

EXCHANGE STABILIZATION FUND
STATEMENT OF FINANCIAL POSITION
As of September 30, 2020

ASSETS

<i>Fund Balance with Treasury</i> (Note 1)		\$ 480,643,983,059.23
<i>Special Drawing Rights</i>		
Special Drawing Rights Holdings	\$ 51,732,942,798.51	
Accrued interest receivable on Special Drawing Rights holdings	7,260,985.02	
<i>Total Special Drawing Rights</i>	<hr/>	51,740,203,783.53
<i>US Government Securities</i>		
Investments in US Government Securities	11,169,942,384.23	
Accrued interest receivable on U.S. Gov't Securities	-	
<i>Total US Government Securities</i>	<hr/>	11,169,942,384.23
<i>Economic Recovery Program-</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), including accrued facility fee	1,618,699,038.33	
Market Adjustment - Investments	-	
<i>Total Economic Recovery Programs- Investments and Other</i>	<hr/>	114,118,699,038.33
<i>Economic Recovery Program-</i> (Note 3)		
Passenger Air Carriers	1,575,000,000.00	
National Security and Defense Businesses (NSD)	246,144,667.23	
<i>Total Economic Recovery Program- Loans Receivable</i>	<hr/>	1,821,144,667.23
<i>European Euros</i> (Note 4)		
Deposits with Official Institutions	7,531,016,335.88	
Securities:		
Held outright	5,078,648,077.75	
Held under repurchase agreements	-	
Accrued interest receivable on Euro investments	52,870,336.68	
<i>Total European Euros</i>	<hr/>	12,662,534,750.31
<i>Japanese Yen</i> (Note 4)		
Deposits with Official Institutions	8,478,514,468.72	
Securities	375,192,345.40	
Accrued interest on Yen investments	105,218.86	
<i>Total Japanese Yen</i>	<hr/>	8,853,812,032.98
TOTAL ASSETS		<hr/> \$ 681,010,319,715.84

LIABILITIES AND CAPITAL

Liabilities

Special Drawing Rights Certificates	\$ 5,200,000,000.00	
Special Drawing Rights Allocations	49,709,292,841.95	
Accrued charges payable on SDR Allocations	7,244,145.24	
Due to Treasury	196,359.77	
Debt, including accrued inter (Note 5)	87,100,139,114.99	
Other Liabilities	429,459.36	
TOTAL LIABILITIES (Note 6, 7)	<hr/>	\$ 142,017,301,921.31
Capital		
Initial Appropriated Capital Account	200,000,000.00	
Additional Appropriated Capital Account	498,806,743,440.70	
Retained Earnings	39,986,274,353.83	
TOTAL CAPITAL	<hr/>	\$ 538,993,017,794.53
TOTAL LIABILITIES AND CAPITAL		<hr/> \$ 681,010,319,715.84

EXCHANGE STABILIZATION FUND
STATEMENT OF INCOME
For the Current Month and Fiscal Year Periods Ending September 30, 2020

INCOME and EXPENSE	Current Month	Fiscal Year
<i>Special Drawing Rights</i>		
Net interest (charges) on Special Drawing Rights	(107,085.00)	6,486,900.64
Net gain (loss) on SDR valuation	(16,305,055.72)	62,285,998.46
<i>U.S. Government securities</i>		
Interest earned on U.S. Government Securities	850,122.14	169,644,282.26
<i>Foreign Exchange</i>		
Interest earned (incurred) on Foreign Currency Denominated Assets	(3,457,826.70)	(39,571,404.45)
Net gain (loss) on Sales of Investment Securities and Foreign Currency Denominated Assets	-	9,314.21
Net gain (loss) on Foreign Ex (Note 8)	(223,510,106.18)	1,092,076,633.90
Other	(2,692.10)	(32,696.97)
<i>Economic Recovery Programs</i>		
Appropriation Revenue	150,079,063.54	4,728,742.30
Administrative Expense (Note 9)	(1,829,255.09)	(5,069,755.74)
MMLF Facility Fee	118,699,038.33	118,699,038.33
Interest Revenue, Federal	54,732,459.02	2,164,524,162.35
Interest Expense on Borrowing, Federal	(293,613,110.27)	(3,106,563,797.27)
Net Financing cost	(238,880,651.25)	(942,039,634.92)
Net Income (Net Cost)	\$ (362,760,899.03)	\$ 467,217,418.02

EXCHANGE STABILIZATION FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Current Month and Fiscal Year Periods Ending September 30, 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. As of September 30, 2020, the FBWT of \$480.6 billion represented the \$482 billion of FBWT as of August 31, 2020, reduced, primarily, by the impact of a \$1.2 billion subsidy modification cost in June 2020 as a result of changes to the terms of the Corporate Credit Facilities (CCF) investment.
2. As of September 30, 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 Main Street Loan Program (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. Under the MMLF Credit Support Agreement, the Treasury accrues facility fees from the Federal Reserve Bank of Boston.
3. As of September 30, 2020, using CARES Act appropriated funds and borrowings, Treasury disbursed \$1.6 billion in economic recovery program loans to passenger air carriers and \$0.2 billion to a business critical to maintaining national security (NSD). The NSD loan balance includes capitalized interest. 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 (BFS) 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 September 30, 2020, Treasury had borrowed \$87.1 billion to finance the following economic recovery programs: \$36.9 billion for the CCF, \$17.7 billion for the MLF, \$10.0 billion for the TALF, \$20.9 billion for the MSLP, \$1.4 billion for Passenger Air Carriers, and \$0.1 billion for the loan under the NSD.
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 September 30, 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 September 30, 2020, Treasury has agreed to provide up to \$14.6 billion in loans under Passenger Air Carriers and \$0.7 billion under the NSD. As of September 30, 2020, Treasury has made initial investments in the CPFF, CCF, MLF, MSLP, TALF and MMLF and made loans to Passenger Air Carriers and NSD (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 Cares Act.