Notice for Competitive Bidding on Buybacks of Monetary Stabilization Bonds

Aug 31, 2026

The Bank of Korea announces buybacks of Monetary Stabilization Bonds on 1, Sep 2026 as follows.

1. Eligible MSBs: MSBs (1-yr) 02700-2703-01 (Maturity date Mar 9, 2027)
   MSBs (2-yr) 02620-2704-02 (Maturity date Apr 2, 2027)
   MSBs (2-yr) 02400-2707-02 (Maturity date Jul 2, 2027)

2. Scheduled buyback amount: within 1.8 trillion won (based on face value)

3. Eligible institutions: institutions eligible for competitive bidding and fixed-rate tender and insitutions eligible for outright securities transactions (excluding institutions subject to bidding restrictions)

4. Method: competitive bidding (electronic bidding through the BOK-Wire+)

5. Auction date: 10:20~10:30 Sep 1 (Tue), 2026

6. MSB delivery and settlement date: By 16:00 on Sep 3 (Thu), 2026

※ For further details, please refer to the Appendix titled "Details of Buybacks of Monetary Stabilization Bonds".

(Appendix)

Details of Buybacks of Monetary Stabilization Bonds

1. Details of competitive bidding

A. Overview of bidding

- ㅇ Auction method: Electronic bidding through BOK-Wire+
- ㅇ Auction date and time: Please refer to the Notice.
- ㅇ Scheduled auction amount: Please refer to the Notice.

※ Please adhere to the regulations and procedures specified in the "the Open Market Operations Regulations," "Open Market Operations Rules," "Bidding Procedures for Open Market Operations," and "Procedures for Handling Affairs Related to Open Market Operations," as well as the auction anouncement for any other necessary matters.

B. Auction method

- ㅇ Eligible bidders: Institutions eligible for open market operations (excluding institutions subject to bidding restrictions)
- ㅇ Auction deposits: exempt
- ㅇ Auction amount: The minimum auction amount is 10 billion won, and any amount above that should be in multiples of 10 billion won, and the bidding limit for each institution is within the scheduled amount for buybacks.
- ㅇ Application method for auction: Specify the interest rate up to the third decimal place in annual terms (in increments of 0.5 basis points).

– One institution can bid with multiple interest rates for each MSB, up to a maximum of 6 auctions (however, re-bidding with the same interest rate is not allowed).

C. How to determine a successful bid

- ㅇ Winning bidders will be determined sequentially from the highest rate bid above the minimum offered rate for each MSB.
- ㅇ Buyback rate

– The interest rate specified by each sucessful bidder at the time of bidding (multiple interest rate method)

D. MSB delivery and settlement date: Please refer to the Notice.

○ The calculation of the buyback amount is in units of 1 million won (rounding down for amounts less than one million won).

<Formula for calculating buyback amount>

$$\text{Buyback Amount} = \left[\sum_{t=1}^{n} \frac{F \times \frac{R}{m}}{\left(1+\frac{r}{m}\right)^{t-1}} + \frac{F}{\left(1+\frac{r}{m}\right)^{n-1}} \right] \times \frac{1}{\left(1+\frac{r}{m}\right)^{\frac{d}{D}}}$$

F : face value, R : coupon rate, r : issue yield

m : number of interest payments per year

n : number of remaining interest payments

d : number of days from the day following the sales date to the next interest payment due date

D : number of days from the day after the last interest payment due date (or issue date if no interest is due) to the next interest payment due date