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Banco de México announces the establishment of swap lines with the U. S. Federal Reserve

Today, the Federal Reserve, the Banco Central do Brasil, the Banco de México, the Bank of Korea, and the Monetary Authority of Singapore are announcing the establishment of temporary reciprocal currency arrangements (swap lines). These facilities, like those already established with other central banks, are designed to help improve liquidity conditions in global financial markets and to mitigate the spread of difficulties in obtaining U.S. dollar funding in fundamentally sound and well managed economies.

Actions by Banco de México

The swap mechanism established between Banco de México and the U.S. Federal Reserve is for up to US\$30 billion. These funds can be used to provide dollar liquidity to financial institutions in Mexico. The mechanism will be in place until April 30, 2009.

This facility gives Banco de México greater flexibility to meet the possible needs of the financial markets when deemed necessary, although at this time its utilization will not be necessary.

Banco de México will continue to monitor the behavior of the financial markets and to maintain its commitment to providing the liquidity needed to preserve a well-operating financial system in Mexico.

Related information about actions of other central banks

For information relating to actions of this nature taken by the above-mentioned central banks, please consult the following web sites:

[Federal Reserve Bank](#)

[Banco Central do Brasil](#)

[The Bank of Korea](#)

[Monetary Authority of Singapore](#)

This document is a translation of the [press bulletin published in Spanish](#).