

October, 25, 2011

Bank of Japan

**Collaboration with the Bank of Thailand to implement an arrangement for liquidity provision in Thai Baht utilizing Japanese Government Securities as collateral**

The Bank of Japan, to fulfill its role in international financial cooperation, and in view of enhancing the stability of Thai financial markets and expanding the range of liquidity provisioning measures in Thailand, is collaborating with the Bank of Thailand to implement an arrangement for liquidity provision by the Bank of Thailand in Thai Baht utilizing Japanese Government Securities as collateral.

One aim of this measure is to facilitate the funding of financial institutions operating in Thailand including Japanese banks, which provide financial services to firms, including Japanese firms operating in the flood-affected areas of Thailand.

Thailand has long been a recipient of Japanese investment, which has contributed to integrating Thai manufacturing into the global production chain, enhancing the quality of Thai products, research and development (R&D), and employment, as well as accelerating the economic development of the country.

This measure confirms the two central banks' commitment to ensure the continuity of longstanding economic and financial relations between the two nations.

Details of the arrangement will be made public in due course, when the necessary preparations are completed.