

# **Attachment 1**

**EXPORT FINANCE AUSTRALIA**

**FINANCIAL REPORT**

**FOR THE HALF-YEAR ENDED 31 DECEMBER 2025**

## Statement of Comprehensive Income

for the half-year ended 31 December 2025

	Note	Commercial Account		National Interest Account	
		31 Dec 2025 \$ m	31 Dec 2024 \$ m	31 Dec 2025 \$ m	31 Dec 2024 \$ m
Interest income		134.9	101.6	91.2	95.5
Other interest income		40.6	41.4	23.3	20.7
Interest expense		(154.9)	(126.2)	(136.8)	(143.1)
Net interest income		20.6	16.8	(22.3)	(26.9)
Fair value movement of loans, bonds, insurances and guarantees	7	38.0	36.0	6.1	18.4
Fair value movement of other financial instruments	8	(0.8)	(1.8)	5.5	5.8
Unrealised foreign exchange gain/(loss)		0.7	(2.3)	(3.9)	(12.2)
Realised gain/(loss) on derivatives issued to Borrowers		-	-	(15.1)	(6.8)
Fair value movement of equity investments		-	-	(12.3)	(13.3)
Other revenue	9	3.3	3.2	19.3	18.0
Operating income		61.8	51.9	(22.7)	(17.0)
Operating expenses		(30.6)	(27.9)	(9.0)	(5.4)
Concession loan discount		-	-	(14.3)	-
Expected credit loss		-	-	(13.8)	(10.6)
State-tax equivalent charges		(1.5)	(1.3)	-	-
Net operating income		29.7	22.7	(59.8)	(33.0)
Specific provision		-	-	(3.0)	(2.2)
<b>Profit/(loss) before tax equivalent</b>		<b>29.7</b>	<b>22.7</b>	<b>(62.8)</b>	<b>(35.2)</b>
Income tax-equivalent charge		(8.9)	(6.8)	-	-
<b>Net profit/(loss) after income tax equivalent</b>		<b>20.8</b>	<b>15.9</b>	<b>(62.8)</b>	<b>(35.2)</b>
National Interest Account attributable directly to the Commonwealth		-	-	62.8	35.2
<b>Net profit available to the Commonwealth</b>		<b>20.8</b>	<b>15.9</b>	<b>-</b>	<b>-</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive income for the period</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the period available to the Commonwealth</b>		<b>20.8</b>	<b>15.9</b>	<b>-</b>	<b>-</b>

The accompanying notes form an integral part of the financial report.

## Statement of Financial Position

as at 31 December 2025

	Commercial Account		National Interest Account	
	31 Dec 2025 \$ m	30 June 2025 \$ m	31 Dec 2025 \$ m	30 June 2025 \$ m
<b>Assets</b>				
Cash and cash at bank	5.9	16.2	170.1	179.3
Receivables from other financial institutions	1,081.9	1,262.0	-	-
Amounts receivable from the Commonwealth	-	-	276.0	218.8
Investment securities at amortised cost	1,113.2	799.5	-	-
Loans and receivables at amortised cost	0.1	0.1	930.1	861.3
Loans and receivables designated at fair value through profit or loss	1,420.7	1,260.3	1,385.3	1,373.3
Loans to National Interest Account designated at fair value through profit or loss	1,055.6	906.3	-	-
Derivative financial assets	33.0	61.0	2.1	1.3
Equity securities at fair value through profit or loss	-	-	854.7	888.2
Other financial assets	17.8	15.3	14.4	17.9
Property, plant and equipment	121.2	117.5	-	-
<b>Total assets</b>	<b>4,849.4</b>	<b>4,438.2</b>	<b>3,632.7</b>	<b>3,540.1</b>
<b>Liabilities</b>				
Borrowings from Commercial Account at amortised cost	-	-	1,059.2	909.3
Borrowings designated at fair value through profit or loss	3,788.0	3,370.9	2,290.8	2,339.5
Guarantees, bonds and insurances designated at fair value through profit or loss	10.4	8.8	15.3	15.9
Derivative financial liabilities	286.5	287.6	-	13.8
Other financial liabilities	121.5	120.0	5.2	4.9
Sundry provisions and allowances	20.8	31.0	76.8	71.3
<b>Total liabilities</b>	<b>4,227.2</b>	<b>3,818.3</b>	<b>3,447.3</b>	<b>3,354.7</b>
<b>Net assets</b>	<b>622.2</b>	<b>619.9</b>	<b>185.4</b>	<b>185.4</b>
<b>Equity</b>				
Contributed equity	206.0	206.0	185.4	185.4
Reserves	207.7	207.7	-	-
Retained profits	208.5	206.2	-	-
<b>Total equity</b>	<b>622.2</b>	<b>619.9</b>	<b>185.4</b>	<b>185.4</b>

The accompanying notes form an integral part of the financial report.

**Statement of Changes in Equity**  
for the half-year ended 31 December 2025

	Commercial Account					National Interest Account	
	Retained Profits	Asset Revaluation Reserves	Other Reserves	Contributed Equity	Total Equity	Contributed Equity	Total Equity
	\$ m	\$ m	\$ m	\$ m	\$ m	\$ m	\$ m
<b>Opening balance at 30 June 2025</b>	<b>206.2</b>	<b>141.5</b>	<b>66.2</b>	<b>206.0</b>	<b>619.9</b>	<b>185.4</b>	<b>185.4</b>
<b>Comprehensive income</b>							
Other comprehensive income	-	-	-	-	-	-	-
Profit/(loss) for the period	<b>20.8</b>	-	-	-	<b>20.8</b>	-	-
<b>Total comprehensive income</b>	<b>20.8</b>	-	-	-	<b>20.8</b>	-	-
<b>Transactions with the Commonwealth</b>							
Dividends paid	<b>(18.5)</b>	-	-	-	<b>(18.5)</b>	-	-
<b>Closing balance available to the Commonwealth 31 December 2025</b>	<b>208.5</b>	<b>141.5</b>	<b>66.2</b>	<b>206.0</b>	<b>622.2</b>	<b>185.4</b>	<b>185.4</b>
	<b>\$ m</b>	<b>\$ m</b>	<b>\$ m</b>	<b>\$ m</b>	<b>\$ m</b>	<b>\$ m</b>	<b>\$ m</b>
Opening balance as at 30 June 2024	182.9	161.3	66.2	206.0	616.4	-	-
<b>Comprehensive income</b>							
Other comprehensive income	-	(19.8)	-	-	(19.8)	-	-
Profit/(loss) for the period	37.0	-	-	-	37.0	-	-
<b>Total comprehensive income</b>	<b>37.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.2</b>	<b>-</b>	<b>-</b>
<b>Transactions with the Commonwealth</b>							
Equity contribution from the Commonwealth	-	-	-	-	-	185.4	185.4
Dividends paid	(13.7)	-	-	-	(13.7)	-	-
<b>Closing balance available to the Commonwealth 30 June 2025</b>	<b>206.2</b>	<b>141.5</b>	<b>66.2</b>	<b>206.0</b>	<b>619.9</b>	<b>185.4</b>	<b>185.4</b>

The accompanying notes form an integral part of the financial report.

Contributed equity comprises of \$6 million of capital advanced by the Commonwealth in November 1991 and an equity injection of \$200 million paid in July 2014 that restored the capital base following a \$200 million special dividend paid in June 2013.

In addition to the contributed equity, section 54 of the Efic Act provides for \$1.2 billion callable capital from the Commonwealth, which to date has never been called.

Other reserves of \$66.2 million represent other net assets transferred from the Australian Trade Commission on 1 November 1991.

The National Interest Account (NIA) received USD\$125 million from Department of Foreign Affairs and Trade (DFAT) in July 2024 which was equivalent to AUD\$185.4m which has been classified as contributed equity.

## Statement of Cash Flows

for the half-year ended 31 December 2025

	Commercial Account		National Interest Account	
	31 Dec	31 Dec	31 Dec	31 Dec
	2025	2024	2025	2024
	\$ m	\$ m	\$ m	\$ m
<b>Cash flows from operating activities</b>				
<b>Inflows:</b>				
Premium and fees received*	39.1	37.4	27.1	24.2
Interest received	168.5	118.8	107.1	110.7
Insurance claim recoveries	-	-	11.0	11.6
Sundry income*	3.4	3.5	-	-
Proceeds from derivatives issued to Borrowers	-	-	-	15.0
Decrease in other debtors and prepayments	10.7	32.6	-	-
<b>Outflows:</b>				
Premiums paid to reinsurers (net of commissions)	(0.9)	(1.0)	(0.8)	-
Interest and other costs of finance paid	(147.5)	(102.0)	(135.1)	(141.2)
Payment to creditors and employees*	(40.6)	(31.8)	(0.4)	-
Guarantees paid	-	(4.4)	-	-
Repayments for derivatives issued to Borrowers	-	-	(15.1)	(21.8)
Net (disbursements)/repayments of loans	(350.5)	44.8	(156.5)	(63.0)
Net (increase)/decrease in payables to the Commonwealth	-	-	(5.4)	(19.0)
*grossed up for Goods and Services Tax				
<b>Net cash from/(used by) operating activities</b>	<b>(317.8)</b>	<b>97.9</b>	<b>(168.1)</b>	<b>(83.5)</b>
<b>Cash flows from investing activities</b>				
<b>Inflows:</b>				
Proceeds from investment securities	111.2	172.3	-	-
<b>Outflows:</b>				
Payments for investment securities	(424.9)	(172.1)	-	-
Payments for property, plant and equipment	(4.6)	(0.5)	-	-
<b>Net cash used by investing activities</b>	<b>(318.3)</b>	<b>(0.3)</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>				
<b>Inflows:</b>				
Proceeds from payables to other financial institutions	-	-	52.9	66.8
Proceeds from other borrowings	2,149.5	3,442.2	226.8	99.5
Proceeds from derivatives	1,540.7	637.0	-	-
Receipts from the Commonwealth	-	-	9.1	227.3
Receipts from other Commonwealth entities	1.4	3.1	-	-
<b>Outflows:</b>				
Repayments of payables to other financial institutions	-	-	(53.7)	(253.6)
Repayments of other borrowings	(1,641.2)	(2,431.3)	(67.0)	(33.9)
Repayments of derivatives	(1,549.6)	(629.5)	-	-
Dividend payments to the Commonwealth	(18.5)	(13.7)	-	-
Other payments to the Commonwealth	(21.1)	(15.6)	-	-
<b>Net cash from/(used by) financing activities</b>	<b>461.2</b>	<b>992.2</b>	<b>168.1</b>	<b>106.1</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>(174.9)</b>	<b>1,089.8</b>	<b>-</b>	<b>22.6</b>
Cash and cash equivalents at beginning of financial year	1,278.2	562.8	179.3	144.8
Net effects of exchange rate changes on cash and cash equivalent balances held in foreign currencies	(15.5)	103.6	(9.2)	5.0
<b>Cash and cash equivalents at end of financial period</b>	<b>1,087.8</b>	<b>1,756.2</b>	<b>170.1</b>	<b>172.4</b>

The accompanying notes form an integral part of the financial report.

## Notes to and forming part of the Financial Report

For the half-year ended 31 December 2025

### 1. Basis of preparation

The Financial Report is to be read in conjunction with the 2025 Annual Financial Statements.

Unless otherwise indicated, all amounts are expressed in Australian dollars and rounded to the nearest \$0.1 million dollars (\$m).

The Financial Report separately identify the activities undertaken by Export Finance Australia on the Commercial Account under Part 4 of the Efic Act, and the National Interest Account under Part 5 of the Efic Act.

The majority of financial assets and liabilities on the CA are measured at fair value through profit or loss as underlying derivatives are used to hedge risk. Some assets and liabilities, however, are measured at amortised cost. Typically, these transaction either are receivables from other financial institutions, are investments in securities, or the transactions are short term and derivatives are not used to hedge the risk.

instrument.

### 2. Accounting policies

The accounting policies adopted in the Financial Report are consistent with those adopted and disclosed in the 2025 Annual Financial Statements. The new standards or amendments that were effective from 1 July 2025 do not have an impact on the Interim Financial Statements. No standard is adopted earlier than its effective date in line with Government policy.

### 3. Events after the reporting period

There have been no material events occurring after the reporting period that impact these Interim Financial Statements for the period ending 31 December 2025.

### 4. Significant accounting judgements, estimates and assumptions

The preparation of the Financial Report requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense.

In preparing the Financial Report, significant judgements made by management in applying Export Finance Australia's accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the Annual Financial Statements as at and for the year ended 30 June 2025.

In preparing the Financial Report, due to the complexities a new valuation of the Digicel transaction and PSI Quantum convertible note has not been obtained for this report but will be obtain for the Annual Financial Statement's.

### 5. Financial risk management

Export Finance Australia's financial risk management objectives and policies are consistent with those disclosed in the Annual Financial Statements as at and for the year ended 30 June 2025.

### 6. Dividend & competitive neutrality payments

Section 55 of the Efic Act requires that the Export Finance Australia Board, by written notice to the Minister for Trade, Tourism and Investment (the Minister), make a recommendation that Export Finance Australia pay a specified dividend or not pay a dividend for that financial year. The Minister, by written notice to Export Finance Australia, either approves the recommendation or directs the payment of a different specified dividend. The Minister approved the recommendation by the Export Finance Australia Board that 50% of prior financial year profit be paid as a dividend. In December 2025 \$18.5 million was paid as a dividend.

The competitive neutrality arrangements impose a mandatory obligation on Export Finance Australia to pay various amounts as determined by the Minister each financial year.

Under section 61A of the Efic Act, the prior financial year debt neutrality charge of \$2.5 million was paid in December 2025.

Under section 63A of the Efic Act, the prior year tax-equivalent payments of \$18.6 million was paid in December 2025. This consists of a payment in lieu of Commonwealth income tax at 30% of accounting profits, a payment in lieu of New South Wales payroll tax and a payment in lieu of New South Wales land tax.

## Notes to and forming part of the Financial Report (continued)

### 7. Fair value movement of third-party loans and guarantees

	Commercial Account		National Interest Account	
	31 Dec	31 Dec	31 Dec	31 Dec
	2025	2024	2025	2024
	\$ m	\$ m	\$ m	\$ m
Net premium and fees	57.4	34.9	17.8	18.0
Loan below market	-	-	(11.1)	-
Credit risk	(21.0)	1.4	(0.6)	0.4
Specific events	1.6	(0.3)	-	-
<b>Total fair value movement of third-party loans and guarantees</b>	<b>38.0</b>	<b>36.0</b>	<b>6.1</b>	<b>18.4</b>

### 8. Fair value movement of other financial instruments

	Commercial Account		National Interest Account	
	31 Dec	31 Dec	31 Dec	31 Dec
	2025	2024	2025	2024
	\$ m	\$ m	\$ m	\$ m
Loans to National Interest Account designated at fair value through profit or loss	(1.6)	(1.3)	-	-
Loans and receivables designated at fair value through profit or loss	(1.2)	0.4	-	-
Borrowings designated at fair value through profit or loss	48.3	33.2	(2.9)	(10.9)
Derivative financial instruments	(46.3)	(34.1)	8.4	16.7
<b>Total fair value movement of other financial instruments</b>	<b>(0.8)</b>	<b>(1.8)</b>	<b>5.5</b>	<b>5.8</b>

### 9. Other revenue

	Commercial Account		National Interest Account	
	31 Dec	31 Dec	31 Dec	31 Dec
	2025	2024	2025	2024
	\$ m	\$ m	\$ m	\$ m
Premium and fees	-	-	8.8	6.4
Rental income	2.1	2.1	-	-
Sundry income	1.2	1.1	-	-
Recoveries from credit insurance	-	-	10.5	11.6
<b>Total other revenue</b>	<b>3.3</b>	<b>3.2</b>	<b>19.3</b>	<b>18.0</b>

### 10. Schedule of contingent liabilities

	Commercial Account		National Interest Account	
	31 Dec	30 June	31 Dec	30 June
	2025	2025	2025	2025
	\$ m	\$ m	\$ m	\$ m
Guarantees*	740.7	471.6	-	-
Bonds	371.6	378.8	-	-
Exchange guarantee policies	-	-	416.4	432.8
<b>Total contingent liabilities</b>	<b>1,112.3</b>	<b>850.4</b>	<b>416.4</b>	<b>432.8</b>

\*Guarantees include facilities signed under risk participation agreements.

These contingent liabilities commit Export Finance Australia to make payments should a default occur by a client.

### 11. Schedule of Commitments

	Commercial Account		National Interest Account	
	31 Dec	30 June	31 Dec	30 June
	2024	2025	2025	2025
	\$ m	\$ m	\$ m	\$ m
<b>Commitments to provide financial facilities</b>				
Loans	1,016.8	589.3	2,349.1	2,485.3
Bonds	6.0	6.0	-	-
Guarantees	86.8	183.3	-	-
<b>Total commitments to provide financial facilities</b>	<b>1,109.6</b>	<b>778.6</b>	<b>2,349.1</b>	<b>2,485.3</b>

Commitments to provide financial facilities are contractually based.

## Notes to and forming part of the Financial Reporting (continued)

	Commercial Account		National Interest Account	
	31 Dec	30 June	31 Dec	30 June
	2025	2025	2025	2025
	\$ m	\$ m	\$ m	\$ m
<b>Commitments payable</b>				
Plant and equipment	0.7	0.1	-	-
Building maintenance contracts	0.1	0.2	-	-
<b>Total commitments payable</b>	<b>0.8</b>	<b>0.3</b>	<b>-</b>	<b>-</b>
<b>Commitments receivable</b>				
Operating leases	6.9	7.8	-	-
<b>Total commitments receivable</b>	<b>6.9</b>	<b>7.8</b>	<b>-</b>	<b>-</b>

Operating lease receivable represents rental income to be received in respect of the property owned and partially occupied by Export Finance Australia.

### 12. Fair Value of financial instruments

The calculation methodology for determining fair value is regularly reviewed, and any changes recommended to the inputs used in the valuations are documented and submitted to the BARC and then to the Board for approval if necessary. A summary paper is submitted to the BARC and Board every year prior to the approval of the financial statements, which documents the accounting estimates used in fair value calculations including level 3 unobservable inputs.

The following is a description of the determination of fair value for financial instruments that are recorded at fair value using valuation techniques.

#### Commercial Account loans and receivables designated at fair value through profit or loss

The fair value on day one is the transaction price, and subsequent fair value is determined by applying market interest rates and using a discounted cash flow valuation through an external valuation system. These are classified as level 3 as the credit risk component is included in the valuation through an internal model to reflect the impact of expected loss on the fair value of each loan or receivable. A residual margin covering prepayment risks, other risks and servicing costs is also included in the fair value of each loan or receivable. When it is likely that a loan or debt will not be recovered in full, a specific event is recognised and recorded using the discounted cash flow method. All individual facilities are reviewed regularly.

#### Loans to National Interest Account designated at fair value through profit or loss

Fair value is determined by applying market rates and using a discounted cash flow valuation through an external valuation system. These loans are classified as level 2.

#### Derivative financial instruments

The fair value of derivative financial instruments is determined by applying market rates and using a discounted cash flow valuation. For derivatives that are associated with borrowings, a risk-free curve is then adjusted to calculate a margin based on Export Finance Australia's current ability to issue debt at a margin. These valuations before the allowance for derivative risk are being obtained from an external valuation system. In the calculation of the allowance for derivative risk, a credit risk component is included through the use of published credit default spreads and a valuation risk component is included through an internal model. Derivatives are classified as level 2.

#### Borrowings designated at fair value through profit or loss

The fair value of borrowings is determined by applying market interest rates and using a discounted cash flow valuation. An adjusted curve is derived from a risk-free curve and then adjusted to calculate a margin based on Export Finance Australia's current ability to issue debt at a margin. These valuations are being obtained from an external valuation system. The borrowings are classified as level 2.

#### Guarantees designated at fair value through profit or loss

The fair value on day one is the transaction price, and subsequent fair value is determined by applying market rates and using a discounted cash flow valuation through an external valuation system. These are classified as level 3 as the credit risk component is included in the valuation through an internal model to reflect the impact of expected loss on the fair value of each guarantee. A residual margin covering prepayment risks, other risks and servicing costs is also included in the fair value of the guarantee. When it is likely that a guarantee will be called, a specific event is recognised and recorded using the discounted cash flow method. All individual facilities are reviewed regularly.

#### National interest account loans and receivables designated at fair value through profit or loss

Due to the complex nature of certain transactions, EFA obtained an independent valuation of these loans. The fair value provided was based on calculation methods and assumptions which utilise significant unobservable inputs. Net present value of cashflows and credit adjusted spreads were taken into account in the valuation. Due to the complexity of the valuation and the model inputs, these have been classified as level 3.

A convertible note asset is held at fair value through profit and loss and has a two year maturity with a contractual right to receive outstanding principal and interest, or an election can be made to convert the outstanding balance to shares. The convertible note has been classified as level 3.

#### Equity Investments at fair value through profit or loss

Due to the complex nature of these transactions, EFA obtained an independent valuation of these equity investments. The fair value provided was based on calculation methods and assumptions which utilise significant unobservable inputs. Net present value of cashflows and credit adjusted spreads were taken into account in the valuation. The discount rate used comprised two components the time value of money and the other representing the premium needed as compensation for the risk of lending to the counterparty. Due to the complexity of the valuation and the model inputs, these have been classified as level 3.