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Enabling poor rural people
to overcome poverty

Financial highlights of the year ended 31 December 2011

Note to Governors

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For: Information

Financial highlights for the year ended 31 December 2011

1. The key financial figures presented below have been extracted from the draft IFAD financial statements for the year ended 31 December 2011, 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 2011 will be reviewed by the Audit Committee in March 2012 and presented for endorsement to the Executive Board at its 105th session, in April 2012.

I. Balance sheet items

4. Table 1 provides information on selected assets, selected liabilities and equity of IFAD as at 31 December 2011 and 2010.

Table 1

Selected assets, selected liabilities and equity as at 31 December 2011 and 2010

(Millions of United States dollars)

	<i>2011</i>	<i>2010</i>
Selected assets		
Cash and investments	2 496.7	2 591.0
Promissory notes, net of provisions	223.3	347.6
Contributions receivable, net of provisions	106.4	248.0
Net loans outstanding	5 644.7	5 316.2
Selected liabilities and equity		
Undisbursed grants	95.7	80.4
Members' contributions, net of provisions	6 271.7	6 171.3
General Reserve	95.0	95.0

II. Revenue and expenses

5. Table 2 provides information on selected revenue and expense categories for the years ended 31 December 2011 and 2010

Table 2
Selected revenue and expense categories, 2011 and 2010
(Millions of United States dollars)

	2011	2010	Movement	
			Amount	As percentage of previous year
Income from loan interest and service charges ^a	55.0	50.7	4.3	8
Income from cash and investments ^b	98.0	84.3	13.7	16
Direct bank and investment costs	3.6	4.3	(0.7)	(16)
Grant and DSF expenses ^c	135.3	82.7	52.6	64
Staff salaries and benefits ^d	90.7	77.9	12.8	16
Office and general expenses ^e	26.4	23.6	2.6	11
Consultants and other non-staff costs ^f	36.3	34.5	1.8	5

a The interest rate on IFAD ordinary loans was approximately 1 per cent during 2010, it increased to 1.3 per cent during the second semester of 2011.

b The annual net rate of return on IFAD cash and investments was 3.26 per cent in 2010 and it is 3.82 per cent in 2011.

c The significant growth is due to the increased number of DSF grants becoming effective in 2011.

d The increase in staff salaries is mainly due to the impact of exchange rate movements. During 2011 the United States dollar strengthened against the Euro, the 2011 average exchange rate was 1.3986 while during 2010 it was 1.326. Other factors that contributed to the overall rise in staff costs included the costs of voluntary separation packages and increase in the number of staff recruited at an augmented number of country offices.

e The increase in office and general expenses is mainly due to the establishment of country presence offices.

f The modest increase in consultants' and other non-staff costs is mainly related to the increasing expenditure incurred in implementing and supervising a larger programme of work using the direct supervision approach, which is mostly handled by consultants.

III. Operational statistics

6. Table 3 shows key loan and grant cash flows for the years ended 31 December 2011 and 2010.

Table 3
Key loan and grant cash flows, 2011 and 2010
(Millions of United States dollars)

	2011	2010
Loan disbursements	549.7	457.6
DSF disbursements	42.2	39.5
Grant disbursements	76.3	39.8
Total loan and grant disbursements	668.2	536.9
Loan principal repayments	287.0	274.8