MOODY'S RATINGS

CREDIT OPINION
19 February 2026

Update

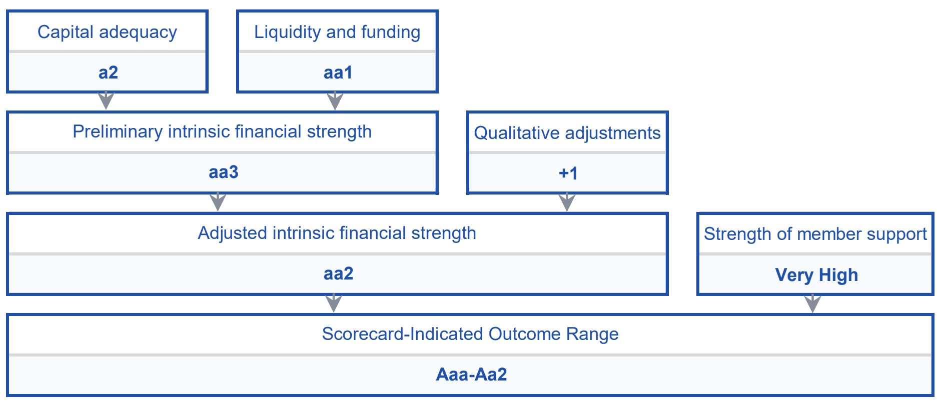
IBRD (World Bank) – Aaa stable

Update following rating affirmation; outlook remains stable

Summary

The credit profile of the International Bank for Reconstruction and Development (IBRD) reflects its very high intrinsic financial strength, backed by very high shareholder support. IBRD's key credit strengths include high capital adequacy supported by a robust risk framework, and preferred creditor status that ensures strong asset performance; its extraordinary access to global funding markets, coupled with ample and high-quality liquidity, and very high shareholder support.

Exhibit 1
IBRD's credit profile is determined by three factors



Source: Moody's Ratings

Credit strengths

» Solid capital adequacy, supported by a robust risk management framework and preferred creditor status that contributes to very strong asset performance

» Exceptional access to global funding markets and ample liquidity buffers

» Large buffer of callable capital, and very high willingness and ability of its globally diversified shareholder base to provide support

Credit challenges

» Relatively high leverage compared with that of many peers

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RATINGS

IBRD

	Rating	Outlook
Long-term Issuer	Aaa	STA
Short-term Issuer	P-1	--

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Rating outlook

The stable outlook reflects our expectation that IBRD will maintain its very strong financial metrics as it continues to implement its evolution roadmap. Although IBRD's leverage is likely to increase gradually over the coming years, as lending will rise faster than additional capital-like shareholder contributions become available, we expect asset performance to remain solid, anchored by prudent risk management. In addition, we expect that IBRD's shareholders will continue to provide strong support in the coming years, given the bank's central role in global development policy and finance.

Factors that could lead to a downgrade

Reassessment of the strength of shareholder support would exert negative pressure on the rating. A change in shareholder support or in the institution's mandate, particularly due to geopolitical tensions among shareholders or policy shifts from key shareholders could indicate that long-term support may not be as strong or as forthcoming as it has been in the past. Downward pressure could also occur if there is a substantial and multi-year deterioration in capital adequacy, with no indication of corrective actions being taken. This is a low-probability scenario that could result from rapid expansion in leverage, combined with a decline in asset quality and performance stemming from sovereign credit stress among IBRD's largest borrowing countries.

Key indicators

Exhibit 2

IBRD (World Bank)	2020	2021	2022	2023	2024	2025
Total Assets (USD million) [1]	296,804	317,301	317,542	332,641	356,612	399,511
Leverage Ratio (%) [2]	518.8	475.0	425.4	413.4	426.7	393.6
Weighted-Average Borrower Rating (WABR)	Ba3	B1	B1	B2	B2	B1
Sovereign Exposures / Loans & Guarantees (%)	100.0	100.0	100.0	100.0	100.0	100.0
Equity Investments / DRA (%)	0.0	0.0	0.0	0.0	0.0	0.0
Non-Performing Assets / DRA (%)	0.2	0.2	0.2	0.6	0.5	0.5
Return on Equity (%)	-0.1	4.6	7.7	2.0	3.5	3.1
Availability of Liquid Resources Ratio (ALR, %) [3]	110.9	136.8	132.9	132.6	121.8	145.3
Weighted-Average Shareholder Rating (WASR)	Baa2	Baa2	Baa3	Baa3	Baa3	Baa3
Callable Capital / Gross Debt (%)	111.0	107.1	121.9	124.8	114.7	99.2

[1] Years refer to fiscal years, which run from 1 July to 30 June
[2] Development-related assets (DRA) + Treasury assets rated A3 or lower / usable equity
[3] Liquid assets / Projected net cash outflows during upcoming 18 months

Source: Moody's Ratings

Profile

International Bank for Reconstruction and Development (IBRD) is the original World Bank institution that was established as part of the Bretton Woods agreement of 1944 to help rebuild Europe after World War II. It is a key member of the World Bank Group (WBG). Today, IBRD's main goals are to end extreme poverty and boost shared prosperity on a livable planet in middle-income and lower-income countries. It does so by providing loans and guarantees to the public sector and serving as a catalyst for additional external financial flows through co-financing arrangements. The bank's objective is not to maximize profit, but to earn adequate income to ensure its financial sustainability and continue its development activities. Therefore, it seeks to generate sufficient revenue to conduct its operations and be able to set aside funds in reserves to strengthen its financial position. IBRD is one of the most active multilateral development bank (MDB) issuers in the international capital markets.

IBRD's main business activity is extending loans to eligible member countries by offering long-term loans that can have a final maturity of up to 35 years (or up to 50 years for specific projects). Borrowers may customize their repayment terms to meet their debt management or project needs, and loans are offered on fixed and variable terms in multiple currencies (although borrowers generally prefer loans denominated in US dollars and euros).

Detailed credit considerations

Our determination of a supranational's rating is based on three rating factors: capital adequacy, liquidity and funding, and strength of member support. For MDBs, the first two factors combine to form the assessment of intrinsic financial strength, as shown on the cover page graphic. Additional factors can affect the intrinsic financial strength, such as risks stemming from the operating environment or the quality of management. The strength of member support is then incorporated to yield a rating range. For more information, please see our Supranational Rating Methodology.

FACTOR 1: Capital adequacy score: a2

IBRD's "a2" capital adequacy score reflects its strong capital position, high development asset credit quality (DACQ) and consistently very low ratio of nonperforming assets (NPA).

Board-approved reduction in minimum leverage ratio allows IBRD to lend significantly more

IBRD is among the more leveraged MDBs that we rate, which is reflected in a relatively moderate score of "ba1" for its capital position. However, this score combines with a robust risk management framework and a strong track record of being a preferred creditor, which in turn supports the bank's strong asset quality and performance.

IBRD uses the equity-to-loans (E/L) ratio as its key indicator for assessing capital adequacy. The board approved a reduction in the minimum ratio to 18% from 20% previously in two steps, effectively authorizing IBRD to assume moderately higher risk on its balance sheet, in line with the recommendations of the G-20 Capital Adequacy Framework (CAF) report. Consequently, IBRD has accelerated its disbursements over the past two years, reaching a net loan portfolio of $280 billion as of June 2025, compared to $241 billion two years earlier, resulting in an E/L ratio of 21.6% as of June 2025. The E/L ratio was marginally higher than in 2024, because useable equity increased at a faster pace, helped by payments under the 2018 capital increase and the first purchases of hybrid capital as well as provision of first-loss portfolio guarantees by several shareholders.

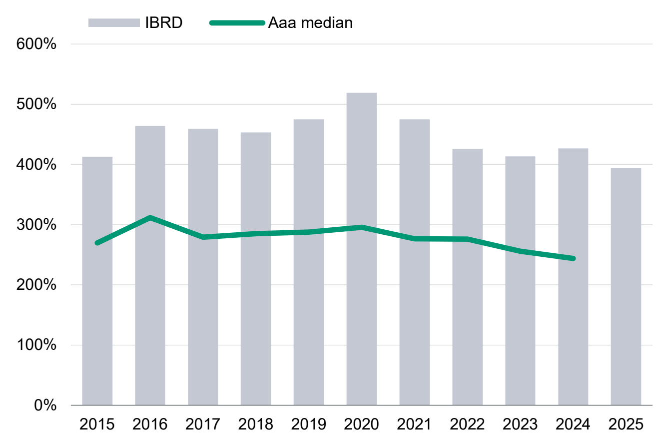
While we expect a gradual reduction in the E/L ratio over the coming years, IBRD's capital adequacy will remain solid. Besides observing the E/L ratio limits, the bank follows a range of other prudential limits to ensure its long-term financial strength. For example, it is required to align its annual lending volumes to its long-term sustainable capacity, which is defined over a 10-year horizon. It also maintains a crisis buffer, which is approved annually by the board and is currently set at $10 billion (renewed in June 2025 for fiscal year FY2026).

Our metric for assessing the strength of an MDB's capital position is the leverage ratio, which does not take into account the riskiness of IBRD's development assets. Leverage as defined by us — development-related assets (DRAs) and liquid assets rated A3 or lower relative to usable equity — was 3.94x as of June 2025, lower than a year earlier (4.27x) but significantly lower than the peak of 5.19x in FY 2020. IBRD's leverage ratio is also lower than that of the largest MDB, the European Investment Bank's (EIB, Aaa stable) ratio of 6.06x (2024 data), but significantly higher than the median of 2.44x for Aaa-rated MDBs.

We expect IBRD's leverage ratio to increase and approach the previous peak of above 5x over the coming years, as the bank leverages the hybrid capital and portfolio guarantees that it receives from shareholders. Overall, IBRD estimates that the various initiatives will allow it to provide additional lending of around $100 billion over the next ten years. In addition, as of January 2026, IBRD has received capital payments equivalent to 94% of the 2018 General and Selective Capital Increase. The deadline for payment has been extended to April 2026 for a number of shareholders. The capital increase provides IBRD with an additional $7.5 billion in paid-in capital in total. Lastly, IBRD typically retains a significant share of its net income. Overall, usable equity was close to $73.6 billion as of June 2025, compared with $63.5 billion a year earlier.

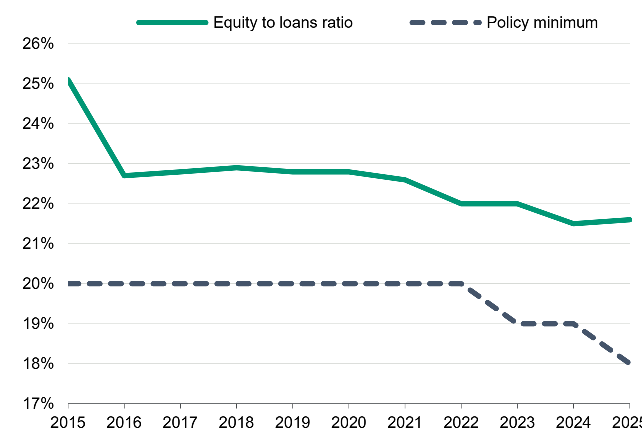
The board approved the removal of IBRD's statutory lending limit in mid-2023, which stipulates that the total volume of outstanding financing provided by the IBRD may not exceed the sum of paid-in capital, reserves and callable capital. This change will become effective upon requisite shareholder governments' ratification, which is ongoing.

Exhibit 3
IBRD's leverage ratio has declined from its peak in fiscal 2020
Leverage ratio (development-related assets and liquid assets rated A3 or lower relative to usable equity), %



The Aaa median is unavailable for fiscal 2025 because of different fiscal year reporting dates of MDBs.
Sources: IBRD and Moody's Ratings

Exhibit 4
Faster rise in equity than loan disbursements led to a slight increase in the E/L ratio in 2025
Equity-to-loans ratio and the policy minimum, %



Sources: IBRD and Moody's Ratings

Preferred creditor status and wide diversification underpin high DACQ

IBRD's DACQ is assessed at “aa”, significantly above the anchor point for our assessment — the weighted average borrower rating, which is “B1”. We pencil in significant credit support from the bank's preferred creditor status and the high country and regional diversification of its loan portfolio. While the weighted average borrower rating has improved last year compared with that of a year earlier to “B1” from “B2,” it has deteriorated significantly compared with the pre-pandemic period when, in 2019, the weighted average borrower rating was “Ba2”.

IBRD's strong track record of being a preferred creditor has been and remains a key mitigant to the deterioration in borrower credit quality. In 2024, the bank released detailed data on its default and recovery rates, which confirmed the extraordinarily strong asset performance of IBRD's loans. Since the start of its lending in 1947, IBRD experienced 27 non-accrual events, with a peak of nine defaults during 1991-95, and an average default rate of 0.7% from the first default in 1984 to 2023. Over the last decade or so, defaults have been much lower, with only one or two countries in non-accrual. Similarly, IBRD's historical recovery rates have been very strong, reflecting both the fact that IBRD has always been repaid and that it does not charge interest on overdue interest, that is, its loss calculations only incorporate the present value of unpaid principal and interest. IBRD's average observed loss given default (LGD) across its full portfolio and over its entire history is 9.6%, with the highest observed LGD at 58.5%.

The diversification of IBRD's loan portfolio across regions and countries provides further credit protection. The bank's 10 largest exposures accounted for 55% of its total portfolio as of 30 June 2025, which is at the lower end of sovereign-focused MDBs. As the only truly global public-sector MDB, IBRD has very low regional concentration. The balance of moderate concentration of the top 10 exposures and low regional concentration results in a net positive impact on our assessment of concentration risk for the bank's capital adequacy score.

IBRD limits its concentration risk based on a dual single borrower limit (SBL) system, effective since July 2019, which differentiates between countries below and above the graduation discussion income (GDI) threshold. GDI is the level of gross national income per capita of a member country above which graduation from IBRD starts being discussed. In FY2025, the GDI threshold stood at $7,895 and the SBL for countries below and above the GDI was $30.9 billion and $22.2 billion respectively. IBRD's largest exposures were to India (Baa3 stable, $23.1 billion) and Indonesia (Baa2 negative, $20 billion).

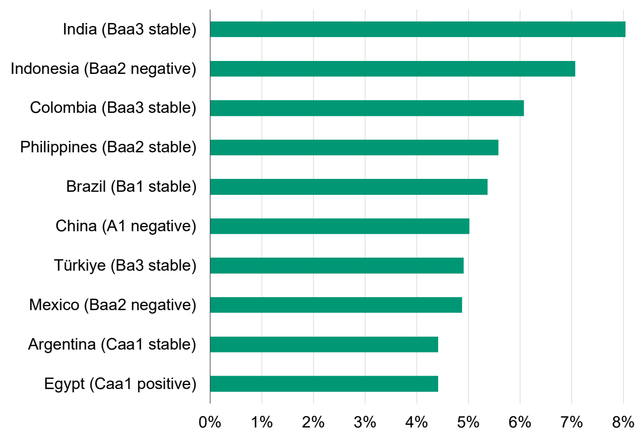
As of FY2025, IBRD had loans to Ukraine (Ca stable) of $16.9 billion (2024: $14.2 billion) and extended guarantees of $0.5 billion, but guarantees received from shareholders for the benefit of Ukraine of $11.2 billion (2024: $8.1 billion) ensure that IBRD's ultimate exposure at risk is small. The guarantees cover both principal and interest.

IBRD has Exposure Exchange Agreements (EEAs) in place with the Inter-American Development Bank (IADB, Aaa stable) and the African Development Bank (AfDB, Aaa stable) amounting to a total of $3.6bn, and recently signed a new EEA with ADB for the amount of $3 billion. Consistent with its conservative risk appetite, IBRD enters into EEAs exclusively with AAA-rated MDBs.

Exhibit 5

Individual country exposures are moderate

Share of total exposure by country, % of total disbursements (FY2025)



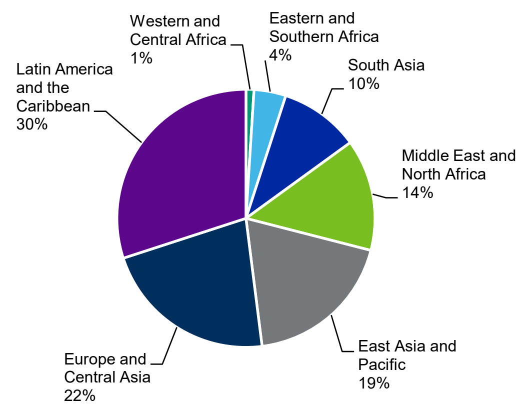
Total exposure is measured as loans, equity and non-EEA guarantees, net of guarantees received.

Sources: IBRD and Moody's Ratings

Exhibit 6

Portfolio distribution is well balanced across regions

Portfolio concentration, % of total (FY2025)



Sources: IBRD and Moody's Ratings

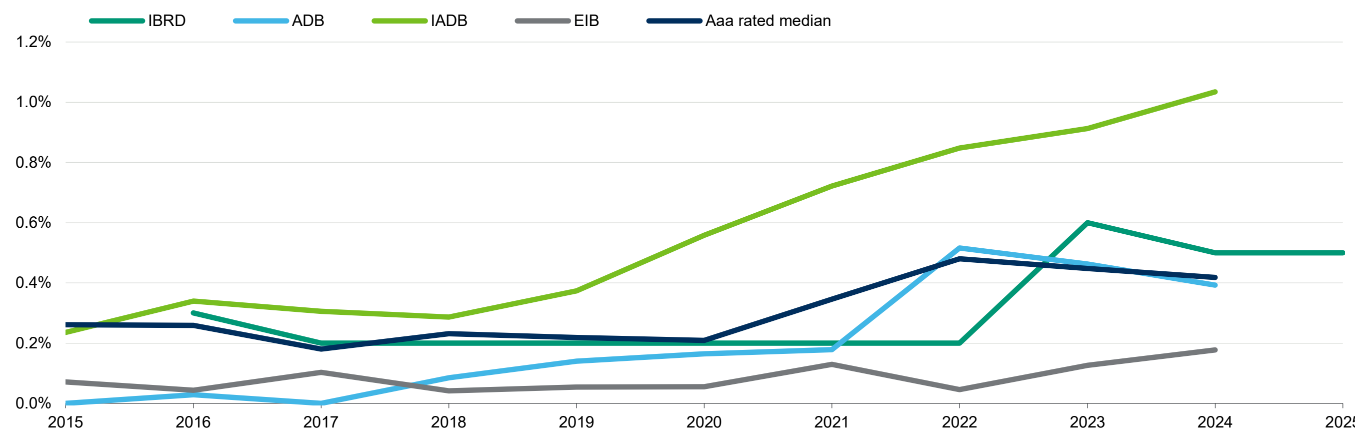
Asset performance remains very strong despite Belarus in continued non-accrual

Although higher than in previous years, IBRD's asset performance remained very strong last year, with its NPA ratio of 0.5% resulting in an assessment of "aa1." Two countries, Zimbabwe and Belarus (C stable), were in non-accrual status as of June 2025. IBRD classifies loans as nonperforming when a country is overdue on its payments by more than six months. It does not reschedule its loans and it has never written off a loan. Instead, IBRD continues to seek full recovery of all arrears.

Zimbabwe has been in non-accrual status since October 2000, with an outstanding exposure of around $425 million or about 0.2% of total gross loans and guarantees outstanding. The government makes token payments (around $2 million last year). The Belarus exposure is larger at around $1 billion or close to 0.4% of the total, and has been in non-accrual since October 2022. IBRD's non-accrual is amply covered by the bank's accumulated loan loss provisions of $3.0 billion or about 1% of gross loans and guarantees.

Problem loans have decreased steadily since fiscal 2005, when the share of nonperforming loans reached 3.4% of total loans outstanding, which is notable given IBRD's countercyclical lending during the global financial crisis and the pandemic. On average, IBRD has historically experienced relatively higher NPA levels than some other Aaa-rated MDBs, such as the Asian Development Bank (ADB, Aaa stable) and the EIB, which have long-term histories of zero or near-zero NPA ratios. IBRD's NPA ratio is on par with the Aaa-rated median and stronger than some of its other peers, such as IADB and AfDB. We expect the ratio to gradually improve over the coming years, against the background of an increasing loan portfolio and assuming no new non-accruals.

Exhibit 7
IBRD's asset quality remains very strong despite the inclusion of Belarus in 2023
NPAs as percentage of development-related assets, %



The Aaa median and peers' data is unavailable for fiscal 2025 because of different fiscal year reporting dates of MDBs.
Source: Moody's Ratings

FACTOR 2: Liquidity and funding score: aa1

IBRD's “aa1” liquidity and funding score is underpinned by its “aaa” quality of funding and “aa3” liquid resources scores.

Exceptional market access underpinned by strong brand and global benchmark status
IBRD benefits from very strong and regular access to funding markets, reflected in the frequency of its debt issuances, range of funding instruments, including local-currency bonds, and its stable, diversified investor base. The bank's “aaa” quality of funding score reflects this exceptional market access.

IBRD is a benchmark issuer in the global capital markets and for the MDB sector as a whole. It fulfills most of its borrowing needs through frequent bond issuances in the international capital markets in major trading currencies. The strength of its market access has been tested and proven in numerous episodes of global market stress and heightened volatility. Since 1947, the bank has issued bonds in more than 60 different currencies, and most borrowings are swapped into short-term variable rates in US dollars. IBRD also issues debt in different thematic formats. For example, since 2008, IBRD issued approximately $20 billion in green bonds through more than 230 transactions in 28 currencies. In August 2018, the bank issued its first bond using blockchain technology, which was the world's first bond to be created, allocated, transferred and managed through the use of distributed ledger technology. Since then, the bank issued two further bonds in digital format, including a CHF-denominated bond settled in central bank digital currency, provided by the Swiss National Bank in May 2024, further helping advance the digitalization of global capital markets.

The bank's investor base is diversified by both investor type and geography, demonstrating global support for its development mandate and also reflecting the Basel Committee's classification of IBRD securities as a high-quality liquid asset with zero risk weight.

In FY 2025, IBRD raised a total of $64.5 billion of medium- and long-term debt, significantly higher than the prior year ($52.4 billion), mainly as a result of higher debt servicing and refinancing requirements. This year's issuance is targeted at $50-60 billion, with $31 billion already raised.

IBRD strategically calls its debt to reduce its cost of borrowing; it may also repurchase its debt to meet other operational or strategic needs such as providing liquidity to its investors. As of June 2025, IBRD's borrowing portfolio, after the effects of derivatives, carried variable rates with a weighted average cost of 4.4% compared with 5.5% in FY2024, reflecting the reduction in short-term market interest rates during the year.

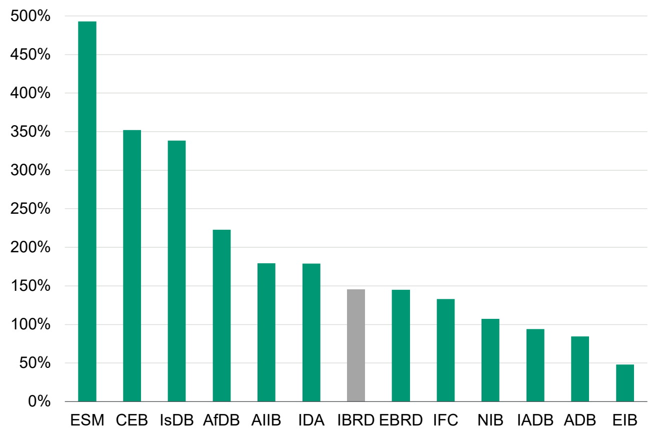
Ample and high-quality liquidity is supported by a conservative liquidity management strategy

We assess IBRD's liquid resources at “aa3.” We measure an MDB's availability of liquid resources as the coverage by liquid assets of the estimated net cash outflows over a period of 18 months. With a ratio of about 145% in FY2025, IBRD's liquid resources more than fully cover potential outflows and its ratio is broadly in line with that of other Aaa-rated MDBs. We expect the bank's liquid resources to remain ample given IBRD's internal liquidity management policies and policy restrictions on leverage.

Exhibit 8

IBRD's availability of liquid resources ratio is in line with that of Aaa-rated MDBs

Liquid assets as a percentage of net cash outflows, latest (%)

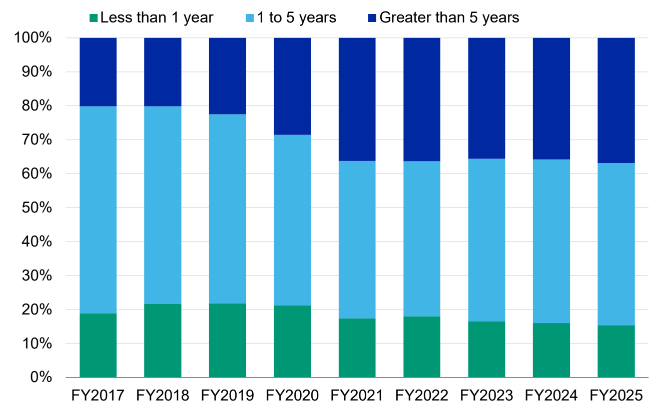


Source: Moody's Ratings

Exhibit 9

Borrowings are skewed towards longer maturities

Percentage of outstanding borrowings by maturity, share of total



Sources: IBRD and Moody's Ratings

IBRD's liquidity is underpinned by its conservative asset and liability management policies, which include the use of derivatives to manage exposure to interest and currency risks, and repricing between loans and borrowing. IBRD's liquidity policy targets coverage the next 12 months of projected debt service and net loan disbursement needs. The prudential minimum liquidity level is set at 80% of the target liquidity, although IBRD typically has significantly higher liquidity levels. In FY2025, the size of the liquid asset portfolio was $96 billion or 148% of target liquidity levels.

For FY2026, the target liquidity level is set at $79 billion, compared with a target level of $65 billion for the last fiscal year. IBRD's policies also establish a soft upper guideline of 150% of the target liquidity level. Liquid assets are generally invested in highly rated securities, with 77% rated Aa or above, reflecting the bank's objective of principal protection and its preference for high-quality investments. IBRD's liquid asset investment portfolio consists mostly of sovereign bonds, debt instruments issued by government agencies and bank time deposits. The treasury portfolio is highly liquid, with a very short maturity profile: 81% mature within six months and $24.3 billion mature within the next month, as of 30 June 2025.

Qualitative adjustments to intrinsic financial strength

IBRD's adjusted intrinsic financial strength score of “aa2” reflects a one-notch upward adjustment to its preliminary intrinsic financial strength score of “aa3” to account for the bank's strong quality of management, consistent with assessments for other large, well-established MDBs, including EIB, IADB, ADB and the European Bank for Reconstruction and Development (Aaa stable). The adjustment reflects IBRD's comprehensive policy framework and strong risk management culture, and IBRD has often set standards for the sector as a whole. We do not apply an adjustment for the operating environment given IBRD's globally diversified portfolio.

FACTOR 3: Strength of member support score: Very High

Our assessment of IBRD's “aa2” adjusted intrinsic financial strength is complemented by our assessment of its strength of member support, which is set at an assigned score of “Very High,” above the adjusted score of “High.” This reflects the stronger ability of the bank's shareholders to support the institution than is reflected in its “baa3” weighted average shareholder rating (WASR), and our assessment of a very high willingness to support from its diverse global membership.

Members' ability to support is strong

Overall, IBRD's ability to support score is "baa3," driven by the WASR of the bank's 189 members. The bank has a strong track record of repeated general capital increases, including the most recent increase agreed in 2018. More recently, several highly rated shareholders have committed to provide hybrid capital and portfolio wide guarantees, which points to a very strong willingness of support by its members. Shareholders' high capacity to provide support is also underpinned by the high creditworthiness of the bank's largest and non-borrowing members.

Exhibit 10

Largest members exemplify strength of shareholder support

In $ millions, unless otherwise specified

Member	Moody's Rating	% of total	Total	Amounts paid in	Amounts subject to call	Voting share
United States	Aa1	16.7%	$54,523	$3,896	$50,627	15.79%
Japan	A1	7.4%	$24,113	$1,752	$22,361	7.00%
China	A1	6.2%	$20,129	$1,445	$18,684	5.85%
Germany	Aaa	4.4%	$14,305	$1,044	$13,261	4.16%
France	Aa3	4.0%	$13,102	$957	$12,146	3.82%
United Kingdom	Aa3	4.0%	$13,102	$976	$12,127	3.82%
India	Baa3	3.1%	$10,275	$738	$9,537	3.00%
Russia	Ratings Withdrawn	2.9%	$9,545	$686	$8,859	2.79%
Saudi Arabia	Aa3	2.8%	$9,285	$668	$8,617	2.71%
Italy	Baa2	2.8%	$9,186	$669	$8,517	2.68%
Other		45.7%	$149,270	$10,082	$139,189	48.38%
Total		**100.0%**	**$326,835**	**$22,911**	**$303,924**	**100%**

Moody's ratings are foreign-currency issuer ratings as of 16 February 2026

Sources: IBRD and Moody's Ratings

In view of IBRD's largest shareholders and very large global membership base, we consider the concentration of members and financial/economic links among members to be low. Regional MDBs with smaller membership bases and narrower geographic mandates tend to have higher concentration of capital. As a global MDB with broad geographic distribution of members, IBRD does not face the risk that isolated regional crises would significantly impair its members' ability to provide support.

In addition, IBRD's membership base has the added diversity of both borrowing and non-borrowing members. Only two of the top 10 shareholders — China (A1 negative) and India (Baa3 stable) — are borrowers; the remainder have never borrowed or no longer borrow from the bank. Meanwhile, membership includes highly rated non-borrowers outside of the top 10 largest shareholders. As the bank's largest risk is credit risk from lending activities, diversification of borrowing and non-borrowing members ensures a high number of large shareholding members that can be called upon to provide financial assistance that are not the sources of the financial stress at hand.

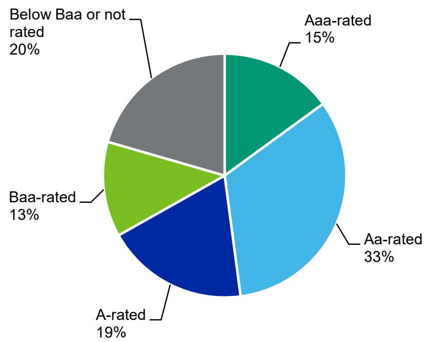
Very high willingness to support, underpinned by contractual and non-contractual support

In addition to high ability to support, we also consider the willingness of shareholders to support IBRD in case of need as very strong. Our quantitative metric takes into consideration the coverage of gross outstanding debt obligations by callable capital. IBRD's coverage was 99.2% in the last fiscal year, leading to a score of "aa1". We also apply a positive one-notch adjustment to reflect IBRD's strong enforcement mechanism of contractual support. IBRD's clear and transparent process for responding to a capital call and ample share of callable capital that would be available on short notice underpin this assessment. Besides the United States (Aa1 Stable) as the single-largest shareholder, the high portion of callable capital pledged by members rated Aaa through Baa3 supports the stability of the contractual support assessment.

Exhibit 11

Highly rated sovereigns provide most of the callable capital...

Percentage of subscribed capital by rating, % of total (FY2025)



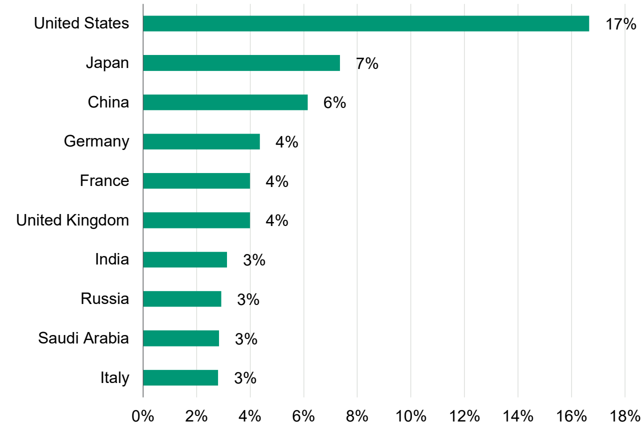
Foreign-currency government bond ratings as of 16 January 2026.

Sources: IBRD and Moody's Ratings

Exhibit 12

...with most of the callable capital provided by 10 sovereigns

Share of callable capital provided, % of total (FY2025)



Sources: IBRD and Moody's Ratings

Callable capital is an unconditional and full faith obligation of each member country, the fulfillment of which is independent of the action of other shareholders. If one or more of the member countries fail to meet this obligation, successive calls on the other members will be made until the full amount needed is obtained. However, no country is required to pay more than its total callable subscription. As a result, IBRD does not have support pledged on a joint-and-several basis.

The 2018 capital increases result in additional subscribed capital of up to $60.1 billion, with $7.5 billion of paid-in capital and $52.6 billion of callable capital. As of January 2026, IBRD has received around $7.0 billion of capital payments. The subscription period has been extended from October 2025 to April 2026 for a number of members. Despite earlier uncertainty over continued US support at the beginning of last year, IBRD has since received the US's share of the capital increase, as well as other expressions of support.

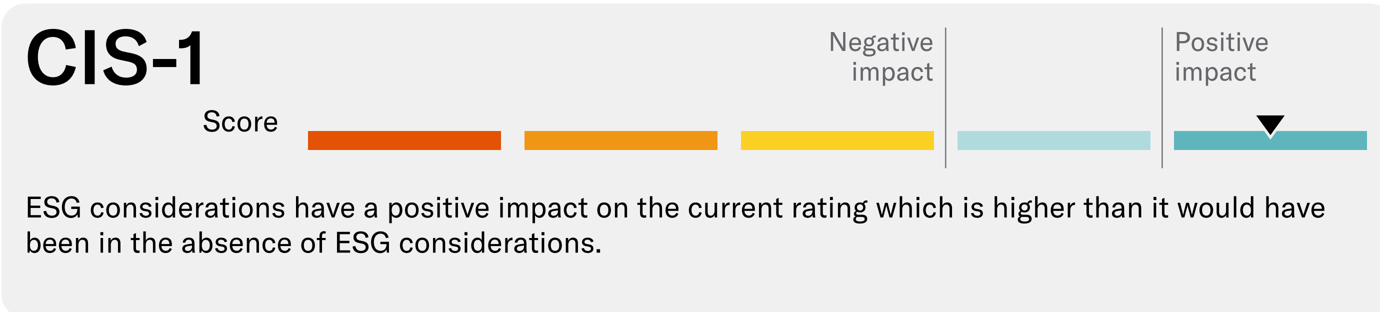
Besides contractual support through callable capital, we assess the willingness of shareholders to provide extraordinary, non-contractual support as “Very High.” In our assessment, we consider the track record of shareholders to contribute to capital increases in a timely manner, other expressions of support such as subscription to hybrid capital, Enhanced Callable Capital and bilateral and portfolio-wide guarantees, which in IBRD's case strongly support our assessment.

In light of IBRD's pivotal role in development finance and its global reach, we also believe that shareholder interests are well aligned and shareholders would risk reputational damage to their own credit standing in case they do not honor their callable capital commitment.

ESG considerations

IBRD (World Bank)'s ESG credit impact score is CIS-1

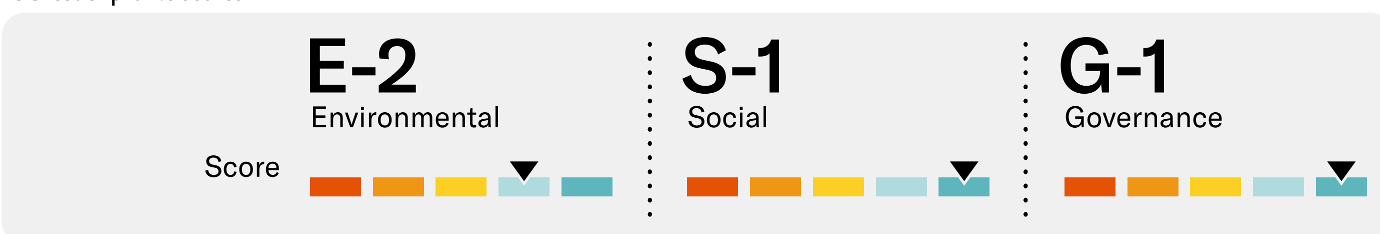
Exhibit 13
ESG credit impact score



Source: Moody's Ratings

IBRD's credit impact score (**CIS-1**) indicates that ESG considerations have a positive impact on the rating. For IBRD, this reflects neutral-to-low exposure to environmental risk, positive exposure to social risk and very strong governance. IBRD's resilience to ESG risks is further supported by its highly diverse global membership and the particular importance assigned to the bank by large non-borrowing members.

Exhibit 14
ESG issuer profile scores



Source: Moody's Ratings

Environmental
IBRD's exposure to environmental risks reflects its highly diversified lending portfolio, both from a regional and sector perspective, along with its robust environmental safeguard policies and technical assistance capacities for climate mitigation and adaptation project lending. IBRD is a leader among MDBs in its use of climate financing and in its active role in supporting global climate change initiatives.

Social
IBRD's exposure to social risks reflects its very strong position regarding responsible production and credit positive support from its mission to end extreme poverty and boost shared prosperity on a livable planet. The IBRD extensively uses public consultation processes to ensure buy-in from key stakeholders and has outstanding community and stakeholder outreach. IBRD does not face any issues attracting highly skilled personnel and there are no health and safety considerations that would negatively or positively affect the issuer profile.

Governance
IBRD's very strong governance reflects the bank's very high quality of management and best-in-class financial strategy and risk management practices. IBRD has one of the longest track records of strong and credible management among MDBs.

ESG Issuer Profile Scores and Credit Impact Scores for the rated entity/transaction are available on Moodys.com. In order to view the latest scores, please click here to go to the landing page for the entity/transaction on MDC and view the ESG Scores section.

Recent developments

Solid financial performance, with retained earnings continuing to add to useable equity

IBRD's financial performance has remained robust in 2025, with net income of $2.1 billion, similar to a year earlier. The strong results were again primarily driven by high loan interest revenue because of higher lending volumes as well as lower provisions and unrealized mark-to-market gains on IBRD's investment portfolio. IBRD focuses on an internal profitability metric, its allocable income, which excludes some adjustments, including unrealized mark-to-market gains or losses and pension-related adjustments. In addition, Board-approved transfers - the largest being to IDA - are also excluded from this metric. In FY2025, allocable income was close to $2.4 billion (2024: $1.85 billion). Besides a significant transfer to IDA of $782 million, most of the income was retained as surplus or in reserve. IBRD's equity base grew to $72.0 billion from $63.5 billion in FY2024. Profits are fully retained and – after transfers to IDA plus some smaller transfers – added to reserves. IBRD has accumulated reserves of over $40 billion since start of operations, compared to paid-in capital of less than $23 billion.

Unaudited results for the quarter that ended 30 September 2025 show a net loss of $474 million versus a loss of $518 million a year earlier, driven by a combination of unrealized mark-to-market gains on the non-trading portfolios, lower borrowing expenses but also higher board-approved transfers. Allocable income was $570 million, versus $743 million a year earlier.

Strong evidence of shareholder commitment while US support has been reaffirmed

As stated above, we take the commitment of several highly rated shareholders to subscribe to IBRD's hybrid capital and Enhanced Callable Capital and to provide a first-loss portfolio wide guarantee as clear indications of very strong shareholder support for IBRD and its updated mission. As of 30 September 2025 IBRD has signed bilateral agreements for hybrid capital with nine shareholders for a total notional value of $799 million, out of which $482 million has been settled and reported in the balance sheet. Also, portfolio-wide first loss guarantee agreements of $1.1 billion notional were effective with two shareholders. We include the various capital-like instruments in our calculation of useable equity.

In January 2026, New Zealand (Aaa stable) was the first shareholder to commit $50 million to the IBRD's Enhanced Callable Capital instrument, which ensures that additional capital becomes available to IBRD earlier than is the case with standard callable capital, and which we also consider as useable equity. In addition, the majority of shareholders have subscribed to and paid the capital payments due under the 2018 capital increase, including the US.

This combined with other clear expressions of support from the US government has materially reduced the uncertainty around its policy stance towards the bank and multilateral development banks more broadly. As we stated previously the US' large shareholding gives the government influence over MDB policies and lending decisions, while the financial incentives to withdraw from the bank are negligible. Also, the IBRD's standalone credit profile is very strong and it would have multiple levers at hand to respond to a reduction or withdrawal of support even by a large shareholder.

Rating methodology and scorecard factors: IBRD (World Bank) - Aaa stable

Factor / Subfactor	Metric	Initial score	Adjusted score	Assigned score
Factor 1: Capital adequacy (50%)			a2	a2
Capital position (20%)			ba1	
	Leverage ratio	ba1		
	Trend	0		
	Impact of profit and loss on leverage	0		
Development asset credit quality (10%)			aa	
	DACQ assessment	aa		
	Trend	0		
Asset performance (20%)			aa1	
	Non-performing assets	aa1		
	Trend	0		
	Excessive development asset growth	0		
Factor 2: Liquidity and funding (50%)			aa1	aa1
Liquid resources (10%)			aa3	
	Availability of liquid resources	aa3		
	Trend in coverage outflow	0		
	Access to extraordinary liquidity	0		
Quality of funding (40%)			aaa	
Preliminary intrinsic financial strength				aa3
Other adjustments				+1
Operating environment		0		
Quality of management		+1		
Adjusted intrinsic financial strength				aa2
Factor 3: Strength of member support (+3,+2,+1,0)			High	Very High
Ability to support (50%)			Baa3	
	Weighted average shareholder rating	Baa3		
Willingness to support (50%)				
	Contractual support (25%)	aa1	aaa	
	Strong enforcement mechanism	+1		
	Payment enhancements	0		
	Non-contractual support (25%)		Very High	
Scorecard-Indicated Outcome Range				Aaa-Aa2
Rating Assigned				Aaa

Note: Our ratings are forward-looking and reflect our expectations for future financial and operating performance. However, historical results are helpful in understanding patterns and trends of an issuer's performance as well as for peer comparisons. Additional considerations that may not be captured when historical metrics are used in the scorecard may be reflected in differences between the adjusted and assigned factor scores. Furthermore, in our ratings we often incorporate directional views of risks and mitigants in a qualitative way. For more information please see our Multilateral Development Banks and Other Supranational Entities rating methodology.

Source: Moody's Ratings

Related websites and information sources

» Moody's Supranational web page

» Moody's Sovereign and supranational rating list

» IBRD (World Bank) website

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