

**DEPARTMENT OF THE TREASURY
EXCHANGE STABILIZATION FUND
BALANCE SHEET**

(In Whole Dollars)

		<u>As of October 31,</u>
		<u>2023</u>
Assets		
Intra-Governmental		
Fund Balance with Treasury	Note 1	\$ 80,034,019.60
Nonmarketable U.S. Treasury Securities		14,280,432,492.94
Other Assets		91,960.51
Total Intra-Governmental		<u>14,360,558,473.05</u>
Other Than Intra-Governmental		
Foreign Currency and Other Monetary Assets		
Foreign Currency and Foreign Currency Denominated Assets	Note 2	14,150,912,558.37
Special Drawing Right Holdings and Related Interest Receivable	Note 3	164,114,495,575.84
Loans Receivable, Net	Note 4	882,491,680.67
Other Investments		
Investments in Special Purpose Vehicles	Note 5 & 10	15,124,177,722.08
Other Investments, Net	Note 2	3,176,600,624.58
Other Receivable		-
Total Other Than Intra-Governmental		<u>197,448,678,161.54</u>
Total Assets		<u>\$ 211,809,236,634.59</u>
Liabilities:		
Intra-Governmental		
Debt	Note 6	\$ 14,946,541,124.00
Due to the General Fund		45,674,127.12
Other Liabilities	Note 7	1,080,867,227.75
Total Intra-Governmental		<u>16,073,082,478.87</u>
Other than Intra-Governmental		
Special Drawing Right Allocations and Related Interest Payable	Note 3	152,506,551,060.26
Special Drawing Right Certificates Issued to Federal Reserve Banks		5,200,000,000.00
Other Liabilities		777,505.32
Total Other Than Intra-Governmental		<u>157,707,328,565.58</u>
Total Liabilities	Note 8	<u>173,780,411,044.45</u>
Commitments and Contingencies		
Net Position:		
Unexpended Appropriations		
Funds from Dedicated Collections		200,000,000.00
Funds from Other than Dedicated Collections		26,311,927.07
Total Unexpended Appropriations (Consolidated)		<u>226,311,927.07</u>
Cumulative Results of Operations		
Funds from Dedicated Collections		37,815,890,191.47
Funds from Other than Dedicated Collections		(13,376,528.40)
Total Cumulative Results of Operations (Consolidated)		<u>37,802,513,663.07</u>
Total Net Position		<u>38,028,825,590.14</u>
Total Liabilities and Net Position		<u>\$ 211,809,236,634.59</u>

See accompanying notes to financial statements.

DEPARTMENT OF THE TREASURY
EXCHANGE STABILIZATION FUND
STATEMENTS OF NET COST

		As of October 31, 2023	
		Month	Fiscal Year
<i>(In Whole Dollars)</i>			
STRATEGIC GOAL 1: EXCHANGE STABILIZATION			
Gross Cost			
Interest Expense on Special Drawing Rights Allocations		\$ 534,014,117.63	534,014,117.63
International Monetary Fund Annual Assessment and Other		\$ 2,366.19	2,366.19
Losses on Currency Valuation and Other			
Special Drawing Rights Holdings		\$ 103,414,647.72	103,414,647.72
Special Drawing Rights Allocations		\$ -	-
Foreign Currency and Foreign Currency Denominated Assets	Note 9	\$ 84,210,983.21	84,210,983.21
Other Investment		\$ 153,248,084.28	153,248,084.28
Total Losses on Currency Valuation and Other		\$ 340,873,715.21	\$ 340,873,715.21
Total Gross Cost – Exchange Stabilization		\$ 874,890,199.03	\$ 874,890,199.03
Less Earned Revenue			
Interest Income			
Nonmarketable U.S. Treasury Securities		\$ (68,191,096.87)	(68,191,096.87)
Foreign Currency and Foreign Currency Denominated Assets		\$ (9,857,867.49)	(9,857,867.49)
Special Drawing Rights Holdings		\$ (573,411,967.22)	(573,411,967.22)
Other Investments		\$ (16,400,977.15)	(16,400,977.15)
Total Interest Income		\$ (667,861,908.73)	\$ (667,861,908.73)
Gains on Currency Valuation and Other			
Special Drawing Rights Holdings		\$ -	-
Special Drawing Rights Allocations		\$ (97,311,228.45)	(97,311,228.45)
Foreign Currency and Foreign Currency Denominated Assets	Note 9	\$ (11,195,112.11)	(11,195,112.11)
Other Investment		\$ (141,845,340.81)	(141,845,340.81)
Total Gains on Currency Valuation and Other		\$ (250,351,681.37)	\$ (250,351,681.37)
Total Earned Revenue – Exchange Stabilization		\$ (918,213,590.10)	\$ (918,213,590.10)
Total Net Cost (Income) of Operations – Exchange Stabilization		\$ (43,323,391.07)	\$ (43,323,391.07)
STRATEGIC GOAL 2: ECONOMIC RECOVERY PROGRAM			
Gross Cost			
Interest Expense on Debt		\$ 10,493,349.27	10,493,349.27
Administrative Expenses	Note 10	\$ 274,833.80	274,833.80
Costs of Investments and Loans Receivables		\$ -	-
Total Gross Cost – Economic Recovery Program		\$ 10,768,183.07	\$ 10,768,183.07
Less: Earned Revenue			
Interest Income on Uninvested Funds		\$ (91,960.51)	(91,960.51)
Interest Income on Credit Program Receivables		\$ (9,160,321.64)	(9,160,321.64)
Gains on Investments in Special Purpose Vehicles and Loans Receivable		\$ (1,241,067.12)	(1,241,067.12)
Total Earned Revenue – Economic Recovery Program		\$ (10,493,349.27)	\$ (10,493,349.27)
Total Net Cost (Income) of Operations – Economic Recovery Program		\$ 274,833.80	\$ 274,833.80
Total Net Cost (Income) of Operations		\$ (43,048,557.27)	\$ (43,048,557.27)

See accompanying notes to financial statements.

EXCHANGE STABILIZATION FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Current Month and Fiscal Year Periods Ending October 31, 2023

- 1.) Fund Balance with Treasury (FBWT) of \$80 million will be used to fund adjustments to subsidy costs and repay borrowing from Treasury for loans and investments made under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act). Treasury received \$19 million of primarily principal collections on various program loans resulting in an increase in the ESF's FBWT during October 2023 (See footnote 4). In accordance with the CARES Act, any excess amounts from the final distributions from our loans and investments after repayment of appropriations and borrowings will be deposited into the Federal Old-Age and Survivors Insurance Trust Fund (OASI) established under the Social Security Act.
- 2.) Foreign Currency and Foreign Currency Denominated Assets (FCDAs) represent deposits and investments in foreign government securities denominated in both euro and yen, that have original maturities of three months or less. Some of these instruments may have been purchased at a premium and others may have been purchased at a discount. Premiums (that are amortized) and discounts (that accrete) are allocated to expense (amortization expense) and revenue, respectively, over the life of the instrument. Other Investments are FCDAs that have maturities of greater than three months. Treasury rebalances the portfolio between Foreign Currency and FCDAs and Investments from time-to-time based on its evaluation of its projected liquidity needs and interest revenues. Foreign Currency and FCDAs and Other Investments are reported at fair value. Valuation adjustment(s) are recorded as gains or losses on the statement of net cost on a monthly basis. See Table #1 for a breakdown by currency.
- 3.) The Special Drawing Rights Act of 1968 authorizes the United States to purchase and hold Special Drawing Rights (SDRs) through the ESF. In October 2023, Treasury, through the ESF, purchased SDR 372 million from Cote d'Ivoire in exchange for approximately \$488 million. As of October 31, 2023, U.S. SDR Holdings were SDR 164 billion. Changes in both SDR Holdings and SDR Allocations also reflects changes in the foreign exchange rate.
- 4.) The ESF has made economic recovery program loans using CARES Act appropriated funds and borrowings. Treasury's authority to disburse loans for these programs has expired. During October 2023 outstanding loans decreased by \$19 million primarily as a result of principal collections on various program loans. Loan receivables are reported as the net present value of the estimated future cash flows which is updated annually.
- 5.) As of October 31, 2023, three of Treasury's initial six economic recovery programs with the Federal Reserve Banks of New York and Boston remain. On November 17, 2021, Treasury and the applicable Federal Reserve Banks amended and restated the limited liability company (LLC) agreements governing Treasury's investments in each of the Municipal Liquidity Facility (MLF), the Main Street Lending Program (MSLP), and the Term Asset-Backed Securities Loan Facility (TALF) to, among other things, provide for regular distributions to Treasury of the amounts by which Treasury's investment in each of TALF and MLF exceeds the facility's portfolio value, or the amount by which Treasury's investment in MSLP exceeds the original price paid for the loan participations held in the facility. There were no collections from Treasury's investment in MLF, MSLP or TALF during the month of October 2023. The Money Market Mutual Fund Liquidity Facility (MMLF), the Commercial Paper Funding Facility (CPFF) and the Corporate Credit Facilities (CCF) programs have been terminated and unwound in accordance with their terms. The remaining investments are reported at fair value which is updated annually. Treasury has fulfilled its funding commitments with respect to investments made pursuant to the CARES Act.
- 6.) Debt represents borrowings from Treasury through the Bureau of Fiscal Service (BFS) that were used, along with the appropriated fund balance, to fund the economic recovery program investments and loans authorized under the CARES Act. Collections from investments and cash collected from loan repayments are primarily used to repay debt. There were no debt repayments during the month of October 2023. The balances at the end of October 2023 are \$3.0 billion for the MLF, \$936 million for the TALF, \$10.2 billion for the MSLP, \$144 million for Passenger Air Carriers, \$18 million for Cargo Air Carriers, and \$607 million for National Security and Defense Business (NSD).
- 7.) Other Liabilities, as stated in footnote 1, in accordance with the CARES Act, any excess amounts from the final distributions from our loans and investments after repayment of appropriations and borrowings will be deposited into the Federal Old-Age and Survivors Insurance Trust Fund (OASI) established under the Social Security Act.
- 8.) The ESF has an exchange stabilization agreement with Mexico for \$9 billion; this agreement was renewed in November 2022 for an additional year. No drawings are outstanding under this agreement.
- 9.) 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 Net Cost as either Losses or Gains on "Currency Valuation and Other." This gain or loss is unrealized to the Exchange Stabilization Fund until such time as the Fund sells the currency.
- 10.) 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 CARES Act.

Table #1 – Foreign Currency and Foreign Currency Denominated Assets and Other Investments by Currency:**Table 1**

(In Whole Dollars)

	<u>Current Month</u>
Foreign Currency and Foreign Currency Denominated Assets	
European Euros:	
Deposits with Official Institutions	
Foreign Currency Denominated	\$ 7,489,333,097.24
Uninvested Foreign Currency	\$ 475,905,221.33
Total European euro	\$ 7,965,238,318.57
Japanese Yen	
Deposits with Official Institutions	
Foreign Currency Denominated	\$ 66,024,032.75
Uninvested Foreign Currency	\$ 6,101,320,043.85
Total Japanese yen	\$ 6,167,344,076.60
Accrued interest receivable on Foreign Currency and Foreign Currency Denominated Assets	\$ 18,330,163.20
Total Foreign Currency and Foreign Currency Denominated Assets	\$ 14,150,912,558.37
Other Investments, Net	
European Euros:	
Securities:	
Held Outright	\$ 3,146,240,552.65
Held under Repurchase Agreements	\$ -
Total European euro	\$ 3,146,240,552.65
Japanese Yen	
Securities:	
Held Outright	\$ 2,462,484.57
Held under Repurchase Agreements	\$ -
Total Japanese yen	\$ 2,462,484.57
Accrued Interest Receivable on Other Investments	\$ 27,897,587.36
Total Other Investments, Net	\$ 3,176,600,624.58

Table #2 - Valuation Losses & Gains, Net:

	<u>Current Month</u>	<u>Fiscal Year</u>
Special Drawing Rights		
Special Drawing Rights Holdings - Loss / (Gain)	103,414,647.72	103,414,647.72
Special Drawing Rights Allocations - Loss / (Gain)	(97,311,228.45)	(97,311,228.45)
Net Loss / (Gain)	6,103,419.27	6,103,419.27
Foreign Currency and Foreign Currency Denominated Asset		
Foreign Currency and Foreign Currency Denominated Asset - Loss	84,210,983.21	84,210,983.21
Foreign Currency and Foreign Currency Denominated Asset - (Gain)	(11,195,112.11)	(11,195,112.11)
Net Loss / (Gain)	73,015,871.10	73,015,871.10
Other Investments Asset		
Other Investments - Loss	153,248,084.28	153,248,084.28
Other Investments - (Gain)	(141,845,340.81)	(141,845,340.81)
Net Loss / (Gain)	11,402,743.47	11,402,743.47
Investments and Credit Program Receivables		
Costs of Investments and Credit Program Receivables	-	-
Gains on Investments and Credit Program Receivables	(1,241,067.12)	(1,241,067.12)
Net Investments and Credit Program Receivables	(1,241,067.12)	(1,241,067.12)