

EXCHANGE STABILIZATION FUND
STATEMENT OF FINANCIAL POSITION
As of August 31, 2020

ASSETS

<i>Fund Balance with Treasury</i>	(Note 1)		\$ 481,957,729,877.50
<i>Special Drawing Rights</i>			
Special Drawing Rights Holdings		\$ 52,149,726,028.72	
Accrued interest receivable on Special Drawing Rights holdings		3,210,197.33	
<i>Total Special Drawing Rights</i>			52,152,936,226.05
<i>US Government Securities</i>			
Investments in US Government Securities		11,169,092,262.09	
Accrued interest receivable on U.S. Gov't Securities		-	
<i>Total US Government Securities</i>			11,169,092,262.09
<i>Economic Recovery Program- Investments and Other</i>	(Note 2)		
Corporate Credit Facilities (CCF)		37,500,000,000.00	
Municipal Liquidity Facility (MLF)		17,500,000,000.00	
Main Street Loan Program (MSLP)		37,500,000,000.00	
Term Asset-Backed Securities Loan Facility (TALF)		10,000,000,000.00	
Commercial Paper Funding Facility (CPFF)		10,000,000,000.00	
Money Market Mutual Fund Liquidity Facility (MMLF)		1,500,000,000.00	
<i>Total Economic Recovery Programs- Investments and Other</i>			114,000,000,000.00
<i>Economic Recovery Program- Loans Receivable</i>	(Note 3)		
National Security and Defense Businesses (NSD)		245,571,666.67	
<i>Total Economic Recovery Program- Loans Receivable</i>			245,571,666.67
<i>European Euros</i>	(Note 4)		
Deposits with Official Institutions		7,680,272,478.53	
Securities:			
Held outright		5,185,753,267.29	
Held under repurchase agreements		-	
Accrued interest receivable on Euro investments		45,229,749.52	
<i>Total European Euros</i>			12,911,255,495.34
<i>Japanese Yen</i>	(Note 4)		
Deposits with Official Institutions		8,263,910,659.41	
Securities		567,987,831.77	
Accrued interest on Yen investments		163,421.75	
<i>Total Japanese Yen</i>			8,832,061,912.93
TOTAL ASSETS			\$ 681,268,647,440.58

LIABILITIES AND CAPITAL

Liabilities

Special Drawing Rights Certificates		\$ 5,200,000,000.00	
Special Drawing Rights Allocations		50,109,772,662.37	
Accrued charges payable on SDR Allocations		3,084,626.62	
Due to Treasury		46,699.98	
Debt, including accrued interest payable	(Note 5)	85,434,267,747.17	
Other Liabilities		386,581.34	
TOTAL LIABILITIES	(Note 6,7)		\$ 140,747,558,317.48
Capital			
Initial Appropriated Capital Account		200,000,000.00	
Additional Appropriated Capital Account		499,972,053,870.24	
Retained Earnings		40,349,035,252.86	
TOTAL CAPITAL			\$ 540,521,089,123.10
TOTAL LIABILITIES AND CAPITAL			\$ 681,268,647,440.58

EXCHANGE STABILIZATION FUND
STATEMENT OF INCOME
For the Current Month and Fiscal Year Periods Ending August 31, 2020

INCOME and EXPENSE	Current Month	Fiscal Year
<i>Special Drawing Rights</i>		
Net interest (charges) on Special Drawing Rights	125,315.11	6,593,985.64
Net gain (loss) on SDR valuation	8,396,370.70	78,591,054.18
<i>U.S. Government securities</i>		
Interest earned on U.S. Government Securities	800,438.40	168,794,160.12
<i>Foreign Exchange</i>		
Interest earned (incurred) on Foreign Currency Denominated Assets	(3,628,165.65)	(36,113,577.75)
Net gain (loss) on Sales of Investment Securities and Foreign Currency Denominated Assets	(619.79)	9,314.21
Net gain (loss) on Foreign Exchange valuation (Note 8)	133,325,636.45	1,315,586,740.08
Other	(2,741.24)	(30,004.87)
<i>Economic Recovery Programs</i>		
Appropriation Revenue	852,997.15	2,946,129.76
Administrative Expense (Note 9)	(852,997.15)	(3,240,500.65)
Net Financing cost	(241,720,589.58)	(703,158,983.67)
Net Income (Net Cost)	\$ (102,704,355.60)	\$ 829,978,317.05

EXCHANGE STABILIZATION FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Current Month and Fiscal Year Periods Ending August 31, 2020

1. Section 4027 of H.R. 748, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), enacted on March 27, 2020 as Pub. Law 116-136, appropriated \$500 billion to the Exchange Stabilization Fund (ESF), which the Secretary of the Treasury (Secretary) is authorized to use to make loans, loan guarantees, and other investments. ESF received the full amount of this appropriated balance on March 31, 2020, which is held as Fund Balance with Treasury (FBWT) until disbursed. The CARES Act requires these funds to be managed, for budgetary purposes, in accordance with the Federal Credit Reform Act of 1990, as amended (FCRA). Under FCRA, ESF will use the appropriated \$500 billion to fund the credit subsidy portion of these economic recovery program loans, loan guarantees, and other investments, and the remaining portion of these disbursements will be funded via borrowings from Treasury (refer to Note 5). The credit subsidy cost represents the estimated long-term cost to the federal government of the program, which is calculated on a net present value basis, excluding administrative costs.
2. As of August 31, 2020, Treasury had made investments in six economic recovery programs. Treasury funded, using the CARES Act appropriated funds and borrowings, \$37.5 billion in the Corporate Credit Facilities (CCF), \$37.5 billion in the MSLP, \$10.0 billion in the Term Assets Lending Facility (TALF), and \$17.5 billion in the Municipal Liquidity Facility (MLF). In addition, Treasury, using funds from the ESF, invested \$10.0 billion into the Commercial Paper Funding Facility (CPFF) and \$1.5 billion into the Money Market Mutual Fund Liquidity Facility (MMLF). These investments are reported at cost.
3. As of August 31, 2020, Treasury disbursed an economic recovery program loan to a business critical to maintaining national security (NSD) using the CARES Act appropriated funds and borrowings. The NSD loan consists of the loan amount of \$245 million and capitalized loan receivable of almost \$0.6 million. Loans receivable are reported at cost.
4. The ESF carries several long-term instruments in its portfolio. Some of these instruments may have been purchased at a premium and others may have been purchased at a discount. These instruments are reported at cost. Cost is reflected as a face amount paid for the instrument plus any unamortized premium paid and less any unaccrued discount received. Premiums (that are amortized) and discounts (that accrete) are allocated to expense (amortization expense) and revenue, respectively, over the life of the instrument.
5. Debt represents borrowings from Treasury through the Bureau of Fiscal Service that are used, along with the appropriated fund balance (refer to Note 1), to fund the economic recovery program investments authorized under the CARES Act. As of August 31, 2020, Treasury had borrowed \$84.7 billion to finance the following economic recovery programs: \$36.4 billion for the CCF, \$17.5 billion for the MLF, \$9.9 billion for the TALF, \$20.8 billion for the MSLP and \$0.1 billion for the loan under the NSD. Net interest expense accrued of \$0.7 billion is reported with the debt.
6. The ESF has an exchange stabilization agreement with Mexico for \$9 billion; this agreement was modified and renewed in November 2019 for an additional year. No drawings were outstanding under this agreement.
7. As of August 31, 2020, Treasury has signed agreements with the Federal Reserve Bank of New York to provide investments in the CPFF (\$10 billion), CCF (\$75 billion), TALF (\$10 billion) and MLF (\$35 billion). Treasury has also signed agreements with the Federal Reserve Bank of Boston to provide investments in the MMLF (\$10 billion) and the MSLP (\$75 billion). As of August 31, 2020, Treasury has agreed to provide up to \$0.7 billion in loans under the NSD. As of August 31, 2020, Treasury has made initial investments in the CPFF, CCF, MLF, MSLP, TALF and MMLF and made an NSD loan (refer to note 2 & 3).
8. Foreign currency denominated assets and liabilities are revalued daily -- and reported monthly -- to reflect fluctuations in market exchange rates. These fluctuations in market exchange rates are reported in the Statement of Income as "Net gain (loss) on valuation." This gain or loss is unrealized to the Exchange Stabilization Fund until such time as the Fund sells the currency.
9. Up to \$100 million of the funds appropriated by the CARES Act to the ESF is authorized to make payments for administrative expenses incurred in connection with loans, loan guarantees, and other investments authorized under the Act.