

EBS/84/91
Supplement 1

CONFIDENTIAL

May 21, 1984

To: Members of the Executive Board
From: The Secretary
Subject: Review of the Fund's Income Position for the
Financial Years 1984 and 1985

This paper provides supplementary information to the paper on the review of the Fund's income position for the financial years 1984 and 1985, which was circulated as EBS/84/91 on April 24, 1984 and has been tentatively scheduled for discussion on Wednesday, May 30, 1984.

Att: (1)

INTERNATIONAL MONETARY FUND

Review of the Fund's Income Position
for the Financial Years 1984 and 1985

Prepared by the Treasurer's Department

Approved by David Williams

May 21, 1984

The Fund's accounts for the financial year ended April 30, 1984 are closed and the result, subject to audit by the External Audit Committee, is net income of SDR 69 million, which is the amount that was recently estimated in "Review of the Fund's Income Position for the Financial Years 1984 and 1985" (Table 1, EBS/84/91, 4/24/84). Net operational income of SDR 262 million compares with SDR 264 million previously estimated, and administrative expenses are SDR 2 million lower than estimated (see Table 1 attached).

The attached Tables 2 and 3 present for FY 1984 the estimated and actual purchases and repurchases and average balances on which income was earned and interest and remuneration paid.

Attachments

Table 1. Income and Expense
Financial Year 1984

(In millions of SDRs)

	Estimates (EBS/84/91)	Actual
1. <u>Operational Income</u>		
a. Periodic charges		
Regular facilities	1,121	1,117
SFF	778	781
Enlarged Access	<u>471</u>	<u>466</u>
Total charges	2,370	2,364
b. Interest on SDR holdings	369	372
c. Other income		
Regular facilities	29	27
SFF	5	5
Enlarged Access	<u>22</u>	<u>20</u>
Total other income	56	52
Total operational income	2,795	2,788
2. <u>Operational Expense</u>		
a. Remuneration	1,289	1,286
b. Interest expense		
GAB	16	16
SFF	764	767
Enlarged Access <u>1/</u>	<u>462</u>	<u>457</u>
Total interest expense	1,242	1,240
Total operational expense	2,531	2,526
3. Net operational income	264	262
4. Administrative expense	<u>195</u>	<u>193</u>
5. Net income (deficit)	69	69
Pro memoria <u>2/</u>		
SFF	19	19
Enlarged Access	31	29

1/ Less net income from temporary investments held in the Borrowed Resources Suspense Account.

2/ Net income resulting from the margin between the rate of charge and the rate of interest on borrowing plus the service charge of 0.5 percent.

Table 2. Purchases and Repurchases
Financial Year 1984

(In millions of SDRs)

	Estimates (EBS/84/91)	Actual
A. <u>Ordinary resources</u>		
1. Purchases:		
Reserve tranche <u>1/</u>	800	870
Credit tranche	4,050	3,764
Compensatory financing and Buffer Stock	<u>1,600</u>	<u>1,282</u>
Total	6,450	5,916
2. Repurchases	1,815	1,786
3. Average SDR holdings	4,235	4,270
B. <u>Borrowed resources</u>		
Supplementary Financing Facility:		
Purchases	1,083	1,083
Repayments of borrowing	205	207
Repurchases	200	202
Enlarged Access:		
Purchases	4,410	4,035
Repayments of borrowing	10	99

1/ For the purposes of financial analysis, only those purchases in the unremunerated reserve tranche are taken into consideration.

Table 3. Average Daily Balances and Rates of Periodic Charges,
SDR Interest, Remuneration, and Interest on Borrowing
Financial Year 1984

(In millions of SDRs)

	Estimates (EBS/84/91)	Actual
A. Ordinary Resources and		
<u>GAB Borrowing</u>		
1. Balances subject to periodic charges	16,985	16,924
Average rate of charge	6.6	6.6
2. Holdings of SDRs in the General Resources Account	4,235	4,270
Average rate of interest	8.71	8.70
3. Revenue-producing balances	21,220	21,194
Weighted average rate of revenue	7.02	7.02
4. Remunerated positions	17,425	17,402
Average rate of remuneration	7.40	7.39
5. Borrowings under the GAB <u>1/</u>	405	405
Average rate of interest	4.00	4.00
6. Expense-producing balances	17,830	17,807
Weighted average rate of expense	7.32	7.31
7. Pro memoria		
Margin between rate of charge and the average rate of remuneration	-0.80	-0.79
B. Borrowed Resources		
1. Balances subject to periodic charges:		
SFF	6,680	6,677
Enlarged Access	<u>4,405</u>	<u>4,361</u>
Total	11,085	11,038
Average rate of charge		
SFF	11.64	11.69
Enlarged Access	10.69	10.69
Combined	11.26	11.29
2. Borrowings		
SFF	6,680	6,675
Enlarged Access <u>1/</u>	<u>5,725</u>	<u>5,745</u>
Total	12,405	12,420
Average rate of interest		
SFF	11.44	11.49
Enlarged Access <u>2/</u>	10.49	10.49
Combined	11.06	11.09

1/ Balances held in the Borrowed Resources Suspense Account averaged SDR 1,386 million during financial year 1984.

2/ Net cost of borrowing after deducting net income from investments.