

KOREA ELECTRIC POWER CORP

Form 6-K

March 11, 2016

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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

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

the Securities Exchange Act of 1934

For the Month of March 2016

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)

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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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On March 11, 2016, Korea Electric Power Corporation filed its audit reports for the fiscal year 2015 prepared in accordance with Korean International Financial Reporting Standards (K-IFRS) as shown below. The financial statements in such reports have not been approved by the shareholders of Korea Electric Power Corporation and remain subject to change.

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: March 11, 2016

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KOREA ELECTRIC POWER CORPORATION

AND SUBSIDIARIES

Consolidated Financial Statements

December 31, 2015

(With Independent Auditors' Report Thereon)

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Independent Auditors' Report

Based on a report originally issued in Korean

The Board of Directors and Shareholders

Korea Electric Power Corporation:

We have audited the accompanying consolidated statement of financial statements of Korea Electric Power Corporation and subsidiaries (the Company), which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Korean Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2015 and 2014 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Korean International Financial Reporting Standards.

KPMG Samjong Accounting Corp.

Seoul, Korea

March 11, 2016

This report is effective as of March 11, 2016, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that the above audit report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Financial Position

As of December 31, 2015 and 2014

| <i>In millions of won</i> | <i>Note</i> | 2015 | 2014 |
|--|--------------------|----------------------|--------------------|
| Assets | | | |
| Current assets | | | |
| Cash and cash equivalents | 5,6,7,45 | ₩ 3,783,065 | 1,796,300 |
| Current financial assets, net | 5,10,11,12,45 | 5,335,621 | 176,428 |
| Trade and other receivables, net | 5,8,14,20,45,46,47 | 7,473,548 | 7,697,862 |
| Inventories, net | 13 | 4,946,413 | 4,537,469 |
| Income tax refund receivables | 41 | 9,081 | 18,475 |
| Current non-financial assets | 15 | 397,950 | 502,511 |
| Assets held-for-sale | 42 | 79,647 | 2,090,810 |
| Total current assets | | 22,025,325 | 16,819,855 |
| Non-current assets | | | |
| Non-current financial assets, net | 5,6,9,10,11,12,45 | 2,495,554 | 2,040,921 |
| Non-current trade and other receivables, net | 5,8,14,45,46,47 | 1,798,419 | 1,724,357 |
| Property, plant and equipment, net | 18,27,49 | 141,361,351 | 135,812,499 |
| Investment properties, net | 19,27 | 269,910 | 317,264 |
| Goodwill | 16 | 2,582 | 2,582 |
| Intangible assets other than goodwill, net | 21,27,46 | 855,832 | 821,060 |
| Investments in associates | 4,17 | 4,405,668 | 4,341,830 |
| Investments in joint ventures | 4,17 | 1,287,862 | 1,166,894 |
| Deferred tax assets | 41 | 623,623 | 526,934 |
| Non-current non-financial assets | 15 | 131,233 | 134,093 |
| Total non-current assets | | 153,232,034 | 146,888,434 |
| Total Assets | 4 | ₩ 175,257,359 | 163,708,289 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Financial Position, Continued

As of December 31, 2015 and 2014

| <i>In millions of won</i> | <i>Note</i> | 2015 | 2014 |
|---|---------------|---------------|-------------|
| Liabilities | | | |
| Current liabilities | | | |
| Trade and other payables, net | 5,22,24,45,47 | ₩ 4,735,697 | 6,128,604 |
| Current financial liabilities, net | 5,11,23,45,47 | 7,857,198 | 7,162,372 |
| Income tax payables | 41 | 2,218,060 | 570,550 |
| Current non-financial liabilities | 20,28,29 | 6,320,711 | 6,464,356 |
| Current provisions | 26,45 | 1,579,176 | 1,274,186 |
| Total current liabilities | | 22,710,842 | 21,600,068 |
| Non-current liabilities | | | |
| Non-current trade and other payables, net | 5,22,24,45,47 | 3,718,435 | 3,806,735 |
| Non-current financial liabilities, net | 5,11,23,45,47 | 51,062,811 | 55,999,761 |
| Non-current non-financial liabilities | 28,29 | 7,092,252 | 6,946,410 |
| Employee benefits liabilities, net | 25,45 | 1,503,107 | 1,277,415 |
| Deferred tax liabilities | 41 | 8,362,683 | 5,723,880 |
| Non-current provisions | 26,45 | 12,864,754 | 13,529,010 |
| Total non-current liabilities | | 84,604,042 | 87,283,211 |
| Total Liabilities | 4 | ₩ 107,314,884 | 108,883,279 |
| Equity | | | |
| Contributed capital | 1,30,45 | | |
| 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 | | 22,862,164 | 10,699,378 |
| | | 48,187,241 | 35,303,647 |
| Other components of equity | 34 | | |
| Other capital surpluses | | 1,197,388 | 1,151,402 |
| Accumulated other comprehensive loss | | (98,713) | (202,269) |
| Other equity | | 13,294,973 | 13,294,973 |

| | | | |
|--|--------|----------------------|--------------------|
| | | 14,393,648 | 14,244,106 |
| Equity attributable to owners of the Company | | 66,634,467 | 53,601,331 |
| Non-controlling interests | 16, 33 | 1,308,008 | 1,223,679 |
| Total Equity | | ₩ 67,942,475 | 54,825,010 |
| Total Liabilities and Equity | | ₩ 175,257,359 | 163,708,289 |

See accompanying notes to the consolidated financial statements.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2015 and 2014

| <i>In millions of won</i> | <i>Note</i> | 2015 | 2014 |
|---|-------------|--------------|--------------|
| Sales | 4,35,45,47 | | |
| Sales of goods | | ₩ 54,367,036 | 53,706,828 |
| Sales of services | | 453,487 | 451,013 |
| Sales of construction services | 20 | 3,761,204 | 2,965,185 |
| Revenue related to transfer of assets from customers | | 375,995 | 351,857 |
| | | 58,957,722 | 57,474,883 |
| Cost of sales | 13,25,43,47 | | |
| Cost of sales of goods | | (41,348,917) | (46,509,555) |
| Cost of sales of services | | (545,692) | (500,787) |
| Cost of sales of construction services | | (3,563,120) | (2,752,610) |
| | | (45,457,729) | (49,762,952) |
| Gross profit | | 13,499,993 | 7,711,931 |
| Selling and administrative expenses | 25,36,43,47 | (2,153,261) | (1,924,366) |
| Operating profit | 4 | 11,346,732 | 5,787,565 |
| Other non-operating income | 37 | 432,219 | 402,329 |
| Other non-operating expense | 37 | (108,848) | (88,220) |
| Other gains, net | 38 | 8,610,773 | 107,396 |
| Finance income | 5,11,39 | 1,182,988 | 885,290 |
| Finance expenses | 5,11,40 | (3,015,457) | (3,140,038) |
| Profit related associates, joint ventures and subsidiaries | 4,17 | | |
| Share in income of associates and joint ventures | | 280,794 | 319,506 |
| Gain on disposal of investments in associates and joint ventures | | 4,731 | 47,072 |
| Gain on disposal of subsidiaries | | 8,376 | 40,449 |
| Share in loss of associates and joint ventures | | (86,522) | (78,493) |
| Loss on disposal of investments in associates and joint ventures | | | (1,254) |
| Impairment loss on investments in associates and joint ventures | | | (52,279) |
| Loss on disposal of subsidiaries | | | (17) |
| | | 207,379 | 274,984 |
| Profit before income tax | | 18,655,786 | 4,229,306 |
| Income tax expense | 41 | (5,239,413) | (1,430,339) |

| | | |
|------------------------------|--------------|-----------|
| Profit for the period | ₩ 13,416,373 | 2,798,967 |
|------------------------------|--------------|-----------|

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income, Continued

For the years ended December 31, 2015 and 2014

| <i>In millions of won, except per share information</i> | <i>Note</i> | 2015 | 2014 |
|---|---------------|--------------|-------------|
| Other comprehensive income (loss) | 5,11,25,31,34 | | |
| Items that will not be reclassified subsequently to profit or loss: | | | |
| Remeasurements of defined benefit liability, net of tax | 25,31 | ₩ (87,861) | (108,430) |
| Share in other comprehensive loss of associates and joint ventures, net of tax | 31 | (283) | (1,899) |
| 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 | 34 | 9,648 | (97,251) |
| Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax | 5,11,34 | 4,409 | (84,793) |
| Foreign currency translation of foreign operations, net of tax | 34 | 18,535 | (70,576) |
| Share in other comprehensive income of associates and joint ventures, net of tax | 34 | 89,558 | 5,228 |
| Other comprehensive income (loss), net of tax | | 34,006 | (357,721) |
| Total comprehensive income for the period | | ₩ 13,450,379 | 2,441,246 |
| Profit or loss attributable to: | | | |
| Owners of the Company | 44 | ₩ 13,289,127 | 2,686,873 |
| Non-controlling interests | | 127,246 | 112,094 |
| | | ₩ 13,416,373 | 2,798,967 |
| Total comprehensive income attributable to: | | | |
| Owners of the Company | | ₩ 13,308,132 | 2,335,827 |
| Non-controlling interests | | 142,247 | 105,419 |
| | | ₩ 13,450,379 | 2,441,246 |
| Earnings per share | 44 | | |
| Basic and diluted earnings per share | | ₩ 20,701 | 4,290 |

See accompanying notes to the consolidated financial statements.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2015 and 2014

| <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 | | 2,686,873 | | 2,686,873 | 112,094 | 2,798,967 |
| Items that will not be reclassified subsequently to profit or loss: | | | | | | |
| Remeasurements of defined benefit liability, net of tax | | (91,340) | | (91,340) | (17,090) | (108,430) |
| Share in other comprehensive loss of associates and joint ventures, net of tax | | (1,899) | | (1,899) | | (1,899) |
| 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 | | | (97,263) | (97,263) | 12 | (97,251) |
| Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax | | | (80,218) | (80,218) | (4,575) | (84,793) |
| Foreign currency translation of foreign operations, net of tax | | | (84,962) | (84,962) | 14,386 | (70,576) |
| Share in other comprehensive income of associates and joint ventures, net of tax | | | 4,636 | 4,636 | 592 | 5,228 |

**Transactions with
owners of the
Company,**

**recognized directly in
equity**

| | | | | | | |
|--|--------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| Dividends paid | (56,073) | | (56,073) | (130,969) | (187,042) | |
| Issuance of share capital by subsidiaries | | (1,235) | (1,235) | 7,453 | 6,218 | |
| Equity transaction in consolidated scope other than issuance of share capital | | 237,159 | 237,159 | 72,452 | 309,611 | |
| Changes in consolidation scope | | 825,985 | 825,985 | | 825,985 | |
| Dividends paid (hybrid securities) | | | | (5,281) | (5,281) | |
| Others | | | | (16,463) | (16,463) | |
| Balance at December 31, 2014 | ₩ 4,053,578 | 35,303,647 | 14,244,106 | 53,601,331 | 1,223,679 | 54,825,010 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity, Continued

For the years ended December 31, 2015 and 2014

| <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 | | 13,289,127 | | 13,289,127 | 127,246 | 13,416,373 |
| Items that will not be reclassified subsequently to profit or loss: | | | | | | |
| Remeasurements of defined benefit liability, net of tax | | (84,271) | | (84,271) | (3,590) | (87,861) |
| Share in other comprehensive loss of associates and joint ventures, net of tax | | (280) | | (280) | (3) | (283) |
| Items that may be reclassified subsequently to profit or loss: | | | | | | |
| Net changes in the unrealized fair value of available-for-sale financial assets, net of tax | | | 9,744 | 9,744 | (96) | 9,648 |
| Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax | | | 3,157 | 3,157 | 1,252 | 4,409 |
| Foreign currency translation of foreign operations, net of tax | | | 1,179 | 1,179 | 17,356 | 18,535 |
| Share in other comprehensive income of associates and joint ventures, net of tax | | | 89,476 | 89,476 | 82 | 89,558 |

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

| | | | | | | |
|--|--------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| Dividends paid | (320,982) | | (320,982) | (86,071) | (407,053) | |
| Issuance of share capital by subsidiaries | | 2,536 | 2,536 | 12,329 | 14,865 | |
| Equity transaction in consolidated scope other than issuance of share capital | | 44,166 | 44,166 | 9,046 | 53,212 | |
| Changes in consolidation scope | | (716) | (716) | 23,229 | 22,513 | |
| Dividends paid (hybrid securities) | | | | (16,455) | (16,455) | |
| Others, net | | | | 4 | 4 | |
| Balance at December 31, 2015 | ₩ 4,053,578 | 48,187,241 | 14,393,648 | 66,634,467 | 1,308,008 | 67,942,475 |

See accompanying notes to the consolidated financial statements.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2015 and 2014

| <i>In millions of won</i> | 2015 | 2014 |
|--|--------------|-------------|
| Cash flows from operating activities | | |
| Profit for the period | ₩ 13,416,373 | 2,798,967 |
| Adjustments for: | | |
| Income tax expense | 5,239,413 | 1,430,339 |
| Depreciation | 8,269,118 | 7,797,046 |
| Amortization | 72,266 | 76,413 |
| Employee benefit expense | 314,692 | 121,406 |
| Bad debt expense | 18,350 | 54,999 |
| Interest expense | 2,015,684 | 2,351,624 |
| Loss on sale of financial assets | 3,008 | 2,700 |
| Loss on disposal of property, plant and equipment | 1,933 | 50,152 |
| Loss on abandonment of property, plant, and equipment | 365,056 | 309,451 |
| Impairment loss on property, plant and equipment | 30,344 | 38,107 |
| Impairment loss on intangible assets | 22 | 42 |
| Loss on disposal of intangible assets | 16 | 18 |
| Accretion expense to provisions, net | 1,602,724 | 1,295,150 |
| Gain on foreign currency translation, net | 617,224 | 351,660 |
| Valuation and transaction loss (gain) on derivative instruments, net | (708,120) | (143,239) |
| Share in income of associates and joint ventures, net | (194,272) | (241,013) |
| Gain on sale of financial assets | (4) | (98,065) |
| Gain on disposal of property, plant and equipment | (8,637,508) | (85,775) |
| Gain on disposal of intangible assets | (32) | (4) |
| Gain on disposal of investments in associates and joint ventures | (4,731) | (47,072) |
| Loss on disposal of investments in associates and joint ventures | | 1,254 |
| Gain on disposal of investments in subsidiaries | (8,376) | (40,449) |
| Loss on disposal of investments in subsidiaries | | 17 |
| Impairment loss on investments in associates and joint ventures | | 52,279 |
| Interest income | (241,585) | (191,456) |
| Dividend income | (14,069) | (14,193) |
| Impairment loss on available-for-sale securities | 84,370 | 79,618 |
| Others, net | (35,107) | (20,303) |
| | 8,790,416 | 13,130,706 |
| Changes in: | | |
| Trade receivables | 715,498 | 96,294 |
| Non-trade receivables | (17,102) | 9,063 |
| Accrued income | 17,051 | (207,155) |

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| | | |
|--|-------------|-------------|
| Other receivables | (9,441) | (906) |
| Other current assets | 67,520 | 75,410 |
| Inventories | (1,190,188) | (1,146,221) |
| Other non-current assets | (31,465) | 47,119 |
| Trade payables | (1,577,551) | (257,614) |
| Non-trade payables | 38,223 | (102,526) |
| Accrued expenses | (410,744) | (107,277) |
| Other payables | 964 | |
| Other current liabilities | 870,945 | 2,249,714 |
| Other non-current liabilities | 377,617 | (317,437) |
| Investments in associates and joint ventures | 114,708 | 47,120 |
| Provisions | (1,033,502) | (675,569) |
| Payments of employee benefit obligations | (43,100) | (860,179) |
| Plan assets | (214,449) | (231,342) |
| | (2,325,016) | (1,381,506) |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows, Continued

For the years ended December 31, 2015 and 2014

| <i>In millions of won</i> | 2015 | 2014 |
|--|--------------------|---------------------|
| Cash generated from operating activities | | |
| Dividends received | ₩ 38,565 | 13,518 |
| Interest paid | (2,176,040) | (2,460,457) |
| Interest received | 133,875 | 167,269 |
| Income taxes paid | (935,068) | (222,805) |
| Net cash from operating activities | 16,943,105 | 12,045,692 |
| Cash flows from investing activities | | |
| Proceeds from disposals of associates and joint ventures | 22,058 | 232,228 |
| Acquisition of associates and joint ventures | (116,114) | (248,223) |
| Proceeds from disposals of property, plant and equipment | 9,843,796 | 111,260 |
| Acquisition of property, plant and equipment | (14,049,887) | (14,547,499) |
| Proceeds from disposals of intangible assets | 467 | 1,819 |
| Acquisition of intangible assets | (87,946) | (68,624) |
| Proceeds from disposals of financial assets | 242,856 | 1,060,117 |
| Acquisition of financial assets | (5,326,151) | (975,104) |
| Increase in loans | (153,570) | (135,001) |
| Collection of loans | 111,714 | 101,037 |
| Increase in deposits | (352,669) | (335,518) |
| Decrease in deposits | 185,154 | 227,354 |
| Receipt of government grants | 52,696 | 108,681 |
| Usage of government grants | (13,372) | (36,464) |
| Net cash inflow (outflow) from business acquisitions | (968) | 44,319 |
| Other cash outflow from investing activities, net | (132,034) | (715) |
| Net cash used in investing activities | (9,773,970) | (14,460,333) |
| Cash flows from financing activities | | |
| Proceeds (Repayment) from short-term borrowings, net | (65,355) | 59,421 |
| Proceeds from long-term borrowings and debt securities | 4,178,454 | 9,566,625 |
| Repayment of long-term borrowings and debt securities | (8,960,706) | (8,119,325) |
| Payment of finance lease liabilities | (110,040) | (115,532) |
| Settlement of derivative instruments, net | 73,348 | (444,243) |
| Disposal of treasury stocks | | 852,962 |
| Change in non-controlling interest | 104,019 | 389,072 |
| Dividends paid (hybrid bond) | (16,455) | (16,463) |
| Dividends paid | (409,884) | (186,985) |
| Other cash outflow from financing activities, net | | (356) |

| | | |
|---|-------------|-----------|
| Net cash from (used in) financing activities | (5,206,619) | 1,985,176 |
| Net increase (decrease) in cash and cash equivalents before effect of exchange rate fluctuations | 1,962,516 | (429,465) |
| Effect of exchange rate fluctuations on cash held | 24,249 | (6,548) |
| Net increase (decrease) in cash and cash equivalents | 1,986,765 | (436,013) |
| Cash and cash equivalents at January 1 | 1,796,300 | 2,232,313 |
| Cash and cash equivalents at December 31 | ₩ 3,783,065 | 1,796,300 |

See accompanying notes to the consolidated financial statements.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

December 31, 2015**1. Reporting Entity (Description of the controlling company)**

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

As of December 31, 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 201,045,519 shares (31.32%) as of December 31, 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

The consolidated financial statements of Korea Electric Power Corporation and subsidiaries (the Company) were authorized for issuance by the Board of Directors on February 19, 2016, which will be submitted for approval at the shareholders meeting held on March 22, 2016.

(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 Financial Statements, Continued

December 31, 2015

2. Basis of Preparation, Continued

(4) Use of estimates and judgments

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

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

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

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

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

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

(iii) Valuations of financial instruments at fair values

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

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

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

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

(iv) Defined employee benefit liabilities

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

2. Basis of Preparation, Continued

(4) Use of estimates and judgments, continued

(v) Unbilled revenue

Energy delivered but not yet metered nor billed are estimated at the reporting date based on consumption statistics and selling price estimates. Determination of the unbilled revenues at the end of the reporting period is sensitive to the estimated assumptions and prices based on statistics. Unbilled revenue recognized as of December 31, 2015 and 2014 is ₩1,599,592 million and ₩1,793,589 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 amendments to existing standards have been published for mandatory application for annual periods beginning after January 1, 2016, and the Company has not early adopted them. The management believes the impact on the consolidated financial statements upon the adoption of the amendments is immaterial.

(i) 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.

(iv) Amendments to K-IFRS 1109, Financial Instruments

Amendments to K-IFRS 1109, Financial Instruments specify classification and measurement of financial instruments and change the credit loss mode into an expected credit loss model from an incurred credit loss model. Additionally, the amendments were aimed to align accounting more closely with risk management and expanded the types of eligible hedged item, hedging instrument, and hedged risk under new hedge accounting model. These amendments are effective for annual periods beginning on or after January 1, 2018.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

2. Basis of Preparation, Continued

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

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

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 or loss from the effective date of acquisition and up to the effective date of disposal, as appropriate. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Transactions within the Company are eliminated during the consolidation.

Changes in the Company's ownership interests in a subsidiary that do not result in the Company losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Company's interests and the

non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to owners of the Company.

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

(2) Business combinations

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

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

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

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

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

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

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

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

(2) Business combinations, continued

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

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

(3) Investments in associates

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

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

After the disposal takes place, the Company shall account for any retained interest in associates in accordance with K-IFRS 1039, *Financial Instruments: Recognition and Measurement* unless the retained interest continues to be an 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 of the associate. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on

behalf of the associate.

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

(3) Investments in associates, continued

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

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

(4) Joint arrangements

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

If the Company is a joint operator, the Company is to recognize and measure the assets and liabilities (and recognize the related revenues and expenses) in relation to its interest in the arrangement in accordance with relevant K-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 Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

(6) Goodwill, continued

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

(7) Revenue recognition

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

(i) Sales of goods

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

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

(ii) Sales of other services

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed or services performed to date as a percentage of total services to be performed or the proportion that costs incurred to date bear to the estimated total costs of the transaction or other methods that reliably measures the services performed.

(iii) Dividend income and interest income

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

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

(iv) Rental income

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

(8) Construction services revenue

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

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

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

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

(9) Leases

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

(i) The Company as lessor

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

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

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

(ii) The Company as lessee

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

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 and reclassified from equity to

income or loss on disposal or partial disposal of the net investment.

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

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

(11) Borrowing costs

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

(12) Government grants

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

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

(i) If the Company received grants related to assets

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

(ii) If the Company received grants related to income

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

(13) Employee benefits

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

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

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3. Significant Accounting Policies, Continued

(14) Income taxes

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

(i) Current tax

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

(ii) Deferred tax

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

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

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

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

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

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

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

(iii) Current and deferred tax for the year

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**3. Significant Accounting Policies, Continued****(15) Property, plant and equipment**

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

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

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

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

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

(16) Investment property

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

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

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

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

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

(17) Intangible assets

(i) Intangible assets acquired separately

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

(ii) Research and development

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

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

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

The ability to use or sell the intangible asset;

How the intangible asset will generate probable future economic benefits;

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

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**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 |
| Others | 4~20, 50 | Straight |
| Mining right | | Unit of production |

(iii) Intangible assets acquired in a business combination

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

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

(iv) Derecognition of intangible assets

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

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

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

(i) Emissions rights

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

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

Greenhouse gas emission rights are derecognized on submission to the government or disposal and as such no future economic benefits are expected.

(ii) Emissions obligations

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

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

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

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

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

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

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

(20) Inventories

Inventories are measured at the lower of cost and net realizable value. Cost of inventories, except for those in transit, are measured under the weighted average method and consists of the purchase price, cost of conversion and other costs incurred in bringing the inventories to their present location and condition.

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

(21) Provisions

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

(21) Provisions, continued

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

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

(i) Provision for employment benefits

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

(ii) Provision for decommissioning costs of nuclear power plants

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

(iii) Provision for disposal of spent nuclear fuel

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

(iv) Provision for low and intermediate radioactive wastes

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

(v) Provision for Polychlorinated Biphenyls (PCBs)

Under the regulation of Persistent Organic Pollutants Management Act, enacted in 2007, the Company is required to remove 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 are recognized for the governmental regulations to require the production of energies from renewable energy sources such as solar, wind and biomass.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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3. Significant Accounting Policies, Continued

(22) Non-derivative financial assets

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

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

(i) Effective interest method

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

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

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

A financial asset is classified as held for trading if:

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

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

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

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

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

(22) Non-derivative financial assets, continued

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

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

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

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

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange gains and losses that are recognized in income or loss are determined based on the amortized cost of the monetary asset. Other foreign exchange gains and losses are recognized in other comprehensive income.

(v) Loans and receivables

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

(vi) Impairment of financial assets

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

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

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

Significant financial difficulty of the issuer or counterparty; or

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

(22) Non-derivative financial assets, continued

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

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

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

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

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

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

In respect of available-for-sale equity securities, impairment losses previously recognized in profit or loss are not reversed through profit or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

(vii) De-recognition of financial assets

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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3. Significant Accounting Policies, Continued

(22) Non-derivative financial assets, continued

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

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

(i) Classification as debt or equity

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

(ii) Equity instruments

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

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

(iii) Financial liabilities

Financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments. Financial liabilities are initially measured at fair value. Transaction cost that are directly attributable to the issue of financial liabilities are added to or deducted from the fair value of the financial liabilities, as appropriate,

on initial recognition. Transaction cost directly attributable to acquisition of financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

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

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

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

A financial liability is classified as held for trading if:

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

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

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

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

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

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

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

(v) Other financial liabilities

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

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

(vi) Financial guarantee contract liabilities

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

(vii) De-recognition of financial liabilities

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

(24) Derivative financial instruments, including hedge accounting

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

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

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

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

(i) Separable embedded derivatives

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

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

(ii) Hedge accounting

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

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

(iii) Fair value hedges

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

3. Significant Accounting Policies, Continued

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

(iv) Cash flow hedges

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

4. Segment, Geographic and Other Information

(1) Segment determination and explanation of the measurements

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**4. Segment, Geographic and Other Information, Continued**

(2) Financial information of the segments for the years ended December 31, 2015 and 2014, respectively, are as follows:

In millions of won

| Segment | Total segment revenue | Intersegment revenue | 2015 | | Depreciation and amortization | Interest income | Interest expense | Profit related associates, joint ventures and subsidiaries |
|---|-----------------------|----------------------|---------------------------------|------------------|-------------------------------|-----------------|------------------|--|
| | | | Revenue from external customers | Operating profit | | | | |
| Transmission and distribution | ₩ 58,540,389 | 1,230,975 | 57,309,414 | 4,425,361 | 2,859,037 | 132,809 | 1,092,594 | 220,406 |
| Electric power generation | | | | | | | | |
| (Nuclear) | 10,642,352 | 10,596,189 | 46,163 | 3,784,990 | 3,070,828 | 24,612 | 532,490 | (595) |
| Electric power generation (Non-nuclear) | 21,469,345 | 20,906,081 | 563,264 | 2,732,497 | 2,337,353 | 22,171 | 319,647 | (10,686) |
| Plant maintenance & engineering service | 2,533,887 | 2,016,699 | 517,188 | 285,786 | 85,662 | 12,293 | 542 | (1,746) |
| Others | 672,250 | 150,557 | 521,693 | 42,629 | 27,491 | 108,104 | 127,684 | |
| Consolidation adjustments | (34,900,501) | (34,900,501) | | 75,469 | (38,987) | (58,404) | (57,273) | |
| | ₩ 58,957,722 | | 58,957,722 | 11,346,732 | 8,341,384 | 241,585 | 2,015,684 | 207,379 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**4. Segment, Geographic and Other Information, Continued**

(2) Financial information of the segments for the years ended December 31, 2015 and 2014, respectively, are as follows, continued:

In millions of won

| Segment | 2014 | | | | | | | |
|---|-----------------------|----------------------|---------------------------------|-------------------------|-------------------------------|-----------------|------------------|--|
| | Total segment revenue | Intersegment revenue | Revenue from external customers | Operating profit (loss) | Depreciation and amortization | Interest income | Interest expense | Profit related associates, joint ventures and subsidiaries |
| Transmission and distribution | ₩ 57,334,440 | 1,445,914 | 55,888,526 | 1,673,708 | 2,717,040 | 28,798 | 1,394,131 | 231,502 |
| Electric power generation | | | | | | | | |
| (Nuclear) | 9,379,564 | 9,364,451 | 15,113 | 2,514,475 | 2,905,115 | 21,995 | 582,353 | 1,227 |
| Electric power generation (Non-nuclear) | 25,067,653 | 24,680,221 | 387,432 | 1,303,579 | 2,189,202 | 30,528 | 308,731 | 40,260 |
| Plant maintenance & engineering service | 2,620,713 | 1,887,954 | 732,759 | 338,999 | 70,374 | 16,033 | 223 | 1,995 |
| Others | 537,578 | 86,525 | 451,053 | 119,568 | 26,983 | 109,427 | 79,175 | |
| Consolidation adjustments | (37,465,065) | (37,465,065) | | (162,764) | (35,255) | (15,325) | (12,989) | |
| | ₩ 57,474,883 | | 57,474,883 | 5,787,565 | 7,873,459 | 191,456 | 2,351,624 | 274,984 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

4. Segment, Geographic and Other Information, Continued**(3) Information related to segment assets and segment liabilities as of and for the years ended December 31, 2015 and 2014 are as follows:***In millions of won*

| Segment | 2015 | | | |
|---|----------------|--|-----------------------------------|---------------------|
| | Segment assets | Investments in associates and joint ventures | Acquisition of non-current assets | Segment liabilities |
| Transmission and distribution | ₩ 106,306,250 | 4,338,888 | 5,885,919 | 53,125,589 |
| Electric power generation (Nuclear) | 51,043,890 | 16,385 | 2,647,304 | 27,386,113 |
| Electric power generation (Non-nuclear) | 44,453,545 | 1,283,432 | 5,063,195 | 25,587,071 |
| Plant maintenance & engineering service | 2,990,862 | 54,825 | 249,627 | 1,172,351 |
| Others | 5,962,546 | | 144,846 | 2,312,658 |
| Consolidation adjustments | (35,499,734) | | 146,942 | (2,268,898) |
| Consolidated totals | ₩ 175,257,359 | 5,693,530 | 14,137,833 | 107,314,884 |

In millions of won

| Segment | 2014 | | | |
|---|----------------|--|-----------------------------------|---------------------|
| | Segment assets | Investments in associates and joint ventures | Acquisition of non-current assets | Segment liabilities |
| 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:

| <i>In millions of won</i> Geographical unit | Revenue from external customers | | Non-current assets (*2) | |
|---|--|-------------|--------------------------------|-------------|
| | 2015 | 2014 | 2015 | 2014 |
| Domestic | ₩ 54,727,071 | 54,245,734 | 143,788,043 | 136,053,940 |
| Overseas (*1) | 4,230,651 | 3,229,149 | 4,526,395 | 6,542,282 |
| | ₩ 58,957,722 | 57,474,883 | 148,314,438 | 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.

(5) Information on significant customers

There is no individual customer comprising more than 10% of the Company's revenue for the years ended December 31, 2015 and 2014.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

5. Classification of Financial Instruments

(1) Classification of financial assets as of December 31, 2015 and 2014 are as follows:

In millions of won

| | 2015 | | | | | Total |
|-------------------------------------|---|-----------------------|-------------------------------------|------------------------------|--|------------|
| | 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) | |
| Current assets | | | | | | |
| Cash and cash equivalents | ₩ | 3,783,065 | | | | 3,783,065 |
| Current financial assets | | | | | | |
| Held-to-maturity investments | | | | 381 | | 381 |
| Derivative assets | 1,498 | | | | 95,759 | 97,257 |
| Other financial assets | | 5,237,983 | | | | 5,237,983 |
| Trade and other receivables | | 7,473,548 | | | | 7,473,548 |
| | 1,498 | 16,494,596 | | 381 | 95,759 | 16,592,234 |
| Non-current assets | | | | | | |
| Non-current financial assets | | | | | | |
| Available-for-sale financial assets | | | 584,479 | | | 584,479 |
| Held-to-maturity investments | | | | 3,242 | | 3,242 |
| Derivative assets | 253,510 | | | | 266,383 | 519,893 |
| Other financial assets | | 1,387,940 | | | | 1,387,940 |
| Trade and other receivables | | 1,798,419 | | | | 1,798,419 |
| | 253,510 | 3,186,359 | 584,479 | 3,242 | 266,383 | 4,293,973 |
| | ₩ 255,008 | 19,680,955 | 584,479 | 3,623 | 362,142 | 20,886,207 |

In millions of won

| | 2014 | | | | | Total |
|--|--|-----------------------|-------------------------------------|------------------------------|--------------------------------|-------|
| | Financial assets at fair value through | Loans and receivables | Available-for-sale financial assets | Held-to-maturity investments | Derivative assets (using hedge | |

| | profit or loss | | assets | | accounting) | |
|-------------------------------------|-------------------|------------|---------|-------|-------------|------------|
| 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 Financial Statements, Continued

December 31, 2015

5. Classification of Financial Instruments, continued

(2) Classification of financial liabilities as of December 31, 2015 and 2014 are as follows:

*In millions of won***2015**

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

*In millions of won***2014**

| | Financial liabilities at fair value | | Financial liabilities | Derivative liabilities | |
|----------------------------|--|---------------------------------|-----------------------------|------------------------|--|
| | through profit or loss | recognized at amortized cost | (using hedge accounting) | Total | |
| Current liabilities | | | | | |

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| | | | | |
|--------------------------------|-----------|------------|---------|------------|
| 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 Financial Statements, Continued

December 31, 2015**5. Classification of Financial Instruments, Continued****(3) Classification of comprehensive income from financial instruments for the years ended December 31, 2015 and 2014 are as follows:**

| <i>In millions of won</i> | | 2015 | 2014 |
|---|--|-------------|-------------|
| Cash and cash equivalents | Interest income | ₩ 54,687 | 56,384 |
| Available-for-sale financial assets | Dividends income | 14,069 | 14,193 |
| | Impairment loss on available-for-sale financial assets | (84,370) | (79,618) |
| | Gain (loss) on disposal of available-for-sale financial assets | (3,004) | 95,365 |
| Held-to-maturity investments | Interest income | 29 | 382 |
| | Gain (loss) on disposal of held-to-maturity financial assets | 99 | 89 |
| Loans and receivables | Interest income | 28,586 | 29,507 |
| Trade and other receivables | Interest income | 100,771 | 99,680 |
| Short-term financial instruments | Interest income | 46,921 | 5,199 |
| Long-term financial instruments | Interest income | 10,492 | 215 |
| Financial assets at fair value through profit or loss | Gain on valuation of derivatives | 220,285 | 59,164 |
| | Gain (loss) on transaction of derivatives | 8,605 | (24,746) |
| Derivative assets (using hedge accounting) | Gain on valuation of derivatives (profit or loss) | 244,020 | 88,809 |
| | Loss on valuation of derivatives (equity, before tax) (*) | (12,572) | (60,284) |
| | Gain on transaction of derivatives | 2,818 | 818 |
| Financial liabilities carried at amortized cost | Interest expense of borrowings and debt securities | (1,392,477) | (1,664,682) |
| | Loss on retirement of financial liabilities | (33) | (199) |
| | Interest expense of trade and other payables | (84,527) | (98,407) |
| | Interest expense of others | (538,680) | (588,535) |
| | Loss on foreign currency transactions and translations | (708,178) | (271,953) |

| | | | |
|--|--|---------|----------|
| Financial liabilities at fair value through profit or loss | Gain on valuation of derivatives | 35,312 | 10,494 |
| | Gain (loss) on transaction of derivatives | 107,454 | (38,909) |
| Derivative liabilities (using hedge accounting) | Gain on valuation of derivatives (profit or loss) | 93,914 | 51,788 |
| | Gain (loss) on valuation of derivatives (equity, before tax) (*) | 9,728 | (76,013) |
| | Loss on transaction of derivatives | (4,288) | (4,180) |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| <i>In millions of won</i> | | 2015 | 2014 |
|----------------------------------|--|-------------|-------------|
| Cash and cash equivalents | Escrow accounts | ₩ 4,828 | 100 |
| | Deposits for government project | 5,839 | 10,156 |
| | Collateral provided for borrowings | 6,839 | 12,926 |
| | Collateral provided for lawsuit | 641 | 367 |
| | Deposits for transmission regional support program | 204 | |
| | Pledge | 740 | |
| Short-term financial instruments | Restriction on withdrawal related to win-win growth program for small and medium enterprises | 18,000 | 5,000 |
| Long-term financial instruments | Guarantee deposits for checking account | 2 | 3 |
| | Guarantee deposits for banking accounts at oversea branches | 333 | 312 |
| | Pledge | | 740 |
| | Decommissioning costs of nuclear power plants | 652,700 | 603,306 |
| | Collateral provided for borrowings | 20 | |
| | Funds for developing small and medium enterprises (*1) | 100,000 | |
| | | ₩ 790,146 | 632,910 |

(*1) Deposits for small and medium enterprise at IBK for construction of Bitgaram Energy Valley and support for the businesses as of December 31, 2015.

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

| <i>In millions of won</i> | 2015 | 2014 |
|---------------------------|-------------|-------------|
|---------------------------|-------------|-------------|

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| | | | |
|---|---|-----------|-----------|
| Cash | ₩ | 109 | 77 |
| Other demand deposit | | 1,309,396 | 1,154,250 |
| Short-term deposits classified as cash equivalents | | 374,575 | 340,119 |
| Short-term investments classified as cash equivalents | | 2,098,985 | 301,854 |
| | ₩ | 3,783,065 | 1,796,300 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| | | 2015 | | |
|---------------------------|---------------------|--|-------------------------------|-------------------|
| | Gross amount | Allowance for doubtful accounts | Present value discount | Book value |
| Current assets | | | | |
| Trade receivables | ₩ 6,862,762 | (51,956) | (14) | 6,810,792 |
| Other receivables | 718,717 | (52,778) | (3,183) | 662,756 |
| | 7,581,479 | (104,734) | (3,197) | 7,473,548 |
| Non-current assets | | | | |
| Trade receivables | 447,010 | | | 447,010 |
| Other receivables | 1,396,107 | (38,968) | (5,730) | 1,351,409 |
| | 1,843,117 | (38,968) | (5,730) | 1,798,419 |
| | ₩ 9,424,596 | (143,702) | (8,927) | 9,271,967 |

In millions of won

| | | 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 |

| | | | |
|------------|-----------|---------|-----------|
| ₩9,580,675 | (148,576) | (9,880) | 9,422,219 |
|------------|-----------|---------|-----------|

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| | | 2015 | | |
|---------------------------|--------------|---------------------------------|------------------------|------------|
| | Gross amount | Allowance for doubtful accounts | Present value discount | Book value |
| Current assets | | | | |
| Non-trade receivables | ₩ 330,669 | (52,778) | | 277,891 |
| Accrued income | 88,256 | | | 88,256 |
| Deposits | 235,745 | | (3,183) | 232,562 |
| Finance lease receivables | 12,098 | | | 12,098 |
| Others | 51,949 | | | 51,949 |
| | 718,717 | (52,778) | (3,183) | 662,756 |
| Non-current assets | | | | |
| Non-trade receivables | 93,782 | (31,829) | | 61,953 |
| Accrued income | 582 | | | 582 |
| Deposits | 256,745 | | (5,730) | 251,015 |
| Finance lease receivables | 941,710 | | | 941,710 |
| Others | 103,288 | (7,139) | | 96,149 |
| | 1,396,107 | (38,968) | (5,730) | 1,351,409 |
| | ₩ 2,114,824 | (91,746) | (8,913) | 2,014,165 |

In millions of won

| | | 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.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**8. Trade and Other Receivables, Continued****(3) Aging analysis of trade receivables as of December 31, 2015 and 2014 are as follows:**

| <i>In millions of won</i> | 2015 | 2014 |
|--|-------------|-------------|
| Trade receivables: (not overdue, not impaired) | ₩ 7,198,403 | 7,516,233 |
| Trade receivables: (overdue, not impaired) | 891 | 1,061 |
| Less than 60 days | 891 | 1,061 |
| Trade receivables: (impairment reviewed) | 110,478 | 137,992 |
| 60 ~ 90 days | 31,973 | 31,438 |
| 90 ~ 120 days | 11,010 | 12,045 |
| 120 days ~ 1 year | 35,097 | 42,736 |
| Over 1 year | 32,398 | 51,773 |
| | 7,309,772 | 7,655,286 |
| Less allowance for doubtful accounts | (51,956) | (80,644) |
| Less present value discount | (14) | (108) |
| | ₩ 7,257,802 | 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 an allowance based on past experience of collection.

(4) Aging analysis of other receivables as of December 31, 2015 and 2014 are as follows:

| <i>In millions of won</i> | 2015 | 2014 |
|---------------------------|-------------|-------------|
|---------------------------|-------------|-------------|

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| | | |
|--|-------------|-----------|
| Other receivables: (not overdue, not impaired) | ₩ 1,918,132 | 1,729,808 |
| Other receivables: (overdue, not impaired) | 20,249 | 58,778 |
| Less than 60 days | 20,249 | 58,778 |
| Other receivables: (impairment reviewed) | 176,443 | 136,803 |
| 60 ~ 90 days | 2,409 | 1,132 |
| 90 ~ 120 days | 10,097 | 2,242 |
| 120 days ~ 1year | 21,433 | 18,857 |
| Over 1 year | 142,504 | 114,572 |
| | 2,114,824 | 1,925,389 |
| Less allowance for doubtful accounts | (91,746) | (67,932) |
| Less present value discount | (8,913) | (9,772) |
| | ₩ 2,014,165 | 1,847,685 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**8. Trade and Other Receivables, Continued****(5) Changes in the allowance for doubtful accounts for the years ended December 31, 2015 and 2014 are as follows:**

| <i>In millions of won</i> | 2015 | | 2014 | |
|---------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| | Trade receivables | Other receivables | Trade receivables | Other receivables |
| Beginning balance | ₩ 80,644 | 67,932 | 65,024 | 69,887 |
| Bad debt expense | 1,308 | 18,473 | 39,018 | 15,981 |
| Write-off | (28,978) | (888) | (23,398) | (7,534) |
| Reversal | (1,018) | (413) | | (241) |
| Others | | 6,642 | | (10,161) |
| Ending balance | ₩ 51,956 | 91,746 | 80,644 | 67,932 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**9. Available-for-sale Financial Assets****(1) Changes in available-for-sale financial assets for the years ended December 31, 2015 and 2014 are as follows:***In millions of won*

| | 2015 | | | | | Ending | |
|---|------------------|--------------------|-----------------|------------------|-------------------|---------------|----------------|
| | Beginning | Acquisition | Disposal | Valuation | Impairment | Others | Balance |
| | balance | | | | | | |
| Listed: | | | | | | | |
| Korea District Heating Corp. | ₩ 127,241 | | | 3,169 | | | 130,410 |
| Kwanglim Co., Ltd. | 128 | | | 134 | | | 262 |
| Ssangyong Motor Co., Ltd. | 357 | | | (58) | | | 299 |
| Sungjee Construction. Co., Ltd. | 5 | | | | | | 5 |
| Korea Line Corp. | | | | | | | |
| Namkwang Engineering & Construction Co., Ltd. | 2 | | | (3) | | 2 | 1 |
| Pumyang Construction Co., Ltd. | | | | | | | |
| ELCOMTEC Co., Ltd. | 48 | | | 5 | | | 53 |
| PAN ocean Co., Ltd. | 5 | | | 1 | | | 6 |
| Borneo International Furniture Co., Ltd. | 4 | | | 7 | | 92 | 103 |
| TONGYANG Inc. | 66 | | | 140 | | 11 | 217 |
| TONGYANG networks Inc. | 3 | | | 3 | | | 6 |
| Nexolon Co., Ltd | | | | 59 | | 3,137 | 3,196 |
| PT Adaro Energy Tbk | 44,109 | | | (23,097) | (23,206) | 23,206 | 21,012 |
| Energy Fuels Inc. | 11,568 | | | (4,866) | (9,391) | 8,615 | 5,926 |
| Cockatoo Coal Limited | 628 | | | (572) | (572) | 558 | 42 |
| Denison Mines Corp. | 62,339 | | | (22,187) | (20,154) | 14,459 | 34,457 |
| Fission 3.0 (*1) | 61 | | (57) | 11 | | 15 | 30 |
| Fission Uranium Corp. | 651 | | | (28) | | (69) | 554 |
| | 247,215 | | (57) | (47,282) | (53,323) | 50,026 | 196,579 |
| Unlisted: | | | | | | | |
| K&C - Gyeongnam youth job creation Investment Fund (*1) | 1,340 | | (133) | | | | 1,207 |
| Hanwha Electric Power Venture Fund(*1) | 1,804 | | (1,804) | | | | |

| | | | | |
|---|--------|---------|----------|-------|
| Korea Investment - Korea EXIM Bank CERs Private Special Asset Investment Trust I (*1) | 4,752 | (3,000) | (1,181) | 571 |
| Troika Overseas Resource Development Private Equity Firm | 13,340 | | (11,787) | 1,553 |
| IBK-AUCTUS Green Growth Private Equity firm (*1) | 2,325 | (1,470) | | 855 |
| Global Dynasty Overseas Resource Development Private Equity Firm | 2,233 | | | 2,233 |
| Intellectual Discovery, Ltd. | 5,000 | | (3,625) | 1,375 |
| Hanwha-KOSEP New Renewable Energy Private Special Assets Investment Trust 1(*1) | 498 | 802 | (231) | 1,069 |
| Construction Guarantee | 795 | | 10 | 805 |
| Plant & Mechanical Contractors Financial Cooperative of Korea | 36 | | | 36 |
| Fire Guarantee | 20 | | | 20 |
| Korea Software Financial Cooperative | 301 | | | 301 |
| Engineering Financial Cooperative | 60 | | | 60 |
| Electric Contractors Financial Cooperative | 152 | | | 152 |
| Korea Specialty Contractor Financial Cooperative | 417 | | | 417 |
| Information & Communication Financial Cooperative | 10 | | | 10 |
| Korea Electric Engineers Association | 40 | | | 40 |
| Hwan Young Steel Co., Ltd. | 97 | | | 97 |
| Woobang ENC Co., Ltd | 22 | | | 22 |
| Dongnam Co., Ltd. | 72 | | | 72 |
| SAMBO AUTO. Co., Ltd. | 38 | | | 38 |
| Mobo Co., Ltd. | 14 | | | 14 |
| Poonglim Industrial Co., Ltd. | 78 | | 15 | 93 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**9. Available-for-sale Financial Assets, Continued****(1) Changes in available-for-sale financial assets for the years ended December 31, 2015 and 2014 are as follows, continued:***In millions of won*

| | 2015 | | | | | Ending Balance |
|---|----------------------|-------------|----------|-------------------------|--------|-------------------|
| | Beginning balance | Acquisition | Disposal | Valuation Impairment | Others | |
| HANKOOK Silicon Co., Ltd. | ₩7,513 | | | | | 7,513 |
| Kun Young Engineering & Construction Co., Ltd. | 5 | | | | | 5 |
| Pumyang Asset Management Co., Ltd. | 3 | | | | | 3 |
| Dae Kwang Semiconductor Co., Ltd. | 6 | | | | | 6 |
| Sanbon Department Store | 124 | | | (121) | | 3 |
| Woori Ascon Co., Ltd. | 10 | | | | | 10 |
| Miju Steel Mfg. Co., Ltd. | 51 | | | | | 51 |
| BnB Sungwon Co., Ltd. | 15 | | | | | 15 |
| Hana Civil Engineering Co., Ltd. | 1 | | | | | 1 |
| KC Development Co., Ltd. | 6 | | | | | 6 |
| IMHWA Corp. | 5 | | | | | 5 |
| IXELON Co., Ltd. | 23 | | | (23) | | |
| DAIM Special Vehicle Co., Ltd. | 10 | | | | | 10 |
| ASA KIMJE Co., Ltd. | 465 | | | (465) | | |
| ASA JEONJU Co., Ltd. | 697 | | | (628) | | 69 |
| KYUNGWON Co., Ltd. | 14 | | | | | 14 |
| Moonkyung Silica Co., Ltd. | | | | | | |
| Yousung Remicon Co., Ltd. | 4 | | | | | 4 |
| Sungkwang Timber Co., Ltd. | 4 | | | | | 4 |
| Yongbo Co., Ltd. | 3 | | | | | 3 |
| HJ Steel Co., Ltd. | | | | | 2 | 2 |
| Ildong Air Conditioning Co., Ltd. | | | | (2) | 2 | |
| KS Remicon Co., Ltd. | | | | | 3 | 3 |
| Sewoong Heavy Industries Co., Ltd. | | | | | 40 | 40 |
| SIN-E Steel Co., Ltd. | | | | | 33 | 33 |
| Joongang Platec Co., Ltd. | | | | | 72 | 72 |
| Hangjin Steel Co., Ltd. | | | | (116) | 116 | |
| Pyungsan SI Ltd. | | | | | 9 | 9 |
| Samgong Development Co., Ltd. | | | | | 7 | 7 |

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| | | | |
|---|-------|-----|----|
| Joongang Development Co., Ltd. | | 8 | 8 |
| AJS Co., Ltd. | | 32 | 32 |
| SET&C Co., Ltd. | | 10 | 10 |
| MSE Co., Ltd. | | 9 | 9 |
| Irim Nano Tec Co., Ltd. | | 15 | 15 |
| Kwang Myeong Electronics Technology Co., Ltd. | | 11 | 11 |
| Youngjin Hi-Tech Co., Ltd. | (105) | 126 | 21 |
| Dong Woo International Co., Ltd. | | 18 | 18 |
| Bench Mark Construction Co., Ltd. | | | |
| Buyoung Co., Ltd. | | 3 | 3 |
| Ilsuk Co., Ltd. | | 10 | 10 |
| Dongyang Telecom Co., Ltd. | | 11 | 11 |
| Han Young Construction Co., Ltd. | | 3 | 3 |
| Jongwon Remicon Co., Ltd. | | 13 | 13 |
| Ace Heat Treating Co., Ltd. | | 72 | 72 |
| Zyle Daewoo Motor Sales Co., Ltd. | | | |
| Daewoo Development Co., Ltd. | | | |
| Daewoo Songdo Development Co., Ltd. | (2) | 2 | |
| Seyang Inc. | | 27 | 27 |
| Seungri Enterprise Co., Ltd. | | 3 | 3 |
| Onggane Food Co., Ltd | | 1 | 1 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**9. Available-for-sale Financial Assets, Continued****(1) Changes in available-for-sale financial assets for the years ended December 31, 2015 and 2014 are as follows, continued:**

In millions of won

| | 2015 | | | | | | |
|--|----------------------|-------------|----------|-------------------------|--------|--|-------------------|
| | Beginning balance | Acquisition | Disposal | Valuation Impairment | Others | | Ending Balance |
| Shin-E P&C Co., Ltd. | ₩ | | | | 1 | | 1 |
| Montista Telecom Co., Ltd. | | | | (3) | 3 | | |
| Ejung Ad Co., Ltd. | | | | | 3 | | 3 |
| Solvus Co., Ltd. | | | | | 3 | | 3 |
| Myung Co., Ltd. | | | | | 2 | | 2 |
| Emotion Co., Ltd. | | | | | 8 | | 8 |
| Youngdong Concrete Co., Ltd. | | | | | 7 | | 7 |
| Shinil Engineering Co., Ltd. | | | | | 3 | | 3 |
| Korea Castiron Industrial Co., Ltd. | | | | | 22 | | 22 |
| FFG DMC Co., Ltd. | | | | | 17 | | 17 |
| Daeseong Metal Co., Ltd. | | | | | 47 | | 47 |
| Biwang Industry Co., Ltd. | | | | | 2 | | 2 |
| Huimun Co., Ltd. | | | | | 4 | | 4 |
| Sunun IT F Co., Ltd. | | | | | 8 | | 8 |
| Young Sung Co., Ltd. | | | | | 27 | | 27 |
| Yuil Industrial Electronics Co., Ltd. | | | | | 16 | | 16 |
| DN TEK Inc. | | | | | 62 | | 62 |
| Daeyang FMS Corporation | | | | | 3 | | 3 |
| Kwang Jin Structure Co., Ltd. | | | | | 31 | | 31 |
| Woojin Industry Corporation | | | | | 16 | | 16 |
| Kwang Sung Industry Co., Ltd. | | | | | 7 | | 7 |
| Matsaeng Food Co., Ltd. | | | | | 6 | | 6 |
| Futech Mold Co., Ltd. | | | | | 14 | | 14 |
| Samcheonri Industrial Co., Ltd. | | | | | 13 | | 13 |
| Woojoo Environment Ind. Co., Ltd. | | | | | 13 | | 13 |
| Cheongatti Co., Ltd. | | | | | 4 | | 4 |

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**9. Available-for-sale Financial Assets, Continued****(1) Changes in available-for-sale financial assets for the years ended December 31, 2015 and 2014 are as follows, continued:***In millions of won*

| | 2014 | | | | | | Ending |
|---|------------------|--------------------|-----------------|------------------|-------------------|---------------|----------------|
| | Beginning | Acquisition | Disposal | Valuation | Impairment | Others | Balance |
| | balance | | | | | | |
| Listed: | | | | | | | |
| Korea District Heating Corp. | ₩ 194,710 | | | (67,469) | (40,300) | 40,300 | 127,241 |
| LG Uplus Corporation (*1) | 412,901 | | (299,593) | 1,344 | | (114,652) | |
| Kwanglim Co., Ltd. | 150 | | | (22) | (22) | 22 | 128 |
| Ssangyong Motor Co., Ltd. | 291 | | | 66 | | | 357 |
| Sungjee Construction. Co., Ltd. | 7 | | | (2) | (2) | 2 | 5 |
| Korea Line Corp. | | | | | | | |
| Namkwang Engineering & Construction Co., Ltd. | 5 | | | (3) | (11) | 11 | 2 |
| Pumyang Construction Co., Ltd. | 3 | | | (2) | | (1) | |
| ELCOMTEC Co., Ltd. | | | | (168) | (168) | 384 | 48 |
| PAN ocean Co., Ltd. | | | | (9) | (9) | 23 | 5 |
| Borneo International Furniture Co., Ltd. | | | | (1) | | 5 | 4 |
| TONGYANG Inc. | | | | 32 | | 34 | 66 |
| TONGYANG networks Inc. | | | | | | 3 | 3 |
| PT Adaro Energy Tbk | 45,204 | | | (1,095) | (27,449) | 27,449 | 44,109 |
| Energy Fuels Inc. | 10,307 | | | 1,617 | | (356) | 11,568 |
| Cockatoo Coal Limited | 1,875 | | | (1,241) | (977) | 971 | 628 |
| Denison Mines Corp. | 74,498 | | | (8,892) | | (3,267) | 62,339 |
| Fission 3.0 | | 94 | | (45) | | 12 | 61 |
| Fission Uranium Corp. | 848 | | | (160) | | (37) | 651 |
| | 740,799 | 94 | (299,593) | (76,050) | (68,938) | (49,097) | 247,215 |
| Unlisted: | | | | | | | |
| Byucksan Engineering & Construction Co., Ltd. | 1 | | | | (1) | | |
| | 5 | | | | (5) | | |

| | | | | |
|--|--------|---------|---------|--------|
| Dongyang Engineering & Construction Corp. | | | | |
| K&C - Gyeongnam youth job creation Investment Fund | 1,340 | | | 1,340 |
| Women s Venture Fund (*1) | 780 | (780) | | |
| Hanwha Electric Power Venture Fund | | | | |
| | 1,804 | | | 1,804 |
| Korea Investment - Korea EXIM Bank CERs Private Special Asset InvestmentTrust I (*1) | | | | |
| | 6,803 | (2,051) | | 4,752 |
| Troika Overseas Resource Development Private Equity Firm | | | | |
| | 10,664 | 2,676 | | 13,340 |
| IBK-AUCTUS Green Growth Private Equity Firm (*1) | | | | |
| | 6,054 | (126) | (3,603) | 2,325 |
| Global Dynasty Overseas Resource Development Private Equity Firm | | | | |
| | 1,517 | 716 | | 2,233 |
| Intellectual Discovery, Ltd. | | | | |
| | 5,000 | | | 5,000 |
| Hanwha-KOSEP New Renewable Energy Private Special Assets Investment Trust 1 | | | | |
| | | 498 | | 498 |
| Construction Guarantee Plant & Mechanical Contractors Financial | | | | |
| | 790 | | 5 | 795 |
| Cooperative of Korea | | | | |
| | 36 | | | 36 |
| Fire Guarantee | | | | |
| | 20 | | | 20 |
| Korea Software Financial Cooperative | | | | |
| | 301 | | | 301 |
| Engineering Financial Cooperative | | | | |
| | 60 | | | 60 |
| Electric Contractors Financial Cooperative | | | | |
| | 152 | | | 152 |
| Korea Specialty Contractor Financial Cooperative | | | | |
| | 417 | | | 417 |
| Information & Communication Financial Cooperative | | | | |
| | 10 | | | 10 |
| Korea Electric Engineers Association (*1) | | | | |
| | 61 | (21) | | 40 |
| Hwan Young Steel Co., Ltd. | | | | |
| | 97 | | | 97 |
| Woobang ENC Co., Ltd | | | | |
| | 22 | | | 22 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**9. Available-for-sale Financial Assets, Continued****(1) Changes in available-for-sale financial assets for the years ended December 31, 2015 and 2014 are as follows, continued:**

In millions of won

| | Beginning balance | Acquisition | Disposal | 2014 Valuation Impairment | Others | Ending Balance |
|---|----------------------|-------------|----------|------------------------------|--------|-------------------|
| Dongnam Co., Ltd. | ₩ 72 | | | | | 72 |
| SAMBO AUTO. Co., Ltd. | 38 | | | | | 38 |
| Mobo Co., Ltd. | 14 | | | | | 14 |
| Poonglim Industrial Co., Ltd. | 78 | | | | | 78 |
| HANKOOK Silicon Co., Ltd. | 7,513 | | | | | 7,513 |
| Kun Young Engineering & Construction Co., Ltd. | 5 | | | | | 5 |
| Pumyang Asset Management Co., Ltd. | | | | | 3 | 3 |
| Dae Kwang Semiconductor Co., Ltd. | 6 | | | | | 6 |
| Sanbon Department Store | 124 | | | | | 124 |
| Woori Ascon Co., Ltd. | 10 | | | | | 10 |
| Miju Steel Mfg. Co., Ltd. | 51 | | | | | 51 |
| Ginseng K Co., Ltd. | 8 | | | (8) | | |
| BnB Sungwon Co., Ltd. | | | | | 15 | 15 |
| Hana Civil Engineering Co., Ltd. | | | | | 1 | 1 |
| KC Development Co., Ltd. | | | | | 6 | 6 |
| IMHWA Corp. | | | | | 5 | 5 |
| IXELON Co., Ltd. | | | | | 23 | 23 |
| DAIM Special Vehicle Co., Ltd. | | | | | 10 | 10 |
| ASA KIMJE Co., Ltd. | | | | | 465 | 465 |
| ASA JEONJU Co., Ltd. | | | | | 697 | 697 |
| KYUNGWON Co., Ltd. | | | | | 14 | 14 |
| Moonkyung Silica Co., Ltd. | | | | | | |
| Yousung Remicon Co., Ltd. | | | | | 4 | 4 |

| | | | | | | | |
|-------------------------------|-------------|-------|-----------|----------|----------|----------|---------|
| Sungkwang Timber Co., Ltd. | | | | | | 4 | 4 |
| Yongbo Co., Ltd. | | | | | | 3 | 3 |
| Korea Bio Fuel Co., Ltd. (*1) | 1,500 | | (1,500) | | | | |
| 3I Power | 1,486 | | | (1,482) | | (4) | |
| Areva nc Expansion | 248,292 | | | | | (20,416) | 227,876 |
| Green & Sustainable Energy | 13 | | | (13) | | | |
| Kanan Hydroelectric | 17 | | | (17) | | | |
| Navanakorn Electric Co., Ltd. | 16,163 | | | | | 673 | 16,836 |
| PT. Kedap Saayq | 18,540 | | | (5,551) | | | 12,989 |
| Set Holding | 170,514 | | | (2,682) | | | 167,832 |
| Siam Solar Power (*1) | 933 | | (933) | | | | |
| | 501,311 | 3,890 | (5,411) | (2,677) | (10,680) | (18,497) | 467,936 |
| Debt security: | | | | | | | |
| Ambre Energy Limited (*1) | 14,655 | | (14,655) | | | | |
| | 14,655 | | (14,655) | | | | |
| | ₩ 1,256,765 | 3,984 | (319,659) | (78,727) | (79,618) | (67,594) | 715,151 |

(*1) The Company recognized gain and loss on disposal of available-for-sale financial assets amounted to ₩98,065 million and ₩2,700 million, respectively, from the sales of shares of LG Uplus Corp., Korea Investment - Korea EXIM Bank CERs Private Special Asset Investment Trust, Korea Bio Fuel Co., Ltd., Ambre Energy Limited and others and from the liquidation of Women's Venture Fund for the year ended December 31, 2014.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**9. Available-for-sale Financial Assets, Continued****(2) Available-for sale financial assets of December 31, 2015 and 2014 are as follows:***In millions of won*

| | Shares | Ownership | 2015 Historical cost | Book value | Fair value |
|---|----------------|-----------|-------------------------|------------|------------|
| Listed | | | | | |
| Korea District Heating Corp. | 2,264,068 | 19.55% | ₩ 173,201 | 130,410 | 130,410 |
| Kwanglim Co., Ltd. | 84,515 | 0.44% | 386 | 262 | 262 |
| Ssangyong Motor Co., Ltd. | 38,568 | 0.03% | 428 | 299 | 299 |
| Sungjee Construction. Co., Ltd. | 1,053 | 0.01% | 49 | 5 | 5 |
| Korea Line Corp. | 18 | 0.00% | 1 | | |
| Namkwang Engineering & Construction Co., Ltd. | 232 | 0.00% | 15 | 1 | 1 |
| Pumyang Construction Co., Ltd. | 7 | 0.00% | 2 | | |
| ELCOMTEC Co., Ltd. | 32,875 | 0.04% | 217 | 53 | 53 |
| PAN ocean Co., Ltd. | 1,492 | 0.00% | 14 | 6 | 6 |
| Borneo International Furniture Co., Ltd. | 64,037 | 0.28% | 97 | 103 | 103 |
| TONGYANG Inc. | 78,511 | 0.03% | 45 | 217 | 217 |
| TONGYANG networks Inc. | 4,422 | 0.01% | 3 | 6 | 6 |
| Nexolon Co., Ltd | 3,665,367 | 2.59% | 3,138 | 3,196 | 3,196 |
| PT Adaro Energy Tbk | 480,000,000 | 1.50% | 71,554 | 21,012 | 21,012 |
| Energy Fuels Inc. | 1,711,814 | 3.79% | 16,819 | 5,926 | 5,926 |
| Cockatoo Coal Limited | 49,881,423 | 0.07% | 18,445 | 42 | 42 |
| Denison Mines Corp. | 58,284,000 | 11.24% | 84,134 | 34,457 | 34,457 |
| Fission 3.0 | 300,000 | 0.17% | | 30 | 30 |
| Fission Uranium Corp. | 800,000 | 0.21% | 785 | 554 | 554 |
| | | | 369,333 | 196,579 | 196,579 |
| Unlisted (*1) | | | | | |
| K&C - Gyeongnam youth job creation Investment Fund | 24 | 10.00% | 1,207 | 1,207 | |
| Korea Investment - Korea EXIM Bank CERs Private Special Asset InvestmentTrust I | 1,758,731,002 | 14.18% | 1,752 | 571 | |
| | 13,340,012,100 | 3.66% | 13,340 | 1,553 | |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**9. Available-for-sale Financial Assets, Continued****(2) Available-for sale financial assets of December 31, 2015 and 2014 are as follows, continued:***In millions of won*

| | | | 2015 | | |
|---|--------|-----------|-----------------|------------|------------|
| | Shares | Ownership | Historical cost | Book value | Fair value |
| Hana Civil Engineering Co., Ltd. | 23 | 0.00% | ₩ 1 | 1 | |
| KC Development Co., Ltd. | 839 | 0.02% | 6 | 6 | |
| IMHWA Corp. | 329 | 0.11% | 5 | 5 | |
| IXELON Co., Ltd. | 2,292 | 0.02% | 23 | | |
| DAIM Special Vehicle Co., Ltd. | 58 | 0.08% | 10 | 10 | |
| ASA KIMJE Co., Ltd. | 23,245 | 1.11% | 465 | | |
| ASA JEONJU Co., Ltd. | 34,846 | 1.34% | 697 | 69 | |
| KYUNGWON Co., Ltd. | 2,812 | 0.17% | 14 | 14 | |
| Moonkyung Silica Co., Ltd. | 42 | 0.56% | | | |
| Yousung Remicon Co., Ltd. | 8 | 0.26% | 4 | 4 | |
| Sungkwang Timber Co., Ltd. | 9 | 0.34% | 4 | 4 | |
| Yongbo Co., Ltd. | 61 | 0.20% | 3 | 3 | |
| HJ Steel Co., Ltd. | 218 | 0.07% | 2 | 2 | |
| Ildong Air Conditioning Co., Ltd. | 218 | 0.16% | 3 | | |
| KS Remicon Co., Ltd. | 12 | 0.04% | 3 | 3 | |
| Sewoong Heavy Industries Co., Ltd. | 7,931 | 0.10% | 40 | 40 | |
| SIN-E Steel Co., Ltd. | 109 | 0.08% | 33 | 33 | |
| Joongang Platec Co., Ltd. | 3,591 | 0.75% | 72 | 72 | |
| Hangjin Steel Co., Ltd. | 116 | 1.08% | 116 | | |
| Pyungsan SI Ltd. | 434 | 0.01% | 9 | 9 | |
| Samgong Development Co., Ltd. | 12 | 0.01% | 7 | 7 | |
| Joongang Development Co., Ltd. | 540 | 0.12% | 8 | 8 | |
| AJS Co., Ltd. | 12,906 | 0.23% | 32 | 32 | |
| SET&C Co., Ltd. | 119 | 0.13% | 10 | 10 | |
| MSE Co., Ltd. | 429 | 0.13% | 9 | 9 | |
| Ilim Nano Tec Co., Ltd. | 1,520 | 0.07% | 15 | 15 | |
| Kwang Myeong Electronics Technology Co., Ltd. | 113 | 0.37% | 11 | 11 | |
| Youngjin Hi-Tech Co., Ltd. | 2,512 | 0.25% | 126 | 21 | |
| Dong Woo International Co., Ltd. | 90 | 0.37% | 18 | 18 | |
| Bench Mark Construction Co., Ltd. | 2 | 0.00% | | | |
| Buyoung Co., Ltd. | 270 | 0.00% | 3 | 3 | |

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| | | | | |
|-------------------------------------|-------|-------|----|----|
| Ilsuk Co., Ltd. | 152 | 0.17% | 10 | 10 |
| Dongyang Telecom Co., Ltd. | 1,760 | 0.01% | 11 | 11 |
| Han Young Construction Co., Ltd. | 35 | 0.03% | 3 | 3 |
| Jongwon Remicon Co., Ltd. | 31 | 0.18% | 13 | 13 |
| Ace Heat Treating Co., Ltd. | 477 | 1.43% | 72 | 72 |
| Zyle Daewoo Motor Sales Co., Ltd. | 22 | 0.00% | | |
| Daewoo Development Co., Ltd. | 8 | 0.00% | | |
| Daewoo Songdo Development Co., Ltd. | 301 | 0.00% | 2 | |
| Seyang Inc. | 537 | 0.05% | 27 | 27 |
| Seungri Enterprise Co., Ltd. | 93 | 0.05% | 3 | 3 |
| Onggane Food Co., Ltd | 5 | 0.07% | 1 | 1 |
| Shin-E P&C Co., Ltd. | 12 | 0.00% | 1 | 1 |
| Montista Telecom Co., Ltd. | 5,409 | 0.00% | 3 | |
| Ejung Ad Co., Ltd. | 132 | 0.09% | 3 | 3 |
| Solvus Co., Ltd. | 1,056 | 0.04% | 3 | 3 |
| Myung Co., Ltd. | 89 | 0.05% | 2 | 2 |
| Emotion Co., Ltd. | 167 | 0.61% | 8 | 8 |
| Youngdong Concrete Co., Ltd. | 32 | 0.32% | 7 | 7 |
| Shinil Engineering Co., Ltd. | 887 | 0.06% | 3 | 3 |
| Korea Castiron Industrial Co., Ltd. | 617 | 1.86% | 22 | 22 |
| FFG DMC Co., Ltd. | 12 | 0.00% | 17 | 17 |
| Daeseong Metal Co., Ltd. | 518 | 2.37% | 47 | 47 |
| Biwang Industry Co., Ltd | 406 | 0.04% | 2 | 2 |
| Huimun Co., Ltd. | 263 | 0.26% | 4 | 4 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**9. Available-for-sale Financial Assets, Continued****(2) Available-for sale financial assets of December 31, 2015 and 2014 are as follows, continued:***In millions of won*

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

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

(*2)

The Company has estimated the fair value of the investment in Construction Guarantee based upon the price which would be applied when the investment is returned. The Company has recognized the difference between its fair value and book value as a gain or loss on valuation of available-for-sale financial assets in other comprehensive income or loss during the year ended December 31, 2015.

- (*3) Although the Company holds more than 20% of the equity shares of these investments, the Company cannot exercise significant influence.
- (*4) The Company has estimated the fair value of Set Holding by using the discounted cash flow method and has recognized the difference between its fair value and book value as gain or loss on valuation of available-for-sale financial assets in other comprehensive income or loss during the year ended December 31, 2015.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**9. Available-for-sale Financial Assets, Continued****(2) Available-for sale financial assets of December 31, 2015 and 2014 are as follows, continued:***In millions of won*

| | Shares | Ownership | 2014 Historical cost | Book value | Fair value |
|---|-------------|-----------|-------------------------|------------|------------|
| Listed | | | | | |
| Korea District Heating Corp. | 2,264,068 | 19.55% | ₩ 173,201 | 127,241 | 127,241 |
| Kwanglim Co., Ltd. | 84,515 | 0.44% | 386 | 128 | 128 |
| Ssangyong Motor Co., Ltd. | 38,568 | 0.03% | 428 | 357 | 357 |
| Sungjee Construction. Co., Ltd. | 1,053 | 0.01% | 49 | 5 | 5 |
| Korea Line Corp. | 18 | 0.00% | 1 | | |
| Namkwang Engineering & Construction Co., Ltd. | 559 | 0.01% | 12 | 2 | 2 |
| Pumyang Construction Co., Ltd. | 7 | 0.00% | 2 | | |
| ELCOMTEC Co., Ltd. | 32,875 | 0.04% | 217 | 48 | 48 |
| PAN ocean Co., Ltd. | 1,866 | 0.00% | 14 | 5 | 5 |
| Borneo International Furniture Co., Ltd. | 2,607 | 0.01% | 5 | 4 | 4 |
| TONGYANG Inc. | 73,364 | 0.03% | 33 | 66 | 66 |
| TONGYANG networks Inc. | 4,422 | 0.01% | 3 | 3 | 3 |
| PT Adaro Energy Tbk | 480,000,000 | 1.50% | 71,554 | 44,109 | 44,109 |
| Energy Fuels Inc. | 1,711,814 | 8.70% | 16,819 | 11,568 | 11,568 |
| Cockatoo Coal Limited | 49,881,423 | 0.07% | 18,445 | 628 | 628 |
| Denison Mines Corp. | 58,284,000 | 11.52% | 84,134 | 62,339 | 62,339 |
| Fission 3.0 | 800,000 | 0.51% | | 61 | 61 |
| Fission Uranium Corp. | 800,000 | 0.22% | 785 | 651 | 651 |
| | | | 366,088 | 247,215 | 247,215 |
| Unlisted (*1) | | | | | |
| Byucksan Engineering & Construction Co., Ltd. | 272 | 0.00% | 5 | | |
| Dongyang Engineering & Construction Corp. | 1,276 | 0.01% | 5 | | |
| K&C - Gyeongnam youth job creation Investment Fund | 27 | 10.00% | 1,340 | 1,340 | |
| Hanwha Electric Power Venture Fund | 2,196 | 16.40% | 1,804 | 1,804 | |

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| | | | | | |
|--------------------------------------|----------------|--------|--------|--------|-----|
| Korea Investment - Korea EXIM Bank | | | | | |
| CERs Private Special Asset | | | | | |
| InvestmentTrust I | 4,770,837,919 | 14.18% | 4,752 | 4,752 | |
| Troika Overseas Resource | | | | | |
| Development Private Equity Firm | 13,340,012,100 | 3.66% | 13,340 | 13,340 | |
| IBK-AUCTUS Green Growth Private | | | | | |
| Equity firm | 703 | 6.30% | 5,928 | 2,325 | |
| Global Dynasty Overseas Resource | | | | | |
| Development Private Equity Firm | 2,233,407,439 | 7.46% | 2,233 | 2,233 | |
| Intellectual Discovery, Ltd. | 1,000,000 | 8.81% | 5,000 | 5,000 | |
| Hanwha-KOSEP New Renewable | | | | | |
| Energy Private Special Assets | | | | | |
| Investment Trust 1 | 497,650,000 | 5.00% | 498 | 498 | |
| Construction Guarantee (*2) | 571 | 0.02% | 601 | 795 | 795 |
| Plant & Mechanical Contractors | | | | | |
| Financial Cooperative of Korea | 50 | 0.01% | 36 | 36 | |
| Fire Guarantee | 40 | 0.02% | 20 | 20 | |
| Korea Software Financial Cooperative | 301 | 0.15% | 301 | 301 | |
| Engineering Financial Cooperative | 528 | 0.10% | 60 | 60 | |
| Electric Contractors Financial | | | | | |
| Cooperative | 800 | 0.03% | 152 | 152 | |
| Korea Specialty Contractor Financial | | | | | |
| Cooperative | 476 | 0.01% | 417 | 417 | |
| Information & Communication | | | | | |
| Financial Cooperative | 70 | 0.01% | 10 | 10 | |
| Korea Electric Engineers Association | 400 | 0.26% | 40 | 40 | |
| Hwan Young Steel Co., Ltd. | 10,916 | 0.14% | 1,092 | 97 | |
| Woobang ENC Co., Ltd | 14 | 0.00% | 22 | 22 | |
| Dongnam Co., Ltd. | 2,070 | 0.46% | 72 | 72 | |
| SAMBO AUTO. Co., Ltd. | 15,066 | 0.02% | 38 | 38 | |
| Mobo Co., Ltd. | 504 | 0.00% | 14 | 14 | |
| Poonglim Industrial Co., Ltd. | 1,555 | 0.01% | 78 | 78 | |
| HANKOOK Silicon Co., Ltd. | 7,513,022 | 10.44% | 7,513 | 7,513 | |
| Kun Young Engineering & | | | | | |
| Construction Co., Ltd. | 100 | 0.00% | 5 | 5 | |
| Pumyang Asset Management Co., Ltd. | 13 | 0.00% | 3 | 3 | |
| Dae Kwang Semiconductor Co., Ltd. | 589 | 0.07% | 6 | 6 | |
| Sanbon Department Store | 828 | 0.01% | 124 | 124 | |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**9. Available-for-sale Financial Assets, Continued****(2) Available-for sale financial assets of December 31, 2015 and 2014 are as follows, continued:***In millions of won*

| | Shares | Ownership | 2014 | | |
|------------------------------------|-----------|-----------|-----------------|------------|------------|
| | | | Historical cost | Book value | Fair value |
| Woori Ascon Co., Ltd. | 25 | 0.34% | ₩ 10 | 10 | |
| Miju Steel Mfg. Co., Ltd. | 99,804 | 0.23% | 51 | 51 | |
| Ginseng K Co., Ltd. | 7,415 | 0.00% | 7 | | |
| BnB Sungwon Co., Ltd. | 589 | 0.01% | 15 | 15 | |
| Hana Civil Engineering Co., Ltd. | 23 | 0.00% | 1 | 1 | |
| KC Development Co., Ltd. | 839 | 0.02% | 6 | 6 | |
| IMHWA Corp. | 329 | 0.11% | 5 | 5 | |
| IXELON Co., Ltd. | 2,292 | 0.02% | 23 | 23 | |
| DAIM Special Vehicle Co., Ltd. | 58 | 0.08% | 10 | 10 | |
| ASA KIMJE Co., Ltd. | 23,245 | 1.11% | 465 | 465 | |
| ASA JEONJU Co., Ltd. | 34,846 | 1.34% | 697 | 697 | |
| KYUNGWON Co., Ltd. | 2,812 | 0.17% | 14 | 14 | |
| Moonkyung Silica Co., Ltd. | 42 | 0.56% | | | |
| Yousung Remicon Co., Ltd. | 8 | 0.26% | 4 | 4 | |
| Sungkwang Timber Co., Ltd. | 9 | 0.34% | 4 | 4 | |
| Yongbo Co., Ltd. | 61 | 0.20% | 3 | 3 | |
| 3I Power | 448,501 | 15.00% | 1,121 | | |
| Areva nc Expansion | 1,077,124 | 13.49% | 288,443 | 227,876 | |
| Green & Sustainable Energy | 550 | 0.00% | 3 | | |
| Kanan Hydroelectric | 734 | 19.58% | 5 | | |
| Navanakorn Electric Co., Ltd. (*3) | 4,442,800 | 29.00% | 16,646 | 16,836 | |
| PT. Kedap Saayq | 671 | 10.00% | 18,540 | 12,989 | |
| Set Holding (*4) | 1,100,220 | 2.50% | 229,255 | 167,832 | 167,832 |
| | | | 600,837 | 467,936 | 168,627 |
| | | | ₩ 966,925 | 715,151 | 415,842 |

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

- (*2) The Company has estimated the fair value of the investment in Construction Guarantee based upon the price which would be applied when the investment is returned. The Company has recognized the difference between its fair value and book value as a gain or loss on valuation of available-for-sale financial assets in other comprehensive income or loss during the year ended December 31, 2014.
- (*3) Although the Company holds more than 20% of the equity shares of these investments, the Company cannot exercise significant influence.
- (*4) The Company has estimated the fair value of Set Holding by using the discounted cash flow method and has recognized the difference between its fair value and book value as gain or loss on valuation of available-for-sale financial assets in other comprehensive income or loss during the year ended December 31, 2014.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**10. Held-to-maturity Investments****Held-to-maturity investments as of December 31, 2015 and 2014 are as follows:**

| <i>In millions of won</i> | 2015 | | | | | |
|---------------------------|--------------------------|--------------------|-----------------|-------------------|---------------|-----------------------|
| | Beginning balance | Acquisition | Disposal | Impairment | Others | Ending balance |
| Government bonds | ₩ 3,601 | 432 | (410) | | | 3,623 |
| Corporate bonds | 13 | | | | (13) | |
| | ₩ 3,614 | 432 | (410) | | (13) | 3,623 |
| Current | ₩ 265 | | (186) | | 301 | 380 |
| Non-current | 3,349 | 432 | (224) | | (314) | 3,243 |

| <i>In millions of won</i> | 2014 | | | | | |
|---------------------------|--------------------------|--------------------|-----------------|-------------------|---------------|-----------------------|
| | Beginning balance | Acquisition | Disposal | Impairment | Others | Ending balance |
| Government bonds | ₩ 2,268 | 2,351 | (1,018) | | | 3,601 |
| Corporate bonds | 13 | | | | | 13 |
| | ₩ 2,281 | 2,351 | (1,018) | | | 3,614 |
| Current | ₩ 168 | | (777) | | 874 | 265 |
| Non-current | 2,113 | 2,351 | (241) | | (874) | 3,349 |

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

| <i>In millions of won</i> | 2015 | | 2014 | |
|---------------------------|----------------|--------------------|----------------|--------------------|
| | Current | Non-current | Current | Non-current |
| Derivative assets | | | | |
| Currency forward | ₩ 1,498 | 24,896 | 182 | 7,233 |
| Currency swap | 95,759 | 491,219 | 8,039 | 151,934 |
| Interest rate swap | | 3,778 | | 2,737 |

| | | | | |
|-------------------------------|----------|---------|--------|---------|
| | ₩ 97,257 | 519,893 | 8,221 | 161,904 |
| Derivative liabilities | | | | |
| Currency forward | ₩ 1,142 | | 466 | |
| Currency swap | 758 | 66,976 | 53,697 | 196,273 |
| Interest rate swap | 8,345 | 89,289 | 3,457 | 83,913 |
| | ₩ 10,245 | 156,265 | 57,620 | 280,186 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**11. Derivatives, Continued**

(2) **Currency forward contracts which are not designated as hedge instruments as of December 31, 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 |
| KEB Hana Bank | 2014.05.09 | 2021.07.12 | 104,600 | USD 100,000 | 1,046.00 |
| Bank of America | 2014.04.29 | 2021.07.12 | 105,400 | USD 100,000 | 1,054.00 |
| Barclays Bank PLC | 2015.12.17 | 2016.01.13 | 5,904 | USD 5,000 | 1,180.78 |
| Barclays Bank PLC | 2015.12.28 | 2016.01.22 | 5,822 | USD 5,000 | 1,164.30 |
| Barclays Bank PLC | 2015.12.29 | 2016.01.25 | 5,845 | USD 5,000 | 1,168.90 |
| Citibank | 2015.12.28 | 2016.01.21 | 5,826 | USD 5,000 | 1,165.15 |
| HSBC | 2015.12.11 | 2016.01.12 | 5,903 | USD 5,000 | 1,180.59 |
| Nova Scotia | 2015.12.07 | 2016.01.11 | 2,332 | USD 2,000 | 1,166.20 |
| Nova Scotia | 2015.12.07 | 2016.01.11 | 2,337 | USD 2,000 | 1,168.70 |
| Nova Scotia | 2015.12.24 | 2016.01.20 | 5,856 | USD 5,000 | 1,171.25 |
| Nova Scotia | 2015.12.30 | 2016.01.27 | 5,870 | USD 5,000 | 1,173.98 |
| Standard Chartered | 2015.12.10 | 2016.01.08 | 5,913 | USD 5,000 | 1,182.65 |
| Standard Chartered | 2015.12.24 | 2016.01.19 | 5,846 | USD 5,000 | 1,169.12 |
| Standard Chartered | 2015.12.29 | 2016.01.26 | 5,841 | USD 5,000 | 1,168.24 |
| Nova Scotia | 2015.11.20 | 2016.02.24 | 5,789 | USD 5,000 | 1,157.86 |
| Nova Scotia | 2015.12.23 | 2016.01.28 | 1,171 | USD 1,000 | 1,171.10 |
| Nova Scotia | 2015.12.18 | 2016.01.29 | 5,830 | USD 5,000 | 1,166.00 |
| Nova Scotia | 2015.12.24 | 2016.01.04 | 7,653 | USD 6,538 | 1,170.53 |
| Standard Chartered | 2015.11.10 | 2016.02.12 | 3,483 | USD 3,000 | 1,160.90 |
| Standard Chartered | 2015.12.29 | 2016.01.05 | 13,042 | USD 11,173 | 1,167.28 |
| Barclays Bank PLC | 2015.12.16 | 2016.03.18 | 3,527 | USD 3,000 | 1,175.52 |
| Barclays Bank PLC | 2015.12.18 | 2016.03.22 | 3,562 | USD 3,000 | 1,187.35 |
| Societe Generale | 2015.12.28 | 2016.01.29 | 5,823 | USD 5,000 | 1,164.50 |
| Societe Generale | 2015.11.25 | 2016.02.29 | 5,746 | USD 5,000 | 1,149.25 |
| Societe Generale | 2015.12.21 | 2016.02.29 | USD 3,736 | 4,293 | 1,149.25 |
| Societe Generale | 2015.12.28 | 2016.02.29 | USD 745 | 857 | 1,149.25 |
| Societe Generale | 2015.12.22 | 2016.03.24 | 5,885 | USD 5,000 | 1,177.00 |
| HSBC | 2015.10.07 | 2016.01.13 | 5,795 | USD 5,000 | 1,158.95 |

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| | | | | | |
|--------------------|------------|------------|-----------|------------|----------|
| HSBC | 2015.10.22 | 2016.01.13 | USD 2,313 | 2,681 | 1,158.95 |
| HSBC | 2015.11.04 | 2016.02.11 | 11,358 | USD 10,000 | 1,135.80 |
| HSBC | 2015.11.16 | 2016.02.19 | 2,346 | USD 2,000 | 1,173.20 |
| HSBC | 2015.11.19 | 2016.01.13 | USD 2,687 | 3,114 | 1,158.95 |
| HSBC | 2015.11.24 | 2016.02.11 | USD 797 | 906 | 1,135.80 |
| HSBC | 2015.11.24 | 2016.02.11 | USD 9,203 | 10,452 | 1,135.80 |
| HSBC | 2015.12.29 | 2016.01.04 | 8,396 | USD 7,193 | 1,167.25 |
| Mizuho Bank | 2015.11.04 | 2016.02.11 | 5,665 | USD 5,000 | 1,132.91 |
| Mizuho Bank | 2015.11.17 | 2016.02.11 | USD 4,776 | 5,411 | 1,132.91 |
| Mizuho Bank | 2015.12.08 | 2016.02.11 | USD 224 | 254 | 1,132.91 |
| Mizuho Bank | 2015.12.22 | 2016.01.25 | 3,524 | USD 3,000 | 1,174.75 |
| Mizuho Bank | 2015.12.24 | 2016.01.29 | 5,853 | USD 5,000 | 1,170.54 |
| Mizuho Bank | 2015.12.29 | 2016.01.29 | 5,849 | USD 5,000 | 1,169.80 |
| Credit Agricole | 2015.10.07 | 2016.01.13 | 4,700 | USD 4,000 | 1,174.90 |
| Credit Agricole | 2015.10.14 | 2016.01.19 | 3,460 | USD 3,000 | 1,153.30 |
| Credit Agricole | 2015.10.29 | 2016.01.13 | USD 752 | 878 | 1,167.43 |
| Credit Agricole | 2015.11.02 | 2016.01.13 | USD 1,520 | 1,774 | 1,167.40 |
| Credit Agricole | 2015.12.10 | 2016.01.13 | USD 1,728 | 2,017 | 1,167.40 |
| Credit Agricole | 2015.12.28 | 2016.03.30 | 5,833 | USD 5,000 | 1,166.60 |
| HSBC | 2015.12.16 | 2016.01.04 | 3,654 | USD 3,100 | 1,178.77 |
| Nonghyup Bank | 2015.12.16 | 2016.01.06 | 5,885 | USD 5,000 | 1,176.92 |
| KEB Hana Bank | 2015.12.18 | 2016.01.06 | 7,462 | USD 6,300 | 1,184.37 |
| Nova Scotia | 2015.12.21 | 2016.01.06 | 1,179 | USD 1,000 | 1,178.50 |
| Nova Scotia | 2015.12.22 | 2016.01.06 | 6,470 | USD 5,500 | 1,176.36 |
| Standard Chartered | 2015.12.23 | 2016.01.06 | 10,316 | USD 8,800 | 1,172.31 |
| Nova Scotia | 2015.12.30 | 2016.01.08 | 7,627 | USD 6,500 | 1,173.45 |
| Nova Scotia | 2015.12.28 | 2016.01.04 | 466 | USD 400 | 1,165.76 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**11. Derivatives, Continued****(2) Currency forward contracts which are not designated as hedge instruments, as of December 31, 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 | |
| Nova Scotia | 2015.12.29 | 2016.01.08 | ₩ 7,706 | USD 6,600 | 1,167.55 |
| Societe Generale | 2015.10.12 | 2016.01.13 | 754 | USD 655 | 1,151.15 |
| 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 December 31, 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 (%) | |
| Deutsche Bank | 2013~2018 | ₩ 110,412 | JPY 10,000,000 | 6.21% | 4.19% | 11.04 |
| IBK | 2013~2018 | 111,800 | USD 100,000 | 3.16% | 2.79% | 1,118.00 |
| Bank of America | 2013~2018 | 103,580 | JPY 10,000,000 | 7.05% | 4.19% | 10.36 |
| Credit Suisse | 2014~2019 | 118,632 | CHF 100,000 | 2.98% | 1.50% | 1,186.32 |
| Standard Chartered | 2014~2019 | 114,903 | CHF 100,000 | 4.00% | 1.50% | 1,149.03 |
| Standard Chartered | 2014~2029 | 102,470 | USD 100,000 | 3.14% | 3.57% | 1,024.70 |
| Standard Chartered | 2014~2017 | 51,215 | USD 50,000 | 2.24% | 3M Libor + 0.55% | 1,024.30 |
| 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 |

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| | | | | | | |
|---------------------------|-----------|---------|-------------|-------|----------------|----------|
| 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 |
| 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 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**11. Derivatives, Continued**

(4) Currency swap contracts which are designated as hedge instruments as of December 31, 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 |
| 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 |

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| | | | | | | |
|-----------------------|-----------|---------|-------------|-------|----------------|----------|
| Barclays Bank PLC | 2012~2017 | 142,500 | USD 125,000 | 3.83% | 3.13% | 1,140.00 |
| Morgan Stanley | 2012~2017 | 142,500 | USD 125,000 | 3.83% | 3.13% | 1,140.00 |
| Credit Agricole | 2012~2017 | 142,500 | USD 125,000 | 3.83% | 3.13% | 1,140.00 |
| JP Morgan | 2012~2017 | 142,500 | USD 125,000 | 3.83% | 3.13% | 1,140.00 |
| Credit Agricole | 2013~2019 | 118,343 | CHF 100,000 | 3.47% | 1.63% | 1,183.43 |
| Barclays Bank PLC | 2013~2019 | 59,172 | CHF 50,000 | 3.47% | 1.63% | 1,183.43 |
| Nomura | 2013~2019 | 59,172 | CHF 50,000 | 3.47% | 1.63% | 1,183.43 |
| Barclays Bank PLC | 2013~2018 | 107,360 | USD 100,000 | 3.34% | 2.88% | 1,073.60 |
| Credit Agricole | 2013~2018 | 107,360 | USD 100,000 | 3.34% | 2.88% | 1,073.60 |
| JP Morgan | 2013~2018 | 161,040 | USD 150,000 | 3.34% | 2.88% | 1,073.60 |
| Standard Chartered | 2013~2018 | 161,040 | USD 150,000 | 3.34% | 2.88% | 1,073.60 |
| Standard Chartered | 2014~2019 | 104,490 | USD 100,000 | 2.77% | 2.63% | 1,044.90 |
| Credit Agricole | 2014~2019 | 104,490 | USD 100,000 | 2.77% | 2.63% | 1,044.90 |
| Barclays Bank PLC | 2014~2019 | 104,490 | USD 100,000 | 2.77% | 2.63% | 1,044.90 |
| Barclays Bank PLC | 2013~2018 | 81,188 | USD 75,000 | 2.65% | 1.88% | 1,082.50 |
| Credit Agricole | 2013~2018 | 81,188 | USD 75,000 | 2.65% | 1.88% | 1,082.50 |
| Deutsche Bank | 2013~2018 | 81,188 | USD 75,000 | 2.65% | 1.88% | 1,082.50 |
| Citibank | 2013~2018 | 81,188 | USD 75,000 | 2.65% | 1.88% | 1,082.50 |
| Standard Chartered | 2014~2017 | 54,205 | USD 50,000 | 2.93% | 3M Libor+1.05% | 1,084.10 |
| Credit Agricole | 2014~2017 | 54,205 | USD 50,000 | 2.93% | 3M Libor+1.05% | 1,084.10 |
| HSBC | 2012~2017 | 115,140 | USD 100,000 | 3.38% | 2.50% | 1,151.40 |
| BNP Paribas | 2012~2017 | 115,140 | USD 100,000 | 3.38% | 2.50% | 1,151.40 |
| KEB Hana Bank | 2012~2017 | 115,140 | USD 100,000 | 3.38% | 2.50% | 1,151.40 |
| Barclays Bank PLC | 2012~2017 | 57,570 | USD 50,000 | 3.38% | 2.50% | 1,151.40 |
| Standard Chartered | 2012~2017 | 57,570 | USD 50,000 | 3.38% | 2.50% | 1,151.40 |
| Nomura | 2012~2017 | 57,570 | USD 50,000 | 3.38% | 2.50% | 1,151.40 |
| Credit Agricole | 2012~2017 | 57,570 | USD 50,000 | 3.38% | 2.50% | 1,151.40 |
| Societe Generale | 2013~2018 | 106,190 | USD 100,000 | 3.48% | 2.63% | 1,061.90 |
| BNP Paribas | 2013~2018 | 53,095 | USD 50,000 | 3.48% | 2.63% | 1,061.90 |
| | 2013~2018 | 53,095 | USD 50,000 | 3.48% | 2.63% | 1,061.90 |

| | | | | | | |
|-----------------------|-----------|---------|-------------|-------|-------|----------|
| KEB Hana Bank | | | | | | |
| Standard Chartered | 2013~2018 | 106,030 | USD 100,000 | 3.48% | 2.63% | 1,060.30 |
| Barclays Bank PLC | 2013~2018 | 53,015 | USD 50,000 | 3.48% | 2.63% | 1,060.30 |
| KEB Hana Bank | 2013~2018 | 31,809 | USD 30,000 | 3.48% | 2.63% | 1,060.30 |
| Societe Generale | 2013~2018 | 21,206 | USD 20,000 | 3.48% | 2.63% | 1,060.30 |
| HSBC | 2013~2018 | 53,015 | USD 50,000 | 3.47% | 2.63% | 1,060.30 |
| Nomura | 2013~2018 | 53,015 | USD 50,000 | 3.47% | 2.63% | 1,060.30 |
| Credit Agricole | 2014~2020 | 110,680 | USD 100,000 | 2.29% | 2.50% | 1,106.80 |
| Societe Generale | 2014~2020 | 55,340 | USD 50,000 | 2.16% | 2.50% | 1,106.80 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

11. Derivatives, Continued

(4) Currency swap contracts which are designated as hedge instruments as of December 31, 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 (%) | |
| KEB Hana Bank | 2014~2020 | ₩ 55,340 | USD 50,000 | 2.16% | 2.50% | 1,106.80 |
| KEB Hana Bank | 2014~2020 | 55,340 | USD 50,000 | 2.21% | 2.50% | 1,106.80 |
| Standard Chartered | 2014~2020 | 55,340 | USD 50,000 | 2.21% | 2.50% | 1,106.80 |
| HSBC | 2014~2020 | 55,340 | USD 50,000 | 2.21% | 2.50% | 1,106.80 |
| Nomura | 2014~2020 | 55,340 | USD 50,000 | 2.21% | 2.50% | 1,106.80 |
| Barclays Bank PLC | 2014~2020 | 55,340 | USD 50,000 | 2.21% | 2.50% | 1,106.80 |
| HSBC | 2014~2020 | 55,340 | USD 50,000 | 2.21% | 2.50% | 1,106.80 |

(5) Interest rate swap contracts which are not designated as hedge instruments as of December 31, 2015 are as follows:

| 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 December 31, 2015 are as follows:

| <i>In thousands of U.S. dollars</i> | | | | |
|-------------------------------------|----------------------|------------------------|---|---|
| Counterparty | Contract year | Contract amount | Contract interest rate per annum Pay (%) | Contract interest rate per annum Receive (%) |
| BNP Paribas | 2009~2027 | USD 99,920 | 4.16% | 6M USD Libor |
| KFW | 2009~2027 | USD 99,920 | 4.16% | 6M USD Libor |
| CA-CIB (Credit Agricole) | 2015~2033 | USD 103,012 | 3.98% ~ 4.10% | 6M USD Libor |
| SMBC | 2015~2033 | USD 134,708 | 4.05% ~ 4.18% | 6M USD Libor |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**11. Derivatives, Continued**

- (7) Gains and losses on valuation and transaction of derivatives for the years ended December 31, 2015 and 2014 are as follows and included in finance income and costs in the consolidated statements of comprehensive income (loss):

| <i>In millions of won</i> | Net income effects of valuation gain (loss) | | Net income effects of transaction gain (loss) | | Accumulated other comprehensive income (loss) (*) | |
|---------------------------|---|----------|---|----------|---|-----------|
| | 2015 | 2014 | 2015 | 2014 | 2015 | 2014 |
| | Currency option | ₩ | | | 16,535 | |
| Currency forward | 357 | 58,068 | 8,523 | 321 | | (30,072) |
| Currency swap | 431,565 | 168,987 | 75,752 | (79,484) | (6,926) | (90,990) |
| Interest rate swap | 161,609 | (16,800) | 30,314 | (3,680) | 4,082 | (15,235) |
| Other derivatives | | | | (709) | | |
| | ₩593,531 | 210,255 | 114,589 | (67,017) | (2,844) | (136,297) |

- (*) As of December 31, 2015, the net gain on valuation of derivatives using cash flow hedge accounting of ₩4,409 million, net of tax, is included in other comprehensive income.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

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

| <i>In millions of won</i> | 2015 | | 2014 | |
|--|-------------|-------------|---------|-------------|
| | Current | Non-current | Current | Non-current |
| Loans and receivables | ₩ 106,013 | 678,126 | 68,910 | 611,610 |
| Present value discount | (859) | (48,223) | (1,067) | (55,456) |
| Long-term/short-term financial instruments | 5,132,829 | 758,037 | 100,099 | 604,363 |
| | ₩ 5,237,983 | 1,387,940 | 167,942 | 1,160,517 |

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

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

In millions of won

| | Face value | 2014 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 Financial Statements, Continued

December 31, 2015

12. Other Financial Assets, Continued

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

| <i>In millions of won</i> | 2015 | | 2014 | |
|---------------------------|-------------|-------------|---------|-------------|
| | Current | Non-current | Current | Non-current |
| Time deposits | ₩ 2,131,089 | 3 | 90,088 | 742 |
| ABCP | 2,598,791 | 5,000 | 10,011 | |
| CP | 48,350 | | | |
| CD | 163,649 | | | |
| MMDA | | | | 300,000 |
| RP | | 652,700 | | 303,306 |
| Others | 190,950 | 100,334 | | 315 |
| | ₩ 5,132,829 | 758,037 | 100,099 | 604,363 |

13. Inventories

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

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

*In millions of won***2014**

| | Acquisition cost | 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 allowance for loss on inventory valuation due to decreases in the net realizable value of inventory added to cost of sales were ₩533 million for the years ended December 31, 2015. 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 ₩3,029 million for the years ended December 31, 2014. The amounts of loss from inventory valuation included in other gains or losses for the years ended December 31, 2015 and 2014 were ₩1,318 million and ₩2,709 million, respectively.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| <i>In millions of won</i> | 2015 | | 2014 | |
|---------------------------|------------------------|---|------------------------|---|
| | Minimum lease payments | Present value of minimum lease payments | Minimum lease payments | Present value of minimum lease payments |
| Less than 1 year | ₩ 98,488 | 12,098 | 88,698 | 8,275 |
| 1 ~ 5 years | 407,426 | 203,699 | 378,703 | 237,062 |
| More than 5 years | 1,689,281 | 738,011 | 1,675,685 | 640,417 |
| | ₩ 2,195,195 | 953,808 | 2,143,086 | 885,754 |

(3) There are no impaired finance lease receivables as of December 31, 2015 and 2014.**15. Non-Financial Assets**

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

| <i>In millions of won</i> | 2015 | | 2014 | |
|---------------------------|---------|-------------|---------|-------------|
| | Current | Non-current | Current | Non-current |

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| | | | | |
|------------------|-----------|---------|---------|---------|
| Advance payment | ₩ 102,842 | 25,172 | 109,112 | 12,516 |
| Prepaid expenses | 159,378 | 85,105 | 154,047 | 97,972 |
| Others (*) | 135,730 | 20,956 | 239,352 | 23,605 |
| | ₩ 397,950 | 131,233 | 502,511 | 134,093 |

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

| <i>In millions of won</i> | 2015 | | 2014 | |
|---------------------------|-----------|-------------|---------|-------------|
| | Current | Non-current | Current | Non-current |
| Tax refund receivables | ₩ 39,158 | 2,658 | 182,564 | 1,037 |
| Others | 96,572 | 18,298 | 56,788 | 22,568 |
| | ₩ 135,730 | 20,956 | 239,352 | 23,605 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| Subsidiaries | Key operation activities | Location | Percentage of ownership (%) | |
|---|--|-------------|-----------------------------|---------|
| | | | 2015 | 2014 |
| Korea Hydro & Nuclear Power Co., Ltd. | Power generation | KOREA | 100.00% | 100.00% |
| Korea South-East Power Co., Ltd. | Power generation | KOREA | 100.00% | 100.00% |
| Korea Midland Power Co., Ltd. | Power generation | KOREA | 100.00% | 100.00% |
| Korea Western Power Co., Ltd. | Power generation | KOREA | 100.00% | 100.00% |
| Korea Southern Power Co., Ltd. | Power generation | KOREA | 100.00% | 100.00% |
| Korea East-West Power Co., Ltd. | Power generation | KOREA | 100.00% | 100.00% |
| KEPCO Engineering & Construction Company, Inc. (*1) | Architectural engineering for utility plant and others | KOREA | 66.32% | 66.32% |
| KEPCO Plant Service & Engineering Co., Ltd. | Utility plant maintenance and others | KOREA | 52.48% | 54.00% |
| KEPCO Nuclear Fuel Co., Ltd. | Nuclear fuel | KOREA | 96.36% | 96.36% |
| KEPCO KDN Co., Ltd. | Electric power information technology and others | KOREA | 100.00% | 100.00% |
| Garolim Tidal Power Plant Co., Ltd. (*2) | Power generation | KOREA | 49.00% | 49.00% |
| KEPCO International HongKong Ltd. | Holding company | HONG KONG | 100.00% | 100.00% |
| KEPCO International Philippines Inc. | Holding company | PHILIPPINES | 100.00% | 100.00% |
| KEPCO Gansu International Ltd. | Holding company | HONG KONG | 100.00% | 100.00% |
| KEPCO Philippines Holdings Inc. | Holding company | PHILIPPINES | 100.00% | 100.00% |
| KEPCO Philippines Corporation | Operation of utility plant | PHILIPPINES | 100.00% | 100.00% |
| KEPCO Ilijan Corporation | Utility plant rehabilitation and operation | PHILIPPINES | 51.00% | 51.00% |
| KEPCO Lebanon SARL | Operation of utility plant | LEBANON | 100.00% | 100.00% |

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| | | | | |
|---|---|-------------|---------|---------|
| KEPCO Neimenggu International Ltd. | Holding company | HONG KONG | 100.00% | 100.00% |
| KEPCO Shanxi International Ltd. | Holding company | HONG KONG | 100.00% | 100.00% |
| KOMIPO Global Pte Ltd. | Holding company | SINGAPORE | 100.00% | 100.00% |
| KEPCO Canada Energy Ltd. | Resources development | CANADA | 100.00% | 100.00% |
| KEPCO Netherlands B.V. | Holding company | NETHERLANDS | 100.00% | 100.00% |
| KOREA Imouraren Uranium Investment Corp. | Uranium mine development | FRANCE | 100.00% | 100.00% |
| KEPCO Australia Pty., Ltd. | Resources development | AUSTRALIA | 100.00% | 100.00% |
| KOSEP Australia Pty., Ltd. | Resources development | AUSTRALIA | 100.00% | 100.00% |
| KOMIPO Australia Pty., Ltd. | Resources development | AUSTRALIA | 100.00% | 100.00% |
| KOWEPO Australia Pty., Ltd. | Resources development | AUSTRALIA | 100.00% | 100.00% |
| KOSPO Australia Pty., Ltd. | Resources development | AUSTRALIA | 100.00% | 100.00% |
| KEPCO Middle East Holding Company | Holding company | BAHRAIN | 100.00% | 100.00% |
| Qatrana Electric Power Company | Construction and operation of utility plant | JORDAN | 80.00% | 80.00% |
| KHNP Canada Energy Ltd. | Resources development | CANADA | 100.00% | 100.00% |
| KEPCO Bylong Australia Pty., Ltd. | Resources development | AUSTRALIA | 100.00% | 100.00% |
| Korea Waterbury Uranium Limited Partnership | Resources development | CANADA | 79.64% | 79.64% |
| KEPCO Canada Uranium Investment Limited Partnership | Resources development | CANADA | 100.00% | 100.00% |
| Korea Electric Power Nigeria Ltd. | Operation of utility plant | NIGERIA | 100.00% | 100.00% |
| KEPCO Holdings de Mexico | Holding company | MEXICO | 100.00% | 100.00% |
| KST Electric Power Company | Construction and operation of utility plant | MEXICO | 56.00% | 56.00% |
| KEPCO Energy Service Company | Operation of utility plant | MEXICO | 100.00% | 100.00% |
| KEPCO Netherlands S3 B.V. | Holding company | NETHERLANDS | 100.00% | 100.00% |
| PT. KOMIPO Pembangkitan Jawa Bali | Operation of utility plant | INDONESIA | 51.00% | 51.00% |
| PT. Cirebon Power Service (*2) | Operation of utility plant | INDONESIA | 27.50% | 27.50% |
| KOWEPO International Corporation | Operation of utility plant | PHILIPPINES | 99.99% | 99.99% |
| KOSPO Jordan LLC | Operation of utility plant | JORDAN | 100.00% | 100.00% |
| EWP Philippines Corporation | Operation of utility plant | PHILIPPINES | 100.00% | 100.00% |
| EWP America Inc. | Holding company | USA | 100.00% | 100.00% |
| EWP Renewable Co. | Holding company | USA | 100.00% | 100.00% |
| DG Fairhaven Power, LLC | Power generation | USA | 100.00% | 100.00% |
| DG Kings Plaza, LLC | Power generation | USA | 100.00% | 100.00% |
| DG Whitefield, LLC | Power generation | USA | 100.00% | 100.00% |
| Springfield Power, LLC | Power generation | USA | 100.00% | 100.00% |
| KNF Canada Energy Limited | Resources development | CANADA | 96.36% | 96.36% |
| PT KEPCO Resource Indonesia | Resources development | INDONESIA | 100.00% | 100.00% |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| Subsidiaries | Key operation activities | Location | Percentage of ownership (%) | |
|--|-------------------------------------|-------------|-----------------------------|---------|
| | | | , 2015 | , 2014 |
| EWP Barbados 1 SRL | Holding company | BARBADOS | 100.00% | 100.00% |
| California Power Holdings, LLC | Power generation | USA | 100.00% | 100.00% |
| Gyeonggi Green Energy Co., Ltd. | Power generation | KOREA | 62.01% | 62.01% |
| PT. Tanggamus Electric Power Gyeongju Wind Power Co., Ltd. | Power generation | INDONESIA | 52.50% | 60.00% |
| KOMIPO America Inc. | Holding company | USA | 100.00% | 100.00% |
| Boulder Solar Power, LLC | Solar photovoltaic power generation | USA | | 82.14% |
| EWPRC Biomass Holdings, LLC | Holding company | USA | 100.00% | 100.00% |
| KOSEP USA, INC. | Power generation | USA | 100.00% | 100.00% |
| PT. EWP Indonesia | Holding company | INDONESIA | 100.00% | 100.00% |
| KOWEPO America LLC | Solar photovoltaic power generation | USA | | 100.00% |
| KEPCO Netherlands J3 B.V. | Holding company | NETHERLANDS | 100.00% | 100.00% |
| Korea Offshore Wind Power Co., Ltd. | Power generation | KOREA | 100.00% | 100.00% |
| Global One Pioneer B.V. | Holding company | NETHERLANDS | 100.00% | 100.00% |
| Global Energy Pioneer B.V. | Holding company | NETHERLANDS | 100.00% | 100.00% |
| Mira Power Limited (*3) | Power generation | PAKISTAN | 76.00% | 76.00% |
| KOSEP Material Co., Ltd.(*4) | Power generation | KOREA | 46.22% | 46.22% |
| Commerce and Industry Energy Co., Ltd. | Power generation | KOREA | 59.03% | 59.03% |
| KEPCO Singapore Holdings Pte., Ltd. | Holding company | SINGAPORE | 100.00% | 100.00% |
| KOWEPO India Private Limited | Holding company | INDIA | 100.00% | 100.00% |

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| | | | | |
|--|--------------------------------------|-------------|---------|---------|
| KEPCO KPS Philippines Corp. | Utility plant maintenance and others | PHILIPPINES | 52.48% | 54.00% |
| KOSPO Chile SpA | Holding company | CHILE | 100.00% | 100.00% |
| PT. KOWEPO Sumsel Operation and Maintenance Services | Utility plant maintenance and others | INDONESIA | 95.00% | 95.00% |
| HeeMang Sunlight Power Co., Ltd. | Power generation | KOREA | 100.00% | |
| Fujeij Wind Power Company | Operation of utility plant | JORDAN | 100.00% | |
| KOSPO Youngnam Power Co., Ltd. | Operation of utility plant | KOREA | 50.00% | |

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

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

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

(*4) According to the shareholders' agreement reached in April 2014, Korea South-East Power Co., Ltd. (KOSEP) signed a contract with Long Lasting Value(LLV) to guarantee the principal and certain rate of return on LLV's shares in KOSEP Material Co., Ltd. Moreover, LLV has put options to sell their investment to KOSEP. Therefore, the Company accounted for this agreement as KOSEP acquiring the shares of KOSEP Material from LLV. As such, the effective percentage of ownership is 86.20% as of December 31, 2015.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**16. Consolidated Subsidiaries, Continued****(2) Subsidiaries included or excluded from consolidation for the year ended December 31, 2015 are as follows:**

<Subsidiaries included in consolidation for the year ended December 31, 2015>

| Subsidiary | Reason |
|----------------------------------|-------------------|
| HeeMang Sunlight Power Co., Ltd. | Newly Established |
| Fujeij Wind Power Company | Newly Established |
| KOSPO Youngnam Power Co., Ltd. | Newly Established |

<Subsidiaries excluded from consolidation for the year ended December 31, 2015>

| Subsidiary | Reason |
|--------------------------|---------------|
| Boulder Solar Power, LLC | Disposed |
| KOWEPO America LLC | Liquidation |

(3) Summary of financial information of consolidated subsidiaries as of and for the years ended December 31, 2015 and 2014 are as follows:*In millions of won*

| Subsidiaries | 2015 | | Sales | Profit (loss) for the period |
|---|-------------------------|------------------------------|--------------|---|
| | Total assets | Total liabilities | | |
| Korea Hydro & Nuclear Power Co., Ltd. | ₩ 51,043,890 | 27,386,113 | 10,642,352 | 2,465,244 |
| Korea South-East Power Co., Ltd. | 9,326,835 | 4,859,827 | 4,961,711 | 601,204 |
| Korea Midland Power Co., Ltd. | 7,857,199 | 4,648,144 | 3,927,443 | 226,244 |
| Korea Western Power Co., Ltd. | 9,225,791 | 5,719,032 | 4,214,540 | 294,617 |
| Korea Southern Power Co., Ltd. | 9,216,084 | 5,525,865 | 4,317,995 | 224,757 |
| Korea East-West Power Co., Ltd. | 8,828,603 | 4,836,904 | 4,047,655 | 454,942 |
| KEPCO Engineering & Construction Company, Inc. | 855,156 | 438,371 | 657,603 | 31,047 |
| KEPCO Plant Service & Engineering Co., Ltd. | 1,029,304 | 246,342 | 1,171,082 | 168,632 |

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| | | | | |
|---|---------|---------|---------|----------|
| KEPCO Nuclear Fuel Co., Ltd. | 666,677 | 328,364 | 253,524 | 35,115 |
| KEPCO KDN Co., Ltd. | 439,725 | 159,275 | 451,678 | 33,578 |
| Garolim Tidal Power Plant Co., Ltd. | 655 | 346 | | (76) |
| KEPCO International HongKong Ltd. | 172,686 | 18 | | 4,993 |
| KEPCO International Philippines Inc. | 115,594 | 1,542 | | 38,541 |
| KEPCO Gansu International Ltd. | 17,405 | 540 | | (6) |
| KEPCO Philippines Holdings Inc. | 132,094 | 26 | | 24,690 |
| KEPCO Philippines Corporation | 13,998 | 218 | | 265 |
| KEPCO Ilijan Corporation | 603,865 | 58,572 | 126,234 | 54,596 |
| KEPCO Lebanon SARL | 741 | 10,182 | | (1,541) |
| KEPCO Neimenggu International Ltd. | 184,860 | 348 | | 8,027 |
| KEPCO Shanxi International Ltd. | 562,652 | 242,270 | | 22,949 |
| KOMIPO Global Pte Ltd. | 187,885 | 29 | | 16,572 |
| KEPCO Canada Energy Ltd. | 55,945 | 23 | | (64) |
| KEPCO Netherlands B.V. | 169,496 | 61 | | 1,409 |
| KOREA Imouraren Uranium Investment Corp. | 224,499 | 263 | | 5,964 |
| KEPCO Australia Pty., Ltd. | 510,892 | 2,541 | 4,510 | 168 |
| KOSEP Australia Pty., Ltd. | 18,180 | 1,581 | 4,729 | 346 |
| KOMIPO Australia Pty., Ltd. | 17,397 | 559 | 4,729 | 349 |
| KOWEPO Australia Pty., Ltd. | 18,320 | 1,578 | 4,729 | 353 |
| KOSPO Australia Pty., Ltd. | 18,358 | 1,567 | 4,729 | 356 |
| KEPCO Middle East Holding Company | 147,618 | 150,798 | | 14,142 |
| Qatrana Electric Power Company | 521,206 | 412,587 | 17,844 | 31,767 |
| KHNP Canada Energy Ltd. | 42,731 | 22 | | (123) |
| KEPCO Bylong Australia Pty., Ltd. | 183,468 | 236,545 | | (23,352) |
| Korea Waterbury Uranium Limited Partnership | 20,370 | 699 | | (48) |
| KEPCO Canada Uranium Investment Limited Partnership | 38,804 | 14 | | (26,171) |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

16. Consolidated Subsidiaries, Continued**(3) Summary of financial information of consolidated subsidiaries as of and for the years ended December 31, 2015 and 2014 are as follows, continued:***In millions of won*

| Subsidiaries | 2015 | | | |
|--|--------------|-------------------|---------|------------------------------|
| | Total assets | Total liabilities | Sales | Profit (loss) for the period |
| Korea Electric Power Nigeria Ltd. | ₩ 1,721 | 1,179 | 55,768 | 309 |
| KEPCO Holdings de Mexico | 39 | 34 | | (13) |
| KST Electric Power Company | 564,358 | 529,439 | 97,879 | 14,631 |
| KEPCO Energy Service Company | 1,435 | 604 | 6,034 | 875 |
| KEPCO Netherlands S3 B.V. | 66,251 | 189 | | 716 |
| PT. KOMIPO Pembangunan Jawa Bali | 16,536 | 6,170 | 20,143 | 8,047 |
| PT. Cirebon Power Service | 2,795 | 1,010 | 6,663 | 459 |
| KOWEPO International Corporation | | | | |
| KOSPO Jordan LLC | 12,998 | 1,117 | 9,840 | 2,693 |
| EWP Philippines Corporation | 2,664 | 1,592 | | 258 |
| EWP America Inc. (*) | 115,562 | 82,167 | 59,124 | 3,227 |
| KNF Canada Energy Limited | 1,874 | 18 | | (66) |
| PT KEPCO Resource Indonesia | 1,210 | | | (217) |
| EWP Barbados 1 SRL | 260,638 | 370 | 2,829 | 273 |
| Gyeonggi Green Energy Co., Ltd. | 315,299 | 249,608 | 104,674 | (4,111) |
| PT. Tanggamus Electric Power | 106,892 | 91,416 | 60,044 | (7,138) |
| Gyeongju Wind Power Co., Ltd. | 62,600 | 27,822 | 5,993 | 968 |
| KOMIPO America Inc | 13,487 | 2,480 | | 218 |
| KOSEP USA, INC. | 40,035 | 4,178 | 4,975 | 153 |
| PT. EWP Indonesia | 1,039 | 15 | | (374) |
| KEPCO Netherlands J3 B.V. | 121,492 | 81 | | 18,858 |
| Korea Offshore Wind Power Co., Ltd. | 7,579 | 2,317 | | (4,213) |
| Global One Pioneer B.V. | 40 | 20 | | (48) |
| Global Energy Pioneer B.V. | 42 | 20 | | (48) |
| Mira Power Limited | 110,918 | 66,963 | | (1,581) |
| KOSEP Material Co., Ltd. | 29,768 | 28,013 | 26,310 | (17,665) |
| Commerce and Industry Energy Co., Ltd. | 99,638 | 86,727 | 24,774 | (3,387) |
| KEPCO Singapore Holdings Pte., Ltd. | 1,817 | | | (9) |
| KOWEPO India Private Limited | 911 | 10 | | (105) |

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| | | | | |
|---|--------|--------|--------|-------|
| KEPCO KPS Philippines Corp. | 5,688 | 953 | 14,278 | 1,677 |
| KOSPO Chile SpA | 133 | 4,642 | | (942) |
| PT. KOWEPO Sumsel Operation and Maintenance Services | 2,053 | 51 | 5,405 | 1,762 |
| HeeMang Sunlight Power Co., Ltd. | 4,711 | | | (9) |
| Fujeij Wind Power Company | 83 | | | |
| KOSPO Youngnam Power Co., Ltd. | 82,173 | 32,166 | | 7 |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

16. Consolidated Subsidiaries, Continued**(3) Summary of financial information of consolidated subsidiaries as of and for the years ended December 31, 2015 and 2014 are as follows, continued:***In millions of won*

| Subsidiaries | 2014 Total assets | Total liabilities | Sales | Profit (loss) for the period |
|--|----------------------------------|------------------------------|--------------|---|
| Korea Hydro & Nuclear Power Co., Ltd. | ₩ 49,237,136 | 27,588,281 | 9,379,564 | 1,446,060 |
| Korea South-East Power Co., Ltd. | 9,026,146 | 5,068,092 | 4,469,415 | 383,233 |
| Korea Midland Power Co., Ltd. | 7,074,578 | 4,073,784 | 5,041,682 | 110,533 |
| Korea Western Power Co., Ltd. | 8,245,105 | 5,008,954 | 4,840,007 | 151,662 |
| Korea Southern Power Co., Ltd. | 8,703,362 | 5,229,934 | 6,209,536 | 68,481 |
| Korea East-West Power Co., Ltd. | 8,370,732 | 4,805,302 | 4,507,011 | 168,534 |
| KEPCO Engineering & Construction Company, Inc. | 777,612 | 370,482 | 841,917 | 54,759 |
| KEPCO Plant Service & Engineering Co., Ltd. | 922,843 | 226,774 | 1,078,526 | 166,847 |
| KEPCO Nuclear Fuel Co., Ltd. | 568,370 | 257,899 | 241,310 | 32,588 |
| KEPCO KDN Co., Ltd. | 390,681 | 135,341 | 458,960 | 20,228 |
| Garorim Tidal Power Plant Co., Ltd. | 772 | 387 | | (39,856) |
| KEPCO International HongKong Ltd. | 182,703 | | | 6,221 |
| KEPCO International Philippines Inc. | 101,864 | 405 | | 98,878 |
| KEPCO Gansu International Ltd. | 16,330 | 506 | | (11) |
| KEPCO Philippines Holdings Inc. | 124,418 | 40 | | 5,987 |
| KEPCO Philippines Corporation | 13,670 | 139 | | (959) |
| KEPCO Ilijan Corporation | 585,190 | 53,212 | 127,871 | 76,627 |
| KEPCO Lebanon SARL | 6,990 | 9,832 | | (164) |
| KEPCO Neimenggu International Ltd. | 182,140 | | | (172) |
| KEPCO Shanxi International Ltd. | 523,357 | 245,170 | | 1,935 |
| KOMIPO Global Pte Ltd. | 157,441 | 3,636 | | 9,470 |
| KEPCO Canada Energy Ltd. | 69,507 | 113 | | (18) |
| KEPCO Netherlands B.V. | 189,121 | 14 | | 367 |
| KOREA Imouraren Uranium Investment Corp. | 227,897 | 207 | | (48) |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**16. Consolidated Subsidiaries, Continued****(3) Summary of financial information of consolidated subsidiaries as of and for the years ended December 31, 2015 and 2014 are as follows, continued:***In millions of won*

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

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

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

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

Acquisition or disposal of assets of more than ₩35 billion, change in the capacity of cogeneration units (except for the change due to performance improvement of equipment, maintenance) will require unanimous consent of all directors.

KOSPO Youngnam Power Co., Ltd.

Dividends can only be paid to shareholders when all conditions of the loan agreement are satisfied or prior written consent of a financial institution is obtained. Shares cannot be wholly or partially transferred without written consent of financial institutions.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**16. Consolidated Subsidiaries, Continued**

(5) Details of non-controlling interest prior to intra-group eliminations as of and for the years ended December 31, 2015 and 2014 are as follows:

In millions of won

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

In millions of won

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**16. Consolidated Subsidiaries, Continued****(6) Changes in goodwill**

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

| <i>In millions of won</i> | 2015 | 2014 |
|---------------------------|-------------|-------------|
| Acquisition cost | ₩ 2,582 | 2,582 |
| Accumulated impairment | | |
| Carrying book value | ₩ 2,582 | 2,582 |

(ii) There are no changes in goodwill for the years ended December 31, 2015 and 2014.

(7) Disposals of subsidiaries

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

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

| <i>In millions of won</i> | 2015 | 2014 |
|---|-------------|-------------|
| Consideration received in cash | ₩ 10,664 | 46,476 |
| Fair value of remaining shares after disposal | 13,860 | |
| | ₩ 24,524 | 46,476 |

(ii) The carrying value of assets and liabilities of subsidiaries as at the date the Company lost its control during the years ended December 31, 2015 and 2014 are as follows:

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| <i>In millions of won</i> | 2015 | 2014 |
|--|-------------|-------------|
| Current assets | | |
| Cash and cash equivalents | ₩ 10,071 | 2,187 |
| Current financial assets, net | 1,077 | 4,781 |
| Trade and other receivables, net | | 5,460 |
| Current non-financial assets | | 232 |
| Non-current assets | | |
| Non-current financial assets, net | | 144 |
| Non-current trade and other receivables, net | | 351 |
| Property, plant and equipment, net | 2,460 | 934 |
| Other | 2,893 | 50 |
| Current liabilities | | |
| Trade and other payables, net | | (1,655) |
| Current non-financial liabilities | (7) | (161) |
| | ₩ 16,494 | 12,323 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**16. Consolidated Subsidiaries, Continued****(7) Disposals of subsidiaries, continued**

(iii) Gain from disposals of subsidiaries for the years ended December 31, 2015 and 2014 are as follows:

| <i>In millions of won</i> | 2015 | 2014 |
|--|-------------|-------------|
| Fair value of sale price | ₩ 24,524 | 46,476 |
| Net assets disposed | (16,494) | (12,323) |
| Non-controlling interests | | 5,765 |
| Realization of unrealized gain | | 534 |
| Other comprehensive income (loss) (*1) | 346 | (20) |
| Gain from disposals of subsidiaries (*2) | ₩ 8,376 | 40,432 |

(*1) Other comprehensive income or loss is net assets of subsidiaries that are reclassified from capital, accumulated comprehensive income or loss from currency translation of the related hedging instrument and others when the Company loses its power over the subsidiaries.

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

(iv) Net cashflow from sales of subsidiaries for the years ended December 31, 2015 and 2014 are as follows:

| <i>In millions of won</i> | 2015 | 2014 |
|--|-------------|-------------|
| Consideration received in cash | ₩ 10,664 | 46,476 |
| Less: Cash held by disposed subsidiaries | (10,071) | (2,187) |
| Net cashflow | ₩ 593 | 44,289 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| Investees | Key operation activities | 2015 | | Acquisition cost | Book value |
|---|--|----------|-------------------------|------------------|------------|
| | | Location | Percentage of ownership | | |
| <Associates> | | | | | |
| Daegu Green Power Co., Ltd. | Power generation | KOREA | 47.80% | ₩ 76,193 | 80,267 |
| Korea Gas Corporation (*1) | Importing and wholesaling LNG | KOREA | 20.47% | 94,500 | 2,102,813 |
| Korea Electric Power Industrial Development Co., Ltd. | Electricity metering | KOREA | 29.00% | 4,727 | 18,994 |
| YTN Co., Ltd. | Broadcasting | KOREA | 21.43% | 59,000 | 38,365 |
| Cheongna Energy Co., Ltd. | Generating and distributing vapor and hot/cold water | KOREA | 43.90% | 49,607 | 19,490 |
| Gangwon Wind Power Co., Ltd. (*2) | Power generation | KOREA | 15.00% | 5,725 | 12,890 |
| Hyundai Green Power Co., Ltd. | Power generation | KOREA | 29.00% | 88,885 | 113,664 |
| Korea Power Exchange (*6) | Management of power market | KOREA | 100.00% | 127,839 | 208,735 |
| AMEC Partners Korea Ltd. (*3) | Resources management | KOREA | 19.00% | 707 | 230 |
| Hyundai Energy Co., Ltd. (*9) | Power generation | KOREA | 29.00% | 71,070 | 6,990 |
| Ecollite Co., Ltd. | Artificial light-weight aggregate | KOREA | 36.10% | 1,516 | |
| Taebaek Wind Power Co., Ltd. | Power generation | KOREA | 25.00% | 3,810 | 4,956 |
| | Power generation | KOREA | 25.00% | 2,850 | 2,587 |

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| | | | | | |
|--|--|-------------|--------|---------|---------|
| Muju Wind Power Co., Ltd. | | | | | |
| Pyeongchang Wind Power Co., Ltd. | Power generation | KOREA | 25.00% | 3,875 | 3,402 |
| Daeryun Power Co., Ltd. (*3, 10) | Power generation | KOREA | 13.13% | 25,477 | 36,156 |
| JinanJangsu Wind Power Co., Ltd. | Power generation | KOREA | 25.00% | 100 | 77 |
| Changjuk Wind Power Co., Ltd. | Power generation | KOREA | 30.00% | 3,801 | 6,143 |
| KNH Solar Co., Ltd. | Power generation | KOREA | 27.00% | 1,296 | 1,924 |
| SPC Power Corporation | Power generation | PHILIPPINES | 38.00% | 20,635 | 58,033 |
| Gemeng International Energy Co., Ltd. | Power generation | CHINA | 34.00% | 413,153 | 728,396 |
| PT. Cirebon Electric Power | Power generation | INDONESIA | 27.50% | 40,365 | 60,574 |
| KNOC Nigerian East Oil Co., Ltd. (*4) | Resources development | NIGERIA | 14.63% | 12 | |
| KNOC Nigerian West Oil Co., Ltd. (*4) | Resources development | NIGERIA | 14.63% | 12 | |
| Dolphin Property Limited (*4) | Rental company | NIGERIA | 15.00% | 12 | 61 |
| PT Wampu Electric Power | Power generation | INDONESIA | 46.00% | 21,292 | 18,963 |
| PT. Bayan Resources TBK | Resources development | INDONESIA | 20.00% | 615,860 | 525,066 |
| S-Power Co., Ltd. | Power generation | KOREA | 49.00% | 132,300 | 130,908 |
| Pioneer Gas Power Limited (*8) | Power generation | INDIA | 40.00% | 49,831 | 51,187 |
| Eurasia Energy Holdings | Power generation and resources development | RUSSIA | 40.00% | 461 | |
| Xe-Pian Xe-Namnoy Power Co., Ltd. | Power generation | LAOS | 25.00% | 32,717 | 31,863 |
| Busan Solar Co., Ltd. (*3) | Power generation | KOREA | 19.80% | 793 | 925 |
| Hadong Mineral Fiber Co., Ltd. | Recycling fly ashes | KOREA | 25.00% | 50 | |
| Green Biomass Co., Ltd. (*12) | Power generation | KOREA | 14.00% | 714 | |
| PT. Mutiara Jawa | Manufacturing and operating floating coal terminal | INDONESIA | 29.00% | 2,978 | |
| Samcheok Eco Material Co., Ltd. (*3, 11) | Recycling fly ashes | KOREA | 2.67% | 686 | |
| Noeul Green Energy Co., Ltd. | Power generation | KOREA | 20.00% | 400 | 295 |
| Naepo Green Energy Co., Ltd. | Power generation | KOREA | 25.00% | 29,200 | 26,746 |
| Goseong Green Energy Co., Ltd. (*2) | Power generation | KOREA | 2.90% | 2,900 | 2,670 |
| Gangneung Eco Power Co., Ltd. (*2) | Power generation | KOREA | 3.72% | 2,900 | 2,688 |

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| | | | | | |
|--|--------------------------|-------|--------|---------|--------|
| Shin Pyeongtaek Power Co., Ltd. | Power generation | KOREA | 40.00% | 40 | |
| Heang Bok Do Si Photovoltaic Power Co., Ltd. | Power generation | KOREA | 28.00% | 194 | 189 |
| DS POWER Co., Ltd. (*2) | Power generation | KOREA | 10.91% | 17,900 | 10,960 |
| Dongducheon Dream Power Co., Ltd. | Power generation | KOREA | 33.61% | 107,958 | 55,667 |
| KS Solar Corp. Ltd.(*3) | Power generation | KOREA | 19.00% | 637 | 618 |
| Yeongwol Energy Station Co., Ltd. (*2) | Power generation | KOREA | 10.00% | 1,400 | 1,290 |
| Jimbhuvish Power Generation Pvt. Ltd.(*2) | Power generation | INDIA | 5.16% | 9,000 | 8,350 |
| SE Green Energy Co., Ltd. | Power generation support | KOREA | 47.76% | 3,821 | 3,575 |
| Daegu Photovoltaic Co., Ltd. | Power generation | KOREA | 29.00% | 1,230 | 1,886 |
| Jeongam Wind Power Co., Ltd. | Power generation | KOREA | 40.00% | 1,680 | 702 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| Investees | Key operation activities | 2015 | | Acquisition cost | Book value |
|--|---------------------------------|-------------|-------------------------|------------------|------------|
| | | Location | Percentage of ownership | | |
| Korea Power Engineering Service Co., Ltd. | Construction and service | KOREA | 29.00% | 290 | 1,805 |
| Busan Green Energy Co., Ltd. | Power generation | KOREA | 29.00% | 14,564 | 14,512 |
| Jungbu Bio Energy Co., Ltd. (*2) | Power generation | KOREA | 18.87% | 1,000 | 904 |
| Korea Electric Vehicle Charging Service | Electric vehicle charge service | KOREA | 28.00% | 1,596 | 1,446 |
| Ulleungdo Natural Energy Co., Ltd. | Renewable power generation | KOREA | 29.85% | 8,000 | 7,417 |
| Korea Nuclear Partners Co., Ltd. | Electric material agency | KOREA | 29.00% | 290 | 289 |
| | | | | 2,157,849 | 4,405,668 |
| <Joint ventures> | | | | | |
| KEPCO-Uhde Inc. (*7) | Power generation | KOREA | 52.80% | ₩ 11,355 | 8,549 |
| Eco Biomass Energy Sdn. Bhd. (*7) | Power generation | MALAYSIA | 61.53% | 9,661 | |
| Datang Chaoyang Renewable Power Co., Ltd. | Power generation | CHINA | 40.00% | 27,660 | 27,640 |
| Shuweihaat Asia Power Investment B.V. | Holding company | NETHERLANDS | 49.00% | 60,191 | 20,474 |
| Shuweihaat Asia Operation & Maintenance Company (*7) | Maintenance of utility plant | CAYMAN | 55.00% | 30 | 486 |
| Waterbury Lake Uranium L.P. | Resources development | CANADA | 40.00% | 26,602 | 20,299 |
| ASM-BG Investicii AD | Power generation | BULGARIA | 50.00% | 16,101 | 20,203 |
| RES Technology AD | Power generation | BULGARIA | 50.00% | 15,595 | 13,789 |

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| | | | | | |
|---|--|--------------|--------|---------|---------|
| KV Holdings, Inc. | Power generation | PHILIPPINES | 40.00% | 2,103 | 2,010 |
| KEPCO SPC Power Corporation (*7) | Construction and operation of utility plant | PHILIPPINES | 75.20% | 94,579 | 208,524 |
| Canada Korea Uranium Limited Partnership (*5) | Resources development | CANADA | 12.50% | 5,404 | |
| KEPCO Energy Resource Nigeria Limited | Holding company | NIGERIA | 30.00% | 8,463 | |
| Gansu Datang Yumen Wind Power Co., Ltd. | Power generation | CHINA | 40.00% | 16,621 | 16,107 |
| Datang Chifeng Renewable Power Co., Ltd. | Power generation | CHINA | 40.00% | 121,928 | 171,224 |
| Datang KEPCO Chaoyang Renewable Power Co., Ltd. | Power generation | CHINA | 40.00% | 10,858 | 10,580 |
| Rabigh Electricity Company | Power generation | SAUDI ARABIA | 40.00% | 109,743 | 59,368 |
| Rabigh Operation & Maintenance Company | Maintenance of utility plant | SAUDI ARABIA | 40.00% | 70 | 3,586 |
| Jamaica Public Service Company Limited | Power generation | JAMAICA | 40.00% | 301,910 | 241,918 |
| KW Nuclear Components Co., Ltd. | R&D | KOREA | 43.36% | 833 | 4,985 |
| Busan Shinho Solar Power Co., Ltd. | Power generation | KOREA | 25.00% | 2,100 | 3,678 |
| GS Donghae Electric Power Co., Ltd. | Power generation | KOREA | 34.00% | 204,000 | 200,379 |
| Global Trade Of Power System Co., Ltd. | Exporting products and technology of small or medium business by proxy | KOREA | 29.00% | 290 | 426 |
| Expressway Solar-light Power Generation Co., Ltd. | Power generation | KOREA | 29.00% | 1,856 | 2,100 |
| KODE NOVUS 1 LLC | Power generation | USA | 50.00% | 19,213 | |
| KODE NOVUS 2 LLC | Power generation | USA | 49.00% | 12,498 | |
| Daejung Offshore Wind Power Co., Ltd. | Power generation | KOREA | 49.90% | 4,990 | 3,352 |
| Amman Asia Electric Power Company (*7) | Power generation | JORDAN | 60.00% | 111,476 | 137,668 |
| KEPCO-ALSTOM Power Electronics Systems, Inc. (*7) | R&D | KOREA | 51.00% | 5,629 | 4,501 |
| Dangjin Echo Power Co., Ltd. | Power generation | KOREA | 34.00% | 51,149 | 48,281 |
| Honam Wind Power Co., Ltd. | Power generation | KOREA | 29.00% | 3,600 | 3,926 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| Investees | Key operation activities | 2015 | | Acquisition cost | Book value |
|--|---|-----------|-------------------------|------------------|------------|
| | | Location | Percentage of ownership | | |
| Nepal Water & Energy Development Company Pty Ltd. (*7) | Construction and operation of utility plant | NEPAL | 52.77% | 18,568 | 17,765 |
| Chun-cheon Energy Co., Ltd. | Power generation | KOREA | 29.90% | 32,868 | 31,976 |
| Yeonggwangbaeksu Wind Power Co., Ltd. (*3) | Power generation | KOREA | 15.00% | 3,000 | 2,668 |
| Nghi Son 2 Power Ltd. | Power generation | VIETNAM | 50.00% | 1,072 | 269 |
| Kelar S.A (*7) | Power generation | CHILE | 65.00% | 4,180 | |
| PT. Tanjung Power Indonesia | Power generation | INDONESIA | 35.00% | 746 | 617 |
| Incheon New Power Co., Ltd. | Power generation | KOREA | 29.00% | 461 | 514 |
| Seokmun Energy Co., Ltd. | Integrated energy business | KOREA | 29.00% | 580 | |
| | | | | 1,317,983 | 1,287,862 |
| | | | | ₩ 3,475,832 | 5,693,530 |

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

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

- (*3) The Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity.
- (*4) The Company can exercise significant influence by virtue of its contractual right to appoint one out of four members of the steering committee of the entity. Moreover, the Company has significant financial transactions, which can affect its influence on the entity.
- (*5) The Company has joint control over the entity by virtue of its contractual right to appoint directors to the board of directors of the entity, and by strict decision criteria of the Company's financial and operating policy of the board of directors.
- (*6) The Government regulates the Company's ability to make operating and financial decisions over the entity, as the Government requires maintaining arms-length transactions between KPX and the Company's other subsidiaries. The Company can exercise significant influence by its right to nominate directors to the board of directors of the entity.
- (*7) According to the shareholders' agreement, all critical financial and operating decisions must be agreed to by all ownership parties. For these reasons, the entities are classified as joint ventures.
- (*8) As of reporting date, the reporting period of all associates and joint ventures ends in December 31, except for Pioneer Gas Power Limited whose reporting period ends on March 31.
- (*9) As of December 31, 2015, 17.3% of ownership of Hyundai Energy Co., Ltd. is held by NH Power II Co., Ltd. and NH Bank. According to the shareholders' agreement reached on March 2011, not only does the Company have a call option to acquire the investment in Hyundai Energy Co., Ltd. from NH Power II Co., Ltd. and NH Bank with a certain rate of return, NH Power II Co., Ltd. and NH Bank also have put options to dispose of their investment to the Company. In connection with this agreement, the Company applied the equity method on the investment in Hyundai Energy Co., Ltd. with 46.30% of ownership.
- (*10) The Company's percentage of ownership has decreased due to the acquisition of Daeryun Power Co., Ltd. and the effective percentage of ownership is 19.45% considering stock purchase options.
- (*11) The Company's effective percentage of ownership excluding the redeemable convertible preferred stock is 25.54%.
- (*12) The effective percentage of ownership is less than 20% but the Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity and the fact that the dominant portion of the investee's sales transactions is generated from the Company.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| Investees | Key operation activities | 2014 | | Acquisition cost | Book value |
|---|--|----------|-------------------------|------------------|------------|
| | | Location | Percentage of ownership | | |
| <Associates> | | | | | |
| Daegu Green Power Co., Ltd. | Power generation | KOREA | 47.80% | ₩ 76,193 | 71,387 |
| Korea Gas Corporation (*1) | Importing and wholesaling LNG | KOREA | 20.47% | 94,500 | 2,097,539 |
| Korea Electric Power Industrial Development Co., Ltd. | Electricity metering | KOREA | 29.00% | 4,727 | 21,622 |
| YTN Co., Ltd. | Broadcasting | KOREA | 21.43% | 59,000 | 39,889 |
| Cheongna Energy Co., Ltd. | Generating and distributing vapor and hot/cold water | KOREA | 43.90% | 49,607 | 28,771 |
| Gangwon Wind Power Co., Ltd. (*2) | Wind power generation | KOREA | 15.00% | 5,725 | 12,385 |
| Hyundai Green Power Co., Ltd. | Power generation | KOREA | 29.00% | 88,885 | 113,033 |
| Korea Power Exchange (*6) | Management of power market | KOREA | 100.00% | 127,839 | 198,021 |
| AMEC Partners Korea Ltd. (*3) | Resources management | KOREA | 19.00% | 707 | 200 |
| Hyundai Energy Co., Ltd. (*9) | Power generation | KOREA | 29.00% | 71,070 | 35,925 |
| Ecollite Co., Ltd. | Artificial light-weight aggregate | KOREA | 36.10% | 1,516 | |
| Taebaek Wind Power Co., Ltd. | Power generation | KOREA | 25.00% | 3,810 | 5,525 |
| Muju Wind Power Co., Ltd. | Power generation | KOREA | 25.00% | 2,850 | 2,706 |
| Pyeongchang Wind Power Co., Ltd. | Power generation | KOREA | 25.00% | 3,876 | 3,693 |

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| | | | | | |
|---|--|-------------|--------|---------|---------|
| Daeryun Power Co., Ltd. (*3, 10) | Power generation | KOREA | 13.13% | 25,477 | 41,951 |
| JinanJangsu Wind Power Co., Ltd. | Power generation | KOREA | 25.00% | 100 | 77 |
| Changjuk Wind Power Co., Ltd. | Power generation | KOREA | 30.00% | 3,801 | 6,486 |
| KNH Solar Co., Ltd. | Power generation | KOREA | 27.00% | 1,296 | 1,744 |
| SPC Power Corporation | Power generation | PHILIPPINES | 38.00% | 20,635 | 47,799 |
| Gemeng International Energy Co., Ltd. | Power generation | CHINA | 34.00% | 413,153 | 667,578 |
| PT. Cirebon Electric Power | Power generation | INDONESIA | 27.50% | 40,365 | 43,335 |
| KNOC Nigerian East Oil Co., Ltd. (*4) | Resources development | NIGERIA | 14.63% | 12 | |
| KNOC Nigerian West Oil Co., Ltd. (*4) | Resources development | NIGERIA | 14.63% | 12 | |
| Dolphin Property Limited (*4) | Rental company | NIGERIA | 15.00% | 12 | 61 |
| PT Wampu Electric Power | Power generation | INDONESIA | 46.00% | 18,935 | 16,071 |
| PT. Bayan Resources TBK | Resources development | INDONESIA | 20.00% | 615,860 | 540,011 |
| S-Power Co., Ltd. | Power generation | KOREA | 40.00% | 108,000 | 104,244 |
| Pioneer Gas Power Limited (*8) | Power generation | INDIA | 40.00% | 49,831 | 50,668 |
| Eurasia Energy Holdings | Power generation and resources development | RUSSIA | 40.00% | 461 | |
| Xe-Pian Xe-Namnoy Power Co., Ltd. | Power generation | LAOS | 25.00% | 23,474 | 22,152 |
| Busan Solar Co., Ltd. (*3) | Power generation | KOREA | 19.80% | 793 | 853 |
| Hadong Mineral Fiber Co., Ltd. | Recycling fly ashes | KOREA | 25.00% | 50 | 3 |
| Green Biomass Co., Ltd. | Power generation | KOREA | 34.00% | 714 | |
| PT. Mutiara Jawa | Manufacturing and operating floating coal terminal | INDONESIA | 29.00% | 2,978 | 818 |
| Samcheok Eco Material Co., Ltd. (*3, 11) | Recycling fly ashes | KOREA | 2.67% | 686 | 212 |
| Noeul Green Energy Co., Ltd. | Power generation | KOREA | 20.00% | 200 | 189 |
| Naepo Green Energy Co., Ltd. | Power generation | KOREA | 25.00% | 29,200 | 28,064 |
| Goseong Green Energy Co., Ltd. (*2) | Power generation | KOREA | 9.67% | 2,900 | 2,586 |
| Gangneung Eco Power Co., Ltd. (*2) | Power generation | KOREA | 6.04% | 2,900 | 2,783 |
| Shin Pyeongtaek Power Co., Ltd. | Power generation | KOREA | 40.00% | 40 | |

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| | | | | | |
|--|-----------------------------|-------|--------|-----------|-----------|
| Heang Bok Do Si Photovoltaic Power Co., Ltd. | Power generation | KOREA | 28.00% | 193 | 221 |
| DS POWER Co., Ltd. (*2) | Power generation | KOREA | 10.91% | 17,900 | 15,642 |
| Dongducheon Dream Power Co., Ltd. | Power generation | KOREA | 33.61% | 107,958 | 100,545 |
| KS Solar Corp. Ltd.(*3) | Power generation | KOREA | 19.00% | 637 | 325 |
| Yeongwol Energy Station Co., Ltd. (*2) | Power generation | KOREA | 10.00% | 1,400 | 1,741 |
| Jinhuvish Power Generation Pvt. Ltd. (*2) | Power generation | INDIA | 5.16% | 9,000 | 8,344 |
| SE Green Energy Co., Ltd. | Power generation support | KOREA | 47.76% | 3,821 | 3,623 |
| Daegu Photovoltaic Co., Ltd. | Power generation | KOREA | 29.00% | 1,230 | 1,581 |
| Jeongam Wind Power Co., Ltd. | Power generation | KOREA | 40.00% | 800 | 93 |
| Korea Power Engineering Service Co., Ltd. | Construction and service | KOREA | 29.00% | 290 | 1,334 |
| | | | | 2,095,419 | 4,341,830 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| Investees | Key operation activities | Location | 2014 | | Book value |
|---|---|-------------|-------------------------|------------------|------------|
| | | | Percentage of ownership | Acquisition cost | |
| <Joint ventures> | | | | | |
| KEPCO-Uhde Inc. (*7) | Power generation | KOREA | 66.00% | ₩ 11,355 | 9,042 |
| Eco Biomass Energy Sdn. Bhd. (*7) | Power generation | MALAYSIA | 61.53% | 9,661 | |
| Datang Chaoyang Renewable Power Co., Ltd. | Power generation | CHINA | 40.00% | 27,660 | 27,514 |
| Shuweihat Asia Power Investment B.V. | Holding company | NETHERLANDS | 49.00% | 60,083 | 16,241 |
| Shuweihat Asia Operation & Maintenance Company (*7) | Maintenance of utility plant | CAYMAN | 55.00% | 30 | 345 |
| Waterbury Lake Uranium L.P. | Resources development | CANADA | 40.00% | 26,601 | 22,010 |
| ASM-BG Investicii AD | Power generation | BULGARIA | 50.00% | 16,101 | 19,608 |
| RES Technology AD | Power generation | BULGARIA | 50.00% | 15,595 | 14,725 |
| KV Holdings, Inc. | Power generation | PHILIPPINES | 40.00% | 2,103 | 1,902 |
| KEPCO SPC Power Corporation (*7) | Construction and operation of utility plant | PHILIPPINES | 75.20% | 94,579 | 190,519 |
| Canada Korea Uranium Limited Partnership (*5) | Resources development | CANADA | 12.50% | 5,404 | |
| KEPCO Energy Resource Nigeria Limited | Holding company | NIGERIA | 30.00% | 8,463 | |
| Gansu Datang Yumen Wind Power Co., Ltd. | Power generation | CHINA | 40.00% | 16,621 | 17,467 |
| | Power generation | CHINA | 40.00% | 121,928 | 169,496 |

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| | | | | | |
|--|--|--------------|--------|---------|---------|
| Datang Chifeng Renewable Power Co., Ltd. | | | | | |
| Datang KEPCO Chaoyang Renewable Power Co., Ltd. | Power generation | CHINA | 40.00% | 10,858 | 10,539 |
| Rabigh Electricity Company | Power generation | SAUDI ARABIA | 40.00% | 109,743 | 8,121 |
| Rabigh Operation & Maintenance Company | Maintenance of utility plant | SAUDI ARABIA | 40.00% | 70 | 4,628 |
| Jamaica Public Service Company Limited | Power generation | JAMAICA | 40.00% | 301,910 | 226,892 |
| KW Nuclear Components Co., Ltd. | R&D | KOREA | 43.36% | 833 | 2,899 |
| Busan Shinho Solar Power Co., Ltd. | Power generation | KOREA | 25.00% | 2,100 | 3,284 |
| GS Donghae Electric Power Co., Ltd. | Power generation | KOREA | 34.00% | 204,000 | 201,409 |
| Global Trade Of Power System Co., Ltd. | Exporting products and technology of small or medium business by proxy | KOREA | 29.00% | 290 | 343 |
| Expressway Solar-light Power Generation Co., Ltd. | Power generation | KOREA | 29.00% | 1,856 | 2,087 |
| KODE NOVUS 1 LLC. | Power generation | USA | 50.00% | 19,213 | 12,207 |
| KODE NOVUS 2 LLC. | Power generation | USA | 49.00% | 12,498 | 8,248 |
| Daejung Offshore Wind Power Co., Ltd. | Power generation | KOREA | 49.90% | 4,990 | 3,711 |
| Amman Asia Electric Power Company (*7) | Power generation | JORDAN | 60.00% | 111,476 | 122,391 |
| KEPCO-ALSTOM Power Electronics Systems, Inc. (*7) | R&D | KOREA | 51.00% | 5,629 | 4,617 |
| Dangjin Echo Power Co., Ltd. | Power generation | KOREA | 33.10% | 40,000 | 37,837 |
| Honam Wind Power Co., Ltd. | Power generation | KOREA | 29.00% | 3,600 | 3,555 |
| Nepal Water & Energy Development Company Pty Ltd. (*7) | Construction and operation of utility plant | NEPAL | 59.61% | 18,568 | 17,872 |
| Chun-cheon Energy Co., Ltd. | Power generation | KOREA | 29.90% | 15 | |
| Yeonggwangbaeksu Wind Power Co., Ltd. (*3) | Power generation | KOREA | 15.00% | 3,000 | 2,962 |
| Nghi Son 2 Power Ltd. | Power generation | VIETNAM | 50.00% | 350 | 102 |
| Kelar S.A (*7) | Power generation | CHILE | 65.00% | 4,180 | 3,156 |
| PT. Tanjung Power Indonesia | Power generation | INDONESIA | 35.00% | 747 | 700 |
| Incheon New Power Co., Ltd. | Power generation | KOREA | 29.00% | 461 | 465 |

| | | | | | |
|-----------------------------|----------------------------|-------|--------|-----|------------------------|
| Seokmun Energy Co., Ltd. | Integrated energy business | KOREA | 34.00% | 680 | |
| | | | | | 1,273,251 |
| | | | | | 1,166,894 |
| | | | | | ₩ 3,368,670 |
| | | | | | 5,508,724 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

17. Investments in Associates and Joint Ventures, Continued

(1) Investments in associates and joint ventures as of December 31, 2015 and 2014 are as follows, continued:

- (*1) The effective percentage of ownership is 21.57% considering treasury stocks.
- (*2) The Company can exercise significant influence by virtue of its contractual right to appoint directors to the board of directors of the entity, and by strict decision criteria of the Company's financial and operating policy of the board of directors.
- (*3) The Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity.
- (*4) The Company can exercise significant influence by virtue of its contractual right to appoint one out of four members of the steering committee of the entity. Moreover, the Company has significant financial transactions, which can affect its influence on the entity.
- (*5) The Company has joint control over the associates by virtue of its contractual right to appoint directors to the board of directors of the entity, and by strict decision criteria of the Company's financial and operating policy of the board of directors.
- (*6) The Government regulates the Company's ability to make operating and financial decisions over the entity, as the Government requires maintaining arms-length transactions between KPX and the Company's other subsidiaries. The Company can exercise significant influence by its right to nominate directors to the board of directors of the entity.
- (*7) According to the shareholders' agreement, all critical financial and operating decisions must be agreed to by all ownership parties. For these reasons, the entities are classified as joint ventures.

- (*8) As of reporting date, the reporting period of all associates and joint ventures ends in December 31, except for Pioneer Gas Power Limited whose reporting period ends on March 31.
- (*9) As of December 31, 2014, 17.3% of ownership of Hyundai Energy Co., Ltd. is held by NH Power II Co., Ltd. and NH Bank. According to the shareholders' agreement reached on March 2011, not only does the Company have a call option to acquire the investment in Hyundai Energy Co., Ltd. from NH Power II Co., Ltd. and NH Bank with a certain rate of return, NH Power II Co., Ltd. and NH Bank also have put options to dispose of their investment to the Company. In connection with this agreement, the Company applied the equity method on the investment in Hyundai Energy Co., Ltd. with 46.3% of ownership.
- (*10) The Company's percentage of ownership has decreased due to the acquisitions of Daeryun Power Co., Ltd. and the effective percentage of ownership is 19.45% considering stock purchase options.
- (*11) The Company's effective percentage of ownership excluding the redeemable convertible preferred stock is 25.54%.
- (2) The fair value of associates which are actively traded on the open market and have a readily available market value as of December 31, 2015 and 2014 are as follows:

| <i>In millions of won</i> | | |
|---|-------------|-------------|
| Investees | 2015 | 2014 |
| <Associates> | | |
| Korea Electric Power Industrial Development Co., Ltd. | ₩ 46,514 | 60,506 |
| Korea Gas Corporation | 696,465 | 936,495 |
| YTN Co., Ltd. | 26,235 | 23,940 |
| SPC Power Corporation | 65,552 | 65,888 |
| PT. Bayan Resources TBK | 446,250 | 391,463 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued****(3) Changes in investments in associates and joint ventures for the years ended December 31, 2015 and 2014 are as follows:***In millions of won*

| Investees | 2015 | | | | | | Ending balance |
|---|-------------------|-------------|----------|--------------------|------------------------|--|----------------|
| | Beginning balance | Acquisition | Disposal | Dividends received | Share of income (loss) | Other comprehensive income (loss) Others | |
| <Associates> | | | | | | | |
| Daegu Green Power Co., Ltd. | ₩ 71,387 | | | | 8,902 | (22) | 80,267 |
| Korea Gas Corporation | 2,097,539 | | | (4,725) | 67,949 | (55,453) (2,497) | 2,102,813 |
| Korea Electric Power Industrial Development Co., Ltd. | 21,622 | | | (1,267) | (1,792) | 431 | 18,994 |
| YTN Co., Ltd. | 39,889 | | | (90) | (188) | (935) (311) | 38,365 |
| Cheongna Energy Co., Ltd. | 28,771 | | | | (9,281) | | 19,490 |
| Gangwon Wind Power Co., Ltd. | 12,385 | | | (852) | 1,279 | 78 | 12,890 |
| Hyundai Green Power Co., Ltd. | 113,033 | | | (8,889) | 9,520 | | 113,664 |
| Korea Power Exchange | 198,021 | | | | 9,944 | 770 | 208,735 |
| AMEC Partners Korea Ltd. | 200 | | | | 30 | | 230 |
| Hyundai Energy Co., Ltd. (*1) | 35,925 | | | | (13,731) | (15,204) | 6,990 |
| Ecollite Co., Ltd. | | | | | | | |
| Taebaek Wind Power Co., Ltd. | 5,525 | | | | (569) | | 4,956 |
| | 2,706 | | | | (119) | | 2,587 |

| | | | | | | |
|---------------------------------------|---------|--------|----------|--------|---------|----------|
| Muju Wind Power Co., Ltd. | | | | | | |
| Pyeongchang Wind Power Co., Ltd. | 3,693 | | (291) | | | 3,402 |
| Daeryun Power Co., Ltd. | 41,951 | | (5,798) | | 3 | 36,156 |
| JinanJangsu Wind Power Co., Ltd. | 77 | | | | | 77 |
| Changjuk Wind Power Co., Ltd. | 6,486 | | (343) | | | 6,143 |
| KNH Solar Co., Ltd. | 1,744 | | 178 | | 2 | 1,924 |
| SPC Power Corporation | 47,799 | | (1,349) | 5,375 | 381 | 5,827 |
| Gemeng International Energy Co., Ltd. | 667,578 | | (37,163) | 51,766 | 89,481 | (43,266) |
| PT. Cirebon Electric Power | 43,335 | | | 12,210 | 5,029 | |
| KNOC Nigerian East Oil Co., Ltd. | | | (880) | | (641) | 1,521 |
| KNOC Nigerian West Oil Co., Ltd. | | | (1,092) | | (599) | 1,691 |
| Dolphin Property Limited | 61 | | | | | 61 |
| PT. Wampu Electric Power | 16,071 | 2,357 | (600) | | 1,135 | 18,963 |
| PT. Bayan Resources TBK | 540,011 | | (11,341) | | (3,604) | 525,066 |
| S-Power Co., Ltd. | 104,244 | 24,300 | | 2,364 | | 130,908 |
| Pioneer Gas Power Limited | 50,668 | | | 59 | 460 | 51,187 |
| Eurasia Energy Holdings | | | | | | |
| Xe-Pian Xe-Namnoy Power Co., Ltd. | 22,152 | 9,244 | (749) | | 1,216 | 31,863 |
| Busan Solar Co., Ltd. | 853 | | | 72 | | 925 |
| Hadong Mineral Fiber Co., Ltd. | 3 | | (3) | | | |
| Green Biomass Co., Ltd. | | | | | | |
| PT. Mutiara Jawa | 818 | | (818) | | | |
| Samcheok Eco Material Co., Ltd. | 212 | | (178) | | (34) | |
| Noeul Green Energy Co., Ltd. | 189 | 200 | (91) | | (3) | 295 |
| Naepo Green Energy Co., Ltd. | 28,064 | | (1,318) | | | 26,746 |
| Goseong Green Energy Co., Ltd. | 2,586 | | | 84 | | 2,670 |
| Gangneung Eco Power Co., Ltd. | 2,783 | | (95) | | | 2,688 |

| | | | | |
|--|---------|---------|----------|--------|
| Shin Pyeongtaek Power Co., Ltd. | | | | |
| Heang Bok Do Si Photovoltaic Power Co., Ltd. | 221 | (32) | | 189 |
| DS POWER Co., Ltd. | 15,642 | (4,671) | (11) | 10,960 |
| Dongducheon Dream Power Co., Ltd. (*2) | 100,545 | (3,412) | (41,466) | 55,667 |
| KS Solar Corp. Ltd. | 325 | 293 | | 618 |
| Yeongwol Energy Station Co., Ltd. | 1,741 | (451) | | 1,290 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued****(3) Changes in investments in associates and joint ventures for the years ended December 31, 2015 and 2014 are as follows, continued:***In millions of won*

| Investees | 2015 | | | | | | |
|---|-------------------|-------------|----------|--------------------|------------------------|--|----------------|
| | Beginning balance | Acquisition | Disposal | Dividends received | Share of income (loss) | Other comprehensive income (loss) Others | Ending balance |
| Jinbhuvish Power Generation Pvt. Ltd. | ₩ 8,344 | | | | (42) | 48 | 8,350 |
| SE Green Energy Co., Ltd. | 3,623 | | | | (48) | | 3,575 |
| Daegu Photovoltaic Co., Ltd. | 1,581 | | | | 305 | | 1,886 |
| Jeongam Wind Power Co., Ltd. | 93 | 880 | | | (271) | | 702 |
| Korea Power Engineering Service Co., Ltd. | 1,334 | | | (44) | 542 | (27) | 1,805 |
| Busan Green Energy Co., Ltd. | | 14,564 | | | (52) | | 14,512 |
| Jungbu Bio Energy Co., Ltd. | | 1,000 | | | (96) | | 904 |
| Korea Electric Vehicle Charging Service | | 1,596 | | | (135) | (15) | 1,446 |
| Ulleungdo Natural Energy Co., Ltd. | | 8,000 | | | (583) | | 7,417 |
| Korea Nuclear Partners Co., Ltd. | | 290 | | | (1) | | 289 |
| | 4,341,830 | 62,431 | | (54,379) | 111,801 | 36,561 (92,576) | 4,405,668 |

<Joint ventures>

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| | | | | | | | |
|--|---------|-----|----------|--------|---------|--------|---------|
| KEPCO-Uhde Inc. | 9,042 | | (493) | | | 8,549 | |
| Eco Biomass Energy Sdn. Bhd. | | | | | | | |
| Datang Chaoyang Renewable Power Co., Ltd. | 27,514 | | (135) | 261 | | 27,640 | |
| Shuweiha Asia Power Investment B.V. | 16,241 | 108 | 4,008 | 117 | | 20,474 | |
| Shuweiha Asia Operation & Maintenance Company | 345 | | (798) | 922 | 24 | (7) | 486 |
| Waterbury Lake Uranium L.P. | 22,010 | | | | (2,507) | 796 | 20,299 |
| ASM-BG Investicii AD | 19,608 | | 1,384 | (789) | | | 20,203 |
| RES Technology AD | 14,725 | | (318) | (618) | | | 13,789 |
| KV Holdings, Inc. | 1,902 | | 74 | 34 | | | 2,010 |
| KEPCO SPC Power Corporation | 190,519 | | (28,986) | 43,801 | 3,190 | | 208,524 |
| Canada Korea Uranium Limited Partnership | | | | | | | |
| KEPCO Energy Resource Nigeria Limited | | | | | | | |
| Gansu Datang Yumen Wind Power Co., Ltd. | 17,467 | | (1,546) | 186 | | | 16,107 |
| Datang Chifeng Renewable Power Co., Ltd. | 169,496 | | (8,239) | 8,512 | 1,464 | (9) | 171,224 |
| Datang KEPCO Chaoyang Renewable Power Co., Ltd. | 10,539 | | (33) | 74 | | | 10,580 |
| Rabigh Electricity Company | 8,121 | | 21,582 | 29,703 | | (38) | 59,368 |
| Rabigh Operation & Maintenance Company | 4,628 | | (1,780) | 533 | 205 | | 3,586 |
| Jamaica Public Service Company Limited | 226,892 | | | | 15,027 | (1) | 241,918 |
| KW Nuclear Components Co., Ltd. | 2,899 | | (1,016) | 3,065 | | 37 | 4,985 |
| Busan Shinho Solar Power Co., Ltd. | 3,284 | | | 394 | | | 3,678 |
| GS Donghae Electric Power Co., Ltd. | 201,409 | | (1,064) | | | 34 | 200,379 |

| | | | | | | | |
|---|---------|--------|----------|----------|--------|---------|---------|
| Global Trade Of Power System Co., Ltd. | 343 | | | 83 | | | 426 |
| Expressway Solar-light Power Generation Co., Ltd. | 2,087 | | | 13 | | | 2,100 |
| KODE NOVUS 1 LLC | 12,207 | | | (11,639) | 588 | (1,156) | |
| KODE NOVUS 2 LLC | 8,248 | | | (8,104) | 413 | (557) | |
| Daejung Offshore Wind Power Co., Ltd. | 3,711 | | | (359) | | | 3,352 |
| Amman Asia Electric Power Company | 122,391 | | (19,510) | 25,131 | 10,244 | (588) | 137,668 |
| KEPCO-ALSTOM Power Electronics Systems, Inc. | 4,617 | | | (98) | | (18) | 4,501 |
| Dangjin Echo Power Co., Ltd. | 37,837 | 20,000 | (8,851) | (712) | 70 | (63) | 48,281 |
| Honam Wind Power Co., Ltd. | 3,555 | | | 371 | | | 3,926 |
| Nepal Water & Energy Development Company Pty Ltd. | 17,872 | | | (1,277) | 1,170 | | 17,765 |
| Chun-cheon Energy Co., Ltd. | | 32,853 | | (719) | (158) | | 31,976 |
| Yeonggwangbaeksu Wind Power Co., Ltd. | 2,962 | | | (294) | | | 2,668 |
| Nghi Son 2 Power Ltd. | 102 | 722 | | (562) | 2 | 5 | 269 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued****(3) Changes in investments in associates and joint ventures for the years ended December 31, 2015 and 2014 are as follows, continued:***In millions of won*

| Investees | 2015 | | | | | | | Ending balance |
|-----------------------------|-------------------|-------------|----------|--------------------|------------------------|-----------------------------------|----------|----------------|
| | Beginning balance | Acquisition | Disposal | Dividends received | Share of income (loss) | Other comprehensive income (loss) | Others | |
| Kelar S.A | ₩ 3,156 | | | | | (407) | (2,749) | |
| PT. Tanjung Power Indonesia | 700 | | | | (98) | | 15 | 617 |
| Incheon New Power Co., Ltd. | 465 | | | | 49 | | | 514 |
| Seokmun Energy Co., Ltd. | | | (100) | | | | 100 | |
| | 1,166,894 | 53,683 | (8,951) | (60,329) | 82,471 | 58,293 | (4,199) | 1,287,862 |
| | ₩ 5,508,724 | 116,114 | (8,951) | (114,708) | 194,272 | 94,854 | (96,775) | 5,693,530 |

(*1) Others includes W15,204 million of assets held-for-sale (note 42).

(*2) Others includes W41,170 million of assets held-for-sale (note 42).

In millions of won

| Investees | 2014 | | | | | | | Ending balance |
|-----------|-------------------|-------------|----------|--------------------|------------------------|----------------------------|--------|----------------|
| | Beginning balance | Acquisition | Disposal | Dividends received | Share of income (loss) | Other comprehensive income | Others | |

| | | | | | | | (loss) |
|---|---|-----------|---------|---------|---------|---------|-----------|
| <Associates> | | | | | | | |
| Daegu Green Power Co., Ltd. | ₩ | 74,878 | | (3,494) | 3 | | 71,387 |
| Korea Gas Corporation | | 1,926,800 | | 96,457 | 69,489 | 4,793 | 2,097,539 |
| Korea Electric Power Industrial Development Co., Ltd. | | 22,450 | | (1,872) | 2,275 | (1,231) | 21,622 |
| YTN Co., Ltd. | | 38,426 | | (90) | 2,423 | (26) | (844) |
| Cheongna Energy Co., Ltd. | | 28,114 | 5,707 | | (5,023) | (27) | 28,771 |
| Gangwon Wind Power Co., Ltd. | | 13,185 | | (1,988) | 1,155 | 33 | 12,385 |
| Hyundai Green Power Co., Ltd. | | 110,157 | | (8,889) | 11,764 | 1 | 113,033 |
| Korea Power Exchange | | 189,544 | | | 13,274 | (4,797) | 198,021 |
| AMEC Partners Korea Ltd. | | 189 | | | 11 | | 200 |
| Hyundai Energy Co., Ltd. | | 43,386 | | (7,461) | | | 35,925 |
| Ecollite Co., Ltd. | | | | | | | |
| Taebaek Wind Power Co., Ltd. | | 5,553 | | (991) | 963 | | 5,525 |
| Alternergy Philippine Investments Corporation | | 1,500 | (1,497) | | (7) | 228 | (224) |
| Muju Wind Power Co., Ltd. | | 2,707 | | | | (1) | 2,706 |
| Pyeongchang Wind Power Co., Ltd. | | 600 | 3,238 | | (128) | (17) | 3,693 |
| Daeryun Power Co., Ltd. | | 24,599 | | (1,748) | | 19,100 | 41,951 |
| JinanJangsu Wind Power Co., Ltd. | | 77 | | | | | 77 |
| Changjuk Wind Power Co., Ltd. | | 6,344 | | (1,292) | 1,434 | | 6,486 |
| KNH Solar Co., Ltd. | | 1,372 | | | 372 | | 1,744 |
| SPC Power Corporation | | 47,661 | | (1,800) | 335 | 1,603 | 47,799 |
| Gemeng International Energy Co., Ltd. | | 608,674 | | (6,905) | 54,368 | 11,441 | 667,578 |
| PT. Cirebon Electric Power | | 32,826 | 1,148 | | 6,303 | 3,058 | 43,335 |
| KNOC Nigerian East Oil Co., Ltd. | | | | | | | |
| KNOC Nigerian West Oil Co., Ltd. | | | | | | | |
| Dolphin Property Limited | | | | | 184 | (8) | (115) |
| E-Power S.A. | | 5,284 | (5,041) | (1,431) | 1,173 | 15 | 61 |
| PT Wampu Electric Power | | 15,121 | | | 308 | 642 | 16,071 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued****(3) Changes in investments in associates and joint for the years ended December 31, 2015 and 2014 are as follows, continued:***In millions of won*

| Investees | 2014 | | | | | | |
|--|-------------------|-------------|----------|--------------------|------------------------|--|----------------|
| | Beginning balance | Acquisition | Disposal | Dividends received | Share of income (loss) | Other comprehensive income (loss) Others | Ending balance |
| PT. Bayan Resources TBK | ₩ 579,534 | | | | (30,565) | (8,958) | 540,011 |
| S-Power Co., Ltd. | 107,264 | | | | (3,020) | | 104,244 |
| Pioneer Gas Power Limited | 43,666 | 1,122 | | | 298 | 5,582 | 50,668 |
| Eurasia Energy Holdings | | | | | | | |
| Xe-Pian Xe-Namnoy Power Co., Ltd. | 18,058 | 4,546 | | | (915) | 753 (290) | 22,152 |
| Busan Solar Co., Ltd. | 741 | | | | 112 | | 853 |
| Hadong Mineral Fiber Co., Ltd. | 3 | | | | | | 3 |
| Green Biomass Co., Ltd. | 171 | | | | (171) | | |
| Gumi-ochang Photovoltaic Power Co., Ltd. | 389 | | (399) | (14) | 24 | | |
| Chungbuk Photovoltaic Power Co., Ltd. | 184 | | (192) | | 8 | | |
| Cheonan Photovoltaic Power Co., Ltd. | 148 | | (138) | | (10) | | |
| PT. Mutiara Jawa | 1,666 | | | | (885) | 37 | 818 |

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| | | | | | | |
|--|---------|----------|---------|-------|-----|---------|
| Samcheok Eco Material Co., Ltd. | 686 | | (474) | | | 212 |
| Noeul Green Energy Co., Ltd. | 200 | | (11) | | | 189 |
| Naepo Green Energy Co., Ltd. | 29,200 | | (995) | (141) | | 28,064 |
| Goseong Green Energy Co., Ltd. | 2,900 | | (311) | | (3) | 2,586 |
| Gangneung Eco Power Co., Ltd. | 2,900 | | (117) | | | 2,783 |
| Shin Pyeongtaek Power Co., Ltd. | 40 | | (40) | | | |
| Hyundai Asan Solar Power Co., Ltd. | 462 | (430) | (32) | | | |
| Heang Bok Do Si Photovoltaic Power Co., Ltd. | 91 | 101 | 31 | (2) | | 221 |
| Jeonnam Solar Co., Ltd. | 696 | (941) | 241 | 4 | | |
| DS POWER Co., Ltd. | 17,900 | | (2,258) | | | 15,642 |
| D Solar Energy Co., Ltd. | 364 | (418) | 54 | | | |
| Dongducheon Dream Power Co., Ltd. | 134,398 | (29,782) | (4,071) | | | 100,545 |
| KS Solar Corp. Ltd. | 537 | | (202) | (10) | | 325 |
| KOSCON Photovoltaic Co., Ltd. | 315 | (351) | 36 | | | |
| Yeongwol Energy Station Co., Ltd. | 908 | (410) | 1,239 | 3 | 1 | 1,741 |
| Yeonan Photovoltaic Co., Ltd. | 123 | (128) | 5 | | | |
| Q1 Solar Co., Ltd. | 983 | (1,123) | 140 | | | |
| Jinbhuvish Power Generation Pvt. Ltd. | 8,495 | | (197) | 46 | | 8,344 |
| Best Solar Energy Co., Ltd. | 898 | (1,242) | 344 | | | |
| Seokcheon Solar Power Co., Ltd. | 1,046 | (1,041) | (49) | 48 | 1 | (5) |
| SE Green Energy Co., Ltd. | 3,745 | | (122) | | | 3,623 |
| Daegu Photovoltaic Co., Ltd. | 1,334 | | 247 | | | 1,581 |
| | 324 | | (231) | | | 93 |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued****(3) Changes in investments in associates and joint ventures for the years ended December 31, 2015 and 2014 are as follows, continued:***In millions of won***2014**

| Investees | Beginning balance | Acquisition | Disposal | Dividends received | Share of income (loss) | Other comprehen- sive income (loss) | | Ending balance |
|---|----------------------|-------------|----------|-----------------------|------------------------------|---|----------|-------------------|
| | | | | | | Others | | |
| Canada Korea Uranium Limited Partnership | ₩ | | | | | | | |
| KEPCO Energy Resource Nigeria Limited | 2,202 | | | | (2,190) | (12) | | |
| Gansu Datang Yumen Wind Power Co., Ltd. | 19,237 | | | | (2,012) | 242 | | 17,467 |
| Datang Chifeng Renewable Power Co., Ltd. | 166,330 | | | (8,951) | 9,144 | 2,973 | | 169,496 |
| Datang KEPCO Chaoyang Renewable Power Co., Ltd. | 10,604 | | | (788) | 531 | 192 | | 10,539 |
| Rabigh Electricity Company | | | | | 25,040 | (18,709) | 1,790 | 8,121 |
| Rabigh Operation & Maintenance Company | 4,082 | | | (2,546) | 2,945 | 147 | | 4,628 |
| Jamaica Public Service Company | 268,022 | | | | | | (41,130) | 226,892 |

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

Incheon New
Power Co., Ltd.
Seokmun Energy
Co., Ltd.

415

(415)

| | | | | | | | |
|-----------|---------|-----------|----------|---------|----------|----------|-----------|
| 1,106,181 | 196,435 | (102,771) | (23,599) | 109,247 | (75,536) | (43,063) | 1,166,894 |
|-----------|---------|-----------|----------|---------|----------|----------|-----------|

| | | | | | | | |
|-------------|---------|-----------|----------|---------|-------|----------|-----------|
| ₩ 5,230,755 | 248,223 | (145,979) | (47,120) | 241,013 | 6,945 | (25,113) | 5,508,724 |
|-------------|---------|-----------|----------|---------|-------|----------|-----------|

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued****(4) Summary of financial information of associates and joint ventures as of and for the year ended December 31, 2015 and 2014 are as follows:***In millions of won*

| | 2015 | | | Profit (loss) for the period |
|---|--------------|-------------------|------------|---------------------------------|
| Investees | Total assets | Total liabilities | Sales | |
| <Associates> | | | | |
| Daegu Green Power Co., Ltd. | ₩ 639,118 | 471,497 | 321,273 | 18,625 |
| Korea Gas Corporation | 42,385,340 | 32,328,396 | 26,052,724 | 319,190 |
| Korea Electric Power Industrial Development Co., Ltd. | 142,835 | 77,340 | 324,162 | 9,855 |
| YTN Co., Ltd. | 305,799 | 126,561 | 117,418 | (520) |
| Cheongna Energy Co., Ltd. | 458,205 | 419,353 | 48,519 | (21,108) |
| Gangwon Wind Power Co., Ltd. | 114,600 | 28,994 | 21,941 | 8,529 |
| Hyundai Green Power Co., Ltd. | 1,182,352 | 790,407 | 486,435 | 31,011 |
| Korea Power Exchange | 236,199 | 27,464 | 87,400 | 9,303 |
| AMEC Partners Korea Ltd. | 1,332 | 123 | 511 | 155 |
| Hyundai Energy Co., Ltd. | 526,305 | 473,736 | 80,067 | (29,749) |
| Ecollite Co., Ltd. | 2,271 | 345 | | (97) |
| Taebaek Wind Power Co., Ltd. | 48,009 | 26,212 | 6,626 | (302) |
| Muju Wind Power Co., Ltd. | 10,349 | | | (477) |
| Pyeongchang Wind Power Co., Ltd. | 62,565 | 48,959 | | (1,164) |
| Daeryun Power Co., Ltd. | 838,199 | 657,551 | 279,787 | (29,806) |
| JinanJangsu Wind Power Co., Ltd. | 306 | | | (1) |
| Changjuk Wind Power Co., Ltd. | 41,444 | 19,053 | 6,472 | 772 |
| KNH Solar Co., Ltd. | 27,254 | 20,105 | 4,399 | 861 |
| SPC Power Corporation | 182,908 | 30,191 | 68,149 | 37,395 |
| Gemeng International Energy Co., Ltd. | 5,956,288 | 3,940,455 | 902,008 | 95,064 |
| PT. Cirebon Electric Power | 1,026,729 | 806,458 | 295,788 | 43,968 |
| KNOC Nigerian East Oil Co., Ltd. | 264,434 | 337,762 | | (6,069) |
| KNOC Nigerian West Oil Co., Ltd. | 160,765 | 230,001 | | (7,386) |
| Dolphin Property Limited | 300 | 1 | | 8 |
| PT Wampu Electric Power | 201,383 | 160,159 | 17,476 | (2,696) |
| PT. Bayan Resources TBK | 1,043,143 | 901,952 | 461,349 | (30,014) |
| S-Power Co., Ltd. | 935,870 | 664,523 | 632,073 | 5,336 |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued****(4) Summary of financial information of associates and joint ventures as of and for the years ended December 31, 2015 and 2014 are as follows, continued:***In millions of won*

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

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| | | | | |
|--|---------|---------|--------|----------|
| Expressway Solar-light Power Generation Co., Ltd. | 21,154 | 13,913 | 2,981 | 443 |
| KODE NOVUS 1 LLC | 64,453 | 110,030 | 3,421 | (59,389) |
| KODE NOVUS 2 LLC | 22,500 | 45,306 | 1,868 | (39,345) |
| Daejung Offshore Wind Power Co., Ltd. | 6,795 | 78 | | (606) |
| Amman Asia Electric Power Company | 875,590 | 645,998 | 46,940 | 41,880 |
| KEPCO-ALSTOM Power Electronics Systems, Inc. | 50,152 | 41,326 | 18,849 | (611) |
| Dangjin Echo Power Co., Ltd. | 136,982 | 945 | | (1,035) |
| Honam Wind Power Co., Ltd. | 41,527 | 28,100 | 5,944 | 1,266 |
| Nepal Water & Energy Development Company Pty Ltd. | 42,644 | 11,136 | | (647) |
| Chun-cheon Energy Co., Ltd. | 149,025 | 42,094 | | (2,389) |
| Yeonggwangbaeksu Wind Power Co., Ltd. | 104,045 | 86,257 | 4,974 | (1,956) |
| Nghi Son 2 Power Ltd. | 771 | 234 | | (1,111) |
| Kelar S.A. | 375,136 | 405,618 | | (3,140) |
| PT. Tanjung Power Indonesia | 37,948 | 36,185 | 16,476 | (276) |
| Incheon New Power Co., Ltd. | 10,078 | 8,306 | 3,318 | 301 |
| Seokmun Energy Co., Ltd. | 184,051 | 184,759 | | (552) |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued****(4) Summary of financial information of associates and joint ventures as of and for the years ended December 31, 2015 and 2014 are as follows, continued:***In millions of won*

| | 2014 | | | Profit (loss) for the period |
|--|--------------|-------------------|------------|---------------------------------|
| Investees | Total assets | Total liabilities | Sales | |
| <Associates> | | | | |
| Daegu Green Power Co., Ltd. | ₩ 666,935 | 517,892 | 43,908 | (7,310) |
| Korea Gas Corporation | 46,772,022 | 37,047,686 | 37,273,360 | 447,183 |
| Korea Electric Power Industrial Development Co., Ltd. | 151,511 | 76,953 | 329,215 | 13,118 |
| YTN Co., Ltd. | 335,740 | 149,337 | 114,743 | 11,289 |
| Cheongna Energy Co., Ltd. | 443,672 | 384,020 | 47,075 | (11,585) |
| Gangwon Wind Power Co., Ltd. | 123,242 | 41,002 | 28,829 | 11,708 |
| Hyundai Green Power Co., Ltd. | 1,215,849 | 826,080 | 503,197 | 40,797 |
| Korea Power Exchange | 223,080 | 25,059 | 86,735 | 13,289 |
| AMEC Partners Korea Ltd. | 1,234 | 180 | 671 | 60 |
| Hyundai Energy Co., Ltd. | 549,560 | 467,245 | 88,001 | (16,214) |
| Ecollite Co., Ltd. | 2,467 | 443 | | 39 |
| Taebaek Wind Power Co., Ltd. | 50,776 | 28,677 | 10,362 | 3,856 |
| Muju Wind Power Co., Ltd. | 10,826 | | | (4) |
| Pyeongchang Wind Power Co., Ltd. | 14,772 | 2 | | (513) |
| Daeryun Power Co., Ltd. | 832,682 | 622,244 | 338,191 | (9,213) |
| JinanJangsu Wind Power Co., Ltd. | 308 | | | (1) |
| Changjuk Wind Power Co., Ltd. | 42,349 | 20,730 | 10,487 | 4,741 |
| KNH Solar Co., Ltd. | 28,451 | 21,992 | 4,913 | 1,315 |
| SPC Power Corporation | 174,917 | 49,131 | 63,969 | 30,959 |
| Gemeng International Energy Co., Ltd. | 5,690,748 | 3,727,276 | 1,497,330 | 183,604 |
| PT. Cirebon Electric Power | 985,975 | 828,393 | 266,963 | 23,363 |
| KNOC Nigerian East Oil Co., Ltd. | 247,785 | 310,719 | | (7,157) |
| KNOC Nigerian West Oil Co., Ltd. | 150,644 | 208,323 | | (6,395) |
| Dolphin Property Limited | 301 | 4 | 28 | 330 |
| PT Wampu Electric Power | 172,950 | 138,012 | 43,205 | (5,121) |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued****(4) Summary of financial information of associates and joint ventures as of and for the years ended December 31, 2015 and 2014 are as follows, continued:***In millions of won*

| Investees | 2014 | | | Profit (loss) for the period |
|---|--------------|-------------------|---------|------------------------------|
| | Total assets | Total liabilities | Sales | |
| <Joint ventures> | | | | |
| KEPCO-Uhde Inc. | ₩ 16,424 | 2,747 | | (819) |
| Eco Biomass Energy Sdn. Bhd. | | | | |
| Datang Chaoyang Renewable Power Co., Ltd. | 158,646 | 89,862 | 16,946 | (540) |
| Shuweiha Asia Power Investment B.V. | 33,315 | 2 | | 12,379 |
| Shuweiha Asia Operation & Maintenance Company | 639 | 11 | 2,713 | 2,129 |
| Waterbury Lake Uranium L.P. | 56,797 | 2 | | |
| ASM-BG Investicii AD | 91,205 | 51,990 | 13,137 | 2,012 |
| RES Technology AD | 82,721 | 53,272 | 8,757 | (307) |
| KV Holdings, Inc. | 4,755 | | | |
| KEPCO SPC Power Corporation | 464,305 | 210,956 | 169,615 | 63,005 |
| Canada Korea Uranium Limited Partnership | 35,990 | 132 | | (18) |
| KEPCO Energy Resource Nigeria Limited | 378,677 | 399,871 | | (29,048) |
| Gansu Datang Yumen Wind Power Co., Ltd. | 106,283 | 62,616 | 7,814 | (4,399) |
| Datang Chifeng Renewable Power Co., Ltd. | 902,645 | 478,805 | 100,712 | 22,849 |
| Datang KEPCO Chaoyang Renewable Power Co., Ltd. | 70,354 | 44,005 | 8,464 | 1,444 |
| Rabigh Electricity Company | 2,544,622 | 2,325,205 | 284,837 | 57,444 |
| Rabigh Operation & Maintenance Company | 16,667 | 5,097 | 22,911 | 7,417 |
| Jamaica Public Service Company Limited | 1,100,431 | 725,307 | 841,390 | 13,183 |
| KW Nuclear Components Co., Ltd. | 25,591 | 19,115 | 9,722 | 4,200 |
| Busan Shinho Solar Power Co., Ltd. | 53,399 | 40,261 | 8,115 | 1,320 |
| GS Donghae Electric Power Co., Ltd. | 975,489 | 383,111 | | (1,389) |
| Global Trade Of Power System Co., Ltd. | 1,690 | 509 | 5,037 | 322 |
| Expressway Solar-light Power Generation Co., Ltd. | 22,046 | 14,849 | 3,181 | 22 |
| KODE NOVUS 1 LLC. | 115,584 | 100,636 | 6,490 | (4,648) |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued**

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

In millions of won

| Investees | Net assets | Percentage of ownership (*) | 2015 Share in net assets | Investment differential | Intercompany transaction | Others | Book value |
|---|------------|-----------------------------|-----------------------------------|----------------------------|-----------------------------|----------|---------------|
| <Associates> | | | | | | | |
| Daegu Green Power Co., Ltd. | ₩ 167,621 | 47.80% | 80,123 | 144 | | | 80,267 |
| Korea Gas Corporation | 10,056,944 | 21.57% | 2,169,283 | | | (66,470) | 2,102,813 |
| Korea Electric Power Industrial Development Co., Ltd. | 65,495 | 29.00% | 18,994 | | | | 18,994 |
| YTN Co., Ltd. | 179,238 | 21.43% | 38,411 | | (43) | (3) | 38,365 |
| Cheongna Energy Co., Ltd. | 38,852 | 43.90% | 17,056 | 2,584 | (150) | | 19,490 |
| Gangwon Wind Power Co., Ltd. | 85,606 | 15.00% | 12,841 | | | 49 | 12,890 |
| Hyundai Green Power Co., Ltd. | 391,945 | 29.00% | 113,664 | | | | 113,664 |
| Korea Power Exchange | 208,735 | 100.00% | 208,735 | | | | 208,735 |
| AMEC Partners Korea Ltd. | 1,209 | 19.00% | 230 | | | | 230 |
| Hyundai Energy Co., Ltd. | 52,569 | 46.30% | 24,340 | | (1,120) | (16,230) | 6,990 |
| Ecollite Co., Ltd. | 1,926 | 36.10% | 695 | | | (695) | |
| Taebaek Wind Power Co., Ltd. | 21,797 | 25.00% | 5,449 | | (493) | | 4,956 |
| Muju Wind Power Co., Ltd. | 10,349 | 25.00% | 2,587 | | | | 2,587 |
| Pyeongchang Wind Power Co., Ltd. | 13,606 | 25.00% | 3,402 | | | | 3,402 |
| | 180,648 | 19.45% | 35,136 | 1,014 | | 6 | 36,156 |

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued**

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

In millions of won

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

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued**

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

In millions of won

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

| | | | | | | | |
|--|-----------|--------|---------|---------|---------|-------|---------|
| Pyeongchang Wind Power Co., Ltd. | | | | | | | |
| Daeryun Power Co., Ltd. | 210,438 | 19.45% | 40,930 | 1,014 | | 7 | 41,951 |
| JinanJangsu Wind Power Co., Ltd. | 308 | 25.00% | 77 | | | | 77 |
| Changjuk Wind Power Co., Ltd. | 21,619 | 30.00% | 6,486 | | | | 6,486 |
| KNH Solar Co., Ltd. | 6,459 | 27.00% | 1,744 | | | | 1,744 |
| SPC Power Corporation | 125,787 | 38.00% | 47,799 | | | | 47,799 |
| Gemeng International Energy Co., Ltd. | 1,963,472 | 34.00% | 667,579 | | | (1) | 667,578 |
| PT. Cirebon Electric Power | 157,582 | 27.50% | 43,335 | | | | 43,335 |
| KNOC Nigerian East Oil Co., Ltd. | (62,934) | 14.63% | (9,207) | | | 9,207 | |
| KNOC Nigerian West Oil Co., Ltd. | (57,679) | 14.63% | (8,438) | | | 8,438 | |
| Dolphin Property Limited | 297 | 15.00% | 45 | | | 16 | 61 |
| PT Wampu Electric Power | 34,938 | 46.00% | 16,071 | | | | 16,071 |
| PT. Bayan Resources TBK | 189,227 | 20.00% | 37,845 | 502,166 | | | 540,011 |
| S-Power Co., Ltd. | 266,011 | 40.00% | 106,405 | | (2,161) | | 104,244 |
| Pioneer Gas Power Limited | 68,632 | 40.00% | 27,453 | 23,147 | | 68 | 50,668 |
| Eurasia Energy Holdings | (441) | 40.00% | (176) | | | 176 | |
| Xe-Pian Xe-Namnoy Power Co., Ltd. | 67,214 | 25.00% | 16,803 | 5,971 | (333) | (289) | 22,152 |
| Busan Solar Co., Ltd. | 4,311 | 19.80% | 853 | | | | 853 |
| Hadong Mineral Fiber Co., Ltd. | 10 | 25.00% | 3 | | | | 3 |
| Green Biomass Co., Ltd. | (367) | 34.00% | (125) | | | 125 | |
| PT. Mutiara Jawa | 2,581 | 29.00% | 748 | 70 | | | 818 |
| Samcheok Eco Material Co., Ltd. | 23,831 | 2.67% | 636 | | | (424) | 212 |
| Noeul Green Energy Co., Ltd. | 944 | 20.00% | 189 | | | | 189 |
| Naepo Green Energy Co., Ltd. | 112,258 | 25.00% | 28,064 | | | | 28,064 |
| Goseong Green Energy Co., Ltd. | 26,751 | 9.67% | 2,587 | | | (1) | 2,586 |
| Gangneung Eco Power Co., Ltd. | 46,055 | 6.04% | 2,782 | | | 1 | 2,783 |
| Shin Pyeongtaek Power Co., Ltd. | (719) | 40.00% | (288) | | | 288 | |
| Heang Bok Do Si Photovoltaic Power Co., Ltd. | 790 | 28.00% | 221 | | | | 221 |

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| | | | | | |
|---|---------|--------|---------|---------|---------|
| DS POWER Co., Ltd. | 121,000 | 10.91% | 13,201 | 2,441 | 15,642 |
| Dongducheon Dream Power Co., Ltd. | 314,845 | 33.61% | 105,820 | (5,275) | 100,545 |
| KS Solar Corp. Ltd. | 1,712 | 19.00% | 325 | | 325 |
| Yeongwol Energy Station Co., Ltd. | 17,406 | 10.00% | 1,741 | | 1,741 |
| Jinbhuvish Power Generation Pvt. Ltd. | 56,096 | 5.16% | 2,895 | 5,449 | 8,344 |
| SE Green Energy Co., Ltd. | 7,587 | 47.76% | 3,623 | | 3,623 |
| Daegu Photovoltaic Co., Ltd. | 5,453 | 29.00% | 1,581 | | 1,581 |
| Jeongam Wind Power Co., Ltd. | 233 | 40.00% | 93 | | 93 |
| Korea Power Engineering Service Co., Ltd. | 4,601 | 29.00% | 1,334 | | 1,334 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued**

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

In millions of won

| Investees | 2014 | | Investment differential | Intercompany transaction | Others | Book value |
|---|------------|--|-------------------------|--------------------------|---------|------------|
| | Net assets | Percentage of Share ownership (*) net assets | | | | |
| <Joint ventures> | | | | | | |
| KEPCO-Uhde Inc. | ₩ 13,677 | 64.02% | 8,756 | | 286 | 9,042 |
| Eco Biomass Energy Sdn. Bhd. | | 61.53% | | | | |
| Datang Chaoyang Renewable Power Co., Ltd. | 68,785 | 40.00% | 27,514 | | | 27,514 |
| Shuweiha Asia Power Investment B.V. | 33,312 | 49.00% | 16,323 | | (82) | 16,241 |
| Shuweiha Asia Operation & Maintenance Company | 628 | 55.00% | 346 | | (1) | 345 |
| Waterbury Lake Uranium L.P. | 56,796 | 40.00% | 22,718 | | (708) | 22,010 |
| ASM-BG Investicii AD | 39,215 | 50.00% | 19,608 | | | 19,608 |
| RES Technology AD | 29,449 | 50.00% | 14,725 | | | 14,725 |
| KV Holdings, Inc. | 4,755 | 40.00% | 1,902 | | | 1,902 |
| KEPCO SPC Power Corporation | 253,349 | 75.20% | 190,519 | | | 190,519 |
| Canada Korea Uranium Limited Partnership | 35,858 | 12.50% | 4,482 | | (4,482) | |
| KEPCO Energy Resource Nigeria Limited | (21,195) | 30.00% | (6,358) | | 6,358 | |
| Gansu Datang Yumen Wind Power Co., Ltd. | 43,667 | 40.00% | 17,467 | | | 17,467 |
| Datang Chifeng Renewable Power Co., Ltd. | 423,839 | 40.00% | 169,536 | | (40) | 169,496 |
| Datang KEPCO Chaoyang Renewable Power Co., Ltd. | 26,349 | 40.00% | 10,539 | | | 10,539 |

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| | | | | | | |
|---|---------|--------|---------|---------|----------|---------|
| Rabigh Electricity Company | 219,417 | 40.00% | 87,767 | | (79,646) | 8,121 |
| Rabigh Operation & Maintenance Company | 11,570 | 40.00% | 4,628 | | | 4,628 |
| Jamaica Public Service Company Limited | 375,124 | 40.00% | 150,050 | 130,726 | (53,884) | 226,892 |
| KW Nuclear Components Co., Ltd. | 6,477 | 43.36% | 2,808 | 91 | | 2,899 |
| Busan Shinho Solar Power Co., Ltd. | 13,138 | 25.00% | 3,284 | | | 3,284 |
| GS Donghae Electric Power Co., Ltd. | 592,379 | 34.00% | 201,409 | | | 201,409 |
| Global Trade Of Power System Co., Ltd. | 1,181 | 29.00% | 343 | | | 343 |
| Expressway Solar-light Power Generation Co., Ltd. | 7,197 | 29.00% | 2,087 | | | 2,087 |
| KODE NOVUS 1 LLC. | 14,949 | 50.00% | 7,474 | 4,733 | | 12,207 |
| KODE NOVUS 2 LLC. | 16,833 | 49.00% | 8,248 | | | 8,248 |
| Daejung Offshore Wind Power Co., Ltd. | 7,437 | 49.90% | 3,711 | | | 3,711 |
| Amman Asia Electric Power Company | 204,122 | 60.00% | 122,473 | | (82) | 122,391 |
| KEPCO-ALSTOM Power Electronics Systems, Inc. | 9,052 | 51.00% | 4,617 | | | 4,617 |
| Dangjin Echo Power Co., Ltd. | 109,369 | 33.10% | 36,201 | 1,636 | | 37,837 |
| Honam Wind Power Co., Ltd. | 12,149 | 29.00% | 3,523 | 32 | | 3,555 |
| Nepal Water & Energy Development Company Pty Ltd. | 28,348 | 59.62% | 16,900 | 972 | | 17,872 |
| Chun-cheon Energy Co., Ltd. | (28) | 29.90% | (8) | | | 8 |
| Yeonggwangbaeksu Wind Power Co., Ltd. | 19,745 | 15.00% | 2,962 | | | 2,962 |
| Nghi Son 2 Power Ltd. | 206 | 50.00% | 103 | | (1) | 102 |
| Kelar S.A | 858 | 65.00% | 558 | 2,424 | 174 | 3,156 |
| PT. Tanjung Power Indonesia | 1,996 | 35.00% | 699 | | 1 | 700 |
| Incheon New Power Co., Ltd. | 1,604 | 29.00% | 465 | | | 465 |
| Seokmun Energy Co., Ltd. | (158) | 34.00% | (54) | | | 54 |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**17. Investments in Associates and Joint Ventures, Continued**

(6) **As of December 31, 2015 and 2014, unrecognized equity interest in investments in associates and joint ventures whose book value has been reduced to zero due to accumulated losses are as follows:**

| <i>In millions of won</i> | 2015 | | 2014 | |
|---------------------------------|------------------------------|--|------------------------------|--|
| | Unrecognized equity interest | Accumulated unrecognized equity interest | Unrecognized equity interest | Accumulated unrecognized equity interest |
| Green Biomass Co., Ltd. | ₩ (125) | | 125 | 125 |
| Shin Pyeongtaek Power Co., Ltd. | 1,038 | 1,326 | 288 | 288 |
| KEPCO Energy Resource | | | | |
| Nigeria Limited | 4,645 | 11,003 | 6,358 | 6,358 |
| Chun-cheon Energy Co., Ltd. | (8) | | 8 | 8 |
| Seokmun Energy Co., Ltd. | 152 | 205 | 54 | 54 |
| Kelar S.A | 17,389 | 17,389 | | |
| Hadong Mineral Fiber Co., Ltd. | 5 | 5 | | |
| PT. Mutiara Jawa | 1,351 | 1,351 | | |
| Eurasia Energy Holdings | 188 | 188 | | |

(7) **As of December 31, 2015, shareholders' agreements on investments in associates and joint ventures that may cause future economic costs or cash outflows are as follows:**

(i) Gemeng International Energy Co., Ltd.

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

(ii) Hyundai Energy Co., Ltd.

As of December 31, 2015, Hyundai Energy Co., Ltd., an associate of the Company, which engages in the integrated energy business, entered into a project financing loan agreement with a limit of ₩450 billion with Korea Development Bank and others, and the Company guaranteed to create a certain amount of sales profit.

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

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

(iii) Taebaek Wind Power Co., Ltd.

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

(iv) Pyeongchang Wind Power Co., Ltd.

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

17. Investments in Associates and Joint Ventures, Continued

(7) As of December 31, 2015, shareholders' agreements on investments in associates and joint ventures that may cause future economic costs or cash outflows are as follows, continued:

(v) Jeongam Wind Power Co., Ltd.

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

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

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

(vii) Dongducheon Dream Power Co., Ltd.

In any event, financial investors decide to dispose of their shares in Dongducheon Dream Power Co., Ltd. within 1 year from the maturity date of subordinated loans, Dongducheon Dream Power Co., Ltd. is obligated to acquire those shares at the specified price.

(viii) DS Power Co., Ltd.

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

(ix) Samcheok Eco Material Co., Ltd.

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

(x) Seokmun Energy Co., Ltd.

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

17. Investments in Associates and Joint Ventures, Continued

(8) Significant restrictions on its abilities to associates or joint ventures are as follows:

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

After 15 years from the completion date of facility which is financed by financial investor's equity investment, the financial investor and the consolidated entity have appraisal right against Hyundai Steel Company (the Operating investor) and the Operating investor can also claim against the financial investor to sell their shares.

After 5 years from the completion date of additional facility, the Operating investor has appraisal right against the consolidated entity and the financial investor when self-generating electricity is more profitable to Hyundai Steel Company's cash flow rather than this business

After 5 years from the completion date of the additional facility, if there exists an agreement among those relevant parties, the Operating investor may claim to dispose the entire shares of the consolidated entity and the shares owned by financial investor to the Operating investor or to the third parties which designated by the Operating investor.

After 25 years from the completion date or when operation of electricity generation business by Hyundai Green Power Co., Ltd. is no longer feasible, the Operating investor may claim to dispose the entire the shares of the consolidated entity and shares owned by financial investor to the Operating investor or to third parties which are designated by the Operating investor.

After 5 years from the completion date of additional facility, if there is no agreement reached within 60 days, even if price of fuel supply fluctuates due to statutory or other force majeure reasons so that Hyundai Green Power Co., Ltd. would face excessive gain or loss, the Operating investor (consolidated entity and financial investor) may claim against the consolidated entity and the financial investor (Operating investor) to dispose (acquire) the entire shares.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| | 2015 | | | | |
|--------------------------|-----------------------------|------------------------------|-------------------------------------|--|-----------------------|
| | Acquisition cost | Government grants | Accumulated depreciation | Accumulated impairment losses (*) | Book value |
| Land | ₩ 12,396,460 | (3,147) | | | 12,393,313 |
| Buildings | 14,936,722 | (63,932) | (5,259,436) | (854) | 9,612,500 |
| Structures | 58,251,296 | (193,119) | (17,991,950) | (1,184) | 40,065,043 |
| Machinery | 57,143,211 | (108,935) | (20,242,232) | (36,230) | 36,755,814 |
| Ships | 4,930 | | (4,144) | | 786 |
| Vehicles | 227,733 | (29) | (167,261) | | 60,443 |
| Equipment | 1,134,376 | (1,026) | (823,805) | | 309,545 |
| Tools | 836,131 | (691) | (675,501) | | 159,939 |
| Construction-in-progress | 35,305,133 | (139,898) | | (38,107) | 35,127,128 |
| Finance lease assets | 2,389,985 | | (1,878,476) | | 511,509 |
| Asset retirement costs | 6,888,547 | | (2,782,460) | | 4,106,087 |
| Others | 9,438,381 | | (7,179,137) | | 2,259,244 |
| | ₩ 198,952,905 | (510,777) | (57,004,402) | (76,375) | 141,361,351 |

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

In millions of won

| | 2014 | | | | |
|------------|-----------------------------|------------------------------|-------------------------------------|--|-----------------------|
| | Acquisition cost | Government grants | Accumulated depreciation | Accumulated impairment losses (*) | Book value |
| Land | ₩ 12,238,488 | (3,103) | | | 12,235,385 |
| Buildings | 13,631,985 | (67,700) | (4,652,109) | (853) | 8,911,323 |
| Structures | 54,734,376 | (196,871) | (16,078,416) | (1,183) | 38,457,906 |
| Machinery | 52,242,176 | (108,750) | (16,735,238) | (46,230) | 35,351,958 |
| Ships | 5,015 | | (3,930) | | 1,085 |

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| | | | | | |
|--------------------------|---------------|-----------|--------------|----------|-------------|
| Vehicles | 208,337 | (76) | (157,761) | | 50,500 |
| Equipment | 965,806 | (1,002) | (754,159) | | 210,645 |
| Tools | 776,321 | (862) | (623,544) | | 151,915 |
| Construction-in-progress | 32,417,619 | (123,938) | | (38,107) | 32,255,574 |
| Finance lease assets | 2,385,251 | | (1,772,856) | | 612,395 |
| Asset retirement costs | 7,849,712 | | (2,495,285) | | 5,354,427 |
| Others | 8,599,484 | | (6,380,098) | | 2,219,386 |
| | ₩ 186,054,570 | (502,302) | (49,653,396) | (86,373) | 135,812,499 |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**18. Property, Plant and Equipment, Continued****(2) Changes in property, plant and equipment for the years ended December 31, 2015 and 2014 are as follows:***In millions of won*

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

(*1) Korea South-East Power Co., Ltd. and Korea East-West Power Co., Ltd., 100% owned subsidiaries, have determined that there is an impairment indicator and performed an impairment test over the individual assets. As a result, the Company recognized the amount of the carrying amount in excess of its recoverable amount as impairment loss in the statements of comprehensive income.

(*2) Others includes ₩23,273 million of assets held for sale (note 42) comprising land and buildings and the amount is ₩2,907 million and ₩20,366 million, respectively.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**18. Property, Plant and Equipment, Continued**

(2) Changes in property, plant and equipment for the years ended December 31, 2015 and 2014 are as follows, continued:

In millions of won

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

(*1) Garolim Tidal Power Plant Co., Ltd. (GTPP), a 49% owned subsidiary, has not yet started its operation and it is not expected to operate based on the results of the business feasibility study. The Company has considered this to be an impairment indicator and performed an impairment test over the individual assets of GTPP. As a result, the

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

(*2) Others includes ₩2,090,810 million of assets held for sale (note 42) comprising land, buildings, and structures and the amount is ~~₩2,021,445 million, ₩69,363 million, and ₩2 million~~, respectively.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**19. Investment Properties****(1) Investment properties as of December 31, 2015 and 2014 are as follows:**

| <i>In millions of won</i> | 2015 | | Accumulated | Book |
|---------------------------|------------------------|--------------------------|---------------------|--------------|
| | Acquisition cos | Government grants | depreciation | value |
| Land | ₩ 253,960 | | | 253,960 |
| Buildings | 27,655 | (13) | (11,692) | 15,950 |
| | ₩ 281,615 | (13) | (11,692) | 269,910 |

| <i>In millions of won</i> | 2014 | | Accumulated | Book |
|---------------------------|------------------------|--------------------------|---------------------|--------------|
| | Acquisition cos | Government grants | depreciation | value |
| Land | ₩ 301,483 | | | 301,483 |
| Buildings | 26,168 | (10) | (10,377) | 15,781 |
| | ₩ 327,651 | (10) | (10,377) | 317,264 |

(2) Changes in investment properties for the years ended December 31, 2015 and 2014 are as follows:

| <i>In millions of won</i> | 2015 | | | Ending balance |
|---------------------------|--------------------------|---------------------|---------------|-----------------------|
| | Beginning balance | Depreciation | Others | |
| Land | ₩ 301,483 | | (47,523) | 253,960 |
| Buildings | 15,791 | (669) | 841 | 15,963 |
| (Government grants) | (10) | | (3) | (13) |
| | ₩ 317,264 | (669) | (46,685) | 269,910 |

| <i>In millions of won</i> | 2014 |
|---------------------------|-------------|
|---------------------------|-------------|

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**19. Investment Properties, Continued****(3) Income and expenses related to investment properties for the years ended December 31, 2015 and 2014 are as follows:**

| <i>In millions of won</i> | 2015 | 2014 |
|---|-------------|-------------|
| Rental income | ₩ 10,931 | 10,986 |
| Operating and maintenance expenses related to rental income | (669) | (820) |
| | ₩ 10,262 | 10,166 |

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

| <i>In millions of won</i> | 2015 | | 2014 | |
|---------------------------|-------------------|-------------------|-------------------|-------------------|
| | Book value | Fair value | Book value | Fair value |
| Land | ₩ 253,960 | 284,423 | 301,483 | 342,809 |
| Buildings | 15,950 | 18,263 | 15,781 | 16,523 |
| | ₩ 269,910 | 302,686 | 317,264 | 359,332 |

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

(5) All of the Company's investment property is held under freehold interests.**20. Construction Contracts****(1) Changes in balance of construction service contracts for the years ended December 31, 2015 and 2014 are as follows:**

In millions of won

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

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

In millions of won

| | 2014 | | | |
|--|------------------------------|--|-------------------------------|---------------------------|
| | Beginning Balance | Increase and decrease (*) | Recognized revenue | Ending balance |
| Nuclear power plant construction in UAE and others | ₩ 19,333,416 | 712,843 | (2,965,185) | 17,081,074 |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**20. Construction Contracts, Continued**

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

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

| <i>In millions of won</i> | 2014 | | | |
|--|---------------------------------------|--------------------------------|-------------------------------|--------------------------------------|
| | Accumulated earned revenue | Accumulated expense | Accumulated profit | Unearned advance receipts |
| Nuclear power plant construction in UAE and others | ₩ 8,750,886 | 8,261,084 | 489,802 | |

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

| <i>In millions of won</i> | 2015 | | 2014 | |
|--|--------------------|-------------------------|--------------------|-------------------------|
| | Assets (*1) | Liabilities (*2) | Assets (*1) | Liabilities (*2) |
| Nuclear power plant construction in UAE and others | ₩ 55,317 | 893,992 | 149,876 | 935,832 |

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| | | | 2015 | | |
|--|------------------|-------------------|--------------------------|-------------------------------|------------|
| | Acquisition cost | Government grants | Accumulated amortization | Accumulated impairment losses | Book value |
| Software | ₩ 389,220 | (699) | (331,334) | | 57,187 |
| Licenses and franchises | 3,398 | | (3,398) | | |
| Copyrights, patents rights and other industrial rights | 34,178 | | (12,303) | | 21,875 |
| Mining rights | 508,392 | | (8,855) | | 499,537 |
| Development expenditures | 751,784 | (6,835) | (699,977) | | 44,972 |
| Intangible assets under development | 94,886 | (10,483) | | | 84,403 |
| Usage rights of donated assets and other | 375,275 | (32) | (326,684) | | 48,559 |
| Leasehold rights | 19,112 | | (18,367) | | 745 |
| Greenhouse gas emissions rights | 805 | | | | 805 |
| Others | 189,941 | (1) | (80,067) | (12,124) | 97,749 |
| | ₩ 2,366,991 | (18,050) | (1,480,985) | (12,124) | 855,832 |

In millions of won

| | | | 2014 | | |
|--|------------------|-------------------|--------------------------|-------------------------------|------------|
| | Acquisition cost | Government grants | Accumulated amortization | Accumulated impairment losses | Book value |
| Software | ₩ 354,443 | (488) | (301,887) | | 52,068 |
| Licenses and franchises | 3,398 | | (3,344) | | 54 |
| Copyrights, patents rights and other industrial rights | 31,929 | | (9,252) | | 22,677 |
| Mining rights | 510,869 | | (6,655) | | 504,214 |
| Development expenditures | 730,401 | (8,183) | (674,544) | | 47,674 |
| Intangible assets under development | 74,909 | (10,692) | | | 64,217 |
| Usage rights of donated assets and other | 375,275 | (43) | (317,588) | | 57,644 |
| Leasehold rights | 19,112 | | (18,333) | | 779 |
| Others | 156,503 | (1) | (72,180) | (12,589) | 71,733 |

| | | | | |
|------------|----------|-------------|----------|---------|
| ₩2,256,839 | (19,407) | (1,403,783) | (12,589) | 821,060 |
|------------|----------|-------------|----------|---------|

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**21. Intangible Assets other than Goodwill, Continued****(2) Changes in intangible assets as of December 31, 2015 and 2014 are as follows:***In millions of won*

| | 2015 | | | | | | Ending |
|--|------------------|--------------------|-----------------|---------------------|-------------------|---------------|----------------|
| | Beginning | Acquisition | Disposal | Amortization | Impairment | Others | balance |
| Software | ₩ 52,556 | 10,477 | (2) | (29,795) | 187 | 24,463 | 57,886 |
| (Government grants) | (488) | | | 177 | | (388) | (699) |
| Licenses and franchises | 54 | | | (54) | | | |
| Copyrights, patents rights and other industrial rights | 22,677 | 129 | (2) | (2,866) | | 1,937 | 21,875 |
| Mining rights | 504,214 | 23,151 | | (228) | | (27,600) | 499,537 |
| Development expenditures | 55,857 | 8,096 | (5) | (24,862) | | 12,721 | 51,807 |
| (Government grants) | (8,183) | | | 2,937 | | (1,589) | (6,835) |
| Intangible assets under development | 74,909 | 40,300 | | | | (22) | 94,886 |
| (Government grants) | (10,692) | (1,884) | | | | 2,093 | (10,483) |
| Usage rights of donated assets and other | 57,687 | | | (9,096) | | | 48,591 |
| (Government grants) | (43) | | | 11 | | | (32) |
| Leasehold rights | 779 | | | (34) | | | 745 |
| Greenhouse gas emissions rights | | 805 | | | | | 805 |
| Others | 71,734 | 6,872 | (443) | (8,456) | 88 | 27,955 | 97,750 |
| (Government grants) | (1) | | | | | | (1) |
| | ₩ 821,060 | 87,946 | (452) | (72,266) | 253 | 19,291 | 855,832 |

In millions of won

| | 2014 | | | | | | Ending |
|-------------------------|------------------|--------------------|-----------------|---------------------|-------------------|---------------|----------------|
| | Beginning | Acquisition | Disposal | Amortization | Impairment | Others | balance |
| Software | ₩ 65,751 | 7,135 | | (32,423) | | 12,093 | 52,556 |
| (Government grants) | (430) | | | 154 | | (212) | (488) |
| Licenses and franchises | 208 | | | (154) | | | 54 |
| | 24,953 | 451 | | (2,965) | | 238 | 22,677 |

Copyrights, patents rights and
other industrial rights

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

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

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

In millions of won and thousands of Australian dollars

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

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

(4) For the years ended December 31, 2015 and 2014, the Company recognized research and development expenses of ₩610,500 million and ₩545,735 million, respectively.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**22. Trade and Other Payables**

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

| <i>In millions of won</i> | 2015 | | 2014 | |
|-----------------------------|-------------|-------------|-----------|-------------|
| | Current | Non-current | Current | Non-current |
| Trade payables | ₩ 1,957,647 | | 3,123,341 | |
| Other trade payables | 1,379,035 | 3,048,299 | 1,600,102 | 3,017,428 |
| Accrued expenses | 1,082,880 | 2,373 | 1,126,357 | 2,411 |
| Leasehold deposits received | 2,451 | | 2,020 | |
| Other deposits received | 195,237 | 105,105 | 166,143 | 96,531 |
| Finance lease liabilities | 116,885 | 542,509 | 109,374 | 660,061 |
| Dividends payable | 1,562 | | 1,267 | |
| Others (*) | | 20,149 | | 30,304 |
| | ₩ 4,735,697 | 3,718,435 | 6,128,604 | 3,806,735 |

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

| <i>In millions of won</i> | 2015 | | 2014 | |
|---------------------------|---------|-------------|---------|-------------|
| | Current | Non-current | Current | Non-current |
| Advance received from | | | | |
| local governments | ₩ | 20,149 | | 30,304 |
| | ₩ | 20,149 | | 30,304 |

23. Borrowings and Debt Securities

(1) Borrowings and debt securities as of December 31, 2015 and 2014 are as follows:

| <i>In millions of won</i> | 2015 | 2014 |
|---------------------------|------|------|
|---------------------------|------|------|

| Current liabilities | | |
|--|--------------|------------|
| Short-term borrowings | ₩ 603,673 | 658,778 |
| Current portion of long-term borrowings | 541,307 | 455,484 |
| Current portion of debt securities | 6,704,602 | 5,994,205 |
| Less : Current portion of discount on long-term borrowings | (953) | (908) |
| Less : Current portion of discount on debt securities | (1,676) | (2,807) |
| | 7,846,953 | 7,104,752 |
| Non-current liabilities | | |
| Long-term borrowings | 1,951,119 | 3,490,700 |
| Debt securities | 49,077,131 | 52,359,905 |
| Less : Discount on long-term borrowings | (18,860) | (15,494) |
| Less : Discount on debt securities | (103,067) | (115,807) |
| Add : Premium on debt securities | 223 | 271 |
| | 50,906,546 | 55,719,575 |
| | ₩ 58,753,499 | 62,824,327 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**23. Borrowings and Debt Securities, Continued**

(2) Repayment schedule of borrowings and debt securities as of December 31, 2015 and 2014 are as follows:

In millions of won

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

In millions of won

| | 2014 | | |
|------------------|-------------|-------------------|------------------------|
| Type | | Borrowings | Debt Securities |
| Less than 1 year | | ₩ 1,114,262 | 5,994,205 |
| 1~ 5 years | | 2,259,172 | 27,748,466 |
| Over 5 years | | 1,231,528 | 24,611,439 |
| | | ₩ 4,604,962 | 58,354,110 |

(3) Short-term borrowings as of December 31, 2015 and 2014 are as follows:

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

| | | 2015 | | | |
|-----------------------------|----------------------------------|--------------------------|---------------------------|-------------------------|-----------------------|
| Type | Creditor | Interest rate (%) | Maturity | Foreign currency | Local currency |
| Local short-term borrowings | Woori Investment Bank and others | 1.8~2.46 | 2016.01.04~ 2016.09.13 | | ₩ 559,530 |
| | ING and others | 6.50 | 2016.12.03 | USD 2,163 | 2,535 |

| | | | | | |
|-------------------------------|----------------------|------------------------------|------------|------------|----------|
| Foreign short-term borrowings | Citi Bank and others | 3M Libor+0.35 | 2016.03.22 | USD 12,265 | 14,375 |
| Local bank overdraft | Woori Bank | Standard overdraft rate+1.12 | 2016.02.25 | | 27,233 |
| | | | | | ₩603,673 |

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

2014

| Type | Creditor | Interest rate (%) | Maturity | Foreign currency | Local currency |
|-------------------------------|-------------------------|------------------------------|---------------------------|------------------|----------------|
| Local short-term borrowings | KTB Investment Bank | 2.12 | 2015.01.02 | | ₩310,000 |
| Local commercial paper | Shinhan Bank and others | 2.12~2.20 | 2015.01.26 | | 310,000 |
| Foreign short-term borrowings | Mizuho Bank and others | 0.47~6.50 | 2015.01.02~ 2015.12.03 | USD 16,366 | 17,990 |
| Local bank overdraft | Woori Bank | Standard overdraft rate+1.27 | 2015.02.25 | | 20,788 |
| | | | | | ₩658,778 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**23. Borrowings and Debt Securities, Continued****(4) Long-term borrowings as of December 31, 2015 and 2014 are as follows:***In millions of won and thousands of foreign currencies*

| | | 2015 | | | | |
|-----------------------------------|--------------------------------|--------------------------|-----------------|-----------------------------|---------------------------|---------|
| Type | | Interest rate (%) | Maturity | Foreign currency | Local currency | |
| Local long-term borrowings | | | | | | |
| Korea | | | | | | |
| Development | | | | | | |
| Bank | Others | 0.50 | 2018~2044 | | ₩ | 6,418 |
| | Facility | 2.67~4.60 | 2023~2028 | | | 52,437 |
| | Facility | 3yr KTB rate-1.25 | 2027 | | | 9,000 |
| | | 1yr KoFC bond rate | | | | |
| | Facility | +0.31 | 2018 | | | 200,000 |
| | Operating funds | 2.75 | 2018 | | | 12,000 |
| KEB Hana | | | | | | |
| Bank | Commercial Paper | 3M CD+0.03~0.54 | 2016~2017 | | | 500,000 |
| | Facility | 3yr KTB rate-1.25 | 2021~2028 | | | 10,363 |
| | Facility | 4.60 | 2028 | | | 18,411 |
| | Energy rationalization | 3yr KTB rate-1.25 | 2019 | | | 650 |
| | Energy rationalization | 3.20~3.70 | 2021~2022 | | | 3,835 |
| Korea | | | | | | |
| Industrial | | | | | | |
| Bank | PF Refinancing | CD+1.25 | 2030 | | | 22,500 |
| | Others | 3yr KTB rate-1.25 | 2016 | | | 4,000 |
| Export-Import | | | | | | |
| Bank of | | | | | | |
| Korea | Project loans | 2.00 | 2026 | | | 30,935 |
| Korea | | | | | | |
| Resources | | | | | | |
| Corporation | Development of power resources | 3yr KTB rate-2.25 | 2022~2027 | | | 44,674 |
| | Facility | 3yr KTB rate-2.25 | 2023~2024 | | | 4,400 |
| | Project loans | | 2022~2027 | | | 8,677 |
| | Others | 3yr KTB rate-2.25 | 2024~2025 | | | 13,057 |
| | Collateral borrowing | 2.22 | 2017 | | | 30,000 |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

23. Borrowings and Debt Securities, Continued**(4) Long-term borrowings as of December 31, 2015 and 2014 are as follows, continued:***In millions of won and thousands of foreign currencies*

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

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| | | | | | |
|---|----------------------------|-----------------------|-----------|----------------|-------------|
| Shinhan Bank and others | Facility | 3yr AA- CB rate+ 1.10 | 2028 | | 30,000 |
| | Operating | 3.35 | 2017 | | 10,000 |
| Woori Bank | PF Refinancing | CD+1.70 | 2023~2026 | | 21,613 |
| | PF Refinancing | 4.80 | 2026 | | 11,991 |
| Kookmin Bank | Facility | MOR+0.62 | 2017 | | 6,600 |
| Others | Facility | 4.60~5.80 | 2025~2028 | | 157,320 |
| | Facility | 3yr AA- CB rate+ 1.10 | 2028 | | 20,000 |
| | PF Refinancing | 4.80 | 2026 | | 17,267 |
| | PF Refinancing | CD+1.70 | 2026 | | 523 |
| | Others | | | | 38,981 |
| | Others | | 2028 | | 7,250 |
| | | | | | 2,968,028 |
| Foreign long-term borrowings | | | | | |
| Korea National Oil Corporation | Project loans | | 2021~2023 | USD 8,784 | 9,656 |
| Export-Import Bank of Korea and others | Direct loan and others | 3M Libor+2.60~3.70 | 2027 | JOD 197,907 | 307,324 |
| | Commercial loan and others | 3M Libor+1.50~2.50 | 2015~2033 | USD 308,697 | 339,320 |
| SCNT and others | Shareholder s loan | 6.50~8.00 | 2033~2034 | USD 35,165 | 38,654 |
| | Shareholder s loan | 8.00 | 2031 | JOD 8,498 | 13,197 |
| PT PJB and others | Shareholder s loan | 12.75 | 2017 | IDR 22,307,699 | 1,970 |
| HSBC and others | Syndicated loan | 3M Libor+0.27~1.50 | 2017~2019 | USD 52,949 | 58,201 |
| Others | Others | 3M Libor+0.95 | 2016 | USD 180,893 | 198,838 |
| | Others | | 2019 | USD 10,004 | 10,996 |
| | | | | | 978,156 |
| | | | | | 3,946,184 |
| Less : Discount of long-term borrowings | | | | | (16,402) |
| Less : Current portion of long-term borrowings | | | | | (455,484) |
| Add : Current portion of discount of long-term borrowings | | | | | 908 |
| | | | | | ₩ 3,475,206 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**23. Borrowings and Debt Securities, Continued****(5) Local debt securities as of December 31, 2015 and 2014 are as follows:***In
millions
of won*

| | Issue date | Maturity | Interest rate (%) | 2015 | 2014 |
|--|-----------------------|-----------------------|--------------------------|--------------|-------------|
| Electricity Bonds (*) | 2009.02.06~2014.08.27 | 2016.01.27~2033.08.06 | 2.73~5.80 | ₩ 22,960,000 | 25,820,000 |
| Electricity Bonds | 2012.05.29~2013.06.25 | 2016.05.29~2018.06.25 | 3M CD+0.25~0.32 | 910,000 | 1,160,000 |
| Corporate Bonds | 2009.05.04~2015.11.11 | 2016.03.13~2040.12.10 | 1.90~5.84 | 20,710,010 | 19,570,010 |
| | | | | 44,580,010 | 46,550,010 |
| Less : Discount on local debt securities | | | | (40,228) | (43,517) |
| Less : Current portion of local debt securities | | | | (5,730,000) | (4,400,000) |
| Add : Current portion of discount on local debt securities | | | | 1,187 | 611 |
| | | | | ₩ 38,810,969 | 42,107,104 |

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

(6) Foreign debt securities as of December 31, 2015 and 2014 are as follows:

In millions of won and thousands of foreign currencies

| | | | | 2015 | |
|--|-----------------------|-----------------------|--------------------------|-----------------|-----------------|
| | | | | Foreign | Local |
| Type | Issue date | Maturity | Interest rate (%) | currency | currency |
| FY-96(*1) | 1996.04.01~1996.12.06 | 2026.12.06~2096.04.01 | 6.00~8.37 | USD 249,136 | ₩ 291,990 |
| FY-97 | 1997.01.31~1997.08.04 | 2027.02.01~2027.08.01 | 6.75~7.00 | USD 314,717 | 368,848 |
| FY-04(*2) | 2004.04.23 | 2034.04.23 | 5.13 | USD 286,920 | 336,270 |
| FY-06 | 2006.03.14~2006.09.29 | 2016.03.14~2016.09.29 | 5.50~6.00 | USD 650,000 | 761,800 |
| FY-08 | | | | JPY | |
| | 2008.11.27 | 2018.11.27 | 4.19 | 20,000,000 | 194,401 |
| FY-11 | 2011.07.13~2011.07.29 | 2017.01.30~2021.07.13 | 3.63~4.75 | USD 800,000 | 937,600 |
| FY-12 | | | | USD | |
| | 2012.05.10~2012.09.19 | 2017.05.10~2022.09.19 | 2.50~3.13 | 1,750,000 | 2,051,000 |
| FY-13 | | | | USD | |
| | 2013.02.05~2013.11.27 | 2018.02.05~2018.11.27 | 1.88~2.88 | 1,900,000 | 2,226,800 |
| FY-13 | 2013.09.26~2013.10.23 | 2019.03.26~2019.04.23 | 1.50~1.63 | CHF 400,000 | 474,156 |
| FY-13 | 2013.09.25 | 2020.09.25 | 5.75 | AUD 325,000 | 277,258 |
| FY-13 | 2013.02.20~2013.07.25 | 2018.02.20~2018.07.25 | 3M Libor+0.84~1.50 | USD 500,000 | 586,000 |
| FY-14 | | | | USD | |
| | 2014.02.11~2014.12.02 | 2019.02.11~2029.07.30 | 2.38~3.57 | 1,500,000 | 1,758,000 |
| FY-14 | 2014.01.28~2014.07.31 | 2017.01.28~2017.07.31 | 3M Libor+0.55~1.05 | USD 500,000 | 586,000 |
| FY-15 | 2015.06.15 | 2025.06.15 | 3.25 | USD 300,000 | 351,600 |
| | | | | | 11,201,723 |
| Less : Discount on foreign debt securities | | | | | (64,515) |
| Add : Premium on debt securities | | | | | 223 |
| Less : Current portion of foreign debt securities | | | | | (974,602) |
| Add : Current portion of discount on foreign debt securities | | | | | 489 |
| | | | | | ₩ 10,163,318 |

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015

23. Borrowings and Debt Securities, Continued**(6) Foreign debt securities as of December 31, 2015 and 2014 are as follows, continued:***In millions of won and thousands of foreign currencies***2014**

| Type | Issue date | Maturity | Interest rate (%) | Foreign currency | Local currency |
|--|-----------------------|-----------------------|--------------------|------------------|----------------|
| FY-96(*1) | 1996.04.01~1996.12.06 | 2026.12.06~2096.04.01 | 6.00~8.37 | USD 249,470 | ₩ 274,217 |
| FY-97 | 1997.01.31~1997.08.04 | 2027.01.31~2027.08.04 | 6.75~7.00 | USD 314,717 | 345,937 |
| FY-04(*2) | 2004.04.21 | 2034.04.21 | 5.13 | USD 286,920 | 315,382 |
| FY-06 | 2006.03.14~2006.09.29 | 2016.03.14~2016.09.29 | 5.50~6.00 | USD 650,000 | 714,480 |
| FY-08 | 2008.11.27 | 2018.11.27 | 4.19 | JPY 20,000,000 | 184,028 |
| FY-10 | 2010.09.16~2010.10.05 | 2015.09.16~2015.10.05 | 3.00~3.13 | USD 1,200,000 | 1,319,040 |
| FY-10 | 2010.07.29~2010.11.18 | 2015.07.29~2015.11.18 | 3M Libor+1.00~1.64 | USD 250,000 | 274,800 |
| FY-11 | 2011.07.13~2011.07.29 | 2017.01.30~2021.07.13 | 3.63~4.75 | USD 800,000 | 879,360 |
| FY-12 | 2012.05.10~2012.09.19 | 2017.05.10~2022.09.19 | 2.50~3.13 | USD 1,750,000 | 1,923,600 |
| FY-13 | 2013.02.05~2013.11.27 | 2018.02.05~2018.11.27 | 1.88~2.88 | USD 1,900,000 | 2,088,480 |
| FY-13 | 2013.09.26~2013.10.23 | 2018.04.23~2019.03.26 | 1.50~1.63 | CHF 400,000 | 444,572 |
| FY-13 | 2013.09.25 | 2020.09.25 | 5.75 | AUD 325,000 | 292,204 |
| FY-13 | 2013.02.20~2013.07.25 | 2018.02.20~2018.07.25 | 3M Libor+0.84~1.50 | USD 500,000 | 549,600 |
| FY-14 | 2014.02.11~2014.12.02 | 2019.02.11~2029.07.30 | 2.38~2.75 | USD 1,500,000 | 1,648,800 |
| FY-14 | 2014.01.28~2014.07.31 | 2017.01.28~2017.07.31 | 3M Libor+0.55~1.50 | USD 500,000 | 549,600 |
| | | | | | 11,804,100 |
| Less : Discount on foreign debt securities | | | | | (75,097) |
| Add : Premium on debt securities | | | | | 271 |
| Less : Current portion of foreign debt securities | | | | | (1,594,205) |
| Add : Current portion of discount on foreign debt securities | | | | | 2,196 |
| | | | | | ₩ 10,137,265 |

(*1)

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For Yankee 3 in FY-96, early redemption would be executed when the debt security holder requests early redemption between February 1, 2016 (60 days before April 1, 2016) and March 1, 2016 (30 days before April 1, 2016).

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

December 31, 2015**24. Finance Lease Liabilities****(1) Lease contracts**

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

(2) Finance lease liabilities as of December 31, 2015 and 2014 are as follows and are included in current and non-current trade and other payables, net, in the consolidated statements of financial position:

| <i>In millions of won</i> | 2015 | | 2014 | |
|---------------------------|-------------------------------|--|-------------------------------|--|
| | Minimum lease payments | Present value of minimum lease payments | Minimum lease payments | Present value of minimum lease payments |
| Less than 1 year | ₩ 182,072 | 116,885 | 184,809 | 109,374 |
| 1 ~ 5 years | 525,465 | 393,957 | 619,828 | 459,302 |
| More than 5 years | 206,323 | 148,552 | 294,032 | 200,759 |
| | ₩ 913,860 | 659,394 | 1,098,669 | 769,435 |

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

| <i>In millions of won</i> | 2015 | 2014 |
|---------------------------------------|-------------|-------------|
| Current finance lease liabilities | ₩ 116,885 | 109,374 |
| Non-current finance lease liabilities | 542,509 | 660,061 |
| | ₩ 659,394 | 769,435 |

- (4) Lease payments recognized as an expense as a lessee for the years ended December 31, 2015 and 2014 are as follows:

| <i>In millions of won</i> | 2015 | 2014 |
|---------------------------|-------------|-------------|
| Minimum lease payment | ₩ 194,960 | 240,230 |
| Contingent rent payment | (17,682) | (17,402) |

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

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

| <i>In millions of won</i> | 2015 | 2014 |
|--|-------------|-------------|
| Net defined benefit obligations | ₩ 1,495,782 | 1,268,197 |
| Other long-term employee benefit obligations | 7,325 | 9,218 |
| | ₩ 1,503,107 | 1,277,415 |

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

| | 2015 | 2014 |
|----------------------------------|---------------|-------------|
| Discount rate | 2.39% ~ 2.58% | 2.86%~4.07% |
| Future salary and benefit levels | 5.43% | 5.42% |
| Weighted average duration | 13.21 years | 13.24 years |

(3) Details of expense relating to defined benefit plans for the years ended December 31, 2015 and 2014 are as follows:

| <i>In millions of won</i> | 2015 | 2014 |
|--------------------------------|-------------|-------------|
| Current service cost | ₩ 315,811 | 291,115 |
| Interest cost | 63,808 | 97,603 |
| Expected return on plan assets | (22,557) | (22,291) |
| Past service cost | | (167,998) |
| Loss from settlement | (641) | (62,292) |
| | ₩ 356,421 | 136,137 |

Expenses as described above are recognized in those items below in the financial statements.

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| <i>In millions of won</i> | 2015 | 2014 |
|--|-------------|-------------|
| Cost of sales | ₩ 262,760 | 114,143 |
| Selling and administrative expenses | 51,932 | 7,263 |
| Others (Construction-in-progress and others) | 41,729 | 14,731 |
| | ₩ 356,421 | |