

Management's Discussion and Analysis
and
Condensed Consolidated Financial Statements
September 30, 2026

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SECTION I: SELECTED FINANCIAL DATA

This Management's Discussion and Analysis (MD&A) discusses the financial results of the International Finance Corporation (IFC or the Corporation) for the three months ended September 30, 2026 (FY27 Q1). This document should be read in conjunction with IFC's Consolidated Financial Statements and MD&A issued for the year ended June 30, 2026 (FY26). The MD&A contains forward looking statements which may be identified by such terms as "anticipates", "believes", "expects", "intends", "plans", "aims" or words of similar meaning. Such statements involve a number of assumptions and estimates that are based on current expectations, which are subject to risks and uncertainties beyond IFC's control. Consequently, actual future results could differ materially from those currently anticipated. IFC undertakes no obligation to update any forward-looking statements.

The table below presents selected financial data as of September 30, 2026, June 30, 2026 and for the three months ended September 30, 2026 and September 30, 2025. Certain reclassifications of prior years' information have been made to conform with the current year's presentation.

Table 1: Financial Data Summary

	For the three months ended September 30,	
(US$ in millions)	**2026**	2025
Statements of Operations		
Net income (Section VII)	**$ 39**	$ 734
Allocable income (Section II)	**78**	387

(US$ in millions)	**September 30, 2026**	June 30, 2026
Balance Sheets		
Total assets	**$ 142,587**	$ 137,518
Liquid assets [a] (Section IV)	**46,506**	44,401
Investments (Section III)	**77,046**	75,815
Loans	**48,977**	48,234
Equity Investments	**13,864**	13,485
Debt Securities	**14,205**	14,096
Borrowings outstanding including fair value adjustments (Section V)	**79,066**	76,383
Total capital (Section V)	**43,600**	43,308

a Net of securities sold under repurchase agreements, payable for cash collateral received and associated derivatives.

Capital Utilization Ratio	**September 30, 2026**	June 30, 2026
Capital Utilization Ratio (CUR)	**67.2%**	64.8%

SECTION II: EXECUTIVE SUMMARY

This executive summary highlights selected information and may not contain all of the information that is important to readers of this document. For a complete description of IFC's FY27 Q1 performance, this MD&A should be read in its entirety.

IFC is the largest global development institution focused on the private sector in emerging markets. Established in 1956, IFC is owned by 186 member countries, a group that collectively determines its policies. IFC is a member of the World Bank Group (WBG)[1] and is a legal entity separate and distinct from the other WBG institutions, with its own Articles of Agreement, share capital, financial structure, management, and staff. Membership in IFC is open only to member countries of IBRD. IFC is not liable for the obligations of the other WBG institutions.

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

Recent initiatives underscore IFC's strategic focus on Private Capital Mobilization (PCM) and job creation. In October 2026, IFC has expanded the Managed Co-Lending Portfolio Program (MCPP) platform into a new generation model that provides institutional investors with scalable, diversified, open-ended and evergreen access to IFC-originated senior and subordinated loans, to finance private businesses across emerging markets. The initiative is supported by a private debt investment vehicle under the Emerging Markets Credit Participation Fund (EMCP), targeting up to $2 billion in commitments, with a $300 million first closing. Refer to Section III: Client Services for additional details on MCPP.

IFC has continued to grow its footprint in the poorest member countries and fragile areas. IFC remains committed to delivering impact at scale by proactively adapting to the evolving global landscape while leveraging its unique strengths within the WBG to create opportunities and improve living standards for millions worldwide. Ongoing geopolitical conflicts, including those in the Middle East, continue to create a challenging environment for growth and development across emerging markets and developing economies. In response, the WBG is actively engaging with governments, the private sector, development partners, and other stakeholders to address these challenges – and IFC is working to sustain investment flows and support private sector resilience across its member countries.

FINANCIAL BUSINESS MODEL

IFC helps developing countries achieve sustainable growth by financing private sector investment, mobilizing capital in international financial markets, and providing advisory services to businesses and governments. IFC's principal investment products are loans, equity investments, debt securities and guarantees. IFC also mobilizes private capital for development by attracting private capital to invest in projects through a diverse set of products and initiatives. Unlike most other development institutions, IFC does not accept host government guarantees of repayment. IFC raises virtually all of the funds for its lending activities through the issuance of debt obligations in the international capital markets, while maintaining a small borrowing window with IBRD. Equity investments are funded from capital (net worth). Proceeds of borrowings from market sources or net worth not immediately disbursed for investments are managed internally by IFC in its liquid asset portfolio.

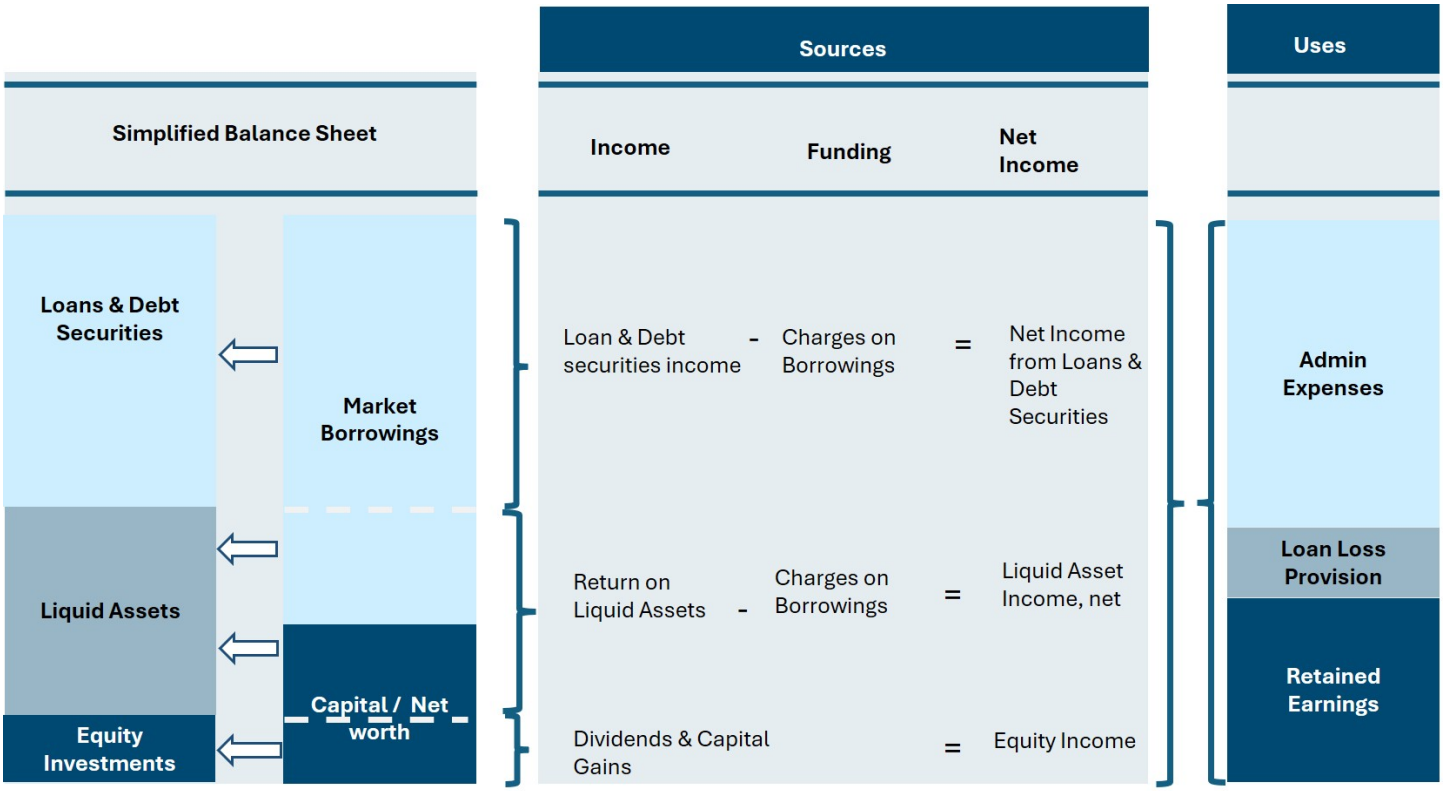
IFC's capital base and its assets and liabilities, other than its equity investments, are primarily denominated in U.S. dollar ($ or US$) or swapped into U.S. dollar. Overall, IFC seeks to minimize foreign exchange and interest rate risks arising from its loans, debt securities and liquid assets by closely matching the currency and rate basis of its assets in various currencies with liabilities having the same characteristics. IFC generally manages non-equity investment related and certain lending related residual currency and interest rate risks by utilizing currency and interest rate swaps and other derivative instruments.

Sources and Uses of Income

IFC's primary sources of income are from its loans, debt securities, equity investments and liquid assets. The income generated covers administrative expenses and provisions for losses. For loans, debt securities and liquid assets, income is largely in the form of interest income net of charges on borrowings, as well as capital gains. IFC's equity investments generate income through capital gains, as well as dividends (figure below).

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

Figure 1: Sources and Uses of Income



BASIS OF PREPARATION OF IFC'S CONSOLIDATED FINANCIAL STATEMENTS

IFC's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), and are independently audited on an annual basis. IFC's accounting policies are discussed in more detail in Note A to the June 30, 2026 audited consolidated financial statements and IFC's condensed consolidated financial statements as of and for the three months ended September 30, 2026 (FY27 Q1 condensed consolidated financial statements).

Non-GAAP Measures

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

Allocable Income

IFC uses allocable income, a non-GAAP measure, as the basis for making net income allocation decisions. IFC defines allocable income as net income after certain adjustments. These adjustments primarily relate to unrealized gains and losses on IFC's loans, debt securities, equity investments and borrowings, income from the Post-retirement Contribution Reserve Fund (PCRF) and Expenses funded by prior years' allocations. See more details in Section V: Funding Resources – Capital and Retained Earnings.

Management's Discussion and Analysis

The tables below outline a comparative breakdown of IFC's Statements of Operations, including a reconciliation of IFC's net income to allocable income for the respective periods ended on September 30, 2026 and September 30, 2025 as well as key Balance Sheet components and key financial ratios as of September 30, 2026 and June 30, 2026.

Table 2: Summary of Financial Results

	For the three months ended September 30,	
(US$ in millions)	**2026**	**2025**
Condensed consolidated statements of operations highlights		
Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	**$ 805**	$ 858
Provision for losses on loans, off-balance sheet credit exposures and other receivables	**(52)**	(73)
Income from equity investments, including realized and unrealized gains and losses on equity and associated derivatives	**249**	388
Income from debt securities, including realized gains and losses on debt securities and associated derivatives	**203**	202
(Provision) release of provision for losses on available-for-sale debt securities	**(2)**	3
Income from liquid asset trading activities	**302**	605
Charges on borrowings	**(904)**	(953)
Other income	**96**	133
Administrative and other expenses	**(453)**	(474)
Foreign currency transaction gains (losses) on non-trading activities	**2**	(38)
Income before net unrealized gains and losses on loans, debt securities, borrowings and related derivatives	**246**	**651**
Net unrealized (losses) gains on loans, debt securities, borrowings and related derivatives	**(207)**	83
Net income	**39**	**734**
Adjustments to reconcile net income to allocable income		
Unrealized gains on loans and debt securities [a]	**(95)**	(80)
Unrealized gains on equity investments [a]	**(189)**	(257)
Unrealized losses (gains) on borrowings [a]	**302**	(3)
PCRF income	**8**	(7)
Expenses funded by prior years' allocations [b]	**13**	—
Allocable income	**$ 78**	**$ 387**

a Unrealized gains and losses on loans, debt securities, equity investments and borrowings presented in this table include unrealized gains and losses from associated derivatives.

b Effective March 2026, to better measure income generated by current year activities, the allocable income (a non-GAAP performance measure) calculation has been refined by adding back expenses funded by prior years' approved allocations.

(US$ in millions)	September 30, 2026	June 30, 2026
Condensed consolidated balance sheets highlights		
Total assets	**$ 142,587**	$ 137,518
Liquid assets [a]	**46,506**	44,401
Investments	**77,046**	75,815
Loans	**48,977**	48,234
Equity Investments	**13,864**	13,485
Debt Securities	**14,205**	14,096
Borrowings outstanding, including fair value adjustments	**79,066**	76,383
Total capital	**43,600**	43,308
of which		
General reserve	**15,660**	14,275
Cumulative fair value and other adjustments	**792**	818
Unallocated net income	**78**	1,743
Other reserves	**849**	504
Accumulated other comprehensive income (AOCI)	**1,925**	1,672
Paid-in capital	**24,296**	24,296

a Net of securities sold under repurchase agreements, payable for cash collateral received and associated derivatives.

Table 3: Key Financial Ratios

(US$ in billions, except ratios)	September 30, 2026	June 30, 2026
Overall liquidity ratio [a]	**69.5%**	78.6%
Debt to equity ratio [b]	**2.1**	2.0
Total reserve against losses on loans to total committed portfolio [c]	**2.9%**	2.9%
Capital measures:		
Capital Available [d]	**$ 40.7**	$ 40.7
Capital Required [e]	**27.3**	26.4
CUR [f]	**67.2%**	64.8%

a IFC's overall liquidity ratio is calculated as IFC's liquidity, plus undrawn borrowing commitments from IBRD, divided by the next three years' estimated net cash requirements. The ratio stood at 69.5% as of September 30, 2026, above the minimum Board approved requirement of 45%.

b Debt to equity (leverage) ratio is defined as outstanding borrowings plus committed guarantees divided by total capital (comprised of paid-in capital, retained earnings and AOCI). IFC's debt to equity ratio as of September 30, 2026 was well within the maximum of 4 required by the policy approved by IFC's Board of Directors.

c Total reserve against losses on loans to total committed portfolio is defined as reserve against losses on loans as a percentage of the total committed loans at amortized cost.

d Capital Available: Resources available to absorb potential losses, calculated as: The sum of IFC's paid-in capital, General Reserve, unallocated net income and AOCI, minus the pension surplus of each pension plan, and PCRF assets.

e Capital Required: Aggregate minimum Economic Capital required to maintain IFC's AAA/Aaa rating.

f CUR is defined as Capital Required divided by Capital Available.

IFC's Capital Utilization Ratio (CUR) increased to 67.2% as of September 30, 2026, from 64.8% as of June 30, 2026. The increase was primarily driven by higher Capital Required for the Equity, Loan, and Treasury portfolios, while Capital Available remained broadly unchanged as increases in AOCI and retained earnings were offset by higher Board-approved allocations, net of expenditures.

FINANCIAL PERFORMANCE SUMMARY

IFC's financial performance has been influenced by its results from operations, changes in interest rates, foreign exchange rate movements, and the volatility of emerging equity markets in FY27 Q1.

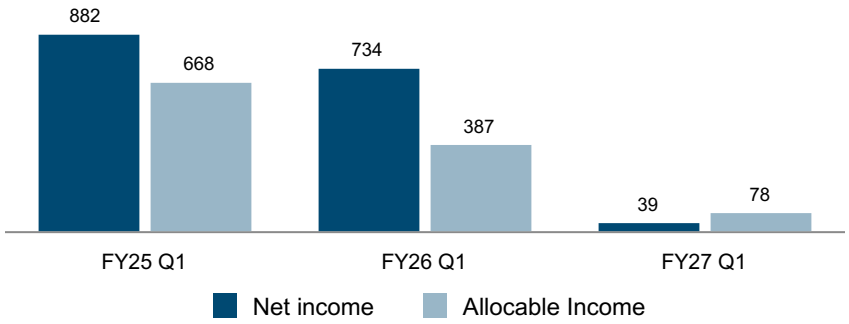
Net income and allocable income

IFC reported net income of $39 million in FY27 Q1 as compared to $734 million in the three months ended September 30, 2025 (FY26 Q1). Allocable income totaled $78 million in FY27 Q1 as compared to $387 million in FY26 Q1.

Net income decreased by $695 million, primarily driven by higher unrealized losses on borrowings ($305 million), lower treasury income ($277 million), and lower equity income ($139 million). Treasury income declined due to unfavorable mark-to-market impacts from higher U.S. Treasury yields. Higher unrealized losses on borrowings primarily reflected a refinement to IFC's own-credit estimation methodology and a change in discounting curves used for certain currencies.

Allocable income decreased by $309 million compared to FY26 Q1, primarily due to lower treasury income. The chart below provides a three-year trend of Net Income and Allocable Income

Figure 2: Income Measures (US$ in millions)



During FY27 Q1, IFC's FY26 net income allocations were approved in accordance with the applicable governance process. See more details in Section V: Funding Resources – Capital and Retained Earnings.

Investment Operations

Beginning in FY26, IFC's investment commitments (a non-GAAP performance measure) comprise own account (OA) and private capital mobilization (PCM) commitments. Own account commitments represent investments made by IFC using its own borrowings or capital. PCM commitments reflect the assessed amount of private financial resources committed alongside IFC commitments, whether through financing, guarantees or technical assistance. PCM is measured in accordance with the methodology harmonized across Multilateral Development Banks and European Development Financial Institutions as applicable during the current reporting period. Amounts mobilized are generally not recorded as IFC's financial transactions. Effective FY27, IFC PCM includes short-term financing-related mobilization contributed by private entities alongside an IFC commitment. The change was applied prospectively. Refer to Section IX: Appendix – Glossary of Terms for details.

In FY27 Q1, IFC's commitments comprised $9.0 billion from its own account ($8.2 billion – FY26 Q1) and $18.9 billion from PCM, including $15.9 billion of long-term PCM and $3.0 billion of short-term PCM ($12.5 billion of long-term PCM – FY26 Q1). IFC disbursed $5.6 billion in FY27 Q1 ($6.4 billion – FY26 Q1) excluding guarantees. See more details in Section III: Client Services.

Investment Portfolio

The carrying value of IFC's outstanding investment portfolio was $77.0 billion as of September 30, 2026, an increase of $1.2 billion compared to June 30, 2026. The portfolio's growth was primarily driven by $1.3 billion of net disbursements (disbursements net of repayments, prepayments, and divestments). See Section III: Client Services Disbursed Investment portfolio section for the definition of carrying value.

Liquid Assets

The Net Asset Value (NAV) of the liquid asset portfolio increased by $2.1 billion to $46.5 billion as of September 30, 2026 from June 30, 2026. The increase reflects a $2.6 billion increase in the Market Funded portfolio, primarily due to net inflows from borrowings exceeding net loan disbursements, partially offset by a $525 million decrease in the Net Worth Funded portfolio, as net equity disbursements exceeded the increases in paid-in capital and retained earnings.

Borrowings

Borrowings outstanding (including fair value adjustments) increased by $2.7 billion from $76.4 billion as of June 30, 2026 to $79.1 billion as of September 30, 2026, mainly driven by net issuances of $4.2 billion, partially offset by fair value gains of $1.5 billion. In line with IFC's hedging strategies, the unrealized gains on the bonds were largely offset by the losses associated with related hedging derivatives.

New borrowings in FY27 Q1 were $13.3 billion as compared to $6.2 billion in FY26 Q1, including $9.0 billion under the medium and long-term borrowing program, and $4.3 billion under the short-term discount note program. There were no new borrowings through securitized borrowings in FY27 Q1 ($345 million – FY26 Q1).

SECTION III: CLIENT SERVICES

BUSINESS OVERVIEW

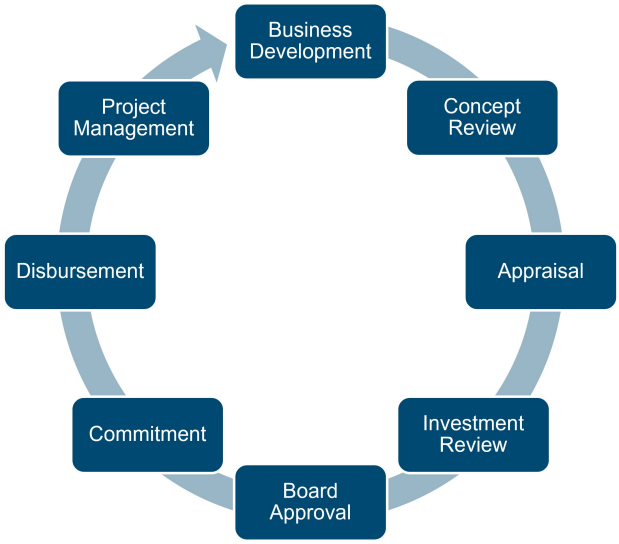
For all new investments, IFC articulates the expected impact on sustainable development and, as projects mature, assesses the quality of the development benefits realized. IFC's strategic focus areas are aligned to advance the WBG's global priorities.

INVESTMENT SERVICES

IFC's investments are normally made in its developing member countries. IFC's Articles of Agreement mandate that IFC shall invest in productive private enterprises. The existence of a government or other public interest in such an enterprise does not necessarily preclude IFC from making an investment therein under certain circumstances, such as if such enterprises are organized under local commercial and corporate law, operate free of host government control in a market context and according to profitability criteria, and/or are in the process of being completely or partially privatized.

IFC's investment project cycle generally includes the following stages:

Figure 3: IFC's Investment Project Cycle



IFC's investment products and services are designed to meet the needs of clients in different industries – principally infrastructure, manufacturing, agribusiness, disruptive technologies and funds, services, and financial markets. Investment services product lines include: loans, equity investments, debt securities, trade and supply chain finance, guarantees and partial credit guarantees, securitizations, Client Risk Management services, blended finance, and private capital mobilized.

IFC supervises its investments by closely monitoring project performance and ensuring compliance with contractual obligations and IFC's policies and procedures.

INVESTMENT PROGRAM

Commitments

IFC's own account investments supported 92 Long-Term finance projects in FY27 Q1 (98 – FY26 Q1). Effective FY27, IFC PCM includes both long-term and short-term financing-related mobilization contributed by private entities alongside an IFC commitment. Total PCM amounted to $18.9 billion in FY27 Q1. The change was applied prospectively; accordingly, the FY26 Q1 PCM includes $12.5 billion of long-term PCM, and excludes $1.8 billion Short-Term Direct Mobilization from the comparative amounts presented below. The table below outlines a comparative breakdown of IFC's own account commitments and private capital mobilization in FY27 Q1 and FY26 Q1:

Table 4: IFC Commitments

	For the three months ended September 30,		
(US$ in millions)	**2026**	2025	Variance
Long-Term Finance Own Account Commitments [a]			
Loans	**$ 4,573**	$ 3,973	$ 600
Equity Investments	**868**	910	(42)
Guarantees	**253**	494	(241)
Client Risk Management	**6**	—	6
Total Long-Term Finance Own Account Commitments	**5,700**	**5,377**	**323**
Short-Term Finance Own Account	**3,308**	2,784	524
Total Own Account Commitments	**$ 9,008**	**$ 8,161**	**$ 847**
Private Capital Mobilization			
Long-Term Direct Mobilization	**$ 11,394**	$ 9,457	$ 1,937
Long-Term Indirect Mobilization	**4,460**	3,038	1,422
Total Long-Term Private Capital Mobilization	**15,854**	12,495	3,359
Short-Term Direct Mobilization	**3,035**		
	$ 18,889		

a Debt security commitments are included in loans or equity investments based on their predominant characteristics.

INVESTMENT DISBURSEMENTS

During FY27 Q1, IFC disbursed $5.6 billion for its own account ($6.4 billion – FY26 Q1) as presented in the table below:

Table 5: Disbursements of IFC's Investment Portfolio

	For the three months ended September 30,		
(US$ in millions)	**2026**	2025	Variance
Loans	**$ 4,355**	$ 4,873	$ (518)
Equity Investments	**477**	532	(55)
Debt Securities	**767**	1,019	(252)
Total Investment Disbursements	**$ 5,599**	**$ 6,424**	**$ (825)**

INVESTMENT PORTFOLIO

IFC's total disbursed investment portfolio (a non-GAAP performance measure) was $77.8 billion as of September 30, 2026 ($76.6 billion – June 30, 2026), as presented in the table below:

Table 6: Disbursed Investment Portfolio

	September 30, 2026		June 30, 2026	
(US$ in millions)	**Disbursed Investment**	**As a % of Total**	Disbursed Investment	As a % of Total
Loans	**$ 50,709**	**65 %**	$ 49,899	65 %
Equity Investments	**12,831**	**16**	12,655	17
Debt Securities	**14,303**	**19**	14,061	18
Total Disbursed Investment Portfolio	**$ 77,843**	**100 %**	**$ 76,615**	**100 %**

The breakdown of the committed investment portfolio (sum of (i) committed but undisbursed balance; and (ii) disbursed and outstanding balance) as of September 30, 2026 and June 30, 2026 is presented in the table below:

Table 7: Committed Investment Portfolio

(US$ in millions)	**September 30, 2026**	June 30, 2026	Variance
Loans and loan-like debt securities [a]	**$ 75,379**	$ 72,699	$ 2,680
Equity and equity-like debt securities [a]	**18,231**	17,650	581
Guarantees and Client Risk Management	**12,740**	11,735	1,005
Total Committed Investment Portfolio	**$ 106,350**	**$ 102,084**	**$ 4,266**

a Loan-like and equity-like instruments are reported as debt securities on IFC's condensed consolidated financial statements.

The carrying value of IFC's investment portfolio comprises: (i) the disbursed investment portfolio; (ii) less reserve against losses on loans and debt securities; (iii) unamortized deferred loan origination fees; (iv) less disbursed amounts allocated to equity related options reported separately in derivative assets; (v) unrealized gains and losses on equity investments held by consolidated Variable Interest Entities (VIEs); and (vi) unrealized gains and losses on investments. The breakdown of IFC's investment portfolio as of September 30, 2026 and June 30, 2026 is presented in the table below:

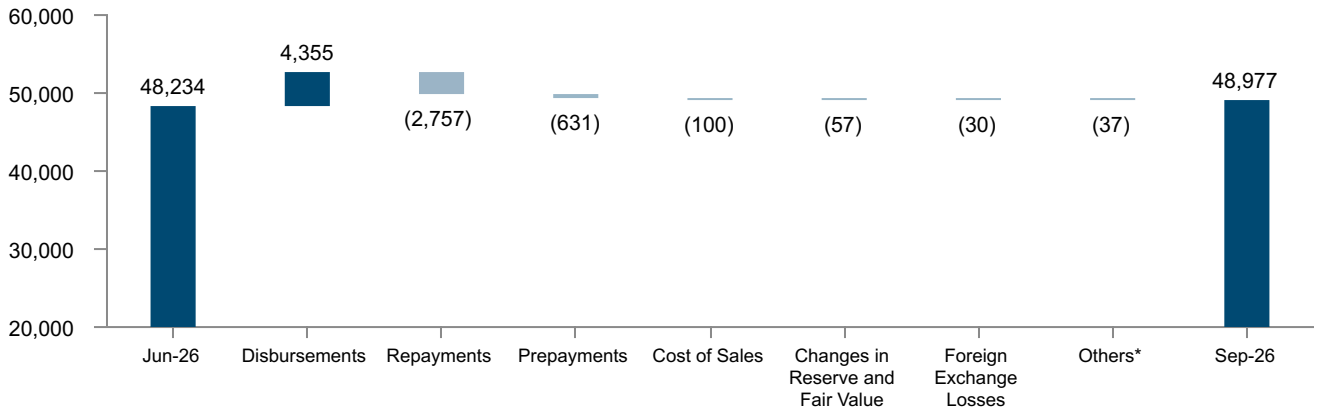
Table 8: The Carrying Value of IFC's Investment Portfolio

(US$ in millions)	**September 30, 2026**	June 30, 2026	Variance
Loans	**$ 48,977**	$ 48,234	$ 743
Equity Investments	**13,864**	13,485	379
Debt Securities	**14,205**	14,096	109
Total Investments	**$ 77,046**	**$ 75,815**	**$ 1,231**

Loans

The carrying value of IFC's loan portfolio increased by $743 million (2%) to $49 billion as of September 30, 2026. The increase was primarily driven by net disbursements (disbursements net of repayment, prepayment, and cost of sales), partially offset by changes in reserves and fair value. See breakdown of the movement in the figure below.

Figure 4: Carrying Value of Loan Portfolio (US$ in millions)



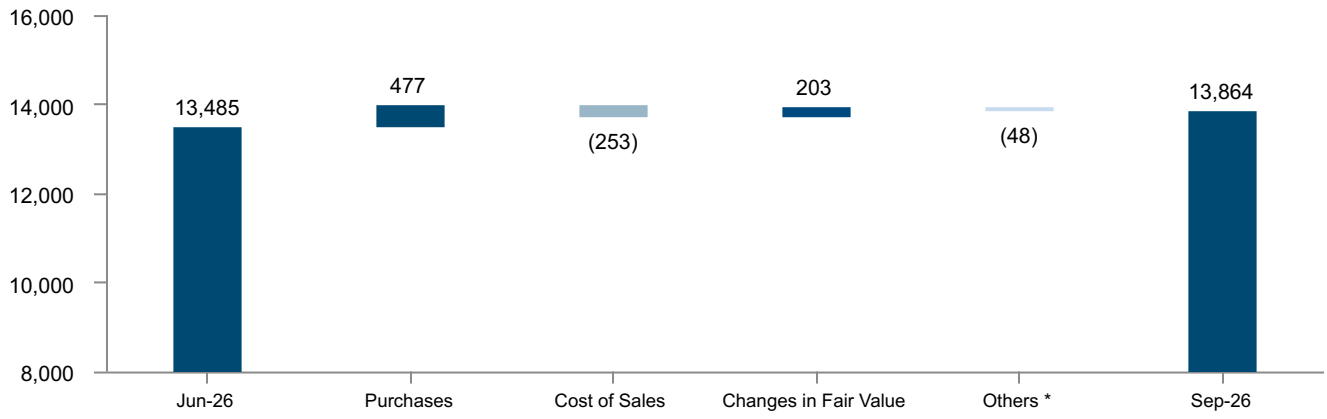
* Mainly represents capitalized interest, unamortized deferred fees and transfers to debt securities and equity.

The weighted average contractual interest rate on loans was 6.6% and 6.5% as of September 30, 2026 and June 30, 2026 respectively.

Equity Investments

The carrying value of IFC's equity investment portfolio increased by $379 million (2.8%) to $13.9 billion as of September 30, 2026. The increase was mainly due to net purchases (purchases net of sales) and changes in fair value. See breakdown of the movement in the figure below.

Figure 5: Carrying Value of Equity Investment Portfolio (US$ in millions)

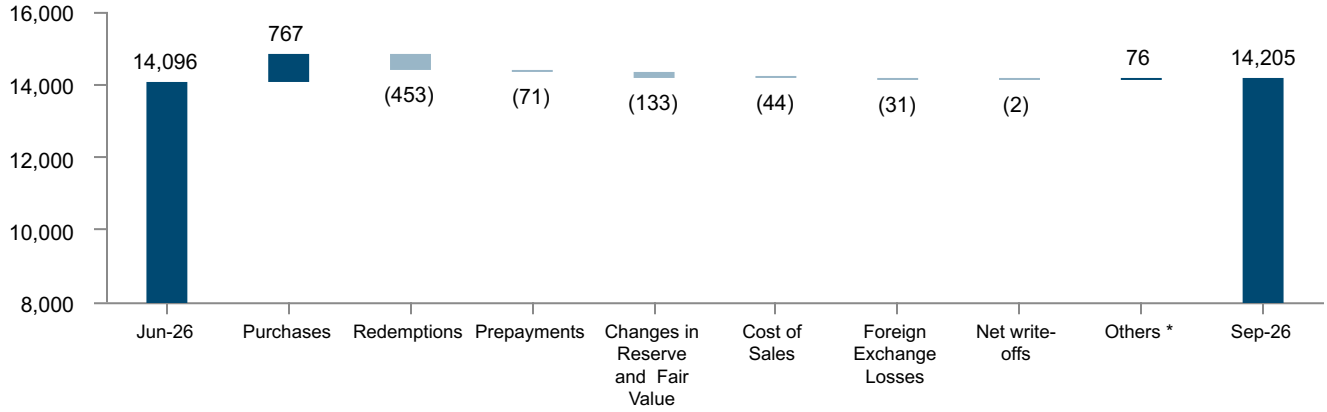


* Mainly represents liquidations, conversions, and transfers from/to loans and debt securities.

Debt Securities

The carrying value of IFC's debt security portfolio increased by $109 million (0.8%) to $14.2 billion as of September 30, 2026. The increase was primarily driven by net purchases (purchases net of redemptions and prepayments) partially offset by changes in reserve and fair value and foreign exchange losses. See breakdown of this movement in figure below:

Figure 6: Carrying Value of Debt Security Portfolio (US$ in millions)



* Mainly represents conversions and transfers from loans to debt securities and capitalized interest.

Guarantees and Partial Credit Guarantees

IFC provides guarantees for loans and debt securities, including portfolio risk sharing facilities and trade obligations of clients, and covering both commercial and non-commercial risks. Outstanding guarantees (i.e., not called) totaled $9.4 billion as of September 30, 2026 ($8.1 billion – June 30, 2026).

Managed Co-Lending Portfolio Program (MCPP)

Managed Co-Lending Portfolio Program (MCPP) creates diversified portfolios of emerging market private sector loans. MCPP builds a loan portfolio for an investor that mirrors the portfolio IFC is creating for its Own Account. Investors pledge capital upfront and then as IFC identifies eligible projects, investor exposure is allocated alongside IFC's own investment in accordance with the terms of the managed co-lending agreement.

As of September 30, 2026, twenty-four (twenty-four – June 30, 2026) global investors have pledged $25.2 billion ($25.2 billion – June 30, 2026) to the MCPP, with certain programs investing across all sectors and others focused on real sector or financial institutions exclusively. As of September 30, 2026, investors have approved funding for 417 projects totaling $17.3 billion across 73 countries, compared with 415 projects totaling $17.1 billion across 73 countries as of June 30, 2026. Of these amounts, $13.4 billion ($13.1 billion – June 30, 2026) has been committed. IFC will continue to deploy the remaining funds raised as IFC identifies projects that meet investors' investment criteria.

Private Sector Window (PSW)

The IDA-IFC-MIGA Private Sector Window (PSW) was created under IDA's Eighteenth Replenishment of Resources (IDA18) to mobilize private sector investment in IDA-eligible countries and IDA-eligible Fragile and Conflict-affected Situations (FCS). Under IDA's Twenty-First Replenishment of Resources (IDA21), $3.2 billion was allocated to the PSW, including $500 million of capital set aside by IFC. As of September 30, 2026, $658 million was approved under the IDA21 PSW envelope, including $122 million under IFC's capital set-aside.

IFC-managed funds

IFC's Equity Mobilization Department (AMC) invests third-party capital and IFC capital, enabling outside investors to invest alongside IFC in developing markets. Investors in funds managed by IFC's Equity Mobilization Department have included sovereign wealth funds, national pension funds, multilateral and bilateral development institutions, national development agencies and international financial institutions.

As of September 30, 2026, IFC's Equity Mobilization Department managed multiple funds (collectively referred to as the AMC Funds), in its capacity as General Partner (GP)/Manager of these funds. However, none of these funds require consolidation by IFC, because the third party limited partners of these funds have a substantive ability to remove IFC as GP/Manager. All of IFC's Equity Mobilization Department's Funds are investment companies and are required to report their investment assets at fair value through net income. IFC's commitment ownership interests in these AMC Funds are shown in the following table:

Table 9: IFC's Commitment Ownership Interests in AMC Funds

AMC Funds	IFC's commitment ownership interest
IFC African, Latin American and Caribbean Fund, LP	20%
IFC Catalyst Funds [a]	18%
IFC Global Infrastructure Fund, LP	17%
IFC Financial Institutions Growth Fund, LP	30%
IFC Global Emerging Markets Fund of Funds [b]	19%
IFC Middle East and North Africa Fund, LP	37%
IFC Emerging Asia Fund, LP	22%
IFC GEMFOF 2 SMA, LP	—%
IFC Emerging Markets Sustainability Fund of Funds, LP	—%
TfL IFC Growth and Sustainability, LP	—%

a The commitment ownership interest of 18% reflects IFC's ownership interest taking into consideration the overall commitments for the IFC Catalyst Funds, which comprises IFC Catalyst Fund, LP, IFC Catalyst Fund (UK), LP and IFC Catalyst Fund (Japan), LP (collectively, IFC Catalyst Funds). IFC does not have a commitment ownership interest in either the IFC Catalyst Fund (UK), LP or the IFC Catalyst Fund (Japan), LP.

b The commitment ownership interest of 19% reflects IFC's ownership interest taking into consideration the current committed amounts for the IFC Global Emerging Markets Fund of Funds, which comprises IFC Global Emerging Markets Fund of Funds, LP and IFC Global Emerging Markets Fund of Funds (Japan Parallel), LP. IFC does not have a commitment ownership interest in the IFC Global Emerging Markets Fund of Funds (Japan Parallel), LP.

AMC Funds and their activities as of and for the three months ended September 30, 2026 and September 30, 2025 are summarized as follows:

Table 10: AMC Funds

	Through September 30, 2026				For the three months ended			
	Total funds raised since inception			Cumulative investment commitments [a]	September 30, 2026		September 30, 2025	
(US$ in millions)	Total	From IFC	From other investors		Committed Amount [b]	Disbursed Amount	Committed Amount [b]	Disbursed Amount
Current Funds								
IFC African, Latin American and Caribbean Fund, LP	$ 1,000	$ 200	$ 800	$ 863	$ —	$ —	$ —	$ —
IFC Catalyst Fund, LP, IFC Catalyst Fund (UK), LP and IFC Catalyst Fund (Japan), LP (collectively, Catalyst Funds)	418	75	343	361	—	1	—	1
IFC Global Infrastructure Fund, LP [c]	1,430	200	1,230	902	—	—	—	—
IFC Global Emerging Markets Fund of Funds, LP and IFC Global Emerging Markets Fund of Funds (Japan Parallel), LP (collectively, GEM Funds)	800	150	650	757	—	2	—	9
IFC Middle East and North Africa Fund, LP	162	60	102	74	—	—	—	—
IFC Financial Institutions Growth Fund, LP	505	150	355	356	—	—	—	—
IFC Emerging Asia Fund, LP	693	150	543	592	—	—	—	—
IFC GEMFOF 2 SMA, LP [d]	100	—	100	56	—	1	—	1
IFC Emerging Markets Sustainability Fund of Funds, LP	139	—	139	127	—	6	30	6
TfL IFC Growth and Sustainability, LP [d]	125	—	125	14	—	1	—	1
Current Funds Total	**$ 5,372**	**$ 985**	**$ 4,387**	**$ 4,102**	**$ —**	**$ 11**	**$ 30**	**$ 18**
Former Funds								
IFC Capitalization (Subordinated Debt) Fund, LP	$ 1,725	$ 225	$ 1,500	$ 1,614	$ —	$ —	$ —	$ —
IFC Capitalization (Equity) Fund, LP	1,275	775	500	1,214	—	—	—	—
Africa Capitalization Fund, Ltd.	182	—	182	130	—	—	—	—
China-Mexico Fund, LP [e]	1,200	—	1,200	362	—	—	—	—
IFC Russian Bank Capitalization Fund, LP	550	250	300	82	—	—	—	—
Women Entrepreneurs Debt Fund, LP	115	30	85	110	—	—	—	—
Former Funds Total	**$ 5,047**	**$ 1,280**	**$ 3,767**	**$ 3,512**	**$ —**	**$ —**	**$ —**	**$ —**
Grand Total	**$ 10,419**	**$ 2,265**	**$ 8,154**	**$ 7,614**	**$ —**	**$ 11**	**$ 30**	**$ 18**

a Net of commitment cancellations.

b Committed amount made by AMC Funds. Excludes commitment cancellations from prior periods.

c Includes co-investment fund managed by AMC on behalf of Fund LPs.

d Fund is in investment period.

e AMC ceased to be the manager of the China-Mexico Fund, LP on September 15, 2023.

UPSTREAM AND ADVISORY SERVICES

Upstream project/sector development and Advisory Services are central to IFC's corporate strategy and overall mission, particularly in supporting IFC's delivery in IDA/FCS member countries, and reaching more MSMEs, which are critical to job creation. By creating enabling conditions, supporting early-stage project development, and providing targeted advice, IFC translates ideas into viable and impactful investments.

As of September 30, 2026, the IFC Advisory Services portfolio totaled $1.6 billion ($1.6 billion – June 30, 2026). FY27 Q1 program expenditures amounted to $42 million[2] ($52 million – FY26 Q1) with program spend focus on IFC's strategic priority areas in IDA17-FCV at 43% and climate adaptation & mitigation at 29% (compared to 50% and 39% respectively in FY26 Q1). The decrease in Strategic focus area spending was largely due to ongoing changes in reporting methodology in FY27.

[2] The program expenditure presented herein is based on the Operational reporting methodology, which includes all project expenditures associated with an Advisory project. This does not include program expenditure associated with IFC's Upstream project development activities or Knowledge, Product, and Platform Development projects (KPDs).

SECTION IV: LIQUID ASSETS

Liquid assets are funded from two sources: borrowings from the market and capital (net worth), and are managed in several sub-portfolios related to these sources. Proceeds of borrowings from market sources not immediately disbursed for loans and loan-like debt securities are managed internally by IFC against money market benchmarks within the **Market Funded portfolio**. The portion of IFC's net worth not invested in equity and equity-like investments is managed internally by IFC against a U.S. Treasury benchmark within the **Net Worth Funded portfolio**. Refer to Section V: Funding Resources for additional details on borrowings.

IFC generally invests its liquid assets in highly rated fixed and floating rate instruments issued by, or unconditionally guaranteed by, governments, government agencies and instrumentalities, multilateral organizations, and high quality corporate issuers. These include Asset-Backed Securities (ABS), Mortgage-Backed Securities (MBS), time deposits, and other unconditional obligations of banks and financial institutions. Diversification across multiple dimensions ensures a favorable risk return profile. IFC manages the individual liquid asset portfolios on an aggregate portfolio basis against each portfolio's benchmark within specified risk parameters. In implementing these portfolio management strategies, IFC utilizes derivative instruments, principally currency and interest rate swaps, foreign exchange forward contracts, and futures and options, and it takes positions in various industry sectors and countries.

IFC's liquid assets are accounted for as trading portfolios. The Net Asset Value (NAV) of IFC's liquid asset portfolio as of September 30, 2026 and June 30, 2026 is presented in the table below:

Table 11: Liquid Asset Portfolio NAV

(US$ in millions)	**September 30, 2026**	June 30, 2026	Variance
Market Funded portfolio	**$ 28,663**	$ 26,033	$ 2,630
Net Worth Funded portfolio	**17,843**	18,368	(525)
Total Liquid Asset portfolio	**$ 46,506**	**$ 44,401**	**$ 2,105**

The increase in the Market Funded portfolio was primarily due to net inflows from borrowings exceeding net loan disbursements. The Net Worth Funded portfolio decreased as net equity disbursements exceeded the increases in paid-in capital and retained earnings.

SECTION V: FUNDING RESOURCES

IFC's funding resources (comprising borrowings after fair value adjustments, paid-in capital and retained earnings) as of September 30, 2026 and June 30, 2026 are as follows:

BORROWINGS

The major source of IFC's borrowings is the international capital markets. Under IFC's Articles of Agreement, IFC may borrow in the public markets of a member country only with approvals from that member, together with the member in whose currency the borrowing is denominated.

Substantially all borrowings are carried at fair value under the Fair Value Option. The outstanding borrowings (including fair value adjustments) on IFC's condensed consolidated balance sheets as of September 30, 2026 and June 30, 2026 are presented in the table below:

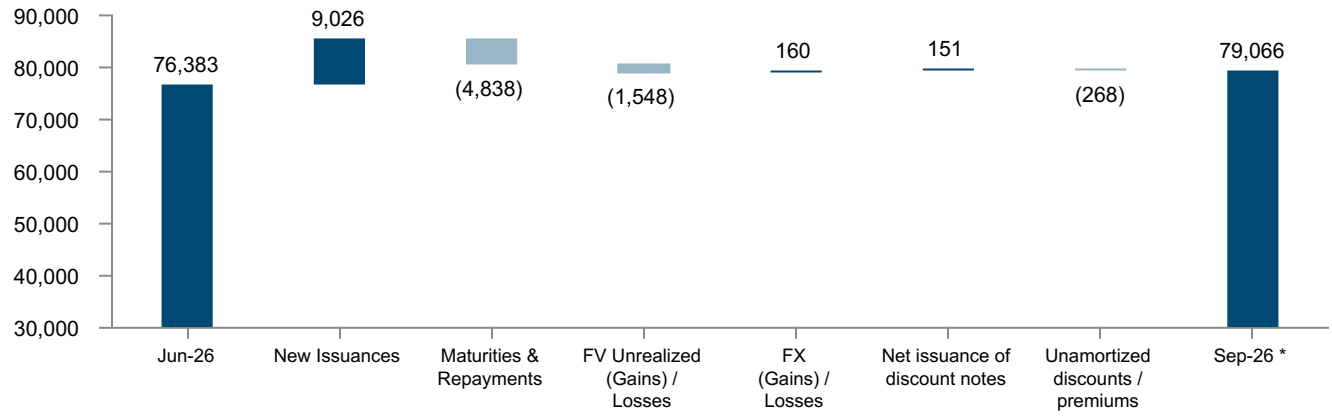
Table 12: Borrowings Outstanding

(US$ in millions)	**September 30, 2026**	June 30, 2026	Variance
Short-term borrowings under the discount note program	**$ 2,688**	$ 2,537	$ 151
Medium and long-term borrowings	**75,650**	73,082	2,568
IDA borrowings	**73**	82	(9)
General market borrowings	**78,411**	**75,701**	**2,710**
Securitized borrowings [a]	**655**	682	(27)
Total borrowings	**$ 79,066**	**$ 76,383**	**$ 2,683**

a Represents notes issued to the third-party investors by consolidated VIEs under IFC's EMSP. See the discussion below and Note N to the condensed consolidated financial statements for further details.

The increase in outstanding borrowings was primarily driven by net new issuances, partially offset by unrealized FV gains and unamortized discounts and premiums as shown in figure below:

Figure 7: Borrowings Outstanding (US$ in millions)



* Total outstanding borrowings include $655 million in securitized borrowings under the EMSP as of September 30, 2026.

General Market Borrowings

IFC's borrowings are generally swapped into floating-rate obligations denominated in U.S. dollar. On occasion, IFC uses its borrowings as a tool to promote capital markets development or to directly support clients in emerging and frontier markets and this can result in raising local currency funds that are not swapped. As of September 30, 2026, non-U.S. dollar denominated market borrowings without interest rate or currency hedges accounted for 1% of the total borrowings from market sources (1% – June 30, 2026), with outstanding balances amounting to $878 million ($890 million – June 30, 2026). These borrowings were denominated in various currencies, mainly in new Romanian lei, Kenyan shilling, and Georgian lari.

IFC maintains short-term discount note programs in U.S. dollar as a tool to provide additional funding and liquidity management. These programs support IFC's trade finance and supply chain initiatives and expand the availability of short-term local currency finance. The discount note programs offer issuances with maturities ranging from overnight to one year. In July 2026, IFC terminated its global discount note program which allowed for Chinese renminbi discount note issuance. There were no discount notes outstanding under this program at the time of termination.

During FY27 Q1, IFC raised $13.3 billion in general market borrowings ($5.9 billion – FY26 Q1), comprising $9.0 billion under the medium and long-term borrowing program ($3.9 billion – FY26 Q1) and $4.3 billion under the short-term discount note program ($2.0 billion – FY26 Q1).

Securitized Borrowings

Under IFC's Emerging Markets Securitization Program (EMSP), a pool of IFC loan participations are transferred to Special Purpose Vehicles (SPVs) that issue a series of notes to third-party investors. These notes are secured by, and have recourse only to, the assets held within the respective SPVs, and are presented separately from IFC's general market borrowings to reflect their distinct structure and recourse profile. IFC raised $740 million in FY26 through its EMSP. There were no new borrowings through securitized borrowings in FY27 Q1 ($345 million – FY26 Q1). During FY27 Q1, $24 million of EMSP notes were repaid ($0 – FY26 Q1). See Note N to the condensed consolidated financial statements for further details.

CAPITAL AND RETAINED EARNINGS

As of September 30, 2026 and June 30, 2026, IFC's capital comprised the following:

Table 13: IFC's Capital

(US$ in millions)	**September 30, 2026**	June 30, 2026
Authorized capital	**$ 25,080**	$ 25,080
Paid-in capital	**24,296**	24,296
AOCI	**1,925**	1,672
Retained earnings	**17,379**	17,340
Total Capital	**$ 43,600**	**$ 43,308**

As of September 30, 2026, IFC's authorized capital stock remained at 25,079,991 shares, each with $1,000 par value (unchanged from June 30, 2026).

Management recommends allocations of net income to the Board at the end of each fiscal year, to support IFC's operations as well as other developmental activities. Recommendations are based on IFC's allocable income. Effective March 2026, to better measure income generated by current year activities, the allocable income calculation has been refined by adding back expenses funded by prior years' approved allocations. Amounts allocated to other developmental activities are determined based on a Board-approved income-based (sliding scale) formula and on a principles-based Board-approved financial distribution policy, and are subject to Board approval. Consistent with the Board-approved framework, no allocations to other developmental activities are made if IFC's CUR exceeds 88%. The framework also prioritizes future net income allocations based on IFC's CUR to the CMAW, established in fiscal year 2018 to support market creation in IDA-eligible countries and FCS, and to the FMTAAS up to a specified cushion.

As of September 30, 2026 and June 30, 2026, retained earnings comprised the following:

Table 14: IFC's Retained Earnings Composition

(US$ in millions)	**September 30, 2026**	June 30, 2026
General Reserve	**$ 15,660**	$ 14,275
Other Reserves		
CMAW Reserve	**335**	168
FMTAAS Reserve	**245**	127
SME Ventures Reserve	**9**	9
FOF Reserve	**200**	100
Surplus	**60**	100
Total Other Reserves	**849**	504
Cumulative fair value and other adjustments[a]	**792**	818
Unallocated Net Income	**78**	1,743
Total Retained Earnings	**$ 17,379**	**$ 17,340**

a Other adjustments include income associated with PCRF.

FY26 Net Income Allocations

On August 5, 2026, the Board of Directors approved the allocation of $173 million to the CMAW reserve, $125 million to the FMTAAS reserve, and $1,385 million to the General Reserve from IFC's FY26 net income. This allocation was noted with approval by the Board of Governors on September 9, 2026. In addition, the Board of Directors approved the transfer of $100 million from the Surplus account to the Frontier Opportunities Fund (FOF). These allocations were noted with approval by the Board of Governors on September 9, 2026. Additionally, on September 9, 2026, the Board of Governors approved the allocation of $60 million from IFC’s FY26 net income to the Surplus account and delegated to the Board of Directors the authority to approve the transfer of $60 million from the Surplus account to FOF.

SECTION VI: RISK MANAGEMENT

RISK GOVERNANCE

IFC's risk management processes and practices evolve to reflect changes in activities in response to market, credit, product, operational, and other developments. The Board, in particular the Audit and Risk Committee, periodically reviews trends in IFC's risk profiles and performance, and any major developments in risk management policies and controls. Management believes that effective risk management is critical for its overall operations. Accordingly, the risk management governance structure is designed to manage the principal risks IFC assumes in its operations.

Risk Oversight and Coverage

IFC provides investments and advisory services to the private sector in emerging markets and is therefore exposed to a range of potential financial and non-financial impacts. Active monitoring and sound management of evolving risks remain critical pillars in terms of fulfilling IFC's mission. IFC's risk culture is central to facilitate risk management and decision-making at different levels of the organization.

The IFC Risk Management Vice Presidency (CRFVP) provides independent oversight of risks across IFC's investment lifecycle and portfolio, supporting sound risk governance and informed decision-making. It assesses credit and equity risks, maintains frameworks for ratings, valuation, pricing, risk-adjusted returns, economic capital, and stress testing, and monitors portfolio quality, concentrations, emerging vulnerabilities, capital adequacy, and financial sustainability. CRFVP also supports early intervention and leads the restructuring, recovery, and resolution of stressed investments, helping protect IFC's capital, portfolio quality, and long-term financial strength.

The Vice President and World Bank Group Chief Risk Officer (CRO) oversees financial, operational, model, and Environmental and Social (E&S) risks in connection with the operations of each WBG entity. For IFC, these include: (i) Market and counterparty risks, including liquidity, market and model risks; (ii) Operational risks, related to people, process, and systems, or from external events; (iii) Risk architecture to advance an integrated enterprise-wide approach to risk management by strengthening risk governance, enhancing model risk management, and aligning risk practices with strategic priorities of the WBG institutions, and (iv) E&S risks associated with projects across WBG operations, including grievance management. The new integrated WBG E&S operating model became effective in January 2026, and the CRO now oversees an independent global E&S risk department as a second line of defense.

CREDIT RISK

IFC defines credit risk as the risk of loss of principal or loss of an expected financial return due to credit events such as a default or downgrade in credit ratings or any other failure to meet a contractual obligation that results in financial loss. IFC is exposed to credit risk in its Debt portfolio[3] and to investment and counterparty credit risk in its liquid asset portfolio.

Investment Operations

Credit risk in investment projects is actively managed throughout the project life cycle. Investment teams are responsible for gathering the necessary information from the client and other relevant stakeholders to verify the financial viability of each project, and for assigning a credit rating at defined stages in the project approval process. The credit risk, investment size, product type and other project-related risks determine the authority level required for the approval of each transaction. Projects are subject to independent credit review either at specific project level or at portfolio level under a small project delegation. A credit officer within the independent Risk Management Vice Presidency participates in the specific project level approval process. Projects are approved with reference to a number of operational and prudential limits, including limits related to single project or client exposure, single country exposure, and sector concentration.

The credit risk of loans is quantified in terms of the probability of default, loss given default and exposure at risk. These risk parameters are used in the processes such as determining risk-based returns, project-based capital allocation, exposure limits and for establishing the reserve against losses on loans under the Current Expected Credit Losses accounting standard.

Selected indicators of credit risk exposure in IFC's Debt Portfolio, together with the five-year trend of non-performing loans (NPLs), are provided below:

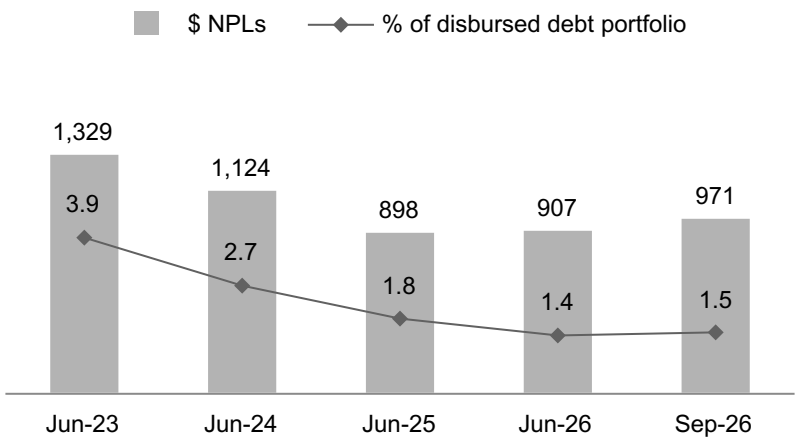
Table 15: IFC's Debt Portfolio Credit Risk Indicators

(US$ in millions, except for %)

INDICATOR	September 30, 2026	June 30, 2026	Variance
NPLs as % of the debt portfolio	**1.5 %**	1.4 %	0.1 %
Principal amount outstanding on NPLs	**$ 971**	$ 907	$ 64
Total reserve against losses on loans as % of NPLs	**173.6 %**	180.9 %	(7.3)%

[3] Debt portfolio herein the section refers to loans and loan-like debt securities.

Figure 8: NPLs as a Percentage of Disbursed Debt Portfolio (US$ in millions, except for %)



Additional details are provided in Section VII: Results of Operations (Provision for Losses on Loans, Available-for-sale Debt Securities, Off-balance-sheet Credit Exposures and Other Receivables).

Credit Risk - Treasury

IFC, through a dedicated group function responsible for market and counterparty risk, manages its exposures to investments and counterparties in its Treasury operations to mitigate potential losses from the failure by a counterparty to fulfill its contractual obligations. Eligible investments and counterparties are predominantly sovereign governments, government agencies, structured finance instruments, banks, and financial institutions with high-quality credit ratings issued by leading international credit rating agencies.

Treasury counterparties remain well diversified by sector and geography. In accordance with its agreements with counterparties, as of September 30, 2026, IFC held $411 million in cash as collateral for changes in mark-to-market exposures on open trades with no securities collateral received as of September 30, 2026 ($540 million in cash and $0 in securities – June 30, 2026). In terms of Treasury's credit profile, IFC invests its U.S. dollar liquid assets in deposits with highly-rated banks and in securities for which the ratings are generally AA- or higher, reflecting the primary objective of principal protection.

MARKET RISK

Market risk is the risk of losses due to movement in market factors such as interest rates, credit spreads, equity, foreign exchange or commodity prices. Market & Counterparty Risk are overseen by a WBG function within Treasury Operations. IFC's exposure to market risk is mitigated by its matched funding policy, whereby it uses derivative instruments to convert loans funded from market borrowings, and the market borrowings themselves, into floating rate U.S. dollar assets and liabilities with similar duration. Similarly, market risk resulting from derivative transactions with clients, to facilitate clients' risk management, is typically mitigated by entering into offsetting positions with highly rated market counterparties. IFC's exposure to unhedged market risk arises primarily from its listed and unlisted equity investments in emerging markets, its quasi-equity loans, and its net worth funded Treasury liquid asset portfolio.

Equity Investments

The risk of loss in value of IFC's emerging markets equity investments is mitigated primarily by applying the same limits framework, decision-making process and portfolio management methods as described above for its lending operations. IFC has a multi-year horizon for its equity investments and accepts short-term price volatility of these investments, which can be significant.

During FY27 Q1, equity markets remained near record highs, supported by earnings growth and technology demand. The S&P 500, representing US markets, rose 2%, while Europe's largest stocks, as measured by Euro Stoxx 50, fell 1%. Emerging markets, represented by Morgan Stanley Capital International (MSCI) Emerging Market total return index, was unchanged. The U.S. dollar strengthened 3% against a basket of emerging market currencies (JPMorgan EM currency index) as US rates rose.

Liquid Asset Portfolio

Market risk in IFC's liquid asset portfolio is managed by the WBG Treasury Operations function responsible for market and counterparty risk according to the risk appetite chosen by IFC Management using derivatives and other financial instruments such as over-the-counter foreign exchange forward agreements, interest rate and currency swaps, and exchange-traded interest rate futures. Overall market risk exposure is also subject to daily monitoring, and limits on interest rate, credit spread, and foreign exchange risk.

Interest rate volatility remained the largest driver of market risk in IFC's Liquid Asset portfolio due to the unhedged investments in U.S. Treasury securities funded from IFC's net worth. To manage risks associated with interest rate, foreign exchange, and credit spread risks, a system of limits has been employed and closely monitored on a daily basis to ensure ongoing compliance throughout the fiscal year.

LIQUIDITY, FUNDING AND ASSET LIABILITY MANAGEMENT (ALM) RISK

IFC defines liquidity and funding risk as the risk that, over a specific horizon, IFC will be unable to meet the demand for additional funds required to support its operations due to either funding or liquidity issues or both. IFC faces liquidity risk in its core development finance activities because its investments (loans, equity investments and debt securities) are predominantly illiquid in nature due to the lack of capital flows, the infrequency of transactions, and the lack of price transparency in many emerging markets. To offset this risk, IFC maintains appropriate liquid assets funded from its net worth and market borrowings. IFC manages the risk of mismatches in foreign exchange rates, interest rates, and maturity dates between balance sheet assets and liabilities primarily through the use of derivative instruments, such as cross-currency and interest rate swaps, to hedge these exposures.

Liquid Asset Portfolio

Liquidity risk in the liquid asset portfolio is addressed by liquidity coverage ratios and strict investment eligibility criteria. Liquidity coverage ratios include time horizons between 30 days and 3 years and consider both normal and stressed cash flow requirements. Examples of eligibility criteria include minimum issuance sizes required for bond investments, and limits on the percentage of total bond issuance held by IFC. Consequently, a significant portion of the liquid asset portfolio is invested in highly liquid securities such as high-quality sovereign, sovereign-guaranteed, and supranational fixed income instruments. IFC expects to continue to be able to realize these assets as needed to meet its cash requirements, even in a liquidity crisis.

Funding

IFC's funding operations ensure that IFC has the funds required for its lending operations, and that it has sufficient liquidity to safeguard its AAA/Aaa rating and fulfill its counter-cyclical role. IFC can access a variety of funding markets, including the U.S. dollar market, pound market and the Australian dollar market, as well as private placement and retail markets. IFC's discount note program complements its traditional funding sources by providing swift access to short-term funding. IFC's AAA/Aaa rating is critical to the Corporation's ability to maintain its low cost of funds. Regular issuance in a variety of markets serves to sustain investor confidence and maintain a diversified investor base.

Asset-Liability Management

While IFC's matched-funding policy helps mitigate currency and interest rate risk, IFC is still exposed to residual market risks in the market borrowings-funded portion of the balance sheets. The aggregate position in each lending currency is monitored, and the risk is managed within the limits established for each currency and the total exposure for all currencies. Residual interest rate risk may arise from differing interest rate reset dates on assets and liabilities or from assets that may become mismatched with hedges over time due to write-downs, prepayments, or rescheduling. The residual interest rate risk is managed by measuring the sensitivity of the present value of assets and liabilities in each currency to a one basis point change in interest rates and managing exposures to within the established limits for each currency and the total exposure for all currencies.

OTHER FINANCIAL RISKS

IFC also faces Capital Risk and Pension risk. Capital risk is the risk to IFC's AAA/Aaa rating resulting from a low capital adequacy position, in which available capital falls below the level of capital required to support IFC's activities. Pension Risk is the risk that IFC's defined-benefit pension plan is underfunded, leading to the need for additional financial support by IFC.

OPERATIONAL RISK MANAGEMENT

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

Operational risk at IFC is now managed at the WBG-level in alignment with the implementation of a more integrated risk management structure across the WBG institutions. IFC's approach to identifying and managing operational risk includes a dedicated program and a robust process that includes 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.

STRATEGIC AND BUSINESS RISK

These are risks that are specific to IFC given its mission and strategy, and include Strategic Risk, Environment & Social Risk, Climate Risk, Corporate Governance Risk, Integrity Risk, Anti-Money Laundering/ Combating the Financing of Terrorism (AML/CFT) Risk and External Financing Risk.

Strategic Risk

IFC defines strategic risk as the risk associated with initial strategy selection, execution, or modification over time, resulting in a lack of achievement of overall objectives.

Environment and Social (E&S) Risk

Environment and Social (E&S) risk is the risk that IFC is unable to effectively engage with and influence clients to fulfill the requirements of IFC's E&S Performance Standards, within a reasonable period of time, potentially causing significant or material adverse impacts to people or the environment and lead to negative financial impact or reputational harm to IFC.

IFC manages E&S risk at both the portfolio and project levels. At the portfolio level, IFC continuously strengthens its E&S risk management framework through enhanced due diligence and supervision practices, contextual risk assessment, internal and external capacity building, and improved systems and procedures. At the project level, E&S risks are managed in accordance with IFC's Sustainability Policy and E&S Review Procedures. IFC provides capacity building, guidance, and support to its clients in identifying, assessing and mitigating E&S risks through standards, guidelines, guidance notes, good practice notes, tip sheets, handbooks, tools and training.

Corporate Governance Risk

Corporate governance risk is the risk that IFC's investment clients have inadequate corporate governance which could lead to negative financial impact or reputational harm to IFC.

IFC promotes better standards of corporate governance and disclosures across emerging markets and builds internal and external capacity to identify, assess and mitigate these risks. IFC has integrated its corporate governance offering both in its investment and advisory services, providing internal support for assessing corporate governance risks at the project level; building capacity through internal and external training and various knowledge products; and providing advice to clients and market intermediaries. IFC offers advice and support across a range of themes, including governance of E&S, climate governance and sustainability reporting, and women on boards and in business leadership. For both investment clients and advisory services clients, corporate governance practices are evaluated utilizing the well-established IFC Corporate Governance Methodology.

Climate Risk

Climate Risk, as defined by IFC, encompasses the actual or potential negative effects of climate-related conditions and events on IFC's investments, corporate operations, reputation or consolidated financial statements. There are two primary climate-related risk categories: (1) physical risks and (2) transition risks.

"Physical risks" include both "acute" and "chronic" physical risks to business operations. Acute physical risks are event-driven, stemming from short-term extreme weather events like hurricanes, floods, tornadoes, wildfires, storms, drought or heatwaves. Chronic physical risks emerge from longer-term shifts in climate patterns, such as progressive changes in precipitation and temperature which could lead to rising sea levels, alteration of ecosystems, desertification, water scarcity, soil degradation, and deterioration of marine ecology.

"Transition risks" are attributable to the global shift towards a lower-carbon economy. These risks are multifaceted and arise from changes in law or regulation, public policies, technological breakthroughs, shifts in investor and public sentiment, and disruptive innovations in business models aimed at addressing climate change.

These risks could carry financial and non-financial implications for IFC.

Integrity, Money Laundering and Terrorist Financing, and Tax Risks

These are interrelated risks that IFC's Clients may have ineffective governance structures and/or controls to manage exposure to integrity risk, money laundering and terrorist financing (ML/TF) risk and tax risk. Integrity risks are the risks of engaging with external institutions or persons whose background or activities, may have adverse reputational and, often, financial impact on IFC.

IFC works with a wide range of clients and partners in Investment Operations, Upstream and Advisory Services activities, from multinational to small companies, and from government institutions to non-governmental organizations. Thus, each transaction or service opportunity presents unique integrity risks, affected by different factors, including the type of engagement, financial instrument, structure, geography and duration of the engagement. IFC conducts integrity due diligence on clients and partners to manage these risks and to mitigate them where it reasonably can, both before engagement and on an ongoing basis during the engagement.

ML/TF risk is the risk that IFC's financial intermediary clients may have ineffective controls to manage exposure to money laundering and terrorist financing risk, subjecting IFC to potential integrity, reputational, or financial risk. IFC conducts anti-money laundering (AML) / combating the financing of terrorism (CFT) due diligence on financial institution clients and funds in addition to its integrity due diligence to determine whether:

- the client's AML/CFT procedures and controls are structured to comply with relevant AML/CFT standards;
- the AML/CFT procedures and controls are appropriate for the client's business and operating environments;

IFC has been strengthening its AML capacity, through in-house training of its business teams and roll out of technical capacity building programs (e.g., to promote the use of technology in managing AML/CFT risks).

Tax risk is the risk that IFC's clients or projects may be structured to evade taxes or facilitate abusive tax planning. To address this, a systematic approach to tax due diligence (TDD) is applied through the World Bank Group's Intermediate Jurisdictions policy and IFC's Tax Due Diligence Procedures. TDD seeks to verify: (i) compliance of intermediate jurisdictions with globally accepted tax standards with primary focus on tax transparency; (ii) the rationale for the use of intermediate jurisdictions; (iii) arm's length pricing of cross-border inter-group transactions, along with other key tax risk flags that examine the tax guidance of the underlying project company. These established processes apply to all investment projects and ultimately aim to mitigate the risks of abusive tax structuring by IFC's clients that risk eroding the tax base of project countries. IFC is raising awareness of TDD through targeted trainings for regional and industry teams. In addition, IFC promotes responsible tax practices among its current and prospective clients as well as contributes to global tax policy discussions on topics relevant to its TDD processes.

IFC is currently conducting a review of the World Bank Group's Intermediate Jurisdictions policy and its implementation, with respect to IFC operations.

External Financing Risk

As well as using its own resources to invest in and provide advice to clients, IFC raises additional funds from public and private sector institutional investors, lenders, and donors through several different mechanisms. External financing risk is the risk that when entrusted with oversight of such funds, IFC does not meet its contractual obligations to the third parties involved.

To mitigate this risk, IFC works within agreed frameworks which establish IFC's responsibilities and obligations with respect to the third parties. For example, where financing to clients is mobilized through B Loans or MCPP, the specialized Syndications Department follows defined processes to identify co-financiers, advise on structuring, and monitor compliance with investment agreements. In some cases, financing from third parties, including donors, is administered through trust funds. IFC has processes in place for clearing all IFC trust fund proposals and agreements and overseeing IFC's trust fund portfolio.

SECTION VII: RESULTS OF OPERATIONS

OVERVIEW

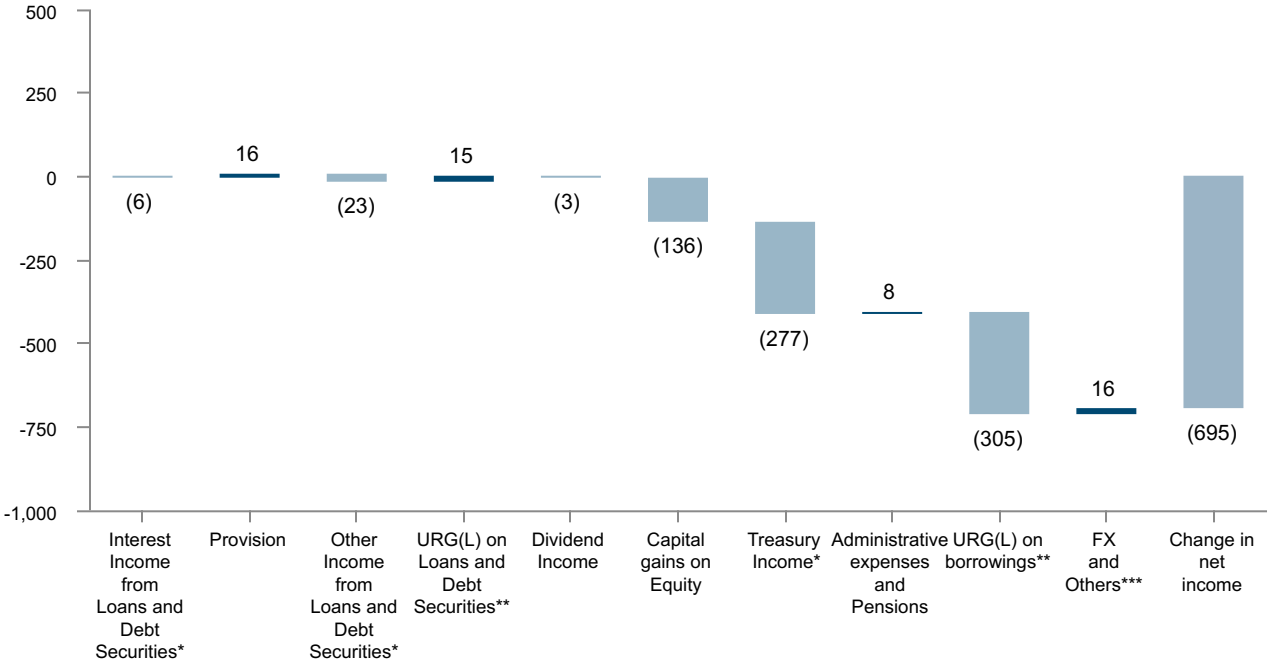
The overall market environment has a significant influence on IFC's financial performance. The main elements of IFC's net income and other comprehensive income, and influences on the level and variability of net income and other comprehensive income from period to period are shown below:

Table 16: Main Elements of Net Income and Other Comprehensive Income

ELEMENTS	SIGNIFICANT INFLUENCES
Net income:	
Yield on interest earning assets (principally loans)	Market conditions including spread levels and degree of competition. Nonaccruals and recoveries of interest on loans formerly in nonaccrual status, and income from participation notes on individual loans are also included in income from loans.
Liquid asset income	Realized and unrealized gains and losses on the liquid asset portfolio, in particular the portion of the liquid asset portfolio funded by net worth, which are driven by external factors such as the interest rate environment and liquidity of certain asset classes within the liquid asset portfolio.
Income from the equity investment portfolio	Global climate for emerging markets equities, fluctuations in currency markets and company-specific performance for equity investments. Overall performance of the equity portfolio.
Provision for losses on loans, guarantees, and available-for-sale debt securities	Risk assessment of borrowers, probability of default, loss given default, and expected balance at default considering prepayment and disbursement assumptions used to estimate expected utilization rates.
Other income and expenses	Level of advisory services provided by IFC to its clients, the level of expenses from the staff retirement and other benefits plans, the approved and actual administrative expenses, and other budget resources.
Gains and losses on loans, debt securities, borrowings and related derivatives	Principally, differences between changes in fair values of borrowings, excluding issuer's credit spread, and associated derivative instruments; and unrealized gains or losses associated with the investment portfolio including puts, warrants, and stock options, which in part are dependent on the global climate for emerging markets. These securities may be valued using internally developed models or methodologies, utilizing inputs that may be observable or non-observable.
Other comprehensive income:	
Unrealized gains and losses on debt securities accounted for as available-for-sale	Global climate for emerging markets, fluctuations in currency and commodity markets and company-specific performance, and consideration of the extent to which unrealized losses are considered a credit loss. Debt securities may be valued using internally developed models or methodologies, utilizing inputs that may be observable or non-observable.
Unrealized gains and losses attributable to instrument-specific credit risk on borrowings at fair value under the Fair Value Option	Fluctuations in IFC's own credit spread measured against reference rate, resulting from changes over time in market pricing of credit risk. As credit spreads widen, unrealized gains are recorded, and when credit spreads narrow, unrealized losses are recorded.
Unrecognized net actuarial gains and losses and unrecognized prior service costs on benefit plans	Returns on pension plan assets and the key assumptions underlying Projected Benefit Obligations (PBO), including financial market interest rates, staff expenses, past experience, and management's best estimate of future benefit cost changes and economic conditions.

The following paragraphs detail significant variances between FY27 Q1 and FY26 Q1 covering the periods included in IFC's FY27 condensed consolidated financial statements. The $695 million decrease in net income was primarily due to the following:

Figure 9: Change in Net Income FY27 Q1 vs FY26 Q1 (US$ in millions)



* Income from loans and debt securities and treasury income are net of allocated charges on borrowings

** Includes associated derivatives

*** Others mainly represents service fees, and net advisory service expenses

A more detailed analysis of the components of IFC's net income is as follows:

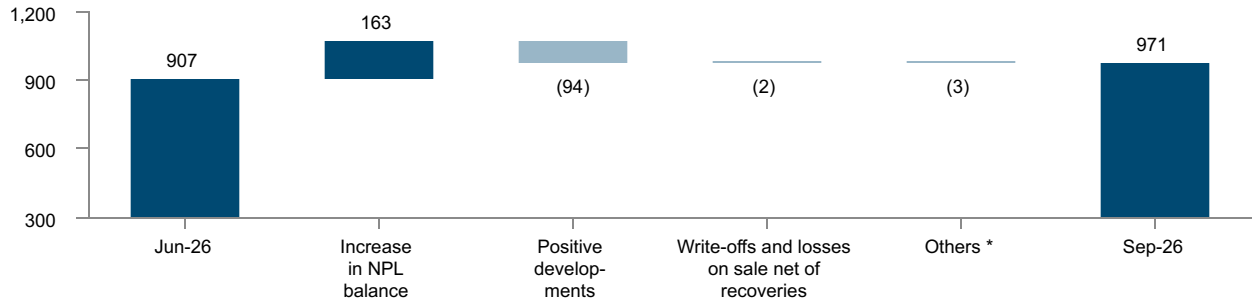
Income from Loans and Guarantees, including Realized Gains and Losses on Loans and Associated Derivatives

Income from loans and guarantees, including realized gains and losses on loans and associated derivatives for FY27 Q1 amounted to $805 million. This represents a decrease of $53 million compared to $858 million in FY26 Q1, as higher interest income from higher average outstanding balances was more than offset by the impact of lower average interest rates.

Non-performing Loans (NPLs)

NPLs increased by $64 million to $971 million[4] as of September 30, 2026. The increase was largely due to $163 million new NPL additions partially offset by $94 million of positive developments and $2 million net write-offs. Of the new NPLs recognized in FY27 Q1, the five largest loans accounted for a total of $145 million.

Figure 10: Non-performing Loans (US$ in millions)



* Mainly represents balance changes due to deferrals, restructuring, disbursements, interest capitalization, conversions and foreign exchange gains/losses.

Provision for Losses on Loans, Off-Balance-Sheet Credit Exposures and Other Receivables, and Available-for-sale Debt Securities

IFC recorded a net provision of $54 million in FY27 Q1 ($70 million – FY26 Q1), for losses on loans, off-balance-sheet credit exposures and other receivables, as well as available-for-sale debt securities, analyzed as follows:

Table 17: Portfolio and Individual Provision (Release of Provision)

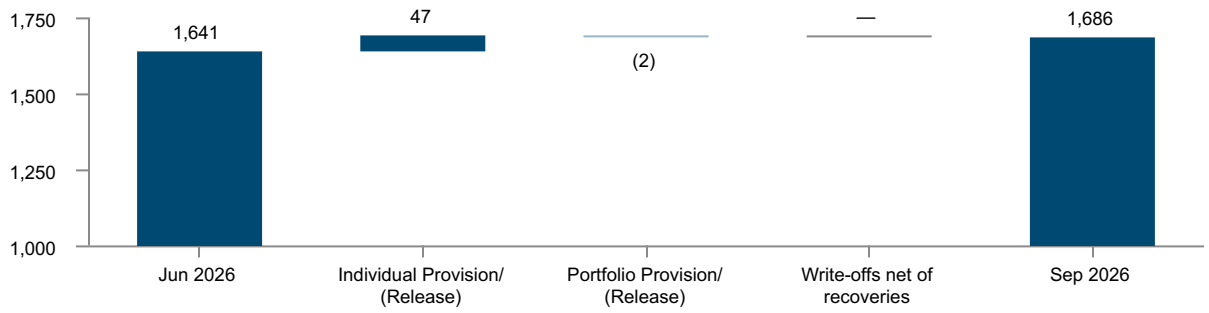
	For the three months ended September 30,		
(US$ in millions)	**2026**	2025	Variance
Portfolio provision (release)			
Disbursed loans	**$ (17)**	$ 38	$ (55)
Undisbursed loans	**15**	17	(2)
Off-balance sheet credit exposures and Other Receivables	**1**	18	(17)
Individual provision (release)			
Disbursed loans	**44**	1	43
Undisbursed loans	**3**	—	3
Off-balance sheet credit exposures and Other Receivables	**6**	(1)	7
Available-for-sale debt securities	**2**	(3)	5
Total	**$ 54**	**$ 70**	**$ (16)**

Total portfolio provision decreased in FY27 Q1 mainly due to improved loan risk characteristics (credit ratings and facility risk ratings). The increase in individual provision was mainly due to specific projects in Infrastructure sector in the Asia and Africa regions.

[4] Includes $139 million reported as debt securities and $75 million reported as loans under Fair Value Option on the Balance Sheets as of September 30, 2026 ($118 million debt securities and $74 million Fair Value Option loans – June 30, 2026).

Reserve against losses on loans disbursed and loans committed but not disbursed increased by $45 million to $1.7 billion as of September 30, 2026 analyzed as follows:

Figure 11: Reserve against Losses for Disbursed and Undisbursed Loans (US$ in millions)



The breakdown of the total reserve against losses on loans disbursed and loans committed but not disbursed and the reserve coverage ratio as of September 30, 2026 and June 30, 2026 are presented in the table below:

Table 18: Reserve Against Losses on Loans Disbursed and Loans Committed but not Disbursed and Reserve Coverage Ratio

	September 30, 2026		June 30, 2026		Variance	
(US$ in millions, unless otherwise noted)	**Reserve**	**Reserve coverage ratio [a]**	Reserve	Reserve coverage ratio[a]	Reserve	Reserve coverage ratio[a]
Reserve against losses on disbursed loans						
Portfolio reserve	**$ 1,115**	**2.4 %**	$ 1,132	2.4 %	$ (17)	— %
Individual reserve	**360**	**30.3**	316	27.8	44	2.5
	1,475	**3.0**	**1,448**	**3.0**	**27**	**—**
Reserve against losses on loans committed but not disbursed						
Portfolio reserve	**203**	**2.1**	188	2.3	15	(0.2)
Individual reserve	**8**	**8.9**	5	10.6	3	(1.7)
	211	**2.1**	193	2.3	18	(0.2)
Total reserve	**$ 1,686**	**2.9 %**	**$ 1,641**	**2.9 %**	**$ 45**	**— %**

a Reserve coverage ratio is calculated as the reserve over related disbursed loans balances or reserve over related loans committed but not disbursed balances.

The increase in individual reserve against losses on disbursed loans were mainly due to higher reserve rates for a specific Infrastructure project in Asia.

In FY27 Q1, the top five largest individual provisions and top five largest individual releases of provision each comprised 94% of the total individual provisions and total individual releases of provision for losses on loans, respectively.

Income from equity investments, including realized and unrealized gains and losses on equity and associated derivatives

IFC divests equity investments where (i) its developmental role has been fulfilled, (ii) pre-determined sales trigger levels have been met, and (iii) where applicable, lock-ups have expired. Gains and losses on equity investments and associated derivatives include both realized and unrealized gains or losses.

Income from equity investments and associated derivatives (consisting of dividends, and net capital gains) is further analyzed below:

Table 19: Income from Equity Investments, Including Realized and Unrealized Gains and Losses on Equity and Associated Derivatives

	For the three months ended September 30,		
(US$ in millions)	**2026**	2025	Variance
Net realized gains	**$ 19**	$ 87	(68)
Net unrealized gains	**189**	257	(68)
Dividend income, custody, fees and other	**41**	44	(3)
Total income from equity investments, including realized and unrealized gains and losses on equity and associated derivatives	**$ 249**	**$ 388**	**$ (139)**

The decrease of $139 million primarily driven by $68 million reduction in unrealized gains from fair value movements and a $68 million decline in realized gains due to reduced sales activity. In FY27 Q1, the top five investments with net capital gains generated gains of $183 million, while the top five investments with net capital losses incurred losses of $158 million. In comparison, in FY26 Q1 the top five investments with net capital gains had gains of $153 million and the top five investments with net losses recorded capital losses of $75 million.

Income from Debt Securities and Realized Gains and Losses on Debt Securities, and Associated Derivatives

Income from debt securities and associated derivatives increased marginally by $1 million from $202 million in FY26 Q1 to $203 million in FY27 Q1.

Income from Liquid Asset Trading Activities

Income from liquid asset trading activities gross of funding costs and net of funding costs are analyzed in the table below:

Table 20: Income from Liquid Asset Trading Activities

	For the three months ended September 30,		
(US$ in millions)	**2026**	2025	Variance
Liquid asset income, gross of funding costs			
Market Funded portfolio	**$ 283**	$ 349	$ (66)
Net Worth Funded portfolio	**19**	256	(237)
Total	**$ 302**	**$ 605**	**$ (303)**
Liquid asset income (losses), net of funding costs			
Market Funded portfolio	**$ (1)**	$ 38	$ (39)
Net Worth Funded portfolio	**(29)**	209	(238)
Total	**$ (30)**	**$ 247**	**$ (277)**

The decrease of $277 million (net of funding costs) primarily reflected the decline in mark-to-market in the Net Worth Funded portfolio, driven by rising treasury yields in FY27 Q1. Net income on the Market Funded portfolio was also slightly lower in FY27 Q1, reflecting modest spreads widening and a lower net interest margin.

Charges on Borrowings

IFC's charges on borrowings of $904 million in FY27 Q1 were lower compared to $953 million in FY26 Q1, reflecting the lower average SOFR rate in FY27 Q1. This was partially offset by the impact of higher average borrowing balances.

Other Income

Other income decreased by $37 million with its components analyzed in the table below:

Table 21: Other Income

	For the three months ended September 30,		
(US$ in millions)	**2026**	2025	Variance
Upstream and Advisory services income	**$ 46**	$ 48	$ (2)
Service Fees	**30**	27	3
Fees collected from clients	**4**	3	1
Investment gains on Post-Employment Benefit Plan assets	**2**	33	(31)
Other reimbursable arrangements	**2**	(2)	4
PCRF (loss) Income	**(8)**	7	(15)
Other Miscellaneous Income	**20**	17	3
Total	**$ 96**	**$ 133**	**$ (37)**

Administrative and Other Expenses

Administrative and other expenses decreased modestly by $21 million. The components are analyzed in the table below:

Table 22: Administrative and Other Expenses

	For the three months ended September 30,		
(US$ in millions)	**2026**	2025	Variance
Administrative expenses [a]	**$ 437**	$ 415	$ 22
Upstream and Advisory services expenses	**57**	68	(11)
Income from pension and other postretirement benefit plans	**(50)**	(20)	(30)
Other Expenses	**9**	11	(2)
Total	**$ 453**	**$ 474**	**$ (21)**

a Includes pension service cost of $50 million and $47 million in FY27 Q1 and FY26 Q1 respectively.

Foreign Currency Transaction Gains and Losses on Non-Trading Activities

Foreign currency transaction gains and losses are recognized in both net income and other comprehensive income. For debt securities classified as available-for-sale, the gains or losses from foreign currency transactions are reported in other comprehensive income, while the impact from the associated derivatives are reported in net income. The net foreign exchange related gains (losses) are analyzed in the table below:

Table 23: Foreign Currency Transaction Gains and Losses on Non-Trading Activities

	For the three months ended September 30,		
(US$ in millions)	**2026**	2025	Variance
Reported in Net Income	**$ 2**	$ (38)	$ 40
Reported in Other Comprehensive Income, net of reclassifications to net income upon sale or repayment	**4**	18	(14)
Total	**$ 6**	**$ (20)**	**$ 26**

Net Unrealized Gains and Losses on Loans, Debt Securities, Borrowings and Related Derivatives

IFC reported $95 million of unrealized gains on loans, debt securities, net of associated derivatives in FY27 Q1 compared to $80 million of gains in FY26 Q1. The change was primarily driven by increase in fair valuation on derivatives associated with loans and debt securities. Changes in the fair value of derivatives are recognized in the condensed consolidated statements of operations, while certain offsetting changes in the fair value of hedged loans are not, as those loans are measured at amortized cost.

IFC reported $302 million of unrealized losses on borrowings net of associated derivatives in FY27 Q1 compared to $3 million unrealized gains in FY26 Q1. Higher unrealized losses on borrowings primarily reflected a refinement to IFC's own-credit estimation methodology and a change in discounting curves used for certain currencies. The refinement remeasures the inception credit component over the remaining life of the borrowings and affects only the timing of recycling between net income and AOCI, which is now gradual rather than at maturity.

SECTION VIII: GOVERNANCE AND CONTROL

SENIOR MANAGEMENT

The following is a list of the principal officers of IFC as of September 30, 2026:

President	Ajay Banga
Managing Director	Makhtar Diop
Regional Vice President, Africa	Ethiopis Tafara
Regional Vice President, Europe, Latin America & the Caribbean	Alfonso García Mora
Regional Vice President, Middle East and Central Asia	Imad N. Fakhoury
Regional Vice President, Asia and the Pacific	Sarvesh Suri
Vice President, Strategy and Operations Support	Elena Bourganskaia
Vice President and General Counsel, Legal, Institutional Risk and Governance	Ramit Nagpal
Vice President, Products & Clients	Mohamed Gouled [a]
Vice President and Chief Risk Officer	Federico Galizia
Vice President and Chief Financial Officer	John Gandolfo

_____

a Mohamed Gouled will be retiring at the end of February 2027.

Anshula Kant, Managing Director and WBG Chief Financial Officer, will be retiring at the end of November 2026. David Vaillant has been appointed as her successor.

SECTION IX: APPENDIX

GLOSSARY OF TERMS

Allocable income: IFC uses allocable income (a non-GAAP measure) as the basis for making net income allocations. IFC defines allocable income as net income after certain adjustments. These adjustments primarily relate to unrealized gains and losses on IFC's loans, debt securities, equity investments and borrowings, as well as income from the Post-retirement Contribution Reserve Fund and expenses funded by prior years' allocations.

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

Capital Adequacy: A measure of IFC's ability to withstand unexpected shocks as IFC is required to maintain a minimum level of capital available–calculated as Balance Sheet Capital less Designated Retained Earnings, minus Pension surplus of each pension plan, and minus PCRF assets–equal to total potential losses for all on- and off-balance-sheet exposures estimated at levels consistent with maintaining IFC's AAA/Aaa rating.

Capital Available: Under IFC's economic capital framework, resources available to absorb potential losses, calculated as: Sum of IFC's Paid-in Capital, General Reserve, Unallocated Net Income and AOCI, minus Pension Surplus of each pension plan and PCRF assets.

Capital Required: Aggregate minimum Economic Capital required to maintain IFC's AAA/Aaa rating.

Capital Utilization Ratio (CUR): A ratio to measure IFC's capital adequacy expressed as Capital Required divided by Capital Available.

Credit spread: A credit spread is the difference in yield between two bonds of similar maturity but different credit quality.

Economic Capital (EC): Minimum USD amount of capital required to meet expected and unexpected losses. For Financial Product(s), calculated as Exposure at Risk multiplied by Economic Capital Ratio for relevant product/sub-product.

IDA17: IDA's Seventeenth Replenishment of Resources.

IDA18: IDA's Eighteenth Replenishment of Resources.

IDA21: IDA's Twenty-First Replenishment of Resources.

IDA-eligible countries: Countries eligible to borrow from IDA on concessional terms.

IDA17-FCV: Countries classified as IDA eligible under IDA17 and/or Fragility Conflict and Violence (FCV).

IFC's Equity Mobilization Department: IFC's Equity Mobilization Department (AMC), a division of IFC invests third-party capital and IFC capital, enabling outside investors to invest alongside IFC in developing markets. Investors in funds managed by AMC have included sovereign wealth funds, national pension funds, multilateral and bilateral development institutions, national development agencies and international financial institutions. These funds collectively are referred to as the AMC Funds.

Private Capital Mobilization (PCM): Long-term and short-term financing contributed by private entities alongside an IFC commitment, including financing or guarantees, or technical assistance. PCM is measured as the sum of private direct and private indirect mobilization. Private Direct Mobilization (PDM) is financing from a private entity on commercial terms due to IFC's active and direct involvement. Private Indirect Mobilization (PIM) is financing from private entities provided in connection with a specific activity for which IFC is providing financing, but where IFC doesn't play a direct role that leads to the commitment of the private entity's finance.

Upstream: Upstream activities aim to unlock and/or create new, additional investment opportunities for which IFC is likely to be a financial partner. Upstream activities comprise IFC engagements which aim to support the creation and realization of specific projects, for which IFC is a likely finance partner (Transaction Upstream); and/or have a wider market or sectoral impact to facilitate private sector investment, for which in turn IFC could be a potential financing partner (Creating Markets Upstream).

U.S. GAAP: Accounting principles generally accepted in the United States of America.

World Bank: The World Bank consists of IBRD and IDA.

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

ABBREVIATIONS AND ACRONYMS

AMC	:	Asset Management Company
AML/CFT	:	Anti-Money Laundering/ Combating the Financing of Terrorism
AOCI	:	Accumulated Other Comprehensive Income
CMAW	:	Creating Markets Advisory Window
CR	:	Credit Rating
CUR	:	Capital Utilization Ratio
E&S	:	Environmental and Social
EMSP	:	Emerging Markets Securitization Program
FCS	:	Fragile and Conflict-Affected Situations
FMTAAS	:	Funding Mechanism for Technical Assistance and Advisory Services
FOF	:	Frontier Opportunities Fund
FX	:	Foreign Exchange
GP	:	General Partner
IBRD	:	International Bank for Reconstruction and Development
ICSID	:	International Centre for Settlement of Investment Disputes
IDA	:	International Development Association
IDA-PSW	:	IDA Private Sector Window
IFC or the Corporation	:	International Finance Corporation
ISDA	:	International Swaps and Derivatives Association
MCPP	:	Managed Co-Lending Portfolio Program
MD&A	:	Management’s Discussion and Analysis
MIGA	:	Multilateral Investment Guarantee Agency
ML/TF	:	Money Laundering and Terrorist Financing
MSME	:	Micro, Small, and Medium Enterprise
NAV	:	Net Asset Value
NPLs	:	Non-performing Loans
OCI	:	Other Comprehensive Income
PCM	:	Private Capital Mobilization
PCRF	:	Post-retirement Contribution Reserve Fund
PEBP	:	Post-Employment Benefit Plan
PSW	:	Private Sector Window
RSBP	:	Retired Staff Benefits Plan
SMEs	:	Small and Medium Enterprises
SPV	:	Special Purpose Vehicles
SRP	:	Staff Retirement Plan
TDD	:	Tax Due Diligence
VIEs	:	Variable Interest Entities

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

September 30, 2026

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INDEPENDENT AUDITOR'S REVIEW REPORT

President and Board of Directors
International Finance Corporation:

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of the International Finance Corporation ("IFC") as of September 30, 2026, and the related condensed consolidated statements of operations, comprehensive income, changes in capital, and cash flows for the three-month periods ended September 30, 2026 and 2025, 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 IFC 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 Consolidated Balance Sheet as of June 30, 2026

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet as of June 30, 2026, and the related consolidated statements of operations, comprehensive income, changes in capital, and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated August 6, 2026. In our opinion, the accompanying condensed consolidated balance sheet of IFC as of June 30, 2026, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Deloitte & Touche LLP

November 13, 2026

CONDENSED CONSOLIDATED BALANCE SHEETS

as of September 30, 2026 (unaudited) and June 30, 2026 (unaudited)

(US$ in millions)	September 30, 2026	June 30, 2026
Assets		
Cash and due from banks – Note C	$ 769	$ 443
Investments - Trading – Notes C and L	49,620	47,674
(includes $7,225 and $6,015 securities pledged to creditors under repurchase and collateral agreements as of September 30, 2026 and June 30, 2026, respectively)		
Securities purchased under resale agreements and receivable for cash collateral pledged – Notes C, L and P	2,597	1,203
Investments – Notes B, D, E, F, G, L and N		
Loans – Notes D, E, L and N	48,977	48,234
(includes $2,010 and $2,061 loans held at fair value as of September 30, 2026 and June 30, 2026, respectively; net of reserve against losses of $1,475 and $1,448 at September 30, 2026 and June 30, 2026, respectively)		
Equity investments – Notes B, D, G, L and N	13,864	13,485
Debt securities – Notes D, F, L and N	14,205	14,096
(includes available-for-sale securities of $313 and $320, with associated amortized cost of $341 and $347, and reserve against credit losses of $9 and $7 as of September 30, 2026 and June 30, 2026, respectively)		
Total investments	77,046	75,815
Derivative assets – Notes B, C, J, L and P	3,107	3,006
Receivables and other assets – Notes B, C, M and N	9,448	9,377
Total assets	**$ 142,587**	**$ 137,518**
Liabilities and capital		
Liabilities		
Securities sold under repurchase agreements and payable for cash collateral received – Notes C and P	$ 5,827	$ 5,100
Borrowings – Notes B, K and L		
Borrowings, at amortized cost	3,130	2,917
Borrowings, at fair value	75,936	73,466
Total borrowings	79,066	76,383
Derivative liabilities – Notes B, C, J, L and P	7,103	5,815
Payables and other liabilities – Notes B, C, E, M, N and O	6,991	6,912
Total liabilities	**98,987**	**94,210**
Capital		
Authorized capital, shares of $1,000 par value each		
(25,079,991 shares as of September 30, 2026 and June 30, 2026)		
Paid-in capital	24,296	24,296
Accumulated other comprehensive income – Note H	1,925	1,672
Retained earnings – Note H	17,379	17,340
Total capital	43,600	43,308
Total liabilities and capital	**$ 142,587**	**$ 137,518**

The notes to Condensed Consolidated Financial Statements are an integral part of these statements.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

for the three months ended September 30, 2026 (unaudited) and September 30, 2025 (unaudited)

(US$ in millions)	For the three months ended September 30, 2026	2025
Income from investments		
Income from loans and guarantees, including realized gains and losses on loans and associated derivatives – Note E	$ 805	$ 858
Provision for losses on loans, off-balance-sheet credit exposures and other receivables – Note E	(52)	(73)
Income from equity investments, including realized and unrealized gains and losses on equity and associated derivatives – Note G	249	388
Income from debt securities, including realized gains and losses on debt securities and associated derivatives – Note F	203	202
(Provision) release of provision for losses on available-for-sale debt securities – Note F	(2)	3
Total income from investments	**1,203**	**1,378**
Income from liquid asset trading activities – Note C	302	605
Charges on borrowings	(904)	(953)
Income from investments and liquid asset trading activities, after charges on borrowings	**601**	**1,030**
Other income		
Upstream and Advisory services income – Note M	46	48
Service fees	30	27
Other	20	58
Total other income	**96**	**133**
Other expenses		
Administrative expenses – Notes B and O	(437)	(415)
Upstream and Advisory services expenses – Note M	(57)	(68)
Other, net – Note O	41	9
Total administrative and other expenses	**(453)**	**(474)**
Foreign currency transaction gains (losses) on non-trading activities	2	(38)
Income before net unrealized gains and losses on loans, debt securities, borrowings and related derivatives	**246**	**651**
Net unrealized (losses) gains on loans, debt securities, borrowings and related derivatives – Note I	(207)	83
Net income – Note M	**$ 39**	**$ 734**

The notes to Condensed Consolidated Financial Statements are an integral part of these statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the three months ended September 30, 2026 (unaudited) and September 30, 2025 (unaudited)

(US$ in millions)	For the three months ended September 30, 2026	2025
Net income – Note M	**$ 39**	**$ 734**
Other comprehensive income (loss)		
Net unrealized (losses) gains on debt securities arising during the period - Note H	(1)	27
Net unrealized gains (losses) on borrowings arising during the period - Note H	277	(76)
Net unrecognized actuarial gains and unrecognized prior service cost on benefit plans – Note H and O	(23)	(15)
Total other comprehensive income (loss)	**253**	**(64)**
Total comprehensive income	**$ 292**	**$ 670**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL

for the three months ended September 30, 2026 (unaudited) and September 30, 2025 (unaudited)

(US$ in millions)	Retained earnings - Note H	Accumulated other comprehensive income (loss) - Note H	Paid-in capital	**Total capital**
As of June 30, 2025	**$ 15,302**	**$ 1,617**	**$ 24,009**	**$ 40,928**
Three months ended September 30, 2025				
Net income	734	—	—	734
Other comprehensive loss	—	(64)	—	(64)
Payments received for subscribed capital	—	—	78	78
As of September 30, 2025	**$ 16,036**	**$ 1,553**	**$ 24,087**	**$ 41,676**
As of June 30, 2026	**$ 17,340**	**$ 1,672**	**$ 24,296**	**$ 43,308**
Three months ended September 30, 2026				
Net income	39	—	—	39
Other comprehensive income	—	253	—	253
As of September 30, 2026	**$ 17,379**	**$ 1,925**	**$ 24,296**	**$ 43,600**

The notes to Condensed Consolidated Financial Statements are an integral part of these statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

for the three months ended September 30, 2026 (unaudited) and September 30, 2025 (unaudited)

(US$ in millions)	For the three months ended September 30, 2026	2025
Cash flows from investing activities		
Loan disbursements	$ (4,358)	$ (4,875)
Investments in equity securities and related derivatives	(460)	(517)
Investments in debt securities	(767)	(1,019)
Loan repayments	3,388	2,859
Debt securities repayments	524	752
Proceeds from sales of loans	100	—
Proceeds from sales of equity investments and redemptions	291	411
Proceeds from sales of debt securities	44	134
Loan origination fees received	32	33
Investment in fixed assets, net	(32)	(21)
Net cash used in investing activities	**(1,238)**	**(2,243)**
Cash flows from financing activities		
Medium and long-term borrowings		
Issuance	9,517	4,672
Retirement	(6,166)	(6,575)
Change in derivatives associated with borrowings, net	(78)	113
Securitized borrowings, net	(24)	—
Short-term borrowings, net	383	770
Capital subscriptions	—	78
Net cash provided by (used in) financing activities	**3,632**	**(942)**
Cash flows from operating activities		
Net income	39	734
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Realized losses (gains) on loans and debt securities, net	2	(6)
Gains on equity investments	(208)	(344)
Provision	54	70
Depreciation expenses, amortization of net discounts, premiums and loan origination fees	21	19
Foreign currency transaction (gains) losses on non-trading activities	(2)	38
Net unrealized losses (gains) on loans, debt securities, borrowings and related derivatives	207	(83)
Net discounts paid and realized gains on retirement of borrowings	(19)	(23)
Change in accrued income on loans and debt securities (after swaps), net	(192)	(225)
Change in accrued expenses on borrowings (after swaps), net	67	119
Change in liquid asset trading portfolio	(2,139)	2,749
Change in derivatives associated with loans and client risk management, net	13	(25)
Change in payables and other liabilities	173	2
Change in receivables and other assets	(85)	(230)
Net cash (used in) provided by operating activities	**(2,069)**	**2,795**
Change in cash and due from banks	325	(390)
Effect of exchange rate changes on cash and due from banks	1	—
Net change in cash and due from banks	326	(390)
Beginning cash and due from banks	443	1,232
Ending cash and due from banks	**$ 769**	**$ 842**

The notes to Condensed Consolidated Financial Statements are an integral part of these statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

for the three months ended September 30, 2026 (unaudited) and September 30, 2025 (unaudited)

(US$ in millions)	For the three months ended September 30, 2026	2025
Supplemental disclosure		
Change in ending balances resulting from currency exchange rate fluctuations:		
Loans outstanding	$ (30)	$ 131
Debt securities	(31)	(51)
Loan and debt security-related currency swaps	53	(95)
Borrowings	(160)	29
Borrowing-related currency swaps	166	(26)
Charges on borrowings paid, net	$ 1,191	$ 856
Non-cash items:		
Loan and debt security conversion to equity, net	$ 16	$ 15

The notes to Condensed Consolidated Financial Statements are an integral part of these statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

PURPOSE

The International Finance Corporation (IFC), an international organization, was established in 1956 to further economic development in its member countries by encouraging the growth of private enterprise. IFC is a member of the World Bank Group (WBG), which also comprises the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). Each member is legally and financially independent. Transactions with other World Bank Group members are disclosed in the notes that follow. IFC's activities are closely coordinated with and complement the overall development objectives of the other World Bank Group institutions. IFC, together with private investors, assists in financing the establishment, improvement and expansion of private sector enterprises by making loans, equity investments and investments in debt securities where sufficient private capital is not otherwise available on reasonable terms. IFC's share capital is provided by its member countries. It raises most of the funds for its investment activities through the issuance of notes, bonds and other debt securities in the international capital markets. IFC also plays a catalytic role in mobilizing additional funding from other investors and lenders through parallel loans, loan participations, partial credit guarantees, securitizations, loan sales, risk sharing facilities, fund investments and other IFC crisis initiatives. In addition to project finance and mobilization, IFC offers an array of financial and technical advisory services to private businesses in the developing world to increase their chances of success. It also advises governments on how to create an environment hospitable to the growth of private enterprise and foreign investment.

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed consolidated financial statements and notes should be read in conjunction with the June 30, 2026 audited financial statements and notes included therein. The condensed comparative information that has been derived from the June 30, 2026 audited financial statements has not been audited. The accounting and reporting policies of IFC conform with accounting principles generally accepted in the United States of America (U.S. GAAP). In the opinion of management, the condensed consolidated financial statements reflect all adjustments necessary for the fair presentation of IFC's financial position and results of operations.

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

The preparation of the condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed consolidated financial statements and the reported amounts of income and expense during the reporting periods. Actual results could differ from these estimates. A significant degree of judgment has been used in the determination of: the estimated fair values of financial instruments accounted for at fair value (including equity investments, debt securities, loans, trading securities, borrowings and derivative instruments); reserve against losses on loans and off-balance-sheet credit exposures; impairment of debt securities; projected pension benefit obligations; the fair value of pension and other postretirement benefit plan assets; and net periodic pension income or expense. There are inherent risks and uncertainties related to IFC's operations. The possibility exists that changing economic conditions could have an adverse effect on the financial position of IFC.

IFC uses internal models to determine the fair values of derivative and other financial instruments and the aggregate level of the reserve against credit losses on loans, off-balance-sheet credit exposures, and available-for-sale debt securities. IFC performs ongoing review and analysis of these models with the objective of refining its estimates, consistent with evolving best practices appropriate to its operations. Changes in estimates resulting from refinements in the assumptions and methodologies incorporated in the models are reflected in net income in the period in which the enhanced models are first applied.

Accounting standards under evaluation

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

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

In November 2025, the FASB issued ASU 2025-08, *Financial Instruments–Credit Losses (Topic 326): Purchased Loans*, which expands the use of the gross-up approach to include loans that meet the definition of "purchased seasoned loans". Under the gross-up approach, an allowance for expected credit losses is recorded at acquisition for the acquired loans by increasing the amortized cost basis rather than through the provision for losses expense. Previously, the gross-up approach was limited to purchased loans with credit deterioration. The ASU aligns the accounting treatment for purchased loans with insignificant credit deterioration and purchased loans with more than insignificant credit deterioration at acquisition. For IFC, the ASU will be effective for the quarter ending September 30, 2027. Early adoption is permitted. IFC is currently evaluating the impact of the ASU on its condensed consolidated financial statements.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In September 2025, the FASB issued ASU 2025-06, *Intangibles–Goodwill and Other–Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software,* which modernizes the accounting for internal-use software by eliminating consideration of software development stages. Instead, capitalization of software costs would begin when (i) management has authorized and committed to funding the software project and (ii) it is probable that the project will be completed and the software will be used to perform its intended function. For IFC, the ASU will be effective for the quarter ending September 30, 2028. Early adoption is permitted. IFC is currently evaluating the impact of the ASU on its condensed consolidated financial statements.

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE B – RELATED PARTY TRANSACTIONS

IFC transacts with related parties through borrowings, investment intermediation services, participating in shared service arrangements, and cost sharing arrangements related to IBRD-sponsored pension and other post-retirement plans.

IFC's receivables from (payables to) its related parties are presented in the following table:

Table B1: IFC's receivables from (payables to) related parties

	September 30, 2026				June 30, 2026			
(US$ in millions)	IBRD	IDA	MIGA	Total	IBRD	IDA	MIGA	Total
Administrative Services (Payables) Receivables	$ (34)	$ —	$ 4	$ (30)	$ 19	$ —	$ 4	$ 23
IDA PSW – Local Currency Facility [a]	—	64	—	64	—	69	—	69
IDA PSW – Blended Finance Facility	—	(155)	—	(155)	—	(154)	—	(154)
Borrowings	—	(73)	—	(73)	—	(82)	—	(82)
Pension and Other Post-retirement Benefits	985	—	—	985	984	—	—	984
Post-retirement Contribution Reserve Fund (PCRF)	499	—	—	499	474	—	—	474
	$ 1,450	**$ (164)**	**$ 4**	**$ 1,290**	**$ 1,477**	**$ (167)**	**$ 4**	**$ 1,314**

a Includes other payable of $10 million related to unsettled Local Currency Facility trades that is included in Payables and other liabilities on the condensed consolidated balance sheets as of June 30, 2026.

Administrative services

WBG entities, including IFC, IBRD, IDA and MIGA share the costs of certain administrative and overhead services where common services can be efficiently provided by IBRD. This includes shared costs of the Boards of Governors and Directors, corporate and security services, and other services such as IT support services, and human resources services. IFC's share of these costs is paid to IBRD and is included in Administrative expenses on the condensed consolidated statements of operations. The associated net receivables or payables were included in the Receivables and other assets or Payables and other liabilities respectively on the condensed consolidated balance sheets.

Fee Income Receivable from MIGA

Transactions with MIGA include marketing fees received for referral and due diligence services on jointly-developed guarantee projects. Fee income received from MIGA for the three months ended September 30, 2026, was $1 million ($1 million – three months ended September 30, 2025) and is included in Other Income on the condensed consolidated statements of operations. The associated receivables are included in Receivables and other assets on the condensed consolidated balance sheets.

IDA Private Sector Window (IDA-PSW)

The IDA-IFC-MIGA Private Sector Window (PSW) was created under IDA's Eighteenth Replenishment of Resources (IDA18) to mobilize private sector investment in IDA-eligible countries and IDA-eligible Fragile and Conflict-affected Situations (FCS). Under IDA's Twenty-First Replenishment of Resources (IDA21), $3.2 billion was allocated to the PSW, including $500 million of capital set aside by IFC. As of September 30, 2026, $658 million was approved under the IDA21 PSW envelope, including $122 million under IFC's capital set-aside.

The PSW is deployed through facilities designed to target critical challenges faced by the private sector, leveraging IFC's business platform and instruments. Under the fee arrangement for the IDA-PSW, IDA receives fee income for transactions executed under this window and reimburses IFC for the related costs incurred in administering these transactions. Under the Blended Finance Facility, IDA offers synthetic equity investments, currency swaps and subordination arrangements to mitigate risks for IFC's senior investments. As of September 30, 2026, these are reported in IFC's condensed consolidated balance sheets as Payables and other liabilities of $163 million ($154 million - June 30, 2026), Other assets $6 million ($0 - June 30, 2026), and derivative assets $2 million ($0 - June 30, 2026), respectively. As of September 30, 2026 IFC also committed $1.4 billion ($1.3 billion - June 30, 2026) of guarantees as part of the Blended Finance Facility. Under the Local Currency Facility, IDA offers currency swaps, reported in derivative assets and liabilities, and payables and other liabilities on IFC's condensed consolidated balance sheets, to support IFC's local currency denominated loans.

Borrowings

In September 2014, IFC issued an amortizing, non-interest bearing promissory note, maturing September 15, 2039, to IDA in exchange for $1.2 billion with an effective interest rate of 1.84%. IFC has elected the Fair Value Option for the promissory note, which is included in the Borrowings at fair value on the condensed consolidated balance sheets. IFC recognized interest expense of $0.5 million for the three months ended September 30, 2026 ($1 million – three months ended September 30, 2025).

IFC has a Local Currency Loan Facility Agreement with IBRD, which is capped at $300 million. As of September 30, 2026 and June 30, 2026, IFC had no borrowings outstanding under this uncommitted facility.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE B – RELATED PARTY TRANSACTIONS (continued)

Pension and Other Post-retirement Benefits

IFC's net share of prepaid costs for pension and other post-retirement benefit plans and investment income from Post-Employment Benefit Plan (PEBP) assets is included in Receivables and other assets on the condensed consolidated balance sheets. These will be realized over the lives of the plan participants.

Post-Retirement Contribution Reserve Fund (PCRF)

The PCRF was established to stabilize contributions made to the pension and post-retirement benefits plans. PCRF assets are recorded as Investments and included in Investments-Trading on IBRD's Balance Sheet. IFC's share of investments associated with the PCRF is reported in the Receivables and other assets on the condensed consolidated balance sheets. IFC recognized a loss of $8 million for the three months ended September 30, 2026 (an income of $7 million – three months ended September 30, 2025). IFC contributed $33 million to the PCRF during the three months ended September 30, 2026 ($35 million – three months ended September 30, 2025).

IFC-managed AMC Funds

IFC Equity Mobilization Department (AMC), invests third-party capital and IFC capital, enabling outside investors to invest alongside IFC in developing markets. As of September 30, 2026, AMC managed multiple funds (collectively referred to as the AMC Funds), in its capacity as General Partner (GP)/ Manager of these funds, none of which require consolidation by IFC. A management fee is charged for the management services provided to the AMC funds. IFC's commitment ownership interests in these AMC Funds are shown in the following table:

Table B2: IFC's commitment ownership interests in AMC Funds

AMC Funds	IFC's commitment ownership interest %
IFC African, Latin American and Caribbean Fund, LP	20%
IFC Catalyst Funds [a]	18%
IFC Global Infrastructure Fund, LP	17%
IFC Financial Institutions Growth Fund, LP	30%
IFC Global Emerging Markets Fund of Funds [b]	19%
IFC Middle East and North Africa Fund, LP	37%
IFC Emerging Asia Fund, LP	22%
IFC GEMFOF 2 SMA, LP	—%
IFC Emerging Markets Sustainability Fund of Funds, LP	—%
TfL IFC Growth and Sustainability, LP	—%

a The commitment ownership interest of 18% reflects IFC's ownership interest taking into consideration the overall commitments for the IFC Catalyst Funds, which comprises IFC Catalyst Fund, LP, IFC Catalyst Fund (UK), LP and IFC Catalyst Fund (Japan), LP (collectively, IFC Catalyst Funds). IFC does not have a commitment ownership interest in either the IFC Catalyst Fund (UK), LP or the IFC Catalyst Fund (Japan), LP.

b The commitment ownership interest of 19% reflects IFC's ownership interest taking into consideration the current committed amounts for the IFC Global Emerging Markets Fund of Funds, which comprises IFC Global Emerging Markets Fund of Funds, LP and IFC Global Emerging Markets Fund of Funds (Japan Parallel), LP. IFC does not have a commitment ownership interest in the IFC Global Emerging Markets Fund of Funds (Japan Parallel), LP.

As of September 30, 2026, IFC's investments as a limited partner in funds managed by AMC were $355 million ($374 million – June 30, 2026). These investments are classified within Equity investments on the condensed consolidated balance sheets. $7 million of management fee income was recognized for the three months ended September 30, 2026 ($8 million – three months ended September 30, 2025) which is included in other income on the condensed consolidated statements of operations.

The IFC Emerging Markets Sustainability Fund of Funds, LP (EMSF FoF) participates in IFC's investment in private equity funds, secondaries, and co-investments in emerging markets. As of September 30, 2026, EMSF FoF's participation in IFC's investment was measured at fair value of $58 million ($51 million – June 30, 2026). The corresponding liability to EMSF FoF for its share of investment was reported within Payables and other liabilities and the associated receivable from EMSF FoF was reported within Receivables and other assets on IFC's condensed consolidated balance sheets.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE C – LIQUID ASSET PORTFOLIO

Composition of Liquid Asset Portfolio

The composition of IFC's net liquid asset portfolio included in the condensed consolidated balance sheets is as follows:

Table C1: Composition of net liquid asset portfolio

(US$ in millions)	September 30, 2026	June 30, 2026
Assets		
Cash and due from banks [a]	$ 46	$ 92
Investments – Trading	49,620	47,674
Securities purchased under resale agreements and receivable for cash collateral pledged	2,597	1,203
Derivative assets	387	423
Receivables and other assets		
Receivables from unsettled security trades	750	1,161
Accrued interest income on time deposits and securities	293	287
Accrued income on derivative instruments	258	259
Total assets	**53,951**	**51,099**
Liabilities		
Securities sold under repurchase agreements and payable for cash collateral received [b]	5,827	5,100
Derivative liabilities	259	176
Payables and other liabilities		
Payables for purchase of securities	1,106	1,165
Accrued charges on derivative instruments	253	257
Total liabilities	**7,445**	**6,698**
Total net liquid asset portfolio	**$ 46,506**	**$ 44,401**

a Represents cash and due from banks from the liquid asset portfolio and does not include cash and due from banks from other cash accounts of $723 million and $351 million as of September 30, 2026 and June 30, 2026, respectively.

b The weighted average interest rate on IFC's securities sold under repurchase agreements was 3.7% and 3.9% as of September 30, 2026 and June 30, 2026, respectively.

The liquid asset portfolio is primarily denominated in U.S. dollar. Investments in other currencies, net of the effect of associated derivative instruments that convert non-U.S. dollar securities into U.S. dollar securities, represent 1.1% of the portfolio as of September 30, 2026 (1.1% – June 30, 2026).

Income from liquid asset trading activities

Income from liquid asset trading activities, before allocated borrowing costs, for the three months ended September 30, 2026 and September 30, 2025 comprises:

Table C2: Income from liquid asset trading activities

	For the three months ended September 30,	
(US$ in millions)	2026	2025
Interest income, net	$ 391	$ 422
Net (losses) gains on asset-backed and mortgage-backed securities	(29)	8
Net (losses) gains on other trading securities	(60)	175
Net (losses) gains from trading activities (realized and unrealized)	(89)	183
Total income from liquid asset trading activities	**$ 302**	**$ 605**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE D – INVESTMENTS

The carrying value of investments as of September 30, 2026 and June 30, 2026 comprises:

Table D1: Carrying value of investments

(US$ in millions)	September 30, 2026	June 30, 2026
Loans		
Loans at amortized cost	$ 48,442	$ 47,621
Less: Reserve against losses on loans	(1,475)	(1,448)
Loans at amortized cost less reserve against losses [a]	46,967	46,173
Loans accounted for at fair value under the Fair Value Option [b]		
(amortized cost $2,082 as of September 30, 2026, $2,103 as of June 30, 2026)	2,010	2,061
Total loans	**48,977**	**48,234**
Equity investments		
Equity investments accounted for at fair value [c]		
(cost $12,809 as of September 30, 2026, $12,633 as of June 30, 2026)	13,864	13,485
Total equity investments	**13,864**	**13,485**
Debt securities		
Debt securities accounted for at fair value as available-for-sale		
(amortized cost $341 as of September 30, 2026, $347 as of June 30, 2026)	313	320
Less: Reserve against losses on available-for sale debt securities	(9)	(7)
Debt securities, available-for-sale less reserve against losses	304	313
Debt securities accounted for at fair value under the Fair Value Option		
(amortized cost $13,991 as of September 30, 2026, $13,746 as of June 30, 2026)	13,901	13,783
Total debt securities	**14,205**	**14,096**
Total carrying value of investments	**$ 77,046**	**$ 75,815**

a Includes $869 million and $886 million, respectively, as of September 30, 2026 and June 30, 2026 of loans at amortized cost, net of reserve for losses, that were transferred to consolidated securitization Variable Interest Entities (VIEs).

b Includes $6 million and $7 million, respectively, as of September 30, 2026 and June 30, 2026 of loans accounted for under the Fair Value Option that were transferred to consolidated securitization VIEs.

c Includes $2 million and $4 million, respectively, as of September 30, 2026 and June 30, 2026 of equity investments primarily accounted for under the cost recovery method. As the recovery of invested capital is uncertain, the fair value measurement is not applicable to these investments.

The distribution of the investment portfolio by geographical region and by industry sector and a reconciliation of total disbursed portfolio to carrying value of investments is as follows:

Table D2: Reconciliation of total disbursed portfolio to carrying value

(US$ in millions)	September 30, 2026				June 30, 2026			
	Loans	Equity investments	Debt securities	Total	Loans	Equity investments	Debt securities	Total
Total disbursed investment portfolio	**$ 50,709**	**$ 12,831**	**$14,303**	**$77,843**	**$49,899**	**$ 12,655**	**$14,061**	**$76,615**
Reserve against losses on loans and debt securities	(1,475)	—	(9)	(1,484)	(1,448)	—	(7)	(1,455)
Unamortized deferred loan origination fees, net and other	(185)	—	—	(185)	(175)	—	—	(175)
Disbursed amounts allocated to equity related options reported separately in derivative assets	—	(18)	—	(18)	—	(18)	—	(18)
Unrealized losses on equity investments held by consolidated VIEs	—	(4)	—	(4)	—	(4)	—	(4)
Unrealized gains on investments accounted for at fair value as available-for-sale	—	—	—	—	—	—	5	5
Unrealized (losses) gains on investments accounted for under the Fair Value Option	(72)	1,055	(89)	894	(42)	852	37	847
Carrying value of investments	**$ 48,977**	**$ 13,864**	**$14,205**	**$77,046**	**$48,234**	**$ 13,485**	**$14,096**	**$75,815**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES

Loans

Income from loans and guarantees, including realized gains and losses on loans and associated derivatives for the three months ended September 30, 2026 and September 30, 2025 comprise the following:

Table E1: Income from loans and guarantees

	For the three months ended September 30,	
(US$ in millions)	2026	2025
Interest income	$ 794	$ 812
Commitment fees	9	15
Guarantee fees	38	27
Recovery asset income, net	4	16
Credit enhancement expense	(44)	(26)
Other financial fees	3	12
Realized gains on loans, guarantees and associated derivatives, net	1	2
Income from loans and guarantees, including realized gains (losses) on loans and associated derivatives	**$ 805**	**$ 858**

Reserve against losses on loans and provision for losses on loans

Changes in the reserve against losses on loans disbursed and loans committed but not disbursed for the three months ended September 30, 2026 and September 30, 2025 as well as the related loans at amortized cost evaluated for impairment individually and on a pool basis (portfolio reserve) respectively are summarized below:

Table E2: Changes in the reserve against losses on loans disbursed and loans committed but not disbursed

	For the three months ended September 30, 2026					
	Loans Disbursed			Loans Committed but not Disbursed		
(US$ in millions)	Individual reserve	Portfolio reserve	Total reserve	Individual reserve	Portfolio reserve	Total reserve
Beginning balance	$ 316	$ 1,132	$ 1,448	$ 5	$ 188	$ 193
Provision/(release of provision) for losses	44	(17)	27	3	15	18
Foreign currency transaction adjustments	—	(2)	(2)	—	—	—
Other adjustments [a]	—	2	2	—	—	—
Ending balance	**$ 360**	**$ 1,115**	**$ 1,475**	**$ 8**	**$ 203**	**$ 211**
Total disbursed loans as of September 30, 2026	$ 1,188	$47,439	$48,627			
Loans committed but not disbursed as of September 30, 2026				$ 90	$ 9,860	$ 9,950
Unamortized deferred loan origination fees, net and other			(185)			
Loans at amortized cost			**$48,442**			

a Other adjustments include items such as a reserve against interest capitalized.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E2.1:

(US$ in millions)	For the three months ended September 30, 2025					
	Loans Disbursed			Loans Committed but not Disbursed		
	Individual reserve	Portfolio reserve	Total reserve	Individual reserve	Portfolio reserve	Total reserve
Beginning balance	$ 320	$ 953	$ 1,273	$ 2	$ 134	$ 136
Provision for losses	1	38	39	—	17	17
Recoveries of previously written-off loans	3	—	3	—	—	—
Foreign currency transaction adjustments	1	1	2	—	—	—
Other adjustments [a]	12	—	12	—	1	1
Ending balance	**$ 337**	**$ 992**	**$ 1,329**	**$ 2**	**$ 152**	**$ 154**
Total disbursed loans as of September 30, 2025	$ 1,504	$ 42,333	$ 43,837			
Loans committed but not disbursed as of September 30, 2025				$ 35	$ 7,798	$ 7,833
Unamortized deferred loan origination fees, net and other			(166)			
Loans at amortized cost			**$ 43,671**			

a Other adjustments include items such as a reserve against interest capitalized

Reserve for losses and provision for losses on off-balance-sheet guarantees exposures and other receivables

Changes in the reserve against losses (liability) on off-balance-sheet guarantee exposures for the three months ended September 30, 2026 and September 30, 2025 are summarized below:

Table E3: Changes in the reserve against losses on off-balance-sheet guarantee exposures

(US$ in millions)	For the three months ended September 30, 2026	
	Outstanding Guarantees [a]	Issued Guarantees [a]
Beginning balance	$ 49	$ 114
Provision for losses on off-balance-sheet credit exposure	4	3
Foreign currency transaction adjustments	(1)	—
Ending balance	**$ 52**	**$ 117**

a Guarantees are considered issued when IFC commits to the guarantee obligation. Guarantees are considered outstanding when the underlying financial obligation of the client is incurred.

Table E3.1:

(US$ in millions)	For the three months ended September 30, 2025	
	Outstanding Guarantees [a]	Issued Guarantees [a]
Beginning balance	$ 35	$ 62
Provision for losses on off-balance-sheet credit exposure	11	5
Guarantee claims paid	(1)	—
Other adjustments [b]	—	1
Ending balance	**$ 45**	**$ 68**

a Guarantees are considered issued when IFC commits to the guarantee obligation. Guarantees are considered outstanding when the underlying financial obligation of the client is incurred.

b Other adjustments include items such as a reserve against interest capitalized.

Reserve against losses on other receivables was $1 million as of September 30, 2026 and June 30, 2026. The outstanding balance of other receivables was $9 million at September 30, 2026, compared to $12 million at June 30, 2026.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Accrued Interest

The accrued interest balances were $1.0 billion and $759 million, as of September 30, 2026 and June 30, 2026, respectively, and are reported within receivables and other assets on the condensed consolidated balance sheets. Accrued interest receivable is excluded from the amortized cost basis for disclosure purposes.

Accrued interest is written-off by reversing interest income during the quarter when the financial asset is moved from an accrual to a nonaccrual status. For each of the three months ended September 30, 2026 and September 30, 2025, $6 million of accrued interest receivables was written off.

Nonaccruing loans

Loans on which the accrual of interest has been discontinued amounted to $832 million as of September 30, 2026 ($789 million as of June 30, 2026). The interest income on such loans for the three months ended September 30, 2026 and September 30, 2025 is summarized as follows:

Table E4: Interest income on Nonaccruing loans

	For the three months ended September 30,	
(US$ in millions)	2026	2025
Interest income not recognized on nonaccruing loans	$ 24	$ 53
Interest income recognized on loans in nonaccrual status related to current and prior years, on cash basis	12	23

There were no loans in nonaccrual status without an individual reserve against losses as of September 30, 2026 and June 30, 2026.

The amortized cost of nonaccruing loans as of September 30, 2026 and June 30, 2026 is summarized by geographic region and industry sector as follows:

Table E5: Nonaccruing loans

	September 30, 2026				
(US$ in millions)	Manufacturing, agribusiness and services	Financial markets	Infrastructure and natural resources	Disruptive technologies and funds	Total non-accruing loans [a]
Africa	$ 229	$ 1	$ 153	$ 11	$ 394
Asia and the Pacific	59	51	138	1	249
Europe, Latin America and the Caribbean	198	42	56	16	312
Middle East and Central Asia	12	—	4	—	16
Total nonaccruing loans [b]	**$ 498**	**$ 94**	**$ 351**	**$ 28**	**$ 971**

a Includes all components of amortized cost except unamortized fees which are considered insignificant.

b Includes $139 million reported as debt securities and $75 million reported as loans under Fair Value Option on the Balance Sheets as of September 30, 2026.

Table E5.1:

	June 30, 2026				
(US$ in millions)	Manufacturing, agribusiness and services	Financial markets	Infrastructure and natural resources	Disruptive technologies and funds	Total non-accruing loans [a]
Africa	$ 190	$ 1	$ 241	$ 16	$ 448
Asia and the Pacific	61	51	74	1	187
Europe, Latin America and the Caribbean	152	43	56	5	256
Middle East and Central Asia	12	—	4	—	16
Total nonaccruing loans [b]	**$ 415**	**$ 95**	**$ 375**	**$ 22**	**$ 907**

a Includes all components of amortized cost except unamortized fees which are considered insignificant.

b Includes $118 million reported as debt securities and $74 million reported as loans under Fair Value Option on the Balance Sheets as of June 30, 2026.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Past due loans

IFC considers a loan past due when payments have not been made according to its contractual terms. An aging analysis, based on contractual terms, of IFC's loans at amortized cost by geographic region and industry sector follows:

Table E6: Aging analysis

	September 30, 2026					
(US$ in millions)	Current	1-30 Days past due	31-60 days past due	61-90 days past due	Greater than 90 days past due	Total loans
Africa						
Manufacturing, agribusiness and services	$ 3,106	$ 85	$ 25	$ 21	$ 140	$ 3,377
Financial markets	3,951	75	1	—	—	4,027
Infrastructure and natural resources	2,923	84	—	—	89	3,096
Disruptive technologies and funds	—	—	—	—	4	4
Total Africa	9,980	244	26	21	233	10,504
Asia and the Pacific						
Manufacturing, agribusiness and services	3,975	10	—	—	40	4,025
Financial markets	7,869	—	—	—	48	7,917
Infrastructure and natural resources	1,364	43	—	18	32	1,457
Total Asia and the Pacific	13,208	53	—	18	120	13,399
Europe, Latin America and the Caribbean						
Manufacturing, agribusiness and services	5,803	120	45	39	76	6,083
Financial markets	6,659	24	—	—	4	6,687
Infrastructure and natural resources	3,663	—	—	16	18	3,697
Total Europe, Latin America and the Caribbean	16,125	144	45	55	98	16,467
Middle East and Central Asia						
Manufacturing, agribusiness and services	2,363	23	14	—	12	2,412
Financial markets	1,819	1	—	—	—	1,820
Infrastructure and natural resources	1,584	—	—	—	4	1,588
Total Middle East and Central Asia	5,766	24	14	—	16	5,820
Other						
Manufacturing, agribusiness and services	652	1	—	—	—	653
Financial markets	1,370	—	—	—	—	1,370
Infrastructure and natural resources	414	—	—	—	—	414
Total Other	2,436	1	—	—	—	2,437
Total disbursed loans	**$ 47,515**	**$ 466**	**$ 85**	**$ 94**	**$ 467**	**$ 48,627**
Unamortized deferred loan origination fees, net and other						(185)
Loans at amortized cost						**$ 48,442**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E6.1:

	June 30, 2026					
(US$ in millions)	Current	1-30 Days past due	31-60 days past due	61-90 days past due	Greater than 90 days past due	Total loans
Africa						
Manufacturing, agribusiness and services	$ 3,164	$ 172	$ 49	$ 35	$ 142	3,562
Financial markets	3,724	139	—	—	—	3,863
Infrastructure and natural resources	2,669	321	—	—	89	3,079
Disruptive technologies and funds	—	—	—	—	4	4
Total Africa	9,557	632	49	35	235	10,508
Asia and the Pacific						
Manufacturing, agribusiness and services	3,926	97	—	—	18	4,041
Financial markets	6,785	100	—	—	48	6,933
Infrastructure and natural resources	1,268	130	—	—	32	1,430
Total Asia and the Pacific	11,979	327	—	—	98	12,404
Europe, Latin America and the Caribbean						
Manufacturing, agribusiness and services	5,716	205	10	85	134	6,150
Financial markets	6,695	—	3	—	3	6,701
Infrastructure and natural resources	3,544	—	—	—	18	3,562
Total Europe, Latin America and the Caribbean	15,955	205	13	85	155	16,413
Middle East and Central Asia						
Manufacturing, agribusiness and services	2,239	124	—	47	12	2,422
Financial markets	1,601	5	—	—	—	1,606
Infrastructure and natural resources	1,660	130	—	—	4	1,794
Total Middle East and Central Asia	5,500	259	—	47	16	5,822
Other						
Manufacturing, agribusiness and services	614	2	—	—	—	616
Financial markets	1,621	—	—	—	—	1,621
Infrastructure and natural resources	412	—	—	—	—	412
Total Other	2,647	2	—	—	—	2,649
Total disbursed loans	**$ 45,638**	**$ 1,425**	**$ 62**	**$ 167**	**$ 504**	**$ 47,796**
Unamortized deferred loan origination fees, net and other						(175)
Loans at amortized cost						**$ 47,621**

As of September 30, 2026 and June 30, 2026 there were no loans that are 90 days or more past due and continue to accrue interest.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Loan Credit Quality Indicators

IFC utilizes a rating system to classify loans according to credit worthiness and risk. A description of each credit rating and categorization in terms of the attributes of the borrower, the business environment in which the borrower operates or the loan itself under the rating system follows:

Table E7: Credit Quality Indicators

Credit Risk (CR) Rating	Indicative External Rating	Category	Description
CR-1	AAA, AA+, AA, AA-	Very Strong	An obligor rated CR-1 is the highest rating assigned by IFC. The obligor's ability to meet its financial obligations is very strong.
CR-2	A+, A, A-	Strong	An obligor rated CR-2 is slightly more susceptible to the negative effects of changes in circumstances and economic conditions than obligors rated CR-1. The obligor's ability to meet its financial obligations remains strong.
CR-3	BBB+	Adequate	An obligor rated CR-3 exhibits an adequate financial profile, even though at a weaker level than "CR-1" and "CR-2".
CR-4	BBB		An obligor rated CR-4 exhibits an adequate financial profile. However, adverse economic conditions or changing circumstances are more likely to lead to a deterioration of the obligor's ability to meet its financial obligations.
CR-5	BBB-		An obligor rated CR-5, as the lowest of the investment grade ratings, exhibits an adequate financial profile. However, adverse economic conditions and/or changing circumstances are more likely to lead to a weaker financial profile and a deterioration of the obligor's ability to meet its financial obligations.
CR-6	BB+	Moderate	An obligor rated CR-6, as the first non-investment grade rating, is less vulnerable to default than other non-investment obligors.
CR-7	BB		An obligor rated CR-7 can face major uncertainties. Exposure to negative business, financial, or economic conditions could lead to the obligor's insufficient financial profile and a deterioration of the obligor's ability to meet its financial obligations.
CR-8	BB-		An obligor rated CR-8 faces major ongoing uncertainties. Exposure to negative business, financial, or economic conditions could lead to the obligor's insufficient financial profile and a deterioration of the obligor's ability to meet its financial obligations.
CR-9	B+	Weak	An obligor rated CR-9 is less vulnerable to default than obligors rated 'CR-10' or 'CR-11'. Significantly negative business, financial, or economic conditions will likely weaken the obligor's financial profile and ability to meet its financial obligations.
CR-10	B		An obligor rated CR-10 is more vulnerable to default than obligors rated 'CR-9' but the obligor still has the capacity to meet its financial obligations. Negative business, financial, or economic conditions will likely weaken the obligor's financial profile and ability to meet its financial obligations.
CR-11	B-		An obligor rated CR-11 is more vulnerable to default than obligors rated 'CR-9' or 'CR-10'. The obligor still has the capacity to meet its obligations but slightly negative business, financial, or economic conditions are more likely to weaken the obligor's financial profile and ability to meet its financial obligations than a company rated CR-10.
CR-12	CCC+	Very Weak/ Special Attention	An obligor rated CR-12 faces significant challenges. While such obligors will likely have some positive characteristics, these may be outweighed by large uncertainties or major exposures to adverse conditions. The obligor is dependent upon favorable business, financial, and economic conditions to meet its financial obligations.
CR-13	CCC	Very Weak/ Substandard	An obligor rated CR-13 is currently vulnerable to default, and is dependent upon significantly favorable business, financial, and economic conditions to meet its financial obligations. In the event of negative business, financial, or economic conditions, the obligor is not likely to meet its financial obligations and rescheduling and/or restructuring is likely to be required.
CR-14	CCC-	Extremely Weak/Doubtful	An obligor rated CR-14 is highly vulnerable to default. It is highly likely that a rescheduling and/or restructuring are required without which a default under IFC's accounting definition would ensue. In some cases, even though default has not occurred yet, cash flow may be insufficient to service debt in full.
CR-15	Worse than CCC- and D	Imminent Default	An obligor rated CR-15 is currently extremely vulnerable to nonpayment and there are indications that the next payment will not be made before meeting IFC's accounting definition of default.
D		/Default	An obligor rated D is in payment default according to IFC's definition of default.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

The following table presents the disbursed loans by credit quality indicator based on risk rating and origination year as of September 30, 2026 and June 30, 2026 and gross write-offs for the three months ended September 30, 2026 and year ended June 30, 2026. The origination year is based on the commitment date that represents the date that the decision was made to extend credit and IFC entered into a legally binding agreement with the borrower. All subsequent loan disbursements, as well as loan modifications, extensions, and renewals for an associated loan commitment are reported based on the original commitment date:

Table E8: Loans at amortized cost by credit quality indicator based on risk rating and origination year and gross write-offs

(US$ in millions)	September 30, 2026 Loans at Amortized cost basis by Risk class										
Originated during the year ended June 30,	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak/ Special Attention	Very Weak/ Sub-standard	Extremely Weak/ Doubtful	Imminent Default/ Default	Total Contracts	Gross write-offs
2027	$ —	$ —	$ 1,686	$ 204	$ 137	$ —	$ 25	$ 15	$ —	$ 2,067	$ —
2026	—	237	2,320	3,997	3,399	161	82	17	—	10,213	—
2025	—	507	3,182	4,910	1,804	205	76	11	1	10,696	—
2024	—	518	3,439	4,407	1,524	107	23	30	44	10,092	—
2023	—	400	1,335	2,470	1,433	61	300	5	18	6,022	—
Prior	—	279	1,756	3,327	1,690	350	74	146	413	8,035	—
Total	—	1,941	13,718	19,315	9,987	884	580	224	476	47,125	—
Revolving loans	—	—	78	1,306	53	14	—	1	4	1,456	—
Revolving contracts converted to Term contracts	—	—	—	12	—	—	—	—	34	46	—
Total disbursed loans	**$ —**	**$1,941**	**$13,796**	**$20,633**	**$10,040**	**$ 898**	**$ 580**	**$ 225**	**$ 514**	**$ 48,627**	**$ —**
Unamortized deferred loan origination fees, net and other										(185)	
Loans at amortized cost										**$ 48,442**	

Table E8.1:

(US$ in millions)	June 30, 2026 Loans at Amortized cost basis by Risk class										
Originated during the year ended June 30,	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak/ Special Attention	Very Weak/ Sub-standard	Extremely Weak/ Doubtful	Imminent Default/ Default	Total Contracts	Gross write-offs
2026	$ —	$ 187	$ 2,335	$ 3,711	$ 3,290	$ 127	$ 79	$ 10	$ —	$ 9,739	$ —
2025	—	504	3,331	5,327	1,659	177	51	11	1	11,061	—
2024	—	516	4,023	4,351	1,565	160	25	18	6	10,664	1
2023	—	400	1,578	2,345	1,477	82	304	2	18	6,206	—
2022	—	—	631	1,053	682	31	74	74	163	2,708	10
Prior	94	184	1,156	2,428	1,507	342	36	40	221	6,008	12
Total	94	1,791	13,054	19,215	10,180	919	569	155	409	46,386	23
Revolving Loans	—	—	—	1,328	32	—	—	—	4	1,364	
Revolving contracts converted to Term contracts	—	—	—	12	—	—	—	—	34	46	—
Total disbursed loans	**$ 94**	**$ 1,791**	**$ 13,054**	**$ 20,555**	**$ 10,212**	**$ 919**	**$ 569**	**$ 155**	**$ 447**	**$ 47,796**	**$ 23**
Unamortized deferred loan origination fees, net and other										(175)	
Loans at amortized cost										**$ 47,621**	

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Following is a summary of IFC's loans at amortized cost by credit quality indicator, geographic region, and industry sector, as of September 30, 2026 and June 30, 2026:

Table E9: Loans at amortized cost by credit quality indicator by geographic region

	September 30, 2026									
(US$ in millions)	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak/ Special Attention	Very Weak/ Sub-standard	Extremely Weak/ Doubtful	Imminent Default/ Default	Total
Geographic Region										
Africa	$ —	$ 171	$ 1,376	$ 3,820	$ 3,955	$ 587	$ 307	$ 46	$ 242	$10,504
Asia and the Pacific	—	481	6,598	4,134	1,894	108	—	64	120	13,399
Europe, Latin America and the Caribbean	—	626	4,536	8,296	2,365	161	249	98	136	16,467
Middle East and Central Asia	—	415	643	2,909	1,754	42	24	17	16	5,820
Other	—	248	643	1,474	72	—	—	—	—	2,437
Total disbursed loans	**$ —**	**$1,941**	**$ 13,796**	**$ 20,633**	**$10,040**	**$ 898**	**$ 580**	**$ 225**	**$ 514**	**$48,627**
Unamortized deferred loan origination fees, net and other										(185)
Loans at amortized cost										**$48,442**

Table E9.1:

	June 30, 2026									
(US$ in millions)	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak/ Special Attention	Very Weak/ Sub-standard	Extremely Weak/ Doubtful	Imminent Default/ Default	Total
Geographic Region										
Africa	$ —	$ 171	$ 1,472	$ 3,836	$ 3,879	$ 569	$ 305	$ 40	$ 236	$10,508
Asia and the Pacific	—	477	5,570	3,968	2,162	105	10	14	98	12,404
Europe, Latin America and the Caribbean	—	576	4,782	8,213	2,216	211	228	90	97	16,413
Middle East and Central Asia	—	14	727	3,130	1,864	34	26	11	16	5,822
Other	94	553	503	1,408	91	—	—	—	—	2,649
Total disbursed loans	**$ 94**	**$1,791**	**$ 13,054**	**$ 20,555**	**$10,212**	**$ 919**	**$ 569**	**$ 155**	**$ 447**	**$47,796**
Unamortized deferred loan origination fees, net and other										(175)
Loans at amortized cost										**$47,621**

Table E10: Loans at amortized cost by credit quality indicator by Industry sector

	September 30, 2026									
(US$ in millions)	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak/ Special Attention	Very Weak/ Substandard	Extremely Weak/ Doubtful	Imminent Default/ Default	Total
Industry Sector										
Manufacturing, agribusiness and services	$ —	$ 800	$ 5,175	$ 6,397	$ 3,190	$ 299	$ 294	$ 95	$ 300	$16,550
Financial markets	—	1,000	6,693	10,070	3,704	229	42	29	54	21,821
Infrastructure and natural resources	—	141	1,927	4,166	3,146	370	244	101	157	10,252
Disruptive technologies and funds	—	—	1	—	—	—	—	—	3	4
Total disbursed loans	**$ —**	**$1,941**	**$13,796**	**$20,633**	**$10,040**	**$ 898**	**$ 580**	**$ 225**	**$ 514**	**$48,627**
Unamortized deferred loan origination fees, net and other										(185)
Loans at amortized cost										**$48,442**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E10.1:

	June 30, 2026									
(US$ in millions)	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak/ Special Attention	Very Weak/ Substandard	Extremely Weak/ Doubtful	Imminent Default/ Default	Total
Industry Sector										
Manufacturing, agribusiness and services	$ 94	$ 701	$ 5,295	$ 6,628	$ 3,145	$ 304	$ 285	$ 107	$ 232	$16,791
Financial markets	—	1,000	5,443	10,228	3,742	205	41	11	54	20,724
Infrastructure and natural resources	—	90	2,316	3,699	3,325	410	243	37	157	10,277
Disruptive technologies and funds	—	—	—	—	—	—	—	—	4	4
Total disbursed loans	**$ 94**	**$1,791**	**$13,054**	**$20,555**	**$10,212**	**$ 919**	**$ 569**	**$ 155**	**$ 447**	**$47,796**
Unamortized deferred loan origination fees, net and other										(175)
Loans at amortized cost										**$47,621**

Modifications for Borrowers Experiencing Financial Difficulty

Loans are modified through changes in interest rates, repayment schedules, and maturity dates, in addition to reductions of loan principal and waiver of accrued interest.

Modifications for borrowers experiencing financial difficulty do not include loan modifications and the effects related to suspension and standstill agreements where principal and interest payments are temporarily suspended. There were no such modifications as of September 30, 2026 and September 30, 2025.

For loans at amortized cost, the following tables present information related to modifications for borrowers experiencing financial difficulty, per major modification types (including interest rate reduction, other-than-insignificant payment delay, principal forgiveness, and term extension or a combination of these modifications), by geographic region and industry sector during the three months ended September 30, 2026 and September 30, 2025.

Table E11: Modifications for borrowers experiencing financial difficulty

	For the three months ended September 30, 2026			
(US$ in millions)	Term Extension and Payment Delay	Total Loan Modifications [a]	% of total loans	Total loans by region and industry
Africa				
Manufacturing, agribusiness and services	$ 15	$ 15	0.4 %	$ 3,377
Other industry sectors	—	—	—	7,127
Total Africa	15	15	0.1	10,504
Europe, Latin America and the Caribbean				
Manufacturing, agribusiness and services	35	35	0.6	6,083
Other Industry Sectors	—	—	—	10,384
Total Europe, Latin America and the Caribbean	35	35	0.2	16,467
Other regions	—	—	—	21,656
Total	**$ 50**	**$ 50**	**0.1 %**	**$ 48,627**

a Includes all components of amortized cost except unamortized fees which are considered insignificant.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E11.1:

(US$ in millions)	For the three months ended September 30, 2025					
	Interest Rate Reduction, Term Extension and Payment Delay	Principal Forgiveness	Term Extension and Payment Delay	Total Loan Modifications [a]	% of total loans	Total loans by region and industry
Africa						
Manufacturing, agribusiness and services	$ —	$ —	$ 83	$ 83	2.4 %	$ 3,402
Infrastructure and natural resources	91	—	—	91	3.1	2,921
Other Industry Sectors	—	—	—	—	—	3,477
Total Africa	91	—	83	174	1.8	9,800
Asia and the Pacific						
Manufacturing, agribusiness and services	—	2	—	2	0.1	3,708
Other Industry Sectors	—	—	—	—	—	7,641
Total Asia and the Pacific	—	2	—	2	0.1	11,349
Other Regions	—		—	—	—	22,688
Total	**$ 91**	**$ 2**	**$ 83**	**$ 176**	**0.4 %**	**$ 43,837**

a Includes all components of amortized cost except unamortized fees which are considered insignificant.

The following tables summarize the financial effect of loan modifications for borrowers experiencing financial difficulty by geographic region and industry sector for three months ended September 30, 2026 and September 30, 2025.

Table E12: Financial effect of loan modifications for borrowers experiencing financial difficulty

(US$ in millions)	For the three months ended September 30, 2026		
	Term Extension	Other than Insignificant Payment Delay	
	Weighted Average Months Extended	Amount Delayed	Weighted Average Months Delayed
Africa			
Manufacturing, agribusiness and services	18	$ 15	3
Europe, Latin America and the Caribbean			
Manufacturing, agribusiness and services	60	35	61

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E12.1:

	For the three months ended September 30, 2025				
	Interest Rate Reduction	Term Extension	Principal Forgiveness	Other than Insignificant Payment Delay	
(US$ in millions)	Weighted Average Interest Rate Reduction %	Weighted Average Month Extended	Sum of Principal Forgiven	Amount Delayed	Weighted Average Months Delayed
Africa					
Manufacturing, agribusiness and services	— %	34	$ —	$ 39	12
Infrastructure and natural resources	1.2	67	—	44	62
Asia and the Pacific					
Manufacturing, agribusiness and services	—	—	17	—	—
Middle East and Central Asia					
Financial markets	—	—	10	—	—

For loans at amortized cost, the following tables present an aging analysis of loan modifications made for borrowers experiencing financial difficulty during the twelve months preceding September 30, 2026 and September 30, 2025 presented by geographic region and industry sector.

Table E13: Aging analysis of loan modifications for borrowers experiencing financial difficulty

	September 30, 2026			
(US$ in millions)	Current	Up to 30 days past due	Greater than 90 days past due	Total [a]
Africa				
Manufacturing, agribusiness and services	$ 24	$ 8	$ 20	$ 52
Total Africa	24	8	20	52
Europe, Latin America and the Caribbean				
Manufacturing, agribusiness and services	35	—	—	35
Total Europe, Latin America and the Caribbean	35	—	—	35
Total	**$ 59**	**$ 8**	**$ 20**	**$ 87**

a Includes all components of amortized cost except unamortized fees which are considered insignificant.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E13.1:

(US$ in millions)	September 30, 2025 Current	Total [a]
Africa		
Manufacturing, agribusiness and services	$ 111	$ 111
Infrastructure and natural resources	99	99
Total Africa	**210**	**210**
Asia and the Pacific		
Manufacturing, agribusiness and services	2	$ 2
Total Asia and the Pacific	**2**	**2**
Europe, Latin America and the Caribbean		
Manufacturing, agribusiness and services	28	$ 28
Infrastructure and natural resources	75	75
Total Europe, Latin America and the Caribbean	**103**	**103**
Total	**$ 315**	**$ 315**

a Includes all components of amortized cost except unamortized fees which are considered insignificant.

The following tables present loans that had a payment default during three months ended September 30, 2026 after they had been modified, to borrowers experiencing financial difficulty, within the twelve months preceding the payment default date. There were no such loans during the three months ended September 30, 2025. Payment default is defined as loans that are 60 or more days past due as of the respective balance sheet date.

Table E14: Loan modifications for borrowers experiencing financial difficulty that had payment default

(US$ in millions)	For the three months ended September 30, 2026 Payment Delay	Total Loan Modifications [a]
Africa		
Manufacturing, agribusiness and services	$ 15	$ 15
Total Africa	15	15
Total	**$ 15**	**$ 15**

a Includes all components of amortized cost except unamortized fees which are considered insignificant.

Collateral-Dependent Loans

A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The following tables summarize the amortized cost of collateral dependent loans by collateral type, geographic region and industry sector as of September 30, 2026 and June 30, 2026:

Table E15: Collateral dependent loans[a] by Geographic region

(US$ in millions)	September 30, 2026 Property, Land and Equipment	Others	Total	June 30, 2026 Property, Land and Equipment	Others	Total
Geographic Region						
Africa	$ —	$ 12	$ 12	$ —	$ 9	$ 9
Asia and the Pacific	32	—	32	—	—	—
Europe, Latin America and the Caribbean	3	—	3	3	—	3
Total	**$ 35**	**$ 12**	**$ 47**	**$ 3**	**$ 9**	**$ 12**

a Includes all components of amortized cost except unamortized fees which are considered insignificant.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E16: Collateral dependent loans[a] by Industry sector

	September 30, 2026			June 30, 2026		
(US$ in millions)	Property, Land and Equipment	Others	Total	Property, Land and Equipment	Others	Total
Industry Sector						
Manufacturing, agribusiness and services	$ 3	$ —	$ 3	$ 3	$ 9	$ 12
Financial markets	—	12	12	—	—	—
Infrastructure and natural resources	32	—	32	—	—	—
Total	**$ 35**	**$ 12**	**$ 47**	**$ 3**	**$ 9**	**$ 12**

a Includes all components of amortized cost except unamortized fees which are considered insignificant.

Guarantees

IFC extends financial guarantee facilities to its clients to provide full or partial credit enhancement for their debt securities and trade obligations. Under the terms of IFC's guarantees, IFC agrees to assume responsibility for the client's financial obligations in the event of default by the client, where default is defined as failure to pay when payment is due. Guarantees entered into by IFC generally have maturities consistent with those of the loan portfolio. Guarantees signed as of September 30, 2026 totaled $12.4 billion ($11.3 billion – June 30, 2026). Guarantees of $9.4 billion were outstanding (i.e., not called) as of September 30, 2026 ($8.1 billion – June 30, 2026). These amounts represent the maximum amount of undiscounted future payments that IFC could be required to make under these guarantees and are not included in IFC's condensed consolidated balance sheets.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE F – DEBT SECURITIES

Income from debt securities, including net realized gains (losses) on debt securities and associated derivatives for the three months ended September 30, 2026 and September 30, 2025 comprises the following:

Table F1: Income from Debt Securities

	For the three months ended September 30,	
(US$ in millions)	2026	2025
Interest income	$ 205	$ 198
Net realized (losses) gains on debt securities and associated derivatives [a]	(2)	4
Total income from debt securities, including realized gains and losses on debt securities and associated derivatives	**$ 203**	**$ 202**

a Includes realized gains/(losses) on debt securities under the Fair Value Option. ($3 million gains and $3 million gains for the three months ended September 30, 2026 and September 30, 2025 respectively).

Debt securities accounted for as available-for-sale as of September 30, 2026 and June 30, 2026 comprise:

Table F2: Debt securities – available-for-sale

	September 30, 2026				
(US$ in millions)	Amortized cost	Unrealized gains [a]	Unrealized losses [a]	Reserve for credit losses	Fair value
Corporate debt securities	$ 313	$ —	$ (23)	$ (6)	$ 284
Preferred shares	17	—	(5)	(3)	9
Asset-backed securities	11	—	—	—	11
Total	**$ 341**	**$ —**	**$ (28)**	**$ (9)**	**$ 304**

a Includes net foreign exchange losses of $27 million as of September 30, 2026.

Table F2.1:

	June 30, 2026				
(US$ in millions)	Amortized cost	Unrealized gains [a]	Unrealized losses [a]	Reserve for credit losses	Fair value
Corporate debt securities	$ 315	$ 4	$ (27)	$ (4)	$ 288
Preferred shares	16	—	(4)	(3)	9
Asset-backed securities	16	—	—	—	16
Total	**$ 347**	**$ 4**	**$ (31)**	**$ (7)**	**$ 313**

a Includes net foreign exchange losses of $31 million as of June 30, 2026.

The table below presents the amortized cost, unrealized losses, and fair value of available-for-sale debt securities that are in an unrealized loss position without credit losses, aggregated by major security type as of September 30, 2026 and June 30, 2026. The reserve for credit losses is not included herein and is presented separately in the reserve for credit losses on debt securities roll-forward table (Table F5).

Table F3: Available-for-sale debt securities – in an unrealized loss position without credit losses

	September 30, 2026			June 30, 2026		
(US$ in millions)	Amortized Costs	Unrealized Losses [a]	Fair value	Amortized Costs	Unrealized Losses [a]	Fair value
Corporate debt securities	$ 153	$ (19)	$ 134	$ 153	$ (23)	$ 130
Preferred shares	12	(5)	7	12	(4)	8
Asset-backed securities	—	—	—	—	—	—
Total	**$ 165**	**$ (24)**	**$ 141**	**$ 165**	**$ (27)**	**$ 138**

a Includes net foreign exchange losses of $23 million as of September 30, 2026 and $28 million as of June 30, 2026.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE F – DEBT SECURITIES (continued)

The following table shows the unrealized losses and fair value of available-for-sale debt securities as of September 30, 2026 and June 30, 2026 by length of time that individual securities had been in a continuous loss position where the fair value of securities declined below their cost basis:

Table F4: Unrealized losses and fair value of available-for-sale debt securities – by length of time

	September 30, 2026					
	Less than 12 months		12 months or greater		Total	
(US$ in millions)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Corporate debt securities	$ —	$ —	$ 134	$ (19)	$ 134	$ (19)
Preferred shares	1	(1)	6	(4)	7	(5)
Asset-backed securities	—	—	—	—	—	—
Total	**$ 1**	**$ (1)**	**$ 140**	**$ (23)**	**$ 141**	**$ (24)**

Table F4.1:

	June 30, 2026					
	Less than 12 months		12 months or greater		Total	
(US$ in millions)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Corporate debt securities	$ —	$ —	$ 130	$ (23)	$ 130	$ (23)
Preferred shares	2	(1)	6	(3)	8	(4)
Asset-backed securities	—	—	—	—	—	—
Total	**$ 2**	**$ (1)**	**$ 136**	**$ (26)**	**$ 138**	**$ (27)**

Corporate debt securities comprise investments in bonds and notes. Fair value associated with corporate debt securities is primarily attributable to movements in the credit default swap spread curve applicable to the issuer, and also impacted by movements in the risk-free rates and foreign exchange rates. Based upon IFC's assessment of expected credit losses, a reserve for credit losses is made for securities where the issuer is not expected to make all contractual principal and interest payments.

Preferred shares comprise investments in preferred equity investments that are redeemable at the option of IFC or mandatorily redeemable by the issuer. Unrealized losses associated with preferred shares are primarily driven by changes in discount rates associated with changes in credit spreads or interest rates, minor changes in exchange rates and comparable market valuations in the applicable sector. Based upon IFC's assessment of expected credit losses, a reserve for credit losses is made for securities where IFC does not expect to recover the cost basis of these securities.

Asset-backed securities comprise investments in bonds and notes that are collateralized by self-liquidating financial assets that allow IFC to receive payments that depend primarily on cash flow from those assets.

The tables below present a roll-forward by major security type for the three months ended September 30, 2026 and September 30, 2025 of the reserve for credit losses on debt securities accounted for as available-for-sale held at the period end:

Table F5: Roll-forward of the reserve for credit losses – by security type

	For the three months ended September 30,					
	2026			2025		
(US$ in millions)	Corporate Debt Securities	Preferred shares	Total	Corporate Debt Securities	Preferred shares	Total
Beginning balance	**$ 4**	**$ 3**	**$ 7**	**$ 5**	**$ 11**	**$ 16**
Provision for losses (release of provision)	2	—	2	(4)	1	(3)
Recoveries of previously written-off debt securities	—	—	—	1	—	1
Ending balance	**$ 6**	**$ 3**	**$ 9**	**$ 2**	**$ 12**	**$ 14**

Nonaccruing debt securities

The disbursed and outstanding balances of debt securities on which the accrual of interest has been discontinued amounted to $139 million at September 30, 2026 ($118 million – June 30, 2026).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE G – EQUITY INVESTMENTS AND ASSOCIATED DERIVATIVES

Income from equity investments, including realized and unrealized gains and losses on equity and associated derivatives for the three months ended September 30, 2026 and September 30, 2025 comprises the following:

Table G1: Income from equity investments and associated derivatives

	For the three months ended September 30,	
(US$ in millions)	2026	2025
Unrealized gains on equity investments and associated derivatives [a]	$ 189	$ 257
Realized gains on equity investments and associated derivatives, net	19	87
Gains on equity investments and associated derivatives, net	208	344
Dividends	32	40
Custody, fees and other	9	4
Total income from equity investments, including realized and unrealized gains and losses on equity and associated derivatives	**$ 249**	**$ 388**

a Includes unrealized gains related to equity securities still held as of September 30, 2026 – net gains of $331 million for the three months ended September 30, 2026 (net gains of $374 million – the three months ended September 30, 2025)

The fair value of equity investments as of September 30, 2026 and June 30, 2026 comprises:

Table G2: Fair value of equity investments

(US$ in millions)	September 30, 2026	June 30, 2026
Investments in common or preferred shares	$ 6,482	$ 6,425
Equity interests in private equity funds	7,392	7,069
Equity-related options and other financial instruments	(10)	(9)
Total	**$ 13,864**	**$ 13,485**

Equity investments include several private equity funds that invest primarily in emerging markets across a range of sectors and that are accounted for at fair value under the Fair Value Option. The fair values of these funds have been determined using the NAV of IFC's ownership interest in partners' capital as a practical expedient as presented in the table above. These investments cannot be redeemed. Distributions will be received from these funds as the underlying assets are liquidated or distributed, the timing of which is uncertain. As of September 30, 2026, the maximum amount of undisbursed commitments subject to capital calls for these funds were $2.7 billion ($2.7 billion – June 30, 2026). As of September 30, 2026, IFC's investments as a limited partner in funds managed by AMC were $355 million ($374 million – June 30, 2026). Amounts previously distributed by AMC may be callable through the life of the respective fund. The sale of IFC's limited partner interests in these funds needs prior consent from the other limited partners.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE H – RETAINED EARNINGS, NET INCOME ALLOCATIONS, AND ACCUMULATED OTHER COMPREHENSIVE INCOME

Retained Earnings consist of Allocated Amounts and Unallocated Net Income (Loss).

Allocated Amounts:

Management recommends allocations of net income to the Board at the end of each fiscal year, to support IFC's operations as well as other developmental activities. These recommendations are based on IFC's allocable income. Effective March 2026, to better measure income generated by current year activities, the calculation of allocable income has been refined by adding back expenses funded by prior-years' approved allocations. For the three months ended September 30, 2026, $13 million of expenses related to prior-years' allocations has been added back to allocable income ($0 – for three months ended September 30, 2025). Amounts allocated to other developmental activities are determined based on a Board-approved income-based (sliding scale) formula and on a principles-based Board-approved financial distribution policy and are approved by the Board.

IFC allocates its net income to support the following programs:

Funding Mechanism for Technical Assistance and Advisory Services (FMTAAS) supports the delivery of Upstream and Advisory related activities, primarily in non-IDA/Fragile and FCS member countries.

Creating Markets Advisory Window (CMAW) supports the delivery of Upstream and Advisory related activities in IDA-eligible countries and FCS with the aim of addressing the complex challenge of building a pipeline of bankable private sector projects in these markets.

Small and Medium Enterprises (SME) Ventures covers program, administrative, legal, and consulting expenses in connection with IFC's private equity program for financing of SMEs.

Frontier Opportunities Fund (FOF): This is a fund of concessional finance to spur equity investment mostly targeted to middle-income member countries.

On August 5, 2026, the Board of Directors approved the allocation of $173 million to the CMAW reserve, $125 million to the FMTAAS reserve, and $1,385 million to the General Reserve from IFC's FY26 net income. This allocation was noted with approval by the Board of Governors on September 9, 2026. In addition, the Board of Directors approved a transfer of $100 million from the Surplus account to the FOF. These allocations were noted with approval by the Board of Governors on September 9, 2026. Additionally, on September 9, 2026, the Board of Governors approved the allocation of $60 million from IFC's FY26 net income to the Surplus account and delegated to the Board of Directors the authority to approve the transfer of $60 million from the Surplus account to FOF.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE H – RETAINED EARNINGS, NET INCOME ALLOCATIONS, AND ACCUMULATED OTHER COMPREHENSIVE INCOME (continued)

The components of retained earnings and related expenditures are summarized below:

Table H1: Components of retained earnings and related expenditures

(US$ in millions)	FMTAAS Reserve	CMAW Reserve	SME Ventures Reserve	FOF Reserve	Surplus	Cumulative Fair value and other adjustments [a]	General Reserve	Unallocated Net Income	Total Retained Earnings
As of June 30, 2025	**$ 140**	**$ 101**	**$ 9**	**$ 100**	**$ —**	**$ 158**	**$ 12,913**	**$ 1,881**	**$ 15,302**
Three months ended September 30, 2025									
Net income	—	—	—	—	—	—	—	734	734
Net income allocations [b]	70	178	—	—	—	—	1,362	(1,610)	—
Expenditures against reserves	(9)	(12)	—	—	—	—	—	21	—
Fair value and other adjustments	—	—	—	—	—	347	—	(347)	—
As of September 30, 2025	**$ 201**	**$ 267**	**$ 9**	**$ 100**	**$ —**	**$ 505**	**$ 14,275**	**$ 679**	**$ 16,036**
As of June 30, 2026	**$ 127**	**$ 168**	**$ 9**	**$ 100**	**$ 100**	**$ 818**	**$ 14,275**	**$ 1,743**	**$ 17,340**
Three months ended September 30, 2026									
Net income	—	—	—	—	—	—	—	39	39
Net income allocations	125	173	—	—	60	—	1,385	(1,743)	—
Transfers from surplus	—	—	—	100	(100)	—	—	—	—
Expenditures against reserves	(7)	(6)	—	—	—	—	—	13	—
Fair value and other adjustments	—	—	—	—	—	(26)	—	26	—
As of September 30, 2026	**$ 245**	**$ 335**	**$ 9**	**$ 200**	**$ 60**	**$ 792**	**$ 15,660**	**$ 78**	**$ 17,379**

a Other adjustments include income associated with PCRF.

b Not including the transfer of $100 million from IFC's FY25 net income to Surplus approved by the Board of Governors in October 2025.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE H – RETAINED EARNINGS, NET INCOME ALLOCATIONS, AND ACCUMULATED OTHER COMPREHENSIVE INCOME (continued)

Accumulated other comprehensive income (AOCI)

The components of accumulated other comprehensive income as of September 30, 2026 and September 30, 2025 are summarized as follows:

Table H2: AOCI Components and changes

(US$ in millions)	Net unrealized gains (losses) on available-for-sale debt securities	Net unrealized gains (losses) on borrowings	Net unrecognized actuarial gains and unrecognized prior service costs on benefit plans	Total accumulated other comprehensive income
As of June 30, 2025	**$ (49)**	**$ 146**	**$ 1,520**	**$ 1,617**
Three months ended September 30, 2025				
Other comprehensive income before reclassifications	44	(79)	—	(35)
Amounts reclassified from AOCI into net income	(17)	3	(15)[b]	(29)
Other comprehensive income (loss)	**27**	**(76)**	**(15)**	**(64)**
As of September 30, 2025	**$ (22)**	**$ 70**	**$ 1,505**	**$ 1,553**
As of June 30, 2026	**$ (27)**	**$ (226)**	**$ 1,925**	**$ 1,672**
Three months ended September 30, 2026				
Other comprehensive income before reclassifications	(3)	260	—	257
Amounts reclassified from AOCI into net income	2	17 [a]	(23)[b]	(4)
Other comprehensive (loss) income	**(1)**	**277**	**(23)**	**253**
As of September 30, 2026	**$ (28)**	**$ 51**	**$ 1,902**	**$ 1,925**

a Effective September 30, 2026, IFC refined its own-credit estimation methodology, resulting in a reclassification of $201 million of unrealized mark-to-market gains from net income to AOCI. The refinement remeasures the inception credit component over the remaining life of the borrowings. The change affects only the timing of recycling between net income and AOCI, which is now gradual rather than at maturity.

b See Note O – Pension and Other Post-retirement Benefits.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE I – NET UNREALIZED GAINS AND LOSSES ON LOANS, DEBT SECURITIES, BORROWINGS AND RELATED DERIVATIVES

IFC accounts for certain loans, debt securities and associated derivatives, and borrowings with associated currency or interest rate swaps at fair value with unrealized gains and losses on such financial instruments being reported in net income. Net unrealized gains and losses on loans, debt securities, borrowings and related derivatives for the three months ended September 30, 2026 and September 30, 2025 comprises:

Table I1: Net unrealized gains and losses on loans, debt securities, borrowings and related derivatives

	For the three months ended September 30,	
(US$ in millions)	2026	2025
Unrealized gains and losses on loans, debt securities and associated derivatives		
Unrealized (losses) gains on loans under the Fair Value Option	$ (30)	$ 44
Unrealized gains on derivatives associated with loans	162	34
Unrealized losses on debt securities under the Fair Value Option	(127)	(18)
Unrealized gains on derivatives associated with debt securities	90	20
Total net unrealized gains on loans, debt securities and associated derivatives	**95**	**80**
Unrealized gains and losses on borrowings and associated derivatives		
Unrealized gains on borrowings accounted for at fair value	1,271	202
Unrealized losses on derivatives associated with borrowings	(1,573)	(199)
Total net unrealized (losses) gains on borrowings and associated derivatives	**(302)**[a]	**3**
Net unrealized (losses) gains on loans, debt securities, borrowings and related derivatives	**$ (207)**	**$ 83**

a Higher unrealized losses on borrowings and associated derivatives in FY27 Q1 primarily reflects a refinement to IFC's own-credit estimation methodology and a change in discounting curves used for certain currencies.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE J – DERIVATIVES

IFC enters into transactions in various derivative instruments for financial risk management purposes in connection with its principal business activities, including lending, investing in debt securities, equity investments, client risk management, borrowing, liquid asset management and asset and liability management. None of these derivative instruments are designated as accounting hedges under ASC Topic 815. The following table summarizes IFC's use of derivatives in its various financial portfolios:

Table J1: Risk Classification of derivative used across various financial portfolios

Portfolio	Derivative instruments used	Purpose / Risk being managed
Risk Management purposes		
Liquid assets	Currency swaps, currency forward contracts, interest rate swaps, options, and futures contracts	Manage currency risk and interest rate risk of liquid assets
Loans and debt securities	Currency swaps and interest rate swaps	Manage currency risk and interest rate risk of loans and debt securities
Borrowings	Currency swaps and interest rate swaps	Manage currency risk and interest rate risk of borrowings
Other asset/liability management	Currency swaps, interest rate swaps, put options, call options, and warrant agreements	Manage currency risk and duration of IFC's equity
Other purposes		
Client operations	Currency swaps, currency forward contracts, and interest rate swaps	Assist clients in managing their risks

The fair value of derivative instrument assets and liabilities by risk type as of September 30, 2026 and June 30, 2026 is summarized as follows:

Table J2: Derivative fair values and outstanding notional classified by risk type and portfolio at fair value

	September 30, 2026			June 30, 2026		
(US$ in millions)	Outstanding Notional	Assets	Liabilities	Outstanding Notional	Assets	Liabilities
Interest rate	$ 99,448	$ 798	$ 2,592	$ 94,820	$ 478	$ 1,735
Foreign exchange	16,971	267	162	15,626	368	69
Interest rate and currency	73,222	1,908	4,294	71,758	2,022	3,960
Equity [a]	—	113	24	—	119	19
Credit and other [a]	—	21	31	—	19	32
Total	**$ 189,641**	**$ 3,107**	**$ 7,103**	**$ 182,204**	**$ 3,006**	**$ 5,815**
Funding	$ 79,309	$ 985	$ 5,296	$ 75,801	$ 1,194	$ 4,198
Investments	65,060	1,288	1,088	62,627	1,085	1,121
Client Risk Management	13,145	447	460	14,213	303	321
Liquid Asset Management	32,127	387	259	29,563	424	175
Total	**$ 189,641**	**$ 3,107**	**$ 7,103**	**$ 182,204**	**$ 3,006**	**$ 5,815**

a As of September 30, 2026, there were 104 derivative instrument contracts related to IFC's equity investment portfolio and 197 other derivative contracts recognized as derivative assets or liabilities under ASC Topic 815 (100 equity related and 175 other derivative contracts – June 30, 2026).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE J – DERIVATIVES (continued)

The effect of derivative instrument contracts on the condensed consolidated statements of operations for the three months ended September 30, 2026 and September 30, 2025 is summarized as follows:

Table J3: Impact of derivative instrument contracts on the condensed consolidated statements of operations

(US$ in millions)		For the three months ended September 30,	
Derivative risk category	Condensed Consolidated Statements of Operations location	2026	2025
Interest rate	Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	$ 6	$ 16
	Income from debt securities, including realized gains and losses on debt securities and associated derivatives	2	5
	Income (loss) from liquid asset trading activities	56	(23)
	Charges on borrowings	(23)	(84)
	Other income	4	5
	Net unrealized (losses) gains on loans, debt securities, borrowings and related derivatives	(613)	49
Foreign exchange	(Loss) Income from liquid asset trading activities	(372)	227
	Foreign currency transaction losses on non-trading activities	(1)	(1)
	Net unrealized (losses) gains on loans, debt securities, borrowings and related derivatives	(3)	3
Interest rate and currency	Loss from loans and guarantees, including realized gains and losses on loans and associated derivatives	(80)	(10)
	Loss from debt securities, including realized gains and losses on debt securities and associated derivatives	(31)	(24)
	Income from liquid asset trading activities	5	63
	Charges on borrowings	54	(120)
	Foreign currency transaction gains (losses) on non-trading activities	219	(124)
	Other income	1	1
	Net unrealized losses on loans, debt securities, borrowings and related derivatives	(704)	(185)
Equity related contracts	Loss from equity investments and associated derivatives	(14)	(29)
	Net unrealized gains on non-trading financial instruments accounted for at fair value	2	—
Credit and other	Net unrealized losses on loans, debt securities, borrowings and related derivatives	(4)	(12)
	Total	**$ (1,496)**	**$ (243)**

The income related to each derivative risk category includes realized and unrealized gains and losses.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE K – BORROWINGS

IFC's borrowings include general market borrowings and securitized borrowings.

General Market Borrowings

The majority of IFC's borrowings are raised through issuances in the international capital markets. In accordance with IFC's asset-liability management policies, market borrowings are generally swapped into floating-rate U.S. dollar obligations. IFC also maintains short-term discount note programs as a tool to provide additional funding and liquidity management. Additionally, in September 2014, IFC issued a promissory note to IDA, see Note B for further details.

The interest rate composition of IFC's general market borrowings, before the effect of derivatives, is summarized below:

Table K1: Interest rate composition of general market borrowings (before derivatives)

	September 30, 2026		June 30, 2026	
(US$ in millions, except for %)	Amount	WAC [a] (%)	Amount	WAC [a] (%)
Short-term borrowings – Fixed rate	$ 2,688	3.6 %	$ 2,537	4.1 %
Medium and long-term (MLT) borrowings				
Fixed rate	77,542	4.6	70,040	4.1
Variable rate	7,492	4.5	10,715	5.1
Total MLT borrowings	**85,034**		**80,755**	
IDA borrowings	84	1.8	90	1.8
Total Face Value	**87,806**		**83,382**	
Fair value adjustments and unamortized discounts, net	(9,395)		(7,681)	
Carrying amount of general market borrowings	**$ 78,411**		**$ 75,701**	

a WAC refers to weighted average borrowings cost for the reporting period.

As of September 30, 2026, Medium and long-term (MLT) borrowings include $442 million carried at amortized cost ($380 million – June 30, 2026). The weighted average effective interest rate on MLT borrowings carried at amortized cost was 9.3% as of September 30, 2026 (9.5% – June 30, 2026). All short-term borrowings are carried at amortized cost.

IFC had an undrawn committed Kenyan shilling-denominated credit facility and Sri Lankan rupee-denominated credit facility (equivalent to approximately $46 million and $3 million, respectively) as of September 30, 2026, available for drawdown through June 24, 2027 and March 9, 2027, respectively.

IFC diversifies its borrowings by currency, country, source, and maturity to provide flexibility and cost-effectiveness. For the three months ended September 30, 2026, IFC borrowed in 17 currencies (16 currencies – three months ended September 30, 2025). The currency composition of general market borrowings based on face value, before derivatives, is summarized below:

Table K2: Currency composition of general market borrowings based on face value (before derivatives)

(%)	September 30, 2026	June 30, 2026
U.S. dollar	41.7 %	40.8 %
Australian dollar	16.0	16.1
Pound sterling	14.2	15.6
Others	28.1	27.5
Total	**100 %**	**100 %**

IFC uses derivatives, reported at fair value, to manage the currency risk and the interest rate risk on its borrowings. After the effect of interest rate and currency swaps, IFC's borrowings generally reprice within one year.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE K – BORROWINGS (continued)

The following table summarizes IFC's general market borrowing portfolio after derivatives:

Table K3: General market borrowings and borrowing-related derivatives

(US$ in millions)	September 30, 2026	June 30, 2026
Borrowings	$ 78,411	$ 75,701
Currency swaps, net	2,141	1,580
Interest rate swaps, net	2,170	1,423
Total	**$ 82,722**	**$ 78,704**

Securitized Borrowings

Starting in fiscal year 2026, IFC issues securitized borrowings through Special Purpose Vehicles (SPVs) to transfer portions of the economic risk associated with certain loan portfolios to third-party investors. Securitized borrowings reflect the credit quality of the underlying loan pools, their distinct structure and recourse profile rather than IFC's general cost of funds. Please refer to Note N Variable Interest Entities for further details.

The interest rate composition of IFC's securitized borrowings is summarized below:

Table K4: Interest rate composition of securitized borrowings

	September 30, 2026		June 30, 2026	
(US$ in millions, except for %)	Amount	WAC [a] (%)	Amount	WAC [a] (%)
Securitized borrowings	$ 662	5.3 %	$ 686	4.8
Fair value adjustments and unamortized discounts, net	(7)		(4)	
Carrying amount of securitized borrowings	**$ 655**		**$ 682**	

a WAC refers to weighted average borrowings cost for the reporting period.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or transfer a liability (i.e., an exit price) in an orderly transaction between independent, knowledgeable and willing market participants at the measurement date assuming the transaction occurs in the entity's principal (or most advantageous) market. IFC categorizes its financial instruments into three levels based on the established fair value hierarchy. For more information regarding the fair value hierarchy and how IFC measures fair value, see Note A – Summary of Significant Accounting Policies in the June 30, 2026 audited financial statements.

IFC utilized, where available, comparator, sector and country information, in addition to discounted cash flow models, in valuing its equity investment portfolio as of September 30, 2026. Debt securities and loans accounted for at fair value that do not have available market prices were primarily valued using discounted cash flow approaches and reflected spreads as of September 30, 2026.

For the following instruments, the significant unobservable inputs and their relationship to the fair valuation movement are listed below:

Table L1: Significant unobservable inputs and its relationship to the fair valuation movements

Instrument	Significant Unobservable Input	Increase in Unobservable Input Results In
Borrowings, at fair value	IFC Yield Curve	Decrease in Fair Value
Interest Rate Swaps (hedging loans and liquid assets)	Yield Curve Points	Increase in Fair Value
Interest Rate Swaps (hedging borrowings)	Yield Curve Points	Decrease in Fair Value
Currency Swaps (hedging loans and liquid assets)	Yield Curve and Exchange Rates	Increase in Fair Value
Currency Swaps (hedging borrowings)	Yield Curve and Exchange Rates	Decrease in Fair Value
Debt Securities and Loans	Discount Rates, Credit Default Spreads	Decrease in Fair Value
	Valuation Multiple, Recovery Rates	Increase in Fair Value
Equity Securities and Equity Related Derivatives	Cost of equity, discounts for lack of marketability, weighted average cost of capital	Decrease in Fair Value
	Growth rates, return on assets, perpetual growth rates, EV/EBITDA, price to book value and other valuation multiples and volatilities	Increase in Fair Value

The methodologies used and key assumptions made to estimate fair values as of September 30, 2026 and June 30, 2026, are summarized below.

Liquid assets – The primary pricing source for the liquid assets is valuations obtained from external pricing services (vendor prices). The most liquid securities in the liquid asset portfolio are U.S. Treasuries. U.S. Treasuries and sovereign bonds issued by G7 countries are generally classified as Level 1 subject to quarterly leveling validation. The remaining liquid assets valued using vendor prices are classified as Level 2 or Level 3 based on the results of IFC's evaluation of the vendor's pricing methodologies and individual security facts and circumstances. Most vendor prices use some form of matrix pricing methodology to derive the inputs for projecting cash flows or to derive prices. When vendor prices are not available, liquid assets are valued internally by IFC using executable or indicative dealer quotes from the market and these are classified as Level 2 or Level 3 depending on the degree that the inputs are observable in the market.

The critical factors in valuing liquid assets in both Level 2 and Level 3 are the estimation of cash flows and yield. Other significant inputs for valuing corporate securities, quasi-government securities and sovereign or sovereign-guaranteed securities include reported trades, broker/dealer quotes, benchmark securities, option adjusted spread curve, volatilities, and other reference data. In addition to these inputs, valuation models for securitized or collateralized securities use collateral performance inputs, such as weighted average coupon rate, weighted average maturity, conditional prepayment rate, constant default rate, vintage, and credit enhancements.

There were no Level 3 liquid assets as of September 30, 2026 or June 30, 2026.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Loans and debt securities – Loans and debt securities in IFC's investment portfolio that do not have available market prices are primarily valued using discounted cash flow approaches. The majority of loans measured at fair value are classified as Level 3. Certain loans contain embedded conversion and/or income participation features. These features are considered in determining the loans' fair value based on the quoted market prices or other calculated values of the equity investments into which the loans are convertible and the discounted cash flows of the income participation features. The significant unobservable inputs used in the fair value measurement of loans and debt securities are discount rates, credit default swap spreads, and expected recovery rates. The valuation techniques and significant unobservable inputs for loans and debt securities classified as Level 3 as of September 30, 2026 and as of June 30, 2026 are presented below.

Table L2: Valuation techniques and significant unobservable inputs for loans and debt securities classified as Level 3

September 30, 2026

(US$ in millions)	Valuation technique	Fair value	Significant inputs	Range (%)	Weighted average (%)
Debt securities - preferred shares	Discounted cash flows	$ 66	Discount rate	11.5 - 16.6	14.9
	Market comparables	42	Valuation multiples [a]		
	Recent transactions	62			
	Other techniques	54			
Total preferred shares		224			
Other loans and debt securities	Discounted cash flows	8,755	Credit default swap spreads	0.0 - 13.8	2.1
			Expected recovery rates	0.0 - 97.5	45.6
	Recent transactions	768			
	Other techniques	258			
Total other loans and debt securities		9,781			
Total		**$ 10,005**			

a Includes valuation techniques with multiple significant inputs, therefore the range and weighted average are not provided.

Table L2.1:

June 30, 2026

(US$ in millions)	Valuation technique	Fair value	Significant inputs	Range (%)	Weighted average (%)
Debt securities – preferred shares	Discounted cash flows	$ 69	Discount rate	11.5 - 18.3	15.5
	Market comparables	44	Valuation multiples [a]		
	Recent transactions	5			
	Other techniques	53			
Total preferred shares		171			
Other loans and debt securities	Discounted cash flows	8,982	Credit default swap spreads	0.0 - 8.5	2.0
			Expected recovery rates	0.0 - 95.0	46.0
	Recent transactions	976			
	Other techniques	241			
Total other loans and debt securities		10,199			
Total		**$ 10,370**			

a Includes valuation techniques with multiple significant inputs, therefore the range and weighted average are not provided.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Borrowings – Fair values derived by determining the present value of estimated future cash flows using appropriate discount rates and option specific models where appropriate are classified as Level 2. Fair values derived from market source pricing are also classified as Level 2. The significant inputs used in valuing borrowings classified as Level 2 are presented below:

Table L3: Significant inputs used in valuing borrowings classified as Level 2

Classes	Significant Inputs
Structured bonds	Foreign exchange rate and inter-bank yield curves, issuer's credit curve and swaption volatility matrix, foreign exchange rate volatility, equity spot price, volatility and dividend yield, and Collateralized Loan Obligations (CLO) performance informed by market research and analysis.
Unstructured bonds	Inter-bank yield curve and issuer's credit curve.

As of September 30, 2026, IFC had bond issuances with a total fair value of $245 million (including $43 million related to securitized borrowings) classified as Level 3 ($224 million – June 30, 2026) in Azerbaijani manat, Bangladeshi taka, Jamaican dollar, Mongolian tugrik, U.S. dollar, and Uzbekistan sum where the significant unobservable inputs were yield curve data and discount rate consistent with market return expectations.

Derivative instruments – The various classes of derivative instruments include interest rate contracts, foreign exchange contracts, interest rate and currency contracts, equity contracts and other derivative contracts. Certain over the counter derivatives in the liquid asset portfolio priced in-house are classified as Level 2, while certain over the counter derivatives priced using external manager prices are classified as Level 3. Fair values for these derivative instruments are derived by determining the present value of estimated future cash flows using appropriate discount rates and option specific models where appropriate. IFC's blended finance facility subordination arrangements, which are also derivative instruments and have no observable market prices, are classified as Level 3 and valued primarily using discounted cash flow techniques with significant unobservable inputs shown in the table below.

The significant inputs used in valuing the various classes of derivative instruments classified as Level 2 and significant unobservable inputs for derivative instruments classified as Level 3 as of September 30, 2026 and June 30, 2026 are presented below:

Table L4: Significant inputs used in valuing the various classes of derivative instruments classified as Level 2

Level 2 derivatives	Significant Inputs
Interest rate	Inter-bank yield curves, foreign exchange basis curve and yield curves specified to index floating rates.
Foreign exchange	Foreign exchange rate, inter-bank yield curves and foreign exchange basis curve.
Interest rate and currency	Foreign exchange rate, inter-bank yield curves, foreign exchange basis curve and yield curves specified to index floating rates.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L5: Significant inputs used in valuing the various classes of derivative instruments classified as Level 3

(US$ in millions) September 30, 2026

Level 3 derivatives	Type	Fair value	Significant inputs	Range (%)	Weighted average (%)
Equity related derivatives	Fixed strike price options	$ 1	Volatilities [a]		
	Variable strike price options	88	Contractual strike price [b]		
Interest rate and currency swap assets	Vanilla swaps	76	Yield curve points, exchange rates [b]		
Interest rate and currency swap liabilities	Vanilla swaps	(29)	Yield curve points, exchange rates [b]		
Blended Finance Facility	Subordination Arrangements	9	Credit default swap spreads	1.1 - 13.9	8.7
			Expected recovery rates	7.7 - 98.5	64.8
Total		**$ 145**			

a No range has been provided, as this valuation technique is applied to only one project.

b In case of valuation techniques with multiple significant inputs, the range and weighted average are not provided.

Table L5.1:

(US$ in millions) June 30, 2026

Level 3 derivatives	Type	Fair value	Significant inputs	Range (%)	Weighted average (%)
Equity related derivatives	Fixed strike price options	$ 1	Volatilities [a]		
	Variable strike price options	99	Contractual strike price [b]		
Interest rate and currency swap assets	Vanilla swaps	99	Yield curve points, exchange rates [b]		
Interest rate and currency swap liabilities	Vanilla swaps	(37)	Yield curve points, exchange rates [b]		
Total		**$ 162**			

a No range has been provided, as this valuation technique is applied to only one project.

b In case of valuation techniques with multiple significant inputs, the range and weighted average are not provided.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Equity investments – Equity investments valued using quoted prices in active markets are classified as Level 1. Equity investments classified as Level 2 are valued using quoted prices in inactive markets. Equity investments classified as Level 3 are primarily valued using discounted cash flow and market comparable approaches. The significant unobservable inputs include cost of equity, weighted average cost of capital, asset growth rate, return on assets, perpetual growth rate, price to book and market multiples. The valuation techniques and significant unobservable inputs used in fair value measurements categorized within Level 3 of the fair value hierarchy for equity investments that were measured at fair value through net income as of September 30, 2026 and June 30, 2026 are presented below.

Table L6: Valuation techniques and significant unobservable inputs for equity securities classified as Level 3

(US$ in millions) September 30, 2026

Sector	Valuation technique	Fair value	Significant inputs	Range	Weighted average (%)
Banking and other financial	Discounted cash flows	$ 570	Cost of equity (%)	10.9 - 32.8	15.6
Institutions			Asset growth rate (%)	(1.8) - 34.0	6.6
			Return on assets (%)	0.5 - 6.2	2.6
			Perpetual growth rate (%)	3.0 - 14.2	6.8
	Market comparables	471	Price to book value	0.3 - 3.2	2.3
			EV/Sales	1.0 - 21.9	6.9
			Other valuation multiples [a]		
	Listed price (adjusted)	274	Discount for lack of marketability (%)	20.0 - 30.0	25.5
	Recent transactions	303			
	Other techniques	244			
	Associated options [b]	31			
Total banking and other financial institutions		1,893			
Funds	Recent transactions	155			
	Other techniques	78			
Total funds		233			
Others	Discounted cash flows	992	Weighted average cost of capital (%)	7.3 - 30.5	11.4
			Cost of equity (%)	10.9 - 26.8	16.4
	Market comparables	373	EV/Sales	0.6 - 16.5	5.0
			EV/EBITDA	6.6 - 18.5	10.3
			Price to book value	1.2 - 1.2	1.2
			Other valuation multiples [a]		
	Recent transactions	512			
	Other techniques	216			
	Associated options [b]	75			
Total others		2,168			
Total		**$ 4,294**			

a Includes price/earnings ratio and price/sales ratio, the range and weighted average are not provided due to the immaterial amounts.

b Fair values for associated options are derived by determining the present value of estimated future cash flows using appropriate discount rates and option specific models where appropriate.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L6.1:

(US$ in millions) June 30, 2026

Sector	Valuation technique	Fair value	Significant inputs	Range	Weighted average (%)
Banking and other financial	Discounted cash flows	$ 539	Cost of equity (%)	10.9 - 32.8	15.7
Institutions			Asset growth rate (%)	(0.8) - 34.0	16.4
			Return on assets (%)	0.3 - 6.2	2.6
			Perpetual growth rate (%)	3.0 - 14.2	6.8
	Market comparables	462	Price to book value	0.3 - 3.4	2.3
			EV/Sales	0.7 - 21.9	5.7
			Other valuation multiples [a]		
	Listed price (adjusted)	162	Discount for lack of marketability (%)	20.0 - 30.0	29.8
	Recent transactions	407			
	Other techniques	273			
	Associated options [b]	61			
Total banking and other financial institutions		1,904			
Funds	Recent transactions	159			
	Other techniques	73			
Total funds		232			
Others	Discounted cash flows	1,051	Weighted average cost of capital (%)	6.6 - 30.5	11.9
			Cost of equity (%)	10.9 - 26.8	16.2
	Market comparables	337	EV/Sales	0.5 - 9.1	3.5
			EV/EBITDA	7.3 - 17.8	10.6
			Price to book value	1.2 - 1.2	1.2
			Other valuation multiples [a]		
	Recent transactions	380			
	Other techniques	230			
	Associated options [b]	101			
Total others		2,099			
Total		**$ 4,235**			

a Includes price/earnings ratio and price/sales ratio, the range and weighted average are not provided due to the immaterial amounts.

b Fair values for associated options are derived by determining the present value of estimated future cash flows using appropriate discount rates and option specific models where appropriate.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Fair value of assets and liabilities

Estimated fair values of IFC's financial assets and liabilities and off-balance-sheet financial instruments as of September 30, 2026 and June 30, 2026 are summarized below:

Table L7: Estimated fair values of financial assets, financial liabilities, and off-balance-sheet instruments

	September 30, 2026		June 30, 2026	
(US$ in millions)	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and due from banks, time deposits, trading securities and securities purchased under resale agreements and receivable for cash collateral pledged	$ 52,986	$ 52,986	$ 49,320	$ 49,320
Investments				
Loans at amortized cost, net of reserve against losses	46,967	48,798	46,173	48,178
Loans accounted for at fair value under the Fair Value Option	2,010	2,010	2,061	2,061
Total loans	48,977	50,808	48,234	50,239
Equity investments accounted for at fair value	13,864 [a]	13,862	13,485 [a]	13,481
Debt securities accounted for at fair value as available-for-sale	304	304	313	313
Debt securities accounted for at fair value under the Fair Value Option	13,901	13,901	13,783	13,783
Total debt securities	14,205	14,205	14,096	14,096
Total investments	**$ 77,046**	**$ 78,875**	**$ 75,815**	**$ 77,816**
Total derivative assets	3,107	3,107	3,006	3,006
Other investment-related financial assets	1	1	—	1
Financial liabilities				
Securities sold under repurchase agreements and payable for cash collateral received	$ 5,827	$ 5,827	$ 5,100	$ 5,100
Total borrowings	79,066	79,063	76,383	76,386
Total derivative liabilities	7,103	7,103	5,815	5,815

a For $2 million as of September 30, 2026 ($4 million - June 30, 2026) of equity investments primarily accounted for under the cost recovery method, no fair value measurement is provided since the recovery of invested capital is uncertain.

The fair value of loan commitments amounted to $32 million as of September 30, 2026 ($28 million – June 30, 2026). Fair values of loan commitments are based on present value of loan commitment fees.

Fair value hierarchy

As required by ASC 820, financial assets and financial liabilities are classified in their entirety based on the lowest level input that is significant to the fair value measurement: The following tables provide information as of September 30, 2026 and June 30, 2026, about IFC's financial assets and financial liabilities measured at fair value on a recurring basis.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L8: Fair value hierarchy – Financial assets and liabilities

	September 30, 2026			
(US$ in millions)	Level 1	Level 2	Level 3	Total
Investments - Trading				
Time deposits	$ —	$ 15,986	$ —	$ 15,986
Asset-backed securities	—	7,340	—	7,340
Corporate debt securities [a]	—	4,374	—	4,374
Government obligations	17,869	4,051	—	21,920
Total Investments - Trading	17,869	31,751	—	49,620
Securities purchased under resale agreements	—	900	—	900
Loans				
Loans	—	75	1,931	2,006
Loans measured at net asset value [b]				4
Total Loans (outstanding principal balance $2,082)	—	75	1,931	2,010
Equity investments				
Banking and other financial institutions	1,010	99	1,893	3,002
Funds	—	—	233	233
Others	1,067	—	2,168	3,235
Equity investments measured at net asset value [b]				7,392
Total equity investments	2,077	99	4,294	13,862
Debt securities				
Corporate debt securities	—	5,424	7,139	12,563
Preferred shares	—	—	224	224
Asset-backed securities	—	195	711	906
Debt securities measured at net asset value [b]				512
Total debt securities	—	5,619	8,074	14,205
Derivative assets				
Interest rate	—	798	—	798
Foreign exchange	—	267	—	267
Interest rate and currency	—	1,832	76	1,908
Equity and other	—	—	113	113
Credit and other derivative contracts	—	12	9	21
Total derivative assets	—	2,909	198	3,107
Total assets at fair value	**$ 19,946**	**$ 41,353**	**$ 14,497**	**$ 83,704**
Borrowings				
Structured bonds (including securitized borrowings)	$ —	$ 7,397	$ 43	$ 7,440
Unstructured bonds	—	68,294	202	68,496
Total borrowings (outstanding principal balance $85,338) [c]	—	75,691	245	75,936
Securities sold under repurchase agreements	—	5,415	—	5,415
Derivative liabilities				
Interest rate	—	2,592	—	2,592
Foreign exchange	—	162	—	162
Interest rate and currency	—	4,265	29	4,294
Equity and other	—	—	24	24
Credit and Other derivative contracts	—	31	—	31
Total derivative liabilities	—	7,050	53	7,103
Total liabilities at fair value	**$ —**	**$ 88,156**	**$ 298**	**$ 88,454**

a Includes securities priced at par plus accrued interest, which approximates fair value.

b In accordance with ASC 820, investments that are measured at fair value using net asset value per share have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in condensed consolidated balance sheets.

c Includes discount notes (not under the short-term Discount Note Program), with original maturities greater than one year, with principal due at maturity of $7.7 billion, with a fair value of $2.3 billion as of September 30, 2026.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L8.1:

	June 30, 2026			
(US$ in millions)	Level 1	Level 2	Level 3	Total
Investments - Trading				
Time deposits	$ 250	$ 13,246	$ —	$ 13,496
Asset-backed securities	—	6,710	—	6,710
Corporate debt securities [a]	—	4,254	—	4,254
Government obligations	18,310	4,904	—	23,214
Total Investments - Trading	18,560	29,114	—	47,674
Securities purchased under resale agreements	—	—	—	—
Loans				
Loans	—	75	1,981	2,056
Loans measured at net asset value [b]				5
Total Loans (outstanding principal balance $2,103)	—	75	1,981	2,061
Equity investments				
Banking and other financial institutions	990	100	1,904	$ 2,994
Funds	—	—	232	232
Others	1,034	53	2,099	3,186
Equity investments measured at net asset value [b]				7,069
Total equity investments	2,024	153	4,235	13,481
Debt securities				
Corporate debt securities	—	4,954	7,493	12,447
Preferred shares	—	—	171	171
Asset-backed securities	—	205	725	930
Debt securities measured at net asset value [b]				548
Total debt securities	—	5,159	8,389	14,096
Derivative assets				
Interest rate	—	478	—	478
Foreign exchange	—	368	—	368
Interest rate and currency	—	1,923	99	2,022
Equity and other	—	—	119	119
Credit and Other derivative contracts	—	19	—	19
Total derivative assets	—	2,788	218	3,006
Total assets at fair value	**$ 20,584**	**$ 37,289**	**$ 14,823**	**$ 80,318**
Borrowings				
Structured bonds	$ —	$ 7,392	$ 45	$ 7,437
Unstructured bonds	—	65,850	179	66,029
Total borrowings (outstanding principal balance $81,151) [c]	—	73,242	224	73,466
Securities sold under repurchase agreements	—	4,558	—	4,558
Derivative liabilities				
Interest rate	—	1,735	—	1,735
Foreign exchange	—	69	—	69
Interest rate and currency	—	3,923	37	3,960
Equity and other	—	—	19	19
Credit and Other derivative contracts	—	32	—	32
Total derivative liabilities	—	5,759	56	5,815
Total liabilities at fair value	**$ —**	**$ 83,559**	**$ 280**	**$ 83,839**

a Includes securities priced at par plus accrued interest, which approximates fair value.

b In accordance with ASC 820, investments that are measured at fair value using NAV per share have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in condensed consolidated balance sheets.

c Includes discount notes (not under the short-term Discount Note Program), with original maturities greater than one year, with principal due at maturity of $7.9 billion, with a fair value of $2.5 billion as of June 30, 2026.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

The following tables present the changes in the carrying value of IFC's Level 3 financial assets and financial liabilities for the three months ended September 30, 2026 and September 30, 2025.

Table L9: Carrying value of Level 3 financial assets and financial liabilities

	For the three months ended September 30, 2026								
(US$ in millions)	Balance as of July 1, 2026	Net gains (losses) (realized and unrealized) included in Net Income	Net gains (losses) (realized and unrealized) included in Other Comprehensive Income	Purchases, issuances, sales, settlements and others	Transfers into Level 3 [a]	Transfers out of Level 3 [b]	Balance as of September 30, 2026	Net unrealized gains (losses) included in net income (loss) related to assets / liabilities held at period end	Net unrealized gains (losses) included in OCI related to assets / liabilities held at period end
Loans	$ 1,981	$ (30)	$ —	$ (20)	$ —	$ —	$ 1,931	$ (31)	$ —
Equity investments									
Banking and other financial institutions	1,904	(43)	—	32	—	—	1,893	(44)	—
Funds	232	1	—	—	—	—	233	1	—
Others	2,099	118	—	(49)	—	—	2,168	94	—
Total equity investments	4,235	76	—	(17)	—	—	4,294	51	—
Debt securities									
Corporate debt securities	7,493	(62)	—	157	120	(569)	7,139	(58)	—
Preferred shares	171	(4)	—	57	—	—	224	(7)	—
Asset-backed securities	725	(13)	—	(1)	—	—	711	(13)	—
Total debt securities	8,389	(79)	—	213	120	(569)	8,074	(78)	—
Derivative assets									
Interest rate and currency	99	(13)	—	4	1	(15)	76	(12)	—
Equity and other	119	(6)	—	—	—	—	113	(5)	—
Credit and Other Derivative Contracts	—	9	—	—	—	—	9	9	—
Total derivative assets	218	(10)	—	4	1	(15)	198	(8)	—
Total assets at fair value	**$ 14,823**	**$ (43)**	**$ —**	**$ 180**	**$ 121**	**$ (584)**	**$ 14,497**	**$ (66)**	**$ —**
Borrowings									
Structured bonds (including securitized borrowings)	$ (45)	$ 2	$ —	$ —	$ —	$ —	$ (43)	$ 2	$ —
Unstructured bonds	(179)	1	—	(40)	—	16	(202)	1	—
Total borrowings	(224)	3	—	(40)	—	16	(245)	3	—
Derivative liabilities									
Interest rate and currency	(37)	3	—	(1)	—	6	(29)	3	—
Equity and other	(19)	(5)	—	—	—	—	(24)	(5)	—
Total derivative liabilities	(56)	(2)	—	(1)	—	6	(53)	(2)	—
Total liabilities at fair value	**$ (280)**	**$ 1**	**$ —**	**$ (41)**	**$ —**	**$ 22**	**$ (298)**	**$ 1**	**$ —**

a Transfers into Level 3 are due to lack of observable market data resulting from a decrease in market activity for these securities as of September 30, 2026.

b Transfers out of Level 3 are due to availability of observable market data resulting from an increase in market activity for these securities that were part of the July 1, 2026 beginning balance as of September 30, 2026.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L9.1:

	For the three months ended September 30, 2025								
(US$ in millions)	Balance as of July 1,2025	Net gains (losses) (realized and unrealized) included in Net Income	Net gains (losses) (realized and unrealized) included in Other Comprehensive Income	Purchases, issuances, sales, settlements and others	Transfers into Level 3 [a]	Transfers out of Level 3 [b]	Balance as of September 30, 2025	Net unrealized gains (losses) included in net income (loss) related to assets / liabilities held at period end	Net unrealized gains (losses) included in OCI related to assets / liabilities held at period end
Investments - Trading									
Government obligations	$ —	$ —	$ —	$ 50	$ —	$ —	$ 50	$ —	$ —
Total Investments - Trading	—	—	—	50	—	—	50	—	—
Loans	1,814	47	—	(16)	—	—	1,845	53	—
Equity investments:									
Banking and other financial institutions	1,908	119	—	(84)	15	—	1,958	97	—
Funds	180	(15)	—	72	—	—	237	(15)	—
Others	2,126	5	—	60	—	(41)	2,150	(22)	—
Total equity investments	4,214	109	—	48	15	(41)	4,345	60	—
Debt securities:									
Corporate debt securities	7,667	(6)	28	216	715	(415)	8,205	14	15
Preferred shares	244	(63)	(1)	6	—	—	186	(63)	(1)
Asset-backed securities	585	(6)	—	41	—	—	620	(6)	—
Total debt securities	8,496	(75)	27	263	715	(415)	9,011	(55)	14
Derivative assets:									
Interest rate and currency	87	(2)	—	5	—	—	90	4	—
Interest rate	1	(1)	—	—	—	—	—	—	—
Equity and other	140	(29)	—	—	—	—	111	(5)	—
Total derivative assets	228	(32)	—	5	—	—	201	(1)	—
Total assets at fair value	**$ 14,752**	**$ 49**	**$ 27**	**$ 350**	**$ 730**	**$ (456)**	**$ 15,452**	**$ 57**	**$ 14**
Borrowings									
Structured bonds	$ —	$ —	$ —	$ (22)	$ —	$ —	$ (22)	$ —	$ —
Unstructured bonds	(216)	29	—	(55)	—	63	(179)	29	—
Total borrowings	(216)	29	—	(77)	—	63	(201)	29	—
Derivative liabilities									
Interest rate and currency	(30)	(8)	—	(3)	—	4	(37)	(12)	—
Equity and other	(21)	—	—	—	—	—	(21)	—	—
Total derivative liabilities	(51)	(8)	—	(3)	—	4	(58)	(12)	—
Total liabilities at fair value	**$ (267)**	**$ 21**	**$ —**	**$ (80)**	**$ —**	**$ 67**	**$ (259)**	**$ 17**	**$ —**

a Transfers into Level 3 are due to lack of observable market data resulting from a decrease in market activity for these securities as of September 30, 2025.

b Transfers out of Level 3 are due to availability of observable market data resulting from an increase in market activity for these securities that were part of July 1, 2025 beginning balance as of September 30, 2025

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

The following tables present gross purchases, sales, issuances and settlements related to the changes in the carrying value of IFC's Level 3 financial assets and financial liabilities for the three months ended September 30, 2026 and September 30, 2025.

Table L10: Gross purchases, sales, issuances and settlements – Level 3 financial assets and financial liabilities

	For the three months ended September 30, 2026				
(US$ in millions)	Purchases	Sales	Issuances	Settlements and others	Net
Loans	$ —	$ —	$ 6	$ (25)	$ (19)
Equity investments					
Banking and other financial institutions	36	(1)	—	(3)	32
Funds	109	—	—	(109)	—
Others	95	(58)	—	(86)	(49)
Total equity investments	240	(59)	—	(198)	(17)
Debt securities					
Corporate debt securities	536	—	—	(379)	157
Preferred shares	12	—	—	45	57
Asset-backed securities	29	—	—	(30)	(1)
Total debt securities	577	—	—	(364)	213
Derivative assets					
Interest rate and currency	—	—	4	—	4
Total derivative assets	—	—	4	—	4
Total assets at fair value	**$ 817**	**$ (59)**	**$ 10**	**$ (587)**	**$ 181**
Borrowings					
Unstructured Bonds	$ —	$ —	$ (40)	$ —	$ (40)
Total Borrowings	—	—	(40)	—	(40)
Derivative liabilities					
Interest rate and currency	—	—	(1)	—	(1)
Total derivative liabilities	—	—	(1)	—	(1)
Total liabilities at fair value	**$ —**	**$ —**	**$ (41)**	**$ —**	**$ (41)**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L10.1:

	For the three months ended September 30, 2025				
(US$ in millions)	Purchases	Sales	Issuances	Settlements and others	Net
Investments - Trading					
Government obligations	$ 50	$ —	$ —	$ —	$ 50
Total Investments - Trading	50	—	—	—	50
Loans	—	—	29	(45)	(16)
Equity investments					
Banking and other financial institutions	80	(146)	—	(18)	(84)
Funds	142	(1)	—	(69)	72
Others	123	(64)	—	1	60
Total equity investments	345	(211)	—	(86)	48
Debt securities					
Corporate debt securities	633	(1)	—	(416)	216
Preferred shares	7	—	—	(1)	6
Asset-backed securities	85	—	—	(44)	41
Total debt securities	725	(1)	—	(461)	263
Derivative assets					
Interest rate and currency	—	—	6	(1)	5
Total derivative assets	—	—	6	(1)	5
Total assets at fair value	**$ 1,120**	**$ (212)**	**$ 35**	**$ (593)**	**$ 350**
Borrowings					
Structured Bonds	$ —	$ —	$ (22)	$ —	$ (22)
Unstructured Bonds	—	—	(55)	—	(55)
Total Borrowings	—	—	(77)	—	(77)
Derivative liabilities					
Interest rate and currency	—	—	(2)	(1)	(3)
Total derivative liabilities	—	—	(2)	(1)	(3)
Total liabilities at fair value	**$ —**	**$ —**	**$ (79)**	**$ (1)**	**$ (80)**

The following table summarizes the line items on the condensed consolidated statements of operations where gains and losses are reported by major types of financial assets and financial liabilities:

Table L11: Gains and losses reflected in the condensed consolidated statements of operations

Instruments	Line item on the condensed consolidated statements of operations
Investments - Trading	Income from liquid asset trading activities
Loans	Income from Loans and guarantees including realized gains and losses on loans and associated derivatives
Equity investments	Income from equity investments, including realized and unrealized gains and losses on equity and associated derivatives
Debt securities	Income from debt securities and realized gains and losses on debt securities and associated derivatives
Loans, debt securities, borrowings and related derivatives	Net unrealized gains and losses on loans, debt securities, borrowings and related derivatives

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE M – SEGMENT REPORTING

The President is the Chief Operating Decision Maker, who regularly reviews operational performance and financial measures of IFC to assess performance and allocate resources.

IFC's business comprises three segments: investment services, treasury services, and upstream and advisory services. The investment services segment consists primarily of lending and investing in debt (loans and debt securities) and equity securities. Operationally, the treasury services segment consists of the borrowing, liquid asset management, asset and liability management and client risk management activities. Upstream and advisory services include providing advisory services to government and private sector clients to create markets and mobilize private capital, and engages in early-stage project development activities to develop bankable investment projects. Consistent with internal reporting, net income or expense from asset and liability management and client risk management activities in support of investment services is allocated from the treasury segment to the investment services segment.

IFC's management reporting system and policies are used to determine revenues and expenses attributable to each segment. Consistent with internal reporting, administrative expenses are allocated to each segment based largely upon personnel costs and segment headcounts. Transactions between segments are immaterial and, thus, are not a factor in reconciling to the consolidated data.

The assets of the investment and treasury segments are detailed in Notes D and C, respectively. An analysis of IFC's major components of income and expense by business segment for the three months ended September 30, 2026 and September 30, 2025, is provided below:

Table M1: Income and expense by business segment

	For the three months ended September 30, 2026			
(US$ in millions)	Investment services	Treasury services	Upstream and Advisory services	Total
Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	$ 805	$ —	$ —	$ 805
Provision for losses on loans, off-balance-sheet credit exposures and other receivables	(52)	—	—	(52)
Income from equity investments, including realized and unrealized gains and losses on equity and associated derivatives	249	—	—	249
Income from debt securities, including realized gains and losses on debt securities and associated derivatives	203	—	—	203
Provision for losses on available-for-sale debt securities	(2)	—	—	(2)
Income from liquid asset trading activities	—	302	—	302
Charges on borrowings	(572)	(332)	—	(904)
Upstream and Advisory services income	—	—	46	46
Service fees and other income	50	—	—	50
Administrative expenses	(386)	(12)	(39)	(437)
Upstream and Advisory services expenses	—	—	(57)	(57)
Other, net	31	2	8	41
Foreign currency transaction gains on non-trading activities	2	—	—	2
Income (loss) before net unrealized gains and losses on loans, debt securities, borrowings and related derivatives	**328**	**(40)**	**(42)**	**246**
Net unrealized gains (losses) on loans, debt securities, borrowings and related derivatives	95	(302)	—	(207)
Net income (loss)	**$ 423**	**$ (342)**	**$ (42)**	**$ 39**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE M – SEGMENT REPORTING (continued)

Table M1.1:

(US$ in millions)	For the three months ended September 30, 2025			
	Investment services	Treasury services	Upstream and Advisory services	Total
Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	$ 858	$ —	$ —	$ 858
Provision for losses on loans, off-balance-sheet credit exposures and other receivables	(73)	—	—	(73)
Income from equity investments, including realized and unrealized gains and losses on equity and associated derivatives	388	—	—	388
Income from debt securities, including realized gains and losses on debt securities and associated derivatives	202	—	—	202
Release of provision for losses on available-for-sale debt securities	3	—	—	3
Income from liquid asset trading activities	—	605	—	605
Charges on borrowings	(595)	(358)	—	(953)
Upstream and Advisory services income	—	—	48	48
Service fees and other income	85	—	—	85
Administrative expenses	(364)	(13)	(38)	(415)
Upstream and Advisory services expenses	—	—	(68)	(68)
Other, net	3	2	4	9
Foreign currency transaction losses on non-trading activities	(38)	—	—	(38)
Income (loss) before net unrealized gains and losses on loans, debt securities, borrowings and related derivatives	**469**	**236**	**(54)**	**651**
Net unrealized gains on loans, debt securities, borrowings and related derivatives	80	3	—	83
Net income (loss)	**$ 549**	**$ 239**	**$ (54)**	**$ 734**

Upstream and Advisory segment

IFC continues to address increasingly complex development challenges and is enhancing its creating markets strategy by undertaking both Upstream and Advisory activities. Specifically, IFC provides advisory services to government and private sector clients to create markets and mobilize private capital, and engages in early-stage project development activities to develop bankable investment projects. IFC also works in collaboration with the IBRD and IDA to provide policy advice and develop activities that help create markets and support future transactions in multiple industries, especially in IDA-eligible countries and FCS. IFC funds this business line by a combination of cash received from IFC shareholders' development agencies and other development partners, IFC's operations via retained earnings and operating budget allocations, as well as fees received from the recipients of the services.

As of September 30, 2026, undisbursed donor funds of $496 million ($487 million – June 30, 2026) were included in other assets. As the undisbursed donor funds are refundable, a corresponding liability is recorded in other liabilities. IFC's advisory services funding of $310 million ($316 million – June 30, 2026) was included in other assets.

Upstream and advisory service expenses include $44 million sourced from government and other development partners, for the three months ended September 30, 2026 ($47 million – for the three months ended September 30, 2025). The funds received from government and other development partners were also recognized as advisory services income in IFC's condensed consolidated statements of operations.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE N – VARIABLE INTEREST ENTITIES

Non-Consolidated VIEs

IFC has identified investments in 263 Variable Interest Entities (VIEs) which are not consolidated by IFC but in which it is deemed to hold significant variable interests as of September 30, 2026 (261 investments – June 30, 2026). The majority of these VIEs do not involve securitizations or other types of structured financing. IFC is usually the minority investor in these VIEs. These VIEs are mainly: (a) investment funds, where the GP or fund manager does not have substantive equity at risk, which IFC does not consolidate because it does not have the power to direct the activities of the VIEs that most significantly impact their economic performance and (b) entities whose total equity investment is considered insufficient to permit such entity to finance its activities without additional subordinated financial support or whose activities are so narrowly defined by contracts that equity investors are considered to lack decision making ability, which IFC does not consolidate because it does not have the power to control the activities that most significantly impact their economic performance. IFC's involvement with these VIEs includes investments in equity interests and senior or subordinated interests, guarantees and risk management arrangements.

IFC's maximum exposure to loss as a result of its investments in these VIEs was $6.9 billion as of September 30, 2026 ($6.7 billion – June 30, 2026). IFC's maximum exposure to loss is based on the unlikely event that all of the assets in the VIEs become worthless and incorporates not only potential losses associated with assets recorded on IFC's condensed consolidated balance sheets (maximum funded exposure) but also potential losses associated with undisbursed commitments (maximum unfunded exposure). The maximum funded exposure represents the balance sheet carrying value of IFC's investment in the VIE and reflects the initial amount of cash invested in the VIE, adjusted for principal payments received, increases or declines in fair value and any impairment in value recognized in earnings. The maximum exposure of unfunded positions represents the remaining committed but not disbursed amount.

The carrying values and the maximum exposure of IFC's investment in these VIEs as of September 30, 2026 and June 30, 2026 are as follows:

Table N1: Carrying values and the maximum exposure of IFC's investment in non-consolidated VIEs

Non-consolidated VIEs	September 30, 2026		June 30, 2026	
(US$ in millions)	Carrying Value	Maximum Exposure	Carrying Value	Maximum Exposure
Assets				
Investments				
Loans [a]	$ 998	$ 1,164	$ 1,030	$ 1,211
Equity Investments	2,717	4,192	2,617	3,951
Debt Securities	1,519	1,549	1,557	1,588
Derivative Assets [b]	—	—	1	1
Total Assets	$ 5,234	$ 6,905	$ 5,205	$ 6,751
Liabilities				
Derivative Liabilities [b]	$ (73)	$ (73)	$ (50)	$ (50)
Other Off-Balance-Sheet Arrangements				
Guarantees	Not Applicable	$ 27	Not Applicable	$ 27

a The presented carrying value of the loans does not include the associated loan loss reserve of $67 million and $66 million as of September 30, 2026 and June 30, 2026, respectively.

b Represents Client Risk Management arrangements.

Consolidated VIEs

Starting fiscal year 2026, IFC securitizes originated loans from companies in emerging markets through the SPVs or VIEs to generate funding and transfers a portion of the associated economic risk to third-party investors. IFC's continuing involvement in the securitization transaction includes servicing the underlying loans and retaining interests in the mezzanine and junior tranches. The principal risks associated with this ongoing involvement relate to the performance of the underlying loans, IFC's position within the capital structure of the securitization vehicle, and prevailing market yields on the securities. Creditors of the VIEs have legal recourse only to the VIEs' assets and not IFC's general credit. The VIEs' assets, primarily loans, are restricted from being sold or pledged as collateral, with their cash flows solely servicing the non-recourse liabilities. IFC has controlling financial interest in the VIEs due to (1) the power to direct the activities of the VIEs through servicing and the right to direct redemption of the securities under certain circumstances, and (2) the obligation to absorb losses or the right to receive benefits from the VIEs that could potentially be significant to the VIE. As the primary beneficiary, IFC consolidates the assets and liabilities of these VIEs.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE N – VARIABLE INTEREST ENTITIES (continued)

The table summarizes consolidated VIE's assets and liabilities on IFC's condensed consolidated balance sheets as of September 30, 2026, excluding intercompany balances which are eliminated during consolidation.

Table N2: Carrying values of IFC's investment in consolidated VIEs

(US$ in millions)	September 30, 2026	June 30, 2026
Assets		
Cash and due from banks	$ 36	$ 41
Loans at amortized cost	895	914
Less: Reserve against losses on loans	(26)	(28)
Loans at amortized cost less reserve against losses	869	886
Loans accounted for at fair value under the Fair Value Option	6	7
Other receivables	15	6
Total Assets	**$ 926**	**$ 940**
Liabilities		
Securitized borrowings	$ 655	$ 682
Payables and Other Liabilities	8	3
Total Liabilities	**$ 663**	**$ 685**

Separately, IFC is the primary beneficiary of a VIE for the building and the land at 2100 K Street. The building and land, with a combined value of $99 million as of September 30, 2026 ($100 million – June 30, 2026), are reported under "Receivables and other assets" on IFC's condensed consolidated balance sheets.

NOTE O – PENSION AND OTHER POST-RETIREMENT BENEFITS

IBRD, IFC, and MIGA participate in the defined benefit Staff Retirement Plan (SRP), a Retired Staff Benefits Plan (RSBP) and a Post-Employment Benefits Plan (PEBP) (collectively "the Pension Plans") that cover all WBG employees, retirees and their beneficiaries. The SRP provides pension benefits and includes a cash balance plan. The RSBP provides certain health and life insurance benefits to eligible retirees. The PEBP provides certain pension benefits administered outside the SRP.

IFC uses a June 30th measurement date for its pension and other post-retirement benefit plans. All costs, assets, and liabilities associated with the Pension Plans are allocated among IBRD, IFC, and MIGA based upon their employees' respective participation in the Pension Plans. IDA, IFC, and MIGA reimburse IBRD for their proportionate share of any contributions made to the Plans by IBRD. Contributions to the Pension Plans are calculated as a percentage of salary.

The following table summarizes the benefit costs associated with the SRP, RSBP, and PEBP allocated to IFC for the three months ended September 30, 2026 and September 30, 2025. For the three months ended September 30, 2026 and September 30, 2025, the service costs of $50 million and $47 million are included in "Administrative expenses", respectively. The components of net periodic pension cost, other than the service cost component, are included in "Other, net" in the condensed consolidated statements of operations.

Table O1: Net periodic pension cost - SRP, RSBP & PEBP

	For the three months ended September 30,							
	2026				2025			
(US$ in millions)	SRP	RSBP	PEBP	Total	SRP	RSBP	PEBP	Total
Pension Plan Benefit costs								
Service cost	$ 36	$ 7	$ 7	$ 50	$ 34	$ 6	$ 7	$ 47
Other components								
Interest cost	80	11	10	101	74	9	10	93
Expected return on plan assets	(106)	(22)	—	(128)	(81)	(16)	—	(97)
Amortization of unrecognized net actuarial gains [a]	(16)	(7)	—	(23)	(7)	(8)	(1)	(16)
Subtotal	(42)	(18)	10	(50)	(14)	(15)	9	(20)
Net periodic pension cost	**$ (6)**	**$ (11)**	**$ 17**	**$ —**	**$ 20**	**$ (9)**	**$ 16**	**$ 27**

a Included in Amounts reclassified from AOCI into net income in Note H.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE P – OFFSETTING ASSETS AND LIABILITIES

IFC does not present derivative assets and liabilities or amounts due or owed under resale, repurchase and securities lending transactions related to contracts entered into with the same counterparty under a legally enforceable netting agreement on a net basis on its condensed consolidated balance sheets. The following tables provide the gross and net positions of IFC's derivative contracts, resale, repurchase and securities lending agreements considering amounts and collateral held or pledged in accordance with enforceable counterparty credit support and netting agreements described below. The gross and net positions include derivative assets of $204 million and derivative liabilities of $533 million as of September 30, 2026, related to derivative contracts that are not subject to counterparty credit support or netting agreements. Collateral amounts are included only to the extent of the related net derivative fair values or net resale, repurchase and securities lending agreements amounts.

Table P1: Gross [a] and net positions of derivative contracts

	September 30, 2026			
(US$ in millions)	Gross amount presented in the condensed consolidated balance sheets	Amounts subject to legally enforceable master netting agreements	Collateral received/pledged	Net amount
Derivative assets	$ 5,209 [a]	$ 2,933	$ 343 [b]	$ 1,933
Resale agreements	900	—	893	7
Total assets	**$ 6,109**	**$ 2,933**	**$ 1,236**	**$ 1,940**
Derivative liabilities	$ 8,709 [a]	$ 2,933	$ 3,398	$ 2,378
Repurchase and securities lending agreements	5,446	—	5,437	9
Total liabilities	**$ 14,155**	**$ 2,933**	**$ 8,835**	**$ 2,387**

Table P1.1:

	June 30, 2026			
(US$ in millions)	Gross amount presented in the condensed consolidated balance sheets	Amounts subject to legally enforceable master netting agreements	Collateral received/pledged	Net amount
Derivative assets	$ 4,997 [a]	$ 2,684	$ 519 [b]	$ 1,794
Resale agreements	—	—	—	—
Total assets	**$ 4,997**	**$ 2,684**	**$ 519**	**$ 1,794**
Derivative liabilities	$ 7,156 [a]	$ 2,684	$ 2,587	$ 1,885
Repurchase and securities lending agreements	4,586	—	4,569	17
Total liabilities	**$ 11,742**	**$ 2,684**	**$ 7,156**	**$ 1,902**

a Gross amount presented herein comprises of derivatives and accrued interest income/expenses. Accrued income of $2,102 million ($1,991 million - June 30, 2026) is reported in "receivables and other assets" and accrued expenses of $1,606 million ($1,341 million - June 30, 2026) are reported "payables and other liabilities" in IFC's condensed consolidated balance sheets.

b Includes cash collateral only as of September 30, 2026 and June 30, 2026.

IFC's derivative contracts with market counterparties are entered into under standardized master agreements published by the International Swaps and Derivatives Association (ISDA). ISDA Agreements provide for a single lump sum settlement amount upon the early termination of transactions following a default or termination event whereby amounts payable by the non-defaulting party to the other party may be applied to reduce any amounts that the other party owes the non-defaulting party. This setoff effectively reduces any amount payable by the non-defaulting party to the defaulting party.

IFC's ISDA Agreements are appended by a Credit Support Annex (CSA) that provides for the receipt or posting of collateral in the form of cash, U.S. Treasury securities or U.K. gilts to reduce mark-to-market exposure among derivative market counterparties. Cash collateral received is recorded as an asset with a corresponding liability for the obligation to return it. For cash collateral posted, a corresponding receivable is recorded on IFC's condensed consolidated balance sheets. Securities received as collateral are not recognized on IFC's condensed consolidated balance sheets, while securities posted as collateral remain on the balance sheets and are disclosed as securities pledged.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE P – OFFSETTING ASSETS AND LIABILITIES (continued)

In accordance with the CSAs, IFC may rehypothecate securities received as collateral, subject to the obligation to return such collateral and any related distributions received. In the event of a counterparty default, IFC may exercise certain rights and remedies, including the right to set off any amounts payable by the counterparty against any collateral held by IFC and the right to liquidate any collateral held. As of September 30, 2026 and June 30, 2026, no collateral received was rehypothecated under securities lending agreements.

The table below summarizes IFC's collateral pledged and received under CSAs as of September 30, 2026, and June 30, 2026:

Table P2: Collateral pledged and received under CSA

(US$ in millions)	September 30, 2026	June 30, 2026
Cash collateral received	$ 411	$ 540
Cash collateral pledged	1,693	1,200
Trading securities pledged (fair value)	1,843	1,475

Under certain CSA's IFC is not required to pledge collateral unless its CR is downgraded from its current AAA/Aaa. The aggregate fair value of derivatives containing such a credit risk-linked contingent feature in a net liability position was $514 million as of September 30, 2026 ($13 million – June 30, 2026). As of September 30, 2026, IFC had no collateral posted under these agreements. If IFC's CR were to be downgraded from its current AAA/Aaa to AA+/Aa1 or below, then collateral in the amount of $67 million would be required to be posted against net liability positions with counterparties as of September 30, 2026 ($13 million – June 30, 2026).

IFC's resale, repurchase and securities lending transactions are entered into with counterparties under industry standard master netting agreements which generally provide the right to offset amounts owed one another with respect to multiple transactions under such master netting agreement and to liquidate the purchased or borrowed securities in the event of counterparty default. The estimated fair value of all securities received and held as collateral under these master netting agreements by IFC was $900 million as of September 30, 2026 ($0 – June 30, 2026).

The following tables present an analysis of IFC's repurchase agreements by (1) class of collateral pledged and (2) their remaining contractual maturity as of September 30, 2026 and June 30, 2026:

Table P3: Repurchase agreements - Categorized by remaining contractual maturity

	Remaining Contractual Maturity of the Agreements – September 30, 2026				
(US$ in millions)	Overnight and Continuous	Up to 30 days	30-90 days	Greater than 90 days	Total
Repurchase agreements					
U.S. Treasury securities	$ 32	$ 1,484	$ 2,344	$ 1,586	$ 5,446
Total Repurchase agreements	**$ 32**	**$ 1,484**	**$ 2,344**	**$ 1,586**	**$ 5,446**
				Plus: cash collateral payable	411
				Less: accrued interest on cash collateral and repos, net.	(30)
				Securities sold under repurchase agreements and payable for cash collateral received	**$ 5,827**

Table P3.1:

	Remaining Contractual Maturity of the Agreements – June 30, 2026				
(US$ in millions)	Overnight and Continuous	Up to 30 days	30-90 days	Greater than 90 days	Total
Repurchase agreements					
U.S. Treasury securities	$ —	$ 845	$ 2,942	$ 799	$ 4,586
Total Repurchase agreements	**$ —**	**$ 845**	**$ 2,942**	**$ 799**	**$ 4,586**
				Plus: cash collateral payable	540
				Less: accrued interest on cash collateral and repos, net.	(26)
				Securities sold under repurchase agreements and payable for cash collateral received	**$ 5,100**

As of both September 30, 2026 and June 30, 2026, IFC has no repurchase-to-maturity transactions nor securities lending transactions outstanding.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE Q – CONTINGENCIES

From time to time, IFC 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 IFC has been named as a defendant or co-defendant, as of and for the three months ended September 30, 2026, is not expected to have a material adverse effect on IFC's financial position, results of operations or cash flows.