IDB | Invest

2024 INFORMATION STATEMENT

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Information Statement

Inter-American Investment Corporation

The Inter-American Investment Corporation (IDB Invest) intends from time to time to issue its debt securities with maturities and on terms based on market conditions at the time of sale. The debt securities may be sold to dealers or underwriters, who may resell them in public offerings or otherwise, or they may be sold by IDB Invest directly or through agents. The terms, conditions and other details of debt securities being offered at any particular time will be set forth in a prospectus and various incorporated or supplemental documents thereto. Unless otherwise stated, all information in this annual Information Statement is provided as of March 4, 2025, and all amounts are expressed in United States dollars.

AVAILABILITY OF INFORMATION

IDB Invest will provide, upon request, copies of this Information Statement without charge. Written or e-mail requests should be directed to the principal office of IDB Invest at 1350 New York Avenue, N.W., Washington, D.C. 20577, Attention: fnatrs-funding@idbinvest.org.

The Information Statement is also available on the IDB Invest's website at https://www.idbinvest.org/en/investors. Other documents and information on this website are not intended to be incorporated by reference in this Information Statement.

Recipients of this Information Statement should retain it for future reference, since it is intended that each prospectus and any supplemental Information Statement issued after the date hereof will refer to this Information Statement for a description of IDB Invest and its financial condition, until a subsequent Information Statement is issued.

March 4, 2025

I. Management Discussion & Analysis

Executive Summary

IDB Invest is an international organization established in 1986 pursuant to the Agreement Establishing the Inter-American Investment Corporation (the Establishing Agreement) and began operations in 1989. The headquarters of IDB Invest are located in Washington, DC, and it has operations in Latin America and the Caribbean (the Region). It is a legally separate and distinct member of the Inter-American Development Bank Group (the IDB Group or IDBG), which also includes the Inter-American Development Bank (the IDB) and the Multilateral Investment Fund (commercially known as IDB Lab). IDB Invest has a separate governance structure, including a separate Board of Governors, Board of Executive Directors[1], Management and staff. IDB Invest is owned by its member countries, which include 26 regional developing countries in Latin America and the Caribbean (the Regional Developing Member Countries) 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 sector projects in the Region that do not benefit from a sovereign guarantee and that aim to bolster competitiveness, inclusive economic growth and sustainable practices.

Since the Private Sector Reform in 2016[2], IDB Invest manages all private sector operational and administrative functions for the IDB Group to better serve and maximize development impact for clients and partners in the Region.

In alignment with IDB Invest’s mandate to serve the private sector, IDB Invest has continued to grow its development-related investment portfolio in the Region. Through its range of financial products and advisory services, IDB Invest navigates new and ongoing challenges in the global outlook. Poverty and inequality have increased in recent years, contributing to escalating demands for economic opportunity across the Region. The average higher interest rate environment compared to the prior year, fluctuations in commodity prices, extreme weather events and ongoing geopolitical tensions have caused economic disruption in the Region. These complex challenges have affected the economic performance of countries in the Region in varied manners.

Performance Summary

Basis of Preparation of IDB Invest's Financial Statements

IDB Invest's financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP). IDB Invest's accounting policies are discussed in more detail in Critical Accounting Estimates and in Note B to IDB Invest's financial statements.

Financial Performance

For the year-ended December 31, 2024, IDB Invest's net income was $273.7 million, $109.8 million higher, compared to net income of $163.9 million for the year-ended December 31, 2023, driven by the growth of the institution and its earning assets, supported by an environment of generally higher average interest rates compared to the prior year, despite the uncertainties surrounding the geopolitical landscape. IDB Invest's financial results remain strong and consistent with the growth of the institution and the portfolio.

Development-Related Investments

IDB Invest's development-related investment portfolio is comprised of loans, guarantees, debt securities and equity investments and is diversified across countries and industries in the Region. As of December 31, 2024, gross development-related investments (excluding guarantees) totaled $8.4 billion, of which loans, debt securities and equity investments represented 78.4%, 17.7% and 3.9%, respectively. Refer to Tables 1 and 2 for details related to IDB Invest's development-related investments by sector and country.

[1] References to the Board of Executive Directors refers to the IDB Invest Board of Executive Directors unless otherwise explicitly mentioned.
[2] On March 30, 2015, the Boards of Governors of IDB Invest and the IDB approved the transfer to IDB Invest, effective on January 1, 2016, of all operational and administrative functions associated with the IDB private sector and non-sovereign guaranteed activities.

Treasury Operations

IDB Invest’s liquid assets portfolio is comprised of cash and investment securities substantially invested in highly rated securities. This portfolio is managed in accordance with its Liquidity Policy, Strategic Asset Allocation Framework, and investment guidelines. Additional details are included in the Treasury Management and Risk Management sections. As of December 31, 2024, the fair value of IDB Invest's liquid assets portfolio totaled $3.8 billion and is in compliance with policy limits.

IDB Invest raises funds primarily through the issuance of debt securities in the international capital markets and diversifies its funding sources by borrowing in different currencies, maturities, formats and structures, while maintaining a borrowing facility with the IDB. As of December 31, 2024, IDB Invest's outstanding borrowings, including fair value adjustments, totaled $8.3 billion. IDB Invest also enters into interest rate and currency swaps to convert the proceeds of borrowing transactions mostly into USD floating rate obligations.

Total Capital

IDB Invest is in its ninth consecutive year with positive results, accumulating $913.0 million in retained earnings since the Private Sector Reform. As of December 31, 2024, IDB Invest's total capital totaled $3.7 billion. As part of its Financial Risk Framework approved by the Board of Executive Directors, IDB Invest maintains a Capital Adequacy Policy to estimate capital needs to fulfill its mandate and determine overall lending capacity.

Risk Management

IDB Invest operates under a robust Financial Risk Framework, Sustainability Framework and Integrity Framework designed to enable the prudent management of financial and non-financial risks and operational matters arising from its business activities. Effective risk management is critical to maintain IDB Invest's financial sustainability and achieve development impact.

International Credit Rating Agencies

As of December 31, 2024, IDB Invest's credit rating has been affirmed AAA/Aa1/AA+ (Fitch/Moody's/S&P).

The above information is qualified by the additional information and financial statements appearing elsewhere in this Information Statement. In addition, the Information Statement contains forward-looking information, which may be identified by such terms as "believes", "expects", and "intends", or words of similar meaning. Such statements involve a number of assumptions and estimates that are based on current expectations, which are subject to risks and uncertainties. Consequently, actual future results could differ materially from those currently anticipated. IDB Invest undertakes no obligation to update any forward-looking statements.

Unless otherwise indicated, all information disclosed in this Information Statement refers to IDB Invest only.

Development Operations

Strategy

The New Vision and Business Model for IDB Invest[3] (IDB Invest+), is guided by the IDB Group Institutional Strategy and is implemented through its Business Plan.

At the 2024 Annual Meeting, the Boards of Governors of IDB Invest and the IDB approved the current IDB Group Institutional Strategy, *Transforming for Scale and Impact*. It sets the IDB Group's strategic direction through 2030 and renews its mission to be the partner of choice for the Region. The IDB Group Institutional Strategy focuses on three core priorities: to reduce poverty and inequality, address climate change and bolster sustainable regional growth. Further, the IDB Group Institutional Strategy is accompanied by an Impact Framework, which tracks the IDB Group's contribution to the Region's development and assesses its operational and organizational performance.

In addition to the IDB Group Institutional Strategy, IDB Invest's Board of Governors also approved the resolution for the implementation of IDB Invest+, along with a capital increase of $3.5 billion. IDB Invest+ sets the organization's long-term strategic direction and new business model. Under the new business model, effective in 2025, IDB Invest will transition from a traditional buy-and-hold model to an originate-to-share model. IDB Invest+ places mobilization and development impact at the center of each investment decision. The implementation of the new business model considers a gradual increase in operations, in line with capital payments, planning to achieve its peak and sustainable lending levels in 2032.

To advance timely on the implementation of IDB Invest+, IDB Invest's Board of Directors approved a one-time Pivot Year Budget in June 2024 for the first phase of the implementation work plan. Key activities include a workforce growth plan, enhanced impact management framework plan, risk management framework update, and information technology systems assessment roadmap.

IDB Invest's strategic framework is implemented through its Business Plan. The Business Plan is updated on a triennial basis and establishes the areas of focus and performance indicators in alignment with IDB Invest+ and the IDB Group Institutional Strategy. In addition to the Business Plan, IDB Invest prepares an annual Business Plan update following the first year of the Business Plan cycle to validate institutional priorities, present financial projections and confirm the plan of operations, risk parameters and funding authorization for the coming year. In December 2024, the Board of Executive Directors approved the 2025-2027 Business Plan to implement IDB Invest+.

[3] The New Vision and Business Model for IDB Invest can be found in the Strategy Section within the Institutional Information at https://idbinvest.org/en/how-we-work/institutional-information

Integrated Development-Related Investment Cycle

IDB Invest's development-related investment cycle consists of two main phases, (i) the origination phase and (ii) the supervision phase. IDB Invest's Impact Management Framework and Environmental, Social and Corporate Governance (ESG) requirements are integrated throughout the investment cycle.

Figure 1. Integrated Development-Related Investment Cycle.

Origination Phase

The first phase in IDB Invest's integrated development-related investment cycle is the origination phase. The origination phase includes business development, client engagement, approval and the closing/commitment/ first disbursement stages. The business development and client engagement stages involve the identification of eligible clients and projects consistent with IDB Invest's Strategic Selectivity Scorecard. This Scorecard enables IDB Invest to steer origination towards development priority areas identified through the country strategy process, as well as other corporate priorities.

In the path to approval, the investment team, which includes investment officers, credit analysts, development effectiveness experts, ESG experts, and lawyers, performs due diligence. The due diligence phase includes structuring, conducting an ex-ante impact assessment using the Development Effectiveness Learning, Tracking, and Assessment (DELTA) Impact Rating System and analyzing risks in preparation for approval. The DELTA is part of the Impact Management Framework[4] which allows IDB Invest to maximize development impact and contribute to reaching the United Nation's Sustainable Development Goals (SDGs)[5] in the Region. The DELTA score together with the Financial Contribution Rating are key decision-making factors in IDB

[4] IDB Invest's Impact Management Framework is fully aligned with leading global initiatives, such as the Operating Principles for Impact Management, the OECD-UNDP Impact Standards for Financing Sustainable Development, and the Impact Management Project's five dimensions of impact. For more information see www.idbinvest.org/impact and https://idbinvest.org/en/how-we-work/development-effectiveness (Refer to annual disclosures and independent verification of IDB Invest's alignment with the Operating Principles for Impact Management).
[5] The SDGs are utilized as a set of universal goals to combat the urgent environmental, social and economic challenges facing our world.

Invest's portfolio approach. The Financial Contribution Rating assesses each development-related investment's contribution to IDB Invest's long-term financial sustainability based on the risk-adjusted return on capital (RAROC). Proposed investments must meet certain impact and financial rating thresholds, with decreasing financial contribution requirements for highly impactful development-related investments. The Board of Executive Directors approves each development-related investment, with certain exceptions where this authority has been delegated to Management.

After approval, the investment team proceeds to the closing stage, at which the signing of the financial documents occurs. The origination phase ends with the development-related investment's first disbursement, which is subject to the fulfillment of conditions set forth in the financial documents.

Supervision Phase

The second phase in IDB Invest's integrated development-related investment cycle is the supervision phase. This phase includes client supervision and, if applicable, recovery stage, as well as the ex-post evaluation. During supervision, IDB Invest closely monitors projects to identify events and circumstances that could adversely affect performance and to take corrective action proactively. This includes tracking compliance with financial covenants and ESG requirements. The DELTA score is also used during the supervision phase to track and measure progress against the achievement of impact targets set at approval, including the investment's contribution to specific SDG targets, and to identify areas where clients may need additional support to reach development objectives. The DELTA score assigned at origination is updated annually based on the investment's ongoing performance.

A strong presence in the Region allows IDB Invest to closely supervise development-related investments through site visits. Quarterly portfolio reviews by the Portfolio Supervision Committee provide ongoing oversight of IDB Invest's portfolio and include in-depth discussions of country and industry sector exposures and developments, distressed assets and impact performance. Upon maturity or exit of each development-related investment, IDB Invest conducts a final evaluation. This evaluation compares the expected and actual impact of each investment through a systematic assessment of its relevance, efficiency, effectiveness and sustainability. It also captures the main lessons learned, which are then fed back into the design of new development-related investments. The final performance rating of each evaluation is validated by the IDB Group's independent Office of Evaluation and Oversight (OVE), and aggregate performance results are published annually in the IDB Group's Development Effectiveness Overview (DEO)[6].

Financial and Non-Financial Products

Through its development operations, IDB Invest provides financial and blended finance products in the form of loans, guarantees, debt securities and equity investments. To further amplify its impact, IDB Invest mobilizes financing from other investors through loan participations, loan syndications and other co-financing arrangements, unfunded participations, and guarantees of debt instruments. To complement and enhance the impact of its development operations, IDB Invest also provides non-financial products, including advisory services, capacity building and knowledge, along with leading ESG and risk management solutions to its clients. The objectives of all these products are to increase micro, small and medium-sized enterprises (MSMEs) access to finance, promote infrastructure for development, support innovation and technological development, enhance the provision of basic goods and services and foster green growth while supporting the cross-cutting priorities of inclusion, climate action and digital transformation.

Financial Products

Loans

IDB Invest offers loans at market-based rates, in U.S. dollars (USD) or selected local currencies, with tenors in line with the client's objectives. The terms are flexible terms, and the conditions based on the client's needs and/or investment requirements.

[6] IDB Group's Development Effectiveness Overview 2024 is available at https://publications.iadb.org/en/development-effectiveness-overview-deo-2024

Debt Securities

IDB Invest subscribes bonds, notes and other debt securities issued by clients. In recent years, IDB Invest has developed a strong market position supporting clients issuing thematic bonds (e.g., green, social and sustainable).

Guarantees

IDB Invest issues guarantees under different structures to enable its clients to finance projects, obtain access to trade finance or capital markets or enhance the working capital of their supply chains. IDB Invest also offers risk-sharing facilities or loss-sharing arrangements, which allow clients to reduce risks while expanding their products and services.

Equity and Mezzanine

IDB Invest provides equity and mezzanine investments to support companies in scaling up their operations. These investments may include loans with income participation or conversion features, subordinated loans, preferred and common equity, warrants and interests in limited partnerships or similar entities. In addition, through participation on the board of directors of certain investee companies and through advisory mandates, IDB Invest can add value to investee companies, most notably by strengthening ESG standards and by crowding in additional investors.

Trade and Supply Chain Finance (TSCF)

IDB Invest's supply chain products address the needs of buyers and sellers in the Region by offering a set of efficient, reliable and comprehensive financial solutions for every stage of a client's value chain, supporting the client's local and international trade activities. The product offering includes accounts payable financing (reverse factoring), accounts receivable finance (factoring), pre-export finance, import and export finance, stand-by letters of credit (SBLC) and trade-related working capital liquidity lines.

Additionally, through its Trade Finance Facilitation Program (TFFP), IDB Invest promotes international trade with two main products: (i) credit guarantees issued in favor of confirming banks to cover the commercial and political risks they assume on accepting eligible trade instruments issued by issuing banks in the Region; and (ii) loans to borrowers in the Region to finance their international trade portfolio, for which IDB Invest may also mobilize third-party capital.

Blended Finance

Blended Finance refers to the use of concessional financing for high impact development-related investments where risks are too high for commercial finance alone. This product provides financial flexibility as it allows for multiple types of interventions, ranging from performance grants, equity, debt and risk mitigation instruments. IDB Invest also offers advice and investment management solutions to providers and recipients of concessional finance and is the main conduit of concessional resources in the Region.

Mobilization

IDB Invest has extensive experience connecting clients and investors to suit different time horizons, sector priorities, risk appetite levels and return expectations. IDB Invest works with a range of market players – international commercial banks, regional commercial banks, institutional investors, such as insurance companies and pension funds, impact investors and sovereign wealth funds – to mobilize financing in the form of loan participations, co-financing arrangements (parallel loans, equity investments, capital market issuances, and guarantees of debt instruments), unfunded participations (purchased credit insurance and unfunded risk participations). IDB Invest may also structure its transactions to include B Bonds[7] and portfolio risk transfers (securitizations) to cater to institutional investors. Through its mobilization efforts, IDB Invest provides clients access to larger financing packages.

[7] IDB Invest's B-Bond product is a financial instrument designed to mobilize private sector investments. Its structure allows IDB Invest to act as an anchor investor, providing a portion of the financing, while attracting additional private sector investors to participate in the bond issuance.

Non-Financial Products

IDB Invest's value proposition is to offer clients a combination of financial and non-financial products. Non-financial products include advisory services, knowledge and capacity building based on the following topics:

Corporate Governance

IDB Invest works with clients to strengthen corporate governance practices that address sustainability challenges, bolster impact and offer climate strategies across its sectors. IDB Invest seeks to provide tailored corporate governance advisory services for (i) companies to prepare for private and public offerings, (ii) family-owned businesses to navigate generational transitions, (iii) mid-size financial institutions to enhance compliance and controls, and (iv) state-owned enterprises to manage large projects and minimize political influence.

Climate Change Mitigation and Adaptation

IDB Invest works with clients to implement climate change mitigation and decarbonization strategies and deploys adaptation measures. IDB Invest supports decarbonization solutions across its sectors leveraging from incremental technological innovations to accelerate deployment combined with an aim to integrate social components to achieve climate goals. In parallel, IDB Invest seeks to mitigate investment risk arising from climate change by incorporating resiliency measures across its financial products. Further, within the financial institutions sector, IDB Invest advises clients in using carbon portfolio analytics tools to direct financial flows towards climate and green investments and to transition from carbon intensive sectors. These strategies and measures increase resiliency for our clients and offer risk mitigation benefits to IDB Invest's development-related investment portfolio.

Gender, Diversity and Inclusion

IDB Invest works with clients to narrow gender, diversity and inclusion gaps and to find new business opportunities. IDB Invest supports clients in their human capital strategy to attract and retain the best talent and advises clients on their market strategy to identify potential opportunities and segments both within their client base and throughout their value chain. IDB Invest conducts specific risk assessments to prevent vulnerable or disadvantaged groups from being disproportionately affected by project-related adverse impacts or being at a disadvantage when accessing project benefits. IDB Invest guides clients to mitigate those risks and avoid discrimination in relation to local communities and among workers.

Digital Transformation

IDB Invest works with its clients to integrate digital solutions and services with cross-cutting themes that are scalable to improve private sector productivity and accelerate economic recovery.

Impact Measurement and Management

IDB Invest works with clients and co-investors to build their capacity to measure, manage, and report on the social and environmental impact of their operations. In the early stages of an investment, IDB Invest works with clients to assess the effectiveness of innovative products, services, or approaches with development impact prior to scaling up. Thereafter, IDB Invest provides technical support in a variety of areas such as defining impact metrics, developing impact monitoring systems, creating standardized data collection tools, measuring SDG contributions, analyzing impact data, and carrying out rigorous impact evaluations or studies. In addition, IDB Invest engages with strategic counterparts, such as bank associations or chambers of commerce, to build impact management capacities and maximize the opportunities to achieve systemic impact.

Development-Related Investments by Sector, Industry & Country

IDB Invest has specific limits for concentrations, and it monitors its development-related investments for credit performance, market risk and any potential related effects of sector or geographic concentrations.

Table 1. Development-related investments at cost by sector and industry (in USD thousands).

	December 31, 2024				December 31, 2023			
	Loans	Debt securities	Equity investments	Total	Loans	Debt securities	Equity investments	Total
Sector and Industry								
Financial Institutions	$2,467,320	$ 681,487	$ 16,203	**$3,165,010**	$2,324,044	$ 664,762	$ —	**$2,988,806**
Investment Funds	20,000	34,772	206,690	**261,462**	26,350	56,792	172,799	**255,941**
Financial Intermediaries	**2,487,320**	**716,259**	**222,893**	**3,426,472**	**2,350,394**	**721,554**	**172,799**	**3,244,747**
Energy	1,169,222	468,819	—	**1,638,041**	1,315,662	340,652	1,000	**1,657,314**
Transport	631,219	193,258	—	**824,477**	450,579	207,820	—	**658,399**
Water and Sanitation	293,604	—	—	**293,604**	275,981	—	—	**275,981**
Social Infrastructure	92,057	—	19,600	**111,657**	71,764	—	19,600	**91,364**
Infrastructure & Energy	**2,186,102**	**662,077**	**19,600**	**2,867,779**	**2,113,986**	**548,472**	**20,600**	**2,683,058**
Manufacturing	866,901	132,336	27,231	**1,026,468**	752,753	80,233	27,231	**860,217**
Agribusiness	620,988	—	6,700	**627,688**	818,726	9,135	6,700	**834,561**
Digital Economy	336,844	34,200	93,564	**464,608**	413,359	38,666	87,383	**539,408**
Tourism	160,070	—	—	**160,070**	127,679	—	—	**127,679**
Corporates	**1,984,803**	**166,536**	**127,495**	**2,278,834**	**2,112,517**	**128,034**	**121,314**	**2,361,865**
Total at cost	**$6,658,225**	**$1,544,872**	**$ 369,988**	**$8,573,085**	**$6,576,897**	**$1,398,060**	**$ 314,713**	**$8,289,670**

Table 2. Development-related investments at cost by country (in USD thousands).

	December 31, 2024				December 31, 2023			
	Loans	Debt securities	Equity investments	Total	Loans	Debt securities	Equity investments	Total
Country								
Brazil	$1,016,447	$ 186,045	$ 68,587	**$1,271,079**	$ 993,145	$ 169,691	$ 65,788	**$1,228,624**
Chile	725,289	456,429	—	**1,181,718**	816,276	327,750	—	**1,144,026**
Colombia	475,494	316,628	26,329	**818,451**	505,193	306,055	17,627	**828,875**
Mexico	614,848	67,706	27,240	**709,794**	640,540	76,504	28,917	**745,961**
Regional (1)	413,964	32,700	205,401	**652,065**	421,665	42,500	176,153	**640,318**
Peru	521,776	63,907	31,703	**617,386**	565,568	64,618	15,500	**645,686**
Dominican Republic	454,282	14,789	—	**469,071**	333,894	—	—	**333,894**
Ecuador	293,325	125,446	—	**418,771**	270,995	120,228	—	**391,223**
Guatemala	317,055	57,027	—	**374,082**	305,499	31,351	—	**336,850**
Paraguay	282,996	65,632	—	**348,628**	242,151	69,665	—	**311,816**
El Salvador	285,216	34,622	—	**319,838**	304,148	22,185	—	**326,333**
Panama	308,242	—	—	**308,242**	307,506	50,000	—	**357,506**
Uruguay	260,392	27,389	10,728	**298,509**	201,188	37,038	10,728	**248,954**
Costa Rica	105,302	70,000	—	**175,302**	104,409	45,000	—	**149,409**
Argentina	148,069	—	—	**148,069**	128,624	—	—	**128,624**
Trinidad and Tobago	89,505	26,552	—	**116,057**	133,578	35,475	—	**169,053**
Honduras	105,704	—	—	**105,704**	104,596	—	—	**104,596**
Nicaragua	56,445	—	—	**56,445**	42,404	—	—	**42,404**
Barbados	45,750	—	—	**45,750**	47,500	—	—	**47,500**
Jamaica	33,657	—	—	**33,657**	4,444	—	—	**4,444**
Guyana	32,613	—	—	**32,613**	22,919	—	—	**22,919**
Belize	26,004	—	—	**26,004**	35,378	—	—	**35,378**
Haiti	23,415	—	—	**23,415**	23,484	—	—	**23,484**
Bolivia	13,051	—	—	**13,051**	15,295	—	—	**15,295**
Suriname	9,384	—	—	**9,384**	6,498	—	—	**6,498**
Bahamas	—	—	—	**—**	—	—	—	**—**
Total at cost	**$6,658,225**	**$1,544,872**	**$ 369,988**	**$8,573,085**	**$6,576,897**	**$1,398,060**	**$ 314,713**	**$8,289,670**

(1) Represents investments with operations in multiple countries.

Operational Highlights

IDB Invest originates new private sector investments and supervises the entire private sector investment portfolio and activities for IDB Invest and the IDB. Amounts presented in this section refer to the combined portfolio of IDB Invest and IDB private sector activities, where indicated, excluding private sector activities from IDB Lab.

Combined Commitments

A commitment generally occurs when the legal documentation has been signed by the client and IDB Invest and conditions for commitment, if any, have been met. The combined commitments in Table 3 presents commitments for the private sector investment portfolio and activities of IDB Invest and the IDB.

Table 3. Combined commitments (in USD millions).

	Year ended December 31	
	2024	**2023**
Combined commitments		
Short-term [1]	$ 4,021	$ 3,898
Long-term	2,442	2,793
Total combined commitments [2]	**$ 6,463**	**$ 6,691**

[1] Short-term relates to TSCF products with a tenor of less than one year.

[2] Includes commitments related to revolving TSCF products based upon the usage of funds.

Mobilization

Table 4. Mobilization (in USD millions).

	Year ended December 31	
	2024	**2023**
Short-term mobilization		
Loan participations	$ 428	$ 493
Co-financing arrangements	14	—
Unfunded participations [1]	947	930
Total short-term mobilization	**1,389**	**1,423**
Long-term mobilization		
Loan participations [1]	2,347	2,778
Co-financing arrangements	616	771
Unfunded participations [1]	410	408
Portfolio risk transfers [2]	250	—
Total long-term mobilization	**3,623**	**3,957**
Total mobilization	**$ 5,012**	**$ 5,380**

[1] As of December 31, 2024, $114.8 million and $1.4 billion, from A loan participations and unfunded participations, respectively, ($46.0 million and $1.3 billion as of December 31, 2023) were also included in Total combined commitments presented in Table 3.

[2] Includes $150 million of capital savings as of December 31, 2024.

Assets under Management

Total assets under management comprises all private sector development-related investments and activities of the IDB Group including donor funds administered by IDB Invest and the IDB. Assets under management for the years ended December 31, 2024 and 2023 are presented in Table 5.

Table 5. Assets under Management (in USD millions).

	Year ended December 31	
	2024	**2023**
IDB Invest's development-related portfolio [1]	$ 9,054	$ 8,807
IDB's private sector development-related portfolio [1]	3,426	4,289
IDBG private sector donor funds portfolio [1]	758	829
IDB Invest's managed participation arrangements [2]	6,702	5,212
Total undisbursed commitments for IDB Invest and IDB private sector	1,632	1,892
Total assets under management	**$ 21,572**	**$ 21,029**

[1] Includes development-related loans, guarantees, debt securities and equity investments at cost. Guarantees provided by the IDBG managed donor funds may cover IDBG's own account exposure.

[2] Includes A loans, B loans and B bonds.

Financial Highlights

Selected Financial Data

The following information is based upon and should be read in conjunction with the detailed information appearing in this Information Statement.

Table 6. Selected Financial Data (in USD thousands).

	Years ended December 31				
Income Statement Data	**2020**	**2021**	**2022**	**2023**	**2024**
Development-related investments income	$ 187,185	$ 257,194	$ 333,974	$ 512,197	$ 604,786
(Provision)/release of provision for credit losses	(111,756)	(5,707)	(64,413)	14,976	5,004
Total other income	94,929	92,199	97,484	75,537	64,068
Borrowings expense	(47,957)	(62,896)	(117,529)	(242,484)	(311,229)
Total other expenses	(153,175)	(172,455)	(180,868)	(162,658)	(177,934)
Liquid assets portfolio income/(loss)	22,310	8,196	(5,384)	198,577	172,011
Non-trading portfolio gain/(loss)	15,352	14,394	41,326	(232,211)	(83,005)
Net income	6,888	130,925	104,590	163,934	273,701
Balance Sheet Data					
Total assets	$ 6,424,312	$ 7,551,424	$ 9,401,218	$ 11,328,234	$ 12,800,607
Liquid assets	2,120,628	1,957,960	2,586,159	2,618,396	3,834,743
Development-related investments	4,357,987	5,585,633	6,456,043	8,223,626	8,433,442
Allowance for credit losses	(181,098)	(201,803)	(248,865)	(231,516)	(203,692)
Total liabilities	4,316,098	5,076,650	6,436,856	8,098,345	9,105,139
Borrowings	3,908,457	4,612,629	5,784,297	7,305,544	8,301,395
Total capital	2,108,214	2,474,774	2,964,362	3,229,889	3,695,468
Ratios					
Return on average assets (ROA)	0.1 %	1.9 %	1.2 %	1.6 %	2.3 %
Return on average equity (ROE)	0.3 %	5.7 %	3.8 %	5.3 %	7.9 %
Leverage ratio	1.9	1.9	2.0	2.4	2.4
Total assets to equity	3.0	3.1	3.2	3.5	3.5
Liquidity to total assets	33.0 %	25.9 %	27.5 %	23.1 %	30.0 %
Allowance for credit losses to development-related debt investments	4.8 %	4.3 %	4.9 %	3.7 %	3.2 %

Definitions:

ROA: Net income annualized for the previous twelve months divided by the average of current and previous year's Total assets.

ROE: Net income annualized for the previous twelve months divided by the average of current and previous year's Total capital.

Leverage ratio: Borrowings plus Guarantees issued divided by Total capital (Expressed in units).

Total assets to Equity: Total assets divided by Total capital.

Liquidity to total assets: Liquid assets divided by Total assets.

Allowance for credit losses to development-related investments: Allowance for credit losses divided by development-related loans and debt securities at amortized cost.

Financial Results

In 2024, IDB Invest marked its ninth consecutive year with positive results since the IDB Group Private Sector Reform. Net income totaled $273.7 million in 2024, an increase of $109.8 million compared to $163.9 million in 2023. Financial results remain strong and in line with the growth of the institution and its earning assets, supported by an environment of generally higher average interest rates compared to the prior year, despite the uncertainties surrounding the geopolitical landscape.

Development-Related Investments Income

Total income from development-related investments, net of provision for credit losses, totaled $609.8 million in 2024, an increase of $82.6 million compared to $527.2 million in 2023. This growth was mainly due to an increase of $95.5 million in Interest and other income, net, from development-related investments. This increase resulted from higher Interest and other income, net, on development-related debt investments (includes loans and debt securities) on a higher average outstanding portfolio in an environment of generally higher average interest rates, compared to the prior year. This increase was partially offset by an increase of $2.9 million in Losses on equity investments attributed to portfolio growth and individual equity performance. Further, the increase of $10.0 million in the provision for credit losses is mainly driven by the impact of new transactions added to the portfolio, which were partially offset by improvements in macroeconomic and credit conditions compared to 2023.

Treasury Operations and Other Income

Total income from development-related investments, liquid assets and other income, net of borrowings expense[8], totaled $534.6 million in 2024, a decrease of $24.2 million as compared to $558.8 million in 2023. This decrease after the aforementioned Income from development-related investments, net, was primarily attributable to treasury operations. Specifically, it was driven by a decrease of $26.6 million in Income from liquid assets, net, related to Loss from changes in fair value and foreign exchange transactions, net, and an increase of $68.7 million in Borrowings expense driven by a 19.4% higher average borrowings outstanding portfolio in an environment of generally higher average interest rates compared to the prior year to finance development-related investments in the Region.

Other income totaled $64.1 million in 2024, a decrease of $11.5 million as compared to $75.5 million in 2023. This reduction was mainly driven by a decrease of $11.3 million in Mobilization fees and other income as well as a decrease of $0.2 million in Service fees from related parties. These factors collectively explain the decrease of $24.2 million in Total income/(expense) from development-related investments, liquid assets and other income, net of borrowings expense as compared to the prior year.

Other Expenses

Total other expenses totaled $177.9 million in 2024, an increase of $15.3 million as compared to $162.7 million in 2023. This increase was mainly due to higher workforce and non-workforce related costs aligned with IDB Invest's key priority areas outlined in the 2024 Business Plan approved by the Board of Executive Directors, as well as higher total pension expenses.

In 2024, IDB Invest continued to strengthen its operational capacity scaling up its financial and non-financial product offerings amid dynamic economic, financial and operational environments. Simultaneously, the organization initiated the development of enhanced information technology systems and revamped processes aimed to improve efficiency and enable scalability in preparation for the implementation of its new business model.

Non-trading Portfolio

Losses from changes in fair value on non-trading portfolios and foreign exchange transactions, net, totaled $83.0 million in 2024, a decrease of $149.2 million as compared to losses of $232.2 million in 2023. This improvement was primarily due to an increase in fair value gains of $252.8 million, driven by movements in cross currency swap discount rates. These gains were partially offset by an increase in foreign exchange losses of $84.4 million and an increase in realized loss on swaps of $19.2 million. Refer to Notes B and K of the Financial Statements for additional information related to the non-trading portfolio.

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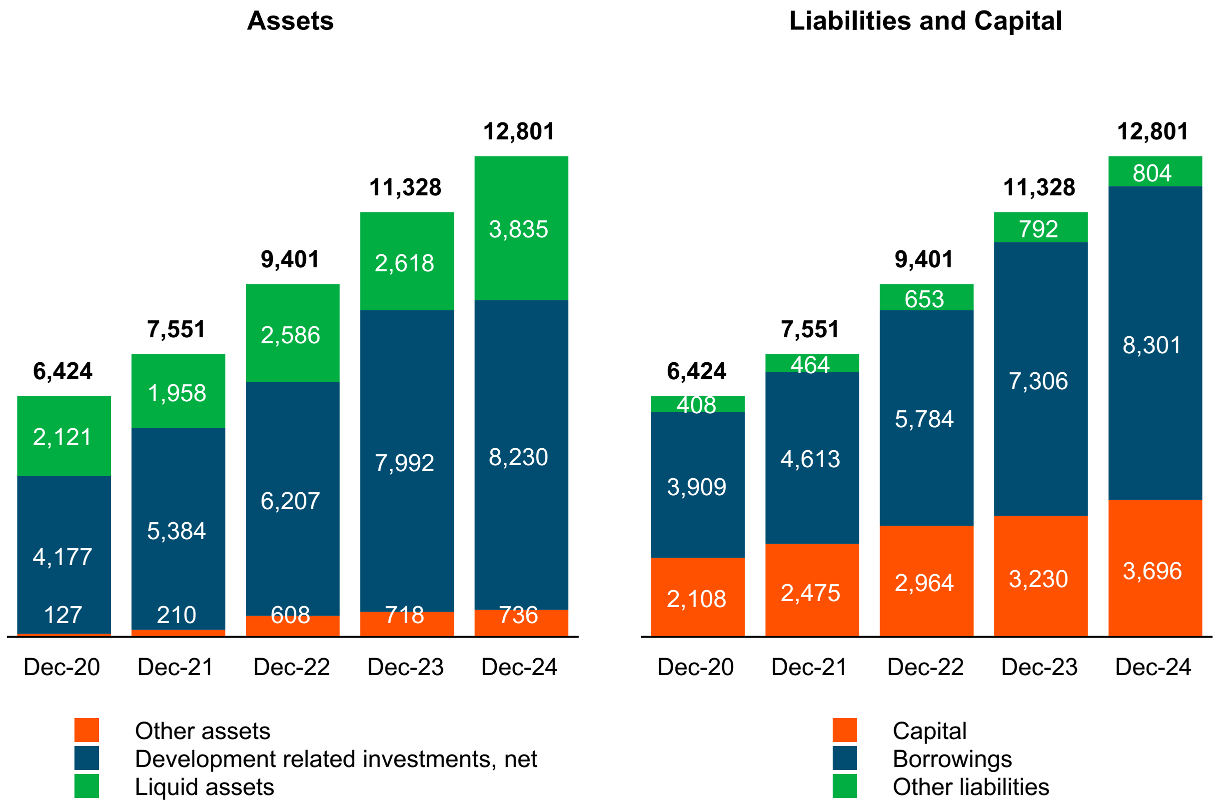
[8] References to captions of IDB Invest's financial statements are identified by the name of the caption beginning with a capital letter every time they appear herein.

Balance Sheet Highlights

Figure 2. Balance Sheets by Components (in USD millions).



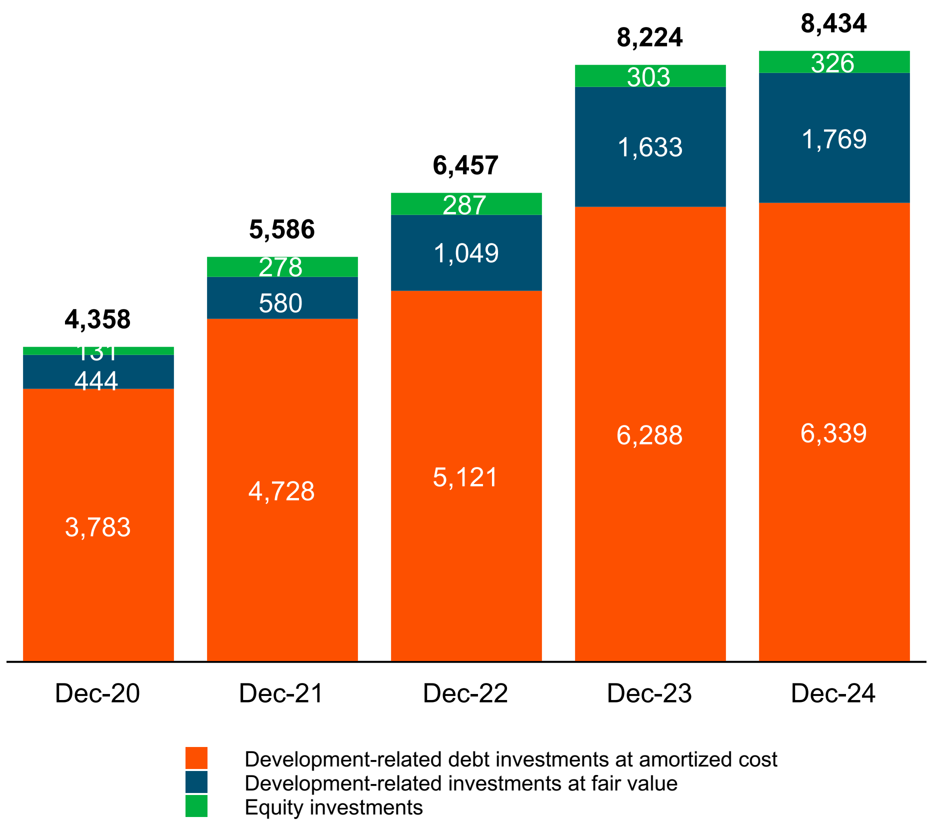
Figures rounded in the graph for illustrative purposes.

Development-Related Investments

IDB Invest's gross development-related investments, comprised of loans, debt securities and equity investments (excluding guarantees), totaled $8.4 billion as of December 31, 2024, an increase of 2.6% from $8.2 billion as of December 31, 2023.

To complement the growth in the development-related debt investments portfolio, equity investments portfolio growth continued with 7.4% in 2024 compared to 5.8% in 2023 primarily driven by portfolio growth and individual equity performance. In addition, undisbursed commitments toward development-related investments remained stable and totaled $1.5 billion as of December 31, 2024, and 2023.

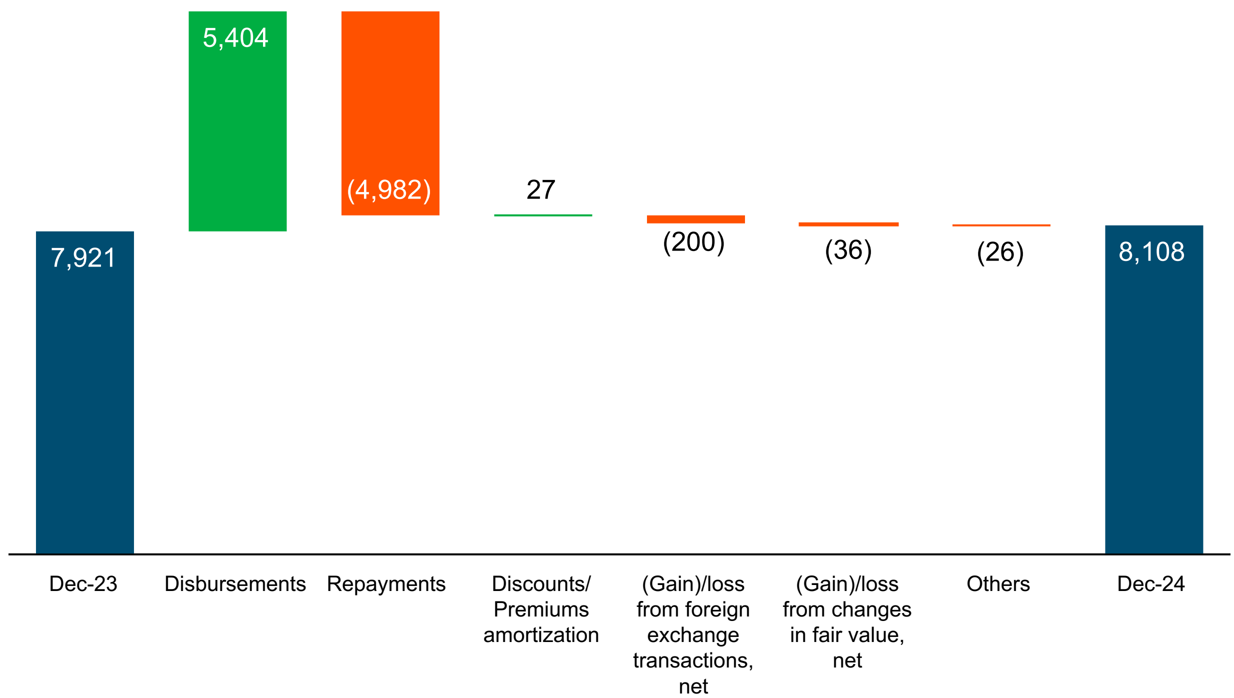
Figure 3. Gross Development-Related Investments Portfolio (in USD millions).



Figures rounded in the graph for illustrative purposes.

IDB Invest's development-related debt investments, comprised of loans and debt securities, including fair value adjustments, totaled $8.1 billion as of December 31, 2024, an increase of $0.2 billion from $7.9 billion as of December 31, 2023. This increase is mainly due to disbursements outpacing repayments on short-term loans related to the trade and supply chain finance portfolio. Refer to Note D of the Financial Statements for additional information related to the development-related investments portfolio.

Figure 4. Development-Related Debt Investments Portfolio (in USD millions).

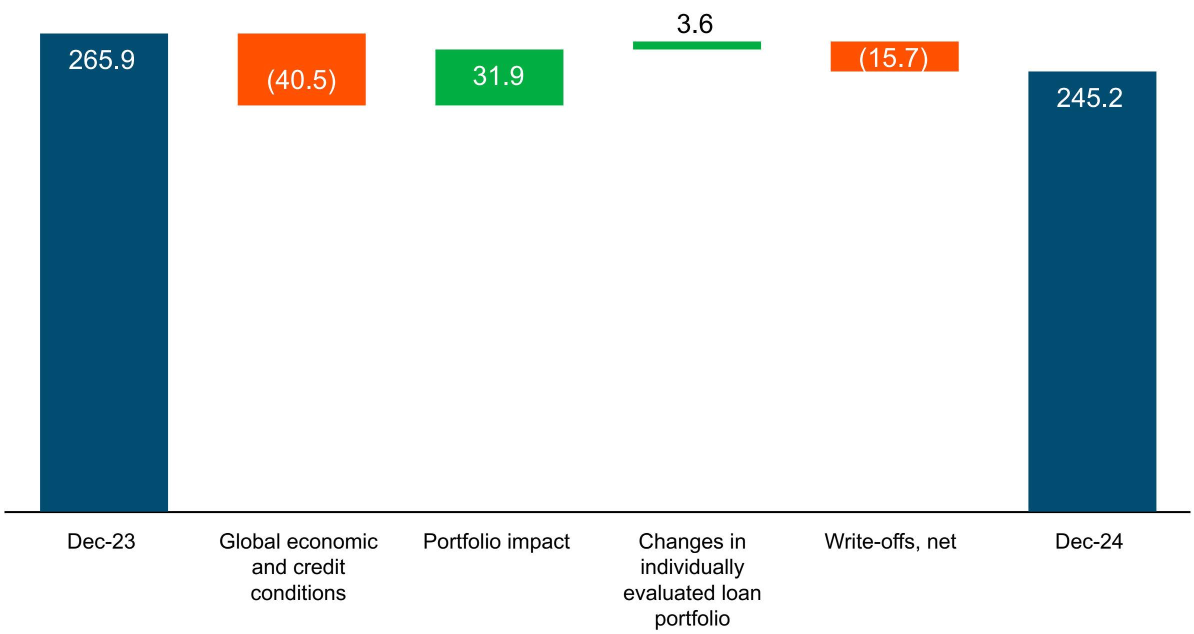


Allowance for Credit Losses

IDB Invest's gross development-related investments portfolio measured at amortized cost continued to grow in 2024 while maintaining a consistent level of portfolio credit quality relative to 2023. The allowance for credit losses as a percentage of development-related debt investments outstanding was 3.2% as of the end of 2024 compared to 3.7% as of the end of 2023. This decrease was mainly due to improvements in macroeconomic and credit conditions, partially offset by the impact of new transactions added to the portfolio compared to 2023.

Further, IDB Invest's undisbursed commitments and guarantees portfolios continued to grow in line with its development-related investments portfolio in 2024 compared to the prior year. The allowance for credit losses as a percentage of undisbursed commitments and guarantees was 3.3% as of the end of 2024 compared to 2.7% as of the end of 2023. This increase was mainly due to the impact of new transactions in the portfolio. Refer to Note D of the Financial Statements for additional information related to the allowance for credit losses.

Figure 5. Allowance and provision/(release of provision) for credit losses (in USD millions).



Liquid Assets Portfolio

IDB Invest's liquid assets portfolio is comprised of cash and investment securities, including local currency and bank deposits. As of December 31, 2024, the liquid assets portfolio, including fair value adjustments, totaled $3.8 billion, an increase of $1.2 billion as compared to $2.6 billion as of December 31, 2023 and is in compliance with its Liquidity Policy.

IDB Invest's liquid assets portfolio includes liquid assets denominated in four currencies as of December 31, 2024 and 2023. Refer to the Treasury Management section and Notes C and J of the Financial Statements for additional information related to the liquid assets portfolio.

Derivatives

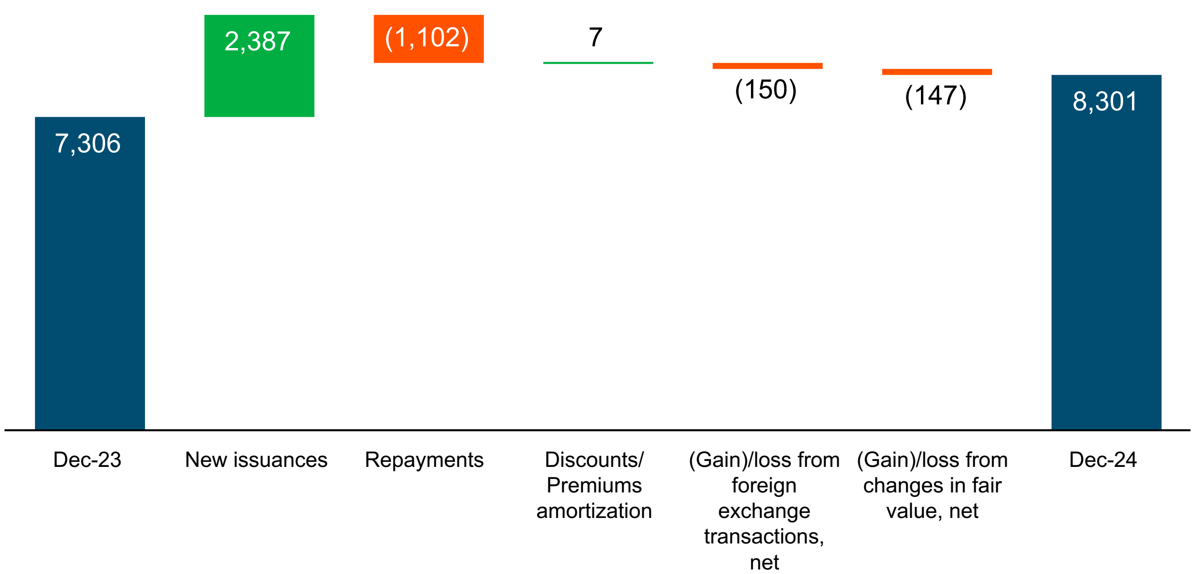
IDB Invest uses derivative instruments primarily for market and credit risk management purposes. In 2024, the derivatives portfolio comprised of interest rate, currency swaps, and credit derivatives moved consistent with development-related investments and funding activities. As of December 31, 2024, derivative assets and derivative liabilities, including fair value adjustments, totaled $221.7 million and $383.3 million, a decrease of $23.9 million and an increase of $1.1 million compared to $245.5 million and $382.2 million, respectively, as of December 31, 2023, to support development-related activities. Refer to Notes G and K of the Financial Statements for additional information related to the derivatives portfolio.

In September 2024, IDB Invest entered into a credit derivative used for risk management purposes in which it received partial protection over a $1.0 billion portfolio of development-related debt investments. This transaction allows IDB Invest to transfer risk from its own assets to external third-party investors while maintaining direct relationships with its clients and continuity in its developmental lending operations.

Borrowings

IDB Invest's outstanding borrowings, including fair value adjustments, totaled $8.3 billion as of December 31, 2024, an increase of $1.0 billion from $7.3 billion as of December 31, 2023. This is mainly due to issuances executed during 2024 to finance development-related investments and refinance maturities in combination with fair value and foreign exchange adjustments. Refer to Note F of the Financial Statements for additional information related to the borrowings portfolio.

Figure 6. Borrowings Portfolio (in USD millions).



Capital

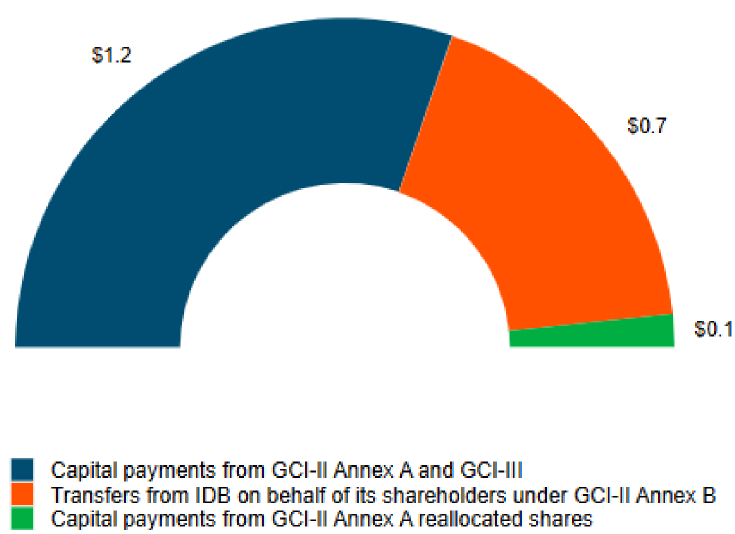
IDB Invest's capital includes total paid-in capital from members, retained earnings and accumulated other comprehensive income/(loss). IDB Invest's total capital as of December 31, 2024, totaled $3.7 billion, an increase of 14.4% from $3.2 billion as of December 31, 2023. This increase in 2024 was the result of $169.9 million in capital contributions received from GCI-II and GCI-III, $273.7 million of net income and other comprehensive income of $21.9 million.

As of December 31, 2024, IDB Invest received total accumulated capital contributions under GCI-II of $2.0 billion, corresponding to $1.3 billion of capital payments from members for Annex A Shares including $65.4 million in capital payments related to the reallocation of Annex A shares, and $0.7 billion of transfers from IDB on behalf of its shareholders for Annex B Shares.

In March 2024, IDB Invest's Board of Governors approved the Third General Capital Increase (GCI-III) for a total of $3.5 billion. Member countries have until March 10, 2026, to subscribe to GCI-III. As of December 31, 2024, 9,964 shares were subscribed and $2.3 million in capital payments were received under GCI-III. Refer to Note I to the Financial Statements for more information.

Figure 7. Total GCI-II and GCI-III Capital Contributions as of December 31, 2024 (in USD millions).

Total GCI-II and GCI-III capital contributions: $2.0 billion



Treasury Management

IDB Invest's Treasury activities consists of liquidity, funding, local currency operations and asset-liability management in USD and other currencies.

Liquidity Management

IDB Invest's liquid assets portfolio is managed in accordance with its Strategic Asset Allocation Framework and investment guidelines that establish the objectives of this portfolio. The investment guidelines stipulate risk limits with respect to maximum issuer concentrations, minimum credit ratings and maximum duration. The objectives require that IDB Invest's liquid assets portfolio maintain sufficient liquidity and resources to finance development-related investments in compliance with its Liquidity Policy.

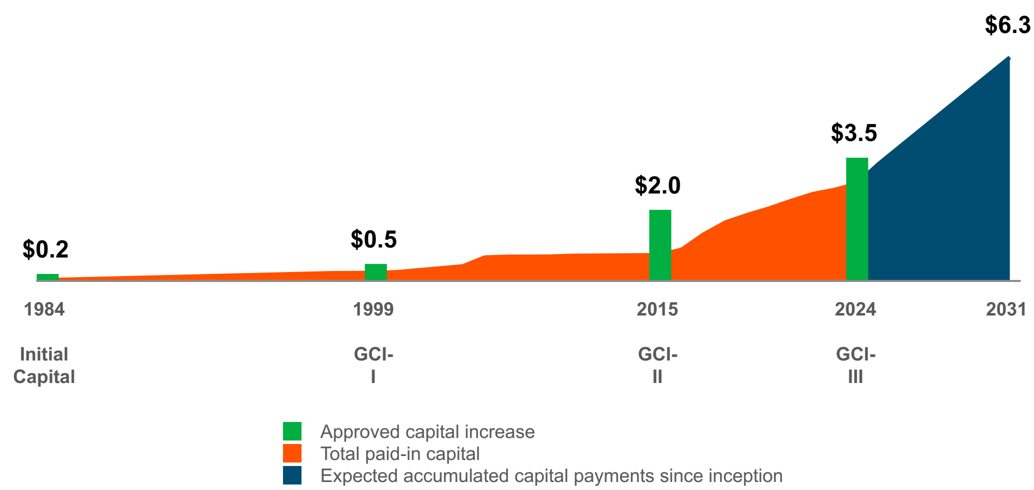
IDB Invest's liquid assets portfolio is substantially invested in highly rated securities reflecting its objectives of principal protection, liquidity, and yield. IDB Invest maintains a high quality liquid assets portfolio with an average credit quality rating of AA and duration of 1.0 year as of December 31, 2024 and 2023. As such, IDB Invest expects to be able to liquidate these assets as needed to meet its cash requirements, even in adverse market conditions. IDB Invest also manages liquidity in select currencies to support its development-related investments.

Funding Sources

Capital

Since its inception, IDB Invest's Board of Governors has approved three general capital increases (GCI): GCI-I in 1999, GCI-II in 2015, and GCI-III in 2024.

Figure 8. Evolution of paid-in capital (in USD billions).



IDB Invest was originally capitalized with $200 million followed by a $500 million capital increase under GCI-I along with several special increases to allow for admission of new members totaling $705.9 million. This was followed by subsequent capital increases approved by IDB Invest's Board of Governors for $2.03 billion and $3.5 billion under GCI-II and GCI-III, respectively, to support the organization's mission and capacity to respond to and deliver impact results.

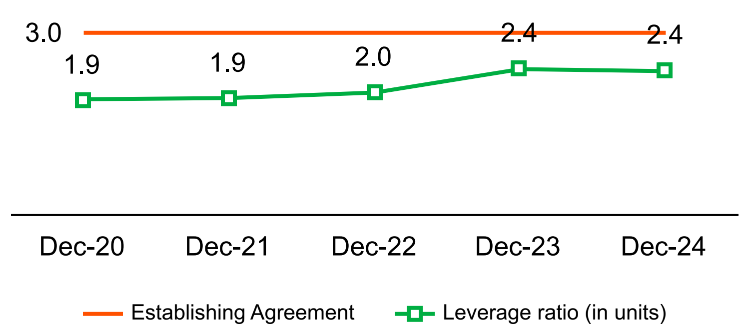
Borrowings

IDB Invest issues debt securities in various currencies, maturities, and formats to diversify its funding sources and expand its investor base. IDB Invest raises funds primarily through the issuance of debt securities in the international capital markets.

In addition, IDB Invest raises funds in local currency to provide local currency financing to its clients and to promote the development of local capital markets in the Region. IDB Invest also maintains a borrowing facility with the IDB.

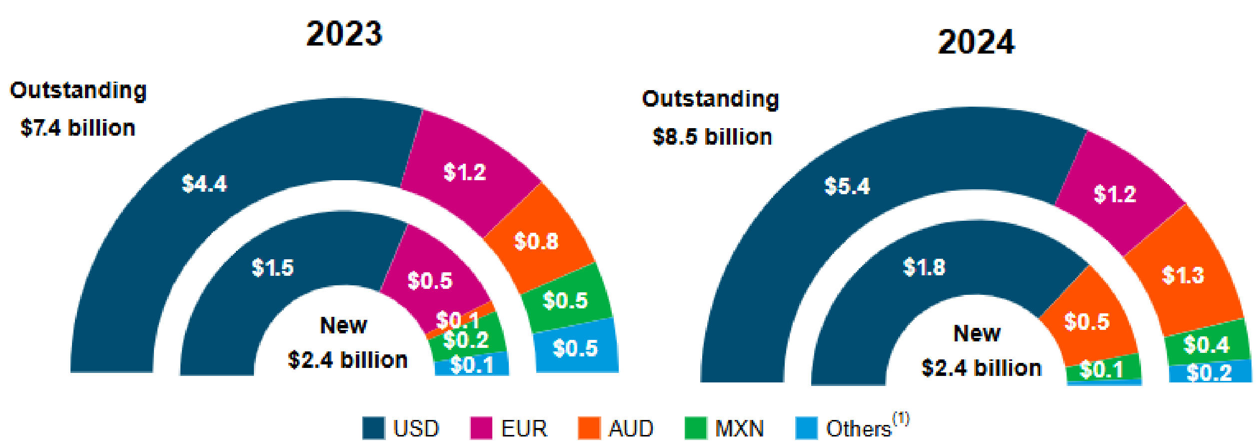
As of December 31, 2024 and 2023, IDB Invest's leverage ratio was 2.4 and remains in line with the business plan financial projections and below the maximum of 3.0x as per its Establishing Agreement.

Figure 9. Leverage ratio.



In 2024, IDB Invest's new and outstanding borrowings were denominated in six and eight currencies, respectively, with USD, AUD and EUR representing the three largest outstanding balances. Refer to Note F of the Financial Statements for additional information related to the borrowings portfolio and credit facilities.

Figure 10. New and outstanding borrowings by currency (in USD billions).



Presented at face value. Figures rounded in the graph for illustrative purposes.

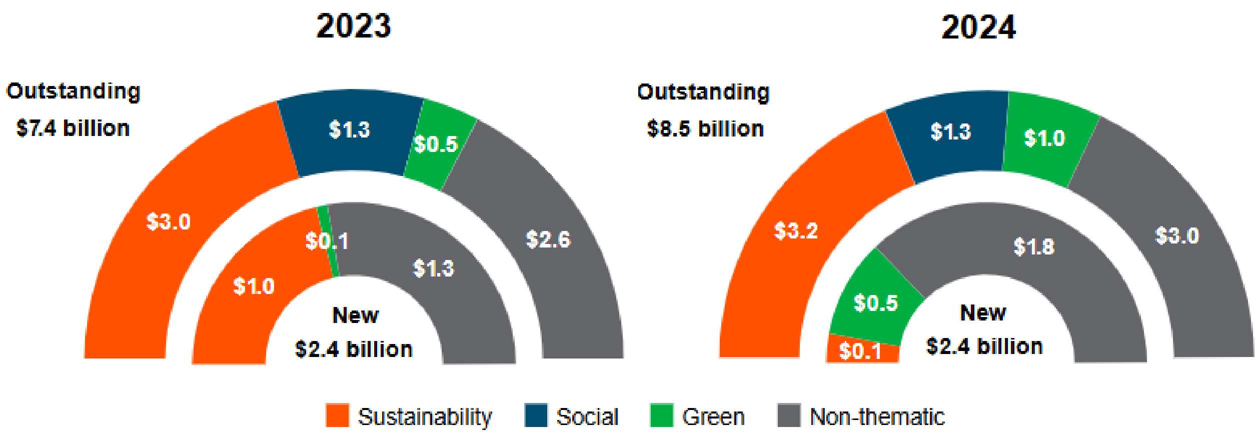
(1) Other currencies are composed of TTD, COP, BRL and PYG. As of December 31, 2024, new and outstanding borrowings in other currencies totaled $29.2 million and $278.0 million, respectively ($114.2 million and $427.3 million as of December 31, 2023, respectively).

In the ordinary course of business, IDB Invest enters into interest rate and currency swaps to convert the proceeds of borrowing transactions into USD floating rate obligations. Considering the effect of these borrowing-related swaps, 89.6% of IDB Invest's borrowings were USD denominated floating rate obligations as of December 31, 2024 (78.0% as of December 31, 2023). The remaining local currency financings are deployed to support development-related investments.

Final contractual maturities on IDB Invest's borrowings range from 2 years to 20 years. Actual maturities may differ from contractual maturities due to the presence of call and prepayment features in certain borrowings.

IDB Invest issues green, social and sustainability bonds under its Sustainable Debt Framework[9] aligned with the Green Bond Principles and Social Bond Principles published by the International Capital Markets Association (ICMA). Vigeo Eiris, part of Moody's ESG Solutions, issued a Second Party Opinion confirming the Framework's alignment with the Green Bond Principles and Social Bond Principles and awarding it the highest score for its contribution to sustainability. Of IDB Invest's outstanding borrowings at face value, 63.3% are thematic bonds as of December 31, 2024 (65.2% as of December 31, 2023). Refer to the following figure for additional details by theme.

Figure 11. New and outstanding borrowings by theme (in USD billions).



Presented at face value.

Local Currency Operations

IDB Invest offers local currency operations to private sector clients in the Region. As of December 31, 2024, IDB Invest carries development-related debt investments in twelve currencies and manages liquid asset portfolios in Brazil, Colombia and Mexico (nine currencies and liquid asset portfolio in Brazil, Colombia and Mexico as of December 31, 2023). IDB Invest sources local currencies through a combination of cross-currency swaps, debt capital markets issuances, and credit lines.

Asset-Liability Management

IDB Invest manages the asset-liability management gaps between sources and uses of funds at the balance sheet level with the objective of managing interest rate, foreign exchange rate, and liquidity risks.

Interest rate risk and repricing gaps are managed through the use of interest rate swaps and adherence to conservative limits. Foreign exchange rate risk is managed through a combination of project-based funding, cross-currency swaps, the use of USD and non-USD liquidity pools and adherence to conservative foreign exchange limits for residual risks. Liquidity risk is managed through the maintenance of a conservative liquidity coverage ratio as stipulated in the Liquidity Policy, diversification of funding sources and maturities, and a conservative approach to refinancing gaps.

[9] More information about IDB Invest's Sustainable Debt Framework is available at https://idbinvest.org/en/investors/.

Risk Management

Risk Governance Structure

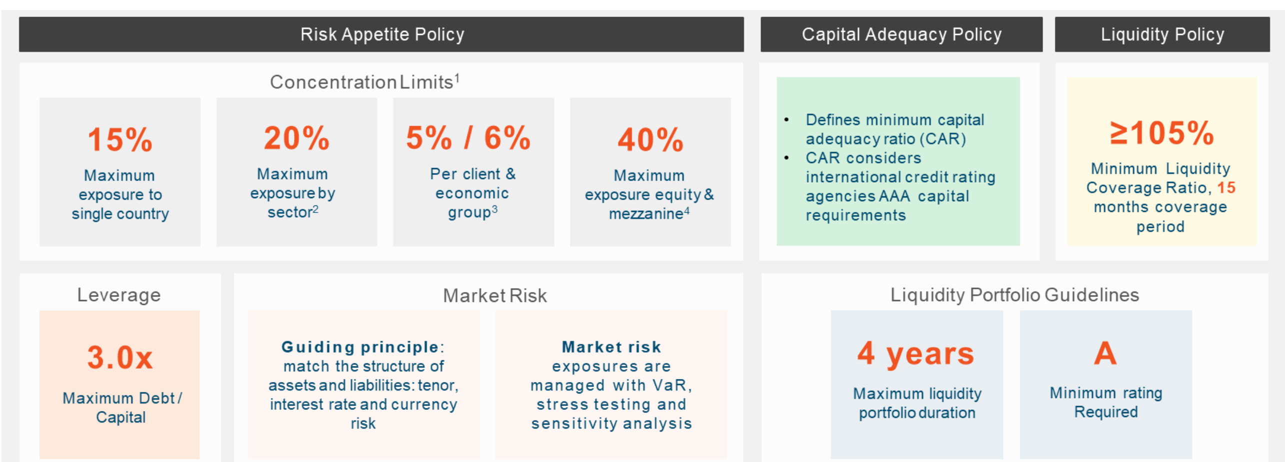
Successful risk management is key to IDB Invest's ability to pursue its dual mission of financial sustainability and development impact in the Region. The Establishing Agreement and subsequent resolutions approved by the Board of Governors and Board of Executive Directors govern IDB Invest's risk management policies.

Figure 12. Risk Management Governance

[1] Also encompasses Operating Policy and Disclosure of Information Policy.
[2] Comprised of: Risk Appetite Policy, Capital Adequacy Policy and Liquidity Policy.
[3] Comprised of: Sustainability Policy, Access to Information Policy and MICI Policy.

IDB Invest is exposed to financial and non-financial risks that it must monitor and manage. IDB Invest's financial risk management policies are set forth in the Financial Risk Framework, which encompasses the Risk Appetite Policy, the Capital Adequacy Policy and the Liquidity Policy. The last version of the Financial Risk Framework was reviewed and approved by the Board of Executive Directors on March 3, 2021. A new version, adjusted to IDB Invest's new business model, is expected to be approved in 2025.

Figure 13. Summary Financial Risk Framework.



[1] Limits are based on the concept of Allocated Capital, except for Clients and Economic Groups which are based on Total Exposure.
[2] Except for Financial Institutions sector (60%).
[3] Except for economic group within Financial Institutions sector (10%).
[4] Except for investment in Investment Funds (20%).

IDB Invest's non-financial risk management addresses the following areas: environmental and social risk, climate risk, client corporate governance risk, integrity risk, operational risk, cybersecurity and data privacy risk.

IDB Invest's risk management operates under a "three lines of defense" model[10]. The first line of defense resides with Management and the process owners that have primary responsibility for their respective day-to-day operational activities. The second line of defense includes the Risk Management Department, the Office of Institutional Integrity and the Office of Ethics. The third line of defense includes the Office of the Executive Auditor (AUG), the Office of Evaluation and Oversight (OVE) and the Independent Consultation and Investigation Mechanism (MICI).

Risk Appetite

IDB Invest's Risk Appetite Policy provides qualitative and quantitative guidance for various financial and non-financial risks.

Diversification is an important part of the Risk Appetite Policy. The Policy establishes concentration limits defined in terms of country, industry sector, economic group and client. IDB Invest intends to avoid being a sole source of funding for borrowers and investors and limits its participation so that the risk is shared with other market participants.

IDB Invest's overall market risk appetite is limited, as the Risk Appetite Policy defines a limit based on Value-at-Risk (VaR). The Risk Appetite Policy also provides that IDB Invest shall match the structure of its assets and liabilities considering interest rates, maturities and currency denomination.

The Risk Appetite Policy also stipulates that development-related investments must meet specified criteria related to environmental and social sustainability, and mitigate corporate governance, integrity and reputational risks, consistent with IDB Invest's Sustainability Policy and Integrity Framework. Development-related investments must also include adequate provisions to prevent, control and mitigate negative impacts on the environment and on communities, improve environmental quality and comply with local labor laws and regulations and IDB Invest's standards.

Financial Risk Management

Capital Adequacy

Regular capital adequacy assessments are a fundamental pillar of the management of a financial institution. Development banks, such as IDB Invest, although not subject to direct regulation, are generally required as a result of risk management practices and market expectations to hold more capital than their commercial counterparts by virtue of their mandates. Within its Financial Risk Framework, IDB Invest estimates how much capital it needs to retain to fulfill its mandate, which also helps determine its overall financing capacity.

IDB Invest's Capital Adequacy Policy (CAP) describes different possible levels of capitalization, requiring different levels of analysis and potential action plans. The CAP also considers a buffer and requires compliance under forward looking stress scenarios.

IDB Invest assesses capital adequacy via a Capital Adequacy Ratio (CAR)[11]. The CAR factors into IDB Invest's financial planning and includes regular stress testing and reporting.

IDB Invest's annual targets are based on quantitative metrics, including the CAR (which considers international credit rating agencies AAA capital requirements), that are approved by the Board of Executive Directors. In addition, as determined by the Board of Governors, IDB Invest aims to maintain at least an AA+ (or equivalent) rating.

IDB Invest is currently implementing the recommendations contained in the Capital Adequacy Framework Review sponsored by the G20 (G20 CAF Review). The G20 CAF Review includes seventeen recommendations, grouped in five categories: (i) risk appetite and financial policy framework, (ii) addresses the value of callable capital, (iii) calls for financial innovation to increase Multilateral Development Banks' (MDB) lending capacity, (iv) pertains mainly to the interaction with credit rating agencies, and (v) refers to governance and the use of loan performance data to maximize resource mobilization. During 2024,

[10] Refer to The Institute of Internal Auditors website for more information about the Three Lines of Defense Model, available at https://www.theiia.org/en/content/position-papers/2020/the-iias-three-lines-model-an-update-of-the-three-lines-of-defense/

[11] CAR is calculated by dividing Available Capital (AC) by Required Capital (RC). AC is equal to IDB Invest's net worth, as stated in its most recent financial statements. RC is determined as the highest capital requirement from either IDB Invest's internally developed economic capital model or the estimated capital requirements under the international credit rating agencies methodologies that assess IDB Invest's capital adequacy in a quantitatively supported and replicable way.

Management and the Board of Executive Directors have discussed the status and the sequence of IDB Invest's action plan to implement recommendations relevant to the institution. As part of these efforts to implement such recommendations, key milestones were the portfolio risk transfer and the IDB Invest+ new originate-to-share business model. This transaction is the first portfolio risk transfer of its kind for private sector investors to buy MDB assets from the Region. This innovative financial structure seeks to create a new MDB asset class for international investors and contributes to its mobilization purpose expanding the investor base and IDB Invest's operational capacity.

Liquidity Risk

Liquidity risk is defined as the risk that IDB Invest would not be able to meet its financial obligations on a timely basis. IDB Invest's Liquidity Policy establishes the overall liquidity requirements measured using its Liquidity Coverage Ratio (LCR)[12] to determine its ability to fulfill liquidity needs under stressed market conditions for an extended period of time, while also allowing IDB Invest to deliver on its mandate and preserving its international credit ratings.

The target LCR and coverage period are approved by the Board of Executive Directors on an annual basis. For 2024, IDB Invest's target minimum LCR is 105% with a coverage period of 15 months of projected cash flows. As of December 31, 2024, IDB Invest's LCR was 137%, which is above the minimum required level.

In addition to the Liquidity Policy, IDB Invest manages liquidity in accordance with (i) the Authorization to Invest Corporation Funds and (ii) the Risk Appetite Policy. The Authorization to Invest Corporation Funds is a resolution of the Board of Executive Directors authorizing IDB Invest to invest all or part of the assets held by IDB Invest that are not immediately required for use in its operations. The resolution gives Management flexibility to obtain diversification from IDB Invest's loan portfolio and optimize the risk and return through investment in instruments in a wide number of market segments.

Credit Risk

Credit risk refers to financial or economic loss that may result from time to time from counterparties that default on their obligations to IDB Invest or whose credit quality fluctuates adversely. IDB Invest is exposed to credit risk in its development-related debt investments portfolio and off-balance sheet exposures, as well as all investments in debt securities acquired for liquidity management purposes in its liquid assets portfolio.

IDB Invest applies a credit risk management process to actively monitor and manage its development-related investments. IDB Invest protects itself against portfolio concentration through diversification, applying limits by country, industry, sector, economic group, individual borrower and in relation to equity investments. IDB Invest maintains a systematic approval process to analyze the credit risk, safety and yield of proposed investments and to monitor its committed portfolio taking into consideration operational and prudential limits. IDB Invest is in compliance with its established limits.

IDB Invest's development-related investment projects are actively supervised following commitment. IDB Invest's Operating Policy defines the main guidelines for the supervision of the portfolio. The Portfolio Management function is responsible for regular monitoring and reporting on the performance of the overall development-related debt investments and equity portfolios to Management's Portfolio Supervision Committee. The portfolio is monitored by personnel in the Washington D.C. headquarters, and offices in the Region. Individual development-related investments are reviewed at least once a year, which may involve a field visit. Certain development-related investments facing critical risks are reviewed with greater frequency.

The credit risk of development-related debt investments is quantified in terms of the probability of default (PD), loss given default (LGD) and exposure at default (EAD). These risk parameters are used in different risk management applications that include the economic capital calculation, RAROC and current expected credit loss calculation.

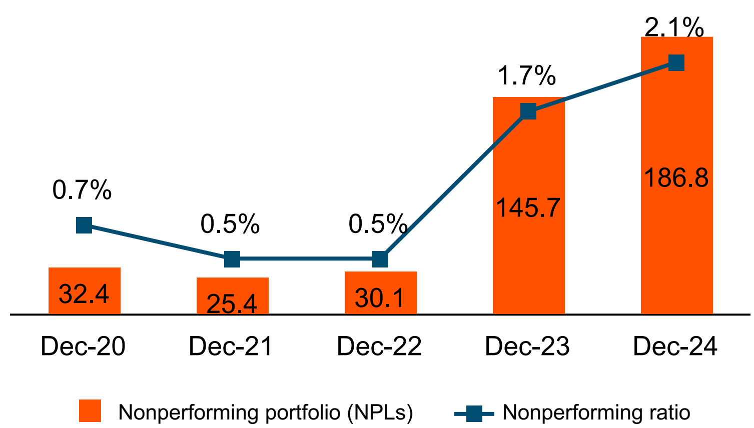
[12] LCR is the ratio of available liquidity at a point in time to the liquidity required to sustain cash payments during a pre-determined time period (Coverage Period) considering estimated sources and uses of liquidity under stressed market conditions.

Nonperforming Portfolio

Nonperforming loans (NPLs) are one indicator of the extent of IDB Invest's credit risk exposure in its development-related debt investments portfolio. NPLs are development-related debt investments where collectability is in doubt or payments of interest or principal are past due more than 90 days.

As of December 31, 2024, IDB Invest's NPLs totaled $186.8 million, an increase of $41.1 million from $145.7 million as of December 31, 2023. There is no dominant sector or country concentration in the NPL portfolio. As of December 31, 2024, the NPL ratio increased to 2.1% in 2024 from 1.7% in the prior year primarily driven by an increase in nonperforming transactions partially offset by repayments and write-offs. Despite this increase, IDB Invest's NPL ratio remains low and in line with its risk appetite. This demonstrates the continued health and growth of the portfolio in the context of a high interest rate environment, despite increasing global geopolitical tensions.

Figure 14. Nonperforming portfolio, outstanding amounts and ratio(1) (in USD millions).



(1) Nonperforming ratio is defined as the unpaid principal balance of NPLs, divided by the unpaid principal balance of development-related debt investments, plus notional guarantees outstanding.

Market Risk

Market risk refers to the potential impact of IDB Invest's net worth due to changes in market prices, such as interest rates, foreign exchange rates, credit spreads and equity prices. IDB Invest's Risk Appetite Policy provides guidelines to minimize mismatches in market risk exposures by risk, instrument, and portfolio type and defines a VaR limit as a percentage of total equity. IDB Invest has a dedicated Market Risk team that is responsible for establishing limits and managing market risk exposures through various quantitative techniques, including VaR, stress testing and sensitivity analysis. Management provides additional oversight through the Asset and Liability Management Committee.

Within the liquid asset portfolio, investment is restricted to high quality USD securities and cash instruments. This portfolio is subject to a VaR limit, and market risk is monitored through interest rate and credit spread sensitivity analysis, as well as stress testing.

Within the development-related debt investment, borrowings and derivative instrument portfolios, market risk is managed with interest rate sensitivity limits for currencies for which there is a local currency treasury portfolio, which includes United States dollars, Mexico pesos, Colombian pesos and Brazilian reais. Instruments in other currencies are hedged through cross-currency swaps or matched back-to-back through a dedicated matched funding strategy. Fixed rate development-related debt investments are hedged through interest rate swaps. Counterparty risk arising from hedging activities for these portfolios is also measured and managed via exposure limits.

The development-related equity investment portfolio and residual cash balances in local markets remain unhedged, subject to reasonable limits.

Credit spread risk is managed through VaR and stress testing.

Retirement Plan Risk

Retirement plan risk represents IDB Invest's exposure to the volatility in the funded status of its Pension Plan and Postretirement Benefits Plan (PRBP) (collectively, the Retirement Plans). The funded status of each of the Retirement Plans is determined by the amount by which the fair value of plan assets exceeds (or is exceeded by) the retirement plan liabilities. The active risk of the Retirement Plans is used as a proxy measure for the volatility of the difference in performance of the Retirement Plans' assets and liabilities.

Changes in the value of the Retirement Plans' liabilities are driven by two factors, the first of which has a greater impact in terms of volatility and magnitude: (i) changes in yields of AA corporate bonds with maturities corresponding to the payment of benefits, which are used to discount the stream of future cash flows associated with the pension liabilities, and (ii) changes in the Retirement Plans' demographics, experience, and management's best estimates of future benefit changes.

Changes in the Retirement Plans' assets are driven by: (i) fluctuations in the market value of the Retirement Plans' Return Strategies assets, which include developed and emerging markets equities, high yield and emerging markets bonds, real estate, infrastructure and commodities; and (ii) changes in interest rates, which impact the values of the Retirement Plans' Liability Strategies[13] assets, which are invested in core, long duration and inflation-indexed fixed income instruments.

Given the percentage of the Retirement Plans' assets that are allocated to growth-oriented, inflation-hedging assets according to the Retirement Plans' investment policies as described in Note O of the Financial Statements, the values of the Retirement Plans' assets are less sensitive to changes in long-term interest rates than are the values of the Retirement Plans' liabilities, resulting in active risk. IDB Invest, in coordination with the IDB as co-sponsors to the Retirement Plans, actively monitors active risk and investment strategies to address the short-term and long-term performance of the Retirement Plans. IDB Invest also uses the reported volatility of the Retirement Plans' assets and liabilities to calculate its Economic Capital in compliance with its CAP.

Non-Financial Risk Management

Environmental and Social Risk

IDB Invest assesses the potential environmental and social risks of all development-related investments in which it considers investing. It also assesses such investments for compliance with host country laws and regulations and IDB Invest's Environmental and Social Exclusion List[14]. These assessments are based on the mitigation hierarchy approach whereby clients should avoid, minimize, or manage environmental, social and health and safety risks and impacts.

IDB Invest requires that its clients comply with its Sustainability Policy, which incorporates the International Finance Corporation (IFC) standards and guidelines: the Performance Standards on Environmental and Social Sustainability of the IFC (the Performance Standards) and the World Bank/IFC Environmental Health and Safety (EHS) Guidelines, including both General EHS Guidelines and Industry Sector EHS Guidelines (the EHS Guidelines). Any subsequent revisions to the above-mentioned Performance Standards and EHS Guidelines will apply to the Sustainability Policy unless otherwise determined by IDB Invest’s Board of Executive Directors.

IDB Invest finances development-related investments that are expected to meet the Sustainability Policy’s environmental and social requirements. IDB Invest’s development-related investment agreements include an obligation that clients comply with applicable requirements of the Performance Standards and conditions included in action plans, as well as relevant provisions for environmental and social reporting, and supervision visits by IDB Invest staff or representatives, as appropriate.

IDB Invest has a dedicated risk management function that leads the following institutional activities related to environmental and social risks: (i) responding to grievance cases and addressing accountability issues, (ii) evaluating these risks in the context of credit considerations, and (iii) supporting compliance reporting.

[13] Refer to Note O of the Financial Statements for additional information on the Retirement Plans Return Strategies and Liability Strategies.

[14] IDB Invest's Environmental and Social Exclusion List is available at: https://www.idbinvest.org/en/download/12368

The Management Grievance Mechanism (MGM) is a channel for individuals or groups to submit complaints regarding environmental, social or corporate governance issues related to projects financed or being considered for financing by IDB Invest. The MGM aims to propose timely solutions that can be implemented with clients to address the concerns of stakeholders. At the same time, it represents an opportunity to flag unresolved ESG issues in projects, strengthen client sustainability and provide a channel for engagement with external communities. In addition, the MGM allows IDB Invest to extract institutional lessons to strengthen ESG risk management.

IDB Invest's Access to Information Policy reflects its commitment to enhancing transparency and accountability in its activities, aspects that the institution considers necessary and fundamental to fulfill its sustainable development purpose. The Policy is based on principles of maximizing access to information with clear and well-defined exceptions, with an established governance and a review mechanism that includes an external review panel of global experts in transparency. Further, IDB Invest created a Transparency Hub[15] to simplify and broaden access to its information and ensure that stakeholders are informed about the institution and its operations.

Climate Risk

Climate risk refers to the environmental risk that IDB Invest's clients may directly or indirectly experience potential adverse impacts from climate change. This includes the physical impacts of climate change such as extreme weather events like floods, hurricanes, and droughts as well as chronic shifts such as sea level rise and higher mean temperatures. It also includes transition risk which relates to the financial and reputational risks associated with society transitioning to a low carbon economy.

Anchored in the climate and natural disaster-related commitments in its Sustainability Policy, IDB Invest applies a Climate Risk Assessment methodology to its investments. IDB Invest screens its projects for exposure to physical climate risk and potential impacts on the project's performance during project appraisal.

In 2021, the IDB Group launched its Climate Change Action Plan for 2021 to 2025 to align new operations with the goals of the Paris Agreement by 2023 and to make its finance flows consistent with a pathway towards both low greenhouse gas (GHG) emissions and climate-resilient development. Since 2023, all new projects have been assessed with respect to their compatibility with both the Paris Agreement's climate change mitigation and its adaptation and resilience goals.

In 2024, IDB Invest launched its new institutional strategy, IDB Invest+, guided by the IDB Group Institutional Strategy. One of the three core objectives of IDB Invest+ is to address climate change, with biodiversity, natural capital and climate action among its seven focus areas. The IDB Invest Board of Executive Directors receives quarterly updates and regular technical briefings on climate-related issues. In addition, IDB Invest published its second Sustainability Report as well as its sixth consecutive disclosure along the recommendations of the Task Force on Climate-Related Financial Disclosures.

Client Corporate Governance Risk

Client corporate governance risk refers to the risk that IDB Invest's clients do not meet their contractual obligations with IDB Invest due to lack of adequate governance or organizational structure. This risk emerges when clients' decision-making processes, management practices or internal control mechanisms are affected by a compromised governance, risk or compliance structure, reducing the client's ability to meet its obligations and honor IDB Invest's development requirements.

IDB Invest works with clients to assess their corporate governance risks and provides clients advice on how to improve their practices. IDB Invest applies its Corporate Governance Development Framework[16], a common methodology among Development Finance Institutions[17], as well as the G20/OECD Principles of Corporate Governance[18] (the Assessment). Under the Assessment, IDB Invest: (i) integrates corporate governance in its investment operations, (ii) establishes an internal corporate governance function, (iii) provides training and capacity building, (iv) collaborates with other signatories, and (v) reports annually on

[15] IDB Invest Transparency Hub is available at https://idbinvest.org/transparency-hub
[16] More information about the Corporate Governance Development Framework is available at https://cgdevelopmentframework.com/
[17] Development Finance Institutions (DFIs) are specialized national and international development banks established to support private sector development in developing countries.
[18] More information about the G20/OECD Principles of Corporate Governance is available at https://www.oecd.org/corporate/principles-corporate-governance/

implementation. Through its technical assistance activities, IDB Invest provides private sector companies in the Region with direct corporate governance support, capacity-building programs and other forms of assistance. In its investment decisions, IDB Invest applies corporate governance criteria, intended to provide funding to clients that demonstrate ethical, transparent, and responsible operations, thus designed to ensure alignment with IDB Invest's development and sustainability goals.

Integrity Risk

Integrity risk is defined as the possibility that a person or entity engages in serious ethical or financial misconduct in connection with an IDB Invest development-related investment. When such misconduct occurs, it adversely affects the ability of IDB Invest to further its development purpose and safeguard its financial sustainability.

IDB Invest has adopted an Integrity Framework[19] and Sanctions Procedures, which require participants in its development-related investments to adhere to the highest standards of ethics, integrity, transparency, and accountability, considering comparable standards utilized by other multilateral development banks. Further, the Integrity Framework and Sanctions Procedures prohibit certain practices, including fraud, corruption, collusion, coercion, misappropriation, and obstruction (Prohibited Practices)[20]. IDB Invest has also adopted an Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Directive to manage risks related to Money Laundering and Terrorism Financing in its operations.

In accordance with the Sanctions Procedures, IDB Invest may impose administrative sanctions on participants in IDB Invest-financed activities that are found responsible for engaging in Prohibited Practices. The scope of Sanctions Procedures was expanded in 2023 to include indirect counterparties and corporate procurement, among other activities.

To manage integrity risk, IDB Invest conducts a risk-based integrity due diligence for all its lending and equity development-related investments regarding its counterparties and any other entity closely associated with the development investment, which is updated annually. The key elements of that integrity due diligence include: (i) general integrity review of IDB Invest clients and relevant entities; (ii) an assessment of the AML/CFT systems of financial institution clients; and (iii) an assessment of tax-related risks presented by cross-border corporate structures used by proposed IDB Invest clients.

The integrity due diligence process allows IDB Invest to identify risk indicators, including politically exposed persons, persons subject to economic or administrative sanctions, relevant litigation or enforcement activity involving the client, or use of cross-border structures that may be used for tax evasion.

The Office of Institutional Integrity of the IDB Group investigates allegations of Prohibited Practices and its prevention specialists work closely with project teams, with support from the IDB Invest Compliance function, to identify, assess, and mitigate integrity and reputational risks in IDB Invest development-related investments.

Operational Risk

Operational risk is the risk resulting from inadequate or failed internal processes, people's actions or systems, or from external events that may result in financial losses, financial reporting misstatements, and/or result in reputational damage. These failures may occur while executing processes to meet IDB Invest's objectives as operational risk is inherent in all operations and processes.

IDB Invest has policies and procedures in place to mitigate different aspects of operational risk, including IDB Invest's high standards of business ethics and its system of internal controls. These are supplemented by IDB Invest's disaster recovery/contingency planning, the Access to Information Policy, client and project integrity due diligence procedures, the procedures for risk management, fiduciary arrangements and disclosure of information in projects, the Sustainability Policy, and procurement and purchasing policies, among others.

IDB Invest's operational risk management activities are executed in alignment with the three lines of defense model, in which personnel have ownership, responsibility and accountability for identifying, evaluating, controlling and mitigating operational risks, as well as establishing and maintaining effective internal controls

[19] More information about the IDB Invest Integrity Framework is available at https://idbinvest.org/en/how-we-work/institutional-information
[20] Key Documents of the IDB Group Sanctions System are available at https://www.iadb.org/en/who-we-are/transparency/sanctions-system/sanctions-system-key-documents

in their respective processes. In addition, risk and control matters are regularly assessed, monitored and reported to the Operational Risk Management Committee.

Cybersecurity

IDB Invest's operations rely on the secure processing, storage and transmission of confidential and other information in computer systems and networks. As is the case for financial institutions generally, and given the hybrid work environment, cybersecurity risk continues to be significant for IDB Invest due to the evolving sophistication and complexity of the cyber threat landscape.

IDB Invest manages emerging cyber threats, such as malware and phishing attacks, through investments in security, remote access, end-point protection and cloud technologies as well as strengthened operational risk management controls. Management continues to invest in preventive and detective technologies as well as in employee awareness to ensure high standards for cybersecurity.

Data Privacy Risk

Data privacy risk is defined as the risk that IDB Invest's personal data is improperly accessed, stolen or manipulated resulting in reputational damage or other adverse impacts. With the objective to uphold IDB Group’s reputation as a trusted partner and meet expectations of its stakeholders, on February 24, 2021, the Boards of Executive Directors of IDB Invest and the IDB approved the IDB Group Personal Data Privacy Policy, which became effective for IDB Invest on February 24, 2024, upon the implementation of guidelines, procedures, technology solutions and other measures. This Policy defines how IDB Invest and the IDB will operate the personal data collection process and is intended to develop consistent practices and procedures across the IDB Group. The Policy provides the guiding principles for each IDB Group institution to establish their respective privacy program, which shall provide for the implementation of administrative, technical and physical safeguards for personal data processing tailored to their unique mandate and business needs. The achievement of this important milestone is reflective of the IDB Group’s firm commitment to protect personal data in line with global data privacy standards and is aligned with the approach taken by other multilateral development banks.

Other Developments

Pension Plans and Postretirement Benefits Plan

The volatility in the equity and credit markets, as well as changes in interest and inflation rates, affect the funded status of the Pension Plans and PRBP (Retirement Plans). IDB Invest's Pension Plans were 98.2% funded and the PRBP was 140.1% funded as of December 31, 2024. The changes to the funded status of the Pension Plans and PRBP were driven by higher discount rates of 70 bps and 71 bps, respectively, when compared to 2023 as a result of current economic and capital market conditions, resulting in lower Retirement Plans' obligations. Refer to Note O of the Financial Statements for additional information related to the Pension and Postretirement Benefit Plans.

External Auditors

The external auditors of IDB Invest are appointed by the Board of Governors. In 2021, the Board of Governors appointed Ernst & Young, LLP (EY) as the external auditors of IDB Invest for the five-year period 2022-2026, following a competitive bidding process.

Contracted fees for audit services provided to IDB Invest by EY in connection with the 2024 financial statement audit totaled $530.4 thousand. EY also provided audit services to donor funds administered by IDB Invest, for which contracted fees related to the 2024 audits totaled $42.4 thousand.

The external auditor may provide certain non-audit services subject to monetary limits. The total non-audit services fees over the five-year term of the relevant external audit contract shall not exceed 70% of the audit fees over the same period. The fees related to non-audit services provided by EY in 2024 totaled $83.5 thousand. Management monitors this limit against an estimated total expected audit fee when approving non-audit services to EY.

Internal Controls over Financial Reporting

Management of IDB Invest is responsible for establishing and maintaining adequate internal controls over financial reporting. While IDB Invest's internal controls environment is not externally evaluated with an independent auditor's opinion issued as part of an integrated audit, IDB Invest internally assesses and evaluates the risks of internal controls over financial reporting. There are inherent limitations in any internal controls environment due to the possibility of human error and the circumvention or overriding of controls. Given these limitations, internal controls over financial reporting may not prevent or detect all misstatements, deficiencies or lapses in internal controls that may occur from time to time. Based on Management's assessment, there was no change in IDB Invest's internal control over financial reporting during the year ended December 31, 2024, that would have a material impact on IDB Invest's financial statements.

Critical Accounting Policies and Estimates

IDB Invest's financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP). The preparation of such financial statements requires Management to make estimates and assumptions that affect the reported results. Refer to Note B – Summary of Significant Accounting Policies in the Financial Statements for a summary of the significant accounting policies, including a discussion of accounting estimates that involve a significant degree of judgment and complexity and have had or are reasonably likely to have a material impact on IDB Invest's financial condition or results of operations. These critical accounting estimates include the: (i) evaluation and measurement of the allowance for credit losses, (ii) measurement of the fair value of investment securities, development-related investments, derivative instruments and borrowings, and (iii) measurement of projected benefit obligations and fair value of plan assets of the Pension Plans and Postretirement Benefits Plan and the associated net periodic benefit costs of each plan.

Administration and Corporate Governance

IDB Invest has a Board of Governors, a Board of Executive Directors, a Chairperson of the Board of Executive Directors, and a Chief Executive Officer (CEO) (also referred to as General Manager). The CEO, in consultation with the Board of Executive Directors and the Chairperson of the Board of Executive Directors, is responsible for the organization, appointment and dismissal of the officers and staff.

Board of Governors

All the powers of IDB Invest are vested in its Board of Governors, which consists of one Governor and one Alternate Governor appointed by each member country. The Board of Governors has delegated to the Board of Executive Directors all its powers except certain powers reserved to the Governors under the Establishing Agreement.

The Governor or Alternate Governor from each member country exercises the voting power to which its member country is entitled, each member country having one vote for each fully paid share held by it. A list of the member countries, showing the voting power and the number of shares subscribed by each member country as of December 31, 2024, is set forth in Note I – Capital to the Financial Statements. The quorum for any meeting of the Board of Governors is a majority of the Governors representing at least two-thirds of the votes of the member countries. Matters before the Board of Governors are decided by a majority of the votes of the members except as specifically detailed in the Establishing Agreement or other regulations. Governors and Alternate Governors serve without compensation from IDB Invest.

The Board of Governors holds regular meetings, at least annually.

Board of Executive Directors

Function

The Board of Executive Directors is responsible for the conduct of the operations of IDB Invest. To this end, the Board of Executive Directors exercises all the powers granted to it under the Establishing Agreement and those delegated to it by the Board of Governors. The Board of Executive Directors establishes the basic organizational structure of IDB Invest, including the number and general responsibilities of its main administrative and professional positions. The Board of Executive Directors is also responsible for adopting IDB Invest's annual budget.

Membership

The Board of Executive Directors is composed as follows: (i) one Executive Director appointed by the member country having the largest number of shares in IDB Invest (as of the date of this Information Statement, this is the United States); (ii) nine Executive Directors elected by the Governors for the Regional Developing Member Countries; and (iii) four Executive Directors elected by the Governors for the remaining member countries. Executive Directors are persons of recognized competence and wide experience in economic and financial matters. Each Executive Director appoints an Alternate Executive Director who has full power to act for the Executive Director when he or she is not present. Executive Directors generally serve for three years. The president of the IDB is the ex-officio Chairperson of the Board of Executive Directors of IDB Invest and presides over meetings of the Board of Executive Directors but does not have the right to vote except in the case of a tie. The Chairperson of the Board of Executive Directors may participate in, but may not vote at, meetings of the Board of Governors. Executive Directors are neither officers nor staff of IDB Invest.

The table below shows a list of Executive Directors and Alternate Executive Directors as of the date of this Information Statement.

Table 7. List of Executive Directors and Alternate Executive Directors.

Country	Executive Director or Alternate Executive Director
Argentina and Haiti	Miguel Braun (Argentina) Nicolas Camauer (Argentina)
Austria, Belgium, Germany, Italy, the Netherlands, and the People's Republic of China	Adolfo Di Carluccio (Italy) Huafeng Liao (China)
Bahamas, Barbados, Guyana, Jamaica, and Trinidad and Tobago	Navita Anganu (Guyana) Quinton Charles Lamont Lightbourne (Bahamas)
Belize, Costa Rica, El Salvador, Guatemala, Honduras, and Nicaragua	Eddy Roberto Carpio Sam (Guatemala) Karen Cis (Honduras)
Bolivarian Republic of Venezuela and Panama	Gustavo Tarre Briceno (Venezuela) Juan Francisco Aleman (Panama)
Brazil and Suriname	Paulo Guilherme Farah Correa (Brazil) Marta Viegas (Brazil)
Canada, Denmark, Finland, Norway, Sweden, Switzerland, and United Kingdom	Caroline Leclerc (Canada) Peter Ellehøj (Denmark)
Chile and Ecuador	Carlos Eduardo Alvarez Voullieme (Chile) Roberto Izurieta (Ecuador)
Colombia and Peru	Roy Alejandro Barreras Cortes (Colombia) Alex Alonso Contreras Miranda (Peru)
Croatia, Israel, Japan, Republic of Korea, and Slovenia	Hyung Chul Lee (Korea) Takashi Hanajiri (Japan)
Dominican Republic and Mexico	Mario Alejandro Gaytan Gonzalez (Mexico) Ernesto Alejandro Selman Mejia (Dominican Republic)
France, Portugal, and Spain	Renaud Lassus (France) Alberto María Nadal (Spain)
Paraguay, Plurinational State of Bolivia, and Uruguay	Santiago Cat Ruprecht (Uruguay) Mario Alberto Guillen Suarez (Bolivia)
United States of America	(Vacant) (Vacant)

Operation

The Board of Executive Directors functions in continuous session at the principal offices of IDB Invest in Washington D.C., or exceptionally at such other locations as shall be designated by the Board of Executive Directors, and meets as often as business requires.

Agendas, minutes and resolutions of the meetings of the Board of Executive Directors are made available to the public at the end of the corresponding deliberative process.

Each Executive Director is entitled to cast the number of votes which the member or member countries of IDB Invest whose votes counted towards his or her nomination or election are entitled to cast. All the votes that an Executive Director is entitled to cast are cast as a unit. The quorum for any meeting of the Board of Executive Directors is the majority of the Executive Directors representing not less than two-thirds of the votes of the member countries.

Unless an Executive Director requires formal voting on any matter in the Board, the Chairperson of the Board of Executive Directors may declare any matter approved based on verbal affirmations. In the event that a formal voting is called, unless otherwise provided, all matters are decided by a majority of the votes of the member countries.

Key Governing Committees

The Board of Executive Directors has the following committees: the Executive Committee, the Audit and Risk Oversight Committee, the Committee of the Board of Executive Directors and the Special Ad Hoc Committee for Problem Projects. In addition, there are two joint committees of the IDB Invest Board of Executive Directors and the IDB Board of Executive Directors: the Steering Committee and the Conduct Committee. The role of each committee is determined pursuant to its terms of reference.

Executive Committee of the Board of Executive Directors

The Executive Committee of the Board of Executive Directors is composed of: (i) the Director or Alternate appointed by the member country having the largest number of shares in IDB Invest (as of the date of this Information Statement, this is the United States); (ii) two Directors representing the Regional Developing Member Countries; and (iii) one Director representing the other member countries. Rotating agreements among the Directors result in a change in the composition every quarter.

The Executive Committee considers all loans and investments in Regional Developing Member Countries, with certain exceptions where this authority has been delegated to Management. To be approved, a loan, investment or financing program requires the vote of a majority of the Executive Committee. A quorum for any meeting of the Executive Committee is three members. A report with respect to each operation approved by the Executive Committee is then submitted to the Board of Executive Directors. If requested by any Executive Director, such approved operation will be presented to the Board of Executive Directors for a vote. An operation approved by the Executive Committee shall be deemed approved by the Board of Executive Directors in the absence of such request within the period specified by the Board of Executive Directors.

Effective July 1, 2025, the Committee of the Board of Executive Directors will be replaced with two committees: the Planning, Budget, and Policies Committee, and the Impact, Portfolio, and Synergies Committee.

Planning, Budget, and Policies Committee

The purpose of the Planning, Budget and Policies Committee is to assist the Board of Executive Directors in its oversight of IDB Invest's (i) medium and long-term strategic and financial planning for the business plan, administrative budget, capital budget, and information technology, (ii) human resources and talent management for the institution's organizational structure and field presence, (iii) accountability mechanisms reporting to the Board, namely the Office of Evaluation and Oversight and the Independent Consultation and Investigation Mechanism, (iv) portfolio-level mobilization, (v) financial, operational, and risk policies, (vi) Board matters, and (vii) action plans, reporting, and evaluations relating to matters under the Committee's oversight.

Impact, Portfolio, and Synergies Committee

The purpose of the Impact, Portfolio and Synergies Committee is to consider and recommend appropriate actions to the Board of Executive Directors on (i) IDB Invest and the IDB country and regional strategies, (ii) IDB Invest's Impact Management Framework, (iii) Climate, Social, and Gender and Diversity Agendas, (iv) Synergies Framework, (v) the portfolio results and outcomes, (vi) Action Plans overseen by the Committee in different thematic areas (e.g., equity, MSMEs, poverty and vulnerability), (vii) impact-based delegation and accountability platforms, and (viii) evaluations relating to matters under the Committee's oversight.

Audit and Risk Oversight Committee of the Board of Executive Directors

The purpose of the Audit and Risk Oversight Committee is to assist the Board of Executive Directors in its oversight of (i) IDB Invest's accounting and financial reporting processes, and internal controls over financial reporting, (ii) the management of financial and non-financial risks in relation to the risk policies established by the Board of Executive Directors, (iii) the qualifications, independence, reports and written communications of IDB Invest's External Auditor, and (iv) the performance, work program and reports of IDB Invest's internal audit function, which is carried out by AUG.

Effective July 1, 2025, the Audit and Risk Oversight Committee will absorb the functions of the Special Ad Hoc Committee for Problem Projects, which will cease to exist on the same date.

Committee of the Board of Executive Directors

The purpose of this Committee of the Board of Executive Directors is to consider and review matters related to budget, organization, policies, and evaluation, as well as such other matters as the Board may decide to entrust to it.

Special Ad Hoc Committee for Problem Projects of the Board of Executive Directors

The purpose of the Special Ad Hoc Committee for Problem Projects is to support the timely, accurate and complete communication regarding impaired projects to and from the members of the Board of Executive Directors on matters of which the Board of Executive Directors should be informed, requiring the approval of the Board, or as otherwise deemed necessary by the Board of Executive Directors.

As mentioned above, effective July 1, 2025, the Audit and Risk Oversight Committee will absorb the functions of the Special Ad Hoc Committee for Problem Projects, which will cease to exist on the same date.

Steering Committee

The purpose of the Steering Committee is to serve as the advisory body to the Boards of Executive Directors of IDB Invest and the IDB. Its functions include to review and confer with management on all matters related to the preparation and follow-up on the Boards' work programs and other relevant matters.

Conduct Committee

The Conduct Committee addresses all matters arising from the application of the Code of Conduct and the Operating Guidelines for the Conduct Committee, and as may be otherwise determined by the Boards of Executive Directors of IDB Invest and the IDB.

Key Executives and Personnel

The Board of Executive Directors appoints the General Manager of IDB Invest by a four-fifths majority of the total voting power of the member countries, on the recommendation of the Chairperson of the Board of Executive Directors and for such term as she or he shall indicate.

The General Manager is responsible for the ordinary business of IDB Invest under the direction of the Board of Executive Directors and the general supervision of the Chairperson of the Board of Executive Directors. The General Manager is responsible for the organization, appointment, and dismissal of IDB Invest officers and staff in consultation with the Board of Executive Directors and the Chairperson of the Board of Executive Directors. The General Manager may participate in meetings of the Board of Executive Directors but does not have the right to vote at these meetings. The departments that provide support for project and program activities include Industries and Cross-Cutting Themes; Regions; Financial Solutions, Mobilization and Asset Sharing; Legal; Risk Management; and Finance and Administration. As of December 31, 2024, IDB Invest has 427 staff and 49 consultants on-board.

Table 8. List of Key Executives as of the date of this Information Statement.

IDB Invest's Executives

Name	Position
James P. Scriven	Chief Executive Officer
H. Rosemary Jeronimides	General Counsel
Marisela Alvarenga	Chief Industries and Cross-Cutting Themes Officer (a.i)
Gabriel Todt de Azevedo	Chief Regions Officer (a.i)
Vacant	Chief Financial Solutions, Mobilization and Asset Sharing Officer
Orlando Ferreira Caballero	Chief Finance and Administration Officer
Rachel Robboy	Chief Risk Officer

Management & Organizational Changes

At the 2024 Annual Meeting of the IDB Group, the Board of Governors of IDB Invest approved an increase in the capital stock of IDB Invest of $3.5 billion for the purpose of implementing a New Vision and Business Model for IDB Invest (IDB Invest+) effective in 2025. To support the implementation of IDB Invest+, the Board of Governors approved strengthening the institution's governance through enhanced symmetry and synergies between the Boards of Executive Directors of IDB Invest and the IDB by increasing from thirteen (13) to fourteen (14) the number of Executive Directors. The 14th Executive Director was appointed on September 13, 2024 to represent France, Portugal and Spain.

In order to further support the implementation of IDB Invest+, the Board of Executive Directors approved a significant modification to its current committee structure to support a bolder risk approach, enable the originate-to-share model, and support the increased impact ambition for a private sector-oriented institution. Thus, effective July 1, 2025, under the new committee structure, the Committee of the Board of Executive Directors will be replaced with two committees: the Planning, Budget, and Policies Committee, and the Impact, Portfolio, and Synergies Committee as detailed above. This delineation allows the Planning, Budget and Policies Committee to focus on issues related to the management of the organization and the implementation of the new risk approach and originate-to-share business model while the Impact, Portfolio and Synergies Committee guides the impact aspirations of IDB Invest. The Special Ad Hoc Committee will cease to exist and its functions will be absorbed by the Audit and Risk Oversight Committee, thereby gaining efficiencies.

In addition, the Board of Executive Directors approved a new organizational structure which entailed the expansion of the number of departments supporting project and program activities from five (5) to six (6). Thus, under the new organizational structure, the former Investment Operations Department and the Strategy and Development Department have been transformed with an industry and regional focus into the Industries and Cross-Cutting Themes Department, and the Regions Department, respectively. In addition, the new Financial Solutions, Mobilization and Asset Sharing Department was created to develop innovative financial products and mobilize resources to better serve the needs of the Region. The Risk Management Department assumes environmental, social and governance matters. The Finance and Administration Department and Legal Department remain the same within the new organizational structure.

Ethics Matters

IDB Invest fosters an ethical work environment for its staff and consultants, and is committed to safeguard the activities financed by IDB Invest from fraud and corruption.

Code of Ethics

IDB Invest requires employees to maintain the highest standards of professional and ethical conduct. To assist in preserving such institutional standards, IDB Invest has in place a Code of Ethics and Professional

Conduct[21] that applies to all employees. This Code contains guidelines concerning conflicts of interest and use of IDB Invest information, among other matters.

Oversight Offices

The following offices provide oversight services to IDB Invest.

Office of Institutional Integrity

The Office of Institutional Integrity[22] (OII), an oversight office of the IDB established to promote institutional integrity, provides services to IDB Invest and reports its ongoing activities and significant findings to its Board of Executive Directors and Management. The OII complies with its mandate through the detection and investigation of fraud, corruption and other prohibited practices, and the support of initiatives for their prevention. Allegations of corrupt or fraudulent activities involving IDB Invest-financed activities may be reported to the OII in person, by telephone, e-mail, facsimile, regular mail, or through the allegation forms available on the website. Such allegations may be made confidentially or anonymously.

Office of the Executive Auditor

The Office of the Executive Auditor provides assurance and consulting services guided by international professional standards, and reports functionally to IDB Invest and the IDB Boards of Executive Directors through the Audit and Risk Oversight Committee and the IDB Audit Committee. The Office of the Executive Auditor provides assurance and advisory services designed to add value and continuously improve the IDB Group's operations, bringing a systematic, disciplined approach to assess and improve the effectiveness of governance, risk management, and control processes.

Office of Evaluation and Oversight

The Office of Evaluation and Oversight, which reports directly to the Board of Executive Directors, undertakes independent and systematic evaluations of IDB Invest's strategies, policies, programs, activities, delivery support functions and systems and disseminates the findings of such evaluations so that recommendations for improvement can be used in new operations. The Office of Evaluation and Oversight also provides oversight and support for the enhancement of the effectiveness of IDB Invest's evaluation system.

Independent Investigation and Consultation Mechanism

The Independent Consultation and Investigation Mechanism is an investigation mechanism that is independent from the management structure at IDB Invest and reports directly to the Board of Executive Directors. The MICI works with dispute resolution processes and compliance review investigations. The dispute resolution process aims at resolving the issues raised by the complainants through a satisfactory agreement between the parties: the complainants, the project team, and those responsible for implementing the project (the executing agency or borrower/client). The compliance review process has the following objectives: (i) provide a mechanism and process independent of Management in order to investigate allegations by requesters of damages produced by IDB Invest's failure to comply with its relevant operational policies in IDB Invest financed operations; (ii) provide information to the Board of Executive Directors regarding such investigations; and (iii) be a last-resort mechanism for addressing the concerns of requesters, after reasonable attempts to bring such allegations to the attention of Management have been made.

The Agreement Establishing the Inter-American Investment Corporation

The Establishing Agreement[23] sets forth IDB Invest's purpose and functions, capital structure and organization. It also outlines the operations in which IDB Invest may participate, prescribes limits and directives, establishes IDB Invest's status, legal capacity, immunities and privileges, and regulates membership and the termination of IDB Invest's operations.

The Establishing Agreement may be amended only by decision of IDB Invest's Board of Governors by a majority representing at least four-fifths of the votes of the members and two-thirds of the number of

[21] IDB Invest's Code of Ethics and Professional Conduct is available at https://www.idbinvest.org/en/how-we-work/institutional-information
[22] More information about the Office of Institutional Integrity is available at https://www.iadb.org/en/who-we-are/transparency/sanctions-system/office-institutional-integrity
[23] IDB Invest's Establishing Agreement is available within the Institutional Information section of the website in IDB Invest's four official languages, at https://idbinvest.org/en/how-we-work/institutional-information

Governors. The unanimous agreement of the Board of Governors is required for the approval of any amendment modifying the right to withdraw from IDB Invest; the right to purchase shares in IDB Invest; or any changes to the limitation of liability of its member countries. Refer to Note I in the Financial Statements for additional information related to IDB Invest's member capital.

Legal Status, Immunities and Privileges

The following is a summary of the principal provisions of the Establishing Agreement relating to the legal status, immunities and privileges of IDB Invest in the territories of its members.

IDB Invest possesses legal personality and has full capacity to contract, acquire and dispose of immovable and movable property, and to institute legal and administrative proceedings.

Actions may be brought against IDB Invest only in a court of competent jurisdiction in the territories of a member country in which IDB Invest has an office; has appointed an agent for the purpose of accepting service or notice of process; or has issued or guaranteed securities. No action shall be brought against IDB Invest by member countries or persons acting for or deriving claims from member countries. However, such countries or persons may have recourse to such special procedures to settle controversies between IDB Invest and its member countries as prescribed in the Establishing Agreement.

The property and assets of IDB Invest are immune from all forms of seizure, attachment or execution before the delivery of final judgment against IDB Invest. Immunity for IDB Invest's property and assets also applies against searches, requisitions, confiscation, expropriation and any other form of taking or foreclosure by executive or legislative action.

To the extent necessary to enable IDB Invest to carry out its purpose and functions and to conduct its operations in accordance with this Agreement, all property and other assets of IDB Invest shall be free from restrictions, regulations, controls and moratoria of any nature, except as may otherwise be provided in the Establishing Agreement. The archives of IDB Invest are also inviolable.

IDB Invest, its property, other assets, income and the operations and transactions it carries out are immune from all taxation and from all customs 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. No tax shall be levied on or in respect of salaries and emoluments paid by IDB Invest to officials or employees of IDB Invest who are not local citizens or other local nationals. No tax of any kind shall be levied on any obligation or security issued by IDB Invest, including any dividend or interest thereon, by whosoever held: (i) which discriminates against such obligation or security solely because it is issued by IDB Invest; or (ii) if the sole jurisdictional basis for such taxation is the place or currency in which it is issued, made payable or paid, or the location of any office or place of business maintained by IDB Invest.

The IDB Group

Inter-American Development Bank (IDB)

The IDB is an international organization, with a separate governance structure, including its own Board of Governors and Board of Executive Directors, capital structure and balance sheet. The IDB's objective is to achieve economic and social development in a sustainable, climate-friendly way.

Multilateral Investment Fund (MIF)

The Multilateral Investment Fund (now commercially known as IDB Lab), a trust fund administered by IDB, is the innovation laboratory of the IDB Group. IDB Lab has a separate governance structure from IDB, including its own Donors Committee, capital structure and balance sheet. The purpose of IDB Lab is to drive innovation for inclusion in the Region, mobilizing financing, knowledge and connections to co-create solutions capable of transforming the lives of vulnerable populations due to economic, social or environmental conditions. IDB Lab offers a range of financing products, such as grants for technical assistance, loans and equity investments, as well as a combination of these tools to better support clients.

INTER-AMERICAN INVESTMENT CORPORATION

Financial Statements

December 31, 2024 and 2023

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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, 2024 and 2023, 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, 2024 and 2023, 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.

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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, 2024, 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

March 4, 2025

Inter-American Investment Corporation

Balance Sheets

Expressed in thousands of United States dollars	Notes	December 31, 2024	December 31, 2023
Assets			
Cash	C	$ 51,783	$ 75,828
Investment securities	C & J	3,782,960	2,542,568
Development-related investments			
Development-related debt investments			
At amortized cost		6,339,215	6,288,064
Allowance for credit losses		(203,692)	(231,516)
		6,135,523	6,056,548
At fair value		1,768,596	1,632,386
		7,904,119	7,688,934
Equity investments		325,631	303,176
Total development-related investments, net	D & J	8,229,750	7,992,110
Derivative assets	G & J	221,655	245,512
Receivables and other assets	E	514,459	472,216
Total assets		**12,800,607**	**11,328,234**
Liabilities			
Borrowings	F & J		
At amortized cost		1,065,991	2,159,539
At fair value		7,235,404	5,146,005
		8,301,395	7,305,544
Derivative liabilities	G & J	383,319	382,231
Payables and other liabilities	H	420,425	410,570
Total liabilities		**9,105,139**	**8,098,345**
Capital			
Capital, par value		2,060,030	1,849,750
Additional paid-in capital		915,585	729,485
Receivable from members		(264,288)	(37,840)
Total paid-in capital	I	2,711,327	2,541,395
Retained earnings		913,032	639,331
Accumulated other comprehensive income/(loss)		71,109	49,163
Total capital		**3,695,468**	**3,229,889**
Total liabilities and capital		**$ 12,800,607**	**$ 11,328,234**

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 2024	2023
Income from development-related investments			
Development-related debt investments			
Interest and other income, net		$ 635,521	$ 540,022
(Provision)/release of provision for credit losses		5,004	14,976
		640,525	554,998
Equity investments			
Income/(loss) from equity investments, net	D	(30,735)	(27,825)
		(30,735)	(27,825)
Income from development-related investments, net	D	**609,790**	**527,173**
Income/(loss) from liquid assets, net	C	172,011	198,577
Borrowings expense	F	(311,229)	(242,484)
Other income			
Service fees from related parties	N	38,564	38,755
Mobilization fees and other income		25,504	36,782
Total other income		**64,068**	**75,537**
Income/(expense) from development-related investments, liquid assets and other income, net of borrowings expense		**534,640**	**558,803**
Other expenses			
Administrative expenses		191,068	180,304
Other components of pension benefit costs, net	O	(13,134)	(17,646)
Total other expenses		**177,934**	**162,658**
Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net	K	(83,005)	(232,211)
Net income/(loss)		**$ 273,701**	**$ 163,934**

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 2024	2023
Net income/(loss)		**$ 273,701**	**$ 163,934**
Other comprehensive income/(loss)			
Recognition of net actuarial gains/(losses) and prior service credit on Pension Plans and Postretirement Benefit Plan	O	52,993	(22,706)
Unrealized gains/(losses) arising during the period related to fair value adjustments on borrowings attributable to changes in instrument-specific credit risk, net	F	(31,047)	6,599
Total other comprehensive income/(loss)		**21,946**	**(16,107)**
Comprehensive income/(loss)		**$ 295,647**	**$ 147,827**

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, 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	I	2,534				
Payments received for capital	I		117,700	—	—	117,700
As of December 31, 2023		**184,975**	**2,541,395**	**639,331**	**49,163**	**3,229,889**
Year ended December 31, 2024						
Net income/(loss)			—	273,701	—	273,701
Other comprehensive income/(loss)			—	—	21,946	21,946
Change in shares	I	21,028				
Payments received for capital	I		169,932	—	—	169,932
As of December 31, 2024		**206,003**	**$ 2,711,327**	**$ 913,032**	**$ 71,109**	**$ 3,695,468**

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 2024	2023
Cash flows from investing activities		
Loan disbursements	$ (4,912,439)	$ (5,418,154)
Loan repayments and sales	4,703,033	4,184,576
Development-related debt securities purchases	(465,706)	(441,421)
Development-related debt securities proceeds and sales	278,483	76,330
Equity investment disbursements	(68,671)	(64,754)
Equity investment proceeds	30,598	20,255
Capital asset expenditures	(6,096)	(3,845)
Net cash provided by/(used in) investing activities	**$ (440,798)**	**$ (1,647,013)**
Cash flows from financing activities		
Proceeds from issuance of borrowings	2,387,445	2,374,116
Borrowings repayments	(1,101,932)	(1,137,118)
Payments received for capital	169,932	117,700
Net cash provided by/(used in) financing activities	**$ 1,455,445**	**$ 1,354,698**
Cash flows from operating activities		
Net income/(loss)	273,701	163,934
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:		
Change in fair value of equity investments, net	32,820	32,832
Provision/(release) of provision for credit losses	(5,004)	(14,976)
(Gain)/loss from investment securities, net	19,483	(58,973)
Depreciation and amortization	(41,138)	(50,070)
(Gain)/loss from changes in fair value on non-trading portfolios and foreign exchange transactions, net	83,005	232,211
Realized gain/(loss) on swaps	(155,118)	(135,907)
Realized (gain)/loss on equity investments, net	(2,067)	(4,932)
Change in receivables and other assets	(29,729)	(33,530)
Change in payables and other liabilities	53,554	152,997
Change in Pension Plans and Postretirement Benefit Plan, net	(6,322)	(14,038)
Change in investment securities	(1,259,875)	44,678
Other, net	(1,964)	(7,190)
Net cash provided by/(used in) operating activities	**$ (1,038,654)**	**$ 307,036**
Change in cash	(24,007)	14,721
Effect of exchange rate changes on cash, net	(38)	3,221
Net increase/(decrease) in cash	**$ (24,045)**	**$ 17,942**
Cash as of January 1	75,828	57,886
Cash as of December 31	**$ 51,783**	**$ 75,828**
Supplemental disclosure:		
Interest paid during the period	278,235	202,431
Non-cash items:		
Loan conversion to equity investment	15,135	—

The accompanying notes are an integral part of these financial statements

Note A - 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.

Note B - 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, guarantees, 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 D 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.

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 D.

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.

IDB Invest considers a Development-related investment to be past due if a scheduled payment has not been received on the date it is contractually due. 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, fund distributions, sales, and profit participations received from equity investments are recorded as income and reported in Income/(loss) from equity investments, net, in the income statements.

Unrealized gains and losses related to fair value adjustments are recorded Income/(loss) from equity investments, 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 D.

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 N.

Risk management and use of derivative instruments – IDB Invest uses derivative instruments primarily for market and credit 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. IDB Invest also enters into credit derivatives to manage credit risk. 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 G.

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 F.

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 K.

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, borrowings, and derivative instruments 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 J.

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 contribution 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 O**.**

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 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 was effective from January 1, 2024, and did not impact 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 did not 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 the title and position of the entity's chief operating decision maker to enable investors to develop more decision-useful financial analyses. For IDB Invest, this ASU became effective for the reporting period ending December 31, 2024, and did not have a material impact on IDB Invest's financial statements. Refer to Note L for segment reporting disclosures.

In November 2024, the FASB issued ASU 2024-03, *Income Statement-Reporting Comprehensive Income-Expense Disaggregation Disclosures (Subtopic 220-40): Disaggregation of Income Statement Expenses*. The amendments in this ASU require entities to disaggregate certain expense captions into specified categories in disclosures within the footnotes to the financial statements. For IDB Invest, this ASU will be effective for the reporting period ending December 31, 2027. IDB Invest is currently evaluating the impact on its financial statements.

Note C - Liquid Assets

Table C1. Liquid assets consisted of the following (USD thousands):

	December 31, 2024	December 31, 2023
Cash [1]	$ 51,783	$ 75,828
Investment securities [2]		
Money market funds	415,316	326,920
Debt securities		
Corporate securities [3]	1,871,711	1,428,112
Agency securities	707,947	400,357
Government securities	397,756	258,967
Supranational securities	390,230	128,212
Total debt securities	**$ 3,367,644**	**$ 2,215,648**
Total investment securities	**3,782,960**	**2,542,568**
Total liquid assets	**$ 3,834,743**	**$ 2,618,396**

[1] Includes restricted cash of $18.5 million as of December 31, 2024 ($18.6 million as of December 31, 2023).

[2] Investment securities is composed of 93.9% in USD, 2.2% in MXN, 0.8% in COP, and 3.1% in BRL as of December 31, 2024 (93.5% in USD, 3.8% in MXN, 1.8% in COP, and 0.9% in BRL as of December 31, 2023).

[3] Includes a certificate of deposit of $29.5 million pledged as collateral to secure a borrowing as of December 31, 2024 ($29.5 million as of December 31, 2023).

Table C2. Total income from Liquid assets is summarized below (USD thousands):

	Year ended December 31	
	2024	2023
Interests and dividends, net	$ 191,532	$ 136,384
Gain/(loss) from changes in fair value and foreign exchange transactions, net	(19,521)	62,193
Total income/(loss) from liquid assets, net	**$ 172,011**	**$ 198,577**

Net unrealized losses recognized in income for the year ended December 31, 2024 relating to trading securities still held as of December 31, 2024 were $3.8 million ($16.6 million net unrealized gains for the year ended December 31, 2023).

Table C3. Maturity structure of debt securities included in Liquid assets is as follows (USD thousands):

	December 31, 2024	December 31, 2023
Less than one year	$ 1,347,133	$ 1,069,137
Between one and five years	2,020,511	1,146,511
Total	**$ 3,367,644**	**$ 2,215,648**

Note D - 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.

Table D1. Development-related investments by principal outstanding, amortized cost and carrying amount are as follows (USD thousands):

	December 31, 2024			December 31, 2023		
	Principal outstanding	**Amortized cost**	**Carrying amount**	**Principal outstanding**	**Amortized cost**	**Carrying amount**
Loans						
At amortized cost	$ 6,259,957	$ 6,239,785	$ 6,239,785	$ 6,169,432	$ 6,139,520	$ 6,139,520
At fair value	418,440	418,440	373,038	437,377	437,377	419,239
Total loans	**6,678,397**	**6,658,225**	**6,612,823**	**6,606,809**	**6,576,897**	**6,558,759**
Debt securities						
At amortized cost	99,430	99,430	99,430	148,544	148,544	148,544
At fair value	1,468,346	1,445,442	1,395,558	1,295,211	1,249,516	1,213,147
Total debt securities	**1,567,776**	**1,544,872**	**1,494,988**	**1,443,755**	**1,398,060**	**1,361,691**
Allowance for credit losses			(203,692)			(231,516)
Total development-related debt investments, net	**8,246,173**	**8,203,097**	**7,904,119**	**8,050,564**	**7,974,957**	**7,688,934**
		Cost	**Carrying amount**		**Cost**	**Carrying amount**
Equity investments		369,988	325,631		314,713	303,176
Total equity investments		**369,988**	**325,631**		**314,713**	**303,176**
Total development-related investments, net		**$ 8,573,085**	**$ 8,229,750**		**$ 8,289,670**	**$ 7,992,110**

Table D2. Income from development-related investments is summarized below (USD thousands):

	Year ended December 31	
	2024	2023
Development-related debt investments		
Interest income	$ 619,212	$ 560,086
Fees and other income/(expense), net	38,264	28,541
Recovery asset income/(release)	8,063	(21,140)
Insurance and guarantee premium expense	(30,018)	(27,465)
(Provision)/release of provision for credit losses	5,004	14,976
Income/(expense) from development-related debt investments	**640,525**	**554,998**
Equity investments		
Realized gain/(loss), net	2,067	4,932
Dividends and other income	18	75
Change in fair value, net	(32,820)	(32,832)
Income/(loss) from equity investments, net	**(30,735)**	**(27,825)**
Income from development-related investments, net	**$ 609,790**	**$ 527,173**

Table D3. Undisbursed commitments (net of cancellations) related to development-related investments are summarized below (USD thousands):

	December 31, 2024	December 31, 2023
Loans		
At amortized cost	$ 985,563	$ 1,047,216
At fair value	76,000	126,032
Total loans	**1,061,563**	**1,173,248**
Debt securities		
At amortized cost	—	—
At fair value	306,890	127,330
Total debt securities	**306,890**	**127,330**
Total development-related debt investments, net	**1,368,453**	**1,300,578**
Equity investments	161,138	201,117
Total equity investments	**161,138**	**201,117**
Total development-related investments, net	**$ 1,529,591**	**$ 1,501,695**

Table D4. Maturity structure of development-related debt investments is as follows (USD thousands):

	December 31, 2024	December 31, 2023
Loans		
Due in one year or less	$ 2,596,583	$ 2,459,963
Due after one year through five years	2,101,474	2,168,318
Due after five years through ten years	1,396,374	1,456,202
Due after ten years and thereafter	583,966	522,326
Total loans	**6,678,397**	**6,606,809**
Debt securities		
Due in one year or less	123,925	207,778
Due after one year through five years	770,893	756,680
Due after five years through ten years	582,555	387,198
Due after ten years and thereafter	90,403	92,099
Total debt securities	**1,567,776**	**1,443,755**
Total development-related debt investments, principal amount outstanding	**8,246,173**	**8,050,564**
Unamortized discounts	(43,076)	(75,607)
Total development-related debt investments at cost	**8,203,097**	**7,974,957**
Fair value adjustments	(95,286)	(54,507)
Total development-related debt investments at carrying amount	**$ 8,107,811**	**$ 7,920,450**

Table D5. 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, 2024		December 31, 2023	
	Amount	Interest rate range	Amount	Interest rate range
Brazilian real (BRL)				
Loans	$ 280,746	12.7%-17.5%	$ 281,212	12.2%-17.0%
Debt securities	59,578	13.4%-14.4%	34,891	13.7%-13.9%
	340,324		316,103	
Chilean unit of account (CLF) [(1)]				
Loans	107,011	4.5%	—	—%
	107,011		—	
Chilean peso (CLP)				
Loans	21,978	7.9%-10.1%	25,490	8.7%-11.9%
	21,978		25,490	
Colombian peso (COP)				
Loans	157,244	11.2%-15.6%	163,745	15.3%-19.0%
Debt securities	106,702	9.5%-11.8%	175,067	9.5%-14.9%
	263,946		338,812	
Colombian real value unit (COU) [(1)]				
Debt securities	127,626	7.6%	138,154	7.6%
	127,626		138,154	
Dominican Republic peso (DOP)				
Debt securities	14,789	14.0%	—	—%
	14,789		—	
Mexican peso (MXN)				
Loans	129,375	11.2%-15.4%	185,847	12.7%-16.5%
Debt securities	67,706	11.4%-15.0%	76,504	12.5%-14.0%
	197,081		262,351	
Paraguayan guarani (PYG)				
Loans	29,931	7.5%-9.7%	33,186	7.5%-9.5%
	29,931		33,186	
Peruvian sol (PEN)				
Loans	57,344	7.7%-11.1%	73,564	7.7%-11.1%
Debt securities	50,907	8.0%-10.8%	51,618	8.0%-10.8%
	108,251		125,182	
Trinidad and Tobago dollar (TTD)				
Loans	88,505	2.9%-3.8%	96,078	2.9%-3.8%
Debt securities	26,551	3.5%	35,475	3.5%
	115,056		131,553	
United States dollar (USD)				
Loans	5,209,542	3.0%-15.0%	4,931,918	2.9%-15.0%
Debt securities	634,582	3.0%-11.5%	558,601	3.0%-12.2%
	5,844,124		5,490,519	
Uruguayan peso (UYU)				
Loans	8,775	12.0%	—	—%
	8,775		—	
Total development-related debt investments, before discounted debt investments	**7,178,892**		**6,861,350**	
Discounted debt investments with no stated interest rate (USD)	902,914		980,412	
Discounted debt investments with no stated interest rate (MXN)	121,291		133,195	
Total development-related debt investments at cost	**8,203,097**		**7,974,957**	
Fair value adjustments for debt investments	(95,286)		(54,507)	
Total development-related debt investments at carrying amount	**$8,107,811**		**$7,920,450**	

(1) Non-circulating currencies.

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

Table D6. An aging analysis, based on contractual terms, for development-related debt investments as of December 31, 2024, and December 31, 2023 (USD thousands):

	December 31, 2024				
	1-90 days past due	>90 days past due	Total past due	Total current	Total portfolio
Loans	$ 66,233	$ 38,904	$ 105,137	$ 6,573,260	$ 6,678,397
Debt securities	—	—	—	1,567,776	1,567,776
Total development-related debt investments, principal amount outstanding	**66,233**	**38,904**	**105,137**	**8,141,036**	**8,246,173**
Unamortized discounts	(926)	—	(926)	(42,150)	(43,076)
Total development-related debt investments at cost	**65,307**	**38,904**	**104,211**	**8,098,886**	**8,203,097**
Fair value adjustments for debt investments	326	(30,208)	(29,882)	(65,404)	(95,286)
Total development-related debt investments at carrying amount	**$ 65,633**	**$ 8,696**	**$ 74,329**	**$ 8,033,482**	**$ 8,107,811**

Table D6.1.

	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**

IDB Invest monitors for development-related debt investments measured at amortized cost and fair value in nonaccrual and past due.

Table D7. Development-related debt investments in nonaccrual are summarized as of December 31, 2024, and December 31, 2023 (USD thousands):

	December 31, 2024		Year ended December 31, 2024	
	Total nonaccrual	**> 90 days past due and accruing**	**Interest income recognized on nonaccrual**	**Accrued interest income written off**
Loans	$ 175,511	$ —	$ 6,911	$ 7,019
Debt securities	14,487	—	—	—
Total development-related debt investments, principal amount outstanding	**189,998**	**—**	**6,911**	**7,019**
Unamortized discounts	—	—		
Total development-related debt investments at cost	**189,998**	**—**	**6,911**	**7,019**
Fair value adjustments for debt investments	(49,918)	—		
Total development-related debt investments at carrying amount	**$ 140,080**	**$ —**	**$ 6,911**	**$ 7,019**

Table D7.1.

	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**

As of December 31, 2024, loans measured at fair value with a principal amount outstanding of $37.2 million and net carrying amount of $0.8 million were classified as nonaccrual, of which a principal amount outstanding of $31.0 million and net carrying amount of $0.8 million were classified as past due (principal amount outstanding of $3.2 million and net carrying amount of zero classified as nonaccrual and past due as of December 31, 2023). As of December 31, 2024, debt securities measured at fair value with a principal amount outstanding of $14.5 million and net carrying amount of $1.0 million were classified as nonaccrual and current (none as of December 31, 2023).

There were no development-related debt investments at amortized cost classified as nonaccrual without a related allowance for credit losses as of December 31, 2024 (none as of December 31, 2023).

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

The following table presents modifications for development-related debt investments measured at amortized cost in accordance with ASU 2022-02 and the respective financial effects for the year ended December 31, 2024, and 2023 (USD thousand):

Table D8. Development-related debt investments modified in the last twelve months (USD thousands):

	Year ended December 31					
	2024			2023		
	Amortized cost basis	Undisbursed commitment amount	% of total class of financing receivable	Amortized cost basis	Undisbursed commitment amount	% of total class of financing receivable
Loans						
Term extension	$ 62	$ —	— %	$ 128,490	$ —	2.1 %
Total loans	**62**	**—**		**128,490**	**—**	
Total development-related debt investments	**$ 62**	**$ —**		**$ 128,490**	**$ —**	

Financial effect

For the year ended December 31, 2024 and 2023, this modification increased the weighted-average life of the modified loan by 0.6 years, from 7.0 years to 7.6 years and 1.7 years, from 9.4 to 11.1 years, respectively. Additionally, for the year ended December 31, 2023, one uncommitted revolving line of credit included in these modifications was converted to committed, which reduced the undrawn available amount and extended the maturity date by 14 months.

Table D9. Performance of development-related debt investments modified in the last twelve months as of December 31, 2024, and December 31, 2023 (USD thousand):

	December 31, 2024				
	Current	1-90 days past due	>90 days past due	Total	Gross write-offs
Loans	$ 62	$ —	$ —	$ 62	$ —
Total	**$ 62**	**$ —**	**$ —**	**$ 62**	**$ —**

Table D9.1.

	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**	**$ —**

As of December 31, 2024 there were no defaults related to development-related debt investments that were modified in the last twelve months. As of December 31, 2023, the amortized cost basis of modified development-related debt investments that were modified in the last twelve months and subsequently defaulted is summarized below.

Table D10. Development-related debt investments that were modified in the last twelve months and subsequently defaulted as of December 31, 2023 (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**

Collateral-dependent Loans

A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. IDB Invest's collateral-dependent loans are generally secured by mortgages or asset pledges. As of December 31, 2024, the amortized cost of collateral-dependent loans was $5.2 million ($26.5 million as of December 31, 2023).

Changes in the allowance for credit losses

Table D11. Changes in the allowance for credit losses by portfolio segment are presented below (USD thousands):

	Year ended December 31, 2024			
	Financial institutions	Corporates	Project finance	Total
Loans				
Beginning balance	$ (48,958)	$ (91,480)	$ (89,179)	$ (229,617)
Loans written off	600	15,310	—	15,910
Recoveries	(156)	—	—	(156)
(Provision)/release of provision for credit losses	9,123	9,945	(7,027)	12,041
Loans ending balance	(39,391)	(66,225)	(96,206)	(201,822)
Debt securities				
Beginning balance	(1,473)	(287)	(139)	(1,899)
Debt securities written off	—	—	—	—
Recoveries	—	—	—	—
(Provision)/release of provision for credit losses	(226)	230	25	29
Debt securities ending balance	(1,699)	(57)	(114)	(1,870)
Allowance for credit losses	**(41,090)**	**(66,282)**	**(96,320)**	**(203,692)**
Undisbursed commitments				
Beginning balance	(1,700)	(11,922)	(19,896)	(33,518)
(Provision)/release of provision for credit losses	(513)	(9,328)	6,124	(3,717)
Undisbursed commitments ending balance	(2,213)	(21,250)	(13,772)	(37,235)
Guarantees				
Beginning balance	(843)	(39)	(20)	(902)
(Provision)/release of provision for credit losses	(2,632)	(720)	3	(3,349)
Guarantees ending balance	(3,475)	(759)	(17)	(4,251)
Liability for off-balance sheet credit losses	**(5,688)**	**(22,009)**	**(13,789)**	**(41,486)**
(Provision)/release of provision for credit losses	$ 5,752	$ 127	$ (875)	$ 5,004

Table D11.1.

	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

Table D12. Description of credit quality indicators:

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.

Table D13. 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, 2024, and December 31, 2023 are as follows (USD thousands):

	December 31, 2024							
	Amortized cost basis by origination year [1]						Revolving loans amortized cost basis	Total
	2024	2023	2022	2021	2020	Prior		
Loans								
Very strong	$ 7,989	$ 153,238	$ —	$ —	$ —	$ —	$ —	$ 161,227
Strong	—	—	—	144	—	—	—	144
Adequate	40,545	187,886	185,890	73,591	245,259	29,726	178,408	941,305
Moderate	1,170,033	330,973	248,945	293,968	175,280	206,380	550,426	2,976,005
Weak	402,541	232,989	370,452	434,775	138,278	198,069	155,303	1,932,407
Very weak	—	—	38,450	30,625	93,871	60,533	5,218	228,697
Total loans	**1,621,108**	**905,086**	**843,737**	**833,103**	**652,688**	**494,708**	**889,355**	**6,239,785**
Year ended December 31, 2024								
Gross loan write-offs	—	—	(600)	(11,419)	—	(3,891)	—	(15,910)
Debt securities								
Adequate	—	—	—	—	—	7,763	—	7,763
Moderate	—	—	26,552	—	—	37,326	—	63,878
Weak	14,789	—	—	—	—	13,000	—	27,789
Very weak	—	—	—	—	—	—	—	—
Total debt securities	**14,789**	**—**	**26,552**	**—**	**—**	**58,089**	**—**	**99,430**
Year ended December 31, 2024								
Gross debt security write-offs	—	—	—	—	—	—	—	—
Total amortized cost loans and debt securities	**$1,635,897**	**$ 905,086**	**$ 870,289**	**$ 833,103**	**$ 652,688**	**$ 552,797**	**$ 889,355**	**$6,339,215**

[1] Includes short-term loans with maturities of less than one year and $6.0 million of line-of-credit arrangements that were converted to term loans and repaid during the year ended December 31, 2024.

Table D13.1.

	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 that were converted to term loans during the year ended December 31, 2023.

Table D14. 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, 2024					
	Amortized cost	Allowance for credit losses	Net carrying amount	Gross unrecognized holding gains	Gross unrecognized holding losses	Fair value
Debt securities	$ 99,430	$ (1,870)	$ 97,560	$ 616	$ (3,468)	$ 96,578
Total	**$ 99,430**	**$ (1,870)**	**$ 97,560**	**$ 616**	**$ (3,468)**	**$ 96,578**

Table D14.1.

	December 31, 2023					
				Gross unrecognized holding		
	Amortized cost	Allowance for credit losses	Net carrying amount	gains	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**

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 $440.8 million as of December 31, 2024 ($441.4 million as of December 31, 2023). 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 $452.0 million as of December 31, 2024 ($470.2 million as of December 31, 2023).

The 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 stand-ready obligation to perform of $2.5 million and a contingent liability of $4.3 million as of December 31, 2024 in the balance sheets ($31 thousand stand-ready obligation and $902 thousand contingent liability as of December 31, 2023). For guarantees measured at fair value, IDB Invest recorded a fair value asset of $1.5 million as of December 31, 2024 in the balance sheets (fair value liability of $2.6 million as of December 31, 2023). Additional information is included in Note J.

Loan participations

As of December 31, 2024, IDB Invest serviced loan participations outstanding of $6.4 billion ($4.8 billion as of December 31, 2023) and recognized servicing fees of $1.4 million for the year ended December 31, 2024 ($893 thousand for the year ended December 31, 2023) 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 $65.4 million as of December 31, 2024 ($31.1 million as of December 31, 2023) in the balance sheets. Those VIEs' 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, 2024, and December 31, 2023.

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 VIEs in which IDB Invest is not the primary beneficiary as of December 31, 2024, and December 31, 2023 is shown in the table below. IDB Invest does not have any liabilities with respect to these VIEs.

Table D15. Maximum exposure to VIEs (USD thousands):

	December 31, 2024		December 31, 2023	
Carrying value	$	692,070	$	768,030
Undisbursed commitments		226,815		226,604
Maximum exposure to VIEs	**$**	**918,885**	**$**	**994,634**

Note E - Receivables and Other Assets

Table E1. Receivables and other assets are summarized below (USD thousands):

	Notes	December 31, 2024		December 31, 2023	
Receivables for cash collateral pledged for derivatives	G	$	215,050	$	225,600
Interest receivable on development-related debt investments			101,600		87,168
Recovery assets			58,555		50,492
Postretirement Benefit Plan, net asset	O		55,890		36,821
Interest receivable on investment securities			32,251		19,681
Operating lease right-of-use asset			27,642		30,344
Fixed and intangible assets			13,594		11,536
Other assets			9,877		10,574
Total receivables and other assets		**$**	**514,459**	**$**	**472,216**

Note F - Borrowings

Table F1. Borrowings outstanding by measurement basis, currency, and range of contractual interest rates applicable to each category are presented below (USD thousands):

	December 31, 2024		December 31, 2023	
	Amount outstanding	Interest rate range	Amount outstanding	Interest rate range
At amortized cost				
Australian dollar (AUD)	$ 320,644	1.1%-2.2%	$ 353,005	1.1%-2.2%
Brazilian real (BRL)	37,633	12.0%-14.6%	60,153	11.9%-14.1%
Colombian peso (COP)	55,746	6.6%-11.7%	182,348	6.6%-15.1%
Mexican peso (MXN)	407,669	10.5%	500,608	11.5%-11.6%
Paraguayan guarani (PYG)	29,931	5.4%-7.9%	33,186	5.4%-7.9%
Trinidad and Tobago dollar (TTD)	115,056	1.9%-2.1%	131,554	1.9%-2.1%
United States dollar (USD)	100,000	1.7%	900,000	1.7%-5.7%
Principal at face value	**1,066,679**		**2,160,854**	
Unamortized premiums/discounts and issuance costs, net	(688)		(1,315)	
Borrowings at amortized cost, net	**1,065,991**		**2,159,539**	
At fair value				
Australian dollar (AUD)	946,756	1.5%-5.0%	480,588	1.5%-5.0%
Brazilian real (BRL)	9,260	11.4%	—	— %
Colombian peso (COP)	30,410	9.6%-11.3%	20,090	11.3%
Euro (EUR)	1,207,768	3.1%	1,207,768	3.1%
United States dollar (USD)	5,250,000	0.6%-4.8%	3,500,000	0.6%-4.8%
Principal at face value [1]	**7,444,194**		**5,208,446**	
Unamortized premiums/discounts and issuance costs, net	(8,941)		(9,121)	
Fair value (gain)/loss adjustments, net	(199,849)		(53,320)	
Borrowings at fair value, net	**7,235,404**		**5,146,005**	
Total borrowings at carrying amount, net	**$ 8,301,395**		**$ 7,305,544**	

[1] Translated at the market exchange rate in effect at the issuance date.

Table F2. Principal amounts repayable on borrowings outstanding in all currencies are as follows (USD thousands):

	December 31, 2024
2025	$ 1,180,246
2026	1,516,390
2027	1,776,879
2028	1,519,592
2029	1,499,902
Thereafter	1,017,864
Total principal amount outstanding	**8,510,873**
Unamortized premiums/discounts and issuance costs, net	(9,629)
Fair value (gain)/loss adjustments, net	(199,849)
Total borrowings at carrying amount, net	**$ 8,301,395**

Table F3. Availability under existing credit facilities are senior and unsecured, except as noted below (USD thousands):

			December 31, 2024	
	Available until	Committed amount	Undrawn commitment amount	Drawdown amount
Trinidad & Tobago dollar				
TTD 350 million (uncollateralized)	2029	$ 51,628	$ —	**$ 51,628**
TTD 200 million (collateralized) (1)	2029	$ 29,502	$ —	**$ 29,502**
Multi-currency				
USD 300 million	2033	$ 300,000	$ 89,655	**$ 210,345**

(1) As of December 31, 2024, a corporate security of $29.5 million was pledged to secure a borrowing. Refer to Note C.

Table F4. Borrowings expense, net, is as follows (USD thousands):

	Year ended December 31	
	2024	2023
Interest expense	$ 303,873	$ 235,479
Fees and other borrowing related expenses	231	409
Amortization of premiums/discounts and issuance costs, net	7,125	6,596
Total borrowings expense, net	**$ 311,229**	**$ 242,484**

Table F5. 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	
	2024	2023
Beginning balance	$ (12,574)	$ (19,173)
Unrealized gains/(losses) arising during the period related to fair value adjustments on borrowings attributable to changes in instrument-specific credit risk, net	(31,047)	6,599
Net amount recognized	**$ (43,621)**	**$ (12,574)**

Note G - Derivative Instruments

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

Table G1. 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, 2024		December 31, 2023	
Derivative purpose	**Derivative type**	**Derivative assets**	**Derivative liabilities**	**Derivative assets**	**Derivative liabilities**
Development-related debt investments	Cross currency swaps	$ 6,758	$ (20,220)	$ 2,631	$ (19,899)
	Interest rate swaps	110,918	(22,338)	106,885	(21,849)
	Credit derivatives	—	(720)	—	—
Borrowings	Cross currency swaps	96,116	(226,817)	112,840	(196,028)
	Interest rate swaps	7,863	(113,224)	23,156	(144,455)
Total		**$ 221,655**	**$ (383,319)**	**$ 245,512**	**$ (382,231)**

Table G2. 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			
	2024		**2023**	
Derivative type and purpose	Realized gain/(loss)	Unrealized gain/ (loss)	Realized gain/(loss)	Unrealized gain/ (loss)
Development-related debt investments				
Cross currency swaps	$ 14,440	$ 3,806	$ (408)	$ (15,421)
Interest rate swaps	63,431	3,543	55,093	(45,337)
Credit derivatives [(1)]	—	(720)	—	—
Borrowings				
Cross currency swaps	(105,881)	(47,511)	(82,132)	36,699
Interest rate swaps	(127,108)	15,938	(108,460)	81,059
Total	**$ (155,118)**	**$ (24,944)**	**$ (135,907)**	**$ 57,000**

[(1)] Credit derivatives premium expense for the year ended December 31, 2024 was $3.0 million, and is included in Interest and other income, net, from Development-related debt investments in the income statements.

As of December 31, 2024, the outstanding volume, measured by notional amount, of swap contracts was $10.8 billion ($8.2 billion as of December 31, 2023). The outstanding volume, measured by notional amount, of credit derivatives used for risk management purposes was $89.8 million and the related cash collateral held was $68.2 million as of December 31, 2024.

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.

Table G3. 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, 2024			
	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	$ 221,655	$ (173,656)	$ (42,540)	$ 5,459
Derivative liabilities	$ (382,599)	$ 173,656	$ 203,681	$ (5,262)

[1] Collateral received of $42.5 million and collateral pledged of $203.7 million reflect the offsetting threshold limits, which cannot exceed the fair value of the derivative assets and derivative liabilities. Total cash collateral pledged was $215.1 million and total cash collateral received was $43.0 million as of December 31, 2024.

Table G3.1.

	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.

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, 2024, IDB Invest had $43.0 million of outstanding obligations to return cash collateral under CSAs ($92.4 million as of December 31, 2023). IDB Invest recognizes a receivable in its balance sheets for its rights to cash collateral posted. As of December 31, 2024, $215.1 million of cash collateral was posted under CSAs ($225.6 million as of December 31, 2023). No securities collateral was received or pledged as of December 31, 2024, nor December 31, 2023. 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.

Note H - Payables and Other Liabilities

Table H1. Payables and other liabilities are summarized below (USD thousands):

	Notes	December 31, 2024	December 31, 2023
Payables for cash collateral held for derivatives	G	$ 111,208	$ 92,400
Borrowings related Interest and commitment fees payable		82,324	60,182
Liability for off-balance sheet credit losses	D	41,486	34,420
Other liabilities		34,229	36,697
Due to IDB, net	N	33,918	27,490
Deferred revenue[1]		30,266	24,725
Loan origination fees and costs, net		30,006	34,580
Operating lease liability	M	28,587	33,028
Employment benefits payable		22,460	20,861
Pension Plans, net liability	O	5,941	46,187
Total payables and other liabilities		**$ 420,425**	**$ 410,570**

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

Note I - Capital

IDB Invest's authorized share capital is owned by its member countries. Since its establishment, IDB Invest has had three General Capital Increases with a par value of $10 thousand per share.

In December 1999, IDB Invest's First General Capital Increase (GCI-I), including several subsequent special increases thereafter, raised IDB Invest’s original authorized share capital from $200.0 million to $705.9 million, equivalent to 70,590 shares with an issuance price of $10 thousand per share.

In March 2015, IDB Invest’s Board of Governors authorized the issuance of 125,474 shares for a total of $2.03 billion in capital, through the Second General Capital Increase (GCI-II). GCI-II increased the number of total authorized shares to 196,064 with an issuance price of $16,178.60 per share. GCI-II is comprised of:

> (i) Annex A Shares, corresponding to capital subscribed by IDB Invest's shareholders during the 2016-2022 period. Annex A authorized 80,662 shares for a total of $1.305 billion. Annex A Shares were subject to a 5.0% price 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.
>
> (ii) Annex B Shares, corresponding to transfers from the IDB on behalf of its shareholders, that are also member countries of IDB Invest, paid annually to IDB Invest during the 2018-2025 period upon approval by the IDB Board of Governors. Annex B authorized 44,812 shares for a total of $725.0 million in capital.

In February 2023, 6,137 Annex A 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 thousand per share per the terms and conditions agreed by the Board of Executive Directors. The subscription period for the reallocation of these shares concluded on February 19, 2024. All Annex A Shares available for reallocation were subscribed.

In March 2024, IDB Invest's Board of Governors authorized the issuance of 166,666 shares for a total of $3.5 billion in capital, through the Third General Capital Increase (GCI-III). GCI-III increased the number of total authorized shares to 362,730 with an issuance price of $21 thousand per share. Member countries have until March 10, 2026, to subscribe to GCI-III. Payments are set in seven consecutive and equal installments with the first payment due on November 30, 2025 or thirty calendar days after the respective member country submits its subscription instrument, whichever comes later. The remaining installments are due on November 30 of each year from 2026 to 2031. As of December 31, 2024, a total of 9,964 GCI-III shares were subscribed.

Total capital contributions of $169.9 million were received during the year ended December 31, 2024, corresponding to $24.9 million of Annex A Shares and $142.7 million[2] of Annex B Shares for an accumulated total of $2.0 billion under GCI-II, and $2.3 million for an accumulated total of $2.3 million under GCI-III.

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. The price adjustment for shares in arrears is presented in Additional paid-in capital in the balance sheets.

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.

[2] In February 2024, the Board of Governors of IDB Invest and the Board of Governors of IDB approved and completed the remaining capital transfers of $142.7 million in income distributions corresponding to Annex B Shares. This transfer constitutes the fulfillment of Annex B Shares payments, and are included in Total paid-in-capital in the balance sheets.

Inter-American Investment Corporation

Notes to Financial Statements

Table I1. Capital and receivable from members are as follows (in USD thousands, except for Shares and Voting power):

	Capital						Voting power	
	Shares[1]	Capital, par value	Additional paid-in capital[2]	Receivable from members	Total paid-in capital	Percent of total paid-in capital [3]	Number of votes	Percent of total votes[3]
Argentina	24,475	$ 244,750	$ 109,157	$ (40,200)	$ 313,707	11.57	22,465	11.63
Austria	1,772	17,720	12,741	(17,094)	13,367	0.49	958	0.50
Bahamas	401	4,010	1,619	—	5,629	0.21	401	0.21
Barbados	281	2,810	1,167	—	3,977	0.15	281	0.15
Belgium	316	3,160	908	—	4,068	0.15	316	0.16
Belize	153	1,530	321	—	1,851	0.07	153	0.08
Bolivia	1,806	18,060	7,142	—	25,202	0.93	1,806	0.93
Brazil	24,475	244,750	113,876	—	358,626	13.23	24,475	12.67
Canada	5,881	58,810	35,421	—	94,231	3.48	5,881	3.04
Chile	6,375	63,750	29,244	(10,440)	82,554	3.04	5,853	3.03
China	9,345	93,450	56,829	(280)	149,999	5.53	9,331	4.83
Colombia	6,473	64,730	29,475	—	94,205	3.47	6,473	3.35
Costa Rica	1,619	16,190	11,653	(15,624)	12,219	0.45	875	0.45
Croatia[4]	21	210	130	—	340	0.01	21	0.01
Denmark	1,147	11,470	470	—	11,940	0.44	1,147	0.59
Dominican Republic	1,313	13,130	5,830	(2,160)	16,800	0.62	1,205	0.62
Ecuador	1,214	12,140	4,801	—	16,941	0.62	1,214	0.63
El Salvador	875	8,750	3,602	—	12,352	0.46	875	0.45
Finland	1,092	10,920	4,319	—	15,239	0.56	1,092	0.57
France	3,717	37,170	9,608	—	46,778	1.73	3,717	1.92
Germany	2,183	21,830	5,246	—	27,076	1.00	2,183	1.13
Guatemala	2,137	21,370	15,343	(20,622)	16,091	0.59	1,155	0.60
Guyana	607	6,070	4,354	(5,859)	4,565	0.17	328	0.17
Haiti	875	8,750	4,203	—	12,953	0.48	875	0.45
Honduras	875	8,750	3,548	—	12,298	0.45	875	0.45
Israel	461	4,610	1,784	—	6,394	0.24	461	0.24
Italy	5,499	54,990	20,618	—	75,608	2.79	5,499	2.85
Jamaica	737	7,370	2,184	(1,180)	8,374	0.31	678	0.35
Japan	7,201	72,010	29,133	—	101,143	3.73	7,201	3.73
Korea	8,294	82,940	50,281	—	133,221	4.91	8,294	4.29
Mexico	14,395	143,950	56,769	—	200,719	7.40	14,395	7.45
Netherlands	1,932	19,320	9,042	(13,896)	14,466	0.53	1,160	0.60
Nicaragua	875	8,750	3,469	—	12,219	0.45	875	0.45
Norway	1,092	10,920	4,319	—	15,239	0.56	1,092	0.57
Panama	1,176	11,760	5,257	—	17,017	0.63	1,176	0.61
Paraguay	1,861	18,610	13,971	(18,255)	14,326	0.53	991	0.51
Peru	12,008	120,080	90,343	(117,898)	92,525	3.41	6,389	3.31
Portugal	413	4,130	1,438	—	5,568	0.21	413	0.21
Slovenia[5]	13	130	80	—	210	0.01	13	0.01
Spain	7,853	78,530	33,166	—	111,696	4.12	7,853	4.07
Suriname	140	1,400	241	—	1,641	0.06	140	0.07
Sweden	1,092	10,920	4,323	—	15,243	0.56	1,092	0.57
Switzerland	2,498	24,980	8,817	—	33,797	1.25	2,498	1.29
Trinidad and Tobago	864	8,640	4,287	—	12,927	0.48	864	0.45
United Kingdom	431	4,310	2,663	—	6,973	0.26	431	0.22
United States	29,510	295,100	83,505	(780)	377,825	13.94	29,471	15.26
Uruguay	2,394	23,940	9,466	—	33,406	1.23	2,394	1.24
Venezuela	5,836	58,360	9,422	—	67,782	2.50	5,836	3.02
Total as of December 31, 2024	**206,003**	**$ 2,060,030**	**$ 915,585**	**$ (264,288)**	**$ 2,711,327**	**100**	**193,171**	**100**
Total as of December 31, 2023	**184,975**	**$ 1,849,750**	**$ 729,485**	**$ (37,840)**	**$ 2,541,395**		**181,062**	

(1) Includes Annex B Shares under GCI-II 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) Data are rounded; detail may not add to total because of rounding.
(4) Croatia's voting power is 0.0109.
(5) Slovenia's voting power is 0.0067.

Note J - 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 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, interest rate swap, and credit derivatives used for risk management purposes. 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 include guarantees issued and measured at fair value.

Fair value of financial instruments

Table J1. 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 Fair value of financial instruments (USD thousands):

	December 31, 2024				
Expressed in USD thousands	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Investment securities					
Corporate securities	$ 1,871,711	$ —	$ 1,871,711	$ —	$ 1,871,711
Agency securities	707,947	—	707,947	—	707,947
Money market funds	415,316	—	415,316	—	415,316
Government securities	397,756	—	397,756	—	397,756
Supranational securities	390,230	—	390,230	—	390,230
	3,782,960	—	3,782,960	—	3,782,960
Loans					
Amortized cost	6,239,785	—	—	5,885,355	5,885,355
Fair value	373,038	—	—	373,038	373,038
	6,612,823	—	—	6,258,393	6,258,393
Debt securities					
Amortized cost	99,430	—	—	96,578	96,578
Fair value	1,367,815	—	—	1,367,815	1,367,815
NAV(1)(2)	27,743				27,743
	1,494,988	—	—	1,464,393	1,492,136
Equity investments					
Fair value	93,874	787	—	93,087	93,874
NAV(1)(2)	231,757				231,757
	325,631	787	—	93,087	325,631
Derivative assets					
Cross currency swaps	102,874	—	102,874	—	102,874
Interest rate swaps	118,781	—	118,781	—	118,781
	221,655	—	221,655	—	221,655
Borrowings					
Amortized cost	(1,065,991)	—	(817,378)	(193,475)	(1,010,853)
Fair value	(7,235,404)	—	(7,235,404)	—	(7,235,404)
	(8,301,395)	—	(8,052,782)	(193,475)	(8,246,257)
Derivative liabilities					
Cross currency swaps	(247,037)	—	(247,037)	—	(247,037)
Interest rate swaps	(135,562)	—	(135,562)	—	(135,562)
Credit derivatives	(720)	—	—	(720)	(720)
	(383,319)	—	(382,599)	(720)	(383,319)
Payables and other liabilities					
Guarantees measured at fair value	1,500	—	—	1,500	1,500
Other liability measured at fair value	(2,643)	—	—	(2,643)	(2,643)
	$ (1,143)	**$ —**	**$ —**	**$ (1,143)**	**$ (1,143)**

(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, 2024, the maximum undisbursed commitments subject to capital calls for these investments were $164.5 million.

Table J1.1.

	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	—	326,920	—	326,920
Money market funds	326,920	—	400,357	—	400,357
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.

Table J2. 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, 2024				
	Balance as of January 1, 2024	Net gains/ (losses) included in income	Disbursements, purchases, sales, settlements and other	Balance as of December 31, 2024	Net unrealized gains/ (losses) included in earnings related to assets/liabilities held at December 31, 2024
Loans	$ 419,239	$ (33,286)	$ (12,915)	$ 373,038	$ (28,619)
Debt securities	1,177,591	(43,589)	233,813	1,367,815	(53,830)
Equity investments	95,725	(21,480)	18,842	93,087	(21,480)
Total level 3 assets at fair value	**1,692,555**	**(98,355)**	**239,740**	**1,833,940**	**(103,929)**
Guarantees measured at fair value	(2,595)	4,095	—	1,500	4,095
Derivative liabilities	—	(720)	—	(720)	(720)
Undisbursed commitments measured at fair value	256	(256)	—	—	(257)
Other liability measured at fair value	(2,653)	10	—	(2,643)	10
Total level 3 liabilities at fair value	**$ (4,992)**	**$ 3,129**	**$ —**	**$ (1,863)**	**$ 3,128**

Table J2.1.

	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)**

There were no transfers in or out of Level 3 during the year ended December 31, 2024 nor December 31, 2023.

Table J3. 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, 2024				
	Disbursements/ Purchases	**Repayments/ Sales**	**Issuances**	**Settlements and others**	**Net**
Loans	$ 61,808	$ (59,982)	$ —	$ (14,741)	$ (12,915)
Debt securities	450,740	(213,939)	—	(2,988)	233,813
Equity investments	3,709	(2)	—	15,135	18,842
Total level 3 assets at fair value	**$ 516,257**	**$ (273,923)**	**$ —**	**$ (2,594)**	**$ 239,740**
Guarantees measured at fair value	—	—	—	—	—
Derivative liabilities	—	—	—	—	—
Other liability measured at fair value	—	—	—	—	—
Total level 3 liabilities at fair value	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

Table J3.1.

	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)**

Table J4. Valuation techniques and significant unobservable inputs for development-related investment assets/ (liabilities) classified as Level 3 as of December 31, 2024, and December 31, 2023 (USD thousands):

	December 31, 2024				
	Fair value	**Valuation technique**	**Significant unobservable inputs**	**Range**	**Weighted average [1]**
Loans	$ 355,232	Discounted cash flows	Discount rate	5.0%-24.5%	7.9%
	807	Discounted cash flows	Expected recovery rate	35%	35%
	17,000	Recent transaction price	Transaction price		
	373,039				
Debt securities	1,088,336	Discounted cash flows	Discount rate	6.4%-24.8%	8.8%
	279,472	Recent transaction price	Transaction price		
	7	Others			
	1,367,815				
Equity investments	93,087	Discounted cash flows	Discount rate	10.1%-16.9%	12.2%
		Discounted cash flows	Long term growth rate	3.3%-7.6%	5.2%
	93,087				
Derivative liabilities	(720)	Others			
	(720)				
Payables and other liabilities	(1,143)	Others			
	(1,143)				
Total	**$ 1,832,078**				

[1] Calculated using the input multiplied by the fair values of the instruments.

Table J4.1.

	December 31, 2023				
	Fair value	**Valuation technique**	**Significant unobservable inputs**	**Range**	**Weighted average** [(2)]
Loans	$ 405,035	Discounted cash flows	Discount rate	2.9%-23.5%	9.5%
	14,203	Recent transaction price	Transaction price		
	419,238				
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	**$ 1,687,562**				

(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.

Note K - 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.

Table K1. 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	
	2024	**2023**
Changes in fair value		
Development-related debt investments	$ (32,228)	$ (7,204)
Borrowings	177,575	(182,227)
Derivatives		
Unrealized gain/(loss) on swaps	(24,224)	57,000
Unrealized gain/(loss) on credit derivatives	(720)	—
Gain/(loss) from changes in fair value, net	**120,403**	**(132,431)**
Foreign exchange transactions		
Development-related debt investments	(200,906)	133,376
Borrowings	150,259	(102,026)
Other assets/liabilities	2,357	4,777
Gain/(loss) from foreign exchange transactions, net	**(48,290)**	**36,127**
Swap transactions		
Realized gain/(loss) on swaps [1]	**(155,118)**	**(135,907)**
Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net	**$ (83,005)**	**$ (232,211)**

[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.

Note L - Segment Reporting

IDB Invest has one operating and one reportable segment since resource allocation and performance assessment decisions are made by the Chief Operating Decision Maker (CODM) at the entity level. IDB Invest operates with a dual mission of financial sustainability and development impact in its Region. The institution primarily earns income and incurs expenses from its development-related activities.

IDB Invest’s CODM is the Chief Executive Officer. The CODM sets the strategic direction related to operations, administration and governance at the entity level. The CODM does not differentiate between the nature, sector or services of IDB Invest's development-related activities. The CODM uses net income to assess the financial performance of the entity with respect to its mission of financial sustainability and to allocate its resources. Significant segment revenue and expenses are reviewed as presented in the income statements. Segment assets are used as a measure of IDB Invest's developmental impact to its clients as presented in the balance sheets as Total assets.

Note M - 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. 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 lease agreement at headquarters expires in 2030. The remaining lease agreements in the Regional Developing Member Countries are generally renewed annually. Certain lease agreements in the Regional Developing Member Countries include renewal options all of which IDB Invest is reasonably certain to exercise for the duration established in the contract.

Refer to Notes E and H for additional information related to IDB Invest’s operating lease right-of-use assets and operating lease liabilities outstanding as of December 31, 2024, and 2023.

Table M1. Lease expenses and quantitative disclosure requirements (USD thousands):

	Year ended December 31	
	2024	**2023**
Operating leases		
Operating lease expense	$ 5,846	$ 7,225
Total lease expense	**$ 5,846**	**$ 7,225**
Supplemental disclosure:		
Weighted average of lease terms (years)	5.9	6.9
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.

Table M2. Maturity analysis of operating lease liabilities with the IDB are as follows (USD thousands):

Estimated undiscounted cash flows		**December 31, 2024**
2025	$	5,113
2026		5,081
2027		5,087
2028		4,995
2029 - 2030		9,806
Total operating leases	**$**	**30,082**
Discount		(1,495)
Operating lease liability	**$**	**28,587**

Note N - 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 M.

Private Sector Operations

Following the IDB Group private sector and non-sovereign guaranteed reorganization, 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, 2024, IDB Invest received $6.3 million for these service fees ($6.3 million for the year ended December 31, 2023). As of December 31, 2024, IDB Invest has recorded deferred revenue of $23.1 million related to these services ($21.0 million as of December 31, 2023), 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.

Table N1. Revenue from related party transactions included in Service fees from related parties in the income statements was as follows (USD thousands):

	Year ended December 31	
	2024	**2023**
SLA revenue	$ 25,367	$ 29,402
Management of external funds revenue	1,636	1,808
IDB administered funds revenue	11,561	7,545
Total	**$ 38,564**	**$ 38,755**

IDB Invest purchases various general and administrative services from the IDB under a series of annual renewable SLAs.

Table N2. Payable due to IDB, net, included in Payables and other liabilities in the balance sheets were as follows (USD thousands):

	December 31, 2024	December 31, 2023
Due to IDB, net	$ 33,918	$ 27,490

Table N3. SLA expenses included in Administrative expenses in the income statements were as follows (USD thousands):

	Year ended December 31	
	2024	**2023**
SLA expenses	$ 21,661	$ 18,517

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, 2024, IDB Invest's total drawdowns from the IDB multi-currency credit facility were $210.3 million and $89.7 million remain undrawn ($210.3 million total drawdowns and $89.7 million undrawn as of December 31, 2023). Refer to Note F for additional details.

Note O - 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. The amounts presented below, reflect IDB Invest's share cost, assets and obligations the Pension Plans and PRBP using a December 31 measurement date.

Obligations and funded status

Table O1. 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 are summarized below (USD thousands):

	Pension Plans		PRBP	
	2024	2023	2024	2023
Reconciliation of benefit obligation				
Obligation as of January 1	$ (334,813)	$ (292,781)	$ (143,690)	$ (126,382)
Service cost	(15,442)	(13,351)	(6,275)	(5,236)
Interest cost	(16,104)	(14,549)	(7,021)	(6,244)
Participants' contributions	(4,930)	(4,621)	—	—
Net transfers between IDB and IDB Invest	706	2,965	257	753
Net actuarial gains/(losses)	43,366	(17,604)	15,719	(8,160)
Benefits paid	5,733	5,128	1,663	1,599
Retiree Part D subsidy	—	—	(24)	(20)
Obligation as of December 31	**$ (321,484)**	**$ (334,813)**	**$ (139,371)**	**$ (143,690)**
Reconciliation of fair value of plan assets				
Fair value of plan assets as of January 1	288,626	257,406	180,511	161,059
Net transfers between IDB and IDB Invest	(706)	(2,965)	(257)	(753)
Actual return on plan assets	18,377	25,183	11,790	16,314
Benefits paid	(5,733)	(5,128)	(1,663)	(1,599)
Participants' contributions	4,930	4,621	—	—
Employer contributions	10,049	9,509	4,880	5,490
Fair value of plan assets as of December 31	**$ 315,543**	**$ 288,626**	**$ 195,261**	**$ 180,511**
Funded status				
Funded/(Underfunded) status as of December 31	(5,941)	(46,187)	55,890	36,821
Funded/(Underfunded) status as of December 31	**$ (5,941)**	**$ (46,187)**	**$ 55,890**	**$ 36,821**
Amounts recognized in Accumulated other comprehensive income/(loss) consist of:				
Net actuarial (gain)/loss	(73,664)	(33,851)	(41,054)	(27,725)
Prior service (credit)/cost	—	—	(11)	(160)
Net amount recognized as of December 31	**$ (73,664)**	**$ (33,851)**	**(41,065)**	**(27,885)**

As of December 31, 2024, the Pension Plans were underfunded and PRBP funded (the Pension Plans were underfunded and PRBP funded as of December 31, 2023). In 2024 and 2023, the aggregate fair value of the Pension Plans and PRBP's assets were $510.8 million and $469.1 million, respectively, and aggregate projected benefit obligations were $460.9 million and $478.5 million, respectively, contributing to total Pension Plans and PRBP net assets of $49.9 million as of December 31, 2024 (total net liabilities of $9.4 million as of December 31, 2023).

Table O2. 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, 2024 and 2023 (USD thousands):

	Pension Plans	
	2024	2023
Accumulated benefit obligation	$ (274,390)	$ (278,363)
Fair value of plan assets	315,543	288,626
Funded/(Underfunded) status	**$ 41,153**	**$ 10,263**

Components of net periodic benefit cost

Table O3. 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	
	2024	2023	2024	2023
Service cost (1)	$ 15,442	$ 13,351	$ 6,275	$ 5,236
Interest cost (3)	16,104	14,549	7,021	6,244
Expected return on plan assets (2)(3)	(19,948)	(18,959)	(12,382)	(11,856)
Amortization of: (3)				
Net actuarial (gain)/loss	(1,982)	(4,221)	(1,798)	(3,038)
Prior service (credit)/cost	—	—	(149)	(365)
Net periodic benefit cost	**$ 9,616**	**$ 4,720**	**$ (1,033)**	**$ (3,779)**

(1) Included in Administrative expenses.
(2) The expected long-term rate of return on plan assets is 6.25% in 2024 and 6.50% in 2023.
(3) Included in Other components of pension benefit costs, net.

Table O4. 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	
	2024	2023	2024	2023
Current actuarial (gain)/loss, net	$ (41,795)	$ 11,380	$ (15,127)	$ 3,702
Amortization of:				
Net actuarial gain/(loss)	1,982	4,221	1,798	3,038
Prior service credit/(cost)	—	—	149	365
Total recognized in other comprehensive (income)/loss	**$ (39,813)**	**$ 15,601**	**$ (13,180)**	**$ 7,105**
Total recognized in Net periodic benefit cost and Other comprehensive (income)/loss	**$ (30,197)**	**$ 20,321**	**$ (14,213)**	**$ 3,326**

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 10.4 years and 11.6 years, respectively.

Unrecognized prior service credit is amortized over 1.0 year for the PRBP.

Table O5. Weighted-average assumptions used to determine the benefit obligation and the net periodic benefit cost are as follows:

	Pension Plans		PRBP	
	2024	2023	2024	2023
Weighted average assumptions used to determine benefit obligation as of December 31				
Discount rate	5.50 %	4.80 %	5.53 %	4.82 %
Inflation rate	2.38 %	2.42 %	2.38 %	2.42 %
Rate of compensation increase	4.18 %	4.24 %		

Table O5.1.

	Pension Plans		PRBP	
	2024	2023	2024	2023
Weighted average assumptions used to determine net periodic benefit cost for years ended December 31				
Discount rate	4.80 %	5.00 %	4.82 %	5.01 %
Expected long-term rate of return on plan assets	6.25 %	6.50 %	6.25 %	6.50 %
Rate of compensation increase	4.24 %	4.26 %		
Inflation rate	2.42 %	2.47 %	2.42 %	2.47 %

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 U.S. 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).

For the year ended December 31, 2024, net actuarial gains related to changes in the Pension Plans' and PRBP benefit obligations amounted to $59.1 million primarily driven by changes in discount rates (net actuarial losses amounted to $25.8 million for the year ended December 31, 2023).

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.

Table O6. Health care cost trend:

	PRBP	
	2024	**2023**
Health care cost trend rates assumed for next year		
Medical, Non-Medicare	7.00%	5.50%
Medical, Medicare	7.00%	5.00%
Prescription drugs	8.00%	8.00%
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
Medical, Medicare		2028
Prescription drugs		2027
Dental		2023

For those participants assumed to retire outside of the United States, a 7.00% health care cost trend rate was used for 2024 (7.50% for 2023), 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 IDB Group Pension and Managing Committees approve the Investment Policy Statements (IPS), Strategic Asset Allocations (SAA), and Long-term Funding of the Pension Plan and PRBP, in alignment with the sponsors' risk appetite.

Table O7. IPS SAA target allocations as of December 31, 2024, 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 %
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 IDB and IDB Invest 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 IDB Group Managing Committees of the Pension Plans and PRBP. Investments are generally rebalanced monthly within IPS targets ranges using cash flows and other transactions.

The asset 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. developed 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 SRP and PRBP assets are managed in a separate account holding publicly traded individual stocks traded in the U.S. and developed non-U.S. markets; the accounts are actively managed based upon fundamental characteristics, investing in securities generally comprised within the MSCI U.S. REIT Index. 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.

- 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.

In 2024, the IDB and IDB Invest Board of Executive Directors (Board) jointly approved the Pension Plans and PRBP stable contribution rates. The contribution rates for the Pension Plans, 20% for SRP and 0.50% for CSRP, and 10% for PRBP. These contribution rates will remain in place as long as the ratio of the Pension Plans and PRBP assets to its funding liability remains within the operating zone range of 90-110%.

The following tables set forth the investments of the Pension Plans and PRBP as of December 31, 2024 and 2023, which are measured at fair value and presented together with their weighted average allocation, by level within the fair value hierarchy. 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).

Table O8. Investments of the Pension Plans as of December 31, 2024, and 2023, which are measured at fair value and presented together with their weighted average allocation, by level within the fair value hierarchy (USD thousands):

	Pension Plans			
	December 31, 2024			
	Level 1	Level 2[1]	Fair value measurements	Weighted average allocations
Equity securities				
U.S. equities	$ 25,509	$ 29,697	$ 55,206	17 %
Non-U.S. equities	20,241	12,357	32,598	10 %
Emerging markets equities	5,827	5,839	11,666	4 %
Public real estate equities	10,625	—	10,625	3 %
Public infrastructure equities	13,267	—	13,267	4 %
Government and diversified fixed income and fixed income funds				
Long duration U.S. Government and Agencies fixed income	26,452	360	26,812	8 %
Long duration diversified fixed income	682	30,939	31,621	10 %
Core fixed income	—	25,536	25,536	8 %
Emerging markets fixed income	—	8,630	8,630	3 %
High yield fixed income	—	8,697	8,697	3 %
U.S. inflation-indexed fixed income	35,705	—	35,705	11 %
Tactical asset allocation[2]	11,402	6,458	17,860	6 %
Short-term fixed income funds	362	14,419	14,781	4 %
	$ 150,072	**$ 142,932**	**$ 293,004**	
Investments measured at NAV				
Private real estate fund			15,566	5 %
Private infrastructure fund			9,915	3 %
Total investments			**$ 318,485**	**100 %**
Other liabilities, net [3]			(2,942)	
Total			**$ 315,543**	

[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, 2024, the total TAA consisted of approximately 61% in equities, 36% in fixed income, and 2% in alternative investment holdings.
[3] Mainly payables for investments purchased.

Table O8.1.

	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 50% in equities, 49% in fixed income, and 1% in alternative investment holdings.
(3) Mainly payables for investments purchased.

Table O9. Investments of the PRBP as of December 31, 2024, and 2023, which are measured at fair value and presented together with their weighted average allocation, by level within the fair value hierarchy (USD thousands):

	PRBP			
	December 31, 2024			
	Level 1	**Level 2[(1)]**	**Fair value measurements**	**Weighted average allocations**
Equity and equity funds				
U.S. equities	$ 16,837	$ 18,880	$ 35,717	18 %
Non-U.S. equities	11,919	8,089	20,008	10 %
Emerging markets equities	3,900	3,587	7,487	4 %
Public real estate equities	6,947	—	6,947	4 %
Public Infrastructure equities	7,868	—	7,868	4 %
Government and diversified fixed income and fixed income funds				
Long duration U.S. Government and Agencies fixed income	17,326	244	17,570	9 %
Long duration diversified fixed income	—	19,528	19,528	10 %
Core fixed income	—	14,763	14,763	8 %
Emerging markets fixed income	—	5,470	5,470	3 %
High yield fixed income	—	4,632	4,632	2 %
U.S. inflation-indexed fixed income	21,780	—	21,780	11 %
Tactical asset allocation[(2)]	7,174	4,232	11,406	6 %
Short-term fixed income funds	6,672	119	6,791	3 %
	$ 100,423	**$ 79,544**	**$ 179,967**	
Investments measured at NAV				
Private real estate fund			10,438	5 %
Private infrastructure fund			6,762	3 %
Total investments			**$ 197,167**	**100 %**
Other liabilities, net[(3)]			(1,906)	
Total			**$ 195,261**	

(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, 2024, the total TAA consisted of approximately 61% in equities, 36% in fixed income, and 2% in alternative investment holdings.

(3) Mainly payables for investments purchased

Table O9.1.

	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 50% in equities, 49% in fixed income, and 1% in alternative investment holdings.
[3]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.real estate and infrastructure individual equity holdings, public infrastructure exchange traded funds, fixed income, emerging markets equity and tactical asset allocation mutual funds, U.S. treasury and U.S. treasury 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, 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 NAV per share, which is determined and published and are the basis for current transactions. Such investments 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.

These investments can be redeemed once per quarter or semi-annually, subject to available cash as determined by the funds' trustees under normal circumstances. A written withdrawal request is required 45 or 90 days prior to quarter end. None of these funds have unfunded commitments as of December 31, 2024.

Contributions

Contributions from IDB Invest to the Pension Plans and the PRBP during 2025 are expected to be approximately $10.7 million and $5.2 million, respectively. All contributions are made in cash.

Estimated future benefit payments

Table O10. 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, 2024 (USD thousands).

	Pension Plans	PRBP
Estimated future benefit payments		
2025	$ 7,699	$ 2,120
2026	8,618	2,424
2027	9,787	2,823
2028	10,885	3,255
2029	12,020	3,733
2030-2034	79,896	26,494

Note P - Subsequent Events

Management has evaluated subsequent events through March 4, 2025, 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.*