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CURRENCY SWAP AGREEMENT

KOREA-AUSTRALIA CURRENCY SWAP AGREEMENT

The Bank of Korea and the Reserve Bank of Australia renewed a bilateral local currency swap agreement on February 6 to promote bilateral trade and improve financial stability between the two countries.

As in the previous agreements, the swap will be valued at KRW 9.6 trillion or AUD 12 billion, which is equivalent to USD 8.1 billion, for a period of five years. The two countries initially signed the agreement in 2014 and renewed it in 2017 and 2020.

Today's renewed swap deal is to expire on February 5, 2028 and could be extended by consent from both sides.

The former effective period for the swap deal was three years, but the two countries agreed to extend this period to five years to maintain the bilateral swap arrangement, reaffirming the swap deal's contribution to an increase in bilateral trade and the improvement of financial stability.