

LIBOR replacement and impact on IFAD: FAQs

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LIBOR replacement and impact on IFAD: FAQs

I. Background information on LIBOR replacement

1. Why and when is LIBOR ceasing?

The London Interbank Offered Rate (LIBOR) is an interest rate benchmark that is administered by the Intercontinental Exchange Benchmark Administration. LIBOR is the most-used benchmark rate and is often referenced in loan, bond and derivative documentation to calculate the interest payments for those products.

The integrity of LIBOR was called into question in 2008, when several banks contributing to its calculation were accused of colluding to manipulate the rate.

In 2014, the Financial Stability Board published a report explaining that benchmarks such as LIBOR, should be based on actual transactions to the greatest extent possible. Certain changes were therefore made to the way in which LIBOR was calculated in accordance with that recommendation. However, since there were now fewer banks lending to each other on an unsecured basis, LIBOR was often calculated by reference to the “expert judgment” of panel banks (i.e. estimates according to how much they thought it would cost them to borrow from other banks).

In July 2017, the United Kingdom Financial Conduct Authority (FCA), the LIBOR regulator, announced that despite efforts to base LIBOR more firmly on transactions, the underlying market that LIBOR sought to measure (unsecured interbank lending) was no longer sufficiently active. As a result, while the panel banks had agreed to continue submitting to LIBOR until the end of 2021, after this date the FCA will not compel them to do so. In summary:

- All GBP, EUR, CHF and JPY LIBOR settings, and the 1-week and 2-month USD LIBOR settings, will cease immediately following publication on 31 December, 2021.
- All remaining USD LIBOR settings, including the 6-month USD LIBOR, used as the market reference rate for IFAD loans, will cease immediately following publication on 30 June, 2023.

The FCA’s announcement initiated LIBOR’s phased discontinuation. Since 2017 regulators have been urging global market participants to plan for the cessation of LIBOR by the end of 2021 and have encouraged them to transition from LIBOR to alternative “risk-free” rates.






Despite the extension of publication for certain USD LIBORs to 30 June 2023, United States of America and UK regulators’ guidance remains that LIBOR should not be used for new contracts after 2021, except in limited circumstances.

One very important exception is the Euro Interbank Offered Rate (EURIBOR), which has undergone reforms and, for the time being, is expected to remain in use as a benchmark rate. Whether EURIBOR will be replaced by a risk-free rate at some point is still unknown.

Alternative reference rates (ARRs) to LIBOR have been identified for all LIBOR settings in USD, EUR, GBP, CHF and JPY, as listed in table 1.

Table 1

Overview of existing benchmark rates and their new ARRs

| Country | Currency | Existing reference rate | Alternative reference rate | Administrator | Transaction based? | Nature of transition |
|---|----------|-------------------------|--|----------------------------------|--------------------|--|
|  | USD | USD LIBOR | SOFR (Secured Overnight Financing Rate) | Federal Reserve Bank of New York | Yes | Replacement by Dec 2021 for 1w and 2m Replacement by June 2023 for all other tenors |
|  | EUR | EONIA | €STR (Euro Short Term Rate) | European Central Bank | Yes | Replacement by 2021 |
| | | EURIBOR | EURIBOR with new hybrid methodology | European Money Markets Institute | Partly | Reformed |
|  | GBP | GBP LIBOR | SONIA (Sterling Overnight Index Average) | Bank of England | Yes | Replacement by 2021 |
|  | JPY | JPY LIBOR | TONAR (Tokyo Overnight Average Rate) | Bank of Japan | Yes | Replacement by 2021 |
|  | CHF | CHF LIBOR | SARON (Swiss Average Rate Overnight) | SIX Financial Information AG | Yes | Replacement by 2021 |

2. What is the ARR for USD LIBOR?

In 2017, the Alternative Reference Rates Committee (ARRC) selected the Secured Overnight Financing Rate (SOFR) to replace the USD LIBOR.

The SOFR is a secured overnight interest rate. SOFR is derived from the actual costs of transactions in the overnight repo market.

3. Where and when will the new reference rate be published?

As SOFR is a daily reference rate, the Federal Reserve Bank of New York (New York Fed) publishes the SOFR of the previous business day on its website at approximately 8 a.m. ET on each business day. Data is available on the following website:

<https://www.newyorkfed.org/markets/reference-rates/sofr>.

4. Why was SOFR selected to replace LIBOR?

SOFR meets the following requirements for international benchmark regulation:

- (i) Benchmark quality: SOFR is highly liquid, involves large volumes and is very resilient.
- (ii) Methodological quality: SOFR is transparent and data is always available.
- (iii) Accountability and governance: SOFR uses processes and governance structures that comply with the International Organization of Securities Commissions principles. It is provided by the New York Fed as a public good.

5. Why does USD LIBOR transition matter to borrowers?

The USD LIBOR transition will affect all market participants, including IFAD and its borrowers, operationally and financially.

Since the announcement of USD LIBOR's discontinuation, institutions with LIBOR-linked financial products must prepare to shift to an ARR.

Even if IFAD's loan agreements refer to IFAD's generic reference rate, for ordinary loans denominated in USD the Fund uses the 6-month USD LIBOR. Interest charged to borrowers is based on the reference rate plus a variable or fixed spread (including a maturity premium). With the cessation of the 6-month USD LIBOR, IFAD will use the daily compounded SOFR as a new reference rate.

II. Technical aspects of the SOFR rate

6. What is the difference between USD LIBOR and SOFR?

Although SOFR and USD LIBOR both reflect short-term borrowing costs, there are key differences. First, SOFR relies entirely on transaction data, whereas USD LIBOR is based partially on market data "expert judgment".

Second, SOFR is so far only available as a daily rate (i.e. an overnight rate), whereas USD LIBOR is quoted with varying rates on forward terms of one day to one year.

Third, while USD LIBOR is a forward-looking rate that is known at the beginning of an interest period, SOFR is a backward-looking rate that is known at the end of a period. Specifically, the New York Fed publishes the SOFR of the previous business day on its website at approximately 8 a.m. ET on each following business day.

Finally, USD LIBOR incorporates a built-in credit risk component because it represents an uncollateralized cost of borrowing by a bank. In contrast, SOFR represents a risk-free rate because it is based on interbank trades and collateralized by funding transactions secured by US Treasury securities. Figure 1 shows the differences between USD LIBOR and SOFR.

Figure 1

LIBOR transition – the differences between USD LIBOR and SOFR



7. As SOFR is a daily overnight rate, how can SOFR be used to determine interest for a longer period, e.g. six months?

Following market practice, the daily SOFR will be compounded on a daily basis in arrears. Compounding in arrears is a methodology that calculates the daily values of the overnight rate throughout the relevant term period.

As the SOFR is a backward-looking rate, it is not possible to know the applicable interest rate at the beginning of an interest period.

8. Is there a forward-looking SOFR term rate similar to USD LIBOR?

A term rate is a rate that indicates the interest rate applicable over a longer time horizon, e.g. one month or six months. The 6-month LIBOR is a term rate while SOFR is a daily overnight rate. The use of a SOFR term rate in the market is still developing. IFAD will continue to monitor the latest market developments and will keep IFAD's borrowers updated.

9. Will IFAD also introduce a SOFR term rate, which might be a forward-looking rate, and replace the daily compounded SOFR if other development finance institutions do so?

Currently, IFAD only plans to offer products with reference to daily compounded SOFR and has no plans to issue products linked to a SOFR term rate.

If there is demand from IFAD borrowers and terms are well defined, IFAD might take into consideration offering loans referenced to the SOFR term rate.

III. Timeline and impact of transition on IFAD's loan pricing

10. Which types of loans are impacted by the LIBOR replacement?

Only IFAD's ordinary loans denominated in USD and special drawing rights (SDR) are impacted by the LIBOR replacement. Ordinary loans denominated in EUR are not impacted.

Loans on blend, highly concessional and super highly concessional terms are also not impacted.

11. What is the timeline for transitioning to SOFR in IFAD?

From 1 April 2022 onwards, the market reference rate for all new and existing ordinary loans denominated in USD and SDR with a variable and fixed spread will change. That is because IFAD will start using the daily compounded SOFR instead of the 6-month USD LIBOR for USD-denominated loans and the 6-month SDR LIBOR for SDR denominated loans.

12. Will there be a new pricing structure for IFAD's existing ordinary loans?

The current pricing structure of ordinary loans will continue.

IFAD will continue applying elements of the International Bank for Reconstruction and Development's (IBRD's) loan elements; specifically IBRD's funding spread and IBRD contractual spread.

For ordinary loans approved before 1 January 2019, IFAD will continue applying the IBRD maturity premium and adjustment thereto of category A 18–20-year average maturity, as per current practice.

For loans approved between 1 January 2019 and 31 December 2021 IFAD will continue applying the IBRD maturity premium and the IBRD country category differentiation (A, B, C, D) and IBRD's 8–20-year average maturity buckets as per current practice.

For ordinary loans approved after 1 January 2019, IFAD will introduce its own maturity premium, based on its new country categories. This will apply from 1 January 2022, subject to approval by the Executive Board and endorsement by the Governing Council in February 2022. This aspect is independent of the LIBOR transition.

Figure 2

Elements of pricing for loans – example of variable spread ordinary loans in USD approved from 1 April 2022



13. What will be the pricing elements of IFAD's ordinary loans after the LIBOR transition?

(Please refer to annex I for a detailed overview of all the pricing elements.)

- (i) Variable-spread ordinary loans denominated in USD approved before 2019

The 6-month USD LIBOR will be replaced by SOFR. All the pricing elements will remain unchanged.

- (ii) Variable-spread ordinary loans denominated in USD approved between January 2019 and December 2021

The 6-month USD LIBOR will be replaced by SOFR. All the pricing elements will remain unchanged.

- (iii) Variable-spread ordinary loans denominated in USD approved after January 2022

The 6-month USD LIBOR will be replaced by SOFR and, subject to Executive Board approval and endorsement by the Governing Council in February 2022, IBRD's country categories and maturity premium will be replaced by IFAD's country categories and maturity premium.

- (iv) Fixed-spread ordinary loans denominated in USD approved before January 2019

In IFAD's loan portfolio there are no fixed-spread ordinary loans denominated in USD approved before January 2019.

- (v) Fixed-spread ordinary loans denominated in USD approved between January 2019 and December 2021

For existing fixed spread loans, the 6-month USD LIBOR will be replaced by SOFR plus the ARRC recommended adjustment spread. This value is 0.42826 per cent.¹ All the pricing elements will remain unchanged.

¹ <https://www.newyorkfed.org/medialibrary/Microsites/arrc/files/2021/arrc-supplemental-hardwired-recommendation>.

(vi) [Fixed-spread ordinary loans denominated in USD approved from January 2022](#)

Product suspended subject to Executive Board approval and endorsement by the Governing Council in February 2022.

(vii) [Variable-spread ordinary loans denominated in EUR approved before January 2019](#)

IFAD's ordinary loans denominated in EUR are priced based on the 6-month EURIBOR, which is not discontinued. As IFAD will take IBRD's funding cost in EUR, since the IBRD EUR funding cost is currently lower than the USD funding cost, this separation may cause an initial fluctuation in the EUR lending rate in January 2022 (i.e. a decrease in the interest rate charged on EUR loans). All the pricing elements will remain unchanged.

(viii) [Variable-spread ordinary loans denominated in EUR approved between January 2019 and December 2021](#)

IFAD's ordinary loans denominated in EUR are priced based on the 6-month EURIBOR, which is not discontinued. As IFAD will take IBRD's funding cost in EUR, since the IBRD EUR funding cost is currently lower than the USD funding cost, this separation may cause an initial fluctuation in the EUR lending rate in January 2022 (i.e. a decrease in the interest rate charged on EUR loans). All the pricing elements will remain unchanged.

(ix) [Variable-spread ordinary loans denominated in EUR approved after January 2022](#)

IFAD's ordinary loans denominated in EUR are priced based on the 6-month EURIBOR, which is not discontinued. IFAD will continue to take IBRDs' funding cost over the 6-month EURIBOR. Since the IBRD EUR funding cost is currently lower than the USD funding cost, this separation may cause an initial fluctuation in the EUR lending rate in January 2022 (i.e. a decrease in the interest rate charged on EUR loans). Subject to Executive Board approval and endorsement by the Governing Council in February 2022, IBRD's country categories and maturity premium will be replaced by IFAD's country categories and maturity premium.

(x) [Fixed-spread ordinary loans denominated in EUR approved before January 2019](#)

IFAD did not approve any fixed spread loans denominated in EUR before January 2019.

(xi) [Fixed-spread ordinary loans denominated in EUR approved between January 2019 and December 2021](#)

IFAD's ordinary loans denominated in EUR are priced based on the 6-month EURIBOR, which is not discontinued. IFAD will continue to take IBRD's funding cost over the 6-month EURIBOR. All the pricing elements will remain unchanged.

(xii) [Fixed-spread ordinary loans denominated in EUR approved after 2022](#)

Product suspended subject to Executive Board approval and endorsement by the Governing Council in February 2022.

(xiii) [Variable-spread ordinary loans denominated in SDR approved before 2019](#)

The market reference rate will remain an SDR weighted average of market reference rates of the five SDR currencies – USD, EUR, GBP, JPY and CNY. An ARRC/ISDA² recommended adjustment spread will be applied to the market reference rates for USD,

² International Swaps and Derivatives Association.

GBP and JPY to account for the discontinuation of USD LIBOR, GBP LIBOR and JPY LIBOR.³ All the pricing elements will remain unchanged.

- (xiv) Variable-spread ordinary loans denominated in SDR approved between January 2019 and December 2021

No SDR-denominated loans were approved after 1 January 2019 so there is no impact.

- (xv) Variable-spread ordinary loans denominated in SDR approved after January 2022

The product will be suspended subject to Executive Board approval and endorsement by the Governing Council in February 2022.

- (xvi) Fixed-spread ordinary loans denominated in SDR

IFAD has not approved any fixed spread loans denominated in SDR. From 1 January 2022, subject to approval by the Executive Board and endorsement by the Governing Council in February 2022, the offer of ordinary loans in SDR will be suspended. Hence there is no anticipated impact.

14. Will the all-in price in USD be higher?

IFAD's loan pricing is driven by IBRD's funding cost and includes a spread adjustment to make the cost of loans for borrowers economically neutral after the transition to SOFR. Therefore, it is not expected that the USD all-in rate will be significantly different from the current one.

15. Will the all-in price in EUR be higher?

IFAD's loan pricing is driven by IBRD's funding cost and includes a spread adjustment to make the cost of loans for borrowers economically neutral after the transition to SOFR. Based on indications from IBRD (see question 13, vii-ix), it is expected that the EUR all-in rate will be lower than the USD one.

IV. Legal aspects

16. Will the loan agreements need to be changed?

No, as IFAD's loan agreements contain a generic reference to "IFAD reference interest rate", amendments to loan agreements are not necessary. IFAD will provide advance notices of reference rate replacement to the borrowers in all cases.

17. Will borrowers have the option of opting out due to the transition from LIBOR to SOFR?

The existing policies regarding early repayment and voluntary prepayment continue to apply. No specific opt-out mechanism will be introduced solely because of the switch to SOFR.

V. Billing

18. Will the billing cycle change?

No, the billing cycle remains unchanged. IFAD will continue billing every six months ex post. IFAD is in a position to compound correctly all daily SOFR rates and bill based on these rates.

³ [IBOR-Fallbacks-LIBOR-Cessation Announcement 20210305.pdf \(bbhub.io\)](#).

19. Will the billing date change?

No, billing dates will not change.

20. Will the billing statement change?

The billing statement will remain the same. As per question 24 below, for billing statements issued after 1 April 2022 for ordinary term loans, IFAD will not communicate the all-in interest rate at the beginning of the quarter, as SOFR is an ex post rate change. At the beginning of each quarter, IFAD will communicate the total spread applicable over the market reference rate for each type of ordinary loan by currency and will publish it on its website: [Financial products and financing terms \(ifad.org\)](https://www.ifad.org/en/financial-products-and-financing-terms). Please see the appendix for a sample billing statement.

21. What will the interest accrual be for non-business days and how will this be represented in the billing statement?

There will be no change in the billing statements for the representation of non-business days. The interest rate applied on such days will be the rate available in IFAD systems at the time, which may be based on the SOFR of the previous, or earlier, working day.

22. For sovereign borrowings, IFAD currently allows 30 days for the settlement of bills. Will this continue?

Yes, 30 days for the settlement of billings will remain valid.

23. When will borrowers know the interest amount for a given period?

The borrower will know the interest amount as per current practice at the end of the billing period.

VI. Communication

24. What will change in IFAD's communication of interest rates?

Until 31 March 2022, IFAD will publish the all-in interest rate for ordinary loans at the beginning of each quarter on its website.

From 1 April 2022, IFAD will not communicate an all-in interest rate at the beginning of the quarter anymore, as SOFR is an ex post rate.

At the beginning of each quarter, IFAD communicates the quarterly spread over the daily compounded SOFR composed of: (i) funding cost, (ii) contractual spread, and (iii) maturity premia at the beginning of each quarter, and will publish it on its website: [Financial products and financing terms \(ifad.org\)](https://www.ifad.org/en/financial-products-and-financing-terms).

For any additional information please contact:

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Annex I – Summary of pricing elements of IFAD’s loans, before and after transition

| USD variable-spread loans (question 13, i–iii) | | |
|--|---|--|
| | Current | Future: from 1 April 2022 |
| Variable | USD LIBOR 6 months | SOFR (daily compounded) |
| Fixed | IBRD contractual spread | IBRD contractual spread |
| Variable | IBRD actual funding cost over USD LIBOR 6 months | IBRD actual funding cost over SOFR |
| Fixed | <p>Loans approved before 1 January 2019: IBRD maturity premium country category A (average maturity bucket 18–20 years)</p> <p>Loans approved after 1 January 2019: IBRD maturity premium by country category (A, B, C, D) and average maturity bucket (8–20 years)</p> | <p>Loans approved before 1 January 2019: IBRD maturity premium country category A (average maturity bucket 18–20 years)</p> <p>Loans approved between 1 January 2019 and 31 December 2021: IBRD maturity premium country category (A, B, C, D) and average maturity bucket (8–20 years)</p> <p>Loans approved after 1 Jan 2022: IFAD maturity premium by country category (1, 2, 3, 4) and average maturity bucket (8–20 years)</p> |

| USD fixed spread (question 13, iv–vi) | | |
|---------------------------------------|---|--|
| | Current | Future: from 1 April 2022 |
| Variable | USD LIBOR 6 months | SOFR (daily compounded) + 42.8 bps |
| Fixed | IBRD contractual spread | IBRD contractual spread |
| Fixed | IBRD projected funding cost over USD LIBOR 6 months | IBRD projected funding cost over USD LIBOR 6 months |
| Fixed | IBRD market risk premium | IBRD market risk premium |
| Fixed | IBRD maturity premium by country category (A, B, C, D) and average maturity bucket (8–20 years) | <p>No fixed spread loan (FSL) in USD was approved before 1 January 2019</p> <p>Loans approved between 1 January 2019 and 31 December 2021: IBRD maturity premium country category (A, B, C, D) and average maturity bucket (8–20 years)</p> <p>Loans approved after 1 January 2022: product suspended</p> |

| EUR variable spread loans (question 13, vii-ix) | | |
|---|---|--|
| | Current | Future |
| Variable | EURIBOR 6 months | EURIBOR 6 months |
| Fixed | IBRD contractual spread | IBRD contractual spread |
| Variable | IBRD actual funding cost over USD LIBOR 6 months* | IBRD actual funding cost over EURIBOR 6 months* |
| Fixed | <p>Loans approved before 1 January 2019: IBRD maturity premium country category A (average maturity bucket 18–20 years)</p> <p>Loans approved after 1 January 2019: IBRD maturity premium by country category (A, B, C, D) and average maturity bucket (8–20 years)</p> | <p>Loans approved before 1 January 2019: IBRD maturity premium country category A (average maturity bucket 18–20 years)</p> <p>Loans approved between 1 January 2019 and 31 December 2021: IBRD maturity premium country category (A, B, C, D) and average maturity bucket (8–20 years)</p> <p>Loans approved after 1 January 2022: IFAD maturity premium by country category (1, 2, 3, 4) and average maturity bucket (8–20 years)</p> |

*Before the transition, IBRD also applied the funding cost over LIBOR to EUR and GBP loans absorbing the basis. After the transition, they will quote a specific funding spread over EURIBOR.

| EUR fixed spread loans (question 13, x-xii) | | |
|---|---|--|
| | Current | Future |
| Variable | EURIBOR 6 months | EURIBOR 6 months |
| Fixed | IBRD contractual spread | IBRD contractual spread |
| Fixed | IBRD projected funding cost over USD LIBOR 6 months* | IBRD projected funding cost over EURIBOR 6 months* |
| Fixed | IBRD market risk premium | IBRD market risk premium |
| Fixed | <p>Loans approved before 1 January 2019: IBRD maturity premium country category A (average maturity bucket 18–20 years)</p> <p>Loans approved after 1 January 2019: IBRD maturity premium by country category (A, B, C, D) and average maturity bucket (8–20 years)</p> | <p>No FSL in EUR was approved before 1 January 2019</p> <p>Loans approved between 1 January 2019 and 31 December 2021: IBRD maturity premium country category (A, B, C, D) and average maturity bucket (8–20 years)</p> <p>Loans approved after 1 January 2022: product suspended</p> |

*Before the transition, IBRD applied the funding cost over LIBOR also to EUR and GBP loans absorbing the basis. After the transition, they will quote a specific funding spread over EURIBOR.

| SDR variable-spread loans (question 13, xiii-xv) | | |
|--|---|---|
| | Current | Future |
| Variable | SDR/weighted IBORs 6 months | SDR-weighted risk-free rates for USD, GBP and JPN plus ARRC/ISDA recommended adjustment spread, EURIBOR 6 months for EUR and SHIBOR 6 months for CNY |
| Fixed | IBRD contractual spread | IBRD contractual spread |
| Variable | IBRD actual funding cost over USD LIBOR 6 months | IBRD actual funding cost over term rates |
| Fixed | IBRD maturity premium by country category (A, B, C, D) and average maturity bucket (8–20 years) | <p>Loans approved before 1 January 2019: IBRD maturity premium country category A (average maturity bucket 18–20 years)</p> <p>Loans approved between 1 January 2019 and 31 December 2021: No SDR-denominated loan was approved after 1 January 2019</p> <p>Loans approved after 1 January 2022: product suspended</p> |

Appendix



International Fund For Agricultural Development
Via Paolo di Dono 44, Rome 00142, Italy
E-mail: FCD_Clientservices@ifad.org

IFAD Statement of Account

Borrower : Ministry of Finance, Country SAMPLE

| | |
|----------------------------|---|
| Project Description | : PROJECT MOCK |
| Country | : REPUBLIC of SAMPLE |
| Loan Number | : 200000xxxxxx |
| Loan Amount | : 15 000 000.00 (SAMPLE) |
| Loan Denomination Currency | : USD |
| Billing Date | : 01-DEC-2021 |
| Loan Terms | : ORDINARY TERMS USD Ordinary Variable Rate Loan (USD) |
| Payment Currency | : USD |
| Total Payable | : 500 000.00 (SAMPLE) |
| Email Distribution | : MsX@sample.com |

IFAD Statement of Account

Repayment Details Amounts are expressed in Loan Denomination Currency-USD

Overdue Amounts

| Component Name | Amount Due | Amount Settled | Net Due |
|----------------|--------------------|--------------------|---------|
| Main Interest | 50 000.00 (SAMPLE) | 50 000.00 (SAMPLE) | .00 |
| Total | | | .00 |

Current Due Amounts

| Component Name | Amount Due | Amount Settled | Net Due |
|----------------|------------|----------------|------------|
| Principal | 480 000.00 | .00 | 480 000.00 |
| Main Interest | 20 000.00 | .00 | 20 000.00 |
| Total | | | 500 000.00 |

TOTAL PAYABLE (Overdue Amounts + Current Due Amounts): USD 500 000.00 (SAMPLE)

Principal Transactions in Current Period and Previous Period

| S.No | Transaction Type | Value Date | Booking Date | Transaction Currency | Transaction Amount | Denomination Currency | Denomination Amount |
|------|------------------|------------|--------------|----------------------|--------------------|-----------------------|---------------------|
|------|------------------|------------|--------------|----------------------|--------------------|-----------------------|---------------------|

Principal

| | | | | | | | |
|--|--------------|-------------|-------------|-----|------------|-----|--------------|
| Closing Balance of Principal (Previous Period) | | | | | | | 2 500 000.00 |
| Transactions in Previous Period | | | | | | | |
| Opening Balance of Principal (Current Period) | | | | | | | 2 500 000.00 |
| Principal Transactions in Current Period | | | | | | | |
| | Disbursement | 11-JUN-2021 | 15-JUN-2021 | USD | 500 000.00 | USD | 500 000.00 |
| | Disbursement | 30-SEP-2021 | 04-OCT-2021 | USD | 250 000.00 | USD | 250 000.00 |
| Closing Balance of Principal | | | | | | | 3 250 000.00 |

Spreads applicable for current billing period: please refer to <https://www.ifad.org/en/financial-products-and-terms>



International Fund For Agricultural Development
Via Paolo di Dono 44, Rome 00142, Italy
E-mail: FCD_Clientservices@ifad.org

IFAD Statement of Account

Dear Sir / Madam,

Enclosed is a Statement of Account showing loan transactions, repayments of principal and or interest / service charges computed to the current billing date of **01-DEC-2021**.

As per IFAD's billing procedures, IFAD allows the borrower 30 days from the Billing Due date within which to effect the repayment (repayment grace period). As such, please arrange for payment on or before **30-DEC-2021**

| | |
|-------------------------|---|
| DEPOSITORY BANK DETAILS | : Federal Reserve Bank of New York 33 Liberty Street New York, NY USA |
| | Federal Reserve Routing: FW |
| BIC | : XXXX |
| IBAN | : |
| ACCOUNT NUMBER | : xxxxyyyy |
| REFERENCE ID | : 000xx000-200000xxxxxx-USD 01-DEC-2021 |

| | |
|---|-------|
| IMF Exchange Rates Available as of 01-DEC-2021 USD / USD | : 1 0 |
|---|-------|

| | |
|--------------------|-------|
| Repayment Currency | : USD |
|--------------------|-------|

| | |
|---------------------------------------|--------------|
| Current Period Charges | |
| Principal Repayments: | : 480 000.00 |
| Interest/Service Charges | : 20 000.00 |
| Adhoc Charges | : .00 |
| Amounts due in current billing period | : 500 000.00 |

| | |
|---|-------|
| PRIOR PERIOD OVERDUE CHARGES | |
| Amounts remaining unsettled as at the due date of the last billing notice generation date | : .00 |

| | |
|----------------------|------------------|
| TOTAL PAYABLE | : USD 500 000.00 |
|----------------------|------------------|

Payment received within the repayment grace period, being on or before the **30-DEC-2021** will ensure the exchange rate is guaranteed as per the billing statement and that no additional interest/service charges will be incurred.

Payments received after the repayment grace period, being after the **30-DEC-2021** will use the exchange rate available as at the value date of the payment; interest/service charges will be calculated from the billing due date to the value date of the repayment. Payments shall be deemed to be made as of the day on which the relevant financial institution credits the account of IFAD, or when all the necessary information is received from the Borrower to enable the Fund to correctly apply the Payment, whichever is the later.

Financial Controller's Division