DEFAULT RATE REPORT

AS OF
SEPTEMBER 2026

FISCAL YEAR 2026 (Q4) DEFAULT EXPERIENCE
EXPORT-IMPORT BANK OF THE UNITED STATES

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Statutory Requirement

This report is prepared in accordance with the requirements of 12 U.S.C. § 635g(g).

"(g) Monitoring of default rates on bank financing; reports on default rates; safety and soundness review

"(1) MONITORING OF DEFAULT RATES.—Not less frequently than quarterly, the Bank shall calculate the rate at which the entities to which the Bank has provided short-, medium- , or long-term financing are in default on a payment obligation under the financing, by dividing the total amount of the required payments that are overdue by the total amount of the financing involved.

"(2) ADDITIONAL CALCULATION BY TYPE OF PRODUCT, BY KEY MARKET, AND BY INDUSTRY SECTOR; REPORT TO CONGRESS—In addition, the Bank shall, not less frequently than quarterly-

(A) calculate the rate of default-

(i) with respect to whether the products involved are short-term loans, medium-term loans, long-term loans, insurance, medium-term guarantees, or long-term guarantees;

(ii) with respect to each key market involved; and

(iii) with respect to each industry sector involved; and

(B) submit to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives a report on each such rate and any information the Bank deems relevant.

EXECUTIVE SUMMARY

ABOUT EXIM

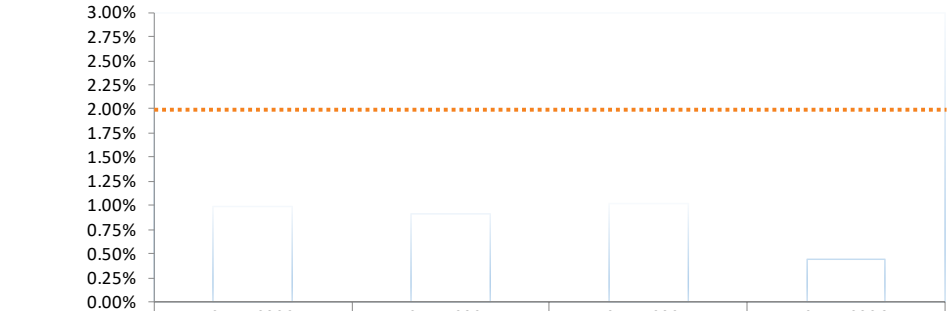
The Export-Import Bank of the United States (EXIM) is an independent executive branch agency with a mission to support American jobs through exports. EXIM provides financing to help U.S. companies compete for global sales through loan guarantee, direct loan, and insurance programs. EXIM financing is only available in cases where the private sector is unable or unwilling to provide financing (e.g., due to portfolio or regulatory considerations) or when U.S. exporters are facing foreign competition backed by official export credit support. EXIM charges fees commensurate with the risk associated with its transactions.

EXIM maintains a comprehensive risk management framework enabling the agency to effectively and responsibly fulfill its mission to support American jobs. This framework begins with due diligence and underwriting to ensure that each transaction has a reasonable assurance of repayment. Following approval, EXIM proactively manages transactions to reduce the risk of default, maximize recoveries, and protect the long-term financial interest of U.S. taxpayers.

DEFAULT RATE

The default rate is calculated pursuant to statutory requirements and reflects actual defaults at a point in time.[1] EXIM's default rate as of September 30, 2026, was 0.441 percent as shown in Exhibit 1.

Exhibit 1: Default Rate



	Sept. 2023	Sept. 2024	Sept. 2025	Sept. 2026
Default Rate	0.983%	0.910%	1.023%	0.441%
Amount Overdue	$780.6	$636.1	$574.7	$217.4
Total Financing	$79,453.6	$69,901.2	$56,172.7	$49,309.5

Data used to calculate the default rate is sourced from the agency's financial management system of records.

[1] 12 U.S.C. 635g(g)(1). This default rate differs from those published in the Federal Credit Supplement for the President's Annual Budget. The reported rate in the Budget Appendix reflects projected defaults over the life of the loan while the default rate in this report reflects actual defaults at a point in time. The Federal Credit Supplement can be found at https://www.whitehouse.gov/omb/supplemental-materials/.

This rate reflects a "total amount of required payments that are overdue" (claims paid on guarantees and insurance transactions plus loans past due) divided by a "total amount of financing involved" (disbursements).[2] The default rate of 0.441 percent is below the statutory two percent cap at which EXIM's lending authority would immediately freeze.[3] The default rate decreased this quarter from 0.801 percent in June 2026 to 0.441 percent in September 2026, primarily due to rescheduling of a previously defaulted transaction and the rolling off of other defaulted transactions from the active portfolio.

[2] 12 U.S.C. § 635g(g)(1). The default rate is based on actual disbursements and not authorized financing amounts.

[3] 12 U.S.C. § 635e(a)(3)

Default Rate

Defined

EXIM's statute requires that the default rate be calculated "*by dividing the total amount of the required payments that are overdue by the total amount of the financing involved.*" [4]

$$\frac{\text{Overdue Payments}}{\text{Total Financing}} = \frac{\text{Defaults Paid} + \text{Expenses} - \text{Recoveries}}{\text{Disbursements (Active)}}$$

The default rate is based on the total financing of EXIM's active credit portfolio. Any disbursed loan, guarantee, or insurance policy that will mature after the date of this report is included as part of the active portfolio. Any claim payments made for guarantees and insurance transactions and any direct loan payments in arrears in EXIM's active portfolio are considered to be in default.

> ***Active Credit Example**: A long-term guarantee authorized in FY 2017 with a 10-year repayment term (the transaction matures in FY 2027)*
>
> ***Inactive Credit Example**: A long-term guarantee in FY 1994 with a 10-year repayment term (the transaction matured in FY 2004)*

Data used to calculate the default rate is derived from information contained in EXIM's financial system, which records all accounting data for all authorized transactions.

Components of the Default Rate

Numerator = Overdue Payments

The "total amount of required payments that are overdue," representing the numerator, is defined as claims paid on guarantees and insurance transactions as well as unpaid past due installments on loans in EXIM's active portfolio, net of any recovered amounts collected, and expenses incurred related to recovery efforts. The breakdown of the components of overdue payments is provided below.

$217.4M		**$630.9M**		**$1.5M**		**$415.0M**
Overdue Payments	=	*(Defaults Paid)*	+	*(Expenses)*	-	*(Recoveries)*

[4] 12 U.S.C. § 635g(g)(1)

Defaults

Defaults are calculated differently for direct loans, loan guarantees, and insurance transactions. For loan guarantees and insurance transactions, upon default of a payment obligation by the foreign buyer of the U.S. export, EXIM pays a claim to the guarantors or the insured parties. These claim payments represent defaults paid. For loans, all monies 30 days or more past due are considered defaults. In cases where EXIM determines that an obligor is no longer able to make current and future repayments for a direct loan, the full outstanding exposure of the loan is considered in default. As part of its portfolio management, EXIM may work with borrowers and lenders to restructure troubled transactions to minimize the risk of loss. When transactions are amended to include provisions for full repayment of the defaulted amounts, such payments are no longer overdue. As of September 2026, EXIM has paid out $537.4 million in claims and other liquidity relief and had $93.5 million in loans past due in its active portfolio for a total of $630.9 million in defaults paid for transactions in its active portfolio.

Recoveries

Recoveries made after a default are applied to the specific claim paid or to the loan in arrears and thereby reduce the amount overdue. All recovered amounts are discounted to the time of claim payment or when the direct loan went into arrears. As of September 2026, EXIM has recovered $415 million for transactions in its active portfolio. These recoveries, as well as fees collected from borrowers, are used to offset default claims paid. Recovery efforts occur on a continuous basis, and EXIM frequently collects recoveries for several years after the initial default.

Expenses

All expenses incurred related to EXIM's recovery efforts are added to the amount overdue. As of September 2026, EXIM has incurred $1.5 million in expenses related to the recovery process for transactions in its active portfolio.

Denominator = Total Financing

The "total amount of financing involved," the denominator, is defined as the disbursed financing associated with EXIM's active portfolio.

Total Financing = **$49,309.5M** *(Disbursements)*

As of September 2026, EXIM provided total financing of $49,309.5 million for transactions in its active portfolio through its loan, guarantee, and insurance programs.

Disbursements

After a credit is approved, the value of the goods and services financed by EXIM is recorded once the goods are delivered to the buyer. Under the guarantee and insurance programs, the private sector provides transaction financing, and the transaction is guaranteed or insured by EXIM. The guaranteed or insured party notifies EXIM when a shipment of goods has occurred or services have been provided, and EXIM records a non-cash "disbursement" to reflect the value of the goods and services guaranteed or insured by EXIM. Under the direct loan program, the goods and services are financed directly by EXIM. Funds are disbursed to pay for the goods or services delivered to the buyer, and a loan receivable, with appropriate loss reserves, is reflected in EXIM's financial system of record.[5] Depending on the type of goods and services financed, the delivery (or disbursement) can occur over a period of several years.

Default Rate Calculation

As of September 2026, the total amount of the required payments that are overdue ($217.4 million) divided by the total amount of the financing involved ($49,309.5 million) equaled to a default rate of 0.441 percent for EXIM.

$$\text{EXIM Default Rate (Sep. 2026)} = \frac{\$217.4\text{M } \textit{(Overdue Payments)}}{\$49{,}309.5\text{M } \textit{(Total Financing)}} = 0.441\%$$

[5] EXIM adheres to the provisions of the *Federal Credit Reform Act of 1990*, as amended (2 U.S.C. §§ 661-661f), when executing its reserving practices.

Exposure

EXIM's exposure differs from the total financing amount. Exposure includes authorized outstanding and undisbursed principal balance of direct loans, loan guarantees, and insurance. Total financing amount refers only to disbursements.

As of September 2026, EXIM's total exposure stood at $58.7 billion. EXIM's total exposure may not exceed $135.0 billion.[6]

> *"(3) **Freezing of lending cap if default rate is 2 percent or more**. If the rate calculated under section 635g(g)(1) of this title is 2 percent or more for a quarter, the Bank may not exceed the amount of loans, guarantees, and insurance outstanding on the last day of that quarter until the rate calculated under section 635g(g)(1) is less than 2 percent."*

EXIM's statute also requires that the exposure cap be frozen if the default rate exceeds two percent. [7] As of September 2026, EXIM's default rate of 0.441 percent is below the two percent threshold. With the current default rate below two percent, EXIM's total exposure cap remains at its full statutory limit of $135.0 billion.

Reserves

In addition to reserve requirements under the *Federal Credit Reform Act of 1990*, as amended, EXIM must maintain a certain level of total reserves to protect against future losses.[8]

> *"6(b) **Reserve Requirement**. The Bank shall build to and hold in reserve, to protect against future losses, an amount that is not less than 5 percent of the aggregate amount of disbursed and outstanding loans, guarantees, and insurance of the Bank.*

As of the end of FY 2025, EXIM total reserves equaled $2.2 billion, which was 11.6 percent of EXIM's outstanding exposure ($19.3 billion).

[6] 12 U.S.C. § 635e(a)(1)
[7] 12 U.S.C. § 635e(a)(3)
[8] 12 U.S.C. § 635e(b)

DEFAULT RATE – BY SUBCATEGORIES

DEFAULT RATE: BY SUBCATEGORY

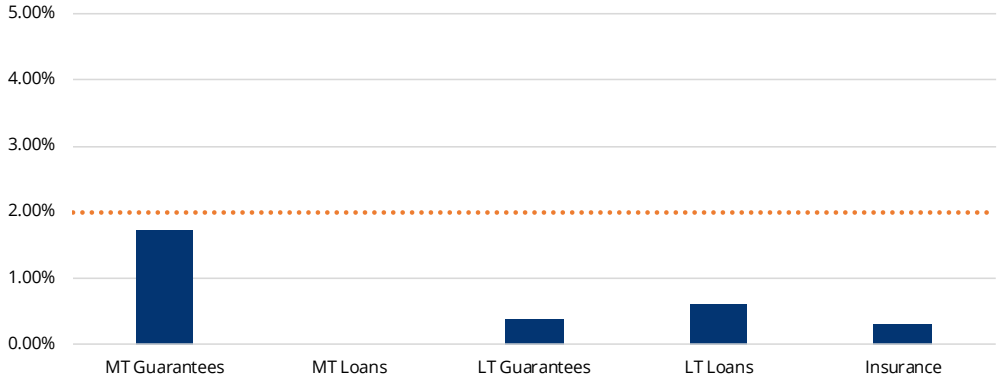
As required by statute, EXIM has calculated default rates based on each subcategory as of September 30, 2026.[9]

> *"(2) ADDITIONAL CALCULATION BY TYPE OF PRODUCT, BY KEY MARKET, AND BY INDUSTRY SECTOR; REPORT TO CONGRESS."*

By Type of Product

EXIM offers loans, guarantees, and insurance products. EXIM reports the default rate for: medium-term loans; long-term loans; insurance; medium-term guarantees; and long-term guarantees.[10] In general, medium-term transactions have a tenor greater than one year and are under $25 million and long-term transactions are all transactions greater than seven years or more than $25 million. As of September 30, 2026, none of the product categories had a default rate above two percent. The default rate for long-term loans decreased from 1.408 percent in June 2026 to 0.609 percent in September 2026 due to maturing transactions. Exhibit 2 provides a breakout of the default rate by product.

Exhibit 2: Default Rate by Product



	MT Guarantees	MT Loans	LT Guarantees	LT Loans	Insurance
Amount Overdue ($ millions)	$ 14.5	$ -	$ 104.3	$ 93.5	$ 3.8
Total Financing ($ millions)	$ 841.6	$ -	$ 28,431.6	$ 15,365.6	$ 1,217.1
Default Rate (%)	1.720%	0.000%	0.367%	0.609%	0.310%

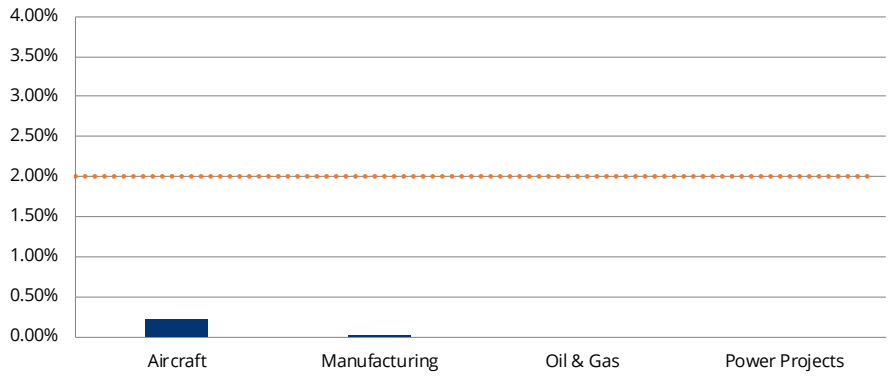
[9] 12 U.S.C. § 635g(g)(2)

[10] EXIM reports the default rates by product in accordance with 12 U.S.C. § 635g(g)(2)(A)(i). Currently, there are no short-term loans in EXIM's active portfolio, and therefore no short-term loan default rate is reported. Consistent with Section 54002(a) of the *Export-Import Bank Reform and Reauthorization Act of 2015* (P.L. 114-94, Div. E), the medium-term program's financing cap was expanded from $10 million to $25 million, effective May 2019. The default rate of medium-term financing is calculated on the categorization of the transaction at the time of authorization.

By Industry Sector

The four largest industries in EXIM's active portfolio are Aircraft, Manufacturing, Oil & Gas, and Power Projects. These sectors account for 85.9 percent of the total amount of EXIM financing. All industry sectors continued to experience a default rate below two percent as shown in Exhibit 3.

Exhibit 3: Default Rate by Industry Sector

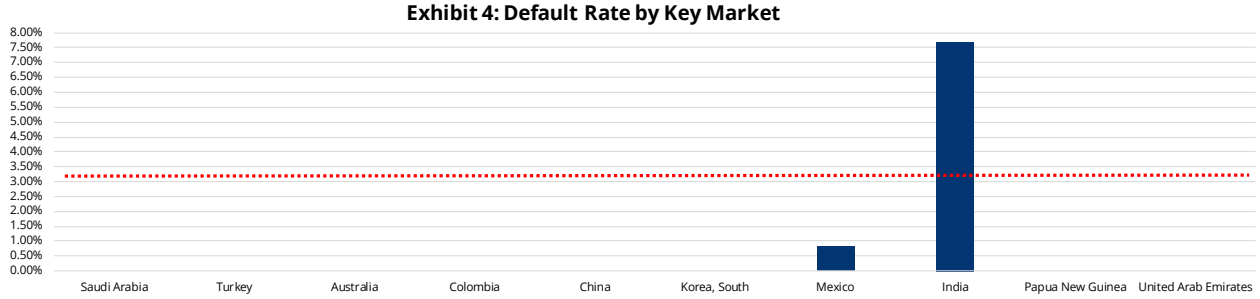


	Aircraft	Manufacturing	Oil & Gas	Power Projects
Amount Overdue ($ millions)	$ 56.7	$ 0.3	$ -	$ -
Total Financing ($ millions)	$ 24,868.2	$ 9,362.9	$ 5,393.7	$ 2,720.4
Default Rate (%)	0.228%	0.003%	0.000%	0.000%

By Key Market

As of September 2026, EXIM had exposure in more than 150 countries or markets. As shown in Exhibit 4, the top ten markets, except for India, have default rates below two percent.[11] The elevated default rate for India is due primarily to two defaults that occurred more than five years ago.

Exhibit 4: Default Rate by Key Market



	Saudi Arabia	Turkey	Australia	Colombia	China	Korea, South	Mexico	India	Papua New Guinea	United Arab Emirates
Amount Overdue ($ millions)	$ -	$ -	$ -	$ -	$ -	$ -	$ 8.3	$ 54.0	$ -	$ -
Total Financing ($ millions)	$ 4,925.2	$ 4,447.1	$ 3,372.0	$ 2,957.6	$ 2,903.1	$ 1,803.6	$ 1,026.4	$ 702.5	$ 668.7	$ 480.9
Default Rate (%)	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%	0.812%	7.693%	0.000%	0.000%

[11] The ten key markets reflect top ten markets by total financing.

Default Rate: By Mandate

EXIM has Congressionally mandated goals to support small business, environmentally beneficial, and Sub-Saharan Africa transactions, as detailed below.

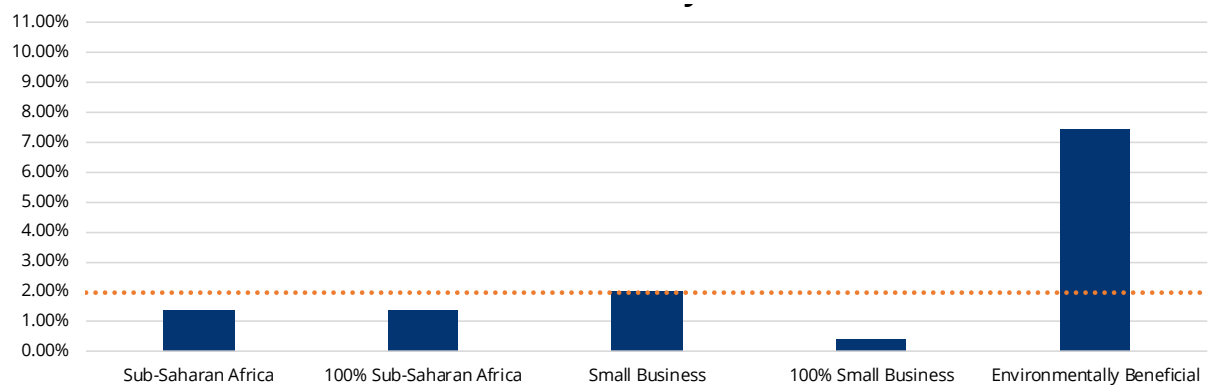
EXIM Mandates

Small Business Mandate (12 U.S.C. § 635(b)(1)(E)(v)): "the Bank shall make available… an amount to finance exports directly by small business concerns (as defined under section 632 of title 15) which shall be not less than 30 percent of such authority for each fiscal year."

Environmentally Beneficial Mandate (12 U.S.C. § 635i-5(b)(1)): "The Bank shall encourage the use of its programs to support the export of goods and services that have beneficial effects on the environment or mitigate potential adverse environmental effects…."

Sub-Saharan Africa Mandate (12 U.S.C. § 635(b)(9)(A)): "The Board of Directors of the Bank shall … promote the expansion of the Bank's financial commitments in sub-Saharan Africa…."

Transactions associated with these mandates account for 15.6 percent of the total amount of EXIM financing. As of September 30, 2026, Small Business and Environmentally Beneficial transactions experienced default rates above two percent, as shown in Exhibit 5. The default rate for Environmentally Beneficial transactions remains elevated as recovery efforts continue for two defaults that occurred in FY 2020.



	Sub-Saharan Africa	100% Sub-Saharan Africa	Small Business	100% Small Business	Environmentally Beneficial
Amount Overdue ($ millions)	$ 46.0	$ 46.0	$ 62.1	$ 11.0	$ 95.1
Total Financing ($ millions)	$ 3,346.7	$ 3,334.6	$ 3,072.4	$ 2,561.4	$ 1,281.0
Default Rate (%)	1.373%	1.378%	2.021%	0.428%	7.428%

Note: "Sub-Saharan Africa" and "Small Business" categories include all transactions that are partially or wholly attributed to these respective categories. The "100% Sub-Saharan Africa" and "100% Small Business" categories only include transactions that are wholly attributed to these categories.

Risk Rating: By Mandate

EXIM risk rates its portfolio using a 1 – 11 budget cost level (BCL) scale. The ratings are based, in general, on a borrower's ability to make payments, as indicated by relevant economic factors, and willingness to pay, as indicated by payment record and political and social factors. Ratings 1 through 4 are roughly equivalent to "creditworthy" or "investment grade" private bond ratings. Ratings between 5 and 8 are equivalent to "non-investment grade" bond ratings. Ratings 9 to 11 are for countries either may have difficulty paying, even with extended repayment periods, or currently unwilling to make a good faith effort at repayment. EXIM does not use the BCL scale for working capital and multi-buyer insurance, as these products are evaluated using a portfolio analysis approach.

Using the BCL at the time of authorization and based on the authorized amount, EXIM's active portfolio's weighted average risk rating is 3.85, approximately corresponding to an investment grade portfolio. Exhibit 6 provides the weighted average BCLs for the various EXIM mandates.

Exhibit 6: Weighted Average BCL by Mandate

Category	Budget Cost Level
Sub-Saharan Africa	6.06
100% Sub-Saharan Africa	4.71
Small Business	5.23
100% Small Business	5.88
Environmentally Beneficial	2.28
Active Portfolio	3.85