

KOREA ELECTRIC POWER CORP

Form 6-K

June 15, 2016

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, DC 20549**

**FORM 6-K**

**REPORT OF FOREIGN PRIVATE ISSUER**

**Pursuant to Rule 13a-16 or 15d-16**

**of the Securities Exchange Act of 1934**

**For the Month of June 2016**

**Commission File Number: 001-13372**

**KOREA ELECTRIC POWER CORPORATION**

**(Translation of registrant's name into English)**

**55 Jeollyeok-ro, Naju-si, Jeollanam-do, 58217, Korea**

**(Address of principal executive offices)**

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether the registrant by furnishing the information contained in this form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes

No

If  Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b):  
82-\_\_\_\_\_.

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This Report of Foreign Private Issuer on Form 6-K is deemed filed for all purposes under the Securities Act of 1933, as amended, and the Securities Exchange Act of 1934, as amended.

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**QUARTERLY BUSINESS REPORT**

(For the period from January 1, 2016 to March 31, 2016)

THIS IS A SUMMARY IN ENGLISH OF THE QUARTERLY BUSINESS REPORT ORIGINALLY PREPARED IN KOREAN AND IS IN SUCH FORM AS REQUIRED BY THE FINANCIAL SERVICES COMMISSION OF KOREA.

IN THE TRANSLATION PROCESS, SOME PARTS OF THE REPORT WERE REFORMATTED, REARRANGED OR SUMMARIZED FOR THE CONVENIENCE OF READERS. NON-MATERIAL OR PREVIOUSLY DISCLOSED INFORMATION IS OMITTED OR ABRIDGED.

UNLESS EXPRESSLY STATED OTHERWISE, ALL INFORMATION CONTAINED HEREIN IS PRESENTED ON A CONSOLIDATED BASIS IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ADOPTED FOR USE IN KOREA, OR K-IFRS, WHICH DIFFER IN CERTAIN RESPECTS FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES IN CERTAIN OTHER COUNTRIES, INCLUDING THE UNITED STATES. WE HAVE MADE NO ATTEMPT TO IDENTIFY OR QUANTIFY THE IMPACT OF THESE DIFFERENCES.

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**I. Company Overview**

1. Name of the company: Korea Electric Power Corporation (KEPCO)

2. Information of the company

(Address) 55 Jeollyeok-ro, Naju-si, Jeollanam-do, 58217, Korea

(Phone number) 82-61-345-4261

(Website) <http://www.kepcoco.kr>

3. Major businesses

KEPCO, as the parent company, is engaged in the following activities:

- 1 development of electric power resources;
- 1 generation, transmission, transformation and distribution of electricity and other related activities;
- 1 research and development of technology related to the businesses mentioned above;
- 1 overseas business related to the businesses mentioned above;
- 1 investment or contributions related to the businesses mentioned above;
- 1 development and operation of certain real estate holdings; and
- 1 other businesses entrusted by the government.

Businesses operated by KEPCO's major subsidiaries are as follows: nuclear power generation by Korea Hydro & Nuclear Power (KHNP), thermal power generation by Korea South-East Power (KOSEP), Korea Midland Power (KOMIPO), Korea Western Power (KOWEPO), Korea Southern Power (KOSPO) and Korea East-West Power (EWP), other businesses including engineering service by KEPCO Engineering & Construction (KEPCO E&C), maintenance and repair of power plants by KEPCO Plant Service & Engineering (KEPCO KPS), nuclear fuel processing by KEPCO Nuclear Fuel (KEPCO NF), IT service by KEPCO KDN, and other overseas businesses and related investments.

4. Subsidiaries and affiliates of KEPCO

(As of March 31, 2016)

<b>Classification</b>	<b>Consolidated subsidiaries</b>	<b>Associates and joint ventures</b>	<b>Total</b>
Domestic	19	57	76
Overseas	60	38	98
<b>Total</b>	<b>79</b>	<b>95</b>	<b>174</b>

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## 5. Major changes in management

A. On March 25, 2016, Lee, Kang-Hee whose term of the office expired was reappointed as a non-standing director.

B. At the extraordinary meeting of shareholders of KEPCO held on February 22, 2016, Cho, Hwan-Eik whose term of the office expired was elected as the President and Chief Executive Officer.

## 6. Changes in major shareholders

On December 31, 2014, Korea Development Bank merged with Korea Finance Corporation, and became the largest shareholder of KEPCO.

## 7. Information regarding KEPCO shares

A. Issued share capital: Won 3,210 billion (Authorized capital: Won 6 trillion)

B. Total number of issued shares: 641,964,077

(Total number of shares authorized to for issuance: 1,200,000,000)

C. Dividends: Dividend payment of Won 3,100 per share for fiscal year 2015 (Won 1.99 trillion in aggregate). Dividend payments for fiscal year 2014 and 2013 were Won 500 and Won 90 per share respectively and no dividend was paid for fiscal year 2012.

**II. Business Overview**

## 1. Consolidated financial results by segment for the first three-month period ended March 31, 2015 and 2014

(In billions of Won)

	January to March 2015		January to March 2016	
	Sales	Operating profit	Sales	Operating profit
Electricity sales	14,937	-194	15,566	289
Nuclear generation	2,736	1,196	3,310	1,683
Thermal generation	6,624	1,217	6,235	1,691
Others(*)	705	71	700	82
Subtotal	25,002	2,290	25,811	3,745
Adjustment for related- party transactions	-9,878	-50	-10,126	-140
<b>Total</b>	<b>15,124</b>	<b>2,240</b>	<b>15,685</b>	<b>3,605</b>

The figures may not add up to the relevant total numbers due to rounding.

(\*)

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Others relate to 72 subsidiaries including KEPCO E&C, KEPCO KPS, KEPCO NF and KEPCO KDN, among others.

Sales and operating profit reflects amendments to Korean IFRS 1001 Presentation of Financial Statements.

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## 2. Changes in unit prices of major products

(In Won per kWh)

	Business sector	Company	January to December	January to March
			2015	2016
Electricity sold	Residential	KEPCO	123.69	129.91
	Commercial		130.46	129.40
	Educational		113.22	104.21
	Industrial		107.41	107.91
	Agricultural		47.31	47.56
	Street lighting		113.37	108.89
	Overnight usage		67.22	72.86
Electricity from nuclear generation	Nuclear Generation	KHNP	64.32	75.93
Electricity from thermal generation	Thermal generation	KOSEP	70.68	81.66
		KOMIPO	87.16	92.88
		KOWEPO	89.19	98.86
		KOSPO	90.90	100.14
		EWP	84.75	98.06



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## 3. Power purchase from generation companies for the first three-month period ended March 31, 2016

<b>Company</b>	<b>Volume (MWh)</b>	<b>Expense (In billions of Won)</b>
KHNP	43,129,909	3,279
KOSEP	16,881,077	1,379
KOMIPO	11,672,007	1,085
KOWEPO	12,410,222	1,227
KOSPO	10,903,123	1,092
EWP	12,789,974	1,254
Others	26,937,303	2,907
Total	134,723,615	12,225

Excludes expense related to the renewable portfolio standard provisions.

## 4. Intellectual property as of March 31, 2016

	<b>Patents</b>		<b>Utility</b>		<b>Trademarks</b>		<b>Total</b>
	<b>Domestic</b>	<b>Overseas</b>	<b>models</b>	<b>Designs</b>	<b>Domestic</b>	<b>Overseas</b>	
KEPCO	1,756	172	100	73	124	44	2,269
Consolidated subsidiaries	3,584	549	750	94	254	16	5,187
Total	5,340	721	850	167	378	60	7,456

**III. Financial Information**

## 1. Condensed consolidated financial results as of and for the first three-month period ended March 31, 2016

(In billions of Won)

	<b>Consolidated statements of comprehensive income</b>			<b>Consolidated statements of financial position</b>			
	<b>January to March 2015</b>	<b>January to March 2016</b>	<b>Change (%)</b>	<b>December 31, 2015</b>	<b>March 31, 2016</b>	<b>Change (%)</b>	
	Sales	15,124	15,685	3.7	Total assets	175,257	176,793
Operating profit	2,240	3,605	61.0	Total liabilities	107,315	108,815	1.4
Net income	1,223	2,163	76.8	Total equity	67,943	67,978	0.1

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2. Condensed separate financial results as of and for the first three-month period ended March 31, 2016

(In billions of Won)

	Separate statements of comprehensive income			Separate statements of financial position			
	January to March 2015	January to March 2016	Change (%)	December 31, 2015	March 31, 2016	Change (%)	
	Sales	14,937	15,566	4.2	Total assets	106,306	105,847
Operating profit	-194	289	248.8	Total liabilities	53,125	53,629	0.9
Net income	335	1,046	212.0	Total equity	53,181	52,218	-1.8

**IV. Board of Directors (KEPCO Only)**

1. The board of directors is required to consist of not more than 15 directors including the president. Under our Article of Incorporation, there may not be more than seven standing directors including president, and more than eight non-standing directors. The number of non-standing directors must exceed the number of standing directors, including our president.

\* The Audit Committee consists of one standing director and two non-standing directors.

2. Board meetings and agendas for the first-three month period ended March 31, 2015

Number of meetings	Number of agendas	Resolutions	Results Approved as proposed	Reports	Results Accepted as reported
4	20	15		5	

\* The audit committee held 4 meetings with 15 agendas (of which, 9 were resolved as proposed and 6 were approved as reported).

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## 3. Major activities of the Board of Directors

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
January 5, 2016	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
	Approval to call for the extraordinary general meeting of shareholders for the fiscal year 2016	Approved as proposed	Resolution
February 19, 2016	Approval of the maximum aggregate amount of remuneration for directors in 2016	Approved as proposed	Resolution
	Approval of consolidated and separate financial statements for the fiscal year 2015	Approved as proposed	Resolution
	Approval to call for the annual general meeting of shareholders for the fiscal year 2015	Approved as proposed	Resolution
	Approval of investment to a special purpose company for solar power project in Hokkaido, Japan	Approved as proposed	Resolution
	Composition of the Director Nomination Committee to recommend candidates and approval of standards for examining candidates for a standing director and member of the Audit Committee	Approved as proposed	Resolution
	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
	Report on the annual management of commercial papers in 2015	Accepted as reported	Report
	Report on internal control over financial reporting for the fiscal year 2015	Accepted as reported	Report
	Evaluation report on internal control over financial reporting for the fiscal year 2015	Accepted as reported	Report
	Report on operating plan of Act on the Control and Supervision on Nuclear Power Suppliers	Accepted as reported	Report
February 29, 2016	Amendments on the Electricity Usage Agreement and Rules for Operation	Approved as proposed	Resolution
	Approval of the Statement of Appropriation of Retained Earnings for fiscal year 2015	Approved as proposed	Resolution
March 18, 2016	Approval of Agreement on Management Performance Assessment for Chief of Organization	Approved as proposed	Resolution
	Approval of the establishment of the new organization	Approved as proposed	Resolution
	Amendments on the Electricity Usage Agreement and Rules for Operation	Approved as proposed	Resolution
	Approval of liquidation of Dolphin, the special purpose company in Nigeria	Approved as proposed	Resolution
	Composition of the Director Nomination Committee to recommend candidates and approval of standards for examining candidates for non-standing directors	Approved as proposed	Resolution
	Auditor's report to the board of directors for 2015	Accepted as reported	Report

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## 4. Major Activities and Attendance Status of Non-standing directors

Date	Agenda	Lee, Gang- Hee	Cho, Jeon- Hyeok	Choi, Ki- Ryun	Sung, Tae- Hyun	Koo, Ja- Yoon	Ahn, Choong- Yong	Ahn, Hyun- Ho <sup>(*)</sup>	Kim, Joo- Suen
January 5, 2016	Approval to close the shareholders registry for extraordinary general meeting of shareholders	For	For	For	For	For	For	Absence	For
	Approval to call for the extraordinary general meeting of shareholders for the fiscal year 2016	For	For	For	For	For	For	Absence	For
February 19, 2016	Approval of the maximum aggregate amount of remuneration for directors in 2016	For	For	For	For	For	For	For	For
	Approval of consolidated and separate financial statements for the fiscal year 2015	For	For	For	For	For	For	For	For
	Approval to call for the annual general meeting of shareholders for the fiscal year 2015	For	For	For	For	For	For	For	For
	Approval of investment to a special purpose company for solar power business in Hokkaido, Japan	For	For	For	For	For	For	For	For
	Composition of the Director Nomination Committee to recommend candidates and approval of standards for examining candidates for a standing director and member of the Audit Committee	For	For	For	For	For	For	For	For
	Approval to close the shareholders registry for extraordinary general meeting of shareholders	For	For	For	For	For	For	For	For
	Report on the annual management of commercial papers in								

	2015								
	Report on internal control over financial reporting for the fiscal year 2015						Agenda for Report		
	Evaluation report on internal control over financial reporting for the fiscal year 2015						Agenda for Report		
	Report on operating plan of Act on the Control and Supervision on Nuclear Power Suppliers						Agenda for Report		
February 29, 2016	Amendments on the Electricity Usage Agreement and Rules for Operation	For	Absence	For	Absence	For	For	For	For
	Approval of the Statement of Appropriation of Retained Earnings for fiscal year 2015	For	Absence	For	Absence	For	For	For	For
March 18, 2016	Approval of Agreement on Management Performance Assessment for Chief of Organization	For	Absence	For	For	Absence	For	Resigned	For
	Approval of the establishment of the new organization	For	Absence	For	For	Absence	For	-	For
	Amendments on the Electricity Usage Agreement and Rules for Operation	For	Absence	For	For	Absence	For	-	For
	Approval of liquidation of Dolphin, the special purpose company in Nigeria	For	Absence	For	For	Absence	For	-	For
	Composition of the Director Nomination Committee to recommend candidates and approval of standards for examining candidates for a standing director and member of the Audit Committee	For	Absence	For	For	Absence	For	-	For
	Auditor's report to the board of directors for 2015	For	Absence	For	For	Absence	For	-	For
	<b>Attendance Rate</b>	<b>100%</b>	<b>50%</b>	<b>100%</b>	<b>75%</b>	<b>75%</b>	<b>100%</b>	<b>66.7%</b>	<b>100%</b>

(\* Ahn, Hyun-Ho voluntarily resigned on March 17, 2016. Under Korean law, Mr. Ahn retains the rights and is subject to obligations as a non-standing director until his successor is appointed.

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## 4. Major activities of the Audit Committee

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
January 8, 2016	Approval of selection of independent auditors of subsidiaries	Approved as proposed	Resolution
	Prior approval for non-audit service for subsidiaries by the independent auditor	Approved as proposed	Resolution
	Auditor s report on the agendas for the extraordinary general meeting of shareholders	Accepted as reported	Report
	Evaluation report on joint selection of independent auditors for the period from fiscal year 2016 to 2018	Accepted as reported	Report
January 12, 2016	Approval of selection and remuneration for independent auditors for the period from fiscal year 2016 to 2018	Approved as proposed	Resolution
February 19, 2016	Auditor s report on the agendas for the annual general meeting of shareholders	Approved as proposed	Resolution
	Audit plans for 2016	Approved as proposed	Resolution
	Report on internal control over financial reporting for the fiscal year 2015	Accepted as reported	Report
	Evaluation report on internal control over financial reporting for the fiscal year 2015	Accepted as reported	Report
	Education plans for auditors for 2016	Accepted as reported	Report
March 16, 2016	Approval of selection of independent auditors of subsidiaries	Approved as proposed	Resolution
	Prior approval for non-audit service for subsidiaries by the independent auditor	Approved as proposed	Resolution
	Amendments on the Charter of Ethics for KEPCO Employees and the Code of Conduct for KEPCO Executives and Staff members	Approved as proposed	Resolution
	Auditor s report to the board of directors for 2015	Accepted as reported	Report
	Independent auditor s report on the auditing results for the consolidated and separate financial statements for the fiscal year 2015	Accepted as reported	Report

The audit department, organized under the supervision of the Audit Committee, conducts internal audit over the entire company and takes administrative measures as appropriate in accordance with relevant internal regulations. KEPCO s District Divisions and Branch Offices also have separate audit teams which conduct internal inspections with respect to the relevant divisions or offices.

**Table of Contents****V. Shareholders**

## 1. List of shareholders as of March 8, 2016

		<b>Number of shareholders</b>	<b>Shares owned</b>	<b>Percentage of total (%)</b>
Government of the Republic of Korea		1	116,841,794	18.20
Korea Development Bank		1	211,235,264	32.90
Subtotal		2	328,077,058	51.10
National Pension Service		1	44,276,581	6.90
Public	Common shares	1,687	168,832,936	26.30
(non-Koreans)	American depository shares (ADS)	1	36,199,847	5.64
Public	Corporate	1,448	47,461,707	7.39
(Koreans)	Individual	340,532	17,115,948	2.67
<b>Total</b>		<b>343,671</b>	<b>641,964,077</b>	<b>100.00</b>

Percentages are based on issued shares of common stock.

All of our shareholder have equal voting rights.

Citibank, N.A. is our depository bank and each ADS represents one-half of one share of our common stock.

**VI. Directors and employees as of and for the first three-month period ended March 31, 2016 (KEPCO Only)**

## 1. Directors

(In thousands of Won)

<b>Type</b>	<b>Number of directors</b>	<b>Total remuneration</b>	<b>Average remuneration per person</b>
Standing director	7	174,190	24,884
Non-standing director	8	62,637	7,830
<b>Total</b>	<b>15</b>	<b>236,827</b>	<b>15,788</b>

## 2. Employees

(In thousands of Won)

<b>Type</b>	<b>Number of employees</b>		<b>Average continuous</b>	<b>Total salaries</b>	<b>Average salaries</b>
	<b>Regular</b>	<b>Total</b>			



		<b>Non- regular</b>		<b>service year</b>		<b>per person</b>
Male	16,433	266	16,699	19.4	356,721,875	21,362
Female	3,598	128	3,726	14.1	59,032,242	15,843
Total	20,031	394	20,425	18.4	415,754,117	20,355

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## 1. Summary of shareholder s meetings for the first three-month period ended March 31

<b>Type</b>	<b>Agenda</b>	<b>Results</b>
Extraordinary General Meeting		Approved as proposed
held on		
February 22, 2016	Election of the President and Chief Executive Officer : Cho, Hwan-Eik	
Annual	Approval of financial statements for the fiscal year 2015	Approved as proposed
General Meeting		Approved as proposed
held on	Approval of the maximum aggregate amount of remuneration for directors in 2016	
March 22, 2016		

## 2. Pending legal proceedings as of March 31, 2016

(In billions of Won)

<b>Type</b>	<b>Number of lawsuits</b>	<b>Amount claimed</b>
Lawsuits where KEPCO and its subsidiaries are engaged as the defendants	750	1,123
Lawsuits where KEPCO and its subsidiaries are engaged as the plaintiffs	201	1,033

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

By: /s/ Kim, Jong-soo  
Name: Kim, Jong-soo  
Title: Vice President

Date: June 15, 2016

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Financial Statements

March 31, 2016

(Unaudited)

(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

### **Based on a report originally issued in Korean**

The Board of Directors and Shareholders

Korea Electric Power Corporation:

## **Reviewed Financial Statements**

We have reviewed the accompanying consolidated interim financial statements of Korea Electric Power Corporation and its subsidiaries (the Company), which comprise the consolidated interim statement of financial position as of March 31, 2016, the consolidated interim statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2016 and 2015 and notes to the interim financial statements.

## **Management's Responsibility for the Consolidated Interim Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Korean International Financial Reporting Standards (K-IFRS) 1034, Interim Financial Reporting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' Review Responsibility**

Our responsibility is to issue a report on these condensed consolidated interim financial statements based on our reviews.

We conducted our reviews in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Korean Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

## **Review Conclusion**

Based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated interim financial statements referred to above are not prepared, in all material respects, in accordance with K-IFRS 1034, Interim Financial Reporting.

## **Other Matters**

The procedures and practices utilized in the Republic of Korea to review such consolidated interim financial statements may differ from those generally accepted and applied in other countries.

We have previously audited, in accordance with Korean Standards on Auditing, the consolidated statement of financial position of the Company as of December 31, 2015, and the related consolidated statements of comprehensive

income, changes in equity and cash flows for the year then ended, which are not accompanying this report, and we expressed an unqualified opinion on those consolidated financial statements in our report dated March 11, 2016. The accompanying consolidated financial position of the Company as of December 31, 2015, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG Samjong Accounting Corp.

Seoul, Korea

May 13, 2016

This report is effective as of May 13, 2016, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Financial Position

## As of March 31, 2016 and December 31, 2015

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	5,6,7,44	₩ 5,418,476	3,783,065
Current financial assets, net	5,10,11,12,44	3,871,688	5,335,621
Trade and other receivables, net	5,8,14,20,44,45,46	6,770,201	7,473,548
Inventories, net	13	5,014,272	4,946,413
Income tax refund receivables	40	7,916	9,081
Current non-financial assets	15	482,016	397,950
Assets held-for-sale	41	79,647	79,647
<b>Total current assets</b>		<b>21,644,216</b>	<b>22,025,325</b>
Non-current assets			
Non-current financial assets, net	5,6,9,10,11,12,44	2,548,714	2,495,554
Non-current trade and other receivables, net	5,8,14,44,45,46	1,817,616	1,798,419
Property, plant and equipment, net	18,27,48	142,976,442	141,361,351
Investment properties, net	19,27	224,940	269,910
Goodwill	16	2,582	2,582
Intangible assets other than goodwill, net	21,27,45	888,504	855,832
Investments in associates	4,17	4,524,066	4,405,668
Investments in joint ventures	4,17	1,335,827	1,287,862
Deferred tax assets	40	701,713	623,623
Non-current non-financial assets	15	128,659	131,233
<b>Total non-current assets</b>		<b>155,149,063</b>	<b>153,232,034</b>
<b>Total Assets</b>	<b>4</b>	<b>₩ 176,793,279</b>	<b>175,257,359</b>

(Continued)



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Financial Position, Continued

## As of March 31, 2016 and December 31, 2015

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
<b>Liabilities</b>			
Current liabilities			
Trade and other payables, net	5,22,24,44,46	₩ 6,436,194	4,735,697
Current financial liabilities, net	5,11,23,44,46	8,741,062	7,857,198
Income tax payables	40	2,303,607	2,218,060
Current non-financial liabilities	20,28,29	6,861,807	6,320,711
Current provisions	26,44	1,922,903	1,579,176
<b>Total current liabilities</b>		<b>26,265,573</b>	<b>22,710,842</b>
Non-current liabilities			
Non-current trade and other payables, net	5,22,24,44,46	3,678,377	3,718,435
Non-current financial liabilities, net	5,11,23,44,46	48,406,138	51,062,811
Non-current non-financial liabilities	28,29	7,154,576	7,092,252
Employee benefits liabilities, net	25,44	1,738,044	1,503,107
Deferred tax liabilities	40	8,625,036	8,362,683
Non-current provisions	26,44	12,947,374	12,864,754
<b>Total non-current liabilities</b>		<b>82,549,545</b>	<b>84,604,042</b>
<b>Total Liabilities</b>	<b>4</b>	<b>₩ 108,815,118</b>	<b>107,314,884</b>
<b>Equity</b>			
Contributed capital	1,30,44		
Share capital		₩ 3,209,820	3,209,820
Share premium		843,758	843,758
		4,053,578	4,053,578
Retained earnings	31		
Legal reserves		1,604,910	1,604,910
Voluntary reserves		31,847,274	23,720,167
Unappropriated retained earnings		14,785,312	22,862,164

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		48,237,496	48,187,241
Other components of equity	33		
Other capital surpluses		1,197,347	1,197,388
Accumulated other comprehensive loss		(71,023)	(98,713)
Other equity		13,294,973	13,294,973
		14,421,297	14,393,648
Equity attributable to owners of the Company		66,712,371	66,634,467
Non-controlling interests	16,32	1,265,790	1,308,008
<b>Total Equity</b>		<b>₩ 67,978,161</b>	<b>67,942,475</b>
<b>Total Liabilities and Equity</b>		<b>₩ 176,793,279</b>	<b>175,257,359</b>

*See accompanying notes to the consolidated interim financial statements.*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Comprehensive Income

**For the three-month periods ended March 31, 2016 and 2015**

(Unaudited)

<i>In millions of won, except per share information</i>	<i>Note</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Sales</b>	4,34,44,46		
Sales of goods		₩ 14,501,934	14,232,984
Sales of services		103,630	94,788
Sales of construction services	20	981,845	704,509
Revenue related to transfer of assets from customers		97,918	91,578
		15,685,327	15,123,859
<b>Cost of sales</b>	13,25,42,46		
Cost of sales of goods		(10,517,018)	(11,665,919)
Cost of sales of services		(93,234)	(89,159)
Cost of sales of construction services		(960,871)	(667,091)
		(11,571,123)	(12,422,169)
<b>Gross profit</b>		4,114,204	2,701,690
<b>Selling and administrative expenses</b>	25,35,42,46	(508,857)	(461,824)
<b>Operating profit</b>	4	3,605,347	2,239,866
<b>Other non-operating income</b>	36	92,302	117,365
<b>Other non-operating expenses</b>	36	(20,702)	(23,137)
<b>Other gains, net</b>	37	39,903	25,894
<b>Finance income</b>	5,11,38	352,422	187,207
<b>Finance expenses</b>	5,11,39	(719,635)	(681,424)
<b>Profit related associates, joint ventures and subsidiaries</b>	4,17		
Share in income of associates and joint ventures		185,781	207,554
Gain on disposal of investments in subsidiaries			5,866
Share in loss of associates and joint ventures		(26,860)	(20,871)
		158,921	192,549

<b>Profit before income tax</b>		3,508,558	2,058,320
<b>Income tax expense</b>	40	(1,345,725)	(835,213)
<b>Profit for the period</b>		₩ 2,162,833	1,223,107

*(Continued)*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Comprehensive Income, Continued

**For the three-month periods ended March 31, 2016 and 2015**

(Unaudited)

<i>In millions of won, except per share information</i>	<i>Note</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Other comprehensive income (loss)</b>	5,11,25,31,33		
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit liability, net of tax	25,31	₩ (100,571)	(78,831)
Share in other comprehensive loss of associates and joint ventures, net of tax	31	(184)	(242)
Items that are or may be reclassified subsequently to profit or loss:			
Net change in the unrealized fair value of available-for-sale financial assets, net of tax	33	27,170	(9,647)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	5,11,33	(12,804)	11,998
Foreign currency translation of foreign operations, net of tax	33	3,343	(52,013)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	33	4,589	(10,791)
<b>Other comprehensive loss, net of tax</b>		(78,457)	(139,526)
<b>Total comprehensive income for the period</b>		₩ 2,084,376	1,083,581
<b>Profit or loss attributable to:</b>			
Owners of the Company	43	₩ 2,135,450	1,200,083
Non-controlling interests		27,383	23,024
		₩ 2,162,833	1,223,107
<b>Total comprehensive income attributable to:</b>			
Owners of the Company		₩ 2,068,034	1,068,780
Non-controlling interests		16,342	14,801
		₩ 2,084,376	1,083,581
<b>Earnings per share</b>	43		
Basic and diluted earnings per share		₩ 3,326	1,869

See accompanying notes to the consolidated interim financial statements.



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Changes in Equity

**For the three-month periods ended March 31, 2016 and 2015**

(Unaudited)

<i>In millions of won</i>	Equity attributable to owners of the Company			Subtotal	Non-controlling interests	Total equity
	Contributed capital	Retained earnings	Other components of equity			
<b>Balance at January 1, 2015</b>	₩ 4,053,578	35,303,647	14,244,106	53,601,331	1,223,679	54,825,010
<b>Total comprehensive income (loss) for the period</b>						
Profit for the period		1,200,083		1,200,083	23,024	1,223,107
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of defined benefit liability, net of tax		(74,360)		(74,360)	(4,471)	(78,831)
Share in other comprehensive loss of associates and joint ventures, net of tax		(242)		(242)		(242)
Items that may be reclassified subsequently to profit or loss:						
Net changes in the unrealized fair value of available-for-sale financial assets, net of tax			(9,647)	(9,647)		(9,647)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			15,483	15,483	(3,485)	11,998
Foreign currency translation of foreign			(51,746)	(51,746)	(267)	(52,013)

operations, net of tax						
Share in other						
comprehensive loss of						
associates and joint						
ventures, net of tax		(10,791)	(10,791)	(10,791)		(10,791)
<b>Transactions with</b>						
<b>owners of the</b>						
<b>Company, recognized</b>						
<b>directly in equity</b>						
Dividends paid	(320,982)		(320,982)	(55,044)		(376,026)
Equity transaction in						
consolidated scope						
other than issuance of						
share capital		(716)	(716)	(1,509)		(2,225)
Dividends paid (hybrid						
securities)				(4,105)		(4,105)
Others				(992)		(992)
<b>Balance at March 31,</b>						
<b>2015</b>	₩ 4,053,578	36,108,146	14,186,689	54,348,413	1,176,830	55,525,243

*(Continued)*



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Changes in Equity, Continued

**For the three-month periods ended March 31, 2016 and 2015**

(Unaudited)

<i>In millions of won</i>	Equity attributable to owners of the Company			Subtotal	Non-controlling interests	Total equity
	Contributed capital	Retained earnings	Other components of equity			
<b>Balance at January 1, 2016</b>	₩ 4,053,578	48,187,241	14,393,648	66,634,467	1,308,008	67,942,475
<b>Total comprehensive income (loss) for the period</b>						
Profit for the period		2,135,450		2,135,450	27,383	2,162,833
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of defined benefit liability, net of tax		(94,930)		(94,930)	(5,641)	(100,571)
Share in other comprehensive loss of associates and joint ventures, net of tax		(176)		(176)	(8)	(184)
Items that may be reclassified subsequently to profit or loss:						
Net changes in the unrealized fair value of available-for-sale financial assets, net of tax			27,172	27,172	(2)	27,170
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			(12,796)	(12,796)	(8)	(12,804)
Foreign currency translation of foreign			8,729	8,729	(5,386)	3,343

operations, net of tax						
Share in other comprehensive income of associates and joint ventures, net of tax		4,585	4,585	4	4,589	
<b>Transactions with owners of the Company, recognized directly in equity</b>						
Dividends paid	(1,990,089)		(1,990,089)	(56,901)	(2,046,990)	
Issuance of shares of capital by subsidiaries		(41)	(41)	2	(39)	
Changes in consolidation scope				2,453	2,453	
Dividends paid (hybrid securities)				(4,114)	(4,114)	
<b>Balance at March 31, 2016</b>	<b>₩ 4,053,578</b>	<b>48,237,496</b>	<b>14,421,297</b>	<b>66,712,371</b>	<b>1,265,790</b>	<b>67,978,161</b>

*See accompanying notes to the consolidated interim financial statements.*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Cash Flows

**For the three-month periods ended March 31, 2016 and 2015**

(Unaudited)

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Cash flows from operating activities</b>		
Profit for the period	₩ 2,162,833	1,223,107
<b>Adjustments for:</b>		
Income tax expense	1,345,725	835,213
Depreciation	2,142,242	2,001,075
Amortization	20,096	19,864
Employee benefit expense	84,611	76,860
Bad debt expense (reversal of allowance for bad debt)	7,996	(3,745)
Interest expense	458,235	552,656
Loss on sale of financial assets		975
Loss on disposal of property, plant and equipment	200	516
Loss on abandonment of property, plant, and equipment	93,761	61,727
Impairment loss on property, plant and equipment		3,285
Loss on disposal of intangible assets	134	5
Accretion expense to provisions, net	581,749	323,680
Loss (gain) on foreign currency translation, net	(147,479)	61,740
Valuation and transaction loss (gain) on derivative instruments, net	124,316	(62,309)
Share in income of associates and joint ventures, net	(158,921)	(186,683)
Gain on sale of financial assets	(1,480)	
Gain on disposal of property, plant and equipment	(18,598)	(17,915)
Gain on disposal of investments in subsidiaries		(5,866)
Interest income	(80,319)	(49,493)
Dividend income	(9,367)	(5,456)
Impairment loss on available-for-sale securities		5,821
Others, net	1,738	148
	4,444,639	3,612,098
<b>Changes in:</b>		
Trade receivables	730,105	1,283,480
Non-trade receivables	(5,787)	69,047
Accrued income	(62,069)	(80,701)
Other receivables	2,236	(1,615)
Other current assets	(63,531)	69,597

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Inventories	(253,353)	(297,068)
Other non-current assets	(45,767)	(19,309)
Trade payables	(222,929)	(863,528)
Non-trade payables	(130,411)	(14,846)
Accrued expenses	23,138	(21,003)
Other payables		4,046
Other current liabilities	680,661	711,990
Other non-current liabilities	126,253	(28,258)
Investments in associates and joint ventures	17,385	16,839
Provisions	(197,898)	(98,760)
Payments of employee benefit obligations	(14,573)	(4,016)
Plan assets	(176)	
	583,284	725,895

*(Continued)*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Cash Flows, Continued

**For the three-month periods ended March 31, 2016 and 2015**

(Unaudited)

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Cash generated from operating activities</b>		
Dividends received	₩ 8,806	678
Interest paid	(508,430)	(593,028)
Interest received	49,748	44,607
Income taxes paid	(1,015,948)	(196,126)
<b>Net cash from operating activities</b>	<b>5,724,932</b>	<b>4,817,231</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposals of associates and joint ventures	10,174	
Acquisition of associates and joint ventures	(38,031)	(31,010)
Proceeds from disposals of property, plant and equipment	20,502	3,209,129
Acquisition of property, plant and equipment	(3,599,135)	(3,894,434)
Proceeds from disposals of intangible assets	142	147
Acquisition of intangible assets	(15,612)	(5,057)
Proceeds from disposals of financial assets	2,337,693	40,263
Acquisition of financial assets	(1,049,866)	(946,425)
Increase in loans	(51,997)	(39,557)
Collection of loans	38,847	16,748
Increase in deposits	(139,472)	(60,846)
Decrease in deposits	52,519	44,839
Receipt of government grants	9,559	4,739
Usage of government grants	(10,215)	(4,434)
Net cash inflow from business acquisitions		553
Other cash inflow from investing activities, net	10,833	2,588
<b>Net cash used in investing activities</b>	<b>(2,424,059)</b>	<b>(1,662,757)</b>
<b>Cash flows from financing activities</b>		
Repayment of short-term borrowings, net	(480,293)	(290,350)
Proceeds from long-term borrowings and debt securities	791,808	532,900
Repayment of long-term borrowings and debt securities	(1,955,712)	(2,105,718)
Payment of finance lease liabilities	(30,051)	(27,995)
Settlement of derivative instruments, net	42,952	9,031

Change in non-controlling interest	2,445	(11)
Dividends paid (hybrid bond)	(4,114)	(4,105)
Dividends paid	(56,902)	(14,572)
<b>Net cash used in financing activities</b>	<b>(1,689,867)</b>	<b>(1,900,820)</b>
<b>Net increase in cash and cash equivalents before effect of exchange rate fluctuations</b>	<b>1,611,006</b>	<b>1,253,654</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>24,405</b>	<b>4,422</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,635,411</b>	<b>1,258,076</b>
<b>Cash and cash equivalents at January 1</b>	<b>3,783,065</b>	<b>1,796,300</b>
<b>Cash and cash equivalents at December 31</b>	<b>₩ 5,418,476</b>	<b>3,054,376</b>

*See accompanying notes to the consolidated interim financial statements.*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements

**March 31, 2016**

(Unaudited)

**1. Reporting Entity (Description of the controlling company)**

Korea Electric Power Corporation ( KEPCO ), the controlling company as defined in Korean International Financial Reporting Standards ( K-IFRS ) 1110 Consolidated Financial Statements , was incorporated on January 1, 1982 in accordance with the Korea Electric Power Corporation Act (the KEPCO Act ) to engage in the generation, transmission and distribution of electricity and development of electric power resources in the Republic of Korea. KEPCO also provides power plant construction services. KEPCO 's stock was listed on the Korea Stock Exchange on August 10, 1989 and the Company listed its Depository Receipts (DR) on the New York Stock Exchange on October 27, 1994. The Company 's head office is located in Naju, Jeollanam-do.

As of March 31, 2016, KEPCO 's share capital amounts to ₩3,209,820 million and KEPCO 's shareholders are as follows:

	Number of shares	Percentage of ownership
Government of the Republic of Korea	116,841,794	18.20%
Korea Development Bank	211,235,264	32.90%
Other (*)	313,887,019	48.90%
	641,964,077	100.00%

(\*) The number of shares held by foreign shareholders are 205,032,783 shares (31.94%) as of the most recent closing date of Register of Shareholders (March 8, 2016).

In accordance with the Restructuring Plan enacted on January 21, 1999 by the Ministry of Trade, Industry and Energy (the MTIE , formerly the Ministry of Knowledge Economy), KEPCO spun off its power generation divisions on April 2, 2001, resulting in the establishment of six power generation subsidiaries.

**2. Basis of Preparation****(1) Statement of compliance**

These consolidated interim financial statements were prepared in accordance with K-IFRS 1034, Interim Financial Reporting as part of the period covered by KEPCO and subsidiaries (the Company) K-IFRS annual financial statements. The notes are included to explain events and transactions to give the changes in financial position and performance of the Company since the last annual consolidated financial statements as at and for the year ended December 31, 2015.

The consolidated financial statements have been prepared in accordance with K-IFRS, as prescribed in *the Act on External Audits of Corporations in the Republic of Korea*.

**(2) Basis of measurement**

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the consolidated statements of financial position:

derivative financial instruments are measured at fair value

available-for-sale financial assets are measured at fair value

liabilities for defined benefit plans are recognized at the net of the total present value of defined benefit obligations less the fair value of plan assets

**(3) Functional and presentation currency**

These consolidated financial statements are presented in Korean won ( Won ), which is KEPCO's functional currency and the currency of the primary economic environment in which the Company operates.



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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**2. Basis of Preparation, Continued**

**(4) Use of estimates and judgments**

The preparation of the consolidated financial statements in conformity with K-IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The followings are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Useful lives of property, plant and equipment, estimations on provision for decommissioning costs  
The Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. Management's assumptions could affect the determination of estimated economic useful lives.

The Company records the fair value of estimated decommissioning costs as a liability in the period in which the Company incurs a legal obligation associated with the retirement of long-lived assets that result from acquisition, construction, development and/or normal use of the assets. The Company is required to record a liability for the dismantling (demolition) of nuclear power plants and disposal of spent fuel and low and intermediate radioactive wastes.

(ii) Deferred tax  
The Company recognizes deferred tax assets and liabilities based on the differences between the financial statement carrying amounts and the tax bases of assets and liabilities of each consolidated taxpaying entity. However, the amount of deferred tax assets may be different if the Company does not realize estimated future taxable income during the carry forward periods.

(iii) Valuations of financial instruments at fair values

The Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of K-IFRS including the level in the fair value hierarchy in which such valuation techniques should be classified.

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(iv) Defined employee benefit liabilities

The Company offers its employees defined benefit plans. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. For actuarial valuations, certain inputs such as discount rates and future salary increases are estimated. Defined benefit plans contain significant uncertainties in estimations due to its long-term nature.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**2. Basis of Preparation, Continued**

**(4) Use of estimates and judgments, continued**

(v) Unbilled revenue

Energy delivered but not yet metered nor billed are estimated at the reporting date based on consumption statistics and selling price estimates. Determination of the unbilled revenues at the end of the reporting period is sensitive to the estimated assumptions and prices based on statistics. Unbilled revenue recognized as of March 31, 2016 and 2015 are ₩1,336,987 million and ₩1,413,414 million, respectively.

**(5) Changes in accounting policies**

(i) Amendments to K-IFRS 1016, Property, Plant and Equipment

The Company has adopted amendments to K-IFRS 1016 Property, Plant and Equipment, since January 1, 2016. Amendments to K-IFRS 1016, Property, Plant and Equipment specify that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate.

Upon adoption of the amendments, there is no significant impact on the Company's consolidated financial statements

(ii) Amendments to K-IFRS 1038, Intangible Assets

The Company has adopted amendments to K-IFRS 1038, Intangible Assets, since January 1, 2016. Amendments to K-IFRS 1038, Intangible Assets, introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. This presumption can be rebutted only when revenue and the consumption of the economic benefits of the intangible asset are highly correlated, or when the intangible asset is expressed as a measure of revenue.

Upon adoption of the amendments, there is no significant impact on the Company's consolidated financial statements

(iii) Amendments to K-IFRS 1111, Joint Arrangement

The Company has adopted amendments to K-IFRS 1111, Joint Arrangement, since January 1, 2016. Amendments to K-IFRS 1111, Joint Arrangement, require an investor to apply the principles of business combination accounting when it acquires an interest in a joint operation that constitutes a business as defined in K-IFRS 1103, Business Combinations.

Upon adoption of the amendments, there is no significant impact on the Company's consolidated financial statements.

(iv) Amendments to K-IFRS 1011, Construction Contracts

The Company has adopted amendments to K-IFRS 1011, Construction Contracts, since January 1, 2016. Amendments to K-IFRS 1011, Construction Contracts, require the Company to disclose the construction contracts by each project or operating segment (refer to note 20).

**(6) New standards and amendments not yet adopted**

The following new standards, interpretations and amendments to existing standards have been published for mandatory application for annual periods beginning after January 1, 2016, and the Company has not early adopted them. The management believes the impact on the consolidated financial statements upon the adoption of the amendments is immaterial.

(i) K-IFRS 1109, Financial Instruments

K-IFRS 1109, Financial Instruments specifies classification and measurement of financial instruments and changes the credit loss mode into an expected credit loss model from an incurred credit loss model. Additionally, this standard was aimed to align accounting more closely with risk management and expanded the types of eligible hedged item, hedging instrument, and hedged risk under new hedge accounting model. This standard is effective for annual periods beginning on or after January 1, 2018.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**2. Basis of Preparation, Continued**

**(6) New standards and interpretations not yet adopted, continued**

(ii) K-IFRS 1115, Revenue from Contracts with Customers , K-IFRS 1115, Revenue from Contracts with Customers , as a single standard applying to all contracts with customers, provides the five-step process for revenue recognition and replaces the risk-and-reward model, which is based on the control, under the current standards. The risk-and-reward model is changed to a single indicator implicating the satisfaction of a performance obligation. This standard is effective for annual periods beginning on or after January 1, 2018.

**3. Significant Accounting Policies**

The significant accounting policies applied by the Company in preparation of its financial statements are included below. Except as described in note 2.(5), the accounting policies applied by the Company in these separate financial statements are the same as those applied by the Company in its separate financial statements as of and for the year ended December 31, 2015.

**(1) Basis of consolidation**

The consolidated financial statements are the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity. Subsidiaries are controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

Income and expense of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income (loss) from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Company.

Transactions within the Company are eliminated during the consolidation.

Changes in the Company's ownership interests in a subsidiary that do not result in the Company losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

When the Company loses control of a subsidiary, the income or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to income or loss or transferred directly to retained earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is recognized as the fair value on initial recognition for subsequent accounting under K-IFRS 1039, Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(2) Business combinations**

A business combination is accounted for by applying the acquisition method, unless it is a combination involving entities or businesses under common control.

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Company, liabilities incurred by the Company to the former owners of the acquiree and the equity interests issued by the Company in exchange for control of the acquiree. Acquisition-related costs are generally recognized in income or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognized at their fair value at the acquisition date, except that:

deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognized and measured in accordance with K-IFRS 1012, *Income Taxes* and K-IFRS 1019, *Employee Benefits*, respectively;

assets (or disposal groups) that are classified as held for sale in accordance with K-IFRS 1105, *Non-current Assets Held for Sale* are measured in accordance with that standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after reassessment, net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in income or loss as a bargain purchase gain.

Non-controlling interest that is present on acquisition day and entitles the holder to a proportionate share of the entity's net assets in an event of liquidation, may be initially measured either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. The choice of measurement can be elected on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in other K-IFRSs.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the measurement period (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with K-IFRS 1039, Financial Instruments: Recognition and Measurement, or with K-IFRS 1037, Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in income or loss.

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date (i.e. the date when the Company obtains control) and the resulting gain or loss, if any, is recognized in income or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to income or loss where such treatment would be appropriate if that interest were disposed of.



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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(2) Business combinations, continued**

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Company reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognized, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognized at that date.

The assets and liabilities acquired under business combinations under common control are recognized at the carrying amounts recognized previously in the consolidated financial statements of the ultimate parent. The difference between consideration transferred and carrying amounts of net assets acquired is recognized as part of share premium.

**(3) Investments in associates**

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. If the investment is classified as held for sale, in which case it is accounted for in accordance with K-IFRS 1105, *Non-current Assets Held for Sale*, any retained portion of an investment in associates that has not been classified as held for sale shall be accounted for using the equity method until disposal of the portion that is classified as held for sale takes place. If the Company holds 20% ~ 50% of the voting power of the investee, it is presumed that the Company has significant influence.

After the disposal takes place, the Company shall account for any retained interest in associates in accordance with K-IFRS 1039, *Financial Instruments: Recognition and Measurement* unless the retained interest continues to be an associate, in which case the entity uses the equity method.

Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the income or loss and other comprehensive income of the associate. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net

investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in income or loss. The requirements of K-IFRS 1039, Financial Instruments: Recognition and Measurement, are applied to determine whether it is necessary to recognize any impairment loss with respect to the Company's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with K-IFRS 1036 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs to sell) with its carrying amount, any impairment loss recognized forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized in accordance with K-IFRS 1036 to the extent that the recoverable amount of the investment subsequently increases.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(3) Investments in associates, continued**

Upon disposal of an associate that results in the Company losing significant influence over that associate, any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset in accordance with K-IFRS 1036. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognized in other comprehensive income by that associate would be reclassified to income or loss on the disposal of the related assets or liabilities, the Company reclassifies the gain or loss from equity to income or loss (as a reclassification adjustment) when it loses significant influence over that associate.

When the Company transacts with its associate, incomes and losses resulting from the transactions with the associate are recognized in the Company's consolidated financial statements only to the extent of interests in the associate that are not related to the Company.

**(4) Joint arrangements**

A joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Joint arrangements are classified into two types: joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint ventures) have rights to the net assets of the arrangement.

If the Company is a joint operator, the Company is to recognize and measure the assets and liabilities (and recognize the related revenues and expenses) in relation to its interest in the arrangement in accordance with relevant K-IFRS applicable to the particular assets, liabilities, revenues and expenses. If the joint arrangement is a joint venture, the Company is to account for that investment using the equity method accounting in accordance with K-IFRS 1028, Investment in Associates and Joint Ventures (see note 3. (3)), except when the Company is applying K-IFRS 1105, Non-current Assets Held for Sale.

**(5) Non-current assets held for sale**

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the non-current asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When the Company is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Company will retain a non-controlling interest in its former subsidiary after the sale.

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of their previous carrying amount and fair value less costs to sell.

**(6) Goodwill**

The Company measures goodwill which is acquired in a business combination at the amount recognized at the date on which it obtains control of the acquiree (acquisition date) less any accumulated impairment losses. Goodwill acquired in a business combination is allocated to each CGU that is expected to benefit from the synergies arising from the business acquired.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

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(Unaudited)

The Company assesses at the end of each reporting period whether there is any indication that an asset may be impaired. An impairment loss is recognized if the carrying amount of an asset or a CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(6) Goodwill, continued**

Any impairment identified at the CGU level will first reduce the carrying value of goodwill and then be used to reduce the carrying amount of the other assets in the CGU on a pro rata basis. Except for impairment losses in respect of goodwill which are never reversed, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

**(7) Revenue recognition**

Revenue from the sale of goods, rendering of services or use of the Company assets is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates, which are recognized as a reduction of revenue. Revenue is recognized when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Company.

**(i) Sales of goods**

The Korean government approves the rates charged to customers by the Company's power transmission and distribution division. The Company's utility rates are designed to recover the Company's reasonable costs plus a fair investment return. The Company's power generation rates are determined in the market.

The Company recognizes electricity sales revenue based on power sold (transferred to the customer) up to the reporting date. To determine the amount of power sold, the Company estimates daily power volumes of electricity for residential, commercial, general and etc. The differences between the current month's estimated amount and actual (meter-read) amount, is adjusted for (trued-up) during the subsequent month.

**(ii) Sales of other services**

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed or

services performed to date as a percentage of total services to be performed or the proportion that costs incurred to date bear to the estimated total costs of the transaction or other methods that reliably measures the services performed.

(iii) Dividend income and interest income

Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Interest income is recognized as it accrues in profit or loss, using the effective interest method. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Rental income

The Company's policy for recognition of revenue from operating leases is described in note 3. (9) below.

(v) Deferral of revenue – Transfer of Assets from Customers

The Company recovers a substantial amount of the cost related to its electric power distribution facilities from customers through the transfer of assets, while the remaining portion is recovered through electricity sales from such customers in the future. As such, the Company believes there exists a continued service obligation to the customers in accordance with K-IFRS 2118, "Transfer of Assets from Customers", when the Company receives an item of property, equipment, or cash for constructing or acquiring an item of property or equipment, in exchange for supplying electricity to customers. The Company defers the amounts received, which are subsequently recognized as revenue over the estimated service period which does not exceed the transferred asset's useful life.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(8) Construction services revenue**

The Company provides services related to the construction of power plants related to facilities of its customers, mostly in foreign countries.

When the outcome of a construction contract can be estimated reliably, revenue and costs are recognized based on the stage of completion of the contract activity at the end of the reporting period, measured based on the proportion of contract costs incurred for work performed to date relative to the estimated total contract costs, except where this would not be representative of the stage of completion. Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognized to the extent of contract costs incurred when it is probable the revenue will be realized. Contract costs are recognized as expenses in the period in which they are incurred. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognized as an expense immediately.

When contract costs incurred to date plus recognized income less recognized losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognized income less recognized losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statements of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statements of financial position as accounts and other receivables.

**(9) Leases**

The Company classifies and accounts for leases as either a finance or operating lease, depending on the terms. Leases where the Company assumes substantially all of the risks and rewards of ownership are classified as finance leases. All other leases are classified as operating leases.

(i) The Company as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic



rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized on a straight-line basis over the lease term.

(ii) The Company as lessee

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are initially recognized as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognized immediately in income or loss, unless they are directly attributable to qualifying assets, in which case they are capitalized in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognized as expenses in the periods in which they are incurred.

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Notes to the Consolidated Interim Financial Statements, Continued

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(Unaudited)

**3. Significant Accounting Policies, Continued**

**(9) Leases, continued**

Operating lease payments are recognized as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognized as a liability. The aggregate benefit of incentives is recognized as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

**(10) Foreign currencies**

Transactions in foreign currencies are translated to the respective functional currencies of the Company entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency using the reporting date's exchange rate. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer to note 3.(24) Derivative financial instruments, including hedge accounting); and

Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to income or loss on disposal or partial disposal of the net investment.

For the purpose of presenting financial statements, the assets and liabilities of the Company's foreign operations are expressed in Korean won using exchange rates prevailing at the end of the reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

When a foreign operation is disposed of, the relevant amount in the translation is transferred to profit or loss as part of the profit or loss on disposal.

**(11) Borrowing costs**

The Company capitalizes borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset as part of the cost of that asset. Other borrowing costs are recognized in expense as incurred. A qualifying asset is an asset that requires a substantial period of time to get ready for its intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

All other borrowing costs are recognized in income or loss in the period in which they are incurred.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

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(Unaudited)

**3. Significant Accounting Policies, Continued**

**(12) Government grants**

Government grants are not recognized unless there is reasonable assurance that the Company will comply with the grant's conditions and that the grant will be received.

Benefit from a government loan at a below-market interest rate is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

(i) If the Company received grants related to assets

Government grants whose primary condition is that the Company purchase, construct or otherwise acquire long-term assets are deducted in calculating the carrying amount of the asset. The grant is recognized in profit or loss over the life of a depreciable asset as a reduced depreciation expense.

(ii) If the Company received grants related to income

Government grants which are intended to compensate the Company for expenses incurred are recognized as other income (government grants) in profit or loss over the periods in which the Company recognizes the related costs as expenses.

**(13) Employee benefits**

When an employee has rendered service to the Company during a period, the Company recognizes the contribution payable to a defined contribution plan in exchange for that service as a liability (accrued expense).

For defined benefit pension plans and other post-employment benefits, the net periodic pension expense is actuarially determined by Pension Actuarial System developed by independent actuaries using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability. However, if there is not a deep market, market yields on government bonds are used.

Net defined benefit liability's measurement is composed of actuarial gains and losses, return on plan assets excluding net interest on net defined benefit liability, and any change in the effect of the asset ceiling, excluding net interest, which will immediately recognized in other comprehensive income. The actuarial gains or losses recognized in other comprehensive income which will not be reclassified into net profit or loss for later periods are immediately recognized in retained earnings. Past service cost will be recognized as expenses upon the earlier of the date of change or reduction to the plan, or the date of recognizing termination benefits.

The retirement benefit obligation recognized in the statement of financial position represents the present value of the defined benefit obligation as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost, and as reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to unrecognized actuarial losses and past service cost, plus the present value of available refunds and reductions in future contributions to the plan.

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Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(14) Income taxes**

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

(i) Current tax

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous years. The taxable profit is different from the accounting profit for the period since the taxable profit is calculated excluding the temporary differences, which will be taxable or deductible in determining taxable profit (tax loss) of future periods, and non-taxable or non-deductible items from the accounting profit.

(ii) Deferred tax

Deferred tax is recognized, using the asset-liability method, in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. A deferred tax liability is recognized for all taxable temporary differences. A deferred tax asset is recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which they can be utilized. However, deferred tax is not recognized for the following temporary differences: taxable temporary differences arising on the initial recognition of goodwill, or the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit or loss nor taxable income.

The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax assets or deferred tax liabilities on investment properties measured at fair value, unless any contrary evidence exists, are measured using the assumption that the carrying amount of the property will be recovered entirely through sale.

The Company recognizes a deferred tax liability for all taxable temporary differences associated with investments in subsidiaries, associates, and interests in joint ventures, except to the extent that the Company is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The Company recognizes a deferred tax asset for all deductible temporary differences arising

from investments in subsidiaries and associates, to the extent that it is probable that the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduces the carrying amount to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if there is a legally enforceable right to offset the related current tax liabilities and assets, and they relate to income taxes levied by the same tax authority and they intend to settle current tax liabilities and assets on a net basis.

(iii) Current and deferred tax for the year

Current and deferred tax are recognized in income or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

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Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued****(15) Property, plant and equipment**

Property, plant and equipment are initially measured at cost and after initial recognition, are carried at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes expenditures arising directly from the construction or acquisition of the asset, any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management and the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Subsequent costs are recognized in the carrying amount of property, plant and equipment at cost or, if appropriate, as separate items if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing are recognized in profit or loss as incurred.

Property, plant and equipment, except for land, are depreciated on a straight-line basis over estimated useful lives that appropriately reflect the pattern in which the asset's future economic benefits are expected to be consumed. For loaded nuclear fuel related to long-term raw materials and spent nuclear fuels related to asset retirement costs, the Company uses the production method to measure and recognizes as expense the economic benefits of the assets.

The estimated useful lives of the Company's property, plant and equipment are as follows:

	<b>Useful lives (years)</b>
Buildings	8 ~ 40
Structures	8 ~ 50
Machinery	6 ~ 32
Vehicles	4
Loaded heavy water	30
Asset retirement costs	18, 30, 40
Finance lease assets	20
Ships	9
Others	4 ~ 9

A component that is significant compared to the total cost of property, plant and equipment is depreciated over its separate useful life. Depreciation methods, useful lives and residual values are reviewed at the end of each reporting



date and adjusted, if appropriate.

Property, plant and equipment are derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of a property, plant and equipment, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in income or loss when the asset is derecognized.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

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(Unaudited)

**3. Significant Accounting Policies, Continued**

**(16) Investment property**

Property held for the purpose of earning rentals or benefiting from capital appreciation is classified as investment property. Investment property is initially measured at its cost. Transaction costs are included in the initial measurement. Subsequently, investment property is carried at depreciated cost less any accumulated impairment losses.

Subsequent costs are recognized in the carrying amount of investment property at cost or, if appropriate, as separate items if it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing are recognized in profit or loss as incurred.

Investment property except for land, are depreciated on a straight-line basis over 8 ~ 40 years as estimated useful lives.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

An investment property is derecognized upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in income or loss in the period in which the property is derecognized.

**(17) Intangible assets**

**(i) Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortization and accumulated impairment losses. Amortization is recognized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

(ii) Research and development

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

The technical feasibility of completing the intangible asset so that it will be available for use or sale;

The intention to complete the intangible asset and use or sell it;

The ability to use or sell the intangible asset;

How the intangible asset will generate probable future economic benefits;

The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

The ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognized for internally-generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. When the development expenditure does not meet the criteria listed above, an internally-generated intangible asset cannot be recognized and the expenditure is recognized in income or loss in the period in which it is incurred.

Internally-generated intangible assets are reported at cost less accumulated amortization and accumulated impairment losses.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued****(17) Intangible assets, continued**

The estimated useful lives and amortization methods of the Company's intangible assets with finite useful lives are as follows:

	Useful lives (years)	Amortization methods
Usage rights for donated assets	4 ~ 30	Straight
Software	4, 5	Straight
Industrial rights	5, 10	Straight
Development expenses	5	Straight
Others	4~20, 50	Straight
Mining right		Unit of production

**(iii) Intangible assets acquired in a business combination**

Intangible assets that are acquired in a business combination are recognized separately from goodwill and are initially recognized at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortization and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

**(iv) Derecognition of intangible assets**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in income or loss when the asset is derecognized.

**(18) Greenhouse gas emissions rights (allowances) and obligations**

With Enforcement of Allocation and Trading of Greenhouse Gas Emissions Allowances, the Company applies the following accounting policies for emissions rights and obligations.

(i) Emissions rights

Greenhouse gas emissions rights consist of the allowances received free of charge from the government and the ones purchased. The cost of the emissions rights includes expenditures arising directly from the acquisition and any other costs incurred during normal course of the acquisition.

Emissions rights are held by the Company to fulfill the legal obligation and recorded as intangible assets. To the extent that the portion to be submitted to the government within one year from the end of reporting period, the emissions rights are classified as current assets. Emissions rights recorded as intangible assets are initially measured at cost and substantially remeasured at cost less accumulated impairment losses.

Greenhouse gas emission rights are derecognized on submission to the government or when no future economic benefits are expected from its use or disposal.

(ii) Emissions obligations

Emissions obligations are the Company's present legal obligation to submit the emissions allowances to the government and recognized when an outflow of resources is probable and a reliable estimate can be made of the amount of the obligation. Emissions obligations are measured as the sum of the carrying amount of the allocated rights that will be submitted to the government and the best estimate of expenditure required to settle the obligation at the end of the reporting period for any excess emission.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(19) Impairment of non-financial assets other than goodwill**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets with definite useful lives to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

**(20) Inventories**

Inventories are measured at the lower of cost and net realizable value. Cost of inventories, except for those in transit, are measured under the weighted average method and consists of the purchase price, cost of conversion and other

costs incurred in bringing the inventories to their present location and condition.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories, arising from an increase in net realizable value, are recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

**(21) Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The risks and uncertainties that inevitably surround many events and circumstances are taken into account in reaching the best estimate of a provision. Where the effect of the time value of money is material, provisions are determined at the present value of the expected future cash flows.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(21) Provisions, continued**

Where some or all of the expenditures required to settle a provision are expected to be reimbursed by another party, the reimbursement shall be recognized when, and only when, it is virtually certain that reimbursement will be received if the entity settles the obligation. The reimbursement shall be treated as a separate asset.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimates. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

(i) Provision for employment benefits

The Company determines the provision for employment benefits as the incentive payments based on the results of the individual performance evaluation or management assessment.

(ii) Provision for decommissioning costs of nuclear power plants

The Company records the fair value of estimated decommissioning costs as a liability in the period in which the Company incurs a legal obligation associated with retirement of long-lived assets that result from acquisition, construction, development and/or normal use of the assets. Accretion expense consists of period-to-period changes in the liability for decommissioning costs resulting from the passage of time and revisions to either the timing or the amount of the original estimate of undiscounted cash flows.

(iii) Provision for disposal of spent nuclear fuel

Under the Radioactive Waste Management Act, the Company is levied to pay the spent nuclear fuel fund for the management of spent nuclear fuel. The Company recognizes the provision of present value of the payments.

(iv) Provision for low and intermediate radioactive wastes



Under the Radioactive Waste Management Act, the Company recognizes the provision for the disposal of low and intermediate radioactive wastes in best estimate of the expenditure required to settle the present obligation.

(v) Provision for Polychlorinated Biphenyls ( PCBs )

Under the regulation of Persistent Organic Pollutants Management Act, enacted in 2007, the Company is required to remove PCBs, a toxin, from the insulating oil of its transformers by 2025. As a result of the enactments, the Company is required to inspect the PCBs contents of transformers and dispose of PCBs in excess of safety standards under the legally settled procedures. The Company's estimates and assumptions used to determine fair value can be affected by many factors, such as the estimated costs of inspection and disposal, inflation rate, discount rate, regulations and the general economy.

(vi) Provisions for power plant regional support program

Power plant regional support programs consist of scholarship programs to local students, local economy support programs, local culture support programs, environment development programs, and local welfare programs. The Company recognizes the provision in relation to power plant regional support program.

(vii) Provisions for transmission and transformation facilities-neighboring areas support program

The Company has present obligation to conduct transmission and transformation facilities-neighboring areas support program under Act on assistance to transmission and transformation facilities-neighboring areas. The Company recognizes the provision of estimated amount to fulfill the obligation.

(viii) Renewable Portfolio Standard ( RPS ) provisions

RPS program is recognized for the governmental regulations to require the production of energies from renewable energy sources such as solar, wind and biomass.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(22) Non-derivative financial assets**

The Company recognizes and measures non-derivative financial assets by the following four categories: financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables and available-for-sale financial assets. The Company recognizes financial assets in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Upon initial recognition, non-derivative financial assets are measured at their fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the asset's acquisition or issuance.

A regular way purchase or sale of financial assets shall be recognized and derecognized, as applicable, using trade date accounting or settlement date accounting. A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or convention in the marketplace concerned.

(i) Effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition. Income is recognized on an effective interest basis for debt instruments other than those financial assets classified as financial assets at fair value through profit or loss.

(ii) Financial assets at fair value through profit or loss (FVTPL)

A financial asset is classified as financial assets are classified at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Upon initial recognition, transaction costs are recognized in profit or loss when incurred. A financial assets its acquired principally for the purpose of selling it in the near term are classified as a short-term financial assets held for trading and also all the derivatives including an embedded derivate that is not designated and effective as a hedging instrument are classified at the short-term trading financial asset as well. Financial assets at fair value through profit or loss are measured at fair value, and changes therein are recognized in profit or loss.

A financial asset is classified as held for trading if:

It has been acquired principally for the purpose of selling it in the near term; or

On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short term profit taking; or

It is derivative, including an embedded derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at financial assets at fair value through profit or loss upon initial recognition if:

Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

The financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

It forms a part of a contract containing one or more embedded derivatives, and with K-IFRS 1039, Financial Instruments: Recognition and Measurement, permits the entire combined contract (asset or liability) to be designated as at financial assets at fair value through profit or loss.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(22) Non-derivative financial assets, continued**

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognized in income or loss. The net gain or loss recognized in income or loss incorporates any dividend or interest earned on the financial asset and is included in the finance income and finance expenses line item in the consolidated statement of comprehensive income.

(iii) Held-to-maturity investments

A non-derivative financial asset with a fixed or determinable payment and fixed maturity, for which the Company has the positive intention and ability to hold to maturity, are classified as held-to-maturity investments. Subsequent to initial recognition, held-to-maturity investments are measured at amortized cost using the effective interest method.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified as financial assets at fair value through profit or loss, held-to-maturity investments or loans and receivables.

Gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in the valuation reserve. However, impairment losses, interest calculated using the effective interest method, and foreign exchange gains and losses on monetary assets are recognized in income or loss. Unquoted equity investments which are not traded in an active market, whose fair value cannot be measured reliably are carried at cost.

When a financial asset is derecognized or impairment losses are recognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss.

Dividends on an available-for-sale equity instrument are recognized in profit or loss when the Company's right to receive payment is established.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that

are recognized in income or loss are determined based on the amortized cost of the monetary asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

(v) Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method except for loans and receivables of which the effect of discounting is immaterial.

(vi) Impairment of financial assets

Financial assets, other than those at financial assets at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

For listed and unlisted equity investments classified as available-for-sale financial asset, a significant or prolonged decline in the fair value of the security below its cost is considered to be objective evidence of impairment in addition to the criteria mentioned below.

For all other financial assets, objective evidence of impairment could include:

Significant financial difficulty of the issuer or counterparty; or

Breach of contract, such as a default or delinquency in interest or principal payments, or

It becoming probable that the borrower will enter bankruptcy or financial re-organization; or

The disappearance of an active market for that financial asset because of financial difficulties.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(22) Non-derivative financial assets, continued**

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For financial assets recorded at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in income or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to income or loss in the period.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, impairment losses are subsequently reversed

through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

(vii) De-recognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognized as a separate asset or liability. If the Company retains substantially all the risks and rewards of ownership of the transferred financial assets, the Company continues to recognize the transferred financial assets and recognizes financial liabilities for the consideration received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in income or loss.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(22) Non-derivative financial assets, continued**

On de-recognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in income or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

**(23) Non-derivative financial liabilities and equity instruments issued by the Company**

(i) Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement.

(ii) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in equity. No gain or loss is recognized in income or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

(iii) Financial liabilities



Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially measured at fair value. Transaction cost that are directly attributable to the issue of financial liabilities are added to or deducted from the fair value of the financial liabilities, as appropriate, on initial recognition. Transaction cost directly attributable to acquisition of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

(iv) Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities are classified as at financial liabilities at fair value through profit or loss when the financial liability is either held for trading or it is designated as financial liabilities at fair value through profit or loss.

A financial liability is classified as held for trading if:

It has been acquired principally for the purpose of repurchasing it in the near term; or

On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

It is a derivative that is not designated and effective as a hedging instrument.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(23) Non-derivative financial liabilities and equity instruments issued by the Company, continued**

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or

The financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or

It forms part of a contract containing one or more embedded derivatives, and K-IFRS 1039, Financial Instruments: Recognition and Measurement, permits the entire combined contract (asset or liability) to be designated as at FVTPL.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gains or losses arising on re-measurement recognized in income or loss. The net gain or loss recognized in income or loss incorporates any interest paid on the financial liability and is included in finance income and finance expenses.

(v) Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

(vi) Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: (a) the amount of the obligation under the contract, as determined in accordance with K-IFRS 1037, Provisions, Contingent Liabilities and Contingent Assets; or (b) the amount initially recognized less, cumulative amortization recognized in accordance with K-IFRS 1018, Revenue.

(vii) De-recognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in income or loss.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(24) Derivative financial instruments, including hedge accounting**

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risk, including foreign exchange forward contracts, interest rate swaps and cross currency swaps and others.

Derivatives are initially recognized at fair value. Subsequent to initial recognition, derivatives are measured at fair value.

The resulting gain or loss is recognized in income or loss immediately unless the derivative is designated and effective as a hedging instrument, in such case the timing of the recognition in income or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognized as a financial asset; a derivative with a negative fair value is recognized as a financial liability. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realized or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

(i) Separable embedded derivatives

Derivatives embedded in other financial instruments or other host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and when the host contracts are not measured at FVTPL.

An embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the hybrid instrument to which the embedded derivative is part of, is more than 12 months and it is not expected to be realized or settled within 12 months. All other embedded derivatives are presented as current assets or current liabilities.

(ii) Hedge accounting

The Company designates certain hedging instruments, which include derivatives, embedded derivatives and non-derivatives in respect of foreign currency risk, as either fair value hedges or cash flow hedges. Hedges of foreign exchange risk on firm commitments are accounted for as cash flow hedges.

At the inception of the hedge relationship, the entity documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Company documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

(iii) Fair value hedges

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognized in income or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk. The changes in the fair value of the hedging instrument and the change in the hedged item attributable to the hedged risk relating to the hedged items are recognized in the consolidated statements of comprehensive income.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or when it no longer qualifies for hedge accounting. The fair value adjustment to the carrying amount of the hedged item arising from the hedged risk is amortized as income or loss as of that date.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(24) Derivative financial instruments, including hedge accounting, continued**

(iv) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income. The gain or loss relating to the ineffective portion is recognized immediately in income or loss, and is included in the finance income and expense .

Amounts previously recognized in other comprehensive income and accumulated in equity are reclassified to income or loss in the periods when the hedged item is recognized in income or loss, in the same line of the consolidated statement of comprehensive income as the recognized hedged item. However, when the forecast transaction that is hedged results in the recognition of a non-financial asset or a non-financial liability, the gains and losses previously accumulated in equity are transferred from equity and included in the initial measurement of the cost of the non-financial asset or non-financial liability.

Hedge accounting is discontinued when the Company revokes the hedging relationship, when the hedging instrument expires or is sold, terminated, or exercised, or it no longer qualifies for hedge accounting. Any gain or loss accumulated in equity at that time remains in equity and is recognized when the forecast transaction is ultimately recognized in income or loss. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in equity is recognized immediately in income or loss.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**4. Segment, Geographic and Other Information**

**(1) Segment determination and explanation of the measurements**

The Company's operating segments are its business components that generate discrete financial information that is reported to and regularly reviewed by the Company's the chief operating decision maker, the Chief Executive Officer, for the purpose of resource allocation and assessment of segment performance. The Company's reportable segments are Transmission and distribution, Electric power generation (Nuclear), Electric power generation (Non-nuclear), Plant maintenance & engineering service and Others; others mainly represent the business unit that manages the Company's foreign operations.

Segment operating profit (loss) is determined the same way that consolidated operating profit is determined under K-IFRS without any adjustment for corporate allocations. The accounting policies used by each segment are consistent with the accounting policies used in the preparation of the consolidated financial statements. Segment assets and liabilities are determined based on separate financial statements of the entities instead of on a consolidated basis. There are various transactions between the reportable segments, including sales of property, plant and equipment and so on, that are conducted on an arms-length basis at market prices that would be applicable to an independent third-party. For subsidiaries which are in a different segment from that of its immediate parent company, their carrying amount in separate financial statements is eliminated in the consolidating adjustments in the tables below. In addition, consolidation adjustments in the table below include adjustments of the amount of investment in associates and joint ventures from the cost basis amount reflected in segment assets to that determined using equity method in the consolidated financial statements.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**4. Segment, Geographic and Other Information, Continued**

- (2) **Financial information of the segments for the three-month periods ended March 31, 2016 and 2015, respectively, are as follows:**

*In millions of  
won*

**March 31, 2016**

Segment	Total segment revenue	Intersegment revenue	Revenue from external customers	Operating Profit (loss)	Depreciation and amortization	Interest income	Interest expense	Profit related associates, joint ventures and subsidiaries
Transmission and distribution	₩ 15,566,139	279,426	15,286,713	288,823	749,643	32,694	237,527	146,111
Electric power generation (Nuclear)	3,309,676	3,304,900	4,776	1,683,326	787,288	8,198	118,521	(180)
Electric power generation (Non-nuclear)	6,235,483	6,033,611	201,872	1,690,980	602,809	8,468	83,916	13,735
Plant maintenance & engineering service	561,254	482,035	79,219	57,902	24,682	3,373	490	(745)
Others	138,202	25,455	112,747	23,501	8,148	33,515	23,763	
Consolidation adjustments	(10,125,427)	(10,125,427)		(139,185)	(10,232)	(5,929)	(5,982)	
	₩ 15,685,327		15,685,327	3,605,347	2,162,338	80,319	458,235	158,921



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**4. Segment, Geographic and Other Information, Continued**

- (2) **Financial information of the segments for the three-month periods ended March 31, 2016 and 2015, respectively, are as follows, continued:**

*In millions of  
won*

**March 31, 2015**

Segment	Total segment revenue	Intersegment revenue	Revenue from external customers	Operating profit (loss)	Depreciation and amortization	Interest income	Interest expense	Profit related associates, joint ventures and subsidiaries
Transmission and distribution	₩ 14,936,679	297,155	14,639,524	(194,166)	704,160	10,570	302,116	170,032
Electric power generation (Nuclear)	2,736,160	2,733,949	2,211	1,195,543	737,316	7,008	149,586	(658)
Electric power generation (Non-nuclear)	6,623,817	6,413,081	210,736	1,217,388	561,926	5,669	82,329	22,375
Plant maintenance & engineering service	553,716	414,213	139,503	56,615	19,898	3,024	39	800
Others	151,629	19,744	131,885	14,501	7,043	25,522	20,509	
Consolidation adjustments	(9,878,142)	(9,878,142)		(50,015)	(9,404)	(2,300)	(1,923)	
	₩ 15,123,859		15,123,859	2,239,866	2,020,939	49,493	552,656	192,549

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**4. Segment, Geographic and Other Information, Continued**

- (3) **Information related to segment assets and segment liabilities as of and for the three-month period ended March 31, 2016 and as of and for the year ended December 31, 2015 are as follows:**

*In millions of won*

Segment	March 31, 2016			
	Segment assets	Investments in associates and joint ventures	Acquisition of non-current assets	Segment liabilities
Transmission and distribution	₩ 105,847,101	4,473,337	2,205,380	53,628,994
Electric power generation (Nuclear)	52,449,434	16,204	497,957	28,243,723
Electric power generation (Non-nuclear)	45,604,103	1,318,073	806,166	25,786,733
Plant maintenance & engineering service	3,039,185	52,279	37,522	1,278,873
Others	5,886,185		32,638	2,316,351
Consolidation adjustments	(36,032,729)		35,084	(2,439,556)
<b>Consolidated totals</b>	<b>₩ 176,793,279</b>	<b>5,859,893</b>	<b>3,614,747</b>	<b>108,815,118</b>

*In millions of won*

Segment	December 31, 2015			
	Segment assets	Investments in associates and joint ventures	Acquisition of non-current assets	Segment liabilities
Transmission and distribution	₩ 106,306,250	4,338,888	5,885,919	53,125,589

Electric power generation (Nuclear)	51,043,890	16,385	2,647,304	27,386,113
Electric power generation (Non-nuclear)	44,453,545	1,283,432	5,063,195	25,587,071
Plant maintenance & engineering service	2,990,862	54,825	249,627	1,172,351
Others	5,962,546		144,846	2,312,658
Consolidation adjustments	(35,499,734)		146,942	(2,268,898)
<b>Consolidated totals</b>	<b>₩ 175,257,359</b>	<b>5,693,530</b>	<b>14,137,833</b>	<b>107,314,884</b>

**(4) Geographic information**

The following information on revenue from external customers and non-current assets is determined by the location of the customers and the assets:

*In millions of won*

Geographical unit	Revenue from external customers		Non-current assets (*2)	
	March 31, 2016	March 31, 2015	March 31, 2016	December 31, 2015
Domestic	₩ 14,581,263	14,307,620	145,762,660	143,788,043
Overseas (*1)	1,104,064	816,239	4,318,360	4,526,395
	<b>₩ 15,685,327</b>	<b>15,123,859</b>	<b>150,081,020</b>	<b>148,314,438</b>

(\*1) Middle East and other Asian countries make up the majority of overseas revenue and non-current assets.

(\*2) Amount excludes financial assets and deferred tax assets.

**(5) Information on significant customers**

There is no individual customer comprising more than 10% of the Company's revenue for the three-month periods ended March 31, 2016 and 2015.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**5. Classification of Financial Instruments****(1) Classification of financial assets as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won*

	<b>March 31, 2016</b>					<b>Total</b>
	<b>Financial assets at fair value through profit or loss</b>	<b>Loans and receivables</b>	<b>Available-for-sale financial assets</b>	<b>Held-to-maturity investments</b>	<b>Derivative assets (using hedge accounting)</b>	
<b>Current assets</b>						
Cash and cash equivalents	₩	5,418,476				5,418,476
<b>Current financial assets</b>						
Held-to-maturity investments				418		418
Derivative assets	787				80,678	81,465
Other financial assets		3,789,805				3,789,805
Trade and other receivables		6,770,201				6,770,201
	787	15,978,482		418	80,678	16,060,365
<b>Non-current assets</b>						
<b>Non-current financial assets</b>						
Available-for-sale financial assets			626,183			626,183
Held-to-maturity investments				3,217		3,217
Derivative assets	205,381				162,439	367,820
Other financial assets		1,551,494				1,551,494
Trade and other receivables		1,817,616				1,817,616
	205,381	3,369,110	626,183	3,217	162,439	4,366,330

₩	206,168	19,347,592	626,183	3,635	243,117	20,426,695
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*In millions of won*

December 31, 2015

	Financial assets at fair value through profit or loss	Loans and receivables	Available- for-sale financial assets	Held-to- maturity investments	Derivative assets (using hedge accounting)	Total	
<b>Current assets</b>							
Cash and cash equivalents	₩	3,783,065				3,783,065	
<b>Current financial assets</b>							
Held-to-maturity investments				381		381	
Derivative assets	1,498				95,759	97,257	
Other financial assets		5,237,983				5,237,983	
Trade and other receivables		7,473,548				7,473,548	
	1,498	16,494,596		381	95,759	16,592,234	
<b>Non-current assets</b>							
Non-current financial assets							
Available-for-sale financial assets							
			584,479			584,479	
Held-to-maturity investments				3,242		3,242	
Derivative assets	253,510				266,383	519,893	
Other financial assets		1,387,940				1,387,940	
Trade and other receivables		1,798,419				1,798,419	
	253,510	3,186,359	584,479	3,242	266,383	4,293,973	
	₩	255,008	19,680,955	584,479	3,623	362,142	20,886,207

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**5. Classification of Financial Instruments, Continued****(2) Classification of financial liabilities as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won***March 31, 2016**

	<b>Financial liabilities at fair value through profit or loss</b>	<b>Financial liabilities recognized at amortized cost</b>	<b>Derivative liabilities (using hedge accounting)</b>	<b>Total</b>
<b>Current liabilities</b>				
Borrowings	₩	827,983		827,983
Debt securities		7,898,037		7,898,037
Derivative liabilities	14,152		890	15,042
Trade and other payables		6,436,194		6,436,194
	14,152	15,162,214	890	15,177,256
<b>Non-current liabilities</b>				
Borrowings		1,683,218		1,683,218
Debt securities		46,542,092		46,542,092
Derivative liabilities	32,780		148,048	180,828
Trade and other payables		3,678,377		3,678,377
	32,780	51,903,687	148,048	52,084,515
	₩ 46,932	67,065,901	148,938	67,261,771

*In millions of won***December 31, 2015**

	<b>Financial liabilities fair value through profit or</b>	<b>Financial liabilities recognized at amortized cost</b>	<b>Derivative liabilities (using hedge accounting)</b>	<b>Total</b>
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<b>loss</b>				
<b>Current liabilities</b>				
Borrowings	₩	1,144,027		1,144,027
Debt securities		6,702,926		6,702,926
Derivative liabilities	9,487		758	10,245
Trade and other payables		4,735,697		4,735,697
	9,487	12,582,650	758	12,592,895
<b>Non-current liabilities</b>				
Borrowings		1,932,259		1,932,259
Debt securities		48,974,287		48,974,287
Derivative liabilities	39,524		116,741	156,265
Trade and other payables		3,718,435		3,718,435
	39,524	54,624,981	116,741	54,781,246
	₩ 49,011	67,207,631	117,499	67,374,141

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**5. Classification of Financial Instruments, Continued****(3) Classification of comprehensive income from financial instruments for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>		<b>March 31, 2016</b>	<b>March 31, 2015</b>
Cash and cash equivalents	Interest income	₩ 20,683	11,890
Available-for-sale financial assets	Dividends income	9,367	5,456
	Impairment loss on available-for-sale financial assets		(5,821)
	Gain (loss) on disposal of available-for-sale financial assets	1,480	(975)
	Interest income		29
Held-to-maturity investments	Interest income	25	25
Loans and receivables	Interest income	6,938	6,775
Trade and other receivables	Interest income	31,061	24,981
Short-term financial instruments	Interest income	19,051	2,864
Long-term financial instruments	Interest income	2,561	2,929
Financial assets at fair value through profit or loss	Gain (loss) on valuation of derivatives	(47,667)	30,365
	Gain (loss) on transaction of derivatives	(1,832)	1,666
Derivative assets (using hedge accounting)	Gain (loss) on valuation of derivatives (profit or loss)	(46,054)	14,199
	Gain (loss) on valuation of derivatives (equity, before tax) (*)	(12,036)	13,010
	Gain on transaction of derivatives	2,802	1,065
Financial liabilities carried at amortized cost	Interest expense of borrowings and debt securities	(321,009)	(379,204)
	Interest expense of trade and other payables	(16,403)	(20,909)
	Interest expense of others	(120,823)	(152,543)
	Gain (loss) on foreign currency transactions and translations	116,237	(60,337)
Financial liabilities at fair value through profit or loss	Gain on valuation of derivatives	7,082	18,342
		2,131	(1,785)



	Gain (loss) on transaction of derivatives		
Derivative liabilities (using hedge accounting)	Gain (loss) on valuation of derivatives (profit or loss)	(40,778)	1,857
	Gain (loss) on valuation of derivatives (equity, before tax) (*)	(10,235)	13,737
	Loss on transaction of derivatives		(3,400)

(\*) Items are included in other comprehensive income or loss. All other income and gain amounts listed above are included in finance income, and all expense and loss amounts listed above are included in finance expenses in the consolidated interim statements of comprehensive income.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**6. Restricted Deposits****Restricted deposits as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>		<b>March 31, 2016</b>	<b>December 31, 2015</b>
Cash and cash equivalents	Escrow accounts	₩ 112	4,828
	Deposits for government project	5,643	5,839
	Collateral provided for borrowings	28,770	6,839
	Collateral provided for lawsuit	760	641
	Deposits for transmission regional support program	3,212	204
	Pledge		740
Short-term financial instruments	Restriction on withdrawal related to win-win growth program for small and medium enterprises	18,000	18,000
Long-term financial instruments	Guarantee deposits for checking account	2	2
	Guarantee deposits for banking accounts at oversea branches	327	333
	Decommissioning costs of nuclear power plants	652,700	652,700
	Collateral provided for borrowings		20
	Funds for developing small and medium enterprises (*1)	100,000	100,000
		₩ 809,526	790,146

(\*1) Deposits for small and medium enterprise at IBK for construction of Bitgaram Energy Valley and support for the businesses as of March 31, 2016.

**7. Cash and Cash Equivalentents****Cash and cash equivalentents as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Cash	₩ 122	109
Other demand deposit	871,720	1,309,396
Short-term deposits classified as cash equivalents	1,107,919	374,575
Short-term investments classified as cash equivalents	3,438,715	2,098,985
	₩ 5,418,476	3,783,065

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**8. Trade and Other Receivables****(1) Trade and other receivables as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won*

	<b>March 31, 2016</b>			
	<b>Gross amount</b>	<b>Allowance for doubtful accounts</b>	<b>Present value discount</b>	<b>Book value</b>
<b>Current assets</b>				
Trade receivables	₩ 6,204,752	(54,861)	(5)	6,149,886
Other receivables	673,502	(51,145)	(2,042)	620,315
	6,878,254	(106,006)	(2,047)	6,770,201
<b>Non-current assets</b>				
Trade receivables	437,933			437,933
Other receivables	1,425,607	(39,481)	(6,443)	1,379,683
	1,863,540	(39,481)	(6,443)	1,817,616
	₩ 8,741,794	(145,487)	(8,490)	8,587,817

*In millions of won*

	<b>December 31, 2015</b>			
	<b>Gross amount</b>	<b>Allowance for doubtful accounts</b>	<b>Present value discount</b>	<b>Book value</b>
<b>Current assets</b>				
Trade receivables	₩ 6,862,762	(51,956)	(14)	6,810,792
Other receivables	718,717	(52,778)	(3,183)	662,756
	7,581,479	(104,734)	(3,197)	7,473,548
<b>Non-current assets</b>				
Trade receivables	447,010			447,010
Other receivables	1,396,107	(38,968)	(5,730)	1,351,409

1,843,117 (38,968) (5,730) 1,798,419

**₩ 9,424,596 (143,702) (8,927) 9,271,967**

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**8. Trade and Other Receivables, Continued****(2) Other receivables as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won*

	<b>March 31, 2016</b>			
	<b>Gross amount</b>	<b>Allowance for doubtful accounts</b>	<b>Present value discount</b>	<b>Book value</b>
<b>Current assets</b>				
Non-trade receivables	₩ 360,135	(51,145)		308,990
Accrued income	65,308			65,308
Deposits	184,935		(2,042)	182,893
Finance lease receivables	12,008			12,008
Others	51,116			51,116
	673,502	(51,145)	(2,042)	620,315
<b>Non-current assets</b>				
Non-trade receivables	84,860	(31,943)		52,917
Accrued income	1,389			1,389
Deposits	310,478		(6,443)	304,035
Finance lease receivables	925,232			925,232
Others	103,648	(7,538)		96,110
	1,425,607	(39,481)	(6,443)	1,379,683
	₩ 2,099,109	(90,626)	(8,485)	1,999,998

*In millions of won*

	<b>December 31, 2015</b>			
	<b>Gross amount</b>	<b>Allowance for doubtful accounts</b>	<b>Present value discount</b>	<b>Book value</b>
<b>Current assets</b>				
Non-trade receivables	₩ 330,669	(52,778)		277,891
Accrued income	88,256			88,256
Deposits	235,745		(3,183)	232,562

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Finance lease receivables	12,098			12,098
Others	51,949			51,949
	718,717	(52,778)	(3,183)	662,756
<b>Non-current assets</b>				
Non-trade receivables	93,782	(31,829)		61,953
Accrued income	582			582
Deposits	256,745		(5,730)	251,015
Finance lease receivables	941,710			941,710
Others	103,288	(7,139)		96,149
	1,396,107	(38,968)	(5,730)	1,351,409
	₩ 2,114,824	(91,746)	(8,913)	2,014,165

Trade and other receivables are classified as loans and receivables, and are measured using the effective interest method. No interest is accrued for trade receivables related to electricity for the duration between the billing date and the payment due dates. But once trade receivables are overdue, the Company imposes a monthly interest rate of 2.0% on the overdue trade receivables. The Company holds deposits of three months' expected electricity usage for customers requesting temporary usage and customers with past defaulted payments.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**8. Trade and Other Receivables, Continued****(3) Aging analysis of trade receivables as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Trade receivables: (not overdue, not impaired)	₩ 6,498,505	7,198,403
Trade receivables: (overdue, not impaired)	1,436	891
Less than 60 days	1,436	891
Trade receivables: (impairment reviewed)	142,744	110,478
60 ~ 90 days	36,341	31,973
90 ~ 120 days	34,167	11,010
120 days ~ 1 year	32,734	35,097
Over 1 year	39,502	32,398
	6,642,685	7,309,772
Less allowance for doubtful accounts	(54,861)	(51,956)
Less present value discount	(5)	(14)
	₩ 6,587,819	7,257,802

The Company assesses at the end of each reporting period whether there is any objective evidence that trade receivables are impaired, and provides allowances for doubtful accounts which includes impairment for trade receivables that are individually significant. The Company considers receivables as overdue if the receivables are outstanding 60 days after the maturity and sets an allowance based on past experience of collection.

**(4) Aging analysis of other receivables as of March 31, 2016 and December 31, 2015 are as follows:**



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<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Other receivables: (not overdue, not impaired)	₩ 1,868,922	1,918,132
Other receivables: (overdue, not impaired)	72,835	20,249
Less than 60 days	72,835	20,249
Other receivables: (impairment reviewed)	157,352	176,443
60 ~ 90 days	2,747	2,409
90 ~ 120 days	8,792	10,097
120 days ~ 1 year	36,113	21,433
Over 1 year	109,700	142,504
	2,099,109	2,114,824
Less allowance for doubtful accounts	(90,626)	(91,746)
Less present value discount	(8,485)	(8,913)
	₩ 1,999,998	2,014,165

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**8. Trade and Other Receivables, Continued**

- (5) **Changes in the allowance for doubtful accounts for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Trade receivables</b>	<b>Other receivables</b>	<b>Trade receivables</b>	<b>Other receivables</b>
<b>Beginning balance</b>	₩ 51,956	91,746	80,644	67,932
Bad debt expense	5,538	238	1,308	18,473
Write-off	(2,060)	(154)	(28,978)	(888)
Reversal	(500)	(987)	(1,018)	(413)
Others	(73)	(217)		6,642
<b>Ending balance</b>	₩ 54,861	90,626	51,956	91,746

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**9. Available-for-sale Financial Assets**

(1) Changes in available-for-sale financial assets for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:

<i>In millions of won</i>	March 31, 2016					Ending Balance
	Beginning balance	Acquisition	Disposal	Valuation Impairment	Others	
<b>Listed:</b>						
Korea District Heating Corp.	₩ 130,410			30,791		161,201
Kwanglim Co., Ltd. (*1)	262		(214)	598	(646)	319
Ssangyong Motor Co., Ltd.	299			20		5
Sungjee Construction. Co., Ltd.	5					5
Korea Line Corp.						
Namkwang Engineering & Construction Co., Ltd.	1					1
Pumyang Construction Co., Ltd.						
ELCOMTEC Co., Ltd.	53			16		69
PAN ocean Co., Ltd.	6					6
Borneo International Furniture Co., Ltd.	103					103
TONGYANG Inc. (*1)	217		(45)	25	(197)	
TONGYANG networks Inc. (*1)	6		(3)		(3)	
Nexolon Co., Ltd. (*1)	3,196		(3,138)	569	(627)	
PT Adaro Energy Tbk	21,012			5,892		26,904
Energy Fuels Inc.	5,926			(1,757)	216	4,385
Cockatoo Coal Limited	42				1	43
Denison Mines Corp.	34,457			1,531	1,864	37,852
Fission 3.0	30			(7)	2	25
Fission Uranium Corp.	554			(112)	28	470
	196,579		(3,400)	37,566	638	231,383
<b>Unlisted:</b>						
K&C - Gyeongnam youth job creation Investment Fund	1,207					1,207

Korea investment - KoreaEXIM Bank CERs Private Special Asset Investment Trust I	571			571
Troika Overseas Resource Development Private Equity Firm	1,553			1,553
IBK-AUCTUS Green Growth Private Equity firm (*1)	855		(621)	234
Global Dynasty Overseas Resource Development Private Equity Firm	2,233			2,233
Intellectual Discovery, Ltd.	1,375			1,375
Hanwha-KOSEP New Renewable Energy Private Special Assets Investment Trust 1 (*1)	1,069	3,685	(323)	4,431
Construction Guarantee	805		(6)	799
Plant & Mechanical Contractors Financial Cooperative of Korea	36			36
Fire Guarantee	20			20
Korea Software Financial Cooperative	301			301
Engineering Financial Cooperative	60			60
Electric Contractors Financial Cooperative	152			152
Korea Specialty Contractor Financial Cooperative	417			417
Information & Communication Financial Cooperative	10			10
Korea Electric Engineers Association	40			40
Hwan Young Steel Co., Ltd.	97			97
Woobang ENC Co., Ltd	22			22
Dongnam Co., Ltd.	72			72
SAMBO AUTO. Co., Ltd.	38			38
Mobo Co., Ltd.	14			14
Poonglim Industrial Co., Ltd.	93			93

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued**

(1) **Changes in available-for-sale financial assets for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows, continued:**

*In millions of won*

	March 31, 2016						
	Beginning balance	Acquisition	Disposal	Valuation	Impairment	Others	Ending Balance
HANKOOK Silicon Co., Ltd.	₩ 7,513						7,513
Kun Young Engineering & Construction Co., Ltd.	5						5
Pumyang Asset Management Co., Ltd.	3						3
Dae Kwang Semiconductor Co., Ltd.	6						6
Sanbon Department Store	3						3
Woori Ascon Co., Ltd.	10						10
Miju Steel Mfg. Co., Ltd.	51						51
BnB Sungwon Co., Ltd.	15						15
Hana Civil Engineering Co., Ltd.	1						1
KC Development Co., Ltd.	6						6
IMHWA Corp.	5						5
DAIM Special Vehicle Co., Ltd.	10						10
ASA JEONJU Co., Ltd.	69						69
KYUNGWON Co., Ltd.	14						14
Moonkyung Silica Co., Ltd.							
Yousung Remicon Co., Ltd.	4						4
Sungkwang Timber Co., Ltd.	4						4
Yongbo Co., Ltd.	3						3
HJ Steel Co., Ltd.	2						2
KS Remicon Co., Ltd.	3						3
Sewoong Heavy Industries Co., Ltd.	40						40
SIN-E Steel Co., Ltd.	33						33
Joongang Platec Co., Ltd.	72						72
Pyungsan SI Ltd.	9						9
Samgong Development Co., Ltd.	7						7
Joongang Development Co., Ltd.	8						8

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AJS Co., Ltd.	32	32
SHIN-E B&P Co., Ltd.	10	10
MSE Co., Ltd.	9	9
Irim Nano Tec Co., Ltd.	15	15
Kwang Myeong Electronics Technology Co., Ltd.	11	11
Youngjin Hi-Tech Co., Ltd.	21	21
Dong Woo International Co., Ltd.	18	18
Bench Mark Construction Co., Ltd.		
Buyoung Co., Ltd.	3	3
Ilsuk Co., Ltd.	10	10
Dongyang Telecom Co., Ltd.	11	11
Han Young Construction Co., Ltd.	3	3
Jongwon Remicon Co., Ltd.	13	13
Ace Heat Treating Co., Ltd.	72	72
Zyle Daewoo Motor Sales Co., Ltd.		
Daewoo Development Co., Ltd.		
Seyang Inc.	27	27
Seungri Enterprise Co., Ltd.	3	3
Onggane Food Co., Ltd	1	1

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(1) Changes in available-for-sale financial assets for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows, continued:**

<i>In millions of won</i>	<b>March 31, 2016</b>					<b>Ending Balance</b>
	<b>Beginning balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Valuation Impairment</b>	<b>Others</b>	
Shin-E P&C Co., Ltd.	₩ 1					1
Ejung Ad Co., Ltd.	3					3
Solvus Co., Ltd.	3					3
Myung Co., Ltd.	2					2
Emotion Co., Ltd.	8					8
Youngdong Concrete Co., Ltd.	7					7
Shinil Engineering Co., Ltd.	3					3
Korea Castiron Industrial Co., Ltd.	22					22
FFG DMC Co., Ltd.	17					17
Daeseong Metal Co., Ltd.	47					47
Biwang Industry Co., Ltd.	2					2
Huimun Co., Ltd.	4					4
Sunun IT F Co., Ltd.	8					8
Young Sung Co., Ltd.	27					27
Yuil Industrial Electronics Co., Ltd.	16					16
DN TEK Inc.	62					62
Daeyang FMS Corporation	3					3
Kwang Jin Structure Co., Ltd.	31					31
Woojin Industry Corporation	16					16
Kwang Sung Industry Co., Ltd.	7					7
Matsaeng Food Co., Ltd.	6					6
Futech Mold Co., Ltd.	14					14
Samcheonri Industrial Co., Ltd.	13					13
Woojoo Environment Ind. Co., Ltd.	13					13

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Cheongatti Co., Ltd.	4				4	
Hyungji Esquire Co., Ltd.	21				21	
Kolmar Pharma Co., Ltd.	52				52	
Morado Co., Ltd.	2				2	
Myung Sung Tex Co., Ltd.	2				2	
Kwang Sung Co., Ltd.				31	31	
EverTechno. Co., Ltd.				147	147	
Autowel Co., Ltd.				13	13	
Baekseok Construction Co., Ltd.				4	4	
Areva nc Expansion	170,118			3,573	173,691	
Navanakorn Electric Co., Ltd.	17,951			(284)	17,667	
PT. Kedap Saayq						
Set Holding	179,585				179,585	
PT. Cirebon Energi Prasarana	635	721		(40)	1,316	
	387,900	4,406	(944)	(6)	3,444	394,800
	₩ 584,479	4,406	(4,344)	37,560	4,082	626,183

(\*1) The Company recognized gain on disposal of available-for-sale financial assets amounted to ₩1,480 million, from the sales of shares of Kwanglim Co., Ltd., TONGYANG Inc., TONGYANG networks Inc. and Nexolon Co., Ltd. and from the certain portion sales of IBK-AUCTUS Green Growth Private Equity Firm and Hanwha-KOSEP New Renewable Energy Private Special Assets Investment Trust 1 during the three-month period ended March 31, 2016.



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(1) Changes in available-for-sale financial assets for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows, continued:**

*In millions of won*

	<b>December 31, 2015</b>						
	<b>Beginning</b>					<b>Ending</b>	
	<b>balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Valuation</b>	<b>Impairment</b>	<b>Others</b>	<b>Balance</b>
<b>Listed:</b>							
Korea District Heating Corp.	₩ 127,241			3,169			130,410
Kwanglim Co., Ltd.	128			134			262
Ssangyong Motor Co., Ltd.	357			(58)			299
Sungjee Construction. Co., Ltd.	5						5
Korea Line Corp.							
Namkwang Engineering & Construction Co., Ltd.	2			(3)		2	1
Pumyang Construction Co., Ltd.							
ELCOMTEC Co., Ltd.	48			5			53
PAN ocean Co., Ltd.	5			1			6
Borneo International Furniture Co., Ltd.	4			7		92	103
TONGYANG Inc.	66			140		11	217
TONGYANG networks Inc.	3			3			6
Nexolon Co., Ltd.				59		3,137	3,196
PT Adaro Energy Tbk	44,109			(23,097)	(23,206)	23,206	21,012
Energy Fuels Inc.	11,568			(4,866)	(9,391)	8,615	5,926
Cockatoo Coal Limited	628			(572)	(572)	558	42
Denison Mines Corp.	62,339			(22,187)	(20,154)	14,459	34,457
Fission 3.0 (*1)	61		(57)	11		15	30
Fission Uranium Corp.	651			(28)		(69)	554
	247,215		(57)	(47,282)	(53,323)	50,026	196,579
<b>Unlisted:</b>							
K&C - Gyeongnam youth job creation Investment Fund (*1)	1,340		(133)				1,207

Hanwha Electric Power Venture Fund (*1)	1,804	(1,804)		
Korea investment - KoreaEXIM Bank CERs Private Special Asset Investment Trust I (*1)	4,752	(3,000)	(1,181)	571
Troika Overseas Resource Development Private Equity Firm	13,340		(11,787)	1,553
IBK-AUCTUS Green Growth Private Equity firm (*1)	2,325	(1,470)		855
Global Dynasty Overseas Resource Development Private Equity Firm	2,233			2,233
Intellectual Discovery, Ltd.	5,000		(3,625)	1,375
Hanwha-KOSEP New Renewable Energy Private Special Assets Investment Trust 1 (*1)	498	802	(231)	1,069
Construction Guarantee Plant & Mechanical Contractors Financial Cooperative of Korea	795		10	805
Fire Guarantee	36			36
Korea Software Financial Cooperative	20			20
Engineering Financial Cooperative	301			301
Electric Contractors Financial Cooperative	60			60
Korea Specialty Contractor Financial Cooperative	152			152
Information & Communication Financial Cooperative	417			417
Korea Electric Engineers Association	10			10
Hwan Young Steel Co., Ltd.	40			40
Woobang ENC Co., Ltd	97			97
Dongnam Co., Ltd.	22			22
SAMBO AUTO. Co., Ltd.	72			72
Mobo Co., Ltd.	38			38
	14			14

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(1) Changes in available-for-sale financial assets for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows, continued:**

*In millions of won*

	<b>December 31, 2015</b>						
	<b>Beginning</b>					<b>Ending</b>	
	<b>balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Valuation</b>	<b>Impairment</b>	<b>Others</b>	<b>Balance</b>
Poonglim Industrial Co., Ltd.	₩ 78					15	93
HANKOOK Silicon Co., Ltd.	7,513						7,513
Kun Young Engineering & Construction Co., Ltd.	5						5
Pumyang Asset Management Co., Ltd.	3						3
Dae Kwang Semiconductor Co., Ltd.	6						6
Sanbon Department Store	124				(121)		3
Woori Ascon Co., Ltd.	10						10
Miju Steel Mfg. Co., Ltd.	51						51
BnB Sungwon Co., Ltd.	15						15
Hana Civil Engineering Co., Ltd.	1						1
KC Development Co., Ltd.	6						6
IMHWA Corp.	5						5
IXELON Co., Ltd.	23				(23)		
DAIM Special Vehicle Co., Ltd.	10						10
ASA KIMJE Co., Ltd.	465				(465)		
ASA JEONJU Co., Ltd.	697				(628)		69
KYUNGWON Co., Ltd.	14						14
Moonkyung Silica Co., Ltd.							
Yousung Remicon Co., Ltd.	4						4
Sungkwang Timber Co., Ltd.	4						4
Yongbo Co., Ltd.	3						3
HJ Steel Co., Ltd.						2	2
Ildong Air Conditioning Co., Ltd.					(2)	2	
KS Remicon Co., Ltd.						3	3
Sewoong Heavy Industries Co., Ltd.						40	40
SIN-E Steel Co., Ltd.						33	33

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Joongang Platec Co., Ltd.		72	72
Hangjin Steel Co., Ltd.	(116)	116	
Pyungsan SI Ltd.		9	9
Samgong Development Co., Ltd.		7	7
Joongang Development Co., Ltd.		8	8
AJS Co., Ltd.		32	32
SHIN-E B&P Co., Ltd.		10	10
MSE Co., Ltd.		9	9
Iirim Nano Tec Co., Ltd.		15	15
Kwang Myeong Electronics Technology Co., Ltd.		11	11
Youngjin Hi-Tech Co., Ltd.	(105)	126	21
Dong Woo International Co., Ltd.		18	18
Bench Mark Construction Co., Ltd.			
Buyoung Co., Ltd.		3	3
Ilsuk Co., Ltd.		10	10
Dongyang Telecom Co., Ltd.		11	11
Han Young Construction Co., Ltd.		3	3
Jongwon Remicon Co., Ltd.		13	13
Ace Heat Treating Co., Ltd.		72	72
Zyle Daewoo Motor Sales Co., Ltd.			
Daewoo Development Co., Ltd.			
Daewoo Songdo Development Co., Ltd.	(2)	2	
Seyang Inc.		27	27
Seungri Enterprise Co., Ltd.		3	3

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(1) Changes in available-for-sale financial assets for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows, continued:**

<i>In millions of won</i>	December 31, 2015					Ending Balance
	Beginning balance	Acquisition	Disposal	Valuation Impairment	Others	
Onggane Food Co., Ltd.	₩				1	1
Shin-E P&C Co., Ltd.					1	1
Montista Telecom Co., Ltd.				(3)	3	3
Ejung Ad Co., Ltd.					3	3
Solvus Co., Ltd.					3	3
Myung Co., Ltd.					2	2
Emotion Co., Ltd.					8	8
Youngdong Concrete Co., Ltd.					7	7
Shinil Engineering Co., Ltd.					3	3
Korea Castiron Industrial Co., Ltd.					22	22
FFG DMC Co., Ltd.					17	17
Daeseong Metal Co., Ltd.					47	47
Biwang Industry Co., Ltd					2	2
Huimun Co., Ltd.					4	4
Sunun IT F Co., Ltd.					8	8
Young Sung Co., Ltd.					27	27
Yuil Industrial Electronics Co., Ltd.					16	16
DN TEK Inc.					62	62
Daeyang FMS Corporation					3	3
Kwang Jin Structure Co., Ltd.					31	31
Woojin Industry Corporation					16	16
Kwang Sung Industry Co., Ltd.					7	7
Matsaeng Food Co., Ltd.					6	6

Futech Mold Co., Ltd.						14	14
Samcheonri Industrial Co., Ltd.						13	13
Woojoo Environment Ind. Co., Ltd.						13	13
Cheongatti Co., Ltd.						4	4
Hyungji Esquire Co., Ltd.						21	21
Kolmar Pharma Co., Ltd.						52	52
Morado Co., Ltd.						2	2
Myung Sung Tex Co., Ltd.						2	2
Areva nc Expansion	227,876					(57,758)	170,118
Navanakorn Electric Co., Ltd.	16,836					1,115	17,951
PT. Kedap Saayq	12,989					(12,989)	
Set Holding	167,832			11,753			179,585
PT. Cirebon Energi Prasarana		635					635
	467,936	1,437	(6,638)	11,763	(31,047)	(55,551)	387,900
	₩ 715,151	1,437	(6,695)	(35,519)	(84,370)	(5,525)	584,479

(\*1) The Company recognized gain and loss on disposal of available-for-sale financial assets amounted to ₩4 million and ₩3,008 million, respectively, from the sales of shares of Fission 3.0, K&C- Gyeongnam Youth Job Creation Investment Fund, Korea Investment - Korea EXIM Bank CERs Private Special Asset Investment Trust 1, IBK-AUCTUS Green Growth Private Equity Firm and others and from the liquidation of Hanwha Electric Power Venture fund for the year ended December 31, 2015.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued**

(2) Available-for-sale financial assets as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	Shares	Ownership	March 31, 2016		
			Acquisition cost	Book value	Fair value
<b>Listed</b>					
Korea District Heating Corp.	2,264,068	19.55%	₩ 173,201	161,201	161,201
Ssangyong Motor Co., Ltd.	38,568	0.03%	428	319	319
Sungjee Construction. Co., Ltd.	1,053	0.01%	49	5	5
Korea Line Corp.	18	0.00%	1		
Namkwang Engineering & Construction Co., Ltd.	46	0.00%	15	1	1
Pumyang Construction Co., Ltd.	7	0.00%	2		
ELCOMTEC Co., Ltd.	32,875	0.04%	217	69	69
PAN ocean Co., Ltd.	1,492	0.00%	14	6	6
Borneo International Furniture Co., Ltd.	64,037	0.28%	97	103	103
PT Adaro Energy Tbk	480,000,000	1.50%	71,554	26,904	26,904
Energy Fuels Inc.	1,711,814	3.79%	16,819	4,385	4,385
Cockatoo Coal Limited	49,881,423	0.07%	18,445	43	43
Denison Mines Corp.	58,284,000	11.24%	84,134	37,852	37,852
Fission 3.0	300,000	0.17%		25	25
Fission Uranium Corp.	800,000	0.21%	785	470	470
			365,761	231,383	231,383
<b>Unlisted (*1)</b>					
K&C - Gyeongnam youth job creation Investment Fund	24	10.00%	1,207	1,207	
Korea investment - KoreaEXIM Bank CERs Private Special Asset Investment Trust I	1,758,731,002	14.18%	1,752	571	
Troika Overseas Resource Development Private Equity Firm	13,340,012,100	3.66%	13,340	1,553	
	171	6.30%	855	234	

## IBK-AUCTUS Green Growth

## Private Equity firm

Global Dynasty Overseas Resource					
Development Private Equity Firm	2,233,407,439	7.46%	2,233	2,233	
Intellectual Discovery, Ltd.	1,000,000	8.81%	5,000	1,375	
Hanwha-KOSEP New Renewable					
Energy Private Special Assets					
Investment Trust 1	4,279,159,433	5.00%	4,431	4,431	
Construction Guarantee (*2)	571	0.02%	601	799	799
Plant & Mechanical Contractors					
Financial Cooperative of Korea	50	0.01%	36	36	
Fire Guarantee	40	0.02%	20	20	
Korea Software Financial					
Cooperative	301	0.15%	301	301	
Engineering Financial Cooperative	528	0.10%	60	60	
Electric Contractors Financial					
Cooperative	800	0.03%	152	152	
Korea Specialty Contractor					
Financial Cooperative	476	0.01%	417	417	
Information & Communication					
Financial Cooperative	70	0.01%	10	10	
Korea Electric Engineers					
Association	400	0.26%	40	40	
Hwan Young Steel Co., Ltd.	10,916	0.14%	1,092	97	
Woobang ENC Co., Ltd	14	0.00%	22	22	
Dongnam Co., Ltd.	2,070	0.46%	72	72	
SAMBO AUTO. Co., Ltd.	15,066	0.02%	38	38	
Mobo Co., Ltd.	504	0.00%	14	14	
Poonglim Industrial Co., Ltd.	1,915	0.01%	93	93	
HANKOOK Silicon Co., Ltd.	7,513,022	10.44%	7,513	7,513	
Kun Young Engineering &					
Construction Co., Ltd.	100	0.00%	5	5	
Pumyang Asset Management Co.,					
Ltd.	13	0.00%	3	3	
Dae Kwang Semiconductor Co.,					
Ltd.	589	0.07%	6	6	
Sanbon Department Store	828	0.01%	124	3	
Woori Ascon Co., Ltd.	25	0.34%	10	10	
Miju Steel Mfg. Co., Ltd.	99,804	0.23%	51	51	
BnB Sungwon Co., Ltd.	589	0.07%	15	15	



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of March 31, 2016 and December 31, 2015 are as follows, continued:***In millions of won*

	Shares	Ownership	March 31, 2016		
			Acquisition cost	Book value	Fair value
Hana Civil Engineering Co., Ltd.	23	0.00%	₩ 1	1	
KC Development Co., Ltd.	839	0.02%	6	6	
IMHWA Corp.	329	0.11%	5	5	
DAIM Special Vehicle Co., Ltd.	58	0.08%	10	10	
ASA JEONJU Co., Ltd.	34,846	1.34%	697	69	
KYUNGWON Co., Ltd.	2,812	0.17%	14	14	
Moonkyung Silica Co., Ltd.	42	0.56%			
Yousung Remicon Co., Ltd.	8	0.26%	4	4	
Sungkwang Timber Co., Ltd.	9	0.34%	4	4	
Yongbo Co., Ltd.	61	0.20%	3	3	
HJ Steel Co., Ltd.	218	0.07%	2	2	
KS Remicon Co., Ltd.	12	0.04%	3	3	
Sewoong Heavy Industries Co., Ltd.	7,931	0.10%	40	40	
SIN-E Steel Co., Ltd.	109	0.08%	33	33	
Joongang Platec Co., Ltd.	3,591	0.75%	72	72	
Pyungsan SI Ltd.	434	0.01%	9	9	
Samgong Development Co., Ltd.	12	0.01%	7	7	
Joongang Development Co., Ltd.	540	0.12%	8	8	
AJS Co., Ltd.	12,906	0.23%	32	32	
SHIN-E B&P Co., Ltd.	119	0.13%	10	10	
MSE Co., Ltd.	429	0.13%	9	9	
Ilim Nano Tec Co., Ltd.	1,520	0.07%	15	15	
Kwang Myeong Electronics Technology Co., Ltd.	113	0.37%	11	11	
Youngjin Hi-Tech Co., Ltd.	2,512	0.25%	126	21	
Dong Woo International Co., Ltd.	90	0.37%	18	18	
Bench Mark Construction Co., Ltd.	2	0.00%			
Buyoung Co., Ltd.	270	0.00%	3	3	
Ilsuk Co., Ltd.	152	0.17%	10	10	

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Dongyang Telecom Co., Ltd.	1,760	0.01%	11	11
Han Young Construction Co., Ltd.	35	0.03%	3	3
Jongwon Remicon Co., Ltd.	31	0.18%	13	13
Ace Heat Treating Co., Ltd.	477	1.43%	72	72
Zyle Daewoo Motor Sales Co., Ltd.	22	0.00%		
Daewoo Development Co., Ltd.	8	0.00%		
Seyang Inc.	537	0.05%	27	27
Seungri Enterprise Co., Ltd.	93	0.05%	3	3
Onggane Food Co., Ltd.	5	0.07%	1	1
Shin-E P&C Co., Ltd.	12	0.00%	1	1
Ejung Ad Co., Ltd.	132	0.09%	3	3
Solvus Co., Ltd.	1,056	0.04%	3	3
Myung Co., Ltd.	89	0.05%	2	2
Emotion Co., Ltd.	167	0.61%	8	8
Youngdong Concrete Co., Ltd.	32	0.32%	7	7
Shinil Engineering Co., Ltd.	887	0.06%	3	3
Korea Castiron Industrial Co., Ltd.	617	1.86%	22	22
FFG DMC Co., Ltd.	12	0.00%	17	17
Daeseong Metal Co., Ltd.	518	2.37%	47	47
Biwang Industry Co., Ltd	406	0.04%	2	2
Huimun Co., Ltd.	263	0.26%	4	4
Sunun IT F Co., Ltd.	133	0.52%	8	8
Young Sung Co., Ltd.	89	0.40%	27	27
Yuil Industrial Electronics Co., Ltd.	804	0.32%	16	16
DN TEK Inc.	12,401	0.29%	62	62
Daeyang FMS Corporation	84	0.05%	3	3

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of March 31, 2016 and December 31, 2015 are as follows, continued:***In millions of won*

	Shares	Ownership	March 31, 2016 Acquisition cost	Book value	Fair value
Kwang Jin Structure Co., Ltd.	3,072	0.60%	₩ 31	31	
Woojin Industry Corporation	3	0.00%	16	16	
Kwang Sung Industry Co., Ltd.	325	0.35%	7	7	
Matsaeng Food Co., Ltd.	277	0.56%	6	6	
Futech Mold Co., Ltd.	274	0.27%	14	14	
Samcheonri Industrial Co., Ltd.	533	0.98%	13	13	
Woojoo Environment Ind. Co., Ltd.	101	0.11%	13	13	
Cheongatti Co., Ltd.	57	0.10%	4	4	
Hyungji Esquire Co., Ltd.	52	0.02%	21	21	
Kolmar Pharma Co., Ltd.	1,426	0.01%	52	52	
Morado Co., Ltd.	209	0.04%	2	2	
Myung Sung Tex Co., Ltd.	20	0.00%	2	2	
Kwang Sung Co., Ltd.	610	0.53%	31	31	
EverTechno. Co., Ltd.	29,424	0.73%	147	147	
Autowel Co., Ltd.	260	0.38%	13	13	
Baekseok Construction Co., Ltd.	30	0.01%	4	4	
Areva nc Expansion	1,077,124	13.49%	288,443	173,691	
Navanakorn Electric Co., Ltd. (*3)	4,442,800	29.00%	16,646	17,667	
PT. Kedap Saayq	671	10.00%	18,540		
Set Holding (*4)	1,100,220	2.50%	229,255	179,585	179,585
PT. Cirebon Energi Prasarana	11,420	10.00%	1,356	1,316	
			595,646	394,800	180,384
			₩ 961,407	626,183	411,767

(\*1)

Book values of unlisted equity securities held by the Company were measured at cost as a quoted market price does not exist in an active market and its fair value cannot be measured reliably.

- (\*2) The Company has estimated the fair value of the investment in Construction Guarantee based upon the price which would be applied when the investment is returned. The Company has recognized the difference between its fair value and book value as a gain or loss on valuation of available-for-sale financial assets in other comprehensive income or loss during the three-month period ended March 31, 2016.
- (\*3) Although the Company holds more than 20% of the equity shares of these investments, the Company cannot exercise significant influence.
- (\*4) The Company has estimated the fair value of Set Holding by using the discounted cash flow method and has recognized the difference between its fair value and book value as gain or loss on valuation of available-for-sale financial assets in other comprehensive income or loss during the three-month period ended March 31, 2016.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of March 31, 2016 and December 31, 2015 are as follows, continued:***In millions of won*

		December 31, 2015			
	Shares	Ownership	Acquisition cost	Book value	Fair value
<b>Listed</b>					
Korea District Heating Corp.	2,264,068	19.55%	₩ 173,201	130,410	130,410
Kwanglim Co., Ltd.	84,515	0.44%	386	262	262
Ssangyong Motor Co., Ltd.	38,568	0.03%	428	299	299
Sungjee Construction. Co., Ltd.	1,053	0.01%	49	5	5
Korea Line Corp.	18	0.00%	1		
Namkwang Engineering & Construction Co., Ltd.	232	0.00%	15	1	1
Pumyang Construction Co., Ltd.	7	0.00%	2		
ELCOMTEC Co., Ltd.	32,875	0.04%	217	53	53
PAN ocean Co., Ltd.	1,492	0.00%	14	6	6
Borneo International Furniture Co., Ltd.	64,037	0.28%	97	103	103
TONGYANG Inc.	78,511	0.03%	45	217	217
TONGYANG networks Inc.	4,422	0.01%	3	6	6
Nexolon Co., Ltd.	3,665,367	2.59%	3,138	3,196	3,196
PT Adaro Energy Tbk	480,000,000	1.50%	71,554	21,012	21,012
Energy Fuels Inc.	1,711,814	3.79%	16,819	5,926	5,926
Cockatoo Coal Limited	49,881,423	0.07%	18,445	42	42
Denison Mines Corp.	58,284,000	11.24%	84,134	34,457	34,457
Fission 3.0	300,000	0.17%		30	30
Fission Uranium Corp.	800,000	0.21%	785	554	554
			369,333	196,579	196,579

**Unlisted (\*1)**

K&C - Gyeongnam youth job creation Investment Fund	24	10.00%	1,207	1,207	
Korea investment - KoreaEXIM Bank CERs Private Special Asset	1,758,731,002	14.18%	1,752	571	

Investment Trust I					
Troika Overseas Resource					
Development Private Equity Firm	13,340,012,100	3.66%	13,340	1,553	
IBK-AUCTUS Green Growth					
Private Equity firm	233	6.30%	855	855	
Global Dynasty Overseas Resource					
Development Private Equity Firm	2,233,407,439	7.46%	2,233	2,233	
Intellectual Discovery, Ltd.	1,000,000	8.81%	5,000	1,375	
Hanwha-KOSEP New Renewable					
Energy Private Special Assets					
Investment Trust 1	1,069,432,095	5.00%	1,069	1,069	
Construction Guarantee (*2)	571	0.02%	601	805	805
Plant & Mechanical Contractors					
Financial Cooperative of Korea	50	0.01%	36	36	
Fire Guarantee	40	0.02%	20	20	
Korea Software Financial					
Cooperative	301	0.15%	301	301	
Engineering Financial Cooperative	528	0.10%	60	60	
Electric Contractors Financial					
Cooperative	800	0.03%	152	152	
Korea Specialty Contractor					
Financial Cooperative	476	0.01%	417	417	
Information & Communication					
Financial Cooperative	70	0.01%	10	10	
Korea Electric Engineers					
Association	400	0.26%	40	40	
Hwan Young Steel Co., Ltd.	10,916	0.14%	1,092	97	
Woobang ENC Co., Ltd.	14	0.00%	22	22	
Dongnam Co., Ltd.	2,070	0.46%	72	72	
SAMBO AUTO. Co., Ltd.	15,066	0.02%	38	38	
Mobo Co., Ltd.	504	0.00%	14	14	
Poonglim Industrial Co., Ltd.	1,915	0.01%	93	93	
HANKOOK Silicon Co., Ltd.	7,513,022	10.44%	7,513	7,513	
Kun Young Engineering &					
Construction Co., Ltd.					
	100	0.00%	5	5	
Pumyang Asset Management Co.,					
Ltd.					
	13	0.00%	3	3	
Dae Kwang Semiconductor Co.,					
Ltd.					
	589	0.07%	6	6	
Sanbon Department Store					
	828	0.01%	124	3	
Woori Ascon Co., Ltd.					
	25	0.34%	10	10	
Miju Steel Mfg. Co., Ltd.					
	99,804	0.23%	51	51	
BnB Sungwon Co., Ltd.					
	589	0.07%	15	15	

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of March 31, 2016 and December 31, 2015 are as follows, continued:***In millions of won*

	Shares	Ownership	March 31, 2015		
			Acquisition cost	Book value	Fair value
Hana Civil Engineering Co., Ltd.	23	0.00%	₩ 1	1	
KC Development Co., Ltd.	839	0.02%	6	6	
IMHWA Corp.	329	0.11%	5	5	
IXELON Co., Ltd.	2,292	0.02%	23		
DAIM Special Vehicle Co., Ltd.	58	0.08%	10	10	
ASA KIMJE Co., Ltd.	23,245	1.11%	465		
ASA JEONJU Co., Ltd.	34,846	1.34%	697	69	
KYUNGWON Co., Ltd.	2,812	0.17%	14	14	
Moonkyung Silica Co., Ltd.	42	0.56%			
Yousung Remicon Co., Ltd.	8	0.26%	4	4	
Sungkwang Timber Co., Ltd.	9	0.34%	4	4	
Yongbo Co., Ltd.	61	0.20%	3	3	
HJ Steel Co., Ltd.	218	0.07%	2	2	
Ildong Air Conditioning Co., Ltd.	218	0.16%	3		
KS Remicon Co., Ltd.	12	0.04%	3	3	
Sewoong Heavy Industries Co., Ltd.	7,931	0.10%	40	40	
SIN-E Steel Co., Ltd.	109	0.08%	33	33	
Joongang Platec Co., Ltd.	3,591	0.75%	72	72	
Hangjin Steel Co., Ltd.	116	1.08%	116		
Pyungsan SI Ltd.	434	0.01%	9	9	
Samgong Development Co., Ltd.	12	0.01%	7	7	
Joongang Development Co., Ltd.	540	0.12%	8	8	
AJS Co., Ltd.	12,906	0.23%	32	32	
SHIN-E B&P Co., Ltd.	119	0.13%	10	10	
MSE Co., Ltd.	429	0.13%	9	9	
Ilim Nano Tec Co., Ltd.	1,520	0.07%	15	15	
Kwang Myeong Electronics Technology Co., Ltd.	113	0.37%	11	11	
Youngjin Hi-Tech Co., Ltd.	2,512	0.25%	126	21	
Dong Woo International Co., Ltd.	90	0.37%	18	18	

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Bench Mark Construction Co., Ltd.	2	0.00%		
Buyoung Co., Ltd.	270	0.00%	3	3
Ilsuk Co., Ltd.	152	0.17%	10	10
Dongyang Telecom Co., Ltd.	1,760	0.01%	11	11
Han Young Construction Co., Ltd.	35	0.03%	3	3
Jongwon Remicon Co., Ltd.	31	0.18%	13	13
Ace Heat Treating Co., Ltd.	477	1.43%	72	72
Zyle Daewoo Motor Sales Co., Ltd.	22	0.00%		
Daewoo Development Co., Ltd.	8	0.00%		
Daewoo Songdo Development Co., Ltd.	301	0.00%	2	
Seyang Inc.	537	0.05%	27	27
Seungri Enterprise Co., Ltd.	93	0.05%	3	3
Onggane Food Co., Ltd.	5	0.07%	1	1
Shin-E P&C Co., Ltd.	12	0.00%	1	1
Montista Telecom Co., Ltd.	5,409	0.00%	3	
Ejung Ad Co., Ltd.	132	0.09%	3	3
Solvus Co., Ltd.	1,056	0.04%	3	3
Myung Co., Ltd.	89	0.05%	2	2
Emotion Co., Ltd.	167	0.61%	8	8
Youngdong Concrete Co., Ltd.	32	0.32%	7	7
Shinil Engineering Co., Ltd.	887	0.06%	3	3
Korea Castiron Industrial Co., Ltd.	617	1.86%	22	22
FFG DMC Co., Ltd.	12	0.00%	17	17



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of March 31, 2016 and December 31, 2015 are as follows, continued:**

*In millions of won*

	Shares	Ownership	December 31, 2015		
			Acquisition cost	Book value	Fair value
Daeseong Metal Co., Ltd.	518	2.37%	₩ 47	47	
Biwang Industry Co., Ltd.	406	0.04%	2	2	
Huimun Co., Ltd.	263	0.26%	4	4	
Sunun IT F Co., Ltd.	133	0.52%	8	8	
Young Sung Co., Ltd.	89	0.40%	27	27	
Yuil Industrial Electronics Co., Ltd.	804	0.32%	16	16	
DN TEK Inc.	12,401	0.29%	62	62	
Daeyang FMS Corporation	84	0.05%	3	3	
Kwang Jin Structure Co., Ltd.	3,072	0.60%	31	31	
Woojin Industry Corporation	3	0.00%	16	16	
Kwang Sung Industry Co., Ltd.	325	0.35%	7	7	
Matsaeng Food Co., Ltd.	277	0.56%	6	6	
Futech Mold Co., Ltd.	274	0.27%	14	14	
Samcheonri Industrial Co., Ltd.	533	0.98%	13	13	
Woojoo Environment Ind. Co., Ltd.	101	0.11%	13	13	
Cheongatti Co., Ltd.	57	0.10%	4	4	
Hyungji Esquire Co., Ltd.	52	0.02%	21	21	
Kolmar Pharma Co., Ltd.	1,426	0.01%	52	52	
Morado Co., Ltd.	209	0.04%	2	2	
Myung Sung Tex Co., Ltd.	20	0.00%	2	2	
Areva nc Expansion	1,077,124	13.49%	288,443	170,118	
Navanakorn Electric Co., Ltd. (*3)	4,442,800	29.00%	16,646	17,951	
PT. Kedap Saayq	671	10.00%	18,540		
Set Holding (*4)	1,100,220	2.50%	229,255	179,585	179,585
PT. Cirebon Energi Prasarana	420	10.00%	635	635	
			591,980	387,900	180,390
			₩ 961,313	584,479	376,969

- (\*1) Book values of unlisted equity securities held by the Company were measured at cost as a quoted market price does not exist in an active market and its fair value cannot be measured reliably.
- (\*2) The Company has estimated the fair value of the investment in Construction Guarantee based upon the price which would be applied when the investment is returned. The Company has recognized the difference between its fair value and book value as a gain or loss on valuation of available-for-sale financial assets in other comprehensive income or loss during the year ended December 31, 2015.
- (\*3) Although the Company holds more than 20% of the equity shares of these investments, the Company cannot exercise significant influence.
- (\*4) The Company has estimated the fair value of Set Holding by using the discounted cash flow method and has recognized the difference between its fair value and book value as gain or loss on valuation of available-for-sale financial assets in other comprehensive income or loss during the year ended December 31, 2015.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**10. Held-to-maturity Investments**

Held-to-maturity investments as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>					<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Impairment</b>	<b>Others</b>	
Government bonds	₩ 3,623	28	(16)			3,635
	₩ 3,623	28	(16)			3,635
Current	₩ 380		(15)		53	418
Non-current	3,243	28	(1)		(53)	3,217
<i>In millions of won</i>	<b>December 31, 2015</b>					<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Impairment</b>	<b>Others</b>	
Government bonds	₩ 3,601	432	(410)			3,623
Municipal bonds	13				(13)	
	₩ 3,614	432	(410)		(13)	3,623
Current	₩ 265		(186)		301	380
Non-current	3,349	432	(224)		(314)	3,243

**11. Derivatives**

(1) Derivatives as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
<b>Derivative assets</b>				
Currency forward	₩ 787	22,538	1,498	24,896
Currency swap	80,678	341,305	95,759	491,219

Interest rate swap		3,977		3,778
	₩ 81,465	367,820	97,257	519,893
<b>Derivative liabilities</b>				
Currency forward	₩ 8,921	2,101	1,142	
Currency swap	890	88,455	758	66,976
Interest rate swap	5,231	90,272	8,345	89,289
	₩ 15,042	180,828	10,245	156,265

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**11. Derivatives, Continued**

(2) **Currency forward contracts which are not designated as hedge instruments as of March 31, 2016 are as follows:**

*In millions of won and thousands of foreign currencies*

Counterparty	Contract Date	Maturity date	Contract amounts		Contract exchange rate
			Pay	Receive	
KEB Hana Bank	2014.04.10	2021.07.12	₩ 55,120	USD 52,000	1,060.00
KEB Hana Bank	2014.04.28	2021.07.12	50,784	USD 48,000	1,058.00
KEB Hana Bank	2014.05.09	2021.07.12	104,600	USD 100,000	1,046.00
Bank of America	2014.04.29	2021.07.12	105,400	USD 100,000	1,054.00
Standard Chartered	2016.03.04	2016.04.05	2,416	USD 2,000	1,208.14
Standard Chartered	2016.03.10	2016.04.11	2,427	USD 2,000	1,213.60
Standard Chartered	2016.03.09	2016.04.08	3,650	USD 3,000	1,216.65
Nova Scotia	2016.03.08	2016.04.07	8,451	USD 7,000	1,207.35
Nova Scotia	2016.03.11	2016.04.14	9,638	USD 8,000	1,204.72
Nova Scotia	2016.03.24	2016.04.25	9,339	USD 8,000	1,167.33
Citibank	2016.03.14	2016.04.15	3,564	USD 3,000	1,187.90
Citibank	2016.03.17	2016.04.18	10,578	USD 9,000	1,175.31
Mizuho Bank	2016.03.21	2016.04.20	10,499	USD 9,000	1,166.57
Credit Suisse	2016.03.28	2016.04.27	7,023	USD 6,000	1,170.50
HSBC	2016.03.31	2016.04.29	11,458	USD 10,000	1,145.84
BNP Paribas	2016.03.03	2016.04.07	6,097	USD 5,000	1,219.48
BNP Paribas	2016.03.15	2016.04.18	1,187	USD 1,000	1,187.30
BNP Paribas	2016.03.16	2016.04.07	USD 2,000	2,439	1,219.48
BNP Paribas	2016.03.16	2016.04.18	1,192	USD 1,000	1,192.20
BNP Paribas	2016.03.18	2016.05.20	1,163	USD 1,000	1,163.00
BNP Paribas	2016.03.29	2016.04.07	USD 2,500	3,049	1,219.48
BNP Paribas	2016.03.29	2016.05.20	USD 601	699	1,163.00
BNP Paribas	2016.03.30	2016.04.07	USD 500	610	1,219.48
Mizuho Bank	2016.03.22	2016.05.24	2,318	USD 2,000	1,158.85
Mizuho Bank	2016.03.24	2016.05.31	3,502	USD 3,000	1,167.47
Mizuho Bank	2016.03.28	2016.04.29	1,168	USD 1,000	1,168.00
Mizuho Bank	2016.03.28	2016.05.31	2,334	USD 2,000	1,167.20

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Mizuho Bank	2016.03.29	2016.05.31	2,329	USD	2,000	1,164.30
Mizuho Bank	2016.03.30	2016.06.01	1,153	USD	1,000	1,153.30
Mizuho Bank	2016.03.31	2016.06.07	3,437	USD	3,000	1,145.67
Nomura	2016.03.18	2016.04.22	3,498	USD	3,000	1,166.00
Nomura	2016.03.24	2016.04.22	USD 1,800		2,097	1,165.20
Standard Chartered	2016.03.07	2016.04.11	12,019	USD	10,000	1,201.85
Standard Chartered	2016.03.10	2016.04.14	3,630	USD	3,000	1,210.10
Standard Chartered	2016.03.21	2016.05.23	3,497	USD	3,000	1,165.75
Standard Chartered	2016.03.28	2016.04.29	1,169	USD	1,000	1,169.00
Standard Chartered	2016.03.30	2016.06.01	2,307	USD	2,000	1,153.50
Nova Scotia	2016.03.10	2016.05.16	11,859	USD	9,813	1,208.40
Nova Scotia	2016.03.03	2016.04.07	934	USD	769	1,214.10
Nova Scotia	2016.03.29	2016.05.31	1,163	USD	1,000	1,162.95
Nova Scotia	2016.03.09	2016.05.11	1,308	USD	1,073	1,218.40
Nova Scotia	2016.03.07	2016.04.11	10,402	USD	8,662	1,200.90
Societe Generale	2016.03.22	2016.05.24	2,323	USD	2,000	1,161.50
Mizuho Bank	2016.03.24	2016.04.06	3,034	USD	2,600	1,167.10
Standard Chartered	2016.03.28	2016.04.06	3,395	USD	2,900	1,170.82
Nova Scotia	2016.03.30	2016.10.04	5,728	USD	5,000	1,145.60
Nova Scotia	2016.03.31	2016.10.04	5,733	USD	5,000	1,146.60
Societe Generale	2016.03.31	2016.10.04	3,444	USD	3,000	1,148.10
Nova Scotia	2016.03.30	2016.10.04	5,781	USD	5,000	1,156.20
Societe Generale	2016.03.30	2016.07.01	3,466	USD	3,000	1,155.40
BNP Paribas	2016.03.22	2016.07.25	3,476	USD	3,000	1,158.50
Nova Scotia	2016.03.22	2016.09.26	3,479	USD	3,000	1,159.60
Societe Generale	2016.03.22	2016.07.25	3,478	USD	3,000	1,159.35
Citibank	2016.03.22	2016.07.25	3,481	USD	3,000	1,160.30
Societe Generale	2016.03.18	2016.07.22	5,808	USD	5,000	1,161.55
Nova Scotia	2016.03.22	2016.09.26	3,496	USD	3,000	1,165.30
Nova Scotia	2016.03.18	2016.07.22	3,495	USD	3,000	1,164.90

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**11. Derivatives, Continued**

(2) **Currency forward contracts which are not designated as hedge instruments, as of March 31, 2016 are as follows, continued:**

*In millions of won and thousands of foreign currencies*

Counterparty	Contract Date	Maturity date	Contract amounts		Contract exchange rate	
			Pay	Receive		
Nova Scotia	2016.03.18	2016.07.22	₩	3,498	USD 3,000	1,165.90
Citibank	2016.03.17	2016.06.21		5,882	USD 5,000	1,176.40
HSBC	2016.03.17	2016.06.21		3,534	USD 3,000	1,177.90
Nova Scotia	2016.03.17	2016.06.21		4,136	USD 3,481	1,188.20
Nova Scotia	2016.03.17	2016.06.21		5,946	USD 5,000	1,189.20
HSBC	2016.03.15	2016.06.17		3,574	USD 3,000	1,191.20
Citibank	2016.03.15	2016.06.17		3,576	USD 3,000	1,191.95
Standard Chartered	2016.03.11	2016.06.15		3,591	USD 3,000	1,197.00
Nova Scotia	2016.03.11	2016.06.15		6,001	USD 5,000	1,200.10
Nova Scotia	2016.03.11	2016.06.15		6,006	USD 5,000	1,201.10
Nova Scotia	2016.03.11	2016.06.15		1,203	USD 1,000	1,203.10
Nova Scotia	2016.03.11	2016.06.15		1,204	USD 1,000	1,204.10
Nova Scotia	2016.03.11	2016.06.15		1,205	USD 1,000	1,205.10
Nova Scotia	2016.03.11	2016.06.15		1,206	USD 1,000	1,206.10
Standard Chartered	2016.03.10	2016.06.14		3,619	USD 3,000	1,206.40
Citibank	2016.03.10	2016.06.14		6,043	USD 5,000	1,208.60
Citibank	2016.03.10	2016.06.14		3,249	USD 2,686	1,209.60
Standard Chartered	2016.03.04	2016.06.08		2,891	USD 2,387	1,211.30
Nova Scotia	2016.03.09	2016.06.14		6,057	USD 5,000	1,211.30
Nova Scotia	2016.03.09	2016.06.14		6,062	USD 5,000	1,212.30
Standard Chartered	2016.03.03	2016.05.09		1,102	USD 905	1,217.20
Nova Scotia	2016.03.03	2016.05.09		5,224	USD 4,278	1,221.20
HSBC	2016.03.03	2016.05.09		6,113	USD 5,000	1,222.65
Nova Scotia	2016.03.03	2016.05.09		6,114	USD 5,000	1,222.70
Credit Agricole	2016.03.03	2016.05.09		6,118	USD 5,000	1,223.60
Nova Scotia	2016.03.03	2016.05.09		1,457	USD 1,190	1,224.20
BNP Paribas	2016.03.03	2016.05.09		882	USD 720	1,224.70

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KEB Hana Bank	2015.08.26	2017.07.31	JPY	630,000	6,377	10.12
BNP Paribas	2015.02.12	2016.04.11	IDR	29,424,110	USD 2,176	13,525.00
BNP Paribas	2015.02.12	2016.05.10	IDR	27,059,672	USD 2,001	13,525.00
BNP Paribas	2015.02.12	2016.06.10	IDR	22,987,586	USD 1,700	13,525.00
BNP Paribas	2015.02.12	2016.07.11	IDR	39,735,684	USD 2,938	13,525.00
BNP Paribas	2015.02.12	2016.08.10	IDR	30,737,686	USD 2,273	13,525.00
BNP Paribas	2015.02.12	2016.09.12	IDR	27,125,351	USD 2,006	13,525.00
BNP Paribas	2015.02.12	2016.10.11	IDR	26,862,636	USD 1,986	13,525.00
BNP Paribas	2015.02.12	2016.11.10	IDR	26,074,490	USD 1,928	13,525.00
BNP Paribas	2015.02.12	2016.12.12	IDR	13,135,763	USD 971	13,525.00
BNP Paribas	2015.02.12	2017.01.10	IDR	6,567,882	USD 486	13,525.00
BNP Paribas	2015.02.12	2017.02.10	IDR	6,567,882	USD 486	13,525.00
BNP Paribas	2015.02.12	2017.03.10	IDR	6,567,882	USD 486	13,525.00
BNP Paribas	2015.02.12	2017.04.10	IDR	6,567,882	USD 486	13,525.00
BNP Paribas	2015.02.12	2017.05.10	IDR	6,567,882	USD 486	13,525.00
BNP Paribas	2015.02.12	2017.06.12	IDR	6,567,882	USD 486	13,525.00
BNP Paribas	2015.02.12	2017.07.10	IDR	6,567,882	USD 486	13,525.00
BNP Paribas	2015.02.12	2017.08.10	IDR	2,889,868	USD 214	13,525.00



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**11. Derivatives, Continued**

(3) **Currency swap contracts which are not designated as hedge instruments as of March 31, 2016 are as follows:**

*In millions of won and thousands of foreign currencies*

Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate
		Pay	Receive	Pay (%)	Receive (%)	
Deutsche Bank	2013~2018	₩ 110,412	JPY 10,000,000	6.21%	4.19%	11.04
IBK	2013~2018	111,800	USD 100,000	3.16%	2.79%	1,118.00
Bank of America	2013~2018	103,580	JPY 10,000,000	7.05%	4.19%	10.36
Credit Suisse	2014~2019	118,632	CHF 100,000	2.98%	1.50%	1,186.32
Standard Chartered	2014~2019	114,903	CHF 100,000	4.00%	1.50%	1,149.03
Standard Chartered	2014~2029	102,470	USD 100,000	3.14%	3.57%	1,024.70
Standard Chartered	2014~2017	51,215	USD 50,000	2.24%	3M Libor+0.55%	1,024.30
Mizuho Bank	2014~2017	153,645	USD 150,000	2.35%	3M Libor+0.65%	1,024.30
Societe Generale	2014~2024	105,017	USD 100,000	4.92%	5.13%	1,050.17
KEB Hana Bank	2015~2024	107,970	USD 100,000	4.75%	5.13%	1,079.70
Credit Agricole	2015~2024	94,219	USD 86,920	4.85%	5.13%	1,083.97
Citibank	2012~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
JP Morgan	2012~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
Bank of America	2012~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
Goldman Sachs	2012~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
HSBC	2012~2022	111,770	USD 100,000	2.89%	3.00%	1,117.70
KEB Hana Bank	2012~2022	111,770	USD 100,000	2.87%	3.00%	1,117.70
Standard Chartered	2012~2022	111,770	USD 100,000	2.89%	3.00%	1,117.70
Deutsche Bank	2012~2022	55,885	USD 50,000	2.79%	3.00%	1,117.70
DBS	2013~2018	108,140	USD 100,000	2.63%	3M Libor+0.84%	1,081.40
DBS	2013~2018	108,140	USD 100,000	2.57%	3M Libor+0.84%	1,081.40
DBS	2013~2018	108,140	USD 100,000	2.57%	3M Libor+0.84%	1,081.40
HSBC	2013~2018	107,450	USD 100,000	3.41%	2.88%	1,074.50
Standard Chartered	2013~2018	107,450	USD 100,000	3.44%	2.88%	1,074.50
JP Morgan	2013~2018	107,450	USD 100,000	3.48%	2.88%	1,074.50
Bank of America	2014~2018	107,450	USD 100,000	3.09%	2.88%	1,074.50

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Citibank	2014~2018	107,450	USD	100,000	3.09%	2.88%	1,074.50
JP Morgan	2014~2017	102,670	USD	100,000	2.89%	3M Libor+0.78%	1,026.70
Deutsche Bank	2014~2017	102,670	USD	100,000	2.89%	3M Libor+0.78%	1,026.70
HSBC	2014~2019	105,260	USD	100,000	2.48%	2.38%	1,052.60
Standard Chartered	2014~2019	105,260	USD	100,000	2.48%	2.38%	1,052.60
RBS	2014~2019	105,260	USD	100,000	2.48%	2.38%	1,052.60
Nomura	2015~2025	111,190	USD	100,000	2.60%	3.25%	1,111.90
Korea Development Bank	2015~2025	111,190	USD	100,000	2.62%	3.25%	1,111.90
Woori Bank	2015~2025	55,595	USD	50,000	2.62%	3.25%	1,111.90
KEB Hana Bank	2015~2025	55,595	USD	50,000	2.62%	3.25%	1,111.90

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**11. Derivatives, Continued****(4) Currency swap contracts which are designated as hedge instruments as of March 31, 2016 are as follows:***In millions of won and thousands of foreign currencies*

Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate
		Pay	Receive	Pay (%)	Receive (%)	
Citibank	2006~2016	₩ 113,200	USD 100,000	1.05%	6.00%	1,132.00
Barclays Bank PLC	2006~2016	113,200	USD 100,000	1.05%	6.00%	1,132.00
Credit Suisse	2006~2016	113,200	USD 100,000	1.05%	6.00%	1,132.00
Goldman Sachs	2011~2017	105,260	USD 100,000	3.99%	3.63%	1,052.60
Barclays Bank PLC	2011~2017	105,260	USD 100,000	3.99%	3.63%	1,052.60
Citibank	2011~2017	105,260	USD 100,000	3.99%	3.63%	1,052.60
Citibank	2013~2018	54,570	USD 50,000	2.90%	3M Libor+1.01%	1,091.40
Standard Chartered	2013~2018	54,570	USD 50,000	2.90%	3M Libor+1.01%	1,091.40
Credit Suisse	2013~2018	111,410	USD 100,000	3.22%	3M Libor+1.50%	1,114.10
HSBC	2014~2020	99,901	AUD 100,000	3.52%	5.75%	999.01
HSBC	2014~2020	100,482	AUD 100,000	3.48%	5.75%	1,004.82
Standard Chartered	2013~2020	117	AUD 125,000	3M Libor+1.25%	5.75%	0.94
Standard Chartered	2014~2020	126,032	USD 117,250	3.55%	3M Libor+1.25%	1,074.90
JP Morgan Morgan Stanley	2014~2019	107,190	USD 100,000	3.25%+Floating rate	2.75%	1,071.90
Deutsche Bank	2014~2019	107,190	USD 100,000	3.25%+Floating rate	2.75%	1,071.90
Korea Development Bank	2016~2021	121,000	USD 100,000	2.15%	2.50%	1,210.00
	2016~2021	121,000	USD 100,000	2.10%+Floating rate	2.50%	1,210.00

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Morgan Stanley							
BNP Paribas	2016~2021	121,000	USD 100,000	2.10%+Floating rate	2.50%		1,210.00
Barclays Bank PLC	2006~2016	71,888	USD 75,000	4.81%	5.50%		958.50
Deutsche Bank AG	2006~2016	71,888	USD 75,000	4.81%	5.50%		958.50
Barclays Bank PLC	2012~2017	142,500	USD 125,000	3.83%	3.13%		1,140.00
Morgan Stanley	2012~2017	142,500	USD 125,000	3.83%	3.13%		1,140.00
Credit Agricole	2012~2017	142,500	USD 125,000	3.83%	3.13%		1,140.00
JP Morgan	2012~2017	142,500	USD 125,000	3.83%	3.13%		1,140.00
Credit Agricole	2013~2019	118,343	CHF 100,000	3.47%	1.63%		1,183.43
Barclays Bank PLC	2013~2019	59,172	CHF 50,000	3.47%	1.63%		1,183.43
Nomura	2013~2019	59,172	CHF 50,000	3.47%	1.63%		1,183.43
Barclays Bank PLC	2013~2018	107,360	USD 100,000	3.34%	2.88%		1,073.60
Credit Agricole	2013~2018	107,360	USD 100,000	3.34%	2.88%		1,073.60
JP Morgan	2013~2018	161,040	USD 150,000	3.34%	2.88%		1,073.60
Standard Chartered	2013~2018	161,040	USD 150,000	3.34%	2.88%		1,073.60
Standard Chartered	2014~2019	104,490	USD 100,000	2.77%	2.63%		1,044.90
Credit Agricole	2014~2019	104,490	USD 100,000	2.77%	2.63%		1,044.90
Barclays Bank PLC	2014~2019	104,490	USD 100,000	2.77%	2.63%		1,044.90
Barclays Bank PLC	2013~2018	81,188	USD 75,000	2.65%	1.88%		1,082.50
Credit Agricole	2013~2018	81,188	USD 75,000	2.65%	1.88%		1,082.50
Deutsche Bank	2013~2018	81,188	USD 75,000	2.65%	1.88%		1,082.50
Citibank	2013~2018	81,188	USD 75,000	2.65%	1.88%		1,082.50
Standard Chartered	2014~2017	54,205	USD 50,000	2.93%	3M Libor+1.05%		1,084.10
Credit Agricole	2014~2017	54,205	USD 50,000	2.93%	3M Libor+1.05%		1,084.10
HSBC	2012~2017	115,140	USD 100,000	3.38%	2.50%		1,151.40
BNP Paribas	2012~2017	115,140	USD 100,000	3.38%	2.50%		1,151.40
KEB Hana Bank	2012~2017	115,140	USD 100,000	3.38%	2.50%		1,151.40
Barclays Bank PLC	2012~2017	57,570	USD 50,000	3.38%	2.50%		1,151.40
Standard Chartered	2012~2017	57,570	USD 50,000	3.38%	2.50%		1,151.40
Nomura	2012~2017	57,570	USD 50,000	3.38%	2.50%		1,151.40

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Credit Agricole Societe Generale	2012~2017	57,570	USD 50,000	3.38%	2.50%	1,151.40
BNP Paribas	2013~2018	53,095	USD 50,000	3.48%	2.63%	1,061.90
KEB Hana Bank	2013~2018	53,095	USD 50,000	3.48%	2.63%	1,061.90

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**11. Derivatives, Continued****(4) Currency swap contracts which are designated as hedge instruments as of March 31, 2016 are as follows, continued:***In millions of won and thousands of foreign currencies*

Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate
		Pay	Receive	Pay (%)	Receive (%)	
Standard Chartered	2013~2018	₩ 106,030	USD 100,000	3.48%	2.63%	1,060.30
Barclays Bank PLC	2013~2018	53,015	USD 50,000	3.48%	2.63%	1,060.30
KEB Hana Bank	2013~2018	31,809	USD 30,000	3.48%	2.63%	1,060.30
Societe Generale	2013~2018	21,206	USD 20,000	3.48%	2.63%	1,060.30
HSBC	2013~2018	53,015	USD 50,000	3.47%	2.63%	1,060.30
Nomura	2013~2018	53,015	USD 50,000	3.47%	2.63%	1,060.30
Credit Agricole	2014~2020	110,680	USD 100,000	2.29%	2.50%	1,106.80
Societe Generale	2014~2020	55,340	USD 50,000	2.16%	2.50%	1,106.80
KEB Hana Bank	2014~2020	55,340	USD 50,000	2.16%	2.50%	1,106.80
KEB Hana Bank	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
Standard Chartered	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
HSBC	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
Nomura	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
Barclays Bank PLC	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
HSBC	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80

**(5) Interest rate swap contracts which are not designated as hedge instruments as of March 31, 2016 are as follows:***In millions of won*

Counterparty	Contract year	Contract amount	Contract interest rate per annum	
			Pay (%)	Receive (%)
Korea Development Bank	2012~2016	₩ 200,000	3.57%	3M CD + 0.26%
Nonghyup Bank	2012~2016	100,000	3.49%	3M CD + 0.25%

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Korea Development Bank	2012~2016	50,000	3.49%	3M CD + 0.25%
HSBC	2012~2016	50,000	3.49%	3M CD + 0.25%
Standard Chartered	2012~2016	200,000	3.55%	3M CD + 0.26%
Standard Chartered	2012~2017	160,000	3.57%	3M CD + 0.32%
JP Morgan	2013~2018	150,000	3.58%	3M CD + 0.31%
KEB Hana Bank	2013~2016	200,000	2.57%	3M CD + 0.04%
KEB Hana Bank	2013~2016	100,000	2.75%	3M CD + 0.03%
Credit Suisse	2014~2018	200,000	2.98%	1Y CMT + 0.31%
Korea Development Bank (*)	2014~2029	40,000	3M CD - 0.03%	4.65%

(\*) The contract is an interest rate swap hedging on Electricity Bonds 885, and the banks would notify the Company of the early termination every year on the early termination notification date (every year on April 28, from 2017 until 2028). The contract will be terminated if the early termination is notified.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**11. Derivatives, Continued****(6) Interest rate swap contracts which are designated as hedge instruments, as of March 31, 2016 are as follows:***In thousands of U.S. dollars*

Counterparty	Contract year	Contract amount	Contract interest rate per annum	
			Pay (%)	Receive (%)
BNP Paribas	2009~2027	USD 99,920	4.16%	6M USD Libor
KFW	2009~2027	USD 99,920	4.16%	6M USD Libor
CA-CIB (Credit Agricole)	2015~2033	USD 103,012	3.98%~4.10%	6M USD Libor
SMBC	2015~2033	USD 134,708	4.05%~4.18%	6M USD Libor
The Export-Import Bank of Korea	2015~2031	USD 8,826	2.67%	6M USD Libor
ING Bank	2015~2031	USD 7,861	2.67%	6M USD Libor
BNP Paribas	2015~2031	USD 7,861	2.67%	6M USD Libor

**(7) Gains and losses on valuation and transaction of derivatives for the three-month periods ended March 31, 2016 and 2015 are as follows and included in finance income and costs in the consolidated statements of comprehensive income:**

<i>In millions of won</i>	Net income effects of valuation gain (loss)		Net income effects of transaction gain (loss)		Accumulated other comprehensive income (loss) (*)	
	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015	March 31, 2016	March 31, 2015
Currency forward	₩ (10,575)	2,876	1,295	3,538		
Currency swap	(121,839)	68,567	2,478	(5,349)	(22,254)	34,667
Interest rate swap	4,997	(6,680)	(672)	(643)	(17)	(7,920)
	₩ (127,417)	64,763	3,101	(2,454)	(22,271)	26,747

(\*)



As of March 31, 2016, the net gain on valuation of derivatives using cash flow hedge accounting of ₩12,804 million, net of tax, is included in other comprehensive income or loss.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**12. Other Financial Assets****(1) Other financial assets as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Loans and receivables	₩ 108,103	699,101	106,013	678,126
Allowance for doubtful accounts		(3,559)		
Present value discount	(1,050)	(47,948)	(859)	(48,223)
Long-term/short-term financial instruments	3,682,752	903,900	5,132,829	758,037
	₩ 3,789,805	1,551,494	5,237,983	1,387,940

**(2) Loans and receivables as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>			
	<b>Face value</b>	<b>Allowance for doubtful accounts</b>	<b>Present value discount</b>	<b>Book value</b>
<b>Short-term loans and receivables</b>				
Loans for tuition	₩ 29,499		(1,050)	28,449
Loans for housing	11,973			11,973
Fisheries loan	6,352			6,352
Other loans	60,279			60,279
	108,103		(1,050)	107,053
<b>Long-term loans and receivables</b>				
Loans for tuition	407,555		(47,626)	359,929
Loans for housing	127,297			127,297
Loans for related parties	105,474	(3,559)		101,915

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Fisheries loan	1,344	(322)	1,022
Other loans	57,431		57,431
	699,101	(3,559)	(47,948)
	₩ 807,204	(3,559)	(48,998)
			754,647

*In millions of won*

	<b>December 31, 2015</b>		
	<b>Present value</b>		
	<b>Face value</b>	<b>discount</b>	<b>Book value</b>
<b>Short-term loans and receivables</b>			
Loans for tuition	₩ 29,209	(859)	28,350
Loans for housing	11,170		11,170
Fisheries loan	6,032		6,032
Other loans	59,602		59,602
	106,013	(859)	105,154
<b>Long-term loans and receivables</b>			
Loans for tuition	390,738	(47,822)	342,916
Loans for housing	132,239		132,239
Loans for related parties	99,768		99,768
Fisheries loan	1,664	(401)	1,263
Other loans	53,717		53,717
	678,126	(48,223)	629,903
	₩ 784,139	(49,082)	735,057

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**12. Other Financial Assets, Continued**

- (3) **Changes in the allowance for doubtful accounts of Loans and receivables for the three-month period ended March 31, 2016 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>
<b>Beginning balance</b>	<b>₩</b>
Bad debt expense	3,707
Other	(148)
<b>Ending balance</b>	<b>3,559</b>

- (4) **Long-term and short-term financial instruments as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Time deposits	₩ 1,586,437	2	2,131,089	3
ABCP	1,742,235	150,870	2,598,791	5,000
CP	281,070		48,350	
CD	301		163,649	
RP	70,000	652,700		652,700
Others	2,709	100,328	190,950	100,334
	<b>₩ 3,682,752</b>	<b>903,900</b>	<b>5,132,829</b>	<b>758,037</b>

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**13. Inventories**

Inventories as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>		
	<b>Acquisition cost</b>	<b>Valuation allowance</b>	<b>Book value</b>
Raw materials	₩ 3,365,118	(1,238)	3,363,880
Work-in-progress	108,391		108,391
Finished goods	58,634		58,634
Supplies	1,099,775	(4,367)	1,095,408
Inventories in transit	378,728		378,728
Other inventories	9,231		9,231
	₩ 5,019,877	(5,605)	5,014,272

<i>In millions of won</i>	<b>December 31, 2015</b>		
	<b>Acquisition cost</b>	<b>Valuation allowance</b>	<b>Book value</b>
Raw materials	₩ 3,304,220	(1,238)	3,302,982
Work-in-progress	133,226		133,226
Finished goods	51,073		51,073
Supplies	1,062,307	(4,428)	1,057,879
Inventories in transit	392,340		392,340
Other inventories	8,913		8,913
	₩ 4,952,079	(5,666)	4,946,413

The reversal of the allowance for loss on inventory valuation due to increases in the net realizable value of inventory deducted from cost of sales was ₩156 million for the three-month period ended March 31, 2016. The allowance for loss on inventory valuation due to decreases in the net realizable value of inventory added to cost of sales was ₩533 million for the year ended December 31, 2015. The amounts of loss from inventory valuation included in other gains or losses were ₩95 million for the three-month period ended March 31, 2016 and ₩1,318 million for the year ended December 31, 2015, respectively.



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

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**March 31, 2016**

(Unaudited)

**14. Finance Lease Receivables****(1) Finance lease contracts**

The Company entered into a power purchase agreement ( PPA ) with Jordan Electric Power Company to provide a 373MW level Qatrana gas combined power plant over a 25 year lease term, and accounts for the PPA as a finance lease. Also, the Company has fly-ash pipe conduit finance leases with an average lease term of 7 years. In addition, the Company entered into a PPA with the Comision Federal de Electricidad in Mexico to provide for 25 years of all electricity generated from the power plant after completion of its construction and collect rates consisting of fixed costs (to recover the capital) and variable costs during the contracted period.

**(2) Finance lease receivables as of March 31, 2016 and December 31, 2015 are as follows and included in current and non-current trade and other receivables, net, in the consolidated statements of financial position:**

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>
Less than 1 year	₩ 98,294	12,008	98,488	12,098
1 ~ 5 years	401,453	200,140	407,426	203,699
More than 5 years	1,633,582	725,092	1,689,281	738,011
	₩ 2,133,329	937,240	2,195,195	953,808

**(3) There are no impaired finance lease receivables as of March 31, 2016 and December 31, 2015.**

**15. Non-Financial Assets**

**Non-financial assets as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Advance payment	₩ 128,571	23,567	102,842	25,172
Prepaid expenses	206,605	86,500	159,378	85,105
Others (*)	146,840	18,592	135,730	20,956
	₩ 482,016	128,659	397,950	131,233

(\*) Details of others as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Tax refund receivables	₩ 10,955	2,616	39,158	2,658
Others	135,885	15,976	96,572	18,298
	₩ 146,840	18,592	135,730	20,956



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**16. Consolidated Subsidiaries****(1) Consolidated subsidiaries as of March 31, 2016 and December 31, 2015 are as follows:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			March 31, 2016	December 31, 2015
Korea Hydro & Nuclear Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Korea South-East Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Korea Midland Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Korea Western Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Korea Southern Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Korea East-West Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
KEPCO Engineering & Construction Company, Inc. (*1)	Architectural engineering for utility plant and others	KOREA	66.32%	66.32%
KEPCO Plant Service & Engineering Co., Ltd.	Utility plant maintenance and others	KOREA	52.48%	52.48%
KEPCO Nuclear Fuel Co., Ltd.	Nuclear fuel	KOREA	96.36%	96.36%
KEPCO KDN Co., Ltd.	Electric power information technology and others	KOREA	100.00%	100.00%
Garolim Tidal Power Plant Co., Ltd. (*2)	Power generation	KOREA	49.00%	49.00%
KEPCO International HongKong Ltd.	Holding company	HONG KONG	100.00%	100.00%
KEPCO International Philippines Inc.	Holding company	PHILIPPINES	100.00%	100.00%
KEPCO Gansu International Ltd.	Holding company	HONG KONG	100.00%	100.00%
KEPCO Philippines Holdings Inc.	Holding company	PHILIPPINES	100.00%	100.00%
KEPCO Philippines Corporation	Operation of utility plant	PHILIPPINES	100.00%	100.00%
KEPCO Ilijan Corporation		PHILIPPINES	51.00%	51.00%

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	Utility plant rehabilitation and operation			
KEPCO Lebanon SARL	Operation of utility plant	LEBANON	100.00%	100.00%
KEPCO Neimenggu International Ltd.	Holding company	HONG KONG	100.00%	100.00%
KEPCO Shanxi International Ltd.	Holding company	HONG KONG	100.00%	100.00%
KOMIPO Global Pte Ltd.	Holding company	SINGAPORE	100.00%	100.00%
KEPCO Canada Energy Ltd.	Resources development	CANADA	100.00%	100.00%
KEPCO Netherlands B.V.	Holding company	NETHERLANDS	100.00%	100.00%
KOREA Imouraren Uranium Investment Corp.	Uranium mine development	FRANCE	100.00%	100.00%
KEPCO Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOSEP Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOMIPO Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOWEPO Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOSPO Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KEPCO Middle East Holding Company	Holding company	BAHRAIN	100.00%	100.00%
Qatrana Electric Power Company	Construction and operation of utility plant	JORDAN	80.00%	80.00%
KHNP Canada Energy Ltd.	Resources development	CANADA	100.00%	100.00%
KEPCO Bylong Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
Korea Waterbury Uranium Limited Partnership	Resources development	CANADA	79.64%	79.64%
KEPCO Canada Uranium Investment Limited Partnership	Resources development	CANADA	100.00%	100.00%
Korea Electric Power Nigeria Ltd.	Operation of utility plant	NIGERIA	100.00%	100.00%
KEPCO Holdings de Mexico	Holding company	MEXICO	100.00%	100.00%
KST Electric Power Company	Construction and operation of utility plant	MEXICO	56.00%	56.00%
KEPCO Energy Service Company	Operation of utility plant	MEXICO	100.00%	100.00%
KEPCO Netherlands S3 B.V.	Holding company	NETHERLANDS	100.00%	100.00%
PT. KOMIPO Pembangkitan Jawa Bali	Operation of utility plant	INDONESIA	51.00%	51.00%
PT. Cirebon Power Service (*2)	Operation of utility plant	INDONESIA	27.50%	27.50%
		PHILIPPINES	99.99%	99.99%

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KOWEPO International Corporation	Operation of utility plant			
KOSPO Jordan LLC	Operation of utility plant	JORDAN	100.00%	100.00%
EWP Philippines Corporation	Operation of utility plant	PHILIPPINES	100.00%	100.00%
EWP America Inc.	Holding company	USA	100.00%	100.00%
EWP Renewable Co.	Holding company	USA	100.00%	100.00%
DG Fairhaven Power, LLC	Power generation	USA	100.00%	100.00%
DG Kings Plaza, LLC	Power generation	USA	100.00%	100.00%
DG Whitefield, LLC	Power generation	USA	100.00%	100.00%
Springfield Power, LLC	Power generation	USA	100.00%	100.00%
KNF Canada Energy Limited	Resources development	CANADA	96.36%	96.36%
PT KEPCO Resource Indonesia	Resources development	INDONESIA	100.00%	100.00%

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**16. Consolidated Subsidiaries, Continued****(1) Consolidated subsidiaries as of March 31, 2016 and December 31, 2015 are as follows, continued:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			March 31, 2016	December 31, 2015
EWP Barbados 1 SRL	Holding company	BARBADOS	100.00%	100.00%
California Power Holdings, LLC	Power generation	USA	100.00%	100.00%
Gyeonggi Green Energy Co., Ltd.	Power generation	KOREA	62.01%	62.01%
PT. Tanggamus Electric Power	Power generation	INDONESIA	52.50%	52.50%
Gyeongju Wind Power Co., Ltd.	Power generation	KOREA	70.00%	70.00%
KOMIPO America Inc.	Holding company	USA	100.00%	100.00%
EWPRC Biomass Holdings, LLC	Holding company	USA	100.00%	100.00%
KOSEP USA, INC.	Power generation	USA	100.00%	100.00%
PT. EWP Indonesia	Holding company	INDONESIA	100.00%	100.00%
KEPCO Netherlands J3 B.V.	Holding company	NETHERLANDS	100.00%	100.00%
Korea Offshore Wind Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Global One Pioneer B.V.	Holding company	NETHERLANDS	100.00%	100.00%
Global Energy Pioneer B.V.	Holding company	NETHERLANDS	100.00%	100.00%
Mira Power Limited (*3)	Power generation	PAKISTAN	76.00%	76.00%
KOSEP Material Co., Ltd.(*4)	Power generation	KOREA	46.22%	46.22%
Commerce and Industry Energy Co., Ltd.(*5)	Power generation	KOREA	59.03%	59.03%
KEPCO Singapore Holdings Pte., Ltd.	Holding company	SINGAPORE	100.00%	100.00%
KOWEPO India Private Limited	Holding company	INDIA	100.00%	100.00%
KEPCO KPS Philippines Corp.	Utility plant maintenance and others	PHILIPPINES	52.48%	52.48%
KOSPO Chile SpA	Holding company	CHILE	100.00%	100.00%
PT. KOWEPO Sumsel Operation and Maintenance Services	Utility plant maintenance and others	INDONESIA	95.00%	95.00%

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HeeMang Sunlight Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Fujeij Wind Power Company	Operation of utility plant	JORDAN	100.00%	100.00%
KOSPO Youngnam Power Co., Ltd.	Operation of utility plant	KOREA	50.00%	50.00%
Global One Carbon Private Equity Investment Trust 2nd	Holding company	KOREA	96.67%	
Chitose Solar Power Plant LLC	Power generation	JAPAN	80.10%	

(\*1) Considering treasury stocks, the effective percentage of ownership is 66.62%.

(\*2) These subsidiaries are included in the consolidated financial statements as the Company obtained the majority of the voting power through the shareholders' agreement.

(\*3) As of reporting date, the reporting period of all subsidiaries is December 31, except for Mira Power Limited which is November 30.

(\*4) According to the shareholders' agreement reached in April 2014, Korea South-East Power Co., Ltd. ( KOSEP ) signed a contract with Long Lasting Value( LLV ) to guarantee the principal and certain rate of return on LLV's shares in KOSEP Material Co., Ltd. Moreover, LLV has put options to sell their investment to KOSEP. Therefore, the Company accounted for this agreement as KOSEP acquiring the shares of KOSEP Material from LLV. As such, the effective percentage of ownership is 86.20% as of March 31, 2016.

(\*5) The Company guarantees a certain return on investment related to Commerce & Industry Energy Co., Ltd. for the financial investors. The financial investors have a right to sell their shares to the Company which can be exercised 84 months after the date of investment. Accordingly, the purchase price including the return on investment is classified as a liability.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

- (2) **There is no subsidiary excluded from consolidation for the three-month period ended March 31, 2016 and subsidiaries newly included in consolidation for the three-month period ended March 31, 2016 are as follows:**

<Subsidiaries included in consolidation for the three-month periods ended March 31, 2016>

Subsidiary	Reason
Global One Carbon Private Equity Investment Trust 2	Newly Established
Chitose Solar Power Plant LLC	Newly Established

- (3) **Summary of financial information of consolidated subsidiaries as of and for the three-month period ended March 31, 2016 and as of and for the year ended December 31, 2015 are as follows:**

*In millions of won*

Subsidiaries	March 31, 2016			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
Korea Hydro & Nuclear Power Co., Ltd.	₩ 52,449,434	28,243,723	3,309,677	1,209,147
Korea South-East Power Co., Ltd.	9,577,544	4,954,748	1,446,397	296,110
Korea Midland Power Co., Ltd.	8,327,617	4,941,611	1,132,462	202,820
Korea Western Power Co., Ltd.	9,266,204	5,539,613	1,247,306	267,009
Korea Southern Power Co., Ltd.	9,479,628	5,612,252	1,104,542	201,765
Korea East-West Power Co., Ltd.	8,953,109	4,738,509	1,304,775	298,545
KEPCO Engineering & Construction Company, Inc.	875,554	457,117	117,984	12,743
KEPCO Plant Service & Engineering Co., Ltd.	1,056,782	335,393	247,145	23,510
KEPCO Nuclear Fuel Co., Ltd.	681,392	334,999	96,263	13,737
KEPCO KDN Co., Ltd.	425,458	151,364	99,861	1,885
Garolim Tidal Power Plant Co., Ltd.	654	350		(6)

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KEPCO International HongKong Ltd.	171,005	2		1,104
KEPCO International Philippines Inc.	108,007	884		18,687
KEPCO Gansu International Ltd.	17,131	531		
KEPCO Philippines Holdings Inc.	121,204	43		140
KEPCO Philippines Corporation	13,872	148		(144)
KEPCO Ilijan Corporation	575,965	56,506	31,264	19,305
KEPCO Lebanon SARL	716	9,988		(15)
KEPCO Neimenggu International Ltd.	173,912	343		(2)
KEPCO Shanxi International Ltd.	553,770	240,518		(2,158)
KOMIPO Global Pte Ltd.	186,244	763		2,127
KEPCO Canada Energy Ltd.	58,890	31		7
KEPCO Netherlands B.V.	166,376	55		(25)
KOREA Imouraren Uranium Investment Corp.	229,808	285		573
KEPCO Australia Pty., Ltd.	530,449	1,891	922	7
KOSEP Australia Pty., Ltd.	18,954	1,462	905	(121)
KOMIPO Australia Pty., Ltd.	18,512	882	905	(229)
KOWEPO Australia Pty., Ltd.	19,075	1,451	905	(137)
KOSPO Australia Pty., Ltd.	18,415	1,453	905	263
KEPCO Middle East Holding Company	146,227	150,424		(1,111)
Qatrana Electric Power Company	526,544	413,699	4,940	6,020
KHNP Canada Energy Ltd.	44,962	28		(8)
KEPCO Bylong Australia Pty., Ltd.	198,923	242,300		11,424
Korea Waterbury Uranium Limited Partnership	20,746	27		(13)
KEPCO Canada Uranium Investment Limited Partnership	41,031	18		(1,377)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

- (3) **Summary of financial information of consolidated subsidiaries as of and for the three-month period ended March 31, 2016 and as of and for the year ended December 31, 2015 are as follows, continued:**

*In millions of won*

Subsidiaries	March 31, 2016			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
Korea Electric Power Nigeria Ltd.	₩ 1,614	118	11,121	1,257
KEPCO Holdings de Mexico	333	33		294
KST Electric Power Company	569,037	530,278	23,015	4,591
KEPCO Energy Service Company	1,597	647	1,583	428
KEPCO Netherlands S3 B.V.	65,027	36		(29)
PT. KOMIPO Pembangkitan Jawa Bali	17,762	6,339	4,800	2,822
PT. Cirebon Power Service	3,062	1,045	1,701	197
KOWEPO International Corporation				
KOSPO Jordan LLC	12,446	930	1,993	403
EWP Philippines Corporation	2,071	1,013		(22)
EWP America Inc. (*)	107,824	75,183	10,656	(361)
KNF Canada Energy Limited	1,960	23		(11)
PT KEPCO Resource Indonesia	1,115	17		(100)
EWP Barbados 1 SRL	256,646	375	751	116
Gyeonggi Green Energy Co., Ltd.	309,311	243,919	19,909	(300)
PT. Tanggamus Electric Power	120,146	105,783	7,966	4,789
Gyeongju Wind Power Co., Ltd.	62,102	27,674	1,908	618
KOMIPO America Inc	13,012	2,321		(148)
KOSEP USA, INC.	35,903	6,062	1,538	(5,663)
PT. EWP Indonesia	1,347	15		339
KEPCO Netherlands J3 B.V.	119,532	64		(28)
Korea Offshore Wind Power Co., Ltd.	5,240	415		(437)
Global One Pioneer B.V.	33	31		(19)
Global Energy Pioneer B.V.	34	31		(19)
Mira Power Limited	108,284	65,154		(276)
KOSEP Material Co., Ltd.	26,140	25,624	99	(1,238)



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Commerce and Industry Energy Co., Ltd.	98,648	86,670	6,342	(933)
KEPCO Singapore Holdings Pte., Ltd.	2,071	4		
KOWEPO India Private Limited	898	10		
KEPCO KPS Philippines Corp.	5,875	885	2,494	219
KOSPO Chile SpA	101	4,569		231
PT. KOWEPO Sumsel Operation and Maintenance Services	2,416	1,289	1,577	323
HeeMang Sunlight Power Co., Ltd.	4,606	693	1	(105)
Fujeij Wind Power Company	715	3		(17)
KOSPO Youngnam Power Co.,Ltd.	54,878	5,017		(142)
Global One Carbon Private Equity Investment Trust 2	2,993		1	
Chitose Solar Power Plant LLC	9,654			(1,965)

(\*) Financial information of EWP America Inc. includes that of seven other subsidiaries, EWP Renewable Co., DG Fairhaven Power, LLC, DG Kings Plaza, LLC, DG Whitefield, LLC, Springfield Power, LLC, and California Power Holdings, LLC, and EWPRC Biomass Holdings, LLC.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

- (3) **Summary of financial information of consolidated subsidiaries as of and for the three-month period ended March 31, 2016 and as of and for the year ended December 31, 2015 are as follows, continued:**

*In millions of won*

Subsidiaries	December 31, 2015			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
Korea Hydro & Nuclear Power Co., Ltd.	₩ 51,043,890	27,386,113	10,642,352	2,465,244
Korea South-East Power Co., Ltd.	9,326,835	4,859,827	4,961,711	601,204
Korea Midland Power Co., Ltd.	7,857,199	4,648,144	3,927,443	226,244
Korea Western Power Co., Ltd.	9,225,791	5,719,032	4,214,540	294,617
Korea Southern Power Co., Ltd.	9,216,084	5,525,865	4,317,995	224,757
Korea East-West Power Co., Ltd.	8,828,603	4,836,904	4,047,655	454,942
KEPCO Engineering & Construction Company, Inc.	855,156	438,371	657,603	31,047
KEPCO Plant Service & Engineering Co., Ltd.	1,029,304	246,342	1,171,082	168,632
KEPCO Nuclear Fuel Co., Ltd.	666,677	328,364	253,524	35,115
KEPCO KDN Co., Ltd.	439,725	159,275	451,678	33,578
Garolim Tidal Power Plant Co., Ltd.	655	346		(76)
KEPCO International HongKong Ltd.	172,686	18		4,993
KEPCO International Philippines Inc.	115,594	1,542		38,541
KEPCO Gansu International Ltd.	17,405	540		(6)
KEPCO Philippines Holdings Inc.	132,094	26		24,690
KEPCO Philippines Corporation	13,998	218		265
KEPCO Ilijan Corporation	603,865	58,572	126,234	54,596
KEPCO Lebanon SARL	741	10,182		(1,541)
KEPCO Neimenggu International Ltd.	184,860	348		8,027
KEPCO Shanxi International Ltd.	562,652	242,270		22,949

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KOMIPO Global Pte Ltd.	187,885	29		16,572
KEPCO Canada Energy Ltd.	55,945	23		(64)
KEPCO Netherlands B.V.	169,496	61		1,409
KOREA Imouraren Uranium Investment Corp.	224,499	263		5,964
KEPCO Australia Pty., Ltd.	510,892	2,541	4,510	168
KOSEP Australia Pty., Ltd.	18,180	1,581	4,729	346
KOMIPO Australia Pty., Ltd.	17,397	559	4,729	349
KOWEPO Australia Pty., Ltd.	18,320	1,578	4,729	353
KOSPO Australia Pty., Ltd.	18,358	1,567	4,729	356
KEPCO Middle East Holding Company	147,618	150,798		14,142
Qatrana Electric Power Company	521,206	412,587	17,844	31,767
KHNP Canada Energy Ltd.	42,731	22		(123)
KEPCO Bylong Australia Pty., Ltd.	183,468	236,545		(23,352)
Korea Waterbury Uranium Limited Partnership	20,370	699		(48)
KEPCO Canada Uranium Investment Limited Partnership	38,804	14		(26,171)
Korea Electric Power Nigeria Ltd.	1,721	1,179	55,768	309
KEPCO Holdings de Mexico	39	34		(13)
KST Electric Power Company	564,358	529,439	97,879	14,631
KEPCO Energy Service Company	1,435	604	6,034	875
KEPCO Netherlands S3 B.V.	66,251	189		716
PT. KOMIPO Pembangkitan Jawa Bali	16,536	6,170	20,143	8,047
PT. Cirebon Power Service	2,795	1,010	6,663	459
KOWEPO International Corporation				
KOSPO Jordan LLC	12,998	1,117	9,840	2,693
EWP Philippines Corporation	2,664	1,592		258
EWP America Inc. (*)	115,562	82,167	59,124	3,227
KNF Canada Energy Limited	1,874	18		(66)
PT KEPCO Resource Indonesia	1,210			(217)
EWP Barbados 1 SRL	260,638	370	2,829	273
Gyeonggi Green Energy Co., Ltd.	315,299	249,608	104,674	(4,111)
PT. Tanggamus Electric Power	106,892	91,416	60,044	(7,138)
Gyeongju Wind Power Co., Ltd.	62,600	27,822	5,993	968
KOMIPO America Inc	13,487	2,480		218
KOSEP USA, INC.	40,035	4,178	4,975	153
PT. EWP Indonesia	1,039	15		(374)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

- (3) **Summary of financial information of consolidated subsidiaries as of and for the three-month period ended March 31, 2016 and as of and for the year ended December 31, 2015 are as follows, continued:**

*In millions of won*

Subsidiaries	December 31, 2015			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
KEPCO Netherlands J3 B.V.	₩ 121,492	81		18,858
Korea Offshore Wind Power Co., Ltd.	7,579	2,317		(4,213)
Global One Pioneer B.V.	40	20		(48)
Global Energy Pioneer B.V.	42	20		(48)
Mira Power Limited	110,918	66,963		(1,581)
KOSEP Material Co., Ltd.	29,768	28,013	26,310	(17,665)
Commerce and Industry Energy Co., Ltd.	99,638	86,727	24,774	(3,387)
KEPCO Singapore Holdings Pte., Ltd.	1,817			(9)
KOWEPO India Private Limited	911	10		(105)
KEPCO KPS Philippines Corp.	5,688	953	14,278	1,677
KOSPO Chile SpA	133	4,642		(942)
PT. KOWEPO Sumsel Operation and Maintenance Services	2,053	51	5,405	1,762
HeeMang Sunlight Power Co., Ltd.	4,711			(9)
Fujeij Wind Power Company	83			
KOSPO Younnam Power Co., Ltd.	82,173	32,166		7

- (\*) Financial information of EWP America Inc. includes that of seven other subsidiaries, EWP Renewable Co., DG Fairhaven Power, LLC, DG Kings Plaza, LLC, DG Whitefield, LLC, Springfield Power, LLC, and California Power Holdings, LLC, and EWPRC Biomass Holdings, LLC.

- (4) **Significant restrictions on abilities to subsidiaries are as follows:**

<b>Company</b>	<b>Nature and extent of any significant restrictions</b>
Gyeonggi Green Energy Co., Ltd.	Acquisition or disposal of assets of more than ₩35 billion, change in the capacity of cogeneration units (except for the change due to performance improvement of equipment, maintenance) will require unanimous consent of all directors.
KOSPO Youngnam Power Co., Ltd.	Dividends can only be paid when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained. Shares cannot be wholly or partially transferred without written consent of financial institutions.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

(5) Details of non-controlling interest prior to intra-group eliminations as of and for the three-month period ended March 31, 2016 and as of and for the year ended December 31, 2015 are as follows:

*In millions of won*

Description	March 31, 2016				Total
	KEPCO Ilijan Corporation	KEPCO Plant Service & Engineering Co., Ltd.	KEPCO Engineering & Construction Company, Inc.	Others	
Percentage of ownership	49.00%	47.52%	33.37%		
Current assets	₩ 153,275	564,177	357,944	600,648	1,676,044
Non-current assets	422,690	492,605	517,610	2,019,097	3,452,002
Current liabilities	(22,086)	(263,086)	(346,756)	(261,814)	(893,742)
Non-current liabilities	(34,420)	(72,307)	(110,361)	(1,586,963)	(1,804,051)
Net assets	519,459	721,389	418,437	770,968	2,430,253
Book value of non-controlling interest	254,535	342,804	139,632	649,035	1,386,006
Sales	31,264	247,145	117,984	171,016	567,409
Profit for the period	19,305	23,510	12,743	28,435	83,993
Profit for the period attributable to non-controlling interest	9,459	11,172	4,252	6,630	31,513
Cash flows from operating activities	34,686	(29,992)	(21,340)	(34,443)	(51,089)
Cash flows from investing activities	(5,195)	(8,437)	475	(43,781)	(56,938)
Cash flows from financing activities before dividends to non-controlling interest	(19,442)	36,139	31,539	52,498	100,734
Dividends to non-controlling interest	(17,803)	(36,139)	(2,539)	(4,534)	(61,015)
Effect of exchange rate fluctuation	(681)	(174)	(437)	8,382	7,090
	(8,435)	(38,603)	7,698	(21,878)	(61,218)

Net increase (decrease) of cash  
and cash equivalents

*In millions of won*

Description	December 31, 2015				Total
	KEPCO Ilijan Corporation	KEPCO Plant Service & Engineering Co., Ltd.	KEPCO Engineering & Construction Company, Inc.	Others	
Percentage of ownership	49.00%	47.52%	33.37%		
Current assets	₩ 161,855	547,152	341,559	631,442	1,682,008
Non-current assets	442,010	482,152	513,597	1,976,302	3,414,061
Current liabilities	(22,522)	(195,030)	(342,315)	(296,152)	(856,019)
Non-current liabilities	(36,050)	(51,312)	(96,056)	(1,566,200)	(1,749,618)
Net assets	545,293	782,962	416,785	745,392	2,490,432
Book value of non-controlling interest	267,194	372,064	139,081	644,787	1,423,126
Sales	126,234	1,171,082	657,603	637,544	2,592,463
Profit for the period	54,596	168,632	31,047	61,554	315,829
Profit for the period attributable to non-controlling interest	26,752	78,852	10,360	11,802	127,766
Cash flows from operating activities	83,697	140,625	11,280	(29,888)	205,714
Cash flows from investing activities	(16,021)	(104,477)	(134,874)	(178,241)	(433,613)
Cash flows from financing activities before dividends to non-controlling interest	(39,730)	(40,581)	69,955	226,976	216,620
Dividends to non-controlling interest	(36,080)	(34,569)	(7,300)	(24,577)	(102,526)
Effect of exchange rate fluctuation	4,123	3	(51)	6,399	10,474
Net increase (decrease) of cash and cash equivalents	(4,011)	(38,999)	(60,990)	669	(103,331)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**16. Consolidated Subsidiaries, Continued****(6) Changes in goodwill**

- (i) Details of goodwill as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Acquisition cost	₩ 2,582	2,582
Accumulated impairment		
Carrying book value	₩ 2,582	2,582

- (ii) There are no changes in goodwill for the three-month period ended March 31, 2016 and for the year ended December 31, 2015.

**(7) Disposals of subsidiaries**

The Company disposed the shares of Boulder Solar Power, LLC and liquidated KOWEPO America LLC during the year ended December 31, 2015.

- (i) The fair value of sales price as of December 31, 2015 is as follows:

<i>In millions of won</i>	<b>December 31, 2015</b>	
Consideration received in cash	₩	10,664
Fair value of remaining shares after disposal		13,860



Total	₩	24,524
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- (ii) The carrying value of assets and liabilities of subsidiaries as at the date the Company lost its control during the year ended December 31, 2015 is as follows:

*In millions of won*

	<b>December 31, 2015</b>	
<b>Current assets</b>		
Cash and cash equivalents	₩	10,071
Current financial assets, net		1,077
<b>Non-current assets</b>		
Property, plant and equipment, net		2,460
Other		2,893
<b>Current liabilities</b>		
Current non-financial liabilities		(7)
	₩	16,494

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**16. Consolidated Subsidiaries, Continued****(7) Disposals of subsidiaries, continued**

(iii) Gain from disposals of subsidiaries for the year ended December 31, 2015 is as follows:

<i>In millions of won</i>	<b>December 31, 2015</b>	
Fair value of sale price	₩	24,524
Net assets disposed		(16,494)
Non-controlling interests		
Realization of unrealized gain		
Other comprehensive income (*1)		346
 Gain from disposals of subsidiaries (*2)	 ₩	 8,376

(\*1) This represents the amount subsequently reclassified from other comprehensive income to profit for the period when the Company lost its control of the subsidiaries.

(\*2) Gain from disposals of subsidiaries is included in the consolidated statements of comprehensive income.

(iv) Net cashflow from sales of subsidiaries for the year ended December 31, 2015 is as follows:

<i>In millions of won</i>	<b>December 31, 2015</b>	
Consideration received in cash	₩	10,664
Less: cash held by disposed subsidiaries		(10,071)
 Net cash flow	 ₩	 593



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures****(1) Investments in associates and joint ventures as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won*

Investees	Key operation activities	March 31, 2016		Acquisition cost	Book value
		Location	Percentage of ownership		
<b>&lt;Associates&gt;</b>					
Daegu Green Power Co., Ltd.	Power generation	KOREA	49.90%	₩ 79,540	92,461
Korea Gas Corporation (*1)	Importing and wholesaling LNG	KOREA	20.47%	94,500	2,201,779
Korea Electric Power Industrial Development Co., Ltd.	Electricity metering	KOREA	29.00%	4,727	18,746
YTN Co., Ltd.	Broadcasting	KOREA	21.43%	59,000	37,268
Cheongna Energy Co., Ltd.	Generating and distributing vapor and hot/cold water	KOREA	43.90%	49,607	19,836
Gangwon Wind Power Co., Ltd. (*2)	Power generation	KOREA	15.00%	5,725	12,574
Hyundai Green Power Co., Ltd.	Power generation	KOREA	29.00%	88,885	108,879
Korea Power Exchange (*6)	Management of power market	KOREA	100.00%	127,839	219,136
AMEC Partners Korea Ltd. (*3)	Resources development	KOREA	19.00%	707	226
Hyundai Energy Co., Ltd. (*9)	Power generation	KOREA	29.00%	30,118	5,918
Ecollite Co., Ltd.	Artificial light-weight aggregate	KOREA	36.10%	1,516	
Taebaek Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,810	4,390

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Muju Wind Power Co., Ltd.	Power generation	KOREA	25.00%	2,850	2,548
Pyeongchang Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,875	3,304
Daeryun Power Co., Ltd. (*3, 10)	Power generation	KOREA	13.13%	25,477	35,354
JinanJangsu Wind Power Co., Ltd.	Power generation	KOREA	25.00%	100	64
Changjuk Wind Power Co., Ltd.	Power generation	KOREA	30.00%	3,801	6,281
KNH Solar Co., Ltd.	Power generation	KOREA	27.00%	1,296	1,769
SPC Power Corporation	Power generation	PHILIPPINES	38.00%	20,635	60,913
Gemeng International Energy Co., Ltd.	Power generation	CHINA	34.00%	413,153	738,329
PT. Cirebon Electric Power	Power generation	INDONESIA	27.50%	40,365	61,727
KNOC Nigerian East Oil Co., Ltd. (*4)	Resources development	NIGERIA	14.63%	12	
KNOC Nigerian West Oil Co., Ltd. (*4)	Resources development	NIGERIA	14.63%	12	
Dolphin Property Limited (*4)	Rental company	NIGERIA	15.00%	12	60
PT. Wampu Electric Power	Power generation	INDONESIA	46.00%	21,292	17,650
PT. Bayan Resources TBK	Resources development	INDONESIA	20.00%	615,860	510,474
S-Power Co., Ltd.	Power generation	KOREA	49.00%	132,300	131,981
Pioneer Gas Power Limited (*8)	Power generation	INDIA	40.00%	49,831	50,796
Eurasia Energy Holdings	Power generation and resources development	RUSSIA	40.00%	461	
Xe-Pian Xe-Namnoy Power Co., Ltd.	Power generation	LAOS	25.00%	32,717	29,475
Busan Solar Co., Ltd. (*3)	Power generation	KOREA	19.80%	793	939
Hadong Mineral Fiber Co., Ltd.	Recycling fly ashes	KOREA	25.00%	50	
Green Biomass Co., Ltd. (*12)	Power generation	KOREA	14.00%	714	150
PT. Mutiara Jawa	Manufacturing and operating floating coal terminal	INDONESIA	29.00%	2,978	
Samcheok Eco Material Co., Ltd. (*3, 11)	Recycling fly ashes	KOREA	2.67%	686	
Noeul Green Energy Co., Ltd.	Power generation	KOREA	20.00%	400	257
Naepo Green Energy Co., Ltd.	Power generation	KOREA	25.00%	29,200	26,368
Goseong Green Energy Co., Ltd. (*2)	Power generation	KOREA	2.90%	2,900	2,632
	Power generation	KOREA	3.72%	2,900	2,655

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Gangneung Eco Power Co., Ltd. (*2)					
Shin Pyeongtaek Power Co., Ltd.	Power generation	KOREA	40.00%	40	
Heang Bok Do Si Photovoltaic Power Co., Ltd.	Power generation	KOREA	28.00%	194	168
DS POWER Co., Ltd. (*2)	Power generation	KOREA	10.91%	17,900	10,814
Dongducheon Dream Power Co., Ltd.	Power generation	KOREA	33.61%	107,958	57,429
KS Solar Co., Ltd. (*3)	Power generation	KOREA	19.00%	637	543
Yeongwol Energy Station Co., Ltd. (*2)	Power generation	KOREA	10.00%	1,400	1,342
Jinhuvish Power Generation Pvt. Ltd. (*2)	Power generation	INDIA	5.16%	9,000	8,407
SE Green Energy Co., Ltd.	Power generation	KOREA	47.76%	3,821	3,563
Daegu Photovoltaic Co., Ltd.	Power generation	KOREA	29.00%	1,230	1,982
Jeongam Wind Power Co., Ltd.	Power generation	KOREA	40.00%	1,680	659
Korea Power Engineering Service Co., Ltd.	Construction and service	KOREA	29.00%	290	2,195
Busan Green Energy Co., Ltd.	Power generation	KOREA	29.00%	14,564	14,332
Jungbu Bio Energy Co., Ltd. (*2)	Power generation	KOREA	18.87%	1,000	872
Korea Electric Vehicle Charging Service	Electric vehicle charge service	KOREA	28.00%	1,596	1,354
Ulleungdo Natural Energy Co., Ltd.	Renewable power generation	KOREA	29.85%	8,000	7,347
Korea Nuclear Partners Co., Ltd.	Electric material agency	KOREA	29.00%	290	273
Tamra Offshore Wind Power Co., Ltd	Power generation	KOREA	27.00%	8,910	7,847
				₩ 2,129,154	4,524,066

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued****(1) Investments in associates and joint ventures as of March 31, 2016 and December 31, 2015 are as follows, continued:***In millions of won*

Investees	Key operation activities	March 31, 2016		Acquisition cost	Book value
		Location	Percentage of ownership		
<b>&lt;Joint ventures&gt;</b>					
KEPCO-Uhde Inc. (*7)	Power generation	KOREA	52.80%	₩ 11,355	8,473
Eco Biomass Energy Sdn. Bhd. (*7)	Power generation	MALAYSIA	61.53%	9,661	
Datang Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	27,660	27,614
Shuweihaat Asia Power Investment B.V.	Holding company	NETHERLANDS	49.00%	50,017	10,420
Shuweihaat Asia Operation & Maintenance Company (*7)	Maintenance of utility plant	CAYMAN	55.00%	30	711
Waterbury Lake Uranium L.P.	Resources development	CANADA	38.43%	26,602	20,648
ASM-BG Investicii AD	Power generation	BULGARIA	50.00%	16,101	20,646
RES Technology AD	Power generation	BULGARIA	50.00%	15,595	13,842
KV Holdings, Inc.	Power generation	PHILIPPINES	40.00%	2,103	2,023
KEPCO SPC Power Corporation (*7)	Construction and operation of utility plant	PHILIPPINES	75.20%	94,579	226,617
Canada Korea Uranium Limited Partnership (*5)	Resources development	CANADA	12.50%	5,404	
	Holding company	NIGERIA	30.00%	8,463	

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KEPCO Energy Resource Nigeria Limited					
Gansu Datang Yumen Wind Power Co., Ltd.	Power generation	CHINA	40.00%	16,621	15,393
Datang Chifeng Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	121,928	172,485
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	10,858	10,640
Rabigh Electricity Company	Power generation	SAUDI ARABIA	40.00%	109,743	84,571
Rabigh Operation & Maintenance Company	Maintenance of utility plant	SAUDI ARABIA	40.00%	70	4,175
Jamaica Public Service Company Limited	Power generation	JAMAICA	40.00%	301,910	238,100
KW Nuclear Components Co., Ltd.	R&D	KOREA	43.36%	833	3,668
Busan Shinho Solar Power Co., Ltd.	Power generation	KOREA	25.00%	2,100	3,549
GS Donghae Electric Power Co., Ltd.	Power generation	KOREA	34.00%	204,000	200,039
Global Trade Of Power System Co., Ltd.	Exporting products and technology of small or medium business by proxy	KOREA	29.00%	290	408
Expressway Solar-light Power Generation Co., Ltd.	Power generation	KOREA	29.00%	1,856	1,963
KODE NOVUS 1 LLC	Power generation	USA	50.00%	19,213	
KODE NOVUS 2 LLC	Power generation	USA	50.00%	12,756	
Daejung Offshore Wind Power Co., Ltd.	Power generation	KOREA	49.90%	4,990	3,266
Amman Asia Electric Power Company (*7)	Power generation	JORDAN	60.00%	111,476	130,587
KEPCO-ALSTOM Power Electronics Systems, Inc. (*7)	R&D	KOREA	51.00%	5,629	4,379
Dangjin Eco Power Co., Ltd.	Power generation	KOREA	34.00%	56,249	53,233
Honam Wind Power Co., Ltd.	Power generation	KOREA	29.00%	3,600	4,091
Nepal Water & Energy Development Company Pty Ltd. (*7)	Construction and operation of utility plant	NEPAL	52.77%	18,568	17,369
Chun-cheon Energy Co., Ltd.	Power generation	KOREA	29.90%	52,700	51,432
Yeonggwangbaeksu Wind Power Co., Ltd. (*3)	Power generation	KOREA	15.00%	3,000	2,820
Nghi Son 2 Power Ltd.	Power generation	VIETNAM	50.00%	1,371	411
Kelar S.A (*7)	Power generation	CHILE	65.00%	4,180	



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PT. Tanjung Power Indonesia	Power generation	INDONESIA	35.00%	746	979
Incheon New Power Co., Ltd.	Power generation	KOREA	29.00%	461	530
Seokmun Energy Co., Ltd.	Integrated energy business	KOREA	29.00%	580	532
Daehan Wind Power PSC	Power generation	JORDAN	50.00%	285	213
				1,333,583	1,335,827
				₩ 3,462,737	5,859,893

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

**(1) Investments in associates and joint ventures as of March 31, 2016 and December 31, 2015 are as follows, continued:**

(\*1) The effective percentage of ownership is 21.57% considering treasury stocks.

(\*2) The Company can exercise significant influence by virtue of its contractual right to appoint directors to the board of directors of the entity, and by strict decision criteria of the Company's financial and operating policy of the board of directors.

(\*3) The Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity.

(\*4) The Company can exercise significant influence by virtue of its contractual right to appoint one out of four members of the steering committee of the entity. Moreover, the Company has significant financial transactions, which can affect its influence on the entity.

(\*5) The Company has joint control over the entity by virtue of its contractual right to appoint directors to the board of directors of the entity, and by strict decision criteria of the Company's financial and operating policy of the board of directors.

(\*6) The Government regulates the Company's ability to make operating and financial decisions over the entity, as the Government requires maintaining arms-length transactions between KPX and the Company's other subsidiaries. The Company can exercise significant influence by its right to nominate directors to the board of directors of the entity.

(\*7) According to the shareholders' agreement, all critical financial and operating decisions must be agreed to by all ownership parties. For these reasons, the entities are classified as joint ventures.

(\*8) As of reporting date, the reporting period of all associates and joint ventures ends in December 31, except for Pioneer Gas Power Limited whose reporting period ends on March 31.

(\*9) As of March 31, 2016, 17.3% of ownership of Hyundai Energy Co., Ltd. is held by NH Power II Co., Ltd. and NH Bank. According to the shareholders' agreement reached on March 2011, not only does the Company have a call option to acquire the investment in Hyundai Energy Co., Ltd. from NH Power II Co., Ltd. and NH Bank with a certain rate of return, NH Power II Co., Ltd. and NH Bank also have put options to dispose of their investment to the Company. In connection with this agreement, the Company applied the equity method on the investment in Hyundai Energy Co., Ltd. with 46.3% of ownership.

(\*10) The Company's percentage of ownership has decreased due to the acquisition of Daeryun Power Co., Ltd. and the effective percentage of ownership is 19.45% considering stock purchase options.

(\*11) The Company's effective percentage of ownership excluding the redeemable convertible preferred stock is 25.54%.

(\*12)

The effective percentage of ownership is less than 20% but the Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity and the fact that the dominant portion of the investee's sales transactions is generated from the Company.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued****(1) Investments in associates and joint ventures as of March 31, 2016 and December 31, 2015 are as follows, continued:***In millions of won*

Investees	Key operation activities	December 31, 2015		Acquisition cost	Book value
		Location	Percentage of ownership		
<b>&lt;Associates&gt;</b>					
Daegu Green Power Co., Ltd.	Power generation	KOREA	47.80%	₩ 76,193	80,267
Korea Gas Corporation (*1)	Importing and wholesaling LNG	KOREA	20.47%	94,500	2,102,813
Korea Electric Power Industrial Development Co., Ltd.	Electricity metering	KOREA	29.00%	4,727	18,994
YTN Co., Ltd.	Broadcasting	KOREA	21.43%	59,000	38,365
Cheongna Energy Co., Ltd.	Generating and distributing vapor and hot/cold water	KOREA	43.90%	49,607	19,490
Gangwon Wind Power Co., Ltd. (*2)	Power generation	KOREA	15.00%	5,725	12,890
Hyundai Green Power Co., Ltd.	Power generation	KOREA	29.00%	88,885	113,664
Korea Power Exchange (*6)	Management of power market	KOREA	100.00%	127,839	208,735
AMEC Partners Korea Ltd. (*3)	Resources development	KOREA	19.00%	707	230
Hyundai Energy Co., Ltd. (*9)	Power generation	KOREA	29.00%	30,118	6,990
Ecollite Co., Ltd.	Artificial light-weight aggregate	KOREA	36.10%	1,516	
	Power generation	KOREA	25.00%	3,810	4,956

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Taebaek Wind Power Co., Ltd.					
Muju Wind Power Co., Ltd.	Power generation	KOREA	25.00%	2,850	2,587
Pyeongchang Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,875	3,402
Daeryun Power Co., Ltd. (*3, 10)	Power generation	KOREA	13.13%	25,477	36,156
JinanJangsu Wind Power Co., Ltd.	Power generation	KOREA	25.00%	100	77
Changjuk Wind Power Co., Ltd.	Power generation	KOREA	30.00%	3,801	6,143
KNH Solar Co., Ltd.	Power generation	KOREA	27.00%	1,296	1,924
SPC Power Corporation	Power generation	PHILIPPINES	38.00%	20,635	58,033
Gemeng International Energy Co., Ltd.	Power generation	CHINA	34.00%	413,153	728,396
PT. Cirebon Electric Power	Power generation	INDONESIA	27.50%	40,365	60,574
KNOC Nigerian East Oil Co., Ltd. (*4)	Resources development	NIGERIA	14.63%	12	
KNOC Nigerian West Oil Co., Ltd. (*4)	Resources development	NIGERIA	14.63%	12	
Dolphin Property Limited (*4)	Rental company	NIGERIA	15.00%	12	61
PT. Wampu Electric Power	Power generation	INDONESIA	46.00%	21,292	18,963
PT. Bayan Resources TBK	Resources development	INDONESIA	20.00%	615,860	525,066
S-Power Co., Ltd.	Power generation	KOREA	49.00%	132,300	130,908
Pioneer Gas Power Limited (*8)	Power generation	INDIA	40.00%	49,831	51,187
Eurasia Energy Holdings	Power generation and resources development	RUSSIA	40.00%	461	
Xe-Pian Xe-Namnoy Power Co., Ltd.	Power generation	LAOS	25.00%	32,717	31,863
Busan Solar Co., Ltd. (*3)	Power generation	KOREA	19.80%	793	925
Hadong Mineral Fiber Co., Ltd.	Recycling fly ashes	KOREA	25.00%	50	
Green Biomass Co., Ltd. (*12)	Power generation	KOREA	14.00%	714	
PT. Mutiara Jawa	Manufacturing and operating floating coal terminal	INDONESIA	29.00%	2,978	
Samcheok Eco Material Co., Ltd. (*3, 11)	Recycling fly ashes	KOREA	2.67%	686	
Noeul Green Energy Co., Ltd.	Power generation	KOREA	20.00%	400	295
Naepo Green Energy Co., Ltd.	Power generation	KOREA	25.00%	29,200	26,746
	Power generation	KOREA	2.90%	2,900	2,670

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Goseong Green Energy Co., Ltd. (*2)					
Gangneung Eco Power Co., Ltd. (*2)	Power generation	KOREA	3.72%	2,900	2,688
Shin Pyeongtaek Power Co., Ltd.	Power generation	KOREA	40.00%	40	
Heang Bok Do Si Photovoltaic Power Co., Ltd.	Power generation	KOREA	28.00%	194	189
DS POWER Co., Ltd. (*2)	Power generation	KOREA	10.91%	17,900	10,960
Dongducheon Dream Power Co., Ltd.	Power generation	KOREA	33.61%	107,958	55,667
KS Solar Co., Ltd. (*3)	Power generation	KOREA	19.00%	637	618
Yeongwol Energy Station Co., Ltd. (*2)	Power generation	KOREA	10.00%	1,400	1,290
Jimbhuvish Power Generation Pvt. Ltd. (*2)	Power generation	INDIA	5.16%	9,000	8,350
SE Green Energy Co., Ltd.	Power generation	KOREA	47.76%	3,821	3,575
Daegu Photovoltaic Co., Ltd.	Power generation	KOREA	29.00%	1,230	1,886
Jeongam Wind Power Co., Ltd.	Power generation	KOREA	40.00%	1,680	702
Korea Power Engineering Service Co., Ltd.	Construction and service	KOREA	29.00%	290	1,805
Busan Green Energy Co., Ltd.	Power generation	KOREA	29.00%	14,564	14,512
Jungbu Bio Energy Co., Ltd. (*2)	Power generation	KOREA	18.87%	1,000	904
Korea Electric Vehicle Charging Service	Electric vehicle charge service	KOREA	28.00%	1,596	1,446
Ulleungdo Natural Energy Co., Ltd.	Renewable power generation	KOREA	29.85%	8,000	7,417
Korea Nuclear Partners Co., Ltd.	Electric material agency	KOREA	29.00%	290	289
				₩ 2,116,897	4,405,668

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued****(1) Investments in associates and joint ventures as of March 31, 2016 and December 31, 2015 are as follows, continued:***In millions of won*

Investees	Key operation activities	December 31, 2015		Acquisition cost	Book value
		Location	Percentage of ownership		
<b>&lt;Joint ventures&gt;</b>					
KEPCO-Uhde Inc. (*7)	Power generation	KOREA	52.80%	₩ 11,355	8,549
Eco Biomass Energy Sdn. Bhd. (*7)	Power generation	MALAYSIA	61.53%	9,661	
Datang Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	27,660	27,640
Shuweihat Asia Power Investment B.V.	Holding company	NETHERLANDS	49.00%	60,191	20,474
Shuweihat Asia Operation & Maintenance Company (*7)	Maintenance of utility plant	CAYMAN	55.00%	30	486
Waterbury Lake Uranium L.P.	Resources development	CANADA	40.00%	26,602	20,299
ASM-BG Investicii AD	Power generation	BULGARIA	50.00%	16,101	20,203
RES Technology AD	Power generation	BULGARIA	50.00%	15,595	13,789
KV Holdings, Inc.	Power generation	PHILIPPINES	40.00%	2,103	2,010
KEPCO SPC Power Corporation (*7)	Construction and operation of utility plant	PHILIPPINES	75.20%	94,579	208,524
Canada Korea Uranium Limited Partnership (*5)	Resources development	CANADA	12.50%	5,404	
KEPCO Energy Resource Nigeria Limited	Holding company	NIGERIA	30.00%	8,463	
	Power generation	CHINA	40.00%	16,621	16,107

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Gansu Datang Yumen Wind Power Co., Ltd.					
Datang Chifeng Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	121,928	171,224
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	10,858	10,580
Rabigh Electricity Company	Power generation	SAUDI ARABIA	40.00%	109,743	59,368
Rabigh Operation & Maintenance Company	Maintenance of utility plant	SAUDI ARABIA	40.00%	70	3,586
Jamaica Public Service Company Limited	Power generation	JAMAICA	40.00%	301,910	241,918
KW Nuclear Components Co., Ltd.	R&D	KOREA	43.36%	833	4,985
Busan Shinho Solar Power Co., Ltd.	Power generation	KOREA	25.00%	2,100	3,678
GS Donghae Electric Power Co., Ltd.	Power generation	KOREA	34.00%	204,000	200,379
Global Trade Of Power System Co., Ltd.	Exporting products and technology of small or medium business by proxy	KOREA	29.00%	290	426
Expressway Solar-light Power Generation Co., Ltd.	Power generation	KOREA	29.00%	1,856	2,100
KODE NOVUS 1 LLC	Power generation	USA	50.00%	19,213	
KODE NOVUS 2 LLC	Power generation	USA	49.00%	12,498	
Daejung Offshore Wind Power Co., Ltd.	Power generation	KOREA	49.90%	4,990	3,352
Amman Asia Electric Power Company (*7)	Power generation	JORDAN	60.00%	111,476	137,668
KEPCO-ALSTOM Power Electronics Systems, Inc. (*7)	R&D	KOREA	51.00%	5,629	4,501
Dangjin Eco Power Co., Ltd.	Power generation	KOREA	34.00%	51,149	48,281
Honam Wind Power Co., Ltd.	Power generation	KOREA	29.00%	3,600	3,926
Nepal Water & Energy Development Company Pty Ltd. (*7)	Construction and operation of utility plant	NEPAL	52.77%	18,568	17,765
Chun-cheon Energy Co., Ltd.	Power generation	KOREA	29.90%	32,868	31,976
Yeonggwangbaeksu Wind Power Co., Ltd. (*3)	Power generation	KOREA	15.00%	3,000	2,668
Nghi Son 2 Power Ltd.	Power generation	VIETNAM	50.00%	1,072	269
Kelar S.A (*7)	Power generation	CHILE	65.00%	4,180	
PT. Tanjung Power Indonesia	Power generation	INDONESIA	35.00%	746	617



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Incheon New Power Co., Ltd.	Power generation	KOREA	29.00%	461	514
Seokmun Energy Co., Ltd.	Integrated energy business	KOREA	29.00%	580	
				1,317,983	1,287,862
				₩ 3,434,880	5,693,530

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

**(1) Investments in associates and joint ventures as of March 31, 2016 and December 31, 2015 are as follows, continued:**

(\*1) The effective percentage of ownership is 21.57% considering treasury stocks.

(\*2) The Company can exercise significant influence by virtue of its contractual right to appoint directors to the board of directors of the entity, and by strict decision criteria of the Company's financial and operating policy of the board of directors.

(\*3) The Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity.

(\*4) The Company can exercise significant influence by virtue of its contractual right to appoint one out of four members of the steering committee of the entity. Moreover, the Company has significant financial transactions, which can affect its influence on the entity.

(\*5) The Company has joint control over the entity by virtue of its contractual right to appoint directors to the board of directors of the entity, and by strict decision criteria of the Company's financial and operating policy of the board of directors.

(\*6) The Government regulates the Company's ability to make operating and financial decisions over the entity, as the Government requires maintaining arms-length transactions between KPX and the Company's other subsidiaries. The Company can exercise significant influence by its right to nominate directors to the board of directors of the entity.

(\*7) According to the shareholders' agreement, all critical financial and operating decisions must be agreed to by all ownership parties. For these reasons, the entities are classified as joint ventures.

(\*8) As of reporting date, the reporting period of all associates and joint ventures ends in December 31, except for Pioneer Gas Power Limited whose reporting period ends on March 31.

(\*9) As of December 31, 2015, 17.3% of ownership of Hyundai Energy Co., Ltd. is held by NH Power II Co., Ltd. and NH Bank. According to the shareholders' agreement reached on March 2011, not only does the Company have a call option to acquire the investment in Hyundai Energy Co., Ltd. from NH Power II Co., Ltd. and NH Bank with a certain rate of return, NH Power II Co., Ltd. and NH Bank also have put options to dispose of their investment to the Company. In connection with this agreement, the Company applied the equity method on the investment in Hyundai Energy Co., Ltd. with 46.3% of ownership.

(\*10) The Company's percentage of ownership has decreased due to the acquisition of Daeryun Power Co., Ltd. and the effective percentage of ownership is 19.45% considering stock purchase options.

(\*11) The Company's effective percentage of ownership excluding the redeemable convertible preferred stock is 25.54%.

(\*12)

The effective percentage of ownership is less than 20% but the Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity and the fact that the dominant portion of the investee's sales transactions is generated from the Company.

- (2) **The fair value of associates which are actively traded on the open market and have a readily available market value as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>			
<b>Investees</b>		<b>March 31, 2016</b>	<b>December 31, 2015</b>
<b>&lt;Associates&gt;</b>			
Korea Electric Power Industrial Development Co., Ltd.	₩	49,161	46,514
Korea Gas Corporation		724,815	696,465
YTN Co., Ltd.		28,665	26,235
SPC Power Corporation		66,446	65,552
PT. Bayan Resources TBK		434,500	446,250

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(3) **Changes in investments in associates and joint ventures for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

*In millions of won*

Investees	March 31, 2016						
	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss) Others	Ending balance
<b>&lt;Associates&gt;</b>							
Daegu Green Power Co., Ltd.	₩ 80,267	3,347			8,847		92,461
Korea Gas Corporation	2,102,813			(3,213)	110,057	(5,755) (2,123)	2,201,779
Korea Electric Power Industrial Development Co., Ltd.	18,994			(1,598)	1,362	(12)	18,746
YTN Co., Ltd.	38,365				(1,518)	321 100	37,268
Cheongna Energy Co., Ltd.	19,490				346		19,836
Gangwon Wind Power Co., Ltd.	12,890			(1,136)	820		12,574
Hyundai Green Power Co., Ltd.	113,664			(8,888)	4,103		108,879
Korea Power Exchange	208,735				10,401		219,136
AMEC Partners Korea Ltd.	230				(4)		226
Hyundai Energy Co., Ltd.	6,990				(1,072)		5,918
Ecollite Co., Ltd.	4,956				(566)		4,390

Taebaek Wind Power Co., Ltd.					
Muju Wind Power Co., Ltd.	2,587	(39)			2,548
Pyeongchang Wind Power Co., Ltd.	3,402	(98)			3,304
Daeryun Power Co., Ltd.	36,156	(802)			35,354
JinanJangsu Wind Power Co., Ltd.	77	(13)			64
Changjuk Wind Power Co., Ltd.	6,143	138			6,281
KNH Solar Co., Ltd.	1,924	(160)	5		1,769
SPC Power Corporation	58,033	2,658	236	(14)	60,913
Gemeng International Energy Co., Ltd.	728,396	9,933			738,329
PT. Cirebon Electric Power	60,574	3,658	(2,486)	(19)	61,727
KNOC Nigerian East Oil Co., Ltd.		(651)	177	474	
KNOC Nigerian West Oil Co., Ltd.		(318)	172	146	
Dolphin Property Limited	61		(1)		60
PT. Wampu Electric Power	18,963	(1,056)	(257)		17,650
PT. Bayan Resources TBK	525,066	(13,658)	(934)		510,474
S-Power Co., Ltd.	130,908	1,073			131,981
Pioneer Gas Power Limited	51,187	6	(397)		50,796
Eurasia Energy Holdings					
Xe-Pian Xe-Namnoy Power Co., Ltd.	31,863	(1,814)	(574)		29,475
Busan Solar Co., Ltd.	925	14			939
Hadong Mineral Fiber Co., Ltd.					
Green Biomass Co., Ltd.		150			150
PT. Mutiara Jawa Samcheok Eco Material Co., Ltd.					
Noeul Green Energy Co., Ltd.	295	(38)			257
	26,746	(378)			26,368

Naepo Green Energy Co., Ltd.				
Goseong Green Energy Co., Ltd.	2,670	(38)		2,632
Gangneung Eco Power Co., Ltd.	2,688	(33)		2,655
Shin Pyeongtaek Power Co., Ltd.				
Heang Bok Do Si Photovoltaic Power Co., Ltd.	189	(21)		168
DS POWER Co., Ltd.	10,960	(115)	(31)	10,814
Dongducheon Dream Power Co., Ltd.	55,667	1,762		57,429
KS Solar Co., Ltd.	618	(75)		543
Yeongwol Energy Station Co., Ltd.	1,290	52		1,342

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(3) Changes in investments in associates and joint ventures for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows, continued:

*In millions of won*

Investees	March 31, 2016					Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of comprehensive income (loss) Others	
Jimbhuvish Power Generation Pvt. Ltd.	₩ 8,350				57	8,407
SE Green Energy Co., Ltd.	3,575				(12)	3,563
Daegu Photovoltaic Co., Ltd.	1,886				96	1,982
Jeongam Wind Power Co., Ltd.	702				(43)	659
Korea Power Engineering Service Co., Ltd.	1,805				390	2,195
Busan Green Energy Co., Ltd.	14,512				(180)	14,332
Jungbu Bio Energy Co., Ltd.	904				(32)	872
Korea Electric Vehicle Charging Service	1,446				(92)	1,354
Ulleungdo Natural Energy Co., Ltd.	7,417				(70)	7,347
Korea Nuclear Partners Co., Ltd.	289				(16)	273
Tamra Offshore Wind Power Co., Ltd		8,910			(1,054) (9)	7,847

	4,405,668	12,257	(14,835)	131,900	(9,445)	(1,479)	4,524,066
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**<Joint ventures>**

KEPCO-Uhde Inc.	8,549			(76)			8,473
Eco Biomass Energy Sdn. Bhd.							
Datang Chaoyang Renewable Power Co., Ltd.	27,640			98	(124)		27,614
Shuweiha Asia Power Investment B.V.	20,474	(10,174)		458	(338)		10,420
Shuweiha Asia Operation & Maintenance Company	486			243	(18)		711
Waterbury Lake Uranium L.P.	20,299				1,052	(703)	20,648
ASM-BG Investicii AD	20,203			18	425		20,646
RES Technology AD	13,789			(239)	292		13,842
KV Holdings, Inc.	2,010				13		2,023
KEPCO SPC Power Corporation	208,524			16,985	1,134	(26)	226,617
Canada Korea Uranium Limited Partnership							
KEPCO Energy Resource Nigeria Limited							
Gansu Datang Yumen Wind Power Co., Ltd.	16,107			(660)	(54)		15,393
Datang Chifeng Renewable Power Co., Ltd.	171,224			2,083	(824)	2	172,485
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	10,580			110	(50)		10,640
Rabigh Electricity Company	59,368			2,628	22,565	10	84,571
Rabigh Operation & Maintenance Company	3,586			645	(56)		4,175
Jamaica Public Service Company Limited	241,918					(3,818)	238,100



KW Nuclear Components Co., Ltd.	4,985		(2,191)	880	(6)	3,668
Busan Shinho Solar Power Co., Ltd.	3,678		(185)	56		3,549
GS Donghae Electric Power Co., Ltd.	200,379			(340)		200,039
Global Trade Of Power System Co., Ltd.	426			(18)		408
Expressway Solar-light Power Generation Co., Ltd.	2,100		(70)	(67)		1,963
KODE NOVUS 1 LLC						
KODE NOVUS 2 LLC		258		(258)		
Daejung Offshore Wind Power Co., Ltd.	3,352			(86)		3,266
Amman Asia Electric Power Company	137,668			4,895	(11,976)	130,587
KEPCO-ALSTOM Power Electronics Systems, Inc.	4,501			(122)		4,379
Dangjin Eco Power Co., Ltd.	48,281	5,100		(125)	(26)	3
Honam Wind Power Co., Ltd.	3,926		(104)	269		4,091
Nepal Water & Energy Development Company Pty Ltd.	17,765			(144)	(252)	17,369
Chun-cheon Energy Co., Ltd.	31,976	19,832		(281)	(95)	51,432
Yeonggwangbaeksu Wind Power Co., Ltd.	2,668			152		2,820
Nghi Son 2 Power Ltd.	269	299		(150)	(7)	411

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(3) Changes in investments in associates and joint ventures for the three-month periods ended March 31, 2016 and for the year ended December 31, 2015 are as follows, continued:

*In millions of  
won*

Investees	March 31, 2016							Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss)	Others	
Kelar S.A	₩							
PT. Tanjung Power Indonesia	617				387	(25)		979
Incheon New Power Co., Ltd.	514				8	4	4	530
Seokmun Energy Co., Ltd.					(261)	793		532
Daehan Wind Power PSC		285			(67)	(5)		213
	1,287,862	25,774	(10,174)	(2,550)	27,021	12,428	(4,534)	1,335,827
	₩ 5,693,530	38,031	(10,174)	(17,385)	158,921	2,983	(6,013)	5,859,893

*In millions of won*

Investees	December 31, 2015							Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income	Others	

(loss)

## &lt;Associates&gt;

Daegu Green Power Co., Ltd.	₩ 71,387		8,902		(22)	80,267
Korea Gas Corporation	2,097,539	(4,725)	67,949	(55,453)	(2,497)	2,102,813
Korea Electric Power Industrial Development Co., Ltd.	21,622	(1,267)	(1,792)		431	18,994
YTN Co., Ltd.	39,889	(90)	(188)	(935)	(311)	38,365
Cheongna Energy Co., Ltd.	28,771		(9,281)			19,490
Gangwon Wind Power Co., Ltd.	12,385	(852)	1,279	78		12,890
Hyundai Green Power Co., Ltd.	113,033	(8,889)	9,520			113,664
Korea Power Exchange	198,021		9,944		770	208,735
AMEC Partners Korea Ltd.	200		30			230
Hyundai Energy Co., Ltd. (*1)	35,925		(13,731)		(15,204)	6,990
Ecollite Co., Ltd.						
Taebaek Wind Power Co., Ltd.	5,525		(569)			4,956
Muju Wind Power Co., Ltd.	2,706		(119)			2,587
Pyeongchang Wind Power Co., Ltd.	3,693		(291)			3,402
Daeryun Power Co., Ltd.	41,951		(5,798)		3	36,156
JinanJangsu Wind Power Co., Ltd.	77					77
Changjuk Wind Power Co., Ltd.	6,486		(343)			6,143
KNH Solar Co., Ltd.	1,744		178	2		1,924
SPC Power Corporation	47,799	(1,349)	5,375	381	5,827	58,033
Gemeng International Energy Co., Ltd.	667,578	(37,163)	51,766	89,481	(43,266)	728,396
PT. Cirebon Electric Power	43,335		12,210	5,029		60,574
KNOC Nigerian East Oil Co., Ltd.			(880)	(641)	1,521	
KNOC Nigerian West Oil Co., Ltd.			(1,092)	(599)	1,691	
	61					61

Dolphin Property Limited					
PT. Wampu Electric Power	16,071	2,357	(600)	1,135	18,963
PT. Bayan Resources TBK	540,011		(11,341)	(3,604)	525,066
S-Power Co., Ltd.	104,244	24,300	2,364		130,908

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(3) Changes in investments in associates and joint for the three-month periods ended March 31, 2016 and for the year ended December 31, 2015 are as follows, continued:

*In millions of won*

Investees	December 31, 2015						Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss) Others	
Pioneer Gas Power Limited	₩ 50,668				59	460	51,187
Eurasia Energy Holdings							
Xe-Pian Xe-Namnoy Power Co., Ltd.	22,152	9,244			(749)	1,216	31,863
Busan Solar Co., Ltd.	853				72		925
Hadong Mineral Fiber Co., Ltd.	3				(3)		
Green Biomass Co., Ltd.							
PT. Mutiara Jawa	818				(818)		
Samcheok Eco Material Co., Ltd.	212				(178)	(34)	
Noeul Green Energy Co., Ltd.	189	200			(91)	(3)	295
Naepo Green Energy Co., Ltd.	28,064				(1,318)		26,746
Goseong Green Energy Co., Ltd.	2,586				84		2,670
Gangneung Eco Power Co., Ltd.	2,783				(95)		2,688

Shin Pyeongtaek Power Co., Ltd.							
Heang Bok Do Si Photovoltaic Power Co., Ltd.	221		(32)				189
DS POWER Co., Ltd.	15,642		(4,671)		(11)		10,960
Dongducheon Dream Power Co., Ltd. (*2)	100,545		(3,412)		(41,466)		55,667
KS Solar Co., Ltd.	325		293				618
Yeongwol Energy Station Co., Ltd.	1,741		(451)				1,290
Jinhuvish Power Generation Pvt. Ltd.	8,344		(42)	48			8,350
SE Green Energy Co., Ltd.	3,623		(48)				3,575
Daegu Photovoltaic Co., Ltd.	1,581		305				1,886
Jeongam Wind Power Co., Ltd.	93	880	(271)				702
Korea Power Engineering Service Co., Ltd.	1,334		(44)	542		(27)	1,805
Busan Green Energy Co., Ltd.		14,564	(52)				14,512
Jungbu Bio Energy Co., Ltd.		1,000	(96)				904
Korea Electric Vehicle Charging Service		1,596	(135)		(15)		1,446
Ulleungdo Natural Energy Co., Ltd.		8,000	(583)				7,417
Korea Nuclear Partners Co., Ltd.		290	(1)				289
	4,341,830	62,431	(54,379)	111,801	36,561	(92,576)	4,405,668

**<Joint ventures>**

KEPCO-Uhde Inc.	9,042		(493)				8,549
Eco Biomass Energy Sdn. Bhd.							
Datang Chaoyang Renewable Power Co., Ltd.	27,514		(135)	261			27,640
Shuweihat Asia Power Investment B.V.	16,241	108		4,008	117		20,474
Shuweihat Asia Operation &	345		(798)	922	24	(7)	486

Maintenance Company						
Waterbury Lake Uranium L.P.	22,010		(2,507)	796		20,299
ASM-BG Investicii AD	19,608		1,384	(789)		20,203
RES Technology AD	14,725		(318)	(618)		13,789
KV Holdings, Inc.	1,902		74	34		2,010
KEPCO SPC Power Corporation	190,519	(28,986)	43,801	3,190		208,524
Canada Korea Uranium Limited Partnership						
KEPCO Energy Resource Nigeria Limited						
Gansu Datang Yumen Wind Power Co., Ltd.	17,467		(1,546)	186		16,107
Datang Chifeng Renewable Power Co., Ltd.	169,496	(8,239)	8,512	1,464	(9)	171,224
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	10,539		(33)	74		10,580
Rabigh Electricity Company	8,121		21,582	29,703	(38)	59,368
Rabigh Operation & Maintenance Company	4,628	(1,780)	533	205		3,586
Jamaica Public Service Company Limited	226,892			15,027	(1)	241,918
KW Nuclear Components Co., Ltd.	2,899	(1,016)	3,065		37	4,985
Busan Shinho Solar Power Co., Ltd.	3,284		394			3,678

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(3) **Changes in investments in associates and joint ventures for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows, continued:**

*In millions of won*

Investees	December 31, 2015							Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss) Others		
GS Donghae Electric Power Co., Ltd.	₩ 201,409				(1,064)	34	200,379	
Global Trade Of Power System Co., Ltd.	343				83		426	
Expressway Solar-light Power Generation Co., Ltd.	2,087				13		2,100	
KODE NOVUS 1 LLC	12,207				(11,639)	588 (1,156)		
KODE NOVUS 2 LLC	8,248				(8,104)	413 (557)		
Daejung Offshore Wind Power Co., Ltd.	3,711				(359)		3,352	
Amman Asia Electric Power Company	122,391			(19,510)	25,131	10,244 (588)	137,668	
KEPCO-ALSTOM Power Electronics Systems, Inc.	4,617				(98)	(18)	4,501	
Dangjin Eco Power Co., Ltd.	37,837	20,000	(8,851)		(712)	70 (63)	48,281	



Honam Wind Power Co., Ltd.	3,555				371			3,926
Nepal Water & Energy Development Company Pty Ltd.	17,872				(1,277)	1,170		17,765
Chun-cheon Energy Co., Ltd.		32,853			(719)	(158)		31,976
Yeonggwangbaeksu Wind Power Co., Ltd.	2,962				(294)			2,668
Nghi Son 2 Power Ltd.	102	722			(562)	2	5	269
Kelar S.A	3,156					(407)	(2,749)	
PT. Tanjung Power Indonesia	700				(98)		15	617
Incheon New Power Co., Ltd.	465				49			514
Seokmun Energy Co., Ltd.			(100)				100	
	1,166,894	53,683	(8,951)	(60,329)	82,471	58,293	(4,199)	1,287,862
	₩ 5,508,724	116,114	(8,951)	(114,708)	194,272	94,854	(96,775)	5,693,530

(\*1) Others include ₩15,204 million of assets held-for-sale (note 41).

(\*2) Others include ₩41,170 million of assets held-for-sale (note 41).

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(4) Summary of financial information of associates and joint ventures as of and for the three-month period ended March 31, 2016 and as of and for the year ended December 31, 2015 are as follows:

*In millions of won*

Investees	March 31, 2016			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
<b>&lt;Associates&gt;</b>				
Daegu Green Power Co., Ltd.	₩ 664,423	479,419	80,637	17,384
Korea Gas Corporation	41,812,309	31,294,196	7,764,577	511,256
Korea Electric Power Industrial Development Co., Ltd.	147,496	82,854	68,334	6,397
YTN Co., Ltd.	301,686	127,586	24,140	(3,933)
Cheongna Energy Co., Ltd.	441,549	401,914	22,473	882
Gangwon Wind Power Co., Ltd.	111,372	27,870	6,853	5,139
Hyundai Green Power Co., Ltd.	1,154,849	779,404	115,770	14,193
Korea Power Exchange	244,055	24,919	26,838	9,641
AMEC Partners Korea Ltd.	1,283	94	25	(20)
Hyundai Energy Co., Ltd.	517,721	470,668	21,505	(5,516)
Ecollite Co., Ltd.	2,244	336		(18)
Taebaek Wind Power Co., Ltd.	45,040	25,787	2,066	(2,544)
Muju Wind Power Co., Ltd.	10,202	8	8	(155)
Pyeongchang Wind Power Co., Ltd.	71,964	58,747	71	(360)
Daeryun Power Co., Ltd.	811,041	634,517	67,533	(4,125)
JinanJangsu Wind Power Co., Ltd.	311	56		(51)
Changjuk Wind Power Co., Ltd.	42,155	19,576	2,023	837
KNH Solar Co., Ltd.	26,387	19,559	617	(213)
SPC Power Corporation	206,606	46,308	18,300	12,446
Gemeng International Energy Co., Ltd.	5,959,618	3,919,626	277,030	8,077
PT. Cirebon Electric Power	1,003,310	778,849	76,734	13,366
KNOC Nigerian East Oil Co., Ltd.	260,156	336,728		(2,305)
KNOC Nigerian West Oil Co., Ltd.	158,296	228,528		(2,086)
Dolphin Property Limited	295	1		

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PT. Wampu Electric Power	199,101	160,732	1,240	(1,292)
PT. Bayan Resources TBK	961,492	865,144	111,514	2,685
S-Power Co., Ltd.	923,708	650,225	152,948	1,769
Pioneer Gas Power Limited	311,099	242,147		
Eurasia Energy Holdings	590	1,053		
Xe-Pian Xe-Namnoy Power Co., Ltd.	548,239	391,881		(7,671)
Busan Solar Co., Ltd.	25,376	20,898	572	(157)
Hadong Mineral Fiber Co., Ltd.	2	21		
Green Biomass Co., Ltd.	11,345	10,271	886	(233)
PT. Mutiara Jawa	27,344	32,328	704	15
Samcheok Eco Material Co., Ltd.	23,880	2,111	48	(638)
Noeul Green Energy Co., Ltd.	1,409	122		(124)
Naepo Green Energy Co., Ltd.	106,858	1,388	2,045	(1,513)
Goseong Green Energy Co., Ltd.	93,338	2,576		(1,325)
Gangneung Eco Power Co., Ltd.	86,283	14,886		(898)
Shin Pyeongtaek Power Co., Ltd.	39,283	42,885		(550)
Heang Bok Do Si Photovoltaic Power Co., Ltd.	3,028	2,427	71	(87)
DS POWER Co., Ltd.	657,754	538,812	38,775	998
Dongducheon Dream Power Co., Ltd.	1,673,016	1,397,641	300,955	4,167
KS Solar Co., Ltd.	29,111	25,938	1,040	(83)
Yeongwol Energy Station Co., Ltd.	178,537	165,120	18,280	2,349
Jimbhuvish Power Generation Pvt. Ltd.	74,359	18,927		
SE Green Energy Co., Ltd.	7,461	1		(25)
Daegu Photovoltaic Co., Ltd.	20,878	14,043	911	296
Jeongam Wind Power Co., Ltd.	1,951	304		(98)
Korea Power Engineering Service Co., Ltd.	9,500	1,931	5,797	1,344
Busan Green Energy Co., Ltd.	49,490	70		(620)
Jungbu Bio Energy Co., Ltd.	5,026	403		(168)
Korea Electric Vehicle Charging Service	9,393	4,559		(331)
Ulleungdo Natural Energy Co., Ltd.	24,723	106		(235)
Korea Nuclear Partners Co., Ltd.	977	34		(53)
Tamra Offshore Wind Power Co., Ltd	93,904	64,843		(3,221)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(4) Summary of financial information of associates and joint ventures as of and for the three-month period ended March 31, 2016 and as of and for the year ended December 31, 2015 are as follows, continued:

*In millions of won*

Investees	March 31, 2016			Sales	Profit (loss) for the period
	Total assets	Total liabilities			
<b>&lt;Joint ventures&gt;</b>					
KEPCO-Uhde Inc.	₩ 17,368	94			(149)
Eco Biomass Energy Sdn. Bhd.					
Datang Chaoyang Renewable Power Co., Ltd.	150,190	81,155	3,865		165
Shuweihat Asia Power Investment B.V.	21,437	3			802
Shuweihat Asia Operation & Maintenance Company	1,294		611		453
Waterbury Lake Uranium L.P.	54,481	445			
ASM-BG Investicii AD	85,645	44,354	2,498		129
RES Technology AD	74,829	47,145	1,569		(481)
KV Holdings, Inc.	5,057				
KEPCO SPC Power Corporation	461,647	160,296	43,605		22,271
Canada Korea Uranium Limited Partnership	284	84			
KEPCO Energy Resource Nigeria Limited	379,246	442,018			(8,834)
Gansu Datang Yumen Wind Power Co., Ltd.	96,785	58,302	1,574		(1,375)
Datang Chifeng Renewable Power Co., Ltd.	855,482	424,151	26,807		5,612
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	61,732	35,132	1,634		276
Rabigh Electricity Company	2,642,611	2,234,705	67,664		4,282
Rabigh Operation & Maintenance Company	19,658	9,219	5,573		586
Jamaica Public Service Company Limited	1,074,186	643,877	178,997		7,396
KW Nuclear Components Co., Ltd.	28,571	20,320	8,575		3,273
Busan Shinho Solar Power Co., Ltd.	49,968	35,773	1,702		186
GS Donghae Electric Power Co., Ltd.	1,803,381	1,214,929			(1,001)
Global Trade Of Power System Co., Ltd.	1,972	566	459		(32)
	20,285	13,518	142		(352)

Expressway Solar-light Power Generation Co.,  
Ltd.

KODE NOVUS 1 LLC	62,907	109,957	1,170	(2,283)
KODE NOVUS 2 LLC	22,119	45,436	531	(907)
Daejung Offshore Wind Power Co., Ltd.	6,612	68	1	(173)
Amman Asia Electric Power Company	849,778	631,988	2,726	8,158
KEPCO-ALSTOM Power Electronics Systems, Inc.	81,075	72,488	1,809	(401)
Dangjin Eco Power Co., Ltd.	151,299	697		(343)
Honam Wind Power Co., Ltd.	40,394	26,399	1,970	928
Nepal Water & Energy Development Company Pty Ltd.	42,884	12,141		(154)
Chun-cheon Energy Co., Ltd.	243,822	71,819		(873)
Yeonggwangbaeksu Wind Power Co., Ltd.	104,233	85,433	3,683	882
Nghi Son 2 Power Ltd.	916	96		(300)
Kelar S.A	606,887	707,266		(2,365)
PT. Tanjung Power Indonesia	73,121	70,325	37,758	1,104
Incheon New Power Co., Ltd.	9,096	7,266	789	92
Seokmun Energy Co., Ltd.	186,821	184,986		(56)
Daehan Wind Power PSC	454	28		(134)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(4) Summary of financial information of associates and joint ventures as of and for the three-month period ended March 31, 2016 and as of and for the year ended December 31, 2015 are as follows, continued:

*In millions of won*

Investees	December 31, 2015			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
<b>&lt;Associates&gt;</b>				
Daegu Green Power Co., Ltd.	₩ 639,118	471,497	321,273	18,625
Korea Gas Corporation	42,385,340	32,328,396	26,052,724	319,190
Korea Electric Power Industrial Development Co., Ltd.	142,835	77,340	324,162	9,855
YTN Co., Ltd.	305,799	126,561	117,418	(520)
Cheongna Energy Co., Ltd.	458,205	419,353	48,519	(21,108)
Gangwon Wind Power Co., Ltd.	114,600	28,994	21,941	8,529
Hyundai Green Power Co., Ltd.	1,182,352	790,407	486,435	31,011
Korea Power Exchange	236,199	27,464	87,400	9,303
AMEC Partners Korea Ltd.	1,332	123	511	155
Hyundai Energy Co., Ltd.	526,305	473,736	80,067	(29,749)
Ecollite Co., Ltd.	2,271	345		(97)
Taebaek Wind Power Co., Ltd.	48,009	26,212	6,626	(302)
Muju Wind Power Co., Ltd.	10,349			(477)
Pyeongchang Wind Power Co., Ltd.	62,565	48,959		(1,164)
Daeryun Power Co., Ltd.	838,199	657,551	279,787	(29,806)
JinanJangsu Wind Power Co., Ltd.	306			(1)
Changjuk Wind Power Co., Ltd.	41,444	19,053	6,472	772
KNH Solar Co., Ltd.	27,254	20,105	4,399	861
SPC Power Corporation	182,908	30,191	68,149	37,395
Gemeng International Energy Co., Ltd.	5,956,288	3,940,455	902,008	95,064
PT. Cirebon Electric Power	1,026,729	806,458	295,788	43,968
KNOC Nigerian East Oil Co., Ltd.	264,434	337,762		(6,069)
KNOC Nigerian West Oil Co., Ltd.	160,765	230,001		(7,386)
Dolphin Property Limited	300	1		8

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PT. Wampu Electric Power	201,383	160,159	17,476	(2,696)
PT. Bayan Resources TBK	1,043,143	901,952	461,349	(30,014)
S-Power Co., Ltd.	935,870	664,523	632,073	5,336
Pioneer Gas Power Limited	310,761	240,833		148
Eurasia Energy Holdings	599	1,069		
Xe-Pian Xe-Namnoy Power Co., Ltd.	506,970	341,261		2,760
Busan Solar Co., Ltd.	26,059	21,367	4,267	383
Hadong Mineral Fiber Co., Ltd.	2	21		(30)
Green Biomass Co., Ltd.	10,664	9,343	4,136	(1,323)
PT. Mutiara Jawa	25,013	29,913	1,943	(7,247)
Samcheok Eco Material Co., Ltd.	23,119	735		(2,171)
Noeul Green Energy Co., Ltd.	1,517	44		(446)
Naepo Green Energy Co., Ltd.	108,167	1,184	3,126	(5,274)
Goseong Green Energy Co., Ltd.	95,323	3,248		(4,312)
Gangneung Eco Power Co., Ltd.	81,459	9,163		(3,610)
Shin Pyeongtaek Power Co., Ltd.	25,875	29,190		(2,595)
Heang Bok Do Si Photovoltaic Power Co., Ltd.	3,128	2,452	490	81
DS POWER Co., Ltd.	641,257	525,524	33,542	(5,759)
Dongducheon Dream Power Co., Ltd.	1,668,235	1,397,026	1,003,346	(10,307)
KS Solar Co., Ltd.	29,745	26,469	4,667	278
Yeongwol Energy Station Co., Ltd.	179,852	166,953	12,068	1,831
Jinhuvish Power Generation Pvt. Ltd.	75,429	19,199		(805)
SE Green Energy Co., Ltd.	7,484			(103)
Daegu Photovoltaic Co., Ltd.	21,039	14,535	3,977	1,051
Jeongam Wind Power Co., Ltd.	2,053	299		(621)
Korea Power Engineering Service Co., Ltd.	9,194	2,968	25,925	2,296
Busan Green Energy Co., Ltd.	50,093	53		(180)
Jungbu Bio Energy Co., Ltd.	5,192	400		(508)
Korea Electric Vehicle Charging Service	9,577	4,412		(482)
Ulleungdo Natural Energy Co., Ltd.	27,113	2,262		(1,948)
Korea Nuclear Partners Co., Ltd.	1,002	6		(4)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(4) Summary of financial information of associates and joint ventures as of and for the three-month period ended March 31, 2016 and as of and for the year ended December 31, 2015 are as follows, continued:

*In millions of won*

Investees	December 31, 2015			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
<b>&lt;Joint ventures&gt;</b>				
KEPCO-Uhde Inc.	₩ 17,535	111		(765)
Eco Biomass Energy Sdn. Bhd.				
Datang Chaoyang Renewable Power Co., Ltd.	150,157	81,056	16,335	(373)
Shuweiha Asia Power Investment B.V.	41,969	17		8,232
Shuweiha Asia Operation & Maintenance Company	885		2,318	1,666
Waterbury Lake Uranium L.P.	51,302	4		
ASM-BG Investicii AD	83,766	43,359	12,328	2,833
RES Technology AD	73,261	45,684	7,539	(566)
KV Holdings, Inc.	5,025			186
KEPCO SPC Power Corporation	449,553	172,261	175,008	59,610
Canada Korea Uranium Limited Partnership	305	124		(19)
KEPCO Energy Resource Nigeria Limited	380,282	416,959		(16,309)
Gansu Datang Yumen Wind Power Co., Ltd.	98,298	58,030	7,280	(4,507)
Datang Chifeng Renewable Power Co., Ltd.	882,914	454,731	103,860	21,900
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	65,110	38,661	7,880	1,216
Rabigh Electricity Company	2,644,825	2,297,194	293,184	53,384
Rabigh Operation & Maintenance Company	18,186	9,222	22,203	2,144
Jamaica Public Service Company Limited	1,086,244	657,962	859,728	3,305
KW Nuclear Components Co., Ltd.	36,065	24,777	16,217	7,687
Busan Shinho Solar Power Co., Ltd.	51,617	36,903	7,565	1,471
GS Donghae Electric Power Co., Ltd.	1,675,986	1,086,534		(2,823)
Global Trade Of Power System Co., Ltd.	1,547	78	4,849	287
Expressway Solar-light Power Generation	21,154	13,913	2,981	443



Co., Ltd.				
KODE NOVUS 1 LLC	64,453	110,030	3,421	(59,389)
KODE NOVUS 2 LLC	22,500	45,306	1,868	(39,345)
Daejung Offshore Wind Power Co., Ltd.	6,795	78		(606)
Amman Asia Electric Power Company	875,590	645,998	46,940	41,880
KEPCO-ALSTOM Power Electronics Systems, Inc.	50,152	41,326	18,849	(611)
Dangjin Eco Power Co., Ltd.	136,982	945		(1,035)
Honam Wind Power Co., Ltd.	41,527	28,100	5,944	1,266
Nepal Water & Energy Development Company Pty Ltd.	42,644	11,136		(647)
Chun-cheon Energy Co., Ltd.	149,025	42,094		(2,389)
Yeonggwangbaeksu Wind Power Co., Ltd.	104,045	86,257	4,974	(1,956)
Nghi Son 2 Power Ltd.	771	234		(1,111)
Kelar S.A	375,136	405,618		(3,140)
PT. Tanjung Power Indonesia	37,948	36,185	16,476	(276)
Incheon New Power Co., Ltd.	10,078	8,306	3,318	301
Seokmun Energy Co., Ltd.	184,051	184,759		(552)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(5) Financial information of associates and joint ventures reconciled to the Company's investments in consolidated financial statements as of March 31, 2016 and December 31, 2015 are as follows:

*In millions of won*

Investees	Net assets	March 31, 2016		Investment differential	Intercompany transaction	Others	Book value
		Percentage of ownership (*)	Share in net assets				
<b>&lt;Associates&gt;</b>							
Daegu Green Power Co., Ltd.	₩ 185,004	49.90%	92,317	144			92,461
Korea Gas Corporation	10,518,113	21.57%	2,268,757			(66,978)	2,201,779
Korea Electric Power Industrial Development Co., Ltd.	64,642	29.00%	18,746				18,746
YTN Co., Ltd.	174,100	21.43%	37,310		(40)	(2)	37,268
Cheongna Energy Co., Ltd.	39,635	43.90%	17,400	2,584	(148)		19,836
Gangwon Wind Power Co., Ltd.	83,502	15.00%	12,525			49	12,574
Hyundai Green Power Co., Ltd.	375,445	29.00%	108,879				108,879
Korea Power Exchange	219,136	100.00%	219,136				219,136
AMEC Partners Korea Ltd.	1,189	19.00%	226				226
Hyundai Energy Co., Ltd.	47,053	46.30%	21,786		(1,109)	(14,759)	5,918
Ecollite Co., Ltd.	1,908	36.10%	689			(689)	
Taebaek Wind Power Co., Ltd.	19,253	25.00%	4,813		(423)		4,390
Muju Wind Power Co., Ltd.	10,194	25.00%	2,549			(1)	2,548
Pyeongchang Wind	13,217	25.00%	3,304				3,304

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Power Co., Ltd.							
Daeryun Power Co., Ltd.	176,524	19.45%	34,334	1,014		6	35,354
JinanJangsu Wind Power Co., Ltd.	255	25.00%	64				64
Changjuk Wind Power Co., Ltd.	22,579	30.00%	6,774		(493)		6,281
KNH Solar Co., Ltd.	6,828	27.00%	1,844		(75)		1,769
SPC Power Corporation	160,298	38.00%	60,913				60,913
Gemeng International Energy Co., Ltd.	2,039,992	34.00%	693,597			44,732	738,329
PT. Cirebon Electric Power	224,461	27.50%	61,727				61,727
KNOC Nigerian East Oil Co., Ltd.	(76,572)	14.63%	(11,202)			11,202	
KNOC Nigerian West Oil Co., Ltd.	(70,232)	14.63%	(10,275)			10,275	
Dolphin Property Limited	294	15.00%	44			16	60
PT. Wampu Electric Power	38,369	46.00%	17,650				17,650
PT. Bayan Resources TBK	96,348	20.00%	19,270	491,204			510,474
S-Power Co., Ltd.	273,483	49.00%	134,007		(2,026)		131,981
Pioneer Gas Power Limited	68,952	40.00%	27,581	23,147		68	50,796
Eurasia Energy Holdings	(463)	40.00%	(185)			185	
Xe-Pian Xe-Namnoy Power Co., Ltd.	156,358	25.00%	39,090	(8,796)	(530)	(289)	29,475
Busan Solar Co., Ltd.	4,478	19.80%	887		52		939
Hadong Mineral Fiber Co., Ltd.	(19)	25.00%	(5)			5	
Green Biomass Co., Ltd.	1,074	14.00%	150				150
PT. Mutiara Jawa	(4,984)	29.00%	(1,445)	70		1,375	
Samcheok Eco Material Co., Ltd.	21,769	2.67%	581			(581)	
Noeul Green Energy Co., Ltd.	1,287	20.00%	257				257
Naepo Green Energy Co., Ltd.	105,470	25.00%	26,368				26,368
Goseong Green Energy Co., Ltd.	90,762	2.90%	2,632				2,632
Gangneung Eco Power Co., Ltd.	71,397	3.72%	2,656			(1)	2,655
Shin Pyeongtaek Power Co., Ltd.	(3,602)	40.00%	(1,441)		(1,995)	3,436	
Heang Bok Do Si Photovoltaic Power Co., Ltd.	601	28.00%	168				168

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DS POWER Co., Ltd.	118,942	10.91%	12,977	(6,475)	4,312	10,814
Dongducheon Dream Power Co., Ltd.	275,375	33.61%	92,554	(5,038)	(30,087)	57,429
KS Solar Co., Ltd.	3,173	19.00%	603	(60)		543
Yeongwol Energy Station Co., Ltd.	13,417	10.00%	1,342			1,342
Jimbhuvish Power Generation Pvt. Ltd.	55,432	5.16%	2,860	5,547		8,407
SE Green Energy Co., Ltd.	7,460	47.76%	3,563			3,563
Daegu Photovoltaic Co., Ltd.	6,835	29.00%	1,982			1,982

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(5) **Financial information of associates and joint ventures reconciled to the Company's investments in consolidated financial statements as of March 31, 2016 and December 31, 2015 are as follows, continued:**

*In millions of won*

Investees	March 31, 2016						
	Net assets	Percentage of ownership (*)	Share in net assets	Investment differential	Intercompany transaction	Others	Book value
Jeongam Wind Power Co., Ltd.	₩ 1,647	40.00%	659				659
Korea Power Engineering Service Co., Ltd.	7,569	29.00%	2,195				2,195
Busan Green Energy Co., Ltd.	49,420	29.00%	14,332				14,332
Jungbu Bio Energy Co., Ltd.	4,623	18.87%	872				872
Korea Electric Vehicle Charging Service	4,834	28.00%	1,354				1,354
Ulleungdo Natural Energy Co., Ltd.	24,617	29.85%	7,348			(1)	7,347
Korea Nuclear Partners Co., Ltd.	943	29.00%	273				273
Tamra Offshore Wind Power Co., Ltd.	29,061	27.00%	7,846			1	7,847
<b>&lt;Joint ventures&gt;</b>							
KEPCO-Uhde Inc.	17,274	50.85%	8,784			(311)	8,473
Eco Biomass Energy Sdn. Bhd.		61.53%					
Datang Chaoyang Renewable Power Co., Ltd.	69,035	40.00%	27,614				27,614
Shuweihaat Asia Power Investment B.V.	21,434	49.00%	10,503			(83)	10,420
Shuweihaat Asia Operation & Maintenance Company	1,294	55.00%	712			(1)	711

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Waterbury Lake Uranium L.P.	54,036	38.43%	20,766		(118)	20,648
ASM-BG Investicii AD	41,291	50.00%	20,646			20,646
RES Technology AD	27,684	50.00%	13,842			13,842
KV Holdings, Inc.	5,057	40.00%	2,023			2,023
KEPCO SPC Power Corporation	301,351	75.20%	226,616		1	226,617
Canada Korea Uranium Limited Partnership	200	12.50%	25		(25)	
KEPCO Energy Resource Nigeria Limited	(62,772)	30.00%	(18,832)		18,832	
Gansu Datang Yumen Wind Power Co., Ltd.	38,483	40.00%	15,393			15,393
Datang Chifeng Renewable Power Co., Ltd.	431,331	40.00%	172,532		(47)	172,485
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	26,600	40.00%	10,640			10,640
Rabigh Electricity Company	407,906	40.00%	163,162	(78,562)	(29)	84,571
Rabigh Operation & Maintenance Company	10,439	40.00%	4,176		(1)	4,175
Jamaica Public Service Company Limited	430,309	40.00%	172,124	(80,161)	146,137	238,100
KW Nuclear Components Co., Ltd.	8,251	43.36%	3,578	90		3,668
Busan Shinho Solar Power Co., Ltd.	14,195	25.00%	3,549			3,549
GS Donghae Electric Power Co., Ltd.	588,452	34.00%	200,074		(35)	200,039
Global Trade Of Power System Co., Ltd.	1,406	29.00%	408			408
Expressway Solar-light Power Generation Co., Ltd.	6,767	29.00%	1,962		1	1,963
KODE NOVUS 1 LLC	(47,050)	50.00%	(23,525)	4,732		18,793
KODE NOVUS 2 LLC	(23,317)	50.00%	(11,659)			11,659
Daejung Offshore Wind Power Co., Ltd.	6,544	49.90%	3,265		1	3,266
Amman Asia Electric Power Company	217,790	60.00%	130,674		(87)	130,587
KEPCO-ALSTOM Power Electronics Systems, Inc.	8,587	51.00%	4,379			4,379
Dangjin Eco Power Co., Ltd.	150,602	34.00%	51,205	2,618	(590)	53,233
Honam Wind Power Co., Ltd.	13,995	29.00%	4,059	32		4,091
Nepal Water & Energy Development Company Pty Ltd.	30,743	52.77%	16,223	972	174	17,369
Chun-cheon Energy Co., Ltd.	172,003	29.90%	51,429	3		51,432
Yeonggwangbaeksu Wind Power Co., Ltd.	18,800	15.00%	2,820			2,820

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Nghi Son 2 Power Ltd.	820	50.00%	410		1	411
Kelar S.A	(100,379)	65.00%	(65,246)	2,424		62,822
PT. Tanjung Power Indonesia	2,796	35.00%	979			979
Incheon New Power Co., Ltd.	1,830	29.00%	531		(1)	530
Seokmun Energy Co., Ltd.	1,835	29.00%	532			532
Daehan Wind Power PSC	426	50.00%	213			213

(\* ) The percentage of ownership shown above is after considering the treasury stocks and others.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(5) Financial information of associates and joint ventures reconciled to the Company's investments in consolidated financial statements as of March 31, 2016 and December 31, 2015 are as follows, continued:

*In millions of won*

Investees	Net assets	December 31, 2015		Investment differential	Intercompany transaction	Others	Book value
		Percentage of ownership (*)	Share in net assets				
<b>&lt;Associates&gt;</b>							
Daegu Green Power Co., Ltd.	₩ 167,621	47.80%	80,123	144			80,267
Korea Gas Corporation	10,056,944	21.57%	2,169,283			(66,470)	2,102,813
Korea Electric Power Industrial Development Co., Ltd.	65,495	29.00%	18,994				18,994
YTN Co., Ltd.	179,238	21.43%	38,411		(43)	(3)	38,365
Cheongna Energy Co., Ltd.	38,852	43.90%	17,056	2,584	(150)		19,490
Gangwon Wind Power Co., Ltd.	85,606	15.00%	12,841			49	12,890
Hyundai Green Power Co., Ltd.	391,945	29.00%	113,664				113,664
Korea Power Exchange	208,735	100.00%	208,735				208,735
AMEC Partners Korea Ltd.	1,209	19.00%	230				230
Hyundai Energy Co., Ltd.	52,569	46.30%	24,340		(1,120)	(16,230)	6,990
Ecollite Co., Ltd.	1,926	36.10%	695			(695)	
Taebaek Wind Power Co., Ltd.	21,797	25.00%	5,449		(493)		4,956
Muju Wind Power Co., Ltd.	10,349	25.00%	2,587				2,587
Pyeongchang Wind	13,606	25.00%	3,402				3,402



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Power Co., Ltd.							
Daeryun Power Co., Ltd.	180,648	19.45%	35,136	1,014		6	36,156
JinanJangsu Wind Power Co., Ltd.	306	25.00%	77				77
Changjuk Wind Power Co., Ltd.	22,391	30.00%	6,717		(574)		6,143
KNH Solar Co., Ltd.	7,149	27.00%	1,930		(6)		1,924
SPC Power Corporation	152,717	38.00%	58,033				58,033
Gemeng International Energy Co., Ltd.	2,015,833	34.00%	685,383			43,013	728,396
PT. Cirebon Electric Power	220,271	27.50%	60,574				60,574
KNOC Nigerian East Oil Co., Ltd.	(73,328)	14.63%	(10,728)			10,728	
KNOC Nigerian West Oil Co., Ltd.	(69,236)	14.63%	(10,129)			10,129	
Dolphin Property Limited	299	15.00%	45			16	61
PT. Wampu Electric Power	41,224	46.00%	18,963				18,963
PT. Bayan Resources TBK	141,191	20.00%	28,238	498,089		(1,261)	525,066
S-Power Co., Ltd.	271,347	49.00%	132,960		(2,052)		130,908
Pioneer Gas Power Limited	69,928	40.00%	27,971	23,147		69	51,187
Eurasia Energy Holdings	(470)	40.00%	(188)			188	
Xe-Pian Xe-Namnoy Power Co., Ltd.	165,709	25.00%	41,427	(8,796)	(479)	(289)	31,863
Busan Solar Co., Ltd.	4,692	19.80%	929		(4)		925
Hadong Mineral Fiber Co., Ltd.	(19)	25.00%	(5)			5	
Green Biomass Co., Ltd.	1,321	14.00%	185			(185)	
PT. Mutiara Jawa	(4,900)	29.00%	(1,421)	70		1,351	
Samcheok Eco Material Co., Ltd.	22,384	2.67%	598			(598)	
Noeul Green Energy Co., Ltd.	1,473	20.00%	295				295
Naepo Green Energy Co., Ltd.	106,983	25.00%	26,746				26,746
Goseong Green Energy Co., Ltd.	92,075	2.90%	2,670				2,670
Gangneung Eco Power Co., Ltd.	72,296	3.72%	2,689			(1)	2,688
Shin Pyeongtaek Power Co., Ltd.	(3,315)	40.00%	(1,326)		(1,995)	3,321	
Heang Bok Do Si Photovoltaic Power Co., Ltd.	676	28.00%	189				189

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DS POWER Co., Ltd.	115,733	10.91%	12,626	(5,940)	4,274	10,960
Dongducheon Dream Power Co., Ltd.	271,209	33.61%	91,153	5,398	(40,884)	55,667
KS Solar Co., Ltd.	3,276	19.00%	622	(4)		618
Yeongwol Energy Station Co., Ltd.	12,899	10.00%	1,290			1,290
Jimbhuvish Power Generation Pvt. Ltd.	56,230	5.16%	2,901	5,450	(1)	8,350
SE Green Energy Co., Ltd.	7,484	47.76%	3,575			3,575
Daegu Photovoltaic Co., Ltd.	6,504	29.00%	1,886			1,886

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

(5) **Financial information of associates and joint ventures reconciled to the Company's investments in consolidated financial statements as of March 31, 2016 and December 31, 2015 are as follows, continued:**

*In millions of won*

Investees	Net assets	December 31, 2015		Investment differential	Intercompany transaction	Others	Book value
		Percentage of ownership (*)	Share in net assets				
Jeongam Wind Power Co., Ltd.	₩ 1,754	40.00%	702				702
Korea Power Engineering Service Co., Ltd.	6,226	29.00%	1,805				1,805
Busan Green Energy Co., Ltd.	50,040	29.00%	14,512				14,512
Jungbu Bio Energy Co., Ltd.	4,792	18.87%	904				904
Korea Electric Vehicle Charging Service	5,165	28.00%	1,446				1,446
Ulleungdo Natural Energy Co., Ltd.	24,851	29.85%	7,418			(1)	7,417
Korea Nuclear Partners Co., Ltd.	996	29.00%	289				289
<b>&lt;Joint ventures&gt;</b>							
KEPCO-Uhde Inc.	17,424	50.85%	8,860			(311)	8,549
Eco Biomass Energy Sdn. Bhd.		61.53%					
Datang Chaoyang Renewable Power Co., Ltd.	69,101	40.00%	27,640				27,640
Shuweiha Asia Power Investment B.V.	41,952	49.00%	20,556			(82)	20,474
Shuweiha Asia Operation & Maintenance Company	885	55.00%	487			(1)	486
Waterbury Lake Uranium L.P.	51,298	40.00%	20,519			(220)	20,299

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ASM-BG Investicii AD	40,407	50.00%	20,203			20,203
RES Technology AD	27,577	50.00%	13,789			13,789
KV Holdings, Inc.	5,025	40.00%	2,010			2,010
KEPCO SPC Power Corporation	277,292	75.20%	208,524			208,524
Canada Korea Uranium Limited Partnership	181	12.50%	23		(23)	
KEPCO Energy Resource Nigeria Limited	(36,677)	30.00%	(11,003)		11,003	
Gansu Datang Yumen Wind Power Co., Ltd.	40,268	40.00%	16,107			16,107
Datang Chifeng Renewable Power Co., Ltd.	428,183	40.00%	171,273		(49)	171,224
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	26,449	40.00%	10,580			10,580
Rabigh Electricity Company	347,631	40.00%	139,052	(79,646)	(38)	59,368
Rabigh Operation & Maintenance Company	8,964	40.00%	3,586			3,586
Jamaica Public Service Company Limited	428,282	40.00%	171,313	(72,370)	142,975	241,918
KW Nuclear Components Co., Ltd.	11,288	43.36%	4,895	90		4,985
Busan Shinho Solar Power Co., Ltd.	14,714	25.00%	3,678			3,678
GS Donghae Electric Power Co., Ltd.	589,452	34.00%	200,414		(35)	200,379
Global Trade Of Power System Co., Ltd.	1,469	29.00%	426			426
Expressway Solar-light Power Generation Co., Ltd.	7,241	29.00%	2,100			2,100
KODE NOVUS 1 LLC	(45,577)	50.00%	(22,789)	4,732	18,057	
KODE NOVUS 2 LLC	(22,806)	49.00%	(11,175)		11,175	
Daejung Offshore Wind Power Co., Ltd.	6,717	49.90%	3,352			3,352
Amman Asia Electric Power Company	229,592	60.00%	137,755		(87)	137,668
KEPCO-ALSTOM Power Electronics Systems, Inc.	8,826	51.00%	4,501			4,501
Dangjin Eco Power Co., Ltd.	136,037	34.00%	46,253	2,696	(668)	48,281
Honam Wind Power Co., Ltd.	13,427	29.00%	3,894	32		3,926
Nepal Water & Energy Development Company Pty Ltd.	31,508	52.77%	16,627	972	166	17,765
Chun-cheon Energy Co., Ltd.	106,931	29.90%	31,972	3	1	31,976
Yeonggwangbaeksu Wind Power Co., Ltd.	17,788	15.00%	2,668			2,668
Nghi Son 2 Power Ltd.	537	50.00%	268		1	269
Kelar S.A	(30,482)	65.00%	(19,814)	2,424	17,390	

PT. Tanjung Power Indonesia	1,763	35.00%	617	617
Incheon New Power Co., Ltd.	1,772	29.00%	514	514
Seokmun Energy Co., Ltd.	(708)	29.00%	(205)	205

(\*) The percentage of ownership shown above is after considering the treasury stocks and others.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

- (6) **As of March 31, 2016 and December 31, 2015, unrecognized equity interest in investments in associates and joint ventures whose book value has been reduced to zero due to accumulated losses are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Unrecognized equity interest</b>	<b>Accumulated unrecognized equity interest</b>	<b>Unrecognized equity interest</b>	<b>Accumulated unrecognized equity interest</b>
Green Biomass Co., Ltd.	₩		(125)	
Shin Pyeongtaek Power Co., Ltd.	2,110	3,436	1,038	1,326
KEPCO Energy Resource Nigeria Limited	7,829	18,832	4,645	11,003
Chun-cheon Energy Co., Ltd.			(8)	
Seokmun Energy Co., Ltd.	(205)		152	205
Kelar S.A	45,433	62,822	17,389	17,389
Hadong Mineral Fiber Co., Ltd.		5	5	5
PT. Mutiara Jawa	24	1,375	1,351	1,351
Eurasia Energy Holdings	(3)	185	188	188
KODE NOVUS I LLC	736	23,525	22,789	22,789
KODE NOVUS II LLC	484	11,659	11,175	11,175

- (7) **As of March 31, 2016, shareholders agreements on investments in associates and joint ventures that may cause future economic costs or cash outflows are as follows:**

- (i) Gemeng International Energy Co., Ltd.

Gemeng International Energy Co., Ltd., issued put options on 8% of its shares to its financial investors, KEPCO Woori Sprott PEF (NPS Co-Pa PEF). If the investment fund is not collected until the maturity date (December 25, 2023, two years extension is possible), PEF can exercise the option at strike price which is the same as a principal investment price (including operating fees ratio of below 1% per annum), and also, the Company provided a performance guarantee on this agreement.

(ii) Hyundai Energy Co., Ltd.

As of March 31, 2016, Hyundai Energy Co., Ltd., an associate of the Company, which engages in the integrated energy business, entered into a project financing loan agreement with a limit of ₩450 billion with Korea Development Bank and others, and the Company guaranteed to create a certain amount of sales profit.

Related to the above project financing, NH Power II Co., Ltd. and National Agricultural Cooperative Federation ( NACF ) has entered into an agreement with Boim Energy Co., Ltd. to acquire shares in Hyundai Energy Co., Ltd. held by Boim Energy Co., Ltd. The Company had placed guarantees for a fixed return on the investment to the financial institutions and had obtained the rights to acquire the investment securities in return preferentially.

In addition, NH Power II Co., Ltd. and NACF have a right, which can be exercised for 30 days starting from 2 months to 1 month prior to 17 years after the termination date of the contract to sell their shares to the Company. Also, if dividends to shareholders exceed annual revenue, the excessive amount shall be evenly distributed to Boim Energy Co., Ltd. and the Company.

(iii) Taebaek Wind Power Co., Ltd.

In case non-controlling shareholders decide to dispose of their shares in Taebaek Wind Power Co., Ltd. after the warrant period of defect repair for wind power generator has expired, the Company is obligated to acquire those shares at fair value. The acquisition is to be made after the conditions of the acquisition are discussed among the parties involved, with consideration of various factors such as financial status and business situation.

(iv) Pyeongchang Wind Power Co., Ltd.

In case non-controlling shareholders decide to dispose of their shares in Pyeongchang Wind Power Co., Ltd. after commercial operation of the power plant has started, the Company is obligated to acquire those shares at fair value. The acquisition is to be made after the conditions of the acquisition are discussed among the parties involved, with the careful consideration of various factors such as financial status and business situation.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued**

**(7) As of March 31, 2016, shareholders' agreements on investments in associates and joint ventures that may cause future economic costs or cash outflows are as follows, continued:**

(v) Jeongam Wind Power Co., Ltd.

In case non-controlling shareholders, except for financial investors, decide to dispose of their shares in Jeongam Wind Power Co., Ltd. after the construction of the power plant has been completed, the Company is obligated to acquire those shares at fair value.

(vi) Daejung Offshore Wind Power Co., Ltd.

In case Samsung Heavy Industries Co., Ltd., a co-participant of the joint venture agreement, decides to dispose of its shares in Daejung Offshore Wind Power Co., Ltd., the Company is obligated to acquire those shares after evaluating the economic feasibility of the facilities installed by Samsung Heavy Industries Co., Ltd.

(vii) DS Power Co., Ltd.

The Company has a right to sell all shares and bonds of DS POWER Co., Ltd. to Daesung Industrial Co., Ltd. and Daesung Industrial Co., Ltd. or an authoritative person appointed by Daesung Industrial Co., Ltd.

(viii) Samcheok Eco Material Co., Ltd.

The Company has the rights to purchase the stocks should preferred stockholders elect to sell their stocks on the expected sell date (3 years from preferred stock payment date) and is required to guarantee the promised yield when preferred stockholders sell their stocks.

(ix) Seokmun Energy Co., Ltd.



The Company has an obligation to invest an additional ₩15 billion in Seokmun Energy Co., Ltd. The obligation may be conducted through acquisition of new shares, converted shares or convertible bonds.

(x) Chun-cheon Energy Co., Ltd.

The Company has an obligation to acquire the converted shares up to un-invested balance when Chun-cheon Energy Co., Ltd. fails to repay the convertible bonds on the maturity date.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued****(8) Significant restrictions on its abilities to associates or joint ventures are as follows:**

<b>Company</b>	<b>Nature and extent of any significant restrictions</b>
KNOC Nigerian East Oil Co., Ltd., KNOC Nigerian West Oil Co., Ltd.	The Company has stopped its operation in Nigeria due to an ongoing litigation and payment or retrieval of investments, loans and advances are restricted until the legal dispute is resolved.
Dolphin Property Limited	
Daeryun Power Co., Ltd.	Principals on subordinated loans or dividends can only be paid when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained.
Changjuk Wind Power Co., Ltd.	Principals on subordinated loans or dividends can only be paid when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained.
Busan Solar Co., Ltd.	Dividends cannot be declared or paid without the prior written consent of the agency, Consus Asset Management Co., Ltd. based on the loan agreement until the principal of a loan is paid off in full.
Taebaek Wind Power Co., Ltd.	Financial institutions can reject or defer an approval with regard to the request for fund executions on subordinated loans of shareholders in order to pay senior loans based on the loan agreement.
Pyeongchang Wind Power Co., Ltd.	Principals on subordinated loans or dividends can only be paid when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained.
Daegu Green Power Co., Ltd.	Only if the condition satisfies the terms of the loan agreements signed by financial institutions, the investors of subordinated credit facility loans can receive payments of principal and interest and dividend. KEB Hana Bank, the deputy, permits the amount of the payments and dividend.
KS Solar Co., Ltd.	Dividends can only be paid when all conditions of a loan agreement are satisfied.
KNH Solar Co., Ltd.	Principal and interest, dividends to shareholders cannot be paid without written consent of financial institutions.

- DS Power Co., Ltd. Shares cannot be wholly or partially transferred, except as permitted by the agreement.
- Hyundai Green Power Co., Ltd. As of March 31, 2016, Hyundai Green Power Co., Ltd., an associate of the Company, which engages in the byproduct gas power generating business, entered into a project financing agreement with a limit of ₩919.2 billion with Korea Development Bank and others.

At a certain period in the future, KEPCO has an appraisal right against the financial investors (Korea Development Bank and others) and also has an obligation to sell its shares when claimed by the financial investors.

At a certain period in the future, KEPCO has an appraisal right against Hyundai Steel Company and a third party designated by Hyundai Steel Company (collectively, Hyundai Steel Company ), the operating investor of Hyundai Green Power Co., Ltd., according to the conditions of the agreement and also has an obligation to sell its shares when claimed by Hyundai Steel Company.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**18. Property, Plant and Equipment****(1) Property, plant and equipment as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won*

	<b>March 31, 2016</b>				
	<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated depreciation</b>	<b>Accumulated impairment losses (*)</b>	<b>Book value</b>
Land	₩ 12,522,345	(3,194)			12,519,151
Buildings	15,287,036	(62,952)	(5,418,763)	(854)	9,804,467
Structures	58,865,507	(194,630)	(18,482,953)	(1,184)	40,186,740
Machinery	57,523,908	(111,172)	(21,223,006)	(36,230)	36,153,500
Ships	4,930		(4,219)		711
Vehicles	233,617	(27)	(167,738)		65,852
Equipment	1,154,878	(940)	(845,594)		308,344
Tools	860,508	(636)	(692,683)		167,189
Construction-in-progress	37,210,793	(139,027)		(38,107)	37,033,659
Finance lease assets	2,389,977		(1,904,959)		485,018
Asset retirement costs	6,890,161		(2,873,122)		4,017,039
Others	9,630,144		(7,395,372)		2,234,772
	<b>₩ 202,573,804</b>	<b>(512,578)</b>	<b>(59,008,409)</b>	<b>(76,375)</b>	<b>142,976,442</b>

(\*) The Company separately recognizes impairment loss on each asset, reflecting various factors such as physical impairment and others during the replacement.

*In millions of won*

	<b>December 31, 2015</b>				
	<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated depreciation</b>	<b>Accumulated impairment losses (*)</b>	<b>Book value</b>
Land	₩ 12,396,460	(3,147)			12,393,313
Buildings	14,936,722	(63,932)	(5,259,436)	(854)	9,612,500

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Structures	58,251,296	(193,119)	(17,991,950)	(1,184)	40,065,043
Machinery	57,143,211	(108,935)	(20,242,232)	(36,230)	36,755,814
Ships	4,930		(4,144)		786
Vehicles	227,733	(29)	(167,261)		60,443
Equipment	1,134,376	(1,026)	(823,805)		309,545
Tools	836,131	(691)	(675,501)		159,939
Construction-in-progress	35,305,133	(139,898)		(38,107)	35,127,128
Finance lease assets	2,389,985		(1,878,476)		511,509
Asset retirement costs	6,888,547		(2,782,460)		4,106,087
Others	9,438,381		(7,179,137)		2,259,244
	<b>₩ 198,952,905</b>	<b>(510,777)</b>	<b>(57,004,402)</b>	<b>(76,375)</b>	<b>141,361,351</b>

(\*) The Company separately recognizes impairment loss on each asset, reflecting various factors such as physical impairment and others during the replacement.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**18. Property, Plant and Equipment, Continued**

- (2) Changes in property, plant and equipment for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:

*In millions of won*

	March 31, 2016						
	Beginning balance	Acquisition	Disposal	Depreciat impairment	Others		Ending balance
Land	₩ 12,396,460	3,396	(8,249)		130,738		12,522,345
(Government grants)	(3,147)				(47)		(3,194)
Buildings	9,676,432	76	(1,631)	(161,580)	354,122		9,867,419
(Government grants)	(63,932)			1,279	(299)		(62,952)
Structures	40,258,162	883	(116,930)	(550,331)	789,586		40,381,370
(Government grants)	(193,119)		728	2,331	(4,570)		(194,630)
Machinery	36,864,749	61,450	(48,161)	(1,012,944)	399,578		36,264,672
(Government grants)	(108,935)		502	2,887	(5,626)		(111,172)
Ships	786			(75)			711
Vehicles	60,472	103	(11)	(6,612)	11,927		65,879
(Government grants)	(29)			2			(27)
Equipment	310,571	17,148	(9)	(28,921)	10,495		309,284
(Government grants)	(1,026)			136	(50)		(940)
Tools	160,630	2,839	(5)	(17,005)	21,366		167,825
(Government grants)	(691)			72	(17)		(636)
Construction-in-progress	35,267,026	3,514,457			(1,608,797)		37,172,686
(Government grants)	(139,898)	(9,344)			10,215		(139,027)
Finance lease assets	511,509			(21,973)	(4,518)		485,018
Asset retirement cost	4,106,087			(132,895)	43,847		4,017,039
Others	2,259,244	8,127	(98)	(216,415)	183,914		2,234,772
	₩ 141,361,351	3,599,135	(173,864)	(2,142,044)	331,864		142,976,442

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**18. Property, Plant and Equipment, Continued**

(2) Changes in property, plant and equipment for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows, continued:

*In millions of won*

	Beginning balance	December 31, 2015				Others (*2)	Ending balance
		Acquisition	Disposal	Depreciation	Impairment (*1)		
Land	₩ 12,238,488	9,370	(192,496)			341,098	12,396,460
(Government grants)	(3,103)					(44)	(3,147)
Buildings	8,979,023	12,466	(42,889)	(633,770)		1,361,602	9,676,432
(Government grants)	(67,700)			5,064		(1,296)	(63,932)
Structures	38,654,777	1,787	(181,914)	(2,120,749)		3,904,261	40,258,162
(Government grants)	(196,871)		1,816	9,178		(7,242)	(193,119)
Machinery	35,460,708	430,524	(250,915)	(3,880,076)	(1,205)	5,105,713	36,864,749
(Government grants)	(108,750)		1,101	11,133		(12,419)	(108,935)
Ships	1,085			(299)			786
Vehicles	50,576	5,449	(27)	(22,175)		26,649	60,472
(Government grants)	(76)		1	47		(1)	(29)
Equipment	211,647	56,004	(230)	(103,889)		147,039	310,571
(Government grants)	(1,002)			469		(493)	(1,026)
Tools	152,777	25,940	(90)	(67,482)		49,485	160,630
(Government grants)	(862)			268		(97)	(691)
Construction-in-progress	32,379,512	13,508,590	(13,658)		(29,139)	(10,578,279)	35,267,026
(Government grants)	(123,938)	(27,239)				11,279	(139,898)
Finance lease assets	612,395	1,560	(3,959)	(110,162)		11,675	511,509
Asset retirement cost	5,354,427			(551,461)		(696,879)	4,106,087
Others	2,219,386	25,436	(98)	(804,545)		819,065	2,259,244
	₩ 135,812,499	14,049,887	(683,358)	(8,268,449)	(30,344)	481,116	141,361,351

(\*1) Korea South-East Power Co., Ltd. and Korea East-West Power Co., Ltd, 100% owned subsidiaries, have determined that there is an impairment indicator and performed an impairment test over the individual assets. As a

result, the Company recognized the amount of the carrying amount in excess of its recoverable amount as impairment loss in the consolidated statements of comprehensive income.

(\*2) Others include ₩23,273 million of assets held for sale (note 41) comprising land and buildings and the amount is ₩2,907 million and ₩20,366 million, respectively.



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**19. Investment Properties****(1) Investment properties as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won*

		March 31, 2016		
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 209,935			209,935
Buildings	27,812	(17)	(12,790)	15,005
	₩ 237,747	(17)	(12,790)	224,940

*In millions of won*

		December 31, 2015		
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 253,960			253,960
Buildings	27,655	(13)	(11,692)	15,950
	₩ 281,615	(13)	(11,692)	269,910

**(2) Changes in investment properties for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:***In millions of won*

		March 31, 2016		
	Beginning balance	Depreciation	Others	Ending balance
Land	₩ 253,960		(44,025)	209,935
Buildings	15,963	(198)	(743)	15,022

(Government grants)	(13)	(4)	(17)
	₩ 269,910	(198)	(44,772)
			224,940

*In millions of won*

	<b>Beginning balance</b>	<b>December 31, 2015</b>		<b>Ending balance</b>
		<b>Depreciation</b>	<b>Others</b>	
Land	₩ 301,483		(47,523)	253,960
Buildings	15,791	(669)	841	15,963
(Government grants)	(10)		(3)	(13)
	₩ 317,264	(669)	(46,685)	269,910

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**19. Investment Properties, Continued****(3) Income and expenses related to investment properties for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
Rental income	₩	1,896		2,192
Operating and maintenance expenses related to rental income		(198)		(162)
	₩	1,698		2,030

**(4) Fair value of investment properties as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Book value</b>	<b>Fair value</b>	<b>Book value</b>	<b>Fair value</b>
Land	₩ 209,935	243,152	253,960	284,423
Buildings	15,005	16,636	15,950	18,263
	₩ 224,940	259,788	269,910	302,686

The fair values of the investment properties as of the reporting date were determined in consideration of the fluctuation on the publicly announced individual land price after the K-IFRS transition date.

**(5) All of the Company's investment property is held under freehold interests.****20. Construction Contracts**

- (1) **Changes in balance of construction service contracts for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

*In millions of won*

		March 31, 2016		
	Beginning balance	Increase and decrease (*)	Recognized revenue	Ending balance
Nuclear power plant construction in UAE and others	₩ 12,308,839	(429,135)	(981,845)	10,897,859

- (\*) For the three-month period ended March 31, 2016, the increased balance of contracts from new orders and other is ₩59,671 million and the decreased balance of contracts from changes in size of construction is ₩488,806 million.

*In millions of won*

		December 31, 2015		
	Beginning Balance	Increase and decrease (*)	Recognized revenue	Ending balance
Nuclear power plant construction in UAE and others	₩ 17,081,074	(1,011,031)	(3,761,204)	12,308,839

- (\*) For the year ended December 31, 2015, the increased balance of contracts from new orders and other is ₩412,617 million and the decreased balance of contracts from changes in size of construction is ₩1,423,648 million.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**20. Construction Contracts, Continued**

- (2) **Accumulated earned revenue, expense and others related to the Company's construction as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	March 31, 2016			Unearned advance receipts
	Accumulated earned revenue	Accumulated expense	Accumulated profit	
Nuclear power plant construction in UAE and others	₩ 12,825,247	12,131,111	694,136	

<i>In millions of won</i>	December 31, 2015			Unearned advance receipts
	Accumulated earned revenue	Accumulated expense	Accumulated profit	
Nuclear power plant construction in UAE and others	₩ 12,224,934	11,573,516	651,418	

- (3) **Gross amount due from customers recognized as assets and due to customers recognized as liabilities for contract work as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	March 31, 2016		December 31, 2015	
	Assets (*1)	Liabilities (*2)	Assets (*1)	Liabilities (*2)
Nuclear power plant construction in UAE and others	₩ 61,840	980,514	55,317	893,992

(\*1) Included in trade and other receivables, net, in the consolidated interim statements of financial position.

(\*2) Included in non-financial liabilities in the consolidated interim statements of financial position.

- (4) The contract between the Company and ENEC (purchaser) states that disclosure of information related to UAE nuclear power plant construction projects such as a contract date, a contractual completion date, completion progress, unbilled construction, impairment losses, etc. is not allowed without agreement of the purchaser. ENEC did not agree to disclose such information. Accordingly, the Company did not disclose such information based on K-IFRS 1011 45.2(2) as it is probable that ENEC may file a lawsuit for breach of contract if the Company discloses. Also, the Company has not disclosed such information in a registration statement, investment prospectus or annual report.
- (5) Changes in estimates of contract revenues and costs related to the Company's construction for the three-month period ended March 31, 2016 are as follows:

*In millions of won*

March 31, 2016

	Amounts recognized				Assets		Receivables from construction contracts	
	Provision for construction losses	Changes in estimates of contract costs	in current profit or loss	in future profit or loss	Gross	Allowance for doubtful accounts	Gross	Allowance for doubtful accounts
Transmission and distribution	₩				2,588			
Electric power generation (nuclear)					1,414			
Plant maintenance & engineering service	1,615	10,577	(6,882)	(3,695)	57,838	(75)	24,733	(4,071)
	₩ 1,615	10,577	(6,882)	(3,695)	61,840	(75)	24,733	(4,071)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**21. Intangible Assets other than Goodwill****(1) Intangible assets as of March 31, 2016 and December 31, 2015 are as follows:**

*In millions of won*

	<b>March 31, 2016</b>				
	<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated amortization</b>	<b>Accumulated impairment losses</b>	<b>Book value</b>
Software	₩ 408,330	(672)	(341,725)		65,933
Licenses and franchises	3,398		(3,398)		
Copyrights, patents rights and other industrial rights	34,343		(13,144)		21,199
Mining rights	533,725		(9,579)		524,146
Development expenditures	758,641	(6,376)	(705,853)		46,412
Intangible assets under development	96,029	(10,623)			85,406
Usage rights of donated assets and other	375,275	(29)	(328,958)		46,288
Leasehold rights	19,112		(18,375)		737
Others	193,885	(1)	(83,376)	(12,125)	98,383
	₩ 2,422,738	(17,701)	(1,504,408)	(12,125)	888,504

*In millions of won*

	<b>December 31, 2015</b>				
	<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated amortization</b>	<b>Accumulated impairment losses</b>	<b>Book value</b>
Software	₩ 389,220	(699)	(331,334)		57,187
Licenses and franchises	3,398		(3,398)		
Copyrights, patents rights and other industrial rights	34,178		(12,303)		21,875
Mining rights	508,392		(8,855)		499,537
Development expenditures	751,784	(6,835)	(699,977)		44,972
Intangible assets under development	94,886	(10,483)			84,403
Usage rights of donated assets and other	375,275	(32)	(326,684)		48,559

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Leasehold rights	19,112		(18,367)		745
Greenhouse gas emissions rights	805				805
Others	189,941	(1)	(80,067)	(12,124)	97,749
	₩ 2,366,991	(18,050)	(1,480,985)	(12,124)	855,832



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**21. Intangible Assets other than Goodwill, Continued****(2) Changes in intangible assets for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>						<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Amortization</b>	<b>Impairment</b>	<b>Others</b>	
Software	₩ 57,886	3,435		(9,913)		15,197	66,605
(Government grants)	(699)			61		(34)	(672)
Copyrights, patents rights and other industrial rights	21,875	2	(24)	(673)		19	21,199
Mining rights	499,537	6,352	(10)			18,267	524,146
Development expenditures	51,807	37		(5,768)		6,712	52,788
(Government grants)	(6,835)			759		(300)	(6,376)
Intangible assets under development	94,886	5,714				(4,571)	96,029
(Government grants)	(10,483)					(140)	(10,623)
Usage rights of donated assets and other	48,591			(2,262)		(12)	46,317
(Government grants)	(32)			3			(29)
Leasehold rights	745			(8)			737
Greenhouse gas emissions rights	805					(805)	
Others	97,750	72	(242)	(2,295)		3,099	98,384
(Government grants)	(1)						(1)
	₩ 855,832	15,612	(276)	(20,096)		37,432	888,504

*In millions of won*

<i>In millions of won</i>	<b>December 31, 2015</b>						<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Amortization</b>	<b>Impairment</b>	<b>Others</b>	
Software	₩ 52,556	10,477	(2)	(29,795)	187	24,463	57,886

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(Government grants)	(488)			177		(388)	(699)
Licenses and franchises	54			(54)			
Copyrights, patents rights and other industrial rights	22,677	129	(2)	(2,866)		1,937	21,875
Mining rights	504,214	23,151		(228)		(27,600)	499,537
Development expenditures	55,857	8,096	(5)	(24,862)		12,721	51,807
(Government grants)	(8,183)			2,937		(1,589)	(6,835)
Intangible assets under development	74,909	40,300			(22)	(20,301)	94,886
(Government grants)	(10,692)	(1,884)				2,093	(10,483)
Usage rights of donated assets and other	57,687			(9,096)			48,591
(Government grants)	(43)			11			(32)
Leasehold rights	779			(34)			745
Greenhouse gas emissions rights		805					805
Others	71,734	6,872	(443)	(8,456)	88	27,955	97,750
(Government grants)	(1)						(1)
	₩ 821,060	87,946	(452)	(72,266)	253	19,291	855,832

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**21. Intangible Assets other than Goodwill, Continued****(3) Significant specific intangible assets as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won and thousands of Australian dollars*

Type	Description	March 31, 2016		Remaining useful years
		Currency	Amount	
Software	ERP system and others	KRW	716	1 years and 8 months ~ 2 years and 8 months
Copyrights, patents rights and other industrial rights	Smart technology verification and standard design project conducting right	KRW	6,500	6 years and 6 months
Mining rights	Mining right of Bylong mine	AUD	401,225	(*)
Development expenditures	KOSPO Evolutionary Efficient & Powerful System(KEEPS)	KRW	1,052	1 years and 3 months
	Development of maintenance system for utility plant	KRW	942	1 years and 8 months
Intangible assets under development	Contributions to ARP NRC DC	KRW	29,358	
	CHF testing for best representative of HIPER/X2-Gen Fuel and development of best explanatory CHF correlation	KRW	9,872	
Usage rights of donated assets	Songdo international business district(sector 1, 3) sharing charge	KRW	2,412	1 years and 7 months
	Dangjin power plant load facility usage right	KRW	31,481	5 years
Others	Sillim electricity supply facility usage right	KRW	2,531	5 years and 8 months
	Next generation SCADA O/S(POWERON RELIANCE)	KRW	4,156	3 years and 10 months

(\*) Mining rights are amortized using the units-of-production method and the amortization has not commenced yet.

*In millions of won and thousands of Australian dollars*

<b>December 31, 2015</b>				
<b>Type</b>	<b>Description</b>	<b>Currency</b>	<b>Amount</b>	<b>Remaining useful years</b>
Software	ERP system and others	KRW	1,293	2 months ~ 2 years and 11 months
Copyrights, patents rights and other industrial rights	Smart technology verification and standard design project conducting right	KRW	6,750	6 years and 9 months
Mining rights	Mining right of Bylong mine	AUD	401,225	(*)
Development expenditures	KOSPO Evolutionary Efficient & Powerful System(KEEPS)	KRW	2,104	1 years and 6 months
	Development of maintenance system for utility plant	KRW	1,084	1 years and 11 months
Intangible assets under development	Contributions to ARP NRC DC CHF testing for best representative of HIPER/X2-Gen Fuel and development of best explanatory CHF correlation	KRW	29,148	
		KRW	9,871	
Usage rights of donated assets	Songdo international business district(sector 1, 3) sharing charge	KRW	2,793	1 years and 10 months
	Dangjin power plant load facility usage right	KRW	33,055	5 years and 3 months
Others	Shingwangju electricity supply facility usage right	KRW	2,297	3 years and 5 months
	Sillim electricity supply facility usage right	KRW	2,642	5 years and 11 months

(\*) Mining rights are amortized using the units-of-production method and the amortization has not commenced yet.

**(4) For the three-month periods ended March 31, 2016 and 2015, the Company recognized research and development expenses of ₩124,784 million and ₩110,520 million, respectively.**

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**22. Trade and Other Payables**

Trade and other payables as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Trade payables	₩ 1,788,765		1,957,647	
Other trade payables	1,253,282	3,044,621	1,379,035	3,048,299
Accrued expenses	1,055,595	2,534	1,082,880	2,373
Leasehold deposits received	1,484	1,008	2,451	
Other deposits received	188,859	105,676	195,237	105,105
Finance lease liabilities	117,461	511,882	116,885	542,509
Dividends payable	2,030,748		1,562	
Others		12,656		20,149
	₩ 6,436,194	3,678,377	4,735,697	3,718,435

**23. Borrowings and Debt Securities**

(1) Borrowings and debt securities as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
<b>Current liabilities</b>		
Short-term borrowings	₩ 362,572	603,673
Current portion of long-term borrowings	466,327	541,307
Current portion of debt securities	7,900,557	6,704,602
Less : Current portion of discount on long-term borrowings	(916)	(953)
Less : Current portion of discount on debt securities	(2,520)	(1,676)
	8,726,020	7,846,953

**Non-current liabilities**

Long-term borrowings	1,701,403	1,951,119
Debt securities	46,642,111	49,077,131
Less : Discount on long-term borrowings	(18,185)	(18,860)
Less : Discount on debt securities	(100,227)	(103,067)
Add : Premium on debt securities	208	223
	48,225,310	50,906,546
	₩ 56,951,330	58,753,499

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(2) Repayment schedule of borrowings and debt securities as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won*

Type	March 31, 2016	
	Borrowings	Debt Securities
Less than 1 year	₩ 828,899	7,900,557
1~ 5 years	480,925	24,276,100
Over 5 years	1,220,478	22,366,011
	₩ 2,530,302	54,542,668

*In millions of won*

Type	December 31, 2015	
	Borrowings	Debt Securities
Less than 1 year	₩ 1,144,980	6,704,602
1~ 5 years	860,351	27,725,651
Over 5 years	1,090,768	21,351,480
	₩ 3,096,099	55,781,733

**(3) Short-term borrowings as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won and thousands of U.S. dollars*

Type	Creditor	March 31, 2016			Foreign currency	Local currency
		Interest rate (%)	Maturity			

Local short-term borrowings	Kookmin Bank and others	2.17 ~ 2.69	2016.04.15 ~ 2016.09.13			₩ 83,530
Foreign short-term borrowings	SCNT and others	6.50	2016.12.03	USD	2,163	2,495
Foreign short-term borrowings	Export-Import Bank of Korea	3M Libor + 0.65	2016.12.19	AUD	269,706	238,463
Local bank overdraft	Woori Bank	Standard overdraft rate + 1.12	2017.02.25			38,084
						₩ 362,572

*In millions of won and thousands of U.S. dollars*

<b>December 31, 2015</b>						
<b>Type</b>	<b>Creditor</b>	<b>Interest rate (%)</b>	<b>Maturity</b>	<b>Foreign currency</b>		<b>Local currency</b>
Local short-term borrowings	Woori Investment Bank and others	1.8 ~ 2.46	2016.01.04 ~ 2016.09.13			₩ 559,530
Foreign short-term borrowings	ING and others	6.50	2016.12.03	USD	2,163	2,535
Foreign short-term borrowings	Citi Bank and others	3M Libor + 0.35	2016.03.22	USD	12,265	14,375
Local bank overdraft	Woori Bank	Standard overdraft rate + 1.12	2016.02.25			27,233
						₩ 603,673



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(4) Long-term borrowings as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won and thousands of foreign currencies*

		<b>March 31, 2016</b>			
<b>Type</b>		<b>Interest rate</b>		<b>Maturity</b>	<b>Foreign currency</b>
		<b>(%)</b>			<b>Local currency</b>
<b>Local long-term borrowings</b>					
Korea Development Bank					
	Others	0.50		2018 ~ 2044	₩ 6,229
	Facility	2.67 ~ 4.60		2023 ~ 2028	58,022
	Facility	3yr KTB rate	1.25	2027	9,000
		1yr KoFC bond rate			
	Facility	+ 0.31		2018	200,000
	Operating funds	2.75		2018	12,000
KEB Hana Bank					
	Commercial Paper	3M CD + 0.03 ~			400,000
	Facility	3yr KTB rate	1.25	2016 ~ 2028	10,186
	Facility	4.60		2028	18,130
	Energy rationalization	3yr KTB rate	1.25	2019	600
	Energy rationalization	3.20 ~ 3.70		2021 ~ 2022	3,835
Korea Industrial Bank					
	PF Refinancing	CD + 1.25		2030	22,500
	Others	3yr KTB rate	1.25	2016	4,000
Export-Import Bank of Korea					
	Project loans	2.00		2026	30,935
Korea Resources Corporation					
	Development of power resources	3yr KTB rate	2.25	2022 ~ 2027	43,408
	Facility	3yr KTB rate	2.25	2016 ~ 2024	4,260
	Project loans			2022 ~ 2027	8,669
	Others	3yr KTB rate	2.25	2024 ~ 2025	12,826

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Shinhan Bank and others	Collateral borrowing	2.22	2017			30,000
		3yr AA- CB rate				
	Facility	+ 1.10	2028			27,194
	Operating funds	2.70 ~ 2.86	2017 ~ 2018			25,000
Kookmin Bank	Facility	MOR + 0.62 ~ 0.79	2017 ~ 2023			36,300
Others	Facility	4.60 ~ 5.80	2025 ~ 2028			141,374
		3yr AA- CB rate				
	Facility	+ 1.10	2028			18,130
	PF Refinancing	4.10	2030			62,500
	Others	4.32 ~ 8.00	2020 ~ 2036			45,847
	Others		2028			7,250
						1,238,195
<b>Foreign long-term borrowings</b>						
Korea National Oil Corporation	Project loans		2021 ~ 2023	USD	8,744	10,086
Export-Import Bank of Korea and others	Direct loan and others	3M Libor + 2.75 ~ 3.70	2027	JOD	188,580	307,611
		3M Libor +				
	Commercial loan and others	1.50 ~ 2.50	2030 ~ 2033	USD	309,546	357,061
		6M Libor +				
	PF Loan	2.50 ~ 2.70	2032	USD	75,791	87,425
SCNT and others	Shareholder's loan	6.50 ~ 8.00	2023	USD	37,848	43,658
	Shareholder's loan	8.00	2031	JOD	7,128	11,627
PT PJB and others	Shareholder's loan	12.75	2017	IDR	23,658,161	2,056
HSBC and others		3M Libor +				
	Syndicated loan	0.30 ~ 0.50	2017 ~ 2019	USD	31,774	36,651
IFC and others	Others	6M Libor + 5.00	2031	PKR	5,891,200	64,921
Others	Others		2019	USD	7,317	8,439
						929,535
						2,167,730
	Less : Discount of long-term borrowings					(19,101)
	Less : Current portion of long-term borrowings					(466,327)
	Add : Current portion of discount of long-term borrowings					916
						₩ 1,683,218

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(4) Long-term borrowings as of March 31, 2016 and December 31, 2015 are as follows, continued:***In millions of won and thousands of foreign currencies*

Type		December 31, 2015		Maturity	Foreign currency	Local currency
		Interest rate (%)				
<b>Local long-term borrowings</b>						
Korea						
Development Bank	Others	0.50		2018 ~ 2044	₩	6,418
	Facility	2.67 ~ 4.60		2023 ~ 2028		52,437
	Facility	3yr KTB rate	1.25	2027		9,000
		1yr KoFC bond rate +				
	Facility	0.31		2018		200,000
	Operating funds	2.75		2018		12,000
KEB Hana Bank	Commercial Paper	3M CD + 0.03 ~ 0.54		2016 ~ 2017		500,000
	Facility	3yr KTB rate	1.25	2021 ~ 2028		10,363
	Facility	4.60		2028		18,411
	Energy rationalization	3yr KTB rate	1.25	2019		650
	Energy rationalization	3.20 ~ 3.70		2021 ~ 2022		3,835
Korea Industrial Bank						
	PF Refinancing	CD + 1.25		2030		22,500
	Others	3yr KTB rate	1.25	2016		4,000
Export-Import Bank of Korea						
	Project loans	2.00		2026		30,935
Korea Resources Corporation						
	Development of power resources	3yr KTB rate	2.25	2022 ~ 2027		44,674
	Facility	3yr KTB rate	2.25	2023 ~ 2024		4,400
	Project loans			2022 ~ 2027		8,677
	Others	3yr KTB rate	2.25	2024 ~ 2025		13,057

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Shinhan Bank and others	Collateral borrowing	2.22	2017			30,000
		3yr AA- CB rate				
	Facility	+ 1.10	2028			27,617
	Operating funds	2.70 ~ 3.35	2017 ~ 2018			25,000
Kookmin Bank	Facility	MOR + 0.62 ~ 0.79	2017 ~ 2023			25,300
Others	Facility	4.60 ~ 5.80	2025 ~ 2028			144,359
		3yr AA- CB rate				
	Facility	+ 1.10	2028			18,411
	PF Refinancing	4.10	2030			62,500
	Others		2020 ~ 2036			45,847
	Others		2028			7,250
						1,327,641
<b>Foreign long-term borrowings</b>						
Korea National Oil Corporation	Project loans		2021 ~ 2023	USD	8,744	10,248
Export-Import Bank of Korea and others	Direct loan and others	3M Libor + 2.75 ~ 3.70	2027	JOD	188,580	312,104
	Commercial loan and others	3M Libor + 1.50 ~ 2.50	2030 ~ 2033	USD	312,601	366,368
		6M Libor +				
	PF Loan	2.50 ~ 2.70	2032	USD	64,389	75,464
SCNT and others	Shareholder s loan	6.50 ~ 8.00	2023	USD	34,924	40,931
	Shareholder s loan	8.00	2031	JOD	7,128	11,797
PT PJB and others	Shareholder s loan	12.75	2017	IDR	22,346,550	1,899
HSBC and others		3M Libor +				
	Syndicated loan	0.30 ~ 0.50	2017 ~ 2019	USD	31,774	37,239
IFC and others	Others	6M Libor + 5.00	2031	PKR	5,891,200	65,805
Others	Others	3M Libor + 0.65	2017	USD	199,269	233,543
	Others		2019	USD	8,010	9,387
						1,164,785
						2,492,426
Less : Discount of long-term borrowings						(19,813)
Less : Current portion of long-term borrowings						(541,307)
Add : Current portion of discount of long-term borrowings						953

₩ 1,932,259



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(5) Local debt securities as of March 31, 2016 and December 31, 2015 are as follows:***In millions of  
won*

	Issue date	Maturity	Interest rate (%)	March 31, 2016	December 31, 2015
Electricity Bonds (*1)	2009.04.10 ~ 2014.08.27	2016.04.10 ~ 2033.08.06	2.73 ~ 5.51	₩ 21,610,000	22,960,000
Electricity Bonds	2012.05.29 ~ 2013.06.25	2016.05.29 ~ 2018.06.25	0.25 ~ 0.32	910,000	910,000
Corporate Bonds (*2)	2009.05.04 ~ 2016.03.31	2016.04.15 ~ 2040.12.10	1.90 ~ 5.84	20,842,708	20,710,010
				43,362,708	44,580,010
Less : Discount on local debt securities				(38,932)	(40,228)
Less : Current portion of local debt securities				(6,920,000)	(5,730,000)
Add : Current portion of discount on local debt securities				1,507	1,187
				₩ 36,405,283	38,810,969

(\*1) Electricity Bonds 885 (₩40,000 million) can be redeemed every April 28 after three years from its issue date, April 28, 2014.

(\*2) Corporate Bonds of HeeMang Sunlight Power Co., Ltd (₩2,697 million) can be redeemed every March 31 after five years from its issue date, March 31, 2016.

**(6) Foreign debt securities as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won and thousands of foreign currencies***March 31, 2016**

Type	Issue date	Maturity	Interest rate (%)	Foreign currency	Local currency
FY-96	1996.04.01 ~ 1996.12.06	2026.12.06 ~ 2096.04.01	6.00 ~ 8.37	USD	₩ 287,380
FY-97	1997.01.31 ~ 1997.08.04	2027.02.01 ~ 2027.08.01	6.75 ~ 7.00	USD	363,026
FY-04	2004.04.23	2034.04.23	5.13	USD	330,962
FY-06	2006.05.26 ~ 2006.09.29	2016.05.25 ~ 2016.09.29	5.50 ~ 6.00	USD	519,075
FY-08	2008.11.27	2018.11.27	4.19	JPY	205,204
FY-11	2011.07.13 ~ 2011.07.29	2017.01.30 ~ 2021.07.13	3.63 ~ 4.75	USD	922,800
FY-12	2012.05.10 ~ 2012.09.19	2017.05.10 ~ 2022.09.19	2.50 ~ 3.13	USD	2,018,625
FY-13	2013.02.05 ~ 2013.11.27	2018.02.05 ~ 2018.11.27	1.88 ~ 2.88	USD	2,191,650
FY-13	2013.09.26 ~ 2013.10.23	2019.03.26 ~ 2019.04.23	1.50 ~ 1.63	CHF	478,036
FY-13	2013.09.25	2020.09.25	5.75	AUD	287,352
FY-13	2013.02.20 ~ 2013.07.25	2018.02.20 ~ 2018.07.25	3M Libor + 0.84 ~ 1.50	USD	576,750
FY-14	2014.02.11 ~ 2014.12.02	2019.02.11 ~ 2029.07.30	2.38 ~ 3.57	USD	1,730,250
FY-14	2014.01.28 ~ 2014.07.31	2017.01.28 ~ 2017.07.31	3M Libor + 0.55 ~ 1.05	USD	576,750
FY-15	2015.06.15	2025.06.15	3.25	USD	346,050
FY-16	2016.01.21	2021.07.21	2.50	USD	346,050
					11,179,960
Less : Discount on foreign debt securities					(63,815)
Add : Premium on debt securities					208
Less : Current portion of foreign debt securities					(980,557)
Add : Current portion of discount on foreign debt securities					1,013
					₩ 10,136,809

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(6) Foreign debt securities as of March 31, 2016 and December 31, 2015 are as follows, continued:***In millions of won and thousands of foreign currencies***December 31, 2015**

Type	Issue date	Maturity	Interest rate (%)	Foreign currency	Local currency
FY-96	1996.04.01 ~ 1996.12.06	2026.12.06 ~ 2096.04.01	6.00 ~ 8.37	USD	₩ 291,990
FY-97	1997.01.31 ~ 1997.08.04	2027.02.01 ~ 2027.08.01	6.75 ~ 7.00	USD	368,848
FY-04	2004.04.23	2034.04.23	5.13	USD	336,270
FY-06	2006.03.14 ~ 2006.09.29	2016.03.14 ~ 2016.09.29	5.50 ~ 6.00	USD	761,800
FY-08	2008.11.27	2018.11.27	4.19	JPY	194,401
FY-11	2011.07.13 ~ 2011.07.29	2017.01.30 ~ 2021.07.13	3.63 ~ 4.75	USD	937,600
FY-12	2012.05.10 ~ 2012.09.19	2017.05.10 ~ 2022.09.19	2.50 ~ 3.13	USD	2,051,000
FY-13	2013.02.05 ~ 2013.11.27	2018.02.05 ~ 2018.11.27	1.88 ~ 2.88	USD	2,226,800
FY-13	2013.09.26 ~ 2013.10.23	2019.03.26 ~ 2019.04.23	1.50 ~ 1.63	CHF	474,156
FY-13	2013.09.25	2020.09.25	5.75	AUD	277,258
FY-13	2013.02.20 ~ 2013.07.25	2018.02.20 ~ 2018.07.25	3M Libor + 0.84 ~ 1.50	USD	586,000
FY-14	2014.02.11 ~ 2014.12.02	2019.02.11 ~ 2029.07.30	2.38 ~ 3.57	USD	1,758,000
FY-14	2014.01.28 ~ 2014.07.31	2017.01.28 ~ 2017.07.31	3M Libor + 0.55 ~ 1.05	USD	586,000
FY-15	2015.06.15	2025.06.15	3.25	USD	351,600
					11,201,723
Less : Discount on foreign debt securities					(64,515)
Add : Premium on debt securities					223
Less : Current portion of foreign debt securities					(974,602)
Add : Current portion of discount on foreign debt securities					489
					₩ 10,163,318



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**24. Finance Lease Liabilities****(1) Lease contracts**

The Company enters into a power purchase agreements ( PPA ) with GS EPS and three other providers. The Company recognizes these PPAs as finance leases; under the PPAs, there is no transfer of ownership or bargain purchase option of the plants at the end of the agreement, however, the present value of the future minimum power purchase payments equals substantially all of the plants' respective fair values over a twenty-year period which makes up the major part of the respective plants' economic life.

**(2) Finance lease liabilities as of March 31, 2016 and December 31, 2015 are as follows and are included in current and non-current trade and other payables, net, in the consolidated statements of financial position:**

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>
Less than 1 year	₩ 180,432	117,461	182,072	116,885
1 ~ 5 years	495,106	372,039	525,465	393,957
More than 5 years	192,804	139,843	206,323	148,552
	₩ 868,342	629,343	913,860	659,394

**(3) Current and non-current portion of finance lease liabilities as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Current finance lease liabilities	₩ 117,461	116,885

Non-current finance lease liabilities	511,882	542,509
	<b>₩ 629,343</b>	<b>659,394</b>

- (4) Lease payments recognized as an expense as a lessee for the three-month periods ended March 31, 2016 and 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Minimum lease payment	<b>₩ 46,691</b>	<b>50,158</b>
Contingent rent payment	(5,433)	(4,488)

- (5) The Company does not have any irrevocable operating lease contracts as of March 31, 2016 and December 31, 2015.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**25. Employment Benefits****(1) Employment benefit obligations as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Net defined benefit obligations	₩ 1,730,155	1,495,782
Other long-term employee benefit obligations	7,889	7,325
	₩ 1,738,044	1,503,107

**(2) Principal assumptions on actuarial valuation as of March 31, 2016 and December 31, 2015 are as follows:**

	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Discount rate	2.07% ~ 2.57%	2.39% ~ 2.58%
Future salary and benefit levels	5.45%	5.43%
Weighted average duration	13.27 years	13.21 years

**(3) Details of expense relating to defined benefit plans for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Current service cost	₩ 85,761	76,849
Interest cost	15,862	15,125
Expected return on plan assets	(5,768)	(5,424)
Loss from settlement	(35)	
	₩ 95,820	86,550

**Expenses as described above are recognized in those items below in the financial statements.**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Cost of sales	₩ 71,212	64,263
Selling and administrative expenses	13,399	12,597
Others (Construction-in-progress and others)	11,209	9,690
	₩ 95,820	86,550

In addition, for the three-month periods ended March 31, 2016 and 2015, employee benefit obligations expenses of ₩13,962 million and ₩14,751 million, respectively, is recognized as cost of sales, and ₩2,674 million and ₩2,471 million, respectively, is recognized as selling and administrative expenses, and ₩3,338 million and ₩3,161 million, respectively, are recognized as construction-in-progress and others, relates to the Company's defined contribution plans.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**25. Employment Benefits, Continued****(4) Details of defined benefit obligations as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Present value of defined benefit obligation from funded plans	₩ 2,641,711	2,426,414
Fair value of plan assets	(911,556)	(930,632)
	1,730,155	1,495,782
Present value of defined benefit obligation from unfunded plans		
Net liabilities incurred from defined benefit plans	₩ 1,730,155	1,495,782

**(5) Changes in the present value of defined benefit obligations for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Beginning balance	₩ 2,426,414	1,992,447
Current service cost	85,761	315,811
Interest cost (*)	15,862	63,808
Remeasurement component	152,585	122,825
Loss from settlement	(35)	(641)
Actual payments	(39,220)	(67,291)
Others	344	(545)
Ending balance	₩ 2,641,711	2,426,414

(\*) Corporate bond (AAA rated) yield at year-end is applied to the interest cost on employee benefit obligations.

(6) **Changes in the fair value of plan assets for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Beginning balance	₩ 930,632	724,250
Expected return	5,768	22,557
Remeasurement component	(373)	(5,924)
Contributions by the employers	176	214,449
Actual payments	(24,647)	(24,191)
Others		(509)
<b>Ending balance</b>	<b>₩ 911,556</b>	<b>930,632</b>

In addition, loss on accumulated remeasurement component amounted to ₩92,302 million and ₩202,878 million has been recognized as other comprehensive loss for the three-month period ended March 31, 2016 and for the year ended December 31, 2015, respectively.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**25. Employment Benefits, Continued****(7) Details of the fair value of plan assets as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Equity instruments	₩ 17,898	12,791
Debt instruments	229,571	243,372
Bank deposit	124,669	129,350
Others	539,418	545,119
	₩ 911,556	930,632

For the three-month period ended March 31, 2016 and for the year ended December 31, 2015, actual returns on plan assets amounted to ₩5,395 million and ₩16,633 million, respectively.

**(8) Remeasurement component recognized in other comprehensive income (loss) for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Actuarial gain from changes in financial assumptions	₩ 117,926	140,411
Experience adjustments	34,659	(17,586)
Expected return	373	5,924
	₩ 152,958	128,749

Remeasurement component recognized as other comprehensive income or loss is recorded in retained earnings.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**26. Provisions****(1) Provisions as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Employment benefits	₩ 781,424		718,365	
Provisions for employment benefits	781,424		718,365	
Litigation	54,192	116,280	57,737	110,228
Litigation provisions	54,192	116,280	57,737	110,228
Decommissioning cost		12,817,272		12,744,873
Nuclear plants		9,770,208		9,684,286
Spent fuel		1,375,185		1,375,185
Waste		1,493,819		1,502,140
PCBs		177,189		182,400
Other recovery provisions		871		862
Others	1,087,287	13,822	803,074	9,653
Power plant regional support program	182,499		129,655	
Transmission regional support program	408,450		228,785	
Provisions for tax	49	136		136
Provisions for financial guarantee	1,495	4,641	1,839	2,449
Provisions for RPS	387,270		363,178	
Provisions for greenhouse gas emissions obligations	106,744		78,829	
Others	780	9,045	788	7,068
	₩ 1,922,903	12,947,374	1,579,176	12,864,754

**(2) Changes in provisions for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**



*In millions of won*

	<b>March 31, 2016</b>					
	<b>Beginning balance</b>	<b>Accretion expenses</b>	<b>Payment</b>	<b>Reversal</b>	<b>Other</b>	<b>Ending balance</b>
Employment benefits	₩ 718,365	215,293	(152,234)			781,424
Provisions for employment benefits	718,365	215,293	(152,234)			781,424
Litigation	167,965	12,880	(5,571)	(4,802)		170,472
Litigation provisions	167,965	12,880	(5,571)	(4,802)		170,472
Decommissioning cost	12,744,873	194,054	(121,655)			12,817,272
Nuclear plants	9,684,286	85,963	(41)			9,770,208
Spent fuel	1,375,185	101,273	(101,273)			1,375,185
Waste	1,502,140	5,345	(13,666)			1,493,819
PCBs	182,400	1,464	(6,675)			177,189
Other recovery provisions	862	9				871
Others	812,727	403,413	(123,584)	(9,444)	17,997	1,101,109
Power plant regional support program	129,655	44,874	(5,890)		13,860	182,499
Transmission regional support program	228,785	213,730	(34,065)			408,450
Provisions for tax	136	49				185
Provisions for financial guarantee	4,288	2,782		(868)	(66)	6,136
Provisions for RPS	363,178	108,498	(83,304)	(5,376)	4,274	387,270
Provisions for greenhouse gas emissions obligations	78,829	31,112		(3,197)		106,744
Others	7,856	2,368	(325)	(3)	(71)	9,825
	₩ 14,443,930	825,640	(403,044)	(14,246)	17,997	14,870,277

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**26. Provisions, Continued**

(2) **Changes in provisions for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows, continued:**

<i>In millions of won</i>	<b>December 31, 2015</b>					
	<b>Beginning balance</b>	<b>Accretion expenses</b>	<b>Payment</b>	<b>Reversal</b>	<b>Other</b>	<b>Ending balance</b>
Employment benefits	₩ 707,310	727,079	(715,850)	(174)		718,365
Provisions for employment benefits	707,310	727,079	(715,850)	(174)		718,365
Litigation	200,289	111,301	(85,819)	(58,306)	500	167,965
Litigation provisions	200,289	111,301	(85,819)	(58,306)	500	167,965
Decommissioning cost	13,434,606	1,287,095	(680,552)	(1,296,580)	304	12,744,873
Nuclear plants	10,331,270	650,218	(622)	(1,296,580)		9,684,286
Spent fuel	1,298,749	568,190	(491,754)			1,375,185
Waste	1,604,241	58,294	(160,699)		304	1,502,140
PCBs	199,518	10,359	(27,477)			182,400
Other recovery provisions	828	34				862
Others	460,991	774,760	(368,172)	(64,494)	9,642	812,727
Power plant regional support program	120,093	37,569	(37,648)		9,641	129,655
Transmission regional support program		393,460	(164,675)			228,785
Provisions for tax	649			(513)		136
Provisions for financial guarantee	3,695	3,528		(2,936)	1	4,288
Provisions for RPS	329,562	259,964	(165,259)	(61,089)		363,178
Provisions for greenhouse gas emissions obligations		78,829				78,829
Others	6,992	1,410	(590)	44		7,856
	₩ 14,803,196	2,900,235	(1,850,393)	(1,419,554)	10,446	14,443,930

**27. Government Grants****(1) Government grants as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Land	₩ (3,194)	(3,147)
Buildings	(62,952)	(63,932)
Structures	(194,630)	(193,119)
Machinery	(111,172)	(108,935)
Vehicles	(27)	(29)
Equipment	(940)	(1,026)
Tools	(636)	(691)
Construction-in-progress	(139,027)	(139,898)
Investment properties	(17)	(13)
Software	(672)	(699)
Development expenditures	(6,376)	(6,835)
Intangible assets under development	(10,623)	(10,483)
Usage rights of donated assets and other	(29)	(32)
Others	(1)	(1)
	₩ (530,296)	(528,840)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**27. Government Grants, Continued**

- (2) **Changes in government grants for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

*In millions of won*

	Beginning balance	Receipt	Acquisition	March 31, 2016 Offset the items of depreciation expense and others	Disposal	Others	Ending balance
Cash	₩	(9,559)				9,559	
Land	(3,147)					(47)	(3,194)
Buildings	(63,932)			1,279		(299)	(62,952)
Structures	(193,119)			2,331	728	(4,570)	(194,630)
Machinery	(108,935)			2,887	502	(5,626)	(111,172)
Vehicles	(29)			2			(27)
Equipment	(1,026)			136		(50)	(940)
Tools	(691)			72		(17)	(636)
Construction-in-progress	(139,898)		10,215			(9,344)	(139,027)
Investment properties	(13)					(4)	(17)
Software	(699)			61		(34)	(672)
Development expenditures	(6,835)			759		(300)	(6,376)
Intangible assets under development	(10,483)					(140)	(10,623)
Usage rights of donated assets and other	(32)			3			(29)
Others	(1)						(1)
	₩ (528,840)	(9,559)	10,215	7,530	1,230	(10,872)	(530,296)

*In millions of won*

December 31, 2015

	Beginning balance	Receipt	Acquisition	Offset the items of depreciation expense and others	Disposal	Others	Ending balance
Cash	₩	(52,696)				52,696	
Land	(3,103)					(44)	(3,147)
Buildings	(67,700)			5,064		(1,296)	(63,932)
Structures	(196,871)			9,178	1,816	(7,242)	(193,119)
Machinery	(108,750)			11,133	1,101	(12,419)	(108,935)
Vehicles	(76)			47	1	(1)	(29)
Equipment	(1,002)			469		(493)	(1,026)
Tools	(862)			268		(97)	(691)
Construction-in-progress	(123,938)		11,279			(27,239)	(139,898)
Investment properties	(10)					(3)	(13)
Software	(488)			177		(388)	(699)
Development expenditures	(8,183)			2,937		(1,589)	(6,835)
Intangible assets under development	(10,692)		2,093			(1,884)	(10,483)
Usage rights of donated assets and other	(43)			11			(32)
Others	(1)						(1)
	₩ (521,719)	(52,696)	13,372	29,284	2,918	1	(528,840)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**28. Deferred Revenues**

Deferred revenue related to the Company's construction contracts as of March 31, 2016 and December 31, 2015 are as follows and included in current and non-current non-financial liabilities in the consolidated statements of financial position:

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Beginning balance	₩ 7,165,297	6,850,016
Increase during the current year / period	172,371	691,276
Recognized as revenue during the current year / period	(97,918)	(375,995)
Ending balance	₩ 7,239,750	7,165,297

**29. Non-financial Liabilities**

Non-financial liabilities as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Advance received	₩ 5,174,626	214,050	5,017,735	215,096
Unearned revenue	30,146	58,300	21,810	63,850
Deferred revenue	377,928	6,861,822	372,157	6,793,140
Withholdings	266,936	6,731	146,258	6,731
Others	1,012,171	13,673	762,751	13,435
	₩ 6,861,807	7,154,576	6,320,711	7,092,252

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**30. Contributed Capital****(1) Details of shares issued as of March 31, 2016 and December 31, 2015 are as follows:***In millions of won except share information*

			March 31, 2016			
	Shares authorized	Shares issued	Par value per share	Owned by government(*)	Owned by others	Total
Common shares	1,200,000,000	641,964,077	₩ 5,000	1,640,385	1,569,435	3,209,820

(\*) Korea Development Bank's ownership of ₩1,056,176 million is included.

*In millions of won except share information*

			December 31, 2015			
	Shares authorized	Shares issued	Par value per share	Owned by government(*)	Owned by others	Total
Common shares	1,200,000,000	641,964,077	₩ 5,000	1,640,385	1,569,435	3,209,820

(\*) Korea Development Bank's ownership of ₩1,056,176 million is included.

**(2) Details in number of outstanding capital stock for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>Number of shares</i>	March 31, 2016	December 31, 2015
Beginning balance	641,964,077	641,964,077
Ending balance	641,964,077	641,964,077

(3) Details of share premium as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Share premium	₩ 843,758	843,758



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**31. Retained Earnings and Dividends Paid****(1) Details of retained earnings as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Legal reserve (*)	₩ 1,604,910	1,604,910
Voluntary reserves	31,847,274	23,720,167
Retained earnings before appropriations	14,785,312	22,862,164
Retained earnings	₩ 48,237,496	48,187,241

(\*) The KEPCO Act requires KEPCO to appropriate a legal reserve equal to at least 20 percent of net income for each accounting period until the reserve equals 50 percent of KEPCO's common stock. The legal reserve is not available for cash dividends; however, this reserve may be credited to paid-in capital or offset against accumulated deficit by the resolution of the shareholders.

**(2) Details of voluntary reserves as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Reserve for investment on social overhead capital	₩ 330,000	5,277,449
Reserve for research and human development (*)	5,277,449	330,000
Reserve for business expansion	26,029,825	17,902,718
Reserve for equalizing dividends	210,000	210,000
	₩ 31,847,274	23,720,167

(\*) The reserve for research and human development is appropriated by the Company to use as qualified tax credits to reduce corporate tax liabilities. The reserve is available for cash dividends for a certain period as defined by the Tax Incentive Control Law of Korea.

(3) **Changes in retained earnings for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Beginning balance	₩ 48,187,241	35,303,647
Net profit for the period attributed to owner of the Company	2,135,450	13,289,127
Changes in equity method retained earnings	(176)	(280)
Remeasurement of defined benefit liability, net of tax	(94,930)	(84,271)
Dividend paid	(1,990,089)	(320,982)
Ending balance	₩ 48,237,496	48,187,241

(4) **Dividends paid for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>Number of shares issued</b>	<b>Number of treasury stocks</b>	<b>March 31, 2016 Number of shares eligible for dividends</b>	<b>Dividends paid per share (In won)</b>	<b>Dividends paid</b>
Common shares	641,964,077		641,964,077	₩ 3,100	1,990,089

<i>In millions of won</i>	<b>Number of shares issued</b>	<b>Number of treasury stocks</b>	<b>December 31, 2015 Number of shares eligible for dividends</b>	<b>Dividends paid per share (In won)</b>	<b>Dividends paid</b>
Common shares	641,964,077		641,964,077	₩ 500	320,982

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**31. Retained Earnings and Dividends Paid, Continued**

- (5) **Changes in retained earnings of investments in associates and joint ventures for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Beginning balance	₩ (2,411)	(2,131)
Changes	(176)	(280)
Ending balance	₩ (2,587)	(2,411)

- (6) **Changes in remeasurement components related to defined benefit liability for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Beginning balance	₩ (202,878)	(116,705)
Changes	(147,628)	(127,184)
Income tax effect	52,698	42,913
Transfer to reserve for business expansion	49,211	(1,902)
Ending balance	₩ (248,597)	(202,878)

**32. Hybrid Bonds**

Bond-type hybrid securities classified as equity (non-controlling interest) as of March 31, 2016 and December 31, 2015 are as follows:

*In millions of won*

Issuer	Hybrid bond	Issued date	Maturity	Yield (%)	Amount
Korea Western Power Co., Ltd.	1st bond-type			5yr government	
	hybrid bond	2012.10.18	2042.10.18	bond rate + 1.20	₩ 100,000
Korea South-East Power Co., Ltd.	1st bond-type				
	hybrid bond	2012.12.07	2042.12.06	4.38	170,000
Korea South-East Power Co., Ltd.	2nd bond-type				
	hybrid bond	2012.12.07	2042.12.06	4.44	230,000
Expense of Issuance					(1,340)
					₩ 498,660

Although these instruments have contractual maturity dates, the contractual agreements allow these subsidiaries to indefinitely extend the maturity dates and defer the payment of interest without modification to the other terms of the instruments. When the Company decides to not pay dividends on ordinary shares, they are not required to pay interest on the hybrid bonds.

Substantially, as these instruments have no contractual obligation to pay principal and interest, these instruments have been classified as equity (non-controlling interest) in the Company's consolidated financial statements.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**33. Other Components of Equity****(1) Other components of equity as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Other capital surpluses	₩ 1,197,347	1,197,388
Accumulated other comprehensive loss	(71,023)	(98,713)
Other equity	13,294,973	13,294,973
	₩ 14,421,297	14,393,648

**(2) Changes in other capital surpluses for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>			<b>December 31, 2015</b>		
	<b>Gain on disposal of treasury stocks</b>	<b>Others</b>	<b>Subtotal</b>	<b>Gain on disposal of treasury stocks</b>	<b>Others</b>	<b>Subtotal</b>
Beginning balance	₩ 387,524	809,864	1,197,388	387,524	763,878	1,151,402
Disposal of subsidiary					58,310	58,310
Change in consolidation scope					(716)	(716)
Issuance of share capital of subsidiary		(41)	(41)		2,536	2,536
Income tax effect					(14,144)	(14,144)
Ending balance	₩ 387,524	809,823	1,197,347	387,524	809,864	1,197,388

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**33. Other Components of Equity, Continued****(3) Changes in accumulated other comprehensive loss for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:***In millions of won*

	<b>March 31, 2016</b>					<b>Total</b>
	<b>Available-for-sale financial asset valuation reserve</b>	<b>Shares in other comprehensive income of investments in associates and joint ventures</b>	<b>Reserve for overseas operations translation credit</b>	<b>Reserve for loss on valuation of derivatives</b>		
Beginning balance	₩ (24,905)	276,373	(254,462)	(95,719)		(98,713)
Changes in the unrealized fair value of available-for-sale financial assets, net of tax	27,172					27,172
Shares in other comprehensive income of associates and joint ventures, net of tax		4,585				4,585
Foreign currency translation of foreign operations, net of tax			8,729			8,729
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax				(12,796)		(12,796)
Ending balance	₩ 2,267	280,958	(245,733)	(108,515)		(71,023)

*In millions of won*

	<b>December 31, 2015</b>					<b>Total</b>
	<b>Available-for-sale financial asset valuation reserve</b>	<b>Shares in other comprehensive income of investments in associates</b>	<b>Reserve for overseas operations translation credit</b>	<b>Reserve for gain (loss) on valuation of derivatives</b>		

**and joint  
ventures**

Beginning balance	₩ (34,649)	186,897	(255,641)	(98,876)	(202,269)
Changes in the unrealized fair value of available-for-sale financial assets, net of tax	9,744				9,744
Shares in other comprehensive income of associates and joint ventures, net of tax		89,476			89,476
Foreign currency translation of foreign operations, net of tax			1,179		1,179
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax				3,157	3,157
Ending balance	₩ (24,905)	276,373	(254,462)	(95,719)	(98,713)

**(4) Details of other equity for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Statutory revaluation reserve	₩ 13,295,098	13,295,098
Changes in other equity	(125)	(125)
	₩ 13,294,973	13,294,973

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**34. Sales**

Details of sales for the three-month periods ended March 31, 2016 and 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>Domestic</b>	<b>Overseas</b>	<b>Domestic</b>	<b>Overseas</b>
Sales of goods	₩ 14,416,220	85,714	14,130,121	102,863
Electricity	14,182,195		13,864,063	
Heat supply	112,964		128,560	
Others	121,061	85,714	137,498	102,863
Sales of service	40,788	62,842	44,938	49,850
Sales of construction services	26,337	955,508	40,983	663,526
Revenue related to transfer of assets from customers	97,918		91,578	
	₩ 14,581,263	1,104,064	14,307,620	816,239

**35. Selling and Administrative Expenses**(1) **Selling and administrative expenses for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Salaries	₩ 168,307	160,612
Retirement benefit expense	16,073	15,068
Welfare and benefit expense	23,677	23,035
Insurance expense	2,980	2,663
Depreciation	36,527	23,786
Amortization of intangible assets	8,983	11,608
Bad debt expense (reversal of allowance for bad debt)	5,038	(11,578)



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Commission	135,487	134,843
Advertising expense	6,669	5,580
Training expense	896	1,110
Vehicle maintenance expense	2,119	2,354
Publishing expense	769	550
Business promotion expense	889	756
Rent expense	8,572	10,132
Telecommunication expense	6,599	6,026
Transportation expense	125	141
Taxes and dues	3,856	2,587
Expendable supplies expense	1,274	2,011
Water, light and heating expense	3,049	3,449
Repairs and maintenance expense	7,961	4,903
Ordinary development expense	35,170	33,541
Travel expense	4,348	4,006
Clothing expense	240	57
Survey and analysis expense	156	143
Membership fee	599	423
Others	28,494	24,018
	₩ 508,857	461,824

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**36. Other Non-operating Income and Expense****(1) Other non-operating income for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Reversal of other provisions	₩ 4,537	1,658
Reversal of other allowance for doubtful accounts	987	
Government grants	36	10
Gains on assets contributed	1,328	2,212
Gains on liabilities exempted	3	2,337
Compensation and reparations revenue	24,130	52,537
Gains on electricity infrastructure development fund		143
Revenue from research contracts	834	3,137
Rental income	54,184	48,258
Others	6,263	7,073
	₩ 92,302	117,365

**(2) Other non-operating expense for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Accretion expenses of other provisions	₩ 49	44
Depreciation expenses on investment properties	198	162
Depreciation expenses on idle assets	1,670	1,666
Other bad debt expense	3,945	7,833
Donations	11,661	12,420
Others	3,179	1,012

₩	20,702	23,137
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**37. Other Gains (Losses)**

Composition of other gains (losses) for the three-month periods ended March 31, 2016 and 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Other gains</b>		
Gains on disposal of property plant, and equipment	₩ 18,598	17,915
Gains on foreign currency translation	8,791	3,933
Gains on foreign currency transaction	11,216	8,799
Others	49,412	51,727
<b>Other losses</b>		
Losses on disposal of property plant and equipment	(4,260)	(12,355)
Losses on disposal of intangible assets	(134)	(5)
Losses on foreign currency translation	(8,115)	(9,278)
Losses on foreign currency transaction	(19,935)	(11,768)
Others	(15,670)	(23,074)
	₩ 39,903	25,894

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**38. Finance Income****(1) Finance income for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Interest income	₩ 80,319	49,493
Dividends income	9,367	5,456
Gains on disposal of financial assets	1,480	
Gains on valuation of derivatives	28,864	93,401
Gains on transaction of derivatives	13,955	6,960
Gains on foreign currency translation	213,346	24,788
Gains on foreign currency transaction	5,090	7,087
Other finance income	1	22
	₩ 352,422	187,207

**(2) Interest income included in finance income for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Cash and cash equivalents	₩ 20,683	11,890
Available-for-sale financial assets		29
Held-to-maturity investments	25	25
Loans and receivables	6,938	6,775
Short-term financial instrument	19,051	2,864
Long-term financial instrument	2,561	2,929
Trade and other receivables	31,061	24,981
	₩ 80,319	49,493



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**39. Finance Expenses****(1) Finance expenses for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Interest expense	₩ 458,235	552,656
Losses on sale of financial assets		975
Impairment of available-for-sale financial assets		5,821
Losses on valuation of derivatives	156,281	28,638
Losses on transaction of derivatives	10,854	9,414
Losses on foreign currency translation	66,543	81,183
Losses on foreign currency transaction	27,613	2,714
Other	109	23
	₩ 719,635	681,424

**(2) Interest expense included in finance expenses for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Trade and other payables	₩ 16,403	20,909
Short-term borrowings	1,480	3,289
Long-term borrowings	22,570	32,453
Debt securities	499,298	555,052
Other financial liabilities	120,823	152,543
	660,574	764,246
Less: Capitalized borrowing costs	(202,339)	(211,590)

₩ 458,235 552,656

Capitalization rates for the three-month periods ended March 31, 2016 and 2015 are 2.25% ~ 4.00% and 3.02% ~ 4.20%, respectively.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**40. Income Taxes****(1) Income tax expense for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>Current income tax expense</b>		
Payment of income tax	₩ 1,063,284	576,206
Adjustment due to changes in estimates related to prior years	40,548	(67,534)
Current income tax directly recognized in equity	57,630	30,341
	<b>1,161,462</b>	<b>539,013</b>
<b>Deferred income tax expense</b>		
Generation and realization of temporary differences	190,085	201,789
Changes of unrecognized tax losses, tax credit and temporary differences for prior periods	(8,082)	65,956
Changes in deferred tax on tax losses carryforwards		21,468
Tax credit carry forwards	2,260	6,987
	<b>184,263</b>	<b>296,200</b>
Income tax expense	₩ 1,345,725	835,213

**(2) Reconciliation between actual income tax expense and amount computed by applying the statutory tax rate of 24.2% to income before income taxes for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
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Income before income tax	₩ 3,508,558	2,058,320
Income tax expense computed at applicable tax rate of 24.2%	849,071	498,113
<b>Adjustments</b>		
Additional payment of income taxes or receipt of income tax refunds	(545)	(4,719)
Effect of applying gradual tax rate	(2,538)	(932)
Effect of non-taxable income	(4,614)	(1,790)
Effect of non-deductible expenses	9,337	1,028
Effects of tax credits and deduction	(18,290)	(13,415)
Recognition (reversal) of unrecognized deferred tax asset, net	(8,082)	52,021
Deferred income tax related to investments in subsidiaries and associates	486,209	334,410
Others, net	(5,916)	(29,503)
	455,561	337,100
Adjustment in respect of prior years	41,093	
Income tax expense	₩ 1,345,725	835,213
Effective tax rate	38.4%	40.6%

(3) **Income tax directly adjusted to shareholders equity (except for accumulated other comprehensive loss) for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Dividends of hybrid securities	₩ 1,313	1,311
	₩ 1,313	1,311

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**40. Income Taxes, Continued**

- (4) **Income tax recognized as other comprehensive income (loss) for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
Income tax recognized as other comprehensive income (loss)		
Gain (loss) on valuation of available-for-sale financial assets	₩ (8,938)	1,791
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	9,468	(14,749)
Remeasurements of defined benefit obligations	52,698	42,062
Investments in associates	1,767	562
Others	1,322	(636)
	₩ 56,317	29,030

- (5) **Changes in deferred income tax assets (liabilities) recognized in the statements of financial position for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>				
	<b>Beginning balance</b>	<b>Amounts recognized in profit or loss</b>	<b>Amount other recognized in comprehensive income (loss)</b>	<b>Amounts recognized directly in equity</b>	<b>Ending balance</b>
<b>Deferred income tax on temporary differences</b>					
Employee benefits	₩ 407,342	16,906	52,698		476,946

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Cash flow hedge	(29,013)	31,050	9,468		11,505
Investments in associates or subsidiaries	(6,449,998)	(436,296)	1,767		(6,884,527)
Property, plant and equipment	(5,495,786)	25,777			(5,470,009)
Finance lease	(272,430)	(3,002)			(275,432)
Intangible assets	9,420	47			9,467
Financial assets at fair value through profit or loss	(4)	1,030			1,026
Available-for-sale financial assets	(49,199)	3,504	(8,938)		(54,633)
Deferred revenue	215,361	(2,921)			212,440
Provisions	3,372,423	74,201			3,446,624
Doubtful receivables	1,405	1,291			2,696
Other finance liabilities	26,298	244		1,068	27,610
Losses (gains) on foreign exchange translation	128,714	(15,935)			112,779
Allowance for doubtful accounts	18,976	(3,727)			15,249
Accrued income	(11,231)	1,041			(10,190)
Special deduction for property, plant and equipment	(194,347)	(85)			(194,432)
Reserve for research and human development	(20,688)	884			(19,804)
Others	576,585	66,355	1,322	245	644,507
	(7,766,172)	(239,636)	56,317	1,313	(7,948,178)
<b>Deferred income tax on unused tax losses and tax credit</b>					
Tax losses	(3)	3			
Tax credit	27,115	(2,260)			24,855
	27,112	(2,257)			24,855
	<b>₩ (7,739,060)</b>	<b>(241,893)</b>	<b>56,317</b>	<b>1,313</b>	<b>(7,923,323)</b>

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**40. Income Taxes, Continued**

- (5) **Changes in deferred income tax assets (liabilities) recognized in the statements of financial position for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows, continued:**

*In millions of won*

		December 31, 2015			
		Amount			
		recognized in			
		Amounts	other	Amounts	
	Beginning	recognized in	income	recognized	Ending
	balance	profit or	(loss)	directly	balance
		loss		in equity	
<b>Deferred income tax on temporary differences</b>					
Employee benefits	₩ 352,934	11,495	42,913		407,342
Cash flow hedge	51,354	(87,620)	7,253		(29,013)
Investments in associates or subsidiaries	(5,769,627)	(669,035)	2,808	(14,144)	(6,449,998)
Property, plant and equipment	(5,979,863)	484,077			(5,495,786)
Finance lease	(197,097)	(75,333)			(272,430)
Intangible assets	12,309	(2,889)			9,420
Financial assets at fair value through profit or loss	2,840	(2,844)			(4)
Available-for-sale financial assets	(41,836)	(1,048)	(6,315)		(49,199)
Deferred revenue	230,644	(15,283)			215,361
Provisions	3,459,775	(87,352)			3,372,423
Doubtful receivables	1,356	49			1,405
Other finance liabilities	23,237	(2,192)		5,253	26,298
Losses on foreign exchange translation	53,794	74,920			128,714
Allowance for doubtful accounts	15,452	3,524			18,976
Accrued income	(3,245)	(7,986)			(11,231)
Special deduction for property, plant and equipment	(194,674)	327			(194,347)
Impairment of non-current assets	86,720	(86,720)			
	(35,499)	14,811			(20,688)

Reserve for research and human development					
Others	460,019	116,566			576,585
	(7,471,407)	(332,533)	46,659	(8,891)	(7,766,172)
<b>Deferred income tax on unused tax losses and tax credit</b>					
Tax losses	2,176,175	(2,176,178)			(3)
Tax credit	98,286	(71,171)			27,115
	2,274,461	(2,247,349)			27,112
	₩ (5,196,946)	(2,579,882)	46,659	(8,891)	(7,739,060)

- (6) **Deferred income tax assets (liabilities) recognized in the statements of financial position as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Deferred income tax assets	₩ 701,713	623,623
Deferred income tax liabilities	(8,625,036)	(8,362,683)
	₩ (7,923,323)	(7,739,060)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**40. Income Taxes, Continued**

- (7) **Details of deductible temporary differences, tax losses and unused tax credits not recognized in the deferred income tax assets as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Deductible temporary differences	₩ 426,640	441,704
	₩ 426,640	441,704

**41. Assets Held-for-Sale**

**Assets held-for-sale as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Land (*1)	₩ 2,907	2,907
Building (*1)	20,366	20,366
Investments in associates (*2,3)	56,374	56,374
	₩ 79,647	79,647

(\*1) The board of directors of KEPCO Engineering & Construction Company, Inc., a subsidiary of the Company, determined to dispose the office building in Yongin as part of the government's plan to relocate state-run companies for balanced national development and moved the head office to Kimchun, Kyungbukdo, in 2015. As the Company believes the book value of Yongin office will be recovered by a disposal transaction rather than continuous operation, it reclassified buildings, land and structures as assets held-for-sale.

(\*2) Korea Western Power Co., Ltd., a subsidiary of the Company, plans to dispose certain portion of its investment in Dongducheon Dream Power Co., Ltd. and reclassified the relevant book value to non-current assets held-for-sale.

(\*3)

Korea South-East Power Co., Ltd., a subsidiary of the Company, plans to dispose certain portion of its investment in Hyundai Energy Co., Ltd. and reclassified the relevant book value to non-current assets held-for-sale.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**42. Expenses Classified by Nature**

Expenses classified by nature for the three-month periods ended March 31, 2016 and 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>		
	<b>Selling and administrative expense</b>	<b>Cost of sales</b>	<b>Total</b>
Raw materials used	₩	3,422,209	3,422,209
Salaries	168,307	741,259	909,566
Retirement benefit expense	16,073	85,174	101,247
Welfare and benefit expense	23,677	82,301	105,978
Insurance expense	2,980	22,087	25,067
Depreciation	36,527	2,103,847	2,140,374
Amortization of intangible assets	8,983	11,113	20,096
Bad debt expense	5,038		5,038
Commission	135,487	100,069	235,556
Advertising expense	6,669	1,589	8,258
Training expense	896	2,259	3,155
Vehicle maintenance expense	2,119	1,597	3,716
Publishing expense	769	814	1,583
Business promotion expense	889	1,179	2,068
Rent expense	8,572	29,496	38,068
Telecommunication expense	6,599	20,219	26,818
Transportation expense	125	1,090	1,215
Taxes and dues	3,856	89,565	93,421
Expendable supplies expense	1,274	6,530	7,804
Water, light and heating expense	3,049	8,027	11,076
Repairs and maintenance expense	7,961	353,926	361,887
Ordinary development expense	35,170	89,614	124,784
Travel expense	4,348	15,630	19,978
Clothing expense	240	171	411
Survey and analysis expense	156	691	847
Membership fee	599	2,096	2,695
Power purchase		3,098,695	3,098,695
Others	28,494	1,279,876	1,308,370



₩ 508,857	11,571,123	12,079,980
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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**42. Expenses Classified by Nature, Continued**

Expenses classified by nature for the three-month periods ended March 31, 2016 and 2015 are as follows, continued:

<i>In millions of won</i>	<b>March 31, 2015</b>		
	<b>Selling and administrative expenses</b>	<b>Cost of sales</b>	<b>Total</b>
Raw materials used	₩	4,518,272	4,518,272
Salaries	160,612	702,753	863,365
Retirement benefit expense	15,068	79,014	94,082
Welfare and benefit expense	23,035	80,096	103,131
Insurance expense	2,663	21,230	23,893
Depreciation	23,786	1,975,461	1,999,247
Amortization of intangible assets	11,608	8,257	19,865
Bad debt expense (reversal of allowance for bad debt)	(11,578)		(11,578)
Commission	134,843	84,381	219,224
Advertising expense	5,580	1,259	6,839
Training expense	1,110	1,693	2,803
Vehicle maintenance expense	2,354	2,051	4,405
Publishing expense	550	906	1,456
Business promotion expense	756	997	1,753
Rent expense	10,132	31,368	41,500
Telecommunication expense	6,026	18,053	24,079
Transportation expense	141	1,009	1,150
Taxes and dues	2,587	74,252	76,839
Expendable supplies expense	2,011	5,374	7,385
Water, light and heating expense	3,449	8,651	12,100
Repairs and maintenance expense	4,903	325,212	330,115
Ordinary development expense	33,541	76,979	110,520
Travel expense	4,006	11,954	15,960
Clothing expense	57	184	241
Survey and analysis expense	143	518	661
Membership fee	423	2,071	2,494

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Power purchase		3,659,867	3,659,867
Others	24,018	730,307	754,325
	<b>₩ 461,824</b>	<b>12,422,169</b>	<b>12,883,993</b>

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**43. Earnings Per Share****(1) Basic earnings per share for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In won</i>			
<b>Type</b>		<b>March 31, 2016</b>	<b>March 31, 2015</b>
Basic earnings per share		₩ 3,326	1,869

**(2) Basic earnings per share**

Net profit for the period and weighted average number of common shares used in the calculation of basic earnings per share for the three-month periods ended March 31, 2016 and 2015 are as follows:

<i>In millions of won except number of shares</i>			
<b>Type</b>		<b>March 31, 2016</b>	<b>March 31, 2015</b>
Controlling interest in net income		₩ 2,135,450	1,200,083
Income used in the calculation of total basic earnings per share		2,135,450	1,200,083
Weighted average number of common shares		641,964,077	641,964,077

**(3) Weighted average common shares used in calculating basic earnings per share. Detailed information of the adjustment for the three-month periods ended March 31, 2016 and 2015 are as follows:**

<i>In number of shares</i>			
<b>Type</b>		<b>March 31, 2016</b>	<b>March 31, 2015</b>
Weighted average number of common shares		641,964,077	641,964,077
Diluted weighted average number of shares		641,964,077	641,964,077

**(4)**

**There are no potential dilutive instruments and diluted earnings per shares are same as basic earnings per share for the three-month periods ended March 31, 2016 and 2015.**

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**44. Risk Management****(1) Capital risk management**

The Company manages its capital to ensure that entities in the Company will be able to continue while maximizing the return to shareholder through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (offset by cash and cash equivalents) and equity. The Company's overall capital risk management strategy remains unchanged from that of the prior year.

Details of the Company's capital management accounts as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Total borrowings and debt securities	₩ 56,951,330	58,753,499
Cash and cash equivalents	5,418,476	3,783,065
Net borrowings and debt securities	51,532,854	54,970,434
Total shareholder's equity	67,978,161	67,942,475
Debt to equity ratio	75.81%	80.91%

**(2) Financial risk management**

The Company is exposed to various risks related to its financial instruments, such as, market risk (currency risk, interest rate risk, price risk), credit risk. The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. The Company uses derivative financial instruments to hedge certain risk exposures. The Company's overall financial risk management strategy remains unchanged from that of the prior year.

**(i) Credit risk**

Credit risk is the risk of finance loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the sales activities, securities and derivatives. In addition, credit risk exposure may exist within financial guarantees and unused line of credits. As these financial institutions the

Company makes transactions with are reputable financial institutions, the credit risk from them are considered limited. The Company decides credit transaction limits based on evaluation of client s credit, through information obtained from the credit bureau and disclosed financial position at committing contracts.

#### Credit risk management

Electricity sales, the main operations of the Company are the necessity for daily life and industrial activities of Korean nationals, and have importance as one of the national key industries. The Company dominates the domestic market supplying electricity to customers. The Company is not exposed to credit risk as customers of the Company are from various industries and areas. The Company uses publicly available information and its own internal data related to trade receivables, to rate its major customers and to measure the credit risk that a counter party will default on a contractual obligation. For the incurred but not recognized loss, it is measured considering overdue period.

#### Impairment and allowance account

In accordance with the Company policies, individual material financial assets are assessed on a regular basis, trade receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Value of the acquired collateral (including the confirmation of feasibility) and estimated collectable amounts are included in this assessment.

Allowance for bad debts assessed on a collective basis are recognized for (i) the group of assets which individually are not material and (ii) incurred but not recognized losses that are assessed using statistical methods, judgment and past experience.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**44. Risk Management, Continued****(2) Financial risk management, continued**

Book values of the financial assets represent the maximum exposed amounts of the credit risk. Details of the Company's level of maximum exposure to credit risk as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Cash and cash equivalents	₩ 5,418,476	3,783,065
Derivative assets (trading)	206,168	255,008
Available-for-sale financial assets	626,183	584,479
Held-to-maturity investments	3,635	3,623
Loans and receivables	754,647	735,057
Long-term/short-term financial instruments	4,586,652	5,890,866
Derivative assets (using hedge accounting)	243,117	362,142
Trade and other receivables	8,587,817	9,271,967
Financial guarantee contracts (*)	294,993	271,010

(\*) Maximum exposure associated with the financial guarantee contracts is the maximum amounts of the obligation. Financial guarantee contracts as of March 31, 2016 are as follows:

*In millions of won and thousands of U.S. dollars*

<b>Type</b>	<b>Company</b>	<b>Foreign currency</b>	<b>Local currency</b>
Joint ventures	KEPCO SPC Power Corporation	USD 88,138	₩ 101,667
Joint ventures	PT. Tanjung Power Indonesia	USD 35,000	40,372
Joint ventures	Kelar S.A	USD 132,600	152,954
		USD 255,738	₩ 294,993



As of the reporting date, there are no financial assets and non-financial assets that were acquired through the exercise of the right of collateralized assets and reinforcement of credit arrangement.

(ii) Market risk

Market risk is the risk that the Company's fair values of the financial instruments or future cash flows are affected by the changes in the market. Market risk consists of interest rate risk, currency risk and other price risk.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**44. Risk Management, Continued****(2) Financial risk management, continued**

## (iii) Sensitivity analysis

Significant assets and liabilities with uncertainties in underlying assumptions

## Defined benefit obligation

A sensitivity analysis of defined benefit obligation assuming a 1% increase and decrease movements in the actuarial valuation assumptions as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>	Type	Accounts	March 31, 2016		December 31, 2015	
			1% Increase	1% Decrease	1% Increase	1% Decrease
Future salary increases	Increase (decrease) in defined benefit obligation	₩	331,866	(299,152)	293,205	(271,758)
Discount rate	Increase (decrease) in defined benefit obligation		(296,252)	351,064	(267,648)	315,870

Changes of employee benefits assuming a 1% increase and decrease movements in discount rate on plan asset for the three-month periods ended March 31, 2016 and 2015 are ₩2,312 million and ₩1,809 million, respectively.

## Provisions

Changes in provisions due to movements in underlying assumptions as of March 31, 2016 and December 31, 2015 are as follows:

Type	Accounts	March 31, 2016	December 31, 2015
PCBs	Inflation rate	2.65%	2.65%
	Discount rate	3.21%	3.21%

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Nuclear plants	Inflation rate	1.40%	1.40%
	Discount rate	3.55%	3.55%
Spent fuel	Inflation rate	2.93%	2.93%
	Discount rate	4.49%	4.49%

A sensitivity analysis of provisions assuming a 0.1% increase and decrease movements in the underlying assumptions as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i> Type	Accounts	March 31, 2016		December 31, 2015	
		0.1% Increase	0.1% Decrease	0.1% Increase	0.1% Decrease
Discount rate	PCBs	₩ (837)	843	(875)	881
	Nuclear plants	(200,772)	206,121	(201,318)	206,720
	Spent fuel	(52,390)	54,425	(52,390)	54,425
Inflation rate	PCBs	892	(888)	885	(881)
	Nuclear plants	222,653	(216,969)	220,720	(215,086)
	Spent fuel	55,212	(53,219)	55,212	(53,219)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**44. Risk Management, Continued****(2) Financial risk management, continued**

Management judgment effected by uncertainties in underlying assumptions

## Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities as of March 31, 2016 and December 31, 2015 are as follows:

*In thousands of foreign currencies*

Type	Assets		Liabilities	
	March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
AUD	157	158	325,000	595,284
BWP	246	301		
CAD				858
CNY			26,140	26,140
EUR	13,905	6,141	13,370	33,552
MXN	7,703	7,704	869	
PHP	543,540	489,309	31,578	77,337
SAR	1,172	1,083	66	
USD	1,144,683	1,260,094	9,333,219	9,331,854
INR	926,526	972,175	144,164	206,159
PKR	225,127	211,212	2,326	12,928
MGA	2,619,400	2,768,360	87,215	151,729
JPY	1,206,810	1,425,163	20,038,566	20,325,211
KZT	47,808	47,177		
GBP	3		11	99
CHF			400,029	400,029
AED	3,109	1,481	919	1,705

ZAR	440	238		
JOD	1,155	2,972		
BDT	46,667	43,332	1,355	889
TWD				30
SGD			59	

A sensitivity analysis on the Company's income for the period assuming a 10% increase and decrease in currency exchange rates as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i> Type	<b>March 31, 2016</b>		<b>December 31, 2015</b>	
	<b>10% Increase</b>	<b>10% Decrease</b>	<b>10% Increase</b>	<b>10% Decrease</b>
Increase (decrease) of income before income tax	₩ (1,037,389)	1,037,389	(1,063,285)	1,063,285
Increase (decrease) of shareholder's equity (*)	(1,037,389)	1,037,389	(1,063,285)	1,063,285

(\*) The effect on the shareholders' equity excluding the impact of income taxes.

The sensitivity analysis above is conducted for monetary assets and liabilities denominated in foreign currencies other than functional currency, without consideration of hedge effect of related derivatives, as of March 31, 2016 and December 31, 2015.

To manage its foreign currency risk related to foreign currency denominated receivables and payables, the Company has a policy to enter into currency forward agreements. In addition, to manage its foreign currency risk related to foreign currency denominated expected sales transactions and purchase transactions, the Company enters into cross-currency swap agreements.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**44. Risk Management, Continued****(2) Financial risk management, continued**

## Interest rate risk

The Company is exposed to interest rate risk due to its borrowing with floating interest rates. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

The Company's borrowings and debt securities with floating interest rates as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i>			
Type		March 31, 2016	December 31, 2015
Short-term borrowings	₩	276,547	41,608
Long-term borrowings		1,649,323	1,977,745
Debt securities		2,063,500	2,082,000
	₩	3,989,370	4,101,353

A sensitivity analysis on the Company's long-term borrowings and debt securities assuming a 1% increase and decrease in interest rates, without consideration of hedge effect of related derivatives for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows

<i>In millions of won</i>		March 31, 2016		December 31, 2015	
Type		1% Increase	1% Decrease	1% Increase	1% Decrease
Increase (decrease) of profit before income tax	₩	(39,894)	39,894	(41,014)	41,014
Increase (decrease) of shareholder's equity (*)		(39,894)	39,894	(41,014)	41,014

(\*) The effect on the shareholders' equity excluding the impact of income taxes.

To manage its interest rate risks, the Company enters into certain interest swap agreements or maintains an appropriate mix of fixed and floating rate borrowings.

#### Electricity rates risk

The Company is exposed to electricity rates risk due to the rate regulation of the government which considers the effect of electricity rate on the national economy.

A sensitivity analysis on the Company's income for the period assuming a 1% increase and decrease in price of electricity for the three-month periods ended March 31, 2016 and 2015 are as follows:

<i>In millions of won</i> <b>Type</b>	<b>March 31, 2016</b>		<b>March 31, 2015</b>	
	<b>1% Increase</b>	<b>1% Decrease</b>	<b>1% Increase</b>	<b>1% Decrease</b>
Increase (decrease) of profit before income tax	₩ 141,822	(141,822)	138,641	(138,641)
Increase (decrease) of shareholder's equity (*)	141,822	(141,822)	138,641	(138,641)

(\*) The effect on the shareholders' equity excluding the impact of income taxes.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**44. Risk Management, Continued****(2) Financial risk management, continued**

## (iv) Liquidity risk

The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecasted and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

In addition, the Company has established credit lines on its trade financing and bank overdrafts, and through payment guarantees it has received, it maintains an adequate credit (borrowing) line. In addition, the Company has the ability to utilize excess cash or long-term borrowings for major construction investments.

The following table shows the details of maturities of non-derivative financial liabilities as of March 31, 2016 and December 31, 2015. This table, based on the undiscounted cash flows of the non-derivative financial liabilities including estimated interests, has been prepared based on the respective liabilities' earliest maturity date.

*In millions of won*

Type	March 31, 2016				Total
	Less than 1 year	1~2 Years	2~5 Years	More than 5 years	
Borrowings and debt securities	₩ 10,450,280	8,972,941	21,454,384	27,763,212	68,640,817
Finance lease liabilities	180,432	175,268	319,838	192,804	868,342
Trade and other payables	6,318,733	303,889	621,469	2,241,137	9,485,228
Financial guarantee contracts (*)	194,479	61,136	39,378		294,993
	₩ 17,143,924	9,513,234	22,435,069	30,197,153	79,289,380

*In millions of won*

Type	December 31, 2015				Total
	Less than 1 year	1~2 Years	2~5 Years	More than 5 years	



Borrowings and debt securities	₩	9,862,441	11,252,946	23,642,523	28,566,566	73,324,476
Finance lease liabilities		182,072	175,512	349,953	206,323	913,860
Trade and other payables		4,618,812	314,361	617,120	2,244,445	7,794,738
Financial guarantee contracts (*)		168,885	62,116	40,009		271,010
	₩	14,832,210	11,804,935	24,649,605	31,017,334	82,304,084

(\*) Total guarantee amounts associated with the financial guarantee contracts. Financial guarantee liabilities which are recognized as of March 31, 2016 and December 31, 2015 are ₩6,136 million and ₩4,288 million, respectively.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**44. Risk Management, Continued****(2) Financial risk management, continued**

The expected maturities for non-derivative financial assets as of March 31, 2016 and December 31, 2015 in detail are as follows:

*In millions of won*

Type	March 31, 2016					Total
	Less than 1 year	1~5 Years	More than 5 years	Other (* )		
Cash and cash equivalents	₩ 5,418,476					5,418,476
Available-for-sale financial assets				626,183		626,183
Held-to-maturity investments	418	3,217				3,635
Loans and receivables	108,103	360,861	320,804	13,877		803,645
Long-term/short-term financial instruments	3,682,752	150,925	752,975			4,586,652
Trade and other receivables	6,772,248	837,047	910,728	76,284		8,596,307
	₩ 15,981,997	1,352,050	1,984,507	716,344		20,034,898

*In millions of won*

Type	December 31, 2015					Total
	Less than 1 year	1~5 Years	More than 5 years	Other (* )		
Cash and cash equivalents	₩ 3,783,065					3,783,065
Available-for-sale financial assets				584,479		584,479
Held-to-maturity investments	381	3,242				3,623
Loans and receivables	106,013	268,820	397,976	11,330		784,139
Long-term/short-term financial instruments	5,132,829	5,000	752,703	334		5,890,866
Trade and other receivables	7,476,745	765,979	958,968	79,202		9,280,894

₩	16,499,033	1,043,041	2,109,647	675,345	20,327,066
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(\*) The maturities cannot be presently determined.

Derivative liabilities classified by maturity periods which from reporting date to maturity date of contract as of March 31, 2016 and December 31, 2015 are as follows:

*In millions of won*

Type	March 31, 2016				Total
	Less than 1 year	1~2 Years	2~5 Years	More than 5 years	
<b>Gross settlement</b>					
- Trading	₩ (16,403)	(9,267)	(66,581)	(3,805)	(96,056)
- Hedging	(3,419)	(10,696)	(41,432)	(60,889)	(116,436)
	₩ (19,822)	(19,963)	(108,013)	(64,694)	(212,492)

*In millions of won*

Type	December 31, 2015				Total
	Less than 1 year	1~2 Years	2~5 Years	More than 5 years	
<b>Gross settlement</b>					
- Trading	₩ (9,552)	(4,627)	(47,971)		(62,150)
- Hedging	1,260	2,032	(44,233)	(62,534)	(103,475)
	₩ (8,292)	(2,595)	(92,204)	(62,534)	(165,625)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**44. Risk Management, Continued****(3) Fair value risk**

The fair value of the Company's actively-traded financial instruments (i.e. short-term financial assets held for trading, available-for-sale financial assets, etc.) is based on the traded market-price as of the reporting period end. The fair value of the Company's financial assets is the amount which the asset could be exchanged for or the amount a liability could be settled for.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Company uses that technique.

For trade receivables and payables, the Company considers the carrying value net of impairment as fair value. While for disclosure purposes, the fair value of financial liabilities is estimated by discounting a financial instruments with similar contractual cash flows based on the effective interest method.

- (i) Fair value and book value of financial assets and liabilities as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i> Type	March 31, 2016		December 31, 2015	
	Book value	Fair value	Book value	Fair value
<b>Assets recognized at fair value</b>				
Available-for-sale financial assets (*1)	₩ 626,183	626,183	584,479	584,479
Derivative assets (trading)	206,168	206,168	255,008	255,008
Derivative assets (using hedge accounting)	243,117	243,117	362,142	362,142
Long-term financial instruments	903,900	903,900	758,037	758,037
Short-term financial instruments	3,682,752	3,682,752	5,132,829	5,132,829
	5,662,120	5,662,120	7,092,495	7,092,495

**Assets carried at amortized cost**

Held-to-maturity investments	3,635	3,635	3,623	3,623
Loans and receivables	754,647	754,647	735,057	735,057
Trade and other receivables	8,587,817	8,587,817	9,271,967	9,271,967
Cash and cash equivalents	5,418,476	5,418,476	3,783,065	3,783,065
	14,764,575	14,764,575	13,793,712	13,793,712

**Liabilities recognized at fair value**

Derivative liabilities (trading)	46,932	46,932	49,011	49,011
Derivative liabilities (using hedge accounting)	148,938	148,938	117,499	117,499
	195,870	195,870	166,510	166,510

**Liabilities carried at amortized cost**

Secured borrowings	644,040	644,040	641,363	641,363
Unsecured bond	54,440,129	59,286,177	55,677,213	59,619,941
Finance lease liabilities	629,343	629,343	659,394	659,394
Unsecured borrowings	1,829,077	1,849,490	2,407,690	2,427,847
Trade and other payables (*2)	9,485,228	9,485,228	7,794,738	7,794,738
Bank overdraft	38,084	38,084	27,233	27,233
	₩ 67,065,901	71,932,362	67,207,631	71,170,516

(\*1) Book values of equity securities held by the Company that were measured at cost as of March 31, 2016 and December 31, 2015 are ₩214,416 million and ₩207,508 million, respectively, as a quoted market price does not exist in an active market and its fair value cannot be measured reliably.

(\*2) Excludes finance lease liabilities.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**44. Risk Management, Continued****(3) Fair value risk, continued****(ii) Interest rates used for determining fair value**

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread.

The discount rate used for calculating fair value as of March 31, 2016 and December 31, 2015 are as follows:

<b>Type</b>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
Derivatives	0.50% ~ 4.16%	0.28% ~ 4.16%
Borrowings and debt securities	0.13% ~ 5.80%	0.15% ~ 5.80%
Finance lease	9.00% ~ 10.83%	9.00% ~ 10.83%

**(iii) Fair value hierarchy**

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, classified as Level 1, 2 or 3, based on the degree to which the fair value is observable.

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

Fair values of financial instruments by hierarchy level as of March 31, 2016 and December 31, 2015 are as follows:

<i>In millions of won</i> <b>Type</b>	<b>March 31, 2016</b>			<b>Total</b>
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	

<b>Financial assets at fair value</b>				
Available-for-sale financial assets	₩	231,383	180,384	411,767
Derivative assets			449,285	449,285
		231,383	449,285	180,384
				861,052
<b>Financial liabilities at fair value</b>				
Derivative liabilities			195,870	195,870

*In millions of won*

Type		December 31, 2015			Total
		Level 1	Level 2	Level 3	
<b>Financial assets at fair value</b>					
Available-for-sale financial assets	₩	196,579		180,390	376,969
Derivative assets			617,150		617,150
		196,579	617,150	180,390	994,119
<b>Financial liabilities at fair value</b>					
Derivative liabilities			166,510		166,510

The fair value of available-for-sale financial assets publicly traded is measured at the closing bid price quoted at the end of the reporting period. Meanwhile, the fair value of unquoted available-for-sale financial assets is calculated using the valuation results from an external pricing service in which weighted average borrowing rates of interest of evaluated companies are used as a discount rate. The fair value of derivatives is measured using valuation model which is determined at the present value of estimated future cash flows discounted at current market interest rate.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**44. Risk Management, Continued****(3) Fair value risk, continued**

Changes of financial assets and liabilities which are classified as level 3 for the three-month period ended March 31, 2016 and for the year ended December 31, 2015 are as follows:

*In millions of won*

	<b>March 31, 2016</b>					
	<b>Beginning balance</b>	<b>Reclassified Acquisition category</b>	<b>Valuation</b>	<b>Disposal</b>	<b>Foreign currency translation</b>	<b>Ending balance</b>
<b>Financial assets at fair value</b>						
Available-for-sale financial assets						
Unlisted securities	₩ 180,390		(6)			180,384

*In millions of won*

	<b>December 31, 2015</b>					
	<b>Beginning balance</b>	<b>Reclassified Acquisition category</b>	<b>Valuation</b>	<b>Disposal</b>	<b>Foreign currency translation</b>	<b>Ending balance</b>
<b>Financial assets at fair value</b>						
Available-for-sale financial assets						
Unlisted securities	₩ 168,627		11,763			180,390



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**45. Service Concession Arrangements****(1) Gas Complex Thermal Power Plant at Ilijan, Philippines (BOT)****(i) Significant terms and concession period of the arrangement**

The Company has entered into a contract with National Power Corporation (the NPC), based in the Republic of the Philippines whereby the Company can collect the electricity rates which are composed of fixed costs and variable costs during the concession period after building, rehabilitating, and operating the power plant.

**(ii) Rights and classification of the arrangement**

The Company has the rights to use and own the power plant during the concession period from 2002 to 2022. At the end of the concession period, the Company has an obligation to transfer its ownership of the power plant to NPC.

**(iii) The Company's expected future collections of service concession arrangements as of March 31, 2016 are as follows:**

<i>In millions of won</i>	
<b>Type</b>	<b>Amounts</b>
Less than 1 year	₩ 120,488
1 ~ 2 years	120,488
2 ~ 3 years	120,488
Over 3 years	351,422
	₩ 712,886

**(2) Hydroelectric Power Generation at Semangka, Indonesia (BOT)**

(i) Significant terms and concession period of the arrangement

The Company has entered into a contract with PT. Perusahaan Listrik Negara (the PLN) whereby the Company provides electricity generated and charge tariff rates designed to recover capital cost, fixed O&M cost, tax on water usage, variable O&M cost and special facilities cost during the concession period after building, rehabilitating, and operating the power plant for approximately 30 years (2017~2047) subsequent to the completion of plant construction.

(ii) Rights and classification of the arrangement

The Company has the rights to use and own the power plant during the concession period from 2017 to 2047. At the end of the concession period, PNL has an option to take over the ownership of the power plant from the Company.

(iii) The Company's expected future collections of service concession arrangements as of March 31, 2016 are as follows:

<i>In millions of won</i>	
<b>Type</b>	<b>Amounts</b>
Less than 1 year	₩
1 ~ 2 years	18,247
2 ~ 3 years	29,128
Over 3 years	671,577
	₩ 718,952

(iv) Accumulated contract costs and profits related to the Company's contract in process as of March 31, 2016 were ₩79,783 million and ₩5,019 million, respectively. There are no amount due from customers and advance receipts in progress.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**46. Related Parties****(1) Related parties of the Company as of March 31, 2016 are as follows:**

<b>Type</b>	<b>Related party</b>
Parent	Republic of Korea government
Subsidiaries (79 subsidiaries)	Korea Hydro & Nuclear Power Co., Ltd., Korea South-East Power Co., Ltd., Korea Midland Power Co., Ltd., Korea Western Power Co., Ltd., Korea Southern Power Co., Ltd., Korea East-West Power Co., Ltd., KEPCO Engineering & Construction Company, Inc., KEPCO Plant Service & Engineering Co., Ltd., KEPCO Nuclear Fuel Co., Ltd., KEPCO KDN Co., Ltd., Garolim Tidal Power Plant Co., Ltd., Gyeonggi Green Energy Co., Ltd., Korea Offshore Wind Power Co., Ltd., KOSEP Material Co., Ltd., KEPCO International HongKong Ltd., KEPCO International Philippines Inc., KEPCO Philippines Corporation, KEPCO Ilijan Corporation, KEPCO Gansu International Ltd., KEPCO Philippines Holdings Inc., KEPCO Lebanon SARL, KEPCO Neimenggu International Ltd., KEPCO Australia Pty., Ltd., KEPCO Shanxi International Ltd., KOMIPO Global Pte Ltd., KOSEP Australia Pty., Ltd., KOMIPO Australia Pty., Ltd., KOWEPO Australia Pty., Ltd., KOSPO Australia Pty., Ltd., KEPCO Canada Energy Ltd., KEPCO Canada Uranium Investment Limited Partnership, KEPCO Netherlands B.V., KOREA Imouraren Uranium Investment Corp., KEPCO Middle East Holding Company, Qatrana Electric Power Company, Korea Electric Power Nigeria Ltd., KOWEPO International Corporation, KOSPO Jordan LLC, Korea Waterbury Uranium Limited Partnership, PT. Cirebon Power Service, EWP America Inc., KHNP Canada Energy., Ltd., KEPCO Bylong Australia Pty., Ltd., KNF Canada Energy Limited, KEPCO Holdings de Mexico, KST Electric Power Company, KEPCO Energy Service Company, KEPCO Netherlands S3 B.V., PT. KOMIPO Pembangkitan Jawa Bali, PT KEPCO Resource Indonesia, EWP Barbados 1 SRL, PT. Tanggamus Electric Power, KOMIPO America Inc, KOSEP USA, INC., PT. EWP Indonesia, KEPCO Netherlands J3 B.V., Global One Pioneer B.V., Global Energy Pioneer B.V., Mira Power Limited, EWP Philippines Corporation, LLC, KEPCO Singapore Holdings Pte., Ltd., KOWEPO India Private Limited, KEPCO KPS Philippines Corp., KOSPO Chile SpA, PT. KOWEPO Sumsel Operation And

	Maintenance Services, Commerce and Industry Energy Co., Ltd., Gyeongju Wind Power Co., Ltd., California Power Holdings, LLC, DG Fairhaven Power, LLC, DG Kings Plaza, LLC, DG Whitefield, LLC, EWP Renewable Co., EWPRC Biomass Holdings, LLC, Springfield Power, LLC, HeeMang Sunlight Power Co., Ltd., Fujeij Wind Power Company, KOSPO Youngnam Power Co., Ltd., Global One Carbon Private Equity Investment Trust 2., Chitose Solar Power Plant LLC.
Associates (56 associates)	Daegu Green Power Co., Ltd., Dongducheon Dream Power Co., Ltd., Korea Gas Corporation, SE Green Energy Co., Daegu Photovoltaic Co., Ltd., Jeongam Wind Power Co., Korea Power Engineering Service Co., Ltd., Yeongwol Energy Station Co., Ltd., KS Solar Co., Ltd., Heang Bok Do Si Photovoltaic Power Co., Ltd., Korea Electric Power Industrial Development Co., Ltd., DS POWER Co., Ltd., Goseong Green Energy Co. Ltd., Gangneung Eco Power Co., Ltd., Shin Pyeongtaek Power Co., Ltd., Naepo Green Energy Co., Ltd., Noeul Green Energy Co., Ltd., YTN Co., Ltd., Cheongna Energy Co., Ltd., Samcheok Eco Material Co., Ltd., Gangwon Wind Power Co., Ltd., Hyundai Green Power Co., Ltd., Korea Power Exchange, AMEC Partners Korea Ltd., Hyundai Energy Co., Ltd., Ecollite Co., Ltd., Taebaek Wind Power Co., Ltd., Muju Wind Power Co., Ltd., Pyeongchang Wind Power Co., Ltd., Daeryun Power Co., Ltd., JinanJangsu Wind Power Co., Ltd., Changjuk Wind Power Co., Ltd., KNH Solar Co., Ltd., S-Power Co., Ltd., Busan Solar Co., Ltd., Hadong Mineral Fiber Co., Ltd., Green Biomass Co., Ltd., SPC Power Corporation, Gemeng International Energy Co., Ltd., PT. Cirebon Electric Power, KNOC Nigerian East Oil Co., Ltd., KNOC Nigerian West Oil Co., Ltd., Dolphin Property Limited, PT. Wampu Electric Power, PT. Bayan Resources TBK, Pioneer Gas Power Limited, Eurasia Energy Holdings, Xe-Pian Xe-Namnoy Power Co., Ltd., PT. Mutiara Jawa, Jinbhuvish Power Generation Pvt. Ltd., Busan Green Energy Co., Ltd., Jungbu Bio Energy Co., Ltd., Korea Electric Vehicle Charge Service, Ulleungdo Natural Energy Co., Ltd., Korea Nuclear Partners Co., Ltd., Tamra Offshore Wind Power Co., Ltd
Joint ventures (39 joint ventures)	KEPCO SPC Power Corporation, Daejung Offshore Wind Power Co., Ltd., KEPCO-ALSTOM Power Electronics Systems, Inc., Dangjin Eco Power Co., Ltd.(Formerly, Dongbu Power Dangjin Corporation), Honam Wind Power Co., Ltd., Seokmun Energy Co., Ltd., Incheon New Power Co., Ltd., Chun-cheon Energy Co., Ltd., Yeonggwangbaeksu Wind Power Co., Ltd., KW Nuclear Components Co., Ltd., KEPCO-Uhde Inc., GS Donghae Electric Power Co., Ltd., Busan Shinho Solar Power Co., Ltd., Global Trade Of Power System Co., Ltd., Expressway Solar-light Power Generation Co., Ltd., Gansu Datang Yumen Wind Power Company Ltd., Datang Chifeng Renewable Power Co., Ltd., KEPCO Energy Resource Nigeria Limited, Rabigh Electricity Company, Eco Biomass Energy Sdn. Bhd., Rabigh Operation & Maintenance Company, Datang KEPCO Chaoyang Renewable Power Co., LTD., Shuweiha Asia Power Investment B.V., Shuweiha Asia Operation & Maintenance Company, Waterbury Lake Uranium L.P., ASM-BG Investicii AD, RES Technology AD, Jamaica Public Service Company Limited, KV Holdings, Inc., Datang Chaoyang Renewable Power Co., Ltd., Nepal Water & Energy Development Company Pty Ltd., KODE NOVUS 1 LLC, KODE NOVUS 2 LLC, Amman Asia Electric Power Company, Kelar S.A, PT. Tanjung Power Indonesia, Nghi Son 2 Power Ltd., Canada Korea Uranium

Limited Partnership, Daehan Wind Power PSC

Others

Korea Development Bank

- (2) Transactions between the Company and its subsidiaries are eliminated during the consolidation and will not be shown as notes.**

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**46. Related Parties, Continued****(3) Related party transactions for the three-month periods ended March 31, 2016 and 2015 are as follows:****<Sales and Others>**

<i>In millions of won</i>		<b>Sales and others</b>	
<b>Company name</b>	<b>Transaction type</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>&lt;Associates&gt;</b>			
Daegu Green Power Co., Ltd.	Electricity sales	₩ 195	227
Dongducheon Dream Power Co., Ltd.	Rental income and others	3,910	3,844
Korea Gas Corporation	Electricity sales	27,431	27,178
Jeongam Wind Power Co., Ltd.	Electricity sales	4	4
Korea Power Engineering Service Co., Ltd	Service	8	
Yeongwol Energy Station Co., Ltd.	Service	244	208
KS Solar Co., Ltd.	Electricity sales	5	6
Korea Electric Power Industrial Development Co., Ltd.	Service	4,135	4,426
DS POWER Co., Ltd.	Service	15,688	27,886
Goseong Green Energy Co. Ltd.	Property sales	1	1
Gangneung Eco Power Co., Ltd.	Service	62	2,112
Shin Pyeongtaek Power Co., Ltd.	Service	69	1
Naepo Green Energy Co., Ltd.	Electricity sales	33	22
YTN Co., Ltd.	Electricity sales	453	505
Busan Green Energy Co., Ltd,	Service	117	
Korea Electric Vehicle Charge Service	Service	8	
Cheongna Energy Co., Ltd.	Service	3,311	16,702
Gangwon Wind Power Co., Ltd.	Electricity sales	1,160	889
Hyundai Green Power Co., Ltd.	Design Service	10,394	10,625
Korea Power Exchange	Service	1,386	1,086

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Hyundai Energy Co., Ltd.	Service	5,916	10,955
Taebaek Wind Power Co., Ltd.	Service	212	179
Pyeongchang Wind Power Co., Ltd.	Design Service	9	37
Daeryun Power Co., Ltd.	Electricity sales	448	457
Changjuk Wind Power Co., Ltd.	Electricity sales	193	156
KNH Solar Co., Ltd.	Electricity sales	5	5
S-Power Co., Ltd.	Service	1,183	2,030
Busan Solar Co., Ltd.	Electricity sales	4	4
Green Biomass Co., Ltd.	Woodchip purchase	1	3
SPC Power Corporation	Commission		6
PT. Bayan Resources TBK	Service	57	
Xe-Pian Xe-Namnoy Power Co., Ltd.	Service	201	101
<b>&lt;Joint ventures&gt;</b>			
KEPCO SPC Power Corporation	Service / Dividend income	1,202	1,103
KEPCO-ALSTOM Power Electronics Systems, Inc	Commission	275	
Dangjin Eco Power Co., Ltd.	Technical fee	447	10
Honam Wind Power Co., Ltd.	Electricity sales	119	12
Seokmun Energy Co., Ltd.	Technical fee	311	354
Incheon New Power Co., Ltd.	Construction Revenue	129	5
Chun-cheon Energy Co., Ltd	Service	873	
Yeonggwangbaeksu Wind Power Co., Ltd	Electricity sales	394	
KW Nuclear Components Co., Ltd.	Service	2,665	1,341
GS Donghae Electric Power Co., Ltd.	Service	3,602	1,342
Busan Shinho Solar Power Co., Ltd.	Electricity sales	191	7
Datang Chifeng Renewable Power Co., Ltd.	Interest income	230	430
Rabigh Electricity Company	Interest income	54	
Shuweihaat Asia Operation & Maintenance Company	Service	37	
Jamaica Public Service Company Limited	Service	815	747
Amman Asia Electric Power Company	Service	2,396	14,532
Kelar S.A	Service	504	1,099
<b>&lt;Others&gt;</b>			
Korea Development Bank	Electricity sales	952	953
	Interest income	169	555

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**46. Related Parties, Continued****(3) Related party transactions for the three-month periods ended March 31, 2016 and 2015 are as follows, continued:****<Purchase and Others>**

<i>In millions of won</i>		<b>Purchase and others</b>	
<b>Company name</b>	<b>Transaction type</b>	<b>March 31, 2016</b>	<b>March 31, 2015</b>
<b>&lt;Associates&gt;</b>			
Daegu Green Power Co., Ltd.	Electricity sales	₩ 81,614	109,189
Dongducheon Dream Power Co., Ltd.	Rental income and others	300,955	158,439
Korea Gas Corporation	Purchase of power generation fuel	1,036,464	1,756,236
Daegu Photovoltaic Co., Ltd.	REC Purchase	521	914
Korea Power Engineering Service Co., Ltd.	Service	224	839
Yeongwol Energy Station Co., Ltd.	REC Purchase	7,738	1,069
KS Solar Energy Co., Ltd.	REC Purchase	767	2,168
Heang Bok Do Si Photovoltaic Power Co., Ltd.	Rental Fee and others	71	93
Korea Electric Power Industrial Development Co., Ltd.	Electricity metering service fee	51,365	55,176
YTN Co., Ltd.	Advertisement fee	18	18
Cheongna Energy Co., Ltd.	Service	73	
Gangwon Wind Power Co., Ltd.	Electricity purchase	6,853	9,003
Hyundai Green Power Co., Ltd.	Electricity purchase	115,770	110,044
Korea Power Exchange	Trading Fees	24,262	23,318
Hyundai Energy Co., Ltd.	Electricity purchase	352	781
Taebaek Wind Power Co., Ltd.	REC Purchase	2,088	2,720
Daeryun Power Co., Ltd.	Electricity sales	65,438	98,743
Changjuk Wind Power Co., Ltd.	Electricity purchase	2,027	2,741



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KNH Solar Co., Ltd.	Electricity sales	614	824
S-Power Co., Ltd.	Service	146,213	228,759
Busan Solar Co., Ltd.	Electricity sales	794	1,072
Green Biomass Co., Ltd.	Woodchip purchase	816	809
<b>&lt;Joint ventures&gt;</b>			
KEPCO-ALSTOM Power			
Electronics Systems, Inc.	Service	30,181	12,040
Honam Wind Power Co., Ltd.	Electricity purchase	1,970	3,183
Yeonggwangbaeksu Wind Power Co., Ltd	Electricity purchase	3,683	
Busan Shinho Solar Power Co., Ltd.	REC Purchase	1,702	2,133
Expressway Solar-light Power Co., Ltd.	Electricity purchase	586	1,065
Jamaica Public Service Company Limited	Service	35	233
<b>&lt;Others&gt;</b>			
Korea Development Bank			
	Interest expense	2,164	8,053
	Provision of dividends	654,829	96,087

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**46. Related Parties, Continued****(4) Receivables and payables arising from related party transactions as of March 31, 2016 and December 31, 2015 are as follows:**

<i>In millions of won</i>		<b>Receivables</b>		<b>Payables</b>	
<b>Company name</b>	<b>Type</b>	<b>March 31, 2016</b>	<b>December 31, 2015</b>	<b>March 31, 2016</b>	<b>December 31, 2015</b>
<b>&lt;Associates&gt;</b>					
Daegu Green Power Co., Ltd.	Trade receivables	₩ 57	95		
	Trade payables			24,672	22,200
	Non-trade payables and others			2,427	
Dongducheon Dream Power Co., Ltd.	Trade receivables	2,088	1,206		
	Trade payables			87,155	100,396
Korea Gas Corporation	Trade receivables	6,278	7,931		
	Non-trade receivables and others	3,247	255		
	Trade payables			275,484	302,752
	Non-trade payables and others			64,433	
Daegu Photovoltaic Co., Ltd.	Trade payables			80	
	Non-trade payables and others				1
Jeongam Wind Power Co., Ltd.	Non-trade payables and others				
Korea Power Engineering Services Co., Ltd.	Non-trade payables and others			11	
Yeongwol Energy Station Co., Ltd.	Trade receivables	243	7,063		
	Trade payables			229	229
KS Solar Co., Ltd.	Trade receivables	2	2		
	Trade payables			90	68
	Non-trade payables and others			421	281
	Trade receivables	640	469		

Korea Electric Power Industrial  
Development Co., Ltd.

	Non-trade receivables and others	1,609	27		
	Non-trade payables and others			13,555	27,569
DS Power Co., Ltd.	Trade receivables	442	260		
	Non-trade receivables and others	707			
	Non-trade payables and others			1	135
Goseong Green Energy Co., Ltd.	Non-trade payables and others			3,900	3,900
Gangneung Eco Power Co., Ltd.	Trade receivables	1	1		
	Non-trade receivables and others	1,760	1,701		
Shin Pyeongtaek Power Co., Ltd.	Non-trade receivables and others	27	272		
Naepo Green Energy Co., Ltd.	Trade receivables	8	9		
YTN Co., Ltd.	Trade receivables	75	93		
	Non-trade payables and others				154
Korea Electric Vehicle Charge Service	Trade receivables	3			
Cheongna Energy Co., Ltd.	Trade receivables	126	157		
	Non-trade receivables and others		375		
	Non-trade payables and others			580	
Gangwon Wind Power Co., Ltd.	Trade receivables	9	12		
	Trade payables			1,433	1,753
Hyundai Green Power Co., Ltd.	Trade receivables	433	962		
	Trade payables			36,434	36,079
Korea Power Exchange	Trade receivables	792	1,452		
	Non-trade receivables and others		112		
	Trade payables				3,529
	Non-trade payables and others			1,339	1,529

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**46. Related Parties, Continued****(4) Receivables and payables arising from related party transactions as of March 31, 2016 and December 31, 2015 are as follows, continued:**

*In millions of won*

Company name	Type	Receivables		Payables	
		March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Hyundai Energy Co., Ltd.	Trade receivables	₩ 51	44,510		
	Non-trade receivables and others	49,441			
	Trade payables			73	178
	Non-trade payables and others			8,240	8,030
Ecollite Co., Ltd.	Non-trade receivables and others	210	210		
	Taebaek Wind Power Co., Ltd.	Trade receivables	106		
Non-trade receivables and others			147		
Trade payables				217	349
Non-trade payables and others				370	
Pyeongchang Wind Power Co., Ltd.	Trade receivables	3			
	Non-trade receivables and others		170		
Daeryun Power Co., Ltd.	Trade receivables	145	117		
	Trade payables			13,381	27,374
Changjuk Wind Power Co., Ltd.	Trade receivables	99			
	Non-trade receivables and others		153		
	Trade payables			201	330
				360	

	Non-trade payables and others				
KNH Solar Co., Ltd.	Trade receivables	1	2		
S-Power Co., Ltd.	Trade receivables	146	121		
	Trade payables			42,186	54,141
Busan Solar Co., Ltd.	Trade receivables	1	1		
	Trade payables			1	1
	Non-trade payables and others				208
Green Biomass Co., Ltd.	Non-trade receivables and others	94	109		
	Non-trade payables and others			391	152
Pioneer Gas Power Limited	Non-trade receivables and others		26		
<b>&lt;Joint ventures&gt;</b>					
KEPCO SPC Power Corporation	Trade receivables	664			
	Non-trade receivables and others		252		
KEPCO-ALSTOM Power Electronics Systems, Inc.	Non-trade receivables and others	216	251		
	Non-trade payables and others			10	61
Dangjin Eco Power Co., Ltd.	Non-trade receivables and others	746	300		
Honam Wind Power Co., Ltd.	Trade payables			288	342
	Non-trade payables and others			2,931	2,124
Seokmun Energy Co., Ltd.	Trade receivables	1			
	Non-trade receivables and others	1,920	2,086		
Incheon New Power Co., Ltd.	Trade receivables	127	128		

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**46. Related Parties, Continued***In millions of won*

Company name	Type	Receivables		Payables	
		March 31, 2016	December 31, 2015	March 31, 2016	December 31, 2015
Chun-cheon Energy Co., Ltd.	Non-trade receivables and others	₩ 118	112		
Yeonggwangbaeksu Wind Power Co., Ltd.	Trade receivables	6	7		
	Non-trade receivables and others	143	136		
	Trade payables			542	627
	Non-trade payables and others			1,469	2,000
GS Donghae Electric Power Co., Ltd.	Trade receivables	1,089	970		
	Non-trade receivables and others	825	1,216		
Busan Shinho Solar Power Co., Ltd.	Trade receivables	2	2		
	Trade payables			166	272
	Non-trade payables and others			857	970
Datang Chifeng Renewable Power Co., Ltd.	Non-trade receivables and others	35	368		
Rabigh Operation & Maintenance Company	Non-trade receivables and others		1,780		
Jamaica Public Service Company Limited	Trade receivables	588	1,193		
	Non-trade receivables and others	633	581		
Amman Asia Electric Power Company	Trade receivables	1,769	739		
<b>&lt;Others&gt;</b>					
Korea Development Bank	Accrued interest income	54	212		
		255,673	45,623		

Non-trade receivables and others				
Non-trade payables and others			471	493
Derivatives	7,528	3,777	6,875	2,313

(5) **Loans and others arising from related party transactions as of March 31, 2016 and December 31, 2015 are as follows:**

*In millions of won*

Type	Company name	Beginning balance	Loans	Collection	Others	Ending balance
Joint ventures	KEPCO SPC Power Corporation	₩ 29,651			(468)	29,183
Joint ventures	Datang Chifeng Renewable Power Co., Ltd.	23,775		(4,062)	(213)	19,500
Joint ventures	Jamaica Public Service Company Limited	2,345			(37)	2,308
Joint ventures	Rabigh Electricity Company	45,552			(699)	44,853
Associates	KNOC Nigerian East Oil Co., Ltd.					
	KNOC Nigerian West Oil Co., Ltd.	28,296			(417)	27,879
	Allowance for doubtful accounts	(17,755)			221	(17,534)
Associates	PT. Cirebon Electric Power	40,979	998		(690)	41,287
Associates	PT. Mutiara Jawa	450		(450)		
Associates	Xe-Pian Xe-Namnoy Power Co., Ltd.	1,413				1,413
Associates	PT. Wampu Electric Power		9,638			9,638
Associates	Jungbu Bio Energy Co., Ltd.				396	396
		₩ 154,706	10,636	(4,512)	(1,907)	158,923

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**46. Related Parties, Continued**

(6) Borrowings arising from related party transactions as of March 31, 2016 and December 31, 2015 are as follows:

*In millions of won*

Related parties	Type	Beginning balance	Borrowings	Repayment	Ending balance
Korea Development Bank	Facility	₩ 261,437	6,200	(615)	267,022
	Others	6,418		(189)	6,229
	Operating funds	12,000			12,000

(7) Guarantees provided to associates or joint ventures as of March 31, 2016 are as follows:

*In millions of won and thousands of foreign currencies*

Primary guarantor	Secondary guarantor	Type of guarantees	Credit limit	Guarantee
Korea Electric Power Corporation	KEPCO SPC Power Corporation	Debt guarantees	USD 88,138	SMBC, The Export-Import Bank of Korea and ADB
Korea Electric Power Corporation	Shuweiha Asia O&M Co., Ltd.	Performance guarantees	USD 11,000	SAPCO
Korea Electric Power Corporation	KNOC Nigerian East Oil Co., Ltd. and KNOC Nigerian West Oil Co., Ltd.	Performance guarantees	USD 34,650	Korea National Oil Corporation (Nigerian government)
Korea Electric Power Corporation	Rabigh Operation & Maintenance Company	Performance guarantees and others	USD 1,387	Rabigh Electricity Company
Korea Electric Power Corporation	Nghi Son 2 Power Ltd.	Bidding guarantees	USD 10,000 KRW 27,211	SMBC Ho Chi Minh



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Korea Western Power Co., Ltd.	Cheongna Energy Co., Ltd.	Collateralized money invested Guarantees for supplemental funding (*1)			KEB Hana Bank and others
Korea Western Power Co., Ltd.		Payment guarantees for business reserve	USD	2,500	Krung Thai Bank
	Xe-Pian Xe-Namnoy Power Co., Ltd.	Collateralized money invested	USD	29,357	
		Impounding bonus guarantees	USD	5,000	SK E&C
Korea Western Power Co., Ltd.	Rabigh Operation & Maintenance Company	Performance guarantees	SAR	5,600	Saudi Arabia British Bank
Korea Western Power Co., Ltd.	Daegu Photovoltaic Co., Ltd.	Collateralized money invested	KRW	1,230	IBK
Korea Western Power Co., Ltd.	Dongducheon Dream Power Co., Ltd. (*2)	Collateralized money invested	KRW	111,134	Woori Bank and others
Korea Western Power Co., Ltd.	PT. Mutiara Jawa	Collateralized money invested	USD	2,610	Shinhan Bank Singapore
Korea Western Power Co., Ltd.	Heangbok Do Si Photovoltaic Power Co., Ltd.	Collateralized money invested	KRW	194	Nonghyup Bank
Korea Western Power Co., Ltd.	Shin Pyeongtaek Power Co., Ltd.	Collateralized money invested	KRW	40	Kookmin Bank
Korea East-West Power Co., Ltd.	Busan Shinho Solar Power Co., Ltd.	Collateralized money invested	KRW	2,100	Heungkuk Life Insurance Co., Ltd. and others

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2016**

(Unaudited)

**46. Related Parties, Continued**

**(7) Guarantees provided to associates or joint ventures as of March 31, 2016 are as follows, continued:**