Financial Performance Summary

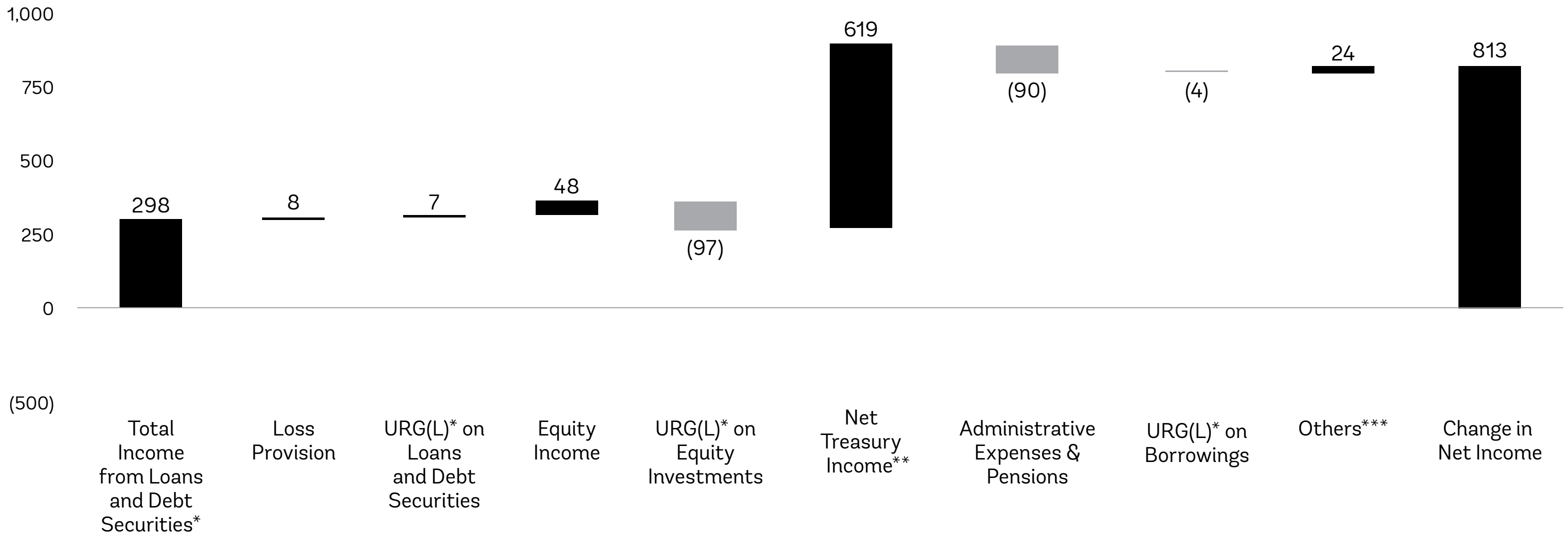
The overall market environment has a significant influence on IFC's financial performance. The main elements of IFC's net income and other comprehensive income, and influences on the level and variability of net income and other comprehensive income from year to year, are:

Main Elements of Net Income and Other Comprehensive Income

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

IFC's net income was $1.5 billion for the year ended June 30, 2024 (FY24), as compared to $672 million for the year ended June 30, 2023 (FY23). The increase in net income was mainly driven by higher treasury income and strong net interest income on loans and debt securities in FY24. The $813 million increase in FY24, when compared to FY23, was principally a result of the following factors:

Change in Net Income FY24 vs FY23 (US$ IN MILLIONS)



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

** URG(L) refers to Unrealized Gains (Losses).

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

Income from loans and guarantees, including realized gains and losses on loans and associated derivatives, for FY24 amounted to $3.2 billion. This represents an increase of $914 million compared to $2.3 billion in FY23, primarily due to higher interest income from increased interest rates and portfolio growth. IFC recorded a net provision for losses on loans, available-for-sale debt securities, off-balance-sheet credit exposures, and other receivables of $21 million in FY24 (provision of $29 million in FY23). Included in the FY24 provision was a reduction of qualitative overlay of $110 million, which was reduced from $135 million as of June 30, 2023 to $25 million as of June 30, 2024, since the original circumstances requiring the overlay are now broadly reflected in the credit ratings and loss reserves.

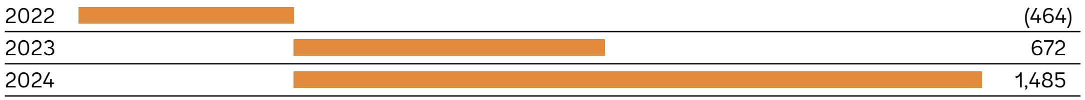
Equity investment portfolio returned $142 million in FY24, compared to $191 million in FY23, which included dividends of $128 million in FY24 ($164 million for FY23).

IFC reported income of $860 million on liquid assets in FY24, net of allocated charges on borrowings, compared to $241 million in FY23. The year-over-year increase of $619 million was mainly attributable to higher net income from the Net Worth Funded Portfolio, as U.S. Treasury yields stabilized in FY24, while rose sharply in FY23.

IFC's administrative expenses were $1.3 billion in FY24, compared to $1.2 billion in FY23, an increase of $137 million primarily driven by higher staff costs. Pension expenses decreased by $47 million to $167 million in FY24, from $214 million in FY23.

IFC's net income or loss for the past three fiscal years ended June 30, 2024 are presented below:

IFC's Net Income (Loss) FY22-FY24 (US$ MILLIONS)



IFC uses Income Available for Designations (a non-U.S. GAAP measure) as a basis for designations of retained earnings. Prior to FY24, Income Available for Designations comprise net income excluding unrealized gains and losses on investments and borrowings[1] as well as grants to the International Development Association (IDA), which were suspended in FY20 following the conclusion of the IDA Eighteen Replenishment of Resources (IDA18). In FY24, IFC updated the calculation of Income Available for Designations to exclude income from Post-retirement Contribution Reserve Fund (PCRF), aligning it with its intended use for post-retirement contributions. This change, approved by the Board in June 2024, is effective from FY24 and is reflected in the table below.

Reconciliation of Net Income (Loss) to Income Available for Designations

(US$ IN MILLIONS) FOR THE YEAR ENDED JUNE 30	2024	2023	2022
Net income (loss)	**$ 1,485**	**$ 672**	**$ (464)**
Adjustments to reconcile Net income (loss) to Income Available for Designations			
Unrealized losses (gains) on investments	49	(41)	740
Unrealized losses on borrowings	54	50	106
PCRF Income	(30)	–	–
Income Available for Designations	**$ 1,558**	**$ 681**	**$ 382**

In October 2024, the Board of Directors approved a designation of $107 million to the Creating Markets Advisory Window (CMAW) and $152 million to the Funding Mechanism for Technical Assistance and Advisory Services (FMTAAS). This designation is expected to be noted with approval by the Board of Governors in October 2024. Additionally, the Board of Directors recommended to the Board of Governors that $100 million of IFC's FY24 net income be allocated to the Surplus Account, which is being established to seed the Frontier Opportunities Fund, a fund of concessional finance to spur equity investment mostly targeted to middle-income countries, including for the cutting-edge climate initiatives. This recommendation will be discussed by the Board of Governors in late October 2024.

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

Summary of Financial Results

(US$ IN MILLIONS) FOR THE YEAR ENDED JUNE 30	2024	2023	2022
Consolidated statements of operations highlights:			
Income from loans and guarantees, including realized gains and losses on loans and associated derivatives	**$ 3,204**	$ 2,290	$ 1,156
Provision for losses on loans, off-balance-sheet credit exposures, and other receivables	**(9)**	(22)	(126)
Income from equity investments and associated derivatives	**142**	191	208
Income from debt securities, including realized gains and losses on debt securities and associated derivatives	**811**	518	414
Provision for losses on available-for-sale debt securities	**(12)**	(7)	(14)
Income (loss) from liquid asset trading activities	**2,391**	1,464	(413)
Charges on borrowings	**(3,815)**	(2,598)	(302)
Other income	**587**	518	419
Other expenses	**(1,827)**	(1,721)	(1,653)
Foreign currency transaction (losses) gains on non-trading activities	**(115)**	(86)	76
Income (loss) before net unrealized gains and losses on non-trading financial instruments accounted for at fair value and grants to IDA	**$ 1,357**	$ 547	$ (235)
Net unrealized gains (losses) on non-trading financial instruments accounted for at fair value	**128**	125	(229)
Net income (loss)	**$ 1,485**	$ 672	$ (464)

(US$ IN MILLIONS) AS OF THE YEAR ENDED JUNE 30	2024	2023
Consolidated balance sheets highlights:		
Total assets	**$ 108,187**	$ 110,547
Liquid assets[a]	**37,734**	40,120
Investments	**58,747**	51,502
Borrowings outstanding, including fair value adjustments	**55,755**	52,443
Total capital	**37,472**	35,038
of which		
Undesignated retained earnings	**13,133**	11,589
Designated retained earnings	**162**	221
Accumulated other comprehensive income (loss) (AOCI)	**957**	632
Paid-in capital	**23,220**	22,596

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

Key Financial Ratios

(US$ BILLIONS, EXCEPT RATIOS) AS OF THE YEAR ENDED JUNE 30	2024	2023
Overall liquidity ratio[a]	**81.0%**	103.8%
Debt-to-equity ratio[b]	**1.7**	1.6
Total reserve against losses on loans to total disbursed portfolio[c]	**2.9%**	3.7%
Capital measures:		
Capital available[d]	**36.6**	34.8
Capital required[e]	**22.2**	21.1
Capital utilization ratio[f]	**60.5%**	60.7%

a Overall Liquidity Policy states that IFC would at all times maintain a minimum level of liquidity, plus undrawn borrowing commitments from the International Bank for Reconstruction and Development (IBRD), such that it would cover at least 45% of the next three years' estimated net cash requirements. IFC's overall liquidity as a percentage of the next three years' estimated net cash needs stood at 81% as of June 30, 2024, above the minimum requirement of the Board of 45%.

b Debt-to-equity (leverage) ratio is defined as outstanding borrowings plus committed guarantees divided by total capital, comprising paid-in capital, retained earnings, and Accumulated other comprehensive income (loss). IFC's debt-to-equity ratio as of June 30, 2024 was well within the maximum of 4 required by the policy approved by IFC's Board of Directors.

c Total reserve against losses on loans to total disbursed loan portfolio is defined as reserve against losses on loans as a percentage of the total disbursed loan portfolio.

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

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

f Capital Utilization Ratio (CUR) is defined as Capital Required divided by Capital Available.

COMMITMENTS

Investment Commitments include Long-Term Finance and Short-Term Finance Commitments, from both IFC's Own Account and Core Mobilization. Investments made by IFC from its own account utilize its own borrowings or capital. Core Mobilization refers to non-IFC financing or risk sharing arranged on commercial terms due to the active and direct involvement of IFC for the benefit of a client. IFC mobilizes such finance from other private and public entities through a number of means. Own Account investments supported 365 LTF projects in FY24 (325 in FY23).

The table below outlines a comparative breakdown of IFC's Long-Term and Short-Term Finance Commitments, including Own Account and Core Mobilization in FY24 and FY23:

Total Commitments (Own Account and Core Mobilization)

(US$ IN MILLIONS) FOR THE YEAR ENDED JUNE 30	2024	2023
Total Commitments (Own Account and Core Mobilization)	**$56,087**	**$ 43,729**
Long-Term Finance Own Account	21,458	16,677
Long-Term Finance Core Mobilization	22,504	15,029
Short-Term Finance Own Account	10,196	11,027
Short-Term Finance Core Mobilization	1,929	996