

## PRICING SUPPLEMENT

1 November 2017

**THE KOREA DEVELOPMENT BANK**  
**Issue of CNY1,400,000,000 4.50 per cent. Notes due 2020**  
**under the U.S.\$15,000,000,000 Global Medium Term Note Programme**

This document constitutes the Pricing Supplement relating to the issue of Notes described herein. Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Information Memorandum dated 16 August 2017 (the “**Information Memorandum**”). This Pricing Supplement contains the final terms of the Notes and must be read in conjunction with the Information Memorandum.

1.	Issuer: .....	The Korea Development Bank
2.	(i) Series Number:.....	687
	(ii) Tranche Number: .....	1
3.	Specified Currency or Currencies: .....	Renminbi (“ <b>CNY</b> ”)
4.	Aggregate Nominal Amount: .....	
	(i) Series: .....	CNY1,400,000,000
	(ii) Tranche: .....	CNY1,400,000,000
5.	(i) Issue Price of Tranche:.....	100.00 per cent. of the Aggregate Nominal Amount
	(ii) Net Proceeds ( <i>Required only for listed issues</i> ): .....	CNY1,397,200,000
6.	(i) Specified Denominations: .....	CNY1,000,000
	(ii) Calculation Amount: .....	CNY1,000,000
7.	(i) Issue Date: .....	10 November 2017
	(ii) Interest Commencement Date:	Issue Date
8.	Maturity Date: .....	Interest Payment Date falling in or nearest to 10 November 2020
9.	Interest Basis: .....	4.50 per cent. Fixed Rate (further particulars specified below)
10.	Redemption/Payment Basis: .....	Redemption at par
11.	Change of Interest Basis or Redemption/Payment Basis: .....	None
12.	Put/Call Options: .....	None
13.	Listing: .....	Singapore Exchange Securities Trading Limited Taipei Exchange

Application will be made by the Issuer to the Taipei Exchange (the “TPEX”) for the listing and trading of the Notes on the TPEX. TPEX is not responsible for the content of this document and the Information Memorandum and any amendment and supplement thereto and no representation is made by TPEX to the accuracy or completeness of this document and the Information Memorandum and any amendment and supplement thereto. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document and the Information Memorandum and any amendment and supplement thereto. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes. The Notes will be traded on the TPEX pursuant to the applicable rules of the TPEX. Effective date of listing of the Notes is on or about 10 November 2017.

14. Method of distribution: ..... Syndicated

**PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE**

15.	Fixed Rate Note Provisions: .....	Applicable
	(i) Rate(s) of Interest:.....	4.50 per cent. per annum payable annually in arrear
	(ii) Interest Payment Date(s): .....	10 November in each year up to and including the Maturity Date, subject to Condition 4(a)(II) and the Modified Following Business Day Convention
	(iii) Fixed Coupon Amount(s): ..... <i>(Applicable to Notes in definitive form)</i>	As per Condition 4(a)(II)
	(iv) Broken Amount(s): .....	Not Applicable
	(v) Day Count Fraction: .....	Actual/365 (Fixed)
	(vi) Determination Date(s):.....	Not Applicable
	(vii) Business Centre(s): .....	Not Applicable

(viii) Other terms relating to the method of calculating interest for Fixed Rate Notes: ..... Condition 4(a)(II) applies. The Fiscal Agent will act as the Calculation Agent. For the purpose of Condition 4(a)(II), business day means a day (other than a Saturday, Sunday or public holiday) upon which commercial banks are generally open for business and settlement of Renminbi or U.S. dollars (as applicable) payments in Hong Kong and, in the case of payments of U.S. dollars, New York City.

- 16. Floating Rate Note Provisions: ..... Not Applicable
- 17. Zero Coupon Note Provisions: ..... Not Applicable
- 18. Index Linked Interest Note Provisions: . Not Applicable
- 19. Dual Currency Note Provisions: ..... Not Applicable

**PROVISIONS RELATING TO REDEMPTION**

- 20. Issuer Call: ..... Not Applicable
- 21. Investor Put: ..... Not Applicable
- 22. Final Redemption Amount: ..... CNY1,000,000 per Calculation Amount
- 23. Early Redemption Amount of each Note payable on redemption for taxation reasons or on event of default and/or the method of calculating the same (if required or if different from that set out in Condition 5(f)): ..... CNY1,000,000 per Calculation Amount

**GENERAL PROVISIONS APPLICABLE TO THE NOTES**

- 24. Form of Notes: ..... Registered Notes  
Regulation S Global Note  
(CNY1,400,000,000 nominal amount)  
registered in the name of a nominee for a common depositary for Euroclear and Clearstream, Luxembourg
- 25. Additional Financial Centre(s) or other special provisions relating to Payment Day: ..... London, Beijing, Seoul, Taipei, Hong Kong and, in the case of any payment in U.S. dollars, New York City  
Condition 6 shall be amended as set out in Schedule A
- 26. Talons for future Coupons or Receipts to be attached to Definitive Notes in bearer form (and dates on which such Talons mature): ..... No
- 27. Details relating to Partly Paid Notes: amount of each payment comprising the Issue Price Not Applicable

and date on which each payment is to be made and consequences of failure to pay, including any right of the Issuer to forfeit the Notes and interest due on late payment:

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|-----|--|-------------------------------|
| 28  | Details relating to Instalment Notes:    |                               |
|     | (i) Instalment Amount(s): .....          | Not Applicable                |
|     | (ii) Instalment Date(s): .....           | Not Applicable                |
| 29. | Redenomination applicable: .....         | Redenomination not applicable |
| 30. | Other terms or special conditions: ..... | Not Applicable                |

#### DISTRIBUTION

- |     |  |   |
|-----|--|---|
| 31. | (i) If syndicated, names of Managers:<br>.....   | BNP Paribas, Taipei Branch<br>Bank of Taiwan<br>CTBC Bank Co., Ltd.<br>E. SUN Commercial Bank, Ltd.<br>Yuanta Securities Co., Ltd.<br>SG Securities (HK) Limited, Taipei Branch   |
|     | (ii) Date of Subscription Agreement:<br>.....    | 1 November 2017   |
|     | (iii) Stabilising Manager (if any): .            | Not Applicable  |
| 32. | If non-syndicated, name of relevant Dealer:..... | Not Applicable  |
| 33. | US Selling Restrictions:.....                    | Reg. S Category 2; TEFRA not applicable   |
| 34. | Additional selling restrictions:.....            | The Notes have not been, and shall not be, offered, sold or re-sold, directly or indirectly to investors other than "professional investors" as defined under the Article 2-1 of the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds (the "TPEX Rules"). Purchasers of the Notes are not permitted to sell or otherwise dispose of the Notes except by transfer to a Professional Investor. Under the TPEX Rules, "professional investors" include "professional institutional investors" as defined under Paragraph 2 of Article 4 of the Financial Consumer Protection Act of the ROC. |

**OPERATIONAL INFORMATION**

35.	Any clearing system(s) other than Euroclear and Clearstream, Luxembourg or DTC and the relevant identification number(s): .....	Not Applicable
36.	Delivery:.....	Delivery against payment through non-syndicated settlement account
37.	Additional Paying Agent(s) (if any):....	Not Applicable
38.	In the case of Registered Notes, specify the location of the office of the Registrar if other than New York: .....	Deutsche Bank Luxembourg S.A.
ISIN: .....		XS1711555257
Common Code: .....		171155525

**LISTING APPLICATION**

This Pricing Supplement comprises the final terms required to list the issue of Notes described herein pursuant to the U.S.\$15,000,000,000 Global Medium Term Note Programme of The Korea Development Bank, acting through its principal office in Korea.

The Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this Pricing Supplement. Admission of the Notes to the Official List of the SGX-ST is not to be taken as an indication of the merits of the Issuer, the Programme or the Notes.

TPEX is not responsible for the content of this document and the Information Memorandum and any amendment and supplement thereto and no representation is made by TPEX to the accuracy or completeness of this document and the Information Memorandum and any amendment and supplement thereto. TPEX expressly disclaims any and all liability for any losses arising from, or as a result of the reliance on, all or part of the contents of this document and the Information Memorandum and any amendment and supplement thereto. Admission to the listing and trading of the Notes on the TPEX shall not be taken as an indication of the merits of the Issuer or the Notes. The Notes will be traded on the TPEX pursuant to the applicable rules of the TPEX. Effective date of listing of the Notes is on or about 10 November 2017.

## RESPONSIBILITY

The Issuer accepts responsibility for the information contained in this Pricing Supplement.

Signed on behalf of the Issuer:

By: 

*Duly authorised*

Notes may also be issued in such other form and on such other terms as the Issuer may from time to time agree with the relevant Purchaser(s). If the relevant Pricing Supplement relating to a Tranche of Notes specifies any modifications to the Terms and Conditions of the Notes as described below, it is envisaged that, to the extent that such modifications relate only to Conditions 1, 4, 5 (except Condition 5(b)), 6, 10, 12 (insofar as such Notes are not listed or admitted to trade on any stock exchange), 13 or 14, they will not necessitate the preparation of supplementary listing particulars. If the Terms and Conditions of the Notes are to be modified in any other respect, it is envisaged that supplementary listing particulars or, if appropriate, further listing particulars describing the modifications will be prepared.

## SCHEDULE A – MODIFICATIONS TO THE CONDITIONS OF THE NOTES

The Conditions of the Notes shall be further modified as set forth below for the purposes of the Notes that are subject to this Pricing Supplement:

(A) **Condition 6 (Payments):**

A new Condition 6(i) shall be inserted and apply to the Notes as follows:

“Notwithstanding the foregoing, if by reason of Inconvertibility, Non-transferability or Illiquidity, the Issuer is not able to satisfy payments of principal or interest (in whole or in part) in respect of Notes when due in Renminbi in Hong Kong, the Issuer shall, on giving not less than 10 nor more than 30 calendar days' irrevocable notice to the Noteholders prior to the due date for payment, settle any such payment (in whole or in part) in U.S. dollars on the due date at the U.S. Dollar Equivalent of any such Renminbi denominated amount. In such event, any payment of U.S. dollars will be made by transfer to a U.S. dollar denominated account maintained by the payee with, or by a U.S. dollar denominated cheque drawn on, a bank in New York City.

For the purposes of this Condition:

“**Determination Business Day**” means a day (other than a Saturday or Sunday) on which commercial banks are open for general business (including dealings in foreign exchange) in Hong Kong and New York City.

“**Determination Date**” means the day which is two Determination Business Days before the due date of the relevant amount under these Conditions.

“**Governmental Authority**” means any *de facto* or *de jure* government (or any agency or instrumentality thereof), court, tribunal, administrative or other governmental authority or any other entity (private or public) charged with the regulation of the financial markets (including the central bank) of Hong Kong.

“**Illiquidity**” means the general Renminbi exchange market in Hong Kong becomes illiquid as a result of which the Issuer cannot obtain sufficient Renminbi in order to satisfy its obligation to pay interest or principal (in whole or in part) in respect of the Notes as determined by the Issuer in good faith and in a commercially reasonable manner following consultation with two Renminbi Dealers.

“**Inconvertibility**” means the occurrence of any event that makes it impossible for the Issuer to convert any amount due in respect of the Notes in the general Renminbi exchange market in Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after 1 November 2017 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

“**Non-transferability**” means the occurrence of any event that makes it impossible for the Issuer to deliver Renminbi between accounts inside Hong Kong or from an account inside Hong Kong to an account outside Hong Kong, other than where such impossibility is due solely to the failure of the Issuer to comply with any law, rule or regulation enacted by any Governmental Authority (unless such law, rule or regulation is enacted after 1 November 2017 and it is impossible for the Issuer, due to an event beyond its control, to comply with such law, rule or regulation).

**“Renminbi Dealer”** means an independent foreign exchange dealer of international repute active in the Renminbi exchange market in Hong Kong.

**“Spot Rate”** means the spot CNY/U.S. dollar exchange rate for the purchase of U.S. dollars with Renminbi in the over-the-counter Renminbi exchange market in Hong Kong for settlement in two Determination Business Days, as determined by the Calculation Agent at or around 11.00 a.m. (Hong Kong time) on the Determination Date, on a deliverable basis by reference to Reuters Screen Page TRADCNY3, or if no such rate is available, on a non-deliverable basis by reference to Reuters Screen Page TRADNDF. If neither rate is available, the Calculation Agent will determine the Spot Rate at or around 11.00 a.m. (Hong Kong time) on the Determination Date as the most recently available CNY/U.S. dollar official fixing rate for settlement in two Determination Business Days reported by The State Administration of Foreign Exchange of the PRC, which is reported on the Reuters Screen Page CNY=SAEC. Reference to a page on the Reuters Screen means the display page so designated on the Reuter Monitor Money Rates Service (or any successor service) or such other page as may replace that page for the purpose of displaying a comparable currency exchange rate.

**“U.S. Dollar Equivalent”** means the Renminbi amount converted into U.S. dollars using the Spot Rate for the relevant Determination Date as promptly notified by the Calculation Agent to the Issuer and the Paying Agents.

All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 6(i) by the Calculation Agent, will (in the absence of wilful default, bad faith or manifest error) be binding on the Issuer, the Agents and all Noteholders.”



## **SCHEDULE B – RISK FACTORS RELATING TO THE NOTES AND OTHER INFORMATION**

### **ADDITIONAL RISKS**

No public market exists for the Notes. Application will be made for the listing of the Notes on the TPEX. No assurances can be given as to whether the Notes will be, or will remain, listing on TPEX or whether a trading market for the Notes will develop or as to the liquidity of any such trading market. If the Notes fail to or cease to be listed on the TPEX, certain investors may not invest in, or continue to hold or invest in, the Notes.

### **ROC TAXATION**

*The following is a general description of the principal ROC tax consequences for investors receiving interest in respect of, or disposing of, the Notes and is of a general nature based on the Issuers' understanding of current law and practice. It does not purport to be comprehensive and does not constitute legal or tax advice.*

*This general description is based upon the law as in effect on the date hereof and that the Notes will be issued, offered, sold and re-sold to professional investors as defined under the Taipei Exchange Rules Governing Management of Foreign Currency Denominated International Bonds only. This description is subject to change potentially with retroactive effect. Investors should appreciate that, as a result of changing law or practice, the tax consequences may be otherwise than as stated below. Investors should consult their professional advisers on the possible tax consequences of subscribing for, purchasing, holding or selling the Notes.*

#### ***Interest on the Notes***

As the Issuer of the Notes is not a ROC statutory tax withholder, there is no ROC withholding tax on the interest to be paid on the Notes.

Payments of interest under the Notes to an ROC individual holder are not subject to ROC income tax as such payments received by him/her are not considered to be ROC-sourced income. However, such holder must include the interest in calculating his/her basic income for the purpose of calculating his/her alternative minimum tax ("**AMT**"), unless the sum of the interest and other non-ROC-sourced income received by such holder and the person(s) who is (are) required to jointly file the tax return in a calendar year is below NT\$1 million. If the amount of the AMT exceeds the annual income tax calculated pursuant to the AMT Act, the excess becomes such holder's AMT payable.

ROC corporate holders must include the interest receivable under the Notes as part of their taxable income and pay income tax at a flat rate of 17% (unless the total taxable income for a fiscal year is under NT\$120,000), as they are subject to income tax on their worldwide income on an accrual basis. The AMT is not applicable.

#### ***Sale of the Notes***

In general, the sale of corporate bonds or financial bonds is subject to 0.1% notes transaction tax ("**STT**") on the transaction price. However, Article 2-1 of the Securities Transaction Tax Act prescribes that STT will cease to be levied on the sale of corporate bonds and financial bonds from 1 January 2010 to 31 December 2026. Therefore, the sale of the Notes will be exempt from STT if the sale is conducted on or before 31 December 2026. Starting from 1 January 2027, any sale of the Notes will be subject to STT at 0.1% of the transaction price, unless otherwise provided by the tax laws that may be in force at that time.

Capital gains generated from the sale of bonds are exempt from income tax. Accordingly, ROC individual and corporate holders are not subject to income tax on any capital gains generated from the sale of the Notes. In addition, ROC individual holders are not subject to AMT on any capital gains generated from the sale of the Notes. However, ROC corporate holders should include the capital gains in calculating their basic income for the purpose of calculating their AMT. If the amount of the AMT exceeds the ordinary income tax calculated pursuant to the Basic Income Tax Act (also known as the AMT Act), the excess becomes the ROC corporate holders' AMT payable. Capital losses, if any, incurred by such holders could be carried over 5 years to offset against capital gains of same category of income for the purposes of calculating their AMT.

## **ROC TRADING**

Currently, the Issuer has not entered into any settlement agreement with the Taiwan Depository & Clearing Corporation ("TDCC") and have no intention to do so. In the future, if the Issuer enters into a settlement agreement with TDCC, an investor, if it has a securities book-entry account with a Taiwan securities broker and a foreign currency deposit account with a Taiwan bank, may settle the Notes through the account of TDCC with Euroclear or Clearstream if it applies to TDCC (by filing in a prescribed form) to transfer the Notes in its own account with Euroclear or Clearstream to such TDCC account with Euroclear or Clearstream for trading in the domestic market or vice versa for trading in overseas markets. For settlement through TDCC, TDCC will allocate the respective Notes position to the securities book-entry account designated by such investor in the ROC. The Notes will be traded and settled pursuant to the applicable rules and operating procedures of TDCC and the TPEX as domestic bonds. For such investors who hold their interest in the Notes through an account opened and held by TDCC with Euroclear or Clearstream, distributions of principal and/or interest for the Notes to such holders may be made by payment services banks whose systems are connected to TDCC to the foreign currency deposit accounts of the holders. Such payment is expected to be made on the second Taiwanese business day following TDCC's receipt of such payment (due to time difference, the payment is expected to be received by TDCC one Taiwanese business day after the distribution date). However, when the holders will actually receive such distributions may vary depending upon the daily operations of the Taiwan banks with which the holder has the foreign currency deposit account.