

## **DOLLAR-EURO SWAP AGREEMENT**

This Dollar-Euro Swap Agreement ("Swap Agreement") is between the Federal Reserve Bank of New York, acting at the direction of the FOMC ("FRBNY"), and the European Central Bank ("ECB") (together, the "Parties") and is dated as of September 13, 2001.

**WHEREAS**, the Parties wish to create a temporary arrangement to purchase and subsequently repurchase euro and U.S. dollars ("USD") from each other to facilitate the functioning of financial markets and provide liquidity in USD,

**NOW THEREFORE**, the Parties agree to the following Swap Agreement:

### **1. Commitments by the Parties to Purchase and Repurchase Currency.**

- a. The ECB agrees to sell euro to the FRBNY and to purchase USD from the FRBNY by means of a spot transaction, with a simultaneous agreement by the ECB to sell USD to the FRBNY and to purchase euro from the FRBNY on the maturity date of such swap transaction (the "Maturity Date") by means of a forward transaction.
- b. The purchases and the subsequent repurchases under this Swap Agreement shall be referred to collectively as "Swap Transactions" and individually as a "Swap Transaction."
- c. The Parties agree, at such times as they mutually agree, to enter into Swap Transactions up to an aggregate outstanding value of \$50,000,000,000 (Fifty Billion USD) at any given time, provided that all drawdowns must receive the prior approval of the Federal Open Market Committee of the Federal Reserve System or its duly authorized delegate. Amounts drawn and repaid shall be available for additional drawings.

### **2. Establishment of FRBNY Account on the Books of the ECB.**

- a. For the purposes of implementing this Swap Agreement, the ECB shall open an account (██████████) in the name of the FRBNY (the "FRBNY Account"), which account shall be used solely in connection with the implementation of this Swap Agreement.
- b. No payment instructions shall be executed in connection with the FRBNY Account other than those executed in connection with the implementation of this Swap Agreement.
- c. No intra-day or overnight credit shall be granted by the ECB in respect of the FRBNY Account.

### **3. Exchange Rate and Interest Rates Determination.**

- a. The USD/euro exchange rate ("Exchange Rate") that shall apply to (i) each purchase of USD and euros under this Swap Agreement, and (ii) each repurchase of USD and euros under this Swap Agreement, shall be based on the prevailing market spot exchange rate, as quoted by the Electronic Broker System. The same rate of exchange shall be applied to both the spot and forward legs of the Swap Transaction.
- b. Interest payable by the ECB on the USD part of the spot leg of each Swap Transaction shall be agreed to by the Parties at the time they enter into each Swap Transaction and shall be calculated on a 360-day basis from, and including, the date on which the ECB and the FRBNY enter into the spot leg of the Swap Transaction to, but excluding, the Maturity Date.
- c. There shall be no interest payable by the FRBNY on the euro portion of any Swap Transaction, provided that the FRBNY shall hold the euro part of such Swap Transaction in the FRBNY Account.

#### **4. Transaction Procedures.**

- a. At such time as either Party may desire to initiate a Swap Transaction, the Parties shall confer by telephone and agree on the following terms for the desired Swap Transactions:
  - i) Amount;
  - ii) Value Date;
  - iii) Exchange Rate;
  - iv) Maturity Date; and
  - v) Interest Rate.
- b. Once the Parties have agreed on the terms described in Paragraph 4(a), the Parties shall confirm their oral agreement without delay by means of a SWIFT message.
- c. On the Value Date, the USD amount shall be credited to the ECB's account on the books of the FRBNY ( [REDACTED] ) (the "ECB Account"), and the euro amount shall be credited to the FRBNY Account.
- d. On the Maturity Date, the USD amount, together with a return thereon based on the Interest Rate agreed by the Parties, shall be repaid to the FRBNY through ECB Account.
- e. On the Maturity Date, the euro amount, without any return thereon, shall be repaid to the ECB through the FRBNY Account.

**5. Setoff.**

In the event a Party fails to fulfill its obligations under this Swap Agreement with respect to a particular Swap Transaction on the applicable Maturity Date, the nondefaulting Party is authorized to set off any obligations they may owe the defaulting Party against the currency held by the nondefaulting Party pursuant to this Swap Agreement.

**6. Warranties.**

- a. Authority. Except as otherwise provided herein, each of the Parties warrants and represents that it has full power and authority to enter into and perform its obligations under this Swap Agreement.
- b. Covenant to Inform. In the event there is any change in law, act or other change of fact or circumstance as a result of which one of the Parties is not able to make the warranties in, or perform its obligations under, this Swap Agreement, such Party shall inform the other of such change in law, act or other change of fact or circumstance and the steps that it plans to take in response.

**7. Termination.**

- a. The Parties may, at any time, mutually agree to terminate any Swap Transaction entered into under this Swap Agreement. In case of any such early termination of a Swap Transaction, the amounts payable at the early maturity of the swap transaction shall be adjusted, as agreed between the ECB and the FRBNY on the telephone, and such adjusted amounts shall be confirmed without delay by means of a SWIFT message.
- b. Unless otherwise mutually agreed to by the Parties, this Swap Agreement will terminate on October 13, 2001.
- c. The Parties may, at any time, mutually agree to terminate this Swap Agreement. At such time that this Swap Agreement is terminated for any reason, the terms and conditions of this Swap Agreement shall continue to apply until all amounts owed by either Party under this Swap Agreement have been repaid in full.

**8. Communications.**

- a. All communications shall be in English, unless the Parties otherwise agree in writing. Any notice, request, document or other communication submitted by the Parties under this Swap Agreement shall be in the form of a record, shall refer to this Swap Agreement, and shall be deemed fully given or sent when delivered to such Party at the following addresses:

To ECB:

Mail Address: Kaiserstrasse 29  
60311 Frankfurt am Main  
Germany  
Facsimile: [REDACTED]  
Telex: [REDACTED]  
E-Mail Address: [REDACTED]  
Attention: Back Office Division

To FRBNY:

Mail Address: 100 Orchard Street  
East Rutherford, NJ  
United States  
Facsimile: [REDACTED]  
Telex: [REDACTED]  
E-Mail Address: [REDACTED]  
Attention: [REDACTED]

- b. These addresses may be changed by a Party upon written notice to the other Parties.

**9. Recording**

The Parties agree that each may electronically record all telephone conversations between them with respect to Swap Transactions entered into under this Swap Agreement.

**10. Survival of Covenants.**

All covenants, agreements and warranties made herein shall survive the execution and delivery of this Swap Agreement and shall remain in full force and effect until repayment in full of all amounts owed pursuant to this Swap Agreement.

**11. Counterparts.**

This Swap Agreement may be executed in counterparts, each of which when so executed and delivered shall be an original, but all of which together shall constitute but one and the same instrument. This Swap Agreement shall become effective upon the date of the last signature hereto.

IN WITNESS WHEREOF, this Swap Agreement is signed and executed by the authorized representatives of the Parties as of the day and year first above mentioned.

**FEDERAL RESERVE BANK OF  
NEW YORK**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date

**EUROPEAN CENTRAL BANK**

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

DIRECTOR GENERAL OPERATIONS

\_\_\_\_\_  
Signature

HEAD BACK OFFICE

\_\_\_\_\_  
Title

13.09.2001

\_\_\_\_\_  
Date

13/09/2001

IN WITNESS WHEREOF, this Swap Agreement is signed and executed by the authorized representatives of the Parties as of the day and year first above mentioned.

FEDERAL RESERVE BANK OF  
NEW YORK



Name  
Vice President  
Title  
13/09/2001  
Date

EUROPEAN CENTRAL BANK



Signature  
Name  
DIRECTOR GENERAL OPERATIONS HEAD BACK OFFICE  
Title  
13.09.2001  
Date  
13/09/2001