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Enabling poor rural people  
to overcome poverty

## **Financial highlights of the year ended 31 December 2009**

Governing Council — Thirty-second Session  
Rome, 17-18 February 2010

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For: **Information**

## **Note to Governors**

This document is submitted for the information of the Governing Council.

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## Financial highlights for the year ended 31 December 2009

1. The key financial figures presented below have been extracted from the draft IFAD financial statements for the year ended 31 December 2009, which are still subject to audit by the IFAD external auditor PricewaterhouseCoopers.
2. The figures presented in this report are stated at nominal value and pertain to IFAD-only activities, i.e. do not include financial flows pertaining to activities funded by supplementary funds and trust funds. These financial flows are included in the IFAD consolidated financial statements, which cover all activities controlled by IFAD.
3. The audited consolidated and IFAD-only financial statements for the year ended 31 December 2009 will be reviewed by the Audit Committee in April 2010 and presented for endorsement by the Executive Board at its ninety-ninth session, in April 2010.

### I. Balance sheet items

4. Table 1 provides information on selected assets, selected liabilities and equity of IFAD as at 31 December 2009 and 2008.

Table 1

#### **Selected assets, selected liabilities and equity as at 31 December 2009 and 2008**

(Millions of United States dollars)

	2009	2008
<b>Selected assets</b>		
Cash and investments	2 874.9	3 077.6
Promissory notes, net of provisions	307.1	195.8
Contributions receivable, net of provisions	302.8	124.0
Net loans outstanding	5 101.4	4 727.5
<b>Selected liabilities and equity</b>		
Undisbursed grants <sup>a</sup>	304.1	149.2
Cash collateral liabilities	217.0	474.4
Members' contributions, net of provisions	5 865.0	5 317.9
General Reserve	95.0	95.0

<sup>a</sup> The significant increase in the undisbursed grants balance is due to inclusion in this category of Debt Sustainability Framework (DSF) grants, which are normally much larger in value than other IFAD grants.

## II. Revenues and expenses

5. Table 2 provides information on selected revenue and expense categories for the years ended 31 December 2009 and 2008.

Table 2  
**Selected revenue and expense categories, 2009 and 2008**

(Millions of United States dollars)

	2009	2008	Change	
			Amount	As percentage of previous year
Income from loan interest and service charges	56.9	54.3	2.6	4.8
Income from cash and investments <sup>a</sup>	113.5	131.3	(17.8)	(13.6)
Direct bank and investment costs	4.2	4.1	0.1	2.4
Grant expenses <sup>b</sup>	203.7	115.8	87.9	75.9
Staff salaries and benefits	61.3	56.7	4.6	8.1
Office and general expenses	10.8	11.0	(0.2)	(1.8)
Consultants and other non-staff costs	3.6	4.3	(0.7)	(16.3)
PDFF expenses, including cooperating institutions <sup>c</sup>	38.3	35.5	2.7	7.6

<sup>a</sup> The annual net rate of return on IFAD cash and investments was 5.4 per cent in 2008 and it is estimated at 4.4 per cent in 2009. The figures include the net result of securities lending activities. The IFAD target rate of return is 3.5 per cent .

<sup>b</sup> The significant growth is due to the increased number of DSF grants becoming effective in 2009.

<sup>c</sup> Costs pertaining to IFAD's increased direct supervision activities have been offset by a decrease in the cost of services by cooperating institutions.

## III. Operational statistics

6. Table 3 shows key loan and grant cash flows for the years ended 31 December 2009 and 2008.

Table 3  
**Key loan and grant cash flows, 2009 and 2008**

(Millions of United States dollars)

	2009	2008
Loan disbursements	428.5	433.8
Grant disbursements	53.3	39.0
Total loan and grant disbursements	481.8	472.8
Loan principal repayments	201.0	186.5

