DFC U.S. International Development Finance Corporation

ANNUAL REPORT 2022

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Foreword from CEO Scott Nathan

In Fiscal Year (FY) 2022, DFC increased the size, scale, and impact of its investments in support of critical U.S. developmental priorities and foreign policy objectives. DFC set a record with commitments totaling more than $7.4 billion across 183 transactions, during the course of the year. All of this activity was in pursuit of our mission of cultivating a robust private sector to achieve sustainable developmental outcomes and strengthen the strategic position of the United States.

Meeting with clients in every region where DFC is active, I saw firsthand the outsized impact that DFC's investments can have on communities around the world. By providing reliable energy for people who have never had it, bolstering supply chains across sectors including agriculture and health, supporting the small businesses that are the engines of growth for local economies, and so many of the other projects DFC financed, we continue to unleash the power of the private sector to improve people's lives.

DFC brings more than private capital to the markets where we invest. We carry with us our values of openness and transparency, respect for local laws and conditions, and high environmental, labor, and integrity standards. With active exposure in more than 110 countries in FY 2022, it is clear the demand for the types of products our organization provides is growing.

Working with the private sector to meet the need for affordable and accessible power, DFC is bolstering the diversity of regional energy markets, helping to diminish the influence of authoritarian governments. DFC is also investing to secure supply chains for critical minerals essential to the development of clean energy technologies, a sector where our strategic competitors have a significant interest. Whether in the financing DFC provided to small farmers in Zambia so they can bring more produce to market, or the support we provided to banks in Vietnam to bolster underserved communities, DFC is investing in the well-being of communities for the long term. At the same time, in response to Russia's brutal and illegal invasion of Ukraine, DFC provided support so that small businesses could continue contributing to the economy and young people could continue their education during a time of war.

This report details some of the many strategic investments we have made over the past year to achieve greater developmental impact and advance the foreign policy goals of the United States. We look forward to expanding upon this work in 2023 as we grow DFC's capacity, engage new clients, and continue to invest in people to create more stable, prosperous communities.

Impact Through Investment

DFC offers an array of products that are increasingly important in sectors with urgent investment needs, including agriculture, energy, information and communications technology (ICT), and infrastructure. In FY 2022, DFC committed more than $7.4 billion in investments providing solutions that respond to ongoing development challenges around the world and support national security objectives.

Bolstering Food Supply

DFC prioritized making investments in 2022 that help reduce food insecurity. This work became even more critical following Russia's illegal and devastating war in Ukraine. To address the dire situation, DFC surged efforts and committed a total of $625 million to 38 transactions to promote food security in Fiscal Year 2022 (FY22), more than double the $262 million committed to this area during Fiscal Year 2021 (FY21). These investments are supporting smallholder farmers, expanding food processing facilities, and securing supply chains to provide immediate relief, while alleviating global food insecurity for the long-term.

A DFC loan to **One Acre Fund** will help hundreds of thousands of smallholder farmers across Africa—about half of them women—to access fertilizer and other resources that allow them to improve harvests. And in more than 20 countries in Africa, Asia, and Latin America, a DFC loan portfolio guaranty to **Root Capital** will help support small and medium-sized agribusinesses, as well as provide greater financing for climate adaptation and mitigation projects.

In Sri Lanka, where recent political turmoil resulted in severe food shortages, a DFC loan will support the expansion of a sustainable and fairtrade food business, **Ma's Tropical Food Processing**. The investment will help the business purchase more raw materials from local suppliers to expand food supply, boost farmer incomes, and support sustainable manufacturing practices.

Building Long-Term Health Resilience

In the immediate aftermath of the COVID-19 pandemic's onset, DFC established the **Global Health and Prosperity Initiative**. Since its launch in May 2020, the Initiative has had two goals: address the immediate challenges posed by the pandemic and strengthen long-term health system resilience to improve healthcare outcomes across the board over time. DFC has approved more than $2.6 billion in projects since the Initiative's launch. The diverse portfolio of investments approved under the Initiative includes projects that are strengthening health services, infrastructure, commodity manufacturing and supply chain resilience, as well as investing in digital health, clean water, improved sanitation, and nutrition. These investments in the well-being of people and stability of communities provide a necessary foundation for economic growth and the creation of jobs and opportunity in the private sector.

DFC's Global Health and Prosperity Initiative has approved more than $2.6 billion in transactions since its inception in May 2020.

Improving Health Outcomes with Clean Water

Approximately two billion people, or one-quarter of the world's population, lack a safe and reliable source of potable water in their homes. Unsafe drinking water is a major cause of illnesses like diarrhea, cholera, and dysentery—diseases that cause almost half a million deaths every year, according to the World Health Organization. DFC's $10 million equity investment in the **Water Access Acceleration Fund** will support businesses expanding access to affordable drinking water to underserved populations in low and lower-middle income countries primarily in Sub-Saharan Africa and South and Southeast Asia.

Photo credit: Catholic Relief Services



Addressing a Healthcare Shortage in Asia

DFC financing is helping **Quadria Capital Fund III** invest across the healthcare value chain, including in hospitals, laboratories, and device manufacturers in India, Indonesia, the Philippines, Thailand, and Vietnam and other countries in South and Southeast Asia. This focus on emerging economies of Asia will help address a large and growing demand for health services. Emerging Asian economies account for 60 percent of the world's population and half the global disease burden, but many countries in the region spend less than three percent of GDP on healthcare, a fraction of typical spending in developed countries. At the same time, growing middle-class populations have increased demand for health services. Quadria's investments are a direct effort to right this imbalance.

Helping Women in Brazil Access Affordable Healthcare

Brazil has one of the highest rates of preventable death of any OECD (Organization for Economic Co-operation and Development) country, partly due to high rates of breast and cervical cancer. A DFC loan is helping **GIP Medicina Diagnóstica S.A**. expand its chain of women's health diagnostic centers that provide diagnostic testing, imaging, blood work, and pathology testing services. The company, known as Femme in the local market, currently operates 12 centers in São Paulo and will use the DFC financing to add more than 27 centers over the next six years, serving low and middle-income women.

Access to Sustainable, Reliable, and Affordable Energy

Expanding access to affordable and reliable power is essential to improving lives and strengthening the economies of developing nations. Equally important is DFC's work to secure supply chains for technologies that will deliver the sustainable energy solutions of the future.

Providing Reliable Power in Sub-Saharan Africa

In Malawi, where less than half the population has access to a reliable source of electricity, DFC announced a commitment in support of the 20 MW **Golomoti Solar** photovoltaic power project and 5MWh/10MWh battery energy storage system. The plant is one of the first in Sub-Saharan Africa to include a grid-connected battery energy storage system that will help ensure a dependable supply and reduce frequent blackouts.

Innovating Financing for Solar Power in Egypt

DFC purchased $50 million of certified climate bonds, or "green notes," from **Virtuo Finance S.A.R.L.** to support six solar photovoltaic plants, with a combined capacity of 300 MW. The initiative was Egypt's first certified green bonds issuance by a private entity and catalyzed private sector participation, including investment from institutional investors and pension funds.

Promoting Conservation in Latin America

A DFC loan portfolio guaranty will support **Conservation International Ventures** in providing loans to micro, small and medium enterprises in the agriculture, forestry, ecotourism, and wild fishery sectors of Colombia, Mexico, and Peru. At least 50 percent of the loans under coverage will focus on underserved regions in these countries, identified in collaboration with local U.S. Agency for International Development (USAID) missions for their vulnerability to environmental degradation.

Securing Critical Minerals for Global Supply Chains

In Brazil, a DFC equity investment in **TechMet Limited** will support the retrieval of minerals including cobalt and nickel, essential to the production of electric vehicles, solar panels, and other clean energy technologies. With the People's Republic of China controlling the largest share of the market in critical mineral production and processing, these vital resources are especially vulnerable to supply chain bottlenecks and geopolitical risks. DFC's investment will also support the development of new technologies and processes that will advance more efficient and environmentally benign mining practices, while bolstering supply chains to support the renewable energy transition. The mining facility in Piaui, Brazil is also expected to be an important source of formal employment in a rural area with limited income opportunities.

Bolstering Energy Diversification and Reliable Access to Power

In FY 2022, DFC financed non-Russian gas supplies for Moldova with $400 million of risk insurance, enabled the construction of a new solar panel manufacturing plant in India outside of Chinese supply chains with a $500 million loan, and expanded support to more than $267 million for a new gas-fired electricity plant in electricity-starved Sierra Leone.

Providing Technical Assistance for Green Hydrogen

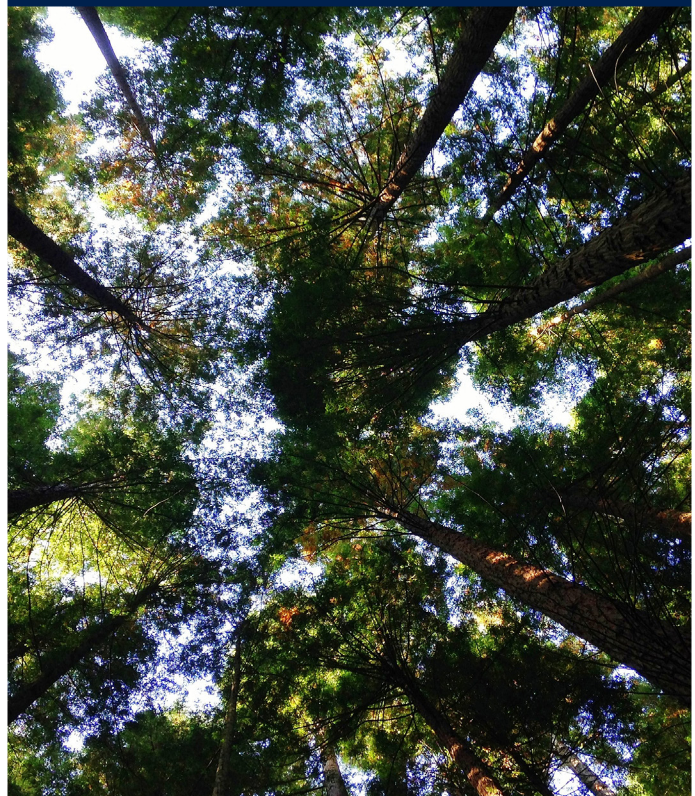
As a country comprised of more than 17,000 islands, Indonesia is particularly vulnerable to the effects of climate change and has committed to reducing dependence on fossil fuels, which currently provide more than 90 percent of the country's energy. DFC funded technical assistance to a firm developing a portfolio of green hydrogen projects, **Hydrogène De France (HDF)**, allowing them to perform environmental and social impact assessments as well as technical and feasibility studies. As a pioneer in the hydrogen field, HDF developed the power plant that combines renewable energy generation with storage.

Financing High-Quality Infrastructure

Infrastructure in the developing world is underfunded by an estimated $40 trillion, and this massive gap is expected to grow with the climate crisis and population growth. DFC's investments in high quality infrastructure are helping to connect communities to the global economy and secure global supply chains.

DFC committed $80 million in financing to **The Urban Resilience Fund (TURF**) which is investing in infrastructure projects to help countries in Africa and the Middle East address the resource strains of growing urban populations. TURF, which is managed by Meridiam Group, will invest in projects such as bus rapid transit, light rail, and smart city solutions such as smart street lighting across multiple countries including Cote d'Ivoire, Egypt, Jordan, Senegal, and South Africa.

DFC is also supporting **Smart Rio**, a climate-friendly infrastructure initiative underway in Rio de Janeiro, Brazil that will reduce electricity consumption. By retrofitting and adding new lighting units with LED lighting technology, Smart Rio expects to reduce carbon emissions by at least 70,000 tons per year. The project is also adding 5,000 public Wi-Fi access points, connecting 6,000 smart traffic lights, and modernizing outdated and inefficient infrastructure.



Reducing Emissions Across DFC's Portfolio

Since 2008, DFC has significantly decarbonized its portfolio and met reductions outlined in a Congressional mandate that required portfolio-level greenhouse gas (GHG) emissions to decrease by at least 30 percent by Fiscal Year 2018 and 50 percent by Fiscal Year 2023. Through increasing clean energy investments and reducing its carbon-intensive projects, DFC has:

- Reduced portfolio GHG emissions by **85 percent between** 2008 to 2018, ***exceeding the goal set by Congress.***
- Reduced DFC's portfolio carbon intensity—or the tons of GHGs emitted for every dollar invested—by **92 percent.**

In Georgia, DFC has lent $48 million to help expand the **Poti New Sea Port** on the Black Sea, increasing its ability to move grain, fertilizer, and goods at a crucial time, in light of Russia's ongoing war on Ukraine. The new port is helping facilitate investment in Georgia while strengthening economic integration throughout the region and creating jobs in a rural part of Georgia that suffers from high unemployment.

Early in FY 2023, DFC committed $150 million to finance the expansion of **Puerto Bolivar**, a container port in Ecuador, which will grow its capacity by more than a third. As a result of the port's modernization and use of cold storage and standardized shipping containers, the investment is expected to reduce costs and increase revenues for exporters.

Supporting Small Business and Access to Financial Tools

Many of DFC's commitments in 2022 reflect an understanding that communities traditionally excluded from financial opportunities are critical to the transformation of their economies and the achievement of developmental goals.

In Nepal, DFC worked with USAID to commit a $45 million direct loan and a $2.5 million loan portfolio guaranty to **Laxmi Bank** that will provide capital for on-lending to micro, small, and medium enterprises (MSMEs) engaged in agribusiness. The loan will serve more than 2,500 smallholder farmers and small businesses, some of whom serve areas vulnerable to food insecurity in Nepal.

DFC is also supporting rural and migrant borrowers in Colombia in collaboration with USAID through a $17.5 million loan to increase lending to migrants and rural borrowers. And in Vietnam, DFC is helping to broaden credit access with a $200 million loan to **Southeast Asia Commercial Joint Stock Bank** to address the credit gap in the country for underserved populations and communities under stress from climate impacts.

Investing in Women

DFC's 2X Women's Initiative was created in 2018 to help ensure that investments are made with an understanding of how they will address the needs of women and support them in leadership positions. One of the most effective ways DFC can expand its impact is by increasing its investment in projects that support women's increased participation in the marketplace.

When women earn more income, they tend to save and invest more in areas such as housing, healthcare, education, and in small businesses, bringing benefits to their own households and communities and contributing significantly to national economies. In FY 2022, DFC supported projects to help female entrepreneurs and business owners access the financing necessary to start and grow businesses. For example:

- In Nigeria, where small and medium enterprises (SMEs) account for more than 80 percent of employment, DFC committed financing to the country's largest bank by number of borrowers, **Access Bank Nigeria**, to support lending to small and medium enterprises, with 30 percent of all loans for women-owned or women-led enterprises.
- In El Salvador, where women head about 37 percent of all households, a DFC loan portfolio guaranty to **Banco Azul** will also expand lending to small and medium enterprises, with more than a third of the guaranty amount targeted to qualifying women-owned, -led or -supporting enterprises.
- DFC's loan to Mongolia's **Bogd Bank JSC** will expand lending to small and medium enterprises in the country with approximately 70 percent of loans for women-owned or women-led businesses and approximately 30 percent for green loans. As part of its commitment to support women entrepreneurs and business leaders, the bank will provide regular reporting on loan recipients and the management teams, disaggregated by gender.

Funding Women's Livelihood Bonds

A DFC loan to the Women's Catalyst Fund provided first loss capital into the Impact Investment Exchange's (IIX's) Women's Livelihood Bond Series (WLBs), launching the world's first Orange Bond, a new asset class based on gender equality. These WLBs will support lending to financial intermediaries and impact enterprises benefiting women, girls, and underserved communities in up to 25 countries. The loan to the Women's Catalyst Fund builds on DFC's longstanding support for IIX's Women's Livelihood Bonds. DFC expects its $10 million loan will mobilize a minimum of $270 million in private capital over ten years.

As a member of the Orange Bond Initiative Steering Committee, DFC worked with other sustainable investing institutions to create a guiding document to help establish Orange Bond financing criteria, and bolster both the impact and sustainability of the Orange Bond asset class.

Expanding Secure Digital Access to Technology

Affordable internet access is essential to improving quality of life, expanding the availability of critical services from education to banking, strengthening local economies, and attracting new investment. DFC's investments in internet and communications technology are building stronger connections within countries and across borders and advancing the G7's **Partnership for Global Infrastructure and Investment (PGII**) initiative. *(See "Financing High-Quality Infrastructure," p. 8.)*

Connectivity in the South Pacific

DFC has committed to provide a $50 million guaranty alongside its Australian and Japanese counterparts in support of **Telstra Corporation Ltd.'s** acquisition of Digicel Pacific's telecom assets, helping to provide secure, high-quality mobile service to Papua New Guinea and several Pacific Islands.

The project will support network 5G upgrades to improve security and performance and expanded access to affordable, high-quality mobile voice and data services in these markets. Mobile connectivity in Papua New Guinea, Digicel's largest market, is among the lowest in the Pacific region with overall coverage for 3G and 4G connections at less than 70 percent.

The transaction supports U.S. foreign policy priorities by addressing concerns of state acquisition of telecommunications assets and minimizing the use of equipment from untrustworthy suppliers within a network. Under the terms of the acquisition, Telstra will be required to comply with regulations ensuring that 5G upgrades do not involve equipment purchases from high-risk vendors.

Strengthening Jordan's ICT infrastructure

DFC is financing in collaboration with USAID/Jordan the **Al-Nayi for Information and Communicational Consulting Company** and affiliated company **Al-Mirnaah Investment and Business Development Company** to support the development of the **Aqaba Digital Hub** data center. The Aqaba Digital Hub will serve as a critical connection point

for an internet cable system connecting Europe and Asia, while bolstering broadband speeds and reducing costs within the country. The additional capacity will enhance internet access for existing businesses and enable larger corporations with data-intensive operations to expand operations in Jordan.

Promoting Digital Logistics

As global supply chains become increasingly complex, insufficient logistics infrastructure can impede a country's ability to compete and access essential goods, and poverty is often concentrated in poorly connected or unconnected areas. DFC supported multiple Information and Communications Technology (ICT) investments to advance digital security, including a partial loan guaranty to the U.S. lender **Almavest Ltd**. to support lending to help the online logistics platform **Trella Holdings BV** strengthen supply chains in Egypt and Pakistan. Trella will use the financing to match small business freight carriers with importers and exporters by providing a transparent and affordable way to move, track, and improve overall efficiency in cargo shipping.

Advancing Health Security

DFC equity financing will help the **Transform Health Fund**, a women-led blended finance fund, invest in high-growth, high-impact healthcare companies operating in healthcare delivery, medical supply chain transformation, and digital healthcare services across Africa. With DFC's equity contribution, the Fund is expected to invest primarily in low and lower-middle income African countries.

Growing DFC's Capacity for High-Impact Transactions

Congress provided DFC a dual mandate to pursue development impact with a focus on the world's poorest communities, and to further the foreign policy goals of the United States. The BUILD Act of 2018 also provided DFC new tools, including the ability to make equity investments and provide technical assistance grants to complement debt financing, risk insurance, and other traditional instruments employed by DFC's predecessor agencies.

Expanded Use of Equity

In FY 2022, DFC committed $528 million in equity investments that support DFC's development and foreign policy objectives. These included an investment in **TechMet Limited** to diversify supply chains and support the production of critical minerals including cobalt and nickel, necessary components in electric batteries and a variety of next-generation technologies.

Enhanced Monitoring

Last year, DFC established the Impact, Management, Monitoring, and Learning division in the Office of Development Policy. The Division assesses the anticipated and actual impact of all projects from the time they are initially screened through the investment lifecycle.

DFC also strengthened its Impact Quotient (IQ) framework to incorporate the lessons learned from scoring more than 200 projects between 2020 and 2022. Following internal and external consultation, DFC expanded the number of tiers in the system and added new metrics to more accurately measure impact to people, communities, and the environment.

Expanded Transparency

DFC is committed to being a leader on transparency. In 2022, DFC worked with the DFI Transparency Initiative led by Publish What You Fund (PWYF) to improve the volume, quality, and accessibility of information on project data and lending. As a result of these ongoing efforts, DFC was the top-rated bilateral DFI for its public disclosure on PWYF's inaugural PWYF Transparency Index 2023.

Workforce and Organizational Investment

In order to meet the expanded mandate provided by the BUILD Act, DFC expanded its staff in FY 2022 by nearly 15 percent and implemented new processes to improve our capability to identify, evaluate, and execute more impactful transactions. DFC is committed to developing the talent that has joined the organization and seeks to attract more of the dedicated professionals who will enable it to pursue transactions that advance the interests of the United States and the well-being of communities across the world.

As DFC continued to bring in new capabilities, DFC also began a comprehensive strategy review to anchor its mission in a clear set of priorities and ensure that the organization's growth directly supports its mandate.

A Sustained Commitment to Ukraine

DFC has worked with partners across the United States Government to stand in strong support of Ukraine as its people resist Russia's further invasion of their country. "We are committed to supporting the private sector in Ukraine," DFC CEO Scott Nathan said in a visit to the country in late 2022.

Russia's illegal invasion has come at a high cost in both human lives and human potential. Economic activity has dropped significantly, with the World Bank estimating that the Ukrainian economy shrank by more than a third in 2022. Global supply chains, particularly in vital food supplies, have been threatened. DFC is working to support economic activity across the country, and to help bolster food security in communities well beyond Ukraine's borders.

Support for Ukrainian Small Business and Higher Education

DFC is providing support for Ukrainian small businesses, particularly in the country's hard-hit agricultural sector, through a $15 million commitment to bolster lending at **Bank Lviv**. DFC's support will mean that farmers, mechanics, and shop owners have the financing they need to continue working, paying their employees, and contributing to Ukraine's economy. DFC's support, in turn, will help alleviate food insecurity more broadly for countries that are dependent on Ukrainian farms and agribusinesses.

On the same visit to Ukraine where DFC CEO Nathan announced the organization's commitment to Bank Lviv, he also unveiled a technical assistance grant to **Ukrainian Catholic University** (UCU) to bolster course offerings in subjects important to the country's recovery and resilience. DFC's grant will further the modernization of UCU's operating systems and support online instruction, allowing students to continue receiving a high-quality education even during the conflict.

Investments in European Energy Security and Diversification

Earlier in FY 2022, DFC committed $300 million in financing to support investments from the **Three Seas Investment Fund** that will promote energy infrastructure and connectivity across Central and Eastern Europe. DFC also agreed to provide up to $400 million in political risk insurance for **ERU Group** to support energy diversification efforts in Moldova, which has previously imported 100 percent of its gas from Russia.

Support for Displaced Families

DFC provided a technical assistance grant that will enable **American Hospital** in Tbilisi, a state-of-the-art facility built with DFC support, to offer outpatient care and surgical services to Ukrainians temporarily living in Georgia. DFC also provided a technical assistance facility to **Gazelle Finance** to direct support to small businesses led by displaced Ukrainians living in Georgia.

> "We were here before the war. We are here now. And we will be here after this horrible and illegal war ends."
>
> *DFC CEO Scott Nathan*

Mobilizing the Private Sector to Support Ukraine's Recovery

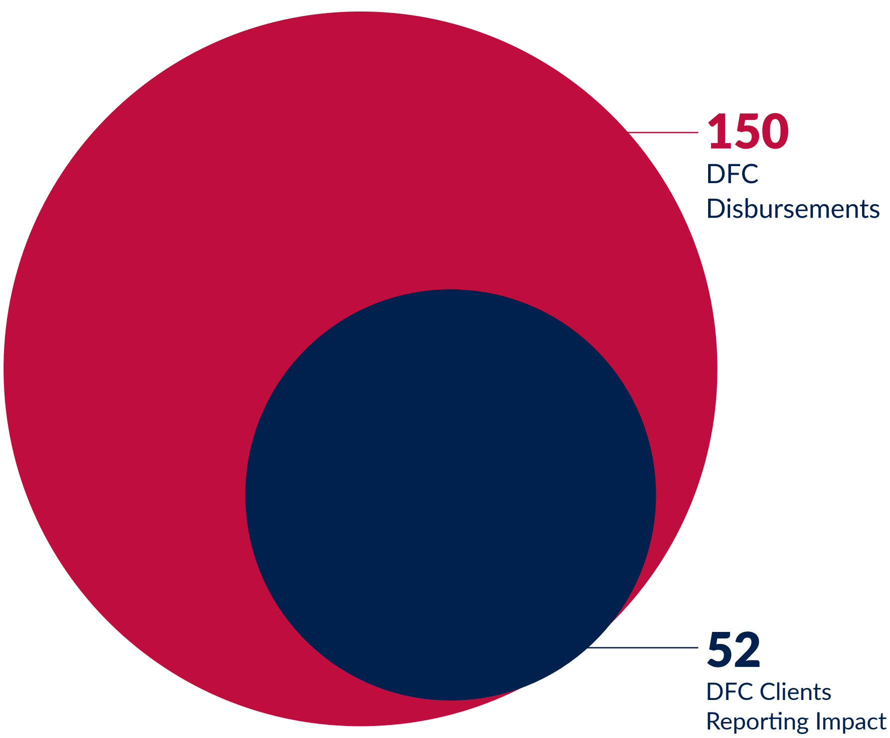
The commitments DFC initiated in 2022 are the first of many from the organization to support the Ukrainian people and their economy for the long term. The private sector will play an indispensable role in supporting Ukraine and DFC is committed to galvanizing those efforts every step of the way.

Our Impact Results

Impact Results From Previous Years' Investments

DFC is committed to supporting projects that deliver a significant and sustained positive impact in the developing world. To better understand and manage impact, DFC has established a new division focused on Impact Management, Monitoring, and Learning (IMML) within the Office of Development Policy (ODP). IMML assesses projects' impact potential from screening and due diligence, then monitors, manages and tracks impact results throughout the investment lifecycle.

As is common practice, DFC clients participate in an annual survey designed to understand the development outcomes achieved during the prior reporting year. Clients are eligible for the survey one year from the time of disbursement. In 2022, a significant share of DFC's portfolio—35 percent of clients—was eligible for impact analysis. Looking forward, as additional clients become eligible for the survey, DFC will grow the body of information on its impact results.



Key Development Sectors

Energy

Global Health & Health Security

Food Security & Agriculture

Financial Inclusion

Strategic Priorities

Gender Equity / 2X

Climate

IMPACT RESULTS

Featuring DFC Projects' 2021 Impact Results, as Reported in FY 2022

Energy

SDG 7. Affordable and clean energy

SDG 9. Industry, innovation, and infrastructure

SDG 13. Climate action

Globally, 770 million people do not have access to access to electricity. This divide is especially pronounced among rural populations and in less developed countries. Two-thirds of Sub-Saharan Africa, for example, has no access to power while the remaining third faces chronic blackouts and brownouts. Renewable energy represents only 29 percent of global power generated, and thus may play a significant role in closing this access gap.

To address this challenge, DFC provides equity, project finance, political risk insurance, and technical assistance to:

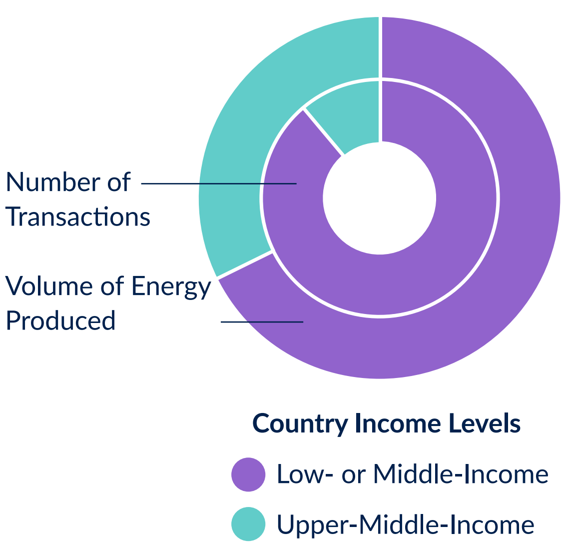
1. Promote energy security
2. Increase reliable electricity access and end energy poverty
3. Build infrastructure to support new and renewable sources of energy

Our Impact Results

10 **ENERGY Transactions**
among 52 DFC projects reporting results

CLEAN ENERGY

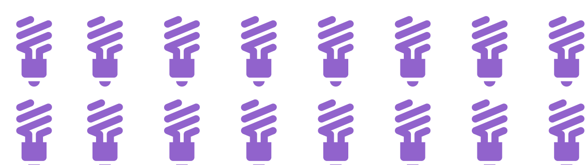
Produced **3,645 GWh** of renewable energy



INCREASED ENERGY ACCESS

for an estimated **13 million** people around the world through off- and on-grid solutions:

OFF-GRID ENERGY: Over **2.7 million** lighting devices sold



ON-GRID ENERGY: **209** new on-grid connections

IMPACT RESULTS

Featuring DFC Projects' 2021 Impact Results, as Reported in FY 2022

Global Health and Health Security

SDG 3. Good health and well-being

SDG 5. Gender equity

About half of the world's population lacks access to essential health services, a gap further exacerbated by the COVID-19 pandemic. The challenge is particularly pronounced in low- and lower-middle income countries, which lack funding for medical product development and distribution. The gap is intensified by supply chain challenges that impede access to healthcare resources. Vulnerable and rural populations, women, and children are disproportionately affected.

To address this challenge, DFC provides equity, project finance, political risk insurance, and technical assistance to:

1. Support resilient health systems, including by expanding vaccine manufacturing capacity in developing countries
2. Increase consistent supply of essential services and products
3. Increase access to essential medicines, medical supplies, and devices

Our Impact Results

6 HEALTHCARE Transactions

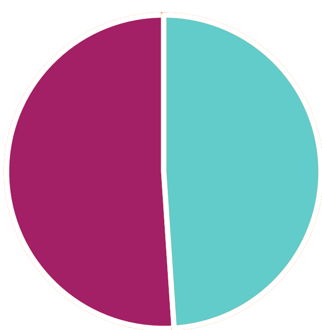
among 52 DFC projects reporting results

EXPANDING HEALTHCARE ACCESS – AMONG UNDERSERVED POPULATIONS

Made **1,306** patient beds available

Provided healthcare consultations to **2,418,708** patients

On average, **51%** of patients are low-income individuals



Low-Income

Other Income Levels

IMPACT RESULTS

Featuring DFC Projects' 2021 Impact Results, as Reported in FY 2022

Food Security and Agriculture

To meet growing food demand, global food production must increase by at least 60 percent by 2050. Access to quality inputs and financing is most constrained among women, who comprise 43 percent of all smallholder farmers. At the same time, supply chains must get stronger to process, handle, and distribute commodities. Food insecurity is most pronounced among low-income households.

SDG 1. No poverty

SDG 2. End hunger

To address this challenge, DFC provides equity, project finance, political risk insurance, and technical assistance to:

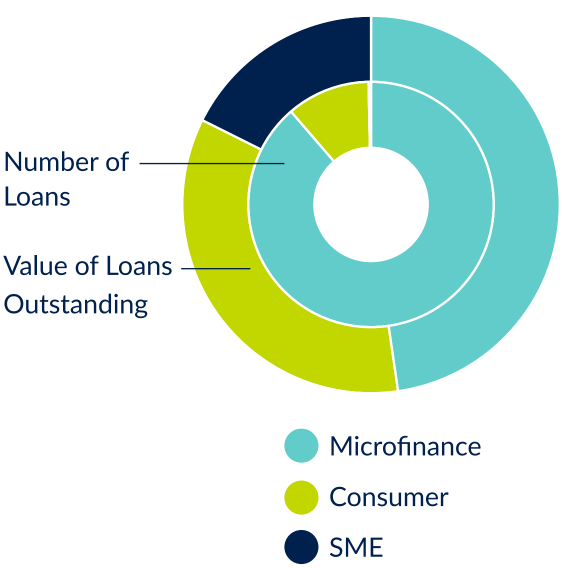
1. Increase food production, primarily through smallholder farms or inclusive businesses
2. Increase agriculture infrastructure including storage, processing, and irrigation
3. Increase access to quality agricultural inputs

Our Impact Results

12 **FOOD SECURITY AND AGRICULTURE Transactions**
among 52 DFC projects reporting results

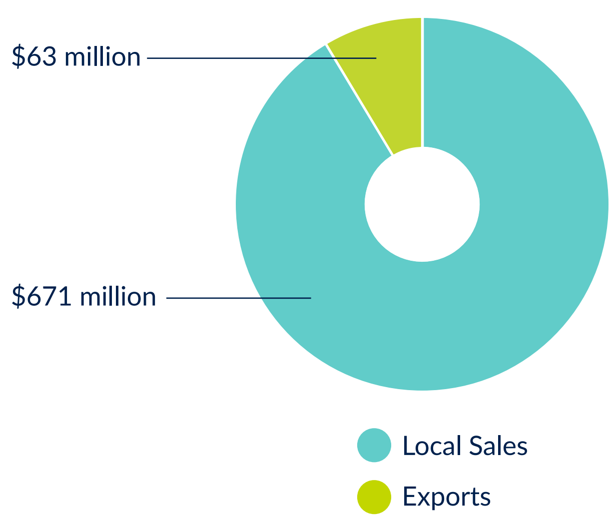
SMALLHOLDER FARMERS FINANCED

Provided **37,362** loans to smallholders totaling **$113.7 million**



ECONOMIC GROWTH

Catalyzed **$671 million** in local sales from the agriculture sector



IMPACT RESULTS

Featuring DFC Projects' 2021 Impact Results, as Reported in FY 2022

Financial Inclusion

Globally, 1.7 billion individuals are unbanked. Overwhelmingly, these individuals are low-income, women, minorities, or from historically disadvantaged backgrounds. At the same time, Micro, Small, and Medium Enterprises (MSMEs)—which account for over half of global employment—face chronic financing gaps. Strengthening access to finance and financial resilience is crucial to fostering economic development and stability.

To address this challenge, DFC provides equity, project finance, political risk insurance, and technical assistance to:

1. Improve access to financial services to underserved populations
2. Support decent jobs and foster economic development by supporting MSMEs
3. Mobilize sustainable sources of capital to underserved markets

SDG 1. No poverty

SDG 5. Gender equality

SDG 8. Decent work and economic growth

SDG 10. Reduced inequality

Our Impact Results

37 FINANCIAL SERVICES Transactions
among 52 DFC projects reporting results

ACCESS TO FINANCE

Provided **6,074,673** loans to support individuals and enterprises, totaling
$8.95 billion

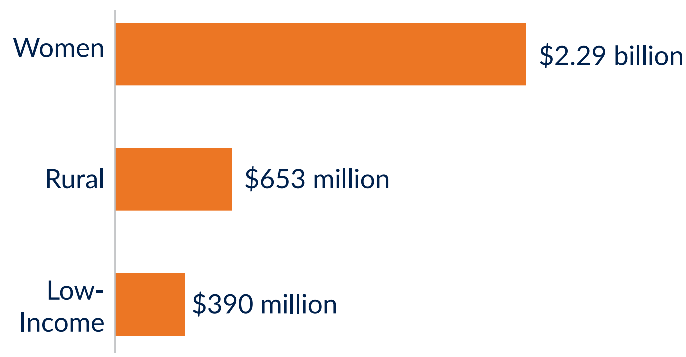
Number of Loans Outstanding

Microfinance
Housing Finance
Consumer Finance
SME Finance

FINANCIAL RESILIENCE

Expanding access to credit to underserved populations

Value of Loans Outstanding (USD)



IMPACT RESULTS

Featuring DFC Projects' 2021 Impact Results, as Reported in FY 2022

Gender Lens Investing

SDG 5. Gender equity

SDG 8. Decent work and economic growth

SDG 10. Reduced inequality

As noted throughout the BUILD Act, investing to advance gender equity and mitigate gender gaps is a core focus of DFC. Globally, women are routinely limited from full participation in society, including the formal economy and core institutions. Helping close the gender gap in the global workforce could unleash an additional $5.3 trillion to global GDP.

To address the challenge of participation, DFC provides equity, project finance, political risk insurance, and technical assistance to:

1. Support tools that promote gender-inclusive investments
2. Promote economic empowerment and gender equity
3. Mobilize investment in projects that are owned or led by women, or which deliver a strong benefit to women

Our Impact Results

29 2X Projects
among 52 DFC projects reporting results

WOMEN CONSUMERS

Serving **7,782,866** women globally with a range of critical products and services, including healthcare, education, energy access, and others

FINANCIAL EMPOWERMENT

Fostering women's economic empowerment through **$1.9 billion** in loans outstanding to women or women-owned and women-led enterprises, including...

8,355
SME women-owned/led businesses

3,941,284
women microfinance clients

GENDER PARITY

On average, among 2X projects*, women comprise...

50%
of qualifying DFC clients' full-time employees

48%
of qualifying DFC clients' senior management teams

56%
of the value of outstanding loans provided by financial institutions

IMPACT RESULTS

Featuring DFC Projects' 2021 Impact Results, as Reported in FY 2022

Climate Action

Developing countries are generally the most severely impacted by climate change yet the least able to manage the consequences given insufficient infrastructure and resourcing. The UN estimates that over 3.3 billion people live in contexts highly vulnerable to climate change. Further, an estimated 100 million people are projected to fall into extreme poverty by 2030 and millions more still to be displaced by severe weather events such as fires, floods, and droughts.

Currently to address these challenges, DFC provides equity, project finance, political risk insurance, and technical assistance to:

1. Mitigate and sequester emissions of greenhouse gases contributing to climate change
2. Support adaptation and build resilience in climate-vulnerable communities

SDG 13. Climate action

SDG 8. Decent work and economic growth

SDG 14. Life below water

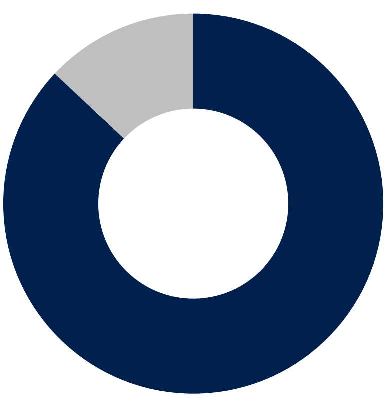
SDG 15. Life on land

Our Impact Results

ACROSS DFC'S PORTFOLIO

REDUCED CARBON INTENSITY

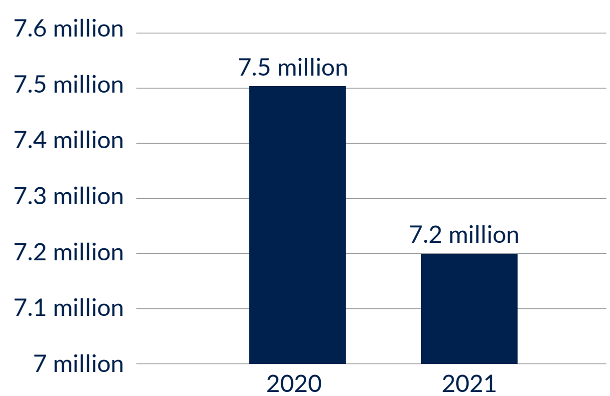
13% reduction in carbon intensity across DFC's portfolio since 2020, representing ongoing momentum toward decarbonization



Carbon Intensity

REDUCED GHG EMISSIONS

Decrease in GHG emissions inventory from 7.5 million to **7.2 million** short tons of CO2e since 2020, driving carbon intensity reductions...



...driven through investments in clean energy and divestment from carbon-intensive projects

IMPACT RESULTS BY REGION

Featuring DFC Projects' 2021 Impact Results, as Reported in FY 2022

52 DFC projects reported impact results, including...

9 projects in Africa

Local employment: **4,032** employees
Knowledge sharing: **537,000** technical assistance beneficiaries
Access to finance: **24,000** loans provided
Export markets: **$2.25 million** in export revenues

18 projects in Asia

Local employment: **5,666** employees
Knowledge sharing: **11,000** technical assistance beneficiaries
Access to finance: **2.7 million** loans provided
Export markets: **$63.6 million** in export revenues

SPOTLIGHT ON INDIA (14 projects)

Local employment: **5,158** employees
Knowledge sharing: **11,000** technical assistance beneficiaries
Access to finance: **2.7 million** loans provided
Export markets: **$32.1 million** in export revenues

15 projects in Latin America

Local employment: **31** employees
Knowledge sharing: **13,000** technical assistance beneficiaries
Access to finance: **218,000** loans provided
Export markets: Insufficient data

NOTE: An additional twelve projects operate across regions and are therefore excluded from this analysis. Projects are not required to submit results information for each metric. Therefore, the number of projects varies from one data point to the next.

1 An additional 192 jobs were reported in Latin America that did not include family-friendly benefits. The share of jobs held by women reflects the average share among projects reporting both total job numbers as well as women's employment. Some projects did not report both metrics.

2 Some projects operate in multiple regions: among these, women comprise 42% of senior managers.

3 Figures reflect technical assistance (TA) provided by DFC clients to end beneficiaries and do not include TA provided by DFC to its clients. Among multi-regional projects, an additional 89 individuals were offered technical assistance or training.

4 An additional 2.3 million loans were reported by projects operating in multiple regions. The share of loans provided to women reflects the average share among projects reporting both total loans as well as loans to women. Some projects did not report both metrics.

2022 Investment Activities

PROJECT NAME	REGION	COUNTRY	PROJECT TYPE	PROJECT DESCRIPTION	AMOUNT
2X TA Pilot	Worldwide	Multiple Countries	Technical Assistance	Targeted gender-focused training and advisory services to promote gender equality.	5,000,000
AB Microfinance Bank Nigeria	Sub-Saharan Africa	Nigeria	Third Party Lender Investment Guaranty	Loan portfolio guaranty for 2X-eligible SMEs.	250,000
Absa Bank Zambia PLC	Sub-Saharan Africa	Zambia	Third Party Lender Investment Guaranty	Expanded credit in agriculture, manufacturing, tourism, and clean energy sectors.	10,000,000
Access Bank Plc	Sub-Saharan Africa	Nigeria	Direct Investment	Loans for SMEs and women-owned businesses.	280,000,000
Accial Capital Fund 1, LLC	Worldwide	Multiple Countries	Direct Investment	Debt fund supporting greater access to financial services for underserved SMEs and consumers.	10,000,000
Addiko Bank AD Beograd	Europe	Serbia	Third Party Lender Investment Guaranty	COVID-19 recovery support for SMEs.	30,000,000
Adenia Capital V LP	Sub-Saharan Africa	Africa Regional	Equity	Growth capital for medium-sized companies in a range of developmentally-significant sectors.	40,000,000
ADM Capital Sustainable Landscape	Asia	Indonesia	Third Party Lender Investment Guaranty	Sustainable landscape fund providing financing to SMEs in sustainable agriculture production, land regeneration, and forest protection.	100,000,000
Advans Tunisia TA	Middle East and North Africa	Tunisia	Technical Assistance	Remote coaching program for borrowers in marginalized regions.	382,500
Advans Tunisie	Middle East and North Africa	Tunisia	Third Party Lender Investment Guaranty	Lending to micro-enterprises in regions and sectors impacted by COVID-19.	13,000,000

PROJECT NAME	REGION	COUNTRY	PROJECT TYPE	PROJECT DESCRIPTION	AMOUNT
Africa Renewable Energy Fund II	Sub-Saharan Africa	Africa Regional	Equity	Investment in renewable energy project fund.	40,000,000
AgDevCo	Sub-Saharan Africa	Africa Regional	Direct Investment	Capital and expert assistance for agricultural SMEs.	20,000,000
Agri Exim Global Philippines, Inc.	Asia	Philippines	Direct Investment	Expansion of organic coconut processing operations.	20,000,000
AgroMoney TA	Western Hemisphere	Honduras	Technical Assistance	Operational development for lender to small agricultural producers.	181,500
Almavest Ltd. - Trella Holding B.V.	Middle East and North Africa	Egypt	Third Party Lender Investment Guaranty	70 percent loan guaranty to support a digital logistics company operating in Pakistan and Egypt.	4,200,000
Al-Nayi for Information and Communicational Consulting Company	Middle East and North Africa	Jordan	Direct Investment	Development of infrastructure for internet cable system connecting Europe and Asia.	14,000,000
American Hospital Tbilisi TA	Europe	Georgia	Technical Assistance	Medical care for Ukranian refugees.	1,218,571
American Medical Investment Company LLC	Middle East and North Africa	Oman	Direct Investment	Construction of a 150-bed general hospital and nursing training institute.	50,000,000
Aqua Capital Fund III	Western Hemisphere	Latin America Regional	Equity	Fund supporting agriculture and food value chain.	50,000,000
Arab Tunisian Bank Guaranty	Middle East and North Africa	Tunisia	Third Party Lender Investment Guaranty	Support MSMEs with a focus on inland regions.	22,750,000
Aruna	Asia	Indonesia	Equity	Integrated fishery company streamlining the supply chain of fishery products by connecting small-scale fishers to global markets through technology.	20,000,000
Ashmore Avenida LatAm Energy Efficient Affordable Housing Fund III	Western Hemisphere	Latin America Regional	Equity	Fund focused on sustainable affordable housing especially for women heads of household.	22,500,000
Averda Holdings International Limited	Sub-Saharan Africa	Africa Regional	Direct Investment	Development of five polyethylene recycling facilities.	45,000,000

PROJECT NAME	REGION	COUNTRY	PROJECT TYPE	PROJECT DESCRIPTION	AMOUNT
Bamboo Capital Partners BUILD Fund- LPG	Worldwide	Multiple Countries	Third Party Lender Investment Guaranty	Loan portfolio guarany to support SMEs in low-income countries with a focus on renewable energy.	5,000,000
Banca Intesa ad Beograd	Europe	Serbia	Third Party Lender Investment Guaranty	Lending to MSMEs to advance COVID-19 recovery.	41,000,000
Banco Azul	Western Hemisphere	El Salvador	Third Party Lender Investment Guaranty	Lending to SMEs with a focus on women borrowers.	18,200,000
Banco Covalto S.A.	Western Hemisphere	Mexico	Direct Investment	Expansion of an SME lending portfolio.	10,000,000
Banco de America Central S.A. LPG	Western Hemisphere	El Salvador	Third Party Lender Investment Guaranty	Loans to SMEs with a focus on women borrowers.	17,500,000
Banco Lafise Honduras 2X LPG	Western Hemisphere	Honduras	Third Party Lender Investment Guaranty	Lending to SMEs supporting healthcare response to COVID-19 or gender equity and inclusion.	3,500,000
Banco Pichincha DPR 2022	Western Hemisphere	Ecuador	Direct Investment	Expansion of women-led, owned, and supported micro, SME loan portfolio.	200,000,000
Banyan Sustainable Waste Management Private Limite	Asia	India	Direct Investment	Loan to plastic recycling company that converts waste sourced through informal sector.	9,000,000
Bogd Bank LLC	Asia	Mongolia	Direct Investment	Expansion of onlending to SMEs with a focus on 2X-eligible and environmentally-friendly enterprises.	15,000,000
BPPL Holdings PLC	Asia	Sri Lanka	Direct Investment	Expansion of fiber production using recycled plastic bottles.	15,000,000
Brighter Life Kenya 2	Sub-Saharan Africa	Kenya	Direct Investment	Receivables financing facility for purchasing off-grid solar home systems and mobile phones.	20,000,000
Caisse Regionale de Refinancement Hypothecaire	Sub-Saharan Africa	Africa Regional	Third Party Lender Investment Guaranty	Euro bond appreciation cover for mortgage lender.	356,000,000

PROJECT NAME	REGION	COUNTRY	PROJECT TYPE	PROJECT DESCRIPTION	AMOUNT
CEC Africa Limited	Sub-Saharan Africa	Sierra Leone	Insurance	Development of 83.5 MW power plant.	50,000,000
Chancen International TA	Sub-Saharan Africa	Rwanda	Technical Assistance	Development of portfolio management architecture and automation.	975,000
Chicoa Fish Farm	Sub-Saharan Africa	Mozambique	Technical Assistance	Post-investment activities to advance sustainable tilapia farming.	168,657
Coltefinanciera S.A. Compañía de Financiamiento	Western Hemisphere	Colombia	Third Party Lender Investment Guaranty	Lending to Venezuelan migrants and host communities.	4,800,000
Commercial Bank of Ceylon PLC	Asia	Sri Lanka	Direct Investment	Lending to MSMEs and 2X-qualifying MSMEs.	100,000,000
Conservation International Foundation	Western Hemisphere	Mexico	Third Party Lender Investment Guaranty	Investments designed to reinforce conservation, restoration, and sustainable management of critical ecosystems.	5,000,000
Cooperativa de Ahorro y Credito Abaco	Western Hemisphere	Peru	Third Party Lender Investment Guaranty	Lending to small- and medium-scale agricultural producers, producer associations, and small merchants in the Peruvian Amazon.	5,000,000
Copia Global	Sub-Saharan Africa	Africa Regional	Equity	Mobile commerce company delivering essential goods to low- and middle-income consumers in rural/peri-urban areas.	4,999,998
CRDB Bank Plc	Sub-Saharan Africa	Tanzania	Third Party Lender Investment Guaranty	Lending to SMEs, including those in the education and informal sectors.	20,000,000
DAI Global, LLC	Worldwide	Multiple Countries1	Insurance	International development consulting.	8,000,000
DFC-MASSIF TAF	Worldwide	Multiple Countries	Technical Assistance	Capacity building with a focus on digital transformation and client protection services across emerging economies.	5,000,000
Eco Farm Mocambique Limitada	Sub-Saharan Africa	Mozambique	Direct Investment	Integrated, rural, organic sugarcane farm and cattle herd with modern processing.	10,000,000

PROJECT NAME	REGION	COUNTRY	PROJECT TYPE	PROJECT DESCRIPTION	AMOUNT
EDGE Certification Pilot	Worldwide	Multiple Countries	Technical Assistance	Incentivization for IFC Excellence in Design and Greater Efficiencies (EDGE) certification.	500,000
EFA - Telstra PM Pty Ltd	Asia	Papua New Guinea	Third Party Lender Investment Guaranty	Guaranty to support acquisition of telecom assets.	50,000,000
Equity Banque Commerciale du Congo SA (Equity BCDC)	Sub-Saharan Africa	Democratic Republic of Congo	Third Party Lender Investment Guaranty	Loan portfolio guaranty to support lending to agriculture SMEs.	5,000,000
ERU Management Services LLC	Europe	Moldova	Insurance	Natural gas sales to advance energy security.	400,000,000
Evergreen Viento Tamil Nadu Windfarm	Asia	India	Technical Assistance	Development of a 150 MW wind project.	595,896
Eye-Q Vision Private Limited	Asia	India	Third Party Lender Investment Guaranty	Chain of clinics conducting corrective surgery.	9,900,000
Fairtrade Access Fund SICAV FIS	Worldwide	Multiple Countries	Direct Investment	Debt fund providing loans to smallholder farmers and cooperatives in Latin America and Africa.	10,000,000
Finanzauto S.A. BIC	Western Hemisphere	Colombia	Direct Investment	Expansion of vehicle financing loan portfolio to MSMEs, including 2X and rural MSMEs.	55,000,000
First Housing Finance (Tanzania) Ltd	Sub-Saharan Africa	Tanzania	Direct Investment	Expansion of mortgage lending to non-traditional and female homebuyers.	10,000,000
FS India Solar Ventures Private Limited	Asia	India	Direct Investment	Development of a 3.3 GW solar module manufacturing facility.	500,000,000
Fusion Micro Finance Limited	Asia	India	Direct Investment	Expansion of microfinance portfolio serving rural women using joint liability group methodology.	25,000,000
Gavi Alliance (COVAX Accelerator)	Worldwide	Multiple Countries	Direct Investment	Financing to support COVID-19 vaccines for low- and lower-middle income countries.	1,000,000,000

PROJECT NAME	REGION	COUNTRY	PROJECT TYPE	PROJECT DESCRIPTION	AMOUNT
Gazelle Ukraine to Caucasus Bridge Facility	Europe	Europe Regional	Technical Assistance	Support for displaced Ukrainian businesses.	1,500,000
GEF LatAm Climate Solutions Fund III	Western Hemisphere	Latin America Regional	Equity	Investments in climate action and environmental sustainability.	25,000,000
GEF South Asia Growth Fund III	Asia	India	Equity	Investments in climate action and environmental sustainability.	50,000,000
GIFF-MFI-ASA Philippines	Asia	Philippines	Third Party Lender Investment Guaranty	Microfinance institution focused on assisting low-income entrepreneurial women.	15,554,000
Gigaton Empowerment Fund	Sub-Saharan Africa	Africa Regional	Direct Investment	Debt fund for downstream loans to off-grid solar and clean energy transition companies primarily in Africa and Asia.	100,000,000
GIP Medicina Diagnóstica S.A. (Femme)	Western Hemisphere	Brazil	Direct Investment	Expansion of affordable women's healthcare diagnostic centers.	31,000,000
Golomoti JCM Solar Corporation Limited	Sub-Saharan Africa	Malawi	Direct Investment	Development of photovoltaic plant and lithium-ion battery energy storage system.	25,000,000
Greater Pacific Capital Private Investing India LP	Asia	India	Direct Investment	Investment fund promoting development and diversification with focus on healthcare, technology, and services sectors.	50,000,000
HDF Energy Indonesia	Asia	Indonesia	Technical Assistance	Development of green hydrogen solar/wind, hydrogen fuel cells, and energy storage projects.	600,000
IIFL Home Finance Limited	Asia	India	Direct Investment	Long-term financing for low-income and affordable eco-friendly mortgages.	50,000,000
IndusInd Bank Limited	Asia	India	Direct Investment	Expansion of microfinance to low income, rural women in the three poorest states.	150,000,000
Information Communications Systems LLC	Europe	Georgia	Direct Investment	Development of regional logistics center.	4,000,000
INI Farms Private Limited	Asia	India	Third Party Lender Investment Guaranty	Loan guaranty to support expansion of a fruit distribution business.	10,000,000

PROJECT NAME	REGION	COUNTRY	PROJECT TYPE	PROJECT DESCRIPTION	AMOUNT
International Community School	Sub-Saharan Africa	Ghana	Direct Investment	Expansion of K-12th grade school campus.	8,000,000
JSC TBC Bank	Europe	Georgia	Third Party Lender Investment Guaranty	Lending to MSMEs with a focus on 2x-eligible and rural borrowers.	15,000,000
Khmer Water Supply Holding Co., Ltd.	Asia	Cambodia	Direct Investment	Direct loan to provide piped water to rural and semi-rural areas.	7,000,000
Khushhali Bank-MSME-KP-NMDs	Central Asia	Pakistan	Third Party Lender Investment Guaranty	Loans for the Khyber Pakhtunkhwa regions.	15,000,000
Khushhali Microfinance Bank_2X MSMEs	Central Asia	Pakistan	Third Party Lender Investment Guaranty	Lending to 2X-qualified MSMEs.	10,000,000
Kosovo Credit Guarantee Fund	Europe	Kosovo	Third Party Lender Investment Guaranty	Loans to renewable energy independent power producers.	7,500,000
LAAD Americas N.V.	Western Hemisphere	Latin America Regional	Direct Investment	Agricultural loans.	30,000,000
Laxmi Bank	Asia	Nepal	Direct Investment	Supporting on-lending to the MSME agribusiness sector.	45,000,000
Laxmi Bank	Asia	Nepal	Third Party Lender Investment Guaranty	Loan portfolio guaranty to support the agribusiness sector.	2,500,000
LCP Fund II	Middle East and North Africa	Egypt	Equity	Investments in medium-sized companies across a range of developmentally-significant sectors.	20,750,000
Leap Agri Logistics (Balurghat)	Asia	India	Direct Investment	Construction of grain silos to reduce post-harvest losses and promote food security.	7,930,000
Leap Agri Logistics (Baroda)	Asia	India	Direct Investment	Construction of grain silos to reduce post-harvest losses and promote food security.	6,700,000

PROJECT NAME	REGION	COUNTRY	PROJECT TYPE	PROJECT DESCRIPTION	AMOUNT
Livelihoods Carbon Fund SICAV-RAIF	Worldwide	Multiple Countries	Third Party Lender Investment Guaranty	Loan portfolio guaranty for projects in ecosystem restoration, agroforestry, & rural energy primarily in low-income countries.	12,500,000
LocFund Next TSF	Western Hemisphere	Latin America Regional	Technical Assistance	Capacity building for portfolio of microfinance institutions.	280,000
Lok Capital IV LLC	Asia	Asia Regional	Equity	Equity investment platform in financial services, healthcare, agriculture, and climate sectors.	30,000,000
Loowatt TA	Sub-Saharan Africa	South Africa	Technical Assistance	Support for proof of concept machine for hygienic waterless toilets.	200,000
Manibhavnam Home Finance India Pvt Ltd	Asia	India	Direct Investment	Expansion of mortgage finance focusing on women and renovating affordable homes in Tier II-IV cities.	5,170,000
Marou Chocolate Company Limited	Asia	Vietnam	Direct Investment	Construction of chocolate production facility, central kitchen, and new headquarters.	4,000,000
MA's Tropical Food Processing (Pvt) Ltd.	Asia	Sri Lanka	Direct Investment	Food processor enterprise.	5,000,000
MCE Empowering Sustainable Agriculture Fund LLC	Worldwide	Multiple Countries	Direct Investment	Debt fund financing agribusinesses and rural farmers with a climate lens.	10,000,000
MEII 3 - Palestine Investment Bank 2	Middle East and North Africa	West Bank And Gaza	Third Party Lender Investment Guaranty	Lending for SMEs.	2,000,000
MHV Fund III	Asia	Asia Regional	Equity	Investments in early-stage and high-impact technology companies in Southeast Asia.	25,000,000
Mibanco - Banco de la Microempresa de Colombia S.A.	Western Hemisphere	Colombia	Third Party Lender Investment Guaranty	Loan portfolio guaranty to support lending to migrants and rural borrowers.	17,500,000
MSM Group LLC	Asia	Mongolia	Direct Investment	Expansion of industrial, agricultural, and commercial vehicle capacity for distribution and logistics company.	10,000,000

PROJECT NAME	REGION	COUNTRY	PROJECT TYPE	PROJECT DESCRIPTION	AMOUNT
Mvuvi Holdings	Sub-Saharan Africa	Mozambique	Direct Investment	Expansion of drought-resilient aquaculture facilities, reducing pressure on wild-capture fisheries.	3,750,000
NBS Bank	Sub-Saharan Africa	Malawi	Third Party Lender Investment Guaranty	Loan portfolio guaranty in agriculture, education, energy, and health sectors.	5,000,000
NMB Bank Ltd.	Asia	Nepal	Direct Investment	Expansion of onlending to SMEs.	100,000,000
Norrsken22 Fund	Sub-Saharan Africa	Africa Regional	Equity	Investments in tech-enabled businesses across Sub-Saharan Africa.	15,000,000
Oceans Finance Company	Western Hemisphere	Ecuador	Insurance	Debt conversion for marine conservation and biodiversity protection.	800,000,000
Omnivore Agritech & Climate Sustainability Fund 3	Asia	Asia Regional	Equity	Investments in agriculture and food systems.	30,000,000
One Acre Fund	Sub-Saharan Africa	Africa Regional	Direct Investment	Financing for agricultural input purchases supporting small-holder farms in Sub-Saharan Africa.	20,000,000
One Acre Fund TA	Sub-Saharan Africa	Africa Regional	Technical Assistance	Developing climate adaptation activities for smallholder farms in Sub-Saharan Africa.	5,000,000
Operadora para la Mejores Opticas de Mexico SA de	Western Hemisphere	Mexico	Direct Investment	Inclusive optical care to low- and lower- middle income communities in Mexico.	4,000,000
Orb Energy II	Asia	India	Direct Investment	Commercial and industrial solar photovoltaic systems.	20,000,000
Phatisa Food Fund 2 L.L.C.	Sub-Saharan Africa	Africa Regional	Direct Investment	Fund focusing on investments in food value chain to improve food security in the Sub-Saharan region.	75,000,000
PJSC JSB Lviv	Europe	Ukraine	Third Party Lender Investment Guaranty	Lending to MSMEs in western Ukraine.	15,000,000
Poa Internet Kenya Limited	Sub-Saharan Africa	Kenya	Direct Investment	Providing low cost internet access to low- and middle-income households.	5,000,000

PROJECT NAME	REGION	COUNTRY	PROJECT TYPE	PROJECT DESCRIPTION	AMOUNT
ProCredit Bank a.d. Beograd	Europe	Serbia	Third Party Lender Investment Guaranty	Lending to MSMEs recovering from the COVID-19 pandemic.	36,000,000
Quadria Capital Fund III L.P.	Asia	Asia Regional	Equity	Healthcare-focused investments in high growth market leaders with a strong ESG impact thesis.	75,000,000
RBL Bank	Asia	India	Direct Investment	Loan for Tier II capital to a bank supporting a portfolio of underserved demographics.	100,000,000
Resort Abastumani Sanatorium Arazindo LLC	Europe	Georgia	Direct Investment	Locally-branded hotel chain expansion.	8,600,000
responsAbility Climate Smart Agriculture Fund TA Facility	Worldwide	Multiple Countries	Technical Assistance	Facility support for portfolio companies and fund manager operations investing in global SMEs operating across the food system.	1,000,000
responsAbility Climate-Smart Agriculture and Food Systems Fund SICAV RAIF	Worldwide	Multiple Countries	Third Party Lender Investment Guaranty	Fund supporting climate-smart investments for global SMEs operating across the food system.	19,000,000
responsAbility Financial Inclusion Investments 202	Worldwide	Multiple Countries	Direct Investment	Microfinance/SME impact CLO in all DFC-eligible countries.	146,100,000
Root Capital TA	Worldwide	Multiple Countries	Technical Assistance	Advisory services to help agriculture SMEs with financing opportunities.	5,000,000
Root Capital, Inc.	Worldwide	Multiple Countries	Third Party Lender Investment Guaranty	Partial loan guaranty for agricultural SMEs, including climate adaptation and mitigation loans.	35,000,000
SCALE-MSME-Red Amigo Dal, S.A.P.I. de C.V., SOFOM,	Western Hemisphere	Mexico	Third Party Lender Investment Guaranty	Expansion of digital lending and financial solution portfolio to SMEs.	9,999,000
SDG Investment Fund S.A., SICAV-RAIF (Junior)	Sub-Saharan Africa	Africa Regional	Direct Investment	Investments in companies providing renewable energy solutions.	20,000,000
SDG Investment Fund S.A., SICAV-RAIF (Senior)	Sub-Saharan Africa	Africa Regional	Direct Investment	Investments in companies providing renewable energy solutions.	20,000,000

PROJECT NAME	REGION	COUNTRY	PROJECT TYPE	PROJECT DESCRIPTION	AMOUNT
SDG Investment Fund S.A., SICAV-RAIF (Senior)	Worldwide	Multiple Countries	Equity	Global Development Impact Bond (DIB) Fund to support healthcare, education, job creation, and gender equity DIBs.	15,000,000
SEF International UCO LLC	Central Asia	Armenia	Third Party Lender Investment Guaranty	Lending to MSMEs across various sectors, including agriculture.	4,000,000
Shriram Transport Finance Company	Asia	India	Direct Investment	Onlending to support MSME commercial vehicle financing.	250,000,000
Soothe Healthcare	Asia	India	Third Party Lender Investment Guaranty	Support for production of women's hygiene products for underserved women in non-metro areas.	7,700,000
Southeast Asia Commercial Joint Stock Bank	Asia	Vietnam	Direct Investment	Lending portfolio expansion to SMEs in renewable energy, green finance, and women-owned enterprises.	200,000,000
SunFunder Solar Energy Transformation Fund	Sub-Saharan Africa	Nigeria	Insurance	Solar power production for telecommunications towers.	9,750,000
TechMet	Western Hemisphere	Brazil	Equity	Critical minerals mining platform for green energy transition.	30,000,000
Terra Payment Services (Mauritius)	Worldwide	Multiple Countries	Direct Investment	Working capital debt facility for settlement of cross-border remittances.	10,000,000
The Nature Conservancy	Western Hemisphere	Belize	Insurance	Debt for nature swap to expand Biodiversity Protection Zones.	184,893,736
The Urban Resilience Fund	Sub-Saharan Africa	Africa Regional	Direct Investment	Essential infrastructure development for growing urban areas in Africa and the Middle East.	79,800,000
The Water Access Acceleration Fund (in formation)	Sub-Saharan Africa	Kenya	Equity	Investments in affordable and innovative drinking water enterprises in Africa and Asia.	10,000,000
Three Seas Initiative Investment Fund	Europe	Europe Regional	Direct Investment	Fund targeting infrastructure projects in Central and Eastern Europe to promote greater regional connectivity.	300,000,000

PROJECT NAME	REGION	COUNTRY	PROJECT TYPE	PROJECT DESCRIPTION	AMOUNT
UCCMS TA	Sub-Saharan Africa	Senegal	Technical Assistance	Suporting underwriting and marketing of WASH portfolio to MSMEs.	426,100
Uhuru Growth Fund I-A, SCSp	Sub-Saharan Africa	Africa Regional	Equity	Investments in middle-market, high-growth companies in consumer and financial services.	25,000,000
Virtuo Finance SARL	Middle East and North Africa	Egypt	Direct Investment	Green note purchase to onlend to six solar projects.	50,000,000
WBC - Cooperativa de Ahorro y Credito Alianza del	Western Hemisphere	Ecuador	Third Party Lender Investment Guaranty	Expansion of Alianza's microfinance business in Ecuador	13,500,000
WBC - Satin Creditcare Network Limited	Asia	India	Third Party Lender Investment Guaranty	Expansion of microfinance portfolio.	14,625,000
WBC -Multi Inversiones Banco Cooperativo de los Tr	Western Hemisphere	El Salvador	Third Party Lender Investment Guaranty	Expansion of the bank's consumer loan portfolio specified for microbusinesses, home improvement, education expenses, and healthcare expenses.	9,000,000
WBC-Financiera Finexpar S.A.E.C.A.	Western Hemisphere	Paraguay	Third Party Lender Investment Guaranty	Expansion of lending to SMEs in Paraguay.	7,312,500
Women's Catalyst Fund	Worldwide	Multiple Countries	Direct Investment	Investment into future Women's Livelihood Bonds.	10,000,000
Yulu Bikes Pvt Ltd	Asia	India	Direct Investment	Expansion of electric bike delivery fleet.	9,000,000
Zambia Lusaka Market Ltd	Sub-Saharan Africa	Zambia	Direct Investment	Produce market aiming to reduce post-harvest losses, replace unhygienic open air markets, and increase farmer incomes.	7,500,000

2022 Portfolio Company Investments

FUND NAME	PORTFOLIO COMPANY	COUNTRY/REGION	DESCRIPTION
AfricInvest Fund IV LLC	AutoXpress International, Ltd.	Kenya, Uganda, Tanzania, Rwanda	Automotive aftermarket parts and services business
BluePeak Private Capital Fund SCSp	Africure Pharmaceuticals, Ltd.	East & West Africa	Generic medicine manufacturer and exporter
	Grit Real Estate Income Group, Ltd.	Africa Regional	Acquisition and management of commercial real estate assets
	i engineering Group	Africa Regional	End-to-end engineering infrastructure solutions
Chiratae Ventures International Fund IV LLC	Emitrr, Inc.	India	Fullstack customer engagement product focused on healthcare practices
	Keploy, Inc.	India	Open source API testing platform
	Kiarmy Technologies Pvt. Ltd.	India	Player card trading platform
	MyScoot Tech Pvt. Ltd.	India	Marketplace for home-hosted social events
	Netbook (Anatinus)	India	Machine learning infrastructure management platform
	Quaking Aspen, Inc.	India	Logistics SaaS platform for large enterprises
	Redcliffe Lifetech Pvt. Ltd.	India	Diagnostic lab chain
	Tower 22 (Clientell)	India	No-code customer intelligence platform
	Searchstack Inc (Withub)	India	Unified search platform across all applications at a company
Dolma Impact Fund II	Upaya City Cargo Pvt. Ltd.	Nepal	Third party logisitics provider that connects businesses, SMEs, and individuals to drivers
Dragon Capital New Ukraine Fun LP	Treeum Holdings	Ukraine	Online financial marketplace that acts as a lead-generation engine for financial products
Gazelle Fund LP	Camex Airlines, Ltd.	Georgia	Air cargo carrier, freight forwarder
	Gurmania Retail LLC	Georgia	Retail grocery store
	Geoplast LLC	Georgia	Production of plastic and aluminum packaging products

FUND NAME	PORTFOLIO COMPANY	COUNTRY/REGION	DESCRIPTION
	Sunny Home	Armenia	Construction
Greater Pacific Capital Private Investing India L.P.	Muthoot Microfin Ltd.	India	Microfinance lending to low-income borrowers, primarily women
Integra Partners Fund II, L.P.	GIMO	Vietnam	Earned wage access platform offering employees instant access to wages
	MedznMore	Pakistan	B2B and B2C e-pharmacy platform
	NalagGenetics	Indonesia	Precision medicine through pharmacogenomics
	Graas	India	End-to-end e-commerce platform for consumer brands
	Udhaar Book	Pakistan	Smartphone bookkeeping system for MSMEs
	XLD Finance	Philippines	Payroll and HR SaaS solution built on its own stablecoin ecosystem
LCP Fund II Cooperatief U.A.	ECC Group	Egypt	Manufacturer of cosmeceuticals and personal care products
	Mylerz	Egypt	Last mile delivery and logistics solutions
LeapFrog Emerging Consumer Fund III	CarDekho	India	A leading Indian auto-tech platform offering a wide variety of services
	HD Bank	Vietnam	Vietnamese retail and SME bank
	Interswitch, Ltd.	Nigeria	Transaction switching and payment processor
	Shubham Housing Development Finance Co.	India	Affordable housing lender
Meridiam Infrastructure Africa Fund, FIPS	Biovea	Ivory Coast	Design, financing, building, operation, and maintenance of a 46MW power plant using biomass fuel
MHV Fund III, L.P.	Credi Technology Group Pte Ltd.	Indonesia	Digital debt logbook application supporting retail wholesalers
	Lumina Industries, Inc.	Indonesia	Career discovery and planning app platform, focusing on blue and gray collar workers
	Ordinary Folk Group Pte Ltd	Asia	Direct to consumer fullstack telehealth platform
	PT Crowde Membangun Bangsa	Indonesia	Agriculture-focused fintech startup empowering farmers with technology and capital

FUND NAME	PORTFOLIO COMPANY	COUNTRY/REGION	DESCRIPTION
	Questdev Pte Ltd (Upmesh)	Southeast Asia	E-commerce platform for independent small merchants with live commerce on social media
	Rainforest	Asia	Consumer brand platform
	Starboard Corporate Pte Ltd.	Global	Platform that automates workflows for corporate entity management and governance
	Urbanmetry Sdn Bhd	Southeast Asia	Data analytics providing real estate market intelligence insights to enable transparency in mortgage financing
Navis Asia Fund VIII, L.P.	Ambassador Education Group, Ltd.	Thailand	K–12 affordable education
	CIA First International School	Cambodia	K–12 affordable education
Openspace Ventures Plus, L.P.	KumuMedia Technologies, Inc.	Philippines	Livestreaming and social commerce
	PT Bumi Santosa Cemerlang (Pluang)	Indonesia	Investments and wealthtech
	PT Luna Boga Narayan (Jiwa)	Indonesia	Omnichannel tech-enabled food and beverage chain
Patamar Fund II, LP	Bunker Technologies Pte Ltd.	Indonesia	Business-planning platform for chief financial officers
	Fishlog	Indonesia	B2B e-commerce company for fisheries
	Lhoopa Holdings Pte Ltd.	Philippines	Tech-enabled affordable housing company
	Peddlr, Inc.	Philippines	Business intelligence tools for mom-and-pop shops in the Philippines
	Rain Technologies, Inc.	India	Global payroll and banking system
	Saladin	Vietnam	One-touch digital insurance offerings
	Vigo Ventures	Vietnam	B2B distribution platform for fast-moving consumer goods
	Kim An	Vietnam	Fintech platform that connects banks and financial institutions with MSMEs
	Kinara	India	Working capital loans for SMEs
	ModusBox	Global	Payments infrastructure company

FUND NAME	PORTFOLIO COMPANY	COUNTRY/REGION	DESCRIPTION
	Ayo Connect	Indonesia	Financial API platform
	Taptap Send	Global	Mobile-first remittance and financial wellness platform serving migrant workers
	Mapan	Indonesia	Social commerce platform serving non-traditional e-commerce businesses
	Mio	Vietnam	Support for micro-entrepreneurs in suburban regions
Quadria Capital Fund II	ConCung	Vietnam	Mother and baby retail chain
	Medibuddy	India	Digital healthcare platform
Somerset Indus Healthcare Fund II	Globela Pharma	India	Accredited formulations manufacturing company
SP Fund 2019	Card91	India	Card-issuing platform to help companies build and manage payment programs
	Ekincare	India	B2B health benefits platform
SPE AIF I, LP	Chari Co.	Morocco	Distributor of fast-moving consumer goods
	Holged	Morocco	K–12 education
	Outsourcia	Morocco	Outsourcing businesses, digital services, and marketing studies
	GlobalCorp Financial Services S.A.E	Egypt	Non-bank financial services company providing operating leases and factoring solutions
WWB	Pezesha Africa, Ltd.	Kenya	Digital lender serving MSMEs
	Tienda Pago Holdings, Ltd.	Mexico, Peru	Mobile digital platform providing short-term inventory loans to merchants
	Tugende, Ltd.	Uganda, Kenya	Financial technology company specializing in vehicle finance
	Ugafode Microfinance, Ltd.	Uganda	Microfinance services to rural communities
	Bike Bazaar	India	Two-wheeler lifecycle services player
Unreasonable Capital	Frontier Markets	India	Facilitator of “offline” commerce using technology solutions to reach rural populations

Financial Statements

Consolidated Balance Sheets

(dollars in thousands) **As of September 30,**	**2022**	**(Reclassified) 2021**
Assets		
Intragovernmental:		
Fund Balance with Treasury (Note 2)	$ 2,631,003	$ 2,208,571
Investments, Net (Note 3)	6,206,042	6,156,487
Accounts Receivable, Net (Note 4)	609	-
Total Intragovernmental	8,837,654	8,365,058
With the Public:		
Accounts Receivable, Net (Note 4)	121,155	107,932
Loans Receivable, Net (Note 5)	7,523,771	6,730,788
General Property, Plant and Equipment, Net (Note 6)	155	311
Investments, Net (Note 3)	174,937	95,318
Advances and Prepayments (Note 7)	1,247	3,794
Other Assets:		
Negative Loan Guaranty Liabilities (Note 5)	91,366	-
Total With the Public	7,912,631	6,938,143
Total Assets	**$ 16,750,285**	**$ 15,303,201**
Liabilities (Note 8)		
Intragovernmental:		
Debt (Note 9)	$ 8,964,971	$ 7,723,761
Advances from Others and Deferred Revenue (Note 10)	3,561	5,053
Other Liabilities:		
Liability to the General Fund of the U.S. Government for Other Non-Entity Assets (Note 11)	392,542	415,130
Liability for Capital Transfers to the General Fund of the Treasury (Note 12)	-	656,763
Other Liabilities (Note 13)	431	1,025
Total Intragovernmental	9,361,505	8,801,732
With the Public:		
Accounts Payable (Note 14)	7,045	1
Federal Employee Benefits Payable (Note 15)	6,247	7,487
Loan Guaranty Liabilities (Note 5)	-	246,081
Insurance and Guaranty Program Liabilities (Note 16)	56,192	13,727
Advances from Others and Deferred Revenue (Note 10)	141,514	140,541
Other Liabilities (Note 13)	4,359	6,063
Total With the Public	215,357	413,900
Total Liabilities	**9,576,862**	**9,215,632**
Commitments and Contingencies (Note 1)		
Net Position		
Unexpended Appropriations – Funds Other than Dedicated Collections	400,785	171,177
Cumulative Results of Operations – Funds Other than Dedicated Collections	6,772,638	5,916,392
Total Net Position	**7,173,423**	**6,087,569**
Total Liabilities and Net Position	**$ 16,750,285**	**$ 15,303,201**

he accompanying notes are an integral part of these principal financial statements.

Consolidated Statement of Net Costs

(dollars in thousands)		
For the Years Ended September 30,	**2022**	**2021**
Insurance Program		
Gross Costs		
Operating Costs	$ 54,989	$ 8,862
Total Gross Costs	54,989	8,862
Less: Earned Revenue	(160,236)	(157,335)
Net Insurance Program Costs	(105,247)	(148,473)
Financing Program		
Gross Costs		
Operating Costs	320,233	264,347
Subsidy Costs/(Reduction) (Note 5)	(159,960)	(234,711)
Net Reestimates (Note 5)	221,211	166,838
Total Gross Costs	381,484	196,474
Less: Earned Revenue	(271,853)	(225,855)
Net Financing Program Costs	109,631	(29,381)
Equity Program		
Gross Costs		
Operating Costs	18,790	15,236
Total Gross Costs	18,790	15,236
Less: Unrealized Gains	(6,723)	-
Less: Earned Revenue	(10,112)	(1,642)
Net Equity Program Costs	1,955	13,594
Technical Assistance Program		
Gross Costs		
Operating Costs	10,136	2,594
Total Gross Costs	10,136	2,594
Net Technical Assistance Program Costs	10,136	2,594
Net Cost of Operations	**$ 16,475**	**$ (161,666)**

The accompanying notes are an integral part of these principal financial statements.

Consolidated Statements of Changes in Net Position

(dollars in thousands)

For the Years Ended September 30,	2022	2021
Unexpended Appropriations		
Beginning Balance	$ 171,177	$ 105,992
Appropriations Received	928,884	594,494
Appropriations Transferred-In	9,322	30,000
Appropriations Used	(708,598)	(559,309)
Net Change in Unexpended Appropriations	229,608	65,185
Total Unexpended Appropriations	**$ 400,785**	**$ 171,177**
Cumulative Results of Operations		
Beginning Balance	5,916,392	6,066,286
Adjustments:		
Changes in Accounting Principles (Note 12)	656,763	-
Beginning Balance as Adjusted	6,573,155	6,066,286
Other Adjustments	-	(116)
Appropriations Used	708,598	559,309
Transfers In/Out Without Reimbursement	-	14
Imputed Financing	3,520	3,069
Offset to Non-entity Collections	(496,160)	(873,836)
Net Cost of Operations	(16,475)	161,666
Net Change in Cumulative Results of Operations	199,483	(149,894)
Total Cumulative Results of Operations	**$ 6,772,638**	**$ 5,916,392**
Net Position	**$ 7,173,423**	**$ 6,087,569**

The accompanying notes are an integral part of these principal financial statements.

Combined Statement of Budgetary Resources

(dollars in thousands) **For the Year Ended September 30, 2022**	**Budgetary**	**Non-Budgetary Credit Reform Financing Accounts**
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net	$ 6,547,244	$ 816,078
Appropriations	928,884	-
Borrowing Authority	-	5,521,406
Spending Authority from Offsetting Collections	465,749	935,253
Total Budgetary Resources	**$ 7,941,877**	**$ 7,272,737**
Status of Budgetary Resources		
New obligations and upward adjustments	$ 1,472,116	$ 5,975,518
Unobligated Balance, end of year		
Apportioned, unexpired accounts	230,510	6,608
Unapportioned, unexpired accounts	6,207,094	1,290,611
Unexpired unobligated balance, end of year	6,437,604	1,297,219
Expired unobligated balance, end of year	32,157	-
Unobligated Balance, end of year (total)	6,469,761	1,297,219
Total Budgetary Resources	**$ 7,941,877**	**$ 7,272,737**
Outlays, Net and Disbursements, Net		
Outlays, Net	$ 410,126	
Distributed Offsetting Receipts	(426,222)	
Agency Outlays, Net	**$ (16,096)**	
Disbursements, Net		**$ 1,195,213**

The accompanying notes are an integral part of these principal financial statements.

Combined Statement of Budgetary Resources

(dollars in thousands) **For the Year Ended September 30, 2021**	**(Restated) Budgetary**	**Non-Budgetary Credit Reform Financing Accounts**
Budgetary Resources		
Unobligated Balance from Prior Year Budget Authority, Net	$ 6,336,812	$ 443,540
Appropriations	594,494	-
Borrowing Authority	-	4,409,313
Spending Authority from Offsetting Collections	555,705	726,817
Total Budgetary Resources	**$ 7,487,011**	**$ 5,579,670**
Status of Budgetary Resources		
New obligations and upward adjustments (total)	$ 965,36	$ 4,262,794
Unobligated Balance, end of year		
Apportioned, unexpired accounts	273,204	157,512
Unapportioned, unexpired accounts	6,214,921	1,159,364
Unexpired unobligated balance, end of year	6,488,125	1,316,876
Expired unobligated balance, end of year	33,523	-
Unobligated Balance, end of year (total)	6,521,648	1,316,876
Total Budgetary Resources	**$ 7,487,011**	**$ 5,579,670**
Outlays (Net) and Disbursements (Net)		
Outlays, Net	$ 24,442	
Distributed Offsetting Receipts	(322,808)	
Agency Outlays, Net	**$ (298,366)**	
Disbursements, Net		**$ 2,633,100**

he accompanying notes are an integral part of these principal financial statements.

Note 1: Summary of Significant Accounting Policies

A. REPORTING ENTITY

The U.S. International Development Finance Corporation (DFC) is a United States (U.S.) Government corporation created under the Better Utilization of Investments Leading to Development (BUILD) Act (Public Law 115-254, Division F) which combined the assets, liabilities, and functions of the Overseas Private Investment Corporation (OPIC) and certain functions of the United States Agency for International Development (USAID). DFC facilitates U.S. private investment in developing countries and emerging market economies, primarily by providing direct loans, loan guaranties, equity investments, technical assistance, and political risk insurance.

B. BASIS OF PRESENTATION AND ACCOUNTING

Basis of Presentation

The accompanying principal financial statements account for all resources for which DFC is responsible and present the financial position, results of operations, changes in net position, and the combined budgetary resources of DFC, as required by the Government Corporation Control Act title 31 United States Code §9106. The principal financial statements are prepared from the books and records of DFC activities in accordance with U.S. Generally Accepted Accounting Principles (GAAP) promulgated by the Financial Accounting Standards Advisory Board (FASAB). FASAB is the official body for setting accounting standards of the U.S. Government. The format of the financial statements and notes are presented in accordance with the form and content guidance provided in Office of Management and Budget (OMB) Circular No. A-136, *Financial Reporting Requirements* (A-136). Significant intra-agency transactions and balances have been eliminated from the principal statements for presentation on a consolidated basis, except for the Combined Statements of Budgetary Resources, which are presented on a combined basis in accordance with A-136. As such, intra-agency transactions have not been eliminated from the Combined Statements of Budgetary Resources.

Basis of Accounting

DFC's transactions are recorded on an accrual and a budgetary basis of accounting. Under the accrual basis, revenue is recognized when earned, and expenses are recognized when incurred, regardless of when cash is exchanged. The accompanying Consolidated Balance Sheets, Consolidated Statements of Net Cost, and Consolidated Statements of Changes in Net Position are prepared on an accrual basis.

Budgetary accounting is based on concepts set forth by OMB Circular A-11, *Preparation, Submission, and Execution of the Budget*, as amended, which provides instructions on budget execution. Budgetary accounting is designed to recognize the budgetary resources and the related status of those budgetary resources, including the obligation and outlay of funds according to legal requirements, which in many cases is made prior to the occurrence of an accrual-based transaction. Budgetary accounting is essential for compliance with legal constraints and controls over the use of Federal funds.

Combined Statements of Budgetary Resources

The Combined Statements of Budgetary Resources have been prepared in accordance with budgetary accounting concepts and definitions. The Combined Statements of Budgetary Resources present:

- **Budgetary Resources:** Budgetary resources are amounts available to incur obligations in a fiscal year (FY). DFC's budgetary resources include unobligated balances of resources from prior years and new resources, consisting of appropriations, borrowing authority, and spending authority from offsetting collections. DFC's budgetary resources are from both mandatory and discretionary spending authority. Mandatory spending authority is controlled by laws other than appropriations acts, such as authority provided under the BUILD Act. Discretionary spending authority is budgetary resources (except those provided to fund mandatory spending programs) provided in appropriations acts.

- **Status of Budgetary Resources:** Displays the status of the funding for the fiscal year, including whether the sources have been obligated for use, or if they were not obligated. Unobligated sources are displayed as funds that are apportioned for use, unapportioned for use, or expired. Obligations are legally binding agreements that will result in outlays in the future. Unobligated amount means the cumulative amount of budget authority that remains available for obligation under law in unexpired accounts.

- **Outlays, Net:** Outlays are payments to liquidate an obligation (other than the repayment to the Treasury of debt principal). Outlays are a measure of Government spending. Net outlays display budgetary outlays for DFC, reduced by actual offsetting collections, and distributed offsetting receipts. Offsetting collections are payments to the government that, by law, are credited directly to expenditure accounts and deducted from gross budget authority and outlays of the expenditure account, rather than added to receipts, and are authorized to be spent for the purposes of the account without further action by Congress. DFC's offsetting collections include the receipt of interest, fees, and other revenue. Distributed offsetting receipts are collections credited to general fund receipt accounts that offset gross outlays. DFC's distributed offsetting receipts include negative subsidy and downward reestimates that are transferred from DFC to general fund receipt accounts of the Treasury.

- **Disbursements, Net:** Non-budgetary disbursements are limited to the DFC's non-budgetary credit reform financing accounts that account for DFC's direct loans and loan guaranty programs under the Federal Credit Reform Act of 1990 (FCRA). Disbursements include payments for loans, and loan guaranty claim payments, reduced offsetting collections of loan principal, loan interest, fees and subsidy amounts received.

Reclassification

The FY 2021 Consolidated Balance Sheet was reclassified to conform to the FY 2021 financial statement presentation requirements in accordance with OMB Circular No. A-136, as amended. The reclassification included a change in the presentation of Intragovernmental Other Liabilities to include a separate category for Liability for Capital Transfers to the General Fund of the Treasury, which was previously included in the line Liability to the General Fund of the US Government for Other Non-Entity Assets. New disclosures have been added to these Consolidated Balance Sheet lines to provide additional clarity to the reader of this report. The reclassifications had no effect on total assets, total liabilities, or net position.

Restatement

DFC restated the FY 2021 Statement of Budgetary Resources for a change in the amount reported on the line Distributed Offsetting Receipts. The amount has been corrected to agree to Treasury. See Note 19 for additional information.

Intragovernmental and With the Public Transactions

Statement of Federal Financial Accounting Standards (SFFAS) 1, *Accounting for Selected Assets and Liabilities*, distinguishes between intragovernmental and with the public assets and liabilities. Intragovernmental assets and liabilities arise from transactions among Federal entities. Intragovernmental assets are claims other Federal entities owe to DFC. Intragovernmental liabilities are claims DFC owes to other Federal entities, whereas with the public assets and liabilities arise from transactions with public entities. The term public entities encompasses domestic and foreign persons and organizations outside the U.S. Government. With the public assets are claims of DFC against public entities. With the public liabilities are amounts that DFC owes to public entities.

Use of Estimates:

DFC management has made certain estimates and assumptions when reporting assets, liabilities, revenue, and expenses and disclosures in the notes. Uncertainties associated with these estimates exist and actual results may differ from these estimates; however, DFC estimates are based on historical experience, current events and other assumptions that are believed to be reasonable under the facts and circumstances. Significant estimates underlying the accompanying financial statements as of the date of these financial statements include allowances for loans receivable and loan guaranty liabilities (see Note 5 for additional information), liability for losses on remaining coverage of insurance programs, and recoveries on insurance claims (see Note 16 for additional information).

Public Private Partnerships

SFFAS 49, *Public-Private Partnerships*, requires the disclosure of risk-sharing arrangements with expected lives greater than five years between public and private sector entities. The intent of SFFAS 49 is to capture and disclose off-balance sheet activity and potential risk-sharing arrangement or transactions the government is exposed to for these activities. Many of DFC's transactions share many of the characteristics of public-private partnerships as defined by SFFAS 49. All of DFC's services and products (insurance, credit, and equity investments) which are provided to the 'private sector' and expose DFC to risk-sharing transactional agreements are all captured on the Consolidated Balance Sheets, along with any estimated losses, and disclosed in the accompanying notes to the financial statements. See the principal financial statements and Note 1, Note 3, Note 5, and Note 16.

Changes in Accounting Principle

In FY 2022, DFC changed its accounting method for loans and loan guaranties made prior to FY 1992, as allowed under GAAP and Treasury guidance. In FY 2021 and prior, DFC reported a Liability for Capital Transfers to the General Fund of the Treasury. Loan and loan guaranties made prior to FY 1992 are not covered under FCRA, and excess funding not obligated is required to be transferred to Treasury in the form of a capital transfer. The accounting guidance for the year end closing entries for liquidating funds is set by Treasury. Treasury allows agencies to close activity to cumulative results of operations, or to a liability account for capital transfers due to Treasury. Either method is allowable. In FY 2021, DFC recorded a liability for capital transfers due to Treasury, which represented a liability for future proceeds to be paid to Treasury. In FY 2022, DFC changed its accounting method to close its annual revenues, activities, and transfers to cumulative results of operations, which resulted in reducing DFC's liability to Treasury and increasing the cumulative results of operations. See Note 12 for additional information.

Accounting Standards Issued But Not Yet Effective

FASAB has issued the following pronouncements that will affect future financial presentation, as well as DFC's financial management practices and operations upon implementation. DFC has not completed the process of evaluating the effects of adopting these accounting standards and is unable to determine the materiality of changes that adopting will have on its FY 2024 financial position, FY 2024 results of operations, and FY 2024 changes in net position. The accounting standards will not have any impact on the accounting for budgetary activity.

SFFAS 54, *Leases: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment*, revises the current Federal financial reporting standards for lease accounting and requires that Federal lessees recognize a lease liability and a leased asset at the commencement of the lease term, unless the lease agreement meets any of the scope exclusions or the definition/criteria of short term leases, or contracts or agreements that transfer ownership, or intragovernmental leases. SFFAS 54 has been modified by the following standards:

> SFFAS 57, *Omnibus Amendments 2019*, amends certain references to leases affected by SFFAS 54, as well as other minor changes to improve the clarity of existing statements.
>
> SFFAS 58, *Deferral of the Effective Date of SFFAS 54, Leases, defers SFFAS 54, Leases: An Amendment of SFFAS 5, Accounting for Liabilities of the Federal Government, and SFFAS 6, Accounting for Property, Plant, and Equipment*: SFFAS 58 defers SFFAS 54 until FY 2024. Earlier implementation is not permitted.

SFFAS 60, *Omnibus Amendments 2021: Leases-Related Topics;* SFFAS 60 provides clarifications and improves consistency throughout SFFAS 54, SFFAS 57, SFFAS 5, and SFFAS 6. SFFAS 60 also amends and rescinds certain requirements in SFFAS 54 that were determined to be less likely to yield meaningful information.

C. FUND BALANCE WITH TREASURY

Fund Balance with Treasury (FBWT) is the aggregate amount of funds in DFC's accounts with the U.S. Department of Treasury (Treasury). Treasury processes cash receipts and disbursements on DFC's behalf to pay liabilities and finance authorized purchases. DFC's accounting records are reconciled with Treasury's records on a regular basis. DFC's FBWT includes all its general, revolving, and deposit funds. The general fund is used for subsidy and reestimates, revolving funds are used for operating expenses and DFC's finance and insurance programs, and deposit funds are for taxes withheld on payments to contractors.

D. INVESTMENTS, NET

DFC has authority to make investments in Treasury securities and equity investments with the public in specific projects and emerging market investment funds. Investments in Treasury securities are carried at face value, net of unamortized discount or premium, and are held to maturity. Since fair value is not defined in Federal accounting standards, DFC follows the accounting and reporting in Financial Accounting Standards Codification (ASC) 321 *Investments – Equity Securities* to report fair value of equity investments with the public. Fair value is determined under ASC 820, which establishes a three-level valuation hierarchy based upon observable and non-observable inputs.

- Level 1 reflects the unadjusted quoted prices in active markets for identical assets that the reporting entity can access at the measurement date.
- Level 2 reflects inputs other than quoted prices in Level 1 that are directly or indirectly observable for the asset.
- Level 3 reflects unobservable inputs for the asset.

DFC's equity investments with the public are often geographically concentrated in regions such as African, Asian, or Indian subcontinental regions. These foreign investments serve to develop and support the underfunded sectors of the region's marketplace and are often in markets that do not have an established marketplace with the breadth and scope comparable to one of the U.S. markets. Because the investments are made in regions with less developed markets, there are no observable inputs to value the investments. Therefore, DFC is valuing the investments using unobservable inputs. As a practical expedient, ASC 820 allows DFC to value investments at net asset value when a readily determined fair value is not available, and the investment is providing a net asset value that is measured under appropriate standards. Net asset value is the amount of net assets in the investment attributable to each share of capital stock outstanding at the close of a period. Net asset value excludes the effects of assuming conversion of outstanding convertible securities, whether their conversion would have a diluting effect. When neither a fair value nor a net asset value is available, ASC 321 allows DFC to report equity investments at cost minus any impairment. DFC has the ability and intent to hold its investments until maturity or until the carrying cost can be otherwise recovered.

E. DIRECT LOANS AND LOAN GUARANTIES

FCRA governs direct loans made after FY 1991. FCRA loans are valued at the present value of expected future cash flows, discounted at the interest rate of Treasury Marketable Securities. The subsidy allowance represents the difference between the outstanding loans receivable balance and the net present value of the estimated cash flows of the loans over their remaining term. The subsidy allowance is subtracted from the outstanding loans receivable balance to obtain the net loans receivable balance. DFC issues direct loans in U.S. dollars as well as in foreign currencies. FCRA also governs loan guaranties made after FY 1991. The liability is determined by calculating the net present value of expected future cash flows for outstanding guaranties in a manner like that used to determine the subsidy allowance for direct loans. Loan guaranty liability can be positive or negative, and if negative, is reported as an asset on the Balance Sheet. Guarantied loans acquired by DFC upon borrower default are established as loans receivable and are valued in a similar manner as direct loans under FCRA.

DFC's loans and loan guaranties made prior to FY 1992 are reported under the allowance-for-loss method. Under the allowance-for-loss method, the nominal amount of the direct loans is reduced by an allowance for uncollectible amounts and the liability for loan guarantees is the amount the entity estimates will more likely than not require a future cash outflow to pay default claims.

Direct Loans With Foreign Governments

DFC holds direct loans where the other party is a sovereign nation that were initially provided by USAID prior to 2015 and were transferred to DFC at its inception under the provisions of the BUILD Act.

Budgetary Accounting for Loan Programs

DFC's loan disbursements under FCRA are financed by appropriation authority for long-term loan subsidy cost and borrowings from Treasury for the remaining non-subsidized portion of the loans. Congress may authorize one-year, multi-year, or no year appropriation authority to cover the estimated long-term costs of the loan programs. The non-subsidized portion of each loan disbursement, financed initially under permanent indefinite authority to borrow funds from Treasury, is repaid from collections of loan fees, loan repayments, and default recoveries. Permanent indefinite authority is available to fund any reestimated increase of subsidy costs that occurs after the year in which a loan is disbursed. Reestimated reductions of subsidy costs are returned to Treasury and are unavailable to DFC. As required by the FCRA, DFC uses budgetary "program accounts" to account for appropriation authority in its credit programs and non-budgetary "financing accounts" to account for credit program cash flow. Estimates and reestimates of credit program subsidy expenses are recorded in DFC's program accounts.

Non-Budgetary Credit Reform Financing Accounts

Actual cash flows for direct loan and loan guaranty programs under FCRA are recorded in separate Credit Reform Financing Accounts within Treasury. These accounts borrow funds from Treasury; make direct loan disbursements; pay claims on guarantied loans; collect principal, interest, and fees from borrowers; earn interest from Treasury on any un-invested funds; pay interest expense on outstanding borrowings; and transfer negative subsidy to Treasury's general fund receipt account. New subsidy funded from DFC's non-credit spending authority and appropriated upward subsidy reestimates are received in program accounts and transferred to non-budgetary credit reform financing accounts. The budgetary resources and activities for these accounts are presented separately in the Combined Statements of Budgetary Resources and the Budget of the United States and are excluded from the determination of the budget deficit or surplus.

Subsidy Funding Under FCRA

FCRA requires that the credit subsidy costs of direct loans and loan guaranties be expensed in the year loans are disbursed. The cost expressed as a percentage of loans disbursed is termed the subsidy rate. DFC receives an annual appropriation from Congress and transfers from USAID to fund its credit program subsidy. DFC records subsidy expenses when loans are disbursed. Subsidy for loans disbursed in foreign currencies is calculated in U.S. dollars and DFC does not change the subsidy amount for foreign currency fluctuations during the year. In accordance with FCRA, subsidy costs are reestimated annually.

Interest Receivable

Interest receivable is comprised of accrued interest on loans receivable (direct loans and defaulted loan guaranties). Initial unpaid interest on defaulted loan guaranties that DFC acquires with the loan is treated as part of the principal of the loan receivable. Interest income is accrued at the contractual rate on the outstanding principal. Purchased interest is carried at cost. DFC accrues interest on non-performing loans unless the loans are in litigation or in the process of being modified. DFC adjusts the allowances for interest receivable based on loan performance to reduce the net interest receivable.

F. GENERAL PROPERTY, PLANT AND EQUIPMENT, NET

DFC's property, plant and equipment consists of general-purpose equipment used by the agency. DFC capitalizes property, plant, and equipment at historical cost for acquisitions that have an estimated useful life of two years or more. DFC has a capitalization threshold of $50,000 for equipment, furniture, vehicles, and leasehold improvements, and $250,000 for internal use software. DFC expenses property, plant and equipment acquisitions that do not meet the capitalization criteria when purchased, as well as normal repairs and maintenance. Depreciation and amortization of property, plant and equipment are computed using the straight-line method over the estimated useful life of the asset with periods ranging from five to 10 years.

Leases

DFC follows SFFAS 5 *Accounting for Liabilities of The Federal Government* to determine whether leases meet the definition of a capital lease. Capital leases are recorded on the Consolidated Balance Sheets as assets under capital lease as part of General Property, Plant and Equipment. DFC's capitalization threshold for capital leases is $50,000. The cost of property, plant and equipment acquired under a capital lease is the amount recognized as a liability for the capital lease at its inception. Payments for capital leases are recorded against the liability for capital lease, with an interest component expensed. Depreciation and amortization of capital leases are computed using the straight-line method over the estimated useful life of the asset or lease term, whichever is shorter.

G. LIABILITIES

Liabilities represent probable and measurable future outflows of resources because of past transactions or events and are recognized when incurred, regardless of whether there are budgetary resources available to pay the liabilities. However, liabilities cannot be liquidated without legislation providing resources and legal authority.

Liabilities Covered and Not Covered by Budgetary Resources

Liabilities covered by budgetary resources include liabilities incurred that are covered by realized budgetary resources as of the Balance Sheet date. Budgetary resources include: (1) new budget authority, (2) unobligated balances of budgetary resources at the beginning of the year or net transfers of prior year balances during the year, (3) spending authority from offsetting collections, and (4) recoveries of unexpired budget authority through downward adjustments of prior year obligations. Liabilities covered by budgetary resources also includes liabilities that are to be funded by permanent indefinite appropriations and may be apportioned by OMB without further action by the Congress and without a contingency having to be met first, such as DFC's downward reestimates payable to Treasury.

Liabilities not covered by budgetary resources are liabilities that will require budgetary resources to liquidate the liabilities.

Liabilities Not Requiring Budgetary Resources

Liabilities not requiring budgetary resources are liabilities that will not require the use of budgetary resources, such as unearned revenue which is reduced as the revenue is earned.

Current and Non-Current Liabilities

DFC discloses its other liabilities between current and noncurrent liabilities in accordance with SFFAS 1, *Accounting for Selected Assets and Liabilities*. The current liabilities represent liabilities that DFC expects to settle within the 12 months of the Consolidated Balance Sheet dates. Noncurrent liabilities represent liabilities that DFC does not expect to be settled within 12 months of the Consolidated Balance Sheet dates (see Note 13, Other Liabilities).

H. ACCOUNTS PAYABLE

Accounts Payable includes amounts owed but not yet paid to intragovernmental and with the public entities for goods and services received by DFC. DFC estimates and records accruals when services and goods are performed or received.

I. FEDERAL EMPLOYEE BENEFITS PAYABLE

Leave

Employee annual leave is accrued when earned and reduced as leave is taken. Each year the balance of accrued annual leave is adjusted to reflect current pay rates as well as forfeited "use or lose" leave. Amounts are reported as unfunded to the extent current or prior year appropriations are not available to fund annual leave earned but not taken. Funded and unfunded sick leave and other types of non-vested leave are expensed as taken.

Employee Health and Life Insurance Benefits

DFC employees may choose to participate in the contributory Federal Employees Health Benefit and the Federal Employees Group Life Insurance programs. DFC matches a portion of the employee contributions to each program. Such matching contributions are recognized as current operating expenses.

Employee Pension Benefits

DFC employees participate in either the Civil Service Retirement System or the Federal Employees Retirement System (FERS) and Social Security. These systems provide benefits upon retirement and in the event of death, disability, or other termination of employment, and may also provide pre-retirement benefits. They may also include benefits to survivors and their dependents, and they may contain early retirement or other special features. DFC's contributions to both retirement plans, as well as to the government-wide Federal Insurance Contribution Act, administered by the Social Security Administration, are recognized as current operating expenses. Federal employee benefits also include the Thrift Savings Plan. For FERS employees, DFC matches employee contributions to the plan, subject to limitations. The matching contributions are recognized as current operating expenses.

Federal Employees' Compensation Act

The Federal Employees' Compensation Act (FECA) provides income and medical cost protection to covered Federal civilian employees injured on the job and to beneficiaries of employees whose deaths are attributable to job-related injury or disease. The FECA program is administered by the Department of Labor (DOL). DOL pays valid claims as they occur, which are billed to DFC annually and funded and paid approximately 15 months later. DOL also calculates an estimated actuarial liability for future benefits based upon historical experience and other economic variables.

J. INSURANCE AND GUARANTY PROGRAM LIABILITIES

In accordance with Statement of Federal Financial Accounting Standards (SFFAS) No. 51, *Insurance Programs*, the Insurance and Guaranty Program liability represents the liability for unearned premiums and fees, claims incurred but not reported, claims submitted but not yet paid, and estimated losses on remaining coverage. The losses on remaining coverage includes the estimated amounts to be paid to settle claims, including claim adjustment expenses for the remaining open arrangement period, net of unearned premiums as of the end of the fiscal year, and net of future premiums due after the end of the fiscal year that relate to the remaining open arrangement period.

K. COMMITMENTS AND CONTINGENCIES

In accordance with SFFAS 5, *Accounting for Liabilities of the Federal Government*, as amended by SFFAS 12, *Recognition of Contingent Liabilities Arising from Litigation: An Amendment of SFFAS 5*, *Accounting for Liabilities of the Federal Government* recognizes contingent liabilities in DFC's Consolidated Balance Sheets and Consolidated Statements of Net Cost when the loss is determined to be probable and reasonably estimable. In the event of an adverse judgment against the Government, some of the liabilities may be payable from the U.S. Treasury. DFC evaluates all contingent liabilities based on three criteria: probable, reasonably possible, and remote. DFC recognizes that the estimated liability may be a specific amount or a range of amounts. If some amount within the range is a better estimate than any other amount within the range, that amount is recorded. If no amount within the range is a better estimate than any other amount, the minimum amount of the range is recorded and the range and a description of the nature of the contingency are disclosed. DFC records an accrual for contingent liabilities if the liability is probable and reasonably estimable and discloses those contingencies that are reasonably possible. DFC does not disclose or record contingent liabilities when the loss is considered remote. For matters where DFC's Counsel is unable to express an opinion regarding the likely outcome of the case and an estimate of the potential liability cannot be made, the total amount claimed against the government is classified as "Reasonably Possible" and disclosed if available. DFC is currently involved in certain legal claims and has received notifications of potential claims in the normal course of business. There are substantial factual and legal issues that might bar any recovery in these matters. It is not possible to evaluate the likelihood of any unfavorable outcome, nor is it possible to estimate the amount of compensation, if any, that may be determined to be owed in the context of a settlement. Management believes that the resolution of these claims will not have a material adverse impact on DFC.

L. NET POSITION

Net position is the residual difference between assets and liabilities and consists of Unexpended Appropriations and Cumulative Results of Operations.

Unexpended Appropriations

Unexpended appropriations include the portion of the DFC's appropriations represented by undelivered orders and unobligated balances. Delivered orders result in expended appropriations and reduce the total reported as Unexpended Appropriations. Undelivered orders are the value of orders of goods or services which have not been actually or constructively received. DFC receives annual appropriations that are reduced and repaid to Treasury during the fiscal year from DFC's offsetting collections from programs other than the Insurance program, as well as negative subsidy. DFC also receives appropriations for subsidy to fund its direct loan and loan guaranty programs, as well as appropriations transferred in from other agencies for specific programs. DFC does not have funds from dedicated collections.

Cumulative Results of Operations

Cumulative results of operations consist of the net difference since inception between expenses and losses; revenue and gains; and other financing sources. DFC does not have funds from dedicated collections.

M. REVENUE AND OTHER FINANCING SOURCES AND USES

Exchange and Non-Exchange Revenue

DFC classifies revenue as either exchange revenue or non-exchange revenue. Exchange revenue arises when DFC provides goods or services to intragovernmental or with the public entities in exchange for inflows of resources. Exchange revenue is presented in the Consolidated Statements of Net Cost and serves to offset the costs of these goods and services. DFC activities recognize exchange revenue primarily from fees earned from its direct loan and loan guaranty programs, insurance premiums, earnings from investments and from the reimbursements for goods and services provided other Federal Agencies. Non-exchange revenues are inflows of resources that the Government demands or receives by donation. Non-exchange revenue is considered to reduce the cost of operations and is reported in the Consolidated Statements of Changes in Net Position as a financing source. DFC's does not have any non-exchange revenue.

Other Financing Sources and Uses

Other financing sources include additional inflows of resources that increase the results of operations during the reporting period. DFC's other financing sources come from unexpended appropriation transfers-in and non-expenditure transfers-in and are recognized as financing sources when used. Other financing sources also include: (1) Transfers-In/Out Without Reimbursement; and (2) imputed financing with respect to costs subsidized by another Federal entity. Transfers-In/Out Without Reimbursement include capital transfers of excess funding for direct loan and loan programs made prior to FY

1992, as well as negative subsidy and downward reestimates of direct loans and loan guaranties that are transferred to general fund receipt accounts of Treasury.

Imputed Financing and Imputed Costs

DFC recognizes the full cost of providing all employee benefits and future retirement benefits, including life and health insurance, at the time employee services are rendered. Eligible retired DFC employees, and retired OPIC employees, can continue to participate in health and life insurance plans. The cost of these benefits is funded through DFC contributions, employee compensation to the extent withheld from employee and retiree pay, from matching of employee withholding for Thrift Savings Plan and Federal Insurance Contributions Act, and by the Office of Personnel Management (OPM) which administers the retirement programs for DFC employees. OPM calculates imputed costs as the actuarial present value of future benefits attributed to services rendered by covered employees and eligible retired DFC employees during the accounting period, net of the amounts contributed by employees, retirees, and DFC. DFC recognizes these imputed costs in the Statements of Net Cost and imputed financing in the Statements of Changes in Net Position.

N. EXPENSES

Expenses are recognized when there are outflows, usage of assets, or incurrences of liabilities (or a combination) from carrying out functions related to DFC's activity and related programs, for which benefits do not extend beyond the present operating period. For financial reporting purposes, operating expenses are recognized in the period incurred.

O. CLASSIFIED ACTIVITIES

Accounting standards require all reporting entities to disclose that accounting standards allow certain presentations and disclosures to be modified, if needed, to prevent the disclosure of classified information.

Note 2: Fund Balance With Treasury

(dollars in thousands)

As of September 30,	**2022**	**2021**
Status of Fund Balance with Treasury		
Unobligated Balance		
Available	$ 1,554,950	$ 560,084
Unavailable	32,157	33,523
Obligated Balance not yet Disbursed	1,043,896	1,614,964
Total Fund Balance With Treasury	**$ 2,631,003**	**$ 2,208,571**

As of September 30, 2022 and 2021, there were no unreconciled differences between Treasury records and balances reported on DFC's general ledger. DFC'S FBWT is classified as unobligated balance available, unobligated balance unavailable, and obligated balance not yet disbursed. Unobligated available balances represent amounts that are apportioned for obligation in the current fiscal year and unexpired appropriations available for incurring new obligations. Unobligated unavailable balances represent amounts that are in expired appropriations and not available for incurring new obligations. Obligated balances not yet disbursed include undelivered orders or delivered orders received but not yet paid. Obligated balances for loans and loan guaranties are supported by borrowing authority, and DFC borrows funds from the Treasury prior to making the disbursements. DFC does not have any non-budgetary FBWT balances.

NOTE 3: Investments, Net

DFC's investments, net are comprised of Treasury non-marketable, market-based securities, consisting of:

(dollars in thousands) **As of September 30, 2022**	**Acquisition value**	**Amortized (Premium)/ Discount**	**Interest Receivable**	**Net Investments**	**Unrealized Gain/(Loss)**	**Market Value**
Treasury Non-Marketable, Market-based Securities						
Notes	$ 5,838,033	$ 9,649	$ 26,539	$ 5,874,221	$ (461,854)	$ 5,412,367
Bonds	329,984	356	1,481	331,821	(29,993)	301,828
Total Intragovernmental Investments, Net	**$ 6,168,017**	**$ 10,005**	**$ 28,020**	**$ 6,206,042**	**$ (491,847)**	**$ 5,714,195**

(dollars in thousands) **As of September 30, 2021**	**Acquisition value**	**Amortized (Premium)/ Discount**	**Interest Receivable**	**Net Investments**	**Unrealized Gain/(Loss)**	**Market Value**
Treasury Non-Marketable, Market-based Securities						
Notes	$ 5,912,806	$ (132)	$ 26,883	$ 5,939,557	$ 163,955	$ 6,103,512
Bonds	215,617	(374)	1,687	216,930	31,464	248,394
Total Intragovernmental Investments, Net	**$ 6,128,423**	**$ (506)**	**$ 28,570**	**$ 6,156,487**	**$ 195,419**	**$ 6,351,906**

DFC's securities and investments, net with the public consists of:

(dollars in thousands) **As of September 30,**	**2022 Other**	**2021 Other**
Equity Securities Valued at Net Asset Value	$ 128,934	$ -
Equity Securities Valued at Cost less Impairment	46,003	95,318
Total Securities and Investments, Net	**$ 174,937**	**$ 95,318**

By statute, DFC is authorized to invest its corporate reserve funds in Treasury non-marketable, market-based securities. Corporate reserve funds are derived from fees and other revenues related to its insurance program and funds transferred into DFC from OPIC in FY 2020. Treasury market-based securities are carried at face value, net of unamortized discount or premium, and are held to maturity. Premiums or discounts are amortized using the effective yield method. Interest income is compounded semi-annually by Treasury and adjusted to include an accrual for interest earned to September 30. DFC has the ability and intent to hold its intragovernmental investments until maturity or until the carrying cost can be otherwise recovered.

DFC's equity investments with the public consisted of investments in:

- Limited partnerships in private equity funds which are managed by a General Partner. As a limited partner, DFC has a limited liability to the extent of the investment, no managerial authority, and invests into the fund to achieve returns from the fund's portfolio of investments; and
- Direct investments into private companies that are not listed on a public exchange. Direct investments are generally illiquid and treated as long-term investments.

DFC began making equity investments with the public in FY 2021. DFC is statutorily limited in making investments that are currently traded in active markets. DFC is required to seek to exit investment positions as soon as such exit is commercially feasible, and DFC limits its active market participation to avoid any actual or perceived market distortion.

The investments where no net asset value is available are valued at cost minus any impairment. As of September 30, 2022 and 2021, the investments with the public had no impairment.

DFC's investment with the public activity is as follows:

(dollars in thousands) **Other Securities and Investments**	**2022**	**2021**
Beginning Balance as of October 1	$ 95,318	$ -
Valuation Adjustments	6,723	-
Return of Investments	(5,276)	
Acquisitions of Investments	78,172	95,318
Ending Balance as of September 30	**$ 174,937**	**$ 95,318**

DFC also has hybrid investments that are constructed as loans that may convert to equity investments. These hybrid investments are accounted for under FCRA and are therefore not reported in the above schedules of investments.

Note 4: Accounts Receivable, Net

(dollars in thousands) **As of September 30,**	**2022**	**(Reclassified)** **2021**
Intragovernmental Accounts Receivable		
Subsidy Receivable from Treasury	$ 609	$ -
Total Intragovernmental Accounts Receivable, Net	609	-
With the Public Accounts Receivable		
Fees Receivable	111,400	98,637
Insurance Premiums Receivable	1,866	1,719
Insurance Settlements Receivable	21,071	20,804
Other Receivables	128	128
Allowance for Uncollectible Amounts	(13,310)	(13,356)
Total With the Public Accounts Receivable, Net	121,155	107,932
Total Accounts Receivable, Net	**$ 121,764**	**$ 107,932**

Intragovernmental accounts receivable consist of amounts due from Treasury for subsidy on a modified direct loan receivable in the Legacy loan program for a loan made prior to FY 1992. The amount is expected to be collected in full in FY 2023. With the public accounts receivable are primarily amounts due to DFC for fees for insurance policies, fees from loan and loan guaranty agreements, premiums from insurance policies, and assets acquired in insurance claims settlements. With the public accounts receivable are reduced to net realizable value by an allowance for uncollectible amounts. Allowances are based on management's periodic evaluations of the underlying assets. Direct loan and loan guaranty fees receivable allowances are based on the same percentage of the allowances for the underlying direct loan or loan guaranty. In its evaluation, management considers numerous factors, including, but not limited to, general economic conditions, asset composition, and prior loss experience.

Note 5: Loans Receivable, Net and Loan Guaranty Liabilities

A. DIRECT LOAN AND LOAN GUARANTY PROGRAMS

DFC administers the following direct loan and loan guaranty programs:

Name of Program	Description
Direct Loan Program	Direct loans by DFC, and loans transferred from OPIC and USAID's Development Credit Authority (DCA) to DFC. Direct loans are disbursements to a borrower under a contract that requires repayment to DFC with interest. DFC's direct loans invest across sectors including energy, healthcare, critical infrastructure, and technology. DFC also provides financing for small businesses and women entrepreneurs in order to create jobs in emerging markets. All of the loans included in this program were made after FY 1991 and are accounted for under FCRA.
Loan Guaranties	Loan Guaranties by DFC, and agreements transferred from OPIC and DCA to DFC. Loan guaranties are agreements where DFC provides guaranties with respect to the payment of all or a part of the principal or interest on a debt obligation of a borrower to a lender. DFC's loan guaranties support investments across sectors including energy, healthcare, critical infrastructure, and technology. DFC also provides loan guaranties for small businesses and women entrepreneurs in order to create jobs in emerging markets. All of the loan guaranties included in this program were made after FY 1991 and are accounted for under FCRA.
Legacy Loans	DFC administers loans that were previously initiated by USAID under the Debt Reduction Loan program, initiated after FY 1991, which are accounted for under FCRA. This program also includes loans under the Economic Assistance Loan program, which were initiated prior to FY 1992, which are not accounted for under FCRA.
Legacy Loan Guaranties	DFC administers loan guaranties that were previously administered by USAID under the Microenterprise and Small Enterprise Development Guarantied Loan program, the Urban and Environmental Credit Guarantied Loan programs, and the Housing and Other Credit Guaranty programs. These programs include loans that were initiated before FY 1992 and after FY 1991. The loans made before FY 1992 are not accounting for under FCRA. The loans made after FY 1991 are accounted for under FCRA.

Valuation Methodology for Direct Loans and Loan Guaranties

The valuation methodology of direct loans and loan guaranties made after FY 1991 is based on the net present value of their expected future cash flows. DFC estimates future cash flows for direct loans and loan guaranties using economic and financial credit subsidy models. DFC's models vary in the specific methodologies employed to forecast future program cash flows. In general, however, models for all major credit programs use historical data as the basis for assumptions about future program performance and then translate these assumptions into nominal cash flow estimates by applying rules about program structure. Nominal cash flow forecasts are discounted using OMB's Credit Subsidy Calculator that has both forecasted and actual Treasury interest rates. Loans have been made in both U.S. dollars and foreign currencies and the DFC's subsidy models incorporate the exchange risk. Loans extended in foreign currencies that were originated by USAID and transferred into DFC were made with or without "Maintenance of Value" (MOV). Foreign currency exchange gain or loss is recognized upon receipt of loan repayments on loans extended without MOV and reflected in the net credit programs receivable balance. The net loans receivable or the value of assets related to direct loans is not the same as expected proceeds from selling the loans.

Historical data is used as the basis for program performance assumptions. The historical data undergoes quality review and analysis prior to its use in developing model assumptions. Key input to the subsidy models varies by program and includes items such as:

- Contractual terms of the loan or guaranty such as loan amount, interest rate, maturity, and grace period
- Borrower characteristics
- Estimated changes in foreign currency valuations
- Loan performance assumptions, such as default and recovery rates
- Loan fee rates

DFC's rating methodology for its FCRA reestimates is based on industry best practices and the expert judgment of a core panel of officers from origination, monitoring, credit policy and risk management who worked in conjunction with Moody's Analytics. The methodology rates the portfolio risk with a consistent and standardized approach.

DFC's total net subsidy reestimates for direct loan and loan guaranties for FY 2022 is $221 million. Some of the key drivers of the increase include global economic unsteadiness resulting from COVID, the war in Ukraine, and the resurgence in the value of the US dollar. These factors as well as individual project drivers resulted in several risk rating downgrades and downgrades in estimated recovery ratings, which increase the reestimates. DFC has several loans denominated in foreign currencies. The increase in value of the US dollar resulted in projected losses in value of the foreign currencies against the dollar, which increased the upward reestimates. Additionally, two direct loans experienced significant full prepayments in FY 2022, leading to a loss of future fees and interest spread, resulting in a higher net upward reestimates. The increases in interest rates, with projects disbursing into higher interest rates than those assumed at the time of obligation, resulted in downward reestimates that help offset the upward reestimates.

B. DIRECT LOANS, NET

(dollars in thousands) **As of September 30, 2022**	**Loans Receivable, Gross**	**Fees & Interest Receivable**	**Allowance for Loan Loss**	**Allowance for Subsidy Cost (Present Value)**	**Value of Assets Related to Direct Loans, Net**
Loans Obligated Prior to FY 1992					
Legacy Loans	$ 353,569	$ 421,356	$ (510,361)	$ -	$ 264,564
Loans Obligated After FY 1991					
Direct Loans	7,199,422	96,671	-	(129,364)	7,166,729
Legacy Loans	650,895	29,145	-	(907,279)	(227,239)
Total Direct Loans Receivable	8,203,886	547,172	(510,361)	(1,036,643)	7,204,054
Defaulted Loan Guaranties Receivable (Table F)	1,265,125	112,991	(56,658)	(1,001,741)	319,717
Total Loans Receivable, Net	**$ 9,469,011**	**$ 660,163**	**$ (567,019)**	**$ (2,038,384)**	**$ 7,523,771**

(dollars in thousands) **As of September 30, 2021**	**Loans Receivable, Gross**	**Fees & Interest Receivable**	**Allowance for Loan Loss**	**Allowance for Subsidy Cost (Present Value)**	**Value of Assets Related to Direct Loans, Net**
Loans Obligated Prior to FY 1992					
Legacy Loans	$ 394,226	$ 403,303	$ (535,868)	-	$ 261,661
Loans Obligated After FY 1991					
Direct Loans	6,197,890	83,511	-	(83,567)	6,197,834
Legacy Loans	655,894	38,540	-	(865,467)	(171,033)
Total Direct Loans Receivable	7,248,010	525,354	(535,868)	(949,034)	6,288,462
Defaulted Loan Guaranties Receivable (Table F)	739,233	97,147	$ (40,581)	$ (353,473)	$ 442,326
Total Loans Receivable, Net	**$ 7,987,243**	**$ 622,501**	**$ (576,449)**	**$ (1,302,507)**	**$ 6,730,788**

C. TOTAL AMOUNT OF DIRECT LOANS DISBURSED

(dollars in thousands) **As of September 30,**	**2022**	**2021**
Direct Loan Disbursements	$ 1,953,927	$ 3,140,075

D. SUBSIDY EXPENSE AND REESTIMATES FOR DIRECT LOAN PROGRAMS BY COMPONENT

(dollars in thousands) **As of September 30,**	**2022**	**2021**
Subsidy Expense for New Direct Loans Disbursed		
Interest Differential	$ (7,852)	$ (4,744)
Defaults	156,636	96,633
Fees and Other Collections	(275,013)	(212,563)
Other	13,639	(36,484)
Total Subsidy Expense for New Direct Loans Disbursed	(112,590)	(157,158)
Modifications and Reestimates		
Total Modifications	637	(967)
Net Interest Rate Reestimates	23,582	(45,493)
Net Technical Reestimates	49,304	79,423
Total Net Reestimates	72,886	33,930
Total Direct Loan Subsidy Expense	**$ (39,067)**	**$ (124,195)**

E. SCHEDULE FOR RECONCILING DIRECT LOAN SUBSIDY COST ALLOWANCE

(dollars in thousands) **As of September 30,**	**2022**	**2021**
Beginning Balance of the Subsidy Cost Allowance	$ (949,034)	$ (1,076,525)
Add: Subsidy Expense for Direct Loans Disbursed During the Year	112,590	157,158
Adjustments:		
Loan Modifications	(637)	967
Fees Accrued	(5,090)	(2,829)
Loans Written Off	66,195	109,099
Subsidy Allowance Amortization	(187,759)	(102,964)
Other	(22)	(10)
Total Adjustments	(127,313)	4,263
Ending Balance of the Subsidy Cost Allowance Before Reestimates	(963,757)	(915,104)
Add or Subtract Subsidy Net Reestimates	(72,886)	(33,930)
Ending Balance of the Subsidy Cost Allowance	**$ (1,036,643)**	**$ (949,034)**

F. DEFAULTED LOAN GUARANTIES

(dollars in thousands) **As of September 30, 2022**	**Defaulted Loan Guaranties Receivable, Gross**	**Interest Receivable**	**Allowance for Loan Loss**	**Allowance for Subsidy Cost (Present Value)**	**Value of Assets Related to Defaulted Loan Guaranties Receivable, Net**
Loans Obligated Prior to FY 1992					
Legacy Loan Guaranties	$ 90,490	$ 13,344	$ (56,658)	$ -	$ 47,176
Loans Obligated After FY 1991					
Loan Guaranties	1,089,137	34,080	-	(994,690)	128,527
Legacy Loan Guaranties	85,498	65,567	-	(7,051)	144,014
Total	**$ 1,265,125**	**$ 112,991**	**$ (56,658)**	**$ (1,001,741)**	**$ 319,717**

(dollars in thousands) **As of September 30, 2021**	**Defaulted Loan Guaranties Receivable, Gross**	**Interest Receivable**	**Allowance for Loan Loss**	**Allowance for Subsidy Cost (Present Value)**	**Value of Assets Related to Defaulted Loan Guaranties Receivable, Net**
Loans Obligated Prior to FY 1992					
Legacy Loan Guaranties	$ 82,624	$ 13,865	$ (40,581)	$ -	$ 55,908
Loans Obligated After FY 1991					
Loan Guaranties	578,162	26,510	-	(353,473)	251,199
Legacy Loan Guaranties	78,447	56,772	-	-	135,219
Total	**$ 739,233**	**$ 97,147**	**$ (40,581)**	**$ (353,473)**	**$ 442,326**

G. GUARANTIED LOANS OUTSTANDING

Guarantied Loans Outstanding

(dollars in thousands) **As of September 30, 2022**	**Outstanding Principal of Guarantied Loans, Face Value**	**Amount of Outstanding Principal Guarantied**
Loan Guaranties	$ 9,768,556	$ 9,454,989
Legacy Loan Guaranties	102,933	102,933
Total	**$ 9,871,489**	**$ 9,557,922**

(dollars in thousands) **As of September 30, 2021**	**Outstanding Principal of Guarantied Loans, Face Value**	**Amount of Outstanding Principal Guarantied**
Loan Guaranties	$ 10,397,305	$ 10,064,675
Legacy Loan Guaranties	134,600	134,600
Total	**$ 10,531,905**	**$ 10,199,275**

New Loan Guaranties Disbursed

(dollars in thousands) **As of September 30, 2022**	**Principal of Guarantied Loans, Face Value**	**Amount of Principal Guarantied**
Loan Guaranties	$ 1,561,172	$ 1,401,109
Total	**$ 1,561,172**	**$ 1,401,109**

(dollars in thousands) **As of September 30, 2021**	**Principal of Guarantied Loans, Face Value**	**Amount of Principal Guarantied**
Loan Guaranties	$ 1,353,910	$ 1,082,922
Total	**$ 1,353,910**	**$ 1,082,922**

H. LIABILITY FOR LOAN GUARANTIES

(dollars in thousands) **As of September 30, 2022**	**Liabilities for Losses on Pre-1992 Guaranties, Present Value**	**Liabilities for Post-1991 Guaranties, Present Value**	**Loan Guaranties Liabilities for Loan Guaranties**
Loans Obligated Prior to FY 1992			
Legacy Loan Guaranties	$ -	$ -	$ -
Loans Obligated After FY 1991			
Loan Guaranties	-	(275,134)	(275,134)
Legacy Loan Guaranties	-	183,768	183,768
Total Liability for Loan Guaranties	**$ -**	**$ (91,366)**	**$ (91,366)**

(dollars in thousands) **As of September 30, 2021**	**Liabilities for Losses on Pre-1992 Guaranties, Present Value**	**Liabilities for Post-1991 Guaranties, Present Value**	**Loan Guaranties Liabilities for Loan Guaranties**
Loans Obligated Prior to FY 1992			
Legacy Loan Guaranties	$ (4,681)	$ -	$ (4,681)
Loans Obligated After FY 1991			
Loan Guaranties	-	84,028	84,028
Legacy Loan Guaranties	-	166,734	166,734
Total Liability for Loan Guaranties	**$ (4,681)**	**$ 250,762**	**$ 246,081**

I. SUBSIDY EXPENSE FOR LOAN GUARANTIES BY PROGRAM AND COMPONENT

(dollars in thousands) **As of September 30, 2022**	**Loan Guaranties**	**Legacy Loan Guaranties**	**Total**
Subsidy Expense for New Loan Guaranties Disbursed			
Defaults	$ 48,017	$ -	$ 48,017
Fees and Other Collections	(99,704)	-	(99,704)
Other	6,505	-	6,505
Total Subsidy Expense for New Loan Guaranties Disbursed	(45,182)	-	(45,182)
Modifications and Reestimates			
Total Modifications	(2,824)	-	(2,824)
Net Interest Rate Reestimates	23,118	10,881	33,999
Net Technical Reestimates	112,082	2,244	114,326
Total Net Reestimates	135,200	13,125	148,325
Total Loan Guaranty Subsidy Expense	**$ 87,194**	**$ 13,125**	**$ 100,319**

(dollars in thousands) **As of September 30, 2021**	**Loan Guaranties**	**Legacy Loan Guaranties**	**Total**
Subsidy Expense for New Loan Guaranties Disbursed			
Defaults	$ 68,833	$ -	$ 68,833
Fees and Other Collections	(193,895)	-	(193,895)
Other	47,577	-	47,577
Total Subsidy Expense for New Loan Guaranties Disbursed	(77,485)	-	(77,485)
Modifications and Reestimates			
Total Modifications	899	-	899
Interest Rate Reestimates	19,836	34,012	53,848
Technical Reestimates	115,256	(36,196)	79,060
Total Net Reestimates	135,092	(2,184)	132,908
Total Loan Guaranty Subsidy Expense	**$ 58,506**	**$ (2,184)**	**$ 56,322**

J. SCHEDULE FOR RECONCILING THE LOAN GUARANTY LIABILITY

(dollars in thousands) **As of September 30**		**2022**		**2021**
Beginning Balance of the Loan Guaranty Liabilities	$	250,762	$	14,976
Less: Claims Paid to Lenders		(721,173)		(265,904)
Add: Fees Accrued		249,006		281,183
Add: Loans Acquired		-		159,121
Add: Subsidy Expense for Guarantied Loans Disbursed During the Year		22,387		25,900
Less: Negative Subsidy Payments		(67,569)		(103,385)
Add: Upward Reestimates		344,533		371,740
Less: Downward Reestimates		(196,209)		(238,832)
Subsidy Allowance Amortized		29,745		5,064
Loan Guaranty Modifications		(2,824)		899
Other		(24)		-
Ending Balance of the Loan Guaranty Liability	**$**	**(91,366)**	**$**	**250,762**

K. SUBSIDY RATES BY PROGRAM AND COMPONENT

As of September 30, 2022	**Defaults, net of recoveries**	**Interest**	**Fees**	**Other**	**Total**
Direct Loans					
Direct Loans	10.17%	-	(18.23)%	-	(8.06)%
Direct Loan Investment Funds	19.02%	(6.11)%	(16.16)%	-	(3.25)%
Direct Loans in Foreign Currencies	39.75%	(45.00)%	(10.86)%	26.11%	10.00%
Loan Guaranties					
USAID Mission-led Guaranties	6.11%	-	(0.74)%	-	5.37%
Loan Guaranties	8.77%	-	(12.70)%	-	(3.93)%
Limited Arbitral Award Coverage	5.98%	-	(9.67)%	-	(3.69)%

The subsidy rates presented above are consistent with the estimated subsidy rates published in the Federal Credit Supplement to the Budget of the U.S. Government except for differences due to rounding. The published budget formulation subsidy rates are notional, for illustrative purposes only, as DFC estimates subsidy on a loan-by-loan basis at the time of obligation. These rates cannot be applied to the direct loans and loan guaranties disbursed during the current reporting year to yield the subsidy expense. The subsidy expense for new loans reported in the current year could result from the disbursements of loans obligated in the current and prior fiscal years. Subsidy expense reported in the current year also includes the cost of modifications and subsidy reestimates.

L. ADMINISTRATIVE EXPENSES

DFC incurs administrative expenses to carry out its credit reform programs. This amount is determined by annual appropriation legislation. The administrative expense for direct loan and loan guaranties is $108,597 thousand and $93,462 thousand for the period ended September 30, 2022 and 2021, respectively.

M. LOANS RECEIVABLE

Loans receivable, net, reported on the Balance Sheet for all direct loans and defaulted guaranteed loans receivable include the following.

(dollars in thousands) **As of September 30,**		**2022**
Beginning Balance of the Loans Receivable, Net	$	6,730,788
Add: Loan Disbursements		1,953,927
Less: Principal Payments Received		(1,109,368)
Add: Loan Guaranty Claim Payments Converted to Loans Receivable		723,683
Add: Interest Accruals		61,576
Less: Fees Accrued		(5,090)
Add: Capitalized Fees to Loan Principal		20,966
Less: Subsidy Expense		(14,784)
Add: Negative Subsidy Payments		127,374
Less: Upward Reestimates		(269,220)
Add: Downward Reestimates		196,334
Less: Subsidy Allowance Amortization		(187,759)
Loan Modifications		(637)
Allowance for Loan and Interest Loss Adjustments		(704,019)
Ending Balance of Loans Receivable, Net	**$**	**7,523,771**

Note 6: General Property, Plant and Equipment, Net

DFC's general property, plant and equipment consist of the following:

(dollars in thousands) **As of September 30, 2022**		**Acquisition Cost**		**Accumulated Depreciation**		**Net Book Value**
Equipment	$	3,925	$	(3,770)	$	155
Internal-Use Software		9,584		(9,584)		-
Total Property and Equipment, Net	**$**	**13,509**	**$**	**(13,354)**	**$**	**155**

(dollars in thousands) **As of September 30, 2021**		**Acquisition Cost**		**Accumulated Depreciation**		**Net Book Value**
Equipment	$	3,925	$	(3,614)	$	311
Internal-Use Software		9,584		(9,584)		-
Total Property and Equipment, Net	**$**	**13,509**	**$**	**(13,198)**	**$**	**311**

Roll forward of general property, plant and equipment, net:

(dollars in thousands)		**Acquisition Cost**		**Accumulated Depreciation**		**Net Book Value**
Balance as of October 1, 2021	$	13,509	$	(13,198)	$	311
Depreciation Expense		-		(156)		(156)
Balance as of September 30, 2022	**$**	**13,509**	**$**	**(13,354)**	**$**	**155**

(dollars in thousands)		**Acquisition Cost**		**Accumulated Depreciation**		**Net Book Value**
Balance as of October 1, 2020	$	13,509	$	(13,027)	$	482
Depreciation Expense		-		(171)		(171)
Balance as of September 30, 2021	**$**	**13,509**	**$**	**(13,198)**	**$**	**311**

Note 7: Advances and Prepayments

DFC's advances and prepayments consist of the following:

(dollars in thousands) **As of September 30,**		**2022**		**2021**
Advances for Claim Payments	$	1,247	$	3,794
Total Advances and Prepayments	**$**	**1,247**	**$**	**3,794**

DFC's advances are related to the Legacy Loan Guaranty programs. The amounts represent advances that DFC has paid to the bank that processes the claims for the Legacy Loan Guaranties. Because claims need to be paid timely, estimates for claims are requested from DFC by the bank, in advance of the claim payment. When a claim payment request is received from the bank, DFC pays the request and records the advance. When the bank pays the claims and provides the claim payment information to DFC, DFC reduces the advance and recognizes the decrease to the loan guaranty liability.

Note 8: Liabilities Covered and Not Covered by Budgetary Resources

(dollars in thousands) **As of September 30,**		**2022**		**2021**
Intragovernmental				
Unfunded FECA Liability	$	144	$	386
Total Intragovernmental		144		386
With the Public				
Federal Employee Benefits Payable		6,149		6,133
Insurance and Guaranty Program Liabilities		43,685		133
Total With the Public		49,834		6,266
Total Liabilities Not Covered by Budgetary Resources		49,978		6,652
Total Liabilities Covered by Budgetary Resources		9,369,303		9,049,701
Total Liabilities Not Requiring Budgetary Resources		157,581		159,279
Total Liabilities	**$**	**9,576,862**	**$**	**9,215,632**

Liabilities covered by budgetary resources consist of liabilities incurred which are covered by realized budgetary resources as of the Balance Sheet date. Budgetary resources encompass not only new budget authority but also other resources available to cover liabilities for specified purposes in a given year. Liabilities are considered covered by budgetary resources if they are to be funded by permanent indefinite appropriations, which have been enacted and signed into law and are available for use as of the Balance Sheet date, provided that the resources may be apportioned by OMB without further action by the Congress and without a contingency having to be met first. DFC's liabilities covered by budgetary resources primarily consist of borrowings payable to Treasury and downward reestimates payable to Treasury. The downward reestimates liability is considered a liability covered by budgetary resources because the balance is supported by permanent indefinite appropriations, to be apportioned by OMB without further action by the Congress and without a contingency having to be met first.

Liabilities not covered by budgetary resources require future congressional action whereas liabilities covered by budgetary resources reflect prior congressional action. Regardless of when the congressional action occurs, when the liabilities are liquidated, Treasury will finance the liquidation in the same way that Treasury finances all other disbursements, which is to borrow from the public if the Government has a budget deficit, and to use current receipts if the Government has a budget surplus. DFC's liabilities not covered by budgetary resources primarily consist of insurance claims payable and accrued unfunded annual leave in FY 2022. In FY 2021, DFC's liabilities not covered by budgetary resources primarily consisted of unfunded annual leave. During FY 2022, DFC had increased liabilities for insurance primarily due to the wartime activities in Ukraine impacting insured energy projects.

Liabilities not requiring budgetary resources consist mostly of unearned revenues that will be earned by providing services by the passage of time.

Note 9: Debt

DFC's debt comes from direct borrowings from the U.S. Treasury to fund the portion of direct loans not covered by subsidy appropriations, disbursements of downward subsidy reestimates, and pay claims in excess of the amount of subsidy and collections maintained in the non-budgetary financing funds. In FY 2022, DFC increased borrowings to finance the increased direct loans portfolio.

(dollars in thousands) **As of September 30,**		**2022**		**2021**
Debt to the Treasury				
Beginning Balance	$	7,723,761	$	4,677,759
Net Borrowings		1,241,210		3,046,002
Ending Balance	**$**	**8,964,971**	**$**	**7,723,761**

Note 10: Advances from Others and Deferred Revenue

DFC's advances from others and deferred revenue consists of:

(dollars in thousands) **As of September 30,**		**2022**		**2021**
Intragovernmental Advances from Others and Deferred Revenue				
Advances from Other Federal Agencies	$	3,561	$	5,053
Total Intragovernmental Advances from Others and Deferred Revenue		3,561		5,053
With the Public Advances from Others and Deferred Revenue				
Finance Retainer Fees and Deferred Facility Fees		127,320		127,750
Rent Incentives		14,194		12,791
Total With the Public Advances from Others and Deferred Revenue		141,514		140,541
Total Advances from Others and Deferred Revenue	**$**	**145,075**	**$**	**145,594**

DFC charges retainer and other fees in conjunction with each project. The fees are received in advance and earned over time. Facility fees collected exceeding $50,000 are amortized over the life of the project. DFC maintains fees for use in future years. Advances and deferred revenue also consist of unearned rent incentives that are amortized against rent expense, as well as advances from other Federal agencies for reimbursable agreements.

Note 11: Non-Entity Reporting

Non-entity assets are assets held by DFC but not available to be used by DFC. These are funds that DFC has transferred or will transfer to Treasury general fund receipt accounts for downward reestimates and negative subsidy amounts for DFC's direct loan and loan guaranties made under FCRA, as well as excess funds related to direct loan and loan guarantees made prior to FY 1992. During the year, DFC transfers funds to Treasury general fund receipt accounts, and at year-end Treasury sweeps the funds, reducing the balance of fund balance with Treasury in the general fund receipts accounts to zero. At year-end, DFC accrues current year reestimates. Loans and loan guaranties made after FY 1991 that are covered under FCRA are reestimated each year. The loans and loan guaranties where the reestimates indicate that the amount of subsidy needed will be less than the prior year, or where the present value of the cash flows is positive, is a downward reestimate, requiring funds to be transferred to Treasury. DFC cannot transfer these funds until they receive authority from OMB, which will occur in the succeeding fiscal year. When recording the downward reestimate accrual, DFC records a payable to the Treasury general fund receipt account for the downward reestimates payable in its financing funds. DFC also records an accounts receivable in the general fund receipt account for the receivable from DFC's financing funds. For consolidated financial statements presentation, DFC eliminates the payables to the non-entity fund and the non-entity Treasury general fund receipt accounts receivable from the DFC entity funds, leaving a payable to the General Fund of the US Government for the downward reestimates. The downward reestimates payable is a current liability to be paid in the subsequent fiscal year. The downward reestimates liability is considered a liability covered by budgetary resources because the balance is supported by permanent indefinite appropriations, to be apportioned by OMB without further action by the Congress and without a contingency having to be met first. The table below shows the balance of the entity and non-entity assets and liabilities for the downward reestimate accrued as of September 30, 2022 and 2021.

(dollars in thousands)

As of September 30,	**2022**	**2021**
Entity		
Intragovernmental Liabilities		
Financing Funds Payable to the General Fund Receipt Account	$ (392,542)	$ (415,130)
Non-Entity		
Intragovernmental Assets		
General Fund Receipt Accounts Receivable	392,542	415,130
Intragovernmental Liabilities		
Liability to the General Fund of the US Government for Other Non-Entity Assets - Downward Reestimate Payable to Treasury	(392,542)	(415,130)
Balance Sheet Reported Payable	**$ (392,542)**	**$ (415,130)**

Note 12: Liability for Capital Transfers to the General Fund of the Treasury

The Liability for Capital Transfers to the General Fund of the Treasury had a balance of zero in FY 2022, and a balance of $656,763 thousand in FY 2021. The liability in FY 2021 represented future payments due to Treasury from future collections in the liquidating funds that account for the loans and loan guaranties made prior to FY 1992. Treasury guidance allows agencies to close revenue and expense activity in liquidating funds to a liability account for the future amounts to be paid to Treasury in the form of a capital transfer, or to cumulative results of operations. In FY 2022, DFC reduced the FY 2021 liability balance and increased the balance in cumulative results of operations through a change in accounting principle. The change in accounting principle is shown on DFC's Consolidated Statements of Changes in Net Position as an adjustment to the FY 2022 beginning balance of Cumulative Results of Operations.

Note 13: Other Liabilities

DFC's other liabilities consists of the following current liabilities:

(dollars in thousands) **As of September 30,**		**2022**		**2021**
Intragovernmental:				
Other Liabilities				
Employer Contributions & Payroll Taxes Payable	$	287	$	639
Unfunded FECA Liability		144		386
Total Intragovernmental		431		1,025
With the Public:				
Accrued Funded Payroll and Benefits		4,359		5,972
Liability for Deposit Funds		-		91
Total With the Public		4,359		6,063
Total Other Liabilities	**$**	**4,790**	**$**	**7,088**

Note 14: Accounts Payable

DFC's accounts payables consist of a direct loan disbursement in transit and other payables with the public for services as of September 30, 2022. In FY 2021, accounts payable consisted of other payables with the public for services.

(dollars in thousands) **As of September 30,**		**2022**		**2021**
Disbursements in transit	$	6,771	$	-
Other		274		1
Total Accounts Payable	**$**	**7,045**	**$**	**1**

Note 15: Federal Employee Benefits Payable

Federal employee benefits payable consists of:

(dollars in thousands) **As of September 30,**		**2022**		**2021**
Accrued Unfunded Annual Leave	$	6,149	$	5,705
Employer Contributions and Payroll Taxes Payable		98		1,354
Unfunded Actuarial FECA Liability		-		428
Total Federal Employee Benefits Payable	**$**	**6,247**	**$**	**7,487**

DFC employees accrue annual leave, which DFC records as a liability to be funded in future years. FECA provides coverage to Federal civilian employees who have sustained work-related injuries or disease by providing appropriate monetary and medical benefits and help in returning to work. The program is funded by DOL, and DFC is charged by DOL for FECA payments made on DFC's behalf. The FECA liability above is the actuarial estimated amount to be provided in the future.

Note 16: Insurance and Guaranty Program Liabilities

DFC provides Political Risk Insurance for overseas investments against any or all political risks such as currency inconvertibility and transfer restrictions, expropriation, war, terrorism, civil disturbance, breach of contract, or non-honoring of financial obligations. The initial term is typically 3 to 20 years. Policies are renewable yearly at the option of the insured. Insurance premiums received are amortized over the coverage period. Insurance coverage includes:

1. Insurance coverage against inconvertibility protects the investor from increased restrictions on the investor's ability to convert local currency into U.S. dollars. Inconvertibility insurance does not protect against devaluation of a country's currency.
2. Expropriation coverage provides compensation for losses due to confiscation, nationalization, or other governmental actions that deprive investors of their fundamental rights in the investment.
3. Guaranties issued on behalf of a U.S. exporter of goods or services, or a U.S. contractor in favor of a foreign government buyer can be covered against the risk of a wrongful calling. The guaranties usually are in the form of irrevocable, on-demand, standby letters of credit. A wrongful calling is one that is not justified by the terms of the underlying contract, or the invitation for bids.
4. Insurance against political violence insures investors against losses caused by politically motivated acts of violence (war, revolution, insurrection, or civil strife, including terrorism and sabotage).
5. Reinsurance can increase underwriting capacity and support development in countries where investors have difficulty obtaining political risk insurance, DFC can reinsure licensed U.S. and international insurance companies.
6. DFC political risk insurance supports U.S. capital market financing structures that catalyze private capital in emerging markets.

In general, pricing is determined based on the individual coverage issues and the unique risk profile of the investment project. DFC's costs of the Insurance program are $54,989 thousand and $8,862 thousand for the years ended September 30, 2022 and 2021, respectively. DFC collected $21,901 thousand and $18,916 thousand in insurance premiums for the years ended September 30, 2022 and 2021, respectively. DFC's Insurance program is self-funded, uses no appropriated funds in the administration of the program, and did not borrow any funds from the Treasury for the years ended September 30, 2022 and 2021.

DFC is able to invest proceeds from its insurance program in Treasury non-marketable, market-based securities. See Note 3 for additional information.

Under most DFC insurance contracts, investors may obtain all coverages, but claim payments may not exceed the single highest coverage amount. Claim payments are limited by the value of the investment and the amount of current coverage in force at the time of the loss and may be reduced by the insured's recoveries from other sources. In certain instances, DFC's requirement to pay up to the single highest coverage amount may be reduced by stop-loss and risk-sharing agreements. Finally, losses on insurance claims may be reduced by recoveries by DFC as subrogee of the insured's claim against the host government or payments from reinsurance policies obtained by DFC from commercial entities. Payments made under insurance contracts that result in recoverable assets are included in Accounts Receivable net of an allowance for uncollectible amounts.

(dollars in thousands) **As of September 30,**	**2022**	**2021**
Unearned Insurance Premiums	$ 12,507	$ 13,594
Unpaid Insurance Claims	43,685	133
Total Insurance Program Liabilities	**$ 56,192**	**$ 13,727**

DFC has unpaid insurance claims that are recorded as unfunded liabilities. DFC's liability for unpaid insurance claims and activity for FY 2022 and 2021 are as follows:

(dollars in thousands)		**2022**		**2021**
Unpaid Insurance Claims as of October 1	$	133	$	-
Claims Expense		43,837		259
Less: Claims Paid		(285)		(126)
Unpaid Insurance Claims as of September 30	**$**	**43,685**	**$**	**133**

The increase in unpaid insurance claims in FY 2022 is primarily related to a reported insurance claim for political violence in the Ukraine due to the current war in Ukraine. The claim expense for the Ukraine policy includes the gross claim amount of $45 million less $4.5 million in estimated recoveries. The claims paid in FY 2022 and FY 2021 were all related to contracts that were started under DFC.

The liability for losses on remaining coverage as of September 30, 2022 and 2021 represents the estimated amounts to be paid to settle claims, including claim adjustment expenses, for the remaining open arrangement period in excess of the sum of both:

1. Related unearned premiums as of the end of the reporting period, and
2. Premiums due after the end of the reporting period that relate to the remaining open arrangement period.

The open arrangement period is the elected coverage period under the insurance policy, since the elected coverage period is the period the insurance is in-force and unexpired. As of September 30, 2022 and 2021, DFC had no liability for losses on remaining coverage.

In addition to requiring formal applications for claimed compensation, DFC's contracts generally require investors to notify DFC promptly of host government action that the investor has reason to believe is or may become a claim. Compliance with this notice provision sometimes results in the filing of notices of events that do not mature into claims.

DFC's current exposure for all policies in force for the elected coverage periods, or Current Exposure to Claims as of September 30, 2022 and 2021, was $3.5 billion and $2.6 billion, respectively.

Note 17: Leases

A. OPERATING LEASES

DFC leases commercial facilities under a multi-year operating lease agreement, as amended, which expires in February 2035. Under the terms of the lease, DFC receives a tenant improvement allowance for space refurbishment as well as other incentives. The value of these incentives is deferred in the Consolidated Balance Sheets and are amortized to recognize rent expense on a straight-line basis over the life of the lease. In FY 2022, DFC extended the lease approximately six years and leased additional space to support expanding administrative offices. Rental expense was approximately $8.3 million and $6.4 million for the year ended September 30, 2022 and 2021, respectively. The following table presents future non-cancelable rental payments.

(dollars in thousands) **For the Years Ending September 30,**	**With the Public Lease Payments**
2023	$ 9,661
2024	10,931
2025	12,024
2026	12,323
2027	12,631
After 2027	96,137
Total Future Lease Payments	**$ 153,707**

Note 18: Budgetary Resources

A. NET ADJUSTMENTS TO UNOBLIGATED BALANCE, BROUGHT FORWARD

(dollars in thousands) **For the Years Ended September 30,**	**2022**		**2021**	
	Budgetary	**Non-Budgetary Credit Reform Financing Accounts**	**Budgetary**	**Non-Budgetary Credit Reform Financing Accounts**
Unobligated Balance, Prior Year	$ 6,521,648	$ 1,316,876	$ 6,496,171	$ 618,729
Borrowing Authority Withdrawn	-	(644,589)	-	(335,992)
Repayments of Borrowings to Treasury	-	(505,860)		(155,200)
Capital Transfers to the General Fund of the U.S. Treasury	(8,077)	-	(235,383)	(20,145)
Recoveries of Prior Year Obligations	24,351	649,653	46,140	336,148
Transfers-in of Prior Year Authority	9,322	-	30,000	-
Cancelled Authority	-	-	(116)	-
Unobligated Balance from Prior Year Budget Authority, Net	**$ 6,547,244**	**$ 816,080**	**$ 6,336,812**	**$ 443,540**

Differences between the Unobligated Balance, end of year, and the Unobligated Balance from Prior Year Budget Authority, as presented on the FY 2021 Combined Statement of Budgetary Resources are primarily due to the following:

- Borrowing Authority Withdrawn: At the end of each year, borrowing authority from the prior year is withdrawn, and new borrowing authority is received at the beginning of the next year.

- Repayments of Borrowings to Treasury: DFC repays borrowings from Treasury for its direct loan and loan guaranty programs, reducing budget authority.

- Capital Transfers to the General Fund of the U.S. Treasury: The excess funds held by liquidating funds for direct loan and loan guaranty programs made before FY 1992, are transferred to Treasury each year, reducing the budget authority.

- Recoveries of Prior Year Obligations: These include reductions of obligations that made in previous years, mostly in the direct loan program.

- Transfers-in of Prior Year Authority: DFC received funds from USAID transferred in to support direct loans and loan guaranties initially made in prior years.

- Cancelled Authority is authority that no longer available to DFC.

B. PERMANENT INDEFINITE APPROPRIATIONS

FCRA authorizes permanent, indefinite appropriations from Treasury, as appropriate, to carry out all obligations resulting from the financing program. Permanent indefinite authority is available to fund any reestimated increase of subsidy costs that occurs after the year in which a loan is disbursed. Reestimated reductions of subsidy costs are returned to Treasury and are unavailable to DFC.

The BUILD Act established a fund which shall be available for discharge of liabilities under insurance or reinsurance or under similar predecessor authority. All valid claims arising from insurance issued by DFC constitute obligations on which the full faith and credit of the United States of America is pledged for full payment. DFC is authorized by statute to borrow from Treasury should funds in DFC's reserves be insufficient to discharge obligations arising under its insurance program.

C. ANNUAL APPROPRIATIONS

DFC receives an annual appropriation for operations and programs. DFC's offsetting collections derived from investment earnings, non-insurance fees, and negative subsidy are to be used to reduce DFC's annual appropriation.

D. BORROWING AUTHORITY

DFC is required to borrow from Treasury's Bureau of the Fiscal Service to fund the unsubsidized portion of direct loan disbursements. DFC is authorized to borrow funds to disburse negative subsidy or pay claims exceeding the amount of subsidy and collections maintained in the financing funds. As of September 30, 2022 and 2021, DFC had $8,545 million and $8,084 million, respectively, in borrowing authority carried over to fund direct loans and pay future claims.

E. USE OF UNOBLIGATED BALANCES

Unobligated balances on the Combined Statements of Budgetary Resources includes both expired and unexpired authority. Unexpired authority includes both apportioned and unapportioned funds. DFC's administrative spending authority is available for five additional fiscal years after the year of expiration for recording and adjusting previously recorded obligations but cannot be used to fund new obligations. As specified in DFC's annual appropriation, DFC's equity authority is available for the term of the underlying equity investment, and DFC's disbursement authority for program funds supporting the credit programs is available for eight additional fiscal years after the year of expiration. Under DFC's appropriation law (Public Law 117-103, Section 7011), funds that were originally obligated during the period of availability, and deobligated in a subsequent fiscal year, are available for obligation for an additional four years. Funds remaining after the period of availability become cancelled authority and are returned to Treasury.

F. UNDELIVERED ORDERS AT THE END OF THE PERIOD

Undelivered Orders include loan and related subsidy obligations that have been issued but not disbursed and obligations for goods and services ordered that have not been received.

(dollars in thousands) **For the Year Ended September 30, 2022**	**Intragovernmental**	**With the Public**	**Total**
Unpaid	$ 797,106	$ 7,189,338	$ 7,986,444
Paid	-	1,247	1,247
Total Obligations	**$ 797,106**	**$ 7,190,585**	**$ 7,987,691**

(dollars in thousands) **For the Year Ended September 30, 2021**	**Intragovernmental**	**With the Public**	**Total**
Unpaid	$ 898,540	$ 4,693,153	$ 5,591,693
Paid	-	3,794	3,794
Total Obligations	**$ 898,540**	**$ 4,696,947**	**$ 5,595,487**

G. EXPLANATION OF DIFFERENCES BETWEEN THE COMBINED STATEMENT OF BUDGETARY RESOURCES AND THE BUDGET OF THE U.S. GOVERNMENT

(dollars in millions) **For the Year Ended September 30, 2021**	**Budgetary Resources**	**New Obligations and Upward Adjustments**	**(Restated) Distributed Offsetting Receipts ***	**Net Outlays**
Combined Statement of Budgetary Resources	$ 13,067	$ 5,228	$ 323	$ 2,658
Expired Funds not reported in 2023 President's Budget	(34)	-	-	(20)
Variances as a Result of OPIC funds transferred to DFC	-	-	-	(6)
Timing	-	-	18	-
Other	-	(1)	-	-
Budget of the U.S. Government	**$ 13,033**	**$ 5,227**	**$ 341**	**$ 2,632**

* The Distributed Offsetting Receipts have been restated from the previous year's reported amount to align with the FY 2021 restated Statement of Budgetary Resources. See Note 19, Restatement.

Agencies are required to explain material differences between their Combined Statement of Budgetary Resources (SBR) and the Budget of the U.S. Government. This disclosure reconciles the prior year's Statement of Budgetary Resources to the actual balances per the upcoming year's budget.

For example, DFC's FY 2022 SBR will be reconciled to the actual balances per the 2024 Budget of the U.S. Government which will be released in FY 2023. The Budget with the actual amounts for this current year will be available later at www.whitehouse.gov/omb/budget.

Balances reported in the FY 2021 Combined Statement of Budgetary Resources and the related President's Budget are shown in the table above for Budgetary Resources, Obligations, Distributed Offsetting Receipts, Net Outlays, and any related differences. The differences reported are due to differing reporting requirements for expired and unexpired appropriations between the Treasury guidance used to prepare the SBR and the OMB guidance used to prepare the President's Budget. The SBR includes both unexpired and expired appropriations, while the President's Budget discloses only unexpired budgetary resources that are available for new obligations. Other minor differences are the result of rounding variances.

Note 19: Restatement

In FY 2021, DFC included as part of the Distributed Offsetting Receipts on the Combined Statement of Budgetary Resources, the amounts transferred to the Department of Treasury from DFC's liquidating accounts. DFC's liquidating accounts support the direct loans and loan guaranties that were made by USAID prior 1992 and were transferred into DFC. The Department of Treasury considers the transferred funds to be repayments of capital investments instead of distributed offsetting receipts. FY 2021 was the first year that DFC transferred funds from the liquidating accounts. The restatement details are provided below for the FY 2021 Combined Statement of Budgetary Resources. The restatement impacted the explanation of the differences between the Combined Statement of Budgetary Resources and the Budget of the U.S. Government in Note 18, and the FY 2021 reconciliation of the net cost of operations to net outlays in Note 20.

(dollars in thousands) **For the Period Ended September 30, 2021**	**2021 Budgetary As Previously Reported**	**Adjustments**	**2021 Budgetary As Restated**
Outlays (Net) and Disbursements (Net)			
Outlays, net	$ 24,442	$ -	$ 24,442
Distributed Offsetting Receipts	(783,325)	460,517	(322,808)
Agency Outlays, Net	**$ (758,883)**	**$ 460,517**	**$ (298,366)**

Note 20: Reconciliation of Net Cost of Operations to Net Outlays

The Net Cost to Net Outlays Reconciliation schedule reconciles the Net Cost (reported in the Statements of Net Cost) to the Net Outlays (reported in the Combined Statements of Budgetary Resources). The reconciliation clarifies the relationship between budgetary and proprietary accounting information. Reconciliation items included: (1) Transactions which did not result in an outlay but did result in a cost; and (2) Unpaid expenses included in the net cost in this reporting period but not yet included in outlays. Components of net cost that are not part of net outlays are most commonly (1) the result of allocating assets to expenses over more than one reporting period (e.g., depreciation); (2) the temporary timing differences between outlays/receipts and the operating expense/revenue during the period; and (3) cost financed by other Federal entities (imputed inter-entity cost). The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays. In accordance with A-136 guidance, the presentation of the Reconciliation of Net Costs of Operations to Net Outlays excludes financing funds activity for programs subject to FCRA. Line items presented below, such as the Net Cost as well as the increases and decreases in assets and liabilities do not include financing funds and cannot be compared to the Consolidated Statements of Net Cost and the Consolidated Balance Sheets. Loans Receivable and Loan Guaranty Liability activity is reported below for the liquidating funds for loans and loan guaranties made prior to FY 1992.

In FY 2022 and 2021, the key reconciling differences between the net cost and net outlays for DFC included: (1) the accrual of the reestimates in the program funds. The accruals impact the costs but have an impact on the net outlays in the succeeding year; (2) collections of pre-1992 loans receivable that are recorded as offsets to net outlays, but have no impact on the net cost; (3) a decrease in the prior year subsidy payable from the DFC credit program funds to the DFC financing funds. The subsidy was recorded as a payable in the prior year and paid in the current year, which impacts the net outlays, but has no current year impact on the net cost; (4) transfers in without reimbursement represent DFC transfers of funds into the operating funds that do not have an impact on the net cost of operations, but are included in net outlays; and (5) distributed offsetting receipts which are funds that DFC has sent to the General Fund of the Treasury for its credit programs under FCRA. These amounts reduce the net outlays on the Combined Statements of Budgetary Resources, but have no impact on the net cost to DFC.

The FY 2021 reconciliation was reclassified for consistent presentation to FY 2022. The reclassification did not impact the net cost of operations or net outlays. The FY 2021 reconciliation also includes a restatement of the Distributed Offsetting Receipts line as explained in Note 19.

(dollars in thousands) **For the Period Ended September 30, 2022**	**Intra-governmental**	**With the Public**	**Total**
Net Cost	**$ (115,898)**	**$ 334,924**	**$ 219,026**
Components of Net Cost That Are Not Part of Net Outlays:			
Property and Equipment Depreciation	-	(156)	(156)
Year-end Credit Reform Subsidy Accrual Reestimates	(221,211)	-	(221,211)
Gains/Losses on Investments	-	6,723	6,723
Increase/(decrease) in assets:			
Accounts Receivable, Net	-	1,422	1,422
Loans Receivable, Net	-	(5,828)	(5,828)
Investments, Net	1,529	-	1,529
Advances and Prepayments	-	(822)	(822)
Negative Loan Guaranty Liability	-	(4,681)	(4,681)
(Increase)/decrease in liabilities:			
Accounts Payable	-	(273)	(273)
Subsidy Payable to the Financing Account	581,968	-	581,968
Federal Employee Benefits Payable	-	1,239	1,239
Loan Guaranty Liability	-	-	-
Insurance and Guaranty Program Liabilities	-	(42,465)	(42,465)
Advances from Others and Deferred Revenue	1,492	(1,170)	322
Other Liabilities	593	1,704	2,297
Other Financing Sources:			
Imputed Costs	(3,520)	-	(3,520)
Total Components of Net Cost That Are Not Part of Net Outlays	**360,851**	**(44,307)**	**316,544**
Components of Net Outlays That Are Not Part of Net Cost:			
Acquisition of Investments	-	78,172	78,172
Repayment of Investment Assets	-	(5,276)	(5,276)
Total Components of Net Outlays That Are Not Part of Net Cost	**-**	**72,896**	**72,896**
Financing Sources:			
Transfers in Without Reimbursement	(198,340)	-	(198,340)
Total Financing Sources	**(198,340)**	**-**	**(198,340)**
Miscellaneous Items:			
Distributed Offsetting Receipts	(426,222)	-	(426,222)
Total Miscellaneous Items	**(426,222)**	**-**	**(426,222)**
Net Outlays	**(379,609)**	**363,513**	**(16,096)**
Agency Outlays, Net			**$ (16,096)**

(dollars in thousands) **For the Period Ended September 30, 2021**	**(Restated) Intra-governmental**	**With the Public**	**(Restated) Total**
Net Cost	**$ 98,689**	**$ 26,364**	**$ 125,053**
Components of Net Cost That Are Not Part of Net Outlays:			
Property and Equipment Depreciation	-	(171)	(171)
Year-end Credit Reform Subsidy Accrual Reestimates	(168,649)	-	(168,649)
Increase/(decrease) in assets:			
Accounts Receivable, Net	-	(13,990)	(13,990)
Loans Receivable, Net	-	(178,197)	(178,197)
Investments, Net	773	-	773
Advances and Prepayments	-	1,239	1,239
Negative Loan Guaranty Liability	-	-	-
(Increase)/decrease in liabilities:			
Accounts Payable	-	758	758
Subsidy Payable to the Financing Account	462,178	-	462,178
Federal Employee Benefits Payable	-	(491)	(491)
Loan Guaranty Liability	-	2,757	2,757
Insurance and Guaranty Program Liabilities	-	1,991	1,991
Advances from Others and Deferred Revenue	-	(10,817)	(10,817)
Other Liabilities	(912)	(2,596)	(3,508)
Other Financing Sources:			
Imputed Costs	(3,069)	-	(3,069)
Total Components of Net Cost That Are Not Part of Net Outlays	**290,321**	**(199,517)**	**90,804**
Components of Net Outlays That Are Not Part of Net Cost:			
Acquisition of Investments	-	95,318	95,318
Repayment of Investment Assets	-	-	-
Total Components of Net Outlays That Are Not Part of Net Cost	**-**	**95,318**	**95,318**
Financing Sources:			
Transfers in Without Reimbursement	(286,733)	-	(286,733)
Total Financing Sources	**(286,733)**	**-**	**(286,733)**
Miscellaneous Items:			
Distributed Offsetting Receipts	(322,808)	-	(322,808)
Total Miscellaneous Items	**(322,808)**	**-**	**(322,808)**
Net Outlays	**(220,531)**	**(77,835)**	**(298,366)**
Agency Outlays, Net			**$ (298,366)**

Note 21: Reclassification of Financial Statement Line Items for Financial Report Compilation Process

To prepare the Financial Report of the U.S. Government (Financial Report), the Department of the Treasury requires agencies to submit an adjusted trial balance, which is a listing of amounts by U.S. Standard General Ledger account that appear in the financial statements. Treasury uses the trial balance information reported in the Government-wide Treasury Account Symbol Adjusted Trial Balance System (GTAS) to develop a Reclassified Statement of Net Cost, and a Reclassified Statement of Changes in Net Position for each agency, which are accessed using GTAS. Treasury eliminates all intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the Financial Report statements. This note shows DFC's financial statements and DFC's reclassified statements prior to elimination of intragovernmental balances and prior to aggregation of repeated Financial Report line items. A copy of the 2021 Financial Report (FR) can be found here: www.fiscal.treasury.gov/reports-statements and a copy of the 2022 FR will be posted to this site as soon as it is released.

The term "intragovernmental" is used in this note to refer to amounts that result from other components of the Federal Government.

The term "non-Federal" is used in this note to refer to Federal Government amounts that result from transactions with non-Federal entities. These include transactions with individuals, businesses, non-profit entities, and State, local, and foreign governments. Amounts shown in the DFC Statement of Net Cost column are totals from the FY 2022 Consolidated Statement of Net Cost by program. Unrealized gains and losses are reported as a net number on the FY 2022 Consolidated Statement of Net Cost.

FY 2022 DFC Statement of Net Cost		**Line Items Used to Prepare FY 2022 Government-wide Statement of Net Cost**	
Financial Statement Line	**Amounts** *(dollars in thousands)*	**Other Than Dedicated Collections** *(dollars in thousands)*	**Reclassified Financial Statement Line**
Gross Costs			**Non-Federal Costs**
Operating Costs	$ 404,148	$ 270,949	Non-Federal Gross Cost
Subsidy Costs	(159,960)	**270,949**	**Total Non-Federal Costs**
Reestimates	221,211		
Unrealized Losses	7,052		**Intragovernmental Costs**
		14,383	Benefit Program Costs
		3,520	Imputed Costs
		5,148	Buy/Sell Costs
		178,451	Borrowing and Other Interest Expense
		201,502	**Total Intragovernmental Costs**
Total Gross Costs	**472,451**	**472,451**	**Total Reclassified Gross Costs**
Earned Revenue	(412,799)	(227,840)	**Non-Federal Earned Revenue**
Investment Revenue	(29,402)		**Intragovernmental Revenue**
Unrealized Gains	(13,775)	(17,023)	Buy/Sell Revenue
		(131,668)	Federal Securities Interest Revenue Including Associated Gains/Losses (Exchange)
		(79,445)	Borrowing and Other Interest Revenue
		(228,136)	**Total Intragovernmental Earned Revenue**
Total Earned Revenue	**(455,976)**	**(455,976)**	**Total Reclassified Earned Revenue**
Net Cost	**$ 16,475**	**$ 16,475**	**Net Cost**

FY 2022 DFC Statement of Changes in Net Position		Line Items Used to Prepare FY 2022 Government-wide Statement of Changes in Net Position	
Financial Statement Line	**Amounts** *(dollars in thousands)*	**Other Than Dedicated Collections** *(dollars in thousands)*	**Reclassified Financial Statement Line**
Unexpended Appropriations			**Unexpended Appropriations**
Unexpended Appropriations, Beginning Balance	$ 171,177	$ 171,177	Unexpended Appropriations, Beginning Balance
Appropriations Received	928,884	928,884	Appropriations Received
Appropriations Transferred In/Out	9,322	9,322	Appropriations Transferred In/Out
Appropriations Used	(708,598)	(708,598)	Appropriations Used
Total Unexpended Appropriations	**400,785**	**400,785**	**Total Unexpended Appropriations**
Cumulative Results of Operations			**Cumulative Results of Operations**
Cumulative Results, Beginning Balance	5,916,392	5,916,392	Cumulative Results, Beginning Balance
Changes in Accounting Principles	656,763	656,763	Changes in Accounting Principles
Appropriations Used	708,598	708,598	Appropriations Used
Imputed Financing	3,520	3,520	Imputed Financing Sources
Offset to Non-entity Collections	(496,160)	(496,160)	Other
Net Cost of Operations	(16,475)	(16,475)	Net Cost of Operations
Cumulative Results of Operations	**6,772,638**	**6,772,638**	**Cumulative Results of Operations**
Total Net Position	**$ 7,173,423**	**$ 7,173,423**	**Net Position**

Data and Transparency

Outreach to Minority- and Women-Owned Businesses

22 U.S.C. § 9621(i)(2) (A)(i) the amount of insurance and financing provided by the Corporation to [minority-owned and women-owned] businesses in connection with projects supported by the Corporation;

DFC is committed to supporting women and other underserved groups, both by partnering directly with these businesses and by supporting transactions that benefit these populations by helping them access financing and other critical services. DFC is also working to build a comprehensive list of women-owned and minority-owned business partners.

Economic and Social Development Impact

22 U.S.C. § 9653(a)(1) the economic and social development impact, … of projects supported by the Corporation.

(See "Our Impact Results," pp. 16–23.)

Complementary and Coordinated Activities

22 U.S.C. § 9653(a)(2) the extent to which the operations of the Corporation complement or are compatible with the development assistance programs of the United States and qualifying sovereign entities;

DFC's operations complement the development assistance programs of other U.S. Government (USG) agencies, and other qualifying sovereign entities. Today's global challenges, including investment gaps in the infrastructure sector, food insecurity, and energy security, require DFC and other USG agencies to continuously deepen and refine collaboration to maximize development outcomes. DFC is an active participant in USG initiatives such as Prosper Africa, Power Africa, Feed the Future, the Partnership for Global Infrastructure and Investment (PGII), the President's Emergency Plan for Adaptation and Resilience (PREPARE), as well as other efforts focused on global health and expanded access to vaccines. DFC also maintains close ties with USAID and many DFC-supported transactions are executed in collaboration with local USAID missions. DFC investments in critical infrastructure often build on the work of other USG agencies such as the Millennium Challenge Corporation and the U.S. Trade and Development Agency in fostering welcoming investment environments. DFC's work with qualifying sovereign entities is described below.

Linkages With U.S. Government

22 U.S.C. § 9653(a)(3) the Corporation's institutional linkages with other relevant United States Government departments [1] and agencies, including efforts to strengthen such linkages;

During its first years in operation, DFC established formal relationships, regular interagency briefings, blended finance mechanisms, and training modules on DFC's products for the interagency to strengthen institutional linkages. DFC's Development Finance Coordination Group (DFCG), launched in 2020, continues to bring working-level officials from the interagency together on a regular basis to discuss coordinated approaches to emerging development challenges and identify ways to strengthen interagency collaboration. Examples of ways DFC has strengthened its institutional linkages with the interagency include the following:

Advancing USG Development Initiatives

DFC is a critical implementing partner of the Partnership for Global Infrastructure and Investment (PGII), Prosper Africa, Power Africa, and the Feed the Future initiative, among other programs. During FY 2022, DFC committed over $5 billion to projects that support the Administration's PGII priorities on climate and energy security, health, digital connectivity, and gender equity. DFC investments also advance other USG initiatives such as the Prosper Africa initiative to increase investment between the U.S. and Africa, the Power Africa initiative to expand access to electricity, and the Feed the Future Initiative. In addition, DFC's team of regional investment advisors in Africa and managing directors in India, Indonesia, Singapore, South Africa, and Thailand are all supported by funding from the Department of State. These regional offices actively support new deal sourcing.

Empowering Entrepreneurs in Africa With USADF

DFC and the U.S. African Development Foundation (USADF) have developed the African Small Business Catalyst (ASBC) program, a joint blended-financing program that will work to support entrepreneurs in select African countries. The ASBC program is designed to provide loans between $100,000 and $3,000,000 accompanied by grants between $10,000 and $100,000 to African entrepreneurs in lower-income and lower middle-income countries whose projects advance and/or deploy innovation or technology.

Catalyzing Investments With MCC

The Millennium Challenge Corporation (MCC) and DFC support a blended finance mechanism called the American Catalyst Facility for Development. DFC and MCC are working to operationalize the new mechanism to enable coordinated catalytic investments aimed at mobilizing private capital and maximizing the overall impact of the USG development efforts.

Supporting USG Foreign Service Officers

DFC developed a Foreign Service Development Finance Fellows program, in coordination with USAID and the Department of State. The one- to three-year fellowship enables USAID and State Foreign Service Officers to gain a better understanding of all the DFC tools available and to develop deal origination skills to help advance interagency collaborations. Six foreign service officers were participating in the program at the end of the year.

Environmental and Social Compliance of Supported Projects

22 U.S.C. § 9653(a)(4) the compliance of projects supported by the Corporation under subchapter II of this chapter with human rights, environmental, labor, and social policies, or other such related policies that govern the Corporation's support for projects, promulgated or otherwise administered by the Corporation.

DFC requires all transactions adhere to high standards regarding worker rights, human rights, and the environment. Each year, DFC selects projects for onsite monitoring based on their risk profiles to ensure compliance with DFC requirements. When a project is found to not be in full compliance, DFC will work closely with the client to review the issue identified and work to bring the project into compliance.

Based on FY 2022 monitoring, DFC is currently working with six projects to develop corrective measures to align with DFC's human rights, environmental, labor, and social policies, or other related policies. Monitoring identified the following corrective actions: Four of the projects required improvements in overall contractor management, stakeholder engagement including grievance mechanisms, monitoring noise and biodiversity, and waste management; one project had changes to the project scope and staffing levels requiring additional diligence and the monitoring visit identified gaps in contracted labor management, supply chain management, health and safety oversight, and grievance management; and one project has several key policies and management plans undergoing updates but not yet finalized, including those addressing a number of community-related impacts.

Developmental Outcomes

22 U.S.C. § 9653 (b)(1)(A) the desired development outcomes for projects and whether or not the Corporation is meeting the associated metrics, goals, and development objectives, including, to the extent practicable, in the years after conclusion of projects;" 22 U.S.C. § 9653 (b)(3) projections of—(A) development outcomes, and whether or not support for projects are meeting the associated performance measures, both during the start-up phase and over the duration of the support, and to the extent practicable, measures of such development outcomes should be on a gender-disaggregated basis, such as changes in employment, access to financial services, enterprise development and growth, and composition of executive boards and senior leadership of enterprises receiving support under subchapter II of this chapter;

(See "Our Impact Results," pp. 16–23.)

Capital Mobilization

22 U.S.C. § 9653 (b)(1)(B) the effect of the Corporation's support on access to capital and ways in which the Corporation is addressing identifiable market gaps or inefficiencies and what impact, if any, such support has on access to credit for a specific project, country, or sector;

22 U.S.C. § 9653(b)(3)(B) the value of private sector assets brought to bear relative to the amount of support provided by the Corporation and the value of any other public sector support;

Private capital mobilized for FY 2022 transactions totaled $11.2 billion, with $1.5 billion in Sub-Saharan Africa, $0.3 billion in Middle East and North Africa, $2.2 billion in Asia, $4 billion in Europe, and $1.9 billion in the Western Hemisphere. The remainder is through transactions with a global footprint.

Private capital mobilized reflects total project costs minus the contribution of DFC and other official lenders.

Cooperation With Qualifying Sovereign Entities

22 U.S.C. § 9653(b)(2) cooperation with a qualifying sovereign entity in support of each project;

In addition to cooperating with the development assistance programs of other USG departments and agencies, DFC transactions may complement the work of other sovereign entities and international financial institutions. Some examples include:

Expanding Access to Affordable Voice and Data Services

DFC and Japan Bank for International Cooperation (JBIC) are each providing $50 million for guaranty financing by Export Finance Australia (EFA) for the acquisition by Telstra Corporation Ltd. of Digicel Pacific's telecom assets in Papua New Guinea and other Pacific markets. The project will support network 5G upgrades to improve security and performance and expanded access to affordable, high-quality mobile voice and data services in these markets, while also supporting U.S. foreign policy priorities by addressing concerns of predatory state acquisition of telecommunications assets.

Promoting Sustainable Agriculture in Democratic Republic of Congo

A $5 million loan portfolio guaranty to Equity Banque Commerciale du Congo SA is supporting micro, small, and medium enterprises in Democratic Republic of Congo, with a focus on agriculture and renewable energy investments, in coordination with USAID and co-guarantor Swedish International Development Cooperation Agency (Sida).

Expanding Support for Reliable Power Access in Sierra Leone

$50 million in political risk insurance for CEC Africa will support development of an 87 MW combined cycle power plant on a site owned by the Government of Sierra Leone.

Investing in European Security

DFC committed up to $300 million in financing to help the Three Seas Initiative Investment Fund invest in energy and infrastructure to advance energy security and diversification and improve connectivity across the region. The Three Seas Initiative was established by the presidents of Poland and Croatia in cooperation with the presidents of the other 10 countries of the region.

Advancing Conservation in Belize

In Belize, where the impacts of climate change as well as overfishing and agricultural runoff have degraded the coastline, DFC political risk insurance is supporting a project by The Nature Conservancy to create a fund for long-term investment in conservation by restructuring sovereign debt to raise funds for marine conservation, coral reef and mangrove restoration, economic diversification, and the development of sustainable tourism.

Expanding Access to Vaccines

DFC and Gavi, the Vaccine Alliance partnered to create the COVAX Rapid Financing Facility, which will provide up to $1 billion to accelerate COVID-19 vaccine and ancillary supply purchase and delivery on behalf of developing countries participating in the COVAX Advance Market Commitment (COVAX AMC). The aim of this new, innovative financing instrument is to allow Gavi to monetize sovereign and private sector pledges to the COVAX AMC and consequently maximize impact by minimizing waiting time for the funding.

Monitoring and Evaluation

22 U.S.C. § 9653(b)(4) an assessment of the extent to which lessons learned from the monitoring and evaluation activities of the Corporation, and from annual reports from previous years compiled by the Corporation, have been applied to projects.

Lessons From Impact Management, Monitoring, and Evaluation

FY2022 was a busy year at DFC. We continued to make progress towards achieving our impact mission and grow as a development impact organization. Some key highlights include:

- **Enhancing our impact management approach:** During FY2022, we launched new and enhanced existing processes, products, and tools to further the integration of impact throughout the investment cycle. Some examples include:
- **Impact theses** to outline in a common way our approach to impact across different sectors and priority areas, in alignment with the UN Sustainable Development Goals, five dimensions of impact, and IRIS+/HIPSO metrics.
    - **Standardized impact screening tables** to assess the potential development impact of possible projects at the screening stage and provide a common way and in alignment with the UN SDGs, five dimensions of impact, and our impact thesis.
    - **Impact Quotient (IQ) enhancements** to strengthen DFC's ability to assess the development impact of projects during due diligence. We moved from a three to a five-tier scoring system to enable further differentiation of the anticipated developmental impact of projects, including added select key indicators and standardized metrics to better capture the core impacts of our projects.
    - **Streamlined development outcomes surveys** to improve the quality and consistency of the development impact data we gather from our projects and reduce the reporting burden on our clients. In FY2022, we received initial development impact data on some 52 projects, providing us with the emerging impact insights described earlier in this report.
- **Understanding end-customers perspectives:** By conducting end-customer-focused, mobile-phone-enabled surveys through a third party, we can capture the perspective and experience of a DFC client company's customers and help inform companies' impact management and business strategy. Building upon our experience conducting three preliminary customer surveys in 2022, we plan to set up a dedicated TA facility in FY2023 to conduct more of these surveys across our portfolio.

For more information about Monitoring and Evaluation, see *"Our Impact Results," pp. 16–23*.

U.S. Employment and Associated Effects of DFC-Supported Projects

Any statutory reporting requirement that applied to an agency transferred to the Corporation under this subchapter immediately before October 5, 2018, shall continue to apply following that transfer if the statutory requirement refers to the agency by name.

A DFC analysis found that all transactions committed in FY 2022 were projected to have a neutral or positive impact on U.S. jobs.

U.S. International Development Finance Corporation
Investing in Development

1100 New York Ave., NW
Washington, DC 20527
202.336.8400

dfc.gov