International Development Association

Management's Discussion & Analysis
and
Condensed Quarterly Financial Statements
September 30, 2024
(Unaudited)

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Section I: Executive Summary

This Management's Discussion & Analysis (MD&A) reflects the results of the International Development Association's (IDA) financial performance for the three months ended September 30, 2024 (FY25 YTD). This document should be read in conjunction with IDA's financial statements and MD&A issued for the fiscal year ended June 30, 2024 (FY24). 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,
	2024	2023	2024
Lending Highlights (Section IV)			
Loans, Grants and Guarantees			
Net commitments [a]	$ 5,905	$ 5,722	$ 31,195
Gross disbursements [a]	5,369	3,644	28,247
Net disbursements [a]	3,421	1,851	20,062
Balance Sheet (Section IV)			
Total assets	$ 254,638	$ 226,593	$ 241,350
Net investment portfolio [b]	38,347	30,706	33,581
Net loans outstanding	205,367	186,144	198,457
Borrowing portfolio [c]	54,212	36,248	47,028
Total equity	194,679	184,749	190,301
Income Statement (Section IV)			
Interest revenue, net of borrowing expenses	$ 586	$ 622	$ 2,398
Transfers from affiliated organizations and others	515	—	291
Development grants	(1,932)	(776)	(5,291)
Net (loss) income	(1,282)	62	(3,573)
Non-GAAP Measures			
Adjusted Net Income (Section IV)	$ 308	$ 181	$ 780
Deployable Strategic Capital Ratio (Section V)			
Current Approach [d]	32.1 %	N/A	34.8 %
Previous Approach	N/A	23.4 %	21.1 %

a. Commitments that have been approved by the Executive Directors (referred to as "the Board" in this document) 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) activities.

b. For the composition of the net investment portfolio, see Notes to the Condensed Quarterly Financial Statements, Note C – Investments – Table C2.

c. Includes associated derivatives. For the composition of the Borrowing portfolio, see Notes to the Condensed Quarterly Financial Statements, Note E – Borrowings.

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

IDA, an international organization owned by its 175[1] member countries, is one of the five institutions of the World Bank Group (WBG[2]). 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's mission is to end extreme poverty and boost shared prosperity on a livable planet. With its many years of experience and its depth of knowledge in international development, IDA plays a key role in achieving the WBG's goal of helping client countries achieve better development outcomes with a vision to create a world free of poverty on a livable planet. 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 and its affiliated institutions seek to help countries in reducing poverty and inequality, achieve improvements in economic growth, job creation, governance, the environment, climate adaptation, mitigation and resilience, human capital, infrastructure and debt transparency, among others. To meet its development goals, the WBG supports client countries' efforts to implement programs to improve growth and development outcomes. Further, new and ongoing challenges continue to influence the global outlook, including: climate change adaptation and mitigation; fragility and conflict; pandemic prevention and preparedness; energy access; food and nutrition security; water security and access; enabling digitalization; and protecting biodiversity and nature. IDA continues to work with partners at global and country levels to support its borrowing countries in addressing the impact of these multiple challenges, to enhance resilience and lay the groundwork for rebuilding better. To further support these efforts, the Board and Management have been evolving the WBG to better address the scale of development challenges. This process includes initiatives to increase impact, expand financing capacity, and modernize the approach to delivery.

[1] *On October 18, 2024, the Republic of Suriname became the 175th member country of IDA.*

[2] *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.*

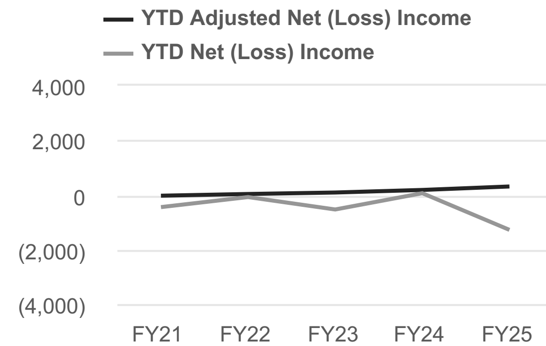
Summary of Financial Results

Net (Loss) Income and Adjusted Net Income

Net (Loss) Income: IDA reported a net loss of $1,282 million in FY25 YTD, compared to net income of $62 million for the three months ended September 30, 2023 (FY24 YTD). The net loss was primarily driven by an increase in development grant expenses in FY25 YTD compared to FY24 YTD. See Section IV: Financial Results.

Adjusted Net Income: IDA's adjusted net income was $308 million in FY25 YTD, compared to $181 million in FY24 YTD. The increase was primarily due to higher revenue from investments, a release of provision for losses on loans and other exposures in FY25 YTD, compared to a provision expense in FY24 YTD, and higher net interest revenue on loans, partially offset by higher borrowing expenses. See Section IV: Financial Results.

In millions of U.S. dollars



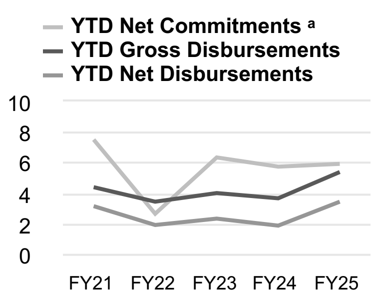
Loans and grants

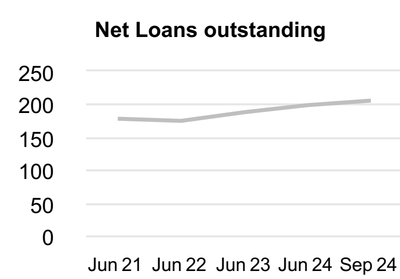
IDA's net commitments in FY25 YTD were $5.9 billion compared to $5.7 billion in FY24 YTD. Out of the total FY25 YTD net commitments, $3.5 billion were loan commitments and $2.4 billion were grant commitments.

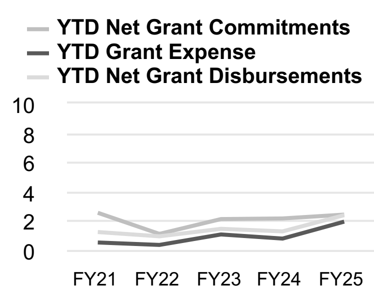
IDA's net loans outstanding increased by $6.9 billion to $205.4 billion as of September 30, 2024, from $198.5 billion as of June 30, 2024.

Development grant expenses were $1.9 billion in FY25 YTD compared to $0.8 billion in FY24 YTD due to higher amount of grants meeting the conditions for expense recognition in FY25 YTD.

In billions of U.S. dollars



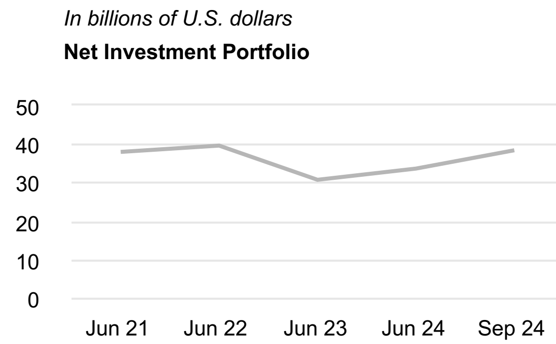




a. Includes loans, grants and guarantees.

Net Investment Portfolio

As of September 30, 2024, the net investment portfolio was $38.3 billion, an increase of $4.7 billion from June 30, 2024. The increase was driven by net cash inflows from new issuances of debt exceeding net loan and grant disbursements during the period. See Section IV: Financial Results. The primary objective of IDA's investment strategy is principal protection. As of September 30, 2024, 77% of IDA's investment portfolio was held in instruments rated AA or above (77% as of June 30, 2024) (Table 14).



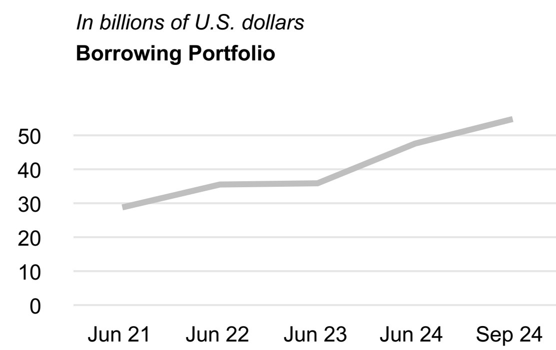
Borrowing Portfolio

Market borrowings at fair value: As of September 30, 2024, the market borrowings carried at fair value and the related derivatives were $34.7 billion, an increase of $6.2 billion from June 30, 2024, primarily due to net new issuances of $5.5 billion during the period.

Market borrowings at amortized cost: As of September 30, 2024, the market borrowings carried at amortized cost were $12.0 billion, an increase of $0.5 billion from June 30, 2024, primarily due to translation adjustment losses during the period.

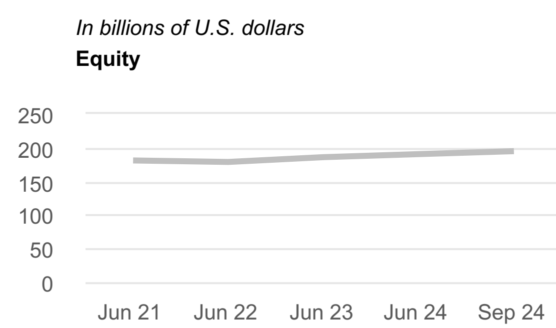
Concessional Partner Loans at amortized cost: As of September 30, 2024, Concessional Partner Loans (CPL) carried at amortized cost were $7.5 billion, an increase of $0.5 billion from June 30, 2024.

See Section IV: Financial Results.

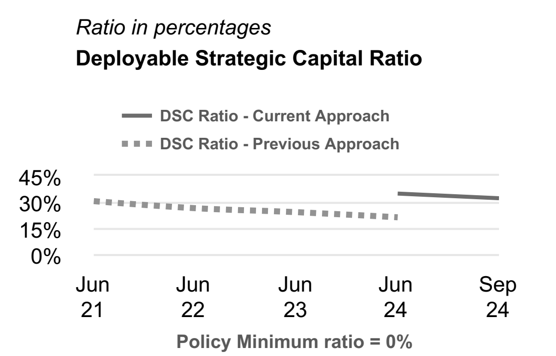


Equity and Capital Adequacy

As of September 30, 2024, IDA's equity was $194.7 billion, an increase of $4.4 billion from June 30, 2024. The increase was primarily due to currency translation gains as the SDR appreciated against the U.S. dollar and subscriptions and contributions paid-in, partially offset by the net loss during the period. See Section IV: Financial Results.



The Deployable Strategic Capital (DSC) ratio, IDA's main capital adequacy measure, was 32.1% as of September 30, 2024 (34.8% as of June 30, 2024), above the zero percent policy minimum. In April 2024, IDA's Board approved enhancements to the DSC framework, which allow for increased efficiency of capital utilization. See Section V: Risk Management.



Section II: Overview

IDA Replenishment

Generally, every three years, representatives of IDA's members[3] 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.

Twentieth Replenishment of Resources (IDA20)

IDA's Twentieth Replenishment, the replenishment period of FY23 through FY25, commenced on July 1, 2022, with a financing envelope of $93.0 billion[4], including $11.0 billion of IDA19 carry over, supported by $23.5 billion of member contributions. IDA20 recognizes the need to help address the profound challenges faced by IDA countries. IDA20 reaffirms the international community's commitment to scale up support to enable IDA countries to respond to the effects of the coronavirus disease (COVID-19) pandemic crisis, recoup their development losses, and resume progress toward the 2030 Sustainable Development goals. IDA20 supports the world's poorest and most vulnerable countries to emerge on a development path in line with the Green, Resilient and Inclusive Development (GRID) framework. IDA20 builds on the IDA19 special themes, with the continuation of climate change, fragility, conflict, and violence (FCV), gender and development, jobs and economic transformation and the introduction of human capital as a special theme in IDA20. In addition, IDA20's policy package incorporates four cross-cutting issues: crisis preparedness (introduced in IDA20), governance and institutions, debt, and technology. During FY24, the results and implementation progress of IDA20 were reviewed by Management. The review acknowledged that surge financing and additional volumes provided to IDA countries to address overlapping crises in FY23, and the compounding effect of a stronger US dollar resulted in a projected financing gap, relative to the amount when IDA20 financial capacity was negotiated. Management proposed, and the Board approved, a number of adjustments to the IDA operational and financial framework to close this gap and meet initially planned financial targets.

As of September 30, 2024, Instruments of Commitment (IoCs) from members of $23.5 billion had been received towards the IDA20 replenishment.

IDA Crisis Facility

In 2023, IDA's Board of Governors adopted a Resolution to establish a Crisis Facility to scale up support for the world's poorest countries to address worsening development challenges due to the overlapping global crises, particularly food insecurity and extreme climate events. The Crisis Facility has two objectives: i) to provide additional resources to IDA countries affected by Russia's invasion of Ukraine at a time of compounding, overlapping global crises; and ii) to provide a mechanism for pooling and leveraging contributions to support Ukraine, and neighboring Moldova. This facility is supported by member contributions and is one of the measures to enhance IDA's financing capacity in IDA20. As of September 30, 2024, $783 million of member contributions had been received by the facility, of which $687 million were cash contributions.

Financial Business Model

IDA has financed its operations over the years with its own equity, including regular additions to equity provided by member countries as part of the replenishment process. As a result of the strong support from member countries, IDA has built up a substantial equity base of $194.7 billion as of September 30, 2024. 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:

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

[4] U.S. dollar amounts are based on IDA20 reference rate of USD/SDR 1.42934. The U.S. dollar amounts are provided for reporting purposes only, as IDA's balance sheet is predominantly managed in SDR.

- 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 will also be increasingly funded with debt.

Basis of Reporting

IDA prepares its financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). IDA's reporting currency is the U.S. dollar. IDA's functional currencies are the SDR and its component currencies of the U.S. dollar, euro, Japanese yen, pound sterling and Chinese renminbi. Management uses net income as the basis for deriving adjusted net income, as discussed in Section IV: Financial Results.

Adjusted Net Income

Adjusted Net Income (ANI), 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. 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. For a detailed discussion of the adjustments, see IDA's MD&A for the fiscal year ended June 30, 2024, Section IV: Financial Results.

Section III: IDA's Financial Resources

IDA20 Funding

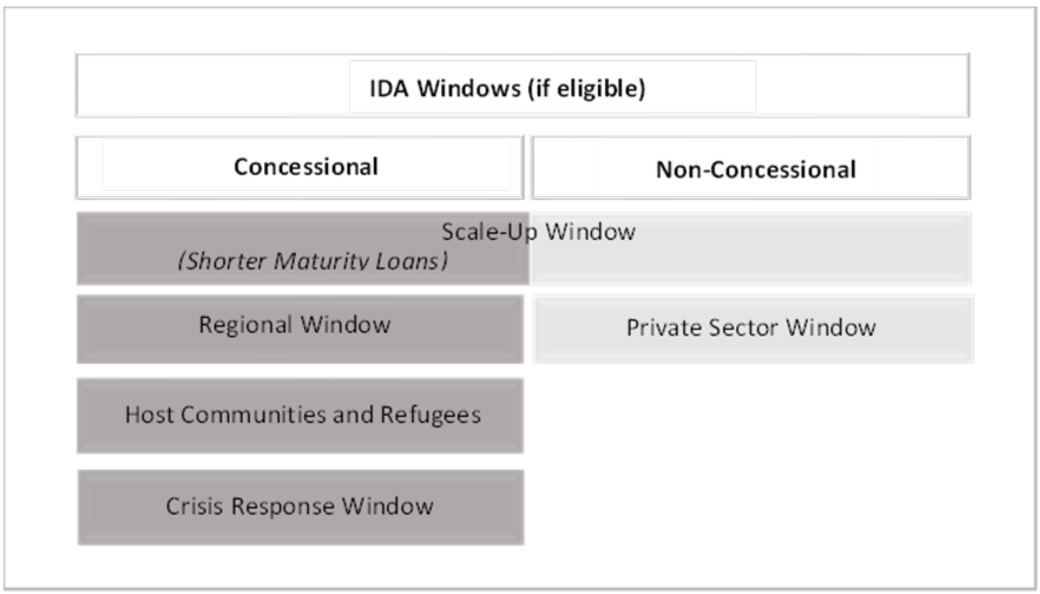
IDA's financing resource envelope available for lending and grant commitments is based on the long-term outlook of IDA's financial sustainability. This takes into account the amount of member contributions and the concessionality of the proposed financing to borrowers, market conditions, and capital adequacy requirements.

Allocation of IDA20 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. IDA Country Allocations are determined using the Performance Based Allocation (PBA) system, which takes into account the country's performance rating (CPR), population size and per capita income, and complemented by the FCV envelope. The rest of IDA resources are provided through five IDA Windows dedicated to addressing specific development priorities, and an Arrears Clearance framework that provides exceptional support for countries to fully reengage with the World Bank.

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

Figure 1: IDA Windows



Eligibility and the percentage of allocation of grants for IDA-only countries are based on an assessment of the country's risk of debt distress, where countries, including IDA-only Small States, with high risk of debt distress, or in debt distress, receive their IDA assistance in grants. IDA-only Small States at moderate risk of debt distress continue to receive half of their IDA20 allocation in grants and half in loans. Gap and Blend countries are only eligible for grant financing through the Window for Host Communities and Refugees, if applicable.

As part of IDA's balance sheet optimization measures, two new financing terms were introduced in IDA20 which carry no interest or service charges: a) Concessional Shorter-Maturity Loans (SMLs); and b) 50-year loans. In addition, starting from IDA20, borrowers are allowed to convert their concessional borrowing into one of the SDR component currencies or non-SDR local currency terms, subject to market availability.

Table 2: Cumulative Net Commitments under IDA20

In millions of U.S. dollars

As of September 30, 2024	Loans and Guarantees	Grants	Total
Concessional financing			
IDA Country Allocations	$ 37,091	$ 11,186	$ 48,277
IDA Concessional Windows			
Regional Window	2,370	3,195	5,565
Window for Host Communities and Refugees	350	1,453	1,803
Crisis Response Window	759	1,963	2,722
Scale-up Window – Shorter Maturity Loans	6,143	—	6,143
Non-concessional financing – Scale-up Window and other	5,635	—	5,635
Total Cumulative Net Commitments [a,b]	**$ 52,348**	**$ 17,797**	**$ 70,145**

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

b. Excludes IDA19 Commitments of $1.2 billion credits approved in July 2022.

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 IDA20, $2.5 billion has been allocated to PSW, bringing the cumulative total allocation to $5.5 billion. As of September 30, 2024, $2.3 billion had been utilized out of a cumulative combined total of $4.8 billion committed net of cancellations in IDA18 through IDA20.

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

Section IV: Financial Results

Financial Results and Portfolio Performance

Net (Loss) Income

IDA's net loss was $1,282 million in FY25 YTD, compared with net income of $62 million in FY24 YTD (Table 3). This was primarily driven by an increase of $1,156 million in development grant expenses due to the higher amount of grants that met the conditions for expense recognition in FY25 YTD, compared to FY24 YTD.

Adjusted Net Income

IDA's adjusted net income was $308 million in FY25 YTD, compared with $181 million in FY24 YTD (Table 3). The increase was primarily driven by the following factors:

- Income of $21 million from the release of provisions for losses on loans and other exposures mainly attributable to the decrease in the loss given default (severity) due to the change in the eligibility of a borrower from IDA only to blend status, partially offset by the impact from an increase in loan and other exposures in FY25 YTD, compared to a provision expense of $85 million in FY24 YTD;
- An increase of $92 million in unrealized mark-to-market gains on the investment-trading portfolio, excluding IDA's share of returns from PEBP and PCRF assets, mainly driven by the decrease in yields on the EUR denominated bonds in FY25 YTD, compared to the increase in yields in FY24 YTD;
- An increase of $82 million in net interest revenue from loans due to the higher average loan balance in FY25 YTD, compared to FY24 YTD;
- An increase of $58 million in net interest revenue on investments, primarily due to the increase in the average balance in FY25 YTD;

partially offset by:

- An increase of $190 million in borrowing expenses, excluding amortization of discount on CPL, mainly due to the higher average balance of borrowings outstanding in FY25 YTD, compared to FY24 YTD.

Table 3: Condensed Statements of Income

In millians of U.S. dollars

For the three months ended September 30,	2024	2023	Impact on Income Decrease	Impact on Income Increase
Interest Revenue				
Loans, net	$ 714	$ 632		82
Investments, net	378	315		63
Asset-liability management derivatives, net	22	14		8
Borrowing expenses, net	(528)	(339)	(189)	
Interest revenue, net of borrowing expenses	$ 586	$ 622	(36)	
Provision for losses on loans and other exposures	21	(85)		106
Other revenue (expenses), net (Table 11)	12	(16)		28
Net non-interest expense (Table 10)	(395)	(368)	(27)	
Transfers from affiliated organizations and others	515	—		515
Non-functional currency translation adjustment (losses) gains, net	(125)	17	(142)	
Unrealized mark-to-market gains on investments-trading portfolio, net [a]	170	12		158
Unrealized mark-to-market (losses) gains on non-trading portfolios, net	(134)	656	(790)	
Development grants	(1,932)	(776)	(1,156)	
Net Loss	**$ (1,282)**	**$ 62**	(1,344)	
Adjustments to reconcile net income (loss) to adjusted net income:				
Activities directly funded by member contributions	$ 1,950	$ 824		1,126
Contributions from affiliated organizations and others	(515)	—	(515)	
Non-functional currency translation adjustment losses (gains), net	125	(17)		142
Unrealized mark-to-market losses (gains) on non-trading portfolios, net [b]	133	(650)		783
Pension and other adjustments	(103)	(38)	(65)	
Adjusted Net Income	**$ 308**	**$ 181**		127

a. Includes IDA's share of returns from Post-Employment Benefit Plan (PEBP) and Post-Retirement Contribution Reserve Fund (PCRF) assets – $56 million positive return (FY24 YTD – $10 million of negative return).

b. Excludes $1 million of losses from revenue-related forward currency contracts (FY24 YTD – $6 million of gains).

Table 4: Condensed Balance Sheets

In millions of U.S. dollars

As of	September 30, 2024	June 30, 2024	Decrease	Increase
Assets				
Due from banks	$ 713	$ 586		127
Investments	39,190	34,377		4,813
Net loans outstanding	205,367	198,457		6,910
Derivative assets, net	399	363		36
Other assets	8,969	7,567		1,402
Total assets	**$ 254,638**	**$ 241,350**		13,288
Liabilities				
Borrowings	$ 52,766	$ 44,923		7,843
Derivative liabilities, net	704	667		37
Other liabilities	6,489	5,459		1,030
Equity	194,679	190,301		4,378
Total liabilities and equity	**$ 254,638**	**$ 241,350**		13,288

The main drivers for the movements in the Condensed Balance Sheets as of September 30, 2024 are as follows:

- An increase in investments, driven by net cash inflows from new issuances of debt during the period;
- An increase in net loans outstanding mainly due to foreign currency translation gains and net loan disbursements during the period;
- An increase in other assets mainly due to the increase in receivable for securities in the investment portfolio that were sold but have not been settled by the end of the period;
- An increase in borrowings due to net new issuances of market borrowings during the period;
- An increase in other liabilities mainly driven by the increase in payable for securities in the investment portfolio that were purchased but have not been settled by the end of the period;
- An increase in equity primarily due to currency translation gains as the SDR appreciated against the U.S. dollar.

Equity

See Table 5 below for the change in IDA's equity during FY25 YTD.

Table 5: Changes in Equity

In billions of U.S dollars		
Equity as of June 30, 2024	$	190.3
Activity during the year:		
Subscriptions and contributions paid-in		0.8
Nonnegotiable non-interest bearing demand obligations		—
Changes in accumulated deficit		(1.3)
Changes in accumulated other comprehensive income		4.9
Total Activity		4.4
Equity as of September 30, 2024	**$**	**194.7**

Results from Financing Activities

Loan Portfolio and Grant Activity

As of September 30, 2024, net loans outstanding were $205.4 billion, $6.9 billion higher compared with June 30, 2024. The increase was mainly due to the currency translation gains of $5.8 billion, consistent with the appreciation of the SDR against the U.S. dollar and net disbursements of $1.1 billion during the three months ended September 30, 2024.

As of September 30, 2024, 79% 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, 2024, Note D – Loans and Other Exposures – Table D5.

IBRD's Board approved adjustments to IBRD's loan pricing in October 2024. The following pricing adjustments are applicable to IDA's non-concessional loans offered on IBRD's flexible loan terms: 1) a grace period, during which no commitment fees are charged for the first four years for Investment Project Financing (IPFs) and Program-for-Results Financing (PforRs); 2) removal of the prepayment premium; and 3) introduction of a 7 year Short Maturity Loan (SML) with a maturity discount applied to the contractual spread.

Figure 2: Net Loans Outstanding Activity

In billions of U.S. dollars

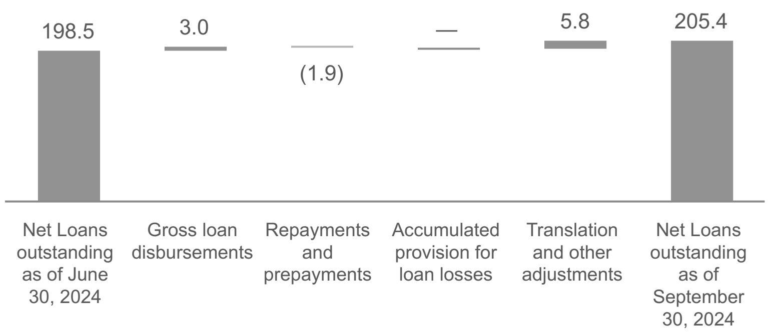
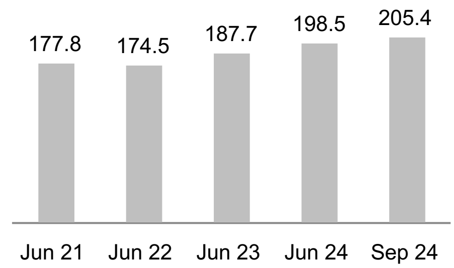


Figure 3: Net Loans Outstanding

In billions of U.S. dollars



During FY25 YTD, net loan commitments were lower by $0.1 billion, and grant commitments were higher by $0.3 billion, compared with FY24 YTD. There were no guarantee commitments in either FY25 YTD or FY24 YTD.

Table 6: Net Commitments of Loans and Guarantees by Region

In millions of U.S. dollars

For the three months ended September 30,	2024	% of total	2023	% of total	Variance
Eastern and Southern Africa	$ 1,040	30 %	$ 500	14 %	$ 540
Western and Central Africa	1,716	49	1,937	54	(221)
East Asia and Pacific	351	10	—	—	351
Europe and Central Asia	186	5	7	*	179
Latin America and the Caribbean	—	—	30	1	(30)
Middle East and North Africa	—	—	—	—	—
South Asia	200	6	1,098	31	(898)
Total	**$ 3,493**	**100 %**	**$ 3,572**	**100 %**	**$ (79)**

** Indicates percentage less than 0.5%.*

Table 7: Net Commitments of Grants by Region

In millions of U.S. dollars

For the three months ended September 30,	2024	% of total	2023	% of total	Variance
Eastern and Southern Africa	$ 2,021	84 %	$ 1,485	69 %	$ 536
Western and Central Africa	162	6	427	20	(265)
East Asia and Pacific	139	6	26	1	113
Europe and Central Asia	—	—	50	2	(50)
Latin America and the Caribbean	—	—	12	1	(12)
Middle East and North Africa	90	4	150	7	(60)
South Asia	—	—	—	—	—
Total	**$ 2,412**	**100 %**	**$ 2,150**	**100 %**	**$ 262**

Table 8: Gross Disbursements of Loans and Grants by Region

In millions of U.S. dollars

	2024			2023			
For the three months ended September 30,	Loans [a]	Grants	Total	Loans [a]	Grants	Total	Variance
Eastern and Southern Africa	$ 1,398	$ 1,760	$ 3,158	$ 755	$ 631	$ 1,386	$ 1,772
Western and Central Africa	757	287	1,044	746	251	997	47
East Asia and Pacific	219	52	271	133	30	163	108
Europe and Central Asia	97	51	148	79	52	131	17
Latin America and the Caribbean	61	24	85	81	24	105	(20)
Middle East and North Africa	5	188	193	26	246	272	(79)
South Asia	458	12	470	557	33	590	(120)
Total	**$ 2,995**	**$ 2,374**	**$ 5,369**	**$ 2,377**	**$ 1,267**	**$ 3,644**	**$ 1,725**

a. Excludes PSW related disbursements - $35 million (FY24 YTD - $12 million).

As of September 30, 2024, 53% of loans outstanding were on regular terms (75 basis points SDR equivalent service charge) (Table 9). For a summary of financial terms for IDA's lending products, refer to IDA's MD&A for the fiscal year ended June 30, 2024, Section V: Development Activities, Products and Programs.

The increase in IDA's revenue on loans in FY25 YTD, compared to FY24 YTD was primarily due to the higher average balance of loans outstanding in FY25 YTD, compared to FY24 YTD.

Table 9: Revenue and Loan Balances by Product Category

In millions of U.S. dollars			Interest revenue on loans [a]	
	Balance as of September 30,		For the three months ended September 30,	
Category	2024	2023	2024	2023
Loans				
Concessional				
Regular	$ 110,815	$ 105,617	$ 210	$ 206
Blend	76,355	69,282	320	286
Hard [b]	1,280	1,259	11	11
SML	5,549	3,035	NA	NA
50-year	2,548	1,250	NA	NA
Non-concessional [c]	12,607	9,569	161	122
Others [d]	421	113	7	3
Total	**$ 209,575**	**$ 190,125**	**$ 709**	**$ 628**

a. Excludes interest rate swap income or expense from loan related derivatives - $5 million of revenue in FY25 YTD ($4 million of revenue in FY24 YTD).

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

c. In addition, $6 million of commitment charges were earned in FY25 YTD on undisbursed balances of non-concessional loans ($7 million in FY24 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 minimum remaining maturity of five years), for certain borrowers[5]. CRDCs allow eligible borrowing countries to defer payments of principal and/or interest (and other loan charges) for up to two years after an eligible event. After the deferral period, the borrower will restart payments of the deferred amounts according to a modified amortization schedule that maintains the original weighted average maturity of the loan, and does not extend the final maturity date. The eligible events when the clause was first offered were tropical cyclones and earthquakes. In October 2024, the Board approved an extension of the covered events to include all natural catastrophes, including droughts, floods, and

[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.*

public health emergencies caused by a biological event. As of September 30, 2024, out of 27 eligible countries (including Blend countries), 7 countries elected to include CRDCs in their loans, totaling $1,620 million of outstanding principal. Total loans outstanding for the 27 countries as of September 30, 2024 that are eligible for CRDCs was $4,796 million (inclusive of the $1,620 million).

Provision for losses on loans and other exposures

In FY25 YTD, IDA recorded income from the release of provision for losses on loans and other exposures of $21 million, compared to $85 million expense in FY24 YTD. The release was primarily due to the lower loss given default, partially offset by the impact from an increase in loan and other exposures in FY25 YTD, compared to FY24 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 Portfolio

IDA's net investment portfolio was $38.3 billion as of September 30, 2024, an increase of $4.7 billion from June 30, 2024. 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 Condensed Quarterly Financial Statements for the period ended September 30, 2024, Note C – Investments.

Investment interest revenue, net of derivatives

During FY25 YTD, IDA's investment interest revenue, including related derivatives, was $378 million, an increase of $63 million compared with the same period in FY24 YTD. The increase was mainly driven by the higher average balance in FY25 YTD, compared to FY24 YTD.

Figure 4: Net Investment Portfolio

In billions of U.S. dollars

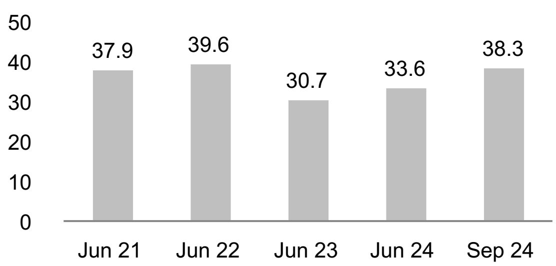
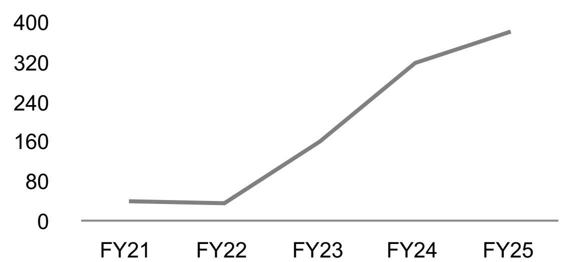


Figure 5: Investment interest revenue, net of derivatives - YTD

In millions of U.S. dollars



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

IDA's investments-trading portfolio, excluding IDA's share of returns from PEBP and PCRF assets, had unrealized mark-to-market gains of $114 million in FY25 YTD, compared to $22 million of unrealized mark-to-market gains in FY24 YTD. The increase in unrealized mark-to-market gains was mainly driven by the decrease in yields on EUR denominated bonds in FY25 YTD compared to FY24 YTD.

Results from Borrowing Activities

Market Borrowings Carried at Fair Value:

As of September 30, 2024, the value of the market borrowings carried at fair value was $34.7 billion, an increase of $6.2 billion compared to June 30, 2024 ($28.5 billion). The increase was mainly due to the net new issuances during the period.

Borrowings Carried at Amortized Cost:

As of September 30, 2024, the market borrowings recorded at amortized cost (fixed rate debt) were $12.0 billion, an increase of $0.5 billion from June 30, 2024 ($11.5 billion). The increase was mainly due to the translation adjustment losses during the period.

Concessional Partner loans from members recorded at amortized cost were $7.5 billion as of September 30, 2024, an increase of $0.5 billion from June 30, 2024 ($7.0 billion).

In FY25 YTD, IDA's borrowing expenses, including related derivatives, were $0.5 billion, an increase of $0.2 billion compared with the same period in FY24 YTD. The increase in borrowing expenses was primarily due to the higher average balance in FY25 YTD, compared to FY24 YTD.

See Notes to the Condensed Quarterly Financial Statements for the period ended September 30, 2024, Note E – Borrowings.

Figure 6: Borrowing Portfolio
In billions of U.S. dollars

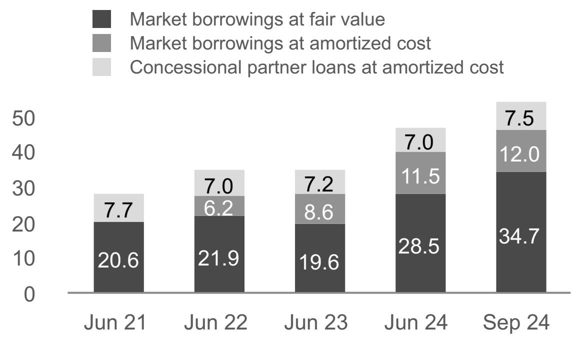
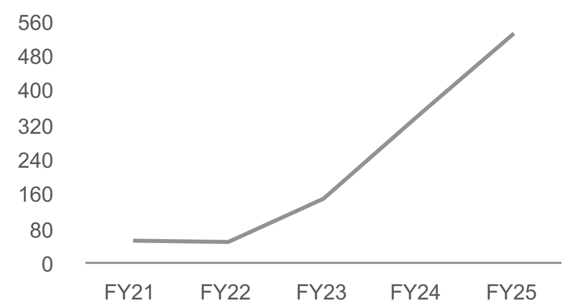


Figure 7: Borrowing expenses, net - YTD
In millions of U.S. dollars



Transfers from Affiliated Organizations

Since 1964, IBRD has made transfers to IDA, upon approval by the Board of Governors. Under a formula-based approach for IBRD's income support to IDA, the amount of income transfer recommended for IDA is a function of IBRD's financial results. On September 18, 2024, IBRD's Board of Governors approved a transfer of $515 million, which was received by IDA on September 30, 2024.

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.

The increase in net non-interest expenses from FY24 YTD to FY25 YTD, on a U.S. GAAP basis and on an adjusted net income basis, was primarily driven by higher staff costs in FY25 YTD (Table 10).

Table 10: Net Non-Interest Expense
In millions of U.S. dollars

For the three months ended September 30,	2024	2023	Variance
Administrative expenses:			
Staff costs	$ 341	$ 320	$ 21
Travel	28	27	1
Consultant and contractual services	90	82	8
Pension and other post-retirement benefits	31	25	6
Communications and technology	27	25	2
Premises and equipment	33	34	(1)
Other expenses	34	28	6
Total administrative expenses	**$ 584**	**$ 541**	**$ 43**
Contributions to special programs [a]	1	—	1
Revenue from externally funded activities:			
Reimbursable revenue – Bank-executed activities for trust funds	(122)	(113)	(9)
Other revenue	(68)	(60)	(8)
Total revenue from externally funded activities	**$ (190)**	**$ (173)**	**$ (17)**
Total Net Non-Interest Expenses (Table 3) - GAAP basis	**$ 395**	**$ 368**	**$ 27**
Adjustments to arrive at Net non-interest expenses - adjusted net income basis			
Pension, RAMP and EFO adjustments [b]	42	48	(6)
Net non-interest expenses - adjusted net income basis	**$ 437**	**$ 416**	**$ 21**

a. Included in Non-interest expenses – Other in the Statements of Income.
b. Adjustments are included in the Pension and other adjustments line in Table 4.

During FY25 YTD, IDA's net other revenue was $12 million compared to $16 million net other expenses in FY24 YTD. The change was due to lower Project Preparation Advances (PPA) grant expenses, net of cancellations, and conversion of previously approved PPA grants into loans. Converted PPA grants are included in loans outstanding provided to the borrower, and correspondingly, prior grant expenses are reversed.

Table 11: Other Revenue (Expenses), net
In millions of U.S. dollars

For the three months ended September 30,	2024	2023	Variance
PPA grants and others [a]	$ (3)	$ (24)	$ 21
Guarantee fees and others [b]	9	1	8
Commitment charges	6	7	(1)
Other revenue (expenses), net (Table 3)	**$ 12**	**$ (16)**	**$ 28**

a. Included in Non-interest expenses – Other in the Condensed Statements of Income.
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 FY25 YTD, the non-trading portfolios had $134 million unrealized mark-to-market losses compared to $656 million of unrealized mark-to-market gains in FY24 YTD. This was mainly driven by $150 million unrealized mark-to-market losses from the derivatives held for the Capital Value Protection Program (CVP), managed as part of Asset-Liability management (ALM), as a result of a decrease in the interest rates for long tenors in FY25 YTD, compared to unrealized mark-to-market gains from CVP, due to the increase in the interest rates for long tenors in FY24 YTD. IDA also recorded $32 million of net unrealized mark-to-market losses on IDA's loan-related derivatives in FY25 YTD, primarily driven by the decrease in the relevant discount rates between September 30, 2024 and June 30, 2024.

Table 12: Unrealized Mark-to-Market (losses) gains on non-trading portfolios, net
In millions of U.S. dollars

For the three months ended September 30,	*2024*	*2023*	*Variance*
Asset-liability management (ALM) [a]	$ (90)	$ 628	$ (718)
Investment portfolio	5	(2)	7
Borrowing portfolio	(9)	—	(9)
Loan-related derivatives	(32)	32	(64)
Other [b]	(8)	(2)	(6)
Total	**$ (134)**	**$ 656**	**$ (790)**

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.

Non-functional currency translation adjustment gains (losses), net

Non-functional currency translation adjustment gains or losses represent unrealized exchange rate gains or losses resulting from the economic hedging of exchange rate risk related to future donor contributions, borrowings, and all other assets and liabilities held on IDA's Balance Sheets, that are denominated in currencies other than the SDR and its component currencies. The translation adjustment losses in FY25 YTD and gains in FY24 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 translation adjustment losses on non-functional currencies were $125 million in FY25 YTD, compared to translation adjustment gains of $17 million in FY24 YTD. The translation adjustment losses in FY25 YTD were primarily driven by the appreciation of certain non-functional currencies against the U.S. dollar when compared to FY24 YTD. The translation adjustment gains in FY24 YTD were primarily driven by the depreciation of certain non-functional currencies against the U.S. dollar.

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 WBG Chief Risk Officer (CRO) oversees both financial and operational risks. These risks include (i) country credit risks in the core sovereign lending business, (ii) market and counterparty risks including liquidity and model risks, and (iii) operational risks relating to people, processes, and systems, or from external events.

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, 2024, 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 TRR is the minimum capital required to cover expected and unexpected losses in connection with all of IDA's operations and assets. The Conservation Buffer is calculated as 10% of TRA.

In April 2024, the Board approved enhancements to the DSC, as part of the review of IDA's Capital Adequacy Framework (CAF), to increase the efficiency of IDA's capital utilization while continuing to protect IDA's triple-A rating and long-term financial sustainability. The review built on IDA's experience with implementing the hybrid financial model since its introduction in 2018. The main adjustment to DSC included reclassifying two items from TRR to TRA (as a subtraction to equity) to more accurately reflect equity available for leveraging and risk absorption. These two reclassified items that now 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.

In addition, the TRA has been refined to include the expected encashment of donor contributions in IDA's 3-year risk horizon, and exclude pension-related adjustments and other restricted assets. The TRR now also includes a capital charge required for interest rate risk on the expected net disbursements of concessional loans in IDA's 3-year risk horizon (capital charge required for credit risk on the outstanding balances was already incorporated). In addition, the capital charges for the components of the PSW have also been updated based on actual transaction data since the creation of the PSW in 2018. These changes were implemented beginning with the reporting for June 30, 2024.

As of September 30, 2024, the DSC ratio was 32.1% (34.8% as of June 30, 2024). IDA's capital continues to be adequate to support its operations. See Table 13. The decrease was mainly due to a larger percentage increase in TRR compared to the percentage increase in TRA. The increase in TRR was primarily due to the higher capital requirements for the increase in total exposure. The increase in TRA was mainly due to a lower interest rate risk for fixed rate concessional loans at prevailing market interest rates, and the increase in equity during the period.

Table 13: Deployable Strategic Capital Ratio

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

As of		*Sep-24*	*Jun-24*	*Change*
Total Resources Available (TRA)	$	159.4	149.5	9.9
Total Resources Required (TRR)		92.3	82.5	9.8
Conservation Buffer (CB)		15.9	15.0	0.9
Deployable Strategic Capital (DSC = TRA-TRR-CB)	$	51.2	52.0	(0.8)
Deployable Strategic Capital as a percentage of TRA		**32.1 %**	**34.8 %**	**(2.7)%**

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, 2024, 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 notional of $15.0 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, 2024, 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.

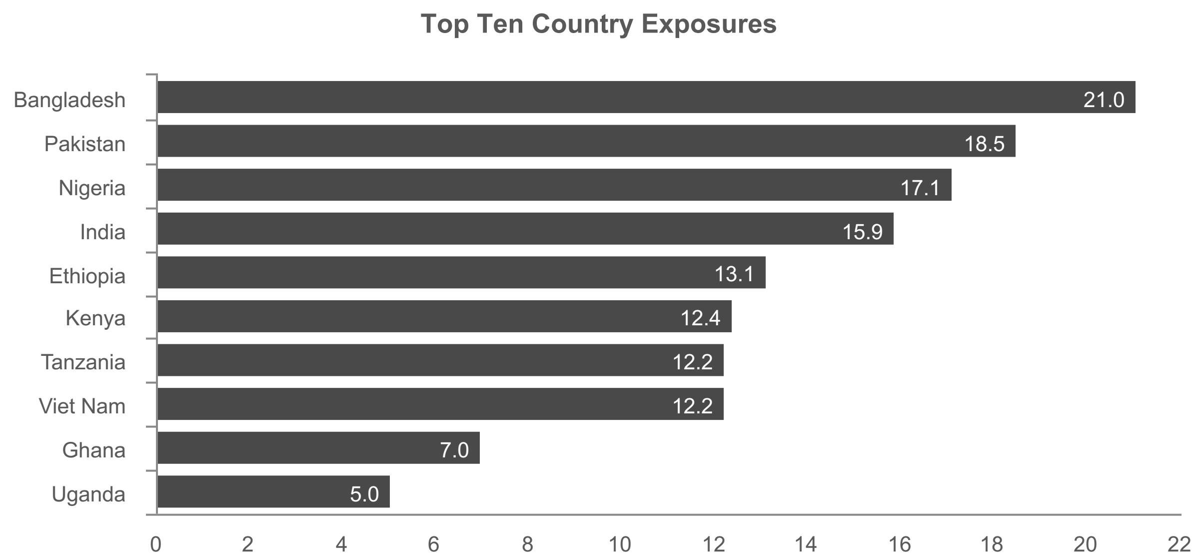
IDA regularly assesses the country credit risk of all its borrowers. IDA produces credit risk ratings for all its borrowing countries, which reflect country economic, financial, and political circumstances, and also considers environmental, social and governance (ESG) risk factors. Based on these risk 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 $47.5 billion (25% of $190.3 billion of equity as of June 30, 2024) for FY25, a marginal increase compared to $46.0 billion for FY24. 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, 2024, the ten countries with the highest exposures accounted for 63% of IDA's total exposure (Figure 8). 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 8: Country Exposures as of September 30, 2024

In billions of U.S. dollars



Expected Losses, Overdue Payments, and Non-Performing Loans

When a borrower fails to make payments on any principal, interest, or other charges due to IDA, IDA may suspend disbursements immediately on all loans and grants to that borrower. IDA's current practice is to exercise this option using a gradual approach. These practices also apply to member countries eligible to borrow from both IDA and IBRD, and whose payments on IBRD loans may become overdue. It is IDA's practice not to reschedule service charges, interest or principal payments on its loans or participate in debt rescheduling agreements with respect to its loans. As of September 30, 2024, none of the IDA sovereign borrowing countries in the accrual portfolio had overdue payments beyond three months.

Accumulated Provision for Losses on Loans and Other Exposures

As of September 30, 2024, IDA had $209.6 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 $5.8 billion, which represents a provisioning rate of 2.0% of the underlying exposures as of September 30, 2024 ($5.6 billion as of June 30, 2024, 2.0% of the underlying exposure). See Notes to the Condensed Quarterly Financial Statements for the period ended September 30, 2024, 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 $39.8 billion as of

September 30, 2024. As of September 30, 2024, 77% 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 14).

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, 2024, Note F: Derivative Instruments.

Table 14: Commercial Credit Exposure, Net of Collateral Held, by Counterparty Rating

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

	As of September 30, 2024				
Counterparty Rating [a]	Sovereigns	Non-Sovereigns	Net Swap Exposure	Total Exposure	% of Total
AAA	$ 6,298	$ 3,417	$ —	**$ 9,715**	24 %
AA	8,461	12,495	85	**21,041**	53
A	3,821	4,935	287	**9,043**	23
Total	**$ 18,580**	**$ 20,847**	**$ 372**	**$ 39,799**	**100 %**

	As of June 30, 2024				
Counterparty Rating [a]	Sovereigns	Non-Sovereigns	Net Swap Exposure	Total Exposure	% of Total
AAA	$ 6,815	$ 2,774	$ —	**$ 9,589**	28 %
AA	7,411	9,528	160	**17,099**	49
A	3,200	4,622	291	**8,113**	23
BBB	—	7	—	**7**	*
Total	**$ 17,426**	**$ 16,931**	**$ 451**	**$ 34,808**	**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%.*

Market Risk

IDA is exposed to changes in interest and exchange rates and uses derivatives to manage its exposure to market risks. Derivatives are used to align the interest and currency composition of its assets (loan and investment trading portfolios) with that of its liabilities (borrowing portfolio) and equity, with the exception of the long-term fixed rate market debt that is used to fund fixed rate loans. The loan, investment and borrowing portfolios 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 (11 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. IDA's investment-trading portfolio (liquid asset portfolio) has a relatively low sensitivity to interest rates with a duration of 5 months as of September 30, 2024.

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

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

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. The prudential minimum is equal to 80% of 24 months of projected net outflows. For FY25, the prudential minimum has been set at $29.5 billion. As of September 30, 2024, IDA's liquid assets were $38.2 billion, 130% of the FY25 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

Lakshmi Shyam-Sunder, WBG Chief Risk Officer and Vice President, will be retiring and leaving the Bank in January 2025. Dennis McLaughlin was appointed to this role effective January 2, 2025.

INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

CONTENTS

September 30, 2024

CONDENSED QUARTERLY FINANCIAL STATEMENTS

CONDENSED BALANCE SHEETS

Expressed in millions of U.S. dollars

	September 30, 2024 (Unaudited)	June 30, 2024 (Unaudited)
Assets		
Due from banks—Notes C and J		
Unrestricted cash	$ 689	$ 563
Restricted cash	24	23
	713	586
Investments (including securities transferred under repurchase or securities lending agreements of Nil—September 30, 2024; $69 million—June 30, 2024) —Notes C, H and J	39,190	34,377
Securities Purchased Under Resale Agreements—Notes C and J	188	58
Derivative assets, net—Notes C, F, H and J	399	363
Receivable from affiliated organization—Note H	1,516	1,395
Loans outstanding—Notes D, H and J		
Total loans approved	286,946	278,107
Less: Undisbursed balance (including signed loan commitments of $71,177 million—September 30, 2024; $68,851 million—June 30, 2024)	(77,371)	(75,559)
Loans outstanding	209,575	202,548
Less:		
Accumulated provision for loan losses	(4,181)	(4,065)
Deferred loan income	(27)	(26)
Net loans outstanding	205,367	198,457
Other assets—Notes C, D, G and H	7,265	6,114
Total assets	$ 254,638	$ 241,350

	September 30, 2024 (Unaudited)	June 30, 2024 (Unaudited)
Liabilities		
Borrowings—Notes E and J		
Market borrowings, at fair value	$ 33,284	$ 26,425
Market borrowings, at amortized cost	12,012	11,494
Concessional partner loans, at amortized cost	7,470	7,004
	52,766	44,923
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received—Notes C and J	—	71
Derivative liabilities, net—Notes C, F, H and J	704	667
Payable for development grants	1,584	1,706
Payable to affiliated organization—Note H	563	279
Other liabilities—Notes C and D	4,342	3,403
Total liabilities	59,959	51,049
Equity		
Members' subscriptions and contributions—Note B		
Subscriptions and contributions committed	312,581	310,983
Less:		
Subscriptions and contributions receivable	(27,506)	(26,690)
Cumulative discounts/credits on subscriptions and contributions, net	(4,220)	(4,220)
Subscriptions and contributions paid-in	280,855	280,073
Nonnegotiable, non-interest-bearing demand obligations on account of members' subscriptions and contributions	(12,591)	(12,553)
Deferred amounts to maintain value of currency holdings	(247)	(248)
Accumulated deficit	(67,661)	(66,379)
Accumulated other comprehensive loss—Note I	(5,677)	(10,592)
Total equity	194,679	190,301
Total liabilities and equity	$ 254,638	$ 241,350

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)	
	2024	*2023*
Interest revenue		
Loans, net—*Note D*	$ 714	$ 632
Investments, net—*Notes C, F, H and J*	378	315
Asset-liability management derivatives, net—*Notes F and J*	22	14
Borrowing expenses, net—Note E	(528)	(339)
Interest revenue, net of borrowing expenses	586	622
Provision for losses on loans and other exposures, release (charge)—Note D	21	(85)
Non-interest revenue		
Revenue from externally funded activities—*Note H*	190	173
Commitment charges—*Note D*	6	7
Other	9	1
Total	205	181
Non-interest expenses		
Administrative—*Note H*	(584)	(541)
Other	(4)	(24)
Total	(588)	(565)
Transfers from affiliated organizations and others—Note H	515	—
Development grants—Note G	(1,932)	(776)
Non-functional currency translation adjustment (losses) gains, net	(125)	17
Unrealized mark-to-market gains on Investments-Trading portfolio, net—Notes F and J	170	12
Unrealized mark-to-market (losses) gains on non-trading portfolios, net—Note J	(134)	656
Net (loss) income	$ (1,282)	$ 62

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)	
	2024	*2023*
Net (loss) income	$ (1,282)	$ 62
Other comprehensive income (loss)—Note I		
Currency translation adjustments on functional currencies	4,884	(1,771)
Net Change in Debit Valuation Adjustment (DVA) on Fair Value option elected liabilities	31	(7)
Total comprehensive income (loss)	$ 3,633	$ (1,716)

CONDENSED STATEMENTS OF CHANGES IN ACCUMULATED DEFICIT

Expressed in millions of U.S. dollars

	Three Months Ended September 30, (Unaudited)	
	2024	*2023*
Accumulated deficit at beginning of the fiscal year	$ (66,379)	$ (62,806)
Net (loss) income	(1,282)	62
Accumulated deficit at end of the period	$ (67,661)	$ (62,744)

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)	
	2024	2023
Cash flows from investing activities		
Loans		
Disbursements	$ (3,030)	$ (2,389)
Principal repayments	1,950	1,794
Non-trading securities—Investments		
Repayments	34	43
Net cash used in investing activities	(1,046)	(552)
Cash flows from financing activities		
Members' subscriptions and contributions	744	682
Medium and long-term borrowings		
New issues	2,769	72
Retirements	(45)	(25)
Short-term borrowings (original maturities greater than 90 days)		
New issues	4,376	1,546
Retirements	(2,304)	(1,341)
Net short-term borrowings (original maturities less than 90 days)	678	997
Net derivatives-borrowings	8	(2)
Net cash provided by financing activities	6,226	1,929
Cash flows from operating activities		
Net (loss) income	(1,282)	62
Adjustments to reconcile net (loss) income to net cash used in operating activities		
Provision for losses on loans and other exposures, (release) charge	(21)	85
Non-functional currency translation adjustment losses (gains), net	125	(17)
Unrealized mark-to-market losses (gains) on non-trading portfolios, net	134	(656)
Other non-interest expenses, net	3	24
Amortization of discount on borrowings	100	70
Changes in:		
Net Investment portfolio	(3,893)	(524)
Other assets and liabilities	(233)	(574)
Net cash used in operating activities	(5,067)	(1,530)
Effect of exchange rate changes on unrestricted and restricted cash	14	(7)
Net increase (decrease) in unrestricted and restricted cash	127	(160)
Unrestricted and restricted cash at beginning of the fiscal year	586	689
Unrestricted and restricted cash at end of the period	$ 713	$ 529
Supplemental disclosure		
Increase (Decrease) in ending balances resulting from exchange rate fluctuations:		
Loans outstanding	$ 5,950	$ (2,151)
Investment portfolio	805	(379)
Borrowing portfolio	1,458	(520)
Derivatives—Asset-liability management	(375)	185
Principal repayments written off under Heavily Indebted Poor Countries (HIPC)/ Multilateral Debt Relief Initiative (MDRI)	3	3
Interest paid on borrowing portfolio	220	197

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, 2024 audited financial statements and notes included therein. The condensed comparative information that has been derived from the June 30, 2024 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. Areas in which significant estimates have been made include, but are not limited to, the provision for losses on loans and other exposures and valuation of certain financial instruments carried at fair value. 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, 2024, which was also the date through which IDA's management evaluated subsequent events.

Accounting and Reporting Developments

Accounting Standards Under Evaluation

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures,* which requires additional segment disclosures for public entities, including those with a single reportable segment, such as the significant segment expenses that are regularly provided to the chief operating decision maker (CODM), the title and position of the CODM, as well as an explanation of how the CODM uses the reported measure of segment profit or loss. All existing annual disclosures about segment profit or loss must be provided on an interim basis in addition to disclosure of significant segment expenses. For IDA, the ASU will be effective for the annual period ending June 30, 2025 (annual statements of fiscal year 2025). IDA is currently evaluating the impact of the ASU 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

	September 30, 2024
Beginning of the fiscal year	$ 280,073
Cash contributions received	296
Demand obligations received	—
Translation adjustment	486
End of the period	$ 280,855

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

In millions of U.S. dollars

	September 30, 2024
Beginning of the fiscal year	$ 12,553
Demand obligations received	—
Demand obligations encashed	(448)
Translation adjustment	486
End of the period	$ 12,591

Subsequent Event

Membership

On October 18, 2024, the Republic of Suriname became the 175th member of IDA.

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, 2024, IDA's Investments were mainly comprised of government, agency and corporate obligations (61%) and time deposits (38%), 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

	September 30, 2024	June 30, 2024
Trading		
Government, agency and corporate obligations	$ 23,955	$ 19,380
Time deposits	14,987	14,715
Asset-backed securities (ABS)	107	111
	$ 39,049	$ 34,206
Non-trading		
Debt security	141	171
Total	$ 39,190	$ 34,377

IDA manages its investments on a net portfolio basis. As of September 30, 2024, the largest holdings from a single counterparty within the net investment portfolio was French government instruments (14%).

IDA uses derivative instruments to manage currency and interest rate risk in the investment portfolio. For details regarding these instruments, see Note F—Derivative Instruments. The following table summarizes IDA's net portfolio position:

Table C2: Net investment portfolio position

In millions of U.S. dollars

	September 30, 2024	June 30, 2024
Investments		
Trading	$ 39,049	$ 34,206
Non-trading	141	171
Total	39,190	34,377
Securities purchased under resale agreements	188	58
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received [a]	(807)	(964)
Derivative Assets		
Currency swaps and currency forward contracts	11	232
Interest rate swaps	1	2
Other [b]	3	3
Total	15	237
Derivative Liabilities		
Currency swaps and currency forward contracts	(129)	(20)
Interest rate swaps	(1)	—
Total	(130)	(20)
Cash held in investment portfolio [c]	643	532
Receivable from investment securities traded and other assets [d]	586	9
Payable for investment securities purchased [e]	(1,338)	(648)
Net Investment Portfolio	$ 38,347	$ 33,581

a. As of September 30, 2024, this amount includes cash collateral of $807 million received from counterparties under derivative agreements ($893 million - June 30, 2024).

b. These relate to to-be-announced (TBA) Securities, swaptions, exchange traded options and futures contracts.

c. These amounts are included in Unrestricted cash under Due from banks on the Condensed Balance Sheets.

d. These amounts are included in Other assets on the Condensed Balance Sheets.

e. These amounts are included in Other liabilities on the Condensed Balance Sheets. As of September 30, 2024, short sales amounted to $128 million ($59 million - June 30, 2024).

As of September 30, 2024, IDA's non-trading investment portfolio (principal amount due on a debt security with IFC) was $151 million ($185 million—June 30, 2024). 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. The extent of the reduction in exposure may therefore change substantially within a short period of time following the balance sheet date. For more information on netting and offsetting provisions, see Note F—Derivative Instruments.

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

Table C3: Collateral received

In millions of U.S. dollars

	September 30, 2024	*June 30, 2024*
Collateral received		
Cash	$ 807	$ 893
Securities	114	—
Total collateral received	$ 921	$ 893
Collateral permitted to be repledged	$ 921	$ 893
Amount of collateral repledged	—	—
Amount of cash collateral invested	$ 595	$ 601

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, 2024, there were no amounts that could potentially be offset as a result of legally enforceable master netting arrangements ($58 million—June 30, 2024).

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.

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

The following is a summary of the carrying amount of the securities transferred under repurchase or securities lending agreements, and the related liabilities:

Table C4: Amounts related to securities transferred under repurchase or securities lending agreements

In millions of U.S. dollars

	September 30, 2024	*June 30, 2024*	*Financial Statement Presentation*
Securities transferred under repurchase or securities lending agreements	$ —	$ 69	Included under Investments on the Condensed Balance Sheets
Liabilities relating to securities transferred under repurchase or securities lending agreements	$ —	$ 71	Included under Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received on the Condensed Balance Sheets

As of September 30, 2024, there were no liabilities relating to securities transferred under repurchase or securities lending agreements ($71 million—June 30, 2024) and there were no unsettled trades relating to repurchase or securities lending agreements (Nil—June 30, 2024). There were no replacement trades entered into in anticipation of maturing trades of a similar amount (Nil—June 30, 2024).

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, 2024, unsettled trades pertaining to securities purchased under resale agreements amounted to $63 million (Nil—June 30, 2024). For resale agreements, IDA received securities with a fair value of $128 million as of September 30, 2024 ($59 million—June 30, 2024). As of September 30, 2024 and June 30, 2024, none of these securities 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, 2024, accrued interest income and service charges on loans of $837 million ($715 million—June 30, 2024) are presented in Other assets on the Condensed Balance Sheets.

As of September 30, 2024, 0.4% of IDA's loans were in nonaccrual status and related to three borrowers. The total accumulated provision for losses on loans in accrual status and nonaccrual status was 2% of total loans as of September 30, 2024.

Credit Quality of Sovereign Loans

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

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 factors. For the purpose of analyzing their risk characteristics, these exposures are grouped into three classes in accordance with assigned borrower risk ratings, which relate to the likelihood of loss: Low, Medium and High risk classes, as well as exposures in nonaccrual status.

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 the purpose of the 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, 2024, 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, 2024, 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 of loans outstanding:

Table D1: Loans-Aging structure

In millions of U.S. dollars

	September 30, 2024							
Days past due	*Up to 45*	*46-60*	*61-90*	*91-180*	*Over 180*	*Total Past Due*	*Current*	*Total*
Risk Class								
Low	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Medium	—	—	—	—	—	—	16,191	16,191
High	80	10	2	1	—	93	192,406	192,499 [a]
Loans in accrual status	80	10	2	1	—	93	208,597	208,690
Loans in nonaccrual status	5	1	1	11	501	519	366	885
Total	$ 85	$ 11	$ 3	$ 12	$ 501	$ 612	$ 208,963	$ 209,575

Table D1.1:

In millions of U.S. dollars

	June 30, 2024							
Days past due	*Up to 45*	*46-60*	*61-90*	*91-180*	*Over 180*	*Total Past Due*	*Current*	*Total*
Risk Class								
Low	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Medium	—	—	—	—	—	—	16,266	16,266
High	18	*	*	1	*	19	185,404 [a]	185,423
Loans in accrual status	18	*	*	1	*	19	201,670	201,689
Loans in nonaccrual status	7	*	3	9	478	497	362	859
Total	$ 25	$ *	$ 3	$ 10	$ 478	$ 516	$ 202,032	$ 202,548

a. Includes Private Sector Window (PSW) related loans of $271 million ($236 million - June 30, 2024).

** 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	Overdue amounts: Interest and Charges
Syrian Arab Republic	June 2012	14	14	—	1	14	1
Eritrea	March 2012	424	420	273	16	150	42
Zimbabwe	October 2000	447	443	—	224	355	74
Total - September 30, 2024		$ 885	$ 877	$ 273	$ 241	$ 519	$ 117
Total - June 30, 2024		$ 859	$ 866	$ 270	$ 233	$ 497	$ 112

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

During the three months ended September 30, 2024, no new loans were placed into nonaccrual status or restored to accrual status.

During the three months ended September 30, 2024, service charge revenue not recognized as a result of loans being in nonaccrual status was $1 million ($2 million – three months ended September 30, 2023).

During the three months ended September 30, 2024, service charge revenue recognized on loans in nonaccrual status upon receipt of payment was less than $1 million (less than $1 million – three months ended September 30, 2023).

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

Table D3: Loan portfolio vintage disclosure

In millions of U.S. dollars

	September 30, 2024								
	Fiscal Year of origination								
Risk Class	2025	2024	2023	2022	2021	Prior Years	CAT DDOs disbursed and revolving	CAT DDOs Converted to Term Loans	Loans Outstanding as of September 30, 2024
Low	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Medium	31	57	83	112	396	15,512	—	—	16,191
High	516	6,289	11,417	10,096	14,078	149,638	125	340	192,499
Loans in accrual status	547	6,346	11,500	10,208	14,474	165,150	125	340	208,690
Loans in nonaccrual status	—	—	—	—	—	885	—	—	885
Total	$ 547	$6,346	$11,500	$10,208	$14,474	$166,035	$ 125	$ 340	$ 209,575
Current period gross write-offs [a]	$ —	$ —	$ —	$ —	$ —	$ 3	n.a	n.a	$ 3

Table D3.1:

In millions of U.S. dollars

	June 30, 2024								
	Fiscal Year of origination						CAT DDOs disbursed and revolving	CAT DDOs Converted to Term Loans	Loans Outstanding as of June 30, 2024
Risk Class	*2024*	*2023*	*2022*	*2021*	*2020*	*Prior Years*			
Low	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Medium	56	83	111	393	542	15,081	—	—	16,266
High	5,670	10,661	9,487	13,294	10,279	135,597	101	334	185,423
Loans in accrual status	5,726	10,744	9,598	13,687	10,821	150,678	101	334	201,689
Loans in nonaccrual status	—	—	—	—	—	859	—	—	859
Total	$5,726	$10,744	$ 9,598	$13,687	$10,821	$151,537	$ 101	$ 334	$ 202,548
Current period gross write-offs [a]	$ —	$ —	$ —	$ —	$ —	$ 104	n.a	n.a	$ 104

a. Relate to HIPC/MDRI.

** Indicates amount less than $0.5 million.*

There was no Catastrophe Deferred Drawdown Option (CAT DDO) outstanding and revolving that was converted to term loans during the three months ended September 30, 2024 (Nil—June 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 a quantitative and qualitative analyses of various factors, including estimates of Decision Point and Completion Point dates. These factors are reviewed periodically as part of the reassessment of the adequacy of the accumulated provision for loan losses. Accumulated provisions are reduced as qualifying debt service becomes due and is forgiven under the HIPC Debt Initiative.

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

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

Table D4: Accumulated provisions

In millions of U.S. dollars

	September 30, 2024				
	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)	6	(25)	—	(2)	(21)
Loans written off under HIPC/MDRI	—	—	(3)	—	(3)
Translation adjustment	104	39	9	3	155
Accumulated provision, end of the period	$ 3,644	$ 1,330	$ 537	$ 241	$ 5,752
Including accumulated provision for losses on:					
Loans in accrual status	$ 3,403		$ 264		$ 3,667
Loans in nonaccrual status	241		273		514
Total	$ 3,644		$ 537		$ 4,181
Loans:					
Loans in accrual status					$ 208,690
Loans in nonaccrual status					885
Loans outstanding					$ 209,575

Table D4.1:

In millions of U.S. dollars

	June 30, 2024				
	Loans outstanding	*Loan commitments*	*Debt relief under HIPC/MDRI*	*Other* [a]	*Total*
Accumulated provision, beginning of the fiscal year	$ 3,325	$ 1,320	$ 668	$ 198	$ 5,511
Provision, net - charge (release)	252	12	(31)	42	275
Loans written off under HIPC/MDRI	—	—	(104)	—	(104)
Translation adjustment	(43)	(16)	(2)	—	(61)
Accumulated provision, end of the fiscal year	$ 3,534	$ 1,316	$ 531	$ 240	$ 5,621
Including accumulated provision for losses on:					
Loans in accrual status	$ 3,301		$ 261		$ 3,562
Loans in nonaccrual status	233		270		503
Total	$ 3,534		$ 531		$ 4,065
Loans:					
Loans in accrual status					$ 201,689
Loans in nonaccrual status					859
Loans outstanding					$ 202,548

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

	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, 2024, was $5,752 million, compared to $5,621 million as of June 30, 2024. The increase was primarily due to exchange rate fluctuations in the three months ended September 30, 2024.

Loans to be written off under MDRI

During the three months ended September 30, 2024, there were no loans written off under the MDRI.

During the fiscal year ended June 30, 2024, loans eligible for debt relief under the MDRI totaling $94 million were written off as a result of Somalia reaching the Completion Point under the HIPC debt relief initiative on December 13, 2023.

Guarantees Provided

Guarantees of $2,918 million were outstanding as of September 30, 2024 ($2,787 million—June 30, 2024). This amount includes $1,282 million relating to the PSW ($1,169 million—June 30, 2024). 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 3 and 22 years and expire in decreasing amounts through 2044.

As of September 30, 2024, liabilities related to IDA's obligations under guarantees provided include the obligation to stand ready of $140 million ($141 million—June 30, 2024), and the accumulated provision for guarantee losses of $219 million ($220 million—June 30, 2024). These have been included in Other liabilities on the Condensed Balance Sheets.

During the three months ended September 30, 2024 and September 30, 2023, no guarantees provided by IDA to sovereign or sub-sovereign borrowers were called.

During the three months ended September 30, 2024, less than $1 million of IDA-PSW Blended Finance Facility guarantees under the Small Loan Guarantee Program pursuant to the risk-sharing agreement between IDA and IFC were called. (Nil — three months ended September 30, 2023).

Concentration Risk

Loan revenue comprises service charges, interest and commitment charges, net of waivers. For the three months ended September 30, 2024, loan revenue of $83 million and $74 million from India and Pakistan, respectively, were each in excess of 10% of total loan revenue.

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

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

In millions of U.S. dollars

As of and for the three months ended September 30,	2024		2023	
Region	*Loan Revenue* [a]	*Loans Outstanding*	*Loan Revenue* [a]	*Loans Outstanding*
South Asia	$ 240	$ 64,098	$ 225	$ 61,225
Eastern and Southern Africa	166	61,821	141	54,208
Western and Central Africa	168	49,747	137	41,829
East Asia and Pacific	61	18,359	61	18,379
Europe and Central Asia	52	9,466	48	8,882
Latin America and the Caribbean	18	3,774	16	3,439
Middle East and North Africa	4	2,039	4	2,050
Others [b]	6	271	3	113
Total	$ 715	$ 209,575	$ 635	$ 190,125

a. Excludes $5 million of interest rate swap income from loan-related derivatives for the three months ended September 30, 2024 ($4 million of interest rate swap income - three months ended September 30, 2023). Includes net commitment charges of $6 million for the three months ended September 30, 2024 ($7 million – three months ended September 30, 2023).

b. 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).

As of September 30, 2024, and June 30, 2024, 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 this fair value election criteria are reported 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.

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

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

In millions of U.S. dollars

	September 30, 2024	*June 30, 2024*
Market borrowings	$ 33,284	$ 26,425
Currency swaps, net	289	488
Interest rate swaps, net	1,157	1,617
Total	$ 34,730	$ 28,530

For the three months ended September 30, 2024, Borrowing expenses, net in the Condensed Statements of Income was $528 million ($339 million—three months ended September 30, 2023). This includes $226 million of interest expense, net related to derivatives associated with the Borrowing portfolio (interest expense, net of $193 million—three months ended September 30, 2023).

Table E2: Market borrowings outstanding, at amortized cost

In millions of U.S dollars

	Principal at face value		Net unamortized discount		Total	
September 30, 2024	$	12,030	$	(18)	$	12,012
June 30, 2024	$	11,512	$	(18)	$	11,494

Table E3: Concessional partner loans outstanding, at amortized cost

In millions of U.S dollars

	Principal at face value		Net unamortized discount		Total	
September 30, 2024	$	9,020	$	(1,550)	$	7,470
June 30, 2024	$	8,486	$	(1,482)	$	7,004

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, currency forward contracts, currency swaps, options, swaptions, futures contracts, and TBA securities	Manage currency and interest rate risks
Other assets/liabilities 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, 2024		June 30, 2024	
	Derivative Assets	*Derivative Liabilities*	*Derivative Assets*	*Derivative Liabilities*
Interest rate swaps	$ 2,309	$ 1,430	$ 2,250	$ 1,694
Currency swaps [a]	432	741	767	665
Other [b]	3	—	3	—
Gross Total	$ 2,744	$ 2,171	$ 3,020	$ 2,359
Less:				
Amounts subject to legally enforceable master netting agreements	$ 1,538 [c]	$ 1,467 [d]	$ 1,764 [c]	$ 1,692 [d]
Cash collateral received	807		893	
Net derivative positions on the Condensed Balance Sheet	$ 399	$ 704	$ 363	$ 667
Less:				
Securities collateral received	114		—	
Net derivative exposure after collateral	$ 285		$ 363	

a. Includes currency forward contracts.

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

c. Includes $91 million Credit Valuation Adjustment (CVA) ($92 million-June 30, 2024).

d. Includes $20 million Debit Valuation Adjustment (DVA) ($20 million-June 30, 2024).

The following table provides information about the credit risk exposures at fair value, at the instrument level, of IDA's derivative instruments.

Table F3: Credit risk exposure of the derivative instruments

In millions of U.S. dollars

	September 30, 2024		
	Interest rate swaps	*Currency swaps (including currency forward contracts)*	*Total*
Investments - Trading	$ 1	$ 11	$ 12
Asset/liability management	1,958	383	2,341
Borrowings	264	37	301
Other [a]	86	1	87
Total Exposure	$ 2,309	$ 432	$ 2,741

Table F3.1

In millions of U.S. dollars

	June 30, 2024		
	Interest rate swaps	*Currency swaps (including currency forward contracts)*	*Total*
Investments - Trading	$ 2	$ 232	$ 234
Asset/liability management	2,063	519	2,582
Borrowings	74	15	89
Other [a]	111	1	112
Total Exposure	$ 2,250	$ 767	$ 3,017

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, 2024, the notional amounts of IDA's derivative contracts outstanding were as follows: interest rate swaps $44,695 million ($39,153 million— June 30, 2024) and currency swaps $23,825 million ($22,792 million as of June 30, 2024), long positions of other derivatives $627 million ($566 million— June 30, 2024) and short positions of other derivatives $72 million ($74 million— June 30, 2024).

Collateral

IDA is not required to post collateral under its derivative agreements as long as it maintains a triple-A credit rating. The aggregate fair value of all derivative instruments with credit-risk related contingent features that are in a liability position as of September 30, 2024, is $628 million ($593 million —June 30, 2024). As of September 30, 2024, 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, 2024, the amount of collateral that would need to be posted would be $4 million ($30 million—June 30, 2024). Subsequent triggers of contingent features would require posting of additional collateral, up to a maximum of $628 million as of September 30, 2024 ($593 million—June 30, 2024).

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

		Three Months Ended September 30,	
Type of instrument	*Reported as*	*2024*	*2023*
Interest rate swaps	Unrealized mark-to-market gains on non-trading portfolios, net	$ 421	$ 668
Currency swaps and currency forward contracts		103	13
Total		$ 524	$ 681

The majority of the instruments in IDA's investment portfolio are held for trading purposes. Within the trading portfolio, IDA holds highly rated 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 on the Condensed Statements of Income:

Table F5: Unrealized mark-to-market gains or losses on investment trading portfolio

In millions of U.S. dollars

		Three Months Ended September 30,	
Type of instrument	*Reported as*	*2024*	*2023*
Fixed income (including related derivatives [a])	Unrealized mark-to-market gains on Investment-Trading portfolios, net	$ 170	$ 12

a. Includes unrealized mark-to-market gains/losses from IDA's share of PEBP and 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,*	
	2024	*2023*
Grants approved	$ 2,432	$ 2,144
Grant disbursements	2,374	1,267
Unconditional grants	149	235
Conditional grants	2,225	1,032
Grant expenses	$ 1,932	$ 776

As of September 30, 2024, the cumulative amount of conditional grants approved but not yet expensed, since all conditions have not been met, was $30,371 million ($29,135 million—June 30, 2024).

NOTE H—TRANSACTIONS WITH AFFILIATED ORGANIZATIONS

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

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

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

In millions of U.S. dollars

	September 30, 2024			*June 30, 2024*		
	IBRD	*IFC*	*Total*	*IBRD*	*IFC*	*Total*
Administrative Services	$ (563)	$ —	$ (563)	$ (279)	$ —	$ (279)
Derivative (liabilities)/assets, net	—	(96)	(96)	—	(94)	(94)
PSW-Blended Finance Facility	—	109	109	—	102	102
Investments	—	141	141	—	171	171
Post-Retirement Contribution Reserve Fund [a]	555	—	555	489	—	489
Pension and Other Postretirement Benefits	961	—	961	906	—	906
Total	$ 953	$ 154	$ 1,107	$ 1,116	$ 179	$ 1,295

a. Receivable from IBRD for IDA's share of investments associated with Post-Retirement Contribution Reserve Fund (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 – Blended Finance Facility	Other Assets
Receivable for Investments	Investments
Receivable for PCRF	Receivable from affiliated organization
Receivable for pension and other postretirement benefits	Receivable from affiliated organization

Transfers and Grants

Cumulative transfers and grants made to IDA as of September 30, 2024 were $21,399 million ($20,884 million—June 30, 2024). Details by transferor are as follows:

Table H2: Transfers and grants

In millions of U.S dollars

Transfers		*Cumulative transfers as of September 30, 2024*
Total	$	21,399
Of which transfers from:		
IBRD		17,284
International Finance Corporation (IFC)		3,885
Nonaffiliated organizations		230

On September 18, 2024, IBRD's Board of Governors approved a transfer of $515 million to IDA. This transfer was received on September 30, 2024.

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, 2024, IDA's share of joint administrative expenses and contributions to special programs totaled $463 million ($428 million—three months ended September 30, 2023).

Other revenue

Includes IDA's share of other revenue jointly earned with IBRD during the three months ended September 30, 2024, totaling $68 million ($60 million—three months ended September 30, 2023).

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

	Three Months Ended September 30,			
		2024		*2023*
Fees charged to IFC	$	24	$	22
Fees charged to MIGA		2		2

Derivative transactions

Under the Local Currency Facility of the PSW, IDA enters into derivative transactions with IFC to support local currency loan transactions where currency hedging capabilities are limited or unavailable.

Private Sector Window

The PSW was created under the Eighteenth Replenishment of IDA's Resources (IDA18) to mobilize private sector investment in IDA-only countries and IDA-eligible Fragile and Conflict-affected Situations. The PSW continued under IDA's Twentieth Replenishment of Resources (IDA20), which commenced on July 1, 2022, with an initial allocation of $2.5 billion. 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. As of September 30, 2024, the PSW exposures comprising mainly of MIGA Guarantee Facility and IFC Blended Finance Facility, were $1,662 million ($1,507 million—June 30, 2024), and the related accumulated provision was $224 million ($212 million—June 30, 2024).

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 4 years. As of September 30, 2024, the principal amount due on the debt security was $151 million ($185 million—June 30, 2024), and it had a fair value of $141 million ($171 million—June 30, 2024). The investment is reported under Investments in the Condensed Balance Sheets. During the three months ended September 30, 2024, IDA recognized interest income of $1 million from this investment ($1 million— three months ended September 30, 2023).

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 Post-Employment Benefits Plan (PEBP) that cover substantially 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, 2024, IDA's share of IBRD's benefit costs relating to all three plans totaled $31 million ($25 million—three months ended September 30, 2023).

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 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

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

Table I1.1

In millions of U.S dollars

	Three Months Ended September 30, 2023		
	Balance, beginning of the fiscal year	*Changes in AOCL*	*Balance, end of the period*
Currency translation adjustments on functional currencies	$ (8,915)	$ (1,771)	$ (10,686)
DVA on Fair Value option elected liabilities	(31)	(7)	(38)
Total AOCL	$ (8,946)	$ (1,778)	$ (10,724)

NOTE J— FAIR VALUE DISCLOSURES

Valuation Methods and Assumptions

As of September 30, 2024, and June 30, 2024, 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, 2024, and June 30, 2024. 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 IDA's borrowings carried 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, 2024, and June 30, 2024, the fair value of borrowings measured at amortized cost would be calculated using the same methodology as described above for borrowings at fair value and classified as Level 2 within the fair value hierarchy.

Derivative instruments

Derivative contracts include currency 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, 2024		*June 30, 2024*	
	Carrying Value	*Fair Value*	*Carrying Value*	*Fair Value*
Assets				
Due from banks	$ 713	$ 713	$ 586	$ 586
Investments (including securities purchased under resale agreements)	39,378	39,378	34,435	34,435
Net loans outstanding	205,367	161,764	198,457	151,428
Derivative assets, net	399	399	363	363
Liabilities				
Borrowings				
Market borrowings, at fair value	33,284	33,284	26,425	26,425
Market borrowings, at amortized cost	12,012	10,930	11,494	9,920
Concessional partner loans	7,470	6,573	7,004	6,049
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received	—	—	71	71
Derivative liabilities, net	704	704	667	667

As of September 30, 2024, IDA's signed loan commitments were $71.2 billion ($68.9 billion — June 30, 2024) and had a fair value of $(13.1) billion ($(12.8) billion—June 30, 2024).

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

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

In millions of U.S. dollars

	Fair Value Measurements on a Recurring Basis As of September 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments—Trading				
Government, agency and corporate obligations	$ 13,148	$ 10,807	$ —	$ 23,955
Time deposits	1,066	13,921	—	14,987
ABS	—	107	—	107
Total Investments—Trading	14,214	24,835	—	39,049
Investments—Non-trading	—	141	—	141
Total Investments	$ 14,214	$ 24,976	$ —	$ 39,190
Securities purchased under resale agreements	$ —	$ 188	$ —	$ 188
Derivative assets:				
Currency swaps and currency forward contracts	$ —	$ 432	$ —	$ 432
Interest rate swaps	—	2,309	—	2,309
Other [a]	3	—	—	3
	$ 3	$ 2,741	$ —	$ 2,744
Less:				
Amounts subject to legally enforceable master netting agreements [b]				1,538
Cash collateral received				807
Derivative assets, net				$ 399
Liabilities:				
Market Borrowings, at fair value	$ —	$ 33,284	$ —	$ 33,284
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received [c]	$ —	$ —	$ —	$ —
Derivative liabilities:				
Currency swaps and currency forward contracts	$ —	$ 741	$ —	$ 741
Interest rate swaps	—	1,430	—	1,430
	$ —	$ 2,171	$ —	$ 2,171
Less:				
Amounts subject to legally enforceable master netting agreements [d]				1,467
Derivative liabilities, net				$ 704

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

b. Includes $91 million CVA.

c. Excludes amount payable for cash collateral received of $807 million.

d. Includes $20 million DVA.

Table J2.1

In millions of U.S. dollars

	Fair Value Measurements on a Recurring Basis As of June 30, 2024			
	Level 1	Level 2	Level 3	Total
Assets:				
Investments—Trading				
Government and agency obligations	$ 12,806	$ 6,574	$ —	$ 19,380
Time deposits	2,032	12,683	—	14,715
ABS	—	111	—	111
Total Investments—Trading	14,838	19,368	—	34,206
Investments—Non-trading	—	171	—	171
Total Investments	$ 14,838	$ 19,539	$ —	$ 34,377
Securities purchased under resale agreements	$ —	$ 58	$ —	$ 58
Derivative assets:				
Currency swaps and currency forward contracts	$ —	$ 767	$ —	$ 767
Interest rate swaps	—	2,250	—	2,250
Other [a]	3	—	—	3
	$ 3	$ 3,017	$ —	$ 3,020
Less:				
Amounts subject to legally enforceable master netting agreements [b]				1,764
Cash collateral received				893
Derivative assets, net				$ 363
Liabilities:				
Market Borrowings, at fair value	$ —	$ 26,425	$ —	$ 26,425
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received [c]	$ —	$ 71	$ —	$ 71
Derivative liabilities:				
Currency swaps and currency forward contracts	$ —	$ 665	$ —	$ 665
Interest rate swaps	—	1,694	—	1,694
	$ —	$ 2,359	$ —	$ 2,359
Less:				
Amounts subject to legally enforceable master netting agreements [d]				1,692
Derivative liabilities, net				$ 667

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

b. Includes $92 million CVA.

c. Excludes amount payable for cash collateral received of $893 million.

d. Includes $20 million DVA.

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

Table J3: Investment portfolio-Non-trading security

In millions of U.S dollars

	Fair value	*Principal amount due*	*Difference*
September 30, 2024	$ 141	$ 151	$ (10)
June 30, 2024	$ 171	$ 185	$ (14)

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

Table J4: Market Borrowings at fair value

In millions of U.S. dollars

	Fair Value	Principal Due Upon Maturity	Difference
September 30, 2024	$ 33,284	$ 34,331	$ (1,047)
June 30, 2024	$ 26,425	$ 27,886	$ (1,461)

During the three months ended September 30, 2024, IDA recorded unrealized mark-to-market gains of $31 million ($7 million loss – three months ended September 30, 2023) in Other Comprehensive Income, in relation to the changes in its own credit (DVA) on fair value option elected liabilities (market borrowings).

As of September 30, 2024, IDA's Condensed Balance Sheets included a DVA of $6 million cumulative gains ($25 million cumulative loss—June 30, 2024) in Accumulated other comprehensive income, associated with the changes in IDA's own credit for its market borrowings reported at fair value.

The following tables reflect the components of the unrealized mark-to-market gains or losses on IDA's trading and non-trading portfolios, net.

Table J5: Unrealized mark-to-market gains (losses) on trading and non-trading portfolios, net

In millions of U.S. dollars

	Three Months Ended September 30, 2024			Three Months Ended September 30, 2023		
	Realized gains (losses)	Unrealized gains (losses) excluding realized amounts [a]	Unrealized gains (losses)	Realized gains (losses)	Unrealized gains (losses) excluding realized amounts [a]	Unrealized gains (losses)
Investments, Trading, net—Note F	$ (21)	$ 191	$ 170	$ (57)	$ 69	$ 12
Non-trading portfolios, net						
Asset-liability management [b]—Note F	—	(90)	(90)	—	628	628
Other Non-trading portfolios						
Investment portfolio—Note C	—	5	5	—	(2)	(2)
Borrowing portfolio—Note E	—	(9)	(9) [c]	—	—	— [c]
Loan-related derivatives	—	(32)	(32)	—	32	32
Other [d]	—	(8)	(8)	—	(2)	(2)
Total	$ —	$ (134)	$ (134)	$ —	$ 656	$ 656

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

b. Includes mark-to-market gains (losses) on the Capital Value Protection program (CVP) portfolio and other Asset-liability management portfolios.

c. Includes $654 million of unrealized mark-to-market gains related to derivatives associated with borrowings for three months ended September 30, 2024 (unrealized mark-to-market gains of $23 million—three months ended September 30, 2023).

d. Represents mark-to-market gains (losses) on PSW.

NOTE K—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, 2024, is not expected to have a material adverse effect on IDA's financial position, results of operations or cash flows.

Deloitte.

Deloitte & Touche LLP
7900 Tysons One Place
Suite 800
McLean, VA 22102
USA
Tel: +1 703 251 1000
Fax: +1 703 251 3400
www.deloitte.com

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, 2024, and the related condensed statements of income, comprehensive income, changes in accumulated deficit, and cash flows for the three-month periods ended September 30, 2024 and 2023, 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, 2024

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the balance sheet as of June 30, 2024, and the related statements of income, comprehensive income, changes in accumulated deficit, 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, 2024. In our opinion, the accompanying condensed balance sheet of IDA as of June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Deloitte & Touche LLP

November 14, 2024