International Bank for Reconstruction and Development

Management's Discussion & Analysis
and
Condensed Quarterly Financial Statements
March 31, 2022
(Unaudited)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (IBRD)

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March 31, 2022

CONDENSED QUARTERLY FINANCIAL STATEMENTS

CONDENSED BALANCE SHEET

Expressed in millions of U.S. dollars

	March 31, 2022 (Unaudited)	*June 30, 2021 (Unaudited)*
Assets		
Due from banks—Notes C and K		
Unrestricted cash	$ 254	$ 2,240
Restricted cash	97	107
	351	2,347
Investments-Trading (including securities transferred under repurchase or securities lending agreements of $346 million—March 31, 2022; $24 million—June 30, 2021)—Notes C and K	82,098	87,566
Securities purchased under resale agreements—Notes C and K	138	338
Derivative assets, net—Notes C, E, F and K	1,254	3,355
Loans outstanding—Notes D, I and K		
Total loans	297,521	295,005
Less undisbursed balance (including signed loan commitments of $56,694 million — March 31, 2022, and $59,837 million —June 30, 2021)	(68,378)	(74,441)
Loans outstanding	229,143	220,564
Less:		
Accumulated provision for loan losses	(1,786)	(1,270)
Deferred loan income	(522)	(495)
Net loans outstanding	226,835	218,799
Other assets—Notes C, D, E and I	5,381	4,896
Total assets	$ 316,057	$ 317,301

	March 31, 2022 (Unaudited)	June 30, 2021 (Unaudited)
Liabilities		
Borrowings—Notes E and K	$ 246,863	$ 260,076
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received—Notes C and K	371	62
Derivative liabilities, net—Notes C, E, F and K	11,011	1,222
Other liabilities—Notes C, D and I	8,067	7,863
Total liabilities	266,312	269,223
Equity		
Capital stock—Note B		
Authorized capital (2,783,873 shares—March 31, 2022, and June 30, 2021)		
Subscribed capital (2,510,315 shares—March 31, 2022, and 2,469,065 shares—June 30, 2021)	302,832	297,856
Less uncalled portion of subscriptions	(282,942)	(278,612)
Paid-in capital	19,890	19,244
Nonnegotiable, noninterest-bearing demand obligations on account of subscribed capital	(321)	(332)
Receivable amounts to maintain value of currency holdings	(312)	(343)
Deferred amounts to maintain value of currency holdings	(218)	67
Retained earnings (see Condensed Statement of Changes in Retained Earnings and Note G)	32,788	31,007
Accumulated other comprehensive loss—Note J	(2,082)	(1,565)
Total equity	49,745	48,078
Total liabilities and equity	$ 316,057	$ 317,301

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

CONDENSED STATEMENT OF INCOME

Expressed in millions of U.S. dollars

	Three Months Ended March 31, (Unaudited)		Nine Months Ended March 31, (Unaudited)	
	2022	*2021*	*2022*	*2021*
Interest revenue				
Loans, net—Note D	$ 520	$ 479	$ 1,492	$ 1,733
Other asset/liability management derivatives, net	157	160	490	440
Investments-Trading, net	63	43	122	175
Other, net	-	2	(3)	(4)
Borrowing expenses, net—Note E	(126)	(93)	(263)	(580)
Interest revenue, net of borrowing expenses	614	591	1,838	1,764
Provision for losses on loans and other exposures—Note D	(433)	(130)	(632)	(185)
Non-interest revenue				
Revenue from externally funded activities—Note I	195	182	509	513
Commitment charges—Note D	31	29	96	86
Other	17	11	36	28
Total	243	222	641	627
Non-interest expenses				
Administrative—Notes H and I	(527)	(500)	(1,544)	(1,486)
Contributions to special programs	(1)	(2)	(15)	(17)
Other, net—Note H	63	(8)	189	(25)
Total	(465)	(510)	(1,370)	(1,528)
Board of Governors-approved and other transfers—Note G	-	(331)	(354)	(411)
Non-functional currency translation gains, net	28	90	84	46
Unrealized mark-to-market (losses) gains on Investments-Trading portfolio, net—Notes F and K	(83)	50	(10)	179
Unrealized mark-to-market gains on non-trading portfolios, net—Notes D, E, F and K	1,339	599	1,584	1,435
Net income	$ 1,243	$ 581	$ 1,781	$ 1,927

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME
Expressed in millions of U.S. dollars

	Three Months Ended March 31, (Unaudited)		*Nine Months Ended March 31, (Unaudited)*	
	2022	*2021*	*2022*	*2021*
Net income	$ 1,243	$ 581	$ 1,781	$ 1,927
Other comprehensive income (loss)—Note J				
Reclassification to net income:				
Amortization of unrecognized net actuarial losses	13	94	40	283
Amortization of unrecognized prior service costs	5	6	17	18
Net change in Debit Valuation Adjustment (DVA) on Fair Value option elected liabilities	481	(411)	(4)	(1,585)
Currency translation adjustment on functional currency	(170)	(354)	(570)	358
Total other comprehensive income (loss)	329	(665)	(517)	(926)
Comprehensive income (loss)	$ 1,572	$ (84)	$ 1,264	$ 1,001

CONDENSED STATEMENT OF CHANGES IN RETAINED EARNINGS
Expressed in millions of U.S. dollars

	Nine Months Ended March 31, (Unaudited)	
	2022	*2021*
Retained earnings at the beginning of the fiscal year	$ 31,007	$ 28,765
Cumulative effect of change in accounting principle—Notes A, D and G	-	203
Adjusted retained earnings at the beginning of the fiscal year	31,007	28,968
Net income for the period	1,781	1,927
Retained earnings at the end of the period	$ 32,788	$ 30,895

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

CONDENSED STATEMENT OF CASH FLOWS

Expressed in millions of U.S. dollars

	Nine Months Ended March 31, (Unaudited)	
	2022	2021
Cash flows from investing activities		
Loans		
Disbursements	$ (21,522)	$ (18,309)
Principal repayments	9,487	7,246
Principal prepayments	450	81
Loan origination fees received	22	21
Net derivatives-loans	119	36
Other investing activities, net	(118)	(134)
Net cash used in investing activities	(11,562)	(11,059)
Cash flows from financing activities		
Medium and long-term borrowings		
New issues	39,242	54,751
Retirements	(33,200)	(38,490)
Short-term borrowings (original maturities greater than 90 days)		
New issues	16,289	17,626
Retirements	(15,604)	(16,669)
Net short-term borrowings (original maturities less than 90 days)	(401)	(1,751)
Net derivatives-borrowings	(173)	(593)
Capital subscriptions	646	942
Other financing activities, net	1	-
Net cash provided by financing activities	6,800	15,816
Cash flows from operating activities		
Net income	1,781	1,927
Adjustments to reconcile net income to net cash (used in) provided by operating activities		
Unrealized mark-to-market gains on non-trading portfolios, net	(1,584)	(1,435)
Non-functional currency translation adjustment gains, net	(84)	(46)
Depreciation and amortization	72	448
Provision for losses on loans and other exposures	632	185
Changes in:		
Investment portfolio	2,358	(6,418)
Other assets and liabilities	(351)	(17)
Net cash provided by (used in) operating activities	2,824	(5,356)
Effect of exchange rate changes on unrestricted and restricted cash	(58)	82
Net decrease in unrestricted and restricted cash	(1,996)	(517)
Unrestricted and restricted cash at the beginning of the fiscal year	2,347	1,870
Unrestricted and restricted cash at the end of the period	$ 351	$ 1,353
Supplemental disclosure		
Increase (decrease) in ending balances resulting from exchange rate fluctuations		
Loans outstanding	$ (3,048)	$ 2,104
Investment portfolio	(144)	198
Borrowing portfolio	(2,378)	(1,463)
Capitalized loan origination fees included in total loans	44	30
Interest paid on borrowing portfolio	878	1,237

The Notes to Condensed Quarterly Financial Statements are an integral part of these 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, 2021, audited financial statements and notes included therein. The condensed comparative information that has been derived from the June 30, 2021 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 IBRD'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 disclosure of contingent assets and liabilities at the date of the condensed quarterly financial statements and the reported amounts of income and expenses during the reporting periods. Due to the inherent uncertainty involved in making those estimates, actual results could differ from those estimates. Areas in which significant estimates have been made include, but are not limited to, the provision for losses on loans and other exposures, valuation of certain instruments carried at fair value, and valuation of pension and other postretirement plan-related liabilities. The results of operations for the first nine months of the current fiscal year are not necessarily indicative of results for the full year.

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

Accounting and Reporting Developments

Accounting Standards Under Evaluation:

In March 2022, the Financial Accounting Standards Board (FASB) issued the Accounting Standard Update (ASU) 2022-02, *Troubled Debt Restructurings and Vintage Disclosures*, which eliminates the accounting guidance on troubled debt restructurings (TDRs) for creditors and amends the guidance on "vintage disclosures" to require disclosure of current-period gross write-offs by year of origination. This ASU is effective for annual and interim periods beginning after December 15, 2022, with early adoption permitted. IBRD is currently evaluating the impact of the ASU on its financial statements.

In November 2021, the FASB issued the ASU 2021-10, *Disclosure by Business Entities about Government Assistance*, which requires entities to make annual disclosure about certain government assistance they received. This ASU is effective for annual periods beginning after December 15, 2021, with early adoption permitted. IBRD is currently evaluating the impact of the ASU on its financial statements.

NOTE B—CAPITAL STOCK

The following table provides a summary of changes in IBRD's authorized and subscribed shares:

Table B1: IBRD's shares

	Authorized shares	*Subscribed shares*
As of June 30, 2020	2,783,873	2,387,388
General Capital Increase/Selective Capital Increase (GCI/SCI)	-	81,677
As of June 30, 2021	2,783,873	2,469,065
GCI/SCI	-	41,250
As of March 31, 2022	2,783,873	2,510,315

The following table provides a summary of the changes in subscribed capital, uncalled portion of subscriptions, and paid-in capital:

Table B2: IBRD's capital
In millions of U.S. dollars

	Subscribed capital	Uncalled portion of subscriptions	Paid-in capital
As of June 30, 2020	$ 288,002	$ (269,968)	$ 18,034
GCI/SCI	9,854	(8,644)	1,210
As of June 30, 2021	297,856	(278,612)	19,244
GCI/SCI	4,976	(4,330)	646
As of March 31, 2022	$ 302,832	$ (282,942)	$ 19,890

The uncalled portion of subscriptions is subject to call only when required to meet the obligations incurred by IBRD as a result of borrowings or loan guarantees.

On October 1, 2018, IBRD's Board of Governors approved two resolutions that increased IBRD's authorized capital. The total increase in authorized capital was $57.5 billion, of which, $27.8 billion and $29.7 billion relate to the GCI and SCI, respectively. Under the terms of the 2018 GCI and SCI, paid-in capital is expected to increase by up to $7.5 billion over the subscription period. As of March 31, 2022, the cumulative subscription payments received under the 2018 capital increases were $3.4 billion.

NOTE C—INVESTMENTS

As of March 31, 2022, IBRD's investments include the liquid asset portfolio, the Post Employment Benefit Plan (PEBP) holdings, the Post Retirement Contribution Reserve Fund (PCRF) and holdings relating to the Local Currency Market Development (LCMD) investments. LCMD investments are sovereign bonds denominated in the local currencies of less developed markets and funded by borrowings in the same currency with matching volume, payment and maturity characteristics.

Investments held by IBRD are designated as trading and reported at fair value, or at face value which approximates fair value. As of March 31, 2022, Investments were primarily comprised of government and agency obligations (53%), and time deposits (42%), with all the instruments classified as Level 1 or Level 2 within the fair value hierarchy. As of March 31, 2022, the largest holdings of Investments from a single counterparty were Japanese Government Instruments (15%) and U.S. Treasuries (9%).

A summary of IBRD's Investments-Trading is as follows:

Table C1: Investments – Trading composition
In millions of U.S. dollars

	March 31, 2022	June 30, 2021
Government and agency obligations	$ 43,819	$ 48,630
Time deposits	34,321	35,460
Asset-Backed Securities (ABS)	1,839	1,710
Alternative investments [a]	1,769	1,352
Equity securities [a]	350	414
Total	$ 82,098	$ 87,566

a. Related to PEBP holdings. Alternative investments are comprised of investments in hedge funds, private equity funds and real estate funds, at net asset value (NAV).

IBRD manages its investments on a net portfolio basis. The following table summarizes IBRD's net portfolio:

Table C2: Net investment portfolio
In millions of U.S. dollars

	March 31, 2022	June 30, 2021
Investments-Trading	$ 82,098	$ 87,566
Securities purchased under resale agreements	138	338
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received[a]	(817)	(3,333)
Derivative assets		
Currency swaps and forward contracts	870	485
Interest rate swaps	7	16
Total	877	501
Derivative liabilities		
Currency swaps and forward contracts	(207)	(417)
Interest rate swaps	(644)	(561)
Other	(5)	(1)
Total	(856)	(979)
Cash held in investment portfolio[b]	82	2,037
Receivable from investment securities traded and other assets[c]	303	400
Payable for investment securities purchased[d]	(461)	(699)
Net investment portfolio	$ 81,364	$ 85,831

a. Includes $470 million of cash collateral received from counterparties under derivative agreements ($3,308 million—June 30, 2021).
b. This amount is included in Unrestricted cash under Due from banks on the Condensed Balance Sheet.
c. This amount is included in Other assets on the Condensed Balance Sheet.
d. This amount includes $239 million of liabilities related to PCRF payable, which is included in Other liabilities on the Condensed Balance Sheet ($178 million—June 30, 2021) and $92 million of liabilities related to short sales ($98 million—June 30, 2021).

The composition of IBRD's net investment portfolio is as follows:

Table C3: Net investment portfolio composition
In millions of U.S. dollars

	March 31, 2022	June 30, 2021
Net Investment Portfolio		
Liquid asset portfolio	$ 78,014	$ 82,751
PEBP holdings	2,599	2,476
PCRF holdings	712	555
AMC holdings	-	10
LCMD investments	39	39
Total	$ 81,364	$ 85,831

As of November 2021, IBRD had transferred all contributions received from donors under the Advance Market Commitment (AMC) program to the GAVI alliance, concluding the program.

IBRD uses derivative instruments to manage the associated currency and interest rate risks in the investment portfolio. For details of these instruments, see Note F—Derivative Instruments. After considering the effects of these derivatives, IBRD's investment portfolio is predominantly denominated in U.S. dollars.

Commercial Credit Risk

For the purpose of risk management, IBRD is party to a variety of financial transactions, some of which involve elements of credit risk. Credit risk exposure represents the maximum potential loss due to possible non-performance by obligors and counterparties under the terms of the contracts. For all securities, IBRD limits trading to a list of authorized dealers and counterparties. In addition, IBRD may require collateral in connection with resale and swap agreements. This collateral serves to mitigate IBRD's exposure to credit risk.

Swap Agreements: Credit risk is mitigated through the application of eligibility criteria and volume limits for transactions with individual counterparties and through the use of mark-to-market collateral arrangements for swap transactions. IBRD may require collateral in the form of cash or other approved liquid securities from individual counterparties in order to mitigate its credit exposure.

IBRD has entered into master derivative agreements that contain legally enforceable close-out netting provisions. These agreements may further reduce the gross credit risk exposure related to the swaps. Credit risk from 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. The extent of the reduction in exposure may therefore change substantially within a short period of time following the balance sheet date. For more information on netting and offsetting provisions see Note F—Derivative Instruments.

The following is a summary of the collateral received by IBRD for swap transactions:

Table C4: Collateral received

In millions of U.S. dollars

	March 31, 2022	*June 30, 2021*
Collateral received		
Cash	$ 470	$ 3,308
Securities	427	1,083
Total collateral received	$ 897	$ 4,391
Collateral permitted to be repledged	$ 897	$ 4,391
Amount of collateral repledged	-	-
Amount of cash collateral invested	465	1,492

Securities Lending: IBRD may engage in securities lending and repurchases, against adequate collateral, as well as secured borrowing and reverse repurchases (resales) of government and agency obligations, corporate securities, ABS and Mortgage-backed securities (MBS). These transactions have been conducted under legally enforceable master netting arrangements, which allow IBRD to reduce its gross credit exposure related to these transactions. IBRD presents its securities lending and repurchases, as well as resales, on a gross basis on the Condensed Balance Sheet. As of March 31, 2022, amounts that could potentially be offset as a result of legally enforceable master netting arrangements amounted to $90 million (Nil— June 30, 2021).

Securities lending and repurchase agreements expose IBRD to several risks, including counterparty risk, reinvestment risk, and risk of a collateral gap (due to increase or decrease in the fair value of collateral pledged). IBRD 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, through daily mark-to-market. Whenever the collateral pledged by IBRD related to its borrowings under repurchase agreements and securities lending agreements declines in value, the transaction is re-priced as appropriate by returning cash or pledging additional collateral.

Transfers of securities by IBRD 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, 2022, liabilities relating to securities transferred under repurchase or securities lending agreements amounted to $347 million ($25 million — June 30, 2021) and there were no unsettled trades relating to repurchase or securities lending agreements. There were no replacement trades entered into in anticipation of maturing trades of a similar amount (Nil— June 30, 2021). As of March 31, 2022 and June 30, 2021, the remaining contractual maturity of these agreements were overnight and continuous. The securities transferred were mainly comprised of government and agency obligations and equity securities.

In the case of resale agreements, IBRD 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 IBRD's Condensed Balance Sheet as the accounting criteria for treatment as a sale have not been met. As of March 31, 2022 and June 30, 2021, there were no unsettled trades pertaining to securities purchased under resale agreements. For resale agreements, IBRD received securities with a fair value of $140 million ($340 million— June 30, 2021). As of March 31, 2022 and June 30, 2021, none of these securities had been transferred.

NOTE D—LOANS AND OTHER EXPOSURES

IBRD's loans and other exposures (together, "exposures") are generally made to, or guaranteed by, member countries of IBRD. In addition, IBRD may also make loans to the International Finance Corporation (IFC), an affiliated organization, without any guarantee. Other exposures include signed loan commitments (including deferred drawdown options (DDOs) and irrevocable commitments), exposures to member countries' derivatives, and guarantees. As of March 31, 2022, all IBRD's loans were recorded at amortized cost.

IBRD uses derivatives to manage the currency risk and interest rate risk between its loans and borrowings. For details regarding derivatives used in the loan portfolio, see Note F—Derivative Instruments.

IBRD excludes the interest receivable balance from the amortized cost basis of the loans and from the related disclosures as permitted by U.S. GAAP. As of March 31, 2022, accrued interest receivable on loans of $831 million is included in Other assets in the Condensed Balance Sheet ($668 million—June 30, 2021).

As of March 31, 2022, 0.2% of IBRD's loans were in nonaccrual status and related to one borrower. The total accumulated provision for losses on accrual and nonaccrual loans was 0.8% of the total loan portfolio. Based on IBRD's internal credit quality indicators, the majority of loans outstanding are in the medium-risk and high-risk classes.

Credit Quality of Sovereign Exposures

Based on an evaluation of IBRD's exposures, management has determined that IBRD has one portfolio segment – Sovereign Exposures. IBRD's loans constitute the majority of the Sovereign Exposures portfolio segment.

IBRD's country risk ratings are an assessment of its borrowers' ability and willingness to repay IBRD 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 analysis. The components considered in the analysis can be grouped broadly into eight categories: political risk, external debt and liquidity, fiscal policy and public debt burden, balance of payment 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. For the purpose of analyzing the risk characteristics of IBRD's exposures, these exposures are grouped into three classes in accordance with assigned borrower risk ratings, which relate to the likelihood of loss: Low, Medium and High-risk classes, as well as exposures in nonaccrual status.

IBRD's borrowers' country risk ratings are key determinants in the provision for losses. Country risk ratings are grouped into pools of borrowers with similar credit ratings for the purpose of the calculation of the expected credit losses. 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.

An assessment was also performed to determine whether a qualitative adjustment of the loan loss provision was needed as of March 31, 2022, including consideration of the COVID-19 pandemic and other global events. Management concluded that a qualitative adjustment beyond the regular application of IBRD's loan loss provision framework was not warranted.

The following tables provide an aging analysis of the loans outstanding:

Table D1: Loan portfolio aging structure

In millions of U.S. dollars

	March 31, 2022							
Days past due	*Up to 45*	*46-60*	*61-90*	*91-180*	*Over 180*	*Total Past Due*	*Current*	*Total*
Risk class								
Low	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,028	$ 24,028
Medium	-	-	-	-	-	-	97,254	97,254
High	8	-	5	-	-	13	107,419	107,432
Loans in accrual status	8	-	5	-	-	13	228,701	228,714
Loans in nonaccrual status	-	-	-	-	429	429	-	429
Total	$ 8	$ -	$ 5	$ -	$ 429	$ 442	$ 228,701	$ 229,143

Table D1.1

In millions of U.S. dollars

	June 30, 2021							
Days past due	*Up to 45*	*46-60*	*61-90*	*91-180*	*Over 180*	*Total Past Due*	*Current*	*Total*
Risk class								
Low	$ -	$ -	$ -	$ -	$ -	$ -	$ 24,229	$ 24,229
Medium	-	-	-	-	-	-	93,530	93,530
High	-	-	-	-	-	-	102,373	102,373
Loans in accrual status	-	-	-	-	-	-	220,132	220,132
Loans in nonaccrual status	-	-	-	-	432	432	-	432
Total	$ -	$ -	$ -	$ -	$ 432	$ 432	$ 220,132	$ 220,564

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

Table D2: Loan portfolio vintage disclosure

In millions of U.S. dollars

	March 31, 2022								
	Fiscal Year of Origination						CAT DDOs Disbursed and Revolving	CAT DDOs Converted to Term Loans	Loans outstanding as of March 31, 2022
	2022	*2021*	*2020*	*2019*	*2018*	*Prior Years*			
Risk class									
Low	$ 250	$ 47	$ 170	$ 976	$ 334	$ 22,251	$ -	$ -	$ 24,028
Medium	4,706	8,264	6,565	3,476	4,408	67,676	203	1,956	97,254
High	4,450	6,597	6,324	7,028	6,624	75,456	484	469	107,432
Loans in accrual status	9,406	14,908	13,059	11,480	11,366	165,383	687	2,425	228,714
Loans in nonaccrual status	-	-	-	-	-	429	-	-	429
Total	$ 9,406	$ 14,908	$ 13,059	$ 11,480	$ 11,366	$ 165,812	$ 687	$ 2,425	$ 229,143

Table D2.1

In millions of U.S. dollars

	June 30,2021								
	Fiscal Year of Origination						CAT DDOs Disbursed and Revolving	CAT DDOs Converted to Term Loans	Loans outstanding as of June 30, 2021
	2021	*2020*	*2019*	*2018*	*2017*	*Prior Years*			
Risk class									
Low	$ -	$ 109	$ 702	$ 237	$ 1,831	$ 21,350	$ -	$ -	$ 24,229
Medium	5,477	6,040	3,171	4,074	4,101	68,674	726	1,267	93,530
High	4,034	5,701	6,682	6,310	8,438	70,221	504	483	102,373
Loans in accrual status	9,511	11,850	10,555	10,621	14,370	160,245	1,230	1,750	220,132
Loans in nonaccrual status	-	-	-	-	-	432	-	-	432
Total	$ 9,511	$ 11,850	$ 10,555	$ 10,621	$ 14,370	$ 160,677	$ 1,230	$ 1,750	$ 220,564

The amounts of Catastrophe Deferred Drawdown Options (CAT DDOs) converted to term loans during the three and nine months ended March 31, 2022, are Nil and $694 million respectively ($150 million and $238 million—three and nine months ended March 31, 2021).

Accumulated Provision for Losses on Loans and Other Exposures

Management determines the appropriate level of accumulated provision for losses, which reflects the expected losses inherent in IBRD's exposures. Delays in receiving loan payments result in economic losses to IBRD since it does not charge additional interest on any overdue interest or loan charges. These economic losses are equal to the difference between the present value of payments of interest and charges made according to the related loan's contractual terms and the present value of its expected future cash flows. It is IBRD's practice not to write off its loans. Historically, all contractual obligations associated with exposures in nonaccrual status were eventually cleared, thereby allowing borrowers to emerge from nonaccrual status. To date, no loans have been written off by IBRD.

Management reassesses the adequacy of the accumulated provision on a quarterly basis and adjustments to the accumulated provision are recorded as a charge to or release of provision in the Statement of Income. In addition, the reasonableness of the inputs used is reassessed at least annually.

The balance of the accumulated provision as of July 1, 2020, decreased by the $214 million transition adjustment recorded upon the adoption of ASU No. 2016-13, - *Financial Instruments—Credit Losses (ASC 326)*. The transition adjustment corresponds to the difference between the accumulated provision calculated under the "incurred loss" model and the current expected credit loss model (CECL).

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

Table D3: Accumulated provision

In millions of U.S. dollars

	March 31, 2022			
	Loans outstanding	*Loan commitments*	*Other* [a]	*Total*
Accumulated provision, beginning of the fiscal year	$ 1,270	$ 326	$ 51	$ 1,647
Provision - charge	532	78	22	632
Translation adjustment	(16)	(5)	(1)	(22)
Accumulated provision, end of the period	$ 1,786	$ 399	$ 72	$ 2,257
Composed of accumulated provision for losses on:				
Loans in accrual status	$ 1,571			
Loans in nonaccrual status	215			
Total	$ 1,786			
Loans, end of the period:				
Loans in accrual status	$ 228,714			
Loans in nonaccrual status	429			
Total loans outstanding	$ 229,143			

Table D3.1:

In millions of U.S. dollars

	June 30, 2021			
	Loans outstanding	*Loan commitments*	*Other* [a]	*Total*
Accumulated provision, beginning of the fiscal year	$ 1,599	$ -	$ 99	$ 1,698
CECL Transition adjustment	(465)	298	(47)	(214)
Adjusted Accumulated provision, beginning of the fiscal year	1,134	298	52	1,484
Provision - charge (release)	123	25	(2)	146
Translation adjustment	13	3	1	17
Accumulated provision, end of the fiscal year	$ 1,270	$ 326	$ 51	$ 1,647
Composed of accumulated provision for losses on:				
Loans in accrual status	$ 1,054			
Loans in nonaccrual status	216			
Total	$ 1,270			
Loans, end of the fiscal year:				
Loans in accrual status	$ 220,132			
Loans in nonaccrual status	432			
Total loans outstanding	$ 220,564			

a. Primarily relates to guarantees and does not include recoverable asset relating to Guarantee received under the Exposure Exchange Agreements (EEAs) (for more details see the Guarantees section).

	Reported as Follows	
	Condensed Balance Sheet	***Condensed Statement of Income***
Accumulated Provision for Losses on:		
Loans outstanding	Accumulated provision for loan losses	Provision for losses on loans and other exposures
Loan commitments and other exposures (excluding exposures to member countries' derivatives)	Other liabilities	Provision for losses on loans and other exposures

Overdue Amounts

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

As of March 31, 2022, there were no principal or interest amounts on loans in accrual status that were overdue by more than three months.

Zimbabwe is the only borrowing member with loans or guarantees in nonaccrual status, and it has been in nonaccrual status since October 2000.

The following tables provide a summary of selected financial information related to loans in nonaccrual status:

Table D4: Loans in nonaccrual status
In millions of U.S. dollars

	March 31, 2022	*June 30, 2021*
Recorded investment in nonaccrual loans [a]	$ 429	$ 432
Accumulated provision for loan losses on nonaccrual loans	215	216
Average recorded investment in nonaccrual loans for the period/fiscal year	429	433
Overdue amounts of nonaccrual loans:	1,060	1,042
Principal	429	432
Interest and charges	631	610

a. A loan loss provision has been recorded against each of the loans in nonaccrual status.

Table D4.1
In millions of U.S. dollars

	Three Months Ended March 31,		*Nine Months Ended March 31,*	
	2022	*2021*	*2022*	*2021*
Interest revenue not recognized as a result of loans being in nonaccrual status	$ 7	$ 7	$ 20	$ 21

During the nine months ended March 31, 2022 and March 31, 2021, no loans were placed in nonaccrual status or restored to accrual status.

In addition, during the nine months ended March 31, 2022, less than $1 million of interest income was recognized on loans in nonaccrual status (Nil —nine months ended March 31, 2021).

Guarantees

Guarantees of $6,512 million were outstanding as of March 31, 2022 ($6,705 million—June 30, 2021). This amount represents the maximum potential amount of undiscounted future payments that IBRD could be required to make under these guarantees and is not included in the Condensed Balance Sheet. These guarantees have original maturities ranging between 6 and 21 years and expire in decreasing amounts through 2042.

As of March 31, 2022, liabilities related to IBRD's obligations under guarantees included the obligation to stand ready of $312 million ($347 million—June 30, 2021), and the accumulated provision for guarantee losses of $67 million ($50 million—June 30, 2021). These have been included in Other liabilities on the Condensed Balance Sheet.

During the nine months ended March 31, 2022 and March 31, 2021, no guarantees provided by IBRD were called.

IBRD participates in Exposure Exchange Agreements (EEA) which are recognized as financial guarantees in the financial statements. Information on the location and amounts associated with the EEAs executed with the Multilateral Investment Guarantee Agency (MIGA), African Development Bank (AfDB) and Inter-American Development Bank (IADB) included in the Condensed Balance Sheet and Condensed Statement of Income is presented in the following table:

Table D5: Amounts associated with EEAs
In millions of U.S. dollars

	March 31, 2022			*June 30, 2021*			
	Notional amount	*(Stand ready obligation) Asset*	*(Provision) Recoverable asset*	*Notional amount*	*(Stand ready obligation) Asset*	*(Provision) Recoverable asset*	*Location on Condensed Balance Sheet*
Guarantees provided [a,c]	$ 3,632	$ (175)	$ (29)	$ 3,640	$ (190)	$ (20)	Other liabilities
Guarantees received [b]	(3,629)	175	26	(3,640)	190	17	Other assets
	$ 3	$ -	$ (3)	$ -	$ -	$ (3)	

a. For the nine months ended March 31, 2022, Provision for losses on loans and other exposures, line on the Condensed Statement of Income includes $9 million of provision relating to Guarantees provided ($2 million —nine months ended March 31, 2021).

b. For the nine months ended March 31, 2022, Non-interest revenue - Other, line on the Condensed Statement of Income includes $9 million of gain in relation to Recoverable asset relating to Guarantees received ($1 million— nine months ended March 31, 2021).

c. Notional amount, obligation to stand ready and provision for the guarantee provided are included in guarantees outstanding of $6,512 million, obligations to stand ready of $312 million and accumulated provision for guarantee losses of $67 million, respectively ($6,705 million, $347 million and $50 million, respectively—June 30, 2021).

Waivers of Loan Charges

IBRD provides waivers on eligible loans, which include a portion of interest on loans, a portion of the commitment charge on undisbursed balances and a portion of the front-end fee charged on all eligible loans. Waivers are approved annually by the Executive Directors of IBRD. As part of the COVID-19 Strategic Preparedness and Response Program, the Executive Directors of IBRD approved the waiver of commitment/standby fees for health-related COVID-19 operations payable during the first year of each financing and a reduced front-end fee of 25 bps for CAT DDOs approved under the Fast Track COVID-19 Facility; such waivers/reductions being available for financing approved on or prior to March 31, 2021. The Executive Directors also approved the waiver of commitment fees for COVID-19 vaccine related projects under the Additional Financing to the COVID-19 Strategic Preparedness and Response Program (SPRP) for the first 18 months, starting from the date of approval of financing for each project; such waivers being available for financing approved on or prior to October 1, 2022.

The forgone income resulting from waivers of loan charges is summarized in the following table:

Table D6: Waivers of loan charges
In millions of U.S. dollars

	Three Months Ended March 31,		*Nine Months Ended March 31,*	
	2022	*2021*	*2022*	*2021*
Interest waivers	$ 4	$ 5	$ 12	$ 18
Commitment charge waivers	1	-	2	2
Front-end fee waivers	-	1	2	4
Total	$ 5	$ 6	$ 16	$ 24

Concentration risk

Loan revenue comprises interest, commitment fees, loan origination fees and prepayment premiums, net of waivers. For the nine months ended March 31, 2022, loan revenue from one country of $239 million represented more than 10% of total loan revenue.

Information about IBRD's loan revenue and associated loans outstanding by geographic region is presented in the following table:

Table D7: Loan revenue and associated outstanding loan balances

In millions of U.S. dollars — *For the nine months ended and as of*

Region	March 31, 2022 Loan Revenue[a]	March 31, 2022 Loans Outstanding	March 31, 2021 Loan Revenue[a]	March 31, 2021 Loans Outstanding
Latin America and the Caribbean	$ 875	$ 71,615	$ 910	$ 67,215
Europe and Central Asia	319	46,957	367	47,557
East Asia and Pacific	414	49,345	483	46,238
Middle East and North Africa	301	31,609	304	30,538
South Asia	164	21,517	176	19,621
Eastern and Southern Africa	173	6,436	164	4,619
Western and Central Africa	24	1,664	24	1,558
Total	$ 2,270	$ 229,143	$ 2,428	$ 217,346

a. Does not include interest expenses, net of $682 million from loan related derivatives ($609 million—nine months ended March 31, 2021). Includes commitment charges of $96 million ($86 million—nine months ended March 31, 2021).

NOTE E—BORROWINGS

IBRD issues unsubordinated and unsecured fixed and variable rate debt in a variety of currencies. Variable rates may be based on, for example, exchange rates or market interest rates.

Borrowings issued by IBRD are reported at fair value. As of March 31, 2022, 98% of the instruments in the portfolio were classified as Level 2 within the fair value hierarchy. In addition, most of these instruments were denominated in U.S. dollars and euro (61% and 13%, respectively).

IBRD uses derivative contracts, reported at fair value, to manage the currency risk and interest rate risk between its loans and borrowings. For details regarding the derivatives used, see Note F—Derivative Instruments.

Table E1: Borrowings and borrowing-related derivatives

In millions of U.S. dollars

	March 31, 2022	June 30, 2021
Borrowings [a]	$ 246,863	$ 260,076
Currency swaps, net	2,240	(2,913)
Interest rate swaps, net	7,566	(3,507)
	$ 256,669	$ 253,656

a. Includes $338 million of unsettled borrowings, representing a non-cash financing activity, for which there is a related receivable included in Other assets on the Condensed Balance Sheet (Nil —June 30, 2021).

For the nine months ended March 31, 2022, Borrowing expenses on the Condensed Statement of Income of $263 million ($580 million—nine months ended March 31, 2021) include $2,300 million of interest revenue, net related to derivatives associated with the Borrowing portfolio ($2,697 million—nine months ended March 31, 2021).

NOTE F—DERIVATIVE INSTRUMENTS

IBRD uses derivative instruments in its investment, loan and borrowing portfolios, and for asset/liability management purposes. It also offers derivative intermediation services to clients and, concurrently, enters into offsetting transactions with market counterparties.

The following table summarizes IBRD's use of derivatives in its various financial portfolios:

Portfolio	*Derivative instruments used*	*Purpose / Risk being managed*
Risk management purposes:		
Investments	Currency swaps, currency forward contracts, interest rate swaps, options, swaptions and futures contracts, to-be-announced (TBA) securities	Manage currency and interest rate risk in the portfolio
Loans	Currency swaps and interest rate swaps	Manage currency risk as well as interest rate risk between loans and borrowings
Borrowings	Currency swaps and interest rate swaps	Manage currency risk as well as interest rate risk between loans and borrowings
Other asset/liability management derivatives	Currency swaps and interest rate swaps	Manage currency risk and the duration of IBRD's equity
Other purposes:		
Client operations	Currency swaps, currency forward contracts, and interest rate 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 Condensed Balance Sheet presentation is shown in table F1.

Offsetting assets and liabilities

IBRD 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 IBRD 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 gross columns represent the fair value of the instrument leg that is in an asset or liability position that are then netted with the other leg of the instrument in the gross offset columns. The effects of the 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 Sheet. The net derivative asset positions in the tables below have been further reduced by any securities received as collateral to disclose IBRD's net exposure on its derivative asset positions.

Table F1: Derivative assets and liabilities before and after netting adjustments

In millions of U.S. dollars

	March 31, 2022					
	Located on the Condensed Balance Sheet					
	Derivative Assets			*Derivative Liabilities*		
	Gross Amounts Recognized	*Gross Amounts Offset*	*Net Amounts Presented*	*Gross Amounts Recognized*	*Gross Amounts Offset*	*Net Amounts Presented*
Interest rate swaps	$ 25,849	$ (20,250)	$ 5,599	$ 40,622	$ (26,571)	$ 14,051
Currency swaps [a]	67,496	(61,681)	5,815	69,754	(62,872)	6,882
Other [b]	-	-	-	9	(4)	5
Total	$ 93,345	$ (81,931)	$ 11,414	$ 110,385	$ (89,447)	$ 20,938
Less:						
Amounts subject to legally enforceable master netting agreements			9,714[d]			9,927[e]
Cash collateral received [c]			446			
Net derivative position on the Condensed Balance Sheet			1,254			11,011
Less:						
Securities collateral received [c]			357			
Net derivative exposure after collateral			$ 897			

a. Includes currency forward contracts and structured swaps.
b. These relate to swaptions, exchange traded options and futures contracts.
c. Does not include excess collateral received.
d. Includes $5 million Credit Valuation Adjustment (CVA).
e. Includes $218 million Debit Valuation Adjustment (DVA).

Table F1.1

In millions of U.S. dollars

	June 30, 2021					
	Located on the Condensed Balance Sheet					
	Derivative Assets			*Derivative Liabilities*		
	Gross Amounts Recognized	*Gross Amounts Offset*	*Net Amounts Presented*	*Gross Amounts Recognized*	*Gross Amounts Offset*	*Net Amounts Presented*
Interest rate swaps	$ 23,893	$ (13,832)	$ 10,061	$ 26,577	$ (18,206)	$ 8,371
Currency swaps [a]	98,836	(90,147)	8,689	44,173	(39,196)	4,977
Other [b]	-	-	-	2	(1)	1
Total	$ 122,729	$ (103,979)	$ 18,750	$ 70,752	$ (57,403)	$ 13,349
Less:						
Amounts subject to legally enforceable master netting agreements			12,124[d]			12,127[e]
Cash collateral received [c]			3,271			
Net derivative position on the Condensed Balance Sheet			3,355			1,222
Less:						
Securities collateral received [c]			1,012			
Net derivative exposure after collateral			$ 2,343			

a. Includes currency forward contracts and structured swaps.
b. These relate to swaptions, exchange traded options and futures contracts.
c. Does not include excess collateral received.
d. Includes $18 million CVA.
e. Includes $21 million DVA.

The following tables provide information about the credit risk exposures of IBRD's derivative instruments by portfolio, before the effects of master netting arrangements and collateral:

Table F2: Credit risk exposure of the derivative instruments

In millions of U.S. dollars

	March 31, 2022		
Portfolio	*Interest rate swaps*	*Currency swaps (including currency forward contracts)*	*Total*
Investments	$ 7	$ 870	$ 877
Loans	2,364	795	3,159
Client operations	625	708	1,333
Borrowings	2,347	3,442	5,789
Other asset/liability management derivatives	256	-	256
Total exposure	$ 5,599	$ 5,815	$ 11,414

Table F2.1:

In millions of U.S. dollars

	June 30, 2021		
Portfolio	*Interest rate swaps*	*Currency swaps (including currency forward contracts)*	*Total*
Investments	$ 16	$ 485	$ 501
Loans	645	782	1,427
Client operations	1,227	648	1,875
Borrowings	6,529	6,774	13,303
Other asset/liability management derivatives	1,644	-	1,644
Total exposure	$ 10,061	$ 8,689	$ 18,750

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 instruments are determined. As of March 31, 2022, the notional amounts of IBRD's derivative contracts outstanding were as follows: interest rate contracts $442,601 million ($452,450 million—June 30, 2021), currency swaps $132,444 million ($136,467 million—June 30, 2021), long positions of other derivatives $171 million ($186 million—June 30, 2021), and short positions of other derivatives $167 million ($75 million—June 30, 2021).

IBRD 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, 2022 was $10,920 million ($1,078 million—June 30, 2021). IBRD has not posted any collateral with these counterparties due to its triple-A credit rating.

If the credit-risk related contingent features underlying these agreements were triggered to the extent that IBRD would be required to post collateral as of March 31, 2022, the amount of collateral that would need to be posted would be $7,563 million ($209 million—June 30, 2021). Subsequent triggers of contingent features would require posting of additional collateral, up to a maximum of $10,920 million ($1,078 million—June 30, 2021). In contrast, IBRD received collateral totaling $897 million as of March 31, 2022 ($4,391 million—June 30, 2021), from swap transactions (see Note C—Investments).

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

Table F3: Unrealized mark-to-market losses on non-trading derivatives

In millions of U.S. dollars

		Three Months Ended March 31,		Nine Months Ended March 31,	
	Reported as:	*2022*	*2021*	*2022*	*2021*
Interest rate swaps	Unrealized mark-to-market gains (losses) on non-trading portfolios, net	$ (7,205)	$ (4,354)	$ (9,131)	$ (4,873)
Currency swaps (including currency forward contracts and structured swaps)		(1,950)	(1,455)	(3,645)	(1,747)
Total		$ (9,155)	$ (5,809)	$ (12,776)	$ (6,620)

All of the instruments in IBRD's investment portfolio are held for trading purposes. Within the investment portfolio, IBRD holds highly rated fixed income securities, equity securities 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 unrealized mark-to-market gains and losses on the net Investment–Trading portfolio and their location on the Condensed Statement of Income:

Table F4: Unrealized mark-to-market gains (losses) on net investment-trading portfolio

In millions of U.S. dollars

		Three Months Ended March 31,		Nine Months Ended March 31,	
	Reported as:	*2022*	*2021*	*2022*	*2021*
Type of instrument [a]					
Fixed income (including associated derivatives)	Unrealized mark-to-market (losses) gains on Investments-Trading portfolio, net	$ (73)	$ 27	$ (50)	$ 56
Equity [b]		(10)	23	40	123
Total		$ (83)	$ 50	$ (10)	$ 179

a. Amounts associated with each type of instrument include gains and losses on both derivative instruments and non-derivative instruments.

b. Related to PEBP holdings.

NOTE G—RETAINED EARNINGS, ALLOCATIONS AND TRANSFERS

IBRD makes net income allocation decisions on the basis of reported net income, adjusted to exclude unrealized mark-to-market gains and losses on non-trading portfolios, net; restricted income; Board of Governors-approved and other transfers; non-functional currency translation adjustments; and the allocation to the pension reserve.

On August 5, 2021, IBRD's Executive Directors approved the following allocations relating to the net income earned in the fiscal year ended June 30, 2021: an increase in the General Reserve of $874 million and a decrease in the Pension Reserve by $38 million, as well as a one-time transfer of $203 million from Other reserves to the General Reserve, which represents the cumulative effect of adopting ASU 2016-13 on July 1, 2020.

On August 4, 2021, IBRD's Board of Governors approved a transfer of $20 million from Surplus to the IBRD Fund for Innovative Global Public Goods Solutions (GPG Fund). The transfer was made on August 12, 2021, resulting in a reduction in Surplus and an increase in Other reserves. These funds will be expensed, and Other reserves reduced, when utilized by the GPG fund. As of March 31, 2022, no funds have been utilized out of the cumulative transfers of $85 million and therefore, no expense has been recognized in the Statement of Income.

On October 14, 2021, IBRD's Board of Governors approved a transfer to the International Development Association (IDA) of $274 million and a transfer of $100 million to Surplus out of the net income earned in the fiscal year ended June 30, 2021. The transfer to IDA was made on October 25, 2021.

On December 6, 2021, IBRD's Board of Governors approved a transfer of $80 million from Surplus to the Trust fund for Gaza and the West Bank. The transfer was made on December 13, 2021.

Retained earnings comprised the following components:

Table G1: Retained earnings composition
In millions of U.S. dollars

	March 31, 2022	June 30, 2021
Special reserve	$ 293	$ 293
General reserve	31,464	30,387
Pension reserve	693	731
Surplus	100	100
Cumulative fair value adjustments [a]	(2,084)	(3,303)
Unallocated net income	2,135	2,450
Restricted retained earnings	41	54
Other reserves [b]	146	295
Total	$ 32,788	$ 31,007

a. Unrealized mark-to-market gains or losses, net related to non-trading portfolios reported at fair value.
b. Comprised of non-functional currency translation gains/losses and the unutilized portion of the cumulative transfers to the GPG Fund.

NOTE H—PENSION AND OTHER POSTRETIREMENT BENEFITS

IBRD, IFC and MIGA participate in the defined benefit Staff Retirement Plan (SRP), a Retired Staff Benefits Plan (RSBP) and the PEBP that cover substantially all of their staff members.

All costs, assets and liabilities associated with these pension plans are allocated between IBRD, IFC and MIGA based upon their employees' respective participation in the plans. Costs allocated to IBRD are then shared between IBRD and IDA based on an agreed cost-sharing methodology.

The following table summarizes the benefit costs associated with the SRP, RSBP, and PEBP for IBRD and IDA:

Table H1: Pension plan benefit costs
In millions of U.S. dollars

	Three Months Ended March 31, 2022				Nine Months Ended March 31, 2022			
	SRP	RSBP	PEBP	Total	SRP	RSBP	PEBP	Total
Service cost	$ 166	$ 45	$ 28	$ 239	$ 498	$ 134	$ 85	$ 717
Interest cost	165	30	16	211	495	89	48	632
Expected return on plan assets	(322)	(56)	-	(378)	(967)	(167)	-	(1,134)
Amortization of unrecognized prior service costs [a]	1	3	1	5	2	13	2	17
Amortization of unrecognized net actuarial losses [a]	-	-	13	13	-	-	40	40
Net periodic pension cost	$ 10	$ 22	$ 58	$ 90	$ 28	$ 69	$ 175	$ 272
Of which:								
IBRD's share	$ 5	$ 10	$ 27	$ 42	$ 13	$ 32	$ 81	$ 126
IDA's share	5	12	31	48	15	37	94	146

a. Included in Amounts reclassified into net income in Note J—Accumulated Other Comprehensive Loss.

Table H1.1:

In millions of U.S. dollars

	Three Months Ended March 31, 2021				Nine Months Ended March 31, 2021			
	SRP	*RSBP*	*PEBP*	*Total*	*SRP*	*RSBP*	*PEBP*	*Total*
Service cost	$ 160	$ 43	$ 28	$ 231	$ 481	$ 128	$ 83	$ 692
Interest cost	148	27	14	189	442	80	42	564
Expected return on plan assets	(242)	(42)	-	(284)	(725)	(123)	-	(848)
Amortization of unrecognized prior service costs [a]	1	4	1	6	3	13	2	18
Amortization of unrecognized net actuarial losses [a]	78	3	13	94	233	9	41	283
Net periodic pension cost	$ 145	$ 35	$ 56	$ 236	$ 434	$ 107	$ 168	$ 709
Of which:								
IBRD's share	$ 67	$ 17	$ 27	$ 111	$ 204	$ 51	$ 80	$ 335
IDA's share	78	18	29	125	230	56	88	374

a. Included in Amounts reclassified into net income in Note J—Accumulated Other Comprehensive Loss.

The components of net periodic pension cost, other than the service cost, are included in the Non-interest expenses — Other, net on the Condensed Statement of Income. The service cost component is included in the Non-interest expenses—Administrative on the Condensed Statement of Income.

The following table provides the amounts of IBRD's pension service cost:

Table H2: Pension service cost

In millions of U.S. dollars

	Three Months Ended March 31, 2022				Nine Months Ended March 31, 2022			
	SRP	*RSBP*	*PEBP*	*Total*	*SRP*	*RSBP*	*PEBP*	*Total*
Service cost	$ 166	$ 45	$ 28	$ 239	$ 498	$ 134	$ 85	$ 717
Of which:								
IBRD's share [a]	$ 76	$ 21	$ 13	$ 110	$ 230	$ 63	$ 39	$ 332
IDA's share	90	24	15	129	268	71	46	385

a. Included in Non-interest expense—Administrative line on the Condensed Statement of Income.

Table H2.1:

In millions of U.S. dollars

	Three Months Ended March 31, 2021				Nine Months Ended March 31, 2021			
	SRP	*RSBP*	*PEBP*	*Total*	*SRP*	*RSBP*	*PEBP*	*Total*
Service cost	$ 160	$ 43	$ 28	$ 231	$ 481	$ 128	$ 83	$ 692
Of which:								
IBRD's share [a]	$ 76	$ 20	$ 13	$ 109	$ 228	$ 60	$ 39	$ 327
IDA's share	84	23	15	122	253	68	44	365

a. Included in Non-interest expense—Administrative line on the Condensed Statement of Income.

NOTE I—TRANSACTIONS WITH AFFILIATED ORGANIZATIONS

IBRD transacts with affiliated organizations by providing loans, administrative and derivative intermediation services, as well as through its pension and other postretirement benefit plans.

In addition, IBRD provides transfers to IDA out of its net income, upon approval by the Board of Governors (see Note G—Retained Earnings, Allocations and Transfers).

IBRD had the following receivables from (payables to) its affiliated organizations:

Table I1: IBRD's receivables and payables with affiliated organizations

In millions of U.S. dollars

	March 31, 2022				June 30, 2021			
	IDA	IFC	MIGA	Total	IDA	IFC	MIGA	Total
Administrative Services, net	$ 177	$ -	$ 7	$ 184	$ 268	$ 36	$ 13	$ 317
Derivative Transactions [a]								
Derivative assets, net	24	-	-	24	27	-	-	27
Derivative liabilities, net	(13)	-	-	(13)	(19)	-	-	(19)
Pension and Other Postretirement Benefits	(647)	(670)	(26)	(1,343)	(572)	(645)	(25)	(1,242)
Investments	-	(239)	-	(239)	-	(178)	-	(178)
	$ (459)	$ (909)	$ (19)	$ (1,387)	$ (296)	$ (787)	$ (12)	$ (1,095)

a. Presented on a net basis by instrument. For details on derivative transactions relating to swap intermediation services provided by IBRD to IDA see Note F—Derivative Instruments.

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

Receivables / Payables related to:	**Reported as:**
Administrative services [a]	Other assets
Derivative transactions	Derivative assets/liabilities – net
Investments	Other liabilities
Pension and other postretirement benefits	Other liabilities

a. Includes amounts payable to IDA for its share of investments associated with PCRF. This payable is included in Other Liabilities on the Condensed Balance Sheet.

Loans and Other Exposures

IBRD has a Local Currency Loan Facility Agreement with IFC, which is capped at $300 million. As of March 31, 2022 and June 30, 2021 there were no loans outstanding under this facility.

During the fiscal year ended June 30, 2014, IBRD entered into an exposure exchange agreement with MIGA under which IBRD and MIGA exchanged selected exposures, with each divesting exposure in countries where their lending capacities are limited, in return for exposure in countries where they have excess lending capacity. Under the agreement, IBRD and MIGA have each exchanged $120 million of notional exposure as follows: MIGA assumes IBRD's loan principal and interest exposure in exchange for IBRD's assumption of principal and interest exposure of MIGA under its Non-Honoring of Sovereign Financial Obligation agreement. As of March 31, 2022, assets related to IBRD's right to be indemnified under this agreement amounted to $1 million ($1 million—June 30, 2021), while liabilities related to IBRD's obligation under this agreement amounted to $1 million ($1 million—June 30, 2021). These include an accumulated provision for guarantee losses of less than $1 million as of March 31, 2022 (less than $1 million—June 30, 2021).

Administrative Services

Expenses jointly incurred by IBRD and IDA are allocated based on an agreed cost-sharing methodology, and amounts are settled quarterly. For the three and nine months ended March 31, 2022, IBRD's administrative expenses are net of the share of expenses allocated to IDA of $392 million and $1,205 million ($444 million and $1,349 million—three and nine months ended March 31, 2021) respectively.

Revenue

Revenue jointly earned by IBRD and IDA is allocated based on an agreed revenue-sharing methodology and amounts are settled quarterly. For the three and nine months ended March 31, 2022, IBRD's other revenue is net of revenue allocated to IDA of $69 million and $177 million ($66 million and $186 million—three and nine months ended March 31, 2021), respectively, and is included in Revenue from externally funded activities on the Condensed Statement of Income.

This revenue also includes revenue from contracts with clients, that are not affiliated with IBRD and are as follows:

Table I2: Revenue from contracts with clients

In millions of U.S. dollars

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Trust fund fees	$ 16	$ 18	$ 54	$ 62
Reimbursable advisory services	27	24	60	62
Asset management services	7	8	21	22
	$ 50	$ 50	$ 135	$ 146
Of which:				
IBRD's share	$ 26	$ 25	$ 70	$ 75
IDA's share	24	25	65	71

Each revenue stream represents compensation for services provided and the related revenue is recognized over time.

IBRD's rights to consideration are deemed unconditional and are classified as receivables. IBRD also has an obligation to provide certain services for which it has received consideration in advance. Such considerations are presented as contract liabilities and are subsequently recognized as revenue when the related performance obligation is satisfied.

The following table shows IBRD's receivables and contract liabilities related to revenue from contracts with clients:

Table I3: Receivables and contract liabilities related to revenue from contracts with clients

In millions of U.S. dollars

	March 31, 2022	June 30, 2021
Receivables	$ 87	$ 79
Contract liabilities	186	196

The amount of fee revenue associated with services provided to affiliated organizations that is included in Revenue from externally funded activities on the Condensed Statement of Income, is as follows:

Table I4: Fee revenue from affiliated organizations

In millions of U.S. dollars

	Three Months Ended March 31,		Nine Months Ended March 31, 2022	
	2022	2021	2022	2021
Fees charged to IFC	$ 25	$ 21	$ 65	$ 61
Fees charged to MIGA	1	1	4	4

Pension and Other Postretirement Benefits

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

The payables to IFC and MIGA represent their respective share of PEBP assets. The PEBP assets are managed by IBRD and are part of the investment portfolio.

For Pension and Other Postretirement Benefits related disclosure see Note H—Pension and Other Postretirement Benefits.

Derivative Transactions

These relate to currency forward contracts entered into by IDA with IBRD acting as the intermediary with the market.

Investments

These relate to investments that IBRD has made on behalf of IFC, associated with the PCRF and are included in Investments-Trading on IBRD's Condensed Balance Sheet. The corresponding payable to IFC is included in Other liabilities on the IBRD's Condensed Balance Sheet. As a result, there is no impact on IBRD's investments net asset value from these transactions.

NOTE J—ACCUMULATED OTHER COMPREHENSIVE LOSS

Comprehensive income or loss consists of net income and other gains and losses affecting equity that, under U.S. GAAP, are excluded from net income. Other comprehensive income (loss) comprises currency translation adjustments on assets and liabilities denominated in euro; DVA on fair value elected liabilities, pension related items, and the cumulative effects of a change in accounting principle related to the implementation of U.S. GAAP requirements. These items are presented in the Condensed Statement of Comprehensive Income.

The following tables present the changes in Accumulated Other Comprehensive Loss (AOCL) balances:

Table J1: AOCL changes
In millions of U.S. dollars

	Nine Months Ended March 31, 2022				
	Balance, beginning of the fiscal year	*Changes in AOCL*	*Amounts reclassified into net income*	*Net Changes during the period*	*Balance, end of the period*
Cumulative Translation Adjustments on functional currency	$ 359	$ (570)	$ -	$ (570)	$ (211)
DVA on Fair Value option elected liabilities	(218)	(30)	26	(4)	(222)
Unrecognized Net Actuarial (Losses) Gains on Benefit Plans	(1,640)	-	40	40	(1,600)
Unrecognized Prior Service (Costs) Credits on Benefit Plans	(66)	-	17	17	(49)
Total Accumulated Other Comprehensive Loss	$ (1,565)	$ (600)	$ 83	$ (517)	$ (2,082)

Table J1.1:
In millions of U.S. dollars

	Nine Months Ended March 31, 2021				
	Balance, beginning of the fiscal year	*Changes in AOCL*	*Amounts reclassified into net income*	*Net Changes during the period*	*Balance, end of the period*
Cumulative Translation Adjustments on functional currency	$ (106)	$ 358	$ -	$ 358	$ 252
DVA on Fair Value option elected liabilities	1,214	(1,559)	(26)	(1,585)	(371)
Unrecognized Net Actuarial (Losses) Gains on Benefit Plans	(6,745)	-	283	283	(6,462)
Unrecognized Prior Service (Costs) Credits on Benefit Plans	(89)	-	18	18	(71)
Total Accumulated Other Comprehensive Loss	$ (5,726)	$ (1,201)	$ 275	$ (926)	$ (6,652)

NOTE K—OTHER FAIR VALUE DISCLOSURES

Valuation Methods and Assumptions

As of March 31, 2022 and June 30, 2021, IBRD had no assets or liabilities measured at fair value on a non-recurring basis.

Due from Banks

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

Loans

There were no loans carried at fair value as of March 31, 2022 and June 30, 2021. IBRD'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 IBRD's financial instruments.

Investment securities

Investment securities are classified based on management's intention on the date of purchase, their nature, and IBRD's policies governing the level and use of such investments. As of March 31, 2022, all of the financial instruments in IBRD's investment portfolio were classified as trading. These securities are carried and reported at fair value, or at face value or NAV, which approximates fair value. Where available, quoted market prices are used to determine the fair value of trading securities. Examples include most government and agency securities, mutual funds, exchange-traded equity securities and ABS 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, credit spreads, and conditional prepayment rates. 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 reported at face value, which approximates fair value.

Discount notes and vanilla bonds

Discount notes and vanilla bonds issued by IBRD are valued using the standard discounted cash flow method which relies on observable market inputs such as yield curves, foreign exchange rates, basis spreads and funding spreads. Where available, quoted market prices are used to determine the fair value of short-term notes.

Structured bonds

Structured bonds issued by IBRD have coupon or repayment terms linked to the level or the performance of interest rates, foreign exchange rates, equity indices, catastrophic events or commodities. The fair value of the structured bonds is generally derived using the discounted cash flow method based on estimated future pay-offs determined by applicable models and computation of embedded optionality such as caps, floors and calls. A wide range of industry standard models such as one factor Hull-White, LIBOR Market Model and Black-Scholes are used depending on the specific structure. These models incorporate observable market inputs, such as yield curves, foreign exchange rates, basis spreads, funding spreads, interest rate volatilities, equity index volatilities and equity indices. Where applicable, the models also incorporate significant unobservable inputs such as correlations between relevant market data and long-dated interest rate volatilities. Generally, the movements in correlations are considered to be independent of movements in long-dated interest rate volatilities.

Derivative instruments

Derivative contracts include currency forward contracts, TBA securities, swaptions, exchange traded options and futures contracts, currency swaps and interest rate swaps. Currency swaps and interest rate swaps are either plain vanilla or structured. Currency forward contracts and plain vanilla currency and interest rate swaps are valued using the standard discounted cash flow methods using observable market inputs such as yield curves, foreign exchange rates, basis spreads and funding spreads. For structured currency and interest rate swaps, which primarily consist of callable swaps linked to interest rates, foreign exchange rates, and equity indices, valuation models and inputs similar to the ones applicable to structured bonds valuation are used. Where applicable, the models also incorporate significant unobservable inputs such as correlations and long-dated interest rate volatilities.

Valuation adjustments on fair value option elected liabilities

The DVA on fair value option elected liabilities is measured by revaluing each liability to determine the changes in fair value of that liability arising from changes in IBRD's cost of funding relative to LIBOR.

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

Table K1: Fair value and carrying amount of financial assets and liabilities
In millions of U.S. dollars

	March 31, 2022		June 30, 2021	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets				
Due from banks	$ 351	$ 351	$ 2,347	$ 2,347
Investments-Trading (including Securities purchased under resale agreements)	82,236	82,236	87,904	87,904
Net loans outstanding	226,835	228,094	218,799	223,687
Derivative assets, net	1,254	1,254	3,355	3,355
Miscellaneous assets	56	56	50	50
Liabilities				
Borrowings	246,863	246,863	260,076	260,076
Securities sold/lent under repurchase agreements/securities lending agreements and payable for cash collateral received	371	371	62	62
Derivative liabilities, net	11,011	11,011	1,222	1,222

As of March 31, 2022, IBRD's signed loan commitments were $56.7 billion ($59.8 billion—June 30, 2021) and had a fair value of $0.9 billion ($2.6 billion—June 30, 2021).

The following tables present IBRD's fair value hierarchy for assets and liabilities measured at fair value on a recurring basis. The fair value of alternative investments and certain equities measured using the NAV per share as a practical expedient are included in the table below but excluded from the fair value hierarchy.

Table K2: Fair value hierarchy of IBRD's assets and liabilities

In millions of U.S. dollars

	Fair Value Measurements on a Recurring Basis March 31, 2022			
	Level 1	*Level 2*	*Level 3*	*Total*
Assets:				
Investments-Trading				
Government and agency obligations	$ 23,215	$ 20,604	$ -	$ 43,819
Time deposits	1,465	32,856	-	34,321
ABS	-	1,839	-	1,839
Alternative investments [a]	-	-	-	1,769
Equity securities	350	-	-	350
Total Investments-Trading	$ 25,030	$ 55,299	$ -	$ 82,098
Securities purchased under resale agreements	48	90	-	138
Derivative assets				
Currency swaps [b]	$ -	$ 5,612	$ 203	$ 5,815
Interest rate swaps	-	5,474	125	5,599
	$ -	$ 11,086	$ 328	$ 11,414
Less:				
Amounts subject to legally enforceable master netting agreements [e]				9,714
Cash collateral received				446
Derivative assets, net				$ 1,254
Miscellaneous assets	-	56	-	56
Liabilities:				
Borrowings	$ -	$ 242,550	$ 4,313	$ 246,863
Securities sold under repurchase agreements and securities lent under securities lending agreements [d]	-	347	-	347
Derivative liabilities				
Currency swaps [b]	-	6,616	266	6,882
Interest rate swaps	-	13,902	149	14,051
Other [c]	5	-	-	5
	$ 5	$ 20,518	$ 415	$ 20,938
Less:				
Amounts subject to legally enforceable master netting agreements [f]				9,927
Derivative liabilities, net				$ 11,011

a. Investments at NAV related to PEBP holdings, not included in the fair value hierarchy.
b. Includes currency forward contracts and structured swaps.
c. These relate to swaptions, exchange traded options and futures contracts and TBA securities.
d. Excludes $470 million relating to payable for cash collateral received.
e. Includes $5 million CVA.
f. Includes $218 million DVA.

Table K2.1:

In millions of U.S. dollars

	Fair Value Measurements on a Recurring Basis June 30, 2021			
	Level 1	*Level 2*	*Level 3*	*Total*
Assets:				
Investments – Trading				
Government and agency obligations	$ 21,325	$ 27,305	$ -	$ 48,630
Time deposits	839	34,621	-	35,460
ABS	-	1,710	-	1,710
Alternative investments [a]	-	-	-	1,352
Equity securities	414	-	-	414
Total Investments – Trading	$ 22,578	$ 63,636	$ -	$ 87,566
Securities purchased under resale agreements	63	275	-	338
Derivative assets				
Currency swaps [b]	$ -	$ 8,314	$ 375	$ 8,689
Interest rate swaps	-	9,820	241	10,061
	$ -	$ 18,134	$ 616	$ 18,750
Less:				
Amounts subject to legally enforceable master netting agreements [e]				12,124
Cash collateral received				3,271
Derivative asset, net				$ 3,355
Miscellaneous assets	-	50	-	50
Liabilities:				
Borrowings	$ -	$ 255,482	$ 4,594	$ 260,076
Securities sold under repurchase agreements and securities lent under securities lending agreements [d]	-	25	-	25
Derivative liabilities				
Currency swaps [b]	-	4,756	221	4,977
Interest rate swaps	-	8,309	62	8,371
Other [c]	1	-	-	1
	$ 1	$ 13,065	$ 283	$ 13,349
Less:				
Amounts subject to legally enforceable master netting agreements [f]				12,127
Derivative liabilities, net				$ 1,222

a. Investments at NAV related to PEBP holdings, not included in the fair value hierarchy.

b. Includes currency forward contracts and structured swaps.

c. These relate to swaptions, exchange traded options and futures contracts and TBA securities.

d. Excludes $3,308 million relating to payable for cash collateral received.

e. Includes $18 million CVA.

f. Includes $21 million DVA.

IBRD's Level 3 borrowings primarily relate to structured bonds. The fair value of these bonds is estimated using discounted cash flow valuation models that incorporate model parameters, observable market inputs, and unobservable inputs. The significant unobservable inputs used in the fair value measurement of structured bonds and swaps are correlations between relevant market data and long-dated market interest rate volatilities. Generally, the movements in correlations are considered to be independent of the movements in long-dated interest rate volatilities.

Correlation is the statistical measurement of the relationship between two variables. For contracts where the holder benefits from the convergence of the underlying index prices (e.g., market interest rates and foreign exchange rates), an increase in correlation would generally result in an increase in the fair value of the instrument. The magnitude and direction of the fair value adjustment would depend on whether the holder is short or long the option.

Interest rate volatility is the extent to which the level of interest rates changes over time. For purchased options, an increase in volatility would generally result in an increase in the fair value. In general, the volatility used to price the option depends on the maturity of the underlying instrument and the option strike price. During the nine months ended March 31, 2022, and the fiscal year ended June 30, 2021, the interest rate volatilities for certain currencies were extrapolated for certain tenors and, thus, are considered an unobservable input.

In certain instances, particularly for instruments with coupon or repayment terms linked to catastrophic events, management relies on instrument valuations supplied by external pricing vendors.

The following table provides a summary of the valuation technique applied in determining fair values of these Level 3 instruments and quantitative information regarding the significant unobservable inputs used. Level 3 instruments represent 2% of IBRD's borrowings.

Table K3: Level 3 Borrowings and derivatives valuation technique and quantitative information regarding the significant unobservable inputs:

In millions of U.S. dollars

	Fair Value at March 31, 2022	*Fair Value at June 30, 2021*	*Valuation Technique*	*Unobservable input*	*Range (average), March 31, 2022*	*Range (average), June 30, 2021*
Borrowings	$4,313	$4,594	Discounted Cash Flow	Correlations	-10% to 99% (16%)	-14% to 92% (13%)
				Interest rate volatilities	56% to 71% (63%)	52% to 54% (53%)
Derivative asset/(liabilities)	$(87)	$333	Discounted Cash Flow	Correlations	-10% to 99% (16%)	-14% to 92% (13%)
				Interest rate volatilities	56% to 71% (63%)	52% to 54% (53%)

The table below provides the details of all inter-level transfers. Transfers between Level 2 and Level 3 are due to changes in observable inputs.

Table K4: Borrowings and derivatives inter level transfers

In millions of U.S. dollars

	Three Months Ended March 31, 2022		*Nine Months Ended March 31, 2022*	
	Level 2	*Level 3*	*Level 2*	*Level 3*
Borrowings				
Transfer into (out of)	$ -	$ -	$ -	$ -
Transfer (out of) into	-	-	-	-
	$ -	$ -	$ -	$ -
Derivative assets, net				
Transfer into (out of)	$ -	$ -	$ 2	$ (2)
Transfer (out of) into	-	-	-	-
	-	-	2	(2)
Derivative liabilities, net				
Transfer (into) out of	$ -	$ -	$ -	$ -
Transfer out of (into)	-	-	-	-
	-	-	-	-
Total Derivative Transfers, net	$ -	$ -	$ 2	$ (2)

Table K4.1

In millions of U.S. dollars	*Three Months Ended March 31, 2021*		*Nine Months Ended March 31, 2021*	
	Level 2	*Level 3*	*Level 2*	*Level 3*
Borrowings				
Transfer into (out of)	$ -	$ -	$ 21	$ (21)
Transfer (out of) into	-	-	-	-
	$ -	$ -	$ 21	$ (21)
Derivative assets, net				
Transfer into (out of)	$ -	$ -	$ 3	$ (3)
Transfer (out of) into	-	-	-	-
	-	-	3	(3)
Derivative liabilities, net				
Transfer (into) out of	$ -	$ -	$ (2)	$ 2
Transfer out of (into)	-	-	-	-
	-	-	(2)	2
Total Derivative Transfers, net	$ -	$ -	$ 1	$ (1)

The following tables provide a summary of changes in the fair value of IBRD's Level 3 borrowings and derivatives:

Table K5: Borrowings Level 3 changes

In millions of U.S. dollars	*Three Months Ended March 31*		*Nine Months Ended March 31*	
	2022	*2021*	*2022*	*2021*
Beginning of the period/fiscal year	$ 4,695	$ 5,550	$ 4,594	$ 5,347
Issuances	141	243	355	409
Settlements	(223)	(1,226)	(273)	(1,669)
Total realized/unrealized mark-to-market losses (gains) in:				
Net income	(409)	26	(335)	361
Other comprehensive income	109	(185)	(28)	(19)
Transfers to (from) Level 3, net	-	-	-	(21)
End of the period	$ 4,313	$ 4,408	$ 4,313	$ 4,408

Table K6: Derivatives Level 3 changes

In millions of U.S. dollars	*Three Months Ended March 31, 2022*			*Nine Months Ended March 31, 2022*		
	Derivatives, Assets/(Liabilities)			*Derivatives, Assets/(Liabilities)*		
	Currency Swaps	*Interest Rate Swaps*	*Total*	*Currency Swaps*	*Interest Rate Swaps*	*Total*
Beginning of the period/fiscal year	$ 66	$ 204	$ 270	$ 154	$ 179	$ 333
Issuances	-		-	-	(15)	(15)
Settlements	(2)	(59)	(61)	6	(60)	(54)
Total realized/unrealized mark-to-market gains in:						
Net income	(199)	(169)	(368)	(191)	(126)	(317)
Other comprehensive income	72	-	72	(30)	(2)	(32)
Transfers to (from) Level 3, net	-	-	-	(2)	-	(2)
End of the period	$ (63)	$ (24)	$ (87)	$ (63)	$ (24)	$ (87)

Table K6.1:
In millions of U.S. dollars

	Three Months Ended March 31, 2021 Derivatives, Assets/(Liabilities)			Nine Months Ended March 31, 2021 Derivatives, Assets/(Liabilities)		
	Currency Swaps	Interest Rate Swaps	Total	Currency Swaps	Interest Rate Swaps	Total
Beginning of the period/fiscal year	$ 61	$ 128	$ 189	$ (153)	$ (22)	$ (175)
Issuances	(1)	(1)	(2)	2	1	3
Settlements	(3)	(2)	(5)	(14)	3	(11)
Total realized/unrealized mark-to-market gains in:						
Net income	1	(3)	(2)	175	135	310
Other comprehensive income	(114)	(1)	(115)	(65)	4	(61)
Transfers to (from) Level 3, net	-	-	-	(1)	-	(1)
End of the period	$ (56)	$ 121	$ 65	$ (56)	$ 121	$ 65

Information on the unrealized gains or losses included in the Condensed Statement of Income and Condensed Statement of Comprehensive Income relating to IBRD's Level 3 borrowings and derivatives that are still held at the reporting dates, is presented in the following table:

Table K7: Unrealized gains or losses relating to IBRD's Level 3 borrowings and derivatives

In millions of U.S. dollars

	Three Months Ended March 31,		Nine Months Ended March 31,	
	2022	2021	2022	2021
Reported as follows:				
Borrowings				
Net income [a]	$ 140	$ 3	$ 228	$ (26)
Other Comprehensive Income [b]	(110)	175	28	11
Derivatives				
Net income [a]	$ (142)	$ (16)	$ (226)	$ 12
Other Comprehensive Income [c]	72	(106)	(33)	(47)

a. Amounts are included in Unrealized mark-to-market gains (losses) on non-trading portfolios, net on the Condensed Statement of Income.
b. Amounts are included in Currency translation adjustment on functional currency and Net Change in DVA on fair value option elected liabilities, on the Statement of Comprehensive Income.
c. Amounts are included in Currency translation adjustment on functional currency, in the Condensed Statement of Comprehensive Income.

Table K8: Borrowings fair value and contractual principal balance
In millions of U.S. dollars

	Fair Value	Principal Amount Due Upon Maturity	Difference
March 31, 2022	$ 246,863	$ 261,109	$ (14,246)
June 30, 2021	$ 260,076	$ 260,277	$ (201)

The following table provides information on the changes in fair value due to the change in IBRD's own credit risk for financial liabilities measured under the fair value option, included in the Condensed Statement of Other Comprehensive Income:

Table K9: Changes in fair value due to IBRD's own credit risk

In millions of U.S. dollars

Unrealized mark-to-market gains/(losses) due to DVA on fair value option elected liabilities	*Three Months Ended March 31, 2022*	*Nine Months Ended March 31, 2022*
DVA on Fair Value Option Elected Liabilities	$ 478	$ (30)
Amounts reclassified to net income upon derecognition of a liability	3	26
Net change in DVA on Fair Value Option Elected Liabilities	$ 481	$ (4)

Table K9.1:

In millions of U.S. dollars

Unrealized mark-to-market gains/(losses) due to DVA on fair value option elected liabilities	*Three Months Ended March 31, 2021*	*Nine Months Ended March 31, 2021*
DVA on Fair Value Option Elected Liabilities	$ (404)	$ (1,559)
Amounts reclassified to net income upon derecognition of a liability	(7)	(26)
Net change in DVA on Fair Value Option Elected Liabilities	$ (411)	$ (1,585)

The following table provides information on the cumulative changes in fair value due to the change in IBRD's own-credit risk for financial liabilities measured under the fair value option, as well as where those amounts are included in the Condensed Balance Sheet:

Table K10: Cumulative changes in fair value due to the change in IBRD's own-credit risk

In millions of U.S. dollars

DVA on fair value option elected liabilities	*March 31, 2022*	*June 30, 2021*
Reported as follows:		
Accumulated other comprehensive loss	$ (222)	$ (218)

Table K11: Unrealized mark-to-market gains or losses on investments-trading, and non-trading portfolios, net

In millions of U.S. dollars

	Three Months Ended March 31, 2022			Nine Months Ended March 31, 2022		
	Realized gains (losses)	*Unrealized gains (losses) excluding realized amounts* [a]	*Unrealized gains (losses)*	*Realized gains (losses)*	*Unrealized gains (losses) excluding realized amounts* [a]	*Unrealized gains (losses)*
Investments-Trading	$ 203	$ (286)	$ (83)	$ 639	$ (649)	$ (10)
Non trading portfolios, net						
Loan derivatives—Note F	-	2,747	2,747	6	3,410	3,416
Other asset/liability management derivatives, net	-	(1,798)	(1,798)	-	(2,387)	(2,387)
Borrowings, including derivatives —Notes E and F	2	380	382[b]	2	542	544[b]
Client operations derivatives	-	2	2	-	5	5
Others, net	-	6	6	-	6	6
Total	$ 2	$ 1,337	$ 1,339	$ 8	$ 1,576	$ 1,584

Table K11.1:

In millions of U.S. dollars

	Three Months Ended March 31, 2021			Nine Months Ended March 31, 2021		
	Realized gains (losses)	*Unrealized gains (losses) excluding realized amounts* [a]	*Unrealized gains (losses)*	*Realized gains (losses)*	*Unrealized gains (losses) excluding realized amounts* [a]	*Unrealized gains (losses)*
Investments-Trading	$ (130)	$ 180	$ 50	$ (796)	$ 975	$ 179
Non trading portfolios, net						
Loan derivatives—Note F	-	2,180	2,180	-	2,937	2,937
Other asset/liability management derivatives, net	-	(1,249)	(1,249)	-	(1,637)	(1,637)
Borrowings, including derivatives —Notes E and F	3	(336)	(333)[b]	4	116	120[b]
Client operations derivatives	-	1	1	-	15	15
Total	$ 3	$ 596	$ 599	$ 4	$ 1,431	$ 1,435

a. Adjusted to exclude amounts reclassified to realized gains (losses).

b. Includes $10,106 million of unrealized mark-to-market losses and $13,810 million of unrealized mark-to-market losses related to derivatives associated with borrowings for three and nine months ended March 31, 2022, respectively (unrealized mark-to-market losses of $6,742 million and $7,935 million—three and nine months ended March 31, 2021, respectively).

NOTE L—CONTINGENCIES

Due to the ongoing COVID-19 pandemic, IBRD faces additional credit, market and operational risks. The length and severity of the pandemic and the related developments, as well as the impact on the financial results and position of IBRD in future periods cannot be reasonably estimated at this point in time and continue to evolve. IBRD continues to monitor the developments and to manage the risks associated with its various portfolios within existing financial policies and limits.

From time to time, IBRD 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 IBRD has been named as a defendant or codefendant, as of and for the nine months ended March 31, 2022, is not expected to have a material adverse effect on IBRD's financial position, results of operations or cash flows.