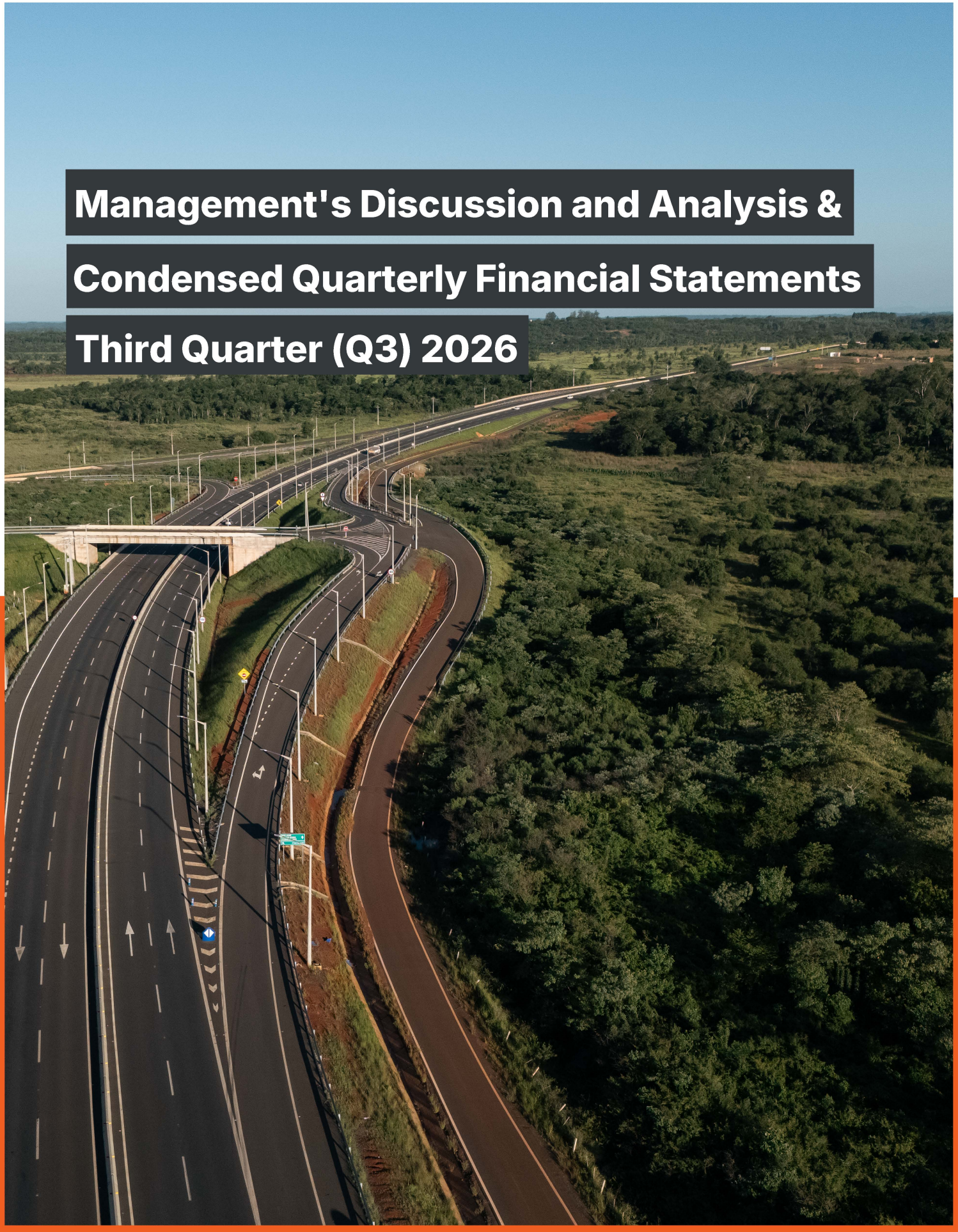
IDB | Invest

Management's Discussion and Analysis & Condensed Quarterly Financial Statements

Third Quarter (Q3) 2026





Management's Discussion and Analysis
and
Condensed Quarterly Financial Statements
September 30, 2026
(Unaudited)

September 30, 2026

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I. Management's Discussion & Analysis (MD&A)

Introduction

This Management's Discussion & Analysis (MD&A) describes the financial condition and results of operations of IDB Invest for the nine months ended September 30, 2026. The results of operations for the nine months of the current year are not necessarily indicative of the results that may be expected for the full year. This document should be read in conjunction with IDB Invest's 2025 Information Statement dated February 17, 2026 (FY25 Information Statement), which includes IDB Invest's MD&A and audited financial statements for the year ended December 31, 2025. This MD&A contains forward-looking information, which may be identified by such terms as "believes", "expects", and "intends", or words of similar meaning. Such statements involve a number of assumptions and estimates that are based on current expectations, which are subject to risks and uncertainties. Consequently, actual future results could differ materially from those currently anticipated. IDB Invest undertakes no obligation to update any forward-looking statements.

IDB Invest is an international organization established in 1986 pursuant to the Agreement Establishing the Inter-American Investment Corporation (the Establishing Agreement) and began operations in 1989. The headquarters of IDB Invest are located in Washington, D.C., and it has operations in Latin America and the Caribbean (the Region). It is a legally separate and distinct member of the Inter-American Development Bank Group (the IDB Group), which also includes the Inter-American Development Bank (the IDB) and the Multilateral Investment Fund (commercially known as IDB Lab). IDB Invest has a separate governance structure, including a separate Board of Governors, Board of Executive Directors[1], Management and staff. IDB Invest is owned by its member countries, which include 26 regional developing countries in Latin America and the Caribbean (the Regional Developing Member Countries) and 22 countries outside of Latin America and the Caribbean.

The purpose of IDB Invest is to promote the economic development of its Regional Developing Member Countries by encouraging the establishment, expansion, and modernization of private sector projects in the Region that do not benefit from a sovereign guarantee and that aim to bolster competitiveness, inclusive economic growth and sustainable practices.

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

In March 2024, IDB Invest’s Board of Governors approved the resolution for the implementation of a new business model (IDB Invest+ or originate-to-share), along with a capital increase of $3.5 billion through the Third General Capital Increase (GCI-III). In 2026, IDB Invest continues to focus on implementing IDB Invest+. Priorities for 2026 include initiatives to enhance agility and scalability, adopt a bolder risk approach across policies, procedures, and culture, enabling it to support higher-risk, higher-impact projects in new markets and sectors, strengthen synergies and complete implementation of the new operating model.

Financial Statement Reporting

IDB Invest’s financial statements are prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP). The preparation of such financial statements requires Management to make estimates and assumptions that affect the reported results. IDB Invest's accounting policies are discussed in more detail in the FY25 Information Statement in the MD&A—Critical Accounting Estimates section and in Note B—Summary of Significant Accounting Policies to IDB Invest's Audited Financial Statements as of and for the year ended December 31, 2025 and Condensed Quarterly Financial Statements as of and for the nine months ended September 30, 2026.

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

Financial Business Model

IDB Invest finances private sector investments, mobilizes capital in international financial markets and provides advisory services to support its Regional Developing Member Countries to achieve sustainable growth. IDB Invest's main financial products, also referred to as development-related investments, include loans, debt securities, equity investments and guarantees. IDB Invest also mobilizes additional funding from a range of market players through loan participations, co-financing arrangements and unfunded participations. IDB Invest raises funds primarily through the issuance of debt securities in the international capital markets. Equity investments are funded from capital. Proceeds of borrowings from market sources not immediately disbursed for development-related investments are managed through IDB Invest's liquid asset portfolio.

IDB Invest's financial instruments are primarily denominated in United States dollars (USD or $) or swapped into USD. IDB Invest enters into (i) cross currency and interest rate swaps to manage foreign exchange and interest rate mismatches arising from its development-related debt investments (loans and debt securities) and its borrowings liabilities, and (ii) credit derivatives to manage credit risk.

Under IDB Invest+, the organization is shifting from a traditional buy-and-hold business model to an originate-to-share model, which prioritizes mobilization and development impact in every investment decision. This model ensures that private investors are engaged from the very beginning and later through the transfer of assets initially held by IDB Invest. By doing so, the approach creates a virtuous cycle—freeing up and reallocating capital—which boosts private sector participation and enhances capital efficiency. IDB Invest+ aims to increase the innovation, impact, complexity and volume of IDB Invest's operations.

Selected Financial Data

The table below presents selected financial data for the nine months ended September 30, 2026 and 2025, as well as for the year ended December 31, 2025.

Table 1. Selected Financial Data (in USD thousands).

	Nine months ended September 30		Year ended December 31
Income Statement Data	**2026**	**2025**	**2025**
Development-related investments income	$ 624,089	$ 470,913	$ 666,210
(Provision)/release of provision for credit losses	27,530	(55,775)	(91,911)
Total other income	45,441	41,674	55,808
Borrowings expense	(327,577)	(250,417)	(343,848)
Total other expenses	(167,892)	(135,767)	(204,100)
Liquid assets portfolio income/(loss)	118,597	200,103	253,371
Non-trading portfolio gain/(loss)	(145,197)	(174,080)	(178,664)
Net income	174,991	96,651	156,866
Balance Sheet Data			
Total assets	$16,825,583	$14,093,197	$ 15,544,367
Liquid assets	4,992,883	3,895,834	4,862,711
Development-related investments	11,073,759	9,621,385	10,124,644
Allowance for credit losses	(252,621)	(243,183)	(262,606)
Total liabilities	12,417,746	10,251,451	11,485,870
Borrowings	11,210,659	9,346,867	10,513,649
Total capital	4,407,837	3,841,746	4,058,497
Ratios			
Return on average assets (ROA)	1.5 %	1.3 %	1.1 %
Return on average equity (ROE)	5.7 %	5.0 %	4.0 %
Debt to equity ratio	2.7	2.6	2.7
Charter leverage ratio	1.8	2.3	2.2
Total assets to equity	3.8	3.7	3.8
Liquidity to total assets	29.7 %	27.6 %	31.3 %
Allowance for credit losses to development-related debt investments	3.4 %	3.5 %	3.6 %

Definitions:

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

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

Debt to Equity (Financial leverage ratio): Borrowings plus guarantees issued divided by Total capital (Expressed in units).

Charter leverage ratio: Borrowings plus guarantees issued divided by the sum of subscribed capital, retained earnings, and accumulated other comprehensive income/(loss) (Expressed in units).

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

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

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

Performance Summary

Financial Performance

IDB Invest's financial performance remains strong and consistent with the growth of the institution and the portfolio impacted by fluctuations in market and macroeconomic conditions along with uncertainties surrounding the geopolitical landscape. For the nine months ended September 30, 2026, IDB Invest's net income was $175.0 million, $78.3 million higher, compared to net income of $96.7 million for the nine months ended September 30, 2025. The primary drivers for this increase were $153.2 million higher development-related investments income evidenced by portfolio growth and net equity investment gains and $83.3 million lower provision for credit losses mainly driven by enhancements to the credit loss estimation methodology considering a more refined set of risk indicators to assess expected credit losses. These increases were partially offset by $77.2 million higher borrowings expenses on a higher average outstanding borrowings portfolio to support a rise in private sector activities along with $32.1 million higher workforce expenses and other operating expenses in execution of the workforce growth plan when compared to the same period in 2025. Other contributing factors were temporary fluctuations in unrealized gains and losses on the trading and non-trading portfolios measured at fair value, generating a net change of $52.6 million. These temporary fluctuations were influenced by upward movements in discount rate curves at the end of September 30, 2026, in contrast to the downward trend observed at the end of September 30, 2025.

Development-Related Investments

IDB Invest's development-related investment portfolio is comprised of loans, guarantees, debt securities and equity investments and is diversified across countries and industries in the Region. As of September 30, 2026, gross development-related investments (excluding guarantees) totaled $11.1 billion, of which loans, debt securities and equity investments represented 74.3%, 21.6% and 4.1%, respectively. Refer to Tables 2 and 3 for details related to IDB Invest's development-related investments by sector, industry, and country.

Treasury Operations

IDB Invest’s liquid assets portfolio is comprised of cash and investment securities substantially invested in highly rated securities. This portfolio is managed in accordance with its Liquidity Policy, Strategic Asset Allocation Framework, and investment guidelines. Additional details are included in the Treasury Management and Risk Management sections. As of September 30, 2026, the fair value of IDB Invest's liquid assets portfolio totaled $5.0 billion and is in compliance with policy limits.

IDB Invest raises funds primarily through the issuance of debt securities in the international capital markets and diversifies its funding sources by borrowing in different currencies, maturities, formats and structures, while maintaining a borrowing facility with the IDB. As of September 30, 2026, IDB Invest's outstanding borrowings, including fair value adjustments, totaled $11.2 billion. IDB Invest also enters into interest rate and currency swaps to convert the proceeds of borrowing transactions mostly into USD floating rate obligations.

Total Capital

Following its tenth consecutive year of positive results in 2025, IDB Invest has achieved a decade of sustained and resilient financial performance, accumulating $1.2 billion in retained earnings since the Private Sector Reform. As of September 30, 2026, IDB Invest's total capital amounted to $4.4 billion. As part of its Financial Risk Framework approved by the Board of Executive Directors, IDB Invest maintains a Capital Adequacy Policy to estimate capital needs to fulfill its mandate and determine overall lending capacity.

Risk Management

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

International Credit Rating Agencies

As of September 30, 2026, IDB Invest's credit ratings are AAA/Aa1/AAA (Fitch/Moody's/S&P), all with stable outlooks.

Development Operations

Financial and Non-Financial Products

Through its development operations, IDB Invest provides financial and blended finance products in the form of loans, guarantees, debt securities and equity investments central to the originate-to-share model. To further amplify its impact, enabling mobilization at scale is a cornerstone of IDB Invest+. IDB Invest mobilizes financing from other investors through loan participations, loan syndications and other co-financing arrangements, unfunded participations, and guarantees of debt instruments. To complement and enhance the impact of its development operations, IDB Invest also provides non-financial products, including advisory services, capacity building and knowledge, along with leading environmental, social and corporate governance (ESG) and risk management solutions to its clients. The objective of IDB Invest's products remains to tackle poverty and vulnerability, while placing greater emphasis on additionality to attract private sector investment to the Region.

Development-Related Investments by Sector, Industry & Country

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

Table 2. Development-Related Investments at Cost by Sector and Industry (in USD millions).

	September 30, 2026				December 31, 2025			
	Loans	Debt securities	Equity investments	Total	Loans	Debt securities	Equity investments	Total
Sector and Industry								
Financial Institutions	$ 2,764	$ 1,351	$ 16	**$ 4,131**	$ 2,557	$ 1,322	$ 16	**$ 3,895**
Investment Funds	77	9	311	**397**	73	10	270	**353**
Financial Intermediaries	**2,841**	**1,360**	**327**	**4,528**	**2,630**	**1,332**	**286**	**4,248**
Energy	1,025	405	—	**1,430**	1,226	474	—	**1,700**
Transport	1,041	181	—	**1,222**	839	168	—	**1,007**
Water and Sanitation	914	201	—	**1,115**	562	—	—	**562**
Social Infrastructure	81	14	10	**105**	77	—	20	**97**
Infrastructure & Energy	**3,061**	**801**	**10**	**3,872**	**2,704**	**642**	**20**	**3,366**
Manufacturing	1,224	196	16	**1,436**	1,047	156	27	**1,230**
Digital Economy	470	115	112	**697**	522	53	110	**685**
Agribusiness	578	—	7	**585**	594	10	7	**611**
Tourism	76	—	—	**76**	103	—	—	**103**
Corporates	**2,348**	**311**	**135**	**2,794**	**2,266**	**219**	**144**	**2,629**
Total at cost	**$ 8,250**	**$ 2,472**	**$ 472**	**$11,194**	**$ 7,600**	**$ 2,193**	**$ 450**	**$ 10,243**

Table 3. Development-Related Investments at Cost by Country (in USD millions).

	September 30, 2026				December 31, 2025			
	Loans	Debt securities	Equity investments	Total	Loans	Debt securities	Equity investments	Total
Country								
Brazil	$ 1,956	$ 447	$ 73	**$ 2,476**	$ 1,337	$ 255	$ 72	**$ 1,664**
Colombia	945	598	39	**1,582**	885	496	29	**1,410**
Chile	514	394	—	**908**	627	462	—	**1,089**
Regional [1]	439	65	289	**793**	465	17	277	**759**
Peru	595	161	32	**788**	627	167	32	**827**
Mexico	574	112	39	**725**	650	75	29	**754**
Guatemala	359	221	—	**580**	278	231	—	**509**
Paraguay [2]	419	78	—	**497**	196	73	—	**269**
Argentina	453	—	—	**453**	335	—	—	**335**
Uruguay	285	27	—	**312**	284	27	11	**321**
El Salvador	273	34	—	**307**	331	27	—	**359**
Panama	221	75	—	**296**	229	75	—	**303**
Dominican Republic	279	12	—	**291**	470	11	—	**481**
Ecuador	157	109	—	**266**	201	141	—	**342**
Costa Rica	168	65	—	**233**	165	65	—	**230**
Trinidad and Tobago	134	74	—	**208**	87	71	—	**158**
Honduras	179	—	—	**179**	159	—	—	**159**
Guyana	81	—	—	**81**	52	—	—	**52**
Jamaica	78	—	—	**78**	72	—	—	**72**
Barbados	61	—	—	**61**	45	—	—	**45**
Suriname	27	—	—	**27**	28	—	—	**28**
Haiti	23	—	—	**23**	27	—	—	**27**
Belize	15	—	—	**15**	22	—	—	**22**
Nicaragua	13	—	—	**13**	21	—	—	**21**
Bolivia	2	—	—	**2**	6	—	—	**6**
Total at cost	**$ 8,250**	**$ 2,472**	**$ 472**	**$ 11,194**	**$ 7,600**	**$ 2,193**	**$ 450**	**$ 10,243**

[1] Represents investments with operations in multiple countries.
[2] As of September 30, 2026, Paraguay's equity investment was $248 thousand.

Operational Highlights

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

Commitments

A commitment to disburse funds generally occurs when the legal documentation has been signed by the client and IDB Invest and conditions for commitment, if any, have been met. The commitments in Table 4 reflect IDB Invest's ongoing role in promoting private sector investment activities and development in the Region for the nine months ended September 30, 2026.

Table 4. Commitments (in USD millions).

	Nine months ended September 30	
	2026	
Commitments		
Short-term [1]	$	2,447
Long-term		2,457
Total commitments [2]	**$**	**4,904**

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

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

Mobilization

For the nine months ended September 30, 2026, IDB Invest's mobilization levels reflected its originate-to-share business model, which seeks to attract new partners and investors.

Table 5. Mobilization (in USD millions).

	Nine months ended September 30	
	2026	
Short-term mobilization		
Loan participations	$	500
Co-financing arrangements		143
Unfunded participations		547
Total short-term mobilization		**1,190**
Long-term mobilization		
Loan participations		2,305
Co-financing arrangements		1,537
Unfunded participations		205
Total long-term mobilization		**4,047**
Total mobilization	**$**	**5,237**
Primary mobilization [1]	**$**	**4,376**

[1] Excludes $752.0 million from unfunded participations and $108.8 million assets closed and sold in the same year for the nine months ended September 30, 2026. These amounts were included in Total commitments presented in Table 4.

Assets under Management

Total assets under management comprise all private sector development-related investments and activities of IDB Invest and the IDB, including donor funds administered by these institutions. Assets under management include the outstanding cost balances of development-related loans, debt securities and equity investments, the exposure of guarantees, and undisbursed commitments related to these instruments. Total assets under management as of September 30, 2026 and December 31, 2025 are presented in Table 6.

Table 6. Assets Under Management (in USD millions).

	September 30, 2026	December 31, 2025
IDB Invest's development-related portfolio [(1)]	$ 11,773	$ 10,800
IDB's private sector development-related portfolio [(1)]	2,489	2,785
IDB Invest and the IDB private sector donor funds portfolio [(1)]	925	875
IDB Invest and the IDB private sector participation arrangements	8,954	6,748
Total undisbursed commitments for IDB Invest and the IDB private sector	2,242	2,457
Total assets under management	**$ 26,383**	**$ 23,665**

[(1)] As of December 31, 2025, guarantees provided for private sector managed donor funds may cover IDB Invest and the IDB's own account exposure.

Financial Highlights

Financial Results

Following its tenth consecutive year of positive results in 2025, IDB Invest has achieved a decade of sustained and resilient financial performance since the IDB Group Private Sector Reform. Net income totaled $175.0 million for the nine months ended September 30, 2026, an increase of $78.3 million compared to $96.7 million for the nine months ended September 30, 2025. The primary drivers for this increase were $153.2 million higher development-related investments income evidenced by portfolio growth and net equity investment gains and $83.3 million lower provision for credit losses mainly driven by enhancements to the credit loss estimation methodology considering a more refined set of risk indicators to assess expected credit losses. These increases were partially offset by $77.2 million higher borrowings expenses on a higher average outstanding borrowings portfolio to support a rise in private sector activities along with $32.1 million higher workforce expenses and other operating expenses in execution of the workforce growth plan when compared to the same period in 2025. Other contributing factors were temporary fluctuations in unrealized gains and losses on the trading and non-trading portfolios measured at fair value, generating a net change of $52.6 million. These temporary fluctuations were influenced by upward movements in discount rate curves at the end of September 30, 2026, in contrast to the downward trend observed at the end of September 30, 2025. Financial results were further impacted by fluctuations in market and macroeconomic conditions along with uncertainties surrounding the geopolitical landscape.

Development-Related Investments Income

Income from development-related investments, net[3], totaled $651.6 million for the nine months ended September 30, 2026, an increase of $236.5 million compared to $415.1 million for the nine months ended September 30, 2025. This increase was mainly due to $126.7 million higher Interest and other income, net, on development-related debt investments (includes loans and debt securities) on a higher average outstanding portfolio, including higher interest rates compared to the same period in the prior year, $83.3 million lower provision for credit losses, and an increase of $26.4 million in Income from equity investments, net, attributed to unrealized fair value gains related to individual equity investments, partially offset by limited realized losses on sales . Further, the decrease of $83.3 million in the provision for credit losses is mainly driven by changes in provision related to the aforementioned change in credit loss estimation methodology and stable macroeconomic and credit conditions, partially offset by portfolio growth compared to the same period in the prior year.

Treasury Operations and Other Income

Income from development-related investments, liquid assets and other income, net of borrowings expense, totaled $488.1 million for the nine months ended September 30, 2026 as compared to $406.5 million for the nine months ended September 30, 2025. Treasury operations contributed to lower results after the aforementioned Income from development-related investments, net. Income from liquid assets, net, was $81.5 million lower explained by $87.1 million lower fair value and foreign exchange gains mostly due to an upward trend in discount rate curves, partially offset by $5.6 million higher Interest and dividends, net, on a 24.4% higher average outstanding liquid assets portfolio despite lower average interest rates on short-term tenors. Further, Borrowings expense was $77.2 million higher mainly due to a 21.9% higher average outstanding borrowings portfolio and higher interest rates on new bond issuances that replaced maturing debt to finance development-related investments in the Region.

Other income totaled $45.4 million for the nine months ended September 30, 2026, an increase of $3.8 million compared to $41.6 million for the nine months ended September 30, 2025. This change was mainly driven by a $5.3 million increase in Mobilization fees and other income and a decrease of $1.5 million in Service fees from related parties.

These factors collectively explain the increase of $81.6 million in Income/(expense) from development-related investments, liquid assets and other income, net of borrowings expense as compared to the same period in the prior year.

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

Other Expenses

Total other expenses totaled $167.9 million for the nine months ended September 30, 2026, an increase of $32.1 million as compared to $135.8 million for the nine months ended September 30, 2025. This increase was mainly due to higher workforce and non-workforce related costs aligned with IDB Invest's key priority areas outlined in the 2026 Business Plan Update approved by the Board of Executive Directors, and $7.0 million higher total pension costs.

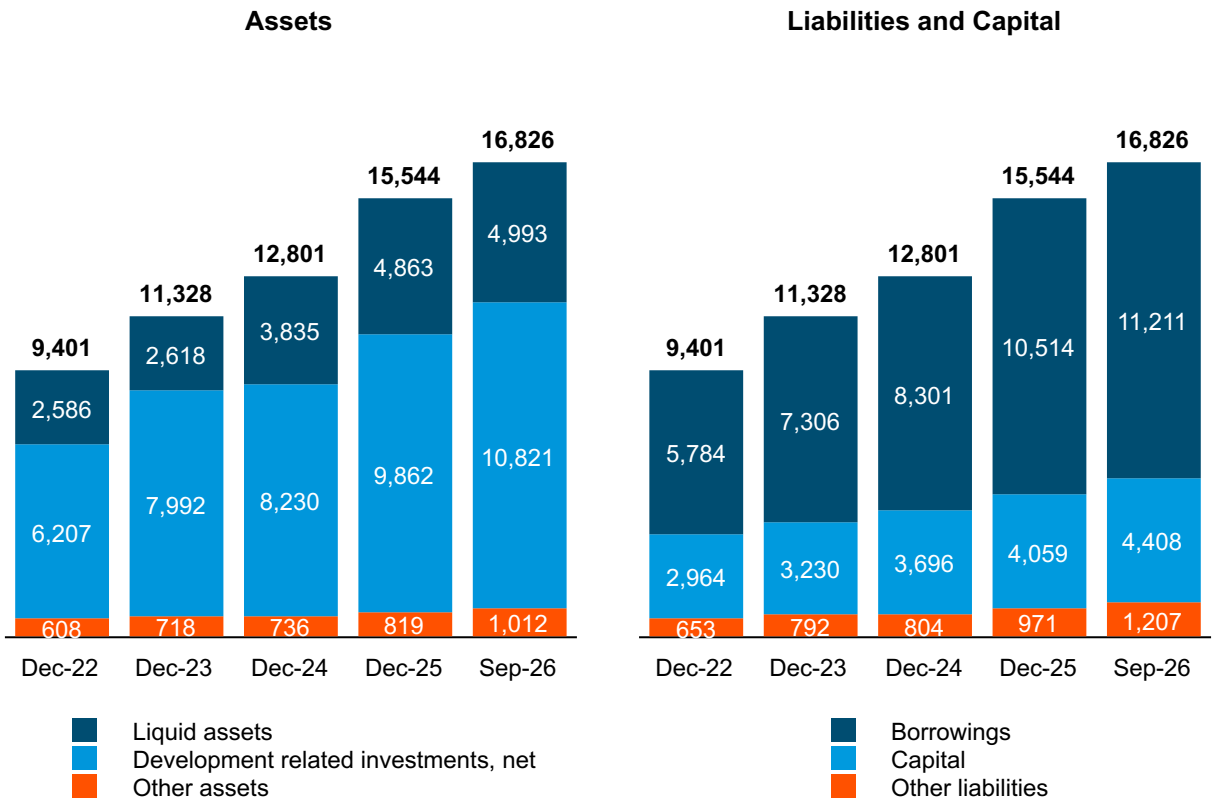
Non-trading Portfolio

Losses from changes in fair value on non-trading portfolios and foreign exchange transactions, net, totaled $145.2 million for the nine months ended September 30, 2026, a decrease in net losses of $28.9 million as compared to net losses of $174.1 million for the nine months ended September 30, 2025.

These temporary fluctuations were primarily due to an increase in foreign exchange gains of $53.4 million directly impacted by interest rate and currency fluctuations and a decrease in fair value losses of $98.9 million driven by upward movements in discount rate curves, partially offset by an increase in realized losses on swaps of $123.4 million at the end of September 30, 2026, in contrast to the downward trend observed at the end of September 30, 2025. Refer to Notes B and K of the condensed quarterly financial statements for additional information related to the non-trading portfolio.

Balance Sheet Highlights

Figure 1. Balance Sheets by Components (in USD millions).



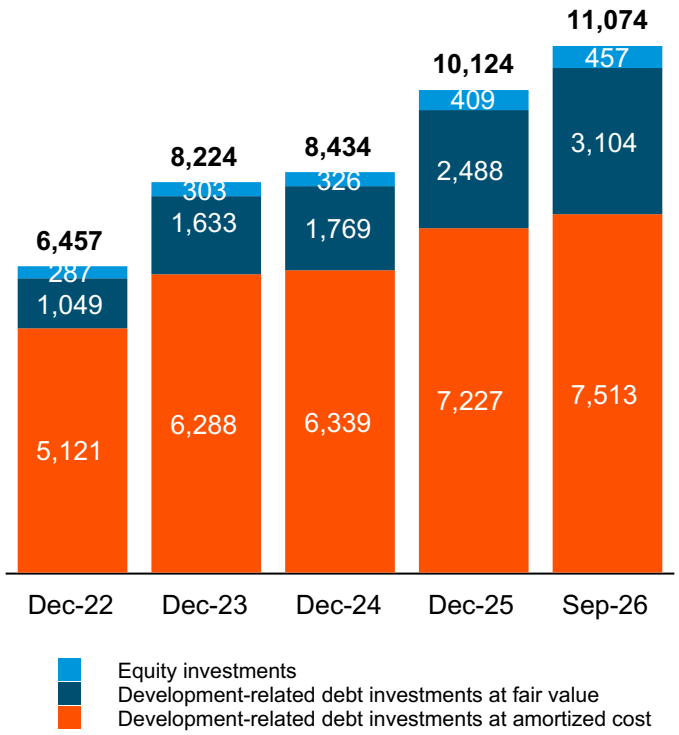
Figures rounded in the graph for illustrative purposes.

Development-Related Investments

IDB Invest's gross development-related investments, comprised of loans, debt securities and equity investments (excluding guarantees), totaled $11.1 billion as of September 30, 2026, an increase of 9.4% from $10.1 billion as of December 31, 2025.

To complement the growth in the development-related debt investments portfolio, the equity investments portfolio amounted to $457.1 million at the end of September 30, 2026 compared to $409.4 million at the end of 2025 primarily driven by portfolio growth further impacted by individual equity performance. In addition, undisbursed commitments related to development-related investments totaled $2.2 billion as of September 30, 2026 ($2.4 billion as of December 31, 2025).

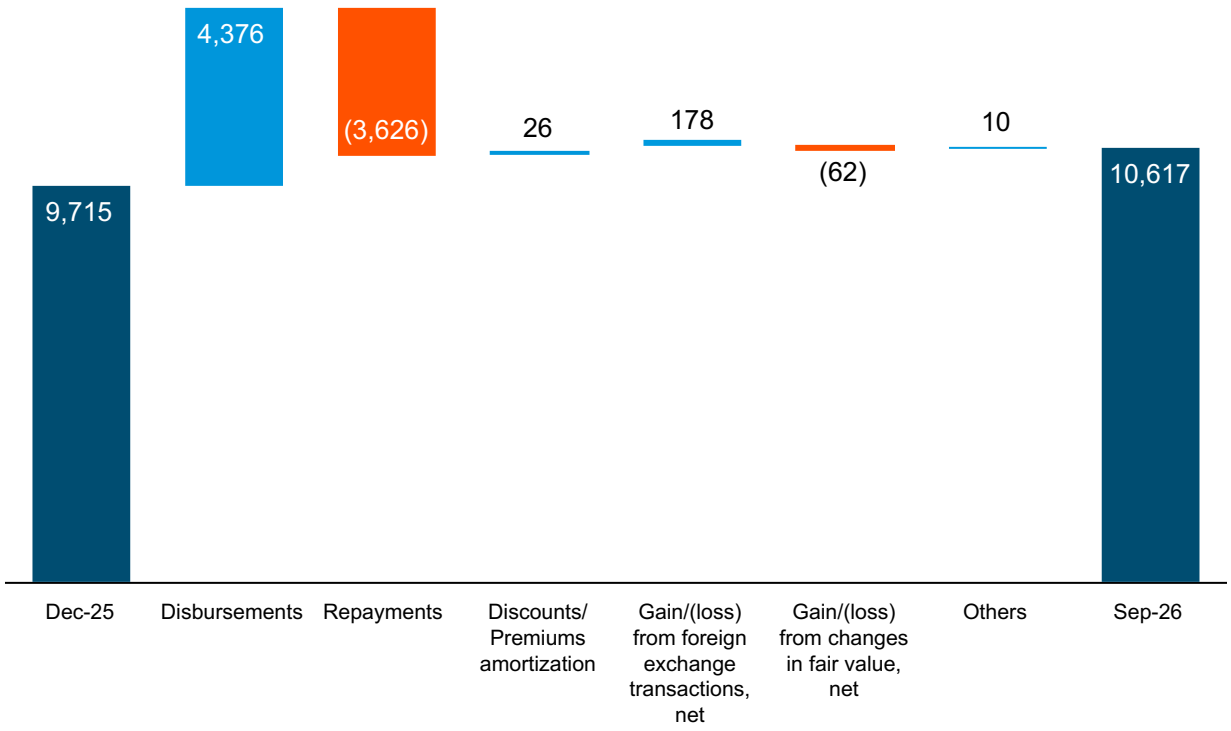
Figure 2. Gross Development-Related Investments Portfolio (in USD millions).



Figures rounded in the graph for illustrative purposes.

IDB Invest's gross development-related debt investments, comprised of loans and debt securities, including fair value adjustments, totaled $10.6 billion as of September 30, 2026, an increase of $0.9 billion from $9.7 billion as of December 31, 2025. This increase is mainly due to disbursements outpacing repayments on development-related investments. Refer to Note D of the condensed quarterly financial statements for additional information related to the development-related investments portfolio.

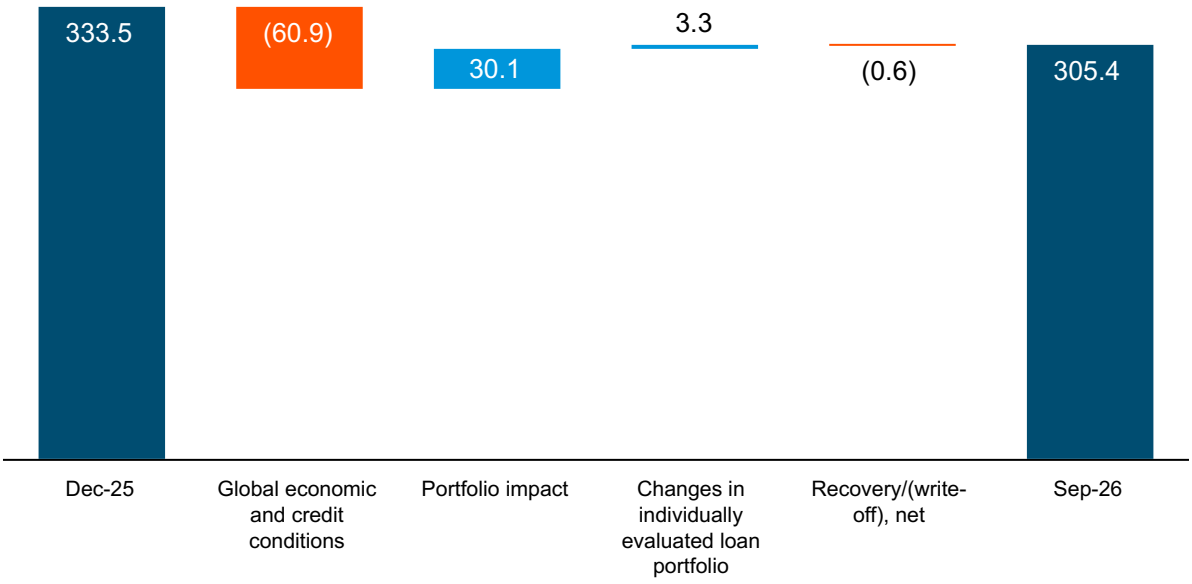
Figure 3. Gross Development-Related Debt Investments Portfolio (in USD millions).



Allowance for Credit Losses

IDB Invest's gross development-related investments portfolio measured at amortized cost continued to grow as of September 30, 2026 while maintaining a consistent level of portfolio credit quality relative to December 31, 2025. The allowance for credit losses as a percentage of development-related debt investments outstanding was 3.4% as of September 30, 2026 compared to 3.6% as of December 31, 2025. This decrease was mainly driven by enhancements to the credit loss estimation methodology considering a more refined set of risk indicators to assess expected credit losses[(1)], and stable macroeconomic and credit conditions, partially offset by portfolio growth compared to 2025. Refer to Note D of the condensed quarterly financial statements for additional information related to the allowance for credit losses.

Figure 4. Allowance and Provision/(Release of Provision) for Credit Losses (in USD millions).



(1) Credit loss estimation methodology change included in Global economic and credit conditions in Figure 4.

Liquid Assets Portfolio

IDB Invest's liquid assets portfolio is comprised of cash and investment securities, including local currency and bank deposits. As of September 30, 2026, the liquid assets portfolio, including fair value adjustments, totaled $5.0 billion, an increase of $130.2 million as compared to $4.9 billion as of December 31, 2025 primarily driven by net cash inflows from borrowing activities and member capital payments to support private sector activities and is in compliance with its Liquidity Policy.

IDB Invest's liquid assets portfolio includes liquid assets denominated in four currencies as of September 30, 2026 and December 31, 2025. Refer to the Treasury Management section and Notes C and J of the condensed quarterly financial statements for additional information related to the liquid assets portfolio.

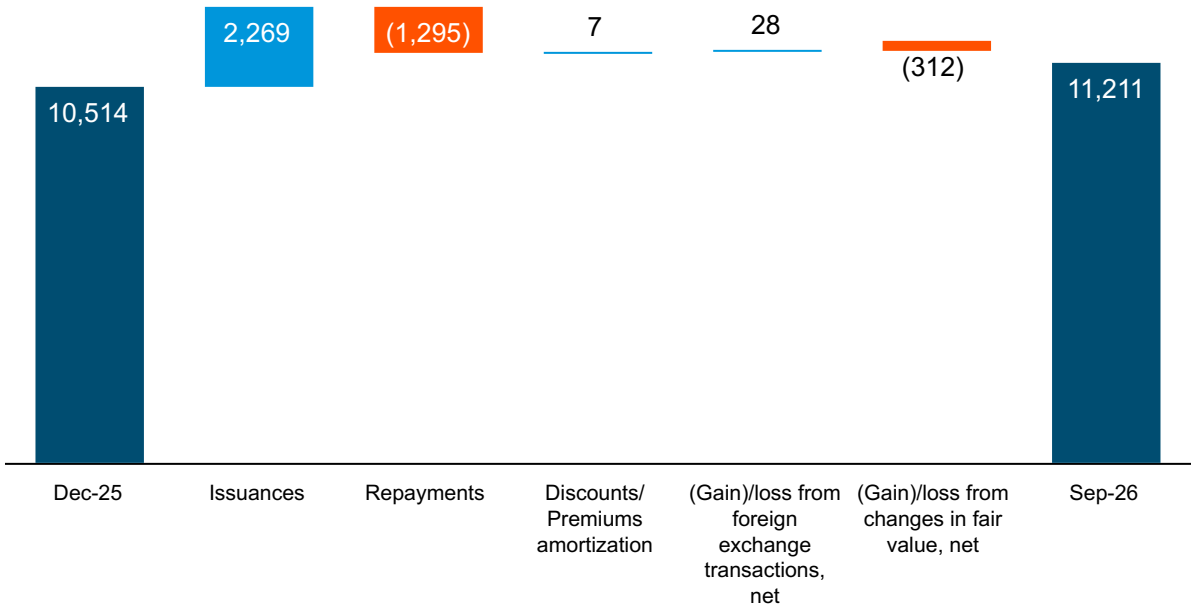
Derivatives

IDB Invest uses derivative instruments primarily for market and credit risk management purposes. In 2026, the derivatives portfolio comprised of interest rate, currency swaps, and credit derivatives moved consistent with development-related investments and funding activities. As of September 30, 2026, derivative assets and derivative liabilities, including fair value adjustments, totaled $291.5 million and $640.3 million, a decrease of $48.1 million and an increase of $285.8 million compared to $339.6 million and $354.5 million, respectively, as of December 31, 2025, to support development-related activities. Refer to Notes G and K of the condensed quarterly financial statements for additional information related to the derivatives portfolio.

Borrowings

IDB Invest's outstanding borrowings, including fair value adjustments, totaled $11.2 billion as of September 30, 2026, an increase of $0.7 billion from $10.5 billion as of December 31, 2025. This increase is mainly due to bond issuances executed during 2026 to finance development-related investments and refinance maturities, partially offset by repayments and net foreign exchange and fair value changes. Refer to Note F of the condensed quarterly financial statements for additional information related to the borrowings portfolio.

Figure 5. Borrowings Portfolio (in USD millions).



Capital

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

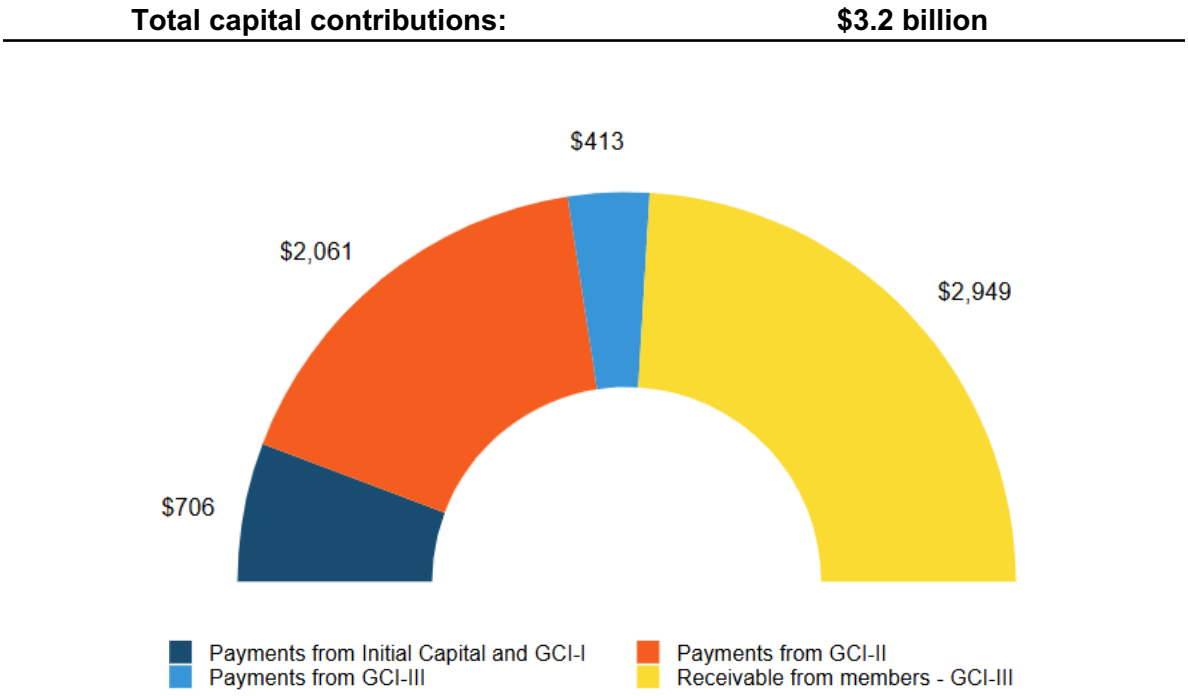
IDB Invest's capital includes total paid-in capital from members, retained earnings and accumulated other comprehensive income/(loss). IDB Invest's total capital as of September 30, 2026, totaled $4.4 billion, an increase of 8.6% from $4.1 billion as of December 31, 2025. This increase in 2026 was the result of $214.0 million in capital contributions received (composed of $14.3 million under GCI-II and $199.7 million under GCI-III), $175.0 million of net income and other comprehensive losses of $39.7 million. As of September 30, 2026, IDB Invest's total accumulated paid-in capital amounted to $3.2 billion, of which $0.7 billion corresponds to Initial capital and GCI-I, $2.1 billion to GCI-II, and $0.4 billion to GCI-III, respectively ($3.0 billion as of December 31, 2025, comprised of $0.7 billion, $2.1 billion, and $0.2 billion, respectively).

IDB Invest received the remaining capital payments under the GCI-II Annex A Shares schedule during the three months ended March 31, 2026. These payments constitute the completion of GCI-II, and are included in Total paid-in-capital in the balance sheets.

Pursuant to the Punta Cana Resolution, IDB Invest's Board of Governors approved the Third General Capital Increase (GCI-III) for a total of $3.5 billion (equivalent to 166,666 shares) in March 2024. Under GCI-III, payments are set in seven consecutive and equal installments with the first payment due on November 30, 2025, or thirty calendar days after the respective member country submits its subscription instrument, whichever comes later. The remaining installments are due on November 30 of each year from 2026 to 2031. As of September 30, 2026, $412.8 million in capital payments were received under GCI-III ($2.3 million in 2024, $210.8 million in 2025, and $199.7 million in 2026).

The GCI-III subscription period concluded on March 10, 2026 and 96.1% of shares were subscribed and 3.9% remain unsubscribed as of September 30, 2026. These unsubscribed shares are subject to reallocation per terms and conditions established by the Board of Executive Directors. The process to reallocate these shares began on March 11, 2026. Refer to Note I to the condensed quarterly financial statements for more information.

Figure 6. Total Capital Contributions as of September 30, 2026 (in USD millions).



Treasury Management

IDB Invest's Treasury activities consist of liquidity management, funding, local currency operations and asset-liability management.

Liquidity Management

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

IDB Invest's liquid assets portfolio is substantially invested in highly rated securities reflecting its objectives of principal protection, liquidity, and yield. IDB Invest maintains a high quality liquid assets portfolio with an average credit quality rating of AA and duration of 1.1 years as of September 30, 2026 (AA and 1.0 year as of December 31, 2025). As such, IDB Invest expects to be able to liquidate these assets as needed to meet its cash requirements, even in adverse market conditions. IDB Invest also manages liquidity in select currencies to support its development-related investments.

Local Currency Operations

IDB Invest's expansion of local currency operations to private sector clients in the Region is central to its originate-to-share model. As of September 30, 2026 and December 31, 2025, IDB Invest carries development-related debt investments in fourteen currencies[4] and manages liquid asset portfolios in Brazil, Colombia and Mexico. IDB Invest sources local currencies through a combination of cross-currency swaps, debt capital markets issuances, and credit lines.

Funding Sources

Borrowings

IDB Invest raises funds primarily through the issuance of debt securities in various currencies, maturities, and formats in the international capital markets.

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

During the nine months ended September 30, 2026, IDB Invest raised $2.3 billion in bond issuances under its Global Debt Program and local currency borrowings, further diversifying its funding base across local and international capital markets and complementing the institution’s member capital funding.

As of September 30, 2026, IDB Invest's debt to equity (financial leverage ratio) was 2.7 (2.7 as of December 31, 2025) and is aligned with the 2026 Business Plan Update reflecting the pace of private-sector activities. Under its Establishing Agreement, IDB Invest's charter leverage ratio, which includes subscribed capital, may not exceed 3.0x and it remained below this limit at 1.8 as of September 30, 2026 (2.2 as of December 31, 2025).

Asset-Liability Management

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

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

[4] Includes non-circulating currencies.

Risk Management

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

IDB Invest is exposed to financial and non-financial risks that it must monitor and manage. IDB Invest's financial risk management policies are set forth in the Financial Risk Framework, which encompasses the Risk Appetite Policy, the Capital Adequacy Policy and the Liquidity Policy.

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

IDB Invest's risk management governance operates under the "three lines model"[5]. The first line resides with Management and the process owners that have primary responsibility for their respective day-to-day operational activities. The second line includes the Risk Management Department, the Office of Institutional Integrity and the Office of Ethics. The third line includes the Office of the Executive Auditor (AUG), the Office of Evaluation and Oversight (OVE) and the Independent Consultation and Investigation Mechanism (MICI).

A summary of IDB Invest's financial and non-financial risk mitigation strategies is detailed below.

Financial Risk Management

Capital Adequacy

IDB Invest's Capital Adequacy Policy (CAP) determines capital requirements for credit and market risk in both its lending and treasury operations. The CAP also includes capital requirements for retirement plan and operational risks. The CAP approved by the Board of Directors establishes a capital buffer, including based on forward-looking stress scenarios, while preserving IDB Invest's overall financing capacity. In addition, as determined by the Board of Governors, IDB Invest aims to maintain at least an AA+ (or equivalent) rating.

Liquidity Risk

Liquidity risk is defined as the risk that IDB Invest would not be able to meet its financial obligations on a timely basis. IDB Invest's Liquidity Policy establishes the overall liquidity requirements measured using its Liquidity Coverage Ratio (LCR)[6] to determine its ability to fulfill liquidity needs under stressed market conditions for an extended period of time, while also allowing IDB Invest to deliver on its mandate and preserving its international credit ratings.

Credit Risk

Credit risk refers to the risk of financial or economic loss that may result from counterparties that fail to meet their obligations to IDB Invest or experience an adverse change in credit quality. IDB Invest is exposed to credit risk through its development-related debt investments portfolio and off-balance sheet exposures, as well as through investments in debt securities acquired for liquidity management purposes and held in its liquid assets portfolio.

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

The credit risk of development-related debt investments is quantified in terms of the probability of default (PD), loss given default (LGD) and exposure at default (EAD). These risk parameters are used in different risk

[5] Refer to The Institute of Internal Auditors website for more information about the Three Lines Model, available at https://www.theiia.org/globalassets/site/resources/statements-of-position/tlm_assurance_advice_support_effective_gov_en.pdf

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

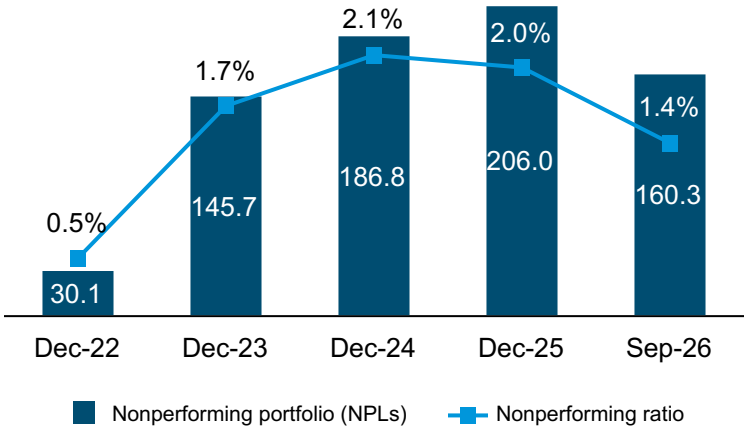
management applications that include the economic capital calculation, RAROC and current expected credit loss calculation.

Nonperforming Portfolio

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

As of September 30, 2026, IDB Invest's NPLs totaled $160.3 million, a decrease of $45.7 million from $206.0 million as of December 31, 2025, primarily driven by repayments, cancellations of undisbursed commitments, and write-offs. There is no dominant sector or country concentration in the NPL portfolio. The NPL ratio decreased from 2.0% as of December 31, 2025 to 1.4% as of September 30, 2026 over a larger outstanding portfolio. IDB Invest's NPL ratio remains low and in line with its risk appetite. This demonstrates the continued health and growth of the portfolio, despite increasing global geopolitical tensions.

Figure 7. Nonperforming Portfolio, Outstanding Amounts and Ratio[1] (in USD millions).



[1] Nonperforming ratio is defined as NPLs, divided by development-related debt investments, plus guarantees.

Market Risk

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

The liquid assets portfolio consists of cash and investment securities substantially invested in highly rated securities. This portfolio is subject to a VaR limit, and market risk is monitored through interest rate and credit spread sensitivity analysis, as well as stress testing.

Within the development-related debt investment, borrowings and derivative instrument portfolios, market risk is managed with interest rate sensitivity limits for currencies for which there is a local currency treasury portfolio. Refer to Local Currency Operations in the Treasury Management section for IDB Invest's local currency treasury portfolio. Instruments in other currencies are hedged through cross-currency swaps or matched back-to-back through a dedicated matched funding strategy. Fixed rate development-related debt investments are hedged through interest rate swaps. Counterparty risk arising from hedging activities for these portfolios is also measured and managed via exposure limits.

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

Credit spread risk is managed through VaR and stress testing.

Retirement Plan Risk

IDB Invest also faces retirement plan risk, which is the risk that its defined benefit plans, Pension Plans and Postretirement Plan (the Retirement Plans) may become underfunded, potentially requiring IDB Invest to provide additional financial support. Retirement plan risk is mitigated through established institution-wide funding and risk appetite policies, diversified investment strategies, stabilization reserves, and ongoing monitoring of the Retirement Plans' funded status and long-term sustainability.

Non-Financial Risk Management

Environmental and Social Risk

Environmental and social risk is the risk that IDB Invest cannot effectively engage and influence clients to comply and meet the environmental and social requirements in its Sustainability Policy[7] within a reasonable period of time, potentially causing significant or material adverse impacts to people or the environment.

IDB Invest assesses the potential environmental and social risks of all development-related investments in which it considers investing. It also assesses such investments for compliance with host country laws and regulations and IDB Invest's Environmental and Social Exclusion List[8]. These assessments are based on the mitigation hierarchy approach whereby clients should avoid, minimize, or manage environmental, social and health and safety risks and impacts.

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

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

Climate Risk

Climate risk refers to the environmental risk that IDB Invest's clients may directly or indirectly experience potential adverse impacts from climate change. This includes the physical impacts of climate change such as extreme weather events like floods, hurricanes, and droughts as well as chronic shifts such as sea level rise and higher mean temperatures.

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

Client Corporate Governance Risk

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

IDB Invest works with clients to assess their corporate governance risks and provides clients advice on how to improve their practices. IDB Invest applies its Corporate Governance Development Framework[9], a common methodology among Development Finance Institutions[10], as well as the G20/OECD Principles of Corporate

[7] IDB Invest's Sustainability Policy incorporates the International Finance Corporation (IFC) standards and guidelines: the Performance Standards on Environmental and Social Sustainability of the IFC (the Performance Standards) and the World Bank/IFC Environmental Health and Safety (EHS) Guidelines, including both General EHS Guidelines and Industry Sector EHS Guidelines (the EHS Guidelines).
[8] IDB Invest's Environmental and Social Exclusion List is available at: https://www.idbinvest.org/en/download/12368
[9] More information about the Corporate Governance Development Framework is available at https://cgdevelopmentframework.com/
[10] Development Finance Institutions (DFIs) are specialized national and international development banks established to support private sector development in developing countries.

Governance[11] (the Assessment). Under the Assessment, IDB Invest: (i) integrates corporate governance in its investment operations, (ii) establishes an internal corporate governance function, (iii) provides training and capacity building, (iv) collaborates with other signatories, and (v) reports annually on implementation. Through its technical assistance activities, IDB Invest provides private sector companies in the Region with direct corporate governance support, capacity-building programs and other forms of assistance. In its investment decisions, IDB Invest applies corporate governance criteria, intended to provide funding to clients that demonstrate ethical, transparent, and responsible operations, thus designed to ensure alignment with IDB Invest's development and sustainability goals.

Integrity Risk

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

IDB Invest has adopted an Integrity Framework[12] and Sanctions Procedures, which require participants in its investments to adhere to the highest standards of ethics, integrity, transparency, and accountability, considering comparable standards utilized by other multilateral development banks. Further, the Integrity Framework and Sanctions Procedures prohibit certain practices, including fraud, corruption, collusion, coercion, misappropriation, and obstruction (Prohibited Practices)[13]. IDB Invest has also adopted an Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) Directive to manage risks related to Money Laundering and Terrorism Financing in its operations.

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

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

Operational Risk

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

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

IDB Invest's operational risk management activities are executed in alignment with the three lines model, in which personnel have ownership, responsibility and accountability for identifying, evaluating, controlling and mitigating operational risks, as well as establishing and maintaining effective internal controls in their respective processes. In addition, risk and control matters are regularly assessed, monitored and reported to the Operational Risk Management Committee.

[11] More information about the G20/OECD Principles of Corporate Governance is available at https://www.oecd.org/corporate/principles-corporate-governance/
[12] More information about the IDB Invest Integrity Framework is available at https://idbinvest.org/en/how-we-work/institutional-information
[13] Key Documents of the IDB Group Sanctions System are available at https://www.iadb.org/en/who-we-are/transparency/sanctions-system/sanctions-system-key-documents

Cybersecurity

IDB Invest's operations rely on the secure processing, storage and transmission of confidential and other information in computer systems and networks. The drive for agility, combined with full cloud computing adoption, hybrid work environment, and disruptive technologies such as generative AI, robotics, and automation, is increasing reliance on third-party providers.

Cybersecurity management ensures that IDB Invest's digital assets are safe, secure, private, and available, which contributes to the digital transformation needed to achieve organizational objectives. Despite these efforts, cybersecurity risk remains significant due to the evolving sophistication and complexity of the cyber threat landscape. IDB Invest manages emerging cyber threats, such as malware and phishing attacks, through investments in security, controlled remote access, end-point protection as well as strengthened operational risk management controls. Management continues to invest in preventive and detective technologies as well as in employee awareness to ensure high standards for cybersecurity.

Data Privacy Risk

Data privacy risk is defined as the risk that IDB Invest's personal data is improperly accessed, stolen or manipulated resulting in reputational damage or other adverse impacts. IDB Invest manages its data privacy risk through its Personal Data Privacy Policy approved by the Boards of Executive Directors of IDB Invest and the IDB and its data privacy framework. This framework translates policy commitments into practical, risk-based measures including controls designed to ensure accountability, strengthen privacy risk management, and promote responsible handing of personal data throughout the institution.

INTER-AMERICAN INVESTMENT CORPORATION

Condensed Quarterly Financial Statements (Unaudited)
September 30, 2026

Inter-American Investment Corporation

Balance Sheets (Unaudited)

Expressed in thousands of United States dollars	Notes	September 30, 2026	December 31, 2025
Assets			
Cash	C	$ 120,089	$ 87,855
Liquid investments	C & J	4,872,794	4,774,856
Development-related investments			
Development-related debt investments			
At amortized cost		7,513,163	7,227,128
Allowance for credit losses		(252,621)	(262,606)
		7,260,542	6,964,522
At fair value		3,103,532	2,488,081
		10,364,074	9,452,603
Equity investments		457,064	409,435
Total development-related investments, net	D & J	10,821,138	9,862,038
Derivative assets	G & J	291,475	339,639
Receivables and other assets	E	720,087	479,979
Total assets		**16,825,583**	**15,544,367**
Liabilities			
Borrowings	F & J		
At amortized cost		873,549	1,045,058
At fair value		10,337,110	9,468,591
		11,210,659	10,513,649
Derivative liabilities	G & J	640,338	354,515
Payables and other liabilities	H	566,749	617,706
Total liabilities		**12,417,746**	**11,485,870**
Capital			
Capital, par value		3,561,320	2,826,300
Additional paid-in capital		2,567,687	1,759,165
Receivable from members		(2,949,167)	(1,619,631)
Total paid-in capital	I	3,179,840	2,965,834
Retained earnings		1,244,889	1,069,898
Accumulated other comprehensive income/(loss)		(16,892)	22,765
Total capital		**4,407,837**	**4,058,497**
Total liabilities and capital		**$ 16,825,583**	**$ 15,544,367**

The accompanying notes are an integral part of these condensed quarterly financial statements

Inter-American Investment Corporation

Income Statements (Unaudited)

Expressed in thousands of United States dollars	Notes	Nine months ended September 30 2026	2025
Income from development-related investments			
Development-related debt investments			
Interest and other income, net		$ 601,664	$ 474,921
(Provision)/release of provision for credit losses		27,530	(55,775)
		629,194	419,146
Equity investments			
Income/(loss) from equity investments, net	D	22,425	(4,008)
		22,425	(4,008)
Income from development-related investments, net	D	**651,619**	**415,138**
Income/(loss) from liquid investments, net	C	118,597	200,103
Borrowings expense	F	(327,577)	(250,417)
Other income			
Service fees from related parties	O	26,614	28,137
Mobilization fees and other income		18,827	13,537
Total other income		**45,441**	**41,674**
Income/(expense) from development-related investments, liquid assets and other income, net of borrowings expense		**488,080**	**406,498**
Other expenses			
Administrative expenses		177,788	150,758
Other components of pension benefit (credit)/cost, net	P	(9,896)	(14,991)
Total other expenses		**167,892**	**135,767**
Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net	K	(145,197)	(174,080)
Net income/(loss)		**$ 174,991**	**$ 96,651**

The accompanying notes are an integral part of these condensed quarterly financial statements

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

Statements of Comprehensive Income/(Loss)

Expressed in thousands of United States dollars	Notes	Nine months ended September 30 2026	2025
Net income/(loss)		**$ 174,991**	**$ 96,651**
Other comprehensive income/(loss)			
Reclassification to income/(loss) - amortization of net actuarial (gains)/ losses and prior service (credit)/cost on Pension Plans and Postretirement Benefit Plan	P	(2,953)	(6,760)
Unrealized gains/(losses) arising during the period related to fair value adjustments on borrowings attributable to changes in instrument-specific credit risk, net	F	(36,704)	(14,319)
Total other comprehensive income/(loss)		**(39,657)**	**(21,079)**
Comprehensive income/(loss)		**$ 135,334**	**$ 75,572**

Statements of Changes in Capital

Expressed in thousands of United States dollars, except for share information	Notes	Shares	Total paid-in capital	Retained earnings	Accumulated other comprehensive income/(loss)	Total capital
As of December 31, 2024		**206,003**	**$ 2,711,327**	**$ 913,032**	**$ 71,109**	**$ 3,695,468**
Nine months ended September 30, 2025						
Net income/(loss)			—	96,651	—	96,651
Other comprehensive income/(loss)			—	—	(21,079)	(21,079)
Change in shares	I	51,491				
Payments received for capital	I		70,706	—	—	70,706
As of September 30, 2025		**257,494**	**2,782,033**	**1,009,683**	**50,030**	**3,841,746**
As of December 31, 2025		**282,630**	**2,965,834**	**1,069,898**	**22,765**	**4,058,497**
Nine months ended September 30, 2026						
Net income/(loss)			—	174,991	—	174,991
Other comprehensive income/(loss)			—	—	(39,657)	(39,657)
Change in shares	I	73,502				
Payments received for capital	I		214,006	—	—	214,006
As of September 30, 2026		**356,132**	**$ 3,179,840**	**$1,244,889**	**$ (16,892)**	**$ 4,407,837**

The accompanying notes are an integral part of these condensed quarterly financial statements

Inter-American Investment Corporation

Statements of Cash Flows (Unaudited)

Expressed in thousands of United States dollars	Nine months ended September 30 2026	2025
Cash flows from investing activities		
Loan disbursements	$ (3,971,994)	$ (3,679,648)
Loan repayments and sales	3,423,491	3,106,017
Development-related debt securities purchases	(403,644)	(465,306)
Development-related debt securities proceeds and sales	202,114	147,706
Equity investment disbursements	(88,812)	(88,511)
Equity investment proceeds	62,207	17,502
Capital asset expenditures	(4,085)	(7,072)
Net cash provided by/(used in) investing activities	**$ (780,723)**	**$ (969,312)**
Cash flows from financing activities		
Proceeds from issuance of borrowings	2,269,245	1,809,065
Borrowings repayments	(1,294,890)	(1,195,532)
Payments received for capital	214,006	70,706
Net cash provided by/(used in) financing activities	**$ 1,188,361**	**$ 684,239**
Cash flows from operating activities		
Net income/(loss)	174,991	96,651
Adjustments to reconcile net income/(loss) to net cash provided by/(used in) operating activities:		
(Gain)/loss in fair value of equity investments, net	(25,351)	6,743
Provision/(release) of provision for credit losses	(27,530)	55,775
(Gain)/loss from liquid investments, net	20,949	(66,149)
Depreciation and amortization	(16,161)	(22,534)
(Gain)/loss from changes in fair value on non-trading portfolios and foreign exchange transactions, net	145,197	174,080
Realized gain/(loss) on swaps	(227,760)	(104,330)
Realized (gain)/loss on equity investments, net	4,327	(2,146)
Change in receivables and other assets	(241,197)	51,181
Change in payables and other liabilities	(48,263)	100,870
Change in Pension Plans and Postretirement Benefit Plan, net	(7,086)	(13,315)
Change in liquid investments	(118,887)	12,445
Other, net	(2,893)	152
Net cash provided by/(used in) operating activities	**$ (369,664)**	**$ 289,423**
Change in cash	37,974	4,350
Effect of exchange rate changes on cash, net	(5,740)	3,037
Net increase/(decrease) in cash	**$ 32,234**	**$ 7,387**
Cash as of January 1	87,855	51,783
Cash as of September 30	**$ 120,089**	**$ 59,170**
Supplemental disclosure:		
Interest paid during the period	314,749	240,686

The accompanying notes are an integral part of these condensed quarterly financial statements

Note A - Purpose

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

Note B - Summary of Significant Accounting Policies

Basis of presentation – Certain financial information that is normally included in annual financial statements prepared in accordance with generally accepted accounting principles in the United States of America (US GAAP), but is not required for interim reporting purposes, has been condensed or omitted. References to US GAAP issued by the Financial Accounting Standards Board (FASB) in these notes are to the FASB Accounting Standards Codification (ASC, Codification) or Accounting Standards Update (ASU).

All amounts presented in the accompanying financial statements and notes are expressed in United States dollars (USD or $), which is IDB Invest’s functional and reporting currency. Certain reclassifications of the prior year's information have been made to confirm with the current year’s presentation.

These unaudited condensed quarterly financial statements and notes should be read in conjunction with the December 31, 2025 audited financial statements and notes included therein. There were no material changes to IDB Invest's significant accounting policies during the first nine months of 2026, except as described below.

Fair value option – Effective January 1, 2026, the existing Fair Value Option (FVO) election has been extended to development-related loans and loan commitments that are economically hedged with derivative financial instruments. This expansion reduces accounting mismatches arising from the measurement of the loans and related derivatives.

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

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

In September 2025, the FASB issued ASU 2025-06, *Intangibles—Goodwill and Other— Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software*. The ASU removes all references to "development stages" from ASC 350-40. Under the new guidance, entities would begin capitalizing software costs when both conditions are met: (i) management authorizes and commits to fund a computer software project and (ii) it is probable that the project will be completed and the software will be used to perform the functions intended. For IDB Invest, this ASU will be effective starting period ending March 31, 2028. IDB Invest is currently evaluating the impact on its financial statements.

In September 2025, the FASB issued ASU 2025-07, *Derivatives and Hedging (Topic 815) and Revenue from Contracts with Customers (Topic 606): Derivatives Scope Refinements and Scope Clarification for Share-Based Noncash Consideration from a Customer in a Revenue Contract*. The ASU adds a scope out exception from derivative accounting for certain non-exchange traded contracts with variables that are based on operations or activities specific to one of the parties to the contract. For IDB Invest, this ASU will be effective starting period ending March 31, 2027. IDB Invest is currently evaluating the impact on its financial statements.

In November 2025, the FASB issued ASU 2025-08, *Financial Instruments - Credit Losses (Topic 326) - Purchased Loans*. The amendments expand the population of acquired financial assets subject to the gross-up approach in Topic 326 to purchased seasoned loans acquired without credit deterioration. For IDB Invest, this ASU will be effective starting period ending March 31, 2027. IDB Invest is currently evaluating the impact on its financial statements.

In December 2025, the FASB issued ASU 2025-11, *Interim Reporting (Topic 270): Narrow-Scope Improvements*. This issuance clarifies and improves guidance in Topic 270 on interim reporting. For IDB Invest, this ASU will be effective starting the period ending March 31, 2028. IDB Invest is currently evaluating the impact on its financial statements.

Note C - Liquid Assets

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

	September 30, 2026	December 31, 2025
Cash [1]	$ 120,089	$ 87,855
Liquid investments [2]		
Money market funds	923,250	1,500,074
Time deposits [3]	97,070	127,655
Debt securities		
Corporate securities	2,177,795	1,663,716
Agency securities	604,603	470,744
Government securities	550,027	511,903
Supranational securities	520,049	500,764
Total debt securities	**$ 3,852,474**	**$ 3,147,127**
Total liquid investments	**4,872,794**	**4,774,856**
Total liquid assets	**$ 4,992,883**	**$ 4,862,711**

[1] Includes restricted cash of $86.1 million as of September 30, 2026 ($42.9 million as of December 31, 2025).

[2] Liquid investments is composed of 91.7% in USD, 3.9% in MXN, 2.9% in BRL and 1.5% in COP as of September 30, 2026 (91.8% in USD, 4.6% in MXN, 2.9% in BRL and 0.7% in COP as of December 31, 2025). Refer to Table D5 for currencies full names.

[3] Includes a certificate of deposit of $29.5 million pledged as collateral to secure a borrowing as of September 30, 2026 ($29.5 million as of December 31, 2025).

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

	Nine months ended September 30	
	2026	2025
Interests and dividends, net	$ 139,546	$ 133,954
Gain/(loss) from changes in fair value and foreign exchange transactions, net	(20,949)	66,149
Total income/(loss) from liquid investments, net	**$ 118,597**	**$ 200,103**

Net unrealized losses recognized in income for the nine months ended September 30, 2026 relating to trading securities still held as of September 30, 2026 were $51.8 million ($23.1 million net unrealized gains for the nine months ended September 30, 2025).

Table C3. Maturity structure of Liquid investments is as follows (USD thousands):

	September 30, 2026	December 31, 2025
Less than one year	$ 2,290,770	$ 2,992,499
Between one and five years	2,582,024	1,782,357
Total	**$ 4,872,794**	**$ 4,774,856**

Note D - Development-related Investments

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

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

	September 30, 2026			December 31, 2025		
	Principal outstanding	Amortized cost	Carrying amount	Principal outstanding	Amortized cost	Carrying amount
Loans						
At amortized cost	$ 7,494,681	$ 7,477,702	$ 7,471,762	$ 7,215,995	$ 7,195,360	$ 7,186,131
At fair value	772,348	772,348	755,611	404,762	404,762	365,460
Total loans	**8,267,029**	**8,250,050**	**8,227,373**	**7,620,757**	**7,600,122**	**7,551,591**
Debt securities						
At amortized cost	41,401	41,401	41,401	40,997	40,997	40,997
At fair value	2,426,882	2,430,476	2,347,921	2,159,837	2,151,635	2,122,621
Total debt securities	**2,468,283**	**2,471,877**	**2,389,322**	**2,200,834**	**2,192,632**	**2,163,618**
Allowance for credit losses			(252,621)			(262,606)
Total development-related debt investments, net	**10,735,312**	**10,721,927**	**10,364,074**	**9,821,591**	**9,792,754**	**9,452,603**
		Cost	Carrying amount		Cost	Carrying amount
Equity investments		472,540	457,064		450,262	409,435
Total equity investments		**472,540**	**457,064**		**450,262**	**409,435**
Total development-related investments, net		**$11,194,467**	**$10,821,138**		**$10,243,016**	**$ 9,862,038**

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

	Nine months ended September 30	
	2026	**2025**
Development-related debt investments		
Interest income	$ 595,965	$ 484,887
Fees and other income/(expense), net	36,969	24,308
Recovery asset income/(release)	(3,777)	(10,089)
Insurance and guarantee premium expense	(27,493)	(24,185)
(Provision)/release of provision for credit losses	27,530	(55,775)
Income/(expense) from development-related debt investments	**629,194**	**419,146**
Equity investments		
Realized gain/(loss), net	(4,327)	2,146
Dividends and other income	1,401	589
Gain/(loss) in fair value, net	25,351	(6,743)
Income/(loss) from equity investments, net	**22,425**	**(4,008)**
Income from development-related investments, net	**$ 651,619**	**$ 415,138**

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

	September 30, 2026	**December 31, 2025**
Loans		
At amortized cost	$ 1,602,443	$ 1,772,170
At fair value	400,259	326,554
Total loans	**2,002,702**	**2,098,724**
Debt securities		
At amortized cost	—	—
At fair value	36,846	131,479
Total debt securities	**36,846**	**131,479**
Total development-related debt investments, net	**2,039,548**	**2,230,203**
Equity investments	152,193	168,777
Total equity investments	**152,193**	**168,777**
Total development-related investments, net	**$ 2,191,741**	**$ 2,398,980**

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

	September 30, 2026	December 31, 2025
Loans		
Due in one year or less	$ 2,165,127	$ 2,431,242
Due after one year through five years	3,612,257	2,979,877
Due after five years through ten years	1,802,311	1,657,604
Due after ten years and thereafter	687,334	552,034
Total loans	**8,267,029**	**7,620,757**
Debt securities		
Due in one year or less	189,283	145,249
Due after one year through five years	1,341,046	1,349,542
Due after five years through ten years	731,193	627,702
Due after ten years and thereafter	206,761	78,341
Total debt securities	**2,468,283**	**2,200,834**
Total development-related debt investments, principal amount outstanding	**10,735,312**	**9,821,591**
Unamortized premiums/(discounts)	(13,385)	(28,837)
Total development-related debt investments at cost	**10,721,927**	**9,792,754**
Fair value and capitalized interest for nonaccrual adjustments	(105,232)	(77,545)
Total development-related debt investments at carrying amount	**$ 10,616,695**	**$ 9,715,209**

Table D5. Development-related debt investments by currency and range of contractual interest rates, and a reconciliation of total cost to carrying amount are summarized below (USD thousands):

	September 30, 2026		December 31, 2025	
	Amount	Interest rate range	Amount	Interest rate range
Barbadian dollar (BBD)				
Loans	$ 4,500	3.4%	$ 5,000	3.4%
	4,500		5,000	
Brazilian real (BRL)				
Loans	753,234	8.4%-17.2%	573,713	8.4%-20.3%
Debt securities	296,124	8.4%-16.4%	77,274	16.1%-17.7%
	1,049,358		650,987	
Chilean unit of account (CLF) [1]				
Loans	102,234	4.5%	113,725	4.5%
	102,234		113,725	
Chilean peso (CLP)				
Loans	10,842	6.5%-9.4%	18,988	6.5%-9.4%
Debt securities	14,677	8.2%-8.3%	16,522	8.2%-8.3%
	25,519		35,510	
Colombian peso (COP)				
Loans	595,987	7.2%-17.5%	477,740	7.2%-15.0%
Debt securities	299,311	13.6%-15.0%	213,590	11.1%-12.3%
	895,298		691,330	
Colombian real value unit (COU) [1]				
Debt securities	184,161	5.7%-7.6%	167,599	5.7%-7.6%
	184,161		167,599	
Dominican Republic peso (DOP)				
Debt securities	12,109	10.8%	11,429	10.1%
	12,109		11,429	
Jamaican dollar (JMD)				
Loans	23,003	15.0%	15,109	15.0%
	23,003		15,109	
Mexican peso (MXN)				
Loans	126,277	7.5%-10.9%	113,347	8.3%-11.7%
Debt securities	111,712	7.7%-15.0%	75,204	8.5%-15.0%
	237,989		188,551	
Paraguayan guarani (PYG)				
Loans	151,860	9.2%-9.7%	59,714	9.3%-9.7%
Debt securities	57,904	11.5%	51,355	11.5%
	209,764		111,069	
Peruvian sol (PEN)				
Loans	117,266	6.7%-11.1%	131,259	6.7%-11.1%
Debt securities	66,206	6.7%-10.8%	72,258	6.7%-10.8%
	183,472		203,517	
Trinidad and Tobago dollar (TTD)				
Loans	81,439	5.9%	81,215	5.9%
Debt securities	74,463	6.0%-6.3%	70,878	5.3%-5.6%
	155,902		152,093	

[1] Non-circulating currencies.

	September 30, 2026		December 31, 2025	
	Amount	Interest rate range	Amount	Interest rate range
United States dollar (USD)				
Loans	5,914,828	3.5%-15.0%	5,429,128	3.4%-15.0%
Debt securities	911,625	3.0%-10.6%	925,196	3.0%-10.7%
	6,826,453		6,354,324	
Uruguayan peso (UYU)				
Loans	14,118	10.8%-12.0%	14,908	10.8%-12.0%
	14,118		14,908	
Total development-related debt investments, before discounted debt investments	**9,923,880**		**8,715,151**	
Discounted debt investments with no stated interest rate (USD)	736,995		991,030	
Discounted debt investments with no stated interest rate (MXN)	61,052		86,573	
Total development-related debt investments at cost	**10,721,927**		**9,792,754**	
Fair value and capitalized interest for nonaccrual adjustments	(105,232)		(77,545)	
Total development-related debt investments at carrying amount	**$ 10,616,695**		**$ 9,715,209**	

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

Development-related debt investments

Table D6. An aging analysis, based on contractual terms, for loans as of September 30, 2026, and December 31, 2025 (USD thousands):

	September 30, 2026				
	1-90 days past due	>90 days past due	Total past due	Total current	Total portfolio
Loans	$ 26,884	$ 50,791	$ 77,675	$ 8,189,354	$ 8,267,029
Total loans, principal amount outstanding	**26,884**	**50,791**	**77,675**	**8,189,354**	**8,267,029**
Unamortized premiums/ (discounts)	—	—	—	(16,979)	(16,979)
Total loans at cost	**26,884**	**50,791**	**77,675**	**8,172,375**	**8,250,050**
Fair value and capitalized interest for nonaccrual adjustments	—	(6,446)	(6,446)	(16,231)	(22,677)
Total loans at carrying amount	**$ 26,884**	**$ 44,345**	**$ 71,229**	**$ 8,156,144**	**$ 8,227,373**

Table D6.1.

	December 31, 2025				
	1-90 days past due	>90 days past due	Total past due	Total current	Total portfolio
Loans	$ 36,275	$ 52,364	$ 88,639	$ 7,532,118	$ 7,620,757
Total loans, principal amount outstanding	**36,275**	**52,364**	**88,639**	**7,532,118**	**7,620,757**
Unamortized premiums/ (discounts)	—	—	—	(20,635)	(20,635)
Total loans at cost	**36,275**	**52,364**	**88,639**	**7,511,483**	**7,600,122**
Fair value adjustments for loans	—	(37,496)	(37,496)	(11,035)	(48,531)
Total loans at carrying amount	**$ 36,275**	**$ 14,868**	**$ 51,143**	**$ 7,500,448**	**$ 7,551,591**

IDB Invest monitors for loans measured at amortized cost and fair value in nonaccrual and past due.

Table D7. Loans in nonaccrual are summarized as of September 30, 2026, and December 31, 2025 (USD thousands):

	September 30, 2026		Nine months ended September 30, 2026	
	Total nonaccrual	> 90 days past due and accruing	Interest income recognized on nonaccrual	Accrued interest income written off
Loans	172,398	—	11,134	91
Total loans, principal amount outstanding	**172,398**	**—**	**11,134**	**91**
Unamortized premiums/ (discounts)	—	—		
Total loans at cost	**172,398**	**—**	**11,134**	**91**
Fair value and capitalized interest for nonaccrual adjustments	(18,904)	—		
Total loans at carrying amount	**$ 153,494**	**$ —**	**$ 11,134**	**$ 91**

Table D7.1.

	December 31, 2025		Nine months ended September 30, 2025	
	Total nonaccrual	> 90 days past due and accruing	Interest income recognized on nonaccrual	Accrued interest income written off
Loans	$ 232,446	$ 102	$ 2,526	$ 899
Total loans, principal amount outstanding	**232,446**	**102**	**2,526**	**899**
Unamortized premiums/ (discounts)	—	—		
Total loans at cost	**232,446**	**102**	**2,526**	**899**
Fair value adjustments for loans	(40,770)	—		
Total loans at carrying amount	**$ 191,676**	**$ 102**	**$ 2,526**	**$ 899**

As of September 30, 2026, loans measured at fair value with a principal amount outstanding of $15.3 million and net carrying amount of $2.3 million were classified as nonaccrual, of which a principal amount outstanding

of $6.2 million and net carrying amount of zero were classified as past due (principal amount outstanding of $46.3 million and net carrying amount of $5.5 million classified as nonaccrual, of which a principal amount outstanding of $37.2 million and net carrying amount of zero were classified as past due as of December 31, 2025).

There were no loans at amortized cost classified as nonaccrual without a related allowance for credit losses as of September 30, 2026 (none as of December 31, 2025).

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

The following table presents modifications for development-related debt investments measured at amortized cost in accordance with ASU 2022-02 and the respective financial effects for the nine months ended September 30, 2026 and 2025 (USD thousand):

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

	Nine months ended September 30					
	2026			2025		
	Amortized cost basis	Undisbursed commitment amount	% of total class of financing receivable	Amortized cost basis	Undisbursed commitment amount	% of total class of financing receivable
Loans						
Term extension	$ 13,125	$ —	0.2 %	$ 30,625	$ —	0.4 %
Total loans	**13,125**	**—**		**30,625**	**—**	
Total development-related debt investments	**$ 13,125**	**$ —**		**$ 30,625**	**$ —**	

Financial effect

For the nine months ended September 30, 2026 and 2025, this modification increased the weighted-average life of the modified loan by 2.8 years, from 0.6 years to 3.4 years, and 1.1 years, from 6.3 to 7.4 years, respectively.

Table D9. Performance of development-related debt investments modified in the last twelve months as of September 30, 2026, and December 31, 2025 (USD thousand):

	September 30, 2026				
	Current	1-90 days past due	>90 days past due	Total	Gross write-offs
Loans	$ 13,125	$ —	$ —	$ 13,125	$ —
Total	**$ 13,125**	**$ —**	**$ —**	**$ 13,125**	**$ —**

Table D9.1.

	December 31, 2025				
	Current	1-90 days past due	>90 days past due	Total	Gross write-offs
Loans	$ 30,625	$ —	$ —	$ 30,625	$ —
Total	**$ 30,625**	**$ —**	**$ —**	**$ 30,625**	**$ —**

There were no development-related debt investments that were modified in the last twelve months and subsequently defaulted as of September 30, 2026 nor December 31, 2025.

Collateral-dependent Loans

A loan is considered collateral-dependent when the borrower is experiencing financial difficulty and repayment is expected to be provided substantially through the operation or sale of the collateral. IDB Invest's collateral-dependent loans are generally secured by mortgages or asset pledges. As of September 30, 2026, the amortized cost of collateral-dependent loans was $330 thousand ($1.0 million as of December 31, 2025).

Changes in the allowance for credit losses

Table D10. Changes in the allowance for credit losses by portfolio segment are presented below (USD thousands):

	Nine months ended September 30, 2026			
	Financial institutions	**Corporates**	**Project finance**	**Total**
Loans				
Beginning balance	$ (66,143)	$ (89,790)	$ (106,071)	$ (262,004)
Loans written off	—	67	641	708
Recoveries	—	(122)	—	(122)
(Provision)/release of provision for credit losses	12,805	(20,363)	16,722	9,164
Loans ending balance	(53,338)	(110,208)	(88,708)	(252,254)
Debt securities				
Beginning balance	(491)	—	(111)	(602)
Debt securities written off	—	—	—	—
Recoveries	—	—	—	—
(Provision)/release of provision for credit losses	212	—	23	235
Debt securities ending balance	(279)	—	(88)	(367)
Allowance for credit losses	**(53,617)**	**(110,208)**	**(88,796)**	**(252,621)**
Undisbursed commitments				
Beginning balance	(3,590)	(40,126)	(19,086)	(62,802)
(Provision)/release of provision for credit losses	1,972	11,144	3,226	16,342
Undisbursed commitments ending balance	(1,618)	(28,982)	(15,860)	(46,460)
Guarantees				
Beginning balance	(7,159)	(929)	(1)	(8,089)
(Provision)/release of provision for credit losses	5,531	(488)	(3,254)	1,789
Guarantees ending balance	(1,628)	(1,417)	(3,255)	(6,300)
Liability for off-balance sheet credit losses	**(3,246)**	**(30,399)**	**(19,115)**	**(52,760)**
(Provision)/release of provision for credit losses	$ 20,520	$ (9,707)	$ 16,717	$ 27,530

Table D10.1.

	Year ended December 31, 2025			
	Financial institutions	Corporates	Project finance	Total
Loans				
Beginning balance	$ (39,391)	$ (66,225)	$ (96,206)	$ (201,822)
Loans written off	—	4,252	—	4,252
Recoveries	(76)	(584)	—	(660)
(Provision)/release of provision for credit losses	(26,676)	(27,233)	(9,865)	(63,774)
Loans ending balance	(66,143)	(89,790)	(106,071)	(262,004)
Debt securities				
Beginning balance	(1,699)	(57)	(114)	(1,870)
Debt securities written off	—	—	—	—
Recoveries	—	—	—	—
(Provision)/release of provision for credit losses	1,208	57	3	1,268
Debt securities ending balance	(491)	—	(111)	(602)
Allowance for credit losses	**(66,634)**	**(89,790)**	**(106,182)**	**(262,606)**
Undisbursed commitments				
Beginning balance	(2,213)	(21,250)	(13,772)	(37,235)
(Provision)/release of provision for credit losses	(1,377)	(18,876)	(5,314)	(25,567)
Undisbursed commitments ending balance	(3,590)	(40,126)	(19,086)	(62,802)
Guarantees				
Beginning balance	(3,475)	(759)	(17)	(4,251)
(Provision)/release of provision for credit losses	(3,684)	(170)	16	(3,838)
Guarantees ending balance	(7,159)	(929)	(1)	(8,089)
Liability for off-balance sheet credit losses	**(10,749)**	**(41,055)**	**(19,087)**	**(70,891)**
(Provision)/release of provision for credit losses	$ (30,529)	$ (46,222)	$ (15,160)	$ (91,911)

Table D10.2.

	Nine months ended September 30, 2025			
	Financial institutions	Corporates	Project finance	Total
Loans				
Beginning balance	$ (39,391)	$ (66,225)	$ (96,206)	$ (201,822)
Loans written off	—	4,252	—	4,252
Recoveries	—	(584)	—	(584)
(Provision)/release of provision for credit losses	(16,773)	(15,327)	(12,244)	(44,344)
Loans ending balance	(56,164)	(77,884)	(108,450)	(242,498)
Debt securities				
Beginning balance	(1,699)	(57)	(114)	(1,870)
Debt securities written off	—	—	—	—
Recoveries	—	—	—	—
(Provision)/release of provision for credit losses	1,130	57	(2)	1,185
Debt securities ending balance	(569)	—	(116)	(685)
Allowance for credit losses	**(56,733)**	**(77,884)**	**(108,566)**	**(243,183)**
Undisbursed commitments				
Beginning balance	(2,213)	(21,250)	(13,772)	(37,235)
(Provision)/release of provision for credit losses	1,678	(267)	(9,340)	(7,929)
Undisbursed commitments ending balance	(535)	(21,517)	(23,112)	(45,164)
Guarantees				
Beginning balance	(3,475)	(759)	(17)	(4,251)
(Provision)/release of provision for credit losses	(4,447)	(255)	15	(4,687)
Guarantees ending balance	(7,922)	(1,014)	(2)	(8,938)
Liability for off-balance sheet credit losses	**(8,457)**	**(22,531)**	**(23,114)**	**(54,102)**
(Provision)/release of provision for credit losses	$ (18,412)	$ (15,792)	$ (21,571)	$ (55,775)

Table D11. Description of credit quality indicators:

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

Table D12. A summary of development-related debt investments carried at amortized cost by credit quality indicator, class of financing receivable and major security type, and vintage as of September 30, 2026, and December 31, 2025 are as follows (USD thousands):

	September 30, 2026							
	Amortized cost basis by origination year [1]						Revolving loans amortized cost basis	Total
	2026	2025	2024	2023	2022	Prior		
Loans								
Strong	$ 27,660	$ —	$ 8,707	$ 178,165	$ —	$ 289	$ —	$ 214,821
Adequate	32,300	158,160	10,545	162,234	164,507	246,272	137,360	911,378
Moderate	1,406,803	1,035,040	561,022	288,235	202,018	378,308	492,355	4,363,781
Weak	163,463	432,943	191,029	151,761	264,175	449,286	77,262	1,729,919
Very weak	1,000	42,396	6,267	59,700	9,514	128,689	10,237	257,803
Total loans	**1,631,226**	**1,668,539**	**777,570**	**840,095**	**640,214**	**1,202,844**	**717,214**	**7,477,702**
Nine months ended September 30, 2026								
Gross loan write-offs	—	(67)	—	—	—	(641)	—	(708)
Debt securities								
Adequate	—	—	—	—	—	11,524	—	11,524
Moderate	—	—	—	—	17,768	—	—	17,768
Weak	—	—	12,109	—	—	—	—	12,109
Total debt securities	**—**	**—**	**12,109**	**—**	**17,768**	**11,524**	**—**	**41,401**
Nine months ended September 30, 2026								
Gross debt security write-offs	—	—	—	—	—	—	—	—
Total amortized cost loans and debt securities	**$1,631,226**	**$1,668,539**	**$ 789,679**	**$ 840,095**	**$ 657,982**	**$1,214,368**	**$ 717,214**	**$7,519,103**

[1] Includes short-term loans with maturities of less than one year and $8.8 million of line-of-credit arrangements that were converted to term loans during the nine months ended September 30, 2026.

Table D12.1.

	December 31, 2025							
	Amortized cost basis by origination year [1]						Revolving loans amortized cost basis	Total
	2025	2024	2023	2022	2021	Prior		
Loans								
Strong	$ —	$ 9,250	$ 169,463	$ —	$ 280	$ —	$ —	$ 178,993
Adequate	114,463	10,545	190,392	188,941	93,265	241,902	95,696	935,204
Moderate	1,516,572	601,931	316,684	266,372	253,588	258,658	612,868	3,826,673
Weak	505,690	156,426	175,576	325,526	355,544	275,761	144,441	1,938,964
Very weak	35,000	10,236	49,600	12,996	52,733	139,197	15,764	315,526
Total loans	**2,171,725**	**788,388**	**901,715**	**793,835**	**755,410**	**915,518**	**868,769**	**7,195,360**
Year ended December 31, 2025								
Gross loan write-offs	—	—	—	—	—	(4,252)	—	(4,252)
Debt securities								
Adequate	—	—	—	—	—	7,369	—	7,369
Moderate	—	—	—	17,719	—	4,480	—	22,199
Weak	—	11,429	—	—	—	—	—	11,429
Total debt securities	**—**	**11,429**	**—**	**17,719**	**—**	**11,849**	**—**	**40,997**
Year ended December 31, 2025								
Gross debt security write-offs	—	—	—	—	—	—	—	—
Total amortized cost loans and debt securities	**$2,171,725**	**$ 799,817**	**$ 901,715**	**$ 811,554**	**$ 755,410**	**$ 927,367**	**$ 868,769**	**$7,236,357**

[1] Includes short-term loans with maturities of less than one year. There were no line-of-credit arrangements that were converted to term loans and repaid during the year ended December 31, 2025.

Table D13. Amortized cost and allowance for credit losses on held-to-maturity development-related debt securities in comparison to the fair value and gross unrecognized holding gains/(losses) that would have been recorded if such securities were recorded at fair value (USD thousands):

	September 30, 2026					
	Amortized cost	Allowance for credit losses	Net carrying amount	Gross unrecognized holding gains	Gross unrecognized holding losses	Fair value
Debt securities	$ 41,401	$ (367)	$ 41,034	$ 69	$ (1,350)	$ 40,120
Total	**$ 41,401**	**$ (367)**	**$ 41,034**	**$ 69**	**$ (1,350)**	**$ 40,120**

Table D13.1.

	December 31, 2025					
	Amortized cost	Allowance for credit losses	Net carrying amount	Gross unrecognized holding gains	Gross unrecognized holding losses	Fair value
Debt securities	$ 40,997	$ (602)	$ 40,395	$ 13	$ (2,249)	$ 38,761
Total	**$ 40,997**	**$ (602)**	**$ 40,395**	**$ 13**	**$ (2,249)**	**$ 38,761**

As of September 30, 2026 and December 31, 2025, all development-related debt securities at amortized cost were current. None of these securities were classified as nonaccrual as of September 30, 2026 (none as of December 31, 2025).

Guarantees

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

The outstanding exposure for guarantees by IDB Invest was $594.0 million as of September 30, 2026 ($590.9 million as of December 31, 2025). The maximum potential amount of future payments under the guarantees, without taking into consideration possible recoveries under recourse provisions or from collateral held or pledged, amounted to $651.3 million as of September 30, 2026 ($604.8 million as of December 31, 2025).

The liabilities associated with the guarantees issued by IDB Invest are measured either under the CECL methodology or at fair value through income. For guarantees measured under the CECL methodology, IDB Invest recorded a stand-ready obligation to perform of $3.0 million and a contingent liability of $6.3 million as of September 30, 2026 ($1.8 million stand-ready obligation and $8.1 million contingent liability as of December 31, 2025). For guarantees measured at fair value, IDB Invest recorded a fair value asset of $151 thousand as of September 30, 2026 (fair value asset of $89 thousand as of December 31, 2025). Additional information is included in Note J.

Loan participations

As of September 30, 2026, IDB Invest serviced loan participations outstanding of $8.8 billion ($6.6 billion as of December 31, 2025) and recognized servicing fees of $619 thousand for the nine months ended September 30, 2026 ($721 thousand for the nine months ended September 30, 2025) included in Mobilization fees and other income in the income statements.

Variable interest entities

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

The development-related investments in VIEs for which IDB Invest is the primary beneficiary were recorded as loans, with an outstanding balance of $20.7 million as of September 30, 2026 ($19.8 million as of December 31, 2025) in the balance sheets. Those VIEs' total assets were approximately equal to the carrying values of the Development-related investments recognized in IDB Invest's balance sheets as of September 30, 2026, and December 31, 2025.

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

IDB Invest's maximum exposure to losses as a result of its involvement in VIEs in which IDB Invest is not the primary beneficiary as of September 30, 2026, and December 31, 2025 is shown in the table below. IDB Invest does not have any liabilities with respect to these VIEs.

Table D14. Maximum exposure to VIEs (USD thousands):

	September 30, 2026	December 31, 2025
Carrying value	$ 807,895	$ 716,995
Undisbursed commitments	335,003	465,929
Maximum exposure to VIEs	**$ 1,142,898**	**$ 1,182,924**

Note E - Receivables and Other Assets

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

	Notes	September 30, 2026	December 31, 2025
Receivables for cash collateral pledged for derivatives	G	$ 344,350	$ 143,000
Interest receivable on development-related debt investments		154,919	115,265
Postretirement Benefit Plan, net asset		58,984	56,176
Recovery assets		58,494	62,270
Receivables on liquid investments		37,943	34,512
Operating lease right-of-use asset		19,983	26,605
Property		19,099	17,865
Pension Plans, net asset		13,576	12,251
Other assets		12,739	12,035
Total receivables and other assets		**$ 720,087**	**$ 479,979**

Note F - Borrowings

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

	September 30, 2026		December 31, 2025	
	Amount outstanding	Interest rate range	Amount outstanding	Interest rate range
At amortized cost				
Australian dollar (AUD)	$ 81,944	1.7%-2.2%	$ 345,702	1.1%-2.2%
Barbadian dollar (BBD)	4,500	1.9%	5,000	1.9%
Brazilian real (BRL)	21,908	14.5%-16.3%	21,378	15.5%-17.3%
Colombian peso (COP)	25,654	10.2%-10.3%	23,991	10.1%
Mexican peso (MXN)	470,125	6.9%	472,014	7.4%-7.6%
Paraguayan guarani (PYG)	151,860	6.3%-7.9%	59,714	6.3%-7.9%
Trinidad and Tobago dollar (TTD)	17,769	4.7%	17,720	4.0%
United States dollar (USD)	100,000	1.7%	100,000	1.7%
Principal at face value	**873,760**		**1,045,519**	
Unamortized premiums/(discounts and issuance costs), net	(211)		(461)	
Borrowings at amortized cost, net	**873,549**		**1,045,058**	
At fair value				
Australian dollar (AUD)	1,076,592	1.5%-5.0%	1,076,592	1.5%-5.0%
Brazilian real (BRL)	57,905	11.4%-12.0%	9,260	11.4%
Colombian peso (COP)	78,770	9.6%-11.9%	55,910	9.6%-11.3%
Euro (EUR)	2,375,845	2.8%-3.3%	1,806,695	2.8%-3.3%
Pound sterling (GBP)	410,903	4.1%	—	— %
Swiss franc (CHF)	124,254	1.1%	—	— %
Trinidad and Tobago dollar (TTD)	142,245	4.5%-5.5%	134,676	4.2%-5.2%
United States dollar (USD)	6,250,000	3.6%-4.8%	6,250,000	0.6%-4.8%
Principal at face value [1]	**10,516,514**		**9,333,133**	
Unamortized premiums/(discounts and issuance costs), net	(13,595)		(10,534)	
Fair value (gain)/loss adjustments, net	(165,809)		145,992	
Borrowings at fair value, net	**10,337,110**		**9,468,591**	
Total borrowings at carrying amount, net	**$ 11,210,659**		**$ 10,513,649**	

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

Table F2. Availability under existing credit facilities are senior and unsecured, except as noted below (USD thousands):

			September 30, 2026	
	Available until	Committed amount	Undrawn commitment amount	Drawdown amount
Trinidad & Tobago dollar				
TTD 350 million (uncollateralized)	2029	$ 51,825	$ —	**$ 51,825**
TTD 200 million (collateralized) [1]	2029	$ 29,614	$ —	**$ 29,614**
Multi-currency				
USD 300 million	2033	$ 300,000	$ 89,655	**$ 210,345**

[1] As of September 30, 2026, a time deposit of $29.5 million was pledged to secure a borrowing. Refer to Note C.

Table F3. Borrowings expense, net, is as follows (USD thousands):

	Nine months ended September 30	
	2026	2025
Interest expense	$ 320,596	$ 244,387
Fees and other borrowing related expenses	206	343
Amortization of premiums/discounts and issuance costs, net	6,775	5,687
Total borrowings expense, net	**$ 327,577**	**$ 250,417**

Table F4. Changes in fair value of borrowings attributable to changes in instrument-specific credit risk recognized in Other comprehensive income and the net amount recognized in Accumulated other comprehensive income/(loss) are as follows (USD thousands):

	Nine months ended September 30	
	2026	2025
Beginning balance	$ (92,977)	$ (43,621)
Unrealized gains/(losses) arising during the period related to fair value adjustments on borrowings attributable to changes in instrument-specific credit risk, net	(36,704)	(14,319)
Net amount recognized	**$ (129,681)**	**$ (57,940)**

Note G - Derivative Instruments

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

Table G1. Location presented as assets/(liabilities) in the balance sheets and the fair value of derivative instruments by purpose and type are summarized below (USD thousands):

		September 30, 2026		December 31, 2025	
Derivative purpose	**Derivative type**	**Derivative assets**	**Derivative liabilities**	**Derivative assets**	**Derivative liabilities**
Development-related debt investments	Cross currency swaps	$ 3,086	$ (57,685)	$ 953	$ (65,813)
	Interest rate swaps	139,572	(22,423)	66,555	(35,740)
	Credit derivatives	—	(4,791)	—	(752)
Borrowings	Cross currency swaps	148,817	(433,827)	206,288	(207,433)
	Interest rate swaps	—	(121,612)	65,843	(44,777)
Total		**$ 291,475**	**$ (640,338)**	**$ 339,639**	**$ (354,515)**

Table G2. The effect of derivative instruments is recorded through Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net, in the income statements, and is summarized below (USD thousands):

	Nine months ended September 30			
	2026		2025	
Derivative type and purpose	Realized gain/(loss)	Unrealized gain/ (loss)	Realized gain/(loss)	Unrealized gain/ (loss)
Development-related debt investments				
Cross currency swaps	$ (2,762)	$ 10,261	$ 4,469	$ (36,207)
Interest rate swaps	14,148	86,333	30,096	(59,132)
Credit derivatives [1]	—	(4,039)	—	(3,719)
Borrowings				
Cross currency swaps	(200,608)	(283,863)	(83,850)	128,811
Interest rate swaps	(38,538)	(142,679)	(55,045)	108,596
Total	**$ (227,760)**	**$ (333,987)**	**$ (104,330)**	**$ 138,349**

[1] Credit derivatives premium expense for the nine months ended September 30, 2026 was $8.3 million ($6.9 million for the nine months ended September 30, 2025), and is included in Interest and other income, net, from Development-related debt investments in the income statements.

As of September 30, 2026, the outstanding volume, measured by notional amount, of swap contracts was $15.8 billion ($14.0 billion as of December 31, 2025). The outstanding volume, measured by notional amount, of credit derivatives used for risk management purposes was $90.8 million and the related cash collateral held was $69.0 million as of September 30, 2026 ($116.2 million credit derivatives and $85.7 million cash collateral received as of December 31, 2025).

IDB Invest does not present derivative assets and liabilities related to contracts entered into with the same counterparty under a legally enforceable netting agreement on a net basis in the balance sheets.

Table G3. Gross and net positions of IDB Invest's derivative financial instruments subject to enforceable netting agreements, including the effects of amounts and collateral received or pledged under such agreements are described below (USD thousands):

	September 30, 2026			
	Gross amount of assets/(liabilities) presented in the balance sheets [1]	Gross amounts not offset in the balance sheets		
		Financial instruments	Collateral (received)/ pledged [2]	Net amount
Derivative assets	$ 291,475	$ (264,152)	$ (27,323)	$ —
Derivative liabilities	$ (635,547)	$ 264,152	$ 344,350	$ (27,045)

[1] Excludes credit derivatives that are not subject to enforceable netting agreements.

[2] Collateral received of $27.3 million and collateral pledged of $344.4 million reflect the offsetting threshold limits, which cannot exceed the fair value of the derivative assets and derivative liabilities. Total cash collateral received was $35.6 million and total cash collateral pledged was $344.4 million as of September 30, 2026.

Table G3.1.

	December 31, 2025			
	Gross amount of assets/(liabilities) presented in the balance sheets	Gross amounts not offset in the balance sheets		
		Financial instruments	Collateral (received)/ pledged [1]	Net amount
Derivative assets	$ 339,639	$ (222,916)	$ (116,723)	$ —
Derivative liabilities	$ (353,763)	$ 222,916	$ 129,400	$ (1,447)

[1] Collateral received of $116.7 million and collateral pledged of $129.4 million reflect the offsetting threshold limits, which cannot exceed the fair value of the derivative assets and derivative liabilities. Total cash collateral received was $123.1 million and total cash collateral pledged was $143.0 million as of December 31, 2025.

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

IDB Invest's ISDA Agreements are appended by a Credit Support Annex ("CSA") that provides for the receipt and posting of collateral in the form of cash in USD or U.S. Treasury securities to reduce mark-to-market exposure among derivative market counterparties. IDB Invest recognizes cash collateral received and a corresponding liability in its balance sheets for the obligation to return it. As of September 30, 2026, IDB Invest had $35.6 million of outstanding obligations to return cash collateral under CSAs ($123.1 million as of December 31, 2025). IDB Invest recognizes a receivable in its balance sheets for its rights to cash collateral posted. As of September 30, 2026, $344.4 million of cash collateral was posted under CSAs ($143.0 million as of December 31, 2025). No securities collateral was received or pledged as of September 30, 2026, nor December 31, 2025. Securities received as collateral are not recognized in the balance sheets. In accordance with the CSAs, IDB Invest may rehypothecate securities received as collateral, subject to the obligation to return such collateral and any related distributions received. In the event of a counterparty default, IDB Invest may

exercise certain rights and remedies, including the right to setoff any amounts payable by the counterparty against any collateral received by IDB Invest and the right to liquidate any collateral received.

Note H - Payables and Other Liabilities

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

	Notes	September 30, 2026	December 31, 2025
Borrowings related Interest and commitment fees payable		$ 111,378	$ 106,397
Payables for cash collateral received for derivatives	G	104,529	208,845
Payables for cash collected from clients		86,050	42,820
Liability for off-balance sheet credit losses	D	52,760	70,891
Loan origination fees and costs, net		49,973	38,936
Due to IDB, net	O	44,295	43,519
Deferred revenue [(1)]		40,935	36,650
Other liabilities		28,515	17,073
Employment benefits payable		22,426	25,116
Operating lease liability		20,798	27,459
Liquid investments payable		5,090	—
Total payables and other liabilities		**$ 566,749**	**$ 617,706**

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

Note I - Member Capital

IDB Invest's authorized share capital is owned by its member countries. Since its establishment, IDB Invest's Board of Governors has approved three General Capital Increases (GCI): GCI-I in 1999, GCI-II in 2015, and GCI-III in 2024.

Total capital contributions of $214.0 million were received (composed of $14.3 million under GCI-II and $199.7 million under GCI-III) during the nine months ended September 30, 2026 ($70.7 million for the nine months ended September 30, 2025 under GCI-II). As of September 30, 2026, total accumulated paid-in capital amounted to $3.2 billion, of which $0.7 billion corresponds to initial capital and GCI-I, $2.1 billion to GCI-II, and $0.4 billion to GCI-III, respectively ($3.0 billion as of December 31, 2025, comprised of $0.7 billion, $2.1 billion, and $0.2 billion, respectively).

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

	Capital					Voting power	
Member country	Shares[1]	Capital, par value	Additional paid-in capital	Receivable from members	Total paid-in capital	Number of votes	Percent of total votes[2]
Argentina	45,283	$ 452,830	$ 338,045	$ (374,544)	$ 416,331	24,475	12.02
Austria	1,772	17,720	12,741	(14,652)	15,809	1,074	0.53
Bahamas	742	7,420	5,370	(7,161)	5,629	401	0.20
Barbados	520	5,200	3,796	(5,019)	3,977	281	0.14
Belgium	585	5,850	3,867	(5,649)	4,068	316	0.16
Belize	283	2,830	1,751	(2,340)	2,241	153	0.08
Bolivia	3,341	33,410	24,027	(27,630)	29,807	1,806	0.89
Brazil	45,283	452,830	342,764	(436,968)	358,626	24,475	12.02
Canada	10,881	108,810	90,421	(105,000)	94,231	5,881	2.89
Chile	11,795	117,950	89,386	(97,560)	109,776	7,149	3.51
China	17,290	172,900	144,238	(143,010)	174,128	10,480	5.15
Colombia	11,976	119,760	90,008	(99,054)	110,714	6,473	3.18
Costa Rica	1,619	16,190	11,653	(13,392)	14,451	981	0.48
Croatia[3]	39	390	328	(324)	394	23	0.01
Denmark	1,147	11,470	470	—	11,940	1,147	0.56
Dominican Republic	2,429	24,290	18,214	(23,436)	19,068	1,313	0.64
Ecuador	2,246	22,460	16,153	(18,576)	20,037	1,214	0.60
El Salvador	1,619	16,190	11,786	(13,392)	14,584	875	0.43
Finland	2,020	20,200	14,527	(2,327)	32,400	1,224	0.60
France	6,877	68,770	44,368	(56,880)	56,258	4,168	2.05
Germany	4,039	40,390	25,662	(33,408)	32,644	2,448	1.20
Guatemala	2,137	21,370	15,343	(17,676)	19,037	1,295	0.64
Guyana	607	6,070	4,354	(4,185)	6,239	367	0.18
Haiti	1,619	16,190	12,387	(13,392)	15,185	875	0.43
Honduras	1,619	16,190	11,732	(13,392)	14,530	981	0.48
Israel	853	8,530	6,096	(7,056)	7,570	517	0.25
Italy	7,841	78,410	46,380	(42,156)	82,634	5,499	2.70
Jamaica	1,364	13,640	9,081	(11,286)	11,435	737	0.36
Japan	13,323	133,230	96,475	(110,100)	119,605	8,074	3.97
Korea	15,345	153,450	127,842	(105,765)	175,527	9,301	4.57
Mexico	26,633	266,330	191,387	(256,998)	200,719	14,395	7.07
Netherlands	2,146	21,460	11,396	(14,790)	18,066	1,300	0.64
Nicaragua	875	8,750	3,469	—	12,219	875	0.43
Norway	2,020	20,200	14,527	(13,920)	20,807	1,224	0.60
Panama	2,176	21,760	16,257	(18,000)	20,017	1,318	0.65
Paraguay	1,861	18,610	13,971	(15,390)	17,191	1,128	0.55
Peru	12,008	120,080	90,343	(99,324)	111,099	7,278	3.57
Portugal	764	7,640	5,299	(6,318)	6,621	413	0.20
Slovenia[4]	24	240	201	—	441	13	0.01
Spain	14,529	145,290	106,602	(100,140)	151,752	8,806	4.33
Suriname	259	2,590	1,550	(2,142)	1,998	157	0.08
Sweden	1,092	10,920	4,323	—	15,243	1,092	0.54
Switzerland	3,029	30,290	14,658	(11,151)	33,797	2,498	1.23
Trinidad and Tobago	1,599	15,990	12,372	(13,230)	15,132	864	0.42
United Kingdom	797	7,970	6,689	—	14,659	483	0.24
United States	54,599	545,990	359,523	(451,602)	453,911	29,510	14.50
Uruguay	4,429	44,290	31,851	(36,630)	39,511	2,394	1.18
Venezuela	10,798	107,980	64,004	(104,202)	67,782	5,836	2.87
Total as of September 30, 2026	**356,132**	**$ 3,561,320**	**$ 2,567,687**	**$ (2,949,167)**	**$ 3,179,840**	**203,587**	**100**
Total as of December 31, 2025	**282,630**	**$ 2,826,300**	**$ 1,759,165**	**$ (1,619,631)**	**$ 2,965,834**	**200,281**	

[1] Includes Annex B Shares under GCI-II for which income distributions (transfers) were made by IDB on behalf of its shareholders.
[2] Data are rounded; detail may not add to total because of rounding.
[3] Croatia's voting power is 0.0113.
[4] Slovenia's voting power is 0.0064.

Note J - Fair Value Measurements

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

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

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

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

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

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

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

Derivative instruments – These include cross currency, interest rate swap, and credit derivatives used for risk management purposes. Fair values are determined by obtaining the present value of estimated future cash flows using appropriate discount rates and forward curves.

Borrowings – IDB Invest's borrowings are recorded at amortized cost or fair value. The fair value of IDB Invest's borrowings is estimated using traded prices and quoted market prices when similar borrowings are liquid and listed on active markets. In case borrowings are considered illiquid or not listed, the fair value is calculated using discounted cash flow analyses based on IDB Invest's current borrowing rates for similar types of borrowing arrangements.

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

Fair value of financial instruments

Table J1. Carrying values and estimated fair values of IDB Invest's financial instrument assets/(liabilities) and their classification within the fair value hierarchy in accordance with ASC 820 Fair value of financial instruments (USD thousands):

	September 30, 2026				
Expressed in USD thousands	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Liquid investments					
Corporate securities	$ 2,177,795	$ —	$ 2,177,795	$ —	$ 2,177,795
Money market funds	923,250	—	923,250	—	923,250
Agency securities	604,603	—	604,603	—	604,603
Government securities	550,027	—	550,027	—	550,027
Supranational securities	520,049	—	520,049	—	520,049
Time deposits	97,070	—	97,070	—	97,070
	4,872,794	—	4,872,794	—	4,872,794
Loans					
Amortized cost	7,471,762	—	—	7,300,097	7,300,097
Fair value	755,611	—	—	755,611	755,611
	8,227,373	—	—	8,055,708	8,055,708
Debt securities					
Amortized cost	41,401	—	—	40,120	40,120
Fair value	2,343,108	—	—	2,343,108	2,343,108
NAV[(1)(2)]	4,813				4,813
	2,389,322	—	—	2,383,228	2,388,041
Equity investments					
Fair value	108,004	—	—	108,004	108,004
NAV[(1)(2)]	349,060				349,060
	457,064	—	—	108,004	457,064
Derivative assets					
Cross currency swaps	151,903	—	151,903	—	151,903
Interest rate swaps	139,572	—	139,572	—	139,572
	291,475	—	291,475	—	291,475
Borrowings					
Amortized cost	(873,549)	—	(842,633)	(4,590)	(847,223)
Fair value	(10,337,110)	—	(10,337,110)	—	(10,337,110)
	(11,210,659)	—	(11,179,743)	(4,590)	(11,184,333)
Derivative liabilities					
Cross currency swaps	(491,512)	—	(477,270)	(14,242)	(491,512)
Interest rate swaps	(144,035)	—	(144,035)	—	(144,035)
Credit derivatives	(4,791)	—	—	(4,791)	(4,791)
	(640,338)	—	(621,305)	(19,033)	(640,338)
Payables and other liabilities					
Guarantees measured at fair value	151	—	—	151	151
Undisbursed commitments measured at fair value	(15,829)	—	—	(15,829)	(15,829)
Other liability measured at fair value	(2,846)	—	—	(2,846)	(2,846)
	$ (18,524)	**$ —**	**$ —**	**$ (18,524)**	**$ (18,524)**

[(1)] In accordance with ASC 820, investments recorded using NAV as a practical expedient for fair value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to reconcile to the amounts presented in the balance sheets.
[(2)] As of September 30, 2026, the maximum undisbursed commitments subject to capital calls for these investments were $150.0 million.

Table J1.1.

	December 31, 2025				
Expressed in USD thousands	**Carrying amount**	**Level 1**	**Level 2**	**Level 3**	**Fair value**
Liquid investments					
Corporate securities	$ 1,663,716	$ —	$ 1,663,716	$ —	$ 1,663,716
Money market funds	1,500,074	—	1,500,074	—	1,500,074
Agency securities	470,744	—	470,744	—	470,744
Government securities	511,903	—	511,903	—	511,903
Supranational securities	500,764	—	500,764	—	500,764
Time deposits	127,655	—	127,655	—	127,655
	4,774,856	—	4,774,856	—	4,774,856
Loans					
Amortized cost	7,186,131	—	—	6,940,961	6,940,961
Fair value	365,460	—	—	365,460	365,460
	7,551,591	—	—	7,306,421	7,306,421
Debt securities					
Amortized cost	40,997	—	—	38,761	38,761
Fair value	2,116,738	—	—	2,116,738	2,116,738
NAV[(1)(2)]	5,883				5,883
	2,163,618	—	—	2,155,499	2,161,382
Equity investments					
Fair value	97,565	—	—	97,565	97,565
NAV[(1)(2)]	311,870				311,870
	409,435	—	—	97,565	409,435
Derivative assets					
Cross currency swaps	207,241	—	206,937	304	207,241
Interest rate swaps	132,398	—	132,398	—	132,398
	339,639	—	339,335	304	339,639
Borrowings					
Amortized cost	(1,045,058)	—	(1,013,616)	(5,127)	(1,018,743)
Fair value	(9,468,591)	—	(9,468,591)	—	(9,468,591)
	(10,513,649)	—	(10,482,207)	(5,127)	(10,487,334)
Derivative liabilities					
Cross currency swaps	(273,246)	—	(265,460)	(7,786)	(273,246)
Interest rate swaps	(80,517)	—	(80,517)	—	(80,517)
Credit derivatives	(752)	—	—	(752)	(752)
	(354,515)	—	(345,977)	(8,538)	(354,515)
Payables and other liabilities					
Guarantees measured at fair value	89	—	—	89	89
Undisbursed commitments measured at fair value	291	—	—	291	291
Other liability measured at fair value	(2,781)	—	—	(2,781)	(2,781)
	$ (2,401)	**$ —**	**$ —**	**$ (2,401)**	**$ (2,401)**

[(1)] In accordance with ASC 820, investments recorded using NAV as a practical expedient for fair value have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to reconcile to the amounts presented in the balance sheets.
[(2)] As of December 31, 2025, the maximum undisbursed commitments subject to capital calls for these investments were $170.4 million.

Table J2. Changes in carrying value of IDB Invest's Level 3 financial instrument assets/(liabilities) that are carried at fair value as follows (USD thousands):

	Nine months ended September 30, 2026				
	Balance as of January 1, 2026	Net gains/ (losses) included in net income	Disbursements, purchases, sales, settlements and other	Balance as of September 30, 2026	Net unrealized gains/ (losses) included in net income related to assets/liabilities held at September 30, 2026
Loans	$ 365,460	$ (8,832)	$ 398,983	$ 755,611	$ (8,153)
Debt securities	2,116,738	19,117	207,253	2,343,108	18,609
Equity investments	97,565	2,383	8,056	108,004	2,319
Derivative assets					
Cross currency swaps	304	(304)	—	—	(304)
Total level 3 assets at fair value	**2,580,067**	**12,364**	**614,292**	**3,206,723**	**12,471**
Derivative liabilities					
Cross currency swaps	(7,786)	(6,456)	—	(14,242)	(6,456)
Credit derivatives	(752)	(4,039)	—	(4,791)	(4,039)
Payables and other liabilities	(2,401)	(16,123)	—	(18,524)	(16,123)
Total level 3 liabilities at fair value	**$ (10,939)**	**$ (26,618)**	**$ —**	**$ (37,557)**	**$ (26,618)**

Table J2.1.

	Year ended December 31, 2025				
	Balance as of January 1, 2025	Net gains/ (losses) included in net income	Disbursements, purchases, sales, settlements and other	Balance as of December 31, 2025	Net unrealized gains/ (losses) included in net income related to assets/liabilities held at December 31, 2025
Loans	$ 373,038	$ 7,733	$ (15,311)	$ 365,460	$ 7,428
Debt securities	1,367,815	85,602	663,321	2,116,738	89,422
Equity investments	93,087	(1,082)	5,560	97,565	(1,082)
Derivative assets					
Cross currency swaps	—	304	—	304	304
Total level 3 assets at fair value	**1,833,940**	**92,557**	**653,570**	**2,580,067**	**96,072**
Derivative liabilities					
Cross currency swaps	—	(7,786)	—	(7,786)	(7,786)
Credit derivatives	(720)	(32)	—	(752)	(32)
Payables and other liabilities	(1,143)	(1,258)	—	(2,401)	95
Total level 3 liabilities at fair value	**$ (1,863)**	**$ (9,076)**	**$ —**	**$ (10,939)**	**$ (7,723)**

Table J2.2.

	Nine months ended September 30, 2025				
	Balance as of January 1, 2025	Net gains/ (losses) included in net income	Disbursements, purchases, sales, settlements and other	Balance as of September 30, 2025	Net unrealized gains/ (losses) included in net income related to assets/liabilities held at September 30, 2025
Loans	$ 373,038	$ 2,792	$ 12,671	$ 388,501	$ 2,792
Debt securities	1,367,815	76,890	389,725	1,834,430	76,896
Equity investments	93,087	(3,574)	5,560	95,073	(3,574)
Total level 3 assets at fair value	**1,833,940**	**76,108**	**407,956**	**2,318,004**	**76,114**
Borrowings	—	884	(78,813)	(77,929)	884
Derivative liabilities					
Credit derivatives	(720)	(3,719)	—	(4,439)	(3,719)
Payables and other liabilities	(1,143)	(1,320)	—	(2,463)	(1,320)
Total level 3 liabilities at fair value	**$ (1,863)**	**$ (4,155)**	**$ (78,813)**	**$ (84,831)**	**$ (4,155)**

There were no transfers in or out of Level 3 during the nine months ended September 30, 2026 nor September 30, 2025.

Table J3. Gross purchases, sales, issuances and settlements related to the changes in the carrying value of IDB Invest's Level 3 financial instruments that are carried at fair value (USD thousands):

	Nine months ended September 30, 2026				
	Disbursements/ Purchases	Repayments/ Sales	Issuances	Settlements and others	Net
Loans	$ 420,742	$ (23,353)	$ —	$ 1,594	$ 398,983
Debt securities	402,269	(200,247)	—	5,231	207,253
Equity investments	18,884	(10,828)	—	—	8,056
Total level 3 assets at fair value	**$ 841,895**	**$ (234,428)**	**$ —**	**$ 6,825**	**$ 614,292**
Payables and other liabilities	—	—	—	—	—
Total level 3 liabilities at fair value	**$ —**	**$ —**	**$ —**	**$ —**	**$ —**

Table J3.1.

	Nine months ended September 30, 2025				
	Disbursements/ Purchases	Repayments/ Sales	Issuances	Settlements and others	Net
Loans	$ 24,462	$ (12,972)	$ —	$ 1,181	$ 12,671
Debt securities	463,424	(75,120)	—	1,421	389,725
Equity investments	5,560	—	—	—	5,560
Total level 3 assets at fair value	**$ 493,446**	**$ (88,092)**	**$ —**	**$ 2,602**	**$ 407,956**
Borrowings	—	—	(78,813)	—	(78,813)
Payables and other liabilities	—	—	—	—	—
Total level 3 liabilities at fair value	**$ —**	**$ —**	**$ (78,813)**	**$ —**	**$ (78,813)**

Table J4. Valuation techniques and significant unobservable inputs for development-related investment assets/ (liabilities) classified as Level 3 as of September 30, 2026, and December 31, 2025 (USD thousands):

	September 30, 2026				
	Fair value	Valuation technique	Significant unobservable inputs	Range	Weighted average [1]
Loans	$ 663,656	Discounted cash flows	Discount rate	5.7%-18.9%	8.3%
	91,955	Recent transaction price	Transaction price		
	755,611				
Debt securities	2,333,108	Discounted cash flows	Discount rate	5.6%-16.5%	10.0%
	10,000	Recent transaction price	Transaction price		
	2,343,108				
Equity investments	89,611	Discounted cash flows	Discount rate	8.7%-20.6%	13.6%
		Discounted cash flows	Long term growth rate	2.6%-6.3%	5.7%
	18,393	Recent transaction price	Transaction price		
	108,004				
Derivative liabilities					
Cross currency swaps	(14,242)	Discounted cash flows	Discount rate	7.9% - 9.5%	8.8%
Credit derivatives	(4,791)	Others			
	(19,033)				
Payables and other liabilities	(15,829)	Discounted cash flows	Discount rate	7.3%-14.8%	7.5%
	(2,695)	Others			
	(18,524)				
Total	**$ 3,169,166**				

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

Table J4.1.

	December 31, 2025				
	Fair value	**Valuation technique**	**Significant unobservable inputs**	**Range**	**Weighted average [1]**
Loans	$ 365,460	Discounted cash flows	Discount rate	5.7%-20.1%	8.2%
	365,460				
Debt securities	1,789,641	Discounted cash flows	Discount rate	4.3%-15.6%	7.7%
	327,097	Recent transaction price	Transaction price		
	2,116,738				
Equity investments	81,806	Discounted cash flows	Discount rate	9.5%-18.1%	12.8%
		Discounted cash flows	Long term growth rate	2.6%-5.7%	5.0%
	15,759	Recent transaction price	Transaction price		
	97,565				
Derivatives assets					
Cross currency swaps	304	Discounted cash flows	Discount rate	9.4%	9.4%
	304				
Derivative liabilities					
Cross currency swaps	(7,786)	Discounted cash flows	Discount rate	7.6% - 8.9%	8.3%
Credit derivatives	(752)	Others			
	(8,538)				
Payables and other liabilities	(2,401)	Others			
	(2,401)				
Total	**$ 2,569,128**				

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

Note K - Non-trading Portfolios

IDB Invest's non-trading portfolio includes development-related debt investments and borrowings measured at fair value under the FVO as well as the related derivative instruments at fair value.

Table K1. Net gains and losses from changes in fair value on the non-trading portfolios and foreign exchange transactions are as follows (USD thousands):

		Nine months ended September 30	
	Notes	2026	2025
Changes in fair value			
Development-related debt investments		$ (78,136)	$ 21,670
Borrowings		348,505	(322,517)
Derivatives			
Unrealized gain/(loss) on swaps	G	(329,948)	142,068
Unrealized gain/(loss) on credit derivatives	G	(4,039)	(3,719)
Gain/(loss) from changes in fair value, net		**(63,618)**	**(162,498)**
Foreign exchange transactions			
Development-related debt investments		177,095	180,851
Borrowings		(27,095)	(89,097)
Other assets/liabilities		(3,819)	994
Gain/(loss) from foreign exchange transactions, net		**146,181**	**92,748**
Swap transactions			
Realized gain/(loss) on swaps [(1)]	G	**(227,760)**	**(104,330)**
Gain/(loss) from changes in fair value on non-trading portfolios and foreign exchange transactions, net		**$ (145,197)**	**$ (174,080)**

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

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

Note L - Segment Reporting

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

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

Note M - Contingencies

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

Note N - Leases

Office Space

IDB Invest has entered into office space arrangements with the IDB at its headquarters and in its Regional Developing Member Countries. The lease agreement at headquarters expires in 2030. Office space arrangements in the Regional Developing Member Countries generally include renewal options, which IDB Invest assesses individually to determine the likelihood to be exercised and, accordingly, included in the contract. IDB Invest and the IDB are also joint owners of certain office spaces in the Region.

Refer to Notes E and H for additional information related to IDB Invest's operating lease right-of-use assets and operating lease liabilities outstanding as of September 30, 2026, and 2025.

Table N1. Lease expenses and quantitative disclosure requirements (USD thousands):

	Nine months ended September 30	
	2026	**2025**
Operating leases		
Operating lease expense	$ 4,249	$ 4,616
Total lease expense	**$ 4,249**	**$ 4,616**
Supplemental disclosure:		
Weighted average of lease terms (years)	7.8	5.1
Weighted average discount rate[(1)]	4.4 %	2.2 %

[(1)] Discount rate applied for office space leases is based on the IDB multi-currency incremental borrowing rate.

Note O - Related Party Transactions

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

Private Sector Operations

Following the IDB Group private sector and non-sovereign guaranteed reorganization, IDB Invest manages all private sector activities including co-financing arrangements by IDB Invest and the IDB. The origination of these co-financing arrangements ended in 2022. IDB Invest and the IDB have separate legal and economic interests in a co-financing transaction, which may be subject to certain minimum amounts, as agreed.

Pursuant to such reorganization, IDB Invest and the IDB entered into one-year, renewable SLAs under which IDB Invest provides loan origination[1], execution and monitoring services to the IDB related to its private sector operations and IDB Invest receives various administrative and overhead services from the IDB. For the nine months ended September 30, 2026, IDB Invest recognized income of $14.7 million for services provided to IDB ($19.0 million for the nine months ended September 30, 2025) and expenses of $20.1 million for services received from IDB ($16.7 million for the nine months ended September 30, 2025). SLA revenue and expenses from related party transactions are included in Service fees from related parties and Administrative expenses in the income statements.

[1] Loan origination services ended in 2022 as mentioned in the paragraph above.

Funds under Administration

IDB Invest administers funds on behalf of donors, such as member countries or other entities, consistent with its purpose of promoting private sector economic development of its Regional Developing Member Countries. These funds are mainly used for the co-financing of certain projects and technical assistance activities.

IDB Invest's funds under administration are held in trust and are not commingled with IDB Invest's funds and are not included in the assets of IDB Invest. IDB Invest generally receives a management fee that is a percentage of the net asset value of such funds received. For the nine months ended September 30, 2026, IDB Invest recognized income of $1.1 million for these services ($1.0 million for the nine months ended September 30, 2025). These fees are included in Service fees from related parties in the income statements.

IDB Invest also accesses funds through IDB's funds under administration on behalf of its donors to utilize their funds to finance private sector activities and technical assistance for specific projects. Technical assistance arrangements are recognized on a cost reimbursement basis. For the nine months ended September 30, 2026, IDB Invest recognized income of $10.8 million which represents the reimbursements related to the services performed on behalf of these funds presented in Service fees from related parties and Administrative expenses in the income statements ($8.2 million for the nine months ended September 30, 2025).

Table O1. Liabilities due to related parties included in Payables and other liabilities in the balance sheets were as follows (USD thousands):

	September 30, 2026	December 31, 2025
Due to IDB, net	$ 44,295	$ 43,519
Deferred revenue from funds under administration	37,651	33,093

Other Transactions with Related Parties

IDB Invest has a multi-currency credit facility with the IDB up to $300.0 million at the rate in accordance with the IDB's lending rate policy. Refer to Note F for additional details.

Note P - Pension Plans and Postretirement Benefit Plan

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

All employer contributions are made in cash during the fourth quarter of the year. As of September 30, 2026, the estimate of contributions expected to be paid for 2026 are $12.2 million to the Pension Plans, and $6.1 million to the PRBP, the same amounts disclosed in the December 31, 2025 financial statements. Contributions for 2025 were $10.5 million to the Pension Plans and $5.2 million to the PRBP.

Net periodic benefit costs are included in Other expenses in the income statements. The following table summarizes the net periodic benefit costs associated with the Pension Plans and the PRBP for the nine months ended September 30, 2026 and 2025 (USD thousands):

Table P1. Components of Pension Plans and PRBP net periodic benefit (credit)/cost recognized in the income statements (USD thousands):

	Nine months ended September 30			
	Pension Plans		PRBP	
	2026	2025	2026	2025
Service cost [1]	$ 10,411	$ 9,648	$ 5,159	$ 4,009
Interest cost [3]	14,695	13,171	7,091	5,526
Expected return on plan assets [2][3]	(17,899)	(16,704)	(10,830)	(10,224)
Amortization of: [3]				
Net actuarial (gain)/loss	(2,708)	(4,216)	(225)	(2,535)
Prior service (credit)/cost	—	—	(20)	(9)
Net periodic benefit (credit)/cost	**$ 4,499**	**$ 1,899**	**$ 1,175**	**$ (3,233)**

[1] Included in Administrative expenses.
[2] The expected return on plan assets is 6.50% for both 2026 and 2025.
[3] Included in Other components of pension benefit (credit)/cost, net.

Note Q - Subsequent Events

Management has evaluated subsequent events through November 9, 2026, which is the date the financial statements were issued. Management determined that there were no subsequent events that require disclosure under ASC Topic 855, *Subsequent Events.*