International Finance Corp.

March 10, 2026

This report does not constitute a rating action.

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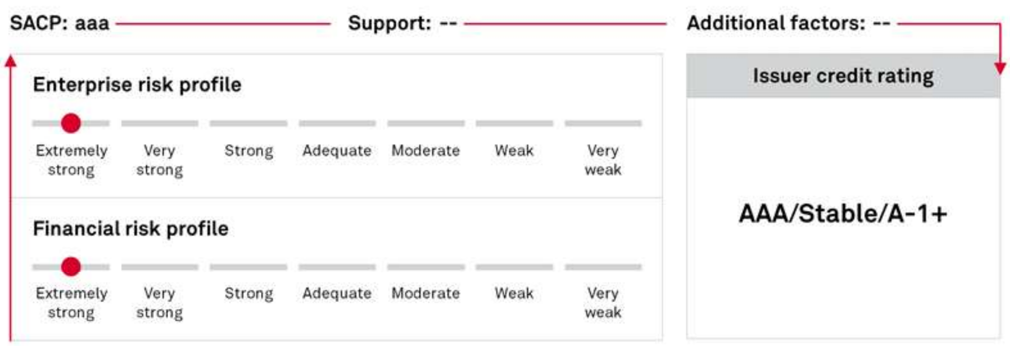
Ratings Score Snapshot



SACP--Stand-alone credit profile.

Overview

Enterprise risk profile	Financial risk profile
Long record of fulfilling private sector-focused mandate and strong countercyclical role	Robust capitalization and very strong funding and liquidity
A US$5.5 billion capital increase approved in 2018, reflecting our view of strong shareholder support	Substantial equity buffers support larger lending volume and extremely strong capital adequacy
Heightened focus on innovating mechanisms to mobilize private investment, underscoring IFC's policy importance under World Bank Group's Evolution Roadmap	Loss experience that has remained strong in recent years despite bouts of geopolitical and economic uncertainty
Diverse and balanced group of government shareholders and strong risk management practices	Diverse funding base and matched funding policy limit risk

S&P Global Ratings thinks International Finance Corp. (IFC) shareholders' commitment to private sector-led development remains front and center--reinforced by the World Bank Group (WBG)'s Evolution Roadmap. The roadmap, launched in 2023, envisages an expansion of WBG-led development activities to reduce poverty with an emphasis on private-sector funding in an environmentally sustainable manner. WBG leadership considers the mobilization of private capital, spearheaded by IFC, to be critical, given the comparative global scarcity of development funding.

Over the past few years, IFC has made a significant overhaul to its operational and financial model and scaled its advisory and upstream services to support market creation, particularly to the lowest income countries--such as those that are International Development Assn. (IDA)-loan-eligible and in fragile and conflict-affected situations (FCS), as well as enhance its various mobilization tools and platforms.

We think IFC's new 2030 strategy, which focuses on an originate-to-distribute business model and scales equity financing, will support larger mobilization volume that is in line with shareholders priorities. The institution leverages several strategies to mobilize capital, including loan syndications, advisory programs, and investment vehicles. The initiative between CEOs of leading institutions and the WBG in the Private Sector Lab reinforced this strategy. IFC recently launched its innovative Emerging Markets Securitization Program. In September 2025, IFC closed its inaugural securitization transaction with a US$510 million collateralized loan obligation to mobilize private capital from global institutional investors by offering different tranches of risk to the private sector, while IFC maintains core exposure.

The institution also expects to significantly grow its equity book and complement it with concessional and junior capital structures as a key pillar to its broader mobilization and development goals.

IFC's risk-adjusted capital (RAC) ratio of 38.5% as of fiscal year ended June 2025 and strong liquidity buffers are strengths, in our view. IFC maintains strong capital buffers, supported by capital payments and comprehensive risk management policies. While an increase in equity financing as well as continued lending to IDA-loan-eligible and FCS countries may weigh on the RAC ratio, we expect it will remain above the 23% threshold under our financial risk profile.

Outlook

The stable outlook reflects our expectation that IFC will maintain high capital levels, strong liquidity, and robust risk management policies. We expect IFC will continue to deliver on its mandate, further mobilize higher levels of private-sector investment and play a central role in the One World Bank strategy to end extreme poverty and boost shared prosperity.

Downside scenario

We could lower the ratings if, in the next two years and contrary to our expectations, relationships with shareholders deteriorate and IFC does not execute its mandate, or if financial and enterprise risks worsen, in our view.

Enterprise Risk Profile

Policy importance: IFC is poised to drive sustainable development via private capital mobilization and strong risk management

Established in 1956, IFC is a member of the WBG and one of the oldest multilateral lending institutions, as well as one of the largest by number of shareholders. IFC is a legal entity, separate and distinct from the International Bank for Reconstruction and Development (IBRD), the IDA, the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for the Settlement of Investment Disputes. It has its own articles of agreement, share capital, financial structure, management, and staff.

IFC's policy importance is supported by more than six decades of fulfilling its mandate. As a private-sector lender, IFC's mandate is to close the financing gap for global development challenges beyond what governments can provide alone. In addition, it is a key player in establishing best practices. Its corporate governance methodology and environmental and social performance standards are broadly used as global benchmarks.

IFC advisory plays a crucial early-stage role by laying the groundwork for investment or as a follow-on to enhance its development impact. Upstream encompasses proactive activities designed to stimulate specific opportunities that facilitate the flow of private capital, both domestic and foreign. IFC's development ambitions via its upstream and advisory enable it to facilitate essential private-sector investments at scale to address the world's most pressing development priorities.

IFC has implemented accountability mechanisms to ensure environmental and social compliance on related projects, which we view as strong and transparent. IFC lends globally, reducing its vulnerability to local environmental risks. We anticipate that its environmental and social risk exposures will rise as it maintains its lending to IDA-eligible and FCS countries. To counter this, all potential projects are subject to a comprehensive impact measuring and monitoring analysis to gauge developmental outcomes.

We think the IFC 2030 strategy, starting in fiscal 2026, builds upon its successful execution of its prior IFC 3.0 long-term strategy to continue deepening and integrating the One World Bank Group approach. It will focus on scaling its equity business and shifting from an originate-to-hold to an originate-to-distribute model, with job creation as a key focus area. We think IFC's long-standing position creating and opening new markets to support private-sector mobilization through its advisory services, risk mitigation and credit enhancement products reflects its unique role, which is not easily fulfilled by other private sector-focused institutions or domestic public institutions in IFC's operating countries.

IFC utilizes a variety of instruments and mechanisms that position itself as a global leader in mobilization, in our view. Core mobilization, short and long term, reached US$43.4 billion in fiscal 2025 from US$24.4 billion in fiscal 2024. The ratio of core mobilization (long-term mobilization to long-term own account financing) was 2 to 1 in fiscal 2025.

IFC primarily mobilizes private-sector capital through loan participations or parallel loans, where it can act as lead arranger or lender of record and offer advisory support. Its upstream and advisory services have also paid off by creating enabling environments that encourage co-investments particularly in IDA and FCS countries. The incorporation of purchased credit risk mitigation from insurance companies also contributed to the mobilization ratio.

The institution recently launched its Emerging Markets Securitization Program. In September 2025, it closed its inaugural securitization transaction with a US$510 million collateralized loan obligation that repackaged some of its loans into rated securities. This innovative and flagship project mobilizes institutional capital into markets they previously would be reluctant to enter, given their risk constraints, through a tranche structure. We expect IFC will issue a second transaction under this program in fiscal 2026.

IFC uses a variety of other mobilization tools and platforms to share its pipeline more directly. Through its managed co-lending portfolio program, investors/credit insurance companies pledge capital/credit insurance capacity up front and IFC identifies eligible loan investments. As of the first quarter of fiscal 2026 (period ended Sept. 30, 2025), 18 global investors/insurers have committed about US$19.2 billion, up from US$16.2 billion and US$12.7 billion in fiscal 2024 and fiscal 2023, respectively. Recently, the WBG, through IFC, launched a $6 billion insurance-backed facility with 19 global insurers, enabling up to $10 billion in new IFC lending to MSMEs, supporting private-sector credit growth while transferring part of the credit risk to insurers.

IFC's Asset Management Co., which invests third-party and IFC capital in its equity investments, saw cumulative fundraising since inception increase to US$10.4 billion, including US$6.6 billion in current funds as of the first quarter of fiscal 2026.

We believe IFC's private-sector focus is strongly backed by the commitment of its shareholders. In April 2018, the IFC board of governors adopted resolutions approving a US$5.5 billion capital increase for IFC as part of a US$13 billion paid-in capital increase package for IBRD and IFC. In the first quarter of fiscal 2026, IFC received US$4.5 billion in capital payments from 132 countries. The additional capital was premised on strengthening IFC's ability to take on greater risks and bring private-sector solutions at scale, particularly to IDA-loan-eligible and FCS countries, given WBG's increased focus in these areas.

IFC has demonstrated its commitment to finance the poorest countries and fragile areas. It rolled out new tools and approaches to better align with its IFC 3.0 strategy and created upstream units to support closer collaboration with other entities in the WBG to develop bankable projects that address development priorities. This was accompanied by significant changes to its workforce over the past five years.

Lending based on own-account commitments to IDA-17 and FCS countries increased to 24% in fiscal 2025 from 21% in fiscal 2024. Alongside the IDA private-sector window created under IDA's 18th replenishment to crowd in additional lending to IDA-loan-eligible and FCS countries, IFC operationalized the Frontier Opportunities Fund and Concessional Capital Window, which provides more concessionality and loss-absorbing capital towards projects in riskier markets.

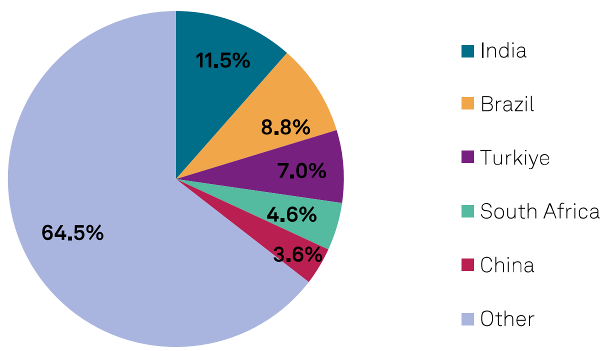
We view IFC's developmental reach as extensive, with purpose related exposure growing by 17% to $75 billion in fiscal 2025. More recently, IFC has been scaling its use of unsecured and covenant-light structures to support corporate clients, which has contributed to the institution's loan growth. We expect this type of lending will, in part, support its growth ambitions--with IFC's investment program expected to double over the next three years as part of its IFC 2030 strategy. IFC's equity book is also expected to double over the next few years and will be crucial for its business growth.

As a fully specialized private-sector lender, IFC doesn't benefit from preferred creditor treatment, which we only apply to sovereign exposures. However, we expect IFC will continue to benefit from preferential treatment by most of the governments of countries it operates in. The institution has been exempted from exchange controls, whereas some commercial debtors have not.

Chart 1

IFC's five largest countries by disbursed investment portfolio

As a percentage of financial guarantees for exposure at risk as of June 30, 2025



Source: IFC annual report June 2025

Governance and management expertise: Diverse shareholder base with generally high-ranking governance based on World Bank indicators

IFC is owned by 186 member countries, with the U.S. being the largest shareholder (17.1% of voting power), followed by Japan (7.1%), Germany (5%), the U.K. (4.7%) and France (4.7%). No major shareholder has withdrawn from IFC, and we don't expect any to do so. We believe IFC's shareholder diversity is further enhanced by its robust management expertise and risk practices. IFC has no private-sector shareholding, and shareholders allow multilateral lending institution earnings to be retained, which further supports our assessment.

We view IFC's management as strong, given its strategic implementation record. Beginning in 2017 under its 3.0 strategy, the institution made important organizational changes, which extended to workforce planning, reorganizing managers and directors, and changing its processes, frameworks, and methods.

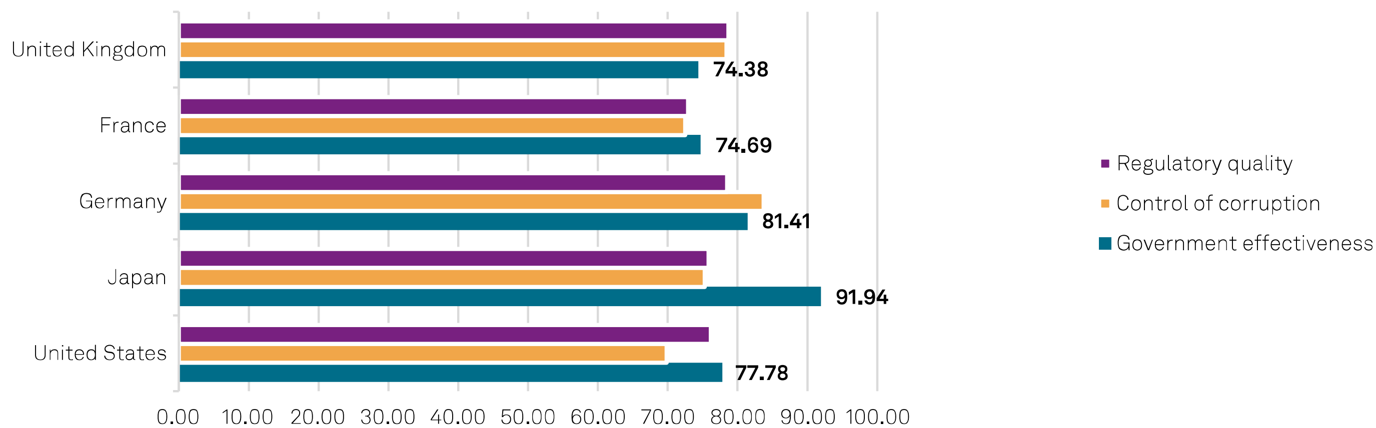
As of Jan. 1, 2026, various departments across IBRD, IFC, and IDA integrated into a single platform, including treasury, controller, risk, and environmental and social functions. This initiative is intended to create more efficiencies and innovations, although IBRD, IDA and IFC balance sheets will continue to remain separate legal entities. We expect this process will be smooth overall and augment previous efforts to create more synergies across WBG entities.

IFC's financial and risk management policies, limits, and methods are robust and conservative. We believe the institution has a strong credit and equity culture and is well positioned to manage higher risks associated with its exposure to IDA-loan-eligible and FCS countries.

Chart 2

IFC's five largest shareholders

Selected World Bank Governance Indicators (2024)



Source: IFC Annual Report and Worldwide governance indcators website

Financial Risk Profile

Capital adequacy: IFC's RAC ratio reflects its substantial capitalization

IFC's RAC ratio was 38.5% in fiscal 2025, incorporating all the parameters as of Feb. 12, 2026, compared with 40.1% in fiscal 2024. The S&P Global Ratings risk-weighted assets increased 11%, compared with a 7% increase in in total adjusted capital.

IFC's total disbursed investment portfolio grew 15% year over year to $68.5 billion as of June 30, 2025. Loans represented the largest share (64%), followed by equity investments (17%) and debt securities (19%). The total disbursed investment portfolio increased to US$71 billion in first-quarter fiscal 2026, a 3.6% growth from fiscal year-end 2025. The increase was in line with our expectation of portfolio growth over the coming years, supported by the organizational changes incorporated earlier and the capital injections finalized in April 2025.

We expect the institution's equity financing to double over the next few years in line with its 2030 strategy. Over the past few years, IFC has streamlined its equity investment portfolio, which represented 28% of its disbursed portfolio in fiscal 2018. As of fiscal 2025, equity financing is 17% of the disbursed portfolio and is expected to grow meaningfully over the next few years, which generally carries higher capital consumption charges. We expect that its equity book, despite having higher risk, will be managed prudently within its broader capital adequacy and IFC has sufficient capital buffers to absorb this additional risk. We think that IFC's increase in exposure to unsecured and credit light lending structures, while generally having stronger credit quality, could be more problematic in a recovery environment.

IFC's continued focus on lower-rated IDA-loan-eligible and FCS countries can also weigh on its RAC. These projects tend to be in higher risk countries, although we believe this will be largely mitigated by generally higher recovery prospects, given IFC tends to be a key stakeholder in these areas with strong ties at the government and project level, supporting its work with countries that typically have difficult legal environments.

IFC has a well-diversified portfolio by country, region, and sector. The outstanding portfolio increased to US$72.6 billion as of second-quarter fiscal 2026 from US$67.5 billion at fiscal year-end 2025. The portfolio, including loans, equities, and guarantees, has expanded since 2015 and remains well-diversified by country and sector.

IFC has debt and equity exposure in 118 countries, and over 2,000 companies. The 10 largest country-committed exposures account for 49.5% of the disbursed investment portfolio as of fiscal year-end 2025, with the finance and insurance sector accounting for the largest share (48%) of the disbursed portfolio. India has been IFC's largest country exposure since 2010, accounting for about 11.5%, followed by Brazil and Turkiye at 8.8% and 7%, respectively.

Asset quality has remained in line with peers. IFC's loss experience has been declining. Nonperforming loans (NPL) dropped to 1.5% of average loans in fiscal 2025 from 1.8% in fiscal 2024 and 2.7% in fiscal 2023. Total loss reserves were 3.1% of the disbursed loan portfolio in fiscal 2025, a marginal increase from 3% in fiscal 2024. While total reserves against loan losses remained largely unchanged, the ratio improved because of an increase in provisions. Regionally, NPLs are concentrated in Africa.

We think IFC will continue to carefully manage risks and new lending; its special operations unit stands out as a proactive element of risk management culture and expertise.

Table 1

IFC risk-adjusted capital framework data: June 2025

(Mil. USD)	Exposure	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Credit risk			
Government and central banks	21,647	1,623	7
Institutions	52,309	29,031	55
Corporate	37,868	52,589	139
Retail			
Securitization	5,606	1,154	21
Other assets	6,407	10,350	162
Total credit risk	123,837	94,747	77
Market risk			
Equity in the banking book	12,944	31,318	242
Trading book market risk			
Total market risk		31,318	
Operational risk			
Total operational risk		8,607	--
Risk transfer mechanisms			
Risk transfer mechanisms RWA			
RWA before MLI Adjustments		134,673	100
MLI adjustments			
Single name (on corporate exposures)		1,032	2
Sector (on corporate portfolio)		(4,279)	-8
Geographic		(22,617)	-18

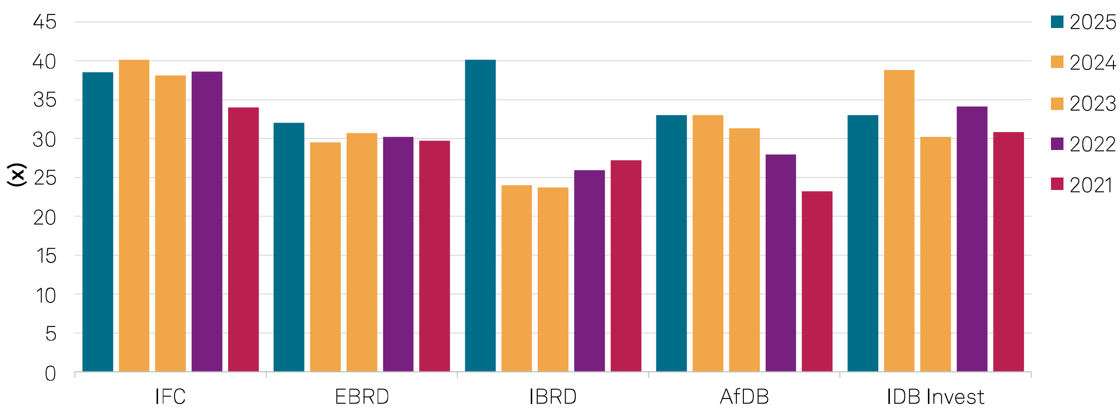
IFC risk-adjusted capital framework data: June 2025

(Mil. USD)	Exposure	S&P Global Ratings RWA	Average S&P Global Ratings RW (%)
Preferred creditor treatment (on sovereign exposures)		-	0
Preferential treatment (on FI and corporate exposures)		(8,769)	-11
Single name (on sovereign exposures)		-	0
Total MLI adjustments		(34,633)	-26
RWA after MLI adjustments		100,040	74
Capital ratio before adjustments		38,510	28.6
Capital ratio after adjustments		38,510	38.5

MLI--Multilateral lending institutions. RW--Risk weight. RWA--Risk-weighted assets.

Chart 3

Risk-adjusted capital ratio--Peer comparison



Notes: 2025 data is as of end-June for all entities. 2025 RAC ratios based on revised October 2025 Criteria Update for International Finance Corp. (IFC) and International Bank of Reconstruction and Development (IBRD). EBRD- -European Bank of Reconstruction and Development. AfDB- -African Development Bank. Source: S&P Global Ratings.

Funding: Diversified profile with easy access to markets

IFC's funding program is broadly diversified by geography and investor, given the institution's frequent issuance in many markets and currencies. IFC is an important issuer in the green bond market, with about US$14.9 billion issued since fiscal 2010. It has also played an important role in establishing the social bond market. In addition, the institution leads global efforts on blue bonds (raising funds for projects that promote sustainable water and wastewater management), including establishing guidelines to set market standards and facilitate blue bond issuance and loan commitments.

In fiscal 2025, IFC raised US$23.4 billion in medium- and long-term notes across 19 currencies, representing a US$10.3 billion increase from fiscal 2024, and raised US$8.7 billion in discount notes; the U.S. dollar remains its primary funding currency. During first quarter of fiscal 2026, it raised US$3.9 billion in medium- and long-term borrowings, versus US$6.3 billion in the same period of fiscal 2025. Total outstanding borrowings were US$71.5 billion in fiscal 2025, up from

US$55.8 billion in fiscal 2024, because of US$13 billion in new issuances, anticipating higher future disbursements.

IFC follows a matched funding policy under which loan assets are funded by liabilities with similar interest rate, currency, and maturity characteristics, except for new products approved by the board of directors involving asset-liability mismatches. Use of derivatives allows borrowings and investments in various currencies and interest rate schemes.

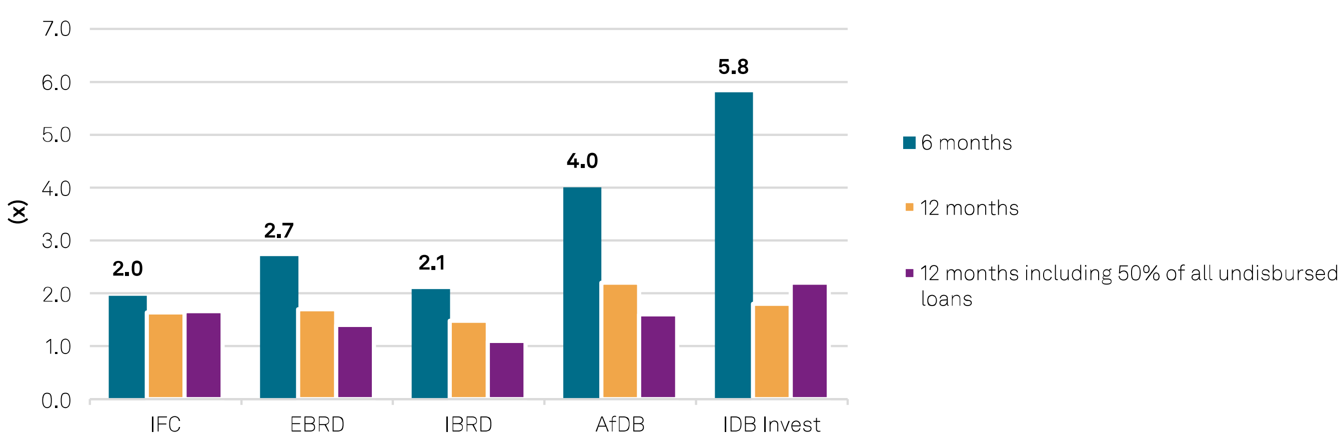
Liquidity: Remains robust

IFC maintains a strong liquid asset cushion, at US$44.8 billion, accounting for 35% of total assets and 63% of gross debt as of June 30, 2025. Our liquidity ratios indicate IFC would be able to fulfill its mandate as planned for at least one year, even under stressed market conditions, without access to the capital markets.

Using fiscal 2025 data and incorporating our updated liquidity haircuts, the 12-month liquidity ratio considering the netted derivatives position was 1.6x with scheduled loan disbursements, while the six-month ratio was 2x. We estimate IFC would not need to slow disbursements under a stress scenario, which considers 50% of all undisbursed loans regardless of the planned disbursement date, as if they were coming due in the next 12 months.

Chart 4

Liquidity stress test ratios--Peer comparison



Source: S&P Global Ratings. Data as of end-June 2025 for all entities.

Extraordinary Shareholder Support

IFC has no callable capital, so the long-term issuer credit rating reflects our assessment of IFC's stand-alone credit profile of 'aaa'.

Table 2

International Finance Corp. selected indicators

	2025	2024	2023	2022	2021
ENTERPRISE PROFILE					
Policy importance					
Total purpose-related exposure (loans, equity, etc.) (mil. $)*	75,393	64,628	57,111	49,502	49,888
Public-sector (including sovereign-guaranteed) loans/purpose-related exposure (%)	0	0	0	0	0
Private-sector loans/purpose-related exposures (%)	83	81	80	75	76
Gross loan growth (%)	17.06	16.15	22.74	-0.36	5.77
Preferred creditor treatment ratio (%)	N/A	N/A	N/A	N/A	N/A
Governance and management expertise					
Share of votes controlled by eligible borrower member countries (%)	77	77	77	77	77
Concentration of top two shareholders (%)	25.6	26.5	27.2	28.2	29.2
Eligible callable capital (mil. $)	N/A	N/A	N/A	N/A	N/A
FINANCIAL RISK PROFILE					
Capital and earnings					
RAC ratio (%)**	38.5	40.1	38.1	38.6	34.0
Net interest income/average net loans (%)	3.8	4.1	3.6	4.0	4.0
Net income/average shareholders' equity (%)	5.1	4.1	2.0	-1.5	14.9
Impaired loans and advances/total loans (%)	1.5	1.8	2.7	3.9	6.5
Liquidity coverage ratio (with planned disbursements):					
Six months (net derivate payables) (x)	2	2	2	2	2
12 months (net derivate payables) (x)	2	2	2	2	2
12 months (net derivate payables) including 50% of all undisbursed loans (x)	2	2	2	2	2
Funding ratios					
Gross debt/adjusted total assets (%)	55	52	47	49	53
Short-term debt (by remaining maturity)/gross debt (%)	22	22	23	24	20
Static funding gap (with planned disbursements)					
12 months (net derivate payables) (x)	2	2	1	2	2
Summary Balance Sheet					
Total assets (mil. $)	129,740	108,187	110,547	99,010	105,264
Total liabilities (mil. $)	88,812	70,715	75,509	66,205	74,020
Shareholders' equity (mil. $)	40,928	37,472	35,038	32,805	31,244

*Not including committed disbursements. **2025 RAC ratio based on June 2025 fiscal year and calculated under October 2025 Criteria update. PCT--Preferred creditor treatment. RAC--Risk-adjusted capital. N.A.--Not available.

Table 3

International Finance Corp. peer comparison

	International Finance Corp.	European Bank for Reconstruction and Development	International Bank for Reconstruction and Development	African Development Bank	IDB Invest
Issuer credit ratings	AAA/Stable/A-1+	AAA/Stable/A-1+	AAA/Stable/A-1+	AAA/Stable/A-1+	AA+/Positive/A-1+
Total purpose-related exposure ($mil. curr)	75,393	49,771	270,358	35,555	8,874

International Finance Corp. peer comparison

	International Finance Corp.	European Bank for Reconstruction and Development	International Bank for Reconstruction and Development	African Development Bank	IDB Invest
Preferred creditor treatment ratio (%)	N.M	N.M	0.6	1.6	N.M
Risk adjusted capital ratio (%)	38	32	40	33	33
Liquidity ratio 12 months (net derivative payables; %)	1.6	1.7	1.5	2.2	1.8
Funding gap 12 months (net derivative payables; %)	1.6	2.2	1.6	1.0	3.1

For IFC and IBRD, all data as of end-June 2025 and RAC ratio reflects revised Criteria update. For EBRD, AfDB and IDB Invest, PRE and PCT is as of Dec 2024 and all other data as of end-June 2025. Fiscal year-end is June for IFC and IBRD. Source: S&P Global Ratings.

Rating Component Scores

Enterprise Risk Profile	**Extremely strong**	Very strong	Strong	Adequate	Moderate	Weak	Very weak
Policy Importance	**Very strong**	Strong	Adequate	Moderate	Weak		
Governance and Management	**Strong**	Adequate	Weak				
Financial Risk Profile	**Extremely strong**	Very strong	Strong	Adequate	Moderate	Weak	Very weak
Capital Adequacy	**Extremely strong**	Very strong	Strong	Adequate	Moderate	Weak	Very weak
Funding and Liquidity	**Very strong**	Strong	Adequate	Moderate	Weak	Very weak	

Related Criteria

- Criteria | Governments | General: Multilateral Lending Institutions And Other Supranational Institutions Ratings Methodology, Oct. 13, 2025
- Criteria | Financial Institutions | General: Risk-Adjusted Capital Framework Methodology, April 30, 2024
- General Criteria: Environmental, Social, And Governance Principles In Credit Ratings, Oct. 10, 2021
- General Criteria: Methodology For Linking Long-Term And Short-Term Ratings, April 7, 2017
- General Criteria: Methodology For Rating Sukuk, Jan. 19, 2015
- General Criteria: Principles Of Credit Ratings, Feb. 16, 2011

Related Research

- Supranationals Special Edition 2025, Oct. 22, 2025
- Supranationals Edition 2025: Comparative Data For Multilateral Lending Institutions, Oct. 14

- Abridged Supranationals Interim Edition 2025: Multilateral Lending Institutions Sector Updates, May 22, 2025

Ratings Detail (as of March 10, 2026)*

International Finance Corp.		
Issuer Credit Rating		AAA/Stable/A-1+
Senior Unsecured		A-1+
Senior Unsecured		AAA
Short-Term Debt		A-1+
Issuer Credit Ratings History		
09-Dec-1997	*Foreign Currency*	AAA/Stable/A-1+
05-Apr-1990		AAA/Stable/--
16-Jun-1989		AAA/--/--
27-Dec-2017	*Local Currency*	AAA/Stable/A-1+
09-Nov-1998		--/--/NR
09-Dec-1997		--/--/A-1+

*Unless otherwise noted, all ratings in this report are global scale ratings. S&P Global Ratings' credit ratings on the global scale are comparable across countries. S&P Global Ratings' credit ratings on a national scale are relative to obligors or obligations within that specific country. Issue and debt ratings could include debt guaranteed by another entity, and rated debt that an entity guarantees.