

Annual Management Report

A Subsection of the Annual Report

For the Year Ended September 30, 2026
and September 30, 2025

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Management's Discussion and Analysis

Unaudited, see accompanying Auditor's Report

I. ORGANIZATION AND MISSION

AUTHORITY, MISSION, AND CHARTER

The Export-Import Bank of the United States (EXIM) is an independent agency and a wholly owned U.S. government corporation that was first organized as a District of Columbia banking corporation in 1934. EXIM was founded on February 2, 1934, by President Roosevelt as a new economic tool to boost the economy and support U.S. exporters and jobs across the nation. For more information on EXIM's 90-year plus history, please visit https://exim.gov/about-exim/history.

EXIM is the official export credit agency of the United States. EXIM's operations subsequent to September 30, 1991, are subject to the provisions of the Federal Credit Reform Act (FCRA), which became effective October 1, 1991.

The mission of EXIM is to support U.S. exports by providing export financing through its direct loan, guaranteed loan, and export credit insurance programs in cases where the private sector is unable or unwilling to provide financing, or where such support is necessary to level the competitive playing field for U.S. exporters due to financing provided by foreign governments to their exporters. In pursuit of its mission of supporting U.S. exports, EXIM offers three major financial products: loan guarantees, direct loans, and export credit insurance. All EXIM obligations carry the full faith and credit of the U.S. government.

In accordance with its Charter (*the Export-Import Bank Act of 1945, as amended*[1]), continuation of EXIM's functions in furtherance of its objectives and purposes is subject to periodic extensions granted by Congress. In December 2019, The *Export-Import Bank Extension* (P.L.116-94, Div. I, Title IV) fully reauthorized EXIM through December 31, 2026. If EXIM's Charter is not extended, or a new Charter is not approved before December 31, 2026, EXIM will lapse authority to approve new credits; however, under the terms of its Charter, EXIM will continue to service existing loans, guarantees, and insurance policies. EXIM's Charter requires reasonable assurance of repayment for the transactions (direct loans, loan guarantees, or export credit insurance) EXIM authorizes, and EXIM closely monitors credit and other risks in its portfolio. Additional provisions contained in the amended Charter include a program on China and Transformational Exports and related reporting, an increase to the small business threshold, as well as alternative procedures to follow during a lapse of quorum on the Board of Directors.

To carry out its mission and meet Charter and congressional mandates, EXIM's Strategic Plan is updated every four years and defines the agency's long-term goals, strategies to achieve them, and approaches for managing risks and challenges. Current and past Strategic Plans as well as Annual Performance Reports (APRs) are publicly available at https://www.exim.gov/leadership-governance/strategic-plans.

[1]Available at https://www.exim.gov/leadership-governance/charter-and-bylaws and codified at 12 U.S.C. 635 et seq.

EXIM'S PROGRAMS

EXIM's export financing programs facilitate and support U.S. exports through three major programs: loan guarantees, direct loans, export credit insurance.

LOAN GUARANTEE PROGRAM

(https://www.exim.gov/solutions/loan-guarantee)

EXIM loan guarantees cover the repayment risks on the foreign buyer's debts when purchasing U.S. exports. EXIM guarantees to a commercial lender that, in the event of a payment default by the borrower, it will pay to the lender the outstanding principal and interest on the loan. For medium- and long-term loan guarantees, EXIM generally provides an 85 percent (85%) guarantee, with a 15 percent (15%) down payment from the buyer. Loan guarantees extended under the medium-term program typically have repayment terms of one to seven years, while long-term guarantees have repayment terms in excess of seven years. Short-term loan guarantees are offered under the Working Capital Guarantee Program, described below.

Loan Guarantee subsidy costs, annual reestimate of expected credit losses, fee income, and net interest income expense are reflected in the Statements of Net Cost in the "Guarantees" section where subsidy costs, claim expenses, and annual reestimates of expected credit losses are reported and offset by guarantee fees, exposure fees, commitment fees, and related interest revenue to determine the net cost (or net revenue) of the guarantee portfolio for the reporting period. For this reason, the Loan Guarantee Liabilities on the Balance Sheet represents the present value of the estimated net cash outflows of the loan guarantees.

As of September 30, 2026, the Loan Guarantee Liabilities was $238.3 million, while the Net Revenue from Guarantees was $45.5[2] million.

Working Capital Guarantee Program (WCGP)

(https://www.exim.gov/what-we-do/working-capital)

An offering under the Loan Guarantee Program in which EXIM provides repayment guarantees to lenders on secured, short-term working capital loans made to qualified exporters. The working capital guarantee may be approved for a single loan or a revolving line of credit. For working capital guarantees, EXIM generally provides a 90 percent (90%) loan-backing guarantee to the lender. The repayment term for a working capital guarantee is one year or less.

[2] See "V. Key Budget and Accounting Results, Balance Sheets and Statements of Net Cost" for additional information on the components that impact net program cost or revenue.

DIRECT LOAN PROGRAM
(https://www.exim.gov/what-we-do/direct-loan)

EXIM offers fixed-rate loans directly to foreign buyers of U.S. goods and services. EXIM extends to a company's foreign customer a fixed-rate loan generally covering up to 85 percent (85%) of the U.S. contract value. The fixed-interest rates are determined through the Arrangement on Guidelines for Officially Supported Export Credits (the Arrangement) negotiated among members of the Organization for Economic Co-operation and Development (OECD). Direct loans can be extended under the medium-term or long-term programs.

Direct Loan subsidy costs, annual reestimate of expected credit losses, fee income, and net interest income expense are in EXIM's Statements of Net Cost in the "Loans" program section, where expected costs associated with originating and servicing direct loans are recognized through subsidy costs, credit loss reestimates, and financing expenses, net of interest income, commitment fees, exposure fees, and other loan-related revenue. Direct Loans Receivable, Net reported on the Balance Sheet represents the outstanding loan principal and accrued interest, net of the allowance for expected credit losses, and changes in those balances are recognized through program costs and reestimates in the Statement of Net Cost.

As of September 30, 2026, Direct Loans Receivable, Net was $6,337.6 million, while the Net Revenue from Loans was $271.7[3] million.

EXPORT CREDIT INSURANCE
(https://www.exim.gov/what-we-do/export-credit-insurance)

EXIM's Export Credit Insurance Program supports U.S. exporters by insuring them against the risk of foreign buyer or other foreign debtor default for political or commercial reasons.

This risk protection permits exporters to extend credit to their international customers where it would otherwise not be possible. Insurance policies may apply to shipments to one or multiple buyers, insure comprehensive credit risks (including both commercial and political) or only political risks, offer either short-term or medium-term coverage, and are primarily in U.S.-dollars.

Insurance subsidy costs, annual reestimates of expected credit losses, premium income, and claim expenses are reflected in EXIM's Statements of Net Cost through the "Insurance" program section, where expected costs associated with insuring U.S. exporters against commercial and political risks are recognized through claim expenses and credit loss reestimates, net of insurance premium revenue and other insurance-related collections. For this reason, insurance liabilities and allowances are also reflected in the Loan Guarantee Liabilities on the Balance Sheet, which represents the present value of the estimated net cash outflows of the insurance portfolio.

As of September 30, 2026, the Net Revenue from Insurance was $8.2[3] million.

[3] See "V. Key Budget and Accounting Results, Balance Sheets and Statements of Net Cost" for additional information on the components that impact net program cost or revenue.

II. FY 2026 AUTHORIZATIONS AND CHARTER MANDATES

TOTAL AUTHORIZATIONS

EXIM provides financing in its three programs to facilitate U.S. exports and support jobs by either offering competitive rates and terms against other foreign ECAs or by filling financing gaps when private lenders are unable or unwilling to provide support for U.S. goods and services.

Total authorizations increased by 261.5%, or $22,869.1 million, from $8,743.8 million in FY 2025 to $31,612.9 million in FY 2026.

In implementing this mandate, EXIM approved $31,612.9 million in total authorizations in FY 2026. In contrast, EXIM approved $8,743.8 million in total authorizations in FY 2025. The FY 2026 authorizations supported an estimated U.S. export value (the total dollar value of exports related to EXIM's authorized financing) of $16,923.4 million, while in FY 2025 they supported an estimated export value of $10,129.9 million. See Exhibit 1 for a breakdown of authorizations by program and term for FY 2026 and FY 2025.

Exhibit 1: Authorizations by Program and Term

	FY 2026		FY 2025	
	Authorized (in millions)	As percent of total	Authorized (in millions)	As percent of total
Direct Loans				
Long-Term	$ 24,243.9	76.7%	$ 1,336.2	15.3%
Medium-Term	$ 8.0	0.0%	$ -	0.0%
Subtotal, Loans	**24,251.9**	**76.7%**	**1,336.2**	**15.3%**
Guaranteed Loans				
Long-Term	1,791.8	5.7%	3,694.2	42.2%
Medium-Term	197.1	0.6%	169.4	1.9%
Short-Term	1,070.4	3.4%	1,083.7	12.4%
Subtotal, Guaranteed Loans	**3,059.3**	**9.7%**	**4,947.3**	**56.6%**
Insurance				
Medium-Term	19.3	0.1%	37.5	0.4%
Short-Term	4,282.4	13.5%	2,422.8	27.7%
Subtotal, Insurance	**4,301.7**	**13.6%**	**2,460.3**	**28.1%**
Total Authorizations	**$ 31,612.9**	**100.0%**	**$ 8,743.8**	**100.0%**

CONGRESSIONAL MANDATES

In accordance with the EXIM Charter, EXIM operates under various congressional mandates related to carrying out its programs. Fiscal year results are fundamental indicators of operational performance under such mandates, which are referred to as the Small Business Mandate, Sub-Saharan Africa Mandate, Environmentally Beneficial and Renewable Energy Mandate, and the Program on China and Transformational Exports Mandate. A brief description as well as the FY 2026 results are explained below.

Small Business Mandate (Section 2(b)(1)(E)(v)):

EXIM programs play an important role in providing export finance support to small businesses that have the ability to expand and create American jobs. Small businesses are major job creators in the United States, and Congress places significant emphasis on supporting small business exports by mandating the amount of EXIM's authority that will be made available to small businesses every fiscal year.

The Charter states that not less than 30 percent of the aggregate loan, guarantee, and insurance authority available to EXIM for each fiscal year should be made available to finance exports directly by small business concerns.

EXIM's objective is to increase small business authorizations consistent with all applicable statutory and policy requirements. In FY 2026, EXIM had sufficient financing authority for all qualified small business applications.

FY 2026 Small Business Authorizations

Small business authorizations were $1,169.8 million in FY 2026 and $1,697.8 million in FY 2025. In FY 2026, small business authorizations represented 3.7 percent of total authorizations and 16.7 percent of the direct export value EXIM supported, compared to 19.4 percent of total authorizations and 28.1 percent of direct export value in FY 2025. The decrease in small business as a percent of authorizations from FY 2025 to FY 2026 is due to the approval of large value authorizations with no small business benefit, which significantly increased total authorizations, thereby reducing small business as a share of the total. Measured by transaction volume, however, EXIM's small business support remained consistent with 1,003 authorizations, or 84.6 percent of all FY 2026 transactions directly benefiting small business, compared to 87.7 percent in FY 2025.

Of the small business transactions authorized in FY 2026, 548 of these transactions were less than $500,000. In FY 2026, 141 new small business exporters used EXIM small business products for the first time.

Within its guarantee and insurance programs, EXIM offers two products that are primarily used by small businesses: working capital guarantees and export credit insurance. In FY 2026, $396.6 million, or 78.8 percent of total authorizations in the Working Capital Guarantee Program supported exports from small businesses compared to $379.8 million, or 72.2 percent in FY 2025. An additional amount of $58.2 million was authorized for medium-term guarantees in support of small business in FY 2026. Of the total authorizations under the export credit insurance program in FY 2026, 16.6 percent, or $715.0 million, supported exports from small businesses, compared to 43.8 percent or $1,077.6 million in FY 2025.

EXIM also works to support the unique needs of emerging exporters, providing hands-on guidance on how to qualify for and access EXIM financing in order to grow their exports. Through this effort, emerging exporters accounted for $281.4 million of authorizations in FY 2026. Of the $281.4 million, $265.7 million was in direct benefit of exports from small business.

Coming under the 30 percent authority available to small businesses, EXIM continues to have the opportunity to boost its small business participation. EXIM plans to intensify outreach and educational events for small and medium-sized enterprises to drive growth and expand small business participation and increase small business authorizations. Also, in FY 2026, EXIM, in partnership with the U.S. Small Business Administration (SBA), launched the Community Lender Enhancement Initiative to expand small business exporters' access to working capital. The initiative streamlines requirements for community lenders and reduces administrative burdens, making it easier for smaller financial institutions to use EXIM financing programs and support U.S. small business exporters.

Sub-Saharan Africa Mandate (Section2(b)(9)(A)):

The Charter directs the Board of Directors of EXIM to take measures, consistent with the credit standards otherwise required by law, to promote the expansion of EXIM's financial commitments in sub-Saharan Africa under the loan, guarantee, and insurance programs of EXIM. For more information please visit: https://exim.gov/about/special-initiatives/africa

FY 2026 Sub-Saharan Africa Authorizations

In FY 2026, sub-Saharan Africa dollar authorizations represented 0.8 percent, or $247.0 million of total authorizations, while in FY 2025 the dollar amount of authorizations represented 8.4 percent, or $736.4 million, of the total. The decrease in dollar authorizations as a percent of the total is also attributable to the approval or large value authorizations with no sub-Saharan Africa benefit reducing the share of total authorizations. Measured by transaction volume as a percentage, Sub-Saharan Africa authorizations represented 34 transactions, or 2.9 percent, of EXIM's transaction total count in FY 2026, comparable to 51 transactions, or 3.8 percent in FY 2025.

Environmentally Beneficial and Renewable Energy Mandate (Section 11(b)(1) and 2(b)(1)(K)):

The Charter states that EXIM 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. EXIM shall also promote the export of goods and services related to renewable-energy, energy efficiency, and energy storage sources with a goal to ensure that not less than 5 percent of the agency's total financing authority, or $6,750.0 million is made available each fiscal year for such exports. For more information please visit: https://exim.gov/about/special-initiatives/environment

FY 2026 Environmentally Beneficial Authorizations

In FY 2026, EXIM authorizations of environmentally beneficial goods and services totaled $168.1 million, and approximately 0.5 percent of EXIM's FY 2026 authorizations. Renewable-energy, energy efficiency, and energy storage authorizations are subsets of EXIM's environmentally beneficial authorizations. In FY 2026, 16 transactions in these subsets were authorized, totaling $111.5 million.

Program on China and Transformational Exports (CTEP) Mandate (Section 2(I)):

The Charter directs EXIM to establish a new program to support the extension of loans, guarantees, and insurance, at rates and on terms and other conditions, to the extent practicable, that are fully competitive with rates, terms, and other conditions established by the People's Republic of China or by other covered countries. EXIM's goal is to reserve 20.0 percent of the agency's total financing authority, or $27.0 billion, for support made pursuant to the program. For more information, please visit https://exim.gov/about/special-initiatives/ctep

FY 2026 China and Transformational Exports Authorizations

EXIM is mandated with a goal of reserving not less than 20 percent of the agency's total financing authority, or $27.0 billion out of the total of EXIM's $135.0 billion lending limit, for support made pursuant to this mandate. In FY 2026 $25,125.9 million was authorized in direct support of this program, or 79.5 percent of total authorizations. EXIM authorized $2,055.1 million in direct support of this program, or 23.5 percent of total authorizations in FY 2025.

CTEP authorizations increased by 1,122.6%, or $23,070.8 million, from $2,055.1 million in FY 2025 to $25,125.9 million in FY 2026.

III. SELF-FINANCING STATUS

EXIM's continued accomplishment of its mission has had a secondary, yet positive, effect for the American taxpayer: generating sufficient collections to support self-financing operations and reduce reliance on congressional appropriations. This year, for the first time since FY 2017, EXIM is considered a self-financing agency, which means that EXIM collects funds from credit program customers and uses these funds to offset, or pay-back, EXIM's appropriation to the U.S. Treasury. EXIM collects commitment and exposure fees as well as interest and first sets aside funds to maintain prudent loan loss reserves. Any additional collections made in excess of the amounts used to pay back EXIM's appropriations are sent to the U.S. Treasury and offset federal debt. In FY 2026, for the first time since FY 2017, EXIM did not need to rely on a congressional appropriation to sustain operations and regained full self-financing status.

In FY 2026, through its annual appropriation[4], EXIM had authority to obligate $125.0 million for administrative costs and $20.0 million in program budget appropriation for the cost of direct loans, loan guarantees, and insurance which is available for obligation until September 30, 2029. EXIM self-financed, all these costs with $161.8 million in offsetting collections from its credit programs and repaid the full $145.0 million of appropriations to the U.S. Treasury. In addition, EXIM also transferred $16.8 million in collections in excess of the appropriations, to the U.S. Treasury to offset the federal debt.

During FY 2025, $76.9 million of EXIM's administrative costs were covered by offsetting collections while $48.1 million was covered by an annual appropriation. EXIM also received a $15.0 million program budget appropriation which is available for obligation until September 30, 2028.

Since FY 1992, when FCRA became effective, EXIM has generated $9.8 billion in revenues for U.S. taxpayers after providing for expenses, loan-loss reserves, and administrative costs.

Since 1992, EXIM has sent $9.8 billion to the U.S. Treasury to offset the federal debt

EFFECTIVENESS AND EFFICIENCY

EXIM uses various measures to assess the relative efficiency and effectiveness of its programs. EXIM's annual *Report to the U.S. Congress on Global Export Credit Competition* (the "Competitiveness Report") compares EXIM's competitive performance with that of other ECAs. When combining the Competitiveness Report with internal efficiency measurements, management assesses the effectiveness of EXIM's operations.

The 2025 Competitiveness Report, released in 2026 for the calendar year from January 1, 2025, to December 31, 2025, titled "Global Export Credit Competition," can be found at https://www.exim.gov/news/reports/competitiveness-reports.

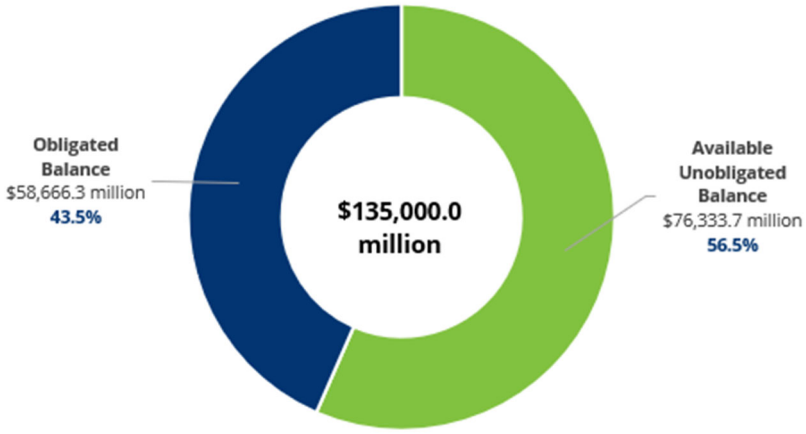
[4] PL 119-75, Consolidated Appropriations Act, 2026

IV. PORTFOLIO AND RISK MANAGEMENT

CURRENT EXPOSURE

EXIM is subject to a statutory limit on lending which acts as an absolute financial limitation on the outstanding aggregate amount of all EXIM's loans, guarantees, and insurance. Under provisions of the Export-Import Bank Act, as amended in FY 2020, EXIM's current statutory limit on lending is $135,000.0 million. As of September 30, 2026, EXIM's statutory authority was obligated as follows, with EXIM utilizing 43.5 percent or $58,666.3 million of its statutory limit on lending, leaving $76,333.7 million or 56.5 percent available to be used. This available balance gives EXIM the opportunity to continue to expand its financing capacity to the industries identified in EXIM's strategic goals such as energy infrastructure and molecules, and U.S.-developed SI infrastructure as well as help reshore and secure critical minerals. For more information on EXIMs performance goals and implementation strategies for FY 2027, please refer to the Annual Performance Plan (APP) at https://www.exim.gov/leadership-governance/strategic-plans.

Exhibit 2: Statutory Limit on Lending (in millions)

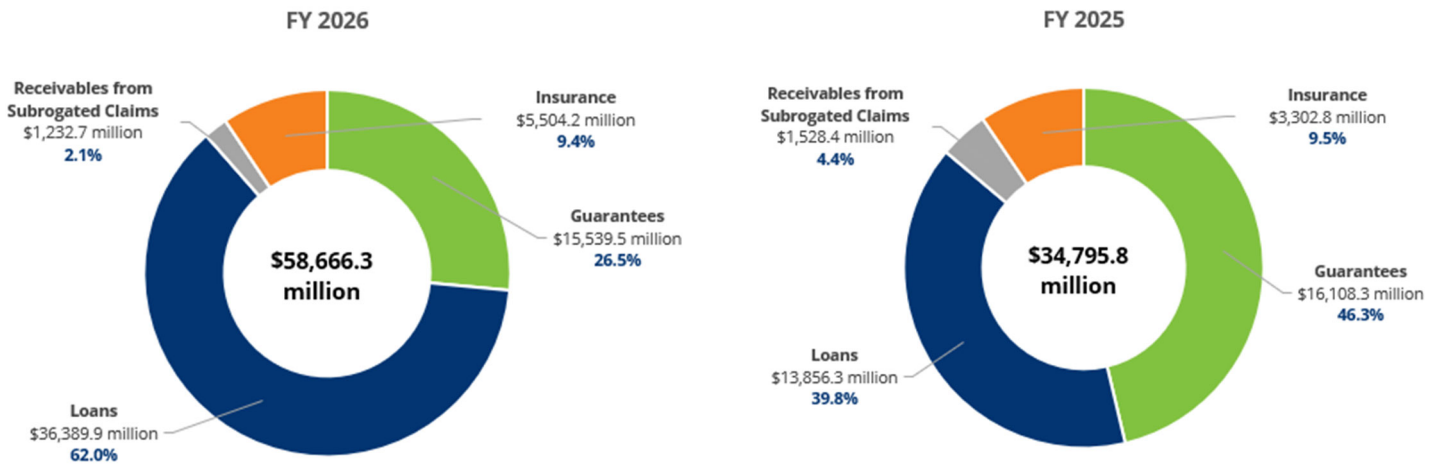


For both financial statement and analytical purposes, EXIM defines exposure, or the obligated balance noted above, as the outstanding (disbursed less any repayments) and undisbursed principal balance of loans, guarantees, and insurance, and also includes any unrecovered balances of payments made on claims submitted, and approved by EXIM. Exposure does not include accrued interest or transactions pending final approval. The claims payments are made by EXIM while acting as guarantor or insurer under the export guarantee and insurance programs.

EXIM has exposure totaling $58,666.3 million as of September 30, 2026, compared to $34,795.8 million as of September 30, 2025. Overall, portfolio exposure has increased by 68.6% due to new authorizations exceeding repayments, including prepayments, on outstanding transactions. The portfolio includes new and existing credits whose risk ratings and loss reserves are reviewed and adjusted, if needed, at least annually.

Direct loans, which consists of Loans and Receivables from Subrogated Claims, made up the largest portion, 64.1 percent, of EXIM's credit exposure as of September 30, 2026, followed by 26.5 percent of credit exposure under guarantees. As of September 30, 2025, guarantees represented the majority of EXIM's credit exposure at 46.3 percent, followed by 39.8 percent credit exposure on direct loans. The change in composition from FY 2025 to FY 2026 is due to $24,251.9 million in direct loans being authorized in FY 2026. Exhibit 3 summarizes total EXIM exposure by program for FY 2026 and FY 2025.

Exhibit 3: Exposure by Program



RISK MANAGEMENT

EXIM manages its key risks through an integrated, enterprise risk-management program that includes identifying, prioritizing, measuring, monitoring, and managing agency risks in a holistic, entity-wide manner.

An efficient and effective risk-management framework allows EXIM to recognize long-term fluctuations in the external risk environment and then pivot accordingly. How to pivot to address new changing risks, however, requires an understanding of the distinct characteristics of EXIM's exposure around the world. As a result, EXIM management views the portfolio through a variety of lenses, each offering its own narrative, nuance, and interpretation.

PROTECTING THE U.S. TAXPAYER

EXIM is assuming and managing country and credit risks to facilitate U.S. exports that the private sector is unable or unwilling to support. One of EXIM's core responsibilities is to minimize, through the diligent application of prudent lending principles, the risk of loss to the United States taxpayer arising from its credit activities. EXIM continues its prudent oversight and due-diligence standards to protect taxpayers through its comprehensive risk-management framework.

The Interagency Country Risk Assessment System (ICRAS)

FCRA requires a standardized country risk assessment for all U.S. government agencies engaged in credit activities. In 1992 the Office of Management and Budget (OMB) established the Interagency Country Risk Assessment System (ICRAS), which risk rates a country's willingness and ability to repay its debt and provides a framework for uniformly measuring the costs of the U.S. government's cross-border risk credit programs across the various agencies that administer them. To operate this framework, OMB chairs an interagency working group composed of the agencies with international loan programs.[5] EXIM is the Secretariat for ICRAS, pursuant to which EXIM's country economists prepare reports containing an assessment of country risk and risk rating recommendations for review and approval by the interagency working group. For more information on the ICRAS rating system please refer to Footnote 3 of the Financial Statements.

EXIM's Board has established a linkage of these risk rating results to whether a given market meets EXIM's statutory requirement of reasonable assurance of repayment for approval of transactions and thus whether it is open or closed for business.

EXIM's Board of Directors, or EXIM officer(s) acting pursuant to delegated authority from the Board of Directors, makes the final determination of reasonable assurance of repayment for transactions, taking into consideration staff recommendations. Transactions require the approval of the Board of Directors directly or through delegated authority. For transactions, EXIM's comprehensive risk management includes detailed documentation to ensure EXIM's rights are protected legally, and that the transaction is not in violation of U.S. government policy or sanctions.

Exposure-Risk Profile and Budget Cost Level

Corresponding with the ICRAS risk-rating system noted above, EXIM classifies medium-and long-term credits into 11 risk categories, with level 1 being the lowest risk and 11 being the riskiest. Each level in this scale is referred to as a Budget Cost Level, or BCL. The purpose of the BCL is to determine the repayment risk or expected loss for each transaction, with the rating reflecting EXIM's assessment of the risk of the transaction at the time of authorization.

BCL 1 through 4 are considered "investment grade" ratings and are the equivalent of S&P's BBB- or better ratings. BCL 5 or worse are considered "speculative grade," equivalent to a BB+ or BB or worse. EXIM generally does not authorize new credits that would be risk-rated with a BCL worse than an 8.

The overall weighted-average risk rating for rated export credit authorizations made in FY 2026 was 3.1 compared to a weighted-average risk rating of 5.2 in FY 2025. For FY 2026, 65.1 percent of EXIM's rated new authorizations were in the level 1 to 4 range (AAA to BBB-) while 34.9 percent were rated level 5 to 9 (BB+ to CCC[6]).

[5] Including the Departments of State, Treasury, Agriculture, Commerce, Defense, U.S. International Development Finance Corporation, the Federal Reserve, and EXIM

[6] CCC risk- rated new authorizations generally apply to select high-risk transactions, typically limited to a repayment term of 180 days or less, and not to exceed 360 days.

Changes in Portfolio-Risk Level

The portfolio includes new and existing credits whose risk ratings and loss reserves are reviewed and adjusted, if needed, at least annually. The lower average BCL of new authorizations has reduced the weighted average risk rating for the total portfolio exposure to a BCL 4.5 in FY 2026, compared to a BCL 5.9 in FY 2025.

Impaired Credits

Impaired Credits are defined as those transactions risk rated as BCL 9 to 11 and/or are on the verge of default due to political, commercial, operational, and/or technical events or unforeseeable circumstances which have affected the borrower's ability to service repayment of EXIM's guarantees or direct loans.

Significant Factors Influencing Financial Results

The most significant factor that determines EXIM's financial results and condition is a change in the risk level of EXIM's loan, guarantee, and insurance portfolio, and the adjustment to the allowance for credit losses that must be made to reflect the change in risk. The level of risk of individual credits or groups of credits may change in an unexpected manner as a result of international financial, economic, and/or political events. Consequently, significant, and unanticipated changes in EXIM's allowance for credit losses may occur in any year. EXIM regularly conducts stress testing on its overall portfolio and regions using Monte-Carlo simulation.

The major risks to EXIM in its credit portfolio are repayment risk and market risk.

Repayment Risk

In fulfilling its mission to support U.S. jobs by facilitating the export of U.S. goods and services by providing competitive export financing and ensuring a level playing field for U.S. goods and services in the global marketplace, EXIM must balance the risks associated with assuming credit and country risks that the private sector is unable or unwilling to accept with the requirement of reasonable assurance of repayment for its credit authorizations. Repayment risk is the risk that a borrower will not pay according to its agreement, and EXIM may eventually have to write off some or the entire obligation. Repayment risk is primarily composed of credit risk and country risk outlined below.

Credit Risk

The risk that an obligor may not have sufficient funds to service its debt or may not be willing to service its debt even if sufficient funds are available.

Country Risk

The risk that payment may not be made to EXIM, its guaranteed lender, or its insured as a result of expropriation of the obligor's property, war, or inconvertibility of the borrower's currency into U.S. dollars.

Market Risk

Risks stemming from the nature of the markets in which EXIM operates. Principal components of market risk are concentration risk, foreign-currency risk, and interest-rate risk outlined below.

Concentration Risk

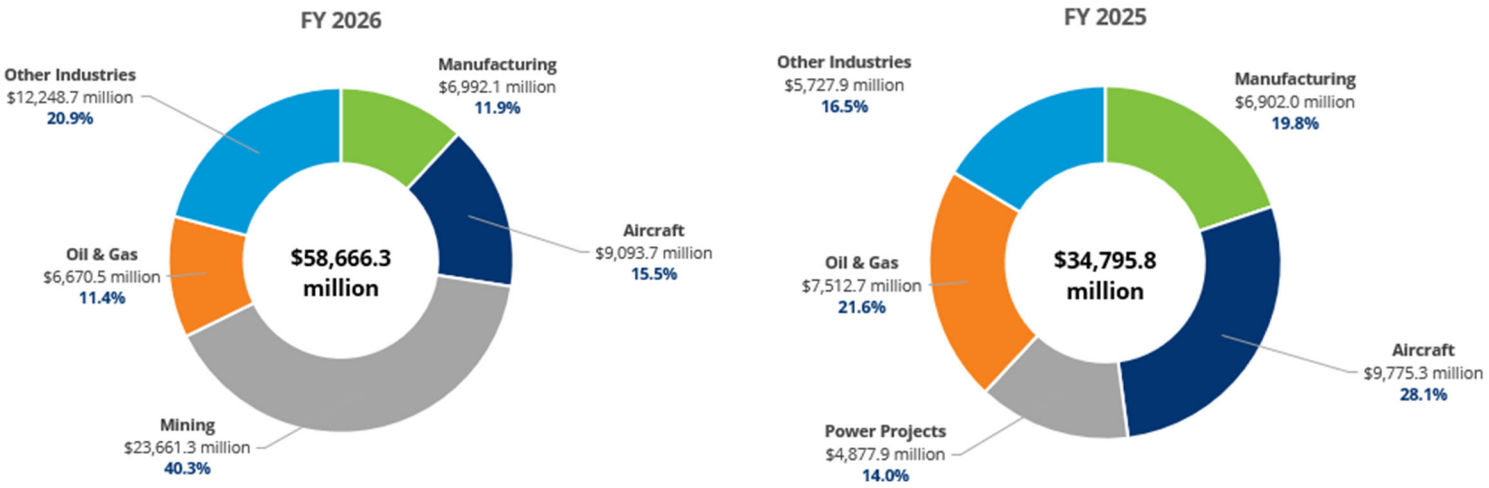
Risks stemming from the composition of the credit portfolio as opposed to risks related to specific obligors. EXIM has the following concentration risks:

Industry Concentration Risk: The risk that events could negatively impact not only one company but many companies simultaneously in the same industry.

Exhibit 4 shows current exposure by the major industrial sectors in EXIM's portfolio. Events impacting these industries are frequently international in nature and may not be confined to a specific country or geographic area. In FY 2026, EXIM's credit exposure is highly concentrated by industry: 67.8 percent of EXIM's credit portfolio is in three industries (mining, aircraft, and manufacturing), with mining representing 40.3 percent of EXIM's total exposure. In FY 2025, 69.5 percent was concentrated in the top three industries (aircraft, oil and gas, and manufacturing). The change in concentration is due to a large portion of FY 2026 authorizations benefiting the mining industry. In FY 2026 the EXIM Board of Directors approved a Direct Loan of up to $10,000.0[7] million of principal to Project Vault, which establishes the U.S. Strategic Critical Minerals Reserve that will store essential raw materials in secure facilities across the United States.

Some of the industrial sectors included in the category "Other Industries" are transportation and warehousing, construction, information and communication service providers, power projects, and agriculture, forestry, fishing and hunting.

Exhibit 4: Exposure by Major Industrial Sector



[7] Including up to $8.2 million of capitalized interest and financed fees, the total loan amount could reach approximately $18,200.0 million.

Geographic/Risk-Similar Region Concentration Risk: The risk that events could negatively impact not only one country but many countries simultaneously in an entire region.

EXIM currently has exposure in 138 countries and markets. Exhibit 5 illustrates the geographic distribution of EXIM's total exposure, with more than half of exposure in FY 2026 spread across North America, sub-Saharan Africa, and Middle East and Northern Africa (MENA), with these three regions amounting to $42,026.3 million or 71.7 percent of EXIM's entire exposure. In FY 2025, 59.8 percent of the exposure was spread across sub-Saharan Africa, MENA, and Europe. The change in concentration is mainly due to the authorization for the U.S.-based VaultCo transaction, described above. The "Other" region in Exhibit 6 includes undisbursed balances of short-term multi-buyer insurance that is not allocated by region until the shipment has taken place.

Management also classifies exposure of regional country groupings of its loan, guarantee, and insurance portfolio to align EXIM's reporting with other entities with international exposure such as the World Bank, and the U.S. Treasury.

Exhibit 5: Regional Exposure

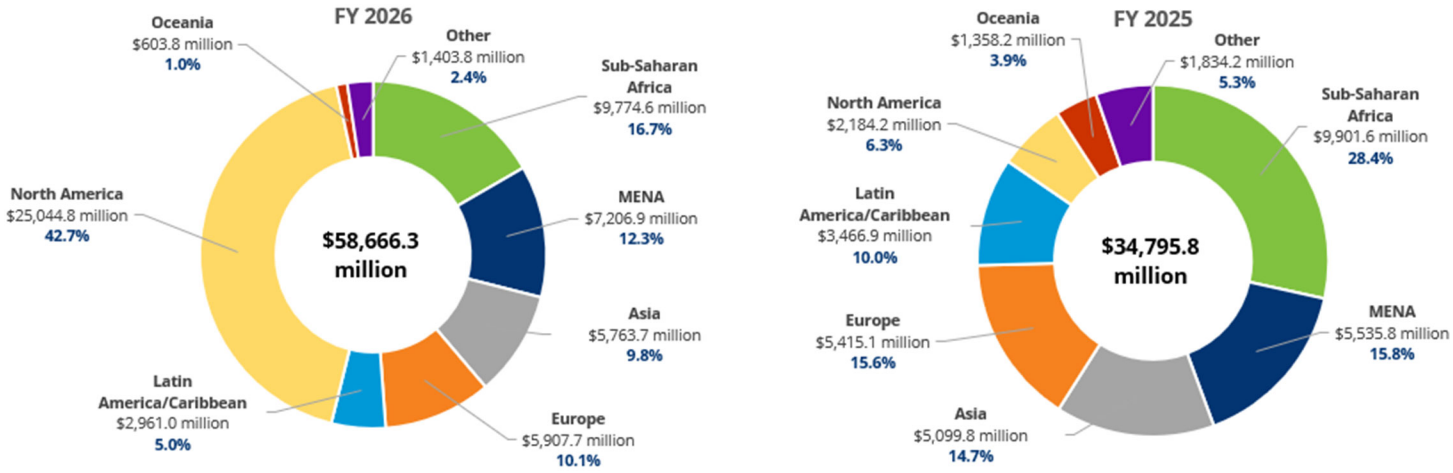
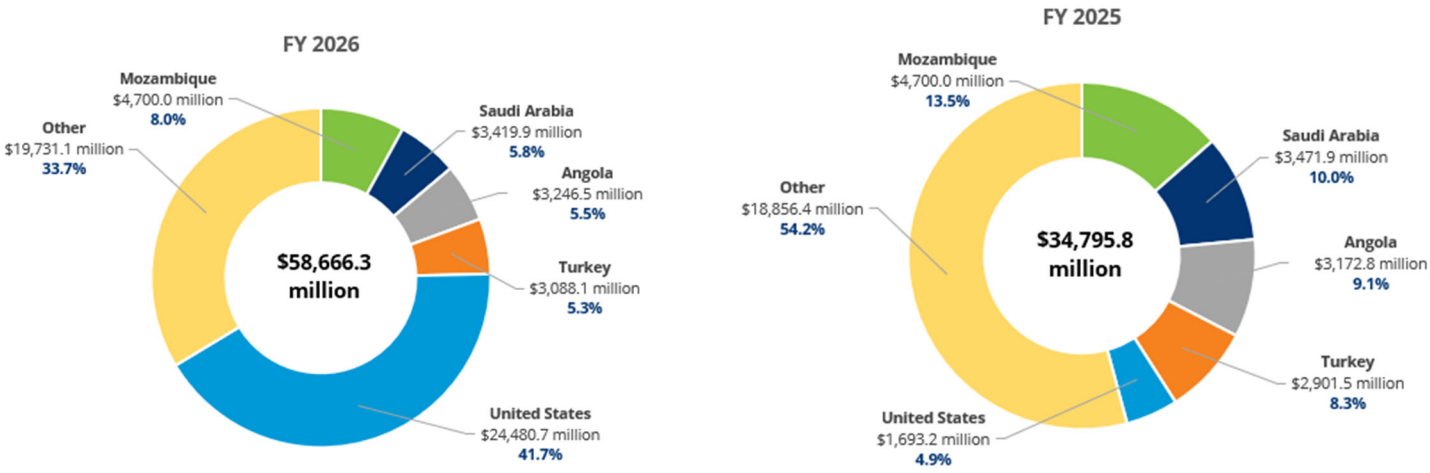


Exhibit 6 illustrates exposure for the top five countries as of September 30, 2026, and September 30, 2025. These five countries make 66.3 percent of total exposure in FY 2026 and 45.8 percent of total exposure in FY 2025.

Exhibit 6: Top-Country Exposure



Obligor Concentration: The risk stemming from portfolio concentration with one or a few obligors such that a default by one or more of those borrowers will have a disproportionate impact. EXIM's five largest public and private-sector obligors make up 54.5 percent of the portfolio. EXIM proactively manages individual transactions in EXIM's portfolio with a focus on the financial condition of an obligor. In addition, EXIM assesses the use, maintenance, and condition of mortgaged collateral, as applicable along with actively managing operative phase matters, including any requested or necessary amendments, waivers, and consents.

Foreign-Currency Risk

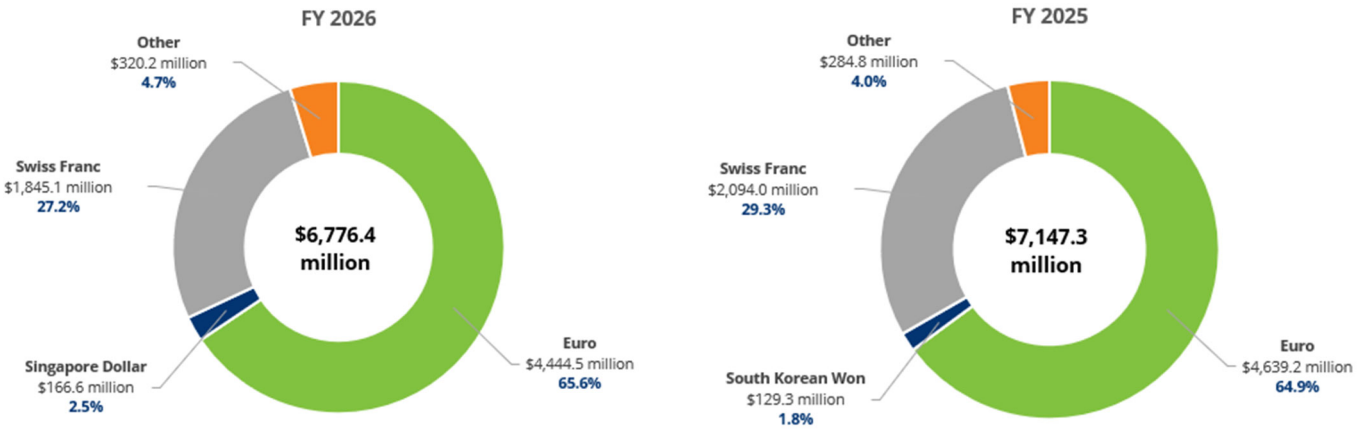
EXIM provides guarantees in foreign currencies to allow borrowers to better match debt-service costs with earnings. The level of foreign-currency authorizations is attributable in large part to borrowers' desire to borrow funds in the same currency as they earn their revenue in order to mitigate the risk involved with exchange-rate fluctuations. The majority of EXIM's foreign-currency authorizations support U.S. transportation exports. EXIM adjusts its reserves to reflect the potential risk of foreign-currency fluctuations.

In FY 2026, EXIM approved $558.7 million in transactions denominated in foreign currency, representing 1.8 percent of all new authorizations. For FY 2026 the total exposure balance of foreign-currency-denominated guarantees and insurance was $6,776.4 million, representing 11.6 percent of total EXIM exposure. For FY 2025 the total exposure balance of foreign-currency-denominated guarantees and insurance was $7,147.3 million, representing 20.5 percent of total EXIM exposure.

Foreign Currency Risk is the risk stemming from an appreciation or depreciation in the value of a foreign currency in relation to the U.S. dollar for EXIM transactions denominated in that foreign currency. If and when EXIM pays claims under foreign-currency guarantees, the notes are converted from a foreign-currency obligation to a U.S.-dollar obligation. The obligor must then repay EXIM the balance in U.S. dollars. This converts the foreign-currency loan to a dollar loan at that point, thereby eliminating any further foreign-exchange risks.

Exhibit 7 illustrates the U.S. dollar value of EXIM's foreign-currency exposure, for the three highest foreign currencies outstanding for FY 2026 and FY 2025. The category labeled "Other," in FY 2026 mainly consists of the South Korean Won, South African Rand, Canadian Dollar, Australian Dollar, and Japanese Yen.

Exhibit 7: U.S. Dollar Value of Foreign-Currency Exposure



Interest-Rate Risk

EXIM makes fixed-rate loan commitments prior to borrowing to fund loans and takes the risk that it will have to borrow the funds at an interest rate greater than the rate charged on the credit. To mitigate the interest-rate risk, EXIM generally charges at least 100 basis points over borrowing costs and fixes the interest rates at the time of disbursement.

Operational Risk

Operational risk is the risk of material losses resulting from human error, system deficiencies, and control weaknesses. To mitigate the risk of loss stemming from operational dysfunctions, EXIM has established a control environment that includes process documentation, proper supervisory monitoring, and technology access/edit controls. In addition, EXIM provides staff with training to reduce operational risk across the organization, along with the Chief Ethics Officer who oversees the enforcement of the Code of Official Conduct for all employees and contractors of EXIM. EXIM also has an Office of Inspector General that conducts audits, evaluations, and investigations relating to EXIM's program and support operations.

Portfolio-Loss Reserve

Allowance for Losses on Loans and Guaranteed Loan Liabilities

The loss reserves for EXIM credits are comprised of an allowance for loss on direct loans, as well as liabilities for expected defaults on loan guarantees and insurance policies. EXIM sets aside reserves for each credit for expected future losses. Should any defaults occur, any subsequent recovery is credited to the allowance. Write-offs are charged against the allowance when management determines that a loan or claim balance is no longer collectable.

The total allowance for losses for loans and claims, and liabilities for guarantees and insurance commitments as of September 30, 2026, is $2,045.4 million, representing 9.8 percent of outstanding balance of $20,863.7 million. This compares to the allowance for losses for loans and claims, and liabilities for guarantees and insurance commitments of $2,237.8 million as of September 30, 2025, representing 11.6 percent of outstanding balance of $19,306.3 million. Please refer to Footnote 1 and 3L of the Financial Statements for more information.

The estimated credit loss of the outstanding balance of loans, guarantees, and insurance is reestimated annually. This reestimate indicates the appropriate balance necessary in the financing accounts to ensure sufficient funds to pay future estimated claims and cover estimated losses

The reestimate of the credit loss of the exposure for FY 1992 through FY 2026 calculated at September 30, 2026, indicated a net excess of $296.2 million of funds in the financing accounts. The transfer of the net downward reestimate to the U.S. Treasury will take place in FY 2027. The reestimate of the credit loss of the exposure for FY 1992 through FY 2025 calculated at September 30, 2025, indicated overall $13.6 million of additional funds were needed in the financing accounts. The transfer of the net upward reestimate from the U.S. Treasury took place in FY 2026.

For more information on the background and calculations related to allowance and the reestimate, please refer to Footnote 1 and 3 of the Financial Statements.

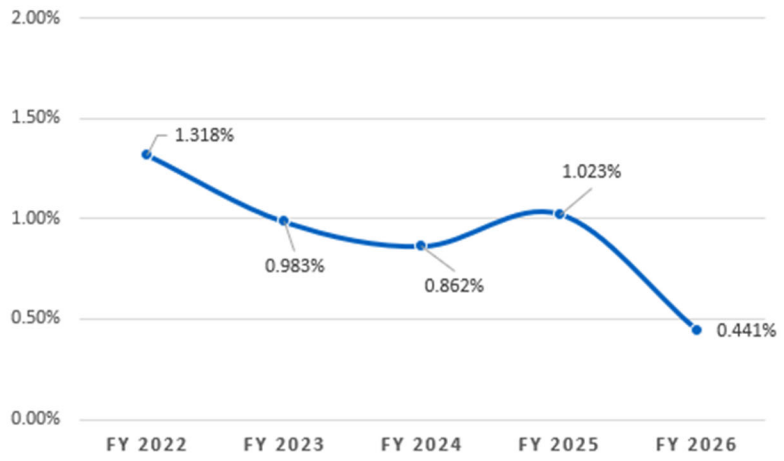
DEFAULT RATE

Pursuant to its Charter, EXIM is mandated to report to Congress on a quarterly basis the current default rate on its active portfolio. 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). Currently, EXIM is required to maintain a default rate below two percent to avoid a freeze on its lending cap. If the rate is two percent or more for a reporting quarter, EXIM may not exceed the amount of loans, guarantees, and insurance outstanding on the last day of that quarter, until the rate is less than 2 percent again. On September 30, 2026, the reported default rate was 0.441 percent.

0.441% Default Rate

Exhibit 9 below shows the trend of EXIM's default rate over the last five years. In FY 2022 EXIM worked with borrowers to implement restructurings and other workout actions to address liquidity pressures stemming from the pandemic. During FY 2023, the rate began to decline due to repayments and recoveries, and in FY 2024 the rate continued to trend downward, reflecting relatively low defaults and the roll-off of older transactions and legacy defaults from the active portfolio. In FY 2025, the default rate increased modestly, driven primarily by a decline in total financing outstanding rather than a material increase in defaults. The decrease in FY 2026 is largely attributed to the rescheduling of a previously defaulted transaction as well as other defaulted transactions that have rolled off from the active portfolio. For more information on the default rate, please find the default rates report at: https://www.exim.gov/leadership-governance/Congressional-Government-Stakeholders/facts-about-exim/default-rate-reports

Exhibit 9: Default Rate (Five-Year Trend)



STRESS TESTS

In September 2026, EXIM conducted a stress test on the portfolio using simulated scenarios. Results indicated that, under an adverse scenario characterized by broad-based credit deterioration, EXIM's default rate could exceed 2.0 percent. Under the base case scenario, however, the default rate is expected to remain below 2.0 percent over the life of the current portfolio.

If EXIM's default rate exceeds 2.0 percent, EXIM's total exposure generally may not exceed the amount of loans, guarantees, and insurance outstanding as of the last day of the quarter in which the default rate was calculated to exceed 2.0 percent, effectively constraining new authorizations until exposure is reduced or the default rate falls back below the statutory threshold.

V. KEY BUDGET AND ACCOUNTING RESULTS

EXIM reports its financial position using generally accepted accounting principles (GAAP) as applied to the federal government in the United States. GAAP for federal entities are the standards and other authoritative pronouncements as prescribed by the Federal Accounting Standards Advisory Board (FASAB). EXIM follows the format and content outlined by OMB Circular A-136[8] for preparing its financial statements and footnotes.

While EXIM looks to further optimize the execution of mission and implementation of its Charter, EXIM complies with federal budget and governmental accounting requirements, as outlined below.

BUDGETING FOR NEW AUTHORIZATIONS UNDER THE FEDERAL CREDIT REFORM ACT

Under the FCRA, the U.S. government budgets for the present value of the estimated cost of credit programs. For EXIM, the cost is determined by analyzing the net present value of expected cash receipts and cash disbursements associated with all credits authorized during the year. Cash receipts typically include fees, loan principal, and loan interest, while cash disbursements typically include loan disbursements and the payment of claims. EXIM collects fees that cover program obligations and administrative costs to the extent possible.

When expected cash disbursements exceed expected cash receipts, there is an expected net outflow of funds, resulting in a "cost" to EXIM. This cost is sometimes referred to as subsidy or program cost. EXIM is required to estimate this cost annually and to seek budget authority from Congress to cover that cost. New loans and guarantees with a program cost cannot be committed unless sufficient program budget authority is available to cover the calculated credit cost.

The U.S. Treasury provides EXIM funds through an appropriation warrant to cover EXIM's program and administrative costs. The amount of the warrant is established by spending limits set by Congress. Please refer to "III. EXIM's Self-Financing Status" for further information for FY 2026.

LIMITATIONS TO THE FINANCIAL STATEMENTS

The principal financial statements are prepared to report the financial position, financial condition, and results of operations of EXIM, pursuant to the requirements of 31 U.S.C. § 3515 (b). The statements are prepared from the books and records of EXIM in accordance with Federal generally accepted accounting principles (GAAP) and formats prescribed by OMB. Reports used to monitor and control budgetary resources are prepared from the same records. Users of the statements are advised that the statements are for a component of the U.S. government.

[8] *Financial Reporting Requirements,* revised as of May 29, 2026

BALANCE SHEETS AND STATEMENTS OF NET COST

EXIM's Statements of Net Costs show the costs and revenues of EXIM's three major programs. There are two major components, Administrative Costs and the Reestimate of Credit Losses, which have a significant impact on the total net program cost over revenue. Fees and Interest Revenue are offset by a provision for credit loss and thus have no impact on the total net program cost over revenue. For this reason, the "Statements of Net Costs" cannot be read as the equivalent of an Income and Loss Statement.

Impact to Total Net Program Cost or Revenue

- **Program and Administrative Costs:** Program costs are subsidy expenses which is the estimated long-term cost to the government of a direct loan or guarantee, and administrative costs are the costs to operate EXIM and its programs. Program and administrative costs are covered by offsetting collections or appropriations specifically for those expenses. Program and administrative costs are reflected in the Statements of Net Costs; however, the offsetting collections and appropriation used to cover those expenses are reflected in the Statements of Changes in Net Position. Therefore, program and administrative costs have a direct impact on the total net program cost or revenue.
- **Accrual for Annual Reestimate of Credit Loss Reserves**: As previously discussed, each year an analysis is performed to determine the adequacy of the credit loss reserves reflected on the Balance Sheet. Based on this analysis, reserves are either increased or decreased, with an offsetting charge (if reserves are increased) or credit (if reserves are decreased) to the Program Costs in the Statements of Net Cost. The change in reserves can vary significantly from year to year and can have a considerable impact on total net program cost or revenue.

No Impact to Total Net Program Cost or Revenue

- **Fee and Interest Revenue Net of Expenses:** All fee and net interest revenue is credited to the Balance Sheet loss reserves to cover future credit losses instead of being applied to cumulative results of operations. As the reserves are increased by the fee and net interest revenue, an offsetting provision for credit losses is charged against income. These components offset and have zero impact on the total net program cost or revenue.

The program and administrative costs and the accrual for the annual reestimate of credit loss reserves represent the true cost of carrying out EXIM's programs and thus are the components that drive the amount of net program cost or revenue displayed in the Statements of Net Cost. For the year ending September 30, 2026, EXIM's total net revenue was ($171.9) million, compared to a net cost of $65.9 million for the year ended September 30, 2025.

EXIM's Balance Sheets show a net position as of September 30, 2026, of $(367.9) million. The main variable impacting EXIM's Net Position is the Cumulative Results of Operations, which represent distribution of funds to the U.S. Treasury rather than the results of operational activities. The FCRA requires federal agencies to transfer excess funds to the U.S. Treasury.

Over time, EXIM neither accumulates earnings nor has a long-term negative net position, although from time to time the net position shown on the Balance Sheets may be either positive or negative. The yearly change in the net position is shown in detail in the Statements of Changes in Net Position. Net costs or revenue from the Statements of Net Costs, offsetting collections and appropriation usage, and transfers to the U.S. Treasury all affect the net position shown on EXIM's Balance Sheets.

Occasionally EXIM's Statements of Net Cost may show a net cost for the year, while at the same time, EXIM will have transferred funds to the U.S. Treasury in the same year. This is due to differing requirements of the two main pieces of legislation that govern EXIM's operations: the FCRA and the annual appropriations act passed by Congress.

The annual appropriations acts[9] permit EXIM to use offsetting collections (fees and interest collected in the current year that are in excess of amounts set aside for expected losses for the credits that are disbursing in the current fiscal year) to cover administrative obligations made in the current year.

The FCRA requires an annual reestimate of the reserves for credit losses for the entire portfolio. As mentioned above in the "Portfolio-Loss Reserves" section and in Footnote 3 of the Financial Statements, if the analysis indicates that the reserves must be increased, there is a charge against income for the amount of the increase and together with the program costs may result in a significant overall net cost. The Statements of Net Costs may therefore show a net overall cost, while in the same year excess offsetting collections are transferred to the U.S. Treasury.

In addition to excess offsetting collections, EXIM's transfers to the U.S. Treasury includes pre-FCRA liquidating account transfers and the downward reestimates of the reserve for credit losses.

[9] E.g., PL 119-75, Consolidated Appropriations Act, 2026

Analysis on Significant Financial Data

The following significant financial data is highlighted because the reported amounts represent a significant change between the applicable periods for FY 2026 and FY 2025. More detailed financial information can be found in the Financial Statements and the corresponding Notes.

Exhibit 9: Table of Key Measures

(in millions)	FY 2026	FY 2025	*Change*
Balance Sheets			
Fund Balance with Treasury	$ 3,942.5	$ 3,215.9	*$ 726.6*
Direct Loans Receivable, Net	6,337.6	5,204.0	*1,133.6*
Receivables from Subrogated Claims, Net	788.7	1,002.4	*(213.7)*
Intragovernmental Debt	10,559.5	9,235.8	*1,323.7*
Accounts Payable to the U.S. Treasury	445.8	291.0	*154.8*
Federal Debt and Interest Payable	31.6	115.9	*(84.3)*
Loan Guarantee Liabilities	238.3	149.5	*88.8*
Public Other Liabilities	157.3	100.3	*57.0*
Unexpended Appropriations	83.1	130.4	*(47.3)*
Cumulative Results of Operations	(451.0)	(600.9)	*149.9*
Statements of Net Cost			
Program Costs - Loans	202.1	572.3	*(370.2)*
Earned Revenue - Loans	(473.8)	(529.3)	*55.5*
Program Costs - Guarantees	98.5	4.7	*93.8*
Statements of Changes in Net Position			
Appropriations Received	272.7	157.5	*115.2*
Appropriations Used	313.0	135.3	*177.7*
Offsetting Collections	111.1	99.3	*11.8*
Transfers Without Reimbursement	(27.6)	(61.3)	*33.7*
Other Non-Entity Activity	(430.6)	(250.2)	*(180.4)*
Statements of Budgetary Resources			
Unobligated from Prior-Year Budget Authority, Net	327.6	163.7	*163.9*
Appropriations	272.7	157.5	*115.2*
Borrowing Authority	16,419.2	2,003.1	*14,416.1*
Spending Authority from Offsetting Collections	2,311.2	1,381.2	*930.0*
New Obligations and Upward Adjustments	17,288.2	2,442.8	*14,845.4*
Unobligated Balance - Apportioned, Unexpired, End of Year	2,008.9	1,221.9	*787.0*
Agency Outlays, Net	(24.9)	(112.9)	*88.0*
Disbursements, Net	590.0	(1,030.1)	*1,620.1*

Balance Sheets

Fund Balance with Treasury increased by $726.6 million from $3,215.9 million at September 30, 2025, to $3,942.5 million at September 30, 2026. The increase is mainly due to $1,177.7 million in direct loan principal repayments and interest collections, and $559.8 million in fee collections and claim recoveries. EXIM received $263.8 million for the FY 2025 Upward Reestimate, $8.9 million in appropriations for OIG funds and $1,323.7 million in net Treasury borrowings for the year.

This is offset by $1,878.3 million in loan disbursements and claims paid, $91.2 million paid for payment certificates and corresponding interest, and $148.7 million of administrative obligations paid. In FY 2026, payments were made to Treasury for the FY 2025 Downward Reestimate in the amount of $250.2 million and $159.0 million in net interest on the borrowings. Additionally, EXIM transferred $27.6 million without reimbursement, $10.0 million in canceled funds, and $16.8 million in excess offsetting collections to the U.S. Treasury.

Direct Loans Receivable, Net increased by $1,133.6 million from $5,204.0 million at September 30, 2025, to $6,337.6 million at September 30, 2026. The increase is mainly due to $1,959.1 million in disbursements, $174.1 million in adjustments to allowance, and $14.8 million in interest and fees earned/collected. This is offset by $1,026.1 million in loan collections.

Receivables from Subrogated Claims, Net decreased by $213.7 million from $1,002.4 million at September 30, 2025, to $788.7 million at September 30, 2026. This is mainly due to $241.6 million in claim collections, offset by $9.9 million in claims paid and $23.1 million adjustments to allowance.

Intragovernmental Debt increased by $1,323.7 million from $9,235.8 million at September 30, 2025, to $10,559.5 million at September 30, 2026. The increase is driven by net borrowings from Treasury for the increase in loan disbursements made in FY 2026.

Accounts Payable to the U.S. Treasury part of Intragovernmental Other Liabilities, increased by $154.8 million from $291.0 million at September 30, 2025, to $445.8 million at September 30, 2026. This is mainly due to the increase in payable for the FY 2026 downward reestimate of $163.6 million that will be transferred to the U.S. Treasury in FY 2027, offset by the decrease of $8.6 million in expired funds payable to Treasury.

Federal Debt and Interest Payable decreased by $84.3 million from $115.9 million at September 30, 2025, to $31.6 million at September 30, 2026, mainly due to payment certificates issued in previous years, that continue to be repaid.

Loan Guarantee Liabilities increased by $88.8 million from $149.5 million at September 30, 2025, to $238.3 million at September 30, 2026. The increase is mainly due to $219.6 million in fees received and $40.5 million in adjustments to the claims allowance offset by $99.0 million in current year program costs, $38.4 million in the net downward reestimate, and $17.6 million in the net treasury interest.

Public Other Liabilities increased by $57.0 million from $100.3 million at September 30, 2025, to $157.3 million at September 30, 2026, mainly due to an increase of $69.7 million in offsetting collections offset by a decrease of $12.7 million in unapplied receipts.

Unexpended Appropriations decreased by $47.3 million from $130.4 million at September 30, 2025, to $83.1 million at September 30, 2026. The decrease is mainly due to $313.0 million in appropriations used, offset by $263.8 million received for the FY 2025 Upward Reestimate.

Cumulative Results of Operations increased by $149.9 million from a cumulative loss of $600.9 million at September 30, 2025, to a cumulative loss of $451.0 million at September 30, 2026. This is mainly due to $313.0 million in appropriations used, $171.9 million in net revenue from operations, and $111.1 million in offsetting collections used. This is offset by $413.8 million for the current year downward reestimate and $27.6 million in capital transfers without reimbursement.

Statement of Net Costs

Program Costs for Loans decreased by $370.2 million from $572.3 million for the year ended September 30, 2025, to $202.1 million for the year ended September 30, 2026. The change is mainly resulting from decreases of $405.0 million in the reestimate and $46.8 million in program cost allowance amortization for loans, offset by $77.2 million in adjustments to allowance and $11.5 million in current year program cost.

Earned Revenue for Loans decreased by $55.5 million from $529.3 million for the year ended September 30, 2025, to $473.8 million for the year ended September 30, 2026. The change is mainly resulting from decreases of $60.8 million in interest income on loans and $9.7 million in fees, offset by an increase of $16.4 million in interest income from Treasury accounts.

Program Costs for Guarantees increased by $93.8 million from $4.7 million for the year ended September 30, 2025, to $98.5 million for the year ended September 30, 2026. The change is mainly resulting from increases of $98.2 million in the reestimate and $18.4 million in program cost allowance amortization for guarantees.

Statements of Change in Net Position

Appropriations Received increased by $115.2 million from $157.5 million as of September 30, 2025, to $272.7 million as of September 30, 2026. The change is mainly due to the increase of $178.3 million in the appropriations received for upward reestimate. This is offset by the decreases of $48.1 million and $15.0 million for Administrative and Subsidy appropriations received, respectively, due to EXIM covering the full $145.0 million of appropriations for Administrative and Subsidy in FY 2026.

Appropriations Used increased by $177.7 million from $135.3 million as of September 30, 2025, to $313.0 million as of September 30, 2026. The change is mainly due to the increase in the upward reestimate appropriation used.

Offsetting Collections increased by $11.8 million from $99.3 million as of September 30, 2025, to $111.1 million as of September 30, 2026. The change is mainly due to an increase in the volume of transactions disbursed in FY 2026 compared to FY 2025.

Transfer Without Reimbursement decreased by $33.7 million from $61.3 million as of September 30, 2025, to $27.6 million as of September 30, 2026 due to a decrease in funds collected by EXIM from rescheduled loans and claims that were transferred to the U.S. Treasury.

Other Non-Entity Activity increased by $180.4 million from $250.2 million as of September 30, 2025, to $430.6 million as of September 30, 2026. This change is due to the increase in the FY 2026 portfolio downward reestimate results, compared to FY 2025, as well as $16.8 million in excess offsetting collections transferred to Treasury in FY 2026.

Statements of Budgetary Resources

Unobligated from Prior-Year Budget Authority, Net increased by $163.9 million from $163.7 million for the year ended September 30, 2025, to $327.6 million for the year ended September 30, 2026. The change is mainly due to the decrease in repayments of Treasury borrowings made from prior-year available balances.

Appropriations increased by $115.2 million from $157.5 million for the year ended September 30, 2025, to $272.7 million for the year ended September 30, 2026. The change is mainly due to the increase of $178.3 million in the appropriations received for upward reestimate offset by the decreases of $48.1 million and $15.0 million for Admin and Subsidy appropriations received, respectively, due to the EXIM covering the full appropriations for Admin and Subsidy in FY 2026.

Borrowing Authority increased by $14,416.1 million from $2,003.1 million for the year ended September 30, 2025, to $16,419.2 million for the year ended September 30, 2026. The increase is mainly the result of significantly more direct loan authorizations in FY 2026.

Spending Authority from Offsetting Collections increased by $930.0 million from $1,381.2 million for the year ended September 30, 2025, to $2,311.2 million for the year ended September 30, 2026. The change results from increases in spending authority collected in both non financing and credit-reform financing accounts of $251.1 million, as well as a decrease in current year spending authority applied to repay debt of $677.1 million.

New Obligations and Upward Adjustments increased by $14,845.4 million from $2,442.8 million for the year ended September 30, 2025, to $17,288.2 million for the year ended September 30, 2026. The increase is mainly resulting from a significant increase in loan authorizations for FY 2026.

Unobligated Balance - Apportioned, Unexpired, End of Year increased by $787.0 million from $1,221.9 million for the year ended September 30, 2025, to $2,008.9 million for the year ended September 30, 2026. In the credit-reform financing accounts the increase primarily resulted from budgetary resources available during FY 2026 exceeding new obligations and upward adjustments. Budgetary resources were primarily provided by $16,419.2 million in borrowing authority and $2,128.4 million in net spending authority from offsetting collections. These resources were partially offset by $16,876.0 million in new obligations and upward adjustments incurred, and $936.6 million in borrowing repayments.

Agency Outlays, Net increased by $88.0 million from a negative outlay of ($112.9) million for the year ended September 30, 2025, to a negative outlay of ($24.9) million for the year ended September 30, 2026. The change is due to the increases of $178.3 million in FY 2025 upward reestimate paid from the program fund in FY 2026 compared to the prior year as well as $13.0 million in positive subsidy paid. This is offset by the increases of $76.7 million in collections and $25.0 million in distributed offsetting receipts.

Disbursements, Net increased $1,620.1 million from net collections of $1,030.1 million for the year ended September 2025, to net disbursements of $590.0 million for the year ended September 30, 2026. This is mainly resulting from increases in loan disbursements of $1,776.7 million offset by an increase of actual offsetting collections of $170.9 million.

VI. SYSTEMS, CONTROLS, LEGAL COMPLIANCE

EXIM is a wholly owned government corporation, and, as such, is not required to comply with all aspects of OMB Circular A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*. As such, EXIM does not issue an annual assurance statement. According to the Government Corporation Control Act of 1945, EXIM is required to issue a Management Report on Financial Statement and Internal Accounting Controls, which evaluates the effectiveness of EXIM's internal controls. For the FY 2026 statement, see the correspondingly titled section "Management Report on Financial Statement and Internal Accounting Controls", below.

Internal Controls

An effective internal controls program helps EXIM safeguard government resources and ensure that EXIM efficiently and effectively fulfills its core mission and achieves strategic goals. In FY 2026, EXIM continued its efforts to increase and reinforce an internal controls program and internal control compliance by executing best practices aligned with relevant laws and regulations.

Enterprise Risk Management Activities

As a part of EXIM's Enterprise Risk Management (ERM) activities, EXIM conducted an agency-wide risk assessment, which was used to prepare EXIM's FY 2026 risk profile. This process consisted of meeting with risk owners to discuss mitigation strategies for EXIM's top risks and related measures to assess strategy effectiveness. Agency-wide communication regarding ERM and the recurring meetings for emerging risks continued to foster a risk management awareness culture.

Audit Coordination and Follow-Up Program

In implementing OMB Circular A-50, *Audit Follow-Up,* EXIM has established its audit coordination and follow-up activities. EXIM's policy is to fully cooperate with the OIG and GAO on audits of EXIM operations and programs, and ensure the efficient tracking, resolution, and implementation of agreed-upon audit recommendations contained in audit reports issued by the OIG and GAO. EXIM has dedicated staff to coordinate with OIG and GAO audit representatives in providing access to records and information needed to complete audits and ensure that management responses to draft reports are provided in a timely manner. To facilitate timely completion and closure of audit recommendations, staff regularly monitor corrective action plans, including periodic reporting of open recommendations to the head of agency. In FY 2026, EXIM fully remediated the Information Technology (IT) logical access control deficiency identified as a significant deficiency in Exhibit A of the Independent Auditors' Report on Internal Control Over Financial Reporting included in the FY 2025 Annual Management Report, more information is mentioned below.

Legal Compliance

EXIM is subject to the Antideficiency Act which prohibits federal agencies from obligating or expending funds in excess of, or in advance of, an available appropriation or apportionment. EXIM maintains funds control policies and procedures, including administrative controls over its apportionments and budgetary resources, to ensure that obligations and expenditures remain within available budget authority.

As previously mentioned, as a federal credit agency, EXIM accounts for its direct loan, loan guarantee, and export credit insurance programs in accordance with the Federal Credit Reform Act of 1990 (FCRA) and applicable OMB guidance. EXIM records the subsidy cost of its credit programs on a present-value basis, maintains program, financing, and liquidating accounts as required, and performs annual subsidy reestimates to reflect actual performance and updated assumptions. EXIM conducts its credit programs in compliance with FCRA and the requirements of OMB Circular A-11.

Financial Systems

EXIM's financial management system is a collection of automated commercial-off-the-shelf federal financial accounting software, and custom developed applications crafted around the unique requirements of EXIM's mission. In addition to the core transaction processing capabilities, state-of-the-market data and reporting capabilities and financial subsystems are part of the financial reporting and control process. FY 2026 saw continued improvements in financial systems security and continued modernization of financial processing workstreams. A long-term modernization strategy around various elements of the financial systems portfolio is being executed. Current year activity included the integration of a new government wide travel management system improving controls, payment processing, and efficiency of travel financial processing. On the infrastructure and cyber security side EXIM completed further moves of financial systems infrastructure to secure and resilient cloud providers as well as carrying out exercises involving the recovery of capabilities from critical infrastructure failures. Substantial, detailed reviews of controls in the underlying infrastructure that supports the financial systems were also a focus in FY 2026 to address findings from the FY 2025 audit.

Management Report on Financial Statement and Internal Accounting Controls

November 16, 2026

Export-Import Bank (EXIM) management is responsible for establishing and maintaining effective internal controls over the content and integrity of the financial management system, the financial data included in EXIM's annual management report and for ascertaining that this data fairly presents EXIM's financial position and results of operations.

EXIM maintains a system of internal accounting controls, policies, and procedures designed to provide reasonable assurance, at reasonable cost, that obligations and costs are in compliance with applicable law, funds, property, and other assets are safeguarded against waste, loss, unauthorized use, or misappropriation and that transactions are processed and properly recorded and accounted for in accordance with management's authorization, and that the financial statements are accurately prepared in accordance with applicable laws and regulations. EXIM believes that its system of internal accounting controls over financial reporting appropriately balances the cost-benefit relationship.

EXIM conducted an assessment of the design, implementation, and effectiveness of its internal controls over its financial reporting. Based on the results of the assessment, EXIM can provide reasonable assurance that its internal controls over financial reporting were properly designed and implemented and operated effectively in the fiscal year ended September 30, 2026.

As a government corporation, required to submit an Annual Management Report, under Chapter 91 of title 31, United States Code, EXIM has selected the standards promulgated by Federal Accounting Standards Advisory Board (FASAB) for the preparation and fair presentation of EXIM's financial statements in accordance with generally accepted accounting principles applicable to federal agencies (U.S. GAAP). As explained in more detail in the notes to the financial statements, the financial statements recognize the impact of credit-reform legislation on the Bank's commitments. Other financial information related to the Bank included elsewhere in the report is presented on a basis consistent with the financial statements.

EXIM's operations fall under the provisions of the Federal Credit Reform Act of 1990. This law provides that credit subsidy calculations must be performed on a present-value basis for all new loan, guarantee, and insurance commitments, and the resulting cost, if any, must be covered by budget authority provided by Congress. Credits may not be approved if sufficient budget authority is not available.

As required by the Federal Information Security Management Act (FISMA), the Bank develops, documents, and implements an agency-wide program to provide information privacy and security (management, operational, and technical security controls) for the information and information systems that support EXIM's operations and assets, including those provided or managed by another agency, contractor, or other source.

EXIM's financial statements were audited by independent accountants and their opinion on the fair presentation of the financial statements can be found in this report after notes to the financial statements.

Export-Import Bank of the United States

John Jovanovic
President and Chairman of EXIM Board of Directors

Export-Import Bank of the United States

Ravi Singh
Senior Vice President and Chief Financial Officer

Financial Statements

BALANCE SHEETS

(in millions)	As of September 30, 2026	As of September 30, 2025
ASSETS		
Intragovernmental		
Fund Balance with Treasury (Note 2)	$ 3,942.5	$ 3,215.9
Total Assets - Intragovernmental	**3,942.5**	**3,215.9**
Public		
Loans Receivable, Net		
Direct Loans Receivable, Net (Note 3A)	*6,337.6*	*5,204.0*
Receivables from Subrogated Claims, Net (Note 3E)	*788.7*	*1,002.4*
Total Loans Receivable, Net	7,126.3	6,206.4
Accounts Receivable	10.8	14.8
Total Assets - Public	**7,137.1**	**6,221.2**
Total Assets	**$ 11,079.6**	**$ 9,437.1**
LIABILITIES		
Intragovernmental		
Debt (Note 7)	$ 10,559.5	$ 9,235.8
Other Liabilities		
Accounts Payable to the U.S. Treasury (Note 6)	*445.8*	*291.0*
Benefit Program Contributions Payable (Note 8)	*0.9*	*0.5*
Other Liabilities (Note 8)	*0.2*	*0.1*
Total Other Liabilities	446.9	291.6
Total Liabilities - Intragovernmental	**11,006.4**	**9,527.4**
Public		
Federal Debt and Interest Payable (Note 7)	31.6	115.9
Accounts Payable	7.3	7.2
Loan Guarantee Liabilities (Note 3G)	238.3	149.5
Federal Employee Salary, Leave, and Benefits Payable	6.6	7.3
Other Liabilities		
Advances from Others and Deferred Revenue (Note 8)	*153.1*	*83.3*
Other Liabilities (Note 8)	*4.2*	*17.0*
Total Other Liabilities	157.3	100.3
Total Liabilities - Public	**441.1**	**380.2**
Total Liabilities	**$ 11,447.5**	**$ 9,907.6**
NET POSITION		
Unexpended Appropriations	$ 83.1	$ 130.4
Cumulative Results of Operations	(451.0)	(600.9)
Total Net Position	**(367.9)**	**(470.5)**
Total Liabilities and Net Position	**$ 11,079.6**	**$ 9,437.1**

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF NET COSTS

(in millions)	For the Year Ended September 30, 2026	For the Year Ended September 30, 2025
Loans		
Program Costs	$ 202.1	$ 572.3
Less: Earned Revenue	(473.8)	(529.3)
Net Cost of Loans	**$ (271.7)**	**$ 43.0**
Guarantees		
Program Costs	$ 98.5	$ 4.7
Less: Earned Revenue	(144.0)	(132.9)
Net Cost of Guarantees	**$ (45.5)**	**$ (128.2)**
Insurance		
Program Costs	$ 1.1	$ 4.9
Less: Earned Revenue	(9.3)	(10.3)
Net Cost of Insurance	**$ (8.2)**	**$ (5.4)**
Net Excess Program (Revenue) over Cost	**$ (325.4)**	**$ (90.6)**
Administrative Costs (Note 3K)		
Administrative Costs	$ 154.2	$ 157.0
Less: Administrative Expenses Reimbursed	(0.7)	(0.5)
Net Administrative Costs	**$ 153.5**	**$ 156.5**
Net (Revenue) from/Cost of Operations	**$ (171.9)**	**$ 65.9**

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN NET POSITION

(in millions)	For the Year Ended September 30, 2026 Unexpended Appropriations	Cumulative Results of Operations	Total
Beginning Balance	$ 130.4	$ (600.9)	**$ (470.5)**
Appropriations Received - IG	8.9	-	**8.9**
Appropriations Received - Reestimate	263.8	-	**263.8**
Appropriations Used	(313.0)	313.0	**-**
Offsetting Collections	-	111.1	**111.1**
Transfer Without Reimbursement	-	(27.6)	**(27.6)**
Other Adjustments	(7.0)	5.7	**(1.3)**
Imputed Financing	-	6.4	**6.4**
Other Non-Entity Activity	-	(430.6)	**(430.6)**
Total Financing Sources	**(47.3)**	**(22.0)**	**(69.3)**
Net (Revenue) from Operations	**-**	**(171.9)**	**(171.9)**
Net Change	**(47.3)**	**149.9**	**102.6**
Ending Balance	**$ 83.1**	**$ (451.0)**	**$ (367.9)**

(in millions)	For the Year Ended September 30, 2025 Unexpended Appropriations	Cumulative Results of Operations	Total
Beginning Balance	$ 116.7	$ (470.0)	$ (353.3)
Appropriations Received - Admin	48.1	-	48.1
Appropriations Received - IG	8.9	-	8.9
Appropriations Received - Reestimate	85.5	-	85.5
Appropriations Received - Subsidy	15.0	-	15.0
Appropriations Used	(135.3)	135.3	-
Offsetting Collections	-	99.3	99.3
Transfer Without Reimbursement	-	(61.3)	(61.3)
Other Adjustments	(8.5)	3.9	(4.6)
Imputed Financing	-	8.0	8.0
Other Non-Entity Activity	-	(250.2)	(250.2)
Total Financing Sources	**13.7**	**(65.0)**	**(51.3)**
Net Cost of Operations	**-**	**65.9**	**65.9**
Net Change	**13.7**	**(130.9)**	**(117.2)**
Ending Balance	**$ 130.4**	**$ (600.9)**	**$ (470.5)**

The accompanying notes are an integral part of the financial statements.

COMBINED STATEMENTS OF BUDGETARY RESOURCES

(in millions)	Program Account	Non-Budgetary Credit Reform Financing Account	Total
	For the Year Ended September 30, 2026		
Budgetary Resources			
Unobligated from Prior-Year Budget Authority, Net (Discretionary and Mandatory)	$ 130.1	$ 197.5	$ 327.6
Appropriations (Discretionary and Mandatory)	272.7	-	272.7
Borrowing Authority (Discretionary and Mandatory)	-	16,419.2	16,419.2
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	182.8	2,128.4	2,311.2
Total Budgetary Resources (Note 11)	**$ 585.6**	**$ 18,745.1**	**$ 19,330.7**
Status of Budgetary Resources			
New Obligations and Upward Adjustments (Total)	$ 412.2	$ 16,876.0	$ 17,288.2
Unobligated Balance, End of Year:			
Apportioned, Unexpired, End of Year	139.8	1,869.1	2,008.9
Expired Unobligated Balance, End of Year	33.6	-	33.6
Unobligated Balance, End of Year (Total) (Note 11)	173.4	1,869.1	2,042.5
Total Status of Budgetary Resources	**$ 585.6**	**$ 18,745.1**	**$ 19,330.7**
Outlays, Net			
Outlays, Net (Total) (Discretionary and Mandatory)	$ 242.1		$ 242.1
Distributed Offsetting Receipts (-)	(267.0)		(267.0)
Agency Outlays, Net (Discretionary And Mandatory)	**$ (24.9)**		**$ (24.9)**
Disbursement, Net (Total) (Mandatory)		**$ 590.0**	**$ 590.0**

(in millions)	Program Account	Non-Budgetary Credit Reform Financing Account	Total
	For the Year Ended September 30, 2025		
Budgetary Resources			
Unobligated from Prior-Year Budget Authority, Net (Discretionary and Mandatory)	$ 133.5	$ 30.2	$ 163.7
Appropriations (Discretionary and Mandatory)	157.5	-	157.5
Borrowing Authority (Discretionary and Mandatory)	-	2,003.1	2,003.1
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	102.6	1,278.6	1,381.2
Total Budgetary Resources (Note 11)	**$ 393.6**	**$ 3,311.9**	**$ 3,705.5**
Status of Budgetary Resources			
New Obligations and Upward Adjustments (Total)	$ 261.2	$ 2,181.6	$ 2,442.8
Unobligated Balance, End of Year:			
Apportioned, Unexpired, End of Year	91.6	1,130.3	1,221.9
Unapportioned Unexpired Accounts	-	-	-
Unexpired, Unobligated Balance, End of Year	91.6	1,130.3	1,221.9
Expired Unobligated Balance, End of Year	40.8	-	40.8
Unobligated Balance, End of Year (Total) (Note 11)	132.4	1,130.3	1,262.7
Total Status of Budgetary Resources	**$ 393.6**	**$ 3,311.9**	**$ 3,705.5**
Outlays, Net			
Outlays, Net (Total) (Discretionary and Mandatory)	$ 129.1		$ 129.1
Distributed Offsetting Receipts (-)	(242.0)		(242.0)
Agency Outlays, Net (Discretionary And Mandatory)	**$ (112.9)**		**$ (112.9)**
Disbursement, Net (Total) (Mandatory)		**$ (1,030.1)**	**$ (1,030.1)**

The accompanying notes are an integral part of the financial statements.

Notes to the Financial Statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING AND REPORTING POLICIES

Enabling Legislation and Mission

The Export-Import Bank of the United States (EXIM) is an independent agency and a wholly owned U.S. government corporation that was first organized as a District of Columbia banking corporation in 1934. Over its history, EXIM has provided a variety of financing tools to empower American exporters and helped bring multiple historic international projects, including the Marshall Plan, the Burma Road, the Pan American Highway, and the Panama Canal, into reality.

EXIM is the official export credit agency of the United States. In accordance with its Charter (12 USC 635 et seq.), continuation of EXIM's functions in furtherance of its objectives and purposes is subject to periodic extensions granted by Congress. In December 2019, The Export-Import Bank Extension (P.L.116-94, Div. I, Title IV) fully reauthorized EXIM through December 31, 2026. If EXIM's Charter is not extended, or a new Charter is not approved before December 31, 2026, EXIM will lapse authority to approve new credits; however, under the terms of its Charter, EXIM will continue to service existing loans, guarantees, and insurance policies.

The mission of EXIM is to support U.S. exports by providing export financing through its direct loan, loan guarantee, and export credit insurance programs in cases where the private sector is unable or unwilling to provide financing or where such support is necessary to level the playing field due to financing provided by foreign governments to their exporters that are in competition for export sales with U.S. exporters. EXIM's Charter requires reasonable assurance of repayment for the transactions EXIM authorizes, and EXIM closely manages credit and other risks in its portfolio. In pursuit of its mission of supporting U.S. exports, EXIM offers three main financial products: loan guarantees, direct loans, and export credit insurance. All EXIM obligations carry the full faith and credit of the U.S. government.

EXIM Programs

Loans and guarantees extended under the medium-term credit program typically have repayment terms of one to seven years, while loans and guarantees extended under the long-term credit program usually have repayment terms in excess of seven years. For medium- and long-term transactions, EXIM requires the buyer to pay 15 percent of the value of the export contract. EXIM finances the lesser of 85 percent of eligible goods/services or 100 percent of the U.S content. Under the Working Capital Guarantees, an offering under the loan guarantee program, EXIM provides repayment guarantees to lenders on secured, short-term working capital loans made to qualified exporters. The working capital guarantee may be approved for a single loan or a revolving line of credit. EXIM's working capital guarantee protects the lender from default by the exporter for 90 percent of the loan principal and interest.

EXIM's export credit insurance policies help U.S. exporters sell their goods overseas by protecting them against the risk of foreign-buyer or other foreign-debtor default for political or commercial reasons, allowing them to extend credit to their international customers. Insurance policies may apply to shipments to one buyer or many buyers, insure comprehensive (commercial and political) credit risks or only political risks, and cover short-term or medium-term export sales.

Basis of Accounting

EXIM reports under generally accepted accounting principles (GAAP) in the United States. GAAP for federal entities are the standards and other authoritative pronouncements prescribed by the Federal Accounting Standards Advisory Board (FASAB). EXIM follows Office of Management and Budget (OMB) Circular A-136, *Financial Reporting Requirements*, revised as of May 29, 2026, when preparing the financial statements and footnotes.

EXIM's Balance Sheets, Statements of Net Cost, and Statements of Changes in Net Position are prepared using the accrual basis of accounting. This basis requires recognition of the financial effects of transactions, events, and circumstances in the periods when those transactions, events, and circumstances occur, regardless of when cash is received or paid. EXIM also uses budgetary accounting to facilitate compliance with legal constraints and to track its budget authority at the various stages of execution. The Statements of Budgetary Resources are presented on a combined basis and are prepared using budgetary accounting methods.

EXIM is a component of the U.S government. For this reason, some of the assets and liabilities reported by EXIM may be eliminated for government-wide reporting because they are offset by assets and liabilities of another U.S. government entity. These financial statements should be read with the realization that they are for a component of the U.S. government, a sovereign entity.

EXIM as a reporting entity has no additional organizations that are consolidated in its financial statements; however, it does have a related party relationship with the Private Export Funding Corporation (PEFCO). EXIM's financial statements reflect the results of agreements with PEFCO, which is owned by a consortium of private-sector banks, industrial companies, and financial-services institutions. Please refer to Footnote 14. Related-Party Transactions for more information.

Budgetary Terms

The purpose of Federal budgetary accounting is to control, monitor, and report on funds made available to Federal agencies by law and help ensure compliance with the law. The following budget terms, as defined by OMB Circular A-11 *Preparation, Submission, and Execution of the Budget*, are commonly used:

Appropriation: a provision of law (not necessarily in an appropriations act) authorizing the expenditure of funds for a given purpose. Usually, but not always, an appropriation provides budget authority.

Budgetary Resources: amounts available to incur obligations in a given year. Budgetary resources consist of new budget authority and unobligated balances of budget authority provided in previous years.

Obligation: a binding agreement that will result in outlays, immediately or in the future. Budgetary resources must be available before obligations can be incurred legally.

Offsetting Collections: 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. Usually, offsetting collections are authorized to be spent for the purpose of the account without further action by Congress. They usually result from business-like transactions with the public, including payments from the public in exchange for goods and services, reimbursements for damages, and gifts or donations of money to the Government and from intragovernmental transactions with other Government accounts. The authority to spend offsetting collections is a form of budget authority.

Outlay: a payment to liquidate an obligation (other than the repayment of debt principal or other disbursements that are "means of financing" transactions). Outlays generally are equal to cash disbursements but are also recorded for cash-equivalent transactions, such as issuance of debentures to pay insurance claims, and in a few cases are recorded on an accrual bases such as interest on public issues of public debt. Outlays are a measure of Government spending.

For further information about budget terms and concepts, see the "Budget Concepts" chapter of the *Analytical Perspective* volume of the President's Budget[10].

Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and net position and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and costs during the reporting period. The most significant of these estimates are the allowances for losses on loans receivable, subrogated claims receivable, and guarantees, and insurance. EXIM uses its historical default and recovery experience to calculate loss estimates. Actual results may differ from those estimates.

Fund Balance with Treasury (FBWT)

Cash balances are held by U.S. Treasury on behalf of EXIM to make expenditures, pay liabilities, and disburse funds for loan obligations. Fund balances at the U.S. Treasury include expired year amounts, which are unavailable for new obligation, as well as amounts currently available for new obligations.

FBWT is an asset of EXIM and a liability of the U.S. Treasury General Fund. The amounts represent commitments by the government to provide resources for particular programs, but they do not represent net assets to the government as a whole. When EXIM seeks to use FBWT to liquidate budgetary obligations, the U.S. Treasury will finance the disbursements in the same way it finances all other disbursements, which is to borrow from the public if there is a budget deficit (and to use current receipts if there is a budget surplus).

[10] https://www.whitehouse.gov/omb/budget/analytical-perspectives/

Direct Loans Receivable, Net

Loan obligations are carried at principal, interest, and fees receivable amounts less an allowance for credit losses. From time to time, EXIM restructures financial terms because the obligor or country has encountered financial difficulty, and EXIM has determined that providing relief in this manner will enhance the ability to collect the loan.

Receivables from Subrogated Claims, Net

Receivables from subrogated claims represent the outstanding balance of payments that were made on claims that were submitted to EXIM in its capacity as guarantor or insurer under EXIM's loan guarantee or export credit insurance programs. Receivables from subrogated claims are carried at principal and interest receivable amounts less an allowance for claim losses, and foreclosed properties, if any. Under the subrogation clauses in its guarantee and insurance contracts, EXIM receives all rights, title, and interest in all amounts relating to claims paid under insurance policies and guarantees and therefore establishes an asset to reflect such rights.

Accrued Interest

Interest is accrued on direct loans and rescheduled claims as it is earned. Generally, loans and rescheduled claims receivable delinquent 90 days or more, and with a certain risk rating, are placed on a nonaccrual status unless they are well-secured and significant collections have been received. At the time that a loan or rescheduled claim is placed on nonaccrual status, any accrued but unpaid interest previously recorded is reversed against current-period interest income. The interest on these credits is accounted for on a cash basis until qualifying for return to accrual status. Generally, these credits are returned to accrual status when all principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Accounting for Capitalized Interest on Rescheduled Loans and Subrogated Claims

Rescheduling agreements frequently allow for EXIM to add uncollected interest to the principal balance of rescheduled loans and subrogated claims receivable (i.e., capitalized interest). When capitalized, any accrued interest receivable is reversed against the current period's interest income. The amount of interest that was capitalized and included in the principal balance is recorded as income when cash collections occur and only after all principal not related to the capitalized interest is paid. An allowance is established for all uncollected capitalized interest.

Allowance for Losses on Loans, and Guaranteed Loan Liabilities

The allowance for losses on loans and liabilities for guaranteed loans provides for estimated losses inherent in the loan, claim, guarantee, and insurance portfolios. The allowance and liabilities are established through a provision charged to earnings. Write-offs are charged against the allowance when management believes a loan or claim balance is uncollectible. Subsequent recoveries, if any, are credited to the allowance.

The allowance and liabilities are evaluated on a regular basis by management and is based upon management's periodic review of the collectability of the credits considering historical and market experience, the nature and volume of the credit portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing worldwide economic and political conditions. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

The allowance and liabilities for EXIM's credit-reform credits represent the amount of estimated credit loss associated with the applicable credit. The credit loss is defined as the net present value of estimated loan, guarantee, and insurance defaults less subsequent estimated recoveries. EXIM has established cash-flow models for expected defaults, fees, and recoveries to estimate the credit loss for each approved credit. EXIM uses recent historical loss experience and other factors in developing the expected loss factors.

The net credit loss of credit-reform loans, guarantees, and insurance is reestimated annually in accordance with OMB guidelines and Statement of Federal Financial Accounting Standards (SFFAS) 2, *Accounting for Direct Loans and Loan Guarantees,* SFFAS 18, *Amendments to Accounting Standards for Direct Loans and Loan Guarantees,* and SFFAS 19, *Technical Amendments to Accounting Standards for Direct Loans and Loan Guarantees in SFFAS 2*. The reestimates adjust the allowance for credit losses to account for actual activity and changes in the financial and economic factors that affect the repayment prospects over time.

Accounting for Guarantees in a Foreign Currency

At the time of authorization, EXIM records the authorization amount as the U.S. dollar equivalent of the foreign-currency obligation based on the exchange rate at that time. At the end of each fiscal year, EXIM determines the dollar equivalent of the outstanding balance for each foreign-currency guarantee based on the exchange rate at the end of the year and adjusts the loan guarantee liability accordingly.

Borrowings from the U.S. Treasury - Intragovernmental Debt

EXIM's main source of debt is borrowings from the U.S. Treasury, reflected as intragovernmental Debt on the Balance Sheet. Borrowings from the U.S. Treasury are used to finance credit programs. These borrowings carry a fixed rate of interest.

Accounts Payable to the U.S. Treasury - Intragovernmental Other Liabilities

Accounts Payable to the U.S. Treasury, a section of intragovernmental Other Liabilities in the Balance Sheet, are liabilities to the General Fund of the U.S. Government and include the results of the reestimate of the portfolio's expected losses as required under the Federal Credit Reform Act of 1990 (FCRA). The payable represents funds that are held in credit-reform financing accounts that are determined to be in excess of amounts needed to cover future defaults. The payable also includes expired budget authority no longer available for obligation that will be returned to the U.S. Treasury.

Payment Certificates – Federal Debt and Interest Payable, Public

Payment certificates, reflected on the Balance Sheet as Federal Debt and Interest Payable represent EXIM's outstanding liability related to specific claims for which EXIM is paying the guaranteed lender as the guaranteed installments become due. Payment certificates are issued by EXIM in exchange for the foreign importer's defaulted note which was guaranteed by EXIM. Payment certificates carry the same repayment terms and interest rate as the guaranteed foreign importer's note. Payment certificates are backed by the full faith and credit of the U.S. Government and are freely transferable.

Fees and Premia

EXIM charges a risk-related exposure fee under both the loan and guarantee programs that is collected on each loan disbursement or shipment of goods under the guaranteed loan policy. This fee is amortized over the life of the credit. On working capital guarantees, EXIM charges an up-front facility fee, which, due to the short-term nature of the contracts, is credited to income as collected. Premia charged under insurance policies are recognized as income using a method that generally reflects the exposure over the term of the policy.

Appropriated Capital

Beginning in FY 2008, fees collected in excess of expected credit losses are used to reimburse the U.S. Treasury for appropriations provided for program and administrative costs. Appropriations received, if any, are returned to the U.S. Treasury when the period of availability ends.

Congress has appropriated certain sums specifically for EXIM's tied-aid activities. Tied aid is government-to-government concessional financing of public-sector capital projects in developing countries. Tied-aid terms usually involve total maturities longer than 20 years, lower than market interest rates and/or direct grants.

Capital Stock

Capital stock, reflected on the Balance Sheet as part of Total Cumulative Results of Operations, represents the value of stock held by the U.S. government, related to EXIM's incorporation as a U.S. government corporation.

Imputed Financing

A financing source is imputed by EXIM to provide for pension and other retirement benefit expenses recognized by EXIM in the Statements of Net Cost but financed by the Office of Personnel Management (OPM). EXIM follows annually updated OPM guidance when calculating the imputed cost (OPM Benefits Administration Letter, Number 25-304 dated December 2024).

Liquidating Account Distribution of Income

EXIM maintains a liquidating account which accumulates the repayment on loans and claims issued prior to the FCRA. At the end of each fiscal year, EXIM transfers the cash balance in this account to the U.S. Treasury.

Income Taxes

As an agency of the federal government, EXIM is generally exempt from all income taxes imposed by any governing body, whether it be a federal, state, commonwealth, local, or foreign government.

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.

2. FUND BALANCE WITH TREASURY

The status of balance as of September 30, 2026, and September 30, 2025, were as follows:

(in millions)	FY 2026	FY 2025
Status of Fund Balance with the U.S. Treasury		
Unobligated Balance	$ 2,042.5	$ 1,262.7
Obligated Balance Not Yet Disbursed	1,900.0	1,953.2
Total	**$ 3,942.5**	**$ 3,215.9**

The Fund Balance with Treasury is the amount held in EXIM's account with Treasury and is available for use by EXIM. The status of these funds is either unobligated or obligated.

Unobligated balances are made up of both available and expired funds. Unobligated available funds represent unexpired appropriations and offsetting collections, and funds held in credit-reform financing accounts not yet obligated. Unobligated expired funds represent appropriations and offsetting collections that are no longer available for new obligations. These expired funds are eventually canceled and sent to the U.S. Treasury in subsequent years.

Obligated balance not yet disbursed represents appropriations, offsetting collections, and funds held in the loan financing account awaiting disbursement.

3. DIRECT LOAN, LOAN GUARANTEES, AND EXPORT-CREDIT INSURANCE PROGRAMS, NONFEDERAL BORROWERS

EXIM offers fixed-rate loans directly to foreign buyers of U.S. goods and services. EXIM extends to a company's foreign customer a fixed-rate loan covering up to 85 percent of the U.S. contract value. The buyer must make a cash payment to the U.S. exporter of at least 15 percent of the U.S. contract value. EXIM's direct loans generally carry the fixed-interest rate permitted for the importing country and term under the "Arrangement on Guidelines for Officially Supported Export Credits" negotiated among members of the Organization for Economic Co-operation and Development (OECD).

EXIM loan guarantees cover the repayment risks on the foreign buyer's debt obligations incurred to purchase U.S. exports. EXIM guarantees to a lender that, in the event of a payment default by the borrower, it will pay to the lender the outstanding principal and interest on the loan. EXIM's guarantee covers the commercial and political risks for 85 percent of the U.S. contract value.

EXIM's export-credit insurance helps U.S. exporters sell their goods overseas by protecting them against the risk of foreign-buyer or other foreign-debtor default for political or commercial reasons, allowing them to extend credit to their international customers. Insurance policies may apply to shipments to one buyer or many buyers, insure comprehensive (commercial and political) credit risks or only political risks, and cover short-term or medium-term sales.

Federal Credit Reform Act of 1990

The primary purpose of the FCRA is to measure more accurately the cost of federal credit programs and to place the cost of such credit programs on a basis equivalent with other federal spending.

As part of the FCRA, OMB established the Interagency Country Risk Assessment System (ICRAS) to provide a framework for uniformly measuring country risk for the U.S. government's international credit programs across the various agencies that administer them. The ICRAS methodology determines the risk levels for lending to both sovereign governments and nonsovereign borrowers.

ICRAS rates every country to which U.S. government agencies have outstanding loans or loan guarantees or are anticipating making new credits available. ICRAS rates countries based on economic and political/social variables. There are 11 sovereign and 9 nonsovereign risk categories, and each country receives two ratings: a sovereign-risk rating and a private-risk rating. ICRAS currently has risk ratings for 206 sovereign and 208 nonsovereign markets.

FY 2026 and FY 2025 Activity

Beginning in FY 2008, fees collected in excess of expected credit losses (offsetting collections) are used to cover, to the extent possible, EXIM's administrative costs and credit program needs for providing new direct loans and guarantees.

In FY 2026 EXIM was fully self-financing. EXIM's program revenue (i.e., in a given year, fee and interest collections from transactions that exceed the reserve requirements on those transactions) was retained as offsetting collections and used to offset the cost of new obligations in the fiscal year, including prudent reserves to cover future losses as well as administrative costs. Administrative costs are EXIM's costs to administer, service, and report on its entire credit portfolio.

EXIM fully repaid the $125.0 million administrative program appropriation warrant received in FY 2026 and $76.9 million of the $125.0 million administrative program appropriation warrant received in FY 2025.

Subsidy program costs are obligated to cover the estimated subsidy costs at the time loans, guarantees, and insurance are committed. As the loans disburse, or when the insured or guaranteed event has taken place (generally when the related goods are shipped), the obligated amounts are used to cover the estimated subsidy costs related to the disbursements. The portion of the obligated amounts related to EXIM's lending programs is used to partially fund the loan disbursements, while the portions related to EXIM's guarantee and insurance programs are invested in an interest-bearing account with the U.S. Treasury. Prior to loan disbursement or the insured or guaranteed event, all the appropriated funds and offsetting collections are held in a non-interest-bearing U.S. Treasury account.

In FY 2026, EXIM received a $20.0 million subsidy program budget appropriation for the cost of direct loans, loan guarantees, and insurance, which will be available to obligate until September 30, 2029. This subsidy program appropriations was fully covered by offsetting collections and repaid to the U.S. Treasury. In FY 2025, EXIM received a $15.0 million subsidy program budget appropriation, which remains available to obligate until September 30, 2028.

The Office of Inspector General (OIG) received $8.9 million in appropriated funds in both FY 2026 and FY 2025 for administrative costs related to OIG's mission.

Allowances for Losses

The process by which EXIM determines its allowances for losses for each fiscal year involves assessing the repayment risk of the credit, which includes both commercial and political risk factors, then calculating the loss reserve based on the percentage of loss associated with the risk level assigned to the credit.

Sovereign risk is associated with an obligor that conveys the full faith and credit of its country. To rate sovereign obligors, EXIM relies on the risk levels assigned to sovereign countries by ICRAS. Nonsovereign obligors are divided into four categories for risk assessment purpose: (1) obligors in workout status; (2) obligors rated by third-party rating agencies, such as, Standard & Poor's and Moody's; (3) obligors not rated but publicly traded on local exchanges; and (4) obligors neither rated nor publicly traded on local exchanges.

After the political and commercial risks of the transaction are assessed, the transaction is assigned a risk rating based on the standard ICRAS classification. A major determinant of the risk rating is the sovereign-risk rating of the country in which the obligor is located. Credit enhancements such as the availability of liens and offshore escrow accounts are considered.

For pre-credit-reform and non-impaired loans receivable, EXIM determines the allowance using historical default and recovery rates. The allowance for losses on this exposure is calculated using the credit loss estimate method. This is an estimate of the loss expected due to credit risk and does not include non-credit factors.

Loss reserves on pre-FCRA impaired credits are determined using OMB rates. Impaired credits are generally defined as those transactions risk rated from budget cost level (BCL) 9 to 11, or on the verge of impairment due to political, commercial, operational, and/or technical events or unforeseeable circumstances that have affected the borrower's ability to service repayment of EXIM credits.

The allowance for losses for post FCRA loans, guarantees, and insurance are determined by the credit loss calculated at authorization and subsequent adjustments made to the allowance as a result of the annual reestimate.

Reestimate on Portfolio Expected Losses

The estimated credit loss of the outstanding balance of loans, guarantees, and insurance is reestimated annually. This reestimate indicates the appropriate balance necessary in the financing accounts to ensure sufficient funds to pay future estimated claims and cover estimated losses.

EXIM uses recent historical loss experience and other factors, such as global macroeconomic environment and minimum loss rates, in developing the expected loss factors. In the event that the balance in the financing accounts exceeds the reestimate level, the difference will not be needed to cover future estimated claims and will be returned to the U.S. Treasury. When the balance in the financing accounts is less than the reestimate level, FCRA provides that the difference will be transferred to EXIM from a general appropriation account authorized for this purpose.
Every year, EXIM re-evaluates its methods for calculating the reserves needed to cover expected losses. EXIM uses historical experience to estimate the probability of default as well as the loss given default. The probability of default (PD) is the likelihood that a transaction would go into default while

the loss given default (LGD) gives the estimated loss, net of recoveries and expenses, if a default were to occur. Multiplying PD times LGD provides expected loss factors across programs and budget cost level (BCL) categories. EXIM uses recent historical loss experience and other factors in developing the expected loss factors.

EXIM incorporates a quantitative and qualitative framework to calculate loss reserves. A subset of the qualitative factors are built into the quantitative framework. The quantitative framework includes factors such as loss curves for sovereign-guaranteed transactions and for asset-backed aircraft transactions. In line with industry best practices, EXIM incorporated qualitative factors that look at global macroeconomic environment and set minimum loss rates. Those not built into the quantitative framework look at minimum levels of expected losses, the global macroeconomic environment. This framework has continuously evolved and been refined over the years.

As of September 30, 2026, the credit loss reestimate for FY 1992 through FY 2026 indicated that there was a net excess of $296.2 million of funds in the financing accounts. The transfer of the net downward reestimate to the U.S. Treasury will take place in FY 2027.

As of September 30, 2025, the credit loss reestimate for FY 1992 through FY 2025 indicated that a net of $13.6 million of additional funds were needed in the financing accounts. The transfer of the net upward reestimate from the U.S. Treasury took place in FY 2026.

A. Direct Loans

EXIM's loans receivable, as shown on the Balance Sheet, are net of an allowance for loan losses. The value of assets related to direct loans is not comparable to expected proceeds from the sale of the loans.

EXIM calculates the allowance for loan losses for direct loans obligated prior to FY 1992, by identifying each of the 11 BCL risk levels with a loss percentage to determine the overall allowance for credit losses as described above. Certain credits and capitalized interest included in gross loans receivable are reserved at 100 percent.

The allowance for loss calculated for direct loans obligated since the beginning of FY 1992 equals the amount of credit loss incurred to support the loan obligation. This credit loss is the amount of loss estimated to be incurred on the transaction, as previously described in this footnote. At September 30, 2026 and September 30, 2025, the allowance for loan losses on credit-reform credits equaled 15.6 percent and 20.6 percent, respectively, of the related outstanding loans and interest receivable balance.

At September 30, 2026 and September 30, 2025, the allowance for both pre-credit-reform and credit-reform loans equaled 17.4 percent and 22.4 percent, respectively, of the total loans and interest receivable.

The outstanding balances related to rescheduled installments included in loans receivable at September 30, 2026 and September 30, 2025 were $194.9 million and $79.6 million, respectively.

Interest and fees receivable are presented in gross amount, and the corresponding allowance is presented under allowance for loan losses. The net balance of loans receivable at September 30, 2026 and September 30, 2025, consists of the following:

FY 2026 (in millions)	Loans Receivable, Gross	Interest and Fee Receivable	Allowance for Loan Losses	Direct Loans, Net
Loans Obligated Prior to FY 1992	$ 87.9	$ 69.5	$ (157.3)	$ 0.1
Loans Obligated After FY 1991	7,355.6	156.3	(1,174.4)	6,337.5
Total	**$ 7,443.5**	**$ 225.8**	**$ (1,331.7)**	**$ 6,337.6**

FY 2025 (in millions)	Loans Receivable, Gross	Interest and Fee Receivable	Allowance for Loan Losses	Direct Loans, Net
Loans Obligated Prior to FY 1992	$ 87.9	$ 65.6	$ (153.4)	$ 0.1
Loans Obligated After FY 1991	6,410.8	145.6	(1,352.5)	5,203.9
Total	**$ 6,498.7**	**$ 211.2**	**$ (1,505.9)**	**$ 5,204.0**

(in millions)	FY 2026	FY 2025
Direct Loans Disbursed During Year (Post-1991)	$ 1,973.3	$ 109.5

B. Program Cost and Reestimate Expense for Direct Loans by Component

The table below discloses the interest, defaults, fees, and reestimate amounts associated with program cost disbursed in the current fiscal year on loan authorizations made in the current and prior fiscal years. The table also includes the current year's loss reestimate.

(in millions)	FY 2026	FY 2025
Interest	$ (29.1)	$ (6.5)
Defaults	53.7	5.3
Fees and Other Collections	(74.4)	(11.4)
Total Program Cost	**(49.8)**	**(12.6)**
Net Reestimate - Principal	(261.9)	97.0
Net Reestimate - Interest	4.1	50.2
Total Net Reestimate	**(257.8)**	**147.2**
Total Direct Loan Program Cost and Reestimate Expense	**$ (307.6)**	**$ 134.6**

The Interest Rate Reestimate was zero for FY 2026 and $0.3 million for FY 2025.

C. Program Cost Rates for Direct Loans by Program and Component

The program cost rates disclosed below relate to the percentage of program costs on loan authorizations made in the reporting fiscal year. Because these rates only pertain to authorizations from the current reporting fiscal year, they cannot be applied to loan disbursements in the reporting fiscal year to yield the program cost because current-year disbursements may be on loans authorized in both current and prior years.

	FY 2026	FY 2025
Interest	(2.1)%	(2.8)%
Defaults	3.4 %	5.3 %
Fees and Other Collections	(3.4)%	(6.9)%
Total	**(2.1)%**	**(4.4)%**

D. Schedule for Reconciling Direct Loan Allowance Balances

The table below discloses the components of the direct-loan allowance for credit-reform direct loans.

(in millions)	FY 2026	FY 2025
Post-1991 Direct Loans		
Beginning Balance of the Allowance Account	$ 1,352.5	$ 1,234.8
Current-Year Program Cost *(see Note 3B for Component Breakdown)*	(49.8)	(12.6)
Loans Written Off	(2.4)	-
Program-Cost Allowance Amortization	168.4	215.2
Capitalized Interest	(67.1)	(112.8)
Fees Recognized in Income	52.5	(16.0)
Miscellaneous Recoveries and (Costs)	(21.9)	(103.3)
Ending Balance Before Reestimate	**1,432.2**	**1,205.3**
Reestimate	(257.8)	147.2
Ending Balance of the Allowance Account	**1,174.4**	**1,352.5**

E. Defaulted Guaranteed Loans

EXIM's defaulted guaranteed loans, Receivables from Subrogated claims as shown on the Balance Sheet, is net of an allowance for defaulted guaranteed or insured loan losses. The allowance for defaulted guaranteed loans is calculated using the allowance for loss method. Loss reserves on impaired credits are determined using OMB rates. Capitalized interest included in gross defaulted guaranteed loans, which includes both guarantees and insurance programs, receivable is reserved at 100 percent.

Credit-reform foreclosed property in FY 2025 consists of one bond realized in FY 2019. The bond was valued at the net present value of the projected future cash flows associated with the property, which in FY 2026 were determined to be zero.

The total allowance was 37.6 percent of gross defaulted guaranteed loans, interest receivable, and foreclosed property at September 30, 2026, and 36.7 percent at September 30, 2025.

FY 2026 (in millions)	Defaulted Guaranteed Loans Receivable, Gross	Interest and Fee Receivable	Foreclosed Property	Allowance for Loan Losses	Defaulted Guaranteed Loans, Net
Obligated Prior to FY 1992	$ 26.9	$ 10.4	$ -	$ (29.7)	$ 7.6
Obligated After FY 1991	1,205.8	21.0	-	(445.7)	781.1
Total	**$ 1,232.7**	**$ 31.4**	**$ -**	**$ (475.4)**	**$ 788.7**

FY 2025 (in millions)	Defaulted Guaranteed Loans Receivable, Gross	Interest and Fee Receivable	Foreclosed Property	Allowance for Loan Losses	Defaulted Guaranteed Loans, Net
Obligated Prior to FY 1992	$ 26.9	$ 9.1	$ -	$ (28.4)	$ 7.6
Obligated After FY 1991	1,501.5	23.3	24.0	(554.0)	994.8
Total	**$ 1,528.4**	**$ 32.4**	**$ 24.0**	**$ (582.4)**	**$ 1,002.4**

F. Guaranteed Loans and Insurance

EXIM is exposed to credit loss with respect to the amount of outstanding guaranteed loans and insurance policies in the event of nonpayment by obligors under the agreements. The commitments shown below are agreements to lend monies and issue guarantees and insurance as long as there is no violation of the conditions established in the credit agreement.

(in millions)	FY 2026	FY 2025
Gross Outstanding Principal of Guaranteed Loans and Insurance, Face Value	$ 12,187.5	$ 11,279.2
Undisbursed Principal of Guaranteed Loans and Insurance, Face Value	8,856.2	8,131.9
Total Principal of Guaranteed Loans and Insurance, Face Value	**$ 21,043.7**	**$ 19,411.1**
Amount of Principal That is Guaranteed and Insured by EXIM	$ 21,043.7	$ 19,411.1
Gross Amount of Guaranteed Loans and Insurance Disbursed During Year, Face Value	$ 5,927.3	$ 5,418.3
Amount of Guaranteed Loans and Insurance Disbursed During Year that is Guaranteed and Insured by EXIM	$ 5,927.3	$ 5,418.3

G. Liability for Loan Guarantees and Insurance

The liability for loan guarantees and insurance balances of $238.3 million at September 30, 2026, and $149.5 million at September 30, 2025, represent credit-reform guarantees and insurance credits.

H. Program Cost and Reestimate Expense for Loan Guarantees and Insurance by Component

The table below discloses defaults, fees, and reestimate amounts associated with the program cost disbursed in the current year on loan guarantee and insurance authorizations made in the current and prior fiscal years and the current-year loss reestimate. The total program cost also includes modifications made on these authorizations.

(in millions)	FY 2026	FY 2025
Defaults	$ 152.2	$ 108.6
Fees and Other Collections	(251.2)	(172.9)
Total Program Costs	**(99.0)**	**(64.3)**
Net Reestimate - Principal	(25.2)	(101.6)
Net Reestimate - Interest	(13.2)	(32.0)
Total Net Reestimate	**(38.4)**	**(133.6)**
Total Loan Guarantee and Insurance Program Cost and Reestimate Expense	**$ (137.4)**	**$ (197.9)**

The Interest Rate Reestimate for FY 2026 was zero, and $0.2 million for FY 2025.

I. Program Cost Rates for Loan Guarantees and Insurance by Component

The program cost rates disclosed below relate to the percent of program costs on loan guarantee and insurance authorizations made in the reporting fiscal year which are associated with program costs. Because these rates only pertain to authorizations from the current reporting fiscal year, these rates cannot be applied to the guarantees of loans disbursed during the reporting fiscal year to yield the program cost because current year disbursements may be of loans authorized in both current and prior years.

	FY 2026	FY 2025
Defaults	2.6 %	2.7 %
Fees and Other Collections	(5.0)%	(6.0)%
Total	**(2.4)%**	**(3.3)%**

J. Schedule for Reconciling the Guarantee Loan Liability Balances

The table below discloses the components of the allowance for loan guarantees.

(in millions)	FY 2026	FY 2025
Post-1991 Loan Guarantees		
Beginning Balance of Guarantee Loan Liability	$ 149.5	$ 162.3
Current-Year Program Cost *(see Note 3H for Component Breakdown)*	(99.0)	(64.3)
Claim Payments to the Lenders	(10.5)	(30.1)
Changes in Allowance on Loans Acquired	51.0	69.4
Fees Received	219.6	165.4
Treasury Interest Revenue/Expense	(17.6)	(20.2)
Other	(16.3)	0.6
Ending Balance Before Reestimate	**276.7**	**283.1**
Reestimate	(38.4)	(133.6)
Ending Balance of the Allowance Account	**238.3**	**149.5**

K. Administrative Costs

All of EXIM's administrative costs are attributed to the support of EXIM's mission and related loan, guarantee, and insurance programs. Administrative costs are not allocated to individual programs. Administrative costs were $153.5 million as of September 30, 2026, and $156.5 million as of September 30, 2025.

L. Allowance and Exposure Summary

The allowance for losses for EXIM credits authorized after FCRA equates to the amount of estimated credit loss associated with the applicable loans, claims, guarantees, and insurance. Direct loans disbursed and outstanding are recognized as assets at the present value of their estimated net cash inflows. The difference between the outstanding principal of the loans and the present value of their net cash flows is recognized as the allowance for credit losses. For guaranteed loans outstanding, the present value of estimated net cash outflows of the loan guarantee and insurance is recognized as a guaranteed loan liability.

(in millions)	FY 2026	FY 2025
Pre-Credit-Reform Allowance		
Allowance for Loan Losses	$ 157.3	$ 153.4
Allowance for Defaulted Guarantees	29.7	28.4
Total Pre-Credit-Reform Allowance	**187.0**	**181.8**
Credit-Reform Allowance and Liability		
Allowance for Loan Losses	1,174.4	1,352.5
Allowance for Defaulted Guarantees and Insurance	445.7	554.0
Liability for Loan Guarantees and Insurance	238.3	149.5
Total Credit-Reform Allowance and Liability	**1,858.4**	**2,056.0**
Total Allowance for Loan Losses	1,331.7	1,505.9
Total Allowance for Guarantees and Insurance	713.7	731.9
Total Allowance and Liability	**$ 2,045.4**	**$ 2,237.8**
Total Outstanding Balance of Loans, Guarantees and Insurance	$ 20,863.7	$ 19,306.3
Percent Allowance and Liability to Outstanding Balance	9.8%	11.6%
Total Exposure	$ 58,666.3	$ 34,795.8
Percent Allowance and Liability to Exposure	3.5%	6.4%

M. Loans Receivable

The table below shows the change in net receivables, for all direct loans receivable obligated after FCRA, after FY 1991. Other non-cash reconciling items below mainly consists of the subsidy cost amortization impact on allowance for loan losses.

(in millions)	FY 2026	FY 2025
Beginning Balance of Direct Loans Receivable, Net	**$ 5,203.9**	**$ 6,264.9**
Loan Disbursements	1,973.3	109.5
Principal And Interest Payments Received	(1,177.7)	(1,249.3)
Interest and Fee Accruals	206.4	240.7
Fees Received	(44.1)	(44.2)
Loans Written Off	(2.4)	-
Interest Revenue On Uninvested Funds	(162.9)	(146.5)
Interest Expense On Entity Borrowings	304.5	311.2
Subsidy Expense	61.3	12.6
Upward Reestimate	(69.5)	(227.8)
Downward Reestimates	327.3	80.6
Allowance For Loan And Interest Loss Adjustments	66.2	109.4
Other Non-Cash Reconciling Items	(348.8)	(257.2)
Ending Balance of Direct Loans Receivable, Net	**6,337.5**	**5,203.9**

4. STATUTORY LIMITATIONS ON LENDING AUTHORITY

Under its Charter, EXIM's statutory lending limit in FY 2026 and FY 2025 was $135.0 billion of loans, guarantees, and insurance exposure at any one time. As of September 30, 2026, and September 30, 2025, EXIM's statutory authority used was as follows:

(in millions)	FY 2026	FY 2025
Outstanding Guarantees	$ 11,451.8	$ 10,520.2
Outstanding Loans	7,443.5	6,498.7
Outstanding Insurance	735.7	759.0
Outstanding Claims	1,232.7	1,528.4
Total Outstanding	**20,863.7**	**19,306.3**
Undisbursed Guarantees	4,087.7	5,588.1
Undisbursed Loans	28,946.4	7,357.6
Undisbursed Insurance	4,768.5	2,543.8
Total Undisbursed	**37,802.6**	**15,489.5**
Total Exposure	**$ 58,666.3**	**$ 34,795.8**

Transactions can be committed only to the extent that budget authority is available to cover program costs. For FY 2026 and FY 2025, Congress placed no limit on the total amount of loans, guarantees, and insurance that could be committed in those years, provided that the statutory authority established by the EXIM's Charter of $135.0 billion was not exceeded.

During FY 2026, EXIM committed $31,612.9 million for direct loans, guarantees, and insurance. During FY 2025, EXIM committed $8,743.8 million for direct loans, guarantees, and insurance.

EXIM has authorized $558.7 million of transactions denominated in a foreign currency during FY 2026, and $2,070.2 million during FY 2025, as calculated with the exchange rate at the time of authorization. EXIM adjusts the allowance for all transactions denominated in a foreign currency using the various foreign-currency exchange rates at the end of the fiscal year.

For financial statement purposes, EXIM defines exposure as the authorized outstanding and undisbursed principal balance of loans, guarantees, and insurance. It also includes the unrecovered balance of payments made on claims that were submitted to EXIM in its capacity as guarantor or insurer under the export guarantee and insurance programs. Exposure does not include accrued interest or transactions while pending final approval. This corresponds to the way activity is charged against EXIM's overall $135.0 billion statutory lending limit imposed by Section 6(a) (2) of EXIM's Charter.

Working capital guarantees may be approved for a single loan or a revolving line of credit, with an availability generally of one year. Guaranteed lenders do not report activity to EXIM, the entire credit is assumed to be a non-cash disbursement when the fee is paid to EXIM. The credit is recorded as repaid in one installment 180 days after the expiry date of the credit unless the Office of the Chief Financial Officer is notified before that time that a claim has been filed and approved. Under the assumption that the exporter is using the credit up to the end of the expiry period, six months provides sufficient time for the guaranteed lender to report defaults to EXIM in the event that the

exporter does not repay the credit. If a claim is paid, the remaining outstanding balance of the credit associated with the claim is reduced to zero. Exposure is then reflected as a claim receivable.

Since there is typically a delay in reporting shipments under the insurance program, undisbursed balances generally remain on the books for 120 days after the expiry date to allow for the posting of shipments that took place within the period covered by the policy but were reported after the expiry date. These unreported shipments pose some liability in the form of claims that have been incurred but not yet reported (IBNR). Leaving the policy open past the expiry date provides a reserve for IBNR.

5. LIABILITIES NOT COVERED BY BUDGETARY RESOURCES

EXIM's liability to employees for accrued unfunded annual leave, which was $5.5 million as of September 30, 2026, and $5.8 million as of September 30, 2025, is not covered by budgetary resources. The liability will be paid from future administrative-cost budget authority.

6. NON-ENTITY ASSETS

Non-Entity Assets are assets that are held by EXIM but are not available for use in its operations. At year-end EXIM accrues the current year reestimates including the downward portion, which is sent to Treasury in the following fiscal year. The downward reestimate is reflected in the Balance Sheet as an asset accounted in the Fund Balance with Treasury and as a liability accounted in the Accounts Payable to U.S. Treasury until the amount is paid to the U.S. Treasury.

(in millions)	FY 2026	FY 2025
Intragovernmental Entity		
Expired Funds Payable to U.S. Treasury	$ 32.0	$ 40.8
Intragovernmental Non-Entity		
Downward Reestimate Payable to U.S. Treasury	$ 413.8	$ 250.2
Amounts Payable to U.S. Treasury	**$ 445.8**	**$ 291.0**

7. DEBT

EXIM's outstanding borrowings come from two sources: direct borrowing from the U.S. Treasury and the assumption of repayment obligations of defaulted guarantees under EXIM's guarantee program via payment certificates. Payment certificates are classified as debt held by the public.

EXIM's total debt at September 30, 2026, and September 30, 2025, is as follows:

(in millions)	FY 2026	FY 2025
U.S. Treasury Debt		
Beginning Balance	$ 9,235.8	$ 11,200.4
New Borrowings	2,260.3	1,997.9
Repayments	(936.6)	(3,962.5)
Ending Balance	**10,559.5**	**9,235.8**
Debt Held by the Public		
Beginning Balance	$ 115.9	$ 260.4
New Borrowings	4.8	-
Repayments	(88.9)	(144.1)
Interest Accruals	(0.2)	(0.4)
Ending Balance	**31.6**	**115.9**
Total Debt	**$ 10,591.1**	**$ 9,351.7**

U.S. Treasury borrowings are repaid primarily with the repayments of medium-term and long-term loans. To the extent repayments on the underlying loans, combined with commitment and exposure fees and interest earnings received on the loans, are not sufficient to repay the borrowings, appropriated funds are available to EXIM through the reestimation process for this purpose. The full amount of the borrowings is expected to be repaid by FY 2046, which reflects when the last credit matures.

EXIM had borrowings outstanding with the U.S. Treasury of $10,559.5 million at September 30, 2026, and $9,235.8 million at September 30, 2025, with a weighted-average interest rate of 3.0% in FY 2026 and 2.8 percent in FY 2025.

Payment certificates are issued by EXIM in exchange for the foreign obligor's original note that was guaranteed by EXIM on which EXIM has paid a claim and carries the same repayment term and interest rate as the foreign obligor's note. Payment certificates are backed by the full faith and credit of the U.S. government and are freely transferable.

As of September 30, 2026, there are $31.6 million in payment certificates, while there was $115.9 million at September 30, 2025. Maturities of payment certificate installments at September 30, 2026 are as follows:

Fiscal Year	Amount ($ in millions)
2027	28.3
2028	1.6
2029	1.3
2030	0.4
Total	**$ 31.6**

8. OTHER LIABILITIES

As of September 30, 2026, EXIM had $157.3 million in public other liabilities with $152.7 million representing offsetting collections, which are available to cover administrative and program costs. As of September 30, 2025, EXIM had $100.3 million in public other liabilities with $82.8 million representing offsetting collections.

(in millions)	FY 2026	FY 2025
Intragovernmental		
Employer Contributions Payable	$ 0.9	$ 0.5
Other Liabilities	0.2	0.1
Total Intragovernmental	**1.1**	**0.6**
Public		
Other Liabilities		
Funds Held Pending Application	$ 4.2	$ 17.0
Total Other Liabilities	4.2	17.0
Advances from Others and Deferred Revenue		
Advances from Others	0.4	0.5
Deferred Revenue	152.7	82.8
Total Advances from Others and Deferred Revenue	153.1	83.3
Total Public	**157.3**	**100.3**
Total Other Liabilities	**$ 158.4**	**$ 100.9**

9. FEDERAL OPERATING LEASES

EXIM's office space in Washington, D.C., is leased from the General Services Administration (GSA) through the Public Buildings Fund, and office space in regional locations is leased through the U.S. Export Assistance Centers. Lease expenses, included in Administrative Costs on the Statements of Net Costs, were $8.1 million in FY 2026 and $7.9 million in FY 2025. EXIM's occupancy agreement with GSA is cancellable and extends through FY 2030. The cost and estimates of lease payments of EXIM's office space in Washington, DC from FY 2027 to FY 2030 are as follows:

(in millions)

Fiscal Year	Amount
2027	7.9
2028	7.9
2029	7.9
2030	2.0
Total	**$25.7**

10. COMMITMENTS AND CONTINGENCIES

Pending Litigation

As of September 30, 2026, EXIM is involved in several legal actions. It is not possible to predict the eventual outcome of the various actions; however, it is management's opinion that there is a remote likelihood that these claims will result in a future outflow or other sacrifice of resources to such an extent that they would materially affect the financial position or results of operations of EXIM.

11. DISCLOSURES RELATED TO THE COMBINED STATEMENTS OF BUDGETARY RESOURCES

Combined Statements of Budgetary Resources disclose total budgetary resources available to EXIM and the status of such resources at September 30, 2026 and September 30, 2025. Activity impacting budget totals of the overall U.S. government budget is recorded in EXIM's Combined Statements of Budgetary Resources budgetary accounts. Activity which does not impact budget totals is recorded in EXIM's Combined Statements of Budgetary Resources non-budgetary accounts.

As of September 30, 2026, and September 30, 2025, EXIM's resources in budgetary program accounts totaled $585.6 million and 393.6 million, respectively. As of September 30, 2026, and September 30, 2025, EXIM's resources in non-budgetary financing accounts totaled $18,745.1 million and $3,311.9 million, respectively.

Adjustments to Unobligated Balance Brought Forward

The unobligated balance brought forward decreased by $935.1 million, from $1,262.7 million as of September 30, 2025 to $327.6 million as of September 30, 2026, mainly due to actual repayments of debt from prior-year balances.

Permanent Indefinite Appropriations

The FCRA requires an annual reestimate of the credit loss allowance. In the event that there is an increase in estimated defaults, there is permanent and indefinite budget authority available for this purpose. The FY 2025 upward reestimate received from the U.S. Treasury in FY 2026 was $263.8 million, while the downward reestimate sent to the U.S. Treasury was $250.2 million. The FY 2024 upward reestimate received from the U.S. Treasury in FY 2025 was $85.5 million, while the downward reestimate sent to the U.S. Treasury was $242.0 million.

Available Borrowing Authority and Terms of Borrowing

EXIM in part relies on borrowings from the U.S. Treasury to help fund EXIM's loan program. U.S. Treasury borrowings are repaid primarily with the repayments of direct loans. To the extent principal and interest repayments on the underlying loans, combined with commitment and exposure fees, and interest earnings received on the loans, are not sufficient to repay the borrowings, permanent and indefinite appropriated funds are available to EXIM through the reestimation process for this purpose. The full amount of the borrowings is expected to be repaid by FY 2046. In FY 2026, EXIM had current year borrowing authority of $16,419.2 million compared to $2,003.1 million in FY 2025. The increase from FY 2025 to FY 2026 is due to the increase of loan authorizations in FY 2026.

Unobligated Balances

Unobligated balances at September 30, 2026, totaled $2,042.5 million. Of this amount, $1,869.1 million represents the amount in the loan, guarantee, and insurance credit reform financing accounts, which are non-budgetary accounts, that is available to cover future defaults, and $33.6 million is expired and unavailable for new obligations.

Unobligated balances at September 30, 2025, totaled $1,262.7 million. Of this amount, $1,130.3 million represents the amount in the loan, guarantee, and insurance financing accounts that is available to cover future defaults, and $40.8 million is expired and unavailable for new obligations.

Undelivered Orders

Undelivered orders are obligations that have not yet been disbursed by EXIM. Undelivered orders for the year ended September 30, 2026, and September 30, 2025, were $23,526.7 and $10,139.3, respectively. The undelivered order amount totals are mostly attributed to non-federal sources related to EXIM's credit-reform programs.

Distributed Offsetting Receipts

Distributed offsetting receipts were $267.0 million at September 30, 2026, and $242.0 million at September 30, 2025. EXIM's outlays are measured on both a gross and net basis, with net outlays being reduced by offsetting receipts (and other amounts).

Differences between Combined Statements of Budgetary Resources and Budget of U.S. Government

There are no material differences between the budgetary resources shown on the Combined Statements of Budgetary Resources and the Budget of the U.S. government. The President's FY 2028 Budget with actual numbers for FY 2026 has not yet been published. EXIM expects no material differences between the President's Budget and the FY 2026 reported results when the budget becomes available at https://www.whitehouse.gov/omb/budget/.

12. RECONCILIATION OF NET COST TO NET OUTLAYS

Budgetary accounting is used for planning and control purposes and relates to both the receipt and use of cash, as well as reporting the federal deficit. Financial accounting is intended to provide a picture of the government's financial operations and financial position, so it presents information on an accrual basis. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. The reconciliation of net outlays, presented on a budgetary basis, and the net cost, presented on an accrual basis, provides an explanation of the relationship between budgetary and financial accounting information. The reconciliation serves not only to identify costs paid for in the past and those that will be paid in the future but also to assure integrity between budgetary and financial accounting. The analysis below illustrates this reconciliation by listing the key differences between net cost and net outlays.

(in millions)	Intragovernmental	With the Public	FY 2026
Net Operating Cost	**$ 34.8**	**$ (206.7)**	**$ (171.9)**
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Year-end Credit Reform Subsidy Reestimates	-	296.2	**296.2**
Other	-	42.1	**42.1**
Other Financing Sources			
Imputed Financing Sources	(6.4)	-	**(6.4)**
Total Components of Net Operating Cost Not Part of the Budget Outlays	**(6.4)**	**338.3**	**331.9**
Increase/(Decrease) in Assets:			
Accounts Receivable	(0.1)	0.1	**-**
	(0.1)	**0.1**	**-**
(Increase)/Decrease in Liabilities:			
Accounts Payable	-	(0.3)	**(0.3)**
Other Liabilities	(0.5)	0.6	**0.1**
	(0.5)	**0.3**	**(0.2)**
Components of the Budget Outlays that are Not Part of Net Operating Cost			
Effect of Prior-Year Credit Reform Subsidy reestimate	263.8	-	**263.8**
Other	-	(181.5)	**(181.5)**
Total Components of the Budgetary Outlays that	**263.8**	**(181.5)**	**82.3**
Net Outlays	**291.6**	**(49.5)**	**242.1**
Miscellaneous Items			
Distributed Offsetting Receipts	(267.0)	-	**(267.0)**
Total Other Reconciling Items	**(267.0)**	**-**	**(267.0)**
Total Net Outlays			**$ (24.9)**
Budgetary Agency Outlays, Net (SBR)			
Budgetary Agency Outlays, Net			**$ (24.9)**

(in millions)	Intragovernmental	With the Public	FY 2025
Net Operating Cost	**$ 41.0**	**$ 24.9**	**$ 65.9**
Components of Net Operating Cost Not Part of the Budgetary Outlays			
Year-end Credit Reform Subsidy Reestimates	-	(13.6)	**(13.6)**
Other	-	102.5	**102.5**
Other Financing Sources			
Imputed Financing Sources	(8.0)	-	**(8.0)**
Total Components of Net Operating Cost Not Part of the Budget Outlays	**(8.0)**	**88.9**	**80.9**
Increase/(Decrease) in Assets:			
Direct Loan Receivable	-	(2.4)	**(2.4)**
Accounts Receivable	-	(0.2)	**(0.2)**
	-	**(2.6)**	**(2.6)**
(Increase)/Decrease in Liabilities:			
Accounts Payable	-	0.1	**0.1**
Other Liabilities	(0.1)	0.7	**0.6**
	(0.1)	**0.8**	**0.7**
Components of the Budget Outlays that are Not Part of Net Operating Cost			
Effect of Prior-Year Credit Reform Subsidy reestimate	85.5	-	**85.5**
Other	-	(101.3)	**(101.3)**
Total Components of the Budgetary Outlays that are Not Part of Net Operating Cost	**85.5**	**(101.3)**	**(15.8)**
Net Outlays	**118.4**	**10.7**	**129.1**
Miscellaneous Items			
Distributed Offsetting Receipts	(242.0)	-	**(242.0)**
Total Other Reconciling Items	**(242.0)**	**-**	**(242.0)**
Total Net Outlays			**$ (112.9)**
Budgetary Agency Outlays, Net (SBR)			
Budgetary Agency Outlays, Net			**$ (112.9)**

13. 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. Treasury eliminates intragovernmental balances from the reclassified statements and aggregates lines with the same title to develop the *Financial Report* statements. This note shows EXIM's financial statements and EXIM's reclassified statements prior to elimination of intragovernmental balances and prior to aggregation of repeated *Financial Report* line items. A copy of the 2025 *Financial Report* can be found here: https://www.fiscal.treasury.gov/reports-statements/current-report.html and a copy of the 2026 *Financial Report* 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 "public" 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.

Reclassification of Statement of Net Cost to Line Items Used for Government-wide Statement of Net Cost for the Year Ended September 30, 2026

FY 2026 Export - Import Bank of the United States Statement of Net Cost		Line Items Used to Prepare FY 2026 Government-wide Statement of Net Cost	
Financial Statement Line	**Amounts**	**Amounts**	**Reclassified Financial Statement Line**
			Gross Cost
		$ (243.3)	Non-Federal Gross Cost
		(243.3)	**Total Non-Federal Gross Cost**
		13.2	Benefit Program Costs
		6.4	Imputed Costs
		13.7	Buy/Sell Costs
		335.9	Borrowing and Other Interest Expense
		3.9	Other Expenses (without Reciprocals)
		373.1	**Total Federal Gross Cost**
Total Gross Cost	**$ 455.9**	**$ 129.8**	**Total Reclassified Gross Cost**
			Earned Revenue
		$ (122.6)	Non-Federal Earned Revenue
		(122.6)	**Total Non-Federal Earned Revenue**
			Federal Earned Revenue
		(176.7)	Borrowing and Other Interest Revenue
		(2.4)	Buy/sell revenue (exchange)
		(179.1)	**Total Federal Earned Revenue**
Total Earned Revenue	**$ (627.8)**	**$ (301.7)**	**Total Reclassified Earned Revenue**
Net Costs of Operations	**$ (171.9)**	**$ (171.9)**	**Net Cost of Operations**

Reclassification of Statement of Changes in Net Position to Line Items Used for Government-wide Statement of Changes in Net Position for the Year Ended September 30, 2026

FY 2026 Export - Import Bank of the United States Statement of Change in Net Position		Line Items Used to Prepare FY 2026 Government-wide Statement of Operations and Changes in Net Position	
Financial Statement Line	**Amounts**	**Amounts**	**Reclassified Financial Statement Line**
Net Position, Beginning Balance	**$ (470.5)**	**(470.5)**	**Net Position, Beginning of Period**
UNEXPENDED APPROPRIATIONS			
Appropriations Received	272.7	271.4	Appropriations Received as Adjusted (Rescissions and Other Adjustments) (Federal)
Other Adjustments	(1.3)		
Appropriations Used	(313.0)	(313.0)	Appropriations Used (Federal)
CUMULATIVE RESULTS OF OPERATIONS			
Appropriations Used	313.0	313.0	Appropriations Expended (Federal)
Transfer Without Reimbursement	(27.6)	(27.6)	Collections for Others Transferred to the General Fund of the U.S. Government (Federal)
Offsetting Collections	111.1	111.1	Other taxes and receipts (Non-Federal)
Imputed Financing	6.4	6.4	Imputed Financing Sources (Federal)
Other Non-Entity Activity	(430.6)	(163.6)	Non-entity collections transferred to the General Fund of the U.S. Government
		(267.0)	Accrual for Non-Entity Amounts to be Collected and Transferred to the General Fund of The U.S. Government (Federal)
Net Cost of Operations	**$ (171.9)**	**$ (171.9)**	**Net Cost of Operations**
Net Position, Ending Balance	**$ (367.9)**	**$ (367.9)**	**Net Position, End of Period**

14. RELATED-PARTY TRANSACTIONS

The financial statements reflect the results of agreements with the Private Export Funding Corporation (PEFCO). PEFCO, is owned by a consortium of private-sector banks, industrial companies, and financial-services institutions. It makes and purchases, from private-sector lenders, medium-term and long-term fixed-rate and variable-rate loans, which are guaranteed by EXIM to foreign borrowers to purchase U.S. made equipment "export loans."

EXIM's credit and guarantee agreement with PEFCO provides that EXIM guarantees the due and punctual payment of interest on PEFCO's secured debt obligations which EXIM has approved and grants to EXIM a broad measure of supervision over certain of PEFCO's major financial management decisions, including the right to have representatives be present in all meetings of PEFCO's board of directors, advisory board, and exporters' council, and to review PEFCO's financial and other records. However, EXIM does not have voting rights and does not influence normal operations. In September 2020 the EXIM Board of Directors unanimously voted to renew its agreement with PEFCO for 25 years.

PEFCO has an agreement with EXIM where EXIM generally provides PEFCO with an unconditional guarantee covering the due and punctual payment of principal and interest on export loans PEFCO makes and purchases. PEFCO's guarantees on the export loans plus the guarantees on the secured debt obligations aggregating $3,371.3 million at September 30, 2026, and $2,960.8 million at September 30, 2025. Of the outstanding PEFCO balance of $3,371.3 million, $5.1 million are payment certificates to PEFCO which are not guaranteed amounts but amounts that were issued for claims filed. EXIM includes the total for guarantee, insurance, and loans and the allowance related to all of these transactions as part of its financial records.

EXIM received fees totaling $56.6 million in FY 2026 and $63.1 million in FY 2025. The fees are comprised of the interest on the secured debt agreements which is accrued by PEFCO and paid to EXIM, as well as fees related to repayments on PEFCO deals guaranteed by EXIM. The total fees are included in Earned Revenue on the Statements of Net Costs.

15. CONTRIBUTIONS TO EMPLOYEE RETIREMENT SYSTEMS

All of EXIM's employees whose appointments have federal status are covered by either the Civil Service Retirement System (CSRS) or the Federal Employees Retirement System (FERS).

In both FY 2026 and FY 2025 EXIM withheld between 7.0 percent and 8.0 percent of CSRS employees' gross earnings. EXIM's contribution matches the contributions. This sum was transferred to the CSRS fund from which this employee group will receive retirement benefits.

For FERS, EXIM withheld 0.8 percent of employees' gross earnings. EXIM's contribution was 17.9 percent of employees' gross earnings in FY 2026 and 18.4 percent of employees' gross earnings in FY 2025. This sum was transferred to the FERS fund from which the employee group will receive retirement benefits. An additional 6.2 percent of gross earnings, after pre-tax deductions, are withheld up to the FY 2026 limit of $184,500 and the FY 2025 limit of $176,100; that sum plus matching contributions by EXIM are sent to the Social Security System from which the FERS employee group will receive Social Security benefits.

For FERS-Revised Annuity Employees (RAE), EXIM withheld 3.1 percent of employees' gross earnings. EXIM's contribution was 15.9 percent of employees' gross earnings in FY 2026 and 16.5 percent of employees' gross earnings in FY 2025. This sum was transferred to the Civil Service Retirement and Disability Fund from which the employee group will receive retirement benefits. An additional 6.2 percent of gross earnings, after pre-tax deductions, are withheld up to the FY 2026 limit of $184,500 and the FY 2025 limit of $176,100; that sum plus matching contributions by EXIM are sent to the Social Security Administration from which the FERS employee group will receive Social Security benefits.

For FERS-Further Revised Annuity Employees (FRAE), EXIM withheld 4.4 percent of employees' gross earnings. EXIM's contribution was 15.9 percent of employees' gross earnings in FY 2026 and 16.5 percent of employees' gross earnings in FY 2025. This sum was transferred to the Civil Service Retirement and Disability Fund from which the employee group will receive retirement benefits. An additional 6.2 percent of gross earnings, after pre-tax deductions, are withheld up to the FY 2026 limit of $184,500 and the FY 2025 limit of $176,100; that sum plus matching contributions by EXIM are sent to the Social Security Administration from which the FERS employee group will receive Social Security benefits.

FERS and CSRS employees may elect to participate in the Thrift Savings Plan (TSP). CSRS and FERS employees may contribute up to the Internal Revenue Service Elective Deferral Limit of $24,500 in FY 2026 and $23,500 in FY 2025. In addition, FERS employees receive an agency automatic 1 percent contribution from EXIM based on the employees' regular contributions. FERS employees receive agency matching contributions by EXIM up to 4 percent for a maximum EXIM contribution to the TSP of 5 percent.

Total EXIM (employer) matching contributions to the TSP, CSRS, and FERS for all employees, included in Administrative Costs in the Statements of Net Cost, were approximately $11.8 million in FY 2026 and $12.8 million in FY 2025.

Although EXIM funds a portion of pension benefits under the CSRS and FERS relating to its employees and makes the necessary payroll withholdings for them, it has no liability for future payments to employees under these programs and does not account for the assets of the CSRS and FERS, nor does it have actuarial data with respect to accumulated plan benefits or the unfunded pension liability relative to its employees. These amounts are reported by the OPM for the Retirement Systems and are not allocated to the individual employers. The excess of total pension expense over the amount contributed by EXIM and its employees represents the amount of pension expense which must be financed directly by OPM. EXIM recognizes an imputed cost and an imputed financing source, calculated using cost factors supplied by OPM, equal to the excess amount.

OPM also accounts for the health and life insurance programs for current and retired civilian federal employees. Similar to the accounting treatment afforded the retirement programs, the actuarial data related to the health and life insurance programs is maintained by OPM and is not available on an individual-employer basis. EXIM recognizes an imputed cost and an imputed financing source for the future cost of these other retirement benefits (ORB) at the time the employee's services are rendered. This ORB expense is calculated using cost factors supplied by OPM and must be financed by OPM.

Required Supplementary Information

Unaudited, see accompanying Auditor's Report

COMBINING STATEMENT OF BUDGETARY RESOURCES

Exhibit 1 displays the unaudited Combining Statement of Budgetary Resources (SBR). The SBR provides information regarding how budgetary resources were made available, as well as their status at the end of the fiscal period.

Exhibit 1: Combining Statement of Budgetary Resources

	For the Year Ended September 30, 2026				
(in millions)	Program Account	Direct Loan Financing Account	Guaranteed Loan Financing Account	Other	Total
Budgetary Resources					
Unobligated from Prior Year Budget Authority, Net (Discretionary and Mandatory)	$ 130.1	$ 80.9	$ 116.6	$ -	$ 327.6
Appropriations (Discretionary and Mandatory)	272.7	-	-	-	272.7
Borrowing Authority (Discretionary and Mandatory)	-	16,386.5	32.7	-	16,419.2
Spending Authority from Offsetting Collections (Discretionary and Mandatory)	182.8	1,587.7	540.7	-	2,311.2
Total Budgetary Resources	**$ 585.6**	**$ 18,055.1**	**$ 690.0**	**$ -**	**$ 19,330.7**
Status of Budgetary Resources					
New Obligations and Upward Adjustments (Total)	$ 412.2	$ 16,589.2	$ 286.8	$ -	$ 17,288.2
Unobligated Balance, End of Year:	-				
Apportioned, Unexpired, End of Year	139.8	1,465.9	403.2	-	2,008.9
Expired Unobligated Balance, End of Year	33.6	-	-	-	33.6
Unobligated Balance, End of Year (Total)	173.4	1,465.9	403.2	-	2,042.5
Total Status of Budgetary Resources	**$ 585.6**	**$ 18,055.1**	**$ 690.0**	**$ -**	**$ 19,330.7**
Outlays, Net					
Outlays, Net (Total) (Discretionary and Mandatory)	$ 242.1				$ 242.1
Distributed Offsetting Receipts (-)	(267.0)	-	-	-	(267.0)
Agency Outlays, Net (Discretionary And Mandatory)	**$ (24.9)**			**$ -**	**$ (24.9)**
Disbursement, Net (Total) (Mandatory)		**$ 704.1**	**$ (114.1)**	**$ -**	**$ 590.0**

Other Information

Unaudited, see accompanying Auditor's Report

SUMMARY OF FINANCIAL STATEMENT AUDIT

Audit Opinion		Unmodified			
Restatement		No			
Material Weakness	**Beginning Balance**	**New**	**Resolved**	**Consolidated**	**Ending Balance**
N/A	0	0			0

PAYMENT INTEGRITY INFORMATION ACT REPORTING

The Payment Integrity Information Act of 2019 (PIIA) requires agencies to review and assess all programs and activities they administer and identify those determined to be susceptible to significant improper payments.

OMB requires that agencies assess all programs with annual outlays greater than $10.0 million for improper payment risk at least once every three years. EXIM complies with PIIA and OMB requirements through the activities of its Payment Integrity program, which comprises four separate programs: short-term authorizations, medium-term authorizations, long-term authorizations, and cash-control disbursements. Risk assessments over each of the four programs are performed at least once every three years. In the interim years, EXIM evaluates whether any programs experienced significant legislative changes and/or significant increases in funding that would warrant an off-cycle risk assessment to determine if the program is at risk for making significant improper payments, at or above the threshold levels set by OMB. In FY 2026, EXIM conducted a comprehensive risk assessment of all four programs and determined that none of its programs were risk-susceptible for making significant improper payments in the preceding fiscal year. Throughout FYs 2025 and 2026, EXIM remained compliant with PIIA and applicable OMB guidance, including Circular A-123, Appendix C, *Requirements for Payment Integrity Improvement*, revised as of March 5, 2021, and Circular A-136, *Financial Reporting Requirements,* revised May 29, 2026. In accordance with PIIA and OMB requirements, the next risk assessment of all four programs will be performed in FY 2029.

PIIA also requires Federal agencies to report annually on their efforts according to guidance promulgated by OMB. Annually, EXIM submits data to OMB as part of the Annual Data Call. It is collected and published on www.paymentaccuracy.govwhich provides current and historical information about improper payments made under Federal programs, as well as extensive information about how improper payments are defined and tracked. For detailed results of EXIM's compliance efforts under PIIA, to include recovery information and risk assessment results, please refer to the paymentaccuracy.gov. As part of the Annual Data Call, EXIM also submits the agency's designated Payment Integrity Point of Contact to OMB, as required.

Do Not Pay Initiative

As reported in the Annual Data Call, EXIM complies with all aspects of the Do Not Pay Initiative through its Character, Reputational, and Transaction Integrity "CRTI" process. All transactions in the three authorization-based payment programs (Short, Medium, and Long-Term) undergo CRTI checks. As a part of CRTI, names of participants are searched within a database clearing house of over 400 databases to determine compliance with a variety of "Know your Customer" (KYC) and EXIM due-diligence requirements.

EXIM does not disburse funds directly to payees but through the U.S. Department of Treasury Secured Payment System. Funds disbursed by the Department of Treasury go through payment integration in which the Do Not Pay portal automatically matches all the files against a list of selected databases that includes the System for Award Management (SAM) exclusion records.

Recovery Audit Plan

As reported in the Annual Data Call, EXIM reviewed all its programs and activities and determined that they are not susceptible to making significant improper payments at or above the threshold levels set by OMB. While recovery audits are one tool for identifying and recovering overpayments, performing recovery audits, the agency will incur costs for contractors or other entities to have highly skilled accounting specialists and fraud examiners, using state of the art tools and technology, to examine payment records and supporting documentation. Therefore, it was determined that it is not cost-effective to conduct recovery audits to identify and recover overpayments.

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Independent Auditors' Report

President & Chairman and Inspector General
Export-Import Bank of the United States:

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Export-Import Bank of the United States (EXIM), which comprise the balance sheets as of September 30, 2026 and 2025, and the related statements of net cost, changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EXIM as of September 30, 2026 and 2025, and its net cost, changes in net position, and budgetary resources for the years then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of EXIM and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other Matter - Interactive Data

Management has elected to reference information on websites or other forms of interactive data outside the Agency Financial Report to provide additional information for the users of its financial statements. Such information is not a required part of the financial statements or supplementary information required by the Federal Accounting Standards Advisory Board. The information on these websites or the other interactive data has not been subjected to any of our auditing procedures, and accordingly we do not express an opinion or provide any assurance on it.

Responsibilities of Management for the Financial Statements

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and OMB

KPMG LLP, a Delaware limited liability partnership, and its subsidiaries are part of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee.

Bulletin No. 24-02 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of EXIM's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about EXIM's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis and Required Supplementary Information sections be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the *Agency Management Report*. The other information comprises the Payment Integrity Information Act of 2019 reporting but does not include the financial statements and our auditors' report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2026 on our consideration of EXIM's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of EXIM's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EXIM's internal control over financial reporting and compliance.

KPMG LLP

Washington D.C.
November 16, 2026

KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

President & Chairman and Inspector General
Export-Import Bank of the United States:

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and Office of Management and Budget Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*, the financial statements of the Export-Import Bank of the United States (EXIM), which comprise the balance sheets as of September 30, 2026 and 2025 and the related statements of net cost, changes in net position, and combined statements of budgetary resources for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated November 16, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements as of and for the year ended September 30, 2026, we considered EXIM's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of EXIM's internal control. Accordingly, we do not express an opinion on the effectiveness of EXIM's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Exhibit A, as item A, that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether EXIM's financial statements as of and for the year ended September 30, 2026 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-02.

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EXIM's Response to Finding

Government Auditing Standards requires the auditor to perform limited procedures on EXIM's response to the finding identified in our audit and described in Exhibit B. EXIM's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control & compliance and the results of that testing, and not to provide an opinion on the effectiveness of EXIM's internal control or compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering EXIM's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington D.C.
November 16, 2026

EXHIBIT A
Significant Deficiency

A. Re-Estimate Review Controls Need Improvement

As required by the Federal Credit Reform Act (FCRA) of 1990, EXIM conducts an annual technical re-estimate to calculate the allowance for loss related to outstanding direct loans, loan guarantees, and insurance exposure as of August 31. To perform this calculation, EXIM relies on multiple quantitative models, key assumptions, and diverse data elements. These inputs and assumptions are processed and transferred across multiple source files that collectively generate the final annual re-estimate.

EXIM's controls over the integrity and accuracy of the assumptions and underlying data related to the credit reform re-estimates model were not operating effectively. Specifically, management's review did not identify that Portfolio Risk Management (PRM) staff had not correctly updated the following items within the re-estimate files: direct loan interest rates, the Cumulative Probability of Default Remaining Table, and the Risk-Free Rate data. This occurred because the review controls over the data within the files relied solely on manual review of those files to validate that the data had been updated correctly, and EXIM did not have adequate detailed written policies and procedures addressing the preparation and review of the re-estimate files. Additionally, EXIM's risk assessment process did not identify changes to control operators as a risk that required further consideration and potential additional controls.

The applicable criteria for this finding is the Government Accountability Office (GAO) *Standards for Internal Control in the Federal Government* (Green Book), which states:

- Principle 07.10, *Identify, Analyze, and Respond to Risk*, "Management designs responses to the analyzed risks so that risks are within the defined risk tolerance for the defined objective. Management designs overall risk responses for the analyzed risks based on the significance of the risk, defined risk tolerance, and cost-benefit determination."

- Principle 10.02, *Design Control Activities,* "Management designs control activities in response to risks to achieve an effective internal control system. Control activities are the actions management establishes through policies and procedures to specifically mitigate risks to achieving the entity's objectives to acceptable levels."

- Principle: 13.04, *Use Quality Information,* "Management obtains or generates relevant data from reliable internal and external sources in a timely manner based on the identified information requirements."

Inadequate review of the updated data inputs increases the risk of errors in the calculation of the credit reform re-estimate amount. Specifically, due to the incorrect data used in the initial model run, management subsequently corrected the subsidy re-estimate for an overstatement of $27.6 million.

We recommend that EXIM management:

1. Update its policies and procedures over the review of the re-estimate files to provide preparers and reviewers with more detailed procedures to support the accurate preparation and review of the re-estimate.

2. Implement monitoring controls to determine that the re-estimate reviews are performed and documented in accordance with EXIM's policies and procedures.

DATE	November 16, 2026
TO	Eric Rivera, Assistant Inspector General for Audits
THROUGH	Ravi Singh, Senior Vice President, and Chief Financial Officer
FROM	Colleen Keenan, Vice President, and Treasurer
SUBJECT	EXIM Management Response to Draft Report: *Independent Audit of the Export-Import Bank of the United States' Financial Statements as of and for the Fiscal Years Ended 2026, and 2025 (OIG-AR-27-01)*

Dear Mr. Rivera,

Thank you for providing the Export-Import Bank of the United States ("EXIM" or "EXIM Bank") management with the Office of Inspector General's ("OIG") Independent Audit of the Export-Import Bank of the United States' Financial Statements as of and for the Fiscal Years Ended 2026, and 2025 (OIG-AR-27-01), dated November 16, 2026 (the "Report").

EXIM management appreciates the efforts of the Office of the Inspector General (OIG) and KPMG in evaluating the agency's financial reporting processes and internal controls. EXIM remains committed to maintaining effective internal controls and ensuring the integrity and accuracy of its credit reform reestimate calculations.

Management acknowledges the specific data-input errors identified during the audit, which resulted in adjustments to the initial reestimate calculations but did not result in a material misstatement of EXIM's financial statements. EXIM maintains comprehensive standard operating procedures and established management review controls over the annual credit reform reestimate process. While these controls provide a structured framework for the preparation and review of reestimate calculations, management recognizes opportunities for targeted enhancements to address the specific exceptions identified during the audit.

Recommendation 1: Update policies and procedures over the review of the reestimate files to provide preparers and reviewers with more detailed procedures to support the accurate preparation and review of the reestimate.

Management Response: EXIM concurs with the recommendation. EXIM maintains comprehensive standard operating procedures governing the preparation, validation, and review of the annual credit reform reestimate. Management will review the existing procedures and incorporate targeted enhancements, as appropriate, particularly with respect to the validation of manual data inputs and updates to supporting model assumptions. Any necessary refinements will be incorporated into the existing procedures in advance of the next annual reestimate cycle.

Recommendation 2: Implement monitoring controls to determine that the reestimate reviews are performed and documented in accordance with EXIM's policies and procedures.

Management Response: EXIM concurs with the recommendation. EXIM maintains an established management review process over the annual reestimate, including the review of key assumptions, model outputs, and resulting financial impacts. Management will strengthen the monitoring and documentation of specific validation activities to provide additional assurance that required procedures are performed, documented, and that identified exceptions are appropriately addressed.

EXIM will incorporate these enhancements into its procedures in advance of the next annual reestimate cycle to further strengthen the agency's internal control environment.

We appreciate the OIG's continued oversight and recommendations in support of EXIM's financial management and accountability.

Sincerely,

Colleen Keenan Digitally signed by Colleen Keenan
Date: 2026.11.16 11:47:29 -05'00'

Colleen Keenan
Vice President and Treasurer

CC:
The Honorable John Jovanovic, President and Chairman of EXIM's Board of Directors
Alyssa Pettus, Senior Vice President, and Chief of Staff
Cathryn Collins, Senior Vice President, and Chief Operating Officer
Victoria Coleman, Deputy General Counsel
Kenneth Tinsley, Senior Vice President, and Chief Risk Officer
Michaela Smith, Director of Audit and Internal Controls Program
Hakan Keles, Vice President and Controller