



BANK OF ENGLAND

News release

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6 April 2009

Central Banks Announce Expanded Swap Arrangements

The Bank of England, the European Central Bank, the Federal Reserve, the Bank of Japan, and the Swiss National Bank are announcing swap arrangements that would enable the provision of foreign currency liquidity by the Federal Reserve to US financial institutions. Should the need arise, euro, yen, sterling and Swiss francs would be provided to the Federal Reserve via swap agreements with the relevant central banks. Central banks continue to work together and are taking steps as appropriate to foster stability in global financial markets.

Bank of England Actions

The Bank of England has agreed that it would enter into arrangements to provide sterling liquidity to the Federal Reserve should it be required. The sterling would be provided via a swap arrangement with the Federal Reserve, similar to that which underpins the Bank of England's US dollar repo operations. Both swap arrangements run until 30 October 2009.

Information on the Bank's US dollar repo operations is available at:

<http://www.bankofengland.co.uk/markets/money/documentation/usdrepo.htm>

Information on related announcements from other central banks is available on the following websites:

<http://www.boj.or.jp/en/>

<http://www.ecb.int/>

<http://www.federalreserve.gov/>

<http://www.snb.ch/>