

Regular MSB Fixed Rate Tender Issuance Announcement

May 21, 2024

The Bank of Korea hereby announces the regular MSB fixed rate tender issuance for May 2024 as follows.

1. Eligible MSBs

		To be purchased	Maturity date	Scheduled issue amount	Ceiling	
2-yr	Tender I	03365-2604-0204	Apr 2, 2026	300 billion won	Top 50% institutions	120 billion won
					Bottom 50% institutions	60 billion won
	Tender II	03365-2604-0205	Apr 2, 2026	200 billion won	100 billion won	
3-yr	Tender I	03430-2703-0307	Mar 3, 2027	120 billion won	Top 50% institutions	40 billion won
					Bottom 50% institutions	20 billion won
	Tender II	03430-2703-0308	Mar 3, 2027	80 billion won	40 billion won	
Total		-	-	0.7 trillion won	-	

2. Issue method: fixed rate tender *

* The planned issue amount will be allocated in proportion to the amount applied for at the pre-announced rate on the bid day.

○ Auction date : 11:00~11:10 May 22 (Wed) 2024

○ Settlement date: 16:00 May 23 (Thu) 2024

※ For details, please refer to the Appendix titled 'Details of Monetary Stabilization Bond Fixed Rate Tender Issuance'.

(Appendix)

Details of Monetary Stabilization Bond Fixed Rate Tender Issuance

1. Principal and Interest Payment

- Principal: Principal is repaid in full on the repayment date (the principal and interest payment are to be made on the next business day if the payment date falls on a public holiday)
- Interest payment: Interest is paid in arrears every three months

2. Securities issuance: Electronic registration

3. Details of Fixed rate tender

A. Overview

- Method: Electronic bidding through BOK-Wire+
- Date and time: Refer to the Notice
- Scheduled tender amount: 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 announcement for any other necessary matters.

B. Bidding Process

- Eligible bidders: Institutions eligible for open market operations
(excluding institutions subject to bidding restrictions)
- Deposit: exempt
- Bid amount: The minimum bid amount is 10 billion won, and any amount above that should be in multiples of 10 billion won
 - One institution can make one bid offer for each MSB.
- Limits of bid amount

- Tender I: The bid amount limit for participants with evaluation scores within the top 50% according to the evaluation method of Open Market Operations Rules is up to 40% of the scheduled issue amount for each MSB in Tender I. For applicants with evaluation scores below 50%, the limit is up to 20% of the scheduled issue amount for each MSB in Tender I.
- Tender II: The bid amount limit for applicants is up to 50% of the scheduled issue amount for each MSB in Tender II.

C. Allocation

- The allocated amount shall be the bid amount, but if the bid amount exceeds the scheduled issue amount, it will be allocated in increments of 10 billion won in proportion to the bid amount within the scheduled issue amount.

D. Tender rate

- The tender rate will be determined and announced on the day of auction reflecting market conditions (at around 10:50 a.m.).

E. Settlement date: Refer to the Notice.

- Each winning bidder will pay at the winning rate (in their current accounts with the Bank of Korea)
- The calculation of the issue unit price is in units of one million won (rounding down for amounts less than one million won).

<Formula for calculating unit issue price>

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

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