DOCUMENTARY, FINANCIAL, OPERATIONAL AND CUSIP ANALYSIS

PAYPAL USD — PYUSD RESERVES

Paxos Trust Company, LLC, then Paxos Trust Company, National Association

Period analysed: August 8, 2023 – June 30, 2026

35 independent attestations • 70 observations • 237 CUSIP lines • 4 blockchains

Edition August, 2026

Reading note

SCOPE — The documents reviewed are reasonable-assurance examination reports covering management assertions at two dates per month. They are neither audits of complete financial statements nor continuous opinions on all internal controls, Paxos solvency, PYUSD secondary-market liquidity or PayPal performance.

TERMINOLOGY — This report reserves the terms “attestation” and “examination” for the independent engagement. It distinguishes the management statements prepared by Paxos, the legal issuer, PayPal distribution entities and the technical infrastructure.

DATA — Values are retained in their original units. CUSIPs used as reverse-repo collateral are never added as separate reserve assets. The absence of a published breakdown is not converted into a zero.

DECISION — Asset quality alone is not sufficient to prove a particular holder’s eligibility for direct redemption, the existence of FDIC insurance, immediate availability of an exit channel or the absence of operational risk.

Reading keys

- FACT: information stated directly in a document or official source.
- CALCULATION: reproducible result derived from the extracted data.
- INTERPRETATION: analytical reading explicitly separated from facts.
- ASSUMPTION: parameter required for a simulation and not a historical observation.
- LIMITATION: element that cannot be demonstrated from the available corpus.

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The appendices document traceability, anomalies, limitations, assumptions and the official external sources used.

Executive summary

The corpus covers, without interruption, the 35 months from August 2023 through June 2026. Each monthly file combines a Paxos management report with an independent examination opinion. WithumSmith+Brown, PC serves through December 2024; KPMG LLP from the January 2025 report onward. No separate self-reported Paxos report was provided outside the attestation package, which prevents a file-by-file reconciliation between those two series even though Paxos distinguishes them on its transparency page [EXT-01].

Indicator	Value as of 06/30/2026	Indicator	Value
Redeemable PYUSD	2.687bn USD	Redemption assets	2.694bn USD
Surplus	7.17m USD	Coverage ratio	1.002669x
Bank deposits	2.96 %	Direct Treasury bills	14.76 %
Reverse repos	82.29 %	Money-market funds	0.00 %
T-bill WAM	61.7 days	CUSIP HHI	3,359.6

Source: June 2026 PYUSD attestation, summary and Exhibits A-B, observations as of June 30, 2026.

KEY FINDING — As of June 30, 2026, published assets exceed supply by USD 7.17m. Coverage is therefore positive at the observed point in time, but the buffer is only 26.7 basis points: a loss or unavailability greater than this threshold, absent any other adjustment, would push the ratio below 1.

STRUCTURE — Reverse repos account for 82.29% of assets, directly held Treasury bills 14.76% and bank deposits 2.96%. No money-market fund balance is observed in the 70 snapshots, although the category may be permitted under certain texts or presentation frameworks.

SYSTEM — Economic risk is not limited to the portfolio. It also depends on the custody channel, redemption eligibility, omnibus accounts, administrative powers, the network used, intermediaries and continuity of PayPal/Paxos services.

Answers at a glance

Topic	Supportable conclusion
Reserves	Positive reconciliation at all 70 dates; no deficit observation. Reverse repos dominate the series.
CUSIP	24 unique direct CUSIPs and 93 direct lines; the portfolio is short-dated, intermittent and concentrated by line.
Repo collateral	144 collateral CUSIP lines are tracked separately; they are not added to reserves.
Issuer	Paxos Trust Company, LLC before December 12, 2025; Paxos Trust Company, National Association after OCC conversion.
PayPal	PayPal and PayPal Digital distribute, custody or execute; they are not the issuer and do not guarantee Paxos.
Redemption	Direct Paxos redemption depends on an account, controls and conditions; sale through PayPal is a separate route.
FDIC	PYUSD is not an insured deposit. Any pass-through protection is conditional, limited to the cash component and cannot be demonstrated for an individual holder.
Rewards	Commercial program separate from reserve income; the rate is changeable and the holder has no direct entitlement to that income.
Multi-chain	As of June 30, 2026: Ethereum 64.72%, Solana 25.53%, Arbitrum 9.45%, Stellar 0.29%.

1. Scope, methodology and reproducibility

1.1 Corpus reviewed

The primary corpus comprises 35 monthly PDFs from August 2023 through June 2026. Each month contains two point-in-time observations, for a total of 70 snapshots. Two PayPal press releases supplied with the corpus provide additional context: the Arbitrum deployment and availability across 70 markets. The BECTRA logo and reference report were used solely for formatting. The mission prompt served as the specification.

Category	Count	Period	Treatment
Independent attestations with embedded management statement	35	08/2023–06/2026	Extraction, control, reconciliation
Separate Paxos reports provided	0	—	Limitation L-01
PayPal press releases provided	2	07/2025 and 03/2026	Operational context
Official external sources	20	Status as of 08/04/2026	Contracts, regulation, products
Reserve observations	70	08/08/2023–30/06/2026	Two dates per month

1.2 Processing chain

- File inventory, SHA-256 calculation, dates, page counts, preparer, issuer, accounting firm and nature of engagement.
- Extraction of the two monthly observations, followed by separation of reserve categories.
- Classification of each CUSIP as a direct reserve asset or reverse-repo collateral.
- Calculation of coverage ratios, weights, WAM, HHI, lifecycles and transitions.
- Reconciliation of reserve categories to total assets, assets to supply, and network totals to published supply.
- Review of official sources applicable as of August 4, 2026, distinguishing final rules from proposals.
- Production of an extensible workbook and a report with explicit limitations.

1.3 Main formulas

Indicator	Formula	Caution
Coverage	Redemption assets / redeemable PYUSD	Point-in-time measure, not continuous.
Buffer	Assets − redeemable PYUSD	Does not determine the time needed to mobilize assets.
Category weight	Category / total assets	Published absence retained as absence, not an implicit zero.
T-bill WAM	Σ(days to maturity × fair value) / Σ fair value	Calculation on direct Treasury assets only.
CUSIP HHI	Σ(weight of each direct CUSIP^2) × 10,000	Line concentration, not credit quality.
Turnover	½ × Σ|weight t − weight t−1|	Entries into and exits from a zero position produce turnover of 50% or 100%, depending on the transition.

2. Documentary control and scope of the attestation

2.1 Document classification

The 35 PDFs are not standalone “Paxos reports” in the sense used on the transparency page. They are combined packages: an independent accountant’s opinion and a management statement prepared by Paxos. The opinion covers management’s assertion at the specified dates. This distinction is substantive: responsibility for the data remains with management, while the accounting firm expresses an opinion on whether the assertion is fairly stated under the applicable criteria.

EVIDENTIARY LIMITATION — Notes expressly excluded from assurance, referenced website information and the overall effectiveness of controls are not covered by the same opinion. A point-in-time attestation does not prove the position between the two monthly dates.

2.2 Change of accounting firm and reporting framework

Period	Accounting firm	Engagement	Criteria	Analytical effect
08/2023–12/2024	WithumSmith+Brown, PC	Examination / reasonable assurance	Management assertions and NYDFS framework	Shorter format; collateral and asset data, but less legal breakdown.
01/2025	KPMG LLP	Examination / reasonable assurance	Management / NYDFS criteria	New format, glossary and distinction of redeemable tokens.
02/2025–06/2026	KPMG LLP	Examination / reasonable assurance	AICPA 2025 Criteria for Stablecoin Reporting	Structured presentation in Exhibits A-B-C, networks, assets and definitions.

The observed average coverage ratio is 1.02205x under the Withum reports versus 1.00317x under KPMG, equivalent to an average buffer of about 220.5 basis points and 31.7 basis points, respectively. This contrast is descriptive. It does not demonstrate that either firm imposed a different surplus level: the period, supply growth, reporting format and treasury policy changed at the same time.

2.3 Significant documentary anomalies

ID	Severity	Document	Anomaly	Treatment
A-001	High	PYUSD Attestation 07 2024.pdf	Internal total inconsistency — USD 639,945,680	The dataset retains the sum of components and the summary table, both at USD 638,945,680.
A-002	Medium	PYUSD Attestation 01 2026.pdf	Incorrect year in several tables — January 16, 2025	Normalized to 2026 based on coverage, the KPMG opinion, the time sequence and maturities.
A-003	Medium	PYUSD Attestation 09 2023.pdf	CUSIP with invalid check digit — 912829V49	Identifier retained verbatim and excluded from any conjectural substitution.
A-004	Low	PYUSD Attestation 07 2025.pdf / PayPal press release	Lag between first attested Arbitrum quantity and public announcement — 250,006 PYUSD on July 8, 2025	Interpreted as deployment/pre-positioning before announcement; no conclusion of early commercial availability.
A-005	Low	PYUSD Attestation 08 2025.pdf / Stellar announcement	Lag between first attested Stellar quantity and public announcement — 250,098 PYUSD on August 29, 2025	Interpreted as pre-positioning/testing before announcement; no conclusion beyond the observed dates.

3. Entities, legal timeline and regulation

3.1 Role mapping

Entity	Demonstrated role	Is not	Primary source
Paxos Trust Company, LLC	Legal issuer before conversion; prepares management statements; holds the redemption assets.	PayPal Holdings or PayPal Digital.	2023–pre-conversion attestations; NYDFS [EXT-06].
Paxos Trust Company, N.A.	Issuer after December 12, 2025; uninsured national trust bank supervised by the OCC.	An FDIC-insured deposit-taking bank.	OCC decision [EXT-05].
PayPal Holdings, Inc.	Listed parent company and commercial group behind the PYUSD brand and strategy.	The legal issuer of the tokens.	PayPal press releases.
PayPal Digital, Inc.	Provides Crypto Accounts, executes purchases/sales and holds crypto-assets in omnibus custody for eligible customers.	Guarantor of Paxos obligations.	Crypto terms [EXT-04].
Venmo	Distribution and usage interface within the PayPal ecosystem, subject to applicable terms.	An issuer or custodian of the reserves.	[EXT-04], [EXT-17].
Xoom	Uses PYUSD as a funding source or settlement rail for certain transfers.	A direct redemption channel with Paxos.	[EXT-15], [EXT-16].
PayPal Ventures	Used PYUSD to settle on-chain investments.	A reserve-management entity.	[EXT-19].
Withum / KPMG	Express examination opinions on management assertions at the specified dates.	Reserve managers or guarantors of PYUSD.	35 attestations.
Banks / brokers / custodians	Deposits, reverse repos, collateral custody and execution. Actual names are not published.	Additional assets beyond the stated reserve amounts.	Attestations, Exhibits B.

3.2 Paxos federal conversion

On December 12, 2025, the OCC conditionally approved the conversion of Paxos Trust Company, LLC into Paxos Trust Company, National Association, charter no. 25379 [EXT-05]. The observations dated December 17 and December 31, 2025 are therefore attributed to the new national entity. The OCC describes the institution as an uninsured national trust bank; it does not accept deposits and is not an FDIC-insured bank.

IMPLICATION — The conversion changes the primary prudential authority and institutional framework, but does not turn PYUSD into an insured bank deposit and does not transfer Paxos obligations to PayPal.

The 2026 reports state that Paxos applies the reserve requirements in Section 4(a)(1)(A) of the GENIUS Act to the redemption assets. At the same time, the February 2026 OCC materials, the June 2026 reporting forms and the April 2026 FDIC proposal are still identified as proposals in their official sources [EXT-07 to EXT-09]. They are not treated here as final rules.

3.3 Consolidated timeline

Date	Event	Entity	Scope
07/08/2023	Public launch of PYUSD	Paxos Trust Company, LLC / PayPal	Start of the analysed series.
12/01/2024	First Treasury bills directly identified by CUSIP in the corpus	Paxos Trust Company, LLC	Diversification beyond deposits and reverse repos.
29/01/2024	PayPal Ventures investment settled primarily in PYUSD	PayPal Ventures / Mesh	Use of PYUSD as an on-chain settlement instrument; PayPal Ventures does not become the issuer.
04/04/2024	PYUSD offered as a funding source for eligible Xoom transfers	Xoom / PayPal	Conversion of PYUSD to USD to fund certain transfers; distinct from direct Paxos redemption.

Date	Event	Entity	Scope
29/05/2024	PYUSD reported on Ethereum and Solana	Paxos / Solana	Transition to multi-chain supply.
19/11/2024	Announcement of Xoom transfer settlement through PYUSD and Yellow Card	Xoom / Yellow Card	PYUSD used as settlement infrastructure; the beneficiary may receive local currency or mobile money.
28/02/2025	First KPMG attestation published	KPMG LLP	Change of accounting firm and more detailed format.
23/04/2025	Announced launch of PYUSD rewards in PayPal and Venmo	PayPal / Venmo	Commercial program separate from legally attributable reserve-asset income.
08/07/2025	First Arbitrum quantity observed in the attestations	Paxos / Arbitrum	Layer 2 extension; nine days before the July 17 public announcement.
29/08/2025	First Stellar quantity observed in the attestations	Paxos / Stellar	Extension to Stellar payments; public announcement on September 18, 2025.
12/12/2025	Conversion into Paxos Trust Company, National Association	Paxos Trust Company, N.A.	Transition from an NYDFS charter to an uninsured national trust bank that is not FDIC-insured.
17/03/2026	Availability announced across 70 PayPal markets	PayPal	Broader distribution; rights/features vary by market.
30/06/2026	Last observation in the corpus	Paxos Trust Company, N.A.	2.687bn PYUSD, USD 2.694bn reserves.

4. Evolution of reserves and coverage

4.1 Growth, peak and contraction

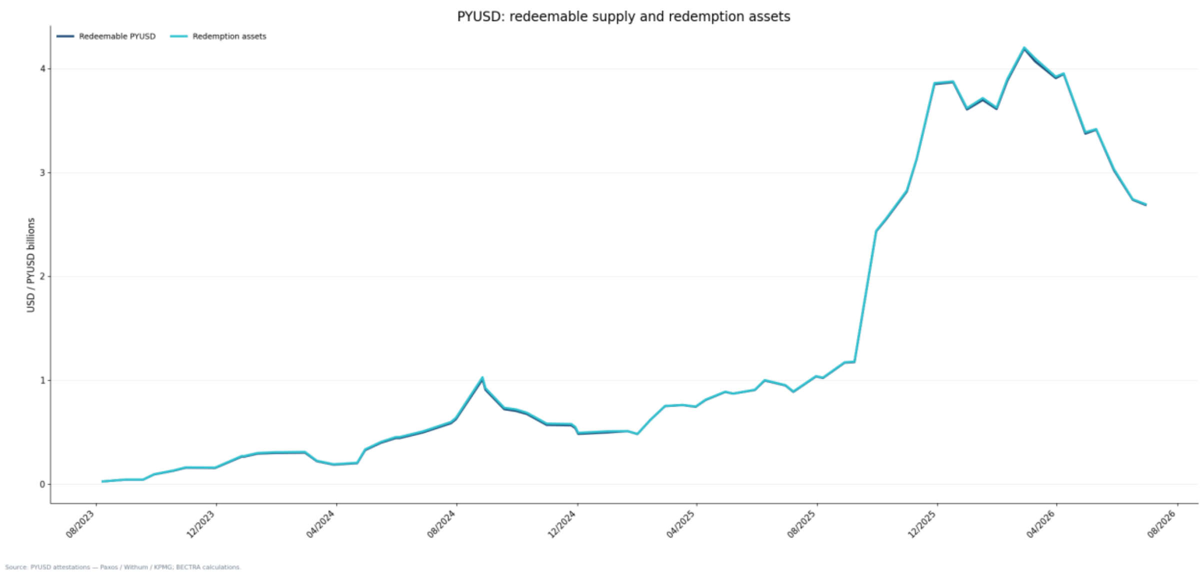


Figure 1 — Redeemable supply and redemption assets

Source: BECTRA calculations based on the 35 monthly attestations, month-end observations.

Month-end supply rises from 44.38m PYUSD on August 31, 2023 to 497.96m on December 31, 2024 and then to 3.605bn on December 31, 2025. The corpus peaks at 4.188bn on February 27, 2026. By June 30, 2026, supply stands at 2.687bn, down 35.9% from the peak and 25.5% from year-end 2025.

INTERPRETATION — A decline in supply is not, by itself, a sign of distress: it may reflect redemptions, arbitrage, liquidity reallocation or commercial demand. The attestations do not publish a daily breakdown of causes.

4.2 Asset composition

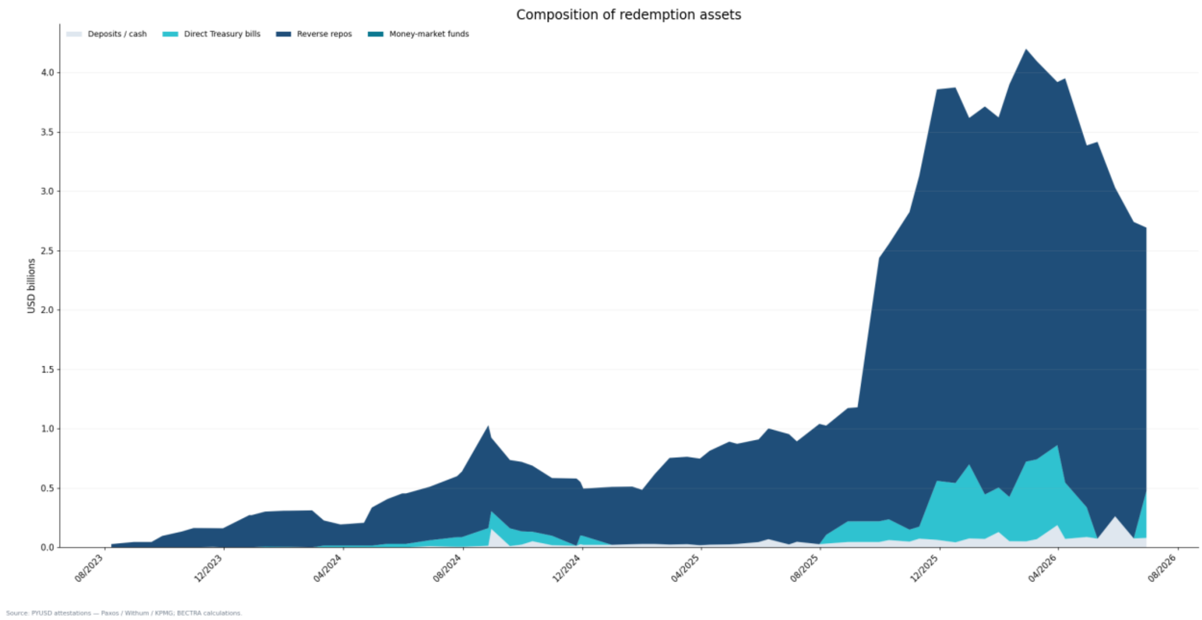


Figure 2 — Absolute composition of redemption assets

Source: BECTRA calculations based on the categories published in the attestations.

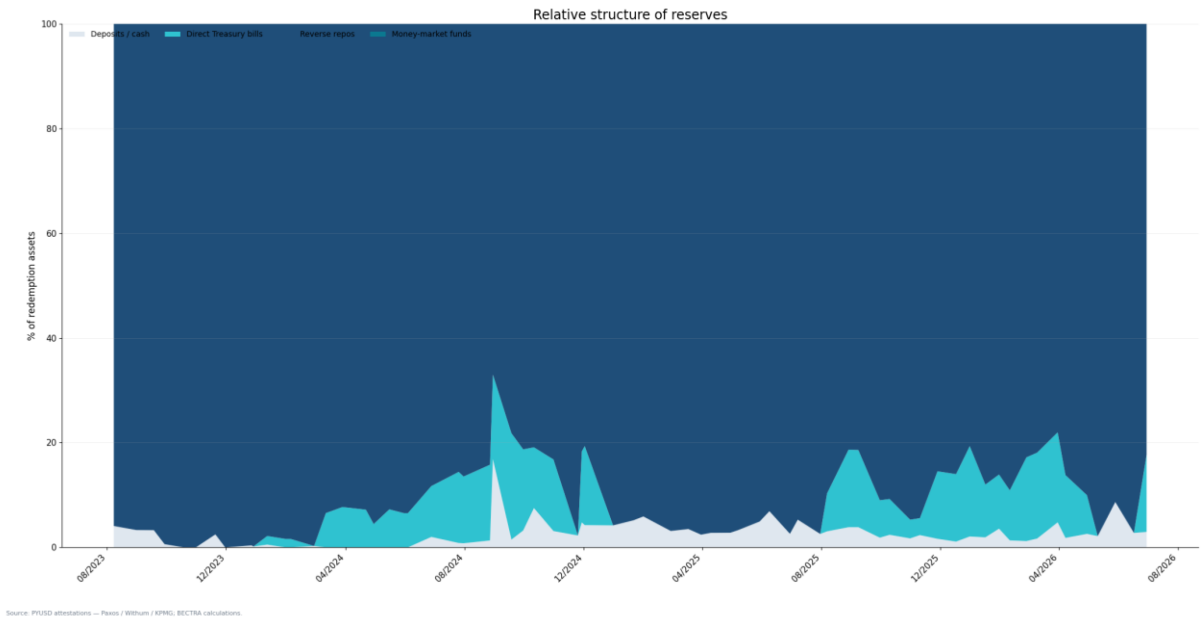


Figure 3 — Relative weights of reserve categories

Source: BECTRA calculations. For the Withum period, the absence of money-market funds is inferred by reconciling the published categories; from the KPMG reports onward, a zero balance is explicitly presented.

Three regimes stand out. In 2023, reverse repos account for almost the entire reserve. In 2024, directly held Treasury bills appear and reach as much as 20.30% of assets on September 18; bank deposits show a one-off peak of 16.88% on August 30. From December 2024 through July 2025, direct Treasury bills disappear from the snapshots and return in August 2025. As of June 30, 2026, reverse repos remain dominant at 82.29%.

No money-market fund amount is identified anywhere in the corpus. However, that conclusion does not have the same evidentiary status throughout the period: in the Withum reports it results from a full reconciliation of the published categories; in the KPMG reports zero is stated explicitly. The observed absence of use does not demonstrate a permanent prohibition.

4.3 Overcollateralization

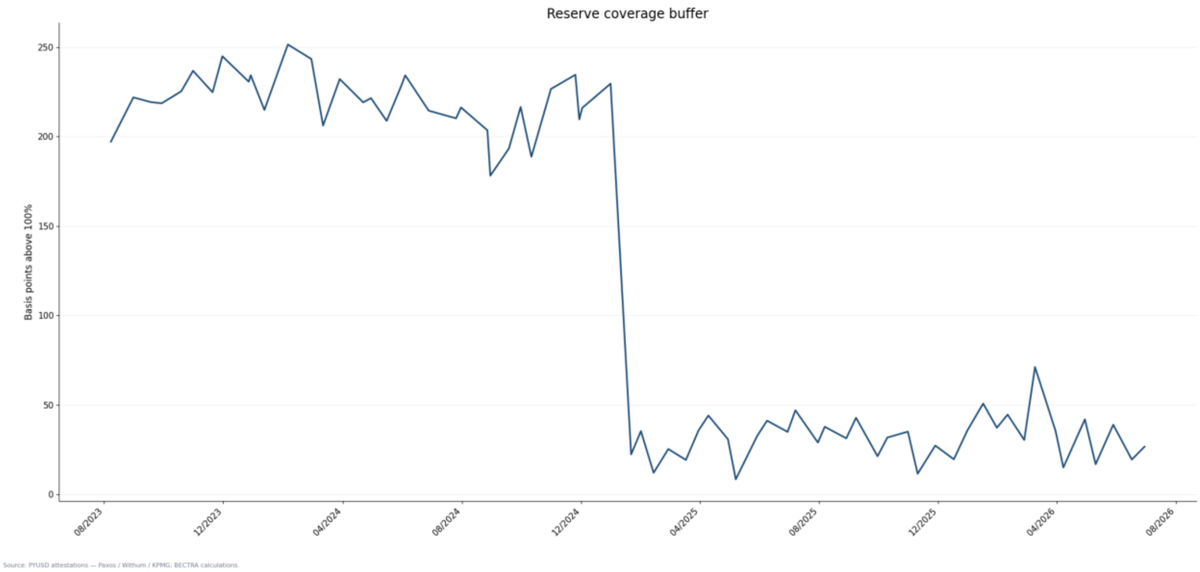


Figure 4 — Coverage buffer in basis points

Source: (Assets / supply − 1) × 10,000, BECTRA calculation.

All 70 observations show a ratio at or above 1. The minimum is 1.000844x on May 8, 2025. The surplus is proportionally higher during the Withum period and then narrows under KPMG. This reduction increases the arithmetic sensitivity to a haircut, but by itself says nothing about asset quality, segregation or the settlement process.

4.4 Annual reference points

Date	Supply	Assets	Deposits	T-bills	Reverse repos	Coverage
29/12/2023	264.53m USD	270.73m USD	0.2 %	0.0 %	99.8 %	1.02344x
31/12/2024	497.96m USD	509.40m USD	4.2 %	0.0 %	95.8 %	1.02297x
31/12/2025	3.60bn USD	3.62bn USD	2.1 %	17.3 %	80.7 %	1.00359x
30/06/2026	2.69bn USD	2.69bn USD	3.0 %	14.8 %	82.3 %	1.00267x

5. Treasury-bill portfolio and CUSIP analysis

5.1 Two populations that must not be confused

The database contains 237 CUSIP lines. Of these, 93 correspond to Treasury bills held directly as redemption assets and 144 describe securities posted as reverse-repo collateral. The collateral economically secures the repo receivable, but it is not added to the repo amount; doing so would create double counting.

CONTROL — Direct CUSIPs: 93 lines, 24 unique identifiers. Repo collateral: 144 lines tracked separately. The sum of direct assets reconciles to the published Treasury total at each relevant date, with a maximum difference of USD 2.

5.2 Maturity and concentration

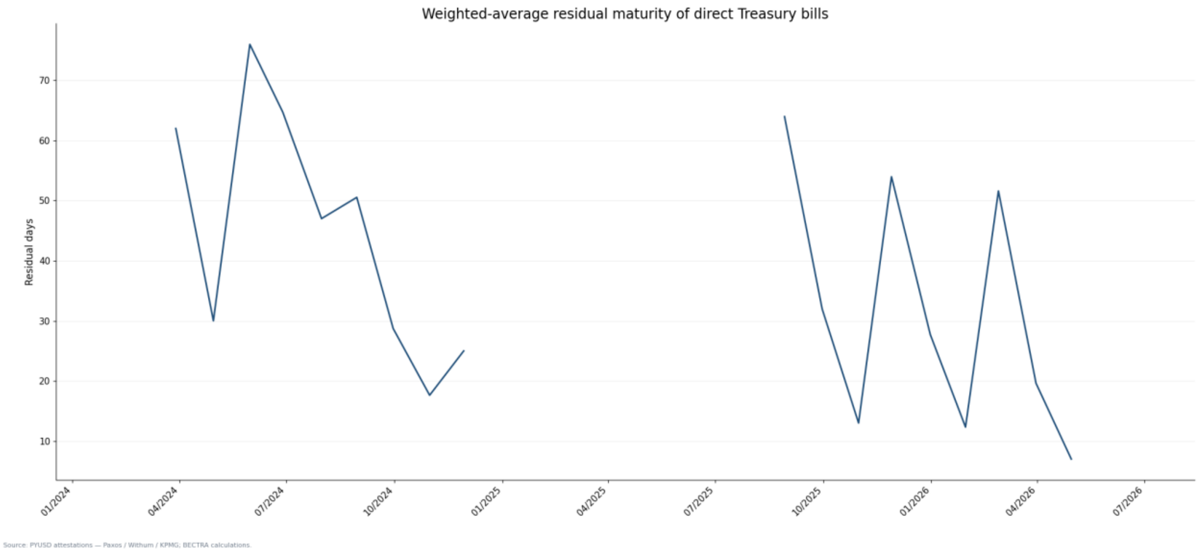


Figure 5 — Weighted-average maturity of directly held Treasury bills

Source: BECTRA calculation based on published fair values and maturities.

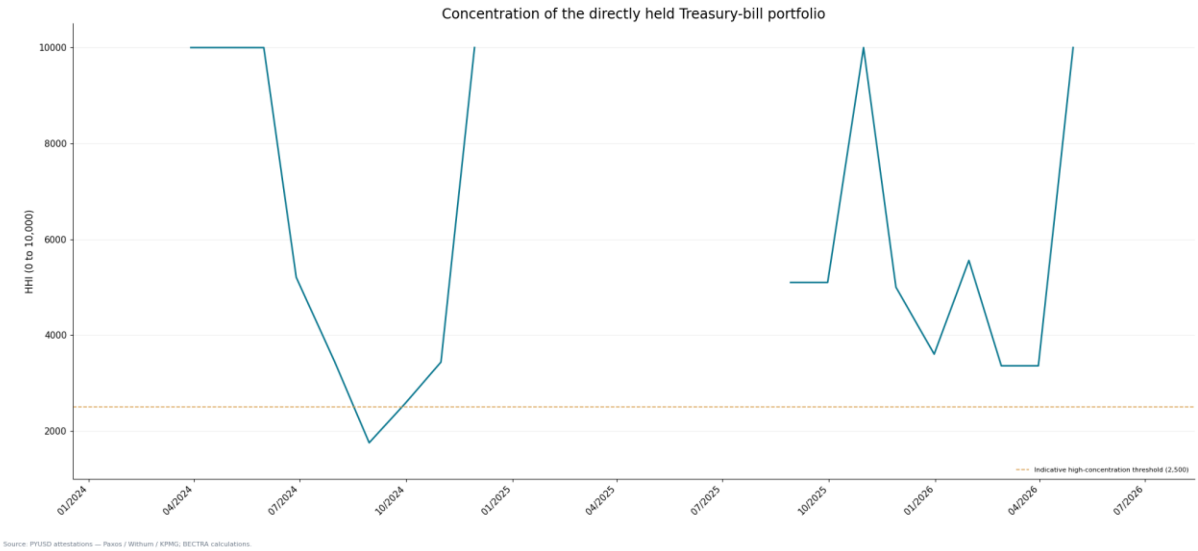


Figure 6 — Direct portfolio concentration by CUSIP

Source: HHI calculated from the fair-value weights of each directly held CUSIP.

The direct portfolio is short-dated: observed WAM values range from a few days to roughly 70 days. HHI rises to 10,000 when the entire direct portfolio consists of a single line, a situation observed on several dates. As of June 30, 2026, the portfolio contains three CUSIPs; HHI is 3,359.6 and the largest line represents 37.51% of directly held Treasury bills.

INTERPRETATION — High concentration by CUSIP is not the same as high credit concentration because the instruments are U.S. Treasury obligations. It does, however, concentrate maturities, rollover operations, settlement and reliance on a small number of lines/brokers.

5.3 Portfolio as of June 30, 2026

CUSIP	Maturity	Counterparty	Par value	Fair value	Days	T-bill weight	Reserve weight
912797UU9	18/08/2026	Bank 2 in United States	125.0m USD	124.4m USD	49	31.29 %	4.62 %
912797TY3	27/08/2026	Bank 1 in United States	150.0m USD	149.1m USD	58	37.51 %	5.54 %
912797UG0	17/09/2026	Bank 2 in United States	125.0m USD	124.0m USD	79	31.19 %	4.60 %

Source: June 2026 attestation, Exhibit B — obligations of U.S. Treasury, page 9.

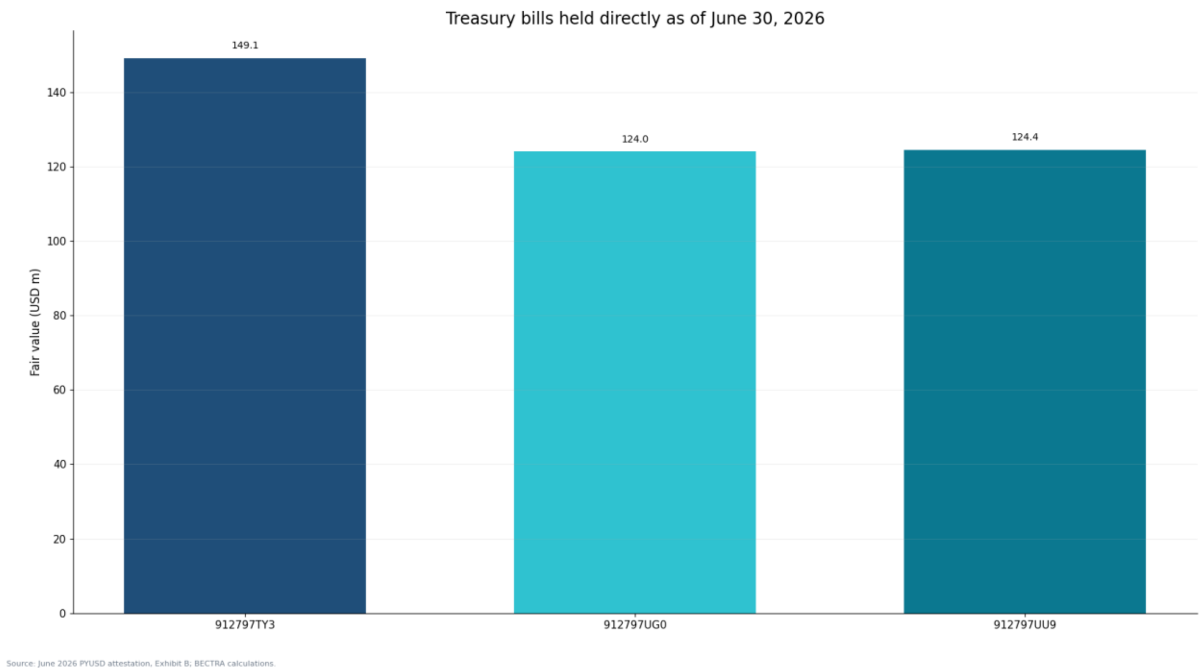


Figure 7 — Fair value of directly held CUSIPs as of June 30, 2026

Source: June 2026 attestation; BECTRA representation.

5.4 Lifecycle and transitions

Direct positions first appear on January 12, 2024. They are present at 40 of the 70 observation dates. Average turnover calculated between successive observations is 18.2%. The maximum of 100% occurs from April 30 to May 16, 2024, when CUSIP 912797HS9 is replaced by 912797KB2. The series also includes periods when the direct portfolio falls back to zero; this does not mean that reserves disappear, but that they are then composed of the other published categories.

CUSIP	First date	Last date	Maturity	No. obs.	Max fair value
912797HS9	12/03/2024	30/04/2024	30/05/2024	4	14.9m USD
912797JF5	12/01/2024	05/02/2024	27/02/2024	3	5.0m USD
912797JZ1	31/05/2024	31/05/2024	04/06/2024	1	1.0 k USD
912797KB2	16/05/2024	31/07/2024	15/08/2024	6	29.9m USD
912797KL0	27/08/2024	18/09/2024	19/09/2024	3	18.0m USD
912797KM8	28/06/2024	18/09/2024	26/09/2024	6	20.0m USD
912797KT3	26/07/2024	30/09/2024	10/10/2024	6	32.0m USD
912797KU0	27/08/2024	11/10/2024	17/10/2024	5	30.0m USD
912797LD7	27/08/2024	31/10/2024	14/11/2024	6	29.9m USD
912797LE5	27/08/2024	31/10/2024	21/11/2024	6	19.9m USD

CUSIP	First date	Last date	Maturity	No. obs.	Max fair value
912797LK1	30/09/2024	30/09/2024	01/10/2024	1	1.0 k USD
912797MC8	31/10/2024	31/10/2024	19/11/2024	1	29.9m USD
912797MQ7	29/11/2024	02/12/2024	24/12/2024	2	74.8m USD
912797QD2	27/02/2026	08/04/2026	16/04/2026	4	224.8m USD
912797QF7	07/08/2025	10/10/2025	16/10/2025	5	75.0m USD
912797QQ3	29/08/2025	10/11/2025	13/11/2025	6	101.0m USD
912797RL3	28/11/2025	30/01/2026	05/02/2026	5	249.9m USD
912797SD0	27/02/2026	31/03/2026	02/04/2026	3	200.0m USD
912797SE8	28/11/2025	31/12/2025	06/01/2026	3	250.9m USD
912797SP3	10/02/2026	30/04/2026	07/05/2026	6	249.8m USD
912797SS7	31/12/2025	10/02/2026	24/02/2026	4	124.8m USD
912797TY3	30/06/2026	30/06/2026	27/08/2026	1	149.1m USD
912797UG0	30/06/2026	30/06/2026	17/09/2026	1	124.0m USD
912797UU9	30/06/2026	30/06/2026	18/08/2026	1	124.4m USD

6. Reverse repos, deposits, money-market funds and reserve income

6.1 Reverse repos

Reverse repos are the dominant asset. In the KPMG period, counterparties are anonymized as “Bank 1 in United States” and “Bank 2 in United States”. The observed transactions are generally overnight; collateral consists of U.S. Treasury obligations and must be overcollateralized. Paxos states that it receives the collateral through a custodian or sub-custodian and may not sell or rehypothecate it. Names, limits, master agreements, contractual haircuts and substitution plans are not public.

Date	Counterparty	Fair value	Weighted rate	Maturity	Repo share
30/06/2026	Bank 1 in United States	1.11bn USD	3.64 %	2026-07-01	49.93 %
30/06/2026	Bank 2 in United States	1.11bn USD	3.64 %	2026-07-01	50.07 %

Source: June 2026 attestation, reverse repos as of June 30, 2026. Observed repo rates: 3.55% to 3.65%. These rates remunerate the reverse-repo transactions and are not the coupons on the securities posted as collateral.

RESIDUAL RISK — Overnight maturity reduces duration but does not eliminate counterparty risk, failure to deliver collateral, a custodian incident or settlement delay during a redemption shock.

6.2 Bank deposits and insurance

As of June 30, 2026, the “Cash” category totals USD 79.68m, of which USD 79.42m is explicitly identified as demand deposits not insured by the FDIC. The arithmetic residual of USD 253.16k is not characterized by the report; its nature and any insurance status therefore cannot be asserted. Paxos also refers to USD 50m of excess insurance provided by Paxos Insurance Company Ltd, limited to the institutions and terms of the policy; it is not equivalent to generalized FDIC insurance of the reserves.

FDIC CONCLUSION — PYUSD is not an insured bank deposit. Excess private insurance is not FDIC insurance. Any pass-through protection depends on Paxos terms, holder identification, records, the bank and the beneficiary’s other deposits; it cannot be asserted for a specific holder from the attestations [EXT-02, EXT-05].

6.3 Money-market funds

No government money-market fund is identified at any of the 70 dates in the corpus. For the Withum reports, this absence is inferred from reconciliation of the reserve categories; the KPMG reports include a section for this category and explicitly report zero. PayPal Digital's current terms also state that PYUSD reserve assets will not include money-market funds [EXT-04]. The workbook retains both the category and the evidentiary status so that any future change can be detected without confusing an explicit zero, an inferred zero and non-presentation.

6.4 Settlement adjustments

The Withum reports refer to the possible impact of outstanding wires, deposits in transit and other reconciling items. The KPMG reports structure fair-value measurement and accrued-but-unswept interest more explicitly. The supplied data do not support a complete daily bridge between the cash ledger, securities settlement, mint/burn activity and on-chain balances; the Settlement Adjustments worksheet therefore documents only the items that are published.

6.5 Reserve income and rewards

As an order-of-magnitude estimate, applying the repo rates to the June 30, 2026 balance produces an annualized extrapolation of about USD 80.7m. An approximation of Treasury-bill accretion to maturity adds about USD 14.8m, for a total close to USD 95.6m before fees and portfolio changes. This calculation is neither realized income, nor an audited figure, nor a forecast.

PayPal Digital's terms state that Paxos may share with PayPal Digital some or all interest or other earnings attributable to reserve assets and that holders have no entitlement to those earnings [EXT-04]. Rewards are a separate commercial program. The 2025 launch announced 3.7%; the product page viewed on August 4, 2026 displayed 4% and stated that the rate could change [EXT-17, EXT-20]. This change illustrates the absence of a fixed or perpetual entitlement.

PRINCIPLE — Do not account for rewards as a contractual coupon on the token or as a direct claim on reserve income. Treatment depends on the contract, eligibility, timing of accrual and jurisdiction.

7. Financial reconciliations and controls

7.1 Reserve categories

For each observation, the sum of deposits, directly held Treasury bills, reverse repos and money-market funds is compared with the published total. All 70 reconciliations are consistent after documented treatment of the July 2024 internal error. The dataset uses USD 638,945,680 as of July 31, 2024, equal to both the summary table and the sum of components, rather than the USD 639,945,680 printed in one detailed table.

7.2 Assets versus supply

No observation shows redemption assets below redeemable PYUSD. The control applies to the published values at the report dates and times, generally 5:00 p.m. Eastern Time. It does not prove coverage at every second of the month or immediate availability of each asset.

7.3 Direct CUSIPs

The sum of the fair values of CUSIPs classified as direct assets equals the "Obligations of U.S. Treasury" total at the relevant dates. Repo-collateral CUSIPs are excluded from this sum. Identifier 912829V49, printed in the collateral schedule on September 29, 2023, fails the check digit; it is preserved verbatim without conjectural correction.

7.4 Supply by blockchain

Where the breakdown is published, the sum across the four networks reconciles to total supply with a maximum difference of one token due to rounding or presentation. Detailed network breakdowns are available for 54 observations. From May through December 2024, Withum documents report a combined Ethereum + Solana supply without a split; the network-level detail therefore remains unavailable rather than being set to zero.

ID	Control	Expected	Obtained	Status	Action
DOC-01	Monthly continuity of the corpus from August 2023 through June 2026	35 months without interruption	35	OK	None
DOC-02	No binary duplicates among the attestations	35 unique SHA-256 hashes	35	OK	Keep one copy or document the versions.
FIN-01	Sum of categories equals total reserves	Difference ≤ USD 2	0	OK	None
FIN-02	Reserves greater than or equal to supply	0 deficit	0	OK	None
CUS-01	Direct CUSIPs reconcile to total Treasury bills	Difference ≤ USD 2	0	OK	None
CUS-02	Formal validity of CUSIP identifiers	0 invalid identifiers	1	Alert	Verify CUSIP 912829V49 with the source/custodian.
NET-01	Sum of networks equals supply when a breakdown is published	Difference ≤ 1 token	0	OK	None
NET-02	No double counting of repo collateral	Collateral excluded from direct reserves	Yes	OK	None
DOC-03	Nature of assurance correctly described	Examination / reasonable assurance at two dates	35 reports	OK	Maintain the scope qualification in any publication.
REG-01	Issuer and regulator consistent with conversion date	LLC/NYDFS before 12/12/2025; N.A./OCC after	Consistent	OK	None
MMF-01	Money-market funds actually used	USD 0 across all observations	0 USD	OK	Continue monthly monitoring.
ANOM-01	Source anomalies explicitly documented	All identified	3	OK	Verify unresolved anomalies with Paxos.

8. Redemption, omnibus custody and PayPal dependencies

8.1 Direct redemption with Paxos

Paxos terms provide for purchase and redemption at par through the Paxos platform for eligible holders. The process requires an account, a designated redemption address and compliance checks, and may involve minimums, operating hours or delays [EXT-02]. The statement “all tokens are redeemable” in Exhibit A describes the token category; it does not prove that every holder can open a Paxos account or receive an immediate bank payment.

DISTINCTION — The token’s economic right, the holder’s contractual eligibility and operational capacity at the time of redemption are three separate matters.

8.2 Sale through PayPal or Venmo

Within a Crypto Account, PayPal Digital buys or sells PYUSD at USD 1 and fulfills the order through a contemporaneous transaction with Paxos under its terms [EXT-04]. This mechanism is distinct from a redemption instruction sent directly by the customer to Paxos. It depends on PayPal Digital remaining operational, continuing to support the asset, account eligibility and its ability to transact with Paxos.

PayPal Digital states that it may cease to support PYUSD and that it does not guarantee Paxos’s performance of its obligations. A company should therefore not confuse a displayed USD 1 sale price within an eligible interface with a general and permanent legal guarantee by PayPal Holdings.

8.3 Omnibus accounts

PayPal Digital’s terms state that crypto-assets belonging to multiple customers are pooled in one or more omnibus accounts, directly or through a service provider. The customer owns the interest corresponding to the displayed amount, but not a specific identifiable token. For PYUSD, the displayed balance does not necessarily identify a particular blockchain; Paxos may select the supported network [EXT-04].

AUDIT IMPLICATION — Evidence of a PayPal customer’s holding relies on PayPal Digital’s sub-ledger and controls, not solely on a dedicated on-chain address. A treasury audit should reconcile the intermediary statement, contractual terms, confirmations and withdrawal rights.

8.4 Xoom and PayPal Ventures

Xoom uses PYUSD through at least two officially announced workflows. In April 2024, a U.S. user could convert PYUSD to USD to fund certain Xoom transfers [EXT-15]. In November 2024, PayPal announced that PYUSD would be used to settle transfers through Yellow Card rails into Africa [EXT-16]. In the second case, the beneficiary may receive local currency or mobile money: PYUSD is then settlement infrastructure, not necessarily the asset held by the recipient.

PayPal Ventures has settled investments in PYUSD, including Mesh, demonstrating institutional on-chain use [EXT-19]. This gives it no role in issuance, reserve control or redemption.

8.5 Administrative powers

Paxos terms provide for measures related to sanctions, illegal activity and government orders, which may include freezing, restriction, seizure, destruction or refusal of redemption depending on the circumstances [EXT-03]. The reserve attestations do not test governance of administrative keys, key-rotation procedures, multisig thresholds or operational execution of these measures on each network.

9. Multi-chain architecture and on-chain supply

9.1 Supply distribution

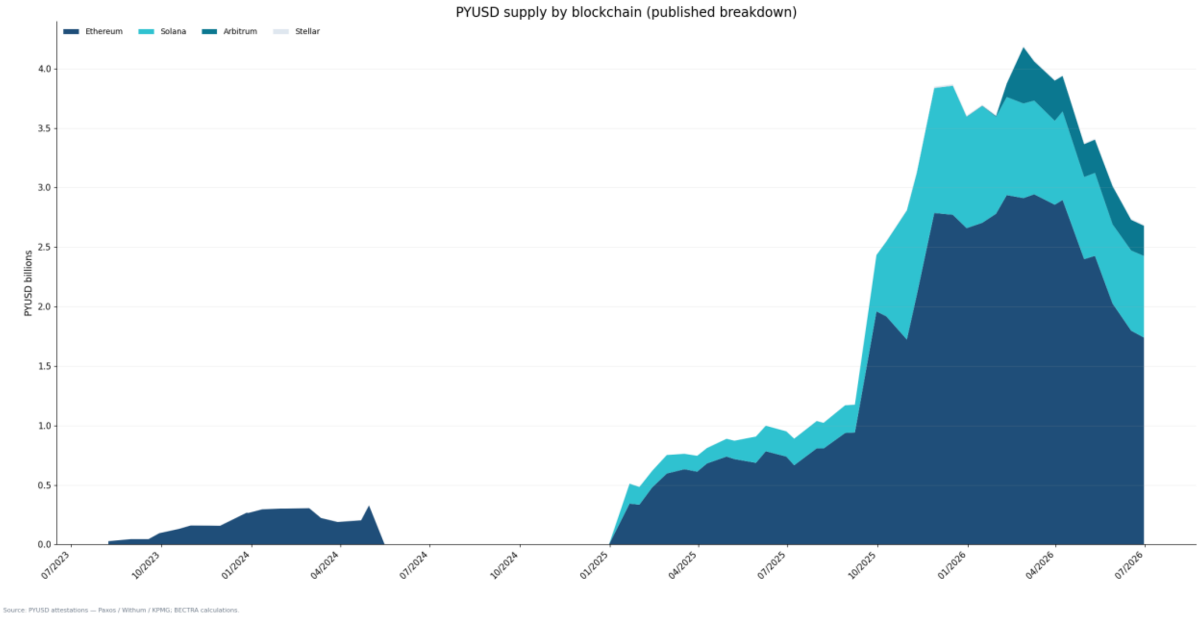


Figure 8 — Published supply by blockchain

Source: PYUSD attestations; detailed breakdown available for 54 observations.

Network	Official contract	Supply 06/30/2026	Share	Observation / interpretation
Ethereum	0x6c3ea9036406852006290770BEdFcAbA0e23A0e8	1,738,877,217	64.72 %	Original network; liquidity and EVM compatibility.
Solana	2b1kV6DkPAnxd5ixfnxCpjxmKwqjjaYmCZfHsFu24GXo	685,933,112	25.53 %	Added in May 2024; substantial share of supply.
Arbitrum	0x46850aD61C2B7d64d08c9C754F45254596696984	253,874,509	9.45 %	Quantity attested on 07/08/2025; announcement on 07/17/2025.
Stellar	GDQE7IXJ4HUHV6RQHIUPRJSEZE4DRS5WY577O2FY6YQ5LVWZ7JZTU2V5	7,902,125	0.29 %	Quantity attested on 08/29/2025; announcement on 09/18/2025.

As of June 30, 2026, Ethereum represents 64.72% of supply, Solana 25.53%, Arbitrum 9.45% and Stellar 0.29%. The amounts are native tokens reported as redeemable. The documents do not report any stock of temporarily or permanently non-redeemable tokens at that date.

9.2 Network-specific risk differences

Network	Demonstrated strengths / use cases	Specific risks to review	Information not established by the corpus
Ethereum	Deep ecosystem, EVM standard, mature infrastructure.	Fees, congestion, probabilistic finality and exposure to integrating smart contracts.	Exact key architecture and administrative procedures.
Solana	High throughput, low fees, payments and external transfers.	Historical network incidents, account/program model and dependence on Solana tooling.	Detailed technical audit of the program and recovery procedures.
Arbitrum	EVM compatibility, Layer 2 costs, dApp migration.	Sequencer, data availability, L2/L1 withdrawals and dependence on the Arbitrum stack.	Exact cross-network circulation mechanism and incident plans.
Stellar	Payments, on/off-ramps and fast finality.	Asset/issuer model, trustlines, anchors and payment intermediaries.	Operational governance and detailed mint/burn flows.

9.3 Cross-chain mechanics and double counting

The attestations total the tokens natively minted under each official contract. The correct method is to add only those contracts and then deduct any tokens reported as non-redeemable, where applicable. Omnibus balances, wrapped tokens, bridged representations or claims against an intermediary must not be added a second time.

TECHNICAL LIMITATION — The corpus does not sufficiently describe whether each cross-chain transfer relies on burn/mint, lock/mint, market makers or pre-positioned inventories. The Arbitrum and Stellar timing lags suggest pre-positioning/testing before announcement without demonstrating the exact mechanism.

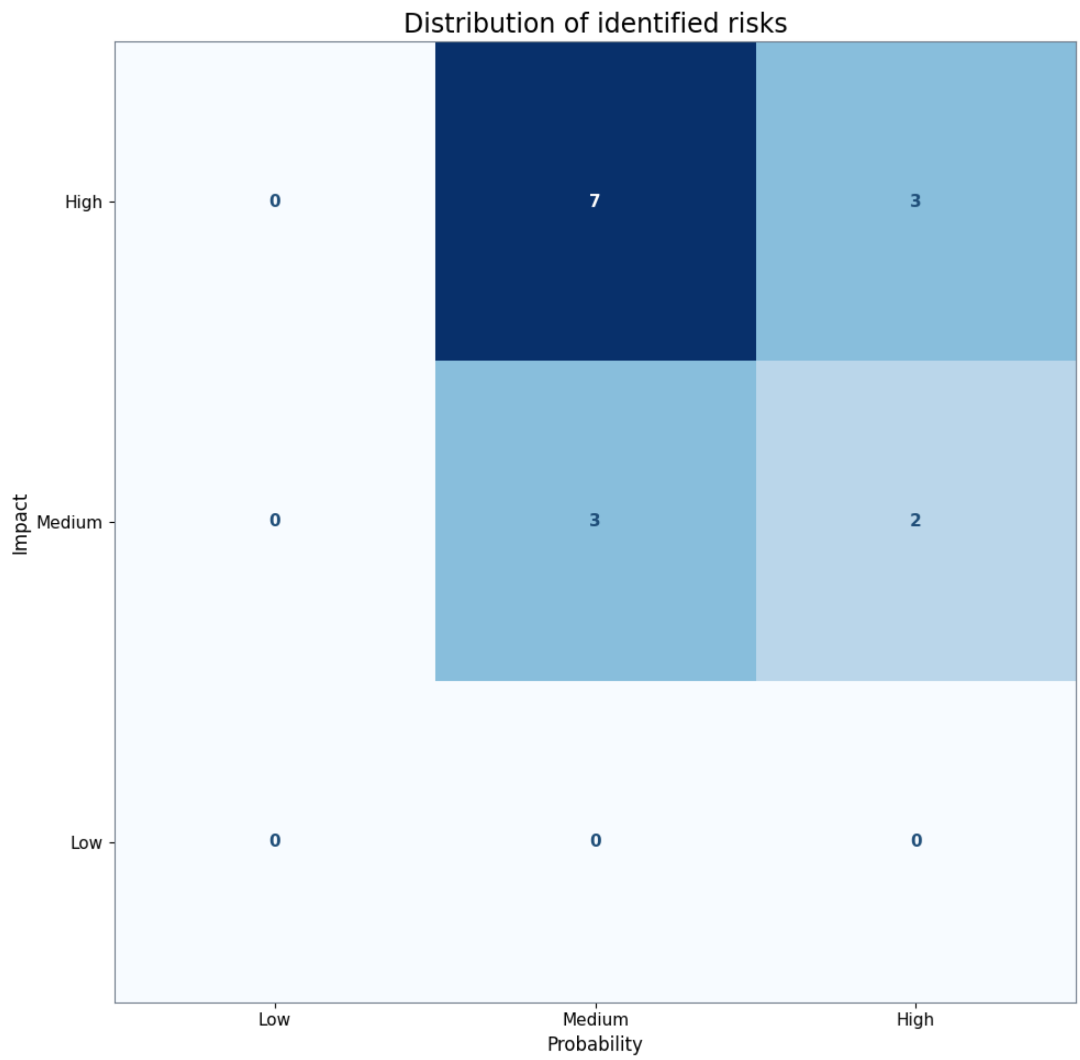
9.4 International availability

The March 17, 2026 release announces PYUSD availability in 70 PayPal markets and functions to buy, hold, send, receive or convert, subject to eligibility [EXT-13]. That number is not a market-by-market legal analysis. In the European Union, MiCA's application depends in particular on the asset's classification, the entity offering it, authorization status and the service concerned. Rules for e-money tokens include, among other things, redemption at par and restrictions on interest; they are not automatically transposed here to every PYUSD holder or reward program [EXT-11].

10. Risk matrix and stress tests

10.1 Reading the matrix

The matrix separates probability, impact, observable controls and residual risk. The levels are not regulatory ratings; they structure due diligence for a company or institution. Four risks remain classified as high: direct-redemption eligibility, omnibus accounts, dependence on/continuity of exit channels, and certain legal or operational dimensions.



Source: BECTRA risk matrix based on the documents and corpus limitations.

Figure 9 — Summary risk map

Source: BECTRA assessment based on the documents and limitations identified.

ID	Risk	Category	Residual	Priority action
R01	Direct-redemption eligibility	Legal / liquidity	High	Verify account, minimums, cut-off, exit counterparty and contingency plan.
R02	Reverse-repo concentration	Financial / counterparty	Medium-high	Monitor shares, haircuts, concentration and liquidation capacity.
R03	Uninsured deposits	Banking	Medium-high	Limit dependence on cash; request bank list/ratings.
R04	Point-in-time attestation	Assurance	Medium	Supplement with daily reporting, SOC controls and subsequent-event review.
R05	PayPal omnibus accounts	Custody / rights	High	Reconcile sub-ledger, exit terms and evidence of control.
R06	Dependence on PayPal Digital	Operational	Medium-high	Plan for external wallets, secondary venues and crisis procedures.
R07	Administrative powers	Compliance	Medium	Address governance, screening and provenance documentation.
R08	Multi-chain risk	Technology	Medium-high	Select network according to criticality; test transfers and recovery procedures.

ID	Risk	Category	Residual	Priority action
R09	Cross-chain double counting	Data / audit	Medium	Reconcile by official contract and exclude wrapped/non-redeemable representations.
R10	Secondary-market risk	Market	Medium	Set price limits, venues and redemption access.
R11	Discretionary rewards	Contractual / economic	Medium	Do not model as guaranteed yield; stress to 0%.
R12	Regulatory transition	Regulatory	High	Maintain regulatory monitoring and change-in-law clauses.
R13	CUSIP concentration	Portfolio	Low-medium	Monitor WAM, line size and maturity schedule.
R14	Settlement risk	Liquidity / data	Medium	Model T+0/T+1/T+2 and intraday limits.
R15	Service-provider continuity	Systemic	High	Map dependencies, RTO/RPO and exit testing.

10.2 Static stress test — Phase 1

The scenarios start from the portfolio as of June 30, 2026. The workbook distinguishes three availability tiers: T+0 mobilizes cash after haircut; T+1 adds reverse repos after haircut; T+2 and beyond add Treasury bills after haircut. Scenario timing therefore directly affects available liquidity. This Phase 1 remains static: it does not simulate queues, cut-off times, weekends, offsetting mints, intraday sales, margin calls, rate changes or the operational capacity of intermediaries.

Scenario	Redemption %	Delay	Cash haircut	Repo haircut	T-bill haircut	Liquidity available by timing	Outcome
Base	0 %	T+0	0.0 %	0.0 %	0.0 %	79.68m USD	Pass
Redemption 10 %	10 %	T+1	0.0 %	0.1 %	0.25 %	2.29bn USD	Pass
Redemption 25 % + haircuts	25 %	T+2	1.0 %	0.5 %	1.0 %	2.68bn USD	Pass
50% redemption + banking stress	50 %	T+2	10.0 %	2.0 %	2.0 %	2.63bn USD	Pass
Severe 75% redemption	75 %	T+2	25.0 %	5.0 %	4.0 %	2.55bn USD	Pass

RESULT — In this Phase 1, timing becomes an explicit determinant of available liquidity. The T+0 scenario mobilizes only USD 79.68m of cash, while T+1 and T+2 scenarios add reverse repos and then Treasury bills after haircuts. All five parameterized scenarios remain covered on this static basis. This result does not predict actual operational capacity to process redemptions, queueing, cut-off times or maintenance of a USD 1 market price.

11. Accounting, audit and treasury implications

11.1 Accounting classification

The accounting classification of a PYUSD balance depends on the applicable framework, contractual rights, custody channel and use. This report does not conclude that PYUSD is automatically cash, a cash equivalent, a financial asset or an intangible asset. Under IFRS and other frameworks, the analysis should document the substance of the right, convertibility, volatility, restrictions, redemption access and treasury-management practice.

ACCOUNTING FILE — Retain: applicable contract, intermediary identity, evidence of control, network/contract where available, confirmations, statements, valuation policy, cut-off, impairment or fair-value tests, fee/reward treatment and on-chain/sub-ledger reconciliation.

11.2 Audit assertions

Assertion / issue	Risk / point to document	Expected evidence	Limitation of the Paxos attestation
Existence	Omnibus balance not tied to a dedicated address.	PayPal Digital/custodian confirmation, statement, sub-ledger, test transfers.	The attestation covers aggregate supply, not the customer balance.

Assertion / issue	Risk / point to document	Expected evidence	Limitation of the Paxos attestation
Rights and obligations	Direct redemption right absent or conditional.	Account terms, contracting entity, eligibility and restrictions.	Reserve quality does not prove the individual right.
Valuation	Market deviation, fees, exit restrictions.	Price source, liquidation route, post-close testing.	The report does not guarantee a constant secondary-market price.
Completeness	Tokens on multiple networks or unrecorded wallets.	Inventory of contracts, wallets, omnibus accounts and confirmations.	Network breakdown is historically unavailable for some periods.
Cut-off	Mint/burn/transfers close to period end.	UTC/ET timestamps, block confirmations and bank statements.	Only two monthly snapshots.
Presentation	Confusion between rewards, interest and reserve earnings.	Accounting policy and program contracts.	Reserve income is not owed to the holder.

11.3 Treasury policy

- Define permitted uses: payments, settlement, operating buffer, investment or experimentation.
- Set limits by stablecoin, issuer, intermediary, network, wallet and jurisdiction.
- Require at least two independent exit routes whose conditions have been tested.
- Do not treat the reward rate as guaranteed yield or as a substitute for liquidity.
- Document the custody chain and the persons authorized to transfer, freeze or convert.
- Include scenarios involving PayPal deactivation, Paxos restrictions, network congestion and bank unavailability.
- Reconcile the general ledger, sub-ledgers, wallets, fees, rewards and pending transactions daily.

12. Conclusions — answers to 22 questions

Question	Supportable answer
1. Which assets are directly identified?	Bank deposits, reverse repos, directly held Treasury bills by CUSIP and a money-market-fund category that remains at zero. Repo collateral is identified but is not an additional asset.
2. What does the CUSIP portfolio reveal?	It is short-dated, intermittent and actively rolled: 24 unique direct CUSIPs, 93 lines, WAM generally below 70 days, and high concentration when only a few lines are held.
3. What is the share of deposits and reverse repos?	As of June 30, 2026: deposits 2.96% and reverse repos 82.29% of assets.
4. Are money-market funds used?	No, at the 70 observed dates. The conclusion applies to the corpus and does not imply future impossibility.
5. Do Paxos reports reconcile with the attestations?	The embedded management statements reconcile to the opinions in the same packages. Separate Paxos reports were not provided; a file-by-file reconciliation of the two series is therefore not possible.
6. Do reserves cover outstanding PYUSD?	Yes, at all 70 published dates: minimum ratio 1.000844x. This conclusion is point-in-time.
7. Which risks are invisible in the attestation?	Individual eligibility, timing, intermediary continuity, key controls, secondary-market liquidity, actual counterparty concentration, incidents and coverage between reporting dates.
8. Who is the issuer in each period?	Paxos Trust Company, LLC until the December 12, 2025 conversion; Paxos Trust Company, National Association thereafter.
9. What are the consequences of the conversion?	OCC supervision and a national trust charter; the institution remains uninsured and does not become an FDIC-insured deposit-taking bank. The obligations remain those of Paxos.
10. What roles do PayPal entities play?	PayPal drives distribution and strategy; PayPal Digital provides omnibus custody and execution; Venmo is an interface; Xoom uses PYUSD as funding or a settlement rail. None is the issuer.
11. Who can redeem directly?	A holder meeting Paxos terms, with an account and satisfying applicable controls, minimums and procedures. An external holder is not automatically eligible.
12. How does direct redemption differ from a PayPal sale?	The first is a direct relationship with the issuer; the second is execution by PayPal Digital, backed by a transaction with Paxos, under the Crypto Account terms.
13. What rights exist in an omnibus account?	An interest corresponding to the displayed amount, recorded by PayPal Digital, but not an individualized token or necessarily a specified network.
14. Is there FDIC coverage?	Potentially, and subject to strict conditions for the cash component: opt-in, identification, records, ownership, bank and limits. PYUSD itself is not insured.
15. Do rewards create a right to reserve income?	No. The terms exclude a holder entitlement to reserve income; rewards are a changeable commercial program.
16. How is reserve income shared?	Sources state that Paxos may share earnings with PayPal Digital. Actual amounts and the sharing formula are not published; holders have no direct claim on those earnings.
17. How is supply distributed by network?	As of June 30, 2026: Ethereum 64.72%, Solana 25.53%, Arbitrum 9.45%, Stellar 0.29%.
18. What is the effect of cross-chain transfers?	The control should cover redeemable native tokens under each contract without double-counting bridged, omnibus or wrapped representations. The exact mechanism is not sufficiently documented.
19. What administrative powers exist?	The terms allow restrictions, freezing, seizure, burn/destruction or refusal in certain cases. The detailed technical architecture of these powers by network is not public in the corpus.
20. What differs by network/wallet/intermediary?	Finality, fees, congestion, smart contracts, keys, sequencers, sub-ledgers, eligibility and exit routes differ. Risk depends on the full transaction path, not only on the token.
21. What are the implications for treasury/accounting/audit?	Limit policies, evidence of rights, channel-by-channel reconciliations, exit testing, cut-off, valuation, continuity, separation of rewards from reserve income and intermediary documentation.
22. What information is needed for a dynamic model?	Intraday flows, timing, haircuts, counterparties, limits, secondary-market liquidity, incidents, keys, channel balances and realized income.

Overall conclusion

The corpus demonstrates positive coverage and assets that are predominantly liquid and linked to U.S. Treasury instruments at the examined dates. It also reveals a system whose economic resilience depends heavily on reverse repos, unnamed counterparties, a narrow coverage buffer since 2025, eligibility processes, and multiple layers of distribution and custody.

The central conclusion is therefore twofold. From a portfolio perspective, PYUSD has short-dated, reconciled assets published with substantial CUSIP granularity. From a system perspective, that transparency does not replace analysis of holder rights, continuity of channels, omnibus custody, administrative powers and networks. A robust treasury decision must address both perspectives in parallel.

Appendix A — Document inventory

The fingerprints below identify the files actually processed. The accompanying CSV reproduces the complete inventory in a machine-usable format.

File	Category	Period / dates	Pages	Preparer	SHA-256
BECTRA 3D final(8).png	Logo BECTRA		—	BECTRA	1502dc39e84a1c95d61be2bc44a4300b3e43309aaa3bda9f5f12da23a5be558a
PYUSD Attestation 01 2024.pdf	Independent attestation and embedded management report	2024-01 | 12/01/2024 / 31/01/2024	7	Paxos management (reserve report) + independent accountant	f41b13b1889db6a917088e64108575fad879c46d070776d31a54fc5d7ab3338c
PYUSD Attestation 01 2025.pdf	Independent attestation and embedded management report	2025-01 | 21/01/2025 / 31/01/2025	11	Paxos management (reserve report) + independent accountant	a0a53288a8b329bc93c5dbca332870f9d455c36079410a2673d45ec85db11d8d
PYUSD Attestation 01 2026.pdf	Independent attestation and embedded management report	2026-01 | 16/01/2026 / 30/01/2026	11	Paxos management (reserve report) + independent accountant	9c2dd4e155aa168d21525317ad94ce5863d3cfcf4599e660f497447c55824884
PYUSD Attestation 02 2024.pdf	Independent attestation and embedded management report	2024-02 | 05/02/2024 / 29/02/2024	7	Paxos management (reserve report) + independent accountant	21a6da646347b9d45bdbfb0a894874909adec08ed184d19a5efc6e436c9b10a6
PYUSD Attestation 02 2025.pdf	Independent attestation and embedded management report	2025-02 | 13/02/2025 / 28/02/2025	9	Paxos management (reserve report) + independent accountant	bbb97eefa2513f8b7ce64ec629c01ee11324f169c6540230ba337d87eabfc202
PYUSD Attestation 02 2026.pdf	Independent attestation and embedded management report	2026-02 | 10/02/2026 / 27/02/2026	11	Paxos management (reserve report) + independent accountant	162b4ecd5b25eaff73b39bef699d9abbdf32307b555b6ae80035e1b347751f09
PYUSD Attestation 03 2024.pdf	Independent attestation and embedded management report	2024-03 | 12/03/2024 / 29/03/2024	8	Paxos management (reserve report) + independent accountant	f2b9ad7667a3b16e497128486c2684b76a48447fceae36308cb7a9ebe1d3bf84
PYUSD Attestation 03 2025.pdf	Independent attestation and embedded management report	2025-03 | 18/03/2025 / 31/03/2025	9	Paxos management (reserve report) + independent accountant	bf62df0a0fb02096ce73f38cdb2c7b7d7b1bc9bc94c03886f104e1f49ceb6aa0
PYUSD Attestation 03 2026.pdf	Independent attestation and embedded management report	2026-03 | 10/03/2026 / 31/03/2026	12	Paxos management (reserve report) + independent accountant	721db3f8e07fbe3643523317a74770017702d7269cdeb6a0ee471b63f291d1a1

File	Category	Period / dates	Pages	Preparer	SHA-256
PYUSD Attestation 04 2024.pdf	Independent attestation and embedded management report	2024-04 | 22/04/2024 / 30/04/2024	7	Paxos management (reserve report) + independent accountant	dd26bb83dc781a5691ad9ba3f9c943340bb6907fa3dea9f6f3ace3c913e5fd44
PYUSD Attestation 04 2025.pdf	Independent attestation and embedded management report	2025-04 | 10/04/2025 / 30/04/2025	9	Paxos management (reserve report) + independent accountant	9f4048ca037def077686ca716af5b5b42a83533dfc822b88cd2ce69c9e32863e
PYUSD Attestation 04 2026.pdf	Independent attestation and embedded management report	2026-04 | 08/04/2026 / 30/04/2026	11	Paxos management (reserve report) + independent accountant	de0949e4b4a86f3253c97448adaaa52885841a0b18a78e1a0508eeca9634aa53
PYUSD Attestation 05 2024.pdf	Independent attestation and embedded management report	2024-05 | 16/05/2024 / 31/05/2024	8	Paxos management (reserve report) + independent accountant	286f65dbf15ef81cce32c6759b7793199c4b968ed3cab7ea0a11c1bdf672bbba
PYUSD Attestation 05 2025.pdf	Independent attestation and embedded management report	2025-05 | 08/05/2025 / 30/05/2025	9	Paxos management (reserve report) + independent accountant	7fe2e5a8bf8694ab8eba31625e3736a19a052f50d57cd88c5035887ae69b4a9e
PYUSD Attestation 05 2026.pdf	Independent attestation and embedded management report	2026-05 | 11/05/2026 / 29/05/2026	11	Paxos management (reserve report) + independent accountant	d0056df799e8db35fe629ca432ca125dda7fce2c137a9ad01c0552b9df56196b
PYUSD Attestation 06 2024.pdf	Independent attestation and embedded management report	2024-06 | 04/06/2024 / 28/06/2024	8	Paxos management (reserve report) + independent accountant	596d508fa49e2df85389fa9285dc2708ace6d39c6d53108840290a168368d173
PYUSD Attestation 06 2025.pdf	Independent attestation and embedded management report	2025-06 | 09/06/2025 / 30/06/2025	9	Paxos management (reserve report) + independent accountant	d01f772651fcaa81252c874acce7797292f83df3f7e33acb023da7a0ff483cde
PYUSD Attestation 06 2026.pdf	Independent attestation and embedded management report	2026-06 | 17/06/2026 / 30/06/2026	11	Paxos management (reserve report) + independent accountant	bc79397efc2ab2d5424012428c864bb121efa6e81099a2f28e6d0bfdbd2f0697
PYUSD Attestation 07 2024.pdf	Independent attestation and embedded management report	2024-07 | 26/07/2024 / 31/07/2024	8	Paxos management (reserve report) + independent accountant	999af90ba9a56a407deb261cdbddcd025bd918b526fb7f3c2d63bc2d41a87dd1

File	Category	Period / dates	Pages	Preparer	SHA-256
PYUSD Attestation 07 2025.pdf	Independent attestation and embedded management report	2025-07 | 08/07/2025 / 31/07/2025	10	Paxos management (reserve report) + independent accountant	c68550b5bdcc1b897799e1d04bae6891b6eda4460ef608d28b9a0c57a16940ad
PYUSD Attestation 08 2023.pdf	Independent attestation and embedded management report	2023-08 | 08/08/2023 / 31/08/2023	8	Paxos management (reserve report) + independent accountant	57eac032d2a78a4539c52372de9e410b1dd24c85dee1516282c487636c8ac435
PYUSD Attestation 08 2024.pdf	Independent attestation and embedded management report	2024-08 | 27/08/2024 / 30/08/2024	8	Paxos management (reserve report) + independent accountant	68e394541d7876e9e5929c2d83462d6e6b2ffdfd300888988cff9a1d56f359e3
PYUSD Attestation 08 2025.pdf	Independent attestation and embedded management report	2025-08 | 07/08/2025 / 29/08/2025	11	Paxos management (reserve report) + independent accountant	02523e55a6691633c6849825ceedde0ea675abfc0e05f6c4e3a10ccd62c3d24d
PYUSD Attestation 09 2023.pdf	Independent attestation and embedded management report	2023-09 | 18/09/2023 / 29/09/2023	8	Paxos management (reserve report) + independent accountant	be65bf48c3cf2a3130964b272fa477c7570aa0d3841b1a53253532cc735c24ad
PYUSD Attestation 09 2024.pdf	Independent attestation and embedded management report	2024-09 | 18/09/2024 / 30/09/2024	8	Paxos management (reserve report) + independent accountant	1c3886f2a38e7eda4f5ab814ec3be654dc2fb471f862ad1c77af1d7fe437f798
PYUSD Attestation 09 2025.pdf	Independent attestation and embedded management report	2025-09 | 08/09/2025 / 30/09/2025	11	Paxos management (reserve report) + independent accountant	c60ad2ce5039ccc8bda0bdcbe8c25aa12de09dc73035a14a9ea6821591e1fed1
PYUSD Attestation 10 2023.pdf	Independent attestation and embedded management report	2023-10 | 19/10/2023 / 31/10/2023	8	Paxos management (reserve report) + independent accountant	308c79d17f85b74ae9f0d7cd1772da3733a68400ca03a79c01d0d69f7024a525
PYUSD Attestation 10 2024.pdf	Independent attestation and embedded management report	2024-10 | 11/10/2024 / 31/10/2024	8	Paxos management (reserve report) + independent accountant	ff8e9703aae3c282b8feed7283156375e779fd30f8c7da8f60e86da0621888fb
PYUSD Attestation 10 2025.pdf	Independent attestation and embedded management report	2025-10 | 10/10/2025 / 31/10/2025	11	Paxos management (reserve report) + independent accountant	0c4a01d26d3fbfc5858b2d062a04e876f6c899a93c94f8a3312e893f2e64660a

File	Category	Period / dates	Pages	Preparer	SHA-256
PYUSD Attestation 11 2023.pdf	Independent attestation and embedded management report	2023-11 | 20/11/2023 / 30/11/2023	8	Paxos management (reserve report) + independent accountant	a14cf98ec6eb5d72cb274d54e807ca4ea5ee7842ddc33af4e18caef99b14e808
PYUSD Attestation 11 2024.pdf	Independent attestation and embedded management report	2024-11 | 25/11/2024 / 29/11/2024	7	Paxos management (reserve report) + independent accountant	39e1d94e003bc9fb0d72a5c4704b2e0dde0fd5a9a0146d439e4637195a8789dc
PYUSD Attestation 11 2025.pdf	Independent attestation and embedded management report	2025-11 | 10/11/2025 / 28/11/2025	11	Paxos management (reserve report) + independent accountant	d33cfb9291202bab40ec4da4580dbe7359b253416f2ec7e951677c350b2aa899
PYUSD Attestation 12 2023.pdf	Independent attestation and embedded management report	2023-12 | 27/12/2023 / 29/12/2023	8	Paxos management (reserve report) + independent accountant	32af08260401c71da36a433b4e9e10c71da51a99cc755d98894ab2432c529840
PYUSD Attestation 12 2024.pdf	Independent attestation and embedded management report	2024-12 | 02/12/2024 / 31/12/2024	7	Paxos management (reserve report) + independent accountant	2a3c4767603045eb7549b6d9b578bad80cbd9496f7f1e4cdf874fcecbc9d36f4
PYUSD Attestation 12 2025.pdf	Independent attestation and embedded management report	2025-12 | 17/12/2025 / 31/12/2025	11	Paxos management (reserve report) + independent accountant	8f6008cb2e7482e53300e1db6a0ca3906d9dd1492b4457b13d0f16bf12fb2290
Press Release_ PayPal Brings PayPal USD to Users Across 70 Markets.pdf	Official PayPal press release	2026-03	6	PayPal	50082c76dca6395624998419604dd95f2ceb6549a8a20ef94de9d5b11155e3ba
Press Release_ PayPal USD Expands to Arbitrum, Bringing Layer 2 Efficiency to Multi-Chain Development Stack.pdf	Official PayPal press release	2025-07	7	PayPal	f01cd0f0910e87cef541180eb1bd79f53a3ee7ee8d634e5a76aa06edb3c907c1
Stablecoin_Reserve_Report_Juillet_2026(7).docx	BECTRA graphic reference	2026-07	—	BECTRA	99ba3a669727def93ec677a8433973716adf3a683f4d46c1766389cf599bdd13
Texte collé(20).txt	Mission prompt		—	User	d497a8440befd307c74cbce343c00c9f9bdcd0792d55faceddcc043a50c1fef3

Appendix B — Anomalies, limitations and assumptions

B.1 Anomalies

ID	Severity	Topic	Treatment	Status
A-001	High	Internal total inconsistency — PYUSD Attestation 07 2024.pdf	The dataset retains the sum of components and the summary table, both at USD 638,945,680.	Not resolved with the issuer.
A-002	Medium	Incorrect year in several tables — PYUSD Attestation 01 2026.pdf	Normalized to 2026 based on coverage, the KPMG opinion, the time sequence and maturities.	Documented source anomaly.
A-003	Medium	CUSIP with invalid check digit — PYUSD Attestation 09 2023.pdf	Identifier retained verbatim and excluded from any conjectural substitution.	External verification unavailable.

ID	Severity	Topic	Treatment	Status
A-004	Low	Lag between first attested Arbitrum quantity and public announcement — PYUSD Attestation 07 2025.pdf / PayPal press release	Interpreted as deployment/pre-positioning before announcement; no conclusion of early commercial availability.	Explained; not inherently contradictory.
A-005	Low	Lag between first attested Stellar quantity and public announcement — PYUSD Attestation 08 2025.pdf / Stellar announcement	Interpreted as pre-positioning/testing before announcement; no conclusion beyond the observed dates.	Explained; not inherently contradictory.

B.2 Limitations

ID	Subject	Limitation
L-01	Separate Paxos reports	None of the separate self-reported Paxos portfolio reports was provided; the corpus contains management statements embedded in the independent attestations. A document-by-document reconciliation against the separate Paxos files is therefore not possible.
L-02	Complete historical on-chain data	The network breakdown is not published in the Withum attestations from May through December 2024; only combined Ethereum + Solana quantities can be demonstrated.
L-03	Exact-block on-chain control	The PDFs identify APIs/nodes and contracts, but the exact block number is not systematically published. The control reproduces the table reconciliation rather than an independent historical replay of each block.
L-04	Counterparties	Actual bank and counterparty names are anonymized (“Bank 1”, “Bank 2”) in the KPMG reports and are not disclosed in the Withum reports.
L-05	Realized income	The attestations do not publish realized earnings or the detailed contractual sharing between Paxos and PayPal. The estimates are orders of magnitude, not audited income.
L-06	Rewards	The quantity of PYUSD held in eligible PayPal accounts is not published; the total cost of the rewards program cannot be calculated.
L-07	Rights by jurisdiction	The “70 markets” press release does not replace a comprehensive local analysis of licenses, features, restrictions and rights in each country.
L-08	Technical controls	Administrative roles, keys, multisig arrangements, rotation procedures, smart-contract audits and cross-chain bridges are not all documented in the supplied sources.
L-09	FDIC pass-through	Eligibility depends on opt-in, Paxos’s ability to identify the holder, records, the bank, ownership capacity and other deposits; no individual coverage can be asserted from the attestations.
L-10	Dynamic Phase 2	The dynamic model requires unpublished intraday data, redemption/mint histories, settlement times, contractual haircuts, counterparty limits and liquidity metrics.

B.3 Assumptions

ID	Subject	Assumption
H-01	Stress tests	Haircuts and redemption rates are parameterized assumptions, not forecasts.
H-02	Repo liquidity	KPMG reverse repos are treated as very short-term liquidity because observed maturities are generally overnight; operational unavailability remains possible.
H-03	July 2024 CUSIP	The internally consistent USD 638,945,680 total is retained because it matches both the summary and the sum of components.
H-04	January 2026 date	References to “January 2025” in certain tables are typographical errors; the canonical observation is January 16, 2026.
H-05	Income proxy	Where calculated, annualized repo income is an extrapolation of the rate and fair value at the date; it does not account for actual day counts, fees or portfolio changes.
H-06	CUSIP portfolio	Lines carrying the same CUSIP but different counterparties are aggregated for concentration analysis while remaining separate in the database.

Appendix C — Official external sources

Sources were verified as of August 4, 2026. Regulatory proposals are identified as such. Links are clickable.

[EXT-01] Paxos — PayPal USD (PYUSD) Transparency Reports (accessed 2026-08-04). Status: Current official page. Scope: Distinction between self-reported Paxos reports and independent attestations; Withum/KPMG transition. Implication: The supplied corpus contains 35 independent attestations with embedded management statements, but none of the separate Paxos reports published five business days after month-end. https://www.paxos.com/pyusd-transparency

[EXT-02] Paxos — US Dollar-Backed Stablecoin Terms and Conditions (last modified 2026-06-30). Status: Official contractual terms in force as of the review date. Scope: Issuance, redemption, reserves, FDIC, administrative controls. Implication: Direct redemption through the Paxos platform requires an account and compliance checks and may be subject to minimums and operating hours; FDIC pass-through is conditional and limited to the cash component. https://www.paxos.com/terms-and-conditions/stablecoin-terms-conditions

[EXT-03] Paxos — Illegal Activity Terms (accessed 2026-08-04). Status: Official terms. Scope: Freeze, seizure, destruction, refusal of redemption. Implication: Administrative and compliance powers extend beyond the financial quality of reserves. https://www.paxos.com/terms-and-conditions/illegal-activity-terms

[EXT-04] PayPal Digital, Inc. — Cryptocurrency Terms and Conditions (last updated 2026-05-19). Status: Official terms in force as of the review date. Scope: Crypto Accounts, omnibus custody, PYUSD purchase/sale, rewards, transfers. Implication: PayPal Digital holds crypto-assets in omnibus accounts; the customer does not hold an identifiable token or a specified blockchain position; PayPal Digital does not guarantee Paxos. https://www.paypal.com/us/legalhub/paypal/cryptocurrencies-tnc

[EXT-05] OCC — Application by Paxos Trust Company, LLC to Convert to an Uninsured National Trust Bank — Conditional Approval (2025-12-12). Status: Official conditional decision. Scope: Conversion, activities, capital, conditions. Implication: National trust charter no. 25379; the institution does not accept deposits and is not FDIC-insured. https://www.occ.gov/news-issuances/news-releases/2025/nr-occ-2025-125e.pdf

[EXT-06] NYDFS — Guidance on the Issuance of U.S. Dollar-Backed Stablecoins (2022-06-08). Status: Historical guidance; relevant to the NYDFS periods and continuity documented by Paxos. Scope: Coverage, permitted assets, redemption, attestations. Implication: Coverage at the end of each business day, redemption at par subject to reasonable conditions, and monthly attestations at two dates. https://www.dfs.ny.gov/industry_guidance/industry_letters/il20220608_issuance_stablecoins

[EXT-07] OCC — GENIUS Act Regulations: Notice of Proposed Rulemaking (2026-02-25). Status: Proposal — not final. Scope: Prudential implementation of the GENIUS Act. Implication: Proposed requirements should not be treated as final; the GENIUS Act was enacted on July 18, 2025 and its effective date depends on the statutory and regulatory timetable. https://www.occ.gov/news-issuances/bulletins/2026/bulletin-2026-3.html

[EXT-08] OCC — GENIUS Act: Reporting Forms and Instructions (2026-06-11). Status: Proposed collection — comments were open on the publication date. Scope: Weekly PS-01 and quarterly PS-02 forms. Implication: Indicates the direction of future reporting without, by itself, creating a final obligation as of the report date. https://www.occ.gov/news-issuances/bulletins/2026/bulletin-2026-24.html

[EXT-09] FDIC — Notice of Proposed Rulemaking to Establish GENIUS Act Requirements and Standards (2026-04-07). Status: Proposal — not final. Scope: Stablecoin reserves and deposit insurance. Implication: The proposal indicates that reserve deposits would not be insured to holders on a pass-through basis; it should not be presented as a final rule. https://www.fdic.gov/news/financial-institution-letters/2026/notice-proposed-rulemaking-establish-genius-act

[EXT-10] AICPA/CIMA — 2025 Criteria for Stablecoin Reporting: Specific to Asset-Backed Fiat-Pegged Tokens (2025). Status: Published professional criteria. Scope: Presentation of redeemable tokens and available assets; risks/controls. Implication: Reporting framework adopted in the KPMG reports from 2025 onward. https://www.aicpa-cima.com/resources/download/stablecoin-reporting-criteria

[EXT-11] European Union — Regulation (EU) 2023/1114 — MiCA, Articles 48 to 50 (2023-05-31). Status: Regulation in force according to its application timetable. Scope: E-money tokens in the Union. Implication: Right to redemption at par and prohibition of remuneration linked to holding period for EMTs; application to a PYUSD offering and its rewards depends on status and authorization in the relevant jurisdiction. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32023R1114

[EXT-12] PayPal — PayPal USD Expands to Arbitrum (2025-07-17). Status: Official press release supplied. Scope: Arbitrum deployment. Implication: Layer 2 deployment and payment use cases; does not by itself document mint/burn controls or the cross-chain bridge. https://newsroom.paypal-corp.com/2025-07-17-PayPal-USD-Expands-to-Arbitrum-Bringing-Layer-2-Efficiency-to-Multi-Chain-Development-Stack

[EXT-13] PayPal — PayPal Brings PayPal USD to Users Across 70 Markets (2026-03-17). Status: Official press release supplied. Scope: International PayPal distribution. Implication: Geographic expansion; availability and features do not create automatic eligibility for direct redemption with Paxos. https://newsroom.paypal-corp.com/2026-03-17-PAYPAL-BRINGS-PAYPAL-USD-TO-USERS-ACROSS-70-MARKETS

[EXT-14] Stellar Development Foundation — PayPal USD is now available on Stellar (2025-09-18). Status: Official announcement. Scope: Stellar availability. Implication: Confirms the network, but the August 29, 2025 attestation shows native supply before the public announcement. https://stellar.org/press/paypal-pyusd-is-now-available-on-stellar

[EXT-15] PayPal — Xoom Enables PayPal USD as a Funding Option for Cross-Border Money Transfers (2024-04-04). Status: Official press release. Scope: Funding of Xoom transfers. Implication: The PYUSD balance is converted to USD to fund certain transfers; this route is not a direct Paxos redemption by the beneficiary. https://newsroom.paypal-corp.com/2024-04-04-Xoom-Enables-PayPal-USD-as-a-Funding-Option-for-Cross-Border-Money-Transfers

[EXT-16] PayPal — PayPal PYUSD To Bring Speed and Reduced Costs to Cross-Border Payments with Xoom (2024-11-19). Status: Official press release. Scope: Settlement of Xoom transfers through Yellow Card. Implication: PYUSD may serve as a settlement rail between intermediaries without the end recipient necessarily holding PYUSD. https://newsroom.paypal-corp.com/2024-11-19-PayPal-PYUSD-To-Bring-Speed-and-Reduced-Costs-to-Cross-Border-Payments-with-Xoom

[EXT-17] PayPal — Buy. Hold. Earn Rewards. PayPal Unlocks Rewards for Holding PayPal USD (2025-04-23). Status: Official press release; terms and rate subject to change. Scope: PayPal and Venmo rewards. Implication: The program was announced at 3.7%; its commercial and changeable nature confirms that it is not a direct entitlement to reserve income. https://newsroom.paypal-corp.com/2025-04-23-Buy-Hold-Earn-Rewards-PayPal-Unlocks-Rewards-for-Holding-PayPal-USD

[EXT-18] PayPal — PayPal, Inc. & PayPal Digital, Inc. State Licenses (accessed 2026-08-04). Status: Official page. Scope: Money-transmission licenses and virtual-currency activities in the United States. Implication: Confirms that distribution and custody entities have their own licensing perimeters; these licenses do not make PayPal Digital the issuer of PYUSD. https://www.paypal.com/us/webapps/mpp/licenses

[EXT-19] PayPal Ventures — PayPal Ventures Invests in Mesh (2024-01-29). Status: Official press release. Scope: Investment settled in PYUSD. Implication: Demonstrates transactional use of PYUSD by a group entity, without any role in issuance, regulatory custody of reserves or redemption. https://newsroom.paypal-corp.com/2023-01-29-PayPal-Ventures-Invests-in-Mesh

[EXT-20] PayPal — PayPal USD (PYUSD) Stablecoin product page (accessed 2026-08-04). Status: Official commercial page; rate subject to change. Scope: Purchase, transfer, conversion and rewards. Implication: The page displayed a 4% annual reward rate and stated that the rate could change, following an initial 3.7% announcement in 2025. https://www.paypal.com/us/digital-wallet/manage-money/crypto/pyusd

Appendix D — Final delivery status

Item	Value	Status
First observation	08/08/2023	Checked
Last observation	30/06/2026	Checked
Separate Paxos reports provided	0	Limitation stated
Independent attestations	35	35 unique SHA-256 hashes
Observations	70	Reconciled
Total CUSIP lines	237	Direct and collateral lines separated
Unique direct CUSIPs	24	Check digit checked
Reverse-repo lines	82	Reconciled
Blockchains	4	Official contracts documented
Reconciliations	OK with three documented source anomalies and two announcement timing lags with no effect on totals	OK / documentary alerts
Excel workbook	BECTRA_Modele_PYUSD_2023_2026_CORRIGE_v2.xlsx	OOXML archive and formulas checked
Word report	BECTRA_PYUSD_CUSIP_Analysis_2023_2026_EN.docx	Full rendering visually checked before delivery

END OF REPORT

BECTRA — accuracy, traceability, role separation and explicit limitations.