

Execution Version

Dated 18 September 2015

THE KOREA DEVELOPMENT BANK

acting through its principal office in Korea,
its London Branch, its New York Branch or any other overseas branch
as Issuer

THIRD SUPPLEMENTAL PROGRAMME AGREEMENT

U.S.\$15,000,000,000
GLOBAL MEDIUM TERM NOTE PROGRAMME

Linklaters

22F East Tower, Mirae Asset Center 1
26 Eulji-ro 5-gil, Jung-gu
Seoul 04539, Korea

Telephone +82 02 6320 1000
Facsimile +82 02 6320 1199

Ref L-240461

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THIS THIRD SUPPLEMENTAL PROGRAMME AGREEMENT is made on 18 September 2015

BETWEEN:

- (1) **THE KOREA DEVELOPMENT BANK** (the **Issuer**);
- (2) **BARCLAYS BANK PLC and DEUTSCHE BANK AG, SINGAPORE BRANCH** (the **Arrangers**); and
- (3) **AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED, BNP PARIBAS, CITIGROUP GLOBAL MARKETS LIMITED, COMMERZBANK AKTIENGESELLSCHAFT, CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK, CREDIT SUISSE SECURITIES (EUROPE) LIMITED, DAEWOO SECURITIES CO., LTD., DAIWA CAPITAL MARKETS HONG KONG LIMITED, GOLDMAN SACHS INTERNATIONAL, THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED, J.P. MORGAN SECURITIES PLC, KDB ASIA LIMITED, MERRILL LYNCH INTERNATIONAL, MITSUBISHI UFJ SECURITIES INTERNATIONAL PLC, MIZUHO SECURITIES ASIA LIMITED, MORGAN STANLEY & CO. INTERNATIONAL PLC, NATIONAL BANK OF ABU DHABI PJSC, NOMURA INTERNATIONAL PLC, SOCIÉTÉ GÉNÉRALE, STANDARD CHARTERED BANK and UBS AG** (together with the **Arrangers, the Dealers**).

WHEREAS:

- (A) This Agreement is supplemental to, and should be read in conjunction with, the amended and restated programme agreement dated 15 June 2012 (the **Original Programme Agreement**) as supplemented by a first supplemental programme agreement dated 5 July 2013 (the **First Supplemental Programme Agreement**) and a second supplemental programme agreement dated 10 October 2014 (the **Second Supplemental Programme Agreement** and, together with the Original Programme Agreement and the First Supplemental Programme Agreement, the **Principal Programme Agreement**) made between the parties thereto in respect of a U.S.\$15,000,000,000 Global Medium Term Note Programme (the **Programme**).
- (B) Pursuant to Clause 10 of the Principal Programme Agreement RBS Asia Limited has been terminated as a Dealer under the Programme on 18 September 2015.
- (C) The Issuer has determined to appoint each of Australia and New Zealand Banking Group Limited (**ANZ**), Crédit Agricole Corporate and Investment Bank (**CACIB**) and Mitsubishi UFJ Securities International plc (**MUFG**) as an additional Dealer for the duration of the Programme.
- (D) The parties hereto have agreed to make certain other modifications to the Principal Programme Agreement.
- (E) From the date hereof, the Principal Programme Agreement and this Agreement shall be together defined as the **Programme Agreement**. Any Notes issued under the Programme on or after the date of this Agreement shall be issued pursuant to the Programme Agreement. The modifications made pursuant to this Agreement shall not affect any Notes issued under the Programme prior to the date of this Agreement.

IT IS HEREBY AGREED as follows:

1 Definitions and interpretations

Terms defined or construed in the Principal Programme Agreement shall bear the same meanings or construction when used in this Agreement except where the context requires otherwise.

2 Amendments to the Principal Programme Agreement

With effect from the date of this Agreement, and with respect to Notes issued on or from the date of this Agreement, the Principal Programme Agreement shall be modified as follows:

2.1 Definitions and Interpretations

The definition of **Dealer** in clause 1 will be deleted in its entirety and replaced by the following definition:

“Dealer means each of ANZ, Barclays, BNPP, Citi, Commerzbank, CACIB, CS, Daewoo Securities, Daiwa, DB, GS, HSBC, J.P. Morgan, KDB Asia, Merrill Lynch, MUFG, Mizuho Securities, Morgan Stanley, NBAD, Nomura, SG, SCB, UBS and any New Dealer but excludes any entity whose appointment has been terminated pursuant to sub-clause 10.1 of this Agreement and notice of whose termination has been given to the Fiscal Agent by the Issuer (references to a **relevant Dealer** or Dealers meaning, in relation to any Note, the Dealer or Dealers with whom the Issuer has agreed the issue and purchase of the relevant Note;”;

2.2 Initial Documentation List

- (a) References to Bae, Kim & Lee LLC in Appendix 1 of the Principal Programme Agreement shall be deemed to be deleted and replaced with Kim & Chang.
- (b) References to Allen & Overy in Appendix 1 of the Principal Programme Agreement shall be deemed to be deleted and replaced with Linklaters LLP.

2.3 Selling Restrictions

- (a) The United States selling restrictions set out in paragraph 1 of Appendix 2 of the Principal Programme Agreement shall be deemed to be deleted in their entirety and replaced with the following:

“1.1 The Notes have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Subject to clause 1.5 below, each Dealer represents and agrees that it has offered sold and delivered any Notes, and will offer and sell any Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the completion of the distribution of all Notes of the Tranche of which such Notes are a part, as determined and certified as provided below, only in accordance with Rule 903 of Regulation S under the Securities Act. Each Dealer who has purchased Notes of a Tranche hereunder (or in the case of a sale of a Tranche of Notes issued to or through more than one

Dealer, each of such Dealers as to the Notes of such Tranche purchased by or through it or, in the case of a syndicated issue, the relevant Lead Manager) shall determine and certify to the Fiscal Agent the completion of the distribution of the Notes of such Tranche. On the basis of such notification or notifications, the Fiscal Agent has agreed to notify such Dealer/Lead Manager of the end of the distribution compliance period with respect to such Tranche. Each Dealer also agrees that, at or prior to confirmation of sale of Notes (other than a sale pursuant to Rule 144A), it will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

"The Securities covered hereby have not been registered under the U.S. Securities Act of 1933, as amended (the **Securities Act**), or with any securities regulatory authority of any state or other jurisdiction of the United States, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Securities as determined and certified by the relevant Dealer, in the case of a non-syndicated issue, or the Lead Manager, in the case of a syndicated issue, and except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this sub-clause 1.1 have the meanings given to them by Regulation S.

- 1.2 Each Dealer further represents and agrees that it, its affiliates or any persons acting on its or their behalf have not engaged and will not engage in any directed selling efforts with respect to any Note, and it and they have complied and will comply with the offering restrictions requirement of Regulation S.
- 1.3 In addition in respect of Bearer Notes where TEFRA D is specified in the applicable Pricing Supplement:
 - (i) except to the extent permitted under U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D) (or any successor rules in substantially the same form that are applicable for purposes of Section 4701 of the U.S. Internal Revenue Code of 1986, as amended) (the **D Rules**), each Dealer (i) represents that it has not offered or sold, and agrees that during the restricted period it will not offer or sell, Notes in bearer form to a person who is within the United States or its possessions or to a United States person, and (ii) represents that it has not delivered and agrees that it will not deliver within the United States or its possessions definitive Notes in bearer form that are sold during the restricted period;
 - (ii) each Dealer represents that it has and agrees that throughout the restricted period it will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes in bearer form are aware that such Notes may not be

offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules;

- (iii) if it is a United States person, each Dealer represents that it is acquiring Notes in bearer form for purposes of resale in connection with their original issuance and if it retains Notes in bearer form for its own account, it will only do so in accordance with the requirements of U.S. Treas. Reg. Section 1.163-5(c)(2)(i)(D)(6); and
- (iv) with respect to each affiliate that acquires Notes in bearer form from a Dealer for the purpose of offering or selling such Notes during the restricted period, such Dealer repeats and confirms the representations and agreements contained in sub-clauses (i), (ii) and (iii) on such affiliate's behalf.

Terms used in this sub-clause 1.3 have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder, including the D Rules.

- 1.4** In respect of Bearer Notes where TEFRA C is specified in the applicable Pricing Supplement, such Bearer Notes must be issued and delivered outside the United States and its possessions in connection with their original issuance. Each Dealer represents and agrees that it has not offered, sold or delivered, and will not offer, sell or deliver, directly or indirectly, such Bearer Notes within the United States or its possessions in connection with their original issuance. Further, each Dealer represents and agrees in connection with the original issuance of such Bearer Notes that it has not communicated, and will not communicate, directly or indirectly, with a prospective purchaser if such purchaser is within the United States or its possessions and will not otherwise involve its U.S. office in the offer or sale of such Bearer Notes.

Terms used in this sub-clause 1.4 have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder.

- 1.5** Notwithstanding anything above to the contrary, it is understood that Registered Notes may be offered and sold to QIBs in the United States in reliance on Rule 144A, and in connection therewith each Dealer represents and agrees that:

- (i) offers, sales, resales and other transfers of Registered Notes made in the United States made or approved by a Dealer (including offers, resales or other transfers made or approved by a Dealer in connection with secondary trading) shall be made with respect to Registered Notes only and shall be effected pursuant to an exemption from the registration requirements of the Securities Act;
- (ii) offers, sales, resales and other transfers of Notes made in the United States will be made only in private transactions to (1) a limited number of institutional investors that are accredited investors (as defined in Rule 501(a) (1), (2) and (3) under the Securities Act each such institutional investor being hereinafter referred to as an

"Institutional Accredited Investor") that has executed and delivered to a Dealer an IAI Investment Letter, or (2) institutional investors that are reasonably believed to qualify as qualified institutional buyers within the meaning of Rule 144A (each such institutional investor being hereinafter referred to as a "QIB");

(iii) the Registered Notes will be offered in the United States only by approaching prospective purchasers on an individual basis. No general solicitation or general advertising within the meaning of Rule 502(c) under the Securities Act will be used in connection with the offering of the Registered Notes in the United States; and

(iv) no sale of Registered Notes in the United States to (1) any one Institutional Accredited Investor will be for less than U.S.\$500,000 principal amount and (2) any one QIB will be for less than U.S.\$100,000 principal amount or (in each case) its equivalent rounded upwards and no Registered Note will be issued in connection with such a sale in a smaller principal amount. If such purchaser is a non-bank fiduciary acting on behalf of others, each person for whom it is acting must purchase at least U.S.\$500,000 (in the case of (1) above) or U.S.\$100,000 (in the case of (2) above) principal amount of the Registered Notes.

1.6 The Issuer represents and agrees that any resale or other transfer, or attempted resale or other transfer of Notes sold as part of a private placement in the United States made other than in compliance with the restrictions set out in clause 1.5 shall not be recognised by the Issuer or any agent of the Issuer and shall be void.

1.7 Each issue of Index Linked Notes or Dual Currency Notes shall be subject to such additional U.S. selling restrictions as the Issuer and the relevant Dealer may agree as a term of the issue and purchase of such Notes, which additional selling restrictions shall be set out in the applicable Pricing Supplement. The relevant Dealer agrees that it shall offer, sell and deliver such Notes only in compliance with such additional U.S. selling restrictions.”.

(b) The United Kingdom selling restrictions set out in paragraph 2 of Appendix 2 of the Principal Programme Agreement shall be deemed to be deleted in their entirety and replaced with the following:

“Each Dealer represents and agrees that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.”.

- (c) The Japan selling restrictions set out in paragraph 3 of Appendix 2 of the Principal Programme Agreement shall be deemed to be deleted in their entirety and replaced with the following:

“The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the **Financial Instruments and Exchange Act**). Accordingly, each Dealer represents and agrees that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organised under the laws of Japan) or to others for re-offering or re-sale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.”.

- (d) The Netherlands selling restrictions set out in paragraph 6 of Appendix 2 of the Principal Programme Agreement shall be deemed to be deleted in their entirety and replaced with the following:

“Each Dealer represents and agrees that any Notes will only be offered in The Netherlands to Qualified Investors (as defined in the EU Prospectus Directive), unless such offer is otherwise made in accordance with the Dutch Financial Supervision Act (*Wet op het financieel toezicht*).”.

- (e) The Singapore selling restrictions set out in paragraph 7 of Appendix 2 of the Principal Programme Agreement shall be deemed to be deleted in their entirety and replaced with the following:

“Each Dealer acknowledges that the Information Memorandum has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Dealer represents and agrees that it has not offered or sold any Notes or caused such Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell such Notes or cause such Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, the Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of such Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the **SFA**), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.”.

- (f) The Public Offer Selling Restriction under the Prospectus Directive set out in paragraph 8 of Appendix 2 of the Principal Programme Agreement shall be deemed to be deleted in their entirety and replaced with the following:

“In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer represents, warrants and agrees that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member

State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Information Memorandum as completed by the Pricing Supplement in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) if the Pricing Supplement in relation to the Notes specify that an offer of those Notes may be made other than pursuant to Article 3(2) of the Prospectus Directive in that Relevant Member State (a **Non-exempt Offer**), following the date of publication of a prospectus in relation to such Notes which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, provided that any such prospectus has subsequently been completed by the Pricing Supplement contemplating such Non-exempt Offer, in accordance with the Prospectus Directive, in the period beginning and ending on the dates specified in such prospectus or Pricing Supplement, as applicable, and the Issuer has consented in writing to its use for that purpose of that Non-exempt Offer;
- (b) at any time to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (c) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (d) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (b) to (d) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.”.

- (g) The People’s Republic of China selling restriction set out in paragraph 9 of Appendix 2 of the Principal Programme Agreement shall be deemed to be deleted in their entirety and replaced with the following:

“Each Dealer represents and agrees that the Notes are not being offered or sold and may not be offered or sold, directly or indirectly, in the People’s Republic of

China (for such purposes, not including the Hong Kong and Macau Special Administrative Regions or Taiwan), except as permitted by the securities laws of the People's Republic of China.”

2.4 Appointment of New Dealers

- (a) Subject to clauses 2.6(b) and 2.6(c) below, the Issuer, pursuant to clause 10 of the Principal Programme Agreement, hereby appoints each of ANZ, CACIB and MUFG as a Dealer for the duration of the Programme and each of ANZ, CACIB and MUFG shall, subject to the terms of this Agreement, become a party to the Principal Programme Agreement, and be vested with all authority, rights, powers, duties and obligations of a Dealer as if originally named as a Dealer under the Principal Programme Agreement.
- (b) Each of ANZ, CACIB and MUFG hereby confirms that it is in receipt of a copy of the current versions of such documents referred to in Appendix 1 of the Programme Agreement (as amended pursuant to this Agreement) as it has requested, and has found them to its satisfaction.
- (c) In consideration of the appointment by the Issuer of ANZ, CACIB and MUFG each as a Dealer under the Programme Agreement, each of ANZ, CACIB and MUFG undertakes, for the benefit of the Issuer and each of the other Dealers, that it will perform and comply with all the duties and obligations expressed to be assumed by a Dealer under the Programme Agreement.

3 One agreement

This Agreement shall be read as one with the Principal Programme Agreement so that all references in the Principal Programme Agreement to “this Agreement” and the “Programme Agreement” are deemed to refer to the Principal Programme Agreement as supplemented by this Agreement, provided always that in the event of any inconsistency between the Principal Programme Agreement and this Agreement, the provisions of this Agreement shall override such inconsistent provisions of the Principal Programme Agreement. Each of the amendments contemplated by this Agreement shall take effect from the date hereof. Save for the amendments to the Principal Programme Agreement confirmed by this Agreement, all terms and conditions of the Principal Programme Agreement shall remain in full force and effect. The Principal Programme Agreement and this Agreement shall henceforth be read and construed together as one agreement. Any Notes issued under the Programme on or after the date hereof shall be issued pursuant to the Principal Programme Agreement as supplemented by this Agreement. The modifications made pursuant to this Agreement shall not affect any Notes issued under the Programme prior to the date of this Agreement.

4 Counterparts

This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts together shall constitute one and the same agreement.

5 Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

6 Governing law and submission to jurisdiction

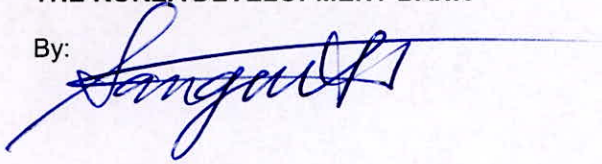
This Agreement and any non-contractual obligations arising out of or in connection with this Agreement are governed by, and shall be construed in accordance with, English law. Clause 18 of the Principal Programme Agreement shall apply to this Agreement as if expressly incorporated herein.

SIGNATORIES

The Issuer

THE KOREA DEVELOPMENT BANK

By:

A handwritten signature in blue ink, appearing to be 'Sanguk', written over a horizontal line.

[signature page to the Third Supplemental Programme Agreement]

The Arrangers

BARCLAYS BANK PLC

By:

A handwritten signature in black ink, appearing to read 'Wong Tse Kay Michael', written over the printed name below.

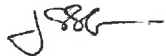
Wong Tse Kay Michael
Authorised Signatory

[signature page to the Third Supplemental Programme Agreement]

DEUTSCHE BANK AG, SINGAPORE BRANCH

For and on behalf of **DEUTSCHE BANK AG, SINGAPORE BRANCH**

By:



Jacob Gearhart

Managing Director,

Head of Global Risk Syndicate, Asia

DEUTSCHE BANK AG, SINGAPORE BRANCH

For and on behalf of **DEUTSCHE BANK AG, SINGAPORE BRANCH**

By:



Jin-woo Cho

Managing Director,

Head of Global Capital Markets Origination, Korea

Dealers

GOLDMAN SACHS INTERNATIONAL

By:


Patrick Rohan
Authorised Signatory

NATIONAL BANK OF ABU DHABI PJSC

By:

STANDARD CHARTERED BANK

By:

[signature page to the Third Supplemental Programme Agreement]

Dealers

GOLDMAN SACHS INTERNATIONAL

By:

NATIONAL BANK OF ABU DHABI PJSC

By:



1611 - B

STANDARD CHARTERED BANK

By:

Dealers

GOLDMAN SACHS INTERNATIONAL

By:

NATIONAL BANK OF ABU DHABI PJSC

By:

STANDARD CHARTERED BANK

By:

A handwritten signature in black ink, appearing to read 'Lee Choon-Hong', with a long horizontal flourish extending to the right.

Lee Choon-Hong
Managing Director
Head of Capital Markets
Greater China & NEA

[signature page to the Third Supplemental Programme Agreement]

The other Dealers

**AUSTRALIA AND NEW ZEALAND BANKING GROUP LIMITED
BNP PARIBAS
CITIGROUP GLOBAL MARKETS LIMITED
COMMERZBANK AKTIENGESELLSCHAFT
CRÉDIT AGRICOLE CORPORATE AND INVESTMENT BANK
CREDIT SUISSE SECURITIES (EUROPE) LIMITED
DAEWOO SECURITIES CO., LTD.
DAIWA CAPITAL MARKETS HONG KONG LIMITED
THE HONGKONG AND SHANGHAI BANKING CORPORATION LIMITED
J.P. MORGAN SECURITIES PLC
KDB ASIA LIMITED
MERRILL LYNCH INTERNATIONAL
MIZUHO SECURITIES ASIA LIMITED
MITSUBISHI UFJ SECURITIES INTERNATIONAL PLC
MORGAN STANLEY & CO. INTERNATIONAL PLC
NOMURA INTERNATIONAL PLC
SOCIÉTÉ GÉNÉRALE
UBS AG**

For and on behalf of each such Dealer

By: **BARCLAYS BANK PLC**



**Wong Tse Kay Michael
Authorised Signatory**

[signature page to the Third Supplemental Programme Agreement]
