Information Statement

International Development Association

The International Development Association (IDA) intends from time to time to issue its notes and bonds with maturities and on terms determined by market conditions at the time of sale. The notes and bonds may be sold to dealers or underwriters, who may resell them, or they may be sold by IDA directly or through agents.

The specific currency, aggregate principal amount, maturity, interest rate or method for determining such rate, interest payment dates, if any, purchase price to be paid to IDA, any terms for redemption or other special terms, form and denomination of such notes and bonds, information as to stock exchange listing and the names of the dealers, underwriters or agents in connection with the sale of such notes and bonds being offered at a particular time, as well as any other information that may be required, will be set forth in a prospectus or supplemental information statement.

Except as otherwise indicated, in this Information Statement (1) all amounts are stated in current United States dollars translated as indicated in the Notes to Financial Statements: Note A and (2) all information is given as of June 30, 2026.

AVAILABILITY OF INFORMATION

Upon request, IDA will provide additional copies of this Information Statement without charge. Written or telephone requests should be directed to IDA's main office at 1818 H Street, N.W., Washington, D.C. 20433, Attention: Capital Markets Department, tel: +1 2024772880, or to IDA's Tokyo office at Fukoku Seimei Building 14F, 2-2-2 Uchisaiwai-cho, Chiyoda-ku, Tokyo 100-0011, Japan, tel: +81 335976650.

The Information Statement is also available on IDA's Investor Relations website at https://treasury.worldbank.org/en/about/unit/treasury/ida-funding/. Other documents and information on IDA's website are not intended to be incorporated by reference in this Information Statement.

Recipients of this Information Statement should retain it for future reference, since it is intended that each prospectus and any supplemental information statement issued after the date hereof will refer to this Information Statement for a description of IDA and its financial condition, until a subsequent information statement is issued.

September 24, 2026

SUMMARY INFORMATION

As of June 30, 2026, unless otherwise indicated

International Development Association (IDA) is an international organization owned by its 175 member countries, of which the five largest member countries are the United States (with 9.52% of the total voting power), Japan (8.43%), United Kingdom (6.92%), Germany (5.37%), and France (3.92%). IDA provides loans, grants, guarantees, and other financial products to the poorest and most vulnerable countries to help meet their development needs, and technical assistance and policy advice by leveraging its experience and expertise. It also provides concessional financing on terms that respond to clients' needs and supports countries with disaster risk financing and insurance against natural disasters and health-related crises and facilitates financing through trust fund partnerships.

As one of the WBG entities, IDA's mission is to end extreme poverty and boost shared prosperity on a livable planet. Central to this mission is job creation, recognized as a key driver of sustainable development. The WBG's approach to job creation is anchored in three pillars in five high-impact sectors. The three pillars are: establishing critical infrastructure as a foundation for employment, fostering a business-enabling regulatory environment that sets clear, predictable and consistent policies and regulations, and mobilizing private capital to supplement public finance and catalyze investment at scale. The five sectors are: infrastructure and energy, smallholder agriculture and agribusiness, health, tourism, and value-added manufacturing. To achieve these ambitions, IDA is tailoring approaches to country-specific contexts, strengthening investor engagement, upskilling in key areas, and enhancing its capacity to manage both financial and non-financial risks. IDA is also deepening collaboration across the WBG through the Knowledge Bank, which unifies the expertise of the WBG across five verticals (People, Prosperity, Planet, Infrastructure, and Digital) to empower clients with integrated public and private sector solutions, accelerate thought leadership and innovation, and equip frontline staff with timely and actionable knowledge.

IDA has financed its operations over the years with its own equity, including regular additions to equity provided by member countries as part of the replenishment process. As a result of the strong support of member countries, IDA has built up a substantial equity base of $205.0 billion as of June 30, 2026. By prudently leveraging its equity and blending market debt with equity contributions from members, IDA has increased its financial efficiency, and scaled up its financing to support the escalating demand for its resources while ensuring its long-term financial sustainability through a prudent risk management framework.

IDA's Twenty First Replenishment of Resources (IDA21) reflects an agreed resource envelope of $99.9 billion in USD equivalent over the three-year replenishment period from July 1, 2025, through June 30, 2028. IDA21 recognizes the need to help address the profound challenges faced by IDA countries and to support the world's poorest countries. IDA21 builds on earlier replenishment cycles, with the continuation of five focus areas: people, prosperity, infrastructure, digital transformation and planet, and four lenses that address priorities across these topics: gender, jobs, private investment, and fragility, conflict and violence (FCV). As part of IDA21, IDA's continued innovation has introduced hybrid capital and a portfolio guarantee platform as new instruments available for members to support IDA, where hybrid capital will enhance IDA's capital base and the portfolio guarantee platform will help reduce IDA's credit risk.

Basis of Reporting and Results of Operations

IDA's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Generally, Investments, Borrowings, and Derivatives are reported at fair value in the Balance Sheets, with changes in fair value reported in the Statements of Income. Changes in IDA's own credit are reflected in Other Comprehensive Income. Concessional Partner Loans (CPLs), certain market debt, and IDA's loans are reported at amortized cost in the Balance Sheets. IDA's reporting currency is the U.S. dollar. IDA's functional currencies are the SDR and its component currencies of the U.S. dollar, euro, Japanese yen, pound sterling and Chinese renminbi. For the fiscal year ended June 30, 2026, IDA reported a net loss of $6,567 million.

Adjusted Net Income

Adjusted net Income reflects the economic results of IDA's operations and is used by IDA's management and the Board as a financial sustainability measure. In FY26, IDA's Adjusted Net Income was $291 million.

Equity

As of June 30, 2026, IDA's equity was $205.0 billion, an increase of $0.9 billion compared to the prior year. This increase was primarily due to subscriptions and contributions paid-in, partially offset by the net loss during the year and currency translation losses. As of June 30, 2026, IDA's equity included $335.0 billion of subscriptions and contributions committed, of which $299.8 billion had been paid in and $30.9 billion was yet to be received. IDA's equity also included $78.5 billion of accumulated deficit. The accumulated deficit primarily represents the impact of IDA's development grant activity and the HIPC and MDRI programs, which are compensated for by member contributions and recorded as subscriptions and contributions.

Assets

Loans – The largest component of IDA's assets is its loans outstanding. The net loans outstanding were $231.3 billion as of June 30, 2026. IDA's net commitments in FY26 were $30.8 billion. Out of the total net commitments, $22.1 billion were loan commitments, $0.8 billion were guarantee commitments and $7.9 billion were grant commitments. In fulfilling its mission, IDA makes concessional and non-concessional loans to the poorest countries.

Loans in nonaccrual status totaled 0.4% of IDA's loans outstanding. IDA's accumulated provision for losses on loans and other exposures was equivalent to 2.0% of the underlying exposures as of June 30, 2026.

Liquid Assets – IDA holds liquid investments to ensure that it can meet its financial commitments. As of June 30, 2026, IDA's liquid assets totaled $42.1 billion. Under IDA's Investment guidelines, aggregate liquid asset holdings are kept at or above a specified prudential minimum to safeguard against cash flow interruptions. The prudential minimum liquidity level is set at 80% of 24 months of projected net outflows. For FY26, the prudential minimum was $37.0 billion. As of June 30, 2026, IDA's liquid assets were 114% of the FY26 prudential minimum. On July 7, 2026, the Board approved a new approach to update the existing liquidity framework by setting IDA's Prudential Minimum level of liquidity at 100% of Management's estimates of 12 months of net projected disbursements and debt service for the upcoming fiscal year. The FY27 Prudential Minimum has been set at $31.0 billion.

Borrowings

Concessional Partner Loans (CPLs) – CPLs continue as a source of funding, whereby the borrowing terms of the concessional loans from members aim to follow the concessional features of IDA's loans. As of June 30, 2026, total borrowings from members were $7.0 billion.

Market Borrowings – As of June 30, 2026, market borrowings carried at fair value excluding the related derivatives were $45.5 billion compared to $45.1 billion as of June 30, 2025. The increase was primarily due to net new issuances during the year. Beginning in FY22, IDA started issuing long-term fixed rate bonds carried at amortized cost to fund its fixed rate loans. As of June 30, 2026, market borrowings carried at amortized cost were $22.2 billion, an increase of $4.0 billion compared to June 30, 2025.

Asset / Liability Management (ALM)

IDA has asset/liability management policies in place which are aimed at protecting its financial capacity, as measured by the capital adequacy framework. IDA uses derivatives, including currency and interest rate swaps, in connection with its operations in order to better manage balance sheet risks. The credit exposures on swaps are managed through specified credit-rating requirements for counterparties and through netting and collateralization arrangements. Since FY22, IDA's interim ALM policy allows, under specific criteria, funding fixed rate loans with long-term fixed rate market debt and CPL (both reported at amortized cost), as part of IDA's interest rate risk management to align the interest rate and maturities of the debt with those of the loan portfolio.

The above information is qualified by the detailed information and financial statements appearing elsewhere in this Information Statement.

SECTION I: OVERVIEW

Introduction

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

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

As one of the WBG entities, IDA's mission is to end extreme poverty and boost shared prosperity on a livable planet. Central to this mission is job creation, recognized as a key driver of sustainable development. The WBG's approach to job creation is anchored in three pillars in five high-impact sectors. The three pillars are: establishing critical infrastructure as a foundation for employment, fostering a business-enabling regulatory environment that sets clear, predictable and consistent policies and regulations, and mobilizing private capital to supplement public finance and catalyze investment at scale. The five sectors are: infrastructure and energy, smallholder agriculture and agribusiness, health, tourism, and value-added manufacturing. To achieve these ambitions, IDA is tailoring approaches to country-specific contexts, strengthening investor engagement, upskilling in key areas, and enhancing its capacity to manage both financial and non-financial risks. IDA is also deepening collaboration across the WBG through the Knowledge Bank, which unifies the expertise of the WBG across five verticals (People, Prosperity, Planet, Infrastructure, and Digital) to empower clients with integrated public and private sector solutions, accelerate thought leadership and innovation, and equip frontline staff with timely and actionable knowledge.

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

IDA Replenishment

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

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

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

Twenty-First Replenishment of Resources (IDA21)

IDA21 recognizes the need to help address the profound challenges faced by IDA countries and to support the world's poorest countries. IDA21 builds on earlier replenishment cycles, with the continuation of five focus areas: people, prosperity, infrastructure, digital transformation and planet, and four lenses that address priorities across these topics: gender, jobs, private investment, and fragility, conflict and violence (FCV). As part of IDA21, IDA's continued innovation has introduced hybrid capital and a portfolio guarantee platform as new instruments available for members to support IDA, where hybrid capital will enhance IDA's capital base and the portfolio guarantee platform will help reduce IDA's credit risk. IDA21 commenced on July 1, 2025, with a financing envelope of $99.9 billion planned over the three year replenishment period, through June 30, 2028.

As of December 10, 2025, IDA had received Instruments of Commitment (IoCs) of $14.9 billion representing more than 60% of the total member contributions for IDA21. Under the terms of IDA21, this triggered "effectiveness", upon which the full amount of IoCs received from members is recorded as receivables. See Notes to the Financial Statements for the year ended June 30, 2026, Note A - Summary of Significant Accounting and Related Policies, Members' Subscriptions and Contributions.

IDA Crisis Facility 2.0

On June 23, 2026, the Board of Governors adopted a resolution to establish IDA Crisis Facility 2.0, which is built on the original IDA Crisis Facility created in July 2023. IDA Crisis Facility 2.0 is designed to provide proactive, flexible, and timely multilateral response to crises, based on donor willingness and ability to provide new resources. IDA Crisis Facility 2.0 will be open for new voluntary member contributions carrying no voting rights from July 1, 2026 to June 30, 2030.

In view of available resources and capabilities for IDA client countries, and in response to donor requests, the first program under IDA Crisis Facility 2.0 is the Special Program for Ukraine Recovery 2.0, which has been set up to provide additional financing to Ukraine in support of its early reconstruction and recovery efforts. Crisis Facility 2.0, would readily accommodate other new special programs should members decide there is a need and subject to the approval of the Board of Executive Directors (referred to as "the Board" in this document).

Financial Business Model

IDA has financed its operations over the years with its own equity, including regular additions to equity provided by member countries as part of the replenishment process. As a result of the strong support of member countries, IDA has built up a substantial equity base of $205.0 billion as of June 30, 2026. Since FY18, IDA has shifted to a hybrid financial model by introducing market debt into its business model. By prudently leveraging its equity and blending market debt with equity contributions from members, IDA has increased its financial efficiency, and scaled up its financing to support the escalating demand for its resources to deliver on the following priorities:

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

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

Basis of Reporting

Reported Basis

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

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

Non-GAAP Measures

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

Adjusted Net Income

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

See Section IV: Financial Results and Table 8, for details of the adjustments to reported net income to calculate ANI.

Deployable Strategic Capital Ratio

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

See Section IX: Risk Management and Table 23 for more details of the DSC.

Budget Anchor Ratio

The budget anchor is an efficiency metric to monitor the coverage of IDA's net administrative expenses by its loan revenue, net of associated borrowing expenses.

See Section IV: Financial Results and Table 10 for more details of the budget anchor ratio.

SECTION II: EXECUTIVE SUMMARY

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

Table 1: Selected Financial Data

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

	As of and for the fiscal year ended June 30,		
	2026	*2025*	*2024*
Lending Highlights (Sections IV & V)			
Loans, Grants and Guarantees			
Net commitments [a]	$ 30,774	$ 39,866	$ 31,195
Gross disbursements [a]	29,716	33,123	28,247
Net disbursements [a]	20,207	24,257	20,062
Balance Sheet (Section IV)			
Total assets	$ 284,507	$ 280,869	$ 241,350
Investments [b]	42,889	47,272	34,377
Net loans outstanding	231,310	223,232	198,457
Borrowings [b]	74,733	70,832	44,923
Total equity	205,033	204,171	190,301
Income Statement (Section IV)			
Interest revenue, net of borrowing expenses	$ 2,245	$ 2,366	$ 2,398
Transfers from affiliated organizations	1,387	515	291
Development grants	(9,183)	(7,200)	(5,291)
Net loss	(6,567)	(5,524)	(3,573)
Non-GAAP Measures			
Adjusted Net Income (Section IV) [c]	$ 291	$ 427	$ 780
Deployable Strategic Capital Ratio (Section IX)			
Current Approach [d]	30.7 %	30.8 %	34.8 %
Previous Approach	N/A	N/A	21.1 %

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

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

c. For adjustments relating to adjusted net income, See Table 8 in Section IV: Financial Results.

d. Since June 30, 2024, the ratio has been calculated using an enhanced Board-approved methodology. See Section IX: Risk Management.

Summary of Financial Results

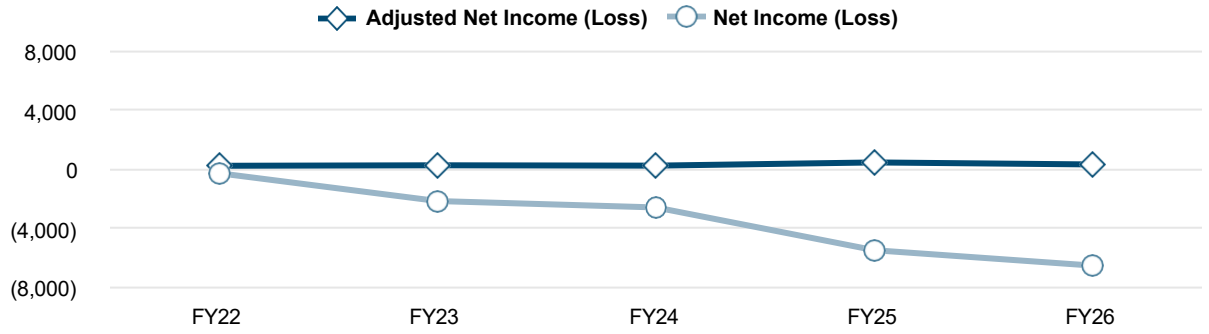
Net Loss

IDA recorded a net loss of $6,567 million for the fiscal year ended June 30, 2026, compared with a net loss of $5,524 million for the fiscal year ended June 30, 2025. The higher net loss in FY26 was primarily driven by higher development grant expenses of $1,983 million and borrowing expenses of $296 million, partially offset by higher transfers from affiliated organizations of $872 million and higher net loan interest revenue of $265 million (Section IV).

Adjusted Net Income

For the fiscal year ended June 30, 2026, IDA's adjusted net income was $291 million, compared with $427 million for the fiscal year ended June 30, 2025. The decrease was primarily due to the higher borrowing expenses (excluding CPL amortization) of $295 million and lower net investment revenue of $178 million, partially offset by the higher net loan interest revenue of $265 million and lower provision for losses on loans and other exposures of $132 million (Section IV).

In millions of U.S. dollars



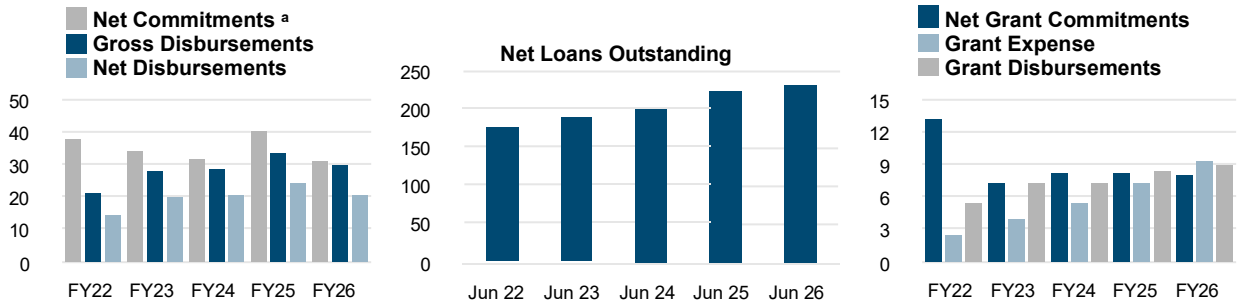
Loans, Grants and Guarantees

IDA's net commitments in FY26 were $30.8 billion, $9.1 billion lower than FY25. Out of the total net commitments, $22.1 billion were loan commitments, $0.8 billion were guarantee commitments and $7.9 billion were grant commitments (See Table 13 and Table 14).

IDA's net loans outstanding increased by $8.1 billion to $231.3 billion as of June 30, 2026, from $223.2 billion as of June 30, 2025 (Section IV).

Development grant expenses were $9.2 billion in FY26 compared to $7.2 billion in FY25 due to higher conditional grants that met the conditions for expense recognition during the year.

In billions of U.S. dollars



a. Includes loans, grants and guarantees.

Other development activities - Private Capital Mobilization (PCM)

PCM commitments reflect the assessed amount of private financial resources committed alongside IDA’s commitments, whether through financing, guarantees or technical assistance.

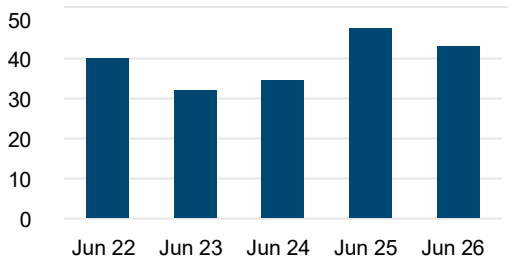
PCM is included in the WBG's scorecard and is in accordance with the methodology harmonized across Multilateral Development Banks and European Development Financial Institutions. Amounts mobilized are generally not recorded as IDA’s financial transactions. PCM was $7,285 million in FY26 compared to $6,310 million in FY25.

Investments

As of June 30, 2026, investments were $42.9 billion, compared with $47.3 billion as of June 30, 2025. The decrease was due to net loan and grant disbursements and liquidity needs during the year (Section VII).

In billions of U.S. dollars

Investments



Borrowings

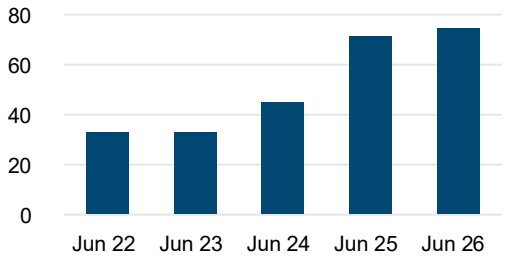
Market borrowings at fair value: As of June 30, 2026, the market borrowings at fair value were $45.5 billion, an increase of $0.4 billion from June 30, 2025, primarily due to net new debt issuances of $0.7 billion during the year.

Market borrowings at amortized cost: As of June 30, 2026, the market borrowings reported at amortized cost were $22.2 billion, an increase of $4.0 billion from June 30, 2025, primarily due to net new debt issuances of $4.6 billion during the year.

Concessional Partner Loans (CPLs) at amortized cost: As of June 30, 2026, CPLs at amortized cost were $7.0 billion, a decrease of $0.6 billion from June 30, 2025 (Section VIII).

In billions of U.S. dollars

Borrowings



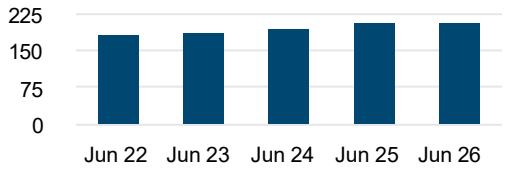
Total Equity and Capital Adequacy

As of June 30, 2026, IDA's total equity was $205.0 billion, an increase of $0.9 billion from June 30, 2025. The increase was primarily due to subscriptions and contributions paid-in during the year. This was partially offset by the net loss during the year and currency translation losses as the Special Drawing Rights (SDR) depreciated against the U.S dollar (Section IV).

The Deployable Strategic Capital (DSC) ratio, IDA's main capital adequacy measure, was 30.7% as of June 30, 2026, above the zero percent policy minimum (Section IX).

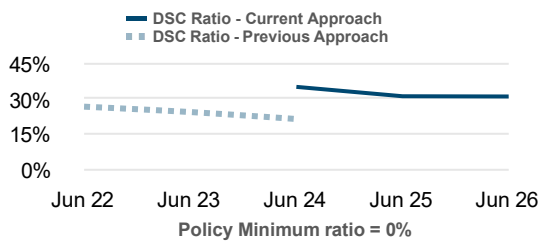
In billions of U.S. dollars

Total Equity



Ratio in percentages

Deployable Strategic Capital Ratio



SECTION III: IDA's FINANCIAL RESOURCES

IDA finances its operations mainly with its own equity, including regular additions to equity through members' subscriptions and contributions as part of the replenishment process. Members' subscriptions and contributions receivable for each replenishment are settled through payment of cash or deposit of nonnegotiable, noninterest-bearing demand notes which become due throughout the replenishment period, generally three years. The notes are encashed by IDA on a pro rata basis over a 9 to 11-year period which generally corresponds with the disbursement period of the loans and grants.

See Box 1 for countries that are eligible to borrow from IDA on concessional terms as of June 30, 2026.

Box 1: Countries Eligible to Borrow from IDA on Concessional terms

IDA eligible countries	**IDA-only**	**43** countries that (a) have not exceeded the IDA operational cut-off GNI per capita for more than two consecutive years; and (b) are not creditworthy to borrow from IBRD. This includes: **13** Small States that have per capita incomes above the IDA operational cut-off for more than two consecutive years, but that have been granted the status of an "IDA-only Country" under the Small States Exception (SSE) [a]. **1** country with loans in nonaccrual status, which was classified as "IDA-only" at the time they went into nonaccrual. IDA financing terms will be determined when the country reengages with IDA.
	Gap	**15** countries that are (a) determined by IDA to be eligible for IDA financing; (b) determined by IDA to have a GNI per capita that has exceeded the cut-off for IDA eligibility for more than two consecutive years; and (c) not currently determined by IBRD to be creditworthy to borrow from IBRD. This includes **1** Small State.
	Blend	**18** countries that are determined: (a) by IDA to be eligible for IDA financing; and (b) by IBRD to be creditworthy to borrow from IBRD. This includes **10** Small States under the SSE. **1** country with loans in nonaccrual status, which was classified as "Blend" at the time it went into nonaccrual. IDA financing terms will be determined when the country reengages with IDA.

a. Small States are countries with a population of 1.5 million people or fewer. A small state classified as an IDA-only country, Gap country or a Blend country is eligible for the SSE if its GNI per capita is above the IDA Operational cut-off but below the high income threshold.

IDA21 Funding

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

Allocation of IDA21 Resources

Eligibility for IDA's resources is determined primarily by a member's relative poverty. Relative poverty is defined as Gross National Income (GNI) per capita below an established threshold that is updated annually. For FY27, the threshold is $1,365 (FY26: $1,325).

See Table 2 for the proposed allocation of IDA21 resources.

Table 2: Allocation of IDA21 resources

In billions of U.S. dollars

Proposed Allocation	USD Equivalent
Concessional financing of which	**$ 89.7**
Country Allocation Envelope	67.1
IDA Concessional Windows	22.6
Non-concessional financing of which	**10.2**
Non-concessional Scale-Up Window	7.0
Private Sector Window	3.2
Total Proposed Allocation	**$ 99.9**

Table 3: Cumulative Net Commitments under IDA21

In millions of U.S. dollars

As of June 30, 2026	Loans and Guarantees	Grants	Total
Concessional financing			
IDA Country Allocations	$ 17,386	$ 5,081	$ 22,467
IDA Concessional Windows			
Global and Regional Opportunities Window [a]	2,368	2,354	4,722
of which: Window for Host Communities and Refugees [a]	78	418	496
Crisis Response Window	88	467	555
Scale-up Window – Shorter-Maturity Loans	971	—	971
Non-concessional financing including Scale-up Window	2,059	—	2,059
Total Cumulative Net Commitments [b]	**$ 22,872**	**$ 7,902**	**$ 30,774**

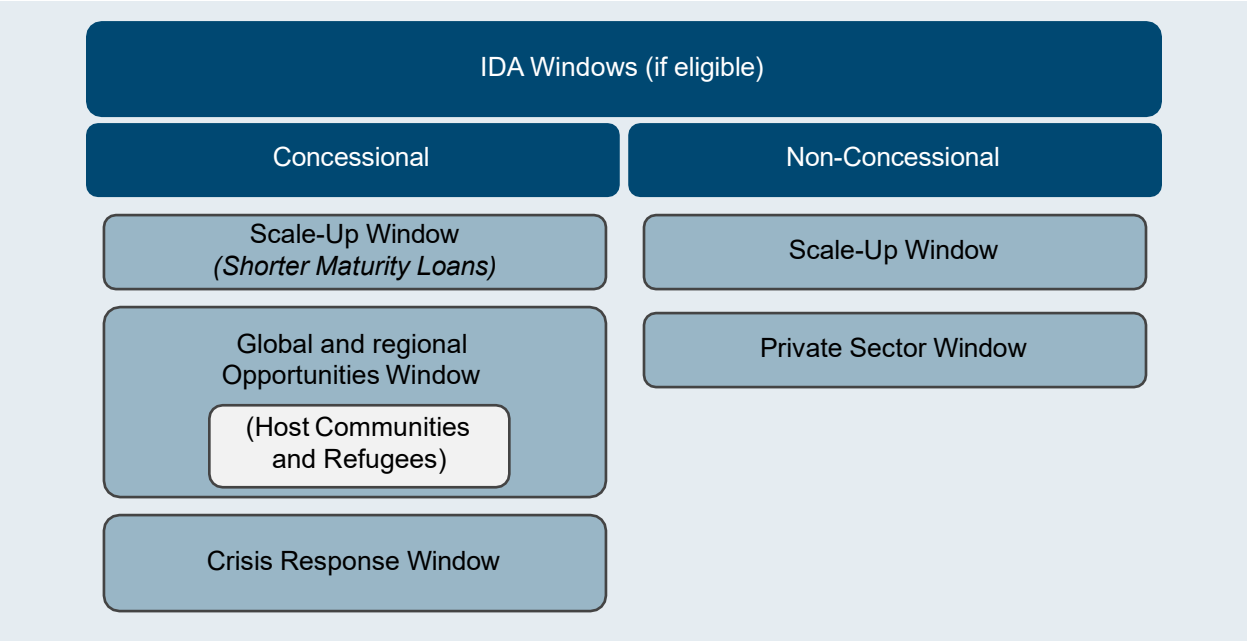
a. Host Communities and Refugees (WHR) is a sub-window under the Global and Regional Opportunities Window.

b. Commitments are net of full cancellations and terminations relating to commitments approved in the same fiscal year. Excludes IDA-IFC-MIGA Private Sector Window (PSW) gross commitments.

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

IDA responds to specific needs of its members through the following five IDA Windows:

Figure 1: IDA21 Windows



Allocation - Performance Based Allocation (PBA) System

IDA's resources are allocated to eligible members, using its PBA system and the allocation framework agreed during each replenishment. These allocations depend on several factors: the overall availability of IDA's resources, individual country needs, their policy performance and institutional capacity, and each country's performance relative to others. The PBA system is designed to provide resources where they are likely to be most helpful in reducing poverty.

Under the PBA, the main factor that determines the allocation of IDA's core concessional resources among eligible countries is their performance in the Country Policy and Institutional Assessment (CPIA). The CPIA reflects the results of an exercise that rates eligible countries against a set of criteria including economic management; structural policies; policies for social inclusion and equity; and public-sector management and institutions. The CPIA and portfolio performance together constitute the IDA Country Performance Rating (CPR). In addition to the CPR, population, and per capita income are factored into a country's allocation, along with the annual base allocation (SDR15 million per country). In addition, country allocations provide the FCV envelope to enhance support for eligible countries facing different FCV risks. The SDFP offers a positive incentive-driven approach to encourage countries to pursue sustainable borrowing and investment practices, replacing the set-aside mechanism of previous IDA cycles. A new Grant Facility for Project Preparation Envelope (IDA-GFPP) provides resources to support IDA21's focus on building client capacity for delivery.

In recognition of the change in IDA's business model starting in IDA18, and to ensure that its lending decisions are compatible with the capital adequacy requirements of a triple-A rating, the allocation framework for IDA21 continues to be aligned with the Single Borrower Limit (SBL) and capital adequacy requirements under the DSC Framework, see Section IX: Risk Management.

Concessional Financing

Concessional financing is provided in the form of loans, grants and guarantees. Eligibility and percentage of allocation for grants for IDA-only countries is based on an assessment of the country's risk of debt

distress. IDA-only countries (including Small States[3]) with high risk or in debt distress, receive their IDA assistance in grants. IDA-only Small States at moderate risk of debt distress continue to receive half of their IDA21 allocation in grants and half in loans. The annual cap on grants in country allocations has been reduced from $1.0 billion in the Twentieth Replenishment of Resources (IDA20) to $650 million in IDA21.

New financing terms have been introduced in IDA21 to simplify the terms of financing used by each country and to allow for additional financing for select groups of eligible countries. Figure 2 below provides details of the new financing terms being offered in IDA21.

In addition, Gap and Blend countries that select floating rate loans from IDA will be offered hedging services to mitigate risks associated with fluctuation in market interest rates. These changes will not apply to IDA eligible Small States, which will continue to borrow on Small States terms as in the past replenishments.

Figure 2: IDA21 Financing Terms for Country Allocation

Lending Group		Financing Terms	
	Risk of External Debt Distress	**Non-Small States**	**Small States**
IDA-only Countries	High Risk or in Debt Distress	Grants (with volume discount)	Grants
	Moderate Risk	40-yr loans (11-yr grace, 0% interest or service charge)	50% grants 50% 40-yr loans (10-yr grace, 0.75% SDR service charge)
	Low Risk	31-yr loans (6-yr grace, 0.75% SDR service charge)	40-yr loans (10-yr grace, 0.75% SDR service charge)
Gap and Blend Countries	High Risk or in Debt Distress	25-yr loans (5-yr grace, Fixed interest SDR rate of 1.5%)	40-yr loans (10-yr grace, 0.75% SDR service charge)
	Moderate Risk	25-yr loans (5-yr grace, Floating interest rate of IBRD Group A pricing minus 2.5%)	
	Low Risk		

Country Allocation Envelope

The country allocation envelope represents $67.1 billion of the IDA21 resource envelope. Country allocations are comprised of the PBA, which takes into account the CPR, population size and per capita income, the SDFP Incentive, the FCV Envelope, and the IDA-GFPP.

IDA Concessional Windows

IDA Concessional Windows allow IDA to respond to specific needs of its members. In IDA21, $22.6 billion of the IDA21 resource envelope will be used to fund the following:

- $3.0 billion of Concessional Scale-up Window (SUW) – Shorter Maturity Loans.
- $15.9 billion of Global and Regional Opportunities Window (GROW), including $2.4 billion for the sub-window for Host Communities and Refugees (WHR).
- $3.7 billion of Crisis Response Window.

Global and Regional Opportunities Window (GROW)

IDA21 establishes the new GROW to scale up action on priority global and regional challenges. GROW replaces the former Regional Window and integrates a dedicated sub-window for the Window for Host Communities and Refugees (WHR) in a single, fully concessional window. GROW offers low-income countries additional resources on concessional terms, same as the ones in the country allocation, to help

[3] *Small States are countries with a population of 1.5 million people or fewer. Small Island Economies are a sub-set of this broader category.*

these countries address policy priorities with cross-border externalities. IDA fosters regional integration by playing three overlapping roles:

- Supporting an enabling environment through advisory and analytical work;
- Financing projects through policy and investment loans; and
- Convening state and nonstate actors for coordination and collective actions.

Window for Host Communities and Refugees (WHR)

In IDA21, WHR is a sub-window under GROW and will continue to support operations that promote medium-to long-term development opportunities for refugee and host communities in IDA countries. The purpose of the WHR is to support refugee hosting countries to:

- create social and economic development opportunities for refugee and host communities;
- facilitate solutions that include sustainable socio-economic inclusion of refugees in the host country and/or their return to the country of origin; and
- strengthen country preparedness for increased or potential new refugee flow.

Crisis Response Window (CRW)

The primary objective of the CRW is to provide IDA countries with additional resources that will help them to respond to major natural disasters, or public health emergencies and severe economic crises so that they can return to their long-term development paths. This $3.7 billion window under the IDA21 resource envelope includes an allocation of up to $1.0 billion under the CRW Early Response Financing (ERF) to enable IDA countries to intervene earlier in response to slower-onset crises, namely disease outbreaks and food insecurity.

Concessional Scale-up Window – Shorter Maturity Loans (SUW-SML)

The Shorter Maturity Loans under the Scale-up Window will provide additional concessional resources with an allocation of $3.0 billion in eligible countries i.e., IDA-only countries at low or moderate risk of debt distress, as well as Gap and Blend countries (except Small States that are at high risk or in debt distress).

Non-Concessional Financing

Non-Concessional financing comprises loans and guarantees whose terms are aligned with those of IBRD's flexible loans and guarantees. Under the IDA21 resource envelope, $7.0 billion of resources have been allocated to non-concessional financing which entirely relates to the regular Scale-up Window.

Non-Concessional Scale-up Window: The Non-Concessional Scale-up Window is a window of resources established to enhance support for high-quality, transformational, country-specific and/or regional operations with strong development impact. Allocation of Non-Concessional Scale-up Window resources to the regions will broadly conform to the allocations under the PBA, excluding countries at a high risk of debt distress. Allocations are balanced between IDA-only and Blend countries to avoid countries from having a concentration of Non-Concessional Scale-up Window resources. Implementation arrangements will prioritize a country's ability to absorb resources and the proposed projects' alignment with IDA21 policy priorities and the debt-related Sustainable Development Finance Policy.

Private Sector Window (PSW)

The IDA-IFC-MIGA Private Sector Window was created under IDA18 to mobilize private sector investment in IDA-eligible countries and IDA-eligible Fragile and Conflict-affected Situations. Under IDA21, $3.2 billion has been allocated to PSW, including $500 million capital set aside by IFC. During FY26, $564 million was committed under the IDA21 PSW envelope, including $92 million under IFC's capital set-aside.

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

Arrears Clearance Framework

IDA has a policy of not providing additional financing to borrowers who are overdue on their payments to IDA or IBRD. However, IDA may engage with these countries under limited and clearly defined circumstances. IDA's arrears clearance framework sets out these circumstances, including (i) pre-arrears clearance grants; and (ii) the arrears clearance set-aside, that can only be financed under the arrears clearance operations. In IDA21, no allocation was set aside towards arrears clearance to support the possible reengagement of IDA countries that are currently in arrears. However, during the IDA21 period, should meaningful progress arise in any country in arrears, a reallocation discussion with IDA members will be initiated.

i. Pre-Arrears Clearance Grants (PACG)

The PACG mechanism enables IDA to engage early in support of a government undertaking convincing reforms. This was first introduced in IDA12 to be used to finance high priority activities related to the preparation of a program of social and economic recovery and to build resilience until the arrears are fully cleared. Conditions constituting this framework include indications that:

- early performance is promising as evidenced by the recipient country having taken convincing steps towards social and economic recovery.
- arrears to IDA and/or IBRD are large and protracted and cannot be easily or quickly cleared using domestic resources.
- a concerted international effort to provide positive financial flows and other assistance is underway, and other creditors have agreed not to make net withdrawals of financial resources from the country.
- alternative sources of financing for post-conflict recovery are inadequate or available only on inappropriate terms; and
- Pari passu sharing arrangements are in place between preferred creditors, for any payments made by the country in advance of arrears clearance.

The PACG program has met its objectives with each of the prior PACG recipients successfully clearing all their arrears to IDA. Prior PACG recipients are Democratic Republic of the Congo, Cote d'Ivoire, Afghanistan, Liberia, Myanmar, Federal Republic of Somalia, and Sudan for a total of $802 million between FY01 and FY26.

ii. Arrears Clearance Set-Aside

The Arrears Clearance Set-Aside (ACSA) forms part of IDA's overall financing commitments. It is financed by additional member contributions under the replenishments. IDA members agreed to ring-fence arrears clearance support to IDA countries that were in arrears as of December 31, 2006 and meet a very narrow and well-defined set of criteria– see below, including eligibility for support under the Heavily Indebted Poor Countries (HIPC) debt initiative. Amounts were set aside within the IDA replenishment so that when circumstances allow, IDA would be able to help countries clear arrears and fully re-engage with the World Bank.

To be considered for any arrears clearance support, the country would need to meet the following criteria:

- be eligible for HIPC debt relief;
- agree to implement a medium-term growth-oriented reform program endorsed by the World Bank;
- ensure a sustainable macro and sustainable debt service after arrears clearance;
- agree on a stabilization program endorsed by the International Monetary Fund (IMF) management and monitored by IMF staff or supported by an IMF arrangement; and
- agree to a financing plan for full clearance of arrears, including normalization with other Multilateral Development Banks (MDBs).

In addition, to receive support for arrears clearance, project proposals should meet re-engagement criteria based on facts and circumstances of each case.

SECTION IV: FINANCIAL RESULTS

Financial Results and Portfolio Performance

Table 4: Condensed Balance Sheets

In millions of U.S. dollars

As of June 30,	*2026*	*2025*	*Decrease*	*Increase*
Assets				
Due from banks	$ 544	$ 1,215	(671)	
Investments	42,889	47,272	(4,383)	
Net Loans Outstanding [a]	231,310	223,232		8,078
Derivative assets, net	907	415		492
Other assets	8,857	8,735		122
Total assets	**$ 284,507**	**$ 280,869**		3,638
Liabilities				
Borrowings	$ 74,733	$ 70,832		3,901
Derivative liabilities, net	137	496	(359)	
Other liabilities	4,604	5,370	(766)	
Total Equity	205,033	204,171		862
Total liabilities and equity	**284,507**	**$ 280,869**		3,638

a. The fair value of IDA's loans was $178,991 million as of June 30, 2026 ($172,530 million – June 30, 2025).

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

- The decrease in investments was due to net loan disbursements and liquidity needs;
- The increase in net loans outstanding was due to net loan disbursements of $11.3 billion during the year, partially offset by translation losses due to the depreciation of the SDR against the U.S. dollar;
- The increase in borrowings was due to net new issuances of $5.3 billion during the year.

Total Equity

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

Table 5: Change in Total Equity

In millions of U.S dollars	
Total equity as of June 30, 2025	$ 204,171
Activity during the year:	
Subscriptions and contributions paid-in	8,109
Nonnegotiable non-interest bearing demand obligations, net	1,695
Net Loss	(6,567)
Total changes in accumulated other comprehensive loss	(2,375)
Total Activity	862
Total equity as of June 30, 2026	**$ 205,033**

Net Income

IDA had a net loss of $6,567 million in FY26 compared with a net loss of $5,524 million in FY25 (Table 6). The higher net loss in FY26 was primarily driven by higher development grant expenses of $1,983 million and borrowing expenses of $296 million, partially offset by higher transfers from affiliated organizations of $872 million and higher net loan interest revenue of $265 million.

Table 6: Condensed Statements of Income

In millions of U.S. dollars

For the fiscal year ended June 30,	*2026*	*2025*	*Impact on Income* *Decrease*	*Increase*
Interest Revenue				
Loans, net	$ 3,286	$ 3,021		265
Investments, net	1,468	1,559	(91)	
Asset/liability management derivatives, net	79	78		1
Borrowing expenses, net	(2,588)	(2,292)	(296)	
Interest Revenue, net of borrowing expenses	**$ 2,245**	**$ 2,366**	(121)	
Provision for losses on loans and other exposures	(261)	(358)		97
Non-interest revenue				
Revenue from externally funded activities (Table 9)	1,102	1,098		4
Commitment charges	18	23	(5)	
Other	54	36		18
Non-interest expenses				
Administrative (Table 9)	(2,638)	(2,737)		99
Contribution to special programs (Table 9)	(20)	(20)		—
Other	(8)	—	(8)	
Transfers from affiliated organizations	1,387	515		872
Development grants	(9,183)	(7,200)	(1,983)	
Currency remeasurement (losses) gains, net	119	(57)		176
Mark-to-market gains on trading securities, net [a]	319	340	(21)	
Unrealized mark-to-market gains on non-trading portfolios, net (Table 12)	299	470	(171)	
Net Loss	**$(6,567)**	**$(5,524)**	(1,043)	

a. Includes IDA's share of returns from Post-Employment Benefit Plan (PEBP), Post-Retirement Contribution Reserve Fund (PCRF) assets - $174 million positive return (FY25 - $130 million positive return), and unrealized mark-to-market gains from assets held by the Trust Fund for Gaza and West Bank of $17 million (FY25 – Nil).

Adjusted Net Income

Adjusted Net Income, a non-GAAP measure, reflects the economic results of IDA's operations and is used by IDA's management and the Board as a financial sustainability measure. See Table 7 below for the components of Adjusted Net Income.

Table 7: Statement of Adjusted Net Income (Non-GAAP Measure)

In millions of U.S. dollar

For the fiscal year ended June 30,	*2026*	*2025*	*Decrease*	*Increase*
Interest Revenue				
Loans, net	$ 3,286	$ 3,021		265
Investments, net [a]	1,569	1,747	(178)	
Asset/liability management derivatives, net	79	78		1
Borrowing expenses, net [b]	(2,495)	(2,200)	(295)	
Interest Revenue, net of borrowing expenses	**$ 2,439**	**$ 2,646**	(207)	
Provision for losses on loans and other exposures [c]	(284)	(416)		132
Non-interest expenses (Table 9)	(1,924)	(1,846)	(78)	
Other revenue, net (Table 11)	60	43		17
Adjusted Net Income	**$ 291**	**$ 427**	(136)	

a. Excludes income from the Post-Employment Benefit Plan (PEBP) and Post-Retirement Contribution Reserve Fund (PCRF) assets - $201 million positive return (FY25 - $152 million positive return), and unrealized mark-to-market gains of $17 million from assets held by the TFGWB.

b. Excludes amortization of discount on CPLs - $93 million (FY25 - $92 million).

c. Excludes release of provision for Heavily Indebted Poor Countries (HIPC) / Multilateral Debt Relief Initiative (MDRI) - $25 million release (FY25 - $57 million release) and charge of provision for grants - $2 million (FY25 - $1 million).

IDA's adjusted net income was $291 million in FY26, compared with adjusted net income of $427 million in FY25 (Table 7). The decrease was primarily driven by the following factors:

- An increase of $295 million in borrowing expenses, mainly due to the higher average balance of borrowings outstanding in FY26 compared to FY25;
- A decrease of $178 million in net investments revenue, primarily driven by net mark-to-market losses from EUR denominated bonds in FY26 compared to FY25;
- An increase of $78 million in net non-interest expenses, mainly driven by higher staff costs and expenses for premises and equipment,

partially offset by:

- An increase of $265 million in net interest revenue from loans due to the increase in the average loan balance in FY26 by $18.4 billion from FY25;
- A decrease of $132 million in provision for losses on loans and other exposures, primarily due to the impact from rating changes.

Table 8: Reconciliation of Net Income to Adjusted Net Income

In millions of U.S. dollars

For the fiscal year ended June 30,	*2026*	*2025*
Net Loss (Table 6)	**$ (6,567)**	**$ (5,524)**
Adjustments to reconcile Net (Loss) Income to Adjusted Net Income:		
Activities directly funded by member contributions [a]	9,244	7,206
Transfers from affiliated organizations	(1,387)	(515)
Currency remeasurement losses (gains), net	(119)	57
Unrealized mark-to-market gains on non-trading portfolios, net [b]	(294)	(457)
Income from PEBP and PCRF Investments (Table 7)	(201)	(152)
Pension Adjustment	(370)	(191)
Externally Financed Outputs (EFO), Reserves Advisory Management Program (RAMP) and other Adjustments [c]	(15)	3
Adjusted Net Income	**$ 291**	**$ 427**

a. Includes development grants of $9,183 million (FY25 - $7,200 million)

b. Excludes $5 million of gains from revenue-related forward currency contracts and loan-related derivatives (FY25 – $13 million of gains).

c. Includes EFO income subject to contractual donor restrictions and transferred to Restricted Retained Earnings; RAMP-related revenue and expenses excluded under a Board-approved framework to ensure use solely for program delivery, if any; and unrealized mark-to-market gains from assets held by the Trust Fund for Gaza and West Bank.

Adjusted Net Income is defined as IDA's net income, adjusted for the following items (see Table 8 above).

Adjustments to Net (Loss) Income to arrive at Adjusted Net Income:

- *Activities directly funded by member contributions:* These are mainly comprised of development grants, provision for HIPC / MDRI debt relief, and amortization of discounts on CPLs. For financial reporting, these activities are treated as expenses, while contributions from members which finance these activities, are reflected directly in IDA's equity. These expenses are excluded from net income to arrive at adjusted net income.
- *Transfers from affiliated organizations:* These are mainly comprised of contributions from IBRD, IFC and other contributions from trust funds. These are intended to finance development activities similar to member contributions but are not directly included in equity as they do not carry voting rights, and are excluded from net income to arrive at adjusted net income.
- *Currency remeasurement losses (gains), net:* These represent unrealized exchange rate gains/losses resulting from the translation of loans, borrowings, development grants payable and all other assets and liabilities still held on IDA's Balance Sheet that are denominated in currencies other than the component currencies of SDR. They are excluded from net income to arrive at adjusted net income.
- *Unrealized mark-to-market gains/losses on non-trading portfolios, net:* These are mainly comprised of unrealized mark-to-market gains and losses on the asset/liability management (ALM), borrowing, and non-trading investment portfolios. For the purpose of ANI, the result of loan revenue hedges is not part of the adjustment related to unrealized mark-to-market gains/losses on non-trading portfolio since the objective of the loan revenue hedges is to stabilize IDA's revenue against any currency risk.
- *Pension, Post-Employment Benefit Plan (PEBP) and Post-Retirement Contribution Reserve (PCRF) adjustments:* While IDA is not a participating sponsor to these benefit plans, IDA shares in the costs and reimburses IBRD for its proportionate share of any contributions made to these plans by IBRD, as part of a Board-approved cost sharing ratio. The Pension adjustment reflects the difference between IDA's share of cash contributions to both the pension plans and PCRF, and the accounting expense, as well as the investment revenue earned on those assets related to the PEBP and PCRF. The PCRF was established by the Board to stabilize contributions to the pension and post-retirement benefits plans. Management has designated the income from these assets to meet the needs of the

pension plans. As a result, PEBP and PCRF investment revenue is excluded from adjusted net income.

- *Other Adjustments:*
  i. Under certain arrangements (such as EFOs), IDA receives a share of the revenue earned from agreements with donors under which funds received are to be used to finance specified outputs or services. These funds may be utilized only for the purposes specified in the agreements and are therefore considered contractually restricted until applied for these purposes. Income attributable to these arrangements is excluded from reported income when determining adjusted net income since there is no discretion about the use of these funds.
  ii. Under the Board-approved framework, RAMP fees are dedicated for the purpose of providing technical assistance and asset management services to external clients. Due to the potential timing mismatch between fee revenue (recognized as earned) and program expenditures (recognized as incurred), fees earned in a given fiscal year may be used to provide services in a future fiscal year. To ensure that RAMP revenues are only used for the delivery of RAMP services, and not allocated for other purposes, any difference between fee revenue and expenses from RAMP included in reported net income is excluded to arrive at adjusted net income.
  iii. The balances and financial results of the Trust Fund for Gaza and West Bank (TFGWB), administered by IDA, have been included in IDA's financial statements on the basis of IDA's control over the Trust Fund's activities. These include undisbursed funds in this Trust Fund that were invested in an investment pool and recorded at fair value, which are reflected in IDA's Investment-Trading portfolio, along with the associated unrealized mark-to-market gains/losses on this portfolio, which are included in unrealized mark-to-market gains/losses on trading portfolios on IDA's Statements of Income. For FY26, these unrealized mark-to-market gains on the Investments-Trading portfolio ($17 million), have been excluded to arrive at IDA's Adjusted Net Income.

Results from Financing Activities

Loan Portfolio and Grant Activity

As of June 30, 2026, net loans outstanding were $231.3 billion, $8.1 billion higher compared with June 30, 2025. The increase was mainly due to net loan disbursements of $11.3 billion during the year partially offset by translation losses of $3.0 billion due to the depreciation of the SDR against the U.S. dollar. The undisbursed balance for loan and grant commitments were $79.6 billion and $24.8 billion, respectively as of June 30, 2026.

As of June 30, 2026, 71% of IDA's total loans outstanding were denominated in the SDR. For the regional presentation of total loans outstanding, see Notes to the Financial Statements for the year ended June 30, 2026, Note D – Loans and Other Exposures – Table D7.

Figure 3: Net Loans Outstanding Activity

In billions of U.S. dollars

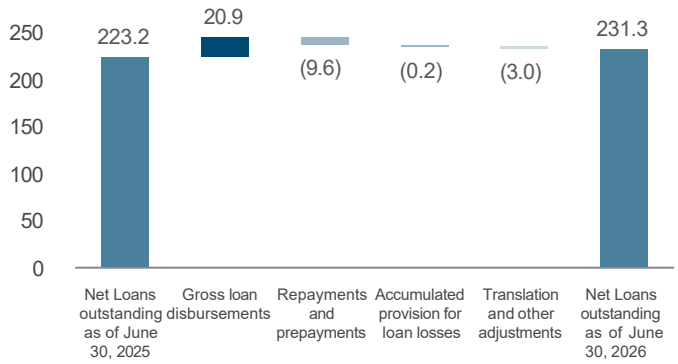
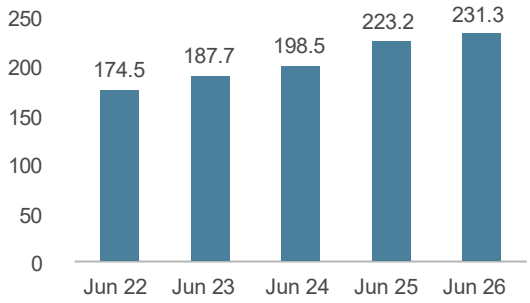


Figure 4: Net Loans Outstanding

In billions of U.S. dollars



Provision for losses on loans and other exposures

In FY26, IDA recorded a provision for losses on loans and other exposures of $261 million compared to a provision of $358 million in FY25 (see Notes to the Financial Statements for the year ended June 30, 2026, Note D – Loans and Other Exposures – Table D6). The decrease in provision in FY26 compared to FY25, was primarily due to the impact of rating changes in FY25. The assumptions are reassessed quarterly. For adjusted net income purposes, the provision for losses on loans and other exposures excludes the provision for debt relief under Heavily Indebted Poor Countries (HIPC) / Multilateral Debt Relief Initiative (MDRI) and the provision for grant advances, since these are funded by contributions from members.

Results from Investing Activities

Interest revenue from investments, net

During FY26, IDA's net interest revenue from investments was $1,468 million (including derivatives), a decrease of $91 million compared with FY25. The decrease in interest revenue was mainly driven by decrease in short-term interest rates, partially offset by the higher average investment balance in FY26 of $6.9 billion from FY25.

Investments

IDA's investments totaled $42.9 billion as of June 30, 2026 compared to $47.3 billion as of June 30, 2025. The decrease was due to higher net loan and grant disbursements partially offset by new debt issuances during the year. See Notes to the Financial Statements for the year ended June 30, 2026, Note C - Investments.

Figure 5: Investment Interest Revenue, Net of Derivatives

In millions of U.S. dollar

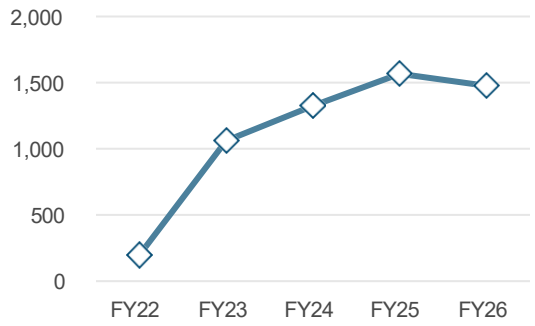
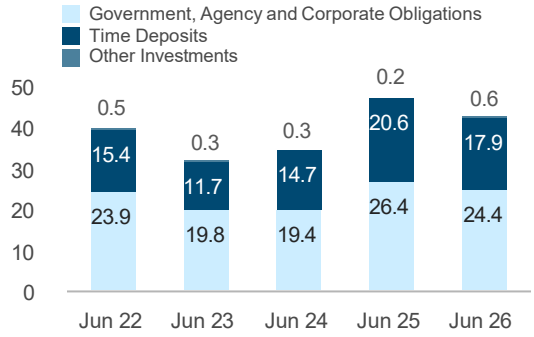


Figure 6: Investments

In billions of U.S. dollars



Unrealized mark-to-market gains (losses) on investments-trading portfolio, net

During FY26, IDA's investments-trading portfolio, excluding IDA's share of returns from the PEBP, PCRF, and unrealized mark-to-market gains from assets held by the TFGWB, had unrealized mark-to-market gains of $128 million, compared to $210 million of unrealized mark-to-market gains in FY25. The decrease in unrealized mark-to-market gains on the investments-trading portfolio was mainly driven by the unrealized mark-to-market losses from the EUR denominated bonds in FY26. There was an increase in yields for the EUR denominated bonds in FY26, compared to a decrease in yields for these bonds in FY25.

Results from Borrowing Activities

Borrowing Expenses

In FY26, IDA's borrowing expenses, including related derivatives, were $2.6 billion, an increase of $0.3 billion compared with FY25. The increase in borrowing expenses was primarily due to the higher average balance in FY26 compared to FY25.

Borrowings

Market Borrowings Reported at Fair Value:

As of June 30, 2026, the value of the market borrowings carried at fair value was $45.5 billion, an increase of $0.4 billion compared to June 30, 2025 ($45.1 billion). The increase was mainly due to the net new debt issuances of $0.7 billion during the year.

Borrowings Reported at Amortized Cost:

As of June 30, 2026, the market borrowings recorded at amortized cost (fixed rate debt) were $22.2 billion, an increase of $4.0 billion from June 30, 2025 ($18.1 billion). The increase was mainly due to the net new debt issuances of $4.6 billion during the year.

Concessional Partner loans from members recorded at amortized cost were $7.0 billion as of June 30, 2026, a decrease of $0.6 billion from June 30, 2025 ($7.6 billion). See Notes to the Financial Statements for the year ended June 30, 2026, Note E – Borrowings.

Figure 7: Borrowing Expenses, Net

In millions of U.S. dollars

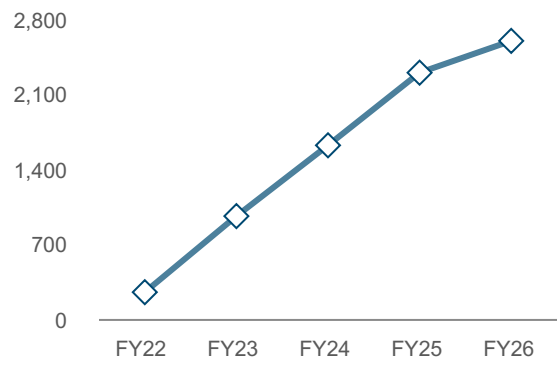
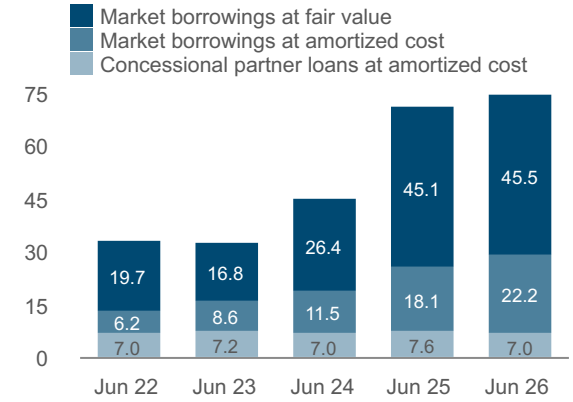


Figure 8: Borrowings

In billions of U.S. dollars



Transfers from Affiliated Organizations

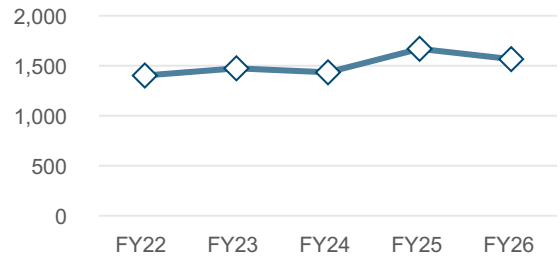
Since 1964, IBRD has made transfers to IDA out of its net income, upon approval by the Board of Governors. Under a formula-based approach for IBRD's income support to IDA, the amount of income transfer recommended for IDA is a function of IBRD's financial results. On September 8, 2025, IBRD's Board of Governors approved a transfer of $782 million, which was received by IDA on September 23, 2025. The transfer was recorded in Transfers from affiliated organizations in the Condensed Statements of Income (Table 6). In addition, transfers from affiliated organizations also includes amounts transferred to the Trust Fund for Gaza and the West Bank since IDA exercises control and is entitled to surplus assets upon termination of the trust fund.

Net Non-Interest Expense

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

Figure 9: Net Non-Interest Expenses

In millions of U.S. dollars



The decrease in net non-interest expenses from FY25 to FY26, on a reported basis, was primarily due to the decrease in the net pension and other post-retirement benefit costs due to the higher amortization of unrecognized actuarial gains during FY26 compared to FY25. This is attributable to changes in the

actuarial assumptions and the higher-than-expected returns on plan assets in FY25. On a non-GAAP basis, the increase in net non-interest expenses was primarily driven by higher staff costs (Table 9).

Table 9: Net Non-Interest Expenses

In millions of U.S. dollars

For the fiscal year ended June 30,	2026	2025	Variance
Administrative expenses:			
Staff costs	$ 1,538	$ 1,462	$ 76
Travel	186	197	(11)
Consultant and contractual services	595	661	(66)
Pension and other post-retirement benefits	(33)	128	(161)
Communications and technology	99	118	(19)
Premises and equipment	207	149	58
Other expenses	46	22	24
Total administrative expenses [a] (Table 6)	**$ 2,638**	**$ 2,737**	**$ (99)**
Contributions to special programs [b]	20	20	—
Revenue from externally funded activities:			
Reimbursable revenue – Bank-executed activities for trust funds (BETF)	(746)	(768)	22
Reimbursable advisory services	(46)	(47)	1
Revenue – trust funds administration	(97)	(88)	(9)
Restricted revenue	(4)	(5)	1
Revenue - Asset Management Services	(20)	(17)	(3)
Other revenue [c]	(189)	(173)	(16)
Total revenue from externally funded activities (Table 6)	**$ (1,102)**	**$ (1,098)**	**$ (4)**
Total net non-interest expenses	**$ 1,556**	**$ 1,659**	**$ (103)**
Adjustments to arrive at Net non-interest expenses - Non-GAAP measure			
Pension, RAMP and EFO adjustments [d]	368	187	181
Net non-interest expenses (Table 7) - Non-GAAP measure	**$ 1,924**	**$ 1,846**	**$ 78**

a. Includes expenses related to BETF of $746 million for FY26 and $768 million for FY25.

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

c. Includes fee revenue associated with services provided to affiliated organizations of $125 million in FY26 ($113 million in FY25). See Notes to Financial Statements, Note H: Transactions with Affiliated Organizations.

d. Components of this adjustment are included in Table 8, and are excluded from Net non-interest expenses on adjusted net income basis.

IDA's goal is to have its net administrative expenses (total expenses for Budget Anchor) covered by its loan revenue (interest, service charges, commitment fees, and guarantee fees). Thus, IDA monitors its net administrative expenses as a percentage of its loan revenue, using a measure referred to as the budget anchor. In FY26, IDA's budget anchor was 68.0%, higher by 1.3% compared to FY25, primarily due to the relative increase in net non-interest expenses outpacing the increase in budget anchor revenue in FY26 when compared to FY25. See Table 10.

Table 10: Budget Anchor

In millions of U.S. dollars

For the fiscal year ended June 30,	*2026*	*2025*	*Variance*
Net Non-interest Expenses (Table 9)	$ 1,556	$ 1,659	$ (103)
Pension, RAMP, EFO and other adjustments [a]	369	189	180
Total expenses for Budget Anchor	**$ 1,925**	**$ 1,848**	**$ 77**
Interest Revenue from Loans (Table 6)	$ 3,286	$ 3,021	$ 265
Less: Borrowing expenses associated with loans	(515)	(321)	(194)
Interest revenue from Loans, net of associated borrowing expenses	**$ 2,771**	**$ 2,700**	**$ 71**
Commitment charges, Guarantee fees and others	56	59	(3)
Gains from revenue-related forward currency contracts	5	13	(8)
Total revenue for Budget Anchor	**$ 2,832**	**$ 2,772**	**$ 60**
Budget Anchor	**68.0%**	**66.7%**	**1.3%**

a. These adjustments are made to arrive at total expenses for budget anchor purpose.

Table 11: Other revenue, net

In millions of U.S. dollars

For the fiscal year ended June 30,	*2026*	*2025*	*Variance*
Project Preparation Advance (PPA) grants and others [a]	$ (17)	$ (28)	$ 11
Guarantee fees and others [b]	54	35	19
Commitment charges	18	23	(5)
Gains from revenue-related forward currency contracts	5	13	(8)
Other revenue, net (Table 7)	**$ 60**	**$ 43**	**$ 17**

a. Reflects exclusion of $9 million of Project Preparation Facility Grant expenses directly funded by members (FY25 - $28 million).

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

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

During FY26, the non-trading portfolios had $299 million net unrealized mark-to-market gains ($470 million net unrealized mark-to-market gains in FY25). The decrease was mainly driven by lower unrealized mark-to-market gains from the derivatives held for the Capital Value Protection Program (CVP), managed as part of Asset/Liability Management (ALM), as a result of a lower increase in the interest rates for long tenors in FY26 compared to FY25. See Section IX: Risk Management for more details on the CVP.

Table 12: Unrealized mark-to-market gains (losses) on Non-trading portfolios, net

In millions of U.S. dollars

For the fiscal year ended June 30,	*2026*	*2025*	*Variance*
Asset/liability management (ALM) [a]	$ 286	$ 484	$ (198)
Investment portfolio	1	5	(4)
Borrowing portfolio	(9)	(2)	(7)
Loan-related derivatives	22	(5)	27
Other [b]	(1)	(12)	11
Unrealized mark-to-market gains (losses) on non-trading portfolios, net - Reported Basis (Table 6)	**299**	**470**	**(171)**

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

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

Currency remeasurement gains (losses), net

Currency remeasurement gains or losses represent unrealized exchange rate gains or losses resulting from the hedging of exchange rate risk related to future donor contributions, borrowings, and all other assets and liabilities held on IDA's Balance Sheet, that are denominated in currencies other than the SDR and its component currencies. The remeasurement gains in FY26 and FY25 were primarily driven by the hedging of exchange rate risk related to future donor contributions. Certain members pledge their future equity contributions in non-SDR currencies. These future cash flows are economically hedged using currency forwards. The economic offset is inherent in the future contribution inflows. The payable portion of the currency forward contracts are denominated in non-functional currencies. The depreciation or appreciation of these currencies against the U.S. dollar results in exchange rate gains or losses which are recorded in the income statements. Accordingly, the remeasurement gains on non-functional currencies were $119 million in FY26 compared to remeasurement losses of $57 million in FY25. The remeasurement gains in FY26 were primarily driven by the depreciation of certain non-functional currencies compared to an appreciation in FY25 against the U.S. dollar.

SECTION V: DEVELOPMENT ACTIVITIES, PRODUCTS AND PROGRAMS

Lending Framework

IDA provides financing to lower-income countries primarily through loans, grants and guarantees. IDA has a common framework which extends across all of its development activities. The main elements of this framework are financing principles, financing cycles and financing categories.

Financing Principles

IDA's operations are required to conform to the general principles derived from its Articles of Agreement. These financing principles are described in Box 2. Within the scope permitted by the Articles of Agreement, application of these financing principles must be developed and adjusted in light of experience and changing conditions.

(i) IDA may provide financing for its development operations in the form of loans, grants, and guarantees directly to its members, public or private entities and regional or public international organizations.

(ii) IDA's financing of its development operations is designed to promote economic development, increase productivity, and thus raise standards of living in its member countries. Investment projects financed by IDA are required to meet IDA's standards for technical, economic, financial, institutional, and environmental soundness. Specific provisions apply to development policy financing, including the treatment of the macroeconomic framework, poverty and social impact, environment, forests, and other natural resources.

(iii) Decisions to approve financing are based upon, among other things, studies by IDA of a member country's economic structure, including assessments of its resources and ability to generate sufficient foreign exchange to meet debt-service obligations.

(iv) IDA must be satisfied that in the prevailing market conditions (taking into account the member's overall external financing requirements) the recipient would be unable to obtain financing under conditions which, in the opinion of IDA, are reasonable for the recipient. This would include loans made by private sources or IBRD.

(v) The use of funds by recipients is supervised. IDA makes arrangements intended to ensure that funds provided are used only for authorized purposes and, where relevant, with due attention to considerations of cost-effectiveness. This policy is enforced primarily by requiring recipients (a) to submit documentation establishing, to IDA's satisfaction, that the expenditures financed with the proceeds of loans or grants are made in conformity with the applicable financing agreements, and (b) to maximize competition in the procurement of goods and services by using, wherever possible, international competitive bidding procedures or, when it is not appropriate, other procedures that ensure maximum economy and efficiency. In addition, IDA considers the use of recipient country procurement, financial management and environmental and social safeguard systems in selected operations once these systems and capacity have been assessed by IDA as acceptable.

Financing Cycles

Financing cycles involve identifying and appraising a project and approving and disbursing the funds. In response to emergency situations, such as natural disasters and other crises, IDA is able to accelerate the preparation and approval cycle. In most cases, IDA's Board approves each loan, grant, and guarantee after appraisal of a project by staff. Under a Multiphase Programmatic Approach (MPA), the Board may approve an overall program framework, its financing envelope and the first appraised phase, and then authorize management to appraise and commit financing for later program phases. Disbursements are subject to the fulfillment of conditions set out in the loan or grant agreement. As of June 30, 2026, $35.3 billion was committed under the MPA.

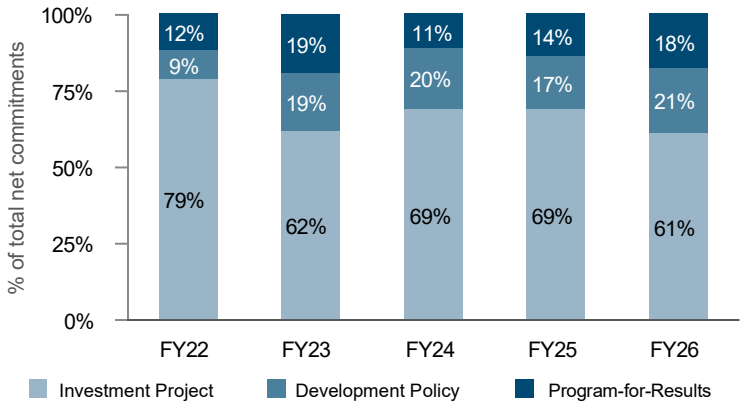
During implementation of IDA-supported operations, staff review progress, monitor compliance with IDA's policies, and assist in resolving any problems that may arise. An independent unit, the Independent Evaluations Group, assesses the extent to which operations have met their objectives, and reports directly to the Board.

Financing Categories

Most of IDA's lending is of three types: investment project financing, development policy financing, and program-for-results. Figure 10 shows the percentage of loans, grants, and guarantees approved for the three financing instruments over the past five fiscal years.

Figure 10: Percentage Share of Lending Categories for Annual Net Commitments

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



Investment Project Financing (IPF)

IPF provides financing for a wide range of activities aimed at creating the physical and social infrastructure necessary to reduce poverty and create sustainable development. IPF generally disburses over 5 to 10 years. FY26 net IPF commitments totaled $18.8 billion, compared with $27.3 billion in FY25.

Development Policy Financing (DPF)

DPF provides fast-disbursing financing to support borrowers in achieving sustainable development through a program of policy and institutional actions. Examples of DPF projects include strengthening public financial management, improving the investment climate, addressing bottlenecks to improve service delivery, and diversifying the economy. DPF supports such reforms through non-earmarked general budget financing. FY26 net commitments under DPF totaled $6.5 billion, compared with $7.0 billion in FY25.

Program-for-Results (PforR)

PforR helps countries improve the design and implementation of their development programs and achieve specific results by strengthening institutions and building capacity. PforR disburses when agreed results are achieved and verified. Results are identified and agreed upon during the preparation stage. FY26 net commitments under PforR totaled $5.5 billion, compared with $5.6 billion in FY25.

Financial Terms

Commitment Currency

The currency of commitment for IDA grants and concessional loans is predominantly the SDR. However, in response to client needs to reduce currency exposure and simplify debt management, IDA offers a Single Currency Lending option that allows IDA financing recipients to denominate new IDA loans in U.S. dollar, euro, pound sterling, or Japanese yen.

Box 3: Summary of Financial Terms for IDA Lending Products, Effective June 30, 2026

Instrument type [a]	Currencies	Maturity/Grace Period	Service Charges	Interest rates
Grant	SDR	Not applicable	Not applicable	Not applicable
Regular-Term loan	SDR, USD, EUR, GBP, JPY	31/6 years	75bps SDR equivalent service charge	Not applicable
Regular-Small Economy loan	SDR, USD, EUR, GBP, JPY	40/10 years	75bps SDR equivalent service charge	Not applicable
Blend-Term loan (fixed terms)	SDR, USD, EUR, GBP, JPY	25/5 years	Zero service charge	150 bps (in SDR)
Blend-Term loan (floating terms)	USD, EUR, GBP, JPY	25/5 years	Zero service charge	IBRD reference rate + IBRD variable spread - 250 bps [b]
40-year loan	SDR, USD, EUR, GBP, JPY	40/11 years	Zero service charge	Zero interest
Shorter Maturity Loan (SML)	SDR, USD, EUR, GBP, JPY	12/6 years	Zero service charge	Zero interest
Non-concessional loans - Scale-up Window (SUW)	USD, EUR, GBP, JPY	Up to 35 years maximum; up to 20 years average maturity	25 bps one-time front-end fee 25 bps commitment fee	IBRD Flexible Loan terms [b]
Catastrophe Deferred Draw Down Option (CAT DDO) [c d]	SDR, USD, EUR, GBP, JPY	Three years that may be renewed once for a maximum of 6 years in total	**Before Drawdown:** Front end fee is set at 0.25% under SUW option, and at 0% under PBA or Undisbursed balances option. **After Drawdown:** - Under PBA or Undisbursed balances option - IDA concessional rates would apply. - Under SUW option - non-concessional rates would apply.	
IPF DDO [e]	SDR, USD, EUR, GBP, JPY	Up to 5 years, and can be renewed for 3 more years	**Before Drawdown:** Front-End Fee and Stand-by Fee[f] are set at 25 bps. There is no Renewal Fee. **After Drawdown:** Follow standard IDA concessional fee terms.	

a. Prior to July 1, 2017, IDA offered Hard-Term loans to Blend Countries (excluding Small Island Economies). They had a single currency option, and had terms equivalent to IBRD's fixed spread loans, less 200 bps, a variable option was also available. Hard-term loans are no longer offered.
b. The interest rate is subject to a floor of zero (and a ceiling of 5% for the blend floating terms).
c. The volume of committed and undisbursed CAT DDOs financed by IDA is limited to 1.0 percent of the country's GDP or USD 500 million, whichever is lower.
d. The Cat DDO may be renewed once, for a maximum of six years in total.
e. For IPF DDO operations confirmed to have a specific crisis or emergency preparedness objective, IDA would cover half the cost of the IPF DDO for IDA countries.
f. The standby fee for IPF DDO financed from IDA's concessional windows is determined on an annual basis from 0% up to a maximum of 0.25% per year (0% for FY26).

Charges on Loans and Grants

Service charges and interest income earned on IDA's loans are reported as Interest revenue on loans, net in the Statements of Income. Commitment charges earned on loans and grants, if any, are reported as non-interest revenue in the Statements of Income.

Service Charge: A service charge is levied on the principal amount disbursed and outstanding on Regular and Small Economy loans, at 0.75% per annum, regardless of repayment terms.

Interest: Interest is charged on all loans subject to hard-terms, and non-concessional loans. Further, loans offered under non-concessional terms and blend-term (floating terms) are available at variable interest rates on IBRD terms. All other rates are fixed, see Box 3.

Commitment Charge: A commitment charge, which is payable on any undisbursed loan or grant amount, is set by the Board at the beginning of each fiscal year. Commitment charges are set at a level to ensure that net loan revenue covers IDA's administrative expenses over the medium term. For FY26, commitment charges on concessional loans remain at zero. The commitment charge on non-concessional loans is aligned to IBRD terms, which is 0.25% per annum.

Repayment Terms

IDA's lending terms recognize the variation in economic development of broad categories of IDA recipients. Since 1987, the legal agreements of IDA concessional loans include an accelerated repayment clause to double the principal repayments of the loan if the borrower's GNI per capita exceeds a specific threshold and the borrower is eligible for IBRD financing. Implementation is subject to negotiation with the borrower and approval by IDA's Board after considering a borrower's economic development. The borrower can further negotiate either to (a) shorten the loan's maturity (principal option), (b) pay interest at a rate that would result in the same net present value (interest option), or a combination of the two options.

As of June 30, 2026, $19.2 billion of qualifying loans outstanding from 11 borrowers that have graduated from IDA since the introduction of the accelerated repayment clause have accelerated repayment terms. Of these 11 borrowers, 6 borrowers selected the principal option, 4 borrowers selected the interest option, and 1 borrower selected a combination of the two options.

The accelerated repayment clauses in all of these legal agreements also allow a borrower to subsequently request pausing of those accelerated terms or cancellation if economic conditions in the borrower's country have deteriorated, in which case, the terms of repayment can revert to the original terms of the financing agreements. As repayment accelerations, pausing of accelerations, and cancellation are contemplated in the original terms of the instruments, they do not constitute loan modifications.

IDA has started offering climate resilient debt clauses (CRDCs) in some of its new and existing loans (with minimum remaining maturity of five years), for certain borrowers[4]. See paragraph Climate Resilient Debt Clause (CRDC) for details.

Loans, Grants and Guarantee Activity

Commitments

FY26 net loan and guarantee commitments were $22.9 billion, a decrease of $8.8 billion or 28% under FY25 ($31.7 billion). There were $790 million of guarantee commitments in FY26 and $611 million in FY25 (Table 13). See Section VI: Other Development Activities and Programs.

FY26 net commitments of grants were $7.9 billion, a decrease of $0.3 billion compared to FY25 ($8.2 billion) (Table 14).

[4] Eligible borrowers are IDA Small State Economies, members of the Small States Forum, and Small Island Developing States as defined by the United Nations.

Table 13: Net Commitments of Loans and Guarantees by Region

In millions of U.S. dollars

For the fiscal year ended June 30,	*2026*	*% of total*	*2025*	*% of total*	*Variance*
Eastern and Southern Africa	$ 8,425	37 %	$ 6,803	21 %	$ 1,622
Western and Central Africa	8,468	37 %	9,669	31 %	(1,201)
East Asia and Pacific	823	4 %	590	2 %	233
Europe and Central Asia	1,068	5 %	7,635	24 %	(6,567)
Latin America and the Caribbean	411	2 %	914	3 %	(503)
Middle East, North Africa, Afghanistan and Pakistan [a]	1,273	5 %	1,494	5 %	(221)
South Asia [a]	2,404	10 %	4,547	14 %	(2,143)
Total	**$ 22,872**	**100 %**	**$ 31,652**	**100 %**	**$ (8,780)**

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

Table 14: Net Commitments of Grants by Region

In millions of U.S. dollars

For the fiscal year ended June 30,	*2026*	*% of total*	*2025*	*% of total*	*Variance*
Eastern and Southern Africa	$ 4,400	56 %	$ 5,035	61 %	$ (635)
Western and Central Africa	1,343	17 %	882	11 %	461
East Asia and Pacific	363	4 %	698	9 %	(335)
Europe and Central Asia	611	8 %	448	5 %	163
Latin America and the Caribbean	190	2 %	166	2 %	24
Middle East, North Africa, Afghanistan and Pakistan [a]	832	11 %	790	10 %	42
South Asia [a]	163	2 %	195	2 %	(32)
Total	**$ 7,902**	**100 %**	**$ 8,214**	**100 %**	**$ (312)**

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

Table 15: Gross Disbursements of Loans and Grants by Region

In millions of U.S. dollars

	2026			*2025*			
For the fiscal year ended June 30,	*Loans*	*Grants*	*Total [a]*	*Loans [a]*	*Grants*	*Total*	*Variance*
Eastern and Southern Africa	$ 7,088	$ 5,682	$ 12,770	$ 7,031	$ 4,943	$ 11,974	$ 796
Western and Central Africa	6,767	1,804	8,571	6,261	1,882	8,143	428
East Asia and Pacific	794	334	1,128	946	286	1,232	(104)
Europe and Central Asia	1,943	509	2,452	5,897	268	6,165	(3,713)
Latin America and the Caribbean	332	162	494	447	169	616	(122)
Middle East, North Africa, Afghanistan and Pakistan [b]	1,521	264	1,785	1,337	632	1,969	(184)
South Asia [b]	2,356	160	2,516	2,872	152	3,024	(508)
Total	**$ 20,801**	**$ 8,915**	**$ 29,716**	**$ 24,791**	**$ 8,332**	**$ 33,123**	**$ (3,407)**

a. Excludes PSW related disbursements - $115 million (FY25 - $93 million) and GFPP related disbursements - $15 million (FY25 - Nil).

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

As of June 30, 2026, 47% of IDA's loans were on regular terms (75 basis points SDR-equivalent service charge) (Table 16). The increase in IDA's revenue from loans in FY26 compared to FY25 was primarily due to the higher average balances by $18.4 billion.

Table 16: Revenue and Loan Balances by Product Category

In millions of U.S. dollars

	Loan balance as of June 30,		Interest revenue on loans [a] For the fiscal year ended June 30,	
Category	*2026*	*2025*	*2026*	*2025*
Loans				
Concessional				
Regular	$ 111,915	$ 113,455	$ 873	$ 844
Blend	83,939	81,160	1,435	1,308
Hard [b]	1,187	1,279	40	41
Concessional Shorter-Maturity Loans	9,351	7,559	NA	NA
50-year	7,229	4,672	NA	NA
Non-concessional [c]	21,770	19,118	911	783
Others [d]	692	644	21	30
Total	**$ 236,083**	**$ 227,887**	**$ 3,280**	**$ 3,006**

a. *Excludes interest rate swap income or expense from loan related derivatives - $6 million of income in FY26 ($15 million of income in FY25).*

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

c. *In addition, $18 million of commitment charges were earned in FY26 on undisbursed balances of non-concessional loans ($23 million in FY25).*

d. *Represents loans under the PSW and others.*

Climate Resilient Debt Clause (CRDC)

IDA offers CRDCs for eligible new and existing loans (with minimum remaining maturity of five years), for certain borrowers. CRDCs allow eligible borrowing countries to defer payments of principal and/or interest (and other loan charges) for up to two years after an eligible event. After the deferral period, the borrower will restart payments of the deferred amounts according to a modified amortization schedule that maintains the original weighted average maturity of the loan and does not extend the final maturity date. The eligible events when the clause was first offered were tropical cyclones and earthquakes. In October 2024, the Board approved an extension of the covered events to include all natural catastrophes, including droughts, floods, and public health emergencies caused by a biological event. Total IDA loans outstanding as of June 30, 2026 for the 29 countries (including Blend countries) that are eligible to adopt the clause for CRDCs was $5.8 billion, representing 2% of the total loans outstanding.

SECTION VI: OTHER DEVELOPMENT ACTIVITIES & PROGRAMS

IDA has products, services, and programs, other than lending, that it offers to its borrowing member countries to help them meet their development goals. These include guarantees, debt relief, trust fund administration, and externally funded reimbursable advisory services.

Guarantees

IDA offers both project-based and policy-based guarantees. These guarantees are available for projects and programs in member countries to help mobilize private financing for development purposes. IDA's guarantees are partial in nature as they are intended to cover risks only to the extent necessary to obtain the required private financing, taking into account country, market and, if appropriate, project circumstances. IDA's guarantees require a sovereign counter-guarantee and indemnity, comparable to the requirement of a sovereign guarantee for IDA lending to sub-sovereign and non-sovereign borrowers. See Box 4 for the types of guarantees that IDA provides. These guarantees are separate and distinct from those offered under the Private Sector Window.

Box 4: Types of Guarantees

Project-based guarantees	Project-based guarantees are provided to mobilize private financing for a project and/or mitigate payment and/or performance related risks of a project. There are two types: 1. Loan guarantees: these cover loan-related debt service defaults caused by the government's failure to meet specific payment and/or performance obligations arising from contract, law, or regulation. Loan guarantees include coverage for debt service defaults on: (i) commercial debt, normally for a private sector project; and, (ii) a specific portion of commercial debt irrespective of the cause of such default, normally for a public-sector project. 2. Payment guarantees: These cover payment default on non-loan related government payment obligations to private entities and foreign public entities arising from contract, law, or regulation.
Policy-based guarantees	Policy-based guarantees are provided to mobilize private financing for sovereigns or sub-sovereigns. They cover debt service default, irrespective of the cause of such default, on a specific portion of commercial debt owed by government and associated with the supported government's program of policy and institutional actions.

Guarantee Exposure

IDA's guarantee exposure is measured by discounting each guaranteed amount from its next call date. IDA had $3,276 million of guarantee exposure as of June 30, 2026 ($2,813 million — June 30, 2025), including guarantee exposure under PSW guarantees of $1,309 million as of June 30, 2026 ($1,173 million — June 30, 2025). For additional information, see Notes to the Financial Statements for the year ended June 30, 2026, Notes D – Loans and Other Exposures and Note H – Transactions with Affiliated Organizations.

Other Financial Products and Services

IDA facilitates access to risk management solutions to mitigate the financial effects of natural disasters for borrowing members. Financial solutions can include disaster risk financing through catastrophe swaps, insurance and reinsurance contracts, and regional pooling facilities.

The Catastrophe Deferred Draw-Down Option (CAT-DDO) promotes countries' resilience to disasters and expands the range of IDA's crisis instruments. The CAT-DDO is a contingent credit line that provides immediate liquidity to countries in the aftermath of a catastrophe and serves as early financing while funds from other sources such as bilateral aid or reconstruction loans are being mobilized. CAT-DDOs are intended to enhance IDA countries' capacity to plan for and manage crises. As of June 30, 2026, the amount of CAT DDOs disbursed and outstanding was $708 million ($677 million as of June 30, 2025), and the undisbursed amount of effective or disbursing CAT DDOs was $471 million, compared to $460 million a year earlier.

Grant Making Facilities

Grant Making Facilities (GMFs) are contributions to specific trust funds and are complementary to IDA's work. In FY26, the amount under this program was $20 million in accordance with the cost sharing agreement with IBRD (FY25 - $20 million). These amounts are recorded in Non-Interest Expenses - Contribution to Special Programs in IDA's Statements of Income.

Debt Relief

The Heavily Indebted Poor Countries Debt Initiative (HIPC Initiative) was launched in 1996 as a joint effort by bilateral and multilateral creditors to provide debt relief to the poorest countries to reduce their external debt payments to sustainable levels. Under the HIPC initiative, implementation mechanisms include partial forgiveness of IDA debt service as it comes due and partial repayment with IDA resources of outstanding IBRD debt. The Multilateral Debt Relief Initiative (MDRI) was implemented in 2006 and provides debt relief by writing-off eligible loans upon qualifying borrowers reaching the HIPC Completion Point. Both initiatives are part of a global effort focused on heavily indebted poor countries with strong policy performance. The initiatives aim to reduce the external debt of eligible countries as part of a broader poverty reduction strategy, whilst safeguarding the long-term financial capacity of IDA and other participating multilateral institutions; and encouraging the best use of additional member resources for development, by allocating these resources to low-income countries on the basis of policy performance.

In order to receive irrevocable debt relief, eligible countries are required to maintain macroeconomic stability, carry out key structural and social reforms, and implement a Poverty Reduction Strategy, in addition to being in good standing with respect to all eligible debt repayments. To ensure IDA's financial capacity was not eroded, members agreed to compensate IDA with additional contributions to offset the impact of the forgone reflows, resulting from the provision of debt relief.

The accumulated provision for debt relief was recorded at the inception of the initiative and is based on both quantitative and qualitative analyses of various factors, including estimates of the Decision and the Completion Point dates. These factors are periodically reviewed, and the adequacy of the accumulated provision is reassessed and adjusted to reflect the impact of any changes.

During FY26, HIPC debt relief was provided on $12 million of loans ($12 million in FY25). HIPC debt relief on service charges for FY26 was less than $1 million (FY25 - less than $1 million). On a cumulative basis, debt relief has been provided on $2.2 billion of loans and $336 million of service charges under HIPC as of June 30, 2026.

During FY26, there were no loans eligible for relief under MDRI. On a cumulative basis, debt relief has been provided on $40.3 billion of loans under the MDRI as of June 30, 2026. The provision for the debt relief was recorded at the beginning of the MDRI Initiative.

Externally-Funded Activities

Mobilization of external funds from third-party partners includes trust funds. Additional external funds include reimbursable funds and revenues from fee-based services to member countries, which are related to Reimbursable Advisory Services (RAS) and EFO.

Trust Funds

Trust Funds are a part of the WBG's development activities, providing resources and added flexibility in providing development solutions that serve member recipients and donors alike. The partnerships funded by trust funds often serve as a platform from which IDA and its members can draw on the WBG's diverse technical and financial resources to achieve development goals that cannot be addressed effectively by any single member, given their complexity, scale, and scope. IDA's roles and responsibilities in managing trust funds depend on the type of fund, outlined as follows:

- Bank-executed activities for trust funds: IDA, alone or jointly with one or more of its affiliated organizations, manages the funds and implements the activities financed. These trust funds support IDA's work program. IDA, as an executing agency, disbursed $746 million in FY26 ($768 million in FY25) of trust fund program funds, which was included in Non-interest expense, Administrative in IDA's Statements of Income with corresponding revenue included in Non-interest revenue, Revenue from externally funded activities.
- Recipient-executed activities for trust funds: Funds are provided to a third party, normally in the form of project grant financing, and are supervised by IDA.
- Financial Intermediary Funds (FIFs): IDA, as a trustee, administrator, or treasury manager, offers specific administrative or financial services with a limited operational role. Arrangements include the administration of debt service trust funds, fiscal agency funds and other more specialized limited fund management roles.

IDA uses a cost recovery framework for trust funds, which aims to recover the costs of performing agreed roles in administrating trust funds, and is guided by principles of transparency, fairness, simplification, standardization, predictability, and consistent treatment across all trust fund donors. For trust funds where IDA exercises control and is entitled to surplus assets upon termination, IDA reports the balances and transactions of these trust funds in its financial statements. While such trust funds are legally separate from IDA, the accounting criteria for recognition have been met. Trust funds are funded by donor resources and recognition in IDA's financial statements does not reflect any change in the legal status of those funds.

Management continues to implement measures to better integrate planning, support sustainability and enhance alignment of external funds with mission priorities through greater use of umbrella trust fund programs.

During FY26, IDA's share of revenue and fees from trust fund administration activity was $97 million ($88 million in FY25). The increase in fees was mainly driven by higher levels of trust fund disbursement activity. For additional information, see Notes to the Financial Statements for the year ended June 30, 2026, Note K - Trust Funds Administration.

As noted in the discussion of trust fund activities above, IDA, alone or jointly with one or more of its affiliated organizations, administers funds restricted for specific uses on the donors' behalf. Such administration is governed by agreements with donors, who include members, their agencies, and other entities. These funds are held in trust and are not included on IDA's Balance Sheets, except for undisbursed balances from third-party contributions made to Bank-executed activities for trust funds as well as the trust funds where IDA exercises control and is entitled to surplus assets upon termination, as discussed previously, which are recognized on IDA's Balance Sheets. See Table 17.

Table 17: Funds Held in Trust by IDA

In millions of U.S. dollars

	Total Fiduciary Assets	
As of June 30,	*2026*	*2025*
Bank-executed activities	$ 33	$ 28
Jointly executed with affiliated organization	1,028	1,059
Recipient-executed activities	2,226	2,147
Financial intermediary funds	264	252
Execution not yet assigned [a]	7,103	6,643
Total	**$ 10,654**	**$ 10,129**

a. These represent assets held in trust for which the determination as to the type of execution is yet to be finalized.

Reimbursable Advisory Services (RAS)

While most of IDA's advisory and analytical work is financed by its own budget or donor contributions (e.g., trust funds), clients may also pay for services. IDA offers technical assistance and other advisory services to its member countries, in connection with, and independent of, lending operations. Available services include, for example, assigning qualified professionals to survey developmental opportunities in member countries; analyzing member countries fiscal, economic, and developmental environments; helping members devise coordinated development programs; and improving their asset and liability management techniques. In FY26, income relating to reimbursable advisory services was $46 million (FY25 - $47 million).

Externally Financed Outputs (EFOs)

IDA offers donors the ability to contribute to specific projects and programs. EFO contributions are recorded as restricted revenue when received because they are for contractually specified purposes. IDA received and recorded $4 million of restricted revenue in FY26 (FY25 - $5 million), which was included in total net non-interest expenses in Table 9.

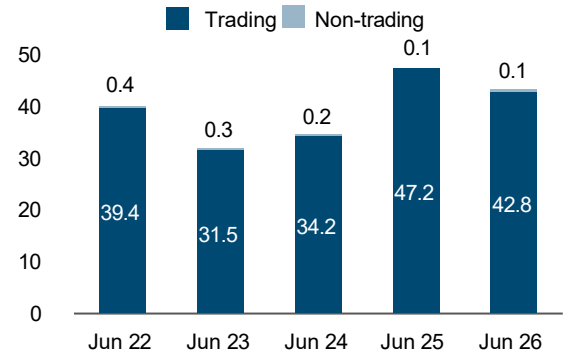
Restrictions are released once the funds are used for the purposes specified by donors. In FY26, there was a release of $6 million (FY25 - $8 million).

SECTION VII: INVESTMENT ACTIVITIES

As of June 30, 2026, IDA's investments totaled $42.9 billion (Figure 11). See the Notes to the Financial Statements for the year ended June 30, 2026, Note C – Investments.

Figure 11: Investments (Trading and Non-trading)

In billions of U.S. dollars



Investments – Trading

The primary objective of IDA's investments-trading strategy continues to be preservation of capital within institutional constraints. Consistent with this primary objective, IDA invests in high quality instruments. IDA aims to earn reasonable investment returns, while ensuring timely availability of funds for future cash flow requirements, including disbursements for loans, grants, debt service, and administrative expenses (see Note C —Investments).

As of June 30, 2026, $27.5 billion (approximately 64% of total volume) of the Investments - Trading was due to mature within six months, of which $9.0 billion was expected to mature within one month.

IDA's total return on its investments-trading portfolio for FY26 excluding unrealized mark-to-market gains / losses on PEBP and PCRF assets (liquid asset portfolio), and unrealized mark-to-market gains from assets held by the TFGWB was 3.30%, compared to 4.36% in FY25, consistent with the decreasing interest rate environment.

IDA's liquid assets are held mainly in the following types of highly rated, fixed-income instruments. See Box 7 for eligibility criteria for IDA's investments.

- Government, Agency and Corporate Obligations.
- Time deposits, and other unconditional obligations of banks and financial institutions.
- Asset-backed securities (including mortgage-backed securities).
- Currency and interest rate derivatives (including currency forward contracts).
- Exchange-traded options and futures.

IDA's prudential minimum liquidity policy ensures that it holds sufficient liquidity. The prudential minimum liquidity level for FY26 and FY25 was set at 80% of 24 months of projected net outflows. See Section IX: Risk Management for details on how IDA manages liquidity risk.

On July 7th, 2026, the Board approved a new approach to update the existing liquidity framework by setting IDA's Prudential Minimum level of liquidity at 100% of Management's estimates of twelve months of net projected disbursements and debt service for the upcoming fiscal year. The FY27 Prudential Minimum is $31.0 billion.

Investments - Non-Trading

During FY15, with the proceeds of a concessional loan from a member, IDA purchased a debt security issued by the IFC. IDA elected to measure the security at fair value, so that the measurement method could be consistently applied to all its investments. As of June 30, 2026, the investments non-trading had a fair value of $82 million ($115 million in FY25). The changes in fair value for this security are recognized in the Unrealized mark-to-market gains (losses) on non-trading portfolios, net in the Statements of Income. See Notes to the Financial Statements for the year ended June 30, 2026, Note C – Investments and Note H - Transactions with Affiliated Organizations.

SECTION VIII: BORROWING ACTIVITIES

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

Table 18: Borrowings

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

	Outstanding excluding related derivatives as of June 30,		Interest expense [a]		Weighted average rate	
	2026	2025	FY26	FY25	FY26	FY25
Market debt, at fair value	$ 45,548	$ 45,154	$ 1,964	$ 1,862	3.84 %	4.27 %
Market debt, at amortized cost	22,155	18,127	472	274	2.55	2.05
Concessional partner loans	7,030	7,551	142	142	1.98	1.92
Total	**$ 74,733**	**$ 70,832**	**$ 2,578**	**$ 2,278**	**3.28 %**	**3.46 %**

a. Includes interest expenses associated with derivatives and excludes interest expenses associated with repurchase agreements - $10 million in FY26 (FY25 - $14 million).

Market Debt

As of June 30, 2026, the market borrowings at fair value, excluding related derivatives were $45.5 billion, an increase of $0.4 billion compared to June 30, 2025, primarily due to net issuances of $0.7 billion during the year.

As of June 30, 2026, market borrowings recorded at amortized cost were $22.2 billion, an increase of $4.0 billion compared to June 30, 2025, primarily due to new issuances of $4.6 billion during the year.

Concessional Partner Loans

Concessional Partner Loans (CPLs) continue as a source of funding, whereby the borrowing terms of the concessional loans from members aim to follow the concessional features of IDA's loans.

The maturities of the CPLs can be 25, 40 or 50 years to match the terms of IDA's loans, with a grace period on principal repayments of 5 years for a 25-year loan and 10 years for a 40-year or a 50-year loan. Under IDA21, the loans are subject to maximum coupon rates equivalent to 1.59% in USD terms.

Voting rights are allocated to members who provide concessional loans following the drawdowns by IDA, and are based on the cash paid, computed as the derived grant element of the loan. The grant element, which is paid in cash and recorded as equity, is a function of the terms of the loan and the discount rate agreed upon during the replenishment discussions. See Table 19.

Table 19: Concessional Partner Loans Terms

Maturity	Grace period	SDR Discount rates (IDA21)
25-year	5 years	3.83%
40-year	10 years	4.01%
50-year	10 years	4.02%

The concessional partner loans outstanding were $7.0 billion as of June 30, 2026, a decrease of $0.6 billion from $7.6 billion in June 30, 2025. Interest expense associated with these loans was $142 million in FY26 (FY25 - $142 million).

IDA uses currency and interest rate derivatives in connection with its borrowings for asset and liability management purposes. For more details, see Section IX: Risk Management.

Table 20: Effect of Derivatives on Currency Composition of the Borrowing Portfolio

Ratios are in percentages

As of June 30, 2026	*Borrowings excluding derivatives*	*Borrowings including derivatives*
US Dollar	37 %	47 %
Euro	43 %	43 %
GBP	11 %	7 %
JPY	4 %	3 %
Others	5 %	— %
Total	**100%**	**100%**

Table 21: Medium- and Long-Term Borrowings Issued by Currency During the Year, Excluding Derivatives

Ratios are in percentages

For the fiscal year ended June 30,	*2026*	*2025*
US Dollar	24 %	56 %
Euro	49 %	42 %
GBP	11 %	— %
NOK	2 %	2 %
AUD	8 %	— %
CHF	6 %	— %
Total	**100%**	**100%**

Short-Term Borrowings

Table 22 summarizes IDA's short-term borrowings, which mainly include European commercial paper and securities sold under repurchase agreements or lent under securities lending agreements.

European Commercial Paper

These represent European commercial paper instruments that are issued in Euro with maturities of one year or less.

Securities Sold under repurchase agreements or Lent under Securities Lending Agreements

Under its Investment Guidelines, IDA is allowed to enter into transactions involving securities sold under repurchase agreements and securities lent under securities lending agreements. These transactions are accounted for as short-term borrowings. The agreements are secured predominantly by high quality collateral, including government issued debt, and are used both to enhance returns and for liquidity management purposes.

Table 22: Short-Term Borrowings

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

As of June 30,	*2026*	*2025*
European Commercial Paper		
Average daily balance during the year	5,694	8,674
Weighted average rate during the fiscal year	3.97 %	4.39 %
Securities sold under repurchase agreements and securities lent under securities lending agreements		
Average monthly balance during the year	153	221
Weighted average rate during the fiscal year	5.05 %	3.87 %

Contractual Obligations

In conducting its business, IDA takes on contractual obligations that may require future payments which are mainly associated with IDA's borrowings. See Notes to the Financial Statements for the year ended June 30, 2026, Note E – Borrowings – Table E6. Other contractual obligations are reflected on IDA's balance sheets including undisbursed loans, amounts payable for currency and interest rate swaps, amounts payable for investment securities purchased, guarantees, and cash received under agency arrangements.

SECTION IX: RISK MANAGEMENT

Risk Governance

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

Management believes that effective risk management is critical for IDA's overall operations. Accordingly, the risk management governance structure is designed to manage the principal risks IDA assumes in its activities, and supports Management in its oversight function, particularly in coordinating different aspects of risk management and in connection with risks that are common across functional areas.

IDA's risk governance structure is built on the "three lines model" where:

- **1st Line:** Business units, with support from specialized functions, are responsible for directly managing risks in their respective functional areas;
- **2nd Line:** The Vice President and WBG Chief Risk Officer (CRO) provides direction, challenge, and oversight over risk management practices; and
- **3rd Line:** Internal Audit provides independent assurance and advice on the effectiveness of risk management.

IDA's risk management process consists of risk identification, assessment, response and risk monitoring and reporting. IDA has policies and procedures under which risk owners are responsible for identifying, assessing, responding to, monitoring and reporting risks.

Risk Oversight and Coverage

The Vice President and World Bank Group Chief Risk Officer (CRO) oversees financial, operational, model, and Environmental and Social (E&S) risks. These include: (i) Country credit risks associated with the WBG's sovereign-lending activities; (ii) Market and counterparty risks, including liquidity, market and model risks; (iii) Operational risks, related to people, process, and systems, or from external events; (iv) Model risk management framework and its governance, and (v) E&S risks associated with projects across WBG operations, including grievance management. The new integrated WBG E&S operating model became effective in January 2026, and the CRO now oversees an independent global E&S risk department as a second line of defense. The Vice President and World Bank group Chief Risk Officer (CRO) is leading the implementation of a more integrated risk management structure across the World Bank Group institutions, in order to strengthen group-wide risk oversight, enhance risk governance, and align risk management with strategic priorities across the WBG institutions. As part of this initiative, IDA staff are being integrated into the World Bank Group's financial, operational, model and E&S risk functions under newly appointed leadership and revised organizational structure. Implementation of this initiative will continue throughout FY27.

The following units report directly to the CRO:

Credit Risk Department

- Identifies, measures, monitors, and manages country credit risk faced by IDA, including monitoring borrowers that are vulnerable to crises in the near term. By agreement with the Board, the individual country credit risk ratings are not shared with the Board and are not made public.
- Assesses loan portfolio risk and capital requirements, determines whether provisions are sufficient for losses on loans and other exposures, and assesses overall capital adequacy. The department

assesses the consistency of country lending programs as determined in IDA's PBA allocation framework with overall capital adequacy.

- Reviews proposed new financial products or initiatives for any impact on portfolio credit risk and capital adequacy.

Market and Counterparty Risk Department

- Responsible for strengthening the financial risk governance by ensuring that market, liquidity and counterparty credit risks are identified, measured, monitored, and managed consistently and effectively, so that funding, hedging ALM and investment activities are consistent with IDA's risk appetite, capital adequacy framework, and long-term financial sustainability.
- Ensures effective oversight, including: (i) maintaining sound credit assessments, (ii) addressing transaction and product risk issues, (iii) providing an independent second line of defense oversight, and (iv) monitoring market and counterparty risk in the investment, borrowing and client operation portfolios. It also provides reports to the Audit Committee and the Board on the extent and nature of risks, risk management, and oversight.
- Responsible for validation of market data and models used for fair valuation of financial instruments. Undertakes model verification to ensure robust implementation of the models for fair valued products.

Operational Risk Department

- Provides direction and oversight for operational risk activities by business function.
- Oversees the operational risk, business continuity, operational resilience, corporate insurance, data privacy, and enterprise risk functions.
- Key operational risk management responsibilities include: (i) implementing the operational risk management framework which provides direction to business unit partners to ensure consistent application, (ii) assisting and guiding business units in identifying and prioritizing significant operational risks and enabling monitoring and reporting of risks through suitable metrics (or risk indicators), (iii) helping identify emerging risks and trends through monitoring of internal and external risk events, (iv) managing the Operational Risk Council (ORC) that oversees and monitors operational risks, and (v) supporting risk response and mitigating actions, and prepares a corporate Operational Risk Report for review and discussion by the ORC.

Environmental & Social Risk Department

- Provides independent second-line oversight of Environmental & Social (E&S) risks across WBG operations to help ensure that risks are appropriately identified, assessed, monitored, and mitigated.
- Works closely with E&S operational teams to validate risks, monitor corrective actions, support cross-regional learning, and promote timely, consistent, and actionable escalation of key E&S risk issues.
- Leads E&S risk oversight activities through early identification of emerging risks, structured portfolio reviews, watch list management, heightened monitoring, and targeted interventions.
- Oversees grievance management across the full lifecycle, from intake to closure, including tracking, assessment, escalation where needed, and analysis of grievance trends to inform risk mitigation, operational learning, and more consistent E&S risk management across the portfolio.

Model Risk Analytics and Governance Unit

- Responsible for developing and maintaining the model risk management framework and coordinating with the WBG institutions on its implementation.
- Supports effective model risk governance by establishing clear roles, responsibilities, ownership, communication, knowledge sharing, remediation processes, and authority to escalate issues, while

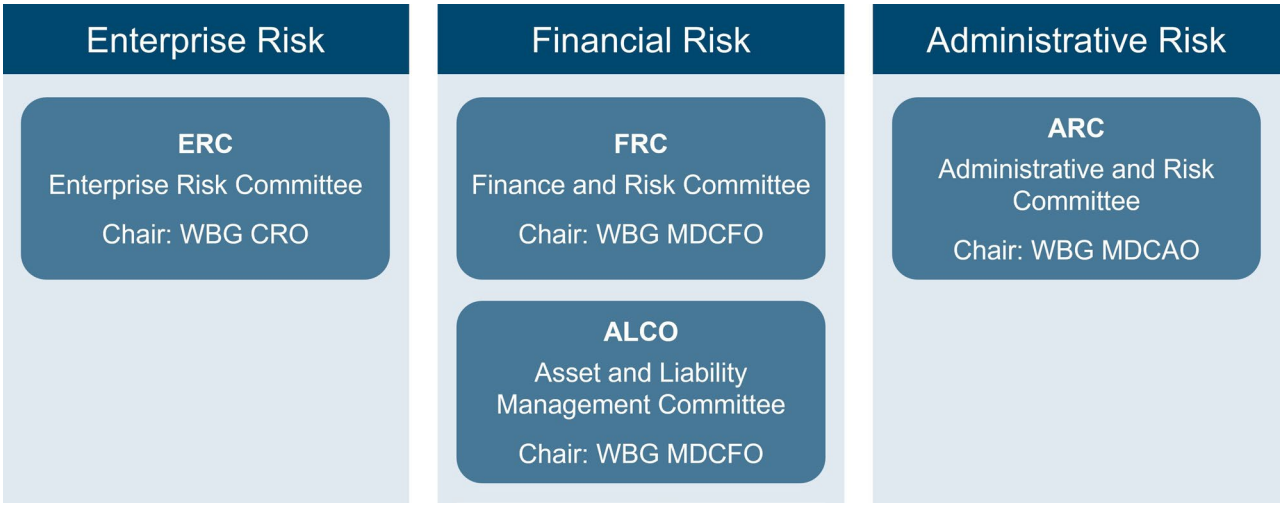
ensuring that each institution retains decision-making authority and accountability for managing its own model risk.

- Coordinates with model owners and model validators and provides recommendations, where applicable, to support consistent model risk management practices.

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

Risk Committees

Figure 12: Management Risk Committee Structure



During FY26, as part of the World Bank Group's strategic efforts to scale impact, enhance operational efficiency, and deliver greater value to our clients, a WBG Enterprise Risk Committee and a WBG Administrative and Risk Committee were established, and the WBG Finance and Risk Committee and WBG Asset and Liability Management Committee are being granted an expanded purview across the WBG institutions under a unified governance framework.

Enterprise Risk Committee (ERC), a WBG committee chaired by the WBG Chief Risk Officer, aims to strengthen enterprise-wide risk oversight and better manage reputation and franchise risks among stakeholders across the World Bank Group. ERC provides a senior-level forum to elevate critical and cross-cutting risks, supports more integrated risk-informed decision-making, and reinforces institutional resilience and trust. The ERC helps to streamline risk-related process and reporting, with a focus on applying institutional expertise more effectively while reducing unnecessary burden on operational teams.

Finance and Risk Committee (FRC), a Vice President-level WBG committee, chaired by the Managing Director and WBG Chief Financial Officer (MDCFO), is in the process of being expanded as the principal financial policy-setting committee for IBRD, IDA, IFC, and MIGA, as well as for World Bank Group Trust Funds. The FRC will be responsible for decisions relating to financial sustainability, capital resources, and financial risk appetites across the WBG institutions. It endorses, clears or approves new or changes to existing policies, products, structures, and frameworks that have material financial or risk implications for any of the WBG institutions and World Bank Group Trust Funds.

Asset and Liability Management Committee (ALCO), a Vice President-level WBG committee chaired by the MDCFO, is responsible for continuous monitoring of balance sheet and ALM positions of the WBG institutions, and decision-making on ALM matters. ALCO establishes and reviews ALM frameworks of the WBG institutions under the ALM policies established by their respective Boards; monitors financial

positions, outlooks and ALM activities; and ensures prudent balance sheet management and compliance with applicable policies and risk limits.

Administrative and Risk Committee (ARC), a WBG committee chaired by the Managing Director and Chief Administrative Officer (MDCAO), functions as the principal forum for administrative risk matters. It provides oversight to ensure a group-wide view of these risks are interconnected and of emerging threats, using risk management mechanisms.

Management of IDA's Risks

IDA assumes financial risks in order to achieve its development and strategic objectives. IDA's financial risk management framework is designed to enable and support the institution in achieving its goals in a financially sustainable manner. IDA manages credit, market, and operational risks in its financial activities, which include lending, borrowing and investing (Box 5). The primary financial risk to IDA is the country credit risk inherent in its loan and guarantee portfolio. IDA is also exposed to risks in its liquid asset and derivative portfolios, where the major risks are interest rate, exchange rate, commercial counterparty, and liquidity risks. IDA's operational risk management framework is based on a structured and uniform approach to identify, assess, and monitor key operational risks across business units.

Box 5: Summary of IDA's Specific Risk Categories

Types of Risk	How the Risk is Managed
Credit Risk	
Country Credit Risk	IDA's credit-risk-bearing capacity and individual country exposure limits
Counterparty Credit Risk	Counterparty credit limits and collateral
Market Risk	
Interest Rate Risk	Interest rate derivatives to match the sensitivity of assets and liabilities
Exchange Rate Risk	Currency derivatives to align the currency composition of assets and liabilities
Liquidity Risk	Prudential minimum liquidity level
Operational Risk	Risk assessment and monitoring of key risk indicators and internal and external operational risk events
E&S	Early identification of emerging risks, structured portfolio reviews, watch list management, and targeted interventions
Model Risk	Perform or assist in independent model validation on a sample basis

Capital Adequacy

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

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

The TRR is the minimum capital required to cover estimated losses in connection with all of IDA's operations and assets. The TRR sets a capital charge requirement for credit risk (for the IDA portfolio including exposure under the Private Sector Window), interest rate risk (the present value adjustment of

IDA’s concessional loan portfolio based on stressed interest rates) and operational risk. The Conservation Buffer is calculated as 10% of TRA.

As of June 30, 2026, the DSC ratio remained stable at 30.7% (30.8% as of June 30, 2025). IDA's capital continues to be adequate to support its operations. See Table 23.

Table 23: Deployable Strategic Capital Ratio

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

As of	*Jun-26*	*Jun-25*	*Change*
Total Resources Available (TRA)	$ 159.8	$ 165.5	$ (5.7)
Total Resources Required (TRR)	94.7	97.9	(3.2)
Conservation Buffer (CB)	16.0	16.6	(0.6)
Deployable Strategic Capital (DSC = TRA-TRR-CB)	$ 49.1	$ 51.0	$ (1.9)
Deployable Strategic Capital as a percentage of TRA	**30.7 %**	**30.8 %**	**(0.1)%**

Asset/Liability Management

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

Capital Value Protection Program (CVP)

As part of IDA’s ALM policies, IDA executed pay fixed, receive floating forward-starting swaps with a current notional of $15.2 billion under a Board-approved Capital Value Protection Program. The objective of the program is to partially reduce the sensitivity of IDA’s capital adequacy model to changes in long-term interest rates and allow for more resources to be available for lending under the capital adequacy framework.

Changes in the values of these forward-starting swaps partially offset changes in the present value of loans, thereby reducing the sensitivity of IDA’s capital adequacy to long-term interest rate movements and providing greater stability in IDA’s long-term financing to clients. These swaps are included in the ALM portfolio. For more details, see Notes to the Financial Statements for the year ended June 30, 2026, Note F - Derivative Instruments.

Asset Coverage Principles

In addition to the DSC framework, IDA has policies in place to ensure alignment of its lending and borrowing activities. Specifically, the Board approved the following asset coverage principles:

- Management monitors the level of assets available to satisfy all of IDA’s borrowings and adjusts future lending and grant commitments should the level of asset coverage fall below the level expected for a triple-A rated entity.
- Management monitors IDA’s liquidity to ensure its ability to satisfy its borrowing and commitment obligations even under stressed conditions taking into account the level expected for a triple-A rated entity without callable capital.
- If IDA’s access to the capital markets or alternative sources of cash funding is impaired, then no additional loan or grant commitments will be approved until access to cash funding has resumed or all market debt is repaid.

Credit Risk

IDA faces two types of credit risk: country credit risk and counterparty credit risk. Country credit risk is the risk of loss due to a country not meeting its contractual obligations, and counterparty credit risk is the risk

of loss attributable to a counterparty not honoring its contractual obligations. IDA is exposed to commercial as well as noncommercial counterparty credit risk.

Country Credit Risk

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

While the PBA framework was not originally intended as a credit quality metric, it incorporates factors related to country credit risk. The PBA determines the volume of concessional IDA resources allocated to each country, based on performance in implementing policies that promote economic growth and poverty reduction, as assessed under the Country Policy and Institutional Assessment (CPIA). The CPIA includes economic management criteria, such as fiscal policy and debt policy and management.

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

Single Borrower Limit

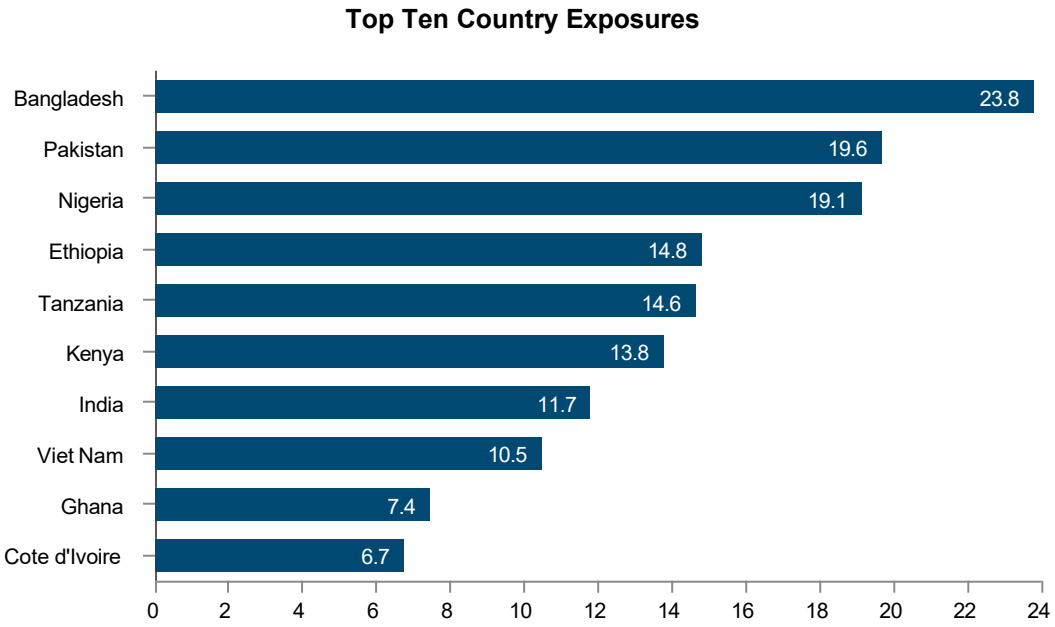
Portfolio concentration risk, which arises when a small group of borrowing countries account for a large share of loans outstanding, is a key consideration for IDA. Concentration risk is managed through the SBL, which caps exposure to any single borrowing country at 25 percent of equity, in line with the Basel-based maximum exposure limit.

For FY27, the SBL has been set at $51.3 billion (25% of $205.0 billion of total equity as of June 30, 2026), a marginal increase compared to FY26 ($51.0 billion). Currently, the maximum country exposure levels compatible with IDA's overall capital adequacy target are lower than the SBL for all IDA borrowing countries. As a consequence, the SBL is currently not a constraining factor.

As of June 30, 2026, the ten countries with the highest exposures accounted for 59% of IDA's total exposure (Figure 13).

Figure 13: Country Exposures as of June 30, 2026

In billions of U.S. dollars



Debt Relief

IDA has participated in two comprehensive debt relief initiatives, HIPC and MDRI, adopted by the global development community to reduce the debt burdens of developing countries. In each case, IDA agreed to provide debt relief in return for future compensation from members for forgone reflows, ensuring that IDA's financial capacity would not be reduced. For a borrower to be eligible for debt relief on its loans with IDA, it is required to maintain macroeconomic stability, carry out key structural and social reforms, and maintain all loans in accrual status.

Expected Losses, Overdue Payments and Non-Performing Loans

When a borrower fails to make payments on any principal, interest, or other charges due to IDA, IDA may suspend disbursements immediately on all loans and grants to that borrower. IDA's current practice is to exercise this option using a gradual approach (Box 6). These practices also apply to member countries eligible to borrow from both IDA and IBRD, and whose payments on IBRD loans may become overdue. It is IDA's practice not to reschedule service charges, interest or principal payments on its sovereign loans or participate in debt rescheduling agreements with respect to its sovereign loans. As of June 30, 2026, none of the IDA borrowing countries in the accrual portfolio had overdue payments beyond three months.

On May 12, 2025, the Syrian Arab Republic, with the assistance of 2 member countries, cleared all of its overdue principal and charges due to IDA.

Box 6: Treatment of Overdue Payments

Overdue by 30 days	Where the borrower is the member country, no new loans, or grants to the member country, or to any other borrower in the country, will be presented to the Board for approval nor will any previously approved loans or grants be signed, until payments for all amounts 30 days overdue or longer have been received. Where the borrower is not the member country, no new loans or grants to that borrower will be signed or approved.
Overdue by 45 days	In addition to the provisions cited above for payments overdue by 30 days, to avoid proceeding further on the notification process leading to suspension of disbursements, the country as borrower or guarantor and all borrowers in the country must pay not only all payments overdue by 30 days or more, but also all payments due regardless of the number of days since they have fallen due. Where the borrower is not the member country, no new loans, or grants to, or guaranteed by, the member country, will be signed or approved.
Overdue by 60 days	In addition to the suspension of approval for new loans or grants and signing of previously approved loans or grants, disbursements on all grants or loans to or guaranteed by the member country are suspended until all overdue amounts are paid. This policy applies even when the borrower is not the member country. Under exceptional circumstances, disbursements can be made to a member country upon the Board's approval.
Overdue by more than six months	In addition to the suspension of disbursements on all loans to, or guaranteed by, the member country, all loans made to or guaranteed by a member or to the territory of a member of IDA are placed in nonaccrual status, unless IDA determines that the overdue amount will be collected in the immediate future. Unpaid service charges and other charges not yet paid on loans outstanding are deducted from loan revenue in the current period. To the extent that these payments are received, they are included in loan revenue. At the time of arrears clearance, if collectability risk is considered to be particularly high, the member's exposures may not automatically emerge from nonaccrual status. In such instances, a decision is made on the restoration of accrual status on a case-by-case basis and in certain cases, this decision may be deferred until after a suitable period of payment or policy performance has passed.

As an exception to the practices set forth in Box 6, IDA has provided financing to countries with overdue payments, in very specific situations:

- IDA has provided grants from its Crisis Response Window to third party agencies for use in Federal Republic of Somalia and Zimbabwe in response to major crises, during FY17 and FY19 respectively, and;
- IDA has financed a few regional projects, for the benefit of countries with overdue payments to IDA, through its Regional Program Window.

In the past, on an exceptional basis, IDA financed through concessional loans and grants the following regional projects, where participation of a country with overdue payments was crucial to the success of the regional project.

- In April 2017, the Kenya Displacement project ($103 million) through Intergovernmental Authority on Development (IGAD) that included financing for Federal Republic of Somalia, a country with overdue payments at the time.
- In December 2014, Kariba Dam Rehabilitation Project ($75 million) that included benefits for Zimbabwe, a country with overdue payments.
- In September 2003, West Africa HIV/AIDS project for the Abidjan-Lagos Transport Corridor ($17 million) that included benefits for Togo, a country with overdue payments at that time.

In the above cases, financing was not made directly to the country with overdue payments. Implementation arrangements were such that a regional bank or another participating country took on the obligation of the regional project on behalf of the country with overdue payments to IDA.

In addition, IDA may engage with countries with overdue payments when a very narrow and well-defined set of criteria are met, including a clear path to arrears clearance. For more details on exceptional financing, see Section III: IDA's Financial Resources.

Accumulated Provision for Losses on Loans and other Exposures

The total exposure for provisioning is the current exposure and the estimated exposure taking into account expected disbursements and repayments over the life of the instruments. The expected credit losses related to loans and other exposures are calculated over the life of the instruments based on the expected exposures, the expected default frequency (probability of default to IDA) and the estimated loss given default. The provision for expected losses is the sum of the expected annual losses over the life of the instruments. A key determinant in the provision for losses on loans and other exposures is IDA's

borrowing country credit risk ratings. These ratings are IDA's own assessment of borrowers' ability and willingness to repay IDA on time and in full.

As of June 30, 2026, IDA had $236.1 billion of loans outstanding, of which loans in nonaccrual status represented 0.4%. IDA's accumulated provision for losses on loans and other exposures was $6.4 billion, which represented a provisioning rate of 2.0% of the underlying exposures ($6.2 billion as of June 30, 2025, 2.0% of the underlying exposures). For a summary of countries with loans or guarantees in nonaccrual status as of June 30, 2026, see Notes to the Financial Statements for the year ended June 30, 2026, Note D – Loans and Other Exposures.

Commercial Counterparty Credit Risk

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

IDA mitigates the counterparty credit risk from its investment and derivative holdings through the credit approval process, the use of collateral agreements and risk limits, and other monitoring procedures. The credit approval process involves evaluating counterparty and product specific creditworthiness, assigning internal credit ratings and limits, and determining the risk profile of specific transactions. Credit limits are set and monitored throughout the year. Counterparty exposure is updated daily, taking into account current market values of assets held, estimates of potential future movements of exposure for derivative instruments, and related counterparty collateral agreements. Collateral posting requirements are based on thresholds driven by public credit ratings. Collateral held includes cash and highly rated liquid investment securities. Commercial credit risk management includes ESG related assessments in the approval and monitoring of higher exposure counterparts for the liquid asset portfolio and for derivative counterparties.

IDA's liquid asset portfolio consists mostly of sovereign government bonds, debt instruments issued by sovereign government agencies, corporates and time deposits with banks.

Derivative Instruments

In the normal course of its business, IDA enters into various derivative instruments to manage foreign exchange and interest rate risks. These instruments are also used to help borrowers to manage their financial risks. Derivative transactions are conducted with other financial institutions and, by their nature, entail commercial counterparty credit risk.

While the volume of derivative activity can be measured by the contracted notional value of derivatives, notional value is not an accurate measure of credit or market risk. IDA uses the estimated replacement cost of the derivative instruments, or potential future exposure (PFE), to measure credit risk with counterparties.

Under IDA's mark-to-market collateral arrangements, IDA receives collateral when mark-to-market exposure is greater than the ratings-based collateral threshold. As of June 30, 2026, IDA received $1,205 million of cash collateral and $351 million of securities collateral for its derivative transactions ($1,266 million and $33 million, respectively - June 30, 2025).

IDA is not required to post collateral under its derivative agreements as long as it maintains a triple-A credit rating. (For the contractual value, notional amounts, related credit risk exposure amounts, and the amount IDA would be required to post in the event of a downgrade, see Notes to the Financial Statements for the year ended June 30, 2026, Note F–Derivative Instruments).

Investment Securities

IDA's Board-approved General Investment Authorization provides the basic authority for IDA to invest its liquid assets. Furthermore, all investment activities are conducted in accordance with a more detailed set of Investment Guidelines set by management. The Investment Guidelines are approved by the MDCFO

and implemented by the Treasurer. The Guidelines include a consultative loss limit to reflect a level of tolerance for the risk of underperforming the benchmark in any fiscal year and a duration deviation metric. Clear lines of responsibility for risk monitoring and compliance are highlighted in the Guidelines. Credit risk appetite is conveyed through specific eligibility criteria (Box 7). IDA has procedures in place to monitor performance against this limit and potential risks, and it takes appropriate actions if the limit is reached. All investments are subject to additional conditions specified by the market and counterparty risk department, as deemed necessary.

Box 7: Eligibility Criteria for IDA's Investments portfolio

Eligible Investments [a]	Description
Sovereigns	IDA may only invest in obligations issued or unconditionally guaranteed by governments of member countries with a minimum credit rating of AA-. However, no rating is required if government obligations are denominated in the national currency of the issuer.
Agencies	IDA may invest only in obligations issued by an agency or instrumentality of a government of a member country, a multilateral organization, or any other official entity other than the government of a member country, with a minimum credit rating of AA-.
Corporates and asset-backed securities	IDA may only invest in securities with a triple-A credit rating.
Time deposits [b]	IDA may only invest in time deposits issued or guaranteed by financial institutions, whose senior debt securities are rated at least A-.
Commercial paper	IDA may only invest in short-term borrowings (less than 190 days) from commercial banks, corporates, and financial institutions with at least two Prime-1 ratings.
Securities lending, and borrowing, repurchases, resales, and reverse repurchases	IDA may engage in securities lending, against adequate collateral repurchases and reverse repurchases, against adequate margin protection, of the securities described under the sovereigns, agencies, and corporates and asset-backed security categories.
Collateral assets	IDA may engage in collateralized forward transactions, such as swap, repurchase, resale, securities lending, or equivalent transactions that involve certain underlying assets not independently eligible for investment. In each case, adequate margin protection needs to be received.

a. All investments are subject to approval by the Market and Counterparty Risk department and must appear on the "Approved List" created by the department.
b. Time deposits include certificates of deposit, bankers' acceptances and other obligations issued or unconditionally guaranteed by banks or other financial institutions.

The credit quality of IDA's investment portfolio remains in the upper end of the credit spectrum with 66% of the portfolio rated AA or above as of June 30, 2026, reflecting IDA's continued preference for highly-rated securities and counterparties across all categories of financial instruments.

Commercial Counterparty Credit Risk Exposure

As a result of IDA's use of mark-to-market collateral arrangements for swap transactions, its residual commercial counterparty credit risk exposure is concentrated in the investment portfolio, in instruments issued by sovereign governments and non-sovereign holdings (including Agencies, Asset-backed securities, Corporates, and Time Deposits). Total commercial counterparty credit exposure, net of collateral held, was $43.2 billion as of June 30, 2026. (Table 24).

Table 24: Commercial Credit Exposure, Net of Collateral Held, by Counterparty Rating

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

	As of June 30, 2026				
Counterparty Rating [a]	*Sovereigns*	*Non-Sovereigns*	*Net Swap Exposure*	*Total Exposure [b]*	*% of Total*
AAA	$ 5,012	$ 6,359	$ —	**$ 11,371**	26 %
AA	1,393	15,256	423	**17,072**	40
A	9,107	5,176	228	**14,511**	34
BBB	66	162	—	**228**	*
Total	**$ 15,578**	**$ 26,953**	**$ 651**	**$ 43,182**	**100 %**

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

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

b. Excludes other fund investments relating to TFGWB.

For the contractual value, notional amounts and related credit risk exposure amounts by instrument, see Notes to the Financial Statements for the year ended June 30, 2026, Note F - Derivative Instruments.

Credit and Debit Valuation Adjustments

Most outstanding derivative positions are transacted over-the-counter and therefore valued using internally developed valuation models. For commercial and non-commercial counterparties where IDA has a net exposure (net receivable position), IDA calculates a Credit Valuation Adjustment (CVA) to reflect credit risk. For net derivative positions with commercial and non-commercial counterparties where IDA is in a net payable position, IDA calculates a Debit Valuation Adjustment (DVA) to reflect its own credit risk.

The CVA is calculated using future projected exposures of the derivative contracts, net of collateral received under credit support agreements, and the probability of counterparty default based on the Credit Default Swaps (CDS) spread and, where applicable, proxy CDS spreads. IDA does not currently hedge this exposure. The DVA calculation is generally consistent with the CVA methodology and incorporates IDA's own credit spread as observed through the CDS market. As of June 30, 2026, IDA recorded a CVA on its balance sheet of $96 million, and a DVA of $10 million.

Changes in Credit Spreads

- *Borrowings*: IDA's own credit risk reflects the cost of funding relative to applicable reference rates. Changes in IDA's credit spreads result in unrealized mark-to-market gains/losses, recorded as Net Change in DVA on Fair Value Option elected liabilities in the Statements of Comprehensive Income.
- *Loans*: IDA's fair value model mainly represents a hypothetical MDB market exit price of the loans outstanding. It incorporates CDS spreads as an indicator of the credit risk for each borrower, after adjusting recovery levels to incorporate IDA's institutional experience and assumptions. These assumptions are reviewed annually. IDA does not hedge its sovereign credit exposure, but Management assesses its credit risk through a loan loss provisioning framework. The loan loss provision represents the expected losses inherent in its accrual and nonaccrual portfolios. IDA's country credit risk is managed by using individual country exposure limits and by monitoring its credit-risk-bearing capacity.

- *Investments:* IDA purchases investment-grade securities for its liquid asset portfolio. Credit risk is controlled through appropriate eligibility criteria (Box 7). The overall risk of the investment portfolio is also constrained by a consultative loss limit. In line with these risk management strategies, the potential effect of default risk on IDA's investments is therefore small.
- *Derivatives*: IDA uses derivatives to manage exposures to currency and interest rate risks in its borrowing, loan, and investment portfolios. It is therefore exposed to commercial counterparty credit risk on these instruments. This risk is managed through:
    - Stringent selection of commercial derivative counterparties,
    - Daily marking-to-market of derivative positions, and
    - Use of collateral and collateral thresholds for all commercial counterparties.

The sensitivity of IDA's portfolios to changes in credit spreads is shown in Table 25, where the amount represents the dollar change in fair value which corresponds to a one basis point parallel upward shift in credit spreads.

Table 25: Effect of Credit on IDA's Portfolios

In millions of U.S. dollars

As of June 30, 2026	*Credit Effect on Portfolio Value* [a]
Borrowings	$ 17
Loans [b]	(16)
Investments	(1)
Total losses	**$ —**

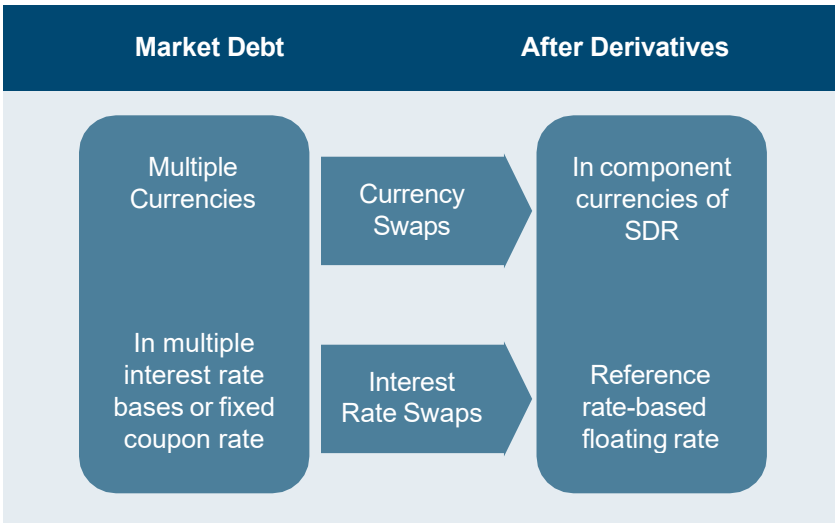
a. Excludes CVA and DVA on derivatives

b. If loans were measured at fair value

Market Risk

IDA is exposed to changes in interest and exchange rates and uses derivatives to manage its exposure to market risks. Derivatives are used to align the interest and currency composition of its assets (loan and investment trading portfolios) with that of its liabilities (borrowing portfolio) and equity, with the exception of the long-term fixed rate market debt that is used to fund fixed rate loans. Figure 14 below illustrates the use of derivatives for market borrowing portfolios. The loan, investment and borrowing portfolios are largely maintained in SDR and its component currencies.

Figure 14: Use of Derivatives for Market Borrowings at Fair Value



Interest Rate Risk

IDA is exposed to interest rate risk due to mismatches between its assets (loan and investment portfolios) and its liabilities (borrowing portfolio) both in terms of maturity and interest rate basis. To mitigate some of this risk, management has put in place the Capital Value Protection swaps and long-term fixed rate debt programs, which in conjunction with the Concessional Partner Loans, offset a portion of the interest rate risk. Given IDA's lengthy repayment profile, the remaining weighted average maturity of IDA's loans is relatively long (12 years). This long maturity, combined with volatility in market interest rates, results in significant year-on-year variability in the fair value of loans. However, since the loan portfolio is not reported at fair value under U.S. GAAP, the impact of this variability on IDA's Balance Sheets is not fully evident. IDA's investment-trading portfolio (liquid asset portfolio) has a relatively low sensitivity to interest rates with a duration of 5 months as of June 30, 2026.

- Loan and Borrowing Portfolios: In line with IDA's financial risk management strategies, the sensitivity of IDA's loan and borrowing portfolios to changes in interest rates is managed through derivatives, or through the use of borrowings which match the fixed rate basis of the loan portfolio and which are reported at amortized cost. As noted earlier, IDA intends to maintain its positions for these portfolios and thus manages these instruments on a cash flow basis. The resulting net unrealized mark-to-market gains and losses on these portfolios, associated with the sensitivity to interest rates, are therefore not expected to be realized.
- Other ALM (including CVP): Other ALM primarily includes the CVP which consists of $15.2 billion current notional, forward starting fixed pay swaps. These swaps hedge against rising future interest rates given IDA's fixed rate concessional loan portfolio. CVP is classified as a non-trading portfolio recorded at fair value. Changes in the values of these derivatives would partially offset changes in the value of the loans if the loans were recorded at fair value.
- *Investments:* After the effects of derivatives, the average effective duration of the investments is approximately 5 months for FY26. As a result, the portfolio has a low sensitivity to changes in interest rates.

The sensitivity of these portfolios to interest rate movements, after the effect of derivatives, is shown in Table 26 below where the amount represents the dollar change in fair value corresponding to a one basis point parallel upward shift in interest rates as of June 30, 2026.

Under its integrated financial model, IDA employs the following strategies to manage interest rate risk:

- The capital adequacy policies factor in the sensitivity to interest rates.
- Matching interest rates between assets and related funding, where possible, to reduce open interest rate positions.
- The funding risk related to the mismatch between the maturity profile of the debt funding and the related assets is monitored through duration measurements and adjustments to capital requirements to cover this risk.

Table 26: Effect of Interest Rates on IDA's Portfolios

In millions of U.S. dollars

As of June 30, 2026		*Net Interest Rate Effect on Portfolio Value*
Market borrowings at fair value, including derivatives	$	1
Other borrowings, at amortized cost [a]		31
Loan portfolio [a]		(123)
Other ALM [b]		9
Investment Portfolio		(2)
Total losses	**$**	**(84)**

a. If instruments were measured at fair value

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

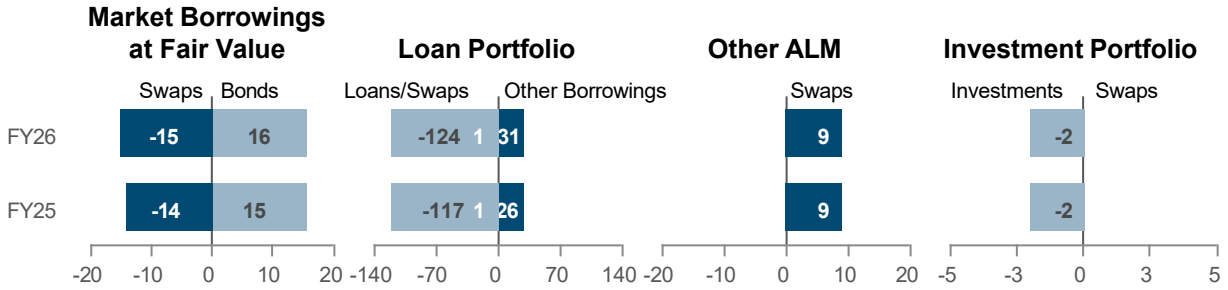
Figure 15 depicts how the use of derivatives, or other offsetting positions, affects the overall sensitivity of the borrowing, loan, other ALM, and investment portfolios. It indicates the extent to which each portfolio is economically hedged. For example, for the borrowing portfolio, a one basis point increase in interest rates would result in $16 million of unrealized mark-to-market gains on bonds, which would be offset by $15 million of unrealized mark-to-market losses on swaps. Loan and Other borrowings sensitivities are illustrative, as they are carried at amortized cost on the Balance Sheets.

Figure 15: Sensitivity to Interest Rates

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

In millions of U.S. dollars

As of June 30, 2026



**Sensitivities are marginal.*

Exchange Rate Risk

IDA faces foreign exchange rate risk exposure as a result of the currency mismatch between its commitments for loans and grants, which are mainly denominated in SDRs; equity contributions from members, which are typically denominated in national currencies; and the portion of IDA's internal resources and expenditures that are denominated in U.S. dollars.

Changes in exchange rates affect the capital adequacy of IDA when the currency of the equity supporting the loan portfolio and other assets is different from that of the risk exposure. Accordingly, the primary objective of IDA's currency risk management is to protect IDA's financial capacity from exchange rate movements, as measured by the capital adequacy framework. To achieve this, IDA's balance sheets are

managed in multiple currencies: SDR and the currencies comprising the SDR basket. The exchange rate risk management methodology encompasses the hedging of currency risk arising from the various inflows and outflows inherent in IDA's business model. In addition, under the currency risk management methodology, the required equity is held in the currencies of the underlying risk exposure (SDR and its basket currencies), with IDA undertaking regular rebalancing of the currency denomination of its equity to address portfolio changes in a timely manner.

The reported levels of its assets, liabilities, income, and expenses in the financial statements are affected by exchange rate movements in all the currencies in which IDA transacts, relative to its reporting currency, the U.S. dollar. These movements are shown as currency translation adjustments. Translation adjustments relating to the revaluation of assets and liabilities denominated in SDR and SDR component currencies, (IDA's functional currencies), are reflected in Accumulated Other Comprehensive Loss, in equity. Translation adjustments relating to non-functional currencies are reported in IDA's Statements of Income (see Notes to the Financial Statements for the year ended June 30, 2026, Note A – Summary of Significant Accounting and Related Policies).

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

The payable leg of the currency forward contracts economically hedging member equity contribution pledges is denominated in non-functional currencies. IDA pays the market counterparty in a non-SDR currency. Accordingly, depreciation or appreciation of the non-SDR currencies against the U.S. dollar results in exchange rate gains or losses, which are reported in the Statements of Income. The translation adjustment on future inflows from members, even though they are not recorded in the balance sheets, is the economic offset to the translation adjustment on nonfunctional currencies of currency forward contracts.

Liquidity Risk

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

IDA's aggregate liquid asset holdings are kept above a specified prudential minimum to safeguard against cash flow interruptions. The Prudential Minimum is equal to 80% of 24 months of projected net outflows. On July 7th, 2026, the Board approved a new approach to update the existing liquidity framework by setting IDA's Prudential Minimum level of liquidity at 100% of Management's estimates of twelve months of net projected disbursements and debt service for the upcoming fiscal year. The FY27 Prudential Minimum has been set at $31.0 billion compared to $37.0 billion for FY26. As of June 30, 2026, IDA's liquid assets were $42.1 billion, 114% of the FY26 prudential minimum.

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

Operational Risk

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

IDA recognizes the importance of operational risk management activities, which are embedded in its financial operations. As part of its business activities, IDA is exposed to a range of operational risks including physical security, staff health and safety, information security and data privacy, business continuity, and third party risks. IDA's approach to identifying and managing operational risk includes a dedicated program for these risks and a robust process that includes identifying, assessing, and prioritizing operational risks, monitoring, and reporting relevant key risk indicators, aggregating and

analyzing internal and external events, and identifying emerging risks that may affect business units and developing risk response and mitigating actions.

Cybersecurity Risk Management

IDA's operations rely on the secure processing, storage, and transmission of confidential and other information in computer systems and networks. Like other financial institutions, cybersecurity risk continues to be significant for IDA due to the evolving sophistication and complexity of the cyber threat landscape. These risks are unavoidable, and IDA seeks to manage them on a cost-effective basis consistent with its risk appetite.

To protect the security of its computer systems, software, networks and other technology assets, IDA has developed its cybersecurity risk management program, aligned with its Operational Risk Management Framework. This program consists of cybersecurity policies, procedures, compliance, and awareness programs. A multi-layered approach for cybersecurity risk management is employed to prevent and detect malicious activity, both from within the organization and from external sources. In response to emerging cyber threats such as malware including ransomware, denial of service, phishing attacks and artificial intelligence related risks, IDA adapts its technical and process-level controls and enhances user awareness to mitigate the risk. When relying on third-party vendors for technology-enabled services, additional meaningful and diligent measures are applied to gain assurance regarding the security of its information and technology assets including, as appropriate, legal and cybersecurity contractual safeguards in third-party vendor agreements and review and monitoring of third-party control environments.

IDA periodically assesses the maturity and effectiveness of its cyber defenses through risk mitigation techniques, including but not limited to, targeted testing, internal and external audits, incident response desktop exercises and industry benchmarking.

SECTION X: CRITICAL ACCOUNTING POLICIES AND THE USE OF ESTIMATES

IDA's significant accounting policies, as well as estimates made by management, are integral to its financial reporting. While all of these policies require a certain level of judgment and estimates, significant policies require management to make highly difficult, complex, and subjective judgments as these relate to matters inherently uncertain and susceptible to change. Note A to the financial statements contains a summary of IDA's significant accounting policies including a discussion of recently issued accounting pronouncements.

Fair Value of Financial Instruments

All fair value adjustments are recognized through the Statements of Income, except for changes in the fair value of debt related to IDA's own credit, which are reported in Other Comprehensive Income. The fair values of financial instruments are based on a three-level hierarchy.

For financial instruments classified as Level 1 or 2, less judgment is applied in arriving at fair value measures as the inputs are based on observable market data. For financial instruments classified as Level 3, unobservable inputs are used. These require management to make important assumptions and judgments in determining fair value measures.

Derivative contracts generally include currency forward contracts, to-be-announced (TBA) securities, swaptions, exchange traded options and futures contracts, currency swaps, and interest rate swaps. Plain vanilla swaps and structured swaps are valued using the standard discounted cash flow methods using observable market inputs such as yield curves, foreign exchange rates and basis spreads.

In instances where management relies on instrument valuations supplied by external pricing vendors, there are procedures in place to validate the appropriateness of the models used as well as the inputs applied in determining those values.

IDA's financial instruments recorded at fair value are classified as either Level 1 or Level 2 as of June 30, 2026, as the inputs are based on observable market data and less judgment is applied in arriving at fair value measures.

On a quarterly basis, the methodology, inputs, and assumptions are reviewed to assess the appropriateness of the fair value hierarchy classification of each financial instrument. All the financial models used for input to IDA's financial statements are subject to both internal and periodic external verification and review by qualified personnel.

Provision for Losses on Loans and Other Exposures

IDA's accumulated provision for losses on loans and other exposures reflects the expected losses inherent in its nonaccrual and accrual portfolios after taking into consideration the expected relief under the HIPC Debt Initiative and MDRI and any provision for losses on the buy-down of loans.

Adjustments to the accumulated provision are recorded as a charge to or a release of provision in the Statements of Income. Actual losses may differ from expected losses due to unforeseen changes in any of the factors that affect borrowers' creditworthiness.

The Credit Risk Committee monitors aspects of country credit risk, in particular, reviewing the provision for losses on loans and guarantees taking into account, among other factors, any changes in exposure, risk ratings of borrowing member countries, or movements between the accrual and nonaccrual portfolios.

Additional information on IDA's provisioning policy and the status of nonaccrual loans can be found in the Notes to Financial Statements for the year ended June 30, 2026, Note A - Summary of Significant Accounting and Related Policies and Note D - Loans and Other Exposures.

SECTION XI: GOVERNANCE AND INTERNAL CONTROLS

Business Conduct

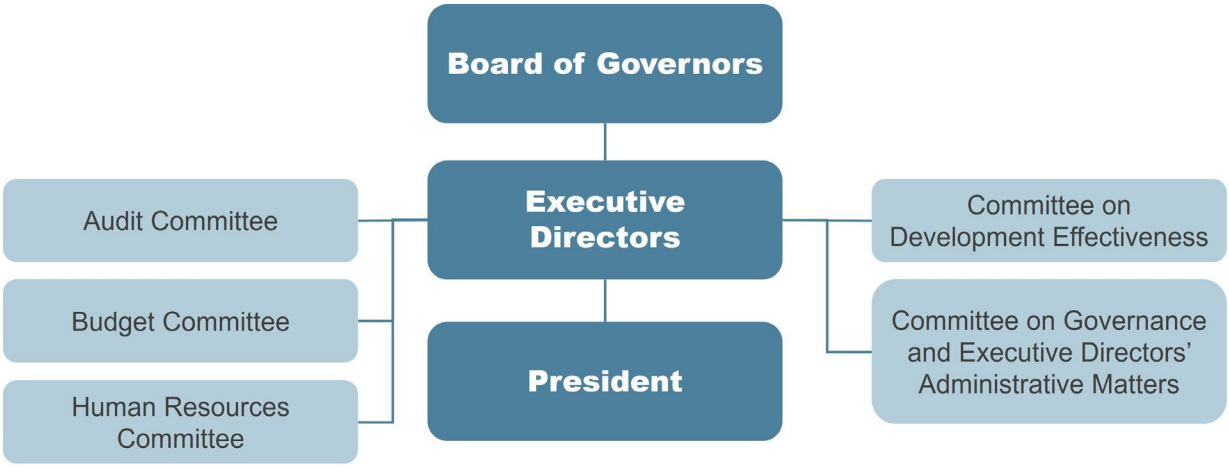
The WBG promotes a positive work environment in which staff members understand their ethical obligations to the institution. In support of this commitment, the institution has a Code of Conduct in place. The WBG has both an Ethics Helpline and a Fraud and Corruption hotline. A third-party service offers many methods of worldwide communication. Reporting channels include telephone, mail, email, or confidential submission through a website.

IDA has in place procedures for receiving, retaining, and handling recommendations and concerns relating to business conduct identified during the accounting, internal control, and auditing processes.

WBG staff rules clarify and codify the staff's obligations in reporting suspected fraud, corruption, or other misconduct that may threaten the operations or governance of the WBG. These rules also offer protection from retaliation.

General Governance

Figure 16: Governance Structure



IDA's decision-making structure consists of the Board of Governors, the Executive Directors (the Board), the President, management, and staff. The Board of Governors is the highest decision-making authority. Governors are appointed by their member governments for a five-year term, which is renewable. The Board of Governors may delegate authority to the Executive Directors (referred to as the Board in this document) to exercise any of its powers, except for certain powers enumerated in IDA's Articles. IDA has its own policies and frameworks that are carried out by staff that share responsibilities for both IDA and IBRD.

In addition, IBRD and IDA have joint internal institutional oversight units which play an assurance role to shareholders and management that IDA's work is impactful and accountable, informed by best practices, and delivered to the highest ethical standards with risk management controls and governance processes that are functioning effectively.

Executive Directors

In accordance with the Articles, Executive Directors are appointed or elected every two years by their member governments. The Board currently has 25 Executive Directors who represent all 175 member countries. Executive Directors are neither officers nor staff of IDA. The President is the only member of the Board from management, and he serves as a non-voting member and as Chairman of the Board.

The Board is required to consider proposals made by the President on IDA loans, grants, and guarantees and on other policies that affect its general operations. The Board is also responsible for presenting to the Board of Governors, at the Annual Meetings, audited accounts, an administrative budget, and an annual report on operations and policies and other matters.

The Board and its committees are in continuous sessions based in Washington DC, as business requires. Each committee's terms of reference establish its respective roles and responsibilities. As committees do not vote on issues, their role is primarily to serve the Board in discharging its responsibilities.

The committees are made up of eight members and function under their respective terms of reference. These committees are as follows:

- Audit Committee - assists the Boards in overseeing IDA's finances, accounting, risk management and internal controls (See further explanation below).
- Budget Committee - assists the Boards in approving the World Bank's budget and in overseeing the preparation and execution of IDA's business plans. The committee provides guidance to management on strategic directions of IDA.
- Committee on Development Effectiveness - supports the Boards in assessing IDA's development effectiveness, providing guidance on strategic directions of IDA, monitoring the quality and results of operations.
- Committee on Governance and Executive Directors' Administrative Matters - assists the Boards in issues related to the governance of IDA, the Boards' own effectiveness, and the administrative policy applicable to Executive Directors' offices.
- Human Resources Committee - strengthens the efficiency and effectiveness of the Board in discharging its oversight responsibility on the World Bank's human resources strategy, policies and practices, and their alignment with the business needs of the organization.

Audit Committee

Membership

The Audit Committee consists of eight Executive Directors. Membership in the Audit Committee is determined by the Board, based on nominations by the Chairman of the Board, following informal consultation with Executive Directors.

Key Responsibilities

The Audit Committee is appointed by the Board for the primary purpose of assisting the Board in overseeing IDA's finances, accounting, risk management, internal controls, and institutional integrity. Specific responsibilities include:

- Oversight of the integrity of IDA's financial statements.
- Appointment, qualifications, independence, and performance of the External Auditor.
- Oversight of the performance of the Group Internal Audit function.
- Adequacy and effectiveness of financial and accounting policies and internal controls and the mechanisms to deter, prevent and penalize fraud and corruption in IDA operations and corporate procurement.
- Effective management of financial, fiduciary and compliance risks in IDA.
- Oversight of the institutional arrangements and processes for risk management across IDA.

In carrying out its role, the Audit Committee discusses financial issues and policies that affect IDA's financial position and capital adequacy, with management, external auditors, and internal auditors. It also recommends the annual audited financial statements for approval to the Board. The Audit Committee monitors and reviews developments in corporate governance and its own role on an ongoing basis.

Executive Sessions

Under the Audit Committee's terms of reference, it may convene an executive session at any time, without management's presence. The Audit Committee meets separately in executive session with the external and internal auditors.

Access to Resources and to Management

Throughout the year, the Audit Committee receives a large volume of information to enable it to carry out its duties and meets both formally and informally throughout the year to discuss relevant matters. It has complete access to management, and reviews and discusses with management topics considered in its terms of reference.

The Audit Committee has the authority to seek advice and assistance from outside legal, accounting, or other advisors as it deems necessary.

Auditor Independence

The appointment of the external auditor for IDA is governed by a set of Board-approved principles. These include:

- Limits on the external auditor's provision of non-audit-related services;
- Requiring all audit-related services to be pre-approved on a case-by-case basis by the Board, upon recommendation of the Audit Committee; and
- Renewal of the external audit contract every five years, with a limit of two consecutive terms and mandatory rotation thereafter.

The external auditor may provide non-prohibited, non-audit related services subject to monetary limits.

Broadly, the list of prohibited non-audit services includes those that would put the external auditor in the roles typically performed by management and in a position of auditing their own work, such as accounting services, internal audit services, and provision of investment advice. The total non-audit services fees over the term of the relevant external audit contract shall not exceed 70% of the audit fees over the same period.

Communication between the external auditor and the Audit Committee is ongoing and carried out as often as deemed necessary by either party. The Audit Committee meets periodically with the external auditor and individual committee members have independent access to the external auditor. IDA's external auditors also follow the communication requirements with the Audit Committee set out under generally accepted auditing standards in the United States.

External Auditors

The external auditor is appointed to a five-year term, with a limit of two consecutive terms, and is subject to annual reappointment based on the recommendation of the Audit Committee and approval of a resolution by the Board.

In May 2022, IDA's Board approved Deloitte & Touche LLP as IDA's external auditor for a second five-year term commencing in FY24.

Senior Management Changes

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

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

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

In parallel with these changes, and as part of the WBG's broader transformation, the Knowledge Bank has been established to unify expertise of each WBG institution in a single structure and strengthen the value proposition for both sovereign and private sector clients. To lead this effort, Paschal Donohoe was appointed as Managing Director and WBG Chief Knowledge Officer effective November 24, 2025.

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

Anshula Kant, Managing Director and WBG Chief Financial Officer, will be retiring at the end of November 2026.

Internal Controls

Internal Control over Financial Reporting

Each fiscal year, management evaluates the internal control over financial reporting to determine whether any changes made in these controls during the fiscal year materially affect, or would be reasonably likely to materially affect, IDA's internal control over financial reporting. The internal control framework promulgated by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), "Internal Control - Integrated Framework (2013)" provides guidance for designing, implementing, and conducting internal control and assessing its effectiveness. IDA uses the 2013 COSO framework to assess the effectiveness of the internal control over financial reporting. As of June 30, 2026, management maintained effective internal control over financial reporting. See "Management's report regarding effectiveness of Internal Control over Financial Reporting" on page 76.

IDA's internal control over financial reporting as of June 30, 2026, has been audited by Deloitte & Touche LLP, an independent auditor, as stated in their report, which is included herein.

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to ensure that information required to be disclosed is gathered and communicated to management as appropriate, to allow timely decisions regarding required disclosure by IDA. Management conducted an evaluation of the effectiveness of such controls and procedures and the President and the MDCFO have concluded that these controls and procedures were effective as of June 30, 2026.

SECTION XII: AFFILIATED ORGANIZATIONS—IBRD, IFC AND MIGA

IBRD's purpose is to work with its borrowing members so that they can achieve equitable and sustainable economic growth in their national economies and find effective solutions to pressing regional and global problems in economic development and environmental sustainability. It pursues this goal primarily by providing financing, risk management products, and other financial services, access to experts and a pool of knowledge in development-related disciplines, so that borrowing members can pool, administer and prioritize resources they dedicate to development-related objectives. IBRD is financed by capital subscriptions by its members and debt raised in the capital markets. Under its Articles, IDA may not lend to, or borrow from IBRD.

IBRD may make transfers to IDA out of net income. In FY26, IDA received $782 million from IBRD, cumulative transfers to IDA from IBRD of $18.1 billion as of June 30, 2026. For additional information on transfers from IBRD, see Notes to the Financial Statements for the year ended June 30, 2026 — Note H —Transactions with Affiliated Organizations.

IFC helps developing countries achieve sustainable growth by financing private sector investments, mobilizing capital in international financial markets and providing advisory services to businesses and governments. Under its Articles, IDA is permitted to provide financing to IFC, and may, at its discretion, require a suitable governmental or other guarantee. Such financing is subject to the limitation that IDA may not lend IFC any amount which would increase its total outstanding loans beyond a certain threshold. As of June 30, 2026, IDA had no loans to IFC. As of June 30, 2026, IDA held a debt security issued by IFC with a fair value of $82 million.

IFC may make grants to IDA. During FY26, there were no transfers from IFC to IDA. The cumulative transfers from IFC to IDA were $3.9 billion as of June 30, 2026.

The IFC-MIGA Private Sector Window (PSW) was created under the Eighteenth Replenishment of IDA (IDA18) to mobilize private sector investment in IDA-eligible countries and IDA-eligible Fragile and Conflict-affected Situations. Under IDA's Twenty-First Replenishment of Resources (IDA21), $3.2 billion has been allocated to PSW, including $500 million of IFC's economic capital that has been set aside. The PSW is deployed through four facilities designed to target critical challenges faced by the private sector and leverage IFC and MIGA's business platforms and instruments. For additional information on the PSW, see Notes to the Financial Statements for the year ended June 30, 2026 — Note H—Transactions with Affiliated Organizations.

As of June 30, 2026, the PSW exposures (including signed loan commitments), comprising mainly of the MIGA Guarantee Facility and the IFC Blended Finance Facility, were $1,913 million ($1,728 million—June 30, 2025), and the related accumulated provision was $351 million ($183 million—June 30, 2025).

MIGA was established to encourage the flow of investments for productive purposes by providing guarantees against noncommercial risks for foreign investment in its developing member countries. Under its Articles, IDA is permitted to provide financing to MIGA, and may, at its discretion, require a suitable governmental or other guarantee. Such financing is subject to the limitation that IDA may not lend MIGA any amount which would increase its total outstanding loans beyond a certain threshold. As of June 30, 2026, IDA had no loans to MIGA.

SECTION XIII: ADMINISTRATION OF IDA

IDA's administration is composed of the Board of Governors, the Executive Directors, the President, other officers, and staff.

All the powers of IDA are vested in the Board of Governors, which consists of a Governor and an Alternate Governor. Each Governor and Alternate Governor of IBRD appointed by a member of IBRD which is also the member of IDA shall ex officio be a Governor and Alternate Governor, respectively, of IDA. The Board of Governors holds regular annual meetings.

There are 25 Executive Directors. The Executive Directors of IDA shall be composed ex officio of each Executive Director of IBRD who shall have been (i) appointed by a member of IBRD which is also a member of IDA, or (ii) elected in an election in which the votes of at least one member of IBRD which is also a member of IDA shall have counted toward his election. The Board of Governors has delegated to the Executive Directors authority to exercise all the powers of IDA except those reserved to the Governors under the Articles. The Executive Directors function as a board, and each Executive Director is entitled to cast the number of votes of the member or members by which such person is appointed or elected.

The following is an alphabetical list of the Executive Directors of IDA and the member countries by which they were appointed or elected:

Name	***Countries***
Zainab S. Ahmed	Angola, Nigeria, South Africa
Abdulaziz Al-Mulla	Bahrain, Egypt (Arab Republic of), Iraq, Jordan, Kuwait, Lebanon, Maldives, Oman, Qatar, United Arab Emirates, Yemen (Republic of)
Abdelhak Bedjaoui	Afghanistan*, Algeria, Ghana, Iran (Islamic Republic of), Libya, Morocco, Pakistan, Tunisia
Matteo Bugamelli	Albania, Greece, Italy, Malta, Portugal, San Marino, Timor-Leste
Arnaud Buissé	France
Marcos V. Chiliatto	Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Panama, Philippines, Suriname, Trinidad and Tobago
Tatiana Delizonas	Belarus, Russian Federation, Syrian Arab Republic
Nathalie Francken	Austria, Belgium, Czechia, Hungary, Kosovo, Luxembourg, Slovak Republic, Slovenia, Türkiye
Olga Fuentes	Argentina, Bolivia, Chile, Paraguay, Peru, Uruguay
Vel Gnanendran	United Kingdom
Naoya Jinda	Japan
Zarau Wendeline Kibwe	Botswana, Burundi, Eritrea, Eswatini, Ethiopia, Gambia (The), Kenya, Lesotho, Liberia, Malawi, Mozambique, Namibia, Rwanda, Seychelles, Sierra Leone, Somalia (Federal Republic of), South Sudan, Sudan, Tanzania, Uganda, Zambia, Zimbabwe
Christopher MacLennan	Antigua and Barbuda, Bahamas (The), Barbados, Belize, Canada, Dominica, Grenada, Guyana, Ireland, Jamaica, St. Kitts and Nevis, St. Lucia, St. Vincent and the Grenadines
Beatrice Maser	Azerbaijan, Kazakhstan, Kyrgyz Republic, Poland, Serbia, Switzerland, Tajikistan, Turkmenistan, Uzbekistan
Neelkanth Mishra	Bangladesh, Bhutan, India, Sri Lanka
Lailee Moghtader	United States
Martina Metz	Germany

Robert Nicholl	Australia, Cambodia, Kiribati, Korea (Republic of), Marshall Islands, Micronesia (Federated States of), Mongolia, Naoero, New Zealand, Palau, Papua New Guinea, Samoa, Solomon Islands, Tuvalu, Vanuatu
Sigrún Rawet	Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Sweden
Eugene Philip Rhuggenaath	Armenia, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Georgia, Israel, Moldova, Montenegro, Netherlands, North Macedonia, Romania, Ukraine
Suhail A. Saeed	Saudi Arabia
Teresa Solbes	Costa Rica, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Spain, Venezuela* (Republica Bolivariana de)
Harold Tavares	Benin, Burkina Faso, Cabo Verde, Cameroon, Central African Republic, Chad, Comoros, Congo (Democratic Republic of), Congo (Republic of), Cote d'Ivoire, Djibouti, Equatorial Guinea, Gabon, Guinea, Guinea-Bissau, Madagascar, Mali, Mauritania, Mauritius, Niger, Sao Tome and Principe, Senegal, Togo
Jiandi Ye	China
(VACANT)	Brunei Darussalam, Fiji, Indonesia, Lao People's Democratic Republic, Malaysia, Myanmar*, Nepal, Singapore, Thailand, Tonga, Viet Nam

**This Member has not elected an Executive Director in the most recent elections. The affiliation with the respective Executive Directors in this list is based on the latest representation on record.*

The President is selected by the Executive Directors. Subject to their direction on questions of policy, the President is responsible for the conduct of the ordinary business of IBRD and for the organization, appointment, and dismissal of its officers and staff.

The following is a list of the principal officers of the Bank:

President	Ajay Banga
Managing Director of Operations IBRD/IDA	Anna Bjerde
Managing Director & WBG Chief Financial Officer	Anshula Kant
Managing Director & WBG Chief Knowledge Officer	Paschal Donohoe
Managing Director & WBG Chief Administrative Officer	Wencai Zhang
Senior Vice President & WBG General Counsel	Christopher Stephens
Senior Vice President & WBG Chief Economist	Ayhan Kose (Acting)[1]
Vice President & WBG CIO, WBG Information & Technology Solutions	Amy Doherty
Vice President & Auditor-General, WBG Group Internal Audit	Anke D'Angelo[2]
Vice President, Europe, and Central Asia	Antonella Bassani
Vice President, Corporate Secretary for WBG	Aradhana Kumar-Capoor
Vice President, East Asia and Pacific	Carlos Felipe Jaramillo
Vice President & WBG Chief Risk Officer	Dennis McLaughlin
Vice President, Operations Policy and Country Services	Gallina Andronova Vincelette

[1] *Michael Kremer has been appointed as new Senior Vice President & WBG Chief Economist, effective starting October 1, 2026.*
[2] *Yuko Keicho has been appointed as new Vice President and Auditor General, effective starting October 8, 2026.*

WBG Vice President, Planet	Guangzhe Chen
Chairperson, Inspection Panel	Ibrahim James Pam
Vice President, WBG External and Corporate Relations	James Heimbach
Vice President, South Asia	Johannes M.C. Zutt
WBG Vice President & Treasurer	Jorge Familiar Calderon
Vice President, Partnerships and IDA Mobilization	Lisa Finneran
Vice President, Ethics & Internal Justice Services	Lisa Rosen
Vice President, People	Mamta Murthi
Vice President, Integrity	Maria Thestrup
Vice President, Eastern and Southern Africa	Ndiame Diop
Head of Dispute Resolution Service	Orsolya Szekely
Vice President, Western and Central Africa	Ousmane Diagana
Vice President, Middle East and North Africa	Ousmane Dione
WBG Vice President, Prosperity	Pablo Saavedra
Vice President WBG Human Resources	Radi Anguelova
Director General, Independent Evaluation Group	Sabine Bernabè
Vice President, Budget, Performance Review and Strategic Planning	Samuel Munzele Maimbo
WBG Vice President, Digital and AI	Sangbu Kim
Vice President, Latin America and Caribbean	Susana Cordeiro Guerra
Vice President, Infrastructure	Valérie Levkov
Vice President for Finance & WBG Controller	Zinga Venner

SECTION XIV: THE ARTICLES OF AGREEMENT

The Articles constitute IDA's governing charter. They establish the status, privileges and immunities of IDA, prescribe IDA's purposes, membership structure and organization, and authorize the operations in which it may engage and impose limitations on the conduct of those operations. The Articles also contain, among other things, provisions with respect to the admission of additional members, additions to resources, the terms and conditions under which IDA may provide financing, the use of currencies held by IDA, the disposition of IDA's net income, the withdrawal and suspension of members, and the suspension of operations of IDA.

The Articles provide that they may be amended (except for certain provisions the amendment of which requires acceptance by all members) by consent of three-fifths of the members having four-fifths of the total voting power. The Articles further provide that questions of interpretation of provisions of the Articles arising between any member and IDA or between members of IDA shall be decided by the Executive Directors. Their decisions may be referred by any member to the Board of Governors, whose decision is final. Pending the result of such reference, IDA may act on the basis of the decision of the Executive Directors.

The Articles and the decisions made by the Executive Directors on questions of interpretation may be obtained from IDA.

SECTION XV: LEGAL STATUS, PRIVILEGES AND IMMUNITIES

The Articles contain provisions which accord to IDA, in the territories of each of its members, legal status and certain privileges and immunities. The following is a summary of the more important of these provisions.

IDA has full juridical personality with capacity to make contracts, to acquire and dispose of property and to sue and be sued. Actions may be brought against IDA in a court of competent jurisdiction in territories of any member in which IDA has an office, has appointed an agent for accepting service or notice of process or has issued or guaranteed securities, but no actions against IDA may be brought by its members or persons acting for or deriving claims from its members.

The Governors and Executive Directors, and their Alternates, and the officers and employees of IDA are immune from legal process for acts performed by them in their official capacity, except when IDA waives such immunity.

The archives of IDA are inviolable. The assets of IDA are immune from seizure, attachment or execution prior to delivery of final judgment against IDA.

IDA, its assets, property and income, and its operations and transactions authorized by the Articles, are immune from all taxation and from all customs duties. IDA is also immune from liability for the collection or payment of any tax or duty.

The securities issued by IDA and the interest thereon are not exempt from taxation generally.

Under the Articles, securities issued by IDA and the interest thereon are not subject to any tax by a member (a) which tax discriminates against such securities solely because they are issued by IDA, or (b) if the sole jurisdictional basis for the tax is the place or currency in which such securities are issued, made payable or paid, or the location of any office or place of business maintained by IDA. Also, under the Articles, IDA is not under any obligation to withhold or pay any tax on any interest on such securities.

SECTION XVI: FISCAL YEAR AND ANNOUNCEMENTS

FISCAL YEAR

IDA's fiscal year runs from July 1 to June 30.

ANNOUNCEMENTS

Pursuant to the Articles of Agreement, IDA published an annual report containing its audited financial statements and distributed quarterly financial statements to its members.

SECTION XVII: FEES TO EXTERNAL AUDITORS

The external auditor is appointed to a five-year term, with a limit of two consecutive terms, and is subject to annual reappointment based on the recommendation of the Audit Committee and approval of a resolution by the Board.

In May 2022, IDA's Board approved Deloitte & Touche LLP (Deloitte) as IDA's external auditor for a second five-year term commencing in FY24.

For FY26 and FY25, Deloitte served as IDA's independent external auditors. The aggregate fees for professional services rendered for IDA and IBRD by Deloitte for FY26 and FY25 are as follows: $3.0 million for FY26 audit fees ($2.9 million – FY25), and $0.7 million for FY26 audit-related services ($0.6 million – FY25). Audit-related services include accounting consultations concerning financial accounting and reporting standards. The external auditors may also provide non-prohibited non-audit services subject to monetary limits. Fees related to non-audit services amounted to $4.3 million for FY26 ($3.2 million – FY25). IDA records its share of these fees as part of administrative expenses based on an agreed cost sharing formula. (See the Notes to the Financial Statements for the year ended June 30, 2026 —Note H— Affiliated Organizations, for a description of the allocation of administrative expenses between IDA and IBRD).

See the Governance section of this Information Statement for additional discussion of auditor independence issues.

SECTION XVIII: APPENDIX

Glossary of Terms

Blend Borrower: IDA Member that is eligible to borrow from IDA on the basis of per capita income and is also eligible to borrow from IBRD. Given the access to both sources of funds, blend borrowers are expected to limit IDA funding to social sector projects and to use IBRD resources for projects in the other sectors.

Board: The Executive Directors as established by IDA's Articles of Agreement.

Completion Point: When conditions specified in the legal notification sent to a country are met and the country's other creditors have confirmed their full participation in the HIPC debt relief initiative. When a country reaches its Completion Point, IDA's commitment to provide the total debt relief for which the country is eligible, becomes irrevocable.

Consultative Loss Limit: Reflects a level of IDA's tolerance for risk of underperforming the benchmark in any fiscal year.

Credit Valuation Adjustment (CVA): The CVA represents the counterparty credit risk exposure and is reflected in the fair value of derivative instruments.

Debit Valuation Adjustment (DVA): DVA on Fair Value Option (FVO) Elected Liabilities that corresponds to the change in fair value of the liability presented under the FVO that relate to the instrument specific credit risk ("own-credit risk").

Deputies: Representatives of IDA's contributing partners, known as "the IDA Deputies".

Duration: Provides an indication of the sensitivity of underlying yield to changes in interest rates.

Encashment: Draw down (payment in cash) of a demand note in accordance with a schedule agreed for each replenishment.

Externally Financed Output (EFO): An instrument for receiving external contributions to support the Bank's work program, typically, for amounts under $1 million, however larger amounts can also be received.

Graduate Member: A member country that was once eligible to borrow from IDA, however due to improvements in the member's economic results is no longer eligible to borrow from IDA and is deemed to have "graduated" to IBRD.

Instrument of Commitment (IoC): The instrument through which a government commits to make a subscription or a subscription and contribution to IDA's resources.

Lending operations: Total projects from a fiscal year based on project approval date as of June 30 of the fiscal year.

Net Commitments: Commitments of Loans, grants and guarantees, net of full cancellations and terminations relating to commitments approved in the same fiscal year.

Net Disbursements: Loans and grant disbursements net of repayments and prepayments.

Prudential Minimum: The minimum amount of liquidity that IDA is required to hold. It represents 80% of twenty-four months coverage as calculated at the start of every fiscal year. On July 7th, 2026, the Board approved a new approach to set the Prudential Minimum level of liquidity at 100% of Management's estimates of twelve months of net projected disbursements and debt service for the upcoming fiscal year.

Replenishment: The process of regular review of the adequacy of IDA resources and authorization of additional subscriptions. Under IDA's Articles, replenishments are required to be approved by IDA's Board of Governors by a two-thirds majority of the total voting power.

Replenishment Envelope: Total value of resources available during a particular replenishment including member equity contributions, borrowings, internal resources, IBRD transfers, IFC grants and other resources.

Special Drawing Rights (SDR): The SDR is an international reserve asset, created by the International Monetary Fund in 1969 to supplement the existing official reserves of member countries. The SDR is defined as a basket of currencies, consisting of the Chinese Renminbi, Euro, Japanese Yen, Pound Sterling, and U.S. dollar. The basket composition is reviewed every five years to ensure that it reflects the relative importance of currencies in the world's trading and financial systems.

Voting Rights: IDA's voting rights consist of a combination of membership and subscription votes.

World Bank (WB): The World Bank consists of IBRD and IDA.

World Bank Group (WBG): The World Bank Group consists of the IBRD, IDA, IFC, MIGA and ICSID.

Eligible Borrowing Member Countries by Region as of June 30, 2026

Region	Countries
Eastern and Southern Africa	Burundi, Comoros, Democratic Republic of the Congo*, Eritrea, Eswatini*, Ethiopia, Kenya*, Lesotho, Madagascar, Malawi, Mozambique, Rwanda, Sao Tome and Principe, Somalia, South Sudan, Sudan, Tanzania, Uganda, Zambia, Zimbabwe*
Western and Central Africa	Benin, Burkina Faso, Republic of Congo, Republic of Cabo Verde*, Cameroon*, Central African Republic, Chad, Cote d'Ivoire*, Gambia, Ghana, Guinea, Guinea-Bissau, Liberia, Mali, Mauritania, Niger, Nigeria*, Senegal, Sierra Leone, Togo
East Asia and Pacific	Cambodia, Fiji*, Kiribati, Lao People's Democratic Republic, Marshall Islands, Federated States of Micronesia, Myanmar, Papua New Guinea*, Samoa, Solomon Islands, Timor-Leste*, Tonga, Tuvalu, Vanuatu
Europe and Central Asia	Kosovo, Kyrgyz Republic, Tajikistan, Uzbekistan*
Latin America and Caribbean	Belize*, Dominica*, Grenada*, Guyana, Haiti, Honduras, Nicaragua, St. Lucia*, St. Vincent and the Grenadines*, Suriname*
Middle East, North Africa, Afghanistan, Pakistan	Afghanistan, Djibouti, Pakistan*, Syrian Arab Republic, Republic of Yemen
South Asia	Bangladesh, Bhutan, Maldives, Nepal, Sri Lanka

** Blend countries eligible for IDA and IBRD loans.*

INTERNATIONAL DEVELOPMENT ASSOCIATION

FINANCIAL STATEMENTS AND INTERNAL CONTROL REPORTS
June 30, 2026

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Management's Financial Reporting Assurance

August 6, 2026

Audit Committee of the Board of Executive Directors
International Development Association

We have reviewed the financial statements for the period ending on June 30, 2026, and the accompanying management's discussion and analysis of the International Development Association (IDA) (collectively, the "Reports"). Based on our knowledge, the Reports do not (1) contain any untrue statement of a material fact, or (2) omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by the Reports.

Based on our knowledge, the financial statements and other financial information included in the Reports fairly present in all material respects the financial condition, results of operations, changes in net assets, and cash flows of IDA for the periods presented in the Reports.

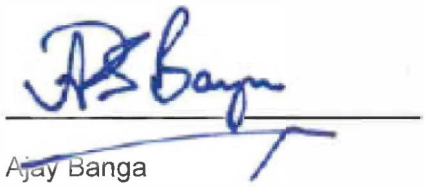
Management is responsible for establishing and maintaining internal controls and procedures over financial reporting for IDA. As part of carrying out these responsibilities, Management has:

- designed internal controls and procedures to ensure that material information required to meet the accuracy and completeness standards set forth above with regard to the Reports is recorded, processed, summarized and reported in a timely manner, as well as to ensure that such information is accumulated and communicated to Management as appropriate to allow timely decisions regarding required disclosure; and
- designed internal control over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

Management has evaluated the effectiveness of IDA's internal controls and procedures as of the date of the Reports; and presented in management's discussion and analysis its conclusions about the effectiveness of such controls and procedures, as of the end of the period covered by the Reports, based on such evaluation. Management has disclosed in the Reports any change in IDA's internal control over financial reporting that occurred during the period covered by the Reports that has materially affected, or is reasonably likely to materially affect, IDA's internal control over financial reporting.

Further, Management has disclosed, based on its most recent evaluation of internal control over financial reporting, to IDA's external auditor and the Audit Committee of IDA's Board of Executive Directors:

- all significant deficiencies in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect IDA's ability to record, process, summarize, and report financial information; and
- any fraud, whether or not material, that involves Management or other employees who have a significant role in IDA's internal control over financial reporting.



Ajay Banga

President

Anshula Kant

Managing Director and World Bank Group Chief Financial Officer

Zinga Venner

Vice President and World Bank Group Controller

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Management's Report Regarding Effectiveness of Internal Control over Financial Reporting

August 6, 2026

The management of the International Development Association (IDA) is responsible for the preparation, integrity, and fair presentation of its published financial statements. The financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America (US GAAP) and include amounts based on informed judgments and estimates made by management.

The financial statements have been audited by an independent audit firm, which was given unrestricted access to all financial records and related data, including minutes of all meetings of the Executive Directors and their Committees. Management believes that all representations made to the independent auditors during their audit of IDA's financial statements and audit of its internal control over financial reporting were valid and appropriate. The independent auditors' reports accompany the audited financial statements.

Management is responsible for establishing and maintaining effective internal control over financial reporting for financial statement presentations in conformity with US GAAP. Management maintains a comprehensive system of controls intended to ensure that transactions are executed in accordance with management's authorization, assets are safeguarded, and financial records are reliable. The system of internal control contains monitoring mechanisms, and actions are taken to correct deficiencies identified. Management believes that internal control over financial reporting supports the integrity and reliability of the external financial statements.

There are inherent limitations in the effectiveness of any internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can provide only reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the effectiveness of internal controls may vary over time.

IDA assessed its internal control over financial reporting for financial statement presentation in conformity with US GAAP as of June 30, 2026. This assessment was based on the criteria for effective internal control over financial reporting described in the *Internal Control-Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based upon this assessment, management believes that IDA maintained effective internal control over financial reporting presented in conformity with US GAAP as of June 30, 2026. The independent audit firm that audited the financial statements has issued an Independent Auditor's Report which expresses an opinion on IDA's internal control over financial reporting.

The Executive Directors of IDA have appointed an Audit Committee responsible for monitoring the accounting practices and internal controls of IDA. The Audit Committee is comprised entirely of Executive Directors who are independent of IDA's management. The Audit Committee is

responsible for recommending to the Executive Directors the selection of independent auditors. It meets periodically with management, the independent auditors, and the internal auditors to ensure that they are carrying out their responsibilities. The Audit Committee is responsible for performing an oversight role by reviewing and monitoring the financial, accounting and auditing procedures of IDA in addition to reviewing IDA's financial reports. The independent auditors and the internal auditors have full and free access to the Audit Committee, with or without the presence of management, to discuss the adequacy of internal control over financial reporting and any other matters which they believe should be brought to the attention of the Audit Committee.

Ajay Banga
President

Anshula Kant
Managing Director and World Bank Group Chief Financial Officer

Zinga Venner
Vice President and World Bank Group Controller

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INDEPENDENT AUDITOR'S REPORT

President and Board of Executive Directors
International Development Association

Opinion on Internal Control over Financial Reporting

We have audited the internal control over financial reporting of the International Development Association ("IDA") as of June 30, 2026, based on the criteria established in the *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). In our opinion, IDA maintained, in all material respects, effective internal control over financial reporting as of June 30, 2026, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by COSO.

We also have audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), the financial statements as of and for the year ended June 30, 2026 of IDA, and our report dated August 6, 2026, expressed an unmodified opinion on those financial statements.

Basis for Opinion

We conducted our audit in accordance with GAAS. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting section of our report. We are required to be independent of IDA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for Internal Control over Financial Reporting

Management is responsible for designing, implementing, and maintaining effective internal control over financial reporting, and for its assessment about the effectiveness of internal control over financial reporting, included in the accompanying Management's Report Regarding Effectiveness of Internal Control over Financial Reporting.

Auditor's Responsibilities for the Audit of Internal Control over Financial Reporting

Our objectives are to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects and to issue an auditor's report that includes our opinion on internal control over financial reporting. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit of internal control over financial reporting conducted in accordance with GAAS will always detect a material weakness when it exists.

In performing an audit of internal control over financial reporting in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Obtain an understanding of internal control over financial reporting, assess the risks that a material weakness exists, and test and evaluate the design and operating effectiveness of internal control over financial reporting based on the assessed risk.

Definition and Inherent Limitations of Internal Control over Financial Reporting

An entity's internal control over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America. An entity's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the entity; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America, and that receipts and expenditures of the entity are being made only in accordance with authorizations of management and those charged with governance; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of the entity's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent, or detect and correct, misstatements. Also, projections of any assessment of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Deloitte & Touche LLP

August 6, 2026

Deloitte.

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INDEPENDENT AUDITOR'S REPORT

President and Board of Executive Directors
International Development Association

Opinion

We have audited the financial statements of the International Development Association ("IDA"), which comprise the balance sheets as of June 30, 2026 and 2025, and the related statements of income, comprehensive income, changes in equity, and cash flows for each of the three years in the period ended June 30, 2026, and the related notes to the financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of IDA as of June 30, 2026 and 2025, and the results of its operations and its cash flows for each of the three years in the period ended June 30, 2026, in accordance with accounting principles generally accepted in the United States of America.

We have also audited, in accordance with auditing standards generally accepted in the United States of America (GAAS), IDA's internal control over financial reporting as of June 30, 2026, based on criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated August 6, 2026 expressed an unmodified opinion on IDA's internal control over financial reporting.

Basis for Opinion

We conducted our audits in accordance with GAAS. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of IDA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about IDA's ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IDA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the financial statements. This supplementary information is the responsibility of IDA's management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, such information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information Included in Management's Discussion & Analysis and Financial Statements

Management is responsible for the other information included in Management's Discussion & Analysis and Financial Statements. The other information comprises the information included in Management's Discussion & Analysis but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audits of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Deloitte & Touche LLP

August 6, 2026

INTERNATIONAL DEVELOPMENT ASSOCIATION

FINANCIAL STATEMENTS
June 30, 2026

BALANCE SHEETS

June 30, 2026 and June 30, 2025

Expressed in millions of U.S. dollars

	2026	*2025*
Assets		
Due from banks—Note J		
Unrestricted cash	$ 519	$ 1,191
Restricted cash	25	24
	544	1,215
Investments (including securities transferred under repurchase or securities lending agreements of Nil—June 30, 2026; $120 million—June 30, 2025) —Notes C, H and J	42,889	47,272
Securities Purchased Under Resale Agreements—Notes C and J	—	136
Derivative assets, net—Notes F, H and J	907	415
Receivable from affiliated organization—Note H	2,166	1,807
Other Receivables		
Receivables from investment securities traded	392	9
Accrued interest and commitment charges—*Note D*	829	860
	1,221	869
Loans outstanding—Notes D, H and J		
Total loans approved	315,726	311,194
Less: Undisbursed balance (including signed loan commitments of $70,623 million—June 30, 2026; $74,514 million—June 30, 2025)	(79,643)	(83,307)
Loans outstanding	236,083	227,887
Less:		
Accumulated provision for loan losses	(4,729)	(4,611)
Deferred loan income	(44)	(44)
Net loans outstanding	231,310	223,232
Other assets—Notes G, H and K	5,470	5,923
Total assets	$ 284,507	$ 280,869

	2026	2025
Liabilities		
Borrowings—Notes E and J		
Market borrowings, at fair value	$ 45,548	$ 45,154
Market borrowings, at amortized cost	22,155	18,127
Concessional partner loans, at amortized cost	7,030	7,551
	74,733	70,832
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received —Notes C and J	—	122
Derivative liabilities, net—Notes F, H and J	137	496
Payable for development grants	660	1,080
Payable to affiliated organization—Note H	679	631
Other liabilities		
Payable for investment securities purchased	359	644
Accounts payable and miscellaneous liabilities—*Notes D and K*	2,906	2,893
	3,265	3,537
Total liabilities	79,474	76,698
Equity		
Members' subscriptions and contributions—Note B		
Unrestricted	334,703	314,651
Restricted	321	321
Subscriptions and contributions committed	335,024	314,972
Less:		
Subscriptions and contributions receivable	(30,899)	(19,013)
Cumulative discounts/credits on subscriptions and contributions, net	(4,334)	(4,277)
Subscriptions and contributions paid-in	299,791	291,682
Nonnegotiable, noninterest-bearing demand obligations on account of members' subscriptions and contributions—Note B		
Unrestricted	(10,508)	(12,203)
Restricted	(47)	(47)
	(10,555)	(12,250)
Deferred amounts to maintain value of currency holdings	(246)	(246)
Accumulated deficit	(78,470)	(71,903)
Accumulated other comprehensive loss—Note I	(5,487)	(3,112)
Total equity	205,033	204,171
Total liabilities and equity	$ 284,507	$ 280,869

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

STATEMENTS OF INCOME

For the fiscal years ended June 30, 2026, June 30, 2025 and June 30, 2024

Expressed in millions of U.S. dollars

	2026	2025	2024
Interest revenue			
Loans, net—*Notes D and L*	$ 3,286	$ 3,021	$ 2,639
Investments, net—*Note H*	1,468	1,559	1,317
Asset/liability management derivatives, net	79	78	58
Borrowing expenses, net—Note E	(2,588)	(2,292)	(1,616)
Interest revenue, net of borrowing expenses	2,245	2,366	2,398
Provision for losses on loans and other exposures —Note D	(261)	(358)	(275)
Non-interest revenue			
Revenue from externally funded activities—*Notes H, K and L*	1,102	1,098	1,031
Commitment charges—*Note D*	18	23	26
Other	54	36	25
Total	1,174	1,157	1,082
Non-interest expenses			
Administrative—*Notes H and K*	(2,638)	(2,737)	(2,435)
Contribution to special programs—*Note H*	(20)	(20)	(20)
Other	(8)	—	(23)
Total	(2,666)	(2,757)	(2,478)
Transfers from affiliated organizations—Note H and K	1,387	515	291
Development grants—Note G	(9,183)	(7,200)	(5,291)
Currency remeasurement gains (losses), net	119	(57)	(21)
Mark-to-market gains on trading securities, net—Notes C and F	319	340	316
Unrealized mark-to-market gains on non-trading portfolios, net—Note F			
Asset/liability management derivatives	286	484	393
Other non-trading portfolios	13	(14)	12
Total	299	470	405
Net loss	$ (6,567)	$ (5,524)	$ (3,573)

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

STATEMENTS OF COMPREHENSIVE INCOME

For the fiscal years ended June 30, 2026, June 30, 2025 and June 30, 2024

Expressed in millions of U.S. dollars

	2026	*2025*	*2024*
Net loss	$ (6,567)	$ (5,524)	$ (3,573)
Other comprehensive (loss) income—*Note I*			
Currency translation adjustments on functional currencies, (losses) gains	(2,106)	7,447	(1,652)
Net Change in Debit Valuation Adjustment (DVA) on Fair Value option elected liabilities—*Note J*	(269)	33	6
Total other comprehensive (loss) income	(2,375)	7,480	(1,646)
Total comprehensive (loss) income	$ (8,942)	$ 1,956	$ (5,219)

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

STATEMENTS OF CHANGES IN EQUITY

For the fiscal years ended June 30, 2026, June 30, 2025 and June 30, 2024

Expressed in millions of U.S. dollars

	Subscriptions and contributions paid-in	*Nonnegotiable, non-interest-bearing demand obligations on account of members' subscriptions and contributions*	*Deferred amounts to maintain value of currency holdings*	*Accumulated deficit*	*Accumulated other comprehensive loss*	*Total equity*
As of June 30, 2023	$ 271,258	$ (13,477)	$ (247)	$ (62,806)	$ (8,946)	$ 185,782
Net loss	—	—	—	(3,573)	—	(3,573)
Other comprehensive loss	—	—	—	—	(1,646)	(1,646)
Cash contributions and demand obligations received	8,896	—	—	—	—	8,896
Demand obligations, (received) encashed, net	—	843	—	—	—	843
Currency remeasurement changes, net	(81)	81	(1)	—	—	(1)
As of June 30, 2024	280,073	(12,553)	(248)	(66,379)	(10,592)	190,301
Net loss	—	—	—	(5,524)	—	(5,524)
Other comprehensive income	—	—	—	—	7,480	7,480
Cash contributions and demand obligations received	10,874	—	—	—	—	10,874
Demand obligations, (received) encashed, net	—	1,038	—	—	—	1,038
Currency remeasurement changes, net	735	(735)	2	—	—	2
As of June 30, 2025	291,682	(12,250)	(246)	(71,903)	(3,112)	204,171
Net loss	—	—	—	(6,567)	—	(6,567)
Other comprehensive loss	—	—	—	—	(2,375)	(2,375)
Cash contributions and demand obligations received	8,308	—	—	—	—	8,308
Demand obligations, (received) encashed, net	—	1,496	—	—	—	1,496
Currency remeasurement changes, net	(199)	199	—	—	—	—
As of June 30, 2026	$ 299,791	$ (10,555)	$ (246)	$ (78,470)	$ (5,487)	$ 205,033

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

STATEMENTS OF CASH FLOWS

For the fiscal years ended June 30, 2026, June 30, 2025 and June 30, 2024

Expressed in millions of U.S. dollars

	2026	*2025*	*2024*
Cash flows from investing activities			
Loans			
Disbursements	$ (20,912)	$ (24,652)	$ (21,093)
Principal repayments	9,574	8,918	8,187
Non-trading securities—Investments			
Repayments	34	61	77
Net cash used in investing activities	(11,304)	(15,673)	(12,829)
Cash flows from financing activities			
Members' subscriptions and contributions	9,804	11,912	9,739
Medium and long-term borrowings			
New issues	14,283	18,759	12,031
Retirements	(4,158)	(2,540)	(113)
Short-term borrowings (original maturities greater than 90 days)			
New issues	13,187	24,755	8,625
Retirements	(17,826)	(19,545)	(8,581)
Net short-term borrowings (original maturities less than 90 days)	(218)	424	—
Net derivatives-borrowings	(29)	23	34
Net cash provided by financing activities	15,043	33,788	21,735
Cash flows from operating activities			
Net loss	(6,567)	(5,524)	(3,573)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities			
Provision for losses on loans and other exposures	261	358	275
Other non-interest expenses, net	7	(2)	23
Currency remeasurement (gains) losses, net	(119)	57	21
Unrealized mark-to-market gains on non-trading portfolios, net	(299)	(470)	(405)
Amortization and capitalized interest on loans, net	322	472	308
Changes in:			
Investments—Trading	3,454	(10,729)	(3,078)
Net receivable/payable from investment securities traded/purchased	(671)	(8)	(664)
Net derivatives—Investments	(231)	(305)	(12)
Net derivatives—Asset/liability management	92	77	335
Net securities purchased/sold under resale/repurchase agreements and payable for cash collateral received	(39)	293	419
Net receivable/payable from/to affiliated organizations	(310)	(61)	(419)
Payable for development grants	(408)	(681)	(1,362)
Accrued interest and commitment charges	22	(103)	(64)
Other assets	57	(1,083)	(931)
Accounts payable and miscellaneous liabilities	39	182	133
Net cash used in operating activities	(4,390)	(17,527)	(8,994)
Effect of exchange rate changes on unrestricted and restricted cash	(20)	41	(15)
Net (decrease) increase in unrestricted and restricted cash	(671)	629	(103)
Unrestricted and restricted cash at beginning of the fiscal year	1,215	586	689
Unrestricted and restricted cash at end of the fiscal year	$ 544	$ 1,215	$ 586

STATEMENTS OF CASH FLOWS

For the fiscal years ended June 30, 2026, June 30, 2025 and June 30, 2024

Expressed in millions of U.S. dollars

	2026	*2025*	*2024*
Supplemental disclosure			
(Decrease) Increase in ending balances resulting from exchange rate fluctuations:			
Loans outstanding	$ (3,133)	$ 9,386	$ (2,038)
Investment portfolio	(474)	1,417	(331)
Borrowing portfolio	(1,388)	2,771	(474)
Principal repayments written off under Heavily Indebted Poor Countries (HIPC)/Multilateral Debt Relief Initiative (MDRI)	12	12	104
Capitalized interest and loan origination fees in total loans	4	19	3
Interest paid on borrowing portfolio	2,442	2,006	1,390

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

SUMMARY STATEMENT OF LOANS

June 30, 2026

Amounts expressed in millions of U.S. dollars

Borrower or guarantor	*Total loans*	*Undisbursed balance*		*Loans outstanding*	*Percentage of total loans outstanding* [b]
		Loans approved but not yet signed	*Signed loan commitments* [a]		
Afghanistan	$ 268	$ —	$ —	$ 268	0.11 %
Albania	297	—	—	297	0.13
Angola	218	—	—	218	0.09
Armenia	564	—	—	564	0.24
Azerbaijan	98	—	—	98	0.04
Bangladesh	31,140	1,401	6,320	23,419	9.92
Belize	67	23	39	5	*
Benin	5,292	448	1,635	3,209	1.36
Bhutan	818	—	371	447	0.19
Bolivia	711	—	31	680	0.29
Bosnia and Herzegovina	351	—	—	351	0.15
Burkina Faso	5,436	97	1,911	3,428	1.45
Burundi	105	—	—	105	0.04
Cabo Verde, Republic of	853	15	142	696	0.30
Cambodia	3,138	109	1,065	1,964	0.83
Cameroon	6,074	461	2,334	3,279	1.39
Central African Republic	118	—	—	118	0.05
Chad	134	—	—	134	0.06
Comoros	126	—	18	108	0.05
Congo, Democratic Republic of	9,084	75	3,792	5,217	2.21
Congo, Republic of	1,138	—	426	712	0.30
Côte d'Ivoire	9,493	349	2,634	6,510	2.76
Djibouti	499	—	146	353	0.15
Dominica	308	—	45	263	0.11
Egypt, Arab Republic of	69	—	—	69	0.03
El Salvador	*	—	—	*	*
Equatorial Guinea	11	—	—	11	*
Eritrea	424	—	—	424	0.18
Eswatini	89	20	64	5	*
Ethiopia	18,407	—	3,635	14,772	6.26
Fiji	692	—	225	467	0.20
Gambia, The	127	—	2	125	0.05
Georgia	359	—	—	359	0.15
Ghana	9,351	1,127	1,333	6,891	2.92
Grenada	447	52	119	276	0.12
Guinea	1,968	—	1,060	908	0.39
Guinea-Bissau	239	—	9	230	0.10
Guyana	414	—	190	224	0.10
Honduras	1,935	40	626	1,269	0.54
India	11,778	—	41	11,737	4.97
Iraq	185	—	—	185	0.08
Jordan	188	—	—	188	0.08
Kenya	18,313	531	4,130	13,652	5.78

SUMMARY STATEMENT OF LOANS

June 30, 2026

Amounts expressed in millions of U.S. dollars

Borrower or guarantor	*Total loans*	*Undisbursed balance*		*Loans outstanding*	*Percentage of total loans outstanding* [b]
		Loans approved but not yet signed	*Signed loan commitments* [a]		
Kosovo	$ 625	$ —	$ 206	$ 419	0.18 %
Kyrgyz Republic	1,800	144	715	941	0.40
Lao People's Democratic Republic	1,504	60	378	1,066	0.45
Lebanon	87	—	—	87	0.04
Lesotho	809	—	207	602	0.26
Liberia	1,735	45	594	1,096	0.46
Madagascar	5,972	—	2,434	3,538	1.50
Malawi	1,961	—	62	1,899	0.80
Maldives	164	—	31	133	0.06
Mali	3,917	—	1,244	2,673	1.13
Mauritania	1,335	118	601	616	0.26
Moldova	1,003	—	99	904	0.38
Mongolia	806	—	40	766	0.32
Montenegro	2	—	—	2	*
Mozambique	3,348	—	248	3,100	1.31
Myanmar	1,459	—	59	1,400	0.59
Nepal	6,639	—	1,602	5,037	2.13
Nicaragua	962	—	16	946	0.40
Niger	5,466	—	2,310	3,156	1.34
Nigeria	27,069	1,350	6,694	19,025	8.06
North Macedonia	101	—	—	101	0.04
Pakistan	25,022	424	5,057	19,541	8.28
Papua New Guinea	1,259	—	473	786	0.33
Paraguay	*	—	—	*	*
Philippines	6	—	—	6	*
Rwanda	5,557	20	1,328	4,209	1.78
Samoa	98	—	10	88	0.04
São Tomé and Príncipe	9	—	—	9	*
Senegal	7,732	238	2,264	5,230	2.22
Serbia	1	—	—	1	*
Sierra Leone	458	—	1	457	0.19
Solomon Islands	292	—	96	196	0.08
South Sudan	73	—	—	73	0.03
Sri Lanka	4,314	247	489	3,578	1.52
St. Lucia	478	—	218	260	0.11
St. Vincent and the Grenadines	426	—	128	298	0.13
Sudan	173	—	—	173	0.07
Suriname	23	—	23	—	—
Tajikistan	448	—	54	394	0.17
Tanzania	17,938	—	3,516	14,422	6.11
Timor-Leste	95	—	39	56	0.02
Togo	2,545	411	871	1,263	0.54
Tonga	43	—	—	43	0.02
Uganda	8,187	454	2,083	5,650	2.38
Ukraine	7,128	—	467	6,661	2.82

SUMMARY STATEMENT OF LOANS

June 30, 2026

Amounts expressed in millions of U.S. dollars

Borrower or guarantor	*Total loans*	*Undisbursed balance*		*Loans outstanding*	*Percentage of total loans outstanding* [b]
		Loans approved but not yet signed	*Signed loan commitments* [a]		
Uzbekistan	$ 7,125	$ 250	$ 1,760	$ 5,115	2.17 %
Vanuatu	186	—	54	132	0.06
Viet Nam	10,864	—	406	10,458	4.43
Yemen, Republic of	984	—	26	958	0.41
Zambia	3,339	—	590	2,749	1.16
Zimbabwe	446	—	—	446	0.19
Subtotal—Members [b]	**$ 313,339**	**$ 8,509**	**$ 69,836**	**$ 234,994**	**99.54 %**
African Trade Insurance Agency	$ 6	$ —	$ —	$ 6	* %
Bank of the States of Central Africa	49	—	3	46	0.02
Caribbean Development Bank	6	—	—	6	*
Eastern and Southern African Trade and Development Bank	804	—	367	437	0.19
West African Development Bank	563	—	299	264	0.11
Subtotal—Regional development banks	**$ 1,428**	**$ —**	**$ 669**	**$ 759**	**0.32 %**
Private Sector Window (PSW) Loans	$ 959	$ 511	$ 118	$ 330	0.14 %
Total—June 30, 2026 [b]	**$ 315,726**	**$ 9,020**	**$ 70,623**	**$ 236,083**	**100 %**
Total—June 30, 2025	**$ 311,194**	**$ 8,793**	**$ 74,514**	**$ 227,887**	

* *Indicates amount less than $0.5 million or 0.005%.*

a. Loan agreements totaling $6,770 million ($10,274 million—June 30, 2025) have been signed, but the loans are not effective and disbursements will not start until the borrowers and/or guarantors take certain actions and furnish documents.

b. May differ from the calculated amounts or sum of individual figures shown due to rounding.

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

STATEMENT OF VOTING POWER AND SUBSCRIPTIONS AND CONTRIBUTIONS

June 30, 2026

Expressed in millions of U.S. dollars except for votes data

Member [a, c]	*Number of votes*	*Percentage of total votes*	*Subscriptions and contributions committed* [b]
Non-Recipients			
Albania	62,009	0.19 %	$ 0.39
Algeria	132,522	0.40	90.58
Argentina	447,461	1.34	178.88
Australia	413,950	1.24	6,250.57
Austria	339,355	1.02	5,233.41
Azerbaijan	78,321	0.24	6.38
Bahamas, The	59,906	0.18	8.54
Barbados	62,860	0.19	2.36
Belgium	383,345	1.15	5,971.21
Botswana	53,987	0.16	3.74
Brazil	477,996	1.44	834.62
Bulgaria	114,964	0.35	8.02
Canada	912,694	2.74	15,477.75
Chile	58,505	0.18	39.11
China	849,523	2.55	3,532.78
Colombia	135,729	0.41	25.24
Costa Rica	31,091	0.09	0.28
Croatia	100,814	0.30	15.91
Cyprus	84,565	0.25	46.02
Czechia	145,130	0.44	193.64
Denmark	328,046	0.99	5,203.73
Dominican Republic	27,780	0.08	0.58
Ecuador	50,151	0.15	0.94
Egypt, Arab Republic Of	134,453	0.40	18.47
El Salvador	46,843	0.14	0.49
Equatorial Guinea	6,167	0.02	0.41
Estonia	62,542	0.19	33.97
Finland	207,293	0.62	2,534.81
France	1,303,217	3.92	23,444.34
Gabon	2,093	0.01	0.63
Germany	1,788,455	5.37	32,404.77
Greece	60,798	0.18	222.04
Guatemala	41,077	0.12	0.56
Hungary	221,773	0.67	214.75
Iceland	74,936	0.23	139.89
Indonesia	273,375	0.82	197.79
Iran, Islamic Republic Of	115,867	0.35	24.08
Iraq	73,274	0.22	2.12
Ireland	130,882	0.39	1,211.48

STATEMENT OF VOTING POWER AND SUBSCRIPTIONS AND CONTRIBUTIONS

June 30, 2026

Expressed in millions of U.S. dollars except for votes data

Member [a, c]	*Number of votes*	*Percentage of total votes*	*Subscriptions and contributions committed* [b]
Israel	101,740	0.31 %	$ 223.40
Italy	761,328	2.29	12,725.54
Japan	2,803,901	8.43	54,743.83
Jordan	24,865	0.07	0.41
Kazakhstan	23,297	0.07	8.50
Korea, Republic Of	376,050	1.13	3,644.55
Kuwait	135,853	0.41	1,261.88
Latvia	69,241	0.21	45.53
Lebanon	8,562	0.03	0.56
Libya	44,771	0.13	1.30
Lithuania	62,605	0.19	49.13
Luxembourg	94,060	0.28	530.74
Malaysia	118,876	0.36	86.82
Mauritius	76,386	0.23	1.30
Mexico	146,945	0.44	185.34
Montenegro	63,710	0.19	1.77
Morocco	117,454	0.35	10.67
Netherlands	707,629	2.13	12,691.60
New Zealand	93,799	0.28	490.92
North Macedonia	54,856	0.16	5.11
Norway	361,243	1.09	5,552.20
Oman	59,583	0.18	1.42
Palau	3,804	0.01	0.03
Panama	10,185	0.03	0.03
Paraguay	46,682	0.14	0.44
Peru	94,238	0.28	18.11
Philippines	159,926	0.48	46.91
Poland	624,459	1.88	211.94
Portugal	86,541	0.26	377.18
Romania	105,792	0.32	15.48
Russian Federation	97,264	0.29	799.81
Saudi Arabia	1,102,120	3.31	4,601.87
Serbia	87,414	0.26	12.10
Singapore	73,587	0.22	471.97
Slovak Republic	104,381	0.31	44.58
Slovenia	67,227	0.20	59.85
South Africa	85,491	0.26	274.05
Spain	366,521	1.10	5,754.91
St. Kitts And Nevis	13,958	0.04	0.17
Sweden	724,161	2.18	11,637.42

STATEMENT OF VOTING POWER AND SUBSCRIPTIONS AND CONTRIBUTIONS

June 30, 2026

Expressed in millions of U.S. dollars except for votes data

Member [a, c]	*Number of votes*	*Percentage of total votes*	*Subscriptions and contributions committed* [b]
Switzerland	479,976	1.44 %	$ 8,142.56
Thailand	125,124	0.38	41.14
Trinidad And Tobago	81,067	0.24	2.13
Tunisia	2,793	0.01	1.89
Türkiye	189,155	0.57	229.08
Ukraine	115,569	0.35	7.99
United Arab Emirates	1,367	*	5.58
United Kingdom	2,302,960	6.92	40,672.38
United States	3,169,925	9.52	64,375.96
Subtotal Non-Recipients	26,522,190	79.69 %	$ 333,643
Interstitial [d]			
Angola	172,434	0.52 %	$ 17.56
Armenia	74,175	0.22	2.92
Bolivia	79,231	0.24	1.67
Bosnia And Herzegovina	61,259	0.18	5.51
Georgia	75,520	0.23	5.41
India	980,717	2.95	1,028.19
Moldova	56,582	0.17	0.88
Mongolia	50,243	0.15	1.82
Viet Nam	61,168	0.18	2.22
Subtotal Interstitials	1,611,329	4.84 %	$ 1,066
Total Non-Recipients and Interstitials	28,133,519	84.53 %	$ 334,709
Recipients			
Afghanistan	59,204	0.18 %	$ 1.51
Bangladesh	190,848	0.57	7.97
Belize	20,226	0.06	0.27
Benin	69,475	0.21	0.79
Bhutan	74,413	0.22	0.08
Burkina Faso	75,064	0.23	0.82
Burundi	64,460	0.19	1.09
Cabo Verde	43,840	0.13	0.13
Cambodia	81,482	0.25	1.64
Cameroon	60,782	0.18	1.61
Central African Republic	48,910	0.15	0.77
Chad	52,210	0.16	0.78
Comoros	47,140	0.14	0.13
Congo, Democratic Republic Of	82,699	0.25	4.59
Congo, Republic Of	52,211	0.16	0.74
Cote D'Ivoire	67,377	0.20	1.56
Djibouti	56,138	0.17	0.27
Dominica	74,710	0.22	0.15
Eritrea	46,636	0.14	0.14
Eswatini	30,032	0.09	0.42
Ethiopia	60,179	0.18	0.68
Fiji	20,155	0.06	0.75

STATEMENT OF VOTING POWER AND SUBSCRIPTIONS AND CONTRIBUTIONS

June 30, 2026

Expressed in millions of U.S. dollars except for votes data

Member [a, c]	*Number of votes*	*Percentage of total votes*	*Subscriptions and contributions committed* [b]
Gambia, The	63,365	0.19 %	$ 0.43
Ghana	86,677	0.26	3.10
Grenada	36,953	0.11	0.14
Guinea	46,372	0.14	1.36
Guinea-Bissau	44,500	0.13	0.22
Guyana	83,979	0.25	1.29
Haiti	54,638	0.16	1.11
Honduras	59,206	0.18	0.43
Kenya	87,732	0.27	2.40
Kiribati	43,592	0.13	0.10
Kosovo	86,774	0.26	2.32
Kyrgyz Republic	64,522	0.19	0.56
Lao People'S Democratic Republic	57,255	0.17	0.73
Lesotho	57,106	0.17	0.23
Liberia	52,038	0.16	1.12
Madagascar	71,190	0.21	1.38
Malawi	67,418	0.20	1.00
Maldives	62,822	0.19	0.05
Mali	62,445	0.19	1.36
Marshall Islands	12,654	0.04	0.01
Mauritania	60,555	0.18	0.79
Micronesia, Federated States Of	26,189	0.08	0.03
Mozambique	73,310	0.22	2.10
Myanmar	82,096	0.25	2.55
Nepal	54,710	0.16	0.71
Nicaragua	71,536	0.22	0.44
Niger	52,210	0.16	0.76
Nigeria	155,288	0.47	89.69
Pakistan	315,370	0.95	133.80
Papua New Guinea	67,754	0.20	1.23
Rwanda	52,038	0.16	1.12
St. Lucia	38,820	0.12	0.23
St. Vincent And The Grenadines	50,022	0.15	0.12
Samoa	43,901	0.13	0.14
Sao Tome And Principe	49,519	0.15	0.12
Senegal	94,553	0.28	2.77
Sierra Leone	63,638	0.19	1.02
Solomon Islands	43,901	0.13	0.13
Somalia, Federal Republic of	19,165	0.06	0.97
South Sudan	52,447	0.16	0.45

STATEMENT OF VOTING POWER AND SUBSCRIPTIONS AND CONTRIBUTIONS

June 30, 2026

Expressed in millions of U.S. dollars except for votes data

Member [a, c]	*Number of votes*	*Percentage of total votes*	*Subscriptions and contributions committed* [b]
Sri Lanka	129,144	0.39 %	$ 4.26
Sudan	65,003	0.20	1.50
Suriname	64,678	0.19	0.15
Syrian Arab Republic	24,077	0.07	1.20
Tajikistan	53,918	0.16	0.54
Tanzania	78,715	0.24	2.34
Timor-Leste	53,209	0.16	0.45
Togo	61,840	0.19	1.19
Tonga	49,514	0.15	0.11
Tuvalu	24,376	0.07	0.03
Uganda	60,330	0.18	2.37
Uzbekistan	73,936	0.22	1.92
Vanuatu	50,952	0.15	0.30
Yemen, Republic Of	78,475	0.24	2.25
Zambia	109,354	0.33	3.84
Zimbabwe	123,209	0.37	6.52
Total Recipients	5,147,181	15.47 %	$ 314
Total—June 30, 2026 [b]	33,280,700	100 %	$ 335,024
Total—June 30, 2025 [b]	32,423,778	100 %	$ 314,972

Notes

a. See Notes to Financial Statements—Note A for an explanation of the two categories of membership.

b. May differ from the calculated amounts or sum of individual figures shown due to rounding.

c. Pursuant to the IDA Voting Rights Framework approved by IDA's Board effective July 1, 2022, for the purposes of additional subscriptions, IDA's membership structure was changed from either Part I or Part II to either Non-Recipient or Recipient, driven by their IDA borrowing eligibility (See Notes to Financial Statements—Note A for Members' Subscriptions and Contributions).

d. If a Non-Recipient member has graduated within the last five replenishments, they are classified as Interstitial Non-Recipient members (See Notes to Financial Statements—Note A for Members' Subscriptions and Contributions).

** Indicates amounts less than 0.005%.*

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

NOTES TO FINANCIAL STATEMENTS

PURPOSE AND AFFILIATED ORGANIZATIONS

The International Development Association (IDA) is an international organization established in 1960. IDA's main goal is reducing poverty through promoting sustainable economic development in the less developed countries of the world that are members of IDA, by extending concessionary and non-concessionary financing in the form of grants, loans and guarantees, and by providing related technical assistance. The activities of IDA are complemented by those of three affiliated organizations, the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), and the Multilateral Investment Guarantee Agency (MIGA). Each of these organizations is legally and financially independent from IDA, with separate assets and liabilities, and IDA is not liable for their respective obligations. Transactions with these affiliates are disclosed in the notes that follow.

IDA is immune from taxation pursuant to Article VIII, Section 9, *Immunities from Taxation*, of IDA's Articles of Agreement.

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING AND RELATED POLICIES

IDA's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Due to the inherent uncertainty involved in making those estimates, actual results could differ from these estimates. Significant judgment has been used in the valuation of certain financial instruments and the determination of the adequacy of the accumulated provisions for debt relief and losses on loans and other exposures.

The Executive Directors approved these financial statements for issuance on August 6, 2026, which was also the date through which IDA's management evaluated subsequent events.

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

Translation and Remeasurement of Currencies

IDA's financial statements are expressed in U.S. dollars for the purpose of reporting its financial position and the results of its operations.

IDA conducts its operations in Special Drawing Rights (SDR) and its component currencies of U.S. dollar, euro, Japanese yen, pound sterling and Chinese renminbi. These constitute the functional currencies of IDA.

Assets and liabilities are translated at market exchange rates in effect at the end of the accounting period. Revenue and expenses are translated at either the market exchange rates in effect on the dates of revenue and expense recognition, or at an average of the market exchange rates in effect during each month. Translation adjustments relating to the revaluation of all assets and liabilities denominated in either SDR or the component currencies of SDR, are reflected in Accumulated Other Comprehensive Income. Remeasurement adjustments relating to other currencies (non-functional currencies) are reported in the Statements of Income.

Members' Subscriptions and Contributions

Recognition

Members' subscriptions and contributions committed for each IDA replenishment are initially recorded as both subscriptions and contributions committed and, correspondingly, as subscriptions and contributions receivable. Prior to effectiveness, only a portion of the value of Instruments of Commitment (IoCs) received as specified in the replenishment resolution is recorded as subscriptions and contributions committed. Upon effectiveness, the remainder of the value of IoCs received is subsequently recorded as subscriptions and contributions committed.

IoCs can contain unqualified or qualified commitments. Under an unqualified commitment, a contributing member agrees to pay a specified amount of its subscriptions and contributions without requiring appropriation legislation. A qualified commitment is subject to the contributing member obtaining the necessary appropriation legislation. Subscriptions and contributions made under IoCs become available for commitment for loans, grants and guarantees by IDA for a particular replenishment in accordance with the IDA replenishment envelope as approved by the Executive Directors.

A replenishment becomes effective when IDA receives IoCs from contributing members whose subscriptions and contributions aggregate to a specified portion of the full replenishment. Amounts not yet paid in at the date of effectiveness, are recorded as subscriptions and contributions receivable and shown as a reduction of subscriptions and contributions committed. These receivables become due throughout the replenishment period, generally three years, in accordance with an agreed payment schedule. The actual payment of receivables when they become due may be subject to the budgetary appropriation processes for certain members.

The subscriptions and contributions receivable are settled through payment of cash or deposit of nonnegotiable, noninterest-bearing demand notes. The notes are encashed by IDA on an approximately pro rata basis either as provided in the relevant replenishment resolution over the disbursement period of the loans and grants committed under the replenishment, or as needed.

In certain replenishments, donors receive discounts (a reduced obligation) when they pay a contribution amount before the relevant due date, and acceleration credits when they pay their full contribution amount before the due date. IDA retains any related revenue earned on these early payments, with subscriptions and contributions committed being recorded at contribution amounts received, grossed up for discounts and acceleration credits. Acceleration credits and discounts are presented on the Balance Sheets in the line item Cumulative discounts/credits on subscriptions and contributions, net. The discounts and acceleration credits are deducted in arriving at the subscriptions and contributions paid-in.

Under the Seventeenth Replenishment of IDA's Resources (IDA17), which became effective beginning fiscal year ended June 30, 2015, IDA's Executive Directors approved the use of a limited amount of concessional debt funding, referred to as concessional partner loans (CPLs), which continued in the subsequent Replenishments of IDA's Resources. The borrowing terms of this concessional debt funding aim to match the concessional features of IDA's loans. Generally, proceeds received under this arrangement have two separate components: (1) a borrowing component and (2) a grant component, for which voting rights are allocated to providers of the CPLs. The borrowing component of the CPLs is recognized and reported at amortized cost (see Borrowings section of this note for more details). The grant component is calculated as a function of the terms of the loan and the discount rate agreed upon during the replenishment discussions. This grant component is recorded as equity, equivalent to the cash received.

For the purposes of determining its initial subscriptions and additional subscriptions and contributions up to and including IDA19, the membership of IDA is divided into two categories: (1) Part I members, which make payments of subscriptions and contributions provided to IDA in convertible currencies that may be freely used or exchanged by IDA in its operations and (2) Part II members, which make payments of 10% of their initial subscriptions in freely convertible currencies, and the remaining 90% of their initial subscriptions, and all additional subscriptions and contributions in their own currencies or in freely

convertible currencies. Certain Part II members provide a portion of their subscriptions and contributions in the same manner as mentioned in (1) above. IDA's Articles of Agreement and subsequent replenishment resolutions provide that the currency of any Part II member paid in by it may not be used by IDA for projects financed by IDA and located outside the territory of the member except by agreement between the member and IDA. The national currency portion of subscriptions of Part II members is recorded as restricted under Members' subscriptions and contributions unless released under an agreement between the member and IDA, or used for administrative expenses. The cash paid and notes deposited in nonconvertible local currencies for the subscriptions of Part II members are recorded either as Restricted cash under Due from Banks, or as Restricted notes included under Nonnegotiable, Noninterest-bearing Demand Obligations on Account of Members' subscriptions and contributions.

From IDA20 and onwards, under the new Voting Rights Framework, IDA members are classified as either a Non-Recipient, Interstitial Non-Recipient, or Recipient member. The payment terms for Non-Recipient members correspond to those outlined above for Part I members. Payment terms for Interstitial Non-Recipient and Recipient members follow those outlined above for Part II members. Each original member shall, in respect of its initial subscription, have 500 votes plus one additional vote for each $5,000 of its initial subscription. Subscriptions other than initial subscriptions of original members carry such voting rights as the Board of Governors determine. Certain subscriptions and contributions do not carry voting rights.

Following adoption by the Board of Governors on April 21, 2006 of a resolution authorizing additions to IDA's resources to finance the MDRI (Multilateral Debt Relief Initiative), pledges received in the form of IoCs for financing the MDRI are recorded and accounted for in their entirety. Therefore, the full value of all IoCs received is recorded as Subscriptions and contributions committed. Correspondingly, the IoCs are recorded as Subscriptions and contributions receivable and deducted from equity.

Withdrawal of Membership

Under IDA's Articles of Agreement, a member may withdraw from membership in IDA at any time. When a government ceases to be a member, it remains liable for all financial obligations undertaken by it to IDA, whether as a member, borrower, guarantor or otherwise. The Articles provide that upon withdrawal, IDA and the government shall proceed to a settlement of accounts. If agreement is not reached within six months, standard arrangements are provided. Under these arrangements, IDA would pay to the government the lower of the member's total paid-in subscriptions and contributions or the member's proportionate share of IDA's net assets. These funds would be paid as a proportionate share of all principal repayments received by IDA on loans made during the period of the government's membership.

Valuation of Subscriptions and Contributions

The subscriptions and contributions provided through the Third Replenishment are expressed in terms of "U.S. dollars of the weight and fineness in effect on January 1, 1960" (1960 dollars). Following the abolition of gold as a common denominator of the monetary system and the repeal of the provision of the U.S. law defining the par value of the U.S. dollar in terms of gold, the pre-existing basis for translating 1960 dollars into current dollars or any other currency disappeared. The Executive Directors of IDA decided, that until such time as the relevant provisions of the Articles of Agreement are amended, the words "U.S. dollars of the weight and fineness in effect on January 1, 1960" in Article II, Section 2(b) of the Articles of Agreement of IDA are interpreted to mean the SDR introduced by the International Monetary Fund as the SDR was valued in terms of U.S. dollars immediately before the introduction of the basket method of valuing the SDR on July 1, 1974, such value being equal to $1.20635 for one SDR (the 1974 SDR). The Executive Directors also decided to apply the same standard of value to amounts expressed in 1960 dollars in the relevant resolutions of the Board of Governors.

The subscriptions and contributions provided through the Third Replenishment are expressed on the basis of the 1974 SDR. Prior to the decision of the Executive Directors, IDA had valued these subscriptions and contributions on the basis of the SDR at the current market value of the SDR.

The subscriptions and contributions provided under the Fourth Replenishment and thereafter are expressed in members' currencies or SDRs and are payable in members' currencies. Subscriptions and

contributions made available for disbursement in cash to IDA are translated at market exchange rates in effect on the dates they were made available. Subscriptions and contributions not yet available for disbursements are translated at market exchange rates in effect at the end of the reporting period.

Nonnegotiable, Noninterest-bearing Demand Obligations on Account of Members' Subscriptions and Contributions

Payments on demand obligations are due to IDA upon demand and these instruments are held in bank accounts or in the designated depository in IDA's name. These instruments are carried and reported at face value, which approximates fair value as a reduction to equity on the Balance Sheets.

Deferred amounts to maintain value of currency holdings

Article IV, Section 2(a) and (b) of IDA's Articles of Agreement provides for maintenance of value payments on account of the local currency portion of the initial subscription whenever the par value of the member's currency or its foreign exchange value has depreciated or appreciated to a significant extent, so long as, and to the extent that, such currency shall not have been initially disbursed or exchanged for the currency of another member. The provisions of Article IV, Section 2(a) and (b) have by agreement been extended to cover additional subscriptions and contributions of IDA through the Third Replenishment, but are not applicable to those of the Fourth and subsequent replenishments.

The Executive Directors decided on June 30, 1987 that settlements of maintenance of value, which would result from the resolution of the valuation issue on the basis of the 1974 SDR, would be deferred until the Executive Directors decide to resume such settlements. These amounts are shown as Deferred amounts to maintain value of currency holdings and deducted from equity; any changes relate solely to translation adjustments.

Accumulated other comprehensive loss

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

Loans and Other Exposures

Loans

In fulfilling its mission, IDA makes concessional and non-concessional loans. These loans and other exposures (collectively "exposures") are made to, or guaranteed by, member governments or to the government of a territory of a member (except for loans which have been made to regional development institutions for the benefit of members or territories of members of IDA). In order to qualify for lending on IDA regular terms, a country's per capita income must be below a certain level ($1,325 for the fiscal year ended June 30, 2026 and $1,335 for the fiscal year ended June 30, 2025) and the country may have only limited or no access to IBRD lending.

Apart from loans to member countries described above, under IDA18, the IDA-IFC-MIGA Private Sector Window (PSW) was created to mobilize private sector investment in IDA-eligible countries and IDA-eligible Fragile and Conflict-affected Situations. The PSW primarily includes loans and guarantees which are deployed through facilities designed to target critical challenges faced by the private sector and leverages IFC's and MIGA's business platform and instruments.

Loans are carried at amortized cost. Commitment charges on the undisbursed balance of loans, are recognized in revenue as earned. Any loan origination fees incorporated in the terms of a loan are deferred and recognized over the life of the loan as an adjustment of the yield. Accrued interest is presented on the Balance Sheets in the line item Other receivables, accrued interest and commitment charges.

It is IDA's practice not to reschedule service charges, interest or principal payments on its sovereign loans or participate in debt rescheduling agreements with respect to its sovereign loans, except for activation of

a deferral under the Climate Resilient Debt Clause (CRDC). Should any other modifications be made to the terms of existing loans, IDA would perform an evaluation to determine the required accounting treatment, including whether the modifications would result in the affected loans being accounted for as a new loan, or as a continuation of the existing loans.

It is IDA's policy to place into nonaccrual status all loans and other exposures made to, or guaranteed by, a member or to the territory of a member if principal or charges with respect to any such loan and other exposures are overdue by more than six months (two months for PSW loans), unless IDA's management determines that the overdue amount will be collected in the immediate future. In addition, if loans by IBRD to a member government are placed into nonaccrual status, all loans and other exposures to that member will also be placed into nonaccrual status by IDA. On the date a member's loans and other exposures are placed into nonaccrual status, unpaid charges that had been accrued on loans are deducted from loan revenue in the current period.

Interest and other charges on nonaccruing exposures are included in revenue only to the extent that payments have been received by IDA. A decision on the restoration of accrual status is made upon arrears clearance. If collectibility risk is considered to be particularly high at the time of arrears clearance, the member's exposures may not automatically emerge from nonaccrual status until a suitable period of payment performance has passed.

The repayment obligations of loans funded from resources through the Fifth Replenishment are expressed in the loan agreements in terms of 1960 dollars. In June 1987, the Executive Directors decided to value those loans at the rate of $1.20635 per 1960 dollar on a permanent basis. Loans funded from resources provided under the Sixth Replenishment and thereafter are denominated in SDRs, with the exception of loans provided under the Single Currency Lending program, which allows IDA recipients to denominate new IDA loans in one of the five constituent currencies of the SDR basket.

Loan commitments

Loan Commitments are undisbursed loans approved by the Executive Directors for which disbursements are yet to be made. IDA records a provision for expected losses on undisbursed loan commitments including Deferred Drawdown Options (DDOs), when signed by both parties. The signature of the loan agreement is a binding event that prevents IDA from unconditionally withdrawing from the agreement.

Buy-down of Loans

IDA enters into loan buy-down agreements with third party donors who make payments on the borrower's service and commitment charges through a trust fund until the borrower reaches agreed performance goals. The trust fund then buys down the related loans for an amount equivalent to the present value of the remaining cash flows of the related loans. The difference between the carrying amount of the related loans and their net present value at the time of buy-down is reflected through provision expense.

Development Grants

Development grants made by IDA that are deemed to be conditional, are expensed when all the conditions have been met, which generally occurs at the time of disbursement. At times, grant advances may be disbursed to recipients prior to the conditions stipulated in the grant agreement being met and are presented in the Other assets on the Balance Sheets. Once the conditions for the grant advances are met, they are expensed. Development grants that are deemed to be unconditional are expensed upon approval.

Commitment charges on the undisbursed balance of development grants, if any, are recognized in revenue as earned.

Project Preparation Advances

Project Preparation Advances (PPAs) are advances made to borrowers to finance project preparation costs pending the approval of follow-on development operations. If approved under grant terms, these amounts are expensed upon approval by management. To the extent there are follow-on loans or grants,

these PPAs are refinanced out of the proceeds of the loans and grants. Accordingly, the PPA grant amounts initially charged to expense are reversed upon approval of the follow-on development grants or loans.

Guarantees Provided

Financial guarantees are commitments issued by IDA to guarantee payment performance by a member country (the debtor) to a third party in the event that a member government (or government-owned entity) fails to perform its contractual obligations to a third party.

Guarantees are regarded as outstanding when the underlying financial obligation of the borrower is incurred, and called when a guaranteed party demands payment under the guarantee. IDA would be required to perform under its guarantees if the payments guaranteed are not made by the borrower and the guaranteed party called the guarantee by demanding payment from IDA in accordance with the terms of the guarantee.

At inception of the guarantees, IDA records the fair value of the obligation to stand ready and a corresponding guarantee fee receivable, included in Other Liabilities - Accounts payable and miscellaneous liabilities, and in Other Assets, respectively, on the Balance Sheets. Upfront guarantee fees received are deferred and amortized over the life of the guarantee.

In the event that a sovereign guarantee is called, IDA has the contractual right to require payment from the member country under an indemnity agreement. Any receivables arising out of the indemnity agreements for amounts paid by IDA are presented as Loans outstanding on the Balance Sheets.

HIPC Debt Initiative

The Heavily Indebted Poor Countries (HIPC) Debt Initiative was launched in 1996 as a joint effort by bilateral and multilateral creditors to ensure that reform efforts of HIPC would not be put at risk by unsustainable external debt burdens.

Under the Enhanced HIPC Framework, implementation mechanisms include: (i) partial forgiveness of IDA debt service as it comes due, and ii) in the case of countries with a substantial amount of outstanding IBRD debt, partial repayment with IDA resources (excluding transfers from IBRD) of outstanding IBRD debt.

Upon signature by IDA of the country specific legal notification, immediately following the decision by the Executive Directors of IDA to provide debt relief to the country (the Decision Point), the country becomes eligible for debt relief up to the nominal value equivalent of one third of the net present value of the total HIPC debt relief committed to the specific country. Completion Point is reached when the conditions specified in the legal notification are met and the country's other creditors have confirmed their full participation in the debt relief initiative. When the country reaches its Completion Point, IDA's commitment to provide the total debt relief for which the country is eligible, becomes irrevocable. IDA's provisioning policy for the HIPC Debt Initiative is discussed below.

Donors compensate IDA on a "pay-as-you-go" basis to finance IDA's forgone loan reflows (principal and service charge repayments) under the HIPC Debt Initiative. This means that for the debt relief provided by writing off the principal and charges during a replenishment, the donors compensate IDA for the forgone reflows through additional contributions in the relevant replenishment. These additional resources are accounted for as equity, as subscriptions and contributions, because they carry voting rights.

MDRI

Debt relief provided under the Multilateral Debt Relief Initiative (MDRI), which is characterized by the write-off of eligible loans upon qualifying borrowers reaching the HIPC Completion Point, is in addition to existing debt relief commitments provided by IDA and other creditors under the HIPC Debt Initiative. When a country reaches Completion Point, the applicable loans are written off. This write off occurs at the beginning of the quarterly period following the date on which the country reaches Completion Point. For forgone repayments under MDRI, donors established a separate MDRI replenishment spanning fiscal

years 2007 through 2044 and pledged to compensate IDA for the costs of providing debt relief under MDRI on a “dollar-for-dollar” basis. These additional resources are accounted for as equity, as subscriptions and contributions, because they carry voting rights.

Accumulated Provision for Losses on Loans and Other Exposures

Management determines the appropriate level of accumulated provisions for losses on loan exposures, which reflects the expected losses inherent in IDA’s exposures.

The accumulated provision for losses on loans and other exposures includes the accumulated provision for the HIPC Debt Initiative and MDRI.

HIPC Debt Initiative and MDRI

The adequacy of the accumulated provision for the HIPC Debt Initiative and MDRI is based on both quantitative and qualitative analyses of various factors, including estimates of the Decision and the Completion point dates. IDA periodically reviews these factors and reassesses the adequacy of the accumulated provision for the HIPC Debt Initiative and MDRI.

Upon approval by the Executive Directors of a country as potentially eligible for IDA debt relief under the Enhanced HIPC Initiative, the principal component of the estimated debt relief costs is recorded within the accumulated provision for loan losses on the Balance Sheets, and as a provision expense in the Statements of Income. This estimate is subject to periodic revision. Adjustments to the accumulated provision are recorded as a charge to or release of provision in the Statements of Income. The accumulated provision for HIPC Debt Initiative is reduced as debt relief is provided. The accumulated provision for the HIPC Debt Initiative is reduced by the amount of the eligible loans written off when the country reaches Completion Point and becomes eligible for MDRI debt relief.

Loans

Loan exposures are disaggregated into two groups: exposures in accrual status and exposures in nonaccrual status. In each group, a credit risk rating is then assigned to the exposures for each borrower (defined as the nominal amount of loans outstanding less the accumulated provision for loss under the HIPC Debt Relief Initiative and MDRI).

The total exposure for provisioning is the current exposure and the estimated exposure taking into account expected disbursements and repayments over the life of the instruments. The expected credit losses related to loans and other exposures are calculated over the life of the instruments based on the expected exposures, the expected default frequency (probability of default to IDA) and the estimated loss given default. The provision for expected losses is the sum of the expected annual losses over the life of the instruments.

For countries in accrual status, these exposures are grouped in pools of borrowers with a similar risk rating. The determination of a borrower’s rating is based on various factors (see Note D—Loans and other exposures). Each risk rating is mapped to an expected default frequency using IDA’s credit migration matrix, based on historical observations of credit ratings at the beginning and at the end of each year.

Expected losses on loan exposures comprise estimates of potential losses arising from default and nonpayment of principal and interest amounts due, and any economic loss due to delays in receiving payments. The estimated loss given default is determined at each balance sheet date, based on IDA’s historical experience as well as parameters adjusted for current conditions during the reasonable and supportable forecast period of IDA. The loss given default is based on the borrower’s eligibility, namely: IDA, Blend (IBRD and IDA) and IBRD, with the highest loss given default associated with IDA eligibility. The borrower’s eligibility is assessed at least annually. The main factors used to determine the loss given default are the estimated length of delays in receiving loan payments and the effective interest rate of the exposures. IDA’s loan portfolio comprises mostly fixed interest rate loans, therefore, the measurement of loss severity is not sensitive to market interest rate movements.

For the calculation of expected credit losses, IDA applies a three-year reasonable and supportable forecast period representing the most reliable and available economic data during this period. IDA also applies a ten-year straight-line reversion to the mean to reflect the historical pattern of rating migration to the mean of its loan portfolio.

This methodology is also applied to countries with exposures in nonaccrual status, although the expected default frequency is equal to 100%. At times, to reflect certain distinguishing circumstances of a particular nonaccrual situation, different input assumptions may be used for a specific country.

All exposures for countries in nonaccrual status are individually assessed. Except for debt relief provided under the HIPC Debt Initiative and MDRI, it is IDA's practice not to write off its sovereign loans. To date, no sovereign loans have been written off, other than under the HIPC Debt Initiative, MDRI and buy-down of loans.

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 Statements of Income. In addition, reasonableness of the inputs used is reassessed quarterly.

When a member country prepays its outstanding loans, it may receive a discount equivalent to the difference between the outstanding carrying amount and the present value of the remaining cash flows. In such instances, IDA records a provision for losses on loans equivalent to the discount provided at the time when the prepayment terms are agreed between IDA and the member country.

Loan Commitments

IDA records the expected credit losses on loan commitments based on the projected disbursements of signed loan commitments (adjusted by cancellations based on historical experience), the probability of default and loss given default. The provision is included in Other liabilities - Accounts payable and miscellaneous liabilities on the Balance Sheets.

Guarantees Provided

IDA records a contingent liability for the expected losses related to guarantees over the projected life of the instruments, which is determined based on the estimated exposure at default multiplied by the corresponding loss given default and expected default probability for the projected life of the guarantee. This provision, as well as the unamortized balance of the deferred guarantee fees, and the unamortized balance of the obligation to stand ready, are included in Other liabilities - Accounts payable and miscellaneous liabilities on the Balance Sheets.

Statements of Cash Flows

For the purpose of IDA's Statements of Cash Flows, cash is defined as the amount of both Unrestricted cash and Restricted cash presented under Due from banks on the Balance Sheets.

Restricted Cash

This mainly includes amounts which have been received from members as part of their subscriptions, which are restricted for specified purposes.

Investments

Investment securities are classified based on management's intention on the date of purchase, their nature, and IDA's policies governing the level and use of such investments. All investment securities are held in the trading portfolio, except for a security purchased from IFC in 2015, which is classified as non-trading. While IDA does not plan to sell the IFC security, IDA elected to measure it at fair value, so that all of its investment securities are measured on the same basis. All investment securities and related financial instruments held by IDA are carried and reported at fair value, or at face value, 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, asset-backed securities (ABS) and mortgage-backed securities (MBS). For instruments for which market quotations are not

available, fair values are determined using model-based valuation techniques, whether internally generated or vendor-supplied, that include the standard discounted cash flow method using observable market inputs such as yield curves and credit spreads. Where applicable, unobservable inputs such as conditional prepayment rates, probability of default, and loss severity are used. Unless quoted prices are available, time deposits are reported at face value, which approximates fair value, as they are short term in nature. The first-in first-out method is used to determine the cost of securities sold in computing the realized gains and losses on these instruments.

Interest revenue is included in Investments, net in the Statements of Income. Unrealized mark-to-market gains and losses for investment trading securities and related financial instruments held in the investment portfolio are included in the Mark-to-market gains (losses) on trading securities, net in the Statements of Income. Realized gains and losses on investment trading securities are recognized in the same line in the Statements of Income when securities are sold.

IDA may require collateral in the form of cash or approved liquid securities from individual counterparties under legal agreements that provide for collateralization in order to mitigate its credit exposure to these counterparties. For collateral received in the form of cash from counterparties, IDA invests the amounts received and records the investment and a corresponding obligation to return the cash. Collateral received in the form of liquid securities is only recorded on IDA's Balance Sheets to the extent that it has been transferred under securities lending agreements in return for cash.

Securities Purchased Under Resale Agreements, Securities Sold Under Repurchase Agreements, Securities Lent Under Securities Lending Agreements and Payable for Cash Collateral Received

Securities purchased under resale agreements, securities sold under repurchase agreements, securities lent under securities lending agreements and payable for cash collateral received are recorded at face value, which approximates fair value, as they are short term in nature. IDA receives securities purchased under resale agreements, monitors the fair value of the securities and, if necessary, closes out transactions and enters into new repriced transactions. The securities transferred to counterparties under the repurchase and security lending arrangements and the securities transferred to IDA under the resale agreements have not met the accounting criteria for treatment as a sale. Therefore, securities transferred under repurchase agreements and security lending arrangements are retained as assets on the Balance Sheets, and securities received under resale agreements are not recorded on the Balance Sheets. Securities lent under securities lending agreements and sold under securities repurchase agreements as well as securities purchased under resale agreements are presented on a gross basis, which is consistent with the manner in which these instruments are settled. The interest earned with respect to securities purchased under resale agreements is included in Investments, net, in the Statements of Income. The interest expense pertaining to the securities sold under repurchase agreements and security lending arrangements is included in Borrowing expenses, net in the Statements of Income.

Borrowings

IDA introduced long term borrowings through the CPLs with borrowing terms aimed at matching the features of IDA's concessional loans. These borrowings are unsecured and unsubordinated debt in SDR component currencies. IDA may prepay some or the entire outstanding amounts without penalty. These borrowings are carried and reported at amortized cost.

IDA also issues debt instruments in the capital markets that are reported at either fair value or amortized cost. IDA only elects fair value for market debt designated to fund liquidity or variable rate loans. Market debt not meeting the fair value election criteria are reported at amortized cost. For debt carried at fair value, changes in fair value are recognized in the related Unrealized mark-to-market gains (losses) on non-trading portfolios, net in the Statements of Income, except for changes in the fair value that relate to IDA's own credit risk, which are reported in Other Comprehensive Income (OCI) as a Debit Valuation Adjustment (DVA). 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 IDA's cost of funding relative to the applicable reference rates.

Plain vanilla bonds and discount notes, if any, 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.

Interest expense relating to all debt instruments in IDA's borrowing portfolio is measured on an effective yield basis and is reported as part of Borrowing expenses, net in the Statements of Income.

Amortization of discounts and premiums is also included in Borrowing expenses, net in the Statements of Income.

For the purpose of the Statements of Cash Flows, short term borrowings, if any, with an original maturity of less than 90 days, are presented net of new issuances and retirements. In contrast, short term borrowings with an original maturity greater than 90 days and less than one year are presented on a gross basis.

Accounting for Derivatives

IDA has elected not to designate any hedging relationships for accounting purposes. Rather, all derivative instruments are recorded at fair value on the Balance Sheets, with changes in fair value accounted for through the Statements of Income.

The presentation of derivative instruments on IDA's Balance Sheets reflects the netting of derivative asset and liability positions and the related cash collateral received from the counterparty when a legally enforceable master netting agreement exists, and other conditions are met. In addition, in the Notes to the financial statements, unless stated differently, derivatives are presented on a net basis by instrument.

A master netting agreement is an industry standard agreement with a counterparty that permits multiple transactions governed by that agreement to be terminated or accelerated and settled through a single payment in a single currency in the event of a default (e.g., bankruptcy, failure to make a required payment or transfer securities or deliver collateral when due). Obligations under master netting agreements are often secured by collateral posted under an industry standard credit support annex to the master netting agreement. Upon default by the counterparty, the collateral agreement grants an entity the right to set-off any amounts payable by the counterparty against any posted collateral.

IDA uses derivative instruments in its investment trading portfolio to manage interest rate and currency risks. These derivatives are carried and reported at fair value. Interest revenue (expenses) from these instruments are reflected as part of Investment interest revenue, net, while unrealized mark-to-market gains and losses on these derivatives are reflected as part of Mark-to-market gains (losses) on trading securities, net in the Statements of Income.

IDA also uses derivatives in its loan, asset/liability management and borrowing portfolios. Within the asset/liability management portfolio, currency forward contracts are used to manage foreign exchange fluctuation risks and interest rate swap contracts under the Capital Value Protection program are used to manage interest rate volatility of IDA's capital adequacy model. In the loan and borrowing portfolios, interest rate swaps are used to modify the interest rate characteristics of these portfolios. The interest component of these derivatives is recognized as an adjustment to the loan revenue and borrowing costs over the life of the derivative contracts and is included in Loans, net and Borrowing expenses, net lines in the Statements of Income. Changes in fair values of these derivatives are recorded in the Statements of Income as Unrealized mark-to-market gains and losses on non-trading portfolios, net and are adjustments to Net income under operating activities in the Statements of Cash flows.

IDA presents the cash flows associated with derivative instruments, and their related gains and losses, consistently with the cash flows of the economically hedged item. Principal related cash flows on derivatives economically hedging loans are reported under investing activities as Net derivatives-loans, while those hedging borrowings are reported under financing activities as Net derivatives-borrowings.

Principal-related cash flows and realized gains and losses on derivatives economically hedging investments are reported under operating activities as Changes in Net derivatives-investments. Interest-related cash flows and realized gains and losses on derivatives hedging loans and borrowings are reported under operating activities. Interest-related cash flows on derivatives hedging investments are reported under operating activities within Changes in Miscellaneous assets.

Derivative contracts include currency forward contracts, to-be-announced (TBA) securities, swaptions, exchange traded options and futures contracts, currency swaps and interest rate swaps. Currency swaps and interest rate swaps are primarily plain vanilla instruments and they are valued based on standard discounted cash flow methods using observable market inputs such as yield curves, foreign exchange rates, basis spreads and funding spreads.

Most outstanding derivative positions are transacted over-the-counter and are therefore valued using internally developed valuation models. For commercial and non-commercial counterparties where IDA is in a net receivable position, IDA calculates a Credit Valuation Adjustment (CVA) to reflect credit risk. For net derivative positions with commercial and non-commercial counterparties where IDA is in a net payable position, IDA calculates a DVA to reflect its own credit risk. The CVA is calculated using future projected exposures of the derivative contracts, net of collateral received under credit support annex, and the probability of counterparty default based on the Credit Default Swaps (CDS) spread and, where applicable, proxy CDS spreads. The DVA calculation is generally consistent with the CVA methodology and incorporates IDA's own credit spread as observed through the CDS market.

Valuation of Financial Instruments

IDA has an established and documented process for determining fair values. Fair value is based upon quoted market prices for the same or similar securities, where available.

Financial instruments for which quoted market prices are not readily available are valued based on discounted cash flow models and other established valuation models. These models primarily use market-based or independently sourced market parameters such as yield curves, interest rates, volatilities, foreign exchange rates and credit curves, and may incorporate unobservable inputs. Selection of these inputs may involve some judgment. In instances where management relies on instrument valuations supplied by external pricing vendors, there are procedures in place to validate the appropriateness of the models used as well as the inputs applied in determining those values. IDA also has various internal controls in place to ensure that the valuations are appropriate where internally developed models are used.

Fair Value Hierarchy

Financial instruments are categorized based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1), the next highest priority to observable market-based inputs or inputs that are corroborated by market data (Level 2) and the lowest priority to unobservable inputs that are not corroborated by market data (Level 3).

Financial assets and liabilities recorded at fair value on the Balance Sheets are categorized based on the inputs to the valuation techniques as follows:

Level 1: Financial assets and liabilities whose values are based on unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2: Financial assets and liabilities whose values are based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in non-active markets; or pricing models for which all significant inputs are observable, either directly or indirectly for substantially the full term of the asset or liability.

Level 3: Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement.

IDA's policy is to recognize transfers in and transfers out of levels as of the end of the reporting period in which they occur.

Accounting for Contributions to Special Programs

IDA recognizes unconditional grants such as contributions to special programs as an expense upon approval by the Executive Directors.

Transfers

Transfers from IBRD's net income to IDA are recognized in the Statements of Income upon approval by the Board of Governors of IBRD. Similarly, transfers relating to grants made from IFC's retained earnings to IDA are recognized in the transfers from affiliated organizations on the Statements of Income upon execution of a grant agreement between IFC and IDA.

In addition, IDA periodically receives contributions from trust funds and private institutions. IDA does not assign any voting rights for these contributions. Temporary restrictions relating to these contributions may arise from the timing of receipt of cash, or donor imposed restrictions as to use.

Trust Funds

To the extent that IDA acts as an agent for or controls Bank-executed activities for trust funds, assets held on behalf of specified beneficiaries are recorded on IDA's Balance Sheets, along with corresponding liabilities. Amounts disbursed from these trust funds are recorded as expenses with the corresponding amounts recognized as revenue. For recipient-executed activities for trust funds, since IDA acts as a trustee, no assets or liabilities relating to these activities are recorded on the Balance Sheets.

In some trust funds, execution is split between recipient-executed and IDA-executed portions. Decisions on assignment of funding resources between the two types of execution may be made on an ongoing basis; therefore, the execution of a portion of these available resources may not yet be assigned.

For trust funds where IDA exercises control and is entitled to surplus assets upon termination, IDA reports the balances and transactions of these trust funds in its financial statements.

IDA also acts as a financial intermediary to provide specific administrative or financial services with a limited fiduciary or operational role. These arrangements, referred to as Financial Intermediary Funds, include, for example, administration of debt service trust funds, financial intermediation and other more specialized limited fund management roles. For these arrangements, funds are held and disbursed in accordance with instructions from donors or, in some cases, an external governance structure or a body operating on behalf of donors. For Financial Intermediary Funds, since IDA acts as a trustee, no assets or liabilities relating to these activities are recorded on IDA's Balance Sheets.

Accounting and Reporting Developments

Recently Adopted Accounting Standards

In September 2025, the FASB issued ASU 2025-07, *Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606) Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract*. The ASU adds a scope

exception that excludes from derivative accounting certain non-exchange-traded contracts with underlying settlement variables that are based on operations or activities specific to one of the parties to the contract. The guidance is effective for fiscal years beginning after December 15, 2026, with early adoption permitted. IDA early adopted the ASU prospectively on October 1, 2025, as of July 1, 2025. The adoption did not have a material impact on IDA's financial statements.

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*. The new guidance is intended to align U.S. GAAP requirements with those of the SEC and to facilitate the application of U.S. GAAP. IDA early adopted the ASU prospectively on June 30, 2026. The adoption did not have a material impact on IDA's financial statements.

Accounting Standards Under Evaluation

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

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

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

NOTE B—MEMBERS' SUBSCRIPTIONS AND CONTRIBUTIONS AND MEMBERSHIP

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

Table B1: Subscriptions and contributions paid-in

In millions of U.S. dollars

	June 30, 2026	*June 30, 2025*
Beginning of the fiscal year	$ 291,682	$ 280,073
Cash contributions received	4,375	6,035
Demand obligations received	3,933	4,839
Translation adjustment	(199)	735
End of the fiscal year	$ 299,791	$ 291,682

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

In millions of U.S. dollars

	June 30, 2026	June 30, 2025
Beginning of the fiscal year	$ 12,250	$ 12,553
Demand obligations received	3,933	4,839
Demand obligations encashed	(5,429)	(5,877)
Translation adjustment	(199)	735
End of the fiscal year	$ 10,555	$ 12,250

NOTE C—INVESTMENTS

The investment securities held by IDA are designated as either trading or non-trading. Some investments are either reported at face value, which approximates fair value, or net asset value (NAV).

As of June 30, 2026, IDA's Investments were mainly comprised of government, agency and corporate obligations (57%) and time deposits (42%), with all of the instruments classified as either Level 1 or Level 2 within the fair value hierarchy.

A summary of IDA's Investments is as follows:

Table C1: Investments-composition

In millions of U.S. dollars

	June 30, 2026	June 30, 2025
Trading		
Government, agency and corporate obligations	$ 24,426	$ 26,429
Time deposits	17,895	20,641
Asset-backed securities (ABS)	110	87
Other fund investments [a]	376	—
	$ 42,807	$ 47,157
Non-trading		
Debt security	82	115
Total	$ 42,889	$ 47,272

a. Relate to investments held by the Trust Fund for Gaza and West Bank (TFGWB)

IDA manages its investments on a net portfolio basis. As of June 30, 2026, the largest holdings from a single counterparty within the net investment portfolio was the Government of France (14%).

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

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

In millions of U.S. dollars

	Fiscal Year Ended June 30,		
	2026	2025	2024
Net gains recognized during the period on trading securities [a]	$ 319	$ 340	$ 316
Less: Net gains recognized on trading securities sold / matured during the period	119	115	106
Net gains recognized on trading securities still held at the reporting date	$ 200	$ 225	$ 210

a. Includes amounts related to investments-trading derivatives.

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

Commercial Credit Risk

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

Swap Agreements

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

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

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

Table C3: Collateral received

In millions of U.S. dollars

	June 30, 2026	*June 30, 2025*
Collateral received		
Cash	$ 1,205	$ 1,266
Securities	351	33
Total collateral received	$ 1,556	$ 1,299
Collateral permitted to be repledged	$ 1,556	$ 1,299
Amount of collateral repledged	—	—
Amount of cash collateral invested	$ 908	$ 796

Securities Lending Activities

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

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

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

As of June 30, 2026, there were no securities purchased under resale agreements ($136 million—June 30, 2025) and securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received were $1,205 million ($1,388 million—June 30, 2025).

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

The weighted average interest rate on securities transferred under repurchase and securities lending agreements was 5.05% and 3.87% as of June 30, 2026, and June 30, 2025, respectively.

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

NOTE D—LOANS AND OTHER EXPOSURES

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

IDA excludes the interest and service charges receivable balance from the amortized cost basis and the related disclosures. As of June 30, 2026, accrued interest income and service charges on loans of $822 million ($849 million—June 30, 2025) are presented in Other receivables - Accrued interest and commitment charges on the Balance Sheets.

As of June 30, 2026, 0.4% of IDA's total loans were in nonaccrual status. The total accumulated provision for losses on loans in accrual status and nonaccrual status was 2% of total loans as of June 30, 2026.

The maturity structure of loans outstanding was as follows:

Table D1: Loans outstanding - Maturity structure

In millions of U.S. dollars

June 30, 2026		*June 30, 2025*	
July 01, 2026 through June 30, 2027	$ 10,993	July 01, 2025 through June 30, 2026	$ 10,218
July 01, 2027 through June 30, 2031	48,321	July 01, 2026 through June 30, 2030	46,083
July 01, 2031 through June 30, 2041	101,207	July 01, 2030 through June 30, 2040	99,016
Thereafter	75,562	Thereafter	72,570
Total	$ 236,083	Total	$ 227,887

Loans outstanding had the following currency composition:

Table D2: Loans outstanding- Currency composition

In millions of U.S. dollars

	June 30, 2026	*% of total*	*June 30, 2025*	*% of total*
SDR	$ 167,661	71%	$ 169,746	75%
U.S. dollar	36,989	16%	31,609	14%
Euro	29,754	12%	25,427	11%
Japanese yen	1,551	1%	998	*
Pound sterling	128	*	107	*
Total	$ 236,083	100%	$ 227,887	100%

** Indicates percentage less than 0.5%.*

Credit Quality of Loans

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

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

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

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

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

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

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

Overdue Amounts

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

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

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

Table D3: Loans outstanding - Aging structure

In millions of U.S. dollars

	June 30, 2026							
Days past due	*Up to 45*	*46-60*	*61-90*	*91-180*	*Over 180*	*Total Past Due*	*Current* [a]	*Total*
Sovereign loans								
Risk Class								
Low	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Medium	—	—	—	—	—	—	11,896	11,896
High	16	1	1	—	—	18	222,969	222,987
Loans in accrual status	16	1	1	—	—	18	234,865	234,883
Loans in nonaccrual status	7	—	3	9	555	574	296	870
Total sovereign loans	$ 23	$ 1	$ 4	$ 9	$ 555	$ 592	$235,161	$235,753 [b]
PSW Loans	3	—	—	2	5	10	320	330 [c]
Total	$ 26	$ 1	$ 4	$ 11	$ 560	$ 602	$235,481	$236,083

Table D3.1:

In millions of U.S. dollars

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

a. Represents the principal amounts not yet contractually due.

b. The total amounts of sovereign loans at amortized cost which contain principal past due amounts was $1,795 million ($1,741 million—June 30, 2025).

c. Includes $87 million (Nil—June 30, 2025) of PSW loans at amortized cost that are in non-accrual status. All PSW loans are in the high risk category. The total amount of PSW loans which contain principal past due amounts was $109 million ($37 million —June 30, 2025)

** Indicates amount less than $0.5 million.*

Table D4: Loans in nonaccrual status

In millions of U.S. dollars

		June 30, 2026		June 30, 2025	
Borrower	*Nonaccrual since*	*Loans outstanding*	*Accumulated provision for loan losses* [a]	*Loans outstanding*	*Accumulated provision for loan losses* [a]
Eritrea [b]	March 2012	424	15	429	15
Zimbabwe	October 2000	446	223	453	227
Sovereign loans		870	238	882	242
PSW Loans	Various	87	25	—	—
Total		$ 957	$ 263	$ 882	$ 242

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

b. Accumulated provision for debt relief under HIPC/MDRI was $279 million ($287 million—June 30, 2025)

During the fiscal year ended June 30, 2026, service charge and interest revenue not recognized as a result of loans being in nonaccrual status was $19 million ($6 million and $6 million—fiscal years ended June 30, 2025 and June 30, 2024, respectively).

During the fiscal year ended June 30, 2026, less than $1 million service charge revenue was recognized on loans in nonaccrual status upon receipt of payment (less than $1 million—fiscal years ended June 30, 2025 and June 30, 2024).

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

Table D5: Loans outstanding-vintage disclosure

In millions of U.S. dollars

	June 30, 2026								
	Fiscal Year of origination						*CAT DDOs disbursed and revolving*	*CAT DDOs Converted to Term Loans*	*Loans Outstanding as of June 30, 2026*
Risk Class	*2026*	*2025*	*2024*	*2023*	*2022*	*Prior Years*			
Low	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Medium	—	29	51	83	112	11,621	—	—	11,896
High	3,484	14,161	11,361	17,470	15,076	160,970	201	507	223,230
Loans in accrual status	3,484	14,190	11,412	17,553	15,188	172,591	201	507	235,126
Loans in nonaccrual status	—	—	—	21	58	878	—	—	957
Total	$ 3,484	$14,190	$11,412	$17,574	$15,246	$173,469	$ 201	$ 507	$ 236,083
Current period gross write-offs [a]	$ —	$ —	$ —	$ —	$ —	$ 12	n.a	n.a	n.a

Table D5.1:

In millions of U.S. dollars

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

a. Relate to HIPC/MDRI.

The Catastrophe Deferred Draw-Down Option (CAT-DDO) is a contingent credit line that promotes countries' resilience to disasters by providing immediate liquidity to countries in the aftermath of a catastrophe. The amount of CAT DDOs outstanding and revolving that was converted to term loans during the fiscal year ended June 30, 2026 was $31 million ($150 million—June 30, 2025).

Accumulated Provision for Losses on Loans and Other Exposures

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

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

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

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

Table D6: Accumulated provisions

In millions of U.S. dollars

	June 30, 2026				
	Loans outstanding	*Loan commitments*	*Debt relief under HIPC/MDRI*	*Other* [a]	*Total*
Accumulated provision, beginning of the fiscal year	$ 4,137	$ 1,380	$ 474	$ 199	$ 6,190
Provision, net - charge (release)	214	(89)	(25)	161	261
Loans written off under HIPC/MDRI	—	—	(12)	—	(12)
Guarantee claims paid [b]	—	—	—	(4)	(4)
Recoveries collected [b]	—	—	—	1	1
Translation adjustment	(56)	(22)	(3)	(2)	(83)
Accumulated provision, end of the fiscal year	$ 4,295	$ 1,269	$ 434	$ 355	$ 6,353
Including accumulated provision for losses on:					
Loans in accrual status	$ 4,032		$ 155		$ 4,187
Loans in nonaccrual status	263		279		542
Total	$ 4,295		$ 434		$ 4,729
Loans:					
Loans in accrual status					$ 235,126
Loans in nonaccrual status					957
Loans outstanding					$ 236,083

Table D6.1:

In millions of U.S. dollars

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

a. These amounts primarily relate to outstanding guarantees.

b. Represents guarantee claims activity in connection with PSW guarantees.

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

The accumulated provision for losses on loan and other exposures as of June 30, 2026 was $6,353 million, compared to $6,190 million as of June 30, 2025. The increase was primarily due to the overall increase in exposure for the fiscal year ended June 30, 2026.

Loans to be written off under MDRI

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

Guarantees Provided

Guarantees of $3,300 million were outstanding as of June 30, 2026 ($2,822 million—June 30, 2025). This amount includes $1,309 million relating to the PSW ($1,173 million—June 30, 2025). The outstanding guarantees represents the maximum potential undiscounted future payments that IDA could be required to make under these guarantees, and are not included on the Balance Sheets. The guarantees issued by IDA have original maturities ranging between 2 and 22 years and expire in decreasing amounts through 2044.

As of June 30, 2026, liabilities related to IDA's obligations under guarantees provided include the obligation to stand ready of $127 million ($132 million—June 30, 2025), and the accumulated provision for guarantee losses of $328 million ($174 million—June 30, 2025). These have been included in Other liabilities - Accounts payable and miscellaneous liabilities on the Balance Sheets.

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

During the fiscal year ended June 30, 2026, $1 million of IDA-PSW Blended Finance Facility guarantees pursuant to the risk-sharing agreement between IDA and IFC were called (less than $1 million—fiscal year ended June 30, 2025). During the same period, under the PSW MIGA guarantee facility agreement between IDA and MIGA, $3 million of guarantees were called ($33 million—fiscal year ended June 30, 2025) and $1 million of guarantees were recovered (Nil—fiscal year ended June 30, 2025).

Concentration Risk

Loan revenue comprises service charges, interest and commitment charges, net of waivers. For the fiscal year ended June 30, 2026, there was no country that contributed more than 10% of the total loan revenue.

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

Table D7: Loan revenue and outstanding loan balances by geographic region

In millions of U.S. dollars	*As of and for the fiscal year ended*			
	June 30, 2026		*June 30, 2025*	
Region	*Loan Revenue* [a]	*Loans Outstanding*	*Loan Revenue* [a]	*Loans Outstanding*
Eastern and Southern Africa	718	71,814	668	67,220
Western and Central Africa	781	60,079	687	55,777
South Asia [b]	626	44,351	640	46,072
Middle East, North Africa, Afghanistan and Pakistan [b]	335	21,649	316	21,355
East Asia and Pacific	239	17,428	240	18,165
Europe and Central Asia	509	16,206	381	14,942
Latin America and the Caribbean	78	4,226	73	4,074
Others [c]	12	330	24	282
Total	$ 3,298	$ 236,083	$ 3,029	$ 227,887

a. Excludes $6 million of interest rate swap income from loan-related derivatives for the fiscal year ended June 30, 2026 ($15 million of interest rate swap income–fiscal year ended June 30, 2025). Includes net commitment charges of $18 million for the fiscal year ended June 30, 2026 ($23 million–fiscal year ended June 30, 2025).

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

c. Represents loans under the PSW.

NOTE E—BORROWINGS

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

CPLs are unsecured and unsubordinated fixed rate debt in SDR component currencies. IDA may prepay some or the entire outstanding amounts without penalty. As of June 30, 2026, these borrowings have original contractual maturities between 25 and 50 years, with the final maturity in 2075. This does not include the proceeds received under the grant component of the CPLs, which is included in equity.

Market borrowings are unsecured and unsubordinated debt issued in a variety of currencies, primarily at fixed rates. Some of these instruments are callable. IDA has elected the fair value option for certain instruments. Overall market borrowings have original maturities that range from 85 days to 30 years, with the final maturity in 2053.

IDA uses derivative contracts to manage the currency risk and the interest rate risk of the market borrowings carried at fair value. For example, IDA may enter into derivative transactions to convert fixed rate bonds into floating rate instruments. For details regarding the derivatives used, see Note F—Derivative Instruments. After the effect of these derivatives, the borrowing portfolio carried variable interest rates with a weighted average cost of 3.84% as of June 30, 2026 (4.27% as of June 30, 2025).

As of June 30, 2026, and June 30, 2025, the instruments in IDA's borrowing portfolio measured at fair value were classified as Level 2 within the fair value hierarchy.

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

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

In millions of U.S. dollars

	June 30, 2026	*June 30, 2025*
Market borrowings	$ 45,548	$ 45,154
Currency swaps, net	212	123
Interest rate swaps, net	1,188	883
Total	$ 46,948	$ 46,160

For the fiscal year ended June 30, 2026, Borrowing expenses, net in the Statements of Income were $2,588 million ($2,292 million—fiscal year ended June 30, 2025, and $1,616 million—fiscal year ended June 30, 2024). This includes $436 million of interest expense, net related to derivatives associated with the Borrowing portfolio (interest expense, net of $731 million— fiscal year ended June 30, 2025, and $816 million—fiscal year ended June 30, 2024).

Table E2: Market borrowings outstanding, at amortized cost

In millions of U.S dollars

	Principal at face value	*Net unamortized discount*	*Total*
June 30, 2026	$ 22,234	$ (79)	$ 22,155
June 30, 2025	$ 18,173	$ (46)	$ 18,127

Table E3: Concessional partner loans outstanding, at amortized cost

In millions of U.S dollars

	Principal at face value	*Net unamortized discount*	*Total*
June 30, 2026	$ 8,407	$ (1,377)	$ 7,030
June 30, 2025	$ 9,086	$ (1,535)	$ 7,551

The following table provides a summary of the interest rate characteristics of IDA's borrowings:

Table E4: Interest rate composition of Borrowings (before derivatives)

In millions of U.S. dollars

	June 30, 2026	*WAC [a] (%)*	*June 30, 2025*	*WAC [a] (%)*
Fixed	$ 74,961	2.87 %	$ 71,176	2.63 %
Variable	861	4.93 %	597	4.88 %
Borrowings [b]	$ 75,822	2.90 %	$ 71,773	2.64 %
Fair Value Adjustment	(1,089)		(941)	
Total Borrowings	$ 74,733		$ 70,832	

a. WAC refers to weighted average borrowing cost as of the reporting date.

b. At amortized cost.

The currency composition of debt in IDA's borrowings before derivatives was as follows:

Table E5: Currency composition of Borrowings (before derivatives)

	June 30, 2026		*June 30, 2025*	
Euro	43	%	37	%
U.S. dollar	37		47	
Pound sterling	11		10	
Japanese yen	4		4	
Others	5		2	
	100	%	100	%

The maturity structure of IDA's borrowings outstanding was as follows:

Table E6: Maturity structure of Borrowings

In millions of U.S. dollars

Period	*June 30, 2026*	*June 30, 2025*
Less than 1 year	$ 6,797	$ 12,894
Between		
1 - 2 years	1,499	2,948
2 - 3 years	10,410	1,508
3 - 4 years	8,430	10,327
4 - 5 years	4,879	8,605
Thereafter	44,174	36,131
Total [a]	$ 76,189	$ 72,413

a. As of June 30, 2026, total includes net unamortized discount of $1,377 million ($1,535 million—June 30, 2025) for CPLs and $79 million ($46 million—June 30, 2025) for market borrowings at amortized cost.

NOTE F—DERIVATIVE INSTRUMENTS

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

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

Table F1: Use of derivatives in various financial portfolios

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

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

Offsetting assets and liabilities

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

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

Table F2: Derivatives assets and liabilities before and after netting adjustments

In millions of U.S. dollars

	June 30, 2026		June 30, 2025	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Interest rate swaps	$ 2,923	$ 1,261	$ 3,035	$ 1,212
Currency swaps [a]	925	526	266	810
Gross Total	$ 3,848	$ 1,787	$ 3,301	$ 2,022
Less:				
Amounts subject to legally enforceable master netting agreements	1,736 [b]	1,650 [c]	1,620 [b]	1,526 [c]
Cash collateral received	1,205		1,266	
Net derivative positions on the Balance Sheet	$ 907	$ 137	$ 415	$ 496
Less:				
Securities collateral received	351		33	
Net derivative exposure after collateral	$ 556		$ 382	

a. Includes forward contracts.

b. Includes $96 million Credit Valuation Adjustment (CVA) ($108 million-June 30, 2025).

c. Includes $10 million Debit Valuation Adjustment (DVA) ($14 million-June 30, 2025).

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

Table F3: Credit risk exposure of the derivative instruments

In millions of U.S. dollars

	June 30, 2026		
	Interest rate swaps	Currency swaps (including forward contracts)	Total
Investments - Trading	$ 17	$ 401	$ 418
Asset/liability management	2,711	406	3,117
Borrowings	68	110	178
Other [a]	127	8	135
Total Exposure	$ 2,923	$ 925	$ 3,848

Table F3.1

In millions of U.S. dollars

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

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

The volume of derivative contracts is measured using the U.S. dollar equivalent notional balance. The notional balance represents the face value or reference value on which the calculations of payments on the derivative instrument are determined. As of June 30, 2026, the notional amounts of IDA's derivative contracts outstanding were as follows: interest rate swaps $57,100 million and currency swaps $30,578 million ($52,538 million and $22,683 million, respectively as of June 30, 2025). There were $76 million of long positions and $60 million of short positions pertaining to other derivatives as of June 30, 2026 ($352 million and $860 million, respectively as of June 30, 2025).

Collateral

IDA is not required to post collateral under its derivative agreements as long as it maintains a triple-A credit rating. The aggregate fair value of all derivative instruments with credit-risk related contingent features that are in a liability position as of June 30, 2026, was $78 million ($439 million —June 30, 2025). As of June 30, 2026, IDA was not required to post any collateral in accordance with the relevant agreements.

If the credit-risk related contingent features underlying these agreements were triggered to the extent that IDA would be required to post collateral as of June 30, 2026, the amount of collateral that would need to be posted would be $24 million (less than $1 million—June 30, 2025). Subsequent triggers of contingent features would require posting of additional collateral, up to a maximum of $78 million as of June 30, 2026 ($439 million—June 30, 2025). IDA received collateral totaling $1,556 million as of June 30, 2026 ($1,299 million—June 30, 2025), in relation to derivative transactions.

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

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

In millions of U.S. dollars

Type of instrument [a]	*Reported as*	*Fiscal Year Ended June 30, 2026*	*2025*	*2024*
Interest rate swaps	Unrealized mark-to-market gains (losses) on non-trading portfolios, net	$ (230)	$ 1,234	$ 912
Currency forward contracts and currency swaps		96	148	178
Total		$ (134)	$ 1,382	$ 1,090

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

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

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

Table F5: Mark-to-market gains or losses on trading securities, net

In millions of U.S. dollars

Type of instrument	*Reported as*	*Fiscal Year Ended June 30, 2026*	*2025*	*2024*
Fixed income (including related derivatives) [a]	Mark-to-market gains on trading securities, net	$ 253	$ 339	$ 316
Other [b]		$ 66	$ 1	$ —
Total		$ 319	$ 340	$ 316

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

b. Comprises of other forward contracts and other fund investments.

NOTE G—DEVELOPMENT GRANTS

A summary of grant activities is presented below:

Table G1: Grant activities

In millions of U.S dollars	*Fiscal Year Ended June 30,*		
	2026	*2025*	*2024*
Grants approved	$ 8,006	$ 8,256	$ 8,117
Grant disbursements	8,930	8,332	7,191
Conditional grants	8,606	7,729	6,049
Unconditional grants	324	603	1,142
Grant expenses [a]	9,183	7,200	5,291

a. Includes grant expenses of $190 million for fiscal year ended June 30, 2026, relating to the Trust Fund for Gaza and West Bank (TFGWB).

As of June 30, 2026, the cumulative amount of conditional grants approved but not yet expensed, since all conditions have not been met, was $28,532 million ($30,582 million —June 30, 2025).

NOTE H—TRANSACTIONS WITH AFFILIATED ORGANIZATIONS

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

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

Table H1: IDA's receivables and payables with affiliated organizations

In millions of U.S. dollars

	June 30, 2026			*June 30, 2025*		
	IBRD	*IFC*	*Total*	*IBRD*	*IFC*	*Total*
Administrative Services	$ (679) [a]	$ —	$ (679)	$ (631)	$ —	$ (631)
PSW-Derivative (liabilities)/assets, net [b]	—	(69)	(69)	—	(70)	(70)
PSW-Debt and equity investments	—	156	156	—	124	124
Investments	—	82	82	—	115	115
PCRF [c]	682	—	682	721	—	721
Pension and Other Postretirement Benefits	1,484	—	1,484	1,086	—	1,086
Total	$1,487	$ 169	$ 1,656	$ 1,176	$ 169	$ 1,345

a. Includes less than $1 million of receivables of certain loan related fees.

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

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

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

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

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

Transfers and Grants Received

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

Table H3: Transfers and grants

In millions of U.S dollars

Transfers		*Cumulative transfers as of June 30, 2026*
Total	$	22,181
Of which transfers from:		
IBRD		18,066
IFC		3,885
Nonaffiliated organizations		230

On September 8, 2025, IBRD's Board of Governors approved a transfer of $782 million to IDA. This amount is included in Transfers from affiliated organizations on the Statements of Income. This transfer was received on September 23, 2025.

Administrative Services

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

For the fiscal year ended June 30, 2026, IDA’s share of joint administrative expenses and contributions to special programs totaled $1,912 million ($1,989 million and $1,750 million—fiscal years ended June 30, 2025 and June 30, 2024, respectively). This amount excludes Bank-executed activities for trust funds expenses of $746 million ($768 million and $705 million—fiscal years ended June 30, 2025 and June 30, 2024, respectively).

Other revenue

IDA’s share of other revenue jointly earned with IBRD during the fiscal year ended June 30, 2026, totaled $356 million ($330 million and $326 million—fiscal years ended June 30, 2025 and June 30, 2024, respectively). This amount excludes Bank-executed activities for trust fund revenue of $746 million ($768 million and $705 million—fiscal years ended June 30, 2025 and June 30, 2024, respectively).

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

Table H4: Revenue from affiliated organizations

In millions of U.S. dollars

	Fiscal Year Ended June 30,		
	2026	*2025*	*2024*
Fees charged to IFC	$ 118	$ 106	$ 99
Fees charged to MIGA	7	7	7
Net premiums received from MIGA	4	3	4

Derivative transactions

Under the Local Currency Facility of the PSW, IDA enters into derivative transactions with IFC to support local currency loan transactions where currency hedging capabilities are limited or unavailable.

Private Sector Window

The PSW was created under the Eighteenth Replenishment of IDA's Resources (IDA18) to mobilize private sector investment in IDA-eligible countries and IDA-eligible Fragile and Conflict-affected Situations. Under IDA's Twenty-First Replenishment of Resources (IDA21), $3.2 billion has been allocated to PSW, including $500 million of IFC's economic capital that has been set aside. PSW comprises guarantees, loans, debt/equity investments and derivatives. As of June 30, 2026, the PSW exposures were $1,913 million ($1,728 million—June 30, 2025), and the related accumulated provision was $351 million ($183 million—June 30, 2025).

Investments – Non-trading

During the fiscal year ended June 30, 2015, IDA purchased a debt security issued by IFC for a principal amount of $1,179 million, amortizing over a period of 25 years. The investment carries a fixed interest rate of 1.84% and has a weighted average maturity of 5 years. As of June 30, 2026, the principal amount due on the debt security was $90 million ($124 million—June 30, 2025), and it had a fair value of $82 million ($115 million—June 30, 2025). The investment is reported under Investments in the Balance Sheets. During the fiscal year ended June 30, 2026, IDA recognized interest income of $2 million from this investment ($3 million and $4 million—fiscal years ended June 30, 2025 and June 30, 2024, respectively).

Pension and Other Post-Retirement Benefits

The staff of IBRD perform functions for both IBRD and IDA, but all staff compensation is paid directly by IBRD. Accordingly, a portion of IBRD's staff and associated administrative costs is allocated to IDA based on an agreed cost sharing ratio using various indicators. The methodology for computing this share ratio is approved by the Executive Directors for both institutions.

IBRD, along with IFC and MIGA, sponsor a defined benefit Staff Retirement Plan and Trust (SRP), the Retired Staff Benefits Plan and Trust (RSBP) and the Post-Employment Benefits Plan (PEBP) that cover all of their staff members.

The SRP provides regular defined pension benefits and also includes a cash balance component. The RSBP provides certain health and life insurance benefits to eligible retirees. The PEBP provides certain pension benefits administered outside the SRP.

June 30 is used as the measurement date for these pension and other postretirement benefit plans. All costs, assets and liabilities associated with these plans are allocated between IBRD, IFC, and MIGA based upon their employees' respective participation in the plans.

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

During the fiscal year ended June 30, 2026, IDA's share of IBRD's benefit costs relating to all three plans resulted in net income of $33 million (net expense of $128 million and $98 million—fiscal years ended June 30, 2025 and June 30, 2024, respectively).

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

The cost of any potential future liability arising from these plans would be shared by IBRD and IDA using the applicable cost sharing ratio. As of June 30, 2026, the SRP and the RSBP were overfunded by $8,014 million and $2,407 million, respectively. The PEBP, after reflecting IBRD and IDA's share of assets which are included in IBRD's investment portfolio of $2,690 million, was overfunded by $472 million.

NOTE I—ACCUMULATED OTHER COMPREHENSIVE LOSS

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

The following table presents the changes in AOCL balances:

Table I1: Changes in AOCL

In millions of U.S dollars

	2026		
	Balance, beginning of the fiscal year	*Changes in AOCI*	*Balance, end of the fiscal year*
Currency translation adjustments on functional currencies	$ (3,120)	$ (2,106)	$ (5,226)
DVA on Fair Value option elected liabilities	8	(269)	(261)
Total AOCI	$ (3,112)	$ (2,375)	$ (5,487)

Table I1.1

In millions of U.S dollars

	2025		
	Balance, beginning of the fiscal year	*Changes in AOCI*	*Balance, end of the fiscal year*
Currency translation adjustments on functional currencies	$ (10,567)	$ 7,447	$ (3,120)
DVA on Fair Value option elected liabilities	(25)	33	8
Total AOCI	$ (10,592)	$ 7,480	$ (3,112)

Table I1.2

In millions of U.S dollars

	2024		
	Balance, beginning of the fiscal year	*Changes in AOCI*	*Balance, end of the fiscal year*
Currency translation adjustments on functional currencies	$ (8,915)	$ (1,652)	$ (10,567)
DVA on Fair Value option elected liabilities	(31)	6	(25)
Total AOCI	$ (8,946)	$ (1,646)	$ (10,592)

NOTE J— FAIR VALUE DISCLOSURES

Valuation Methods and Assumptions

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

Due from Banks

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

Loans and Loan commitments

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

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

Investment securities

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

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

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

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

Borrowings

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

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

Derivative instruments

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

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

Valuation adjustments on fair value option elected liabilities

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

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

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

In millions of U.S dollars

	June 30, 2026		*June 30, 2025*	
	Carrying Value	*Fair Value*	*Carrying Value*	*Fair Value*
Assets				
Due from banks	$ 544	$ 544	$ 1,215	$ 1,215
Investments (including securities purchased under resale agreements)	42,889	42,889	47,408	47,408
Net loans outstanding	231,310	178,991	223,232	172,530
Derivative assets, net	907	907	415	415
Liabilities				
Borrowings				
Market borrowings, at fair value	45,548	45,548	45,154	45,154
Market borrowings, at amortized cost	22,155	20,632	18,127	16,466
Concessional partner loans, at amortized cost	7,030	5,606	7,551	6,161
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received	—	—	122	122
Derivative liabilities, net	137	137	496	496

As of June 30, 2026, IDA's signed loan commitments were $70.6 billion ($74.5 billion—June 30, 2025) and had a fair value of $(16.6) billion ($(15.3) billion—June 30, 2025).

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

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

In millions of U.S. dollars

	Fair Value Measurements on a Recurring Basis As of June 30, 2026			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments—Trading				
Government, agency and corporate obligations	$ 11,147	$ 13,279	$ —	$ 24,426
Time deposits	674	17,221	—	17,895
ABS	—	110	—	110
Other fund investments	—	376	—	376
Total Investments—Trading	11,821	30,986	—	42,807
Investments—Non-trading	—	82	—	82
Total Investments	$ 11,821	$ 31,068	$ —	$ 42,889
Securities purchased under resale agreements	$ —	$ —	$ —	$ —
Derivative assets:				
Currency swaps and forward contracts	$ —	$ 925	$ —	$ 925
Interest rate swaps	—	2,923	—	2,923
Other [a]	—	—	—	—
Gross Total	$ —	$ 3,848	$ —	$ 3,848
Liabilities:				
Market Borrowings, at fair value	$ —	$ 45,548	$ —	$ 45,548
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received [b]	$ —	$ —	$ —	$ —
Derivative liabilities:				
Currency swaps and forward contracts	$ —	$ 526	$ —	$ 526
Interest rate swaps	—	1,261	—	1,261
Gross Total	$ —	$ 1,787	$ —	$ 1,787

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

b. Excludes amount payable for cash collateral received of $1,205 million.

Table J2.1

In millions of U.S. dollars

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

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

b. Excludes amount payable for cash collateral received of $1,266 million.

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

Table J3: Investment portfolio-Non-trading security

In millions of U.S dollars

	Fair value	*Principal amount due*	*Difference*
June 30, 2026	$ 82	$ 90	$ (8)
June 30, 2025	$ 115	$ 124	$ (9)

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

Table J4: Market Borrowings at fair value

In millions of U.S. dollars

	Fair Value	Principal Due Upon Maturity	Difference
June 30, 2026	$ 45,548	$ 46,414	$ (866)
June 30, 2025	$ 45,154	$ 46,059	$ (905)

During the fiscal year ended June 30, 2026, IDA recorded unrealized mark-to-market losses of $269 million ($33 million gains—fiscal year ended June 30, 2025) in Other Comprehensive Income, in relation to the changes in its own credit (DVA) on fair value option elected liabilities.

As of June 30, 2026, IDA's Balance Sheets included a DVA of $261 million cumulative losses ($8 million cumulative gains—June 30, 2025) in Accumulated other comprehensive loss, associated with the changes in IDA's own credit for its market borrowings reported at fair value.

NOTE K—TRUST FUNDS ADMINISTRATION

IDA, alone or jointly with one or more of its affiliated organizations, administers on behalf of the donors, including members, their agencies and other entities, funds restricted for specific uses in accordance with administration agreements with the donors. Specified uses of the funds include, among others, co-financing of IDA lending projects, debt reduction operations for IDA members, technical assistance for borrowers including feasibility studies and project preparation, global and regional programs, and research and training programs. These funds are held in trust by IDA and/or IBRD, and are held in a separate investment portfolio which is not commingled with IDA and/or IBRD funds. In addition, for trust funds where IDA exercises control and is entitled to surplus assets upon termination, IDA reports the balances and transactions of these trust funds in its financial statements.

Trust fund execution may be carried out in one of two ways: recipient-executed or Bank-executed activities.

Recipient-executed activities for trust funds involve activities carried out by a recipient third-party executing agency. IDA enters into agreements with and disburses funds to such recipients, who then exercise spending authority to meet the objectives and comply with the terms stipulated in the agreements.

Bank-executed activities for trust funds involve execution of activities by IDA as described in relevant administration agreements with donors, which define the terms and conditions for use of the funds. Spending authority is exercised by IDA, under the terms of the administration agreements. The executing agency services provided by IDA include, among others, activity preparation, analytical and advisory activities and project-related activities, including procurement of goods and services.

The following table summarizes the expenses pertaining to Bank-executed activities for trust funds:

Table K1: Expenses for Bank-executed activities for trust funds

In millions of U.S. dollars

	Fiscal Year Ended June 30,		
	2026	2025	2024
Expenses for Bank-executed activities for trust funds	$ 746	$ 768	$ 705

These amounts are included in Administrative expenses and the corresponding revenue is included in Revenue from externally funded activities in the Statements of Income. Administrative expenses primarily relate to staff cost, travel and consultant fees.

The following table summarizes undisbursed contributions made by third party donors to Bank-executed activities for trust funds, recognized on the Balance Sheets:

Table K2: Undisbursed contributions made by third party donors to Bank-executed activities for trust funds

In millions of U.S. dollars

	June 30, 2026	*June 30, 2025*
Bank-executed activities for trust funds	$ 702	$ 734

These amounts are included in Other Assets and the corresponding liabilities are included in Accounts payable and miscellaneous liabilities on the Balance Sheets.

Revenues

IDA's revenues for the administration of trust fund operations were as follows:

Table K3: IDA's revenues for the administration of trust fund operations

In millions of U.S. dollars

	Fiscal Year Ended June 30,		
	2026	*2025*	*2024*
Revenues	$ 97	$ 88	$ 93

These amounts are included in Revenue from externally funded activities in the Statements of Income.

Amounts collected from donor contributions for administration activities, but not yet earned, totaling $71 million at June 30, 2026 ($66 million—June 30, 2025) are included in Other Assets and in Accounts payable and miscellaneous liabilities, respectively, on the Balance Sheets.

Transfers Received

Under the agreements governing the administration of certain trust funds, IDA may receive any surplus assets as transfers upon the termination of these trust funds. In addition, as loans are repaid to trust funds, in certain cases, the repayments are transferred to IDA. During the fiscal year ended June 30, 2026 no funds were recorded as transfers from affiliated organizations under these arrangements (Nil—for each of the fiscal years ended June 30, 2025 and June 30, 2024).

NOTE L—SEGMENT REPORTING

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

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

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

Table L1: Revenue by products/services

In millions of U.S. dollars

Revenue	*Fiscal Year Ended June 30,*		
	2026	*2025*	*2024*
Loan revenue [a]	$ 3,298	$ 3,029	$ 2,646
Revenue from externally funded activities	1,102	1,098	1,031
Guarantee fees [b]	28	38	21
Total	$ 4,428	$ 4,165	$ 3,698

a. Excludes $6 million of interest rate swap income from loan-related derivatives for the fiscal year ended June 30, 2026 ($15 million of interest rate swap income and $19 million of interest rate swap income—fiscal years ended June 30, 2025 and June 30, 2024, respectively). Includes net commitment charges of $18 million for the fiscal year ended June 30, 2026 ($23 million and $26 million—fiscal years ended June 30, 2025 and June 30, 2024, respectively).

b. Included in Non-interest revenue—other in the Statements of Income and excludes other miscellaneous income of $26 million for the fiscal year ended June 30, 2026 (other miscellaneous expense of $2 million and other miscellaneous income of $4 million —fiscal years ended June 30, 2025 and June 30, 2024, respectively).

NOTE M—CONTINGENCIES

From time to time, IDA may be named as a defendant or co-defendant in legal actions on different grounds in various jurisdictions. The outcome of any existing legal action, in which IDA has been named as a defendant or co-defendant, as of and for the fiscal year ended June 30, 2026, is not expected to have a material adverse effect on IDA's financial position, results of operations or cash flows.

Information Statement
International Development Association

No person is authorized to give any information or to make any representation not contained in this Information Statement, any supplemental information statement or any prospectus; and any information or representation not contained herein must not be relied upon as having been authorized by IDA or by any dealer, underwriter or agent of IDA. Neither this Information Statement nor any supplemental information statement or prospectus constitutes an offer to sell or solicitation of an offer to buy securities in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.

The Information Statement contains forward looking statements which may be identified by such terms as "anticipates", "believes", "expects", "intends" or words of similar meaning. Such statements involve a number of assumptions and estimates that are based on current expectations, which are subject to risks and uncertainties beyond IDA's control. Consequently, actual future results could differ materially from those currently anticipated.

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