INTER-AMERICAN INVESTMENT CORPORATION

Financial Statements

December 31, 2023 and 2022

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Report of Independent Auditors

To the Board of Governors of the Inter-American Investment Corporation:

Opinion

We have audited the financial statements of Inter-American Investment Corporation (the Corporation), which comprise the balance sheets as of December 31, 2023 and 2022, and the related income statements and statements of comprehensive income/(loss), changes in capital and cash flows for the years then ended, and the related notes (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation at December 31, 2023 and 2022, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are free of material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Information Statement of the Inter-American Investment Corporation as of December 31, 2023, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Ernst + Young LLP

February 20, 2024

Inter-American Investment Corporation

Balance Sheets

Expressed in thousands of United States dollars	Notes	December 31, 2023	December 31, 2022
Assets			
Cash	3	$ 75,828	$ 57,886
Investment securities	3 & 10	2,542,568	2,528,273
Development related investments			
Loans, debt securities and guarantees			
At amortized cost		6,288,064	5,120,914
Allowance for credit losses		(231,516)	(248,865)
		6,056,548	4,872,049
At fair value		1,632,386	1,048,552
		7,688,934	5,920,601
Equity investments			
At fair value		303,176	286,577
		303,176	286,577
Total development related investments, net	4 & 10	7,992,110	6,207,178
Derivative assets	7 & 10	245,512	169,146
Receivables and other assets	5	472,216	438,735
Total assets		**11,328,234**	**9,401,218**
Liabilities			
Borrowings	6 & 10		
At amortized cost		2,159,539	1,908,504
At fair value		5,146,005	3,875,793
		7,305,544	5,784,297
Derivative liabilities	7 & 10	382,231	362,865
Payables and other liabilities	8	410,570	289,694
Total liabilities		**8,098,345**	**6,436,856**
Capital			
Capital, par value		1,849,750	1,824,410
Additional paid-in-capital		729,485	719,418
Receivable from members		(37,840)	(120,133)
Total paid-in-capital	9	2,541,395	2,423,695
Retained earnings		639,331	475,397
Accumulated other comprehensive income/(loss)		49,163	65,270
Total capital		**3,229,889**	**2,964,362**
Total liabilities and capital		**$ 11,328,234**	**$ 9,401,218**

The accompanying notes are an integral part of these financial statements

Inter-American Investment Corporation

Income Statements

Expressed in thousands of United States dollars	Notes	Year ended December 31 2023	2022
Income from development related investments			
Loans, debt securities and guarantees			
Interest and other income, net		$ 540,022	$ 359,083
(Provision)/release of provision for credit losses		14,976	(64,413)
		554,998	294,670
Equity investments			
Realized gain/(loss) from sales, dividends and other income, net		5,007	2,901
Unrealized gain/(loss) from changes in fair value, net		(32,832)	(28,010)
		(27,825)	(25,109)
Income from development related investments, net	4	**527,173**	**269,561**
Income/(loss) from liquid assets, net	3	198,577	(5,384)
Borrowings expense	6	(242,484)	(117,529)
Other income			
Service fees from related parties	13	38,755	81,028
Mobilization fees and other income		36,782	16,456
Total other income		**75,537**	**97,484**
Income/(expense) from development related investments, liquid assets and other income, net of borrowings expense		**558,803**	**244,132**
Other expenses			
Administrative expenses		180,304	177,335
Other components of pension benefit costs, net	14	(17,646)	3,533
Total other expenses		**162,658**	**180,868**
Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net	11	(232,211)	41,326
Net income/(loss)		**$ 163,934**	**$ 104,590**

The accompanying notes are an integral part of these financial statements

Inter-American Investment Corporation
Statements of Comprehensive Income/(Loss)
Statements of Changes in Capital

Statements of Comprehensive Income/(Loss)

Expressed in thousands of United States dollars	Notes	Year ended December 31 2023	2022
Net income/(loss)		**$ 163,934**	**$ 104,590**
Other comprehensive income/(loss)			
Recognition of net actuarial gains/(losses) and prior service credit on Pension Plans and Postretirement Benefit Plan	14	(22,706)	169,528
Unrealized gains/(losses) arising during the period related to fair value adjustments on borrowings attributable to changes in instrument-specific credit risk, net	6	6,599	20,074
Total other comprehensive income/(loss)		**(16,107)**	**189,602**
Comprehensive income/(loss)		**$ 147,827**	**$ 294,192**

Statements of Changes in Capital

Expressed in thousands of United States dollars, except for share information	Notes	Shares	Total paid-in capital	Retained earnings	Accumulated other comprehensive income/(loss)	Total capital
As of December 31, 2021		**173,265**	**$ 2,228,299**	**$ 370,807**	**$ (124,332)**	**$ 2,474,774**
Year ended December 31, 2022						
Net income/(loss)			—	104,590	—	104,590
Other comprehensive income/(loss)			—	—	189,602	189,602
Change in shares	9	9,176				
Payments received for capital	9		195,396	—	—	195,396
As of December 31, 2022		**182,441**	**2,423,695**	**475,397**	**65,270**	**2,964,362**
Year ended December 31, 2023						
Net income/(loss)			—	163,934	—	163,934
Other comprehensive income/(loss)			—	—	(16,107)	(16,107)
Change in shares	9	2,534				
Payments received for capital	9		117,700	—	—	117,700
As of December 31, 2023		**184,975**	**$ 2,541,395**	**$ 639,331**	**$ 49,163**	**$ 3,229,889**

The accompanying notes are an integral part of these financial statements

Inter-American Investment Corporation

Statements of Cash Flows

Expressed in thousands of United States dollars	Year ended December 31 2023	Year ended December 31 2022
Cash flows from investing activities		
Loan disbursements	$ (5,418,154)	$ (4,003,799)
Loan repayments and sales	4,184,576	3,536,435
Development related debt securities purchases	(441,421)	(450,027)
Development related debt securities proceeds	76,330	34,678
Equity investment disbursements	(64,754)	(54,524)
Equity investment proceeds	20,255	20,313
Capital asset expenditures	(3,845)	(4,319)
Net cash provided by/(used in) investing activities	**$ (1,647,013)**	**$ (921,243)**
Cash flows from financing activities		
Proceeds from issuance of borrowings	2,374,116	2,493,800
Borrowings repayments	(1,137,118)	(1,098,032)
Payments received for capital	117,700	195,396
Net cash provided by/(used in) financing activities	**$ 1,354,698**	**$ 1,591,164**
Cash flows from operating activities		
Net income/(loss)	163,934	104,590
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:		
Change in fair value of equity investments	32,832	28,010
Provision/(release) of provision for credit losses	(14,976)	64,413
(Gain)/loss from investment securities, net	(58,973)	12,236
Depreciation and amortization	(50,070)	(19,002)
(Gain)/loss from changes in fair value on non-trading portfolios and foreign exchange transactions, net	232,211	(41,326)
Realized gain/(loss) on swaps	(135,907)	17,626
Realized (gain)/loss on sales of equity investments, net	(4,932)	(2,735)
Change in receivables and other assets	(33,530)	(214,263)
Change in payables and other liabilities	152,997	(5,194)
Change in Pension Plans and Postretirement Benefit Plan, net	(14,038)	25,594
Change in investment securities	44,678	(636,958)
Other, net	(7,190)	21,043
Net cash provided by/(used in) operating activities	**$ 307,036**	**$ (645,966)**
Change in cash	14,721	23,955
Effect of exchange rate changes on cash, net	3,221	(20,478)
Net increase/(decrease) in cash	**$ 17,942**	**$ 3,477**
Cash as of January 1	57,886	54,409
Cash as of December 31	**$ 75,828**	**$ 57,886**
Supplemental disclosure:		
Interest paid during the period	202,431	106,041

The accompanying notes are an integral part of these financial statements

1. Purpose

The Inter-American Investment Corporation (IDB Invest) is an international organization established in 1986 and a separate legal entity within the Inter-American Development Bank Group (the IDB Group), which also includes the Inter-American Development Bank (IDB) and the Multilateral Investment Fund (commercially known as IDB Lab). IDB Invest began operations in 1989, and is owned by its member countries, which include 26 regional developing member countries, located in Latin America and the Caribbean, and 22 countries outside of Latin America and the Caribbean. The purpose of IDB Invest is to promote the economic development of its Regional Developing Member Countries by encouraging the establishment, expansion, and modernization of private enterprises in such a way as to supplement the activities of the IDB. IDB Invest provides financing through its development related investments, which include loans, guarantees, investments in debt securities, and equity investments where sufficient capital is not otherwise available on adequate terms in the market. IDB Invest also arranges financing from other investors through loan participations, co-financing arrangements, and unfunded participations. In addition, IDB Invest provides financial and technical advisory services to clients.

2. Summary of Significant Accounting Policies

Basis of presentation – These financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP). References to US GAAP issued by the Financial Accounting Standards Board (FASB) in these notes are to the FASB Accounting Standards Codification (ASC or Codification) or Accounting Standards Update (ASU).

All amounts presented in the accompanying financial statements and notes are expressed in United States dollars (USD or $), which is IDB Invest’s functional and reporting currency.

Use of estimates – The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Actual results could differ from those estimates. A significant degree of judgment has been used in the evaluation and measurement of: the allowance for credit losses; the fair value of investment securities, development related investments (loans, debt securities and equity investments), derivative instruments and borrowings; and the projected benefit obligations and fair value of plan assets of the Pension Plans and Postretirement Benefits Plan and associated net periodic benefit cost of each plan.

Cash – Cash[1] includes those amounts held on deposit with banks and cash restricted for development related investment activities. IDB Invest may hold cash deposits in excess of Federal Deposit Insurance Corporation (FDIC) insured limits.

Investment securities – Investment securities include fixed and floating rate bonds, notes, bills issued by corporations, governments, supranationals or agencies, and certificates of deposit, commercial paper and mutual funds, including money market funds. IDB Invest's strategy for its Cash[1] and Investment securities (collectively, Liquid Assets) is to provide sufficient liquidity and resources to finance development related investments.

Investment securities are classified as trading and are recorded at fair value with gains and losses reported in income from Income/(loss) from liquid assets, net. Purchases and sales of securities are recorded on a trade date basis. The first-in, first-out method is used to determine the cost basis of securities sold.

Development related loans and debt securities (Development related debt investments) – Development related loans and debt securities are recognized upon disbursement and measured at amortized cost or at fair

[1] References to captions in the financial statements are identified by the name of the caption beginning with a capital letter every time they appear in the notes to the financial statements.

value through income, depending on the nature and terms of each instrument. An allowance for credit losses is recognized against development related debt investments measured at amortized cost. IDB Invest utilizes the net asset value (NAV) reported by the fund managers as a practical expedient for the fair value measurement for certain development related debt securities. Refer to Note 4 for additional information.

For credit monitoring and portfolio management purposes, development related loans are classified into three portfolio segments – corporates, financial institutions and project finance – and development related debt securities are classified as corporate securities.

Development related loans may be secured by cash, receivables, inventory, equipment, property, mortgages, third-party guarantees or other forms of collateral security or may be unsecured. IDB Invest enters into standalone insurance contracts, which are generally not transferable, to cover the credit risk of particular development related debt investments. IDB Invest recognizes the recovery assets associated with these third-party credit enhancements in Receivables and other assets in the balance sheets and any associated gains or losses from such assets as Interest and other income, net, in the income statements.

Guarantees – IDB Invest issues guarantees covering, on a risk-sharing basis, third party obligations or securities issuances in Regional Developing Member Countries. IDB Invest's policy with respect to collateral security for these guarantees is generally the same as for its development related loans. Guarantees are regarded as issued when IDB Invest executes the guarantee agreement, outstanding when the underlying obligation of the third party is incurred and called when IDB Invest's obligation under the guarantee has been invoked. There are two obligations associated with guarantees: (1) a stand-ready obligation to perform; and (2) a contingent obligation to make future payments. The stand-ready obligation to perform is recognized at fair value at the issuance date, typically in an amount equal to the present value of any premiums received or receivable. For financial guarantees not accounted for as derivatives, the contingent liability is measured based on the current expected credit losses (CECL) on the guarantee. For guarantees accounted for as derivatives, the contingent liability is measured at fair value through income from the issuance date.

The stand-ready and contingent liabilities associated with the guarantees issued by IDB Invest are included in Payables and other liabilities in the balance sheets. Changes in contingent liabilities measured under the CECL methodology are recorded in (Provision)/release of provision for credit losses on development related investments in the income statements, while changes in contingent liabilities measured at fair value through income are recorded through Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net, in the income statements. Guarantee fee income is recognized as IDB Invest is released from its stand-ready obligation to perform and recorded in Interest and other income, net in the income statements. In the event a guarantee is called and IDB Invest is assigned the guaranteed obligation or the obligor otherwise has a direct contractual obligation to reimburse IDB Invest, the amount disbursed is recorded as a development related loan and an allowance is established against the loan based on the CECL methodology.

Undisbursed commitments – IDB Invest estimates expected credit losses over the contractual period in which it is exposed to credit risk through a contractual obligation to extend credit unless IDB Invest has the discretion to cancel the commitment at any time (unconditionally cancellable). The estimate considers the likelihood that funding will occur and the expected credit losses on estimated funded commitments over their estimated lives. A contingent liability for off-balance sheet credit losses is recorded in Payables and other liabilities in the balance sheets. The expense related to the contingent liability is recorded in (Provision)/release of provision for credit losses on development related investments in the income statements.

Allowance for credit losses – The allowance for credit losses represents management's estimates of current expected credit losses over the remaining expected lives of development related debt investments measured at amortized cost. The allowance for credit losses and the contingent liability for off-balance sheet credit exposures consider historical credit loss information as adjusted for current conditions and reasonable and supportable (R&S) forecasts of future economic conditions in the related portfolio. Changes in the allowance for credit losses are recorded through the (Provision)/release of provision for credit losses in the income statements. IDB Invest does not record an allowance for credit losses on accrued interest receivable as it has a substantive nonaccrual policy.

Expected prepayments are factored into the estimate of expected credit losses on development related debt investments. Projected disbursements are factored into the estimate of expected credit losses on off-balance sheet credit exposures, considering historical experience and contractual amortization schedules. Prepayment assumptions are based on historical data from IDB Group's private sector portfolio given the common portfolio characteristics, which include the borrower's country, risk rating and industry sectors. The contractual term excludes expected extensions, renewals, and modifications unless the extension or renewal options are included in the original or modified contract at the reporting date and are not controlled by IDB Invest (not unconditionally cancellable by IDB Invest).

The collective assessment of current expected credit losses is based on exposure at default (EAD), term structures of probability of default (PD) that combine point-in-time (PIT) and through-the-cycle (TTC) PDs, and loss given default (LGD). In addition, the CECL estimate incorporates forward looking conditions, which takes into consideration current market conditions, macroeconomic forecasts and their corresponding impact to the PIT PDs and LGDs. The macroeconomic forecasts in the CECL model include various scenarios, where each scenario represents a different state of the economy in the R&S period. The macroeconomic variables considered in these scenarios depend on the country of the exposure and generally include the gross domestic product (GDP), equity indices, and oil prices. Management currently considers the R&S period to be three years, after which the model reverts to historical averages for long-term values over a two year period using a linear method for PD mean-reversion. For each scenario, a lifetime loss rate for each instrument is calculated using the appropriate PD and LGD for each quarter of the instrument's remaining life. The results are then multiplied by the instrument’s amortized cost. If multiple scenarios are considered, then results are weighted.

IDB Invest performs a periodic risk assessment, at least annually, to assign a risk rating to each borrower and each development related debt investment. The risk ratings assigned to the borrower and the investment correspond to specific PDs and LGDs and are determined based on a series of sector specific scorecards, which are aligned to IDB Invest's portfolio segments. IDB Invest maps internal ratings to long-term PDs published annually by an international rating agency. For LGDs, IDB Invest uses a decision-tree scorecard model developed by an international rating agency to capture exposure specific information, such as seniority, guarantees, collateral, industry, and jurisdiction at the facility level, which vary across different exposures of the same borrower.

The major credit risk factors considered for a project finance development related debt investment may be grouped into the following categories: political risk, commercial or project risk, technical and construction risk, and financial risk. Political risks can be defined as the risks to a project’s financing emanating from governmental sources, either from a legal or regulatory perspective. Commercial or project risks are related to the construction or completion risks, economic or financial viability of a project and operational risks. Financial risks consider the project’s exposures to cash flow generation, interest rate and foreign currency volatility, inflation risk, liquidity risk, and funding risk.

The major credit risk factors considered for a development related debt investment to a financial institution are country-related risk including regulatory, competition, government support and macro-economic risks, which act as an anchor for the risk assessment as a whole. Additionally, the rating scorecard assesses the following institution-specific factors: capital adequacy, asset quality, operating policies and procedures and risk management framework; quality of management and decision making; earnings and market position, liquidity and sensitivity to market risk; quality of regulations and regulatory agencies; and potential government or shareholder support.

The major credit risk factors considered for corporate development related debt investments are country and industry risks, business and market risks, an assessment of the borrower’s management, and financial risks, including a qualitative assessment of financial risks and a quantitative assessment of financial ratios. After consideration of these borrower specific characteristics, extraordinary support from shareholders or from the government may be considered if applicable.

To augment the quantitative process described above, qualitative adjustments arising from information lags implicit in the quantitative loss estimation models, known model or data limitations, significant changes in portfolio composition or lending operations and uncertainty associated with economic and business conditions are applied as necessary based on management's judgment.

The impact of the Russian war on Ukraine has had a direct effect on economies within IDB Invest's Regional Developing Member Countries. This development affects risk parameters of the portfolio used in the CECL methodology, such as internal risk ratings for specific industries and countries. These parameters also consider developments in the macroeconomic forecasts during the R&S period and a mean reversion period to historical losses.

For those development related debt investments where the collective assessment does not apply, IDB Invest individually assesses the current expected credit losses. The determination of the allowance for credit losses for these investments reflects management’s best judgment of the creditworthiness of the borrower and is established based upon the periodic review of individual development related debt investments. This estimate considers all available evidence including, as appropriate, the present value of expected future cash flows, the fair value of collateral less disposal costs, and other market data. Due to the nature of the development related debt investments, secondary market values are usually not available.

IDB Invest monitors its development related debt investments for signs that the borrower may be facing financial difficulty, which may be evidenced by —among other factors— a current or expected payment default, declared or potential declaration of bankruptcy by the borrower, substantial doubt as to whether the borrower will continue as a going concern, delisting or threat of delisting of the borrower's securities, expectations that the borrower's cash flows will be insufficient to service its debt in accordance with the contractual terms for the foreseeable future, or the borrower's inability to obtain funds from sources other than existing creditors at an effective interest rate equal to the current market rate for debt for a nontroubled debtor. The effect of most modifications of development related debt investments to borrowers facing financial difficulty is already reflected in the allowance for credit losses and, therefore, such modifications generally do not result in a change to the allowance for credit losses. For a modification in the form of principal forgiveness, the amortized cost basis of the asset is written off against the allowance for credit losses. Additional information related to modifications in the form of principal forgiveness, interest rate reduction, other-than-insignificant payment delay, or term extension (or a combination of these) to borrowers experiencing financial difficulty is included in Note 4.

Development related debt investments are partially or fully written off when IDB Invest has exhausted all possible means of recovery through a legal agreement, final bankruptcy settlement or when IDB Invest has determined with a reasonable degree of certainty that the relevant amount will not be collected. IDB Invest reduces the investment and related allowance for credit losses. Recoveries, if any, of previously written off amounts are recorded through the allowance.

Revenue recognition on development related debt investments – Interest income on development related debt investments is recorded on an accrual basis to the extent that such amounts are expected to be collected and is included in Interest and other income, net, in the income statements. Accrued interest income receivable is presented separately from development related debt investments and is included in Receivables and other assets in the balance sheets.

Development related debt investments are generally placed in nonaccrual status when collectability is in doubt or payments of interest or principal are past due more than 90 days. IDB Invest does not accrue income and ceases amortization of any premiums or discounts on development related debt investments in nonaccrual status. Any uncollected interest accrued on a development related debt investment placed in nonaccrual status is reversed out of income and is thereafter recognized as Interest and other income, net, in the income statements when the payment is received. A development related debt investment is returned to accrual status once management has concluded that the borrower has demonstrated its ability to make periodic interest and principal payments.

Fees and costs for a development related debt investment measured at amortized cost are deferred and amortized over the life of the asset on a straight-line basis. Amortization of the net deferred fees and costs is included in Interest and other income, net, in the income statements thereby approximating how fees and costs would be reflected under the effective interest method. The net deferred amounts are included in Payables and other liabilities in the balance sheets. Fees and costs for development related debt investment measured at fair value are recognized as incurred and included in Interest and other income, net, in the income statements.

Equity investments – Equity investments include certain ownership interests in limited partnerships and similar fund structures (LPs) and direct equity investments primarily in small and medium-sized enterprises and financial institutions.

IDB Invest accounts for its equity investments at fair value through income. For investments in entities over which IDB Invest has significant influence, IDB Invest elects the fair value option in lieu of applying the equity method of accounting.

IDB Invest utilizes the NAV reported by the fund managers as a practical expedient for the fair value measurement of interests in LPs. The NAVs that have been reported by the fund manager are derived from the fair values of the underlying investments.

Revenue recognition on equity investments – Dividends and profit participations received from equity investments are recorded as income and reported in Realized gain/(loss) from sales, dividends and other income, net, in the income statements.

Unrealized gains and losses related to fair value adjustments are recorded in Unrealized gain/(loss) from changes in fair value, net, in the income statements. Disbursements and distributions that represent return of capital are recorded as increases and decreases, respectively, in the outstanding balance of these equity investments and recorded in Equity investments in the balance sheets.

Consolidation, non-controlling interests, variable interest entities – IDB Invest evaluates its variable interests in legal entities upon commitment, at the time of modification, if applicable, and on an annual basis to determine whether it must consolidate any entity. Pursuant to ASC 810, *Consolidation*, IDB Invest is required to consolidate an entity if (a) the entity is a variable interest entity (VIE) for which IDB Invest is the primary beneficiary or (b) the entity is not a VIE and IDB Invest has a controlling financial interest.

A variable interest is a contractual, ownership or other pecuniary interest in a VIE whose value changes as the fair value of the VIE's net assets change. A legal entity is a VIE if (i) it lacks sufficient equity to permit the entity to finance its activities without additional subordinated financial support or (ii) the equity investors, as a group, lack (a) the power, through voting or similar rights, to direct the activities of the entity that most significantly impact the entity’s economic performance; (b) substantive voting rights; (c) the obligation to absorb the expected losses of the entity; or (d) the right to receive the expected residual returns of the entity.

The primary beneficiary is the party with the power to direct the activities that most significantly impact the VIE’s economic performance and the obligation to absorb losses of the entity or the right to receive benefits of the VIE that could potentially be significant to the entity. Additional information about VIEs is included in Note 4.

Revenue recognition for service fees – IDB Invest recognizes revenue in connection with services it provides to the IDB and trust funds administered by the IDB or IDB Invest. A series of service level agreements (SLAs) define the nature of the services and corresponding fees for services provided to the IDB. The most significant of these services relates to loan origination and servicing performed on the IDB’s behalf. IDB Invest recognizes revenue for these services as it fulfills its performance obligation over the annual service period. Similarly, IDB Invest receives project administration and general administrative fees for services provided to several special purpose trust funds administered by IDB Invest or the IDB. Additional information about related party transactions is included in Note 13.

Risk management and use of derivative instruments – IDB Invest uses derivative instruments primarily for market risk management purposes in connection with its principal business activities. IDB Invest enters into cross currency and interest rate swaps to manage foreign exchange and interest rate risks arising from mismatches between its development related debt investments and its borrowing liabilities. None are designated as hedging instruments under ASC 815, *Derivatives.*

Derivatives are recognized in the balance sheets at their fair value and are classified as either Derivative assets or Derivative liabilities. Changes in fair value of derivatives are recorded in Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net, in the income statements. Additional information about derivatives is included in Note 7.

Fixed and intangible assets – Fixed assets consist of office equipment and furniture and intangible assets consist of internally-developed software. Fixed and intangible assets are presented at cost less accumulated depreciation and amortization and are included in Receivables and other assets in the balance sheets. Depreciation and amortization are recognized using the straight-line method over the estimated useful lives of the assets that range from three to seven years.

Leases – IDB Invest leases office space from the IDB at its headquarters and in its Regional Developing Member Countries. IDB Invest recognizes these leases as operating leases under ASC 842, *Leases*.

IDB Invest recognizes a right-of-use asset and lease liability in the balance sheets for each operating lease based on the present value of the future minimum lease payments over the lease term. The right-of-use assets are nonmonetary assets included in Receivable and other assets in the balance sheets and are amortized based on each period's discounted cash flows. Lease liabilities are monetary liabilities included in Payables and other liabilities in the balance sheets and are reduced based on each period's discounted cash flows. IDB Invest remeasures its lease liabilities originating in currencies other than USD at the exchange rate in effect at each reporting date. Operating lease expense is recorded on a straight-line basis and included in Administrative expenses in the income statements. Additional information related to IDB Invest's leases is included in Notes 5, 8, and 12.

Borrowings – To ensure funds are available for its operational liquidity needs, IDB Invest offers its debt securities to investors in international capital markets. IDB Invest's borrowings are carried at amortized cost or fair value in the balance sheets.

For those borrowings carried at amortized cost, the amortization of premiums and accretion of discounts is calculated following a methodology that approximates the effective interest method and is included in Borrowings expense in the income statements. The unamortized balance of the borrowing issuance costs related to a recognized debt liability is included as a direct deduction from the carrying amount of the Borrowings in the balance sheets. Interest expense on all borrowings is recognized on an accrual basis and is included in Borrowings expense in the income statements.

For those borrowings carried at fair value, fair value changes are reported in accordance with ASC 825, *Financial Instruments*. Accordingly, the change in fair value due to market risk is reported in Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net, in the income statements. The remaining change in fair value resulting from changes in IDB Invest's own credit risk is reported in Unrealized gains/(losses) arising during the period related to fair value adjustments on borrowings attributable to changes in instrument-specific credit risk, net, in the statements of other comprehensive income, and is measured by using IDB Invest's own credit spread against a reference rate. Additional information about borrowings is included in Note 6.

Non-trading portfolio – IDB Invest's non-trading portfolio includes development related debt investments, derivatives, and borrowings accounted for at fair value. The reported income volatility resulting from these non-trading financial instruments is not fully representative of the underlying economics of the transactions as IDB Invest does not intend to actively trade such instruments. Therefore, Gain/(loss) from changes in fair value on non-trading portfolios and foreign currency transactions, net, are reported separately from Income/(expense) from development related investments, liquid assets and other income, net, of borrowing expenses in the income statements. Additional information about the non-trading portfolio is included in Note 11.

Remeasurements of foreign currency transactions – Monetary assets and liabilities denominated in currencies other than the USD are translated into USD at market exchange rates prevailing at the balance sheet dates. Income and expenses are translated at the market exchange rate in effect at the transaction date. Resulting gains and losses from remeasurements are generally included in Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net, in the income statements.

Fair value measurements – ASC 820, *Fair Value Measurements,* requires entities to disclose information about recurring and non-recurring fair value measurements, as well as the fair value of financial instruments.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transfer between market participants at the measurement date under current market conditions. Fair value measurement further assumes that a transaction to sell the asset or assume a liability takes place either in the principal market or, in the absence of a principal market, in the most advantageous market for the asset or liability.

In determining fair value, IDB Invest uses various valuation approaches, including market, income, or cost approaches. The Codification establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs developed based on market data obtained from sources independent of IDB Invest that reflect assumptions market participants would use in pricing the asset or liability. Unobservable inputs are inputs for which market data is not available and are developed using the best information available about the assumptions market participants would use in pricing the asset or liability. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

- Level 1—Inputs are based on unadjusted quoted prices for identical assets or liabilities in active markets.

  Assets and liabilities utilizing Level 1 inputs include debt securities and equity investments that are actively traded and primarily include debt securities of the United States government and agencies.

- Level 2—Inputs are based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities that are not actively traded; or pricing models for which all significant inputs are observable, directly or indirectly, for substantially the full term of the asset or liability.

  Assets and liabilities utilizing Level 2 inputs include money market funds, investment securities, and investments in obligations of banks, governments and agencies or instrumentalities other than the United States, sovereigns, local and regional governments, corporate bonds, borrowings, and derivative instruments that are not actively traded.

- Level 3—Inputs are unobservable and significant to the overall fair value measurement.

  Assets utilizing Level 3 inputs include loans, development related debt securities, equity investments, and borrowings that are measured for which observable inputs are not available.

The availability of observable inputs is affected by a wide variety of factors, including, for example, the type of product, and other characteristics particular to the transaction. To the extent fair value is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3.

Fair value for the majority of IDB Invest's financial instruments is derived using pricing models. Pricing models consider the contract terms, including amortization schedule and maturity, where applicable, and other inputs, including, where applicable, interest rate yield curves, credit spreads, creditworthiness of the counterparty, option volatility, and currency rates. In accordance with ASC 820, the impact of IDB Invest's own credit spreads would also be considered when measuring the fair value of liabilities. Where appropriate, valuation adjustments are made to account for various factors, including bid-ask spreads, credit quality, and market liquidity. These adjustments are applied on a consistent basis and are based upon observable inputs, where available. Additional information about fair value measurements is included in Note 10.

Fair value option – The Fair Value Option (FVO) under ASC 825, *Financial Instruments*, permits the measurement of eligible financial assets, financial liabilities and firm commitments at fair value on an instrument-by-instrument basis, that are not otherwise permitted or required to be accounted for at fair value under other accounting standards. IDB Invest has elected the FVO for the following classes of financial assets and liabilities: i) certain investments in development related debt securities that IDB Invest does not have the ability and intent to hold until maturity, ii) certain hybrid development related debt investments, iii) investments that would otherwise be accounted for under the equity method, iv) certain development related investments in equity securities for which a measurement alternative is no longer applied, and v) certain borrowings that are economically hedged with derivative financial instruments.

Financial assets and borrowings elected under the FVO are measured at fair value on a recurring basis and changes in fair value of these financial instruments are included in Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net, in the income statements. Interest income on these financial instruments is recognized on an accrual basis, where applicable.

Loan participations – IDB Invest mobilizes funds from commercial banks and other financial institutions (Participants) by facilitating loan participations, without recourse. These loan participations are administered and serviced by IDB Invest on behalf of the Participants in exchange for a fee. Such fees are recognized upon receipt and are reported in Mobilization fees and other income in the income statements. The disbursed and outstanding balances of loan participations that meet the requirements to be accounted for as sales are not included in IDB Invest's balance sheets.

Pension and postretirement benefits – IDB Invest is a sponsor of the Staff Retirement Plan (SRP) and the Complementary Staff Retirement Plan (CSRP) (the Pension Plans), which are defined benefit pension plans jointly managed with the IDB. Under the Pension Plans, benefits are based on years of service and level of compensation, and plan assets include contributions by employees and by IDB Invest and the IDB for their respective employees. Any and all contributions to the Pension Plans are irrevocable and are held separately in retirement funds solely for the payment of benefits under the Pension Plans.

IDB Invest also provides certain health care, tax reimbursement and other postretirement benefits to eligible retirees under its Postretirement Benefits Plan (PRBP), which is also jointly managed by the IDB. Retirees contribute toward the PRBP based on an established premium schedule. IDB Invest and the IDB funds the remainder of the actuarially determined cost of future health care and other benefits for their respective employees. All contributions and other assets and income of the PRBP remain the property of IDB Invest and the IDB, but are held and administered separately and apart from the other property and assets of each employer solely for the purpose of payment of benefits under the PRBP.

Since both the IDB and IDB Invest are sponsors of the Pension Plans and the PRBP, each employer presents its respective share of these plans. The amounts presented reflect IDB Invest's proportionate share of costs, assets, and obligations of the Pension Plans and PRBP in accordance with ASC 715, *Compensation – Retirement Benefits*.

The service cost component of net periodic benefit costs allocated to IDB Invest is included in Administrative expenses and the other components are included in Other components of pension benefit costs, net, in the income statements. The separate funded statuses of the Pension Plans and the PRBP are included in Receivables and other assets when the respective Pension Plans or the PRBP is in a funded status, and included in Payables and other liabilities when the respective Pension Plans or the PRBP is in an underfunded status in the balance sheets. Additional information about the Pension Plans and PRBP is included in Note 14**.**

Taxes – IDB Invest, its property, other assets, income, and the operations and transactions it carries out pursuant to the Agreement Establishing the Inter-American Investment Corporation, are immune from all taxation and from all custom duties in its member countries. IDB Invest is also immune from any obligation relating to the payment, withholding or collection of any tax or duty in its member countries.

Accounting and financial reporting developments – In March 2022, the FASB issued ASU 2022-02, *Financial Instruments—Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures*. The amendments in this ASU eliminate the TDR recognition and measurement guidance and enhance existing disclosure requirements for modifications of receivables made to borrowers experiencing financial difficulty. They also require disclosure of current-period gross write-offs by year of origination for financing receivables within the scope of Subtopic 326-20. For IDB Invest, this ASU is effective on January 1, 2023, and did not have a material impact on IDB Invest's financial statements. Refer to Note 4 for additional disclosures.

In June 2022, the FASB issued ASU 2022-03, *Fair Value Measurement (Topic 820): Fair Value Measurement of Equity Securities Subject to Contractual Sale Restrictions*. The amendments in this ASU clarify that a contractual restriction on the sale of an equity security is not considered part of the unit of account of the equity security and, therefore, is not considered in measuring fair value. The amendments also clarify that an entity cannot, as a separate unit of account, recognize and measure a contractual sale restriction. Additionally, certain disclosures for equity securities subject to contractual sale restrictions are required. For IDB Invest, this ASU is effective on January 1, 2024, and is not expected to have a material impact on IDB Invest’s financial statements.

In December 2022, the FASB issued ASU 2022-06, *Reference Rate Reform (Topic 848): Deferral of the Sunset Date of Topic 848*. The amendments in this ASU defer the sunset date of the guidance in Topic 848 to December 31, 2024, and are effective immediately for all entities. This ASU is not expected to have a material impact on IDB Invest's financial statements.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The amendments in this ASU enhance segment reporting primarily through enhanced disclosures such as significant segment expenses and other incremental segment information to enable investors to develop more decision-useful financial analyses. For IDB Invest, this ASU is effective on January 1, 2024. IDB Invest is currently evaluating the impact of this ASU on its financial statements.

3. Liquid Assets

Liquid assets consists of the following (USD thousands):

	December 31, 2023	December 31, 2022
Cash [1]	$ 75,828	$ 57,886
Investment securities [2]		
Money market funds	326,920	927,710
Debt securities		
Corporate securities [3]	1,428,112	926,282
Agency securities	400,357	366,825
Government securities	258,967	137,578
Supranational securities	128,212	169,878
Total debt securities	**$ 2,215,648**	**$ 1,600,563**
Total investment securities	**2,542,568**	**2,528,273**
Total liquid assets	**$ 2,618,396**	**$ 2,586,159**

[1] Includes restricted cash of $18.6 million as of December 31, 2023 ($18.9 million as of December 31, 2022).

[2] Investment securities is composed of 93.5% in USD, 3.8% in Mexican peso (MXN), 0.9% in Brazilian real (BRL), and 1.8% in Colombian peso (COP) as of December 31, 2023 (96.4% in USD and 3.6% in MXN as of December 31, 2022).

[3] Includes a certificate of deposit of $29.5 million pledged as collateral to secure a borrowing as of December 31, 2023 (none as of December 31, 2022). Refer to Note 6.

The total income from Liquid assets is summarized below (USD thousands):

	Year ended December 31	
	2023	2022
Interests and dividends, net	$ 136,384	$ 27,330
Gain/(loss) from changes in fair value and gain/(loss) from foreign exchange transactions, net	62,193	(32,714)
Total income/(loss) from liquid assets, net	**$ 198,577**	**$ (5,384)**

Net unrealized gains recognized in income for the year ended December 31, 2023 relating to trading securities still held as of December 31, 2023 were $16.6 million ($22.1 million net unrealized losses for the year ended December 31, 2022).

The maturity structure of debt securities included in Liquid assets is as follows (USD thousands):

	December 31, 2023	December 31, 2022
Less than one year	$ 1,069,137	$ 1,241,710
Between one and five years	1,146,511	358,853
Total	**$ 2,215,648**	**$ 1,600,563**

4. Development Related Investments

IDB Invest's development related investments include loans, guarantees, debt securities, and equity investments, which are the result of financing activities that are designed to promote the economic development of IDB Invest's Regional Developing Member Countries through the establishment, expansion, and modernization of private enterprises.

The cost and carrying amount of development related investments are as follows (USD thousands):

	December 31, 2023			December 31, 2022		
	Principal outstanding	**Amortized cost**	**Carrying amount**	**Principal outstanding**	**Amortized cost**	**Carrying amount**
Loans						
At amortized cost	$ 6,169,432	$ 6,139,520	$ 6,139,520	$ 4,995,013	$ 4,967,509	$ 4,967,509
At fair value	437,377	437,377	419,239	291,062	291,062	281,918
Total loans	**6,606,809**	**6,576,897**	**6,558,759**	**5,286,075**	**5,258,571**	**5,249,427**
Debt securities						
At amortized cost	148,544	148,544	148,544	153,405	153,405	153,405
At fair value	1,295,211	1,249,516	1,213,147	847,029	808,757	766,634
Total debt securities	**1,443,755**	**1,398,060**	**1,361,691**	**1,000,434**	**962,162**	**920,039**
Allowance for credit losses			(231,516)			(248,865)
Total development related debt investments, net	**8,050,564**	**7,974,957**	**7,688,934**	**6,286,509**	**6,220,733**	**5,920,601**
		Cost	**Carrying amount**		**Cost**	**Carrying amount**
Equity investments						
At fair value		314,713	303,176		265,282	286,577
Total equity investments		**314,713**	**303,176**		**265,282**	**286,577**
Total development related investments, net		**$ 8,289,670**	**$ 7,992,110**		**$ 6,486,015**	**$ 6,207,178**

Income from development related investments is summarized below (USD thousands):

	Year ended December 31	
	2023	**2022**
Loans, debt securities and guarantees		
Interest income	$ 560,086	$ 305,508
Fees and other income/(expense), net	28,541	39,541
Recovery asset income/(release)	(21,140)	33,475
Insurance premium expense	(27,465)	(19,441)
(Provision)/release of provision for credit losses	14,976	(64,413)
Income/(expense) from loans, debt securities and guarantees	**554,998**	**294,670**
Equity investments		
Realized gain/(loss) from sales, net	4,932	2,735
Dividends and other income	75	166
Unrealized gain/(loss) from changes in fair value, net	(32,832)	(28,010)
Income from equity investments, net	**(27,825)**	**(25,109)**
Income from development related investments, net	**$ 527,173**	**$ 269,561**

Undisbursed commitments (net of cancellations) related to development related investments are summarized below (USD thousands):

	December 31, 2023	**December 31, 2022**
Loans		
At amortized cost	$ 1,047,216	$ 1,247,609
At fair value	126,032	192,676
Total loans	**1,173,248**	**1,440,285**
Debt securities		
At amortized cost	—	—
At fair value	127,330	121,541
Total debt securities	**127,330**	**121,541**
Total development related debt investments, net	**1,300,578**	**1,561,826**
Equity investments		
At fair value	201,117	89,401
Total equity investments	**201,117**	**89,401**
Total development related investments, net	**$ 1,501,695**	**$ 1,651,227**

The maturity structure of development related debt investments is as follows (USD thousands):

	December 31, 2023	December 31, 2022
Loans		
Due in one year or less	$ 2,459,963	$ 1,900,617
Due after one year through five years	2,168,318	1,877,022
Due after five years through ten years	1,456,202	1,227,915
Due after ten years and thereafter	522,326	280,521
Total loans	**6,606,809**	**5,286,075**
Debt securities		
Due in one year or less	207,778	67,338
Due after one year through five years	756,680	453,010
Due after five years through ten years	387,198	446,011
Due after ten years and thereafter	92,099	34,075
Total debt securities	**1,443,755**	**1,000,434**
Total development related debt investments, principal amount outstanding	**8,050,564**	**6,286,509**
Unamortized discounts	(75,607)	(65,776)
Total development related debt investments at cost	**7,974,957**	**6,220,733**
Fair value adjustments	(54,507)	(51,267)
Total development related debt investments at carrying amount	**$ 7,920,450**	**$ 6,169,466**

Development related debt investments by currency and range of contractual interest rates, and a reconciliation of total cost to carrying amount are summarized below (USD thousands):

	December 31, 2023		December 31, 2022	
	Amount	**Interest rate range**	**Amount**	**Interest rate range**
Brazilian real (BRL)				
Loans	$ 281,212	12.2%-17.0%	$ 37,089	15.6%-19.0%
Debt securities	34,891	13.7%-13.9%	31,032	15.7%
	316,103		68,121	
Chilean peso (CLP)				
Loans	25,490	8.7%-11.9%	29,818	7.6%-11.9%
	25,490		29,818	
Colombian peso (COP)				
Loans	163,745	15.3%-19.0%	76,748	14.7%-20.5%
Debt securities	175,067	9.5%-14.9%	139,782	9.5%-14.0%
	338,812		216,530	
Colombian UVR (COU)				
Debt securities	138,154	7.6%	—	—%
	138,154		—	
Mexican peso (MXN)				
Loans	185,847	12.7%-16.5%	139,445	11.8%-15.4%
Debt securities	76,504	12.5%-14.0%	29,186	11.4%-13.0%
	262,351		168,631	
Paraguayan guarani (PYG)				
Loans	33,186	7.5%-9.5%	26,459	7.5%-9.5%
	33,186		26,459	
Peruvian sol (PEN)				
Loans	73,564	7.7%-11.1%	41,836	10.5%-11.1%
Debt securities	51,618	8.0%-10.8%	15,144	8.0%
	125,182		56,980	
Trinidad and Tobago dollar (TTD)				
Loans	96,078	2.9%-3.8%	22,175	4.8%
Debt securities	35,475	3.5%	44,349	3.5%
	131,553		66,524	
United States dollar (USD)				
Loans	4,931,918	2.9%-15.0%	4,126,334	1.5%-14.1%
Debt securities	558,601	3.0%-12.2%	553,671	3.0%-11.1%
	5,490,519		4,680,005	
Total development related debt investments, before discounted debt investments	**6,861,350**		**5,313,068**	
Discounted debt investments with no stated interest rate (USD)	980,412		804,464	
Discounted debt investments with no stated interest rate (MXN)	133,195		103,201	
Total development related debt investments at cost	**7,974,957**		**6,220,733**	
Fair value adjustments for debt investments	(54,507)		(51,267)	
Total development related debt investments at carrying amount	**$ 7,920,450**		**$ 6,169,466**	

Base rates of variable rate loans reset at each interest due date at least annually or more frequently, but loan margins generally remain constant over the life of the variable rate loan.

Development related debt investments

An aging analysis, based on contractual terms, for development related debt investments as of December 31, 2023 and December 31, 2022 is as follows (USD thousands):

	December 31, 2023				
	1-90 days past due	>90 days past due	Total past due	Total current	Total portfolio
Loans	$ 20,843	$ 15,171	$ 36,014	$ 6,570,795	$ 6,606,809
Debt securities	—	—	—	1,443,755	1,443,755
Total development related debt investments, principal amount outstanding	**20,843**	**15,171**	**36,014**	**8,014,550**	**8,050,564**
Unamortized discounts	—	—	—	(75,607)	(75,607)
Total development related debt investments at cost	**20,843**	**15,171**	**36,014**	**7,938,943**	**7,974,957**
Fair value adjustments for debt investments	(3,180)	—	(3,180)	(51,327)	(54,507)
Total development related debt investments at carrying amount	**$ 17,663**	**$ 15,171**	**$ 32,834**	**$ 7,887,616**	**$ 7,920,450**

	December 31, 2022				
	1-90 days past due	>90 days past due	Total past due	Total current	Total portfolio
Loans	$ 2,024	$ 19,968	$ 21,992	$ 5,264,083	$ 5,286,075
Debt securities	—	—	—	1,000,434	1,000,434
Total development related debt investments, principal amount outstanding	**2,024**	**19,968**	**21,992**	**6,264,517**	**6,286,509**
Unamortized discounts	—	—	—	(65,776)	(65,776)
Total development related debt investments at cost	**2,024**	**19,968**	**21,992**	**6,198,741**	**6,220,733**
Fair value adjustments for debt investments	—	—	—	(51,267)	(51,267)
Total development related debt investments at carrying amount	**$ 2,024**	**$ 19,968**	**$ 21,992**	**$ 6,147,474**	**$ 6,169,466**

IDB Invest monitors for development related debt investments measured at amortized cost and fair value in nonaccrual and past due. Development related debt investments in nonaccrual are summarized as of December 31, 2023 and December 31, 2022 as follows (USD thousands):

	December 31, 2023		Year ended December 31, 2023	
	Total nonaccrual	> 90 days past due and accruing	Interest income recognized on nonaccrual	Accrued interest income written off
Loans	$ 145,658	$ —	$ 7,742	$ 4,877
Debt securities	—	—	—	—
Total development related debt investments, principal amount outstanding	**145,658**	**—**	**7,742**	**4,877**
Unamortized discounts	—	—		
Total development related debt investments at cost	**145,658**	**—**	**7,742**	**4,877**
Fair value adjustments for debt investments	(3,180)	—		
Total development related debt investments at carrying amount	**$ 142,478**	**$ —**	**$ 7,742**	**$ 4,877**

	December 31, 2022		Year ended December 31, 2022	
	Total nonaccrual	> 90 days past due and accruing	Interest income recognized on nonaccrual	Accrued interest income written off
Loans	$ 30,125	$ —	$ 1,163	$ 98
Debt securities	—	—	—	—
Total development related debt investments, principal amount outstanding	**30,125**	**—**	**1,163**	**98**
Unamortized discounts	—	—		
Total development related debt investments at cost	**30,125**	**—**	**1,163**	**98**
Fair value adjustments for debt investments	(3,180)	—	—	—
Total development related debt investments at carrying amount	**$ 26,945**	**$ —**	**$ 1,163**	**$ 98**

As of December 31, 2023, one loan measured at fair value with a principal amount outstanding of $3.2 million and net carrying amount of zero was classified as nonaccrual and past due (nonaccrual and current, with a principal amount outstanding of $3.2 million and net carrying amount of zero as of December 31, 2022). There were no debt securities measured at fair value in nonaccrual nor past due as of December 31, 2023 (none as of December 31, 2022).

There were no development related debt investments at amortized cost classified as nonaccrual without a related allowance for credit losses as of December 31, 2023 (none as of December 31, 2022).

Modifications of development related debt investments made to borrowers experiencing financial difficulty

In accordance with ASU 2022-02, related disclosures for the year ended December 31, 2023 are provided on a prospective basis.

The following table presents modifications for development related debt investments measured at amortized cost and the respective financial effects as of December 31, 2023 (USD thousands):

	December 31, 2023			
	Amortized cost basis	**Undisbursed commitment amount**	**% of total class of financing receivable**	**Financial effect**
Loans				
Term extension	$ 128,490	$ —	2.1 %	For the year-end December 31, 2023, these modifications increased the weighted-average life of the modified loans by 1.7 years, from 9.4 to 11.1 years. Additionally, the uncommitted revolving line of credit included in the modified financing was changed to committed, the undrawn available amount reduced and its maturity date extended by 14 months.
Total loans	**128,490**	**—**		
Total development related debt investments	**$ 128,490**	**$ —**		

The following table presents the performance of development related debt investments modified in the last twelve months (USD thousand):

	December 31, 2023				
	Current	**1-90 days past due**	**>90 days past due**	**Total**	**Gross write-offs**
Loans	$ 107,919	$ 17,498	$ 3,073	$ 128,490	$ —
Total	**$ 107,919**	**$ 17,498**	**$ 3,073**	**$ 128,490**	**$ —**

The following table presents the amortized cost basis of the development related debt investments that defaulted during the year ended December 31, 2023 and that were modified within the twelve months prior to the date of default (USD thousand):

	December 31, 2023				
	Interest rate reduction	**Term extension**	**Principal forgiveness**	**Other-than-insignificant payment delay**	**Total**
Loans	$ —	$ 20,571	$ —	$ —	$ 20,571
Total	**$ —**	**$ 20,571**	**$ —**	**$ —**	**$ 20,571**

Changes in the allowance for credit losses by portfolio segment are presented below (USD thousands):

	Year ended December 31, 2023			
	Financial institutions	Corporates	Project finance	Total
Loans				
Beginning balance	$ (59,138)	$ (115,027)	$ (69,463)	$ (243,628)
Loans written off	—	46,789	—	46,789
Recoveries	(119)	—	—	(119)
(Provision)/release of provision for credit losses	10,299	(23,242)	(19,716)	(32,659)
Loans ending balance	(48,958)	(91,480)	(89,179)	(229,617)
Debt securities				
Beginning balance	(3,008)	(1,735)	(494)	(5,237)
Debt securities written off	—	—	—	—
Recoveries	—	—	—	—
(Provision)/release of provision for credit losses	1,535	1,448	355	3,338
Debt securities ending balance	(1,473)	(287)	(139)	(1,899)
Allowance for credit losses	**(50,431)**	**(91,767)**	**(89,318)**	**(231,516)**
Undisbursed commitments				
Beginning balance	(3,411)	(30,455)	(44,553)	(78,419)
(Provision)/release of provision for credit losses	1,711	18,533	24,657	44,901
Undisbursed commitments ending balance	(1,700)	(11,922)	(19,896)	(33,518)
Guarantees				
Beginning balance	(180)	—	(118)	(298)
(Provision)/release of provision for credit losses	(663)	(39)	98	(604)
Guarantees ending balance	(843)	(39)	(20)	(902)
Liability for off-balance sheet credit losses	**(2,543)**	**(11,961)**	**(19,916)**	**(34,420)**
(Provision)/release of provision for credit losses	$ 12,882	$ (3,300)	$ 5,394	$ 14,976

	Year ended December 31, 2022			
	Financial institutions	Corporates	Project finance	Total
Loans				
Beginning balance	$ (65,447)	$ (73,010)	$ (57,557)	$ (196,014)
Loans written off	—	194	—	194
Recoveries	—	—	—	—
(Provision)/release of provision for credit losses	6,309	(42,211)	(11,906)	(47,808)
Loans ending balance	(59,138)	(115,027)	(69,463)	(243,628)
Debt securities				
Beginning balance	(2,967)	(2,249)	(573)	(5,789)
Debt securities written off	—	—	—	—
Recoveries	—	—	—	—
(Provision)/release of provision for credit losses	(41)	514	79	552
Debt securities ending balance	(3,008)	(1,735)	(494)	(5,237)
Allowance for credit losses	**(62,146)**	**(116,762)**	**(69,957)**	**(248,865)**
Undisbursed commitments				
Beginning balance	(9,130)	(26,415)	(25,974)	(61,519)
(Provision)/release of provision for credit losses	5,719	(4,040)	(18,579)	(16,900)
Undisbursed commitments ending balance	(3,411)	(30,455)	(44,553)	(78,419)
Guarantees				
Beginning balance	(19)	—	(22)	(41)
(Provision)/release of provision for credit losses	(161)	—	(96)	(257)
Guarantees ending balance	(180)	—	(118)	(298)
Liability for off-balance sheet credit losses	**(3,591)**	**(30,455)**	**(44,671)**	**(78,717)**
(Provision)/release of provision for credit losses	$ 11,826	$ (45,737)	$ (30,502)	$ (64,413)

A description of credit quality indicators is presented in the table below:

Rating categories	Credit quality indicator	Internal credit risk classification range	Description
aa- and better	Very strong	aa- or higher	An obligor in these categories has a very strong capacity to meet its financial commitment.
a+ to a–	Strong	a+, a, a-	An obligor in these categories has a strong capacity to meet its financial commitment.
bbb+ to bbb-	Adequate	bbb+, bbb, bbb-	An obligor in these categories exhibits an adequate financial profile. However, adverse economic conditions or changing circumstances are more likely to lead to a weakening of the obligor's capacity to meet its financial obligations.
bb+ to bb-	Moderate	bb+, bb, bb-	An obligor in these categories can face major uncertainties or exposures to adverse business, financial, or economic conditions that could lead to its inadequate capacity to meet its financial obligations.
b+ to b-	Weak	b+, b, b-	An obligor in these categories is more vulnerable to nonpayment than obligations rated bb-, but the obligor currently has the capacity to meet its financial obligations. Adverse business, financial, or economic conditions will likely impair the obligor's capacity or willingness to meet its financial obligations.
ccc+ and lower	Very weak	ccc+ or lower	An obligor in these categories faces significant challenges, and default may also already be a virtual certainty. The obligor is currently vulnerable to nonpayment, and is dependent upon favorable business, financial, and economic conditions for the obligor to meet its financial obligations. In the event of adverse business, financial, or economic conditions, the obligor is not likely to have the capacity to meet its financial obligations.

A summary of development related debt investments carried at amortized cost by credit quality indicator, class of financing receivable and major security type, and vintage as of December 31, 2023 and December 31, 2022 are as follows (USD thousands):

	December 31, 2023							
	Amortized cost basis by origination year (1)						Revolving loans amortized cost basis	Total
	2023	2022	2021	2020	2019	Prior		
Loans								
Very strong	$ 198,916	$ —	$ —	$ —	$ —	$ —	$ —	$ 198,916
Strong	—	—	138	—	—	—	—	138
Adequate	139,025	129,900	61,860	201,550	39,643	27,472	439,920	1,039,370
Moderate	855,273	366,571	356,358	308,893	176,746	121,124	448,508	2,633,473
Weak	413,021	375,048	415,576	329,975	146,467	102,836	205,650	1,988,573
Very weak	—	19,789	33,964	90,099	6,818	104,961	23,419	279,050
Total loans	**1,606,235**	**891,308**	**867,896**	**930,517**	**369,674**	**356,393**	**1,117,497**	**6,139,520**
Year ended December 31, 2023								
Gross loan write-offs	—	—	(41,200)	—	—	(5,589)	—	(46,789)
Debt securities								
Adequate	—	—	—	—	—	8,138	—	8,138
Moderate	—	35,475	—	—	50,000	41,931	—	127,406
Weak	—	—	—	—	—	13,000	—	13,000
Very weak	—	—	—	—	—	—	—	—
Total debt securities	**—**	**35,475**	**—**	**—**	**50,000**	**63,069**	**—**	**148,544**
Year ended December 31, 2023								
Gross debt security write-offs	—	—	—	—	—	—	—	—
Total amortized cost loans and debt securities	**$1,606,235**	**$ 926,783**	**$ 867,896**	**$ 930,517**	**$ 419,674**	**$ 419,462**	**$1,117,497**	**$6,288,064**

(1) Includes short-term loans with maturities of less than one year. There were no line-of-credit arrangements converted to term loans during the year ended December 31, 2023.

	December 31, 2022							
	Amortized cost basis by origination year [1]						Revolving loans amortized cost basis	Total
	2022	2021	2020	2019	2018	Prior		
Loans								
Strong	$ —	$ 531	$ —	$ —	$ —	$ —	$ —	$ 531
Adequate	83,600	33,920	229,000	5,221	3,143	25,727	382,168	762,779
Moderate	651,583	422,341	519,202	208,968	175,054	19,600	324,177	2,320,925
Weak	286,633	367,289	376,996	127,533	118,961	40,213	281,571	1,599,196
Very weak	6,500	62,953	14,843	60,052	80,310	58,420	1,000	284,078
Total loans	**1,028,316**	**887,034**	**1,140,041**	**401,774**	**377,468**	**143,960**	**988,916**	**4,967,509**
Debt securities								
Adequate	—	—	—	—	2,827	5,662	—	8,489
Moderate	44,348	—	—	50,000	34,568	—	—	128,916
Weak	—	—	—	—	13,000	—	—	13,000
Very weak	—	—	—	—	3,000	—	—	3,000
Total debt securities	**44,348**	**—**	**—**	**50,000**	**53,395**	**5,662**	**—**	**153,405**
Total amortized cost loans and debt securities	**$1,072,664**	**$ 887,034**	**$1,140,041**	**$ 451,774**	**$ 430,863**	**$ 149,622**	**$ 988,916**	**$5,120,914**

[1] Includes short-term loans with maturities of less than one year and $40.0 million of line-of-credit arrangements that were converted to term loans during the year ended December 31, 2022.

The following table presents the amortized cost and allowance for credit losses on held-to-maturity development related debt securities in comparison to the fair value and gross unrecognized holding gains/(losses) that would have been recorded if such securities were recorded at fair value (USD thousands):

	December 31, 2023					
	Amortized cost	Allowance for credit losses	Net carrying amount	Gross unrecognized holding gains	Gross unrecognized holding losses	Fair value
Debt securities	$ 148,544	$ (1,899)	$ 146,645	$ 2,079	$ (4,714)	$ 145,909
Total	**$ 148,544**	**$ (1,899)**	**$ 146,645**	**$ 2,079**	**$ (4,714)**	**$ 145,909**

	December 31, 2022					
	Amortized cost	Allowance for credit losses	Net carrying amount	Gross unrecognized holding gains	Gross unrecognized holding losses	Fair value
Debt securities	$ 153,405	$ (5,237)	$ 148,168	$ 1,465	$ (9,973)	$ 144,897
Total	**$ 153,405**	**$ (5,237)**	**$ 148,168**	**$ 1,465**	**$ (9,973)**	**$ 144,897**

Guarantees

Guarantees issued by IDB Invest have maturities consistent with those of the guaranteed loan portfolio. No guarantees issued by IDB Invest have been called since the inception of the guarantee program.

The outstanding exposure for guarantees by IDB Invest was $441.4 million as of December 31, 2023 ($177.3 million as of December 31, 2022). The maximum potential amount of future payments under the guarantees, without taking into consideration possible recoveries under recourse provisions or from collateral held or pledged, amounted to $470.2 million as of December 31, 2023 ($196.5 million as of December 31, 2022).

The contingent liabilities associated with the guarantees issued by IDB Invest are measured either under the CECL methodology or at fair value through income. For guarantees measured under the CECL methodology, IDB Invest recorded a contingent liability for off-balance sheet credit exposures of $902 thousand as of December 31, 2023 ($298 thousand as of December 31, 2022) in the balance sheets and a provision for credit losses of $604 thousand for the year ended December 31, 2023 (provision for credit losses of $257 thousand for the year ended December 31, 2022) in the income statements. In connection with guarantees measured at fair value, IDB Invest recorded a fair value liability of $2.6 million as of December 31, 2023 in the balance sheets (fair value asset of $459 thousand as of December 31, 2022) and recognized $3.1 million of net unrealized losses for the year ended December 31, 2023 (net unrealized losses of $692 thousand for the year ended December 31, 2022) in the income statements. Refer to Note 10 for additional information related to guarantees measured at fair value.

Loan participations

As of December 31, 2023, IDB Invest serviced loan participations outstanding of $4.8 billion ($3.1 billion as of December 31, 2022) and recognized servicing fees of $893 thousand for the year ended December 31, 2023 ($935 thousand for the year ended December 31, 2022) included in Mobilization fees and other income in the income statements.

Variable interest entities

IDB Invest, in its normal course of business, utilizes VIEs that are mainly special purpose vehicles, securitization structures, investment funds or trusts, where the sponsor, the general partner or fund manager does not have substantive equity at risk or the equity investors, as a group, lack substantive voting rights or the power, through voting or similar rights, to direct the activities of the entity that most significantly impact the entity's economic performance.

The development related investments in VIEs for which IDB Invest is the primary beneficiary were recorded as loans, with an outstanding balance of $31.1 million as of December 31, 2023 ($1.2 million as of December 31, 2022) in the balance sheets. Those VIEs had no other creditors and their total assets were approximately equal to the carrying values of the Development related investments recognized in IDB Invest's balance sheets as of December 31, 2023 and December 31, 2022.

IDB Invest also holds variable interests, recorded as Development related investments in the balance sheets, in the form of loans, debt securities and equity investments in VIEs in which it is not the primary beneficiary.

IDB Invest's maximum exposure to losses as a result of its involvement in such VIEs as of December 31, 2023 and December 31, 2022 is in the table below (USD thousands). IDB Invest does not have any liabilities with respect to these VIEs.

	December 31, 2023	December 31, 2022
Carrying value	$ 768,030	$ 499,125
Undisbursed commitments	226,604	238,282
Maximum exposure to VIEs	**$ 994,634**	**$ 737,407**

5. Receivables and Other Assets

Receivables and other assets are summarized below (USD thousands):

	Notes	December 31, 2023	December 31, 2022
Receivables for cash collateral pledged	7	$ 225,600	$ 214,500
Interest receivable on development related debt investments		87,168	57,746
Recovery assets		50,492	71,633
Postretirement Benefit Plan, net asset	14	36,821	34,677
Operating lease right-of-use asset		30,344	35,917
Interest receivable on investment securities		19,681	5,917
Fixed and intangible assets		11,536	12,863
Other assets		10,574	5,482
Total receivables and other assets		**$ 472,216**	**$ 438,735**

6. Borrowings

Borrowings outstanding by measurement basis, currency, and range of contractual interest rates applicable to each category are presented below (USD thousands):

	December 31, 2023		December 31, 2022	
	Amount outstanding	Interest rate range	Amount outstanding	Interest rate range
At amortized cost				
Australian dollar (AUD)	$ 353,005	1.1%-2.2%	$ 352,669	1.1%-2.2%
Brazilian real (BRL)	60,153	11.9%-14.1%	55,763	13.9%-16.1%
Colombian peso (COP)	182,348	6.6%-15.1%	149,565	6.6%-16.8%
Mexican peso (MXN)	500,608	11.5%-11.6%	359,289	10.4%-10.8%
Paraguayan guarani (PYG)	33,186	5.4%-7.9%	26,459	5.4%-7.9%
Trinidad and Tobago dollar (TTD)	131,554	1.9%-2.1%	66,523	2.0%-2.1%
United States dollar (USD)	900,000	1.7%-5.7%	900,000	1.7%-4.6%
Principal at face value	**2,160,854**		**1,910,268**	
Unamortized premiums/discounts and issuance costs, net	(1,315)		(1,764)	
Borrowings at amortized cost, net	**2,159,539**		**1,908,504**	
At fair value				
Australian dollar (AUD)	480,588	1.5%-5.0%	438,927	1.5%-4.9%
Colombian peso (COP)	20,090	11.3%	—	— %
Euro (EUR)	1,207,768	3.1%	673,043	3.1%
United States dollar (USD)	3,500,000	0.6%-4.8%	3,000,000	0.5%-2.6%
Principal at face value	**5,208,446**		**4,111,970**	
Unamortized premiums/discounts and issuance costs, net	(9,121)		(7,229)	
Fair value (gain)/loss adjustments, net	(53,320)		(228,948)	
Borrowings at fair value, net	**5,146,005**		**3,875,793**	
Total borrowings at carrying amount, net	**$ 7,305,544**		**$ 5,784,297**	

Principal amounts repayable on borrowings outstanding in all currencies are as follows (USD thousands):

	December 31, 2023
2024	$ 1,060,742
2025	1,292,344
2026	1,495,383
2027	904,633
2028	1,534,883
Thereafter	1,081,315
Total principal amount outstanding	**7,369,300**
Unamortized premiums/discounts and issuance costs, net	(10,436)
Fair value (gain)/loss adjustments, net	(53,320)
Total borrowings at carrying amount, net	**$ 7,305,544**

Availability under existing credit facilities are senior and unsecured, except as noted below (USD thousands):

	Available until	Committed amount	December 31, 2023 Undrawn commitment amount	Drawdown amount
Colombian peso				
COP 254 billion	2024	$ 65,571	$ —	**$ 65,571**
Trinidad & Tobago dollar				
TTD 350 million (uncollateralized)	2029	$ 51,735	$ —	**$ 51,735**
TTD 200 million (collateralized) (1)	2029	$ 29,563	$ —	**$ 29,563**
Multi-currency				
USD 300 million	2033	$ 300,000	$ 89,655	**$ 210,345**

(1) As of December 31, 2023, a corporate security of $29.5 million was pledged to secure a borrowing. Refer to Note 3.

Borrowings expense, net, is as follows (USD thousands):

	Year ended December 31 2023	2022
Interest expense	$ 235,479	$ 112,654
Fees and other borrowing related expenses	409	237
Amortization of premiums/discounts and issuance costs, net	6,596	4,638
Total borrowings expense, net	**$ 242,484**	**$ 117,529**

Changes in fair value of borrowings attributable to changes in instrument-specific credit risk recognized in Other comprehensive income and the net amount recognized in Accumulated other comprehensive income/(loss) are as follows (USD thousands):

	Year ended December 31 2023	2022
Beginning balance	$ (19,173)	$ (39,247)
Unrealized gains/(losses) arising during the period related to fair value adjustments on borrowings attributable to changes in instrument-specific credit risk, net	6,599	20,074
Net amount recognized	**$ (12,574)**	**$ (19,173)**

7. Derivative Instruments

IDB Invest enters into contracts for derivative instruments primarily for market risk management purposes in connection with its principal business activities. None of these derivative instruments are designated as hedging instruments under ASC 815, *Derivatives*.

The location presented as assets/(liabilities) in the balance sheets and the fair value of derivative instruments by purpose and type are summarized below (USD thousands):

		December 31, 2023		December 31, 2022	
Derivative purpose	**Derivative type**	**Derivative assets**	**Derivative liabilities**	**Derivative assets**	**Derivative liabilities**
Development related debt investments	Cross currency swaps	$ 2,631	$ (19,899)	$ 2,884	$ (4,731)
	Interest rate swaps	106,885	(21,849)	131,305	(932)
Borrowings	Cross currency swaps	112,840	(196,028)	34,957	(154,844)
	Interest rate swaps	23,156	(144,455)	—	(202,358)
Total		**$ 245,512**	**$ (382,231)**	**$ 169,146**	**$ (362,865)**

The effect of derivative instruments is recorded through Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net, in the income statements, and is summarized below (USD thousands):

	Year ended December 31			
	2023		2022	
Derivative type and purpose	Realized gain/(loss) on swaps	Unrealized gain/ (loss) on swaps	Realized gain/(loss) on swaps	Unrealized gain/ (loss) on swaps
Development related debt investments				
Cross currency swaps	$ (408)	$ (15,421)	$ (3,910)	$ (5,839)
Interest rate swaps	55,093	(45,337)	13,680	122,117
Borrowings				
Cross currency swaps	(82,132)	36,699	(601)	(80,865)
Interest rate swaps	(108,460)	81,059	8,457	(166,880)
Total	**$ (135,907)**	**$ 57,000**	**$ 17,626**	**$ (131,467)**

As of December 31, 2023, the outstanding volume, measured by notional amount, of swap contracts was $8.2 billion ($6.1 billion as of December 31, 2022).

IDB Invest does not present derivative assets and liabilities related to contracts entered into with the same counterparty under a legally enforceable netting agreement on a net basis in the balance sheets. The following tables provide the gross and net positions of IDB Invest's derivative contracts considering amounts and collateral held or pledged in accordance with enforceable counterparty credit support and netting agreements described below (USD thousands):

	December 31, 2023			
	Gross amount of assets/(liabilities) presented in the balance sheets	Gross amounts not offset in the balance sheets		
		Financial instruments	Collateral (received)/ pledged [(1)]	Net amount
Derivative assets	$ 245,512	$ (162,322)	$ (83,190)	$ —
Derivative liabilities	$ (382,231)	$ 162,322	$ 212,223	$ (7,686)

(1) Collateral received of $83.2 million and collateral pledged of $212.2 million reflect the offsetting threshold limits, which cannot exceed the fair value of the derivative assets and derivative liabilities. Total cash collateral pledged was $225.6 million and total cash collateral received was $92.4 million as of December 31, 2023. Refer to Notes 5 and 8 for additional details related to Receivables for cash collateral pledged and Payables for cash collateral received, respectively.

	December 31, 2022			
	Gross amount of assets/(liabilities) presented in the balance sheets	Gross amounts not offset in the balance sheets		
		Financial instruments	Collateral (received)/ pledged [(1)]	Net amount
Derivative assets	$ 169,146	$ (153,796)	$ (13,650)	$ 1,700
Derivative liabilities	$ (362,865)	$ 153,796	$ 204,018	$ (5,051)

(1) Collateral received of $13.7 million and collateral pledged of $204.0 million reflect the offsetting threshold limits, which cannot exceed the fair value of the derivative assets and derivative liabilities. Total cash collateral pledged was $214.5 million and total cash collateral received was $13.7 million as of December 31, 2022. Refer to Notes 5 and 8 for additional details related to Receivables for cash collateral pledged and Payables for cash collateral received, respectively.

IDB Invest's derivative contracts with market counterparties are entered into under standardized master agreements published by the International Swaps and Derivatives Association ("ISDA" Agreements). 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.

IDB Invest's ISDA Agreements are appended by a Credit Support Annex ("CSA") that provides for the receipt and posting of collateral in the form of cash in USD or U.S. Treasury securities to reduce mark-to-market exposure among derivative market counterparties. IDB Invest recognizes cash collateral received and a corresponding liability in its balance sheets for the obligation to return it. As of December 31, 2023, IDB Invest had $92.4 million of outstanding obligations to return cash collateral under CSAs ($13.7 million as of December 31, 2022). IDB Invest recognizes a receivable in its balance sheets for its rights to cash collateral posted. As of December 31, 2023, $225.6 million of cash collateral was posted under CSAs ($214.5 million as of December 31, 2022). No securities collateral was received or pledged as of December 31, 2023 nor December 31, 2022. Securities received as collateral are not recognized in the balance sheets. In accordance with the CSAs, IDB Invest 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, IDB Invest may exercise certain rights and remedies, including the right to setoff any amounts payable by the counterparty against any collateral held by IDB Invest and the right to liquidate any collateral held.

8. Payables and Other Liabilities

Payables and other liabilities are summarized below (USD thousands):

	Notes	December 31, 2023		December 31, 2022	
Payables for cash collateral received	7	$	92,400	$	13,650
Borrowings related Interest and commitment fees payable			60,182		25,911
Pension Plans, net liability	14		46,187		35,375
Operating lease liability	12		33,028		37,115
Other liabilities			36,697		27,874
Liability for off-balance sheet credit losses	4		34,420		78,717
Loan origination fees and costs, net			34,580		24,656
Due to IDB, net	13		27,490		10,191
Deferred revenue [1]			24,725		17,948
Employment benefits payable			20,861		18,257
Total payables and other liabilities		**$**	**410,570**	**$**	**289,694**

[1] Includes service fees collected from related parties. Additional information is included in Note 13.

9. Capital

IDB Invest's authorized share capital is owned by its member countries. IDB Invest’s original authorized share capital was increased from $200.0 million to $705.9 million, equivalent to 70,590 shares, through its First General Capital Increase (GCI-I), which was approved in 1999, and several subsequent special increases. These increases allocated a total of $505.9 million for subscriptions by new and existing member countries, with a par value and issuance price of $10,000 per share.

On March 30, 2015, IDB Invest’s Board of Governors authorized the issuance of 125,474 shares for a total of $2.03 billion ($16,178.60 per share) through the Second General Capital Increase (GCI-II), which increased the total authorized shares amount to 196,064. GCI-II is comprised as follows:

> (i) 80,662 shares corresponding to $1.305 billion in capital subscribed by IDB Invest shareholders during the 2016-2022 period (Annex A Shares). Subscribed shares are presented in Capital, par value, and Additional paid-in capital, and any subscription amount due from a member is presented in Receivable from members in the balance sheets. Payments were due from shareholders on October 31 of each year from 2016 to 2022 according to a payment plan determined and communicated by management to each subscribing country. The price for Annex A Shares not paid within their corresponding annual installment was adjusted to reflect a 5.0% increase for each year of arrears, except for those shares corresponding to the first installment which were fully paid in by the end of the second installment and not subject to a price adjustment. The price adjustment for shares in arrears was recorded to Additional paid-in capital and to Receivable from members in the balance sheets.
>
> As of December 31, 2022, the timing of the remaining Annex A Shares' payments was extended to January 31, 2023, and the payments were not subject to a price adjustment. The Board of Executive Directors is authorized to extend payment deadlines.
>
> In February 2023, 6,137 shares that were subscribed in the context of GCI-II but were not paid for by the final payment date of January 31, 2023, became available for reallocation with an issuance price of $20,000 per share per the terms and conditions agreed by the Board of Executive Directors in accordance with GCI-II. The subscription period for the reallocation of these unpaid shares has been extended to February 19, 2024.

(ii) 44,812 shares corresponding to $725.0 million in transfers from the IDB on behalf of its shareholders (Annex B Shares) paid to IDB Invest during the period 2018-2025 upon annual approval by the IDB Board of Governors.

Total capital contributions of $117.7 million were received during the year ended December 31, 2023. Capital contributions of $40.8 million were received during the year ended December 31, 2023 for a total of $1.3 billion in contributions corresponding to Annex A Shares. In March 2023, the Board of Governors approved the transfer of $72.0 million in income distributions corresponding to Annex B Shares from the IDB on behalf of its shareholders that are also member countries of IDB Invest, for a total of $582.0 million in contributions corresponding to Annex B Shares through December 31, 2023, and are included in Total paid-in-capital in the balance sheets. Also, on March 1, 2023, the United Kingdom fulfilled all requirements for membership becoming the newest member of IDB Invest. As such, IDB Invest received $4.9 million in capital contributions from the United Kingdom corresponding to Annex B Shares for the period 2018 to 2022.

Under the Agreement Establishing the Inter-American Investment Corporation, any member may withdraw from IDB Invest, which shall become effective on the date specified in the notice but in no event prior to six months from the delivery date of such notice. Even after withdrawing, a member shall remain liable for all obligations to IDB Invest to which it was subject on the date of delivery of the withdrawal notice. In the event a member withdraws, IDB Invest and the member may agree to the repurchase of the shares of said member on terms appropriate under the circumstances. If such agreement is not reached within three months of the withdrawal notice, or within a term agreed upon between both parties, the repurchase price of the member's shares shall be equal to the book value on the date when the member ceases to belong to IDB Invest, such book value to be determined by the audited financial statements. Payment for shares shall be made in such installments, times, and currencies as IDB Invest shall determine, taking into account its financial position.

Capital and receivable from members are as follows (USD thousands, except for Shares and Voting power):

	Capital						Voting power	
	Shares[(1)]	Capital, par value	Additional paid-in capital[(2)]	Receivable from members[(3)]	Total paid in capital	Percent of total paid in capital [(4)]	Number of votes	Percent of total votes[(4)]
Argentina	21,461	$ 214,610	$ 82,867	$ —	$ 297,477	11.71	21,461	11.85
Austria	944	9,440	3,708	—	13,148	0.52	944	0.52
Bahamas	383	3,830	1,508	—	5,338	0.21	383	0.21
Barbados	269	2,690	1,093	—	3,783	0.15	269	0.15
Belgium	287	2,870	732	—	3,602	0.14	287	0.16
Belize	142	1,420	268	—	1,688	0.07	142	0.08
Bolivia	1,726	17,260	6,652	—	23,912	0.94	1,726	0.95
Brazil	23,471	234,710	107,686	—	342,396	13.47	21,461	11.85
Canada	5,527	55,270	33,242	—	88,512	3.48	5,527	3.05
Chile	6,100	61,000	27,546	(10,440)	78,106	3.07	5,578	3.08
China	9,345	93,450	56,830	(280)	150,000	5.90	9,331	5.15
Colombia	6,100	61,000	26,797	(10,440)	77,357	3.04	5,578	3.08
Costa Rica	835	8,350	3,226	—	11,576	0.46	835	0.46
Croatia[(5)]	17	170	113	—	283	0.01	17	0.01
Denmark	1,132	11,320	378	—	11,698	0.46	1,132	0.63
Dominican Republic	1,260	12,600	5,505	(2,160)	15,945	0.63	1,152	0.64
Ecuador	1,160	11,600	4,476	—	16,076	0.63	1,160	0.64
El Salvador	834	8,340	3,361	—	11,701	0.46	834	0.46
Finland	1,078	10,780	4,240	—	15,020	0.59	1,078	0.60
France	3,550	35,500	8,577	—	44,077	1.73	3,550	1.96
Germany	2,016	20,160	4,214	—	24,374	0.96	2,016	1.11
Guatemala	1,104	11,040	4,234	—	15,274	0.60	1,104	0.61
Guyana	313	3,130	1,205	—	4,335	0.17	313	0.17
Haiti	834	8,340	3,963	—	12,303	0.48	834	0.46
Honduras	835	8,350	3,304	—	11,654	0.46	835	0.46
Israel	447	4,470	1,708	—	6,178	0.24	447	0.25
Italy	5,325	53,250	19,558	—	72,808	2.86	5,325	2.94
Jamaica	686	6,860	1,877	(1,180)	7,557	0.30	627	0.35
Japan	6,759	67,590	26,410	(200)	93,800	3.69	6,749	3.73
Korea	8,294	82,940	50,283	—	133,223	5.24	8,294	4.58
Mexico	13,750	137,500	52,793	—	190,293	7.49	13,750	7.59
Netherlands	1,142	11,420	449	—	11,869	0.47	1,142	0.63
Nicaragua	834	8,340	3,228	—	11,568	0.46	834	0.46
Norway	1,077	10,770	4,228	—	14,998	0.59	1,077	0.59
Panama	1,135	11,350	5,017	—	16,367	0.64	1,135	0.63
Paraguay	950	9,500	4,175	(1,640)	12,035	0.47	868	0.48
Peru	6,254	62,540	27,816	(10,720)	79,636	3.13	5,718	3.16
Portugal	408	4,080	1,415	—	5,495	0.22	408	0.23
Slovenia[(6)]	10	100	73	—	173	0.01	10	0.01
Spain	7,679	76,790	32,105	—	108,895	4.28	7,668	4.24
Suriname	132	1,320	204	—	1,524	0.06	132	0.07
Sweden	1,063	10,630	4,151	—	14,781	0.58	1,063	0.59
Switzerland	2,457	24,570	8,569	—	33,139	1.30	2,457	1.36
Trinidad and Tobago	826	8,260	4,061	—	12,321	0.48	826	0.46
United Kingdom	346	3,460	2,145	—	5,605	0.22	346	0.19
United States	26,856	268,560	67,118	(780)	334,898	13.18	26,817	14.81
Uruguay	2,287	22,870	8,809	—	31,679	1.25	2,287	1.26
Venezuela	5,535	55,350	7,568	—	62,918	2.48	5,535	3.06
Total as of December 31, 2023	**184,975**	**$ 1,849,750**	**$ 729,485**	**$ (37,840)**	**$ 2,541,395**	**100**	**181,062**	**100**
Total as of December 31, 2022	**182,441**	**$ 1,824,410**	**$ 719,418**	**$ (120,133)**	**$ 2,423,695**		**171,082**	

(1) Includes Annex B shares for which income distributions (transfers) were made by IDB on behalf of its shareholders.
(2) Includes the amount in addition to par value for shares under GCI-II, partial payments in excess of full shares.
(3) Represents receivable from members under GCI-II.
(4) Data are rounded; detail may not add to total because of rounding.
(5) Croatia's voting power is 0.0094.
(6) Slovenia's voting power is 0.0055.

10. Fair Value Measurements

IDB Invest carries a portion of its financial instruments at fair value on a recurring basis and discloses fair value of financial instruments not carried at fair value in accordance with US GAAP. The methodologies and key assumptions IDB Invest uses to estimate the fair values of its financial instruments are summarized below. Projections of future cash flows and other assumptions and methodologies used in the determination of fair value are subjective, particularly when the measurement relies on unobservable market inputs. Minor changes in assumptions or methodologies may affect the fair value measurements.

Cash – The carrying amount reported in the balance sheets approximates fair value.

Investment securities – Fair values for money market funds and debt securities are based on either unadjusted quoted prices for identical assets or liabilities in active markets or quoted prices in active markets for identical assets or liabilities or prices derived from alternative pricing models when these prices are not available from pricing vendors. These methodologies apply to certain investments in non-U.S. government obligations, agencies, supranationals and corporate bonds. Also included are commercial paper (CP) and certificates of deposit (CD) issued under large U.S. based CP or CD programs. For investments for which prices and other relevant information, generated by market transactions involving identical or comparable assets, are not available, the income approach is used, based on yield curves, bond or credit default swap spreads, and recovery rates based on collateral values as key inputs.

Development related debt investments – Loans and development related investments in debt securities for which a combination of observable and unobservable inputs is generally available, require the use of estimates and present value calculations of future cash flows. Fair values are estimated using recently executed transactions, market price quotations (where observable), and market observable credit default swap levels along with proprietary valuation models where such transactions and quotations are unobservable. The lack of objective pricing standards adds a greater degree of subjectivity and volatility to these derived or estimated fair values.

Any excess or deficit resulting from the difference between the carrying amounts of the development related debt investments carried at amortized cost and the fair value disclosed does not necessarily reflect the realizable values since IDB Invest generally holds investments to maturity with the aim of realizing their contractual cash flows.

Equity investments – In most cases, market prices are not available for equity investments, and alternate valuation techniques require a significant degree of judgment. IDB Invest intends to hold investments in LPs until the final liquidation of the underlying assets of the LPs in order to participate fully in the performance of the LP. IDB Invest does not have redemption rights in any of these investments. IDB Invest estimates that the underlying assets of the LPs generally may be liquidated over a period of ten years.

Equity investments are carried at fair value on a recurring basis if publicly traded in active markets, or if IDB Invest elects the FVO. For investments in LPs, IDB Invest utilizes the NAVs reported by the fund managers as the basis of the fair value measurement. These NAVs are derived from the fair values of the underlying investments and adjusted further by IDB Invest, as needed.

Derivative instruments – These include cross currency and interest rate swap contracts. Fair values are determined by obtaining the present value of estimated future cash flows using appropriate discount rates and forward curves.

Borrowings – IDB Invest's borrowings are recorded at amortized cost or fair value. The fair value of IDB Invest's borrowings is estimated using traded prices, quoted market prices or discounted cash flow analyses based on IDB Invest's current borrowing rates for similar types of borrowing arrangements.

Other assets and liabilities – The carrying value of financial instruments included in Receivables and other assets, and Payables and other liabilities approximates fair value due to their liquid or short-term nature. Payables and other liabilities includes guarantees issued and measured at fair value.

Fair value of financial instruments

The following table presents the carrying values and estimated fair values of IDB Invest's financial instrument assets/(liabilities) and their classification within the fair value hierarchy in accordance with ASC 820.

	December 31, 2023				
Expressed in USD thousands	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Investment securities					
Corporate securities	$ 1,428,112	$ —	$ 1,428,112	$ —	$ 1,428,112
Agency securities	400,357	—	400,357	—	400,357
Money market funds	326,920	—	326,920	—	326,920
Government securities	258,967	—	258,967	—	258,967
Supranational securities	128,212	—	128,212	—	128,212
	2,542,568	—	2,542,568	—	2,542,568
Loans					
Amortized cost	6,139,520	—	—	5,700,613	5,700,613
Fair value	419,239	—	—	419,239	419,239
	6,558,759	—	—	6,119,852	6,119,852
Debt securities					
Amortized cost	148,544	—	—	145,909	145,909
Fair value	1,177,591	—	—	1,177,591	1,177,591
NAV(1)(2)	35,556				35,556
	1,361,691	—	—	1,323,500	1,359,056
Equity investments					
Fair value	96,645	920	—	95,725	96,645
NAV(1)(2)	206,531				206,531
	303,176	920	—	95,725	303,176
Derivative assets					
Cross currency swaps	115,471	—	115,471	—	115,471
Interest rate swaps	130,041	—	130,041	—	130,041
	245,512	—	245,512	—	245,512
Borrowings					
Amortized cost	(2,159,539)	—	(1,722,576)	(350,787)	(2,073,363)
Fair value	(5,146,005)	—	(5,146,005)	—	(5,146,005)
	(7,305,544)	—	(6,868,581)	(350,787)	(7,219,368)
Derivative liabilities					
Cross currency swaps	(215,927)	—	(215,927)	—	(215,927)
Interest rate swaps	(166,304)	—	(166,304)	—	(166,304)
	(382,231)	—	(382,231)	—	(382,231)
Payables and other liabilities					
Guarantees measured at fair value	(2,595)	—	—	(2,595)	(2,595)
Undisbursed commitments measured at fair value	256	—	—	256	256
Other liability measured at fair value	(2,653)	—	—	(2,653)	(2,653)
	$ (4,992)	**$ —**	**$ —**	**$ (4,992)**	**$ (4,992)**

(1) In accordance with ASC 820, investments recorded using NAV as a practical expedient for fair value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to reconcile to the amounts presented in the balance sheets.
(2) As of December 31, 2023, the maximum undisbursed commitments subject to capital calls for these investments were $202.8 million.

Expressed in USD thousands	December 31, 2022 Carrying amount	Level 1	Level 2	Level 3	Fair value
Investment securities					
Corporate securities	$ 926,282	$ —	$ 926,282	$ —	$ 926,282
Agency securities	366,825	—	366,825	—	366,825
Money market funds	927,710	—	927,710	—	927,710
Government securities	137,578	—	137,578	—	137,578
Supranational securities	169,878	—	169,878	—	169,878
	2,528,273	—	2,528,273	—	2,528,273
Loans					
Amortized cost	4,967,509	—	—	4,569,835	4,569,835
Fair value	281,918	—	—	281,918	281,918
	5,249,427	—	—	4,851,753	4,851,753
Debt securities					
Amortized cost	153,405	—	—	144,897	144,897
Fair value	735,051	—	—	735,051	735,051
NAV[(1)(2)]	31,583				31,583
	920,039	—	—	879,948	911,531
Equity investments					
Fair value	98,858	1,024	—	97,834	98,858
NAV[(1)(2)]	187,719				187,719
	286,577	1,024	—	97,834	286,577
Derivative assets					
Cross currency swaps	37,841	—	37,841	—	37,841
Interest rate swaps	131,305	—	131,305	—	131,305
	169,146	—	169,146	—	169,146
Borrowings					
Amortized cost	(1,908,504)	—	(1,538,639)	(271,540)	(1,810,179)
Fair value	(3,875,793)	—	(3,875,793)	—	(3,875,793)
	(5,784,297)	—	(5,414,432)	(271,540)	(5,685,972)
Derivative liabilities					
Cross currency swaps	(159,575)	—	(159,575)	—	(159,575)
Interest rate swaps	(203,290)	—	(203,290)	—	(203,290)
	(362,865)	—	(362,865)	—	(362,865)
Payables and other liabilities					
Guarantees measured at fair value	459	—	—	459	459
Undisbursed commitments measured at fair value	(267)	—	—	(267)	(267)
Other liability measured at fair value	(671)	—	—	(671)	(671)
	$ (479)	**$ —**	**$ —**	**$ (479)**	**$ (479)**

(1) In accordance with ASC 820, investments recorded using NAV as a practical expedient for fair value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to reconcile to the amounts presented in the balance sheets.
(2) As of December 31, 2022, the maximum undisbursed commitments subject to capital calls for these investments were $81.0 million.

There were no transfers between levels during the year ended December 31, 2023 nor December 31, 2022.

The following tables present changes in carrying value of IDB Invest's Level 3 financial instrument assets/(liabilities) that are carried at fair value as follows (USD thousands):

	Year ended December 31, 2023				
	Balance as of January 1, 2023	**Net gains/ (losses) included in income**	**Disbursements, purchases, sales, settlements and other**	**Balance as of December 31, 2023**	**Net unrealized gains/ (losses) included in earnings related to assets/liabilities held at December 31, 2023**
Loans	$ 281,918	$ (6,368)	$ 143,689	$ 419,239	$ (6,381)
Debt securities	735,051	64,680	377,860	1,177,591	54,080
Equity investments	97,834	(21,477)	19,368	95,725	(21,446)
Total level 3 assets at fair value	**1,114,803**	**36,835**	**540,917**	**1,692,555**	**26,253**
Guarantees measured at fair value	459	(3,054)	—	(2,595)	(3,054)
Undisbursed commitments measured at fair value	(267)	523	—	256	523
Other liability measured at fair value	(671)	(1,434)	(548)	(2,653)	(1,434)
Total level 3 liabilities at fair value	**$ (479)**	**$ (3,965)**	**$ (548)**	**$ (4,992)**	**$ (3,965)**

	Year ended December 31, 2022				
	Balance as of January 1, 2022	**Net gains/ (losses) included in income**	**Disbursements, purchases, sales, settlements and other**	**Balance as of December 31, 2022**	**Net unrealized gains/ (losses) included in earnings related to assets/liabilities held at December 31, 2022**
Loans	$ 144,422	$ 289	$ 137,207	$ 281,918	$ 289
Debt securities	405,866	(46,724)	375,909	735,051	(52,306)
Equity investments	114,242	(16,894)	486	97,834	(17,588)
Total level 3 assets at fair value	**664,530**	**(63,329)**	**513,602**	**1,114,803**	**(69,605)**
Guarantees measured at fair value	1,151	(692)	—	459	(692)
Undisbursed commitments measured at fair value	1,686	(1,953)	—	(267)	(1,953)
Other liability measured at fair value	—	(23)	(648)	(671)	(23)
Total level 3 liabilities at fair value	**$ 2,837**	**$ (2,668)**	**$ (648)**	**$ (479)**	**$ (2,668)**

The following tables present gross purchases, sales, issuances and settlements related to the changes in the carrying value of IDB Invest's Level 3 financial instruments that are carried at fair value (USD thousands):

	Year ended December 31, 2023				
	Disbursements/ Purchases	**Repayments/ Sales**	**Issuances**	**Settlements and others**	**Net**
Loans	$ 148,942	$ (6,457)	$ —	$ 1,204	$ 143,689
Debt securities	440,044	(63,972)	—	1,788	377,860
Equity investments	20,774	(1,406)	—	—	19,368
Total level 3 assets at fair value	**$ 609,760**	**$ (71,835)**	**$ —**	**$ 2,992**	**$ 540,917**
Guarantees measured at fair value	—	—	—	—	—
Undisbursed commitments measured at fair value	—	—	—	—	—
Other liability measured at fair value	—	—	(548)	—	(548)
Total level 3 liabilities at fair value	**$ —**	**$ —**	**$ (548)**	**$ —**	**$ (548)**

	Year ended December 31, 2022				
	Disbursements/ Purchases	**Repayments/ Sales**	**Issuances**	**Settlements and others**	**Net**
Loans	$ 145,109	$ (8,207)	$ —	$ 305	$ 137,207
Debt securities	405,750	(31,221)	—	1,380	375,909
Equity investments	2,096	(1,610)	—	—	486
Total level 3 assets at fair value	**$ 552,955**	**$ (41,038)**	**$ —**	**$ 1,685**	**$ 513,602**
Guarantees measured at fair value	—	—	—	—	—
Undisbursed commitments measured at fair value	—	—	—	—	—
Other liability measured at fair value	—	—	(648)	—	(648)
Total level 3 liabilities at fair value	**$ —**	**$ —**	**$ (648)**	**$ —**	**$ (648)**

The following tables present the valuation techniques and significant unobservable inputs for development related investment assets/(liabilities) classified as Level 3 as of December 31, 2023 and December 31, 2022 (USD thousands):

	December 31, 2023				
	Fair value	Valuation technique	Significant unobservable inputs	Range	Weighted average [2]
Loans	$ 405,036	Discounted cash flows	Discount rate	2.9%-23.5%	9.5%
	14,203	Recent transaction price	Transaction price		
	419,239				
Debt securities	1,133,413	Discounted cash flows	Discount rate	3.0%-15.3%	9.4%
	44,171	Recent transaction price	Transaction price		
	7	Others			
	1,177,591				
Equity investments	18,002	Recent transaction price	Transaction price		
	77,723	Discounted cash flows[1]	Discount rate	12.8%-21.0%	16.6%
		Discounted cash flows[1]	Long term growth rate	3.0%-7.0%	4.8%
		Relative Valuation[1]	EV/EBITDA	8.1x-10.0x	9.1x
		Relative Valuation[1]	EV/Revenues	1.1x-4.9x	2.8x
	95,725				
Payables and other liabilities	(4,992)	Others			
	(4,992)				
Total	**$ 1,687,563**				

[1] Equity investments of $77.7 million utilizes multiple valuation techniques, including Discounted Cash Flows and Relative Valuation.
[2] Calculated using the input multiplied by the fair values of the instruments.

	December 31, 2022				
	Fair value	**Valuation technique**	**Significant unobservable inputs**	**Range**	**Weighted average** [2]
Loans	$ 255,918	Discounted cash flows	Discount rate	6.9%-17.5%	9.6%
	26,000	Recent transaction price	Transaction price		
	281,918				
Debt securities	692,608	Discounted cash flows	Discount rate	3.0%-17.0%	9.2%
	42,436	Recent transaction price	Transaction price		
	7	Others			
	735,051				
Equity investments	12,867	Recent transaction price	Transaction price		
	84,967	Discounted cash flows[1]	Discount rate	16.0%-18.3%	17.6%
		Discounted cash flows[1]	Long term growth rate	3.0%-7.0%	5.0%
		Relative valuation[1]	EV/EBITDA	7.5x-12.0x	10.7x
		Relative valuation[1]	EV/Revenues	1.0x-12.8x	6.0x
	97,834				
Payables and other liabilities	(479)	Others			
	(479)				
Total	**$ 1,114,324**				

[1] Equity investments of $85.0 million utilizes multiple valuation techniques, including Discounted Cash Flows and Relative Valuation.
[2] Calculated using the input multiplied by the fair values of the instruments.

11. Non-trading portfolios

IDB Invest's non-trading portfolio includes development related debt investments and borrowings measured at fair value under the FVO as well as the related derivative instruments at fair value. Net gains and losses from changes in fair value on the non-trading portfolios and foreign exchange transactions are as follows (USD thousands):

	Year ended December 31	
	2023	2022
Changes in fair value		
Development related debt investments	$ (7,204)	$ (44,511)
Borrowings	(182,227)	175,093
Derivatives		
Unrealized gain/(loss) on swaps	57,000	(131,467)
Gain/(loss) from changes in fair value, net	**(132,431)**	**(885)**
Foreign exchange transactions		
Development related debt investments	133,376	(9,408)
Borrowings	(102,026)	33,572
Other assets/liabilities	4,777	421
Gain/(loss) from foreign exchange transactions, net	**36,127**	**24,585**
Swap transactions		
Realized gain/(loss) on swaps [1]	**(135,907)**	**17,626**
Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net	**$ (232,211)**	**$ 41,326**

[1] Includes realized swap interest income/(expense), fee income/(expense), termination gain/(loss) and foreign exchange gain/(loss) on cross currency swaps, net.

Changes in fair value due to market risk, and all fair value changes on derivatives, are reported in the income statements whereas changes in the fair value of borrowings resulting from changes in IDB Invest's own credit risk spread are recorded through Other comprehensive income.

12. Contingencies and Leases

In the normal course of business, IDB Invest is from time to time named as a defendant or codefendant in legal actions in different jurisdictions. Although there can be no assurances, based on the information available, IDB Invest's management does not believe the outcome of any of the existing legal actions will have a material adverse effect on IDB Invest's financial position, results of operations, or cash flows.

The impact of the global geopolitical situation has disrupted economic markets and created significant volatility. The operational and financial performance of the companies IDB Invest finances depends on future developments, including the length and severity of the current geopolitical environment. Moreover, the Russian war on Ukraine is a source of concern that continues to evolve. IDB Invest has capital buffers in place to absorb additional stress and credit rating downgrades. Management continues to monitor the developments and to actively manage risks associated with its various portfolios within existing financial policies and limits.

Office Space Leases

IDB Invest has entered into office space leases with the IDB at its headquarters and in its Regional Developing Member Countries that are accounted for as either short-term leases or operating leases. The current lease agreement with the IDB at headquarters expires in 2030. The remaining current lease agreements with the IDB in the Regional Developing Member Countries are generally renewed annually. The lease agreements in Colombia and Panama include renewal options all of which IDB Invest is reasonably certain to exercise for the duration established in the contract. These renewal options extend the lease term for Colombia and Panama to 2024 and 2029, respectively.

Refer to Notes 5 and 8 for additional information related to IDB Invest's operating lease right-of-use assets and operating lease liabilities outstanding as of December 31, 2023 and 2022.

The following table details the lease expenses and quantitative disclosure requirements (USD thousands):

	Year ended December 31	
	2023	2022
Operating leases		
Operating lease expense	$ 7,225	$ 5,447
Total lease expense	**$ 7,225**	**$ 5,447**
Supplemental disclosure:		
Weighted average of lease terms (years)	6.9	7.9
Weighted average discount rate[1]	1.8 %	1.8 %

[1] Discount rate applied for the office space lease at headquarters is based on the IDB multi-currency incremental borrowing rate.

Maturity analysis of operating lease liabilities with the IDB are as follows (USD thousands):

Estimated undiscounted cash flows	December 31, 2023
2024	5,245
2025	5,027
2026	4,985
2027	4,990
2028 - 2030	14,801
Total operating leases	**$ 35,048**
Discount	(2,020)
Operating lease liability	**$ 33,028**

13. Related Party Transactions

IDB Invest provides certain services to the IDB and the IDB provides certain services to IDB Invest pursuant to SLAs, which outline the duration, scope of work, roles and responsibilities, remuneration, and performance metrics of each institution. The services performed under the SLAs are further described below. IDB Invest also has related party relationships with trust funds it administers or IDB administers as described below and has entered into office space leases with the IDB as described in Note 12.

Private Sector Operations

Following the IDB Group private sector and non-sovereign guaranteed reorganization, all new private sector activities are originated by IDB Invest including co-financing arrangements by IDB Invest and the IDB. In co-financing arrangements, IDB Invest and the IDB have separate legal and economic interests in a financing transaction, which may be subject to certain minimum amounts as agreed between IDB Invest and the IDB.

IDB Invest earns revenue from an annual renewable SLA under which IDB Invest provides loan origination, credit risk evaluation and monitoring, and certain loan administration services for the IDB related to its private sector operations including operations that are co-financed by IDB Invest and IDB. IDB Invest also provides certain advisory services to the IDB Group. These amounts are included in Service fees from related parties in the income statements.

Management of External Funds

IDB Invest administers on behalf of other related party entities, which include donors and member countries, funds restricted for specific uses that include the co-financing of certain projects, technical studies for borrowers, project-related studies, and research and training programs. These funds are held in trust by IDB Invest and are not commingled with IDB Invest's funds, nor are they included in the assets of IDB Invest. IDB Invest receives a management fee that is generally a percentage of the funds received. These fees are included in Service fees from related parties in the income statements.

Access to IDB Administered Funds

In addition to the aforementioned funds, IDB Invest provides certain services for trust funds administered by the IDB on behalf of the trust fund donors (the Trust Funds). IDB Invest receives an allocation of the IDB's related Trust Fund fees. Such fees are intended to cover internal and external costs associated with administering the private sector activities for the Trust Funds and related operations over the expected lives of the Trust Funds and the underlying operations. Costs expected to be incurred approximate the allocable fee. The Trust Fund organizational documents provide for either the payment of a lump sum or scheduled payments. The timing of the payments may not correspond to the incurrence of the related costs. IDB Invest also provides certain technical assistance activities for private sector operations on behalf of donor trust funds that are directly funded by IDB Trust Funds. These arrangements are recognized on a cost reimbursement basis and presented gross in Service fees from related parties and Administrative expenses in the income statements.

For the year ended December 31, 2023, IDB Invest received $6.3 million for these services ($3.3 million for the year ended December 31, 2022). As of December 31, 2023, IDB Invest has recorded deferred revenue of $21.0 million related to these services ($17.1 million as of December 31, 2022), which will be recognized as revenue as services are provided. Deferred revenue is presented as a component of Payables and other liabilities in the balance sheets.

Revenue from related party transactions are as follows (USD thousands):

	Year ended December 31	
	2023	2022
SLA revenue	$ 29,402	$ 71,456
Management of external funds revenue	1,808	1,968
IDB administered funds revenue	7,545	7,604
Total	**$ 38,755**	**$ 81,028**

SLA Expenses

IDB Invest purchases various general and administrative services from the IDB under a series of annual renewable SLAs. For the year ended December 31, 2023, IDB Invest incurred expenses of $18.5 million SLA services provided by the IDB ($16.7 million for the year ended December 31, 2022), which are included in Administrative expenses in the income statements. Payables related to these SLA expenses are included in the total Due to IDB, net, of $27.5 million as of December 31, 2023 ($10.2 million as of December 31, 2022). Refer to Note 8 for additional details.

Other Transactions with Related Parties

IDB Invest has a multi-currency credit facility with the IDB up to $300.0 million at the rate in accordance with the IDB's lending rate policy. The tenor of borrowings under this facility shall not exceed twenty years from the disbursement date. This facility permits IDB Invest to supplement resources in local currencies to support its development related investment portfolio through December 31, 2033. As of December 31, 2023, IDB Invest’s total drawdowns from the IDB multi-currency credit facility were $210.3 million and $89.7 million remain undrawn ($209.7 million total drawdowns and $90.3 million undrawn as of December 31, 2022). Refer to Note 6 for additional details.

14. Pension and Postretirement Benefit Plans

Both the IDB and IDB Invest are sponsors of the Pension Plans and PRBP and each employer presents its respective share of these plans using a December 31 measurement date.

Obligations and funded status

IDB Invest uses a December 31 measurement date for the Pension Plans and the PRBP. The following table summarizes IDB Invest's change in projected benefit obligation, change in plan assets, and resulting funded status of the Pension Plans and the PRBP, as well as the assets/(liabilities) recognized in the balance sheets (USD thousands):

	Pension Plans		PRBP	
	2023	2022	2023	2022
Reconciliation of benefit obligation				
Obligation as of January 1	$ (292,781)	$ (426,530)	$ (126,382)	$ (206,493)
Service cost	(13,351)	(26,798)	(5,236)	(9,182)
Interest cost	(14,549)	(11,950)	(6,244)	(5,605)
Participants' contributions	(4,621)	(4,307)	—	—
Net transfers between IDB and IDB Invest	2,965	(131)	753	(32)
Actuarial gains/(losses)	(17,604)	171,710	(8,160)	93,670
Benefits paid	5,128	5,225	1,599	1,276
Retiree Part D subsidy	—	—	(20)	(16)
Obligation as of December 31	**$ (334,813)**	**$ (292,781)**	**$ (143,690)**	**$ (126,382)**
Reconciliation of fair value of plan assets				
Fair value of plan assets as of January 1	257,406	300,352	161,059	188,040
Net transfers between IDB and IDB Invest	(2,965)	131	(753)	32
Actual return on plan assets	25,183	(50,979)	16,314	(30,852)
Benefits paid	(5,128)	(5,225)	(1,599)	(1,276)
Participants' contributions	4,621	4,307	—	—
Employer contributions	9,509	8,820	5,490	5,115
Fair value of plan assets as of December 31	**$ 288,626**	**$ 257,406**	**$ 180,511**	**$ 161,059**
Funded status				
Funded/(Underfunded) status as of December 31	(46,187)	(35,375)	36,821	34,677
Funded/(Underfunded) status as of December 31	**$ (46,187)**	**$ (35,375)**	**$ 36,821**	**$ 34,677**
Amounts recognized in Accumulated other comprehensive income/(loss) consist of:				
Net actuarial (gain)/loss	(33,851)	(49,452)	(27,725)	(34,465)
Prior service (credit)/cost	—	—	(160)	(525)
Net amount recognized as of December 31	**$ (33,851)**	**$ (49,452)**	**(27,885)**	**(34,990)**

As of December 31, 2023, the Pension Plans were underfunded and PRBP funded (the Pension Plans were underfunded and PRBP funded as of December 31, 2022). In 2023 and 2022, the aggregate fair value of the Pension Plans and PRBP's assets were $469.1 million and $418.5 million, respectively, and aggregate projected benefit obligations were $478.5 million and $419.2 million, respectively, contributing to the total Pension Plans and PRBP net liabilities in $9.4 million and $0.7 million, respectively, as of December 31, 2023 and 2022.

The accumulated benefit obligation, which excludes the effect of future salary increases, in comparison to the fair value of the Pension Plans' assets is as follows as of December 31, 2023 and 2022 (USD thousands):

	Pension Plans	
	2023	2022
Accumulated benefit obligation	$ (278,363)	$ (247,556)
Fair value of plan assets	288,626	257,406
Funded/(Underfunded) status	**$ 10,263**	**$ 9,850**

Components of net periodic benefit cost

Pension Plans and PRBP net periodic benefit costs recognized in the income statements consist of the following components (USD thousands):

	Year ended December 31			
	Pension Plans		PRBP	
	2023	2022	2023	2022
Service cost [1]	$ 13,351	$ 26,798	$ 5,236	$ 9,182
Interest cost [3]	14,549	11,950	6,244	5,605
Expected return on plan assets [2][3]	(18,959)	(13,052)	(11,856)	(8,197)
Amortization of: [3]				
Net actuarial (gain)/loss	(4,221)	5,959	(3,038)	1,705
Prior service (credit)/cost	—	—	(365)	(437)
Net periodic benefit cost	**$ 4,720**	**$ 31,655**	**$ (3,779)**	**$ 7,858**

(1) Included in Administrative expenses.
(2) The expected long-term rate of return on plan assets is 6.50% in 2023 and 5.00% in 2022.
(3) Included in Other components of pension benefit costs, net.

Other changes in the Pension Plans and PRBP assets and projected benefit obligations recognized in Other comprehensive income/(loss) consist of the following components (USD thousands):

	Year ended December 31			
	Pension Plans		PRBP	
	2023	2022	2023	2022
Current actuarial (gain)/loss, net	$ 11,380	$ (107,680)	$ 3,702	$ (54,621)
Amortization of:				
Net actuarial gain/(loss)	4,221	(5,959)	3,038	(1,705)
Prior service credit/(cost)	—	—	365	437
Total recognized in other comprehensive (income)/loss	**$ 15,601**	**$ (113,639)**	**$ 7,105**	**$ (55,889)**
Total recognized in Net periodic benefit cost and Other comprehensive (income)/loss	**$ 20,321**	**$ (81,984)**	**$ 3,326**	**$ (48,031)**

Actuarial assumptions

The actuarial assumptions used in the Pension Plans and PRBP valuations are based on financial market interest rates, past experience, and management's best estimate of future benefit changes and economic conditions. Changes in these assumptions will impact future benefit costs and obligations. Actuarial gains and losses occur when actual results are different from expected results. Actuarial gains and losses recognized in Accumulated other comprehensive income/(loss), which exceed 10% of the greater of the benefit obligation or market-related value of the plan assets at the beginning of the period, are amortized to income over the average remaining service period of active participants expected to receive benefits under the Pension Plans and PRBP, which is approximately 10.5 years and 12.0 years, respectively.

Unrecognized prior service credit is amortized over a range of 0.4 years to 2.0 years for the PRBP.

The weighted-average assumptions used to determine the benefit obligation and the net periodic benefit cost were as follows:

	Pension Plans		PRBP	
	2023	**2022**	**2023**	**2022**
Weighted average assumptions used to determine benefit obligation as of December 31				
Discount rate	4.80 %	5.00 %	4.82 %	5.01 %
Inflation rate	2.42 %	2.47 %	2.42 %	2.47 %
Rate of compensation increase	4.24 %	4.26 %		n/a

	Pension Plans		PRBP	
	2023	**2022**	**2023**	**2022**
Weighted average assumptions used to determine net periodic benefit cost for years ended December 31				
Discount rate	5.00 %	2.78 %	5.01 %	2.83 %
Expected long-term rate of return on plan assets	6.50 %	5.00 %	6.50 %	5.00 %
Rate of compensation increase	4.26 %	4.59 %		n/a
Inflation rate	2.47 %	2.55 %	2.47 %	2.55 %

Accumulated and projected benefit obligations are measured as the present value of expected payments. The discount rate used is selected in reference to the year-end yield of AA corporate bonds within the approved Financial Times Stock Exchange Pension Liability Index, with maturities that correspond to the payment of benefits. For the assumed rate of U.S inflation, the IDB and IDB Invest have established a process by which a range of inputs is reviewed, including 20-year forward looking expert opinion forecasts, projections from the U.S. Federal Reserve System for 20-year inflation rates, and historical averages for U.S Consumer Price Index (CPI).

The actuarial losses and actuarial gains related to changes in the Pension Plans' and PRBP benefit obligations for the years ended December 31, 2023 and 2022, respectively, primarily resulted from changes in discount rates and inflation rates.

The long-term expected rate of return on the Pension Plans’ and PRBP investments was determined by surveying industry leading external providers’ capital market assumptions (CMAs), most using a building-block method. Using CMAs as the base, best estimates of expected future nominal rates of return are assigned for each asset class, including expected excess returns over benchmark indices, and netting out investment expenses. The estimated future nominal returns of the asset classes are combined to produce the Pension Plans’ and PRBP long-term expected rates of return. The Pension Plans’ and PRBP strategic asset allocations (target weight to each asset class) are then multiplied by each asset class’s expected future nominal rate of return. Respective volatilities and covariances across asset classes are also incorporated. Then, IDB Invest's approved long-term rate of inflation, that is consistent with the long-term horizon for computing expected returns, is deducted from the nominal expected rates of return.

For participants assumed to retire in the United States, the accumulated postretirement benefit obligation was determined using the following health care cost trend rates as of December 31:

	PRBP	
	2023	**2022**
Health care cost trend rates assumed for next year		
Medical, Non-Medicare	5.50%	4.50%
Medical, Medicare	5.00%	4.50%
Prescription drugs	8.00%	7.50%
Dental	4.50%	4.50%
Rate to which the cost trend rate is assumed to decline (the ultimate trend rate)		
Medical, Non-Medicare	4.50%	4.50%
Medical, Medicare	3.00%	3.00%
Prescription drugs	6.00%	6.00%
Dental	4.50%	4.50%
Year that the rate reaches the ultimate trend rate		
Medical, Non-Medicare	2027	2023
Medical, Medicare	2028	2027
Prescription drugs	2027	2026
Dental	2023	2023

For those participants assumed to retire outside of the United States, a 7.50% health care cost trend rate was used for 2023 (6.00% for 2022), with an ultimate trend rate of 4.50% in 2029.

Pension Plans and PRBP Assets

The assets of the Pension Plans and the PRBP are managed primarily by external investment managers engaged by the IDB who are provided with governing Committee-approved investment guidelines that take into account the Pension Plans and PRBP investment policies. Investment policies with long-term strategic asset allocations have been developed so that there is an expectation of sufficient returns to meet long-term funding needs. The Pension Plans and PRBP assets include both, fully-diversified main Funds, and their low-risk Stabilization Reserve Funds. The main fund investment policies allocate 60% to 70% with a target of 65% of the Pension Plans portfolio to growth-oriented, inflation-hedging assets (the Return Strategies), and 30% to 40% with a target of 35% of assets to nominal and inflation-indexed U.S. fixed income which partially hedge the interest rate of the Pension Plans and PRBP's liabilities, and to protect against disinflation (the Liabilities Strategies). The Stabilization Reserve Funds invest in Liabilities Strategies only, specifically short/intermediate term U.S. fixed income.

The Pension and Managing Committees approve Investment Policy Statements (IPS) and Strategic Asset Allocations (SAA) of the Pension Plan's and PRBP, consistent with the IDB's Risk Appetite (RA) and Long-term Funding (LTF) policies and adopted by IDB Invest.

The IPS SAA target allocations as of December 31, 2023, are as follows:

	Pension Plans	PRBP
Main Funds:		
U.S. equities	19 %	19 %
Non-U.S. equities	12 %	12 %
Emerging markets equities	4 %	4 %
Public real estate	3 %	3 %
Long duration diversified fixed income	21 %	21 %
Core fixed income	4 %	4 %
High yield fixed income	3 %	3 %
U.S. inflation-indexed fixed income	10 %	10 %
Emerging markets fixed income	3 %	3 %
Private real estate	7 %	7 %
Public Infrastructure	3 %	3 %
Private Infrastructure	5 %	5 %
Tactical Asset Allocation	6 %	6 %
Commodity index futures	0 %	0 %
Short-term fixed income funds	0 %	0 %
Stabilization Reserve Fund:		
Core fixed income	50 %	50 %
U.S. inflation-indexed fixed income	30 %	30 %
Short-term fixed income funds	20 %	20 %

Investment and asset class risk is monitored, managed and mitigated by continuous oversight of each asset class level and investment manager, regular rebalancing of assets among asset classes, and compliance with the Pension Plans' and PRBP's investments policies and the Board of Executive Directors' Pension Plans and PRBP-related Policies. Investment managers are generally not allowed to invest more than 5% of their respective portfolios in the securities of a single issuer other than the U.S. Government. The use of derivatives by an investment manager for the Pension Plans and PRBP is limited, and subject to specific approval by the Managing Committees of the Pension Plans and PRBP. Investments are generally rebalanced monthly within IPS targets ranges using cash flows and other transactions.

The assets classes in which the Pension Plans (SRP and CSRP) and PRBP, invest are described below:

- U.S. equities - For the Pension Plans and PRBP, commingled funds that invest, long-only, in U.S. publicly traded common stocks. Managers of the funds replicate or optimize the all capitalization (cap) Russell 3000 Index. For the SRP and PRBP only, approximately 50% of U.S. equities assets are actively managed in separate accounts holding individual stocks.

- Non-U.S. equities - For the Pension Plans and PRBP, commingled funds that invest, long-only, in non-U.S. develop market publicly traded common stocks. Managers of the funds replicate or optimize the large/mid-cap MSCI WORLD EX-USA Index and/or the large/mid-cap MSCI EAFE Index. For the SRP and PRBP only, approximately 60% of non-U.S. equities assets are actively-managed in separate accounts holding individual stocks.

- Emerging markets equities - For the Pension Plans and PRBP, actively managed commingled funds and/or mutual fund that invest, long-only, in emerging markets publicly traded common stocks.

Managers of the funds select securities, based upon fundamental characteristics, which are generally comprised within the large/mid-cap MSCI Emerging Markets Free Index.

- Public real estate - For the SRP and PRBP only, separate accounts which holds, long-only, publicly traded real estate securities. The accounts are actively-managed based upon fundamental characteristics, investing in securities generally comprised within the MSCI U.S. REIT Index.

- Long duration diversified fixed income - For the SRP and PRBP only, long duration fixed income assets are actively managed in separate accounts holding publicly traded individual bonds generally comprised within the Bloomberg Barclays U.S. Long Government/Credit Bond Index. For the CSRP only, actively managed commingled fund and/or mutual fund that invest, long-only, in publicly traded long duration government and credit securities. Managers of the funds select securities, based upon fundamental characteristics, which are generally comprised within the Bloomberg Barclays U.S. Long Government/ Credit Bond Index, as well as opportunistic investments in non-index securities.

- Core fixed income - For the Pension Plans and PRBP, actively managed commingled funds that invest, long-only, in publicly traded intermediate duration government and credit securities. Managers of the funds select securities, based upon fundamental characteristics, which are generally comprised within the Bloomberg Barclays U.S. Aggregate Bond Index, as well as opportunistic investments in non-index securities.

- High yield fixed income - For the SRP only, assets are actively managed in a separate account holding publicly traded individual securities, and for the PRBP only, in an actively managed commingled fund. For both the SRP and PRBP, the investible universe is generally comprised of the securities within the Bloomberg Barclays High Yield 2% Constrained Index, as well as opportunistic investments in publicly traded non-index securities. High yield securities are financial obligations of U.S. companies, rated below investment-grade by at least one of the nationally recognized statistical rating organizations.

- U.S. inflation-indexed fixed income - For the Pension Plans and PRBP, investment in publicly traded individual U.S. Treasury Inflation Protected Securities in accounts managed internally. For the SRP, CSRP and PRBP, replicate or optimize the Bloomberg Barclays U.S. Treasury Inflation Notes 10+ Years Index. For the SRP and PRBP Stabilization Reserve Funds, replicate or optimize the Bloomberg Barclays U.S. Treasury Inflation TIPS 0-5 Years Index.

- Emerging markets fixed income - For the Pension Plans and PRBP, actively managed commingled funds that invest, long-only, in publicly traded emerging markets fixed income. The funds invest in sovereign and sub-sovereign United States dollar- and local-denominated debt. Managers of the funds invest in securities generally comprised within the J.P. Morgan EMBI Global Diversified Index, as well as opportunistic investments in non-index securities.

- Private real estate - For the Pension Plans and PRBP, open-end commingled funds which invest, long-only, in U.S. real estate properties. The funds are actively-managed based upon fundamental characteristics of the properties.

- Public infrastructure - For the CSRP, an enhanced index exchange-traded fund that invests, long-only, in U.S. and developed non-U.S. markets publicly traded common stocks within the infrastructure industries. Managers of the fund selects securities, based upon fundamental characteristics, which are generally comprised within the MSCI World Infrastructure Index. For the SRP and PRBP only, assets are actively managed in a separate account holding publicly traded individual stocks traded in the U.S. and developed non-U.S. markets.

- Private infrastructure - For the SRP and PRBP only, an actively managed, open-end commingled fund which invests, long-only, in U.S. and developed non-U.S. markets private equity within the infrastructure sector.

- Tactical asset allocation - For the SRP and PRBP only, actively managed commingled funds and mutual fund that invest in U.S. and developed markets equities, fixed income, commodities and currencies, investments could shift due to opportunistic behavior within these markets.

- Short-term fixed income funds - Commingled funds that invest, long-only, in publicly traded U.S. Government securities with maturities of less than 18 months. Managers of the funds invest in short-term government securities only, which are benchmarked against the Merrill Lynch 3-month Treasury Bill Index.

Effective December 2015, the IDB Board of Executive Directors (Board) approved and IDB Invest adopted the Long-Term Funding Policy (LTF) for the Pension Plans (SRP and CSRP) and the PRBP that established stable contribution rates of 20% (SRP), 0.71% (CSRP) and 12% (PRBP) of applicable salaries and established the Stabilization Reserve Funds (SRFs) for the SRP and PRBP for IDB Invest and the IDB. The LTF Policy had a five-year initial term.

In July 2019, following a review of the LTF Policy components, the Boards of IDB Invest and the IDB adopted an enhanced version of the LTF policy as part of the ongoing financial policies of the IDB. The enhanced version of the LTF policy removes its sunset period, continues to keep the IDB Invest and IDB contribution rates at a stable level, and establishes a rules based mechanism to guide Management decision making to allocate IDB Invest and IDB contributions when the SR Funds reaches its limits, as well as when the Pension Plans and PRBP reach their fully funded status. IDB Invest contributions made in excess (deficit) of the actuary's determined contribution rate are allocated (withdrawn) to (from) the SR Funds. The approved IPS SAA for the SR Funds is 50% Core fixed income, 20% Short-term fixed income funds and 30% U.S. TIPS.

The following tables set forth the investments of the Pension Plans and PRBP as of December 31, 2023 and 2022, which are measured at fair value and presented together with their weighted average allocation, by level within the fair value hierarchy (in thousands). As required by the fair value measurements accounting framework, these investments are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. Investments in funds that do not have a readily determinable fair value are measured at NAV as a practical expedient and are not classified within the fair value hierarchy (USD thousands).

	Pension Plans			
	December 31, 2023			
	Level 1	**Level 2[1]**	**Fair value measurements**	**Weighted average allocations**
Equity securities				
U.S. equities	$ 22,691	$ 27,470	$ 50,161	17 %
Non-U.S. equities	19,986	11,429	31,415	11 %
Emerging markets equities	5,737	4,643	10,380	4 %
Public real estate equities	7,842	—	7,842	3 %
Public infrastructure equities	10,905	—	10,905	4 %
Government and diversified fixed income and fixed income funds				
Long duration U.S. Government and Agencies fixed income	23,353	938	24,291	8 %
Long duration diversified fixed income	609	28,841	29,450	10 %
Core fixed income	—	23,327	23,327	8 %
Emerging markets fixed income	—	8,388	8,388	3 %
High yield fixed income	—	5,753	5,753	2 %
U.S. inflation-indexed fixed income	33,217	—	33,217	11 %
Tactical asset allocation[2]	8,930	8,411	17,341	6 %
Short-term fixed income funds	426	12,943	13,369	4 %
	$ 133,696	**$ 132,143**	**$ 265,839**	
Investments measured at NAV				
Private real estate fund			17,468	6 %
Private infrastructure fund			8,245	3 %
Total investments			**$ 291,552**	**100 %**
Other liabilities, net [3]			(2,926)	
Total			**$ 288,626**	

(1) Investments in this asset class are made through investment vehicles that may include commingled funds.
(2) Tactical Assets Allocation (TAA) may consist of investment in equities, fixed income and other alternative investments, including currencies and commodities. TAA allocates among asset classes based on the investment managers' assessment of relative value, with the goal of delivering equity-like returns with lower volatility. Some strategies may employ shorting and/or leverage to achieve investment goals. As of December 31, 2023, the total TAA consisted of approximately 49% in equities, 45% in fixed income, and 6% in alternative investment holdings.
(3) Includes receivables and payables carried at amounts that approximate fair value. Mainly payables for investments purchased.

	Pension Plans			
	December 31, 2022			
	Level 1	Level 2[1]	Fair value measurements	Weighted average allocations
Equity securities				
U.S. equities	$ 21,376	$ 24,214	$ 45,590	18 %
Non-U.S. equities	25,497	14,009	39,506	15 %
Emerging markets equities	4,421	4,092	8,513	3 %
Public real estate equities	7,114	—	7,114	3 %
Public infrastructure equities	8,276	—	8,276	3 %
Government and diversified fixed income and fixed income funds				
Long duration U.S. Government and Agencies fixed income	23,649	1,287	24,936	10 %
Long duration diversified fixed income	567	32,790	33,357	13 %
Core fixed income	—	18,707	18,707	7 %
Emerging markets fixed income	—	7,096	7,096	3 %
High yield fixed income	—	4,822	4,822	2 %
U.S. inflation-indexed fixed income	8,338	—	8,338	3 %
Tactical asset allocation[2]	6,357	7,709	14,066	5 %
Short-term fixed income funds	219	14,063	14,282	5 %
	$ 105,814	**$ 128,789**	**$ 234,603**	
Investments measured at NAV				
Private real estate fund			20,052	8 %
Private infrastructure fund			4,924	2 %
Total investments			**$ 259,579**	**100 %**
Other liabilities, net[3]			(2,173)	
Total			**$ 257,406**	

[1] Investments in this asset class are made through investment vehicles that may include commingled funds.
[2] Tactical Assets Allocation (TAA) may consist of investment in equities, fixed income and other alternative investments, including currencies and commodities. TAA allocates among asset classes based on the investment managers' assessment of relative value, with the goal of delivering equity-like returns with lower volatility. Some strategies may employ shorting and/or leverage to achieve investment goals. As of December 31, 2022, the total TAA consisted of approximately 49% in equities, 45% in fixed income, and 6% in alternative investment holdings.
[3] Includes receivables and payables carried at amounts that approximate fair value. Mainly payables for investments purchased.

	PRBP			
	December 31, 2023			
	Level 1	**Level 2[1]**	**Fair value measurements**	**Weighted average allocations**
Equity and equity funds				
U.S. equities	$ 15,092	$ 16,883	$ 31,975	17 %
Non-U.S. equities	12,308	7,470	19,778	11 %
Emerging markets equities	3,314	3,326	6,640	4 %
Public real estate equities	4,832	—	4,832	3 %
Public Infrastructure equities	6,613	—	6,613	4 %
Government and diversified fixed income and fixed income funds				
Long duration U.S. Government and Agencies fixed income	15,311	592	15,903	9 %
Long duration diversified fixed income	—	18,008	18,008	10 %
Core fixed income	—	14,014	14,014	8 %
Emerging markets fixed income	—	5,213	5,213	3 %
High yield fixed income	—	3,618	3,618	2 %
U.S. inflation-indexed fixed income	20,492	—	20,492	11 %
Tactical asset allocation[2]	5,691	5,618	11,309	6 %
Short-term fixed income funds	8,250	164	8,414	4 %
	$ 91,903	**$ 74,906**	**$ 166,809**	
Investments measured at NAV				
Private real estate fund			10,091	5 %
Private infrastructure fund			5,767	3 %
Total investments			**$ 182,667**	**100 %**
Other liabilities, net[3]			(2,156)	
Total			**$ 180,511**	

[1] Investments in this asset class are made through investment vehicles that may include commingled funds.
[2] Tactical Assets Allocation (TAA) may consist of investment in equities, fixed income and other alternative investments, including currencies and commodities. TAA allocates among asset classes based on the investment managers' assessment of relative value, with the goal of delivering equity-like returns with lower volatility. Some strategies may employ shorting and/or leverage to achieve investment goals. As of December 31, 2023, the total TAA consisted of approximately 49% in equities, 45% in fixed income, and 6% in alternative investment holdings.
[3] Includes receivables and payables carried at amounts that approximate fair value. Mainly payables for investments purchased

	PRBP			
	December 31, 2022			
	Level 1	Level 2[1]	Fair value measurements	Weighted average allocations
Equity and equity funds				
U.S. equities	$ 13,516	$ 14,463	$ 27,979	17 %
Non-U.S. equities	16,279	9,173	25,452	16 %
Emerging markets equities	2,399	2,448	4,847	3 %
Public real estate equities	4,459	—	4,459	3 %
Public infrastructure equities	5,042	—	5,042	3 %
Government and diversified fixed income and fixed income funds				
Long duration U.S. Government and Agencies fixed income	15,362	783	16,145	10 %
Long duration diversified fixed income	—	20,683	20,683	13 %
Core fixed income	—	12,439	12,439	8 %
Emerging markets fixed income	—	4,493	4,493	3 %
High yield fixed income	—	3,142	3,142	2 %
U.S. inflation-indexed fixed income	5,297	—	5,297	3 %
Tactical asset allocation[2]	3,734	5,250	8,984	5 %
Short-term fixed income funds	8,458	124	8,582	5 %
	$ 74,546	**$ 72,998**	**$ 147,544**	
Investments measured at NAV				
Private real estate fund			11,549	7 %
Private infrastructure fund			3,713	2 %
Total investments			**$ 162,806**	**100 %**
Other liabilities, net[3]			(1,747)	
Total			**$ 161,059**	

(1) Investments in this asset class are made through investment vehicles that may include commingled funds.
(2) Tactical Assets Allocation (TAA) may consist of investment in equities, fixed income and other alternative investments, including currencies and commodities. TAA allocates among asset classes based on the investment managers' assessment of relative value, with the goal of delivering equity-like returns with lower volatility. Some strategies may employ shorting and/or leverage to achieve investment goals. As of December 31, 2022, the total TAA consisted of approximately 49% in equities, 45% in fixed income, and 6% in alternative investment holdings.
(3) Includes receivables and payables carried at amounts that approximate fair value. Mainly payables for investments purchased.

Investment securities that are measured at fair value based on quoted market prices in active markets, a valuation technique consistent with the market approach, include U.S., non-U.S. infrastructure individual equity holdings, public infrastructure exchange trade funds, fixed income, emerging markets equity and tactical asset allocation mutual funds, U.S. treasury and U.S. inflation-indexed fixed income securities. Such securities are classified within Level 1 of the fair value hierarchy.

Investment securities that are measured at fair value based on quoted market prices for similar assets in active markets, or quoted prices for identical or similar assets in markets that are not active, a valuation technique consistent with the market approach, include corporate, non-U.S. government, high yield and municipal fixed income, and commercial mortgage backed securities. Also included are proprietary investment managers' commingled funds investing in U.S., non-U.S. developed and emerging markets equities, emerging markets fixed income, core and long-duration fixed income funds, and/or short-term fixed income investments. These commingled funds are not publicly traded and are measured at fair value based on the net asset per share, which is determined and published and are the basis for current transactions. Such securities are classified within Level 2 of the fair value hierarchy.

Proprietary investment managers' funds investing in private real estate and infrastructure do not have readily determinable fair values and are measured at the NAV as a practical expedient. Such investments are not classified within the fair value hierarchy.

Contributions

Contributions from IDB Invest to the Pension Plans and the PRBP during 2024 are expected to be approximately $9.9 million and $5.8 million, respectively. All contributions are made in cash.

Estimated future benefit payments

The following table summarizes the benefit payments, which reflect expected future service, as appropriate, expected to be paid in each of the next five years and in the aggregate for the subsequent five years. These amounts are based on the same assumptions used to measure the benefit obligation as of December 31, 2023 (USD thousands).

	Pension Plans	PRBP
Estimated future benefit payments		
2024	$ 6,996	$ 1,952
2025	7,712	2,200
2026	8,583	2,480
2027	9,678	2,852
2028	10,748	3,256
2029-2033	71,754	23,535

15. Subsequent Events

Management has evaluated subsequent events through February 20, 2024, which is the date the financial statements were issued. Management determined that there were no subsequent events that require disclosure under ASC Topic 855, *Subsequent Events.*