Investing in rural people

Executive Board
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Asset and Liability Management Report as at 31 December 2025

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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.2).

Action: The Executive Board is invited to take note of the Asset and Liability Management Report as at 31 December 2025.

Technical questions:

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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: 150 per cent (minimum 100 per cent)

      (b) Liquidity ratio: 17 per cent (minimum 5 per cent)

      (c) 12-month Standard & Poor's (S&P) liquidity ratio: 1.73 (>1)[1]

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

   (iii) Bullet maturities[2] 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) Borrowing terms and the assets funded by those borrowings remain relatively well matched in terms of currency and interest rate risk.

4. This report introduces a more detailed breakdown of net interest income (NII), distinguishing between income generated by the loan portfolio and the investment portfolio, interest expense on borrowings, and the effects of liquidity buffers and hedging. The enhanced breakdown improves transparency around the drivers of NII, highlights the respective contributions of concessional and non-concessional activities, and clarifies the trade-offs between liquidity, income stability and interest rate sensitivity.

5. The enhanced NII analysis introduced in this report indicates that, while total NII has remained positive and increased over time, both the concessional and non-concessional business lines have generated positive and steadily growing contributions to NII, adding to the financial viability of IFAD's operations in support of its mandate.

6. Overall, as at 31 December 2025, 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.

I. Overview of IFAD's balance sheet

7. Assets:

   (i) Loans outstanding make up 76 per cent of total assets, and 74 per cent of total loans correspond to the outstanding balance of highly and super highly concessional term loans (equivalent to 56 per cent of total assets), 14 per cent correspond to the outstanding balance of ordinary term loans, and the remaining 12 per cent comprise other outstanding loans (e.g. blend term loans).

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

[1] Calculated by IFAD.
[2] A single repayment of the whole principal on the borrowing's maturity date.

(iii) The remaining 7 per cent relate to other assets (contribution receivables, fixed assets and other receivables).

8. Debt and equity:

(i) Equity and concessional partner loans (CPLs) fund 73 per cent of the balance sheet.

(ii) Outstanding sovereign borrowing loans and private placements fund 23 per cent of the balance sheet.

(iii) The remaining 4 per cent relates to other liabilities (mainly payables and deferred revenues).

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

II. Liquidity risk

10. 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.

11. As at 31 December 2025, the MLR ratio was 150 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. The S&P liquidity ratio stood at 1.73 for 12 months and 3.22 for six months,[3] which is considered strong by S&P.

12. Issuance of private placements has reached 33 per cent of total debt. Overall, 83 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 6.2 and 8.6 years, respectively. This was, on average, 0.1 years shorter and 0.2 years longer than that for outstanding ordinary term loans for the same currencies, respectively.

13. Private placements will mature in 2028, 2029, 2031, 2032, 2035, 2037, 2038 and 2039. The average concentration of debt repayment in each of those years is 8 per cent of the total future debt principal and interest repayments, with the highest concentration in 2031 (12 per cent).

14. The weighted-average spread differential between ordinary term loans and debt is positive for both the United States dollar (107 basis points) and the euro (95 basis points). These figures represent an increase of 2 basis points and a decrease of 2 basis points, respectively, from June 2025. While the amount of outstanding ordinary loans is lower than outstanding borrowing (excluding CPLs), the spreads of ordinary loans offset the negative difference between ordinary loan income and the cost of funding. Excess funding arising from the timing mismatch between borrowings and loan disbursements is temporarily invested in the liquidity and investment portfolio, in line with the Investment Policy Statement.[4]

15. Supporting analysis is presented in appendix II.

[3] Ratios calculated by Treasury based on the methodology used by S&P. Official ratios are published by S&P in periodic rating reports.
[4] 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.

III. Interest rate risk

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

17. 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 on concessional terms, such as CPLs.

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

18. IFAD's debt-funded balance sheet exhibits a negative duration gap of 0.5 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, which have an economic value of US$170 million.[6]

19. In contrast, IFAD's equity-funded balance sheet exhibits a positive duration gap of 7.5 years (0.3 years shorter than June 2025). This indicates that rising interest rates would decrease the value of both assets and liabilities, but 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 98 per cent of the total asset duration). The duration gap of the equity-funded balance sheet effectively represents the interest rate sensitivity of IFAD's equity, reflecting the long-dated, fixed-rate nature of highly concessional lending.

20. 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$439 million (representing a 5 per cent drop in nominal equity), while a 1 per cent parallel decrease would increase the EVE by US$506 million (representing a 6 per cent increase in nominal equity). This asymmetrical response of equity to a symmetrical shock to interest rates is mainly due to the long-dated highly concessional loan portfolio.[7]

21. With regard to repricing gap analysis, the IFAD balance sheet shows a positive gap for the first year of US$907 million, an increase of 5 per cent compared with the same reading from the previous report (June 2025).

22. As a result of the positive short-term repricing gap, a 1 percentage point increase or decrease in interest rates would be expected to increase or reduce NII by approximately US$6 million. This confirms that the balance sheet remains moderately asset-sensitive in the near term. The main contributors to the positive gap are the liquidity and investment portfolio and ordinary loans, partially offset by the repricing of borrowing.

23. The debt-funded part of the balance sheet, on the other hand, shows a lower interest rate sensitivity between assets and liabilities, with a cumulative positive

[5] 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.
[6] Neither loan was swapped to a 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.

gap for the first year of US$85 million, up from US$9 million at June 2025. A 1 per cent increase/decrease in rates would increase/decrease NII by US$0.7 million.

24. The repricing gap results are consistent with the observed structure of IFAD's balance sheet and recent income trends. Outstanding borrowing (excluding CPLs) had increased to approximately US$2.9 billion by 2025, exceeding ordinary term loans of approximately US$1.35 billion. This excess funding is largely held in the liquidity and investment portfolio, which reached approximately US$2.1 billion, contributing to the positive short-term repricing gap of US$907 million. As a result, IFAD remains asset-sensitive in the near term, with income responding more strongly than expenses to changes in interest rates.

25. The balance sheet structure supports stable and positive NII. Total NII improved, increasing from US$61 million in 2022 to US$83 million in 2023, reaching US$112 million in 2024 and US$122 million in 2025. Over the same period, interest income increased significantly – from US$72 million in 2022 to US$219 million in 2025 – outpacing the rise in interest expense, which reached US$97 million in 2025.

26. The breakdown of NII by business group further clarifies the drivers of interest rate sensitivity. Concessional business accounts for the majority of NII – approximately 69 per cent of total NII in 2025. The investment portfolio provides a smaller but consistently positive contribution, while non-concessional business contributes only marginally to NII.

27. Supporting analysis is presented in appendix III.

IV. Currency risk

28. 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.

29. 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 United States dollar (US$1.5 billion), with other currency groups showing smaller positive gaps (US$703 million for the euro, US$60 million for the yuan, US$49 million for the yen, and US$5 million for the pound sterling).

30. The 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 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.

31. Supporting analysis is presented in appendix IV.

V. Conclusions

32. Based on the composition of the balance sheet as of December 2025, IFAD's exposure to asset and liability management risks remains low and well managed. Compared with the previous year, liquidity buffers have strengthened further and funding has become more diversified, contributing to greater overall financial stability.

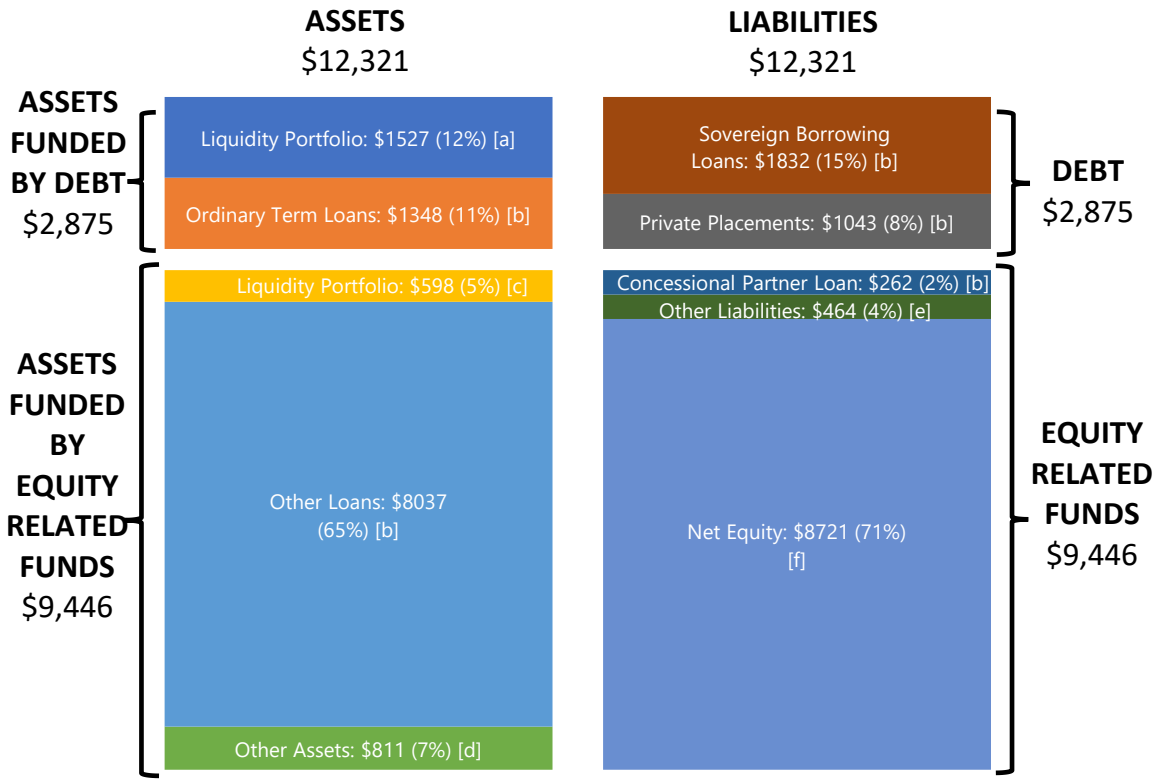
33. It is important to note that the structure of IFAD's balance sheet continues to reflect the Fund's development mandate, with a strong focus on long-dated,

fixed-interest-rate, highly concessional lending. While this structural feature remains the main source of interest rate and currency exposure, the year-on-year evolution of the balance sheet indicates that these risks are being effectively contained within the established policy framework.

34. Management will continue to monitor the evolution of IFAD's balance sheet and related risk exposures and will report to the Executive Board on a semi-annual basis.

IFAD's Schematic Balance Sheet and Key Assumptions

Figure 1: Schematic balance sheet as of 31 December 2025. All figures in million USD (share of total in parenthesis)



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

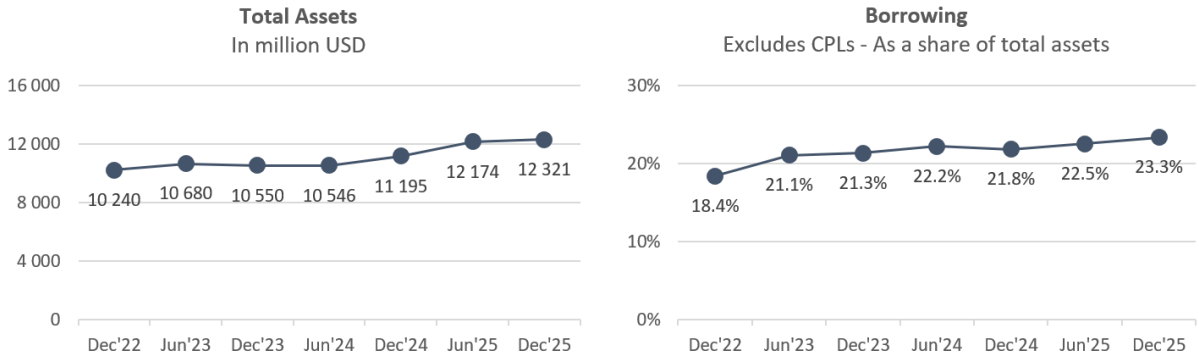
[b] Outstanding balance

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

[d] Includes contributions receivables, fixed assets, impairments, accrued interest, and provisions.
[e] Includes payables and liabilities, undisbursed grants, deferred revenues, lease liabilities, other financial liabilities, interest from debt and hedge adjustments
[f] Computed as Total Assets minus Total Liabilities

Source: IFAD Treasury. Please note that the figures provide a simplified representation of IFAD's balance sheet. While certain items may not fully reconcile with the audited financial statements, the aggregate assets, liabilities, and resulting equity are fully aligned with the audited data.

Figure 2: Evolution of IFAD's balance sheet



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 figures.

Figure 3: Key assumptions

1. Cut-off date: 31 December 2025.
2. All analysis in the report is based on IFAD-only balance sheet.
3. Static ALM approach: only existing items and their projected cash flows were considered, i.e. no planned business. Except otherwise noted.
4. Undisbursed loans 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. 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 100bps 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.

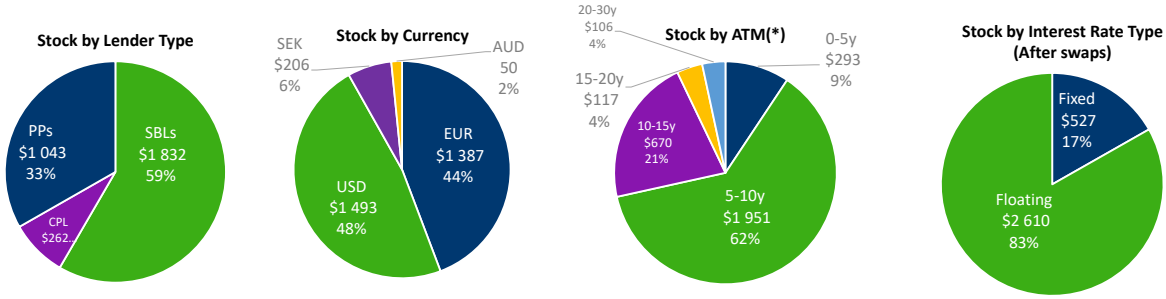
Liquidity Risk Analysis

Figure 1: Key liquidity metrics

Metric	Scale	As of 30 Jun 2025	**As of 31 Dec 2025**	Limit
IFAD Liquidity	USD million	2 184	2 126	-
IFAD stressed liquidity	USD million	1 855	**1 812**	-
Liquidity haircut	percent	15	15	-
Liquidity haircut	USD million	329	314	
MLR	USD million	1 141	1 210	-
MLR ratio	percent	163	150	>100
Liquidity ratio	percent	18	**17**	>5
IFAD-calculated S&P liquidity ratio (12 months)	index	1.71	**1.73**	>1

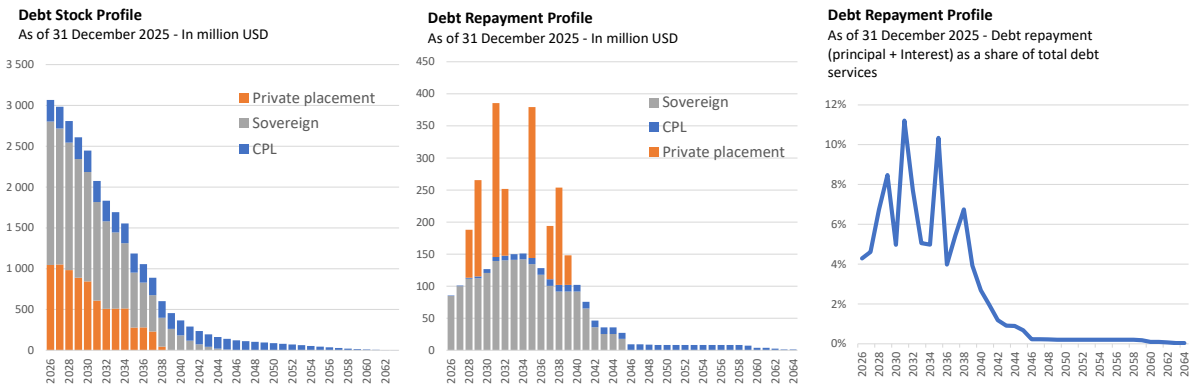
Note: MLR as of June 2025 is calculated on the full year 2025, while in the column December 2025 the same metrics are forward looking to 2026.
Source: IFAD Treasury

Figure 2: Terms of IFAD's outstanding debt, after swaps. As of 31 December 2025. Figures in million USD, expect otherwise noted



(*) Tenor buckets are computed as Average Time to Maturity (ATM).
Source: IFAD Treasury

Figure 3: Maturity profile of debt stock and repayment concentration



Source: IFAD Treasury

Figure 4: Ordinary Loans and Debt: terms and spreads. As of 31 December 2025

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	6.3	6.2	**0.1**	135	40	**95**
USD	8.5	8.6	**-0.2**	177	70	**107**
XDR	3.2	0.0	**3.2**	141	0	**141**

Figure 5: Ordinary term loans and debt: volumes and outstanding balances. As of 31 December 2025

Currency	Number #		Balance Outstanding (Mill. USD)		
	Loan	Debt	Loans (a)	Debt (b)	**Gap (a-b)**
EUR	46	6	495	936	**-441**
USD	51	14	599	1 608	**-1 009**
XDR	51	0	254	0	**254**
Total	**-**	**-**	**1 348**	**2 544**	**-1 196**

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 31 December 2025

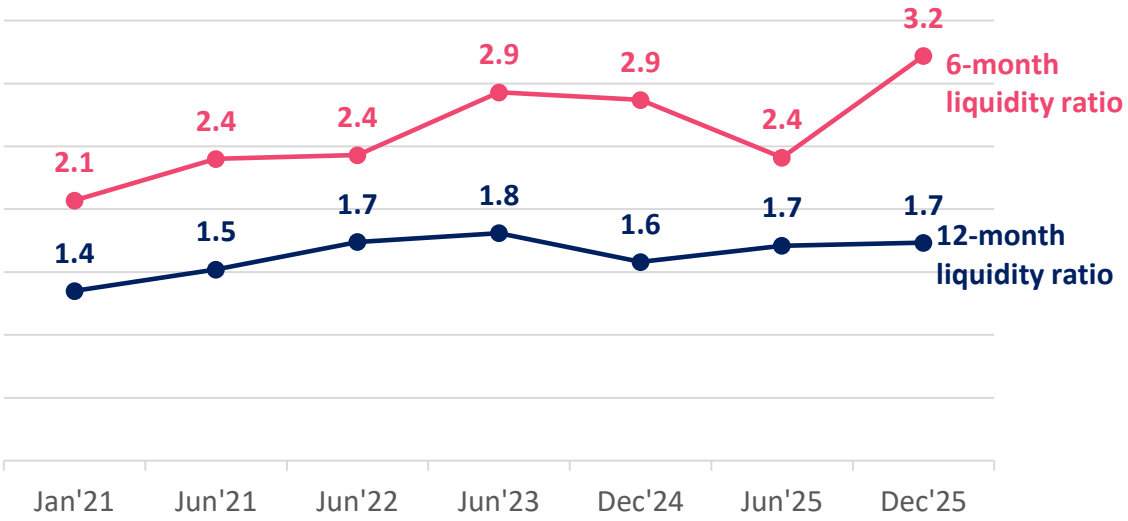
Bucket	On Balance Sheet items only*					All Balance Sheet items				
	Assets	Liabilities	GAP	Weighted Average Life		Assets	Liabilities	GAP	Weighted Average Life	
				Assets	Liabilities				Assets	Liabilities
0 to 15D	425	20	405	0.00	0.00	425	38	387	0.00	0.00
16 to 30D	44	11	33	0.00	0.00	45	54	-8	0.00	0.00
31 to 60D	224	1	222	0.00	0.00	225	76	149	0.00	0.00
61 to 90D	148	15	133	0.00	0.00	152	99	53	0.00	0.00
91 to 180D	456	47	410	0.01	0.00	467	294	173	0.01	0.01
181 to 360D	528	94	434	0.03	0.02	539	694	-156	0.02	0.05
1 to 2y	1 367	196	1 171	0.15	0.07	1 416	1 254	162	0.11	0.19
2 to 3y	999	259	740	0.18	0.16	1 071	1 184	-113	0.13	0.30
3 to 5y	1 768	560	1 208	0.52	0.55	2 119	1 930	189	0.42	0.80
5 to 10y	2 669	1 601	1 068	1.49	2.94	4 391	2 783	1 608	1.65	2.17
More than 10y	5 008	1 335	3 673	5.59	4.91	9 376	1 335	8 041	7.05	2.08
Total	**13 637**	**4 140**	**9 497**			**20 227**	**9 742**	**10 485**		

(*) 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: Dec-25's S&P Liquidity ratio calculated by TRE as per the December 2025 Base Case scenario.
Source: S&P and IFAD Treasury

Interest Rate Risk Analysis

Figure 1: Duration gap for debt-funded balance sheet. As of 31 December 2025, in million USD

Item Type	Item Sub Type	IR Type	31/12/2025 Economic Value[1]	31/12/2025 Weighted Duration (years)[2]	31/12/2025 Yield Based DV01[3]	31/12/2025 Duration Attribution	30/06/2025 Weighted Duration (years)[2]
Assets							
Investments	Cash, bonds, and swaps	Both	1 527	0.3	0.0	44%	0.5
Loan reflows	Ordinary	Floating	1 462	0.3	0.0	56%	0.3
Sub total			**2 989**	**0.3**	**0.0**	**100%**	**0.4**
Liabilities							
Debt	Private placement	Fixed	1 080	6.4	0.7	299%	6.8
Debt	Sovereign	Fixed	170	11.1	0.2	81%	11.6
Debt	Sovereign	Floating	1 632	0.3	0.0	18%	0.3
Debt	Swaps	Fixed	-1 081	6.4	-0.7	-299%	6.8
Debt	Swaps	Floating	1 042	0.0	0.0	1%	0.0
Sub total			**2 844**	**0.8**	**0.2**	**100%**	**0.9**
Total			**145**	**-0.5**	**-0.2**	**-**	**-0.5**

(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 Economic 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 (cash, bonds, and swaps) correspond to the market valuation.

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

Source: IFAD Treasury

Figure 2: Duration gap for equity-funded balance sheet. As of 31 December 2025, in million USD

			31/12/2025				30/06/2025
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		688	0.9	0.1	1%	1.2
Investments	Investments (cash+bonds+	Both	598	0.3	0.0	0%	0.5
Loan reflows	Blend	Fixed	769	7.7	0.6	11%	7.9
Loan reflows	Hardened terms	Fixed	21	2.8	0.0	0%	3.0
Loan reflows	Highly concessional	Fixed	4 540	10.2	4.5	86%	10.5
Loan reflows	Intermediate terms	Fixed	91	3.1	0.0	1%	3.3
Loan reflows	Super highly concessional	Fixed	28	22.7	0.1	1%	23.7
Other assets	Other receivables		99	0.0	0.0	0%	0.0
Sub total	**-**		**6 834**	**7.9**	**5.2**	**100%**	**8.1**
Liabilities							
Debt	CPL	Fixed	151	15.9	0.2	100%	16.8
Other liabilities	Other liabilities		470	0.0	0.0	0%	0.0
Undisbursed Grants	Grant		32	-	-	0%	0.0
Sub total	**-**		**654**	**3.7**	**0.2**	**100%**	**4.5**
Total	**-**		**6 180**	**7.5**	**5.0**	**-**	**7.8**

(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 Economic 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 (cash, bonds, and swaps) correspond to the market valuation.

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 31 December 2025, in million USD

Item Type	Item Sub Type	IR Type	31/12/2025				30/06/2025
			Economic Value[1]	Weighted Duration (years)[2]	Yield Based DV01[3]	Duration Attribution	Weighted Duration (years)[2]
Assets							
Contributions	Pledges and IOC/PN		688	0.9	0.1	1%	1.2
Investments	Investments (cash+bonds+s	Both	2 125	0.3	0.1	1%	0.5
Loan reflows	Blend	Fixed	769	7.7	0.6	11%	7.9
Loan reflows	Hardened terms	Fixed	21	2.8	0.0	0%	3.0
Loan reflows	Highly concessional	Fixed	4 540	10.2	4.5	84%	10.5
Loan reflows	Intermediate terms	Fixed	91	3.1	0.0	1%	3.3
Loan reflows	Ordinary	Floating	1 462	0.3	0.0	1%	0.3
Loan reflows	Super highly concessional	Fixed	28	22.7	0.1	1%	23.7
Other assets	Other receivables		99	-	-	0%	-
Sub total	**-**		**9 823**	**5.6**	**5.3**	**100%**	**6.0**
Liabilities							
Debt	CPL	Fixed	151	15.9	0.2	51%	16.8
Debt	Private placement	Fixed	1 080	6.4	0.7	147%	6.8
Debt	Sovereign	Fixed	170	11.1	0.2	40%	11.6
Debt	Sovereign	Floating	1 632	0.3	0.0	9%	0.3
Debt	Swaps	Fixed	-1 081	6.4	-0.7	-147%	6.8
Debt	Swaps	Floating	1 042	0.0	0.0	0%	0.0
Other liabilities	Other liabilities		470	-	-	0%	-
Undisbursed Grants	Grant		32	-	-	0%	-
Sub total	**-**		**3 497**	**1.3**	**0.5**	**100%**	**1.6**
Total	**-**		**6 325**	**5.1**	**4.8**	**-**	**5.4**

(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 Economic 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 (cash, bonds, and swaps) correspond to the market valuation.

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 31 December 2025, in million USD

Maturity Bucket	31/12/2025											30/06/2025
				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	115	-	115	0.01	(1.14)	(2.27)	(3.39)	1.15	2.31	3.48	(1.14)	1.15	**135**
1M	43	0.2	42	0.00	(0.40)	(0.81)	(1.20)	0.41	0.82	1.24	(0.34)	0.34	**54**
2M	126	0.0	126	0.01	(1.10)	(2.19)	(3.27)	1.11	2.22	3.35	(0.73)	0.74	**97**
3M	127	-	127	0.01	(1.01)	(2.00)	(3.00)	1.01	2.03	3.06	(0.50)	0.51	**123**
4M	64	0.6	64	0.00	(0.45)	(0.89)	(1.34)	0.45	0.91	1.36	(0.15)	0.15	**100**
5M	100	-	100	0.01	(0.62)	(1.24)	(1.86)	0.63	1.26	1.89	(0.10)	0.10	**67**
6M	96	-	96	0.01	(0.52)	(1.04)	(1.56)	0.52	1.05	1.58	-	-	**107**
7M	15	0.2	15	0.00	(0.07)	(0.13)	(0.20)	0.07	0.14	0.20	0.01	(0.01)	**23**
8M	22	0.0	22	0.00	(0.08)	(0.17)	(0.25)	0.08	0.17	0.25	0.03	(0.03)	**45**
9M	40	-	40	0.00	(0.12)	(0.23)	(0.35)	0.12	0.23	0.35	0.06	(0.06)	**12**
10M	37	0.6	37	0.00	(0.08)	(0.15)	(0.23)	0.08	0.15	0.23	0.05	(0.05)	**33**
11M	37	-	37	0.00	(0.05)	(0.09)	(0.14)	0.05	0.09	0.14	0.04	(0.04)	**58**
12M	0	-	0	0.00	(0.00)	(0.00)	(0.00)	0.00	0.00	0.00	0.00	(0.00)	**0**
Repricing Gap	**823**	**1.6**	**822**	**0.06**	**(5.63)**	**(11.22)**	**(16.78)**	**5.67**	**11.38**	**17.13**	**(2.78)**	**2.80**	**853**

Note: NII sensitivity is computed on a time-weighted basis (each bucket weighted by its remaining period within the 12-month horizon), which is why it does not equal the year-end cumulative gap multiplied by the rate change

Source: IFAD Treasury

Figure 5: Repricing gap and Net interest income sensitivity of assets funded by debt. As of 31 December 2025, in million USD

Maturity Bucket	31/12/2025											30/06/2025
				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	293	-	293	0.03	(2.91)	(5.78)	(8.64)	2.93	5.89	8.88	(2.91)	2.93	**281**
1M	142	782	(639)	(0.06)	6.10	12.14	18.14	(6.15)	(12.36)	(18.62)	5.08	(5.12)	**(445)**
2M	375	96	280	0.02	(2.44)	(4.86)	(7.25)	2.46	4.93	7.43	(1.63)	1.64	**164**
3M	552	366	186	0.01	(1.47)	(2.92)	(4.37)	1.48	2.96	4.46	(0.73)	0.74	**168**
4M	311	(2)	313	0.02	(2.21)	(4.41)	(6.59)	2.22	4.46	6.71	(0.74)	0.74	**340**
5M	421	655	(234)	(0.01)	1.46	2.91	4.35	(1.47)	(2.94)	(4.42)	0.24	(0.24)	**(358)**
6M	465	634	(169)	(0.01)	0.91	1.82	2.73	(0.92)	(1.84)	(2.77)	-	-	**(160)**
7M	10	-	10	0.00	(0.05)	(0.10)	(0.14)	0.05	0.10	0.14	0.01	(0.01)	**(50)**
8M	8	-	8	0.00	(0.03)	(0.06)	(0.09)	0.03	0.06	0.09	0.01	(0.01)	**53**
9M	19	-	19	0.00	(0.05)	(0.11)	(0.16)	0.05	0.11	0.16	0.03	(0.03)	**(35)**
10M	17	-	17	0.00	(0.04)	(0.07)	(0.11)	0.04	0.07	0.11	0.02	(0.02)	**8**
11M	1	-	1	0.00	(0.00)	(0.00)	(0.00)	0.00	0.00	0.00	0.00	(0.00)	**43**
12M	0	-	0	0.00	(0.00)	(0.00)	(0.00)	0.00	0.00	0.00	0.00	(0.00)	**0**
Repricing Gap	**2 615**	**2 530**	**85**	**0.01**	**(0.72)**	**(1.43)**	**(2.14)**	**0.73**	**1.46**	**2.19**	**(0.61)**	**0.61**	**9**

Note: NII sensitivity is computed on a time-weighted basis (each bucket weighted by its remaining period within the 12-month horizon), which is why it does not equal the year-end cumulative gap multiplied by the rate change

Source: IFAD Treasury

Figure 6: Repricing gap of balance sheet items. As of 31 December 2025, in million USD

Figure 6.a

Maturity Bucket	31/12/2025											30/06/2025
				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	407	-	**407**	0.0	(4.0)	(8.1)	(12.0)	4.1	8.2	12.4	(4.0)	4.1	**416**
1M	185	782	**(597)**	(0.1)	5.7	11.3	16.9	(5.7)	(11.5)	(17.4)	4.7	(4.8)	**(391)**
2M	501	96	**406**	0.0	(3.5)	(7.0)	(10.5)	3.6	7.2	10.8	(2.4)	2.4	**261**
3M	680	366	**313**	0.0	(2.5)	(4.9)	(7.4)	2.5	5.0	7.5	(1.2)	1.2	**291**
4M	375	(2)	**377**	0.0	(2.7)	(5.3)	(7.9)	2.7	5.4	8.1	(0.9)	0.9	**440**
5M	521	655	**(134)**	(0.0)	0.8	1.7	2.5	(0.8)	(1.7)	(2.5)	0.1	(0.1)	**(291)**
6M	562	634	**(73)**	(0.0)	0.4	0.8	1.2	(0.4)	(0.8)	(1.2)	-	-	**(53)**
7M	25	0	**25**	0.0	(0.1)	(0.2)	(0.3)	0.1	0.2	0.3	0.0	(0.0)	**(27)**
8M	31	0	**31**	0.0	(0.1)	(0.2)	(0.3)	0.1	0.2	0.3	0.0	(0.0)	**98**
9M	59	-	**59**	0.0	(0.2)	(0.3)	(0.5)	0.2	0.3	0.5	0.1	(0.1)	**(23)**
10M	55	1	**54**	0.0	(0.1)	(0.2)	(0.3)	0.1	0.2	0.3	0.1	(0.1)	**41**
11M	38	-	**38**	0.0	(0.0)	(0.1)	(0.1)	0.0	0.1	0.1	0.0	(0.0)	**100**
12M	1	-	**1**	0.0	(0.0)	(0.0)	(0.0)	0.0	0.0	0.0	0.0	(0.0)	**0**
Repricing Gap Total	**3 438**	**2 532**	**907**	**0.1**	**(6.4)**	**(12.7)**	**(18.9)**	**6.4**	**12.8**	**19.3**	**(3.4)**	**3.4**	**862**

Source: IFAD Treasury

Figure 6.b

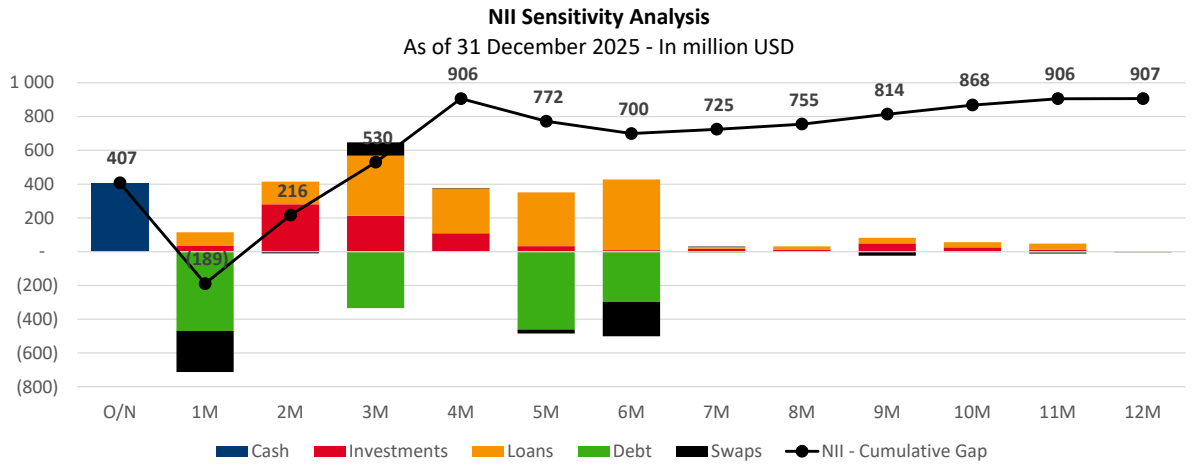


Figure 7: Sensitivity analysis of Economic Value of Equity. As of 31 December 2025, in million USD

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	712	688	(0)	(0)	6	12	18	(6)	(12)	(17)	6	(9)
Investments (cash+bonds+swaps)	2 125	2 125	(0)	(0)	3	6	13	(3)	(6)	(8)	3	(4)
Loan reflows	9 385	6 911	(5)	(0)	550	1 176	1 825	(475)	(888)	(1 249)	(738)	562
Other assets	99	99	-	-	-	-	-	-	-	-	-	-
Sub total	**12 321**	**9 823**	**(5)**	**(0)**	**559**	**1 195**	**1 856**	**(484)**	**(905)**	**(1 275)**	**(729)**	**550**
Liabilities												
Debt	3 098	2 995	(0)	(0)	53	116	211	(45)	(83)	(115)	(75)	60
Other liabilities	470	470	-	-	-	-	-	-	-	-	-	-
Undisbursed Grants	32	32	-	-	-	-	-	-	-	-	-	-
Sub total	**3 600**	**3 497**	**(0)**	**(0)**	**53**	**116**	**211**	**(45)**	**(83)**	**(115)**	**(75)**	**60**
Total	**8 721**	**6 325**	**-**		**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Change in EVE (in mill. USD)			**(5)**	**0**	**506**	**1 079**	**1 645**	**(439)**	**(823)**	**(1 160)**	**(654)**	**490**
Change in EVE (as % of Nominal)			**(0)**	**0**	**6**	**12**	**19**	**(5)**	**(9)**	**(13)**	**(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

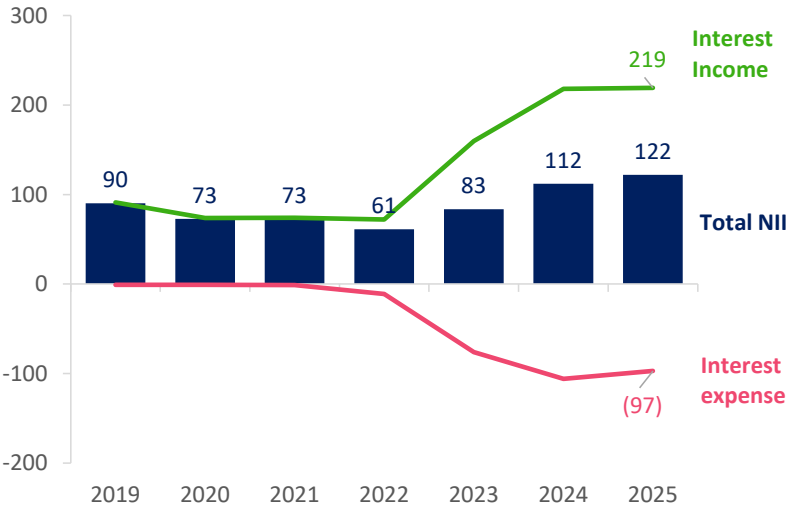
Note 1: Including disbursed items only.

Note 2: DV01 and Sensitivy Analysis are computed as the difference between the economic value using the shocked rates and the economic value using the baseline rates. Therefore, a positive (negative) value indicates an increase (decrease) of the economic value in the shocked scenario.

Note 3: Asset loans are inflows from repayments, interest payments and service charge. Liabilities loans are future disbursements (i.e. outflows).

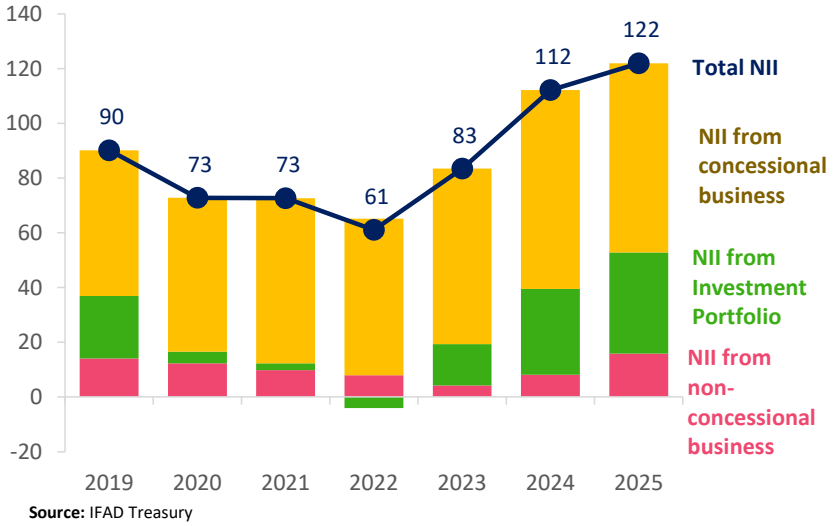
Source: IFAD Treasury

Figure 8: Breakdown of Total NII by Interest Income and Interest Expense. In million USD



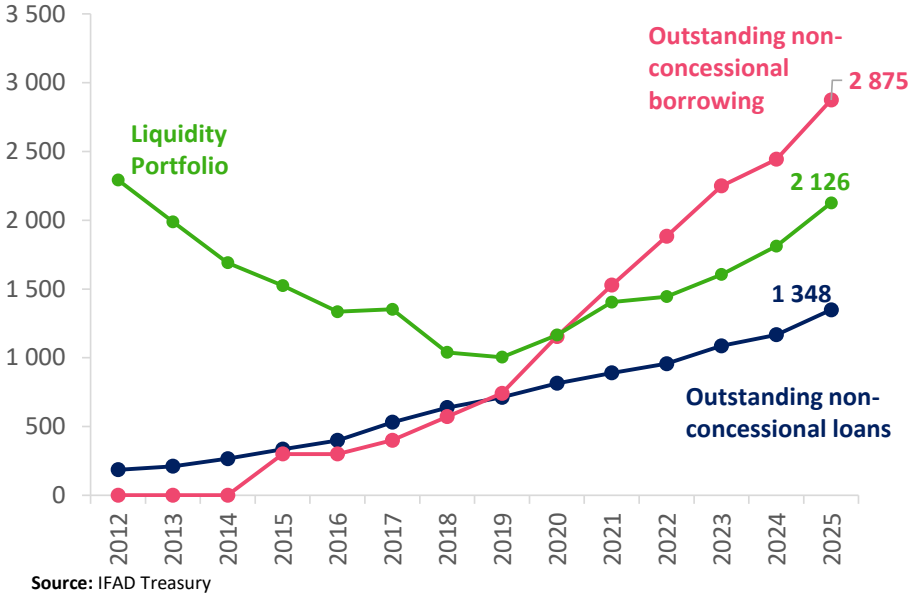
Source: IFAD Treasury

Figure 9: Breakdown of Total NII by Asset Category. In million USD.[8]



Source: IFAD Treasury

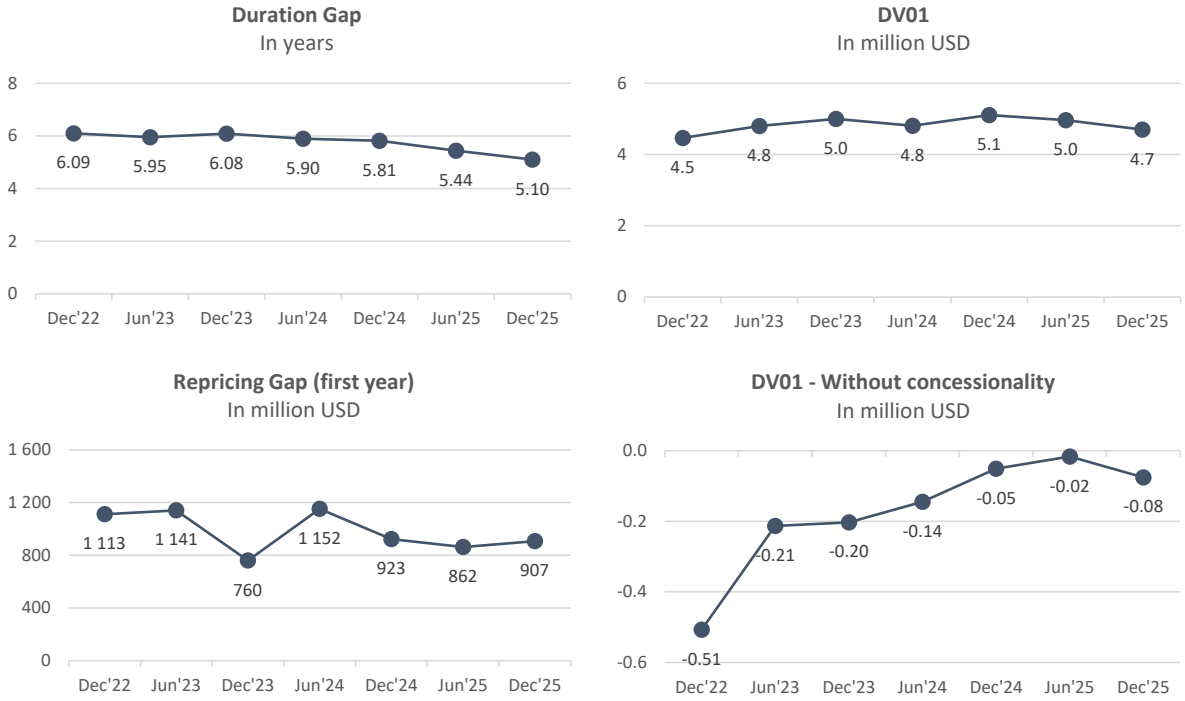
Figure 10: Outstanding Balances of borrowing (exc. CPLs), Investment Portfolio and Ordinary-Term Loans



Source: IFAD Treasury

[8] The attribution of NII uses a proxy methodology to allocate income between debt- and equity-funded balance sheet components; excess non-concessional borrowing beyond that attributable to the non-concessional business line is assigned exclusively to the liquidity portfolio, with debt costs apportioned using balance sheet shares derived from non-concessional debt, loans and liquidity positions, while concessional lending is treated as equity-funded (including CPLs). The Capital Adequacy Policy approved in December 2025 (EB 2025/146/R.23/Rev.1) introduces funding fungibility, which may require revisiting the current allocation across business lines.

Figure 11: Evolution of interest rate risk metrics



Currency Risk Analysis

Figure 1: Balance sheet net currency position. As of 31 December 2025, in million USD

Item Type	Item Sub Type	USD	EUR	CNY	JPY	GBP	SDR	**Total**
Assets								
Contributions	Pledges	239	365	60	49	-	-	**712**
Investments	Cash	329	73	0	0	5	-	**407**
Investments	Investments	1 370	352	-	-	-	-	**1 722**
Investments	Swaps	(5)	1	-	-	-	-	**(4)**
Loan reflows	Blend	469	112	-	-	-	332	**914**
Loan reflows	Hardened terms	-	-	-	-	-	22	**22**
Loan reflows	Highly concessional	809	451	-	-	-	5 663	**6 923**
Loan reflows	Intermediate terms	-	-	-	-	-	103	**103**
Loan reflows	Ordinary	599	495	-	-	-	254	**1 348**
Loan reflows	Super highly concessional	34	18	-	-	-	23	**75**
Other assets	Other receivables	99	-	-	-	-	-	**99**
Sub total	**-**	**3 944**	**1 867**	**60**	**49**	**5**	**6 397**	**12 321**
Liabilities								
Debt	CPL	39	223	-	-	-	-	**262**
Debt	Private placement	508	535	-	-	-	-	**1 043**
Debt	Sovereign	996	836	-	-	-	-	**1 832**
Debt	Swaps	398	(437)	-	-	-	-	**(39)**
Other liabilities	Other liabilities	470	-	-	-	-	-	**470**
Loan	Grant	23	7	-	-	-	2	**32**
Sub total	**-**	**2 435**	**1 164**	**-**	**-**	**-**	**2**	**3 600**
Net Position	**-**	**1 509**	**703**	**60**	**49**	**5**	**6 396**	**8 721**

Note: 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)
Source: IFAD Treasury

Figure 2: Net currency position of assets funded by debt. As of 31 December 2025, in million USD

Item Type	Item Sub Type	USD	EUR	CNY	JPY	GBP	SDR	Total
Assets								
Investments	Cash	236	53	0	0	3	-	293
Investments	Investments	984	253	-	-	-	-	1 237
Investments	Swaps	(4)	1	-	-	-	-	(3)
Loan reflows	Ordinary	599	495	-	-	-	254	1 348
Sub total	**-**	**1 816**	**801**	**0**	**0**	**3**	**254**	**2 875**
Liabilities								
Debt	Private placement	508	535	-	-	-	-	1 043
Debt	Sovereign	996	836	-	-	-	-	1 832
Debt	Swaps	398	(437)	-	-	-	-	(39)
Sub total	**-**	**1 902**	**934**	**-**	**-**	**-**	**-**	**2 836**
Net Position	**-**	**(86)**	**(133)**	**0**	**0**	**3**	**254**	**39**

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

Figure 3: Net currency position of assets funded by equity. As of 31 December 2025, in million USD

Item Type	Item Sub Type	USD	EUR	CNY	JPY	GBP	SDR	Total
Assets								
Contributions	Pledges	239	365	60	49	-	-	712
Investments	Cash	93	21	0	0	1	-	115
Investments	Investments	386	99	-	-	-	-	485
Loan reflows	Blend	469	112	-	-	-	332	914
Loan reflows	Hardened terms	-	-	-	-	-	22	22
Loan reflows	Highly concessional	809	451	-	-	-	5 663	6 923
Loan reflows	Intermediate terms	-	-	-	-	-	103	103
Loan reflows	Super highly concessional	34	18	-	-	-	23	75
Other assets	Other receivables	99	-	-	-	-	-	99
Sub total	**-**	**2 129**	**1 066**	**60**	**49**	**1**	**6 143**	**9 447**
Liabilities								
Debt	CPL	39	223	-	-	-	-	262
Other liabilities	Other liabilities	470	-	-	-	-	-	470
Loan	Grant	23	7	-	-	-	2	32
Sub total	**-**	**533**	**230**	**-**	**-**	**-**	**2**	**765**
Net Position	**-**	**1 596**	**835**	**60**	**49**	**1**	**6 142**	**8 683**

Note 1: Following the current procedure, CHF, DKK, SEK, NOK were grouped in the EUR column (representing €109m of the Euro Net Position), and other currencies not shown in the table were grouped into the USD column (representing $42m of the USD Net Position)
Note 2: Includes FX Swaps
Source: IFAD Treasury

Figure 4: 24-month cashflow currency alignment. As of 31 December 2025, in million USD

	USD Group	EUR Group	CNY Group	JPY Group	GBP Group	Total
Inflows						
Encashment of contributions	317	426	72	51	4	**871**
Loan reflows	1 011	239	0	0	8	**1 258**
Debt drawdown	682	0	0	0	0	**682**
Sub total	**2 010**	**666**	**72**	**51**	**12**	**2 811**
Outflows						
Projected disbursements	-1 385	-705	0	0	0	**-2 090**
Projected operating expenses	-444	0	0	0	0	**-444**
Debt repayment & interest	-210	-188	0	0	0	**-399**
Sub total	**-2 039**	**-894**	**0**	**0**	**0**	**-2 933**
Gap based on cash flows	**-29**	**-228**	**72**	**51**	**12**	**-122**
Liquidity Portfolio	1 699	425	0	0	5	**2 129**
Currency Alignment Gap	**1 670**	**197**	**72**	**51**	**17**	**2 007**

Note 1: Currency groups: EUR Group: EUR, NOK, SEK, CHF, CZK, DKK, ISK. CNY Group: CNH, CNY. All other currencies outside grouping default to USD Group.

Note 2: SDR exposure of the existing balance sheet was assigned to the estimated currency of repayment. SDR projected cash flows from new business were assigned to euros and dollars according to their shares in the loan book as of the cutoff-date

Source: IFAD Treasury

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