

EBS/83/75
Supplement 1

CONFIDENTIAL

May 13, 1983

To: Members of the Executive Board
From: The Secretary
Subject: Review of the Fund's Income Position for the Financial Years
1983 and 1984

This paper provides supplementary information to the paper on the review of the Fund's income position for the financial years 1983 and 1984, which was circulated as EBS/83/75 on April 18, 1983.

If Executive Directors have technical or factual questions relating to this paper prior to the Board discussion, they should contact Mr. D. H. Brown, ext. 73288.

Att: (1)

INTERNATIONAL MONETARY FUND

Review of the Fund's Income Position for the
Financial Years 1983 and 1984

Prepared by the Treasurer's Department

Approved by W. O. Habermeier

May 12, 1983

The Fund's accounts for the financial year ended April 30, 1983 are closed and the result, subject to audit by the External Audit Committee, is net income of SDR 61 million instead of SDR 57 million that was recently estimated (see Table 1 and EBS/83/75, 4/18/83). Net operational income of SDR 257 million compares to SDR 258 million previously estimated, while total administrative expenses are SDR 5 million lower than estimated, largely because building expense incurred in 1983 was lower than estimated and also because accruals for administrative expense are based on more accurate figures than were available when EBS/83/75 was prepared.

As shown in Table 2 there were small differences between actual and estimated amounts of purchases and repurchases and differences between the estimated and actual amounts of the resources (SDRs and currencies) used in these operations in the last two months of the financial year 1983. In consequence, the amounts of balances subject to charges, remunerated positions, and the Fund's holdings of SDRs at the beginning of the financial year 1984 were marginally different from the amounts estimated earlier. However, these differences do not significantly affect the amounts of the average balances estimated for the financial year 1984 and in the staff's opinion do not warrant a revision of the estimated results for the financial year 1984 set out in EBS/83/75.

Table 1. Income and Expense
for Financial Year 1983

(In millions of SDRs)

	Estimates (EBS/83/75)	Actual
1. <u>Operational Income</u>		
a. Periodic charges:		
Regular facilities	752	752
Oil Facility	20	20
SFF	597	596
Enlarged Access	<u>178</u>	<u>177</u>
Total periodic charges	1,547	1,545
b. Interest on SDR holdings	445	444
c. Other income:		
Service and other charges:		
Regular facilities	41	40
SFF	10	10
Enlarged Access	<u>6</u>	<u>6</u>
Total	2,049	2,045
2. <u>Operational Expense</u>		
a. Remuneration	981	981
b. Interest expense:		
GAB	31	31
Oil Facility	17	17
SFF	587	586
Enlarged Access <u>1/</u>	<u>175</u>	<u>173</u>
Total	1,791	1,788
3. Net operational income	258	257
4. Administrative expense	<u>201</u> <u>2/</u>	<u>196</u> <u>2/</u>
5. Net income	57	61

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

2/ Administrative expense includes recognition of the value of accumulated annual leave and earned separation grants.

Table 2. Purchases, Repurchases and Average Rates
of Interest for Financial Year 1983

(In millions of SDRs)

	Estimates (EBS/83/75)	Actual
A. Ordinary resources		
1. Purchases (absolute amounts):		
Reserve tranche ^{1/}	500	532
Credit tranche	3,125	3,025
Compensatory financing and Buffer Stock	<u>4,265</u>	<u>4,092</u>
Total	7,890	7,649
2. Scheduled repurchases (absolute amounts) other than Oil Facility and SFF	916	977
3. Excess of purchases over repurchases (absolute amounts)	6,976	6,672
4. Average SDR holdings	4,360	4,357
B. Borrowed resources		
1. Oil Facility repurchases and repayments of borrowing	538 508	538 508
2. Use of borrowed resources:		
a. SFF purchases and repurchases	2,050 35	1,959 32
b. Enlarged Access purchases	1,260	1,182
C. Interest rates		
1. Average SDR interest rate (per cent)	10.20	10.20
2. Average rate of remuneration (per cent)	8.42	8.42
3. Average SFF interest rate (per cent)	11.61	11.56
4. Average net cost of borrowing under enlarged access policy (per cent)	11.44	11.44

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