

QUARTERLY STATUS REPORT

June 30, 2026



Investing in environmental infrastructure for the
well-being of U.S.-Mexico border communities

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QUARTER AT A GLANCE

APRIL-JUNE 2026

FINANCIAL ACTIVITY



US\$1.22 B in outstanding loans, a net increase of 4.3% over the end of 2025.



US\$27.5 M awarded by EPA during the quarter, for a total of **US\$45 M** in 2026 to continue supporting crucial water and wastewater infrastructure for communities on both sides of the U.S.-Mexico border region.

PROJECT ACTIVITY



US\$121 M in loans approved

- » Water Distribution Infrastructure Project in the State of Baja California
- » Expansion of Material Recovery Facility Project in McAllen, Texas



US\$91 M disbursed

in loans and grants for the implementation of 14 certified projects

2 projects implemented

- » OSME Medical Complex inaugurated in San Luis Rio Colorado, Sonora
- » Bond proceeds fully allocated by 4 financial intermediaries to 6 projects related to irrigation improvements in Mexico that are expected to save an estimated 4.2 million m³/year of water

TECHNICAL ASSISTANCE ACTIVITY

US\$264,000 awarded through the Technical Assistance Program (TAP) for the development of 4 water-related projects in Texas and Tamaulipas

US\$640,000 awarded through the Project Development Assistance Program (PDAP) for the development of 3 projects in Texas and Sonora

Border 2025 initiative was completed: Binational Air Quality Project in Laredo, Texas and Nuevo Laredo, Tamaulipas

OUTREACH ACTIVITY

2026 NADBANK SUMMIT

Strengthening Binational Cooperation to Deliver the Infrastructure of Tomorrow

August 27-28, 2026 | Kimpton Santo Hotel, 431 S. Alamo St. | San Antonio, Texas

Opening Keynote Session

The U.S.-Mexico binational relationship and opportunities for deeper collaboration on critical infrastructure initiatives



Ronald Johnson
U.S. Ambassador to Mexico



Roberto Lazzeri Montaño
Mexican Ambassador to the U.S.

www.nadbank.org

Join us for the **NADBank Summit 2026**, an annual event that promotes the exchange of ideas and experiences to advance infrastructure development. This year is centered on Strengthening Binational Cooperation to Deliver the Infrastructure of Tomorrow. The event will take place August 27-28 in San Antonio, Texas.



NADBank named 2026 Community Partner of the Year by the Rio Grande International Study Center (RGISC) in Laredo, Texas

1. PROJECT AND FINANCING ACTIVITY

1.1. Approvals

During the second quarter of 2026, two environmental infrastructure projects were approved to receive up to US\$121.1 million in financing, as follows:

- Expansion of Material Recovery Facility Project in McAllen, Texas. On April 10, 2026, the Bank approved a market-rate loan for up to US\$10.0 million in the form of solid waste revenue bonds to finance the expansion and automation of the City's material recovery facility. The project is expected to increase processing capacity from an average of 4 tons to 10 tons per hour and improve the recycling rate from 67% to 95%, reducing landfill disposal to approximately 5% of the material processed, in benefit of approximately 183,000 residents.
- Water Distribution Infrastructure Project in the State of Baja California. On May 8th, the Bank approved a market-rate loan for up to MXN\$2.0 billion (US\$111.1 million) to support the development and construction of infrastructure needed to convey, store and distribute drinking water from the Playas de Rosarito Desalination Plant to the communities of Ensenada, Playas de Rosarito and Tijuana, as well as improvements to existing infrastructure. Through its Mexican subsidiary, Corporación Financiera de América del Norte, S.A. de C.V. SOFOM E.N.R. (COFIDAN), the Bank participated in a competitive financing process and was awarded a MX\$1.48 billion (US\$82.2 million) loan. The project is expected to benefit approximately 1.1 million residents by improving water security, strengthening supply reliability and increasing operational flexibility, while reducing dependence on the Colorado River, which has been affected by prolonged drought conditions.

Table 1 provides a breakdown of the projects approved for the year to date by environmental sector, country and type of financing, along with a comparison of the last three years.

Table 1: Approval of Infrastructure Projects

	Six Months Ended June 30		Year-end		
	2026	2025	2025	2024	2023
Projects Approved	9	-	9	20	11
By sector					
Water	6	-	6	8	5
Solid waste	1	-	-	-	-
Air quality ¹	1	-	2	3	-
Urban development ²	1	-	-	1	-
Energy	-	-	1	3	2
Efficient buildings	-	-	-	2	2
Efficient manufacturing	-	-	-	1	1
Efficient food value chains	-	-	-	2	1
By country					
Mexico	5	-	6	13	6
United States	4	-	3	7	5
By financing type					
Loan	5	-	6	12	7
Grant	4	-	2	7	4
Loan & grant	-	-	1	1	-

¹ This category currently includes mobility and roadway improvement projects.

² This category includes a loan approved to support public works in five sectors, with the largest percentage of the proceeds earmarked for urban development works.

Table 2 provides a breakdown by environmental sector, country and financing program of all the financing approved during the year, including any additional funding approved for projects certified in prior years, along with a comparison of the last three years.

Table 2: Approval of Financing for Infrastructure Projects

	Six Months Ended June 30		Year-end		
	2026	2025	2025	2024	2023
(Thousand USD)					
Financing Approved¹	\$ 223,288	\$ -	\$ 163,000	\$ 362,201	\$ 235,640
By Sector					
Water	142,137	-	80,718	19,700	43,240
Solid waste	11,726	-	-	-	-
Air quality	50,844	-	62,282	57,341	-
Urban development	15,611	-	-	3,978	-
Energy	2,970	-	20,000	205,000	105,000
Efficient buildings	-	-	-	50,000	56,400
Efficient manufacturing	-	-	-	11,166	15,000
Efficient food value chains	-	-	-	15,016	16,000
By Country					
Mexico	197,838	-	158,136	118,201	68,640
United States	25,450	-	4,864	244,000	167,000
By Program					
Loans	214,285	-	160,986	348,501	213,200
Grants: ²					
BEIF	7,850	-	-	11,200	21,940
CAP	1,153	-	2,014	2,500	500

¹ Figures include financing approved for new projects, as well as additional funding approved for projects certified in prior years. In 2026, one loan was approved to support public works in five sectors and is divided among urban development, water and wastewater, solid waste, roadway improvements and energy efficiency (the project is counted as urban development). In addition, a water loan approved in 2026 for an estimated US\$111.09 million was contracted for US\$82.16 million, and the unused portion of the loan was cancelled the same year. In 2024, a water loan in

² Includes the Border Environment Infrastructure Fund (BEIF), which is administered by NADBANK with funding provided and approved by the U.S. Environmental Protection Agency (EPA), and the NADBANK Community Assistance Program (CAP).

1.2. Financing Activity

During the second quarter of the year, the Bank executed financing agreements totaling US\$135.1 million with the sponsors of seven infrastructure projects, as detailed in Table 3.

Table 3: Financing Contracted during Second Quarter of 2026

	Project	Date	Program ¹	Amount (USD)
1	Expansion of the Stormwater Drainage System in Cameron County Drainage District No. 6 in Texas	2-Apr-02	Loan	\$ 11,300,000
2	Border-wide Sustainability Financing for Engen in Mexico (Tranche B)	8-Apr-26	Loan	23,182,358
3	Water and Wastewater Infrastructure for La Ladrillera in Mexicali, B.C.	10-Apr-26	CAP	653,400
4	Wastewater Collection System Improvements in Anthony, NM	21-Apr-26	BEIF	3,650,000
5	Wastewater Collection Improvements Project in the Tijuana River Area in Tijuana B.C.	24-Apr-26	BEIF	4,200,000
6	Expansion of the Material Recovery Facility in McAllen, TX	26-May-26	Loan	10,000,000
7	Water Distribution Infrastructure Project in the State of Baja California	29-May-26	Loan	82,155,671
TOTAL				\$ 135,141,429
1. NADBank Community Assistance Program (CAP) and Border Environment Infrastructure Fund (BEIF) funded by the U.S. Environmental Protection Agency (EPA) and administered by NADBank.				

For the year to date, the Bank has contracted a total of US\$173.3 million in financing—five loans for up to US\$164.0 million and four grants for US\$9.3 million—with the sponsors of nine certified projects.

With respect to disbursements, during the second quarter of 2026, the Bank disbursed US\$91.0 million in loans and grants to support the implementation of 14 certified projects, including the full disbursement of the loans for the solid waste project in McAllen, Texas, a storm drainage project in Cameron County Drainage District No. 6 in Texas, a border-wide mobility project sponsored by the financial intermediary Engen in Mexico and a multisector project sponsored by the State of Sonora, as well as the full disbursement of the CAP grant for a wastewater project in El Paso County, Texas.

Table 4 shows disbursements by environmental sector, country and type of funding, while Table 5 presents the distribution by project.

Table 4: Financing Disbursed for Certified Projects

	Six Months Ended June 30		Year-end		
	2026	2025	2025	2024	2023
(Thousand USD)					
Financing Disbursed¹	\$ 128,933	\$ 132,532	\$ 203,507	\$ 279,044	\$ 232,492
By sector					
Water	66,622	39,815	66,265	57,803	90,947
Solid waste	11,726	-	-	-	449
Air quality ²	29,534	1,495	1,495	5,710	-
Urban development	15,611	-	-	3,978	-
Sustainable energy	5,440	35,582	55,804	165,577	113,387
Sustainable buildings	-	50,381	69,245	10,460	27,709
Green manufacturing	-	5,259	10,698	15,000	-
Sustainable food value chains	-	-	-	20,516	-
By country					
Mexico	104,073	93,981	128,902	104,871	67,467
United States	24,860	38,551	74,605	174,173	165,025
By financing type					
Loans	119,053	129,327	193,451	258,673	218,829
Grants ³	9,880	3,205	10,056	20,371	13,663

¹ In 2026, one loan was approved to support public works in five sectors and is divided among urban development, water and wastewater, solid waste, roadway improvements and energy efficiency (the project is counted as urban development).

² This category currently includes mobility and roadway improvement projects.

³ Includes grant financing through the Border Environment Infrastructure Fund (BEIF), which is administered by NADBANK with funding provided and approved by EPA, and the NADBANK Community Assistance Program (CAP).

Table 5: Distribution of Disbursements to Certified Projects

	Six Months Ended June 30		Year-end		
	2026	2025	2025	2024	2023
Projects Funded	18	28	36	35	30
By sector					
Water	14	19	25	20	22
Solid waste	1	-	-	-	1
Air quality ¹	1	1	1	1	-
Urban development ²	1	-	-	1	-
Sustainable energy	1	4	4	7	5
Sustainable buildings	-	3	5	2	2
Green manufacturing	-	1	1	1	-
Sustainable food value chains	-	-	-	3	-
By country					
Mexico	11	17	22	21	15
United States	7	11	14	14	15
By financing type					
Loan	6	10	14	16	9
Grant	12	18	22	19	21

¹ This category currently includes mobility and roadway improvement projects.

² This category includes a loan approved to support public works in five sectors, with the largest percentage of the proceeds earmarked for urban development works.

1.3. Project Implementation

During the second quarter of 2026, two projects that received NADBank loans completed implementation.

On June 9, 2026, the OSME Medical Complex was inaugurated in San Luis Río Colorado, Sonora. Partially financed by the Bank through a US\$14.2 million loan, the project expands access to specialized healthcare services in the border region. The facility is currently partially operational while staffing continues and is designed to provide up to 30,000 primary care consultations a year, in addition to hospital and specialized medical services. The complex was built using efficient materials and equipment. It is expected to use 43% less water than a comparable healthcare facility in Mexico, saving an estimated 4.2 million gallons a year, equivalent to the yearly water use of 60 household, and 18% less electricity for cooling than a standard building in Mexico, equivalent to the annual consumption of 34 households. The project sponsor, Novem Uno Corporativo S.A. de C.V., is pursuing Leadership in Energy and Environmental Design (LEED) certification.

OSME Medical Complex in San Luis Rio Colorado, Sonora



Under its financial intermediary program, the Bank purchased part of a sustainability bond issued on the Mexican stock exchange in 2024 by four financial intermediaries—Servicios y Financiamiento Agrícola, S.A. de C.V., SOFOM E.N.R. (SEFIA), Soluciones Financieras Internacionales, S.A. de C.V., SOFOM E.N.R. (SFI), Proaktiva, S.A.P.I. de C.V., SOFOM E.N.R. (PROAKTIVA) and Crédito Especializado al Campo, S.A. de C.V., SOFOM E.N.R. (CRESCA). During the past quarter, NADBank completed validation of the use of its MXN\$67.8-million (US\$3.5-million) loan. The proceeds were fully allocated to six eligible projects related to high-tech improvements in irrigation systems, the construction of a hydroponic greenhouse in Linares, Nuevo Leon and installation of a 6.8-mile purple pipeline for water reuse in Hermosillo, Sonora. Altogether, these investments are expected to generate an estimated 4,203,684 m³/year in water savings.



High-tech irrigation system



Purple pipes for water reuse

At the end of the quarter, a total of 41 projects partially funded with NADBank loans and/or grants were in various stages of implementation or pending financial closeout. The status of these projects as of June 30, 2026, is summarized in the Annex, with additional details provided in the project implementation report on active projects, which is available on the NADBank website ([Active project report](#)).

1.4. Project Development

Project Pipeline

As of June 30, 2026, the Bank was working with the sponsors of 54 potential infrastructure projects seeking an estimated US\$756.0 million in financing, including several projects that may be eligible for approval through the Water Investment Program (WIP). Table 6 shows a breakdown of the projects by environmental sector, country and funding program.

Table 6: Projects under Development as of June 30, 2026

	Projects (No.)	Estimated NADBank Financing (Thousand USD)
Project Pipeline	54	\$ 755,980
By Sector		
Water	43	\$ 260,119
Solid waste	2	1,500
Air quality	-	-
Energy	6	458,861
Urban development	-	-
Efficient buildings/industrial parks	3	35,500
By Country		
Mexico	25	\$ 493,830
U.S.	29	262,150
By Financing Type¹		
Loans ²	16	\$ 589,651
BEIF grants	24	108,800
Loan & BEIF grant ³	1	13,750
CAP grants	4	3,000
Loan & CAP grant ⁴	1	2,050
WRF grants	5	17,044
Blended WRF loans & grants ⁵	3	21,685

¹ Border Environment Infrastructure Fund (BEIF) funded by EPA and administered by NADBank; NADBank Community Assistance Program (CAP); and NADBank Water Resiliency Fund (WRF).

² Potential financing includes WRF loans totaling US\$37.17 million for five projects in the U.S.

³ Potential financing includes a US\$3.75 million loan and US\$10.0 million BEIF grant for a wastewater project in the U.S.

⁴ Potential financing includes a US\$1.30 million loan and US\$750,000 CAP grant for a water project in the U.S.

⁵ Potential financing includes US\$5.24 million in loans and US\$16.45 million in grants for three projects in the U.S.

During the second quarter of 2026, the Bank published the certification and financing proposal for the Desalination Plant in San Quintin, Baja California for a 30-day public comment period and subsequently submitted it for Board consideration.

During the third quarter of 2026, the Bank expects to publish two project proposals for public comment:

- Water Infrastructure Improvements for Irrigation Districts in the Lower Rio Grande Valley, Texas; and
- Border-wide Energy Infrastructure for the Comisión Federal de Electricidad in Mexico.

All pipeline projects are eligible to receive support for design, financial structuring and other development activities through the Bank's technical assistance programs. Information on technical assistance awarded for projects in development is provided in Section 4 of this report.

Water Investment Program (WIP)

Authorized by the Board of Directors in January 2025, the WIP establishes a programmatic certification and financing umbrella, authorizing NADBANK to approve qualified water, wastewater and stormwater infrastructure projects to receive a loan and/or a CAP or BEIF grant, subject to the procedures, guidelines and limitations established under the program and in compliance with the policies and procedures of the relevant funding source.

Following a preliminary review, two projects were identified as potential candidates under the program during the second quarter of 2026:

- Rio Grande City Wastewater Collection and Treatment Project (BEIF grant); and
- El Paso County Northwest Area II Water and Wastewater Extension Project (BEIF grant).

No projects were ratified through the WIP during the quarter. Table 7 provides a breakdown of year-to-date WIP approvals by project type and financing program.

Table 7: WIP Project Approvals in 2026

Projects		Financing (Thousand USD)	
Water	1	Loans	\$ 11,300
Wastewater	2	CAP grants	1,153
Water/wastewater	1	BEIF grants	7,850
Stormwater	1		
Total	5		\$ 20,303

The following table summarizes the cumulative activity and the status of projects under WIP as of June 30, 2026.

Table 8: Cumulative WIP Project Activity as of June 30, 2026

Status	Number	Financing ¹ (Thousand USD)
Projects identified	17	\$ 103,748
<i>of which:</i>		
Ratified	11	49,844
In due-diligence review process ²	4	30,800
Cancelled ³	3	26,589

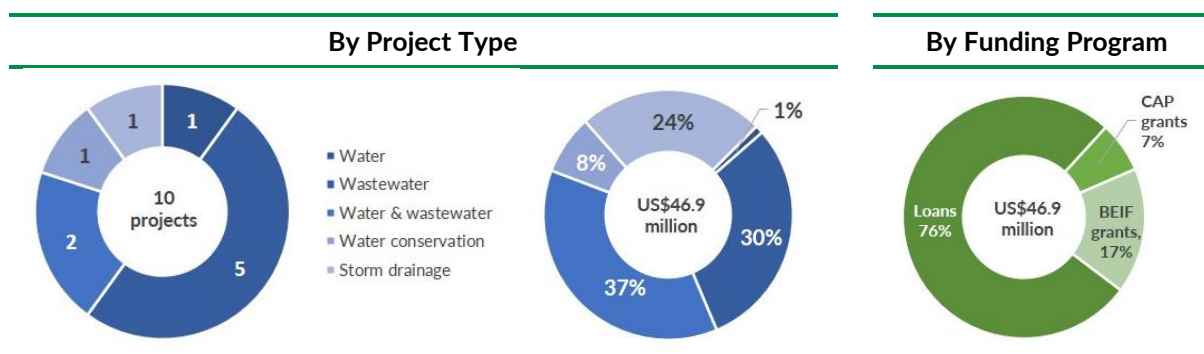
¹ Amounts estimated in ex-ante notices may vary from the actual amount ratified.

² Includes two loans totaling US\$5.05 million, three BEIF grants totaling US\$25 million and a US\$750,000 CAP grant.

³ Includes three projects cancelled in 2025. Of those projects, one was ratified to receive a US\$3.64-million loan that was later cancelled when the loan was awarded to another financial institution through a competitive bid process.

As of June 30, 2026, eleven projects had been certified through WIP to receive a total of US\$49.8 million in loans and grants, one of which was later cancelled. Of the 10 remaining projects, the Bank has signed financing agreements totaling US\$41.4 million with eight project sponsors and disbursed 77% of those funds for project implementation. The financing agreements for two projects were under development. As of that same date, one wastewater project had completed construction, five projects were in various stages of construction and two were in procurement. Figure 1 shows a breakdown of the projects and funding by project type and funding program.

Figure 1: Cumulative Project and Funding Distribution under WIP



2. RESULTS MEASUREMENT

2.1. Project Closeout Process

The final stage of project implementation is the closeout process, which assesses and documents achievement of the fundamental objectives of a project regarding the investments made, infrastructure built, or equipment and services provided. In addition, the closeout report provides important feedback on lessons learned and best practices for future projects.

To date, the Bank has completed closeout reports for 181 infrastructure projects. At the end of the quarter, reports were in progress for 10 projects funded with loans, 18 funded with a NADBank grant, 17 with a BEIF grant and five with both a loan and a BEIF grant.

2.2. Impact Assessments

NADBank is currently advancing two outstanding impact assessment studies. The first analysis examines the environmental infrastructure projects financed by the Bank from 1995 through 2020 and their impact on the Rio Grande basin between El Paso and Brownsville, Texas. The second assesses the investments made under the CAP program during the 2013-2024 period. The research phase for both assessments has been completed, and work continues in developing the conclusions, recommendations and executive summaries for publication, with the Rio Grande basin study receiving primary attention.

A comprehensive evaluation of the NADBank result measurement framework is planned for 2026. This effort will incorporate insights from project closeout reports and program evaluations to drive continuous process improvements, strengthen the effectiveness of project and program delivery, and identify opportunities for new financing products, enhanced services and program refinements that better address infrastructure investment needs across the border region.

3. STATUS OF FINANCING PROGRAMS

3.1. Development Asset Portfolio

During the first half of 2026, the Bank disbursed US\$119.1 million in development assets and received US\$69.3 million in principal payments, including US\$32.5 million in prepayments for three energy storage projects in the United States and three air quality paving projects in Mexico.

The prepayment of four of those loans occurred during the second quarter. With respect to the Wildcat Energy Storage Project in Riverside County, California, the sponsor prepaid the remaining balance of a US\$2.5-million loan that completed disbursement in January 2025. In the case of the paving and roadway improvement projects to improve air quality, the Municipality of Nuevo Laredo, Tamaulipas, prepaid the remaining balance of a US\$36.3-million loan that completed disbursement in October 2009 and a US\$26.9 million loan that completed disbursement in June 2010. Likewise, the private sponsor of the roadway improvement project in Ciudad Juarez, Chihuahua, prepaid the remaining balance of a US\$30.8-million loan that was fully disbursed in July 2014.

In addition, the private sponsor of the South Wastewater Treatment Plant Cogeneration and Improvements Project in Ciudad Juarez, Chihuahua, made the final payment on a US\$2.77 million loan in April 2026.

As a result of this activity, NADBank closed the quarter with an outstanding loan balance of US\$1,216.4 million, a net increase of 4.3% compared to the balance at the end of 2025 (US\$1,166.7 million) and was on par with the year-over-year balance of US\$1,219.2 million.

Table 9 provides a summary of year-to-date lending activity, along with the past calendar year, and its impact on the portfolio. At the end of the quarter, the Bank had US\$147.4 million in contracted loans pending disbursement for nine projects and up to US\$268.9 million in approved loans pending commitment for 13 projects.

Table 9: Annual Lending Activity

	Year to Date 2026	Year-end 2025
(Million USD)		
Outstanding balance, beginning of year	\$ 1,166.7	\$ 1,132.8
Loan disbursements	119.1	193.5
Principal amortizations	(36.8)	(133.8)
Loan prepayments	(32.5)	(25.8)
Outstanding balance, end of period	1,216.4	1,166.7
Loan commitments, pending disbursement	147.4	88.6
Loan approvals, pending commitment	268.9	251.6
Total loan approvals & commitments	416.3	340.1
Outstanding loans & loan commitments	\$ 1,632.8	\$ 1,506.8
Outstanding balances, before allowance for credit losses, unamortized fees, and effect of foreign exchange adjustments and hedged items.		

A breakdown of the current asset development portfolio by environmental sector, country and borrower type is shown in the following table and graphs.

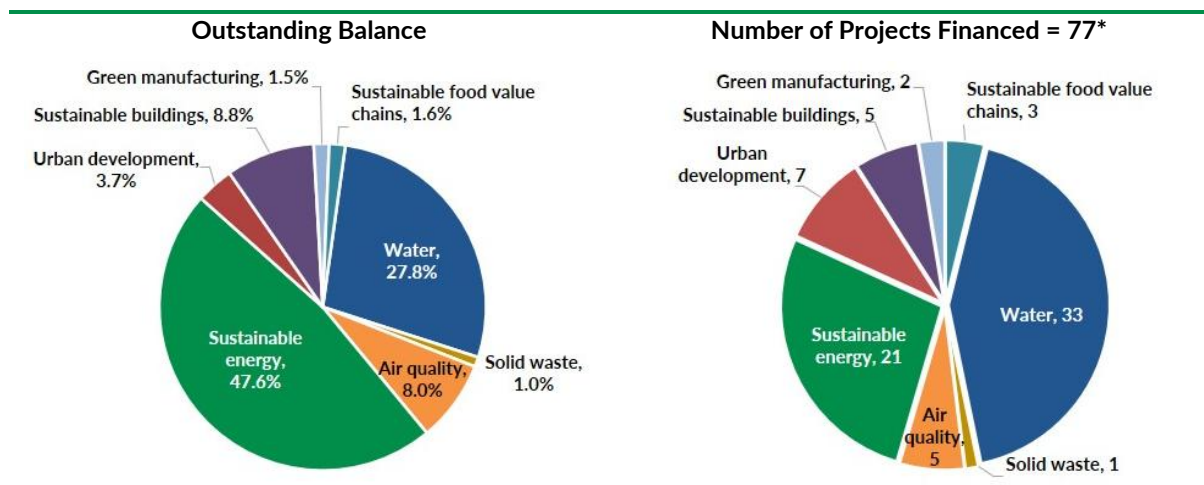
Table 10: Breakdown of Loan Portfolio as of June 30, 2026

	No. of Loans		Outstanding Balance	
	No.	%	Thousand USD	%
Outstanding Loan Portfolio¹	70	100	\$ 1,216,441	100
By Environmental Sector				
Water	26	37.2	\$ 337,642	27.8
Solid waste	1	1.4	11,726	1.0
Air quality ²	5	7.1	98,015	8.0
Sustainable energy	21	30.0	579,091	47.6
Urban development	7	10.0	45,170	3.7
Sustainable buildings	5	7.1	107,060	8.8
Sustainable food value chains	3	4.3	19,262	1.6
Green manufacturing	2	2.9	18,474	1.5
By Country				
Mexico	44	64.9	\$ 789,499	64.9
United States	26	37.1	426,942	35.1
By Borrowers				
Public	32	45.7	\$ 427,914	35.2
Private	35	50.0	752,873	61.9
Public-private	3	4.3	35,654	2.9

1. Outstanding balances, before allowance for credit losses, unamortized fees, and effect of foreign exchange adjustments and hedged items.

2. Air quality includes paving, mobility and border crossing projects.

Figure 2: Loan Portfolio Distribution by Sector



* Twenty-six (26) loans in the water sector have partially funded 33 certified projects.

As of June 30, 2026, one loan with an outstanding balance of US\$5.06 million was 90+ days past due, representing 0.4% of the loan portfolio..

3.2. COVID-19 Recovery Program (ProRec)

In May 2020, the Board of Directors approved a two-year financing program in response to the effects of the COVID-19 pandemic to support projects that have both environmental benefits and direct positive impacts on the economy and well-being of residents in the U.S. Mexico border region.

The two-year program expired at the end of 2022, having financed seven projects with loans totaling US\$63.4 million. On January 24, 2023, the last approved loan was contracted for US\$14.2 million to support the construction of a medical complex in Mexico using resource-efficient building techniques and materials; the final disbursement was made on August 27, 2025. Construction began in October 2023, and the medical complex was inaugurated in June 2026. Detailed information about ProRec-funded projects is available on the NADBank website ([Financed Projects](#)).

3.3. Infrastructure Financing through Financial Intermediaries

To date, the Bank has approved 11 loans totaling US\$187.3 million for 13 financial intermediaries in Mexico. Eight of those loans have been contracted and fully disbursed for a total of US\$83.7 million, while financing agreements are under development for the remaining three loans totaling US\$103.6 million. Of the eight loans funded to date, two have been fully implemented, five are in implementation and one was cancelled.

Information on the status of projects currently in the process of being implemented as of June 30, 2026, is provided in the Annex. More detailed information is provided in the report on Project Implementation Activities for Active Projects, which is available on the NADBank website ([Active project report](#)).

3.4. Water Resiliency Fund (WRF)

NADBank established the WRF in August 2025 to address financing gaps for infrastructure projects that strengthen the resilience of water resources essential for the long-term well-being of communities in the U.S.-Mexico border region. The fund offers up to US\$300 million in below-market-rate loans and US\$100 million in grants. To ensure balanced support throughout the border region, WRF sources will be divided equally between the two countries, and program participation is limited to 50% of the total investment of project.

Using a phased approach to deploy available program funding, NADBank issued a call for projects targeting irrigation districts in the Lower Rio Grande Valley (LRGV) of Texas in the fourth quarter of 2025. A second call for projects, targeting urgent investments to strengthen municipal water systems through conservation and supply-diversification

measures in Mexico was announced in the first quarter of 2026. In both cases, funding requests far exceeded the resources available through the new program.

Irrigation District Applications

During the second quarter of the year, a cross-functional NADBank team evaluated the proposed water conservation investments submitted by the districts. using a comprehensive set of criteria designed to identify infrastructure improvements that maximize water conservation benefits, provide meaningful community value and demonstrate strong potential for timely implementation and delivery of results.

NADBank evaluated 22 applications, of which 19 were determined to be fully or partially eligible for program funding. To streamline funding allocation and facilitate project implementation, multiple applications submitted by the same irrigation district were consolidated into district-level, multi-component projects. This process resulted in a maximum of 13 independent projects encompassing canal lining, pipeline conversion and other infrastructure improvements designed to generate water savings. These projects are now completing the due-diligence phase required to support project certification and financing approval under the program.

In parallel, NADBank has been working closely with the Texas Water Development Board (TWDB) to co-fund eligible projects through its House Bill 500 Water Supply and Infrastructure Grants (WSIG). In response to the Bank's efforts, TWDB has reserved US\$100 million in grant funds to match WRF investments on a 50/50 basis for canal lining and canal-to-pipe conversion projects, in particular. This strategic alignment has enhanced the financial feasibility of several projects.

Mexican Municipal System Applications

With respect to the current WRF project identification cycle for municipal water conservation and supply diversification measures in Mexico, the NADBank team is considering a strategic approach for coordinating the 112 potential investment actions submitted from communities within each of the six northern border states in Mexico. The total construction cost of the proposed projects is estimated at \$20.3 billion pesos (~US\$1.2 billion), indicating a WRF grant need of approximately \$10.1 billion pesos (~US\$579 million).¹ NADBank has completed a preliminary screening of the proposed actions and initiated efforts to discuss the vast investment need with the appropriate state agencies. Table 11 summarizes the distribution of proposals and the associated construction cost by states.

Table 11: Distribution of WRF Applications in Mexico

State	No. of Proposals
Tamaulipas	49
Baja California	34
Sonora	12
Chihuahua	9
Coahuila	5
Nuevo Leon	3
Total	112

For more information about the program, visit the NADBank website ([WRF](#)).

¹ Dollar value estimated at an exchange rate of \$17.50 pesos to the dollar.

3.5. Community Assistance Program (CAP)

Through this program, NADBank provides grant financing to support the implementation of critical environmental infrastructure projects in the water and solid waste sectors for economically distressed communities in the U.S.-Mexico border region.

For the year to date, the Bank has approved grants totaling US\$1.15 million for two projects, signed two financing agreements totaling US\$1.40 million and disbursed US\$1.14 million in CAP grants to support the implementation of four projects.

In terms of program funding, close to US\$6.23 million in grant funds provided by the U.S. Department of State (DOS) have been used to cover part or all the CAP grant disbursements for 16 projects, as well as part of the supervision expenses. The overall status of CAP funding as of June 30, 2026, is summarized in the table below.

Table 12: Status of CAP Funding as of June 30, 2026

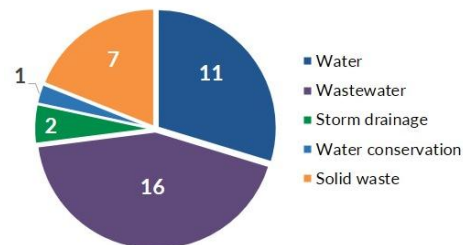
	2026	Cumulative (Million USD)
NADBank funding allocated	\$ -	\$ 15.57
U.S. Department of State grant	1.08	6.23
Funds used for supervision	-	(1.11)
Grants approved for projects ¹	1.15	(16.72)
Funding available for future projects		<u>\$ 3.97</u>

1. Cumulative figure, less grant cancellations from prior years.

Of the 37 projects funded with CAP grants, 32 have completed implementation and five were in various stages of execution or preparing to initiate construction at the end of the quarter. In addition, the grant agreement for one project was under development and is expected to be executed during the third quarter of 2026.

Information on the status of projects currently in the process of being implemented or pending financial closeout as of June 30, 2026, is provided in the Annex. More detailed information is provided in the project implementation report on active projects, which is available on the NADBank website ([Active project report](#)).

Figure 3: Breakdown of Projects under CAP



3.6. Border Environment Infrastructure Fund (BEIF)

Through this program, NADBank administers grant resources provided by the U.S. Environmental Protection Agency (EPA) for the implementation of priority water and wastewater infrastructure projects located within 100 km of either side of the U.S.-Mexico border.

For the year to date, US\$7.85 million in BEIF grants have been approved and contracted for two projects, and NADBank has disbursed close to US\$8.74 million in BEIF grants for eight projects in implementation.

With respect to program funding, during the second quarter of 2026, EPA Region 9 allocated an additional US\$27.48 million to the BEIF program: US\$25.64 million for project construction and US\$1.84 million for program administration.² The overall status of BEIF program funding as of June 30, 2026, is summarized in Table 13.

Table 13: Status of BEIF Funding as of June 30, 2026

	2026	Cumulative (Million USD)
EPA funding allocations ¹	\$ 44.98	\$ 873.23
Funds allocated for administration	2.58	(39.19)
Grants approved for projects ²	7.85	(752.29)
Grant cancellations in 2026 ³	(0.13)	
Funding available for future projects		<u>\$ 81.75</u>

1. The cumulative figure includes US\$329,029 in interest earned.
2. Cumulative figure, less grant cancellations, including those cancelled in 2026.
3. Unused funds de-obligated from completed projects during the current year.

Of the 145 projects funded with BEIF grants to date, 134 were completed and 11 were in various stages of construction or preparing to initiate construction at the end of the quarter. Information on the status of projects that are currently in the process of being implemented or pending financial closeout as of June 30, 2026, is provided in the Annex. More detailed information is provided in the project implementation report for active projects report, which is available on the NADBank website ([Active project report](#)).

² EPA Region 6 covers the border states of New Mexico, Texas, Chihuahua, Coahuila, Nuevo Leon and Tamaulipas. EPA Region 9 covers the border states of Arizona, California, Baja California and Sonora.

4. TECHNICAL ASSISTANCE PROGRAMS

4.1. Technical Assistance Program (TAP)

To support project sponsors and border communities in the development of sustainable projects, NADBank offers various types of technical assistance in three categories: project development, institutional capacity building and sector studies to identify needs and generate knowledge about a new sector or technology.

During the second quarter of 2026, the Bank awarded a total of US\$264,000 in TAP grant to support the development of four projects as detailed in the table below.

Table 14: TAP Grant Awards during the Second Quarter of 2026

Community Benefitted		Activity	TAP Grant (USD)
1	Cameron County, TX	Additional funds for Water Resource Plan	\$ 12,000
2	Hidalgo County, TX	Additional funds for Water Resource Plan	12,000
3	San Benito, TX	Water and Wastewater Master Plan – Capital Improvement Program	150,000
4	Cd. Mier, Tamps.	Final design for the wastewater collection system improvements	90,000
TOTAL:			\$ 264,000

During the same period, three TAP-funded studies were completed.

- *Mexico Clean Economy 2050 (MCE2050)*. NADBank provided a technical assistance grant to support development of a strategic report on water and urban mobility innovation for the U.S.-Mexico border region, based on recommendations from two high-level roundtables in Monterrey, Nuevo León. Led by Stanford University, the report synthesizes findings, decision-maker recommendations, business opportunities and strategic perspectives on electromobility, charging infrastructure, water reuse, water-loss reduction technologies and other clean innovation solutions. It gives NADBank and other public and private stakeholders strategic insights into identifying and evaluating opportunities for policies, investments and collaborative models that foster a more efficient binational economy.
- *Green Infrastructure Plan for the City of Presidio, TX*. The City has very limited stormwater management infrastructure and recognized that traditional drainage systems are expensive to install, do not allow water to infiltrate into the soil and typically increase heat island effects. To address these challenges, the City requested support for the development of a Green Infrastructure Plan. Green infrastructure uses strategies to redirect runoff into areas that slow the flow of water allowing it to pool and infiltrate into the soil, encourage the growth of native vegetation and reduce temperatures. The TAP funds were used to develop design standards and source vegetation for a test site.

- Texas Senate Bill 1169 Assessment and Implementation Plan. With the TAP grant, the Water Finance Exchange (WFX) and Winstead Law Firm provided legal, communication and public engagement support to create the Rio Grande Valley Public Utility Agency (RGVPUA) under Senate Bill 1169. The cities of Weslaco, Mercedes, San Benito and Raymondville formed the RGVPUA as a regionally collaborative legal structure that would allow them to apply for grants and loans and better respond to the significant economic development opportunities in the valley and the need for additional water sources. WFX also assisted with funding applications, water infrastructure planning and efforts to support additional communities interested in joining the agency.

At the end of the quarter, there were 30 initiatives in process with a total TAP grant commitment of US\$3.84 million.

Utility Management Institute (UMI)

During the second quarter of 2026, work related to redesigning and updating the curriculum of the Public Management Leadership Program (PMLP) was finalized. Duration of the online program was reduced by 30%, from 72 to 50 hours, making the PMLP more accessible while maintaining comprehensive coverage of key topics. The program consists of 25 online sessions, each lasting two hours, with sessions presented every Thursday and Friday.

Public Management Leadership Program	Hours
1. Leading with Purpose, Serving with Impact	2
2. Strategic Planning in Public Entities	8
3. Financial Management in Public Entities	8
4. Public Services and Rate/Tariff Models	8
5. Organizational Structures	8
6. Strategic Communication, Management and Leadership	8
7. Innovation, Public Value Creation and Social Marketing	8

As of June 30, 2026, a total of 334 individuals had registered for the program, which began on May 22nd and will conclude on August 21st. Attendance per online session has averaged 156 participants, significantly higher than the average attendance reported by similar online programs offered by comparable institutions.³ Approximately 50% of those registered have been attending the sessions consistently. The distribution of participant attendance is approximately 35% in the United States and 65% in Mexico. It is also worth noting that most attendees remain connected for an average of 118 minutes, indicating that they are staying until the end of each 120-minute session, an important measure of engagement. For more information or to register, visit the NADBank website ([PLMP 2026](#)).

In addition, UMI is developing a series of specialized seminars that may be offered either online or in person, in coordination with states along the U.S.-Mexico border.

³ A survey is currently being prepared to identify the reasons why some individuals registered but have not attended any sessions.

4.2. Project Development Assistance Program (PDAP)

NADBANK administers this EPA-funded program to assist communities in the development of water and wastewater projects that have been prioritized by EPA to receive BEIF grants.

During the second quarter of 2026, a total of US\$640,000 in PDAP grants were awarded to support the development of three projects, as indicated in the table below.

Table 15: PDAP Grant Awards during the Second Quarter of 2026

Community Benefitted		Activity	PDAP Grant (USD)
1	Carrizo Springs, TX	Final design for water system improvements	\$ 500,000
2	Nogales, SON	Transboundary Environmental Information Document for wastewater treatment infrastructure	80,000
3	Nogales, SON	Final design for the rehabilitation of wastewater infrastructure in the city center	60,000
TOTAL:			<u>\$ 640,000</u>

No studies were completed during the quarter. As of June 30, 2026, there were nine PDAP-funded studies in process with a total grant commitment of US\$2.4 million for the development of nine water and/or wastewater projects.

Table 16: Summary of Technical Assistance Activity

	First Six Months of		Year-end		
	2026	2025	2025	2024	2023
(Thousand USD)					
Total Activities Completed	7	7	24	17	24
By Program¹					
TAP	6	3	11	9	9
UMI	1	1	2	-	5
PDAP	-	2	10	8	10
TAP & PDAP	-	1	1	-	-
By Sector					
Water	5	5	18	15	20
Solid waste	-	-	1	-	1
Air quality	1	1	2	2	1
Urban development	1	1	1	-	-
Environment	-	-	2	-	2
By Type					
Project development	1	5	18	13	16
Capacity building	2	2	4	-	6
Sector development	4	-	2	4	2
Funding Approved					
TAP	\$ 344	\$ 1,395	\$ 2,501	\$ 3,176	\$ 2,173
UMI	-	-	70	50	80
PDAP	710	1,030	1,334	1,987	1,506
Funding Disbursed					
TAP	\$ 852	\$ 732	1,769	2,014	\$ 1,300
UMI	42	33	51	19	72
ProRec	-	-	-	-	380
PDAP	292	535	1,646	1,467	1,197

¹ Technical Assistance Program (TAP), Utility Management Institute (UMI) and COVID-19 Recovery Program (ProRec) funded by NADBANK and Project Development Assistance Program (PDAP) funded by the U.S. Environmental Protection Agency (EPA) and administered by NADBANK. A grant from the U.S. Department of State has been used to cover TAP and UMI disbursements since 2022.

4.3. Border 2025: U.S.-Mexico Environmental Program

This binational program, developed by EPA and its Mexican counterpart, Secretaría de Medio Ambiente y Recursos Naturales (SEMARNAT), to improve the environment and protect the health of the millions of residents within 100 kilometers of both sides of the U.S.-Mexico border, focuses on initiatives for clean air, safe drinking water, reduced risk of exposure to hazardous waste and emergency preparedness. NADB provides logistical and administrative services with respect to identifying, contracting and managing projects and workshops funded by EPA under the program.

During the second quarter of 2026, one initiative funded through the program was completed.

Binational Air Quality Project in Laredo, Texas and Nuevo Laredo, Tamaulipas.

Through this initiative sponsored by the Rio Grande International Study Center (RGISC), a community-led, cross-border, low-cost air sensor network was established with a bilingual public-facing dashboard. A total of 19 air monitoring stations were installed in the two cities to collect binational data on particulate matter measuring 2.5 micrometers or less in diameter (PM_{2.5}). The cities face significant air quality challenges driven by heavy emissions from diesel-fueled cargo trucks at the busiest commercial port on the border, as well as millions of passenger vehicles and diesel buses circulating on the Mexican side, but only had a single air sensor at the World Trade Bridge to monitor air quality.



The new network collects binational data on PM_{2.5} concentrations at the neighborhood-level across both cities, which is published in real time on the [BAC Public Dashboard](#).

As part of the project, a binational working group of residents from the local community, representatives from the public health sector, city officials and other interested stakeholders formed the nine-member Binational Air Council (BAC) to address air quality impacts in their communities, and bilingual outreach materials were developed to raise awareness and educate the community on localized air quality issues and their impact.

Of the 32 projects funded through the Border 2025 program to date, 25 have been completed with just over US\$1.69 million in program funding. As of June 30, 2026, seven projects were in development with a total grant commitment of US\$376,411.

Table 17: Status of Border 2025 Initiatives as of June 30, 2026

Goal	Completed	In process	Total
1. Reduce air pollution	7	1	8
2. Improve water quality	9	5	14
3. Promote sustainable waste management	8	1	9
4. Improve joint emergency preparedness	1	–	1
Total	25	7	32

5. STRATEGIC OUTREACH ACTIVITIES

In carrying out its mission, NADBank actively seeks partnerships with public and private entities to promote actions that will enhance the environment and well-being of people in the border region. Leveraging its binational connections, the Bank brings together experts and stakeholders from both sides of the border to generate and share knowledge on environmental issues and emerging topics through studies, forums, webinars and other initiatives. The following are highlights of the outreach and collaborative efforts undertaken by NADBank during the past quarter.

Groundbreaking to rehabilitate wastewater collection and conveyance infrastructure in the Tijuana River Area of Baja California

On April 27th, NADBank Managing Director John Beckham joined EPA leaders, Baja California state and local utility officials, among others, to mark the initiation of major improvements to wastewater infrastructure in the Tijuana River area, including the rehabilitation of two lift stations partially funded with a BEIF grant. The upgrades will allow CESPT to better manage wastewater flows through its system, which will help prevent sewage spills and keep untreated wastewater from reaching the Tijuana River. During the event, NADBank and CESPT also executed a grant agreement to support another project involving the replacement of deteriorated pipelines in 13 critical sections of the wastewater collection system.

[\(More information\)](#)



NADBank named 2026 Community Partner of the Year

The Rio Grande International Study Center (RGISC), a nonprofit organization incorporated in Texas to promote the preservation and protection of the Rio Grande River, recognized NADBank for its contributions to water security and infrastructure development in the Laredo–Nuevo Laredo region. The recognition highlighted the Bank's support for technical assistance studies, financing through its US\$400 million Water Resiliency Fund, and approximately US\$80 million in wastewater infrastructure improvements in Nuevo Laredo, reflecting the impact of strong binational partnerships.



2026

NADBANK



SUMMIT



Strengthening
Binational Cooperation to
Deliver the Infrastructure
of Tomorrow

August 27-28, 2026 ➤ Kimpton Santo Hotel. 431 S. Alamo St. ➤ San Antonio, Texas

Opening Keynote Session

The U.S.-Mexico binational relationship and opportunities for deeper collaboration on critical infrastructure initiatives



Ronald Johnson
U.S. Ambassador to Mexico



Roberto Lazzeri Montaña
Mexican Ambassador to the U.S.

www.nadbank.org

The 2026 NADBank Summit brings together leaders from government, industry, academia, and the private sector for two days of meaningful dialogue focused on the future of the U.S.- Mexico border region. Hosted in San Antonio, Texas on August 27-28, this year's Summit explores innovative solutions that promote investments in infrastructure, strengthens economic competitiveness, and enhances binational cooperation.

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Additional Outreach Highlights

April– June 2026

- ◆ **April 13th – The Baker Institute's México Centered Podcast: “The Binational Bank Tackling the Border's Water Crisis”.** NADBANK Managing Director John Beckham joined center experts Tony Payan and Ivonne Cruz to discuss the Bank's work financing environmental infrastructure projects along the border, the politics of water scarcity, and what binational cooperation looks like in an era of extreme drought and industrial expansion ([Episode 95](#)).



- ◆ **April 15th – Stanford's Mexico Clean Economy 2050 Roundtable on Clean Innovation for Water Resilience in the U.S.-Mexico Border in Monterrey, N.L.** NADBANK Chief Environmental Officer Salvador Lopez joined regional leaders, researchers and private-sector partners at Tecnológico de Monterrey to advance conversations on water conservation and innovation in the U.S.-Mexico border region. Discussions focused on scaling innovative technologies, modernizing infrastructure and unlocking financing and business models that strengthen water systems and support urban and industrial growth through binational cooperation.



- ◆ **April 22nd – 1st Sectoral Roundtable on Transporting Personnel in Tijuana, B.C.** Chief Environmental Officer Salvador Lopez joined officials in Baja California at the event hosted by the World Resource Center(WRI) México to share the Bank's experience in projects for modernizing mobility and transportation, as well as to discuss sector challenges and opportunities.

- ◆ **April 23rd – Border Water Horizon Workshop in Houston, TX.** NADBANK Chief Environmental Officer Salvador Lopez participated in a collaborative workshop convened by the Baker Institute in partnership with the Permanent Forum of Binational Waters, the Universidad Nacional Autónoma de México (UNAM), Texas Water Resources Institute, Texas Water Foundation, and other academic and water institutions from both sides of the border to examine shared water challenges and identify practical, cooperative solutions.





- ◆ **April 30th – Tour of Otay Mesa East Port of Entry in Tijuana, B.C.** NADBank Managing Director John Beckham and Board Member Denise Ducheny met with The San Diego Association of Governments to see firsthand the progress being made on this critical infrastructure project. Border crossings that improve mobility while reducing truck idling help improve air quality in the border region.



- ◆ **May 13th – NADBank Board of Directors Meeting in Mexico City.** The Board held its public meeting from Mexico City, providing a forum to share progress on projects, plans and partnerships, and open a dialogue with communities, local authorities and organizations on both sides of the border. During the session, Managing Director John Beckham spoke to these points, and time was set aside to hear comments and perspectives from the public, reinforcing transparency and participation as essential elements of the Bank's work.



- ◆ **May 19th – Environmental Trade Fair and Conference in San Antonio, TX.** NADBank Managing Director John Beckham joined Texas Commissioner on Environmental Quality Tonya Miller to highlight the Bank's work on binational air quality and environmental infrastructure financing along the U.S.-Mexico border.

- ◆ **May 21st – Binational Water Reuse Forum in Tecate, B.C.** NADBank Chief Environmental Officer Salvador Lopez joined public, private and academic leaders to explore practical approaches to strengthening water systems in the region. Convened by the Institute of the Americas, the event served as a platform to discuss the Border 2025 program developed by EPA and SEMARNAT and administered by NADBank, which has funded many initiatives, including a comparative regulatory analysis, a technology assessment and cross-border site visits to advance water reuse strategies.





- ◆ **June 3rd – El Paso–Juárez Binational Council Meeting in El Paso, TX.** NADBank Managing Director John Beckham addressed the council, emphasizing the importance of coordination in tackling shared challenges such as water stress, air quality and regional growth. During the event, the two city governments renewed their sister-city agreement, reaffirming their commitment to strengthen cross-border coordination and work together on economic development and other initiatives.



- ◆ **June 4th – Pilot Program launched to strengthen water utilities along the Mexican northern border.** Zulima Leal and Jairo Lopez, representing NADBank, were on site to help launch the new program at the water utility (OOMAPAS) in Nogales, Sonora. This NADBank Flow technical assistance project will support improved operations, efficiency and service delivery, helping utilities plan for both immediate and long-term impact.

- ◆ **June 10th – 12th Mexico Gas Summit 2026 in San Antonio, TX.** Esaul Ramirez, representing NADBank, joined industry leaders on the panel, “Mexico & Texas: The World’s Most Important Energy Relationship.” In his comments, he highlighted the role of financing and cross-border collaboration in advancing energy, trade and infrastructure across North America.



- ◆ **June 10th -12th – Annual Building a Competitive U.S.-Mexico Border Conference in Washington D.C.** Hosted by the Inter-American Dialogue and The Border Trade Alliance, NADBank Managing Director John Beckham joined Luke Wilson, Deputy Director of the Center for Water Security and Cooperation, and Diego Rivera Rivota, a research associate at Columbia University’s Center on Global Energy Policy (CGEP) in a panel discussion on the importance of binational collaboration, needed water and energy infrastructure investments and regional competitiveness on the border.

- ◆ **June 23rd – Water Advisory Task Force Meeting in the Rio Grande Valley, TX.** NADBank Chief Environmental Officer Salvador Lopez joined leaders from Cameron, Hidalgo, Starr and Willacy Counties to advance regional water solutions for the Lower Rio Grande Valley. As demand rises in a region that relies heavily on the Rio Grande as its primary water source, the Lower Rio Grande Valley Water Management Plan—led by the county commissioners in partnership with NADBank—will help address water needs in the region. [To learn more.](#)



6. FINANCIAL REPORT

Table 18: Financial Summary – NADBANK Ordinary Capital Resources

	Six Months Ended June 30		Year -end		
	2026	2025	2025	2024	2023
(Million USD)					
Balance Sheet Data					
Total assets	\$ 2,513.7	\$ 2,460.6	\$ 2,521.8	\$ 2,401.6	\$ 2,287.9
of which					
Cash and investments	1,134.1	1,095.2	1,197.7	1,240.8	1,078.1
Gross loans outstanding	1,216.4	1,219.2	1,166.7	1,132.8	1,049.2
Other assets	184.6	202.8	196.8	147.8	177.2
Total liabilities	1,429.2	1,488.7	1,442.9	1,533.8	1,469.6
of which					
Current liabilities	80.8	67.7	85.1	80.8	73.2
Deferred U.S. capital contribution	45.0	117.0	45.0	165.0	165.0
Debt (short & long term)	1,178.5	1,178.0	1,178.2	1,306.4	1,123.7
Equity	1,084.5	971.9	1,078.9	867.8	818.3
of which					
Paid-in capital	715.0	600.0	715.0	506.0	506.0
Retained earnings	346.6	343.1	336.8	331.7	310.0
Callable capital	4,306.7	3,655.0	4,306.7	3,037.3	3,037.3
Income Statement Data					
Loan interest income	39.4	42.6	84.1	82.7	72.0
Investment interest income	23.3	24.7	49.2	45.5	30.4
Interest expense	28.9	35.3	66.6	70.4	59.1
Net interest income	33.8	32.0	66.7	57.8	43.3
Provision for credit losses	3.2	(2.0)	2.7	10.5	(1.7)
Net interest income after provision for credit losses	30.6	34.0	64.0	47.3	45.0
Operating expenses	12.6	11.2	22.3	20.4	20.4
Net operating income	18.0	22.8	41.7	26.9	24.6
Non-interest and non-operating income (expense)	(4.7)	(7.4)	(11.5)	10.1	4.0
Transfer to Environment Investment and Capacity Facility (EICF)	3.5	4.0	25.1	15.3	5.1
Net income	9.8	11.4	5.1	21.7	23.5
Ratios - Last 12 months (% average)					
Loans / Equity	111.5	127.0	120.2	126.2	128.6
Equity / Assets	42.5	37.5	40.2	36.9	37.3
Callable capital / debt (short & long term)	356.3	259.0	307.7	255.7	278.2
Liquid assets / debt (short & long term)	97.7	96.0	95.6	96.9	97.5
Net operating income / Equity	3.4	3.9	4.2	3.2	3.2
Period-ending					
Non-accrual loans / Loans outstanding	-	0.4	-	0.9	-
Credit Ratings					
Moody's Investor Service	Aa1	Aa1	Aa1	Aa1	Aa1
Fitch Ratings	AA	AA	AA	AA	AA

Since 2023, all grant and technical assistance activities are reported under the Environment Investment and Capacity Facility (EICF), and all other operations of the Bank are reported

under Ordinary Capital Resources. Table 19 provides a summary of the EICF balance sheet as of June 30, 2026, along with a comparison to the 2025 year-end balance sheet.

Table 19: EICF Summary Balance Sheet

	June 30, 2026	December 31, 2025
USD		
Cash and cash equivalents	\$ 16,590,688	\$ 39,451,197
Investment securities	39,938,658	-
Receivables	3,669,411	18,477,418
Total assets	\$ 60,198,757	\$ 57,928,615
Payables	\$ 179,572	\$ 385,809
Undisbursed grant funds	124,931	1,981,538
Fund balance	59,894,254	55,561,268
Total liabilities and fund balance	\$ 60,198,757	\$ 57,928,615

Table 20: Summary of Disbursement Activity

	Six Months Ended June 30		Year-end		
	2026	2025	2025	2024	2023
(Thousand USD)					
Total disbursements	\$ 130,342	\$ 133,942	\$ 207,187	\$ 283,057	\$ 236,355
By Program					
Loans	\$ 119,053	129,327	\$ 193,451	\$ 258,673	\$ 218,829
Infrastructure financing grants:					
Community Assistance Program (CAP)	1,144	856	1,572	140	1,191
Border Environment Infrastructure Fund (BEIF)	8,736	2,349	8,484	20,232	12,473
Technical assistance grants:					
Technical Assistance Program (TAP)	852	732	1,769	2,014	1,300
Utility Management Institute (UMI)	42	33	51	19	72
COVID-19 Recovery Program (ProRec)	-	-	-	-	380
Project Development Assistance Program (PDAP)	292	535	1,646	1,467	1,197
Border 2025: U.S.-Mexico Environmental Program	146	110	170	331	726
Air Quality Monitoring Fund (AQ Fund)	77	-	17	181	144
Other	-	-	27	-	43
Total	\$ 130,342	\$ 133,942	\$ 207,187	\$ 283,057	\$ 236,355
By Source					
NADBank ¹	\$ 119,201	129,327	\$ 193,451	\$ 258,673	\$ 219,209
Environmental Protection Agency (EPA) ²	9,174	2,994	10,327	22,030	14,438
U.S. Department of State (DOS) ³	1,890	1,621	3,392	2,173	2,564
Air Quality Monitoring Fund ⁴	77	-	17	181	144
Total	\$ 130,342	\$ 133,942	\$ 207,187	\$ 283,057	\$ 236,355

¹ In addition to loans, NADBank funded CAP and TAP grants totaling US\$148,000 in 2026.

² EPA finances BEIF, PDAP and Border 2025. EPA also provided a grant classified as other that was disbursed between 2023 and 2025.

³ DOS grants finance CAP and/or TAP disbursements.

⁴ This fund manages grants from the Texas Commission on Environmental Quality (TCEQ) and the Paso del Norte Community Foundation to improve air quality monitoring in the Paso del Norte air basin.

7. NADBANK PROFILE

NADBank is a binational financial institution established and capitalized by the Governments of the United States and Mexico to provide financing to support the development and implementation of infrastructure projects, as well as to provide technical and other assistance for projects and actions that preserve, protect or enhance the environment in order to advance the well-being of the people of the United States and Mexico.

Pursuant to its charter, NADBank works closely with border communities, state agencies and other entities to develop affordable and self-sustaining projects in the areas of potable water, wastewater treatment and solid waste management, as well as projects aimed at improving air quality, conserving water, reducing energy consumption, developing renewable energy sources and promoting resilient communities, among others, located within 100 kilometers (about 62 miles) north or 300 kilometers (about 186 miles) south of the international boundary between the two countries.

As a development bank, NADBank offers various types of technical assistance and financial services to support border communities in the planning and design of environmental infrastructure projects, as well as to strengthen the institutional capacities of those responsible for implementing and operating the projects in the long term.

For more information, visit our website at www.nadbank.org.

ANNEX

ACTIVE PROJECTS BY STATE

JUNE 30, 2026

ANNEX

NADBANK QUARTERLY REPORT
JUNE 30, 2026

NORTH AMERICAN DEVELOPMENT BANK ACTIVE PROJECTS BY STATE June 30, 2026

Project	Population to Benefit ¹	Approval Date	Total Cost	Total NADB Funding (Million USD)			Implementation Phase ²		
				Approved	Contracted	Disbursed	Pre-const.	Construct.	Complete

UNITED STATES

CALIFORNIA

1	1	Bali Express (San Diego County)	MO		3-Dec-24	Reserved	38.00	7.75	1.50		1	
2	2	Innecare Medical Complex	REB	21,233	6-Oct-23	Reserved	36.40	35.96	35.96			1
3	3	Wildcat Energy Storage	ES	283	2-Mar-20	Reserved	2.48	2.48	2.48			1
		TOTAL CALIFORNIA		21,516		89.71	76.88	46.19	39.94	0	1	2

NEW MEXICO

4	1	Anthony	W	1,795	11-Apr-23	5.00	4.80	4.80	4.50		1	
5	2	Anthony	WW	7,020	17-Feb-26	5.65	3.65	3.65		1		
		TOTAL NEW MEXICO		8,815		10.65	8.45	8.45	4.50	1	1	0

TEXAS

6	1	Anzalduas Port of Entry (Mission)	AQ	999,260	8-Jun-22	81.86	63.00	63.00	63.00		1	
7	2	Arroyo energy storage (Cameron Co.)	ES	116,142	8-May-24	Reserved	85.00	73.26	72.70		1	
8	3	Cameron County DD #6	SD	12,000	19-Mar-26	11.30	11.30	11.30	11.30		1	
9	4	Donna Irrigation District #1	WC	213,000	14-Nov-25	6.90	3.60	3.60	2.85		1	
10	5	El Paso County (Angels Park)	WW	1,030	1-Oct-25	1.35	0.75	0.75	0.27		1	
11	6	El Paso County (Bejar Estates)	WW	221	1-Oct-25	0.57	0.51	0.51	0.51			1
12	7	Laguna Madre WD (Long Island Village)	W/WW	2,939	11-Apr-23	20.80	20.80	20.80	20.80		1	
13	8	McAllen	SW	183,000	10-Apr-26	10.00	10.00	10.00	10.00		1	
14	9	Vinton	WW	2,043	14-Nov-19	19.73	3.00	3.00	2.57			1
		TOTAL TEXAS		1,529,635		331.62	197.96	186.22	184.01	0	7	2

14		TOTAL U.S.		1,559,966		431.97	283.30	240.87	228.45	1	9	4
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MEXICO

BAJA CALIFORNIA

1	1	Mexicali (force mains)	WW	753,000	19-Sep-23	6.80	3.27	3.27	3.27		1	
2	2	Mexicali (La Ladrillera)	W/WW	105	12-Feb-26	0.73	0.65	0.65		1		
3	3	State of Baja California	W/WW	3,263,496	1-Dec-22	165.67	165.67	165.67	165.67		1	
4	4	State of Baja California II	W	1,085,000	8-May-26	271.44	82.16	82.16		1		
5	5	Tijuana y Rosarito	W/WW	640,759	21-Jul-09	26.08	16.11	16.11	12.87		1	
6	6	Tec.-La Gloria WWTP	WW	187,036	1-Feb-11	8.23	4.13	4.13			1	
7	7	Tijuana (River diversion)	WW	688,000	14-Dec-23	30.88	13.44	13.44	6.43		1	
8	8	Tijuana (Agua Caliente Corridor)	MO	37,700	20-Feb-24	13.37	11.84	8.90	5.71		1	
9	9	Tijuana (river gates)	WW	167,000	26-Jan-26	8.40	4.20	4.20			1	
		TOTAL B.C.		3,263,496		523.36	297.34	294.41	193.95	2	7	0

CHIHUAHUA

10	1	Ciudad Juarez	WW	246,860	6-Jun-22	26.90	26.90	11.50	8.58		1	
11	2	Ojinaga (2)	WW	6,240	12-Nov-20	4.00	2.09	2.09	1.86		1	
		TOTAL CHIH.		253,100		30.90	28.99	13.59	10.44	0	2	0

ANNEX
ACTIVE PROJECTS BY STATE

NADBANK QUARTERLY REPORT
JUNE 30, 2026

Project	Population to Benefit ¹	Approval Date	Total Cost	Total NADB Funding (Million USD)			Implementation Phase ²		
				Approved	Contracted	Disbursed	Pre-const.	Construct.	Complete

NUEVO LEÓN

12	1	Monterrey (hydropanel)	W	1,470	6-Nov-24	0.55	0.50	0.50		1		
13	2	Monterrey (SADM)	W/WW	5,300,000	3-Sep-25	103.42	16.75	16.75	16.75		1	
		TOTAL N.L.		5,300,000		103.97	17.25	17.25	16.75	1	1	0

SONORA

14	1	La Pitaya Citrus Farm (Hermosillo)	FVC		26-Sep-24	Reserved	11.50	11.50	9.00		1	
15	2	Naco	W	6,150	29-Apr-24	1.50	0.50	0.50	0.20		1	
16	3	OSME Medical Complex (San Luis RC)	REB	33,800	22-Nov-21	Reserved	14.21	14.21	14.21			1
17	4	Sana Frozen Food Plant (San Luis RC)	FVC	199,021	3-Jan-23	Reserved	16.00	8.00	8.00		1	
18	5	State of Sonora		1,500,000	13-Feb-26	55.68	37.40	37.40	37.40	1		
			UD				15.61	15.61				
			W/WW				10.74	10.74				
			AQ				6.35	6.35				
			EE				2.97	2.97				
			SW				1.73	1.73				
		TOTAL SON.		1,738,971		130.77	79.61	71.61	68.82	1	3	1

TAMAULIPAS

19	1	Gustavo Díaz Ordaz	WW	12,354	30-May-19	8.55	4.38	4.38	4.38		1	
20	2	Miguel Alemán	WW	1,463	5-Sep-24	5.80	2.70	2.70	0.61		1	
21	3	Nueva Ciudad Guerrero	WW	5,209	20-Mar-20	4.53	2.05	2.05	2.05		1	
22	4	Nuevo Laredo	WW	416,055	23-Jan-24	81.20	8.00	8.00	4.69		1	
23	5	Nuevo Progreso	WW	10,272	17-Apr-24	1.15	0.50	0.50	0.37		1	
		TOTAL TAMP.		445,353		101.23	17.63	17.63	12.11	0	5	0

MEXICAN BORDER REGION

24	1	4 FIs Sustainability Bond	FVC		4-Sep-24	Reserved	3.52	3.52	3.52			1
25	2	Active Leasing Green Loan	REM		2-Nov-23	Reserved	15.00	15.00	15.00		1	
26	3	Altum CP Green Loan	REM		6-Nov-24	Reserved	10.70	10.70	10.70		1	
27	4	BIM Sustainable Housing	REB	1,568	8-Dec-23	Reserved	7.24	7.24	7.24		1	
28	5	ENGEN - Tranche B	MO		25-Sep-25	Reserved	23.18	23.18	23.18		1	
29	6	Mercader Bus Program ³	MO		13-Sep-16	76.02	44.27	44.27	58.78		1	
30	7	SOFOPLUS Green Loan	REB		12-Jun-24	Reserved	10.00	10.00	10.00		1	
31	8	Vinte Sustainable Housing	REB	2,400	20-Dec-24	Reserved	40.00	40.00	40.00		1	
		TOTAL MX Border		3,968		216.01	153.91	153.91	168.42	0	7	1

31		TOTAL MEX.		11,000,920		1,106.23	594.74	568.40	470.47	4	25	2
45		TOTAL NADB		12,560,886		1,538.21	878.04	809.267	698.92	5	34	6

¹ Populations benefitting from more than one project are only counted once.

² Projects in pre-construction are either under final design, in preparation for bidding or in bidding. Projects that have completed construction may still be considered active because financing is still in process (pending disbursement or deobligation).

³ As a revolving line of credit, the sum of disbursements can exceed the amount committed, but the outstanding balance never exceeds the amount committed.

AQ = Air quality; DD = Drainage district; FI = Financial intermediary; EE = Energy efficiency; ES = Energy storage; MO = Mobility; REM = Resource-efficient manufacturing; REB = Resource-efficient buildings; FVC = Food value chain; SD = Storm drainage; SW = Solid waste; UD = Urban development; W = Water; WW = Wastewater; WWTP = Wastewater treatment plant