

EXCHANGE STABILIZATION FUND
STATEMENT OF FINANCIAL POSITION
As of July 31, 2021

ASSETS

<i>Fund Balance with Treasury</i>	(Note 1)		\$ 1,644,152,929.09
<i>Special Drawing Rights</i>			
Special Drawing Rights Holdings		\$ 52,531,370,955.75	
Accrued interest receivable on Special Drawing Rights holdings		6,620,391.56	
<i>Total Special Drawing Rights</i>			52,537,991,347.31
<i>US Government Securities</i>			
Investments in US Government Securities		22,838,989,885.23	
Accrued interest receivable on U.S. Gov't Securities		31,720.82	
<i>Total US Government Securities</i>			22,839,021,606.05
<i>Economic Recovery Program- Investments and Other</i>			
Corporate Credit Facilities (CCF)	(Note 2)	13,881,015,624.59	
Municipal Liquidity Facility (MLF)		6,276,224,226.13	
Main Street Loan Program (MSLP)		16,572,054,710.63	
Term Asset-Backed Securities Loan Facility (TALF)		3,549,072,972.65	
<i>Total Economic Recovery Programs- Investments and Other</i>			40,278,367,534.00
<i>Economic Recovery Program- Loans Receivable</i>			
Passenger Air Carriers	(Note 3)	550,772,424.35	
Cargo Air Carriers		22,256,123.23	
National Security and Defense Businesses (NSD)		745,334,955.02	
<i>Total Economic Recovery Program- Loans Receivable</i>			1,318,363,502.60
<i>European Euros</i>			
Deposits with Official Institutions	(Note 4)	2,654,964,195.31	
Securities:			
Held outright		10,106,904,172.73	
Accrued interest receivable on Euro investments		17,017,262.10	
<i>Total European Euros</i>			12,778,885,630.14
<i>Japanese Yen</i>			
Deposits with Official Institutions	(Note 4)	7,935,319,123.10	
Securities		585,513,372.08	
Accrued interest on Yen investments		39,949.02	
<i>Total Japanese Yen</i>			8,520,872,444.20
TOTAL ASSETS			\$ 139,917,654,993.39
LIABILITIES AND CAPITAL			
<i>Liabilities</i>			
Special Drawing Rights Certificates		\$ 5,200,000,000.00	
Special Drawing Rights Allocations		50,457,985,275.19	
Accrued charges payable on SDR Allocations		6,359,096.65	
Debt, including accrued interest payable	(Note 5)	25,909,943,497.07	
Other Liabilities		526,199.72	
TOTAL LIABILITIES	(Note 6, 7)		\$ 81,574,814,068.63
<i>Capital</i>			
Initial Appropriated Capital Account		200,000,000.00	
Additional Appropriated Capital Account		19,462,063,667.91	
Retained Earnings		38,680,777,256.85	
TOTAL CAPITAL			\$ 58,342,840,924.76
TOTAL LIABILITIES AND CAPITAL			\$ 139,917,654,993.39

EXCHANGE STABILIZATION FUND
STATEMENT OF INCOME
For the Current Month and Fiscal Year Periods Ending July 31, 2021

INCOME and EXPENSE	Current Month	Fiscal Year
<i>Special Drawing Rights</i>		
Net interest (charges) on Special Drawing Rights	87,972.69	604,353.93
Net gain (loss) on SDR valuation	3,410,602.79	30,482,080.94
<i>U.S. Government securities</i>		
Interest earned on U.S. Government Securities	970,636.44	5,188,469.78
<i>Foreign Exchange</i>		
Interest earned (incurred) on Foreign Currency Denominated Assets	(3,964,571.73)	(36,627,647.22)
Net gain (loss) on Sales of Investment Securities and Foreign Currency Denominated Assets	-	(46,621.37)
Net gain (loss) on Foreign Exchange valuation (Note 8)	120,825,294.78	(179,885,156.06)
Other	(2,973.34)	(29,284.30)
<i>Economic Recovery Programs</i>		
Appropriation Revenue	445,567.32	17,345,489.22
Administrative Expense (Note 9)	(445,567.32)	(17,470,709.17)
MMLF Facility Fee	-	15,020,126.42
Net gain (loss) on Disposition of Investments	174.80	49,065,331.55
Interest Subsidy Amortization	-	-
Subsidy expense	-	-
Net Financing cost	(62,812,099.13)	(1,719,550,471.26)
Net Income (Net Cost)	\$ 58,515,037.30	\$ (1,835,904,037.54)

EXCHANGE STABILIZATION FUND
NOTES TO THE FINANCIAL STATEMENTS
For the Current Month and Fiscal Year Periods Ending July 31, 2021

1. Fund Balance with Treasury (FBWT) of \$1.6 billion will be used to fund adjustments to subsidy costs and repay borrowing from Treasury for loans and investments provided under the Coronavirus Aid, Relief, and Economic Security Act (CARES Act).
2. As of July 31, 2021, Treasury had made investments in six economic recovery programs with the Federal Reserve Banks of New York and Boston. The Mutual Fund Liquidity Facility (MMLF) and the Commercial Paper Funding Facility (CPFF) programs have expired and Treasury's initial investments have been returned and all fees paid to Treasury. The remaining investments are reported at cost.
3. The ESF has made economic recovery program loans using CARES Act appropriated funds and borrowings. During July 2021, outstanding loans increased by \$21 million primarily as a result of a loan disbursement to a National Security and Defense Business (NSD) (Refer to note 5). Loan receivables 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 unaccreted 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, to fund the economic recovery program investments and loans authorized under the CARES Act. Collections from investments and cash collected from loan repayments are used to repay debt. The balances, at the end of July 2021, are \$13.3 billion for the Corporate Credit Facilities (CCF), \$6.5 billion for the Municipal Liquidity Facility (MLF), and \$3.5 billion for the Term Assets Lending Facility (TALF). After borrowing \$10 million from Treasury for a loan disbursement to a National Security and Defense Business (NSD), the debt balances are \$395 million for Passenger Air Carriers, \$18 million for Cargo Air Carriers and \$416 million for the NSD.
6. The ESF has an exchange stabilization agreement with Mexico for \$9 billion; this agreement was renewed in November 2020 for an additional year. No drawings are outstanding under this agreement.
7. Treasury has fulfilled its loan commitments to Cargo Air Carriers and National Security and Defense Businesses under the CARES Act. All Passenger Air Carrier loan commitments have expired and related agreements have been terminated. Additionally, The MMLF and CPFF program investments financed using the ESF's core (non-CARES Act) funds have ceased extending credit and purchasing commercial paper, respectively. Following such terminations, and in accordance with the terms of the Credit Support Agreements, Treasury received its initial MMLF and CPFF investments, with associated fees and gains, from the Federal Reserve Bank of Boston and the Federal Reserve Bank of New York respectively.
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.