.9
Kenya	259.6	220.3	84.8	(39.4)
Kiribati	5.3	5.3	100.2	-- 1/
Korea	2,404.4	2,454.8	102.1	50.3
Kosovo, Republic of	55.4	55.4	100.0	-- 1/
Kuwait	1,315.6	1,442.6	109.7	127.1
Kyrgyz Republic	84.7	98.9	116.7	14.1
Lao People's Democratic Republic	50.7	51.1	100.8	0.4
Latvia	120.8	127.0	105.1	6.2
Lebanon	193.3	209.6	108.4	16.3
Lesotho	32.9	29.2	88.7	(3.7)
Liberia	124.0	128.5	103.6	4.5
Libya	1,072.7	1,604.1	149.5	531.4
Lithuania	137.2	137.3	100.1	0.1
Luxembourg	246.6	243.3	98.6	(3.4)
Macedonia, Former Yugoslav Rep. of	65.6	58.1	88.5	(7.5)
Madagascar	117.1	97.7	83.4	(19.4)
Malawi	66.4	1.2	1.8	(65.2)
Malaysia	1,346.1	1,355.1	100.7	9.0
Maldives	7.7	7.7	100.7	0.1
Mali	89.4	73.4	82.1	(16.0)
Malta	95.4	95.8	100.4	0.4
Marshall Islands	3.3	3.3	100.0	-- 1/
Mauritania	61.7	0.1	0.1	(61.6)
Mauritius	96.8	99.9	103.2	3.1
Mexico	2,851.2	2,807.2	98.5	(44.0)
Federated States of Micronesia	4.8	6.2	129.0	1.4
Moldova	117.7	0.2	0.2	(117.5)
Mongolia	48.8	48.4	99.2	(0.4)
Republic of Montenegro	25.8	26.1	101.3	0.3
Morocco	561.4	486.9	86.7	(74.5)
Mozambique	108.8	108.7	99.8	(0.2)
Myanmar	245.8	2.2	0.9	(243.6)
Namibia	130.4	130.4	100.0	-- 1/
Nepal	68.1	63.7	93.6	(4.4)
Netherlands	4,836.6	4,886.8	101.0	50.1
New Zealand	853.8	854.7	100.1	0.9

Schedule 2 *(continued)*

SDR Department

Allocations and holdings of participants at April 30, 2010

(In millions of SDRs)

Participant	Net cumulative allocations	Holdings: Total	Holdings: Percent of cumulative allocations	Holdings: (+) Above (-) Below allocations
Nicaragua	124.5	104.9	84.2	(19.6)
Niger	62.9	54.3	86.3	(8.6)
Nigeria	1,675.4	1,518.0	90.6	(157.3)
Norway	1,563.1	1,600.4	102.4	37.4
Oman	178.8	185.5	103.8	6.7
Pakistan	988.6	876.0	88.6	(112.6)
Palau	3.0	3.0	100.0	-- 1/
Panama	197.0	171.1	86.8	(26.0)
Papua New Guinea	125.5	116.2	92.6	(9.3)
Paraguay	95.2	110.4	115.9	15.2
Peru	609.9	524.2	85.9	(85.7)
Philippines	838.0	727.9	86.9	(110.1)
Poland	1,304.6	1,339.4	102.7	34.7
Portugal	806.5	833.4	103.3	26.9
Qatar	251.4	268.2	106.7	16.8
Romania	984.8	862.2	87.6	(122.6)
Russian Federation	5,671.8	5,675.7	100.1	3.9
Rwanda	76.8	83.5	108.7	6.7
St. Kitts and Nevis	8.5	8.5	100.0	-- 1/
St. Lucia	14.6	15.4	105.9	0.9
St. Vincent and the Grenadines	7.9	0.8	9.5	(7.2)
Samoa	11.1	12.6	113.6	1.5
San Marino	15.5	16.7	107.4	1.2
Sao Tome and Principe	7.1	6.5	91.3	(0.6)
Saudi Arabia	6,682.5	6,971.8	104.3	289.3
Senegal	154.8	130.4	84.2	(24.4)
Serbia	445.0	7.1	1.6	(437.9)
Seychelles	8.3	7.8	94.2	(0.5)
Sierra Leone	99.5	121.0	121.6	21.4
Singapore	744.2	980.6	131.8	236.4
Slovak Republic	340.5	341.6	100.3	1.2
Slovenia	215.9	198.1	91.8	(17.7)
Solomon Islands	9.9	9.3	93.5	(0.6)
Somalia	46.5	18.6	40.0	(27.9)
South Africa	1,785.4	1,788.1	100.2	2.7
Spain	2,827.6	2,951.9	104.4	124.3
Sri Lanka	395.5	7.5	1.9	(388.0)
Sudan	178.0	125.7	70.6	(52.3)
Suriname	88.1	80.7	91.6	(7.4)
Swaziland	48.3	44.4	92.0	(3.9)

Schedule 2 *(concluded)*

SDR Department

Allocations and holdings of participants at April 30, 2010

(In millions of SDRs)

Participant	Net cumulative allocations	Holdings: Total	Holdings: Percent of cumulative allocations	Holdings: (+) Above (-) Below allocations
Sweden	2,249.0	2,287.5	101.7	38.5
Switzerland	3,288.0	3,425.2	104.2	137.1
Syrian Arab Republic	279.2	279.2	100.0	-- 1/
Tajikistan	82.1	69.8	85.1	(12.2)
Tanzania	190.5	158.7	83.3	(31.8)
Thailand	970.3	971.6	100.1	1.3
Timor-Leste	7.7	7.7	100.0	-- 1/
Togo	70.3	59.2	84.2	(11.1)
Tonga	6.6	7.1	107.5	0.5
Trinidad and Tobago	321.1	275.5	85.8	(45.6)
Tunisia	272.8	241.8	88.6	(31.0)
Turkey	1,071.3	969.6	90.5	(101.7)
Turkmenistan	69.8	69.8	100.0	-- 1/
Uganda	173.1	143.6	83.0	(29.4)
Ukraine	1,309.4	43.4	3.3	(1,266.1)
United Arab Emirates	568.4	541.1	95.2	(27.3)
United Kingdom	10,134.2	9,149.6	90.3	(984.6)
United States	35,315.7	36,882.0	104.4	1,566.3
Uruguay	293.3	245.6	83.8	(47.6)
Uzbekistan	262.8	263.3	100.2	0.5
Vanuatu	16.3	1.6	9.7	(14.7)
Venezuela	2,543.3	2,239.7	88.1	(303.5)
Vietnam	314.8	267.7	85.0	(47.1)
Yemen, Republic of	232.3	191.1	82.3	(41.1)
Zambia	469.1	406.7	86.7	(62.5)
Zimbabwe	272.2	165.1	60.7	(107.0)
Above allocations	130,777.9	136,801.3	104.6	6,023.4
Below allocations	73,205.6	63,649.1	86.9	(9,555.5)
Total participants	203,983.5	200,450.4		
Participants' holdings held in escrow	86.7	86.7		
General Resources Account		2,635.3		
Prescribed holders		897.9		
Overdue charges	--	--		
	204,070.3	204,070.3		

1/ Less than SDR 50,000

III. Financial Statements of the PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

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Independent Auditors' Report

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

We have audited the accompanying statements of financial position as of April 30, 2010 and 2009, and the related statements of comprehensive income and changes in resources and of cash flows for the years then ended of the following entities of the International Monetary Fund:

- Poverty Reduction and Growth ("PRG") Trust
- Trust for Special Poverty Reduction and Growth Operations for the Heavily Indebted Poor Countries ("HIPC") and Interim ECF Subsidy Operations and the Umbrella Account for HIPC Operations ("PRG-HIPC Trust and Related Account")
- Multilateral Debt Relief Initiative – II ("MDRI II") Trust

These financial statements are the responsibility of PRG Trust, PRG-HIPC Trust and Related Account, and MDRI II Trust's, (the "Trusts") management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with International Standards on Auditing and auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trusts' 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 positions of the Trusts of the International Monetary Fund at April 30, 2010 and 2009, 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 pages 95 to 103 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 Trusts' management. Such schedules have been subjected to the auditing procedures applied in our audits of the basic financial statements and, in our opinion, are fairly stated in all material respects when considered in relation to the basic financial statements taken as a whole.

Deloitte + Touche LLP

June 25, 2010

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Statements of financial position at April 30, 2010, and 2009

(*In millions of SDRs*)

	PRG Trust		PRG-HIPC Trust and Related Account		MDRI-II Trust	
	2010	2009	2010	2009	2010	2009
Assets						
Cash and cash equivalents	330	330	361	832	8	43
Interest and other receivables	16	22	--	--	--	--
Investments (Note 5)	4,927	4,869	587	435	30	--
Loans receivable (Note 6)	5,037	4,125	--	--	--	--
Total assets	10,310	9,346	948	1,267	38	43
Liabilities and resources						
Interest payable and other liabilities	24	38	--	1	--	--
Accrued MDRI grant assistance (Note 7)	--	--	--	--	5	10
Borrowings (Note 8)	5,127	4,324	294	581	--	--
Total liabilities	5,151	4,362	294	582	5	10
Resources	5,159	4,984	654	685	33	33
Total liabilities and resources	10,310	9,346	948	1,267	38	43

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 25, 2010.

Andrew Tweedie /s
Director, Finance Department

Dominique Strauss-Kahn /s
Managing Director

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Statements of comprehensive income and changes in resources for the years ended April 30, 2010, and 2009

(*In millions of SDRs*)

	PRG Trust		PRG-HIPC Trust and Related Account		MDRI-II Trust	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Resources, beginning of year	4,984	4,764	685	656	33	23
Investment income (Note 9)	121	296	13	43	--	1
Interest income on loans	16	19	--	--	--	--
Interest expense	(39)	(119)	(1)	(2)	--	--
Operational income	98	196	12	41	--	1
Contributions						
Bilateral donors	77	24	5	16	--	--
Special Disbursement Account	38	--	--	--	--	--
Administered Account for Liberia	--	--	--	15	--	--
Debt Relief						
MDRI grant assistance (Note 7)	--	--	--	--	--	9
HIPC assistance	--	--	(48)	(43)	--	--
Transfer through the Special Disbursement Account	(38)	--	--	--	--	--
Other comprehensive income	--	--	--	--	--	--
Net comprehensive income/ changes in resources	175	220	(31)	29	--	10
Resources, end of year	5,159	4,984	654	685	33	33

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

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Statements of cash flows for the years ended April 30, 2010, and 2009

(In millions of SDRs)

	PRG Trust		PRG-HIPC Trust and Related Account		MDRI-II Trust	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**
Cash flows from operating activities						
Net comprehensive income/(loss)	175	220	(31)	29	--	10
Adjustments to reconcile net comprehensive income/(loss) to cash generated by operations						
Interest income on investments	(130)	(160)	(13)	(34)	--	(1)
Interest income on loans	(16)	(19)	--	--	--	--
Interest expense	39	119	1	2	--	--
	68	160	(43)	(3)	--	9
Change in accrued MDRI grant assistance	--	--	--	--	(5)	(9)
Changes in other liabilities	--	2	--	--	--	--
Loan disbursements	(1,401)	(720)	--	--	--	--
Loan repayments	489	468	--	--	--	--
Cash used in operations	(844)	(90)	(43)	(3)	(5)	--
Interest received	152	191	13	39	--	1
Interest paid	(53)	(139)	(2)	(2)	--	--
Net cash (used in)/provided by operating activities	**(745)**	**(38)**	**(32)**	**34**	**(5)**	**1**
Cash flows from investment activities						
Net (acquisition)/disposition of investments	(58)	(27)	(158)	490	(30)	39
Net cash (used in)/provided by investment activities	**(58)**	**(27)**	**(158)**	**490**	**(30)**	**39**
Cash flows from financing activities						
Borrowings	1,416	726	--	6	--	--
Repayment of borrowings	(613)	(668)	(288)	(25)	--	--
Net cash provided by/(used in) financing activities	**803**	**58**	**(288)**	**(19)**	**--**	**--**
Net (decrease)/increase in cash and cash equivalents	--	(7)	(478)	505	(35)	40
Effect of exchange rate changes on cash and cash equivalents	--	--	7	(5)	--	--
Cash and cash equivalents, beginning of year	330	337	832	332	43	3
Cash and cash equivalents, end of year	**330**	**330**	**361**	**832**	**8**	**43**
Supplemental disclosure						
Change in ending balances resulting from exchange rate fluctuations:						
Investments	--	--	(6)	(16)	--	--
Borrowings	--	--	1	(21)	--	--

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

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Notes to the financial statements for the years ended April 30, 2010, and 2009

1. Nature of operations

The Poverty Reduction and Growth Facility (PRGF) and Exogenous Shocks Facility (ESF) Trust (the PRGF-ESF Trust) and the Trust for Special Poverty Reduction and Growth Operations for the Heavily Indebted Poor Countries and Interim PRGF Subsidy Operations (the PRGF-HIPC Trust) have been renamed the Poverty Reduction and Growth Trust (the PRG Trust) and the Trust for Special Poverty Reduction and Growth Operations for the Heavily Indebted Poor Countries and Interim ECF Subsidy Operations (PRG-HIPC Trust), respectively. The IMF is the Trustee of the PRG Trust, the PRG-HIPC Trust and the related account, or Umbrella Account for HIPC Operations (the Umbrella Account), and the Multilateral Debt Relief Initiative-II Trust (the MDRI-II Trust), collectively referred to as the Trusts, whose purposes are to provide loans on concessional terms and debt relief to low-income members.

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. The Trusts' investment objective is to generate returns that exceed the SDR interest rate over time while minimizing the frequency and extent of negative returns and underperformance.

As part of the IMF's response to the global economic crisis, the Executive Board approved measures that are expected to sharply increase resources available to low-income member countries. On July 23, 2009, the Executive Board approved a new architecture of facilities for low-income countries and reform of the IMF's concessional financing framework. The reform became effective on January 7, 2010 when all lenders and contributors of subsidies to the former PRGF-ESF Trust consented to the amendment of the Trust Instrument. The new architecture also established special loan and subsidy accounts for each of the new facilities to enable earmarking of loans and contributions for particular purposes. In addition, a general loan account and a general subsidy account were established to receive and provide financing for all facilities under the PRG Trust which can be drawn upon after exhaustion of the aforementioned earmarked resources.

PRG Trust

Established as the ESAF Trust in December 1987, the PRG Trust provides loans on concessional terms to qualifying low-income country members. Under the new reform, 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 new set of facilities, including: the Extended Credit Facility (ECF) for medium-term balance of payments needs under three year arrangements; the Standby Credit Facility (SCF) for short-term balance of payments needs under one to two year arrangements; and for urgent balance of payments needs, the Rapid Credit Facility (RCF) provides financial support in outright disbursements with limited conditionality. 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.

PRGF arrangements and outstanding PRGF loans were converted to ECF arrangements and loans, respectively. No new commitments under the ESF were made after April 6, 2010, but the terms of outstanding ESF commitments and loans will continue to apply. From early-January 2010 to end-December 2011, interest on outstanding Trust loans has been waived. Thereafter, interest rates on all PRG Trust loans will be reset and reviewed every two years 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 five 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 Umbrella Account

The PRG-HIPC Trust (formerly PRGF-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 Umbrella Account receives and administers the proceeds of grants made by the PRG-HIPC Trust to the 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.

2. Basis of preparation and measurement

The financial statements include the PRG Trust, the PRG-HIPC Trust (including the Umbrella Account), and the MDRI-II Trust. 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 International Financial Reporting Standards and Interpretations

Amended IFRS 7, "Financial Instruments: Disclosures" requires the disclosures of the methods and underlying assumptions applied in determining fair values of financial assets or financial liabilities. Amended IFRS 7 introduces a three-level hierarchy for fair value measurement disclosures and requires additional disclosures on the relative reliability of fair value measurement. An entity must also disclose the remaining contractual maturities for financial liabilities and how it manages the related liquidity risk. The amended IFRS 7, which became effective for annual periods beginning on or after January 1, 2009, was implemented during the financial year ended April 30, 2010, resulting in enhanced disclosures of the Trusts' financial assets and financial liabilities. No comparative information is provided in the current year as allowed for by the standard in the year of implementation.

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Notes to the financial statements for the years ended April 30, 2010, and 2009

IFRS 9, "Financial Instruments" was issued in November 2009 as the first step in replacing the *IAS 39, "Financial Instruments: Recognition and Measurement"* standard. Under IFRS 9, financial assets currently in 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 mandatory adoption of IFRS 9 is January 1, 2013, but early adoption will be permitted. As the Trusts and Related Account already measure financial assets at amortized cost or fair value, the implementation of IFRS 9 is not expected to have an impact on the Trust's financial position or results of operations.

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 and the current composition of the SDR valuation basket became effective on January 1, 2006.

The currencies in the basket at April 30, 2010, and 2009 and their specific amounts, relative to one SDR, were as follows:

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

At April 30, 2010, one SDR was equal to US$1.51112 (US$1.49783 at April 30, 2009).

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 and 7.

3. Summary of significant accounting and related policies

The accounting policies set out below comply with IFRS and have been applied consistently for all periods presented.

Cash and cash equivalents

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

Investments

Investments 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

Amendments to the IFRS 7 standard introduced a three-level fair value hierarchy under which financial instruments are categorized based on the priority of the inputs to the valuation technique 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.

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, 2010, and 2009.

Borrowings

The PRG and PRG-HIPC Trusts borrow on such terms and conditions as agreed between the Trustee and the lenders. The repayment periods for PRG Trust borrowings are either 5 ½ to ten years or four to eight years, in equal semi-annual installments, depending upon the lending for which the borrowing finances. PRG-HIPC Trust borrowings are repayable in one installment at their maturity dates. Borrowings are recorded and subsequently stated at amortized cost. As part of the 2009 reforms, additional modifications to the financing framework include lending to the PRG Trust that allows encashment of outstanding claims and note issuances similar to those issued under the IMF's General Resources Account.

Foreign currency translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transaction. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are reported using the closing exchange rates. Exchange differences arising from the settlement of transactions at rates different from those at the originating date of the transaction and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net 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 its operations and investing its resources, the Trusts are exposed to various types of operational and 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) and under the SCF, access is normally limited to 50 percent of quota per year. 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, and its previous and outstanding use of IMF credit. The IMF may approve access in excess of these limits in exceptional circumstances.

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

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 6.6 billion and SDR 4.9 billion at April 30, 2010, and 2009, respectively.

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

	2010		2009	
	(In millions of SDRs and percent of total PRG Trust credit)			
Largest user of credit	569	11.3%	724	17.5%
Three largest users of credit	1,355	26.9%	1,588	38.5%
Five largest users of credit	1,865	37.0%	1,997	48.4%

The five largest users of credit at April 30, 2010, in descending order, were Pakistan, Democratic Republic of the Congo, Bangladesh, Kenya and Liberia. Outstanding credit by member is provided in Schedule 1.

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

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Notes to the financial statements for the years ended April 30, 2010, and 2009

	April 30, 2010		April 30, 2009	
	(In millions of SDRs and percent of total PRG Trust credit outstanding)			
Africa	3,021	60.0%	2,041	49.5%
Asia and Pacific	996	19.8%	1,210	29.3%
Europe	391	7.8%	403	9.8%
Latin America and Caribbean	370	7.3%	235	5.7%
Middle East and Central Asia	259	5.1%	236	5.7%
Total	5,037	100%	4,125	100%

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, 2010, and 2009, 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 eligible 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 Settlement (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 AA 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. Compliance controls are enforced to ensure that the portfolio does not include a security whose rating is below the minimum rating required.

The MDRI-II Trust's investments 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:

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Notes to the financial statements for the years ended April 30, 2010, and 2009

	2010			2009		
		PRG Trust	PRG-HIPC Trust		PRG Trust	PRG-HIPC Trust
	Rating	Percentage		Rating	Percentage	
Government bonds						
France	--	--	--	AAA	0.2%	0.1%
Germany	AAA	15.2%	16.5%	AAA	15.0%	12.4%
Japan	AA	5.7%	6.6%	AA	5.5%	4.6%
Spain	AA	0.2%	-- [1]	AA+	0.2%	0.1%
United Kingdom	AAA	2.6%	2.1%	AAA	2.3%	1.6%
United States	AAA	14.4%	16.7%	AAA	12.6%	15.0%
Non-government bonds						
Bank for International Settlements	Not rated	53.3%	--	Not rated	51.5%	--
Other international financial institutions	AAA	6.3%	5.2%	AAA	7.5%	3.2%
Fixed-term deposits						
Bank for International Settlements	Not rated	2.1%	50.1%	Not rated	5.2%	62.9%
Other financial institutions	AAA	-- [1]	0.4%	--	--	--
	AA	-- [1]	0.4%	--	--	--
	AA-	-- [1]	1.2%	--	--	--
	A+	0.2%	0.8%	--	--	--
	--	--	--	A	--	0.1%
		100%	100%		100%	100%

[1] Less than 0.1%

The Trustee previously engaged its custodian in a securities lending program, in which marketable securities were lent temporarily to other institutions in exchange for a fee and collateral, to enhance the return on the Trusts' investments. This program was suspended during the financial year ended April 30, 2009.

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.

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Notes to the financial statements for the years ended April 30, 2010, and 2009

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

	2010		2009	
	Net (loss)/gain		Net (loss)/gain	
	In millions of SDRs	As a percentage of the portfolio	In millions of SDRs	As a percentage of the portfolio
PRG Trust				
50 basis point increase	(45.7)	0.87%	(44.3)	0.85%
50 basis point decrease	46.4	0.88%	45.0	0.87%
PRG-HIPC Trust				
50 basis point increase	(3.4)	0.35%	(4.3)	0.34%
50 basis point decrease	3.4	0.36%	4.4	0.35%

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 Trust has no exchange rate risk on its loans and borrowings as receipts, disbursements, repayments and interest payments are denominated in SDRs. The PRG-HIPC Trust has no exchange rate risk on borrowings as receipts, repayments and interest payments are either denominated in SDRs or, if denominated in currency, are invested and maintained in the same currency.

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.

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Notes to the financial statements for the years ended April 30, 2010, and 2009

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				PRG-HIPC Trust			
	Net loss				Net loss			
	2010		2009		2010		2009	
	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	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	(4.22)	0.09%	(4.19)	0.09%	(0.57)	0.13%	(0.31)	0.07%
Japanese yen	(2.41)	0.05%	(2.26)	0.05%	(0.17)	0.04%	(0.29)	0.07%
Pound sterling	(2.89)	0.06%	(2.68)	0.06%	(0.34)	0.08%	(0.11)	0.02%

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				PRG-HIPC Trust			
	Net loss				Net gain/(loss)			
	2010		2009		2010		2009	
	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	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	(1.00)	0.02%	(0.97)	0.02%	0.10	0.02%	(0.16)	0.04%
Japanese yen	(2.89)	0.06%	(2.96)	0.06%	(0.31)	0.07%	(0.20)	0.05%
Pound sterling	(2.44)	0.05%	(2.61)	0.06%	(0.15)	0.03%	(0.37)	0.09%

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, 2010 and 2009, resources in the Subsidy Accounts are expected to meet the estimated needs based on the level of loans outstanding. In light of the global economic crisis and the PRG Trust reforms, additional resources are being mobilized from bilateral contributors for the Loan and Subsidy Accounts to meet the estimated needs based on the projections of new lending and the costs associated with the interest waiver. 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 fair value of investments is based on the quoted market prices or dealer quotes on the last business day of the financial year, consisted of the following at April 30:

	PRG Trust		PRG-HIPC Trust		MDRI-II Trust	
	2010	2009	2010	2009	2010	2009
			(In millions of SDRs)			
Fixed-term deposits	71	135	175	--	30	--
Fixed-income securities	4,856	4,734	412	435	--	--
Total	4,927	4,869	587	435	30	--

The following table presents the fair value hierarchy used to determine the fair value of investments at April 30, 2010. Fixed-income securities comprise primarily domestic

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Notes to the financial statements for the years ended April 30, 2010, and 2009

government bonds of member countries whose currencies are included in the SDR basket, i.e., Germany, Japan, Spain, the United Kingdom and the United States and obligations of international financial organizations, including the BIS.

	PRG Trust			PRG-HIPC Trust			MDRI-II Trust		
	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3	Level 1	Level 2	Level 3
	(In millions of SDRs)								
Fixed-term deposits	--	71	--	--	175	--	--	30	--
Fixed-income securities	--	4,856	--	--	412	--	--	--	--
Total	--	4,927	--	--	587	--	--	30	--

The maturities of the investments are as follows:

Financial year ending April 30	PRG Trust	PRG-HIPC Trust
	(In millions of SDRs)	
2011	254	310
2012	2,442	91
2013	2,174	162
2014	23	5
2015	33	3
2016 and beyond	1	16
Total	4,927	587

6. Loans receivable

At April 30, 2010, and 2009, the resources of the Loan Account included net cumulative transfers from the Reserve Account of SDR 73 million, related to the nonpayment of principal by Zimbabwe.

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

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Notes to the financial statements for the years ended April 30, 2010, and 2009

Financial year ending April 30	(In millions of SDRs)
2011	519
2012	550
2013	494
2014	467
2015	566
2016 and beyond	2,368
Overdue	73
Total	5,037

At April 30, 2010, scheduled repayments of loans include ECF loans totaling SDR 338 million due from members that are potentially eligible for MDRI debt relief assistance.

7. MDRI assistance

Total MDRI assistance, including disbursements from MDRI-I, MDRI-II, and PRG-HIPC Trusts, are provided by member in Schedule 5. During the financial year ended April 30, 2010, the MDRI-II Trust disbursed SDR 5 million in assistance to one member after reaching its completion point (there were no MDRI-II Trust disbursements during the financial year ended April 30, 2009). Related PRG Trust loans were repaid in full and no impairment loss has been recognized in the PRG Trust Loan Accounts.

All remaining MDRI-eligible members will qualify for MDRI debt relief upon reaching the completion point under the HIPC Initiative. MDRI grant assistance to the remaining eligible members is subject to the availability of resources and is accrued when it is probable that a liability has been incurred and the amount of such grant assistance can be reasonably estimated. The amount of liability recorded for the MDRI-II Trust (SDR 5 million and SDR 10 million at April 30, 2010, and 2009, respectively) is based on the evaluation of currently available facts with respect to each individual eligible member and includes factors such as progress made toward reaching the completion point under the HIPC Initiative, and the capacity to meet the macroeconomic performance and other objective criteria. As the qualification of members for MDRI debt relief is assessed, the amounts recorded are reviewed periodically and adjusted to reflect the additional information that becomes available.

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

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

	2010	2009
	(In million of SDRs)	
Beginning of year	10	19
Additions	--	6
Amount utilized	(5)	--
Reversals	--	(15)
End of year	5	10

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 PRG Trust borrowings was 0.80 percent and 2.83 percent for financial years ended April 30, 2010 and 2009, respectively. During the same periods, interest rates on PRG-HIPC Trust borrowings varied between 0 percent and 2 percent per annum, which had a weighted average interest rate of 0.21 percent for the financial year ended April 30, 2010 (0.25 percent for the financial year ended April 30, 2009). Current borrowing agreements are shown in Schedule 3.

The PRG Trust made early repayments of SDR 28 million and SDR 61 million during the financial year ended April 30, 2010 and 2009, respectively, to lenders following the repayment of PRG Trust loans by members that either received HIPC Initiative and MDRI grant assistance or returned non-complying disbursements.

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Notes to the financial statements for the years ended April 30, 2010, and 2009

Scheduled repayments of borrowings are summarized below:

Financial year ending April 30	PRG Trust	PRG-HIPC Trust
	(In millions of SDRs)	
2011	617	71
2012	596	26
2013	504	6
2014	453	12
2015 and beyond	2,957	179
Total	5,127	294

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

	2010	2009
	(In millions of SDRs)	
Loan Accounts	2,386	2,013
Subsidy Accounts	104	110

9. Investment income

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

	PRG Trust		PRG-HIPC Trust and Related Account		MDRI-II Trust	
	2010	2009	2010	2009	2010	2009
			(In millions of SDRs)			
Interest income	130	160	13	34	--	1
Realized gains (losses), net	75	70	(3)	14	--	--
Unrealized (losses) gains, net	(83)	67	3	(5)	--	--
Other, net	(1)	(1)	--	--	--	--
Total	121	296	13	43	--	1

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Notes to the financial statements for the years ended April 30, 2010, and 2009

10. Commitments under PRG Trust loan 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, 2010, undrawn balances under 30 loan arrangements amounted to SDR 1,546 million (SDR 806 million under 28 arrangements at April 30, 2009). Undrawn balances by member are provided in Schedule 2.

11. Related party transactions

For the financial years ended April 30, 2010, and 2009, 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 38 million and SDR 41 million, respectively. The reimbursements shall instead be transferred from the Reserve Account, through the Special Disbursement Account, to one of the Subsidy Accounts beginning with the financial year ended April 30, 2010 through the financial year ending April 30, 2012. The expenses of conducting the business of the PRG-HIPC and MDRI-II Trusts were paid by the General Resources Account of the IMF.

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

	2010	2009
	(In millions of SDRs)	
PRG Trust Reserve Account	2,893	2,893
PRG Trust Subsidy Accounts	908	870
PRG-HIPC Trust	1,239	1,239
Total	5,040	5,002

The PRG Trust Subsidy Accounts and the PRG-HIPC Trust receive contributions from member countries that had placed deposits in Administered Accounts at low interest rates. No net investment income was transferred from those Accounts to the PRG Trust Subsidy Account for the financial year ended April 30, 2010 (SDR 0.06 million for the financial year ended April 30, 2009). Net investment income amounting to SDR 0.06 million was transferred from those Accounts to the PRG-HIPC Trust for the financial year ended April

30, 2010 (SDR 0.5 million for the financial year ended April 30, 2009). During the financial year ended April 30, 2010 the PRG-HIPC Trust received no additional contributions from the Administered Account for Liberia (SDR 15 million during the April 30, 2009 financial year).

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 and the PRG-HIPC Trust (including the Umbrella Account) are presented below:

Note 12

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Combining statements of financial position at April 30, 2010, and 2009

(In millions of SDRs)

	PRG Trust					PRG-HIPC Trust and Related Account						
	2010				2009	2010						2009
						PRG-HIPC Trust Account Subaccounts				Umbrella Account for HIPC Operations	Combined total	Combined total
	Loan Accounts	Reserve Account	Subsidy Accounts	Total	Total	ECF-HIPC	PRG	HIPC	Total			
Assets												
Cash and cash equivalents	146	58	126	330	330	36	14	267	317	44	361	832
Interest and other receivables	16	--[1]	--[1]	16	22	--[1]	--[1]	--[1]	--[1]	--[1]	--[1]	--[1]
Investments	--	3,809	1,118	4,927	4,869	441	31	115	587	--	587	435
Loans receivable	5,037	--	--	5,037	4,125	--	--	--	--	--	--	--
Accrued account transfers	(42)	60	(18)	--	--	--	--	--	--	--	--	--
Total assets	5,157	3,927	1,226	10,310	9,346	477	45	382	904	44	948	1,267
Liabilities and resources												
Interest payable and other liabilities	24	--	--[1]	24	38	--[1]	--	--	--[1]	--	--[1]	1
Borrowings	5,060	--	67	5,127	4,324	294	--	--	294	--	294	581
Total liabilities	5,084	--	67	5,151	4,362	294	--	--	294	--	294	582
Resources	73	3,927	1,159	5,159	4,984	183	45	382	610	44	654	685
Total liabilities and resources	5,157	3,927	1,226	10,310	9,346	477	45	382	904	44	948	1,267

[1] Less than SDR 500,000

Note 12 *(concluded)*

PRG Trust, PRG-HIPC Trust and Related Account, and MDRI-II Trust

Combining statements of comprehensive income and changes in resources for the years ended April 30, 2010, and 2009

(In millions of SDRs)

	PRG Trust					PRG-HIPC Trust and Related Account						
	2010				2009	2010						2009
						PRG-HIPC Trust Account Subaccounts				Umbrella Account for HIPC Operations		
	Loan Accounts	Reserve Account	Subsidy Accounts	Total	Total	ECF-HIPC	PRG	HIPC	Total		Combined total	Combined total
Resources, beginning of the year	74	3,870	1,040	4,984	4,764	168	44	452	664	21	685	656
Investment income	-- [1]	95	26	121	296	11	1	1	13	-- [1]	13	43
Interest income on loans	16	--	--	16	19	--	--	--	--	--	--	--
Interest expense	(39)	--	-- [1]	(39)	(119)	(1)	--	--	(1)	--	(1)	(2)
Operational (loss) income	(23)	95	26	98	196	10	1	1	12	-- [1]	12	41
Contributions												
Bilateral donors	--	--	77	77	24	5	--	--	5	--	5	16
Special Disbursement Account	--	--	38	38	--	--	--	--	--	--	--	--
Administered Account for Liberia	--	--	--	--	--	--	--	--	--	--	--	15
HIPC Grants	--	--	--	--	--	--	--	(71)	(71)	71	--	--
Transfer through the Special Disbursement Account	--	(38)	--	(38)	--	--	--	--	--	--	--	--
HIPC Disbursements	--	--	--	--	--	--	--	--	--	(48)	(48)	(43)
Transfers between:												
Loan and Reserve Accounts	-- [1]	-- [1]	--	--	--	--	--	--	--	--	--	--
Loan and Subsidy Accounts	22	--	(22)	--	--	--	--	--	--	--	--	--
Net comprehensive income (loss) / changes in resources	(1)	57	119	175	220	15	1	(70)	(54)	23	(31)	29
Resources, end of the year	73	3,927	1,159	5,159	4,984	183	45	382	610	44	654	685

[1] Less than SDR 500,000

Schedule 1

PRG Trust

Schedule of outstanding loans
at April 30, 2010
(In millions of SDRs)

Member	ECF	ESF	Total Balance	Total Percent
Afghanistan, Islamic Republic of	75	--	75	1.49
Albania	33	--	33	0.66
Armenia, Republic of	69	--	69	1.37
Azerbaijan	38	--	38	0.75
Bangladesh	287	--	287	5.70
Benin	25	--	25	0.50
Burkina Faso	70	--	70	1.39
Burundi	65	--	65	1.29
Cameroon	19	93	112	2.22
Cape Verde	7	--	7	0.14
Central African Republic	50	--	50	0.99
Chad	16	--	16	0.32
Comoros	5	2	7	0.14
Congo, Democratic Republic of	367	133	500	9.92
Congo, Republic of	16	--	16	0.32
Côte d'Ivoire	219	--	219	4.35
Djibouti	10	--	10	0.20
Dominica	7	3	10	0.20
Ethiopia	--	107	107	2.12
Gambia, The	20	--	20	0.40
Georgia	114	--	114	2.26
Ghana	173	--	173	3.43
Grenada	18	--	18	0.36
Guinea	36	--	36	0.71
Guinea-Bissau	1	--	1	0.02
Guyana	37	--	37	0.73
Haiti	178	--	178	3.53
Honduras	20	--	20	0.40
Kenya	148	136	284	5.64
Kyrgyz Republic	69	33	102	2.03

Schedule 1 (concluded)

PRG Trust

Schedule of outstanding loans
at April 30, 2010
(In millions of SDRs)

Member	ECF	ESF	Total Balance	Total Percent
Lao People's Democratic Republic	8	--	8	0.16
Lesotho	13	--	13	0.26
Liberia	226	--	226	4.49
Madagascar	64	--	64	1.27
Malawi	53	35	88	1.74
Maldives	--	2	2	0.04
Mali	30	--	30	0.60
Mauritania	21	--	21	0.42
Moldova, Republic of	136	--	136	2.70
Mongolia	7	--	7	0.14
Mozambique	10	99	109	2.16
Nepal	48	--	48	0.95
Nicaragua	96	--	96	1.91
Niger	39	--	39	0.77
Pakistan	569	--	569	11.29
Rwanda	10	--	10	0.20
Samoa	--	6	6	0.12
São Tomé and Príncipe	3	--	3	0.06
Senegal	17	89	106	2.10
Sierra Leone	59	--	59	1.17
Sri Lanka	23	--	23	0.46
St. Lucia	--	7	7	0.14
St. Vincent and the Grenadines	--	4	4	0.08
Tajikistan	26	--	26	0.52
Tanzania	11	199	210	4.17
Togo	58	--	58	1.15
Uganda	6	--	6	0.12
Vietnam	46	--	46	0.91
Yemen, Republic of	25	--	25	0.50
Zambia	220	--	220	4.37
Zimbabwe	73	--	73	1.45
Total loans outstanding	4,089	948	5,037	100

Schedule 2

PRG Trust

Status of loan arrangements
at April 30, 2010
(In millions of SDRs)

Member	Date of arrangement	Expiration date	Amount agreed	Undrawn balance
ECF arrangements				
Afghanistan, Islamic Republic of	Jun. 26, 2006	Jun. 25, 2010	81	6
Burundi	Jul. 7, 2008	Jul. 6, 2011	46	20
Central African Republic	Dec. 22, 2006	Jun. 30, 2010	70	9
Comoros	Sep. 21, 2009	Sep. 20, 2012	14	9
Congo, Democratic Republic of	Dec. 11, 2009	Dec. 10, 2012	346	297
Congo, Republic of	Dec. 8, 2008	Dec. 7, 2011	8	5
Côte d'Ivoire	Mar. 27, 2009	Mar. 26, 2012	374	179
Djibouti	Sep. 17, 2008	Sep. 16, 2011	13	7
Gambia, The	Feb. 21, 2007	Feb. 20, 2011	25	5
Ghana	Jul. 15, 2009	Jul. 14, 2012	387	320
Grenada	Apr. 18, 2010	Apr. 17, 2013	9	8
Guinea	Dec. 21, 2007	Dec. 20, 2010	70	45
Liberia	Mar. 14, 2008	Mar. 13, 2011	239	13
Malawi	Feb 19, 2010	Feb 18, 2013	52	45
Mali	May 28, 2008	May 27, 2011	28	6
Mauritania	Mar 15, 2010	Mar 14, 2013	77	66
Moldova	Jan 29, 2010	Jan 28, 2013	185	145
Nicaragua	Oct. 5, 2007	Oct. 4, 2010	78	24
Niger	Jun. 2, 2008	Jun. 1, 2011	23	10
São Tomé & Príncipe	Mar. 2, 2009	Mar. 1, 2012	3	2
Sierra Leone	May 10, 2006	May 9, 2010	52	7
Tajikistan, Republic of	Apr. 21, 2009	Apr. 20, 2012	78	52
Togo	Apr. 21, 2008	Apr. 20, 2011	84	26
Zambia	Jun. 4, 2008	Jun. 3, 2011	220	55
Total ECF arrangements			2,562	1,361
ESF arrangements				
Ethiopia	Aug. 26, 2009	Oct. 25, 2010	154	80
Kyrgyz Republic	Dec. 10, 2008	Jun. 9, 2010	67	33
Maldives	Dec. 4, 2009	Dec. 3, 2011	8	6
Mozambique	Jun. 30, 2009	Jun. 29, 2010	114	14
Senegal	Dec. 19, 2008	Jun. 18, 2010	121	32
Tanzania	May 29, 2009	May 28, 2010	219	20
Total ESF arrangements			683	185
Total PRG Trust			3,245	1,546

Schedule 3

PRG and PRG-HIPC Trusts

Schedule of borrowing agreements at April 30, 2010

(In millions of SDRs)

Member	Interest rate *(in percent)*	Amount of agreement	Amount drawn	Outstanding balance
PRG Trust Loan Accounts				
ECF Loan Account				
Belgium	Variable[1]	350.0	350.0	138.3
Canada	Variable[1]	400.0	400.0	115.9
China	Variable[1]	200.0	200.0	76.8
Egypt	Variable[1]	155.6	144.7	49.7
France	Variable[1]	2,770.0	2,178.0	1,165.8
Germany	Variable[1]	2,050.0	1,572.1	678.4
Italy	Variable[1]	800.0	727.9	510.3
Japan	Variable[1]	2,934.8	2,895.8	1,452.0
Netherlands	Variable[1]	450.0	419.3	304.5
Spain - Bank of Spain	Variable[1]	425.0	370.7	329.3
Spain - Government of Spain (ICO)	0.50	67.0	67.0	12.8
Switzerland	Variable[1]	401.7	397.1	225.8
General Loan Account				
Canada	Variable[1]	500.0	--	--
Denmark	Variable[1]	200.0	--	--
Spain - Bank of Spain	Variable[1]	405.0	--	--
Total—PRG Trust Loan Accounts		12,109.1	9,722.6	5,059.6
PRG Trust Subsidy Accounts				
ECF Subsidy Account				
Trinidad and Tobago	1.00	3.0	3.0	3.0
General Subsidy Account				
Peru	0.10	6.1	6.1	6.1
Saudi Arabia	0.50	132.6	38.2	38.2
Spain - Government of Spain (ICO)	0.50	60.3	50.5	17.2
Uruguay	--	2.0	2.0	2.0
Total—PRG Trust Subsidy Accounts		204.0	99.8	66.5
PRG-HIPC Trust				
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
Colombia	--	1.2	1.2	1.2

Schedule 3 (concluded)

PRG and PRG-HIPC Trusts

Schedule of borrowing agreements at April 30, 2010

(In millions of SDRs)

Member	Interest rate *(in percent)*	Amount of agreement	Amount drawn	Outstanding balance
Croatia	--	0.5	0.5	0.5
Czech Republic	--	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
Ghana	0.50	1.0	1.0	1.0
Greece	--	5.4	5.4	5.4
Hungary	--	9.2	9.2	9.2
India	--	31.4	31.4	31.4
Indonesia	--	4.9	4.9	4.9
Kuwait	--	4.2	4.2	4.2
Libya	--	9.9	9.9	9.9
Malaysia	--	7.4	7.4	7.4
Morocco	--	2.2	2.2	2.2
Oman	--	1.1	1.1	1.1
Pakistan	--	4.7	4.7	4.7
Poland	--	7.1	7.1	7.1
Qatar	--	0.7	0.7	0.7
Saudi Arabia	Variable[2]	94.4	94.4	94.4
Singapore	Variable[2]	24.1	24.1	24.1
Sri Lanka	--	0.8	0.8	0.8
St. Lucia	0.50	0.1	0.1	0.1
Sweden	--	18.6	18.6	18.6
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
Uruguay	Variable[2]	7.9	7.9	7.9
Vietnam	--	0.5	0.5	0.5
Total—PRG-HIPC Trust		293.7	293.7	293.7

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

[2] Interest rate terms specified in the borrowing agreements.

[3] Less than SDR 50,000

Schedule 4

PRG and PRG-HIPC Trusts

Cumulative contributions and resources at April 30, 2010
(*In millions of SDRs*)

	PRG Trust Subsidy Accounts						PRG-HIPC Trust subaccounts			
Member	**ECF**	**RCF**	**SCF**	**General**	**Other[1]**	**Total**	**ECF-HIPC**	**PRG**	**HIPC**	**Total**
Direct contributions[2]										
Algeria	--	--	--	--	--	--	0.41	-	-	0.41
Argentina	27.20	--	--	--	--	27.20	-	-	-	--
Australia	14.64	--	--	17.63	--	32.27	-	-	17.02	17.02
Austria	--	--	--	--	--	--	-	-	9.98	9.98
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	--	--	--	14.98	214.85	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
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	-	-	-	--
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	--	--	4.60	--	545.65	98.36	-	-	98.36
Korea, Republic of	35.83	--	--	--	--	35.83	10.63	-	-	10.63
Kuwait	--	--	--	--	--	--	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	--	--	--	--	99.28	-	35.73	16.35	52.08
New Zealand	--	--	--	--	--	--	2.21	-	-	2.21
Nigeria	--	--	--	--	--	--	6.15	-	-	6.15
Norway	28.08	--	--	--	11.10	39.18	12.94	-	-	12.94
Oman	2.24	--	--	--	--	2.24	0.07	-	-	0.07
Pakistan	--	--	--	--	--	--	0.11	-	-	0.11
Philippines	--	--	--	--	--	--	4.50	-	-	4.50
Poland	--	--	--	--	--	--	7.55	-	-	7.55
Portugal	--	--	--	--	--	--	4.43	-	-	4.43
Qatar	--	--	--	0.60	--	0.60	-	-	-	--
Russian Federation	28.66	--	--	--	--	28.66	10.20	-	-	10.20

Schedule 4 (concluded)

PRG and PRG-HIPC Trusts

Cumulative contributions and resources at April 30, 2010

(*In millions of SDRs*)

	PRG Trust Subsidy Accounts						PRG-HIPC Trust subaccounts			
Member	ECF	RCF	SCF	General	Other[1]	Total	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	--	--	--	--	110.89	5.32	--	--	5.32
Switzerland	41.21	--	--	--	--	41.21	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	--	--	--	--	372.92	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	2,118.04	--	--	35.22	28.84	2,182.10	536.09	35.73	299.12	870.94
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	7.75	--	--	7.75
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	7.75	--	--	7.75
Other contributions										
Special Disbursement Account	870.32	--	--	38.40	--	908.72	--	--	--	--
Administered Account for Liberia	--	--	--	--	--	--	--	--	30.14	30.14
Total other contributions	870.32	--	--	38.40	--	908.72	--	--	30.14	30.14
Total contributions received	3,147.81	--	--	73.62	28.84	3,250.27	543.84	35.73	329.26	908.83
Other resources										
Transfers from/(to):										
Special Disbursement Account	--	--	--	--	--	--	409.70	--	757.10	1,166.80
General Resources Account	--	--	--	--	--	--	72.46	--	--	72.46
PRGF 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)	--	--	--	--	--
Contributions to the MDRI-II Trust	(1,120.00)	--	--	--	--	(1,120.00)	--	--	--	--
Cumulative net income	1,123.45	0.02	0.03	2.83	3.70	1,130.03	235.45	9.09	63.09	307.63
Disbursements to provide:										
Subsidies for Trust lending	(1,999.12)	--	--	--	(102.07)	(2,101.19)	--	--	--	--
HIPC grants for debt relief	--	--	--	--	--	--	(1,078.60)	--	(766.87)	(1,845.47)
Total resources	811.47	6.74	8.28	332.62	0.00	1,159.11	182.85	44.82	382.58	610.25

[1] Formerly the PRGF and ESF Subsidy Accounts

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

[3] Less than SDR 5,000

Schedule 5

PRG-HIPC and MDRI Trusts

Disbursed Multilateral Debt Relief Initiative assistance at April 30, 2010

(In millions of SDRs)

Financial year ended and Member	Eligible debt PRG Trust	GRA	Total	Sources of grant assistance 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 & Príncipe	1	--	1	1	--	--
Sierra Leone	117	--	117	77	--	40
Subtotal	178	11	189	93	30	66
April 30, 2008						
Gambia	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
Total	**2,639**	**101**	**2,740**	**1,230**	**1,088**	**422**

Schedule 6

Umbrella Account for HIPC Operations

Grants, interest, disbursements, and changes in resources for the year ended April 30, 2010

(In millions of SDRs)

Member	Opening balance	Grants from PRG-HIPC Trust Account	Interest earned	Disbursements	Ending balance
Central African Republic	1.56	11.51	-- [1]	13.07	--
Chad	0.01	--	--	--	0.01
Congo, Democratic Republic of the	--	45.66	0.01	15.55	30.12
Congo, Republic of the	0.04	6.18	-- [1]	6.22	--
Cote d'Ivoire	2.46	5.05	-- [1]	4.99	2.52
Guinea	0.09	--	--	0.06	0.03
Guinea-Bissau	0.01	--	--	--	0.01
Haiti	0.07	2.05	--	2.12	--
Liberia	17.32	--	0.03	5.71	11.64
Togo	0.02	0.04	--	0.04	0.02
	21.58	70.49	0.04	47.76	44.35

[1] Less than SDR 5,000

IV. Financial Statements
of the Other Administered Accounts

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Independent Auditors' Report

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

We have audited the accompanying statements of financial position as of April 30, 2010 and 2009, 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
- Supplementary Financing Facility Subsidy Account
- The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account
- Administered Account - Indonesia
- Administered Account - Portugal
- Administered Account Austria - II
- Post-SCA-2 Administered Account
- Administered Account for Liberia
- SCA-1/Deferred Charges Administered Account
- Japan Administered Account for Liberia

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 and the results of their operations and their cash flows for the periods mentioned above 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 on pages 129 to 132 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 25, 2010

Other Administered Accounts

Statements of financial position

at April 30, 2010, and 2009

	Administered Account—Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Framework Administered Account for Selected Fund Activities		Supplementary Financing Facility Subsidy Account		The Post-Conflict Disaster Emergency Assistance Subsidy Account		Administered Account—Indonesia	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	(In thousands of U.S. dollars)								*(In thousands of SDRs)*					
Assets														
Cash and cash equivalents	130,818	130,663	13,074	22,442	30,630	35,750	61,810	--	1,023	1,018	13,201	12,954	25,000	25,000
Investments (Note 5)	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Interest/other receivables	--	--	--	--	--	--	1,018	--	--	1	2	9	--	--
Total assets	130,818	130,663	13,074	22,442	30,630	35,750	62,828	--	1,023	1,019	13,203	12,963	25,000	25,000
Liabilities														
Deposits (Note 6)	--	--	--	--	--	--	--	--	--	--	--	--	25,000	25,000
Interest payable and other liabilities	--	--	--	--	59	78	4,942	--	--	--	--	--	--	--
Total liabilities	--	--	--	--	59	78	4,942	--	--	--	--	--	25,000	25,000
Resources	130,818	130,663	13,074	22,442	30,571	35,672	57,886	--	1,023	1,019	13,203	12,963	--	--
Total liabilities and resources	130,818	130,663	13,074	22,442	30,630	35,750	62,828	--	1,023	1,019	13,203	12,963	25,000	25,000

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

These financial statements were approved by the Managing Director and the Director of Finance on June 25, 2010.

Andrew Tweedie /s
Director, Finance Department

Dominique Strauss-Kahn /s
Managing Director

Other Administered Accounts
Statements of financial position
at April 30, 2010, and 2009

	Administered Account—Portugal		Administered Account Austria-II		Post-SCA-2 Administered Account		Administered Account for Liberia		SCA-1/ Deferred Charges Administered Account		Japan Administered Account for Liberia	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	(In thousands of SDRs)											
Assets												
Cash and cash equivalents	--	440	7,017	7,035	46,963	46,797	418,928	228,766	79,456	113,666	6,234	6,212
Investments (Note 5)	--	--	--	--	--	--	--	148,933	--	--	--	--
Interest/other receivables	--	--	--	8	28	58	171	58	48	141	4	8
Total assets	--	440	7,017	7,043	46,991	46,855	419,099	377,757	79,504	113,807	6,238	6,220
Liabilities												
Deposits (Note 6)	--	438	7,000	7,000	--	--	--	--	--	--	--	--
Interest payable and other liabilities	--	2	17	43	--	--	--	--	--	--	--	--
Total liabilities	--	440	7,017	7,043	--	--	--	--	--	--	--	--
Resources	--	--	--	--	46,991	46,855	419,099	377,757	79,504	113,807	6,238	6,220
Total liabilities and resources	--	440	7,017	7,043	46,991	46,855	419,099	377,757	79,504	113,807	6,238	6,220

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

Other Administered Accounts

Statements of comprehensive income and changes in resources
for the years ended April 30, 2010, and 2009

	Administered Account— Japan		Administered Account for Selected Fund Activities— Japan		Framework Administered Account for Technical Assistance Activities		Framework Administered Account for Selected Fund Activities		Supplementary Financing Facility Subsidy Account		The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account		Administered Account— Indonesia	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
	(In thousands of U.S. dollars)								*(In thousands of SDRs)*					
Resources, beginning of the year	130,663	129,458	22,442	20,509	35,672	26,888	--	--	1,019	1,001	12,963	17,544	--	--
Interest and investment income	155	1,205	35	290	25	303	10	--	4	18	23	257	61	589
Contributions received	--	--	7,801	20,963	22,707	36,670	69,099	--	--	--	1,975	3,175	--	--
Interest expense on deposits	--	--	--	--	--	--	--	--	--	--	--	--	--	(121)
Payments to and on behalf of beneficiaries	--	--	(17,204)	(19,320)	(27,833)	(28,189)	(11,223)	--	--	--	(1,758)	(8,013)	--	--
Operational income/(loss)	155	1,205	(9,368)	1,933	(5,101)	8,784	57,886	--	4	18	240	(4,581)	61	468
Transfers (Note 8)	--	--	--	--	--	--	--	--	--	--	--	--	(61)	(468)
Other comprehensive income	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Net comprehensive income (loss)/changes in resources	155	1,205	(9,368)	1,933	(5,101)	8,784	57,886	--	4	18	240	(4,581)	--	--
Resources, end of the year	130,818	130,663	13,074	22,442	30,571	35,672	57,886	--	1,023	1,019	13,203	12,963	--	--

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

Other Administered Accounts

Statements of comprehensive income and changes in resources
for the years ended April 30, 2010, and 2009

	Administered Account—Portugal 2010	Administered Account—Portugal 2009	Administered Account Austria-II 2010	Administered Account Austria-II 2009	Post-SCA-2 Administered Account 2010	Post-SCA-2 Administered Account 2009	Administered Account for Liberia 2010	Administered Account for Liberia 2009	SCA-1/ Deferred Charges Administered Account 2010	SCA-1/ Deferred Charges Administered Account 2009	Japan Administered Account for Liberia 2010	Japan Administered Account for Liberia 2009
	<— *(In thousands of SDRs)* —>											
Resources, beginning of the year	--	50	--	--	46,855	46,027	377,757	383,929	113,807	115,490	6,220	6,110
Interest and investment income	--	10	17	138	136	828	1,053	8,007	291	2,039	18	110
Contributions received	--	--	--	--	--	--	40,289	931	--	--	--	--
Interest expense on deposits	--	(2)	(17)	(35)	--	--	--	--	--	--	--	--
Payments to and on behalf of beneficiaries	--	--	--	--	--	--	--	--	--	--	--	--
Operational income	--	8	--	103	136	828	41,342	8,938	291	2,039	18	110
Transfers (Note 8)	--	(58)	--	(103)	--	--	--	(15,110)	(34,594)	(3,722)	--	--
Other comprehensive income	--	--	--	--	--	--	--	--	--	--	--	--
Net comprehensive income (loss)/changes in resources	--	(50)	--	--	136	828	41,342	(6,172)	(34,303)	(1,683)	18	110
Resources, end of the year	--	--	--	--	46,991	46,855	419,099	377,757	79,504	113,807	6,238	6,220

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

Other Administered Accounts

Statements of cash flows
for the years ended April 30, 2010, and 2009

	Administered Account—Japan		Administered Account for Selected Fund Activities—Japan		Framework Administered Account for Technical Assistance Activities		Framework Administered Account for Selected Fund Activities		Supplementary Financing Facility Subsidy Account		The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account		Administered Account—Indonesia	
	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009	2010	2009
	(In thousands of U.S. dollars)								*(In thousands of SDRs)*							
Cash flows from operating activities																
Net comprehensive income/(loss)	155	1,205	(9,368)	1,933	(5,101)	8,784	57,886	--	4	18	240	(4,581)	--	--
Adjustments to reconcile net comprehensive income to cash generated by operations																
Interest income	(155)	(1,205)	(35)	(290)	(25)	(303)	(10)	--	(4)	(18)	(23)	(257)	(61)	(589)
Interest expense	--	--	--	--	--	--	--	--	--	--	--	--	--	121
	--	--	(9,403)	1,643	(5,126)	8,481	57,876	--	--	--	217	(4,838)	(61)	(468)
Changes in other assets	--	--	--	--	--	--	(1,018)	--	--	--	8	162	--	--
Changes in other liabilities	--	--	--	--	(19)	24	4,942	--	--	--	--	--	--	--
	--	--	(9,403)	1,643	(5,145)	8,505	61,800	--	--	--	225	(4,676)	(61)	(468)
Interest received	155	1,205	35	290	25	303	10	--	5	28	22	285	61	591
Interest paid	--	--	--	--	--	--	--	--	--	--	--	--	--	(564)
Net cash provided by/(used in) operating activities	**155**	**1,205**	**(9,368)**	**1,933**	**(5,120)**	**8,808**	**61,810**	**--**	**5**	**28**	**247**	**(4,391)**	**--**	**(441)**
Cash flow from investment activities																
Net disposal/(acquisition) of investments	--	--	--	--	--	--	--	--	--	--	--	7,000	--	25,000
Net cash provided by/(used in) investment activities	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**7,000**	**--**	**25,000**
Cash flow from financing activities																
Repayment of deposits	--	--	--	--		--	--	--	--	--	--	--	--	--
Net cash provided by financing activities	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Net increase (decrease) in cash and cash equivalents	155	1,205	(9,368)	1,933	(5,120)	8,808	61,810	--	5	28	247	2,609	--	24,559
Cash and cash equivalents, beginning of year/period	130,663	129,458	22,442	20,509	35,750	26,942	--	--	1,018	990	12,954	10,345	25,000	441
Cash and cash equivalents, end of year	**130,818**	**130,663**	**13,074**	**22,442**	**30,630**	**35,750**	**61,810**	**--**	**1,023**	**1,018**	**13,201**	**12,954**	**25,000**	**25,000**

[1] From inception to April 30, 2010

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

Other Administered Accounts

Statements of cash flows
for the years ended April 30, 2010, and 2009

	Administered Account—Portugal		Administered Account Austria-II		Post-SCA-2 Administered Account		Administered Account for Liberia		SCA-1/ Deferred Charges Administered Account		Japan Administered Account for Liberia	
	2010	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**	**2010**	**2009**
	<——(In thousands of SDRs)——>											
Cash flows from operating activities												
Net comprehensive (loss)/income	--	(50)	--	--	136	828	41,342	(6,172)	(34,303)	(1,683)	18	110
Adjustments to reconcile net comprehensive income to cash generated by operations												
Interest income	--	(10)	(17)	(138)	(136)	(828)	(1,053)	(8,145)	(291)	(2,039)	(18)	(110)
Interest expense	--	2	17	35	--	--	--	--	--	--	--	--
	--	(58)	--	(103)	--	--	40,289	(14,317)	(34,594)	(3,722)	--	--
Changes in other assets	--	--	--	--	--	--	--	--	--	--	--	--
Changes in other liabilities	--	--	(8)	(162)	--	--	--	--	--	--	--	--
	--	(58)	(8)	(265)	--	--	40,289	(14,317)	(34,594)	(3,722)	--	--
Interest received	--	67	25	175	166	1,086	940	9,396	384	2,298	22	124
Interest paid	(2)	(7)	(35)	(35)	--	--	--	--	--	--	--	--
Net cash (used in)/provided by operating activities	**(2)**	**2**	**(18)**	**(125)**	**166**	**1,086**	**41,229**	**(4,921)**	**(34,210)**	**(1,424)**	**22**	**124**
Cash flow from investment activities												
Net disposal/(acquisition) of investments	--	1,315	--	7,000	--	--	148,933	(148,933)	--	--	--	--
Net cash provided by/(used in) investment activities	**--**	**1,315**	**--**	**7,000**	**--**	**--**	**148,933**	**(148,933)**	**--**	**--**	**--**	**--**
Cash flow from financing activities												
Repayment of deposits	(438)	(877)	--	--	--	--	--	--		--	--	--
Net cash (used in)/provided by financing activities	**(438)**	**(877)**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**	**--**
Net (decrease) increase in cash and cash equivalents	(440)	440	(18)	6,875	166	1,086	190,162	(153,854)	(34,210)	(1,424)	22	124
Cash and cash equivalents, beginning of year	440	--	7,035	160	46,797	45,711	228,766	382,620	113,666	115,090	6,212	6,088
Cash and cash equivalents, end of year	**--**	**440**	**7,017**	**7,035**	**46,963**	**46,797**	**418,928**	**228,766**	**79,456**	**113,666**	**6,234**	**6,212**

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

Other Administered Accounts

Notes to the financial statements

for the years ended April 30, 2010, and 2009

1. Nature of operations

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

Administered Account—Japan

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

Administered Account for Selected Fund Activities—Japan

The Account was established in March 1990, to administer resources contributed by Japan to finance technical assistance to member countries and to support the IMF's Regional Office for Asia and the Pacific (OAP). The resources of the Account designated for technical assistance activities are used with the approval of Japan and include the provision of scholarships. The resources designated for the OAP are used as agreed between Japan and the IMF for certain activities of the IMF with respect to Asia and the Pacific through the OAP. Disbursements can also be made from the Account to the General Resources Account to reimburse the IMF for qualifying technical assistance projects and OAP expenses. In April 2010, the IMF and Japan agreed to terminate the Account when ongoing projects are completed, and any residual amounts will be deposited by the IMF into the Japan subaccount under the new Framework Administered Account for Selected Fund Activities.

Framework Administered Account for Technical Assistance Activities

The Framework Administered Account for Technical Assistance Activities (the Framework Account) was established by the IMF in April 1995, to receive and administer contributed resources that are to be used to finance technical assistance of the IMF to member countries and to international organizations. Technical assistance is provided on macroeconomic,

Other Administered Accounts
Notes to the financial statements
for the years ended April 30, 2010, and 2009

fiscal, monetary, financial and related statistical fields, including training programs and projects that strengthen the legal and administrative framework in these core areas. The financing of technical assistance activities is implemented through the establishment and operation of subaccounts within the Framework Account. Resources are to be used in accordance with the written understandings between the contributor and the IMF. Disbursements can also be made from the Framework Account to the General Resources Account to reimburse the IMF for its costs incurred on behalf of technical assistance activities financed by resources from the Framework Account. After March 27, 2009, upon approval of the establishment of the Framework Administered Account for Selected Fund Activities, no new subaccounts will be established under the Framework Account. In April 2010, the Japan Advanced Scholarship Program subaccount was terminated (see Note 9) and remaining balances transferred to the Japan subaccount under the new Framework Administered Account for Selected Fund Activities.

Framework Administered Account for Selected Fund Activities

The Account (the SFA Framework Account) was established in March 2009 to administer externally contributed resources that are to be used to finance selected IMF activities, including the full range of IMF technical assistance activities and activities in support of technical assistance provided directly to recipients. In addition, subaccounts are established to finance a range of other non-technical assistance activities of the IMF, as approved by the IMF's Executive Board.

The financing of selected Fund activities is implemented through the establishment and operation of subaccounts within the SFA Framework Account. Resources are to be used in accordance with essential terms and conditions established by IMF, with the concurrence of contributors. Resources in SFA subaccounts may be transferred for use to other SFA subaccounts if the essential terms and conditions of the subaccounts so provides. Disbursements can also be made from the SFA Framework Account to the General Resources Account to reimburse the IMF for the costs incurred in connection with activities financed by resources from the SFA Framework Account.

Administered Account for Interim Holdings of Voluntary Contributions for Fund Activities

The Account was established in April 2010 to receive and hold externally contributed resources for an interim period until such time as they can be transferred to other Trusts or Accounts administered by the Fund. Since inception and through April 30, 2010, there have been no contributions or transfers recorded in the Account.

Other Administered Accounts
Notes to the financial statements
for the years ended April 30, 2010, and 2009

Supplementary Financing Facility Subsidy Account

The Account was established in December 1980 to assist low-income member countries to meet the costs of using resources made available through the IMF's Supplementary Financing Facility and under the policy on exceptional access. All repurchases due under these policies were scheduled for completion by January 31, 1991, and the final subsidy payments were approved in July 1991. However, one member (Sudan), overdue in the payment of charges at April 30, 2010, remains eligible to receive previously approved subsidy payments of SDR 0.9 million (SDR 0.9 million at April 30, 2009) when its overdue charges are settled. Accordingly, the Account remains in operation and has retained amounts for payment to Sudan after the overdue charges are paid.

The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account

The Account was established in May 2001 to administer resources contributed by members for the purpose of providing assistance to Poverty Reduction and Growth Trust (PRGT) - eligible members in support of the subsidization of emergency assistance for post conflict and, since January 2005, natural disasters. Earmarked funds contributed for either or both types of emergency assistance are administered through three subaccounts; a subaccount for post-conflict assistance, a subaccount for natural disaster assistance, and a third subaccount for either type of assistance. As part of the IMF's response to the global economic crisis, the Executive Board reformed the concessional financing framework for low-income member countries and made changes to the Account. Effective January 7, 2010, the subsidy to each eligible member effectively reduces the interest rate on IMF financial support to zero percent from ½ of 1 percent, through January 31, 2012. Thereafter, the subsidy will reduce the interest rate to ¼ of 1 percent but will be prorated if resources are insufficient to reduce the interest rate to such an extent.

Administered Accounts—Indonesia & Portugal

The Administered Account—Indonesia formerly the PRGF Administered Account—Indonesia was established on June 30, 1994 for the administration of resources deposited by Bank Indonesia for the benefit of the PRG-HIPC Trust. The Administered Account—Portugal formerly the PRGF Administered Account—Portugal, established on May 16, 1994 and closed on May 15, 2009 (see Note 9), was for the administration of resources deposited by the Banco de Portugal for the benefit of the ECF Subsidy Account of the PRG Trust.

Other Administered Accounts

Notes to the financial statements

for the years ended April 30, 2010, and 2009

Austria-II Administered Account

The Account was established in April 2006, to provide resources to subsidize charges on purchases under the policy on Emergency Natural Disaster Assistance (ENDA) by PRGT-eligible countries. The resources in the Account are to be invested, and the difference between the investment earnings and the interest due on the deposit is to be transferred to the ENDA subaccount of the Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account for PRGT-eligible members. In April 2010, the IMF and Austria agreed to terminate the Account early and the deposit plus outstanding interest due was repaid to Austria on May 6, 2010.

Post-SCA-2 Administered Account

The Account was established in December 1999, for the temporary administration of resources transferred by members following the termination of the second Special Contingent Account (SCA-2) in the General Department of the IMF, prior to the final disposition of those resources in accordance with members' instructions.

Administered Account for Liberia

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

SCA-1/Deferred Charges Administered Account

The Account was established in March 2008, as an interim vehicle to hold and administer members' refunds resulting from the distribution of certain SCA-1 balances and from the payment of deferred charges adjustments that had been made in respect of overdue charges attributed to Liberia. Following Liberia's arrears clearance, members were given the option to temporarily deposit their refunds into this Account pending their decisions as to the final disposition of those resources.

Japan Administered Account for Liberia

At the request of Japan, the Account was established in March 2008, to hold and administer resources disbursed from the Administered Account Japan, pending their transfer to the Administered Account for Liberia for use in the financing of the IMF's debt relief to Liberia.

Other Administered Accounts
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for the years ended April 30, 2010, and 2009

The transfer of these resources shall be initiated at such time that the Executive Board decides Liberia has reached the completion point under the enhanced HIPC Initiative.

2. Basis of preparation and measurement

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

New International Financial Reporting Standards and Interpretation

Amended IFRS 7, "Financial Instruments: Disclosures" requires the disclosures of the methods and underlying assumptions applied in determining fair values of financial assets or financial liabilities. Amended IFRS 7 introduces a three-level hierarchy for fair value measurement disclosures and requires additional disclosures on the relative reliability of fair value measurements. An entity must also disclose the remaining contractual maturities for financial liabilities and how it manages the related liquidity risk. The amended IFRS 7, which became effective for annual periods beginning on or after January 1, 2009, was implemented during the financial year ended April 30, 2010, resulting in enhanced disclosures of the Account's financial assets and financial liabilities. No comparative information is provided in the current year as allowed for by the standard in the year of implementation.

IFRS 9, "Financial Instruments" was issued in November 2009 as the first step in replacing the *IAS 39, "Financial Instruments: Recognition and Measurement"* standard. Under IFRS 9, financial assets currently in 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 mandatory adoption of IFRS 9 is January 1, 2013, but early adoption will be permitted. As the Accounts measure financial assets only at amortized cost, the implementation of IFRS 9 is not expected to have an impact on the Accounts' financial position or results of operations.

Unit of account

Administered Account—Japan, Administered Account for Selected Fund Activities—Japan, Framework Administered Account for Technical Assistance Activities, Framework Administered Account for Selected Fund Activities and Administered Account for Interim Holdings of Voluntary Contributions for Fund Activities.

Other Administered Accounts
Notes to the financial statements
for the years ended April 30, 2010, and 2009

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

Supplementary Financing Facility Subsidy Account, The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account, Administered Account—Indonesia, Administered Account—Portugal, Administered Account Austria-II, Post-SCA-2 Administered Account, Administered Account for Liberia, SCA-1/Deferred Charges Administered Account, and Japan Administered Account for Liberia

The financial statements for the above accounts are presented in Special Drawing Rights (SDRs). The SDR is also the IMF's unit of account, and the U.S. dollar equivalent 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, and the current composition of the SDR valuation basket became effective on January 1, 2006.

The currencies in the basket at April 30, 2010, and 2009, and their amounts, relative to one SDR were as follows:

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

At April 30, 2010, one SDR was equal to US$1.51112 (one SDR was equal to US$1.49783 at April 30, 2009).

Transactions and operations of the Accounts are denominated in SDRs. Contributions denominated in other currencies are converted into the component currencies in the SDR basket upon receipt of the funds.

Use of estimates and judgment

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of

Other Administered Accounts
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for the years ended April 30, 2010, and 2009

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

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

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 Note 3.

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 an insignificant risk of changes in value.

Investments

Investments consist of fixed-term deposits, and their carrying amount approximates the fair value. Accordingly, under IFRS 7 these financial assets held by the Accounts are in the Level 2 category.

Amendments to the IFRS 7 standard introduced a three-level fair value hierarchy under which financial instruments are categorized based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1), the next highest priority to observable market-based inputs or inputs that are corroborated by market data (Level 2), and the lowest priority to unobservable inputs that are not corroborated by market data (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.

Other Administered Accounts
Notes to the financial statements
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Contributions

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

Payments to and on behalf of beneficiaries

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

Foreign currency translation

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

Administrative expenses

The expenses of conducting the activities of the Other Administered Accounts are paid by the IMF from the General Resources Account and partial reimbursements were made by several Administered Accounts. For the Administered Account for Selected Fund Activities—Japan, the reimbursements were US$1.4 million and US$2.0 million for the financial years ended April 30, 2010, and 2009, respectively. The administrative expenses of the Framework Administered Account for Technical Assistance Activities that were reimbursed amounted to US$3.2 million and US$3.2 million for the financial years ended April 30, 2010, and 2009, respectively. The administrative expenses of the Framework Administered Account for Selected Fund Activities that were reimbursed amounted to US$0.7 million for the financial year ended April 30, 2010. These reimbursements are included in payments to and on behalf of beneficiaries in the statements of comprehensive income and changes in resources.

4. Risk management

In administering contributed resources and funding financial and technical services, the Other Administered Accounts have minimal exposure to credit, liquidity, and market risks. The assets and liabilities of each account are held separately, and operations primarily comprise receipt of cash contributions and payment of these resources for the designated purposes of each account.

Other Administered Accounts
Notes to the financial statements
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This note provides further information on the above risks.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will cause a financial loss to an entity by failing to discharge obligations when due. Credit risk is minimized by holding resources at the Bank for International Settlements.

Liquidity risk

Liquidity risk is the risk of nonavailability of resources to meet financing needs and obligations. Liquidity risk is limited by maintaining sufficient resources to meet anticipated liquidity needs. The Accounts' resources comprise cash and short-term fixed deposits.

Market risk

Interest rate risk

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

Exchange rate risk

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

5. Investments

The investments in the Administered Account for Liberia at April 30, 2009 (none at April 30 2010) consisted of fixed-term deposits with maturities of less than one year.

6. Deposits

Administered Account—Indonesia

The deposit of SDR 25 million, made by Indonesia on June 30, 1994, was to be repaid in one installment 10 years after the date the deposit was made. The interest payable on the deposit

Other Administered Accounts
Notes to the financial statements
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is equivalent to that obtained from the investment of the deposit less 2 percent a year. Upon maturity in June 2004, the deposit was reinvested for another 10 years and investment income of 2 percent per annum (or any lesser amount if investment returns are below 2 percent) is to be transferred to the PRG-HIPC Trust.

Administered Account—Portugal

The Banco de Portugal made six annual deposits, each in the amount of SDR 2.2 million, since May 1994. Each deposit was repaid in five equal annual installments beginning six years after the date of the deposit, and the final installment was repaid in May 2009. Each deposit had interest payable at a rate of ½ of 1 percent a year and any income earned above this threshold was transferred to the ECF Subsidy Account of the PRG Trust.

Austria-II Administered Account

The deposit of SDR 7 million was repaid on May 6, 2010, one year earlier than the expected repayment date of May 2, 2011. The Account generated income that was less than the interest payable at a rate of ½ of 1 percent per annum during the financial year, and Austria agreed to receive actual investment returns along with early repayment of the deposit.

7. Cumulative contributions and disbursements

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

Other Administered Accounts
Notes to the financial statements
for the years ended April 30, 2010, and 2009

	April 30, 2010[1]		April 30, 2009[1]	
Account	Cumulative contributions[2]	Cumulative disbursements[3]	Cumulative contributions[2]	Cumulative disbursements[3]
	(In millions of U.S. dollars)			
Administered Account—Japan	**135.2**	**82.4**	**135.2**	**82.4**
Administered Account for Selected Fund Activities—Japan	**333.7**	**331.8**	**325.9**	**314.6**
Technical assistance	288.9	285.9	281.7	273.4
Scholarships	28.9	29.6	28.4	26.1
Office of Asia and the Pacific	15.9	16.3	15.8	15.1
Framework Administered Account for Technical Assistance Activities	**204.7**	**180.1**	**182.0**	**152.2**
Japan Advanced Scholarship Program Subaccount	19.3	20.0	19.4	18.9
Rwanda—Macroeconomic Management Capacity Subaccount	1.5	1.6	1.5	1.6
Australia—IMF Scholarship Program for Asia Subaccount	5.8	5.6	5.8	5.6
Switzerland Technical Assistance Subaccount	18.6	17.9	18.6	16.6
French Technical Assistance Subaccount	1.2	0.7	1.2	0.7
Denmark Technical Assistance Subaccount	6.4	6.2	6.8	6.2
Australia Technical Assistance Subaccount	2.9	3.0	2.9	2.5
The Netherlands Technical Assistance Subaccount	13.3	11.4	9.4	8.1
The United Kingdom DFID Technical Assistance Subaccount	17.4	15.8	16.6	14.2
Italy Technical Assistance Subaccount	3.7	3.7	3.7	3.4
Pacific Financial Technical Assistance Centre Subaccount	11.5	10.0	8.7	8.0
Africa Regional Technical Assistance Centers Subaccount	38.0	38.2	37.2	34.4
Sweden Technical Assistance Subaccount	1.8	1.5	1.3	1.2
China Technical Assistance				

Other Administered Accounts
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for the years ended April 30, 2010, and 2009

Account	April 30, 2010[1] Cumulative contributions[2]	April 30, 2010[1] Cumulative disbursements[3]	April 30, 2009[1] Cumulative contributions[2]	April 30, 2009[1] Cumulative disbursements[3]
	(In millions of U.S. dollars)			
Subaccount	0.4	0.4	0.4	0.4
Technical Assistance Subaccount for Iraq	6.0	5.7	6.0	5.2
Canada Technical Assistance Subaccount	8.2	5.0	6.5	3.1
Middle East Regional Technical Assistance Center Subaccount	11.3	11.0	8.8	7.6
Technical Assistance Subaccount to Support Macroeconomic and Financial Policy Formulation and Management	4.6	2.9	2.8	2.0
Spain Technical Assistance Subaccount	1.2	1.0	2.0	0.9
European Commission Technical Assistance Subaccount for METAC	1.1	1.2	2.2	1.8
European Investment Bank Technical Assistance Subaccount	1.4	0.9	1.4	0.6
Central Africa Regional Technical Assistance Center Subaccount	14.3	11.8	7.7	7.4
Islamic Development Bank Technical Assistance Subaccount	0.6	0.1	0.4	0.1
FIRST Technical Assistance Subaccount	9.7	2.4	7.7	1.0
Belgium Technical Assistance Subaccount	4.5	2.1	3.0	0.7
Framework Administered Account for Selected Fund Activities	**69.1**	**11.0**		
Anti-Money Laundering and Combating the Financing of Terrorism Subaccount	13.5	4.0		
Central America, Panama, and the Dominican Republic Technical Assistance Center Subaccount	13.4	2.0		
East Africa Regional Technical Assistance Center Subaccount	4.5	2.0		
European Investment Bank Subaccount for Selected Fund Activities	--	--		
Germany Subaccount for Selected Fund Activities	1.9	--		

Other Administered Accounts
Notes to the financial statements
for the years ended April 30, 2010, and 2009

Account	April 30, 2010[1] Cumulative contributions[2]	April 30, 2010[1] Cumulative disbursements[3]	April 30, 2009[1] Cumulative contributions[2]	April 30, 2009[1] Cumulative disbursements[3]
	(In millions of U.S. dollars)			
Japan Subaccount for Selected Fund Activities	19.1	1.2		
The Socialist People's Libyan Arab Jamahiriya Subaccount for Selected Fund Activities	2.5	--[4]		
Netherlands Subaccount for Selected Fund Activities	0.2	--		
Norway Subaccount for Selected Fund Activities	0.2	--[4]		
Switzerland Subaccount for Selected Fund Activities	6.4	0.1		
West Africa Regional Technical Assistance Center Subaccount	7.4	1.7		
	(In millions of SDRs)			
The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account	39.5	29.1	37.5	27.3

[1] The ending balances include rounding differences.
[2] Net of refunds of contributions to donors owing to termination of projects financed by resources in the Administered Account and transfers between subaccounts within the Framework Administered Account for Selected Fund Activities.
[3] Disbursements had been made from contributed resources as well as from interest earned on these resources, and include reimbursements in some cases, for payments made previously.
[4] Less than $500,000.

8. Transfer of resources

Supplementary Financing Facility Subsidy Account

Resources of the Supplementary Financing Facility Subsidy Account in excess of the remaining subsidy payments are to be transferred to the Special Disbursement Account. At April 30, 2010 and 2009, subsidy payments totaling SDR 0.9 million had not been made to Sudan and were being held pending the payment of overdue charges by this member.

Administered Accounts—Indonesia and Portugal

For the financial years ended April 30, 2010, and 2009, net investment income transferred from the Administered Account—Indonesia to the PRG-HIPC Trust amounted to SDR 0.06 million and SDR 0.5 million, respectively; no net investment income was transferred from the Administered Account—Portugal to the ECF Subsidy Account of the

Other Administered Accounts
Notes to the financial statements
for the years ended April 30, 2010, and 2009

PRG Trust for the financial year ended April 30, 2010 (SDR 0.06 million during the financial year ended April 30, 2009).

Administered Account Austria-II

The difference between investment earnings and the interest due on the deposit is transferred to the earmarked natural disaster subaccount of the Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account for PRGT-eligible members. No net investment income was transferred to this subaccount for the financial year ended April 30, 2010 (SDR 0.1 million during the financial year ended April 30, 2009).

Administered Account for Liberia

For the financial year ended April 30, 2010 no transfers were made from the Liberia Administered Account for Liberia to the PRG-HIPC Trust (SDR 15.0 million during the financial year ended April 30, 2009).

SCA-1/Deferred Charges Administered Account

For the financial year ended April 30, 2010 transfers to the Administered Account for Liberia amounted to SDR 34.6 million. Transfers of SDR 0.9 million and SDR 2.8 million were made to the Administered Account for Liberia and to members respectively for the financial year ended April 30, 2009.

9. Accounts termination

During the financial year ended April 30, 2010, the Administered Account—Portugal was closed following the repayment of the deposit to Portugal on May 15, 2009 (none during the financial year ended April 30, 2009).

Administered Account—Japan

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

Administered Account for Selected Fund Activities—Japan

The Account can be terminated by the IMF or by Japan at any time. In April 2010, Japan informed the IMF of its intent to terminate the Account upon completion of on-going projects and to transfer remaining residual amounts to the Japan subaccount under the new Framework Administered Account for Selected Fund Activities.

Other Administered Accounts
Notes to the financial statements
for the years ended April 30, 2010, and 2009

Framework Administered Account for Technical Assistance Activities and Framework Administered Account for Selected Fund Activities

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

Administered Account for Interim Holdings of Voluntary Contributions for Fund Activities

The Account may be terminated by the IMF at any time. Any uncommitted resources in the Account at the time of termination shall be returned to the contributors.

The Post-Conflict and Natural Disaster Emergency Assistance Subsidy Account

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

Administered Account—Indonesia

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

Other Administered Accounts
Notes to the financial statements
for the years ended April 30, 2010, and 2009

Austria-II Administered Account

The Account can be terminated by the IMF at any time, and upon agreement with Austria in April 2010, the Account was terminated upon the early repayment of the deposit, with interest earnings, on May 6, 2010.

Post-SCA-2 Administered Account

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

Administered Account for Liberia

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

SCA-1/Deferred Charges Administered Account

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

Japan Administered Account for Liberia

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

Other Administered Accounts
Notes to the financial statements
for the years ended April 30, 2010, and 2009

10. Subsequent Event

On June 23, 2010, the IMF Executive Board agreed in principle that Liberia had taken the steps necessary to reach its completion point under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative. The decision is contingent upon the World Bank reaching a similar decision, which is to be considered on June 29, 2010. Following the World Bank decision, the Executive Board will adopt a final completion point decision that also qualifies Liberia for HIPC and beyond-HIPC debt relief to be delivered on June 30, 2010. These debt relief operations involve use of all the resources in the Administered Account for Liberia and the Japan Administered Account for Liberia.

Schedule 1

Post-SCA-2 Administered Account

Holdings, interest and transfers for the year ended April 30, 2010

(In thousands of SDRs)

Member	Beginning balance	Interest earned	Transfers to PRG-HIPC Trust	Ending balance
Argentina	6,364	19	--	6,383
Dominican Republic	1,178	3	--	1,181
Jordan	1,338	4	--	1,342
Trinidad and Tobago	2,874	8	--	2,882
Vanuatu	57	--	--	57
Venezuela, República Bolivariana de	35,044	102	--	35,146
	46,855	136	--	46,991

Schedule 2

Administered Account for Liberia

Contributions, interest, and transfers from inception to April 30, 2009

(In thousands of SDRs)

Member	Beginning balance	Contributions	Interest earned	Transfers to PRG-HIPC Trust	Ending balance
Albania	61	--	-- [1]	--	61
Algeria	1,799	--	5	--	1,804
Angola	1	--	--	--	1
Armenia	33	--	-- [1]	--	33
Australia	3,927	--	11	--	3,938
Belgium	--	7,750	9	--	7,759
Belize	54	--	-- [1]	--	54
Botswana	216	--	1	--	217
Bulgaria	1,657	--	4	--	1,661
Burundi	32	--	-- [1]	--	32
Cambodia	26	--	-- [1]	--	26
Cameroon	528	--	1	--	529
Canada	10,789	--	29	--	10,818
Central African Republic	98	--	-- [1]	--	98
China	11,979	--	32	--	12,011
Congo, Dem. Rep. of	2,643	--	7	--	2,650
Côte d'Ivoire	1,697	--	5	--	1,702
Croatia	473	--	1	--	474
Cyprus	220	--	1	--	221
Czech Republic	2,107	--	6	--	2,113
Denmark	3,643	--	10	--	3,653
Dominica	21	--	-- [1]	--	21
Egypt	1,151	--	3	--	1,154
Estonia	171	--	1	--	172
Finland	2,729	--	7	--	2,736
France	--	21,591	26	--	21,617
Gabon	612	--	2	--	614
Gambia, The	50	--	-- [1]	--	50
Ghana	1,274	--	3	--	1,277
Greece	1,250	--	3	--	1,253
Guinea	93	--	-- [1]	--	93
Hungary	--	5,696	4	--	5,700
Iceland	82	--	-- [1]	--	82
India	10,554	--	28	--	10,582
Iran, Islamic Republic of	36	--	-- [1]	--	36
Ireland	1,989	--	5	--	1,994
Israel	1,013	--	3	--	1,016
Italy	20,443	--	55	--	20,498
Jamaica	1,975	--	5	--	1,980
Japan	39,129	--	105	--	39,234

Schedule 2 (*concluded*)

Administered Account for Liberia

Contributions, interest and transfers for the year ended April 30, 2010

(In thousands of SDRs)

Member	Beginning balance	Contributions	Interest earned	Transfers to PRG-HIPC Trust	Ending balance
Kazakhstan	950	--	3	--	953
Kenya	794	--	2	--	796
Korea, Republic of	6,758	--	18	--	6,776
Kuwait	2,626	--	7	--	2,633
Latvia	309	--	1	--	310
Lesotho	19	--	-- [1]	--	19
Liberia	1,994	--	5	--	1,999
Libya	4,287	--	11	--	4,298
Macedonia, former Yugoslav Republic of	99	--	-- [1]	--	99
Madagascar	306	--	1	--	307
Malawi	231	--	1	--	232
Malta	368	--	1	--	369
Mauritania	142	--	-- [1]	--	142
Mexico	7,271	--	19	--	7,290
Morocco	2,149	--	6	--	2,155
Namibia	-- [1]	--	--	--	-- [1]
Netherlands	10,464	--	28	--	10,492
Nicaragua	55	--	-- [1]	--	55
Norway	5,976	--	16	--	5,992
Pakistan	5,814	--	16	--	5,830
Papua New Guinea	344	--	1	--	345
Philippines	1,477	--	4	--	1,481
Portugal	2,789	--	7	--	2,796
Romania	1,552	--	4	--	1,556
Russian Federation	33,473	--	90	--	33,563
Saudi Arabia	10,646	--	28	--	10,674
Senegal	12	--	-- [1]	--	12
Slovak Republic	1,520	--	4	--	1,524
Slovenia	507	--	1	--	508
South Africa	1,740	--	5	--	1,745
Spain	10,136	--	27	--	10,163
Sri Lanka	1,637	--	4	--	1,641
Sweden	--	5,252	3		5,255
Togo	117	--	-- [1]	--	117
Ukraine	2,410	--	6	--	2,416
United Kingdom	19,722	--	53	--	19,775
United States	113,405	--	306	--	113,711
Uruguay	734	--	2	--	736
Yemen, Republic of	369	--	1	--	370
	377,757	40,289	1,053	--	419,099

[1] Less than SDR 500.

Schedule 3

SCA-1 Deferred Charges Administered Account

Contributions, interest and disbursements for the year ended April 30, 2010

(In thousands of SDRs)

Member	Beginning balance	Interest earned	Disbursements	Ending balance
Argentina	39,767	115	--	39,882
Austria	4,971	14	--	4,985
Belgium	7,737	13	7,750	--
Brazil	34,537	100	--	34,637
France	21,554	38	21,592	--
Sweden	5,241	11	5,252	--
	113,807	291	34,594	79,504

V. Financial Statements
of the
Staff Retirement Plan

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Independent Auditors' Report

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

We have audited the accompanying financial statements of accumulated plan benefits and net assets available for benefits of the International Monetary Fund Staff Retirement Plan (the "Plan") as of April 30, 2010 and 2009, and the related statements of changes in accumulated plan benefits and changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the financial status of the International Monetary Fund Staff Retirement Plan at April 30, 2010 and 2009, and the changes in its financial status for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

As discussed in Note 5 to the financial statements, the 2010 and 2009 financial statements include investments valued at $1,510 million (24% of total investments) and $1,314 million (27% of total investments), respectively, whose fair values have been estimated by the Plan's management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or the general partners. We have examined the procedures used by management in arriving at its estimate of the value of such investments and have inspected underlying documentation, and in the circumstances, we believe that such procedures are reasonable and the documentation appropriate. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Deloitte & Touche LLP

June 25, 2010

Staff Retirement Plan

Statements of accumulated Plan benefits and net assets available for benefits at April 30, 2010, and 2009

(In millions of U.S. dollars)

	2010	2009
Accumulated Plan benefits		
Actuarial present value of accumulated Plan benefits		
Vested benefits		
Retired participants	2,343	2,263
Active participants	1,437	1,360
Nonvested benefits	847	926
Total actuarial present value of accumulated Plan benefits	4,627	4,549
Assets available for benefits		
Cash and cash equivalents	290	251
Investments, at fair value (Note 5)	6,270	4,856
	6,560	5,107
Receivables		
Accrued interest and dividends	25	21
Contributions	6	17
Other	-	5
	31	43
Total assets	6,591	5,150
Liabilities		
Accounts and benefits payable	28	12
Advance employer contributions (Note 7)	249	176
Total liabilities	277	188
Net assets available for benefits	6,314	4,962
Excess of net assets available for benefits over actuarial present value of accumulated Plan benefits	1,687	413

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

These financial statements were approved by the Managing Director and the Director of Finance on June 25, 2010.

Andrew Tweedie /s
Director, Finance Department

Dominique Strauss-Kahn /s
Managing Director

Staff Retirement Plan

Statements of accumulated Plan benefits for the years ended April 30, 2010, and 2009

(In millions of U.S. dollars)

	2010	2009
Actuarial present value of accumulated Plan benefits, beginning of year	4,549	4,353
Increase (decrease) during the year attributable to		
Service Cost	124	160
Actuarial gains	(233)	(119)
Interest accrued	335	320
Benefits paid	(177)	(165)
Plan amendment (Note 6)	29	--
Net increase	78	196
Actuarial present value of accumulated Plan benefits, end of year	4,627	4,549

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

Staff Retirement Plan

Statements of changes in net assets available for benefits for the years ended April 30, 2010, and 2009

(In millions of U.S. dollars)

	2010	2009
Net investment income (loss) (Note 5)	1,489	(1,983)
Contributions (Note 7)		
Employer	--	--
Participants	39	38
Participants restored to service	--	1
Total contributions	39	39
Total increase (decrease)	1,528	(1,944)
Benefits		
Pension	155	141
Commutation	16	16
Withdrawal	4	7
Death	1	1
Total payments	176	165
Net increase (decrease)	1,352	(2,109)
Net assets available for benefits		
Beginning of year	4,962	7,071
End of year	6,314	4,962

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

Staff Retirement Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

1. Description of the Plan

The following brief description of the Staff Retirement Plan (the Plan) is provided for general information only. Participants should refer to the Plan document for more complete information.

General

The Plan is a defined benefit pension plan covering most staff members of the International Monetary Fund (the Employer). All assets and income of the Plan are the property of the Employer and are held and administered by it separately from all of its other property and assets and are to be used solely for the benefit of participants, retired participants, and their beneficiaries. At April 30, 2010, there were 2,164 retired participants receiving benefits; 2,682 active participants contributing to the Plan; and 370 inactive participants eligible to receive deferred pension benefits. This compares with 1,987 retired participants; 2,644 active participants; and 351 inactive participants at April 30, 2009.

Benefits

Annual pension

Participants are entitled to unreduced pensions beginning at the normal retirement age of 62 or beginning at the early retirement age of 55 if certain conditions of age and service are met. The Plan also provides an option for eligible staff to receive reduced pension benefits beginning at the early retirement age of 50. The amount of the pension is based on the number of years of service, age at retirement, and highest three-year average gross remuneration. Pensions are augmented by cost-of-living adjustments. Participants may elect to commute a stated portion of their pension, allowing them to receive up to one-third of the pension's value as a lump sum payment. Under certain circumstances, participants may withdraw from the Plan or receive deferred pensions.

The accrual rate of benefits earned before May 1, 1990, was 2 percent of gross remuneration for each year of service, while the accrual rate of benefits earned after May 1, 1990, is 2.2 percent for the first 25 years of service and 1.8 percent for the next 10 years of service.

Staff Retirement Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

Other benefits

The Plan also provides for disability pensions, death benefits, and benefits to surviving spouses, domestic partners, and children of deceased participants.

Contributions

Participants

Regular staff members are required to participate in the Plan and contribute 7 percent of their gross remuneration to it. Certain other categories of staff members may elect to participate in the Plan.

Employer

The Employer meets certain administrative costs of the Plan, such as the actuary's fees, and contributes any additional amount not provided by the contribution of participants to pay the costs and expenses of the Plan not otherwise covered. The Employer may elect to make additional contributions to the Plan. Based on an actuarial valuation, there were no required Employer contributions for the financial years ended April 30, 2010 and 2009. Actual Employer contributions were made at a normalized rate of 14 percent of pensionable gross remuneration in the financial years ended April 30, 2010 and 2009. In addition, the Employer declared a supplemental contribution payable to the Plan of $12 million for the financial year ended April 30, 2009. The difference between the required and actual contributions is offset against advance Employer contributions.

Plan termination

Although the Employer has not expressed any intention to do so, the Employer has the right to terminate the Plan. In the event of the termination of the Plan by the Employer, the assets of the Plan will be used to satisfy all liabilities to participants, retired participants, and their beneficiaries, and all other liabilities of the Plan. Any remaining balance of the assets will be returned to the Employer.

2. Basis of preparation and measurement

The financial statements of the Plan are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets at fair value through profit and loss. Specific accounting principles and disclosure practices, as set out below, are in accordance with and comply with

Staff Retirement Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

IFRS and have been applied consistently for all periods presented. Certain comparative figures have been reclassified in Notes 4 and 5 to conform with changes in the presentation for the current financial year.

New International Financial Reporting Standards and Interpretation

Amended IFRS 7, "Financial Instruments: Disclosures" requires the disclosure of the methods and underlying assumptions applied in determining fair values of financial assets or financial liabilities. Amended IFRS 7 introduces a three-level hierarchy for fair value measurement disclosures and requires additional disclosures on the relative reliability of fair value measurements. An entity must also disclose the remaining contractual maturities for financial liabilities and how it manages the related liquidity risk. The amended IFRS 7, which became effective for annual periods beginning on or after January 1, 2009, was implemented by the Plan during the year ended April 30, 2010, but as permitted under the revised standard, certain comparative figures have been excluded.

IFRS 9, "Financial Instruments" was issued in November 2009 as the first step in replacing the *IAS 39, "Financial Instruments: Recognition and Measurement"* standard. 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 mandatory adoption of IFRS 9 is January 1, 2013, but early adoption will be permitted. As the Plan already measures financial assets at fair value, the implementation of IFRS 9 is not expected to have an impact on the Plan's financial position or results of operations.

Unit of account

The functional and presentation currency of the Plan is the U.S. dollar.

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.

Staff Retirement Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

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

Foreign currency translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are reported using exchange rates on the date of the financial statements. Exchange differences arising from the settlement of transactions at rates different from those on the originating date of the transaction and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net investment income.

Cash and cash equivalents

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

Investments

The investment portfolio comprises of seven categories: global equities, emerging market equities, global fixed-income, high income, real assets, alternative investments (comprising primarily of private equity funds), and enhanced cash/absolute return (investments with low volatility and correlations to equity and bond markets). In accordance with the Plan's investment policy, the Plan may hold investments in the following: fixed-income securities, equity securities, real estate, private equity funds, other limited partnership vehicles, and collective investment funds. Investments also include derivative financial instruments, such as futures, and forward contracts entered into for investment and risk-management purposes.

Investments are designated at fair value through profit or loss since they are managed and their performance is evaluated on a fair value basis, in accordance with the Plan's risk-management and investment strategies. Changes in fair value of investments are recognized as a component of the changes in net assets available for benefits.

Investments are recognized on the trade date at which the Plan becomes a party to the contractual provisions of the instrument. Investments are derecognized when the contract

Staff Retirement Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

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 from the plan.

Investment income comprises interest and dividend income, gains and losses realized during the financial reporting period from the sale of investments, the unrealized appreciation and depreciation of the market value of investments, and, for investments denominated in currencies other than the U.S. dollar, valuation differences arising from exchange rate changes of other currencies against the dollar.

Derivative instruments

The net fair value of derivative instruments is included in investments, and the changes in fair value of such contracts are recognized through profit and loss in the financial statements. For forward and futures contracts, the contract or notional amounts do not represent exposure to credit loss. The potential credit loss on these instruments, if any, approximates any unrealized gains on open contracts.

Accumulated Plan benefits

The actuarial present value of vested benefits is presented for two categories of participants. For retired participants, the amount presented equals the present value of the benefits expected to be paid over the future lifetime to all pensioners and, if applicable, their surviving spouses or domestic partners. For active participants, the amount presented equals the present value of the deferred pension earned to the valuation date for a participant, or, if greater, the value of the withdrawal benefit for that participant, summed over all participants.

The actuarial present value of nonvested benefits includes the estimated effect of projected salary increases on benefits expected to be paid, death benefits, disability benefits, and the total of the withdrawal benefits of all participants with less than three years of eligible service.

The actuarial present value of accumulated Plan benefits is determined annually by an independent actuary and is the amount that results from applying actuarial assumptions to adjust the accumulated Plan benefits to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment (see Note 7).

In contrast to the actuarial valuation for funding purposes, the actuarial present value of accumulated Plan benefits is determined using the Projected Unit Credit Method. The obligation under this method represents the portion of the benefit obligation attributable to

Staff Retirement Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

service through the date of the financial statements and the effect of future salary increases. It reflects only the service to the date of the financial statements and does not take into account the fact that the actuarial present value of accumulated Plan benefits, which is the Plan's obligation, is expected to increase with each year of additional service, and that, therefore, there will be additional benefit accruals in the future. The Plan assets are measured at fair value at the end of the financial reporting period.

The difference between the actuarial present value of accumulated Plan benefits and the fair market value of assets reflects the Plan's funded status. The funded status is a liability (or asset) of the Employer. These calculations are prepared for financial statement purposes only, and do not measure the amount that the Employer will be required to fund in the future.

Tax status

The United States of America's Internal Revenue Service (IRS) has determined and informed the Employer on December 14, 2002, that the Plan was designed in accordance with applicable Internal Revenue Code requirements (IRC). The Employer believes the Plan is currently designed and being operated in compliance with the applicable requirements of the IRC and the Plan is tax exempt. Therefore, no provision for income taxes has been included in the Plan's financial statements.

4. *Financial risk management*

The Plan is exposed to various financial risks, primarily credit, liquidity, and market risks. The exposure to these financial risks is managed within a broad risk-management framework in order to balance those risks against the need to meet the financial obligations of the Plan.

This note presents information about the Plan's exposure to each of the above risks, and the Plan's objectives, policies, and processes for measuring and managing these risks.

Investment strategy and risk management

The Plan's investment policies and strategies are broadly geared towards funding the pension liabilities of active and retired participants over a market cycle at an acceptable level of risk. The strategic asset allocation is reviewed periodically and the most recent review was completed in 2008. Through a global, multiple-asset-class investment approach, the Plan's portfolio risk is reduced for any targeted rate of return, since asset class returns are not perfectly correlated as regional and global economic, financial, and political events unfold.

Staff Retirement Plan

Notes to the financial statements for the years ended April 30, 2010, and 2009

Consideration is given to both quantitative and qualitative factors and analysis in setting the strategic asset allocation. Quantitatively, mean-variance optimization is used to identify portfolios whose expected returns exceed all others with the same level of risk. The quantitative process is complemented by various qualitative considerations, such as illiquidity, labor intensity, alternative risk measures (skewness, downside protection), benchmark concentration, active management opportunities, and the speed with which returns might be realized. The quantitative and qualitative analysis yields a set of feasible efficient portfolios. The strategic asset allocation is set by identifying the portfolio that is most likely to meet the Plan's target rate of return, i.e., a return consistent with funding the Plan's pension liabilities over a full market cycle. Departures from the strategic allocation are considered and permitted both to accommodate tactical or opportunistic investments if a sector appears to be over- or undervalued and to avoid the high transactions costs associated with overly frequent rebalancing.

The Plan's policy of broad investment asset diversification is intended to protect its investments from disproportionate market shocks in periods of volatility. While diversification of the portfolio is an effective tool to spread market risk across a broad range of investment asset classes, it cannot prevent a reduction in the overall value of investments when substantially all investment asset classes simultaneously experience significant declines, as was the case in the financial year ended April 30, 2009.

Investment guidelines

The Plan has adopted general guidelines on permissible investments. The authority to purchase and sell individual securities is delegated to external investment managers subject to specific investment guidelines, criteria, standards or other safeguards. Use of derivative securities by an investment manager must be specifically authorized by Plan management.

Credit risk

Credit risk is the risk that failure by another party to a financial instrument to discharge obligations when due will cause a financial loss to the Plan.

For fixed-income securities, the Plan's maximum exposure to credit risk is the carrying amount of these assets, based on dealer quotes on the last business day of the financial reporting period. For forward contracts, the Plan's maximum exposure to credit risk is the

Staff Retirement Plan

Notes to the financial statements for the years ended April 30, 2010, and 2009

amount of any unrealized gains on such contracts. At April 30, 2010, the Plan's maximum exposure to credit risk totaled US$1,122 million (US$973 million at April 30, 2009).

Credit ratings

The following table presents an analysis of the credit ratings of fixed-income investments at April 30 based on credit ratings from Standard & Poor's:

	2010		2009	
	(In millions of U.S. dollars and as a percentage of total fixed income investments)			
AAA	442	39.5%	459	47.4%
AA – to AA +	102	9.1%	53	5.5%
A – to A +	124	11.1%	52	5.4%
BBB – to BBB +	136	12.2%	100	10.3%
B – to BB +	279	24.9%	278	28.6%
CCC + or lower or unrated	36	3.2%	27	2.8%
Total	1,119	100.0%	969	100.0%

Securities lending

The Plan engages in a securities lending program with its custodian, as lending agent, to enhance the return on its investments. Under this program, certain of the Plan's holdings of marketable securities are lent temporarily to other institutions for a fee and collateral equal to at least 100 percent of the market value of lent securities. The Plan maintains effective control over securities lent and therefore continues to report such securities as invested assets. The Plan participates in the lending agent's collateral fund but does not recognize the collateral held by the lending agent or the obligation to return the collateral as the Plan has no right to sell or repledge the collateral. At April 30, 2010, the market value of securities lent to other institutions under the securities lending program and the market value of the Plan's share of the collateral fund amounted to US$415 million and US$430 million respectively (US$355 million and US$350 million respectively at April 30, 2009).

Futures contracts

A futures contract is a commitment either to purchase or to sell a financial instrument at a future date for a specified price and may be settled in cash or through delivery of the underlying financial instrument.

The Plan enters into financial futures contracts for protection against market price risk and interest rate risk, and to take investment positions. Contracts generally have a term of less than one year.

The credit risk of futures contracts is limited because of daily cash settlement of the net change in the value of open contracts. Therefore, there were no unrealized gains or losses on futures contracts at April 30, 2010, and 2009.

Forward contracts

The Plan enters into forward foreign currency exchange contracts to manage foreign currency fluctuations relative to investments in its global portfolio. Forward contracts are similar in character to futures contracts. However, they have a greater degree of credit risk (counterparty risk), depending on the counterparties involved, because daily cash settlements are not required. To manage this exposure, the Plan enters into close-out netting agreements, sets minimum credit-quality standards for counterparties, restricts time-to-maturity of forward and other over-the-counter instruments, and establishes quantitative restrictions on the use of counterparties to ensure adequate counterparty diversification. These contracts generally have terms of no more than three months.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Plan's liabilities include accounts and benefits payable and advance Employer contributions.

At April 30, 2010 and 2009, the net fair value exposure to derivative financial liabilities was not material and therefore did not present a significant liquidity risk.

The Plan's primary objective with respect to liquidity is to have sufficient liquid resources available to pay Plan benefits when due. This risk is monitored to ensure that current payments due to Plan members can be met from the Plan's holdings of cash and highly liquid investments.

Staff Retirement Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

For the financial year ending April 30, 2011, Plan disbursements for benefit obligations are expected to be US$240 million.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk includes interest rate risk, exchange rate risk, and other price risks associated with changes in the values of equities, commodities, real estate, and other assets.

The Plan's investments are divided into seven categories, all of which are subject to varying, but not perfectly correlated, market risks. The Plan's exposure to market risk is measured using Value at Risk (VaR), which is a summary measure of market risks that takes into account known market risks to which the Plan's investments are exposed.

VaR is the minimum potential loss in value of the Plan's investment assets due to adverse market movements over a defined time horizon with a specified confidence level. The VaR numbers reported below reflect a one-year time horizon and a 95% confidence interval, which means there is a 1 in 20 chance that annual losses on investment assets would be expected to equal or exceed the reported VaR. Losses in a single year could exceed the reported VaR by a significant amount.

The Plan's portfolio VaR estimates are based on a three-year variance-covariance matrix using actual portfolio weights at the date of the financial statements. VaR models are based predominantly on historical simulation and provide plausible future scenarios based on these simulations. However, the modeling of the market risk characteristics of the Plan's investments involves a number of assumptions and approximations. There is no standard methodology for estimating VaR, and different assumptions and/or approximations could produce significantly different VaR estimates.

Staff Retirement Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

The VaR for the Plan's investment portfolio at April 30 was as follows:

	2010	2009
	(In millions of U.S. dollars)	
Equities		
Global equities	745	637
Emerging market equities	348	231
Fixed income		
Global fixed income	101	81
High income	112	100
Other		
Real assets	103	94
Alternative investments	151	106
Enhanced cash/absolute return	82	63
Diversification effects	(22)	(217)
Total	1,620	1,095

5. Investments

Summarized below is the fair value of the Plan's investments at April 30:

	2010	2009
	(In millions of U.S. dollars)	
Equities		
Global equities	2,693	1,823
Emerging market equities	664	472
Fixed income		
Global fixed income	566	527
High income	553	442
Other		
Real assets	335	417
Alternative investments	655	502
Enhanced cash/absolute return	804	673
Total	6,270	4,856

The fair value of investments is based on quoted market prices or dealer quotes where available. The fair value of investments for which quoted market prices are not available is determined after consideration of valuations provided by external investment managers

Staff Retirement Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

adjusted for receipts, disbursements, and distributions through the end of the financial reporting period. The valuation of these investments may involve estimates, appraisals, assumptions, and methods that are reviewed by management. Owing to the inherent limitations in any estimation technique, these fair value estimates are not necessarily indicative of the amounts that would be realized in a market transaction.

Specifically, the methods and assumptions used to estimate the fair value of the Plan's investments are as follows:

(i) The fair value of publicly traded equity and fixed-income securities is based on the quoted market prices from the principal exchange (U.S. or foreign), dealer or broker on the last business day of the financial reporting period;

(ii) For non-publicly traded collective investment funds, which may include publicly-traded equity and fixed-income securities for which detailed holdings are reported to the Plan, the fair value is determined after consideration of valuations provided by the external investment managers adjusted for receipts, disbursements, and distributions through the end of the financial reporting period;

(iii) The fair value of private equity funds and other limited partnership vehicles represents the Plan's proportional share of the pool of invested funds based on the valuation determined by the general partner of each partnership in accordance with the terms of each partnership's governing agreement, adjusted for receipts, disbursements, and distributions through the end of the financial reporting period. The fair value of underlying private equity investments is determined using a variety of valuation techniques, including those that make maximum use of market inputs such as prices received in private placement transactions, prices of publicly traded securities of comparable companies, independent appraisal, estimated liquidation value, and discounted cash flows;

(iv) The fair value of real estate investments is estimated based on the appraised value for the latest quarterly reporting period adjusted for receipts, disbursements, and distributions through the end of the financial reporting period; and

(v) Futures contracts are valued at the price quoted on the last business day of the financial year on the exchange on which they primarily trade; forward foreign currency exchange contracts are valued in accordance with the prevailing spot or forward rate of the underlying currency.

Staff Retirement Plan

Notes to the financial statements for the years ended April 30, 2010, and 2009

The amended IFRS 7 introduced a three-level fair value hierarchy under which financial instruments are categorized based on the priority of the inputs to the valuation technique 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.

The following table presents the fair value hierarchy used to determine the fair value of Plan investments at April 30, 2010:

	Level 1: quoted prices in active markets	Level 2: based on observable market data	Level 3: based on information other than observable market data	Total
		(In millions of U.S. dollars)		
Equities				
Global equities	1,812	879	2	2,693
Emerging market equities	77	586	1	664
Fixed income				
Global fixed income	--	459	107	566
High income	12	383	158	553
Other				
Real assets	55	22	258	335
Alternative investments	--	--	655	655
Enhanced cash/absolute return	--	475	329	804
Total	1,956	2,804	1,510	6,270

The information below summarizes activity in the financial year ended April 30, 2010 for investments held by the Plan identified as using level 3 valuation inputs:

Staff Retirement Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

	Balance at May 1, 2009	Unrealized gains/(losses)	Realized gains/(losses)	Purchases/ (sales)	Transfers in/ (out)	Balance at April 30, 2010
			(In millions of U.S. dollars)			
Global equities	-	(1)	1	2	-	2
Emerging market equities	-	-	-	1	-	1
Global fixed income	84	8	-	16	(1)	107
High income	109	37	11	19	(18)	158
Real assets	307	(21)	(13)	(13)	(2)	258
Alternative investments	502	123	13	17	-	655
Enhanced cash/absolute return	312	13	-	7	(3)	329
Total	1,314	159	12	49	(24)	1,510

Net investment income/(loss) comprised the following for the financial years ended April 30:

	2010	2009
	(In millions of U.S. dollars)	
Interest and dividends	118	139
Net appreciation (depreciation) in fair value of investments	1,417	(2,072)
	1,535	(1,933)
Less investment fees	(44)	(48)
Less administrative expenses	(2)	(2)
Net investment income/(loss)	1,489	(1,983)

The notional value of derivative financial instruments held was as follows at April 30:

	2010	2009
	(In millions of U.S. dollars)	
Futures		
Long positions	722	532
Short positions	56	3
Forwards		
Purchases	421	604
Sales	421	604

Staff Retirement Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

6. Plan amendment

The actuarial valuation of accumulated Plan benefits for the financial year ended April 30, 2010 reflected the impact of a Plan amendment to provide higher withdrawal benefits to enhance benefit portability for shorter-term staff; updated commutation factors to reflect improvements in participant mortality; and lower gross remuneration to align with changes in the tax rates in comparator countries. The amendment, approved on April 12, 2010 and effective May 1, 2011, resulted in the immediate recognition during the current financial year of US$29 million in past service cost for vested benefits.

7. Actuarial valuation and funding policy

Under the actuarial valuation used for funding purposes for both the Plan and the Supplemental Retirement Benefit Plan, it is assumed that the Plan will continue to exist and that active participants will continue to earn pension benefits beyond the date of the valuation until the date of withdrawal, disability, death, or retirement, but that no new participant will join the Plan (the "closed method").

Funding by the Employer is based on a valuation method known as the "Aggregate Cost Method," which expresses liabilities and contribution requirements as single consolidated figures that include provision for experience gains and losses and cost-of-living increases. There were no actuarially determined required Employer contributions for the financial years ended April 30, 2010 and 2009. Advance Employer contributions (US$249 million and US$176 million at April 30, 2010, and 2009, respectively) represent the Employer's cumulative contributions to the Plan in excess of actuarially determined contributions.

The actuarial assumptions used in the valuation to determine the Employer's contributions for the financial years ended April 30, 2010 and 2009 include (i) life expectancy based on the 1993 United Nations mortality tables for men and women (the life expectancy was increased by one year); (ii) withdrawal or retirement of a certain percentage of staff at each age, differentiated by gender for withdrawal; (iii) an average rate of return on investments of 7.5 percent; (iv) a discount rate of 7.5 percent; (v) an average inflation rate of 4 percent a year; (vi) salary increase percentages that vary with age from 6.4 percent to 10.8 percent; and (vii) valuation of assets that spreads gains and losses above or below the expected rate of return over a five-year period, provided that the actuarial value of plan assets cannot be less than 90 percent, or more than 110 percent, of the fair market value for any particular year.

Staff Retirement Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

Actuarial valuations for funding are carried out annually at the end of the financial year. The results of the latest actuarial valuation, which differ from those for financial reporting purposes, were as follows for the financial year ended April 30:

	2009	2008
	(In millions of U.S. dollars)	
Present value of benefits payable	6,681	6,641
Less: Assets for valuation purposes	5,478	6,509
Required future funding	1,203	132
Less: Present value of prospective contributions from participants (7 percent of gross remuneration)	364	376
Present value of future funding required from the Employer	839	(244)

8. Administrative costs

The Plan reimburses the Employer for the costs of investing Plan assets, including staffing, travel, and other administrative expenses. These expenses amounted to US$2 million for the financial year ended April 30, 2010 and 2009.

Certain administrative costs of the Plan, such as the actuary's fees, are paid by the Employer and are not reimbursed by the Plan, as provided in the Plan document. For the financial year ended April 30, 2010, and 2009 these administrative costs were approximately US$1 million.

VI. Financial Statements
of the
Supplemental Retirement Benefit Plan

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Independent Auditors' Report

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

We have audited the accompanying statements of accumulated plan benefits and net assets available for benefits of the International Monetary Fund Supplemental Retirement Benefit Plan (the "Plan") as of April 30, 2010 and 2009, and the related statements of changes in accumulated plan benefits and changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the financial status of the International Monetary Fund Supplemental Retirement Benefit Plan at April 30, 2010 and 2009, and the changes in its financial status for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

Deloitte + Touche LLP

June 25, 2010

Supplemental Retirement Benefit Plan

Statements of accumulated Plan benefits and net assets available for benefits at April 30, 2010, and 2009

(In millions of U.S. dollars)

	2010	2009
Accumulated Plan benefits		
Actuarial present value of accumulated Plan benefits		
Vested benefits		
Retired participants	261	259
Active participants	91	148
Nonvested benefits	228	174
Total actuarial present value of accumulated Plan benefits	580	581
Assets available for benefits		
Cash and cash equivalents	12	17
Contributions receivable (Note 3)	17	15
Total assets	29	32
Liabilities		
Advance Employer contributions (Note 6)	24	14
Total liabilities	24	14
Net assets available for benefits	5	18
Actuarial present value of accumulated Plan benefits and net deficiency	(575)	(563)

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

These financial statements were approved by the Managing Director and the Director of Finance on June 25, 2010.

Andrew Tweedie /s
Director, Finance Department

Dominique Strauss-Kahn /s
Managing Director

Supplemental Retirement Benefit Plan

Statements of changes
in accumulated Plan benefits
for the years ended April 30, 2010, and 2009

(In millions of U.S. dollars)

	2010	**2009**
Actuarial present value of accumulated Plan benefits, beginning of year	581	430
Increase (decrease) during the year attributable to		
Service Cost	44	31
Actuarial (gain)/loss	(73)	105
Interest accrued	43	32
Benefits paid	(17)	(17)
Plan amendment (Note 5)	2	--
Net (decrease)/increase	(1)	151
Actuarial present value of accumulated Plan benefits, end of year	580	581

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

Supplemental Retirement Benefit Plan

Statements of changes in net assets available for benefits for the years ended April 30, 2010, and 2009

(In millions of U.S. dollars)

	2010	2009
Investment income		
Interest	--	--
	--	--
Contributions (Note 6)		
Employer	--	--
Participants	5	4
Total contributions	5	4
Total increase	5	4
Benefits		
Pension	16	15
Commutation	2	3
Withdrawal	--	1
Total payments	18	19
Net decrease	(13)	(15)
Net assets available for benefits		
Beginning of year	18	33
End of year	5	18

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

Supplemental Retirement Benefit Plan

Notes to the financial statements for the years ended April 30, 2010, and 2009

1. Description of the Plan

The following brief description of the Supplemental Retirement Benefit Plan (the Plan) is provided for general information only. Participants should refer to the Plan document for more complete information.

General

The Plan is a defined benefit pension plan covering certain participants of the Staff Retirement Plan of the International Monetary Fund (the Employer) and operates as an adjunct to that plan. All assets and income of the Plan are the property of the Employer and are held and administered by it separately from all of its other property and assets and are to be used solely for the benefit of participants and retired participants and their beneficiaries. At April 30, 2010, there were 392 retired participants receiving benefits and 508 active participants contributing to the Plan. This compares with 398 retired participants and 470 active participants at April 30, 2009.

Benefits

Annual pension and other benefits

The Staff Retirement Plan has adopted limits to pensions payable from that plan. The Plan provides for the payment of any benefit that would otherwise have been payable if these limits had not been adopted.

Participants may elect to commute a stated portion of their pension, allowing them to receive up to one-third of their pension as a lump sum.

Contributions

Participants

Regular staff members are required to participate if their gross remuneration is over Internal Revenue Service contribution limits, contributing to the Plan 7 percent of their gross remuneration in excess of those limits. Certain other categories of staff members may elect to participate in the Plan.

Supplemental Retirement Benefit Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

Employer

Based on an actuarial valuation, there were no required Employer contributions for the financial years ended April 30, 2010 and 2009. The Employer may elect to make additional contributions to the Plan. Actual Employer contributions were made at a normalized rate of 14 percent of gross remuneration in excess of Internal Revenue Service limits for the financial years ended April 30, 2010 and 2009. Advance Employer contributions (US$24 million and US$14 million at April 30, 2010, and 2009, respectively) represent the Employer's cumulative contributions to the Plan in excess of actuarially determined contributions. The Employer also meets certain administrative costs of the Plan, such as the actuary's fees, and contributes any additional amount not provided by the contribution of participants to pay the costs and expenses of the Plan not otherwise covered.

Plan termination

Although the Employer has not expressed any intention to do so, the Employer has the right to terminate the Plan. In the event of the termination of the Plan by the Employer, the assets of the Plan will be used to satisfy all liabilities to participants, retired participants and their beneficiaries, and all other liabilities of the Plan. Any remaining assets shall be returned to the Employer.

2. Basis of preparation and measurement

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

New International Financial Reporting Standards and Interpretation

IFRS 9, "Financial Instruments" was issued in November 2009 as the first step in replacing the *IAS 39, "Financial Instruments: Recognition and Measurement"* standard. 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 mandatory adoption of IFRS 9 is January 1, 2013, but early adoption will be permitted. The implementation of IFRS 9 is not expected to have an impact on the Plan's financial position or results of operations.

Supplemental Retirement Benefit Plan

Notes to the financial statements for the years ended April 30, 2010, and 2009

Unit of account

The functional and presentation currency of the Plan is the U.S. dollar.

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 and 6.

3. Summary of significant accounting and related policies

Accumulated Plan benefits

The actuarial present value of vested benefits is presented for two categories of participants. For retired participants, the amount presented equals the present value of the benefits expected to be paid over the future lifetime to all pensioners and, if applicable, their surviving spouses or domestic partners. For active participants, the amount presented equals the present value of the deferred pension earned to the valuation date for a participant, or, if greater, the value of the withdrawal benefit for that participant, summed over all participants.

The actuarial present value of nonvested benefits includes the estimated effect of projected salary increases on benefits expected to be paid, death benefits, disability benefits, and the total of the withdrawal benefits of all participants with less than three years of eligible service.

The actuarial present value of accumulated Plan benefits is determined annually by an independent actuary and is the amount that results from applying actuarial assumptions to

Supplemental Retirement Benefit Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

adjust the accumulated Plan benefits to reflect the time value of money and the probability of payment between the valuation date and the expected date of payment (see Note 6).

In contrast to the actuarial valuation for funding purposes, the actuarial present value of accumulated Plan benefits is determined using the Projected Unit Credit Method. The obligation under this method represents the portion of the benefit obligation attributable to service through the date of the financial statements and the effect of future salary increases. It reflects only the service to the date of the financial statements and does not take into account the fact that the actuarial present value of accumulated Plan benefits, which is the Plan's obligation, is expected to increase with each year of additional service, and that, therefore, there will be additional benefit accruals in the future.

The difference between the actuarial present value of accumulated Plan benefits and the fair market value of assets reflects the Plan's funded status. The funded status is a liability (or asset) of the Employer. These calculations are prepared for financial statement purposes only, and do not measure the amount that the Employer will be required to fund in the future.

Contributions receivable

Contributions receivable include cash balances from employee and employer contributions which are held on the Employer's balance sheet and are transferred, as needed, to meet benefit payments as they arise. At April 30, 2010 and 2009, such contributions receivable were US$17 million and US$15 million, respectively.

4. *Financial risk management*

The Plan is managed to minimize various financial risks, including credit, liquidity, and market risks.

This note presents information about the Plan's exposure to each of the above risks, and the Plan's objectives, policies, and processes for measuring and managing these risks.

Credit and market risks

Credit risk is the risk that failure by another party to a financial instrument to discharge obligations when due will cause a financial loss to the Plan. Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. The Plan's financial assets and liabilities consist only of cash, receivables and

Supplemental Retirement Benefit Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

payables, and, thus, the Plan does not have a significant exposure to either credit or market risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Plan's primary objective with respect to liquidity is to have sufficient liquid resources available to pay Plan benefits when due. The liquidity needs of the Plan are taken into account in determining the required and optional Plan contributions by the Employer to ensure that current payments due to Plan participants can be met.

For the financial year ending April 30, 2011, Plan disbursements for benefit obligations are expected to be US$24 million.

5. Plan amendment

The actuarial valuation of accumulated Plan benefits for the financial year ended April 30, 2010 reflected the impact of a Plan amendment to provide higher withdrawal benefits to enhance benefit portability for shorter-term staff; updated commutation factors to reflect improvements in participant mortality; and lower gross remuneration to align with changes in the tax rates in comparator countries. The amendment, approved on April 12, 2010 and effective May 1, 2011, resulted in the immediate recognition during the current financial year of US$2 million in past service cost for vested benefits.

6. Actuarial valuation and funding policy

Under the actuarial valuation used for funding purposes for both the Plan and the Staff Retirement Plan, it is assumed that the Plan will continue to exist and that active participants will continue to earn pension benefits beyond the date of the valuation until the date of withdrawal, disability, death, or retirement, but that no new participant will join the Plan (the "closed method").

Funding by the Employer is based on a valuation method known as the "Aggregate Cost Method," which expresses liabilities and contribution requirements as single consolidated figures that include provision for experience gains and losses and cost-of-living increases. There were no actuarially determined required Employer contributions for the financial year

Supplemental Retirement Benefit Plan

Notes to the financial statements
for the years ended April 30, 2010, and 2009

ended April 30, 2010 and 2009. Advance Employer contributions (US$24 million and US$14 million at April 30, 2010, and 2009, respectively) represent the Employer's cumulative contributions to the Plan in excess of actuarially determined contributions. The Employer's contributions to the Staff Retirement Plan and the Plan are determined on a combined basis. Should the assets of the Plan be exhausted, benefits are paid from additional contributions by the Employer.

The actuarial assumptions used in the valuation to determine the Employer's contributions for the financial years ended April 30, 2010 and 2009 include: (i) life expectancy based on the 1993 United Nations mortality tables for men and women (the life expectancy was increased by one year); (ii) withdrawal or retirement of a certain percentage of staff at each age, differentiated by gender for withdrawal; (iii) an average rate of return on investments of 7.5 percent; (iv) a discount rate of 7.5 percent; (v) an average inflation rate of 4 percent a year; (vi) salary increase percentages that vary with age from 6.4 percent to 10.8 percent; and (vii) valuation of assets that spreads gains and losses above or below the expected rate of return over a five-year period, provided that the actuarial value of plan assets cannot be less than 90 percent, or more than 110 percent, of the fair market value for any particular year.

VII. Financial Statements
of the
Retired Staff Benefits Investment Account

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Independent Auditors' Report

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

We have audited the accompanying statements of financial position of the International Monetary Fund Retired Staff Benefits Investment Account (the "Account") as of April 30, 2010 and 2009, and the related statements of comprehensive income and changes in resources for the years then ended. These financial statements are the responsibility of the Account's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, such financial statements present fairly, in all material respects, the financial position of the International Monetary Fund Retired Staff Benefits Investment Account at April 30, 2010 and 2009, and the results of its operations for the years then ended in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

As discussed in Note 5 to the financial statements, the 2010 and 2009 financial statements include investments valued at $177 million (23% of total investments) and $159 million (27% of total investments), respectively, whose fair values have been estimated by the Account's management in the absence of readily determinable fair values. Management's estimates are based on information provided by the fund managers or the general partners. We have examined the procedures used by management in arriving at its estimate of the value of such investments and have inspected underlying documentation, and in the circumstances, we believe that such procedures are reasonable and the documentation appropriate. However, because of the inherent uncertainty of valuation, those estimated values may differ significantly from the values that would have been used had a ready market for the investments existed, and the differences could be material.

Deloitte & Touche LLP

June 25, 2010

Retired Staff Benefits Investment Account

Statements of financial position
for the years ended April 30, 2010, and 2009

(In millions of U.S. dollars)

	2010	2009
Assets		
Cash and cash equivalents	34	29
Investments (Note 5)	767	582
Receivables		
Accrued interest and dividends	3	2
Contributions	30	27
Total assets	834	640
Liabilities and resources		
Accounts payable	3	2
Resources	831	638
Total liabilities and resources	834	640

The accompanying notes are an integral part of these financial statements.
These financial statements were approved by the Managing Director and the Director of Finance on June 25, 2010.

Andrew Tweedie /s
Director, Finance Department

Dominique Strauss-Kahn /s
Managing Director

Retired Staff Benefits Investment Account

Statements of comprehensive income and changes in resources for the years ended April 30, 2010, and 2009

(In millions of U.S. dollars)

	2010	2009
Resources, beginning of year	638	841
Transfers from the General Resources Account (Note 7)	67	64
Net investment income/(loss) (Note 5)	176	(218)
Transfers to the General Resources Account (Note 7)	(50)	(49)
Net increase (decrease)	193	(203)
Resources, end of year	831	638

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

Retired Staff Benefits Investment Account

Notes to the financial statements for the years ended April 30, 2010, and 2009

1. Nature of operations

The IMF established the Retired Staff Benefits Investment Account (RSBIA) to hold and invest resources transferred from the General Resources Account (GRA) and set aside such resources to finance the cost of post-employment benefits of current and future retirees. These benefits consist of post-employment medical and life insurance benefits and other non-pension long-term benefits, such as separation and repatriation benefits, accrued annual leave up to 60 days, and associated tax allowances. The defined benefit obligation is actuarially determined and reported by the GRA. The assets of the RSBIA are owned solely by the GRA and consist of the GRA's transfers and the income earned thereon.

The assets of the RSBIA are kept separate from the assets of all other accounts of, or administered by, the IMF and are not to be used to discharge liabilities or to meet losses incurred in the administration of other accounts.

2. Basis of preparation and measurement

The financial statements of the RSBIA are prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB). The financial statements have been prepared under the historical cost convention, except for the revaluation of financial assets at fair value through profit and loss. Specific accounting principles and disclosure practices, as set out below, are in accordance with and comply with IFRS and have been applied consistently for all financial reporting periods presented. Certain comparative figures have been reclassified in Notes 4 and 5 to conform with changes in presentation for the current financial year

New International Financial Reporting Standards and Interpretation

Amended IFRS 7, "Financial Instruments: Disclosures" requires the disclosure of the methods and underlying assumptions applied in determining fair values of financial assets or financial liabilities. Amended IFRS 7 introduces a three-level hierarchy for fair value measurement disclosures and requires additional disclosures on the relative reliability of fair value measurements. An entity must also disclose the remaining contractual maturities for financial liabilities and how it manages the related liquidity risk. The amended IFRS 7, which became effective for annual periods beginning on or after January 1, 2009, was implemented by the RSBIA during the year ended April 30, 2010, but as permitted under the revised standard, certain comparative figures have been excluded.

IFRS 9, "Financial Instruments" was issued in November 2009 as the first step in replacing the *IAS 39, "Financial Instruments: Recognition and Measurement"* standard. 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 mandatory adoption of IFRS 9 is January 1, 2013, but early adoption will be permitted. As the RSBIA measures financial assets at fair value, the implementation of IFRS 9 is not expected to have an impact on the RSBIA's financial position or results of operations.

Unit of account

The functional and presentation currency of the RSBIA is the U.S. dollar.

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 6.

3. Summary of significant accounting and related policies

Foreign currency translation

Foreign currency transactions are recorded at the rate of exchange on the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are reported using exchange rates on the date of the financial statements. Exchange differences arising from the settlement of transactions at rates different from those on the originating date of the transactions and unrealized foreign exchange differences on unsettled foreign currency monetary assets and liabilities are included in the determination of net investment income.

Cash and cash equivalents

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

Retired Staff Benefits Investment Account

Notes to the financial statements
for the years ended April 30, 2010, and 2009

Investments

The investment portfolio comprises of seven categories: global equities, emerging market equities, global fixed-income, high income, real assets, alternative investments (comprising primarily of private equity funds), and enhanced cash/absolute return (investments with low volatility and correlations to equity and bond markets). In accordance with the RSBIA's investment policy, the portfolio may hold investments in the following: fixed-income securities, equity securities, real estate, private equity funds, other limited partnership vehicles, and collective investment funds. Investments also include derivative financial instruments, such as futures and forward contracts entered into for investment and risk-management purposes.

Investments are designated at fair value through profit and loss since they are managed and their performance is evaluated on a fair value basis, in accordance with the RSBIA's risk management and investment strategies. Changes in the fair value of investments are recognized as a component of the changes in net assets available for benefits.

Investments are recognized on the trade date at which the RSBIA becomes a party to the contractual provisions of the instrument. Investments are derecognized when the contract 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 from the plan.

Investment income comprises interest and dividend income, gains and losses realized during the financial reporting period from the sale of investments, the unrealized appreciation and depreciation of the market value of investments, and, for investments denominated in currencies other than the U.S. dollar, valuation differences arising from exchange rate changes of other currencies against the dollar.

Derivative instruments

The net fair value of derivative instruments is included in investments, and the changes in fair value of such contracts are recognized in the financial statements. For forward and futures contracts, the contract or notional amounts do not represent exposure to credit loss. The potential credit loss on these instruments, if any, approximates any unrealized gains on open contracts.

Retired Staff Benefits Investment Account

Notes to the financial statements for the years ended April 30, 2010, and 2009

4. *Financial risk management*

The RSBIA is exposed to various financial risks, primarily credit, liquidity, and market risks. The exposure to these financial risks is managed within a broad risk-management framework in order to balance those risks against the need to meet the IMF's post-employment benefit obligations.

This note presents information about the RSBIA's exposure to each of the above risks, and the RSBIA's objectives, policies, and processes for measuring and managing these risks.

Investment strategy and risk management

The RSBIA's investment policies and strategies are broadly geared toward funding the post-employment benefit costs for active and retired IMF staff over a market cycle at an acceptable level of risk. The strategic asset allocation is reviewed periodically and the most recent review was completed in 2008. Through a global, multiple-asset-class investment approach, the RSBIA's portfolio risk is reduced for any targeted rate of return, since asset class returns are not perfectly correlated as regional and global economic, financial, and political events unfold.

Consideration is given to both quantitative and qualitative factors and analysis in setting the strategic asset allocation. Quantitatively, mean-variance optimization is used to identify portfolios whose expected returns exceed all others with the same level of risk. The quantitative process is complemented by various qualitative considerations, such as illiquidity, labor intensity, alternative risk measures (skewness, downside protection), benchmark concentration, active management opportunities, and the speed with which returns might be realized. The quantitative and qualitative analysis yields a set of feasible efficient portfolios. The strategic asset allocation is set by identifying the portfolio that is most likely to meet the RSBIA's target rate of return, i.e. a return consistent with funding the RSBIA's post-employment benefit obligations over a full market cycle. Departures from the strategic allocation are considered and permitted both to accommodate tactical or opportunistic investments if a sector appears to be over- or undervalued and to avoid the high transactions costs associated with overly frequent rebalancing.

The RSBIA's policy of broad investment asset diversification is intended to protect its investments from disproportionate market shocks in periods of volatility. While diversification of the portfolio is an effective tool to spread market risk across a broad range of investment asset classes, it cannot prevent a reduction in the overall value of investments when substantially all investment asset classes simultaneously experience significant declines, as was the case in the financial year ended April 30, 2009.

Retired Staff Benefits Investment Account

Notes to the financial statements
for the years ended April 30, 2010, and 2009

Investment guidelines

The RSBIA has adopted general guidelines on permissible investments The authority to purchase and sell individual securities is delegated to external investment managers subject to specific investment guidelines, criteria, standards, or other safeguards. Use of derivative securities by an investment manager must be specifically authorized by RSBIA management.

Credit risk

Credit risk is the risk that failure by another party to a financial instrument to discharge obligations when due will cause a financial loss to the RSBIA.

For fixed-income securities, the RSBIA's maximum exposure to credit risk is the carrying amount of these assets, based on dealer quotes on the last business day of the financial reporting period. For forward contracts, the RSBIA's maximum exposure to credit risk is the amount of any unrealized gains on such contracts. At April 30, 2010, the RSBIA's maximum exposure to credit risk totaled US$135 million (US$113 million at April 30, 2009).

Credit ratings

The following table presents an analysis of the credit ratings of fixed-income investments at April 30 based on credit ratings from Standard & Poor's:

	2010		2009	
	(In millions of U.S. dollars and as a percentage of total fixed income investments)			
AAA	57	42.2%	60	53.6%
AA – to AA +	14	10.4%	5	4.5%
A – to A +	14	10.4%	6	5.3%
BBB – to BBB +	15	11.1%	10	8.9%
B – to BB +	32	23.7%	28	25.0%
CCC + or lower or unrated	3	2.2%	3	2.7%
Total	135	100.0%	112	100.0%

Securities lending

The RSBIA also engages in a securities lending program with its custodian, as lending agent, to enhance the return on its investments. Under this program, certain marketable securities are

Retired Staff Benefits Investment Account

Notes to the financial statements
for the years ended April 30, 2010, and 2009

lent temporarily to other institutions for a fee and collateral equal to at least 100 percent of the market value of the lent securities. The RSBIA maintains effective control over securities lent and therefore continues to report such securities as invested assets. The RSBIA participates in the lending agent's collateral fund but does not recognize the collateral held by the lending agent or the obligation to return the collateral as the RSBIA has no right to sell or repledge the collateral. At April 30, 2010, the market value of securities lent to other institutions under the securities lending program and the market value of the RSBIA's share of the collateral fund amounted to US$54 million and US$56 million, respectively (US$32 million and US$31 million respectively, at April 30, 2009).

Futures contracts

A futures contract is a commitment either to purchase or to sell a financial instrument at a future date for a specified price and may be settled in cash or through delivery of the underlying financial instrument.

The RSBIA enters into financial futures contracts for protection against market price risk and interest rate risk, and to take investment positions. Contracts generally have a term of less than one year.

The credit risk of futures contracts is limited because of daily cash settlement of the net change in the value of open contracts. Therefore, there were no unrealized gains or losses on futures contracts at April 30, 2010, and 2009.

Forward contracts

The RSBIA enters into forward foreign currency exchange contracts to manage foreign currency fluctuations relative to investments in its global portfolio. Forward contracts are similar in character to futures contracts. However, they have a greater degree of credit risk (counterparty risk), depending on the counterparties involved, because daily cash settlements are not required. To manage this exposure, the RSBIA enters into close-out netting agreements, sets minimum credit-quality standards for counterparties, restricts time-to-maturity of forward and other over-the-counter instruments, and establishes quantitative restrictions on the use of counterparties to ensure adequate counterparty diversification. These contracts generally have terms of no more than three months.

Retired Staff Benefits Investment Account

Notes to the financial statements for the years ended April 30, 2010, and 2009

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The RSBIA's liabilities include accounts and benefits payable.

The RSBIA's primary objective with respect to liquidity is to have sufficient liquid resources available to pay RSBIA-funded benefits when due. This risk is monitored to ensure that payments for post-employment benefits for IMF employees can be met from the RSBIA's holdings of cash and highly liquid investments.

At April 30, 2010 and 2009, the net fair value exposure to derivative financial liabilities was not material and therefore did not present a significant liquidity risk.

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices. Market risk includes interest rate risk, exchange rate risk, and other price risks associated with changes in the values of equities, commodities, real estate, and other assets.

The RSBIA's investments are classified into seven categories, all of which are subject to varying, but not perfectly correlated, market risks. The RSBIA's exposure to market risk is measured using Value at Risk (VaR), which is a summary measure of market risk that takes into account known market risks to which the RSBIA's investments are exposed.

VaR is the minimum potential loss in value of the RSBIA's investments due to adverse market movements over a defined time horizon with a specified confidence level. The VaR numbers reported below reflect a one-year time horizon and a 95% confidence interval, which means there is a 1 in 20 chance that annual losses on investment assets would be expected to equal or exceed the reported VaR. Losses in a single year could exceed the reported VaR by a significant amount.

The RSBIA's portfolio VaR estimates are based on a three-year variance-covariance matrix using actual portfolio weights at the date of the financial statements. VaR models are based predominantly on historical simulation and provide plausible future scenarios based on these simulations. However, the modeling of the market risk characteristics of the RSBIA's investments involves a number of assumptions and approximations. There is no standard methodology for estimating VaR, and different assumptions and/or approximations could produce significantly different VaR estimates.

Retired Staff Benefits Investment Account

Notes to the financial statements
for the years ended April 30, 2010, and 2009

The VaR for the RSBIA's investment portfolio at April 30 was as follows:

	2010	2009
	(In millions of U.S. dollars)	
Equities		
Global equities	95	69
Emerging market equities	39	27
Fixed income		
Global fixed income	13	12
High income	12	10
Other		
Real assets	14	13
Alternative investments	18	13
Enhanced cash/absolute return	9	8
Diversification effects	(4)	(28)
Total	196	124

5. Investments

Summarized below is the fair value of the RSBIA's investments at April 30:

	2010	2009
	(In millions of U.S. dollars)	
Equities		
Global equities	347	217
Emerging market equities	79	58
Fixed income		
Global fixed income	72	67
High income	63	45
Other		
Real assets	39	53
Alternative investments	77	60
Enhanced cash/absolute return	90	82
Total	767	582

The fair value of investments is based on quoted market prices or dealer quotes where available. The fair value of investments for which quoted market prices are not available is determined after consideration of valuations provided by external investment managers adjusted for receipts, disbursements, and distributions through the end of the financial reporting period. The valuation of these investments may involve estimates, appraisals,

Retired Staff Benefits Investment Account

Notes to the financial statements for the years ended April 30, 2010, and 2009

assumptions, and methods that are reviewed by management. Owing to the inherent limitations in any estimation technique, these fair value estimates are not necessarily indicative of the amounts that would be realized in a market transaction.

Specifically, the methods and assumptions used to estimate the fair value of the RSBIA's investments are as follows:

(i) The fair value of publicly traded equity and fixed-income securities is based on the quoted market prices from the principal exchange (U.S. or foreign), dealer or broker on the last business day of the financial reporting period;

(ii) For non-publicly traded collective investment funds, which may include publicly-traded equity and fixed-income securities for which detailed holdings are reported to the RSBIA, the fair value is determined after consideration of valuations provided by the external investment managers adjusted for receipts, disbursements, and distributions through the end of the financial reporting period;

(iii) The fair value of private equity funds and other limited partnership vehicles represents the RSBIA's proportional share of the pool of invested funds based on the valuation determined by the general partner of each partnership in accordance with the terms of each partnership's governing agreement, adjusted for receipts, disbursements, and distributions through the end of the financial reporting period. The fair value of underlying private equity investments is determined using a variety of valuation techniques, including those that make maximum use of market inputs such as prices received in private placement transactions, prices of publicly traded securities of comparable companies, independent appraisal, estimated liquidation value, and discounted cash flows;

(iv) The fair value of real estate investments is estimated based on the appraised value for the latest quarterly reporting period adjusted for receipts, disbursements, and distributions through the end of the financial reporting period; and

(v) Futures contracts are valued at the price quoted on the last business day of the financial year on the exchange on which they primarily trade; forward foreign currency exchange contracts are valued in accordance with the prevailing spot or forward rate of the underlying currency.

The amended IFRS 7 introduced a three-level fair value hierarchy under which financial instruments are categorized based on the priority of the inputs to the valuation technique 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

Retired Staff Benefits Investment Account

Notes to the financial statements
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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.

The following table presents the fair value hierarchy used to determine the fair value of RSBIA investments at April 30, 2010:

	Level 1: quoted prices in active markets	Level 2: based on observable market data	Level 3: based on information other than observable market data	Total
		(In millions of U.S. dollars)		
Equities				
Global equities	210	137	--	347
Emerging market equities	--	79	--	79
Fixed income				
Global fixed income	--	58	14	72
High income	--	46	17	63
Other				
Real assets	4	3	32	39
Alternative investments	--	--	77	77
Enhanced cash/absolute return	--	53	37	90
Total	214	376	177	767

Retired Staff Benefits Investment Account

Notes to the financial statements
for the years ended April 30, 2010, and 2009

The information below summarizes activity in the financial year ended April 30, 2010 for investments held by the RSBIA identified as using level 3 valuation inputs:

	Balance at May 1, 2009	Unrealized gains/(losses)	Realized gains/(losses)	Purchases/ (sales)	Transfers in/ (out)	Balance at April 30, 2010
	(In millions of U.S. dollars)					
Global equities	-	-	-	-	-	-
Emerging market equities	-	-	-	-	-	-
Global fixed income	11	1	-	2	-	14
High income	12	4	1	2	(2)	17
Real assets	42	(2)	(3)	(5)	-	32
Alternative investments	60	14	2	1	-	77
Enhanced cash/absolute return	34	2	-	1	-	37
Total	159	19	-	1	(2)	177

Net investment income/(loss) comprised the following for the financial years ended April 30:

	2010	2009
	(In millions of U.S. dollars)	
Interest and dividends	14	16
Net appreciation (depreciation) in the fair value of investments	168	(229)
	182	(213)
Less: investment fees and administrative expenses	(6)	(5)
Net investment income/(loss)	176	(218)

The notional value of derivative financial instruments held was as follows at April 30:

	2010	2009
	(In millions of U.S. dollars)	
Futures		
Long positions	67	34
Short positions	16	1
Forwards		
Purchases	78	119
Sales	78	119

Retired Staff Benefits Investment Account

Notes to the financial statements
for the years ended April 30, 2010, and 2009

6. Actuarial valuation

The defined benefit obligation for long-term employee benefits other than pension benefits is actuarially determined using the Projected Unit Credit Method and was reported by the GRA at US$1,397 million at April 30, 2010 (US$1,163 million at April 30, 2009).

7. Transfers

The IMF transferred US$67 million and US$64 million from the GRA to the RSBIA during the financial years ended April 30, 2010, and 2009, respectively (of the amounts transferred, US$30 million and US$27 million were receivable at April 30, 2010 and April 30, 2009, respectively). Cumulative transfers from the GRA to the RSBIA amounted to US$674 million at April 30, 2010 (US$607 million at April 30, 2009). It is expected that the RSBIA will be a net recipient of resources until its assets meet the estimated cost of benefits to retirees.

The RSBIA transfers funds to the GRA to reimburse the GRA for its payment of post-employment benefits on behalf of the RSBIA. The RSBIA transferred US$50 million and US$49 million to the GRA during the years ended April 30, 2010 and 2009, respectively.

8. Administrative costs

The RSBIA reimburses the GRA for the costs of investing RSBIA assets, including staffing, travel, and other administrative expenses. These expenses amounted to US$0.3 million for the financial year ended April 30, 2010 and 2009.

9. Account termination

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