

# International Development Association



Management's Discussion & Analysis  
and  
Condensed Quarterly Financial Statements  
March 31, 2026  
(Unaudited)



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## Section I: Overview

### Introduction

The International Development Association (IDA), an international organization owned by its 175 member countries, is one of the five institutions of the World Bank Group (WBG<sup>1</sup>). Each institution is legally and financially independent, with separate assets and liabilities. IDA is not liable for the obligations of the other institutions.

IDA provides loans, grants, guarantees, and other financial products to the poorest and most vulnerable countries to help meet their development needs, and technical assistance and policy advice by leveraging its experience and expertise. It also supports countries with disaster risk financing and insurance against natural disasters and health-related crises, and facilitates financing through trust fund partnerships.

IDA's mission - as one of the WBG entities - is to end extreme poverty and boost shared prosperity on a livable planet. Central to this mission is job creation, recognized as a key driver of sustainable development. The WBG's approach to job creation is anchored in three pillars in five high-impact sectors. The three pillars are: establishing critical infrastructure as a foundation for employment, fostering a business-enabling regulatory environment that sets clear, predictable and consistent policies and regulations, and mobilizing private capital to supplement public finance and catalyze investment at scale. The five sectors are: infrastructure and energy, smallholder agriculture and agribusiness, health, tourism, and value-added manufacturing. To achieve these ambitions, IDA is adapting its ways of working by deepening collaboration across the WBG, leveraging data and knowledge solutions. These efforts include maximizing impact, tailoring approaches to country-specific contexts, strengthening investor engagement, upskilling in key areas, and enhancing its capacity to manage both financial and non-financial risks through the Knowledge Bank that integrates the WBG's global public and private sector expertise.

IDA remains committed to delivering impact at scale by proactively adapting to the evolving global landscape while leveraging its unique strengths within the WBG to create opportunities and improve living standards for millions worldwide. Ongoing geopolitical conflicts, including those in the Middle East, continue to create a challenging environment for growth and development across emerging markets and developing economies. In response, the WBG is actively engaging with governments, the private sector, development partners, and other stakeholders to address these challenges, including through targeted crisis response and emergency financing instruments where warranted.

### IDA Replenishment

Generally, every three years, representatives of IDA's members<sup>2</sup> meet to assess IDA's financial capacity and the medium-term demand for new IDA financing. Members decide on the policy framework, agree on the amount of financing to be made available for the replenishment period, and commit to additional contributions of equity that are required to meet these goals. The meetings culminate in a replenishment agreement that determines the size, sources (both internal and external), and uses of funds for the replenishment period.

### Twenty-First Replenishment of Resources (IDA21)

IDA21 recognizes the need to help address the profound challenges faced by IDA countries and to support the world's poorest countries. IDA21 builds on earlier replenishment cycles, with the continuation of five focus areas: people, prosperity, infrastructure, digital transformation and planet, and four lenses that address priorities across these topics: gender, jobs, private investment, and fragility, conflict and violence (FCV). As part of IDA21, IDA's continued innovation has introduced hybrid capital and a portfolio guarantee platform as new instruments available for members to support IDA, where hybrid capital will

<sup>1</sup> The other WBG institutions are the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). The World Bank consists of IBRD and IDA.

<sup>2</sup> IDA's members are owners and hold voting rights in IDA. Members do not, however, hold shares in IDA and are therefore not referred to as shareholders. Payments for subscriptions and contributions from members increase IDA's paid-in equity and are financially equivalent to paid-in capital in multilateral development organizations that issue shares. IDA members have the same ownership rights as shareholders in other Multilateral Development Banks. For example, should IDA ever permanently suspend its operations, each member would receive a pro rata share of IDA's net assets in proportion to the amounts it originally paid in and invested in IDA.

enhance IDA's capital base and the portfolio guarantee platform will help reduce IDA's credit risk. IDA21 commenced on July 1, 2025, with a financing envelope of \$99.9 billion planned over the three year replenishment period, through June 30, 2028.

As of December 10, 2025, IDA had received Instruments of Commitment (IoCs) of \$14.9 billion representing more than 60% of the total member contributions for IDA21. Under the terms of IDA21, this triggered "effectiveness", upon which the full amount of IoCs received from members is recorded as receivables. See Notes to the Financial Statements for the year ended June 30, 2025, Note A - Summary of Significant Accounting and Related Policies, Members' Subscriptions and Contributions.

## Financial Business Model

IDA has financed its operations over the years with its own equity, including regular additions to equity provided by member countries as part of the replenishment process. As a result of the strong support from member countries, IDA has built up a substantial equity base of \$204.0 billion as of March 31, 2026. Since FY18, IDA has shifted to a hybrid financial model by introducing market debt into its business model. By prudently leveraging its equity and blending market debt with equity contributions from members, IDA has increased its financial efficiency, and scaled up its financing to support the escalating demand for its resources to deliver on the following priorities:

- Provide concessional financing on terms that respond to clients' needs; and
- Ensure long-term financial sustainability of IDA's financial model through a prudent risk management framework.

Currently, IDA's lending, including grants, is primarily financed by IDA's equity. As IDA's funding program expands under the hybrid financing model, a larger portion of lending will be funded by market debt, together with member countries' contributions (equity). Funds not deployed for lending are maintained in IDA's investment portfolio to supply liquidity for its operations.

## Basis of Reporting

### Reported Basis

IDA's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) and are independently audited on an annual basis. Generally, Investments, Borrowings, and Derivatives are reported at fair value in the Balance Sheets, with changes in fair value reported in the Condensed Statements of Income. Changes in IDA's own credit are reflected in Other Comprehensive Income. Concessional Partner Loans (CPL), certain market debt and IDA's loans are reported at amortized cost in the Balance Sheets.

The variability in IDA's net income is inherently driven by the grant activity and unrealized mark-to-market gains and losses in IDA's non-trading portfolios, as not all financial instruments are reported on the same measurement basis. IDA's risk management strategy entails the use of derivatives to manage market risk. These derivatives are primarily used to align the interest rate and currency bases of its assets and liabilities. IDA has not elected to designate any hedging relationships for accounting purposes.

### Non-GAAP Measures

Management uses certain non-GAAP financial measures to evaluate the underlying operations and financial performance of IDA. A non-GAAP financial measure is a measure that is adjusted to exclude, include, or reclassify certain items or components from the most directly comparable measure calculated in accordance with U.S. GAAP and reported in the audited financial statements.

### Adjusted Net Income

Adjusted Net Income (ANI) reflects the economic results of IDA's operations and is used by IDA's management and the Executive Directors (referred to as "the Board" in this document) as a financial sustainability measure. ANI is defined as IDA's net income, adjusted to exclude certain items. After the effects of these adjustments, ANI generally reflects amounts which are realized, not restricted for specific uses, and not directly funded by members.

See Section IV: Financial Results and Table 7, for details of the adjustments to reported net income to calculate ANI.

### **Deployable Strategic Capital Ratio**

IDA's capital adequacy model mandates that IDA hold capital for credit risk, market risk and operational risk covering all activities and assets on its books. The Deployable Strategic Capital (DSC) represents the capital available to support future commitments, over and above the current portfolio.

See Section V: Risk Management and Table 15 for more details of the DSC.

## Section II: Executive Summary

This Management's Discussion & Analysis (MD&A) reflects the results of IDA's financial performance for the nine months ended March 31, 2026 (FY26 YTD). This document should be read in conjunction with IDA's financial statements and MD&A issued for the fiscal year ended June 30, 2025 (FY25). IDA undertakes no obligation to update any forward-looking statements. Certain reclassifications of prior years' information have been made to conform with the current year's presentation.

**Table 1: Selected Financial Data**

*In millions of U.S. dollars, except ratios which are in percentages*

	As of and for the nine months ended March 31,		As of and for the fiscal year ended June 30,
	2026	2025	2025
<b>Lending Highlights (Section IV)</b>			
<b>Loans, Grants and Guarantees</b>			
Net commitments <sup>a</sup>	\$ 16,609	\$ 24,726	\$ 39,866
Gross disbursements <sup>a</sup>	18,301	23,049	33,123
Net disbursements <sup>a</sup>	11,524	16,724	24,257
<b>Balance Sheet (Section IV)</b>			
Total assets	\$ 282,817	\$ 266,586	\$ 280,869
Investments <sup>b</sup>	45,166	45,154	47,272
Net loans outstanding	226,088	211,065	223,232
Borrowings <sup>b</sup>	73,919	64,510	70,832
Total equity	204,010	195,450	204,171
<b>Income Statement (Section IV)</b>			
Interest revenue, net of borrowing expenses	\$ 1,681	\$ 1,759	\$ 2,366
Transfers from affiliated organizations and others	782	515	515
Development grants	(6,036)	(5,227)	(7,200)
Net loss	(4,042)	(3,780)	(5,524)
<b>Non-GAAP Measures</b>			
Adjusted Net Income (Section IV) <sup>c</sup>	\$ 253	\$ 375	\$ 427
Deployable Strategic Capital Ratio (Section V)	32.3 %	32.8 %	30.8 %

a. Commitments that have been approved by the Board and are net of full cancellations and terminations relating to commitments approved in the same fiscal year. Commitments and disbursements exclude IDA-IFC-MIGA Private Sector Window (PSW) and Grant Facility for Project Preparation (GFPP) activities.

b. See Notes to the Condensed Quarterly Financial Statements, Note C - Investments, Note E - Borrowings.

c. For adjustments relating to adjusted net income, see Table 7 in Section IV: Financial Results.

## Summary of Financial Results

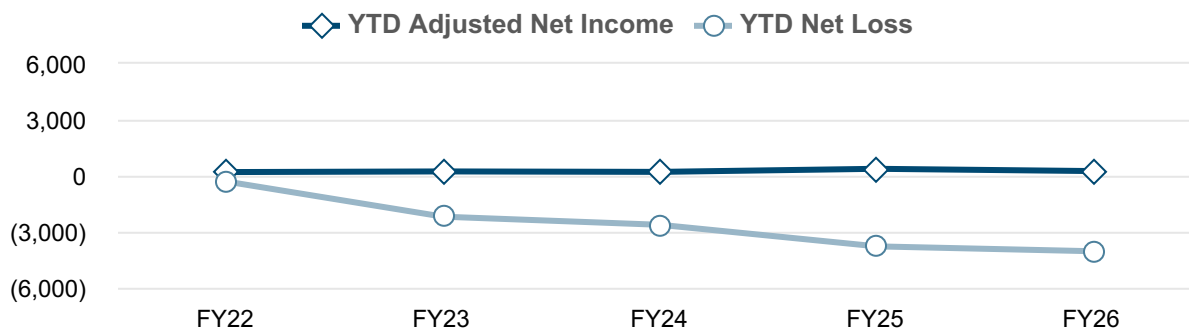
### Net Loss

IDA reported a net loss of \$4,042 million in FY26 YTD compared to a net loss of \$3,780 million for the nine months ended March 31, 2025 (FY25 YTD). The higher net loss was primarily driven by higher development grant expenses and borrowing expenses, partially offset by higher transfers from affiliated organizations, higher loan interest revenue, and lower provision for losses on loans and other exposures (Section IV).

### Adjusted Net Income

IDA’s adjusted net income was \$253 million in FY26 YTD compared to \$375 million in FY25 YTD. The decrease was primarily due to the higher borrowing expenses and lower investment revenue, partially offset by the higher net loan interest revenue and lower provision for losses on loans and other exposures (Section IV).

*In millions of U.S. dollars - all amounts are for the first nine months of the fiscal year (YTD)*



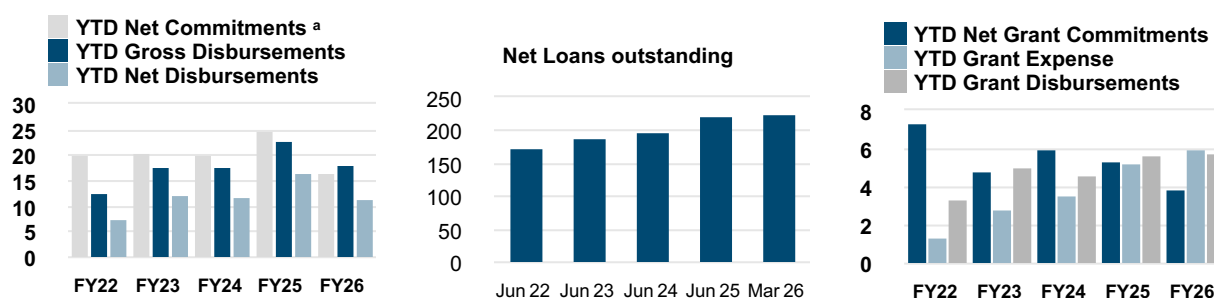
## Loans, Grants and Guarantees

IDA’s net commitments in FY26 YTD were \$16.6 billion compared to \$24.7 billion in FY25 YTD. Out of the total FY26 YTD net commitments, \$12.5 billion were loan commitments, \$3.9 billion were grant commitments and \$0.2 billion were guarantee commitments. The decrease in net commitments was primarily due to lower commitments in the Europe and Central Asia region.

IDA’s net loans outstanding increased by \$2.9 billion to \$226.1 billion as of March 31, 2026, from \$223.2 billion as of June 30, 2025, mainly due to the net loan disbursements during FY26 YTD.

Development grant expenses increased to \$6.0 billion in FY26 YTD from \$5.2 billion in FY25 YTD, primarily due to the increase in grant disbursements that met the criteria for expense recognition during FY26 YTD compared to FY25 YTD.

In billions of U.S. dollars



a. Includes loans, grants and guarantees.

## Other development activities - Private Capital Mobilization (PCM)

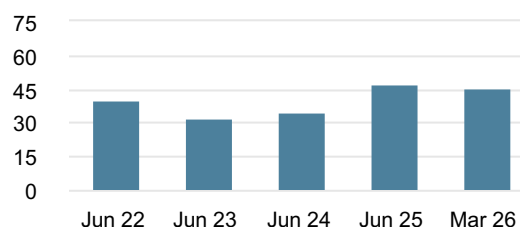
PCM commitments reflect the assessed amount of private financial resources committed alongside IDA’s commitments, whether through financing, guarantees or technical assistance. PCM is included in the WBG’s scorecard and is in accordance with the methodology harmonized across Multilateral Development Banks and European Development Financial Institutions. Amounts mobilized are generally not recorded as IDA’s financial transactions. PCM was \$4,294 million in FY26 YTD compared to \$2,133 million in FY25 YTD.

## Investments

As of March 31, 2026, investments decreased to \$45.2 billion compared to \$47.3 billion as of June 30, 2025. The decrease was consistent with net loan disbursements and liquidity needs (Section IV).

*In billions of U.S. dollars*

### Investments



*In billions of U.S. dollars*

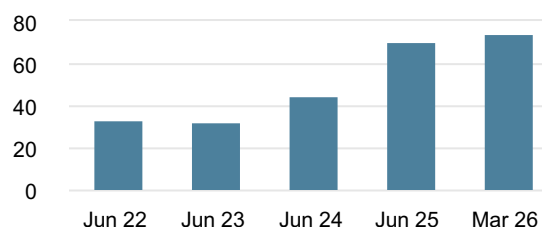
## Borrowings

**Market borrowings at fair value:** As of March 31, 2026, the market borrowings reported at fair value were \$46.8 billion, an increase of \$1.7 billion from June 30, 2025, primarily due to net new debt issuances of \$1.9 billion during the period.

**Market borrowings at amortized cost:** As of March 31, 2026, the market borrowings reported at amortized cost were \$20.0 billion, an increase of \$1.9 billion from June 30, 2025, primarily due to net new debt issuances of \$2.3 billion during the period.

**Concessional Partner Loans at amortized cost:** As of March 31, 2026, Concessional Partner Loans (CPL) reported at amortized cost were \$7.1 billion, a decrease of \$0.5 billion from June 30, 2025, primarily due to currency translation adjustments.

### Borrowings



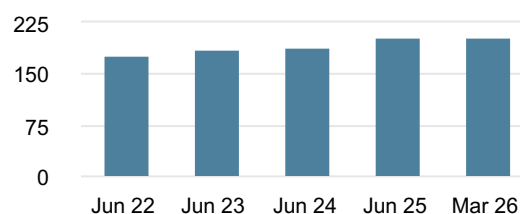
*In billions of U.S. dollars*

## Equity and Capital Adequacy

IDA's equity was \$204.0 billion as of March 31, 2026, a decrease of \$0.2 billion as compared to June 30, 2025. The decrease was primarily due to the net loss and currency translation losses as the Special Drawing Rights (SDR) depreciated against the U.S. dollar. This was partially offset by an increase in subscriptions and contributions paid-in during the period (Section IV).

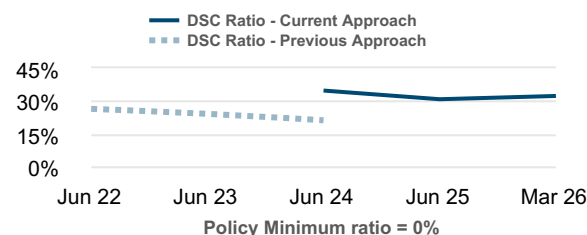
The Deployable Strategic Capital (DSC) ratio, IDA's main capital adequacy measure, was 32.3% as of March 31, 2026 (30.8% as of June 30, 2025), above the zero percent policy minimum (Section V).

### Total Equity



*Ratio in percentages*

### Deployable Strategic Capital Ratio



## Section III: IDA's Financial Resources

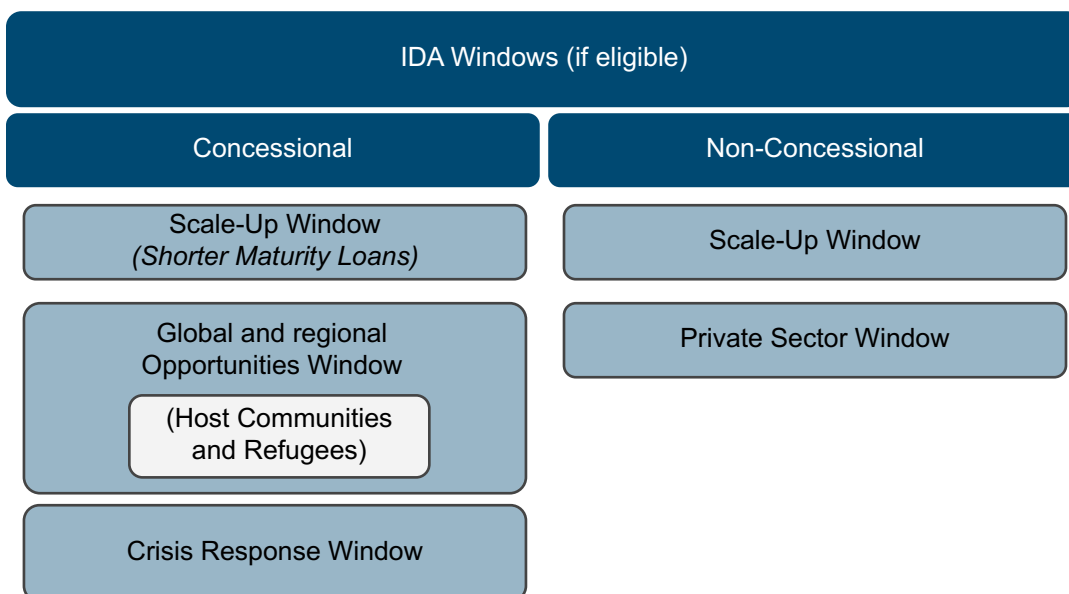
### IDA21 Funding

IDA's financing resource envelope available for lending and grant commitments is based on the long-term outlook of IDA's financial sustainability. This takes into account the amount of member contributions and the concessionality of the proposed financing to borrowers, market conditions, and capital adequacy requirements. For the three-year funding cycle of IDA21, the agreed resource envelope is \$99.9 billion USD equivalent, that will be supported by up to \$23.7 billion of member contributions, as well as by member compensation for Multilateral Debt Relief Initiative (MDRI), transfers from IBRD, and IFC's economic capital that has been set aside for PSW.

### Allocation of IDA21 Resources

IDA financing is provided in the form of loans, grants, and guarantees. Most of IDA's resources are allocated to eligible members through IDA Country Allocations that provide unearmarked support. The allocation framework is agreed for each replenishment cycle. Country Allocations are comprised of the Performance Based Allocation (PBA), which takes into account the country's performance rating (CPR), population size and per capita income, the Sustainable Development Finance Policy (SDFP) Incentive, the FCV Envelope, and the Grant Facility for Project Preparation Envelope (IDA-GFPP). The rest of IDA resources are provided through five IDA Windows dedicated to addressing specific development priorities. IDA responds to specific needs of its members through the following five IDA Windows:

**Figure 1: IDA21 Windows**



Eligibility and percentage of allocation for grants for IDA-only countries is based on an assessment of the country's risk of debt distress. IDA-only countries (including Small States<sup>3</sup>) with high risk or in debt distress, receive their IDA assistance in the form of grants. IDA-only Small States at moderate risk of debt distress continue to receive half of their IDA21 allocation in grants and half in loans. The annual cap on grants in country allocations has been reduced from \$1.0 billion in the Twentieth Replenishment of Resources (IDA20) to \$650 million in IDA21.

New financing terms have been introduced in IDA21 to simplify the terms of financing used by each country and to allow for additional financing for a select group of eligible countries. For details of the new financing terms being offered in IDA21, see IDA's MD&A for the fiscal year ended June 30, 2025, Section

<sup>3</sup> Small States are countries with a population of 1.5 million people or fewer. Small Island Economies are a sub-set of this broader category.

III: IDA's Financial Resources. In addition, Gap and Blend countries that select floating rate loans from IDA are offered hedging services to mitigate risks associated with fluctuations in market interest rates.

These changes do not apply to IDA eligible Small States, which continue to borrow on Small Economy terms as in the past replenishments.

**Table 2: Cumulative Net Commitments under IDA21**

*In millions of U.S. dollars*

<i>As of March 31, 2026</i>	Loans and Guarantees	Grants	Total
Concessional financing			
IDA Country Allocations	\$ 10,257	\$ 2,649	\$ 12,906
<b>IDA Concessional Windows</b>			
Global and Regional Opportunities Window <sup>a</sup>	1,459	1,229	2,688
of which: Window for Host Communities and Refugees <sup>a</sup>	30	210	240
Crisis Response Window	83	17	100
Scale-up Window – Shorter-Maturity Loans	485	—	485
Non-concessional financing – Scale-up Window and other	430	—	430
<b>Total Cumulative Net Commitments <sup>b</sup></b>	<b>\$ 12,714</b>	<b>\$ 3,895</b>	<b>\$ 16,609</b>

*a. Host Communities and Refugees (WHR) is a sub-window under the Global and Regional Opportunities Window.*

*b. Commitments are net of full cancellations and terminations relating to commitments approved in the same fiscal year. Commitments exclude IDA-IFC-MIGA PSW and GFPP activities.*

## Private Sector Window

The IDA-IFC-MIGA Private Sector Window was created under IDA18 to mobilize private sector investment in IDA-only countries and IDA-eligible Fragile and Conflict-affected Situations. Under IDA21, \$3.2 billion was allocated to the PSW, including \$500 million of economic capital set aside by IFC. During FY26 YTD, \$281 million was committed under the IDA21 PSW envelope. In addition, \$66 million was approved by IFC's Board under the capital set aside by IFC under IDA21 PSW.

PSW is deployed through facilities designed to target critical challenges faced by the private sector and leverages IFC and MIGA's business platforms and instruments.

## Section IV: Financial Results

### Financial Results and Portfolio Performance

**Table 3: Condensed Balance Sheets**

In millions of U.S. dollars

As of	March 31, 2026	June 30, 2025	Decrease	Increase
<b>Assets</b>				
Due from banks	\$ 769	\$ 1,215	(446)	
Investments	45,166	47,272	(2,106)	
Net loans outstanding <sup>a</sup>	226,088	223,232		2,856
Derivative assets, net	1,151	415		736
Other assets	9,643	8,735		908
<b>Total assets</b>	<b>\$ 282,817</b>	<b>\$ 280,869</b>		<b>1,948</b>
<b>Liabilities</b>				
Borrowings	\$ 73,919	\$ 70,832		3,087
Derivative liabilities, net	138	496	(358)	
Other liabilities	4,750	5,370	(620)	
<b>Equity</b>	<b>204,010</b>	<b>204,171</b>	<b>(161)</b>	
<b>Total liabilities and equity</b>	<b>\$ 282,817</b>	<b>\$ 280,869</b>		<b>1,948</b>

a. The fair value of IDA's loans was \$173,151 million as of March 31, 2026 (\$172,530 million – June 30, 2025).

The main drivers of the movements in the Condensed Balance Sheets from June 30, 2025 to March 31, 2026 are as follows:

- Decrease in investments was consistent with net loan disbursements and liquidity needs;
- Increase in net loans outstanding was due to net loan disbursements during the period, partially offset by translation losses due to the depreciation of the SDR against the U.S. dollar;
- Increase in derivative assets, net was primarily due to translation adjustment gains on investment-related derivatives;
- Increase in other assets was mainly due to the purchase of assets at amortized cost associated with forward contracts; and
- Increase in borrowings was due to net new issuances of \$4.2 billion during the period.

### Total Equity

See below for the change in IDA's total equity during FY26 YTD.

**Table 4: Change in Total Equity**

In millions of U.S. dollars

<b>Equity as of June 30, 2025</b>	<b>\$ 204,171</b>
Activity during the period:	
Subscriptions and contributions paid-in	5,600
Nonnegotiable non-interest bearing demand obligations, net	461
Net loss	(4,042)
Changes in accumulated other comprehensive loss	(2,180)
<b>Total Activity</b>	<b>(161)</b>
<b>Equity as of March 31, 2026</b>	<b>\$ 204,010</b>

## Net Loss

IDA had a net loss of \$4,042 million in FY26 YTD compared with a net loss of \$3,780 million in FY25 YTD (Table 5). The higher net loss was primarily driven by the increase in development grant expenses of \$809 million and the increase in borrowing expenses of \$324 million, partially offset by the higher transfers from affiliated organizations of \$267 million, higher loan interest revenue of \$234 million and a lower provision for losses on loans and other exposures of \$124 million.

**Table 5: Condensed Statements of Income**

In millions of U.S. dollars

<i>For the nine months ended March 31,</i>	<i>2026</i>	<i>2025</i>	<i>Impact on Income</i>	
			<i>Decrease</i>	<i>Increase</i>
<b>Interest Revenue</b>				
Loans, net	\$ 2,454	\$ 2,220		234
Investments, net	1,139	1,136		3
Asset-liability management derivatives, net	62	53		9
<b>Borrowing expenses, net</b>	<b>(1,974)</b>	<b>(1,650)</b>	(324)	
<b>Interest revenue, net of borrowing expenses</b>	<b>\$ 1,681</b>	<b>\$ 1,759</b>	(78)	
Provision for losses on loans and other exposures	(152)	(276)		124
<b>Non-interest revenue</b>				
Revenue from externally funded activities (Table 12)	758	751		7
Commitment charges	14	18	(4)	
Other	42	35		7
<b>Non-interest expenses</b>				
Administrative (Table 12)	(1,856)	(1,921)		65
Other	(26)	(18)	(8)	
Transfers from affiliated organizations	782	515		267
Development grants	(6,036)	(5,227)	(809)	
Currency remeasurement gains, net	79	35		44
Mark-to-market gains on trading securities, net <sup>a</sup>	253	218		35
Unrealized mark-to-market gains on non-trading portfolios, net (Table 14)	419	331		88
<b>Net Loss</b>	<b>\$ (4,042)</b>	<b>\$ (3,780)</b>	(262)	

a. Includes IDA's share of mark-to-market gains from the Post-Employment Benefit Plan (PEBP) and Post-Retirement Contribution Reserve Fund (PCRF) assets – \$83 million positive return (FY25 YTD – \$58 million of positive return).

## Adjusted Net Income

Adjusted Net Income, a non-GAAP measure, reflects the economic results of IDA's operations and is used by IDA's management and the Board as a financial sustainability measure. See Table 6 below for the components of Adjusted Net Income.

**Table 6: Statement of Adjusted Net Income (Non-GAAP Measure)**

In millions of U.S. dollars

For the nine months ended March 31,	2026	2025	Impact on income	
			Decrease	Increase
<b>Revenue on interest earning assets</b>				
Loans, net	\$ 2,454	\$ 2,220		234
Investments, net <sup>a</sup>	1,159	1,284	(125)	
Asset-liability management derivatives, net	62	53		9
<b>Borrowing expenses, net <sup>b</sup></b>	<b>(1,904)</b>	<b>(1,583)</b>	<b>(321)</b>	
<b>Total revenue on interest earning assets, net</b>	<b>\$ 1,771</b>	<b>\$ 1,974</b>	<b>(203)</b>	
Provision for losses on loans and other exposures <sup>c</sup>	(169)	(312)		143
Non-interest expenses (Table 12)	(1,398)	(1,333)	(65)	
Other revenue, net (Table 13)	49	46		3
<b>Adjusted Net Income</b>	<b>\$ 253</b>	<b>\$ 375</b>	<b>(122)</b>	

a. Excludes income from the Post-Employment Benefit Plan (PEBP) and Post-Retirement Contribution Reserve Fund (PCRF) assets - \$104 million positive return (FY25 YTD - \$74 million positive return) and mark-to-market gains on forward contracts related to assets held at amortized cost - \$129 million (FY25YTD - \$4 million losses).

b. Excludes amortization of discount on CPL - \$70 million (FY25 YTD - \$67 million).

c. Excludes provision for Heavily Indebted Poor Countries (HIPC) / Multilateral Debt Relief Initiative (MDRI) - \$19 million release (FY25 YTD - \$34 million release) and provision for grant advances - \$2 million charge (FY25 YTD- \$2 million release).

IDA's adjusted net income was \$253 million in FY26 YTD, compared with adjusted net income of \$375 million in FY25 YTD (Table 6). The decrease was primarily driven by the following factors:

- An increase of \$321 million in borrowing expenses, mainly due to the higher average balance of borrowings, partially offset by the impact of the decrease in relevant interest rates in FY26 YTD compared to FY25 YTD.
- A decrease of \$125 million in investment revenue, primarily driven by the net mark-to-market losses from EUR denominated bonds in FY26 YTD compared to FY25 YTD.

partially offset by:

- An increase of \$234 million in net loan interest revenue, due to the increase in average loan balance by \$20.3 billion in FY26 YTD compared with FY25 YTD; and
- A provision for losses on loans and other exposures of \$169 million in FY26 YTD compared to \$312 million in FY25 YTD, primarily due to the impact of rating changes in FY25 YTD.

**Table 7: Reconciliation of Net Income to Adjusted Net Income**

In millions of U.S. dollars

For the nine months ended March 31,	2026	2025
<b>Net Loss (Table 5)</b>	<b>\$ (4,042)</b>	<b>\$ (3,780)</b>
<b>Adjustments to reconcile Net Loss to Adjusted Net Income:</b>		
Activities directly funded by member contributions <sup>a</sup>	6,085	5,235
Transfers from affiliated organizations	(782)	(515)
Currency remeasurement (gains), net	(79)	(35)
Unrealized mark-to-market (gains) on non-trading portfolios, net <sup>b</sup>	(415)	(317)
Income from PEBP and PCRf investments	(104)	(74)
Pension adjustment	(282)	(145)
Mark-to-market (gains) losses on certain forward contracts related to assets held at amortized cost <sup>c</sup>	(129)	4
Externally Financed Outputs (EFO) and Reserves Advisory Management Program (RAMP) <sup>d</sup>	1	2
<b>Adjusted Net Income</b>	<b>\$ 253</b>	<b>\$ 375</b>

a. Includes development grants of \$6,036 million (FY25 YTD - \$5,227 million).

b. Excludes \$4 million of gains from revenue-related forward currency contracts and loan-related derivatives (FY25 YTD - \$14 million of gains).

c. This adjustment applies to trades where the unrealized gains and losses on derivative forward contracts are recorded in the Mark-to-market gains on trading securities, net line of the Condensed Statements of Income.

d. Includes EFO income subject to contractual donor restrictions and transferred to Restricted Retained Earnings, and RAMP-related revenue and expenses excluded under a Board-approved framework to ensure use solely for program delivery, if any.

## Results from Financing Activities

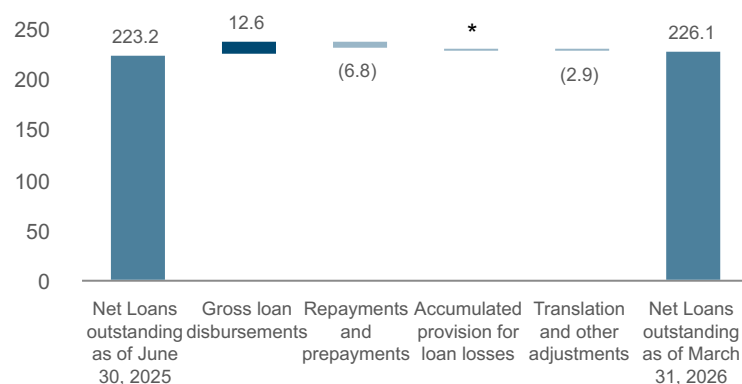
### Loan Portfolio and Grant Activity

As of March 31, 2026, net loans outstanding were \$226.1 billion, \$2.9 billion higher compared with June 30, 2025. The increase was mainly due to the net loan disbursements during the nine months ended March 31, 2026. The undisbursed balances of loan and grant commitments were \$80.8 billion and \$24.2 billion, respectively as of March 31, 2026.

As of March 31, 2026, 73% of IDA's loans outstanding were denominated in SDR. For the regional presentation of loans outstanding, see Notes to the Condensed Quarterly Financial Statements for the period ended March 31, 2026, Note D – Loans and Other Exposures – Table D5.

**Figure 2: Net Loans Outstanding Activity**

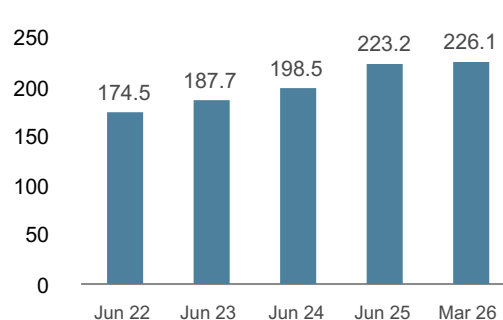
In billions of U.S. dollars



\* Amount less than \$0.1 billion

**Figure 3: Net Loans Outstanding**

In billions of U.S. dollars



During FY26 YTD, net loan and guarantee commitments were lower by \$6.6 billion compared to FY25 YTD. There were \$240 million guarantee commitments in FY26 YTD compared to \$222 million in FY25

YTD. Grant commitments were lower by \$1.5 billion compared with FY25 YTD. The decrease in total net commitments was primarily due to the lower commitments in the Europe and Central Asia region.

**Table 8: Net Commitments of Loans and Guarantees by Region**

In millions of U.S. dollars

For the nine months ended March 31,	2026	% of total	2025	% of total	Variance
Eastern and Southern Africa	\$ 5,678	44 %	\$ 2,806	15 %	\$ 2,872
Western and Central Africa	3,903	30	5,547	29	(1,644)
East Asia and Pacific	446	4	421	2	25
Europe and Central Asia	472	4	6,634	34	(6,162)
Latin America and the Caribbean	210	2	744	4	(534)
Middle East, North Africa, Afghanistan and Pakistan <sup>a</sup>	903	7	930	5	(27)
South Asia <sup>a</sup>	1,102	9	2,243	11	(1,141)
<b>Total</b>	<b>\$ 12,714</b>	<b>100 %</b>	<b>\$ 19,325</b>	<b>100 %</b>	<b>\$ (6,611)</b>

a. Effective July 1, 2025, Afghanistan and Pakistan have moved from the South Asia Region to the Middle East, North Africa, Afghanistan and Pakistan Region. Prior period numbers have been reclassified for comparability.

**Table 9: Net Commitments of Grants by Region**

In millions of U.S. dollars

For the nine months ended March 31,	2026	% of total	2025	% of total	Variance
Eastern and Southern Africa	\$ 2,434	62 %	\$ 3,144	58 %	\$ (710)
Western and Central Africa	737	19	670	12	67
East Asia and Pacific	207	5	523	10	(316)
Europe and Central Asia	110	3	380	7	(270)
Latin America and the Caribbean	80	2	139	3	(59)
Middle East, North Africa, Afghanistan and Pakistan <sup>a</sup>	177	5	513	9	(336)
South Asia <sup>a</sup>	150	4	32	1	118
<b>Total</b>	<b>\$ 3,895</b>	<b>100 %</b>	<b>\$ 5,401</b>	<b>100 %</b>	<b>\$ (1,506)</b>

a. Effective July 1, 2025, Afghanistan and Pakistan have moved from the South Asia Region to the Middle East, North Africa, Afghanistan and Pakistan Region. Prior period numbers have been reclassified for comparability.

**Table 10: Gross Disbursements of Loans and Grants by Region**

In millions of U.S. dollars

For the nine months ended March 31,	2026			2025			Variance
	Loans <sup>a</sup>	Grants	Total	Loans <sup>a</sup>	Grants	Total	
Eastern and Southern Africa	\$ 4,117	\$ 3,522	\$ 7,639	\$ 3,961	\$ 3,576	\$ 7,537	\$ 102
Western and Central Africa	4,028	1,271	5,299	4,068	1,191	5,259	40
East Asia and Pacific	548	248	796	740	207	947	(151)
Europe and Central Asia	1,761	325	2,086	5,721	161	5,882	(3,796)
Latin America and the Caribbean	268	113	381	377	107	484	(103)
Middle East, North Africa, Afghanistan and Pakistan <sup>b</sup>	852	181	1,033	715	387	1,102	(69)
South Asia <sup>b</sup>	958	109	1,067	1,771	67	1,838	(771)
<b>Total</b>	<b>\$ 12,532</b>	<b>\$ 5,769</b>	<b>\$ 18,301</b>	<b>\$ 17,353</b>	<b>\$ 5,696</b>	<b>\$ 23,049</b>	<b>\$ (4,748)</b>

a. Excludes PSW related disbursements - \$106 million (FY25 YTD - \$81 million) and GFPP related disbursements - \$7 million (FY25 YTD - Nil).

b. Effective July 1, 2025, Afghanistan and Pakistan have moved from the South Asia Region to the Middle East, North Africa, Afghanistan and Pakistan Region. Prior period numbers have been reclassified for comparability.

As of March 31, 2026, 48% of loans outstanding were on regular terms (75 basis points SDR equivalent service charge) (Table 11). For a summary of financial terms for IDA's lending products, refer to IDA's MD&A for the fiscal year ended June 30, 2025, Section V: Development Activities, Products and Programs.

The increase in IDA's revenue on loans was primarily due to the \$20.3 billion increase in the average loan balance in FY26 YTD compared to FY25 YTD.

**Table 11: Revenue and Loan Balances by Product Category**

*In millions of U.S. dollars*

Category	Balance as of March 31,		Interest revenue on loans <sup>a</sup>	
	2026	2025	For the nine months ended March 31,	
			2026	2025
<b>Loans</b>				
Concessional				
Regular	\$ 111,676	\$ 108,643	\$ 655	\$ 626
Blend	81,518	76,869	1,070	968
Hard <sup>b</sup>	1,219	1,237	30	31
Concessional Shorter-Maturity Loans	8,520	6,739	NA	NA
50-year	6,137	3,363	NA	NA
Non-concessional <sup>c</sup>	21,009	18,049	679	560
Others <sup>d</sup>	694	631	15	23
<b>Total</b>	<b>\$ 230,773</b>	<b>\$ 215,531</b>	<b>\$ 2,449</b>	<b>\$ 2,208</b>

a. Excludes interest rate swap income or expense from loan related derivatives - \$5 million of revenue in FY26 YTD (\$12 million of revenue in FY25 YTD).

b. Effective FY18, Hard-term loans are no longer offered.

c. In addition, \$14 million of commitment charges were earned in FY26 YTD on undisbursed balances of non-concessional loans (\$18 million in FY25 YTD).

d. Represents loans under the PSW and others.

## Climate Resilient Debt Clause (CRDC)

IDA offers a climate resilient debt clause (CRDCs) for eligible new and existing loans (with a minimum remaining maturity of five years) for certain borrowers<sup>4</sup>. CRDCs allow eligible borrowing countries to defer payments of principal and/or interest (and other loan charges) for up to two years after an eligible event. After the deferral period, the borrower will restart payments of the deferred amounts according to a modified amortization schedule that maintains the original weighted average maturity of the loan and does not extend the final maturity date. IDA's loans outstanding as of March 31, 2026 for the 28 countries (including Blend countries) that are eligible to adopt the clause for CRDCs was \$5.5 billion, representing 2% of the total loans outstanding.

## Provision for losses on loans and other exposures

In FY26 YTD, IDA recorded a provision for losses on loans and other exposures of \$152 million (\$276 million provision in FY25 YTD), primarily due to the increase in loan exposure during the period. The \$124 million decrease in the provision in FY26 YTD compared to FY25 YTD, was primarily due to the impact of rating changes in FY25 YTD. The assumptions are reassessed quarterly. For adjusted net income purposes, the provision for losses on loans and other exposures excludes the provision for debt relief under Heavily Indebted Poor Countries (HIPC) / Multilateral Debt Relief Initiative (MDRI) and the provision for grant advances, since these are funded by contributions from members.

## Results from Investing Activities

### Investment interest revenue, net of derivatives

IDA's investment interest revenue, including related derivatives, remained stable at \$1,139 million in FY26 YTD, compared to \$1,136 million in FY25 YTD.

### Investments

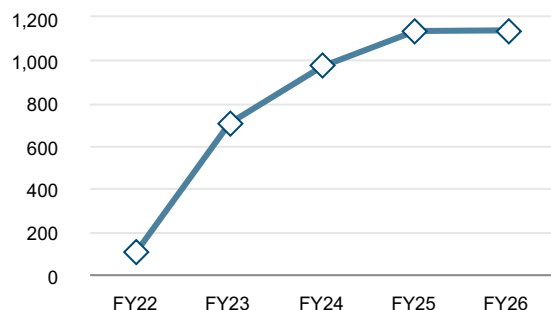
IDA's investment balance decreased to \$45.2 billion as of March 31, 2026 compared to \$47.3 billion as of June 30, 2025. The decrease was consistent with net loan disbursements and liquidity needs. See Notes

<sup>4</sup> Eligible borrowers are IDA Small State Economies, members of the Small States Forum, and Small Island Developing States as defined by the United Nations.

to the Condensed Quarterly Financial Statements for the period ended March 31, 2026, Note C – Investments.

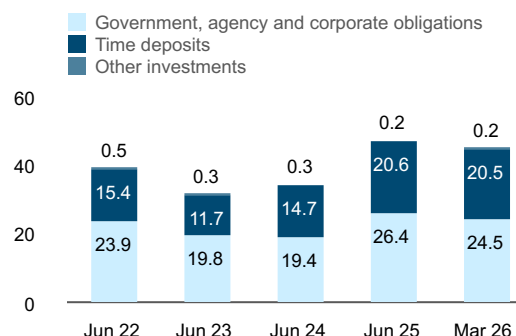
**Figure 4: Investment interest revenue, net of derivatives**

*In millions of U.S. dollars, YTD*



**Figure 5: Investments**

*In billions of U.S. dollars*



### Mark-to-market gains (losses) on trading securities, net

For IDA's trading securities, excluding IDA's share of returns from the PEBP and PCRf assets and mark-to-market gains or losses on forward contracts related to certain assets at amortized cost, the mark-to-market gains in FY26 YTD were \$41 million, compared to \$164 million of net mark-to-market gains in FY25 YTD (see Table 5 and Table 6). The \$123 million decrease in net mark-to-market gains was mainly driven by the losses from EUR denominated bonds due to the increase in relevant interest rates in FY26 YTD, compared to gains from EUR denominated bonds due to the decrease in relevant interest rates in FY25 YTD.

### Results from Borrowing Activities

#### Borrowing Expenses

In FY26 YTD, IDA's borrowing expenses, including related derivatives, were \$1,974 million, an increase of \$324 million compared with the same period in FY25 YTD. The increase in borrowing expenses was primarily due to the higher average balance, partially offset by the impact of the decrease in relevant interest rates in FY26 YTD compared to FY25 YTD.

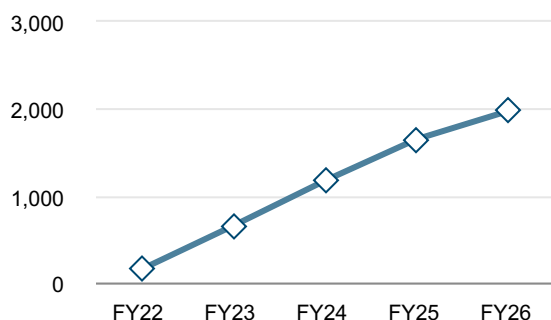
#### Borrowings

As of March 31, 2026, total borrowings outstanding were \$73.9 billion, compared to \$70.8 billion as of June 30, 2025. The increase was mainly due to the debt issuances net of maturities during the period.

See Notes to the Condensed Quarterly Financial Statements for the period ended March 31, 2026, Note E – Borrowings.

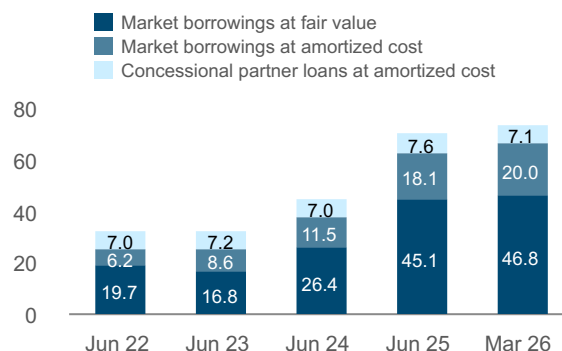
**Figure 6: Borrowing expenses, net**

In millions of U.S. dollars, YTD



**Figure 7: Borrowings**

In billions of U.S. dollars



### Transfers from Affiliated Organizations

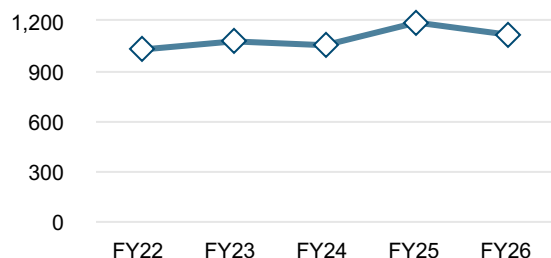
Since 1964, IBRD has made transfers to IDA, upon approval by the Board of Governors. Currently, IBRD uses a formula-based approach to form the basis of the annual recommended transfer to IDA, which is based on IBRD's financial results. On September 8, 2025, IBRD's Board of Governors approved a transfer of \$782 million, which was received by IDA on September 23, 2025.

### Net Non-Interest Expenses

IDA's net non-interest expenses are primarily comprised of administrative expenses, net of revenue from externally funded activities. IBRD and IDA's administrative budget is a single resource envelope that funds the combined work programs of both entities. The allocation of administrative expenses between IBRD and IDA is based on an agreed cost and revenue sharing methodology, approved by their Boards. The allocation is primarily driven by the relative level of activities relating to lending, knowledge services and other services between the two institutions. The administrative expenses shown in Table 12 include costs related to IDA-executed trust funds and other externally funded activities.

**Figure 8: Net Non-Interest Expenses**

In millions of U.S. dollars, YTD



The decrease in net non-interest expenses from FY25 YTD to FY26 YTD was primarily due to the decrease in the net pension and post retirement benefit costs due to the higher amortization of unrecognized actuarial gains during FY26 YTD compared to FY25 YTD. This is driven by the changes in the actuarial assumptions and the higher-than-expected plan asset returns recorded in FY25.

On a non-GAAP basis, the increase in net non-interest expenses was primarily driven by higher staff costs and premises and equipment expenses (Table 12).

**Table 12: Net Non-Interest Expenses**

In millions of U.S. dollars

<i>For the nine months ended March 31,</i>	<i>2026</i>	<i>2025</i>	<i>Variance</i>
Administrative expenses:			
Staff costs	\$ 1,121	\$ 1,068	\$ 53
Travel	124	132	(8)
Consultant fees and contractual services	383	396	(13)
Pension and other post-retirement benefits	(26)	97	(123)
Communications and technology	67	83	(16)
Premises and equipment	144	103	41
Other expenses	43	42	1
<b>Total administrative expenses <sup>a</sup> (Table 5)</b>	<b>\$ 1,856</b>	<b>\$ 1,921</b>	<b>\$ (65)</b>
Contributions to special programs <sup>b</sup>	19	20	(1)
Revenue from externally funded activities:			
Reimbursable revenue – Bank-executed activities for trust funds (BETF)	(502)	(521)	19
Other revenue	(256)	(230)	(26)
<b>Total revenue from externally funded activities (Table 5)</b>	<b>\$ (758)</b>	<b>\$ (751)</b>	<b>\$ (7)</b>
<b>Total net non-interest expenses</b>	<b>\$ 1,117</b>	<b>\$ 1,190</b>	<b>\$ (73)</b>
<b>Adjustments to arrive at Net non-interest expenses - Non-GAAP Measure</b>			
Pension, RAMP and EFO adjustments <sup>c</sup>	281	143	138
<b>Net non-interest expenses (Table 6) - Non-GAAP Measure</b>	<b>\$ 1,398</b>	<b>\$ 1,333</b>	<b>\$ 65</b>

a. Includes expenses related to BETF of \$502 million for FY26 YTD and \$521 million for FY25 YTD.

b. Included in Non-interest expenses – Other in the Condensed Statements of Income.

c. Components of this adjustment are included in Table 7, and are excluded from Net non-interest expenses on an adjusted net income basis.

During FY26 YTD, IDA's net other revenue remained relatively stable at \$49 million compared to \$46 million revenue in FY25 YTD (Table 13).

**Table 13: Other Revenue (Expenses), net**

In millions of U.S. dollars

<i>For the nine months ended March 31,</i>	<i>2026</i>	<i>2025</i>	<i>Variance</i>
Project Preparation Advance (PPA) grants and others <sup>a</sup>	\$ (11)	\$ (21)	\$ 10
Guarantee fees and others <sup>b</sup>	42	35	7
Commitment charges	14	18	(4)
Gains (losses) from revenue-related derivative contracts	4	14	(10)
<b>Other revenue, net (Table 6)</b>	<b>\$ 49</b>	<b>\$ 46</b>	<b>\$ 3</b>

a. Reflects exclusion of \$4 million of Project Preparation Facility Grant directly funded by members (FY25 YTD - \$23 million).

b. Included in Non-interest revenue – Other in the Condensed Statements of Income.

**Unrealized mark-to-market gains (losses) on non-trading portfolios, net**

During FY26 YTD, the non-trading portfolios had \$419 million of unrealized mark-to-market gains compared to \$331 million of unrealized mark-to-market gains in FY25 YTD. The increase was mainly driven by the higher unrealized mark-to-market gains from the derivatives held for the Capital Value Protection Program (CVP), managed as part of Asset-Liability management (ALM), which was primarily due to a greater increase in relevant interest rates for longer tenors in FY26 YTD compared to FY25 YTD.

**Table 14: Unrealized Mark-to-Market gains (losses) on non-trading portfolios, net***In millions of U.S. dollars*

<i>For the nine months ended March 31,</i>	<i>2026</i>	<i>2025</i>	<i>Variance</i>
Asset-liability management (ALM) <sup>a</sup>	\$ 414	\$ 319	\$ 95
Investment portfolio	2	4	(2)
Borrowing portfolio	(28)	3	(31)
Loan-related derivatives	33	(6)	39
Other <sup>b</sup>	(2)	11	(13)
<b>Unrealized mark-to-market gains (losses) on non-trading portfolios, net - Reported Basis (Table 5)</b>	<b>\$ 419</b>	<b>\$ 331</b>	<b>\$ 88</b>

*a. Includes unrealized mark-to-market gains (losses) on the CVP portfolio and other ALM portfolios.*

*b. Represents unrealized mark-to-market gains (losses) on PSW associated instruments.*

### **Currency remeasurement gains (losses), net**

Currency remeasurement gains or losses represent unrealized exchange rate gains or losses resulting from the hedging of exchange rate risk related to future donor contributions, borrowings, and all other assets and liabilities held on IDA's Balance Sheet, that are denominated in currencies other than the SDR and its component currencies. The remeasurement gains in FY26 YTD and FY25 YTD were primarily driven by the hedging of exchange rate risk related to future donor contributions. Certain members pledge their future equity contributions in non-SDR currencies. These future cash flows are economically hedged using currency forwards. The economic offset is inherent in the future contribution inflows. The payable portion of the currency forward contracts are denominated in non-functional currencies. The depreciation or appreciation of these currencies against the U.S. dollar results in exchange rate gains or losses which are recorded in the income statements. Accordingly, the remeasurement gains on non-functional currencies were \$79 million in FY26 YTD compared to gains of \$35 million in FY25 YTD. The increase in remeasurement gains was primarily driven by a higher depreciation of certain non-functional currencies against the U.S dollar in FY26 YTD compared to FY25 YTD.

## Section V: Risk Management

### Risk Governance

IDA's risk management processes and practices continually evolve to reflect changes in activities in response to market, credit, product, operational, and other developments. The Board, particularly the Audit Committee members, periodically reviews trends in IDA's risk profiles and performance, and any major developments in risk management policies and controls.

Management believes that effective risk management is critical for IDA's overall operations. Accordingly, the risk management governance structure is designed to manage the principal risks IDA assumes in its activities.

### Risk Oversight and Coverage

The Vice President and World Bank Group Chief Risk Officer (CRO) oversees financial, operational, and environmental & social (E&S) risks. These include: (i) Country credit risks associated with the WBG's sovereign-lending activities; (ii) Market and counterparty risks, encompassing liquidity, market and model risks; (iii) Operational risks, related to people, process, and systems, or from external events; and (iv) risks, associated with projects, which are managed through a dedicated second line of defense to ensure sustainability, accountability, and alignment with WBG standards. The new integrated WBG E&S structure became effective in January 2026, and CRO now oversees a global WBG E&S risk department.

The risk of IDA's operations not meeting the expected development outcomes (development outcome risks) in IDA's lending activities is monitored at the corporate level by Operations Policy and Country Services (OPCS). Where fraud and corruption risks may impact IDA-financed projects, OPCS, the Regions and Practice Groups, and the Integrity Vice Presidency jointly address such issues.

For a detailed discussion of the risk governance and risk oversight and coverage, see IDA's MD&A for the fiscal year ended June 30, 2025, Section IX: Risk Management.

### Management of IDA's Risks

IDA assumes financial risks in order to achieve its development and strategic objectives. IDA's financial risk management framework is designed to enable and support the institution in achieving its goals in a financially sustainable manner. IDA manages credit, market, and operational risks in its financial activities, which include lending, borrowing, and investing. The primary financial risk to IDA is the country credit risk inherent in its loan and guarantee portfolios. IDA is also exposed to risks in its liquid asset and derivative portfolios, where the major risks are interest rate, exchange rate, commercial counterparty, and liquidity risks. IDA's operational risk management framework is based on a structured and uniform approach to identify, assess, and monitor key operational risks across business units.

### Capital Adequacy

IDA uses a solvency-based capital adequacy model, which mandates that IDA hold capital for credit risk, market risk and operational risk covering all activities and assets on its books. IDA's main measure of capital adequacy is the Deployable Strategic Capital (DSC), which represents the capital available to support future commitments, over and above the current portfolio. IDA is required, based on a Board-approved policy, to keep the DSC at no lower than zero. The DSC is calculated as the amount by which Total Resources Available (TRA) exceed Total Resources Required (TRR) and a Conservation Buffer (CB).

TRA represents IDA's available equity plus accumulated provision for losses on loans and other exposures. The TRA includes the expected encashment of donor contributions in IDA's 3-year risk horizon. It excludes pension-related adjustments and other restricted assets. The two items that decrease TRA are: a) the present value adjustment of IDA's concessional loan portfolio based on the prevailing interest rates and b) the balance of development grants approved but not yet expensed.

The TRR is the minimum capital required to cover estimated losses in connection with all of IDA's operations and assets. The TRR sets a capital charge requirement for credit risk (for the IDA portfolio

including exposure under the Private Sector Window), interest rate risk (the present value adjustment of IDA's concessional loan portfolio based on stressed interest rates) and operational risk. The Conservation Buffer is calculated as 10% of TRA.

As of March 31, 2026, the DSC ratio was 32.3% (30.8% as of June 30, 2025). See Table 15. The increase in DSC ratio was mainly due to a larger percentage decrease in TRR compared to the percentage decrease in TRA.

**Table 15: Deployable Strategic Capital Ratio**

*In billions of U.S. dollars except ratios in percentages*

<i>As of</i>		<i>Mar-26</i>	<i>Jun-25</i>	<i>Change</i>
Total Resources Available (TRA)	\$	162.1	165.5	(3.4)
Total Resources Required (TRR)		93.5	97.9	(4.4)
Conservation Buffer (CB)		16.2	16.6	(0.4)
Deployable Strategic Capital (DSC = TRA-TRR-CB)	\$	52.4	51.0	1.4
<b>Deployable Strategic Capital as a percentage of TRA</b>		<b>32.3 %</b>	<b>30.8 %</b>	<b>1.5 %</b>

## Asset - Liability Management (ALM)

Since FY22, IDA's interim ALM policy allows, under specific criteria, funding fixed rate loans with long-term fixed rate market debt and CPLs (both reported at amortized cost), as part of IDA's interest rate risk management to better align the interest rate basis and maturity of assets and liabilities. See the Market Risk section for details on interest rate risk and exchange rate risk management.

### Capital Value Protection Program

As part of IDA's ALM policies, IDA executed pay fixed, receive floating forward-starting swaps with a current notional of \$15.3 billion under a Board-approved Capital Value Protection Program. The objective of the program is to partially reduce the sensitivity of IDA's capital adequacy model to changes in long-term interest rates and allow for more resources to be available for lending under the capital adequacy framework. For more details, see Notes to the Condensed Quarterly Financial Statements for the period ended March 31, 2026, Note F – Derivative Instruments.

## Management of Credit and Market Risks

### Credit Risk

IDA faces two types of credit risk: country credit risk and counterparty credit risk. Country credit risk is the risk of loss due to a country not meeting its contractual obligations, and counterparty credit risk is the risk of loss attributable to a counterparty not honoring its contractual obligations. IDA is exposed to commercial as well as noncommercial counterparty credit risk.

### Country Credit Risk

IDA's lending management framework encompasses the long-standing PBA mechanism and allocation framework agreed at each replenishment, complemented by additional considerations required when accessing debt markets to ensure adherence to risk management (capital adequacy) requirements.

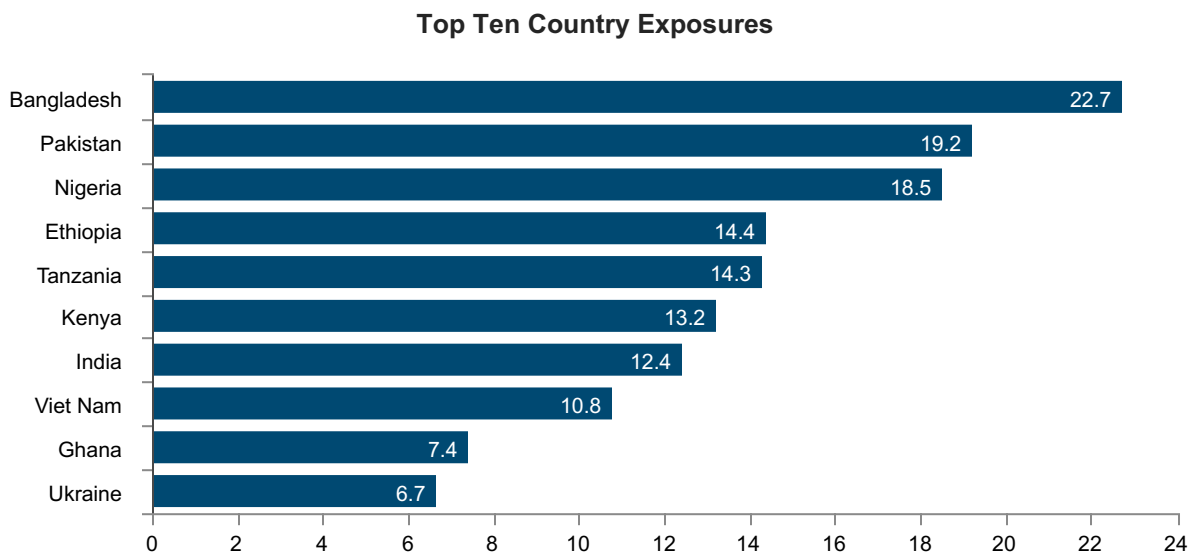
IDA regularly assesses the country credit risk of all its borrowers. IDA produces credit risk ratings for all its borrowing countries, which reflect country economic, financial, and political circumstances, and also considers environmental, social and governance (ESG) risk factors. Based on these risk ratings, to manage overall portfolio risk, the allocation outcomes of the PBA and other mechanisms are reviewed to ensure that they are compatible with the Deployable Strategic Capital Framework and Single Borrower Limit (SBL).

The SBL has been set at \$51.0 billion (25% of \$204.2 billion of equity as of June 30, 2025) for FY26, compared to \$47.5 billion for FY25. Currently, the maximum country exposure levels compatible with IDA's overall capital adequacy target are lower than the SBL for all IDA borrowing countries. As a consequence, the SBL is currently not a constraining factor.

As of March 31, 2026, the ten countries with the highest exposures accounted for 60% of IDA's total exposure (Figure 9). Monitoring these exposures relative to the SBL requires consideration of the repayment profiles of existing loans, as well as disbursement profiles and projected new loans and guarantees.

**Figure 9: Country Exposures as of March 31, 2026**

*In billions of U.S. dollars*



#### *Accumulated Provision for Losses on Loans and Other Exposures*

As of March 31, 2026, IDA had \$230.8 billion of loans outstanding, of which loans in nonaccrual status represent 0.4%. IDA's accumulated provision for losses on loans and other exposures was \$6.3 billion, which represents a provisioning rate of 2.0% of the underlying exposures as of March 31, 2026 (\$6.2 billion as of June 30, 2025, 2.0% of the underlying exposure). See Notes to the Condensed Quarterly Financial Statements for the period ended March 31, 2026, Note D – Loans and Other Exposures.

### **Commercial Counterparty Credit Risk Exposure**

Commercial counterparty credit risk is the risk that counterparties fail to meet their payment obligations under the terms of the contract or other financial instruments. Effective management of counterparty credit risk is vital to the success of IDA's funding, investment, and asset-liability management activities. The monitoring and management of these risks is continuous as the market environment evolves.

As a result of IDA's use of mark-to-market collateral arrangements for swap transactions, its residual commercial counterparty credit risk exposure is concentrated in the investment portfolio comprised of instruments issued by sovereign governments and non-sovereign holdings (including Agencies, Asset-backed securities, Corporates, and Time Deposits). Total commercial counterparty credit exposure, net of collateral held, was \$46.2 billion as of March 31, 2026. As of March 31, 2026, 62% of IDA's investment portfolio is rated AA or above, reflecting IDA's preference for highly rated securities and counterparties across all categories of financial instruments (Table 16).

For the contractual value, notional amounts and related credit risk exposure amounts by instrument, see Notes to the Condensed Quarterly Financial Statements for the period ended March 31, 2026, Note F – Derivative Instruments.

**Table 16: Commercial Credit Exposure, Net of Collateral Held, by Counterparty Rating**

In millions of U.S. dollars, except rates in percentages

As of March 31, 2026					
Counterparty Rating <sup>a</sup>	Sovereigns	Non-Sovereigns	Net Swap Exposure	Total Exposure	% of Total
AAA	\$ 4,901	\$ 6,289	\$ —	\$ 11,190	24 %
AA	1,809	15,111	472	17,392	38
A	9,490	7,588	381	17,459	38
BBB or lower/unrated	65	80	—	145	*
Total	<b>\$ 16,265</b>	<b>\$ 29,068</b>	<b>\$ 853</b>	<b>\$ 46,186</b>	<b>100 %</b>

As of June 30, 2025					
Counterparty Rating <sup>a</sup>	Sovereigns	Non-Sovereigns	Net Swap Exposure	Total Exposure	% of Total
AAA	\$ 8,327	\$ 4,011	\$ —	\$ 12,338	26 %
AA	7,507	17,006	199	24,712	52
A	3,643	6,556	291	10,490	22
BBB or lower/unrated	89	175	—	264	*
Total	<b>\$ 19,566</b>	<b>\$ 27,748</b>	<b>\$ 490</b>	<b>\$ 47,804</b>	<b>100 %</b>

a. Average rating is calculated using available ratings from the three major rating agencies; however, if ratings are not available from each of the three rating agencies, IDA uses the average of the ratings available from any of such rating agencies or a single rating to the extent that an instrument or issuer (as applicable) is rated by only one rating agency.

\* Indicates percentage less than 0.5%.

### Changes in Credit Spreads

- **Borrowings:** IDA's own credit risk reflects the cost of funding relative to applicable reference rates. Changes in IDA's credit spreads result in unrealized mark-to-market gains/losses recorded as Net Change in DVA on Fair Value Option elected liabilities in the Condensed Statements of Comprehensive Income.
- **Loans:** IDA's fair value model mainly represents a hypothetical MDB market exit price of the loans outstanding. It incorporates Credit Default Swaps (CDS) spreads as an indicator of the credit risk for each borrower, after adjusting recovery levels to incorporate IDA's institutional experience and assumptions. These assumptions are reviewed annually. IDA does not hedge its sovereign credit exposure, but Management assesses its credit risk through a loan-loss provisioning framework. The loan loss provision represents the expected losses inherent in its accrual and nonaccrual portfolios. IDA's country credit risk is managed by using individual country exposure limits and by monitoring its credit-risk-bearing capacity.
- **Investments:** IDA purchases investment-grade securities for its liquid asset portfolio. Credit risk is controlled through appropriate eligibility criteria. The overall risk of the investment portfolio is also constrained by a consultative loss limit. In line with these risk management strategies, the potential effect of default risk on IDA's investments is therefore small.
- **Derivatives:** IDA uses derivatives to manage exposures to currency and interest rate risks in its borrowing, loan, and investment portfolios. It is therefore exposed to commercial counterparty credit risk on these instruments. This risk is managed through:
  - Stringent selection of commercial derivative counterparties,
  - Daily marking-to-market of derivative positions, and
  - Use of collateral and collateral thresholds for all commercial counterparties.

The sensitivity of IDA's portfolios to changes in credit spreads is shown in Table 17, where the amount represents the dollar change in fair value which corresponds to a one basis point parallel upward shift in credit spreads.

**Table 17: Effect of Credit on IDA's Portfolios**

In millions of U.S. dollars

As of March 31, 2026

	Credit Effect on Portfolio Value <sup>a</sup>
Borrowings	\$ 17
Loans <sup>b</sup>	(15)
Investments	(1)
<b>Total Gains</b>	<b>\$ 1</b>

a. Excludes CVA and DVA on derivatives.

b. If loans were measured at fair value

## Market Risk

IDA is exposed to changes in interest and exchange rates and uses derivatives to manage its exposure to market risks. Derivatives may be used to align the interest and currency composition of its assets (loan and investment trading portfolios) with that of the liabilities (borrowings) funding those assets. The loan, investment and borrowings are largely maintained in SDR and its component currencies.

## Interest Rate Risk

IDA is exposed to interest rate risk due to mismatches between its assets (loan and investment portfolios) and its liabilities (borrowing portfolio) both in terms of maturity and interest rate basis. To mitigate some of this risk, management has put in place the Capital Value Protection swaps and long-term fixed rate debt programs, which in conjunction with the Concessional Partner Loans, offset a portion of the interest rate risk. Given IDA's lengthy repayment profile, the remaining weighted average maturity of IDA's loans is relatively long (12 years), compared to the investment portfolio. This long maturity, combined with volatility in market interest rates, results in significant year-on-year variability in the fair value of loans. However, since the loan portfolio is not reported at fair value under U.S. GAAP, the impact of this variability on IDA's Balance Sheet is not fully evident.

- *Loan and Borrowing Portfolios:* In line with IDA's financial risk management strategies, the sensitivity of IDA's loan and borrowing portfolios to changes in interest rates is managed through derivatives, or through the use of borrowings which match the fixed rate basis of the loan portfolio and which are reported at amortized cost (Figure 10). As noted earlier, IDA intends to maintain its positions for these portfolios and thus manages these instruments on a cash flow basis. The resulting net unrealized mark-to-market gains and losses on these portfolios, associated with the sensitivity to interest rates, are therefore not expected to be realized.
- *Other ALM (including CVP):* Other ALM primarily includes the CVP which consists of \$15.3 billion current notional, forward starting fixed pay swaps. These swaps hedge against rising future interest rates given IDA's fixed rate concessional loan portfolio. CVP is classified as a non-trading portfolio recorded at fair value. Changes in the values of these derivatives would partially offset changes in the value of the loans if the loans were recorded at fair value.
- *Investment Portfolio:* After the effects of derivatives, the average effective duration of IDA's investments is approximately 5 months as of March 31, 2026. As a result, the portfolio has a low sensitivity to changes in interest rates.

The sensitivity of these portfolios to interest rate movements, after the effect of derivatives, is shown in Table 18 below where the amount represents the dollar change in fair value corresponding to a one basis point parallel upward shift in interest rates as of March 31, 2026.

**Table 18: Effect of Interest Rates on IDA's Portfolios**

In millions of U.S. dollars

As of March 31, 2026	Net Interest Rate Effect on Portfolio Value	
Market borrowings at fair value, including derivatives	\$	1
Other borrowings, at amortized cost <sup>a</sup>		27
Loans, including derivatives <sup>a</sup>		(116)
Other ALM <sup>b</sup>		8
Investment portfolio		(2)
<b>Total losses</b>	<b>\$</b>	<b>(82)</b>

a. If instruments were measured at fair value

b. Amount mainly reflects interest rate effect on the CVP.

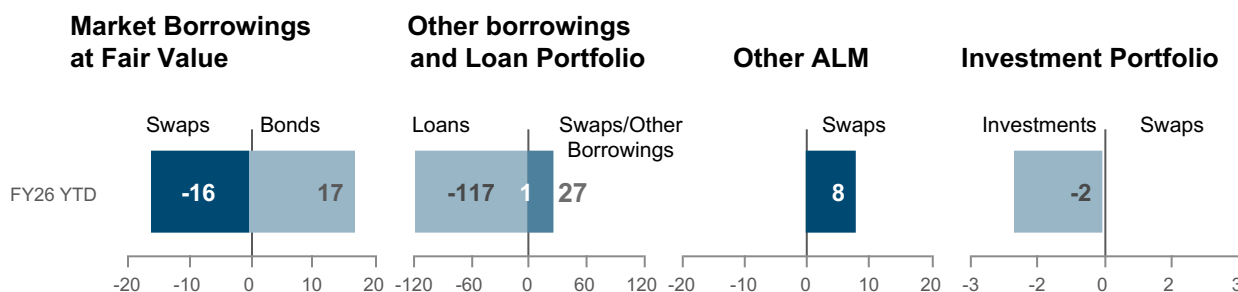
Figure 10 depicts how the use of derivatives, or other offsetting positions, affects the overall sensitivity of the borrowing, loan, other ALM, and investment portfolios. It indicates the extent to which each portfolio is economically hedged. For example, for the borrowing portfolio reported at fair value, a one basis point increase in interest rates would result in \$17 million of unrealized mark-to-market gains on bonds, which would be offset by \$16 million of unrealized mark-to-market losses on swaps. Loan and Other borrowings sensitivities are illustrative, as they are carried at amortized cost on the Balance Sheets.

**Figure 10: Sensitivity to Interest Rates**

(Dollar change in fair value corresponding to a one-basis-point upward parallel shift in interest rates)

In millions of U.S. dollars

As of March 31, 2026



## Exchange Rate Risk

Changes in exchange rates affect the capital adequacy of IDA when the currency of the equity supporting the loan portfolio and other assets is different from that of the risk exposure. Accordingly, the primary objective of IDA's currency risk management is to protect IDA's financial capacity from exchange rate movements, as measured by the capital adequacy framework. To achieve this, IDA's balance sheet is managed in multiple currencies: SDR and the currencies comprising the SDR basket. The exchange rate risk management methodology encompasses the hedging of currency risk arising from the various inflows and outflows inherent in IDA's business model. In addition, under the currency risk management methodology, the required equity is held in the currencies of the underlying risk exposure (SDR and its basket currencies), with IDA undertaking regular rebalancing of the currency denomination of its equity to address portfolio changes in a timely manner.

IDA uses currency forward contracts to convert future inflows from members' receivables provided in national currencies into the five currencies of the SDR basket, thereby aligning the currency composition of member contributions with the net cash outflows relating to loans and grants, which are primarily denominated in the SDR.

The payable leg of the currency forward contracts economically hedging member equity contribution pledges is denominated in non-functional currencies. IDA pays the market counterparty in a non-SDR currency. Accordingly, depreciation or appreciation of the non-SDR currencies against the U.S. dollar results in exchange rate gains or losses, which are reported in the Statements of Income. The translation

adjustment on future inflows from members, even though they are not recorded in the balance sheet, is the economic offset to the translation adjustment on non-functional currencies of currency forward contracts.

### **Liquidity Risk**

Liquidity risk arises in the general funding of IDA's activities and in managing its financial position. It includes the risk of IDA being unable to fund its portfolio of assets at appropriate maturities and rates, and the risk of being unable to liquidate a position in a timely manner at a reasonable price.

IDA's aggregate liquid asset holdings are kept above a specified prudential minimum to safeguard against cash flow interruptions. IDA's liquid asset portfolio is mainly comprised of Investments-Trading and associated derivatives. The prudential minimum is equal to 80% of 24 months of projected net outflows. For FY26, the prudential minimum has been set at \$37.0 billion. As of March 31, 2026, IDA's liquid assets portfolio was \$46.0 billion, 124% of the FY26 prudential minimum.

IDA will hold liquidity above the prudential minimum to ensure sufficient liquidity under a wide range of shock scenarios as well as to give it flexibility in timing its borrowing transactions and to meet working capital needs.

### **Operational Risk**

Operational risk is defined as the risk of financial loss, or damage to IDA's reputation resulting from inadequate or failed internal processes, people, and systems, or from external events.

As part of its business activities, IDA is exposed to a range of operational risks including physical security, staff health and safety, information security and data privacy, business continuity, and third party risks. IDA's approach to identifying and managing operational risk includes a dedicated program for these risks and a robust process that includes identifying, assessing, and prioritizing operational risks, monitoring, and reporting relevant key risk indicators, aggregating, and analyzing internal and external events, and identifying emerging risks that may affect business units and developing risk response and mitigating actions.

## Section VI: Governance

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### Senior Management Changes

Pamela O'Connell, Vice President and WBG Controller retired in September 2025.

As part of the ongoing efforts to scale impact, boost efficiency, and deliver greater value to our clients across the World Bank Group, IDA is implementing organizational changes to integrate certain functions within WBG Vice Presidencies. IDA will continue to operate as a separate legal entity, with its external obligations unchanged. In line with these integration changes:

- Effective October 1, 2025, IDA's Controllershship function has been integrated into the WBG Controllershship Vice Presidency, with Zinga Venner appointed as WBG Vice President and Controller.
- Effective January 1, 2026, IDA's Treasury function has been integrated into the WBG Treasury Vice Presidency, with Jorge Familiar Calderon appointed as WBG Vice President and Treasurer.

In parallel with these changes, and as part of the WBG's broader transformation, the Knowledge Bank has been established to unify expertise of each WBG institution in a single structure and strengthen the value proposition for both sovereign and private sector clients. To lead this effort, Paschal Donohoe was appointed as Managing Director and WBG Chief Knowledge Officer effective November 24, 2025. Through the Knowledge Bank, the WBG aims to empower clients with integrated public and private sector solutions that enable impact at scale, accelerate thought leadership and innovation through a unified offering, and equip frontline staff with timely, actionable knowledge to accelerate delivery and impact.

Axel van Trotsenburg, Senior Managing Director for Development & Policy retired in November 2025.

# **INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)**

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*March 31, 2026*

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# CONDENSED BALANCE SHEETS

Expressed in millions of U.S. dollars

	March 31, 2026 (Unaudited)	June 30, 2025 (Unaudited)
<b>Assets</b>		
<b>Due from banks—Note J</b>		
Unrestricted cash	\$ 744	\$ 1,191
Restricted cash	25	24
	<u>769</u>	<u>1,215</u>
<b>Investments (including securities transferred under repurchase or securities lending agreements—\$198 million as of March 31, 2026; \$120 million—June 30, 2025) —Notes C, H and J</b>	45,166	47,272
<b>Securities Purchased Under Resale Agreements—Notes C and J</b>	—	136
<b>Derivative assets, net—Notes F, H and J</b>	1,151	415
<b>Receivable from affiliated organization—Note H</b>	1,966	1,807
<b>Loans outstanding—Notes D, H and J</b>		
Total loans approved	311,607	311,194
Less: Undisbursed balance (including signed loan commitments of \$72,709 million—March 31, 2026; \$74,514 million—June 30, 2025)	(80,834)	(83,307)
Loans outstanding	<u>230,773</u>	<u>227,887</u>
Less:		
Accumulated provision for loan losses	(4,641)	(4,611)
Deferred loan income	(44)	(44)
Net loans outstanding	<u>226,088</u>	<u>223,232</u>
<b>Other assets—Notes D, G and H</b>	7,677	6,792
<b>Total assets</b>	<u>\$ 282,817</u>	<u>\$ 280,869</u>

	<i>March 31, 2026</i> <i>(Unaudited)</i>	<i>June 30, 2025</i> <i>(Unaudited)</i>
<b>Liabilities</b>		
<b><i>Borrowings—Notes E and J</i></b>		
Market borrowings, at fair value	\$ 46,824	\$ 45,154
Market borrowings, at amortized cost	19,995	18,127
Concessional partner loans, at amortized cost	7,100	7,551
	<u>73,919</u>	<u>70,832</u>
<b><i>Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received—Notes C and J</i></b>	198	122
<b><i>Derivative liabilities, net—Notes F, H and J</i></b>	138	496
<b><i>Payable for development grants</i></b>	733	1,080
<b><i>Payable to affiliated organization—Note H</i></b>	591	631
<b><i>Other liabilities—Note D</i></b>	3,228	3,537
<b>Total liabilities</b>	<u>78,807</u>	<u>76,698</u>
<b>Equity</b>		
<b><i>Members' subscriptions and contributions—Note B</i></b>		
Subscriptions and contributions committed	332,059	314,972
Less:		
Subscriptions and contributions receivable	(30,484)	(19,013)
Cumulative discounts/credits on subscriptions and contributions, net	(4,293)	(4,277)
Subscriptions and contributions paid-in	<u>297,282</u>	<u>291,682</u>
<b><i>Nonnegotiable, non-interest-bearing demand obligations on account of members' subscriptions and contributions—Note B</i></b>	(11,789)	(12,250)
<b><i>Deferred amounts to maintain value of currency holdings</i></b>	(246)	(246)
<b><i>Accumulated deficit</i></b>	(75,945)	(71,903)
<b><i>Accumulated other comprehensive loss—Note I</i></b>	(5,292)	(3,112)
<b>Total equity</b>	<u>204,010</u>	<u>204,171</u>
<b>Total liabilities and equity</b>	<u>\$ 282,817</u>	<u>\$ 280,869</u>

**The Notes to Condensed Quarterly Financial Statements are an integral part of these Statements.**

# CONDENSED STATEMENTS OF INCOME

Expressed in millions of U.S. dollars

	Three Months Ended March 31, (Unaudited)		Nine Months Ended March 31, (Unaudited)	
	2026	2025	2026	2025
<b>Interest revenue</b>				
Loans, net—Notes D and K	\$ 811	\$ 772	\$ 2,454	\$ 2,220
Investments, net—Note H	330	353	1,139	1,136
Asset-liability management derivatives, net	15	16	62	53
<b>Borrowing expenses, net—Note E</b>	(616)	(560)	(1,974)	(1,650)
<b>Interest revenue, net of borrowing expenses</b>	<u>540</u>	<u>581</u>	<u>1,681</u>	<u>1,759</u>
<b>Provision for losses on loans and other exposures, (charge) release — Note D</b>	(79)	47	(152)	(276)
<b>Non-interest revenue</b>				
Revenue from externally funded activities—Notes H and K	253	260	758	751
Commitment charges—Note D	4	6	14	18
Other	16	5	42	35
Total	<u>273</u>	<u>271</u>	<u>814</u>	<u>804</u>
<b>Non-interest expenses</b>				
Administrative—Note H	(610)	(651)	(1,856)	(1,921)
Other	3	(4)	(26)	(18)
Total	<u>(607)</u>	<u>(655)</u>	<u>(1,882)</u>	<u>(1,939)</u>
<b>Transfers from affiliated organizations—Note H</b>	—	—	782	515
<b>Development grants—Note G</b>	(2,139)	(1,329)	(6,036)	(5,227)
<b>Currency remeasurement gains (losses), net</b>	138	(120)	79	35
<b>Mark-to-market gains on trading securities, net—Notes C and F</b>	136	61	253	218
<b>Unrealized mark-to-market (losses) gains on non-trading portfolios, net—Note F</b>	(100)	271	419	331
<b>Net loss</b>	<u>\$ (1,838)</u>	<u>\$ (873)</u>	<u>\$ (4,042)</u>	<u>\$ (3,780)</u>

The Notes to Condensed Quarterly Financial Statements are an integral part of these Statements.

# CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

Expressed in millions of U.S. dollars

	Three Months Ended March 31, (Unaudited)		Nine Months Ended March 31, (Unaudited)	
	2026	2025	2026	2025
<b>Net loss</b>	\$ (1,838)	\$ (873)	\$ (4,042)	\$ (3,780)
<b>Other comprehensive (loss) income—Note I</b>				
Currency translation adjustments on functional currencies, (losses) gains	(1,755)	3,065	(2,006)	1,498
Net Change in Debit Valuation Adjustment (DVA) on Fair Value option elected liabilities—Note J	68	10	(174)	56
Total other comprehensive (loss) income	(1,687)	3,075	(2,180)	1,554
<b>Total comprehensive (loss) income</b>	<u>\$ (3,525)</u>	<u>\$ 2,202</u>	<u>\$ (6,222)</u>	<u>\$ (2,226)</u>

**The Notes to Condensed Quarterly Financial Statements are an integral part of these Statements.**

## CONDENSED STATEMENTS OF CHANGES IN EQUITY

Expressed in millions of U.S. dollars

Nine Months Ended March 31, 2026 (Unaudited)

	Subscriptions and contributions paid-in	Nonnegotiable, non-interest- bearing demand obligations on account of members' subscriptions and contributions	Deferred amounts to maintain value of currency holdings	Accumulated deficit	Accumulated other comprehensive loss	Total equity
<b>As of June 30, 2025</b>	\$ 291,682	\$ (12,250)	\$ (246)	\$ (71,903)	\$ (3,112)	\$ 204,171
Net loss	—	—	—	(4,042)	—	(4,042)
Other comprehensive loss	—	—	—	—	(2,180)	(2,180)
Cash contributions and demand obligations received	5,814	—	—	—	—	5,814
Demand obligations, (received) encashed, net	—	247	—	—	—	247
Currency remeasurement changes, net	(214)	214	—	—	—	—
<b>As of March 31, 2026</b>	<u>\$ 297,282</u>	<u>\$ (11,789)</u>	<u>\$ (246)</u>	<u>\$ (75,945)</u>	<u>\$ (5,292)</u>	<u>\$ 204,010</u>

Nine Months Ended March 31, 2025 (Unaudited)

	Subscriptions and contributions paid-in	Nonnegotiable, non-interest- bearing demand obligations on account of members' subscriptions and contributions	Deferred amounts to maintain value of currency holdings	Accumulated deficit	Accumulated other comprehensive loss	Total equity
<b>As of June 30, 2024</b>	\$ 280,073	\$ (12,553)	\$ (248)	\$ (66,379)	\$ (10,592)	\$ 190,301
Net loss	—	—	—	(3,780)	—	(3,780)
Other comprehensive income	—	—	—	—	1,554	1,554
Cash contributions and demand obligations received	6,084	—	—	—	—	6,084
Demand obligations, (received) encashed, net	—	1,291	—	—	—	1,291
Currency remeasurement changes, net	171	(171)	—	—	—	—
<b>As of March 31, 2025</b>	<u>\$ 286,328</u>	<u>\$ (11,433)</u>	<u>\$ (248)</u>	<u>\$ (70,159)</u>	<u>\$ (9,038)</u>	<u>\$ 195,450</u>

The Notes to Condensed Quarterly Financial Statements are an integral part of these Statements.

# CONDENSED STATEMENTS OF CASH FLOWS

Expressed in millions of U.S. dollars

	Nine Months Ended	
	March 31, (Unaudited)	
	2026	2025
<b>Cash flows from investing activities</b>		
Loans		
Disbursements	\$ (12,634)	\$ (17,205)
Principal repayments	6,826	6,375
Non-trading securities—Investments		
Repayments	34	61
Net cash used in investing activities	(5,774)	(10,769)
<b>Cash flows from financing activities</b>		
Members' subscriptions and contributions	6,061	7,375
Medium and long-term borrowings		
New issues	11,985	12,130
Retirements	(2,125)	(2,033)
Short-term borrowings (original maturities greater than 90 days)		
New issues	9,668	20,531
Retirements	(15,160)	(14,027)
Net short-term borrowings (original maturities less than 90 days)	(217)	1,667
Net derivatives-borrowings	(28)	5
Net cash provided by financing activities	10,184	25,648
<b>Cash flows from operating activities</b>		
Net loss	(4,042)	(3,780)
Adjustments to reconcile net loss to net cash used in operating activities		
Provision for losses on loans and other exposures	152	276
Currency remeasurement gains, net	(79)	(35)
Unrealized mark-to-market gains on non-trading portfolios, net	(419)	(331)
Other non-interest expenses (income), net	7	(3)
Amortization and capitalized interest on loans, net	269	330
Changes in:		
Net Investment portfolio	661	(10,329)
Other assets and liabilities	(1,391)	(642)
Net cash used in operating activities	(4,842)	(14,514)
<b>Effect of exchange rate changes on unrestricted and restricted cash</b>	(14)	1
<b>Net (decrease) increase in unrestricted and restricted cash</b>	(446)	366
<b>Unrestricted and restricted cash at beginning of the fiscal year</b>	1,215	586
<b>Unrestricted and restricted cash at end of the period</b>	\$ 769	\$ 952
<b>Supplemental disclosure</b>		
(Decrease) Increase in ending balances resulting from exchange rate fluctuations:		
Loans outstanding	\$ (2,911)	\$ 1,933
Investment portfolio	(386)	174
Borrowing portfolio	(1,163)	462
Principal repayments written off under Heavily Indebted Poor Countries (HIPC)/Multilateral Debt Relief Initiative (MDRI)	9	9
Capitalized interest and loan origination fees in total loans	4	17
Interest paid on borrowing portfolio	1,751	1,317

**The Notes to Condensed Quarterly Financial Statements are an integral part of these Statements.**

# NOTES TO THE CONDENSED QUARTERLY FINANCIAL STATEMENTS

## NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING AND RELATED POLICIES

### Basis of Preparation

These unaudited condensed quarterly financial statements and notes should be read in conjunction with the June 30, 2025 audited financial statements and notes included therein. The condensed comparative information that has been derived from the June 30, 2025 audited financial statements has not been audited. In the opinion of management, the condensed quarterly financial statements reflect all adjustments necessary for a fair presentation of IDA's financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the condensed quarterly financial statements and the reported amounts of revenue and expenses during the reporting periods. Due to the inherent uncertainty involved in making those estimates, actual results could differ from those estimates. Significant judgment has been used in the valuation of certain financial instruments and the determination of the adequacy of the accumulated provisions for debt relief and losses on loans and other exposures. The results of operations for the first nine months of the current fiscal year are not necessarily indicative of the results that may be expected for the full year.

Certain reclassifications of the prior year's information have been made to conform with the current year's presentation.

These financial statements were issued on May 15, 2026, which was also the date through which IDA's management evaluated subsequent events.

### Accounting and Reporting Developments

#### Evaluated Accounting Standards

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*. The new guidance is intended to align U.S. GAAP requirements with those of the SEC and to facilitate the application of U.S. GAAP for all entities. The effective date for each amendment in the ASU will be the date on which the SEC's removal of that related disclosure from Regulation S-X or Regulation S-K becomes effective. If by June 30, 2027, the SEC has not removed the related disclosure requirement, the corresponding amendment in the ASU will not become effective. IDA does not expect the ASU to have a material impact on its financial statements.

In September 2025, the FASB issued ASU 2025-07, *Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606) Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract*. The ASU adds a scope exception that excludes from derivative accounting certain non-exchange-traded contracts with underlying settlement variables that are based on operations or activities specific to one of the parties to the contract. The guidance is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. IDA early adopted the ASU prospectively on October 1, 2025, as of July 1, 2025. The adoption did not have a material impact on IDA's financial statements.

#### Accounting Standards Under Evaluation

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*, to improve the navigability of interim reporting requirements by clarifying what disclosures are required for interim periods and specifying the form and content of interim financial statements. For IDA, the ASU will be effective for the quarter ending September 30, 2028. Early adoption is permitted. IDA is currently evaluating the impact of the ASU on its financial statements.

In December 2025, the FASB issued ASU 2025-10, *Government Grants (Topic 832): Accounting for Government Grants Received by Business Entities*, to establish authoritative guidance on the recognition, measurement, and presentation guidance for government grants received by business entities. For IDA, the ASU will be effective for the quarter ending September 30, 2029. Early adoption is permitted. IDA is currently evaluating the impact of the ASU on its financial statements.

In November 2024, the FASB issued ASU 2024-03, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*, which requires public business entities to disclose disaggregated information about certain applicable specified expense categories (i.e., employee compensation, depreciation, intangible asset amortization). For IDA, the ASU will be effective for the annual period ending June 30, 2028 and for interim periods thereafter. Early adoption is permitted. IDA is currently evaluating the impact of the ASU on its financial statements.

## NOTE B—MEMBERS’ SUBSCRIPTIONS AND CONTRIBUTIONS AND MEMBERSHIP

The movement in Subscriptions and contributions paid-in is summarized below:

**Table B1: Subscriptions and contributions paid-in**

*In millions of U.S. dollars*

	<i>March 31, 2026</i>
Beginning of the fiscal year	\$ 291,682
Cash contributions received	1,881
Demand obligations received	3,933
Translation adjustment	(214)
End of the period	<u>\$ 297,282</u>

**Table B2: Nonnegotiable, non-interest-bearing demand obligations on account of members' subscriptions and contributions**

*In millions of U.S. dollars*

	<i>March 31, 2026</i>
Beginning of the fiscal year	\$ 12,250
Demand obligations received	3,933
Demand obligations encashed	(4,180)
Translation adjustment	(214)
End of the period	<u>\$ 11,789</u>

## NOTE C—INVESTMENTS

The investment securities held by IDA are designated as either trading or non-trading. All securities are carried and reported at fair value, or at face value, which approximates fair value.

As of March 31, 2026, IDA's Investments were mainly comprised of government, agency and corporate obligations (54%) and time deposits (45%), with all of the instruments classified as either Level 1 or Level 2 within the fair value hierarchy.

A summary of IDA's Investments is as follows:

**Table C1: Investments composition**

*In millions of U.S. dollars*

	<i>March 31, 2026</i>	<i>June 30, 2025</i>
Trading		
Government, agency and corporate obligations	\$ 24,450	\$ 26,429
Time deposits	20,548	20,641
Asset-backed securities (ABS)	86	87
	<u>\$ 45,084</u>	<u>\$ 47,157</u>
Non-trading		
Debt security	82	115
Total	<u>\$ 45,166</u>	<u>\$ 47,272</u>

As of March 31, 2026, the largest holdings of Investments - Trading from a single counterparty was French Government instruments (13%).

IDA uses derivative instruments to manage currency and interest rate risk in the investment portfolio. For details regarding these instruments, see Note F—Derivative Instruments.

**Table C2: Mark-to-market gains on trading securities, net**

	<i>Three months ended March 31,</i>		<i>Nine Months Ended March 31,</i>	
	2026	2025	2026	2025
Net gains recognized during the period on trading securities <sup>a</sup>	\$ 136	\$ 61	\$ 253	\$ 218
Less: Net gains recognized on trading securities sold / matured during the period	38	19	94	73
Net gains recognized on trading securities still held at the reporting date	<u>\$ 98</u>	<u>\$ 42</u>	<u>\$ 159</u>	<u>\$ 145</u>

*a. Includes amounts related to investments-trading derivatives.*

As of March 31, 2026, IDA's non-trading investment portfolio (principal amount due on a debt security with International Finance Corporation - IFC) was \$90 million (\$124 million—June 30, 2025). For details regarding this instrument, see Note H - Transactions with Affiliated Organizations.

### Commercial Credit Risk

For the purposes of risk management, IDA is a party to a variety of financial transactions, certain of which involve elements of credit risk. Credit risk exposure represents the maximum potential loss due to possible nonperformance by obligors and counterparties under the terms of the contracts. For all securities, IDA limits trading to a list of authorized dealers and counterparties. In addition, credit limits have been established for counterparties by type of instrument and maturity category.

## Swap Agreements

Credit risk is mitigated through a credit approval process, volume limits, monitoring procedures and the use of mark-to-market collateral arrangements. IDA may require collateral in the form of cash or other approved liquid securities from individual counterparties to mitigate its credit exposure.

IDA has entered into master derivative agreements, which contain legally enforceable close-out netting provisions. These agreements may further reduce the gross credit risk exposure related to the swaps. Credit risk with financial assets subject to a master derivatives arrangement is further reduced under these agreements to the extent that payments and receipts with the counterparty are netted at settlement. The reduction in exposure as a result of these netting provisions can vary due to the impact of changes in market conditions on existing and new transactions. For more information on netting and offsetting provisions, see Note F—Derivative Instruments.

The following is a summary of the collateral received by IDA in relation to derivative transactions.

**Table C3: Collateral received**

*In millions of U.S. dollars*

	<i>March 31, 2026</i>	<i>June 30, 2025</i>
Collateral received		
Cash	\$ 1,217	\$ 1,266
Securities	410	33
Total collateral received	\$ 1,627	\$ 1,299
Collateral permitted to be repledged	\$ 1,627	\$ 1,299
Amount of collateral repledged	—	—
Amount of cash collateral invested	\$ 845	\$ 796

## Securities Lending Activities

IDA may engage in securities lending and repurchases, against adequate collateral, as well as secured borrowing and reverse repurchases (resales) of government, agency and corporate obligations, and ABS. These transactions, if any, have been conducted under legally enforceable master netting arrangements, which allow IDA to reduce its gross credit exposure related to these transactions. IDA presents its securities lending and repurchases, as well as resales, on a gross basis on the Condensed Balance Sheets. As of March 31, 2026 and June 30, 2025, there were no amounts that could potentially be offset as a result of legally enforceable master netting arrangements.

Securities lending agreements and repurchase agreements expose IDA to several risks, including counterparty risk, reinvestment risk, and risk of a collateral gap (increase or decrease in the fair value of collateral pledged). IDA has procedures in place to ensure that trading activity and balances under these agreements are below predefined counterparty and maturity limits, and to actively manage net counterparty exposure, after collateral, using daily market values. Whenever the collateral pledged by IDA related to its borrowings under securities lending agreements and repurchase agreements declines in value, the transaction is re-priced as appropriate by returning cash or pledging additional collateral.

Transfers of securities by IDA to counterparties are not accounted for as sales as the accounting criteria for the treatment as a sale have not been met. Counterparties are permitted to repledge these securities until the repurchase date.

As of March 31, 2026, there were no securities purchased under resale agreements (\$136 million—June 30, 2025) and securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received were \$1,415 million (\$1,388 million—June 30, 2025).

As of March 31, 2026, liabilities relating to securities transferred under repurchase or securities lending agreements were \$198 million (\$122 million—June 30, 2025), and there were no unsettled trades relating to these agreements (Nil—June 30, 2025). There were no replacement trades entered into in anticipation of maturing trades of a similar amount (Nil—June 30, 2025). As of March 31, 2026 and June 30, 2025, the remaining contractual maturity of these agreements was up to 30 days. The securities transferred were mainly comprised of government and agency obligations.

In the case of resale agreements, IDA receives collateral in the form of liquid securities and is permitted to repledge these securities. While these transactions are legally considered to be true purchases and sales, the securities received are not recorded on IDA's Condensed Balance Sheets as the accounting criteria for treatment as a sale have not been met. As of March 31, 2026, and June 30, 2025, there were no unsettled trades pertaining to securities purchased under resale agreements. As there were no securities purchased under resale agreements as of March 31, 2026, IDA did not receive any securities as collateral. As of June 30, 2025, IDA received securities with a fair value of \$139 million, none of which had been transferred under repurchase or security lending agreements.

## NOTE D—LOANS AND OTHER EXPOSURES

IDA's loans and other exposures are generally made to, or guaranteed by, member countries of IDA. Loans are carried at amortized cost. Other exposures include signed loan commitments, Deferred Drawdown Options (DDO), irrevocable commitments, grant advances, project preparation advances and guarantees. Based on IDA's internal credit quality indicators, the loans outstanding are in the High and Medium risk classes.

IDA excludes the interest and service charges receivable balance from the amortized cost basis and the related disclosures. As of March 31, 2026, accrued interest income and service charges on loans of \$946 million (\$849 million—June 30, 2025) are presented in Other assets on the Condensed Balance Sheets.

As of March 31, 2026, 0.4% of IDA's total loans were in nonaccrual status. The total accumulated provision for losses on loans in accrual status and nonaccrual status was 2% of total loans as of March 31, 2026.

### Credit Quality of Loans

Sovereign loans constitute the substantial majority of IDA's loan exposures. In addition, IDA has exposure to Private Sector Window (PSW) loans which constitute 0.1% of the loans outstanding.

IDA's country risk ratings are an assessment of its borrowers' ability and willingness to repay IDA on time and in full. These ratings are internal credit quality indicators. Individual country risk ratings are derived on the basis of both quantitative and qualitative analyses. The components considered in the analysis can be grouped broadly into eight categories: political risks; external debt and liquidity; fiscal policy and public debt burden; balance of payments risks; economic structure and growth prospects; monetary and exchange rate policy; financial sector risks; and corporate sector debt and vulnerabilities. The analysis also takes into account Environmental, Social and Governance (ESG) factors.

Based on the borrower risk ratings, IDA classifies loans into three credit quality categories—Low Risk, Medium Risk, and High Risk. These categories, which are described below, are intended to differentiate between varying levels of borrower credit risk and the associated likelihood of non-timely debt service across IDA's loan portfolio.

*Low Risk:* Exposures in this group generally exhibit strong credit characteristics with minimal uncertainty around repayment. Borrowers in this category typically demonstrate solid financial performance, consistent and stable cash flows, and a history of timely debt service. The likelihood of non-timely debt service is considered low.

*Medium Risk:* Exposures in this group display satisfactory credit profiles, but may be subject to moderate risk factors, such as country-specific volatility or operational challenges. Borrowers in this category usually exhibit adequate financial performance, though their resilience to adverse conditions may be more limited. The likelihood of non-timely debt service is considered moderate to low.

*High Risk:* Exposures in this category exhibit signs of elevated credit risk. Borrowers in this category may show weak or deteriorating financial indicators, irregular or delayed payment history, or limited capacity to absorb external shocks. While these loans remain in accrual status, the likelihood of non-timely debt service is considered heightened.

IDA's borrower country risk ratings are key determinants in the provision for loan losses. Country risk ratings of borrowers in accrual status are grouped in pools with similar credit ratings for calculation of the expected credit losses. Exposures for certain countries in accrual status may be individually assessed on the basis that they do not share common risk characteristics with an existing pool of exposures. All exposures for countries in nonaccrual status are individually assessed. Country risk ratings are determined in review meetings that take place several times a year. All countries are reviewed at least once a year, or more frequently if circumstances warrant, to determine the appropriate ratings.

### **Overdue Amounts**

As of March 31, 2026, no principal or charges on loans in accrual status were overdue by more than three months (\$2 million—June 30, 2025).

IDA considers loans to be past due when a borrower fails to make payment on any principal, interest or other charges due to IDA on the due dates provided in the contractual loan agreement.

The following tables provide an aging analysis and amounts past due of loans outstanding:

**Table D1: Loans outstanding-Aging structure***In millions of U.S. dollars*

<i>Days past due</i>	<i>March 31, 2026</i>						<i>Total Past Due</i>	<i>Current<sup>a</sup></i>	<i>Total</i>
	<i>Up to 45</i>	<i>46-60</i>	<i>61-90</i>	<i>91-180</i>	<i>Over 180</i>				
Sovereign loans									
Risk Class									
Low	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Medium	—	—	—	—	—	—	—	12,599	12,599
High	34	*	—	—	—	34	216,937	216,971	
Loans in accrual status	34	*	—	—	—	34	229,536	229,570	
Loans in nonaccrual status	6	*	1	11	545	563	308	871	
Total sovereign loans	\$ 40	\$ *	\$ 1	\$ 11	\$ 545	\$ 597	\$ 229,844	\$ 230,441 <sup>b</sup>	
PSW loans	\$ 3	\$ *	\$ —	\$ 2	\$ 4	\$ 9	\$ 323	\$ 332 <sup>c</sup>	
Total	\$ 43	\$ *	\$ 1	\$ 13	\$ 549	\$ 606	\$ 230,167	\$ 230,773	

**Table D1.1:***In millions of U.S. dollars*

<i>Days past due</i>	<i>June 30, 2025</i>						<i>Total Past Due</i>	<i>Current<sup>a</sup></i>	<i>Total</i>
	<i>Up to 45</i>	<i>46-60</i>	<i>61-90</i>	<i>91-180</i>	<i>Over 180</i>				
Sovereign loans									
Risk Class									
Low	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Medium	—	—	—	—	—	—	—	14,367	14,367
High	12	4	—	—	—	16	212,340	212,356	
Loans in accrual status	12	4	—	—	—	16	226,707	226,723	
Loans in nonaccrual status	7	*	3	9	524	543	339	882	
Total sovereign loans	\$ 19	\$ 4	\$ 3	\$ 9	\$ 524	\$ 559	\$ 227,046	\$ 227,605 <sup>b</sup>	
PSW loans	\$ 4	\$ *	\$ 1	\$ 2	\$ *	\$ 7	\$ 275	\$ 282 <sup>c</sup>	
Total	\$ 23	\$ 4	\$ 4	\$ 11	\$ 524	\$ 566	\$ 227,321	\$ 227,887	

a. Represents the principal amounts not yet contractually due.

b. The total amount of sovereign loans at amortized cost which contain principal past due amounts was \$2,774 million (\$1,741 million—June 30, 2025).

c. Includes \$71 million (Nil—June 30, 2025) of PSW loans at amortized cost that are in non-accrual status. All PSW loans are in the high risk category. The total amount of PSW loans which contain principal past due amounts was \$107 million (\$37 million—June 30, 2025)

\* Indicates amount less than \$0.5 million.

**Table D2: Loans in nonaccrual status***In millions of U.S. dollars*

<i>Borrower</i>	<i>Nonaccrual since</i>	<i>March 31, 2026</i>		<i>June 30, 2025</i>	
		<i>Loans outstanding</i>	<i>Accumulated provision for loan losses<sup>a</sup></i>	<i>Loans outstanding</i>	<i>Accumulated provision for loan losses<sup>a</sup></i>
Eritrea <sup>b</sup>	March 2012	\$ 424	\$ 14	\$ 429	\$ 15
Zimbabwe	October 2000	447	223	453	227
Sovereign loans		871	237	882	242
PSW loans	Various	71	28	—	—
Total		\$ 942	\$ 265	\$ 882	\$ 242

a. There were no loans in nonaccrual status without an individual accumulated loan loss provision as of March 31, 2026 and June 30, 2025.

b. Accumulated provision for debt relief under HIPC/MDRI was \$284 million (\$287 million—June 30, 2025)

During the three and nine months ended March 31, 2026, service charge and interest revenue not recognized as a result of loans being in nonaccrual status was \$11 million and \$14 million, respectively (\$2 million and \$5 million—three and nine months ended March 31, 2025, respectively).

During the three and nine months ended March 31, 2026, less than \$1 million service charge revenue was recognized on loans in nonaccrual status upon receipt of payment (Nil and less than \$1 million—three and nine months ended March 31, 2025, respectively).

IDA considers the signature date of a loan as the best indicator of the decision point in the origination process, rather than the disbursement date. The table below shows the balances of IDA's loans outstanding classified by the year the loan agreement was signed.

**Table D3: Loans outstanding-vintage disclosure***In millions of U.S. dollars*

<i>Risk Class</i>	<i>March 31, 2026</i>							<i>CAT DDOs disbursed and revolving</i>	<i>CAT DDOs Converted to Term Loans</i>	<i>Loans Outstanding as of March 31, 2026</i>
	<i>Fiscal Year of origination</i>						<i>Prior Years</i>			
	<i>2026</i>	<i>2025</i>	<i>2024</i>	<i>2023</i>	<i>2022</i>	<i>2021</i>				
Low	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Medium	—	30	53	83	112	12,321	—	—	12,599	
High	1,630	12,888	9,940	15,898	14,195	161,970	201	510	217,232	
Loans in accrual status	1,630	12,918	9,993	15,981	14,307	174,291	201	510	229,831	
Loans in nonaccrual status	—	—	—	6	58	878	—	—	942	
Total	\$ 1,630	\$ 12,918	\$ 9,993	\$ 15,987	\$ 14,365	\$ 175,169	\$ 201	\$ 510	\$ 230,773	
Current period gross write-offs <sup>a</sup>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 9	n.a	n.a	n.a	

**Table D3.1:***In millions of U.S. dollars*

Risk Class	June 30, 2025									
	Fiscal Year of origination					Prior Years	CAT DDOs disbursed and revolving	CAT DDOs Converted to Term Loans	Loans Outstanding as of June 30, 2025	
	2025	2024	2023	2022	2021					
Low	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	
Medium	31	54	83	112	397	13,690	—	—	14,367	
High	10,691	8,477	14,037	12,533	16,223	150,000	184	493	212,638	
Loans in accrual status	10,722	8,531	14,120	12,645	16,620	163,690	184	493	227,005	
Loans in nonaccrual status	—	—	—	—	—	882	—	—	882	
Total	<u>\$10,722</u>	<u>\$ 8,531</u>	<u>\$14,120</u>	<u>\$12,645</u>	<u>\$16,620</u>	<u>\$164,572</u>	<u>\$ 184</u>	<u>\$ 493</u>	<u>\$ 227,887</u>	
Fiscal year 2025 gross write-offs <sup>a</sup>	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 12	n.a	n.a	n.a	

*a. Relates to HIPC/MDRI gross write-offs during the nine months ended March 31, 2026 and for the year ended June 30, 2025.*

The Catastrophe Deferred Draw-Down Option (CAT-DDO) promotes countries' resilience to disasters and expands the range of IDA's crisis instruments. It is a contingent credit line that provides immediate liquidity to countries in the aftermath of a catastrophe. The amount of CAT DDOs outstanding and revolving that were converted to term loans during the three and nine months ended March 31, 2026 was \$31 million (Nil and \$48 million—three and nine months ended March 31, 2025 respectively).

### Accumulated Provision for Losses on Loans and Other Exposures

Management determines the appropriate level of the accumulated provisions for losses, which reflects the expected losses inherent in IDA's exposures. Management reassesses the adequacy of accumulated provision on a quarterly basis and adjustments to the accumulated provision are recorded as a charge to or release of provision in the Condensed Statements of Income. An assessment is also performed to determine whether a qualitative adjustment of the loan loss provision is needed, including consideration of global and macroeconomic events.

The accumulated provision for HIPC Debt Initiative and MDRI was recorded at the inception of this initiative and is based on quantitative and qualitative analyses of various factors, including estimates of Decision Point and Completion Point dates. These factors are reviewed periodically as part of the reassessment of the adequacy of the accumulated provision for loan losses. Accumulated provisions are reduced as qualifying debt service becomes due and is forgiven under the HIPC Debt Initiative.

When the country reaches HIPC Completion Point, it becomes eligible for MDRI debt relief which is characterized by the write-off of eligible loans. This write-off occurs at the beginning of the quarterly period following the date on which the country reaches Completion Point. MDRI provision is reduced by the amount of the eligible loans written off.

Changes to the accumulated provision for losses on loans and other exposures are summarized below:

**Table D4: Accumulated provisions**

*In millions of U.S. dollars*

	March 31, 2026				Total
	Loans outstanding	Loan commitments	Debt relief under HIPC/MDRI	Other <sup>a</sup>	
<b>Accumulated provision, beginning of the fiscal year</b>	\$ 4,137	\$ 1,380	\$ 474	\$ 199	\$ 6,190
Provision, net - charge (release)	114	(36)	(19)	93	152
Loans written off under HIPC/MDRI	—	—	(9)	—	(9)
Guarantee claims paid <sup>b</sup>	—	—	—	(2)	(2)
Recoveries collected <sup>b</sup>	—	—	—	1	1
Translation adjustment	(53)	(19)	(3)	(1)	(76)
<b>Accumulated provision, end of the period</b>	<u>\$ 4,198</u>	<u>\$ 1,325</u>	<u>\$ 443</u>	<u>\$ 290</u>	<u>\$ 6,256</u>
Including accumulated provision for losses on:					
Loans in accrual status	\$ 3,933		\$ 159		\$ 4,092
Loans in nonaccrual status	265		284		549
Total	<u>\$ 4,198</u>		<u>\$ 443</u>		<u>\$ 4,641</u>
Loans:					
Loans in accrual status					\$ 229,831
Loans in nonaccrual status					942
Loans outstanding					<u>\$ 230,773</u>

**Table D4.1:**

*In millions of U.S. dollars*

	June 30, 2025				Total
	Loans outstanding	Loan commitments	Debt relief under HIPC/MDRI	Other <sup>a</sup>	
<b>Accumulated provision, beginning of the fiscal year</b>	\$ 3,534	\$ 1,316	\$ 531	\$ 240	\$ 5,621
Provision, net - charge (release)	431	(2)	(57)	(14)	358
Loans written off under HIPC/MDRI	—	—	(12)	—	(12)
Guarantee claims paid <sup>b</sup>	—	—	—	(33)	(33)
Translation adjustment	172	66	12	6	256
<b>Accumulated provision, end of the fiscal year</b>	<u>\$ 4,137</u>	<u>\$ 1,380</u>	<u>\$ 474</u>	<u>\$ 199</u>	<u>\$ 6,190</u>
Including accumulated provision for losses on:					
Loans in accrual status	\$ 3,895		\$ 187		\$ 4,082
Loans in nonaccrual status	242		287		529
Total	<u>\$ 4,137</u>		<u>\$ 474</u>		<u>\$ 4,611</u>
Loans:					
Loans in accrual status					\$ 227,005
Loans in nonaccrual status					882
Loans outstanding					<u>\$ 227,887</u>

a. These amounts relate to outstanding guarantees and exposures under PSW.

b. Represents guarantee claims activity for the periods ended March 31, 2026 and June 30, 2025, in connection with PSW guarantees.

	Reported as Follows	
	Condensed Balance Sheets	Condensed Statements of Income
<b>Accumulated Provision for Losses on:</b>		
Loans outstanding	Accumulated provision for loan losses	Provision for losses on loans and other exposures, release (charge)
Debt Relief under HIPC/MDRI	Accumulated provision for loan losses	Provision for losses on loans and other exposures, release (charge)
Loan commitments and Other Exposures	Other assets/ liabilities	Provision for losses on loans and other exposures, release (charge)

The accumulated provision for losses on loan and other exposures as of March 31, 2026, was \$6,256 million, compared to \$6,190 million as of June 30, 2025. The increase was primarily due to the increase in exposure for the nine months ended March 31, 2026.

### Loans written off under HIPC/MDRI

During the nine months ended March 31, 2026, there were no loans written off under the MDRI (Nil—for the year ended June 30, 2025). During the same period, \$9 million of loans were written off under HIPC (\$12 million—for the year ended June 30, 2025).

### Guarantees Provided

Guarantees of \$3,194 million were outstanding as of March 31, 2026 (\$2,822 million—June 30, 2025). This includes \$1,274 million relating to the PSW (\$1,173 million—June 30, 2025). The outstanding guarantee amounts represent the maximum potential undiscounted future payments that IDA could be required to make under these guarantees, and are not included on the Condensed Balance Sheets. The guarantees issued by IDA have original maturities ranging between 2 and 22 years and expire in decreasing amounts through 2044.

As of March 31, 2026, liabilities related to IDA's obligations under guarantees provided include the obligation to stand ready of \$123 million (\$132 million—June 30, 2025), and the accumulated provision for guarantee losses of \$268 million (\$174 million—June 30, 2025). These have been included in Other liabilities on the Condensed Balance Sheets.

During the nine months ended March 31, 2026, no guarantees provided by IDA to a sovereign or a sub-sovereign borrower were called. During the nine months ended March 31, 2025, guarantees provided by IDA to a sovereign borrower were settled, resulting in a payment of \$212 million. A total of \$362 million is included in Loans Outstanding on the Balance Sheet as of March 31, 2026 (\$362 million—June 30, 2025), following payments by IDA and pursuant to the terms of the related indemnity agreement between IDA and the borrower and the reimbursement terms agreed with the borrower.

During the nine months ended March 31, 2026, \$1 million of IDA-PSW Blended Finance Facility guarantees pursuant to the risk-sharing agreement between IDA and IFC were called (less than \$1 million—nine months ended March 31, 2025). During the same period, \$1 million of guarantees were called (\$33 million—nine months ended March 31, 2025) and \$1 million of guarantees were recovered (Nil—nine months ended March 31, 2025) under the PSW MIGA guarantee facility agreement between IDA and the Multilateral Investment Guarantee Agency (MIGA).

### Concentration Risk

Loan revenue comprises service charges, interest and commitment charges, net of waivers. For the nine months ended March 31, 2026 there was no country that contributed more than 10% of the total loan revenue.

The following table presents IDA's loans outstanding and associated loan revenue by geographic region:

**Table D5: Loan revenue and outstanding loan balances by geographic region**

*In millions of U.S. dollars* *As of and for the nine months ended March 31,*

<i>Region</i>	<i>2026</i>		<i>2025</i>	
	<i>Loan Revenue<sup>a</sup></i>	<i>Loans Outstanding</i>	<i>Loan Revenue<sup>a</sup></i>	<i>Loans Outstanding</i>
Eastern and Southern Africa	\$ 534	\$ 69,368	\$ 495	\$ 62,567
Western and Central Africa	578	57,873	507	51,424
South Asia <sup>b</sup>	473	43,969	481	44,519
Middle East, North Africa, Afghanistan and Pakistan <sup>b</sup>	251	21,195	234	20,286
East Asia and Pacific	180	17,612	180	17,834
Europe and Central Asia	381	16,214	257	14,659
Latin America and the Caribbean	58	4,210	54	3,973
Others <sup>c</sup>	8	332	18	269
<b>Total</b>	<b>\$ 2,463</b>	<b>\$ 230,773</b>	<b>\$ 2,226</b>	<b>\$ 215,531</b>

a. Excludes \$5 million of interest rate swap income from loan-related derivatives for the nine months ended March 31, 2026 (\$12 million of interest rate swap income—nine months ended March 31, 2025). Includes net commitment charges of \$14 million for the nine months ended March 31, 2026 (\$18 million—nine months ended March 31, 2025).

b. Effective July 1, 2025, Afghanistan and Pakistan have moved from the South Asia Region to the Middle East, North Africa, Afghanistan and Pakistan Region. Prior period numbers have been reclassified for comparability.

c. Represents loans under the PSW.

## NOTE E—BORROWINGS

IDA's borrowings comprise market borrowings (carried at amortized cost or fair value) and concessional partner loans made by IDA members (carried at amortized cost).

IDA uses derivative contracts to manage the currency risk and the interest rate risk of the market borrowings carried at fair value. For details regarding the derivatives used, see Note F—Derivative Instruments.

As of March 31, 2026 and June 30, 2025, the instruments in IDA's borrowing portfolio measured at fair value were classified as Level 2 within the fair value hierarchy. IDA elects fair value for market debt designated to fund liquidity or variable rate loans. Market debt not meeting the fair value election criteria are reported at amortized cost.

A summary of IDA's borrowings is as follows (for details on principal due upon maturity, see Note J—Fair Value Disclosures):

**Table E1: Market borrowings and borrowing-related derivatives, at fair value**

*In millions of U.S. dollars*

	<i>March 31, 2026</i>	<i>June 30, 2025</i>
Market borrowings	\$ 46,824	\$ 45,154
Currency swaps, net	277	123
Interest rate swaps, net	1,078	883
<b>Total</b>	<b>\$ 48,179</b>	<b>\$ 46,160</b>

For the nine months ended March 31, 2026, Borrowing expenses, net in the Condensed Statements of Income was \$1,974 million (\$1,650 million—nine months ended March 31, 2025). This includes \$361 million of interest expense, net related to derivatives associated with the Borrowing portfolio (interest expense, net of \$578 million—nine months ended March 31, 2025).

**Table E2: Market borrowings outstanding, at amortized cost**

*In millions of U.S dollars*

	<i>Principal at face value</i>	<i>Net unamortized discount</i>	<i>Total</i>
March 31, 2026	\$ 20,053	\$ (58)	\$ 19,995
June 30, 2025	\$ 18,173	\$ (46)	\$ 18,127

**Table E3: Concessional partner loans outstanding, at amortized cost**

*In millions of U.S dollars*

	<i>Principal at face value</i>	<i>Net unamortized discount</i>	<i>Total</i>
March 31, 2026	\$ 8,505	\$ (1,405)	\$ 7,100
June 30, 2025	\$ 9,086	\$ (1,535)	\$ 7,551

## NOTE F—DERIVATIVE INSTRUMENTS

IDA uses derivative instruments in its investment, loan and borrowing portfolios, for asset-liability management purposes, and to assist clients in managing risks.

The following table summarizes IDA's use of derivatives in its various financial portfolios.

**Table F1: Use of derivatives in various financial portfolios**

<b>Portfolio</b>	<b>Derivative instruments used</b>	<b>Purpose/Risk being managed</b>
Risk management purposes:		
Investments—Trading	Interest rate swaps, forward contracts, currency swaps, options, swaptions, futures contracts, and to-be-announced (TBA) securities	Manage currency and interest rate risk
Other asset-liability management	Currency forward contracts, currency swaps and interest rate swaps	Manage currency and interest rate risk
Loans	Interest rate swaps	Manage interest rate risk
Borrowings	Interest rate swaps and currency swaps	Manage currency and interest rate risk
Other purposes:		
Client operations	Interest rate swaps and currency swaps	Assist clients in managing risks

The derivatives in the related tables of Note F are presented on a net basis by instrument. A reconciliation to the presentation in the Condensed Balance Sheets is shown in Table F2.

### Offsetting assets and liabilities

IDA enters into International Swaps and Derivatives Association, Inc. (ISDA) master netting agreements with substantially all of its derivative counterparties. These legally enforceable master netting agreements give IDA the right to liquidate securities held as collateral and to offset receivables and payables with the same counterparty, in the event of default by the counterparty.

The following tables summarize the gross and net derivative positions by instrument type. Instruments that are in a net asset position are included in the Derivative Assets columns and instruments that are in a net liability position are included in the Derivative Liabilities columns. The effects of the ISDA master netting agreements are applied on an aggregate basis to the total derivative asset and liability positions and are presented net of any cash collateral received on the Condensed Balance Sheets. The net derivative asset positions in the tables below have been further reduced by any securities received as collateral to disclose IDA's net exposure on its derivative asset positions.

**Table F2: Derivative assets and liabilities before and after netting adjustments***In millions of U.S. dollars*

	March 31, 2026		June 30, 2025	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Interest rate swaps	\$ 3,121	\$ 1,252	\$ 3,035	\$ 1,212
Currency swaps <sup>a</sup>	1,083	620	266	810
Other <sup>b</sup>	1	—	—	—
Gross Total	<u>\$ 4,205</u>	<u>\$ 1,872</u>	<u>\$ 3,301</u>	<u>\$ 2,022</u>
Less:				
Amounts subject to legally enforceable master netting agreements	\$ 1,837 <sup>c</sup>	\$ 1,734 <sup>d</sup>	\$ 1,620 <sup>c</sup>	\$ 1,526 <sup>d</sup>
Cash collateral received	1,217	—	1,266	—
<b>Net derivative positions on the Condensed Balance Sheets</b>	<u>\$ 1,151</u>	<u>\$ 138</u>	<u>\$ 415</u>	<u>\$ 496</u>
Less:				
Securities collateral received	410	—	33	—
<b>Net derivative exposure after collateral</b>	<u>\$ 741</u>	<u>\$ —</u>	<u>\$ 382</u>	<u>\$ —</u>

*a. Includes forward contracts.**b. These include swaptions, exchange traded options, futures contracts and TBA securities.**c. Includes \$114 million Credit Valuation Adjustment (CVA) (\$108 million-June 30, 2025).**d. Includes \$11 million Debit Valuation Adjustment (DVA) (\$14 million-June 30, 2025).*

The following table provides information about the credit risk exposures at fair value of IDA's derivative instruments by portfolio, before the effects of master netting arrangements and collateral:

**Table F3: Credit risk exposure of the derivative instruments***In millions of U.S. dollars*

	March 31, 2026		
	Interest rate swaps	Currency swaps (including forward contracts)	Total
Investments - Trading	\$ 11	\$ 551	\$ 562
Asset-liability management	2,805	418	3,223
Borrowings	169	105	274
Other <sup>a</sup>	136	9	145
<b>Total Exposure</b>	<u>\$ 3,121</u>	<u>\$ 1,083</u>	<u>\$ 4,204</u>

**Table F3.1***In millions of U.S. dollars*

	June 30, 2025		
	Interest rate swaps	Currency swaps (including forward contracts)	Total
Investments - Trading	\$ 8	\$ 22	\$ 30
Asset-liability management	2,595	166	2,761
Borrowings	321	69	390
Other <sup>a</sup>	111	9	120
<b>Total Exposure</b>	<u>\$ 3,035</u>	<u>\$ 266</u>	<u>\$ 3,301</u>

*a. Includes derivatives related to loans and PSW, and excludes exchange traded instruments as they are generally subject to daily margin requirements and are deemed to have no material credit risk.*

The volume of derivative contracts is measured using the U.S. dollar equivalent notional balance. The notional balance represents the face value or reference value on which the calculations of payments on the derivative instrument are determined. As of March 31, 2026, the notional amounts of IDA's derivative contracts outstanding were as follows: interest rate swaps \$59,190 million (\$52,538 million— June 30, 2025), currency swaps \$33,842 million (\$22,683 million as of June 30, 2025), long positions of other derivatives \$464 million (\$352 million—June 30, 2025), and short positions of other derivatives \$60 million (\$860 million—June 30, 2025).

## Collateral

IDA is not required to post collateral under its derivative agreements as long as it maintains a triple-A credit rating. The aggregate fair value of all derivative instruments with credit-risk related contingent features that were in a liability position as of March 31, 2026, was \$77 million (\$439 million—June 30, 2025). As of March 31, 2026, IDA was not required to post any collateral in accordance with the relevant agreements.

If the credit-risk related contingent features underlying these agreements were triggered to the extent that IDA would be required to post collateral as of March 31, 2026, the amount of collateral that would need to be posted would be \$12 million (less than \$1 million—June 30, 2025). Subsequent triggers of contingent features would require posting of additional collateral, up to a maximum of \$77 million as of March 31, 2026 (\$439 million—June 30, 2025).

The following table provides information on the unrealized mark-to-market gains and losses on the non-trading derivatives and their location on the Condensed Statements of Income:

**Table F4: Unrealized mark-to-market gains or losses on non-trading derivatives**

*In millions of U.S. dollars*

Type of instrument <sup>a</sup>	Reported as	Three Months Ended March 31,		Nine Months Ended March 31,	
		2026	2025	2026	2025
Interest rate swaps	Unrealized mark-to-market	\$ (356)	\$ 550	\$ (23)	\$ 740
Currency swaps and currency forward contracts	(losses) gains on non-trading portfolios, net	(22)	40	68	134
<b>Total</b>		<u>\$ (378)</u>	<u>\$ 590</u>	<u>\$ 45</u>	<u>\$ 874</u>

*a. For disclosures related to derivatives in the trading portfolio, see Table F5.*

The majority of the instruments in IDA's investment portfolio are held for trading purposes. Within the trading portfolio, IDA holds fixed income instruments as well as derivatives. The trading portfolio is primarily held to ensure the availability of funds to meet future cash flow requirements and for liquidity management purposes.

The following table provides information on the amount of gains or losses on IDA's investment trading portfolio (derivative and non-derivative instruments), and their location in the Condensed Statements of Income:

**Table F5: Mark-to-market gains or losses on trading securities, net***In millions of U.S. dollars*

<i>Type of instrument</i>	<i>Reported as</i>	<i>Three Months Ended</i>		<i>Nine Months Ended</i>	
		<i>March 31,</i>		<i>March 31,</i>	
		<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
Fixed income (including related derivatives <sup>a</sup> )	Mark-to-market gains on	\$ (39)	\$ 65	\$ 89	\$ 222
Other forward contracts	trading securities, net	\$ 175	\$ (4)	\$ 164	\$ (4)
Total		\$ 136	\$ 61	\$ 253	\$ 218

a. Includes mark-to-market gains/losses from IDA's share of Post-Employment Benefit Plan (PEBP) and Post-Retirement Contribution Reserve Fund (PCRF) holdings.

## NOTE G—DEVELOPMENT GRANTS

A summary of grant activities is presented below:

**Table G1: Grant activities***In millions of U.S. dollars*

	<i>Three Months Ended March 31,</i>		<i>Nine Months Ended March 31,</i>	
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
Grants approved	\$ 1,333	\$ 1,215	\$ 3,993	\$ 5,395
Grant disbursements	1,890	1,437	5,777	5,696
Conditional grants	1,803	1,346	5,504	5,261
Unconditional grants	87	91	273	435
Grant expenses	\$ 2,139	\$ 1,329	\$ 6,036	\$ 5,227

As of March 31, 2026, the cumulative amount of conditional grants approved but not yet expensed, since all conditions have not been met, was \$27,870 million (\$30,582 million—June 30, 2025).

## NOTE H—TRANSACTIONS WITH AFFILIATED ORGANIZATIONS

IDA transacts with affiliated organizations as a recipient of transfers and grants, administrative, derivative and investment intermediation services and through cost sharing of IBRD's sponsored pension and other postretirement benefit plans.

The total amounts receivable from (payable to) affiliated organizations are comprised of the following:

**Table H1: IDA's receivables and payables with affiliated organizations***In millions of U.S. dollars*

	<i>March 31, 2026</i>			<i>June 30, 2025</i>		
	<i>IBRD</i>	<i>IFC</i>	<i>Total</i>	<i>IBRD</i>	<i>IFC</i>	<i>Total</i>
Administrative Services	\$ (591)	\$ —	\$ (591)	\$ (631)	\$ —	\$ (631)
PSW-Derivative (liabilities)/assets, net <sup>a</sup>	—	(72)	(72)	—	(70)	(70)
PSW-Debt and equity investments	—	149	149	—	124	124
Investments	—	82	82	—	115	115
PCRF <sup>b</sup>	630	—	630	721	—	721
Pension and Other Postretirement Benefits	1,336	—	1,336	1,086	—	1,086
Total	\$ 1,375	\$ 159	\$ 1,534	\$ 1,176	\$ 169	\$ 1,345

a. IDA enters into derivative transactions with IFC to support local currency loan transactions where currency hedging capabilities are limited or unavailable.

b. Receivable from IBRD for IDA's share of investments associated with PCRF, which is a fund established to stabilize contributions made to the pension plans.

The receivables from (payables to) these affiliated organizations are reported on the Condensed Balance Sheets as follows:

**Table H2: Presentation of IDA's receivables and payables to affiliated organizations in the balance sheet**

<b>Receivables / Payables related to:</b>	<b>Reported as:</b>
Payable for administrative services	Payable to affiliated organization
Net receivables (payables) for derivative transactions	Derivative assets/liabilities, net
Receivable for PSW – Debt and equity investments	Other assets
Receivable for non-trading investments	Investments
Receivable for PCRFB	Receivable from affiliated organization
Receivable for pension and other postretirement benefits	Receivable from affiliated organization

## Transfers and Grants Received

Cumulative transfers and grants made to IDA as of March 31, 2026, were \$22,181 million (\$21,399 million—June 30, 2025). Details by transferor are as follows:

**Table H3: Transfers and grants received**

*In millions of U.S dollars*

<i>Transfers</i>	<i>Cumulative transfers as of March 31, 2026</i>
Total	\$ 22,181
Of which transfers from:	
IBRD	18,066
IFC	3,885
Nonaffiliated organizations	230

On September 8, 2025, IBRD's Board of Governors approved a transfer of \$782 million to IDA. This transfer was received on September 23, 2025.

## Administrative Services

The payable to IBRD represents IDA's share of joint administrative expenses including contributions to special programs, net of other revenue jointly earned. The allocation of expenses is based upon an agreed cost sharing formula, and amounts are settled quarterly.

For the three and nine months ended March 31, 2026, IDA's share of joint administrative expenses and contributions to special programs totaled \$445 million and \$1,373 million, respectively (\$465 million and \$1,420 million—three and nine months ended March 31, 2025, respectively).

## Other revenue

Includes IDA's share of other revenue jointly earned with IBRD during the three and nine months ended March 31, 2026, totaling \$88 million and \$256 million, respectively (\$74 million and \$230 million—three and nine months ended March 31, 2025, respectively).

Fee revenue associated with services provided to other affiliated organizations is included in Other revenue on the Condensed Statements of Income, as follows:

**Table H4: Fee revenue from affiliated organizations***In millions of U.S dollars*

	<i>Three Months Ended March 31,</i>		<i>Nine Months Ended March 31,</i>	
	<i>2026</i>	<i>2025</i>	<i>2026</i>	<i>2025</i>
Fees charged to IFC	\$ 29	\$ 26	\$ 86	\$ 76
Fees charged to MIGA	2	2	6	6

**Private Sector Window**

The PSW was created under the Eighteenth Replenishment of IDA's Resources (IDA18) to mobilize private sector investment in IDA-only countries and IDA-eligible Fragile and Conflict-affected Situations. Under IDA's Twenty-First Replenishment of Resources (IDA21), \$3.2 billion has been allocated to PSW, including \$500 million of IFC's economic capital that has been set aside. Under the fee arrangement for the PSW, IDA receives fee income for transactions executed under this window and reimburses IFC and MIGA for the related costs incurred in administering these transactions. PSW comprises guarantees, loans, debt/equity investments and derivatives. As of March 31, 2026, the PSW exposures were \$1,872 million (\$1,728 million—June 30, 2025), and the related accumulated provision was \$296 million (\$183 million—June 30, 2025).

**Investments – Non-trading**

During the fiscal year ended June 30, 2015, IDA purchased a debt security issued by IFC for a principal amount of \$1,179 million, amortizing over a period of 25 years. The investment carries a fixed interest rate of 1.84% and has a weighted average maturity of 5 years. As of March 31, 2026, the principal amount due on the debt security was \$90 million (\$124 million—June 30, 2025), and it had a fair value of \$82 million (\$115 million—June 30, 2025). The investment is reported under Investments in the Condensed Balance Sheets. During the three and nine months ended March 31, 2026, IDA recognized interest income of less than \$1 million and \$1 million, respectively from this investment (less than \$1 million and \$2 million—three and nine months ended March 31, 2025, respectively).

**Pension and Other Post-Retirement Benefits**

IBRD, along with IFC and MIGA, sponsors a defined benefit Staff Retirement Plan and Trust, a Retired Staff Benefits Plan and Trust and a PEBP that cover all of their staff members.

While IDA is not a participating entity to these benefit plans, IDA shares in the costs and reimburses IBRD for its proportionate share of any contributions made to these plans by IBRD based on an agreed cost sharing ratio.

During the three and nine months ended March 31, 2026, IDA's share of IBRD's benefit costs relating to all three plans resulted in net income of \$10 million and \$26 million, respectively (net expense of \$30 million and \$95 million for the three and nine months ended March 31, 2025, respectively).

The cost of any potential future liability arising from these plans would be shared by IBRD and IDA using the applicable cost sharing ratio.

The receivable from IBRD represents IDA's net share of prepaid costs for pension and other postretirement benefit plans and PEBP assets. These will be realized over the lives of the plan participants.

## NOTE I—ACCUMULATED OTHER COMPREHENSIVE LOSS

Comprehensive income consists of net income (loss) and other gains or losses affecting equity that, under U.S. GAAP, are excluded from net income (loss). For IDA, other comprehensive income (loss) is comprised of currency translation adjustments on functional currencies and the DVA on fair value option elected liabilities. These items are presented in the Condensed Statements of Comprehensive Income.

The following table presents the changes in Accumulated Other Comprehensive Loss (AOCL) balances:

**Table I1: Changes in AOCL**

*In millions of U.S dollars*

	<i>Nine Months Ended March 31, 2026</i>		
	<i>Balance, beginning of the fiscal year</i>	<i>Changes in AOCL</i>	<i>Balance, end of the period</i>
Currency translation adjustments on functional currencies	\$ (3,120)	\$ (2,006)	\$ (5,126)
DVA on Fair Value option elected liabilities	8	(174)	(166)
Total AOCL	<u>\$ (3,112)</u>	<u>\$ (2,180)</u>	<u>\$ (5,292)</u>

**Table I1.1**

*In millions of U.S dollars*

	<i>Nine Months Ended March 31, 2025</i>		
	<i>Balance, beginning of the fiscal year</i>	<i>Changes in AOCL</i>	<i>Balance, end of the period</i>
Currency translation adjustments on functional currencies	\$ (10,567)	\$ 1,498	\$ (9,069)
DVA on Fair Value option elected liabilities	(25)	56	31
Total AOCL	<u>\$ (10,592)</u>	<u>\$ 1,554</u>	<u>\$ (9,038)</u>

## **NOTE J— FAIR VALUE DISCLOSURES**

### **Valuation Methods and Assumptions**

As of March 31, 2026, and June 30, 2025, IDA had no financial assets or liabilities measured at fair value on a non-recurring basis.

#### **Due from banks**

The carrying amount of unrestricted and restricted cash is considered a reasonable estimate of the fair value of these positions.

#### **Loans and Loan commitments**

There were no loans carried at fair value as of March 31, 2026 or June 30, 2025. IDA's loans and loan commitments would be classified as Level 3 within the fair value hierarchy.

Summarized below are the techniques applied in determining the fair values of IDA's financial instruments.

#### **Investment securities**

Where available, quoted market prices are used to determine the fair value of trading securities. For instruments for which market quotations are not available, fair values are determined using model-based valuation techniques, whether internally generated or vendor-supplied, that include the standard discounted cash flow method using observable market inputs such as yield curves and credit spreads. Where applicable, unobservable inputs such as conditional prepayment rates, probability of default, and loss severity are used.

Unless quoted prices are available, time deposits are reported at face value, which approximates fair value, as they are short-term in nature.

#### **Securities purchased under resale agreements, securities sold under repurchase agreements, and securities lent under securities lending agreements**

These securities are of a short-term nature and are reported at face value, which approximates fair value.

#### **Borrowings**

The fair value of market borrowings reported at fair value is calculated using a discounted cash flow method which relies on observable market inputs such as yield curves, foreign exchange rates, basis spreads and funding spreads.

As of March 31, 2026, and June 30, 2025, the fair value of borrowings measured at amortized cost would be classified as Level 2 within the fair value hierarchy.

#### **Derivative instruments**

Derivative contracts include forward contracts, TBA securities, swaptions, options and futures contracts, currency swaps and interest rate swaps. Where available, quoted market prices are used to determine the fair value of trading securities. Examples include options and futures contracts.

For instruments for which market quotations are not available, fair values are determined using model-based valuation techniques, whether internally generated or vendor-supplied, that include the standard discounted cash flow method using observable market inputs such as yield curves, foreign exchange rates, credit spreads, basis spreads, funding spreads and constant prepayment spreads. Where applicable, unobservable inputs such as constant prepayment rates, probability of default, and loss severity are used.

## Valuation adjustments on fair value option elected liabilities

The DVA on fair value option elected liabilities (market borrowings carried at fair value) is measured by revaluing each liability to determine the changes in fair value of that liability arising from changes in IDA's cost of funding applicable to the relevant reference rates.

The table below presents IDA's estimates of fair value of its financial assets and liabilities along with their respective carrying amounts.

**Table J1: Fair value and carrying amounts of financial assets and liabilities**

*In millions of U.S dollars*

	<i>March 31, 2026</i>		<i>June 30, 2025</i>	
	<i>Carrying Value</i>	<i>Fair Value</i>	<i>Carrying Value</i>	<i>Fair Value</i>
<b>Assets</b>				
Due from banks	\$ 769	\$ 769	\$ 1,215	\$ 1,215
Investments (including securities purchased under resale agreements)	45,166	45,166	47,408	47,408
Net loans outstanding	226,088	173,151	223,232	172,530
Derivative assets, net	1,151	1,151	415	415
<b>Liabilities</b>				
<b>Borrowings</b>				
Market borrowings, at fair value	46,824	46,824	45,154	45,154
Market borrowings, at amortized cost	19,995	18,040	18,127	16,466
Concessional partner loans, at amortized cost	7,100	5,712	7,551	6,161
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received	198	198	122	122
Derivative liabilities, net	138	138	496	496

As of March 31, 2026, IDA's signed loan commitments were \$72.7 billion (\$74.5 billion — June 30, 2025) and had a fair value of \$(16.2) billion (\$(15.3) billion—June 30, 2025).

The following tables present IDA's fair value hierarchy for assets and liabilities measured at fair value on a recurring basis.

**Table J2: Fair value hierarchy of IDA's assets and liabilities**

*In millions of U.S. dollars*

	Fair Value Measurements on a Recurring Basis			
	As of March 31, 2026			
	Level 1	Level 2	Level 3	Total
<b>Assets:</b>				
Investments—Trading				
Government, agency and corporate obligations	\$ 12,809	\$ 11,641	\$ —	\$ 24,450
Time deposits	486	20,062	—	20,548
ABS	—	86	—	86
Total Investments—Trading	13,295	31,789	—	45,084
Investments—Non-trading	—	82	—	82
Total Investments	\$ 13,295	\$ 31,871	\$ —	\$ 45,166
Securities purchased under resale agreements	\$ —	\$ —	\$ —	\$ —
Derivative assets:				
Currency swaps and forward contracts	\$ —	\$ 1,083	\$ —	\$ 1,083
Interest rate swaps	—	3,121	—	3,121
Other <sup>a</sup>	1	—	—	1
Gross Total	\$ 1	\$ 4,204	\$ —	\$ 4,205
<b>Liabilities:</b>				
Market Borrowings, at fair value	\$ —	\$ 46,824	\$ —	\$ 46,824
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received <sup>b</sup>	\$ —	\$ 198	\$ —	\$ 198
Derivative liabilities:				
Currency swaps and forward contracts	\$ —	\$ 620	\$ —	\$ 620
Interest rate swaps	—	1,252	—	1,252
Gross Total	\$ —	\$ 1,872	\$ —	\$ 1,872

*a. These relate to TBA Securities, swaptions, exchange traded options and futures contracts.*

*b. Excludes amount payable for cash collateral received of \$1,217 million.*

**Table J2.1***In millions of U.S. dollars*

	<i>Fair Value Measurements on a Recurring Basis</i>			
	<i>As of June 30, 2025</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
<b>Assets:</b>				
Investments—Trading				
Government, agency and corporate obligations	\$ 14,104	\$ 12,325	\$ —	\$ 26,429
Time deposits	1,341	19,300	—	20,641
ABS	—	87	—	87
Total Investments—Trading	15,445	31,712	—	47,157
Investments—Non-trading	—	115	—	115
Total Investments	\$ 15,445	\$ 31,827	\$ —	\$ 47,272
Securities purchased under resale agreements	\$ —	\$ 136	\$ —	\$ 136
Derivative assets:				
Currency swaps and forward contracts	\$ —	\$ 266	\$ —	\$ 266
Interest rate swaps	—	3,035	—	3,035
Other <sup>a</sup>	—	—	—	—
Gross Total	\$ —	\$ 3,301	\$ —	\$ 3,301
<b>Liabilities:</b>				
Market Borrowings, at fair value	\$ —	\$ 45,154	\$ —	\$ 45,154
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received <sup>b</sup>	\$ —	\$ 122	\$ —	\$ 122
Derivative liabilities:				
Currency swaps and forward contracts	\$ —	\$ 810	\$ —	\$ 810
Interest rate swaps	—	1,212	—	1,212
Gross Total	\$ —	\$ 2,022	\$ —	\$ 2,022

*a. These relate to TBA Securities, swaptions, exchange traded options and futures contracts.**b. Excludes amount payable for cash collateral received of \$1,266 million.*

Presented below is the difference between the aggregate fair value and aggregate contractual principal balance of non-trading securities in the investment portfolio:

**Table J3: Investment portfolio-Non-trading security***In millions of U.S dollars*

	<i>Fair value</i>	<i>Principal amount due</i>	<i>Difference</i>
March 31, 2026	\$ 82	\$ 90	\$ (8)
June 30, 2025	\$ 115	\$ 124	\$ (9)

Presented below is the difference between the aggregate fair value and aggregate contractual principal balance of market borrowings at fair value:

**Table J4: Market Borrowings at fair value**

*In millions of U.S. dollars*

	<u>Fair Value</u>	<u>Principal Due Upon Maturity</u>	<u>Difference</u>
March 31, 2026	\$ 46,824	\$ 47,613	\$ (789)
June 30, 2025	\$ 45,154	\$ 46,059	\$ (905)

During the nine months ended March 31, 2026, IDA recorded unrealized mark-to-market losses of \$174 million (\$56 million gains—nine months ended March 31, 2025) in Other Comprehensive Income, in relation to the changes in its own credit (DVA) on fair value option elected liabilities.

As of March 31, 2026, IDA's Condensed Balance Sheets included a DVA of \$166 million cumulative losses (\$8 million cumulative gains—June 30, 2025) in Accumulated other comprehensive loss, associated with the changes in IDA's own credit for its market borrowings reported at fair value.

## NOTE K—SEGMENT REPORTING

IDA has determined that it has a single reportable operating segment. The President is the Chief Operating Decision Maker (CODM), who regularly reviews operational performance and financial measures of IDA to assess performance and allocate resources.

The Administrative budget for IBRD and IDA is approved and managed as a single resource. The CODM receives expense information on the combined basis for IBRD and IDA. As a result, no significant segment expense amounts are presented separately for IDA to the CODM. The measure of segment profit or loss is at the entity level and is reported on the Condensed Statements of Income as Net income (loss). The measure of segment assets is reported on the Condensed Balance Sheets as Total assets.

The following table presents IDA's revenues by products/services:

**Table K1: Revenue by products/services**

*In millions of U.S. dollars*

Revenue	<u>Three Months Ended March 31,</u>		<u>Nine Months Ended March 31,</u>	
	<u>2026</u>	<u>2025</u>	<u>2026</u>	<u>2025</u>
Loan revenue <sup>a</sup>	\$ 814	\$ 775	\$ 2,463	\$ 2,226
Revenue from externally funded activities	253	260	758	751
Guarantee fees <sup>b</sup>	7	7	22	33
Total	<u>\$ 1,074</u>	<u>\$ 1,042</u>	<u>\$ 3,243</u>	<u>\$ 3,010</u>

a. Excludes interest rate swap income from loan-related derivatives of \$1 million and \$5 million for the three and nine months ended March 31, 2026, respectively (income of \$3 million and \$12 million—three and nine months ended March 31, 2025, respectively). Includes net commitment charges of \$4 million and \$14 million for the three and nine months ended March 31, 2026, respectively (\$6 million and \$18 million—three and nine months ended March 31, 2025, respectively).

b. Included in Non-interest revenue - other in the Condensed Statements of Income and excludes other miscellaneous income of \$9 million and \$20 million for the three and nine months ended March 31, 2026, respectively (other miscellaneous expense of \$2 million and other miscellaneous income of \$2 million—three and nine months ended March 31, 2025, respectively).

## **NOTE L—CONTINGENCIES**

From time to time, IDA may be named as a defendant or co-defendant in legal actions on different grounds in various jurisdictions. The outcome of any existing legal action, in which IDA has been named as a defendant or co-defendant, as of and for the nine months ended March 31, 2026, is not expected to have a material adverse effect on IDA's financial position, results of operations or cash flows.

# INDEPENDENT AUDITOR'S REVIEW REPORT



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## INDEPENDENT AUDITOR'S REVIEW REPORT

President and Board of Executive Directors  
International Development Association:

### Results of Review of Interim Financial Information

We have reviewed the accompanying condensed balance sheet of the International Development Association ("IDA") as of March 31, 2026, and the related condensed statements of income and comprehensive income for the three-month and nine-month periods ended March 31, 2026 and 2025, and the condensed statements of changes in equity and cash flows for the nine-month periods ended March 31, 2026 and 2025, and the related notes (collectively referred to as the "interim financial information").

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America.

### Basis for Review Results

We conducted our reviews in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of IDA and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our review. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

### Responsibilities of Management for the Interim Financial Information

Management is responsible for the preparation and fair presentation of the interim financial information in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial information that is free from material misstatement, whether due to fraud or error.

# INDEPENDENT AUDITOR'S REVIEW REPORT

## Report on Condensed Balance Sheet as of June 30, 2025

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet as of June 30, 2025, and the related statements of income, comprehensive income, changes in equity, and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 7, 2025. In our opinion, the accompanying condensed balance sheet of IDA as of June 30, 2025, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Deloitte & Touche LLP*

May 15, 2026