



IFAD Interest Rates Applicable for the Fourth Quarter 2019

Contents

I. Ordinary and intermediate term loans – approved before 1 January 2019	1
II. Ordinary term loans – approved after 1 January 2019	2
A. LIBOR/EURIBOR applicable for the Q4 of 2019	2
B. IFAD applicable spread	2
III. Blend term loans – approved after 15 February 2019	3
IV. Highly Concessional term loans – approved after 15 February 2019	3

Annexes

I. Historical IFAD interest rates applicable for all lending types – approved before 1 January 2019	4
II. Historical IFAD interest rates applicable for blend term loans and highly concessional term loans – approved after 15 February 2019	5
III. Example for the calculation of IFAD’s reference rate for the fourth quarter 2019 for ordinary loans approved after 1 January 2019	6

IFAD Interest Rates Applicable for the Fourth Quarter 2019

1. IFAD hereby publishes the interest rates and service charges for the fourth quarter (Q4) of 2019 inclusive of:
 - Ordinary and intermediate term loans – approved before 1 January 2019
 - Ordinary term loans – approved after 1 January 2019
 - The service charge for highly concessional loans and the interest rate and service charge for blend terms – approved after 15 February 2019
2. As of January 2019, IFAD recalculates its annual reference interest rate each quarter – effective from the first day of January, April, July and September respectively.
3. The IFAD reference rate applicable to loans on ordinary and intermediate terms is based on:
 - Special drawing rights (SDR) weighted and individual, LIBOR/EURIBOR six-month composite rate of the five currencies that constitute the SDR basket (United States dollar, Japanese yen, euro, British pound sterling and Chinese renminbi), available on the first business day of the respective quarter
 - A spread that may contain adjustments for:
 - loan denomination currency
 - average repayment maturity
 - country income category

I. Ordinary and intermediate term loans – approved before 1 January 2019¹

Table 1

Ordinary and intermediate term loans – approved before 1 January 2019

<i>Lending terms</i>	<i>Q4 2019 SDR</i>	<i>Q4 2019 US\$</i>	<i>Q4 2019 EUR</i>
Ordinary	2.23%	3.05%	0.99%
Intermediate	1.12%	1.53%	0.50%

Note: For reference to IFAD historical rates for ordinary and intermediate term loans approved before 1 January 2019, please refer to **Annex I**.

¹ These rates are inclusive of the spread applied by IFAD, being consistent with the International Bank for Reconstruction and Development (IBRD) spread applied to its variable loans with an average maturity of between 18 and 20 years and includes no adjustment for the increase in maturity premium effective 01/07/2018.

II. Ordinary term loans – approved after 1 January 2019²

4. IFAD no longer offers new loans on intermediate terms.
5. The IFAD reference rate on ordinary loans consists of a market-based (LIBOR/EURIBOR) variable rate and a spread.
6. The IFAD reference rate of interest for ordinary loans will vary on a loan-by-loan basis and reflect the combination of the selected loan denomination currency, the nature of the spread (variable or fixed), the average repayment maturity premium and the country income categorization.
7. For the purpose of determining the income category of the borrower, IFAD will classify the borrower into one of four pricing groups (which can be viewed using the following link: www.ifad.org/en/document-detail/asset/41030654).
8. An example of how the IFAD reference rate for ordinary loans is calculated is presented in annex III.

A. LIBOR/EURIBOR applicable for the Q4 of 2019

Table 2
LIBOR/EURIBOR applicable for the Q4 of 2019

<i>Lending terms</i>	<i>Q4 2019 SDR</i>	<i>Q4 2019 US\$</i>	<i>Q4 2019 EUR</i>
Ordinary	1.24%	2.06%	0.00%

B. IFAD applicable spread

Table 3
Variable spread by loan denomination currency and average repayment maturity applicable for Q4 of 2019³

<i>Average maturity/currency</i>	<i>8 years and below</i>	<i>Greater than 8 to 10 years</i>	<i>Greater than 10 to 12 years</i>	<i>Greater than 12 to 15 years</i>	<i>Greater than 15 to 18 years</i>	<i>Greater than 18 to 20 years</i>
SDR	0.49%	0.59%	0.69%	0.79%	0.89%	0.99%
US\$	0.49%	0.59%	0.69%	0.79%	0.89%	0.99%
EUR	0.49%	0.59%	0.69%	0.79%	0.89%	0.99%

Table 4
Fixed spread by loan denomination currency and average repayment maturity applicable for Q4 of 2019³

<i>Average maturity/currency</i>	<i>8 years and below</i>	<i>Greater than 8 to 10 years</i>	<i>Greater than 10 to 12 years</i>	<i>Greater than 12 to 15 years</i>	<i>Greater than 15 to 18 years</i>	<i>Greater than 18 to 20 years</i>
SDR	0.56%	0.76%	0.86%	1.01%	1.21%	1.31%
US\$	0.65%	0.85%	0.95%	1.10%	1.30%	1.40%
EUR	0.50%	0.70%	0.80%	0.95%	1.15%	1.25%

² IFAD adopted a revised loan pricing methodology in 2018, endorsed by the Executive Board on 13 December 2018 (see EB 2018/125/R.45/Rev.1 – Update of Financing Terms) and subsequently approved by the Governing Council on 15 February 2019 (see GC 42/L.7 – Amendments to the Policies and Criteria for IFAD Financing). The IFAD reference rate for ordinary loans will vary on a loan-by-loan basis, reflecting the borrower-specific components of the IFAD reference rate, i.e.:

- The loan denomination currency
- The nature of the spread, being either variable or fixed, and inclusive of:
 - pricing by average repayment period
 - pricing adjustment by country income category

³ Excludes the maturity premium increase introduced by IBRD effective on July 1, 2018

Table 5

Average maturity premium by country income category classification applicable for Q4 of 2019

<i>Average maturity/ Country Group</i>	<i>8 years and below</i>	<i>Greater than 8 to 10 years</i>	<i>Greater than 10 to 12 years</i>	<i>Greater than 12 to 15 years</i>	<i>Greater than 15 to 18 years</i>	<i>Greater than 18 to 20 years</i>	<i>Note</i>
Group A	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Exempt
Group B	0.00%	0.00%	0.05%	0.10%	0.15%	0.20%	Discount
Group C	0.00%	0.00%	0.10%	0.20%	0.30%	0.40%	Standard
Group D	0.05%	0.05%	0.20%	0.35%	0.50%	0.65%	Surcharge

III. Blend term loans – approved after 15 February 2019

9. The introduction of currency-specific service charges and interest rates for blend term loans commenced with the approval of GC 42/L.7 on 15 February 2019.

Table 6

Blend term loans – approved after 15 February 2019

<i>Q4 2019 SDR</i>	<i>Q4 2019 US\$</i>	<i>Q4 2019 EUR</i>
2.00%	2.94%	1.00%

IV. Highly Concessional term loans – approved after 15 February 2019

10. The introduction of currency-specific service charges for highly concessional term loans commenced with the approval of GC 42/L.7 on the 15 February 2019.

Table 7

Highly Concessional term loans – approved after 15 February 2019

<i>Q4 2019 SDR</i>	<i>Q4 2019 US\$</i>	<i>Q4 2019 EUR</i>
0.75%	1.54%	0.75%

Historical IFAD interest rates applicable for all lending types – approved before 1 January 2019

Year/ semester/ quarter	Interest %							Service charge % highly concessional/ hardened terms
	IFAD SDR loans		IFAD euro loans ⁴		IFAD US\$ loans		Blend	
	Ordinary	Intermediate	Ordinary	Intermediate	Ordinary	Intermediate		
1994	7.27	3.64	N/A	N/A	N/A	N/A	N/A	Fixed at 0.75
1995	7.09	3.55	N/A	N/A	N/A	N/A	N/A	0.75
1996	7.07	3.54	N/A	N/A	N/A	N/A	N/A	0.75
1997	6.94	3.47	N/A	N/A	N/A	N/A	N/A	0.75
1998	6.54	3.27	N/A	N/A	N/A	N/A	N/A	0.75
1999	6.18	3.09	N/A	N/A	N/A	N/A	N/A	0.75
2000	5.84	2.92	N/A	N/A	N/A	N/A	N/A	0.75
2001	5.36	2.68	N/A	N/A	N/A	N/A	N/A	0.75
2002	5.57	2.79	N/A	N/A	N/A	N/A	N/A	0.75
2003	5.27	2.64	N/A	N/A	N/A	N/A	N/A	0.75
2004	5.10	2.55	N/A	N/A	N/A	N/A	N/A	0.75
2005	4.36	2.18	N/A	N/A	N/A	N/A	N/A	0.75
2006	5.09	2.55	N/A	N/A	N/A	N/A	N/A	0.75
2007	5.68	2.84	N/A	N/A	N/A	N/A	N/A	0.75
2008	7.07	3.54	N/A	N/A	N/A	N/A	N/A	0.75
2009	4.27	2.14	N/A	N/A	N/A	N/A	N/A	0.75
2010/1	0.92	0.46	N/A	N/A	N/A	N/A	N/A	0.75
2010/2	1.10	0.55	N/A	N/A	N/A	N/A	N/A	0.75
2011/1	1.06	0.53	N/A	N/A	N/A	N/A	N/A	0.75
2011/2	1.30	0.65	2.09	1.04	N/A	N/A	N/A	0.75
2012/1	1.39	0.69	1.89	0.94	N/A	N/A	N/A	0.75
2012/2	1.08	0.54	1.20	0.60	N/A	N/A	N/A	0.75
2013/1	0.90	0.45	0.78	0.39	N/A	N/A	Fixed at 2%	0.75
2013/2	0.85	0.43	0.80	0.40	N/A	N/A	Fixed at 2%	0.75
2014/1	0.85	0.43	0.86	0.43	N/A	N/A	Fixed at 2%	0.75
2014/2	1.12	0.56	1.07	0.54	N/A	N/A	Fixed at 2%	0.75
2015/1	1.12	0.56	0.97	0.49	N/A	N/A	Fixed at 2%	0.75
2015/2	1.16	0.58	0.88	0.44	N/A	N/A	Fixed at 2%	0.75
2016/1	1.34	0.67	0.81	0.41	N/A	N/A	Fixed at 2%	0.75
2016/2	1.31	0.66	0.69	0.34	1.79	N/A	Fixed at 2%	0.75
2017/1	1.89	0.95	0.91	0.46	2.23	N/A	Fixed at 2%	0.75
2017/2	2.08	1.04	0.95	0.48	2.41	1.20	Fixed at 2%	0.75
2018/1	2.29	1.15	0.96	0.48	2.80	1.40	Fixed at 2%	0.75
2018/2	2.53	1.26	0.97	0.49	3.48	1.74	Fixed at 2%	0.75
2019/Q1	2.63	1.32	0.99	0.50	3.86	1.93	Fixed at 2%	0.75
2019/Q2	2.51	1.25	1.00	0.50	3.67	1.83	Fixed at 2%	0.75
2019/Q3	2.29	1.15	1.00	0.50	3.22	1.61	Fixed at 2%	0.75

⁴ Including Spanish Food Security Cofinancing Facility Trust Fund, KfW Development Bank and Agence Française de Développement.

Historical IFAD interest rates applicable for blend term loans and highly concessional term loans – approved after 15 February 2019

	<i>IFAD SDR loans</i>		<i>IFAD Euro loans</i>		<i>IFAD US\$ loans</i>	
	<i>Blend</i>	<i>Highly concessional</i>	<i>Blend</i>	<i>Highly concessional</i>	<i>Blend</i>	<i>Highly concessional</i>
2019/Q1	2.00	0.75	1.35	0.75	2.85	1.36
2019/Q2	2.00	0.75	1.27	0.75	2.92	1.46
2019/Q3	2.00	0.75	1.21	0.75	2.89	1.46

Example for the calculation of IFAD's reference rate for the fourth quarter 2019 for ordinary loans approved after 1 January 2019

Example 1:

- Loan: US\$2,000,000
- Maturity: 18 years
- Grace period: 3 years
- Average maturity: 10.75 years
- Spread (variable/fixed) selected by the borrower
- Country income categorization: C

	Denomination currency	Average maturity	Country category
	US\$	10.75 years	Category C
Variable spread			
Interest rate component	2.06%	0.69%	0.10%
Reference	Table 2	Table 3	Table 5
IFAD reference interest rate equals 3.02% (2.22% + 0.70% + 0.10%)			
Fixed spread			
Interest rate component	2.06%	0.95%	0.10%
Reference	Table 2	Table 4	Table 5
IFAD reference interest rate equals 3.11% (2.06% + 0.95% + 0.10%)			

Example 2:

- Loan: SDR 5,000,000
- Maturity: 18 years
- Grace period: 3 years
- Average maturity: 10.75 years
- Spread (variable/fixed) selected by the borrower
- Country income categorization: D

	Denomination currency	Average maturity	Country category
	SDR	10.75 years	Category D
Variable spread			
Interest rate component	1.24%	0.69%	0.20%
Reference	Table 2	Table 3	Table 5
IFAD reference interest rate equals 2.13% (1.24% + 0.69% + 0.20%)			
Fixed spread			
Interest rate component	1.24%	0.86%	0.20%
Reference	Table 2	Table 4	Table 5
IFAD reference interest rate equals 2.30% (1.24% + 0.86% + 0.20%)			