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2010 March Treasury Bond Issuance, Buyback, Conversion Offer Schedule & February Auction Result

The Ministry of Strategy and Finance plans to issue Korea Treasury Bonds worth 6,074 billion Won in March 2010 through competitive auctions.

1) KTBs of 6,074 billion Won will be issued through competitive auctions.

- 3-year KTB worth 1,400 billion Won scheduled to be issued on March 3 (Wed) will be fungible with "KTB0425-1212."
- 5-year KTB worth 2,274 billion Won scheduled to be issued on March 9 (Tue) will be newly issued in "KTB ****-1503."
- 10-year KTB worth 1,600 billion Won scheduled to be issued on March 16 (Tue) will be fungible with "KTB 0575-1809."
- 20-year KTB worth 800 billion Won scheduled to be issued on March 23 (Tue) will be fungible with "KTB0550-2912."

2) Non-competitive purchasing option

- **(Non-competitive purchasing option I)**

For individual investors participating in competitive biddings, **1,215** billion Won KTBs, not more than 20% of the issuance amount planned in the competitive biddings, will be allocated first at the accepted bid rate

● **(Non-competitive purchasing option II)**

For primary dealers (PD), a non-competitive purchasing option II is granted whereby PDs can purchase 10% of the accepted bid amount (up to 25% for top five PDs and 15% for the next top five PDs) through the non-competitive biddings. In addition, 3 business days is given to PDs for additional purchase after the auction day.

- A PD's exercise rate for non-competitive purchasing option is the highest accepted bid rate determined in the competitive bidding.

- 2010 March Issuance Schedule for Auction -

(Unit: billion Won)

Classification	Auction Date	Settlement Date	Issue Date	Amount of Issue			
				3-year KTB	5-year KTB	10-year KTB	20-year KTB
Nominal	3-2-2010	3-3-2010	12-10-2009	1,400			
Nominal	3-8-2010	3-9-2010	3-10-2010		2,274		
Nominal	3-15-2010	3-16-2010	9-10-2008			1,600	
Nominal	3-22-2010	3-23-2010	12-10-2009				800

* Financial Support: The fund of approximately 1.8 trillion Won is scheduled to be offered in March – The fund will be provided at low interest rates if PDs present their holding KTBS as collateral.

3) Buyback and conversion offer plan

MOSF will buy back KTBS of 2 trillion Won in two buyback operations and conduct a conversion offer for KTBS of 0.5 trillion Won in March 2010.

For details, refer to Appendix 1.

* Appendix 1: 2010 March KTB Buyback and Conversion Offer Plan

Appendix 2: 2010 February Treasury Bond Auction Result

Appendix 1 2010 March KTB Buyback & Conversion Offer Plan

2010 March KTB Buyback Plan

The Ministry of Strategy and Finance plans to buy back Korea Treasury Bonds worth approximately 2 trillion Won through two buyback operations in March 2010.

- (Types and Volume) Types and volume of KTBs for buybacks are as follows.

Buyback Date	Types of KTB	Volume
Mar. 10, 2010 (Wed) 10:40 ~ 11:00	KTB 0525-1006 (maturity June 2010, 3 year) KTB 0400-1006 (maturity June 2010, 5 year) KTB 0575-1012 (maturity Dec 2010, 3 year) KTB 0525-1012 (maturity Dec 2010 , 5 year)	1 trillion Won
Mar. 24, 2010 (Wed) 10:40 ~ 11:00	KTB 0525-1006 (maturity June 2010, 3 year) KTB 0400-1006 (maturity June 2010, 5 year) KTB 0575-1012 (maturity Dec 2010, 3 year) KTB 0525-1012 (maturity Dec 2010 , 5 year)	1 trillion Won*

※ Details will be announced on the website of the Bank of Korea on Mar. 5, and Mar. 19, respectively.

- (Anticipatory effect)

The efficiency of the government bond market is expected to improve by purchasing off-the-run KTBs whose trading is not active in the secondary market. In addition, the buyback will mitigate roll-over risk by spreading maturities and contribute to the stabilization of the market.

2010 March KTB Conversion Offer Plan

The Ministry of Strategy and Finance plans to conduct a conversion offer for Korea Treasury Bonds worth 0.5 trillion Won on Mar. 18, 2009 (Thr).

- Conversion offer date :
10:40~11:00, Mar. 18, 2009(Thr)
- Volume : **0.5 trillion Won**
- Types of KTB

KTB for issue	KTB for purchase
KTB OOOO-1503 (maturity 2015.3.10, 5 year)	KTB 0525-1403 (maturity 2014.3.17, 10 year)
	KTB 0425-1409 (maturity 2014.9.10, 10 year)
	KTB 0525-1509 (maturity 2015.9.10, 10 year)
	KTB 0500-1609 (maturity 2016.9.10, 10 year)

- Date of conversion offer and settlement : **15:50, Mar 22, 2010 (Mon)**

※ Details will be announced on the website of the Bank of Korea on Mar. 15.

■ (Anticipatory effect) Off-the-run KTBs of low liquidity are exchanged for newly issued KTBs of high liquidity, which will lead to facilitating the trading of government bonds.

* Non-benchmark KTBs are rarely traded in the market and therefore have very low liquidity. In contrast, newly-issued KTBs are traded actively as a benchmark bond that sets investment criteria.

Appendix 2 2010 February Treasury Bond Auction Result

- Korea Treasury Bonds worth 8,196 billion Won were issued in February, 2010

< 2010 February KTB Auction Result >

(unit: billion Won,%)

Classification	Competitive bidding			Non-competitive purchasing option II		Conversion offer (C)	Total (A+B+C)
	Auction date	Issue (planned)	Issue vol. (weighted avg. accepted rate,%) (A)	Period	Issue volume (B)		
3 year KTB (KTB 0425-1212)	'10.2.1	1,600	2,050 (4.28)	'10.21 ~ 24	360		2,410
5 year KTB (KTB 0500-1409)	'10.2.8	2,510	2,694 (4.77)	'10.28 ~ 211	-		2,694
10 year KTB (KTB 0575-1809)	'10.2.16	1,500	1,564 (5.31)	'10.216 ~ 219	206		1,770
20 year KTB (KTB 0550-2912)	'10.2.22	800	1,138* (5.45)	'10.222 ~ 225	184		1,322
Total		6,410	7,446		750		8,196

* 100 million won included for allocating first to individual investors (non-competitive purchasing option I)