



QUARTERLY STATUS REPORT



December 31, 2024

Financing projects to preserve, protect and enhance
the environment of the U.S.-Mexico border

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1. Project and Financing Activity

1.1. Approvals

During the last quarter of 2024, five environmental infrastructure projects were approved to receive up to US\$149.7 million in financing, as follows:

- Alternative Drinking Water Supply for Five Schools in Monterrey, N.L. On November 6th, the Board approved a pilot project to install water harvesting systems using hydropanels at five schools in economically distressed areas of the municipality that have experienced water outages, rationing and low water pressure due to prolonged drought, along with a US\$500,000 grant through the Community Assistance Program (CAP). The project will provide access to safe, sustainable drinking water for 1,470 students, eliminating school closures due to water shortages and contributing to a healthy learning environment for students.
- Border-wide Green Loan for Altum CP in Mexico. On the same date, the Board approved a loan for up to \$200 million peso (US\$11.2 million) for this non-bank financial institution to fund its financing operations with smaller non-bank financial intermediaries and small- and medium-size enterprises for the implementation of eligible green projects located within the 300-kilometer border region in Mexico. The green loan is expected to support the reduction of greenhouse gas emissions, as well as generate energy and water savings, mainly through activities associated with sustainable food value chains, mobility, renewable energy generation and energy efficiency retrofits.
- Pome BESS Project in San Diego County, CA. On November 14th, the Board approved the construction of a battery energy storage system (BESS) with a capacity of 100 megawatts of alternating current, along with a loan for up to US\$60.0 million. During its first year of operation, the facility is expected to store and deliver electricity equivalent to serving 128,750 households and help prevent the emission of an estimated 31,854 metric tons/year of carbon dioxide and other contaminants, in addition to increasing the sustainability of the California power grid. The corresponding loan agreement was signed prior to the end of the year.
- Bali Express Fleet Renovation in Southern California. On December 3rd, the Board approved a US\$38.0 million loan to support the transition to a fleet of cleaner trucks for a logistics company that provides cross-border drayage services between San Diego and Tijuana, Baja California. The project consists of the gradual replacement of up to 97 diesel-fuel based freight trucks with a combination of 75 electric and 22 natural gas-based vehicles, which will significantly reduce the harmful emissions generated by its current trucking operations. NADBank financing will help the company bridge the financial gap between acquiring trucks and receiving state grants to help offset part of the costs.

- Vinte Sustainable Housing Developments in Mexico. On December 20th, the Board approved a US\$40.0 million loan for a leading homebuilder in Mexico dedicated to the development of sustainable and affordable housing for low, medium and medium-high income families. Under its inclusive business model, the company develops integrated communities that offer a better quality of life for residents through homes with efficient technologies for reducing water and energy consumption by at least 20% compared to standard building practices, as well as other services such as controlled access, equipped parks, recreational areas, urban connectivity and proximity to schools, health care facilities and police stations. The loan is expected to fund the construction of approximately 720 efficient single-family homes within the 300-km (186-mile) area south of the U.S.-Mexico border.

During the year, 20 new projects were approved to receive up to US\$361.7 million in financing. Table 1 provides a breakdown of the projects approved by environmental sector, country and type of financing, along with a comparison of the last three years.

TABLE 1: APPROVAL OF ENVIRONMENTAL INFRASTRUCTURE PROJECTS

	Year-end			
	2024	2023	2022	2021
Projects Approved	20	11	10	12
By sector¹				
Water	8	5	4	7
Solid waste	-	-	2	-
Air quality ²	3	-	1	-
Urban development	1	-	1	1
Sustainable energy	3	2	1	2
Sustainable buildings	2	2	-	1
Green manufacturing	1	1	-	-
Sustainable food value chains	2	1	1	1
By country				
Mexico	13	6	7	3
United States	7	5	3	9
By financing type				
Loan	12	7	7	7
Grant	7	4	2	5
Loan & grant	1	-	1	-

¹ In June 2024, the projects approved for financing through the COVID-19 Recovery Program (ProRec) were reclassified to environmental sectors, and prior-year figures were adjusted for comparative purposes.

² Projects currently include an international border crossing and mobility projects.

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 ENVIRONMENTAL INFRASTRUCTURE PROJECTS
(Thousand USD)**

	Year-end			
	2024	2023	2022	2021
Financing Approved¹	\$ 362,201	\$ 235,640	\$ 372,945	\$ 149,775
By Sector²				
Water	19,700	43,240	195,107	33,225
Solid waste	-	-	9,138	-
Air quality	57,341	-	63,000	-
Urban development	3,978	-	20,000	1,410
Sustainable energy	205,000	105,000	65,700	92,929
Sustainable buildings	50,000	56,400	-	14,211
Green manufacturing	11,166	15,000	-	-
Sustainable food value chains	15,016	16,000	20,000	8,000
By Country				
Mexico	118,201	68,640	243,795	23,541
United States	244,000	167,000	129,150	126,234
By Program				
Loans	348,501	213,200	357,054	141,385
Grants: ³				
BEIF	11,200	21,940	15,441	7,390
CAP	2,500	500	450	1,000

¹ Figures include financing approved for new projects, as well as additional funding approved for projects certified in prior years. In 2021, the sustainable food value chain loan in Mexico was subsequently cancelled prior to year end. In 2022, the urban development and the solid waste loans, both in Mexico, were subsequently cancelled prior to year end. In 2024, a water loan in Mexico was cancelled prior to year end.

² In June 2024, the loans approved through the COVID-19 Recovery Program (ProRec) were reclassified to environmental sectors, and prior-year figures were adjusted for comparative purposes.

³ 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 last quarter of 2024, the Bank executed financing agreements totaling nearly US\$121.2 million with the sponsors of nine environmental infrastructure projects, as detailed in Table 3.

TABLE 3: FINANCING CONTRACTED FOR ENVIRONMENTAL INFRASTRUCTURE PROJECTS
October 1 – December 31, 2024
(USD)

	Project	Date	Program ¹	Amount
1	Sustainability Bond for Four Financial Intermediaries in Mexico	4-Oct-24	Loan	\$ 3,515,850
2	Public Transportation System Improvements for the Aguacaliente Corridor in Tijuana, B.C.	7-Oct-24	Loan	8,902,895
3	Border-wide Green Loan for Sofoplus S.A.P.I. de C.V., SOFOM, E.R. in Mexico	23-Oct-24	Loan	5,000,000
4	Wastewater Collection System Improvements in Ojinaga, CHIH (additional funds)	30-Oct-24	BEIF	300,000
5	La Pitaya Citrus Farming Project in Hermosillo, SON	5-Nov-24	Loan	11,500,000
6	Green Loan for Grupo KELQ, S.A.P.I. de C.V. SOFOM E.N.R.	11-Nov-24	Loan	3,978,002
7	Border-wide Sustainable Housing Project in Mexico for Banco Inmobiliario Mexicano (BIM)	22-Nov-24	Loan	20,000,000
8	Pome BESS Project in San Diego County, CA	2-Dec-24	Loan	60,000,000
9	Sana Premium Foods Frozen Food Processing Plant in San Luis Río Colorado, Son.	11-Dec-24	Loan	8,000,000
TOTAL				\$ 121,196,747
1. Border Environment Infrastructure Fund (BEIF), a grant program administered by NADBank with funding provided and approved by the U.S. Environmental Protection Agency (EPA).				

In 2024, NADBank contracted a total of US\$289.4 million in financing—12 loans for up to US\$265.7 million and eight grants for US\$23.7 million—with the sponsors of 20 certified projects in the areas of water and wastewater system improvements, efficient mobility, urban development and sustainable energy, buildings and food value chains.

During the past three months, the Bank also disbursed close to US\$109.7 million in loans and grants to support the implementation of 27 certified projects, including the full disbursement of the sustainability bond for the four financial intermediaries, the green loans for Grupo KELQ and SOFOPLUS and the loan for the SANA frozen food plant, as well as the initial disbursements of the loan for the La Pitaya citrus farm, Pome energy storage facility and Tijuana public transportation system, and the initial CAP grant disbursements for the wastewater project in Ímuris, Sonora and the water project in Hidalgo County, Texas.

In 2024, NADBank disbursed just over US\$279.0 million in loans and grants to support the execution of 35 certified projects in various stages of implementation. Table 4 provides a breakdown of the disbursements by environmental sector, country and type of funding, while Table 5 shows the distribution by project.

TABLE 4: DISBURSEMENTS FOR ENVIRONMENTAL INFRASTRUCTURE PROJECTS
(Thousand USD)

	Year-end			
	2024	2023	2022	2021
Financing Disbursed	\$ 279,044	\$ 232,492	\$ 102,162	\$ 127,609
By sector¹				
Water	57,803	90,947	25,997	39,990
Solid waste	-	449	-	-
Air quality ²	5,710	-	63,000	-
Urban development	3,978	-	-	1,410
Sustainable energy	165,577	113,387	3,044	86,209
Sustainable buildings	10,460	27,709	-	-
Green manufacturing	15,000	-	-	-
Sustainable food value chains	20,516	-	10,121	-
By country				
Mexico	104,871	67,467	31,882	11,574
United States	174,173	165,025	70,280	116,035
By financing type				
Loans	258,673	218,829	90,030	117,213
Grants	20,371	13,663	12,132	10,396

¹ In June 2024, the projects approved for financing through the COVID-19 Recovery Program (ProRec) were reclassified to environmental sectors, and prior-year figures were adjusted for comparative purposes.

² Current projects include mobility and an international border crossing.

TABLE 5: DISTRIBUTION OF DISBURSEMENTS TO CERTIFIED PROJECTS

	Year-end			
	2024	2023	2022	2021
Projects Funded	35	30	24	24
By sector¹				
Water	20	22	20	20
Solid waste	-	1	-	-
Air quality ²	1	-	1	-
Urban development	1	-	-	1
Sustainable energy	7	5	2	3
Sustainable buildings	2	2	-	-
Green manufacturing	1	-	-	-
Sustainable food value chains	3	-	1	-
By country				
Mexico	21	15	16	14
United States	14	15	8	10
By financing type				
Loan	16	9	5	7
Grant	19	21	19	17

¹ In June 2024, the projects approved for financing through the COVID-19 Recovery Program (ProRec) were reclassified to environmental sectors, and prior-year figures were adjusted for comparative purposes.

² This category currently includes an international border crossing.

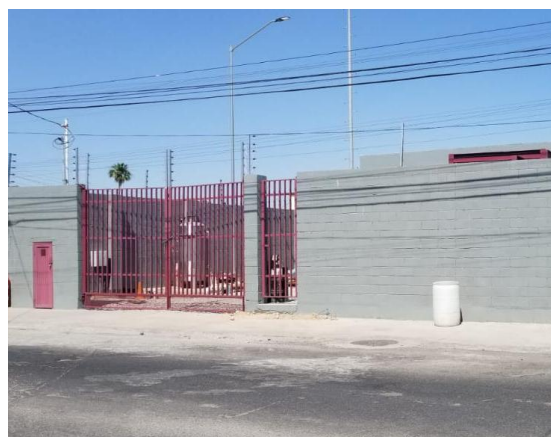
1.3. Project Implementation

During the last quarter of 2024, construction was completed on a wastewater project partially financed with a grant from the Border Environment Infrastructure Fund (BEIF).

Rehabilitation of Small Lift Stations in Mexicali, B.C. Work to rehabilitate the Nueva Esperanza and San Marcos Lift Stations was finished in December 2024, thus completing the entire certified project. Altogether, twelve small lift stations with a combined flow capacity of 19 million gallons per day (mgd) were rehabilitated. Located throughout the city and in close proximity to the New River, these stations had reached or exceeded their expected useful life and posed a risk of failure. As part of its Strategic Wastewater Plan, the local utility (CESPM) undertook the rehabilitation project, which entailed installing new motors and/or pumps, flowmeters, telemetry systems and new control panels, as well as improvements to the infrastructure. The rehabilitated lift stations have improved the reliability of the entire wastewater collection system, with an estimated 146,000 residents directly benefitted by reducing the risk of pump failures that could cause sewage backups and the potential discharge of up to 8.7 mgd of wastewater onto local streets and into the New River, which flows northward into the United States.



Nueva Esperanza Lift Station



San Marco Lift Station

In addition, in November 2024, a green loan for US\$3.98 million was fully disbursed to the financial intermediary Grupo KELQ, which allocated the proceeds to an urban redensification project in downtown Monterrey, Nuevo Leon. The project was completed during the year and consisted of replacing and expanding water and wastewater infrastructure to provide service access for the planned construction of a new high-rise apartment building that will house an estimated 10,500 people. The project also included rehabilitation and modernization of a roadway to improve mobility. These improvements are also benefitting approximately 23,000 people who currently live in the downtown area.

Prior to year-end, construction also began on two water-related projects and a sustainable energy project partially funded by NADBank:

- In September, work began to replace the Long Island Village water distribution and wastewater collection systems in the Laguna Madre Water District in Cameron County, Texas;

- In October, construction of the civil works for the Arroyo energy storage facility was initiated in Cameron County, Texas; and
- In November, work began to replace the El Centro sewer main and rehabilitate sewer lines in Ímuris, Sonora.

In addition, two green loans were contracted and fully disbursed to five financial institutions, which are in the process of allocating the loan proceeds to eligible projects sponsored by small businesses and individual entrepreneurs looking to increase their operational efficiencies, primarily in the agriculture, food, manufacturing and construction industries.

At the end of the quarter, a total of 51 projects partially funded with NADBank loans and/or grants were in various stages of implementation or pending financial closeout. Information on the status of those projects as of December 31, 2024, is provided in Annex 1. More detailed information is provided in the report on Project Implementation Activities for Active Projects, which is available on the NADBank website (www.nadb.org).

1.4. Project Development

As of December 31, 2024, the Bank was working with the sponsors of 49 potential environmental infrastructure projects who are seeking an estimated US\$835.6 million in financing. A breakdown of the projects by environmental sector, country and funding program is shown in Table 6.

TABLE 6: PROJECTS UNDER DEVELOPMENT
As of December 31, 2024

	Projects (No.)	Est. NADBank Financing (Thousand USD)
Project Pipeline	49	\$ 835,636
By Sector		
Water	41	\$ 494,306
Solid waste	-	-
Air quality	3	55,330
Sustainable energy	5	286,000
Urban development	-	-
Sustainable buildings/industrial parks	-	-
Green manufacturing & products	-	-
Sustainable food value chains	-	-
By Country		
Mexico	32	\$ 569,056
U.S.	17	266,580
By Financing Type¹		
Loans	16	\$ 724,330
BEIF grants	25	95,950
Loan & BEIF grant ²	1	11,480
CAP grants	7	3,876

¹ Border Environment Infrastructure Fund (BEIF) funded by the U.S. Environmental Protection Agency (EPA) and administered by NADBank and NADBank Community Assistance Program (CAP).

² Potential financing includes a US\$3.5 million loan and US\$8.0 million BEIF grant for a water project in the U.S.

During the last quarter of 2024, the Bank published two project proposals for public comment, which were subsequently submitted for Board consideration:

- Pome BESS Project in San Diego County, California; and
- Vinte Sustainable Housing Developments in Mexico.

Both projects were approved by the Board prior to the end of the year.

During first three months of 2025, the Bank expects to publish five project proposals for public comment:

- Santa Teresa Solar + Storage Project in Doña Ana County, New Mexico;
- Sustainability Bond for the State of Tamaulipas;
- Sustainability Bond for the State of Sonora;

- Water Supply and Resource Management Improvement Project in Hermosillo, Sonora; and
- Green Loan for Mercader Financial, S.A., SOFOM, E.R.

All of the projects in the pipeline 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 to support projects in development is provided in Section 4 of this report.

2. Results Measurement

2.1. Project Closeout Process

The final stage of project implementation is the closeout process, which serves to assess and document the achievement of the fundamental objectives of a project with respect to the investments made and the infrastructure built, or equipment and services provided. In addition, the closeout report provides important feedback on lessons learned and best practices to be applied to future projects.

During the last quarter of 2024, the closeout reports for two projects were completed and delivered to the Board, as shown in the following table.

TABLE 7: PROJECT CLOSEOUT REPORTS FINALIZED
October – December 2024

	Project	Program	Project Approved	Implementation Completed
1	Replacement of the International Outfall Interceptor, Upgrade and Expansion of the International Wastewater Treatment Plant and Partial Replacement of the Wastewater Collection System in Nogales, AZ	BEIF	22-Jun-00	July 2009
2	Wastewater Collection and Treatment Project in Miguel Alemán, TAMPS	BEIF	30-Oct-07	July 2004

During the year, a total of 15 closeout reports were completed and delivered to the Board, including two projects funded with a loan, nine projects funded with a BEIF grant and four projects funded with both a loan and a BEIF grant.

To date, the Bank has completed closeout reports for 180 infrastructure projects. At the end of the quarter, reports were in process for eight projects funded with a loan, four projects funded with a NADBank grant, 10 projects funded with a BEIF grant and two projects funded with both a loan and a BEIF grant.

2.2. Impact Assessments

During the past quarter, NADBank continued to evaluate the overall impact of its Community Assistance Program (CAP) during the period 2013-2024. The purpose of the study is to analyze the effectiveness of the program and the impact of its funding on the development of border communities. The direct impact of each project is being evaluated and, to the extent possible, secondary impacts will also be identified, including leveraging funds from other sources, which would not otherwise have been invested in those projects. Since CAP was designed to serve low-income communities, the general socioeconomic y demographic characteristics of the communities benefitted is also being analyzed.

NADBank, in collaboration with the U.S. Section of the International Boundary and Water Commission (IBWC) and the Texas Commission of Environmental Quality (TCEQ), is also completing the impact assessment of the environmental infrastructure projects funded by the Bank between 1995 and 2020 in the Rio Grande basin, from El Paso, TX to the Gulf of Mexico. The report is being finalized and prepared for translation and publication.

TABLE 8: COMPLETED IMPACT ASSESSMENTS

NADBank carries out an impact assessment on select projects to evaluate their long-term environmental and human health impacts, as well as to identify opportunities to improve the project development process. To date, six impact assessments have been completed, and their corresponding reports are available on the NADBank website.

<ul style="list-style-type: none">■ Juarez Valley, Chihuahua 4 wastewater projects constructed between 2009 and 2010 in the communities of Dr. Porfirio Parra, Guadalupe, Praxedis G. Guerrero and El Porvenir.	<ul style="list-style-type: none">■ El Paso County, Texas A water and wastewater collection project completed in 2003 in the communities of Socorro and San Elizario.
<ul style="list-style-type: none">■ Baja California 21 wastewater projects constructed between 2001 and 2013 in the communities of Mexicali, Playas de Rosarito, Tecate and Tijuana.	<ul style="list-style-type: none">■ Mexican Border Region Public transportation programs aimed at improving air quality by replacing obsolete buses with new units with cleaner technology implemented to date in eight municipalities in four northern border states.
<ul style="list-style-type: none">■ Nogales, AZ and Nogales, SON Wastewater projects implemented in the sister cities of Nogales, AZ (completed in 2009) and Nogales, SON (completed in 2010) evaluated in a binational context.	<ul style="list-style-type: none">■ Doña Ana County, New Mexico Solid waste management project to expand landfill and improve waste disposal services, completed in 2005 and serving communities throughout the county.

3. Status of Financing Programs

3.1. Development Asset Portfolio

During 2024, the Bank disbursed just over US\$258.7 million in development assets and received US\$175.1 million in principal payments, including partial prepayments for four sustainable energy projects and one green loan totaling US\$11.8 million and the scheduled repayment of US\$102.0 million in short-term bridge loans for three sustainable energy projects.

In December, Mercader Financial, S.A., SOFOM, E.R. made the final payment on a US\$58.8 million loan executed in 2016 to finance a second Border-wide Program for the Purchase of Low-Emission Vehicles in Mexico. The financing was provided in the form of a revolving line of credit with a 10-year disbursement period ending in November 2028, so additional drawdowns are still possible.

As a result of this activity, NADBank closed the year with an outstanding loan balance of US\$1,133 million, a net increase of 8.0% compared to the balance at the end of 2023 (US\$1,049 million).¹

Table 9 provides a summary of lending activity in 2023 and 2024, and its impact on the portfolio. At the end of 2024, the Bank had US\$229.4 million in loans contracted pending disbursement for 13 projects, as well as up to US\$285.5 million in approved loans pending contracting for 17 projects.

TABLE 9: ANNUAL LENDING ACTIVITY
(Million USD)

	Year-end	
	2024	2023
Outstanding balance, beginning of year	\$ 1,049.2	\$ 920.3
Loan disbursements	258.7	218.8
Principal amortizations	(163.2)	(55.8)
Loan prepayments	(11.8)	(34.1)
Outstanding balance, end of period	1,132.8	1,049.2
Loan commitments, pending disbursement	229.4	189.4
Loan approvals, pending commitment	285.5	176.6
Total loan approvals & commitments	514.8	366.0
Outstanding loans & loan commitments	\$ 1,647.6	\$ 1,415.2
Outstanding balances, before allowance for credit losses, unamortized fees, and effect of foreign exchange adjustments and hedged items.		

¹ These figures do not take into account allowances for credit losses, foreign exchange adjustments, unamortized loan fees and the fair value of 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.

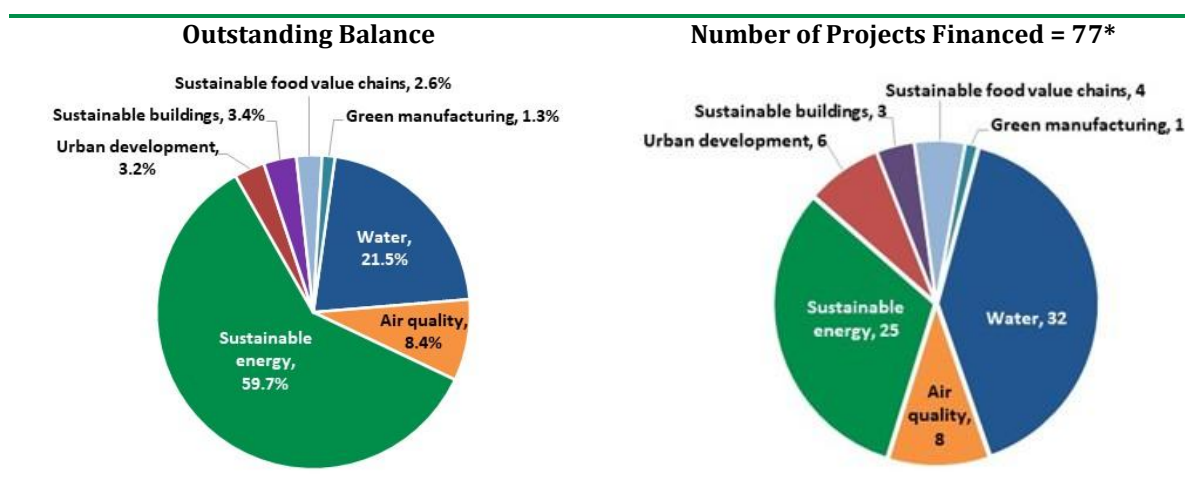
TABLE 10: BREAKDOWN OF LOAN PORTFOLIO¹
As of December 31, 2024

	No. of Loans		Outstanding Balance	
	No.	%	Thousand USD	%
Outstanding Loan Portfolio	72	100	\$ 1,132,808	100
By Environmental Sector²				
Water	25	34.7	\$ 243,090	21.5
Air quality	8	11.1	94,982	8.4
Sustainable energy	25	34.7	675,921	59.7
Urban development	6	8.3	35,768	3.1
Sustainable buildings	3	4.2	38,169	3.4
Green manufacturing	1	1.4	15,000	1.3
Sustainable food value chains	4	5.6	29,878	2.6
By Country				
Mexico	46	63.9	\$ 687,272	60.7
U.S.	26	36.1	445,536	39.3
By Borrowers				
Public	32	44.5	\$ 317,230	28.0
Private	35	48.6	769,086	67.9
Public-private	5	6.9	46,492	4.1

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

2. In June 2024, the loans executed through the COVID-19 Recovery Program (ProRec) were reclassified to environmental sectors. Air quality includes paving, mobility and border crossing projects.

Loan Portfolio Distribution by Sector



* Twenty-five (25) loans in the water sector have partially funded 32 certified projects.

As of December 31, 2024, one loan with an outstanding balance of US\$9.4 million was classified as non-accrual, representing 0.8% of the loan portfolio. Detailed information about all NADBank loans and approved loan commitments at the end of the period is presented in Annex 2.

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.

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 sustainable building techniques and materials, and 61% of the loan proceeds have been disbursed to date. Construction began in October 2023 and is approximately 60% complete. Detailed information about the ProRec-funded projects is available on the NADBank website (www.nadb.org).

3.3. Green Loan Program

In June 2022, the Board of Directors approved the Green Loan Program with a financing commitment of up to US\$300 million to help increase long-term financing options for small businesses and farmers looking to implement green technologies to improve their operating efficiencies and reduce their environmental impact. Through this program, NADBank provides green loans to small- and medium-sized financial intermediaries for subsequent lending to eligible green projects that comply with the program's Green Loan Framework.

During the last quarter of 2024, two green loans totaling US\$7.5 million were contracted and fully disbursed, including one in the form of a sustainability bond placed in the Mexican capital market under an innovative structure based on the mutual solidarity of four financial intermediaries regarding financial obligations and a sustainability financing framework based on green and social principles.

Of the US\$300 million committed to this program, US\$50 million has been approved for eight financial intermediaries in Mexico, leaving US\$250 million available for future projects.

NADBank is currently working on an estimated US\$16 million in loans for two potential projects with non-bank financial institutions that have business lines focused on efficient and green mobility.

3.4. 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.

During 2024, the Bank approved six grants totaling US\$2.5 million, including two grants under the emergency funding umbrella; signed grant agreements totaling US\$2.0 million with the sponsors of five projects; and disbursed US\$139,700 for two of those projects that initiated construction prior to year-end.

During the year, six new projects were selected through a prioritization process as candidates for program funding under the revised CAP guidelines approved in 2023. The projects are expected to complete their development and due diligence process in 2025.

In terms of program funding, close to US\$3.6 million in grant funds provided by the U.S. Department of State (DOS) have been used to cover part or all of the CAP grant disbursements for ten projects, as well as part of the supervision expenses. The overall status of CAP program funding as of December 31, 2024, is summarized in Table 13.

TABLE 13: CAP FUNDING
(Million USD)

	2024	Cumulative
NADBank funding allocated	\$ –	\$ 15.57
U.S. Department of State grant	–	3.57
Funds committed for supervision		(1.12)
Grants approved for projects ¹	2.50	(13.61)
Grant cancellations in 2024 ²	(0.06)	
Funding available for future projects		\$ 4.42

1. Cumulative figure less grant cancellations, including those cancelled in 2024.

2. Unused funds de-obligated from completed projects during the current year.

Of the 33 projects funded with CAP grants, 26 have completed implementation and seven were in various stages of execution at the end of the year. In addition, the grant agreement for one project was under development and is expected to be executed during the first quarter of 2025.

Information on the status of projects currently in the process of being implemented or pending financial closeout as of December 31, 2024, is provided in Annex 1. More detailed information is provided in the report on Project Implementation Activities for Active Projects, which is available on the NADBank website (www.nadb.org).



3.5. 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.

In 2024, the U.S. Environmental Protection Agency (EPA) approved US\$11.2 million in BEIF grants for four projects, including additional funds for two projects certified previously, and NADBank signed grant agreements totaling US\$21.7 million with the sponsors of three wastewater projects in Mexico. Moreover, the Bank disbursed close to US\$20.2 million in BEIF grants for 17 projects in implementation.

With respect to program funding, during the last quarter of 2024, EPA Region 6 allocated an additional US\$17.5 million to the BEIF program: US\$16.8 million for project construction and US\$680,000 for program administration.² Additional program funding from EPA Region 9 was in the grant approval process.

The overall status of BEIF program funding as of December 31, 2024, is summarized in Table 14.

TABLE 14: BEIF PROGRAM STATUS
(Million USD)

	2024	Cumulative
EPA funding allocations ¹	\$ 17.5	\$ 828.25
Funds allocated for administration	(0.68)	(36.61)
Grants approved for projects ²	11.20	(746.56)
Grant cancellations in 2024 ³	(0.05)	
Funding available for future projects		\$ 45.08

1. The cumulative figure includes US\$329,029 in interest earned.

2. Cumulative figure less grant cancellations, including those cancelled in 2024.

3. Unused funds de-obligated from completed projects during the current year.

Of the 142 projects funded with BEIF grants to date, 128 were completed and 14 were in various stages of 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 first quarter of 2025.

Information on the status of projects that are currently in the process of being implemented or pending financial closeout as of December 31, 2024, is provided in Annex 1. More detailed information is provided in the report on Project Implementation Activities for Active Projects, which is available on the NADBank website (www.nadb.org).

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 last quarter of 2024, the Bank awarded a total of US\$1.78 million in TAP grants for the development of seven studies or other initiatives, as detailed in the table below.

TABLE 15: TAP GRANT APPROVALS
October 1 – December 31, 2024
(USD)

	Community Benefitted	Activity	TAP Grant
1	Cuauhtémoc, CHIH	Final design of a wastewater treatment plant	\$ 250,000
2	Laredo, TX/ Nuevo Laredo, TAMP	Comparative cross-border drayage trucking study	250,000
3	State of Baja California	Extension of advisory services for sustainability water financing project	200,000
4	State of Tamaulipas	Development of sustainability financing framework	250,000
5	U.S.-Mexico border region	UMI 2024-2025 online training program	28,007
6	U.S.-Mexico border region	Development of environmental justice screening tool for U.S.-Mexico border	100,000
7	U.S.-Mexico border region	Study to reengage with Mexico on energy, water & infrastructure innovation	100,000
TOTAL:			\$ 1,178,007

During the same period, three studies were completed as follows:

- Geohydrological study and modeling update of the El Sahuaral Aquifer in Hermosillo, Sonora. The purpose of the study was to analyze water supply alternatives for the city of Hermosillo. Based on the geohydrological and hydrogeochemical model of the El Sahuaral Aquifer and saline intrusion modeling, the desalination of brackish water from the aquifer was not deemed feasible or sustainable in the medium term and would impact neighboring aquifers. However, the study confirmed that a seawater desalination plant was technically and financially feasible, as well as recommended promoting the purchase of water rights for agricultural use and the replacement of the Los Bagotes wells.
- Strategy for NADBank participation in the hydro-agricultural sector in Mexico. The study offers a comprehensive approach for transforming the hydro-agricultural sector in Mexico and identified opportunities for modernization with a focus on water efficiency. The study included a needs assessment of the hydro-agricultural sector

and an analysis of potential financing models and other assistance, as well as identified key stakeholders and mapped strategic alliances. The consultants carried out field visits to agricultural regions in northern Mexico and interviewed farmers and officials from all three levels of government involved in water management and the agricultural sector, as well as stakeholders that make up the financial ecosystem of this sector.

- *Skills for Sustainability (S4S): Binational Water Operator Training Program.* The last training cohort completed training in November, thus concluding this workforce development program spearheaded by The Trust for the Americas with support from NADBank and many other partners. In El Paso, The Trust collaborated with Success Through Technology Education (STTE) to provide training to three cohorts and graduated 104 individuals, 79 of which secured employment with El Paso Water (EPW). According to feedback from EPW, the program significantly alleviated their entry-level vacancy rate, transforming a critical shortage of water management employees into a more sustainable staffing model. In Ciudad Juarez, The Trust partnered with Jóvenes Constructores de la Comunidad (JCC) to train a total of 242 individuals, with 209 participants successfully securing an economic or educational opportunity. Engaging potential employers as strategic partners for curriculum development and job placement was critical to the success of the program.

In 2024, NADBank approved close to US\$3.2 million in TAP grants for 20 studies and other initiatives aimed at supporting the development of infrastructure projects, increasing the institutional capacity of public services or generating knowledge about a new sector. During the year, nine TAP-funded activities were completed. At the end of the year, there were 21 initiatives in process with a total TAP grant commitment of US\$2.9 million.

Utility Management Institute (UMI)

In October 2024, NADBank launched its new Public Management Leadership Program, which consists of six units primarily focused on the managerial skills of officials in charge of providing any type of public service. All six units are being presented online with simultaneous interpretation in English and Spanish. The program has been organized into 24 three-hour sessions that are offered on Thursdays from 4:00 pm to 7:00 pm (CDT/CST), with the final session scheduled for May 8, 2025. The first seven sessions were presented prior to year end with an average of 70 participants per session. For more information about the program or to register, visit the NADBank website (www.nadb.org).

Public Management Leadership Program		Hours
1.	NADBank, an Innovative Entity	3
2a.	Planning in Public Entities	12
2b.	Identifying and Prioritizing Environmental Issues	3
3a.	Financial Management and Administration	15
3b.	NADBank Rate Models for Water Utilities	3
4.	Organizational Structure of Public Entities	12
5.	Management and Leadership	12
6.	Innovation and Creating Public Value in Government Actions	12



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 last quarter of 2024, a total of US\$625,000 in PDAP grants were awarded for the development of two projects, as detailed below.

TABLE 16: PDAP GRANT APPROVALS
October 1 – December 31, 2024
(USD)

Community Benefitted		Activity	PDAP Grant
1	Yuma County, AZ	Comprehensive engineering services for the design and preparation of bid documents for the Orange Grove and Rancho Mesa Verde sewer system	\$ 500,000
2	Piedras Negras, COAH	Wasteload evaluation of treated wastewater discharges and development of a transboundary environmental information document	125,000
TOTAL:			\$ 625,000

During the same period, three PDAP-funded studies were completed to support the expansion or rehabilitation of drinking water and wastewater collection infrastructure in three border communities.

- *Final design of wastewater lines in Tijuana, B.C.* Final designs were developed to rehabilitate a section of the Ensenada 1 sewer main and the Rosario Salado, Paseo de los Reyes and Colinas de la Presa sewer lines located in the area of the Tijuana River. The rehabilitation of this wastewater infrastructure is expected to eliminate up to 4.6 million gallons per day of wastewater discharges into the river and transboundary flows that impact beaches in southern California.

- Hydraulic Water Model for Carrizo Springs, TX. A computerized hydraulic model using InfoWater was developed to analyze the performance of the city's water system before and after implementing the actions recommended in the Preliminary Engineering Report. The model also identified areas with inadequate pressure and predicted fire flow capabilities throughout the city. This information is essential for defining the scope of the final designs for system improvements.
- Preliminary engineering report for the Orange Grove/Rancho Mesa Verde wastewater system project in Yuma County, AZ. Preliminary engineering was developed to provide wastewater collection systems in areas east of the city of Somerton on the Yuma Mesa and along the western edge of the Cocopah Reservation. The proposed sewer system will start at each individual subdivision and extend toward Highway 95, beginning from the Orange Grove subdivision (north) and the Rancho Mesa Verde subdivision (south) before connecting to the Somerton Wastewater Treatment Plant.

In 2024, NADBank approved almost US\$2.0 million in PDAP grants to support the development of 13 infrastructure projects. During the year, PDAP-funded studies were completed for the development of infrastructure projects in eight communities. As of December 31, 2024, there were 11 PDAP-funded studies in process with a total grant commitment of US\$1.6 million for the development of 11 water and/or wastewater projects.

TABLE 17: SUMMARY OF TECHNICAL ASSISTANCE ACTIVITY
(Thousand USD)

	Year-end			
	2024	2023	2022	2021
Total Activities Completed	17	24	22	13
By Program¹				
TAP	9	9	6	3
UMI	-	5	4	5
ProRec	-	-	1	-
PDAP	8	10	11	5
By Sector				
Water	15	20	17	13
Solid waste	-	1	-	-
Air quality	2	1	3	-
Sustainable energy	-	-	1	-
Climate change	-	2	-	-
ProRec	-	-	1	-
By Type				
Project development	13	16	16	6
Sector development	4	2	1	2
Institutional strengthening	-	6	4	5
ProRec	-	-	1	-
Funding Approved				
TAP	\$ 3,176	\$ 2,173	\$ 1,231	\$ 350
UMI	50	80	48	48
ProRec	-	-	-	500
PDAP	1,987	1,506	1,258	1,036
Funding Disbursed				
TAP	2,014	1,300	501	\$ 465
UMI	19	72	38	13
ProRec	-	380	30	-
PDAP	1,467	1,197	1,080	1,045

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 was used to cover TAP and UMI disbursements in 2022, 2023 and 2024.

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.

In November 2024, a new initiative in EPA Region 6 was approved to receive a US\$74,774 grant to implement biochar filters for stormwater management in Edinburg, Texas.³ Yard waste from communities is an environmental issue in the Lower Rio Grande Valley (LRGV) and their decomposition can contribute to carbon dioxide emissions. The project will repurpose local biomass wastes for biochar production and use biochar as a stormwater filter sock material, as well as develop and disseminate educational materials on biochar production and its application in stormwater management.

During the last three months of 2024, two initiatives funded through the program were completed.

Comprehensive Landfill Management Plan for the Municipality of Ciudad Juárez, CHIH.

Through this initiative, a comprehensive plan was developed to guide environmental and regulatory compliance at every stage of the comprehensive management of municipal solid waste disposed of at the landfill on a daily basis. The plan uses a preventive approach to establish actions for achieving recycling goals for the productive reuse of waste and the creation of circular economies to minimize environmental impacts and maximize the reuse of waste generated by daily household and business activities in Juárez. The study also identified and analyzed equipment and systems available on the market that could be applied at the municipal landfill. Among other results, the study found that recycling could potentially be increased by 14% and that using organic waste could increase energy generation by 10%.



Empowering the Air Quality Knowledge Base in the Lower Rio Grande Valley in Texas.

This initiative promoted awareness of general air quality and associated health impacts among elementary, middle and high school students at schools in Roma, Edinburg and Brownsville, Texas. The project sponsor, University of Texas Rio Grande Valley, conducted educational training sessions on air pollution for 1,474 students, as well as installed air monitoring stations at 13 schools across the region to measure PM_{2.5} levels and identify major sources of air pollution at schools in the region. Although the concentrations were mostly

³ 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.

below National Ambient Air Quality Standards (NAAQS), they significantly increased during wildfire events in Mexico.

Using tools such as AirNow and PurpleAir dashboards installed at each school, administrators can monitor air quality before planning daily outdoor activities. For instance, when data indicates elevated PM_{2.5} levels, school officials can implement protective measures, such as limiting outdoor activities, notifying parents of air quality issues or recommending that students with respiratory conditions take additional precautions.



Of the 28 projects funded through the Border 2025 program to date, 18 have been completed with just over US\$1.27 million in program funding. As of December 31, 2024, ten projects were in development with a total grant commitment of US\$537,722.

TABLE 18: STATUS OF BORDER 2025 INITIATIVES
As of December 31, 2024

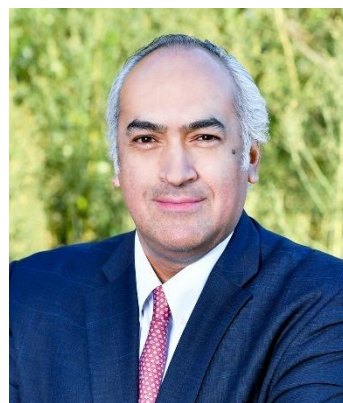
Goal	Completed	In process	Total
1. Reduce air pollution	5	3	8
2. Improve water quality	7	4	11
3. Promote sustainable waste management	5	3	8
4. Improve joint emergency preparedness	1	–	1
Total	18	10	28

5. Strategic Outreach Activities

In carrying out its mission, NADBank actively pursues opportunities to partner with other public and private entities to promote environmental sustainability in the border region. Drawing on its binational connections, NADBank works to bring 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. Below are highlights of the outreach and collaborative efforts undertaken by NADBank during the past quarter.

Board appoints Alejandro Olivo Villa as NADBank Deputy Managing Director

At its meeting in November, the Board of Directors ratified the appointment of Alejandro Olivo Villa as Deputy Managing Director of the NADBank, effective January 1, 2025. Mr. Olivo Villa has nearly 30 years of experience in both the public and private sectors in the areas of finance, public policy, sustainable investment and global capital markets. Prior to his appointment, he was a senior advisor to the transition team of the Mexican Ministry of Finance and Public Credit. In the past four years he held various management positions at Moody's Investors Service offices in Mexico, the United States and France. He has a bachelor's degree in economics from the Instituto Tecnológico Autónomo de México (ITAM) and a master's degree in finance and international relations from Johns Hopkins University.



NADBank Managing Director John Beckham noted that, with his extensive experience in global capital markets and career in various positions within the Mexican federal government, Mr. Olivo Villa will be a valuable addition to the NADBank team, supporting the ongoing execution of its mandate and strengthening its leadership role in the bilateral relationship with respect to addressing environmental issues through sustainable infrastructure projects.



Texan by Nature recognizes NADBank as a leader in conservation and sustainability

For the third consecutive year, Texan by Nature (TxN), a conservation non-profit founded by former First Lady Laura Bush, named NADBank as one of 20 honorees of the 6th annual Texan by Nature 20 (TxN 20), an official ranking of Texas-based businesses that have made a demonstrative commitment to conservation. This award recognizes NADBank's record in conservation and sustainability along the Texas-Mexico border.

NADBank cofinances the first joint sustainability bond issuance in the Mexican capital markets

On October 23rd, NADBank participated in the financing of a MXN\$339-million joint issuance of asset-backed securities (ABS) under a sustainability framework—the first joint issuance of a sustainability bond in the Mexican stock market. The securities were issued by four non-bank financial institutions—Crédito Especializado al Campo S.A. de C.V., SOFOM ENR (CRESCA), Proaktiva S.A.P.I. de C.V. SOFOM ENR (Proaktiva), Servicios y Financiamiento Agrícola S.A. de C.V. SOFOM ENR (Sefia) and Soluciones Financieras Internacionales S.A. de C.V. SOFOM ENR (SFI)—which primarily offer financing to companies in the agroindustry sector in Mexico.



The sustainability bond was structured by Inteligencia Capital along with IDB Invest as lead investor, who subscribed MXN\$203.4 million of the securities. NADBank subscribed MXN\$67.8 million through its Green Loan Program, and the rest of the issuance was purchased by other institutional and private investors. IDB Invest and NADBank complemented their financing with technical assistance to help the four companies design and implement a thematic portfolio management system, develop standardized thematic portfolio reports for public disclosure and consolidate the Environmental and Social Management Systems (ESMS) recently created for each participant.

Virtual Public Meeting of the NADBank Board of Directors

On November 14th, the NADBank Board of Directors held a virtual public meeting with the participation of about 110 border communities, representatives of the public and private sectors, project developers, academics and non-governmental organizations, who provided public comments related to environmental issues, progress achieved and current needs in their communities and various sectors

In addition to the appointment of Alejandro Olivo Villa as Deputy Managing Director, the Board announced that NADBank will act as the custodian of the toll revenue from the new Mesa de Otay II/Otay Mesa East International Border Crossing and Port of Entry, which is being built and operated by the San Diego Association of Governments (SANDAG), the California Department of Transportation (CALTRANS) and the Mexican Ministry of Infrastructure, Communications and Transportation (SICT). This initiative is the first U.S.-Mexico port of entry where tolls will be collected at a single point and subsequently distributed in accordance with a toll revenue sharing agreement. NADBank's participation gives all parties confidence in the proper accounting and distribution of the toll revenue.



During the private session held the previous day, the Board of Directors also provided feedback on a proposed initiative to invest in infrastructure aimed at conserving and diversifying water resources for both communities and the agriculture sector. Recognizing the severity of water scarcity problems along the border, the Board agreed to consider a detailed proposal on instruments and eligibility criteria in early 2025 and allocated up to US\$10.0 million in 2024 operating income as seed capital for the program. Likewise, the Board instructed the Bank to publish the Water Investment Program (WIP) for public comment with the goal of launching the program in early 2025. The WIP establishes the programmatic certification of certain water projects to streamline evaluation of these critical infrastructure investments.

Proposed Water Investment Program (WIP) published for public comment

In light of the significant water challenges throughout the U.S.-Mexico border region, in its 2024-2028 Strategic Plan, NADBANK reaffirmed the water sector as its highest investment priority, as well as established the need to adopt innovative solutions and products to meet its water sector goals. To increase its effectiveness, the Bank developed the WIP to expedite the approval of simpler water infrastructure projects financed with loans and/or CAP and BEIF grants. With this program, NADBANK expects to improve its responsiveness for basic infrastructure projects and increase its capacity for evaluating innovative solutions to address existing water stress in the region.

In accordance with its transparency and public notice policies, on November 15th, NADBANK published the draft proposal for a 30-day period to give border stakeholders and other interested parties an opportunity to share their comments and opinion. The public consultation period ended on December 15, 2024, with no comments received, and the proposal was formally submitted for Board approval prior to year-end. The program was approved by the Board on January 14, 2025.



Skills for Sustainability (S4S) celebrates final graduation of water technicians in Ciudad Juarez, Chihuahua

S4S is a binational workforce development initiative spearheaded by The Trust for the Americas and funded by NADBANK and Microsoft, empowered individuals to become the next generation of water operators. On November 15th, the third group of trainees in Ciudad Juarez, Chihuahua completed the 140-hour course to become water utility technicians. The Trust and the local implementing partner, Jóvenes Constructores de la Comunidad (JCC), hosted a graduation ceremony on November 20th for the 123 participants who successfully completed all aspects of the training. Graduates have been placed in jobs at the municipal water utility, Junta Municipal de Aguas y Saneamiento de Juárez (JMAS) and other local companies, such as Coca-Cola bottler Arca Continental, Genesis Manufacturing and Water House Group or received support to continue their formal education.



In partnership with JCC, The Trust is looking to extend the S4S project in Ciudad Juarez to train an additional 120 individuals in 2025. The Fundación del Empresariado Chihuahuense (FECHAC), a foundation funded by the private sector in Ciudad Juarez, has approved US\$75,000 to support program expansion. The Trust is actively pursuing additional financial support from other foundations and private-sector companies to achieve this goal.

In El Paso, Texas, The Trust and the local implementing partner, Success Through Technology (STTE) Foundation, hosted a closing ceremony. More than 50 graduates from the three El Paso cohorts attended, along with the leadership of El Paso Water (EPW), including CEO John Balliew, and representatives of the other local implementing partner WesternTech. Leadership at EPW expressed gratitude to The Trust and STTE for helping to reduce their entry-level job vacancy rates, which has allowed the utility to promote experienced employees into middle-level positions and permitted long-serving employees to retire, alleviating pressure across the entire company.



Additional Outreach Highlights

October– December 2024

- **October 2nd – Meeting with local officials in Nacozari, SON.** NADBank staff met with Mayor Pedro Morghen Rivera and representatives of the local water utility and the Sonora state water agency to present the results of the user registry update and implementation of a business management system module for the utility, which were funded with a NADBank technical assistance grant.



- **October 8th – BloombergNEF Forum: Supply Chains 2024 in Monterrey, N.L.** Chief Environmental Officer Salvador López participated on the panel, Financing the Transition to a Net Zero Emissions Economy in Mexico. Among other topics, he noted that part of NADBank's current strategy is to expand its scope to include projects related to a greener economy in the U.S.-Mexico border region.



- **October 11th – NADbank Webinar: Regenerative Agriculture, a Path to the Future.** In this webinar, our guest Alejandra Vazquez Langle, Global Director of Sustainability at Grupo Bimbo, talked about the initiatives and actions that her company has implemented in recent years to promote regenerative agriculture as a way to create a sustainable future and offer nutritional and quality products to its consumers. See the full webinar on YouTube at: https://www.youtube.com/watch?v=Legi_SN2pdl



- **October 15th – Public meeting to promote a wastewater system for Francisco Miguel Cárdenas Valdez ("Mascareñas") in Nogales, SON.** The Nogales water utility, OOMAPAS, held a second public meeting to present a proposed project to provide first-time wastewater collection and treatment services to the 500 residents of this small town located about 12 miles east of the city of Nogales. The meeting was attended by 60 residents. After presenting the project, its expected benefits and proposed financing, the utility responded to questions and concerns raised by the attendees. In response to a survey, 54 of the 55 respondents expressed support for the project.



- October 23rd – Signing of Green Loan with Plus Corp in Mexico City.** NADBank and PLUS Corp, through its subsidiaries Sofoplus, S.A.P.I. de C.V., SOFOM, E.R. and Plusleasing S.A.P.I. de C.V., signed an initial US\$5-million loan agreement to support small and medium-sized businesses looking to invest in sustainable green projects located in the northern region of Mexico. PLUS Corp CEO Harry Sacal commented that the NADBank loan “will allow Plus Corp and its subsidiaries to consolidate ESG accountability and sustainability financing strategy for the benefit of Mexico.”

- October 25th – Meeting with Rio Grande Valley Irrigation District Managers in San Antonio, TX.** The Lower Rio Grande Valley in Texas is facing significant water shortages due to prolonged drought, which has reduced flows in the Rio Grande River, the primary water source in the region. NADBank Chief Environmental Officer Salvador Lopez, along with other Bank staff, met with several irrigation district managers to learn more about their issues and explore how financing could be developed to support their infrastructure.



- October 25th & 26th – Financing U.S. Power Conference in Houston, TX.** Sponsored by S&P Global, NADBank Associate Director of Project Finance, Esaúl Ramirez, participated on the panel, Innovations in Energy Financing: The New Capital Stack, where he talked about innovative financial instruments and partnerships for financing renewable energy projects. More than 200 industry leaders gathered for this event, fostering critical discussions on the capital and strategies driving scalable, low-carbon energy solutions.

- November 12th – Public meeting for a wastewater project in Tijuana, B.C.** The local water utility, CESPT, held a second public meeting to present information about a project to rehabilitate 8 of the 42 gates located on the banks of the Tijuana River and replace 7.1 miles of wastewater lines in 13 neighborhoods, which will eliminate wastewater runoff that drains into the Tijuana and Alamar River through the floodgates. The meeting was attended by more than 70 people, including members of the steering committee, CESPT representatives and local residents. The attendees completed a survey, where 100% of respondents indicated that they understood the project and expressed their support.

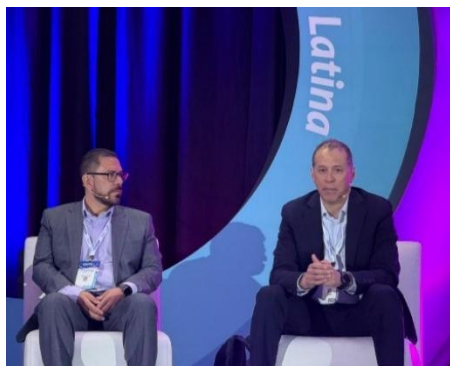


- November 13th & 14th – Energyyear Mexico 2024 in Mexico City.** Organized by NRG Energy Inc., NADBANK Associate Director of Project Finance, Esaúl Ramirez, participated on the financing panel, Mechanisms and Challenges to Guarantee Capital Flows and Attract Domestic and Foreign Investment for the Renewable Sector in Mexico, where he talked about innovative financial instruments and how the Bank partners with various public and private stakeholders to finance renewable energy projects.
- November 18th – NADBANK Webinar: Ensuring Water Availability from Different Sources.** NADBANK Managing Director John Beckham and Donovan Burton, Senior Vice President of Water Resources and Governmental Relations at San Antonio Water System (SAWS) in San Antonio, Texas, discussed how the water utility has successfully diversified its water sources. Mr. Burton stressed the first step in ensuring water availability is conservation and reuse, followed by developing new or alternative sources of supply. See the full webinar on YouTube at: <https://youtu.be/bRAV2Q3Ofrk>


- November 19th – Public Meeting of the Amistad Task Force in Eagle Pass, TX.** Coordinated by the U.S.-Mexico Border 2025 Program, the hybrid meeting was attended by a variety of municipal and state officials, among other organizations, to discuss ongoing projects and establish priorities for communities along the Texas-Coahuila border. Bank staff presented details about funding opportunities and the request for proposals process, highlighting the Bank's role in supporting environmental and infrastructure improvements in the region.


- November 20th – Public Meeting of the Falcon Task Force in Laredo, TX.** Coordinated by the Border 2025 Program, the hybrid meeting was attended by a variety of municipal and state officials, among other organizations, to discuss ongoing projects and establish priorities for communities along the Texas-Tamaulipas border. Bank staff presented details about funding opportunities and the request for proposal process, highlighting the Bank's role in supporting environmental and infrastructure improvements in the region.


- November 20th – 2024 State of the Rio Grande virtual bridge event.** More than 300 people joined this free, binational event, which was hosted by Texas Water Foundation, the International Boundary and Water Commission (IBWC) and the Texas Commission on Environmental Quality (TCEQ) to provide an update on the state of the Rio Grande River from a political, scientific, demand and collaboration standpoint. NADBANK Chief Environmental Officer Salvador Lopez talked about binational investments and how the Bank can help address the complex, binational issues that the region is currently facing.



- **November 19th thru 22nd – ANEAS 2024 Convention and Expo in Chihuahua, CHIH.** NADBank Chief Environmental Officer Salvador Lopez participated in two panel discussions. During the Wastewater Reuse: Self-financing Business Structures panel, he highlighted the importance of implementing actions for water reuse, which helps diversify water supplies, generates economic savings for utilities and contributes to conservation of the resource. On the second panel, Partnerships for Sustainability, Industry, Agriculture and Water Management for Food Security, he underscored the Bank's commitment to increase sustainable water management, reuse and diversification in the agriculture sector.

- **December 3rd & 4th – Meetings with Tamaulipas officials in Ciudad Victoria, TAMPS.** Bank staff met with various officials of the Government of Tamaulipas to review potential projects to be included in a proposed a sustainability bond issuance aimed at reducing the backlog in infrastructure needs in water and other environmental sectors in the state.



- **December 5th – Rice University 6th Annual Mexico Country Outlook in Houston, TX.** NADBank Managing Director John Beckham participated as a panelist at this high-level event hosted by Rice University's Baker Institute, Center for U.S. and Mexico. Participants offered insights on Mexico's prospects for 2025, focusing on politics, economy and trade, the environment and energy issues, as well as the binational relationship—subjects of key importance to decision-makers in both the public and private sectors. During his participation, John highlighted how NADBank can finance infrastructure needs in Mexico, including water, energy and cleaner mobility, which can help to attract additional manufacturing and foreign direct investment.



- **December 11th – Meeting with local officials in Naco, SON.** The main purpose of the meeting was to deliver the final report on a solid waste management assessment carried out through the Border 2025 Program. The meeting was chaired by Mayor José Lorenzo Villegas Vázquez and the head of the Sonora State environmental enforcement agency, Dr. Perla Alday. In addition to Bank staff, Lesly D'Anglada from the international affairs office of EPA Washington and a NADBank Board representative, also participated. Attendees also followed up on current wastewater initiatives, including a tour of water infrastructure.

■ **December 11th – San Diego Regional Chamber of Commerce International Tribute Awards.**

Each year, the Chamber recognizes outstanding individuals and businesses that have made a significant impact on strengthening cross-border cooperation in the CaliBaja region. In 2024, the Chamber selected NADBank Chief Environmental Officer Salvador Lopez as its International Leader of the Year for his and the Bank's collective work related to transboundary flows in the Tijuana River.



■ **December 11th – Kickoff of a Cross-border Drayage Air Quality Study in San Antonio, TX.**

The Texas A&M Transportation Institute (TTI), Texas A&M International University's (TAMIU) A.R. Sanchez, Jr. School of Business' Texas Center for Border Economic and Enterprise Development (TCBEED) and NADBank announced the launch of a transformative US\$250,000 study funded with technical assistance from NADBank to analyze the impacts of implementing zero-emission vehicles in cross-border trade operations.



■ **December 13th – UIW Business with a Purpose Workshop.**

NADBank hosted 16 students from the University of the Incarnate Word (UIW) Master in Business program for an workshop led by Dr. Alberto Rubio. The session focused on the broader impact of businesses beyond profits, with a spotlight on sustainability and social responsibility. NADBank's vision, mission, and core values were highlighted as exemplary models for integrating sustainability into business strategies. Th workshop generated an engaging exchange of ideas, with future leaders exploring how purposeful business practices can create meaningful impact.



■ **December 13th – San Antonio Council for International Visitors (SACIV)**

is a non-profit organization that arranges professional programming through the U.S. Department of State's International Visitors Leadership Program. NADBank hosted a group of visiting leaders from the Middle East, India and other Asian countries who learned about how the Bank works to finance infrastructure projects that enhance and preserve environmental conditions and improve the quality of life of people living along the U.S.-Mexico border.

6. Financial Report

TABLE 19: FINANCIAL SUMMARY OF NADBANK ORDINARY CAPITAL RESOURCES
(Million USD)

	Year-end			
	2024	2023	2022	2021
Balance Sheet Data				
Total assets	\$ 2,401.6	\$ 2,287.9	\$ 1,994.1	\$ 2,114.6
<i>of which</i>				
Cash and investments	1,240.8	1,078.1	1,118.9	1,129.8
Gross loans outstanding	1,132.8	1,049.2	920.3	976.5
Other assets	147.8	177.2	100.9	155.6
Total liabilities	1,533.8	1,469.6	1,245.3	1,337.7
<i>of which</i>				
Current liabilities	80.8	73.2	53.2	12.8
Deferred U.S. capital contribution	165.0	165.0	165.0	165.0
Debt (short & long term)	1,306.4	1,123.7	1,063.5	1,118.2
Equity	867.8	818.3	748.8	776.9
<i>of which</i>				
Paid-in capital	506.0	506.0	496.0	486.5
Retained earnings	331.7	310.0	286.6	285.6
Callable capital	3,037.3	3,037.3	2,980.7	2,926.8
Income Statement Data				
Loan interest income	82.7	72.0	42.2	42.2
Investment interest income	45.5	30.4	11.2	4.8
Interest expense	70.4	59.1	26.1	14.3
Net interest income	57.8	43.3	27.3	32.7
Provision for loan losses	10.5	(1.7)	0.0	2.9
Net interest income after provision for credit losses	47.3	45.0	27.3	29.8
Operating expenses	20.4	20.4	19.0	17.5
Net operating income	26.9	24.6	8.3	12.3
Non-interest and non-operating income (expense)	10.1	4.0	0.2	(0.2)
Transfer to Environment Investment and Capacity Facility (EICF)	15.3	5.1	7.5	-
Net income	21.7	23.5	1.0	12.1
Ratios				
Loans / Equity (%)	130.5	128.2	122.9	125.7
Assets/ Equity (%)	276.7	279.6	266.3	272.2
Debt (short & long term) / Callable capital (%)	43.0	37.0	35.7	38.2
Liquid assets / Short-term debt (%)	900.4	20,341.5	21,111.3	729.4
Net income (LTM) / Equity (%)	2.6	3.0	0.1	1.6
Net operating income (LTM) / Equity (%)	3.2	3.1	1.1	1.6
Non-accrual loans / Loans outstanding (%)	0.8	-	-	1.4
Operating expenses (LTM) per \$1 M outstanding loans (\$)	18,008	19,539	20,645	17,921
Credit Ratings				
Moody's Investor Service	Aa1	Aa1	Aa1	Aa1
Fitch Ratings	AA	AA	AA+	AA
<i>LTM = Last twelve months</i>				

Since 2023, all grant and technical assistance activity is reported under the Environment Investment and Capacity Facility (EICF), and all other operations of the Bank are reported under the Ordinary Capital Resources. Table 20 provides a summary of the EICF balance sheet as of December 31, 2024, along with a comparison to the 2023 year-end

**TABLE 20: EICF SUMMARY BALANCE SHEET
(USD)**

	December 31, 2024	December 31, 2023
Cash and cash equivalents	\$ 20,143,378	\$ 12,724,069
Receivables	11,467,595	2,099,683
Total assets	\$ 31,610,973	\$ 14,823,752
Payables	\$ 165,841	\$ 291,485
Undisbursed grant funds	2,378,419	1,590,048
Fund balance	29,066,713	12,942,219
Total liabilities and fund balance	\$ 31,610,973	\$ 14,823,752

The following table summarizes all the disbursements made by the Bank for the year to date, along with a comparison of the past three years.

**TABLE 21: SUMMARY OF DISBURSEMENT ACTIVITY
(Thousand USD)**

	Year-end			
	2024	2023	2022	2021
Total disbursements	\$ 283,057	\$ 236,355	\$ 104,307	\$ 129,689
By Program				
Loans	\$ 258,673	\$ 218,829	\$ 90,030	\$ 117,214
Infrastructure financing grants:				
Community Assistance Program (CAP)	140	1,191	802	1,441
Border Environment Infrastructure Fund (BEIF)	20,232	12,473	11,334	8,980
Technical assistance grants:				
Technical Assistance Program (TAP)	2,014	1,300	501	465
Utility Management Institute (UMI)	19	72	38	13
COVID-19 Recovery Program (ProRec)	-	380	30	-
Project Development Assistance Program (PDAP)	1,467	1,197	1,080	1,045
Border 2025: U.S.-Mexico Environmental Program	331	726	467	531
Air Quality Monitoring Fund (AQ Fund)	181	144	17	-
Other	-	43	8	-
Total	\$ 283,057	\$ 236,355	\$ 104,307	\$ 129,689
By Source				
NADBank	\$ 258,673	\$ 219,209	\$ 90,060	\$ 117,692
Environmental Protection Agency (EPA) ¹	22,030	14,438	12,880	10,556
U.S. Department of State (DOS) ²	2,173	2,564	1,342	1,441
Air Quality Monitoring Fund ³	181	144	17	-
Other	-	-	8	-
Total	\$ 283,057	\$ 236,355	\$ 104,307	\$ 129,689

¹ EPA finances BEIF, PDAP and Border 2025.

² Since 2021, NADBank has received DOS grants totaling US\$9.8 million that are being used to finance CAP and/or TAP disbursements.

³ 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 sustainable 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.nadb.org.

ANNEX

ACTIVE PROJECTS BY STATE

DECEMBER 31, 2024



ANNEX

NADBANK QUARTERLY REPORT
DECEMBER 31, 2024

NORTH AMERICAN DEVELOPMENT BANK

ACTIVE PROJECTS BY STATE

December 31, 2024

Project			Population to Benefit ¹	Approval Date	Total Cost	Total NADB Funding (Million USD)			Construction Phase ²		
						Approved	Contracted	Disbursed	Pre-const.	Construct.	Complete
UNITED STATES											
CALIFORNIA											
1	1	Calipatria	WW	3,200	22-Jan-24	0.37	0.25	0.25		1	
2	2	EnerSmart Energy Storage	ES	250,000	3-Nov-21	Reserved	70.00	3.39	3.39	1	
3	3	Innercare Medical Complex	SB	21,233	6-Oct-23	Reserved	36.40	35.96	24.46	1	
4	4	Pome BESS	ES	353,700	14-Nov-24	Reserved	60.00	60.00	49.42	1	
5	5	Wildcat Energy Storage	ES	283	2-Mar-20	Reserved	3.87	3.87	2.32		1
		TOTAL CALIFORNIA		628,416		365.58	170.52	103.47	79.60	0	4 1
NEW MEXICO											
6	1	Anthony	W	1,795	11-Apr-23	5.00	4.80	4.80	3.59	1	
7	2	Doña Ana County (Sleepy Farms)	WW	7,900	13-May-21	4.47	2.15	2.15	1.80		1
8	3	Sunland Park/Santa Teresa (LS)	WW	10,800	28-Aug-24	0.38	0.25	0.25		1	
		TOTAL NEW MEXICO		20,495		9.85	7.20	7.20	5.39	0	2 1
TEXAS											
9	1	Anemoi energy storage (Hidalgo Co.)	ES	97,230	6-Oct-23	Reserved	40.00	39.16	39.16		1
10	2	Anzalduas Port of Entry (Mission)	AQ	999,260	8-Jun-22	81.86	63.00	63.00	63.00	1	
11	3	Arroyo energy storage (Cameron Co.)	ES	116,142	8-May-24	Reserved	85.00	73.26	46.04	1	
12	4	El Paso County (Hillcrest)	W	330	13-May-21	3.28	1.60	1.60	1.43		1
13	5	El Paso County (LVWD)	W / WW	9,000	29-Jun-21	23.05	23.05	23.05	23.05	1	
14	6	Fort Duncan Energy (Maverick Co.)	ES	211,551	23-Sep-24	Reserved	60.00	56.05	35.18	1	
15	7	Hidalgo County (MHWSC)	W	8,082	5-Feb-24	0.56	0.50	0.50	0.02	1	
16	8	Jim Hogg County	W	4,558	12-Nov-20	4.26	4.05	4.05	4.05	1	
17	9	Laguna Madre WD (Long Island Village)	W/WWW	2,939	11-Apr-23	20.80	20.80	20.80	20.80	1	
18	10	Palmview (Agua SUD)	WW	8,183	21-May-20	48.20	6.00	6.00	5.20	1	
19	11	Sunray Solar Park	SE	38,870	5-May-23	Reserved	65.00	55.00	45.93		1
20	12	Vinton	WW	2,043	14-Nov-19	19.73	3.00	3.00	2.00	1	
21	13	Vinton	W	1,480	24-Feb-20	7.28	3.50	3.50	2.50		1
		TOTAL TEXAS		1,498,188		1,079.15	375.49	348.96	288.34	0	9 4
21		TOTAL U.S.		2,147,099		1,454.58	553.21	459.63	373.33	0	15 6
MEXICO											
BAJA CALIFORNIA											
1	1	Mexicali (Phase 1)	WW	557,000	21-May-20	7.76	4.37	4.37	4.21	1	
2	2	Mexicali (Lift Stations)	WW	146,000	21-Aug-20	4.76	2.71	2.71	2.70		1
3	3	Mexicali (Phase 2)	WW	37,000	30-Nov-22	4.96	2.42	2.42	2.26	1	
4	4	Mexicali (force mains)	WW	753,000	19-Sep-23	6.80	3.40	3.40	1.99	1	
5	5	State of Baja California	W/WWW	3,263,496	1-Dec-22	150.07	150.07	150.07	94.37	1	
6	6	Tijuana y Rosarito	W/WWW	640,759	21-Jul-09	26.08	16.11	16.11	12.87	1	
7	7	Tec.-La Gloria WWTP	WW	187,036	1-Feb-11	8.23	4.13	4.13		1	

**ANNEX
ACTIVE PROJECTS BY STATE**

**NADBANK QUARTERLY REPORT
DECEMBER 31, 2024**

Project		Population to Benefit ¹	Approval Date	Total Cost	Total NADB Funding (Million USD)			Construction Phase ²				
					Approved	Contracted	Disbursed	Pre-const.	Construct.	Complete		
8	8	Tijuana (Oriente)	WW	154,000	21-Aug-20	1.99	1.00	1.00	0.88		1	
9	9	Tijuana (River diversion)	WW	688,000	14-Dec-23	30.88	13.44	13.44	0.06		1	
10	10	Tijuana (Agua Caliente Corridor)	MO	37,700	20-Feb-24	13.37	11.84	8.90	5.71		1	
TOTAL B.C.			3,263,496		246.65	205.35	202.41	125.04	0	9	1	
CHIHUAHUA												
11	1	Ciudad Juarez	WW	246,860	6-Jun-22	26.90	26.90	11.50	8.40		1	
12	2	Ojinaga (2)	WW	6,240	12-Nov-20	4.00	2.09	2.09	1.23		1	
TOTAL CHIH.			253,100		30.90	28.99	13.59	9.62	0	2	0	
NUEVO LEÓN												
13	1	Dinercap-Kelq green loan (Monterrey)	UD	33,500	14-Aug-24	Reserved	3.98	3.98	3.98		1	
TOTAL N.L.			33,500		0.00	3.98	3.98	3.98	0	0	1	
SONORA												
14	1	Imuris	WW	8,750	7-Nov-23	0.95	0.50	0.50	0.12		1	
15	2	La Pitaya Citrus Farm (Hermosillo)	SFVC		26-Sep-24	Reserved	11.50	11.50	9.00		1	
16	3	Naco	W	6,150	29-Apr-24	1.50	0.50	0.50			1	
17	4	Nogales (SW colonias)	W/WW	16,701	17-Nov-16	10.48	5.26	5.26	5.20		1	
18	5	OSME Medical Complex (San Luis RC)	SB	33,800	22-Nov-21	Reserved	14.21	14.21	8.71		1	
19	6	Sana Frozen Food Plant (San Luis RC)	SFVC	199,021	3-Jan-23	Reserved	16.00	8.00	8.00		1	
TOTAL SON.			264,422		86.52	47.97	39.97	31.02	0	5	1	
TAMAULIPAS												
20	1	Gustavo Díaz Ordaz	WW	12,354	30-May-19	8.55	4.51	4.51	3.79		1	
21	2	José Silva Sánchez (Soto la Marina)	W	135	19-Jun-18	0.26	0.25	0.25	0.20		1	
22	3	Nueva Ciudad Guerrero	WW	5,209	20-Mar-20	4.53	2.26	2.06	1.85		1	
23	4	Nuevo Laredo	WW	416,055	23-Jan-24	81.20	8.00	8.00			1	
24	5	Nuevo Progreso	WW	10,272	17-Apr-24	1.15	0.50	0.50			1	
TOTAL TAMP.			444,025		95.69	15.52	15.32	5.83	0	5	0	
MEXICAN BORDER REGION												
25	1	4 Fls Sustainability Bond	SFVC		4-Sep-24	Reserved	3.52	3.52	3.52		1	
26	2	Active Leasing Green Loan	GM		2-Nov-23	Reserved	15.00	15.00	15.00		1	
27	3	BIM Sustainable Housing	SB		8-Dec-23	Reserved	20.00	20.00			1	
28	4	Liquidez Corp. Green Loan	SFVC		8-Dec-22	Reserved	20.00	10.12	10.12	1		
29	5	Mercader Pilot Program ³	MO		24-Jun-14	13.55	8.94	8.94	10.91		1	
30	6	Mercader Bus Program ³	MO		13-Sep-16	76.02	44.27	44.27	58.78		1	
31	7	SOFPLUS Green Loan	SB		12-Jun-24	Reserved	10.00	5.00	5.00		1	
32	8	Value Bus Program	MO	76,700	26-Jun-20	28.62	24.33	6.95	6.95		1	
TOTAL MX Border					197.20	146.06	113.80	110.28	1	7	0	
32	TOTAL MEX.			4,258,543		660.94	447.86	389.06	285.78	1	28	3
53	TOTAL NADB			6,405,642		2,115.52	1,001.06	848.69	659.10	1	43	9

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; BUI = Basic urban infrastructure; FI = Financial intermediary; ES = Energy storage; GM = Green manufacturing; MO = Mobility; SB = Sustainable buildings; SE = Solar energy; SFVC = Sustainable food value chain; SW = Solid waste; UD = Urban development
W = Water; WE = Wind energy; WWTP = Wastewater treatment plant