Audit Report

OIG-26-011

FINANCIAL MANAGEMENT

Audit of the Exchange Stabilization Fund's Financial Statements for Fiscal Year 2025

January 16, 2026

Office of Inspector General
Department of the Treasury

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OFFICE OF
INSPECTOR GENERAL

DEPARTMENT OF THE TREASURY
WASHINGTON, D.C. 20220

January 16, 2026

MEMORANDUM FOR JONATHAN GREENSTEIN
DEPUTY UNDER SECRETARY FOR
INTERNATIONAL AFFAIRS

FROM: Pauletta Battle /s/
Acting Assistant Inspector General for Audit

SUBJECT: Audit of the Exchange Stabilization Fund's Financial Statements for Fiscal Year 2025

We hereby transmit the attached subject report. Under a contract monitored by our office, KPMG LLP (KPMG), a certified independent public accounting firm, audited the financial statements of the Exchange Stabilization Fund (ESF) as of September 30, 2025, and for the year then ended. The contract required that the audit be performed in accordance with U.S. generally accepted government auditing standards, Office of Management and Budget Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements,* and the Government Accountability Office/Council of the Inspectors General on Integrity and Efficiency, *Financial Audit Manual.*

In its audit of ESF, KPMG found

- the financial statements were fairly presented, in all material respects, in accordance with U.S. generally accepted accounting principles;
- no deficiencies in internal control over financial reporting that are considered material weaknesses; and
- no instances of reportable noncompliance with laws, regulations, and contracts tested.

In connection with the contract, we reviewed KPMG's reports and related documentation and inquired of its representatives. Our review, as differentiated from an audit performed in accordance with U.S. generally accepted government auditing standards, was not intended to enable us to express, and we do not express, an opinion on ESF's financial statements or conclusions on the effectiveness of internal control or compliance with laws and regulations.

KPMG is responsible for the attached auditors' report dated January 16, 2025, and the conclusions expressed in the report. However, our review disclosed no instances where KPMG did not comply, in all material respects, with U.S. generally accepted government auditing standards.

If you wish to discuss this report, please contact me at (202) 927-5400, or a member of your staff may contact Shiela Michel, Acting Director, Financial Statement Audits, at (202) 486-1415.

Attachment

DEPARTMENT OF THE TREASURY

EXCHANGE STABILIZATION FUND

Financial Statements

September 30, 2025

DEPARTMENT OF THE TREASURY

EXCHANGE STABILIZATION FUND

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INTRODUCTION AND ORGANIZATION

Section 10 of the *Gold Reserve Act of 1934* (Gold Reserve Act) established the Exchange Stabilization Fund (ESF), originally for the purpose of stabilizing the exchange value of the dollar. Section 10 has been amended several times since 1934. This Section authorizes the Secretary of the Treasury (Secretary), with the approval of the President, to deal in gold, foreign exchange, and instruments of credit and securities consistent with United States (U.S.) obligations in the International Monetary Fund (IMF). In fiscal year (FY) 2020, the *Coronavirus Aid, Relief, and Economic Security Act,* Public Law (P.L.) 116-136 (CARES Act), authorized the Secretary to make loans, loan guarantees, and investments in support of the Coronavirus Disease 2019 (COVID-19) pandemic recovery.

The Secretary is responsible for the formulation and implementation of U.S. international monetary and financial policy, including exchange market intervention policy. The ESF helps the Secretary to carry out these responsibilities. By law, the Secretary has considerable discretion over the use of ESF resources. Treasury is responsible for fostering prosperity and security for the American people and plays a critical role in the domestic and global economies. Treasury utilizes the ESF to help safeguard U.S. economic prosperity by strengthening the external environment to support U.S. growth, preventing and mitigating global financial instability, and managing key domestic and global challenges. The Secretary has delegated to the Under Secretary of International Affairs decisions regarding technical adjustments to the ESF's foreign currency holdings and operations.

The Department of the Treasury's (Treasury) Office of International Affairs has responsibility for managing ESF operations, and Treasury's Office of the Deputy Chief Financial Officer provides the recordkeeping and financial reporting services for the ESF.

The Federal Reserve Bank of New York (FRBNY) acts as the fiscal agent for the ESF, as permitted by the *Federal Reserve Act of 1913* (Federal Reserve Act). As the fiscal agent, the FRBNY plays a significant role in the processing of foreign currency transactions that the Secretary authorizes. The manager of the ESF foreign currency portfolio at the FRBNY consults regularly with the Federal Open Market Committee and Treasury about the acquisition and disposition of investments and the status of the portfolio.

To carry out its supporting mission, the ESF has historically leveraged its assets, including Nonmarketable U.S. Treasury Securities; foreign currency holdings of euros, yen, other Foreign Currency Denominated Assets (FCDAs) and other foreign investments; and holdings of SDRs. Appropriated funds from Congress and borrowings from the Bureau of the Fiscal Service financed investments in Special Purpose Vehicles and loans in support of the COVID-19 programs.

Consistent with its mission, the ESF has established the following strategic goals:

- Goal 1: Exchange Stabilization. To engage in targeted foreign exchange intervention to address excessive exchange rate volatility and to provide sovereign loans to emerging and developing economies; this includes supporting the Government's obligations to the IMF to ensure orderly currency exchange arrangements worldwide.

- Goal 2: Economic Recovery Program. To support economic growth and stability at home, including in response to the COVID-19 pandemic.

For additional information about the ESF please see the Exchange Stabilization Fund page of the U.S. Department of the Treasury website: [ESF Reports | U.S. Department of the Treasury]

Goal 1: Exchange Stabilization

Congress, in 1934, appropriated to the ESF the sum of $2.0 billion out of the increment resulting from the reduction in the "weight of the gold dollar." Subsequent amendments to the Gold Reserve Act approved the operation of the ESF through June 30, 1945. Section 7 of the *Bretton Woods Agreements Act*, approved July 31, 1945, continued its operations permanently. The *Bretton Woods Agreements Act* also directed the Secretary to pay $1.8 billion from the ESF to the IMF for the initial U.S. quota subscription in the IMF, thereby reducing the ESF's appropriated capital from its initial $2.0 billion to $200 million. Section 10 of the Gold Reserve Act was codified in 31 United States Code (U.S.C.) 5302.

Reflecting termination of the fixed exchange rate system, legislation enacted in 1976 (P.L. 94-564, October 19, 1976) amended the language of Section 10 of the Gold Reserve Act to specify that the ESF is to be used as the Secretary "may deem necessary to and consistent with the United States obligations in the IMF." This amendment became effective on April 1, 1978, the date of entry into force of the Second Amendment of the IMF Articles of Agreement. In 1977, P.L. 95-147 further amended Section 10 of the Gold Reserve Act. The following Gold Reserve Act codification now provides in relevant part:

"Consistent with the obligations of the Government in the IMF on orderly exchange arrangements and a stable system of exchange rates, the Secretary or an agency designated by the Secretary, with the approval of the President, may deal in gold, foreign exchange, and other instruments of credit and securities the Secretary considers necessary."

Pursuant to the *Special Drawing Rights Act of 1968* (P.L. 90-349, amended by P.L. 94-564), SDRs allocated by the IMF to the United States or otherwise acquired by the United States are resources of the ESF. Section 286p of 22 U.S.C. allows for SDRs to be monetized/demonetized through the issuance/redemption by the Secretary of SDR certificates to the Federal Reserve Banks in exchange for dollars. (Refer to Note 1 F – Summary of Significant Accounting Policies – Special Drawing Rights and Note 5 – Special Drawing Rights for details.)

Financial Position:

The ESF financial performance as of and for the fiscal year ended September 30, 2025, reflects valuation gains on the foreign asset portfolio due to the strengthening of the euro, yen, and SDR against the USD. The Foreign Currency and FCDAs and Other Investments incurred a net valuation gain of $0.5 billion and the SDR Holdings and SDR Allocations, combined, incurred a net valuation gain of $0.2 billion. The remaining $1.7 billion in net income was the result of interest income on the foreign currency portfolio, SDR Holdings (net of SDR Allocations interest expense), Nonmarketable U.S. Treasury Securities and Other Investments.

SDR Holdings and related interest receivable reflect a valuation gain of $11.1 billion partially offset by a valuation loss of $9.2 billion. Treasury also sells or purchases SDRs from other IMF members to promote an orderly system of exchange rates and to help provide liquidity support to our global partners. Sales decrease the ESF's SDR Holdings and increase the ESF's Nonmarketable U.S. Treasury Securities. Conversely, purchases increase the ESF's Holdings and decrease the ESF's Nonmarketable U.S. Treasury Securities, which are used to fund these purchases. The ESF sold $1.7 billion of SDRs and purchased $0.3 billion of SDRs in FY 2025. (Refer to Note 5 - Special Drawing Rights for a more detailed year-to-year roll-forward of the SDR Holdings.) In 2024, 2023, and 2022, the ESF purchased $3.9 billion, $3.5 billion, and $4.5 billion of SDRs, respectively. To ensure that the ESF has adequate funds for its operations, including purchases of SDRs, the ESF issued $5.0 billion of SDR Certificates to the Federal Reserve on June 27, 2024, which were subsequently invested in Nonmarketable U.S Treasury Securities. SDR Allocations and related interest payable reflect a valuation loss of $9.9 billion partially offset by a valuation gain of $8.3 billion.

Goal 2: Economic Recovery Program:

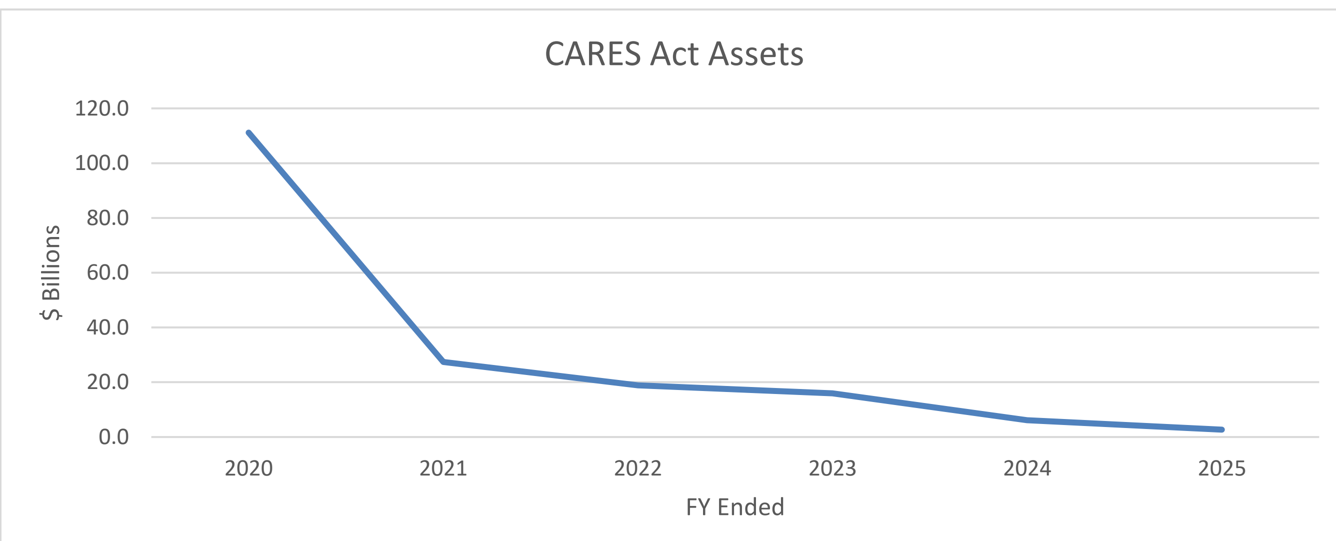
In March of 2020, the Federal Reserve Board of Governors (Board), Congress, and the Administration took steps to limit the economic damage caused by the COVID-19 pandemic in the United States by helping to reduce the financial burden on individuals and their families, minimize business and employment losses, and enhance the liquidity of the U.S. financial system. The ESF played a critical role in the implementation and support of these actions by the Board and Congress primarily through Treasury's execution of CARES Act appropriations. The CARES Act authorized Treasury to make loans, loan guarantees and other investments.

Since then, the Federal Reserve Bank of New York (FRBNY) and Federal Reserve Bank of Boston (FRBB) have fully dissolved five of the six liquidity facilities established by the Board. In accordance with the terms of the amended SPV Limited Liability Company (LLC) Agreements, FRBB continues to remit interim distributions to the ESF in November and May of each year for the Main Street Facilities. The direct loan program has also been significantly wound down as the ESF continues to collect principal. The cash received from dissolutions and distributions and loan repayments was used to repay outstanding debt to the Fiscal Service that was originally incurred to finance the non-subsidized portion of these investment transactions.

Financial Position:

These programs experienced valuation costs on the investments in SPVs and loans of $0.4 billion in FY 2025. The ESF used its collections from its investments in SPVs and loans of $3.0 billion to repay $3.0 billion of debt owed to Fiscal Service. (Refer to Note 6 - COVID-19: Investments and Loans Receivable and Note 8 - Debt).

While CARES Act-authorized Investments in SPVs and loans receivable remain on the ESF's books as of September 30, 2025, Treasury no longer has authority to make new loans and investments, and these programs continue to wind-down. The ESF's CARES Act related assets, net, were $111.1 billion at the end of FY 2020 and have been declining each year as follows:



ANALYSIS OF THE FINANCIAL STATEMENTS

The financial highlights above are an analysis of the information included in the ESF's financial statements that appear within Part 2, "Financial Section" of this report. The ESF prepared principal financial statements to report the financial position and results of operations of its programs consistent with the requirements of 31 U.S.C. 3515(b). These statements have been prepared from the books and records of the ESF (and the Department of the Treasury) in accordance with U.S. Generally Accepted Accounting Principles (GAAP) for federal entities and the formats prescribed by the Office of Management and Budget (OMB). These statements are in addition to the financial reports used to monitor and control budgetary resources that are prepared from the same books and records and should be read with the understanding that they are for a component of the U.S. government.

ANALYSIS OF SYSTEMS, CONTROLS, AND LEGAL COMPLIANCE

The ESF's management is responsible for managing risks and maintaining effective internal control to meet the objectives of Sections 2 and 4 of the *Federal Managers' Financial Integrity Act* (FMFIA) and the *Federal Financial Management Improvement Act* (FFMIA). The ESF conducted its assessment of risk and internal control in accordance with OMB Circular No. A-123, *Management's Responsibility for Enterprise Risk Management and Internal Control*.

The ESF uses centralized financial management, budget formulation and performance management, and IT hosting services provided by the Bureau of the Fiscal Service's (Fiscal Service) Administrative Resource Center (ARC). The shared service approach enables the ESF to have access to core financial systems without having to maintain separate technical and system architectures. Using shared services reduces the need for the ESF to maintain duplicative financial management systems, thereby promoting efficiency and cost savings while enhancing the quality, timeliness, and accuracy of financial management processes. The FFMIA requires federal agencies to implement and maintain financial management systems that substantially comply with federal financial management systems requirements, applicable federal accounting standards, and the U.S. Standard General Ledger at the transaction level. As a component of the Department of the Treasury, the ESF assesses its financial management systems annually for conformance in accordance with OMB Circular A-123, Appendix D, Management of Financial Management Systems – Risk and Compliance. The ESF uses ARC's financial management system as part of a shared service arrangement and relies on ARC's System and Organization Controls 1-Type 2 report and the Fiscal Service's FFMIA Assessment to conduct our review.

Based on the results of the assessment, the Agency can provide reasonable assurance that internal control over operations, reporting, and compliance were operating effectively as of September 30, 2025.

KPMG LLP
Suite 12000
1801 K Street, NW
Washington, DC 20006

Independent Auditors' Report

Deputy Inspector General
Department of the Treasury

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Department of the Treasury's Exchange Stabilization Fund (ESF), which comprise the balance sheet as of September 30, 2025 and the related statements of net cost, changes in net position, and budgetary resources for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the ESF as of September 30, 2025, and its net cost, changes in net position, and budgetary resources for the year then ended in accordance with U.S. generally accepted accounting principles.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS), the standards applicable to financial audit contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Bulletin No. 24-02, *Audit Requirements for Federal Financial Statements*. Our responsibilities under those standards and OMB Bulletin No. 24-02 are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the ESF and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with U.S. generally accepted accounting principles, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 24-02 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, *Government Auditing Standards,* and OMB Bulletin No. 24-02, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ESF's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ESF's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

U.S. generally accepted accounting principles require that the information in the Management's Discussion and Analysis and Required Supplementary Information sections be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Federal Accounting Standards Advisory Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements as of and for the year ended September 30, 2025, we considered the ESF's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the ESF's internal control. Accordingly, we do not express an opinion on the effectiveness of the ESF's internal control. We did not test all internal controls relevant to operating objectives as broadly defined by the *Federal Managers' Financial Integrity Act of 1982*.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the ESF's financial statements as of and for the year ended September 30, 2025 are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* or OMB Bulletin No. 24-02.

Purpose of the Other Reporting Required by Government Auditing Standards

The purpose of the communication described in the Report on Internal Control Over Financial Reporting and the Report on Compliance and Other Matters sections is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the ESF's internal control or compliance. This communication is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the ESF's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

KPMG LLP

Washington, D.C.
January 16, 2026

DEPARTMENT OF THE TREASURY
EXCHANGE STABILIZATION FUND
Financial Statements

BALANCE SHEET

(in thousands)	As of September 30, 2025
ASSETS	
Intra-Governmental	
Fund Balance with Treasury (Note 2)	$ **146,473**
Nonmarketable U.S. Treasury Securities (Note 3)	**21,864,447**
Other Assets	**11,293**
Total Intra-Governmental	**22,022,213**
Other Than Intra-Governmental	
Foreign Currency and Other Monetary Assets	
Foreign Currency and Foreign Currency Denominated Assets (Note 4)	**14,213,015**
Special Drawing Right Holdings and Related Interest Receivable (Note 5)	**175,571,934**
Loans Receivable, Net (Note 6)	**79,049**
Other Investments:	
Investments in Special Purpose Vehicles (Note 6)	**2,644,653**
Other Investments (Note 7)	**5,320,238**
Total Other Than Intra-Governmental	**197,828,889**
Total Assets	$ **219,851,102**
LIABILITIES	
Intra-Governmental	
Debt (Note 8)	$ **2,714,489**
Other Liabilities (Note 6)	**171,663**
Total Intra-Governmental	**2,886,152**
Other Than Intra-Governmental	
Special Drawing Right Allocations and Related Interest Payable (Note 5)	**158,229,530**
Special Drawing Right Certificates Issued to Federal Reserve Banks (Note 5)	**15,200,000**
Total Other Than Intra-Governmental	**173,429,530**
Total Liabilities	**176,315,682**
Commitments and Contingencies (Note 9)	
NET POSITION	
Unexpended Appropriations	
Funds from Dedicated Collections (Note 10)	**200,000**
Funds from Other than Dedicated Collections	**14,307**
Total Unexpended Appropriations (Consolidated)	**214,307**
Cumulative Results of Operations	
Funds from Dedicated Collections (Note 10)	**43,340,104**
Funds from Other than Dedicated Collections	**(18,991)**
Total Cumulative Results of Operations (Consolidated)	**43,321,113**
Total Net Position	**43,535,420**
Total Liabilities and Net Position	$ **219,851,102**

The accompanying notes are an integral part of these statements.

STATEMENT OF NET COST

(in thousands)		For the Fiscal Year Ended September 30, 2025
STRATEGIC GOAL 1: EXCHANGE STABILIZATION		
Gross Cost	$	**26,377,341**
Less: Earned Revenue		**(28,794,089)**
Net (Income) of Operations – Exchange Stabilization		**(2,416,748)**
STRATEGIC GOAL 2: ECONOMIC RECOVERY PROGRAM		
Gross Cost		**479,775**
Less: Earned Revenue		**(10,216)**
Net Cost of Operations – Economic Recovery Program		**469,559**
Total Net (Income) of Operations	$	**(1,947,189)**

The accompanying notes are an integral part of these statements.

STATEMENT OF CHANGES IN NET POSITION

(in thousands)	For the Fiscal Year Ended September 30, 2025		
	Funds from Dedicated Collections (Consolidated)	Funds from Other than Dedicated Collections (Consolidated)	Consolidated Total
UNEXPENDED APPROPRIATIONS			
Beginning Balance	$ 200,000	$ 22,901	$ 222,901
Appropriations Received	-	533	533
Appropriations Used	-	(9,127)	(9,127)
Net Change in Unexpended Appropriations	-	(8,594)	(8,594)
Total Unexpended Appropriations	200,000	14,307	214,307
CUMULATIVE RESULTS OF OPERATIONS			
Beginning Balance	40,925,061	(533)	40,924,528
Appropriations Used	-	9,127	9,127
Transfers In / (Out) Without Reimbursement	(852,408)	442,034	(410,374)
Other	852,408	(1,765)	850,643
Total (Net Cost) Income of Operations	2,415,043	(467,854)	1,947,189
Net Change in Cumulative Results of Operations	2,415,043	(18,458)	2,396,585
Total Cumulative Results of Operations	43,340,104	(18,991)	43,321,113
NET POSITION	$ 43,540,104	$ (4,684)	$ 43,535,420

The accompanying notes are an integral part of these statements.

STATEMENT OF BUDGETARY RESOURCES

(in thousands)	For the Fiscal Year Ended September 30, 2025 Budgetary	Non-Budgetary Credit Reform Financing Account	Total
BUDGETARY RESOURCES			
Unobligated balance from prior year budget authority, Net (discretionary and mandatory) (Note 11)	$ 47,478,062	$ 361,658	$ 47,839,720
Appropriations (discretionary and mandatory)	534	-	534
Borrowing authority (discretionary and mandatory)	-	32,881	32,881
Spending authority from offsetting collections (discretionary and mandatory)	1,657,731	36,147	1,693,878
Total Budgetary Resources	$ 49,136,327	$ 430,686	$ 49,567,013
STATUS OF BUDGETARY RESOURCES			
New obligations and upward adjustments	$ 6,471,573	$ 287,227	$ 6,758,800
Unobligated balance, end of year:			
Apportioned, unexpired accounts	582	117,761	118,343
Unapportioned, unexpired accounts	42,664,172	25,698	42,689,870
Unobligated balance, end of year (total)	42,664,754	143,459	42,808,213
Total Budgetary Resources	$ 49,136,327	$ 430,686	$ 49,567,013
OUTLAYS, NET, AND DISBURSEMENTS, NET			
Outlays, net (total) (discretionary and mandatory)	$ (1,637,311)	$ -	$ (1,637,311)
Distributed offsetting receipts	(1,883)	-	(1,883)
Agency Outlays, Net (Discretionary and Mandatory)	$ (1,639,194)	$ -	$ (1,639,194)
Disbursements, net (total) (mandatory)		$ (2,755,194)	$ (2,755,194)

The accompanying notes are an integral part of these statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The ESF was originally established by Section 10 of the Gold Reserve Act for the purpose of stabilizing the exchange value of the dollar. Section 10 has been amended several times since 1934. This Section currently authorizes the Secretary, with the approval of the President of the U.S., to deal in gold, foreign exchange, and instruments of credit and securities consistent with U.S. obligations in the IMF on orderly exchange arrangements and a stable system of exchange rates (31 U.S.C. 5302(b)).

The FRBNY acts as the fiscal agent for the ESF, as permitted by the Federal Reserve Act. As the fiscal agent, the FRBNY plays a significant role in the processing of foreign currency transactions that the Secretary authorizes. The manager of the ESF foreign currency portfolio at the FRBNY consults regularly with the Federal Open Market Committee and Treasury about the disposition of investments and the status of the portfolio. The level and currency composition of the ESF foreign currency portfolio are the products of Treasury's policy determinations. The ESF management is responsible for the investment decisions for foreign currency transaction activity carried out by the FRBNY.

The global spread of COVID-19 in 2020 resulted in a severe global health and economic crisis. In March 2020, the Board and Congress took steps to limit the damage caused by the pandemic in the U.S. by helping to reduce the financial burden on individuals and their families, minimize business and employment losses, and enhance the liquidity of the U.S. financial system.

Among other things, the Board used its emergency-lending authority under Section 13(3) of the Federal Reserve Act (Section 13(3) hereafter) authorizing the FRBNY and the FRBB to establish liquidity lending facilities for the purpose of making loans and purchasing debt and other commercial paper of eligible entities to support key U.S. financial markets. Additionally, Congress passed the CARES Act authorizing the Secretary to make certain loans, loan guarantees and other investments to provide liquidity to eligible businesses, States, and municipalities and appropriating $500.0 billion to the ESF to carry out such authorities. The ESF played a critical role in supporting and implementing programs authorized by the Board and Congress. The ESF's financial statements for the fiscal year ended September 30, 2025 continue to be impacted by the effects of these transactions and reports them as either Economic Recovery Program or COVID-19.

Pursuant to Section 10 of the Gold Reserve Act, the ESF is not permitted to pay administrative expenses. The CARES Act, however, provided an exception under its specific authority. Treasury's Office of International Affairs has responsibility for managing ESF operations, and Treasury's Office of the Deputy Chief Financial Officer provides the recordkeeping and financial reporting services for the ESF. These Treasury offices bear all administrative expenses of the ESF except for those authorized by the CARES Act. These authorized administrative expenses are reported on the Statement of Net Cost and include immaterial imputed costs related to services received from other federal entities (refer to Note 1 (L) - Summary of Significant Accounting Policies - Revenue and Other Financing Sources).

B. Basis of Accounting and Presentation

The accompanying financial statements have been prepared from ESF's accounting records in conformity with GAAP for federal entities, as set forth by the Federal Accounting Standards Advisory Board (FASAB) and in accordance with OMB Circular No. A-136, *Financial Reporting Requirements*, as revised. The American Institute of Certified Public Accountants recognizes FASAB as the authoritative standards-setting body for federal financial reporting. Where appropriate, certain presentations and disclosures may be modified to safeguard classified or sensitive information.

These financial statements consist of the Balance Sheet, the Statement of Net Cost, the Statement of Changes in Net Position, and the Statement of Budgetary Resources. The statements and the related notes are prepared in a single year form to present fiscal year 2025 information. These statements should be read with the understanding that they are for a component of the U.S. government, a sovereign entity.

Intra-governmental assets and liabilities are those due from or to other federal entities. Intra-governmental earned revenues are collections or accruals of revenue from other federal entities, while intra-governmental costs are expenditures paid or accrued to other federal entities.

C. Fund Balance with Treasury

Fund Balance with Treasury represents the aggregate amount of the ESF's accounts held within the U.S. government's central accounts. These funds are authorized for expenditure to meet ESF obligations and liabilities and are recognized as an asset, reflecting the ESF's claim on U.S government financial resources. The ESF does not maintain cash deposits in commercial bank accounts. All cash receipts and disbursements are processed directly by Treasury through its centralized accounting and payment systems.

D. Nonmarketable U.S. Treasury Securities

The ESF may invest U.S dollar balances that exceed its immediate operational needs in overnight, nonmarketable U.S. government securities issued by Treasury. The cash received by Treasury from these investments is used for general federal purposes, while corresponding securities are issued to the ESF as evidence of the receipt and investment. These securities are recorded as assets of the ESF and represent liabilities of Treasury. Both the securities and related accrued interest receivable are reported as intra-governmental assets on the ESF's Balance Sheet at amounts that approximate fair value.

The interest rate applied to these investments is equivalent to the overnight repurchase agreement rate established by the Fiscal Service. Interest earned is added to the ESF's available balance and may be reinvested unless otherwise directed by the Secretary/Congress for alternative authorized uses.

E. Foreign Currency and Foreign Currency Denominated Assets

Foreign Currency and FCDAs represent deposits and investments in foreign government securities denominated in both euro and yen that have original maturities of three months or less. They are both readily convertible to known amounts of cash, and so near their maturity, they present insignificant risk of change in value due to changes in interest rates. Accordingly, these assets and related accrued interest receivable are reported on the Balance Sheet at amounts that approximate their fair values. The interest rate earned is based on the constant effective yield as determined by the FRBNY. FCDAs that have original maturities greater than three months are reported on the Balance Sheet as *"Other Investments"* (refer to Note 1 (I) - Summary of Significant Accounting Policies - Other Investments and Note 7 - Other Investments). These investments are valued monthly and recorded at the fair value with all realized and unrealized holding gains or losses reported on the Statement of Net Cost.

F. Special Drawing Rights

The SDR is an international reserve asset created by the IMF to supplement its member countries' official reserves. In addition to its role as a supplementary reserve asset, the SDR serves as a means of payment within the IMF, as well as the unit of account for the IMF and several other international organizations. Under its Articles of Agreement, the IMF may allocate SDRs to member countries in proportion to their IMF quotas. The SDR's value is based on a weighted average of a basket of key international reserve currencies issued by IMF members (or monetary unions that include IMF members) which have been determined by the IMF to be freely usable currencies. These currencies are currently the U.S. dollar, the Euro, the Japanese yen, the U.K. pound sterling, and the Chinese renminbi. The SDR carries a variable interest rate, calculated weekly as a weighted average of representative interest rates on short-term debt in the money markets of the SDR basket currencies. The ESF's SDR Allocations and Holdings are revalued monthly, based on the SDR exchange rate calculated by the IMF, and unrealized gains or losses are recognized upon revaluation. Pursuant to the *Special Drawing Rights Act of 1968*, as amended, the ESF holds all SDRs allocated to or otherwise acquired by the U.S.

SDR Holdings and Related Interest Receivable, and SDR Allocations and Related Interest Payable

The ESF records the SDR Holdings that are resources to the U.S. as part of *"Special Drawing Right Holdings and Related Interest Receivable"* and records the SDR Allocations as a liability entitled *"Special Drawing Right Allocations and Related Interest Payable"* on the Balance Sheet when the IMF allocates SDRs to the U.S. The SDR Allocations are a liability to the ESF since the U.S. is obligated to repay the Allocation amount to the IMF under the following circumstances: *(i)* withdrawal by the U.S. from the IMF membership or termination of its position in the SDR Department of the IMF; *(ii)* cancellation of the SDRs; or *(iii)* liquidation of the IMF or SDR Department of the IMF. ESF's SDR Holdings primarily increase as a result of the IMF's allocations of SDRs to the ESF, or when the ESF purchases SDRs from other IMF member countries. ESF's SDR transactions include purchases and sales of SDRs, interest received on SDR Holdings, interest charges on SDRs Allocations, and valuation adjustments. The SDR Holdings and related net accrued interest receivables are revalued to reflect exchange rates as of the reporting date. The U.S. government also receives remuneration in SDRs from the IMF based on claims on the IMF as represented by the U.S. Reserve Position in the IMF and loans receivable from the supplemental borrowing arrangement.

SDRs and related accrued interest receivable or payable are revalued monthly to reflect exchange rates in affect as of the reporting date. Gains or losses related to foreign currency revaluations are recognized in the period of the fluctuations and reported on the Statement of Net Cost.

SDR Certificates Issued to the Federal Reserve Banks

The *Special Drawing Rights Act of 1968*, as amended, authorizes the Secretary to issue certificates, not to exceed the value of SDRs held against the certificates, to the Federal Reserve Banks (FRBs) in return for dollar amounts equal to the face value of certificates issued. The ESF issues certificates to finance the purchase of SDRs from other countries or to provide U.S. dollar resources to finance other ESF operations. Certificates issued are redeemed by the ESF at such times and in such amounts as the Secretary may determine, and do not bear interest. Certificates issued to the FRBs are reported on the Balance Sheet at their face value which approximates their carrying value since, under the terms of the arrangements with the Board, there is no set repayment date and no interest accrued while certificates remain outstanding.

G. Investments in Special Purpose Vehicles

Pursuant to the CARES Act enacted in FY 2020 in response to the COVID-19 pandemic, the ESF held equity investments in SPVs established by the Board through the FRBNY and FRBB for the purpose of enhancing the liquidity of the U.S. financial system. As of the end of the fiscal year, only one equity investment remains. The ESF presents this non-federal investment holding at its fair value within the *"Investments in Special Purpose Vehicles"* line of the Balance Sheet (see the discussion below on "Fair Value Measurement"). The change in the valuation of this investment as an entity exchange transaction is recorded as a component of *"Strategic Goal 2: Economic Recovery Program"* on the Statement of Net Cost.

The annual valuation of this investment as of September 30 incorporates various forecasts, projections, and cash flow analyses to develop an estimate of the assets' fair value. The fair value of the SPV preferred equity investments is estimated based on a discounted cash flow valuation methodology which calculates the present value of the projected annual cash flows associated with these investments.

H. Loans Receivable, Net

Loans Receivable, Net relate to direct loans disbursed by the ESF as authorized by the CARES Act. These direct loans provide liquidity to eligible businesses which incurred losses as a result of COVID-19, including air carriers and other related businesses, as well as businesses critical to maintaining national security. The ESF accounts for the direct loans under the provisions of credit reform accounting pursuant to the *Federal*

Credit Reform Act of 1990 (FCRA). These direct loans are presented on the Balance Sheet as *"Loans Receivable, Net"* (refer to Note 6 - COVID-19: Investments and Loans Receivable).

The ESF applies the accounting provisions of SFFAS 2, *Accounting for Direct Loans and Loan Guarantees*, as amended (SFFAS 2). SFFAS 2 requires measurement of the asset or liability at the net present value of the estimated future cash flows.

The primary purpose of the FCRA is to measure the cost of federal credit programs, and to place the cost of such credit programs on a basis equivalent with other federal spending. FCRA requires that the ultimate costs of a credit program be calculated and the budgetary resources be obtained before incurring the direct loan obligations. To accomplish this, the ESF first predicts or estimates the future performance of direct loans when preparing the annual budget. The ESF re-estimates the data used for these budgetary estimates at the fiscal year-end to reflect changes in actual loan performance and actual interest rates in effect when the loans were issued. The re-estimated data reflects adjustments for market risks, asset performance, and other key variables and economic factors. The ESF then uses the re-estimated data to report the adjustment to the cost of the direct loans disbursed. These adjustments are reported within *"Strategic Goal 2: Economic Recovery Program"* on the Statement of Net Cost.

Cash flows associated with the ESF's credit programs generally include repayments, repurchases, fees, recoveries, interest, dividends, proceeds from sales of instruments, borrowings from Treasury, negative subsidy, and the subsidy cost received from the program account. The ESF draws security-level data and assumptions used as the basis for cash flow model forecasts and program performance from widely available market sources, as well as information published by investees. The recorded subsidy cost associated with each of the credit programs represents the difference between disbursed amounts and the net present value of future cash flows the ESF anticipates receiving. The subsidy allowance, as initially established by the subsidy cost, takes into consideration projected repayments and defaults, and the projected cost of borrowings. The ESF amortizes the allowance to reflect the difference between projected and actual financing costs.

The ESF's actions, as well as changes in legislation, may impact estimated future cash flows and related subsidy costs. The ESF recognizes cost or cost savings of a modification in subsidy costs when the terms of a program are modified. Workouts are actions taken to maximize repayments of existing credit programs, and the expected effects on cash flows are included in the original estimate and re-estimates of the subsidy cost. Subsidy costs are also impacted by re-estimates, which may occur as a result of updates to the original program subsidy cost estimates to reflect actual cash flows experience, as well as changes in forecasts of estimated future cash flows associated with the credit program.

I. Other Investments

Other Investments are FCDAs that have original maturities greater than three months. These holdings are normally invested in interest-bearing securities issued or held through foreign governments or monetary authorities. The ESF classifies these investments as trading securities, which are bought and held principally for the purpose of selling them in the near term. These investments are assessed monthly and recorded at the fair value with realized and unrealized holding gains or losses, interest earned, amortization of premiums, and accretion of discounts are recognized as a component of *"Strategic Goal 1: Exchange Stabilization"* on the Statement of Net Cost. Premiums and discounts are amortized or accreted over the life of the related investment security as an adjustment to yield using the effective interest method.

J. Debt

Debt represents borrowings payable to the Fiscal Service that were incurred to finance, in part, the making of investments and loans, as authorized by the CARES Act. Interest costs accrue as an expense as incurred and are reported as entity costs on the Statement of Net Cost.

K. Commitments and Contingencies

In accordance with SFFAS 5, *Accounting for Liabilities of the Federal Government*, the ESF recognizes material contingent liabilities meeting the following criteria:

- A past event or exchange transaction has occurred;
- A future cash outflow is probable; and
- A future cash outflow is measurable

The estimated liability recorded is either a specific amount or within a range of amounts. If some amount within the range is a better estimate than any other amount within the range, that amount is recognized. If no amount within the range is a better estimate than any other amount, the ESF recognizes the minimum amount in the range, and discloses the range and a description of the nature of the contingency. The ESF follows this policy in recording a contingent liability, related to amounts that could become payable to the Old-Age and Survivors Insurance Trust Fund (OASI), pursuant to the CARES Act, in connection with ESF's Investments in SPVs and loans receivable that were financed by a combination of appropriations and Fiscal Service debt (refer to Note 6 - COVID-19: Investments and Loans Receivable), and other loss contingencies that could arise from claims, assessments, litigations, fines, penalties, and other sources.

If one or more, but not all, of the above criteria for recognition are met, and there is a reasonable possibility of loss, the ESF will disclose, if material, the nature of the contingent liability, along with a range of possible loss, if estimable, and a description of the nature of the contingency.

L. Revenue and Other Financing Sources

The ESF's core Exchange Stabilization Program activities are primarily financed through exchange revenue the ESF receives from others, including interest received on Nonmarketable U.S. Treasury Securities, FCDAs, Other Investments, and SDRs. The ESF's Economic Recovery Program uses financing sources such as appropriations provided by Congress and borrowings from Fiscal to finance these activities. The ESF recognizes exchange revenue when earned, i.e., goods are delivered or services are rendered. The ESF recognizes appropriations used as financing sources when related expenses are incurred or assets are purchased.

As a component entity of Treasury, the ESF receives goods and services from other federal entities or from other entities within Treasury at no cost or as a cost less than the full cost. The ESF recognizes these subsidized costs as a component of "*Strategic Goal 2: Economic Recovery Program"* on the Statement of Net Cost and recognizes the imputed financing for these costs as *"Imputed Financing Sources"* on the Statement of Changes in Net Position. As a result, there is no effect on Net Position.

M. Net Position

Unexpended Appropriations

Unexpended Appropriations represent the amount of spending authorized as of year-end that is unliquidated or unobligated and has not lapsed, been rescinded, or withdrawn. Appropriations remain available for upward or downward adjustment of obligations until canceled. The ESF reports adjustments related to unexpended appropriations, such as cancellations of expired funds or rescissions, on the Statement of Changes in Net Position.

Cumulative Results of Operations

Cumulative Results of Operations represents the net results of the ESF's operations not funded by appropriations or some other source, since inception through the end of the fiscal year. Also included as a reduction in Cumulative Results of Operations are accruals for which the related expenses require funding from future appropriations, earnings and assessments. These future funding requirements include, among others, credit reform cost re-estimates and expenses for contingent liabilities, if applicable.

N. Funds from Dedicated Collections

The ESF accounts for revenues and other financing sources for Funds from Dedicated Collections separately from other funds within ESF's financial statements. Such funds are financed by specifically identified revenues provided to the U.S. government by non-federal sources, often supplemented by federal and other financing sources, which remain available over time. Statute requires the use of these specifically identified revenues and other financing sources for designated activities, benefits, or purposes. (Refer to Note 10 – Funds from Dedicated Collections).

The federal government does not set aside assets to pay future benefits or other expenditures associated with the ESF's Funds from Dedicated Collections. The dedicated cash receipts from transactions with the public are deposited into Nonmarketable U.S. Treasury Securities held at the Fiscal Service, which uses the cash for general government purposes. Treasury securities are issued to the ESF as evidence of its receipts. As such, the ESF has authority to draw upon Treasury to make future expenditures. Treasury securities are an asset to the ESF and a liability to Treasury.

O. Appropriations and Other Budgetary Activity

The ESF records appropriations when authorized by legislation. Incurred obligations of appropriations are recorded when the ESF places orders or signs contracts for goods and services, or takes other actions that require the ESF to make payments to the public or another federal entity. Outlays are recorded when disbursements are made. All liabilities are covered by budgetary resources except for the immaterial amounts related to unfunded accrued payroll and other benefits-related accruals.

With respect to credit programs executed in accordance with FCRA, the ESF also has permanent and indefinite appropriation authority to fund increases in the projected subsidy costs of credit programs as determined by the re-estimation process required by FCRA (refer to Note 1 (H) - Summary of Significant Accounting Policies - Loans Receivable, Net above).

P. Tax-Exempt Status

As a component of Treasury, which is an agency of the U.S. government, the ESF is exempt from all income taxes imposed by any governing body, whether it is a federal, state, commonwealth, local, or foreign government. Accordingly, no provision for income taxes is recorded.

Q. Fair Value Measurement

The ESF estimates certain of its financial instruments at fair value, a market-based measurement. For certain assets and liabilities, observable market transactions or market information may be available. For other assets and liabilities, observable market transactions and market information may not be available. However, the objective of a fair value measurement in both cases is to estimate the price at which an orderly transaction to sell an asset or to transfer a liability between market participants at the measurement date occurs under current market conditions.

When a price for an identical asset or liability is not observable, a reporting entity measures fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. Because fair value is a market-based measurement, it is measured using the assumptions that market participants would use when pricing the asset or liability, including assumptions about risk.

The fair value measurement of an asset or a liability is categorized with different levels of fair value hierarchy as follows:

- Level 1 - Unadjusted quoted prices in active markets for identical assets or liabilities that the reporting entity can access at the measurement date.

- Level 2 - Inputs other than quoted prices included within Level 1 inputs that are observable for the asset or liability, either directly or indirectly.
- Level 3 - Unobservable inputs for the asset or liability.

The inputs or methodology used for valuing assets and liabilities are not necessarily indicative of the risks associated with those assets and liabilities.
The valuation of Investments in SPVs includes Level 3 inputs. Refer to Note 6 - COVID-19: Investments and Loans Receivable for further information about these financial assets, including changes in Level 3 financial assets and related fair value measurements.

The ESF's FCDAs and Other Investments are Level 1 measurements since these financial assets are traded in active markets where quoted values are readily available. Refer to Note 4 - Foreign Currency and Foreign Currency Denominated Assets and Note 7 - Other Investments.

R. Risks, Uncertainties and Use of Estimates

The ESF faces certain risks and uncertainties as a result of holding foreign currency securities. The price of the ESF's holdings of such securities may fluctuate widely as a result of volatility in foreign currency markets and changes in real and perceived credit risk of ESF's counterparties.

Credit risk related to the ESF's holdings has the potential, no matter how remote, for financial loss from a failure of a borrower or counterparty to perform in accordance with underlying contractual obligations.

The preparation of financial statements in accordance with GAAP requires management to make certain estimates and assumptions that affect the reported amounts of assets, liabilities, and disclosures of contingent assets and liabilities as of the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Transactions involving estimates principally include the ESF's holdings in FCDAs and Investment Securities, as well as the Investments in SPVs, Loans Receivable and related subsidy costs (refer to Note 1 (I) - Summary of Significant Accounting Policies - Other Investments and Note 1 (H) - Summary of Significant Accounting Policies - Loans Receivable, Net and Note 1 (Q) - Summary of Significant Accounting Policies - Fair Value Measurement).

Amounts based on estimates involve numerous assumptions subject to varying and potentially significant degrees of judgment and uncertainty. Therefore, accounting estimates and assumptions may change over time and actual results could differ materially from those estimates.

S. Disclosure Entities and Related Parties

SFFAS 47, *Reporting Entity*, requires that the financial statements reflect the balances and activities of consolidation entities, including Treasury bureaus and other reporting entities, meeting the following "principles for inclusion" when considered as a whole: (i) the entity is included in the Budget of the U.S.

(also known as the President's Budget), (ii) the U.S. government holds "majority ownership interest," (iii) the U.S. government has "control with risk of loss or expectation of benefit," or (iv) it would be misleading to exclude such entity. SFFAS 47 also provides guidance for assessing whether an organization meeting the inclusion principles is reported as a disclosure entity or related party.

A disclosure entity exists when the ESF determines that an entity meets any of the SFFAS 47 "principles for inclusion" with respect to the U.S. government but does not meet the characteristics of a "consolidation entity" included in its principal financial statements and footnotes.

A related party exists when one party to an established relationship has the ability to exercise significant influence over another party in making policy decisions. Related parties generally do not meet the SFFAS 47 inclusion principles; however, the ESF reports on any relationship that is of such significance that it would be misleading to exclude information about that entity.

Disclosure entities and related parties are not considered components of the ESF reporting entity and, thus, are only disclosed in the notes to the ESF financial statements. Using the principles prescribed in SFFAS 47, the ESF identified the following disclosure entity as of September 30, 2025. There were no related parties.

FRB-Managed Special Purpose Vehicles – Liquidity Lending Facilities

In response to the COVID-19 pandemic, the ESF held equity investments in SPVs established by the Board through the FRBNY and FRBB for the purpose of enhancing the liquidity of the U.S. financial system. As of the end of the fiscal year, only one equity investment remains. The ESF's involvement in these programs represents non-permanent intervention activities designed to help mitigate the economic impacts of the pandemic. Accordingly, ESF's equity interests in these SPVs meet the SFFAS 47 criteria for classifying the SPV investments as disclosure entities. The value of these investments is presented within the *"Investments in Special Purpose Vehicles"* line on the Balance Sheet (refer to Note 6 - COVID-19: Investments and Loans Receivable).

NOTE 2 - FUND BALANCE WITH TREASURY

Fund Balance is increased: (i) by receiving appropriations, reappropriations, continuing resolutions, appropriation restorations, and allocations; (ii) when transfers and reimbursements from other federal agencies are received; (iii) by amounts borrowed from the Fiscal Service; and (iv) by amounts collected and credited to appropriation or fund accounts.

Fund Balance is reduced: (i) when disbursements are made to pay liabilities or to purchase assets, goods, and services; (ii) for making investments; (iii) when expired appropriations are canceled, or the ESF makes transfers and reimbursements to other federal entities, non-federal entities, or to the General Fund; and (iv) due to sequestration or rescission of appropriations.

Interest income on Fund Balance in the FCRA funds is reported within the *"Earned Revenue"* line under "*Strategic Goal 2: Economic Recovery Program"* on the Statement of Net Cost and is received annually on September 30. For the fiscal year ended September 30, 2025, the ESF recorded interest income totaling $10 million related to these fund balances.

As of September 30, 2025, the status of the Fund Balance consisted of the following:

(in thousands)		**As of September 30, 2025**
Status of Fund Balance with Treasury		
Unobligated Balance	**$**	**144,041**
Obligated Balance Not Yet Disbursed		**2,432**
Total Status of Fund Balance with Treasury	**$**	**146,473**

Unobligated Balances include amounts appropriated in prior fiscal years that have expired and are not available to fund new obligations, as well as unapportioned amounts still requiring budget authority in order to become available to fund new obligations. The Obligated Balance Not Yet Disbursed represents amounts designated for payment of goods and services the ESF has ordered but has not received, or goods and services received but for which payment has not yet been made.

NOTE 3 - NONMARKETABLE U.S. TREASURY SECURITIES

The interest rate earned on the Nonmarketable U.S. Treasury Securities is equal to the overnight repurchase agreement rate as established by the Fiscal Service. These overnight market-based investments had a cost/acquisition value of $21.9 billion on September 30, 2025, which approximated their fair value. The proceeds received from the issuance of SDR Certificates are subsequently invested in Nonmarketable U.S. Treasury securities.

Statutory Debt Limit

The statutory debt limit is the total amount of money that the U.S. government is authorized to borrow to meet its existing legal obligations, with certain adjustments. The ESF's Nonmarketable U.S. Treasury Securities are part of the authorized debt. Treasury has statutory authority to take certain "extraordinary measures" in the event that the public debt nears the statutory debt limit, and the statutory debt limit has not been raised or suspended or otherwise lifted. One such extraordinary measure is the suspension of new issuances of U.S. Treasury securities to the ESF. When Treasury discontinues its use of extraordinary measures, Treasury resumes normal debt management operations. While Treasury may restore issuances to the ESF, relevant statutes do not permit Treasury to pay the ESF interest lost during a period of delay. No suspension of new issuances to the ESF occurred in 2025.

NOTE 4 - FOREIGN CURRENCY AND FOREIGN CURRENCY DENOMINATED ASSETS

Foreign currency and FCDAs represent foreign deposit accounts and securities that were valued at \$14.2 billion as of September 30, 2025. The total is comprised of \$3.6 billion of foreign currency and \$10.6 billion of FCDAs. Losses and gains related to foreign currency and FCDAs arise from the monthly conversion of the Euro and Yen portfolio to U.S. dollars. Losses reflect a weakening of the Euro and Yen currencies in relation to the U.S. dollar. Gains reflect a strengthening of the Euro and Yen currencies in relation to the U.S. dollar. Losses reported on the Statement of Net Cost within the "*Gross Cost*" line under *"Strategic Goal 1: Exchange Stabilization"* were \$1.3 billion. Gains reported on the Statement of Net Cost within the "*Earned Revenue*" line under *"Strategic Goal 1: Exchange Stabilization"* were \$0.8 billion.

NOTE 5 - SPECIAL DRAWING RIGHTS

SDR Holdings and SDR Allocations are reported on the Balance Sheet as an asset and liability, respectively. The ESF also issued an additional \$5.0 billion of SDR Certificates to the Federal Reserve in 2025. These certificates were valued at \$15.2 billion as of September 30, 2025. SDR Certificates are reported on the Balance Sheet as a liability.

SDR Allocations

SDRs, once allocated to the U.S., are permanent resources unless:

- They are canceled by an 85 percent majority decision of the total voting power of the Board of Governors of the IMF;
- The SDR Department of the IMF is liquidated;
- The IMF is liquidated; or
- The U.S. chooses to withdraw from the IMF or terminate its participation in the SDR Department.

Due to the fact that the SDRs could be required to be repaid under the limited circumstances above, the ESF carries a liability related to such allocations.

Except for the payment of interest and charges on SDR Allocations, the payment of ESF's liability related to the SDR Allocations is conditional on events listed above, in which the U.S. has a controlling vote or makes a unilateral determination. ESF received allocations of SDRs from the IMF during calendar years 1970, 1971, 1972, 1979, 1980, 1981, 2009, and 2021. As of September 30, 2025, the value of SDR Allocations to the U.S., including related interest payable, were the dollar equivalent of \$158.2 billion.

SDR Holdings

The ESF's balance in "*Special Drawing Right Holdings and Related Interest Receivable*" reflects a net valuation gain of $1.9 billion. This was primarily due to a valuation gain of $11.1 billion recorded within "*Earned Revenue*" line under *"Strategic Goal 1: Exchange Stabilization"* offset by a valuation loss of $9.2 billion within the "*Gross Cost*" line under *"Strategic Goal 1: Exchange Stabilization"* on the Statement of Net Cost. This balance also reflects $0.3 billion of SDR purchases in FY 2025 from Ukraine, offset by SDR sales of $1.7 billion in FY 2025 to the Bank of International Settlements and Papua New Guinea and $0.9 billion in remuneration received.

The following schedule reflects the activity related to SDR Holdings for the period ended September 30, 2025, by dollar equivalent and SDR:

(Dollar Equivalent in thousands)	**As of September 30, 2025**
Balance, beginning of period	$ **172,895,026**
SDR Purchases	**265,047**
SDR Sales	**(1,747,425)**
Interest Credits on Holdings	**5,571,337**
Interest Charges on Allocations	**(5,004,762)**
Remuneration	**852,407**
IMF Annual Assessment	**(727)**
Net Gain on Valuation of Holdings	**1,901,008**
Balance, end of period[(1)]	$ **174,731,911**

[(1)] *This amount excludes related interest receivable of $840 million as of September 30, 2025.*

(SDRs in thousands)	**As of September 30, 2025**
Balance, beginning of period	**127,468,927**
SDR Purchases	**200,000**
SDR Sales	**(1,279,169)**
Interest Credits on Holdings	**4,171,364**
Interest Charges on Allocations	**(3,747,200)**
Remuneration	**637,916**
IMF Annual Assessment	**(536)**
Balance, end of period	**127,451,302**

The table above reflects the actual dollar equivalent amount of SDRs received or transferred by the ESF. Amounts within the financial statements are computed on an accrual basis and will thus differ due to: (i) changes in SDR exchange rates between accrual date and transaction date, and (ii) changes in related interest receivable balances between beginning and end of year.

Other SDR Activities

The ESF is the only fund within Treasury permitted to transact in SDRs. SDRs received as remuneration become the resources of the ESF, as required by law. The remuneration is credited to the ESF, which then transfers to the Treasury General Account (TGA) an equivalent amount of dollars plus nominal interest. The amount is reflected on the Statement of Changes in Net Position. The ESF's receipt of the SDRs and payment of the dollar equivalent to the TGA are not simultaneous. Typically, the payment is several weeks after the receipt of SDRs from the IMF. Therefore, the ESF must reimburse the TGA the interest it earned on the dollar equivalent of the SDRs held on behalf of the TGA during the period which elapsed between the receipt of the SDRs and the dollar payment to the TGA.

NOTE 6 - COVID-19: INVESTMENTS AND LOANS RECEIVABLE

The global spread of COVID-19 resulted in a severe global health and economic crisis. In FY 2020 and FY 2021, Congress took steps to limit the damage the pandemic in the U.S. caused by passing several key statutes, including the CARES Act and CAA. The relief funding these legislative acts provided helped reduce the financial burden on individuals and their families, minimized business and employment losses, and enhanced the liquidity of the U.S. financial system.

Investment in Special Purpose Vehicle

In FY 2020, pursuant to its emergency-lending authority under Section 13(3), the FRBB established the MS Facilities 2020 (MSF) to support entities affected by the COVID-19 pandemic. The facility was implemented through a Special Purpose Vehicle (SPV) governed by a Limited Liability Company (LLC) agreement between Treasury and the FRBB. In FY 2020, the ESF disbursed $37.5 billion for a preferred equity interest in the SPV, which provided loans and purchased debt backed by a range of assets including corporate bonds, commercial paper, and municipal obligations. The SPV ceased purchasing loan participations in January 2021. The ESF holds a non-controlling preferred equity interest in the facility, absorbing losses up to agreed limits. The ESF does not have any voting rights in the SPV as the FRBB manages and controls the SPV operations.

During the fiscal year ended September 30, 2025, the ESF received $2.9 billion in interim distributions, reducing our outstanding equity contribution to $2.0 billion as of September 30, 2025. The interim distributions to Treasury represent the amounts by which funds that were contributed by Treasury to the facility (and earnings thereon) exceeded the purchase price of the assets, loans, and/or loan participations, as the case may be, within each facility at such time. The ESF cannot use the funds remaining for further lending, asset purchases, or extensions of credit.

Upon dissolution of the SPV, the ESF will be entitled to an amount equal to the cash balance of the preferred equity account plus 90 percent of the cash balance in all the other accounts of the SPV. Interim distributions are made semiannually, and final distributions upon dissolution will be used to repay

Treasury's related debt and subsidy costs. Any remaining residual proceeds will be transferred to the OASI in accordance with the CARES Act. As of September 30, 2025, the ESF is not anticipating that there will be residual proceeds.

The ESF accounted for the SPV investment at fair value, which is derived using Level 3 inputs, including, among other things, market data, third-party valuations, and internal analysis. Because the instruments are not publicly traded, there is no comparable trading information available. the ESF records changes in the fair value of these investments as realized or unrealized fair value gains or losses on a net basis as a component of "*Strategic Goal 2: Economic Recovery Program*" on the Statement of Net Cost.

The following table provides a roll forward of our SPV preferred equity investment balance at fair value as of September 30, 2025:

(in thousands)	**Fair Value as of Fiscal Year Ended September 30, 2025**
Beginning Balance	**$ 5,984,913**
Sale/Repayment of Investments[1]	**(2,929,341)**
Valuation Adjustments	**(443,622)**
Other	**32,703**
Ending Balance	**$ 2,644,653**

[1] *These amounts include interim distributions.*

Direct Loans to Air Carriers and Other Related Businesses

The CARES Act authorized Treasury, through the ESF, to make direct loans and loan guarantees to eligible passenger and cargo air carriers and national security businesses to provide them liquidity for losses incurred as a result of the COVID-19 pandemic. Treasury chose to make only direct loans under this authorization. As of September 30, 2025, there were no remaining loan commitments for which future borrowings could be made under the CARES Act.

The CARES Act specified that the Secretary determines the terms and conditions of the loans and stated that the duration of the loans will be no longer than five years. As "financial protection of the Government," the CARES Act also mandated that the ESF obtain certain financial instruments including, but not limited to, common stock in the eligible business for the benefit of taxpayers. The following is a discussion of the ESF's accounting related to the direct loans.

Loans Receivable, Net

The ESF presents the direct loans as *"Loans Receivable, Net"* on the Balance Sheet. As of September 30, 2025, the net loans receivable for the passenger airlines and other related businesses programs of $79 million, included a negative subsidy allowance of $69 million. The other related businesses include national security, air cargo carriers, ticket agents, and maintenance and repair businesses. Principal collections in 2025 totaled $90 million. The negative subsidy reflects the projection will result in a net cost to us, after accounting for principal loan repayments, interest, and fees. Included in these receivables are the projected cash flows associated with the common stock warrants, common stock shares, and senior debt instruments the ESF received in connection with making these direct loans.

The ESF performed a financial statement re-estimate of these credit programs earnings and costs. The re-estimates performed as of September 30, 2025 resulted in an upward re-estimate, that is, a net increase in costs, of $17 million. The upward re-estimate of costs primarily stemmed from a decline in the value of the equity stake and warrants supporting the remaining loans and a reduction in anticipated recovery rates. The re-estimate is reflected in the amount of the OASI liability for passenger airlines and other related businesses.

The ESF treats net loans receivable, including loan principal repayments, interest, fees, and proceeds from common stock sales, as entity exchange transactions since the ESF will use such future proceeds that are realized from the net loans receivable to repay the borrowing and other funding costs that are incurred from these direct loans. In accordance with the CARES Act, the ESF must transfer any remaining excess residual proceeds to the OASI. Accordingly, to the extent that the net loans receivable also incorporates the anticipated realization of excess residual proceeds, the ESF will record a corresponding liability due to the OASI. Hence, the ESF's net loans receivable, including loan principal repayments, interest, fees, and proceeds from common stock sales are treated as entity transactions, with the exception of any excess residual amounts owed to this trust fund, which are treated as non-entity transactions. As of September 30, 2025, a liability of $172 million due to the OASI was recorded within the "*Intra-Governmental: Other Liabilities*" line on the Balance Sheet.

NOTE 7 - OTHER INVESTMENTS

Other Investments include foreign currency holdings that the ESF typically invests in interest-bearing securities issued or held through foreign governments or monetary authorities. Of the total $5.3 billion fair value of foreign investments (excluding related interest receivable) held as of September 30, 2025, $2.5 billion will mature within one year, $2.7 billion will mature after one year but before five years, and $0.1 billion will mature after five years but before ten years. Losses related to Other Investments reported on the Statement of Net Cost within the *"Gross Cost"* line under *"Strategic Goal 1: Exchange Stabilization"* were $1.2 billion for FY 2025. Gains related to Other Investments reported on the Statement of Net Cost within the "*Earned Revenue*" line under *"Strategic Goal 1: Exchange Stabilization"* were $2.1 billion for FY 2025. The fair value of these securities is determined using Level 1 inputs.

As of September 30, 2025, Other Investments consisted of the following:

(in thousands)		Fair Value as of Fiscal Year Ended September 30, 2025
Investment Type:		
Foreign Investments/Debt Securities:		
Euro Bonds & Notes	$	**2,591,165**
Japanese Bonds & Bills		**2,729,073**
Total Non-Federal Investments	$	**5,320,238**

NOTE 8 - DEBT

As of September 30, 2025, the ESF had outstanding debt of $2.7 billion. This debt was incurred to finance, in part, the making of investments and loans as authorized by the CARES Act. Maturity dates for the debt payable to the Bureau of Fiscal Service range from September 30, 2026 to September 30, 2028 with effective interest rates ranging from 0.54 percent to 0.88 percent. The debt balance reflects the use of the interim distributions from the SPVs and collections from the loans to repay debt.

Interest expense on the outstanding debt is accrued and reported within the *"Gross Cost*" line of *"Strategic Goal 2: Economic Recovery Program*" on the Statement of Net Cost and paid annually on September 30. For the fiscal year ended September 30, 2025, the ESF recorded interest expense totaling $43 million, related to this debt.

All debt and related interest costs are intra-governmental and covered by budgetary resources. See additional details on borrowing authority in Note 11 - Statement of Budgetary Resources.

NOTE 9 - COMMITMENTS AND CONTINGENCIES

Foreign Currency Denominated Agreements

Foreign currency denominated agreements that exist between Treasury and foreign entities or governments provide for drawings of dollars by those entities or governments and drawings of foreign currencies by Treasury. Treasury enters into these agreements through the ESF. Under these agreements, the ESF receives repayment of an agreed-upon amount in dollars regardless of currency fluctuations. With the exception of the Mexico agreement noted below, there were no other foreign currency denominated exchange stabilization agreements as of September 30, 2025.

Exchange Stabilization Agreement

The North American Framework Agreement (NAFA), which was signed in 1994 and is renewed annually, is implemented by Treasury through the Exchange Stabilization Agreement (ESA) with Mexico. Treasury, through the ESF, offers Mexico a swap line with drawings contingent on certain conditions being met. Effective November 30, 2018, an amended and restated ESA increased the potential size of the swap line from $3.0 billion to $9.0 billion. The amounts and terms (including the assured source of repayment) of any swap arrangement under the NAFA and/or the ESA will have to be negotiated and agreed to before any actual drawing can occur. There were no drawings outstanding on the ESF swap line as of September 30, 2025. (Refer to Note 13 – Subsequent Events).

NOTE 10 - FUNDS FROM DEDICATED COLLECTIONS

Pursuant to Section 10 of the Gold Reserve Act, as amended, the Secretary, with the approval of the President, through the ESF, may deal in gold, foreign exchange, and other instruments of credit and securities the Secretary considers necessary, consistent with U.S. obligations in the IMF on orderly exchange arrangements and a stable system of exchange rates. The ESF core Exchange Stabilization Program (Treasury Account Symbol 020X4444) accounts for and reports its holdings to the Fiscal Service on the Standard Form 224, *"Statement of Transactions,"* and provides other reports to Congress. Interest on SDRs in the IMF, investments in Treasury securities, and investments in foreign currency assets are the ESF's primary sources of revenue. The ESF's earnings and realized gains, or losses, on SDRs and foreign currency assets represent resources, or uses, to the U.S. government.

The following tables reflect condensed total assets, total liabilities, net cost of operations and net position of the core fund established to support the ESF's core Exchange Stabilization Program activities:

BALANCE SHEET

(in thousands)		**As of September 30, 2025**
ASSETS		
Nonmarketable U.S. Treasury Securities	**$**	**21,864,447**
Foreign Currency and Other Monetary Assets		
Foreign Currency and Foreign Currency Denominated Assets		**14,213,015**
Special Drawing Right Holdings and Related Interest Receivable		**175,571,934**
Other Investments		**5,320,238**
Total Assets	**$**	**216,969,634**
LIABILITIES AND NET POSITION		
LIABILITIES		
Special Drawing Right Allocations and Related Interest Payable	**$**	**158,229,530**
Special Drawing Right Certificates Issued to Federal Reserve Banks		**15,200,000**
Total Liabilities		**173,429,530**
NET POSITION		
Total Unexpended Appropriations		**200,000**
Total Cumulative Results of Operations		**43,340,104**
Total Net Position		**43,540,104**
Total Liabilities and Net Position	**$**	**216,969,634**

STATEMENT OF NET COST

(in thousands)		**Fiscal Year Ended September 30, 2025**
Gross Cost of Operations	**$**	**26,379,046**
Earned Revenue		**(28,794,089)**
Total Net (Income) of Operations	**$**	**(2,415,043)**

STATEMENT OF CHANGES IN NET POSITION

(in thousands)		**Fiscal Year Ended September 30, 2025**
UNEXPENDED APPROPRIATIONS	**$**	**200,000**
CUMULATIVE RESULTS OF OPERATIONS		
Beginning Balance		**40,925,061**
Transfers (Out) without Reimbursement		**(852,408)**
Other		**852,408**
Total Net Income of Operations		**2,415,043**
Total Cumulative Results of Operations	$	**43,340,104**
NET POSITION	**$**	**43,540,104**

NOTE 11 - STATEMENT OF BUDGETARY RESOURCES

The Statement of Budgetary Resources (SBR) presents information about total budgetary resources available to the ESF and the status of those resources.

Net Adjustments to Unobligated Balance, Brought Forward, October 1

Net adjustments to unobligated balance, brought forward, October 1 as of September 30, 2025 consisted of the following:

(in thousands)		As of September 30, 2025
Unobligated Balance, Brought Forward From Prior Year	$	**40,407,894**
Adjustments to Budgetary Resources Made During Current Year:		
Downward Adjustments of Prior Year Undelivered Orders		**25**
Downward Adjustments of Prior Year Delivered Orders and Other Adjustments		**7,431,801**
Unobligated Balance From Prior Year Budget Authority, Net (Discretionary and Mandatory)	$	**47,839,720**

Downward Adjustments of Prior Year Delivered Orders and Other Adjustments reflects the $5.0 billion issuance of SDR Certificates, and the net valuation changes in SDR Holdings, SDR Allocations, and the foreign portfolio.

Undelivered Orders

Undelivered orders represent goods and services ordered and obligated which have not been received. This includes any orders for which the ESF has paid in advance, but for which delivery or performance has not yet occurred. Undelivered orders totaling $3 million as of September 30, 2025 were all unpaid, of which $1 million and $2 million involved federal and non-federal entities, respectively.

Terms of Borrowing Authority Used

The FCRA provides indefinite borrowing authority to financing accounts to fund the unsubsidized portion of direct loans and to satisfy obligations in the event the financing account's resources are insufficient. OMB Circular No. A-11 defines repayment requirements. Interest expense due is calculated based on the beginning balance of borrowings outstanding and the borrowings/repayments activity that occurred during the fiscal year. Undisbursed borrowings earn interest at the same rate as the financing account pays on its debt owed to the Fiscal Service. In the event that principal and interest collections exceed the interest expense due, the ESF receives the excess payment. If principal and interest do not exceed interest expense due, the ESF will borrow the difference. The ESF makes periodic principal repayments based on the analysis of cash balances and future disbursement needs. All interest on borrowings is due on September 30. Interest rates on FCRA borrowings range from 0.54 percent to 0.88 percent. No borrowing authority remains as resources are no longer needed for the SPV investments and direct loan commitments which were de-obligated pursuant to the CAA (refer to Note 6 - COVID-19: Investments and Loans Receivable).

Reconciliation of the President's Budget

The Budget of the U.S. (also known as the President's Budget), with actual numbers for FY 2025, was not published at the time that these financial statements were issued. The ESF expects OMB to publish the FY 2027 President's Budget in February 2026 and be available from the U.S. Government Publishing Office.

Legal Arrangements Affecting Use of Unobligated Balances

The use of unobligated balances is restricted based on annual legislation requirements or enabling authorities. Funds are presumed to be available for only one fiscal year unless otherwise noted in the annual appropriation language. Unobligated balances in unexpired Treasury account fund symbols are available in the next fiscal year for new obligations unless some restrictions have been placed on those funds by law. In those situations, the restricted funding will be temporarily unavailable until such time as the reasons for the restriction have been satisfied or legislation has been enacted to remove the restriction.

Amounts in expired Treasury account fund symbols are not available for new obligations, but may be used to make adjustments to reflect, and make disbursements to liquidate, obligations that were created before the budgetary authority expired.

NOTE 12 - RECONCILIATION OF NET COST OF OPERATIONS TO BUDGETARY OUTLAYS, NET

The Reconciliation of Net Cost of the ESF's Operations to the ESF's Outlays, Net (referred to as "Net Outlays" for purposes of this note) depicts the difference between proprietary information and budgetary accounting information. Proprietary financial accounting information is intended to depict the U.S. government's financial operations and financial position presented on an accrual basis in accordance with GAAP. The accrual basis includes information about costs arising from the consumption of assets and the incurrence of liabilities. In contrast, budgetary accounting information is used for planning and control purposes and includes net outlays that reflect both the receipt and use of cash, as well as reporting of the federal deficit. The reconciliation of Net Cost (presented on an accrual basis) and Net Outlays (presented on a budgetary basis) reflects the relationship between proprietary accounting and budgetary information. The reconciliation serves not only to identify costs paid in the past and those that will be paid in the future, but also to assure integrity between financial and budgetary accounting.

DEPARTMENT OF THE TREASURY
EXCHANGE STABILIZATION FUND
Notes to the Financial Statements
September 30, 2025

For the fiscal year ended September 30, 2025, the Reconciliation of Net Cost of the ESF's Operations to the ESF's Outlays, Net consisted of the following:

	Fiscal Year Ended September 30, 2025		
(in thousands)	Intra-Governmental	Other Than Intra-Governmental	2025 Total
Total Net (Income) of ESF Operations	$ (851,207)	**$ (1,095,982)**	**$ (1,947,189)**
Components of Net Operating Cost Not Part of Budgetary Outlays:			
Unrealized Valuation Gain on Investments (Notes 4 and 7)		**541,299**	**541,299**
Unrealized Valuation Gain on Special Drawing Rights (Note 5)	-	**224,024**	**224,024**
Year-end Credit Reform Subsidy Accrual Re-Estimates	-	**(18,991)**	**(18,991)**
Adjustments to Prior Year Credit Reform Re-Estimates	-	**60**	**60**
Increase/(Decrease) in Assets:			
Foreign Currency and Foreign Currency Denominated Assets (Note 4)	-	**9,641**	**9,641**
Special Drawing Right Holdings Interest Receivable (Note 5)	-	**(250,063)**	**(250,063)**
Other Investments (Note 7)	-	**6,732**	**6,732**
Other Assets	**11,293**	-	**11,293**
Decrease in Liabilities:			
Other Liabilities	-	**225,678**	**225,678**
Total Components of Net Operating Cost Not Part of Budgetary Outlays	**11,293**	**738,380**	**749,673**
Components of Budgetary Outlays That Are Not Part of Net Cost			
Effect of Prior Year Credit Reform Subsidy Re-Estimate	-	**356**	**356**
Transfers (In) Without Reimbursement	**(442,034)**	-	**(442,034)**
Total Components of Budgetary Outlays That Are Not Part of Net Cost	**(442,034)**	**356**	**(441,678)**
Other Reconciling Items			
Distributed Offsetting Receipts	**(1,883)**	-	**(1,883)**
Non-Entity Activity	**1,883**	-	**1,883**
Agency Outlays, Net			**$ (1,639,194)**

NOTE 13 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through January 16, 2026, the date the financial statements were available to be issued.

On October 18, 2025, the ESF entered into an Exchange Stabilization Agreement (ESA) with the Banco Central de la República Argentina (BCRA) for $20.0 billion. Pursuant to that ESA, in October 2025, the ESF and the BCRA executed a swap transaction whereby the BCRA exchanged pesos for $2.5 billion. In December 2025, BCRA fully repaid the $2.5 billion and the swap position was closed. As this transaction occurred subsequent to September 30, 2025, balance sheet date, no adjustments have been made to the ESF's financial statements as of and for the fiscal year ended September 30, 2025.

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

Combining Statement of Budgetary Resources by Major Budget Account

The SBR for the fiscal year ended September 30, 2025 presents total budgetary resources and the status of resources by each major budget account within the ESF: (i) the fund reporting Dedicated Collections (refer to Note 11 - Statement of Budgetary Resources) that supports Exchange Stabilization, (ii) the program fund for FCRA-budgeted Investments in SPVs and Loans Receivable (refer to Note 6 - COVID-19: Investments and Loans Receivable), and (iii) the non-budgetary financing account for FCRA-budgeted Investments in SPVs and Loans Receivable.

	For the Year Ended September 30, 2025			
(in thousands)	**Exchange Stabilization Program Budgetary Account**	**COVID-19 Budgetary Account**	**COVID-19 Non-Budgetary Financing Account**	**Total**
BUDGETARY RESOURCES				
Unobligated balance from prior year budget authority, Net (discretionary and mandatory) (Note 12)	**$ 47,457,746**	**$ 20,316**	**$ 361,658**	**$ 47,839,720**
Appropriations (discretionary and mandatory)	**-**	**534**	**-**	**534**
Borrowing authority (discretionary and mandatory)	**-**	**-**	**32,881**	**32,881**
Spending authority from offsetting collections (discretionary and mandatory)	**1,657,731**	**-**	**36,147**	**1,693,878**
Total Budgetary Resources	**$ 49,115,477**	**$ 20,850**	**$ 430,686**	**$ 49,567,013**
STATUS OF BUDGETARY RESOURCES				
New obligations and upward adjustments	**$ 6,451,305**	**$ 20,268**	**$ 287,227**	**$ 6,758,800**
Unobligated balance, end of year:				
Apportioned, unexpired accounts	**-**	**582**	**117,761**	**118,343**
Unapportioned, unexpired accounts	**42,664,172**	**-**	**25,698**	**42,689,870**
Unobligated balance, end of year	**42,664,172**	**582**	**143,459**	**42,808,213**
Total Budgetary Resources	**$ 49,115,477**	**$ 20,850**	**$ 430,686**	**$ 49,567,013**
OUTLAYS, NET, AND DISBURSEMENTS, NET				
Outlays, net (discretionary and mandatory)	**$ (1,657,732)**	**$ 20,421**	**$ -**	**$ (1,637,311)**
Distributed offsetting receipts	**(1,705)**	**(178)**	**-**	**(1,883)**
Agency Outlays, Net (Discretionary and Mandatory)	**$ (1,659,437)**	**$ 20,243**	**$ -**	**$ (1,639,194)**
Disbursements, net (mandatory)			**$ (2,755,194)**	**$ (2,755,194)**

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