Investing in rural people

Executive Board
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Asset and Liability Management Report as at 30 June 2024

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Useful references: IFAD Asset and Liability Management Framework (EB 2019/128/R.46); IFAD Risk Appetite Statement (EB 2021/134/R.21/Rev.1).

Action: The Executive Board is invited to take note of the Asset and Liability Management Report as at 30 June 2024.

Technical questions:

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I. Executive summary

1. The report summarizes IFAD's exposure to liquidity, interest rate and currency risks.

2. Liquidity risk:

   (i) Liquidity ratios are in compliance with the policy limits:

      (a) Minimum liquidity requirement (MLR) ratio: 141 per cent (minimum 100 per cent);

      (b) Liquidity ratio: 15 per cent (minimum 5 per cent);

      (c) Debt-service coverage ratio: 25 per cent (maximum 50 per cent);

      (d) IFAD-calculated 12-month Standard & Poor's (S&P) liquidity ratio: 1.70 (>1).

   (ii) The average life of ordinary term loans approximately matches the average life of IFAD's debt.

   (iii) Bullet maturities[1] of private placements naturally generate exposure to refinancing risk, which can be heightened in case of stressed markets.

3. Interest and currency risks:

   (i) Interest rate and currency risks are driven mainly by IFAD's concessional loan portfolio, i.e. long-term fixed-rate loans denominated in special drawing rights (SDR), funded by equity.

   (ii) The debt-funded portion of the balance sheet remains relatively well matched in terms of currency and interest rate risk.

4. Overall, as at 30 June 2024, IFAD's assets and liabilities, including hedging instruments, are structured in a way that mitigates liquidity, interest rate and currency risks to a considerable extent.

II. Overview of IFAD's balance sheet

5. Assets:

   (i) Loans make up 78 per cent of total assets, of which 79 per cent correspond to the outstanding balance of highly and super concessional term loans (equivalent to 61 per cent of total assets), 13 per cent correspond to the outstanding balance of ordinary term loans, and the remaining 8 per cent comprises other outstanding loans (e.g. blend term loans), interest accrued and loan impairments.

   (ii) 17 per cent of assets are represented by the liquidity portfolio.

   (iii) The remaining 5 per cent relate to other assets (contribution receivables, fixed or right-of-use assets and other receivables).

6. Debt and equity:

   (i) Equity and concessional partner loans (CPLs) fund 76 per cent of the balance sheet.

   (ii) Outstanding sovereign borrowing loans and private placements fund 21 per cent of the balance sheet.

   (iii) The remaining 3 per cent relates to other liabilities (mainly payables and deferred revenues).

7. The schematic balance sheet is shown in appendix I.

[1] A single repayment of the total principal on the borrowing's maturity date.

III. Liquidity risk

8. IFAD manages liquidity risk by holding sufficient liquid assets to meet cash outflow requirements and ensure compliance with the MLR and other financial ratios, without having to resort to requests for additional funding from Member States.

9. As at 30 June 2024, the MLR ratio stood at 141 per cent (minimum of 100 per cent). All other liquidity ratios were within their respective limits. Liquidity ratios of credit rating agencies are also monitored as a complementary tool for liquidity management. S&P's liquidity ratio stood at 1.70 for 12 months and 2.66 for six months,[2] which is considered strong by S&P.

10. Issuance of private placements has reached 20 per cent of total debt and, overall, 80 per cent of the total debt has a floating interest rate (after interest rate swaps). This result is broadly aligned to the terms of ordinary loans. The breakdown by currency shows that the tenor of euro and United States dollar debt instruments was 7.3 and 10.3 years, respectively. This was on average 0.8 and 2.1 years longer than that for outstanding ordinary term loans for the same currencies. The United States dollar gap widened after December 2023, as additional long-dated private placements were issued during the first half of 2024.

11. Private placements will mature in 2029, 2031, 2035, 2037, 2038 and 2039. The average concentration of debt repayment in each of those years is 7 per cent of the total future debt principal and interest repayments, with the highest concentration in 2031 (8.9 per cent).

12. While the weighted-average spread differential between ordinary term loans and debt is positive for both the United States dollar (70 basis points) and the euro (56 basis points), the amount of outstanding ordinary loans is lower than outstanding borrowing (excluding CPLs). The balance is managed by the Treasury Services Division in the liquidity portfolio, in accordance with the Investment Policy Statement until it is disbursed to ordinary term loans.[3]

13. Supporting analysis, charts and tables are presented in appendix II.

IV. Interest rate risk

14. IFAD's interest rate risk management objective is to reduce the risk of loss resulting from a mismatch of duration[4] between assets (investment portfolio[5] and loan portfolio) and liabilities (borrowing).

15. The current approach to interest rate risk management is based on the following principles:

    (i) Regular grants and grants for countries in debt distress are financed by contributions.

    (ii) Fixed-rate loan assets (highly/super highly concessional, blend, hardened, and intermediate term loans) are financed by equity and by fixed-rate liabilities at concessional terms such as CPLs.

    (iii) Ordinary term loans are funded by debt, excluding CPLs.

16. As in the last two asset and liability management reports (June 2023 and December 2023), IFAD's debt-funded balance sheet maintains a negative duration

[2] Ratios calculated by the Treasury Services Division based on the methodology used by S&P. Official ratios are published by S&P in periodic rating reports.
[3] The overall return on debt-funded liquidity and on outstanding ordinary loans compared to the cost of funding could be negative in the future and could generate negative carry.
[4] Duration represents the weighted average time to repricing of an asset or liability, where the weights are discounted cash flows. The duration gap is the difference between the duration of assets and the duration of liabilities, weighted by the economic value of liabilities over the economic value of assets.
[5] The portfolio's conditional value at risk was 65 basis points (bps), within the risk tolerance level of 300 bps defined in the Investment Policy Statement. The portfolio duration was 0.18 years (EB 2023/139/R.26).

gap of 0.8 years. This indicates that while in a rising interest rate environment the value of both IFAD's assets and IFAD's liabilities decreases, this impact would be greater for liabilities. This is mainly due to the two fixed-rate sovereign loans from Canada totalling US$161 million.[6]

17. In contrast, IFAD's equity-funded balance sheet exhibits a positive duration gap of 8.0 years (−0.2 years than what was reported in December 2023). This indicates that rising interest rates would decrease the value of both assets and liabilities; however, the decline in asset value would be more significant. This is due to long-dated, fixed-rate loans (mainly highly concessional and blend term loans accounting for 97 per cent of the total asset duration). The duration gap for the equity-funded balance sheet is in essence the effective duration of IFAD's equity.

18. The potential impact of interest rate changes on IFAD equity was simulated through sensitivity analysis, which includes parallel shifts and changes in slopes (i.e. steepening and flattening scenarios) of the yield curves. A 1 per cent parallel increase in interest rates would reduce IFAD's economic value of equity (EVE) by US$450 million (representing a 6 per cent drop in the nominal equity), while a 1 per cent parallel decrease would increase the EVE by US$515 million (representing a 6 per cent increase in the nominal equity). This asymmetrical response of the equity to a symmetrical shock to the interest rates is mainly due to the long-dated highly concessional loan portfolio.[7]

19. With regard to repricing gap analysis, the IFAD balance sheet shows a positive gap for the first year of US$1,152 million, 52 per cent higher than the corresponding reading from the previous report (December 2023). The increased gap means that IFAD's net interest income (NII) is more rate-sensitive to changes in interest rates.

20. Specifically, a 1 per cent rate rise/drop would likely cause IFAD's NII to increase/decrease by US$10 million, which makes the IFAD balance sheet **asset-sensitive** to changes in interest rates. The main contributors to the positive gap are the liquidity and investment portfolios and ordinary loans, partially offset by the repricing of borrowing.

21. On the other hand, the debt-funded part of the balance sheet shows a lower interest rate sensitivity between assets and liabilities, with a cumulative positive gap for the first year of US$206 million. A 1 per cent increase/decrease in rates would have a US$3 million income/loss impact on IFAD's NII.

22. Additional scenario analysis, charts and tables are presented in appendix III.

V. Currency risk

23. Currency risk arises from potential changes in foreign exchange rates. IFAD's equity is exposed to foreign exchange risk to the extent that assets and liabilities are denominated in different currencies.

24. While the undisbursed loan balances are denominated mainly in euros and United States dollars, most outstanding loan assets are denominated in SDR, and most liabilities (excluding equity) are denominated in United States dollars and euros. Excluding SDR, the largest positive gap is in the United States dollar currency group (US$1.4 billion), with other currency groups showing smaller positive gaps (US$178 million for euros, US$15 million for pound sterling and US$56 million for Japanese yen).

25. The current currency alignment approach is based on a 24-month forward-looking cash flow analysis to ensure that IFAD has enough of each currency to fund the

[6] Neither of these loans was swapped to floating interest rate.
[7] Technically, the longer the tenor (as is the case with the long-dated highly concessional loans), the greater the asymmetry response of the discount factors to symmetrical shocks to interest rates, due to the non-linear compounding relationship between them.

projected outflows denominated in each respective currency. In the case of a deficit for any currency above 10 per cent of total projected outflows, Treasury executes a currency forward to hedge the exposure exceeding the limit. No currency gap exceeding the 10 per cent threshold was observed for the reporting period.

26. Supporting analysis, charts and tables are presented in appendix IV.

VI. Conclusions

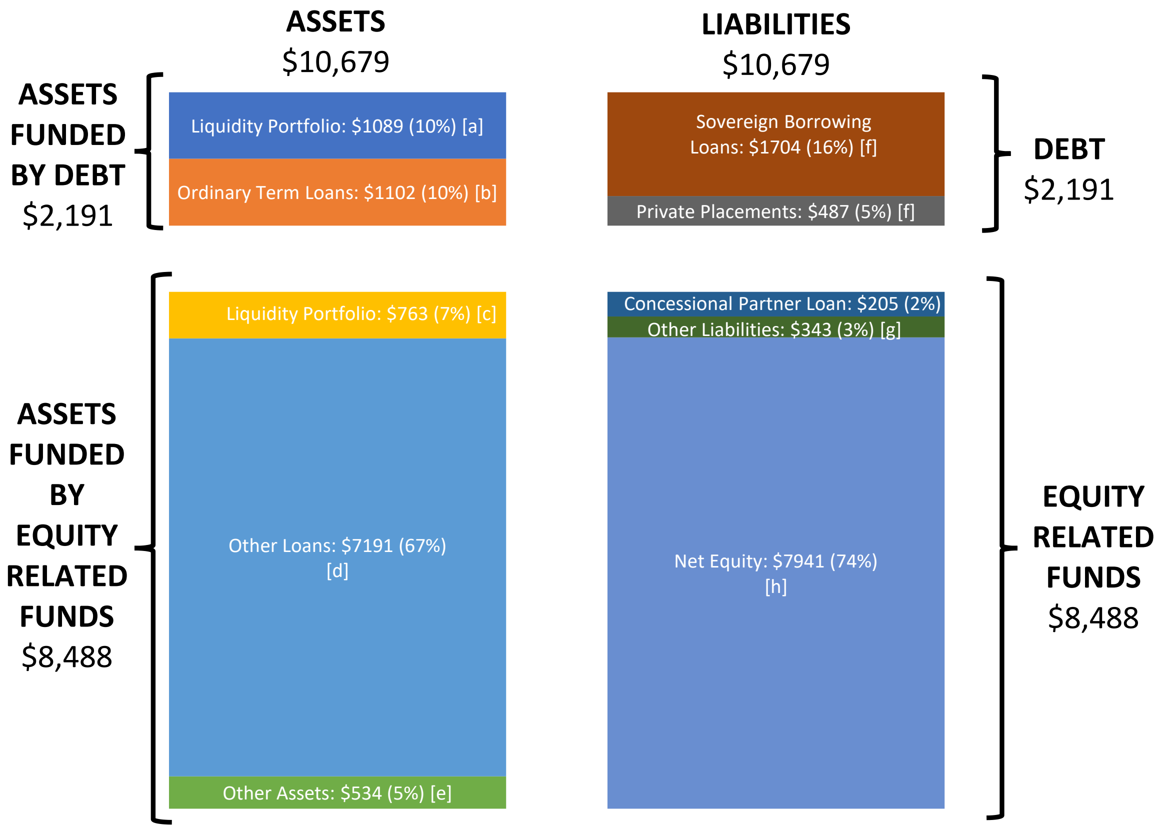
27. Based on the composition of the balance sheet as of June 2024, exposure to asset and liability management risks is relatively low and manageable.

28. It is important to note that the structure of IFAD’s balance sheet will continue to reflect its mission to focus on long-dated, fixed-interest rate, highly concessional lending on the asset side, which is the main source of interest rate and currency risks.

29. Management will monitor the evolution of IFAD’s balance sheet and report on any exposure semi-annually.

IFAD's Schematic Balance Sheet and Key Assumptions

Figure 1: Schematic balance sheet. As of 30 June 2024, in million USD (share of total in parenthesis)



Notes:

[a] Computed as residual from Total Debt (SBLs+PPs) outstanding balance minus Ordinary Term Loans outstanding balance

[b] Outstanding balance

[c] Computed as residual of the Total Liquidity Portfolio - Liquidity Portfolio funded by debt

[d] Includes loan impairments, accrued interest and other charges receivables

[e] Includes other receivables, fixed assets, and contributions

[f] Outstanding balance

[g] Includes payables and liabilities, undisbursed grants, deferred revenues, lease liabilities, other financial liabilities, interest from debt and hedge adjustments

[h] Computed as Total Assets - Total Liabilities

Source: IFAD Treasury

Please note that figures reported in the tables and charts included in the following appendices are cash flow-based and can deviate from the fair value accounting representation of the above balance sheet.

Figure 2: Evolution of IFAD's balance sheet

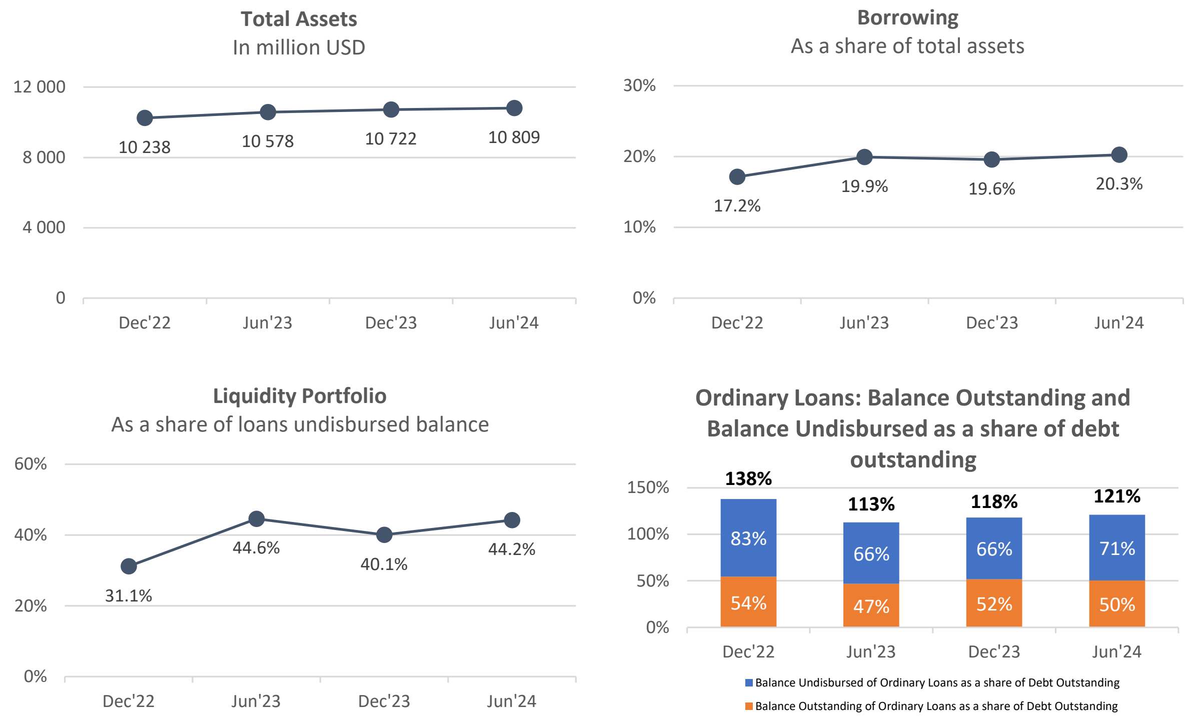


Figure 3: Key assumptions

1. Cut-off date: 30 June 2024.
2. All analysis based on IFAD-only balance sheet (excluding supplementary funds).
3. Static ALM approach: only existing items and their projected cash flows were considered, i.e. no planned business.
4. Undisbursed loans and pledges without instruments of contribution or promissory notes were considered as off-balance sheet items.
5. Discount curves were derived from overnight index swaps. Net present value was converted to United States dollars, as the reporting currency, using the spot rate as of the cut-off date.
6. In the absence of a benchmark yield curve for SDR, the IMF approach was used – the currency value of the SDR is determined by summing the values in United States dollars based on market exchange rates of a weighted basket of major currencies (United States dollar, euro, Japanese yen, pound sterling and Chinese yuan renminbi).
7. Interest rate indices: Secured Overnight Financing Rate (SOFR) for the United States dollar, Euro Interbank Offered Rate (EURIBOR) for the euro, Shanghai Interbank Offered Rate (SHIBOR) for the Chinese yuan renminbi, Tokyo Overnight Average Rate (TONAR) for the Japanese yen and Sterling Overnight Index Average (SONIA) for pound sterling (unless stated otherwise).[8]

[8] For pricing IFAD loans linked to a market-based variable reference rate, SOFR was used rather than six-month LIBOR as part of the transition to SOFR since April 2022 (EB 2021/134/INF.5).

8. No amortization of equity was assumed.

9. To generate interest on ordinary loans with floating interest rates, the zero-floor policy was considered (the pricing element linked to the variable spread on International Bank for Reconstruction and Development funding cost was projected as flat).

10. The parallel shocks for the stress scenarios are equal for all forward rates curves, e.g. the 100 bps shock was the same for SOFR and six-month EURIBOR.

11. The steepening and flattening scenarios of the Delta EVE analysis were built following the calibration defined in BIS (2024) "*Recalibration of shocks in the IRRBB standard*".

12. The cash flows for IFAD loans take into account projected cancellations and disbursement envelopes.

13. The Grant Element (GE) of CPLs is included in the balance outstanding.

Liquidity Risk Analysis

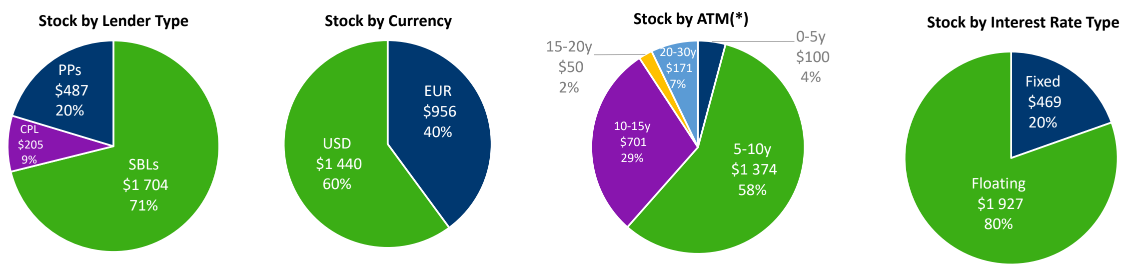
Figure 1: Key liquidity metrics

Note: MLR[9], MLR ratio, Liquidity ratio, DSCR, and S&P liquidity ratio

Metric	Scale	As of 30 Dec 2023	As of 30 Jun 2024	Limit
IFAD Liquidity	USD million	1 605	**1 852**	-
IFAD stressed liquidity	USD million	1 408	**1 694**	-
Liquidity haircut	percent	12	**9**	-
Liquidity haircut	USD million	197	**158**	
MLR	USD million	1 021	**1 202**	-
MLR ratio	percent	138	**141**	>100
Liquidity ratio	percent	16	**15**	>5
Debt-Service Coverage Ratio (DSCR)	percent	21	**25**	<50
IFAD-calculated S&P liquidity ratio (12 months)	index	1.65	**1.71**	>1

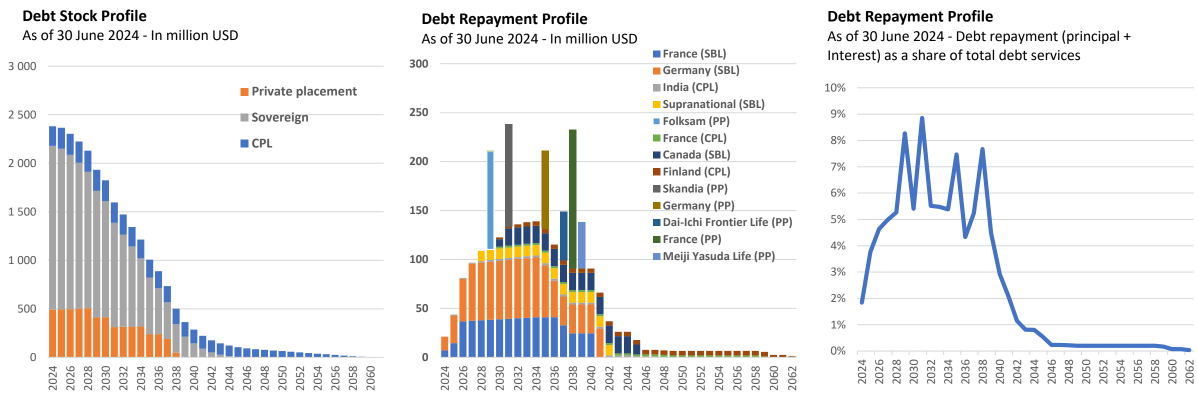
Values shown as of June 2024 include estimates for the whole of 2024.
Source: IFAD Treasury

Figure 2: Terms of IFAD's outstanding debt, after swaps. As of 30 June 2024. Figures in million USD, expect otherwise noted



(*) Tenor buckets are computed as average time to maturity.
Source: IFAD Treasury

Figure 3: Maturity profile of debt stock and repayment concentration



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[9] Please note that the reported MLR was updated as of March 2024 to align it to previous reports at the cut-off date of 30 June 2024.

Figure 4: Ordinary Loans and Debt: terms and spreads. As of 30 June 2024

Currency	Remaining Tenor (years)[1]			IR Spread (bps)[1][2]		
	Loans (a)	Debt (b)	**Gap (a-b)**	Loans (c)	Debt (d)	**Gap (c-d)**
EUR	6.4	7.3	**-0.8**	96	40	**56**
USD	8.2	10.3	**-2.1**	142	73	**70**
XDR	3.9	0.0	**3.9**	101	0	**101**

(1) Weighted by USD-equivalent outstanding amount.
(2) WA IR Spread are expressed on top of the benchmark rate (EUR: EURIBOR 6M; USD: SOFR; SDR: SDR weighted rate based on O/N SOFR, O/N TONA, O/N SONIA + applicable spread adjustment for O/N rates, EURIBOR 6m and SHIBOR 6M)

Note: Floating rate and Fixed rate swapped into floaters instruments only. Excludes CPL debts and concessional fixed-rate loans from Canada. Includes suspended loans.

Source: IFAD Treasury

Figure 5: Ordinary term loans and debt: volumes and outstanding balances. As of 30 June 2024

Currency	Number #		Balance Outstanding (Mill. USD)		
	Loan	Debt	Loans (a)	Debt (b)	**Gap (a-b)**
EUR	33	5	378	825	**-447**
USD	36	8	408	1 102	**-694**
XDR	53	0	315	0	**315**
Total	**-**	**-**	**1 102**	**1 928**	**-826**

Note: Excludes CPL debts and concessional fixed-rate loans from Canada. Includes suspended loans

Source: IFAD Treasury

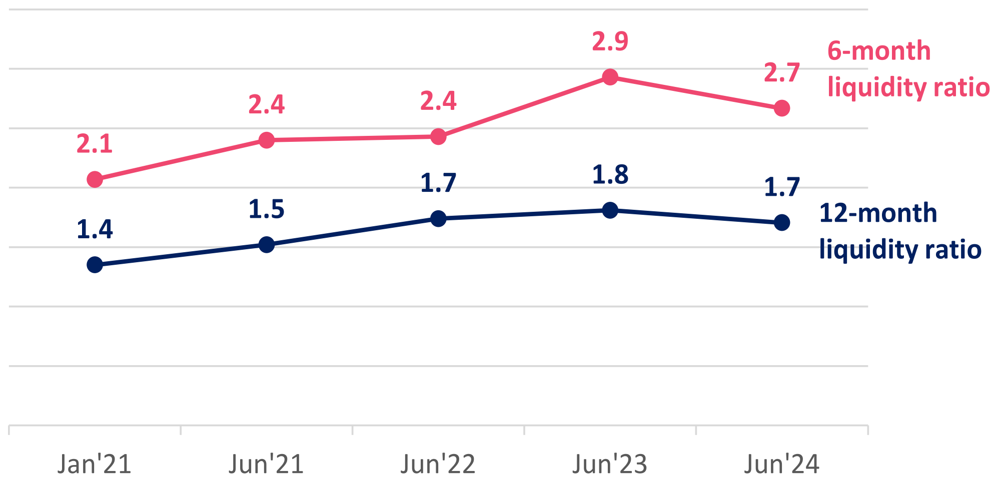
Figure 6: Gap by maturity bucket. As of 30 June 2024

Bucket	On Balance Sheet items only*					All Balance Sheet items				
	Assets	Liabilities	GAP	Weighted Average Life		Assets	Liabilities	GAP	Weighted Average Life	
				Assets	Liabilities				Assets	Liabilities
0 to 15D	855	7	848	0.00	0.00	855	38	817	0.00	0.00
16 to 30D	23	0	23	0.00	0.00	30	70	-40	0.00	0.00
31 to 60D	39	0	38	0.00	0.00	45	112	-67	0.00	0.00
61 to 90D	80	16	64	0.00	0.00	88	158	-70	0.00	0.00
91 to 180D	279	38	241	0.01	0.00	310	414	-103	0.01	0.02
181 to 360D	579	74	505	0.04	0.02	608	530	78	0.03	0.05
1 to 2y	996	141	854	0.12	0.06	1 072	1 156	-83	0.09	0.20
2 to 3y	769	177	593	0.16	0.13	875	1 248	-372	0.12	0.36
3 to 5y	1 244	334	910	0.41	0.41	1 597	1 923	-327	0.35	0.90
5 to 10y	2 542	1 073	1 469	1.58	2.46	3 977	1 538	2 438	1.67	1.35
More than 10y	4 862	1 451	3 411	6.03	6.66	8 702	1 456	7 245	7.29	2.56
Total	**12 268**	**3 312**	**8 956**			**18 159**	**8 642**	**9 517**		

(*) Excludes swaps, loan disbursements (and its reflows), debt drawdown (and its debt service payments).
Note: It includes all assets and liabilities projected cash flows, e.g., future accrued interests and operating expenses, slotted in maturity buckets at their present value.

Source: IFAD Treasury

Figure 7: S&P Liquidity Ratio



Note: Jun-24's S&P Liquidity ratio calculated by TRE as per the June 2024 Base Case scenario, and correspond to the year 2024
Source: S&P and IFAD Treasury

Interest Rate Risk Analysis

Figure 1: Duration gap for debt-funded balance sheet. As of 30 June 2024, in million USD

Item Type	Item Sub Type	IR Type	30/06/2024 Economic Value(1)	30/06/2024 Weighted Duration (years)(2)	30/06/2024 Yield Based DV01(3)	30/06/2024 Duration Attribution	30/12/2023 Weighted Duration (years)(2)
Assets							
Investments	Cash, bonds, and swaps	Both	1 074	0.2	0.0	40%	0.4
Loan reflows	Ordinary	Floating	1 158	0.3	0.0	60%	0.3
Sub total			**2 233**	**0.3**	**0.0**	**100%**	**0.4**
Liabilities							
Debt	Private placement	Fixed	496	8.5	0.4	169%	9.3
Debt	Sovereign	Fixed	161	12.7	0.2	82%	13.3
Debt	Sovereign	Floating	1 499	0.3	0.0	17%	0.3
Debt	Swaps	Fixed	-496	8.5	-0.4	-169%	9.3
Debt	Swaps	Floating	515	0.0	0.0	0%	0.0
Sub total			**2 175**	**1.1**	**0.2**	**100%**	**1.3**
Total			**58**	**-0.8**	**-0.2**	**-**	**-0.9**

(1) Present value of future cash flows except otherwise noted, discounted with swap curve prevailing at the cut-off date

(2) Macaulay durations for each individual item, then grouped and weighted by Economic Value

(3) Yield-based DV01 = Modified Duration x Market Value / 10,000. This metrics shows the potential loss as a result of an increase of 1bp in IR and it's normally expressed as a positive value (thus, a negative value in the yield-based DV01 would represent a gain). Modified Duration = Duration / (1+yield), where yield are par rates built fron the OIS Swap Curve prevailing at the cutoff-date.

Note 1: The Economic Value of Investments consists of cash, bonds, and swaps priced at market value.

Note 2: Duration Gap = Asset Duration - (Liabilities Duration x Market Value Liabilities / Market Value Assets)

Figure 2: Duration gap for equity-funded balance sheet. As of 30 June 2024, in million USD

			30/06/2024				30/12/2023
Item Type	Item Sub Type	IR Type	Economic Value(1)	Weighted Duration (years)(2)	Yield Based DV01(3)	Duration Attribution	Weighted Duration (years)(2)
Assets							
Contributions	Pledges and IOC/PN		437	1.5	0.1	1%	0.5
Drawdown of debt	CPL	Fixed	6	0.5	0.0	0%	1.0
Investments	Cash, bonds, and swaps	Both	733	0.2	0.0	0%	0.4
Loan reflows	Blend	Fixed	618	8.0	0.5	8%	8.0
Loan reflows	Hardened terms	Fixed	26	3.4	0.0	0%	3.6
Loan reflows	Highly concessional	Fixed	4 991	10.6	5.1	89%	10.7
Loan reflows	Intermediate terms	Fixed	123	3.6	0.0	1%	3.7
Loan reflows	Super highly concessional	Fixed	5	24.0	0.0	0%	25.0
Other assets	Other receivables		157	0.0	0.0	0%	0.0
Sub total			**7 096**	**8.3**	**5.7**	**100%**	**8.5**
Liabilities							
Debt	CPL	Fixed	127	17.4	0.2	98%	18.1
Debt (future drawdowns)	CPL	Fixed	5	11.8	0.0	2%	12.4
Other liabilities	Other liabilities		270	0.0	0.0	0%	0.0
Sub total			**401**	**5.6**	**0.2**	**100%**	**6.3**
Total			**6 695**	**8.0**	**5.5**	**-**	**8.2**

(1) Present value of future cash flows except otherwise noted, discounted with swap curve prevailing at the cut-off date

(2) Macaulay durations for each individual item, then grouped and weighted by Economic Value

(3) Yield-based DV01 = Modified Duration x Market Value / 10,000. This metrics shows the potential loss as a result of an increase of 1bp in IR and it's normally expressed as a positive value (thus, a negative value in the yield-based DV01 would represent a gain). Modified Duration = Duration / (1+yield), where yield are par rates built fron the OIS Swap Curve prevailing at the cutoff-date.

Note 1: The Economic Value of Investments consists of cash, bonds, and swaps priced at market value.

Note 2: Duration Gap = Asset Duration - (Liabilities Duration x Market Value Liabilities / Market Value Assets)

Note 3: Includes deferred revenues, payables and other liabilities

Source: IFAD Treasury

Figure 3: Duration gap for IFAD's balance sheet. As of 30 June 2024, in million USD

Item Type	Item Sub Type	IR Type	30/06/2024 Economic Value(1)	Weighted Duration (years)(2)	Yield Based DV01(3)	Duration Attribution	30/12/2023 Weighted Duration (years)(2)
Assets							
Contributions	Pledges and IOC/PN		437	1.5	0.1	1%	0.5
Drawdown of debt	CPL	Fixed	6	0.5	0.0	0%	1.0
Investments	Cash, bonds, and swaps	Both	1 807	0.2	0.0	1%	0.4
Loan reflows	Blend	Fixed	618	8.0	0.5	8%	8.0
Loan reflows	Hardened terms	Fixed	26	3.4	0.0	0%	3.6
Loan reflows	Highly concessional	Fixed	4 991	10.6	5.1	88%	10.7
Loan reflows	Intermediate terms	Fixed	123	3.6	0.0	1%	3.7
Loan reflows	Ordinary	Floating	1 158	0.3	0.0	1%	0.3
Loan reflows	Super highly concessional	Fixed	5	24.0	0.0	0%	25.0
Other assets	Other receivables		157	-	-	0%	-
Sub total			**9 329**	**6.4**	**5.8**	**100%**	**6.6**
Liabilities							
Debt	CPL	Fixed	127	17.4	0.2	46%	18.1
Debt	Private placement	Fixed	496	8.5	0.4	89%	9.3
Debt	Sovereign	Fixed	161	12.7	0.2	43%	13.3
Debt	Sovereign	Floating	1 499	0.3	0.0	9%	0.3
Debt	Swaps	Fixed	-496	8.5	-0.4	-89%	9.3
Debt	Swaps	Floating	515	0.0	0.0	0%	0.0
Debt (future drawdowns)	CPL	Fixed	5	11.8	0.0	1%	12.4
Other liabilities	Other liabilities		270	-	-	0%	-
Sub total			**2 576**	**1.8**	**0.5**	**100%**	**2.1**
Total			**6 753**	**5.9**	**5.3**	**-**	**6.1**

(1) Present value of future cash flows except otherwise noted, discounted with swap curve prevailing at the cut-off date

(2) Macaulay durations for each individual item, then grouped and weighted by Economic Value

(3) Yield-based DV01 = Modified Duration x Market Value / 10,000. This metrics shows the potential loss as a result of an increase of 1bp in IR and it's normally expressed as a positive value (thus, a negative value in the yield-based DV01 would represent a gain). Modified Duration = Duration / (1+yield), where yield are par rates built fron the OIS Swap Curve prevailing at the cutoff-date.

Note 1: The Economic Value of Investments consists of cash, bonds, and swaps priced at market value.

Note 2: Duration Gap = Asset Duration - (Liabilities Duration x Market Value Liabilities / Market Value Assets)

Note 3: Includes deferred revenues, payables and other liabilities

Source: IFAD Treasury

Figure 4: Repricing gap and Net interest income sensitivity of assets funded by equity. As of 30 June 2024, in million USD

Maturity Bucket	30/06/2024												30/12/2023
				Net Interest Income Sensitivity Analysis									
	Assets	Liabilities	Repricing Gap	Paralell +1bps	Paralell -100bps	Paralell -200bps	Paralell -300bps	Paralell +100bps	Paralell +200bps	Paralell +300bps	Steepening	Flattening	Repricing Gap
O/N	343	-	343	0.03	(3.40)	(6.77)	(10.11)	3.43	6.90	10.39	(3.40)	3.43	**167**
1M	73	0.1	73	0.01	(0.69)	(1.38)	(2.06)	0.70	1.40	2.11	(0.58)	0.58	**25**
2M	54	-	54	0.00	(0.47)	(0.95)	(1.41)	0.48	0.96	1.45	(0.32)	0.32	**80**
3M	71	-	71	0.01	(0.56)	(1.11)	(1.66)	0.56	1.13	1.70	(0.28)	0.28	**65**
4M	72	0.1	72	0.01	(0.51)	(1.02)	(1.52)	0.51	1.03	1.55	(0.17)	0.17	**76**
5M	54	-	54	0.00	(0.33)	(0.67)	(1.00)	0.34	0.67	1.01	(0.06)	0.06	**62**
6M	72	-	72	0.00	(0.39)	(0.78)	(1.17)	0.39	0.79	1.19	-	-	**80**
7M	23	0.1	23	0.00	(0.11)	(0.21)	(0.32)	0.11	0.21	0.32	0.02	(0.02)	**29**
8M	36	-	36	0.00	(0.13)	(0.27)	(0.40)	0.13	0.27	0.40	0.04	(0.04)	**21**
9M	39	-	39	0.00	(0.11)	(0.23)	(0.34)	0.11	0.23	0.34	0.06	(0.06)	**33**
10M	55	0.6	54	0.00	(0.11)	(0.23)	(0.34)	0.11	0.23	0.34	0.08	(0.08)	**35**
11M	42	-	42	0.00	(0.05)	(0.10)	(0.16)	0.05	0.10	0.16	0.04	(0.04)	**36**
12M	12	-	12	0.00	(0.01)	(0.01)	(0.02)	0.01	0.01	0.02	0.01	(0.01)	**4**
Repricing Gap	**946**	**1.0**	**945**	**0.07**	**(6.89)**	**(13.72)**	**(20.50)**	**6.94**	**13.93**	**20.98**	**(4.56)**	**4.60**	**714**

Source: IFAD Treasury

Figure 5: Repricing gap and Net interest income sensitivity of assets funded by debt. As of 30 June 2024, in million USD

Maturity Bucket	30/06/2024												30/12/2023
				Net Interest Income Sensitivity Analysis									
	Assets	Liabilities	Repricing Gap	Paralell +1bps	Paralell -100bps	Paralell -200bps	Paralell -300bps	Paralell +100bps	Paralell +200bps	Paralell +300bps	Steepening	Flattening	Repricing Gap
O/N	502	-	502	0.05	(4.99)	(9.93)	(14.83)	5.03	10.11	15.24	(4.99)	5.03	**284**
1M	150	323	(172)	(0.02)	1.64	3.27	4.89	(1.66)	(3.33)	(5.02)	1.37	(1.38)	**(256)**
2M	150	96	54	0.00	(0.47)	(0.94)	(1.41)	0.48	0.96	1.44	(0.32)	0.32	**202**
3M	370	340	30	0.00	(0.24)	(0.48)	(0.71)	0.24	0.48	0.73	(0.12)	0.12	**5**
4M	215	-	215	0.02	(1.51)	(3.02)	(4.52)	1.52	3.06	4.60	(0.51)	0.51	**236**
5M	247	503	(256)	(0.02)	1.60	3.18	4.76	(1.61)	(3.22)	(4.84)	0.27	(0.27)	**(190)**
6M	352	651	(299)	(0.02)	1.62	3.23	4.83	(1.62)	(3.26)	(4.90)	-	-	**(312)**
7M	20	0	20	0.00	(0.09)	(0.19)	(0.28)	0.09	0.19	0.28	0.02	(0.02)	**33**
8M	26	-	26	0.00	(0.10)	(0.20)	(0.30)	0.10	0.20	0.30	0.03	(0.03)	**5**
9M	14	-	14	0.00	(0.04)	(0.08)	(0.12)	0.04	0.08	0.12	0.02	(0.02)	**7**
10M	41	-	41	0.00	(0.09)	(0.17)	(0.26)	0.09	0.17	0.26	0.06	(0.06)	**17**
11M	12	0	12	0.00	(0.02)	(0.03)	(0.05)	0.02	0.03	0.05	0.01	(0.01)	**6**
12M	18	-	18	0.00	(0.01)	(0.02)	(0.02)	0.01	0.02	0.02	0.01	(0.01)	**8**
Repricing Gap	**2 118**	**1 912**	**206**	**0.03**	**(2.70)**	**(5.36)**	**(8.00)**	**2.73**	**5.49**	**8.28**	**(4.14)**	**4.18**	**46**

Source: IFAD Treasury

Figure 6: Repricing gap of balance sheet items. As of 30 June 2024, in million USD

Figure 6.a

Maturity Bucket	30/06/2024												30/12/2023
	Assets	Liabilities	Repricing Gap	Net Interest Income Sensitivity Analysis									Repricing Gap
				Paralell +1bps	Paralell -100bps	Paralell -200bps	Paralell -300bps	Paralell +100bps	Paralell +200bps	Paralell +300bps	Steepening	Flattening	
O/N	845	-	**845**	0.1	(8.4)	(16.7)	(24.9)	8.5	17.0	25.6	(8.4)	8.5	**451**
1M	223	323	**(100)**	(0.0)	1.0	1.9	2.8	(1.0)	(1.9)	(2.9)	0.8	(0.8)	**(231)**
2M	204	96	**109**	0.0	(0.9)	(1.9)	(2.8)	1.0	1.9	2.9	(0.6)	0.6	**282**
3M	441	340	**101**	0.0	(0.8)	(1.6)	(2.4)	0.8	1.6	2.4	(0.4)	0.4	**70**
4M	287	0	**287**	0.0	(2.0)	(4.0)	(6.0)	2.0	4.1	6.2	(0.7)	0.7	**312**
5M	300	503	**(203)**	(0.0)	1.3	2.5	3.8	(1.3)	(2.5)	(3.8)	0.2	(0.2)	**(128)**
6M	424	651	**(227)**	(0.0)	1.2	2.4	3.7	(1.2)	(2.5)	(3.7)	-	-	**(232)**
7M	44	0	**43**	0.0	(0.2)	(0.4)	(0.6)	0.2	0.4	0.6	0.0	(0.0)	**62**
8M	62	-	**62**	0.0	(0.2)	(0.5)	(0.7)	0.2	0.5	0.7	0.1	(0.1)	**26**
9M	53	-	**53**	0.0	(0.2)	(0.3)	(0.5)	0.2	0.3	0.5	0.1	(0.1)	**39**
10M	96	1	**96**	0.0	(0.2)	(0.4)	(0.6)	0.2	0.4	0.6	0.1	(0.1)	**53**
11M	54	0	**54**	0.0	(0.1)	(0.1)	(0.2)	0.1	0.1	0.2	0.1	(0.1)	**43**
12M	31	-	**31**	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	(0.0)	**12**
Repricing Gap	**3 064**	**1 913**	**1 152**	**0.1**	**(9.6)**	**(19.1)**	**(28.5)**	**9.7**	**19.4**	**29.3**	**(8.7)**	**8.8**	**760**

Source: IFAD Treasury

Figure 6.b

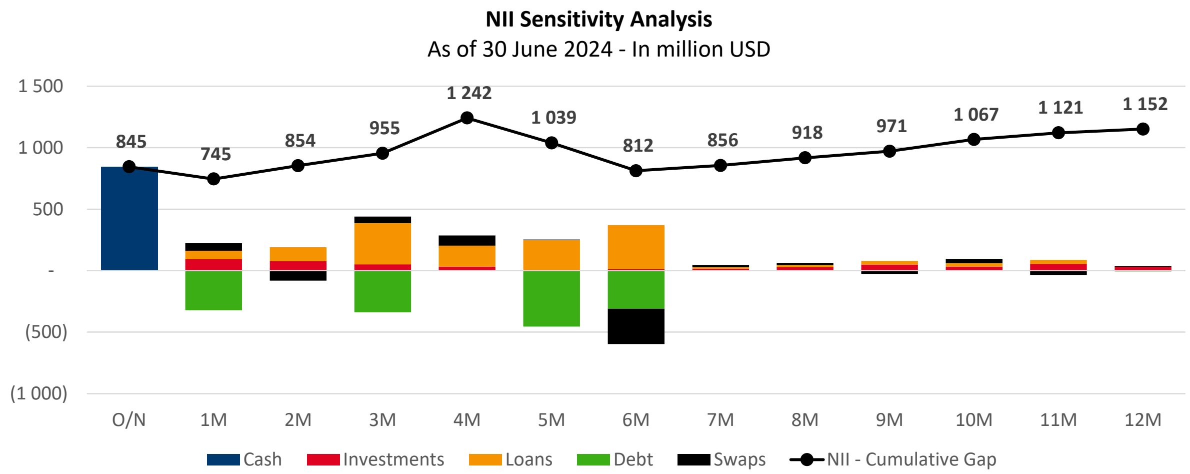
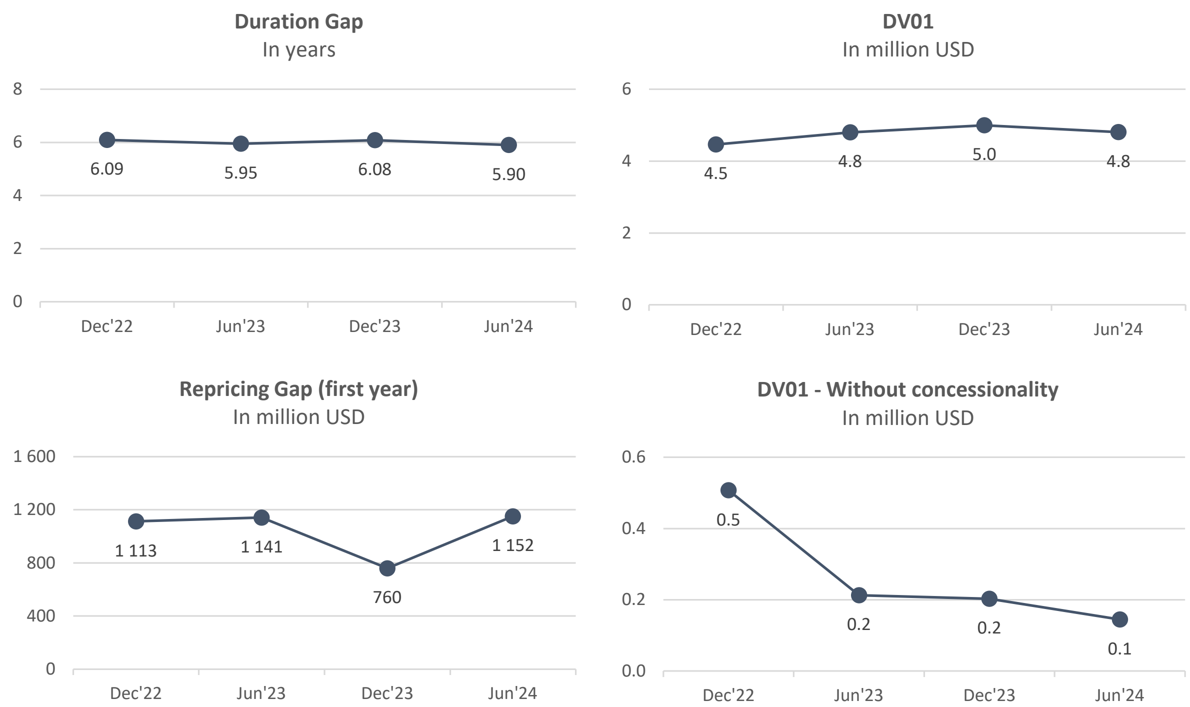


Figure 7: Sensitivity analysis of Economic Value of Equity. As of 30 June 2024, in million USD

Item Type	Nominal Value(1)	Economic Value(2)	Sensitivity Analysis									
			DV01 w. concess. Items	DV01 w.o. concess. Items	Paralell -100bps	Paralell -200bps	Paralell -300bps	Paralell +100bps	Paralell +200bps	Paralell +300bps	Steepening(3)	Flattening(3)
Assets												
Contributions	354	437	(0)	(0)	7	14	21	(7)	(13)	(20)	2	(5)
Drawdown of debt	-	6	(0)	-	0	0	0	(0)	(0)	(0)	0	(0)
Investments (cash+bonds+swaps)	1 806	1 807	(0)	(0)	2	5	9	(2)	(5)	(7)	3	(4)
Loan reflows	8 492	6 921	(5)	(0)	558	1 183	1 793	(485)	(908)	(1 279)	(750)	569
Other assets	157	157	-	-	-	-	-	-	-	-	-	-
Sub total	**10 809**	**9 329**	**(5)**	**(0)**	**568**	**1 202**	**1 823**	**(494)**	**(927)**	**(1 306)**	**(745)**	**559**
Liabilities												
Debt	2 377	2 302	(0)	(0)	52	114	205	(44)	(82)	(114)	(73)	58
Debt (future drawdowns)	-	5	(0)	-	1	1	2	(1)	(1)	(1)	(1)	1
Other liabilities	270	270	-	-	-	-	-	-	-	-	-	-
Undisbursed Grants	42	-	(0)	(0)	1	2	4	(1)	(2)	(3)	(0)	(1)
Sub total	**2 688**	**2 576**	**(0)**	**(0)**	**53**	**115**	**207**	**(45)**	**(83)**	**(115)**	**(73)**	**58**
Total	**8 121**	**6 753**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Change in EVE (in mill. USD)			**(5)**	**0**	**515**	**1 087**	**1 616**	**(450)**	**(844)**	**(1 191)**	**(671)**	**501**
Change in EVE (as % of Nominal)			**(0)**	**0**	**6**	**13**	**20**	**(6)**	**(10)**	**(15)**	**(8)**	**6**

(1) Includes balances outstanding for Investment, Loans, Debt and Other Assets and Liabilities, and contributions receivables (IOC/PN)
(2) Present value of future cash flows discounted at the forward curve prevailing at the cut-off date
(3) As defined in BIS (2024) - Recalibration of shocks in the IRRBB standard
Note 1: Including disbursed items only.
Note 2: DV01 and Sensitivy Analysis are computed as the difference between the market value using the shocked rates and the market value using the baseline rates. Therefore, a positive (negative) value indicates an increase (decrease) of the market value in the shocked scenario.
Note 3: Duration of floating rate ordinary undisbursed loans reflows is zero since at the cut-off date the interest rate wasn't set yet.
Note 4: Asset loans are inflows from repayments, interest payments and service charge. Liabilities loans are future disbursements (i.e. outflows).
Source: IFAD Treasury

Figure 8: Evolution of interest rate risk metrics



Currency Risk Analysis

Figure 1: Balance sheet net currency position. As of 30 June 2024, in million USD

Item Type	Item Sub Type	USD	EUR	CNY	JPY	GBP	SDR	Total
Assets								
Contributions	IOC - PN	227	55	-	56	15	-	**354**
Investments	Cash	625	220	0	0	0	-	**845**
Investments	Investments	690	251	-	-	-	-	**941**
Outstanding loans	Blend	349	47	-	-	-	297	**694**
Outstanding loans	Hardened terms	-	-	-	-	-	27	**27**
Outstanding loans	Highly concessional	598	236	-	-	-	5 696	**6 531**
Outstanding loans	Intermediate terms	-	-	-	-	-	128	**128**
Outstanding loans	Ordinary	408	378	-	-	-	315	**1 102**
Outstanding loans	Super highly concessional	7	2	-	-	-	1	**10**
Other assets	Other receivables	141	17	(0)	-	0	-	**157**
Sub total	**-**	**3 045**	**1 207**	**0**	**56**	**16**	**6 466**	**10 789**
Liabilities								
Debt	CPL	33	171	-	-	-	-	**205**
Debt	Private placement	488	0	-	-	-	-	**488**
Debt	Sovereign	879	825	-	-	-	-	**1 704**
Other liabilities	Other liabilities	244	23	0	0	0	2	**270**
Loan	Undisbursed Grants	29	9	-	-	-	3	**42**
Sub total	**-**	**1 674**	**1 029**	**0**	**0**	**0**	**5**	**2 708**
Total	**-**	**1 371**	**178**	**(0)**	**56**	**15**	**6 460**	**8 081**

Note 1: Following the current procedure, CHF, NOK, SEK were grouped in the EUR column (representing €69m of the Euro Net Position), and other currencies not shown in the table were grouped into the USD column (representing $20m of the USD Net Position)

Note 2: Includes FX Swaps

Source: IFAD Treasury

Figure 2: Net currency position of assets funded by debt. As of 30 June 2024, in million USD

Item Type	Item Sub Type	USD	EUR	CNY	JPY	GBP	SDR	Total
Assets								
Investments	Cash	371	131	0	0	0	-	502
Investments	Investments	410	149	-	-	-	-	560
Outstanding loans	Ordinary	408	378	-	-	-	315	1 102
Sub total	**-**	**1 190**	**659**	**0**	**0**	**0**	**315**	**2 164**
Liabilities								
Debt	Private placement	488	0	-	-	-	-	488
Debt	Sovereign	879	825	-	-	-	-	1 704
Sub total	**-**	**1 367**	**825**	**-**	**-**	**-**	**-**	**2 192**
Total	**-**	**(177)**	**(166)**	**0**	**0**	**0**	**315**	**(28)**

Note 1: Following the current procedure, CHF, NOK, SEK were grouped in the EUR column (representing €1m of the Euro Net Position).
Note 2: Includes FX Swaps
Source: IFAD Treasury

Figure 3: Net currency position of assets funded by equity. As of 30 June 2024, in million USD

Item Type	Item Sub Type	USD	EUR	CNY	JPY	GBP	SDR	Total
Assets								
Contributions	IOC - PN	227	55	-	56	15	-	354
Investments	Cash	253	89	0	0	0	-	343
Investments	Investments	280	102	-	-	-	-	382
Outstanding loans	Blend	349	47	-	-	-	297	694
Outstanding loans	Hardened terms	-	-	-	-	-	27	27
Outstanding loans	Highly concessional	598	236	-	-	-	5 696	6 531
Outstanding loans	Intermediate terms	-	-	-	-	-	128	128
Outstanding loans	Super highly concessional	7	2	-	-	-	1	10
Other assets	Other receivables	141	17	(0)	-	0	-	157
Sub total	**-**	**1 855**	**548**	**0**	**56**	**15**	**6 150**	**8 625**
Liabilities								
Debt	CPL	33	171	-	-	-	-	205
Debt	Private placement	-	-	-	-	-	-	-
Debt	Sovereign	-	-	-	-	-	-	-
Other liabilities	Other liabilities	244	23	0	0	0	2	270
Loan	Undisbursed Grants	29	9	-	-	-	3	42
Sub total	**-**	**307**	**203**	**0**	**0**	**0**	**5**	**516**
Total	**-**	**1 548**	**345**	**(0)**	**56**	**15**	**6 145**	**8 109**

Note 1: Following the current procedure, CHF, NOK, SEK were grouped in the EUR column (representing €69m of the Euro Net Position), and other currencies not shown in the table were grouped into the USD column (representing $20m of the USD Net Position)
Note 2: Includes FX Swaps
Source: IFAD Treasury

Figure 4: 24-month cashflow currency alignment. As of 30 June 2024, in million USD

Category	CNY Group	EUR Group	GBP Group	JPY Group	USD Group	**Grand Total**
Inflows						
Cash	0	145	0	0	624	**770**
Investments	0	281	0	-	748	**1 028**
Contributions	34	214	24	36	519	**828**
Projected Reflows	-	147	7	-	694	**849**
Debt Drawdowns	-	32	-	-	777	**809**
Sub total	**34**	**820**	**31**	**36**	**3 362**	**4 284**
Outflows						
Projected Disbursements	(1)	(606)	(1)	(1)	(1 482)	**(2 090)**
Projected Operating Expenses	-	(52)	-	-	(341)	**(393)**
Debt Repayments & Interests	-	(151)	-	-	(169)	**(320)**
Sub total	**(1)**	**(809)**	**(1)**	**(1)**	**(1 992)**	**(2 803)**
Current Hedging						
Currency Forwards	-	-	-	-	-	-
Hedging Total	**-**	**-**	**-**	**-**	**-**	**-**
Projected Liquidity Deficit	**-**	**-**	**-**	**-**	**-**	**-**
Deficit as percentage of commitments	0%	0%	0%	0%	0%	**0%**

Note: Projections include cash flow items from existing balance sheet and new business
Source: IFAD Treasury

Figure 5: Evolution of currency risk metrics. Shares of total net position