

Financial Operations Department

Where the
money comes
from

Corporate Induction
12/10/2023

 JLIFAD | FIDA



About IFAD's Financial Operations Department

Management of IFAD's Financial Resources

- Upgraded financial architecture
- Credit rating maintenance
- Enhanced borrowing strategy
- Asset Liability Management

Project Financial Management

- Risk based assurance framework
- Project governance and capacity building
- Solutions for loan negotiations

IFAD's Financial Strategy

Financial Reporting & Internal Control

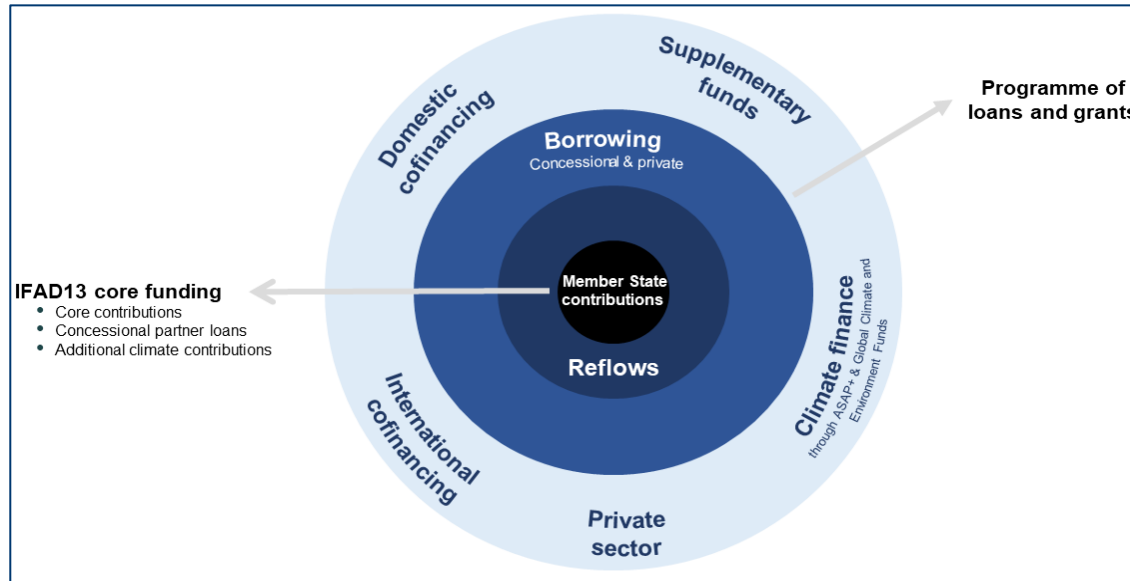
- Internal Control Framework
- Controllership
- Anti-Money Laundering
- Ensuring clean audit opinion for IFAD

Development Finance solutions

- Comparative advantage on concessionality versus other IFIs
- Strengthening IFAD's role as an assembler of development finance

Where does the money come from?

A financial platform for an expanded PoW



How are IFAD resources deployed?

IFAD's balance sheet	
December 2022, in US\$ million	
Other assets US\$796	Other liabilities US\$390
Liquidity US\$1,445	Borrowings US\$1,883
Net loans outstanding US\$7,998	Net equity US\$7,966
Total US\$10,239	



- Approximately **US\$1 billion** of active country grants, of which 85% to countries in, or at high risk of, debt distress
- **Distribution of IFAD's outstanding loan portfolio:**
 - 88% concessional terms
 - 12% semi and non-concessional terms
- Total active portfolio of loans & grants of approx. **US\$ 9 billion** financed by IFAD resources

Where does the money come from?

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- Borrowing is in the form of:
 - Concessional Partner Loans (US\$ 131mm, 7%)
 - Sovereign Loans (US\$1 603mm, 85%)
 - Private Placements (US\$ 150mm, 8%)

- More than 90% of loans financed through paid-in capital in the form of Member replenishment contributions

IFAD's Solid Credit Rating is a pillar of funding

S&P Global Ratings

AA+

Stable Outlook

Long-Term foreign currency issuer credit ratings

A-1+

Stable Outlook

Short-Term foreign currency issuer credit ratings

Fitch Ratings

AA+

Stable Outlook

Long-Term issuer rating

F1+

Stable Outlook

Short-Term issuer rating



VERY STRONG CAPITAL STRUCTURE

- Excellent capitalization with equity increasing since inception, thanks to successful replenishments
- Fitch equity/assets ratio to far exceed the 25% 'excellent' threshold



PREFERRED CREDITOR TREATMENT

- Moderate credit risk
- Preferred creditor treatment
- Relatively small size and low debt servicing costs, affordable loans



GLOBAL BEST PRACTICES IN RISK MANAGEMENT

- Strong financial and risk policies adapted to meet changing funding structure
- Experienced Treasury and Risk team



LIQUIDITY: HIGH, AND IMPROVING QUALITY – AMPLE SIZE

- Strong liquidity, bolstered by a well-managed liquidity policy
- High-quality investment portfolio




CLOSE ALIGNMENT WITH POLICY PRIORITIES OF MEMBERS

- Importance of policy mandate with agricultural and rural development key to meet SDGs
- Full government ownership for successful project implementation

IFAD issues sustainable PPs in support of SDGs



Year	2022
Tenor	7
Maturity	10/06/2023
Coupon	3.263%
Currency	USD
Amount	US\$100 million
Link of PR	Press Release 1st Issuance
Investor	Sweden
ISIN	XS2490415135



Year	2022
Tenor	15
Maturity	22/06/2037
Coupon	3.591%
Currency	USD
Amount	US\$50 million
Link of PR	Press Release 2nd Issuance
Investor	Japan
ISIN	XS2492704239



Year	2023
Tenor	12
Maturity	30/05/2035
Coupon	3.096%
Currency	EUR
Amount	€65 million
Link of PR	Press Release 3rd Issuance
Investor	Germany
ISIN	XS2607061798



Year	2023
Tenor	15
Maturity	01/06/2038
Coupon	3.500%
Currency	EUR
Amount	€115 million
Link of PR	Press Release 4th Issuance
Investor	France
ISIN	XS2630467657



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Thank You