



BANCO^{DE}MEXICO

April 20, 2009

General Rules of the U.S. Dollar loan auction

Banco de México will conduct U.S. dollar credit auctions in accordance with the procedure described below.

Auctions

- No later than one day prior to the auction, Banco de Mexico will publish the following information:
 - Auction date and time.
 - Offering amount.
 - Auction type: the auction could be traditional, in which institutions submit their bids without having information about other submitted bids, or interactive, where the bidders could know at all times the lowest successful bid.
 - Interest rate: US Dollar loans will be allotted at the rate submitted by each successful bidder (variable-rate auction).
 - Maturity: the final maturity of the loan will be 264 days with interest payment periods of up to 88 days. The applicable rate for each interest payment period will be determined three days in advance of the start of the period.
 - Minimum interest rate: Banco de Mexico will determine a minimum interest rate for each interest payment period based on the applicable USD Overnight Index Swap (OIS) rate plus a spread of 50 basis points.

Eligible participants

- Only domestic credit institutions that have signed the corresponding agreement with Banco de Mexico will be allowed to submit bids.

Bids

- Minimum bid amount will be US 1 million.

- Bids will refer to the spread, in percentage, that the bidder is willing to pay for the loan over the minimum interest rate determined by Banco de Mexico applicable to each interest payment period.

Allotment

- If, at the marginal interest rate, the bids exceed the remaining amount to be allotted, this amount will be allocated on a pro rata basis in the case of traditional auctions and according to the time the bids were received in the case of interactive auctions.
- The maximum award to a particular institution is 25% of the offering amount.

Collateral

- US Dollar loans should be fully collateralized at all times. Deposits and Mexican peso denominated securities eligible as collateral are described in numeral 9.2 of Circular No. 08/2009.

Results

- A summary of the auction results will be published on Banco de Mexico's website (<http://www.banxico.org.mx/sitioingles/index.html>) on the day the auction is held.