

Communications

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Zurich, 30 July 2008

Swiss National Bank to offer extended-term US dollar repo operations

The European Central Bank, the US Federal Reserve and the Swiss National Bank (SNB) are announcing an enhancement of their operations to provide US dollar liquidity.

Action taken by the SNB

In conjunction with the US Federal Reserve, the SNB has decided to provide extended-term US dollar liquidity in addition to its current offering. On August 12, the SNB will begin auctioning 84-day US dollar liquidity, while continuing to auction 28-day US dollar liquidity. Specifically, the SNB will conduct auctions once every two weeks, alternating between a term of 84 days for a maximum of USD 2 billion and a term of 28 days for a maximum of USD 6 billion. The SNB plans to make US dollar liquidity available for as long as it considers this to be necessary.

Currently, the SNB auctions a maximum of USD 6 billion of 28-day liquidity every two weeks. During a transition period in August and September 2008, the SNB will reduce the amount of 28-day liquidity being auctioned, as outstanding amounts of 84-day liquidity increase. The total amount of outstanding US dollar liquidity will remain at a maximum of USD 12 billion. A schedule of the auctions will be published at www.snb.ch.

The US Federal Reserve will continue to offer the necessary US dollar liquidity through a reciprocal swap agreement.

Information on related action taken by other central banks

Information on related action taken by the Federal Reserve and the European Central Bank is available on the following websites:

Federal Reserve System (www.federalreserve.gov)

European Central Bank (www.ecb.int)