International Development Association

Management's Discussion & Analysis

and

Condensed Quarterly Financial Statements

March 31, 2015

(Unaudited)

INTERNATIONAL DEVELOPMENT ASSOCIATION (IDA)

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MARCH 31, 2015

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Box 1: Selected Financial Data

In millions of U.S dollars, except ratios in percentages and months	*As of and for the nine months ended*		*Full Year*
	March 31, 2015	*March 31, 2014*	*June 30, 2014*
Development Operations (Section IV)			
Commitments of development credits, grants and Guarantees	$ 8,619	$ 11,849	$ 22,239
Gross disbursements of development credits and grants	8,455	8,457	13,432
Net disbursements of development credits and grants	5,456	5,886	9,878
Balance Sheet (Section V)			
Total assets	$174,063	$173,795	$183,445
Net investment portfolio	30,095	28,981	28,300
of which core liquidity	11,980	10,832	9,902
Development credits outstanding, net	121,821	128,628	132,010
Payable for development grants	6,149	6,665	6,983
Total equity	144,862	151,934	153,749
Income Statement			
Revenue from development credits and guarantees	$802	$ 751	$ 1,015
Investment revenue, net	694	341	631
Transfers and grants from affiliated organizations and others	991	883	881
Development grants	(1,551)	(1,712)	(2,645)
Net income / (loss)	791	(802)	(1,612)
Statement of Activities (Section IV)			
Total sources of funds	$ 12,881	$ 9,117	$ 12,853
Total application of funds	(8,447)	(8,461)	(13,441)
Results from operating activities	4,393	601	(741)
Funding Position (Section VII)			
Investment portfolio and unrestricted demand notes as a percentage of undisbursed commitments of development credits and development grants payable	83%	79%	71%
Liquidity Position (Section VII)			
Months of average monthly gross disbursements covered by core liquidity	11	11	9

Introduction

This document should be read in conjunction with the International Development Association's (IDA) financial statements and management's discussion and analysis issued for the fiscal year ended June 30, 2014. IDA undertakes no obligation to update any forward looking statements. **Box 1** provides IDA's selected financial data as of and for the nine months ended March 31, 2015 (FY15 YTD) and March 31, 2014 (FY14 YTD) as well as for the fiscal year ended June 30, 2014.

I. Organizational Overview and Business Model

IDA is an international organization established in 1960 and is owned by its 173 member countries. It is the world's largest multilateral channel for providing concessional financing and knowledge services to the world's poorest countries.

IDA complements the other institutions within the World Bank Group (WBG[1]), that share the overarching goals of ending extreme poverty and promoting shared prosperity. IDA plays a pivotal role in the global aid architecture and pursues these goals by providing concessional development credits, grants and guarantees to its recipient member countries for programs and operations that help meet their development needs. IDA provides technical assistance through reimbursable advisory services and policy advice, and global knowledge services through economic sector work and country studies. In addition, IDA facilitates financing through trust fund partnerships with bilateral and multilateral donors. IDA also supports member countries with disaster risk financing to help increase their resilience against natural disasters, as part of their broader disaster risk management agenda.

The resources available to IDA for funding its lending activities constitute its commitment authority. IDA finances its development credit, grant and guarantee commitments primarily from partner contributions, funds from its internal resources, as well as transfers from IBRD's net income, and grants designated out of IFC's retained earnings. Since IDA's lending is highly concessional, its resources are periodically replenished. Since its inception, IDA's resources have been replenished seventeen times, complemented by an additional replenishment agreed to in 2006 for financing the Multilateral Debt Relief Initiative (MDRI). Details of the Seventeenth Replenishment of IDA's Resources (IDA17), which is effective from July 1, 2014 to June 30, 2017, are provided in **Chart 1.**

II. Funding and Resource Allocation

The funding of IDA's lending, grant financing and guarantee activities are presented and discussed below.

Sources of Funds

Partner Resources (Subscriptions and Contributions and Borrowings from Partners): IDA finances its commitments for development credits and development grants primarily through partner resources. The partner resources that are in the form of subscriptions and contributions are assigned voting rights. Prior to IDA17, IDA had not entered into long-term borrowings, even though it is allowed to do so under its Articles. Contributions from members remain at the core of IDA's financing framework, however due to a number of exceptional circumstances, a limited amount of concessional debt funding, "borrowings from partners", are used to increase the commitment authority for IDA17. These circumstances include the current low interest rate environment, unique resource constraints for a number of contributing partners, and the provision of transitional support for eligible new graduating countries during IDA17.

Internal Resources*:* These primarily comprise contractual principal repayments (including any accelerated repayments and voluntary prepayments), interest income on blend term credits, income from the investment portfolio and any carryover of residual resources from previous replenishments.

Transfers and Grants from affiliated organizations: These are transfers from IBRD's net income and grants from IFC's retained earnings.

1 *The other institutions of the World Bank Group are the International Bank for Reconstruction and Development (IBRD), the International Finance Corporation (IFC), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID). Each of these organizations is legally and financially independent from IDA, with separate assets and liabilities, and IDA is not liable for their respective obligations.*

Applications of Funds

Disbursement of development credits and grants: IDA's development credits, grants and guarantees benefit the poorest and least creditworthy countries, which are eligible to borrow from IDA.

Administrative Expenses: IDA's policy is to maintain its service and commitment charges at a level that will cover its administrative expenses. Commitment charges are set annually and take into account the extent to which service and certain interest charges, and partner compensation for development grant financing and forgone charges on development credits forgiven under the Heavily Indebted Poor Country Initiative (HIPC) and the MDRI, cover administrative expenses. For FY15, commitment charges are set at nil.

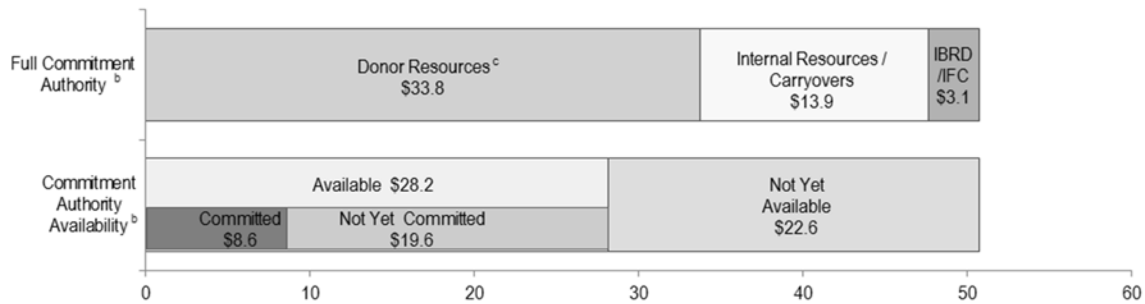
Commitment Authority

The IDA17 Commitment Authority Framework amounts to Special Drawing Rights (SDR) 33.7 billion (U.S. dollar equivalent $50.8 billion). It became effective on November 5, 2014, when Instruments of Commitment (IoC's) and loan agreements received exceeded the effectiveness threshold of SDR11.7 billion (U.S. dollar equivalent $17.6 billion).

Chart 1 provides a breakdown of the principal sources making up the total lending envelope under IDA17 and the extent to which these sources have been used for commitments of development credits, grants and guarantees through March 31, 2015.

Chart 1 : IDA17 Commitment Authority Status

In billions of U.S. dollars equivalent [a]



a. Commitment Authority is measured and monitored in SDR. The chart represents the U.S. dollar equivalent amounts for presentational purposes only, based on the IDA17 foreign exchange reference rate of U.S. dollar/SDR 1.50718. Actual commitments are recorded based on historical U.S. dollar rates.
b. Amounts may not add due to rounding.
c. Includes U.S.dollar equivalent 4.5 billion of partner commitments for compensation of debt relief provided under MDRI.

III. Basis of Reporting

IDA prepares its financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP), referred to in this document as the "reported basis". The financial statements provide a basis upon which users are able to analyze IDA's sources and applications of resources. Under the reported basis, IDA's Statement of Income does not reflect the full economic results of IDA due to a number of asymmetries, which are explained in the Management's Discussion and Analysis (MD&A) for the fiscal year ended June 30, 2014.

IV. Statement of Activities Analysis

The Statement of Activities (**Table 1**) is designed to reflect how IDA manages its sources and applications of funds in executing its operating activities. It presents the flows associated with IDA's operating activities and the impact of these activities on the net asset value of IDA's investment portfolio. This presentation addresses the majority of the asymmetries (explained in IDA's June 30, 2014 MD&A) embedded in IDA's reported basis results.

Table 1: Statement of Activities

In millions of U.S. dollars

For the nine months ended March 31,	2015	2014	Variance
Sources of Funds			
Partner Resources			
Members' subscriptions and contributions	$6,648	$ 5,269	$1,379
Borrowings from partners	1,836	-	1,836
Transfers and Grants from Affiliated Organizations	975	872	103
Internal Resources			
Principal repayments and prepayments	2,999	2,504	495
Proceeds from buy-down of development credits	-	67	(67)
Transfers from Trust Funds and Others	16	11	5
Interest on credits with blend terms, and guarantee income	91	49	42
Investment interest income, net	316	345	(29)
	3,422	2,976	446
Total Sources of Funds	12,881	9,117	3,764
Application of Funds			
Disbursements			
Development credit disbursements	(6,809)	(6,804)	(5)
Development grant disbursements (including PPA grant activity)	(1,638)	(1,657)	19
Total Application of Funds	(8,447)	(8,461)	14
Administrative Activities			
Administrative expenses, net	(951)	(962)	11
Service charges and interest on credits with hard terms	711	702	9
Partner compensation for forgone charges	199	205	(6)
	(41)	(55)	14
Results from Operating Activities	$4,393	$ 601	$3,792
Net Asset Value of Investment Portfolio, at beginning of fiscal year	$28,300	$27,487	$ 813
Results from Operating Activities	4,393	601	3,792
Effects of exchange rates	(2,785)	627	(3,412)
Net movement in non-operating activities	187	266	(79)
Net Asset Value of Investment Portfolio, at end of period	$30,095	$28,981	$1,114

Results from Operating Activities

IDA's operating activities resulted in a net inflow of $4,393 million for FY15 YTD. The main drivers of the $3,792 million variance as compared to FY14 YTD are the $1,836 million increase in borrowings from partners and the $1,379 million increase in subscriptions and contributions.

IDA's core liquidity position as of March 31, 2015 is sufficient to cover approximately 11 months of average monthly gross disbursements, which is consistent with the historical range of 9 to 14 months for the fiscal years ended June 30, 2010 through 2014. The negative impact on IDA's liquidity position as a result of the depreciation of the non U.S. dollar component currencies of the SDR against the U.S. dollar, has been offset by the positive impact of note encashments, which usually occur in the second six months of the fiscal year. See **Section VII** for more details on IDA's core liquidity position.

IDA's funding position at March 31, 2015 was 83%, as compared to 71% at June 30, 2014. The remaining funding gap will primarily be covered by future receipts of cash, demand notes already committed by partners, and repayments on outstanding credits by recipient countries. At all times, IDA enters into new commitments based on the commitment authority available. See **Section II** for further details on IDA's Commitment Authority.

The following are additional details of the key drivers of IDA's results from operating activities:

Members' Subscriptions and Contributions

The subscriptions and contributions of $6,648 million represent the cash contributions received from members and the encashment of demand notes. This excludes $199 million of member contributions received to finance foregone charges for debt relief and development grant financing, which is reflected as part of administrative activities.

Borrowings from Partners

Concessional partner loans were introduced in IDA17 to increase the lending envelope available to recipient countries by incorporating a limited amount of debt funding into the financing framework in a sustainable manner. Five partners have agreed to provide loans totaling $4.4 billion.

As of March 31, 2015, IDA had signed loan agreements totaling $3.8 billion with four of the five partners and had received loan proceeds of $1,836 million under those agreements. One agreement comprises a loan of $1 billion and a grant of $179 million. As part of the overall arrangement, the proceeds have been invested in a fixed rate instrument with the IFC.

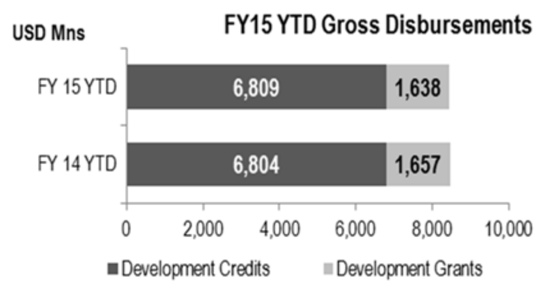
Transfers and Grants from Affiliated Organizations

On October 10, 2014, IBRD's Board of Governors approved a transfer to IDA of $635 million, under IDA17. This transfer was received on October 14, 2014.

On January 23, 2015, IDA received a $340 million grant from the IFC under IDA17.

Development Credit and Grant Disbursements

Gross disbursements of development credits and grants during FY15 YTD were $8,447 million, which is in line with FY14 YTD. Africa and South Asia together accounted for 78% of the total gross disbursements during FY15 YTD.



(Includes adjustments for certain PPA activity)

Of the $6,809 million in development credit disbursements, 6% related to commitments made under IDA17, 50% under IDA16, and 44% related to commitments made under earlier replenishments.

As of April 30, 2015 the WBG has mobilized $1.62 billion in financing for the countries hardest hit by the Ebola crisis, this includes $1.17 billion from IDA. Of the $1.17 billion, $518 million in emergency funding has already been committed , primarily through grants from IDA's Crisis Response Window, of which $363 million has already been disbursed to Guinea, Liberia and Sierra Leone.

Table 2, shows a reconciliation of the results from operating activities as presented in **Table 1**, Statement of Activities, to the reported basis, net income (loss). The reconciling items are presented as either (i) items in the reported basis results, but not included in the Statement of Activities, or (ii) items included in the Statement of Activities, but not in the reported basis results. These are further classified as: addressing asymmetries, adjustments to reflect cash and non-cash operating activities, and adjustments for non-operating activities.

Table 2: Reconciliation to Reported Basis, Net Income (Loss)

For the nine months ended March 31,	2015	2014
Results from Operating Activities	**$4,393**	**$ 601**
(i) Items in reported basis results, not included in Statement of Activities		
Adjustments to reflect non-cash operating activities:		
· Development grant expense	(1,551)	(1,712)
· Provision for debt relief and for losses on development credits and other exposures, net	(39)	(25)
· PPA grants and other	(20)	(9)
· Discount on prepaid development credits	(2)	-
· Borrowings expense, excluding interest expenses on securities sold under repurchase agreements	(26)	-
Adjustments for non-operating activities:		
· Non-functional currency translation adjustment gains (losses)	1,055	(38)
· Unrealized mark-to market losses on non-trading portfolios, net	(162)	(31)
· Unrealized MTM gains (losses) on Investment portfolio	378	(4)
(ii) Items included in Statement of Activities, not in reported basis results		
Adjustments addressing asymmetries:		
· Members' subscriptions and contributions	(6,648)	(5,269)
· Borrowings from partners	(1,836)	-
· Partner compensation for forgone charges	(199)	(205)
Adjustments to reflect cash operating activities:		
· Development credit disbursements	6,809	6,804
· Development grant disbursements	1,638	1,657
· Principal repayments & prepayments	(2,999)	(2,504)
· Proceeds from buy-down of development credits	-	(67)
Reported Basis, Net Income (Loss)	**$ 791**	**$ (802)**

V. Balance Sheet Analysis

The principal components of IDA's balance sheet are development credits outstanding, investment assets net of related liabilities, and subscriptions and contributions paid-in. Movements in these principal components between March 31, 2015 and June 30, 2014 are discussed further below.

Table 3: Condensed Balance Sheet

In millions of U.S. dollars

As of	March 31, 2015	June 30, 2014	Variance
Assets			
Investment assets, including related derivative assets	$ 40,643	$ 37,548	$ 3,095
Derivatives relating to asset-liability management	9,775	12,102	(2,327)
Receivables and other assets, including non-investment cash	1,850	1,811	39
Development credits outstanding	125,568	136,011	(10,443)
Accumulated provision for debt relief and for losses on development credits	(3,773)	(4,027)	254
Total assets	**$174,063**	**$183,445**	**$(9,382)**
Liabilities and equity			
Liabilities and derivatives relating to investments	$ 10,548	$ 9,248	$ 1,300
Derivatives relating to asset-liability management	9,636	12,222	(2,586)
Payables and other liabilities, including maintenance of value	6,968	7,990	(1,022)
Borrowings from partners	1,807	-	1,807
Subscriptions and contributions paid-in	199,952	193,747	6,205
Demand obligations	(9,443)	(10,089)	646
Accumulated deficit	(41,879)	(42,670)	791
Accumulated other comprehensive income	(3,526)	12,997	(16,523)
Total liabilities and equity	**$174,063**	**$183,445**	**$(9,382)**

Development Credits Outstanding and Accumulated Provision for Debt Relief and for Losses on Development Credits

Development credits outstanding decreased by $10,443 million during FY15 YTD, primarily due to negative translation adjustments of $14,242 million resulting from the 10.8% depreciation of the SDR against the U.S. dollar. This was partially offset by positive net disbursements of $3,809 million.

Investment Assets, net of related Liabilities

The net investment portfolio increased from $28,300 million as of June 30, 2014 to $30,095 million as of March 31, 2015, an increase of $1,795 million. The main driver for the increase was the net result of IDA's operating activities as reflected in the Statement of Activities (Table-1). This was partially offset by the $2,785 million negative impact of exchange rate movements, reflecting the depreciation of the non U.S dollar component currencies of the SDR against the U.S dollar. See **Section IV** for variance analysis of operating activities.

Subscriptions and Contributions

The $6,205 million increase in subscriptions and contributions paid-in is primarily attributable to the receipt from members of $4,427 million of demand notes and $3,384 million of cash contributions which was partially offset by a negative translation adjustment of $1,606 million.

Accumulated Other Comprehensive Income

The $16,523 million decrease in accumulated other comprehensive income is due to translation adjustment losses, $14,242 million of which relates to translation adjustment losses on development credits outstanding resulting from the 10.8% depreciation of the SDR against the U.S. dollar.

VI. Financial Risk

IDA is subject to four main types of financial risk: funding risk, liquidity risk, credit risk and market risk.

Funding Risk is managed using the Commitment Authority Framework and monitored, in part, by the funding position ratio, see ***Section II, Funding And Resource Allocation and Section VII, Funding and Liquidity Positions***.

Liquidity Risk is managed through a combination of cash flow monitoring, timing of partner contributions and investment policies. IDA's liquidity position is a key indicator of liquidity management; see ***Section VII, Funding and Liquidity Positions.***

Credit Risk includes two types: Country credit risk and Commercial credit risk.

Country credit risk is primarily managed by regular reviews of the credit risk of IDA recipient countries in terms of their debt sustaining capacity. These reviews provide an input into the composition of development credits versus grants for new operations. Reviews are also performed to determine the adequacy of provisions for losses on credits and other exposures.

Table 4 provides details of the top five borrowers with the largest development credits outstanding as of March 31, 2015. These borrowers represented 50% of total development credits outstanding as of that date.

Table 4: Top Five Borrowers with the Largest Development Credits Outstanding Balance

In millions of US dollars, or as otherwise indicated

Country	India	Pakistan	Bangladesh	Vietnam	Nigeria	Total
Development Credits Outstanding	24,233	11,239	11,101	10,596	5,620	62,789
% of Total Development Credits Outstanding	19%	9%	9%	8%	5%	50%
Weighted Average Maturity (Years)	7.3	13.5	14.1	15.8	16.4	-
Development Credits outstanding by terms						
- IDA only	6,114	1,137	11,101	7,730	3,715	29,797
- Blend	18,000	9,817	-	2,643	1,905	32,365
- Hard terms	119	285	-	223	-	627
Undisbursed balance	6,301	2,273	4,918	3,839	3,408	20,739

Commercial Credit Risk: The monitoring and managing of this risk is a continuous process due to changing market conditions. IDA's commercial counterparty credit risk is concentrated in investments in debt instruments issued by sovereign governments, agencies, corporate entities and banks, as shown in **Table 5**. The credit quality of IDA's investment portfolio remains concentrated in the upper end of the credit spectrum, with 78% of the portfolio rated AA or above, reflecting IDA's continued preference for highly rated securities and counterparties across all categories of financial instruments. The reduction in AA rated and the increase in A rated counterparties from June 30, 2014 to March 31, 2015 is primarily due to a rating downgrade of one country to single A. Total commercial counterparty credit exposure, net of collateral held, was $32.6 billion as of March 31, 2015.

Table 5: Commercial Credit Exposure, Net of Collateral Held, by Counterparty Rating

In millions of U.S. dollars

As of	March 31, 2015				June 30, 2014			
Counterparty Rating	Sovereigns	Agencies,ABS, Commercial Paper, Swaps, Corporate and Time Deposits	Total[a]	% of Total	Sovereigns	Agencies, ABS, Commercial Paper, Swaps, Corporate and Time Deposits	Total	% of Total
AAA	$11,655	$4,317	$15,972	49	$12,246	$4,175	$16,421	51
AA	5,930	3,577	9,507	29	9,762	4,152	13,914	43
A	4,745	2,188	6,933	21	507	1,192	1,699	5
BBB or below	230	7	237	1	218	9	227	1
Total	$22,560	$10,089	$32,649	100	$22,733	$9,528	$32,261	100

a. Excludes IFC investment

Market Risk: IDA faces foreign exchange risk on its future partner contributions, which it manages by economically hedging using currency forwards and by rebalancing the currency composition of its investment portfolio. Interest rate risk on its investment portfolio is managed by aligning the duration of the investment portfolio with that of the projected net cash requirements. The impact of these strategies is shown on IDA's Statement of Income, however, the economic offset is not evident. Further details can be seen in IDA's June 30, 2014 MD&A. The analysis below discusses the impact of these activities on IDA's Statement of Income and the economic offset.

Foreign Exchange Risk

IDA conducts its operations in SDR and its component currencies of U.S. dollar, euro, Japanese yen and pound sterling. These constitute the functional currencies of IDA, and all other currencies are considered non-functional currencies. Any translation adjustments due to exchange rate movements against the U.S. dollar for non-functional currencies and functional currencies, are reflected in the Statement of Income, and in Accumulated Other Comprehensive Income in the Equity section of the Balance Sheet, respectively.

IDA faces foreign exchange rate risk exposure as a result of the currency mismatch between its commitments for development credits and grants, which are denominated in SDRs; partner contributions, which are typically denominated in national currencies; and the portion of IDA's internal resources and expenditures that is denominated in U.S. dollars. To manage this risk, IDA uses currency forward contracts to convert partners' encashments provided in national currencies into the four currencies of the SDR basket. The payable legs of these currency forward contracts economically hedging partner pledges are denominated in non-functional currencies. As a result, appreciation (depreciation) of these currencies against the U.S. dollar results in exchange rate losses (gains), which are reported in the Statement of Income.

The translation adjustment gain on non-functional currencies of $1,055 million in FY15 YTD was due to the depreciation of the non-functional currencies against the U.S. dollar. This was offset by the effect of foreign exchange movements on the economic offset to the currency forward contracts, i.e., the future inflows from partners, which was a loss of $1,350 million in FY15 YTD. In contrast, the translation adjustment loss on non-functional currencies of $38 million in FY14 YTD was due to the appreciation of the majority of the non-functional currencies against the U.S. dollar. This was offset by the effect of foreign exchange movements on the economic offset to the currency forward contracts; i.e.,the future inflows from partners, which was a gain of $36 million in FY14 YTD. The difference between the reported translation adjustments and the effect of foreign exchange movements on the economic offsets, primarily represent the effect of foreign exchange movements on the partner contributions in non-functional currencies that are not economically hedged through forward contracts due to their relatively small contribution amount or the unpredictability of the expected payment date. These residual partner contributions are hedged using a currency correlation methodology under the overall currency management framework.

Interest Rate Risk

The primary objective in the management of IDA's investment-trading portfolio is to provide a ready source of liquidity to meet projected net cash requirements. Accordingly, IDA's assets are invested so that their duration closely matches the duration of these projected net cash requirements. Given IDA's lengthy disbursement profile, the duration of IDA's investment-trading portfolio is therefore relatively long. This long duration, combined with volatility in market interest rates, results in significant year-on-year variability in unrealized mark-to-market gains/losses on the portfolio. The economic offset to the unrealized mark-to-market gains/losses on the investment portfolio would be the change in the present value of the projected net cash outflows.

IDA's investment-trading portfolio had a duration of approximately 3 years as of March 31, 2015. During FY15 YTD, the investment-trading portfolio experienced unrealized mark-to-market gains of $378 million, due to the decline in the yield curves for the major currencies. In contrast, during FY14 YTD, the investment portfolio experienced net unrealized mark-to-market losses of $4 million, resulting from the offsetting movements of the yield curves for the major currencies.

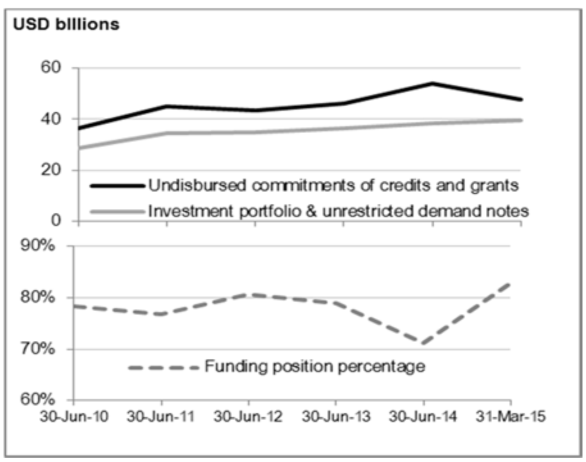
During FY15 YTD, IDA purchased a debt security issued by the IFC. While IDA intends to hold the security to maturity, IDA elected to measure the security at fair value, so that the measurement method (fair value) could be consistently applied to all its investments. The changes in fair value for this security are reflected in the Statement of Income. This security is being held in the non-trading investment portfolio.

The non-trading portfolios incurred unrealized mark-to-market losses of $162 million during FY15 YTD, principally consisting of i) unrealized mark-to-market losses of $164 million on the currency forward contracts during FY15 YTD, as compared to unrealized mark-to-market losses of $31 million in FY14 YTD, resulting from the more pronounced downward movement of yield curves of the majority of the payable currencies during FY15 YTD; and ii) unrealized mark-to-market gains of $2 million during FY15 YTD on investments with IFC. ***See Section IV***.

VII. Funding and Liquidity Positions

Management monitors IDA's funding and liquidity positions to assess IDA's ability to conduct its operations. Since IDA has not borrowed from the capital markets, even though it is allowed to do so under its Articles of Agreement, it is important that IDA has sufficient funding resources and liquidity to meet its contractual obligations to disburse approved development credits and grants in a timely manner**.**

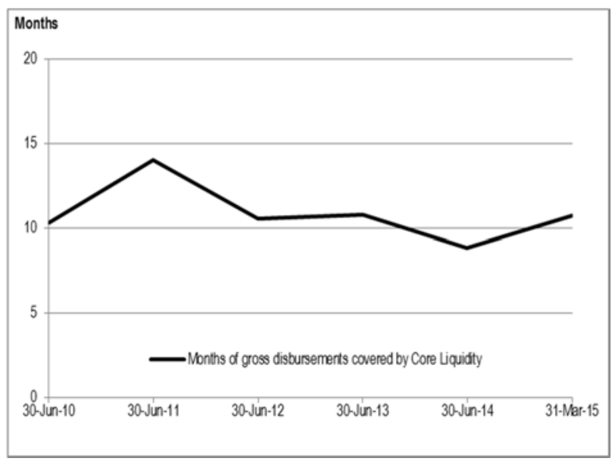
Funding Position



As of March 31, 2015, the investment portfolio and unrestricted demand notes covered 83% of all undisbursed commitments of development credits and grants as compared to 71% at June 30, 2014.

In the last 5 years, IDA's funding position has ranged from 71% to 81%.

Liquidity Position



As of March 31, 2015, core liquidity accounted for $11,980 million (June 30, 2014 - $9,902 million), comprising short-term and medium-term investments. IDA's liquidity position was sufficient to cover approximately 11 months of average monthly gross disbursements, relatively stable in line with the 5 year historical range of 9 to 14 months of average monthly gross disbursements since FY10.

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CONDENSED BALANCE SHEET

Expressed in millions of U.S. dollars

	March 31, 2015 (Unaudited)	June 30, 2014 (Unaudited)
Assets		
Due from banks—Note C		
Unrestricted cash	$ 246	$ 120
Restricted cash	28	30
	274	150
Investments (including securities transferred under repurchase or securities lending agreements of $3,625 million— March 31, 2015 ; $4,514 million—June 30, 2015)—Notes C and G	33,660	32,209
Securities purchased under resale agreements—Note C	927	1,953
Derivative assets		
Investments—Notes C and E	5,692	2,719
Asset-liability management—Notes E and G	9,775	12,102
	15,467	14,821
Receivable from affiliated organization—Note G	869	877
Development Credits Outstanding—Note F		
Total development credits	166,961	182,855
Less: Undisbursed balance	41,393	46,844
Development credits outstanding	125,568	136,011
Less: Accumulated provision for debt relief and for losses on development credits	3,773	4,027
Plus: Deferred development credits origination costs	26	26
Net development credits outstanding	121,821	132,010
Other assets—Note C	1,045	1,425
Total assets	$ 174,063	$ 183,445
Liabilities		
Borrowings—Note D	$ 1,807	$ -
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received—Note C	3,749	5,012
Derivative liabilities		
Investments—Notes C and E	5,459	2,785
Asset-liability management—Notes E and G	9,636	12,222
	15,095	15,007
Payable for development grants—Note H	6,149	6,983
Payable to affiliated organization—Note G	373	440
Other liabilities—Notes C and F	2,028	2,254
Total liabilities	29,201	29,696
Equity		
Members' subscriptions and contributions—Note B		
Subscriptions and contributions committed	243,245	225,800
Less: Subscriptions and contributions receivable	40,183	29,049
Less: Cumulative discounts/acceleration credits on subscriptions and contributions	3,110	3,004
Subscriptions and contributions paid-in	199,952	193,747
Nonnegotiable, noninterest-bearing demand obligations on account of members' subscriptions and contributions	(9,443)	(10,089)
Deferred amounts to maintain value of currency holdings	(242)	(236)
Accumulated deficit (see Condensed Statement of Changes in Accumulated Deficit)	(41,879)	(42,670)
Accumulated other comprehensive income—Note J	(3,526)	12,997
Total equity	144,862	153,749
Total liabilities and equity	$ 174,063	$ 183,445

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

CONDENSED STATEMENT OF INCOME

Expressed in millions of U.S. dollars

	Three Months Ended March 31, (Unaudited)		*Nine Months Ended March 31, (Unaudited)*	
	2015	*2014*	*2015*	*2014*
Revenue				
Development credits and Guarantees — Note F	$ 264	$ 257	$ 802	$ 751
Investments, net — Notes C,E and G	246	275	698	343
Transfers and grants from affiliated organizations and others — Note G	352	258	991	883
Other — Note G	154	151	425	407
Total revenue	1,016	941	2,916	2,384
Expenses				
Administrative expenses — Notes G and I	451	455	1,376	1,369
Development grants — Note H	332	836	1,551	1,712
Borrowings — Notes C and D	15	1	30	2
Provision for debt relief and for losses on development credits and other exposures, net — (release) charge— Note F	(75)	64	39	25
Non-functional currency translation adjustment (gains) losses , net	(353)	(17)	(1,055)	38
Discount on prepaid development credits — Note F	2	-	2	-
Unrealized mark-to market losses on non-trading portfolios, net — Notes C, E and K	7	14	162	31
Project Preparation Advances (PPA) grants and other expenses	15	2	20	9
Total expenses	394	1,355	2,125	3,186
Net Income (Loss)	$ 622	$ (414)	$ 791	$ (802)

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

CONDENSED STATEMENT OF COMPREHENSIVE INCOME

Expressed in millions of U.S. dollars

	Three Months Ended March 31, (Unaudited)		*Nine Months Ended March 31, (Unaudited)*	
	2015	*2014*	*2015*	*2014*
Net income (loss)	$ 622	$ (414)	$ 791	$ (802)
Other Comprehensive (loss) income—Note J				
Currency translation adjustments on functional currencies	(7,064)	492	(16,523)	3,801
Comprehensive (loss) income	$ (6,442)	$ 78	$(15,732)	$ 2,999

CONDENSED STATEMENT OF CHANGES IN ACCUMULATED DEFICIT

Expressed in millions of U.S. dollars

	Nine Months Ended March 31, (Unaudited)	
	2015	*2014*
Accumulated deficit at beginning of the fiscal year	$ (42,670)	$ (41,058)
Net income (loss) for the period	791	(802)
Accumulated deficit at end of the period	$ (41,879)	$ (41,860)

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

CONDENSED STATEMENT OF CASH FLOWS

Expressed in millions of U.S. dollars

	Nine Months Ended March 31, (Unaudited)	
	2015	*2014*
Cash flows from investing activities		
Development Credits		
Disbursements	$ (6,809)	$ (6,804)
Principal repayments	2,971	2,504
Principal prepayments	28	-
Proceeds from buy-down of development credits	-	67
Non-trading securities - Investments		
- Purchases	(1,179)	-
- Repayments	25	-
Net cash used in investing activities	(4,964)	(4,233)
Cash flows from financing activities		
Members' subscriptions and contributions	6,847	5,474
Borrowings	1,836	-
Net cash provided by financing activities	8,683	5,474
Cash flows from operating activities		
Net income (loss)	791	(802)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Provision for debt relief and for losses on development credits and other exposures, net — charge	39	25
Non-functional currency translation adjustment (gains) losses , net	(1,055)	38
Discount on prepaid development credits	2	-
Unrealized mark-to market losses on non-trading portfolios, net	162	31
PPA grants and other expenses	20	9
Changes in:		
Investments - Trading, net	(3,344)	(856)
Other assets and liabilities	(175)	32
Net cash used in operating activities	$ (3,560)	$ (1,523)
Effect of exchange rate changes on unrestricted cash	(33)	5
Net increase (decrease) in unrestricted cash	126	(277)
Unrestricted cash at beginning of the fiscal year	120	565
Unrestricted cash at end of the period	$ 246	$ 288
Supplemental disclosure		
(Decrease) Increase in ending balances resulting from exchange rate fluctuations:		
Development credits outstanding	(14,242)	3,334
Investment portfolio	(2,785)	627
Borrowings	(32)	-
Principal repayments written off under Heavily Indebted Poor Countries (HIPC) Debt Initiative	(7)	(6)
Buy-down of development credits - carrying value	-	134
Interest paid on borrowings	20	-

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

NOTE A—SUMMARY OF SIGNIFICANT ACCOUNTING AND RELATED POLICIES

Basis of Preparation

These unaudited condensed quarterly financial statements should be read in conjunction with the June 30, 2014 audited financial statements and notes included therein. The condensed comparative information that has been derived from the June 30, 2014 audited financial statements has not been audited. In the opinion of management, the condensed quarterly financial statements reflect all adjustments necessary for a fair presentation of IDA's financial position and results of operations in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Management makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the condensed quarterly financial statements and the reported amounts of revenue and expenses during the reporting period. Due to the inherent uncertainty involved in making those estimates, actual results could differ from those estimates. Areas in which significant estimates have been made include, but are not limited to, the provision for debt relief and losses on development credits and other exposures, and valuation of certain financial instruments carried at fair value. The results of operations for the first nine months of the current fiscal year are not necessarily indicative of the results that may be expected for the full year.

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

These financial statements were approved for issuances on May [ ], 2015 which was also the date through which IDA's management evaluated subsequent events.

Accounting and Reporting Developments

In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Act) became law. The Act seeks to reform the U.S. financial regulatory system by introducing new regulators and extending regulation over new markets, entities, and activities. The implementation of the Act is dependent on the development of various rules to clarify and interpret its requirements. As the rules are being developed, IDA continues to assess the impact on its business. As of March 31, 2015, IDA believes that the Act has not had any significant effect on its business.

In May 2014, the FASB issued ASU 2014-09, *Revenue from Contracts with Customers (Topic 606).* The ASU provides a common framework for revenue recognition for US GAAP and International Financial Reporting Standards, and supersedes most of the existing revenue recognition guidance in US GAAP. The core principle of the guidance is that an entity recognizes revenue when it transfers control of promised goods and services to customers in an amount that reflects consideration to which the entity expects to be entitled. The ASU also requires additional quantitative and qualitative disclosures to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. For IDA, the ASU will be effective in the fiscal year ending June 30, 2019, with early adoption permitted. IDA is currently evaluating the impact of this ASU on its financial statements.

In June 2014, the FASB issued ASU 2014-11, *Transfers and Servicing (Topic 860): Repurchase-to-Maturity Transactions, Repurchase Financings, and Disclosures.* The ASU requires repurchase-to-maturity transactions and some repurchase financing arrangements to be accounted for as secured borrowings. It also requires additional disclosures about certain transactions accounted for as sales and about the nature of collateral pledged for transactions accounted for as secured borrowings. IDA has elected to adopt the ASU from the quarter ended March 31, 2015, as permitted by the ASU. The ASU does not have an impact on IDA's financial statements since all repurchase agreements are already accounted for as secured borrowings. Moreover, IDA will need to include additional disclosures required by the ASU in the financial statements for the fiscal year ending June 30, 2015.

In August 2014, the FASB issued ASU 2014-15, *Presentation of Financial Statements (Subtopic 205-40): Going Concern – Disclosure of Uncertainties about an Entity's Ability to Continue as a Going Concern.* The ASU provides guidance on management's responsibilities in evaluating the entity's ability to continue as a going concern and for the related financial statement disclosures. Until now, guidance related to this topic was provided under U.S auditing standards, which do not govern management's disclosures. Under this ASU, each reporting period, management would be required to evaluate whether there are conditions or events that raise substantial doubt about the entity's ability to continue as a going concern within one year after the date the financial statements are issued (or available to be issued). For IDA, the ASU will be effective beginning with the fiscal year ending June 30, 2017. IDA is currently evaluating the impact of this ASU on its financial statements, but does not expect the ASU to have a significant impact.

In February 2015, the FASB issued ASU 2015-02, *Consolidation (Topic 810): Amendments to the Consolidation Analysis*. This ASU makes amendments to the current consolidation guidance focusing on targeted areas for certain legal entities. For IDA, the ASU will be effective beginning with the fiscal year ending June 30, 2018, with early adoption permitted. IDA is currently evaluating the impact of this ASU on its financial statements.

NOTE B—MEMBERS' SUBSCRIPTIONS AND CONTRIBUTIONS, AND MEMBERSHIP

Subscriptions and Contributions: The movement in Subscriptions and Contributions paid-in for the nine months ended March 31, 2015, and for the fiscal year ended June 30, 2014, is summarized below:

In millions of U.S dollars

	March 31, 2015	*June 30, 2014*
Beginning of the fiscal year	$ 193,747	$ 184,511
Cash contributions received [a]	3,384	3,201
Demand obligations received	4,427	5,605
Translation adjustment	(1,606)	430
End of the period/fiscal year	$ 199,952	$ 193,747

a. Includes restricted cash subscriptions of less than $1 million as of March 31, 2015 and June 30, 2014.

During the nine months ended March 31, 2015, IDA encashed demand obligations totaling $3,464 million.

NOTE C—INVESTMENTS

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

As of August 25, 2014, IDA purchased a debt security issued by the International Finance Corporation (IFC). While IDA intends to hold the security to maturity, IDA elected to measure it at fair value, so that the measurement method (fair value) is consistently applied to all its investments. The changes in fair value are reflected in the Condensed Statement of Income. This security is being held in the non-trading investment portfolio. For details regarding this transaction, see Note G – Affiliated Organizations.

As of March 31, 2015, IDA's investments primarily comprised government and agency obligations (80%), with all the instruments being classified as either Level 1 or Level 2 within the fair value hierarchy.

A summary of IDA's Investments at March 31, 2015 and June 30, 2014 is as follows:

In millions of U.S. dollars

	March 31, 2015	*June 30, 2014*
Trading		
Government and agency obligations	$ 26,863	$ 27,380
Time deposits	4,365	3,630
Asset-backed securities (ABS)	1,274	1,199
	$ 32,502	$ 32,209
Non-trading (at fair value)		
Debt securities	1,158	-
Total	$ 33,660	$ 32,209

IDA manages its investments on a net portfolio basis. The following tables summarize IDA's net portfolio position as of March 31, 2015 and June 30, 2014:

In millions of U.S. dollars

	March 31, 2015	June 30, 2014
Investments		
Trading	$ 32,502	$ 32,209
Non-trading (at fair value)	1,158	-
Total	33,660	32,209
Securities purchased under resale agreements	927	1,953
Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received	(3,749)	(5,012)
Derivative Assets		
Currency forward contracts	1,839	254
Currency swaps	3,837	2,461
Interest rate swaps	2	*
Swaptions, exchange traded options and futures contracts	12	2
Other [a]	2	2
Total	5,692	2,719
Derivative Liabilities		
Currency forward contracts	(1,822)	(253)
Currency swaps	(3,608)	(2,522)
Interest rate swaps	(4)	(5)
Swaptions, exchange traded options and futures contracts	(25)	(5)
Other [a]	(*)	(*)
Total	(5,459)	(2,785)
Cash held in investment portfolio [b]	164	115
Receivable from investment securities traded [c]	200	552
Payable for investment securities purchased [d]	(1,340)	(1,451)
Net investment portfolio	$ 30,095	$ 28,300

a. These relate to TBA securities.
b. These amounts are included in Unrestricted cash under Due from banks and Other liabilities on the Condensed Balance Sheet.
c. This amount is included in Other assets on the Condensed Balance Sheet.
d. This amount is included in Other liabilities on the Condensed Balance Sheet.
** Indicates amount less than $0.5 million.*

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

As of March 31, 2015, there were short sales totaling $316 million ($60 million—June 30, 2014) included in Other liabilities on the Condensed Balance Sheet. These are reported at fair value on a recurring basis.

For the three and nine months ended March 31, 2015, IDA's investment revenue included net unrealized gains of $141 million and $378 million respectively, related to the trading portfolio (three and nine months ended March 31, 2014—$155 million of net unrealized gains and $4 million of net unrealized losses respectively).

For the three and nine months ended March 31, 2015, IDA's unrealized mark-to market losses on the non-trading investment portfolio in the Condensed Statement of Income, included net unrealized gains of $18 million and $2 million, respectively (three and nine months ended March 31, 2014 —nil).

Fair Value Disclosures

The following tables present IDA's fair value hierarchy for investment assets and liabilities measured at fair value on a recurring basis as of March 31, 2015 and June 30, 2014:

In millions of U.S. dollars

	Fair Value Measurements on a Recurring Basis As of March 31, 2015			
	Level 1	*Level 2*	*Level 3*	*Total*
Assets:				
Investments—Trading				
Government and agency obligations	$ 7,279	$ 19,584	$ -	$ 26,863
Time deposits	79	4,286	-	4,365
ABS	-	1,274	-	1,274
Total Investments—Trading	7,358	25,144	-	32,502
Investments—Non-trading (at fair value)	-	1,158	-	1,158
Securities purchased under resale agreements	179	748	-	927
Derivative assets				
Currency forward contracts	-	1,839	-	1,839
Currency swaps	-	3,837	-	3,837
Interest rate swaps	-	2	-	2
Swaptions, exchange traded options and futures contracts	-	12	-	12
Other [b]	-	2	-	2
Total Derivative assets—Investments	-	5,692	-	5,692
Total	$ 7,537	$ 32,742	$ -	$ 40,279
Liabilities:				
Securities sold under repurchase agreements and securities lent under security lending agreements [a]	$ 196	$ 3,440	$ -	$ 3,636
Derivative liabilities				
Currency forward contracts	-	1,822	-	1,822
Currency swaps	-	3,608	-	3,608
Interest rate swaps	-	4	-	4
Swaptions, exchange traded options and futures contracts	10	15	-	25
Other [b]	-	*	-	*
Total Derivative liabilities—Investments	10	5,449	-	5,459
Payable for investment securities purchased [c]	199	117	-	316
Total	$ 405	$ 9,006	$ -	$ 9,411

a. Excludes $113 million relating to payable for cash collateral received.
b. These relate to TBA securities.
c. These relate to short sales of investment securities.
** Indicates amount less than $0.5 million.*

In millions of U.S. dollars

	Fair Value Measurements on a Recurring Basis As of June 30, 2014			
	Level 1	*Level 2*	*Level 3*	*Total*
Assets:				
Investments—Trading				
Government and agency obligations	$ 6,634	$ 20,746	$ -	$ 27,380
Time deposits	355	3,275	-	3,630
ABS	-	1,199	-	1,199
Total Investments—Trading	6,989	25,220	-	32,209
Securities purchased under resale agreements	-	1,953	-	1,953
Derivative assets				
Currency forward contracts	-	254	-	254
Currency swaps	-	2,461	-	2,461
Interest rate swaps	-	*	-	*
Swaptions, exchange traded options and futures contracts	-	2	-	2
Other [b]	-	2	-	2
Total Derivative assets - Investments	-	2,719	-	2,719
Total	$ 6,989	$ 29,892	$ -	$ 36,881
Liabilities:				
Securities sold under repurchase agreements and securities lent under security lending agreements [a]	$ 102	$ 4,909	$ -	$ 5,011
Derivative liabilities				
Currency forward contracts	-	253	-	253
Currency swaps	-	2,522	-	2,522
Interest rate swaps	-	5	-	5
Swaptions, exchange traded options and futures contracts	3	2	-	5
Other [b]	-	*	-	*
Total Derivative liabilities - Investments	3	2,782	-	2,785
Payable for investment securities purchased [c]	60	-	-	60
Total	$ 165	$ 7,691	$ -	$ 7,856

a. Excludes $1 million relating to payable for cash collateral received.
b. These relate to TBA securities.
c. These relate to short sales of investment securities.
** Indicates amount less than $0.5 million.*

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

In millions of U.S. dollars

	Fair value	*Principal amount due*	*Difference*
March 31, 2015	$ 1,158	$ 1,154	$ 4

Valuation Methods and Assumptions

Summarized below are the techniques applied in determining the fair values of investments.

Investment securities

Where available, quoted market prices are used to determine the fair value of trading securities. Examples include futures contracts and most government and agency securities.

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

Unless quoted prices are available, time deposits are reported at face value which approximates fair value.

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

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

Commercial Credit Risk

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

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

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

As of March 31, 2015, IDA received total cash collateral of $113 million ($1 million-June 30, 2014), of which $109 million ($1 million - June 30, 2014) was invested in highly liquid instruments.

Securities Lending: IDA may engage in securities lending and repurchases, against adequate collateral, as well as secured borrowings and reverse repurchases (resales) of government and agency obligations and ABS.

These transactions have been conducted under legally enforceable master netting arrangements, which allow IDA to reduce its gross credit exposure related to these transactions. As of March 31, 2015, amounts which could potentially be offset as a result of legally enforceable master netting arrangements were $536 million ($497 million - June 30, 2014).

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

The following is a summary of the carrying amount of the securities transferred under repurchase or securities lending agreements, and the related liabilities, as of March 31, 2015 and June 30, 2014:

In millions of U.S. dollars

	March 31, 2015	*June 30, 2014*	*Financial Statement Presentation*
Securities transferred under /repurchase or securities lending agreements	$ 3,625	$ 4,514	Included under Investments—Trading on the Condensed Balance Sheet
Liabilities relating to securities transferred under repurchase or securities lending agreements	$ 3,616	$ 4,941	Included under Securities sold under repurchase agreements, securities lent under securities lending agreements, and payable for cash collateral received on the Condensed Balance Sheet.

As of March 31, 2015, the liabilities relating to securities transferred under repurchase or securities lending agreements did not include any repurchase agreement trades that had not settled at that date ($415 million—June 30, 2014). As of March 31, 2015, there were no replacement trades entered into in anticipation of maturing trades of a similar amount ($159 million—June 30, 2014).

In the case of resale agreements, IDA received collateral in the form of liquid securities and is permitted to repledge these securities. While these transactions are legally considered to be true purchases and sales, the securities received are not recorded on IDA's balance sheet as the accounting criteria for treatment as a sale have not been met. As of March 31, 2015, securities purchased under resale agreements included $467 million of securities which had not settled on that date ($1,156 million—June 30, 2014). For the remaining purchases, IDA received securities with a fair value of $458 million ($746 million —June 30, 2014). Out of this amount, $20 million of these securities had been transferred under repurchase or securities lending agreements ($70 million—June 30, 2014).

NOTE D—BORROWINGS

IDA's borrowings comprise concessional partner loans which were introduced for the first time under the Seventeenth replenishment (IDA17), which started on July 1, 2014. These borrowings are unsecured and unsubordinated fixed rate debt in SDR component currencies. IDA may prepay some or the entire outstanding amounts without penalty. These borrowings are carried and reported at amortized cost.

As of March 31, 2015, IDA had borrowings outstanding of $1,807 million, related to concessional partner loans which have original maturities of 25 and 40 years, with the final maturity being 2054.

Fair Value Disclosures

The table below presents the fair value of IDA's borrowings for disclosure purposes, along with their respective carrying amounts as of March 31, 2015 and June 30, 2014:

In millions of U.S dollars

	March 31,2015		*June 30, 2014*	
	Carrying Value	*Fair Value*	*Carrying Value*	*Fair Value*
Borrowings outstanding	$ 1,807	$ 2,040	$ -	$ -

As March 31, 2015, IDA's borrowings were classified as Level 2 within the fair value hierarchy.

Valuation Methods and Assumptions

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

NOTE E—DERIVATIVE INSTRUMENTS

IDA uses derivative instruments in its investment portfolio to manage currency and interest rate risks, for asset/liability management purposes, and to assist clients in managing risks.

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

Portfolio	Derivative instruments used	Purpose/Risk being managed
Risk management purposes:		
Investments—Trading	Interest rate swaps, currency forward contracts, currency swaps, options, swaptions, futures contracts, and TBA securities	Manage currency and interest rate risk in the portfolio.
Other assets/liabilities	Currency forward contracts and currency swaps	Manage foreign exchange risks.
Other purposes:		
Client operations	Structured swaps	Assist clients in managing risks.

Under its derivative agreement with the International Bank for Reconstruction and Development (IBRD), IDA is not required to post collateral as long as it maintains liquidity holdings at pre-determined levels that are a proxy for a AAA credit rating. As of March 31, 2015, IDA had not posted any collateral with IBRD in accordance with the agreement.

The following tables provide information on the fair value amounts and the location of the derivative instruments on the Condensed Balance Sheet, as well as the notional amounts and credit risk exposures of those derivative instruments, as of March 31, 2015 and June 30, 2014:

Fair value amounts of the derivative instruments on the Condensed Balance Sheet:

In millions of U.S. dollars

	Balance Sheet Location			
	Derivative assets		*Derivative liabilities*	
	March 31, 2015	*June 30, 2014*	*March 31, 2015*	*June 30, 2014*
Derivatives not designated as hedging instruments				
Swaptions, exchange traded options and futures contracts - Investments	$ 12	$ 2	$ 25	$ 5
Interest rate swaps	2	*	4	5
Currency forward contracts	11,614	12,356	11,458	12,475
Currency swaps	3,837	2,461	3,608	2,522
Other [a]	2	2	*	*
Total Derivatives	$ 15,467	$ 14,821	$ 15,095	$ 15,007

a. These relate to TBA securities.

** Indicates amount less than $0.5 million.*

Notional amounts and credit risk exposure of the derivative instruments:

In millions of U.S. dollars

Type of contract	*March 31, 2015*	*June 30, 2014*
Investments - Trading		
Interest rate swaps		
Notional principal	$ 1,651	$ 379
Credit exposure	2	*
Currency swaps (including currency forward contracts)		
Credit exposure	289	10
Swaptions, exchange traded options, and futures contracts [a]		
Notional long position	9,812	4,086
Notional short position	36,296	14,546
Credit exposure	12	2
Other [b]		
Notional long position	272	287
Notional short position	*	9
Credit exposure	2	2
Asset/liability management		
Currency forward contracts		
Credit exposure	481	106
Client Operations		
Structured swaps		
Notional principal	86	135
Credit exposure	-	*

a. Exchange traded instruments are generally subject to daily margin requirements and are deemed to have no material credit risk. All options and futures contracts are interest rate contracts.

b. These relate to TBA securities.

** Indicates amount less than $ 0.5 million.*

Amounts of gains and losses on the Asset-liability management derivative instruments and their location on the Condensed Statement of Income during the three and nine months ended March 31, 2015 and March 31, 2014 are as follows:

In millions of U.S. dollars

	Condensed Statement of Income Location	*Three Months Ended March 31, Gains (Losses)*		*Nine Months Ended March 31, Gains (Losses)*	
		2015	*2014*	*2015*	*2014*
Derivatives not designated as hedging instruments and not held in a trading portfolio [a]					
Currency forward contracts and currency swaps	Unrealized mark-to market losses on non-trading portfolios, net	$ (25)	$ (14)	$ (164)	$ (31)

a. For alternative disclosures about trading derivatives, see the following table

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

The following table provides information on the amount of gains and losses on the net investment trading portfolio (derivative and non-derivative instruments), and their location on the Condensed Statement of Income during the three and nine months ended March 31, 2015 and March 31, 2014:

In millions of U.S. dollars

Condensed Statement of Income Location	*Investments, Net Gains (Losses)*			
	Three months ended March 31,		*Nine months Ended March 31,*	
	2015	*2014*	*2015*	*2014*
Type of instrument				
Fixed income (including related derivatives)	$ 141	$ 155	$ 378	$ (4)

Offsetting assets and liabilities

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

The presentation of derivative instruments is consistent with the manner in which these instruments are settled. Interest rate swaps are settled on a net basis, while currency swaps are settled on a gross basis.

The following table summarizes information on derivative assets and liabilities (before and after netting adjustments) that are reflected on IDA's Condensed Balance Sheet as of March 31, 2015 and June 30, 2014. Total derivative assets and liabilities are adjusted on an aggregate basis to take into consideration the effects of legally enforceable master netting agreements. The net derivative asset positions have been further reduced by the cash and securities collateral received.

In millions of U.S. dollars

	March 31, 2015					
	Located on the Condensed Balance Sheet					
	Derivative Assets			Derivative Liabilities		
	Gross Amounts Recognized	Gross Amounts Offset	Net Amounts Presented	Gross Amounts Recognized	Gross Amounts Offset	Net Amounts Presented
Interest rate swaps	$ 171	$ (169)	$ 2	$ 34	$ (30)	$ 4
Currency swaps [a]	15,451	-	15,451	15,067	(1)	15,066
Other [b]	14	-	14	27	(2)	25
Total	$ 15,636	$ (169)	$ 15,467	$ 15,128	$ (33)	$ 15,095
Amounts subject to legally enforceable master netting agreements [c]			$ (15,063)			$ (15,063)
Net derivatives positions at counterparty level before collateral			404			32
Less:						
Cash collateral Received [d]			113			
Securities collateral received			-			
Net derivative exposure after collateral			$ 291			

a. Includes currency forward contracts.
b. These include swaptions, exchange traded options, futures contracts and TBA securities.
c. Not offset on the Condensed Balance Sheet.
d. Does not include excess collateral received.
** Indicates amount less than $0.5 million*

In millions of U.S. dollars

	June 30, 2014					
	Located on the Condensed Balance Sheet					
	Derivative Assets			*Derivative Liabilities*		
	Gross Amounts Recognized	*Gross Amounts Offset*	*Net Amounts Presented*	*Gross Amounts Recognized*	*Gross Amounts Offset*	*Net Amounts Presented*
Interest rate swaps	$ 2	$ (2)	$ *	$ 101	$ (96)	$ 5
Currency swaps [a]	14,817	-	14,817	14,997	-	14,997
Other [b]	4	-	4	6	(1)	5
Total	$ 14,823	$ (2)	$ 14,821	$ 15,104	$ (97)	$ 15,007
Amounts subject to legally enforceable master netting agreements [c]			$ (14,817)			$ (14,817)
Net derivatives positions at counterparty level before collateral			4			190
Less:						
Cash collateral received[d]			1			
Securities collateral received			-			
Net derivative exposure after collateral			$ 3			

a. Includes currency forward contracts.
b. These include swaptions, exchange traded options, futures contracts and TBA securities.
c. Not offset on the Condensed Balance Sheet.
d. Does not include excess collateral received.
** Indicates amount less than $0.5 million*

Fair Value Disclosures

IDA's fair value hierarchy for derivative assets and liabilities measured at fair value on a recurring basis as of March 31, 2015 and June 30, 2014 is as follows:

In millions of U.S. dollars

	Fair Value Measurements on a Recurring Basis As of March 31, 2015			
	Level 1	*Level 2*	*Level 3*	*Total*
Derivative assets:				
Investments				
Currency forward contracts	$ -	$ 1,839	$ -	$ 1,839
Currency swaps	-	3,837	-	3,837
Interest rate swaps	-	2	-	2
Swaptions, exchange traded options and futures contracts	-	12	-	12
Other [a]	-	2	-	2
	-	5,692	-	5,692
Asset-liability management				
Currency forward contracts	-	9,775	-	9,775
Total derivative assets	$ -	$ 15,467	$ -	$ 15,467
Derivative liabilities:				
Investments				
Currency forward contracts	$ -	$ 1,822	$ -	$ 1,822
Currency swaps	-	3,608	-	3,608
Interest rate swaps	-	4	-	4
Swaptions, exchange traded options and futures contracts	10	15	-	25
Other [a]	-	*	-	*
	10	5,449	-	5,459
Asset-liability management				
Currency forward contracts	-	9,636	-	9,636
Total derivative liabilities	$ 10	$ 15,085	$ -	$ 15,095

a.These relate to TBA securities.
** Indicates amount less than $0.5 million.*

In millions of U.S. dollars

	Fair Value Measurements on a Recurring Basis As of June 30, 2014			
	Level 1	*Level 2*	*Level 3*	*Total*
Derivative assets:				
Investments				
Currency forward contracts	$ -	$ 254	$ -	$ 254
Currency swaps	-	2,461	-	2,461
Interest rate swaps	-	*	-	*
Swaptions, exchange traded options and futures contracts	-	2	-	2
Other [a]	-	2	-	2
	-	2,719	-	2,719
Asset-liability management				
Currency forward contracts	-	12,102	-	12,102
Total derivative assets	$ -	$ 14,821	$ -	$ 14,821
Derivative liabilities:				
Investments				
Currency forward contracts	$ -	$ 253	$ -	$ 253
Currency swaps	-	2,522	-	2,522
Interest rate swaps	-	5	-	5
Swaptions, exchange traded options and futures contracts	3	2	-	5
Other [a]	-	*	-	*
	3	2,782	-	2,785
Asset-liability management				
Currency forward contracts	-	12,222	-	12,222
Total derivative liabilities	$ 3	$ 15,004	$ -	$ 15,007

a.These relate to TBA securities.
** Indicates amount less than $0.5 million.*

Inter-level transfers

During the three and nine months ended March 31, 2015 and March 31, 2014, there were no inter-level transfers in the derivatives portfolio.

Valuation Methods and Assumptions

Derivative contracts include currency forward contracts, interest swaps and currency swaps, and TBA securities. These are valued using the standard discounted cash flow methods using market observable inputs such as yield curves, foreign exchange rates and basis spreads and funding spreads.

NOTE F—DEVELOPMENT CREDITS AND OTHER EXPOSURES

Development credits and other exposures are generally made directly to member countries of IDA. Other exposures include irrevocable commitments, guarantees and repaying project preparation facilities.

Development credits are carried and reported at amortized cost. Of the total development credits outstanding as of March 31, 2015, 90% were to the South Asia, Africa, and East Asia and Pacific regions combined.

Based on IDA's internal credit quality indicators, the majority of the development credits outstanding are in the Medium and High risk classes.

As of March 31, 2015, development credits outstanding totaling $2,514 million (representing about 2% of the portfolio) from five borrowers, were in nonaccrual status.

Credit Quality of Sovereign Development Credits

Based on an evaluation of IDA's development credits, management has determined that IDA has one portfolio segment — Sovereign Exposures. Development credits constitute the majority of sovereign exposures.

IDA's country risk ratings are an assessment of its borrowers' ability and willingness to repay IDA on time and in full. These ratings are internal credit quality indicators. Individual country risk ratings are derived on the basis of both quantitative and qualitative factors. For the purpose of analyzing the risk characteristics of IDA's exposures, exposures are grouped into three classes in accordance with assigned borrower risk ratings which relate to the likelihood of loss: Low, Medium and High risk classes, as well as exposures in nonaccrual status.

IDA's borrowers' country risk ratings are key determinants in the provisions for development credit losses.

IDA considers a development credit to be past due when a borrower fails to make payment on any principal, service, interest or other charges due to IDA, on the dates provided in the contractual development credit agreements.

The following tables provide an aging analysis of development credits outstanding as of March 31, 2015 and June 30, 2014:

In millions of U.S. dollars

	March 31, 2015							
Days past due	*Up to 45*	*46-60*	*61-90*	*91-180*	*Over 180*	*Total Past Due*	*Current*	*Total*
Risk Class								
Low	$ *	$ -	$ -	$ -	$ -	$ *	$ 4,524	$ 4,524
Medium	-	-	-	-	-	-	26,655	26,655
High	*	-	-	-	-	*	91,875	91,875
Credits in accrual status	*	-	-	-	-	*	123,054	123,054
Credits in nonaccrual status	12	4	6	18	953	993	1,521	2,514
Total	$ 12	$ 4	$ 6	$18	$ 953	$ 993	$ 124,575	$ 125,568

**Indicates amount less than $0.5 million.*

In millions of U.S. dollars

	June 30, 2014							
Days past due	*Up to 45*	*46-60*	*61-90*	*91-180*	*Over 180*	*Total Past Due*	*Current*	*Total*
Risk Class								
Low	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,672	$ 5,672
Medium	-	-	-	-	-	-	29,790	29,790
High	6	-	-	-	-	6	97,794	97,800
Credits in accrual status	6	-	-	-	-	6	133,256	133,262
Credits in nonaccrual status	13	2	5	23	958	1,001	1,748	2,749
Total	$ 19	$ 2	$ 5	$23	$ 958	$ 1,007	$ 135,004	$ 136,011

Accumulated Provision for Losses on Development Credits, Debt Relief (HIPC Debt Initiative and MDRI) and Other Exposures

Provision for Losses on Development Credits and Other Exposures

Management determines the appropriate level of accumulated provision for losses, which reflects the probable losses inherent in IDA's exposures. Probable losses comprise estimates of losses arising from default and nonpayment of principal amounts due, as well as present value losses. Management reassesses the adequacy of the accumulated provision on a periodic basis and adjustments are recorded as a charge against or addition to revenue.

Provision for Debt Relief

HIPC Debt Initiative and MDRI provisions are based on quantitative and qualitative analyses of various factors, including estimates of Decision Point and Completion Point dates. These factors are reviewed periodically as part of the reassessment of the adequacy of the accumulated provision for debt relief. Provisions are released as qualifying debt service becomes due and is forgiven under the HIPC Debt Initiative, and are reduced by the amount of the eligible development credits written off when the country reaches Completion Point, and becomes eligible for MDRI debt relief.

Changes to the accumulated provision for losses on development credits and other exposures, as well as the debt relief under HIPC Debt Initiative and MDRI for the nine months ended March 31, 2015 and the fiscal year ended June 30, 2014 are summarized below:

In millions of U.S. dollars

	March 31, 2015				*June 30, 2014*			
	Develop-ment credits	*Other*	*Debt relief under HIPC/MDRI*	*Total*	*Develop-ment credits*	*Other*	*Debt relief under HIPC/MDRI*	*Total*
Accumulated provision, beginning of the fiscal year	$ 1,295	$ 15	$ 2,732	$ 4,042	$ 1,294	$ 16	$ 2,711	$ 4,021
Provision, net - charge (release)[a]	45	(3)	(3)	39	52	(2)	(11)	39
Development credits written off under the buy-down mechanism	-	-	-	-	(82)	-	-	(82)
Development credits written off under HIPC/MDRI	-	-	(7)	(7)	-	-	(7)	(7)
Translation adjustment	(140)	(1)	(149)	(290)	31	1	39	71
Accumulated provision, end of the period/fiscal year	$ 1,200	$ 11	$ 2,573	$ 3,784	$ 1,295	$ 15	$ 2,732	$ 4,042
Composed of accumulated provision for losses on:								
Development credits in accrual status	$ 1,163				$ 1,239			
Development credits in nonaccrual status	37				56			
Total	$ 1,200				$ 1,295			
Development credits:								
Development credits in accrual status	$123,054				$133,262			
Development credits in nonaccrual status	2,514				2,749			
Total	$125,568				$136,011			

a. Includes provision of $52 million for the year ended June 30, 2014 for development credits expected to be bought-down.
** Indicates amount less than $0.5 million.*

	Reported as Follows	
	Condensed Balance Sheet	**Condensed Statement of Income**
Accumulated Provision for Losses on:		
Development Credits	Accumulated provision for debt relief and losses on development credits	Provision for debt relief and for losses on development credits and other exposures, net
Debt Relief under HIPC/MDRI	Accumulated provision for debt relief and losses on development credits	Provision for debt relief and for losses on development credits and other exposures, net
Other Exposures	Other liabilities	Provision for debt relief and for losses on development credits and other exposures, net

For the nine months ended March 31, 2015, there were no eligible development credits written off under the MDRI (Nil - June 30, 2014).

Subsequent Event

Development credits to be written off under MDRI
On April 28, 2015, Chad reached the Completion Point under the HIPC Debt Initiative, allowing for the cancellation of eligible development credits totaling $516 million on July 1, 2015. The accumulated provision for debt relief under HIPC and MDRI of $2,573 million as of March 31, 2015 includes a provision for this amount.

Overdue Amounts

As of March 31, 2015, there were no principal or charges under development credits in accrual status which were overdue by more than three months.

The following tables provide a summary of selected financial information related to development credits in nonaccrual status as of March 31, 2015 and June 30, 2014 and for the three and nine months ended March 31, 2015 and March 31, 2014:

In millions of U.S dollars

							Overdue amounts	
Borrower	Nonaccrual since	Recorded investment[a]	Average recorded investment[b]	Principal Outstanding	Provision for debt relief	Provision for credit losses [c]	Principal	Charges
Eritrea	March 2012	$ 431	$ 458	$ 431	$ 312	$ 24	$ 30	$ 12
Somalia	July 1991	411	428	411	407	1	202	74
Sudan	January 1994	1,199	1,249	1,199	1,185	3	594	186
Syrian Arab Republic	June 2012	14	14	14	-	*	5	*
Zimbabwe	October 2000	459	488	459	-	9	162	50
Total - March 31, 2015		$ 2,514	$ 2,637	$ 2,514	$ 1,904	$ 37	$ 993	$ 322
Total - June 30, 2014		$ 2,749	$ 2,733	$ 2,749	$ 1,992	$ 56	$ 1,001	$ 336

a. A credit loss provision has been recorded against each of the credits in nonaccrual status.
b. For March 31, 2015, represents the average for the nine months ended that date (June 30, 2014 - represents the average for the fiscal year then ended).
c. Credit loss provisions are determined after taking into account accumulated provision for debt relief.
** Indicates amount less than $0.5 million.*

In millions of U.S dollars

	Three months ended March 31,		Nine months ended March 31,	
	2015	2014	2015	2014
Service charge revenue not recognized as a result of development credits being in nonaccrual status	$ 4	$ 5	$ 14	$ 15

During the nine months ended March 31, 2015 and March 31, 2014, no development credits were placed into nonaccrual status.

For the three and nine months ended March 31, 2015, service charge revenue recognized on development credits in nonaccrual status was less than $1 million and $1 million, respectively (less than $1 million— three and nine months ended March 31, 2014, in each period).

Guarantees

Guarantees of $418 million were outstanding at March 31, 2015 ($424 million—June 30, 2014). This amount represents the maximum potential undiscounted future payments that IDA could be required to make under these guarantees, and is not included on the Condensed Balance Sheet. The guarantees issued by IDA have original maturities ranging between 9 and 23 years, and expire in decreasing amounts through 2035.

As of March 31, 2015, liabilities related to IDA's obligations under guarantees of $33 million ($35 million—June 30, 2014), have been included in Other liabilities on the Condensed Balance Sheet. These include the accumulated provision for guarantee losses of $5 million ($7 million—June 30, 2014).

During the nine months ended March 31, 2015 and March 31, 2014, no guarantees provided by IDA were called.

Segment Reporting

Based on an evaluation of its operations, Management has determined that IDA has only one reportable segment.

Charge revenue comprises service charges and interest charges on outstanding development credit balances and guarantee fee revenue. For the nine months ended March 31, 2015, charge revenue from two countries of $155 million and $90 million, respectively were in excess of ten percent of total charge revenue.

The following table presents IDA's development credits outstanding and associated charge revenue as of and for the nine months ended March 31, 2015 and March 31, 2014, by geographic region:

In millions of U.S. dollars

	March 31, 2015		*March 31, 2014*	
Region	*Development Credits Outstanding*	*Charge Revenue*	*Development Credits Outstanding*	*Charge Revenue*
Africa	$ 41,739	$ 232	$ 41,810	$ 213
East Asia and Pacific	19,567	132	21,481	132
Europe and Central Asia	7,508	64	8,347	52
Latin America and the Caribbean	2,132	14	2,200	13
Middle East and North Africa	3,300	20	3,719	21
South Asia	51,322	340	55,073	320
Total	$ 125,568	$ 802	$ 132,630	$ 751

Buy-down of Development Credits

There were no development credits purchased under the buy-down mechanism by the Global Program to Eradicate Poliomyelitis Trust Fund (buy-down mechanism) during the nine months ended March 31, 2015.

During the nine months ended March 31, 2014, two development credits were purchased under the buy-down mechanism. These development credits had a carrying value of $134 million, and were purchased for a present value equivalent of $67 million, resulting in a $67 million write-off. A total provision of $67 million was recorded when all performance goals as well as conditions necessary to effect the buy-downs were completed.

Discount on Development Credits prepaid under the Seventeenth Replenishment of IDA's Resources (IDA17)

During the nine months ended March 31, 2015, as part of IDA17, one IDA graduate country prepaid development credits with an outstanding carrying value totaling $30 million. The total amount prepaid of $28 million reflected the present value of the development credits as of the date of prepayment, resulting in an aggregate discount of $2 million to expenses in the Statement of Income.

During the nine months ended March 31, 2014, there were no prepayments of development credits.

Fair Value Disclosures

The table below presents the fair value of development credits for disclosure purposes, along with their respective carrying amounts as of March 31, 2015 and June 30, 2014:

In millions of U.S dollars

	March 31, 2015		*June 30, 2014*	
	Carrying Value	*Fair Value*	*Carrying Value*	*Fair Value*
Net Development Credits Outstanding	$ 121,821	$ 96,987	$ 132,010	$ 95,992

As of March 31, 2015, IDA's development credits are classified as Level 3 within the fair value hierarchy.

Valuation Methods and Assumptions

The fair value of development credits is calculated using market-based methodologies which incorporate the respective borrowers' Credit Default Swap (CDS) spreads and, where applicable, proxy CDS spreads. Basis adjustments are applied to market recovery levels to reflect IDA's recovery experience.

NOTE G—AFFILIATED ORGANIZATIONS

IDA transacts with affiliated organizations as a recipient of transfers and grants, administrative services, derivative intermediation services as well as through cost sharing of IBRD's sponsored pension and other postretirement plans. IDA may also enter into investment transactions with some of its affiliated organizations.

Transfers and Grants

Cumulative transfers and grants made to IDA as of March 31, 2015 were $17,354 million ($16,363 million—June 30, 2014). Details by transferor are as follows:

In millions of U.S dollars

Transfers from	*Beginning of the fiscal year*	*Transfers during the period*	*End of period*
Total	$ 16,363	$ 991	$ 17,354
Of which from:			
IBRD	13,344	635	13,979
IFC	2,821	340	3,161

Receivables and Payables

As of March 31, 2015, and June 30, 2014, the total amounts receivable from or (payable to) affiliated organizations comprised:

In millions of U.S dollars

	Receivable From (Payable To) IBRD				
			Derivative transactions		
	Administrative Services [a]	*Pension and Other Postretirement Benefits*	*Receivable*	*Payable*	*Total*
March 31, 2015	$ (343)	$ 839	$ 9,775	$ (9,635)	$ 636
June 30, 2014	$ (416)	$ 854	$ 12,102	$ (12,221)	$ 319

a. Includes $30 million for the nine months ended March 31, 2015 ($24 million - June 30, 2014) receivable from IBRD for IDA's share of investments associated with Post-retirement Contribution Reserve Fund (PCRF), which is a fund established to stabilize contributions made to the pension plans.

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

Receivables / Payables related to:	**Reported as:**
Receivable for pension and other postretirement benefits	Receivable from affiliated organization
Receivables (payables) for derivative transactions	Derivative assets/liabilities – Asset-liability management
Payable for administrative services [a]	Payable to affiliated organization

a. Includes amounts receivable from IBRD for IDA's share of investments associated with PCRF. This receivable is included in Receivable from affiliated organization on the Condensed Balance Sheet.

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

For the three and nine months ended March 31, 2015, IDA's share of joint administrative expenses totaled $369 million and $ 1,139 million, respectively (three and nine months ended March 31, 2014—$371 million and $ 1,142 million, respectively).

Other revenue: Includes IDA's share of other revenue jointly earned with IBRD during the three and nine months ended March 31, 2015 totaling $72 million and $188 million, respectively (three and nine months ended March 31, 2014—$68 million and $180 million, respectively). Other revenue is allocated on the basis consistent with that applied to joint administrative expenses.

For the three and nine months ended March 31, 2015 and March 31, 2014, the amount of fee revenue associated with services provided to other affiliated organizations is included in Other revenue on the Condensed Statement of Income, as follows:

In millions of U.S dollars

	Three Months Ended March 31,		*Nine Months Ended March 31,*	
	2015	*2014*	*2015*	*2014*
Fees charged to IFC	$ 23	$ 14	$ 54	$ 43
Fees charged to MIGA	1	2	4	5

Pension and Other Postretirement Benefits: The receivable from IBRD represents IDA's net share of prepaid costs for pension and other postretirement benefit plans and Post-Employment Benefits Plan (PEBP) assets. These will be realized over the lives of the plan participants.

Derivative transactions: These relate to currency forward contracts entered into by IDA with IBRD acting as the intermediary with the market, and primarily convert donors' expected contributions in national currencies under the Sixteenth and Seventeenth replenishments of IDA's resources into the four currencies of the SDR basket.

Investments

During the nine months ended March 31, 2015, IDA purchased a debt security issued by the IFC for a principal amount of $1,179 million, amortizing over a period of 25 years. The investment carries a fixed interest rate of 1.84% and has a weighted average maturity of 6 years. As of March 31, 2015, the principal amount due on the debt security was $1,154 million, and it had a fair value of $1,158 million. The investment is reported under Investments in the Condensed Balance Sheet. During the nine months ended March 31, 2015, IDA recognized interest income of $13 million on this debt security.

NOTE H—DEVELOPMENT GRANTS

A summary of changes to the amounts payable for development grants for the nine months ended March 31, 2015, and for the fiscal year ended June 30, 2014, is presented below:

In millions of U.S dollars

	March 31, 2015	*June 30, 2014*
Balance, beginning of the fiscal year	$ 6,983	$ 6,436
Commitments	1,551	2,645
Disbursements (including PPA grant activity)	(1,638)	(2,273)
Translation adjustment	(747)	175
Balance, end of the period/fiscal year	$ 6,149	$ 6,983

For the fiscal years ending June 30, 2015 and June 30, 2014, the commitment charge rate on the undisbursed balances of IDA grants has been set at nil percent.

NOTE I—PENSION AND OTHER POSTRETIREMENT BENEFITS

IBRD, along with IFC and the Multilateral Investment Guarantee Agency, sponsor a defined benefit Staff Retirement Plan, a Retired Staff Benefits Plan and a PEBP that cover substantially all of their staff members.

While IDA is not a participating entity to these benefit plans, IDA shares the benefit costs and reimburses IBRD for its proportionate share of any contributions made to these plans by IBRD, as part of IBRD's allocation of staff and associated administrative expenses to IDA based on an agreed cost sharing ratio.

During the three and nine months ended March 31, 2015, IDA's share of IBRD's benefit costs relating to all the three plans totaled $69 million and $205 million, respectively (three and nine months ended March 31, 2014—$75 million and $224 million, respectively).

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

NOTE J—ACCUMULATED OTHER COMPREHENSIVE INCOME

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

The following table presents the changes in Accumulated other comprehensive income balances for the nine months ended March 31, 2015 and March 31, 2014.

In millions of U.S dollars

	Nine Months Ended March 31,	
	2015	*2014*
Balance, beginning of the fiscal year	$ 12,997	$ 9,258
Currency translation adjustments on functional currencies	(16,523)	3,801
Balance, end of the period	$ (3,526)	$ 13,059

NOTE K—OTHER FAIR VALUE DISCLOSURES

The table below presents IDA's estimates of fair value of its financial assets and liabilities along with their respective carrying amounts as of March 31, 2015 and June 30, 2014.

In millions of U.S dollars

	March 31, 2015		*June 30, 2014*	
	Carrying Value	*Fair Value*	*Carrying Value*	*Fair Value*
Due from Banks	$ 274	$ 274	$ 150	$ 150
Investments (including Securities Purchased Under Resale Agreements)	34,587	34,587	34,162	34,162
Net Development Credits Outstanding	121,821	96,987	132,010	95,992
Derivative Assets				
Investments	5,692	5,692	2,719	2,719
Other Asset/Liability Management	9,775	9,775	12,102	12,102
Borrowings	1,807	2,040	-	-
Securities sold/lent under repurchase agreements/ securities lending agreements and payable for cash collateral received	3,749	3,749	5,012	5,012
Derivative Liabilities				
Investments	5,459	5,459	2,785	2,785
Other Asset/Liability Management	9,636	9,636	12,222	12,222

Valuation Methods and Assumptions

As of March 31, 2015 and June 30, 2014, IDA had no financial assets or liabilities measured at fair value on a non-recurring basis.

For valuation methods and assumptions of the following items refer to the respective notes as follows:

Investments: See Note C

Borrowings: See Note D

Derivative assets and liabilities: See Note E

Development Credits Outstanding: See Note F

Due from Banks: The carrying amount of unrestricted and restricted cash is considered a reasonable estimate of the fair value.

Unrealized Mark-to-Market Gains (Losses) on Non-Trading Portfolios, Net

The following table reflects the components of the unrealized mark-to-market gains or losses on non-trading portfolios, net, for the three and nine months ended March 31, 2015 and March 31, 2014.

In millions of U.S. dollars	*Unrealized Gains (Losses)*			
	Three Months Ended March 31,		*Nine Months Ended March 31,*	
	2015	*2014*	*2015*	*2014*
Unrealized mark-to market gains (losses) on non-trading portfolio, net				
Investment portfolios – Note C	18	-	2	-
Asset / liability management – Note E	(25)	(14)	(164)	(31)
Total	(7)	(14)	(162)	(31)