

Press Release

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Korea Development Bank wins Best Derivatives Provider of the Year (Korea) award in 2015

- **Use of pioneering technology to ensure effective risk management**
- **Adaptable to changing market demands through customer-centric products**
- **Focused on ensuring market resilience and stability**

Seoul, July 14th 2015—Korea Development Bank (KDB) has been named as winner for the **Best Derivatives Provider of the Year (South Korea)** award 2015 during The Asian Banker Financial Markets Awards Programme. The programme has been administered by The Asian Banker since 2001 initially as part of its prestigious annual Business Achievement Awards programme. The awards ceremony was held at the Lotte Seoul on July 14th 2015 in conjunction with 3rd Annual Korea Retail Financial Services Dialogue 2015 on Digital Banking and Technological Innovation, and supported by Joong Ang media.

Use of pioneering technology to ensure effective risk management

KDB has been able to manage trading and risk in real time and develop pricing models for various derivatives. Its unique dealing infrastructure team has developed new pricing models. KDB was able to perform large-scale upgrade on its infrastructure for dealing and settlement during the year. As a result, the bank is now capable of managing various products and controlling risk more efficiently.

Adaptable to changing market demands through customer-centric products

In consultation with its customers, KDB provides customised hedging tools such as structured derivatives, which satisfy the demand for higher interest rate for investors amidst a prevailing low-interest environment. While other domestic banks focused on issuing vanilla FRN and straight bonds, KDB issued structured bonds ensuring that it retained sustainable competitive advantage with clients through a diversified product offering. The bank also resumed trading of Target Redemption Forward and Knock-out Target Forward contracts and played a crucial role in providing liquidity to ensure market settlement of CNH/KRW trades.

Focused on ensuring market resilience and stability

In a domestic derivatives market dominated mainly by foreign investment banks, KDB plays a crucial role in promoting stability and smooth functioning of derivative markets. To address the evolving regulations impacting the OTC derivatives market, KDB has recommended relatively simple products for hedging to clients rather than complex derivatives, which are difficult to understand. KDB has also established the requisite infrastructure to pioneer the Certified Emission Reductions (CER) market.

About The Asian Banker

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