

Report of Independent Accountants



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INDEPENDENT AUDITORS' REPORT

President and Board of Governors
Multilateral Investment Guarantee Agency

We have audited the accompanying balance sheet of the Multilateral Investment Guarantee Agency as of June 30, 2005 and 2004, including the statement of subscription to capital stock and voting power and the statement of guarantees outstanding as of June 30, 2005, and the related statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the two fiscal years in the period ended June 30, 2005. These financial statements are the responsibility of the Multilateral Investment Guarantee Agency's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and International Standards on Auditing. 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes 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 Multilateral Investment Guarantee Agency, as of June 30, 2005 and 2004, and the results of its operations and its cash flows for each of the two fiscal years in the period ended June 30, 2005 in conformity with accounting principles generally accepted in the United States of America and International Financial Reporting Standards.

Deloitte & Touche LLP

July 28, 2005

Balance Sheet

June 30, 2005 and June 30, 2004

Expressed in thousands of US dollars

	2005	2004
Assets		
CASH	\$14,311	\$9,101
INVESTMENTS—Note B	985,971	739,145
NONNEGOTIABLE, NONINTEREST-BEARING DEMAND OBLIGATIONS – Note C	108,854	108,968
OTHER ASSETS		
Receivable for investment securities sold – Note B	33,072	-
Estimated reinsurance recoverables – Note F	24,300	144,700
Prepaid Pension – Note G	18,151	15,821
Miscellaneous	13,147	10,634
	88,670	171,155
TOTAL ASSETS	\$1,197,806	\$1,028,369
Liabilities and Shareholders' Equity		
LIABILITIES		
Payable for investment securities purchased – Note B	\$263,506	\$11,005
Accounts payable and accrued expenses	25,551	15,714
Unearned premiums and commitments fees	19,130	18,122
Reserve for claims—Note F		
Specific reserve for claims	59,800	27,700
Insurance portfolio reserve	120,000	380,200
Reserve for claims – gross	179,800	407,900
Total liabilities	487,987	452,741
SHAREHOLDERS' EQUITY		
Capital stock—Note C		
Authorized capital (183,546 shares-June 30, 2005; 183,496 shares-June 30, 2004)		
Subscribed capital (168,808 shares-June 30, 2005; 168,021 shares- June 30, 2004)	1,826,503	1,817,987
Less uncalled portion of subscriptions	1,477,430	1,470,430
	349,073	347,557
Payments on account of pending subscriptions	67	67
	349,140	347,624
Retained earnings	357,244	226,248
Accumulated other comprehensive income	3,434	1,756
Total shareholders' equity	709,819	575,628
CONTINGENT LIABILITIES—Notes D and E		
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$1,197,806	\$1,028,369

Statement of Income

For the fiscal years ended June 30, 2005 and June 30, 2004
Expressed in thousands of US dollars

	2005	2004
INCOME		
Income from guarantees		
Premium income	\$57,140	\$57,947
Premium ceded	(23,864)	(23,225)
Fees and commissions	6,354	6,194
Total	39,630	40,916
Income from investments	16,842	14,241
Miscellaneous income	-	4
Total income	56,472	55,161
EXPENSES		
Release of provision for claims—Note F	(106,849)	(62,440)
Administrative expenses—Notes G, H and I	30,330	27,985
Other expenses	1,995	1,612
Total expenses	(74,524)	(32,843)
NET INCOME	\$130,996	\$88,004

Statement of Comprehensive Income

For the fiscal years ended June 30, 2005 and June 30, 2004
Expressed in thousands of US dollars

	2005	2004
NET INCOME	\$130,996	\$88,004
OTHER COMPREHENSIVE INCOME		
Translation adjustment	(1,474)	5,898
Unrealized gain (loss) on investments	3,153	(7,013)
Total	1,679	(1,115)
TOTAL COMPREHENSIVE INCOME	\$132,675	\$86,889

Statement of Changes in Shareholders' Equity

For the fiscal years ended June 30, 2005 and June 30, 2004
Expressed in thousands of US dollars

	2005	2004
CAPITAL STOCK		
Balance at beginning of the fiscal year	\$347,624	\$339,170
New subscriptions	1,516	8,609
Payments on account of pending subscriptions	-	(155)
Ending Balance	349,140	347,624
RETAINED EARNINGS		
Balance at beginning of the fiscal year	226,248	138,244
Net income	130,996	88,004
Ending Balance	357,244	226,248
ACCUMULATED OTHER COMPREHENSIVE INCOME		
Balance at beginning of the fiscal year	1,756	2,871
Other comprehensive income	1,679	(1,115)
Ending Balance	3,435	1,756
TOTAL SHAREHOLDERS' EQUITY	\$709,819	\$575,628

See Notes to Financial Statements.

Statement of Cash Flows

For the years ended June 30, 2005 and June 30, 2004

Expressed in thousands of US dollars

	2005	2004
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net income	\$130,996	\$88,004
Adjustments to reconcile net income to net cash provided by operating activities:		
Net claims paid	(1,457)	-
Release of provision for claims	(106,849)	(62,440)
Net increase in investments	(255,407)	-
(Increase) decrease in other assets	(37,913)	43,597
Increase (decrease) in payable for investment securities purchased	263,506	(9,779)
Increase (decrease) in accounts payable	9,788	(15,333)
Increase (decrease) in unearned premiums and commitment fees	1,013	(1,355)
Net cash provided by operating activities	3,677	42,694
CASH FLOWS FROM INVESTING ACTIVITIES:		
Available-for-sale portfolio: Sales and maturities	-	25,290,792
Purchases	-	(25,343,386)
Net cash (used in) investing activities	-	(52,594)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Capital subscription payments	1,373	7,287
EFFECT OF EXCHANGE RATE CHANGES ON CASH		
	160	524
Net increase (decrease) in cash	5,210	(2,089)
Cash at beginning of the fiscal year	9,101	11,190
CASH AT END OF THE FISCAL YEAR	\$14,311	\$9,101
SUPPLEMENTAL DISCLOSURES OF NONCASH ITEMS:		
Transfer of investment portfolio from Available-for-sale to Trading	\$747,188	\$ -

Statement of Subscriptions to Capital Stock and Voting Power

As of June 30, 2005

Expressed in thousands of US dollars

Members	Subscriptions (Note C)			Voting power		
	Shares ^a	Total Subscribed	Amount Paid-in	Amount Subject to Call	Number of Votes	% of Total
Afghanistan	118	\$ 1,277	\$ 255	\$ 1,022	399	0.19
Albania	102	1,104	210	894	383	0.18
Algeria	1,144	12,378	2,350	10,028	1,425	0.66
Angola	187	2,023	405	1,618	468	0.22
Argentina	1,254	13,568	2,714	10,854	1,535	0.71
Armenia	80	866	173	693	361	0.17
Australia	3,019	32,666	6,201	26,465	3,300	1.53
Austria	1,366	14,780	2,806	11,974	1,647	0.77
Azerbaijan	115	1,244	249	995	396	0.18
Bahamas, The	176	1,904	362	1,542	457	0.21
Bahrain	136	1,472	279	1,193	417	0.19
Bangladesh	599	6,481	1,230	5,251	880	0.41
Barbados	120	1,298	246	1,052	401	0.19
Belarus	233	2,521	504	2,017	514	0.24
Belgium	3,577	38,703	7,347	31,356	3,858	1.79
Belize	88	952	181	771	369	0.17
Benin	108	1,169	222	947	389	0.18
Bolivia	220	2,380	452	1,928	501	0.23
Bosnia and Herzegovina	80	866	173	693	361	0.17
Botswana	88	952	181	771	369	0.17
Brazil	2,606	28,197	5,353	22,844	2,887	1.34
Bulgaria	643	6,957	1,321	5,636	924	0.43
Burkina Faso	61	660	132	528	342	0.16
Burundi	74	801	160	641	355	0.16
Cambodia	164	1,774	337	1,437	445	0.21
Cameroon	107	1,158	232	926	388	0.18
Canada	5,225	56,535	10,732	45,803	5,506	2.56
Cape Verde	50	541	108	433	331	0.15
Central African Republic	60	649	130	519	341	0.16
Chad	60	649	130	519	341	0.16
Chile	855	9,251	1,756	7,495	1,136	0.53
China	5,530	59,835	11,359	48,476	5,811	2.70
Colombia	770	8,331	1,582	6,749	1,051	0.49
Congo, Democratic Republic of	596	6,449	1,224	5,225	877	0.41
Congo, Republic of	115	1,244	236	1,008	396	0.18
Costa Rica	206	2,229	423	1,806	487	0.23
Côte d'Ivoire	310	3,354	637	2,717	591	0.27
Croatia	330	3,571	678	2,893	611	0.28
Cyprus	183	1,980	376	1,604	464	0.22
Czech Republic	784	8,483	1,610	6,873	1,065	0.50
Denmark	1,265	13,687	2,598	11,089	1,546	0.72
Dominica	50	541	108	433	331	0.15
Dominican Republic	147	1,591	318	1,273	428	0.20
Ecuador	321	3,473	659	2,814	602	0.28
Egypt, Arab Republic of	809	8,753	1,662	7,091	1,090	0.51
El Salvador	122	1,320	264	1,056	403	0.19
Equatorial Guinea	50	541	108	433	331	0.15
Eritrea	50	541	108	433	331	0.15
Estonia	115	1,244	236	1,008	396	0.18
Ethiopia	123	1,331	253	1,078	404	0.19
Fiji	71	768	154	614	352	0.16
Finland	1,057	11,437	2,171	9,266	1,338	0.62
France	8,203	88,756	16,901	71,855	8,484	3.94

See Notes to Financial Statements.

Statement of Subscriptions to Capital Stock and Voting Power (cont'd)

As of June 30, 2005

Expressed in thousands of US dollars

Members	Subscriptions (Note C)			Voting power		
	Shares ^a	Total Subscribed	Amount Paid-in	Amount Subject to Call	Number of Votes	% of Total
Gabon	169	1,829	347	1,482	450	0.21
Gambia, The	50	541	108	433	331	0.15
Georgia	111	1,201	240	961	392	0.18
Germany	8,936	96,688	18,355	78,333	9,217	4.28
Ghana	432	4,674	887	3,787	713	0.33
Greece	493	5,334	1,013	4,321	774	0.36
Grenada	50	541	108	433	331	0.15
Guatemala	140	1,515	303	1,212	421	0.20
Guinea	91	985	197	788	372	0.17
Guyana	84	909	182	727	365	0.17
Haiti	75	812	162	650	356	0.17
Honduras	178	1,926	366	1,560	459	0.21
Hungary	994	10,755	2,042	8,713	1,275	0.59
Iceland	90	974	195	779	371	0.17
India	3,048	32,979	6,596	26,383	3,329	1.55
Indonesia	1,849	20,006	3,798	16,208	2,130	0.99
Iran, Islamic Republic	1,659	17,950	3,590	14,360	1,940	0.90
Ireland	650	7,033	1,335	5,698	931	0.43
Israel	835	9,035	1,715	7,320	1,116	0.52
Italy	4,970	53,775	10,208	43,567	5,251	2.44
Jamaica	181	1,958	392	1,566	462	0.21
Japan	8,979	97,153	18,443	78,710	9,260	4.30
Jordan	171	1,850	351	1,499	452	0.21
Kazakhstan	368	3,982	756	3,226	649	0.30
Kenya	303	3,278	622	2,656	584	0.27
Korea, Republic of	791	8,559	1,625	6,934	1,072	0.50
Kuwait	1,639	17,734	3,367	14,367	1,920	0.89
Kyrgyz Republic	77	833	167	666	358	0.17
Lao People's Democratic Republic	60	649	130	519	341	0.16
Latvia	171	1,850	351	1,499	452	0.21
Lebanon	250	2,705	514	2,191	531	0.25
Lesotho	88	952	181	771	369	0.17
Libya	549	5,940	1,188	4,752	830	0.39
Lithuania	187	2,023	384	1,639	468	0.22
Luxembourg	204	2,207	419	1,788	485	0.23
Macedonia, FYR	88	952	181	771	369	0.17
Madagascar	176	1,904	362	1,542	457	0.21
Malawi	77	833	167	666	358	0.17
Malaysia	1,020	11,036	2,095	8,941	1,301	0.60
Maldives, The	50	541	108	433	331	0.15
Mali	143	1,547	294	1,253	424	0.20
Malta	132	1,428	271	1,157	413	0.19
Mauritania	111	1,201	228	973	392	0.18
Mauritius	153	1,655	314	1,341	434	0.20
Micronesia, Federated States of	50	541	108	433	331	0.15
Moldova	96	1,039	208	831	377	0.18
Mongolia	58	628	126	502	339	0.16
Morocco	613	6,633	1,259	5,374	894	0.42
Mozambique	171	1,850	351	1,499	452	0.21
Namibia	107	1,158	232	926	388	0.18
Nepal	122	1,320	251	1,069	403	0.19
Netherlands, The	3,822	41,354	7,850	33,504	4,103	1.91
Nicaragua	180	1,948	370	1,578	461	0.21
Nigeria	1,487	16,089	3,054	13,035	1,768	0.82

See Notes to Financial Statements.

Statement of Subscriptions to Capital Stock and Voting Power (Cont'd)

As of June 30, 2005

Expressed in thousands of US dollars

Members	Shares ^a	Subscriptions (Note C)			Voting power	
		Total Subscribed	Amount Paid-in	Amount Subject to Call	Number of Votes	% of Total
Norway	1,232	13,330	2,531	10,799	1,513	0.70
Oman	166	1,796	341	1,455	447	0.21
Pakistan	1,163	12,584	2,389	10,195	1,444	0.67
Palau	50	541	108	433	331	0.15
Panama	231	2,499	474	2,025	512	0.24
Papua New Guinea	96	1,039	208	831	377	0.18
Paraguay	141	1,526	290	1,236	422	0.20
Peru	657	7,109	1,350	5,759	938	0.44
Philippines, The	484	5,237	1,047	4,190	765	0.36
Poland	764	8,266	1,653	6,613	1,045	0.49
Portugal	673	7,282	1,382	5,900	954	0.44
Qatar	241	2,608	495	2,113	522	0.24
Romania	978	10,582	2,009	8,573	1,259	0.59
Russian Federation	5,528	59,813	11,355	48,458	5,809	2.70
Rwanda	132	1,428	271	1,157	413	0.19
St. Kitts and Nevis	50	541	108	433	331	0.15
St. Lucia	88	952	181	771	369	0.17
St. Vincent and the Grenadines	88	952	181	771	369	0.17
Samoa	50	541	108	433	331	0.15
Saudi Arabia	5,528	59,813	11,355	48,458	5,809	2.70
Senegal	256	2,770	526	2,244	537	0.25
Serbia and Montenegro	407	4,404	836	3,568	688	0.32
Seychelles	50	541	108	433	331	0.15
Sierra Leone	132	1,428	271	1,157	413	0.19
Singapore	272	2,943	559	2,384	553	0.26
Slovak Republic	391	4,231	803	3,428	672	0.31
Slovenia	180	1,948	370	1,578	461	0.21
South Africa	1,662	17,983	3,414	14,569	1,943	0.90
Spain	2,265	24,507	4,652	19,855	2,546	1.18
Sri Lanka	478	5,172	982	4,190	759	0.35
Sudan	206	2,229	446	1,783	487	0.23
Suriname	82	887	177	710	363	0.17
Swaziland	58	628	126	502	339	0.16
Sweden	1,849	20,006	3,798	16,208	2,130	0.99
Switzerland	2,643	28,597	5,429	23,168	2,924	1.36
Syrian Arab Republic	296	3,203	608	2,595	577	0.27
Tajikistan	74	801	160	641	355	0.17
Tanzania	248	2,683	509	2,174	529	0.25
Thailand	742	8,028	1,524	6,504	1,023	0.48
Timor-Leste	50	541	108	433	331	0.15
Togo	77	833	167	666	358	0.17
Trinidad and Tobago	358	3,874	735	3,139	639	0.30
Tunisia	275	2,976	565	2,411	556	0.26
Turkey	814	8,807	1,672	7,135	1,095	0.51
Turkmenistan	66	714	143	571	347	0.16
Uganda	233	2,521	479	2,042	514	0.24
Ukraine	1,027	11,112	2,156	8,956	1,308	0.61
United Arab Emirates	372	4,025	805	3,220	653	0.30
United Kingdom	8,565	92,673	17,593	75,080	8,846	4.11
United States	31,889	345,039	66,117	278,922	32,170	14.95
Uruguay	202	2,186	437	1,749	483	0.22
Uzbekistan	175	1,894	379	1,515	456	0.21
Vanuatu	50	541	108	433	331	0.15

See Notes to Financial Statements.

Statement of Subscriptions to Capital Stock and Voting Power (cont'd)

As of June 30, 2005

Expressed in thousands of US dollars

Members	Subscriptions (Note C)				Voting power	
	Shares ^a	Total Subscribed	Amount Paid-in	Amount Subject to Call	Number of Votes	% of Total
Venezuela, Rep. Bolivariana de	1,427	15,440	3,088	12,352	1,708	0.79
Vietnam	388	4,198	797	3,401	669	0.31
Yemen, Republic of	155	1,677	335	1,342	436	0.20
Zambia	318	3,441	688	2,753	599	0.28
Zimbabwe	236	2,554	511	2,043	517	0.24
Total—June 30, 2005 ^b	168,808	\$1,826,503	\$349,073	\$1,477,430	215,173	100.00
Total—June 30, 2004	168,021	\$1,817,987	\$347,557	\$1,470,430	197,049	

Note: Amounts aggregating the equivalent of \$67,000 were received from Niger, which is in the process of completing its membership requirements.

^a Subscribed shares pertaining to the General Capital Increase include only those shares for which the subscription process has been completed, that is, for which required payment has been received.

^b May differ from the sum of individual figures shown because of rounding.

Statement of Guarantees Outstanding

As of June 30, 2005

Expressed in thousands of US dollars, unless otherwise noted

Host Country	US Dollars	Gross Exposure (Note D)			Reinsurance (Note D)	Net Exposure
		Euro	Japanese Yen	Total		
Albania	8,585			8,585		8,585
Angola	6,413			6,413		6,413
Argentina	60,890			60,890	25,402	35,488
Armenia	2,700			2,700		2,700
Azerbaijan	863			863	86	777
Bangladesh	32,862			32,862		32,862
Belarus	28,500			28,500	2,850	25,650
Benin	3,401			3,401	340	3,061
Bosnia and Herzegovina		270,611		270,611	109,665	160,946
Brazil	359,742	22,865		382,607	243,303	139,304
Bulgaria		351,479		351,479	220,503	130,977
Burkina Faso		35,357		35,357	3,536	31,821
Burundi	911			911	91	820
Cape Verde	540			540		540
Chile	22,216			22,216		22,216
China	84,800	5,760		90,560	13,072	77,488
Colombia	62,415			62,415	31,208	31,208
Congo, Democratic Republic	6,816			6,816	682	6,134
Costa Rica	124,211			124,211	20,561	103,650
Côte d'Ivoire		18,078		18,078		18,078
Croatia	61,750	250,787		312,537	119,268	193,269
Czech Republic		5,207		5,207	521	4,686
Dominican Republic	78,734			78,734	26,416	52,319
Ecuador	98,910			98,910	6,645	92,265
Egypt, Arab Republic of	6,401			6,401	640	5,761
Georgia	2,134			2,134		2,134
Ghana	174,000			174,000	22,350	151,650
Guatemala	107,476			107,476	53,291	54,185
Guinea	14,149			14,149		14,149
Indonesia	52,400			52,400	360	52,040
Jamaica	111,213			111,213	8,101	103,112
Kazakhstan	7,200			7,200	720	6,480
Kenya	49,335			49,335	21,855	27,480
Kuwait	50,000			50,000		50,000
Kyrgyz Republic	15,423			15,423	1,454	13,969
Lao People's Dem. Rep.	90,599			90,599	45,300	45,300
Latvia	10,104			10,104	1,010	9,094
Macedonia, FYR		345		345	35	311
Madagascar	755			755	378	378
Mali	23,409			23,409	2,341	21,069
Mauritania	18,512	11,752		30,264	3,026	27,238
Moldova	61,992			61,992	30,636	31,356
Mozambique	285,625		14,607	300,232	136,336	163,896
Nepal	30,001			30,001	15,941	14,061
Nicaragua	107,321			107,321	53,168	54,153
Nigeria	101,838			101,838	21,494	80,344
Pakistan	117,261	19,141	364	136,767	30,063	106,704
Peru	102,447			102,447	25,329	77,117
Philippines, The	91,860			91,860	7,091	84,769
Romania	119,165	167,290		286,455	147,446	139,009
Russian Federation	198,276	72,747		271,023	126,014	145,009
Senegal		15,102		15,102	1,510	13,591

See Notes to Financial Statements.

Statement of Guarantees Outstanding (cont'd)

As of June 30, 2005

Expressed in thousands of US dollars, unless otherwise noted

Host Country	US Dollars	Gross Exposure (Note D)			Reinsurance (Note D)	Net Exposure
		Euro	Japanese Yen	Total		
Serbia and Montenegro	1,800	347,590		349,390	185,595	163,795
South Africa	12,300			12,300		12,300
Sri Lanka	1,686			1,686		1,686
Swaziland	32,000		14,607	46,607	23,303	23,303
Syrian Arab Republic	97,800			97,800	9,780	88,020
Thailand	85,599			85,599	42,800	42,800
Togo		3,758		3,758		3,758
Turkey	135,000			135,000	67,500	67,500
Turkmenistan	2,826			2,826		2,826
Uganda	43,613			43,613	20,561	23,052
Ukraine	180,800			180,800	65,010	115,790
Uruguay	732			732	73	658
Venezuela, Rep. Bolivariana de	19,800			19,800	5,940	13,860
Vietnam	143,200			143,200	86,600	56,600
	3,751,312	1,597,869	29,578	5,378,759	2,087,197	3,291,562
Adjustment for Dual-Country Contracts ^a						
Argentina/Chile	-22,216			-22,216		-22,216
Brazil/Bolivia	-85,599			-85,599	-42,800	-42,800
Mozambique/Swaziland	-32,000		-14,607	-46,607	-23,303	-23,303
	-139,815		-14,607	-154,422	-66,103	-88,319
Adjustment for Master Agreement ^b						
	-129,895			-129,895	-64,948	-64,948
Total—June 30, 2005 ^c	3,481,602	1,597,869	14,971	5,094,443	1,956,147	3,138,296
Total—June 30, 2004	3,949,474	1,211,202	25,341	5,186,017	1,927,255	3,258,762

^a For contracts where there are two host countries, MIGA is at risk for losses in both countries up to the maximum amount of liability under the contract. As such, the aggregate exposure is reported in both host countries and adjustment is made to correct for double-counting.

^b Adjustment for master agreement accounts for MIGA's maximum exposure to loss with a single investor being less than the sum of the maximum aggregate liabilities under the individual contracts.

^c May differ from the sum of individual figures shown because of rounding.

See Notes to Financial Statements.

Notes to Financial Statements

Purpose

The Multilateral Investment Guarantee Agency, established on April 12, 1988, is a member of the World Bank Group which also includes the International Bank for Reconstruction and Development, the International Finance Corporation, and the International Development Association. MIGA's activities are closely coordinated with and complement the overall development objectives of the other members of the World Bank Group. MIGA is designed to help developing countries attract productive foreign investment by both private investors and commercially operated public sector companies. Its facilities include guarantees or insurance against noncommercial risks and a program of advisory services and technical assistance to support member countries' efforts to attract and retain foreign direct investment.

NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING AND RELATED POLICIES

MIGA's financial statements have been prepared in conformity with International Financial Reporting Standards and with accounting principles generally accepted in the United States of America. The policy adopted is that considered most appropriate to the circumstances of MIGA having regard to its legal requirements and to the practices of other international insurance entities. On July 28, 2005, MIGA's Board of Directors approved the financial statements for issue.

Use of Estimates The preparation of financial statements in conformity with International Financial Reporting Standards and accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates. The following summary of policies adopted by MIGA is provided to assist readers in the interpretation of these financial statements.

Translation of Currencies MIGA's financial statements are expressed in terms of United States dollars solely for the purpose of summarizing MIGA's financial position and the results of its operations for the convenience of its members and other interested parties.

MIGA is an international organization that may conduct its operations in the currencies of all its members. MIGA's resources are derived from its capital and retained earnings in its members' currencies. MIGA strives to minimize exchange rate risks in a multi currency environment. As such, MIGA attempts to match its contingent obligations in any one currency with assets in the same currency on a pro-rata basis.

MIGA may periodically undertake currency conversions on a pro-rata basis to match the currencies underlying its reserves with those of its contingent obligations. The purpose of these conversions is to minimize currency exposure that may occur through operations. Otherwise, MIGA does not convert one currency into another except for small amounts required to meet certain operational needs.

Assets and liabilities are translated at market exchange rates in effect at the end of the period. Capital subscriptions are stated in accordance with the procedures described below. Income and expenses are translated at either the market exchange rates in effect on the dates on which they are recognized or at an average of the market exchange rates in effect during each month. Translation adjustments are charged or credited to other comprehensive income.

Valuation of Capital Stock Under the MIGA Convention, all payments from members subscribing to the capital stock of MIGA shall be settled on the basis of the average value of the Special Drawing Rights (SDR) in terms of United States dollars for the period January 1, 1981 to June 30, 1985, such value being equal to \$1.082 for one SDR.

Investments As part of its overall portfolio management strategy, to diversify its credit exposure to commercial banks and to obtain higher returns, MIGA invests in government and agency obligations, mortgage-backed securities, asset-backed securities and time deposits according to its credit risk and maturity policies. Government and agency obligations include highly rated fixed rate bonds, notes, bills and other obligations issued or unconditionally guaranteed by governments of countries or other official entities including government agencies or by multilateral organizations.

Effective July 1, 2004, MIGA has classified all investment securities as trading. Investments classified as trading securities are reported at fair value using trade-date accounting. The first-in-first out (FIFO) method is used to determine the cost of securities sold in computing the realized gains and losses for the investments. The unrealized gains or losses are included in income.

Revenue Recognition Revenue from premium payments for direct insurance and reinsurance contracts assumed and ceded is recognized on a pro-rata basis over the contract period. Revenue from commitment fees, which are fees paid by investors to reserve for a limited period of time guarantee capacity for future use, is recognized on a pro-rata basis over the commitment period.

Reserve for Claims Starting with the quarter ending September 30, 2004, MIGA adopted a new provisioning methodology. This methodology builds on portfolio risk quantification models which use risk parameters including both individually assessed loss probabilities for projects at risk and rating-based loss probabilities that are applied to the entire guarantee portfolio.

Under this new methodology, MIGA reviews the risk parameters and assesses the adequacy of its reserves on a quarterly basis. For the purpose of presentation in the financial statements, MIGA's reserve consists of two primary components, the Specific Reserve and the Insurance Portfolio Reserve. These components are defined based on the degree of probability.

In the event of a formal filing of claim by an investor, and upon receipt of full evidence of the occurrence of the covered risk, MIGA normally has between two months and six months to determine its liability under the contract, depending upon the type of coverage and contract terms, and 60 days thereafter to pay the claim.

Reclassification Certain amounts in the prior year have been reclassified to conform to the current year's presentation.

Accounting & Reporting Developments In December 2003, as part of its improvements to International Accounting Standards (IAS) project, IASB issued 15 revised International Accounting Standards to eliminate redundancies and conflicts between existing standards. The revised standards are to be applied for fiscal year beginning on or after January 1, 2005. MIGA management believes these standards will not have a material impact on MIGA's financial statements.

NOTE B INVESTMENTS

Trading Effective July 1, 2004, the accounting classification of MIGA's invested assets was changed from "available-for-sale" to "trading," in accordance with the policy approved by the Board of Directors.

For securities transferred into the trading category, the unrealized holding gains or losses at the date of transfer were recognized in earnings immediately. The unrealized loss of \$3,152,718 at July 1, 2004 was recognized in earnings and is reported in the Statement of Income as part of Income from investments.

Investments classified as trading securities are reported at fair value with unrealized gains or losses included in earnings. For the fiscal year ended June 30, 2005, MIGA had included \$3,589,000 unrealized losses in income.

A summary of the trading portfolio at June 30, 2005 and the available for sale portfolio at June 30, 2004 is as follows (in thousands of US dollars):

	Fair Value	
	2005	2004
Government Obligations	\$269,210	\$401,975
Time Deposits	325,331	337,170
Asset-backed Securities	391,430	-
Total	\$985,971	\$739,145

MIGA manages its investments on a net portfolio basis. The following table summarizes MIGA's net portfolio position as of June 30, 2005 and June 30, 2004 (in thousands of US dollars):

	Fair Value	
	2005	2004
Investments—Trading	\$985,971	\$ -
Investments—Available-for-sale	-	739,145
Cash held in Investment Portfolio ^a	8,732	3,780
Receivable from Investment Securities Sold	33,072	-
Accrued Interest ^b	3,100	3,363
Payable for Investment Securities Purchased	(263,506)	(11,005)
Net Investment Portfolio	\$767,369	\$735,283

^a This amount is included under Cash in the Balance Sheet.

^b This amount is included under Miscellaneous Assets in the Balance Sheet.

Investments were denominated primarily in United States dollars with instruments in non-dollar currencies representing 9.03 percent (10.8 percent—June 30, 2004) of the portfolio.

NOTE C CAPITAL STOCK

The MIGA Convention established MIGA's authorized capital stock at 100,000 shares with a provision that the authorized capital stock shall automatically increase on the admission of a new member to the extent that the then authorized shares are insufficient to provide the shares to be subscribed by such member. At June 30, 2005, the initial authorized capital stock increased to 183,546 (183,496 – June 30, 2004) shares. The Convention further states that 10 percent of the members' initial subscription be paid in cash, in freely convertible currencies, except that developing member countries may pay up to a quarter of the 10 percent in their own currencies. An additional 10 percent of the initial subscription shall be paid in the form of non-negotiable, non-interest bearing promissory notes. The notes are denominated in freely convertible currencies and are due on demand to meet MIGA's obligations. The remaining 80 percent is subject to call when required by MIGA to meet its obligations.

On March 29, 1999, the Council of Governors approved a General Capital Increase resolution increasing the authorized capital stock of MIGA by 78,559 shares to be subscribed by members during the subscription period ending March 28, 2002. Of the additional capital, 17.65 percent is to be paid in cash, in freely usable currency. The remaining 82.35 percent is subject to call when required by MIGA to meet its obligations. On May 6, 2002, the Council of Governors adopted a resolution to extend the GCI subscription period to

March 28, 2003. On March 17, 2003, the Council of Governors approved an amendment to the GCI resolution allowing eligible countries to subscribe to the GCI shares allocated to them by submitting an Instrument of Contribution before the GCI deadline of March 28, 2003, and requesting such countries to pay for their GCI shares as soon as possible. The reserved shares will be issued and corresponding voting power will accrue when the subscription process has been received.

At June 30, 2005, MIGA's authorized capital stock comprised 183,546 shares of which 168,808 (168,081 – June 30, 2004) shares had been subscribed. Each share has a par value of SDR10,000, valued at the rate of \$1.082 per SDR. Of the subscribed capital, \$349,073,000 (\$347,557,000 – June 30, 2004) has been paid in; and the remaining \$1,477,430,000 (\$1,470,430,000—June 30, 2004) is subject to call. Of the amounts paid in at June 30, 2005, \$108,854,000 (\$108,968,000—June 30, 2004) is in the form of nonnegotiable, non interest bearing demand obligations (promissory notes). A summary of MIGA's capital stock at June 30, 2005 and June 30, 2004 is as follows:

	Initial Capital Shares (\$000)		Capital Increase Shares (\$000)		Total Shares (\$000)	
At June 30, 2005						
Authorized	104,987	\$1,135,959	78,559	\$850,008	183,546	\$1,985,967
Subscribed	104,987	\$1,135,959	63,821	\$690,543	168,808	\$1,826,503
At June 30, 2004						
Authorized	104,937	\$1,135,418	78,559	\$850,008	183,496	\$1,985,426
Subscribed	104,937	\$1,135,418	63,084	\$682,569	168,021	\$1,817,987

NOTE D GUARANTEE PROGRAM AND CONTINGENT LIABILITIES

Guarantee Program MIGA offers guarantees or insurance against loss caused by noncommercial risks (political risk insurance) to eligible investors on qualified investments in developing member countries. MIGA insures investments for up to 20 years against four different categories of risk: currency inconvertibility and transfer restriction, expropriation, war and civil disturbance, and breach of contract. Currency inconvertibility and transfer restriction coverage protects the investor against inconvertibility of local currency into foreign exchange for transfer outside the host country. Currency depreciation is not covered. Expropriation coverage protects the investor against partial or total loss of the insured investment as a result of acts by the host government that may reduce or eliminate ownership of, control over, or rights to the insured investment. War and civil disturbance coverage protects the investor against losses from damage to, or the destruction or disappearance of, tangible coverage assets caused by politically motivated acts of war or civil disturbance in the host country including revolution, insurrection, coup d'état, sabotage and terrorism. Breach of contract coverage protects the investor against the impossibility to obtain or to enforce an arbitral or judicial decision recognizing the breach of an obligation by the host government. Investors may insure projects by purchasing any combination of the four coverages. MIGA guarantees cannot be terminated unilaterally by the guarantee holder within the first three years from the date of issuance. Premium rates applicable to issued contracts are fixed for five years. Payments against all claims under a guarantee may not exceed the maximum amount of coverage issued under the guarantee.

MIGA also acts as administrator of some investment guarantee trust funds. MIGA, on behalf of the trust funds, issues guarantees against loss caused by noncommercial risks to eligible investors on qualified investments in the countries specified in the trust fund agreements. Under the guarantee trust fund agreements, MIGA, as administrator of the guarantee trust funds, is not liable on its own account for payment of any claims under contracts of guarantees issued by MIGA, on behalf of such trust funds.

As approved by the Board of Directors and the Council of Governors, the maximum aggregate amount of contingent liabilities that may be assumed by MIGA is 350 percent of the sum of MIGA's unimpaired subscribed capital and its reserves plus such portion of the insurance ceded by MIGA through contracts of reinsurance as the Board of Directors may determine. Accordingly, at June 30, 2005, the maximum level of guarantees outstanding may not exceed \$9,837,339,000.

Contingent Liability The maximum amount of contingent liability of MIGA under guarantees outstanding at June 30, 2005, totaled \$5,094,443,000 (\$5,186,017,000—June 30, 2004). A contract of guarantee issued by MIGA may permit the guarantee holder to place amounts both in current and standby. MIGA is currently at risk for amounts placed in current. The maximum amount of contingent liability is MIGA's maximum exposure to insurance claims, which includes "standby" coverage for which MIGA is committed but not currently at risk. At June 30, 2005, MIGA's estimate of its actual exposure to insurance claims exclusive of standby coverage, i.e., current is \$2,511,244,000 (\$2,393,563,000—June 30, 2004).

In addition, MIGA has signed commitment letters for a cumulative amount of \$123,170,000 at June 30, 2005 (nil – June 30, 2004). A commitment letter represents a reservation of guarantee capacity until the time when the prospective guarantee holder has finalized all the legal and financial arrangements to commit the investment. A commitment letter is not a contract and therefore MIGA is not at risk for the duration of the time period indicated in the commitment letter.

Claim In September 2004, MIGA paid its second claim, a war and civil disturbance claim, involving two contracts, resulting from an attack by guerillas on a project in Nepal. The claim amounted to \$144,600 of which approximately 60 percent is reinsured. The net amount paid by MIGA was \$60,900.

On January 10, 2005, MIGA made a determination to pay in full the expropriation claim received on January 13, 2004 for losses related to a project in Argentina. The total claim amounts to \$1,395,778, of which \$558,311 (representing forty percent) was paid on February 24, 2005 while the payment of the remaining \$837,467 (representing 60 percent) is recorded in payable as of June 30, 2005 and is contingent upon the guarantee holder fulfilling certain obligations in accordance with the contract of guarantee.

As of June 30, 2005, MIGA had one pending claim for which specific liability has not yet been determined. The claim was received on July 13, 2004 and concerned two contracts related to a project in the Kyrgyz Republic. The amount of loss was not specified on the claim. The maximum aggregate liability under the contracts amounts to \$0.9 million. The waiting period is scheduled to end in July 2005.

In July 2002, MIGA received a notification of claim for a project in Argentina for which the guarantee holder elected cover of \$5 million. As of June 30, 2005, no claim has yet been filed by the guarantee holder. MIGA has agreed to extend the contractual period within which the guarantee holder has to file a claim.

NOTE E REINSURANCE

Although MIGA obtains treaty and facultative reinsurance to augment its underwriting capacity and to protect portions of its insurance portfolio, it remains responsible to the insured client for the entire amount of the insurance contract. Of the \$5,094,443,000 outstanding contingent liability (gross exposure) at June 30, 2005 (\$5,186,017,000—June 30, 2004), \$1,956,147,000 was ceded through contracts of reinsurance (\$1,927,255,000—June 30, 2004). Net exposure amounted to \$3,138,296,000 as at June 30, 2005 (\$3,258,762,000—June 30, 2004).

MIGA can also provide both public (official) and private insurers with reinsurance. As of June 30, 2005, total insurance assumed by MIGA, primarily with official investment insurers, amounted to \$38,828,000 (\$121,838,000—June 30, 2004).

Premiums relating to direct, assumed, and ceded contracts for the fiscal years ended June 30, 2005 and June 30, 2004 were as follows:

In thousands of US dollars

	2005	2004
Premiums Written		
Direct	\$57,812	\$55,564
Assumed	672	854
Ceded	(24,214)	(22,665)
Premiums Earned		
Direct	56,508	56,724
Assumed	632	1,223
Ceded	(23,864)	(23,225)

NOTE F RESERVE FOR CLAIMS

Starting with the quarter ending September 30, 2004, MIGA adopted a new provisioning methodology. This new methodology builds on portfolio risk quantification models which use both individually assessed loss probabilities for projects at risk and rating-based loss probabilities that are applied to the entire guarantee portfolio. On the basis of the new methodology, MIGA's gross reserve for claims at June 30, 2005 amounted to \$179,800,000 and estimated reinsurance recoverables amounted to \$24,300,000. Accordingly, a cumulative release of provision for claims of \$106,849,000 was recorded for the fiscal year.

Changes to the gross reserve for claims for the fiscal years ended June 30, 2005 and June 30, 2004 appear as follows:

In thousands of US dollars

	2005	2004
Balance, Beginning of the Fiscal Year	\$407,900	\$519,600
Release of Provision for Claims—Net	(106,849)	(62,440)
Estimated Reinsurance Recoverables	(120,400)	(50,000)
Claims Paid—Net	(1,457)	-
Translation Adjustment	606	740
Balance, End of the Fiscal Year	\$179,800	\$407,900

At June 30, 2005, the specific reserve amounted to \$59,800,000 (\$45,400,000—June 30, 2004). This includes reserves for notified claims and reserves for contracts where a claimable event has been reported but no claim has been filed.

Reinsurance recoverables have been estimated based on the reinsured portion of the contracts in the specific reserve and insurance liability.

NOTE G STAFF RETIREMENT PLAN (SRP) AND OTHER POST RETIREMENT BENEFITS

MIGA, IBRD and IFC participate in a defined benefit SRP, a Retired Staff Benefits Plan (RSBP) and a Post-Employment Benefits Plan (PEBP) that cover substantially all of their staff members.

The SRP provides regular pension benefits and includes a cash balance plan. The RSBP provides certain health and life insurance benefits to eligible retirees. The PEBP provides pension benefits administered outside the SRP.

MIGA uses June 30, measurement date for its pension and other post retirement benefit plans.

The amounts presented below reflect MIGA's respective share of the costs, assets, and liabilities of the plans.

All costs, assets and liabilities associated with these plans are allocated between MIGA, IBRD and, IFC based upon their employees' respective participation in the plans. In addition, MIGA and IFC reimburse IBRD for their proportionate share of any contributions made to these plans by IBRD. Contributions to these plans are calculated as a percentage of salary.

The following table summarizes the benefit costs associated with the SRP, RSBP, and PEBP for MIGA for the fiscal years ended June 30, 2005 and June 30, 2004:

In thousands of US dollars

	SRP		RSBP		PEBP	
	2005	2004	2005	2004	2005	2004
Benefit Cost						
Service Cost	3,073	2,927	440	393	158	128
Interest Cost	6,381	5,652	424	334	119	89
Expected Return on Plan Assets	(9,204)	(8,193)	(512)	(395)		
Amortization of Prior Service Cost Service Cost	176	184	(10)	(10)	5	1
Amortization of Unrecognized Net Loss (gain)		236	94	94	(18)	(20)
Amortization of Transition Asset						1
Net Periodic Pension Cost (income)	426	806	436	416	264	199

The expenses for the SRP, RSBP and PEBP are included in Administrative Expenses. The following table summarizes the projected benefit obligations, fair value of plan assets, and funded status associated with the SRP, RSBP and PEBP for MIGA for the fiscal year ended June 30, 2005 and June 30, 2004.

In thousands of US dollars

	SRP		RSBP		PEBP	
	2005	2004	2005	2004	2005	2004
Projected Benefit Obligation						
Beginning of Year	83,255	74,980	1,535	617	904	662
Service Cost	3,073	2,927	440	393	158	128
Interest Cost	6,381	5,652	424	334	119	89
Employee Contributions	813	820	116	112	8	19
Amendments						
Benefits Paid	(4,038)	(3,797)	(445)	(370)	(137)	(74)
Actuarial Loss (gain)	8,600	2,673	3,517	448	610	79
End of Year	98,084	83,255	5,587	1,534	1,662	903
Fair Value of Plan Assets						
Beginning of Year	95,956	78,246	2,160	642		
Employee Contributions	813	820	116	112		
Actual Return on Assets	5,249	19,077	1,129	1,311		
Employer Contributions	2,718	1,610	474	465		
Benefits Paid	(4,038)	(3,797)	(445)	(370)		
End of Year	100,698	95,956	3,434	2,160		
Funded Status						
Plan Assets in Excess of (less than) Projected Benefit Obligation	2,615	12,701	(2,152)	625	(1,663)	(904)
Unrecognized Net Loss (gain) from Past Experience	15,129	2,574	1,756	(1,049)	560	(68)
Different from that Assumed and from Changes in Assumptions						
Unrecognized Prior Service Cost	656	832	147	137	41	46
Prepaid (accrued) Pension Cost	18,400	16,107	(249)	(287)	(1,062)	(926)

The prepaid SRP and RSBP costs are included in Prepaid Pension Cost on the balance sheet.

Assumptions

The actuarial assumptions used are based on financial market interest rates, past experience, and management's best estimate of future benefit changes and economic conditions. Changes in these assumptions will impact future benefit costs and obligations. The expected long-term rate of return for the SRP assets is a weighted average of the expected long-term (10 years or more) returns for the various asset classes, weighted by the portfolio allocation. Asset class returns are developed using a forward-looking building block approach and are not strictly based on historical returns. Equity returns are generally developed as the sum of expected inflation, expected real earnings growth and expected long-term dividend yield. Bond returns are generally developed as the sum of expected inflation, real bond yield, and risk premium/ spread (as appropriate). Other asset class returns are derived from their relationship to equity and bond markets. The expected long-term rate of return for the RSBP is computed using procedures similar to those used for the SRP. The discount rate used in determining the benefit obligation is selected by reference to the year-end AAA and AA corporate bonds. Actuarial gains and losses occur when actual results are different from expected results. Amortization of these unrecognized gains and losses will be included in income if, at the beginning of the fiscal year, they exceed 10 percent of the greater of the projected benefit obligation or the market-related value of plan assets. If required, the unrecognized gains and losses are amortized over the expected average remaining service lives of the employee group. The following tables present the weighted-average assumptions used in determining the projected benefit obligations and the net periodic pension costs for the fiscal years ended June 30, 2005 and June 30, 2004:

Weighted average assumptions used to determine projected benefit obligation:

In percent

	SRP		RSBP		PEBP	
	2005	2004	2005	2004	2005	2004
Discount Rate	5.25	6.25	5.25	6.25	5.25	6.25
Rate of Compensation Increase	5.90	6.40				
Health Care Growth Rates—at End of Fiscal Year			6.80	7.30		
Ultimate Health Care Growth Rate			4.25	4.75		
Year in Which Ultimate Rate Is Reached			2012	2012		

Weighted average assumptions used to determine net periodic pension cost:

In percent

	SRP		RSBP		PEBP	
	2005	2004	2005	2004	2005	2004
Discount Rate	6.25	5.75	6.25	5.75	6.25	5.75
Expected Return on Plan Assets	7.75	7.75	8.25	7.75		
Rate of Compensation Increase	6.40	5.40				
Health Care Growth Rates—at End of Fiscal Year			7.30	6.10		
—to Year 2011 and Thereafter			4.75	3.75		

The medical cost trend rate can significantly affect the reported postretirement benefit income or costs and benefit obligations for the RSBP. The following table shows the effects of a one-percentage-point change in the assumed healthcare cost trend rate:

In thousands of US dollars

	One percentage point increase	One percentage point decrease
Effect on Total Service and Interest Cost	\$ 23,000	\$(19,000)
Effect on Postretirement Benefit Obligation	279,000	(222,000)

Investment Strategy

The investment policy for the SRP and the RSBP is to optimize the risk-return relationship as appropriate to the respective plan's needs and goals, using a global diversified portfolio of various asset classes. Specifically, the long-term asset allocation is based on an analysis that incorporates expected returns by asset class as well as volatilities and correlations across asset classes and the liability profile of the respective plans. This analysis, referred to as an asset-liability analysis, also provides estimates of potential future contributions and future asset and liability balances. Plan assets are managed by external investment managers and monitored by IBRD's pension investment department. The pension plan assets are invested in diversified portfolios of public equity, fixed income, and alternative investments. The fixed-income and public equity asset classes are rebalanced on a monthly basis.

The following table presents the weighted-average asset allocation at June 30, and the respective target allocation by asset category for the SRP and RSBP:

In percent

Asset Class	SRP			RSBP		
	Allocation 2005	% of Plan 2005	Assets 2004	Target Allocation 2005	% of Plan 2005	Assets 2004
Fixed Income	40%	40.5%	40%	30%	30.7%	30%
Public Equity	35	39.7	42	30	37.6	43
Alternative Investments	25	19.8	18	40	31.7	27
Total	100%	100.0%	100%	100%	100.0%	100%
Alternative Investments include:						
Private Equity	up to 12	7.1	7.0	up to 28	11.2	11.0
Real Estate	up to 8	4.0	4.0	up to 18	3.7	3.5
Hedge Funds	up to 12	8.7	7.0	up to 23	16.8	12.5

Estimated Future Benefits Payments

The following table shows the benefit payments expected to be paid in each of the next five years and subsequent five years. The expected benefit payments are based on the same assumptions used to measure the benefit obligation at June 30, 2005.

In thousands of U.S. dollars

	SRP	RSBP	PEBP
July 1, 2005—June 30, 2006	3,381	120	72
July 1, 2006—June 30, 2007	3,718	135	80
July 1, 2007—June 30, 2008	4,064	153	87
July 1, 2008—June 30, 2009	4,425	171	99
July 1, 2009—June 30, 2010	4,737	190	106
July 1, 2010—June 30, 2015	28,443	1,244	613

Expected Contributions

MIGA's contribution to the SRP and RSBP varies from year to year, as determined by the Pension Finance Committee, which bases its judgment on the results of annual actuarial valuations of the assets and liabilities of the SRP and RSBP. The best estimate of the amount of contributions expected to be paid to the SRP and RSBP for MIGA during the fiscal year beginning July 1, 2005 is \$2,755,000 and \$730,000.

NOTE H SERVICE AND SUPPORT FEE

MIGA contributes its share of the World Bank Group's corporate costs which include the Council of Governors and the Board of Directors, the President's office, the Corporate Secretariat, the Internal Auditing Department, the Department of Institutional Integrity, and the Conflict Resolution Services. In addition, MIGA obtains certain administrative and support services from IBRD in those areas where services can be most efficiently provided by IBRD. These include human resources, information systems, and administrative services as well as investment management and treasury operations. Payments for these services are made by MIGA to IBRD based on negotiated fees, charge backs and allocated charges where charge back is not feasible. Total fees paid by MIGA to IBRD for the fiscal year ended June 30, 2005, were \$5,185,000 (\$3,478,296—June 30, 2004).

NOTE I ESTIMATED FAIR VALUES

The estimated fair values of MIGA's cash and non-negotiable, non interest-bearing demand obligations approximate their carrying values. The estimated fair value of MIGA's investments shown in Note B is based on market quotations. The estimated fair values are only indicative of individual financial instruments' values and should not be considered an indication of MIGA's fair value.