

EXCHANGE STABILIZATION FUND
STATEMENT OF FINANCIAL POSITION, p
AS OF DECEMBER 31, 2008

ASSETS

<i>Fund Balance with Treasury</i>		-
<i>MMMFGP Accrued Premiums Receivable</i>		-
<i>Special Drawing Rights</i>		
Special Drawing Rights Holdings	9,340,393,755.30	
Accrued interest receivable on Special Drawing Rights holdings	17,823,308.24	
<i>Total Special Drawing Rights</i>	<hr/>	9,358,217,063.54
<i>US Government Securities</i>		
Investments in US Government Securities	17,660,914,323.59	
Accrued interest receivable on U.S. Gov't Securities	0.00	
<i>Total US Government Securities</i>	<hr/>	17,660,914,323.59
<i>European Euros</i>		
Deposits with Official Institutions	5,517,825,576.37	
Securities:		
Held outright	4,490,618,749.29	
Held under repurchase agreements	4,075,043,201.26	
Accrued interest receivable on Euro investments	141,031,917.22	
<i>Total European Euros</i>	<hr/>	14,224,519,444.14
<i>Japanese Yen</i>		
Deposits with official institutions	3,482,996,699.66	
Securities	7,056,919,753.86	
Accrued interest on Yen investments	15,546,141.00	
<i>Total Japanese Yen</i>	<hr/>	10,555,462,594.52
TOTAL ASSETS		<hr/> \$ 51,799,113,425.79 <hr/>

LIABILITIES AND CAPITAL

<i>Liabilities</i>		
Special Drawing Rights Certificates	2,200,000,000.00	
Special Drawing Rights Allocations	7,546,599,073.10	
Accrued charges payable on SDR Allocations	14,638,795.22	
Accrued interest on charges payable on SDR Allocations	-	
Due to Treasury	13,142,678.72	
Unearned Income and Advances	434,509,407.09	
TOTAL LIABILITIES	<hr/>	\$ 10,208,889,954.13
<i>Capital</i>		
Capital Account	200,000,000.00	
Retained Earnings	41,390,223,471.66	
TOTAL CAPITAL	<hr/>	41,590,223,471.66
TOTAL LIABILITIES AND CAPITAL		<hr/> \$ 51,799,113,425.79 <hr/>

EXCHANGE STABILIZATION FUND
STATEMENT OF FINANCIAL POSITION, p
AS OF DECEMBER 31, 2008

	Current Month	Fiscal Year
INCOME and EXPENSE		
<i>Special Drawing Rights</i>		
Net interest (charges) on Special Drawing Rights	1,383,210.70	6,432,406.41
Net gain (loss) on SDR valuation	61,000,788.53	(18,969,009.54)
<i>U.S. Government securities</i>		
Interest earned on U.S. Government Securities	277,347.00	7,033,221.67
<i>Money Market Mutual Fund Insurance Program</i>		
Insurance Premiums	112,741,864.64	334,024,995.48
<i>Foreign Exchange</i>		
Interest earned on Foreign Currency Denominated Assets	40,767,412.64	128,209,174.56
Net gain (loss) on Foreign Exchange valuation	1,764,901,827.97	1,350,861,383.74
Net Income (Loss)	1,981,072,451.48	1,807,592,172.32

p preliminary

p preliminary

EXCHANGE STABILIZATION FUND
NOTES TO THE FINANCIAL STATEMENTS, p
AS OF DECEMBER 31, 2008

1. The Exchange Stabilization Fund carries several long-term instruments in its portfolio. Some of these instruments may have been purchased at a premium and others may have been purchased at a discount. These instruments are reported at cost. Cost is reflected as a face amount paid for the instrument plus Premiums (which are amortized) and discounts (which accrete) are allocated to expense (amortization expense) and revenue, respectively, over the life of the instrument.
2. Foreign currency denominated assets and liabilities are revalued daily -- and reported monthly -- to reflect fluctuations in market exchange rates. These fluctuations in market exchange rates are reported in the Statement of Income as "Net gain (loss) on valuation." This gain or loss is unrealized to the Exchange Stabilization Fund until such time as the Fund sells the currency.
3. The ESF had an exchange stabilization agreement with Mexico for \$3,000 million; this agreement was renewed in December 2007 for an additional year. No drawings were outstanding under this agreement.
4. The Secretary of the Treasury, with the approval of the President, established a temporary guarantee program for the U.S. money market mutual fund industry. Under the program, the assets of the ESF will be available to guarantee the net asset value for shares of participating eligible money market funds. All publicly offered money market funds regulated under Rule 2a-7 of the Investment Company Act of 1940 and registered with the Securities and Exchange Commission, which had a policy of maintaining a stable net asset value or share price as of September 19, 2008, are eligible to participate if they pay a program participation fee beginning on September 29 and are accepted into the program by the Treasury. The program has an initial three-month term, after which the Secretary has the option to renew the program up to September 18, 2009.