

KOREA ELECTRIC POWER CORP

Form 6-K

December 29, 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 December 2015

Commission File Number: 001-13372

KOREA ELECTRIC POWER CORPORATION

(Translation of registrant's name into English)

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

(Address of principal executive offices)

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

Form 20-F

Form 40-F

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

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

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

Yes

No

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

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

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QUARTERLY BUSINESS REPORT

(For the period from January 1, 2015 to September 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, 58217, Korea

(Phone number) 82-61-345-4261

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

3. Major businesses

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

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

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

4. Subsidiaries and affiliates of KEPCO

(As of September 30, 2015)

Classification	Consolidated subsidiaries	Associates and joint ventures	Total
Domestic	17	55	72
Overseas	60	37	97
Total	77	92	169

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5. Major changes in management for nine-month period ended September 30, 2015

A. 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 term of office expired, and Mr. Sung, Tae-Hyun, a non-standing director, was appointed as a member of the audit committee.

B. At the extraordinary general meeting of shareholders of KEPCO held on August 27, 2015, Mr. Hyun, Sang-Kwon, Mr. Kim, Si-Ho, Mr. Park, Sung-Chul were elected as standing directors of KEPCO, in lieu of Mr. Kim, Byung-Sook and Mr. Park, Kyu-Ho whose term of office expired.

C. On August 6, 2015, Mr. Kim, Joo-Sun, Mr. An, Hyun-Ho were appointed as non-standing directors of KEPCO, in lieu of Mr. Jung, Hae-Joo whose term of office expired.

6. Information regarding KEPCO shares

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

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

(Total number of shares authorized 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 nine-month periods ended September 30, 2014 and 2015

(In billions of Won)

	January to September 2014		January to September 2015	
	Sales	Operating profit	Sales	Operating profit
Electricity sales	42,670	1,158	43,914	4,228
Nuclear generation	7,188	2,403	7,383	2,363
Thermal generation	18,955	1,233	16,099	1,834
Others ^(*)	2,176	280	2,219	262
Subtotal	70,989	5,074	69,615	8,687
Adjustment for related- party transactions	-28,420	-156	-25,349	-19
Total	42,569	4,918	44,266	8,668

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

(*)

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Others relate to 77 subsidiaries including KEPCO E&C, KEPCO KPS, KEPCO NF and KEPCO KDN, among others.

Sales and operating profit reflect 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			Jan. to Dec.	Jan. to Sept.
sector	Company		2014	2015
Electricity sold to end users	Residential		125.14	125.05
	Commercial		129.75	130.76
	Educational		114.15	113.55
	Industrial	KEPCO	106.83	107.11
	Agricultural		47.31	47.56
	Street lighting		113.39	115.81
	Overnight usage		67.33	66.77
Electricity sold to KEPCO	Nuclear Generation	KHNP	59.23	61.62
		KOSEP	67.96	70.30
		KOMIPO	99.24	86.10
	Thermal generation	KOWEPO	99.34	88.36
		KOSPO	108.67	104.48
		EWP	91.18	82.88

3. Electricity purchased from generation companies for nine-month period ended September 30, 2015

Company	Volume (MWh)	Expense (In billions of Won)
KHNP	118,162,495	7,290
KOSEP	51,243,120	3,487
KOMIPO	33,455,784	2,884
KOWEPO	35,188,166	3,111
KOSPO	36,324,258	3,258
EWP	35,067,914	2,907
Others	67,291,241	8,196
Total	376,732,978	31,133

Excludes expense related to the Renewable Portfolio Standard provisions.

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4. Intellectual property as of September 30, 2015

	Patents		Utility	Designs	Trademarks		Total
	Domestic	Overseas	models		Domestic	Overseas	
Number of registrations	5,347	686	866	168	347	65	7,479

III. Financial Information

1. Condensed consolidated financial results as of and for nine-month periods ended September 30, 2014 and 2015

(In billions of Won)

	Consolidated statements of financial position				Consolidated statements of comprehensive income		
	Dec. 31, 2014	Sept. 30, 2015	Change (%)		Jan. to Sept. 2014	Jan. to Sept. 2015	Change (%)
	Total assets	163,708	174,978		6.9	Sales	42,569
Total liabilities	108,883	108,593	n/m	Operating profit	4,918	8,668	76.3
Total equity	54,825	66,385	21.1	Net income	2,322	11,841	410.0

(.) n/m means not meaningful.

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

(In billions of Won)

	Separate statements of financial position				Separate statements of comprehensive income		
	Dec. 31, 2014	Sept. 30, 2015	Change (%)		Jan. to Sept. 2014	Jan. to Sept. 2015	Change (%)
	Total assets	99,719	106,859		7.2	Sales	42,670
Total liabilities	56,338	53,838	n/m	Operating profit	1,158	4,228	265.0
Total equity	43,381	53,032	22.2	Net income	647	9,992	1,443.6

(.) n/m means not meaningful.

Table of Contents**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 the 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-nine month period ended September 30, 2015

Number of meetings	Number of agendas	Classification			
		Resolutions	Results Approved as proposed	Reports	Results Accepted as reported
9	34	21		11	

* The Audit Committee held 6 meetings with 24 agendas (of which, 13 were approved as proposed and 11 were approved as reported).

* Pursuant to the Public Agency Management Act, 2 agendas of the meeting of the board of directors were decided not to be disclosed considering its confidentiality.

3. Major activities of the Board of Directors for nine-month period ended September 30, 2015

Date	Agenda	Results	Type
January 16, 2015	Report on regional cooperation businesses 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 for 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
		Accepted as reported	Report

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Report on internal control over financial reporting for the fiscal year 2014

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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Date	Agenda	Results	Type
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 amend management guidelines for technical development fund	Approved as proposed	Resolution
May 15, 2015	Approval to establish and finance a Special Purpose Company to make Ulleungdo eco-friendly energy and self-sufficient	Approved as proposed	Resolution
	Approval of establishment and investment for a local subsidiary to conduct the Fujiej 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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Date	Agenda	Results	Type
July 17, 2015	Approval to close the shareholders registry for extraordinary general shareholders meeting	Approved as proposed	Resolution
	Approval to call for the extraordinary general meeting of shareholders for the fiscal year 2015	Approved as proposed	Resolution
	Approval to ^{oo}	-	-
August 21, 2015	Amendments on the regulation for remuneration and welfare	Approved as proposed	Resolution
	Report on results of external and internal audits for the second quarter of 2015	Accepted as reported	Report
	Report on the earnings results for the first half of fiscal year 2015	Accepted as reported	Report
	Report on ^{oo}	-	-
	Report on plan to implement recommendations on salary peak system relating to public companies	Accepted as reported	Report
September 23, 2015	Mid-to-long term management target (2016-2020)	Approved as proposed	Resolution
	Report on revisions to the mid-to-long financial management plan (2015-2019)	Accepted as reported	Report

4. Major activities of the Audit Committee

Date	Agenda	Results	Type
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
	Report on evaluation of internal control over financial reporting for the fiscal year 2014	Accepted as reported	Report
	Education plans of 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 consolidated 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

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Date	Agenda	Results	Type
April 16, 2015	Approval of selection of independent auditors of consolidated 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. Securities and Exchange Commission	Accepted as reported	Report
May 15, 2015	Amendments on the Charter of Ethics and the Code of Conduct	Approved as proposed	Resolution
	Amendments on guidelines for disciplinary actions	Approved as proposed	Resolution
	Prior approval for non-audit service for consolidated 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
August 21, 2015	Auditor's report on the agendas for the extraordinary general meeting of shareholders	Approved as proposed	Resolution
	Amendments to guidelines for internal audit regulations	Approved as proposed	Resolution
	Prior approval for non-audit services for consolidated subsidiaries by independent auditors	Approved as proposed	Resolution
	Guidelines on actual expense disbursement for independent auditors pursuant to the relocation of headquarters	Approved as proposed	Resolution
	Independent auditor's report on the auditing results for both non-consolidated and consolidated financial statements for the first half of fiscal year 2015	Accepted as reported	Report
	Report on results of external and internal audits in the second quarter of 2015	Accepted as reported	Report
September 23, 2015	Amendments to the guidelines for disciplinary actions	Approved as proposed	Resolution
	Amendments to code of conduct for employees	Approved as proposed	Resolution

The audit department, which is supervised by the Audit Committee, conducts internal audit over KEPCO 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 November 2, 2015

		Number of shareholders	Shares owned	Percentage of total (%)
Government of the Republic of Korea		1	116,841,794	18.20
Korea Development Bank		1	211,235,264	32.90
Subtotal		2	328,077,058	51.10
National Pension Service		1	44,445,165	6.93
Public	Common shares	1,537	164,849,970	25.68
	American depository shares			
(non-Koreans)	(ADS)	1	35,181,333	5.48
Public	Corporate	1,434	49,929,654	7.78
	(Koreans)			
	Individual	344,148	19,480,897	3.03
Total		347,123	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 each represents one-half of one share of common stock.

VI. Directors and employees as of and for the nine-month periods ended September 30, 2015 (KEPCO Only)

1. Directors

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(In thousands of Won)

Type	Number of directors	Total remuneration	Average remuneration per person
Standing director	7	1,070,027	152,861
Non-standing director	8	154,087	19,261
Total	15	1,224,114	81,608

2. Employees

(In thousands of Won)

Type	Number of employees			Average continuous service year	Total salaries	Average salaries per person
	Regular	Non-regular	Total			
Male	16,344	254	16,598	19.6	985,805,164	59,388
Female	3,467	129	3,596	14.1	151,540,311	42,141
Total	19,811	383	20,194	18.6	1,137,345,475	56,321

VII. Other Information Necessary for the Protection of Investors

1. Summary of the general meeting of shareholders for the nine-month periods ended September 30, 2015

Type	Agenda	Results
Annual General Meeting held on March 31, 2015	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
	Election of a standing director: Mr. Chang, Jae-Won	Approved as proposed
Extraordinary General Meeting held on August 27, 2015	Appointment of a non-standing director as a member of the Audit Committee: Mr. Sung, Tae-Hyun	Approved as proposed
	Election of three standing directors:	
	A. Mr. Hyun, Sang-Kwon	Approved as proposed
	B. Mr. Kim, Si-Ho	Approved as proposed
	C. Mr. Park, Sung-Chul	Approved as proposed

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2. Pending legal proceedings as of September 30, 2015

(In billions of Won)

Type	Number of lawsuits	Amount claimed
Lawsuits where KEPCO and its subsidiaries are engaged as the defendants	779	501
Lawsuits where KEPCO and its subsidiaries are engaged as the plaintiffs	183	366

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SIGNATURES

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

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

Date: December 28, 2015

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Financial Statements

September 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 September 30, 2015, the consolidated statements of comprehensive income for the three and nine-month periods ended September 30, 2015 and 2014, changes in equity and cash flows for the nine-month periods ended September 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

November 13, 2015

This report is effective as of November 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 September 30, 2015 and December 31, 2014

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	September 30, 2015	December 31, 2014
Assets			
Current assets			
Cash and cash equivalents	5,6,7,44	5,174,398	1,796,300
Current financial assets, net	5,10,11,12,44	5,612,082	176,428
Trade and other receivables, net	5,8,14,20,44,46	6,536,781	7,697,862
Inventories, net	13	4,857,894	4,537,469
Income tax refund receivables	40	8,429	18,475
Current non-financial assets	15	418,739	502,511
Assets held-for-sale	41	64,442	2,090,810
Total current assets		22,672,765	16,819,855
Non-current assets			
Non-current financial assets, net	5,6,9,10,11,12,44	2,648,289	2,040,921
Non-current trade and other receivables, net	5,8,14,44,46	1,868,355	1,724,357
Property, plant and equipment, net	18,27,48	140,169,100	135,812,499
Investment properties, net	19,27	235,501	317,264
Goodwill	16	2,582	2,582
Intangible assets other than goodwill, net	21,27	791,318	821,060
Investments in associates	4,17	4,482,814	4,341,830
Investments in joint ventures	4,17	1,323,588	1,166,894
Deferred tax assets	40	651,208	526,934
Non-current non-financial assets	15	132,033	134,093
Total non-current assets		152,304,788	146,888,434
Total assets	4	174,977,553	163,708,289

(Continued)

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Financial Position, Continued

As of September 30, 2015 and December 31, 2014

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	September 30, 2015	December 31, 2014
Liabilities			
Current liabilities			
Trade and other payables, net	5,22,24,44,46	4,394,022	6,128,604
Current financial liabilities, net	5,11,23,44,46	7,754,439	7,162,372
Income tax payables	40	1,712,342	570,550
Current non-financial liabilities	20,28,29	6,567,059	6,464,356
Current provisions	26,44	1,519,950	1,274,186
Total current liabilities		21,947,812	21,600,068
Non-current liabilities			
Non-current trade and other payables, net	5,22,24,44,46	3,946,523	3,806,735
Non-current financial liabilities, net	5,11,23,44,46	53,083,932	55,999,761
Non-current non-financial liabilities	28,29	7,041,802	6,946,410
Employee benefits liabilities, net	25,44	1,661,042	1,277,415
Deferred tax liabilities	40	8,093,434	5,723,880
Non-current provisions	26,44	12,817,943	13,529,010
Total non-current liabilities		86,644,676	87,283,211
Total liabilities	4	108,592,488	108,883,279
Equity			
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		21,294,501	10,699,378

		46,619,578	35,303,647
Other components of equity	33		
Other capital surpluses		1,198,615	1,151,402
Accumulated other comprehensive loss		(59,488)	(202,269)
Other equity		13,294,973	13,294,973
		14,434,100	14,244,106
Equity attributable to owners of the Company		65,107,256	53,601,331
Non-controlling interests	16,32	1,277,809	1,223,679
Total equity		66,385,065	54,825,010
Total liabilities and equity		174,977,553	163,708,289

See accompanying notes to the consolidated interim financial statements.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Comprehensive Income

For the three and nine-month periods ended September 30, 2015 and 2014

(Unaudited)

In millions of won, except per share information

	<i>Note</i>	September 30, 2015		September 30, 2014	
		Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
Sales	4,34,44,46				
Sales of goods		14,318,121	40,815,596	13,993,156	39,896,758
Sales of services		128,205	344,576	112,556	320,020
Sales of construction services	20	928,789	2,825,874	713,076	2,091,045
Revenue related to transfer of assets from customers		94,840	279,594	88,755	261,666
		15,469,955	44,265,640	14,907,543	42,569,489
Cost of sales	13,25,42,46				
Cost of sales of goods		(9,594,472)	(31,043,619)	(10,789,119)	(33,989,614)
Cost of sales of services		(119,289)	(323,993)	(169,994)	(313,665)
Cost of sales of construction services		(893,171)	(2,692,788)	(647,216)	(1,949,359)
		(10,606,932)	(34,060,400)	(11,606,329)	(36,252,638)
Gross profit		4,863,023	10,205,240	3,301,214	6,316,851
Selling and administrative expenses	25,35,42,46	(522,931)	(1,537,298)	(439,583)	(1,398,903)
Operating profit	4,51	4,340,092	8,667,942	2,861,631	4,917,948
Other non-operating income	36	100,257	313,952	77,609	223,290
Other non-operating expense	36	(18,796)	(58,913)	(13,457)	(50,814)
Other gains, net	13, 37	8,538,361	8,611,496	20,792	111,269
Finance income	5,11,38	814,145	1,262,518	429,866	465,875
Finance expenses	5,11,39	(1,263,201)	(2,713,366)	(1,021,442)	(2,184,441)
	4,17				

Profit related to associates, joint ventures and subsidiaries

Share in profit of associates and joint ventures		(6,422)	239,785	22,846	207,924
Gain on disposal of investments in associates, joint ventures and subsidiaries	16	100	5,966	46,087	92,068
Share in loss of associates and joint ventures		(30,213)	(63,254)	(36,696)	(63,744)
Loss on disposal of investments in associates and joint ventures				(924)	(1,030)
Impairment loss on investments in associates and joint ventures					(1,558)
		(36,535)	182,497	31,313	233,660
Profit before income tax		12,474,323	16,266,126	2,386,312	3,716,787
Income tax expense	40	(3,197,939)	(4,424,741)	(817,263)	(1,394,955)
Profit for the period		9,276,384	11,841,385	1,569,049	2,321,832

(Continued)

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Comprehensive Income, Continued

For the three and nine-month periods ended September 30, 2015 and 2014

(Unaudited)

In millions of won, except per share information

	<i>Note</i>	September 30, 2015	September 30, 2014		
		Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
Other comprehensive income (loss)	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	(73,697)	(106,882)	(17,482)	(78,190)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	31	(225)	1,005	(900)	(2,917)
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	(42,592)	(19,687)	19,890	(20,605)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	5,11,33	18,069	(3,291)	(24,258)	(58,171)
Foreign currency translation of foreign operations, net of tax	33	61,045	45,083	(1,958)	(100,423)
Share in other comprehensive income of associates and joint ventures, net of tax	33	108,527	143,449	112,724	31,035
Other comprehensive income (loss), net of tax		71,127	59,677	88,016	(229,271)
Total comprehensive income for the period		9,347,511	11,901,062	1,657,065	2,092,561
Profit attributable to:					
Owners of the Company	43	9,229,740	11,735,006	1,547,434	2,234,448
Non-controlling interests		46,644	106,379	21,615	87,384

	9,276,384	11,841,385	1,569,049	2,321,832
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**Total comprehensive income
attributable to:**

Owners of the Company	9,287,904	11,779,694	1,641,444	2,019,501
Non-controlling interests	59,607	121,368	15,621	73,060

	9,347,511	11,901,062	1,657,065	2,092,561
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Earnings per share

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Basic and diluted earnings per share	14,377	18,280	2,483	3,586
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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 nine-month periods ended September 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			
Balance at January 1, 2014	4,053,578	32,766,086	13,440,004	50,259,668	1,191,068	51,450,736
Total comprehensive income (loss) for the period						
Profit for the period		2,234,448		2,234,448	87,384	2,321,832
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of defined benefit liability, net of tax		(66,505)		(66,505)	(11,685)	(78,190)
Share in other comprehensive loss of associates and joint ventures, net of tax		(2,917)		(2,917)		(2,917)
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			(20,610)	(20,610)	5	(20,605)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			(54,931)	(54,931)	(3,240)	(58,171)
Foreign currency translation of foreign operations, net of tax			(100,465)	(100,465)	42	(100,423)
			30,481	30,481	554	31,035

Share in other comprehensive income of associates and joint ventures, net of tax						
Transactions with owners of the Company, recognized directly in equity						
Dividends paid	(56,074)		(56,074)	(129,681)	(185,755)	
Issuance of share capital by subsidiaries				6,545	6,545	
Equity transaction within consolidated scope		138,972	138,972	37,991	176,963	
Changes in consolidated scope other than issuance of share capital				(4,367)	(4,367)	
Dividends paid (hybrid securities)				(12,350)	(12,350)	
Balance at September 30, 2014	4,053,578	34,875,038	13,433,451	52,362,067	1,162,266	53,524,333

(Continued)

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Changes in Equity, Continued

For the nine-month periods ended September 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			
Balance at January 1, 2015	4,053,578	35,303,647	14,244,106	53,601,331	1,223,679	54,825,010
Total comprehensive income (loss) for the period						
Profit for the period		11,735,006		11,735,006	106,379	11,841,385
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of defined benefit liability, net of tax		(99,098)		(99,098)	(7,784)	(106,882)
Share in other comprehensive income of associates and joint ventures, net of tax		1,005		1,005		1,005
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			(19,687)	(19,687)		(19,687)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			(2,707)	(2,707)	(584)	(3,291)
Foreign currency translation of foreign operations, net of tax			21,723	21,723	23,360	45,083
Share in other comprehensive income (loss) of associates and joint			143,452	143,452	(3)	143,449

ventures, net of tax

**Transactions with owners
of the Company,
recognized directly in
equity**

Dividends paid	(320,982)		(320,982)	(74,501)	(395,483)	
Issuance of share capital by subsidiaries		2,858	2,858	11,560	14,418	
Equity transaction within consolidated scope		44,355	44,355	9,811	54,166	
Changes in consolidated scope other than issuance of share capital				(1,547)	(1,547)	
Dividends paid (hybrid securities)				(12,341)	(12,341)	
Others				(220)	(220)	
Balance at September 30, 2015	4,053,578	46,619,578	14,434,100	65,107,256	1,277,809	66,385,065

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 nine-month periods ended September 30, 2015 and 2014

(Unaudited)

<i>In millions of won</i>	September 30, 2015	September 30, 2014
Cash flows from operating activities		
Profit for the period	11,841,385	2,321,832
Adjustments for:		
Income tax expense	4,424,741	1,394,955
Depreciation	6,075,711	5,723,875
Amortization	54,729	58,171
Employee benefit expense	231,544	258,799
Bad debt expense	8,595	50,858
Interest expense	1,560,825	1,786,901
Loss on sale of financial assets	2,983	721
Loss on disposal of property, plant and equipment	1,506	631
Loss on abandonment of property, plant, and equipment	239,823	206,556
Impairment loss on property, plant and equipment	6,473	11,774
Impairment loss on intangible assets	12	11
Loss on disposal of intangible assets	5	18
Accretion expense to provisions, net	1,141,296	755,777
Loss (gain) on foreign currency translation, net	888,986	(66,474)
Valuation and transaction loss (gain) on derivative instruments, net	(881,590)	227,706
Share in profit of associates and joint ventures, net	(176,531)	(144,180)
Gain on sale of financial assets	(4)	(35,730)
Gain on disposal of property, plant and equipment	(8,618,259)	(49,735)
Gain on disposal of intangible assets	(32)	(4)
Gain on disposal of investments in associates, joint ventures and subsidiaries	(5,966)	(91,038)
Impairment loss on investments in associates and joint ventures		1,558
Interest income	(165,361)	(142,630)
Dividend income	(7,153)	(13,806)
Impairment loss on available-for-sale securities	28,493	42,104
Others, net	2,755	(42,490)
	4,813,581	9,934,328
Changes in:		
Trade receivables	1,480,829	1,070,100
Non-trade receivables	(40,193)	124,620

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Accrued income	63,865	(92,560)
Other receivables	(9,068)	4,158
Other current assets	(115,802)	65,796
Inventories	(762,084)	(851,687)
Other non-current assets	(30,057)	(32,432)
Trade payables	(1,646,456)	(1,267,018)
Non-trade payables	(153,191)	199,985
Accrued expenses	(373,400)	(148,370)
Other current liabilities	1,139,044	1,303,535
Other non-current liabilities	254,332	(277,964)
Investments in associates and joint ventures	73,288	32,249
Provisions	(728,141)	(432,258)
Payments of employee benefit obligations	(32,712)	(217,889)
Plan assets	(13,138)	(14,210)
	(892,884)	(533,945)

(Continued)

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Cash Flows, Continued

For the nine-month periods ended September 30, 2015 and 2014

(Unaudited)

<i>In millions of won</i>	September 30, 2015	September 30, 2014
Cash generated from operating activities		
Dividends received	13,600	13,806
Interest paid	(1,706,882)	(1,905,067)
Interest received	125,660	121,762
Income taxes paid	(931,124)	(208,731)
Net cash provided by operating activities	13,263,336	9,743,985
Cash flows from investing activities		
Proceeds from disposals of associates and joint ventures	6,066	184,678
Acquisition of associates and joint ventures	(106,350)	(227,631)
Proceeds from disposals of property, plant and equipment	9,821,914	1,109,321
Acquisition of property, plant and equipment	(10,641,512)	(10,666,332)
Proceeds from disposals of intangible assets	472	8
Acquisition of intangible assets	(51,346)	(46,357)
Proceeds from disposals of financial assets	165,813	679,127
Acquisition of financial assets	(5,237,941)	(294,159)
Increase in loans	(127,170)	(137,112)
Collection of loans	73,742	101,631
Increase in deposits	(219,427)	(226,274)
Decrease in deposits	132,016	171,784
Receipt of government grants	17,342	44,600
Usage of government grants	(18,040)	(2,851)
Net cash inflow from changes in consolidation scope	553	44,319
Other cash outflow from investing activities, net	(112,794)	(1,022)
Net cash used in investing activities	(6,296,662)	(9,266,270)
Cash flows from financing activities		
Proceeds (repayment) from short-term borrowings, net	(115,615)	258,188
Proceeds from long-term borrowings and debt securities	3,094,612	6,932,547
Repayment of long-term borrowings and debt securities	(6,215,877)	(5,953,402)
Payment of finance lease liabilities	(82,641)	(87,805)
Settlement of derivative instruments, net	12,411	(407,185)

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Proceeds for changes in interests in subsidiaries	78,175	224,409
Dividends paid (hybrid bond)	(12,341)	(12,350)
Dividends paid	(395,483)	(185,755)
Other cash outflow from financing activities, net	(2,437)	(356)
Net cash provided by (used in) financing activities	(3,639,196)	768,291
Net increase in cash and cash equivalents before effect of exchange rate fluctuations	3,327,478	1,246,006
Effect of exchange rate fluctuations on cash held	50,620	6,960
Net increase in cash and cash equivalents	3,378,098	1,252,966
Cash and cash equivalents at January 1	1,796,300	2,232,313
Cash and cash equivalents at September 30	5,174,398	3,485,279

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

September 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 September 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 199,057,530 shares (31.01%) as of the most recent closing date of Register of Shareholders (August 3, 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

September 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

September 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 September 30, 2015 and 2014 is 1,268,411 million and 1,426,960 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 amendments, 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

September 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

September 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

September 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

September 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

September 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

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September 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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(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

September 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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Notes to the Consolidated Interim Financial Statements, Continued

September 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

September 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)

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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

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September 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

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September 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

September 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

September 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

September 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

September 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 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

September 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

September 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

September 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

September 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

September 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 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

September 30, 2015

(Unaudited)

4. Segment, Geographic and Other Information, Continued

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

Intersegment revenue		Revenue from external customers		September 30, 2015		Depreciation and Amortization		Interest Income		In
				Income(loss) of associates and joint ventures						
Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended
292,648	903,380	15,123,523	43,011,030	(20,987)	193,260	716,090	2,126,283	24,122	55,984	265
2,734,133	7,364,870	10,697	18,380	(5)	(718)	780,650	2,243,491	5,386	18,480	116
5,300,810	15,642,156	88,152	456,302	(14,516)	(8,972)	573,449	1,707,980	5,509	16,575	81
446,361	1,340,146	124,488	400,918	(1,027)	(1,073)	22,399	62,430	3,166	8,588	
40,651	98,968	123,095	379,010			6,851	20,387	25,594	78,732	21
(8,814,603)	(25,349,520)					(10,258)	(30,131)	(3,424)	(12,998)	(3)
		15,469,955	44,265,640	(36,535)	182,497	2,089,181	6,130,440	60,353	165,361	482

Intersegment revenue		Revenue from external customers		September 30, 2014 Income(loss) of associates and joint ventures		Depreciation and Amortization		Interest Income		Income
Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended
575,703	1,229,521	14,502,709	41,440,756	5,059	159,410	678,451	2,023,118	5,232	18,325	361
2,387,390	7,179,625	4,164	8,151		740	732,055	2,162,164	4,393	16,350	145
5,771,123	18,632,085	129,715	323,191	27,175	76,854	520,032	1,550,303	7,546	24,091	69
435,392	1,305,950	159,625	491,093	(921)	(3,344)	17,071	51,978	3,562	12,261	
18,107	72,774	111,330	306,298			6,744	20,257	26,474	81,628	18
(9,187,715)	(28,419,955)					(8,809)	(25,774)	(2,582)	(10,025)	(2)

14,907,543 42,569,489 31,313 233,660 1,945,544 5,782,046 44,625 142,630 593

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

4. Segment, Geographic and Other Information, Continued

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

In millions of won

Segment	September 30, 2015			Segment liabilities
	Segment assets	Investments in associates and joint ventures	Acquisition of non-current assets	
Transmission and distribution	106,841,703	4,415,763	4,766,604	53,810,130
Electric power generation (Nuclear)	49,961,238	15,775	2,045,472	27,331,969
Electric power generation (Non-nuclear)	43,814,671	1,318,536	3,913,737	25,538,779
Plant maintenance & engineering service	2,892,638	56,328	178,555	1,147,167
Others	5,895,688		68,214	2,269,951
Consolidation adjustments	(34,428,385)		(279,724)	(1,505,508)
Consolidated totals	174,977,553	5,806,402	10,692,858	108,592,488

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)
Consolidated totals	163,708,289	5,508,724	14,616,123	108,883,279

(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)	
	September 30, 2015		September 30, 2014		September 30, 2015	December 31, 2014
	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended		
Domestic	14,423,224	41,108,964	14,124,307	40,259,158	142,675,897	136,053,940
Overseas (*1)	1,046,731	3,156,676	783,236	2,310,331	4,461,039	6,542,282
	15,469,955	44,265,640	14,907,543	42,569,489	147,136,936	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

September 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 nine-month periods ended September 30, 2015 and 2014.

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

			September 30, 2015			
	Financial assets at fair value through profit or loss	Loans and receivables	Available- for-sale financial assets	Held-to- maturity investments	Derivative assets (using hedge accounting)	Total
Current assets						
Cash and cash equivalents		5,174,398				5,174,398
Current financial assets						
Held-to-maturity investments				163		163
Derivative assets	68,762				122,409	191,171
Other financial assets		5,420,748				5,420,748
Trade and other receivables		6,536,781				6,536,781
	68,762	17,131,927		163	122,409	17,323,261
Non-current assets						
Non-current financial assets						
Available-for-sale financial assets			669,627			669,627
Held-to-maturity investments				3,432		3,432
Derivative assets	89,250				591,054	680,304
Other financial assets		1,294,926				1,294,926

Trade and other receivables		1,868,355				1,868,355
	89,250	3,163,281	669,627	3,432	591,054	4,516,644
	158,012	20,295,208	669,627	3,595	713,463	21,839,905

In millions of won

	December 31, 2014					
	Financial assets at fair value through profit or loss	Loans and receivables	Available- for-sale financial assets	Held-to- maturity investments	Derivative assets (using hedge accounting)	Total
Current assets						
Cash and cash equivalents		1,796,300				1,796,300
Current financial assets						
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
Non-current assets						
Non-current financial assets						
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

September 30, 2015

(Unaudited)

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

	Financial liabilities at fair value through profit or loss	Financial liabilities recognized at amortized cost	Derivative liabilities (using hedge accounting)	Total
Current liabilities				
Borrowings		1,078,675		1,078,675
Debt securities		6,664,147		6,664,147
Derivative liabilities	11,062		555	11,617
Trade and other payables		4,394,022		4,394,022
	11,062	12,136,844	555	12,148,461
Non-current liabilities				
Borrowings		1,909,470		1,909,470
Debt securities		50,995,209		50,995,209
Derivative liabilities	45,326		133,927	179,253
Trade and other payables		3,946,523		3,946,523
	45,326	56,851,202	133,927	57,030,455
	56,388	68,988,046	134,482	69,178,916

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

	Financial liabilities at fair value through	Financial liabilities recognized at amortized cost	Derivative liabilities (using hedge accounting)	Total
--	--	---	--	--------------

	profit or loss			
Current liabilities				
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
Non-current liabilities				
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

September 30, 2015

(Unaudited)

5. Classification of Financial Instruments, Continued**(3) Classification of comprehensive income (loss) from financial instruments for the three and nine-month periods ended September 30, 2015 and 2014 are as follows:**

In millions of won

		September 30, 2015		September 30, 2014	
		Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
Cash and cash equivalents	Interest income	15,519	40,707	14,721	41,557
Available-for-sale financial assets	Dividends income	646	7,153	259	13,806
	Impairment loss on available-for-sale financial assets	(14,500)	(28,493)	(312)	(42,104)
	Gain (loss) on disposal of available-for-sale financial assets	4	(2,979)	35,011	35,009
	Interest income		29	108	326
Held-to-maturity investments	Interest income	30	78	26	64
Loans and receivables	Interest income	4,734	15,908	6,263	23,192
Trade and other receivables	Interest income	25,278	79,743	22,315	72,961
Short-term financial instruments	Interest income	12,434	20,966	1,183	4,331
Long-term financial instruments	Interest income	2,358	7,930	9	199
Financial assets at fair value through profit or loss	Gain on valuation of derivatives	282,832	343,738	8,983	4,221
	Gain (loss) on transaction of derivatives	4,645	6,783	(47,271)	(14,072)
Derivative assets (using hedge accounting)	Gain (loss) on valuation of derivatives (profit or loss)	386,237	470,242	47,199	(24,252)
	Gain (loss) on valuation of derivatives (equity, before tax) (*)	16,470	(3,118)	(18,738)	(41,283)
	Gain (loss) on transaction of derivatives	(6,482)	(5,063)	2,124	540

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Financial liabilities carried at amortized cost	Interest expense of borrowings and debt securities	(346,083)	(1,075,740)	(420,534)	(1,274,256)
	Loss on repayment of financial liabilities	(33)	(33)		(199)
	Interest expense of trade and other payables	(17,198)	(62,318)	(25,176)	(72,317)
	Interest expense of others	(119,081)	(422,767)	(147,423)	(440,328)
	Gain (loss) on foreign currency transactions and translations	(680,562)	(932,484)	(310,266)	134,930
Financial liabilities at fair value through profit or loss	Gain (loss) on valuation of derivatives	3,766	34,307	94,501	(104,581)
	Gain (loss) on transaction of derivatives	56,209	52,000	28,110	(46,630)
Derivative liabilities (using hedge accounting)	Gain (loss) on valuation of derivatives (profit or loss)	(61,860)	(20,417)	95,377	(26,132)
	Gain (loss) on valuation of derivatives (equity, before tax)(*)	10,095	(1,628)	(23,482)	(54,509)
	Gain (loss) on transaction of derivatives	5,018		(9,852)	(16,800)

(*) 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

September 30, 2015

(Unaudited)

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

<i>In millions of won</i>		September 30, 2015	December 31, 2014
Cash and cash equivalents	Escrow accounts	4,463	100
	Deposits for government project	6,569	10,156
	Collateral provided for borrowings	7,241	12,926
	Collateral provided for lawsuit	367	367
	Deposits for supporting electric transmission area	460	
	Restriction on withdrawal related to win-win growth program for small and medium enterprises	15,000	
	Short-term financial instruments	Restriction on withdrawal related to win-win growth program for small and medium enterprises	
Long-term financial instruments	Guarantee deposits for checking account	2	3
	Guarantee deposits for banking accounts at oversea branches	339	312
	Pledge	740	740
	Decommissioning costs of nuclear power plants	603,300	603,306
	Collateral provided for borrowings	21	
	Funds for developing small and medium enterprises	100,000	
		738,502	632,910

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

<i>In millions of won</i>	September 30, 2015	December 31, 2014
Cash	140	77
Other demand deposit	1,449,031	1,154,250
Short-term deposits classified as cash equivalents	3,263,634	340,119
Short-term investments classified as cash equivalents	461,593	301,854
	5,174,398	1,796,300

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

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

	September 30, 2015			
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
Current assets				
Trade receivables	5,977,382	(52,041)	(28)	5,925,313
Other receivables	670,471	(56,106)	(2,897)	611,468
	6,647,853	(108,147)	(2,925)	6,536,781
Non-current assets				
Trade receivables	418,553			418,553
Other receivables	1,493,866	(37,621)	(6,443)	1,449,802
	1,912,419	(37,621)	(6,443)	1,868,355
	8,560,272	(145,768)	(9,368)	8,405,136

In millions of won

	December 31, 2014			
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
Current assets				
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
Non-current assets				
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
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	9,580,675	(148,576)	(9,880)	9,422,219
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(2) Other receivables as of September 30, 2015 and December 31, 2014 are as follows:

In millions of won

	September 30, 2015			
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
Current assets				
Non-trade receivables	292,673	(56,106)		236,567
Accrued income	105,329			105,329
Deposits	201,902		(2,897)	199,005
Finance lease receivables	10,929			10,929
Others	59,638			59,638
	670,471	(56,106)	(2,897)	611,468
Non-current assets				
Non-trade receivables	150,224	(30,128)		120,096
Accrued income	526			526
Deposits	272,392		(6,443)	265,949
Finance lease receivables	960,601			960,601
Others	110,123	(7,493)		102,630
	1,493,866	(37,621)	(6,443)	1,449,802
	2,164,337	(93,727)	(9,340)	2,061,270

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

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

	December 31, 2014			
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
Current assets				
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
Non-current assets				
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 September 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	September 30, 2015	December 31, 2014
Trade receivables: (not overdue, not impaired)	6,270,095	7,516,233
Trade receivables: (overdue, not impaired)	2,289	1,061
Less than 60 days	2,289	1,061
Trade receivables: (other)	123,551	137,992
60 ~ 90 days	44,383	31,438
90 ~ 120 days	14,177	12,045
120 days ~ 1 year	37,601	42,736
Over 1 year	27,390	51,773
	6,395,935	7,655,286
Less allowance for doubtful accounts	(52,041)	(80,644)
Less present value discount	(28)	(108)
	6,343,866	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

September 30, 2015

(Unaudited)

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

<i>In millions of won</i>	September 30, 2015	December 31, 2014
Other receivables: (not overdue, not impaired)	1,966,030	1,729,807
Other receivables: (overdue, not impaired)	60,195	58,778
Less than 60 days	60,195	58,778
Other receivables: (other)	138,112	136,803
60 ~ 90 days	10,223	1,132
90 ~ 120 days	595	2,242
120 days ~ 1 year	24,324	18,857
Over 1 year	102,970	114,572
	2,164,337	1,925,389
Less allowance for doubtful accounts	(93,727)	(67,932)
Less present value discount	(9,340)	(9,772)
	2,061,270	1,847,684

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

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

Beginning balance	80,644	67,932	65,024	69,887
Bad debt expense		18,669	39,018	15,981
Write-off	(18,529)	(351)	(23,398)	(7,534)
Reversal	(10,074)			(241)
Others		7,477		(10,161)
Ending balance	52,041	93,727	80,644	67,932

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

9. Available-for-sale Financial Assets

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

<i>In millions of won</i>	Ownership	September 30, 2015	December 31, 2014
Equity securities			
Listed			
Kwanglim Co., Ltd. (*3)	0.44%	355	128
Cockatoo Coal Limited (*1)	0.07%	42	628
Denison Mines Corp.	11.24%	25,935	62,339
Energy Fuels Inc.	5.09%	5,941	11,569
Fission 3.0	0.45%	50	61
Fission Uranium Corp.	0.21%	441	651
PT Adaro Energy Tbk (*1,3)	1.50%	20,904	44,109
Sungjee Construction Co., Ltd.	0.01%	5	5
Ssangyong Motor Co., Ltd.	0.03%	337	357
Korea District Heating Corp. (*3)	19.55%	150,334	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%	54	48
PAN Ocean Co., Ltd.	0.00%	7	5
Borneo International Furniture Co., Ltd.	0.28%	85	4
TONGYANG Inc.	0.03%	236	66
Nexolon Co., Ltd.	2.59%	3,570	
TONGYANG Networks Inc.	0.01%	14	3
		208,311	247,215
Unlisted			
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.	0.02%	38	38
Woobang ENC Co., Ltd.	0.00%	22	22

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Ginseng K Co., Ltd.	0.00%		
Areva Nc Expansion	13.49%	229,139	227,876
IBK-AUCTUS Green Growth Private Equity Firm (*2,3)	6.30%	855	2,325
K&C- Gyeongnam Youth Job Creation Investment Fund	10.00%	1,340	1,340
Navanakorn Electric Co., Ltd. (*5)	29.00%	18,295	16,836
PT. Kedap Saayq	10.00%	11,926	12,989
Set Holding (*6)	2.50%	167,832	167,832
Construction Guarantee (*7)	0.02%	801	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(*2)	5.00%	1,069	498
Hanwha Electric Power Venture fund (*2)			1,804
Hwan Young Steel Co., Ltd.	0.14%	97	97
Intellectual Discovery, Ltd. (*1)	8.81%	1,375	5,000

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

9. Available-for-sale Financial Assets, Continued

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

<i>In millions of won</i>	Ownership	September 30, 2015	December 31, 2014
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.	0.08%	33	
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%	
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
Youngdong Concrete Co., Ltd.	0.32%	7

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

9. Available-for-sale Financial Assets, Continued

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

<i>In millions of won</i>	Ownership	September 30, 2015	December 31, 2014
Shinil Engineering Co., Ltd.	0.06%	3	
Korea Castiron Industrial Co., Ltd.	1.86%	22	
FFG DMC Co., Ltd.	0.00%	17	
Daeseong Metal Co., Ltd.	2.37%	47	
Glosil Co., Ltd.	0.92%	92	
Biwang Industry Co., Ltd.	0.04%	2	
Huimun Co., Ltd.	0.26%	4	
Sunun IT F Co., Ltd.	0.52%	8	
Young Sung Co., Ltd.	0.40%	26	
Yuil Industrial Electronics Co., Ltd.	0.32%	15	
DN TEK Inc.	0.29%	61	
Daeyang FMS Corporation	0.05%	3	
Kwang Jin Structure Co., Ltd.	0.60%	31	
Woojin Industry Corporation	0.00%	16	
Kwang Sung Industry Co., Ltd.	0.35%	7	
Matsaeng Food Co., Ltd.	0.56%	6	
Futech Mold Co., Ltd.	0.27%	14	
Green & Sustainable Energy Investment Corp. (*4)	0.00%		
Kanan Hydroelectric Power Corp. (*4)	0.00%		
3i Powergen Inc. (*4)	15.00%		
		461,316	467,936
		669,627	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., Montista Telecom Co., Ltd. and Intellectual Discovery, Ltd. declined significantly below their respective acquisition costs during the nine-month period ended September 30, 2015. As such, the Company recognized 28,493 million of impairment loss on available-for-sale financial assets.

(*2) Hanwha Electric Power Venture fund, Korea Investment-Korea EXIM Bank CERs Private Special Asset Investment Trust 1, Hanwha-KOSEP New Renewable Energy Private Special Assets Investment Trust 1 and

IBK-AUCTUS Green Growth Private Equity Firm were each liquidated and partially liquidated and the Company recognized loss on disposal of available-for-sale financial assets of 2,979 million for the nine-month period ended September 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. and 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 nine-month period ended September 30, 2015.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

9. Available-for-sale Financial Assets, Continued**Available-for-sale financial assets as of September 30, 2015 and December 31, 2014 are as follows, continued:**

(*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 nine-month period ended September 30, 2015.

Book values of unlisted equity securities held by the Company that were measured at cost as of September 30, 2015 and December 31, 2014 are 292,683 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 September 30, 2015 and December 31, 2014 are as follows:**

<i>In millions of won</i>	September 30, 2015		December 31, 2014	
	Current	Non-current	Current	Non-current
Government and municipal bonds and others	163	3,432	265	3,349

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

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

<i>In millions of won</i>	September 30, 2015		December 31, 2014	
	Current	Non-current	Current	Non-current
Derivative assets				
Currency forward	1,512	29,360	182	7,233
Currency swap	189,659	647,393	8,039	151,934
Interest rate swap		3,551		2,737
	191,171	680,304	8,221	161,904
Derivative liabilities				
Currency forward	2,808		466	
Currency swap	555	73,717	53,697	196,273
Interest rate swap	8,254	105,536	3,457	83,913
	11,617	179,253	57,620	280,186

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

Counterparty	Contract Date	Maturity date	Contract amounts		Contract exchange rate
			Pay	Receive	
KEB Hana Bank	2014.04.10	2021.07.12	55,120	USD 52,000	1,060.00
KEB Hana Bank	2014.04.28	2021.07.12	50,784	USD 48,000	1,058.00
Bank of America	2014.04.29	2021.07.12	105,400	USD 100,000	1,054.00
KEB Hana Bank	2014.05.09	2021.07.12	104,600	USD 100,000	1,046.00
Barclays Bank PLC	2015.09.30	2015.10.28	5,970	USD 5,000	1,194.01

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Citibank	2015.09.30	2015.10.27	5,969	USD	5,000	1,193.71
Citibank	2015.09.15	2015.10.14	5,921	USD	5,000	1,184.13
Nova Scotia	2015.09.14	2015.10.13	5,913	USD	5,000	1,182.60
Nova Scotia	2015.09.18	2015.10.23	5,832	USD	5,000	1,166.45
Standard Chartered	2015.09.24	2015.10.22	5,960	USD	5,000	1,192.05
Standard Chartered	2015.09.17	2015.10.15	5,860	USD	5,000	1,172.07
Standard Chartered	2015.09.11	2015.10.12	5,932	USD	5,000	1,186.47
Nova Scotia	2015.09.24	2015.10.30	5,965	USD	5,000	1,193.05
Nova Scotia	2015.09.30	2015.11.02	3,561	USD	3,000	1,186.95
Barclays Bank PLC	2015.07.27	2015.10.29	2,104	USD	1,793	1,172.90
Barclays Bank PLC	2015.08.19	2015.10.01	3,553	USD	3,000	1,184.45
Barclays Bank PLC	2015.08.27	2015.11.30	3,531	USD	3,000	1,177.10
Barclays Bank PLC	2015.09.30	2016.01.04	5,962	USD	5,000	1,192.40
Barclays Bank PLC	2015.09.30	2015.10.02	681	USD	573	1,189.00
BNP Paribas	2015.07.28	2015.10.30	5,831	USD	5,000	1,166.15
BNP Paribas	2015.08.11	2015.10.30	USD 2,252		2,626	1,166.15
BNP Paribas	2015.08.17	2015.11.19	5,928	USD	5,000	1,185.50
BNP Paribas	2015.08.19	2015.10.30	USD 2,748		3,205	1,166.15
Societe Generale	2015.08.03	2015.11.05	4,662	USD	4,000	1,165.50
Societe Generale	2015.08.10	2015.11.05	USD 2,267		2,642	1,165.50
Societe Generale	2015.08.19	2015.11.05	USD 1,733		2,020	1,165.50
Societe Generale	2015.09.09	2015.12.11	3,582	USD	3,000	1,194.00
HSBC	2015.08.11	2015.11.13	4,638	USD	4,000	1,159.45
HSBC	2015.08.27	2015.11.30	3,556	USD	3,000	1,185.20
HSBC	2015.09.14	2015.12.16	3,543	USD	3,000	1,181.00
HSBC	2015.09.16	2015.12.18	3,546	USD	3,000	1,182.05
HSBC	2015.09.30	2016.01.04	5,923	USD	5,000	1,184.65
ING Bank N.V.	2015.08.31	2015.12.02	3,557	USD	3,000	1,185.65

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

11. Derivatives, Continued

(2) **Currency forward contracts which are not designated as hedge instruments as of September 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	
ING Bank N.V.	2015.09.30	2015.10.01	3,556	USD 3,000	1,185.27
ING Bank N.V.	2015.09.30	2015.10.05	1,408	USD 1,188	1,185.44
Mizuho	2015.09.08	2015.12.10	3,610	USD 3,000	1,203.20
Mizuho	2015.09.16	2015.12.10	USD 857	1,031	1,203.20
Mizuho	2015.09.16	2015.12.10	USD 78		1,203.20
Mizuho	2015.09.17	2015.12.21	3,519	USD 3,000	1,172.95
Mizuho	2015.09.23	2015.12.10	USD 2,136	2,570	1,203.20
Credit Agricole	2015.09.09	2015.12.11	3,585	USD 3,000	1,194.90
Credit Agricole	2015.09.21	2015.12.11	USD 2,510	2,999	1,194.90
Credit Agricole	2015.09.22	2015.12.11	USD 490	586	1,194.90
Credit Agricole	2015.09.24	2015.12.31	5,965	USD 5,000	1,193.05
Citi Bank	2015.09.01	2015.12.03	612	USD 520	1,175.05
Mizuho Bank	2015.09.24	2015.10.05	2,384	USD 2,000	1,191.80
Nova Scotia	2015.09.24	2015.10.05	4,767	USD 4,000	1,191.77
Standard Chartered	2015.09.24	2015.10.02	3,575	USD 3,000	1,191.82
Credit Suisse	2015.08.20	2015.11.20	USD 2,609	3,085	1,182.70
HSBC	2015.09.30	2016.01.04	5,945	USD 5,000	1,188.95
HSBC	2015.08.26	2015.11.30	USD 6,361	7,558	1,188.15
Nova Scotia	2015.08.11	2015.11.13	30	USD 26	1,159.18
Nova Scotia	2015.08.03	2015.11.05	USD 6,824	7,949	1,164.80
Nova Scotia	2015.08.06	2015.11.10	USD 4,819	5,634	1,169.00
Nova Scotia	2015.08.04	2015.11.06	USD 15,000	17,403	1,160.20
Nova Scotia	2015.08.03	2015.11.05	USD 13,302	15,538	1,168.10
Nova Scotia	2015.08.03	2015.11.05	USD 2,824	3,290	1,164.80
Nova Scotia	2015.07.22	2015.10.27	USD 2,717	3,164	1,164.80
Societe Generale	2015.07.31	2015.11.04	USD 15,000	17,061	1,137.40
Societe Generale	2015.07.14	2015.10.15	USD 3,521	4,120	1,169.98

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Standard Chartered	2015.09.17	2015.12.21		5,850	USD	5,000	1,169.90
Standard Chartered	2015.09.17	2015.12.21		5,710	USD	4,872	1,172.00
Standard Chartered	2011.08.08	2015.11.23	USD	248		272	1,094.00
Standard Chartered	2011.08.08	2015.10.26	USD	580		635	1,094.60
Standard Chartered	2011.08.08	2015.12.28	USD	847		926	1,093.10
KEB Hana Bank	2015.08.26	2017.07.31	JPY	630,000		6,377	10.12

(3) Currency swap contracts which are not designated as hedge instruments as of September 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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

11. Derivatives, Continued

(3) **Currency swap contracts which are not designated as hedge instruments as of September 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 (%)	
Credit Suisse	2014~2019	118,632	CHF 100,000	2.98%	1.50%	1,186.32
Standard Chartered	2014~2019	114,903	CHF 100,000	4.00%	1.50%	1,149.03
Standard Chartered	2014~2029	102,470	USD 100,000	3.14%	3.57%	1,024.70
Standard Chartered	2014~2017	51,215	USD 50,000	2.24%	3M Libor + 0.55%	1,024.30
Societe Generale	2014~2024	105,017	USD 100,000	4.92%	5.13%	1,050.17
KEB Hana Bank	2015~2024	107,970	USD 100,000	4.75%	5.13%	1,079.70
Credit Agricole	2015~2024	94,219	USD 86,920	4.85%	5.13%	1,083.97
Mizuho Bank	2014~2017	153,645	USD 150,000	2.35%	3M Libor + 0.65%	1,024.30
Citibank	2012~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
JP Morgan	2012~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
Bank of America	2012~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
Goldman Sachs	2012~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
HSBC	2012~2022	111,770	USD 100,000	2.89%	3.00%	1,117.70
KEB Hana Bank	2012~2022	111,770	USD 100,000	2.87%	3.00%	1,117.70
Standard Chartered	2012~2022	111,770	USD 100,000	2.89%	3.00%	1,117.70
Deutsche Bank	2012~2022	55,885	USD 50,000	2.79%	3.00%	1,117.70
DBS	2013~2018	108,140	USD 100,000	2.63%	3M Libor+0.84%	1,081.40
DBS	2013~2018	108,140	USD 100,000	2.57%	3M Libor+0.84%	1,081.40
DBS	2013~2018	108,140	USD 100,000	2.57%	3M Libor+0.84%	1,081.40
HSBC	2013~2018	107,450	USD 100,000	3.41%	2.88%	1,074.50
Standard Chartered	2013~2018	107,450	USD 100,000	3.44%	2.88%	1,074.50
JP Morgan	2013~2018	107,450	USD 100,000	3.48%	2.88%	1,074.50
Bank of America	2014~2018	107,450	USD 100,000	3.09%	2.88%	1,074.50
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

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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
KEB Hana 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 September 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
Citibank	2013~2018	54,570	USD 50,000	2.90%	3M Libor+1.01%	1,091.40
Standard Chartered	2013~2018	54,570	USD 50,000	2.90%	3M Libor+1.01%	1,091.40
Credit Suisse	2013~2018	111,410	USD 100,000	3.22%	3M Libor+1.50%	1,114.10

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

11. Derivatives, Continued

(4) **Currency swap contracts which are designated as hedge instruments as of September 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 (%)	
HSBC	2014~2020	99,901	AUD 100,000	3.52%	5.75%	999.01
HSBC	2014~2020	100,482	AUD 100,000	3.48%	5.75%	1,004.82
Standard Chartered	2013~2020	USD 117,250	AUD 125,000	3M Libor+1.25%	5.75%	0.94
Standard Chartered	2014~2020	126,032	USD 117,250	3.55%	3M Libor+1.25%	1,074.90
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	2014~2019	107,190	USD 100,000	3.25%+3%*n/N	2.75%	1,071.90
Morgan Stanley	2014~2019	107,190	USD 100,000	3.25%+3%*n/N	2.75%	1,071.90
Deutsche Bank	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
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

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JP Morgan Standard Chartered	2013~2018	161,040	USD	150,000	3.34%	2.88%	1,073.60
JP Morgan Standard Chartered	2013~2018	161,040	USD	150,000	3.34%	2.88%	1,073.60
RBS	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
KEB Hana Bank	2012~2017	115,140	USD	100,000	3.38%	2.50%	1,151.40
Barclays Bank PLC	2012~2017	57,570	USD	50,000	3.38%	2.50%	1,151.40
Standard Chartered	2012~2017	57,570	USD	50,000	3.38%	2.50%	1,151.40
Nomura	2012~2017	57,570	USD	50,000	3.38%	2.50%	1,151.40
Credit Agricole Societe Generale	2012~2017	57,570	USD	50,000	3.38%	2.50%	1,151.40
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
KEB 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
KEB Hana Bank	2013~2018	31,809	USD	30,000	3.48%	2.63%	1,060.30
Societe Generale	2013~2018	21,206	USD	20,000	3.48%	2.63%	1,060.30
HSBC	2013~2018	53,015	USD	50,000	3.47%	2.63%	1,060.30
Nomura	2013~2018	53,015	USD	50,000	3.47%	2.63%	1,060.30

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

11. Derivatives, 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 (%)	
Credit Agricole	2014~2020	110,680	USD 100,000	2.29%	2.50%	1,106.80
Societe Generale	2014~2020	55,340	USD 50,000	2.16%	2.50%	1,106.80
KEB Hana Bank	2014~2020	55,340	USD 50,000	2.16%	2.50%	1,106.80
KEB Hana Bank	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
Standard Chartered	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
HSBC	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
Nomura	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
Barclays Bank PLC	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
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 September 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%
Standard Chartered	2012~2017	160,000	3.57%	3M CD + 0.32%
JP Morgan	2013~2018	150,000	3.58%	3M CD + 0.31%
KEB Hana Bank	2013~2016	100,000	2.82%	3M CD + 0.04%
KEB Hana Bank	2013~2016	200,000	2.57%	3M CD + 0.04%
KEB Hana Bank	2013~2016	100,000	2.75%	3M CD + 0.03%
Credit Suisse	2014~2018	200,000	2.98%	1Y CMT + 0.31%
Korea Development Bank (*)	2014~2029	40,000	3M CD - 0.03%	4.65%

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

(6) **Interest rate swap contracts which are designated as hedge instruments, as of September 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)	2015~2033	USD 103,936	3.98% ~ 4.10%	6M USD Libor
SMBC	2015~2033	USD 135,917	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

September 30, 2015

(Unaudited)

11. Derivatives, Continued

- (7) **Gains and losses on valuation and transaction of derivatives for the three and nine-month periods ended September 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)				Other comprehensive income (loss) (*)		
	September 30, 2015		September 30, 2014		September 30, 2015		September 30, 2014		September 30, 2015		September 30, 2014
	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended
option			87				(2,073)	16,340			
forward	(17,928)	20,858	8,871	521	12,538	8,700	84	289			
swap	627,922	807,780	244,103	(136,673)	47,535	45,121	(23,762)	(88,875)	19,972	(3,419)	(88,429)
rate swap	981	(768)	(7,001)	(14,592)	(683)	(101)	(1,138)	(3,250)	6,593	(1,327)	38,847
								(1,466)			7,362
	610,975	827,870	246,060	(150,744)	59,390	53,720	(26,889)	(76,962)	26,565	(4,746)	(42,220)

- (*) As of September 30, 2015, the net loss on valuation of derivatives using cash flow hedge accounting of 3,291 million, net of tax, is included in other comprehensive loss.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2015

(Unaudited)

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

<i>In millions of won</i>	September 30, 2015		December 31, 2014	
	Current	Non-current	Current	Non-current
Loans and receivables	103,888	641,377	68,910	611,610
Present value discount	(1,279)	(50,842)	(1,067)	(55,456)
Long-term/short-term financial instruments	5,318,139	704,391	100,099	604,363
	5,420,748	1,294,926	167,942	1,160,517

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

<i>In millions of won</i>	September 30, 2015		
	Face value	Present value discount	Book value
Short-term loans and receivables			
Loans for tuition	30,271	(1,279)	28,992
Loans for housing	6,270		6,270
Fisheries loan	6,031		6,031
Other loans	61,316		61,316
	103,888	(1,279)	102,609
Long-term loans and receivables			
Loans for tuition	400,965	(50,335)	350,630
Loans for housing	71,553		71,553
Loans for related parties	100,049		100,049
Fisheries loan	4,687	(507)	4,180
Other loans	64,123		64,123

	641,377	(50,842)	590,535
	745,265	(52,121)	693,144

In millions of won

	December 31, 2014		
	Face value	Present value discount	Book value
Short-term loans and receivables			
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
Long-term loans and receivables			
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

September 30, 2015

(Unaudited)

12. Other Financial Assets, Continued

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

<i>In millions of won</i>	September 30, 2015		December 31, 2014	
	Current	Non-current	Current	Non-current
Time deposits	1,933,095	750	90,088	742
Asset-Backed Commercial Paper	2,950,000			
Special money in trust	90,044		10,011	
CD	200,000			
MMT	145,000	603,300		303,306
MMDA				300,000
Others		100,341		315
	5,318,139	704,391	100,099	604,363

13. Inventories

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

<i>In millions of won</i>	September 30, 2015		Book value
	Acquisition cost	Valuation allowance	
Raw materials	3,181,859	(1,099)	3,180,760
Merchandises	47		47
Work-in-progress	109,477		109,477
Finished goods	86,491		86,491
Supplies	1,015,897	(340)	1,015,557
Inventories in transit	456,525		456,525
Other inventories	9,037		9,037

4,859,333 (1,439) 4,857,894

<i>In millions of won</i>	Acquisition cost	December 31, 2014 Valuation allowance	Book value
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 3,327 million and 3,029 million for the nine-month period ended September 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 nine-month period ended September 30, 2015 and for the year ended December 31, 2014 were 951 million and 2,709 million, respectively.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 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 September 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>	September 30, 2015		December 31, 2014	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Less than 1 year	98,475	10,929	88,698	8,275
1 ~ 5 years	414,862	202,969	378,703	237,062
More than 5 years	1,747,375	757,632	1,675,685	640,417
	2,260,712	971,530	2,143,086	885,754

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

15. Non-Financial Assets

Non-financial assets as of September 30, 2015 and December 31, 2014 are as follows:

<i>In millions of won</i>	September 30, 2015		December 31, 2014	
	Current	Non-current	Current	Non-current
Advance payment	105,208	20,087	109,112	12,516
Prepaid expenses	173,797	90,694	154,047	97,972
Others (*)	139,734	21,252	239,352	23,605
	418,739	132,033	502,511	134,093

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

<i>In millions of won</i>	September 30, 2015		December 31,
	Current	Non-current	2014
			Current