

International Development Association



Management's Discussion & Analysis and Condensed Quarterly Financial Statements September 30, 2025 (Unaudited)

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Section I: Overview

Introduction

The International Development Association (IDA), an international organization owned by its 175 member countries, is one of the five institutions of the World Bank Group (WBG¹). Each WBG organization is legally and financially independent from IDA, with separate assets and liabilities. IDA is not liable for the obligations of the other institutions.

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

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

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.

IDA Replenishment

Generally, every three years, representatives of IDA's members² meet to assess IDA's financial capacity and the medium-term demand for new IDA financing. Members decide on the policy framework, agree on the amount of financing to be made available for the replenishment period, and commit to additional contributions of equity that are required to meet these goals. The meetings culminate in a replenishment agreement that determines the size, sources (both internal and external), and uses of funds for the replenishment period.

Twenty-First Replenishment of Resources (IDA21)

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

With this agenda in the forefront, IDA's members agreed on the operational and financing framework that reflects an IDA21 financing envelope of up to \$100.0 billion³ over the three-year replenishment period

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 Multilateral Development Banks. For example, should IDA ever permanently suspend its operations, each member would receive a pro rata share of IDA's net assets in proportion to the amounts it originally paid in and invested in IDA.

³ U.S. dollar amounts are based on IDA21 reference rate of USD/SDR 1.32558. The U.S. dollar amounts are provided for reporting purposes only.

from July 1, 2025, through June 30, 2028. The IDA21 financing envelope is expected to be supported by up to \$23.7 billion of member contributions, while contributions for the Multilateral Debt Relief Initiative (MDRI), financing raised in the capital markets, internal resources (e.g., loan repayments), and transfers from IBRD, in addition to IFC's economic capital that has been set aside for the Private Sector Window (PSW), make up the remainder.

Financial Business Model

IDA has financed its operations over the years with its own equity, including regular additions to equity provided by member countries as part of the replenishment process. As a result of the strong support from member countries, IDA has built up a substantial equity base of \$204.2 billion as of September 30, 2025. 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 non-concessional and concessional 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, which are currently funded with debt.

Basis of Reporting

Reported Basis

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

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

Non-GAAP Measures

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

Adjusted Net Income

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

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

Deployable Strategic Capital Ratio

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

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

Section II: Executive Summary

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

Table 1: Selected Financial Data

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

	As of and for the three months ended September 30,		As of and for the fiscal year ended June 30,	
	2025	2024	2025	
Lending Highlights (Section IV)				
Loans, Grants and Guarantees				
Net commitments ^a	\$ 4,117	\$ 5,905	\$	39,866
Gross disbursements ^a	5,043	5,369		33,123
Net disbursements ^a	3,027	3,421		24,257
Balance Sheet (Section IV)				
Total assets	\$ 288,604	\$ 254,638	\$	280,869
Investments ^b	52,196	39,190		47,272
Net loans outstanding	224,241	205,367		223,232
Borrowings ^b	77,908	52,766		70,832
Total equity	204,175	194,679		204,171
Income Statement (Section IV)				
Interest revenue, net of borrowing expenses	\$ 596	\$ 586	\$	2,366
Transfers from affiliated organizations and others	782	515		515
Development grants	(1,587)	(1,932)		(7,200)
Net loss	(503)	(1,282)		(5,524)
Non-GAAP Measures				
Adjusted Net Income (Section IV) ^c	\$ 96	\$ 308	\$	427
Deployable Strategic Capital Ratio (Section V)	30.8 %	32.1 %		30.8 %
Private Capital Mobilization ^d				
	230	375		6,310

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

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

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

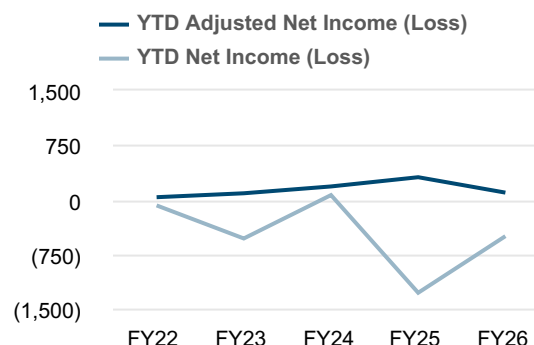
d. The amount of private financial resources contributed by third-parties and alongside IDA's activities, including lending, guarantees, or technical assistance. Because these amounts are provided by third-parties, they are not recorded as IDA's financial transactions.

Summary of Financial Results

Net Loss

IDA reported a net loss of \$503 million in FY26 YTD, compared to net loss of \$1,282 million for the three months ended September 30, 2024 (FY25 YTD). The decrease in net loss was primarily driven by a decrease in development grant expenses, unrealized mark-to-market gains on non-trading portfolios in FY26 YTD compared to losses in FY25 YTD, and an increase in transfers from affiliated organizations (Section IV).

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



Adjusted Net Income

IDA's adjusted net income was \$96 million in FY26 YTD, compared to \$308 million in FY25 YTD. The decrease was primarily due to higher borrowing expenses, higher provision expense for losses on loans and other exposures, and lower investment revenue, partially offset by the increase in interest revenue on loans (Section IV).

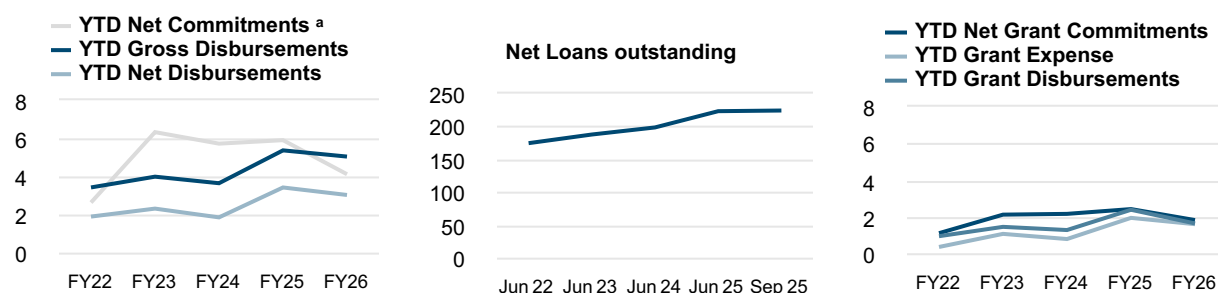
Loans and Grants

IDA's net commitments in FY26 YTD were \$4.1 billion compared to \$5.9 billion in FY25 YTD. Out of the total FY26 YTD net commitments, \$2.3 billion were loan commitments and \$1.8 billion were grant commitments.

IDA's net loans outstanding increased by \$1.0 billion to \$224.2 billion as of September 30, 2025, from \$223.2 billion as of June 30, 2025, mainly due to the net loan disbursements during FY26 YTD.

Development grant expenses were \$1.6 billion in FY26 YTD compared to \$1.9 billion in FY25 YTD.

In billions of U.S. dollars



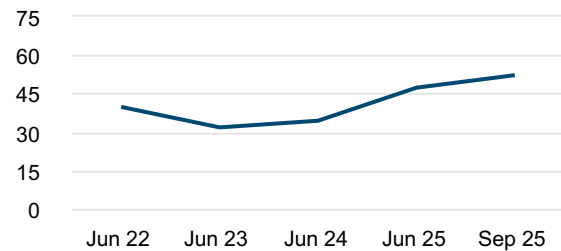
a. Includes loans, grants and guarantees.

Investments

As of September 30, 2025, Investments were \$52.2 billion, an increase of \$4.9 billion from June 30, 2025. The increase was driven by net cash inflows from new issuances of debt exceeding net loan and grant disbursements during the period (Section IV). The primary objective of IDA's investment strategy is principal protection.

In billions of U.S. dollars

Investments



Borrowings

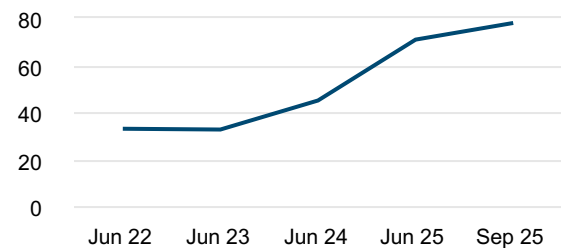
Market borrowings at fair value: As of September 30, 2025, the market borrowings reported at fair value were \$52.3 billion, an increase of \$7.2 billion from June 30, 2025, primarily due to net new debt issuances of \$7.0 billion during the period.

Market borrowings at amortized cost: As of September 30, 2025, the market borrowings reported at amortized cost were \$18.2 billion, unchanged from June 30, 2025.

Concessional Partner Loans at amortized cost: As of September 30, 2025, Concessional Partner Loans (CPL) reported at amortized cost were \$7.4 billion, a decrease of \$0.1 billion from June 30, 2025.

In billions of U.S. dollars

Borrowings



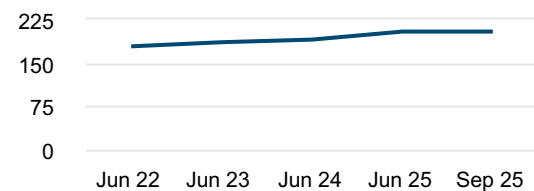
Equity and Capital Adequacy

IDA's equity was \$204.2 billion as of September 30, 2025 and June 30, 2025 (Section IV).

The Deployable Strategic Capital (DSC) ratio, IDA's main capital adequacy measure, remained unchanged at 30.8% as of September 30, 2025 (30.8% as of June 30, 2025), above the zero percent policy minimum (Section V).

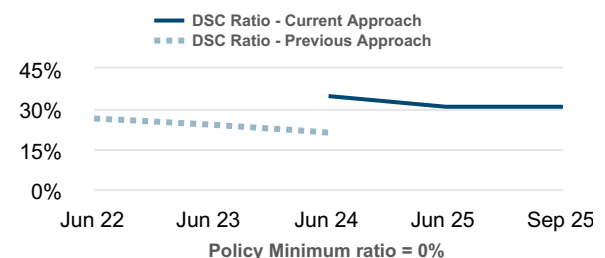
In billions of U.S. dollars

Total Equity



Ratio in percentages

Deployable Strategic Capital Ratio



Section III: IDA's Financial Resources

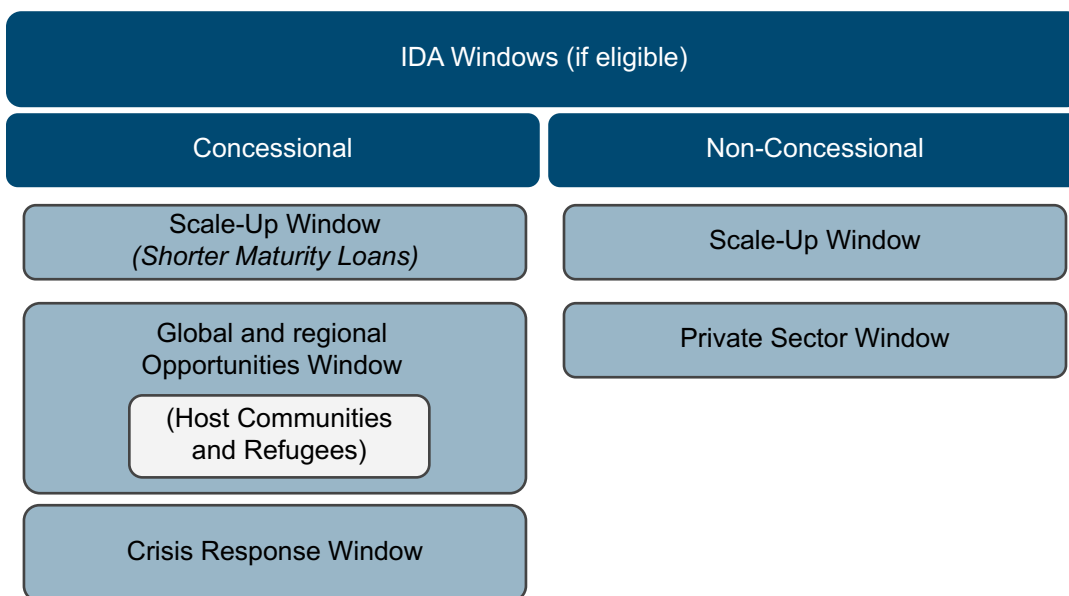
IDA21 Funding

IDA's financing resource envelope available for lending and grant commitments is based on the long-term outlook of IDA's financial sustainability. This takes into account the amount of member contributions and the concessionality of the proposed financing to borrowers, market conditions, and capital adequacy requirements. For the three-year funding cycle of IDA21, the agreed resource envelope was up to \$100.0 billion USD equivalent, that will be supported by up to \$23.7 billion of member contributions, as well as by member compensation for MDRI, transfers from IBRD, and IFC's economic capital that has been set aside for the PSW, making up the remainder.

Allocation of IDA21 Resources

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

Figure 1: IDA21 Windows



Eligibility and percentage of allocation for grants for IDA-only countries is based on an assessment of the country's risk of debt distress. IDA-only countries (including Small States⁴) with high risk or in debt distress, receive their IDA assistance in the form of grants. IDA-only Small States at moderate risk of debt distress continue to receive half of their IDA21 allocation in grants and half in loans. The annual cap on grants in country allocations has been reduced from \$1.0 billion in the Twentieth Replenishment of Resources (IDA20) to \$650 million in IDA21.

New financing terms have been introduced in IDA21 to simplify the terms of financing used by each country and to allow for additional financing for a select group of eligible countries. For details of the new

⁴ 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.

financing terms being offered in IDA21, see IDA's MD&A for the fiscal year ended June 30, 2025, Section III: IDA's Financial Resources.

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

Table 2: Cumulative Net Commitments under IDA21

In millions of U.S. dollars

<i>As of September 30, 2025</i>	Loans and Guarantees	Grants	Total
Concessional financing			
IDA Country Allocations	\$ 1,870	\$ 1,514	\$ 3,384
IDA Concessional Windows			
Global and Regional Opportunities Window ^a	396	297	693
of which: Window for Host Communities and Refugees ^a	—	—	—
Crisis Response Window	40	—	40
Scale-up Window – Shorter-Maturity Loans	—	—	—
Non-concessional financing – Scale-up Window and other	—	—	—
Total Cumulative Net Commitments ^b	\$ 2,306	\$ 1,811	\$ 4,117

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

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

Private Sector Window

The IDA-IFC-MIGA Private Sector Window was created under IDA18 to mobilize private sector investment in IDA-only countries and IDA-eligible Fragile and Conflict-affected Situations. Under IDA21, \$3.2 billion has been allocated to the PSW, including \$500 million of economic capital set aside by IFC. As of September 30, 2025, \$85 million had been committed in IDA21.

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

Section IV: Financial Results

Financial Results and Portfolio Performance

Table 3: Condensed Balance Sheets

In millions of U.S. dollars

<i>As of</i>	<i>September 30, 2025</i>	<i>June 30, 2025</i>	<i>Decrease</i>	<i>Increase</i>
Assets				
Due from banks	\$ 644	\$ 1,215	(571)	
Investments	52,196	47,272		4,924
Net loans outstanding ^a	224,241	223,232		1,009
Derivative assets, net	918	415		503
Other assets	10,605	8,735		1,870
Total assets	\$ 288,604	\$ 280,869		7,735
Liabilities				
Borrowings	\$ 77,908	\$ 70,832		7,076
Derivative liabilities, net	423	496	(73)	
Other liabilities	6,098	5,370		728
Equity	204,175	204,171		4
Total liabilities and equity	\$ 288,604	\$ 280,869		7,735

a. The fair value of IDA's loans was \$173,903 million as of September 30, 2025 (\$172,530 million – June 30, 2025).

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

- An increase in investments, driven by net cash inflows from new issuances of debt, partially offset by cash outflows for net loan and grant disbursements during the period;
- An increase in net loans outstanding due to net loan disbursements during the period, partially offset by translation losses due to the depreciation of the Special Drawing Rights (SDR) against the U.S. dollar;
- An increase in borrowings due to net new issuances of \$7.0 billion during the period.

Total Equity

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

Table 4: Change in Total Equity

In millions of U.S. dollars

Equity as of June 30, 2025	\$ 204,171
Activity during the period:	
Subscriptions and contributions paid-in	307
Nonnegotiable non-interest bearing demand obligations, net	551
Net loss	(503)
Changes in accumulated other comprehensive income	(351)
Total Activity	4
Equity as of September 30, 2025	\$ 204,175

Net Loss

IDA had a net loss of \$503 million in FY26 YTD, compared with a net loss of \$1,282 million in FY25 YTD (Table 5). The decrease in net loss was primarily driven by a decrease of \$345 million in development grant expenses, unrealized mark-to-market gains on non-trading portfolios in FY26 YTD compared to losses in FY25 YTD, and an increase in transfers from affiliated organizations.

Table 5: Condensed Statements of Income

In millions of U.S. dollars

			<i>Impact on Income</i>	
	<i>For the three months ended September 30,</i>	<i>2025</i>	<i>2024</i>	<i>Decrease Increase</i>
Interest Revenue				
Loans, net	\$ 821	\$ 714		107
Investments, net	416	378		38
Asset-liability management derivatives, net	26	22		4
Borrowing expenses, net	(667)	(528)	(139)	
Interest revenue, net of borrowing expenses	\$ 596	\$ 586		10
Provision for losses on loans and other exposures	(69)	21	(90)	
Non-interest revenue				
Revenue from externally funded activities (Table 12)	204	190		14
Commitment charges	5	6	(1)	
Other	15	9		6
Non-interest expenses				
Administrative (Table 12)	(585)	(584)	(1)	
Other	(5)	(4)	(1)	
Transfers from affiliated organizations	782	515		267
Development grants	(1,587)	(1,932)		345
Currency remeasurement (losses) gains, net	(9)	(125)		116
Mark-to-market gains on securities, net ^a	(10)	170	(180)	
Unrealized mark-to-market gains (losses) on non-trading portfolios, net (Table 14)	160	(134)		294
Net Loss	\$ (503)	\$ (1,282)		779

a. Includes IDA's share of returns from the Post-Employment Benefit Plan (PEBP) and Post-Retirement Contribution Reserve Fund (PCRF) assets – \$53 million positive return (FY25 YTD – \$56 million of positive return).

Adjusted Net Income

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

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

In millions of U.S. dollars

<i>For the three months ended September 30,</i>	<i>2025</i>	<i>2024</i>	<i>Decrease</i>	<i>Increase</i>
Interest Revenue				
Loans, net	\$ 821	\$ 714		107
Investments, net ^a	416	487	(71)	
Asset-liability management derivatives, net	26	22		4
Borrowing expenses, net ^b	(643)	(505)	(138)	
Interest Revenue, net of borrowing expenses	\$ 620	\$ 718	(98)	
Provision for losses on loans and other exposures	(69)	21	(90)	
Non-interest expenses (Table 12)	(470)	(437)	(33)	
Other revenue (expenses), net (Table 13)	15	6		9
Adjusted Net Income	\$ 96	\$ 308	(212)	

a. Excludes mark-to-market gains from the Post-Employment Benefit Plan (PEBP) and Post-Retirement Contribution Reserve Fund (PCRF) assets - \$53 million positive return (FY25 YTD - \$56 million positive return) and mark-to-market losses on forward contracts related to assets held at amortized cost - \$70 million (FY25YTD - Nil).

b. Excludes amortization of discount on CPL - \$24 million (FY25 YTD - \$23 million).

IDA's adjusted net income was \$96 million in FY26 YTD, compared with adjusted net income of \$308 million in FY25 YTD (Table 6). The decrease was primarily driven by the following factors:

- An increase of \$138 million in borrowing expenses, mainly due to the higher average balance of borrowings, partially offset by the impact of the decrease in interest rates in FY26 YTD compared to FY25 YTD;
- A provision expense for losses on loans and other exposures of \$69 million in FY26 YTD, mainly due to the increase in loan exposure, compared to the release of provision of \$21 million in FY25 YTD primarily driven by the reduction in the loss given default (severity);
- A decrease of \$71 million in investments revenue, primarily driven by the losses from EUR denominated bonds in FY26 YTD compared to FY25 YTD.

partially offset by:

- An increase of \$107 million in net interest revenue from loans due to the \$21.0 billion increase in the average loan balance in FY26 YTD compared with FY25 YTD;

Table 7: Reconciliation of Net Income to Adjusted Net Income

In millions of U.S. dollars

For the three months ended September 30,	2025	2024
Net Loss (Table 5)	\$ (503)	\$ (1,282)
Adjustments to reconcile Net Loss to Adjusted Net Income:		
Activities directly funded by member contributions ^a	1,610	1,950
Transfers from affiliated organizations	(782)	(515)
Currency remeasurement losses, net	9	125
Unrealized mark-to-market (gains) losses on non-trading portfolios, net ^b	(159)	133
Income from PEBP and PCRF investments	(60)	(61)
Pension adjustment (Table 12)	(89)	(42)
Externally Financed Outputs (EFO), Reserves Advisory Management Program (RAMP) and other adjustments ^c	70	—
Adjusted Net Income	\$ 96	\$ 308

a. Includes development grants of \$1,587 million (FY25 YTD - \$1,932 million)

b. Excludes \$1 million of gains from revenue-related forward currency contracts and loan-related derivatives (FY25 YTD - \$1 million of losses).

c. Includes mark-to-market losses on certain forward contracts related to assets held at amortized cost. Also 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.

Results from Financing Activities

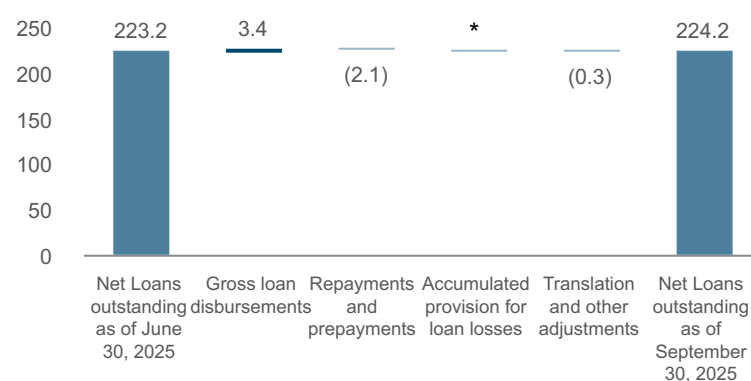
Loan Portfolio and Grant Activity

As of September 30, 2025, net loans outstanding were \$224.2 billion, \$1.0 billion higher compared with June 30, 2025. The increase was mainly due to the net loan disbursements during the three months ended September 30, 2025. The undisbursed balances of loan and grant commitments were \$82.0 billion and \$26.8 billion, respectively as of September 30, 2025.

As of September 30, 2025, 74% of IDA's loans outstanding were denominated in SDR. For the regional presentation of loans outstanding, see Notes to the Condensed Quarterly Financial Statements for the period ended September 30, 2025, Note D – Loans and Other Exposures – Table D5.

Figure 2: Net Loans Outstanding Activity

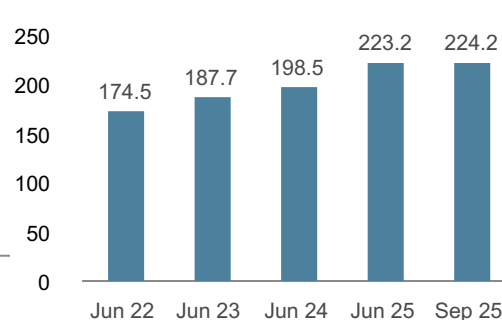
In billions of U.S. dollars



* Amount less than \$0.1 billion

Figure 3: Net Loans Outstanding

In billions of U.S. dollars



During FY26 YTD, net loan commitments were lower by \$1.2 billion, and grant commitments were lower by \$0.6 billion compared with FY25 YTD. There were no guarantee commitments in FY26 YTD or FY25 YTD.

Table 8: Net Commitments of Loans by Region*In millions of U.S. dollars*

<i>For the three months ended September 30,</i>	<i>2025</i>	<i>% of total</i>	<i>2024</i>	<i>% of total</i>	<i>Variance</i>
Eastern and Southern Africa	\$ 1,309	57 %	\$ 1,040	30 %	\$ 269
Western and Central Africa	639	28	1,716	49	(1,077)
East Asia and Pacific	213	9	351	10	(138)
Europe and Central Asia	—	—	186	5	(186)
Latin America and the Caribbean	145	6	—	—	145
Middle East, North Africa, Afghanistan and Pakistan ^a	—	—	—	—	—
South Asia ^a	—	—	200	6	(200)
Total	\$ 2,306	100 %	\$ 3,493	100 %	\$ (1,187)

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

Table 9: Net Commitments of Grants by Region*In millions of U.S. dollars*

<i>For the three months ended September 30,</i>	<i>2025</i>	<i>% of total</i>	<i>2024</i>	<i>% of total</i>	<i>Variance</i>
Eastern and Southern Africa	\$ 1,616	89 %	\$ 2,021	84 %	\$ (405)
Western and Central Africa	40	2	162	6	(122)
East Asia and Pacific	105	6	139	6	(34)
Europe and Central Asia	50	3	—	—	50
Latin America and the Caribbean	—	—	—	—	—
Middle East, North Africa, Afghanistan and Pakistan ^a	—	—	90	4	(90)
South Asia ^a	—	—	—	—	—
Total	\$ 1,811	100 %	\$ 2,412	100 %	\$ (601)

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

Table 10: Gross Disbursements of Loans and Grants by Region*In millions of U.S. dollars*

<i>For the three months ended September 30,</i>	<i>2025</i>			<i>2024</i>			<i>Variance</i>
	<i>Loans ^a</i>	<i>Grants</i>	<i>Total</i>	<i>Loans ^a</i>	<i>Grants</i>	<i>Total</i>	
Eastern and Southern Africa	\$ 720	\$ 1,018	\$ 1,738	\$ 1,398	\$ 1,760	\$ 3,158	\$ (1,420)
Western and Central Africa	1,430	319	1,749	757	287	1,044	705
East Asia and Pacific	107	82	189	219	52	271	(82)
Europe and Central Asia	441	107	548	97	51	148	400
Latin America and the Caribbean	36	29	65	61	24	85	(20)
Middle East, North Africa, Afghanistan and Pakistan ^b	290	53	343	193	191	384	(41)
South Asia ^b	391	20	411	270	9	279	132
Total	\$ 3,415	\$ 1,628	\$ 5,043	\$ 2,995	\$ 2,374	\$ 5,369	\$ (326)

a. Excludes PSW related disbursements - \$24 million (FY25 YTD - \$35 million).

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 September 30, 2025, 49% of loans outstanding were on regular terms (75 basis points SDR equivalent service charge (Table 11). For a summary of financial terms for IDA's lending products, refer to IDA's MD&A for the fiscal year ended June 30, 2025, Section V: Development Activities, Products and Programs.

The increase in IDA's revenue on loans was primarily due to the \$21.0 billion increase in the average loan balance in FY26 YTD, compared to FY25 YTD.

Table 11: Revenue and Loan Balances by Product Category*In millions of U.S. dollars*

Category	Balance as of September 30,		Interest revenue on loans ^a	
	2025	2024	For the three months ended September 30,	
			2025	2024
Loans				
Concessional				
Regular	\$ 112,952	\$ 110,815	\$ 218	\$ 210
Blend	81,937	76,355	353	320
Hard ^b	1,264	1,280	11	11
Concessional Shorter-Maturity Loans	7,707	5,549	NA	NA
50-year	4,866	2,548	NA	NA
Non-concessional ^c	19,562	12,607	229	161
Others ^d	628	421	8	7
Total	\$ 228,916	\$ 209,575	\$ 819	\$ 709

a. Excludes interest rate swap income or expense from loan related derivatives - \$2 million of revenue in FY26 YTD (\$5 million of revenue in FY25 YTD).

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

c. In addition, \$5 million of commitment charges were earned in FY26 YTD on undisbursed balances of non-concessional loans (\$6 million in FY25 YTD).

d. Represents loans under the PSW and others.

Climate Resilient Debt Clause (CRDC)

IDA offers a climate resilient debt clause (CRDCs) for eligible new and existing loans (with a minimum remaining maturity of five years), for certain borrowers⁵. CRDCs allow eligible borrowing countries to defer payments of principal and/or interest (and other loan charges) for up to two years after an eligible event. After the deferral period, the borrower will restart payments of the deferred amounts according to a modified amortization schedule that maintains the original weighted average maturity of the loan and does not extend the final maturity date. IDA's loans outstanding as of September 30, 2025 for the 27 countries (including Blend countries) that are eligible to adopt the clause for CRDCs was \$5.3 billion, representing 2% of the total loans outstanding.

Provision for losses on loans and other exposures

In FY26 YTD, IDA recorded a provision expense for losses on loans and other exposures of \$69 million, compared to a \$21 million release in FY25 YTD. The increase in expense was primarily due to the increase in loan exposure in FY26 YTD compared to FY25 YTD. The assumptions are reassessed quarterly. For adjusted net income purposes, the provision expense for losses on loans and other exposures excludes the provision for debt relief under Heavily Indebted Poor Countries (HIPC) / Multilateral Debt Relief Initiative (MDRI) and the provision for grant advances, since these are funded by contributions from members.

Results from Investing Activities

Investment interest revenue, net of derivatives

During FY26 YTD, IDA's investment interest revenue, including related derivatives, was \$416 million, an increase of \$38 million compared with FY25 YTD. The increase was mainly driven by \$11.4 billion higher average investment balance in FY26 YTD, compared to FY25 YTD.

Investments

IDA's investment balance was \$52.2 billion as of September 30, 2025, an increase of \$4.9 billion from June 30, 2025. The increase was mainly driven by net cash inflows from new issuances of debt, partially offset by net cash outflows from loan and grant disbursements during the period. See Notes to the

⁵ Eligible borrowers are IDA Small State Economies, members of the Small States Forum, and Small Island Developing States as defined by the United Nations.

Condensed Quarterly Financial Statements for the period ended September 30, 2025, Note C – Investments.

Figure 4: Investment interest revenue, net of derivatives

In millions of U.S. dollars, YTD

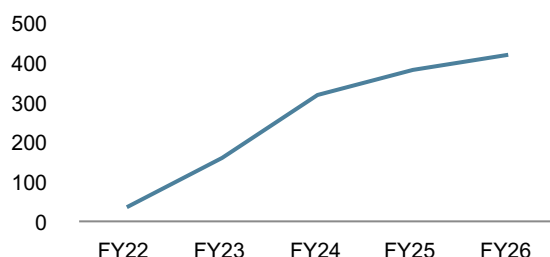
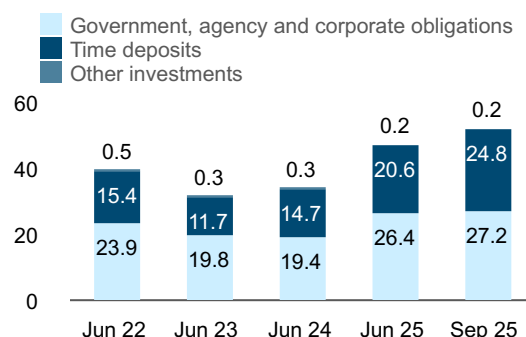


Figure 5: Investments

In billions of U.S. dollars



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

For IDA's trading securities, excluding IDA's share of returns from the PEBP and PCRf assets and mark-to-market losses on forward contracts related to certain assets at amortized cost, the mark-to-market gains in FY26 YTD were \$7 million, compared to \$114 million of net mark-to-market gains in FY25 YTD (see Table 5 and Table 6). The \$107 million decrease in net mark-to-market gains was mainly driven by the losses from EUR denominated bonds, due to the increase in relevant interest rates in FY26 YTD, compared to the gains from EUR denominated bonds, due to the decrease in relevant interest rates in FY25 YTD.

Results from Borrowing Activities

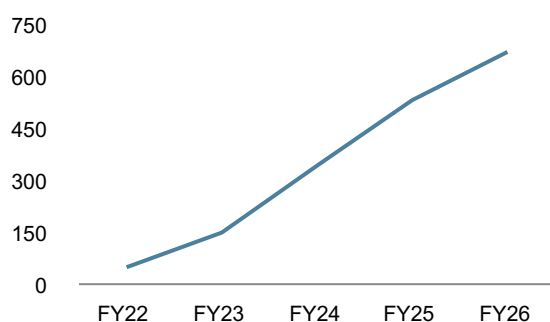
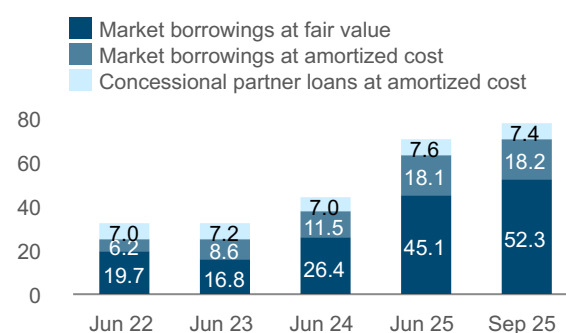
Borrowing Expenses

In FY26 YTD, IDA's borrowing expenses, including related derivatives, were \$667 million, an increase of \$139 million compared with the same period in FY25 YTD. The increase in borrowing expenses was primarily due to the higher average balance in FY26 YTD, compared to FY25 YTD.

Borrowings

As of September 30, 2025, total borrowings outstanding were \$77.9 billion, compared to \$70.8 billion as of June 30, 2025. The increase of \$7.1 billion was mainly due to the debt issuances net of maturities during the period.

See Notes to the Condensed Quarterly Financial Statements for the period ended September 30, 2025, Note E – Borrowings.

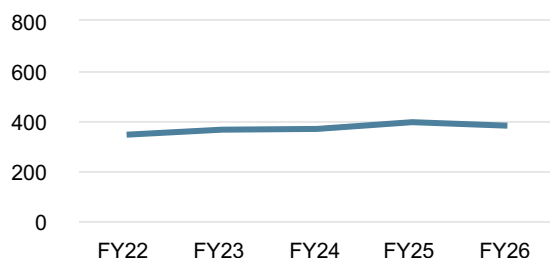
Figure 6: Borrowing expenses, net*In millions of U.S. dollars, YTD***Figure 7: Borrowings***In billions of U.S. dollars*

Transfers from Affiliated Organizations

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

Net Non-Interest Expenses

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

Figure 8: Net Non-Interest Expenses (Reported basis)*In millions of U.S. dollars, YTD*

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

On an adjusted net income basis, the increase in net non-interest expenses was primarily driven by higher staff costs and premises and equipment expenses, partially offset by the increase in reimbursable revenue (Table 12).

Table 12: Net Non-Interest Expenses*In millions of U.S. dollars*

<i>For the three months ended September 30,</i>	<i>2025</i>	<i>2024</i>	<i>Variance</i>
Administrative expenses:			
Staff costs	\$ 366	\$ 341	\$ 25
Travel	31	28	3
Consultant and contractual services	95	90	5
Pension and other post-retirement benefits	(8)	31	(39)
Communications and technology	17	27	(10)
Premises and equipment	43	33	10
Other expenses	41	34	7
Total administrative expenses ^a (Table 5)	\$ 585	\$ 584	\$ 1
Contributions to special programs ^b	—	1	(1)
Revenue from externally funded activities:			
Reimbursable revenue – Bank-executed activities for trust funds (BETF)	(134)	(122)	(12)
Other revenue	(70)	(68)	(2)
Total revenue from externally funded activities (Table 5)	\$ (204)	\$ (190)	\$ (14)
Total net non-interest expenses - Reported Basis	\$ 381	\$ 395	\$ (14)
Adjustments to arrive at Net non-interest expenses - Non-GAAP Measure			
Pension, RAMP and EFO adjustments ^c	89	42	47
Net non-interest expenses (Table 6) - Non-GAAP Measure	\$ 470	\$ 437	\$ 33

a. Includes expenses related to BETF of \$134 million for FY26 YTD and \$122 million for FY25 YTD.

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

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

During FY26 YTD, IDA's net other revenue was \$15 million compared to \$6 million revenue in FY25 YTD. The change was primarily due to the increase in gains from PSW debt and equity investments from IFC, which is included in Guarantee fees and others in Table 13.

Table 13: Other Revenue (Expenses), net*In millions of U.S. dollars*

<i>For the three months ended September 30,</i>	<i>2025</i>	<i>2024</i>	<i>Variance</i>
Project Preparation Advance (PPA) grants and others ^a	\$ (6)	\$ (8)	\$ 2
Guarantee fees and others ^b	15	9	6
Commitment charges	5	6	(1)
Gains (losses) from revenue-related forward currency contracts	\$ 1	\$ (1)	2
Other revenue (expenses), net (Table 6)	\$ 15	\$ 6	\$ 9

a. Reflects exclusion of \$1 million of Project Preparation Facility Grant directly funded by members (FY25 YTD - 5 million).

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

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

During FY26 YTD, the non-trading portfolios had \$160 million of unrealized mark-to-market gains compared to \$134 million of unrealized mark-to-market losses in FY25 YTD. The change in FY26 YTD was mainly driven by unrealized mark-to-market gains from the derivatives held for the Capital Value Protection Program (CVP), managed as part of Asset-Liability management (ALM), which was primarily due to the increase in relevant interest rates for longer tenors.

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

<i>For the three months ended September 30,</i>	<i>2025</i>	<i>2024</i>	<i>Variance</i>
Asset-liability management (ALM) ^a	\$ 142	\$ (90)	\$ 232
Investment portfolio	1	5	(4)
Borrowing portfolio	5	(9)	14
Loan-related derivatives	4	(32)	36
Other ^b	8	(8)	16
Unrealized mark-to-market gains (losses) on non-trading portfolios, net - Reported Basis (Table 5)	\$ 160	\$ (134)	\$ 294

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

Currency remeasurement gains (losses), net

Currency remeasurement gains or losses represent unrealized exchange rate gains or losses resulting from the hedging of exchange rate risk related to future donor contributions, borrowings, and all other assets and liabilities held on IDA's Balance Sheet, that are denominated in currencies other than the SDR and its component currencies. The remeasurement losses in FY26 YTD and FY25 YTD were primarily driven by the hedging of exchange rate risk related to future donor contributions. Certain members pledge their future equity contributions in non-SDR currencies. These future cash flows are economically hedged using currency forwards. The economic offset is inherent in the future contribution inflows. The payable portion of the currency forward contracts are denominated in non-functional currencies. The depreciation or appreciation of these currencies against the U.S. dollar results in exchange rate gains or losses which are recorded in the income statements. Accordingly, the remeasurement losses on non-functional currencies were \$9 million in FY26 YTD, compared to losses of \$125 million in FY25 YTD. The remeasurement losses in FY26 YTD and FY25 YTD were primarily driven by the appreciation of certain non-functional currencies against the U.S dollar in both periods.

Other development activities - Private Capital Mobilization (PCM)

Private Capital Mobilization is the process of leveraging IDA's development finance to attract additional private sector investment for development projects alongside IDA's own activities, including: lending, guarantees, and advisory services. PCM from third-parties was \$230 million in FY26 YTD (\$375 million in FY25 YTD). These amounts are not recorded in IDA's financial statements.

Section V: Risk Management

Risk Governance

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

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

Risk Oversight and Coverage

The Vice President and World Bank Group Chief Risk Officer (CRO) oversees financial, operational, and environmental & social (E&S) risks. These include: (i) Country credit risks associated with the WBG's sovereign-lending activities; (ii) Market and counterparty risks, encompassing liquidity, market and model risks; (iii) Operational risks, related to people process, and systems, or from external events; and (iv) Starting July 2025, Environmental and social (E&S) risks, associated with projects, which are managed through a dedicated second line of defense to ensure sustainability, accountability, and alignment with WBG standards.

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

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

Management of IDA's Risks

IDA assumes financial risks in order to achieve its development and strategic objectives. IDA's financial risk management framework is designed to enable and support the institution in achieving its goals in a financially sustainable manner. IDA manages credit, market, and operational risks in its financial activities, which include lending, borrowing, and investing. The primary financial risk to IDA is the country credit risk inherent in its loan and guarantee 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.

Capital Adequacy

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

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

The TRR is the minimum capital required to cover expected and unexpected losses in connection with all of IDA's operations and assets. The TRR sets a capital charge requirements 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 September 30, 2025, the DSC ratio remained stable at 30.8% (30.8% as of June 30, 2025). See Table 15.

Table 15: Deployable Strategic Capital Ratio

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

<i>As of</i>		<i>Sep-25</i>	<i>Jun-25</i>	<i>Change</i>
Total Resources Available (TRA)	\$	164.5	165.5	(1.0)
Total Resources Required (TRR)		97.4	97.9	(0.5)
Conservation Buffer (CB)		16.5	16.6	(0.1)
Deployable Strategic Capital (DSC = TRA-TRR-CB)	\$	50.6	51.0	(0.4)
Deployable Strategic Capital as a percentage of TRA		30.8 %	30.8 %	— %

Asset - Liability Management (ALM)

Since FY22, IDA's interim ALM policy allows, under specific criteria, funding fixed rate loans with long-term fixed rate market debt and CPLs (both reported at amortized cost), as part of IDA's interest rate risk management to align the interest rate and maturities of the debt with those of the loan portfolio. For more details, see Notes to the Condensed Quarterly Financial Statements for the period ended September 30, 2025, Note E – Borrowings.

Capital Value Protection Program

As part of IDA's ALM policies, IDA executed pay fixed, receive floating forward-starting swaps with a current notional of \$15.5 billion under a Board-approved Capital Value Protection Program. The objective of the program is to partially reduce the sensitivity of IDA's capital adequacy model to changes in long-term interest rates and allow for more resources to be available for lending under the capital adequacy framework. For more details, see Notes to the Condensed Quarterly Financial Statements for the period ended September 30, 2025, Note F – Derivative Instruments.

Management of Credit and Market Risks

Credit Risk

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

Country Credit Risk

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

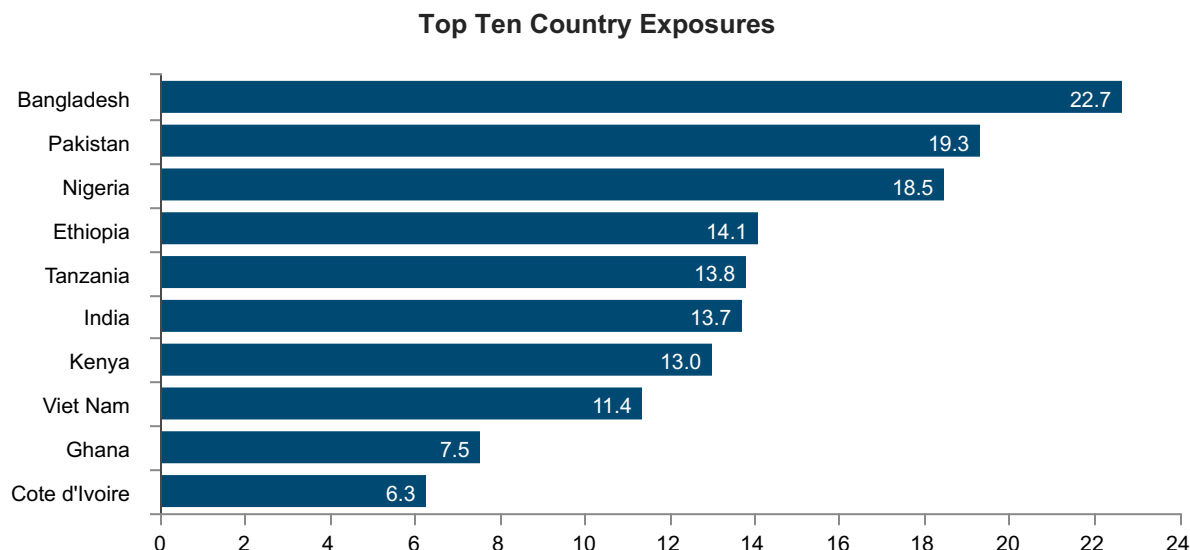
IDA regularly assesses the country credit risk of all its borrowers. IDA produces credit risk ratings for all its borrowing countries, which reflect country economic, financial, and political circumstances, and also considers environmental, social and governance (ESG) risk factors. Based on these risk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

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

As of September 30, 2025, the ten countries with the highest exposures accounted for 60% of IDA's total exposure (Figure 9). Monitoring these exposures relative to the SBL requires consideration of the repayment profiles of existing loans, as well as disbursement profiles and projected new loans and guarantees.

Figure 9: Country Exposures as of September 30, 2025

In billions of U.S. dollars



Accumulated Provision for Losses on Loans and Other Exposures

As of September 30, 2025, IDA had \$228.9 billion of loans outstanding, of which loans in nonaccrual status represent 0.4%. IDA's accumulated provision for losses on loans and other exposures was \$6.2 billion, which represents a provisioning rate of 2.0% of the underlying exposures as of September 30, 2025 (\$6.2 billion as of June 30, 2025, 2.0% of the underlying exposure). See Notes to the Condensed Quarterly Financial Statements for the period ended September 30, 2025, Note D – Loans and Other Exposures.

Commercial Counterparty Credit Risk Exposure

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

As a result of IDA's use of mark-to-market collateral arrangements for swap transactions, its residual commercial counterparty credit risk exposure is concentrated in the investment portfolio comprised of instruments issued by sovereign governments and non-sovereign holdings (including Agencies, Asset-backed securities, Corporates, and Time Deposits). Total commercial counterparty credit exposure, net of collateral held, was \$52.9 billion as of September 30, 2025. As of September 30, 2025, 74% of IDA's investment portfolio is rated AA or above, reflecting IDA's preference for highly rated securities and counterparties across all categories of financial instruments (Table 16).

For the contractual value, notional amounts and related credit risk exposure amounts by instrument, see Notes to the Condensed Quarterly Financial Statements for the period ended September 30, 2025, Note F – Derivative Instruments.

Table 16: Commercial Credit Exposure, Net of Collateral Held, by Counterparty Rating*In millions of U.S. dollars, except rates in percentages*

<i>As of September 30, 2025</i>					
<i>Counterparty Rating ^a</i>	<i>Sovereigns</i>	<i>Non-Sovereigns</i>	<i>Net Swap Exposure</i>	<i>Total Exposure</i>	<i>% of Total</i>
AAA	\$ 8,611	\$ 5,414	\$ —	\$ 14,025	27 %
AA	7,149	17,577	264	24,990	47
A	4,278	9,126	283	13,687	26
BBB or lower/unrated	—	161	—	161	*
Total	\$ 20,038	\$ 32,278	\$ 547	\$ 52,863	100 %

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

* Indicates percentage less than 0.5%.

Changes in Credit Spreads

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

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

Table 17: Effect of Credit on IDA's Portfolios*In millions of U.S. dollars**As of September 30, 2025*

	<i>Credit Effect on Portfolio Sensitivity ^a</i>
Borrowings	\$ 19
Loans ^b	(17)
Investments	(1)
Total Gains	\$ 1

*a. Excludes CVA and DVA on derivatives**b. If loans were measured at fair value*

Market Risk

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

Interest Rate Risk

IDA is exposed to interest rate risk due to mismatches between its assets (loan and investment portfolios) and its liabilities (borrowing portfolio) both in terms of maturity and instrument type. Given IDA's lengthy repayment profile, the remaining weighted average maturity of IDA's loans is relatively long (12 years), compared to the investment portfolio. This long maturity, combined with volatility in market interest rates, results in significant year-on-year variability in the fair value of loans. However, since the loan portfolio is not reported at fair value under U.S. GAAP, the impact of this variability on IDA's Balance Sheet is not fully evident.

- *Loan and Borrowing Portfolios:* In line with IDA's financial risk management strategies, the sensitivity of IDA's loan and borrowing portfolios to changes in interest rates is managed through derivatives, or through the use of borrowings which match the fixed rate basis of the loan portfolio and which are reported at amortized cost. 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 \$15.5 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 4 months as of September 30, 2025. As a result, the portfolio has a low sensitivity to changes in interest rates.

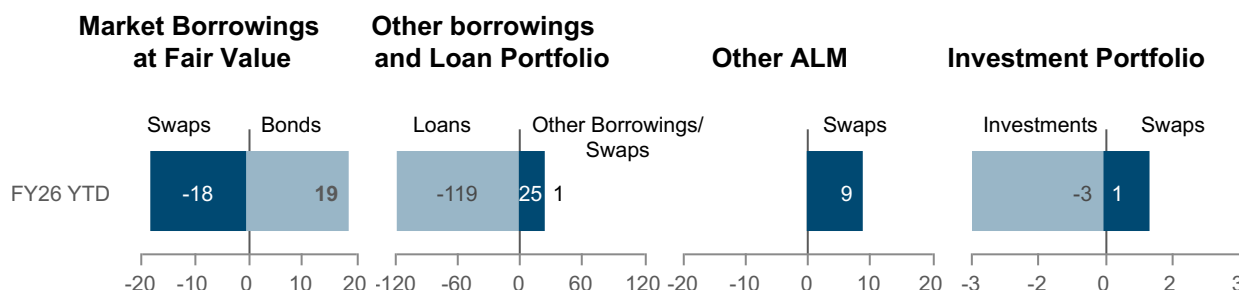
The sensitivity of these portfolios to interest rate movements, after the effect of derivatives, is shown in Table 18 below where the amount represents the dollar change in fair value corresponding to a one basis point parallel upward shift in interest rates as of September 30, 2025.

Table 18: Effect of Interest Rates on IDA's Portfolios*In millions of U.S. dollars*

<i>As of September 30, 2025</i>	<i>Net Interest Rate Effect on Portfolio Sensitivity</i>	
Market borrowings at fair value, including derivatives	\$	1
Other borrowings, at amortized cost ^a		25
Loan portfolio ^a		(118)
Other ALM ^b		9
Investment Portfolio		(2)
Total losses	\$	(85)

*a. If instruments were measured at fair value**b. Amount mainly reflects interest rate effect on the CVP.*

Figure 10 depicts how the use of derivatives, or other offsetting positions, affects the overall sensitivity of the borrowing, loan, other ALM, and investment portfolios. It indicates the extent to which each portfolio is economically hedged. For example, for the borrowing portfolio reported at fair value, a one basis point increase in interest rates would result in \$19 million of unrealized mark-to-market gains on bonds, which would be offset by \$18 million of unrealized mark-to-market losses on swaps. Loan and Other borrowings sensitivities are illustrative, as they are carried at amortized cost on the Balance Sheets.

Figure 10: Sensitivity to Interest Rates*(Dollar change in fair value corresponding to a one-basis-point upward parallel shift in interest rates)**In millions of U.S. dollars**As of September 30, 2025***Exchange Rate Risk**

Changes in exchange rates affect the capital adequacy of IDA when the currency of the equity supporting the loan portfolio and other assets is different from that of the risk exposure. Accordingly, the primary objective of IDA's currency risk management is to protect IDA's financial capacity from exchange rate movements, as measured by the capital adequacy framework. To achieve this, IDA's balance sheet is managed in multiple currencies: SDR and the currencies comprising the SDR basket. The exchange rate risk management methodology encompasses the hedging of currency risk arising from the various inflows and outflows inherent in IDA's business model.

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

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

Liquidity Risk

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

IDA's aggregate liquid asset holdings are kept above a specified prudential minimum to safeguard against cash flow interruptions. IDA's liquid asset portfolio is mainly comprised of Investments-Trading and associated derivatives. The prudential minimum is equal to 80% of 24 months of projected net outflows. For FY26, the prudential minimum has been set at \$37.0 billion. As of September 30, 2025, IDA's liquid assets portfolio was \$51.8 billion, 140% 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.

Section VI: Governance

Senior Management Changes

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

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

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

Axel van Trotsenburg, Senior Managing Director for Development & Policy, will be retiring at the end of November 2025.

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INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

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September 30, 2025

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CONDENSED BALANCE SHEETS

Expressed in millions of U.S. dollars

	September 30, 2025 (Unaudited)	June 30, 2025 (Unaudited)
Assets		
Due from banks—Note J		
Unrestricted cash	\$ 620	\$ 1,191
Restricted cash	24	24
	<u>644</u>	<u>1,215</u>
Investments (including securities transferred under repurchase or securities lending agreements—Nil as of September 30, 2025; \$120 million—June 30, 2025) —Notes C, H and J	52,196	47,272
Securities Purchased Under Resale Agreements—Notes C and J	—	136
Derivative assets, net—Notes C, F, H and J	918	415
Receivable from affiliated organization—Note H	1,971	1,807
Loans outstanding—Notes D, H and J		
Total loans approved	310,887	311,194
Less: Undisbursed balance (including signed loan commitments of \$76,623 million—September 30, 2025; \$74,514 million—June 30, 2025)	(81,971)	(83,307)
Loans outstanding	<u>228,916</u>	<u>227,887</u>
Less:		
Accumulated provision for loan losses	(4,631)	(4,611)
Deferred loan income	(44)	(44)
Net loans outstanding	<u>224,241</u>	<u>223,232</u>
Other assets—Notes D, G and H	8,634	6,792
Total assets	<u>\$ 288,604</u>	<u>\$ 280,869</u>

	September 30, 2025 (Unaudited)	June 30, 2025 (Unaudited)
Liabilities		
<i>Borrowings—Notes E and J</i>		
Market borrowings, at fair value	\$ 52,321	\$ 45,154
Market borrowings, at amortized cost	18,161	18,127
Concessional partner loans, at amortized cost	7,426	7,551
	<u>77,908</u>	<u>70,832</u>
<i>Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received—Notes C and J</i>	—	122
<i>Derivative liabilities, net—Notes C, F, H and J</i>	423	496
<i>Payable for development grants</i>	1,001	1,080
<i>Payable to affiliated organization—Note H</i>	582	631
<i>Other liabilities—Note D</i>	4,515	3,537
Total liabilities	<u>84,429</u>	<u>76,698</u>
Equity		
<i>Members' subscriptions and contributions—Note B</i>		
Subscriptions and contributions committed	318,305	314,972
Less:		
Subscriptions and contributions receivable	(22,039)	(19,013)
Cumulative discounts/credits on subscriptions and contributions, net	(4,277)	(4,277)
Subscriptions and contributions paid-in	<u>291,989</u>	<u>291,682</u>
<i>Nonnegotiable, non-interest-bearing demand obligations on account of members' subscriptions and contributions—Note B</i>	(11,699)	(12,250)
<i>Deferred amounts to maintain value of currency holdings</i>	(246)	(246)
<i>Accumulated deficit</i>	(72,406)	(71,903)
<i>Accumulated other comprehensive loss—Note I</i>	(3,463)	(3,112)
Total equity	<u>204,175</u>	<u>204,171</u>
Total liabilities and equity	<u>\$ 288,604</u>	<u>\$ 280,869</u>

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

CONDENSED STATEMENTS OF INCOME

Expressed in millions of U.S. dollars

	Three Months Ended September 30, (Unaudited)	
	2025	2024
Interest revenue		
Loans, net—Notes D and K	\$ 821	\$ 714
Investments, net—Note H	416	378
Asset-liability management derivatives, net—Notes F and J	26	22
Borrowing expenses, net—Note E	(667)	(528)
Interest revenue, net of borrowing expenses	596	586
Provision for losses on loans and other exposures, (charge) release—Note D	(69)	21
Non-interest revenue		
Revenue from externally funded activities—Notes H and K	204	190
Commitment charges—Note D	5	6
Other	15	9
Total	224	205
Non-interest expenses		
Administrative—Note H	(585)	(584)
Other	(5)	(4)
Total	(590)	(588)
Transfers from affiliated organizations—Note H	782	515
Development grants—Note G	(1,587)	(1,932)
Currency remeasurement losses, net	(9)	(125)
Mark-to-market (losses) gains on trading securities, net—Notes C and F	(10)	170
Unrealized mark-to-market gains (losses) on non-trading portfolios, net—Note F	160	(134)
Net loss	\$ (503)	\$ (1,282)

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

CONDENSED STATEMENTS OF COMPREHENSIVE INCOME

Expressed in millions of U.S. dollars

	Three Months Ended September 30, (Unaudited)	
	2025	2024
Net loss	\$ (503)	\$ (1,282)
Other comprehensive (loss) income—<i>Note 1</i>		
Currency translation adjustments on functional currencies, (losses) gains	(257)	4,884
Net Change in Debit Valuation Adjustment (DVA) on Fair Value option elected liabilities	(94)	31
Total other comprehensive (loss) income	(351)	4,915
Total comprehensive (loss) income	<u>\$ (854)</u>	<u>\$ 3,633</u>

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

CONDENSED STATEMENTS OF CHANGES IN EQUITY

Expressed in millions of U.S. dollars

Three Months Ended September 30, 2025 (Unaudited)

	Subscriptions and contributions paid-in	Nonnegotiable, noninterest- 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, 2025	\$ 291,682	\$ (12,250)	\$ (246)	\$ (71,903)	\$ (3,112)	\$ 204,171
Net loss	—	—	—	(503)	—	(503)
Other comprehensive loss	—	—	—	—	(351)	(351)
Cash contributions and demand obligations received	369	—	—	—	—	369
Demand obligations, (received) encashed, net	—	489	—	—	—	489
Currency remeasurement changes, net	(62)	62	—	—	—	—
As of September 30, 2025	<u>\$ 291,989</u>	<u>\$ (11,699)</u>	<u>\$ (246)</u>	<u>\$ (72,406)</u>	<u>\$ (3,463)</u>	<u>\$ 204,175</u>

Three Months Ended September 30, 2024 (Unaudited)

	Subscriptions and contributions paid-in	Nonnegotiable, noninterest- 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, 2024	\$ 280,073	\$ (12,553)	\$ (248)	\$ (66,379)	\$ (10,592)	\$ 190,301
Net loss	—	—	—	(1,282)	—	(1,282)
Other comprehensive income	—	—	—	—	4,915	4,915
Cash contributions and demand obligations received	296	—	—	—	—	296
Demand obligations, (received) encashed, net	—	448	—	—	—	448
Currency remeasurement changes, net	486	(486)	1	—	—	1
As of September 30, 2024	<u>\$ 280,855</u>	<u>\$ (12,591)</u>	<u>\$ (247)</u>	<u>\$ (67,661)</u>	<u>\$ (5,677)</u>	<u>\$ 194,679</u>

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

CONDENSED STATEMENTS OF CASH FLOWS

Expressed in millions of U.S. dollars

	Three Months Ended September 30, (Unaudited)	
	2025	2024
Cash flows from investing activities		
Loans		
Disbursements	\$ (3,438)	\$ (3,030)
Principal repayments	2,055	1,950
Non-trading securities—Investments		
Repayments	28	34
Net cash used in investing activities	(1,355)	(1,046)
Cash flows from financing activities		
Members' subscriptions and contributions	858	744
Medium and long-term borrowings		
New issues	8,770	2,769
Retirements	(2,046)	(45)
Short-term borrowings (original maturities greater than 90 days)		
New issues	6,034	4,376
Retirements	(5,668)	(2,304)
Net short-term borrowings (original maturities less than 90 days)	(142)	678
Net derivatives-borrowings	(16)	8
Net cash provided by financing activities	7,790	6,226
Cash flows from operating activities		
Net loss	(503)	(1,282)
Adjustments to reconcile net loss to net cash (used in) provided by operating activities		
Provision for losses on loans and other exposures, charge (release)	69	(21)
Currency remeasurement losses, net	9	125
Unrealized mark-to-market (gains) losses on non-trading portfolios, net	(160)	134
Other non-interest expenses, net	5	3
Amortization and capitalized interest on loans, net	112	100
Changes in:		
Net Investment portfolio	(5,044)	(3,893)
Other assets and liabilities	(1,489)	(233)
Net cash used in operating activities	(7,001)	(5,067)
Effect of exchange rate changes on unrestricted and restricted cash	(5)	14
Net (decrease) increase in unrestricted and restricted cash	(571)	127
Unrestricted and restricted cash at beginning of the fiscal year	1,215	586
Unrestricted and restricted cash at end of the period	\$ 644	\$ 713
Supplemental disclosure		
(Decrease) Increase in ending balances resulting from exchange rate fluctuations:		
Loans outstanding	\$ (352)	\$ 5,950
Investment portfolio	(13)	805
Borrowing portfolio	(120)	1,458
Principal repayments written off under Heavily Indebted Poor Countries (HIPC)/Multilateral Debt Relief Initiative (MDRI)	3	3
Capitalized interest and loan origination fees in total loans	1	1
Interest paid on borrowing portfolio	366	220

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

NOTES TO THE CONDENSED QUARTERLY FINANCIAL STATEMENTS

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING AND RELATED POLICIES

Basis of Preparation

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

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

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

These financial statements were issued on November 14, 2025, which was also the date through which IDA's management evaluated subsequent events.

Accounting and Reporting Developments

Accounting Standards Under Evaluation

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 expands the scope exception to derivative accounting for certain contracts not traded on an exchange to include contracts for which settlement is based on operations or activities specific to one of the parties to the contract. For IDA, the ASU will be effective beginning July 1, 2027 (fiscal year 2028). 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)*, which requires disaggregated disclosure of income statement expenses for public business entities. The ASU does not change the expense captions an entity presents on the face of the income statement; rather, it requires disaggregation of certain expense captions into specified categories in disclosures within the footnotes to the financial statements. In January 2025, the FASB issued ASU 2025-01, *Income Statement—Reporting Comprehensive Income—Expense Disaggregation Disclosures (Subtopic 220-40): Clarifying the Effective Date* which clarifies the effective date of ASU 2024-03. For IDA, the ASUs will be effective for the annual period ending June 30, 2028 (annual statements of fiscal year 2028 and interim reporting periods thereafter). IDA is currently evaluating the impact of the ASUs on its 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 for all entities. If by June 30, 2027, the SEC has not removed the applicable SEC requirement, the related ASU amendment will not become effective. IDA is currently evaluating the impact of the ASU on its financial statements.

NOTE B—MEMBERS’ SUBSCRIPTIONS AND CONTRIBUTIONS AND MEMBERSHIP

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

Table B1: Subscriptions and contributions paid-in

In millions of U.S. dollars

	<i>September 30, 2025</i>
Beginning of the fiscal year	\$ 291,682
Cash contributions received	343
Demand obligations received	26
Translation adjustment	(62)
End of the period	<u>\$ 291,989</u>

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

In millions of U.S. dollars

	<i>September 30, 2025</i>
Beginning of the fiscal year	\$ 12,250
Demand obligations received	26
Demand obligations encashed	(515)
Translation adjustment	(62)
End of the period	<u>\$ 11,699</u>

NOTE C—INVESTMENTS

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

As of September 30, 2025, IDA's Investments were mainly comprised of government, agency and corporate obligations (52%) and time deposits (48%), with all of the instruments classified as either Level 1 or Level 2 within the fair value hierarchy.

A summary of IDA's Investments is as follows:

Table C1: Investments composition

In millions of U.S. dollars

	<i>September 30, 2025</i>	<i>June 30, 2025</i>
Trading		
Government, agency and corporate obligations	\$ 27,166	\$ 26,429
Time deposits	24,807	20,641
Asset-backed securities (ABS)	135	87
	<u>\$ 52,108</u>	<u>\$ 47,157</u>
Non-trading		
Debt security	88	115
Total	<u>\$ 52,196</u>	<u>\$ 47,272</u>

As of September 30, 2025, the largest holdings of Investments - Trading from a single counterparty was German government instruments (11%).

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 (losses) gains on trading securities, net

	Three Months Ended September 30, 2025	Three Months Ended September 30, 2024
Net (losses) gains recognized during the period on trading securities ^a	\$ (10)	\$ 170
Less: Net gains recognized on trading securities sold / matured during the period	4	23
Net (losses) gains recognized on trading securities still held at the reporting date	<u>\$ (14)</u>	<u>\$ 147</u>

a. Includes amounts related to investments- trading derivatives.

As of September 30, 2025, IDA's non-trading investment portfolio (principal amount due on a debt security with International Finance Corporation - IFC) was \$97 million (\$124 million—June 30, 2025). For details regarding this instrument, see Note H - Transactions with Affiliated Organizations.

Commercial Credit Risk

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

Swap Agreements

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

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

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

Table C3: Collateral received

In millions of U.S. dollars

	September 30, 2025	June 30, 2025
Collateral received		
Cash	\$ 1,048	\$ 1,266
Securities	482	33
Total collateral received	<u>\$ 1,530</u>	<u>\$ 1,299</u>
Collateral permitted to be repledged	\$ 1,530	\$ 1,299
Amount of collateral repledged	—	—
Amount of cash collateral invested	\$ 698	\$ 796

Securities Lending

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 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 September 30, 2025 and June 30, 2025 there were no amounts that could potentially be offset as a result of legally enforceable master netting arrangements.

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

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

As of September 30, 2025, 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 \$1,048 million (\$1,388 million-June 30, 2025).

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

In the case of resale agreements, IDA receives collateral in the form of liquid securities and is permitted to repledge these securities. While these transactions are legally considered to be true purchases and sales, the securities received are not recorded on IDA's Condensed Balance Sheets as the accounting criteria for treatment as a sale have not been met. As of September 30, 2025, 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 September 30, 2025, IDA did not receive any securities as collateral. As of June 30, 2025, IDA received securities with a fair value of \$139 million, none of which had been transferred under repurchase or security lending agreements.

NOTE D—LOANS AND OTHER EXPOSURES

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

IDA excludes the interest and service charges receivable balance from the amortized cost basis and the related disclosures. As of September 30, 2025, accrued interest income and service charges on loans of \$1,004 million (\$849 million—June 30, 2025) are presented in Other assets on the Condensed Balance Sheets.

As of September 30, 2025, 0.4% of IDA's loans were in nonaccrual status and related to two borrowers. The total accumulated provision for losses on loans in accrual status and nonaccrual status was 2% of total loans as of September 30, 2025.

Credit Quality of Loans

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

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

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

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

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

High Risk: Exposures in this category exhibit signs of elevated credit risk. Borrowers in this category may show weak or deteriorating financial indicators, irregular or delayed payment history, or limited capacity to absorb external shocks. While these loans remain 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. Exposures for certain countries in accrual status may be individually assessed on the basis that they do not share common risk characteristics with an existing pool of exposures. All exposures for countries in nonaccrual status are individually assessed. Country risk ratings are determined in review meetings that take place several times a year. All countries are reviewed at least once a year, or more frequently if circumstances warrant, to determine the appropriate ratings.

An assessment was also performed to determine whether a qualitative adjustment was needed on the loan loss provision as of September 30, 2025, including consideration of global and macroeconomic events. Management concluded that a qualitative adjustment beyond the regular application of IDA's loan loss provision framework was not warranted.

Overdue Amounts

As of September 30, 2025, there were no principal and charges under sovereign loans in accrual status that were overdue by more than three months.

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

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

Table D1: Loans outstanding-Aging structure

In millions of U.S. dollars

Days past due	September 30, 2025					Total Past Due	Current ^a	Total
	Up to 45	46-60	61-90	91-180	Over 180			
Risk Class								
Low	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Medium	—	—	—	—	—	—	13,881	13,881
High	37	18	2	3	*	60	214,095	214,155 ^b
Loans in accrual status	37	18	2	3	*	60	227,976	228,036
Loans in nonaccrual status	6	1	1	11	531	550	330	880
Total	<u>\$ 43</u>	<u>\$ 19</u>	<u>\$ 3</u>	<u>\$ 14</u>	<u>\$ 531</u>	<u>\$ 610</u>	<u>\$ 228,306</u>	<u>\$ 228,916 ^c</u>

Table D1.1:

In millions of U.S. dollars

Days past due	June 30, 2025					Total Past Due	Current ^a	Total
	Up to 45	46-60	61-90	91-180	Over 180			
Risk Class								
Low	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Medium	—	—	—	—	—	—	14,367	14,367
High	16	4	1	2	*	23	212,615	212,638 ^b
Loans in accrual status	16	4	1	2	*	23	226,982	227,005
Loans in nonaccrual status	7	*	3	9	524	543	339	882
Total	<u>\$ 23</u>	<u>\$ 4</u>	<u>\$ 4</u>	<u>\$ 11</u>	<u>\$ 524</u>	<u>\$ 566</u>	<u>\$ 227,321</u>	<u>\$ 227,887 ^c</u>

a. Represents the principal amounts not yet contractually due.

b. Includes PSW related loans of \$266 million (\$282 million—June 30, 2025).

c. The total amounts of sovereign loans at amortized cost which contain principal past due amounts was \$3,775 million (\$1,741 million—June 30, 2025).

* Indicates amount less than \$0.5 million.

Table D2: Loans in nonaccrual status

In millions of U.S. dollars

Borrower	Nonaccrual since	Recorded investment	Average recorded investment	Accumulated provision for debt relief	Accumulated provision for loan losses ^a	Overdue amounts	
						Principal	Interest and Charges
Eritrea	March 2012	\$ 428	\$ 426	\$ 287	\$ 15	\$ 170	\$ 45
Zimbabwe	October 2000	452	450	—	226	380	78
Total - September 30, 2025		<u>\$ 880</u>	<u>\$ 876</u>	<u>\$ 287</u>	<u>\$ 241</u>	<u>\$ 550</u>	<u>\$ 123</u>
Total - June 30, 2025		<u>\$ 882</u>	<u>\$ 857</u>	<u>\$ 287</u>	<u>\$ 242</u>	<u>\$ 543</u>	<u>\$ 122</u>

a. Loan loss provisions are determined after taking into account accumulated provision for debt relief.

During the three months ended September 30, 2025, no sovereign loans were placed into nonaccrual status or restored to accrual status.

During the three months ended September 30, 2025, service charge revenue not recognized as a result of loans being in nonaccrual status was \$2 million (\$1 million—three months ended September 30, 2024).

During the three months ended September 30, 2025, no service charge revenue was recognized on loans in nonaccrual status upon receipt of payment (less than \$1 million—three months ended September 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 shows the balances of IDA's loans outstanding classified by the year the loan agreement was signed.

Table D3: Loans outstanding-vintage disclosure

In millions of U.S. dollars

September 30, 2025									
Risk Class	Fiscal Year of origination						CAT DDOs disbursed and revolving	CAT DDOs Converted to Term Loans	Loans Outstanding as of September 30, 2025
	2026	2025	2024	2023	2022	Prior Years			
Low	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Medium	—	31	54	83	112	13,601	—	—	13,881
High	360	11,227	8,760	14,687	13,053	165,383	195	490	214,155
Loans in accrual status	360	11,258	8,814	14,770	13,165	178,984	195	490	228,036
Loans in nonaccrual status	—	—	—	—	—	880	—	—	880
Total	<u>\$360</u>	<u>\$11,258</u>	<u>\$ 8,814</u>	<u>\$14,770</u>	<u>\$13,165</u>	<u>\$179,864</u>	<u>\$ 195</u>	<u>\$ 490</u>	<u>\$ 228,916</u>
Current period gross write-offs ^a	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 3	n.a	n.a	n.a

Table D3.1:

In millions of U.S. dollars

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. Relates to HIPC/MDRI.

The Catastrophe Deferred Draw-Down Option (CAT-DDO) promotes countries' resilience to disasters and expands the range of IDA's crisis instruments. It is a contingent credit line that provides immediate liquidity to countries in the aftermath of a catastrophe. There were no CAT DDOs outstanding and revolving that were converted to term loans during the three months ended September 30, 2025 (Nil—three months ended September 30, 2024).

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.

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

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

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

Table D4: Accumulated provisions

In millions of U.S. dollars

	September 30, 2025				
	<i>Loans outstanding</i>	<i>Loan commitments</i>	<i>Debt relief under HIPC/MDRI</i>	<i>Other^a</i>	<i>Total</i>
Accumulated provision, beginning of the fiscal year	\$ 4,137	\$ 1,380	\$ 474	\$ 199	\$ 6,190
Provision, net - charge (release)	30	31	—	8	69
Loans written off under HIPC/MDRI	—	—	(3)	—	(3)
Guarantee claims ^b	—	—	—	(1)	(1)
Translation adjustment	(6)	(1)	(1)	—	(8)
Accumulated provision, end of the period	<u>\$ 4,161</u>	<u>\$ 1,410</u>	<u>\$ 470</u>	<u>\$ 206</u>	<u>\$ 6,247</u>
Including accumulated provision for losses on:					
Loans in accrual status	\$ 3,920		\$ 183		\$ 4,103
Loans in nonaccrual status	241		287		528
Total	<u>\$ 4,161</u>		<u>\$ 470</u>		<u>\$ 4,631</u>
Loans:					
Loans in accrual status					\$ 228,036
Loans in nonaccrual status					880
Loans outstanding					<u>\$ 228,916</u>

Table D4.1:*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 ^b	—	—	—	(33)	(33)
Translation adjustment	172	66	12	6	256
Accumulated provision, end of the fiscal year	<u>\$ 4,137</u>	<u>\$ 1,380</u>	<u>\$ 474</u>	<u>\$ 199</u>	<u>\$ 6,190</u>
Including accumulated provision for losses on:					
Loans in accrual status	\$ 3,895		\$ 187		\$ 4,082
Loans in nonaccrual status	242		287		529
Total	<u>\$ 4,137</u>		<u>\$ 474</u>		<u>\$ 4,611</u>
Loans:					
Loans in accrual status					\$ 227,005
Loans in nonaccrual status					882
Loans outstanding					<u>\$ 227,887</u>

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

b. Represents settlements of guarantee claims made in connection with the PSW MIGA Guarantee Facility.

	Reported as Follows	
	Condensed Balance Sheets	Condensed 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 September 30, 2025, was \$6,247 million, compared to \$6,190 million as of June 30, 2025. The increase was primarily due to the overall increase in exposure for the three months ended September 30, 2025.

Loans written off under HIPC/MDRI

During the three months ended September 30, 2025, there were no loans written off under the MDRI (Nil—June 30, 2025). During the same period, \$3 million of loans were written off under HIPC (\$12 million—June 30, 2025).

Guarantees Provided

Guarantees of \$2,812 million were outstanding as of September 30, 2025 (\$2,822 million—June 30, 2025). This amount includes \$1,163 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 Condensed Balance Sheets. The guarantees issued by IDA have original maturities ranging between 2 and 22 years and expire in decreasing amounts through 2044.

As of September 30, 2025, 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 \$180 million (\$174 million—June 30, 2025). These have been included in Other liabilities on the Condensed Balance Sheets.

During the three months ended September 30, 2025, no guarantees provided by IDA to a sovereign or a sub-sovereign borrower were called (Nil—three months ended September 30, 2024). A total of \$362 million is included in Loans Outstanding on the Condensed Balance Sheets as of September 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 three months ended September 30, 2025, \$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 — three months ended September 30, 2024). During the same period, \$1 million of guarantees under the PSW MIGA guarantee facility agreement between IDA and MIGA were called (Nil—three months ended September 30, 2024).

Concentration Risk

Loan revenue comprises service charges, interest and commitment charges, net of waivers. For the three months ended September 30, 2025 there was no country that contributed more than 10% of the total loan revenue.

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

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

Region	2025		2024	
	As of and for the three months ended September 30,			
	Loan Revenue ^a	Loans Outstanding	Loan Revenue ^a	Loans Outstanding
Eastern and Southern Africa	\$ 177	\$ 67,488	\$ 166	\$ 61,821
Western and Central Africa	190	56,851	168	49,747
South Asia ^b	161	45,621	166	45,547
Middle East, North Africa, Afghanistan and Pakistan ^b	84	21,336	78	20,590
East Asia and Pacific	61	18,012	61	18,359
Europe and Central Asia	126	15,267	52	9,466
Latin America and the Caribbean	19	4,075	18	3,774
Others ^c	6	266	6	271
Total	<u>\$ 824</u>	<u>\$ 228,916</u>	<u>\$ 715</u>	<u>\$ 209,575</u>

a. Excludes \$2 million of interest rate swap income from loan-related derivatives for the three months ended September 30, 2025 (\$5 million of interest rate swap income - three months ended September 30, 2024). Includes net commitment charges of \$5 million for the three months ended September 30, 2025 (\$6 million – three months ended September 30, 2024).

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

c. Represents loans under the PSW.

NOTE E—BORROWINGS

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

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

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

designated to fund liquidity or variable rate loans. Market debt not meeting the fair value election criteria are reported at amortized cost.

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

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

In millions of U.S. dollars

	<i>September 30, 2025</i>	<i>June 30, 2025</i>
Market borrowings	\$ 52,321	\$ 45,154
Currency swaps, net	139	123
Interest rate swaps, net	898	883
Total	<u>\$ 53,358</u>	<u>\$ 46,160</u>

For the three months ended September 30, 2025, Borrowing expenses, net in the Condensed Statements of Income was \$667 million (\$528 million—three months ended September 30, 2024). This includes \$154 million of interest expense, net related to derivatives associated with the Borrowing portfolio (interest expense, net of \$226 million—three months ended September 30, 2024).

Table E2: Market borrowings outstanding, at amortized cost

In millions of U.S. dollars

	<i>Principal at face value</i>	<i>Net unamortized discount</i>	<i>Total</i>
September 30, 2025	\$ 18,206	\$ (45)	\$ 18,161
June 30, 2025	\$ 18,173	\$ (46)	\$ 18,127

Table E3: Concessional partner loans outstanding, at amortized cost

In millions of U.S. dollars

	<i>Principal at face value</i>	<i>Net unamortized discount</i>	<i>Total</i>
September 30, 2025	\$ 8,921	\$ (1,495)	\$ 7,426
June 30, 2025	\$ 9,086	\$ (1,535)	\$ 7,551

NOTE F—DERIVATIVE INSTRUMENTS

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

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

Table F1: Use of derivatives in various financial portfolios

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 risks
Other asset-liability management	Currency forward contracts, currency swaps and interest rate swaps	Manage currency and interest rate risks
Loans	Interest rate swaps	Manage interest rate risk
Borrowings	Interest rate swaps and currency swaps	Manage currency and interest rate risks
Other purposes:		
Client operations	Interest rate swaps and currency swaps	Assist clients in managing risks

The derivatives in the related tables of Note F are presented on a net basis by instrument. A reconciliation to the Condensed Balance Sheet presentation 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 master netting agreements are applied on an aggregate basis to the total derivative asset and liability positions and are presented net of any cash collateral received on the Condensed Balance Sheets. The net derivative asset positions in the tables below have been further reduced by any securities received as collateral to disclose IDA's net exposure on its derivative asset positions.

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

In millions of U.S. dollars

	September 30, 2025		June 30, 2025	
	Derivative Assets	Derivative Liabilities	Derivative Assets	Derivative Liabilities
Interest rate swaps	\$ 3,096	\$ 1,224	\$ 3,035	\$ 1,212
Currency swaps ^a	421	653	266	810
Other ^b	—	—	—	—
Gross Total	<u>\$ 3,517</u>	<u>\$ 1,877</u>	<u>\$ 3,301</u>	<u>\$ 2,022</u>
Less:				
Amounts subject to legally enforceable master netting agreements	\$ 1,551 ^c	\$ 1,454 ^d	\$ 1,620 ^c	\$ 1,526 ^d
Cash collateral received	1,048	—	1,266	—
Net derivative positions on the Condensed Balance Sheets	<u>\$ 918</u>	<u>\$ 423</u>	<u>\$ 415</u>	<u>\$ 496</u>
Less:				
Securities collateral received	482	—	33	—
Net derivative exposure after collateral	<u>\$ 436</u>	<u>\$ —</u>	<u>\$ 382</u>	<u>\$ —</u>

a. Includes forward contracts.

b. These include swaptions, exchange traded options, futures contracts and TBA securities.

c. Includes \$111 million Credit Valuation Adjustment (CVA) (\$108 million-June 30, 2025).

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

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

Table F3: Credit risk exposure of the derivative instruments

In millions of U.S. dollars

	September 30, 2025		
	Interest rate swaps	Currency swaps (including forward contracts)	Total
Investments - Trading	\$ 8	\$ 88	\$ 96
Asset-liability management	2,665	230	2,895
Borrowings	310	93	403
Other ^a	113	10	123
Total Exposure	\$ 3,096	\$ 421	\$ 3,517

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 September 30, 2025, the notional amounts of IDA's derivative contracts outstanding were as follows: interest rate swaps \$57,856 million (\$52,538 million—June 30, 2025), currency swaps \$37,372 million (\$22,683 million as of June 30, 2025), long positions of other derivatives \$201 million (\$352 million—June 30, 2025), and short positions of other derivatives \$38 million (\$860 million—June 30, 2025).

Collateral

IDA is not required to post collateral under its derivative agreements as long as it maintains a triple-A credit rating. The aggregate fair value of all derivative instruments with credit-risk related contingent features that were in a liability position as of September 30, 2025, was \$373 million (\$439 million — June 30, 2025). As of September 30, 2025, 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 September 30, 2025, the amount of collateral that would need to be posted would be \$12 million (less than \$1 million—June 30, 2025). Subsequent triggers of contingent features would require posting of additional collateral, up to a maximum of \$373 million as of September 30, 2025 (\$439 million—June 30, 2025).

The gains or losses on the non-trading derivatives, by instrument type and their location in the Condensed Statements of Income are as follows:

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	Three Months Ended September 30,	
		2025	2024
Interest rate swaps	Unrealized mark-to-market gains (losses) on non-trading portfolios, net	\$ 100	\$ 421
Currency swaps and currency forward contracts		53	103
Total		\$ 153	\$ 524

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

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

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

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

In millions of U.S. dollars

Type of instrument	Reported as	Three Months Ended September 30,	
		2025	2024
Fixed income (including related derivatives ^a)	Mark-to-market (losses) gains on trading securities, net	\$ (10)	\$ 170

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

NOTE G—DEVELOPMENT GRANTS

A summary of grant activities is presented below:

Table G1: Grant activities

In millions of U.S. dollars

	Three Months Ended September 30,	
	2025	2024
Grants approved	\$ 1,912	\$ 2,432
Grant disbursements	1,628	2,374
Unconditional grants	57	149
Conditional grants	1,571	2,225
Grant expenses	\$ 1,587	\$ 1,932

As of September 30, 2025, the cumulative amount of conditional grants approved but not yet expensed, since all conditions have not been met, was \$30,821 million (\$30,582 million—June 30, 2025).

NOTE H—TRANSACTIONS WITH AFFILIATED ORGANIZATIONS

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

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

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

In millions of U.S. dollars

	September 30, 2025			June 30, 2025		
	IBRD	IFC	Total	IBRD	IFC	Total
Administrative Services	\$ (582)	\$ —	\$ (582)	\$ (631)	\$ —	\$ (631)
PSW-Derivative (liabilities)/assets, net ^a	—	(64)	(64)	—	(70)	(70)
PSW-Debt and equity investments	—	139	139	—	124	124
Investments	—	88	88	—	115	115
PCRF ^b	782	—	782	721	—	721
Pension and Other Postretirement Benefits	1,189	—	1,189	1,086	—	1,086
Total	<u>\$ 1,389</u>	<u>\$ 163</u>	<u>\$ 1,552</u>	<u>\$ 1,176</u>	<u>\$ 169</u>	<u>\$ 1,345</u>

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

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

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

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 September 30, 2025, were \$22,181 million (\$21,399 million—June 30, 2025). Details by transferor are as follows:

Table H2: Transfers and grants received

In millions of U.S. dollars

Transfers	Cumulative transfers as of September 30, 2025
Total	\$ 22,181
Of which transfers from:	
IBRD	18,066
IFC	3,885
Nonaffiliated organizations	230

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

Administrative Services

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

For the three months ended September 30, 2025, IDA's share of joint administrative expenses and contributions to special programs totaled \$451 million (\$463 million—three months ended September 30, 2024).

Other revenue

Includes IDA's share of other revenue jointly earned with IBRD during the three months ended September 30, 2025, totaling \$70 million (\$68 million—three months ended September 30, 2024).

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

Table H3: Fee revenue from affiliated organizations

In millions of U.S dollars

	<i>Three Months Ended September 30,</i>	
	<i>2025</i>	<i>2024</i>
Fees charged to IFC	\$ 27	\$ 24
Fees charged to MIGA	2	2

Private Sector Window

The PSW was created under the Eighteenth Replenishment of IDA's Resources (IDA18) to mobilize private sector investment in IDA-only countries and IDA-eligible Fragile and Conflict-affected Situations. Under IDA's Twenty-First Replenishment of Resources (IDA21), \$3.2 billion has been allocated to PSW, including \$500 million of IFC's economic capital that has been set aside. Under the fee arrangement for the PSW, IDA receives fee income for transactions executed under this window and reimburses IFC and MIGA for the related costs incurred in administering these transactions. PSW comprises guarantees, loans, debt/equity investments and derivatives. As of September 30, 2025, the PSW exposures were \$1,706 million (\$1,728 million—June 30, 2025), and the related accumulated provision was \$195 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 September 30, 2025, the principal amount due on the debt security was \$97 million (\$124 million—June 30, 2025), and it had a fair value of \$88 million (\$115 million—June 30, 2025). The investment is reported under Investments in the Condensed Balance Sheets. During the three months ended September 30, 2025, IDA recognized interest income of \$1 million from this investment (\$1 million—three months ended September 30, 2024).

Pension and Other Post-Retirement Benefits

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

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

During the three months ended September 30, 2025, IDA's share of IBRD's benefit costs relating to all three plans resulted in a net income of \$8 million (net expense of \$31 million for the three months ended September 30, 2024).

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

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

NOTE I—ACCUMULATED OTHER COMPREHENSIVE LOSS

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

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

Table I1: Changes in AOCL

In millions of U.S dollars

	<i>Three Months Ended September 30, 2025</i>		
	<i>Balance, beginning of the fiscal year</i>	<i>Changes in AOCL</i>	<i>Balance, end of the period</i>
Currency translation adjustments on functional currencies	\$ (3,120)	\$ (257)	\$ (3,377)
DVA on Fair Value option elected liabilities	8	(94)	(86)
Total AOCL	<u>\$ (3,112)</u>	<u>\$ (351)</u>	<u>\$ (3,463)</u>

Table I1.1

In millions of U.S dollars

	<i>Three Months Ended September 30, 2024</i>		
	<i>Balance, beginning of the fiscal year</i>	<i>Changes in AOCL</i>	<i>Balance, end of the period</i>
Currency translation adjustments on functional currencies	\$ (10,567)	\$ 4,884	\$ (5,683)
DVA on Fair Value option elected liabilities	(25)	31	6
Total AOCL	<u>\$ (10,592)</u>	<u>\$ 4,915</u>	<u>\$ (5,677)</u>

NOTE J— FAIR VALUE DISCLOSURES

Valuation Methods and Assumptions

As of September 30, 2025, 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 September 30, 2025, or June 30, 2025. IDA's loans and loan commitments would be classified as Level 3 within the fair value hierarchy.

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

Investment securities

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

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

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

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

Borrowings

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

As of September 30, 2025, 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

	September 30, 2025		June 30, 2025	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Assets				
Due from banks	\$ 644	\$ 644	\$ 1,215	\$ 1,215
Investments (including securities purchased under resale agreements)	52,196	52,196	47,408	47,408
Net loans outstanding	224,241	173,903	223,232	172,530
Derivative assets, net	918	918	415	415
Liabilities				
Borrowings				
Market borrowings, at fair value	52,321	52,321	45,154	45,154
Market borrowings, at amortized cost	18,161	16,542	18,127	16,466
Concessional partner loans, at amortized cost	7,426	5,951	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	423	423	496	496

As of September 30, 2025, IDA's signed loan commitments were \$76.6 billion (\$74.5 billion — June 30, 2025) and had a fair value of \$(16.3) 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

	<i>Fair Value Measurements on a Recurring Basis</i>			
	<i>As of September 30, 2025</i>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets:				
Investments—Trading				
Government, agency and corporate obligations	\$ 14,656	\$ 12,510	\$ —	\$ 27,166
Time deposits	1,858	22,949	—	24,807
ABS	—	135	—	135
Total Investments—Trading	16,514	35,594	—	52,108
Investments—Non-trading	—	88	—	88
Total Investments	\$ 16,514	\$ 35,682	\$ —	\$ 52,196
Securities purchased under resale agreements	\$ —	\$ —	\$ —	\$ —
Derivative assets:				
Currency swaps and forward contracts	\$ —	\$ 421	\$ —	\$ 421
Interest rate swaps	—	3,096	—	3,096
Other ^a	—	—	—	—
Gross Total	\$ —	\$ 3,517	\$ —	\$ 3,517
Liabilities:				
Market Borrowings, at fair value	\$ —	\$ 52,321	\$ —	\$ 52,321
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	\$ —	\$ 653	\$ —	\$ 653
Interest rate swaps	—	1,224	—	1,224
Gross Total	\$ —	\$ 1,877	\$ —	\$ 1,877

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

b. Excludes amount payable for cash collateral received of \$1,048 million.

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

	<i>Fair Value Measurements on a Recurring Basis</i>			
	<i>As of June 30, 2025</i>			
	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 forward contracts	\$ —	\$ 810	\$ —	\$ 810
Interest rate swaps	—	1,212	—	1,212
Gross Total	\$ —	\$ 2,022	\$ —	\$ 2,022

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

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

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

	<i>Fair value</i>	<i>Principal amount due</i>	<i>Difference</i>
September 30, 2025	\$ 88	\$ 97	\$ (9)
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

	<i>Fair Value</i>	<i>Principal Due Upon Maturity</i>	<i>Difference</i>
September 30, 2025	\$ 52,321	\$ 53,000	\$ (679)
June 30, 2025	\$ 45,154	\$ 46,059	\$ (905)

During the three months ended September 30, 2025, IDA recorded unrealized mark-to-market losses of \$94 million (\$31 million gains – three months ended September 30, 2024) in Other Comprehensive Income, in relation to the changes in its own credit (DVA) on fair value option elected liabilities.

As of September 30, 2025, IDA's Condensed Balance Sheets included a DVA of \$86 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.

Unrealized mark-to-market gains (losses) on non-trading portfolios on the Condensed Statements of Income, include \$7 million of unrealized mark-to-market gains related to Market borrowings at fair value (\$663 million of unrealized mark-to-market losses—three months ended September 30, 2024). These gains were offset by \$2 million of unrealized mark-to-market losses on derivatives associated with Market borrowings at fair value (\$654 million of unrealized mark-to-market gains—three months ended September 30, 2024).

NOTE K—SEGMENT REPORTING

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

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

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

Table K1: Revenue by products/services

In millions of U.S. dollars

<i>Revenue</i>	<i>Three Months Ended September 30,</i>	
	<i>2025</i>	<i>2024</i>
Loan revenue ^a	\$ 824	\$ 715
Revenue from externally funded activities	204	190
Guarantee fees ^b	6	6
Total	\$ 1,034	\$ 911

a. Excludes \$2 million of interest rate swap income from loan-related derivatives for the three months ended September 30, 2025 (\$5 million of interest rate swap income - three months ended September 30, 2024). Includes net commitment charges of \$5 million for the three months ended September 30, 2025 (\$6 million – three months ended September 30, 2024).

b. Included in Non-interest revenue - other in the Condensed Statements of Income and excludes other miscellaneous income of \$9 million for the three months ended September 30, 2025 (other miscellaneous income of \$3 million – three months ended September 30, 2024).

NOTE L—CONTINGENCIES

From time to time, IDA may be named as a defendant or co-defendant in legal actions on different grounds in various jurisdictions. The outcome of any existing legal action, in which IDA has been named as a defendant or co-defendant, as of and for the three months ended September 30, 2025, is not expected to have a material adverse effect on IDA's financial position, results of operations or cash flows.

INDEPENDENT AUDITOR'S REVIEW REPORT



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INDEPENDENT AUDITOR'S REVIEW REPORT

President and Board of Executive Directors
International Development Association:

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed balance sheet of the International Development Association ("IDA") as of September 30, 2025, and the related condensed statements of income, comprehensive income, changes in equity, and cash flows for the three-month periods ended September 30, 2025 and 2024, and the related notes (collectively referred to as the "interim financial information").

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

Basis for Review Results

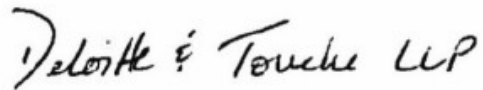
We conducted our reviews in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons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

Responsibilities of Management for the Interim Financial Information

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

Report on Condensed Balance Sheet as of June 30, 2025

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

A handwritten signature in black ink that reads "Deloitte & Touche LLP". The signature is written in a cursive, flowing style.

November 14, 2025