

KOREA ELECTRIC POWER CORP

Form 6-K

September 09, 2015

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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 September 2015**

**Commission File Number: 001-13372**

**KOREA ELECTRIC POWER CORPORATION**

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

**55 Jeollyeok-ro, Naju-si, Jeollanam-do, 520-350, 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, 2015 to June 30, 2015)

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, 520-350, 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 June 30, 2015)

<b>Classification</b>	<b>Consolidated subsidiaries</b>	<b>Associates and joint ventures</b>	<b>Total</b>
Domestic	17	53	70
Overseas	59	37	96
<b>Total</b>	<b>76</b>	<b>90</b>	<b>166</b>

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## 5. Major changes in management for six-month period ended June 30, 2015

At the annual general meeting of shareholders of KEPCO held on March 31, 2015, Mr. Jang, Jae-Won was appointed as a standing director in lieu of Mr. Goo, Bon-Woo whose the term of office expired, and Mr. Sung, Tae-Hyun, a non-standing director, was appointed as a member of the audit committee.

## 6. 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 500 per share for fiscal year 2014 (Won 321 billion in aggregate). Dividend payment for fiscal year 2013 was Won 90 per share and no dividend was paid for fiscal year 2012.

**II. Business Overview**

## 1. Summary of consolidated financial results by segment for six-month periods ended June 30, 2014 and 2015

(In billions of Won)

	January to June 2014		January to June 2015	
	Sales	Operating profit	Sales	Operating profit
Electricity sales	27,592	-454	28,498	1,931
Nuclear generation	4,796	1,593	4,638	1,192
Thermal generation	13,054	822	10,710	1,034
Others(*)	1,452	211	1,485	164
<b>Subtotal</b>	<b>46,894</b>	<b>2,172</b>	<b>45,331</b>	<b>4,321</b>
Adjustment for related- party transactions	-19,232	-116	-16,535	7
<b>Total</b>	<b>27,662</b>	<b>2,056</b>	<b>28,796</b>	<b>4,328</b>

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

(\*) Others relate to 69 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 electricity

(In Won per kWh)

Business			April to June	January to December
sector	Company		2015	2014
Electricity sold to end users	Residential		124.49	125.14
	Commercial		126.11	129.75
	Educational		107.90	114.15
	Industrial	KEPCO	105.05	106.83
	Agricultural		47.58	47.31
	Street lighting		114.38	113.39
	Overnight usage		67.54	67.33
Electricity sold to KEPCO	Nuclear Generation	KHNP	59.67	59.23
		KOSEP	70.14	67.96
		KOMIPO	89.21	99.24
	Thermal generation	KOWEPO	89.06	99.34
		KOSPO	89.67	108.67
		EWP	82.30	91.18

## 3. Electricity purchased from generation companies for six-month period ended June 30, 2015

Company	Volume (MWh)	Expense (In billions of Won)
KHNP	76,743,520	4,585
KOSEP	34,497,312	2,283
KOMIPO	21,298,953	1,847
KOWEPO	24,084,657	2,146
KOSPO	23,522,627	2,111
EWP	23,799,929	1,959
Others	46,591,376	5,930
Total	250,538,374	20,861

Excludes expense related to the Renewable Portfolio Standard provisions.

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## 4. Intellectual property as of June 30, 2015

	Patents		Utility	Designs	Trademarks		Total
	Domestic	Overseas	models		Domestic	Overseas	
Number of registrations	5,236	669	843	176	399	91	7,414

**III. Financial Information**

## 1. Condensed consolidated financial results as of and for six-month periods ended June 30, 2014 and 2015

(In billions of Won)

Consolidated statements of financial position				Consolidated statements of comprehensive income			
	Dec. 31, 2014	June 30, 2015	Change (%)		January to June 2014	January to June 2015	Change (%)
Total assets	163,708	170,083	3.9	Sales	27,662	28,796	4.1
Total liabilities	108,883	113,030	3.8	Operating profit	2,056	4,328	110.5
Total equity	54,825	57,053	4.1	Net income	753	2,565	240.6



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2. Condensed separate financial results as of and for six-month periods ended June 30, 2014 and 2015

(In billions of Won)

	Separate statements of			Separate statements of			
	financial position			comprehensive income			
	Dec. 31, 2014	June 30, 2015	Change (%)	January to June 2014	January to June 2015	Change (%)	
Total assets	99,719	104,027	4.3	Sales	27,592	28,498	3.3
Total liabilities	56,338	59,016	4.8	Operating profit	-454	1,931	n/m
Total equity	43,381	45,011	3.8	Net income	-543	1,929	n/m

(. ) n/m means not meaningful.

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

1. The board of directors is required to consist of not more than 15 directors including the president and there may not be more than seven standing directors including president, and more than eight non-standing directors.

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

2. Board meetings and agendas for the first-six month period ended June 30, 2015

Number of meetings	Number of agendas	Resolutions	Classification		
			Results	Reports	Results
6	24	17	Approved as proposed	7	Accepted as reported

\* The audit committee held 4 meetings with 14 agendas (of which, 7 were resolved as proposed and 7 were approved as reported).

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## 3. Major activities of the Board of Directors for six-month period ended June 30, 2015

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
January 16, 2015	Report on regional cooperation business such as the energy valley composition project in Naju, Korea	Accepted as reported	Report
	Report on plans for the construction expenses for the new transmission lines in Dangjin, Korea	Accepted as reported	Report
February 27, 2015	Recommendation of candidates to become a member of the Audit Committee	Approved as proposed	Resolution
	Approval of the maximum aggregate amount of remuneration for directors in 2015	Approved as proposed	Resolution
	Approval of consolidated and separate financial statements for the fiscal year 2014	Approved as proposed	Resolution
	Approval to call for the annual general meeting of shareholders for the fiscal year 2014	Approved as proposed	Resolution
	Approval of the establishment of the new district offices	Approved as proposed	Resolution
	Approval of establishment of a special purpose company and investment for supporting the communities surrounding transmission lines	Approved as proposed	Resolution
	Report on the annual management of commercial papers in 2014	Accepted as reported	Report
	Report on internal control over financial reporting for the fiscal year 2014	Accepted as reported	Report
	Evaluation report on internal control over financial reporting for the fiscal year 2014	Accepted as reported	Report
Auditor's report to the board of directors for 2014	Accepted as reported	Report	

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<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
April 17, 2015	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
	Amendments on the regulation for remuneration and welfare	Approved as proposed	Resolution
	Approval to invest in Intra-company Employee Welfare Fund in 2015	Approved as proposed	Resolution
	Approval to invest in nurturing fund for small- and medium-sized enterprises	Approved as proposed	Resolution
	Approval to change management planning for technical development	Approved as proposed	Resolution
May 15, 2015	Approval to establish and finance a Special Purpose Company to make Ulleungdo eco-friendly energy self-sufficient	Approved as proposed	Resolution
	Approval of establishment and investment for a local subsidiary to conduct the Fujeij wind farm project in Jordan	Approved as proposed	Resolution
	Report on results of external and internal audits for the first quarter of 2015	Accepted as reported	Report
June 5, 2015	Amendments on the Electricity Usage Agreement and Rules for Operation	Approved as proposed	Resolution
June 19, 2015	Composition of the Director Nomination Committee to recommend candidates for non-standing directors	Approved as proposed	Resolution
	Approval of mid-to-long term financial management plan for the fiscal years from 2015 to 2019	Approved as proposed	Resolution
	Approval to establish a Special Purpose Company to begin charging fees for recharging electric vehicles	Approved as proposed	Resolution

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## 4. Major activities of the Audit Committee

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
February 27, 2015	Auditor's report on the agendas for the annual general meeting of shareholders	Approved as proposed	Resolution
	Audit plans for 2015	Approved as proposed	Resolution
	Report on internal control over financial reporting for the fiscal year 2014	Accepted as reported	Report
	Education plans for auditors for 2015	Accepted as reported	Report
	Auditor's report on the audit results for 2014	Accepted as reported	Report
March 20, 2015	Approval of selection of independent auditors of subsidiaries	Approved as proposed	Resolution
	Independent auditor's report on the audit results for the consolidated and separate financial statements for the fiscal year 2014	Accepted as reported	Report
April 16, 2015	Approval of selection of independent auditors of subsidiaries	Approved as proposed	Resolution
	Auditor's report for fiscal year 2014 in accordance with U.S. accounting principles	Accepted as reported	Report
	Report on the Form 20-F for the fiscal year 2014 to be filed with the U.S. SEC	Accepted as reported	Report
May 15, 2015	Amendments on the Charter of Ethics for KEPCO Employees and the Code of Conductor for KEPCO Executives and Staff members	Approved as proposed	Resolution
	Amendments on guidelines for disciplinary actions	Approved as proposed	Resolution
	Prior approval for non-audit service for subsidiaries by the independent auditor	Approved as proposed	Resolution
	Independent auditor's report on the audit plans for fiscal year 2015	Accepted as reported	Report
	Report on results of external and internal audits in the first quarter of 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.

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## 1. List of shareholders as of May 6, 2015

		<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	45,608,271	6.64
Public	Common shares	1,430	160,998,099	25.08
(non-Koreans)	American depository shares (ADS)	1	35,516,861	5.53
Public	Corporate	1,359	51,433,844	8.01
(Koreans)	Individual	356,092	23,329,944	3.64
Total		358,885	641,964,077	100.00

Percentages are based on issued shares of common stock.

All of our shareholders have equal voting rights.

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

**VI. Directors and employees as of and for the six-month period ended June 30, 2015 (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	693,847	99,121
Non-standing director	8	105,000	13,125
Total	15	798,847	53,256

## 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>			

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		<b>Non-regular</b>		<b>service year</b>		<b>per person</b>
Male	16,539	258	16,797	19.7	661,597,163	39,388
Female	3,453	115	3,568	14.0	101,663,047	28,493
Total	19,992	373	20,365	18.7	763,260,210	37,479

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## 1. Summary of the annual general meeting of shareholders ( AGM ) for the fiscal year 2014

<b>Type</b>	<b>Agenda</b>	<b>Results</b>
Annual General Meeting	Approval of financial statements for the fiscal year 2014	Approved as proposed
	Approval of the maximum aggregate amount of remuneration for directors in 2015	Approved as proposed
held on	Election of a standing director: Mr. Chang, Jae-Won	Approved as proposed
March 31, 2015	Appointment of a non-standing director as a member of the Audit Committee: Mr. Sung, Tae-Hyun	Approved as proposed

## 2. Pending legal proceedings as of June 30, 2015

(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	747	477
Lawsuits where KEPCO and its subsidiaries are engaged as the plaintiffs	176	433

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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/ Lee, Sang-Lyong  
Name: Lee, Sang-Lyong  
Title: Head of Finance & IR team

Date: September 9, 2015



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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Financial Statements

June 30, 2015

(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 statement of financial position as of June 30, 2015, the consolidated statements of comprehensive income (loss) for the three and six-month periods ended June 30, 2015 and 2014, changes in equity and cash flows for the six-month periods ended June 30, 2015 and 2014 and notes, comprising a summary of a significant accounting policies and other explanatory information.

**Management's responsibility**

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 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.

**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, 2014, 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 23, 2015. The accompanying consolidated financial position of the Company as of December 31, 2014, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG Samjong Accounting Corp.

Seoul, Korea

August 13, 2015

This report is effective as of August 13, 2015, 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 review 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 June 30, 2015 and December 31, 2014

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	5,6,7,44	3,850,438	1,796,300
Current financial assets, net	5,10,11,12,44	1,754,114	176,428
Trade and other receivables, net	5,8,14,20,44,46	6,691,138	7,697,862
Inventories, net	13	4,827,817	4,537,469
Income tax refund receivables	40	23,409	18,475
Current non-financial assets	15	434,090	502,511
Assets held-for-sale	41	2,090,810	2,090,810
<b>Total current assets</b>		<b>19,671,816</b>	<b>16,819,855</b>
Non-current assets			
Non-current financial assets, net	5,6,9,10,11,12,44	2,151,485	2,040,921
Non-current trade and other receivables, net	5,8,14,44,46	1,754,614	1,724,357
Property, plant and equipment, net	18,27,48	138,903,739	135,812,499
Investment properties, net	19,27	237,581	317,264
Goodwill	16	2,582	2,582
Intangible assets other than goodwill, net	21,27	807,112	821,060
Investments in associates	4,17	4,532,250	4,341,830
Investments in joint ventures	4,17	1,263,002	1,166,894
Deferred tax assets	40	628,931	526,934
Non-current non-financial assets	15	129,787	134,093
<b>Total non-current assets</b>		<b>150,411,083</b>	<b>146,888,434</b>
<b>Total assets</b>	<b>4</b>	<b>170,082,899</b>	<b>163,708,289</b>

(Continued)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Financial Position, Continued

## As of June 30, 2015 and December 31, 2014

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>Liabilities</b>			
Current liabilities			
Trade and other payables, net	5,22,24,44,46	4,794,212	6,128,604
Current financial liabilities, net	5,11,23,44,46	7,860,325	7,162,372
Income tax payables	40	589,516	570,550
Current non-financial liabilities	20,28,29	13,720,341	6,464,356
Current provisions	26,44	1,541,659	1,274,186
<b>Total current liabilities</b>		<b>28,506,053</b>	<b>21,600,068</b>
Non-current liabilities			
Non-current trade and other payables, net	5,22,24,44,46	3,809,699	3,806,735
Non-current financial liabilities, net	5,11,23,44,46	53,228,171	55,999,761
Non-current non-financial liabilities	28,29	6,991,431	6,946,410
Employee benefits liabilities, net	25,44	1,487,885	1,277,415
Deferred tax liabilities	40	6,516,356	5,723,880
Non-current provisions	26,44	12,490,018	13,529,010
<b>Total non-current liabilities</b>		<b>84,523,560</b>	<b>87,283,211</b>
<b>Total liabilities</b>	<b>4</b>	<b>113,029,613</b>	<b>108,883,279</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		23,720,167	22,999,359
Unappropriated retained earnings		12,130,509	10,699,378

		37,455,586	35,303,647
Other components of equity	33		
Other capital surpluses		1,198,374	1,151,402
Accumulated other comprehensive loss		(183,400)	(202,269)
Other equity		13,294,973	13,294,973
		14,309,947	14,244,106
<b>Equity attributable to owners of the Company</b>		<b>55,819,111</b>	<b>53,601,331</b>
Non-controlling interests	16, 32	1,234,175	1,223,679
<b>Total equity</b>		<b>57,053,286</b>	<b>54,825,010</b>
<b>Total liabilities and equity</b>		<b>170,082,899</b>	<b>163,708,289</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 (Loss)

**For the three and six-month periods ended June 30, 2015 and 2014**

(Unaudited)

*In millions of won, except per share information*

		June 30, 2015		June 30, 2014	
	Note	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
<b>Sales</b>	4,34,44,46				
Sales of goods		12,264,491	26,497,475	11,830,026	25,903,602
Sales of services		121,583	216,371	142,886	207,464
Sales of construction services	20	1,192,576	1,897,085	829,221	1,377,969
Revenue related to transfer of assets from customers		93,176	184,754	87,166	172,911
		13,671,826	28,795,685	12,889,299	27,661,946
<b>Cost of sales</b>	13,25,42,46				
Cost of sales of goods		(9,783,228)	(21,449,147)	(10,682,236)	(23,200,495)
Cost of sales of services		(115,545)	(204,704)	(55,591)	(143,671)
Cost of sales of construction services		(1,132,526)	(1,799,617)	(798,761)	(1,302,143)
		(11,031,299)	(23,453,468)	(11,536,588)	(24,646,309)
<b>Gross profit</b>		2,640,527	5,342,217	1,352,711	3,015,637
<b>Selling and administrative expenses</b>	25,35,42,46	(552,543)	(1,014,367)	(523,471)	(959,320)
<b>Operating profit</b>	4,51	2,087,984	4,327,850	829,240	2,056,317
<b>Other non-operating income</b>	36	96,330	213,695	74,958	145,681
<b>Other non-operating expense</b>	36	(16,980)	(40,117)	(14,298)	(37,357)
<b>Other gains, net</b>	13, 37	47,241	73,135	49,395	90,477
<b>Finance income</b>	5,11,38	275,466	448,373	681,344	655,948
<b>Finance expenses</b>	5,11,39	(783,041)	(1,450,165)	(1,284,271)	(1,782,938)
	4,17				



**Profit related to associates, joint ventures and subsidiaries**

Share in profit of associates and joint ventures		38,653	246,207	50,095	185,078
Gain on disposal of investments in subsidiaries	16		5,866	45,981	45,981
Share in loss of associates and joint ventures		(12,170)	(33,041)	(3,790)	(27,048)
Loss on disposal of investments in associates and joint ventures				(106)	(106)
Impairment loss on investments in associates and joint ventures					(1,558)
		26,483	219,032	92,180	202,347
<b>Profit before income tax</b>		1,733,483	3,791,803	428,548	1,330,475
<b>Income tax expense</b>	40	(391,589)	(1,226,802)	(237,036)	(577,692)
<b>Profit for the period</b>		1,341,894	2,565,001	191,512	752,783

*(Continued)*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Comprehensive Income (Loss), Continued

**For the three and six-month periods ended June 30, 2015 and 2014**

(Unaudited)

*In millions of won, except per share information*

	<i>Note</i>	<b>June 30, 2015</b>		<b>June 30, 2014</b>	
		<b>Three-month period ended</b>	<b>Six-month period ended</b>	<b>Three-month period ended</b>	<b>Six-month period ended</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	45,646	(33,185)	(45,363)	(60,708)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	31	1,472	1,230	(1,811)	(2,017)
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	32,552	22,905	(23,948)	(40,495)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	5,11,33	(33,358)	(21,360)	(37,238)	(33,913)
Foreign currency translation of foreign operations, net of tax	33	36,051	(15,962)	(157,270)	(98,465)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	33	45,713	34,922	(27,895)	(81,689)
<b>Other comprehensive income (loss), net of tax</b>		128,076	(11,450)	(293,525)	(317,287)
<b>Total comprehensive income (loss) for the period</b>		1,469,970	2,553,551	(102,013)	435,496
<b>Profit or loss attributable to:</b>					
Owners of the Company	43	1,305,183	2,505,266	154,752	687,014
Non-controlling interests		36,711	59,735	36,760	65,769
		1,341,894	2,565,001	191,512	752,783

**Total comprehensive income (loss)  
attributable to:**

Owners of the Company	1,423,010	2,491,790	(117,946)	378,057
Non-controlling interests	46,960	61,761	15,933	57,439
	1,469,970	2,553,551	(102,013)	435,496

**Earnings per share**

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Basic and diluted earnings per share	2,034	3,903	248	1,103
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*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 six-month periods ended June 30, 2015 and 2014**

(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, 2014</b>	4,053,578	32,766,086	13,440,004	50,259,668	1,191,068	51,450,736
<b>Total comprehensive income (loss) for the period</b>						
Profit for the period		687,014		687,014	65,769	752,783
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of defined benefit liability, net of tax		(53,574)		(53,574)	(7,134)	(60,708)
Share in other comprehensive loss of associates and joint ventures, net of tax		(2,017)		(2,017)		(2,017)
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			(40,494)	(40,494)	(1)	(40,495)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			(30,673)	(30,673)	(3,240)	(33,913)
Foreign currency translation of foreign operations, net of tax			(99,918)	(99,918)	1,453	(98,465)
Share in other comprehensive income			(82,281)	(82,281)	592	(81,689)

(loss) of associates and joint ventures, net of tax						
<b>Transactions with owners of the Company, recognized directly in equity</b>						
Dividends paid	(56,074)		(56,074)	(86,805)		(142,879)
Issuance of share capital by subsidiaries				4,379		4,379
Equity transaction within consolidated scope	(3,917)		(3,917)	(1,939)		(5,856)
Changes in consolidated scope other than issuance of share capital				(5,648)		(5,648)
Dividends paid (hybrid securities)				(8,182)		(8,182)
Others				(5)		(5)
<b>Balance at June 30, 2014</b>	<b>4,053,578</b>	<b>33,341,435</b>	<b>13,182,721</b>	<b>50,577,734</b>	<b>1,150,307</b>	<b>51,728,041</b>

*(Continued)*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Changes in Equity, Continued

**For the six-month periods ended June 30, 2015 and 2014**

(Unaudited)

<i>In millions of won</i>	<b>Equity attributable to owners of the Company</b>			<b>Non-</b>	<b>Total</b>	
	<b>Contributed capital</b>	<b>Retained earnings</b>	<b>Other components of equity</b>	<b>controlling interests</b>	<b>equity</b>	
				<b>Subtotal</b>		
<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		2,505,266		2,505,266	59,735	2,565,001
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of defined benefit liability, net of tax		(33,575)		(33,575)	390	(33,185)
Share in other comprehensive income of associates and joint ventures, net of tax		1,230		1,230		1,230
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			22,905	22,905		22,905
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			(17,875)	(17,875)	(3,485)	(21,360)
Foreign currency translation of foreign operations, net of tax			(21,083)	(21,083)	5,121	(15,962)
Share in other comprehensive income of			34,922	34,922		34,922

associates and joint ventures, net of tax						
<b>Transactions with owners of the Company, recognized directly in equity</b>						
Dividends paid	(320,982)		(320,982)	(56,352)		(377,334)
Issuance of share capital by subsidiaries		2,865	2,865	6,382		9,247
Equity transaction within consolidated scope		44,107	44,107	9,591		53,698
Changes in consolidated scope other than issuance of share capital				(1,547)		(1,547)
Dividends paid (hybrid securities)				(8,182)		(8,182)
Others				(1,157)		(1,157)
<b>Balance at June 30, 2015</b>	<b>4,053,578</b>	<b>37,455,586</b>	<b>14,309,947</b>	<b>55,819,111</b>	<b>1,234,175</b>	<b>57,053,286</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 six-month periods ended June 30, 2015 and 2014**

(Unaudited)

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>June 30, 2014</b>
<b>Cash flows from operating activities</b>		
Profit for the period	2,565,001	752,783
<b>Adjustments for:</b>		
Income tax expense	1,226,802	577,692
Depreciation	4,003,612	3,797,274
Amortization	37,647	39,229
Employee benefit expense	153,924	173,881
Bad debt expense (reversal)	(4,488)	30,299
Interest expense	1,078,463	1,193,767
Loss on sale of financial assets	2,983	2
Loss on disposal of property, plant and equipment	1,720	10,141
Loss on abandonment of property, plant, and equipment	123,390	127,051
Impairment loss on property, plant and equipment	4,757	8,900
Loss on disposal of intangible assets	5	17
Accretion expense to provisions, net	796,511	568,534
Loss (gain) on foreign currency translation, net	246,856	(401,492)
Valuation and transaction loss (gain) on derivative instruments, net	(211,224)	446,877
Share in profit of associates and joint ventures, net	(213,166)	(158,030)
Gain on disposal of property, plant and equipment	(96,769)	(32,508)
Gain on disposal of intangible assets	(32)	
Gain on disposal of investments in associates, joint ventures and subsidiaries	(5,866)	(45,875)
Impairment loss on investments in associates and joint ventures		1,558
Interest income	(105,008)	(98,005)
Dividend income	(13,564)	(13,547)
Impairment loss on available-for-sale securities	13,993	41,792
Others, net	(945)	(25,522)
	<b>7,039,601</b>	<b>6,242,035</b>
<b>Changes in:</b>		
Trade receivables	1,088,488	710,016
Non-trade receivables	(8,699)	3,584
Accrued income	(45,056)	(87,989)
Other receivables	(279)	2,907



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Other current assets	22,890	20,963
Inventories	(599,374)	(502,572)
Other non-current assets	(42,396)	(34,391)
Trade payables	(1,700,352)	(1,118,435)
Non-trade payables	100,075	281,887
Accrued expenses	45,201	84,938
Other liabilities	22	
Other current liabilities	963,614	849,354
Other non-current liabilities	127,768	(142,255)
Investments in associates and joint ventures	37,903	22,378
Provisions	(414,474)	(327,564)
Payments of employee benefit obligations	(14,844)	(88,605)
Plan assets	305	(2,311)
	(439,208)	(328,095)

*(Continued)*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Cash Flows, Continued

**For the six-month periods ended June 30, 2015 and 2014**

(Unaudited)

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>June 30, 2014</b>
<b>Cash generated from operating activities</b>		
Dividends received	13,564	11,051
Interest paid	(1,120,011)	(1,227,539)
Interest received	80,705	84,933
Income taxes refund (paid)	(514,632)	111,027
<b>Net cash provided by operating activities</b>	<b>7,625,020</b>	<b>5,646,195</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposals of associates and joint ventures		1,915
Acquisition of associates and joint ventures	(67,886)	(210,911)
Proceeds from disposals of property, plant and equipment	6,589,066	35,453
Acquisition of property, plant and equipment	(7,799,359)	(7,642,027)
Proceeds from disposals of intangible assets	163	2
Acquisition of intangible assets	(33,945)	(30,017)
Proceeds from disposals of financial assets	142,562	433,673
Acquisition of financial assets	(1,629,993)	(192,456)
Increase in loans	(109,534)	(91,151)
Collection of loans	47,743	56,190
Increase in deposits	(156,985)	(120,450)
Decrease in deposits	119,476	115,284
Receipt of government grants	10,153	31,021
Usage of government grants	(18,943)	(1,805)
Net cash inflow from changes in consolidation scope	553	44,523
Other cash inflow (outflow) from investing activities, net	15,016	(16,958)
<b>Net cash used in investing activities</b>	<b>(2,891,913)</b>	<b>(7,587,714)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings, net	323,645	1,218,390
Proceeds from long-term borrowings and debt securities	2,124,045	5,176,073
Repayment of long-term borrowings and debt securities	(4,783,278)	(3,876,757)
Payment of finance lease liabilities	(55,242)	(60,078)
Settlement of derivative instruments, net	3,713	(316,069)

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Proceeds (payment) for changes in interests in subsidiaries	72,316	(378)
Dividends paid (hybrid bond)	(8,182)	(8,182)
Dividends paid	(377,334)	(142,879)
Other cash inflow (outflow) from financing activities, net	(2,437)	4,886
<b>Net cash provided by (used in) financing activities</b>	<b>(2,702,754)</b>	<b>1,995,006</b>
<b>Net increase in cash and cash equivalents before effect of exchange rate fluctuations</b>	<b>2,030,353</b>	<b>53,487</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>23,785</b>	<b>4,506</b>
<b>Net increase in cash and cash equivalents</b>	<b>2,054,138</b>	<b>57,993</b>
<b>Cash and cash equivalents at January 1</b>	<b>1,796,300</b>	<b>2,232,313</b>
<b>Cash and cash equivalents at June 30</b>	<b>3,850,438</b>	<b>2,290,306</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

**June 30, 2015**

(Unaudited)

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

Korea Electric Power Corporation ( KEPCO ), 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.

As of June 30, 2015, 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 196,514,960 shares (30.61%) as of the most recent closing date of Register of Shareholders (May 6, 2015).

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. KEPCO moved the headquarters to Naju, Jeollanam-do, in November 2014 as part of the government 's plan to relocate state-run companies for balanced national development.

**2. Basis of Preparation**

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 ) 's 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 of and for the year ended December 31, 2014.

**(1) Statement of compliance**

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

**June 30, 2015**

(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 following 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.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**2. Basis of Preparation, Continued**

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

(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 (Note 25).

(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 June 30, 2015 and 2014 is 1,302,371 million and 1,303,863 million, respectively.

**(5) Changes in accounting policies**

(i) Amendments to K-IFRS 1019 Employee Benefits Employee contributions

The Company has adopted amendments to K-IFRS 1019, Employee Benefits Employee contributions, since July 1, 2014. Amendments to K-IFRS 1019 introduced a practical expedient to accounting for defined benefit plan, when employees or third parties pay contributions if certain criteria are met. According to the amendments, the entity is permitted to recognize those contributions as a reduction of the service cost in the period in which the related service is rendered, instead of forecast future contributions from employees or third parties and attribute them to periods or service as negative benefits.

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



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

The following new standards, interpretations and amendments to existing standards have been published, and effective for annual periods beginning on or 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) Amendments to K-IFRS 1016, Property, Plant and Equipment

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. These amendments are effective for annual periods beginning on or after January 1, 2016.

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

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. These amendments are effective for annual periods beginning on or after January 1, 2016.

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

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. These amendments are effective for annual periods beginning on or after January 1, 2016.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies**

Except as described in note 2.(5), the Company applied the following significant accounting policies consistently for all periods presented.

**(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 (loss) 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 between the Company and its subsidiaries 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 (loss) and accumulated in equity, the amounts previously recognized in other comprehensive income (loss) 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 joint venture.

**(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.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(2) Business combinations, continued**

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 (loss) are reclassified to income or loss where such treatment would be appropriate if that interest were disposed of.

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.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(2) Business combinations, continued**

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 associates, 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 (loss) 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.

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 (loss) 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 (loss) 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.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies, Continued**

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

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-IFRSs 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.

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

**June 30, 2015**

(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

**June 30, 2015**

(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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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(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; 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 (loss) 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 (loss) 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**

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(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 (loss). The actuarial gains or losses recognized in other comprehensive income (loss) 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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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(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 (loss).

(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.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(14) Income taxes, continued**

(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 (loss) or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income (loss) 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.

**(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:

**Useful lives (years)**

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

**June 30, 2015**

(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

**June 30, 2015**

(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
Dam usage right	50	Straight
Mining right		Unit of production
Others	4 ~ 20, 50	Straight

**(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, 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) 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.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(18) Impairment of non-financial assets other than goodwill, continued**

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.

**(19) 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.

**(20) 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.

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.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(20) Provisions, continued**

(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 polychlorinated biphenyls (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

Renewable portfolio standard ( RPS ) program is required to generate a specified percentage of total electricity to be generated in the form of renewable energy and provisions are recognized for the governmental regulations to require the production of energies from renewable energy sources such as solar, wind and biomass.

**(21) 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.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies, Continued**

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

(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.

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.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies, Continued**

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

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. 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 income 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.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies, Continued**

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

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 income 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.

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.

**(22) 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.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies, Continued**

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

(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.

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

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(23) 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

**June 30, 2015**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(23) 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

**June 30, 2015**

(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 generates discrete financial information that is reported to and regularly revised 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 segment 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 an equity method basis in the consolidated financial statements.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

- (2) Financial information of the segments for the three and six-month periods ended June 30, 2015 and 2014, respectively, are as follows:

Intersegment revenue	Revenue from external customers		June 30, 2015 Income (loss) of associates and joint ventures		Depreciation and Amortization		Interest Income		I	Th
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended		
313,577	610,732	13,247,983	27,887,507	44,215	214,247	706,033	1,410,193	21,292	31,862	28
1,896,788	4,630,737	5,472	7,683	(55)	(713)	725,525	1,462,841	6,086	13,094	14
3,928,265	10,341,346	157,414	368,150	(16,831)	5,544	572,605	1,134,531	5,397	11,066	7
479,572	893,785	136,927	276,430	(846)	(46)	20,133	40,031	2,398	5,422	
38,573	58,317	124,030	255,915			6,493	13,536	27,616	53,138	24
(6,656,775)	(16,534,917)					(10,469)	(19,873)	(7,274)	(9,574)	(8)
		13,671,826	28,795,685	26,483	219,032	2,020,320	4,041,259	55,515	105,008	52



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**4. Segment, Geographic and Other Information, Continued****(2) Financial information of the segments for the three and six-month periods ended June 30, 2015 and 2014, respectively, are as follows, continued:**

Intersegment revenue		Revenue from external customers		June 30, 2014		Depreciation and amortization		Interest Income		Int
				Income (loss) of associates and joint ventures						
Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended	Thre mon peri ended
367,866	653,818	12,542,938	26,938,047	47,295	154,351	672,748	1,344,667	6,128	13,093	367,
2,346,772	4,792,235	1,329	3,987		740	726,898	1,430,109	8,005	11,957	145,
5,559,204	12,860,962	66,566	193,476	46,107	49,679	513,202	1,030,271	8,395	16,545	65,
467,514	870,558	180,033	331,468	(1,222)	(2,423)	17,141	34,907	3,697	8,699	
29,002	54,667	98,433	194,968			6,856	13,513	28,258	55,154	21,
(8,770,358)	(19,232,240)					(8,466)	(16,964)	(4,673)	(7,443)	(4,
		12,889,299	27,661,946	92,180	202,347	1,928,379	3,836,503	49,810	98,005	596,



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

- (3) **Information related to segment assets and segment liabilities as of and for the six-month period ended June 30, 2015 and as of and for the year ended December 31, 2014 are as follows:**

*In millions of won*

Segment	June 30, 2015			Segment liabilities
	Segment assets	Investments in associates and joint ventures	Acquisition of non-current assets	
Transmission and distribution	104,026,965	4,400,585	3,718,556	59,015,749
Electric power generation (Nuclear)	49,128,233	15,780	1,359,329	27,289,507
Electric power generation (Non-nuclear)	42,485,625	1,321,098	2,811,554	24,760,768
Plant maintenance & engineering service	2,794,058	57,789	117,004	1,122,188
Others	5,647,717		53,909	2,171,544
Consolidation adjustments	(33,999,699)		(227,048)	(1,330,143)
<b>Consolidated totals</b>	<b>170,082,899</b>	<b>5,795,252</b>	<b>7,833,304</b>	<b>113,029,613</b>

*In millions of won*

Segment	December 31, 2014			Segment liabilities
	Segment assets	Investments in associates and joint ventures	Acquisition of non-current assets	
Transmission and distribution	99,719,106	4,173,139	4,979,968	56,338,038

Electric power generation (Nuclear)	49,237,136	1,929	2,211,783	27,588,281
Electric power generation (Non-nuclear)	41,413,556	1,274,761	7,071,376	24,185,126
Plant maintenance & engineering service	2,659,506	58,895	377,055	990,496
Others	5,681,070		120,667	2,098,115
Consolidation adjustments	(35,002,085)		(144,726)	(2,316,777)
<b>Consolidated totals</b>	<b>163,708,289</b>	<b>5,508,724</b>	<b>14,616,123</b>	<b>108,883,279</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)	
	June 30, 2015		June 30, 2014		June 30, 2015	December 31, 2014
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended		
Domestic	12,378,120	26,685,740	11,970,221	26,134,851	141,544,538	136,053,940
Overseas (*1)	1,293,706	2,109,945	919,078	1,527,095	4,331,515	6,542,282
	13,671,826	28,795,685	12,889,299	27,661,946	145,876,053	142,596,222

(\*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.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**4. Segment, Geographic and Other Information, Continued****(5) Information on significant customers**

There is no individual customer comprising more than 10% of the Company's revenue for the six-month periods ended June 30, 2015 and 2014.

**5. Classification of Financial Instruments****(1) Classification of financial assets as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won*

	<b>June 30, 2015</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>Total</b>
<b>Current assets</b>						
Cash and cash equivalents		3,850,438				3,850,438
<b>Current financial assets</b>						
Held-to-maturity investments				151		151
Derivative assets	21,305				45,655	66,960
Other financial assets		1,687,003				1,687,003
Trade and other receivables		6,691,138				6,691,138
	21,305	12,228,579		151	45,655	12,295,690
<b>Non-current assets</b>						
<b>Non-current financial assets</b>						
Available-for-sale financial assets			720,196			720,196



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Held-to-maturity investments				3,236		3,236
Derivative assets	62,536				172,827	235,363
Other financial assets		1,192,690				1,192,690
Trade and other receivables		1,754,614				1,754,614
	62,536	2,947,304	720,196	3,236	172,827	3,906,099
	83,841	15,175,883	720,196	3,387	218,482	16,201,789

*In millions of won*

	<b>December 31, 2014</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>Total</b>
<b>Current assets</b>						
Cash and cash equivalents		1,796,300				1,796,300
<b>Current financial assets</b>						
Held-to-maturity investments				265		265
Derivative assets	6,812				1,409	8,221
Other financial assets		167,942				167,942
Trade and other receivables		7,697,862				7,697,862
	6,812	9,662,104		265	1,409	9,670,590
<b>Non-current assets</b>						
<b>Non-current financial assets</b>						
Available-for-sale financial assets			715,151			715,151
Held-to-maturity investments				3,349		3,349
Derivative assets	59,037				102,867	161,904
Other financial assets		1,160,517				1,160,517
Trade and other receivables		1,724,357				1,724,357
	59,037	2,884,874	715,151	3,349	102,867	3,765,278
	65,849	12,546,978	715,151	3,614	104,276	13,435,868

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**5. Classification of Financial Instruments, continued****(2) Classification of financial liabilities as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won***June 30, 2015**

	<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		1,441,276		1,441,276
Debt securities		6,379,875		6,379,875
Derivative liabilities	37,661		1,513	39,174
Trade and other payables		4,794,212		4,794,212
	37,661	12,615,363	1,513	12,654,537
<b>Non-current liabilities</b>				
Borrowings		1,819,091		1,819,091
Debt securities		51,151,651		51,151,651
Derivative liabilities	93,341		164,088	257,429
Trade and other payables		3,809,699		3,809,699
	93,341	56,780,441	164,088	57,037,870
	131,002	69,395,804	165,601	69,692,407

*In millions of won***December 31, 2014**

	<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>loss</b>			
<b>Current liabilities</b>				
Borrowings		1,113,354		1,113,354
Debt securities		5,991,398		5,991,398
Derivative liabilities	56,296		1,324	57,620
Trade and other payables		6,128,604		6,128,604
	56,296	13,233,356	1,324	13,290,976
<b>Non-current liabilities</b>				
Borrowings		3,475,206		3,475,206
Debt securities		52,244,369		52,244,369
Derivative liabilities	108,635		171,551	280,186
Trade and other payables		3,806,735		3,806,735
	108,635	59,526,310	171,551	59,806,496
	164,931	72,759,666	172,875	73,097,472

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**5. Classification of Financial Instruments, Continued**

- (2) **Classification of comprehensive income (loss) from financial instruments for the three and six-month periods ended June 30, 2015 and 2014 are as follows:**

*In millions of won*

		<b>June 30, 2015</b>		<b>June 30, 2014</b>	
		<b>Three-month period ended</b>	<b>Six-month period ended</b>	<b>Three-month period ended</b>	<b>Six-month period ended</b>
Cash and cash equivalents	Interest income	13,297	25,188	14,600	26,835
Available-for-sale financial assets	Dividends income	8,107	13,564	1,022	13,547
	Impairment loss on available-for-sale financial assets	(8,172)	(13,993)	(41,792)	(41,792)
	Loss on disposal of available-for-sale financial assets	(2,008)	(2,983)		(2)
	Interest income		29	110	218
Held-to-maturity investments	Interest income	24	48	21	38
Loans and receivables	Interest income	4,400	11,174	8,981	16,929
Trade and other receivables	Interest income	29,484	54,465	24,875	50,646
Short-term financial instruments	Interest income	5,668	8,532	1,142	3,148
Long-term financial instruments	Interest income	2,643	5,572	81	191
Financial assets at fair value through profit or loss	Gain (loss) on valuation of derivatives	30,540	60,905	(14,141)	(4,762)
	Gain on transaction of derivatives	472	2,138	42,762	33,199
Derivative assets (using hedge accounting)	Gain (loss) on valuation of derivatives (profit or loss)	69,806	84,005	(107,359)	(71,451)
	Loss on valuation of derivatives (equity, before tax) (*)	(32,598)	(19,588)	(16,813)	(22,545)
	Gain (loss) on transaction of derivatives	354	1,419		(1,584)

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Financial liabilities carried at amortized cost	Interest expense of borrowings and debt securities	(350,453)	(729,657)	(426,175)	(853,722)
	Interest expense of trade and other payables	(24,211)	(45,120)	(24,764)	(47,140)
	Interest expense of others	(151,143)	(303,686)	(145,782)	(292,905)
	Gain (loss) on foreign currency transactions and translations	(198,642)	(258,978)	590,587	445,196
Financial liabilities at fair value through profit or loss	Gain (loss) on valuation of derivatives	12,199	30,541	(267,921)	(199,082)
	Loss on transaction of derivatives	(2,424)	(4,209)	(103,335)	(74,740)
Derivative liabilities (using hedge accounting)	Gain (loss) on valuation of derivatives (profit or loss)	39,586	41,443	(151,029)	(121,509)
	Loss on valuation of derivatives (equity, before tax) (*)	(25,460)	(11,723)	(37,717)	(31,027)
	Loss on transaction of derivatives	(1,618)	(5,018)	(1,636)	(6,948)

(\*) Items are included in other comprehensive income (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 accompanying consolidated statements of comprehensive income (loss).

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**6. Restricted Deposits****Restricted deposits as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>		<b>June 30, 2015</b>	<b>December 31, 2014</b>
Cash and cash equivalents	Escrow accounts	6,336	100
	Deposits for government project	7,519	10,156
	Collateral provided for borrowings	9,181	12,926
	Collateral provided for lawsuit	367	367
Short-term financial instruments	Restriction on withdrawal related to win-win growth program for small and medium enterprises	5,000	5,000
Long-term financial instruments	Guarantee deposits for checking account	2	3
	Guarantee deposits for banking accounts at oversea branches	319	312
	Pledge	740	740
	Decommissioning costs of nuclear power plants	603,306	603,306
	Collateral provided for borrowings	6	
		<b>632,776</b>	<b>632,910</b>

**7. Cash and Cash Equivalents****Cash and cash equivalents as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Cash	132	77
Other demand deposit	1,635,814	1,154,250
Short-term deposits classified as cash equivalents	2,003,061	340,119

Short-term investments classified as cash equivalents	211,431	301,854
	3,850,438	1,796,300

## 8. Trade and Other Receivables

### (1) Trade and other receivables as of June 30, 2015 and December 31, 2014 are as follows:

*In millions of won*

	June 30, 2015			
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
<b>Current assets</b>				
Trade receivables	6,331,935	(54,205)	(46)	6,277,684
Other receivables	467,779	(51,660)	(2,665)	413,454
	6,799,714	(105,865)	(2,711)	6,691,138
<b>Non-current assets</b>				
Trade receivables	403,297		(1)	403,296
Other receivables	1,389,394	(31,979)	(6,097)	1,351,318
	1,792,691	(31,979)	(6,098)	1,754,614
	8,592,405	(137,844)	(8,809)	8,445,752

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**8. Trade and Other Receivables, Continued****(1) Trade and other receivables as of June 30, 2015 and December 31, 2014 are as follows, continued:***In millions of won*

	<b>December 31, 2014</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	7,243,064	(80,644)	(94)	7,162,326
Other receivables	583,991	(46,245)	(2,210)	535,536
	7,827,055	(126,889)	(2,304)	7,697,862
<b>Non-current assets</b>				
Trade receivables	412,222		(14)	412,208
Other receivables	1,341,398	(21,687)	(7,562)	1,312,149
	1,753,620	(21,687)	(7,576)	1,724,357
	9,580,675	(148,576)	(9,880)	9,422,219

**(2) Other receivables as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won*

	<b>June 30, 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	156,094	(51,660)		104,434
Accrued income	57,149			57,149
Deposits	190,334		(2,665)	187,669
Finance lease receivables	9,712			9,712



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Others	54,490			54,490
	467,779	(51,660)	(2,665)	413,454
<b>Non-current assets</b>				
Non-trade receivables	140,491	(27,141)		113,350
Accrued income	432			432
Deposits	267,986		(6,097)	261,889
Finance lease receivables	895,708			895,708
Others	84,777	(4,838)		79,939
	1,389,394	(31,979)	(6,097)	1,351,318
	1,857,173	(83,639)	(8,762)	1,764,772

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**8. Trade and Other receivables, Continued****(2) Other receivables as of June 30, 2015 and December 31, 2014 are as follows, continued:***In millions of won*

	<b>December 31, 2014</b>			
	<b>Gross</b>	<b>Allowance</b>	<b>Present value</b>	<b>Book</b>
	<b>amount</b>	<b>for</b>	<b>discount</b>	<b>value</b>
		<b>doubtful accounts</b>		
<b>Current assets</b>				
Non-trade receivables	257,260	(46,245)		211,015
Accrued income	54,242			54,242
Deposits	196,537		(2,210)	194,327
Finance lease receivables	8,275			8,275
Others	67,677			67,677
	583,991	(46,245)	(2,210)	535,536
<b>Non-current assets</b>				
Non-trade receivables	117,604	(18,630)		98,974
Accrued income	303			303
Deposits	267,397		(7,562)	259,835
Finance lease receivables	877,479			877,479
Others	78,615	(3,057)		75,558
	1,341,398	(21,687)	(7,562)	1,312,149
	1,925,389	(67,932)	(9,772)	1,847,685

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.

**(3) Aging analysis of trade receivables as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Trade receivables: (not overdue, not impaired)	6,615,744	7,516,233
Trade receivables: (overdue, not impaired)	4,981	1,061
Less than 60 days	4,981	1,061
Trade receivables: (other)	114,507	137,992
60 ~ 90 days	31,706	31,438
90 ~ 120 days	16,735	12,045
120 days ~ 1 year	37,295	42,736
Over 1 year	28,771	51,773
	6,735,232	7,655,286
Less allowance for doubtful accounts	(54,205)	(80,644)
Less present value discount	(47)	(108)
	6,680,980	7,574,534

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 impaired if the receivables are outstanding 60 days after the maturity and sets allowance based on past experience of collection.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**8. Trade and Other receivables, Continued****(4) Aging analysis of other receivables as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Other receivables: (not overdue, not impaired)	1,643,443	1,729,807
Other receivables: (overdue, not impaired)	47,192	58,778
Less than 60 days	47,192	58,778
Other receivables: (other)	166,538	136,804
60 ~ 90 days	5,491	1,132
90 ~ 120 days	6,633	2,242
120 days ~ 1 year	57,127	18,857
Over 1 year	97,287	114,573
	1,857,173	1,925,389
Less allowance for doubtful accounts	(83,639)	(67,932)
Less present value discount	(8,762)	(9,772)
	1,764,772	1,847,685

**(5) Changes in the allowance for doubtful accounts for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
	<b>Trade receivables</b>	<b>Other receivables</b>
	<b>Trade receivables</b>	<b>Other receivables</b>

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<b>Beginning balance</b>	80,644	67,932	65,024	69,887
Bad debt expense		12,983	39,018	15,981
Write-off	(8,968)	(591)	(23,398)	(7,534)
Reversal	(17,471)			(241)
Others		3,315		(10,161)
<b>Ending balance</b>	54,205	83,639	80,644	67,932

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

Available-for-sale financial assets as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	<b>Ownership</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>Equity securities</b>			
<b>Listed</b>			
Kwanglim Co., Ltd. (*3)	0.44%	172	128
Cockatoo Coal Limited (*1)	0.07%	43	628
Denison Mines Corp.	11.24%	47,534	62,339
Energy Fuels Inc.	5.09%	8,671	11,569
Fission 3.0	0.45%	76	61
Fission Uranium Corp.	0.21%	718	651
PT Adaro Energy Tbk (*1,3)	1.50%	30,716	44,109
Sungjee Construction Co., Ltd.	0.01%	6	5
Ssangyong Motor Co., Ltd.	0.03%	336	357
Korea District Heating Corp. (*3)	19.55%	176,144	127,240
Korea Line Corp.	0.00%		
Namkwang Engineering & Construction Co., Ltd.	0.01%	1	2
Pumyang Construction Co., Ltd.	0.00%		
ELCOMTEC Co., Ltd.	0.04%	55	48
PAN Ocean Co., Ltd.	0.00%	6	5
Borneo International Furniture Co., Ltd.	0.28%	77	4
TONGYANG Inc.	0.03%	125	66
Nexolon Co., Ltd.	2.59%	3,504	
TONGYANG Networks Inc.	0.01%	8	3
		268,192	247,215
<b>Unlisted</b>			
LIG E&C Co., Ltd.	0.00%	5	5
Dae Kwang Semiconductor Co., Ltd.	0.07%	6	6
Dongnam Co., Ltd.	0.46%	72	72
Mobo Co., Ltd.	0.00%	14	14
SAMBO AUTO. Co., Ltd. (Formerly, Hydrogen Power Co., Ltd.)	0.02%	38	38

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Woobang ENC Co., Ltd.	0.00%	22	22
Ginseng K Co., Ltd.	0.00%		
Areva Nc Expansion	13.49%	214,916	227,876
IBK-AUCTUS Green Growth Private Equity Firm (*3)	6.30%	2,325	2,325
K&C- Gyeongnam Youth Job Creation Investment Fund	10.00%	1,340	1,340
Navanakorn Electric Co., Ltd. (*5)	29.00%	17,217	16,836
PT. Kedap Saayq	10.00%	12,989	12,989
Set Holding (*6)	2.50%	167,832	167,832
Construction Guarantee (*7)	0.02%	800	795
Global Dynasty Overseas Resource Development Private Equity Firm	7.46%	2,233	2,233
Plant & Mechanical Contractors Financial Cooperative of Korea	0.01%	36	36
Fire Guarantee	0.02%	20	20
Korea Software Financial Cooperative	0.15%	301	301
Engineering Financial Cooperative	0.10%	60	60
Electric Contractors Financial Cooperative	0.03%	152	152
Korea Specialty Contractor Financial Cooperative	0.01%	417	417
Information & Communication Financial Cooperative	0.01%	10	10
Troika Overseas Resource Development Private Equity Firm	3.66%	13,340	13,340
Korea Electric Engineers Association	0.26%	40	40
Korea Investment - Korea EXIM Bank CERs Private Special Asset Investment Trust 1 (*2)	14.18%	1,752	4,752
Hanwha-KOSEP New Renewable Energy Private Special Assets Investment Trust 1	5.00%	1,299	498
Hanwha Electric Power Venture fund (*2)			1,804
Hwan Young Steel Co., Ltd.	0.14%	97	97
Intellectual Discovery, Ltd.	8.81%	5,000	5,000

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

Available-for-sale financial assets as of June 30, 2015 and December 31, 2014 are as follows, continued:

<i>In millions of won</i>	<b>Ownership</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Poonglim Industrial Co., Ltd.	0.01%	93	78
HANKOOK Silicon Co., Ltd.	10.44%	7,513	7,513
Pumyang Asset Management Co., Ltd.	0.00%	3	3
Sanbon Department Store	0.01%	124	124
Woori Ascon Co., Ltd.	0.34%	10	10
Miju Steel Mfg. Co., Ltd.	0.23%	51	51
BnB Sungwon Co., Ltd.	0.01%	15	15
Hana Civil Engineering Co., Ltd.	0.00%	1	1
KC Development Co., Ltd.	0.02%	6	6
IMHWA Corp.	0.11%	5	5
IXELON Co., Ltd. (*1)	0.02%		23
DAIM Special Vehicle Co., Ltd.	0.08%	10	10
ASA KIMJE Co., Ltd.	1.11%	465	465
ASA JEONJU Co., Ltd.	1.34%	697	697
KYUNGWON Co., Ltd.	0.17%	14	14
Moonkyung Silica Co., Ltd.	0.56%		
Yousung Remicon Co., Ltd.	0.26%	4	4
Sungkwang Timber Co., Ltd.	0.34%	4	4
Yongbo Co., Ltd.	0.20%	3	3
HJ Steel Co., Ltd.	0.07%	2	
Ildong Air Conditioning Co., Ltd.	0.16%	2	
KS Remicon Co., Ltd.	0.04%	3	
Sewoong Heavy Industries Co., Ltd.	0.10%	40	
SIN-E Steel Co., Ltd.	0.04%	16	
Joongang Platec Co., Ltd.	0.75%	72	
Hangjin Steel Co., Ltd.	0.01%	116	
Pyungsan SI Ltd.	0.01%	4	
Samgong Development Co., Ltd.	0.01%	7	
Joongang Development Co., Ltd.	0.12%	8	
AJS Co., Ltd.	0.23%	32	
SET&C Co., Ltd.	0.13%	10	



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MSE Co., Ltd.	0.13%	9
Ilim Nano Tec Co., Ltd.	0.07%	15
Kwang Myeong Electronics Technology Co., Ltd.	0.37%	11
Youngjin Hi-Tech Co., Ltd.	0.25%	126
Dong Woo International Co., Ltd.	0.37%	18
Bench Mark Construction Co., Ltd.	0.00%	
Buyoung Co., Ltd.	0.00%	3
Ilsuk Co., Ltd.	0.17%	10
Dongyang Telecom Co., Ltd.	0.01%	11
Han Young Construction Co., Ltd.	0.03%	3
Jongwon Remicon Co., Ltd.	0.18%	13
Ace Heat Treating Co., Ltd.	1.43%	72
Zyle Daewoo Motor Sales Co., Ltd.	0.00%	
Daewoo Development Co., Ltd.	0.00%	
Daewoo Songdo Development Co., Ltd.	0.00%	2
Seyang Inc.	0.05%	27
Seungri Enterprise Co., Ltd.	0.05%	3
Onggane Food Co., Ltd	0.07%	1
Shin-E P&C Co., Ltd.	0.00%	1
Montista Telecom Co., Ltd. (*1)	0.00%	

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

Available-for-sale financial assets as of June 30, 2015 and December 31, 2014 are as follows, continued:

<i>In millions of won</i>	<b>Ownership</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Ejung Ad Co., Ltd.	0.09%	3	
Solvus Co., Ltd.	0.04%	3	
Myung Co., Ltd.	0.05%	2	
Emotion Co., Ltd.	0.61%	8	
Green & Sustainable Energy Investment Corp. (*4)	0.00%		
Kanan Hydroelectric Power Corp. (*4)	19.58%		
3i Powergen Inc. (*4)	15.00%		
		452,004	467,936
		720,196	715,151

(\*1) It has been determined that available-for-sale financial assets were impaired because the fair values of the securities of PT Adaro Energy Tbk, Cockatoo Coal Limited, IXELON Co., Ltd. and Montista Telecom Co., Ltd. declined significantly below their respective acquisition costs during the six-month period ended June 30, 2015. As such, the Company recognized 13,993 million of impairment loss on available-for-sale financial assets.

(\*2) Hanwha Electric Power Venture fund and Korea Investment Korea EXIM Bank CERs Private Special Asset Investment Trust 1 were each liquidated and partially liquidated and the Company recognized loss on disposal of available-for-sale financial assets of 2,983 million for the six-month period ended June 30, 2015.

(\*3) The fair values of the securities of PT. Adaro Energy Tbk, Korea District Heating Corp., IBK-AUCTUS green growth private equity firm, and others declined significantly below their respective acquisition costs during 2014. As such, the Company recognized 10,602 million of impairment loss on available-for-sale financial assets and cumulative losses of 67,503 million previously recognized in other comprehensive loss were reclassified to impairment loss on available-for-sale financial assets for the year ended December 31, 2014.

(\*4) Green & Sustainable Energy Investment Corp., Kanan Hydroelectric Power Corp., 3i Power Inc. ceased its operations and the Company recognized impairment loss of available-for-sale financial assets of 1,513 million for the year ended December 31, 2014.

(\*5)

Although the Company holds more than 20% of the equity shares of these investments, the Company cannot exercise significant influence.

- (\*6) 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 six-month period ended June 30, 2015.
- (\*7) 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 six-month period ended June 30, 2015.

Book values of unlisted equity securities held by the Company that were measured at cost as of June 30, 2015 and December 31, 2014 are 283,372 million and 299,308 million, respectively, as a quoted market price does not exist in an active market and its fair value cannot be measured reliably.

#### 10. Held-to-maturity Investments

Held-to-maturity investments as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Government and municipal bonds and others	151	3,236	265	3,349

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**11. Derivatives****(1) Derivatives as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
<b>Derivative assets</b>				
Currency forward	3,112	9,041	182	7,233
Currency swap	63,848	223,121	8,039	151,934
Interest rate swap		3,201		2,737
	66,960	235,363	8,221	161,904
<b>Derivative liabilities</b>				
Currency forward	187		466	
Currency swap	32,647	153,859	53,697	196,273
Interest rate swap	6,340	103,570	3,457	83,913
	39,174	257,429	57,620	280,186

**(2) Currency forward contracts which are not designated as hedge instruments as of June 30, 2015 are as follows:***In millions of won and thousands of foreign currencies*

<b>Counterparty</b>	<b>Contract Date</b>	<b>Maturity date</b>	<b>Contract amounts</b>		<b>Contract exchange rate</b>
			<b>Pay</b>	<b>Receive</b>	
Korea Exchange Bank	2014.04.10	2021.07.12	55,120	USD 52,000	1,060.00
Korea Exchange Bank	2014.04.28	2021.07.12	50,784	USD 48,000	1,058.00
Bank of America	2014.04.29	2021.07.12	105,400	USD 100,000	1,054.00
Korea Exchange Bank	2014.05.09	2021.07.12	104,600	USD 100,000	1,046.00
Nova Scotia	2015.06.09	2015.07.08	5,604	USD 5,000	1,120.79
HSBC	2015.06.19	2015.07.17	5,515	USD 5,000	1,103.04

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HSBC	2015.06.02	2015.07.01	5,577	USD	5,000	1,115.38
Credit Suisse	2015.06.04	2015.07.06	5,563	USD	5,000	1,112.68
Citibank	2015.06.22	2015.07.15	5,500	USD	5,000	1,099.93
Citibank	2015.06.04	2015.07.03	5,569	USD	5,000	1,113.70
Standard Chartered	2015.06.30	2015.07.30	5,599	USD	5,000	1,119.72
Standard Chartered	2015.06.10	2015.07.09	5,548	USD	5,000	1,109.55
Nova Scotia	2015.06.17	2015.07.15	5,593	USD	5,000	1,118.60
Nova Scotia	2015.06.29	2015.07.27	5,619	USD	5,000	1,123.88
Standard Chartered	2015.06.22	2015.07.08	5,502	USD	5,000	1,100.42
Standard Chartered	2015.06.03	2015.07.02	5,529	USD	5,000	1,105.72
Deutsche Bank	2015.06.25	2015.07.22	5,555	USD	5,000	1,110.92
Nova Scotia	2015.06.17	2015.08.19	2,238	USD	2,000	1,119.10
Nova Scotia	2015.06.11	2015.08.17	4,149	USD	3,724	1,114.05
Nova Scotia	2015.06.30	2015.07.06	3,032	USD	2,707	1,120.10
Nova Scotia	2015.06.30	2015.09.02	5,586	USD	5,000	1,117.25
Barclays Bank PLC	2015.06.18	2015.08.24	5,549	USD	5,000	1,109.85
Barclays Bank PLC	2015.06.30	2015.09.02	6,707	USD	6,000	1,117.87
Societe Generale	2015.06.16	2015.08.18	2,238	USD	2,000	1,119.00
Societe Generale	2015.06.17	2015.08.19	2,238	USD	2,000	1,119.10
Societe Generale	2015.06.22	2015.08.24	5,503	USD	5,000	1,100.65
HSBC	2015.04.01	2015.07.03	11,054	USD	10,000	1,105.40
HSBC	2015.06.19	2015.08.24	5,517	USD	5,000	1,103.35
HSBC	2015.06.22	2015.08.24	5,501	USD	5,000	1,100.15
HSBC	2015.06.25	2015.08.24	USD 1,206		1,327	1,100.15
HSBC	2015.06.30	2015.09.02	4,473	USD	4,000	1,118.15
Mizuho Bank	2015.06.05	2015.08.10	2,227	USD	2,000	1,113.40
Mizuho Bank	2015.06.19	2015.08.24	3,311	USD	3,000	1,103.80
Credit Agricole	2015.06.22	2015.08.24	5,511	USD	5,000	1,102.17
Standard Chartered	2015.06.22	2015.09.10	3,230	USD	2,936	1,099.90

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**11. Derivatives, Continued**

(2) **Currency forward contracts which are not designated as hedge instruments, as of June 30, 2015 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	
Standard Chartered	2015.06.26	2015.07.03	7,105	USD 6,369	1,115.64
Barclays Bank PLC	2015.06.25	2015.07.06	5,544	USD 5,000	1,108.82
Barclays Bank PLC	2015.06.25	2015.07.14	1,110	USD 1,000	1,110.00
HSBC	2015.06.19	2015.07.07	4,413	USD 4,000	1,103.17
Standard Chartered	2015.06.17	2015.07.01	3,355	USD 3,000	1,118.30
Nova Scotia	2015.06.19	2015.07.07	4,404	USD 4,000	1,101.00
Nova Scotia	2015.06.29	2015.07.07	1,123	USD 1,000	1,123.07
Nova Scotia	2015.06.26	2015.07.10	2,231	USD 2,000	1,115.48
Nonghyup Bank	2015.06.18	2015.07.03	2,220	USD 2,000	1,109.88
Nonghyup Bank	2015.06.18	2015.07.03	1,662	USD 1,500	1,107.88
Nonghyup Bank	2015.06.26	2015.07.10	2,229	USD 2,000	1,114.70
Mizuho Bank	2015.06.24	2015.07.01	1,885	USD 1,700	1,108.97
Busan Bank	2015.06.25	2015.07.14	6,658	USD 6,000	1,109.66
Societe Generale	2015.06.22	2015.09.24	10	USD 9	1,101.50
Societe Generale	2015.06.18	2015.09.22	4,536	USD 4,082	1,111.30
Societe Generale	2015.06.18	2015.09.22	5,552	USD 5,000	1,110.30
Standard Chartered	2015.06.09	2015.07.13	8,400	USD 7,500	1,119.95
Nova Scotia	2015.06.30	2015.10.02	5,587	USD 5,000	1,117.36
JP Morgan	2015.06.18	2015.09.22	5,547	USD 5,000	1,109.45
ING Bank N.V.	2015.04.27	2015.07.29	133	USD 124	1,076.10
HSBC	2015.06.18	2015.09.22	5,550	USD 5,000	1,109.90
Credit Suisse	2015.06.19	2015.09.23	5,517	USD 5,000	1,103.40
Credit Suisse	2015.06.18	2015.09.22	5,573	USD 5,000	1,114.60
Credit Agricole	2015.06.30	2015.10.02	5,586	USD 5,000	1,117.20
Credit Agricole	2015.06.30	2015.10.02	5,589	USD 5,000	1,117.80
Credit Agricole	2015.06.30	2015.10.02	5,054	USD 4,518	1,118.70
Credit Agricole	2015.06.18	2015.09.22	5,573	USD 5,000	1,114.60

Credit Agricole	2015.06.18	2015.09.22	5,551	USD 5,000	1,110.10
Standard Chartered	2015.06.18	2015.09.22	5,555	USD 5,000	1,111.00
HSBC	2015.06.18	2015.09.22	5,528	USD 4,985	1,109.10
Standard Chartered	2011.08.08	2015.07.27~2015.12.28	USD 4,588	5,025	1,093.10~1,096.70

(3) **Currency swap contracts which are not designated as hedge instruments as of June 30, 2015 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 (%)	
UBS	2011~2015	220,356	USD 200,000	3.90%	3.00%	1,101.78
RBS	2011~2015	110,110	USD 100,000	3.90%	3.00%	1,101.10
Barclays Bank PLC	2011~2015	108,390	USD 100,000	3.78%	3.00%	1,083.90
Credit Suisse	2011~2015	108,390	USD 100,000	3.22%	3.00%	1,083.90
Morgan Stanley	2011~2015	63,006	USD 60,000	4.06%	3.00%	1,050.10
Goldman Sachs	2012~2015	156,643	USD 140,000	3.92%	3.00%	1,118.88
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

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**11. Derivatives, Continued**

(3) **Currency swap contracts which are not designated as hedge instruments as of June 30, 2015 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	2014~2017	51,215	USD 50,000	2.24%	3M Libor+0.55%	1,024.30
Societe Generale	2014~2024	105,017	USD 100,000	4.92%	5.13%	1,050.17
Korea Exchange 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
Morgan Stanley	2010~2015	118,800	USD 100,000	4.61%	3M Libor+1.64%	1,188.00
M-UFJ	2010~2015	116,100	USD 100,000	4.00%	3M Libor+1.00%	1,161.00
Mizuho Bank	2014~2017	153,645	USD 150,000	2.35%	3M Libor+0.65%	1,024.30
Citibank	2010~2015	116,080	USD 100,000	3.97%	3.13%	1,160.80
Deutsche Bank	2010~2015	116,080	USD 100,000	3.98%	3.13%	1,160.80
RBS	2010~2015	116,080	USD 100,000	3.97%	3.13%	1,160.80
HSBC	2010~2015	116,080	USD 100,000	3.23%	3.13%	1,160.80
UBS	2010~2015	116,080	USD 100,000	3.23%	3.13%	1,160.80
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
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



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Bank of America	2014~2018	107,450	USD 100,000	3.09%	2.88%	1,074.50
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
Korea Exchange Bank	2015~2025	55,595	USD 50,000	2.62%	3.25%	1,111.90
Woori Bank	2015~2025	55,595	USD 50,000	2.62%	3.25%	1,111.90

(4) Currency swap contracts which are designated as hedge instruments as of June 30, 2015 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

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**11. Derivatives, Continued****(4) Currency swap contracts which are designated as hedge instruments as of June 30, 2015 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 (%)	
Citibank Standard	2013~2018	54,570	USD 50,000	2.90%	3M Libor+1.01%	1,091.40
Chartered Standard	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 Standard	2014~2020	100,482	AUD 100,000	3.48%	5.75%	1,004.82
Chartered Standard	2013~2020	USD 117	AUD 125,000	3M Libor+1.25%	5.75%	0.94
Chartered	2014~2020	126,032	USD 117,250	3.55%	3M Libor+1.25%	1,074.90
UBS AG	2006~2016	98,100	USD 100,000	5.48%	5.50%	981.00
Credit Suisse	2006~2016	98,100	USD 100,000	5.48%	5.50%	981.00
JP Morgan Morgan	2014~2019	107,190	USD 100,000	3.25%+3%*n/N	2.75%	1,071.90
Stanley	2014~2019	107,190	USD 100,000	3.25%+3%*n/N	2.75%	1,071.90
Barclays Bank PLC	2014~2019	107,190	USD 100,000	3.25%+3%*n/N	2.75%	1,071.90
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
RBS	2012~2017	142,500	USD 125,000	3.83%	3.13%	1,140.00

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JP Morgan	2012~2017	142,500	USD	125,000	3.83%	3.13%	1,140.00
RBS	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
RBS	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
RBS	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
RBS	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
BTMU	2010~2015	55,900	USD	50,000	4.03%	3M Libor+1.20%	1,118.00
RBS	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
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
Credit							
Agricole	2012~2017	57,570	USD	50,000	3.38%	2.50%	1,151.40
Societe							
Generale	2013~2018	106,190	USD	100,000	3.48%	2.63%	1,061.90
BNP Paribas	2013~2018	53,095	USD	50,000	3.48%	2.63%	1,061.90
Hana Bank	2013~2018	53,095	USD	50,000	3.48%	2.63%	1,061.90
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
Hana Bank	2013~2018	31,809	USD	30,000	3.48%	2.63%	1,060.30

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**11. Derivatives, Continued****(4) Currency swap contracts which are designated as hedge instruments as of June 30, 2015 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 (%)	
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
Hana Bank	2014~2020	55,340	USD 50,000	2.16%	2.50%	1,106.80
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
RBS	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 June 30, 2015 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%
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%

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Standard Chartered	2012~2017	160,000	3.57%	3M CD + 0.32%
JP Morgan	2013~2018	150,000	3.58%	3M CD + 0.31%
Korea Exchange Bank	2012~2015	100,000	2.86%	3M CD + 0.05%
Korea Exchange Bank	2013~2016	100,000	2.82%	3M CD + 0.04%
Korea Exchange Bank	2013~2016	200,000	2.57%	3M CD + 0.04%
Korea Exchange 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.

(6) **Interest rate swap contracts which are designated as hedge instruments, as of June 30, 2015 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 102,538	4.16%	6M USD Libor
KFW	2009~2027	USD 102,538	4.16%	6M USD Libor
CA-CIB (Credit Agricole)	2014~2033	USD 104,880	3.98%~4.10%	6M USD Libor
SMBC	2014~2033	USD 137,151	4.05%~4.18%	6M USD Libor

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**11. Derivatives, Continued**

- (7) Gains and losses on valuation and transaction of derivatives for the three and six-month periods ended June 30, 2015 and 2014 are as follows and included in finance income and costs in the accompanying consolidated statements of comprehensive income (loss):

	Net income effects of valuation gain (loss)				Net income effects of transaction gain (loss)				Accumulated other comprehensive loss (*)		
	June 30, 2015		June 30, 2014		June 30, 2015		June 30, 2014		June 30, 2015		June 30, 2014
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended	Three-month period ended
Option			853	(87)			(3,693)	18,413			
Forward	35,910	38,786	(8,392)	(8,350)	(7,376)	(3,838)	(1,329)	205			
Swap	111,290	179,857	(528,427)	(380,776)	2,935	(2,414)	(56,561)	(65,113)	(58,058)	(23,391)	(40,647)
Interest rate swap	4,931	(1,749)	(4,484)	(7,591)	1,225	582	(770)	(2,112)		(7,920)	(13,883)
							144	(1,466)			
	152,131	216,894	(540,450)	(396,804)	(3,216)	(5,670)	(62,209)	(50,073)	(58,058)	(31,311)	(54,530)

- (\*) As of June 30, 2015, the accumulated net loss on valuation of derivatives using cash flow hedge accounting of 21,360 million, net of tax, is included in accumulated other comprehensive loss.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**12. Other Financial Assets****(1) Other financial assets as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Loans and receivables	103,249	638,604	68,910	611,610
Present value discount	(1,353)	(51,175)	(1,067)	(55,456)
Long-term/short-term financial instruments	1,585,107	605,261	100,099	604,363
	1,687,003	1,192,690	167,942	1,160,517

**(2) Loans and receivables as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>		
	<b>Face value</b>	<b>Present value discount</b>	<b>Book value</b>
<b>Short-term loans and receivables</b>			
Loans for tuition	28,999	(1,353)	27,646
Loans for housing	6,143		6,143
Fisheries loan	6,032		6,032
Other loans	62,075		62,075
	103,249	(1,353)	101,896
<b>Long-term loans and receivables</b>			
Loans for tuition	383,965	(50,563)	333,402
Loans for housing	74,342		74,342
Loans for related parties	110,279		110,279
Fisheries loan	4,720	(612)	4,108
Other loans	65,298		65,298

	638,604	(51,175)	587,429
	741,853	(52,528)	689,325

*In millions of won*

	<b>December 31, 2014</b>		
	<b>Face value</b>	<b>Present value discount</b>	<b>Book value</b>
<b>Short-term loans and receivables</b>			
Loans for tuition	25,828	(1,067)	24,761
Loans for housing	12,050		12,050
Fisheries loan	6,032		6,032
Other loans	25,000		25,000
	68,910	(1,067)	67,843
<b>Long-term loans and receivables</b>			
Loans for tuition	379,797	(54,569)	325,228
Loans for housing	110,152		110,152
Loans for related parties	111,033		111,033
Fisheries loan	7,696	(887)	6,809
Other loans	2,932		2,932
	611,610	(55,456)	556,154
	680,520	(56,523)	623,997



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**12. Other Financial Assets, Continued**

- (3) Long-term and short-term financial instruments as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Time deposits	1,018,087	1,634	90,088	742
Asset-Backed Commercial Paper	490,000			
Special money in trust	27,020		10,011	
CD	50,000			
MMT		603,306		303,306
MMDA				300,000
Others		321		315
	1,585,107	605,261	100,099	604,363

**13. Inventories**

Inventories as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>		
	<b>Acquisition cost</b>	<b>Valuation allowance</b>	<b>Book value</b>
Raw materials	3,186,644	(1,130)	3,185,514
Merchandises	443		443
Work-in-progress	104,054		104,054
Finished goods	71,645		71,645
Supplies	920,439	(1,193)	919,246
Inventories in transit	538,483		538,483
Other inventories	8,432		8,432

4,830,140                      (2,323)                      4,827,817

*In millions of won*

	<b>Acquisition cost</b>	<b>December 31, 2014 Valuation allowance</b>	<b>Book value</b>
Raw materials	3,039,422	(1,130)	3,038,292
Merchandises	212		212
Work-in-progress	93,498		93,498
Finished goods	59,222		59,222
Supplies	840,463	(2,685)	837,778
Inventories in transit	500,466		500,466
Other inventories	8,001		8,001
	4,541,284	(3,815)	4,537,469

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 were 2,375 million and 3,029 million for the six-month period ended June 30, 2015 and for the year ended December 31, 2014, respectively. The amounts of loss from inventory valuation included in other gains (losses) for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 were 883 million and 2,709 million, respectively.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(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 June 30, 2015 and December 31, 2014 are as follows and included in current and non-current trade and other receivables, net, in the accompanying consolidated statements of financial position:**

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</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	91,417	9,712	88,698	8,275
1 ~ 5 years	389,793	230,748	378,703	237,062
More than 5 years	1,663,878	664,960	1,675,685	640,417
	2,145,088	905,420	2,143,086	885,754

**(3) There are no impaired finance lease receivables as of June 30, 2015 and December 31, 2014.**

**15. Non-Financial Assets****(1) Non-financial assets as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Advance payment	103,853	19,867	109,112	12,516
Prepaid expenses	180,561	89,205	154,047	97,972
Others (*)	149,676	20,715	239,352	23,605
	434,090	129,787	502,511	134,093

(\*) Details of others as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Tax refund receivables	67,136	1,061	182,564	1,037
Others	82,540	19,654	56,788	22,568
	149,676	20,715	239,352	23,605

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**16. Consolidated Subsidiaries****(1) Consolidated subsidiaries as of June 30, 2015 and December 31, 2014 are as follows:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			June 30, 2015	December 31, 2014
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%	54.00%
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%
Garorim 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%

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%

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**16. Consolidated Subsidiaries, Continued****(1) Consolidated subsidiaries as of June 30, 2015 and December 31, 2014 are as follows, continued:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			June 30, 2015	December 31, 2014
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%
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%	60.00%
Gyeongju Wind Power Co., Ltd.	Power generation	KOREA	70.00%	70.00%
KOMIPO America Inc.	Holding company	USA	100.00%	100.00%
Boulder Solar Power, LLC	Solar photovoltaic power generation	USA		82.14%
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%
KOWEPO America LLC	Solar photovoltaic power generation	USA	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.	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	100.00%	100.00%
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%
HeeMang Sunlight Power Co., Ltd.	Power generation	KOREA	100.00%	

(\*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 during the six-month period ended June 30, 2015. As such, the effective percentage of ownership is 86.20% as of June 30, 2015.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**16. Consolidated Subsidiaries, Continued****(2) Subsidiaries included or excluded from consolidation for the six-month period ended June 30, 2015 are as follows:**

&lt;Subsidiaries included from consolidation for the six-month period ended June 30, 2015&gt;

**Subsidiary****Reason**

HeeMang Sunlight Power Co., Ltd.

Newly Established

&lt;Subsidiaries excluded from consolidation for the six-month period ended June 30, 2015&gt;

**Subsidiary****Reason**

Boulder Solar Power, LLC

Disposed

**(3) Summary of financial information of consolidated subsidiaries as of and for the six-month period ended June 30, 2015 and as of and for the year ended December 31, 2014 are as follows:***In millions of won*

Subsidiaries	June 30, 2015			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
Korea Hydro & Nuclear Power Co., Ltd.	49,128,233	27,289,507	4,638,420	643,151
Korea South-East Power Co., Ltd.	8,863,762	4,761,184	2,402,245	226,385
Korea Midland Power Co., Ltd.	7,570,848	4,504,797	1,918,194	85,273
Korea Western Power Co., Ltd.	8,760,287	5,455,267	2,198,279	93,330
Korea Southern Power Co., Ltd.	8,789,168	5,269,562	2,145,585	56,848
Korea East-West Power Co., Ltd.	8,501,560	4,769,958	2,045,194	193,938
KEPCO Engineering & Construction Company, Inc.	790,759	393,710	321,957	13,876
	1,013,536	316,260	538,578	72,612

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KEPCO Plant Service & Engineering Co., Ltd.				
KEPCO Nuclear Fuel Co., Ltd.	589,465	269,696	106,359	16,123
KEPCO KDN Co., Ltd.	400,297	142,522	203,322	8,613
Garorim Tidal Power Plant Co., Ltd.	663	346		(69)
KEPCO International HongKong Ltd.	163,340			2,630
KEPCO International Philippines Inc.	103,991	216		13,447
KEPCO Gansu International Ltd.	16,694	518		(6)
KEPCO Philippines Holdings Inc.	133,086	1		12,924
KEPCO Philippines Corporation	13,109	129		(501)
KEPCO Ilijan Corporation	587,616	47,575	61,775	22,425
KEPCO Lebanon SARL	739	9,762		(1,472)
KEPCO Neimenggu International Ltd.	189,347			15,478
KEPCO Shanxi International Ltd.	518,124	240,657		(6,865)
KOMIPO Global Pte Ltd.	170,148	32		7,069
KEPCO Canada Energy Ltd.	66,543	108		(17)
KEPCO Netherlands B.V.	161,049	73		(131)
KOREA Imouraren Uranium Investment Corp.	214,935	219		(24)
KEPCO Australia Pty., Ltd.	516,599	2,378	2,522	224
KOSEP Australia Pty., Ltd.	19,090	1,070	2,518	(57)
KOMIPO Australia Pty., Ltd.	18,570	552	2,518	(52)
KOWEPO Australia Pty., Ltd.	19,315	1,137	2,518	(42)
KOSPO Australia Pty., Ltd.	19,280	1,067	2,518	(49)
KEPCO Middle East Holding Company	121,402	139,533		(1,006)
Qatrana Electric Power Company	571,052	468,257	8,995	9,843
KHNP Canada Energy Ltd.	45,936	56		(16)
KEPCO Bylong Australia Pty., Ltd.	168,524	213,625		(15,064)
Korea Waterbury Uranium Limited Partnership	21,128	27		(21)
KEPCO Canada Uranium Investment Limited Partnership	53,877	18		(9)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

- (3) **Summary of financial information of consolidated subsidiaries as of and for the six-month period ended June 30, 2015 and as of and for the year ended December 31, 2014 are as follows, continued:**

*In millions of won*

Subsidiaries	June 30, 2015			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
Korea Electric Power Nigeria Ltd.	1,744	835	27,404	538
KEPCO Holdings de Mexico	11	26		(5)
KST Electric Power Company	529,840	514,101	46,238	4,100
KEPCO Energy Service Company	437	401	2,243	(4)
KEPCO Netherlands S3 B.V.	63,948	26		(47)
PT. KOMIPO Pembangkitan Jawa Bali	18,012	5,408	11,583	6,887
PT. Cirebon Power Service	2,393	917	2,931	215
KOWEPO International Corporation				
KOSPO Jordan, LLC.	9,831	1,292	5,193	(162)
EWP Philippines Corporation	6,840	35		417
EWP America Inc. (*)	106,207	78,521	26,124	(1,113)
KNF Canada Energy Limited	2,028	46		(61)
PT KEPCO Resource Indonesia	1,246			(126)
EWP Barbados 1 SRL	249,657	150	1,374	144
Gyeonggi Green Energy Co., Ltd.	325,841	254,754	54,412	1,290
PT. Tanggamus Electric Power	81,083	62,849	25,311	(3,616)
Gyeongju Wind Power Co., Ltd.	46,907	29,354	3,668	1,053
KOMIPO America Inc.	12,970	2,390		233
KOSEP USA, INC.	37,389	2,755	2,259	385
PT. EWP Indonesia	1,251			(99)
KOWEPO America, LLC.	5,991	18		(494)
KEPCO Netherlands J3 B.V.	116,363	53		(41)
Korea Offshore Wind Power Co., Ltd.	8,620	853		(1,708)
Global One Pioneer B.V.	7	20		(30)
Global Energy Pioneer B.V.	9	20		(29)
Mira Power Limited	46,005	1,554		(527)

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KOSEP Material Co., Ltd.	41,314	23,710		(1,816)
Commerce and Industry Energy Co., Ltd.	102,204	86,769	12,786	(891)
KEPCO Singapore Holdings Pte., Ltd.	1,533	6		(1)
KOWEPO India Private Limited	951	116		(71)
KEPCO KPS Philippines Corp.	6,685	2,543	7,463	1,087
KOSPO Chile SpA	233	4,453		(370)
PT. KOWEPO Sumsel Operation & Maintenance Services	2,808	1,987	1,879	595
HeeMang Sunlight Power Co., Ltd.	4,720			

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

**June 30, 2015**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

- (3) **Summary of financial information of consolidated subsidiaries as of and for the six-month period ended June 30, 2015 and as of and for the year ended December 31, 2014 are as follows, continued:**

*In millions of won*

Subsidiaries	December 31, 2014		Sales	Profit (loss) for the period
	Total assets	Total liabilities		
Korea Hydro & Nuclear Power Co., Ltd.	49,237,136	27,588,281	9,379,564	1,446,060
Korea South-East Power Co., Ltd.	9,026,146	5,068,092	4,469,415	383,233
Korea Midland Power Co., Ltd.	7,074,578	4,073,784	5,041,682	110,533
Korea Western Power Co., Ltd.	8,245,105	5,008,954	4,840,007	151,662
Korea Southern Power Co., Ltd.	8,703,362	5,229,934	6,209,536	68,481
Korea East-West Power Co., Ltd.	8,370,732	4,805,302	4,507,011	168,534
KEPCO Engineering & Construction Company, Inc.	777,612	370,482	841,917	54,759
KEPCO Plant Service & Engineering Co., Ltd.	922,843	226,774	1,078,526	166,847
KEPCO Nuclear Fuel Co., Ltd.	568,370	257,899	241,310	32,588
KEPCO KDN Co., Ltd.	390,681	135,341	458,960	20,228
Garorim Tidal Power Plant Co., Ltd.	772	387		(39,856)
KEPCO International HongKong Ltd.	182,703			6,221
KEPCO International Philippines Inc.	101,864	405		98,878
KEPCO Gansu International Ltd.	16,330	506		(11)
KEPCO Philippines Holdings Inc.	124,418	40		5,987
KEPCO Philippines Corporation	13,670	139		(959)
KEPCO Ilijan Corporation	585,190	53,212	127,871	76,627
KEPCO Lebanon SARL	6,990	9,832		(164)
KEPCO Neimenggu International Ltd.	182,140			(172)
KEPCO Shanxi International Ltd.	523,357	245,170		1,935
KOMIPO Global Pte Ltd.	157,441	3,636		9,470
KEPCO Canada Energy Ltd.	69,507	113		(18)
KEPCO Netherlands B.V.	189,121	14		367

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KOREA Imouraren Uranium Investment Corp.	227,897	207		(48)
KEPCO Australia Pty., Ltd.	539,961	2,572	4,532	799
KOSEP Australia Pty., Ltd.	19,771	935	4,786	2,413
KOMIPO Australia Pty., Ltd.	18,779	542	4,786	1,786
KOWEPO Australia Pty., Ltd.	19,990	1,004	4,786	2,434
KOSPO Australia Pty., Ltd.	18,983	932	4,439	2,007
KEPCO Middle East Holding Company	116,615	133,338		(1,470)
Qatrana Electric Power Company	553,134	462,329	17,079	15,724
KHNP Canada Energy Ltd.	47,982	58		(17)
KEPCO Bylong Australia Pty., Ltd.	169,209	200,443		(20,958)
Korea Waterbury Uranium Limited Partnership	22,058	35		(59)
KEPCO Canada Uranium Investment Limited Partnership	70,778	25		(30)
Korea Electric Power Nigeria Ltd.	1,112	786	23,863	204
KEPCO Holdings de Mexico	11	21		(12)
KST Electric Power Company	512,793	496,780	16,668	13,496
KEPCO Energy Service Company	374	535	5,032	40
KEPCO Netherlands S3 B.V.	62,583	30		812
PT. KOMIPO Pembangkitan Jawa Bali	17,282	6,034	21,276	8,929
PT. Cirebon Power Service	1,630	402	6,694	354
KOWEPO International Corporation				(1,861)
KOSPO Jordan, LLC.	10,270	1,742	29,682	2,512
EWP Philippines Corporation	6,570	283		(848)
EWP America Inc. (*)	104,855	76,669	57,251	(21)
KNF Canada Energy Limited	2,118	48		(65)
PT KEPCO Resource Indonesia	1,366	13		(267)
EWP Barbados 1 SRL	296,278	162	2,633	322
Gyeonggi Green Energy Co., Ltd.	334,074	264,278	124,181	(4,989)
PT. Tanggamus Electric Power	24,120	8,339	20,089	(3,125)
Gyeongju Wind Power Co., Ltd.	48,570	30,225	7,871	2,590
KOMIPO America Inc.	10,118	7		
Boulder Solar Power, LLC.	8,457	7		(712)
KOSEP USA, INC.	35,062	1,581	2,315	(119)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

- (3) **Summary of financial information of consolidated subsidiaries as of and for the six-month period ended June 30, 2015 and as of and for the year ended December 31, 2014 are as follows, continued:**

*In millions of won*

Subsidiaries	December 31, 2014			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
PT. EWP Indonesia	902	15		(278)
KOWEPO America, LLC.	5,813	137		(1,006)
KEPCO Netherlands J3 B.V.	113,818	44		(61)
Korea Offshore Wind Power Co., Ltd.	11,762	2,287		(3,424)
Global One Pioneer B.V.	40	24		(60)
Global Energy Pioneer B.V.	42	29		(64)
Mira Power Limited	32,977	221		(1,109)
KOSEP Material Co., Ltd.	42,766	23,226		(2,463)
Commerce and Industry Energy Co., Ltd.	103,346	87,047	23,645	(881)
KEPCO Singapore Holdings Pte., Ltd.	1,012			(20)
KOWEPO India Private Limited	997	11		(397)
KEPCO KPS Philippines Corp.	5,147	2,150	9,263	1,912
KOSPO Chile SpA	3,143	4,354		(1,640)
PT. KOWEPO Sumsel Operation & Maintenance Services	1,628	1,386		(408)

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

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

Company	Nature and extent of any significant restrictions
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Gyeonggi Green Energy Co.,  
Ltd.

Acquisition or disposal of assets 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.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

- (5) Details of non-controlling interest prior to intra-group eliminations as of and for the six-month period ended June 30, 2015 and as of and for the year ended December 31, 2014 are as follows:

*In millions of won*

Description	June 30, 2015			Others	Total
	KEPCO Ilijan Corporation	KEPCO Plant Service & Engineering Co., Ltd.	KEPCO Engineering & Construction Company, Inc.		
Percentage of ownership	49.00%	47.52%	33.37%		
Current assets	142,784	549,854	264,195	624,183	1,581,016
Non-current assets	444,832	463,682	526,564	1,761,354	3,196,432
Current liabilities	(13,494)	(259,652)	(328,648)	(244,019)	(845,813)
Non-current liabilities	(34,081)	(56,608)	(65,062)	(1,478,272)	(1,634,023)
Net assets	540,041	697,276	397,049	663,246	2,297,612
Book value of non-controlling interest	264,620	331,347	132,495	611,859	1,340,321
Sales	61,775	538,578	321,957	281,624	1,203,934
Profit for the period	22,425	72,612	13,876	35,334	144,247
Profit for the period attributable to non-controlling interest	10,988	34,505	4,630	6,938	57,061
Cash flows from operating activities	35,646	183,711	35,230	(2,431)	252,156
Cash flows from investing activities	(15,105)	(40,124)	(101,042)	(56,652)	(212,923)
Cash flows from financing activities before dividends to non-controlling interest	(13,990)	(40,581)	13,605	91,483	50,517
Dividends to non-controlling interest	(12,386)	(34,569)	(7,300)	(10,279)	(64,534)
Effect of exchange rate fluctuation	1,377	(65)	(276)	1,991	3,027
Net increase (decrease) of cash and cash equivalents	(4,458)	68,372	(59,783)	24,112	28,243

*In millions of won*

Description	December 31, 2014					Total
	KEPCO Ilijan Corporation	KEPCO Plant Service & Engineering Co., Ltd.	KEPCO Engineering & Construction Company, Inc.	Garorim Tidal Power Plant Co., Ltd.	Others	
Percentage of ownership	49.00%	46.00%	33.37%	51.00%		
Current assets	143,229	461,750	355,292	729	605,778	1,566,778
Non-current assets	441,961	461,093	422,320	43	2,301,291	3,626,708
Current liabilities	(19,022)	(181,871)	(315,766)	(387)	(391,393)	(908,439)
Non-current liabilities	(34,190)	(44,903)	(54,716)		(1,765,520)	(1,899,329)
Net assets	531,978	696,069	407,130	385	750,156	2,385,718
Book value of non-controlling interest	260,669	320,192	135,859	197	616,443	1,333,360
Sales	127,871	1,078,526	841,917		531,983	2,580,297
Profit (loss) for the period	76,627	166,847	54,759	(39,856)	54,875	313,252
Profit (loss) for the period attributable to non-controlling interest	37,547	61,734	15,853	(20,326)	24,014	118,822
Cash flows from operating activities	111,248	183,865	16,226	(4,818)	53,990	360,511
Cash flows from investing activities	(3,221)	(70,186)	(14,066)	(1,454)	(64,720)	(153,647)
Cash flows from financing activities before dividends to non-controlling interest	(116,956)	(43,092)	(19,258)		35,825	(143,481)
Dividends to non-controlling interest	(96,533)	(25,308)	(4,905)		(4,224)	(130,970)
Effect of exchange rate fluctuation	2,456	70	(147)	69	5,858	8,306
Net increase (decrease) of cash and cash equivalents	(103,006)	45,349	(22,150)	(6,203)	26,729	(59,281)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

- (i) Details of goodwill as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</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 six-month period ended June 30, 2015 and for the year ended December 31, 2014.

**(7) Disposals of subsidiaries**

The Company disposed the shares of Boulder Solar Power LLC. for the six-month period ended June 30, 2015. The Company also disposed the shares of Korea Engineering & Power Services Co., Ltd. and liquidated EWP Philippine Holdings Corporation for the year ended December 31, 2014.

- (i) The fair value of sales price as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Consideration received in cash	553	46,476
	11,823	

The fair value of remaining shares after disposal

Total	12,376	46,476
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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 six-month period ended June 30, 2015 and during the year ended December 31, 2014 are as follows:

*In millions of won*

	June 30, 2015	December 31, 2014
<b>Current assets</b>		
Cash and cash equivalents		2,187
Current financial assets, net	1,077	4,781
Trade and other receivables, net		5,460
Current non-financial assets		232
<b>Non-current assets</b>		
Non-current financial assets, net		144
Non-current trade and other receivables, net		351
Property, plant and equipment, net	2,460	934
Other	2,893	50
<b>Current liabilities</b>		
Trade and other payables, net		(1,655)
Current non-financial liabilities	(7)	(161)
	6,423	12,323

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

- (iii) Gain from disposals of subsidiaries for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:

*In millions of won*

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
The fair value of sale price	12,376	46,476
Net assets disposed	(6,423)	(12,323)
Non-controlling interests		5,765
Realization of unrealized gain		534
Other comprehensive loss	(87)	(20)
 Gain from disposals of subsidiaries	 5,866	 40,432

- (iv) Net cashflow from sales of subsidiaries for six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:

*In millions of won*

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Consideration received in cash	553	46,476
Less: Cash held by disposed subsidiaries		(2,187)
 Net cashflow	 553	 44,289

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**17. Investments in Associates and Joint Ventures****(1) Investments in associates and joint ventures as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won*

Investees	Key operation activities	June 30, 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	73,704
Korea Gas Corporation (*1)	Importing and wholesaling LNG	KOREA	20.47%	94,500	2,211,533
Korea Electric Power Industrial Development Co., Ltd.	Electricity metering	KOREA	29.00%	4,727	18,842
YTN Co., Ltd.	Broadcasting	KOREA	21.43%	59,000	40,030
Cheongna Energy Co., Ltd.	Generating and distributing vapor and hot/cold water	KOREA	43.90%	49,607	23,872
Gangwon Wind Power Co., Ltd. (*2)	Wind power generation	KOREA	15.00%	5,725	12,401
Hyundai Green Power Co., Ltd.	Power generation	KOREA	29.00%	88,885	109,009
Korea Power Exchange (*6)	Management of power market	KOREA	100.00%	127,839	213,605
AMEC Partners Korea (*3)	Resources development	KOREA	19.00%	707	212
Hyundai Energy Co., Ltd. (*9)	Power generation	KOREA	29.00%	71,070	31,822
Ecollite Co., Ltd.	Artificial light-weight aggregate	KOREA	36.10%	1,516	
Taebaek Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,810	5,512

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Muju Wind Power Co., Ltd.	Power generation	KOREA	25.00%	2,850	2,704
Pyeongchang Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,875	3,465
Daeryun Power Co., Ltd. (*3, 10)	Power generation	KOREA	13.13%	25,477	39,487
JinanJangsu Wind Power Co., Ltd.	Power generation	KOREA	25.00%	100	77
Changjuk Wind Power Co., Ltd.	Power generation	KOREA	30.00%	3,801	6,577
KNH Solar Co., Ltd.	Power generation	KOREA	27.00%	1,296	1,488
SPC Power Corporation	Power generation	PHILIPPINES	38.00%	20,635	52,362
Gemeng International Energy Co., Ltd.	Power generation	CHINA	34.00%	413,153	718,567
PT. Cirebon Electric Power	Power generation	INDONESIA	27.50%	40,365	50,673
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	53
PT Wampu Electric Power	Power generation	INDONESIA	46.00%	20,452	16,331
PT. Bayan Resources TBK	Resources development	INDONESIA	20.00%	615,860	531,521
S-Power Co., Ltd.	Power generation	KOREA	40.00%	108,000	107,758
Pioneer Gas Power Limited (*8)	Power generation	INDIA	40.00%	49,831	51,142
Eurasia Energy Holdings	Power generation and resources development	RUSSIA	40.00%	461	
Xe-Pian Xe-Namnoy Power Co., Ltd.	Power generation	LAOS	25.00%	25,929	24,851
Busan Solar Co., Ltd. (*3)	Power generation	KOREA	19.80%	793	613
Hadong Mineral Fiber Co., Ltd.	Recycling fly ashes	KOREA	25.00%	50	
Green Biomass Co., Ltd.	Power generation	KOREA	34.00%	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%	200	144
Naepo Green Energy Co., Ltd.	Power generation	KOREA	25.00%	29,200	27,472
Goseong Green Energy Co., Ltd.	Power generation	KOREA	2.90%	2,900	2,733
Gangneung Eco Power Co., Ltd.	Power generation	KOREA	6.04%	2,900	2,680
Shin Pyeongtaek Power Co., Ltd.	Power generation	KOREA	40.00%	40	
	Power generation	KOREA	28.00%	194	172



Heang Bok Do Si Photovoltaic Power Co., Ltd.					
DS POWER Co., Ltd. (*2)	Power generation	KOREA	10.91%	17,900	14,453
Dongducheon Dream Power Co., Ltd.					
	Power generation	KOREA	33.61%	107,958	103,667
KS Solar Corp. Ltd.(*3)	Power generation	KOREA	19.00%	637	426
Yeongwol Energy Station Co., Ltd. (*2)					
	Power generation	KOREA	10.00%	1,400	1,107
Jimbhuvish Power Generation Pvt. Ltd.(*2)					
	Power generation	INDIA	5.16%	9,000	8,353
SE Green Energy Co., Ltd.	Power generation support	KOREA	47.76%	3,821	3,601
Daegu Photovoltaic Co., Ltd.					
	Power generation	KOREA	29.00%	1,230	1,848
Jeongam Wind Power Co., Ltd.					
	Power generation	KOREA	40.00%	1,680	594
Korea Power Engineering Service Co., Ltd.					
	Construction and service	KOREA	29.00%	290	1,366
Busan Green Energy Co., Ltd.					
	Power generation	KOREA	29.00%	14,564	14,529
Jungbu Bio Energy Co., Ltd.(*2)					
	Power generation	KOREA	18.87%	1,000	894
				2,115,835	4,532,250

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued****(1) Investments in associates and joint ventures as of June 30, 2015 and December 31, 2014 are as follows, continued:***In millions of won*

Investees	Key operation activities	June 30, 2015		Acquisition cost	Book value
		Location	Percentage of ownership		
<b>&lt;Joint ventures&gt;</b>					
KEPCO-Uhde Inc. (*7)	Power generation	KOREA	66.00%	11,355	8,812
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	28,408
Shuweiha Asia Power Investment B.V.	Holding company	NETHERLANDS	49.00%	60,191	16,913
Shuweiha Asia Operation & Maintenance Company (*7)	Maintenance of utility plant	CAYMAN	55.00%	30	806
Waterbury Lake Uranium L.P.	Resources development	CANADA	40.00%	26,602	21,646
ASM-BG Investicii AD	Power generation	BULGARIA	50.00%	16,101	19,324
RES Technology AD	Power generation	BULGARIA	50.00%	15,595	13,977
KV Holdings, Inc.	Power generation	PHILIPPINES	40.00%	2,103	2,006
KEPCO SPC Power Corporation (*7)	Construction and operation of utility plant	PHILIPPINES	75.20%	94,579	199,319
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	
Gansu Datang Yumen Wind Power Co., Ltd.	Power generation	CHINA	40.00%	16,621	17,365

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Datang Chifeng Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	121,928	171,940
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	10,858	10,473
Rabigh Electricity Company	Power generation	SAUDI ARABIA	40.00%	109,743	28,643
Rabigh Operation & Maintenance Company	Maintenance of utility plant	SAUDI ARABIA	40.00%	70	5,175
Jamaica Public Service Company Limited	Power generation	JAMAICA	40.00%	301,910	232,031
KW Nuclear Components Co., Ltd.	R&D	KOREA	43.36%	833	2,789
Busan Shinho Solar Power Co., Ltd.	Power generation	KOREA	25.00%	2,100	3,538
GS Donghae Electric Power Co., Ltd.	Power generation	KOREA	34.00%	204,000	200,931
Global Trade Of Power System Co., Ltd.	Exporting products and technology of small or medium business by proxy	KOREA	29.00%	290	364
Expressway Solar-light Power Generation Co., Ltd.	Power generation	KOREA	29.00%	1,856	2,035
KODE NOVUS 1 LLC.	Power generation	USA	50.00%	19,213	10,063
KODE NOVUS 2 LLC.	Power generation	USA	49.00%	12,498	7,368
Daejung Offshore Wind Power Co., Ltd.	Power generation	KOREA	49.90%	4,990	3,550
Amman Asia Electric Power Company (*7)	Power generation	JORDAN	60.00%	111,476	142,532
KEPCO-ALSTOM Power Electronics Systems, Inc. (*7)	R&D	KOREA	51.00%	5,629	4,699
Dangjin Echo Power Co., Ltd.	Power generation	KOREA	40.00%	60,000	56,513
Honam Wind Power Co., Ltd.	Power generation	KOREA	29.00%	3,600	3,987
Nepal Water & Energy Development Company Pty Ltd. (*7)	Construction and operation of utility plant	NEPAL	58.59%	18,568	17,092
Chun-cheon Energy Co., Ltd.	Power generation	KOREA	29.90%	26,888	26,332
Yeonggwangbaeksu Wind Power Co., Ltd. (*3)	Power generation	KOREA	15.00%	3,000	2,780
Nghi Son 2 Power Ltd.	Power generation	VIETNAM	50.00%	838	329
Kelar S.A (*7)	Power generation	CHILE	65.00%	4,180	
PT. Tanjung Power Indonesia	Power generation	INDONESIA	35.00%	746	745
Incheon New Power Co., Ltd.	Power generation	KOREA	29.00%	461	517
Seokmun Energy Co., Ltd.	Integrated energy business	KOREA	34.00%	680	

1,320,720 1,263,002

3,436,555 5,795,252

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

**(1) Investments in associates and joint ventures as of June 30, 2015 and December 31, 2014 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 June 30, 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%.



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**17. Investments in Associates and Joint Ventures, continued****(1) Investments in associates and joint ventures as of June 30, 2015 and December 31, 2014 are as follows, continued:***In millions of won*

Investees	Key operation activities	December 31, 2014		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	71,387
Korea Gas Corporation (*1)	Importing and wholesaling LNG	KOREA	20.47%	94,500	2,097,539
Korea Electric Power Industrial Development Co., Ltd.	Electricity metering	KOREA	29.00%	4,727	21,622
YTN Co., Ltd.	Broadcasting	KOREA	21.43%	59,000	39,889
Cheongna Energy Co., Ltd.	Generating and distributing vapor and hot/cold water	KOREA	43.90%	49,607	28,771
Gangwon Wind Power Co., Ltd. (*2)	Wind power generation	KOREA	15.00%	5,725	12,385
Hyundai Green Power Co., Ltd.	Power generation	KOREA	29.00%	88,885	113,033
Korea Power Exchange (*6)	Management of power market	KOREA	100.00%	127,839	198,021
AMEC Partners Korea (*3)	Resources development	KOREA	19.00%	707	200
Hyundai Energy Co., Ltd. (*9)	Power generation	KOREA	29.00%	71,070	35,925
Ecollite Co., Ltd.	Artificial light-weight aggregate	KOREA	36.10%	1,516	
Taebaek Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,810	5,525

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Muju Wind Power Co., Ltd.	Power generation	KOREA	25.00%	2,850	2,706
Pyeongchang Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,875	3,693
Daeryun Power Co., Ltd. (*3, 10)	Power generation	KOREA	13.13%	25,477	41,951
JinanJangsu Wind Power Co., Ltd.	Power generation	KOREA	25.00%	100	77
Changjuk Wind Power Co., Ltd.	Power generation	KOREA	30.00%	3,801	6,486
KNH Solar Co., Ltd.	Power generation	KOREA	27.00%	1,296	1,744
SPC Power Corporation	Power generation	PHILIPPINES	38.00%	20,635	47,799
Gemeng International Energy Co., Ltd.	Power generation	CHINA	34.00%	413,153	667,578
PT. Cirebon Electric Power	Power generation	INDONESIA	27.50%	40,365	43,335
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%	18,935	16,071
PT. Bayan Resources TBK	Resources development	INDONESIA	20.00%	615,860	540,011
S-Power Co., Ltd.	Power generation	KOREA	40.00%	108,000	104,244
Pioneer Gas Power Limited (*8)	Power generation	INDIA	40.00%	49,831	50,668
Eurasia Energy Holdings	Power generation and resources development	RUSSIA	40.00%	461	
Xe-Pian Xe-Namnoy Power Co., Ltd.	Power generation	LAOS	25.00%	23,473	22,152
Busan Solar Co., Ltd. (*3)	Power generation	KOREA	19.80%	793	853
Hadong Mineral Fiber Co., Ltd.	Recycling fly ashes	KOREA	25.00%	50	3
Green Biomass Co., Ltd.	Power generation	KOREA	34.00%	714	
PT. Mutiara Jawa	Manufacturing and operating floating coal terminal	INDONESIA	29.00%	2,978	818
Samcheok Eco Material Co., Ltd. (*3, 11)	Recycling fly ashes	KOREA	2.67%	686	212
Noeul Green Energy Co., Ltd.	Power generation	KOREA	20.00%	200	189
Naepo Green Energy Co., Ltd.	Power generation	KOREA	25.00%	29,200	28,064
Goseong Green Energy Co., Ltd.	Power generation	KOREA	9.67%	2,900	2,586
Gangneung Eco Power Co., Ltd.	Power generation	KOREA	6.04%	2,900	2,783
Shin Pyeongtaek Power Co., Ltd.	Power generation	KOREA	40.00%	40	



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Heang Bok Do Si Photovoltaic Power Co., Ltd.	Power generation	KOREA	28.00%	194	221
DS POWER Co., Ltd. (*2)	Power generation	KOREA	10.91%	17,900	15,642
Dongducheon Dream Power Co., Ltd.	Power generation	KOREA	33.61%	107,958	100,545
KS Solar Corp. Ltd.(*3)	Power generation	KOREA	19.00%	637	325
Yeongwol Energy Station Co., Ltd. (*2)	Power generation	KOREA	10.00%	1,400	1,741
Jinhuvish Power Generation Pvt. Ltd. (*2)	Power generation	INDIA	5.16%	9,000	8,344
SE Green Energy Co., Ltd.	Power generation support	KOREA	47.76%	3,821	3,623
Daegu Photovoltaic Co., Ltd.	Power generation	KOREA	29.00%	1,230	1,581
Jeongam Wind Power Co., Ltd.	Power generation	KOREA	40.00%	800	93
Korea Power Engineering Service Co., Ltd.	Construction and service	KOREA	29.00%	290	1,334
				2,095,418	4,341,830

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**17. Investments in Associates and Joint Ventures, continued****(1) Investments in associates and joint ventures as of June 30, 2015 and December 31, 2014 are as follows, continued:***In millions of won*

Investees	Key operation activities	December 31, 2014		Acquisition cost	Book value
		Location	Percentage of ownership		
<b>&lt;Joint ventures&gt;</b>					
KEPCO-Uhde Inc. (*7)	Power generation	KOREA	66.00%	11,355	9,042
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	27,514
Shuweihaat Asia Power Investment B.V.	Holding company	NETHERLANDS	49.00%	60,083	16,241
Shuweihaat Asia Operation & Maintenance Company (*7)	Maintenance of utility plant	CAYMAN	55.00%	30	345
Waterbury Lake Uranium L.P.	Resources development	CANADA	40.00%	26,602	22,010
ASM-BG Investicii AD	Power generation	BULGARIA	50.00%	16,101	19,608
RES Technology AD	Power generation	BULGARIA	50.00%	15,595	14,725
KV Holdings, Inc.	Power generation	PHILIPPINES	40.00%	2,103	1,902
KEPCO SPC Power Corporation (*7)	Construction and operation of utility plant	PHILIPPINES	75.20%	94,579	190,519
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	
Gansu Datang Yumen Wind Power Co., Ltd.	Power generation	CHINA	40.00%	16,621	17,467

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Datang Chifeng Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	121,928	169,496
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	10,858	10,539
Rabigh Electricity Company	Power generation	SAUDI ARABIA	40.00%	109,743	8,121
Rabigh Operation & Maintenance Company	Maintenance of utility plant	SAUDI ARABIA	40.00%	70	4,628
Jamaica Public Service Company Limited	Power generation	JAMAICA	40.00%	301,910	226,892
KW Nuclear Components Co., Ltd.	R&D	KOREA	43.36%	833	2,899
Busan Shinho Solar Power Co., Ltd.	Power generation	KOREA	25.00%	2,100	3,284
GS Donghae Electric Power Co., Ltd.	Power generation	KOREA	34.00%	204,000	201,409
Global Trade Of Power System Co., Ltd.	Exporting products and technology of small or medium business by proxy	KOREA	29.00%	290	343
Expressway Solar-light Power Generation Co., Ltd.	Power generation	KOREA	29.00%	1,856	2,087
KODE NOVUS 1 LLC.	Power generation	USA	50.00%	19,213	12,207
KODE NOVUS 2 LLC.	Power generation	USA	49.00%	12,498	8,248
Daejung Offshore Wind Power Co., Ltd.	Power generation	KOREA	49.90%	4,990	3,711
Amman Asia Electric Power Company (*7)	Power generation	JORDAN	60.00%	111,476	122,391
KEPCO-ALSTOM Power Electronics Systems, Inc. (*7)	R&D	KOREA	51.00%	5,629	4,617
Dangjin Echo Power Co., Ltd.	Power generation	KOREA	33.10%	40,000	37,837
Honam Wind Power Co., Ltd.	Power generation	KOREA	29.00%	3,600	3,555
Nepal Water & Energy Development Company Pty Ltd. (*7)	Construction and operation of utility plant	NEPAL	59.61%	18,568	17,872
Chun-cheon Energy Co., Ltd.	Power generation	KOREA	29.90%	15	
Yeonggwangbaeksu Wind Power Co., Ltd. (*3)	Power generation	KOREA	15.00%	3,000	2,962
Nghi Son 2 Power Ltd.	Power generation	VIETNAM	50.00%	350	103
Kelar S.A (*7)	Power generation	CHILE	65.00%	4,180	3,156
PT. Tanjung Power Indonesia	Power generation	INDONESIA	35.00%	746	699
Incheon New Power Co., Ltd.	Power generation	KOREA	29.00%	461	465
Seokmun Energy Co., Ltd.	Integrated energy business	KOREA	34.00%	680	

1,273,251 1,166,894

3,368,669 5,508,727

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

**(1) Investments in associates and joint ventures as of June 30, 2015 and December 31, 2014 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 associates 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, 2014, 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 acquisitions 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%.

- (2) The fair value of associates which are actively traded on the open market and have a readily available market value as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>		
<b>Investees</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>&lt;Associates&gt;</b>		
Korea Electric Power Industrial Development Co., Ltd.	42,921	60,506
Korea Gas Corporation	816,480	936,495
YTN Co., Ltd.	24,210	23,940
SPC Power Corporation	70,429	65,888
PT. Bayan Resources TBK	450,470	391,463

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

(3) Changes in investments in associates and joint ventures for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:

*In millions of won*

Investees	June 30, 2015						Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of comprehensive income (loss)	Other income (loss) Others	
<b>&lt;Associates&gt;</b>							
Daegu Green Power Co., Ltd.	71,387				2,317		73,704
Korea Gas Corporation	2,097,539			(4,725)	116,195	1,900 624	2,211,533
Korea Electric Power Industrial Development Co., Ltd.	21,622			(1,267)	(1,938)	425	18,842
YTN Co., Ltd.	39,889			(90)	246	(185) 170	40,030
Cheongna Energy Co., Ltd.	28,771				(4,899)		23,872
Gangwon Wind Power Co., Ltd.	12,385			(852)	852	16	12,401
Hyundai Green Power Co., Ltd.	113,033			(8,889)	4,865		109,009
Korea Power Exchange	198,021				14,694	890	213,605
AMEC Partners Korea	200				12		212
Hyundai Energy Co., Ltd.	35,925				(4,103)		31,822
Ecollite Co., Ltd.							
Taebaek Wind Power Co., Ltd.	5,525				(13)		5,512
Muju Wind Power Co., Ltd.	2,706				(2)		2,704
Pyeongchang Wind Power Co., Ltd.	3,693				(228)		3,465
Daeryun Power Co., Ltd.	41,951				(2,464)		39,487

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JinanJangsu Wind Power Co., Ltd.	77					77
Changjuk Wind Power Co., Ltd.	6,486		91			6,577
KNH Solar Co., Ltd.	1,744		(258)	2		1,488
SPC Power Corporation	47,799		(1,349)	2,723	321	2,868
Gemeng International Energy Co., Ltd.	667,578		33,496	17,493		718,567
PT. Cirebon Electric Power	43,335		5,410	1,928		50,673
KNOC Nigerian East Oil Co., Ltd.			(546)	(221)	767	
KNOC Nigerian West Oil Co., Ltd.			(513)	(203)	716	
Dolphin Property Limited	61		(5)	(3)		53
PT Wampu Electric Power	16,071	1,517	(1,618)	351	10	16,331
PT. Bayan Resources TBK	540,011		(3,595)	(4,895)		531,521
S-Power Co., Ltd.	104,244		3,514			107,758
Pioneer Gas Power Limited	50,668		(1)	475		51,142
Eurasia Energy Holdings						
Xe-Pian Xe-Namnoy Power Co., Ltd.	22,152	2,456	(63)	306		24,851
Busan Solar Co., Ltd.	853		(240)			613
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		(45)			144
Naepo Green Energy Co., Ltd.	28,064		(592)			27,472
Goseong Green Energy Co. Ltd.	2,586		147			2,733
Gangneung Eco Power Co., Ltd.	2,783		(103)			2,680
Shin Pyeongtaek Power Co., Ltd.						
Heang Bok Do Si Photovoltaic Power Co., Ltd.	221		(49)			172
DS POWER Co., Ltd.	15,642		(1,178)		(11)	14,453
Dongducheon Dream Power Co., Ltd.	100,545		3,239		(117)	103,667
KS Solar Corp. Ltd.	325		101			426
Yeongwol Energy Station Co., Ltd.	1,741		(634)			1,107





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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

(3) Changes in investments in associates and joint ventures for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows, continued:

*In millions of won*

Investees	June 30, 2015						Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of comprehensive income (loss) Others	Other income (loss) Others	
Jinhuvish Power Generation Pvt. Ltd.	8,344				(41)	50	8,353
SE Green Energy Co., Ltd.	3,623				(22)		3,601
Daegu Photovoltaic Co., Ltd.	1,581				267		1,848
Jeongam Wind Power Co., Ltd.	93	880		(379)			594
Korea Power Engineering Service Co., Ltd.	1,334			(44)	76		1,366
Busan Green Energy Co., Ltd.		14,564			(35)		14,529
Jungbu Bio Energy Co., Ltd.		1,000			(106)		894
	4,341,830	20,417		(17,216)	163,576	17,301	4,532,250
<b>&lt;Joint ventures&gt;</b>							
KEPCO-Uhde Inc.	9,042				(230)		8,812
Eco Biomass Energy Sdn. Bhd.							
Datang Chaoyang Renewable Power Co.,	27,514				222	672	28,408

Ltd.						
Shuweiha Asia Power Investment B.V.	16,241	108	136	428		16,913
Shuweiha Asia Operation & Maintenance Company	345		443	18		806
Waterbury Lake Uranium L.P.	22,010			(411)	47	21,646
ASM-BG Investicii AD	19,608		802	(1,086)		19,324
RES Technology AD	14,725		81	(829)		13,977
KV Holdings, Inc.	1,902		74	30		2,006
KEPCO SPC Power Corporation	190,519	(11,432)	20,220	2,908	(2,896)	199,319
Canada Korea Uranium Limited Partnership						
KEPCO Energy Resource Nigeria Limited						
Gansu Datang Yumen Wind Power Co., Ltd.	17,467		(520)	418		17,365
Datang Chifeng Renewable Power Co., Ltd.	169,496	(8,239)	6,620	4,066	(3)	171,940
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	10,539		(296)	230		10,473
Rabigh Electricity Company	8,121		14,567	5,968	(13)	28,643
Rabigh Operation & Maintenance Company	4,628		444	103		5,175
Jamaica Public Service Company Limited	226,892				5,139	232,031
KW Nuclear Components Co., Ltd.	2,899	(1,016)	833		73	2,789
Busan Shinho Solar Power Co., Ltd.	3,284		254			3,538
GS Donghae Electric Power Co., Ltd.	201,409		(478)			200,931
Global Trade Of Power System Co., Ltd.	343		21			364
Expressway Solar-light Power Generation Co., Ltd.	2,087		(52)			2,035
KODE NOVUS 1 LLC.	12,207		(2,262)	118		10,063
KODE NOVUS 2 LLC.	8,248		(1,043)	163		7,368
Daejung Offshore Wind Power Co., Ltd.	3,711		(161)			3,550
Amman Asia Electric Power Company	122,391		12,676	8,049	(584)	142,532
KEPCO-ALSTOM Power Electronics	4,617		82			4,699

Systems, Inc.						
Dangjin Echo Power Co., Ltd.	37,837	20,000	(1,231)	(59)	(34)	56,513
Honam Wind Power Co., Ltd.	3,555		432			3,987
Nepal Water & Energy Development Company Pty Ltd.	17,872		(1,289)	509		17,092
Chun-cheon Energy Co., Ltd.		26,873	(412)	(129)		26,332
Yeonggwangbaeksu Wind Power Co., Ltd.	2,962		(182)			2,780
Nghi Son 2 Power Ltd.	102	488	(268)	23	(16)	329

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

(3) Changes in investments in associates and joint ventures for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows, continued:

*In millions of won*

Investees	June 30, 2015						Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss) Others	
Kelar S.A	3,156					(407) (2,749)	
PT. Tanjung Power Indonesia	700				55	(10)	745
Incheon New Power Co., Ltd.	465				52		517
Seokmun Energy Co., Ltd.							
	1,166,894	47,469		(20,687)	49,590	20,782 (1,046)	1,263,002
	5,508,724	67,886		(37,903)	213,166	38,083 5,296	5,795,252

*In millions of won*

Investees	December 31, 2014						Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss) Others	
<b>&lt;Associates&gt;</b>							
Daegu Green Power Co., Ltd.	74,878				(3,494)	3	71,387

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Korea Gas Corporation	1,926,800		96,457	69,489	4,793	2,097,539	
Korea Electric Power Industrial Development Co., Ltd.	22,450		(1,872)	2,275	(1,231)	21,622	
YTN Co., Ltd.	38,426		(90)	2,423	(26)	(844)	39,889
Cheongna Energy Co., Ltd.	28,114	5,707		(5,023)	(27)		28,771
Gangwon Wind Power Co., Ltd.	13,185		(1,988)	1,155	33		12,385
Hyundai Green Power Co., Ltd.	110,157		(8,889)	11,764		1	113,033
Korea Power Exchange	189,544			13,274		(4,797)	198,021
AMEC Partners Korea	189			11			200
Hyundai Energy Co., Ltd.	43,386			(7,461)			35,925
Ecollite Co., Ltd.							
Taebaek Wind Power Co., Ltd.	5,553		(991)	963			5,525
Alternergy Philippine Investments Corporation	1,500		(1,497)	(7)	228	(224)	
Muju Wind Power Co., Ltd.	2,707					(1)	2,706
Pyeongchang Wind Power Co., Ltd.	600	3,238		(128)	(17)		3,693
Daeryun Power Co., Ltd.	24,599			(1,748)		19,100	41,951
JinanJangsu Wind Power Co., Ltd.	77						77
Changjuk Wind Power Co., Ltd.	6,344		(1,292)	1,434			6,486
KNH Solar Co., Ltd.	1,372			372			1,744
SPC Power Corporation	47,661			(1,800)	335	1,603	47,799
Gemeng International Energy Co., Ltd.	608,674		(6,905)	54,368	11,441		667,578
PT. Cirebon Electric Power	32,826	1,148		6,303	3,058		43,335
KNOC Nigerian East Oil Co., Ltd.							
KNOC Nigerian West Oil Co., Ltd.							
Dolphin Property Limited				184	(8)	(115)	61
E-Power S.A.	5,284		(5,041)	(1,431)	1,173	15	
PT Wampu Electric Power	15,121			308	642		16,071

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

(3) Changes in investments in associates and joint for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows, continued:

*In millions of won*

Investees	Beginning balance	Acquisition	Disposal	December 31, 2014			Ending balance
				Dividends received	Share of income (loss)	Other comprehensive income (loss) Others	
PT. Bayan Resources TBK	579,534				(30,565)	(8,958)	540,011
S-Power Co., Ltd.	107,264				(3,020)		104,244
Pioneer Gas Power Limited	43,666	1,122			298	5,582	50,668
Eurasia Energy Holdings							
Xe-Pian Xe-Namnoy Power Co., Ltd.	18,058	4,546			(915)	753 (290)	22,152
Busan Solar Co., Ltd.	741				112		853
Hadong Mineral Fiber Co., Ltd.	3						3
Green Biomass Co., Ltd.	171				(171)		
Gumi-ochang Photovoltaic Power Co., Ltd.	389		(399)	(14)	24		
Chungbuk Photovoltaic Power Co., Ltd.	184		(192)		8		
Cheonan Photovoltaic	148		(138)		(10)		

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Power Co., Ltd.							
PT. Mutiara Jawa	1,666		(885)	37			818
Samcheok Eco Material Co., Ltd.		686	(474)				212
Noeul Green Energy Co., Ltd.		200	(11)				189
Naepo Green Energy Co., Ltd.		29,200	(995)	(141)			28,064
Goseong Green Energy Co., Ltd.		2,900	(311)		(3)		2,586
Gangneung Eco Power Co., Ltd.		2,900	(117)				2,783
Shin Pyeongtaek Power Co., Ltd.		40	(40)				
Hyundai Asan Solar Power Co., Ltd.	462		(430)	(32)			
Heang Bok Do Si Photovoltaic Power Co., Ltd.	91	101		31	(2)		221
Jeonnam Solar Co., Ltd.	696		(941)	241	4		
DS POWER Co., Ltd.	17,900			(2,258)			15,642
D Solar Energy Co., Ltd.	364		(418)	54			
Dongducheon Dream Power Co., Ltd.	134,398		(29,782)	(4,071)			100,545
KS Solar Corp. Ltd.	537			(202)	(10)		325
KOSCON Photovoltaic Co., Ltd.	315		(351)	36			
Yeongwol Energy Station Co., Ltd.	908		(410)	1,239	3	1	1,741
Yeonan Photovoltaic Co., Ltd.	123		(128)	5			
Q1 Solar Co., Ltd.	983		(1,123)	140			
Jimbhuvish Power Generation Pvt. Ltd.	8,495			(197)	46		8,344
Best Solar Energy Co., Ltd.	898		(1,242)	344			
Seokcheon Solar Power Co., Ltd.	1,046		(1,041)	(49)	48	1	(5)
SE Green Energy Co., Ltd.	3,745			(122)			3,623
Daegu Photovoltaic Co.,	1,334			247			1,581



Ltd.								
Jeongam Wind Power Co., Ltd.	324			(231)				93
Korea Power Engineering Service Co., Ltd.	585			787		(38)		1,334
Golden Route J Solar Power Co., Ltd.	99	(75)		(24)				
	4,124,574	51,788	(43,208)	(23,521)	131,766	82,481	17,950	4,341,830
<b>&lt;Joint ventures&gt;</b>								
KEPCO-Uhde Inc.	9,537			(493)		(2)		9,042
Eco Biomass Energy Sdn. Bhd.								
Datang Chaoyang Renewable Power Co., Ltd.	28,161			(740)	(346)	439		27,514
Shuweihat Asia Power Investment B.V.	64	59,576			6,077	(49,428)	(48)	16,241
Shuweihat Asia Operation & Maintenance Company	29			(869)	1,172	14	(1)	345
Waterbury Lake Uranium L.P.	23,042	762				1,285	(3,079)	22,010
ASM-BG Investicii AD	20,088				1,131	(1,611)		19,608
RES Technology AD	16,045			(78)		(1,242)		14,725
KV Holdings, Inc.	1,842					60		1,902
KEPCO SPC Power Corporation	143,294			(8,069)	48,623	6,640	31	190,519

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

(3) Changes in investments in associates and joint ventures for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows, continued:

*In millions of won***December 31, 2014**

Investees	Beginning balance	Acquisition	Disposal	Dividends received	Other comprehensive		Ending balance
					Share of income (loss)	income (loss) Others	
Canada Korea Uranium Limited Partnership							
KEPCO Energy Resource Nigeria Limited	2,202				(2,190)	(12)	
Gansu Datang Yumen Wind Power Co., Ltd.	19,237				(2,012)	242	17,467
Datang Chifeng Renewable Power Co., Ltd.	166,330			(8,951)	9,144	2,973	169,496
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	10,604			(788)	531	192	10,539
Rabigh Electricity Company					25,040	(18,709)	1,790
Rabigh Operation & Maintenance Company	4,082			(2,546)	2,945	147	4,628
Jamaica Public Service Company Limited (*)	268,022						(41,130)

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KW Nuclear Components Co., Ltd.	2,476		(1,399)	1,821		1	2,899
Busan Shinho Solar Power Co., Ltd.	2,871			423	(10)		3,284
GS Donghae Electric Power Co., Ltd.	173,915	117,600	(88,962)	(580)	(161)	(403)	201,409
YEONGAM Wind Power Co., Ltd.	11,424		(12,533)	1,109			
Global Trade Of Power System Co., Ltd	249			94			343
Expressway Solar-light Power Generation Co., Ltd.	1,863		(1,276)	(237)	1,737		2,087
KODE NOVUS 1 LLC.	14,237			(2,324)	294		12,207
KODE NOVUS 2 LLC.	9,510			(1,592)	330		8,248
Daejung Offshore Wind Power Co., Ltd.	4,135			(424)			3,711
Amman Asia Electric Power Company	111,315	6,755		23,324	(19,003)		122,391
KEPCO-ALSTOM Power Electronics Systems, Inc.	4,758			(141)			4,617
Dangjin Echo Power Co., Ltd.	39,102			(1,235)	(35)	5	37,837
Honam Wind Power Co., Ltd.	1,933			248	1,254	120	3,555
Nepal Water & Energy Development Company Pty Ltd.	10,409	8,018		(928)	373		17,872
Chun-cheon Energy Co., Ltd.		15		(15)			
Yeonggwangbaeksu Wind Power Co., Ltd.		3,000		(33)		(5)	2,962
Nghi Son 2 Power Ltd.		350		(268)	(14)	34	102
Kelar S.A	4,180			(1,047)	407	(384)	3,156
PT. Tanjung Power Indonesia	361	359		(60)	39	1	700
Incheon New Power Co., Ltd.	449			9		7	465
	415			(415)			

Seokmun Energy  
Co., Ltd.

1,106,181	196,435	(102,771)	(23,599)	109,247	(75,536)	(43,063)	1,166,894
5,230,755	248,223	(145,979)	(47,120)	241,013	6,945	(25,113)	5,508,724

(\*) It has been determined that there is objective evidence of impairment as a result of one or more events including that a financial institution granted Jamaica Public Service Company Limited ( JPS ) a concession that the financial institution would not otherwise consider. As of December 31, 2014, as a result of the impairment test, the recoverable amount of JPS is less than its carrying amount and an impairment loss of 52,279 million is recognized in profit or loss. The recoverable amount of JPS is its value in use which is calculated based on the most recent financial budget of future cash flow for a period of 10 years approved by management and the discount rate used to calculate the value in use is 10.15%.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

(4) Summary of financial information of associates and joint ventures as of and for the six-month period ended June 30, 2015 and as of and for the year ended December 31, 2014 are as follows:

*In millions of won*

Investees	June 30, 2015			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
<b>&lt;Associates&gt;</b>				
Daegu Green Power Co., Ltd.	672,001	518,109	179,545	4,849
Korea Gas Corporation	41,889,182	31,636,364	15,180,204	540,739
Korea Electric Power Industrial Development Co., Ltd.	149,881	84,910	160,707	9,352
YTN Co., Ltd.	314,422	127,390	49,867	1,537
Cheongna Energy Co., Ltd.	433,793	385,302	29,864	(11,468)
Gangwon Wind Power Co., Ltd.	117,761	35,413	13,447	5,683
Hyundai Green Power Co., Ltd.	1,181,513	805,620	236,943	14,958
Korea Power Exchange	235,294	21,689	43,209	14,052
AMEC Partners Korea	1,201	85	251	62
Hyundai Energy Co., Ltd.	544,856	471,447	43,404	(8,906)
Ecollite Co., Ltd.	2,322	344		(46)
Taebaek Wind Power Co., Ltd.	51,071	27,717	4,276	1,254
Muju Wind Power Co., Ltd.	10,817			(9)
Pyeongchang Wind Power Co., Ltd.	61,345	47,483		(909)
Daeryun Power Co., Ltd.	803,118	605,347	131,692	(12,667)
JinanJangsu Wind Power Co., Ltd.	307			(1)
Changjuk Wind Power Co., Ltd.	43,424	20,220	4,230	1,584
KNH Solar Co., Ltd.	27,704	21,147	2,055	269
SPC Power Corporation	191,248	53,455	31,725	17,285
Gemeng International Energy Co., Ltd.	5,863,260	3,749,828	599,719	57,331
PT. Cirebon Electric Power	1,010,012	825,745	139,105	19,210
KNOC Nigerian East Oil Co., Ltd.	253,391	321,570		(3,791)
KNOC Nigerian West Oil Co., Ltd.	154,020	216,593		(3,426)
Dolphin Property Limited	247	1		(32)

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PT Wampu Electric Power	168,398	132,895	6,207	(4,282)
PT. Bayan Resources TBK	1,072,742	922,852	221,439	(14,863)
S-Power Co., Ltd.	941,424	666,761	356,638	8,651
Pioneer Gas Power Limited	251,037	181,219		(2)
Eurasia Energy Holdings	575	1,026		
Xe-Pian Xe-Namnoy Power Co., Ltd.	362,608	260,848		5,185
Busan Solar Co., Ltd.	26,426	22,327	1,871	(209)
Hadong Mineral Fiber Co., Ltd.	12	19		(17)
Green Biomass Co., Ltd.	9,366	10,170	2,491	(447)
PT. Mutiara Jawa	26,080	27,861	902	(4,169)
Samcheok Eco Material Co., Ltd.	23,378	102		(1,279)
Noeul Green Energy Co., Ltd.	739	18		(213)
Naepo Green Energy Co., Ltd.	110,863	974	1,611	(2,369)
Goseong Green Energy Co., Ltd.	99,168	4,942		(2,217)
Gangneung Eco Power Co., Ltd.	49,264	4,913		(1,704)
Shin Pyeongtaek Power Co., Ltd.	12,311	13,851		(821)
Heang Bok Do Si Photovoltaic Power Co., Ltd.	3,171	2,557	230	19
DS POWER Co., Ltd.	570,170	451,016	21,881	(2,338)
Dongducheon Dream Power Co., Ltd.	1,687,513	1,395,991	474,837	9,478
KS Solar Corp. Ltd.	31,191	27,907	2,656	285
Yeongwol Energy Station Co., Ltd.	164,947	153,879		
Jinhuvish Power Generation Pvt. Ltd.	77,403	21,118		(775)
SE Green Energy Co., Ltd.	7,540			(47)
Daegu Photovoltaic Co., Ltd.	21,347	14,974	2,274	920
Jeongam Wind Power Co., Ltd.	1,519	33		(889)
Korea Power Engineering Service Co., Ltd.	6,381	1,671	10,359	689
Busan Green Energy Co., Ltd.	50,114	14		(119)
Jungbu Bio Energy Co., Ltd.	4,739	1		(562)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

(4) Summary of financial information of associates and joint ventures as of and for the six-month period ended June 30, 2015 and as of and for the year ended December 31, 2014 are as follows, continued:

*In millions of won*

Investees	June 30, 2015			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
<b>&lt;Joint ventures&gt;</b>				
KEPCO-Uhde Inc.	16,492	3,175		(360)
Eco Biomass Energy Sdn. Bhd.				
Datang Chaoyang Renewable Power Co., Ltd.	158,589	87,568	8,597	520
Shuweihat Asia Power Investment B.V.	34,704	20		331
Shuweihat Asia Operation & Maintenance Company	1,468		1,105	806
Waterbury Lake Uranium L.P.	55,796	20		
ASM-BG Investicii AD	85,280	46,632	6,306	1,672
RES Technology AD	76,666	48,712	4,153	232
KV Holdings, Inc.	5,015		184	184
KEPCO SPC Power Corporation	445,970	180,918	80,367	28,253
Canada Korea Uranium Limited Partnership	289	85		(17)
KEPCO Energy Resource Nigeria Limited	365,106	400,319		(15,927)
Gansu Datang Yumen Wind Power Co., Ltd.	101,755	58,343	4,143	(1,942)
Datang Chifeng Renewable Power Co., Ltd.	869,372	439,415	59,111	17,168
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	69,445	43,263	3,776	559
Rabigh Electricity Company	2,564,433	2,299,097	146,608	30,052
Rabigh Operation & Maintenance Company	18,921	5,984	11,941	1,922
Jamaica Public Service Company Limited	1,059,368	676,823	69,329	674
KW Nuclear Components Co., Ltd.	31,754	25,529	4,933	2,623
Busan Shinho Solar Power Co., Ltd.	52,705	38,555	4,262	908
GS Donghae Electric Power Co., Ltd.	1,383,411	792,437		(1,404)
Global Trade Of Power System Co., Ltd.	2,197	942	2,831	74
	21,412	14,396	1,095	218

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Expressway Solar-light Power Generation Co., Ltd.				
KODE NOVUS 1 LLC.	116,688	106,026	1,998	(4,522)
KODE NOVUS 2 LLC.	56,831	41,793	1,203	(2,129)
Daejung Offshore Wind Power Co., Ltd.	7,165	51		(209)
Amman Asia Electric Power Company	879,361	641,668	36,410	21,123
KEPCO-ALSTOM Power Electronics Systems, Inc.	56,453	47,238	10,098	(257)
Dangjin Echo Power Co., Ltd.	136,249	230		(1,059)
Honam Wind Power Co., Ltd.	42,820	29,183	3,618	1,476
Nepal Water & Energy Development Company Pty Ltd.	37,731	10,877		(590)
Chun-cheon Energy Co., Ltd.	123,996	35,942		(1,362)
Yeonggwangbaeksu Wind Power CO., Ltd.	104,744	86,213	516	(1,213)
Nghi Son 2 Power Ltd.	795	137		(521)
Kelar S.A.	335,708	366,071		(1,956)
PT. Tanjung Power Indonesia	36,683	34,553	10,826	162
Incheon New Power Co., Ltd.	9,581	7,799	1,818	311
Seokmun Energy Co., Ltd.	39,585	39,858		(117)



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

(4) Summary of financial information of associates and joint ventures as of and for the six-month period ended June 30, 2015 and as of and for the year ended December 31, 2014 are as follows, continued:

*In millions of won*

Investees	December 31, 2014			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
<b>&lt;Associates&gt;</b>				
Daegu Green Power Co., Ltd.	666,935	517,892	43,908	(7,310)
Korea Gas Corporation	46,772,022	37,047,686	37,273,360	447,183
Korea Electric Power Industrial Development Co., Ltd.	151,511	76,953	329,215	13,118
YTN Co., Ltd.	335,740	149,337	114,743	11,289
Cheongna Energy Co., Ltd.	443,672	384,020	47,075	(11,585)
Gangwon Wind Power Co., Ltd.	123,242	41,002	28,829	11,708
Hyundai Green Power Co., Ltd.	1,215,849	826,080	503,197	40,797
Korea Power Exchange	223,080	25,059	86,735	13,289
AMEC Partners Korea	1,234	180	671	60
Hyundai Energy Co., Ltd.	549,560	467,245	88,001	(16,214)
Ecollite Co., Ltd.	2,467	443		39
Taebaek Wind Power Co., Ltd.	50,776	28,677	10,362	3,856
Muju Wind Power Co., Ltd.	10,826			(4)
Pyeongchang Wind Power Co., Ltd.	14,772	2		(513)
Daeryun Power Co., Ltd.	832,682	622,244	338,191	(9,213)
JinanJangsu Wind Power Co., Ltd.	308			(1)
Changjuk Wind Power Co., Ltd.	42,349	20,730	10,487	4,741
KNH Solar Co., Ltd.	28,451	21,992	4,913	1,315
SPC Power Corporation	174,917	49,131	63,969	30,959
Gemeng International Energy Co., Ltd.	5,690,748	3,727,276	1,497,330	183,604
PT. Cirebon Electric Power	985,975	828,393	266,963	23,363
KNOC Nigerian East Oil Co., Ltd.	247,785	310,719		(7,157)
KNOC Nigerian West Oil Co., Ltd.	150,644	208,323		(6,395)
Dolphin Property Limited	301	4	28	330

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PT Wampu Electric Power	172,950	138,012	43,205	(5,121)
PT. Bayan Resources TBK	1,221,538	1,032,312	872,876	(119,250)
S-Power Co., Ltd.	944,442	678,431	56,822	(2,215)
Pioneer Gas Power Limited	237,922	169,289		96
Eurasia Energy Holdings	562	1,003		
Xe-Pian Xe-Namnoy Power Co., Ltd.	248,773	181,560		(2,326)
Busan Solar Co., Ltd.	27,512	23,202	4,489	579
Hadong Mineral Fiber Co., Ltd.	12	2		(1)
Green Biomass Co., Ltd.	9,378	9,745	2,062	(871)
PT. Mutiara Jawa	28,407	25,827	15	(3,114)
Samcheok Eco Material Co., Ltd.	23,831			(1,855)
Noeul Green Energy Co., Ltd.	1,045	101		(56)
Naepo Green Energy Co., Ltd.	118,202	5,944	1,283	(3,978)
Goseong Green Energy Co., Ltd.	27,540	789		(3,115)
Gangneung Eco Power Co., Ltd.	47,009	953		(1,756)
Shin Pyeongtaek Power Co., Ltd.	5,075	5,794		(819)
Heang Bok Do Si Photovoltaic Power Co., Ltd.	3,422	2,632	289	111
DS POWER Co., Ltd.	417,861	296,862	44,819	(2,662)
Dongducheon Dream Power Co., Ltd.	1,516,412	1,201,566		615
KS Solar Corp. Ltd.	30,937	29,225	3,465	(1,149)
Yeongwol Energy Station Co., Ltd.	146,917	129,511	14,393	4,981
Jinhuvish Power Generation Pvt. Ltd.	77,510	21,414		(3,817)
SE Green Energy Co., Ltd.	7,587			(255)
Daegu Photovoltaic Co., Ltd.	22,340	16,887	3,633	739
Jeongam Wind Power Co., Ltd.	241	9		(472)
Korea Power Engineering Service Co., Ltd.	7,410	2,809	18,859	3,171

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

(4) Summary of financial information of associates and joint ventures as of and for the six-month period ended June 30, 2015 and as of and for the year ended December 31, 2014 are as follows, continued:

*In millions of won*

Investees	December 31, 2014			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
<b>&lt;Joint ventures&gt;</b>				
KEPCO-Uhde Inc.	16,424	2,747		(819)
Eco Biomass Energy Sdn. Bhd.				
Datang Chaoyang Renewable Power Co., Ltd.	158,646	89,862	16,946	(540)
Shuweihat Asia Power Investment B.V.	33,315	2		12,379
Shuweihat Asia Operation & Maintenance Company	639	11	2,713	2,129
Waterbury Lake Uranium L.P.	56,797	2		
ASM-BG Investicii AD	91,205	51,990	13,137	2,012
RES Technology AD	82,721	53,272	8,757	(307)
KV Holdings, Inc.	4,755			
KEPCO SPC Power Corporation	464,305	210,956	169,615	63,005
Canada Korea Uranium Limited Partnership	35,990	132		(18)
KEPCO Energy Resource Nigeria Limited	378,677	399,871		(29,048)
Gansu Datang Yumen Wind Power Co., Ltd.	106,283	62,616	7,814	(4,399)
Datang Chifeng Renewable Power Co., Ltd.	902,645	478,805	100,712	22,849
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	70,354	44,005	8,464	1,444
Rabigh Electricity Company	2,544,622	2,325,205	284,837	57,444
Rabigh Operation & Maintenance Company	16,667	5,097	22,911	7,417
Jamaica Public Service Company Limited	1,100,431	725,307	841,390	13,183
KW Nuclear Components Co., Ltd.	25,591	19,115	9,722	4,200
Busan Shinho Solar Power Co., Ltd.	53,399	40,261	8,115	1,320
GS Donghae Electric Power Co., Ltd.	975,489	383,111		(1,389)
Global Trade Of Power System Co., Ltd.	1,690	509	5,037	322
	22,046	14,849	3,181	22

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Expressway Solar-light Power Generation Co.,  
Ltd.

KODE NOVUS 1 LLC.	115,584	100,636	6,490	(4,648)
KODE NOVUS 2 LLC.	57,355	40,521	3,454	(3,034)
Daejung Offshore Wind Power Co., Ltd.	7,443	6		(849)
Amman Asia Electric Power Company	840,505	636,383	74,489	38,844
KEPCO-ALSTOM Power Electronics Systems, Inc.	24,203	15,150	18,536	(277)
Dangjin Echo Power Co., Ltd.	125,481	16,112		(3,710)
Honam Wind Power Co., Ltd.	41,041	28,892	4,873	1,311
Nepal Water & Energy Development Company Pty Ltd.	37,541	9,193		(1,228)
Chun-cheon Energy Co., Ltd.	63,481	63,509		(78)
Yeonggwangbaeksu Wind Power CO., Ltd.	97,043	77,298		(218)
Nghi Son 2 Power Ltd.	318	111		(536)
Kelar S.A.	222,068	221,210		(1,610)
PT. Tanjung Power Indonesia	19,190	17,193	5,313	(175)
Incheon New Power Co., Ltd.	9,950	8,346	1,299	57
Seokmun Energy Co., Ltd.	16,920	17,078		(1,379)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(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 statement as of June 30, 2015 and December 31, 2014 are as follows:

*In millions of won*

Investees	June 30, 2015					
	Net assets	Percentage of ownership (*)	Share in net assets	Investment differential	Intercompany transaction Others	Book value
<b>&lt;Associates&gt;</b>						
Daegu Green Power Co., Ltd.	153,892	47.80%	73,560	144		73,704
Korea Gas Corporation	10,252,817	21.57%	2,211,533			2,211,533
Korea Electric Power Industrial Development Co., Ltd.	64,971	29.00%	18,842			18,842
YTN Co., Ltd.	187,032	21.43%	40,081		(51)	40,030
Cheongna Energy Co., Ltd.	48,491	43.90%	21,288	2,584		23,872
Gangwon Wind Power Co., Ltd.	82,348	15.00%	12,352		49	12,401
Hyundai Green Power Co., Ltd.	375,892	29.00%	109,009			109,009
Korea Power Exchange	213,605	100.00%	213,605			213,605
AMEC Partners Korea	1,116	19.00%	212			212
Hyundai Energy Co., Ltd.	73,409	46.30%	33,988		(1,141) (1,025)	31,822
Ecollite Co., Ltd.	1,978	36.10%	714		(714)	
Taebaek Wind Power Co., Ltd.	23,353	25.00%	5,838		(326)	5,512
Muju Wind Power Co., Ltd.	10,817	25.00%	2,704			2,704
Pyeongchang Wind Power Co., Ltd.	13,861	25.00%	3,465			3,465
Daeryun Power Co., Ltd.	197,771	19.45%	38,467	1,014	6	39,487

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JinanJangsu Wind Power Co., Ltd.	306	25.00%	77				77
Changjuk Wind Power Co., Ltd.	23,204	30.00%	6,961	(384)			6,577
KNH Solar Co., Ltd.	6,557	27.00%	1,770	(282)			1,488
SPC Power Corporation	137,794	38.00%	52,362				52,362
Gemeng International Energy Co., Ltd.	2,113,432	34.00%	718,567				718,567
PT. Cirebon Electric Power	184,267	27.50%	50,673				50,673
KNOC Nigerian East Oil Co., Ltd.	(68,179)	14.63%	(9,975)			9,975	
KNOC Nigerian West Oil Co., Ltd.	(62,572)	14.63%	(9,154)			9,154	
Dolphin Property Limited	246	15.00%	37			16	53
PT Wampu Electric Power	35,503	46.00%	16,331				16,331
PT. Bayan Resources TBK	149,890	20.00%	29,978	501,543			531,521
S-Power Co., Ltd.	274,663	40.00%	109,865	(2,107)			107,758
Pioneer Gas Power Limited	69,817	40.00%	27,927	23,147		68	51,142
Eurasia Energy Holdings	(451)	40.00%	(180)			180	
Xe-Pian Xe-Namnoy Power Co., Ltd.	101,760	25.00%	25,440	100	(400)	(289)	24,851
Busan Solar Co., Ltd.	4,099	19.80%	812		(199)		613
Hadong Mineral Fiber Co., Ltd.	(7)	25.00%	(2)			2	
Green Biomass Co., Ltd.	(803)	34.00%	(273)			273	
PT. Mutiara Jawa	(1,781)	29.00%	(516)	70		446	
Samcheok Eco Material Co., Ltd.	23,276	2.67%	621			(621)	
Noeul Green Energy Co., Ltd.	722	20.00%	144				144
Naepo Green Energy Co., Ltd.	109,889	25.00%	27,472				27,472
Goseong Green Energy Co., Ltd.	94,226	2.90%	2,733				2,733
Gangneung Eco Power Co., Ltd.	44,351	6.04%	2,679			1	2,680
Shin Pyeongtaek Power Co., Ltd.	(1,541)	40.00%	(616)	(402)		1,018	
Heang Bok Do Si Photovoltaic Power Co., Ltd.	614	28.00%	172				172
DS POWER Co., Ltd.	119,154	10.91%	13,000	1,448		5	14,453
Dongducheon Dream Power Co., Ltd.	291,522	33.61%	97,981	5,398		288	103,667
KS Solar Corp. Ltd.	3,283	19.00%	624	(198)			426
Yeongwol Energy Station Co., Ltd.	11,068	10.00%	1,107				1,107

Jinhuvish Power Generation Pvt. Ltd.	56,285	5.16%	2,904	5,450	(1)	8,353
SE Green Energy Co., Ltd.	7,540	47.76%	3,601			3,601
Daegu Photovoltaic Co., Ltd.	6,373	29.00%	1,848			1,848
Jeongam Wind Power Co., Ltd.	1,486	40.00%	594			594
Korea Power Engineering Service Co., Ltd.	4,711	29.00%	1,366			1,366
Busan Green Energy Co., Ltd.	50,101	29.00%	14,529			14,529
Jungbu Bio Energy Co., Ltd.	4,738	18.87%	894			894

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(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 statement as of June 30, 2015 and December 31, 2014 are as follows, continued:

*In millions of won*

Investees	June 30, 2015						
	Net assets	Percentage of ownership (*)	Share in net assets	Investment differential	Intercompany transaction	Others	Book value
<b>&lt;Joint ventures&gt;</b>							
KEPCO-Uhde Inc.	13,317	64.02%	8,526			286	8,812
Eco Biomass Energy Sdn. Bhd.		61.53%					
Datang Chaoyang Renewable Power Co., Ltd.	71,021	40.00%	28,408				28,408
Shuweiha Asia Power Investment B.V.	34,684	49.00%	16,995			(82)	16,913
Shuweiha Asia Operation & Maintenance Company	1,468	55.00%	807			(1)	806
Waterbury Lake Uranium L.P.	55,776	40.00%	22,310			(664)	21,646
ASM-BG Investicii AD	38,648	50.00%	19,324				19,324
RES Technology AD	27,954	50.00%	13,977				13,977
KV Holdings, Inc.	5,015	40.00%	2,006				2,006
KEPCO SPC Power Corporation	265,052	75.20%	199,319				199,319
Canada Korea Uranium Limited Partnership	204	12.50%	26			(26)	
KEPCO Energy Resource Nigeria Limited	(35,213)	30.00%	(10,564)			10,564	
Gansu Datang Yumen Wind Power Co., Ltd.	43,411	40.00%	17,365				17,365
Datang Chifeng Renewable Power Co., Ltd.	429,957	40.00%	171,983			(43)	171,940



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Datang KEPCO Chaoyang Renewable Power Co., Ltd.	26,182	40.00%	10,473			10,473
Rabigh Electricity Company	265,336	40.00%	106,135	(77,479)	(13)	28,643
Rabigh Operation & Maintenance Company	12,936	40.00%	5,175			5,175
Jamaica Public Service Company Limited	382,545	40.00%	153,018	130,726	(51,713)	232,031
KW Nuclear Components Co., Ltd.	6,225	43.36%	2,699	90		2,789
Busan Shinho Solar Power Co., Ltd.	14,150	25.00%	3,538			3,538
GS Donghae Electric Power Co., Ltd.	590,974	34.00%	200,931			200,931
Global Trade Of Power System Co., Ltd.	1,256	29.00%	364			364
Expressway Solar-light Power Generation Co., Ltd.	7,016	29.00%	2,035			2,035
KODE NOVUS 1 LLC.	10,662	50.00%	5,331	4,732		10,063
KODE NOVUS 2 LLC.	15,037	49.00%	7,368			7,368
Daejung Offshore Wind Power Co., Ltd.	7,114	49.90%	3,550			3,550
Amman Asia Electric Power Company	237,693	60.00%	142,616		(84)	142,532
KEPCO-ALSTOM Power Electronics Systems, Inc.	9,214	51.00%	4,699			4,699
Dangjin Echo Power Co., Ltd.	136,019	40.00%	54,408	2,696	(591)	56,513
Honam Wind Power Co., Ltd.	13,637	29.00%	3,955	32		3,987
Nepal Water & Energy Development Company Pty Ltd.	26,854	59.62%	16,009	972	111	17,092
Chun-cheon Energy Co., Ltd.	88,054	29.90%	26,328	3	1	26,332
Yeonggwangbaeksu Wind Power Co., Ltd.	18,531	15.00%	2,780			2,780
Nghi Son 2 Power Ltd.	659	50.00%	329			329
Kelar S.A	(30,363)	65.00%	(19,736)	2,424	17,312	
PT. Tanjung Power Indonesia	2,130	35.00%	745			745
Incheon New Power Co., Ltd.	1,782	29.00%	517			517
Seokmun Energy Co., Ltd.	(273)	34.00%	(93)		93	

(\* ) 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

**June 30, 2015**

(Unaudited)

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

(5) Financial information of associates and joint ventures reconciled to the Company's consolidated financial statement as of June 30, 2015 and December 31, 2014 are as follows, continued:

*In millions of won*

Investees	Net assets	December 31, 2014		Investment differential	Intercompany transaction	Others	Book value
		Percentage of ownership (*)	Share in net assets				
<b>&lt;Associates&gt;</b>							
Daegu Green Power Co., Ltd.	149,043	47.80%	71,242	145			71,387
Korea Gas Corporation	9,724,336	21.57%	2,097,539				2,097,539
Korea Electric Power Industrial Development Co., Ltd.	74,557	29.00%	21,622				21,622
YTN Co., Ltd.	186,403	21.43%	39,946		(57)		39,889
Cheongna Energy Co., Ltd.	59,652	43.90%	26,187	2,584			28,771
Gangwon Wind Power Co., Ltd.	82,239	15.00%	12,336			49	12,385
Hyundai Green Power Co., Ltd.	389,768	29.00%	113,033				113,033
Korea Power Exchange	198,021	100.00%	198,021				198,021
AMEC Partners Korea	1,054	19.00%	200				200
Hyundai Energy Co., Ltd.	82,315	46.30%	38,112		(1,162)	(1,025)	35,925
Ecollite Co., Ltd.	2,024	36.10%	731			(731)	
Taebaek Wind Power Co., Ltd.	22,099	25.00%	5,525				5,525
Muju Wind Power Co., Ltd.	10,825	25.00%	2,706				2,706
Pyeongchang Wind Power Co., Ltd.	14,770	25.00%	3,693				3,693
Daeryun Power Co., Ltd.	210,438	19.45%	40,930	1,014		7	41,951

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JinanJangsu Wind Power Co., Ltd.	308	25.00%	77				77
Changjuk Wind Power Co., Ltd.	21,619	30.00%	6,486				6,486
KNH Solar Co., Ltd.	6,459	27.00%	1,744				1,744
SPC Power Corporation	125,787	38.00%	47,799				47,799
Gemeng International Energy Co., Ltd.	1,963,472	34.00%	667,581				667,581
PT. Cirebon Electric Power	157,582	27.50%	43,335				43,335
KNOC Nigerian East Oil Co., Ltd.	(62,934)	14.63%	(9,207)			9,207	
KNOC Nigerian West Oil Co., Ltd.	(57,679)	14.63%	(8,438)			8,438	
Dolphin Property Limited	297	15.00%	45			16	61
PT Wampu Electric Power	34,938	46.00%	16,071				16,071
PT. Bayan Resources TBK	189,227	20.00%	37,845	502,166			540,011
S-Power Co., Ltd.	266,011	40.00%	106,405		(2,161)		104,244
Pioneer Gas Power Limited	68,632	40.00%	27,453	23,147		68	50,668
Eurasia Energy Holdings	(441)	40.00%	(176)			176	
Xe-Pian Xe-Namnoy Power Co., Ltd.	67,214	25.00%	16,803	5,971	(333)	(289)	22,152
Busan Solar Co., Ltd.	4,311	19.80%	853				853
Hadong Mineral Fiber Co., Ltd.	10	25.00%	3				3
Green Biomass Co., Ltd.	(367)	34.00%	(125)			125	
PT. Mutiara Jawa	2,581	29.00%	748	70			818
Samcheok Eco Material Co., Ltd.	23,831	2.67%	636			(424)	212
Noeul Green Energy Co., Ltd.	944	20.00%	189				189
Naepo Green Energy Co., Ltd.	112,258	25.00%	28,064				28,064
Goseong Green Energy Co., Ltd.	26,751	9.67%	2,587			(1)	2,586
Gangneung Eco Power Co., Ltd.	46,055	6.04%	2,782			1	2,783
Shin Pyeongtaek Power Co., Ltd.	(719)	40.00%	(288)			288	
Heang Bok Do Si Photovoltaic Power Co., Ltd.	790	28.00%	221				221
DS POWER Co., Ltd.	121,000	10.91%	13,201		2,441		15,642
Dongducheon Dream Power Co., Ltd.	314,845	33.61%	105,820		(5,275)		100,545
KS Solar Corp. Ltd.	1,712	19.00%	325				325
Yeongwol Energy Station Co., Ltd.	17,406	10.00%	1,741				1,741
	56,096	5.16%	2,895	5,449			8,344

Jinhuvish Power Generation Pvt. Ltd. SE Green Energy Co., Ltd.	7,587	47.76%	3,623	3,623
Daegu Photovoltaic Co., Ltd.	5,453	29.00%	1,581	1,581
Jeongam Wind Power Co., Ltd.	233	40.00%	93	93
Korea Power Engineering Service Co., Ltd.	4,601	29.00%	1,334	1,334

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

(5) **Financial information of associates and joint ventures reconciled to the Company's consolidated financial statement as of June 30, 2015 and December 31, 2014 are as follows, continued:**

*In millions of won*

Investees	Net assets	December 31, 2014		Investment differential	Intercompany transaction	Others	Book value
		Percentage of ownership (*)	Share in net assets				
<b>&lt;Joint ventures&gt;</b>							
KEPCO-Uhde Inc.	13,677	64.02%	8,756			286	9,042
Eco Biomass Energy Sdn. Bhd.		61.53%					
Datang Chaoyang Renewable Power Co., Ltd.	68,785	40.00%	27,514				27,514
Shuweiha Asia Power Investment B.V.	33,312	49.00%	16,323			(82)	16,241
Shuweiha Asia Operation & Maintenance Company	628	55.00%	346			(1)	345
Waterbury Lake Uranium L.P.	56,796	40.00%	22,718			(708)	22,010
ASM-BG Investicii AD	39,215	50.00%	19,608				19,608
RES Technology AD	29,449	50.00%	14,725				14,725
KV Holdings, Inc.	4,755	40.00%	1,902				1,902
KEPCO SPC Power Corporation	253,349	75.20%	190,519				190,519
Canada Korea Uranium Limited Partnership	35,858	12.50%	4,482			(4,482)	
KEPCO Energy Resource Nigeria Limited	(21,195)	30.00%	(6,358)			6,358	
Gansu Datang Yumen Wind Power Co., Ltd.	43,667	40.00%	17,467				17,467
Datang Chifeng Renewable Power Co., Ltd.	423,839	40.00%	169,536			(40)	169,496

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Datang KEPCO Chaoyang Renewable Power Co., Ltd.	26,349	40.00%	10,539			10,539
Rabigh Electricity Company	219,417	40.00%	87,767		(79,646)	8,121
Rabigh Operation & Maintenance Company	11,570	40.00%	4,628			4,628
Jamaica Public Service Company Limited	375,124	40.00%	150,050	130,726		(53,884) 226,892
KW Nuclear Components Co., Ltd.	6,477	43.36%	2,808	91		2,899
Busan Shinho Solar Power Co., Ltd.	13,138	25.00%	3,284			3,284
GS Donghae Electric Power Co., Ltd.	592,379	34.00%	201,409			201,409
Global Trade Of Power System Co., Ltd.	1,181	29.00%	343			343
Expressway Solar-light Power Generation Co., Ltd.	7,197	29.00%	2,087			2,087
KODE NOVUS 1 LLC.	14,949	50.00%	7,474	4,733		12,207
KODE NOVUS 2 LLC.	16,833	49.00%	8,248			8,248
Daejung Offshore Wind Power Co., Ltd.	7,437	49.90%	3,711			3,711
Amman Asia Electric Power Company	204,122	60.00%	122,473		(82)	122,391
KEPCO-ALSTOM Power Electronics Systems, Inc.	9,052	51.00%	4,617			4,617
Dangjin Echo Power Co., Ltd.	109,369	33.10%	36,201	1,636		37,837
Honam Wind Power Co., Ltd.	12,149	29.00%	3,523	32		3,555
Nepal Water & Energy Development Company Pty Ltd.	28,348	59.62%	16,900	972		17,872
Chun-cheon Energy Co., Ltd.	(28)	29.90%	(8)			8
Yeonggwangbaeksu Wind Power Co., Ltd.	19,745	15.00%	2,962			2,962
Nghi Son 2 Power Ltd.	206	50.00%	103			103
Kelar S.A	858	65.00%	558	2,423		175 3,156
PT. Tanjung Power Indonesia	1,996	35.00%	699			699
Incheon New Power Co., Ltd.	1,604	29.00%	465			465
Seokmun Energy Co., Ltd.	(158)	34.00%	(54)			54

(\* ) 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

**June 30, 2015**

(Unaudited)

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

- (6) **As of June 30, 2015 and as of December 31, 2014, 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>June 30, 2015</b>		<b>December 31, 2014</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.	148	273	125	125
Shin Pyeongtaek Power Co., Ltd.	329	616	288	288
KEPCO Energy Resource Nigeria Limited	4,205	10,564	6,358	6,358
Chun-cheon Energy Co., Ltd.	(8)		8	8
Seokmun Energy Co., Ltd.	39	93	54	54
Kelar S.A	17,311	17,311		
Hadong Mineral Fiber Co., Ltd.	2	2		
PT. Mutiara Jawa	446	446		
Eurasia Energy Holdings	180	180		

- (7) **As of June 30, 2015, 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 June 30, 2015, 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

**June 30, 2015**

(Unaudited)

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

**(7) As of June 30, 2015, shareholders' agreements on investments in associates and joint ventures that may cause future economic costs or cash outflows are as follows, continued:**

(v) Daeryun Power Co., Ltd.

All shareholders of Daeryun Power Co., Ltd. except for POSCO Engineering & Construction Co., Ltd., have agreed to acquire the shares held by POSCO Engineering & Construction Co., Ltd. This acquisition shall be made at issuance price of the share in proportion to each shareholder's percentage of ownership within two months after the completion of EPC construction. In connection with this agreement, the Company, one of the shareholders of Daeryun Power Co., Ltd., is obligated to acquire 1,210,772 shares of POSCO Engineering & Construction Co., Ltd.'s investment, which amounts to 6,054 million. In case of a merger of Daeryun Power Co., Ltd., remaining shareholders are obligated to pay the dissident shareholders' share for their purchase price.

(vi) 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.

(vii) 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.

(viii) Dongducheon Dream Power Co., Ltd.

In case financial investors decide to dispose of their shares in Dongducheon Dream Power Co., Ltd. 5 years after the commencement of commercial operation of the power plant, the Company is obligated to acquire those shares at fair value.

(ix) 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.

(x) 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 guarantee the promised yield when preferred stockholders sell their stocks.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(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 to shareholders when all conditions of the loan agreement are satisfied or prior written consent of a financial institution is obtained.
Changjuk Wind Power Co., Ltd.	Principals on subordinated loans or dividends can only be paid to shareholders when all conditions of the loan agreement are satisfied or prior written consent of a financial institution is obtained.
Busan Solar Co., Ltd.	Dividends cannot be declared or paid without the prior written consent of an 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.
Daegu Green Power Co., Ltd.	Only if the condition is met with the loan agreement signed by financial institutions, the investors of subordinated credit facility loans can receive payments of principal and interest and dividend. Korea Exchange Bank, the deputy, permits the amount of the payments and dividend.
KS Solar Corp. Ltd.	Dividends can only be paid to shareholders 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 transferred whole or in partial, except as permitted by the agreement.

- Hyundai Green Power Co., Ltd. - After 15 years from the completion date of facility which is financed by financial investor's equity investment, the financial investor and the consolidated entity have appraisal right against Hyundai Steel Company (the Operating investor) and the Operating investor can also claim against the financial investor to sell their shares.
- After 5 years from the completion date of additional facility, the Operating investor has appraisal right against the consolidated entity and the financial investor when self-generating electricity is more profitable to Hyundai Steel Company's cash flow rather than this business
- After 5 years from the completion date of the additional facility, if there exists an agreement among those relevant parties, the Operating investor may claim to dispose the entire shares of the consolidated entity and the shares owned by financial investor to the Operating investor or to the third parties which designated by the Operating investor.
- After 25 years from the completion date or when operation of electricity generation business by Hyundai Green Power Co., Ltd. is no longer feasible, the Operating investor may claim to dispose the entire the shares of the consolidated entity and shares owned by financial investor to the Operating investor or to third parties which are designated by the Operating investor.
- After 5 years from the completion date of additional facility, if there reaches no agreement within 60 days, even if price of fuel supply fluctuates due to statutory or other irresistible reasons so that Hyundai Green Power Co., Ltd. would face excessive gain or loss, the Operating investor (consolidated entity and financial investor) may claim the consolidated entity and the financial investor (Operating investor) to dispose (acquire) the entire shares.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**18. Property, Plant and Equipment****(1) Property, plant and equipment as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won*

	<b>June 30, 2015</b>				
	<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated depreciation</b>	<b>Accumulated impairment losses (*)</b>	<b>Book value</b>
Land	12,223,485	(3,103)			12,220,382
Buildings	13,863,293	(65,218)	(4,951,250)	(853)	8,845,972
Structures	55,923,655	(195,398)	(17,051,497)	(1,183)	38,675,577
Machinery	52,867,798	(107,738)	(18,322,429)	(47,425)	34,390,206
Ships	4,941		(4,006)		935
Vehicles	205,861	(48)	(159,405)		46,408
Equipment	1,034,397	(813)	(795,239)		238,345
Tools	787,918	(727)	(651,272)		135,919
Construction-in-progress	37,837,193	(115,287)		(38,107)	37,683,799
Finance lease assets	2,385,262		(1,825,650)		559,612
Asset retirement costs	6,652,483		(2,723,090)		3,929,393
Others	8,928,219		(6,751,028)		2,177,191
	192,714,505	(488,332)	(53,234,866)	(87,568)	138,903,739

(\*) 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, 2014</b>				
	<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated depreciation</b>	<b>Accumulated impairment losses (*)</b>	<b>Book value</b>
Land	12,238,488	(3,103)			12,235,385
Buildings	13,631,985	(67,700)	(4,652,109)	(853)	8,911,323

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Structures	54,734,376	(196,871)	(16,078,416)	(1,183)	38,457,906
Machinery	52,242,176	(108,750)	(16,735,238)	(46,230)	35,351,958
Ships	5,015		(3,930)		1,085
Vehicles	208,337	(76)	(157,761)		50,500
Equipment	965,806	(1,002)	(754,159)		210,645
Tools	776,321	(862)	(623,544)		151,915
Construction-in-progress	32,417,619	(123,938)		(38,107)	32,255,574
Finance lease assets	2,385,251		(1,772,856)		612,395
Asset retirement costs	7,849,712		(2,495,285)		5,354,427
Others	8,599,484		(6,380,098)		2,219,386
	186,054,570	(502,302)	(49,653,396)	(86,373)	135,812,499

(\*) 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

**June 30, 2015**

(Unaudited)

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

(2) Changes in property, plant and equipment for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:

<i>In millions of won</i>	June 30, 2015						Ending balance
	Beginning balance	Acquisition	Disposal	Depreciation	Impairment (* )	Others	
Land	12,238,488	4,553	(174,910)			155,354	12,223,485
(Government grants)	(3,103)						(3,103)
Buildings	8,979,023	108	(2,267)	(304,449)		238,775	8,911,190
(Government grants)	(67,700)			2,516		(34)	(65,218)
Structures	38,654,777	1,483	(148,906)	(1,051,724)		1,415,345	38,870,975
(Government grants)	(196,871)		633	4,566		(3,726)	(195,398)
Machinery	35,460,708	150,887	(101,388)	(1,868,733)	(1,205)	857,675	34,497,944
(Government grants)	(108,750)		283	5,332		(4,603)	(107,738)
Ships	1,085			(149)		(1)	935
Vehicles	50,576	2,473	(10)	(10,653)		4,070	46,456
(Government grants)	(76)		1	27			(48)
Equipment	211,647	23,724	(57)	(51,394)		55,238	239,158
(Government grants)	(1,002)			226		(37)	(813)
Tools	152,777	8,335	(17)	(32,709)		8,260	136,646
(Government grants)	(862)			135			(727)
Construction-in-progress	32,379,512	7,599,022	(720)			(2,178,728)	37,799,086
(Government grants)	(123,938)	(8,629)				17,280	(115,287)
Finance lease assets	612,395			(52,791)		8	559,612
Asset retirement cost	5,354,427			(285,786)		(1,139,248)	3,929,393
Others	2,219,386	17,403	(24)	(357,679)		298,105	2,177,191
	135,812,499	7,799,359	(427,382)	(4,003,265)	(1,205)	(276,267)	138,903,739

(\*) Korea South-East Power Co., Ltd., a 100% owned subsidiary, has 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 statement of comprehensive income (loss).

*In millions of won*

	<b>December 31, 2014</b>						
	<b>Beginning balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Depreciation</b>	<b>Impairment (*1)</b>	<b>Others (*2)</b>	<b>Ending balance</b>
Land	13,784,026	69,926	(32,912)			(1,582,552)	12,238,488
(Government grants)	(3,137)		63			(29)	(3,103)
Buildings	8,549,697	32,000	(10,706)	(590,298)		998,330	8,979,023
(Government grants)	(45,396)		200	5,040		(27,544)	(67,700)
Structures	37,819,108	3,184	(414,659)	(2,030,010)		3,277,154	38,654,777
(Government grants)	(193,190)		2,018	8,921		(14,620)	(196,871)
Machinery	33,729,539	271,073	(207,070)	(3,633,815)		5,300,981	35,460,708
(Government grants)	(101,808)		423	10,102		(17,467)	(108,750)
Ships	1,422			(342)		5	1,085
Vehicles	45,719	2,295	(25)	(21,096)		23,683	50,576
(Government grants)	(83)			47		(40)	(76)
Equipment	187,158	56,214	(171)	(85,612)		54,058	211,647
(Government grants)	(708)			376		(670)	(1,002)
Tools	139,665	30,806	(1,642)	(61,113)		45,061	152,777
(Government grants)	(313)		55	144		(748)	(862)
Construction-in-progress	27,452,029	14,112,746	(1,078)		(38,107)	(9,146,078)	32,379,512
(Government grants)	(117,725)	(42,150)				35,937	(123,938)
Finance lease assets	735,185		(348)	(122,088)		(354)	612,395
Asset retirement cost	5,654,596			(573,497)		273,328	5,354,427
Others	2,001,812	11,405	(53)	(702,985)		909,207	2,219,386
	129,637,596	14,547,499	(665,905)	(7,796,226)	(38,107)	127,642	135,812,499

(\*1) Garorim Tidal Power Plant Co., Ltd. ( GTPP ), a 49% owned subsidiary, has not yet started its operation and it is not expected to operate based on the results of the business feasibility study. The Company has considered this to be an impairment indicator and performed an impairment test over the individual assets of GTPP. As a result, the Company recognized the amount of the carrying amount in excess of its recoverable amount as impairment loss in the statement of comprehensive income (loss).



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

(2) **Changes in property, plant and equipment for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows, continued:**

(\*2) Others includes 2,090,810 million of assets held for sale (note 41) comprising land, buildings, and structures and the amount is 2,021,445 million, 69,363 million, and 2 million, respectively.

**19. Investment Properties**

(1) **Investment properties as of June 30, 2015 and December 31, 2014 are as follows:**

*In millions of won*

	<b>June 30, 2015</b>				
	<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated depreciation</b>	<b>Accumulated impairment losses</b>	<b>Book value</b>
Land	221,759				221,759
Buildings	25,833	(13)	(9,998)		15,822
	247,592	(13)	(9,998)		237,581

*In millions of won*

	<b>December 31, 2014</b>				
	<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated depreciation</b>	<b>Accumulated impairment losses</b>	<b>Book value</b>
Land	301,483				301,483
Buildings	26,168	(10)	(10,377)		15,781
	327,651	(10)	(10,377)		317,264

## (2) Changes in investment properties for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:

*In millions of won*

	June 30, 2015					Ending balance	
	Beginning balance	Acquisition	Disposal	Depreciation	Impairment	Others	
Land	301,483					(79,724)	221,759
Buildings	15,791			(347)		391	15,835
(Government grants)	(10)					(3)	(13)
	317,264			(347)		(79,336)	237,581

*In millions of won*

	December 31, 2014					Ending balance	
	Beginning balance	Acquisition	Disposal	Depreciation	Impairment	Others	
Land	516,440					(214,957)	301,483
Buildings	21,899			(824)		(5,284)	15,791
(Government grants)	(12)			4		(2)	(10)
	538,327			(820)		(220,243)	317,264

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**19. Investment Properties, Continued**

- (3) **Income and expenses related to investment properties for the three and six-month periods ended June 30, 2015 and 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>June 30, 2014</b>	
	<b>Three-month period ended</b>	<b>Six-month period ended</b>	<b>Three-month period ended</b>	<b>Six-month period ended</b>
Rental income	2,651	4,843	2,084	4,819
Operating and maintenance expenses related to rental income	(185)	(347)	(234)	(417)
	2,466	4,496	1,850	4,402

- (4) **Fair value of investment properties as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Book value</b>	<b>Fair value</b>	<b>Book value</b>	<b>Fair value</b>
Land	221,759	251,576	301,483	342,809
Buildings	15,822	17,401	15,781	16,523
	237,581	268,977	317,264	359,332

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 six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:***In millions of won*

		<b>June 30, 2015</b>		
	<b>Beginning balance</b>	<b>Increase and decrease (*)</b>	<b>Recognized revenue</b>	<b>Ending balance</b>
Nuclear power plant construction in UAE	16,628,720	269,990	(1,732,891)	15,165,819
Kazakhstan EPC and others	452,354	409,396	(164,194)	697,556
	17,081,074	679,386	(1,897,085)	15,863,375

(\*) For the six-month period ended June 30, 2015, the increased balance of contracts from new orders and other is 752,350 million and the decreased balance of contracts from changes in size of construction is 72,964 million.

*In millions of won*

		<b>December 31, 2014</b>		
	<b>Beginning Balance</b>	<b>Increase and decrease (*)</b>	<b>Recognized revenue</b>	<b>Ending balance</b>
Nuclear power plant construction in UAE	18,522,411	548,656	(2,442,347)	16,628,720
Kazakhstan EPC and others	811,005	164,187	(522,838)	452,354
	19,333,416	712,843	(2,965,185)	17,081,074

(\*) For the year ended December 31, 2014, the increased balance of contracts from new orders and other is 831,159 million and the decreased balance of contracts from changes in size of construction is 118,316 million.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**20. Construction Contracts, Continued**

- (2) **Accumulated earned revenue, expense and others related to the Company's construction as of June 30, 2015 and December 31, 2014 are as follows:**

*In millions of won*

	<b>June 30, 2015</b>			<b>Unearned advance receipts</b>
	<b>Accumulated earned revenue</b>	<b>Accumulated expense</b>	<b>Accumulated profit</b>	
Nuclear power plant construction in UAE	9,136,058	8,614,796	521,262	
Kazakhstan EPC and others	1,269,704	1,237,475	32,229	
	<b>10,405,762</b>	<b>9,852,271</b>	<b>553,491</b>	

*In millions of won*

	<b>December 31, 2014</b>			<b>Unearned advance receipts</b>
	<b>Accumulated earned revenue</b>	<b>Accumulated expense</b>	<b>Accumulated profit</b>	
Nuclear power plant construction in UAE	7,403,167	6,969,719	433,448	
Kazakhstan EPC and others	1,347,719	1,291,365	56,354	
	<b>8,750,886</b>	<b>8,261,084</b>	<b>489,802</b>	

- (3) **Gross amount due from customers recognized as assets and due to customers recognized as liabilities for contract work as of June 30, 2015 and December 31, 2014 are as follows:**

*In millions of won*

	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Assets (*1)</b>	<b>Liabilities (*2)</b>	<b>Assets (*1)</b>	<b>Liabilities (*2)</b>
Nuclear power plant construction in UAE		1,062,607		934,799

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Kazakhstan EPC and others	103,933	18,319	149,876	1,033
	103,933	1,080,926	149,876	935,832

- (\*1) Included in trade and other receivables, net, in the accompanying consolidated statements of financial position.  
(\*2) Included in non-financial liabilities in the accompanying consolidated statements of financial position.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**21. Intangible Assets other than Goodwill****(1) Intangible assets as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won*

	<b>June 30, 2015</b>			<b>Accumulated</b>	<b>Book</b>
	<b>Acquisition</b>	<b>Government</b>	<b>Accumulated</b>	<b>impairment</b>	<b>value</b>
	<b>cost</b>	<b>grants</b>	<b>amortization</b>	<b>losses</b>	
Software	367,594	(459)	(317,096)		50,039
Licenses and franchises	3,398		(3,380)		18
Copyrights, patents rights and other industrial rights	32,323		(10,783)		21,540
Mining rights	496,547		(6,929)		489,618
Development expenditures	745,393	(7,328)	(687,705)		50,360
Intangible assets under development	83,389	(10,300)			73,089
Usage rights of donated assets and other	375,275	(37)	(322,136)		53,102
Leasehold rights	19,112		(18,350)		762
Others	157,116	(1)	(76,120)	(12,411)	68,584
	2,280,147	(18,125)	(1,442,499)	(12,411)	807,112

*In millions of won*

	<b>December 31, 2014</b>			<b>Accumulated</b>	<b>Book</b>
	<b>Acquisition</b>	<b>Government</b>	<b>Accumulated</b>	<b>impairment</b>	<b>value</b>
	<b>cost</b>	<b>grants</b>	<b>amortization</b>	<b>losses</b>	
Software	354,443	(488)	(301,887)		52,068
Licenses and franchises	3,398		(3,344)		54
Copyrights, patents rights and other industrial rights	31,929		(9,252)		22,677
Mining rights	510,869		(6,655)		504,214
Development expenditures	730,401	(8,183)	(674,544)		47,674
Intangible assets under development	74,909	(10,692)			64,217
Usage rights of donated assets and other	375,275	(43)	(317,588)		57,644

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Leasehold rights	19,112		(18,333)		779
Others	156,503	(1)	(72,180)	(12,589)	71,733
	2,256,839	(19,407)	(1,403,783)	(12,589)	821,060



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**21. Intangible Assets other than Goodwill, Continued****(2) Changes in intangible assets for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 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	3,174		(17,137)		11,905	50,498
(Government grants)	(488)			84		(55)	(459)
Licenses and franchises	54			(36)			18
Copyrights, patents rights and other industrial rights	22,677	72		(1,508)		299	21,540
Mining rights	504,214	6,253		(168)		(20,681)	489,618
Development expenditures	55,857	7,841	(5)	(13,141)		7,136	57,688
(Government grants)	(8,183)			1,651		(796)	(7,328)
Intangible assets under development	74,909	17,401				(8,921)	83,389
(Government grants)	(10,692)	(1,271)				1,663	(10,300)
Usage rights of donated assets and other	57,687			(4,523)		(25)	53,139
(Government grants)	(43)			5		1	(37)
Leasehold rights	779			(17)			762
Others	71,734	475	(131)	(2,857)		(636)	68,585
(Government grants)	(1)						(1)
	821,060	33,945	(136)	(37,647)		(10,110)	807,112

*In millions of won***December 31, 2014**

<i>In millions of won</i>	<b>December 31, 2014</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	65,751	7,135		(32,423)		12,093	52,556
(Government grants)	(430)			154		(212)	(488)

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Licenses and franchises	208			(154)			54
Copyrights, patents rights and other industrial rights	24,953	451		(2,965)		238	22,677
Mining rights	470,558	28,472		(1,945)		7,129	504,214
Development expenditures	76,154	47	(1,810)	(28,555)		10,021	55,857
(Government grants)	(11,705)			4,125		(603)	(8,183)
Intangible assets under development	52,050	33,202	(170)		(11)	(10,162)	74,909
(Government grants)	(7,792)	(3,597)	170			527	(10,692)
Usage rights of donated assets and other	64,710			(8,875)		1,852	57,687
(Government grants)	(53)			10			(43)
Leasehold rights	812			(33)			779
Others	75,449	2,914	(5)	(5,752)	(31)	(841)	71,734
(Government grants)	(1)						(1)
	810,664	68,624	(1,815)	(76,413)	(42)	20,042	821,060

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**21. Intangible Assets other than Goodwill, Continued****(3) Significant intangible assets as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won and thousands of Australian dollars*

Type	Description	June 30, 2015		Remaining useful years
		Currency	Amount	
Software				5 months ~
	ERP system and others	KRW	3,001	3 years and 5 months
Copyrights, patents rights and other industrial rights	Smart technology verification and standard design project conducting right	KRW	7,250	7 years and 3 months
Mining rights	Mining right of Bylong mine	AUD	401,225	(*)
Development expenditures	KOSPO Evolutionary Efficient & Powerful System(KEEPS)	KRW	3,587	2 years
	Development of maintenance system for utility plant	KRW	1,367	2 years and 5 months
Intangible assets under development	Contributions to APR NRC DC	KRW	26,153	
	CHF testing for best representative of HIPER/X2-Gen Fuel and development of best explanatory CHF correlation	KRW	8,567	
Usage rights of donated assets	Songdo international business district(sector 1, 3) sharing charge	KRW	3,555	2 years and 4 months
	Dangjin power plant load facility usage right	KRW	36,204	5 years and 9 months
Others	Shingwangju electricity supply facility usage right	KRW	2,866	3 years and 11 months
	Sillim electricity supply facility usage right	KRW	2,633	6 years and 5 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, 2014</b>				
<b>Type</b>	<b>Description</b>	<b>Currency</b>	<b>Amount</b>	<b>Remaining useful years</b>
Software	ERP system and others	KRW	6,583	6 months ~ 1 years and 2 months
Copyrights, patents rights and other industrial rights	Smart technology verification and standard design project conducting right	KRW	7,750	7 years and 9 months
Mining rights	Mining right of Bylong mine	AUD	401,225	(*)
Development expenditures	KOSPO Evolutionary Efficient & Powerful System(KEEPS)	KRW	5,381	2 years and 6 months
	Development of maintenance system for utility plant	KRW	1,649	2 years and 11 months
Intangible assets under development	Contributions to APR NRC DC CHF testing for best representative of HIPER/X2-Gen Fuel and development of best explanatory CHF correlation	KRW	18,252	
		KRW	8,396	
Usage rights of donated assets	Songdo international business district(sector 1, 3) sharing charge	KRW	4,316	2 years and 10 months
	Dangjin power plant load facility usage right	KRW	39,352	6 years and 3 months
Others	Shingwangju electricity supply facility usage right	KRW	3,089	4 years and 5 months
	Sillim electricity supply facility usage right	KRW	2,969	6 years and 11 months

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

**(4) For the six-month periods ended June 30, 2015 and 2014, the Company recognized research and development expenses of 262,652 million and 246,595 million, respectively.**

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**22. Trade and Other Payables**

Trade and other payables as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Trade payables	1,617,549		3,123,341	
Other trade payables	1,658,715	3,081,954	1,600,102	3,017,428
Accrued expenses	1,225,671	2,562	1,126,357	2,411
Leasehold deposits received	1,849		2,020	
Other deposits received	176,301	103,559	166,143	96,531
Finance lease liabilities	112,908	601,285	109,374	660,061
Dividends payable	1,219		1,267	
Others		20,339		30,304
	4,794,212	3,809,699	6,128,604	3,806,735

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**23. Borrowings and Debt Securities****(1) Borrowings and debt securities as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>Current liabilities</b>		
Short-term borrowings	856,572	658,778
Current portion of long-term borrowings	585,630	455,484
Current portion of debt securities	6,382,226	5,994,205
Less : Current portion of discount on long-term borrowings	(926)	(908)
Less : Current portion of discount on debt securities	(2,351)	(2,807)
	<b>7,821,151</b>	<b>7,104,752</b>
<b>Non-current liabilities</b>		
Long-term borrowings	1,833,588	3,490,700
Debt securities	51,264,161	52,359,905
Less : Discount on long-term borrowings	(14,497)	(15,494)
Less : Discount on debt securities	(112,774)	(115,807)
Add : Premium on debt securities	264	271
	<b>52,970,742</b>	<b>55,719,575</b>
	<b>60,791,893</b>	<b>62,824,327</b>

**(2) Short-term borrowings as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won and thousands of U.S. dollars***June 30, 2015**

Type	Creditor	Interest rate (%)	Foreign currency	Local currency
Local short-term borrowings	Woori Investment Bank and others	1.62 ~ 2.80		798,180
Local short-term borrowings	HSBC and others	3M Libor + 0.35 ~ 0.37		27,432
Foreign short-term borrowings	SCNT and others	6.50	USD 2,186	2,457
Local bank overdraft	Woori Bank	Standard overdraft rate + 1.12		28,503
				856,572

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

**December 31, 2014**

Type	Creditor	Interest rate (%)	Foreign currency	Local currency
Local short-term borrowings	KTB Investment Bank	2.12		310,000
Local commercial paper	Shinhan Bank and others	2.12 ~ 2.20		310,000
Foreign short-term borrowings	Mizuho Bank and others	0.47 ~ 6.50	USD 16,366	17,990
Local bank overdraft	Woori Bank	Standard overdraft rate + 1.27		20,788
				658,778

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(3) Long-term borrowings as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won and thousands of foreign currencies*

Type		June 30, 2015		Maturity	Foreign currency	Local currency
		Interest rate (%)				
<b>Local long-term borrowings</b>						
Korea Development Bank						
	Others	0.50		2015 ~ 2044		6,796
	Facility	4.60		2028		42,420
	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
Korea Exchange Bank						
	Commercial Paper	3M CD + 0.03 ~ 0.54		2015 ~ 2017		600,000
	Facility	3yr KTB rate	1.25	2021 ~ 2028		10,717
	Facility	4.60		2028		19,458
	Energy rationalization	3yr KTB rate	1.25	2019		750
	Energy rationalization	3.20 ~ 3.70		2016		3,835
Korea Industrial Bank						
	Others	3yr KTB rate	1.25	2016		4,000
Hana Bank						
	PF Refinancing	CD + 1.70		2026		20,957
	PF Refinancing	4.80		2026		11,991
Export-Import Bank of Korea						
	Project loans	2.00		2026		32,408
Korea Resources Corporation						
	Development of power resources	3yr KTB rate	2.25	2022 ~ 2025		46,568
	Facility	3yr KTB rate	2.25	2023 ~ 2024		4,679
	Project loans			2022 ~ 2027		8,677



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	Others	3yr KTB rate	2.25	2024 ~ 2025		13,430
Shinhan Bank and others		3yr AA- CB rate + Facility	1.10	2028		29,188
	Operating funds		3.35	2017		10,000
Woori Bank	PF Refinancing	CD + 1.70		2023 ~ 2026		21,613
	PF Refinancing		4.80	2026		11,991
Kookmin Bank	Facility	MOR + 0.62 ~ 0.79		2017 ~ 2023		18,373
Others	Facility	4.60 ~ 5.80		2025 ~ 2028		152,583
		3yr AA- CB rate + Facility	1.10	2028		19,458
	PF Refinancing		4.80	2026		17,267
	PF Refinancing	CD + 1.70		2026		523
	Others					39,637
	Others			2028		7,250
						1,375,569

**Foreign long-term borrowings**

Korea National Oil Corporation	Project loans			2021 ~ 2023	USD	8,784	9,874
Export-Import Bank of Korea and others	Direct loan and others	3M Libor + 2.60 ~ 3.70		2027	JOD	193,536	306,912
	Commercial loan and others	3M Libor + 1.50 ~ 2.50		2030 ~ 2033	USD	310,673	349,227
	PF Loan	3M Libor + 2.50		2032	USD	43,649	49,066
SCNT and others	Shareholder s loan	6.50 ~ 8.00		2023	USD	37,481	42,132
	Shareholder s loan	8.00		2031	JOD	8,498	13,476
PT PJB and others	Shareholder s loan	12.75		2017	IDR	20,011,876	1,685
HSBC and others		3M Libor + 0.30 ~ 0.50		2017 ~ 2019	USD	42,361	47,618
Others	Others	3M Libor + 0.95		2016	USD	189,903	213,470
	Others			2019	USD	9,064	10,189
						1,043,649	

2,419,218

Less : Discount of long-term borrowings	(15,423)
Less : Current portion of long-term borrowings	(585,630)
Add : Current portion of discount of long-term borrowings	926

1,819,091

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(3) Long-term borrowings as of June 30, 2015 and December 31, 2014 are as follows, continued:***In millions of won and thousands of foreign currencies*

Type		December 31, 2014		Maturity	Foreign currency	Local currency
		Interest rate (%)				
<b>Local long-term borrowings</b>						
Korea Development Bank						
	Others	0.50		2015 ~ 2044		7,178
	Facility	4.60		2028		43,600
	Facility	3yr KTB rate	1.25	2027		9,000
	Facility	1yr KoFC bond rate + 0.20 ~ 0.31		2018 ~ 2019		1,500,000
Korea Exchange Bank						
	Commercial Paper	3M CD + 0.03 ~ 0.54		2015 ~ 2017		900,000
	Facility	3yr KTB rate	1.25	2021 ~ 2028		11,071
	Facility	4.60		2028		20,000
	Energy rationalization	3yr KTB rate	1.25	2019		850
	Energy rationalization	3.20~3.70		2016		3,835
Korea Industrial Bank						
	Others	3yr KTB rate	1.25	2016		8,000
Hana Bank						
	PF Refinancing	CD + 1.70		2026		21,613
	PF Refinancing	4.80		2026		11,992
Export-Import Bank of Korea						
	Project loans	2.00		2026		33,881
Korea Resources Corporation						
	Development of power resources	3yr KTB rate	2.25	2022 ~ 2027		48,167
	Facility	3yr KTB rate	2.25	2023 ~ 2024		4,958
	Project loans			2022 ~ 2027		8,677
	Others	3yr KTB rate	2.25	2024 ~ 2025		13,661
	Facility			2028		30,000

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Shinhan Bank and others		3yr AA- CB rate + 1.10				
	Operating	3.35	2017			10,000
Woori Bank	PF Refinancing	CD + 1.70	2023 ~ 2026			21,613
	PF Refinancing	4.80	2026			11,991
Kookmin Bank	Facility	MOR + 0.62	2017			6,600
Others	Facility	4.60 ~ 5.80	2025 ~ 2028			157,320
	Facility		2028			20,000
	PF Refinancing	4.80	2026			17,267
	PF Refinancing	CD + 1.70	2026			523
	Others					38,981
	Others		2028			7,250
						2,968,028
<b>Foreign long-term borrowings</b>						
Korea National Oil Corporation	Project loans		2021 ~ 2023	USD	8,784	9,656
Export-Import Bank of Korea and others	Direct loan and others	3M Libor + 2.60 ~ 3.70	2027	JOD	197,907	307,324
	Commercial loan and others	3M Libor + 1.50 ~ 2.50	2015 ~ 2033	USD	308,697	339,320
SCNT and others	Shareholder s loan	6.50 ~ 8.00	2033 ~ 2034	USD	35,165	38,654
	Shareholder s loan	8.00	2031	JOD	8,498	13,197
PT PJB and others	Shareholder s loan	12.75	2017	IDR	22,307,699	1,970
HSBC and others	Syndicated loan	3M Libor + 0.27 ~ 1.50	2017 ~ 2019	USD	52,949	58,201
Others	Others	3M Libor + 0.95	2016	USD	180,893	198,838
	Others		2019	USD	10,004	10,996
						978,156
						3,946,184
Less : Discount of long-term borrowings						(16,402)
Less : Current portion of long-term borrowings						(455,484)
Add : Current portion of discount of long-term borrowings						908
						3,475,206

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(4) Local debt securities as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won*

	Issue date	Maturity	Interest rate (%)	June 30, 2015	December 31, 2014
Electricity Bonds (*)	2008.07.29 ~ 2014.08.27	2015.07.29 ~ 2033.08.06	2.73 ~ 7.19	24,060,000	25,820,000
Electricity Bonds			3M CD +		
	2012.05.29 ~ 2013.06.25	2016.05.29 ~ 2018.06.25	0.25 ~ 0.31	910,000	1,160,000
Corporate Bonds	2009.05.04 ~ 2015.06.29	2015.07.07 ~ 2040.12.10	1.93 ~ 5.84	20,260,010	19,570,010
				45,230,010	46,550,010
Less : Discount on local debt securities				(43,800)	(43,517)
Less : Current portion of local debt securities				(4,190,000)	(4,400,000)
Add : Current portion of discount on local debt securities				777	611
				40,996,987	42,107,104

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

**(5) Foreign debt securities as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won and thousands of foreign currencies*

Type	Issue date	Maturity	June 30, 2015	
			Interest rate (%)	Local currency
			Foreign currency	Local currency

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FY-96	1996.04.01 ~ 1996.12.06	2026.12.06 ~ 2096.04.01	6.00 ~ 8.37	USD	249,271	280,206
FY-97	1997.01.31 ~ 1997.08.04	2027.01.31 ~ 2027.08.04	6.75 ~ 7.00	USD	314,717	353,773
FY-04	2004.04.21	2034.04.21	5.13	USD	286,920	322,527
FY-06	2006.03.14 ~ 2006.09.29	2016.03.14 ~ 2016.09.29	5.50 ~ 6.00	USD	650,000	730,665
FY-08	2008.11.27	2018.11.27	4.19	JPY	20,000,000	183,430
FY-10	2010.09.16 ~ 2010.10.05	2015.09.16 ~ 2015.10.05	3.00 ~ 3.13	USD	1,200,000	1,348,920
FY-10	2010.07.29 ~ 2010.11.18	2015.07.29 ~ 2015.11.18	3M Libor + 1.00 ~ 1.64	USD	250,000	281,025
FY-11	2011.07.13 ~ 2011.07.29	2017.01.30 ~ 2021.07.13	3.63 ~ 4.75	USD	800,000	899,280
FY-12	2012.05.10 ~ 2012.09.19	2017.05.10 ~ 2022.09.19	2.50 ~ 3.13	USD	1,750,000	1,967,175
FY-13	2013.02.05 ~ 2013.11.27	2018.02.05 ~ 2018.11.27	1.88 ~ 2.88	USD	1,900,000	2,135,790
FY-13	2013.09.26 ~ 2013.10.23	2019.03.26 ~ 2019.04.23	1.50 ~ 1.63	CHF	400,000	485,676
FY-13	2013.09.25	2020.09.25	5.75	AUD	325,000	280,430
FY-13	2013.02.20 ~ 2013.07.25	2018.02.20 ~ 2018.07.25	3M Libor + 0.84 ~ 1.50	USD	500,000	562,050
FY-14	2014.02.11 ~ 2014.12.02	2019.02.11 ~ 2029.07.30	2.38 ~ 3.57	USD	1,500,000	1,686,150
FY-14	2014.01.28 ~ 2014.07.31	2017.01.28 ~ 2017.07.31	3M Libor + 0.55 ~ 1.50	USD	500,000	562,050
FY-15	2015.06.15	2025.06.15	3.25	USD	300,000	337,230

12,416,377

Less : Discount on foreign debt securities	(71,325)
Add : Premium on debt securities	263
Less : Current portion of foreign debt securities	(2,192,226)
Add : Current portion of discount on foreign debt securities	1,574

10,154,663

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(5) Foreign debt securities as of June 30, 2015 and December 31, 2014 are as follows, continued:***In millions of won and thousands of foreign currencies***December 31, 2014**

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	249,470	274,217
FY-97	1997.01.31 ~ 1997.08.04	2027.01.31 ~ 2027.08.04	6.75 ~ 7.00	USD	314,717	345,937
FY-04 (*)	2004.04.21	2034.04.21	5.13	USD	286,920	315,382
FY-06	2006.03.14 ~ 2006.09.29	2016.03.14 ~ 2016.09.29	5.50 ~ 6.00	USD	650,000	714,480
FY-08	2008.11.27	2018.11.27	4.19	JPY	20,000,000	184,028
FY-10	2010.09.16 ~ 2010.10.05	2015.09.16 ~ 2015.10.05	3.00 ~ 3.13	USD	1,200,000	1,319,040
FY-10	2010.07.29 ~ 2010.11.18	2015.07.29 ~ 2015.11.18	3M Libor + 1.00 ~ 1.64	USD	250,000	274,800
FY-11	2011.07.13 ~ 2011.07.29	2017.01.30 ~ 2021.07.13	3.63 ~ 4.75	USD	800,000	879,360
FY-12	2012.05.10 ~ 2012.09.19	2017.05.10 ~ 2022.09.19	2.50 ~ 3.13	USD	1,750,000	1,923,600
FY-13	2013.02.05 ~ 2013.11.27	2018.02.05 ~ 2018.11.27	1.88 ~ 2.88	USD	1,900,000	2,088,480
FY-13	2013.09.26 ~ 2013.10.23	2018.04.23 ~ 2019.03.26	1.50 ~ 1.63	CHF	400,000	444,572
FY-13	2013.09.25	2020.09.25	5.75	AUD	325,000	292,204
FY-13	2013.02.20 ~ 2013.07.25	2018.02.20 ~ 2018.07.25	3M Libor + 0.84 ~ 1.50	USD	500,000	549,600
FY-14	2014.02.11 ~ 2014.12.02	2019.02.11 ~ 2029.07.30	2.38 ~ 2.75	USD	1,500,000	1,648,800
FY-14	2014.01.28 ~ 2014.07.31	2017.01.28 ~ 2017.07.31	3M Libor + 0.55 ~ 1.50	USD	500,000	549,600
						11,804,100
Less : Discount on foreign debt securities						(75,097)
Add : Premium on debt securities						272
Less : Current portion of foreign debt securities						(1,594,205)
Add : Current portion of discount on foreign debt securities						2,196
						10,137,266

(\*) For Global 4 in FY-04, early redemption of USD 13,080,000 was requested during the year ended December 31, 2014 and the remaining amount is USD 286,920,000 as of June 30, 2015.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

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

The Company enters into a power purchase agreements ( PPA ) under which the Company is committed to purchase an aggregate capacity of 3,770 megawatts for approximately twenty years from independent power producers, such as, 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 June 30, 2015 and December 31, 2014 are as follows and are included in current and non-current trade and other payables, net, in the accompanying consolidated statements of financial position:**

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</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	183,441	112,908	184,809	109,374
1 ~ 5 years	572,646	426,630	619,828	459,302
More than 5 years	250,178	174,655	294,032	200,759
	1,006,265	714,193	1,098,669	769,435

**(3) Current and non-current portion of financial lease liabilities as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
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Current finance lease liabilities	112,908	109,374
Non-current finance lease liabilities	601,285	660,061
	714,193	769,435

- (4) Lease payments recognized as an expense as a lessee for the three and six-month periods ended June 30, 2015 and 2014 are as follows:

*In millions of won*

	June 30, 2015		June 30, 2014	
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
Minimum lease payment	48,213	98,371	61,958	125,038
Contingent rent payment	(4,398)	(8,886)	(4,370)	(8,977)

- (5) The Company does not have any irrevocable operating lease contracts as of June 30, 2015 and December 31, 2014.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**25. Employment Benefits****(1) Employment benefit obligations as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Net defined benefit obligations	1,478,788	1,268,197
Other long-term employee benefit obligations	9,097	9,218
	<b>1,487,885</b>	<b>1,277,415</b>

**(2) Principal assumptions on actuarial valuation as of June 30, 2015 and December 31, 2014 are as follows:**

	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Discount rate	2.72% ~ 3.02%	2.86% ~ 4.07%
Future salary and benefit levels	5.43%	5.42%
Weighted average duration	13.68 years	13.24 years

**(3) Details of expense relating to defined benefit plans for the three and six-month periods ended June 30, 2015 and 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>June 30, 2014</b>	
	<b>Three-month period ended</b>	<b>Six-month period ended</b>	<b>Three-month period ended</b>	<b>Six-month period ended</b>
Current service cost	77,322	154,171	77,446	153,753
Interest cost	15,767	30,892	25,375	51,181
Expected return on plan assets	(5,412)	(10,836)	(5,623)	(11,226)
Loss from settlement	(239)	(239)		

87,438	173,988	97,198	193,708
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Expenses as described above are recognized in those items below in the financial statements.

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>June 30, 2014</b>	
	<b>Three-month period ended</b>	<b>Six-month period ended</b>	<b>Three-month period ended</b>	<b>Six-month period ended</b>
Cost of sales	59,298	123,561	71,439	140,755
Selling and administrative expenses	17,991	30,588	15,397	33,126
Others (Construction-in-progress and others)	10,149	19,839	10,362	19,827
	87,438	173,988	97,198	193,708

In addition, for the six-month periods ended June 30, 2015 and 2014, employee benefit obligations expenses of 27,892 million and 18,925 million, respectively, is recognized as cost of sales, and 6,421 million and 1,748 million, respectively, is recognized as selling and administrative expenses, and 6,808 million and 6,503 million, respectively 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

**June 30, 2015**

(Unaudited)

**25. Employment Benefits, Continued****(4) Details of defined benefit obligations as of December 31, 2013 and 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Present value of defined benefit obligation from funded plans	2,203,374	1,992,447
Fair value of plan assets	(724,586)	(724,250)
	1,478,788	1,268,197
Present value of defined benefit obligation from unfunded plans		
Net liabilities incurred from defined benefit plans	1,478,788	1,268,197

**(5) Changes in the present value of defined benefit obligations for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Beginning balance	1,992,447	2,629,057
Current service cost	154,171	291,115
Interest cost (*)	30,892	97,603
Remeasurement component	50,064	145,648
Past service cost		(167,998)
Loss from settlement	(239)	(62,292)
Actual payments	(23,582)	(941,208)
Others	(379)	522
Ending balance	2,203,374	1,992,447

(\* ) 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 six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Beginning balance	724,250	564,552
Expected return	10,836	22,291
Remeasurement component	(1,557)	(6,602)
Contributions by the employers	305	231,342
Actual payments	(8,738)	(81,029)
Assets decreased through settlement		(6,572)
Others	(510)	268
Ending balance	724,586	724,250

In addition, loss on accumulated remeasurement component amounted to 152,181 million and 116,705 million and has been recognized as other comprehensive loss for the six-month period ended June 30, 2015 and for the year ended December 31, 2014, respectively.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**25. Employment Benefits, Continued****(7) Details of the fair value of plan assets as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Equity instruments	21,664	41,298
Debt instruments	183,496	163,528
Bank deposit	125,254	108,234
Others	394,172	411,190
	<b>724,586</b>	<b>724,250</b>

For the six-month period ended June 30, 2015 and for the year ended December 31, 2014, actual returns on plan assets amounted to 9,279 million and 15,669 million, respectively.

**(8) Remeasurement component recognized in other comprehensive loss for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Actuarial gain from changes in financial assumptions	24,462	218,859
Experience adjustments	25,602	(73,211)
Expected return	1,557	6,602
	<b>51,621</b>	<b>152,250</b>

Remeasurement component recognized as other comprehensive loss is recorded in retained earnings.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**26. Provisions****(1) Provisions as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Employment benefits	736,407	15	707,310	
Provision for employment benefits	736,407	15	707,310	
Litigation	105,364	91,051	116,395	83,894
Litigation provisions	105,364	91,051	116,395	83,894
Decommissioning cost		12,387,959		13,434,606
Nuclear plants		9,266,359		10,331,270
Spent fuel		1,298,110		1,298,749
Waste		1,631,664		1,604,241
PCBs		190,981		199,518
Other recovery provisions		845		828
Others	699,888	10,993	450,481	10,510
Power plant regional support program	151,787		120,093	
Transmission regional support program	177,481			
Provisions for tax		136		649
Provisions for financial guarantee	2,280	4,184	74	3,621
Provisions for RPS	367,601		329,562	
Others	739	6,673	752	6,240
	1,541,659	12,490,018	1,274,186	13,529,010

**(2) Changes in provisions for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:***In millions of won***June 30, 2015**

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	<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	371,291	(330,979)	(11,200)		736,422
Provision for employment benefits	707,310	371,291	(330,979)	(11,200)		736,422
Litigation	200,289	29,450	(25,625)	(7,699)		196,415
Litigation provisions	200,289	29,450	(25,625)	(7,699)		196,415
Decommissioning cost	13,434,606	535,955	(286,257)	(1,296,580)	235	12,387,959
Nuclear plants	10,331,270	231,961	(292)	(1,296,580)		9,266,359
Spent fuel	1,298,749	262,014	(262,653)			1,298,110
Waste	1,604,241	38,188	(11,000)		235	1,631,664
PCBs	199,518	3,775	(12,312)			190,981
Other recovery provisions	828	17				845
Others	460,991	402,793	(136,128)	(26,416)	9,641	710,881
Power plant regional support program	120,093	37,569	(15,516)		9,641	151,787
Transmission regional support program		238,353	(60,872)			177,481
Provisions for tax	649			(513)		136
Provisions for financial guarantee	3,695	3,396		(627)		6,464
Provisions for RPS	329,562	122,936	(59,397)	(25,500)		367,601
Others	6,992	539	(343)	224		7,412
	14,803,196	1,339,489	(778,989)	(1,341,895)	9,876	14,031,677



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**26. Provisions, Continued****(2) Changes in provisions for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows, continued:**

<i>In millions of won</i>	<b>December 31, 2014</b>					
	<b>Beginning balance</b>	<b>Accretion expenses</b>	<b>Payment</b>	<b>Reversal</b>	<b>Other</b>	<b>Ending balance</b>
Employment benefits	777,419	650,788	(615,230)	(105,667)		707,310
Provision for employment benefits	777,419	650,788	(615,230)	(105,667)		707,310
Litigation	23,720	200,593	(18,371)	(5,653)		200,289
Litigation provisions	23,720	200,593	(18,371)	(5,653)		200,289
Decommissioning cost	12,568,622	1,270,397	(398,600)	(9,067)	3,254	13,434,606
Nuclear plants	9,887,621	443,987	(338)			10,331,270
Spent fuel	1,211,440	465,006	(377,697)			1,298,749
Waste	1,249,062	351,935	(10)		3,254	1,604,241
PCBs	219,704	9,436	(20,555)	(9,067)		199,518
Other recovery provisions	795	33				828
Others	346,371	350,049	(186,388)	(65,264)	16,223	460,991
Power plant regional support program	112,498	39,943	(44,242)		11,894	120,093
Provisions for tax	649					649
Provisions for financial guarantee	8,789	476	(32)	(5,538)		3,695
Provisions for RPS	223,260	308,088	(142,096)	(59,690)		329,562
Others	1,175	1,542	(18)	(36)	4,329	6,992
	13,716,132	2,471,827	(1,218,589)	(185,651)	19,477	14,803,196

**27. Government Grants**

**(1) Government grants as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Land	(3,103)	(3,103)
Buildings	(65,218)	(67,700)
Structures	(195,398)	(196,871)
Machinery	(107,738)	(108,750)
Vehicles	(48)	(76)
Equipment	(813)	(1,002)
Tools	(727)	(862)
Construction-in-progress	(115,287)	(123,938)
Investment properties	(13)	(10)
Software	(459)	(488)
Development expenditures	(7,328)	(8,183)
Intangible assets under development	(10,300)	(10,692)
Usage rights of donated assets and other	(37)	(43)
Others	(1)	(1)
	<b>(506,470)</b>	<b>(521,719)</b>

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**27. Government Grants, Continued****(2) Changes in government grants for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:***In millions of won*

	<b>Beginning balance</b>	<b>Receipt</b>	<b>Acquisition</b>	<b>June 30, 2015 Offset the items of depreciation expense and others</b>	<b>Disposal</b>	<b>Others</b>	<b>Ending balance</b>
Cash		(10,153)				10,153	
Land	(3,103)						(3,103)
Buildings	(67,700)			2,516		(34)	(65,218)
Structures	(196,871)			4,566	633	(3,726)	(195,398)
Machinery	(108,750)			5,332	283	(4,603)	(107,738)
Vehicles	(76)			27	1		(48)
Equipment	(1,002)			226		(37)	(813)
Tools	(862)			135			(727)
Construction-in-progress	(123,938)		17,280			(8,629)	(115,287)
Investment properties	(10)					(3)	(13)
Software	(488)			84		(55)	(459)
Development expenditures	(8,183)			1,651		(796)	(7,328)
Intangible assets under development	(10,692)		1,663			(1,271)	(10,300)
Usage rights of donated assets and other	(43)			5		1	(37)
Others	(1)						(1)
	(521,719)	(10,153)	18,943	14,542	917	(9,000)	(506,470)

*In millions of won***December 31, 2014**

	<b>Beginning balance</b>	<b>Receipt</b>	<b>Acquisition</b>	<b>Offset the items of depreciation expense and others</b>	<b>Disposal</b>	<b>Others</b>	<b>Ending balance</b>
Cash		(108,681)				108,681	
Land	(3,137)				63	(29)	(3,103)
Buildings	(45,396)			5,040	200	(27,544)	(67,700)
Structures	(193,189)			8,921	2,018	(14,621)	(196,871)
Machinery	(101,808)			10,102	423	(17,467)	(108,750)
Vehicles	(83)			47		(40)	(76)
Equipment	(707)			376		(671)	(1,002)
Tools	(312)			144	55	(749)	(862)
Construction-in-progress	(117,728)		35,937			(42,147)	(123,938)
Investment properties	(13)			4		(1)	(10)
Software	(428)			154		(214)	(488)
Development expenditures	(11,705)			4,125		(603)	(8,183)
Intangible assets under development	(7,792)		527		170	(3,597)	(10,692)
Usage rights of donated assets and other	(53)			10			(43)
Others	(1)						(1)
	(482,352)	(108,681)	36,464	28,923	2,929	998	(521,719)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**28. Deferred Revenues**

Deferred revenue related to the Company's construction contracts as of June 30, 2015 and December 31, 2014 are as follows and included in current and non-current non-financial liabilities in the accompanying consolidated statements of financial position:

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Beginning balance	6,850,016	6,506,639
Increase during the current year / period	334,140	695,235
Recognized as revenue during the current year / period	(184,754)	(351,858)
Ending balance	6,999,402	6,850,016

**29. Non-financial Liabilities**

Non-financial liabilities as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Advance received	12,511,592	212,127	5,320,722	294,151
Unearned revenue	24,049	74,956	41,822	86,061
Deferred revenue	359,491	6,639,911	347,362	6,502,654
Withholdings	243,113	46,091	258,258	45,221
Others	582,096	18,346	496,192	18,323
	13,720,341	6,991,431	6,464,356	6,946,410

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**30. Contributed Capital****(1) Details of shares issued as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won except share information*

			June 30, 2015			
	Shares	Shares	Par value	Owned by	Owned by	Total
	authorized	issued	per	government(*)	others	
			share			
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 are included.

*In millions of won except share information*

			December 31, 2014			
	Shares	Shares	Par value	Owned by	Owned by	Total
	authorized	issued	per	government(*)	others	
			share			
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 960,800 million are included.

**(2) Details in number of outstanding capital stock for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows.**

<i>Number of shares</i>	June 30, 2015	December 31, 2014
Beginning balance	641,964,077	623,034,082
Disposal of treasury stocks		18,929,995

Ending balance	641,964,077	641,964,077
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**(3) Details of share premium as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</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

**June 30, 2015**

(Unaudited)

**31. Retained Earnings and Dividends Paid****(1) Details of retained earnings as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Legal reserve (*)	1,604,910	1,604,910
Voluntary reserves	23,720,167	22,999,359
Retained earnings before appropriations	12,130,509	10,699,378
Retained earnings	37,455,586	35,303,647

(\*) 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 June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Reserve for investment on social overhead capital	5,277,449	5,277,449
Reserve for research and human development (*)	330,000	330,000
Reserve for business expansion	17,902,718	17,181,910
Reserve for equalizing dividends	210,000	210,000
	23,720,167	22,999,359



(\*) 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 six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Beginning balance	35,303,647	32,766,086
Net profit for the period attributed to owner of the Company	2,505,266	2,686,873
Changes in equity method retained earnings	1,230	(1,899)
Remeasurement of defined benefit liability (asset), net of tax	(33,575)	(91,340)
Dividend paid	(320,982)	(56,073)
Ending balance	37,455,586	35,303,647

(4) **Dividends paid for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>			<b>Dividends paid per share</b>	<b>Dividends paid</b>
	<b>Number of shares issued</b>	<b>Number of treasury stocks</b>	<b>Number of shares eligible for dividends</b>	<i>(In won)</i>	
Common shares	641,964,077		641,964,077	500	320,982

<i>In millions of won</i>	<b>December 31, 2014</b>			<b>Dividends paid per share</b>	<b>Dividends paid</b>
	<b>Number of shares issued</b>	<b>Number of treasury stocks</b>	<b>Number of shares eligible for dividends</b>	<i>(In won)</i>	
Common shares	641,964,077	18,929,995	623,034,082	90	56,073

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**31. Retained Earnings and Dividends Paid, Continued**

- (5) **Changes in retained earnings of investments in associates and joint ventures for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Beginning balance	(2,131)	(232)
Changes	1,230	(1,899)
Income tax effect		
Ending balance	(901)	(2,131)

- (6) **Changes in remeasurement components related to defined benefit liability for the six-month period June 30, 2015 and for the year ended December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Beginning balance	(116,705)	39,591
Changes	(52,508)	(151,610)
Income tax effect	18,933	60,270
Transfer to reserve for business expansion	(1,902)	(64,956)
Ending balance	(152,182)	(116,705)

**32. Hybrid Bonds**

Korea Western Power Co., Ltd. and Korea South-East Power Co., Ltd., which are wholly owned subsidiaries of the Company, issued bond-type hybrid securities for the year ended December 31, 2012. Bond-type hybrid securities classified as equity (non-controlling interest) as of June 30, 2015 are as follows:

*In millions of won*

<b>Issuer</b>	<b>Hybrid Bond</b>	<b>Issued date</b>	<b>Maturity</b>	<b>Yield (%)</b>	<b>Amount</b>
Korea Western Power Co., Ltd.	1st bond-type				
	hybrid bond	2012.10.18	2042.10.18	5yr government 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

**June 30, 2015**

(Unaudited)

**33. Other Components of Equity****(1) Other components of equity of the parent as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Other capital surpluses	1,198,374	1,151,402
Accumulated other comprehensive loss	(183,400)	(202,269)
Other equity	13,294,973	13,294,973
	14,309,947	14,244,106

**(2) Changes in other capital surpluses for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>			<b>December 31, 2014</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	763,878	1,151,402	303,028	527,954	830,982
Disposal of subsidiary		58,172	58,172		313,117	313,117
Disposal of treasury stocks				111,473		111,473
Issuance of share capital of subsidiary		2,865	2,865		(1,235)	(1,235)
Income tax effect		(14,065)	(14,065)	(26,977)	(75,958)	(102,935)
Ending balance	387,524	810,850	1,198,374	387,524	763,878	1,151,402



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**33. Other Components of Equity, Continued**

(3) Changes in accumulated other comprehensive loss for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:

*In millions of won*

	June 30, 2015				Total
	Available-for-sale financial asset valuation reserve	Shares in other comprehensive income of investments in associates and joint ventures	Reserve for overseas operations translation credit	Reserve for gain (loss) on valuation of derivatives	
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	22,905				22,905
Shares in other comprehensive income of associates and joint ventures, net of tax		34,922			34,922
Foreign currency translation of foreign operations, net of tax			(21,083)		(21,083)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax				(17,875)	(17,875)
Ending balance	(11,744)	221,819	(276,724)	(116,751)	(183,400)

*In millions of won*

	December 31, 2014				Total
	Available-for-sale financial asset valuation reserve	Shares in other comprehensive income of investments in associates and joint	Reserve for overseas operations translation credit	Reserve for gain (loss) on valuation of derivatives	

## ventures

Beginning balance	62,614	182,261	(170,679)	(18,658)	55,538
Changes in the unrealized fair value of available- for-sale financial assets, net of tax	(97,263)				(97,263)
Shares in other comprehensive income of associates and joint ventures, net of tax		4,636			4,636
Foreign currency translation of foreign operations, net of tax			(84,962)		(84,962)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax				(80,218)	(80,218)
Ending balance	(34,649)	186,897	(255,641)	(98,876)	(202,269)

(4) Changes in treasury stocks for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:

<i>In millions of won</i>	June 30, 2015		December 31, 2014	
	Shares	Amount	Shares	Amount
Beginning balance			18,929,995	(741,489)
Disposal of treasury stocks			(18,929,995)	741,489
Ending balance				

(5) Changes in other equity for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:

<i>In millions of won</i>	June 30, 2015	December 31, 2014
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

**June 30, 2015**

(Unaudited)

**34. Sales**

Details of sales for the three and six-month periods ended June 30, 2015 and 2014 are as follows:

*In millions of won*

	<b>June 30, 2015</b>					
	<b>Domestic</b>		<b>Overseas</b>		<b>Total</b>	
	<b>Three-month period ended</b>	<b>Six-month period ended</b>	<b>Three-month period ended</b>	<b>Six-month period ended</b>	<b>Three-month period ended</b>	<b>Six-month period ended</b>
Sales of goods	12,182,113	26,312,234	82,378	185,241	12,264,491	26,497,475
Electricity	12,029,496	25,893,559			12,029,496	25,893,559
Heat supply	15,726	144,286			15,726	144,286
Others	136,891	274,389	82,378	185,241	219,269	459,630
Sales of service	51,458	96,396	70,125	119,975	121,583	216,371
Sales of construction services	51,373	92,356	1,141,203	1,804,729	1,192,576	1,897,085
Revenue related to transfer of assets from customers	93,176	184,754			93,176	184,754
	12,378,120	26,685,740	1,293,706	2,109,945	13,671,826	28,795,685

*In millions of won*

	<b>June 30, 2014</b>					
	<b>Domestic</b>		<b>Overseas</b>		<b>Total</b>	
	<b>Three-month period ended</b>	<b>Six-month period ended</b>	<b>Three-month period ended</b>	<b>Six-month period ended</b>	<b>Three-month period ended</b>	<b>Six-month period ended</b>
Sales of goods	11,761,465	25,772,883	68,561	130,719	11,830,026	25,903,602
Electricity	11,624,836	25,371,363			11,624,836	25,371,363
Heat supply	22,677	152,252			22,677	152,252
Others	113,952	249,268	68,561	130,719	182,513	379,987
Sales of service	64,602	93,424	78,284	114,040	142,886	207,464
Sales of construction services	56,988	95,633	772,233	1,282,336	829,221	1,377,969



Revenue related to transfer of assets from customers	87,166	172,911			87,166	172,911
	11,970,221	26,134,851	919,078	1,527,095	12,889,299	27,661,946

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**35. Selling and Administrative Expenses**

Selling and administrative for the three and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>June 30, 2014</b>	
	<b>Three-month period ended</b>	<b>Six-month period ended</b>	<b>Three-month period ended</b>	<b>Six-month period ended</b>
Salaries	149,536	310,148	132,556	273,439
Retirement benefit expense	15,170	30,238	16,270	34,902
Welfare and benefit expense	34,390	57,425	23,895	47,119
Insurance expense	2,722	5,385	2,859	5,739
Depreciation	24,075	47,861	16,300	32,767
Amortization of intangible assets	10,218	21,826	10,053	20,762
Bad debt expense (reversal)	(5,893)	(17,471)	12,127	12,628
Commission	166,025	300,868	150,610	273,124
Advertising expense	8,199	13,779	5,796	10,282
Training expense	1,048	2,158	1,191	2,364
Vehicle maintenance expense	2,760	5,114	3,019	5,853
Publishing expense	686	1,236	677	1,358
Business promotion expense	963	1,719	789	1,582
Rent expense	9,224	19,356	7,334	15,768
Telecommunication expense	5,907	11,933	5,058	11,346
Transportation expense	159	300	94	178
Taxes and dues	36,978	39,565	59,926	66,926
Expendable supplies expense	1,250	3,261	854	1,755
Water, light and heating expense	2,118	5,567	2,289	4,983
Repairs and maintenance expense	10,476	15,379	6,224	13,183
Ordinary development expense	40,163	73,704	34,747	69,577
Travel expense	3,497	7,503	2,800	6,011
Clothing expense	1,151	1,208	2,511	2,613
Survey and analysis expense	140	283	124	271
Membership fee	247	670	251	602
Promotion expense		7		
Others	31,334	55,345	25,117	44,188

552,543      1,014,367      523,471      959,320

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**36. Other Income and Expense****(1) Other income for the three and six-month periods ended June 30, 2015 and 2014 are as follows:**

*In millions of won*

	June 30, 2015		June 30, 2014	
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
Reversal of other provisions	5,076	6,734	1,782	3,842
Reversal of allowance for doubtful accounts			14	14
Gains on assets contributed	880	3,092		20
Gains on liabilities exempted	34	2,371	18	800
Compensation and reparations revenue	34,319	86,856	10,475	21,391
Gains on electricity infrastructure development fund	220	363	12,997	14,955
Revenue from research contracts	1,394	4,531	2,651	3,026
Rental income	47,528	95,786	42,787	91,268
Others	6,879	13,962	4,234	10,365
	96,330	213,695	74,958	145,681

**(2) Other expense for the three and six-month periods ended June 30, 2015 and 2014 are as follows:**

*In millions of won*

	June 30, 2015		June 30, 2014	
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
Accretion expenses of other provisions	272	316	24	129
Depreciation expenses on investment properties	185	347	234	417
Depreciation expenses on idle assets	1,666	3,332	1,667	3,330

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Other bad debt expense	5,168	12,983	5,801	17,671
Donations	4,742	17,162	2,822	9,849
Others	4,947	5,977	3,750	5,961
	16,980	40,117	14,298	37,357

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**37. Other Gains (Losses)**

Composition of other gains (losses) for the three and six-month periods ended June 30, 2015 and 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>June 30, 2014</b>	
	<b>Three-month period ended</b>	<b>Six-month period ended</b>	<b>Three-month period ended</b>	<b>Six-month period ended</b>
<b>Other gains</b>				
Gains on disposal of property plant, and equipment	78,854	96,769	25,092	32,508
Gains on disposal of intangible assets	32	32		
Gains on foreign currency translation	1,823	2,984	2,994	5,501
Gains on foreign currency transaction	10,999	19,798	14,994	25,908
Insurance proceeds	25	25	3,046	3,046
Others	26,786	78,513	39,285	92,191
<b>Other losses</b>				
Losses on disposal of property plant and equipment	(28,689)	(41,044)	(7,197)	(10,141)
Losses on disposal of intangible assets		(5)	(17)	(17)
Impairment loss on property, plant and equipment	(1,205)	(1,205)		
Losses on foreign currency translation	(3,472)	(9,978)	(3,812)	(5,431)
Losses on foreign currency transaction	(23,864)	(35,632)	(11,202)	(24,878)
Others	(14,048)	(37,122)	(13,788)	(28,210)
	47,241	73,135	49,395	90,477

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**38. Finance Income****(1) Finance income for the three and six-month periods ended June 30, 2015 and 2014 are as follows:***In millions of won*

	June 30, 2015		June 30, 2014	
	Three- month period ended	Six- month period ended	Three- month period ended	Six- month period ended
Interest income	55,515	105,008	49,810	98,005
Dividends income	8,107	13,564	1,022	13,547
Gains on valuation of derivatives	160,714	239,814	2,317	8,580
Gains on transaction of derivatives	6,693	13,653	799	38,214
Gains on foreign currency translation	39,297	64,084	578,508	441,738
Gains on foreign currency transaction	5,099	12,186	48,888	55,864
Others	41	64		
	275,466	448,373	681,344	655,948

**(2) Interest income included in finance income for the three and six-month periods ended June 30, 2015 and 2014 are as follows:***In millions of won*

	June 30, 2015		June 30, 2014	
	Three- month period ended	Six- month period ended	Three- month period ended	Six- month period ended
Cash and cash equivalents	13,297	25,188	14,600	26,835
Available-for-sale financial assets		29	110	218
Held-to-maturity investments	24	48	21	38
Loans and receivables	4,400	11,174	8,981	16,929
Short-term financial instrument	5,668	8,532	1,142	3,148
Long-term financial instrument	2,643	5,572	81	191

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Trade and other receivables	29,483	54,465	24,875	50,646
	55,515	105,008	49,810	98,005



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**39. Finance Expenses****(1) Finance expenses for the three and six-month periods ended June 30, 2015 and 2014 are as follows:***In millions of won*

	June 30, 2015		June 30, 2014	
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
Interest expense	525,807	1,078,463	596,721	1,193,767
Losses on sale of financial assets	2,008	2,983		2
Impairment of available-for-sale financial assets	8,172	13,993	41,792	41,792
Losses on valuation of derivatives	8,583	22,920	542,768	405,385
Losses on transaction of derivatives	9,909	19,323	63,008	88,287
Losses on foreign currency translation	222,763	303,946	31,521	40,316
Losses on foreign currency transaction	5,760	8,474	8,262	13,190
Losses on repayment of financial liabilities			199	199
Others	39	63		
	783,041	1,450,165	1,284,271	1,782,938

**(2) Interest expense included in finance expenses for the three and six-month periods ended June 30, 2015 and 2014 are as follows:***In millions of won*

	June 30, 2015		June 30, 2014	
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
Trade and other payables	24,211	45,120	24,764	47,140

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Short-term borrowings	4,647	7,937	11,156	15,678
Long-term borrowings	23,463	55,914	45,841	90,265
Debt securities	540,967	1,096,019	572,651	1,162,503
Other financial liabilities	151,143	303,686	145,782	292,905
	744,431	1,508,676	800,194	1,608,491
Less: Capitalized borrowing costs	(218,624)	(430,213)	(203,473)	(414,724)
	525,807	1,078,463	596,721	1,193,767

Capitalization rates for the six-month periods ended June 30, 2015 and 2014 are 2.71% ~ 4.22% and 3.32% ~ 4.11%, respectively.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**40. Income Taxes****(1) Income tax expense for the six-month periods ended June 30, 2015 and 2014 are as follows:**

*In millions of won*

	<b>June 30, 2015</b>	<b>June 30, 2014</b>
<b>Current income tax expense</b>		
Payment of income tax	566,854	583,864
Adjustment due to changes in estimates related to prior years	(33,971)	(19,200)
Current income tax directly recognized in equity	3,440	76,300
	<b>536,323</b>	<b>640,964</b>
<b>Deferred income tax expense</b>		
Generation and realization of temporary differences	9,105	(40,615)
Changes of unrecognized tax losses, tax credit and temporary differences for prior periods	65,138	(3,181)
Changes in deferred tax on tax losses incurred during the period	612,970	(36,295)
Tax credit carry forwards	3,266	16,819
	<b>690,479</b>	<b>(63,272)</b>
Income tax expense	<b>1,226,802</b>	<b>577,692</b>

**(2) Reconciliation between actual income tax expense (benefit) and amount computed by applying the statutory tax rate of 24.2% to income before income tax for the six-month periods ended June 30, 2015 and 2014 are as follows:***In millions of won*

	<b>June 30, 2015</b>	<b>June 30, 2014</b>
Income before income tax	3,791,803	1,330,475
Income tax expense computed at applicable tax rate of 24.2%	917,616	321,975
<b>Adjustments</b>		
Additional payment of income taxes or receipt of income tax refunds	(6,308)	2,278
Effect of applying gradual tax rate	(1,397)	4,689
Effect of non-taxable income	(74,841)	(31,124)
Effect of non-deductible expenses	84,491	6,688
Effects of tax credits and deduction	(5,351)	(13,364)
Recognition (reversal) of unrecognized deferred tax, net	64,448	(3,571)
Deferred income tax related to investments in subsidiaries and associates	272,782	306,630
Others, net	(24,638)	(16,509)
	309,186	255,717
Income tax expense	1,226,802	577,692
Effective tax rate	32.4%	43.4%

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**40. Income Taxes, Continued**

- (3) **Income tax directly adjusted to shareholders' equity (except for accumulated other comprehensive loss) for the six-month periods ended June 30, 2015 and 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>June 30, 2014</b>
Dividends of hybrid securities	2,612	2,612
Loss on disposal of investments in subsidiaries	(14,065)	
	(11,453)	2,612

- (4) **Income tax recognized as other comprehensive loss for the six-month periods ended June 30, 2015 and 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>June 30, 2014</b>
Income tax recognized as other comprehensive income (loss)		
Gain (loss) on valuation of available-for-sale financial assets	(11,763)	11,154
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	9,951	19,659
Remeasurements of defined benefit obligations	18,933	42,197
Investments in associates	(559)	585
Others	(1,669)	93
	14,893	73,688

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**40. Income Taxes, Continued**

- (5) **Changes in deferred income tax assets (liabilities) recognized in the statements of financial position for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:**

*In millions of won*

	Beginning balance	Amounts recognized in profit or loss	June 30, 2015 Amount recognized in other comprehensive income	Amounts recognized directly in equity	Ending balance
<b>Deferred income tax on temporary differences</b>					
Employee benefits	352,934	33,932	18,933		405,799
Cash flow hedge	51,355	(30,999)	9,951		30,307
Investments in associates or subsidiaries	(5,769,627)	(210,292)	(2,228)	(14,065)	(5,996,212)
Property, plant and equipment	(5,979,862)	188,650			(5,791,212)
Finance lease	(197,097)	(6,072)			(203,169)
Intangible assets	12,309	(2,582)			9,727
Financial assets at fair value through profit or loss	2,840	2,411			5,251
Available-for-sale financial assets	(41,836)	(10,996)	(11,763)		(64,595)
Deferred revenue	230,644	3,211			233,855
Provisions	3,459,775	(217,446)			3,242,329
Doubtful receivables	1,356	(6)			1,350
Other finance liabilities	23,236	889		2,612	26,737
Gains (losses) on foreign exchange translation	53,794	31,595			85,389
Allowance for doubtful accounts	15,452	5,013			20,465
Accrued income	(3,246)	(2,239)			(5,485)
Special deduction for property, plant and equipment	(194,674)	2			(194,672)
Impairment of non-current assets	86,720				86,720
Reserve for research and human development	(35,499)	6,836			(28,663)
Others	460,019	113,681			573,700

	(7,471,407)	(94,412)	14,893	(11,453)	(7,562,379)
<b>Deferred income tax on unused tax losses and tax credit</b>					
Tax losses	2,176,175	(555,619)			1,620,556
Tax credit	98,286	(43,888)			54,398
	2,274,461	(599,507)			1,674,954
	(5,196,946)	(693,919)	14,893	(11,453)	(5,887,425)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**40. Income Taxes, Continued**

- (5) **Changes deferred income tax assets (liabilities) recognized in the statements of financial position for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows, continued:**

*In millions of won*

	<b>December 31, 2014</b>				<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Amounts recognized in profit or loss</b>	<b>Amount recognized in other comprehensive income</b>	<b>Amounts recognized directly in equity</b>	
<b>Deferred income tax on temporary differences</b>					
Employee benefits	518,681	(218,342)	52,595		352,934
Cash flow hedge	51,991	(51,674)	51,038		51,355
Investments in associates or subsidiaries	(5,227,034)	(435,528)	(31,107)	(75,958)	(5,769,627)
Property, plant and equipment	(6,061,613)	81,751			(5,979,862)
Finance lease	(142,081)	(55,016)			(197,097)
Intangible assets	10,242	2,067			12,309
Financial assets at fair value through profit or loss	83,645	(80,805)			2,840
Available-for-sale financial assets	(101,088)	33,104	26,148		(41,836)
Deferred revenue	244,806	(14,162)			230,644
Provisions	3,150,908	308,867			3,459,775
Doubtful receivables	59	1,297			1,356
Other finance liabilities	25,856	(7,876)		5,256	23,236
Gains (losses) on foreign exchange translation	(19,164)	72,958			53,794
Allowance for doubtful accounts	7,314	8,138			15,452
Accrued income	(1,248)	(1,998)			(3,246)
Special deduction for property, plant and equipment	(194,785)	111			(194,674)
Impairment of non-current assets	86,720				86,720
Treasury stocks		26,976		(26,976)	
	(43,143)	7,644			(35,499)



Reserve for research and human  
development

Others	409,436	42,442	8,141	460,019
	(7,200,498)	(280,046)	106,815	(97,678)
				(7,471,407)

**Deferred income tax on unused tax  
losses and tax credit**

Tax losses	2,501,349	(325,174)		2,176,175
Tax credit	56,099	42,187		98,286
	2,557,448	(282,987)		2,274,461
	(4,643,050)	(563,033)	106,815	(97,678)
				(5,196,946)

- (6) **Deferred income tax assets (liabilities) recognized in the statements of financial position as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Deferred income tax assets	628,931	526,934
Deferred income tax liabilities	(6,516,356)	(5,723,880)
	(5,887,425)	(5,196,946)

- (7) **Details of deductible temporary differences, tax losses and unused tax credits not recognized in the deferred income tax assets as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Deductible temporary differences	440,351	448,402

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**41. Assets Held-for-Sale**

Assets held-for-sale as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Land (*1,2)	2,021,445	2,021,445
Building (*1,2)	69,363	69,363
Structures (*2)	2	2
	2,090,810	2,090,810

(\*1) The Company moved its headquarters to Naju, Jeollanam-do, in November 2014 as part of the government's plan to relocate state-run companies for balanced national development. Hyundai Motor and two of its affiliates won the bid to buy the buildings and land of the Company's headquarters by offering 10.55 trillion. The total sale value amounted to 10.55 trillion and the ownership is expected to be transferred on September 25, 2015. The Company reclassified the buildings and land as held-for-sales assets when the construction of the Naju headquarters was completed and also, the Company recognized contract deposit amounting to 7.39 trillion as advance received as of June 30, 2015.

(\*2) KEPCO Plant Service & Engineering Co., Ltd., a subsidiary of the Company, moved its headquarters to Naju, Jeollanam-do, in November as part of the government's plan to relocate state-run companies for balanced national development and plans to sell its head office in Seongnam to fund costs regarding relocation through Korea Asset Management Corporation's online auction site (The On-Bid system). The total sale value amounted to 71 billion and the ownership is expected to be transferred on August 31, 2015. The Company recognized contract deposit amounted to 10 billion as advance received as of June 30, 2015.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**42. Expenses Classified by Nature**

Expenses classified by nature for the six-month periods ended June 30, 2015 and 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>		
	<b>Selling and administrative expenses</b>	<b>Cost of sales</b>	<b>Total</b>
Raw materials used		7,768,317	7,768,317
Salaries	310,148	1,396,119	1,706,267
Retirement benefit expense	30,238	158,224	188,462
Welfare and benefit expense	57,425	231,502	288,927
Insurance expense	5,385	41,454	46,839
Depreciation	47,861	3,952,072	3,999,933
Amortization of intangible assets	21,826	15,821	37,647
Bad debt expense (reversal)	(17,471)		(17,471)
Commission	300,868	164,648	465,516
Advertising expense	13,779	3,074	16,853
Training expense	2,158	3,807	5,965
Vehicle maintenance expense	5,114	4,200	9,314
Publishing expense	1,236	1,748	2,984
Business promotion expense	1,719	1,953	3,672
Rent expense	19,356	65,416	84,772
Telecommunication expense	11,933	36,859	48,792
Transportation expense	300	2,704	3,004
Taxes and dues	39,565	214,914	254,479
Expendable supplies expense	3,261	12,903	16,164
Water, light and heating expense	5,567	13,359	18,926
Repairs and maintenance expense	15,379	808,114	823,493
Ordinary development expense	73,704	188,948	262,652
Travel expense	7,503	25,957	33,460
Clothing expense	1,208	1,509	2,717
Survey and analysis expense	283	1,178	1,461
Membership fee	670	5,847	6,517
Power purchase		6,186,371	6,186,371
Others	55,352	2,146,450	2,201,802

	1,014,367	23,453,468	24,467,835
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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**42. Expenses Classified by Nature, Continued**

Expenses classified by nature for the six-month periods ended June 30, 2015 and 2014 are as follows, continued:

<i>In millions of won</i>	<b>June 30, 2014</b>		
	<b>Selling and administrative expenses</b>	<b>Cost of sales</b>	<b>Total</b>
Raw materials used		10,505,095	10,505,095
Salaries	273,439	1,290,934	1,564,373
Retirement benefit expense	34,902	160,100	195,002
Welfare and benefit expense	47,119	170,645	217,764
Insurance expense	5,739	32,823	38,562
Depreciation	32,767	3,760,760	3,793,527
Amortization of intangible assets	20,762	18,467	39,229
Bad debt expense	12,628		12,628
Commission	273,124	155,702	428,826
Advertising expense	10,282	2,572	12,854
Training expense	2,364	3,768	6,132
Vehicle maintenance expense	5,853	4,395	10,248
Publishing expense	1,358	1,556	2,914
Business promotion expense	1,582	1,909	3,491
Rent expense	15,768	63,365	79,133
Telecommunication expense	11,346	33,835	45,181
Transportation expense	178	1,598	1,776
Taxes and dues	66,926	116,601	183,527
Expendable supplies expense	1,755	11,284	13,039
Water, light and heating expense	4,983	14,352	19,335
Repairs and maintenance expense	13,183	613,042	626,225
Ordinary development expense	69,577	177,019	246,596
Travel expense	6,011	23,080	29,091
Clothing expense	2,613	669	3,282
Survey and analysis expense	271	1,075	1,346
Membership fee	602	5,447	6,049

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Power purchase		5,978,739	5,978,739
Others	44,188	1,497,477	1,541,665
	959,320	24,646,309	25,605,629

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**43. Earnings Per Share**

- (1) **Basic earnings per share for the three and six-month periods ended June 30, 2015 and 2014 are as follows:**

*In won*

Type	June 30, 2015		June 30, 2014	
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
Basic earnings per share	2,034	3,903	248	1,103

- (2) **Diluted earnings per share for the three and six-month periods ended June 30, 2015 and 2014 are as follows:**

*In won*

Type	June 30, 2015		June 30, 2014	
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
Diluted earnings per share	2,034	3,903	248	1,103

- (3) **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 and six-month periods ended June 30, 2015 and 2014 are as follows:

*In millions of won except number of shares*

Type	June 30, 2015		June 30, 2014	
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
Controlling interest in net income	1,305,183	2,505,266	154,752	687,014
Income used in the calculation of total basic earnings per share	1,305,183	2,505,266	154,752	687,014
Weighted average number of common shares	641,964,077	641,964,077	623,034,082	623,034,082

**(4) Diluted earnings per share**

Diluted earnings per share is calculated by applying adjusted weighted average number of common shares under the assumption that all dilutive potential common shares are converted to common shares.

Profit used in the calculation of total diluted earnings perform the three and six-month periods ended June 30, 2015 and 2014 are as follows:

*In millions of won*

Type	June 30, 2015		June 30, 2014	
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
Earnings used in the calculation of total diluted earnings per share	1,305,183	2,505,266	154,752	687,014



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**43. Earnings Per Share, Continued****(4) Diluted earnings per share, continued:**

Weighted average common shares used in calculating diluted earnings per share are adjusted from weighted average common shares used in calculating basic earnings per share. Detailed information of the three and six-month periods ended June 30, 2015 and 2014 are as follows:

*In number of shares*

Type	June 30, 2015		June 30, 2014	
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
Weighted average number of common shares	641,964,077	641,964,077	623,034,082	623,034,082
Diluted weighted average number of shares	641,964,077	641,964,077	623,034,082	623,034,082

- (5) There are no potential dilutive instruments and diluted earnings per shares are same as basic earnings per share for the three and six-month periods ended June 30, 2015 and 2014.**

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(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 June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Total borrowings and debt securities	60,791,891	62,824,327
Cash and cash equivalents	(3,850,438)	(1,796,300)
Net borrowings and debt securities	56,941,453	61,028,027
Total shareholder's equity	57,053,286	54,825,010
Debt to equity ratio	99.80%	111.31%

**(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 certain hedge 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

**June 30, 2015**

(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 June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Cash and cash equivalents	3,850,438	1,796,300
Derivative assets (trading)	83,841	65,849
Available-for-sale financial assets	720,196	715,151
Held-to-maturity investments	3,387	3,614
Loans and receivables	689,325	623,997
Long-term/short-term financial instruments	2,190,368	704,462
Derivative assets (using hedge accounting)	218,482	104,276
Trade and other receivables	8,445,752	9,422,219
Financial guarantee contracts (*)	291,669	148,522

(\*) Maximum exposure associated with the financial guarantee contracts is the maximum amounts of the obligation. Financial guarantee contracts as of June 30, 2015 are as follows:

<i>In thousands of U.S. dollars</i>			
<b>Type</b>	<b>Company</b>	<b>Currency</b>	<b>Amounts</b>
Joint ventures	KEPCO SPC Power Corporation	USD	116,368
Joint ventures	PT. Tanjung Power Indonesia	USD	10,500
Joint ventures	Kelar S.A	USD	132,600
			259,468

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

**June 30, 2015**

(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

The following is a sensitivity analysis of defined benefit obligation assuming a 1% increase and decrease movements in the actuarial valuation assumptions as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	Accounts	June 30, 2015		December 31, 2014	
		1% Increase	1% Decrease	1% Increase	1% Decrease
Future salary increases	Increase (decrease) in defined benefit obligation	291,139	(252,564)	244,516	(222,706)
Discount rate	Increase (decrease) in defined benefit obligation	(242,976)	298,674	(221,728)	260,991

Changes of employee benefits assuming a 1% increase and decrease movements in discount rate on plan asset for the six-month periods ended June 30, 2015 and 2014 are 3,620 million and 2,826 million, respectively.

## Provisions

Changes in provisions due to movements in underlying assumptions as of June 30, 2015 and December 31, 2014 are as follows:

Type	Accounts	June 30, 2015	December 31, 2014
PCBs	Inflation rate	2.79%	2.79%
	Discount rate	3.78%	3.78%

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Nuclear plants	Inflation rate	1.40%	2.93%
	Discount rate	3.55%	4.49%
Spent fuel	Inflation rate	2.93%	2.93%
	Discount rate	4.49%	4.49%

The following is a sensitivity analysis of provisions assuming a 0.1% increase and decrease movements in the underlying assumptions as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i> Type	Accounts	June 30, 2015		December 31, 2014	
		0.1% Increase	0.1% Decrease	0.1% Increase	0.1% Decrease
Discount rate	PCBs	(978)	986	(1,058)	1,066
	Nuclear plants	(191,617)	196,640	(221,795)	227,773
	Spent fuel	(49,459)	51,379	(49,483)	51,404
Inflation rate	PCBs	1,096	(1,089)	1,076	(1,069)
	Nuclear plants	205,334	(200,294)	251,588	(244,964)
	Spent fuel	52,121	(50,242)	52,147	(50,267)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(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 June 30, 2015 and December 31, 2014 are as follows:

Type	Assets		Liabilities	
	June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
AUD	158	196	568,774	542,292
BWP	361			
CAD		1	17	244
EUR	216,380	2,097	1,739	4,087
IDR		273,738		17,288
MXN	7,705	7,637		122
PHP	88,261	196,696	138,411	17,962
SAR	1,279	1,044		
USD	1,145,573	1,211,513	8,948,235	7,415,050
INR	926,488	683,074	163,603	173,753
PKR	180,039	167,747	1,333	2,037
MGA	3,911,098	2,183,910	77,537	69,199
JPY	421,737	1,048,413	20,079,046	20,023,572
KZT	178,573	551,684		
GBP				90
CHF			400,255	399,634
AED	1,115	3,965	1,089	1,136



ZAR	174	146		
JOD	1,491	1,080		1
BDT	44,347	47,167	1,398	314
SEK			64	196

A sensitivity analysis on the Company's income for the period assuming a 10% increase and decrease in currency exchange rates as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i> Type	June 30, 2015		December 31, 2014	
	10% Increase	10% Decrease	10% Increase	10% Decrease
Increase (decrease) of income before income tax	(963,661)	963,661	(790,483)	790,483
Increase (decrease) of shareholder's equity (*)	(963,661)	963,661	(790,483)	790,483

(\*) The effect on the shareholders' equity excluding the impact of income taxes.

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 June 30, 2015 and December 31, 2014.

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

**June 30, 2015**

(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 June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>		
<b>Type</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Short-term borrowings	55,935	20,788
Long-term borrowings	1,972,799	3,506,989
Debt securities	2,315,125	2,534,000
	4,343,859	6,061,777

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 six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:

<i>In millions of won</i>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
<b>Type</b>	<b>1% Increase</b>	<b>1% Decrease</b>	<b>1% Increase</b>	<b>1% Decrease</b>
Increase (decrease) of profit before income tax	(43,439)	43,439	(60,618)	60,618
Increase (decrease) of shareholder's equity (*)	(43,439)	43,439	(60,618)	60,618

(\*) 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 six-month periods ended June 30, 2015 and 2014 are as follows:

<i>In millions of won</i> <b>Type</b>	<b>June 30, 2015</b>		<b>June 30, 2014</b>	
	<b>1% Increase</b>	<b>1% Decrease</b>	<b>1% Increase</b>	<b>1% Decrease</b>
Increase (decrease) of profit before income tax	258,936	(258,936)	253,714	(253,714)
Increase (decrease) of shareholder's equity (*)	258,936	(258,936)	253,714	(253,714)

(\*) 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

**June 30, 2015**

(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 June 30, 2015 and December 31, 2014. 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	June 30, 2015				Total
	Less than 1 year	1~2 Years	2~5 Years	More than 5 years	
Borrowings and debt securities	10,322,893	10,928,786	24,028,768	28,443,665	73,724,112
Finance lease liabilities	183,441	178,792	393,854	250,178	1,006,265
Trade and other payables	4,681,304	323,119	580,934	2,304,361	7,889,718
Financial guarantee contracts (*)	42,154	30,351	219,164		291,669
	15,229,792	11,461,048	25,222,720	30,998,204	82,911,764

*In millions of won*

Type	December 31, 2014				Total
	Less than 1 year	1~2 Years	2~5 Years	More than 5 years	

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Borrowings and debt securities	9,219,013	8,888,723	27,584,208	30,253,070	75,945,014
Finance lease liabilities	184,809	182,072	437,756	294,032	1,098,669
Trade and other payables	6,019,230	318,466	570,988	2,257,220	9,165,904
Financial guarantee contracts (*)	35,449	29,678	83,395		148,522
	15,458,501	9,418,939	28,676,347	32,804,322	86,358,109

(\*) Total guarantee amounts associated with the financial guarantee contracts. Financial guarantee liabilities which are recognized as of June 30, 2015 and December 31, 2014 are 6,465 million and 3,695 million, respectively.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**44. Risk Management, Continued****(2) Financial risk management, continued**

The expected maturities for non-derivative financial assets as of June 30, 2015 and December 31, 2014 in detail are as follows:

*In millions of won*

Type	June 30, 2015				Total
	Less than 1 year	1~5 Years	More than 5 years	Other (* )	
Cash and cash equivalents	3,850,438				3,850,438
Available-for-sale financial assets				720,196	720,196
Held-to-maturity investments	151	3,223	13		3,387
Loans and receivables	103,249	260,211	368,890	9,503	741,853
Long-term/short-term financial instruments	1,585,107	1,634	603,306	321	2,190,368
Trade and other receivables	6,693,849	819,460	863,474	77,778	8,454,561
	12,232,794	1,084,528	1,835,683	807,798	15,960,803

*In millions of won*

Type	December 31, 2014				Total
	Less than 1 year	1~5 Years	More than 5 years	Other (* )	
Cash and cash equivalents	1,796,300				1,796,300
Available-for-sale financial assets				715,151	715,151
Held-to-maturity investments	265	3,336	13		3,614
Loans and receivables	68,910	176,600	425,082	9,928	680,520
Long-term/short-term financial instruments	100,099	740	603,308	315	704,462
Trade and other receivables	7,700,166	830,863	824,966	76,104	9,432,099

9,665,740	1,011,539	1,853,369	801,498	13,332,146
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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 June 30, 2015 and December 31, 2014 are as follows:

*In millions of won*

Type	June 30, 2015				Total
	Less than 1 year	1~2 Years	2~5 Years	More than 5 years	
Gross settlement					
- Trading	(38,469)	(8,938)	(70,318)	44,735	(72,990)
- Hedging	(7,017)	(21,974)	(47,683)	(21,774)	(98,448)
	(45,486)	(30,912)	(118,001)	22,961	(171,438)

*In millions of won*

Type	December 31, 2014				Total
	Less than 1 year	1~2 Years	2~5 Years	More than 5 years	
Gross settlement					
- Trading	(66,580)	(15,289)	(108,717)	(11,301)	(201,887)
- Hedging	(3,070)	(31,441)	(70,384)	(84,815)	(189,710)
	(69,650)	(46,730)	(179,101)	(96,116)	(391,597)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(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 cashflows based on the effective interest method.

- (i) Fair value and book value of financial assets and liabilities as of June 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i> Type	June 30, 2015		December 31, 2014	
	Book value	Fair value	Book value	Fair value
<b>Assets recognized at fair value</b>				
Available-for-sale financial assets (*1)	720,196	720,196	715,151	715,151
Derivative assets (trading)	83,841	83,841	65,849	65,849
Derivative assets (using hedge accounting)	218,482	218,482	104,276	104,276
Long-term financial instruments	605,261	605,261	604,363	604,363
Short-term financial instruments	1,585,107	1,585,107	100,099	100,099
	3,212,887	3,212,887	1,589,738	1,589,738



**Assets carried at amortized cost**

Held-to-maturity investments	3,387	3,387	3,614	3,614
Loans and receivables	689,325	689,325	623,997	623,997
Trade and other receivables	8,445,752	8,445,752	9,422,219	9,422,219
Cash and cash equivalents	3,850,438	3,850,438	1,796,300	1,796,300
	12,988,902	12,988,902	11,846,130	11,846,130

**Liabilities recognized at fair value**

Derivative liabilities (trading)	131,002	131,002	164,931	164,931
Derivative assets (using hedge accounting)	165,601	165,601	172,877	172,877
	296,603	296,603	337,808	337,808

**Liabilities carried at amortized cost**

Secured borrowings	1,037,373	1,037,373	941,823	941,823
Unsecured bond	57,531,526	61,873,928	58,235,767	61,816,897
Finance lease liabilities	714,193	714,193	769,435	769,435
Unsecured borrowings	2,194,491	2,218,330	3,625,949	3,731,331
Trade and other payables (*2)	7,889,718	7,889,718	9,165,904	9,165,904
Bank overdraft	28,503	28,503	20,788	20,788
	69,395,804	73,762,045	72,759,666	76,446,178

(\*1) Book values of equity securities held by the Company that were measured at cost as of June 30, 2015 and December 31, 2014 are 283,372 million and 299,308 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

**June 30, 2015**

(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 June 30, 2015 and December 31, 2014 are as follows:

<b>Type</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
Derivatives	0.29% ~ 2.29%	0.04% ~ 2.78%
Borrowings and debt securities	0.09% ~ 5.80%	0.16% ~ 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 June 30, 2015 and December 31, 2014 are as follows:

*In millions of won***June 30, 2015**

Type	Level 1	Level 2	Level 3	Total
<b>Financial assets at fair value</b>				
Available-for-sale financial assets	268,192		168,632	436,824
Derivative assets		302,323		302,323
	268,192	302,323	168,632	739,147
<b>Financial liabilities at fair value</b>				
Derivative liabilities		296,603		296,603

*In millions of won*

Type	Level 1	December 31, 2014		Total
		Level 2	Level 3	
<b>Financial assets at fair value</b>				
Available-for-sale financial assets	247,215		168,627	415,842
Derivative assets		170,125		170,125
	247,215	170,125	168,627	585,967
<b>Financial liabilities at fair value</b>				
Derivative liabilities		337,806		337,806

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

**June 30, 2015**

(Unaudited)

**44. Risk Management, Continued****(3) Fair value risk, continued**

Changes of financial assets and liabilities which are classified as level 3 for the six-month period ended June 30, 2015 and for the year ended December 31, 2014 are as follows:

*In millions of won*

	<b>June 30, 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		5			168,632

*In millions of won*

	<b>December 31, 2014</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	171,304		(2,677)			168,627
Debt securities	14,655			(14,655)		

**45. Service Concession Arrangements****(1) 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.

**(2) 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.

**(3) The Company's expected future collections of service concession arrangements as of June 30, 2015 are as follows:**

<i>In millions of won</i>	
<b>Type</b>	<b>Amounts</b>
Less than 1 year	117,417
1 ~ 2 years	117,417
2 ~ 3 years	117,417
Over 3 years	459,883
	812,134

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**46. Related Parties****(1) Related parties of the Company as of June 30, 2015 are as follows:**

<b>Type</b>	<b>Related party</b>
Parent	Republic of Korea government
Subsidiaries  (76 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., Garorim Tidal Power Plant Co., Ltd., KEPCO International HongKong Ltd., KEPCO International Philippines Inc., KEPCO Gansu International Ltd., KEPCO Philippines Holdings Inc., KEPCO Philippines Corporation, KEPCO Ilijan Corporation, KEPCO Lebanon SARL, KEPCO Neimenggu International Ltd., KEPCO Shanxi International Ltd., KOMIPO Global Pte Ltd., KEPCO Canada Energy Ltd., KEPCO Netherlands B.V., KOREA Imouraren Uranium Investment Corp., KEPCO Australia Pty., Ltd., KOSEP Australia Pty., Ltd., KOMIPO Australia Pty., Ltd., KOWEPO Australia Pty., Ltd., KOSPO Australia Pty., Ltd. KEPCO Middle East Holding Company, Qatrania Electric Power Company, KHNP Canada Energy Ltd., KEPCO Bylong Australia Pty., Ltd., Korea Waterbury Uranium Limited Partnership, KEPCO Canada Uranium Investment Limited Partnership, Korea Electric Power Nigeria Ltd., KEPCO Holdings de Mexico, KST Electric Power Company, KEPCO Energy Service Company, KEPCO Netherlands S3 B.V., PT. KOMIPO Pembangunan Jawa Bali, PT. Cirebon Power Service, KOWEPO International Corporation, KOSPO Jordan LLC, EWP Philippines Corporation, EWP America Inc., EWP Renewable Co., DG Fairhaven Power, LLC, DG Kings Plaza, LLC, DG Whitefield, LLC, Springfield Power, LLC, KNF Canada Energy Limited, PT KEPCO Resource Indonesia, EWP Barbados 1 SRL, California Power Holdings, LLC, Gyeonggi Green Energy Co., Ltd., PT. Tanggamus Electric Power, Gyeongju Wind Power Co., Ltd., KOMIPO America Inc., EWPRC Biomass Holdings, LLC, KOSEP USA, INC., PT. EWP Indonesia,

	KOWEPO America LLC., KEPCO Netherlands J3 B.V., Korea Offshore Wind Power Co., Ltd., Global One Pioneer B.V., Global Energy Pioneer B.V., Mira Power Limited, KOSEP Material Co., Ltd., Commerce and Industry Energy Co., Ltd., KEPCO Singapore Holdings Pte., Ltd., KOWEPO India Private Limited, KEPCO KPS Philippines Corp., KOSPO Chile SpA., PT. KOWEPO Sumsel Operation And Maintenance Services, HeeMang Sunlight Power Co., Ltd.
Associates (52 associates)	Daegu Green Power Co., Ltd., Korea Gas Corporation, Korea Electric Power Industrial Development Co., Ltd., YTN Co., Ltd., Cheongna Energy Co., Ltd., Gangwon Wind Power Co., Ltd., Hyundai Green Power Co., Ltd., Korea Power Exchange, AMEC Partners Korea, 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., 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, S-Power Co., Ltd., Pioneer Gas Power Limited, Eurasia Energy Holdings, Xe-Pian Xe-Namnoy Power Co., Ltd., Busan Solar Co., Ltd., Hadong Mineral Fiber Co., Ltd., Green Biomass Co., Ltd., PT. Mutiara Jawa, Heang Bok Do Si Photovoltaic Power Co., Ltd., DS POWER Co., Ltd., Dongducheon Dream Power Co., Ltd., KS Solar Corp. Ltd., Yeongwol Energy Station Co., Ltd., Jinbhuvish Power Generation Pvt. Ltd., SE Green Energy Co., Ltd., Daegu Photovoltaic Co., Ltd., Jeongam Wind Power Co., Ltd., Korea Power Engineering Service Co., Ltd., Goseong Green Energy Co. Ltd., Naepo Green Energy Co., Ltd., Shin Pyeongtaek Power Co., Ltd., Gangneung Eco Power Co., Ltd., Noeul Green Energy Co., Ltd., Samcheok Eco Material Co., Ltd., Busan Green Energy Co., Ltd., Jungbu Bio Energy Co., Ltd.
Joint ventures (38 joint ventures)	KEPCO-Uhde Inc., Eco Biomass Energy Sdn. Bhd., Datang 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, KV Holdings, Inc., KEPCO SPC Power Corporation, Canada Korea Uranium Limited Partnership, KEPCO Energy Resource Nigeria Limited, Gansu Datang Yumen Wind Power Co., Ltd., Datang Chifeng Renewable Power Co., Ltd., Datang KEPCO Chaoyang Renewable Power Co., Ltd., Rabigh Electricity Company, Rabigh Operation & Maintenance Company, Jamaica Public Service Company Limited, KW Nuclear Components Co., Ltd., Busan Shinho Solar Power Co., Ltd., GS Donghae Electric Power Co., Ltd., Global Trade Of Power System Co., Ltd., Expressway Solar-light Power Generation Co., Ltd, KODE NOVUS 1 LLC., KODE NOVUS 2 LLC., Daejung Offshore Wind Power Co., Ltd., Amman Asia Electric Power Company, KEPCO-ALSTOM Power Electronics Systems, Inc., Dangjin Echo Power Co., Ltd., Honam Wind Power Co., Ltd., Nepal Water & Energy Development Company Pty Ltd., Kelar S.A, PT. Tanjung Power Indonesia, Incheon New Power Co., Ltd., Seokmun Energy Co., Ltd., Nghi Son 2 Power Ltd., Chun-cheon Energy Co., Ltd., Yeonggwangbaeksu Wind Power Co., Ltd.

Others

Korea Development Bank

- (2) **Transactions between the Company and its subsidiaries are eliminated during the consolidation and are not disclosed herein.**



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**46. Related Parties, Continued**

(3) **Related party transactions for the six-month periods ended June 30, 2015 and 2014 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>June 30, 2015</b>	<b>June 30, 2014</b>
<b>&lt;Associates&gt;</b>			
Daegu Green Power Co., Ltd.	Electricity sales	521	582
Dongducheon Dream Power Co., Ltd.	Rental income and others	7,317	6,872
Korea Gas Corporation	Electricity sales	44,730	40,530
Jeongam Wind Power Co., Ltd.	Electricity sales	5	5
Korea Power Engineering Service Co., Ltd.	Repairing expenses	1,138	
Yeongwol Energy Station Co., Ltd.	Service	407	2,519
KS Solar Co., Ltd.	Electricity sales	10	4
Heang Bok Do Si Photovoltaic Power Co., Ltd.	Electricity sales	1	
Korea Electric Power Industrial Development Co., Ltd.	Service	7,421	9,200
DS POWER Co., Ltd.	Service	57,754	38,506
Goseong Green Energy Co. Ltd.	Property sales	3,369	
Gangneung Eco Power Co., Ltd.	Service	2,113	
Shin Pyeongtaek Power Co., Ltd.	Service	1,048	
Naepo Green Energy Co., Ltd.	Electricity sales	33	
YTN Co., Ltd.	Electricity sales	932	6,250
Busan Green Energy Co., Ltd.	Electricity sales	1	
Cheongna Energy Co., Ltd.	Service	17,797	7,259
Gangwon Wind Power Co., Ltd.	Electricity sales	929	2,057
Hyundai Green Power Co., Ltd.	Design Service	12,068	12,197
Korea Power Exchange	Service	1,773	6,238
Hyundai Energy Co., Ltd.	Service	11,809	27,508

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Taebaek Wind Power Co., Ltd.	Service	455	332
Pyeongchang Wind Power Co., Ltd.	Design Service	57	22
Daeryun Power Co., Ltd.	Electricity sales	921	771
Changjuk Wind Power Co., Ltd.	Electricity sales	342	351
KNH Solar Co., Ltd.	Electricity sales	9	9
S-Power Co., Ltd.	Service	3,735	521
Busan Solar Co., Ltd.	Electricity sales	8	9
Green Biomass Co., Ltd.	Woodchip purchase	36	
SPC Power Corporation	Commission	1,360	
PT. Bayan Resources TBK	Service	73	
Xe-Pian Xe-Namnoy Power Co., Ltd.	Service	266	
<b>&lt;Joint ventures&gt;</b>			
KEPCO SPC Power Corporation	Service	14,366	5,954
Daejung Offshore Wind Power Co., Ltd.	Electricity sales	1	
KEPCO-ALSTOM Power Electronics Systems, Inc.	Service	597	502
Dangjin Echo Power Co., Ltd.	Technical fee	10	6
Honam Wind Power Co., Ltd.	Electricity sales	28	37
Seokmun Energy Co., Ltd.	Technical fee	496	
Incheon New Power Co., Ltd.	Construction Revenue	128	5,138
Chun-cheon Energy Co., Ltd.	Technical fee	672	
Yeonggwangbaeksu Wind Power Co., Ltd.	Electricity sales	143	
KW Nuclear Components Co., Ltd.	Service	1,582	367
GS Donghae Electric Power Co., Ltd.	Service	1,865	1,793
Busan Shinho Solar Power Co., Ltd.	Electricity sales	12	12
Global Trade Of Power System Co., Ltd.	Electricity sales		39
Datang Chifeng Renewable Power Co., Ltd.	Interest income	9,056	1,067
Rabigh Electricity Company	Electricity sales	259	
Rabigh Operation & Maintenance Company	Service		2,822
Shuweihaat Asia Operation & Maintenance Company	Dividend income	102	
Jamaica Public Service Company Limited	Repair Service	1,494	1,427
Amman Asia Electric Power Company	Service	26,692	6,456
Kelar S. A	Service	5,122	

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**46. Related Parties, Continued**

(3) **Related party transactions for the six-month periods ended June 30, 2015 and 2014 are as follows, continued:**

**<Purchase and Others>***In millions of won*

Company name	Transaction type	Purchase and others	
		June 30, 2015	June 30, 2014
<b>&lt;Associates&gt;</b>			
Daegu Green Power Co., Ltd.	Electricity sales	178,341	
Dongducheon Dream Power Co., Ltd.	Rental income and others	474,837	
Korea Gas Corporation	Purchase of power generation fuel	2,655,013	5,823,882
Daegu Photovoltaic Co., Ltd.	REC Purchase	1,229	1,849
Korea Power Engineering Service Co., Ltd.	Service	2,221	
Yeongwol Energy Station Co., Ltd.	REC Purchase	5,253	
KS Solar Energy Co., Ltd.	REC Purchase	3,639	1,741
Heang Bok Do Si Photovoltaic Power Co., Ltd.	Rental Fee and others	226	
Korea Electric Power Industrial Development Co., Ltd.	Electricity metering service fee	133,411	114,805
YTN Co., Ltd.	Advertisement fee	162	14
Gangwon Wind Power Co., Ltd.	Electricity purchase	13,451	14,796
Hyundai Green Power Co., Ltd.	Electricity purchase	223,476	244,214
Korea Power Exchange	Trading Fees	43,152	44,205
Hyundai Energy Co., Ltd.	Electricity purchase	1,117	1,806
Taebaek Wind Power Co., Ltd.	REC Purchase	4,276	7,014
Daeryun Power Co., Ltd.	Electricity sales	128,792	
Changjuk Wind Power Co., Ltd.	Electricity purchase	4,230	7,197

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KNH Solar Co., Ltd.	Electricity sales	3,445	2,818
S-Power Co., Ltd.	Service	345,482	
Busan Solar Co., Ltd.	Electricity sales	2,324	2,017
Green Biomass Co., Ltd.	Woodchip purchase	2,267	661
<b>&lt;Joint ventures&gt;</b>			
KEPCO-ALSTOM Power			
Electronics Systems, Inc.	Service	41,976	176
Honam Wind Power Co., Ltd.	Electricity purchase	3,618	2,385
Yeonggwangbaeksu Wind Power Co., Ltd.	Electricity purchase	334	
Busan Shinho Solar Power Co., Ltd.	REC Purchase	4,262	4,063
Global Trade Of Power System Co., Ltd.			
	Plant facility purchase	1	
Expressway Solar-light Power Co., Ltd.	Electricity purchase	1,880	1,917
Jamaica Public Service Company Limited	Service	46	54

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**46. Related Parties, Continued****(4) Receivables and payables arising from related party transactions as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>		<b>Receivables</b>		<b>Payables</b>	
<b>Company name</b>	<b>Type</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>	<b>June 30, 2015</b>	<b>December 31, 2014</b>
<b>&lt;Associates&gt;</b>					
Daegu Green Power Co., Ltd.	Trade receivables	84	90		
	Non-trade receivables and others	43			
	Trade payables			18,760	
Dongducheon Dream Power Co., Ltd.	Trade receivables	1,875	1,124		
Korea Gas Corporation	Trade receivables	6,538	8,746		
	Non-trade receivables and others	177	152		
	Trade payables			329,167	1,104,075
	Non-trade payables and others			302	
Jeongam Wind Power Co., Ltd.	Non-trade payables and others				1
Korea Power Engineering & Power Services Co., Ltd.	Non-trade payables and others			229	447
Yeongwol Energy Station Co., Ltd.	Trade receivables	7,043	7,060		
KS Solar Corp. Ltd.	Trade receivables	1	2		
	Trade payables			122	
	Non-trade payables and others				113
Korea Electric Power Industrial Development Co., Ltd.	Trade receivables	607	692		
		18	23		

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	Non-trade receivables and others				
	Trade payables			4,006	5,688
	Non-trade payables and others			12,177	22,507
DS Power Co., Ltd.	Trade receivables	100	46		
	Non-trade receivables and others		35,909		
	Non-trade payables and others			16,920	1
Goseong Green Energy Co. Ltd.	Non-trade payables and others			3,900	3,900
Gangneung Eco Power Co., Ltd.	Trade receivables	1			
Shin Pyeongtaek Power Co., Ltd.	Non-trade receivables and others	1,151	191		
Naepo Green Energy Co., Ltd.	Trade receivables	4	8		
YTN Co., Ltd.	Trade receivables	176	91		
	Non-trade payables and others			127	44
Cheongna Energy Co., Ltd.	Trade receivables	99	148		
	Non-trade receivables and others	17	5,073		
	Non-trade payables and others			389	
Gangwon Wind Power Co., Ltd.	Trade receivables	15	6		
	Trade payables			505	
	Non-trade payables and others				4,982
Hyundai Green Power Co., Ltd.	Trade receivables	398	837		
	Trade payables			35,373	
	Non-trade payables and others				43,417
Korea Power Exchange	Trade receivables	9,659	611		
	Trade payables			3,042	3,676
	Non-trade payables and others			1,046	1,360
Hyundai Energy Co., Ltd.	Trade receivables	34,858	30,186		
	Trade payables			86	
	Non-trade payables and others			8,489	8,649
Ecollite Co., Ltd.	Non-trade receivables and others	210			
Taebaek Wind Power Co., Ltd.	Trade receivables	98	104		
	Trade payables			85	
	Non-trade payables and others				862



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**46. Related Parties, Continued****(4) Receivables and payables arising from related party transactions as of June 30, 2015 and December 31, 2014 are as follows, continued:**

*In millions of won*

Company name	Type	Receivables		Payables	
		June 30, 2015	December 31, 2014	June 30, 2015	December 31, 2014
Pyeongchang Wind Power Co., Ltd	Non-trade receivables and others	158	306		
Daeryun Power Co., Ltd.	Trade receivables	170	150		
	Trade payables			11,660	
Changjuk Wind Power Co., Ltd.	Non-trade receivables and others	84	93		
	Trade payables			92	
	Non-trade payables and others				867
Busan Solar Co., Ltd.	Trade receivables	1	1		
	Trade payables			11	
	Non-trade payables and others			229	127
KNH Solar Co., Ltd.	Trade receivables	1	1		
	Trade payables			25	
S-Power Co., Ltd.	Trade receivables	174	213		
	Non-trade receivables and others	393	1,203		
	Trade payables			33,605	
	Non-trade payables and others				55,238
Green Biomass Co., Ltd.	Non-trade receivables and others	26			
	Non-trade payables and others			490	
SPC Power Corporation	Non-trade receivables and others		64		



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Pioneer Gas Power Limited	Non-trade receivables and others		214	
Xe-Pian Xe-Namnoy Power Co., Ltd.	Non-trade receivables and others		547	
<b>&lt;Joint ventures&gt;</b>				
KEPCO SPC Power Corporation	Trade receivables		2,519	
	Non-trade receivables and others	248	1,736	
KEPCO-ALSTOM Power Electronics Systems, Inc.	Non-trade receivables and others	653	668	
	Non-trade payables and others			25
Incheon New Power Co., Ltd.	Trade receivables	128	1,383	
Dangjin Echo Power Co., Ltd.	Non-trade receivables and others		1,955	
Honam Wind Power Co., Ltd.	Trade payables			112
	Non-trade payables and others			1,193
				2,481
Seokmun Energy Co., Ltd.	Non-trade receivables and others	1,143	1,101	
Chun-cheon Energy Co., Ltd.	Non-trade receivables and others	499		
Yeonggwangbaeksu Wind Power Co., Ltd.	Trade receivables	10		
	Non-trade receivables and others	133		
	Non-trade payables and others			334
KW Nuclear Components Co., Ltd.	Non-trade receivables and others		57	
GS Donghae Electric Power Co., Ltd.	Non-trade receivables and others	159	14,626	
	Non-trade payables and others			53
Busan Shinho Solar Power Co., Ltd.	Trade receivables	2	2	
	Trade payables			155
	Non-trade receivables and others			1,012
				1,516
Datang Chifeng Renewable Power Co., Ltd.	Trade receivables	457	511	
Jamaica Public Service Company Limited	Trade receivables	572	1,121	
	Non-trade receivables and others	432	303	
Amman Asia Electric Power Company	Trade receivables	8,621	11,171	



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**46. Related Parties, Continued****(5) Loans and others arising from related party transactions as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won*

Type	Company name	Beginning balance	Loans	Collection	Others	Ending balance
Joint ventures	KEPCO SPC Power Corporation	32,866		(2,528)	687	31,025
Joint ventures	Datang Chifeng Renewable Power Co., Ltd.	29,731		(3,716)	589	26,604
Joint ventures	Jamaica Public Service Company Limited	2,199			50	2,249
Associates	KNOC Nigerian East Oil Co., Ltd.					
	KNOC Nigerian West Oil Co., Ltd.	26,544			560	27,104
	Allowance for doubtful accounts	(16,884)			(298)	(17,182)
Associates	Rabigh Electricity Company	62,713		(13,117)	1,121	50,717
Associates	PT. Cirebon Electric Power	45,136	4,137		1,117	50,390
Associates	Xe-Pian Xe-Namnoy Power Co., Ltd.	1,413				1,413
		183,718	4,137	(19,361)	3,826	172,320

**(6) Borrowings arising from related party transactions as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won*

Related parties	Type	Beginning balance	Borrowings	Repayment	Ending balance
Korea Development Bank	Facility	1,552,600		(1,301,180)	251,420
	Others	7,178		(382)	6,796
	Operating funds	8,618	12,000	(8,618)	12,000

## (7) Guarantees provided to associates or joint ventures as of June 30, 2015 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 116,368	SMBC, The Export-import Bank of Korea and ADB
Korea Electric Power Corporation	Shuweihat Asia O&M Co., Ltd.	Performance guarantees	USD 11,000	ADWEA
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 Western Power Co., Ltd.		Collateralized money invested	KRW 48,353	
	Cheongna Energy Co., Ltd.	Guarantees for supplemental funding (*1)		Korea Exchange Bank, Hana Bank and others
Korea Western Power Co., Ltd.		Payment guarantees for business reserve	USD 2,500	
		Collateralized money invested	USD 23,481	
	Xe-Pian Xe-Namnoy Power Co., Ltd.	Guarantees for supplemental funding (*1)		Krung Thai Bank

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**46. Related Parties, Continued****(7) Guarantees provided to associates or joint ventures as of June 30, 2015 are as follows, continued:***In millions of won and thousands of foreign currencies*

<b>Primary guarantor</b>	<b>Secondary guarantor</b>	<b>Type of guarantees</b>	<b>Credit limit</b>		<b>Guarantee</b>
Korea Western Power Co., Ltd.	Rabigh O&M Co., Ltd.	Performance guarantees	SAR	4,800	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	Kookmin Bank
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	Shinhan Capital Co., Ltd. and 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	KT Capital Co., Ltd.
Korea East-West Power Co., Ltd.	Seokmun Energy Co., Ltd.	Guarantees for supplemental funding (*3)			Hanmaeum 2nd Securitization Co., Ltd.
Korea East-West Power Co., Ltd.		Collateralized money invested	KRW	14	
	Chun-cheon Energy Co., Ltd.	Guarantees for supplemental funding (*4)			Kookmin Bank and others
Korea East-West Power Co., Ltd.	Honam Wind Power Co., Ltd.	Collateralized money invested	KRW	3,480	Shinhan Bank and others
		Guarantees for supplemental			

Korea East-West Power Co., Ltd.		funding (*1) Collateralized money invested	KRW	204,000	
	GS-Donghae Electric Power Co., Ltd.	Guarantees for supplemental funding (*1)			Korea Development Bank and others
Korea East-West Power Co., Ltd.		Collateralized money invested	KRW	3,000	
	Yeonggwangbaeksu Wind Power Co., Ltd.	Guarantees for supplemental funding (*1)			Hyundai Marine & Fire Insurance Co., Ltd. and others
Korea East-West Power Co., Ltd.	PT. Tanjung Power Indonesia	Debt guarantees	USD	10,500	The Bank of Tokyo-Mitsubishi
Korea Southern Power Co., Ltd.		Collateralized money invested	KRW	1,296	
	KNH Solar Co., Ltd.	Performance guarantees and guarantees for supplemental funding (*1)			Shinhan Bank and Kyobo Life Insurance Co., Ltd.
Korea Southern Power Co., Ltd.		Collateralized money invested	KRW	25,477	
	Daeryun Power Co., Ltd.	Guarantees for supplemental funding (*1)			Korea Development Bank, Daewoo Securities Co., Ltd. and others

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**46. Related Parties, Continued****(7) Guarantees provided to associates or joint ventures as of June 30, 2015 are as follows, continued:***In millions of won and thousands of foreign currencies*

<b>Primary guarantor</b>	<b>Secondary guarantor</b>	<b>Type of guarantees</b>	<b>Credit limit</b>		<b>Guarantee</b>
Korea Southern Power Co., Ltd.	Changjuk Wind Power Co., Ltd.	Collateralized money invested Guarantees for supplemental funding (*1)	KRW	3,801	Shinhan Bank and Woori Bank
Korea Southern Power Co., Ltd.	Busan Solar Co., Ltd.	Collateralized money invested	KRW	793	Consus Asset Management Co., Ltd
Korea Southern Power Co., Ltd.	Daegu Green Power Co., Ltd.	Collateralized money invested Performance guarantees and guarantees for supplemental funding (*1)	KRW	76,193	Korea Exchange Bank and Kookmin Bank
Korea Southern Power Co., Ltd.	KS Solar Corp. Ltd.	Collateralized money invested	KRW	637	Shinhan Capital Co., Ltd.
Korea Southern Power Co., Ltd.	Kelar S.A.	Performance guarantees (*1)			Korea Exchange Bank, SMBC, and others
		Debt guarantees	USD	132,600	SMBC, MIZUHO, and others
Korea Southern Power Co., Ltd.	DS Power Co., Ltd.	Collateralized money invested Guarantees for supplemental funding (*1)	KRW	2,900	Korea Development Bank and Daewoo Securities Co., Ltd.

Korea Southern Power Co., Ltd.		Collateralized money invested	KRW	3,875	
	Pyoungchang Wind Power Co., Ltd.	Performance guarantees and guarantees for supplemental funding (*1)			Woori Bank and Shinhan Bank
Korea Southern Power Co., Ltd.	Taebaek Wind Power Co., Ltd.	Guarantees for supplemental funding (*1)			Shinhan Bank and Cheju Bank
KEPCO Engineering & Construction Company, Inc.		Collateralized money invested	KRW	15,000	
	DS Power Co., Ltd.	Performance guarantees and guarantees for supplemental funding (*1)			Korea Development Bank and Daewoo Securities Co., Ltd.
Korea Midland Power Co., Ltd.		Collateralized money invested	KRW	87,003	
	Hyundai Green Power Co., Ltd.	Guarantees for supplemental funding (*1)			Korea Development Bank and others
Korea Midland Power Co., Ltd.	PT. Cirebon Electric Power	Debt guarantees	USD	12,000	Nonghyup Bank
Korea Midland Power Co., Ltd.	PT. Wampu Electric Power	Performance guarantees			Hana Bank



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**46. Related Parties, Continued****(7) Guarantees provided to associates or joint ventures as of June 30, 2015 are as follows, continued:***In millions of won and thousands of foreign currencies*

<b>Primary guarantor</b>	<b>Secondary guarantor</b>	<b>Type of guarantees</b>	<b>Credit limit</b>		<b>Guarantee</b>
Korea Midland Power Co., Ltd.	Gangwon Wind Power Co., Ltd.	Collateralized money invested	KRW	7,410	IBK and others
Korea South-East Power Co., Ltd.		Collateralized money invested	KRW	35,925	
	Hyundai Energy Co., Ltd.	Performance guarantees and guarantees for supplemental funding (*1)			Korea Development Bank and others
Korea South-East Power Co., Ltd.	RES Technology AD	Collateralized money invested	KRW	15,595	Korea Development Bank and others
		Debt guarantees	EUR	4,271	
Korea South-East Power Co., Ltd.	ASM-BG Investicii AD	Collateralized money invested	KRW	16,101	Korea Development Bank and others
		Debt guarantees	EUR	4,175	
Korea South-East Power Co., Ltd.	Express solar-light Power. Generation Co., Ltd.	Guarantees for supplemental funding (*1)			Woori Bank
Korea South-East Power Co., Ltd.		Collateralized money invested	KRW	108,000	
	S-Power Co., Ltd.	Performance guarantees and guarantees for supplemental funding (*1)			Korea Development Bank and others
KOSEP USA, INC.	KODE NOVUS II LLC	Guarantees for supplemental			Korea Development Bank and others

KOSEP USA, INC.		funding (*1)			
	KODE NOVUS I LLC	Guarantees for supplemental funding (*1)			The Export-Import Bank of Korea and others
Korea Hydro & Nuclear Power Co., Ltd.	Yeongwol Energy Station Co., Ltd.	Collateralized money invested	KRW	1,400	Meritz Fire & Marine Insurance Co., Ltd.
KEPCO Plant Service & Engineering Co., Ltd.	Incheon New Power Co., Ltd.	Collateralized money invested Guarantees for supplemental funding (*1)	KRW	6,800	Shinhan Bank

(\*1) The Company guarantees to provide supplemental funding for business with respect to excessive business expenses or insufficient repayment of borrowings.

(\*2) According to the Project Financing Agreement ( Agreement ), if there is any capital increase in Dongducheon Dream Power Co., Ltd. by issuance of new stock after the date of the Agreement, the newly issued shares owned by the Company shall also be provided as a collateral for the Project Financing.

(\*3) The Company has an obligation to invest additional W15 billion to Seokmun Energy Co., Ltd. The obligation may be conducted through acquisition of new shares, converted shares or convertible bonds.

(\*4) The total amount of collateral limit is the amount of convertible bonds issued by the secondary guarantor. The primary guarantor has an obligation to acquire the converted shares up to un-invested balance when the secondary guarantor 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

**June 30, 2015**

(Unaudited)

**46. Related Parties, Continued****(8) Guarantees provided from related parties as of June 30, 2015 are as follows:**

<b>Primary guarantor</b>	<b>Secondary guarantor</b>	<b>Type of guarantees</b>	<b>Credit limit</b>
Korea Development Bank	Korea Electric Power Corporation	Debt guarantees	USD 195,175

**(9) Derivatives transactions with related parties as of June 30, 2015 are as follows:**

Currency Swap

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

<b>Counterparty</b>	<b>Contract year</b>	<b>Contract Amount</b>		<b>Contract interest rate per annum</b>		<b>Contract exchange rate</b>
		<b>Pay</b>	<b>Receive</b>	<b>Pay (%)</b>	<b>Receive (%)</b>	
Korea Development Bank	2015~2025	111,190	USD 100,000	2.62%	3.25%	1,111.90

Interest Rate Swap

*In millions of won*

<b>Counterparty</b>	<b>Contract year</b>	<b>Contract amount</b>	<b>Contract interest rate per annum</b>	
			<b>Pay (%)</b>	<b>Receive (%)</b>
Korea Development Bank	2012~2016	200,000	3.57%	3M CD + 0.26%
Korea Development Bank	2012~2016	50,000	3.49%	3M CD + 0.25%
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.

(10) Salaries and other compensations to the key members of management of the Company for the three and six-month periods ended June 30, 2015 and 2014 are as follows:

*In millions of won*

Type	June 30, 2015		June 30, 2014	
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
Salaries	499	694	191	384
Employee benefits	15	31	6	11
	514	725	197	395

#### 47. Non-Cash Transactions

Significant non-cash investing and financing transactions for the six-month periods ended June 30, 2015 and 2014 are as follows:

*In millions of won*

Transactions	June 30, 2015	June 30, 2014
Transfer from construction-in-progress to other assets	2,668,281	2,482,413
Recognition of asset retirement cost and related provision for decommissioning costs	1,139,232	141,358
Transfer from provision for disposal of spent nuclear fuel to accrued expenses	262,654	204,812

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**48. Commitments for Expenditure**

- (1) **The agreements for acquisition of property, plant and equipment as of June 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i> <b>Contracts</b>	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Amounts</b>	<b>Balance</b>	<b>Amounts</b>	<b>Balance</b>
Construction of Dangjin units	1,548,853	98,360	985,035	138,709
Construction of New Boryeong units	1,805,474	489,930	1,803,417	848,887
Construction of New Kori units	15,106,494	8,110,336	15,106,494	8,593,822
Construction of New Seoul units	586,493	525,522	586,493	543,475
Construction of New Uljin units	16,244,160	11,695,246	16,244,160	12,286,719
Construction of New Wolseong units	5,310,003	58,545	5,310,003	171,367
Construction of New Yeongheung units	674,469	3,889	836,708	46,962
Construction of New Yeosu units	482,757	92,724	495,368	255,973
Construction of Office Building (KOPEC)	215,479	11,403	213,216	45,694
Construction of Samcheok units	2,329,313	310,126	2,288,199	528,613
Construction of Sejong city cogeneration units	305,360	46,007	305,360	46,007
Construction of Taeon IGCC units	934,053	55,229	927,638	113,625
Construction of Taeon units	977,755	256,325	966,680	536,677
Construction of Andong units	40,960	4,749		
Other Purchase contracts	374,581	167,187	75,326	27,341
Purchase of Andong main machine	234,601		234,601	11,730
Purchase of cable (TR CNCE-W/AL,1C,400SQ) (unit price contract)	105,588		47,579	28,991
Purchase of Concrete Poles (10M, 350KGF)	123,888	44,717	77,209	
Purchase of Ulsan combined cycle power units	595,223	7,357	286,755	8,355
Purchase of Wonju cogeneration units	52,877	14,250	50,220	17,526
Purchase of Pyeongtak combined cycle power units			337,674	226
	48,048,380	21,991,901	47,178,135	24,250,700

**(2) As of June 30, 2015, details of contracts for inventory purchase are as follows:**

The Company imports all of its uranium ore concentrates from sources outside Korea (including the United States, United Kingdom, Kazakhstan, France, Russia, South Africa, Canada and Australia) which are paid for with currencies other than Won, primarily in U.S. dollars. In order to ensure stable supply, the Company entered into long-term and medium-term contracts with various suppliers, and supplements such supplies with purchases of fuels on spot markets. The long-term and medium-term contract periods vary among contractors and the stages of fuel manufacturing process. Contract prices for processing of uranium are generally based on market prices. Contract periods for ore concentrates, conversion, enrichment and design and fabrication are as follows:

<b>Type</b>	<b>Periods</b>	<b>Contracted amounts</b>
Concentrate	2015 ~ 2030	34,719 Ton U3O8
Transformed	2015 ~ 2022	17,238 Ton U
Enrichment	2015 ~ 2029	34,879 Ton SWU
Molded	2015 ~ 2022	1,852 Ton U

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**49. Contingencies and Commitments****(1) Ongoing litigations related with contingent liabilities and assets as of June 30, 2015 and December 31, 2014 are as follows:***In millions of won*

	<b>June 30, 2015</b>		<b>December 31, 2014</b>	
	<b>Number of cases</b>	<b>Claim amount</b>	<b>Number of cases</b>	<b>Claim amount</b>
As the defendant	747	476,830	669	637,749
As the plaintiff	176	433,171	164	460,965

The Company is the defendant against a number of claims. The following are potentially significant claims pertaining to the Company:

Hyundai Engineering & Construction Co., Ltd. ( Hyundai E&C ), SK Engineering & Construction Co., Ltd. and GS Engineering & Construction Co., Ltd. filed a law suit for increase in contract bill (formerly, amounted of 1,000 million) against Korea Hydro & Nuclear Co., Ltd. ( KHNP ) in September 2013, in accordance with the design changes on the plant construction of New Hanwool 1 & 2. Hyundai Engineering & Construction Co., Ltd. and two other companies submitted an application to demand extra contract payments due to the design change, and they are asking a total amount of 133,426 million from KHNP.

Due to the inherent uncertainties, the Company is not able to reliably estimate the amount of compensation and timing if any, that might be awarded to Hyundai E&C and two other companies. Consequently, it is not possible for the Company to make an estimate of the expected financial effect that will result from the ultimate resolution of a lawsuit. Therefore, the Company has not recognized any provision for the lawsuit.

In December 2013, the Supreme Court of Korea ruled that regular bonuses also fall under the category of ordinary wages on the condition that those bonuses are paid regularly and uniformly. The Supreme Court ruled, that employees shall not retroactively demand the difference in overtime pay as additional wages, in the event that the demand itself causes an unexpected increase in spending for their company, and thus lead the company to financial difficulty. In that case, the request is not acceptable, since it is unjust, and it is in breach of the principle of good faith.

Prior to the ruling of the Supreme Court, the Company determined wages in accordance with budget instructions from the Ministry of Strategy and Finance, which excluded bonuses from ordinary wages and was with the consent of the Company's labor unions. Any request for the retroactive demand for the difference in overtime pay as additional wages may be limited based on the principle of good faith.

The Korean Power Plant Industry Union and others filed lawsuits against the Company's six generation subsidiaries and KEPCO Plant Service & Engineering Co., Ltd. due to a dispute over the scope of ordinary wages.

On January 15, 2015, there was a court decision on ordinary wages of the labor union in Korea Southern Power Co., Ltd. According to the judgment, basic bonus, incentives, and part of the subsidies paid regularly, uniformly, and steadily are to be included in the ordinary wages, and as a result of the related lawsuit, it was concluded that this case does not violate the principle of good faith since no significant difficulty in management nor risk in the continuance and existence of the company were predicted. However, the Company appealed at a higher court on February 4, 2015.

In addition, on June 25, 2015, there was a court decision on a crossclaim of Korean Power Plant Industry Union against five generation subsidiaries including Korea South-East Power Co., Ltd., Korea Southern Power Co., Ltd., Korea Midland Power Co., Ltd., Korea Western Power Co., Ltd., and Korea East-West Power Co., Ltd. As a result of the related lawsuit, it was concluded that this case does not violate the principle of good faith since no significant difficulty in management nor risk in the continuance and existence of the Company was predicted. However, the Company appealed at a higher court on July 24, 2015.

The Company believes that the possibility of economic outflow is probable on the ongoing and the expected lawsuit. As a result, the Company recognized 168,690 million of other provision.



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**49. Contingencies and Commitments, Continued****(1) Ongoing litigations related with contingent liabilities and assets as of June 30, 2015 and December 31, 2014 are as follows, continued:**

Korea Hydro & Nuclear Power Co., Ltd., a subsidiary of the Company, adopted amendments to remuneration regulations and bylaws regarding basic bonuses in the year 2012. With respect to this, a lawsuit was filed in January 2015 (claim amount: 11,472 million) by employees against the Company for what they claim to be unpaid bonuses, which is derived from different interpretations of the remuneration regulations and bylaws applied to three-month working period from September to December 2011.

**(2) Guarantees of borrowings provided to other companies as of June 30, 2015 and December 31, 2014 are as follows:**

The Company has a borrowing of 22,500 million from Long Lasting Value ( LLV ) as of June 30, 2015. LLV obtains loans from major stockholders, such as Samsung Life Insurance, and lends the money to other third parties. The Company guarantees secured payments to the major stockholders of LLV, such as payment of principal, tax, commissions, etc., with a limit of 23,900 million.

In order to secure its status as a shareholder of Navanakom Electric Co., Ltd., the Company has signed a fund supplement contract. According to the contract, in case Navanakom Electric Co., Ltd. does not have sufficient funds for its operation or repayment of borrowings, the Company bears a payment obligation in proportion to its ownership.

**(3) Credit lines provided by financial institutions as of June 30, 2015 are as follows:**

*In millions of won and thousands of  
foreign currencies*

<b>Commitments</b>	<b>Financial institutions</b>	<b>Currency</b>	<b>Amount</b>
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Commitments on bank-overdraft	Nonghyup Bank and others	KRW	1,870,000
Commitments on bank-daylight overdraft	Nonghyup Bank and others	KRW	280,000
Limit amount available for CP	Korea Exchange Bank and others	KRW	950,000
Limit amount available for card	Hana Bank and others	KRW	57,078
	Banco de Oro	PHP	5,000
Certification of payment on payables from foreign country	Korea Development Bank and others	USD	408,175
Loan limit	The Export-Import Bank of Korea and others	KRW	525,250
	BNP Paribas and others	USD	2,568,059
Certification of payment on L/C	Woori Bank and others	USD	1,188,903
	Korea Exchange Bank and others	EUR	3,100
	Kookmin bank	JPY	8,677,652
	Korea Exchange Bank	GBP	61,169
Certification of performance guarantee on contract	Seoul Guarantee Insurance and others	KRW	273,226
	Standard Chartered Bank and others	USD	746,937
	Kookmin Bank	EUR	22,249
	Hana Bank	INR	236,443
	Kathmandu Bank	NPR	32,633
Certification of bidding	SMBC and others	USD	10,200
Advance payment bond, Warranty bond, Retention bond and others	Shinhan Bank	EUR	55
	Nonghyup Bank and others	USD	163,392
	Kathmandu Bank and others	NPR	108,926
	Hana Bank	INR	157,830
Others	Korea Exchange Bank and others	KRW	11,250
	Korea Exchange Bank and others	SAR	82,700
	Shinhan Bank and others	USD	189,863
Inclusive credit	Korea Exchange Bank	KRW	501,500
	Shinhan Bank	INR	47,489
	HSBC and others	USD	645,135
Trade finance	BNP Paribas and others	USD	600,000

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

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**June 30, 2015**

(Unaudited)

**49. Contingencies and Commitments, Continued**

(4) The Company voluntarily suspended operations of the Gangneung hydroelectric generating plant, with a carrying amount of 104,577 million, to improve the quality of water used in generating electricity. The expenses related to the depreciation on the utility plant of 3,332 million and suspension of operations amounting to 306 million are charged to other expenses for the six-month period ended June 30, 2015.

(5) As of June 30, 2015, the blank check and assets provided as collaterals or pledges to financial institutions by the Company are follows:

*In millions of won and thousands of foreign currencies*

Guarantor	Guarantee	Type of guarantee	Currency	Amount	Description
KEPCO Nuclear Fuel Co., Ltd.	Korea Resources Corporation	Blank check	KRW		Collateral for project loan
Korea East-West Power Co., Ltd.	Korea Development Bank and others	All shareholdings of Gyeongju Wind Power Co., Ltd.	KRW	9,240	Collateral for borrowings
Korea Hydro & Nuclear Power Co., Ltd.	Korea Development Bank and others	All shareholdings of Gyeonggi Green Energy Co., Ltd.	KRW	47,000	Collateral for borrowings
Korea Midland Power Co., Ltd.	Hana Bank and others	All shareholdings of Commerce and Industry Energy Co., Ltd.	KRW	13,605	Collateral for borrowings
KEPCO KDN Co., Ltd.	Hana Bank	Cash and cash equivalents	KRW	740	Collateral for borrowings
Gyeonggi Green Energy Co., Ltd.	Korea Development Bank and others	Factory estate and others	KRW	327,080	Providing guarantees (*)
Commerce and Industry Energy Co., Ltd.		Land, buildings, structures and machinery	KRW	89,115	Collateral for borrowings
	Hana Bank and others	Cash and cash equivalents	KRW	9,180	
			KRW	14,491	

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Gyeongju Wind Power Co., Ltd.	Korea Development Bank and others	Existing or expected trade receivables Cash and cash equivalents	KRW	6,194	Collateral for borrowings
		Property, plant and equipment and others	KRW	35,386	
Qatrana Electric Power Company	The Islamic Development Bank and others	Finance Lease receivable and others	JOD	46,213	Collateral for borrowings
KST Electric Power Company	Scotiabank Inverlat, S.A.	Finance Lease receivable and others	USD	330,000	Collateral for borrowings

(\*) The Company provided to the financial institutions the shares of Gyeonggi Green Energy Co., Ltd., one of its subsidiaries, as collateral related to long-term borrowings. Additionally, pledge for shares, pledge for transfer of rights of long-term borrowings, pledge for insurance claims and other pledges were established.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**50. Subsequent Events**

- (1) **Subsequent to the June 30, 2015, subsidiaries of the Company, Korea Southern Power Co., Ltd. and Korea Western Power Co. Ltd., issued new debt securities for funding facilities and operations as follows:**

*In millions of won*

Company Name	Type	Interest rate	Issued date	Maturity	Amounts
Korea Southern Power Co., Ltd.	34-1 <sup>st</sup> Unsecured bond	1.91%	2015.07.02	2018.07.02	70,000
	34-2 <sup>nd</sup> Unsecured bond	2.30%	2015.07.02	2020.07.02	130,000
	34-3 <sup>rd</sup> Unsecured bond	2.66%	2015.07.02	2025.07.02	120,000
Korea Western Power Co., Ltd.	28 <sup>th</sup> Unsecured bond	2.27%	2015.07.17	2020.07.17	80,000
	Short-term borrowings	1.61%	2015.07.23	2015.10.22	20,000
		1.61%	2015.07.23	2015.10.22	50,000
		1.61%	2015.07.23	2015.10.22	130,000
		1.61%	2015.07.23	2015.10.22	20,000

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**June 30, 2015**

(Unaudited)

**51. Adjusted Operating Profit**

The operating profit in the Company's consolidated statements of comprehensive income (loss) prepared in accordance with K-IFRS included in this report differs from that in its consolidated statements of comprehensive income (loss) prepared in accordance with IFRS as issued by IASB. The table below sets forth a reconciliation of the Company's results from operating activities as presented in the Company's consolidated statements of comprehensive income prepared in accordance with K-IFRS for each of the three and six-month periods ended June 30, 2015 and 2014 to the operating profit or income as presented in the Company's consolidated statements of comprehensive income (loss) prepared in accordance with IFRS as issued by IASB for each of the corresponding years.

*In millions of won*

	June 30, 2015		June 30, 2014	
	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
<b>Operating profit on the statement of comprehensive Income (loss)</b>	2,087,984	4,327,850	829,240	2,056,317
<b>Add</b>				
Other income				
Reversal of other provisions	5,076	6,734	1,782	3,842
Reversal of allowance for doubtful accounts			14	14
Gains on assets contributed	880	3,092		20
Gains on liabilities exempted	34	2,371	18	800
Compensation and reparations revenue	34,319	86,856	10,475	21,391
Electricity infrastructure development fund	220	363	12,997	14,955
Revenue from research contracts	1,394	4,531	2,651	3,026
Rental income	47,528	95,786	42,787	91,268
Others	6,879	13,962	4,234	10,365
<b>Other profit</b>				
Gains on disposal of property, plant and equipment	78,854	96,769	25,092	32,508
Gains on disposal of intangible assets	32	32		
Gains on foreign currency translation	1,823	2,984	2,994	5,501
Gains on foreign currency transaction	10,999	19,798	14,994	25,908

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Gains on insurance	25	25	3,046	3,046
Other profits	26,786	78,513	39,285	92,191
<b>Deduct</b>				
<b>Other expense</b>				
Accretion expenses of other provisions	(272)	(316)	(24)	(129)
Depreciation expenses on investment properties	(185)	(347)	(234)	(417)
Depreciation expense on idle assets	(1,666)	(3,332)	(1,667)	(3,330)
Other bad debt expense	(5,168)	(12,983)	(5,801)	(17,671)
Donations	(4,742)	(17,162)	(2,822)	(9,849)
Others	(4,947)	(5,977)	(3,750)	(5,961)
<b>Other loss</b>				
Losses on disposal of property, plant and equipment	(28,689)	(41,044)	(7,197)	(10,141)
Losses on disposal of intangible assets		(5)	(17)	(17)
Impairment loss on property, plant and equipment	(1,205)	(1,205)		
Losses on foreign currency translation	(3,472)	(9,978)	(3,812)	(5,431)
Losses on foreign currency transaction	(23,864)	(35,632)	(11,202)	(24,878)
Other losses	(14,048)	(37,122)	(13,788)	(28,210)
<b>Adjusted operating profit</b>	<b>2,214,575</b>	<b>4,574,563</b>	<b>939,295</b>	<b>2,255,118</b>