International Finance Corporation
WORLD BANK GROUP

Management's Discussion and Analysis
and
Condensed Consolidated Financial Statements
December 31, 2024
(Unaudited)

December 31, 2024

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SECTION I: INTRODUCTION

This Management's Discussion and Analysis (MD&A) discusses the financial results of the International Finance Corporation (IFC or the Corporation) for the three months ended December 31, 2024 (FY25 Q2) and the six months ended December 31, 2024 (FY25 YTD). This document should be read in conjunction with the IFC's Consolidated Financial Statements and MD&A issued for the year ended June 30, 2024 (FY24). IFC undertakes no obligation to update any forward-looking statements.

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

IFC's mission – as one of the WBG entities – is to end extreme poverty and boost shared prosperity on a livable planet. As the private sector arm of the WBG, IFC provides financing and advisory services to support private sector development in developing economies as a key engine of growth in line with good environmental, social and governance standards. To further support these efforts, the Board of Directors (the Board) and Management have been working on evolving the WBG to better address the scale of development challenges. This process includes initiatives to increase impact, expand financing capacity, support projects that address global challenges with cross border externalities, and modernize the approach to delivery. IFC is at the forefront of these reforms in view of its private sector mandate to close the financing gap beyond what governments can provide alone to address global challenges. This includes piloting an originate to distribute approach, further identifying and addressing bottlenecks to private sector activities, whilst leveraging partnerships with other development financial institutions (DFIs) and multilateral development banks (MDBs) to scale impact – among others. Recently, IFC also supported the initiative to grant public access to the Global Emerging Markets (GEMs) default and recovery rates to enhance transparency, and help private sector investors boost confidence in emerging markets and make informed decisions.

In April 2018 IFC's Board of Governors approved a capital increase package comprising a three-step capital raising process: conversion of a portion of retained earnings into paid-in capital, a Selective Capital Increase (SCI), and General Capital Increase (GCI) that would together provide up to $5.5 billion in additional paid-in capital. In April 2024, the subscription deadline for the GCI was extended to April 16, 2025, resulting in the full alignment of the GCI and SCI subscription and payment deadlines. As of December 31, 2024, 136 countries have subscribed a total of $4.5 billion, and payments of $3.8 billion have been received from 115 countries.

Aligned with the capital increase, IFC continued to grow its footprint in the poorest countries and fragile areas. New and ongoing challenges continue to influence the global outlook, including: climate change adaptation and mitigation; fragility and conflict; pandemic prevention and preparedness; energy access; food and nutrition security; water security and access; enabling digitalization; and protecting biodiversity and nature. IFC continues to work with partners at global and country levels to support its clients in addressing the impact of these multiple challenges, to enhance resilience, and lay the groundwork for rebuilding better through various platforms. For example, in August 2023, IFC announced a $400 million increase and one-year extension of the Base of the Pyramid (BOP) platform, bringing IFC's total investment to $1 billion. First launched in 2021, the platform aims to help financial services providers deliver critical funding to small and informal businesses, and low-income households. In December 2024, IFC signed a $3 billion Managed Co-Lending Portfolio Program (MCPP) Real Sector Unfunded program with 14 global insurance companies. This initiative provides an unfunded mobilization platform to support eligible projects across various real sectors. As IFC's first credit insurance portfolio program targeting the real sectors of the economy, this initiative highlights the growing role of private insurers in mobilizing financing to improve livelihoods and drive long-term economic development. On July 1, 2024, the WBG guarantee platform, housed at MIGA, was launched to bring together products and experts from the World Bank, IFC, and MIGA and aims to boost WBG annual guarantee issuances for all entities.

FINANCIAL BUSINESS MODEL

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

IFC's capital base and its assets and liabilities, other than its equity investments, are primarily denominated in U.S. dollars ($ or US$) or swapped into U.S. dollars. Overall, IFC seeks to minimize foreign exchange and interest rate risks arising from its loans, debt securities and liquid assets by closely matching the currency and rate basis of its assets in various currencies with liabilities having the same

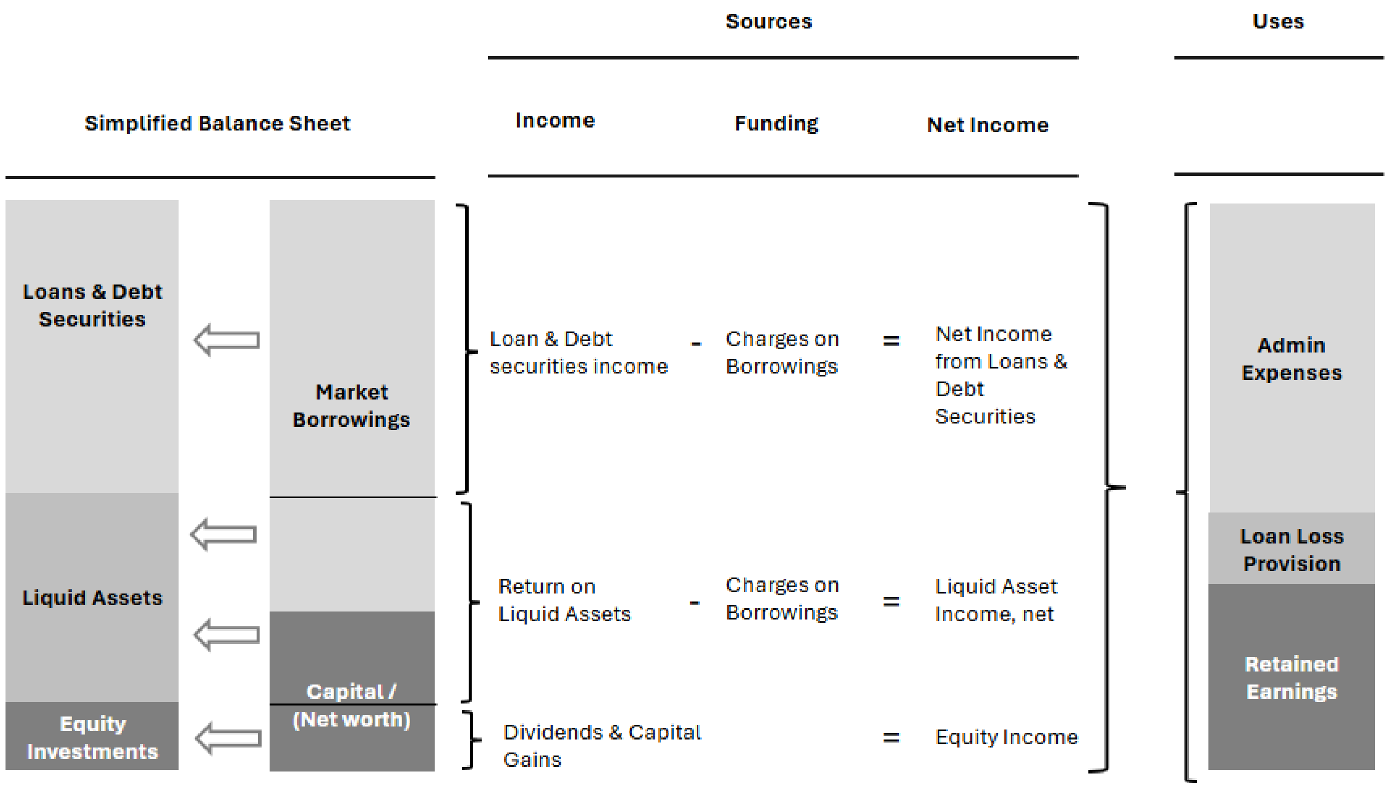
[1] The other institutions of the WBG are the International Bank for Reconstruction and Development (IBRD), the International Development Association (IDA), the Multilateral Investment Guarantee Agency (MIGA), and the International Centre for Settlement of Investment Disputes (ICSID).

characteristics. IFC generally manages non-equity investment related and certain lending related residual currency and interest rate risks by utilizing currency and interest rate swaps and other derivative instruments.

Financial Performance

IFC's primary sources of income are from its loans, debt securities and liquid assets. The income generated covers administrative expenses and provisions for losses. For loans, debt securities, and liquid assets, income is largely in the form of interest income net of charges on borrowings (Figure 1), as well as capital gains. IFC's equity investments generate income through capital gains, as well as dividends.

Figure 1: Sources and uses of income



BASIS OF PREPARATION OF IFC'S CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accounting and reporting policies of IFC conform with accounting principles generally accepted in the United States of America (U.S. GAAP). IFC's accounting policies are discussed in more detail in Note A to the June 30, 2024 audited financial statements and IFC's condensed consolidated financial statements as of and for the six months ended December 31, 2024 (FY25 YTD condensed consolidated financial statements). Certain reclassifications of prior year's information have been made to conform with the current year's presentation.

IFC uses Income Available for Designations (a non-U.S. GAAP measure) as a basis for designations of retained earnings. Income Available for Designations comprise net income excluding unrealized gains and losses on investments and borrowings[2] and income from the Post-retirement Contribution Reserve Fund (PCRF). The exclusion of PCRF income was approved by the Board in June 2024, and is effective from FY24.

The tables below outline a comparative breakdown of IFC's Investment Highlights and Statements of Operations in FY25 YTD and FY24 YTD, along with key Balance Sheets components as of December 31, 2024 and June 30, 2024.

Table 1: Financial Data Summary

(US$ in millions)	For the three months ended **December 31, 2024**	For the three months ended December 31, 2023	For the six months ended **December 31, 2024**	For the six months ended December 31, 2023
Investments Highlights (Section III)				
Total Commitments	**$ 23,150**	$ 15,662	**$ 39,585**	$ 25,481
Own Account Commitments (Long-Term Finance (LTF) and Short-Term Finance (STF) Commitments)	**9,686**	9,506	**17,448**	15,995
Core Mobilization (LTF and STF Commitments)	**13,464**	6,156	**22,137**	9,486
Disbursements	**7,769**	5,659	**13,196**	10,555
Statements of Operations				
Net income (Section VII)	**$ 246**	**$ 309**	**$ 1,128**	**$ 723**
Adjustments to reconcile Net Income to Income Available for Designations				
Unrealized losses on investments	**231**	252	**174**	173
Unrealized (gains) losses on borrowings	**(278)**	44	**(421)**	102
PCRF loss (income)	**7**	(8)	**(7)**	(14)
Income Available for Designations	**206**	**597**	**874**	**984**

(US$ in millions)	**December 31, 2024**	June 30, 2024
Balance Sheets		
Total assets	**$ 112,295**	$ 108,187
Liquid assets [a] (Section IV)	**35,124**	37,734
Investments (Section III)	**63,812**	58,747
Borrowings outstanding, including fair value adjustments (Section V)	**56,627**	55,755
Total capital (Section V)	**38,616**	37,472

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

2 Unrealized gains and losses on investments and borrowings presented in Table 1 includes unrealized gains and losses from associated derivatives.

Table 2: Key Financial Ratios

(US$ in billions, except ratios)		**December 31, 2024**		June 30, 2024
Overall liquidity ratio [a]		**69.7%**		81.0%
Debt to equity ratio [b]		**1.7**		1.7
Total reserve against losses on loans to total committed portfolio [c]		**2.9%**		2.8%
Capital measures:				
Capital Available [d]	**$**	**37.4**	$	36.6
Capital Required [e]		**22.6**		22.2
Capital Utilization Ratio (CUR) [f]		**60.5%**		60.5%

a Overall Liquidity Policy states that IFC would at all times maintain a minimum level of liquidity, plus undrawn borrowing commitments from IBRD, such that it would cover at least 45% of the next three years' estimated net cash requirements. IFC's overall liquidity as a percentage of the next three years' estimated net cash needs stood at 70% as of December 31, 2024, above the minimum requirement of the Board of 45%.

b Debt to equity (leverage) ratio is defined as outstanding borrowings plus committed guarantees divided by total capital comprised of paid-in capital, retained earnings and Accumulated other comprehensive income. IFC's debt to equity ratio as of December 31, 2024 was well within the maximum of 4 required by the policy approved by IFC's Board of Directors.

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

d Capital Available: Resources available to absorb potential losses, calculated as: IFC's balance sheet capital minus designated retained earnings minus Pension surplus of each pension plan minus PCRF assets.

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

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

IFC's Capital Adequacy, as measured by CUR stood at 60.5% as of December 31, 2024, the same as of June 30, 2024. There were increases in both Capital Available and Capital Required. The increase in Capital Available was primarily due to the growth in undesignated retained earnings and paid-in capital. The increase in Capital Required was mainly driven by the need for additional capital to support the Loan and Equity portfolio.

SECTION II: EXECUTIVE SUMMARY

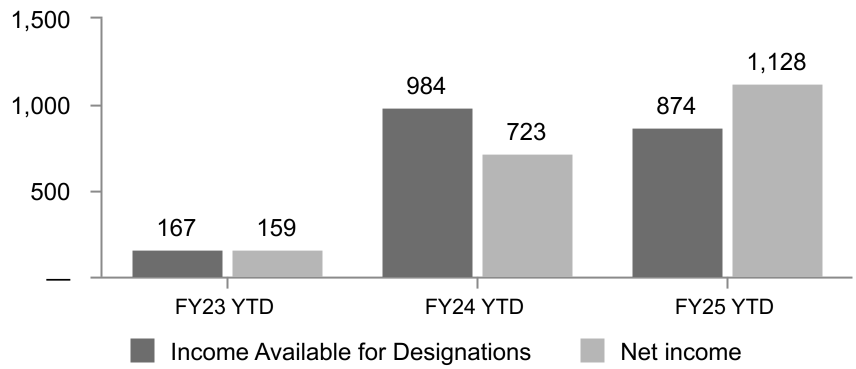
FINANCIAL PERFORMANCE SUMMARY

IFC’s financial performance has been influenced by its results from operations, changes in interest rates, foreign exchange rate movements, and the volatility of emerging equity markets in FY25 YTD.

Net Income and Income Available for Designations

IFC's net income was $1.1 billion in FY25 YTD, as compared to net income of $723 million in the six months ended December 31, 2023 (FY24 YTD). Income Available for Designations totaled $874 million in FY25 YTD, as compared to $984 million in FY24 YTD. As discussed earlier, starting in FY24, the PCRF income is excluded from Income Available for Designations. The increase in net income was mainly driven by higher unrealized gains on borrowings, and higher equity income, partially offset by lower treasury income and lower income from loans and debt security portfolios.

Figure 2: Income Measures (US$ in millions)



On October 31, 2024, the Board of Directors approved a designation of $107 million to the Creating Markets Advisory Window (CMAW), and $152 million to the Funding Mechanism for Technical Assistance and Advisory Services (FMTAAS). This approval was noted by the Board of Governors on December 18, 2024. Additionally, the Board of Governors approved an allocation of $100 million from undesignated retained earnings to the Surplus Account and subsequent transfer to the IFC Frontier Opportunities Fund after its establishment. See more details in Section V: Funding Resources - Capital and Retained Earnings.

Investment Operations

In FY25 YTD, IFC delivered a combined total of $39.6 billion in long-term and short-term financing, representing an increase of 55% compared to FY24 YTD. IFC committed $17.4 billion from its own account ($16.0 billion in FY24 YTD) and disbursed $13.2 billion in FY25 YTD ($10.6 billion in FY24 YTD) excluding guarantees. See more details in Section III: Client Services.

Investment Portfolio

The carrying value of IFC's outstanding investment portfolio was $63.8 billion as of December 31, 2024, an increase of $5.1 billion compared to June 30, 2024. The portfolio's growth primarily resulted from the $6.0 billion of net disbursements (disbursements net of repayments, prepayments, and divestments) partially offset by $715 million of foreign exchange losses. In line with IFC's hedging strategies, the foreign exchange losses were offset by unrealized gains of $752 million associated with the related hedging derivatives. Refer to Section III: Client Services Disbursed Investment portfolio section for the definition of carrying value.

Liquid Assets

The Net Asset Value (NAV) of the liquid asset portfolio decreased by $2.6 billion to $35.1 billion as of December 31, 2024 from June 30, 2024. This reflected a decline of $3.1 billion in the Funded Liquidity portfolio since net loan disbursements exceeded net inflows from borrowings. The decrease in Funded Liquidity portfolio was partially offset by an increase in Net Worth Funded portfolio which grew in line with the increase in retained earnings.

Borrowings

Borrowings outstanding (including fair value adjustments) increased by $872 million from $55.8 billion as of June 30, 2024 to $56.6 billion as of December 31, 2024, driven by new issuances of $1.6 billion together with an increase of $485m in short-term borrowings in anticipation of an increase in future disbursements, fair value losses of $367 million and Foreign Exchange (FX) gains of $1.7 billion.

New borrowings under the medium and long-term borrowing program (on a funding authorization basis) in FY25 YTD were $8.1 billion as compared to $9.9 billion in FY24 YTD.

SECTION III: CLIENT SERVICES

BUSINESS OVERVIEW

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

INVESTMENT SERVICES

IFC’s investments are normally made in its developing member countries. IFC's Articles of Agreement mandate that IFC shall invest in productive private enterprises. The requirement for private ownership does not disqualify enterprises that are partly owned by the public sector if such enterprises are organized under local commercial and corporate law, operate free of host government control in a market context and according to profitability criteria, and/or are in the process of being completely or partially privatized.

IFC’s investment products and services are designed to meet the needs of clients in different industries – principally infrastructure, manufacturing, agribusiness, disruptive technologies and funds, services, and financial markets. Investment services product lines include: loans, equity investments, debt securities, trade and commodity finance, guarantees and partial credit guarantees, securitizations, client risk management services, blended finance, and mobilization products.

INVESTMENT PROGRAM

Commitments

Investment Commitments include Long-Term Finance and Short-Term Finance Commitments, from both IFC's Own Account and Core Mobilization. Investments made by IFC from its own account utilize its own borrowings or capital. Core Mobilization refers to non-IFC financing or risk sharing arranged on commercial terms due to the active and direct involvement of IFC for the benefit of a client. IFC mobilizes such finance from other private and public entities through a number of means.

Own Account investments supported 200 LTF projects in FY25 YTD (188 in FY24 YTD). The table below outlines a comparative breakdown of IFC's Long-Term and Short-Term Finance Commitments, including Own Account and Core Mobilization in FY25 YTD and FY24 YTD:

Table 3: Long-Term Finance and Short-Term Finance Commitments (Own Account and Core Mobilization)

(US$ in millions)	For the six months ended **December 31, 2024**	December 31, 2023	Variance
Long-Term Finance Own Account Commitments			
Loans	**$ 9,243**	$ 8,823	$ 420
Equity Investments	**968**	1,089	(121)
Guarantees	**1,137**	768	369
Client Risk Management	**6**	33	(27)
Total Long-Term Finance Own Account Commitments	**$ 11,354**	**$ 10,713**	**$ 641**
Long-Term Finance Core Mobilization			
Syndication	**$ 8,609**	$ 3,842	$ 4,767
Advisory & Upstream	**3,274**	939	2,335
Anchor investment	**4,303**	1,730	2,573
Trade finance	**2,158**	787	1,371
Third-party funds	**1,221**	1,357	(136)
IFC-managed funds	**14**	16	(2)
Guarantees	**1,722**	—	1,722
Other products	**50**	234	(184)
Total Long-Term Finance Core Mobilization [a]	**$ 21,351**	**$ 8,905**	**$ 12,446**
Total Long-Term Finance Commitments	**$ 32,705**	**$ 19,618**	**$ 13,087**
Short-Term Finance Commitments			
Short-Term Finance Own Account	**$ 6,094**	$ 5,282	$ 812
Short-Term Finance Core Mobilization	**786**	581	205
Total Short-Term Finance Commitments	**$ 6,880**	**$ 5,863**	**$ 1,017**
Total Commitments [b] **(Own Account and Core Mobilization)**	**$ 39,585**	**$ 25,481**	**$ 14,104**

a Starting FY24 Q4 (three months ended June 30, 2024), IFC updated its core mobilization definitions and criteria. Previous year's information has been updated to conform with the current year's presentation.

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

INVESTMENT DISBURSEMENTS

During FY25 YTD, IFC disbursed $13.2 billion for its own account ($10.6 billion in FY24 YTD) as presented in the table below:

Table 4: Disbursements of IFC's Investment Portfolio

(US$ in millions)	**FY25 YTD**	FY24 YTD	Variance
Loans	**$ 10,005**	$ 8,012	$ 1,993
Equity Investments	**903**	842	61
Debt Securities	**2,288**	1,701	587
Total Investment Disbursements	**$ 13,196**	**$ 10,555**	**$ 2,641**

INVESTMENT PORTFOLIO

IFC's total disbursed investment portfolio (a non-U.S. GAAP performance measure) was $65.0 billion as of December 31, 2024 ($59.9 billion as of June 30, 2024), as presented in the table below:

Table 5: Disbursed Investment Portfolio

	December 31, 2024		June 30, 2024	
(US$ in millions)	Disbursed Investment	As a % of Total	Disbursed Investment	As a % of Total
Loans	$ 41,350	64 %	$ 37,726	63 %
Equity Investments	11,138	17	10,910	18
Debt Securities	12,503	19	11,221	19
Total Disbursed Investment Portfolio	**$ 64,991**	**100 %**	**$ 59,857**	**100 %**

The breakdown of committed investment portfolio (sum of (i) committed but undisbursed balance; and (ii) disbursed and outstanding balance) as of December 31, 2024 and June 30, 2024 is presented in the table below:

Table 6: Committed Investment Portfolio

(US$ in millions)	December 31, 2024	June 30, 2024	Variance
Debt (including loan and loan-like instruments [a])	$ 63,716	$ 58,534	$ 5,182
Equity (including equity and equity-like instruments [a])	14,890	14,646	244
Guarantee and Credit Risk Management	8,252	6,689	1,563
Total Committed Investment Portfolio	**$ 86,858**	**$ 79,869**	**$ 6,989**

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

The carrying value of IFC's investment portfolio comprises: (i) the disbursed investment portfolio; (ii) less reserve against losses on loans and debt securities; (iii) unamortized deferred loan origination fees; (iv) less disbursed amount allocated to a related financial instrument reported separately in other assets or derivative assets; (v) unrealized gains and losses on equity investments held by consolidated variable interest entities; and (vi) unrealized gains and losses on investments. The breakdown of IFC's investment portfolio as of December 31, 2024 and June 30, 2024 is presented in the table below:

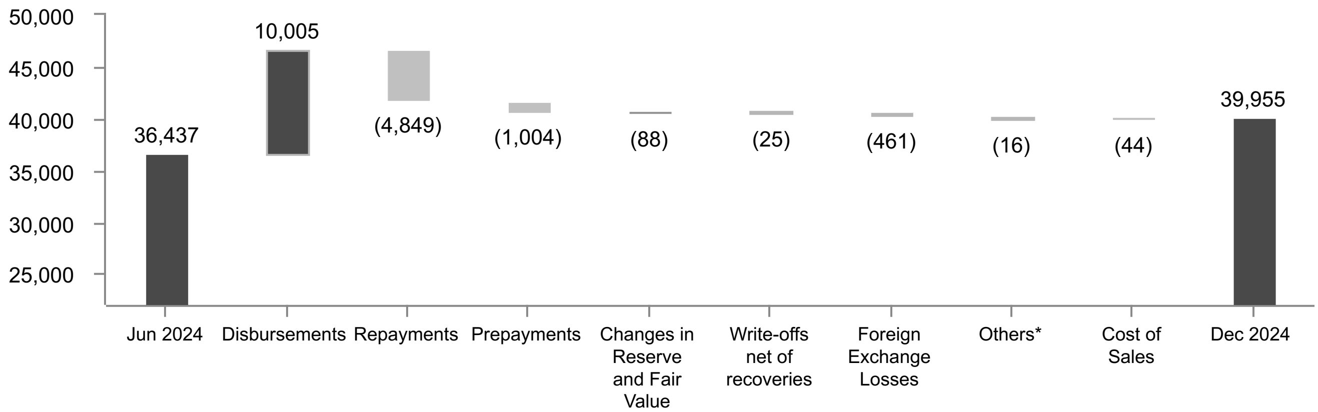
Table 7: The Carrying Value of IFC's Investment Portfolio

(US$ in millions)	December 31, 2024	June 30, 2024	Variance
Loans	$ 39,955	$ 36,437	$ 3,518
Equity Investments	11,286	11,121	165
Debt Securities	12,571	11,189	1,382
Total Investments	**$ 63,812**	**$ 58,747**	**$ 5,065**

Loans

The carrying value of IFC's loan portfolio (comprising the disbursed loan portfolio, together with adjustments as detailed in Note D to IFC's FY25 YTD condensed consolidated financial statements), increased by $3.5 billion (10%) to $40.0 billion as of December 31, 2024. The increase was primarily driven by disbursements partially offset by repayments and prepayments and foreign exchange losses. See breakdown of this movement in Figure 3 below.

Figure 3: Carrying Value of Loan Portfolio (US$ in millions)



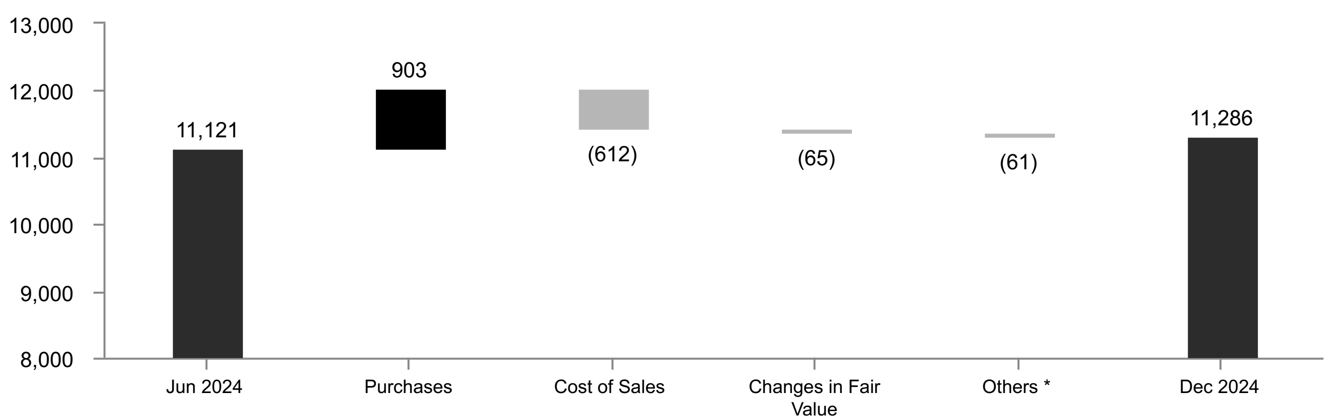
* Mainly represents loan transfers and conversions to equity investments.

The weighted average contractual interest rate on loans as of December 31, 2024 was 7.1%, down from 7.8% as of June 30, 2024.

Equity Investments

The carrying value of IFC's equity investment portfolio (comprising the disbursed equity portfolio, together with adjustments as detailed in Note D to IFC's FY25 YTD condensed consolidated financial statements), increased by $165 million (1.5%) to $11.3 billion as of December 31, 2024. The increase was mainly due to net purchases (purchases net of sales). See breakdown of this movement in Figure 4 below.

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

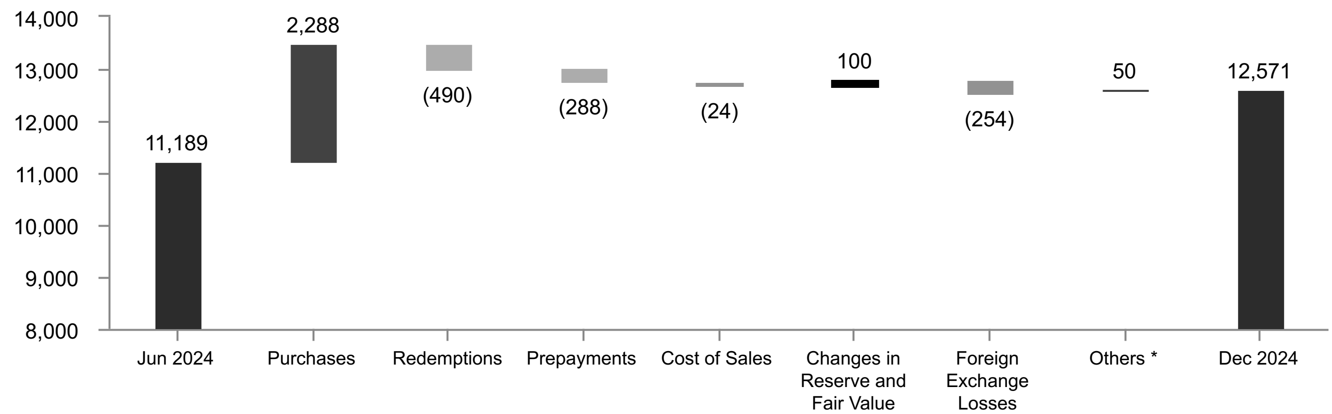


* Mainly represents write-offs, conversions, and transfers from loans and debt securities to equity investments.

Debt Securities

The carrying value of IFC's debt security portfolio (comprising the disbursed debt security portfolio, together with adjustments as detailed in Note D to IFC's FY25 YTD condensed consolidated financial statements), increased by $1.4 billion (12.4%) to $12.6 billion at December 31, 2024. The increase was primarily driven by net purchases (purchases net of redemptions and prepayments) partially offset by foreign exchange loss during the period. See breakdown of this movement in Figure 5 below.

Figure 5: Carrying Value of Debt Security Portfolio (US$ in millions)



* Mainly represents conversions and transfers from debt securities to equity investments.

Guarantees and Partial Credit Guarantees

IFC's guarantee is available for debt instruments, including portfolio risk sharing facilities, and trade obligations of clients and covers commercial as well as non-commercial risks. Guarantees of $5.9 billion were outstanding (i.e., not called) as of December 31, 2024 ($4.8 billion as of June 30, 2024).

MCPP

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

As of December 31, 2024, eighteen (seventeen as of June 30, 2024) global investors have pledged $19.2 billion ($16.2 billion as of June 30, 2024) to the MCPP, with certain programs investing across all sectors and others focused on real sector or financial institutions exclusively. Investors have also approved funding for 337 projects worth $12.9 billion across 70 countries as of December 31, 2024, up from 316 projects and $12.1 billion across 69 countries as of June 30, 2024. Out of these, $10.9 billion ($9.7 billion as of June 30, 2024) has been committed. IFC will continue to deploy the remaining funds raised as IFC identifies projects that meet investors' criteria.

IDA-PSW

The IDA Private Sector Window (PSW) was created under IDA's Eighteenth Replenishment of Resources (IDA18) to mobilize private sector investment in IDA only countries and IDA-eligible Fragile and Conflict-affected Situations (FCS). In December 2024, the Board approved a $234 million increase in the IDA20 allocation to PSW, bringing the total allocation to $2.7 billion.

As of December 31, 2024, a combined total of $4.9 billion ($4.7 billion as of June 30, 2024) of instruments under the IDA18 through IDA20 replenishments had been approved, of which $3.3 billion ($3.4 billion as of June 30, 2024) related to IFC. Refer to Note B to the FY25 YTD condensed consolidated financial statements for more details.

IFC-managed funds

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

As of December 31, 2024 , AMC managed multiple funds (collectively referred to as the AMC Funds), in its capacity as General Partner (GP)/ Manager of these funds. However, none of these funds require consolidation by IFC, because the third party limited partners of these funds have a substantive ability to remove IFC as GP/Manager. All AMC Funds are investment companies and are required to report their investment assets at fair value through net income. IFC's ownership interests in these AMC Funds are shown in the following table:

AMC Funds	IFC's ownership interest
IFC Capitalization (Equity) Fund, L.P. [a]	61%
IFC Capitalization (Subordinated Debt) Fund, L.P.	13%
IFC African, Latin American and Caribbean Fund, LP	20%
IFC Catalyst Funds [b]	18%
IFC Global Infrastructure Fund, LP	17%
IFC Financial Institutions Growth Fund, LP	30%
IFC Global Emerging Markets Fund of Funds [c]	19%
IFC Middle East and North Africa Fund, LP	37%
IFC Emerging Asia Fund, LP	22%
IFC GEMFOF 2 SMA, LP	—%
IFC Emerging Markets Sustainability Fund of Funds, LP	—%
TfL IFC Growth and Sustainability, LP	—%

a By virtue of certain rights granted to non-IFC limited partner interests, IFC does not control or consolidate this fund.

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

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

IFC GEMFOF 2 SMA, LP, IFC Emerging Markets Sustainability Fund of Funds, LP, and TfL IFC Growth and Sustainability, LP. were launched during FY25 YTD. AMC Funds and their activities as of and for FY25 YTD and FY24 YTD are summarized as follows.

Table 8: AMC Funds

(US$ in millions)	Through December 31, 2024				For the six months ended			
	Total funds raised since inception			Cumulative investment commitments [a]	**December 31, 2024**		December 31, 2023	
	Total	From IFC	From other investors		Committed Amount [b]	Disbursed Amount	Committed Amount [b]	Disbursed Amount
Current Funds								
IFC Capitalization (Equity) Fund, L.P. (Equity Capitalization Fund)	$ 1,275	$ 775	$ 500	$ 1,214	**$ —**	**$ —**	$ —	$ —
IFC Capitalization (Subordinated Debt) Fund, L.P. (Sub-Debt Capitalization Fund)	1,725	225	1,500	1,614	**—**	**—**	—	—
IFC African, Latin American and Caribbean Fund, LP (ALAC Fund)	1,000	200	800	863	**—**	**—**	—	—
IFC Catalyst Fund, LP, IFC Catalyst Fund (UK), LP and IFC Catalyst Fund (Japan), LP (collectively, Catalyst Funds)	418	75	343	361	**—**	**3**	—	6
IFC Global Infrastructure Fund, LP (Global Infrastructure Fund) [c]	1,430	200	1,230	902	**—**	**—**	—	—
IFC Global Emerging Markets Fund of Funds, LP and IFC Global Emerging Markets Fund of Funds (Japan Parallel), LP (collectively, GEM Funds)	800	150	650	757	**—**	**11**	—	22
IFC Emerging Markets Sustainability Fund of Funds, LP [d]	139	—	139	—	**—**	**—**	—	—
IFC Middle East and North Africa Fund, LP (MENA Fund)	162	60	102	86	**—**	**—**	—	—
IFC Financial Institutions Growth Fund, LP (FIG Fund)	505	150	355	356	**2**	**2**	10	10
IFC Emerging Asia Fund, LP (Asia Fund)	693	150	543	592	**2**	**2**	14	14
IFC GEMFOF 2 SMA, LP [d]	100	—	100	20	**20**	**—**	—	—
TfL IFC Growth and Sustainability, LP [d]	125	—	125	14	**14**	**1**	—	—
Current Funds Total	**$ 8,372**	**$ 1,985**	**$ 6,387**	**$ 6,779**	**$ 38**	**$ 19**	**$ 24**	**$ 52**
Former Funds								
Africa Capitalization Fund, Ltd. (Africa Capitalization Fund)	$ 182	$ —	$ 182	$ 130	**$ —**	**$ —**	$ —	$ —
China-Mexico Fund, LP (China-Mexico Fund) [e]	1,200	—	1,200	362	**—**	**—**	—	—
IFC Russian Bank Capitalization Fund, LP (Russian Bank Cap Fund)	550	250	300	82	**—**	**—**	—	—
Women Entrepreneurs Debt Fund, LP (WED Fund)	115	30	85	110	**—**	**—**	—	—
Former Funds Total	**$ 2,047**	**$ 280**	**$ 1,767**	**$ 684**	**$ —**	**$ —**	**$ —**	**$ —**
Grand Total	**$ 10,419**	**$ 2,265**	**$ 8,154**	**$ 7,463**	**$ 38**	**$ 19**	**$ 24**	**$ 52**

a Net of commitment cancellations.

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

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

d Fund is in investment period.

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

UPSTREAM AND ADVISORY SERVICES

In the continuum of development solutions offered by IFC, Advisory plays a crucial early-stage role by laying the groundwork for investment or as a follow-on to enhance its impact. Advisory services may include working in collaboration with IBRD to advise governments to improve the enabling environment, assisting industry bodies to promote global standards, and supporting private companies to foster sustainable and responsible private sector investments – contributing to costs and efforts to assess investment feasibility and at times using IFC resources to fund project development. This is especially vital in low-income and fragile contexts, where market creation is necessary before private sector investments can thrive.

At the core of this continuum is Upstream, which encompasses proactive activities designed to stimulate specific opportunities that facilitate the flow of private capital, both domestic and foreign. Upstream activities have a much shorter and clearer line of sight to investment. Together, these functions are essential to advancing IFC's development ambitions: an Upstream & Advisory-enabled Corporation seeks to expand market size by unlocking, developing, and enabling incremental investment opportunities while generating a long-term pipeline of bankable transactions, focusing on continued scale-up of business development efforts in strategic areas such as climate, inclusive growth, and IDA-FCS development. These efforts aim to enable essential private sector investments at scale to address the world's most pressing development priorities.

In FY25 YTD, IFC spent $124 million[3] ($107 million in FY24 YTD) in support of hundreds of Upstream and Advisory engagements across all regions and industries. Of the 691 currently active engagements, 117 were newly recorded in FY25 YTD (132 newly recorded in FY24 YTD). As of December 31, 2024, the Upstream estimated 5-year Own Account pipeline stood at $43.6 billion ($35.7 billion in FY24 YTD), while Upstream-enabled LTF commitments for the fiscal year totaled over $6.9 billion ($2.6 billion in FY24 YTD).

SECTION IV: LIQUID ASSETS

All liquid assets are managed in accordance with an investment authority approved by the Board and the Funding and Liquid Asset Management Directive approved by IFC's Corporate Risk Committee, a subcommittee of IFC's Management Team.

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

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

IFC's liquid assets are accounted for as trading portfolios. The Net Asset Value of IFC's liquid asset portfolio as of December 31, 2024 and June 30, 2024 is presented in the table below:

Table 9: Liquid Asset Portfolio Net Asset Value

(US$ in millions)	**December 31, 2024**	June 30, 2024	Variance
Funded Liquidity portfolio	**$ 17,789**	$ 20,878	$ (3,089)
Net Worth Funded portfolio	**17,335**	16,856	479
Total Liquid Asset portfolio	**$ 35,124**	**$ 37,734**	**$ (2,610)**

The liquid asset portfolio decreased mainly because net loan disbursements exceeded net inflows from borrowings. The decrease in Funded Liquidity portfolio was partially offset by an increase in Net Worth Funded portfolio which grew in line with the increase in retained earnings.

SECTION V: FUNDING RESOURCES

BORROWINGS

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

[3] The program expenditure presented herein is based on the Operational reporting methodology, which includes all project expenditures associated with an Advisory project. This does not include program expenditure associated with IFC's Upstream project development activities.

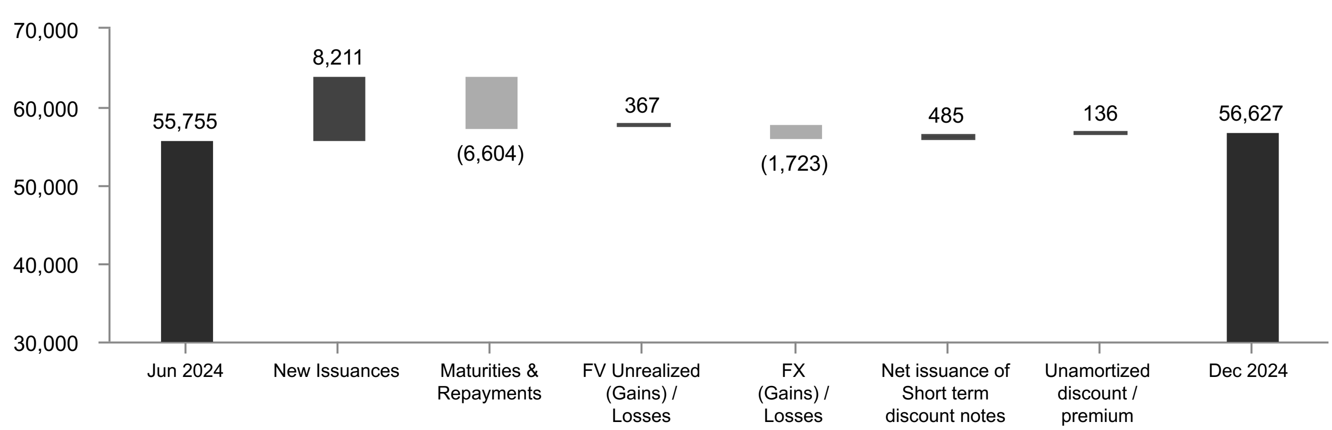
Substantially all borrowings are carried at fair value under the Fair Value Option. The change in the fair value of these borrowings resulting from changes in instrument-specific credit risk is reported in other comprehensive income, while the remaining change in fair value is reported in “Net unrealized gains and losses on non-trading financial instruments accounted for at fair value” in the condensed consolidated statements of operations. Changes in the net fair value of IFC’s borrowings from the market and IDA, include the impact of changes in IFC’s own credit spread when measured against reference rates. IFC’s policy is generally to match the currency, amount, and timing of cash flows on market borrowings with the cash flows on the associated derivatives entered into contemporaneously. The outstanding borrowings (including fair value adjustments) on IFC's condensed consolidated balance sheets as of December 31, 2024 and June 30, 2024 are presented in the table below:

Table 10: Borrowings Outstanding

(US$ in millions)	**December 31, 2024**	June 30, 2024	Variance
Medium and long-term borrowings	**$ 53,834**	$ 53,447	$ 387
Short-term borrowings under the discount note program	**2,793**	2,308	485
Total outstanding borrowings	**$ 56,627**	**$ 55,755**	**$ 872**

The increase in outstanding borrowings was mainly driven by new issuances due to robust loan disbursements partially offset by maturities, repayments and FX gains as shown in Figure 6 below:

Figure 6: Borrowings Outstanding (US$ in millions)



Market borrowings are generally swapped into floating-rate obligations denominated in U.S. dollars. On occasion, IFC uses its borrowings as a tool to promote capital markets development in emerging and frontier markets and this can result in raising local currency funds. As of December 31, 2024, non-U.S. dollar denominated market borrowings with no interest rate or currency hedges accounted for 1% of the total borrowings from market sources (1% as of June 30, 2024), with outstanding balances amounting to $559 million ($821 million as of June 30, 2024). These borrowings were denominated in various currencies, mainly in new Romanian lei, Philippine pesos, Chinese renminbi.

During FY25 YTD, IFC raised $10.2 billion in borrowings ($11.5 billion in FY24 YTD), net of derivatives and including discount notes with maturities greater than three months of $2.0 billion ($2.2 billion in FY24 YTD). IFC maintains short-term discount note programs in U.S. dollar and Chinese renminbi to provide an additional funding and liquidity management tool. These programs support IFC’s trade finance and supply chain initiatives and expand the availability of short-term local currency finance. The discount note programs offer issuances with maturities ranging from overnight to one year. During FY25 YTD, IFC issued $4.2 billion of discount notes ($4.4 billion in FY24 YTD), all of which were in U.S. dollars.

CAPITAL AND RETAINED EARNINGS

As of December 31, 2024 and June 30, 2024, IFC's capital comprised the following:

Table 11: IFC's Capital

(US$ in millions)	December 31, 2024	June 30, 2024
Capital		
Authorized capital	**$ 25,080**	$ 25,080
Subscribed capital	**24,107**	24,104
Less: unpaid portion of subscriptions	**(701)**	(884)
Paid-in capital	**23,406**	23,220
Accumulated other comprehensive income	**787**	957
Retained earnings	**14,423**	13,295
Total Capital	**$ 38,616**	**$ 37,472**

Following the Spring Meetings in April 2018, a financing package was endorsed by the Board of Governors. This package comprised: (i) a three-step capital raising process: Conversion of a portion of retained earnings into paid-in capital, a GCI and SCI that would together provide up to $5.5 billion in additional paid-in capital; (ii) a planned suspension of grants to IDA after the conclusion of the IDA 18 replenishment; and (iii) internal measures for increased efficiency. The authorized capital stock as of December 31, 2024, is 25,079,991 shares of $1,000 par value each (unchanged from June 30, 2024).

The GCI and SCI Resolutions were formally adopted and took effect on April 16, 2020. Concurrently, $17 billion of retained earnings were converted into paid-in-capital, and the capital subscription process commenced on April 22, 2020. In April 2023, the deadline for the SCI subscription and payment was extended to April 16, 2025. The GCI subscription deadline, initially extended to April 16, 2024 in April 2023, was further extended to April 16, 2025, in April 2024, thereby aligning with the original deadline for GCI payment. As of December 31, 2024, 136 countries have subscribed a total of $4.5 billion (GCI – $3.8 billion and SCI – $709 million), and payments of $3.8 billion (GCI – $3.1 billion and SCI – $676 million) were received from 115 countries.

As of December 31, 2024 and June 30, 2024, retained earnings comprised the following:

Table 12: IFC's Retained Earnings

(US$ in millions)	December 31, 2024	June 30, 2024
Undesignated Retained Earnings	**$ 13,951**	$ 13,133
Designated Retained Earnings		
Creating Markets Advisory Window (CMAW)	**174**	93
Funding Mechanism for Technical Assistance and Advisory Services	**189**	58
Small and Medium Enterprise (SME) Ventures	**9**	11
Surplus	**100**	—
Total Designated Retained Earnings	**$ 472**	**$ 162**
Total Retained Earnings	**$ 14,423**	**$ 13,295**

Designations of Retained Earnings

Amounts available to be designated are determined based on a Board approved income-based (sliding scale) formula and on a principles-based Board approved financial distribution policy, and are approved by the Board. The approach approved by IFC's Board establishes a threshold that no designations of any kind can take place if IFC's CUR is above 88%, and establishes a framework for prioritizing future designations to the Funding Mechanism for Technical Assistance and Advisory Services (FMTAAS) based on IFC's CUR and a cushion for FMTAAS. IFC also established the Creating Markets Advisory Window (CMAW) in fiscal year 2018 to focus on market creation in eligible IDA countries and FCS.

Prior to FY24, Income Available for Designations comprised net income excluding unrealized gains and losses on investments and borrowings as well as grants to IDA, which were suspended in FY20 following the conclusion of the IDA Eighteenth Replenishment of Resources (IDA18). In FY24, IFC updated the calculation of Income Available for Designations to exclude income from PCRF, aligning it with its intended use for post-retirement contributions. This change, approved by the Board in June 2024, was effective from FY24.

FY24 Designations

On October 31, 2024, the Board of Directors approved a designation of $107 million to the CMAW and $152 million to the FMTAAS. This approval was noted by the Board of Governors on December 18, 2024. In addition, on December 18, 2024, the Board of Governors approved an allocation of $100 million from undesignated retained earnings to the newly established Surplus Account and subsequent transfer to the IFC Frontier Opportunities Fund, a fund of concessional finance to spur equity investment mostly targeted to middle-income countries including for the cutting-edge climate initiatives, after its establishment.

SECTION VI: RISK MANAGEMENT

ENTERPRISE RISK MANAGEMENT

IFC's enterprise risk management framework (ERM) is designed to enable the prudent management of potential financial and reputational impacts that originate from the Corporation's business activities.

IFC has defined three explicit Risk Management Objective Statements at the corporate level which are derived from IFC's purpose, business scope, strategic objectives, and the risks that it faces.

Key Risk Management Objectives

- **Development Impact** – IFC will maximize developmental impact by focusing on the World Bank Group's mission to end extreme poverty and boost shared prosperity on a livable planet, while maintaining financial sustainability and safeguarding its brand.
- **Financial Sustainability** – IFC will generate and maintain sufficient financial resources, conduct its business and manage risk consistent with standards implied by a triple-A rating.
- **Safeguarding Reputation** – In determining what engagements and activities to pursue, IFC will assess whether any potential adverse impact to its reputation is in balance with the potential development impact.

IFC's Enterprise Risk Management follows the shared-responsibility principle, and IFC's risk governance structure is built on the "three lines model" as defined below:

- **1st Line** – All staff engaged in the business origination, revenue generating and client facing areas of IFC and all associated support functions including Investment, Advisory and Treasury staff which are not risk, control or compliance monitoring functions.
- **2nd Line** – Staff in risk, controllers, legal, compliance and communication functions independent of the first line provides oversight and challenge over financial and operational risk activities.
- **3rd Line** – Internal Audit provides independent oversight.

CREDIT RISK

IFC defines credit risk as the risk of loss of principal or loss of an expected financial return due to credit events such as a default or downgrade in credit ratings or any other failure to meet a contractual obligation that results in financial loss. IFC is exposed to credit risk in its Debt portfolio[4] and to investment and counterparty credit risk in its liquid assets portfolio.

Investment Operations

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

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

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

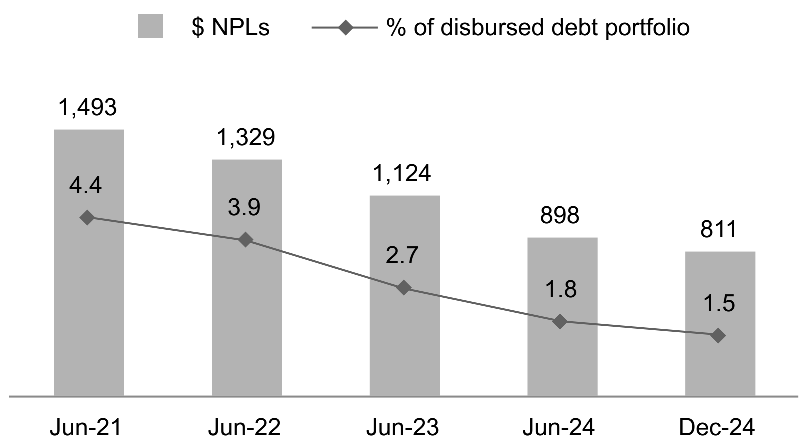
Table 13: IFC's Debt Portfolio Credit Risk Indicators

(US$ in millions, except for %)

INDICATOR	December 31, 2024	June 30, 2024	Variance
NPLs as % of the debt portfolio	**1.5 %**	1.8 %	(0.3)%
Principal amount outstanding on NPLs	**$ 811**	$ 898	$ (87)
Total reserve against losses on loans as % of NPLs	**171.5 %**	141.3 %	30.2 %

[4] Debt portfolio herein the section includes loans and loan-like debt securities.

Figure 7: NPLs as Percentage of Disbursed Debt Portfolio (US$ in millions, except for %)



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

Treasury Operations

IFC manages its exposures to investments and counterparties in its Treasury operations to mitigate potential losses from the failure by a counterparty to fulfill its contractual obligations. Counterparty eligibility criteria are set by Authorizations from the Board of Directors and by Directives approved by IFC's Corporate Risk Committee. Eligible investments and counterparties are predominantly sovereign governments, government agencies, banks, and financial institutions with high-quality credit ratings issued by leading international credit rating agencies.

Treasury operations counterparties remain well diversified by sector and geography. In accordance with its agreements with counterparties, as of December 31, 2024, IFC held $1.0 billion in cash and $0 in securities as collateral for changes in mark-to-market exposures on open trades ($498 million in cash and $0 in securities as of June 30, 2024). In terms of Treasury's credit profile, IFC invests its US dollar liquid assets in deposits with highly-rated banks and in securities for which the ratings are generally AA- or higher, reflecting the primary objective of principal protection.

MARKET RISK

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

Equity Investments

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

During FY25 Q2, US equity markets reached new highs on expectations of continued economic growth. The S&P 500, representing US markets, rose 2% at quarter end, after reaching record highs during the quarter. Europe's largest stocks, as measured by the Euro Stoxx 50, were a bit a weaker and fell 2%. Emerging markets (MSCI EM total return index) declined 8% with the fall led by China which also declined 8% (after a significant gain in FY25 Q1). Over the quarter, the US dollar strengthened 8% against a basket of emerging market currencies (JPMorgan EM currency index) due to expectations that upcoming US policies will contribute to a stronger dollar. IFC remains focused on growing its equity book and rigorous analysis of macroeconomic trends continues to be crucial in guiding business generation as well as informing decision-making throughout the project life cycle.

Liquid Asset Portfolio

Market risk in IFC's liquid asset portfolio is managed according to the risk appetite chosen by IFC Management using derivatives and other financial instruments such as over-the-counter foreign exchange forward agreements, interest rate and currency swaps, and exchange-traded interest rate futures. Overall market risk exposure is also subject to daily monitoring, based on Directives approved by the Corporate Risk Committee, which limit interest rate, credit spread, and foreign exchange risk.

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

LIQUIDITY, FUNDING AND ASSET LIABILITY MANAGEMENT (ALM) RISK

IFC defines liquidity and funding risk as the risk that, over a specific horizon, IFC will be unable to meet the demand for additional funds to meet the demand for uses of funds due to either funding or liquidity issues or both. IFC faces liquidity risk in its core development finance activities because its investments are predominantly illiquid in nature due to the lack of capital flows, the infrequency of transactions, and the lack of price transparency in many emerging markets. To offset this risk, IFC maintains appropriate liquid assets funded from its net worth and market borrowings. IFC manages the risk of mismatches in foreign exchange rates, interest rates, and maturity dates between balance sheet assets and liabilities.

Liquid Asset Portfolio

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

Funding

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

Asset-Liability Management

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

OTHER FINANCIAL RISKS

IFC includes Capital Risk and Pension risk as the two other financial risks that it faces. Capital risk is the risk to IFC's triple-A rating resulting from a low capital adequacy position, in which available capital falls below the level of capital required to support IFC's activities. Pension Risk is the risk that IFC's defined-benefit pension plan is underfunded, leading to the need for additional financial support by IFC.

OPERATIONAL RISK MANAGEMENT

Consistent with the Basel Framework, IFC defines operational risk as the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events, and holds economic capital against such risks. Given IFC's business model, both financial and non-financial impacts are considered in the assessment of risks.

STRATEGIC AND BUSINESS RISK

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

Strategic Risk

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

Environment, Social and Governance (ESG) Risk

Environment and Social (E&S) risk is the risk that IFC cannot effectively engage with and influence clients to fulfill the requirements of IFC's E&S Performance Standards, within a reasonable period of time, potentially causing significant or material adverse impacts to people or the environment. Corporate governance risk is the risk that IFC's investment clients have inadequate corporate governance which could lead to negative financial impact or reputational harm to IFC.

In addition to promoting ESG standards and disclosures across emerging markets, IFC builds internal and external capacity to identify, assess and mitigate ESG risks. IFC continuously strengthens its ESG risk management approach by improving its internal ESG systems, procedures and practices; building capacity through internal and external training and advisory or enhanced client supervision; fostering project-level grievance mechanisms; clarifying the application of IFC's E&S requirements for clients, including financial intermediaries; and mainstreaming cross-cutting topics such as climate change, gender, human rights, biodiversity, and contextual risk assessment in due diligence and supervision. At the project level, IFC manages ESG risks in accordance with its Sustainability Policy, E&S Review Procedures and the Corporate Governance Directive and Procedures. IFC provides capacity building, guidance and supports its clients in identifying, assessing and mitigating ESG risks through standards, guidelines, guidance notes, good practice notes, tip sheets, handbooks, tools, training and other knowledge products.

Climate Risk

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

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

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

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

In FY25, IFC continued its integration of climate risk into its enterprise risk framework and operations through a cross-organizational Climate Risk Working Group (CRWG), and published its FY24 Climate-related financial disclosures. Additionally, IFC participated in the Joint Report on Multilateral Development Banks' (MDBs') Climate Finance, which is an annual collaboration to publish MDBs'[5] 2023 climate finance figures. It is intended to track progress in relation to their joint climate finance objectives such as those announced at Conference of the Parties 29 (COP29) for increased climate finance and mobilization contributions to the New Collective Quantifiable Goal.

The WBG's Climate Change Action Plan for FY21 to FY25, aims to increase support to deliver climate results, with a focus on reducing the trajectory of emissions and strengthening adaptation and resilience in developing countries. As part of this plan, IFC has committed to increase its direct climate financing to at least 35 percent of own-account long-term total commitments on average over the five-year period. IFC is also committed to aligning its financial flows with the objectives of the Paris Agreement. Starting July 1, 2023, 85 percent of Board approved operations are expected to be aligned with the Paris Agreement's goals, and 100 percent of these are expected to be aligned starting July 1, 2025. Subsequently in FY24, the President of the World Bank Group committed to a new climate finance target of 45% of its annual financing to climate-related projects (up from 35%) for the WBG starting in FY25.

[5] The joint report combines data from the World Bank Group (WBG), the African Development Bank (AfDB), the Asian Development Bank (ADB), the Asian Infrastructure Investment Bank (AIIB), the Council of Europe Development Bank (CEB), the European Bank for Reconstruction and Development (EBRD), the European Investment Bank (EIB), the Inter-American Development Bank (IDB), the Islamic Development Bank (IsDB), and the New Development Bank (NDB).

Integrity, Money Laundering and Terrorist Financing, and Tax Risks

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

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

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

1. the client’s AML/CFT procedures and controls are structured to comply with relevant AML/CFT standards;
2. the AML/CFT procedures and controls are appropriate for the client’s business and operating environments;

IFC has been strengthening its AML capacity, through in-house trainings of its business teams and roll out of technical capacity building programs (e.g., to promote the countering of trade-based money laundering for financial institutions in developing markets).

Tax risk is the risk that IFC’s clients or projects may be structured to evade taxes or facilitate abusive tax planning. To address this, a systematic approach to tax due diligence (TDD) is applied through the World Bank Group’s Intermediate Jurisdictions policy, which came into effect on January 23, 2023, and IFC’s Tax Due Diligence Procedures. TDD seeks to verify: (i) compliance of intermediate jurisdictions with globally accepted tax standards with primary focus on tax transparency; (ii) the rational for the use of intermediate jurisdictions; (iii) arm’s length pricing of cross-border inter-group transactions, along with other key tax risk flags that examine the tax guidance of the underlying project company. These established processes apply to all investment projects and ultimately aim to mitigate the risks of artificial tax structuring by IFC’s clients that risk eroding the tax base of project countries. IFC raising awareness of TDD through targeted trainings for regional and industry teams. In addition, IFC promotes responsible tax practices among its current and prospective clients as well as contributes to global tax policy discussions on topics relevant to its TDD processes.

External Financing Risk

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

SECTION VII: RESULTS OF OPERATIONS

OVERVIEW

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

Table 14: Main Elements of Net Income and Other Comprehensive Income

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

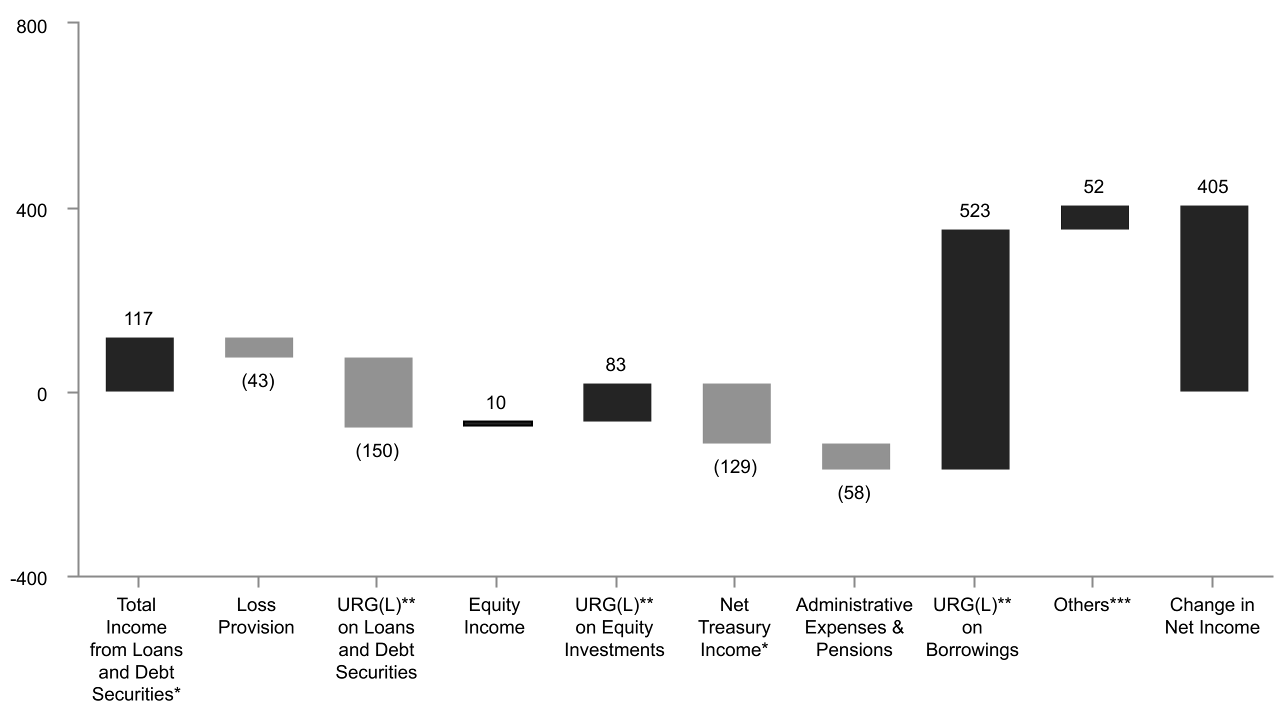
IFC's net income for the six months ended December 31, 2024 and December 31, 2023 are presented below:

Table 15: Summary of Financial Results

(US$ in millions)	For the six months ended December 31, 2024	December 31, 2023
Consolidated statements of operations highlights		
Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	**$ 1,720**	$ 1,525
Provision for losses on loans, off-balance sheet credit exposures and other receivables	**(73)**	(30)
Income from equity investments and associated derivatives	**135**	42
Income from debt securities, including realized gains and losses on debt securities and associated derivatives	**415**	395
Release of provision for losses on available-for-sale debt securities	**3**	3
Income from liquid asset trading activities	**1,143**	1,483
Charges on borrowings	**(1,838)**	(1,951)
Other income	**240**	264
Other expenses	**(896)**	(825)
Foreign currency transaction losses on non-trading activities	**(21)**	(110)
Income before net unrealized gains and losses on non-trading financial instruments accounted for at fair value	**$ 828**	$ 796
Net unrealized gains (losses) on non-trading financial instruments accounted for at fair value	**300**	(73)
Net income	**$ 1,128**	**$ 723**

The following paragraphs detail significant variances between FY25 YTD and FY24 YTD covering the periods included in IFC FY25 YTD condensed consolidated financial statements. The $405 million increase in net income was principally a result of the following:

Figure 8: Change in Net Income FY25 YTD vs FY24 YTD (US$ in millions)



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

** Unrealized gains (losses)

*** Others mainly represents foreign exchange gains/losses, service fees, and net advisory service expenses

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

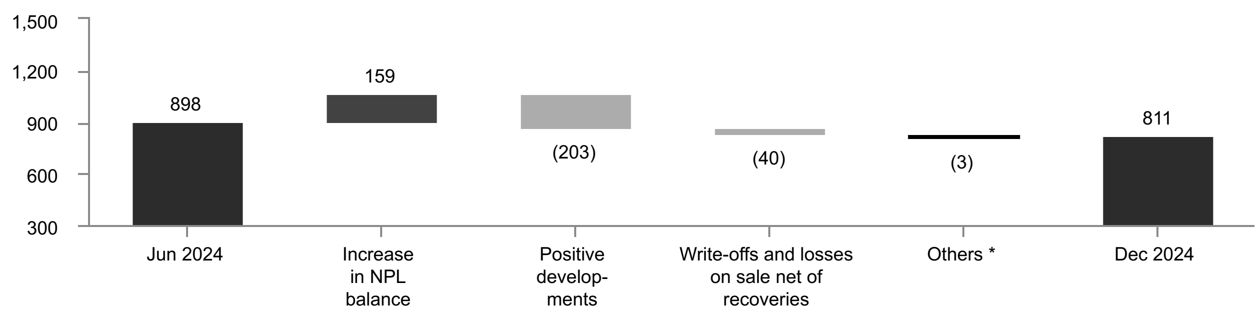
Income from Loans and Guarantees, including Realized Gains and Losses on Loans and Associated Derivatives

Income from loans and guarantees, including realized gains and losses on loans and associated derivatives for FY25 YTD totaled $1.7 billion compared to $1.5 billion in FY24 YTD, primarily due to portfolio growth.

Non-performing Loans (NPLs)

NPLs decreased by $87 million to $811 million[6] of the disbursed loan portfolio as of December 31, 2024. The decrease was largely due to $203 million of positive developments and $40 million net write-offs, partially offset by $159 million new NPL additions. In FY25 YTD, the top five loans placed in NPL status totaled $151 million.

Figure 9: Non-performing Loans (US$ in millions)



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

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

IFC recorded a net provision for losses on loans, available-for-sale debt securities, off-balance sheet credit exposures and other receivables of $70 million in FY25 YTD ($27 million in FY24 YTD), analyzed as below:

Table 16: Portfolio and Individual Provision (Release of Provision)

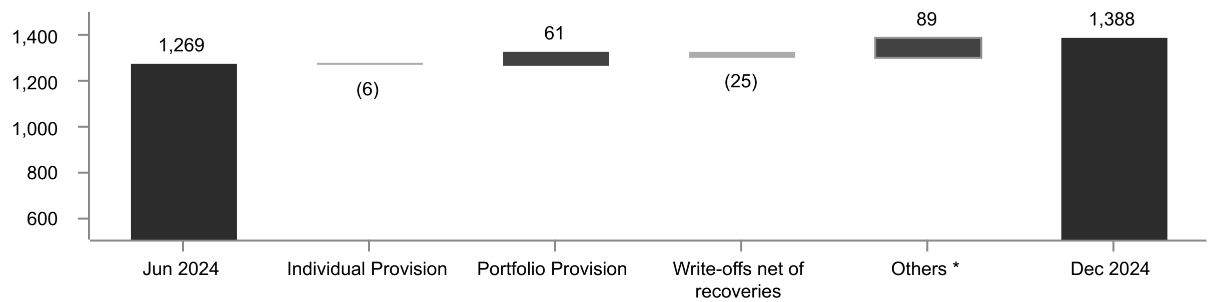
(US$ in millions)	For the six months ended **December 31, 2024**	December 31, 2023	Variance
Portfolio provision on disbursed loans	**$ 89**	$ 26	$ 63
Individual (release of provision) provision on disbursed loans	**(6)**	7	(13)
Release of portfolio provision on undisbursed loans	**(28)**	(10)	(18)
Release Individual provision on undisbursed loans	**—**	(1)	1
Provision on off-balance sheet credit exposures and other receivables	**17**	8	9
Individual provision on off-balance sheet credit exposures and other receivables	**1**	—	1
Release of individual provision on available-for-sale debt securities	**(3)**	(3)	—
Total	**$ 70**	**$ 27**	**$ 43**

Total portfolio provision increased in FY25 YTD mainly due to new commitments and disbursements. Individual provision releases were mainly due to project-specific improvements.

6 Includes $122 million reported as debt securities and $81 million reported as loans under Fair Value Option on the Balance Sheets as of December 31, 2024 ($53 million Debt securities and $126 million FVO loans – June 30, 2024).

Total reserve against losses on loans disbursed and loans committed but not disbursed increased by $119 million to $1.4 billion as of December 31, 2024 analyzed as follows:

Figure 10: Reserve Against Losses for Disbursed and Undisbursed Loans (US$ in millions)



* Other comprises of (1) adjustment for recovery assets for loans $92m (excludes $11m recovery assets for guarantees), (2) provision for capitalized interest of $12m and (3) foreign exchange movements of $(15)m. Graph present the reserve against losses on disbursed and undisbursed debt portfolio only (without Guarantees).

The FY25 YTD reserve increase is mainly due to the separate accounting of freestanding credit enhancements, such as purchased guarantees. Starting in FY25, these enhancements are recorded as recovery assets under "other assets", rather than as a reduction to reserve, resulting in an increase in both reserve and other assets.

The breakdown of total reserve against losses on loans disbursed and loans committed but not disbursed and the reserve coverage ratio as of December 31, 2024 and June 30, 2024 are presented in the table below:

Table 17: Reserve against losses on loans disbursed and loans committed but not disbursed and reserve coverage ratio

	December 31, 2024		June 30, 2024		Variance	
(US$ in millions, unless otherwise noted)	**Reserve**	**Reserve coverage ratio** [a]	Reserve	Reserve coverage ratio [a]	Reserve	Reserve coverage ratio [a]
Reserve against losses on disbursed loans						
Portfolio reserve	**$ 940**	**2.5 %**	$ 801	2.3 %	$ 139	0.2 %
Individual reserve	**262**	**22.8**	280	25.3	(18)	(2.5)
	1,202	**3.0**	1,081	3.0	121	—
Reserve against losses on loans committed but not disbursed						
Portfolio reserve	**186**	**2.0**	188	2.2	(2)	(0.2)
	186	**2.0**	188	2.2	(2)	(0.2)
Total reserve	**$ 1,388**	**5.0 %**	**$ 1,269**	**2.8 %**	**$ 119**	**0.1 %**

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

In FY25 YTD, the top ten largest individual provisions and top ten largest individual releases of provision comprised 82% and 91% of the total individual provisions and total individual releases of provision, respectively, for losses on loans.

The reserve against losses as of December 31, 2024 reflected credit risk assessments as of that date. The assessment of the level of reserve against losses continued to carry a heightened degree of uncertainty and judgment. As of December 31, 2024, the $25 million Qualitative Overlay from June 30, 2024 was left unchanged.

Income from Equity Investments and Associated Derivatives

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

Income from equity investments and associated derivatives (consisting of dividends and net capital gains), increased by $93 million, as analyzed below:

Table 18: Income from equity investments and associated derivatives

(US$ in millions)	For the six months ended December 31, 2024	December 31, 2023	Variance
Net realized gains	**$ 109**	$ 175	$ (66)
Net unrealized losses	**(53)**	(202)	149
Dividend income, custody, fees and other	**79**	69	10
Total income from equity investments and associated derivatives	**$ 135**	**$ 42**	**$ 93**

In FY25 YTD, the top five investments with net capital gains totaled $172 million, while the top five investments with net capital losses were $132 million. In comparison, in FY24 YTD the top five investments with net capital gains were $125 million and the top five investments with net capital losses were $195 million.

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

Income from debt securities and associated derivatives increased modestly by $20 million from $395 million in FY24 YTD to $415 million in FY25 YTD.

Income from Liquid Asset Trading Activities

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

Table 19: Income from Liquid assets trading activities

(US$ in millions)	For the six months ended December 31, 2024	December 31, 2023	Variance
Liquid asset income, gross of funding costs:			
Market Funded Liquidity portfolio	**$ 615**	$ 929	$ (314)
Net Worth Funded Liquidity portfolio	**528**	554	(26)
Total	**$ 1,143**	**$ 1,483**	**$ (340)**
Liquid asset income, net of funding costs:			
Market Funded Liquidity portfolio	**$ 20**	$ 75	$ (55)
Net Worth Funded Liquidity portfolio	**480**	554	(74)
Total	**$ 500**	**$ 629**	**$ (129)**

The decrease of $129 million (net of funding costs) was mainly attributable to lower mark-to-market gains on the Net Worth Funded portfolio due to the lower decline in interest rates in FY25 YTD compared with FY24 YTD. Net income was also lower on the Market Funded portfolio in FY25 YTD, reflecting narrower credit spreads at the inception of the fiscal year compared to FY24.

Charges on Borrowings

IFC's charges on borrowings of $1.8 billion in FY25 YTD, was mostly flat compared to $2.0 billion in FY24 YTD.

Other Income

Other income decreased modestly by $24 million with its components analyzed in the table below:

Table 20 : Other Income

(US$ in millions)	For the six months ended December 31, 2024	December 31, 2023	Variance
Upstream and Advisory Services Income	**$ 122**	$ 118	$ 4
Service Fees	**62**	51	11
Investment returns on Post-Employment Benefit Plan assets	**19**	27	(8)
PCRF Income	**7**	14	(7)
Client Risk Management (CRM) Income	**7**	17	(10)
Other Miscellaneous Income	**23**	37	(14)
Total	**$ 240**	**$ 264**	**$ (24)**

Other Expenses

Other Expenses increased by $71 million mainly due to the increase in administrative expenses from higher staff costs and upstream and advisory expenses. The components of other expenses are analyzed in the table below:

Table 21 : Other Expenses

	For the six months ended		
(US$ in millions)	**December 31, 2024**	December 31, 2023	Variance
Administrative expenses	**$ 752**	$ 700	$ 52
Upstream and Advisory services expenses	**157**	139	18
Income from pension and other postretirement benefit plans	**(12)**	(18)	6
Other Expenses	**(1)**	4	(5)
Total	**$ 896**	**$ 825**	**$ 71**

Foreign Currency Transaction Gains and Losses on Non-Trading Activities

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

Table 22 : Foreign Currency Transaction Gains and Losses on Non-Trading Activities

	For the six months ended		
(US$ in millions)	**December 31, 2024**	December 31, 2023	Variance
Reported in Net Income	**$ (21)**	$ (110)	$ 89
Reported in Other Comprehensive Income, net of reclassifications to net income upon sale or repayment	**23**	105	(82)
Total	**$ 2**	**$ (5)**	**$ 7**

Net Unrealized Gains and Losses on Non-Trading Financial Instruments

IFC accounts for certain financial instruments at fair value with unrealized gains and losses on such financial instruments being reported in net income, namely: (i) market borrowings with associated currency or interest rate swaps; (ii) certain loans, debt securities and associated derivatives; and (iii) borrowings from IDA.

Table 23: Net Unrealized gains (losses) on Non-Trading Financial Instruments

	For the six months ended		
(US$ in millions)	**December 31, 2024**	December 31, 2023	Variance
Unrealized gains on the loan and debt securities portfolio carried at fair value	**$ 123**	$ 210	$ (87)
Unrealized losses on associated derivatives	**(244)**	(181)	(63)
Unrealized (losses) gains on loans, debt securities and associated derivatives	**$ (121)**	**$ 29**	**$ (150)**
Unrealized losses on borrowings from market and IDA	**$ (176)**	$ (1,079)	$ 903
Unrealized gains on associated derivatives	**597**	977	(380)
Unrealized gains (losses) on borrowings from market, IDA and associated derivatives	**$ 421**	**$ (102)**	**$ 523**
Net unrealized gains (losses) on non-trading financial instruments accounted for at fair value	**$ 300**	**$ (73)**	**$ 373**

IFC reported $121 million of unrealized losses on loans, debt securities, net of associated derivatives in FY25 YTD. The unrealized losses on associated derivatives of $244 million in FY25 YTD, consisting $131 million losses on client risk management swaps mainly on Euro and U.S dollar interest rate swaps, and an additional $80 million of losses on loan-related swaps mainly in U.S. dollar and Brazilian real in FY25 YTD. Changes in the fair value of derivatives are recognized in the condensed consolidated statements of operations, while certain offsetting changes in the fair value of hedged loans are not, as those loans are measured at amortized cost.

IFC reported $421 million of unrealized gains on borrowings from market sources and IDA, net of associated derivatives in FY25 YTD. This was primarily due to a one-time reclassification of $231 million gains from Accumulated Other Comprehensive Income to net income, due to a refinement of the methodology to calculate changes in IFC's own credit spread, along with net unrealized gains (after-swaps) due to changes in interest rates, mainly in the U.S. dollar, Mexican peso and Australian dollar portfolios.

OTHER COMPREHENSIVE INCOME

Unrealized Gains and Losses on Debt Securities and Borrowings

Table 24: Other Comprehensive Income – Unrealized Gains and Losses on Debt Securities and Borrowings

(US$ in millions)	For the six months ended **December 31, 2024**	December 31, 2023	Variance
Net unrealized gains and losses on debt securities arising during the period:			
Unrealized gains	**$ 61**	$ 126	$ (65)
Unrealized losses	**(30)**	(23)	(7)
Reclassification adjustment for realized gains and credit related portion of impairments which were recognized in net income	**(3)**	(4)	1
Net unrealized gains on debt securities	**$ 28**	**$ 99**	**$ (71)**
Unrealized gains and losses on borrowings			
Net unrealized (losses) gains attributable to instrument-specific credit risk on borrowings at fair value under the Fair Value Option:	**(204)**	237	(441)
Reclassification adjustment for realized gains included in net income upon derecognition of borrowings	**12**	—	12
Net unrealized (losses) gains on borrowings	**$ (192)**	**$ 237**	**$ (429)**
Total unrealized (losses) gains on debt securities and borrowings	**$ (164)**	**$ 336**	**$ (500)**

Net unrealized gains on debt securities included foreign currency gains of $23 million on debt securities accounted for as available-for-sale, primarily representing reversals of unrealized losses upon sales.

Net unrealized losses on borrowings of $192 million was recognized through other comprehensive income in FY25 YTD (net unrealized gains of $237 million in FY24 YTD). This was due to a one-time reclassification of $231 million gains to net income due to a refinement of the methodology to calculate changes in IFC's own credit spread, and a widening in IFC credit spreads in FY25 YTD.

SECTION VIII: GOVERNANCE AND CONTROL

SENIOR MANAGEMENT

The following is a list of the principal officers of IFC as of December 31, 2024:

President	Ajay Banga
Managing Director	Makhtar Diop
Regional Vice President, Africa	Sérgio Pimenta[a]
Regional Vice President, Europe, Latin America and the Caribbean	Alfonso García Mora
Regional Vice President, Middle East, Central Asia, Türkiye, Afghanistan, and Pakistan	Hela Cheikh Rouhou
Regional Vice President, Asia and the Pacific	Riccardo Puliti
Vice President, Cross-Cutting Solutions	Emmanuel Nyirinkindi
Vice President, Corporate Support	Elena Bourganskaia
Vice President, Economics and Private Sector Development	Susan M. Lund
Vice President and General Counsel, Legal Institutional Risk and Governance	Ramit Nagpal
Vice President, Industries	Mohamed Gouled
Vice President, Risk and Finance	Federico Galizia
Vice President, Treasury & Mobilization	John Gandolfo

a In November 2024, it was announced that Sérgio Pimenta would retire from IFC effective March 31, 2025. Ethiopis Tafara was appointed as the Regional Vice President, Africa effective April 1, 2025.

SECTION IX: APPENDIX

GLOSSARY OF TERMS

Articles: IFC's Articles of Agreement.

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

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

Capital Available: Under IFC's economic capital framework, resources available to absorb potential losses, calculated as: IFC's balance sheets capital minus designated retained earnings minus Pension surplus of each pension plan minus PCRF assets.

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

Core Mobilization: Non-IFC financing or risk sharing arranged on commercial terms due to the active and direct involvement of IFC for the benefit of a Client. A Client is a legal entity to which IFC provides Advisory Services (AS) or Investment Services (IS).

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

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

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

IDA18: IDA's Eighteenth Replenishment of Resources.

IDA20: IDA's Twentieth Replenishment of Resources.

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

IFC's Equity Mobilization Department: IFC's Equity Mobilization Department (formally IFC Asset Management Company, or AMC), a division of IFC effective January 31, 2020, invests third-party capital and IFC capital, enabling outside investors to invest alongside IFC in developing markets. Investors in funds managed by AMC have included sovereign wealth funds, national pension funds, multilateral and bilateral development institutions, national development agencies and international financial institutions. These funds collectively are referred to as the AMC Funds.

Income Available for Designations: IFC uses Income Available for Designations (a non-U.S. GAAP measure) as a basis for designations of retained earnings. Prior to FY24, Income Available for Designations comprised net income excluding unrealized gains and losses on investments and borrowings as well as grants to IDA, which were suspended in FY20 following the conclusion of the IDA' Eighteen Replenishment of Resources (IDA18). In FY24, IFC updated the calculation of Income Available for Designations to exclude income from PCRF, aligning it with its intended use for post-retirement contributions.

Paris Agreement: The Paris Agreement is the universal, legally binding global climate change agreement, adopted at the Paris climate conference in December 2015. It sets out a global framework to avoid dangerous climate change by limiting global warming and aims to strengthen countries' ability to deal with the impacts of climate change and support them in their efforts.

Qualitative Overlay: Qualitative Overlay is an adjustment applied to the calculated loan loss reserve based on qualitative factors, reflecting potential risks and uncertainties that are prevailing and may not be fully captured by quantitative models.

Spring Meetings: The Spring Meetings of the International Monetary Fund and the Boards of Governors of the World Bank Group is a gathering that features the Development Committee and International Monetary and Financial Committee plenary session to discuss work of the institutions.

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

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

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

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

ABBREVIATIONS AND ACRONYMS

ABS	:	Asset-Backed Securities
ALM	:	Asset Liability Management
AML/CFT	:	Anti-Money Laundering/ Combating the Financing of Terrorism
BOP	:	Base of the Pyramid
CMAW	:	Creating Markets Advisory Window
COP29	:	Conference of the Parties 29
CR	:	Credit Rating
CRM	:	Client Risk Management
CRWG	:	Climate Risk Working Group
CUR	:	Capital Utilization Ratio
DFIs	:	Development Financial Institutions
E&S	:	Environmental and Social
ERM	:	Enterprise Risk Management Framework
ESG	:	Environment, Social and Governance
FCS	:	Fragile and Conflict-Affected Situations
FMTAAS	:	Funding Mechanism for Technical Assistance and Advisory Services
FX	:	Foreign Exchange
GCI	:	General Capital Increase
GEMS	:	Global Emerging Markets
GP	:	General Partner
IBRD	:	International Bank for Reconstruction and Development
ICSID	:	International Centre for Settlement of Investment Disputes
IDA	:	International Development Association
IDA-PSW	:	IDA Private Sector Window
IFC or the Corporation	:	International Finance Corporation
IFIs	:	International Financial Institutions
ISDA	:	International Swaps and Derivatives Association
LCR	:	Liquidity Coverage Ratios
LTF	:	Long-Term Finance
MBS	:	Mortgage-Backed Securities
MCPP	:	Managed Co-Lending Portfolio Program
MD&A	:	Management’s Discussion and Analysis
MDBs	:	Multilateral Development Banks
MIGA	:	Multilateral Investment Guarantee Agency
ML/TF	:	Money Laundering And Terrorist Financing
NAV	:	Net Asset Value
NPLs	:	Non-performing Loans
PSW	:	Private Sector Window
PCRF	:	Post-retirement Contributions Reserve Fund
SCI	:	Selective Capital Increase
SME	:	Small and Medium Enterprise
SOFR	:	Secured Overnight Financing Rate
STF	:	Short-Term Finance
TDD	:	Tax Due Diligence

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

December 31, 2024

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INDEPENDENT AUDITOR'S REVIEW REPORT

President and Board of Directors
International Finance Corporation:

Results of Review of Interim Financial Information

We have reviewed the accompanying condensed consolidated balance sheet of the International Finance Corporation ("IFC") as of December 31, 2024, and the related condensed consolidated statements of operations and comprehensive income for the three-month and six-month periods ended December 31, 2024 and 2023, and changes in capital and cash flows for the six-month periods ended December 31, 2024 and 2023, and the related notes (collectively referred to as the "interim financial information").

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in accordance with accounting principles generally accepted in the United States of America.

Basis for Review Results

We conducted our reviews in accordance with auditing standards generally accepted in the United States of America (GAAS) applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. A review of interim financial information is substantially less in scope than an audit conducted in accordance with GAAS, the objective of which is an expression of an opinion regarding the financial information as a whole, and accordingly, we do not express such an opinion. We are required to be independent of IFC and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our review. We believe that the results of the review procedures provide a reasonable basis for our conclusion.

Responsibilities of Management for the Interim Financial Information

Management is responsible for the preparation and fair presentation of the interim financial information in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of interim financial information that is free from material misstatement, whether due to fraud or error.

Report on Condensed Consolidated Balance Sheet as of June 30, 2024

We have previously audited, in accordance with auditing standards generally accepted in the United States of America, the consolidated balance sheet of IFC as of June 30, 2024, and the related consolidated statements of operations, comprehensive income, changes in capital, and cash flows for the year then ended (not presented herein); and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated August 7, 2024. In our opinion, the accompanying condensed consolidated balance sheet of IFC as of June 30, 2024, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

Deloitte & Touche LLP

February 14, 2025

CONDENSED CONSOLIDATED BALANCE SHEETS

as of December 31, 2024 (unaudited) and June 30, 2024 (unaudited)

(US$ in millions)	December 31, 2024	June 30, 2024
Assets		
Cash and due from banks – Note C	$ 793	$ 781
Time deposits – Note C	7,671	9,752
Trading securities – Notes C and L	28,872	28,555
(includes $6,594 and $4,420 securities pledged to creditors under repurchase and collateral agreements as of December 31, 2024 and June 30, 2024, respectively)		
Securities purchased under resale agreements and receivable for cash collateral pledged – Notes C, L and Q	1,497	1,226
Investments – Notes B, D, E, F, G, L and N		
Loans		
(includes $1,907 and $1,789 loans held at fair value as of December 31, 2024 and June 30, 2024, respectively; net of reserve against losses of $1,202 and $1,081 at December 31, 2024 and June 30, 2024, respectively)		
– Notes D, E, L and N	39,955	36,437
Equity investments		
– Notes B, D, G, L and N	11,286	11,121
Debt securities – Notes D, F, L and N	12,571	11,189
(includes available-for-sale securities of $623 and $845, with associated amortized cost of $712 and $962, and reserve against credit losses of $31 and $34 as of December 31, 2024 and June 30, 2024, respectively)		
Total investments	63,812	58,747
Derivative assets – Notes B, C, J, L and Q	3,667	2,954
Receivables and other assets – Notes B, C, N and O	5,983	6,172
Total assets	**$ 112,295**	**$ 108,187**
Liabilities and capital		
Liabilities		
Securities sold under repurchase agreements and payable for cash collateral received – Notes C and Q	$ 3,954	$ 1,541
Borrowings outstanding – Notes B, K and L		
From market and other sources at amortized cost	3,100	2,536
From market sources at fair value	53,389	53,049
From International Development Association at fair value	138	170
Total borrowings	56,627	55,755
Derivative liabilities – Notes B, C, J, L and Q	8,240	7,356
Payables and other liabilities – Notes B, C, E, N, O and P	4,858	6,063
Total liabilities	**73,679**	**70,715**
Capital		
Authorized capital, shares of $1,000 par value each		
(25,079,991 shares as of December 31, 2024 and June 30, 2024)		
Subscribed capital	24,107	24,104
Less: unpaid portion of subscriptions	(701)	(884)
Paid-in capital	23,406	23,220
Accumulated other comprehensive income – Note H	787	957
Retained earnings – Note H	14,423	13,295
Total capital	38,616	37,472
Total liabilities and capital	**$ 112,295**	**$ 108,187**

The notes to condensed consolidated financial statements are an integral part of these statements.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS

for the three and six months ended December 31, 2024 (unaudited) and December 31, 2023 (unaudited)

(US$ in millions)	Three months ended December 31, 2024	Three months ended December 31, 2023	Six months ended December 31, 2024	Six months ended December 31, 2023
Income from investments				
Income from loans and guarantees, including realized gains and losses on loans and associated derivatives – Note E	$ 858	$ 781	$ 1,720	$ 1,525
Provision for losses on loans, off-balance sheet credit exposures and other receivables – Note E	(70)	(6)	(73)	(30)
(Loss) income from equity investments and associated derivatives – Note G	(63)	32	135	42
Income from debt securities, including realized gains and losses on debt securities and associated derivatives – Note F	199	195	415	395
Release of provision for losses on available-for-sale debt securities – Note F	1	5	3	3
Total income from investments	**925**	**1,007**	**2,200**	**1,935**
Income from liquid asset trading activities – Note C	311	886	1,143	1,483
Charges on borrowings	(877)	(997)	(1,838)	(1,951)
Income from investments and liquid asset trading activities, after charges on borrowings	**359**	**896**	**1,505**	**1,467**
Other income				
Upstream and advisory services income – Note O	68	73	122	118
Service fees	33	24	62	51
Other	(14)	74	56	95
Total other income	**87**	**171**	**240**	**264**
Other expenses				
Administrative expenses – Notes B and P	(393)	(360)	(752)	(700)
Upstream and advisory services expenses – Note O	(92)	(87)	(157)	(139)
Other, net – Note P	10	9	13	14
Total other expenses	**(475)**	**(438)**	**(896)**	**(825)**
Foreign currency transaction losses on non-trading activities	(41)	(101)	(21)	(110)
(Loss) income before net unrealized gains and losses on non-trading financial instruments accounted for at fair value	**(70)**	**528**	**828**	**796**
Net unrealized gains (losses) on non-trading financial instruments accounted for at fair value – Note I	316	(219)	300	(73)
Net income – Note M	**$ 246**	**$ 309**	**$ 1,128**	**$ 723**

The notes to condensed consolidated financial statements are an integral part of these statements.

CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

for the three and six months ended December 31, 2024 (unaudited) and December 31, 2023 (unaudited)

	Three months ended December 31,		Six months ended December 31,	
(US$ in millions)	2024	2023	2024	2023
Net income – Note M	**$ 246**	**$ 309**	**$ 1,128**	**$ 723**
Other comprehensive income				
Unrealized gains and losses on debt securities				
Net unrealized gains on available-for-sale debt securities arising during the period	13	104	31	103
Reclassification adjustment for realized (losses) included in net income (income from debt securities and realized gains and losses on debt securities and associated derivatives)	—	—	—	(1)
Reclassification adjustment for impairments related to credit loss included in net income (Release of provision for losses on available-for-sale debt securities)	(1)	(5)	(3)	(3)
Net unrealized gains on debt securities	**12**	**99**	**28**	**99**
Unrealized gains and losses on borrowings				
Net unrealized (losses) gains arising during the period attributable to instrument-specific credit risk on borrowings at fair value under the fair value option	(290)	151	(204)	237
Reclassification adjustment for realized gains included in net income upon derecognition of borrowings	11	—	12	—
Net unrealized (losses) gains on borrowings	**(279)**	**151**	**(192)**	**237**
Net unrecognized net actuarial gains and unrecognized prior service cost on benefit plans – Note P	(3)	(3)	(6)	(6)
Total other comprehensive (loss) income	**(270)**	**247**	**(170)**	**330**
Total comprehensive (loss) income	**$ (24)**	**$ 556**	**$ 958**	**$ 1,053**

CONDENSED CONSOLIDATED STATEMENTS OF CHANGES IN CAPITAL

for the six months ended December 31, 2024 (unaudited) and December 31, 2023 (unaudited)

(US$ in millions)	Undesignated retained earnings	Designated retained earnings	**Total retained earnings**	Accumulated other comprehensive income – Note H	Paid-in capital	**Total capital**
As of June 30, 2023	**$ 11,589**	**$ 221**	**$ 11,810**	**$ 632**	**$ 22,596**	**$ 35,038**
Six months ended December 31, 2023						
Net income	723	—	723	—	—	723
Other comprehensive income	—	—	—	330	—	330
Payments received for subscribed capital	—	—	—	—	197	197
Designations of retained earnings – Note H	(60)	60	—	—	—	—
Expenditures against designated retained earnings – Note H	29	(29)	—	—	—	—
As of December 31, 2023	**$ 12,281**	**$ 252**	**$ 12,533**	**$ 962**	**$ 22,793**	**$ 36,288**
As of June 30, 2024	**$ 13,133**	**$ 162**	**$ 13,295**	**$ 957**	**$ 23,220**	**$ 37,472**
Six months ended December 31, 2024						
Net income	1,128	—	1,128	—	—	1,128
Other comprehensive loss	—	—	—	(170)	—	(170)
Payments received for subscribed capital	—	—	—	—	186	186
Designations of retained earnings – Note H	(359)	359	—	—	—	—
Expenditures against designated retained earnings – Note H	49	(49)	—	—	—	—
As of December 31, 2024	**$ 13,951**	**$ 472**	**$ 14,423**	**$ 787**	**$ 23,406**	**$ 38,616**

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

for the six months ended December 31, 2024 (unaudited) and December 31, 2023 (unaudited)

(US$ in millions)	For the six months ended December 31, 2024	December 31, 2023
Cash flows from investing activities		
Loan disbursements	$ (9,493)	$ (7,824)
Investments in equity securities	(897)	(832)
Investments in debt securities	(2,288)	(1,685)
Loan repayments	5,341	4,089
Equity redemptions	2	—
Debt securities repayments	778	474
Proceeds from sales of loans	40	2
Proceeds from sales of equity investments	707	863
Proceeds from sales of debt securities	19	5
Loan origination fees received	64	53
Investment in fixed assets, net	(53)	(47)
Net cash used in investing activities	**(5,780)**	**(4,902)**
Cash flows from financing activities		
Medium and long-term borrowings		
Issuance	10,109	11,778
Retirement	(8,923)	(9,222)
Change in derivatives associated with borrowings, net	(48)	(282)
Short-term borrowings, net	898	(43)
Capital subscriptions	186	197
Net cash provided by financing activities	**2,222**	**2,428**
Cash flows from operating activities		
Net income	1,128	723
Adjustments to reconcile net income or loss to net cash provided by operating activities:		
Realized losses on loans and associated derivatives, net	5	1
Realized losses (gains) on debt securities and associated derivatives, net	16	(13)
(Gains) Losses on equity investments and related derivatives, net	(84)	27
Net realized gains on extinguishment of borrowings	(1)	—
Provision	70	27
Amortization of net discounts, premiums and loan origination fees	18	31
Depreciation expenses	28	27
Foreign currency transaction losses on non-trading activities	21	110
Net unrealized (gains) losses on non-trading financial instruments accounted for at fair value	(300)	73
Net discounts paid on retirement of borrowings	(65)	(76)
Change in accrued income on loans and debt securities (after swaps), net	(10)	(134)
Change in accrued expenses on borrowings (after swaps), net	(39)	116
Change in liquid asset trading portfolio	(959)	4,264
Change in derivatives associated with loans and client risk management, net	183	117
Change in payables and other liabilities	194	53
Change in receivables and other assets	(150)	(147)
Net cash provided by operating activities	**55**	**5,199**
Change in cash and cash equivalents	(3,503)	2,725
Effect of exchange rate changes on cash and cash equivalents	11	154
Net change in cash and cash equivalents	(3,492)	2,879
Beginning cash and cash equivalents	9,782	8,799
Ending cash and cash equivalents	**$ 6,290**	**$ 11,678**
Composition of cash and cash equivalents		
Cash and due from banks	$ 793	$ 676
Time deposits with maturities under three months	5,497	11,002
Total cash and cash equivalents	**$ 6,290**	**$ 11,678**

The notes to condensed consolidated financial statements are an integral part of these statements.

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

for the six months ended December 31, 2024 (unaudited) and December 31, 2023 (unaudited)

(US$ in millions)	For the six months ended December 31, 2024	December 31, 2023
Supplemental disclosure		
Change in ending balances resulting from currency exchange rate fluctuations:		
Loans outstanding	$ (461)	$ 150
Debt securities	(254)	52
Loan and debt security-related currency swaps	752	(211)
Borrowings	1,723	(632)
Borrowing-related currency swaps	(1,705)	633
Charges on borrowings paid, net	$ 1,941	$ 1,911
Non-cash items:		
Loan and debt security conversion to equity, net	$ 29	$ 21

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

PURPOSE

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

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These unaudited condensed financial statements and notes should be read in conjunction with the June 30, 2024 audited financial statements and notes included therein. The condensed comparative information that has been derived from the June 30, 2024 audited financial statements, has not been audited. The accounting and reporting policies of IFC conform with accounting principles generally accepted in the United States of America (U.S. GAAP). In the opinion of management, the condensed consolidated financial statements reflect all adjustments necessary for the fair presentation of IFC's financial position and results of operations.

Certain amounts in prior years have been changed to conform to the current year's presentation.

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

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

Recently adopted accounting standards

In March 2022, the FASB issued ASU 2022-02, *Financial Instruments–Credit Losses (Topic 326), Troubled Debt Restructurings and Vintage Disclosures*. The ASU eliminates the recognition and measurement guidance for troubled debt restructurings ("TDRs") in Subtopic 310-40, *Receivables–Troubled Debt Restructurings by Creditors*, and requires reporting entities to apply the loan refinancing and restructuring guidance to determine whether a modification results in a new loan or a continuation of an existing loan. The ASU eliminates the requirement to use the discounted cash flow approach to measure the reserve against losses on loans formerly considered TDRs. The ASU also requires enhanced disclosure requirements for certain loan refinancing and restructurings by creditors when a borrower is experiencing financial difficulty and disclosure of current-period gross write-offs by year of origination for financing receivables and net investments in leases within the scope of Subtopic 326-20, *Financial Instruments–Credit Losses–Measured at Amortized Cost*. IFC adopted ASU 2022-02 effective July 1, 2023 with no material impact on IFC's condensed consolidated financial statements, with the elimination of TDR recognition and measurement on a modified retrospective basis and the new disclosures on a prospective basis in accordance with the ASU.

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 and

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

require certain disclosures for equity securities subject to contractual sale restrictions. IFC early adopted ASU 2022-03 effective July 1, 2023, with no material impact on IFC's condensed consolidated financial statements.

Accounting standards and regulations under evaluation

In October 2023, the FASB issued ASU 2023-06, *Disclosure Improvements: Codification Amendments in Response to the SEC's Disclosure Update and Simplification Initiative*. The new guidance is intended to align U.S. GAAP requirements with those of the SEC and to facilitate the application of U.S. GAAP for all entities. If by June 30, 2027, the SEC has not removed the related SEC requirement, the related ASU amendment will not become effective. The impact of this statement is not expected to be material for IFC.

In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures,* which requires additional segment disclosures for public entities, such as the significant segment expenses that are regularly provided to the chief operating decision maker (CODM), the title and position of the CODM, as well as an explanation of how the CODM uses the reported measure of segment profit or loss. All existing annual disclosures about segment profit or loss must be provided on an interim basis in addition to disclosure of significant segment expenses. For IFC, the ASU will be effective for the annual period ending June 30, 2025 (annual statements of fiscal year 2025) and for interim periods thereafter. IFC is currently evaluating the impact of the ASU on its condensed consolidated financial statements.

In November 2024, the FASB issued ASU 2024-03, Income Statement – Reporting Comprehensive Income (Topic 220): Disaggregation of Income Statement Expenses. The ASU requires disaggregated disclosures about specific types of expenses included in the expense captions on the income statement as well as disclosures about selling expenses. For IFC, the ASU will be effective for the annual period ending June 30, 2028 (annual statements of fiscal year 2028) and for interim periods thereafter. IFC is currently evaluating the impact of the ASU on its condensed consolidated financial statements.

NOTE B – RELATED PARTY TRANSACTIONS

IFC transacts with related parties including by receiving loans, participating in shared service arrangements, as well as through cost sharing of IBRD's sponsored pension and other post-retirement plans.

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

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

	December 31, 2024				June 30, 2024			
(US$ in millions)	IBRD	IDA	MIGA	Total	IBRD	IDA	MIGA	Total
Services and Support Receivables (Payables)	$ 10	$ —	$ 6	$ 16	$ (1)	$ —	$ 5	$ 4
IDA PSW – Local Currency Facility	—	101	—	101	—	94	—	94
IDA PSW – Blended Finance Facility	—	(122)	—	(122)	—	(106)	—	(106)
Borrowings	—	(138)	—	(138)	—	(170)	—	(170)
Pension and Other Post-retirement Benefits	793	—	—	793	774	—	—	774
Post-retirement Contribution Reserve Fund	416	—	—	416	344	—	—	344
	$ 1,219	**$ (159)**	**$ 6**	**$ 1,066**	**$ 1,117**	**$ (182)**	**$ 5**	**$ 940**

Services and Support Payments

IFC obtains certain administrative and overhead services from IBRD in those areas where common services can be efficiently provided by IBRD. This includes shared costs of the Boards of Governors and Directors, and other services such as IT support services and human resource shared services. IFC makes payments for these services to IBRD based on negotiated fees and chargebacks, and allocated charges. Expenses allocated to IFC for the three and six months ended December 31, 2024, were $48 million and $96 million, respectively ($39 million and $79 million for the three and six months ended December 31, 2023). Other chargebacks include $4 million and $5 million, respectively, for the three and six months ended December 31, 2024 ($7 million and $12 million for the three and six months ended December 31, 2023). These expenses are included in Administrative expenses on the condensed consolidated statements of operations. The associated payables are included in the Payables and other liabilities on the condensed consolidated balance sheets.

Fee Income from MIGA

Transactions with MIGA include marketing fees received for referral and due diligence services on jointly-developed guarantee projects. Fee income received from MIGA for the three and six months ended December 31, 2024 were $1 million and $2 million, respectively, ($1 million and $2 million for the three and six months ended December 31, 2023) included in Other Income on the condensed consolidated statements of operations. The associated receivables are included in Receivables and other assets on the condensed consolidated balance sheets.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE B – RELATED PARTY TRANSACTIONS (continued)

IDA Private Sector Window (IDA-PSW)

The IDA-PSW was established under IDA's Eighteenth Replenishment of Resources (IDA18) to mobilize private sector investment in IDA-only countries and IDA-eligible Fragile and Conflict-affected Situations (FCS). The PSW continued under IDA’s Twentieth Replenishment of Resources (IDA20), which commenced on July 1, 2022, with an initial allocation set at $2.5 billion. In December, 2024, the Board approved an increase of the IDA20 allocation to the PSW by $234 million, corresponding to the release of the PSW resources allocated in the previous replenishment cycles, bringing the total allocation to $2.7 billion.

The PSW is deployed through facilities designed to target critical challenges faced by the private sector, leveraging IFC's business platform and instruments. Under the fee arrangement for the IDA-PSW, IDA receives fee income for transactions executed under this window and reimburses IFC for the related costs incurred in administering these transactions. Under the Blended Finance Facility, IDA offers synthetic equity investments, reported in Payables and other liabilities on IFC's condensed consolidated balance sheet, and guarantees, reported as Other assets on IFC's condensed consolidated balance sheet, to help mitigate risks associated with IFC's Guarantee Programs in IDA-PSW eligible countries. As of December 31, 2024, $1.5 billion ($1.3 billion as of June 30, 2024) guarantees were committed. Under the Local Currency Facility, IDA offers currency swaps, reported in Derivative assets on IFC's condensed consolidated balance sheet, to support IFC's local currency denominated loans.

Borrowings

In September 2014, IFC issued an amortizing, non-interest bearing promissory note, maturing September 15, 2039, to IDA (the Note) in exchange for $1.2 billion with an effective interest rate of 1.84%. IFC has elected the Fair Value Option for the Note, which is included in the Borrowings from IDA at fair value on the consolidated balance sheets. IFC recognized interest expense of $1 million and $2 million for the three and six months ended December 31, 2024 ($1 million and $2 million for the three and six months ended December 31, 2023).

IFC has a Local Currency Loan Facility Agreement with IBRD, which is capped at $300 million. As of December 31, 2024 and June 30, 2024, IFC had no borrowings outstanding under this facility.

Pension and Other Post-retirement Benefits

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

Post-Retirement Contribution Reserve Fund (PCRF)

The PCRF was established to stabilize contributions made to the pension plans. IFC's share of investments associated with the PCRF is reported in the Receivables and other assets on the consolidated balance sheets. In June 2024, IFC's Board approved the release of $190 million from the PCRF, which was returned by IBRD to IFC. IFC recognized a loss of $7 million and an income of $7 million in other income for the three and six months ended December 31, 2024 (income of $8 million and $14 million for the three and six months ended December 31, 2023). IFC contributed $35 million and $65 million to PCRF during the three and six months ended December 31, 2024 ($31 million and $59 million during the three and six months ended December 31, 2023).

IFC Managed AMC funds

IFC Equity Mobilization Department (formally IFC Assets Management Company, or AMC), invests third-party capital and IFC capital, enabling outside investors to invest alongside IFC in developing markets. As of December 31, 2024, AMC managed multiple funds (collectively referred to as the AMC Funds), in its capacity as General Partner (GP) / Manager of these funds, none of which require consolidation by IFC. A management fee is charged for the management services provided to the AMC funds. IFC’s ownership interests in these AMC Funds are shown in the following table:

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE B – RELATED PARTY TRANSACTIONS (continued)

Table B2: IFC's ownership interests in AMC Funds

AMC Funds	IFC's ownership interest %
IFC Capitalization (Equity) Fund, L.P. [a]	61%
IFC Capitalization (Subordinated Debt) Fund, L.P.	13%
IFC African, Latin American and Caribbean Fund, LP	20%
IFC Catalyst Funds [b]	18%
IFC Global Infrastructure Fund, LP	17%
IFC Financial Institutions Growth Fund, LP	30%
IFC Global Emerging Markets Fund of Funds [c]	19%
IFC Middle East and North Africa Fund, LP	37%
IFC Emerging Asia Fund, LP	22%
IFC GEMFOF 2 SMA, LP	—%
IFC Emerging Markets Sustainability Fund of Funds, LP	—%
TfL IFC Growth and Sustainability, LP	—%

a By virtue of certain rights granted to non-IFC limited partner interests, IFC does not control or consolidate this fund.

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

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

As of December 31, 2024, IFC's investments as a limited partner in funds managed by AMC was $467 million ($483 million as of June 30, 2024). These investments were included in Equity investments on the condensed consolidated balance sheets. $8 million and $15 million, respectively, of management fee income was recognized for the three and six months ended December 31, 2024 ($5 million and $11 million for the three and six months ended December 31, 2023), which is included in other income on the condensed consolidated statements of operations.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE C – LIQUID ASSET PORTFOLIO

Composition of Liquid Asset Portfolio

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

Table C1: Composition of net liquid asset portfolio

(US$ in millions)	December 31, 2024	June 30, 2024
Assets		
Cash and due from banks [a]	$ 18	$ 19
Time deposits [b]	7,671	9,752
Trading securities	28,872	28,555
Securities purchased under resale agreements and receivable for cash collateral pledged	1,497	1,226
Derivative assets	824	365
Receivables and other assets:		
Receivables from unsettled security trades	14	557
Accrued interest income on time deposits and securities	270	261
Accrued income on derivative instruments	215	157
Total assets	**39,381**	**40,892**
Liabilities		
Securities sold under repurchase agreements and payable for cash collateral received [c]	3,954	1,541
Derivative liabilities	132	78
Payables and other liabilities:		
Payables for purchase of securities	—	1,415
Accrued charges on derivative instruments	171	124
Total liabilities	**4,257**	**3,158**
Total net liquid asset portfolio	**$ 35,124**	**$ 37,734**

a Represents cash and due from banks from the liquid asset portfolio and does not include cash and due from banks from other cash accounts of $775 million and $762 million as of December 31, 2024 and June 30, 2024, respectively.

b Includes time deposits with maturities greater than three months of $2.2 billion and $751 million, as of December 31, 2024 and June 30, 2024, respectively.

c The weighted average interest rate on IFC's securities sold under repurchase agreements was 5.1% and 5.4% as of December 31, 2024 and June 30, 2024 respectively.

The liquid asset portfolio is primarily denominated in U.S. dollars; investments in other currencies, net of the effect of associated derivative instruments that convert non-U.S. dollar securities into U.S. dollar securities, represent 1.7% of the portfolio as of December 31, 2024 (1.9% as of June 30, 2024).

Income from liquid asset trading activities

Income from liquid asset trading activities, before allocated borrowing costs, for the three and six months ended December 31, 2024 and December 31, 2023 comprises:

Table C2: Income from liquid asset trading activities

	For the three months ended December 31,		For the six months ended December 31,	
(US$ in millions)	2024	2023	2024	2023
Interest income, net	$ 431	$ 465	$ 868	$ 926
Net (losses) gains on asset-backed and mortgage-backed securities	(7)	14	12	24
Net (losses) gains on other trading securities	(113)	407	263	533
Net (losses) gains on trading activities	(120)	421	275	557
Total income from liquid asset trading activities	**$ 311**	**$ 886**	**$ 1,143**	**$ 1,483**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE D – INVESTMENTS

The carrying value of investments as of December 31, 2024 and June 30, 2024 comprises:

Table D1: Carrying value of investments

(US$ in millions)	December 31, 2024	June 30, 2024
Loans		
Loans at amortized cost	$ 39,250	$ 35,729
Less: Reserve against losses on loans	(1,202)	(1,081)
Loans at amortized cost less reserve against losses	38,048	34,648
Loans accounted for at fair value under the Fair Value Option		
(amortized cost $1,936 as of December 31, 2024, $1,851 as of June 30, 2024)	1,907	1,789
Total loans	**39,955**	**36,437**
Equity investments		
Equity investments accounted for at fair value [a]		
(cost $11,115 as of December 31, 2024, $10,887 as of June 30, 2024)	11,286	11,121
Total equity investments	**11,286**	**11,121**
Debt securities		
Debt securities accounted for at fair value as available-for-sale		
(amortized cost $712 as of December 31, 2024, $962 as of June 30, 2024)	623	845
Less: Reserve against losses on available-for sale debt securities	(31)	(34)
Debt securities, available-for-sale less reserve against losses	592	811
Debt securities accounted for at fair value under the Fair Value Option		
(amortized cost $11,890 as of December 31, 2024, $10,380 as of June 30, 2024)	11,979	10,378
Total debt securities	**12,571**	**11,189**
Total carrying value of investments	**$ 63,812**	**$ 58,747**

a Includes $4 million and $3 million, respectively, as of December 31, 2024 and June 30, 2024 of equity investments primarily accounted for under the cost recovery method. As the recovery of invested capital is uncertain, the fair value measurement is not applicable to these investments.

Reconciliation of total disbursed portfolio to carrying value of investments is as follows:

Table D2: Reconciliation of total disbursed portfolio to carrying value

(US$ in millions)	December 31, 2024				June 30, 2024			
	Loans	Equity investments	Debt securities	Total	Loans	Equity investments	Debt securities	Total
Total disbursed investment portfolio	**$ 41,350**	**$ 11,138**	**$12,503**	**$ 64,991**	**$ 37,726**	**$ 10,910**	**$11,221**	**$ 59,857**
Reserve against losses on loans and debt securities	(1,202)	—	(31)	(1,233)	(1,081)	—	(34)	(1,115)
Unamortized deferred loan origination fees, net and other	(164)	—	—	(164)	(146)	—	—	(146)
Disbursed amount allocated to a related financial instrument reported separately in other assets or derivative assets	—	(18)	—	(18)	—	(19)	—	(19)
Unrealized (losses) on equity investments held by consolidated VIEs	—	(4)	—	(4)	—	(4)	—	(4)
Unrealized gains on investments accounted for at fair value as available-for-sale	—	—	9	9	—	—	4	4
Unrealized (losses) gains on investments accounted for under the Fair Value Option	(29)	170	90	231	(62)	234	(2)	170
Carrying value of investments	**$ 39,955**	**$ 11,286**	**$12,571**	**$ 63,812**	**$ 36,437**	**$ 11,121**	**$11,189**	**$ 58,747**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES

Loans

Income from loans and guarantees, including realized gains and losses on loans and associated derivatives for the three and six months ended December 31, 2024 and December 31, 2023 comprise the following:

Table E1: Income from loans and guarantees

(US$ in millions)	For the three months ended December 31, 2024	For the three months ended December 31, 2023	For the six months ended December 31, 2024	For the six months ended December 31, 2023
Interest income	$ 763	$ 734	$ 1,575	$ 1,439
Commitment fees	15	11	28	22
Guarantee fees	31	30	68	59
Other financial fees	51	6	52	6
Realized gains (losses) on loans, guarantees and associated derivatives, net	(2)	—	(3)	(1)
Income from loans and guarantees, including realized gains (losses) on loans and associated derivatives	**$ 858**	**$ 781**	**$ 1,720**	**$ 1,525**

Reserve against losses on loans and provision for losses on loans

Reserve against losses on loans as of December 31, 2024 reflects credit risk assessments as of that date. The assessment of the level of reserve against losses carried a heightened degree of judgment. As of December 31, 2024, the $25 million Qualitative Overlay from June 30, 2024 was left unchanged.

Changes in the reserve against losses on loans disbursed and loans committed but not disbursed for the three and six months ended December 31, 2024 and December 31, 2023 as well as the related loans at amortized cost evaluated for impairment individually and on a pool basis (portfolio reserve) respectively are summarized below:

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

	For the three months ended December 31, 2024					
	Loans Disbursed			Loans Committed but not Disbursed		
(US$ in millions)	Individual reserve	Portfolio reserve	Total reserve	Individual reserve	Portfolio reserve	Total reserve
Beginning balance	$ 256	$ 880	$ 1,136	$ —	$ 227	$ 227
Provision (release of provision) for losses	14	80	94	—	(36)	(36)
Write-offs	(3)	—	(3)	—	—	—
Foreign currency transaction adjustments	(4)	(20)	(24)	—	(4)	(4)
Other adjustments [a]	(1)	—	(1)	—	(1)	(1)
Ending balance	**$ 262**	**$ 940**	**$ 1,202**	**$ —**	**$ 186**	**$ 186**
Total disbursed loans as of December 31, 2024	$ 1,151	$ 38,263	$ 39,414			
Loans committed but not disbursed as of December 31, 2024				$ 7	$ 9,089	$ 9,096
Unamortized deferred loan origination fees, net and other			(164)			
Loans at amortized cost			**$ 39,250**			

a Other adjustments comprise reserve against interest capitalized.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E2.1:

	For the six months ended December 31, 2024					
	Loans Disbursed			Loans Committed but not Disbursed		
(US$ in millions)	Individual reserve	Portfolio reserve	Total reserve	Individual reserve	Portfolio reserve	Total reserve
Beginning balance	$ 280	$ 801	$ 1,081	$ —	$ 188	$ 188
(Release of provision) provision for losses	(6)	89	83	—	(28)	(28)
Write-offs	(26)	—	(26)	—	—	—
Recoveries of previously written-off loans	1	—	1	—	—	—
Foreign currency transaction adjustments	(2)	(11)	(13)	—	(2)	(2)
Other adjustments [a]	15	61	76	—	28	28
Ending balance	**$ 262**	**$ 940**	**$ 1,202**	**$ —**	**$ 186**	**$ 186**
Total disbursed loans as of December 31, 2024	$ 1,151	$38,263	$39,414			
Loans committed but not disbursed as of December 31, 2024				$ 7	$ 9,089	$ 9,096
Unamortized deferred loan origination fees, net and other			(164)			
Loans at amortized cost			**$39,250**			

a Other adjustments include items such as a reserve against interest capitalized and a one time cumulative adjustment due to the separate accounting of freestanding credit enhancements as recovery assets, which includes adjustments to individual and portfolio reserve for loans disbursed amounting to $1 million and $62 million, respectively, and $29 million to portfolio reserve for loans committed but not disbursed.

The following tables present changes in reserve against losses for the three and six months ended December 31, 2023:

Table E2.2:

	For the three months ended December 31, 2023					
	Loans Disbursed			Loans Committed but not Disbursed		
(US$ in millions)	Individual reserve	Portfolio reserve	Total reserve	Individual reserve	Portfolio reserve	Total reserve
Beginning balance	$ 359	$ 875	$ 1,234	$ 1	$ 158	$ 159
Provision (release of provision) for losses	11	(15)	(4)	(1)	—	(1)
Write-offs	(34)	—	(34)	—	—	—
Foreign currency transaction adjustments	2	8	10	—	2	2
Other adjustments [a]	3	(2)	1	—	—	—
Ending balance	**$ 341**	**$ 866**	**$ 1,207**	**$ —**	**$ 160**	**$ 160**
Total disbursed loans as of December 31, 2023	$ 1,126	$33,832	$ 34,958			
Loans committed but not disbursed as of December 31, 2023				$ 51	$ 6,727	$ 6,778
Unamortized deferred loan origination fees, net and other			(140)			
Loans at amortized cost			**$ 34,818**			

a Other adjustments comprise reserve against interest capitalized.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E2.3:

	For the six months ended December 31, 2023					
	Loans Disbursed			Loans Committed but not Disbursed		
(US$ in millions)	Individual reserve	Portfolio reserve	Total reserve	Individual reserve	Portfolio reserve	Total reserve
Beginning balance	$ 366	$ 843	$ 1,209	$ 1	$ 169	$ 170
Provision (release of provision) for losses	7	26	33	(1)	(10)	(11)
Write-offs	(35)	—	(35)	—	—	—
Recoveries of previously written-off loans	1	—	1	—	—	—
Foreign currency transaction adjustments	2	3	5	—	1	1
Other adjustments [a]	—	(6)	(6)	—	—	—
Ending balance	**$ 341**	**$ 866**	**$ 1,207**	**$ —**	**$ 160**	**$ 160**
Total disbursed loans as of December 31, 2023	$ 1,126	$ 33,832	$ 34,958			
Loans committed but not disbursed as of December 31, 2023				$ 51	$ 6,727	$ 6,778
Unamortized deferred loan origination fees, net and other			(140)			
Loans at amortized cost			**$ 34,818**			

a Other adjustments comprise reserve against interest capitalized.

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

Changes in the reserve against losses (liability) on off-balance sheet guarantee exposures for the three and six months ended December 31, 2024 and December 31, 2023 are summarized below:

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

	For the three months ended December 31, 2024		For the six months ended December 31, 2024	
(US$ in millions)	Outstanding Guarantees [a]	Issued Guarantees [a]	Outstanding Guarantees [a]	Issued Guarantees [a]
Beginning balance	$ 36	$ 20	$ 19	$ 17
(Release of provision) provision for losses on off-balance sheet credit exposure	(9)	20	—	17
Foreign currency transaction adjustments	—	—	1	—
Other adjustments [b]	—	—	7	6
Ending balance	**$ 27**	**$ 40**	**$ 27**	**$ 40**

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

b Other adjustments for the six months ended December 31, 2024 include a one time cumulative adjustment due to the initial separate accounting of freestanding credit enhancements as recovery assets of $6 million for outstanding guarantees and $5 million for issued guarantees.

Table E3.1

	For the three months ended December 31, 2023		For the six months ended December 31, 2023	
(US$ in millions)	Outstanding Guarantees [a]	Issued Guarantees [a]	Outstanding Guarantees [a]	Issued Guarantees [a]
Beginning balance	$ 14	$ 11	$ 15	$ 13
Provision (release of provision) for losses on off-balance sheet credit exposure	9	1	9	(1)
Other adjustments	—	—	(1)	—
Ending balance	**$ 23**	**$ 12**	**$ 23**	**$ 12**

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

Reserve against losses on other receivables at December 31, 2024 was $1 million and there were no reserves against losses on other receivables at June 30, 2024. The outstanding balance of other receivables is $16 million at December 31, 2024, compared to $10 million at June 30, 2024.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Accrued Interest

The accrued interest balances were $681 million and $658 million, as of December 31, 2024 and June 30, 2024, respectively, and are reported within receivables and other assets on the condensed consolidated balance sheets. Accrued interest receivable is excluded from the amortized cost basis for disclosure purposes.

Accrued interest is written off by reversing interest income during the quarter when the financial asset is moved from an accrual to a nonaccrual status. For the three months ended December 31, 2024 and December 31, 2023, $1 million and $2 million of accrued interest receivables were written off, respectively; $3 million for the six months ended December 31, 2024 and December 31, 2023.

Nonaccruing loans

Loans on which the accrual of interest has been discontinued amounted to $689 million as of December 31, 2024 ($845 million as of June 30, 2024). The interest income on such loans for the three and six months ended December 31, 2024 and December 31, 2023 is summarized as follows:

Table E4: Interest income on Nonaccruing loans

	For the three months ended December 31,		For the six months ended December 31,	
(US$ in millions)	2024	2023	2024	2023
Interest income not recognized on nonaccruing loans	$ 48	$ 23	$ 77	$ 59
Interest income recognized on loans in nonaccrual status related to current and prior years, on cash basis	10	15	16	26

There were no loans in nonaccrual status without an individual reserve against losses as of December 31, 2024 and June 30, 2024.

The amortized cost of nonaccruing loans as of December 31, 2024 and June 30, 2024 is summarized by geographic region and industry sector as follows:

Table E5: Nonaccruing loans

	December 31, 2024				
(US$ in millions)	Manufacturing, agribusiness and services	Financial markets	Infrastructure and natural resources	Disruptive technologies and funds	Total non-accruing loans at amortized cost [a]
Africa	$ 147	$ —	$ 156	$ 12	$ 315
Asia and Pacific	43	4	45	1	93
Latin America and the Caribbean, and Europe	164	41	40	6	251
Middle East, Central Asia, Türkiye, Pakistan, and Afghanistan	83	30	29	—	142
Other	—	10	—	—	10
Total disbursed loans [b]	**$ 437**	**$ 85**	**$ 270**	**$ 19**	**$ 811**

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

b Includes $122 million reported as debt securities and $81 million reported as loans under Fair Value Option on the Balance Sheets as of December 31, 2024 .

Table E5.1:

	June 30, 2024				
(US$ in millions)	Manufacturing, agribusiness and services	Financial markets	Infrastructure and natural resources	Disruptive technologies and funds	Total non-accruing loans at amortized cost [a]
Africa	$ 128	$ —	$ 159	$ 9	$ 296
Asia and Pacific	50	5	6	1	62
Latin America and the Caribbean, and Europe	186	15	114	6	321
Middle East, Central Asia, Türkiye, Pakistan, and Afghanistan	87	39	93	—	219
Total disbursed loans [b]	**$ 451**	**$ 59**	**$ 372**	**$ 16**	**$ 898**

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

b Includes $53 million reported as debt securities and $126 million reported as loans under Fair Value Option on the Balance Sheets as of June 30, 2024.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Past due loans

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

Table E6: Age analysis

	December 31, 2024					
(US$ in millions)	Current	1-30 Days past due	31-60 days past due	61-90 days past due	Greater than 90 days past due	Total loans
Africa						
Manufacturing, agribusiness and services	$ 2,605	$ 114	$ 1	$ 17	$ 78	2,815
Financial markets	3,225	168	—	—	—	3,393
Infrastructure and natural resources	2,022	120	33	—	91	2,266
Disruptive technologies and funds	—	—	—	—	4	4
Total Africa	7,852	402	34	17	173	8,478
Asia and Pacific						
Manufacturing, agribusiness and services	2,938	358	100	26	29	3,451
Financial markets	6,441	68	—	—	—	6,509
Infrastructure and natural resources	1,492	35	—	—	—	1,527
Total Asia and Pacific	10,871	461	100	26	29	11,487
Latin America and the Caribbean, and Europe						
Manufacturing, agribusiness and services	4,873	37	18	—	138	5,066
Financial markets	5,475	239	—	—	6	5,720
Infrastructure and natural resources	2,278	69	31	—	17	2,395
Disruptive technologies and funds	17	—	—	—	—	17
Total Latin America and the Caribbean, and Europe	12,643	345	49	—	161	13,198
Middle East, Central Asia, Türkiye, Pakistan, and Afghanistan						
Manufacturing, agribusiness and services	1,872	33	—	—	83	1,988
Financial markets	972	202	—	—	12	1,186
Infrastructure and natural resources	1,221	—	—	—	29	1,250
Total Middle East, Central Asia, Türkiye, Pakistan, and Afghanistan	4,065	235	—	—	124	4,424
Other						
Manufacturing, agribusiness and services	505	1	—	—	—	506
Financial markets	744	400	—	—	—	1,144
Infrastructure and natural resources	177	—	—	—	—	177
Total Other	1,426	401	—	—	—	1,827
Total disbursed loans	**$ 36,857**	**$ 1,844**	**$ 183**	**$ 43**	**$ 487**	**$ 39,414**
Unamortized deferred loan origination fees, net and other						(164)
Loans at amortized cost						**$ 39,250**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E6.1:

	June 30, 2024					
(US$ in millions)	Current	1-30 Days past due	31-60 days past due	61-90 days past due	Greater than 90 days past due	Total loans
Africa						
Manufacturing, agribusiness and services	$ 1,870	$ 278	$ —	$ —	$ 49	2,197
Financial markets	3,214	365	—	—	—	3,579
Infrastructure and natural resources	1,821	82	—	—	91	1,994
Disruptive technologies and funds	—	—	—	—	4	4
Total Africa	6,905	725	—	—	144	7,774
Asia and Pacific						
Manufacturing, agribusiness and services	2,801	121	—	—	20	2,942
Financial markets	5,395	1	—	—	4	5,400
Infrastructure and natural resources	1,525	18	48	—	—	1,591
Total Asia and Pacific	9,721	140	48	—	24	9933
Latin America and the Caribbean, and Europe						
Manufacturing, agribusiness and services	4,823	12	—	25	79	4,939
Financial markets	4,567	64	—	—	8	4,639
Infrastructure and natural resources	2,252	14	15	—	21	2,302
Disruptive technologies and funds	17	—	—	—	—	17
Total Latin America and the Caribbean, and Europe	11,659	90	15	25	108	11,897
Middle East, Central Asia, Türkiye, Pakistan, and Afghanistan						
Manufacturing, agribusiness and services	1,768	87	—	—	11	1,866
Financial markets	1,010	236	—	—	20	1,266
Infrastructure and natural resources	1,074	161	—	—	30	1,265
Total Middle East, Central Asia, Türkiye, Pakistan, and Afghanistan	3,852	484	—	—	61	4,397
Other						
Manufacturing, agribusiness and services	488	2	—	—	—	490
Financial markets	1,201	—	—	—	—	1,201
Infrastructure and natural resources	183	—	—	—	—	183
Total Other	1,872	2	—	—	—	1,874
Total disbursed loans	**$ 34,009**	**$ 1,441**	**$ 63**	**$ 25**	**$ 337**	**$ 35,875**
Unamortized deferred loan origination fees, net and other						(146)
Loans at amortized cost						**$ 35,729**

Certain loans that are 90 days or more past due continue to accrue interest as management anticipates the collection of interest will occur in the near future. There were no such loans as of December 31, 2024 ($2 million as of June 30, 2024).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Loan Credit Quality Indicators

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

Table E7: Credit Quality Indicators

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

The following table presents the loans disbursed by credit quality indicator based on risk rating and origination year as of December 31, 2024 and June 30, 2024 and gross write-offs for the six months ended December 31, 2024 and year ended June 30, 2024. The origination year is based on the commitment date that represents the date that the decision was made to extend credit and IFC entered into a legally binding agreement with the borrower. All subsequent loan disbursements, as well as loan modifications, extensions, and renewals for an associated loan commitment are reported based on the original commitment date:

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

	December 31, 2024										
(US$ in millions)	Loans at Amortized cost basis by Risk class										
Originated during the year ended June 30,	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak/ Special Attention	Very Weak/ Sub-standard	Extremely Weak/ Doubtful	Imminent Default/ Default	Total Contracts	Gross write-offs
2025	$ —	$ 1	$ 1,975	$ 1,744	$ 379	$ 123	$ 145	$ —	$ —	$ 4,367	$ —
2024	—	328	3,785	4,328	1,708	64	17	21	3	10,254	—
2023	—	72	2,315	3,187	2,347	87	8	122	—	8,138	—
2022	—	358	1,357	1,703	1,115	73	195	63	114	4,978	—
2021	—	—	1,088	1,542	746	66	13	—	8	3,463	—
Prior	77	245	1,656	1,797	1,667	559	218	230	353	6,802	26
Total	$ 77	$ 1,004	$ 12,176	$ 14,301	$ 7,962	$ 972	$ 596	$ 436	$ 478	$ 38,002	$ 26
Revolving loans	—	—	—	1,284	43	30	—	—	10	1,367	
Revolving contracts converted to Term contracts	—	—	11	—	34	—	—	—	—	45	
Total disbursed loans	**$ 77**	**$ 1,004**	**$ 12,187**	**$ 15,585**	**$ 8,039**	**$ 1,002**	**$ 596**	**$ 436**	**$ 488**	**$ 39,414**	**$ 26**
Unamortized deferred loan origination fees, net and other										(164)	
Loans at amortized cost										**$ 39,250**	

Table E8.1:

	June 30, 2024										
(US$ in millions)	Loans at Amortized cost basis by Risk class										
Originated during the year ended June 30,	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak/ Special Attention	Very Weak/ Sub-standard	Extremely Weak/ Doubtful	Imminent Default/ Default	Total Contracts	Gross write-offs
2024	$ —	$ 119	$ 3,519	$ 2,785	$ 1,409	$ 147	$ 20	$ 22	$ 9	$ 8,030	$ —
2023	—	460	2,161	3,306	2,127	110	6	123	—	8,293	—
2022	—	356	1,423	2,049	1,270	225	—	31	98	5,452	36
2021	—	—	1,286	1,878	944	8	13	—	8	4,137	—
2020	69	—	911	897	393	209	77	161	9	2,726	1
Prior	66	158	1,146	1,018	2,351	388	189	97	449	5,862	58
Total	$ 135	$ 1,093	$ 10,446	$ 11,933	$ 8,494	$ 1,087	$ 305	$ 434	$ 573	$ 34,500	$ 95
Revolving Loans	—	—	—	1,222	55	30	—	—	12	1,319	—
Revolving contracts converted to Term contracts	—	—	22	—	34	—	—	—	—	56	—
Total disbursed loans	**$ 135**	**$ 1,093**	**$ 10,468**	**$ 13,155**	**$ 8,583**	**$ 1,117**	**$ 305**	**$ 434**	**$ 585**	**$ 35,875**	**$ 95**
Unamortized deferred loan origination fees, net and other										(146)	
Loans at amortized cost										**$ 35,729**	

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Following is a summary of IFC's loans at amortized cost by credit quality indicator, geographic region, and industry sector, as of December 31, 2024 and June 30, 2024:

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

	December 31, 2024									
(US$ in millions)	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak/ Special Attention	Very Weak/ Sub-standard	Extremely Weak/ Doubtful	Imminent Default/ Default	Total
Geographic Region										
Africa	$ —	$ 36	$ 892	$ 2,953	$3,398	$ 581	$ 234	$ 213	$ 171	$ 8,478
Asia and Pacific	—	686	5,290	3,424	2,004	22	—	32	29	11,487
Latin America and the Caribbean, and Europe	—	160	4,987	5,875	1,444	161	222	185	164	13,198
Middle East, Central Asia, Türkiye, Pakistan, and Afghanistan	—	17	281	2,455	1,163	238	140	6	124	4,424
Other	77	105	737	878	30	—	—	—	—	1,827
Total geographic region	**$ 77**	**$1,004**	**$12,187**	**$15,585**	**$8,039**	**$ 1,002**	**$ 596**	**$ 436**	**$ 488**	**$39,414**
Unamortized deferred loan origination fees, net and other										(164)
Loans at amortized cost										**$39,250**

Table E9.1

	June 30, 2024									
(US$ in millions)	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak/ Special Attention	Very Weak/ Sub-standard	Extremely Weak/ Doubtful	Imminent Default/ Default	Total
Geographic Region										
Africa	$ —	$ 7	$ 638	$ 2,470	$3,564	$ 534	$ 181	$ 219	$ 161	$ 7,774
Asia and Pacific	69	520	4,229	2,844	2,163	62	—	3	43	9,933
Latin America and the Caribbean, and Europe	—	55	5,031	4,757	1,318	264	85	207	180	11,897
Middle East, Central Asia, Türkiye, Pakistan, and Afghanistan	—	19	225	2,113	1,538	257	39	5	201	4,397
Other	66	492	345	971	—	—	—	—	—	1,874
Total geographic region	**$ 135**	**$1,093**	**$10,468**	**$13,155**	**$8,583**	**$ 1,117**	**$ 305**	**$ 434**	**$ 585**	**$35,875**
Unamortized deferred loan origination fees, net and other										(146)
Loans at amortized cost										**$35,729**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

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

	December 31, 2024									
(US$ in millions)	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak/ Special Attention	Very Weak/ Substandard	Extremely Weak/ Doubtful	Imminent Default/ Default	Total
Industry Sector										
Manufacturing, agribusiness and services	$ 77	$ 488	$ 4,630	$ 5,748	$1,972	$ 350	$ 180	$ 70	$ 311	$13,826
Financial markets	—	450	5,707	7,578	4,071	69	32	24	21	17,952
Infrastructure and natural resources	—	66	1,850	2,259	1,996	583	367	342	152	7,615
Disruptive technologies and funds	—	—	—	—	—	—	17	—	4	21
Total industry sector	**$ 77**	**$1,004**	**$12,187**	**$15,585**	**$8,039**	**$ 1,002**	**$ 596**	**$ 436**	**$ 488**	**$39,414**
Unamortized deferred loan origination fees, net and other										(164)
Loans at amortized cost										**$39,250**

Table E10.1:

	June 30, 2024									
(US$ in millions)	Very Strong	Strong	Adequate	Moderate	Weak	Very Weak/ Special Attention	Very Weak/ Substandard	Extremely Weak/ Doubtful	Imminent Default/ Default	Total
Industry Sector										
Manufacturing, agribusiness and services	$ 135	$ 301	$ 3,973	$ 5,467	$1,725	$ 370	$ 64	$ 88	$ 311	$12,434
Financial markets	—	737	4,800	6,205	4,146	92	39	25	41	16,085
Infrastructure and natural resources	—	55	1,695	1,483	2,712	655	185	321	229	7,335
Disruptive technologies and funds	—	—	—	—	—	—	17	—	4	21
Total industry sector	**$ 135**	**$1,093**	**$10,468**	**$13,155**	**$8,583**	**$ 1,117**	**$ 305**	**$ 434**	**$ 585**	**$35,875**
Unamortized deferred loan origination fees, net and other										(146)
Loans at amortized cost										**$35,729**

Modifications to Borrowers Experiencing Financial Difficulties

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

Modifications to borrowers experiencing financial difficulties disclosures do not include loan modifications and the effects related to suspension and standstill agreements where principal and interest payments are temporarily suspended. During the three and six months ended December 31, 2024, the amortized cost of these loans amounted to $0 million and $7 million, respectively ($59 million for the three and six months ended December 31, 2023).

For loans at amortized cost, the following table presents information related to modifications for borrowers experiencing financial difficulties, per major modification types (including interest rate reduction, other-than-insignificant payment delay, principal forgiveness, and term extension or a combination of these modifications), by geographic region and industry sector during the six months ended December 31, 2024 and and the three and six months ended December 31, 2023. There were no such modifications during the three months ended December 31, 2024.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E11: Modifications to borrowers experiencing financial difficulties

	For the six months ended December 31, 2024			
(US$ in millions)	Interest Rate Reduction, Term Extension and Payment Delay	Total Loan Modifications [a]	% of total loans	Total loans by region and industry
Latin America and the Caribbean, and Europe				
Manufacturing, agribusiness and services	$ 10	$ 10	0.2 %	$ 5,066
Total Latin America and the Caribbean, and Europe	**10**	**10**	**0.1**	**13,198**
Total	**$ 10**	**$ 10**	**0.03 %**	**$ 39,414**

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

Table E11.1:

	For the three months ended December 31, 2023					
(US$ in millions)	Interest Rate Reduction, Term Extension and Payment Delay	Payment Delay	Term Extension and Payment Delay	Total Loan Modifications [a]	% of total loans	Total loans by region and industry
Africa						
Manufacturing, agribusiness and services	$ 3	$ —	$ 3	$ 6	0.3 %	$ 2,222
Total Africa	**3**	**—**	**3**	**6**	**0.1**	**7,614**
Asia and Pacific						
Manufacturing, agribusiness and services	—	11	—	11	0.3	3,179
Infrastructure and natural resources	—	—	6	6	0.4	1,679
Total Asia and Pacific	**—**	**11**	**6**	**17**	**0.2**	**9,758**
Latin America and the Caribbean, and Europe						
Manufacturing, agribusiness and services	—	16	—	16	0.4	4,407
Infrastructure and natural resources	18	—	2	20	0.8	2,404
Total Latin America and the Caribbean, and Europe	**18**	**16**	**2**	**36**	**0.3**	**11,837**
Total	**$ 21**	**$ 27**	**$ 11**	**$ 59**	**0.2 %**	**$ 34,958**

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E11.2:

(US$ in millions)	Interest Rate Reduction, Term Extension and Payment Delay	Payment Delay	Term Extension and Payment Delay	Total Loan Modifications [a]	% of total loans	Total loans by region and industry
	For the six months ended December 31, 2023					
Africa						
Manufacturing, agribusiness and services	$ 2	$ 11	$ 8	$ 21	0.9 %	$ 2,222
Total Africa	2	11	8	21	0.3	7,614
Asia and Pacific						
Manufacturing, agribusiness and services	—	11	—	11	0.3	3,179
Infrastructure and natural resources	—	—	6	6	0.4	1,679
Total Asia and Pacific	—	11	6	17	0.2	9,758
Latin America and the Caribbean, and Europe						
Manufacturing, agribusiness and services	—	25	—	25	0.6	4,407
Infrastructure and natural resources	18	—	2	20	0.8	2,404
Total Latin America and the Caribbean, and Europe	18	25	2	45	0.4	11,837
Total	**$ 20**	**$ 47**	**$ 16**	**$ 83**	**0.2 %**	**$ 34,958**

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

The following table summarizes the financial effect of loan modifications for borrowers experiencing financial difficulty by geographic region and industry sector for the the six months ended December 31, 2024 and and the three and six months ended December 31, 2023. There were no such modifications during the three months ended December 31, 2024.

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

	For the six months ended December 31, 2024				
	Interest Rate Reduction	Term Extension	Principal Forgiveness	Other than Insignificant Payment Delay	
(US$ in millions)	Weighted Average Interest Rate Reduction %	Weighted Average Months Extended	Sum of Principal Forgiven	Amount Delayed	Weighted Average Months Delayed
Asia and Pacific					
Manufacturing, agribusiness and services	— %	—	$ 2	$ —	—
Total Asia and Pacific	—	—	2	—	—
Latin America and the Caribbean, and Europe					
Manufacturing, agribusiness and services	4.2	62	—	9	66
Total Latin America and the Caribbean, and Europe	4.2	62	—	9	66
Middle East, Central Asia, Türkiye, Pakistan, and Afghanistan					
Financial markets	—	—	39	—	—
Total Middle East, Central Asia, Türkiye, Pakistan, and Afghanistan	—	—	39	—	—
Total	**4.2 %**	**62**	**$ 41**	**$ 9**	**66**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

Table E12.1:

	For the three months ended December 31, 2023			
	Interest Rate Reduction	Term Extension	Other than Insignificant Payment Delay	
(US$ in millions)	Weighted Average Interest Rate Reduction %	Weighted Average Month Extended	Amount Delayed	Weighted Average Months Delayed
Africa				
Manufacturing, agribusiness and services	1.7 %	50	$ 26	53
Total Africa	1.7	50	26	53
Asia and Pacific				
Manufacturing, agribusiness and services	—	—	8	6
Infrastructure and natural resources	—	36	33	36
Total Asia and Pacific	—	36	41	42
Latin America and the Caribbean, and Europe				
Manufacturing, agribusiness and services	—	—	1	3
Infrastructure and natural resources	2.4	154	15	190
Total Latin America and the Caribbean, and Europe	2.4	154	16	193
Total	**4.1 %**	**240**	**$ 83**	**288**

Table E12.2:

	For the six months ended December 31, 2023			
(US$ in millions)	Interest Rate Reduction	Term Extension	Other than Insignificant Payment Delay	
	Weighted Average Interest Rate Reduction %	Weighted Average Month Extended	Amount Delayed	Weighted Average Months Delayed
Africa				
Manufacturing, agribusiness and services	1.7 %	74	$ 38	45
Total Africa	1.7	74	38	45
Asia and Pacific				
Manufacturing, agribusiness and services	—	—	8	6
Infrastructure and natural resources	—	36	33	36
Total Asia and Pacific	—	36	41	42
Latin America and the Caribbean, and Europe				
Manufacturing, agribusiness and services	—	—	5	13
Infrastructure and natural resources	2.4	154	15	190
Total Latin America and the Caribbean, and Europe	2.4	154	20	203
Total	**4.1 %**	**264**	**$ 99**	**290**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

For loans at amortized cost, the following table presents an aging analysis of loan modifications made for borrowers experiencing financial difficulty made during the twelve months preceding December 31, 2024 and from July 1, 2023 (adoption of ASU 2022-02) through December 31, 2023 presented by geographic region and industry sector.

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

	December 31, 2024					
(US$ in millions)	Current	Up to 30 days past due	31 - 60 days past due	61-90 days past due	Greater than 90 days past due	Total [a]
Africa						
Manufacturing, agribusiness and services	$ 7	$ —	$ —	$ —	$ —	$ 7
Infrastructure and natural resources	29	—	—	—	—	29
Total Africa	36	—	—	—	—	36
Latin America and the Caribbean, and Europe						
Manufacturing, agribusiness and services	83	—	—	—	—	83
Financial markets	—	—	—	—	4	4
Infrastructure and natural resources	70	—	—	—	—	70
Total Latin America and the Caribbean, and Europe	153	—	—	—	4	157
Middle East, Central Asia, Türkiye, Pakistan, and Afghanistan						
Financial markets	—	—	—	—	—	—
Infrastructure and natural resources	52	—	—	—	25	77
Total Middle East, Central Asia, Türkiye, Pakistan, and Afghanistan	52	—	—	—	25	77
Total	**$ 241**	**$ —**	**$ —**	**$ —**	**$ 29**	**$ 270**

Table E13.1:

	December 31, 2023					
(US$ in millions)	Current	Up to 30 days past due	31 - 60 days past due	61-90 days past due	than 90 days past due	Total [a]
Africa						
Manufacturing, agribusiness and services	$ 19	$ 2	$ —	$ —	$ —	$ 21
Total Africa	19	2	—	—	—	21
Asia and Pacific						
Manufacturing, agribusiness and services	11	—	—	—	—	11
Infrastructure and natural resources	6	—	—	—	—	6
Total Asia and Pacific	17	—	—	—	—	17
Latin America and the Caribbean, and Europe						
Manufacturing, agribusiness and services	25	—	—	—	—	25
Infrastructure and natural resources	20	—	—	—	—	20
Total Latin America and the Caribbean, and Europe	45	—	—	—	—	45
Total	**$ 81**	**$ 2**	**$ —**	**$ —**	**$ —**	**$ 83**

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

The following tables present loans that had a payment default during the three and six months ended December 31, 2024 after they had been modified to borrowers experiencing financial difficulty within the twelve months preceding the payment default date. There were no such loans during the three and six months ended December 31, 2023. Payment default is defined as loans that are 60 or more days past due as of the respective balance sheet date.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

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

	For the three months ended December 31, 2024		
(US$ in millions)	Payment Delay	Term Extension and Payment Delay	Total Loan Modifications [a]
Africa			
Manufacturing, agribusiness and services	$ —	$ 1	$ 1
Total Africa	—	1	1
Total	**$ —**	**$ 1**	**$ 1**

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

Table E14.1:

	For the six months ended December 31, 2024		
(US$ in millions)	Payment Delay	Term Extension and Payment Delay	Total Loan Modifications [a]
Africa			
Manufacturing, agribusiness and services	$ —	$ 2	$ 2
Total Africa	—	2	2
Asia and Pacific			
Manufacturing, agribusiness and services	11	—	11
Total Asia and Pacific	11	—	11
Latin America and the Caribbean, and Europe			
Financial markets	—	4	4
Total Latin America and the Caribbean, and Europe	—	4	4
Total	**$ 11**	**$ 6**	**$ 17**

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

Collateral-Dependent Loans

A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. The following tables summarize the amortized cost of collateral dependent loans [a] by collateral type, geographic region and industry sector as of December 31, 2024 and June 30, 2024:

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

	December 31, 2024			June 30, 2024		
(US$ in millions)	Property, Land and Equipment	Others	Total	Property, Land and Equipment	Others	Total
Geographic Region						
Africa	$ 7	$ —	$ 7	$ 1	$ —	$ 1
Asia and Pacific	—	—	—	11	—	11
Latin America and the Caribbean, and Europe	3	—	3	7	5	12
Total	**$ 10**	**$ —**	**$ 10**	**$ 19**	**$ 5**	**$ 24**

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE E – LOANS AND GUARANTEES (continued)

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

	December 31, 2024			June 30, 2024		
(US$ in millions)	Property, Land and Equipment	Others	Total	Property, Land and Equipment	Others	Total
Industry Sector						
Manufacturing, agribusiness and services	$ 10	$ —	$ 10	$ 15	$ —	$ 15
Financial markets	—	—	—	—	5	5
Infrastructure and natural resources	—	—	—	4	—	4
Total	**$ 10**	**$ —**	**$ 10**	**$ 19**	**$ 5**	**$ 24**

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

Guarantees

IFC extends financial guarantee facilities to its clients to provide full or partial credit enhancement for their debt securities and trade obligations. Under the terms of IFC's guarantees, IFC agrees to assume responsibility for the client's financial obligations in the event of default by the client, where default is defined as failure to pay when payment is due. Guarantees entered into by IFC generally have maturities consistent with those of the loan portfolio. Guarantees signed as of December 31, 2024 totaled $7.9 billion ($6.3 billion as of June 30, 2024). Guarantees of $5.9 billion were outstanding (i.e., not called) as of December 31, 2024 ($4.8 billion as of June 30, 2024). These amounts represent the maximum amount of undiscounted future payments that IFC could be required to make under these guarantees and are not included in IFC's condensed consolidated balance sheets.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE F – DEBT SECURITIES

Income from debt securities, including net realized gains on debt securities and associated derivatives for the three and six months ended December 31, 2024 and December 31, 2023 comprises the following:

Table F1: Income from Debt Securities

(US$ in millions)	For the three months ended December 31, 2024	For the three months ended December 31, 2023	For the six months ended December 31, 2024	For the six months ended December 31, 2023
Interest income	$ 213	$ 198	$ 429	$ 382
Net realized (losses) gains on debt securities and associated derivatives [a]	(14)	(3)	(14)	13
Total income from debt securities, including realized gains on debt securities and associated derivatives	**$ 199**	**$ 195**	**$ 415**	**$ 395**

a Includes realized losses on debt securities under the Fair Value Option. $11 million and $15 million losses for the three and six months ended December 31, 2024 ($2 million losses for the three and six months ended December 31, 2023).

Debt securities accounted for as available-for-sale as of December 31, 2024 and June 30, 2024 comprise:

Table F2: Debt securities – available-for-sale

	December 31, 2024				
(US$ in millions)	Amortized cost	Unrealized gains [a]	Unrealized losses [a]	Reserve for credit losses	Fair value
Corporate debt securities	$ 638	$ 1	$ (89)	$ (21)	$ 529
Preferred shares	28	1	(3)	(10)	16
Asset-backed securities	46	1	—	—	47
Total	**$ 712**	**$ 3**	**$ (92)**	**$ (31)**	**$ 592**

a Includes net foreign exchange losses of $98 million as of December 31, 2024.

Table F2.1:

	June 30, 2024				
(US$ in millions)	Amortized cost	Unrealized gains [a]	Unrealized losses [a]	Reserve for credit losses	Fair value
Corporate debt securities	$ 839	$ 1	$ (118)	$ (24)	$ 698
Preferred shares	28	1	(2)	(10)	17
Asset-backed securities	95	3	(2)	—	96
Total	**$ 962**	**$ 5**	**$ (122)**	**$ (34)**	**$ 811**

a Includes net foreign exchange losses of $121 million as of June 30, 2024.

The table below presents the amortized cost, unrealized losses, and fair value of available-for-sale debt securities that are in an unrealized loss position without credit losses aggregated by major security type as of December 31, 2024 and June 30, 2024. The reserve for credit losses is not included herein and is presented separately in the reserve for credit losses on debt securities roll-forward table.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE F – DEBT SECURITIES (continued)

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

	December 31, 2024			June 30, 2024		
(US$ in millions)	Amortized Costs	Unrealized Losses [a]	Fair value	Amortized Costs	Unrealized Losses [a]	Fair value
Corporate debt securities	$ 533	$ (81)	$ 452	$ 560	$ (110)	$ 450
Preferred shares	10	(3)	7	10	(2)	8
Asset-backed securities	1	—	1	10	(2)	8
Total	**$ 544**	**$ (84)**	**$ 460**	**$ 580**	**$ (114)**	**$ 466**

a Includes net foreign exchange losses of $98 million as of December 31, 2024 and $118 million as of June 30, 2024.

The following table shows the unrealized losses and fair value of available-for-sale debt securities as of December 31, 2024 and June 30, 2024 by length of time that individual securities had been in a continuous loss position where the fair value of securities declined below their cost basis:

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

	December 31, 2024					
	Less than 12 months		12 months or greater		Total	
(US$ in millions)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Corporate debt securities	$ 167	$ (4)	$ 285	$ (78)	$ 452	$ (82)
Preferred shares	—	—	7	(2)	7	(2)
Asset-backed securities	—	—	1	—	1	—
Total	**$ 167**	**$ (4)**	**$ 293**	**$ (80)**	**$ 460**	**$ (84)**

Table F4.1:

	June 30, 2024					
	Less than 12 months		12 months or greater		Total	
(US$ in millions)	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Corporate debt securities	$ —	$ —	$ 450	$ (110)	$ 450	$ (110)
Preferred shares	—	—	8	(2)	8	(2)
Asset-backed securities	—	—	8	(2)	8	(2)
Total	**$ —**	**$ —**	**$ 466**	**$ (114)**	**$ 466**	**$ (114)**

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

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

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE F – DEBT SECURITIES (continued)

The tables below present a roll-forward by major security type for the three and six months ended December 31, 2024 and December 31, 2023 of the reserve for credit losses on debt securities accounted for as available-for-sale held at the period end:

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

	For the three months ended December 31, 2024			For the six months ended December 31, 2024		
(US$ in millions)	Corporate Debt Securities	Preferred shares	Total	Corporate Debt Securities	Preferred shares	Total
Beginning balance	**$ 22**	**$ 10**	**$ 32**	**$ 24**	**$ 10**	**$ 34**
(Release of provision)	(1)	—	(1)	(3)	—	(3)
Ending balance	**$ 21**	**$ 10**	**$ 31**	**$ 21**	**$ 10**	**$ 31**

Table F5.1:

	For the three months ended December 31, 2023			For the six months ended December 31, 2023		
(US$ in millions)	Corporate Debt Securities	Preferred shares	Total	Corporate Debt Securities	Preferred shares	Total
Beginning balance	**$ 13**	**$ 10**	**$ 23**	**$ 13**	**$ 8**	**$ 21**
Provision (release of provision) for losses	2	(7)	(5)	2	(5)	(3)
Ending balance	**$ 15**	**$ 3**	**$ 18**	**$ 15**	**$ 3**	**$ 18**

Nonaccruing debt securities

The disbursed and outstanding balances of debt securities on which the accrual of interest has been discontinued amounted to $122 million as of December 31, 2024 ($53 million as of June 30, 2024).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE G – EQUITY INVESTMENTS AND ASSOCIATED DERIVATIVES

Income from equity investments and associated derivatives for the three and six months ended December 31, 2024 and December 31, 2023 comprises the following:

Table G1: Income from equity investments and associated derivatives

(US$ in millions)	For the three months ended December 31, 2024	For the three months ended December 31, 2023	For the six months ended December 31, 2024	For the six months ended December 31, 2023
Unrealized (losses) on equity investments and associated derivatives [a]	$ (269)	$ (77)	$ (53)	$ (202)
Realized gains on equity investments and associated derivatives, net	170	77	109	175
(Losses) gains on equity investments and associated derivatives, net	(99)	—	56	(27)
Dividends	32	31	72	63
Custody, fees and other	4	1	7	6
Total (losses) gains from equity investments and associated derivatives	**$ (63)**	**$ 32**	**$ 135**	**$ 42**

a Includes unrealized gains and losses related to equity securities still held as of December 31, 2024, net losses of $48 million and net gains of $104 million, respectively, for the three and six months ended December 31, 2024 (net gains of $75 million and $76 million for the three and six months ended December 31, 2023).

The fair value of equity investments as of December 31, 2024 and June 30, 2024 comprises:

Table G2: Fair value of equity investments

(US$ in millions)	December 31, 2024	June 30, 2024
Investments in common or preferred shares	$ 5,443	$ 5,426
Equity interests in private equity funds	5,816	5,650
Equity-related options and other financial instruments	27	45
Total	**$ 11,286**	**$ 11,121**

Equity investments include several private equity funds that invest primarily in emerging markets across a range of sectors and that are accounted for at fair value under the Fair Value Option. The fair values of these funds have been determined using the net asset value of IFC's ownership interest in partners' capital as a practical expedient as presented in the table above. These investments cannot be redeemed. Distributions will be received from these funds as the underlying assets are liquidated or distributed, the timing of which is uncertain. As of December 31, 2024, the maximum unfunded commitments subject to capital calls for these funds were $2.0 billion ($1.9 billion as of June 30, 2024). As of December 31, 2024, IFC's investments as a limited partner in funds managed by AMC was $467 million ($483 million as of June 30, 2024). Amounts previously distributed by the AMC Funds may be callable through the life of the respective fund. The sale of IFC's limited partner interests in these funds needs prior consent from the other limited partners.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE H – RETAINED EARNINGS DESIGNATIONS AND RELATED EXPENDITURES AND ACCUMULATED OTHER COMPREHENSIVE INCOME (continued)

Designated retained earnings

IFC designates its retained earnings to support the following programs:

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

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

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

On October 31, 2024, the Board of Directors approved a designation of $107 million to CMAW, and $152 million to FMTAAS. This approval was noted by the Board of Governors on December 18, 2024. In addition, on December 18, 2024, the Board of Governors approved an allocation of $100 million from undesignated retained earnings to the newly established Surplus Account and subsequent transfer to IFC Frontier Opportunities Fund, a fund of concessional finance to spur equity investment mostly targeted to middle-income countries including for the cutting-edge climate initiatives, after its establishment.

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

Table H1: Components of retained earnings and related expenditures

(US$ in millions)	FMTAAS	CMAW	SME Ventures	Surplus	Total Designated Retained Earnings	Undesignated Retained Earnings	Total Retained Earnings
As of June 30, 2023	**$ 48**	**$ 161**	**$ 12**	**$ —**	**$ 221**	**$ 11,589**	**$ 11,810**
Six months ended December 31, 2023							
Net Income	—	—	—	—	—	723	723
Designations of retained earnings	60	—	—	—	60	(60)	—
Expenditures against designated retained earnings	(12)	(17)	—	—	(29)	29	—
As of December 31, 2023	**$ 96**	**$ 144**	**$ 12**	**$ —**	**$ 252**	**$ 12,281**	**$ 12,533**
As of June 30, 2024	**$ 58**	**$ 93**	**$ 11**	**$ —**	**$ 162**	**$ 13,133**	**$ 13,295**
Six months ended December 31, 2024							
Net Income	—	—	—	—	—	1,128	1,128
Designations of retained earnings	152	107	—	100	359	(359)	—
Expenditures against designated retained earnings	(21)	(26)	(2)	—	(49)	49	—
As of December 31, 2024	**$ 189**	**$ 174**	**$ 9**	**$ 100**	**$ 472**	**$ 13,951**	**$ 14,423**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE H – RETAINED EARNINGS DESIGNATIONS AND RELATED EXPENDITURES AND ACCUMULATED OTHER COMPREHENSIVE INCOME (continued)

Accumulated other comprehensive income

The components of accumulated other comprehensive income at December 31, 2024 and June 30, 2024 are summarized as follows:

Table H2 : Components of AOCI

(US$ in millions)	Net unrealized losses on available-for-sale debt securities	Net unrealized gains on borrowings [a]	Unrecognized net actuarial gains and unrecognized prior service costs on benefit plans	Total accumulated other comprehensive income
As of June 30, 2023	**$ (238)**	**$ 340**	**$ 530**	**$ 632**
Six months ended December 31, 2023				
Other comprehensive income (loss)	99	237	(6)	330
As of December 31, 2023	**$ (139)**	**$ 577**	**$ 524**	**$ 962**
As of June 30, 2024	**$ (117)**	**414**	**660**	**$ 957**
Six months ended December 31, 2024				
Other comprehensive income (loss)	28	(192)	(6)	(170)
As of December 31, 2024	**$ (89)**	**$ 222**	**$ 654**	**$ 787**

a Represents net unrealized gains on borrowings at fair value under the Fair Value Option due to changes in instrument specific credit risk.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE I – NET UNREALIZED GAINS AND LOSSES ON NON-TRADING FINANCIAL INSTRUMENTS ACCOUNTED FOR AT FAIR VALUE

Net unrealized gains and losses on non-trading financial instruments accounted for at fair value for the three and six months ended December 31, 2024 and December 31, 2023 comprise:

Table I1: Net unrealized gains and losses on non-trading financial instruments

	For the three months ended December 31,		For the six months ended December 31,	
(US$ in millions)	2024	2023	2024	2023
Unrealized gains and losses on loans, debt securities and associated derivatives:				
Unrealized gains on loans under the Fair Value Option	$ 25	$ 28	$ 32	$ 53
Unrealized losses on derivatives associated with loans	(15)	(262)	(198)	(158)
Unrealized gains on debt securities under the Fair Value Option	—	129	91	157
Unrealized gains (losses) on derivatives associated with debt securities	28	(70)	(46)	(23)
Total net unrealized gains (losses) on loans, debt securities and associated derivatives	**38**	**(175)**	**(121)**	**29**
Unrealized gains and losses on borrowings from market, IDA and associated derivatives:				
Unrealized gains (losses) on market borrowings accounted for at fair value	1,021	(1,881)	(174)	(1,075)
Unrealized (losses) gains on derivatives associated with market borrowings	(746)	1,843	597	977
Unrealized gains (losses) on borrowings from IDA accounted for at fair value	3	(6)	(2)	(4)
Total net unrealized gains (losses) on borrowings from market, IDA and associated derivatives	**278**	**(44)**	**421**	**(102)**
Net unrealized gains (losses) on non-trading financial instruments accounted for at fair value	**$ 316**	**$ (219)**	**$ 300**	**$ (73)**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE J – DERIVATIVES

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

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

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

The fair value of derivative instrument assets and liabilities by risk type as of December 31, 2024 and June 30, 2024 is summarized as follows:

Table J2: Fair value of derivative assets and liabilities classified by risk type

(US$ in millions)	December 31, 2024	June 30, 2024
Derivative assets		
Interest rate	$ 533	$ 656
Foreign exchange	689	244
Interest rate and currency	2,306	1,907
Equity	110	96
Credit and other	29	51
Total derivative assets	**$ 3,667**	**$ 2,954**
Derivative liabilities		
Interest rate	$ 1,971	$ 2,067
Foreign exchange	108	67
Interest rate and currency	6,126	5,201
Equity	12	10
Credit and other	23	11
Total derivative liabilities	**$ 8,240**	**$ 7,356**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE J – DERIVATIVES (continued)

The effect of derivative instrument contracts on the condensed consolidated statement of operations for the three and six months ended December 31, 2024 and December 31, 2023 is summarized as follows:

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

(US$ in millions)		Three months ended December 31,		Six months ended December 31,	
Derivative risk category	Condensed Consolidated Statement of Operations location	2024	2023	2024	2023
Interest rate	Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	$ 11	$ 25	$ 38	$ 45
	Income from debt securities, including realized gains and losses on debt securities and associated derivatives	7	11	16	21
	Income (loss) from liquid asset trading activities	40	(59)	(43)	(48)
	Charges on borrowings	(124)	(172)	(301)	(342)
	Other income	2	6	5	16
	Net unrealized (losses) gains on non-trading financial instruments accounted for at fair value	(425)	460	12	202
Foreign exchange	Income (loss) from liquid asset trading activities	1,171	(789)	458	(75)
	Foreign currency transaction gains (losses) on non-trading activities	5	(8)	1	(2)
	Net unrealized gains (losses) on non-trading financial instruments accounted for at fair value	2	2	1	(2)
Interest rate and currency	Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	10	2	22	8
	Loss from debt securities, including realized gains and losses on debt securities and associated derivatives	(9)	(14)	(12)	(32)
	Income (loss) from liquid asset trading activities	194	(122)	97	(18)
	Charges on borrowings	(150)	(206)	(359)	(400)
	Foreign currency transaction (losses) gains on non-trading activities	(1,471)	767	(950)	433
	Other income	—	—	2	1
	Net unrealized (losses) gains on non-trading financial instruments accounted for at fair value	(286)	1,057	373	606
Equity related contracts	(Losses) gains from equity investments and associated derivatives	(1)	(26)	10	(36)
Credit and other	Net unrealized losses on non-trading financial instruments accounted for at fair value	(25)	(6)	(33)	(9)
	Total	**$ (1,049)**	**$ 928**	**$ (663)**	**$ 368**

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

As of December 31, 2024, the outstanding volume, measured by U.S. dollar equivalent notional, of interest rate contracts was $75.1 billion ($69.3 billion as of June 30, 2024), foreign exchange contracts was $13.8 billion ($17.2 billion as of June 30, 2024) and interest rate and currency contracts was $60.7 billion ($58.4 billion as of June 30, 2024).

As of December 31, 2024, there were 109 derivatives instrument contracts related to IFC's equity investment portfolio and 35 other derivative contracts recognized as derivative assets or liabilities under ASC Topic 815 (115 equity related and 33 other derivative contracts as of June 30, 2024).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE K – BORROWINGS

Market borrowings and associated derivatives

IFC diversifies its borrowings by currency, country, source, and maturity to provide flexibility and cost-effectiveness. For the six months ended December 31, 2024, IFC borrowed in 12 currencies (17 currencies for the six months ended December 31, 2023). The currency composition of IFC's market borrowings (excluding borrowings from IDA), before swaps, net of unamortized premiums and discounts, is summarized below:

Table K1: Currency composition – Market borrowings

	December 31, 2024		June 30, 2024	
(US$ in millions, except for %)	Amount	As a % of Total	Amount	As a % of Total
Medium and long term (MLT) borrowings				
U.S. dollar	$ 24,570	39.1 %	$ 23,204	37.0 %
Australian dollar	11,053	17.6	12,028	19.2
Pounds sterling	9,128	14.5	7,352	11.7
Mexican peso	3,878	6.2	4,432	7.1
Swedish kronor	2,162	3.4	1,769	2.8
Others	9,221	14.7	11,623	18.5
Principal at face value - MLT	**60,012**	**95.6 %**	**60,408**	**96.3 %**
Short-term borrowings	2,793	4.4	2,308	3.7
Principal at face value - Total	**62,805**	**100 %**	**62,716**	**100 %**
Unamortized discounts, net	(2,690)		(3,140)	
Fair value adjustments	(3,626)		(3,991)	
Carrying amount of market borrowings	**$ 56,489**		**$ 55,585**	

The interest rate composition of IFC's market borrowings (excluding borrowings from IDA), before swaps, is summarized below:

Table K2: Interest rate composition – market borrowings

	December 31, 2024		June 30, 2024	
(US$ in millions, except for %)	Amount	Weighted average cost (%)	Amount	Weighted average cost (%)
MLT borrowings				
Fixed rate	$ 55,616	3.5 %	$ 56,612	3.3 %
Variable rate	4,396	4.9	3,796	4.7
Principal at face value - MLT	**60,012**		**60,408**	
Short-term borrowings - Fixed rate	2,793	4.6	2,308	5.0
Principal at face value - Total	**62,805**		**62,716**	
Unamortized discounts, net	(2,690)		(3,140)	
Fair value adjustments	(3,626)		(3,991)	
Carrying amount of market borrowings	**$ 56,489**		**$ 55,585**	

As of December 31, 2024, MLT borrowings include $307 million carried at amortized cost ($228 million as of June 30, 2024). The weighted average effective interest rate on MLT borrowings carried at amortized cost was 9.0% (8.0% as of June 30, 2024).

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE K – BORROWINGS (continued)

Borrowings from IDA

Borrowings outstanding from IDA are summarized below:

Table K3: Outstanding borrowings from IDA

	December 31, 2024					
	IDA Borrowings		Interest rate swap notional principal payable (receivable)		Net currency obligation	
(US$ in millions, except for ratios)	Principal amount	Weighted average cost (%)	Notional amount	Weighted average cost (%)	Notional amount	Weighted average cost (%)
U.S. dollar	$ 151	1.8%	$ 151	5.0%	$ 151	5.0%
			(151)	(1.8)		
Total IDA borrowings outstanding	**151**		**$ —**		**$ 151**	**5.0**
Fair value adjustments	(13)					
Carrying amount of IDA borrowings	**$ 138**					

Table K3.1:

	June 30, 2024					
	IDA Borrowings		Interest rate swap notional principal payable (receivable)		Net currency obligation	
(US$ in millions, except for ratios)	Principal amount	Weighted average cost (%)	Notional amount	Weighted average cost (%)	Notional amount	Weighted average cost (%)
U.S. dollar	$ 185	1.8%	$ 185	5.6%	$ 185	5.6%
			(185)	(1.8)		
Total IDA borrowings outstanding	**185**		**$ —**		**$ 185**	**5.6%**
Fair value adjustments	(15)					
Carrying amount of IDA borrowings	**$ 170**					

The weighted average remaining maturity of borrowings from IDA was 3.9 years as of December 31, 2024 (3.6 years as of June 30, 2024).

IFC uses derivatives, reported at fair value, to manage the currency risk and the interest rate risk on its borrowings. The nominal payable amount on the currency and interest rate swaps on market borrowings are shown in the table below:

Table K4: Nominal payable amount- currency and interest rate swaps on market borrowings

(US$ in millions)	December 31, 2024	June 30, 2024
Currency swaps	$ 36,349	$ 35,906
Interest rate swaps	25,108	23,742

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

Table K5: Borrowing portfolio after swaps

(US$ in millions)	December 31, 2024	June 30, 2024
Borrowings	$ 56,627	$ 55,755
Currency and interest rate swap (assets)	(77)	(183)
Currency and interest rate swap liabilities	7,452	6,648
Borrowings after swaps	**$ 64,002**	**$ 62,220**

After the effect of interest rate and currency swaps, IFC's borrowings generally reprice within one year.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS

ASC 820 defines fair value as the price that would be received to sell an asset or transfer a liability (i.e., an exit price) in an orderly transaction between independent, knowledgeable and willing market participants at the measurement date assuming the transaction occurs in the entity's principal (or most advantageous) market. IFC categorizes its financial instruments into three levels based on the established fair value hierarchy. For more information regarding the fair value hierarchy and how IFC measures fair value, see Note A – Summary of Significant Accounting Policies in the June 30, 2024 audited financial statements. Readers are cautioned in using these data for purposes of evaluating the financial condition of IFC as the fair values of the individual financial instruments do not represent the fair value of IFC taken as a whole.

IFC utilized, where available, comparator, sector and country information, in addition to discounted cash flow models, in valuing its equity investment portfolio as of December 31, 2024. Debt securities and loans accounted for at fair value that do not have available market prices were primarily valued using discounted cash flow approaches and reflected spreads as of December 31, 2024.

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

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

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

The methodologies used and key assumptions made to estimate fair values as of December 31, 2024 and June 30, 2024, are summarized below.

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

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

There were no liquid assets classified as Level 3 as of December 31, 2024 or as of June 30, 2024.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Loans and debt securities – Loans and debt securities in IFC's investment portfolio that do not have available market prices are primarily valued using discounted cash flow approaches. The majority of loans measured at fair value are classified as Level 3. Certain loans contain embedded conversion and/or income participation features. These features are considered in determining the loans' fair value based on the quoted market prices or other calculated values of the equity investments into which the loans are convertible and the discounted cash flows of the income participation features. The significant unobservable inputs used in the fair value measurement of loans and debt securities are discount rates, credit default swap spreads, and expected recovery rates. The valuation techniques and significant unobservable inputs for loans and debt securities classified as Level 3 as of December 31, 2024 and as of June 30, 2024 are presented below.

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

December 31, 2024

(US$ in millions)	Valuation technique	Fair value	Significant inputs	Range (%)	Weighted average (%)
Debt securities - preferred shares	Discounted cash flows	$ 62	Discount rate	12.9 - 21.7	16.6
	Market comparables	42	Valuation multiples [a]		
	Recent transactions	110			
	Other techniques	28			
Total preferred shares		242			
Other loans and debt securities	Discounted cash flows	8,238	Credit default swap spreads	0.2 - 13.5	2.4
			Expected recovery rates	0.0 - 97.5	46.4
	Recent transactions	1,462			
	Other techniques	409			
Total other loans and debt securities		10,109			
Total		**$ 10,351**			

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

Table L2.1:

June 30, 2024

(US$ in millions)	Valuation technique	Fair value	Significant inputs	Range (%)	Weighted average (%)
Debt securities – preferred shares	Discounted cash flows	$ 14	Discount rate	10.7 - 16.0	12.4
	Market comparables	47	Valuation multiples [a]		
	Recent transactions	158			
	Other techniques	19			
Total preferred shares		238			
Other loans and debt securities	Discounted cash flows	7,550	Credit default swap spreads	0.0 - 20.5	2.7
			Expected recovery rates	0.0 - 95.0	44.1
	Recent transactions	1,677			
	Other techniques	416			
Total other loans and debt securities		9,643			
Total		**$ 9,881**			

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

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

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

Classes	Significant Inputs
Structured bonds	Foreign exchange rate and inter-bank yield curves, IFC's credit curve and swaption volatility matrix, foreign exchange rate volatility, equity spot price, volatility and dividend yield.
Unstructured bonds	Inter-bank yield curve and IFC's credit curve.

As of December 31, 2024, IFC had bond issuances with a total fair value of $182 million classified as level 3 in Serbian dinar, Uzbek sum, Bangladeshi taka, Jamaican dollar, Azerbaijan manat, and Mongolian tughrik, where the significant unobservable inputs were yield curve data ($83 million as of June 30, 2024).

Derivative instruments – The various classes of derivative instruments include interest rate contracts, foreign exchange contracts, interest rate and currency contracts, equity contracts and other derivative contracts. Certain over the counter derivatives in the liquid asset portfolio priced in-house are classified as Level 2, while certain over the counter derivatives priced using external manager prices are classified as Level 3. Fair values for derivative instruments are derived by determining the present value of estimated future cash flows using appropriate discount rates and option specific models where appropriate.

The significant inputs used in valuing the various classes of derivative instruments classified as Level 2 and significant unobservable inputs for derivative instruments classified as Level 3 as of December 31, 2024 and June 30, 2024 are presented below:

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

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

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

(US$ in millions)	December 31, 2024				
Level 3 derivatives	Type	Fair value	Significant inputs	Range (%)	Weighted average (%)
Equity related derivatives	Fixed strike price options	$ 1	Volatilities	*	15.7
	Variable strike price options	97	Contractual strike price [a]		
Interest rate and currency swap assets	Vanilla swaps	129	Yield curve points, exchange rates [a]		
Interest rate and currency swap liabilities	Vanilla swaps	(16)	Yield curve points, exchange rates [a]		
Total		**$ 211**			

* No range is provided as all of the projects that use this valuation technique are with the same institution.

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

Table L5.1:

(US$ in millions)	June 30, 2024				
Level 3 derivatives	Type	Fair value	Significant inputs	Range (%)	Weighted average (%)
Equity related derivatives	Fixed strike price options	$ —	Volatilities	24.3 -28.1	27.8
	Variable strike price options	86	Contractual strike price [a]		
Interest rate and currency swap assets	Vanilla swaps	120	Yield curve points, exchange rates [a]		
Interest rate and currency swap liabilities	Vanilla swaps	(7)	Yield curve points, exchange rates [a]		
Total		**$ 199**			

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Equity investments – Equity investments valued using quoted prices in active markets are classified as Level 1. Equity investments classified as Level 2 are valued using quoted prices in inactive markets. Equity investments classified as Level 3 are primarily valued using discounted cash flow and market comparable approaches. The significant unobservable inputs include cost of equity, weighted average cost of capital, asset growth rate, return on assets, perpetual growth rate, price to book and market multiples. The valuation techniques and significant unobservable inputs used in fair value measurements categorized within Level 3 of the fair value hierarchy for equity investments that were measured at fair value through net income as of December 31, 2024 and June 30, 2024 are presented below.

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

(US$ in millions) December 31, 2024

Sector	Valuation technique	Fair value	Significant inputs	Range	Weighted average (%)
Banking and other financial	Discounted cash flows	$ 306	Cost of equity (%)	12.3 - 34.4	15.4
Institutions			Asset growth rate (%)	(2.9) - 56.6	7.0
			Return on assets (%)	0.3 - 6.2	1.9
			Perpetual growth rate (%)	3.0 - 15.0	5.6
	Market comparables	357	Price to book value	0.3 - 7.0	2.9
			EV/Sales	1.8 - 11.3	8.0
			Other valuation multiples [a]		
	Listed price (adjusted)	208	Discount for lack of marketability (%)	20.0 - 30.0	27.5
	Recent transactions	760			
	Other techniques	170			
	Associated options [b]	23			
Total banking and other financial institutions		1,824			
Funds	Recent transactions	105			
	Other techniques	83			
	Market comparables	1			
Total funds		189			
Others	Discounted cash flows	1,001	Weighted average cost of capital (%)	7.9 - 21.4	11.3
			Cost of equity (%)	10.8 - 27.9	17.6
	Market comparables	525	EV/Sales	0.7 - 19.1	4.9
			EV/EBITDA	5.8 - 21.2	11.0
			Price to book value	0.7 - 2.5	1.5
			Other valuation multiples [a]		
	Recent transactions	353			
	Other techniques	186			
	Associated options [b]	82			
Total others		2,147			
Total		**$ 4,160**			

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

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L6.1:

(US$ in millions) June 30, 2024

Sector	Valuation technique	Fair value	Significant inputs	Range	Weighted average (%)
Banking and other financial Institutions	Discounted cash flows	$ 317	Cost of equity (%)	12.2 - 34.4	15.2
			Asset growth rate (%)	(8.6) - 56.6	4.5
			Return on assets (%)	(0.6) - 6.2	1.9
			Perpetual growth rate (%)	3.0 - 15.0	5.4
	Market comparables	509	Price to book value	0.3 - 4.9	2.9
			EV/Sales	2.1 - 11.2	7.4
			Other valuation multiples [a]		
	Listed price (adjusted)	237	Discount for lack of marketability (%)	20.0 - 30.0	27.6
	Recent transactions	634			
	Other techniques	132			
	Associated options [b]	46			
Total banking and other financial institutions		1,875			
Funds	Recent transactions	123			
	Market comparables	2			
	Other techniques	85			
Total funds		210			
Others	Discounted cash flows	942	Weighted average cost of capital (%)	7.9 - 26.1	11.8
			Cost of equity (%)	10.8 - 23.9	15.3
	Market comparables	645	EV/Sales	0.7 - 19.1	5.4
			EV/EBITDA	6.2 - 22.0	12.6
			Price to book value	0.6 - 2.2	1.5
			Other valuation multiples [a]		
	Recent transactions	480			
	Other techniques	96			
	Associated option [b]	103			
Total others		2,266			
Total		**$ 4,351**			

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

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

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Fair value of assets and liabilities

Estimated fair values of IFC's financial assets and liabilities and off-balance sheet financial instruments as of December 31, 2024 and June 30, 2024 are summarized below:

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

	December 31, 2024		June 30, 2024	
(US$ in millions)	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Cash and due from banks, time deposits, trading securities and securities purchased under resale agreements and receivable for cash collateral pledged	$ 38,833	$ 38,833	$ 40,314	$ 40,314
Investments:				
Loans at amortized cost, net of reserve against losses	38,048	39,470	34,648	35,711
Loans accounted for at fair value under the Fair Value Option	1,907	1,907	1,789	1,789
Total loans	39,955	41,377	36,437	37,500
Equity investments accounted for at fair value	11,286 [a]	11,282	11,121 [a]	11,118
Debt securities accounted for at fair value as available-for-sale	592	592	811	811
Debt securities accounted for at fair value under the Fair Value Option	11,979	11,979	10,378	10,378
Total debt securities	12,571	12,571	11,189	11,189
Total investments	**$ 63,812**	**$ 65,230**	**$ 58,747**	**$ 59,807**
Derivative assets:				
Borrowings-related	77	77	183	183
Liquid asset portfolio-related and other	824	824	365	365
Investment-related	2,389	2,389	1,978	1,978
Client risk management-related	377	377	428	428
Total derivative assets	**$ 3,667**	**$ 3,667**	**$ 2,954**	**$ 2,954**
Other investment-related financial assets	—	2	—	2
Financial liabilities				
Securities sold under repurchase agreements and payable for cash collateral received	$ 3,954	$ 3,954	$ 1,541	$ 1,541
Market, IBRD, IDA and other borrowings outstanding	56,627	56,626	55,755	55,754
Derivative liabilities:				
Borrowings-related	7,452	7,452	6,648	6,648
Liquid asset portfolio-related and other	131	131	77	77
Investment-related	260	260	312	312
Client risk management-related	397	397	319	319
Total derivative liabilities	**$ 8,240**	**$ 8,240**	**$ 7,356**	**$ 7,356**

a For $4 million as of December 31, 2024 ($3 million as of June 30, 2024) of equity investments primarily accounted for under the cost recovery method, no fair value measurement is provided since the recovery of invested capital is uncertain.

The fair value of loan commitments amounted to $32 million as of December 31, 2024 ($39 million as of June 30, 2024). Fair values of loan commitments are based on present value of loan commitment fees.

Fair value hierarchy

As required by ASC 820, financial assets and financial liabilities are classified in their entirety based on the lowest level input that is significant to the fair value measurement: The following tables provide information as of December 31, 2024 and June 30, 2024, about IFC's financial assets and financial liabilities measured at fair value on a recurring basis.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L8: Fair value hierarchy - Financial assets and liabilities

	December 31, 2024			
(US$ in millions)	Level 1	Level 2	Level 3	Total
Time deposits with maturities greater than three months [a]	$ —	$ 2,174	$ —	$ 2,174
Trading securities:				
Asset-backed securities	—	4,879	—	4,879
Corporate debt securities [b]	—	2,552	—	2,552
Government obligations	17,118	4,323	—	21,441
Total trading securities	17,118	11,754	—	28,872
Loans	—	115	1,787	1,902
Loans measured at net asset value [c]				5
Total Loans (outstanding principal balance $1,936)	—	115	1,787	1,907
Equity investments:				
Banking and other financial institutions	612	38	1,824	2,474
Funds	—	10	189	199
Others	601	45	2,147	2,793
Equity investments measured at net asset value [c]				5,816
Total equity investments	1,213	93	4,160	11,282
Debt securities:				
Corporate debt securities	—	3,374	7,708	11,082
Preferred shares	—	—	242	242
Asset-backed securities	—	86	614	700
Debt securities measured at net asset value [c]				547
Total debt securities	—	3,460	8,564	12,571
Derivative assets:				
Interest rate	—	532	1	533
Foreign exchange	—	689	—	689
Interest rate and currency	—	2,177	129	2,306
Equity and other	—	—	110	110
Credit and Other derivative contracts	—	29	—	29
Total derivative assets	—	3,427	240	3,667
Total assets at fair value	**$ 18,331**	**$ 21,023**	**$ 14,751**	**$ 60,473**
Borrowings:				
Structured bonds	$ —	$ 4,264	$ —	$ 4,264
Unstructured bonds	—	49,081	182	49,263
Total borrowings (outstanding principal balance $59,858) [d]	—	53,345	182	53,527
Derivative liabilities:				
Interest rate	—	1,971	—	1,971
Foreign exchange	—	108	—	108
Interest rate and currency	—	6,110	16	6,126
Equity and other	—	—	12	12
Credit and Other derivative contracts	—	23	—	23
Total derivative liabilities	—	8,212	28	8,240
Total liabilities at fair value	**$ —**	**$ 61,557**	**$ 210**	**$ 61,767**

a Time deposits with maturities greater than three months are carried at cost, which approximates fair value and are considered to be level 2.

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

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

d Includes discount notes (not under the short-term Discount Note Program), with original maturities greater than one year, with principal due at maturity of $4.7 billion, with a fair value of $1.5 billion as of December 31, 2024.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L8.1:

(US$ in millions)	June 30, 2024 Level 1	Level 2	Level 3	Total
Time Deposits with maturities greater than three months [a]	$ —	$ 751	$ —	$ 751
Trading securities:				
Asset-backed securities	—	5,058	—	5,058
Corporate debt securities [b]	—	2,429	—	2,429
Government obligations	16,784	4,284	—	21,068
Total trading securities	16,784	11,771	—	28,555
Loans	—	113	1,671	1,784
Loans measured at net asset value [c]	—	—	—	5
Total Loans (outstanding principal balance $1,851)	—	113	1,671	1,789
Equity investments:				
Banking and other financial institutions	603	16	1,875	2,494
Funds	—	12	210	222
Others	480	6	2,266	2,752
Equity investments measured at net asset value [c]	—	—	—	5,650
Total equity investments	1,083	34	4,351	11,118
Debt securities:				
Corporate debt securities	—	2,437	7,170	9,607
Preferred shares	—	—	238	238
Asset-backed securities	—	—	802	802
Debt securities measured at net asset value [c]				542
Total debt securities	—	2,437	8,210	11,189
Derivative assets:				
Interest rate	—	656	—	656
Foreign exchange	—	244	—	244
Interest rate and currency	—	1,787	120	1,907
Equity and other	—	—	96	96
Credit and Other derivative contracts	—	51		51
Total derivative assets	—	2,738	216	2,954
Total assets at fair value	**$ 17,867**	**$ 17,844**	**$ 14,448**	**$ 56,356**
Borrowings:				
Structured bonds	$ —	$ 4,309	$ —	$ 4,309
Unstructured bonds	—	48,827	83	48,910
Total borrowings (outstanding principal balance $60,365) [d]	—	53,136	83	53,219
Derivative liabilities:				
Interest rate	—	2,067	—	2,067
Foreign exchange	—	67	—	67
Interest rate and currency	—	5,194	7	5,201
Equity and other	—	—	10	10
Credit and Other derivative contracts	—	11	—	11
Total derivative liabilities	—	7,339	17	7,356
Total liabilities at fair value	**$ —**	**$ 60,475**	**$ 100**	**$ 60,575**

a Time deposits with maturities greater than three months are carried at cost, which approximates fair value and are considered to be level 2.

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

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

d Includes discount notes (not under the short-term Discount Note Program), with original maturities greater than one year, with principal due at maturity of $5.6 billion, with a fair value of $1.7 billion as of June 30, 2024.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

The following tables present the changes in the carrying value of IFC's Level 3 financial assets and financial liabilities for the three and six months ended December 31, 2024 and December 31, 2023.

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

	For the three months ended December 31, 2024								
		Net gains (losses) (realized and unrealized) included in							
(US$ in millions)	Balance as of October 1, 2024	Net Income	Other Comprehensive Income	Purchases, issuances, sales, settlements and others	Transfers into Level 3 [a]	Transfers out of Level 3 [b]	Balance as of December 31, 2024	Net unrealized gains (losses) included in net income (loss) related to assets / liabilities held at period end	Net unrealized gains (losses) included in OCI related to assets / liabilities held at period end
Trading securities:									
Asset-backed securities	$ 25	$ —	$ —	$ —	$ —	$ (25)	$ —	$ —	$ —
Government and agency obligations	133	—	—	—	—	(133)	—	—	—
Total trading securities	158	—	—	—	—	(158)	—	—	—
Loans	$ 1,739	$ (6)	$ —	$ 54	$ —	$ —	$ 1,787	$ (6)	
Equity investments:									
Banking and other financial institutions	1,912	(34)	—	(54)	—	—	1,824	(85)	—
Funds	146	(2)	—	45	—	—	189	(3)	—
Others	2,345	(81)	—	(135)	21	(3)	2,147	(139)	—
Total equity investments	4,403	(117)	—	(144)	21	(3)	4,160	(227)	—
Debt securities:									
Corporate debt securities	7,449	(256)	14	673	287	(459)	7,708	(202)	(24)
Preferred shares	247	(4)	(1)	—	—	—	242	(4)	(1)
Asset-backed securities	691	(28)	1	(56)	6	—	614	(17)	(1)
Total debt securities	8,387	(288)	14	617	293	(459)	8,564	(223)	(26)
Derivative assets:									
Interest rate and currency	107	1	—	21	—	—	129	31	—
Interest rate	—	1	—	—	—	—	1	1	—
Equity and other	109	11	—	(10)	—	—	110	9	—
Total derivative assets	216	13	—	11	—	—	240	41	—
Total assets at fair value	**$ 14,903**	**$ (398)**	**$ 14**	**$ 538**	**$ 314**	**$ (620)**	**$ 14,751**	**$ (415)**	**$ (26)**
Borrowings:									
Unstructured bonds	$ (168)	$ 1	$ —	$ (30)	$ —	$ 15	$ (182)	$ 1	$ —
Total borrowings	(168)	1	—	(30)	—	15	(182)	1	—
Derivative liabilities:									
Interest rate and currency	(19)	(4)	—	5	—	2	(16)	(9)	—
Equity and other	(11)	(11)	—	10	—	—	(12)	(1)	—
Total derivative liabilities	(30)	(15)	—	15	—	2	(28)	(10)	—
Total liabilities at fair value	**$ (198)**	**$ (14)**	**$ —**	**$ (15)**	**$ —**	**$ 17**	**$ (210)**	**$ (9)**	**$ —**

a Transfers into Level 3 are due to lack of observable market data resulting from a decrease in market activity for these securities as of December 31, 2024.

b Transfers out of Level 3 are due to availability of observable market data resulting from an increase in market activity for these securities that were part of October 1, 2024 beginning balance as of December 31, 2024.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L9.1:

	For the six months ended December 31, 2024								
		Net gains (losses) (realized and unrealized) included in							
(US$ in millions)	Balance as of July 1, 2024	Net Income	Other Comprehensive Income	Purchases, issuances, sales, settlements and others	Transfers into Level 3 [a]	Transfers out of Level 3 [b]	Balance as of December 31, 2024	Net unrealized gains (losses) included in net income (loss) related to assets / liabilities held at period end	Net unrealized gains (losses) included in OCI related to assets / liabilities held at period end
Trading securities:									
Asset-backed securities	$ —	$ —	$ —	$ 25	$ —	$ (25)	$ —	$ —	$ —
Government and agency obligations	—	1	—	132	—	(133)	—	—	—
Total trading securities	—	1	—	157	—	(158)	—	—	—
Loans	1,671	20		96			1,787	20	—
Equity investments:									
Banking and other financial institutions	1,875	4	—	(15)	—	(40)	1,824	(54)	—
Funds	210	(4)	—	(17)	—	—	189	(5)	—
Others	2,266	(76)	—	(61)	21	(3)	2,147	(156)	—
Total equity investments	4,351	(76)	—	(93)	21	(43)	4,160	(215)	—
Debt securities:									
Corporate debt securities	7,170	(108)	30	1,157	455	(996)	7,708	(53)	(6)
Preferred shares	238	1	—	3	—	—	242	1	—
Asset-backed securities	802	(26)	—	(63)	6	(105)	614	(16)	(1)
Total debt securities	8,210	(133)	30	1,097	461	(1,101)	8,564	(68)	(7)
Derivative assets:									
Interest rate and currency	120	(9)	—	20	—	(2)	129	15	—
Interest rate	—	1	—	—	—	—	1	1	—
Equity and other	96	23	—	(9)	—	—	110	29	—
Total derivative assets	216	15	—	11	—	(2)	240	45	—
Total assets at fair value	**$ 14,448**	**$ (173)**	**$ 30**	**$ 1,268**	**$ 482**	**$(1,304)**	**$14,751**	**$ (218)**	**$ (7)**
Borrowings:									
Unstructured bonds	$ (83)	$ 4	$ 1	$ (119)	$ —	$ 15	$ (182)	$ 4	$ 1
Total borrowings	(83)	4	1	(119)	—	15	(182)	4	1
Derivative liabilities:									
Interest rate and currency	(7)	(5)	—	(6)	—	2	(16)	(12)	—
Equity and other	(10)	(12)	—	10	—	—	(12)	(12)	—
Total derivative liabilities	(17)	(17)	—	4	—	2	(28)	(24)	—
Total liabilities at fair value	**$ (100)**	**$ (13)**	**$ 1**	**$ (115)**	**$ —**	**$ 17**	**$ (210)**	**$ (20)**	**$ 1**

a Transfers into Level 3 are due to lack of observable market data resulting from a decrease in market activity for these securities as of December 31, 2024.

b Transfers out of Level 3 are due to availability of observable market data resulting from an increase in market activity for these securities that were part of July 1, 2024 beginning balance as of December 31, 2024.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L9.2:

(US$ in millions)	For the three months ended December 31, 2023								
	Balance as of October 1, 2023	Net gains (losses) (realized and unrealized) included in Net Income	Net gains (losses) (realized and unrealized) included in Other Comprehensive Income	Purchases, issuances, sales, settlements and others	Transfers into Level 3 [a]	Transfers out of Level 3 [b]	Balance as of December 31, 2023	Net unrealized gains (losses) included in net income (loss) related to assets / liabilities held at period end	Net unrealized gains (losses) included in OCI related to assets / liabilities held at period end
Loans	$ 1,531	$ 45	$ —	$ (7)	$ —	$ —	$ 1,569	$ 33	$ —
Equity investments:									
Banking and other financial institutions	1,698	(11)	—	37	12	—	1,736	(20)	—
Funds	173	—	—	170	—	—	343	—	—
Others	2,309	16	—	(51)	4	—	2,278	(44)	—
Total equity investments	4,180	5	—	156	16	—	4,357	(64)	—
Debt securities:									
Corporate debt securities	6,641	90	37	429	442	(280)	7,359	126	13
Preferred shares	219	25	(8)	8	—	—	244	14	(8)
Asset-backed securities	756	(58)	62	(15)	—	—	745	4	—
Total debt securities	7,616	57	91	422	442	(280)	8,348	144	5
Derivative assets:									
Interest rate and currency	90	10	—	13	—	(7)	106	25	—
Equity and other	117	(27)	—	—	—	—	90	(1)	—
Total derivative assets	207	(17)	—	13	—	(7)	196	24	—
Total assets at fair value	**$ 13,534**	**$ 90**	**$ 91**	**$ 584**	**$ 458**	**$ (287)**	**$ 14,470**	**$ 137**	**$ 5**
Borrowings:									
Unstructured bonds	$ (197)	$ 2	$ —	$ —	$ —	$ 57	$ (138)	$ 2	$ —
Total borrowings	(197)	2	—	—	—	57	(138)	2	—
Derivative liabilities:									
Interest rate and currency	(18)	(1)	—	(3)	—	7	(15)	(6)	—
Equity and other	(12)	—	—	1	—	—	(11)	1	—
Total derivative liabilities	(30)	(1)	—	(2)	—	7	(26)	(5)	—
Total liabilities at fair value	**$ (227)**	**$ 1**	**$ —**	**$ (2)**	**$ —**	**$ 64**	**$ (164)**	**$ (3)**	**$ —**

a Transfers into Level 3 are due to lack of observable market data resulting from a decrease in market activity for these securities as of December 31, 2023.

b Transfers out of Level 3 are due to availability of observable market data resulting from an increase in market activity for these securities that were part of October 1, 2023 beginning balance as of December 31, 2023.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L9.3:

	For the six months ended December 31, 2023								
		Net gains (losses) (realized and unrealized) included in							
(US$ in millions)	Balance July 1, 2023	Net Income	Other Comprehensive Income	Purchases, issuances, sales, settlements and others	Transfers into Level 3 [a]	Transfers out of Level 3 [b]	Balance December 31, 2023	Net unrealized gains (losses) included in net income (loss) related to assets / liabilities held at period end	Net unrealized gains (losses) included in OCI related to assets / liabilities held at period end
Loans	$ 1,488	$ 62	$ —	$ 19	$ —	$ —	$ 1,569	$ 48	$ —
Equity investments:									
Banking and other financial institutions	1,707	(8)	—	25	12	—	1,736	(28)	—
Funds	159	1	—	183	—	—	343	—	—
Others	2,335	(26)	—	(6)	4	(29)	2,278	(96)	—
Total equity investments	4,201	(33)	—	202	16	(29)	4,357	(124)	—
Debt securities:									
Corporate debt securities	5,911	44	42	1,078	564	(280)	7,359	95	17
Preferred shares	208	27	(8)	17	—	—	244	16	(7)
Asset-backed securities	723	(72)	59	35	—	—	745	(10)	(2)
Total debt securities	6,842	(1)	93	1,130	564	(280)	8,348	101	8
Derivative assets:									
Interest rate and currency	74	24	—	17	—	(9)	106	42	—
Equity and other	124	(25)	—	(9)	—	—	90	(5)	—
Total derivative assets	198	(1)	—	8	—	(9)	196	37	—
Total assets at fair value	**$ 12,729**	**$ 27**	**$ 93**	**$ 1,359**	**$ 580**	**$ (318)**	**$ 14,470**	**$ 62**	**$ 8**
Borrowings:									
Unstructured bonds	$ (228)	$ 7	$ —	$ (29)	$ —	$ 112	$ (138)	$ 7	$ —
Total borrowings	(228)	7	—	(29)	—	112	(138)	7	—
Derivative liabilities:									
Interest rate and currency	(10)	(6)	—	(6)	—	7	(15)	(12)	—
Equity and other	(10)	(2)	—	1	—	—	(11)	(2)	—
Total derivative liabilities	(20)	(8)	—	(5)	—	7	(26)	(14)	—
Total liabilities at fair value	**$ (248)**	**$ (1)**	**$ —**	**$ (34)**	**$ —**	**$ 119**	**$ (164)**	**$ (7)**	**$ —**

a Transfers into Level 3 are due to lack of observable market data resulting from a decrease in market activity for these securities as of December 31, 2023.

b Transfers out of Level 3 are due to availability of observable market data resulting from an increase in market activity for these securities that were part of July 1, 2023 beginning balance as of December 31, 2023.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

The following tables present gross purchases, sales, issuances and settlements related to the changes in the carrying value of IFC's Level 3 financial assets and financial liabilities for the three and six months ended December 31, 2024 and December 31, 2023.

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

	For the three months ended December 31, 2024				
(US$ in millions)	Purchases	Sales	Issuances	Settlements and others	Net
Loans	$ —	$ (20)	$ 145	$ (71)	$ 54
Equity investments:					
Banking and other financial institutions	104	(155)	—	(3)	(54)
Funds	68	(1)	—	(22)	45
Others	83	(140)	—	(78)	(135)
Total equity investments	255	(296)	—	(103)	(144)
Debt securities:					
Corporate debt securities	1,169	(19)	—	(477)	673
Asset-backed securities	1	—	—	(57)	(56)
Total debt securities	1,170	(19)	—	(534)	617
Derivative assets:					
Interest rate and currency	—	—	8	13	21
Equity and other	—	—	—	(10)	(10)
Total derivative assets	—	—	8	3	11
Total assets at fair value	**$ 1,425**	**$ (335)**	**$ 153**	**$ (705)**	**$ 538**
Borrowings:					
Unstructured Bonds	$ —	$ —	$ (30)	$ —	$ (30)
Total Borrowings	—	—	(30)	—	(30)
Derivative liabilities:					
Interest rate and currency	—	—	(8)	13	5
Equity and other	—	—	—	10	10
Total derivative liabilities	—	—	(8)	23	15
Total liabilities at fair value	**$ —**	**$ —**	**$ (38)**	**$ 23**	**$ (15)**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L10.1:

	For the six months ended December 31, 2024				
(US$ in millions)	Purchases	Sales	Issuances	Settlements and others	Net
Trading securities:					
Asset-backed securities	$ 25	$ —	$ —	$ —	$ 25
Government and agency obligations	132	—	—	—	132
Total trading securities	157	—	—	—	157
Loans	—	(20)	173	(57)	96
Equity investments:					
Banking and other financial institutions	194	(207)	—	(2)	(15)
Funds	84	(1)	—	(100)	(17)
Others	184	(156)	—	(89)	(61)
Total equity investments	462	(364)	—	(191)	(93)
Debt securities:					
Corporate debt securities	1,829	(19)	—	(653)	1,157
Preferred shares	3	—	—	—	3
Asset-backed securities	61	—	—	(124)	(63)
Total debt securities	1,893	(19)	—	(777)	1,097
Derivative assets:					
Interest rate and currency	—	—	15	5	20
Equity and other	—	—	—	(9)	(9)
Total derivative assets	—	—	15	(4)	11
Total assets at fair value	**$ 2,512**	**$ (403)**	**$ 188**	**$ (1,029)**	**$ 1,268**
Borrowings:					
Unstructured Bonds	$ —	$ —	$ (119)	$ —	$ (119)
Total Borrowings	—	—	(119)	—	(119)
Derivative liabilities:					
Interest rate and currency	—	—	(11)	5	(6)
Equity and other	—	—	—	10	10
Total derivative liabilities	—	—	(11)	15	4
Total liabilities at fair value	**$ —**	**$ —**	**$ (130)**	**$ 15**	**$ (115)**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L10.2:

	For the three months ended December 31, 2023				
(US$ in millions)	Purchases	Sales	Issuances	Settlements and others	Net
Loans	$ —	$ —	$ 165	$ (172)	$ (7)
Equity investments:					
Banking and other financial institutions	40	(2)	—	(1)	37
Funds	57	—	—	113	170
Others	95	(151)	—	5	(51)
Total equity investments	192	(153)	—	117	156
Debt securities:					
Corporate debt securities	658	—	—	(229)	429
Preferred shares	11	—	—	(3)	8
Asset-backed securities	50	—	—	(65)	(15)
Total debt securities	719	—	—	(297)	422
Derivative assets:					
Interest rate and currency	—	—	14	(1)	13
Total derivative assets	—	—	14	(1)	13
Total assets at fair value	**$ 911**	**$ (153)**	**$ 179**	**$ (353)**	**$ 584**
Derivative liabilities:					
Interest rate and currency	$ —	$ —	$ (2)	$ (1)	$ (3)
Equity and other	—	—	—	1	1
Total derivative liabilities	—	—	(2)	—	(2)
Total liabilities at fair value	**$ —**	**$ —**	**$ (2)**	**$ —**	**$ (2)**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE L – FAIR VALUE MEASUREMENTS (continued)

Table L10.3:

(US$ in millions)	For the six months ended December 31, 2023 Purchases	Sales	Issuances	Settlements and others	Net
Loans	$ —	$ —	$ 177	$ (158)	$ 19
Equity investments:					
Banking and other financial institutions	47	(21)	—	(1)	25
Funds	102	—	—	81	183
Others	285	(299)	—	8	(6)
Total equity investments	434	(320)	—	88	202
Debt securities:					
Corporate debt securities	1,422	—	—	(344)	1,078
Preferred shares	23	(1)	—	(5)	17
Asset-backed securities	148	—	—	(113)	35
Total debt securities	1,593	(1)	—	(462)	1,130
Derivative assets:					
Interest rate and currency	—	—	20	(3)	17
Equity and other	—	—	—	(9)	(9)
Total derivative assets	—	—	20	(12)	8
Total assets at fair value	**$ 2,027**	**$ (321)**	**$ 197**	**$ (544)**	**$ 1,359**
Borrowings:					
Unstructured Bonds	$ —	$ —	$ (29)	$ —	$ (29)
Total Borrowings	—	—	(29)	—	(29)
Derivative liabilities:					
Interest rate and currency	—	—	(3)	(3)	(6)
Equity and other	—	—	—	1	1
Total derivative liabilities	—	—	(3)	(2)	(5)
Total liabilities at fair value	**$ —**	**$ —**	**$ (32)**	**$ (2)**	**$ (34)**

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

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

Instruments	**Line item on the condensed consolidated statements of operations**
Trading securities	Income from liquid asset trading activities
Loans	Income from Loans and guarantees including realized gains and losses on loans and associated derivatives
Equity investments	Income from equity investments and associated derivatives
Debt securities	Income from debt securities and realized gains and losses on debt securities and associated derivatives
Non-trading financial instruments	Net unrealized gains and losses on non-trading financial instruments accounted for at fair value.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE M – SEGMENT REPORTING

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

The performance of investment services, treasury services and upstream and advisory services is assessed by senior management on the basis of net income for each segment, return on assets, and return on capital employed. Upstream and advisory services are primarily assessed based on the level and adequacy of its funding sources (See Note O). IFC's management reporting system and policies are used to determine revenues and expenses attributable to each segment. Consistent with internal reporting, administrative expenses are allocated to each segment based largely upon personnel costs and segment headcounts. Transactions between segments are immaterial and, thus, are not a factor in reconciling to the consolidated data.

The assets of the investment, treasury, and upstream and advisory services segments are detailed in Notes D, C, and O, respectively. An analysis of IFC's major components of income and expense by business segment for the three and six months ended December 31, 2024 and December 31, 2023, is provided below:

Table M1: Income and expense by business segment

	For the three months ended December 31, 2024			
(US$ in millions)	Investment services	Treasury services	Upstream and Advisory services	Total
Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	$ 858	$ —	$ —	$ 858
Provision for losses on loans, off-balance sheet credit exposures and other receivables	(70)	—	—	(70)
Loss from equity investments and associated derivatives	(63)	—	—	(63)
Income from debt securities, including realized gains and losses on debt securities and associated derivatives	199	—	—	199
Release of provision for losses on available-for-sale debt securities	1	—	—	1
Income from liquid asset trading activities	—	311	—	311
Charges on borrowings	(577)	(300)	—	(877)
Upstream and Advisory services income	—	—	68	68
Service fees and other income	19	—	—	19
Administrative expenses	(337)	(13)	(43)	(393)
Upstream and Advisory services expenses	—	—	(92)	(92)
Other, net	7	1	2	10
Foreign currency transaction losses on non-trading activities	(41)	—	—	(41)
Loss before net unrealized gains and losses on non-trading financial instruments accounted for at fair value	**(4)**	**(1)**	**(65)**	**(70)**
Net unrealized gains on non-trading financial instruments accounted for at fair value	38	278	—	316
Net income (loss)	**$ 34**	**$ 277**	**$ (65)**	**$ 246**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE M – SEGMENT REPORTING (continued)

Table M1.1 :

	For the six months ended December 31, 2024			
(US$ in millions)	Investment services	Treasury services	Upstream and Advisory services	Total
Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	$ 1,720	$ —	$ —	$ 1,720
Provision for losses on loans, off-balance sheet credit exposures and other receivables	(73)	—	—	(73)
Income from equity investments and associated derivatives	135	—	—	135
Income from debt securities, including realized gains and losses on debt securities and associated derivatives	415	—	—	415
Release of provision for losses on available-for-sale debt securities	3	—	—	3
Income from liquid asset trading activities	—	1,143	—	1,143
Charges on borrowings	(1,195)	(643)	—	(1,838)
Upstream and Advisory services income	—	—	122	122
Service fees and other income	118	—	—	118
Administrative expenses	(643)	(24)	(85)	(752)
Upstream and Advisory services expenses	—	—	(157)	(157)
Other, net	9	1	3	13
Foreign currency transaction losses on non-trading activities	(21)	—	—	(21)
Income (loss) before net unrealized gains and losses on non-trading financial instruments accounted for at fair value	**468**	**477**	**(117)**	**828**
Net unrealized (losses) gains on non-trading financial instruments accounted for at fair value	(121)	421	—	300
Net income (loss)	**$ 347**	**$ 898**	**$ (117)**	**$ 1,128**

Table M1.2 :

	For the three months ended December 31, 2023			
(US$ in millions)	Investment services	Treasury services	Upstream and Advisory services	Total
Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	$ 781	$ —	$ —	$ 781
Provision for losses on loans, off-balance sheet credit exposures and other receivables	(6)	—	—	(6)
Income from equity investments and associated derivatives	32	—	—	32
Income from debt securities, including realized gains and losses on debt securities and associated derivatives	195	—	—	195
Release of provision for losses on available-for-sale debt securities	5	—	—	5
Income from liquid asset trading activities	—	886	—	886
Charges on borrowings	(570)	(427)	—	(997)
Upstream and Advisory services income	—	—	73	73
Service fees and other income	98	—	—	98
Administrative expenses	(310)	(11)	(39)	(360)
Upstream and Advisory services expenses	—	—	(87)	(87)
Other, net	7	—	2	9
Foreign currency transaction losses on non-trading activities	(101)	—	—	(101)
Income (loss) before net unrealized gains and losses on non-trading financial instruments accounted for at fair value	**131**	**448**	**(51)**	**528**
Net unrealized losses on non-trading financial instruments accounted for at fair value	(175)	(44)	—	(219)
Net (loss) income	**$ (44)**	**$ 404**	**$ (51)**	**$ 309**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE M – SEGMENT REPORTING (continued)

Table M1.3 :

(US$ in millions)	For the six months ended December 31, 2023			
	Investment services	Treasury services	Upstream and Advisory services	Total
Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	$ 1,525	$ —	$ —	$ 1,525
Provision for losses on loans, off-balance sheet credit exposures and other receivables	(30)	—	—	(30)
Income from equity investments and associated derivatives	42	—	—	42
Income from debt securities, including realized gains and losses on debt securities and associated derivatives	395	—	—	395
Release of provision for losses on available-for-sale debt securities	3	—	—	3
Income from liquid asset trading activities	—	1,483	—	1,483
Charges on borrowings	(1,097)	(854)	—	(1,951)
Upstream and Advisory services income	—	—	118	118
Service fees and other income	146	—	—	146
Administrative expenses	(597)	(25)	(78)	(700)
Upstream and Advisory services expenses	—	—	(139)	(139)
Other, net	9	1	4	14
Foreign currency transaction losses on non-trading activities	(110)	—	—	(110)
Income (loss) before net unrealized gains and losses on non-trading financial instruments accounted for at fair value	**286**	**605**	**(95)**	**796**
Net unrealized gains (losses) on non-trading financial instruments accounted for at fair value	29	(102)	—	(73)
Net income (loss)	**$ 315**	**$ 503**	**$ (95)**	**$ 723**

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NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE N – VARIABLE INTEREST ENTITIES

Significant variable interests

IFC has identified investments in 233 VIEs which are not consolidated by IFC but in which it is deemed to hold significant variable interests as of December 31, 2024 (234 investments as of June 30, 2024).

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

IFC's maximum exposure to loss as a result of its investments in these VIEs was $6.8 billion as of December 31, 2024 ($6.5 billion as of June 30, 2024). IFC's maximum exposure to loss is based on the unlikely event that all of the assets in the VIEs become worthless and incorporates not only potential losses associated with assets recorded on IFC's condensed consolidated balance sheets (maximum funded exposure) but also potential losses associated with undisbursed commitments (maximum unfunded exposure). The maximum funded exposure represents the balance sheets carrying value of IFC's investment in the VIE and reflects the initial amount of cash invested in the VIE, adjusted for principal payments received, increases or declines in fair value and any impairment in value recognized in earnings. The maximum exposure of unfunded positions represents the remaining committed but undisbursed amount.

The carrying values and the maximum exposure of IFC's investment in these VIEs as of December 31, 2024 and June 30, 2024 are as follows:

Table N1: Carrying values and the maximum exposure of investment

Nonconsolidated VIEs	December 31, 2024		June 30, 2024	
(US$ in millions)	Carrying Value	Maximum Exposure	Carrying Value	Maximum Exposure
Assets:				
Investments				
Loans [a]	$ 1,044	$ 1,137	$ 1,136	$ 1,271
Equity Investments	2,666	3,809	2,402	3,514
Debt Securities	1,671	1,856	1,682	1,731
Derivative Assets [b]	1	1	—	—
Liabilities				
Derivative Liabilities [b]	$ (66)	$ (66)	$ (62)	$ (62)
Other Off-Balance Sheet Arrangements				
Guarantees	Not Applicable	$ 79	Not Applicable	$ 39

a The presented carrying value of the loans does not include the associated loan loss reserve of $51 million and $58 million as of December 31, 2024 and June 30, 2024, respectively.

b Represents Client Risk Management arrangements.

IFC transacted with a VIE, of which IFC is the primary beneficiary, to construct an office building at 2100 K Street on land owned by IFC adjacent to its current office premise. IFC commenced occupying the building in March 2019. The building and land, totaling $106 million are included in "Receivables and other assets" on IFC's condensed consolidated balance sheets.

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE O – UPSTREAM AND ADVISORY

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

As of December 31, 2024, undisbursed donor funds of $569 million ($575 million as of June 30, 2024) were included in other assets. As the undisbursed donor funds are refundable, a corresponding liability is recorded in other liabilities. IFC's advisory services funding of $323 million ($360 million as of June 30, 2024) was included in other assets.

Upstream and advisory services income for the three and six months ended December 31, 2024 was $68 million and $122 million, respectively ($73 million and $118 million for the three and six months ended December 31, 2023). Upstream and advisory services expenses for the three and six months ended December 31, 2024 amounted to $92 million and $157 million, respectively, ($87 million and $139 million for the three and six months ended December 31, 2023), including $59 million and $109 million, respectively, for the three and six months ended December 31, 2024 sourced from government and other development partners ($68 million and $110 million for the three and six months ended December 31, 2023). The funds received from government and other development partners were also recognized as advisory services income in IFC's condensed consolidated statements of operations.

NOTE P – PENSION AND OTHER POSTRETIREMENT BENEFITS

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

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

The following table summarizes the benefit costs associated with the SRP, RSBP, and PEBP allocated to IFC for the three and six months ended December 31, 2024 and December 31, 2023. For the three and six months ended December 31, 2024 and December 31, 2023, the service costs of $52 million and $104 million, ($51 million and $102 million) are included in "Administrative expenses", respectively. The components of net periodic pension cost, other than the service cost component, are included in "Other, net" in the condensed consolidated statement of operations.

Table P1: Net periodic pension Cost - SRP, RSBP & PEBP

	For the three months ended							
	December 31, 2024				December 31, 2023			
(US$ in millions)	SRP	RSBP	PEBP	Total	SRP	RSBP	PEBP	Total
Pension Plan Benefit costs								
Service cost	$ 36	$ 9	$ 7	$ 52	$ 35	$ 9	$ 7	$ 51
Other components								
Interest cost	72	11	10	93	63	9	9	81
Expected return on plan assets	(79)	(17)	—	(96)	(72)	(15)	—	(87)
Amortization of unrecognized net actuarial gains	—	(3)	—	(3)	—	(3)	—	(3)
Sub total	(7)	(9)	10	(6)	(9)	(9)	9	(9)
Net periodic pension cost	**$ 29**	**$ —**	**$ 17**	**$ 46**	**$ 26**	**$ —**	**$ 16**	**$ 42**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE P – PENSION AND OTHER POSTRETIREMENT BENEFITS (continued)

Table P1.1:

	For the six months ended							
	December 31, 2024				December 31, 2023			
(US$ in millions)	SRP	RSBP	PEBP	Total	SRP	RSBP	PEBP	Total
Pension Plan Benefit costs								
Service cost	$ 73	$ 17	$ 14	$ 104	$ 70	$ 17	$ 15	$ 102
Other components								
Interest cost	145	21	19	185	127	18	17	162
Expected return on plan assets	(159)	(32)	—	(191)	(145)	(29)	—	(174)
Amortization of unrecognized prior service cost	—	—	1	1	—	—	1	1
Amortization of unrecognized net actuarial gains	—	(7)	—	(7)	—	(7)	—	(7)
Sub total	(14)	(18)	20	(12)	(18)	(18)	18	(18)
Net periodic pension cost	**$ 59**	**$ (1)**	**$ 34**	**$ 92**	**$ 52**	**$ (1)**	**$ 33**	**$ 84**

NOTE Q – OFFSETTING OF DERIVATIVES, RESALE, REPURCHASE AND SECURITIES LENDING AGREEMENTS AND COLLATERAL

IFC does not present derivative assets and liabilities or amounts due or owed under resale, repurchase and securities lending transactions related to contracts entered into with the same counterparty under a legally enforceable netting agreement on a net basis on its condensed consolidated balance sheets. The following table provides the gross and net positions of IFC's derivative contracts, resale, repurchase and securities lending agreements considering amounts and collateral held or pledged in accordance with enforceable counterparty credit support and netting agreements described below. The gross and net positions include derivative assets of $186 million and derivative liabilities of $479 million as of December 31, 2024, related to derivative contracts that are not subject to counterparty credit support or netting agreements. Collateral amounts are included only to the extent of the related net derivative fair values or net resale, repurchase and securities lending agreements amounts.

Table Q1: Gross [a] and net positions of derivative contracts

	December 31, 2024			
		Gross amounts not offset in the condensed consolidated balance sheets		
(US$ in millions)	Gross amount presented in the condensed consolidated balance sheets	Financial instruments	Collateral received/ pledged	Net amount
Derivative assets	$ 5,079 [a]	$ 2,537	$ 997 [b]	$ 1,545
Total assets	**$ 5,079**	**$ 2,537**	**$ 997**	**$ 1,545**
Derivative liabilities	$ 9,466 [a]	$ 2,537	$ 5,040	$ 1,889
Repurchase and securities lending agreements	2,973	2,968	—	5
Total liabilities	**$ 12,439**	**$ 5,505**	**$ 5,040**	**$ 1,894**

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE Q – OFFSETTING OF DERIVATIVES, RESALE, REPURCHASE AND SECURITIES LENDING AGREEMENTS AND COLLATERAL (continued)

Table Q1.1:

	June 30, 2024			
		Gross amounts not offset in the condensed consolidated balance sheets		
(US$ in millions)	Gross amount presented in the condensed consolidated balance sheets	Financial instruments	Collateral received/ pledged	Net amount
Derivative assets	$ 4,351 [a]	$ 2,439	$ 468 [b]	$ 1,444
Total assets	**$ 4,351**	**$ 2,439**	**$ 468**	**$ 1,444**
Derivative liabilities	$ 8,612 [a]	$ 2,439	$ 4,521	$ 1,652
Repurchase and securities lending agreements	1,051	1,050	—	1
Total liabilities	**$ 9,663**	**$ 3,489**	**$ 4,521**	**$ 1,653**

a Gross amount presented in the condensed consolidated balance sheets includes accrued income and expenses.

b Includes cash collateral only as of December 31, 2024 and June 30, 2024 respectively.

IFC'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.

IFC's ISDA Agreements are appended by a Credit Support Annex (CSA) that provides for the receipt, and in some cases, posting, of collateral in the form of cash, U.S. Treasury securities or U.K. gilts to reduce mark-to-market exposure among derivative market counterparties. IFC recognizes cash collateral received and a corresponding liability on its balance sheets for the obligation to return it. Securities received as collateral are not recognized on IFC's balance sheets. Since October 2023, IFC started posting securities as collateral. IFC recognizes a receivable on its balance sheets for its rights to cash collateral posted. In accordance with the CSAs, IFC may rehypothecate securities received as collateral, subject to the obligation to return such collateral and any related distributions received. In the event of a counterparty default, IFC may exercise certain rights and remedies, including the right to set off any amounts payable by the counterparty against any collateral held by IFC and the right to liquidate any collateral held. As of December 31, 2024 and June 30, 2024, no collateral was rehypothecated under securities lending agreements. The table below summarizes IFC's collateral pledged and received under CSAs as of December 31, 2024, and June 30, 2024:

Table Q2: Collateral pledged and received under CSA

(US$ in millions)	December 31, 2024	June 30, 2024
Cash collateral received	$ 1,009	$ 498
Securities collateral received (fair value)	—	—
Cash collateral pledged	1,491	1,220
Trading securities pledged (fair value)	3,653	3,378

Under certain CSA's IFC is not required to pledge collateral unless its credit rating is downgraded from its current AAA/Aaa. The aggregate fair value of derivatives containing such a credit risk-linked contingent feature in a net liability position was $276 million as of December 31, 2024 ($91 million as of June 30, 2024). As of December 31, 2024, IFC had no collateral posted under these agreements. If IFC's credit rating were to be downgraded from its current AAA/Aaa to AA+/Aa1 or below, then collateral in the amount of $202 million would be required to be posted against net liability positions with counterparties as of December 31, 2024 ($63 million as of June 30, 2024).

IFC's resale, repurchase and securities lending transactions are entered into with counterparties under industry standard master netting agreements which generally provide the right to offset amounts owed one another with respect to multiple transactions under such master netting agreement and liquidate the purchased or borrowed securities in the event of counterparty default. IFC had no securities held as collateral under these master netting agreements as of December 31, 2024 and June 30, 2024.

The following table presents an analysis of IFC's repurchase agreements by (1) class of collateral pledged and (2) their remaining contractual maturity as of December 31, 2024 and June 30, 2024:

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

NOTE Q – OFFSETTING OF DERIVATIVES, RESALE, REPURCHASE AND SECURITIES LENDING AGREEMENTS AND COLLATERAL (continued)

Table Q3: Repurchase Agreements – Categorized by remaining contractual maturity

	Remaining Contractual Maturity of the Agreements – December 31, 2024				
(US$ in millions)	Overnight and Continuous	Up to 30 days	30-90 days	Greater than 90 days	Total
Repurchase agreements					
U.S. Treasury securities	$ —	$ 65	$ 2,232	$ 676	$ 2,973
Total Repurchase agreements	**$ —**	**$ 65**	**$ 2,232**	**$ 676**	**$ 2,973**
				Plus cash collateral payable	1,009
				less accrued interest on cash collateral and repos, net.	(28)
				Securities sold under repurchase agreements and payable for cash collateral received	**$ 3,954**

Table Q3.1:

	Remaining Contractual Maturity of the Agreements – June 30, 2024				
(US$ in millions)	Overnight and Continuous	Up to 30 days	30-90 days	Greater than 90 days	Total
Repurchase agreements					
U.S. Treasury securities	$ —	$ 191	$ 331	$ 529	$ 1,051
Total Repurchase agreements	**$ —**	**$ 191**	**$ 331**	**$ 529**	**$ 1,051**
				Plus cash collateral payable	498
				less accrued interest on cash collateral and repos, net.	(8)
				Securities sold under repurchase agreements and payable for cash collateral received	**$ 1,541**

As of both December 31, 2024 and June 30, 2024, IFC has no repurchase-to-maturity transactions nor securities lending transactions outstanding.

NOTE R – CONTINGENCIES

From time to time, IFC may be named as a defendant or co-defendant in legal actions on different grounds in various jurisdictions. The outcome of any existing legal action, in which IFC has been named as a defendant or co-defendant, as of and for the six months ended December 31, 2024, is not expected to have a material adverse effect on IFC's financial position, results of operations or cash flows.