INTERNATIONAL MONETARY FUND

The Consolidated Medium-Term Income and Expenditure Framework

Prepared by the Finance Department and the Office of Budget and Planning

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I. INTRODUCTION

1. **This paper updates the Fund's consolidated income and expenditure outlook from the projections in January 2011**. The paper incorporates and extends the income and budget projections in the companion papers, *Review of the Fund's Income Position for FY 2011 and FY 2012* (4/7/11) and *FY 2012–FY 2014 Medium-Term Budget* (3/31/11).

2. **The paper also provides an update on the projected accumulation of precautionary balances over the medium term.** This responds to a request made during the September 2010 discussion of the adequacy of precautionary balances that progress towards targets be assessed also in the context of the annual income discussion.

II. CONSOLIDATED INCOME AND EXPENSES

3. **This section describes the consolidated income and expenditure outlook in the medium-term and the steady state**. As highlighted in previous papers, future demand for Fund credit is difficult to predict; in line with established practice, the baseline projections only take into account lending income from arrangements already approved and assume that all purchases under these arrangements take place as scheduled. Administrative expenses in the accompanying tables reflect the projected spending from the net administrative budget, plus capital budget items immediately expensed or depreciated over time. Annexes I and II provide more details on the projections and underlying assumptions.

4. **Updated income and expense projections are broadly unchanged from January** (Figure 1 and Table 1). Total lending and surcharge income is projected to be slightly higher than projected earlier. No new non-precautionary arrangements were approved in the period since the last projection. As a result of some rephasing that will delay purchases under existing arrangements, credit outstanding is projected to peak at an average of about SDR 92 billion in FY 13, slightly lower than the January projected peak of SDR 94 billion. However, the implied modest decline in lending income is offset by commitment fee income which is projected to be significantly higher in FY 13 reflecting the approval in 2011 of two new precautionary Flexible Credit Line (FCL) arrangements.[1] The expense path is slightly lower than estimated in January, reflecting the actual salary increase of 1.5 percent relative to the earlier assumptions and the change in the deflator over the medium term.

[1] The introduction of the FCL and the extension of the maximum FCL term to two years could result in larger and more variable commitment fees in the future. Income from commitment fees is only recognized at the expiration or cancellation of an arrangement to the extent available resources under the arrangement remain undisbursed.

Figure 1. Projected Income and Expenses: Baseline Scenario
(in millions of U.S. dollars)

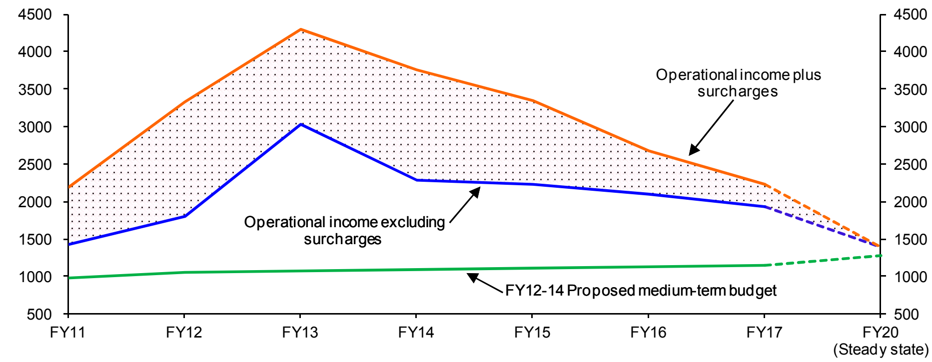

Table 1. Consolidated Income and Expenses, FY 11–20: Baseline Scenario
(In millions of U.S. dollars, unless otherwise stated)

		Projected						
	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 20
A. Operational income	1,435	1,797	3,037	2,292	2,230	2,104	1,927	1,382
B. Administrative expenses	985	1,052	1,080	1,086	1,101	1,122	1,150	1,272
Of which: Net administrative budget	928	985	1,004	1,010	1,022	1,041	1,074	1,201
C. Net operational income (A-B)	450	746	1,957	1,206	1,129	983	777	109
Memorandum items:								
Surcharges (SDR billions)	0.8	1.5	1.3	1.5	1.1	0.6	0.3	0.0
SDR interest rate (percent)	0.3	0.8	1.6	2.4	3.1	3.5	3.5	3.5
Fund credit (average stock, SDR billions)	53.9	83.5	92.3	80.4	59.3	38.3	22.5	10.0
Precautionary balances (end of period, SDR billions) 1/	8.1	9.6	11.7	13.4	14.8	15.8	16.5	10.0

1/ Annual net operational income and surcharges add to the level of precautionary balances each year. The assumed U.S. dollar/SDR exchange rate is 1.55.

5. **The income outlook in the steady state, when lending income has fallen back has not changed significantly from the 2008 outlook** envisaged at the time the Board endorsed the new income model. The Fund will diversify its income sources away from lending income under the new income model to include a broadened and sustainable revenue base with investment income sources. The limited gold sales program was successfully concluded in December last year and a work program is underway on the establishment of an endowment and use of the additional windfall profits.[2] In the steady state, investment income would cover about two-thirds of the Fund's annual expenses in the steady state compared with less than 10 percent in FY 11.[3]

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[2] *Use of Gold Profits—Initial Considerations and Options* (3/16/11).

[3] The investment income in the steady state would comprise income from the gold funded endowment and the remaining Investment Account (IA) tranche funded by transfers not attributable to gold profits from the GRA. FY 11 projected investment income is lower than earlier estimates (SDR 56 million compared with SDR 87 million).

6. **Income projections remain highly uncertain and are sensitive to key assumptions**. Annex II provides details on underlying assumptions for the income projections. Major factors that affect the Fund's income position include the level of global interest rates; the timing of purchases and repurchases under existing arrangements; possible new arrangements; and the U.S. dollar/SDR exchange rate.

III. PRECAUTIONARY BALANCES OUTLOOK

7. **The increase in lending income from the Fund's support of members in the crisis will add to the Fund's accumulation of precautionary balances**. These balances, which help to protect against credit risks and provide investment income, are currently at SDR 7.3 billion and are projected to reach SDR 8.1 billion at the end of FY 11.[4]

8. **An adequate level of precautionary balances is an essential element in the strategy to mitigate the heightened credit risks and thereby protect the value of reserve assets that members place with the Fund**. At the September review of precautionary balances, Directors noted that the balance of financial risks facing the Fund had shifted from income to credit risks as the Fund responded to members' needs in the crisis.[5] Against this background, Directors supported setting a minimum floor of SDR 10 billion to protect against credit risks and most Directors considered it prudent to raise the indicative target over the medium term to SDR 15 billion given the sharp increase in commitments and actual and projected lending.

9. **The pace of accumulation of precautionary balances is broadly unchanged from the January projection.** The projected path shows a modest shift downward in the near-term, followed by a quickened pace of accumulation from FY 13 onwards (Figure 2). The near-term changes primarily reflect some rephasing that will delay purchases under existing arrangements, and lower investment returns in FY 11 relative to earlier projections. Commitment fees from FCL arrangements expiring in FY 13 contribute to the increased reserve accumulation in that year. Assuming the margin for the rate of charge remains at 100 basis points, precautionary balances are projected to increase by SDR 1.5 billion at the end of FY 12 to SDR 9.6 billion. The floor of SDR 10 billion would be reached at end FY 13 and the indicative target of SDR 15 billion by end FY 16, as was expected in the January 2010 projection and at the time of the September 2010 review of precautionary balances.

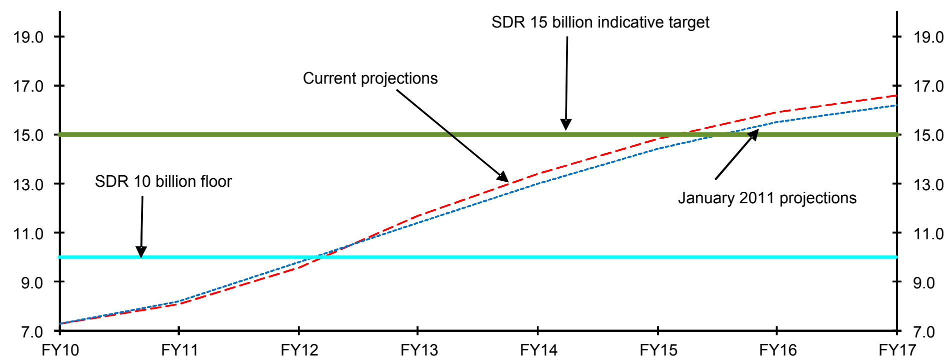
10. **The updated projections are also broadly unchanged from September 2010**. When the Board considered the adequacy of precautionary balances in September last year, credit outstanding was projected to peak at SDR 77 billion. However, the impact of higher lending on projected income since then has been offset by other developments, including the effect of the doubling of quotas under the 14th General Review of Quotas as approved by the

[4] Amounts in the General and Special Reserve that are attributable to the gold profits from the recently concluded limited gold sale program are excluded from the computation of the Fund's precautionary balances.

[5] At the time of the review, the projected peak of Fund credit was SDR 77 billion, some SDR 15 billion below the current estimates.

Board of Governors in December last year. The projections assume conservatively that current policies on access and charges are unchanged following quota increases under the 14th General Review, thereby lowering the proportion of credit outstanding subject to surcharges. Other offsetting factors are: the recent ad hoc quota increases from the 2008 reform also lower surcharges; the size of the endowment is limited to SDR 4.4 billion at present, pending Board decisions on the additional gold profit windfall, which is now known following conclusion of the gold sales;[6] and the projected SDR interest rate path is lower compared with earlier estimates, thereby reducing projected investment income in the medium-term.

Figure 2. Precautionary Balances Accumulation
(in billions of SDRs)



[6] Pending further Board discussions, the windfall of SDR 1.75 billion and the SDR 0.7 billion endorsed by the Executive Board in July 2009 for use from gold sales proceeds to facilitate the financing of concessional lending to low-income countries are excluded from the income projections from FY 13. During FY 12, they are assumed to be held in the IA broadly earning the SDR rate.

Annex I. Expenditure Projections, FY 11–17

1. Detailed information on the proposed medium-term budget underlying the expense projections in this paper is provided in *FY 2012–FY 2014 Medium-Term Budget* (3/31/11). This annex briefly describes the main assumptions.

2. Projections assume structural expenditures remain unchanged in real terms from FY 12 onward at a level of $932 million (FY 12 prices).[7] Temporary expenditures associated with the global financial crisis are projected to decline from $53 million in FY 12 to $50 million in FY 14, or a real decline of about 10 percent. The projected expenditures also reflect the recently approved reforms to the compensation system, and the proposed change in the formula for the Fund's global external deflator.[8] The expense path is slightly lower than estimated in January. This reduction reflects the actual structural salary increase of 1.5 percent relative to the earlier holding assumption of 2.6 percent.

3. For FY 15–20, the temporary expenditures are assumed to decline rapidly, phasing out altogether by FY 16. The underlying deflator used to project nominal expenditures during this period is illustrative, and is based on an annual average of what the new deflator formula would have delivered during the period FY 04–11.

4. These projections, in both real and nominal terms, are subject to some uncertainty. The increased temporary spending will unwind as the crisis abates. However, new temporary demands could arise as the Fund needs to continue to respond to its members' needs in the context of still evolving developments in the global crisis. Also, in the long-term, possible new responsibilities for the Fund could result in additional structural demands, which compounds the challenge of accurately projecting the future expenditure path.

5. Capital expenditures are projected to increase significantly due to the planned repairs to the HQ1 and Concordia buildings, however, the increase in capital expenses reflected in the Fund's income statement is projected to be only moderate, as these major building renovations are depreciated over the remaining useful life of the buildings.

[7] About $6 million (in FY 11 dollars) is included in the projected expenditures when the Annual Meetings are scheduled to be held abroad in FY 13, FY 16, and FY 19.

[8] For more details on the global external deflator, see Section III. C in *FY 2012–FY 2014 Medium-Term Budget* (3/31/11).

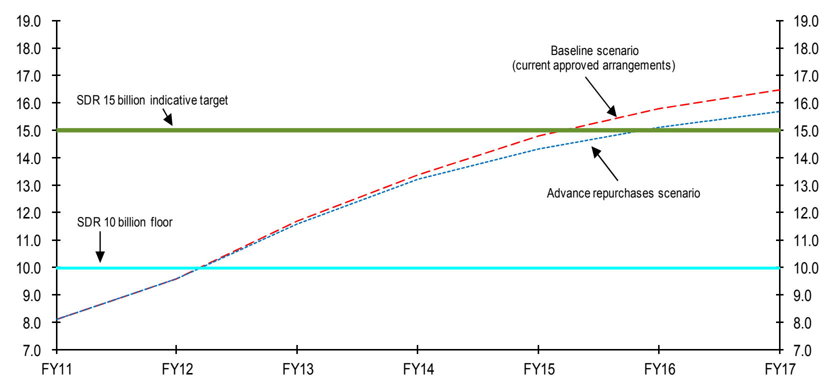
Annex II. Updated Income Projections, FY 11–17

1. **The Fund's updated net income position in the medium-term and steady state is broadly in line with the outlook provided in January.** This primarily reflects continued high demand for Fund credit as the institution responds to members' needs in the global economic crisis. The updated expenditure path is somewhat lower than previous projections as aforementioned in Annex I.

2. **The updated baseline projections include Fund arrangements approved through end-March 2011.** No new non-precautionary arrangements have been approved since the January projection, and therefore the current lending income outlook primarily reflects a rephasing of disbursements under existing arrangements, and commitment fees from new precautionary FCL arrangements that expire in FY 13.[9] Fund credit is now projected to peak at SDR 92 billion in FY 13 (see Table II.1) and then decline to steady state levels of about SDR 10 billion by FY 20. Box II.1 provides further details on relevant assumptions.

3. **The temporary increase in lending income will help build precautionary balances which are needed to mitigate the heightened credit risks.** At the discussions on precautionary balances in September last year, Directors agreed to establish a minimum floor of SDR 10 billion for precautionary balances, to help address the balance of financial risks that had shifted to credit risks in light of the high demand for Fund credit. Most Directors considered it prudent to raise the indicative target over the medium term to SDR 15 billion. The projections show a largely unchanged picture in this regard, with precautionary balances expected to reach SDR 10 billion in FY 13 and SDR 15 billion in FY 16 (Figure II.1). The projections assume an unchanged margin of 100 basis points.

Figure II.1. Precautionary Balances Accumulation
(in billions of SDRs)



4. **Medium-term projections of non-lending income are largely unchanged.** Projected income from the gold endowment remains broadly the same as envisaged in the January estimates, with the size of the endowment assumed to be consistent with an average gold price of US$850 per ounce from the limited gold sales. The remaining Investment

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[9] Commitment fee income is only recognized at expiration or cancellation of an arrangement, to the extent available resources are not disbursed. Two new FCLs with two-year terms were approved in January 2011.

Account (IA) tranche, not funded from gold profits, is projected to see a modest rise in income as global interest rates return to pre-crisis averages in the medium term. The projections assume income earned from this IA tranche is used to help meet the Fund's administrative expenses in the General Resources Account, consistent with the new income model.

5. **Income could be lower in the event of advance repurchases.** Based on past experience, this is a possible outcome when the effects of the crisis begin to subside and access to capital markets improves for Fund borrowers. While the timing and scale of such repurchases would depend on individual circumstances of borrowers, past experience provides an illustration of the possible impact. In the advance repurchases scenario (Table II.2), based on exceptional access repurchases since 2000, it is assumed that 50 percent of repurchases under such arrangements are advanced by 14 months. In this scenario, Fund credit would peak at SDR 89 billion, and precautionary balances would build at a slower pace barely reaching SDR 15 billion in FY 16.

6. **The long term outlook in the steady state remains broadly balanced and has not changed significantly.** While the medium-term outlook has changed owing to the crisis and the current high demand for Fund credit, the steady state has not changed significantly. In 2008 when the Board endorsed the new income model, the envisaged steady state assumed a long-term strategy of broadened income sources to provide sustainable financing for the institution. The net income-expense position was finely balanced. After lending income declines, as the effects of the crisis subside, the Fund will depend on investment income to provide a sustainable revenue source. In the steady state low-credit environment, returns from the investment of reserves and the gold-funded endowment will provide the bulk of the Fund's income. Fund credit is assumed to stabilize at SDR 10 billion in the steady state, when drawings from current arrangements have largely been repurchased. Commitments under contingent lending facilities are assumed to also decline from current levels (see Box II.1). The assumed level of precautionary balances in the steady state is the floor of SDR 10 billion, reflecting a dissipation of credit risks in the long run. On this basis, the steady state under current projections yields a positive income-expenditure position, with a somewhat higher buffer than the January projection, reflecting the lower deflator in the expense projections.

Table II.1. Consolidated Income and Expenses, FY 11–20: Baseline Scenario
(In SDR millions, unless otherwise stated)

		Projected						
	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY20
	(in SDR millions)							
A. Operational income 1/	**932**	**1160**	**1958**	**1478**	**1438**	**1358**	**1243**	**891**
Lending income	844	975	1471	812	593	383	225	134
Margin for the rate of charge	539	835	923	804	593	383	225	100
Service charge and commitment fees	305	140	548	8	0	0	0	34
Investment income	56	144	349	489	636	752	800	546
Reserves	56	144	217	354	498	612	657	394
Gold endowment pay-out	0	0	132	135	138	140	143	152
Interest free resources 2/	28	37	84	121	152	164	159	148
SCA-1 and other	21	16	41	57	69	70	65	54
Gold book value	7	21	43	64	83	94	94	94
Reimbursements 3/	4	4	55	56	58	59	60	64
MDRI-I, PCDR Trusts and SDR Department	4	4	4	4	4	4	5	5
PRG Trust	0	0	51	52	53	54	56	59
B. Expenses	**640**	**679**	**697**	**701**	**711**	**724**	**742**	**821**
Net administrative budget	603	635	648	652	659	672	693	775
Capital budget items expensed	7	9	13	12	10	9	5	6
Depreciation	30	34	36	37	41	43	44	40
C. Net operational income (A-B)	**292**	**482**	**1262**	**778**	**726**	**634**	**501**	**71**
Gold profits	3100							
Surcharges 4/	497	981	824	941	725	365	194	0
IAS 19 timing adjustment	-44							
Retained endowment income 5/	0	0	88	90	92	94	96	101
Net income	**3845**	**1463**	**2174**	**1809**	**1543**	**1093**	**791**	**172**
	(In US$ millions)							
D. Operational income 1/	**1435**	**1797**	**3037**	**2292**	**2230**	**2104**	**1927**	**1382**
Lending income	1300	1511	2281	1258	919	593	348	207
Investment income	86	224	541	759	985	1166	1240	846
Interest free resources 2/	43	58	130	188	236	254	246	229
Reimbursements	6	6	86	87	89	91	93	100
E. Expenses	**985**	**1052**	**1080**	**1086**	**1101**	**1122**	**1150**	**1272**
Net administrative budget	928	985	1004	1010	1022	1041	1074	1201
Capital budget items expensed	11	14	20	19	16	14	8	9
Depreciation	46	53	56	57	64	67	68	62
F. Net operational income (D-E)	**450**	**746**	**1957**	**1206**	**1129**	**983**	**777**	**109**
Memorandum Items:								
Fund credit (average stock, SDR billions)	53.9	83.5	92.3	80.4	59.3	38.3	22.5	10.0
SDR interest rate (in percent)	0.3	0.8	1.6	2.4	3.1	3.5	3.5	3.5
US$/SDR exchange rate	1.54	1.55	1.55	1.55	1.55	1.55	1.55	1.55
New income measures (US$ millions) 6/	37	118	415	471	519	553	567	541
Precautionary balances (end of period, SDR billions)	8.1	9.6	11.7	13.4	14.8	15.8	16.5	10.0

1/ Excludes surcharges, assumed to be placed directly to reserves, and gold profits. Income from the endowment funded by gold profits is assumed to start in FY 13, when the endowment is fully in place. Gold profits transferred to the IA in FY 11 are assumed to earn broadly the SDR rate in FY 12, a transition period.
2/ During FY 11, gold profits held in the GRA increased the GRA's interest free resources.
3/ Reimbursement of the GRA for the costs of administering the PRG Trust is assumed to resume in FY 13.
4/ Surcharges are projected on the assumption that the existing thresholds for their application are not adjusted following the implementation of the 14th Review of Quotas which is assumed to be effective in FY 13.
5/ Estimate of gold endowment income retained in the IA to preserve the real value of the endowment.
6/ The effect on operational income of broadening investments, creating an endowment funded by profits from gold sales, the reduction in remuneration from proceeds equal to the book value of gold, and reimbursement of PRGT expenses.

Box II.1. Income Projections—FY 11–17

Key Parameters	Value	Remarks
US$/SDR exchange rate	1.55	Assumed unchanged from recent levels. A 10 percent rise (fall) in the US$/SDR exchange rate would raise (lower) annual income in FY 17 by US$205 million.
SDR interest rate	Rising to 3.5% by FY 16 from 0.3% in FY11	A 50 basis point higher (lower) average SDR interest rate would raise (reduce) annual income in FY 17 by US$188 million.
Gold price ($US/oz.) for the endowment	850	The projections assume an endowment funded by gold profits at an average price of US$850 per ounce for the limited gold sales program. The use of the additional windfall is being considered by the Board.
Margin for rate of charge (basis points)	100	Assume unchanged from current level. A 25 basis point higher (lower) margin would raise (reduce) income in FY 17 by US$158 million.

Operational lending income (US$207 million or SDR 134 million by FY 20 in baseline scenario, Table II.1)

Fund credit is assumed to decline back to an average level of about SDR 10 billion by FY 20, upon which a margin of 100 basis points generates income of about SDR 100 million. Commitments under contingent lending facilities are assumed to also decline to an average about SDR 10 billion in the steady state, yielding some SDR 24 million in annual commitment fees. Average annual disbursements of about SDR 2.3 billion from FY 19 generate SDR 11 million in annual service charges (at 50 basis points).

Investment income (US$846 million or SDR 546 million by FY 20 in baseline scenario, Table II.1)
Returns on Investment Account (IA) assets of SDR 6 billion are assumed to exceed the SDR interest rate by an average of 50 basis points. Net operational income, plus surcharges, is assumed to be transferred annually to the IA for investment in the subsequent year. Broadening of the investment mandate is assumed to take effect in FY 13, allowing average investment returns to exceed the SDR interest rate by 100 basis points, and lifting average annual income on reserves to about SDR 400 million in the steady state (FY 20) when precautionary balances are assumed to be at the new floor of SDR 10 billion.

Gold sales were concluded in December 2010 and gold profits of SDR 6.85 billion transferred to the IA in March 2011 and placed in short-term deposits on a transitional basis pending further Board decisions on the use of the additional windfall and the asset allocation strategy. In the baseline scenario (Table I.1), the endowment funded by gold profits is assumed to generate an average real return of 3 percent, and a 3 percent pay-out ratio beginning in FY 13. The size of the endowment is assumed to be consistent with gold profits at an average price of US$850 per ounce (equivalent to SDR 4.4 billion).

Interest free resources (US$229 million or SDR 148 million by FY 20 in baseline scenario, Table II.1)

The gold sales will increase GRA currency holdings by the book value of gold (SDR 2,685 million), reducing member reserve tranche positions and thereby cutting annual remuneration expenses by SDR 94 million at an SDR interest rate of 3.50 percent. Interest free resources were further increased during FY 11 by the retention of gold profits in the GRA prior to transfer to the Investment Account in March 2011. Secondary effects of lending income also contribute to interest free resources during the financial year.

Reimbursements (US$86 million or SDR 55 million by FY 13 in baseline scenario, Table II.1)

Reimbursements currently received from the SDR Department, the MDRI-I Trust and the PCDR Trust are projected at SDR 4 million in FY 11. Reimbursement for the expenses of administering the PRGT is assumed to resume in FY 13 at SDR 51 million. Administrative costs and the associated reimbursements are assumed to be stable in real terms in the medium term.

Table II.2. Consolidated Income and Expenses, FY 11–20: Advance Repurchases Scenario
(In SDR millions, unless otherwise stated)

		Projected						
	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY20
	(in SDR millions)							
A. Operational income 1/	**932**	**1160**	**1922**	**1394**	**1298**	**1206**	**1169**	**892**
Lending income	844	975	1436	731	467	259	187	134
Margin for the rate of charge	539	835	888	723	467	259	187	100
Service charge and commitment fees	305	140	548	8	0	0	0	34
Investment income	56	144	349	487	628	729	765	546
Reserves	56	144	217	352	490	589	622	394
Gold endowment pay-out	0	0	132	135	138	140	143	152
Interest free resources 2/	28	37	83	119	147	159	157	148
SCA-1 and other	21	16	40	55	64	65	63	54
Gold book value	7	21	43	64	83	94	94	94
Reimbursements 3/	4	4	55	56	58	59	60	64
MDRI-I, PCDR Trusts and SDR Department	4	4	4	4	4	4	5	5
PRG Trust	0	0	51	52	53	54	56	59
B. Expenses	**640**	**679**	**697**	**701**	**711**	**724**	**742**	**821**
Net administrative budget	603	635	648	652	659	672	693	775
Capital budget items expensed	7	9	13	12	10	9	5	6
Depreciation	30	34	36	37	41	43	44	40
C. Net operational income (A-B)	**292**	**482**	**1226**	**693**	**587**	**482**	**428**	**71**
Gold profits	3100							
Surcharges 4/	497	981	796	895	549	255	194	0
IAS 19 timing adjustment	-44							
Retained endowment income 5/			88	90	92	94	96	101
Net income	**3845**	**1463**	**2110**	**1678**	**1228**	**831**	**717**	**173**
	(In US$ millions)							
D. Operational income 1/	**1435**	**1798**	**2981**	**2160**	**2014**	**1869**	**1813**	**1383**
Lending income	1300	1511	2226	1132	723	401	290	208
Investment income	86	224	541	755	973	1130	1186	847
Interest free resources 2/	43	58	129	185	228	247	244	229
Reimbursements	6	6	86	87	89	91	93	100
E. Expenses	**985**	**1052**	**1080**	**1086**	**1101**	**1122**	**1150**	**1272**
Net administrative budget	928	985	1004	1010	1022	1041	1074	1201
Capital budget items expensed	11	14	20	19	16	14	8	9
Depreciation	46	53	56	57	64	67	68	62
F. Net operational income (D-E)	**450**	**746**	**1901**	**1074**	**913**	**748**	**663**	**110**
Memorandum Items:								
Fund credit (average stock, SDR billions)	53.9	83.5	88.8	72.3	46.7	25.9	18.7	10.0
SDR interest rate (in percent)	0.3	0.8	1.6	2.4	3.1	3.5	3.5	3.5
US$/SDR exchange rate	1.54	1.55	1.55	1.55	1.55	1.55	1.55	1.55
New income measures (US$ millions) 6/	37	118	415	470	518	549	561	541
Precautionary balances (end of period, SDR billions)	8.1	9.6	11.6	13.2	14.3	15.1	15.7	10.0

1/ Excludes surcharges, assumed to be placed directly to reserves, and gold profits. 50 percent of repurchases under existing exceptional access arrangements are assumed to be advance repaid by an average of 14 months. Income from the endowment funded by gold profits is assumed to start in FY 13, when the endowment is fully in place. Gold profits transferred to the IA in FY 11 are assumed to earn broadly the SDR rate in FY 12, a transition period.

2/ During FY 11, gold profits held in the GRA increased the GRA's interest free resources.

3/ Reimbursement of the GRA for the costs of administering the PRG Trust is assumed to resume in FY 13.

4/ Surcharges are projected on the assumption that the existing thresholds for their application are not adjusted following the implementation of the 14th Review of Quotas which is assumed to be effective in FY 13.

5/ Estimate of gold endowment income retained in the IA to preserve the real value of the endowment.

6/ The effect on operational income of broadening investments, creating an endowment funded by profits from gold sales, the reduction in remuneration from proceeds equal to the book value of gold, and reimbursement of PRGT expenses.