KOREA ELECTRIC POWER CORP
Form 20-F/A
April 24, 2017
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As filed with the Securities and Exchange Commission on April 24, 2017

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 20-F/A

Amendment No. 1

(Mark One)

REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2015

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
OR

SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
Date of event requiring this shell company report

For the transition period from to

Commission File Number: 001-13372

KOREA ELECTRIC POWER CORPORATION

(Exact name of registrant as specified in its charter)

N/A
(Translation of registrant s name into English)

The Republic of Korea
(Jurisdiction of incorporation or organization)

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

(Address of principal executive offices)

Yoon Hye Cho, +82 61 345 4213, yoonhye.cho@kepco.co.kr, +82 61 345 4299

(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each class:	Name of each exchange on which registered:
Common stock, par value Won 5,000 per share	New York Stock Exchange*
American depositary shares, each representing one-half of share of common stock	New York Stock Exchange

* Not for trading, but only in connection with the listing of American depositary shares on the New York Stock Exchange, pursuant to the requirements of the Securities and Exchange Commission.

Securities registered or to be registered pursuant to Section 12(g) of the Act:

None

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

One Hundred Year 7.95% Zero-to-Full Debentures, due April 1, 2096

6% Debentures due December 1, 2026

7% Debentures due February 1, 2027

6 3/4% Debentures due August 1, 2027

Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the last full fiscal year

covered by the annual report:

641,964,077 shares of common stock, par value of Won 5,000 per share

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes No

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days: Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files): Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or an emerging growth company. See the definitions of large accelerated filer, accelerated filer, and emerging growth company in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer Non-accelerated filer Emerging growth company

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP International Financial Reporting Standards as issued by the International Accounting Standards Board Other

If an emerging growth company that prepares its financial statements in accordance with U.S. GAAP, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

The term new or revised financial accounting standard refers to any update issued by the Financial Accounting Standards Board to its Accounting Standards Codification after April 5, 2012.

If Other has been checked in response to the previous question, indicate by check mark which financial statement item the registrant has elected to follow. Item 17 Item 18

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No

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EXPLANATORY NOTE

This Amendment No. 1 on Form 20-F/A (the Amendment) amends the Annual Report on Form 20-F for the year ended December 31, 2015 of Korea Electric Power Corporation (KEPCO , we , our or us), as originally filed with the U.S. Securities and Exchange Commission on April 29, 2016 (the Original Annual Report). We are filing this Amendment solely for the purpose of correcting a typographical error in the following reports of KPMG Samjong Accounting Corp. attached to our financial statements included in the Original Annual Report:

- Report of Independent Registered Public Accounting Firm on Consolidated Financial Statements on page F-2 of the Original Annual Report; and

- Report of Independent Registered Public Accounting Firm on Internal Control over Financial Reporting on page F-3 of the Original Annual Report,

to the effect that all references to , for the years then ended and for the years then ended in such reports shall be replaced with for each of the years in the three-year period ended December 31, 2015 .

This Amendment does not reflect events occurring after the filing of the Original Annual Report and does not modify, update or restate the disclosure therein in any way other than to reflect the amendments described above. No other changes have been made in the Original Annual Report. The filing of this Amendment should not be understood to mean that any statements contained herein are true or complete as of any date subsequent to the date of filing of the Original Annual Report.

ITEM 18. FINANCIAL STATEMENTS

Reference is made to paragraph (a) of Item 19. Exhibits for a list of all financial statements filed as part of this annual report.

ITEM 19. EXHIBITS

(a) Financial Statements filed as part of this Annual Report

See Index to Financial Statements on page F-1 of this annual report.

(b) Exhibits filed as part of this Annual Report

See Index of Exhibits beginning on page E-1 of this annual report.

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this Amendment No. 1 to its Annual Report on its behalf.

KOREA ELECTRIC POWER CORPORATION

By:	/s/ Cho, Hwan-Eik
Name:	Cho, Hwan-Eik
Title:	President and Chief Executive Officer
Date:	April 24, 2017

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REPORT OF INDEPENDENT REGISTERED PUBLIC

ACCOUNTING FIRM ON CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders and Board of Directors of

Korea Electric Power Corporation:

We have audited the accompanying consolidated statements of financial position of Korea Electric Power Corporation and subsidiaries (the Company) as of December 31, 2014 and 2015, and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 2015. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We did not audit the financial statements of Korea East-West Power Co., Ltd., a consolidated subsidiary, whose financial statements comprise 5.90 percent of consolidated revenue (prior to inter-company eliminations) for the year ended December 31, 2013. Those financial statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Korea East-West Power Co., Ltd., is based solely on the report of the other auditors.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits and the report of the other auditors provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Korea Electric Power Corporation and subsidiaries as of December 31, 2014 and 2015 and of their consolidated results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2015, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the Company s internal control over financial reporting as of December 31, 2015, based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission and our report dated April 27, 2016 expressed an unqualified opinion on the effectiveness of the Company s internal control over financial reporting.

/s/ KPMG Samjong Accounting Corp.

KPMG Samjong Accounting Corp.

Seoul, Korea

April 27, 2016

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REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM ON

INTERNAL CONTROL OVER FINANCIAL REPORTING

To the Shareholders and Board of Directors of

Korea Electric Power Corporation:

We have audited Korea Electric Power Corporation and subsidiaries (the Company) internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. The Company s management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management s Annual Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the group s assets that could have a material effect on the financial statements.

Because of the inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the criteria established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated statements of financial position of Korea Electric Power Corporation and subsidiaries as of December 31, 2014 and 2015, and the related consolidated statements of comprehensive income, changes in equity and cash flows for each of the years in the three-year period ended December 31, 2015 and our report dated April 27, 2016 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG Samjong Accounting Corp.

KPMG Samjong Accounting Corp.

Seoul, Korea

April 27, 2016

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Stockholder of

Korea East-West Power Co., Ltd.

We have audited the consolidated statement of financial position of Korea East-West Power Co., Ltd. and subsidiaries (the Company), a wholly owned subsidiary of Korea Electric Power Corporation, as of December 31, 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year ended December 31, 2013. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Korea East-West Power Co., Ltd. and subsidiaries as of December 31, 2013 and their consolidated results of operations, and cash flows for the year ended December 31, 2013, in conformity with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ Ernst & Young Han Young

April 30, 2014

Seoul, Republic of Korea

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Financial Position

As of December 31, 2014 and 2015

	Note	2014	2015
		In millions of won	
Assets			
Current assets			
Cash and cash equivalents	5,6,7,45	1,796,300	3,783,065
Current financial assets, net	5,10,11,12,45	176,428	5,335,621
Trade and other receivables, net	5,8,14,20,45,46,47	7,697,862	7,473,548
Inventories, net	13	4,537,469	4,946,413
Income tax refund receivables		18,475	9,081
Current non-financial assets	15	502,511	397,950
Assets held-for-sale	42	2,090,810	79,647
Total current assets		16,819,855	22,025,325
Non-current assets			
Non-current financial assets, net	5,6,9,10,11,12,45	2,040,921	2,495,554
Non-current trade and other receivables, net	5,8,14,45,46,47	1,724,357	1,798,419
Property, plant and equipment, net	18,27,49	135,812,499	141,361,351
Investment properties, net	19,27	317,264	269,910
Goodwill	16	2,582	2,582
Intangible assets other than goodwill, net	21,27,46	821,060	855,832
Investments in associates	4,17	4,341,830	4,405,668
Investments in joint ventures	4,17	1,166,894	1,287,862
Deferred tax assets	41	526,934	623,623
Non-current non-financial assets	15	134,093	131,233
Total non-current assets		146,888,434	153,232,034
Total Assets	4	163,708,289	175,257,359
Liabilities			
Current liabilities			
Trade and other payables, net	5,22,24,45,47	6,128,604	4,735,697
Current financial liabilities, net	5,11,23,45,47	7,162,372	7,857,198
Income tax payables	41	570,550	2,218,060
Current non-financial liabilities	20,28,29	6,464,356	6,320,711
Current provisions	26,45	1,274,186	1,579,176
Total current liabilities		21,600,068	22,710,842
Non-current liabilities			
Non-current trade and other payables, net	5,22,24,45,47	3,806,735	3,718,435
Non-current financial liabilities, net	5,11,23,45,47	55,999,761	51,062,811
Non-current non-financial liabilities	28,29	6,946,410	7,092,252
Employee benefits liabilities, net	25,45	1,277,415	1,503,107
Deferred tax liabilities	41	5,723,880	8,362,683
Non-current provisions	26,45	13,529,010	12,864,754

Total non-current liabilities		87,283,211	84,604,042
Total Liabilities	4	108,883,279	107,314,884

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Financial Position Continued

As of December 31, 2014 and 2015

	Note	2014	2015
		In millions of won	
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		22,999,359	23,720,167
Unappropriated retained earnings		10,699,378	22,862,164
		35,303,647	48,187,241
Other components of equity	34		
Other capital surpluses		1,151,402	1,197,388
Accumulated other comprehensive loss		(202,269)	(98,713)
Other equity		13,294,973	13,294,973
		14,244,106	14,393,648
Equity attributable to owners of the Company		53,601,331	66,634,467
Non-controlling interests	16, 33	1,223,679	1,308,008
Total Equity		54,825,010	67,942,475
Total Liabilities and Equity		163,708,289	175,257,359

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, 2013, 2014 and 2015

	Note	2013	2014	2015
		In millions of won, except per share information		
Sales	4,35,45,47			
Sales of goods		51,132,803	53,706,828	54,367,036
Sales of construction services	20	2,253,083	2,965,185	3,761,204
Sales of other services		326,619	451,013	453,487
		53,712,505	57,123,026	58,581,727
Cost of sales	13,25,43,47			
Cost of sales of goods		(47,983,987)	(46,509,555)	(41,348,917)
Cost of sales of construction services		(2,159,023)	(2,752,610)	(3,563,120)
Cost of sales of other services		(452,628)	(500,787)	(545,692)
		(50,595,638)	(49,762,952)	(45,457,729)
Gross profit		3,116,867	7,360,074	13,123,998
Selling and administrative expenses	25,36,43,47	(1,923,192)	(1,924,366)	(2,153,261)
Other income	37	725,457	754,186	808,214
Other expenses	37	(99,811)	(88,220)	(108,848)
Other gains, net	38	128,514	107,396	8,610,773
Operating profit	4	1,947,835	6,209,070	20,280,876
Finance income	5,11,39	629,542	885,290	1,182,988
Finance expenses	5,11,40	(2,931,622)	(3,140,038)	(3,015,457)
Equity method income (loss) of associates and joint ventures	4,17			
Share in income of associates and joint ventures		170,399	319,506	280,794
Gain on disposal of investments in associates and joint ventures		266	47,072	4,731
Gain on disposal of subsidiaries		1,459	40,449	8,376
Share in loss of associates and joint ventures		(140,984)	(78,493)	(86,522)
Loss on disposal of investments in associates and joint ventures		(45,178)	(1,254)	
Impairment loss on investments in associates and joint ventures		(28,092)	(52,279)	
Loss on disposal of subsidiaries		(113)	(17)	
		(42,243)	274,984	207,379
Profit (loss) before income tax		(396,488)	4,229,306	18,655,786
Income tax (expense) benefit	41	570,794	(1,430,339)	(5,239,413)
Profit for the period		174,306	2,798,967	13,416,373

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income Continued

For the years ended December 31, 2013, 2014 and 2015

	Note	2013	2014	2015
		In millions of won, except per share information		
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	132,457	(108,430)	(87,861)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	31	7,671	(1,899)	(283)
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	86,570	(97,251)	9,648
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	5,11,34	29,332	(84,793)	4,409
Foreign currency translation of foreign operations, net of tax	34	(108,625)	(70,576)	18,535
Share in other comprehensive income of associates and joint ventures, net of tax	34	38,366	5,228	89,558
Other comprehensive income (loss), net of tax		185,771	(357,721)	34,006
Total comprehensive income for the period		360,077	2,441,246	13,450,379
Profit or loss attributable to:				
Owners of the Company	44	60,011	2,686,873	13,289,127
Non-controlling interests		114,295	112,094	127,246
		174,306	2,798,967	13,416,373
Total comprehensive income attributable to:				
Owners of the Company		245,384	2,335,827	13,308,132
Non-controlling interests		114,693	105,419	142,247
		360,077	2,441,246	13,450,379
Earnings per share	44			
Basic and diluted earnings per share		96	4,290	20,701

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, 2013, 2014 and 2015

	Equity attributable to owners of the Company					
	Contributed capital	Retained earnings	Other components of equity	Subtotal	Non-controlling Interests	Total equity
			In millions of won			
Balance at January 1, 2013	4,053,578	32,564,283	13,270,906	49,888,767	1,175,435	51,064,202
Total comprehensive income for the period						
Profit for the period		60,011		60,011	114,295	174,306
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of defined benefit liability, net of tax		134,121		134,121	(1,664)	132,457
Share in other comprehensive income of associates and joint ventures, net of tax		7,671		7,671		7,671
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			86,543	86,543	27	86,570
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			18,907	18,907	10,425	29,332
Foreign currency translation of foreign operations, net of tax			(100,572)	(100,572)	(8,053)	(108,625)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax			38,703	38,703	(337)	38,366
Transactions with owners of the Company, recognized directly in equity						
Dividends paid					(41,812)	(41,812)
Issuance of share capital by subsidiaries			(173)	(173)	31,229	31,056
Equity transaction in consolidated scope other than issuance of share capital			135,914	135,914	43,128	179,042
Changes in consolidation scope			(10,224)	(10,224)	(115,991)	(126,215)
Dividends paid (hybrid securities)					(16,455)	(16,455)
Others					841	841
Balance at December 31, 2013	4,053,578	32,766,086	13,440,004	50,259,668	1,191,068	51,450,736

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity Continued

For the years ended December 31, 2013, 2014 and 2015

	Equity attributable to owners of the Company					
	Contributed capital	Retained earnings	Other components of equity	Subtotal	Non-controlling Interests	Total equity
	In millions of won					
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 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
Disposal of treasury stocks			825,985	825,985		825,985
Changes in consolidation scope					(5,281)	(5,281)
Dividends paid (hybrid securities)					(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, 2013, 2014 and 2015

	Equity attributable to owners of the Company					
	Contributed capital	Retained earnings	Other components of equity	Subtotal	Non-controlling Interests	Total equity
	In millions of won					
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 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, 2013, 2014 and 2015

	2013	2014	2015
		In millions of won	
Cash flows from operating activities			
Profit for the period	174,306	2,798,967	13,416,373
Adjustments for:			
Income tax expense (benefit)	(570,794)	1,430,339	5,239,413
Depreciation	7,303,996	7,797,046	8,269,118
Amortization	88,379	76,413	72,266
Employee benefit expense	384,323	121,406	314,692
Bad debt expense	49,110	54,999	18,350
Interest expense	2,381,900	2,351,624	2,015,684
Loss on sale of financial assets	4,202	2,700	3,008
Loss on disposal of property, plant and equipment	58,852	50,152	1,933
Loss on abandonment of property, plant, and equipment	295,627	309,451	365,056
Impairment loss on property, plant and equipment	24,612	38,107	30,344
Impairment loss on intangible assets	267	42	22
Loss on disposal of intangible assets	1	18	16
Accretion expense to provisions, net	663,621	1,295,150	1,602,724
Loss (gain) on foreign currency translation, net	(195,571)	351,660	617,224
Valuation and transaction loss (gain) on derivative instruments, net	233,484	(143,239)	(708,120)
Share in income of associates and joint ventures, net	(29,414)	(241,013)	(194,272)
Gain on sale of financial assets	(107)	(98,065)	(4)
Gain on disposal of property, plant and equipment	(59,345)	(85,775)	(8,637,508)
Gain on disposal of intangible assets	(4)	(4)	(32)
Gain on disposal of investments in associates and joint ventures	(266)	(47,072)	(4,731)
Loss on disposal of investments in associates and joint ventures	45,178	1,254	
Gain on disposal of investments in subsidiaries	(1,459)	(40,449)	(8,376)
Loss on disposal of investments in subsidiaries	113	17	
Impairment loss on investments in associates and joint ventures	28,091	52,279	
Interest income	(182,161)	(191,456)	(241,585)
Dividends income	(9,870)	(14,193)	(14,069)
Impairment loss on available-for-sale securities	12,592	79,618	84,370
Others, net	(64,089)	(20,303)	(35,107)
	10,461,268	13,130,706	8,790,416

(Continued)

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows Continued

For the years ended December 31, 2013, 2014 and 2015

	2013	2014	2015
		In millions of won	
Changes in:			
Trade receivables	(330,494)	96,294	715,498
Non-trade receivables	20,853	9,063	(17,102)
Accrued income	563	(207,155)	17,051
Other receivables	(123)	(906)	(9,441)
Other current assets	98,724	75,410	67,520
Inventories	(1,206,676)	(1,146,221)	(1,190,188)
Other non-current assets	65,087	47,119	(31,465)
Trade payables	(40,416)	(257,614)	(1,577,551)
Non-trade payables	(195,191)	(102,526)	38,223
Accrued expenses	(240,901)	(107,277)	(410,744)
Other payables			964
Other current liabilities	1,500,716	2,249,714	870,945
Other non-current liabilities	48,719	(317,437)	377,617
Investments in associates and joint ventures	65,888	47,120	114,708
Provisions	(386,377)	(675,569)	(1,033,502)
Payments of employee benefit obligations	(132,179)	(860,179)	(43,100)
Plan assets	(101,720)	(231,342)	(214,449)
	(833,527)	(1,381,506)	(2,325,016)
Cash generated from operating activities			
Dividends received	14,114	13,518	38,565
Interest paid	(2,460,247)	(2,460,457)	(2,176,040)
Interest received	160,830	167,269	133,875
Income taxes paid	(632,837)	(222,805)	(935,068)
Net cash from operating activities	6,883,907	12,045,692	16,943,105

(Continued)

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows Continued

For the years ended December 31, 2013, 2014 and 2015

	2013	2014	2015
		In millions of won	
Cash flows from investing activities			
Proceeds from disposals of associates and joint ventures	44	232,228	22,058
Acquisition of associates and joint ventures	(321,476)	(248,223)	(116,114)
Proceeds from disposals of property, plant and equipment	119,464	111,260	9,843,796
Acquisition of property, plant and equipment	(14,259,050)	(14,547,499)	(14,049,887)
Proceeds from disposals of intangible assets	39	1,819	467
Acquisition of intangible assets	(69,007)	(68,624)	(87,946)
Proceeds from disposals of financial assets	610,847	1,060,117	242,856
Acquisition of financial assets	(545,992)	(975,104)	(5,326,151)
Increase in loans	(196,607)	(135,001)	(153,570)
Collection of loans	143,935	101,037	111,714
Increase in deposits	(55,594)	(335,518)	(352,669)
Decrease in deposits	51,882	227,354	185,154
Receipt of government grants	92,000	108,681	52,696
Usage of government grants	(31,027)	(36,464)	(13,372)
Net cash inflow (outflow) from business acquisitions	(41,809)	44,319	(968)
Other cash outflow from investing activities, net	(921)	(715)	(132,034)
Net cash used in investing activities	(14,503,272)	(14,460,333)	(9,773,970)
Cash flows from financing activities			
Proceeds (Repayment) from short-term borrowings, net	(107,748)	59,421	(65,355)
Proceeds from long-term borrowings and debt securities	15,233,428	9,566,625	4,178,454
Repayment of long-term borrowings and debt securities	(7,315,752)	(8,119,325)	(8,960,706)
Payment of finance lease liabilities	(125,921)	(115,532)	(110,040)
Settlement of derivative instruments, net	38,844	(444,243)	73,348
Disposal of treasury stocks		852,962	
Proceeds on disposal of partial interest in a subsidiary that does not involve loss of control	236,244	376,477	67,914
Change in non-controlling interest	47,019	12,595	36,105
Dividends paid (hybrid bond)	(16,455)	(16,463)	(16,455)
Dividends paid	(41,812)	(186,985)	(409,884)
Other cash outflow from financing activities, net	(14,715)	(356)	
Net cash from (used in) financing activities	7,933,132	1,985,176	(5,206,619)
Net increase (decrease) in cash and cash equivalents before effect of exchange rate fluctuations	313,767	(429,465)	1,962,516
Effect of exchange rate fluctuations on cash held	(36,403)	(6,548)	24,249
Net increase (decrease) in cash and cash equivalents	277,364	(436,013)	1,986,765
Cash and cash equivalents at January 1	1,954,949	2,232,313	1,796,300
Cash and cash equivalents at December 31	2,232,313	1,796,300	3,783,065

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) 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	135,917,118	21.17%
Korea Development Bank	192,170,340	29.94%
Foreign investors	184,891,161	28.80%
Other	128,985,458	20.09%
	641,964,077	100.00%

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 were 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 International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board (IASB).

(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 and presentation currency.

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(4) Use of estimates and judgments

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

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

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

(i) Unbilled revenue

Energy delivered but not metered nor billed are calculated 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, 2014 and 2015 is 1,793,589 million and 1,599,592 million, respectively.

Information about critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements is included in the following notes:

Note 17 Investments in Associates and Joint Ventures

Note 18 Property, plant and equipment

Note 45 Risk Management

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is included in the following notes:

Note 41 Income taxes

Note 25 Employment benefits

(5) Changes in accounting policies

(i) IAS 19, Employee Benefits Employee contributions

The Company has adopted amendments to IAS 19, Employee Benefits Employee contributions, since July 1, 2014. Amendments to IAS 19 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.

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(6) New standards and amendments not yet adopted

The following new standards, interpretations and amendments to existing standards are effective for annual periods beginning after January 1, 2015, and the Company has not early adopted them yet. The management is in the process of evaluating the potential impact on the consolidated financial statements upon the adoption of the new standards, interpretations and the amendments.

(i) IFRS 9, Financial Instruments

IFRS 9, published in July 2014, replaces the existing guidance in IAS 39, Financial Instruments: recognition and Measurement . IFRS 9 includes revised guidance on the classification and measurement of financial instruments, including a new expected credit loss model for calculating impairment on financial assets, and the new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, with early adoption permitted.

(ii) IFRS 15, Revenue from Contracts with Customers

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue , IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes . IFRS 15 is effective for annual reporting periods beginning on or after January 1, 2017, with early adoption permitted.

(iii) IAS 16, Property, Plant and Equipment

Amendments to IAS 16, 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.

(iv) IAS 38, Intangible Assets

Amendments to IAS 38, 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.

(v) IFRS 11, Joint Arrangement

Amendments to IFRS 11, 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 IFRS 3, Business Combinations . These amendments are effective for annual periods beginning on or after January 1, 2016.

(vi) IFRS 16, Leases

IFRS 16, published in January 2016, replaces existing guidance in IAS 17, Leases . It eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Instead, there is a single, on-balance sheet accounting model that is similar to current finance lease accounting. Lessor accounting remains similar to current practice (i.e. lessors continue to classify leases as finance and operating leases). IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019, with early adoption permitted if IFRS 15 Revenue from Contracts with Customers has also been applied.

(vii) IAS 12, Income Taxes Recognition of Deferred Tax Assets for Unrealized Losses

Amendments to IAS 12, published in January 2016, clarify how to account for deferred tax assets related to debt instruments measured at fair value. These amendments clarify that the existence of a deductible temporary difference depends solely on a comparison of the carrying amount of an asset and its tax base at the end of the reporting period, and is not affected by possible future changes in the carrying amount or expected manner of recovery of the asset. Therefore, assuming that the tax base remains at the original cost of the debt instrument, there is a temporary difference. These amendments are effective for annual periods beginning on or after January 1, 2017, with early adoption permitted.

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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 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 IAS 39, 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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(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 IAS 12, Income Taxes and IAS 19, Employee Benefits respectively;

- Assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5, 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 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 IAS 39, Financial Instruments: Recognition and Measurement , or with IAS 37, 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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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 IFRS 5 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 IAS 39 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 IAS 39, 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 IAS 36 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 IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

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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 IAS 39. 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 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 IAS 28, Investment in Associates and Joint Ventures (see note 3 (3)), except when the Company is applicable to the IFRS 5, 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.

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(6) Goodwill

The Company measures goodwill which 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 goodwill 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.

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 next month period.

(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.

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(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 IFRIC 18, 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 then recognized as revenue over the estimated service period which does not exceed the transferred asset s useful life.

(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.

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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.

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 (see note 3 (23))
- 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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(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 are 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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(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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(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.

(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.

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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.

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

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

(iii) Intangible assets acquired in a business combination

Intangible assets that are acquired in a business combination are recognized separately from goodwill 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.

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

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

(i) Emissions rights

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

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

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

(ii) Emissions obligations

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

(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 income 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, but so that 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 income 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.

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(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.

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

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

(i) Provision for employment benefits

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

(ii) Provision for decommissioning costs of nuclear power plants

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

(iii) Provision for disposal of spent nuclear fuel

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

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(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) Renewable portfolio standard (RPS) provisions

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

(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.

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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 IAS No. 39, Financial Instruments; Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at financial assets at fair value through profit or loss.

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

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

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

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

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.

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(vi) Impairment of financial assets

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

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

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

Significant financial difficulty of the issuer or counterparty; or

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

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

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

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

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

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

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

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

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

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

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(vii) De-recognition of financial assets

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

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

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

(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.

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

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

A financial liability is classified as held for trading if:

- It has been acquired principally for the purpose of repurchasing it in the near term; or
- On initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

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

- Such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- The financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company s documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- It forms part of a contract containing one or more embedded derivatives, and IAS 39, 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 IAS 37, Provisions, Contingent Liabilities and Contingent Assets; or (b) the amount initially recognized less, cumulative amortization recognized in accordance with IAS 18, 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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(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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(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 and accumulated under the heading of reverse for gains (loss) on valuation of derivatives. 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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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 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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(2) Financial information of the segments for the years ended December 31, 2013, 2014 and 2015, respectively, are as follows:

	2013										
Segment	Total segment revenue	Intersegment revenue	Revenue from external customers	Depreciation and amortization	Interest income	Interest expense	Income(loss) of associates and joint ventures	Employee benefit expense	Loss on abandonment of property, plant, and equipment	Accretion expense to provisions, net	Operating profit (loss)
					In millions of won						
Transmission and distribution	53,367,116	1,069,699	52,297,417	2,660,444	27,187	1,525,166	(2,521)	206,279	273,785	253,153	549,929
Electric power generation (Nuclear)	6,378,280	6,369,715	8,565	2,724,629	20,994	557,621	(926)	51,394		250,814	325,274
Electric power generation (Non-nuclear)	28,067,093	27,687,112	379,981	1,952,680	50,193	262,076	(40,976)	73,710	21,842	154,285	735,546
Plant maintenance & engineering service	2,483,670	1,774,577	709,093	72,489	23,473	183	2,180	76,395		5,016	248,661
Others	365,968	48,519	317,449	14,086	75,653	50,266		1,498		32	110,841
Consolidation adjustments	(36,949,622)	(36,949,622)		(31,953)	(15,339)	(13,412)		(24,953)		321	(22,416)
	53,712,505		53,712,505	7,392,375	182,161	2,381,900	(42,243)	384,323	295,627	663,621	1,947,835
Finance income											629,542
Finance expense											(2,931,622)
Equity method income of associates joint ventures											(42,243)
Loss before income tax											(396,488)

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	2014										
Segment	**Total segment revenue**	**Intersegment revenue**	**Revenue from external customers**	**Depreciation and amortization**	**Interest income**	**Interest expense**	**Income of associates and joint ventures**	**Employee benefit expense**	**Loss on abandonment of property, plant, and equipment**	**Accretion expense to provisions, net**	**Operating profit (loss)**
						In millions of won					
Transmission and distribution	56,982,583	1,445,914	55,536,669	2,717,040	28,798	1,394,131	231,502	8,408	309,442	290,444	2,050,726
Electric power generation (Nuclear)	9,379,564	9,364,451	15,113	2,905,115	21,995	582,353	1,227	42,667		719,794	2,544,378
Electric power generation (Non-nuclear)	25,067,653	24,680,221	387,432	2,189,202	30,528	308,731	40,260	38,417		147,892	1,385,687
Plant maintenance & engineering service	2,620,713	1,887,954	732,759	70,374	16,033	223	1,995	39,983		139,965	335,076
Others	537,578	86,525	451,053	26,983	109,427	79,175		1,026	9	33	95,803
Consolidation adjustments	(37,465,065)	(37,465,065)		(35,255)	(15,325)	(12,989)		(9,095)		(2,978)	(202,600)
	57,123,026		57,123,026	7,873,459	191,456	2,351,624	274,984	121,406	309,451	1,295,150	6,209,070
Finance income											885,290
Finance expense											(3,140,038)
Equity method income of associates joint ventures											274,984
Loss before income tax											4,229,306

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	2015										
Segment	**Total segment revenue**	**Intersegment revenue**	**Revenue from external customers**	**Depreciation and amortization**	**Interest income**	**Interest expense**	**Income(loss) of associates and joint ventures**	**Employee benefit expense**	**Loss on abandonment of property, plant, and equipment**	**Accretion expense to provisions, net**	**Operating profit (loss)**
						In millions of won					
Transmission and distribution	58,164,394	1,230,975	56,933,419	2,859,037	132,809	1,092,594	220,406	135,261	359,521	872,096	13,319,310
Electric power generation (Nuclear)	10,642,352	10,596,189	46,163	3,070,828	24,612	532,490	(595)	54,572		401,839	3,806,617
Electric power generation (Non-nuclear)	21,469,345	20,906,081	563,264	2,337,353	22,171	319,647	(10,686)	74,007	5,305	148,053	2,704,260
Plant maintenance & engineering service	2,533,887	2,016,699	517,188	85,662	12,293	542	(1,746)	74,542		174,912	332,531
Others	672,250	150,557	521,693	27,491	108,104	127,684		343	230	34	80,165
Consolidation adjustments	(34,900,501)	(34,900,501)		(38,987)	(58,404)	(57,273)		(24,033)		5,790	37,993
	58,581,727		58,581,727	8,341,384	241,585	2,015,684	207,379	314,692	365,056	1,602,724	20,280,876
Finance income											1,182,988
Finance expense											(3,015,457)
Equity method income of associates joint ventures											207,379
Loss before income tax											18,655,786

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(3) Information related to segment assets and segment liabilities as of and for the years ended December 31, 2014 and 2015 are as follows:

	2014			
Segment	**Segment assets**	**Investments in associates and joint ventures**	**Acquisition of non-current assets**	**Segment liabilities**
		In millions of won		
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
Segment totals	198,710,374	5,508,724	14,760,849	111,200,056
Consolidation adjustments:				
Elimination of inter-segment amounts	(35,819,662)		(144,726)	(5,229,275)
Equity method adjustment	842,865			
Deferred taxes				2,907,841
Others	(25,288)			4,657
	(35,002,085)		(144,726)	(2,316,777)
Consolidated totals	163,708,289	5,508,724	14,616,123	108,883,279

	2015			
Segment	**Segment assets**	**Investments in associates and joint ventures**	**Acquisition of non-current assets**	**Segment liabilities**
		In millions of won		
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
Segment totals	210,757,093	5,693,530	13,990,891	109,583,782
Consolidation adjustments:				
Elimination of inter-segment amounts	(36,505,833)		146,942	1,339,753
Equity method adjustment	1,050,574			
Deferred taxes				(3,603,808)
Others	(44,475)			(4,843)
	(35,499,734)		146,942	(2,268,898)
Consolidated totals	175,257,359	5,693,530	14,137,833	107,314,884

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(4) Geographic information

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

	Revenue from external customers			Non-current assets (*2)		
Geographical unit	**2013**	**2014**	**2015**	**2013**	**2014**	**2015**
			In millions of won			
Domestic	51,314,639	53,893,877	54,351,076	131,876,535	136,053,940	143,788,043
Overseas(*1)	2,397,866	3,229,149	4,230,651	4,474,900	6,542,282	4,526,395
	53,712,505	57,123,026	58,581,727	136,351,435	142,596,222	148,314,438

(*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, 2013, 2014 and 2015.

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5. Classification of Financial Instruments

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

	2014					
	Financial assets at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Held-to-maturity investments	Derivative assets (using hedge accounting)	Total
	In millions of won					
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

	2015					
	Financial assets at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Held-to-maturity investments	Derivative assets (using hedge accounting)	Total
	In millions of won					
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

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

	2014			
	Financial liabilities at fair value through profit or loss	Financial liabilities recognized at amortized cost	Derivative liabilities (using hedge accounting)	Total
	In millions of won			
Current liabilities				
Borrowings		1,113,354		1,113,354
Debt securities		5,991,398		5,991,398
Derivative liabilities	56,296		1,324	57,620
Trade and other payables		6,128,604		6,128,604
	56,296	13,233,356	1,324	13,290,976
Non-current liabilities				
Borrowings		3,475,206		3,475,206
Debt securities		52,244,369		52,244,369
Derivative liabilities	108,635		171,551	280,186
Trade and other payables		3,806,735		3,806,735
	108,635	59,526,310	171,551	59,806,496
	164,931	72,759,666	172,875	73,097,472

	2015			
	Financial liabilities at fair value through profit or loss	Financial liabilities recognized at amortized cost	Derivative liabilities (using hedge accounting)	Total
	In millions of won			
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

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(3) Classification of comprehensive income (loss) from financial instruments for the years ended December 31, 2013, 2014 and 2015 are as follows:

		2013	2014	2015
			In millions of won	
Cash and cash equivalents	Interest income	60,301	56,384	54,687
Available-for-sale financial assets	Dividends income	9,870	14,193	14,069
	Impairment loss on available-for-sale financial assets	(12,592)	(79,618)	(84,370)
	Gain (loss) on disposal of financial assets	(4,202)	95,365	(3,004)
	Interest income	1,150	382	29
Held-to-maturity investments	Interest income	64	89	99
Loans and receivables	Interest income	42,418	29,507	28,586
Trade and other receivables	Interest income	60,237	99,680	100,771
Other financial assets	Interest income	1,082		
Short-term financial instruments	Interest income	16,896	5,199	46,921
Long-term financial instruments	Interest income	13	215	10,492
Financial assets at fair value through profit or loss	Gain (loss) on valuation of derivatives	335	59,164	220,285
	Gain (loss) on transaction of derivatives	26,889	(24,746)	8,605
	Gain on disposal of financial assets	196		
Derivative assets (using hedge accounting)	Gain (loss) on valuation of derivatives	(13,945)	88,809	244,020
	Loss on valuation of derivatives (equity, before tax)(*)	(27,281)	(60,284)	(12,572)
	Gain on transaction of derivatives	29,662	818	2,818
Financial liabilities carried at amortized cost	Interest expense of borrowings and debt securities	(1,715,373)	(1,664,682)	(1,392,477)
	Loss on retirement of financial liabilities		(199)	(33)
	Interest expense of trade and other payables	(102,388)	(98,407)	(84,527)
	Interest expense of others	(564,139)	(588,535)	(538,680)
	Gain (loss) on foreign currency transactions and translations	133,638	(271,953)	(708,178)
Financial liabilities at fair value through profit or loss	Gain (loss) on valuation of derivatives	(167,485)	10,494	35,312
	Loss on transaction of derivatives	(46,639)	(38,909)	107,454
Derivative liabilities (using hedge accounting)	Gain (loss) on valuation of derivatives	(65,755)	51,788	93,914
	Gain (loss) on valuation of derivatives (equity, before tax)(*)	50,197	(76,013)	9,728
	Gain (loss) on transaction of derivatives	3,454	(4,180)	(4,288)

(*) 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 or loss.

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6. Restricted Deposits

Restricted deposits as of December 31, 2014 and 2015 are as follows:

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

(*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, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Cash	77	109
Cash equivalents	1,154,250	1,309,396
Short-term deposits classified as cash equivalents	340,119	374,575
Short-term investments classified as cash equivalents	301,854	2,098,985
	1,796,300	3,783,065

8. Trade and Other Receivables

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

	2014			
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
	In millions of won			
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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	2015			
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
	In millions of won			
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

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

	2014			
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
	In millions of won			
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

	2015			
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value

	In millions of won			
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

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

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

	2014	2015
	In millions of won	
Trade receivables: (not overdue, not impaired)	7,516,233	7,198,403
Trade receivables: (overdue, not impaired)	1,061	891
Less than 60 days	1,061	891
Trade receivables: (impairment reviewed)	137,992	110,478
60 ~ 90 days	31,438	31,973
90 ~ 120 days	12,045	11,010
120 days ~ 1 year	42,736	35,097
Over 1 year	51,773	32,398
	7,655,286	7,309,772
Less allowance for doubtful accounts	(80,644)	(51,956)
Less present value discount	(108)	(14)
	7,574,534	7,257,802

The Company assesses at the end of each reporting period whether there is any objective evidence that trade receivables are impaired, and provides allowances for doubtful accounts which includes impairment for trade receivables that are individually significant.

The Company considers receivables as overdue if the receivables are outstanding 60 days after the maturity and sets an allowance based on past experience of collection.

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

	2014	2015
	In millions of won	
Other receivables: (not overdue, not impaired)	1,729,808	1,918,132
Other receivables: (overdue, not impaired)	58,778	20,249
Less than 60 days	58,778	20,249
Other receivables: (impairment reviewed)	136,803	176,443

60 ~ 90 days	1,132	2,409
90 ~ 120 days	2,242	10,097
120 days ~ 1 year	18,857	21,433
Over 1 year	114,572	142,504
	1,925,389	2,114,824
Less allowance for doubtful accounts	(67,932)	(91,746)
Less present value discount	(9,772)	(8,913)
	1,847,685	2,014,165

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(5) Changes in the allowance for doubtful accounts for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013		2014		2015	
	Trade receivables	Other receivables	Trade receivables	Other receivables	Trade receivables	Other receivables
	In millions of won					
Beginning balance	47,312	225,078	65,024	69,887	80,644	67,932
Bad debt expense	40,446	8,665	39,018	15,981	1,308	18,473
Write-off	(22,734)	(4,227)	(23,398)	(7,534)	(28,978)	(888)
Reversal				(241)	(1,018)	(413)
Others		(159,629)		(10,161)		6,642
Ending balance	65,024	69,887	80,644	67,932	51,956	91,746

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9. Available-for-sale Financial Assets

(1) Changes in available-for-sale financial assets for the years ended December 31, 2014 and 2015 are as follows:

	2014						
	Beginning balance	Acquisition	Disposal	Valuation	Impairment	Others	Ending Balance
	In millions of won						
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)		
Dongyang Engineering & Construction Corp.	5				(5)		
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 Investment Trust 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	790			5			795
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

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	2014						
	Beginning balance	Acquisition	Disposal	Valuation	Impairment	Others	Ending Balance
	In millions of won						
Korea Electric Engineers Association(*1)	61		(21)				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						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 amounting 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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	2015						
	Beginning balance	Acquisition	Disposal	Valuation	Impairment	Others	Ending Balance
	In millions of won						
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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	2015						
	Beginning balance	Acquisition	Disposal	Valuation	Impairment	Others	Ending Balance
	In millions of won						
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
Joongang Development Co., Ltd.						8	8
AJS Co., Ltd.						32	32
SET&C Co., Ltd.						10	10
MSE Co., Ltd.						9	9
Ilrim 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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	2015						
	Beginning balance	Acquisition	Disposal	Valuation	Impairment	Others	Ending Balance
	In millions of won						
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
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 amounting 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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(2) Available-for-sale financial assets of December 31, 2014 and 2015 are as follows:

	2014				
	Shares	Ownership	Historical cost	Book value	Fair value
			In millions of won		
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	1.10%	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	
Korea Investment Korea EXIM Bank CERs Private Special Asset Investment Trust 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	

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	2014				
	Shares	Ownership	Historical cost	Book value	Fair value
			In millions of won		
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	
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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	Shares	Ownership	2015 Historical cost	Book value	Fair value
			In millions of won		
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 Investment Trust I	1,758,731,002	14.18%	1,752	571	
Troika Overseas Resource Development Private Equity Firm	13,340,012,100	3.66%	13,340	1,553	
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	

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			2015		
	Shares	Ownership	Historical cost	Book value	Fair value
			In millions of won		
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	
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	
Ilrim Nano Tec Co., Ltd.	1,520	0.07%	15	15	
Kwang Myeong Electronics Technology Co., Ltd.	113	0.37%	11	11	
Youngjin Hi-Tech Co., Ltd.	2,512	0.25%	126	21	
Dong Woo International Co., Ltd.	90	0.37%	18	18	
Bench Mark Construction Co., Ltd.	2	0.00%			
Buyoung Co., Ltd.	270	0.00%	3	3	
Ilsuk Co., Ltd.	152	0.17%	10	10	
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	

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	Shares	Ownership	2015 Historical cost	Book value	Fair value
			In millions of won		
FFG DMC Co., Ltd.	12	0.00%	17	17	
Daeseong Metal Co., Ltd.	518	2.37%	47	47	
Biwang Industry Co., Ltd	406	0.04%	2	2	
Huimun Co., Ltd.	263	0.26%	4	4	
Sunun IT F Co., Ltd.	133	0.52%	8	8	
Young Sung Co., Ltd.	89	0.40%	27	27	
Yuil Industrial Electronics Co., Ltd.	804	0.32%	16	16	
DN TEK Inc.	12,401	0.29%	62	62	
Daeyang FMS Corporation	84	0.05%	3	3	
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.

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(*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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10. Held-to-maturity Investments

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

	2014					
	Beginning balance	Acquisition	Disposal	Impairment	Others	Ending balance
	In millions of won					
Government bonds	2,268	2,351	(1,018)			3,601
Municipal 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

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

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11. Derivatives

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

	2014		2015	
	Current	Non-current	Current	Non-current
	In millions of won			
Derivative assets				
Currency forward	182	7,233	1,498	24,896
Currency swap	8,039	151,934	95,759	491,219
Interest rate swap		2,737		3,778
	8,221	161,904	97,257	519,893
Derivative liabilities				
Currency forward	466		1,142	
Currency swap	53,697	196,273	758	66,976
Interest rate swap	3,457	83,913	8,345	89,289
	57,620	280,186	10,245	156,265

(2) Currency forward contracts which are not designated as hedge instruments, as of December 31, 2015 are as follows:

Counterparty	Contract Date	Maturity date	Contract amount		Contract exchange rate
			Pay	Receive	
			In millions of won and thousands of foreign currencies		
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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Counterparty	Contract Date	Maturity date	Contract amount				Contract exchange rate
			Pay		Receive		
			In millions of won and thousands of foreign currencies				
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
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

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(3) Currency 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		Contract exchange rate
		Pay	Receive	Pay (%)	Receive (%)	
		In millions of won and thousands of foreign currencies				
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
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

(4) Currency swap contracts which are designated as hedge instruments as of December 31, 2015 are as follows:

Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate
		Pay	Receive	Pay (%)	Receive (%)	
		In millions of won and thousands of foreign currencies				
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

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Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate
		Pay	Receive	Pay (%)	Receive (%)	
		In millions of won and thousands of foreign currencies				
Morgan Stanley	2014~2019	107,190	USD 100,000	3.25%+3%*n/N	2.75%	1,071.90
Deutsche Bank	2014~2019	107,190	USD 100,000	3.25%+3%*n/N	2.75%	1,071.90
Barclays Bank PLC	2006~2016	71,888	USD 75,000	4.81%	5.50%	958.50
Deutsche Bank AG	2006~2016	71,888	USD 75,000	4.81%	5.50%	958.50
Barclays Bank PLC	2012~2017	142,500	USD 125,000	3.83%	3.13%	1,140.00
Morgan Stanley	2012~2017	142,500	USD 125,000	3.83%	3.13%	1,140.00
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
KEB Hana Bank	2013~2018	53,095	USD 50,000	3.48%	2.63%	1,061.90
Standard Chartered	2013~2018	106,030	USD 100,000	3.48%	2.63%	1,060.30
Barclays Bank PLC	2013~2018	53,015	USD 50,000	3.48%	2.63%	1,060.30
KEB Hana Bank	2013~2018	31,809	USD 30,000	3.48%	2.63%	1,060.30
Societe Generale	2013~2018	21,206	USD 20,000	3.48%	2.63%	1,060.30
HSBC	2013~2018	53,015	USD 50,000	3.47%	2.63%	1,060.30
Nomura	2013~2018	53,015	USD 50,000	3.47%	2.63%	1,060.30
Credit Agricole	2014~2020	110,680	USD 100,000	2.29%	2.50%	1,106.80
Societe Generale	2014~2020	55,340	USD 50,000	2.16%	2.50%	1,106.80
KEB Hana Bank	2014~2020	55,340	USD 50,000	2.16%	2.50%	1,106.80
KEB Hana Bank	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
Standard Chartered	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
HSBC	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
Nomura	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
Barclays Bank PLC	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80
HSBC	2014~2020	55,340	USD 50,000	2.21%	2.50%	1,106.80

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(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 (%)
		In millions of won		
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 bank 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:

Counterparty	Contract year	Contract amount	Contract interest rate per annum	
			Pay (%)	Receive (%)
		In thousands of U.S. dollars		
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

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

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

(*) 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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12. Other Financial Assets

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

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

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

	2014		
	Face value	Present value discount	Book value
	In millions of won		
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

	2015		
	Face value	Present value discount	Book value
	In millions of won		
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

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

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

13. Inventories

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

	2014		
	Acquisition cost	Valuation allowance	Book value
	In millions of won		
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

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

The reversal of the allowance for loss on inventory valuation due to increases in the net realizable value of inventory deducted from cost of sales were 687 million and 3,029 million for the years ended December 31, 2013 and 2014, respectively. The allowance for loss on inventory valuation due to decreases in the net realizable value of inventory included in cost of sales was 533 million for the year ended December 31, 2015. The amounts of loss from inventory valuation included in other gains or losses for the years ended December 31, 2013, 2014 and 2015 were 261 million, 2,709 million and 1,318 million, respectively.

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

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

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

15. Non-Financial Assets

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

	2014		2015	
	Current	Non-current	Current	Non-current
	In millions of won			
Advance payment	109,112	12,516	102,842	25,172
Prepaid expenses	154,047	97,972	159,378	85,105
Others (*)	239,352	23,605	135,730	20,956
	502,511	134,093	397,950	131,233

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

	2014		2015
	Current	Non-current	Current

				Non-current
	In millions of won			
Tax refund receivables	182,564	1,037	39,158	2,658
Other quick assets and others	56,788	22,568	96,572	18,298
	239,352	23,605	135,730	20,956

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16. Consolidated Subsidiaries

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

Subsidiaries	Key operation activities	Location	Percentage of ownership (%) 2014	2015
Korea Hydro & Nuclear Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Korea South-East Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Korea Midland Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Korea Western Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Korea Southern Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Korea East-West Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
KEPCO Engineering & Construction Company, Inc.(*1)	Architectural engineering for utility plant and others	KOREA	66.32%	66.32%
KEPCO Plant Service & Engineering Co., Ltd.	Utility plant maintenance and others	KOREA	54.00%	52.48%
KEPCO Nuclear Fuel Co., Ltd.	Nuclear fuel	KOREA	96.36%	96.36%
KEPCO KDN Co., Ltd.	Electric power information technology and others	KOREA	100.00%	100.00%
Garolim Tidal Power Plant Co., Ltd.(*2)	Power generation	KOREA	49.00%	49.00%
KEPCO International HongKong Ltd.	Holding company	HONG KONG	100.00%	100.00%
KEPCO International Philippines Inc.	Holding company	PHILIPPINES	100.00%	100.00%
KEPCO Gansu International Ltd.	Holding company	HONG KONG	100.00%	100.00%
KEPCO Philippines Holdings Inc.	Holding company	PHILIPPINES	100.00%	100.00%
KEPCO Philippines Corporation	Operation of utility plant	PHILIPPINES	100.00%	100.00%
KEPCO Ilijan Corporation	Utility plant rehabilitation and operation	PHILIPPINES	51.00%	51.00%
KEPCO Lebanon SARL	Operation of utility plant	LEBANON	100.00%	100.00%
KEPCO Neimenggu International Ltd.	Holding company	HONG KONG	100.00%	100.00%
KEPCO Shanxi International Ltd.	Holding company	HONG KONG	100.00%	100.00%
KOMIPO Global Pte Ltd.	Holding company	SINGAPORE	100.00%	100.00%
KEPCO Canada Energy Ltd.	Resources development	CANADA	100.00%	100.00%
KEPCO Netherlands B.V.	Holding company	NETHERLANDS	100.00%	100.00%
KOREA Imouraren Uranium Investment Corp.	Uranium mine development	FRANCE	100.00%	100.00%
KEPCO Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOSEP Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOMIPO Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOWEPO Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOSPO Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KEPCO Middle East Holding Company	Holding company	BAHRAIN	100.00%	100.00%
Qatrana Electric Power Company	Construction and operation of utility plant	JORDAN	80.00%	80.00%
KHNP Canada Energy Ltd.	Resources development	CANADA	100.00%	100.00%
KEPCO Bylong Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
Korea Waterbury Uranium Limited Partnership	Resources development	CANADA	79.64%	79.64%
KEPCO Canada Uranium Investment Limited Partnership	Resources development	CANADA	100.00%	100.00%
Korea Electric Power Nigeria Ltd.	Operation of utility plant	NIGERIA	100.00%	100.00%
KEPCO Holdings de Mexico	Holding company	MEXICO	100.00%	100.00%
KST Electric Power Company	Construction and operation of utility plant	MEXICO	56.00%	56.00%
KEPCO Energy Service Company	Operation of utility plant	MEXICO	100.00%	100.00%
KEPCO Netherlands S3 B.V.	Holding company	NETHERLANDS	100.00%	100.00%
PT. KOMIPO Pembangkitan Jawa Bali	Operation of utility plant	INDONESIA	51.00%	51.00%

PT. Cirebon Power Service(*2)	Operation of utility plant	INDONESIA	27.50%	27.50%
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%

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Subsidiaries	Key operation activities	Location	Percentage of ownership (%) 2014	2015
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%
EWP Barbados 1 SRL	Holding company	BARBADOS	100.00%	100.00%
California Power Holdings, LLC	Power generation	USA	100.00%	100.00%
Gyeonggi Green Energy Co., Ltd.	Power generation	KOREA	62.01%	62.01%
PT. Tanggamus Electric Power	Power generation	INDONESIA	60.00%	52.50%
Gyeongju Wind Power Co., Ltd.	Power generation	KOREA	70.00%	70.00%
KOMIPO America Inc.	Holding company	USA	100.00%	100.00%
Boulder Solar Power, LLC	Solar photovoltaic power generation	USA	82.14%	
EWPRC Biomass Holdings, LLC	Holding company	USA	100.00%	100.00%
KOSEP USA, INC.	Power generation	USA	100.00%	100.00%
PT. EWP Indonesia	Holding company	INDONESIA	100.00%	100.00%
KOWEPO America LLC	Solar photovoltaic power generation	USA	100.00%	
KEPCO Netherlands J3 B.V.	Holding company	NETHERLANDS	100.00%	100.00%
Korea Offshore Wind Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Global One Pioneer B.V.	Holding company	NETHERLANDS	100.00%	100.00%
Global Energy Pioneer B.V.	Holding company	NETHERLANDS	100.00%	100.00%
Mira Power Limited(*3)	Power generation	PAKISTAN	76.00%	76.00%
KOSEP Material Co., Ltd.(*4)	Power generation	KOREA	46.22%	46.22%
Commerce and Industry Energy Co., Ltd.	Power generation	KOREA	59.03%	59.03%
KEPCO Singapore Holdings Pte., Ltd.	Holding company	SINGAPORE	100.00%	100.00%
KOWEPO India Private Limited	Holding company	INDIA	100.00%	100.00%
KEPCO KPS Philippines Corp.	Utility plant maintenance and others	PHILIPPINES	54.00%	52.48%
KOSPO Chile SpA	Holding company	CHILE	100.00%	100.00%
PT. KOWEPO Sumsel Operation and Maintenance Services	Utility plant maintenance and others	INDONESIA	95.00%	95.00%
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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(2) Subsidiaries newly included in or excluded from consolidation for the year ended December 31, 2015 are as follows:

(i) Subsidiaries newly included in consolidation

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

(ii) Subsidiaries excluded from consolidation

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, 2014 and 2015 are as follows:

	2014			
Subsidiaries	Total assets	Total liabilities	Sales	Profit (loss) for the period
	In millions of won			
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
Garolim 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)
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)

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2014

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

2015

Subsidiaries	Total assets	Total liabilities	Sales	Profit (loss) for the period
		In millions of won		
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

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	2015			
Subsidiaries	**Total assets**	**Total liabilities**	**Sales**	**Profit (loss) for the period**
		In millions of won		
KEPCO Plant Service & Engineering Co., Ltd.	1,029,304	246,342	1,171,082	168,632
KEPCO Nuclear Fuel Co., Ltd.	666,677	328,364	253,524	35,115
KEPCO KDN Co., Ltd.	439,725	159,275	451,678	33,578
Garolim Tidal Power Plant Co., Ltd.	655	346		(76)
KEPCO International HongKong Ltd.	172,686	18		4,993
KEPCO International Philippines Inc.	115,594	1,542		38,541
KEPCO Gansu International Ltd.	17,405	540		(6)
KEPCO Philippines Holdings Inc.	132,094	26		24,690
KEPCO Philippines Corporation	13,998	218		265
KEPCO Ilijan Corporation	603,865	58,572	126,234	54,596
KEPCO Lebanon SARL	741	10,182		(1,541)
KEPCO Neimenggu International Ltd.	184,860	348		8,027
KEPCO Shanxi International Ltd.	562,652	242,270		22,949
KOMIPO Global Pte Ltd.	187,885	29		16,572
KEPCO Canada Energy Ltd.	55,945	23		(64)
KEPCO Netherlands B.V.	169,496	61		1,409
KOREA Imouraren Uranium Investment Corp.	224,499	263		5,964
KEPCO Australia Pty., Ltd.	510,892	2,541	4,510	168
KOSEP Australia Pty., Ltd.	18,180	1,581	4,729	346
KOMIPO Australia Pty., Ltd.	17,397	559	4,729	349
KOWEPO Australia Pty., Ltd.	18,320	1,578	4,729	353
KOSPO Australia Pty., Ltd.	18,358	1,567	4,729	356
KEPCO Middle East Holding Company	147,618	150,798		14,142
Qatrana Electric Power Company	521,206	412,587	17,844	31,767
KHNP Canada Energy Ltd.	42,731	22		(123)
KEPCO Bylong Australia Pty., Ltd.	183,468	236,545		(23,352)
Korea Waterbury Uranium Limited Partnership	20,370	699		(48)
KEPCO Canada Uranium Investment Limited Partnership	38,804	14		(26,171)
Korea Electric Power Nigeria Ltd.	1,721	1,179	55,768	309
KEPCO Holdings de Mexico	39	34		(13)
KST Electric Power Company	564,358	529,439	97,879	14,631
KEPCO Energy Service Company	1,435	604	6,034	875
KEPCO Netherlands S3 B.V.	66,251	189		716
PT. KOMIPO Pembangkitan Jawa Bali	16,536	6,170	20,143	8,047
PT. Cirebon Power Service	2,795	1,010	6,663	459
KOWEPO International Corporation				
KOSPO Jordan LLC	12,998	1,117	9,840	2,693
EWP Philippines Corporation	2,664	1,592		258
EWP America Inc. (*)	115,562	82,167	59,124	3,227
KNF Canada Energy Limited	1,874	18		(66)
PT KEPCO Resource Indonesia	1,210			(217)
EWP Barbados 1 SRL	260,638	370	2,829	273
Gyeonggi Green Energy Co., Ltd.	315,299	249,608	104,674	(4,111)
PT. Tanggamus Electric Power	106,892	91,416	60,044	(7,138)
Gyeongju Wind Power Co., Ltd.	62,600	27,822	5,993	968
KOMIPO America Inc.	13,487	2,480		218
KOSEP USA, INC.	40,035	4,178	4,975	153
PT. EWP Indonesia	1,039	15		(374)
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)

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	2015			
Subsidiaries	Total assets	Total liabilities	Sales	Profit (loss) for the period
	In millions of won			
Global Energy Pioneer B.V.	42	20		(48)
Mira Power Limited	110,918	66,963		(1,581)
KOSEP Material Co., Ltd.	29,768	28,013	26,310	(17,665)
Commerce and Industry Energy Co., Ltd.	99,638	86,727	24,774	(3,387)
KEPCO Singapore Holdings Pte., Ltd.	1,817			(9)
KOWEPO India Private Limited	911	10		(105)
KEPCO KPS Philippines Corp.	5,688	953	14,278	1,677
KOSPO Chile SpA	133	4,642		(942)
PT. KOWEPO Sumsel Operation and Maintenance Services	2,053	51	5,405	1,762
HeeMang Sunlight Power Co., Ltd.	4,711			(9)
Fujeij Wind Power Company	83			
KOSPO 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.

(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 when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained. Shares cannot be wholly or partially transferred without written consent of financial institutions.

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

	2014					
Description	KEPCO Ilijan Corporation	KEPCO Plant Service & Engineering Co., Ltd.	KEPCO Engineering & Construction Company, Inc.	Garolim Tidal Power Plant Co., Ltd.	Others	Total
			In millions of won			
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)

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

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(6) Changes in goodwill

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

	2014	2015
	In millions of won	
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, 2014 and 2015

(7) Disposals of subsidiaries

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

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

	2014	2015
	In millions of won	
Consideration received in cash	46,476	10,664
Deferred consideration on disposals included in other receivables		13,860
Total	46,476	24,524

(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, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Current assets		
Cash and cash equivalents	2,187	10,071
Current financial assets, net	4,781	1,077
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	934	2,460

Other	50	2,893
Current liabilities		
Trade and other payables, net	(1,655)	
Current non-financial liabilities	(161)	(7)
	12,323	16,494

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

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

(*1) This represents the amount reclassified from other comprehensive income or loss to profit or loss when the Company lost its control of the subsidiaries.

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

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

	2014	2015
	In millions of won	
Consideration received in cash	46,476	10,664
Less: Cash in disposed subsidiaries	(2,187)	(10,071)
Net cash flow	44,289	593

(8) Cash dividends received from subsidiaries for the years ended December 31, 2013, 2014 and 2015 respectively are as follows:

Subsidiaries	2013	2014	2015
		In millions of won	
Korea Hydro & Nuclear Power Co., Ltd.	63,035		446,399
Korea South-East Power Co., Ltd.	89,569	34,800	57,485
Korea Midland Power Co., Ltd.	66,153	12,244	16,580
Korea Western Power Co., Ltd.	59,160	32,048	22,749
Korea Southern Power Co., Ltd.	51,680	30,800	10,272
Korea East-West Power Co., Ltd.	82,200	8,100	25,280
KEPCO Engineering & Construction Company, Inc.	55,280	10,996	14,574
KEPCO Plant Service & Engineering Co., Ltd.	45,363	43,095	40,584
KEPCO Nuclear Fuel Co., Ltd.	16,346	5,936	6,280
KEPCO KDN Co., Ltd.	2,043	3,424	4,046
Korea Engineering & Power Services Co., Ltd.	1,458	1,573	
KEPCO International HongKong Ltd.	12,132	74,927	25,826
KEPCO International Philippines Inc.		100,122	32,891
KEPCO Philippines Corporation	1,986		
KEPCO Ilijan Corporation		101,647	38,128
KEPCO Philippines Holdings Inc.	6,678	2,811	19,221

KEPCO Neimenggu International Ltd.	3,629	6,308	25,338
KEPCO Netherlands B.V.	8,923		
Qatrana Electric Power Company			16,857
KOSPO Jordan LLC	129	446	
EWP Philippines Corporation			5,586
KEPCO Netherlands S3 B.V.			1,382
PT. KOMIPO Pembangkitan Jawa Bali	1,663	2,827	3,169
KEPCO Netherlands J3 B.V.			19,254
Gyeongju Wind Power Co., Ltd.		651	1,294
	567,427	472,755	833,195

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17. Investments in Associates and Joint Ventures

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

	2014				
Investees	**Key operation activities**	**Location**	**Percentage of ownership**	**Acquisition cost**	**Book value**
				In millions of won	
<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
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	
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
Jinbhuvish 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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	2014				
Investees	**Key operation activities**	**Location**	**Percentage of ownership**	**Acquisition cost**	**Book value**
				In millions of won	
<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
Datang Chifeng Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	121,928	169,496
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	10,858	10,539
Rabigh Electricity Company	Power generation	SAUDI ARABIA	40.00%	109,743	8,121
Rabigh Operation & Maintenance Company	Maintenance of utility plant	SAUDI ARABIA	40.00%	70	4,628
Jamaica Public Service Company Limited	Power generation	JAMAICA	40.00%	301,910	226,892
KW Nuclear Components Co., Ltd.	R&D	KOREA	43.36%	833	2,899
Busan Shinho Solar Power Co., Ltd.	Power generation	KOREA	25.00%	2,100	3,284
GS Donghae Electric Power Co., Ltd.	Power generation	KOREA	34.00%	204,000	201,409
Global Trade Of Power System Co., Ltd.	Exporting products and technology of small or medium business by proxy	KOREA	29.00%	290	343
Expressway Solar-light Power Generation Co., Ltd.	Power generation	KOREA	29.00%	1,856	2,087
KODE NOVUS 1 LLC.	Power generation	USA	50.00%	19,213	12,207
KODE NOVUS 2 LLC.	Power generation	USA	49.00%	12,498	8,248
Daejung Offshore Wind Power Co., Ltd.	Power generation	KOREA	49.90%	4,990	3,711
Amman Asia Electric Power Company(*7)	Power generation	JORDAN	60.00%	111,476	122,391
KEPCO-ALSTOM Power Electronics Systems, Inc.(*7)	R&D	KOREA	51.00%	5,629	4,617
Dangjin Echo Power Co., Ltd.	Power generation	KOREA	33.10%	40,000	37,837
Honam Wind Power Co., Ltd.	Power generation	KOREA	29.00%	3,600	3,555
Nepal Water & Energy Development Company Pty Ltd.(*7)	Construction and operation of utility plant	NEPAL	59.61%	18,568	17,872
Chun-cheon Energy Co., Ltd.	Power generation	KOREA	29.90%	15	
Yeonggwangbaeksu Wind Power Co., Ltd.(*3)	Power generation	KOREA	15.00%	3,000	2,962
Nghi Son 2 Power Ltd.	Power generation	VIETNAM	50.00%	350	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

(*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.

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(*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 ll 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 ll Co., Ltd. and NH Bank with a certain rate of return, NH Power ll 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%.

	2015				
Investees	**Key operation activities**	**Location**	**Percentage of ownership**	**Acquisition cost**	**Book value**
				In millions of won	
<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
Muju Wind Power Co., Ltd.	Power generation	KOREA	25.00%	2,850	2,587
Pyeongchang Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,875	3,402
Daeryun Power Co., Ltd.(*3, 10)	Power generation	KOREA	13.13%	25,477	36,156
JinanJangsu Wind Power Co., Ltd.	Power generation	KOREA	25.00%	100	77
Changjuk Wind Power Co., Ltd.	Power generation	KOREA	30.00%	3,801	6,143

KNH Solar Co., Ltd.	Power generation	KOREA	27.00%	1,296	1,924
SPC Power Corporation	Power generation	PHILIPPINES	38.00%	20,635	58,033
Gemeng International Energy Co., Ltd.	Power generation	CHINA	34.00%	413,153	728,396
PT. Cirebon Electric Power	Power generation	INDONESIA	27.50%	40,365	60,574
KNOC Nigerian East Oil Co., Ltd.(*4)	Resources development	NIGERIA	14.63%	12	
KNOC Nigerian West Oil Co., Ltd.(*4)	Resources development	NIGERIA	14.63%	12	
Dolphin Property Limited(*4)	Rental company	NIGERIA	15.00%	12	61
PT Wampu Electric Power	Power generation	INDONESIA	46.00%	21,292	18,963
PT. Bayan Resources TBK	Resources development	INDONESIA	20.00%	615,860	525,066

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	2015				
Investees	**Key operation activities**	**Location**	**Percentage of ownership**	**Acquisition cost**	**Book value**
				In millions of won	
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
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
Jinbhuvish 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
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
Shuweihat Asia Power Investment B.V.	Holding company	NETHERLANDS	49.00%	60,191	20,474
Shuweihat Asia Operation & Maintenance Company(*7)	Maintenance of utility plant	CAYMAN	55.00%	30	486
Waterbury Lake Uranium L.P.	Resources development	CANADA	40.00%	26,602	20,299
ASM-BG Investicii AD	Power generation	BULGARIA	50.00%	16,101	20,203
RES Technology AD	Power generation	BULGARIA	50.00%	15,595	13,789
KV Holdings, Inc.	Power generation	PHILIPPINES	40.00%	2,103	2,010
KEPCO SPC Power Corporation(*7)	Construction and operation of utility plant	PHILIPPINES	75.20%	94,579	208,524
Canada Korea Uranium Limited Partnership(*5)	Resources development	CANADA	12.50%	5,404	
KEPCO Energy Resource Nigeria Limited	Holding company	NIGERIA	30.00%	8,463	
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	

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	2015				
Investees	**Key operation activities**	**Location**	**Percentage of ownership**	**Acquisition cost**	**Book value**
				In millions of won	
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
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 ll 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 ll Co., Ltd. and NH Bank with a certain rate of return, NH Power ll 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 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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(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, 2014 and 2015 are as follows:

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

(*) The carrying amount of Korea Gas Corporation (KOGAS) is 2,102,813 million as of December 31, 2015 and management has determined that there is objective evidence of impairment. As a result of the impairment test, the Company has not recognized any impairment loss as the value in use is greater than the carrying amount. The recoverable amount of KOGAS based on its value in use is calculated by considering the long-term natural gas supply and demand programs of future cash flows approved by Ministry of Trade, Industry & Energy and the discount rate of 4.55%.

(3) Changes in investments in associates and joint ventures for the years ended December 31, 2014 and 2015 are as follows:

	2014							
Investees	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss)	Others	Ending balance
	In millions of won							
<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)	39,889
Cheongna Energy Co., Ltd.	28,114	5,707			(5,023)	(27)		28,771
Gangwon Wind Power Co., Ltd.	13,185			(1,988)	1,155	33		12,385
Hyundai Green Power Co., Ltd.	110,157			(8,889)	11,764		1	113,033
Korea Power Exchange	189,544				13,274		(4,797)	198,021
AMEC Partners Korea 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

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	2014							
Investees	**Beginning balance**	**Acquisition**	**Disposal**	**Dividends received**	**Share of income (loss)**	**Other comprehensive income (loss)**	**Others**	**Ending balance**
				In millions of won				
PT. Cirebon Electric Power	32,826	1,148			6,303	3,058		43,335
KNOC Nigerian East Oil Co., Ltd.								
KNOC Nigerian West Oil Co., Ltd.								
Dolphin Property Limited					184	(8)	(115)	61
E-Power S.A.	5,284		(5,041)	(1,431)	1,173	15		
PT Wampu Electric Power	15,121				308	642		16,071
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
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
Jeongam Wind Power Co., Ltd.	324				(231)			93
Korea Power Engineering Service Co., Ltd.	585				787		(38)	1,334
Golden Route J Solar Power Co., Ltd.	99		(75)		(24)			
	4,124,574	51,788	(43,208)	(23,521)	131,766	82,481	17,950	4,341,830
<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

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	2014							
Investees	**Beginning balance**	**Acquisition**	**Disposal**	**Dividends received**	**Share of income (loss)**	**Other comprehensive income (loss)**	**Others**	**Ending balance**
				In millions of won				
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
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 Limited(*)	268,022						(41,130)	226,892
KW Nuclear Components Co., Ltd.	2,476			(1,399)	1,821		1	2,899
Busan Shinho Solar Power Co., Ltd.	2,871				423	(10)		3,284
GS Donghae Electric Power Co., Ltd.	173,915	117,600	(88,962)		(580)	(161)	(403)	201,409
YEONGAM Wind Power Co., Ltd.	11,424		(12,533)		1,109			
Global Trade Of Power System Co., Ltd.	249				94			343
Expressway Solar-light Power Generation Co., Ltd.	1,863		(1,276)	(237)	1,737			2,087
KODE NOVUS 1 LLC.	14,237				(2,324)	294		12,207
KODE NOVUS 2 LLC.	9,510				(1,592)	330		8,248
Daejung Offshore Wind Power Co., Ltd.	4,135				(424)			3,711
Amman Asia Electric Power Company	111,315	6,755			23,324	(19,003)		122,391
KEPCO-ALSTOM Power Electronics Systems, Inc.	4,758				(141)			4,617
Dangjin Echo Power Co., Ltd.	39,102				(1,235)	(35)	5	37,837
Honam Wind Power Co., Ltd.	1,933				248	1,254	120	3,555
Nepal Water & Energy Development Company Pty Ltd.	10,409	8,018			(928)	373		17,872
Chun-cheon Energy Co., Ltd.		15			(15)			
Yeonggwangbaeksu Wind Power Co., Ltd.		3,000			(33)		(5)	2,962
Nghi Son 2 Power Ltd.		350			(268)	(14)	34	102
Kelar S.A	4,180				(1,047)	407	(384)	3,156
PT. Tanjung Power Indonesia	361	359			(60)	39	1	700
Incheon New Power Co., Ltd.	449				9		7	465
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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	2015						
Investees	**Beginning balance**	**Acquisition**	**Disposal**	**Dividends received**	**Share of income (loss)**	**Other comprehensive income (loss)**	**Others**	**Ending balance**
				In millions of won				
<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
Muju Wind Power Co., Ltd.	2,706				(119)			2,587
Pyeongchang Wind Power Co., Ltd.	3,693				(291)			3,402
Daeryun Power Co., Ltd.	41,951				(5,798)		3	36,156
JinanJangsu Wind Power Co., Ltd.	77							77
Changjuk Wind Power Co., Ltd.	6,486				(343)			6,143
KNH Solar Co., Ltd.	1,744				178	2		1,924
SPC Power Corporation	47,799			(1,349)	5,375	381	5,827	58,033
Gemeng International Energy Co., Ltd.	667,578			(37,163)	51,766	89,481	(43,266)	728,396
PT. Cirebon Electric Power	43,335				12,210	5,029		60,574
KNOC Nigerian East Oil Co., Ltd.					(880)	(641)	1,521	
KNOC Nigerian West Oil Co., Ltd.					(1,092)	(599)	1,691	
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
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

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	2015							
Investees	**Beginning balance**	**Acquisition**	**Disposal**	**Dividends received**	**Share of income (loss)**	**Other comprehensive income (loss)**	**Others**	**Ending balance**
	In millions of won							
Korea Electric Vehicle Charging Service		1,596			(135)		(15)	1,446
Ulleungdo Natural Energy Co., Ltd.		8,000			(583)			7,417
Korea Nuclear Partners Co., Ltd.		290			(1)			289
	4,341,830	62,431		(54,379)	111,801	36,561	(92,576)	4,405,668
<Joint ventures>								
KEPCO-Uhde Inc.	9,042				(493)			8,549
Eco Biomass Energy Sdn. Bhd.								
Datang Chaoyang Renewable Power Co., Ltd.	27,514				(135)	261		27,640
Shuweihat Asia Power Investment B.V.	16,241	108			4,008	117		20,474
Shuweihat Asia Operation & 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
Kelar S.A	3,156					(407)	(2,749)	
PT. Tanjung Power Indonesia	700				(98)		15	617
Incheon New Power Co., Ltd.	465				49			514
Seokmun Energy Co., Ltd.			(100)				100	
	1,166,894	53,683	(8,951)	(60,329)	82,471	58,293	(4,199)	1,287,862
	5,508,724	116,114	(8,951)	(114,708)	194,272	94,854	(96,775)	5,693,530

(*1) Others include 15,204 million of assets held-for-sale (note 42).

(*2) Others include 41,170 million of assets held-for-sale (note 42).

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(4) Summary of financial information of associates and joint ventures as of and for the years ended December 31, 2014 and 2015 are as follows:

	2014			
Investees	**Total assets**	**Total liabilities**	**Sales**	**Profit (loss) for the period**
		In millions of won		
<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)
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
Jinbhuvish 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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	2014			
Investees	**Total assets**	**Total liabilities**	**Sales**	**Profit (loss) for the period**
		In millions of won		
<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)
Shuweihat Asia Power Investment B.V.	33,315	2		12,379
Shuweihat Asia Operation & Maintenance Company	639	11	2,713	2,129
Waterbury Lake Uranium L.P.	56,797	2		
ASM-BG Investicii AD	91,205	51,990	13,137	2,012
RES Technology AD	82,721	53,272	8,757	(307)
KV Holdings, Inc.	4,755			
KEPCO SPC Power Corporation	464,305	210,956	169,615	63,005
Canada Korea Uranium Limited Partnership	35,990	132		(18)
KEPCO Energy Resource Nigeria Limited	378,677	399,871		(29,048)
Gansu Datang Yumen Wind Power Co., Ltd.	106,283	62,616	7,814	(4,399)
Datang Chifeng Renewable Power Co., Ltd.	902,645	478,805	100,712	22,849
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	70,354	44,005	8,464	1,444
Rabigh Electricity Company	2,544,622	2,325,205	284,837	57,444
Rabigh Operation & Maintenance Company	16,667	5,097	22,911	7,417
Jamaica Public Service Company Limited	1,100,431	725,307	841,390	13,183
KW Nuclear Components Co., Ltd.	25,591	19,115	9,722	4,200
Busan Shinho Solar Power Co., Ltd.	53,399	40,261	8,115	1,320
GS Donghae Electric Power Co., Ltd.	975,489	383,111		(1,389)
Global Trade Of Power System Co., Ltd.	1,690	509	5,037	322
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)
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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	2015			
Investees	**Total assets**	**Total liabilities**	**Sales**	**Profit (loss) for the period**
		In millions of won		
<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
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)

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	2015			
Investees	**Total assets**	**Total liabilities**	**Sales**	**Profit (loss) for the period**
		In millions of won		
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)
<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
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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(5) Financial information of associates and joint ventures converted to the Company s shares in net assets as of December 31, 2014 and 2015 are as follows:

	2014						
Investees	**Net assets**	**Percentage of ownership (*)**	**Share in net assets**	**Investment differential**	**Intercompany transaction**	**Others**	**Book value**
	In millions of won						
<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
Pyeongchang Wind Power Co., Ltd.	14,770	25.00%	3,693				3,693
Daeryun Power Co., Ltd.	210,438	19.45%	40,930	1,014		7	41,951
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
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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	2014						
Investees	**Net assets**	**Percentage of ownership (*)**	**Share in net assets**	**Investment differential**	**Intercompany transaction**	**Others**	**Book value**
			In millions of won				
<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
Shuweihat Asia Power Investment B.V.	33,312	49.00%	16,323			(82)	16,241
Shuweihat 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
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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Investees	2015						
	Net assets	Percentage of ownership (*)	Share in net assets	Investment differential	Intercompany transaction	Others	Book value
	In millions of won						
<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
Daeryun Power Co., Ltd.	180,648	19.45%	35,136	1,014		6	36,156
JinanJangsu Wind Power Co., Ltd.	306	25.00%	77				77
Changjuk Wind Power Co., Ltd.	22,391	30.00%	6,717		(574)		6,143
KNH Solar Co., Ltd.	7,149	27.00%	1,930		(6)		1,924
SPC Power Corporation	152,717	38.00%	58,033				58,033
Gemeng International Energy Co., Ltd.	2,015,833	34.00%	685,383			43,013	728,396
PT. Cirebon Electric Power	220,271	27.50%	60,574				60,574
KNOC Nigerian East Oil Co., Ltd.	(73,328)	14.63%	(10,728)			10,728	
KNOC Nigerian West Oil Co., Ltd.	(69,236)	14.63%	(10,129)			10,129	
Dolphin Property Limited	299	15.00%	45			16	61
PT Wampu Electric Power	41,224	46.00%	18,963				18,963
PT. Bayan Resources TBK	141,191	20.00%	28,238	498,089		(1,261)	525,066
S-Power Co., Ltd.	271,347	49.00%	132,960		(2,052)		130,908
Pioneer Gas Power Limited	69,928	40.00%	27,971	23,147		69	51,187
Eurasia Energy Holdings	(470)	40.00%	(188)			188	
Xe-Pian Xe-Namnoy Power Co., Ltd.	165,709	25.00%	41,427	(8,796)	(479)	(289)	31,863
Busan Solar Co., Ltd.	4,692	19.80%	929		(4)		925
Hadong Mineral Fiber Co., Ltd.	(19)	25.00%	(5)			5	
Green Biomass Co., Ltd.	1,321	14.00%	185			(185)	
PT. Mutiara Jawa	(4,900)	29.00%	(1,421)	70		1,351	
Samcheok Eco Material Co., Ltd.	22,384	2.67%	598			(598)	
Noeul Green Energy Co., Ltd.	1,473	20.00%	295				295
Naepo Green Energy Co., Ltd.	106,983	25.00%	26,746				26,746
Goseong Green Energy Co., Ltd.	92,075	2.90%	2,670				2,670
Gangneung Eco Power Co., Ltd.	72,296	3.72%	2,689			(1)	2,688
Shin Pyeongtaek Power Co., Ltd.	(3,315)	40.00%	(1,326)		(1,995)	3,321	
Heang Bok Do Si Photovoltaic Power Co., Ltd.	676	28.00%	189				189
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
Jinbhuvish 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
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

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	2015						
Investees	**Net assets**	**Percentage of ownership (*)**	**Share in net assets**	**Investment differential**	**Intercompany transaction**	**Others**	**Book value**
			In millions of won				
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
Shuweihat Asia Power Investment B.V.	41,952	49.00%	20,556			(82)	20,474
Shuweihat Asia Operation & Maintenance Company	885	55.00%	487			(1)	486
Waterbury Lake Uranium L.P.	51,298	40.00%	20,519			(220)	20,299
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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(6) As of December 31, 2014 and 2015, unrecognized equity interest in investments in associates and joint ventures whose book value has been reduced to zero due to accumulated losses are as follows:

	2014		2015	
	Unrecognized equity interest	Accumulated unrecognized equity interest	Unrecognized equity interest	Accumulated unrecognized equity interest
	In millions of won			
Green Biomass Co., Ltd.	125	125	(125)	
Shin Pyeongtaek Power Co., Ltd.	288	288	1,038	1,326
KEPCO Energy Resource Nigeria Limited	6,358	6,358	4,645	11,003
Chun-cheon Energy Co., Ltd.	8	8	(8)	
Seokmun Energy Co., Ltd.	54	54	152	205
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.

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(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.

(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 case the 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 negotiated 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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(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 when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained.
Changjuk Wind Power Co., Ltd.	Principals on subordinated loans or dividends can only be paid when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained.
Busan Solar Co., Ltd.	Dividends cannot be declared or paid without the prior written consent of the agency, Consus Asset Management Co., Ltd., based on the loan agreement until the principal of a loan is paid off in full.
Taebaek Wind Power Co., Ltd.	Financial institutions can reject or defer an approval with regard to the request for fund executions on subordinated loans of shareholders in order to pay senior loans based on the loan agreement.
Pyeongchang Wind Power Co., Ltd.	Principals on subordinated loans or dividends can only be paid when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained.
Daegu Green Power Co., Ltd.	Only if the condition satisfies the terms of the loan agreements signed by financial institutions, the investors of subordinated credit facility loans can receive payments of principal and interest and dividend. KEB Hana Bank, the deputy, permits the amount of the payments and dividend.
KS Solar Corp. Ltd.	Dividends can only be paid when all conditions of a loan agreement are satisfied.
KNH Solar Co., Ltd.	Principal and interest, dividends to shareholders cannot be paid without written consent of financial institutions.
DS Power Co., Ltd.	Shares cannot be wholly or partially transferred, except as permitted by the agreement.
Hyundai Green Power Co., Ltd.	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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18. Property, Plant and Equipment

(1) Property, plant and equipment as of December 31, 2014 and 2015 are as follows:

	2014				
	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses(*)	Book value
	In millions of won				
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
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

	2015				
	Acquisition cost	Government grants	Accumulated depreciation	Accumulated impairment losses(*)	Book value
	In millions of won				
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.

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

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

(*1) 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 consolidated statements of comprehensive income or loss.

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

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

(*2) Others include 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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19. Investment Properties

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

	2014			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
	In millions of won			
Land	301,483			301,483
Buildings	26,168	(10)	(10,377)	15,781
	327,651	(10)	(10,377)	317,264

	2015			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
	In millions of won			
Land	253,960			253,960
Buildings	27,655	(13)	(11,692)	15,950
	281,615	(13)	(11,692)	269,910

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

	2014			
	Beginning balance	Depreciation	Others	Ending balance
	In millions of won			
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

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

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(3) Income and expenses related to investment properties for the years ended December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Rental income	10,986	10,931
Operating and maintenance expenses related to rental income	(820)	(669)
	10,166	10,262

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

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

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

(5) All of the Company s investment property is held under freehold interests.

20. Construction Services Contracts

(1) Changes in balance of construction service contracts for the years ended December 31, 2014 and 2015 are as follows:

	2014			
	Beginning balance	Increase and decrease(*)	Recognized revenue	Ending balance
	In millions of won			
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.

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

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

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

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

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

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

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

(*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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21. Intangible Assets other than Goodwill

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

	2014				
	Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Book value
	In millions of won				
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

	2015				
	Acquisition cost	Government grants	Accumulated amortization	Accumulated impairment losses	Book value
	In millions of won				
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

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(2) Changes in intangible assets for as of December 31, 2014 and 2015 are as follows:

	2014						
	Beginning balance	Acquisition	Disposal	Amortization	Impairment	Others	Ending balance
	In millions of won						
Software	65,751	7,135		(32,423)		12,093	52,556
(Government grants)	(430)			154		(212)	(488)
Licenses and franchises	208			(154)			54
Copyrights, patents rights and other industrial rights	24,953	451		(2,965)		238	22,677
Mining rights	470,558	28,472		(1,945)		7,129	504,214
Development expenditures	76,154	47	(1,810)	(28,555)		10,021	55,857
(Government grants)	(11,705)			4,125		(603)	(8,183)
Intangible assets under development	52,050	33,202	(170)		(11)	(10,162)	74,909
(Government grants)	(7,792)	(3,597)	170			527	(10,692)
Usage rights of donated assets and other	64,710			(8,875)		1,852	57,687
(Government grants)	(53)			10			(43)
Leasehold rights	812			(33)			779
Others	75,449	2,914	(5)	(5,752)	(31)	(841)	71,734
(Government grants)	(1)						(1)
	810,664	68,624	(1,815)	(76,413)	(42)	20,042	821,060

	2015						
	Beginning balance	Acquisition	Disposal	Amortization	Impairment	Others	Ending balance
	In millions of won						
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)	(20,301)	94,886
(Government grants)	(10,692)	(1,884)				2,093	(10,483)
Usage rights of donated assets and other	57,687			(9,096)			48,591
(Government grants)	(43)			11			(32)
Leasehold rights	779			(34)			745
Greenhouse gas emissions rights		805					805
Others	71,734	6,872	(443)	(8,456)	88	27,955	97,750
(Government grants)	(1)						(1)
	821,060	87,946	(452)	(72,266)	253	19,291	855,832

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(3) Significant specific intangible assets as of December 31, 2014 and 2015 are as follows:

		2014		
Type	**Description**	**Currency**	**Amount**	**Remaining useful years**
		In millions of won and thousands of Australian dollars		
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 9months
Mining rights	Mining right of Bylong mine	AUD	401,225	(*)
Development expenditures	KOSPO Evolutionary Efficient & Powerful System(KEEPS)	KRW	5,381	2 years and 6months
Development expenditures	Development of maintenance system for utility plant	KRW	1,649	2 years and 11 months
Intangible assets under development	Contributions to APR NRC DC	KRW	18,252	
Intangible assets under development	CHF testing for best representative of HIPER/X2-Gen Fuel and development of best explanatory CHF correlation	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
Usage rights of donated assets	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
Others	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.

		2015		
Type	**Description**	**Currency**	**Amount**	**Remaining useful years**
		In millions of won and thousands of Australian dollars		
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 expenditures	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	
Intangible assets under development	CHF testing for best representative of HIPER/X2-Gen Fuel and development of best explanatory CHF correlation	KRW	9,871	
Usage rights of donated assets	Songdo international business district(sector 1, 3) sharing charge	KRW	2,793	1 years and 10 months
Usage rights of donated assets	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
Others	Sillim electricity supply facility usage right	KRW	2,642	5 years and 11 months

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

(4) For the years ended December 31, 2014 and 2015, the Company recognized research and development expenses of 545,735 million and 611,220 million, respectively.

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22. Trade and Other Payables

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

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

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

	2014		2015	
	Current	Non-current	Current	Non-current
	In millions of won			
Advance received from local governments		30,304		20,149
		30,304		20,149

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23. Borrowings and Debt Securities

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

	2014	2015
	In millions of won	
Current liabilities		
Short-term borrowings	658,778	603,673
Current portion of long-term borrowings	455,484	541,307
Current portion of debt securities	5,994,205	6,704,602
Less : Current portion of discount on long-term borrowings	(908)	(953)
Less : Current portion of discount on debt securities	(2,807)	(1,676)
	7,104,752	7,846,953
Non-current liabilities		
Long-term borrowings	3,490,700	1,951,119
Debt securities	52,359,905	49,077,131
Less : Discount on long-term borrowings	(15,494)	(18,860)
Less : Discount on debt securities	(115,807)	(103,067)
Add: Premium on debt securities	271	223
	55,719,575	50,906,546
	62,824,327	58,753,499

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

	2014	
Type	**Borrowings**	**Debt Securities**
	In millions of won	
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

	2015	
Type	**Borrowings**	**Debt Securities**
	In millions of won	
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

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

2014

Type	Creditor	Interest rate (%)	Maturity	Foreign currency	Local currency
		In millions of won and thousands of U.S. dollars			
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

2015

Type	Creditor	Interest rate (%)	Maturity	Foreign currency	Local currency
		In millions of won and thousands of U.S. dollars			
Local short-term borrowings	Woori Investment Bank and others	1.8~2.46	2016.01.04~ 2016.09.13		559,530
Foreign short-term borrowings	ING and others	6.50	2016.12.03	USD 2,163	2,535
Foreign short-term borrowings	Citi Bank and others	3M Libor+0.35	2016.03.22	USD 12,265	14,375
Local bank overdraft	Woori Bank	Standard overdraft rate+1.12	2016.02.25		27,233
					603,673

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

		2014			
Type		Interest rate (%)	Maturity	Foreign currency	Local currency
		In millions of won and thousands of foreign currencies			
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
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
SCNT and others	Commercial loan and others	3M Libor+1.50~2.50	2015~2033	USD 308,697	339,320
	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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Type		2015 Interest rate (%)	Maturity	Foreign currency	Local currency
		In millions of won and thousands of foreign currencies			
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
	Facility	1yr KoFC bond rate +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
Shinhan Bank and others	Collateral borrowing	2.22	2017		30,000
	Facility	3yr AA- CB rate+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

1,932,259

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(5) Local debt securities as of December 31, 2014 and 2015 are as follows:

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

(*) 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, 2014 and 2015 are as follows:

			2014		
Type	Issue date	Maturity	Interest rate (%)	Foreign currency	Local currency
			In millions of won and thousands of foreign currencies		
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

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			2015			
Type	**Issue date**	**Maturity**	**Interest rate (%)**	**Foreign currency**		**Local currency**
			In millions of won and thousands of foreign currencies			
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	2008.11.27	2018.11.27	4.19	JPY	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	2012.05.10~ 2012.09.19	2017.05.10~ 2022.09.19	2.50~3.13	USD	1,750,000	2,051,000
FY-13	2013.02.05~ 2013.11.27	2018.02.05~ 2018.11.27	1.88~2.88	USD	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	2014.02.11~ 2014.12.02	2019.02.11~ 2029.07.30	2.38~3.57	USD	1,500,000	1,758,000
FY-14	2014.01.28~ 2014.07.31	2017.01.28~ 2017.07.31	3M Libor+0.55~1.50	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

(*1) 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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24. Finance Lease Liabilities

(1) Lease contracts

The Company entered 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, 2014 and 2015 are as follows and are included in current and non-current trade and other payables, net, in the consolidated statements of financial position:

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

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

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

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

	2014	2015
	In millions of won	
Minimum lease payment	240,230	194,960
Contingent rent payment	(17,402)	(17,682)

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

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25. Employment Benefits

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

	2014	2015
	In millions of won	
Defined benefit obligations	1,268,197	1,495,782
Other long-term employee benefit obligations	9,218	7,325
	1,277,415	1,503,107

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

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

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

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

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

	2014	2015
	In millions of won	
Cost of sales	114,143	262,760
Selling and administrative expenses	7,263	51,932
Others (Construction-in-progress and others)	14,731	41,729
	136,137	356,421

In addition, for the years ended December 31, 2014 and 2015, employee benefit obligations expenses of 33,700 million and 57,940 million, respectively, are recognized as cost of sales, and 5,154 million and 9,971 million, respectively, are recognized as selling and administrative expenses, and 8,631 million and 14,195 million, respectively, are recognized as construction-in-progress and others, related to the Company s defined contribution plans.

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(4) Details of defined benefit obligations as of December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Present value of defined benefit obligation from funded plans	1,992,447	2,426,414
Fair value of plan assets	(724,250)	(930,632)
	1,268,197	1,495,782
Present value of defined benefit obligation from unfunded plans		
Net liabilities incurred from defined benefit plans	1,268,197	1,495,782

(5) Changes in the present value of defined benefit obligations for the years ended December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Beginning balance	2,629,057	1,992,447
Current service cost	291,115	315,811
Interest cost(*)	97,603	63,808
Remeasurement component	145,648	122,825
Past service cost	(167,998)	
Loss from settlement	(62,292)	(641)
Actual payments	(941,208)	(67,291)
Others	522	(545)
Ending balance	1,992,447	2,426,414

(*) Corporate bond (AAA rated) yield at year-end is applied to the interest cost on employee benefit obligations.

(6) Changes in the fair value of plan assets for the years ended 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Beginning balance	564,552	724,250
Expected return	22,291	22,557
Remeasurement component	(6,602)	(5,924)
Contributions by the employers	231,342	214,449
Actual payments	(81,029)	(24,191)
Assets decreased through settlement	(6,572)	
Others	268	(509)
Ending balance	724,250	930,632

In addition, loss on accumulated remeasurement component amounting to 116,707 million and 202,878 million has been recognized as other comprehensive income or loss for the years ended December 31, 2014 and 2015, respectively.

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(7) Details of the fair value of plan assets as of December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Equity instruments	41,298	12,791
Debt instruments	163,528	243,372
Bank deposit	108,234	129,350
Others	411,190	545,119
	724,250	930,632

For the years ended December 31, 2014 and 2015, actual returns on plan assets amounted to 15,669 million and 16,633 million, respectively.

(8) Remeasurement component recognized in other comprehensive income (loss) for the years ended December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Actuarial gain (loss) from changes in financial assumptions	218,859	140,411
Experience adjustments	(73,211)	(17,586)
Expected return	6,602	5,924
	152,250	128,749

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

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26. Provisions

(1) Provisions as of December 31, 2014 and 2015 are as follows:

	2014		2015	
	Current	Non-current	Current	Non-current
	In millions of won			
Employment benefits	707,310		718,365	
Provision for employment benefits	707,310		718,365	
Litigation	116,395	83,894	57,737	110,228
Litigation provisions	116,395	83,894	57,737	110,228
Decommissioning cost		13,434,606		12,744,873
Nuclear plants		10,331,270		9,684,286
Spent fuel		1,298,749		1,375,185
Waste		1,604,241		1,502,140
PCBs		199,518		182,400
Other recovery provisions		828		862
Others	450,481	10,510	803,074	9,653
Power plant regional support program	120,093		129,655	
Transmission regional support program			228,785	
Provisions for tax		649		136
Provisions for financial guarantee	74	3,621	1,839	2,449
Provisions for RPS	329,562		363,178	
Provisions for greenhouse gas emissions obligations			78,829	
Others	752	6,240	788	7,068
	1,274,186	13,529,010	1,579,176	12,864,754

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

	2014					
	Beginning balance	Accretion expenses	Payment	Reversal	Other	Ending balance
	In millions of won					
Employment benefits	777,419	650,788	(615,230)	(105,667)		707,310
Provision for employment benefits	777,419	650,788	(615,230)	(105,667)		707,310
Litigation	23,720	200,593	(18,371)	(5,653)		200,289
Litigation provisions	23,720	200,593	(18,371)	(5,653)		200,289
Decommissioning cost	12,568,622	1,270,397	(398,600)	(9,067)	3,254	13,434,606
Nuclear plants	9,887,621	443,987	(338)			10,331,270
Spent fuel	1,211,440	465,006	(377,697)			1,298,749
Waste	1,249,062	351,935	(10)		3,254	1,604,241
PCBs	219,704	9,436	(20,555)	(9,067)		199,518
Other recovery provisions	795	33				828
Others	346,371	350,049	(186,388)	(65,264)	16,223	460,991
Power plant regional support program	112,498	39,943	(44,242)		11,894	120,093
Provisions for tax	649					649
Provisions for financial guarantee	8,789	476	(32)	(5,538)		3,695

Provisions for RPS	223,260	308,088	(142,096)	(59,690)		329,562
Others	1,175	1,542	(18)	(36)	4,329	6,992
	13,716,132	2,471,827	(1,218,589)	(185,651)	19,477	14,803,196

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	2015					
	Beginning balance	Accretion expenses	Payment	Reversal	Other	Ending balance
	In millions of won					
Employment benefits	707,310	727,079	(715,850)	(174)		718,365
Provision for employment benefits	707,310	727,079	(715,850)	(174)		718,365
Litigation	200,289	111,301	(85,819)	(58,306)	500	167,965
Litigation provisions	200,289	111,301	(85,819)	(58,306)	500	167,965
Decommissioning cost	13,434,606	1,287,095	(680,552)	(1,296,580)	304	12,744,873
Nuclear plants	10,331,270	650,218	(622)	(1,296,580)		9,684,286
Spent fuel	1,298,749	568,190	(491,754)			1,375,185
Waste	1,604,241	58,294	(160,699)		304	1,502,140
PCBs	199,518	10,359	(27,477)			182,400
Other recovery provisions	828	34				862
Others	460,991	774,760	(368,172)	(64,494)	9,642	812,727
Power plant regional support program	120,093	37,569	(37,648)		9,641	129,655
Transmission regional support program		393,460	(164,675)			228,785
Provisions for tax	649			(513)		136
Provisions for financial guarantee	3,695	3,528		(2,936)	1	4,288
Provisions for RPS	329,562	259,964	(165,259)	(61,089)		363,178
Provisions for greenhouse gas emissions obligations		78,829				78,829
Others	6,992	1,410	(590)	44		7,856
	14,803,196	2,900,235	(1,850,393)	(1,419,554)	10,446	14,443,930

27. Government Grants

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

	2014	2015
	In millions of won	
Land	(3,103)	(3,147)
Buildings	(67,700)	(63,932)
Structures	(196,871)	(193,119)
Machinery	(108,750)	(108,935)
Vehicles	(76)	(29)
Equipment	(1,002)	(1,026)
Tools	(862)	(691)
Construction-in-progress	(123,938)	(139,898)
Investment properties	(10)	(13)
Software	(488)	(699)
Development expenditures	(8,183)	(6,835)
Intangible assets under development	(10,692)	(10,483)
Usage rights of donated assets and other	(43)	(32)
Others	(1)	(1)
	(521,719)	(528,840)

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

	Beginning balance	Receipt	Acquisition	2014 Offset the items of depreciation expense and others	Disposal	Others	Ending balance
				In millions of won			
Cash		(108,681)				108,681	
Land	(3,137)				63	(29)	(3,103)
Buildings	(45,396)			5,040	200	(27,544)	(67,700)
Structures	(193,189)			8,921	2,018	(14,621)	(196,871)
Machinery	(101,808)			10,102	423	(17,467)	(108,750)
Vehicles	(83)			47		(40)	(76)
Equipment	(707)			376		(671)	(1,002)
Tools	(312)			144	55	(749)	(862)
Construction-in-progress	(117,728)		35,937			(42,147)	(123,938)
Investment properties	(13)			4		(1)	(10)
Software	(428)			154		(214)	(488)
Development expenditures	(11,705)			4,125		(603)	(8,183)
Intangible assets under development	(7,792)		527		170	(3,597)	(10,692)
Usage rights of donated assets and other	(53)			10			(43)
Others	(1)						(1)
	(482,352)	(108,681)	36,464	28,923	2,929	998	(521,719)

	Beginning balance	Receipt	Acquisition	2015 Offset the items of depreciation expense and others	Disposal	Others	Ending balance
				In millions of won			
Cash		(52,696)				52,696	
Land	(3,103)					(44)	(3,147)
Buildings	(67,700)			5,064		(1,296)	(63,932)
Structures	(196,871)			9,178	1,816	(7,242)	(193,119)
Machinery	(108,750)			11,133	1,101	(12,419)	(108,935)
Vehicles	(76)			47	1	(1)	(29)
Equipment	(1,002)			469		(493)	(1,026)
Tools	(862)			268		(97)	(691)
Construction-in-progress	(123,938)		11,279			(27,239)	(139,898)
Investment properties	(10)					(3)	(13)
Software	(488)			177		(388)	(699)
Development expenditures	(8,183)			2,937		(1,589)	(6,835)
Intangible assets under development	(10,692)		2,093			(1,884)	(10,483)
Usage rights of donated assets and other	(43)			11			(32)
Others	(1)						(1)
	(521,719)	(52,696)	13,372	29,284	2,918	1	(528,840)

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28. Deferred Revenues

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

	2014	2015
	In millions of won	
Beginning balance	6,506,639	6,850,016
Increase during the current year / period	695,235	691,276
Recognized as revenue during the current year / period	(351,858)	(375,995)
Ending balance	6,850,016	7,165,297

29. Non-financial Liabilities

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

	2014		2015	
	Current	Non-current	Current	Non-current
	In millions of won			
Advance received	5,320,722	294,151	5,017,735	215,096
Unearned revenue	41,822	86,061	21,810	63,850
Deferred revenue	347,362	6,502,654	372,157	6,793,140
Withholdings	258,258	45,221	146,258	6,731
Others	496,192	18,323	762,751	13,435
	6,464,356	6,946,410	6,320,711	7,092,252

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30. Contributed Capital

(1) Details of shares issued as of December 31, 2014 and 2015 are as follows:

	2014					
	Shares authorized	Shares issued	Par value per share	Owned by government(*)	Owned by others	Total
	In millions of won except share information					
Common shares	1,200,000,000	641,964,077	5,000	1,640,437	1,569,383	3,209,820

(*) Korea Development Bank s ownership of 960,802 million are included.

	2015					
	Shares authorized	Shares issued	Par value per share	Owned by government(*)	Owned by others	Total
	In millions of won except share information					
Common shares	1,200,000,000	641,964,077	5,000	1,640,385	1,569,435	3,209,820

(*) Korea Development Bank s ownership of 1,056,176 million are included.

(2) Details in number of outstanding capital stock for the years ended December 31, 2014 and 2015 are as follows.

	2014	2015
	Number of shares	
Beginning balance	623,034,082	641,964,077
Disposal of treasury stocks	18,929,995	
Ending balance	641,964,077	641,964,077

(3) Details of share premium as of December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Share premium	843,758	843,758

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31. Retained Earnings and Dividends Paid

(1) Details of retained earnings as of December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Legal reserve(*)	1,604,910	1,604,910
Voluntary reserves	22,999,359	23,720,167
Retained earnings before appropriations	10,699,378	22,862,164
Retained earnings	35,303,647	48,187,241

(*) The KEPCO Act requires KEPCO to appropriate a legal reserve equal to at least 20 percent of net income for each accounting period until the reserve equals 50 percent of KEPCO s common stock. The legal reserve is not available for cash dividends; however, this reserve may be credited to paid-in capital or offset against accumulated deficit by the resolution of the shareholders.

(2) Details of voluntary reserves as of December 31, 2014 and 2015 are as follows:

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

(*) The reserve for research and human development is appropriated by the Company to use as qualified tax credits to reduce corporate tax liabilities. The reserve is available for cash dividends for a certain period as defined by the Tax Incentive Control Law of Korea.

(3) Changes in retained earnings for the years ended December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Beginning balance	32,766,086	35,303,647
Net profit for the period attributed to owner of the Company	2,686,873	13,289,127
Changes in equity method retained earnings	(1,899)	(280)
Remeasurements of defined benefit liability, net of tax	(91,340)	(84,271)
Dividend paid	(56,073)	(320,982)
Ending balance	35,303,647	48,187,241

(4) Dividends paid for the years ended December 31, 2014 and 2015 are as follows:

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

	2015				
	Number of shares issued	Number of treasury stocks	Number of shares eligible for dividends	Dividends paid	Dividends paid per share (In won)
	In millions of won				
Common shares	641,964,077		641,964,077	320,982	500

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(5) Changes in retained earnings of investments in associates and joint ventures for the years ended December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Beginning balance	(232)	(2,131)
Changes	(1,899)	(280)
Ending balance	(2,131)	(2,411)

(6) Changes in remeasurement components for the years ended December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Beginning balance	39,591	(116,705)
Changes	(151,610)	(127,184)
Income tax effect	60,270	42,913
Transfer to reserve for business expansion	(64,956)	(1,902)
Ending balance	(116,705)	(202,878)

32. Statement of Appropriation of Retained Earnings

For the year ended December 31, 2014, the Company s retained earnings were appropriated on March 31, 2015. For the year ended December 31, 2015, the Company s retained earnings were appropriated on March 22, 2016. Statements of appropriation of retained earnings of KEPCO, the controlling company, for the years ended December 31, 2014 and 2015 are as follows:

		2014	2015
		In millions of won except for dividends per share	
I. Retained earnings before appropriations			
Unappropriated retained earnings carried over from prior years			
Net income		1,039,887	10,165,653
Remeasurements of the defined benefit plan		1,902	(48,457)
		1,041,789	10,117,196
II. Transfer from voluntary reserves			
III. Subtotal (I+II)		1,041,789	10,117,196
IV. Appropriations of retained earnings		(1,041,789)	(10,117,196)
Legal reserve			
Dividends (government, individual)			
(Amount of dividends per share (%):	Current year 3,100 (62.0%)		
	Prior year 500 (10.0%)	(320,982)	(1,990,089)
Reserve for business expansion		(720,807)	(8,127,107)

V. Unappropriated retained earnings to be carried over forward to subsequent year

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33. Hybrid Bonds

Bond-type hybrid securities classified as equity (non-controlling interest) as of December 31, 2015 are as follows:

Issuer	Hybrid Bond	Issued date	Maturity	Yield (%)	Amount
			In millions of won		
Korea Western Power Co., Ltd.	1st bond-type hybrid bond	2012.10.18	2042.10.18	5yr government bond rate+1.20	100,000
Korea South-East Power Co., Ltd.	1st bond-type hybrid bond	2012.12.07	2042.12.06	4.38	170,000
Korea South-East Power Co., Ltd.	2nd bond-type hybrid bond	2012.12.07	2042.12.06	4.44	230,000
Expense of Issuance					(1,340)
					498,660

Although these instruments have contractual maturity dates, the contractual agreements allow these subsidiaries to indefinitely extend the maturity dates and defer the payment of interest without modification to the other terms of the instruments. When the Company decides to not pay dividends on ordinary shares, they are not required to pay interest on the hybrid bonds.

Substantially, as these instruments have no contractual obligation to pay principal and interest, these instruments have been classified as equity (non-controlling interest) in the Company s consolidated financial statements.

34. Other Components of Equity

(1) Other components of equity of the parent as of December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Other capital surpluses	1,151,402	1,197,388
Accumulated other comprehensive loss	(202,269)	(98,713)
Other equity	13,294,973	13,294,973
	14,244,106	14,393,648

(2) Changes in other capital surpluses for the years ended December 31, 2014 and 2015 are as follows:

	2014			2015		
	Gains on disposal of treasury stocks	Others	Subtotal	Gains on disposal of treasury stocks	Others	Subtotal
			In millions of won			
Beginning balance	303,028	527,954	830,982	387,524	763,878	1,151,402
Disposal of subsidiary		313,117	313,117		58,310	58,310
Disposal of treasury stocks	111,473		111,473			

Issuance of share capital of subsidiary		(1,235)	(1,235)		2,536	2,536
Change in consolidation scope					(716)	(716)
Income tax effect	(26,977)	(75,958)	(102,935)		(14,144)	(14,144)
Ending balance	387,524	763,878	1,151,402	387,524	809,864	1,197,388

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(3) Changes in accumulated other comprehensive income (loss) for the years ended December 31, 2014 and 2015 are as follows:

	2014				
	Available-for-sale financial asset valuation reserve	Shares in other comprehensive income of investments in associates and joint ventures	Reserve for overseas operations translation credit	Reserve for gain (loss) on valuation of derivatives	Total
	In millions of won				
Beginning balance	62,614	182,261	(170,679)	(18,658)	55,538
Changes in the unrealized fair value of available-for-sale financial assets, net of tax	(97,263)				(97,263)
Shares in other comprehensive income of associates and joint ventures, net of tax		4,636			4,636
Foreign currency translation of foreign operations, net of tax			(84,962)		(84,962)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax				(80,218)	(80,218)
Ending balance	(34,649)	186,897	(255,641)	(98,876)	(202,269)

	2015				
	Available-for-sale financial asset valuation reserve	Shares in other comprehensive income of investments in associates and joint ventures	Reserve for overseas operations translation credit	Reserve for gain (loss) on valuation of derivatives	Total
	In millions of won				
Beginning balance	(34,649)	186,897	(255,641)	(98,876)	(202,269)
Changes in the unrealized fair value of available-for-sale financial assets, net of tax	9,744				9,744
Shares in other comprehensive income of associates and joint ventures, net of tax		89,476			89,476
Foreign currency translation of foreign operations, net of tax			1,179		1,179
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax				3,157	3,157
Ending balance	(24,905)	276,373	(254,462)	(95,719)	(98,713)

(4) Changes in treasury stocks for the years ended December 31, 2014 and 2015 are as follows.

	2014		2015	
	Shares	Amount	Shares	Amount
	In millions of won except for share information			
Beginning balance	18,929,995	(741,489)		
Disposal of treasury stocks	(18,929,995)	741,489		
Ending balance				

(5) Details of other equity for the years ended December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Statutory revaluation reserve	13,295,098	13,295,098
Changes in other equity	(125)	(125)
	13,294,973	13,294,973

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35. Sales

Details of sales for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013		2014		2015	
	Domestic	Overseas	Domestic	Overseas	Domestic	Overseas
	In millions of won					
Sales of goods	50,876,783	256,020	53,408,869	297,959	53,961,463	405,573
Electricity	50,170,178		52,625,226		53,229,470	
Heat supply	244,455		258,492		204,987	
Others	462,150	256,020	525,151	297,959	527,006	405,573
Sales of service	198,932	127,687	222,973	228,040	209,189	244,298
Sales of construction services	238,924	2,014,159	262,035	2,703,150	180,424	3,580,780
	51,314,639	2,397,866	53,893,877	3,229,149	54,351,076	4,230,651

36. Selling and Administrative Expenses

(1) Selling and administrative expenses for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Salaries	566,748	556,808	655,432
Retirement benefit expense	81,051	12,418	61,903
Welfare and benefit expense	107,342	89,804	119,866
Insurance expense	7,408	10,619	10,636
Depreciation	68,222	69,182	102,867
Amortization of intangible assets	50,266	40,260	40,465
Bad debt expense	40,446	39,018	290
Commission	510,309	550,335	562,171
Advertising expense	28,127	27,236	30,085
Training expense	5,332	5,664	4,988
Vehicle maintenance expense	12,358	12,015	10,529
Publishing expense	3,190	3,109	3,124
Business promotion expense	3,707	3,053	3,338
Rent expense	39,652	34,914	44,905
Telecommunication expense	24,468	21,586	22,678
Transportation expense	347	1,907	753
Taxes and dues	43,648	42,894	55,970
Expendable supplies expense	4,453	6,009	7,272
Water, light and heating expense	9,669	9,758	9,558
Repairs and maintenance expense	25,512	40,397	74,330
Ordinary development expense	166,106	154,244	178,472
Travel expense	13,146	13,025	14,388
Clothing expense	4,374	7,577	5,751
Survey and analysis expense	623	526	590
Membership fee	774	798	1,040
Others	105,914	171,210	131,860
	1,923,192	1,924,366	2,153,261

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(2) Other selling and administrative expenses for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Accommodation development expenses	22,601	22,530	28,134
Miscellaneous wages	34,284	30,397	43,109
Litigation and filing expenses	9,501	9,222	10,670
Compensation for damages	2,289	46,946	9,032
Outsourcing expenses	4,002	1,377	2,865
Reward expenses	2,507	2,094	2,472
Overseas market development expenses			1,541
Others	30,730	58,644	34,037
	105,914	171,210	131,860

37. Other Income and Expense

(1) Other income for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Reversal of other provisions	11,743	5,271	6,355
Reversal of allowance for doubtful accounts		241	413
Gains on assets contributed	14,392	2,418	9,004
Gains on liabilities exempted	2,425	858	2,588
Compensation and reparations revenue	94,064	156,019	166,355
Gains on electricity infrastructure development fund	50,808	18,888	
Revenue from research contracts	10,815	9,615	5,342
Revenue related to transfer of assets from customers	325,290	351,857	375,995
Rental income	187,351	182,511	196,406
Others	28,569	26,508	45,756
	725,457	754,186	808,214

(2) Details of others of other income for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Refund of claim for rectification	9,796	9,996	7,623
Adjustment of research project	3,891	4,003	4,090
Maintenance expenses on lease building	2,320	1,282	324
Training expenses	3,657	2,916	4,774
Deposit redemption	142	2,235	430
Reversal of expenses on litigation	2,340	521	219
Revenue on royalty fee	2,471	897	2,739

Reimbursement of insurance fee		310	11,797
Gains on guarantee contracts			4,523
Others	3,952	4,348	9,237
	28,569	26,508	45,756

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(3) Other expense for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Compensation and indemnification expense			16,959
Accretion expenses of other provisions	443	1,052	4,575
Depreciation expenses on investment properties	908	821	669
Depreciation expenses on idle assets	6,661	6,658	6,698
Other bad debt expense	8,665	15,981	18,473
Donations	57,970	37,889	34,134
Others	25,164	25,819	27,340
	99,811	88,220	108,848

(4) Details of others of other expense for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Operating expenses related to the idle assets	1,034	985	779
Research grants	551	617	1,392
Supporting expenses on farming and fishing village	16,162	14,211	14,626
Operating expenses on fitness center	2,382	1,928	2,912
Expenses on adjustment of research and development grants	1,272		709
Forfeit of taxes and dues	2,442		1,105
Movement expense		2,262	3,191
Others	1,321	5,816	2,626
	25,164	25,819	27,340

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38. Other Gains (Losses)

(1) Composition of other gains (losses) for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Other gains			
Gains on disposal of property plant, and equipment	59,345	85,775	8,637,508
Gains on disposal of intangible assets	4	4	32
Reversal of impairment loss on intangible assets	121	18	275
Gains on foreign currency translation	2,835	5,152	13,784
Gains on foreign currency transaction	62,817	56,368	61,007
Insurance proceeds	1,700	3,046	30
Others	208,554	194,888	162,128
Other losses			
Losses on disposal of property plant and equipment	(58,852)	(50,152)	(73,073)
Losses on disposal of intangible assets	(1)	(18)	(16)
Impairment loss on property, plant and equipment	(1,161)	(38,107)	(30,344)
Impairment loss on intangible assets	(267)	(42)	(22)
Losses on foreign currency translation	(9,978)	(12,663)	(15,097)
Losses on foreign currency transaction	(59,907)	(53,252)	(75,615)
Others	(76,696)	(83,621)	(69,824)
	128,514	107,396	8,610,773

(2) Details of others of other gains for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Gains on disposal of inventories	11,387	12,127	10,758
Gains on valuation of inventories	903	2,756	7
Gains on proxy collection of TV license fee	36,706	37,433	38,529
Gains on compensation of impaired electric poles	5,407	2,319	
Gains on compensation for infringement on contract	4,311	7,824	7,414
Gains on harbor facilities dues	4,745	5,935	5,943
Technical fees	3,940	1,121	1,258
Reversal of occupation development training fees	2,369	1,850	1,878
Gains on disposal of waste	9,979	2,467	2,880
Gains on insurance	12,828	2,748	11,865
Gains on litigation	5,813	1,954	600
Interests on tax rebate	9,258	2,388	1,661
Gains on other commission	14,288	8,672	2,177
Gains on research tasks		28,599	1,446
Gains on settlement and others	11,205		2,803
Gains on sales of greenhouse gas emissions rights			52
Others	75,415	76,695	72,857
	208,554	194,888	162,128

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(3) Details of others of other losses for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Losses on valuation of inventories	1,604	3,231	1,318
Losses on disposal of inventories	1,778	1,996	13,469
Losses due to disaster	4,456	2,404	263
Losses on rounding adjustment of electric charge surtax	1,174	1,236	1,251
Losses on adjustments of levies	41,176	5,091	13,928
Losses on write-off	3,627	4,297	
Penalty on taxes and dues	2,116	6,825	190
Commission and others	821	139	
Losses on litigation		22,999	488
Others	19,944	35,403	38,917
	76,696	83,621	69,824

39. Finance Income

(1) Finance income for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Interest income	182,161	191,456	241,585
Dividends income	9,870	14,193	14,069
Gains on disposal of financial assets	196	98,065	4
Gains on valuation of derivatives	16,927	312,347	610,582
Gains on transaction of derivatives	120,948	52,618	151,851
Gains on foreign currency translation	263,311	121,177	127,372
Gains on foreign currency transaction	36,129	95,418	37,377
Other finance income		16	148
	629,542	885,290	1,182,988

(2) Interest income included in finance income for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Cash and cash equivalents	60,301	56,384	54,687
Available-for-sale financial assets	1,150	382	29
Held-to-maturity investments	64	89	99
Loans and receivables	42,418	29,507	28,586
Short-term financial instrument	16,896	5,199	46,921
Long-term financial instrument	13	215	10,492
Other financial assets	1,082		
Trade and other receivables	60,237	99,680	100,771

	182,161	191,456	241,585

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40. Finance Expenses

(1) Finance expenses for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
		In millions of won	
Interest expense	2,381,900	2,351,624	2,015,684
Losses on sale of financial assets	4,202	2,700	3,008
Impairment of available-for-sale financial assets	12,592	79,618	84,370
Losses on valuation of derivatives	263,777	102,091	17,051
Losses on transaction of derivatives	107,582	119,635	37,262
Losses on foreign currency translation	60,597	465,326	743,283
Losses on foreign currency transaction	100,972	18,827	113,723
Losses on repayment of financial liabilities		199	33
Other		18	1,043
	2,931,622	3,140,038	3,015,457

(2) Interest expense included in finance expenses for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
		In millions of won	
Trade and other payables	102,388	98,407	84,527
Short-term borrowings	32,928	27,038	14,627
Long-term borrowings	191,638	167,781	103,503
Debt securities	2,234,148	2,306,330	2,177,855
Other financial liabilities	564,139	588,535	538,680
	3,125,241	3,188,091	2,919,192
Less: Capitalized borrowing costs	(743,341)	(836,467)	(903,508)
	2,381,900	2,351,624	2,015,684

Capitalization rates for the years ended December 31, 2013, 2014 and 2015 are 3.71% ~ 4.33%, 3.28% ~ 4.35% and 2.36% ~ 4.25%, respectively.

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41. Income Taxes

(1) Income tax expense for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
		In millions of won	
Current income tax expense			
Payment of income tax	172,574	897,129	2,682,779
Adjustment due to changes in estimates related to prior years	(11,833)	(29,823)	(23,248)
Current income tax directly recognized in equity	(151,076)	9,137	37,768
	9,665	876,443	2,697,299
Deferred income tax expense			
Generation and realization of temporary differences	(532,604)	248,796	48,878
Changes of unrecognized tax losses, tax credit and temporary differences for prior periods	(201,420)	(26,067)	71,999
Changes in deferred tax on tax losses carryforwards	93,668	345,887	2,374,237
Unrecognized deferred tax assets	103,555		
Tax credit carry forwards	(43,658)	(14,720)	47,000
	(580,459)	553,896	2,542,114
Income tax expense (benefit)	(570,794)	1,430,339	5,239,413

(2) Reconciliation between actual income tax expense (benefit) and amount computed by applying the statutory tax rate of 24.2% to loss (income) before income taxes for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
		In millions of won	
Income (Loss) before income tax	(396,488)	4,229,306	18,655,786
Income tax (expense) benefit computed at applicable tax rate of 24.2%	95,950	(1,023,492)	(4,514,700)
Adjustments			
Additional payment of income taxes or receipt of income tax refunds	36,003	13,574	14,130
Effect of applying gradual tax rate	2,357	1,503	4,147
Effect of non-taxable revenue	82,810	50,728	8,047
Effect of non-deductible expenses	(13,698)	(43,152)	(17,734)
Effects of tax credits and deduction	335,710	75,804	103,435
Recognition of unrecognized deferred tax asset, net	179,147	26,067	(71,999)
Unrecognized deferred tax assets	(123,227)		
Deferred income tax related to investments in subsidiaries and associates	(93,984)	(516,557)	(784,793)
Others, net	69,726	(14,814)	20,054
	474,844	(406,847)	(724,713)
Income tax (expense) benefit	570,794	(1,430,339)	(5,239,413)
Effective tax rate	144%	34%	28%

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(3) Income tax directly adjusted to shareholders equity (except for accumulated other comprehensive income (loss)) for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Dividends of hybrid securities	5,455	5,256	5,253
Gain on disposal of subsidiaries	(47,609)	(75,958)	(14,144)
Gain on disposal of treasury stocks		(26,976)	
	(42,154)	(97,678)	(8,891)

(4) Income tax recognized as other comprehensive income (loss) for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013	2014	2015
	In millions of won		
Income tax recognized as other comprehensive income (loss)			
Gain (loss) on valuation of available-for-sale financial assets	(31,367)	26,149	(6,315)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	6,416	51,504	7,253
Remeasurements of defined benefit obligations	(73,647)	60,270	42,913
Investments in associates	(10,324)	(16,813)	13,648
Others		(14,295)	(10,840)
	(108,922)	106,815	46,659

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(5) Changes in deferred income tax assets (liabilities) recognized in the statements of financial position for the years ended December 31, 2014 and 2015 are as follows:

	2014				
	Beginning balance	Amounts recognized in profit or loss	Amount recognized in other comprehensive income (loss)	Amounts recognized directly in equity	Ending balance
			In millions of won		
Deferred income tax on temporary differences					
Employee benefits	518,681	(218,342)	52,595		352,934
Cash flow hedge	51,991	(51,674)	51,038		51,355
Investments in associates or subsidiaries	(5,227,034)	(435,528)	(31,107)	(75,958)	(5,769,627)
Property, plant and equipment	(6,061,613)	81,751			(5,979,862)
Finance lease	(142,081)	(55,016)			(197,097)
Intangible assets	10,242	2,067			12,309
Financial assets at fair value through profit or loss	83,645	(80,805)			2,840
Available-for-sale financial assets	(101,088)	33,104	26,148		(41,836)
Deferred revenue	244,806	(14,162)			230,644
Provisions	3,150,908	308,867			3,459,775
Doubtful receivables	59	1,297			1,356
Other finance liabilities	25,856	(7,876)		5,256	23,236
Losses (gains) on foreign exchange translation	(19,164)	72,958			53,794
Allowance for doubtful accounts	7,314	8,138			15,452
Accrued income	(1,248)	(1,998)			(3,246)
Special deduction for property, plant and equipment	(194,785)	111			(194,674)
Impairment of non-current assets	86,720				86,720
Treasury stocks		26,976		(26,976)	
Reserve for research and human development	(43,143)	7,644			(35,499)
Others	409,436	42,442	8,141		460,019
	(7,200,498)	(280,046)	106,815	(97,678)	(7,471,407)
Deferred income tax on unused tax losses and tax credit					
Tax losses	2,501,349	(325,174)			2,176,175
Tax credit	56,099	42,187			98,286
	2,557,448	(282,987)			2,274,461
	(4,643,050)	(563,033)	106,815	(97,678)	(5,196,946)

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	Beginning balance	Amounts recognized in profit or loss	2015 Amount recognized in other comprehensive income (loss)	Amounts recognized directly in equity	Ending balance
			In millions of won		
Deferred income tax on temporary differences					
Employee benefits	352,934	11,495	42,913		407,342
Cash flow hedge	51,354	(87,620)	7,253		(29,013)
Investments in associates or subsidiaries	(5,769,627)	(669,035)	2,808	(14,144)	(6,449,998)
Property, plant and equipment	(5,979,863)	484,077			(5,495,786)
Finance lease	(197,097)	(75,333)			(272,430)
Intangible assets	12,309	(2,889)			9,420
Financial assets at fair value through profit or loss	2,840	(2,844)			(4)
Available-for-sale financial assets	(41,836)	(1,048)	(6,315)		(49,199)
Deferred revenue	230,644	(15,283)			215,361
Provisions	3,459,775	(87,352)			3,372,423
Doubtful receivables	1,356	49			1,405
Other finance liabilities	23,237	(2,192)		5,253	26,298
Losses on foreign exchange translation	53,794	74,920			128,714
Allowance for doubtful accounts	15,452	3,524			18,976
Accrued income	(3,245)	(7,986)			(11,231)
Special deduction for property, plant and equipment	(194,674)	327			(194,347)
Impairment of non-current assets	86,720	(86,720)			
Reserve for research and human development	(35,499)	14,811			(20,688)
Others	460,019	116,566			576,585
	(7,471,407)	(332,533)	46,659	(8,891)	(7,766,172)
Deferred income tax on unused tax losses and tax credit					
Tax losses	2,176,175	(2,176,178)			(3)
Tax credit	98,286	(71,171)			27,115
	2,274,461	(2,247,349)			27,112
	(5,196,946)	(2,579,882)	46,659	(8,891)	(7,739,060)

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

	2014	2015
	In millions of won	
Deferred income tax assets	526,934	623,623
Deferred income tax liabilities	(5,723,880)	(8,362,683)
	(5,196,946)	(7,739,060)

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

	2014	2015
	In millions of won	
Deductible temporary differences	448,402	441,704
	448,402	441,704

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42. Assets Held-for-Sale

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

	2014	2015
	In millions of won	
Land(*1,2,3)	2,021,445	2,907
Building(*1,2,3)	69,363	20,366
Structures(*2,3)	2	
Investments in associates(*4,5)		56,374
	2,090,810	79,647

(*1) The Company moved its headquarters to Naju, Jeollanam-do, in November 2014 as part of the government s plan to relocate state-run companies for balanced national development and entered into a contract with Hyundai Motor and two of its affiliates to sell the buildings and land of the Company s headquarters in Seoul on September 26, 2014. The Company reclassified the buildings and land as held-for-sales assets when the construction of the Naju headquarters was completed in 2014. The total sales value amounted to 10.55 trillion and the ownership has transferred on September 25, 2015.

(*2) KEPCO Plant Service & Engineering Co., Ltd., a subsidiary of the Company, moved its headquarters to Naju, Jeollanam-do, in November 2014 as part of the government s plan to relocate state-run companies for balanced national development and entered in to a contract with TmaxSoft Co., Ltd. to sell its head office in Seongnam on March 11, 2015. The total sales value amounted to 71 billion and the ownership has transferred on August 27, 2015. The Company recognized a gain of 36,407 million on disposal of assets held-for-sale for the year ended December 31, 2015.

(*3) The board of directors of KEPCO Engineering & Construction Company, Inc., a subsidiary of the Company, determined to dispose the office building in Yongin as part of the government s plan to relocate state-run companies for balanced national development and moved the head office to Kimchun, Kyungsangbukdo, in 2015. As the Company believes the book value of Yongin office will be recovered by a disposal transaction rather than continuous operation, it reclassified buildings, land and structures as assets held-for-sale.

(*4) Korea Western Power Co., Ltd., a subsidiary of the Company, plans to dispose certain portion of its investment in Dongducheon Dream Power Co., Ltd. and reclassified the relevant book value to non-current assets held-for-sale.

(*5) Korea South-East Power Co., Ltd., a subsidiary of the Company, plans to dispose certain portion of its investment in Hyundai Energy Co., Ltd. and reclassified the relevant book value to non-current assets held-for-sale.

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43. Expenses Classified by Nature

Expenses classified by nature for the years ended December 31, 2013, 2014 and 2015 are as follows:

	2013		
	Selling and administrative expenses	Cost of sales	Total
		In millions of won	
Raw materials used		23,778,430	23,778,430
Salaries	566,748	2,583,032	3,149,780
Retirement benefit expense	81,051	349,931	430,982
Welfare and benefit expense	107,342	366,234	473,576
Insurance expense	7,408	63,125	70,533
Depreciation	68,222	7,228,205	7,296,427
Amortization of intangible assets	50,266	38,113	88,379
Bad debt expense	40,446		40,446
Commission	510,309	359,879	870,188
Advertising expense	28,127	7,133	35,260
Training expense	5,332	10,146	15,478
Vehicle maintenance expense	12,358	9,683	22,041
Publishing expense	3,190	4,088	7,278
Business promotion expense	3,707	4,340	8,047
Rent expense	39,652	93,001	132,653
Telecommunication expense	24,468	69,885	94,353
Transportation expense	347	4,139	4,486
Taxes and dues	43,648	195,076	238,724
Expendable supplies expense	4,453	25,554	30,007
Water, light and heating expense	9,669	27,879	37,548
Repairs and maintenance expense	25,512	1,431,441	1,456,953
Ordinary development expense	166,106	411,027	577,133
Travel expense	13,145	45,928	59,073
Clothing expense	4,374	4,207	8,581
Survey and analysis expense	623	3,471	4,094
Membership fee	774	5,478	6,252
Power purchase		11,328,898	11,328,898
Others	105,915	2,147,315	2,253,230
	1,923,192	50,595,638	52,518,830

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	2014		
	Selling and administrative expenses	Cost of sales	Total
	In millions of won		
Raw materials used		20,150,934	20,150,934
Salaries	556,808	2,633,641	3,190,449
Retirement benefit expense	12,418	147,843	160,261
Welfare and benefit expense	89,804	313,483	403,287
Insurance expense	10,619	65,322	75,941
Depreciation	69,182	7,720,386	7,789,568
Amortization of intangible assets	40,260	36,153	76,413
Bad debt expense	39,018		39,018
Commission	550,335	355,263	905,598
Advertising expense	27,236	7,414	34,650
Training expense	5,664	9,387	15,051
Vehicle maintenance expense	12,015	9,297	21,312
Publishing expense	3,109	3,917	7,026
Business promotion expense	3,053	3,960	7,013
Rent expense	34,914	98,321	133,235
Telecommunication expense	21,586	70,140	91,726
Transportation expense	1,907	3,638	5,545
Taxes and dues	42,894	250,722	293,616
Expendable supplies expense	6,009	26,279	32,288
Water, light and heating expense	9,758	26,910	36,668
Repairs and maintenance expense	40,397	1,388,975	1,429,372
Ordinary development expense	154,244	391,491	545,735
Travel expense	13,025	46,792	59,817
Clothing expense	7,577	5,039	12,616
Survey and analysis expense	526	2,391	2,917
Membership fee	798	6,047	6,845
Power purchase		12,601,686	12,601,686
Others	171,210	3,387,521	3,558,731
	1,924,366	49,762,952	51,687,318

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	2015		
	Selling and administrative expenses	Cost of sales	Total
	In millions of won		
Raw materials used		14,626,933	14,626,933
Salaries	655,432	2,962,476	3,617,908
Retirement benefit expense	61,903	320,700	382,603
Welfare and benefit expense	119,866	426,186	546,052
Insurance expense	10,636	83,910	94,546
Depreciation	102,867	8,158,884	8,261,751
Amortization of intangible assets	40,465	31,801	72,266
Bad debt expense	290		290
Commission	562,171	353,703	915,874
Advertising expense	30,085	8,498	38,583
Training expense	4,988	11,186	16,174
Vehicle maintenance expense	10,529	8,323	18,852
Publishing expense	3,124	3,981	7,105
Business promotion expense	3,338	4,312	7,650
Rent expense	44,905	142,054	186,959
Telecommunication expense	22,678	73,180	95,858
Transportation expense	753	5,336	6,089
Taxes and dues	55,970	397,161	453,131
Expendable supplies expense	7,272	29,874	37,146
Water, light and heating expense	9,558	26,870	36,428
Repairs and maintenance expense	74,330	1,771,760	1,846,090
Ordinary development expense	178,472	432,748	611,220
Travel expense	14,388	52,910	67,298
Clothing expense	5,751	4,135	9,886
Survey and analysis expense	590	3,071	3,661
Membership fee	1,040	6,401	7,441
Power purchase		11,428,027	11,428,027
Others	131,860	4,083,309	4,215,169
	2,153,261	45,457,729	47,610,990

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44. Earnings Per Share

(1) Basic earnings per share for the years ended December 31, 2013, 2014 and 2015 are as follows:

Type	2013	2014	2015
		In won	
Basic earnings per share	96	4,290	20,701

(2) Diluted earnings per share for the years ended December 31, 2013, 2014 and 2015 are as follows:

Type	2013	2014	2015
		In won	
Diluted earnings per share	96	4,290	20,701

(3) Basic earnings per share

Net profit for the period and weighted average number of common shares used in the calculation of basic earnings per share for the years ended December 31, 2013, 2014 and 2015 are as follows:

Type	2013	2014	2015
	In millions of won except number of shares		
Controlling interest in net profit	60,011	2,686,873	13,289,127
Profit used in the calculation of total basic earnings per share	60,011	2,686,873	13,289,127
Weighted average number of common shares	623,034,082	626,353,314	641,964,077

(4) Diluted earnings per share

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

Earnings used in the calculation of total diluted earnings per share for the years ended December 31, 2013, 2014 and 2015 are as follows:

Type	2013	2014	2015
		In millions of won	
Profit used in the calculation of total diluted earnings per share	60,011	2,686,873	13,289,127

Weighted average common shares used in calculating diluted earnings per share are adjusted from weighted average common shares used in calculating basic earnings per share. Detailed information of the adjustment for the years ended December 31, 2013, 2014 and 2015 are as follows:

Type	2013	2014	2015
		In number of shares	
Weighted average number of common shares	623,034,082	626,353,314	641,964,077
Diluted weighted average number of shares	623,034,082	626,353,314	641,964,077

(5) There are no potential dilutive instruments and diluted earnings per shares are same as basic earnings per share for the years ended December 31, 2013, 2014 and 2015.

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45. Risk Management

(1) Capital risk management

The Company manages its capital to ensure that entities in the Company will be able to continue while maximizing the return to shareholder through the optimization of the debt and equity balance. The capital structure of the Company consists of net debt (offset by cash and cash equivalents) and equity. The Company s overall capital risk management strategy remains unchanged from that of the prior year.

Details of the Company s capital management accounts as of December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Total borrowings and debt securities	62,824,327	58,753,499
Cash and cash equivalents	1,796,300	3,783,065
Net borrowings and debt securities	61,028,027	54,970,434
Total shareholder s equity	54,825,010	67,942,475
Debt to equity ratio	111.31%	80.91%

(2) Financial risk management

The Company is exposed to various risks related to its financial instruments, such as, market risk (currency risk, interest rate risk, price risk), credit risk. The Company monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. The Company uses derivative financial instruments to hedge certain risk exposures. The Company s overall financial risk management strategy remains unchanged from that of the prior year.

(i) Credit risk

Credit risk is the risk of finance loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises primarily from the sales activities, securities and derivatives. In addition, credit risk exposure may exist within financial guarantees and unused line of credits. As these financial institutions the Company makes transactions with are reputable financial institutions, the credit risk from them are considered limited. The Company decides credit transaction limits based on evaluation of client s credit, through information obtained from the credit bureau and disclosed financial position at committing contracts.

Credit risk management

Electricity sales, the main operations of the Company are the necessity for daily life and industrial activities of Korean nationals, and have importance as one of the national key industries. The Company dominates the domestic market supplying electricity to customers. The Company is not exposed to credit risk as customers of the Company are from various industries and areas. The Company uses publicly available information and its own internal data related to trade receivables, to rate its major customers and to measure the credit risk that a counter party will default on a contractual obligation. For the incurred but not recognized loss, it is measured considering overdue period.

Impairment and allowance account

In accordance with the Company policies, individual material financial assets are assessed on a regular basis, trade receivables that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Value of the acquired collateral (including the confirmation of feasibility) and estimated collectable amounts are included in this assessment.

Allowance for bad debts assessed on a collective basis are recognized for (i) the Company of assets which individually are not material and (ii) incurred but not recognized losses that are assessed using statistical methods, judgment and past experience.

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Book values of the financial assets represent the maximum exposed amounts of the credit risk. Details of the Company s level of maximum exposure to credit risk as of December 31, 2014 and 2015 are as follows:

	2014	2015
	In millions of won	
Cash and cash equivalents	1,796,300	3,783,065
Derivative assets (trading)	65,849	255,008
Available-for-sale financial assets	715,151	584,479
Held-to-maturity investments	3,614	3,623
Loans and receivables	623,997	735,057
Long-term/short-term financial instruments	704,462	5,890,866
Derivative assets (using hedge accounting)	104,276	362,142
Trade and other receivables	9,422,219	9,271,967
Financial guarantee contracts(*)	148,522	271,010

(*) Maximum exposure associated with the financial guarantee contracts is the maximum amounts of the obligation. Financial guarantee contracts as of December 31, 2015 are as follows:

Type	Company	Currency	Amounts
		In thousands of U.S. dollars	
Joint ventures	KEPCO SPC Power Corporation	USD	88,138
Joint ventures	PT. Tanjung Power Indonesia	USD	10,500
Joint ventures	Kelar S.A	USD	132,600
			231,238

As of the reporting date, there are no financial assets and non-financial assets that were acquired through the exercise of the right of collateralized assets and reinforcement of credit arrangement.

(ii) Market risk

Market risk is the risk that the Company s fair values of the financial instruments or future cash flows are affected by the changes in the market. Market risk consists of interest rate risk, currency risk and other price risk.

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(iii) Sensitivity analysis

Significant assets and liabilities with uncertainties in underlying assumptions

Defined benefit obligation

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

Type	Accounts	2014		2015	
		1% Increase	1% Decrease	1% Increase	1% Decrease
		In millions of won			
Future salary increases	Increase (decrease) in defined benefit obligation	244,516	(222,706)	293,205	(271,758)
Discount rate	Increase (decrease) in defined benefit obligation	(221,728)	260,991	(267,648)	315,870

Changes of employee benefits assuming a 1% increase and decrease movements in discount rate on plan asset for the years ended December 31, 2014 and 2015 are 5,699 million and 7,265 million, respectively.

Provisions

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

Type	Accounts	2014	2015
PCBs	Inflation rate	2.79%	2.65%
	Discount rate	3.78%	3.21%
Nuclear plants	Inflation rate	2.93%	1.40%
	Discount rate	4.49%	3.55%
Spent fuel	Inflation rate	2.93%	2.93%
	Discount rate	4.49%	4.49%

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

Type	Accounts	2014		2015	
		0.1% Increase	0.1% Decrease	0.1% Increase	0.1% Decrease
		In millions of won			
Discount rate	PCBs	(1,058)	1,066	(875)	881
	Nuclear plants	(221,795)	227,773	(201,318)	206,720
	Spent fuel	(49,483)	51,404	(52,390)	54,425
Inflation rate	PCBs	1,076	(1,069)	885	(881)
	Nuclear plants	251,588	(244,964)	220,720	(215,086)
	Spent fuel	52,147	(50,267)	55,212	(53,219)

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Management judgment effected by uncertainties in underlying assumptions

Foreign currency risk

The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The carrying amounts of the Company s foreign currency denominated monetary assets and monetary liabilities as of December 31, 2014 and 2015 are as follows:

	Assets		Liabilities	
Type	**2014**	**2015**	**2014**	**2015**
	In thousands of foreign currencies			
AUD	196	158	542,292	595,284
BWP		301		
CAD	1		244	858
CNY				26,140
EUR	2,097	6,141	4,087	33,552
IDR	273,738		17,288	
MXN	7,637	7,704	122	
PHP	196,696	489,309	17,962	77,337
SAR	1,044	1,083		
USD	1,211,513	1,260,094	7,415,050	9,331,854
INR	683,074	972,175	173,753	206,159
PKR	167,747	211,212	2,037	12,928
MGA	2,183,910	2,768,360	69,199	151,729
JPY	1,048,413	1,425,163	20,023,572	20,325,211
KZT	551,684	47,177		
GBP			90	99
CHF			399,634	400,029
AED	3,965	1,481	1,136	1,705
ZAR	146	238		
JOD	1,080	2,972	1	
BDT	47,167	43,332	314	889
TWD				30
SEK			196	

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

	2014		2015	
Type	**10% Increase**	**10% Decrease**	**10% Increase**	**10% Decrease**
	In millions of won			
Increase (decrease) of income before income tax	(790,483)	790,483	(1,063,285)	1,063,285
Increase (decrease) of shareholder s equity(*)	(790,483)	790,483	(1,063,285)	1,063,285

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

The sensitivity analysis above is conducted for monetary assets and liabilities denominated in foreign currencies other than functional currency, without consideration of hedge effect of related derivatives, as of December 31, 2014 and 2015.

To manage its foreign currency risk related to foreign currency denominated receivables and payables, the Company has a policy to enter into currency forward agreements. In addition, to manage its foreign currency risk related to foreign currency denominated expected sales transactions and purchase transactions, the Company enters into cross-currency swap agreements.

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Interest rate risk

The Company is exposed to interest rate risk due to its borrowing with floating interest rates. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management s assessment of the reasonably possible change in interest rates.

The Company s borrowings and debt securities with floating interest rates as of December 31, 2014 and 2015 are as follows:

Type	2014	2015
	In millions of won	
Short-term borrowings	20,788	41,608
Long-term borrowings	3,506,989	1,977,745
Debt securities	2,534,000	2,082,000
	6,061,777	4,101,353

A sensitivity analysis on the Company s long-term borrowings and debt securities assuming a 1% increase and decrease in interest rates, without consideration of hedge effect of related derivatives for the years ended December 31, 2014 and 2015 are as follows:

	2014		2015	
Type	1% Increase	1% Decrease	1% Increase	1% Decrease
	In millions of won			
Increase (decrease) of profit before income tax	(60,618)	60,618	(41,014)	41,014
Increase (decrease) of shareholder s equity(*)	(60,618)	60,618	(41,014)	41,014

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

To manage its interest rate risks, the Company enters into certain interest swap agreements or maintains an appropriate mix of fixed and floating rate borrowings.

Electricity rates risk

The Company is exposed to electricity rates risk due to the rate regulation of the government which considers the effect of electricity rate on the national economy.

A sensitivity analysis on the Company s income for the period assuming a 1% increase and decrease in price of electricity for the years ended December 31, 2014 and 2015 are as follows:

	2014		2015	
Type	1% Increase	1% Decrease	1% Increase	1% Decrease
	In millions of won			
Increase (decrease) of profit before income tax	526,252	(526,252)	532,295	(532,295)
Increase (decrease) of shareholder s equity(*)	526,252	(526,252)	532,295	(532,295)

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

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(iv) Liquidity risk

The Company has established an appropriate liquidity risk management framework for the management of the Company s short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by continuously monitoring forecasted and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

In addition, the Company has established credit lines on its trade financing and bank overdrafts, and through payment guarantees it has received, it maintains an adequate credit (borrowing) line. In addition, the Company has the ability to utilize excess cash or long-term borrowings for major construction investments.

The following table shows the details of maturities of non-derivative financial liabilities as of December 31, 2014 and 2015. This table, based on the undiscounted cash flows of the non-derivative financial liabilities, has been completed based on the respective liabilities earliest maturity date.

	2014				
Type	Less than 1 year	1~2 Years	2~5 Years	More than 5 years	Total
	In millions of won				
Borrowings and debt securities	9,219,013	8,888,723	27,584,208	30,253,070	75,945,014
Finance lease liabilities	184,809	182,072	437,756	294,032	1,098,669
Trade and other payables	6,019,230	318,466	570,988	2,257,220	9,165,904
Financial guarantee contracts(*)	35,449	29,678	83,395		148,522
	15,458,501	9,418,939	28,676,347	32,804,322	86,358,109

	2015				
Type	Less than 1 year	1~2 Years	2~5 Years	More than 5 years	Total
	In millions of won				
Borrowings and debt securities	9,862,441	11,252,946	23,642,523	28,566,566	73,324,476
Finance lease liabilities	182,072	175,512	349,953	206,323	913,860
Trade and other payables	4,618,812	314,361	617,120	2,244,445	7,794,738
Financial guarantee contracts(*)	168,885	62,116	40,009		271,010
	14,832,210	11,804,935	24,649,605	31,017,334	82,304,084

(*) Total guarantee amounts associated with the financial guarantee contracts. Financial guarantee liabilities which are recognized as of December 31, 2014 and 2015 are 3,695 million and 4,288 million, respectively.

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

	2014				
Type	Less than 1 year	1~5 Years	More than 5 years	Other(*)	Total
	In millions of won				
Cash and cash equivalents	1,796,300				1,796,300
Available-for-sale financial assets				715,151	715,151
Held-to-maturity investments	265	3,336	13		3,614
Loans and receivables	68,911	176,600	425,082	9,927	680,520
Long-term/short-term financial instruments	100,099	740	603,308	315	704,462
Trade and other receivables	7,700,166	830,863	824,966	76,104	9,432,099
	9,665,741	1,011,539	1,853,369	801,497	13,332,146

	2015				
Type	Less than 1 year	1~5 Years	More than 5 years	Other(*)	Total
	In millions of won				
Cash and cash equivalents	3,783,065				3,783,065
Available-for-sale financial assets				584,479	584,479
Held-to-maturity investments	381	3,242			3,623
Loans and receivables	106,013	268,820	397,976	11,330	784,139
Long-term/short-term financial instruments	5,132,829	5,000	752,703	334	5,890,866
Trade and other receivables	7,476,745	765,979	958,968	79,202	9,280,894
	16,499,033	1,043,041	2,109,647	675,345	20,327,066

(*) The maturities cannot be presently determined.

Derivative liabilities classified by maturity periods which from reporting date to maturity date of contract as of December 31, 2014 and 2015 are as follows:

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

	2015				
Type	Less than 1 year	1~2 Years	2~5 Years	More than 5 years	Total
	In millions of won				
Gross settlement					

Trading	(9,552)	(4,627)	(47,971)		(62,150)
Hedging	1,260	2,032	(44,233)	(62,534)	(103,475)
	(8,292)	(2,595)	(92,204)	(62,534)	(165,625)

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(3) Fair value risk

The fair value of the Company s actively-traded financial instruments (i.e. short-term financial assets held for trading, available-for-sale financial assets, etc.) is based on the traded market-price as of the reporting period end. The fair value of the Company s financial assets is the amount which the asset could be exchanged for or the amount a liability could be settled for.

The fair values of financial instruments where no active market exists or where quoted prices are not otherwise available are determined by using valuation techniques. Valuation techniques include using recent arm s length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models. If there is a valuation technique commonly used by market participants to price the instrument and that technique has been demonstrated to provide reliable estimates of prices obtained in actual market transactions, the Company uses that technique.

For trade receivables and payables, the Company considers the carrying value net of impairment as fair value. While for disclosure purposes, the fair value of financial liabilities is estimated by discounting a financial instruments with similar contractual cash flows based on the effective interest method.

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

	2014		2015	
Type	**Book value**	**Fair value**	**Book value**	**Fair value**
	In millions of won			
Assets recognized at fair value				
Available-for-sale financial assets(*1)	715,151	715,151	584,479	584,479
Derivative assets (trading)	65,849	65,849	255,008	255,008
Derivative assets (using hedge accounting)	104,276	104,276	362,142	362,142
Long-term financial instruments	604,363	604,363	758,037	758,037
Short-term financial instruments	100,099	100,099	5,132,829	5,132,829
	1,589,738	1,589,738	7,092,495	7,092,495
Assets carried at amortized cost				
Held-to-maturity investments	3,614	3,614	3,623	3,623
Loans and receivables	623,997	623,997	735,057	735,057
Trade and other receivables	9,422,219	9,422,219	9,271,967	9,271,967
Cash and cash equivalents	1,796,300	1,796,300	3,783,065	3,783,065
	11,846,130	11,846,130	13,793,712	13,793,712
Liabilities recognized at fair value				
Derivative liabilities (trading)	164,931	164,931	49,011	49,011
Derivative assets (using hedge accounting)	172,877	172,877	117,499	117,499
	337,808	337,808	166,510	166,510
Liabilities carried at amortized cost				
Secured borrowings	941,823	941,823	641,363	641,363
Unsecured bond	58,235,767	61,816,897	55,677,213	59,619,941
Finance lease liabilities	769,435	769,435	659,394	659,394
Unsecured borrowings	3,625,949	3,731,331	2,407,690	2,427,847
Trade and other payables(*2)	9,165,904	9,165,904	7,794,738	7,794,738
Bank overdraft	20,788	20,788	27,233	27,233
	72,759,666	76,446,178	67,207,631	71,170,516

(*1) Book values of equity securities held by the Company that were measured at cost as of December 31, 2014 and 2015 are 299,308 million and 207,508 million, respectively, as a quoted market price does not exist in an active market and its fair value cannot be measured reliably.

(*2) Excludes finance lease liabilities.

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(ii) Interest rates used for determining fair value

The interest rates used to discount estimated cash flows, when applicable, are based on the government yield curve at the reporting date plus an adequate credit spread.

The discount rate used for calculating fair value as of December 31, 2014 and 2015 are as follows:

Type	2014	2015
Derivatives	0.04%~2.78%	0.28%~4.16%
Borrowings and debt securities	0.16%~5.80%	0.15%~5.80%
Finance lease	9.00%~10.83%	9.00%~10.83%

(iii) Fair value hierarchy

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, classified as Level 1, 2 or 3, based on the degree to which the fair value is observable.

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are not based on observable market data.

Fair values of financial instruments by hierarchy level as of December 31, 2014 and 2015 are as follows:

	2014			
Type	Level 1	Level 2	Level 3	Total
	In millions of won			
Financial assets at fair value				
Available-for-sale financial assets	247,215		168,627	415,842
Derivative assets		170,125		170,125
	247,215	170,125	168,627	585,967
Financial liabilities at fair value				
Derivative liabilities		337,806		337,806

	2015			
Type	Level 1	Level 2	Level 3	Total
	In millions of won			
Financial assets at fair value				
Available-for-sale financial assets	196,579		180,390	376,969
Derivative assets		617,150		617,150
	196,579	617,150	180,390	994,119
Financial liabilities at fair value				
Derivative liabilities		166,510		166,510

The fair value of available-for-sale financial assets publicly traded is measured at the closing bid price quoted at the end of the reporting period. Meanwhile, the fair value of unquoted available-for-sale financial assets is calculated using the valuation results from an external pricing service in which weighted average borrowing rates of interest of evaluated companies are used as a discount rate. The fair value of derivatives is measured using valuation model which is determined at the present value of estimated future cash flows discounted at current market interest rate.

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Changes of financial assets and liabilities which are classified as level 3 for the years ended December 31, 2014 and 2015 are as follows:

	2014						
	Beginning balance	Acquisition	Reclassified category	Valuation	Disposal	Foreign currency translation	Ending balance
	In millions of won						
Financial assets at fair value							
Available-for-sale financial assets							
Unlisted securities	171,304			(2,677)			168,627
Debt securities	14,655				(14,655)		

	2015						
	Beginning balance	Acquisition	Reclassified category	Valuation	Disposal	Foreign currency translation	Ending balance
	In millions of won						
Financial assets at fair value							
Available-for-sale financial assets							
Unlisted securities	168,627			11,763			180,390

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46. Service Concession Arrangements

(1) Gas complex thermal power plant at Ilijan, Philippines (BOT)

(i) Significant terms and concession period of the arrangement

The Company has entered into a contract with National Power Corporation (the NPC), based in the Republic of the Philippines whereby the Company can collect the electricity rates which are composed of fixed costs and variable costs during the concession period after building, rehabilitating, and operating the power plant.

(ii) Rights and classification of the arrangement

The Company has the rights to use and own the power plant during the concession period from 2002 to 2022. At the end of the concession period, the Company has an obligation to transfer its ownership of the power plant to NPC.

(iii) The Company s expected future collections of service concession arrangements as of December 31, 2015 are as follows:

Type	Amounts In millions of won
Less than 1 year	122,420
1~ 2 years	122,420
2~ 3 years	122,420
Over 3 years	418,270
	785,530

(2) Hydroelectric power generation at Semangka, Indonesia (BOT)

(i) Significant terms and concession period of the arrangement

The Company has entered into a contract with PT. Perusahaan Listrik Negara (the PLN) whereby the Company provides electricity generated and charge tariff rates designed to recover capital cost, fixed O&M cost, tax on water usage, variable O&M cost and special facilities cost during the concession period after building, rehabilitating, and operating the power plant for approximately 30 years (2017~2047) subsequent to the completion of plant construction.

(ii) Rights and classification of the arrangement

The Company has the rights to use and own the power plant during the concession period from 2017 to 2047. At the end of the concession period, PNL has an option to take over the ownership of the power plant from the Company.

(iii) The Company s expected future collections of service concession arrangements as of December 31, 2015 are as follows:

Type	Amounts In millions of won
Less than 1 year	
1~ 2 years	8,932
2~ 3 years	29,811
Over 3 years	691,740
	730,483

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47. Related Parties

(1) Related parties of the Company as of December 31, 2015 are as follows:

Type	Related party
Parent	Republic of Korea government
Subsidiaries (77 subsidiaries)	Korea Hydro & Nuclear Power Co., Ltd., Korea South-East Power Co., Ltd., Korea Midland Power Co., Ltd., Korea Western Power Co., Ltd., Korea Southern Power Co., Ltd., Korea East-West Power Co., Ltd., KEPCO Engineering & Construction Company, Inc., KEPCO Plant Service & Engineering Co., Ltd., KEPCO Nuclear Fuel Co., Ltd., KEPCO KDN Co., Ltd., Garolim Tidal Power Plant Co., Ltd., Gyeonggi Green Energy Co., Ltd., Korea Offshore Wind Power Co., Ltd., KOSEP Material Co., Ltd., KEPCO International HongKong Ltd., KEPCO International Philippines Inc., KEPCO Philippines Corporation, KEPCO Ilijan Corporation, KEPCO Gansu International Ltd., KEPCO Philippines Holdings Inc., KEPCO Lebanon SARL, KEPCO Neimenggu International Ltd., KEPCO Australia Pty., Ltd., KEPCO Shanxi International Ltd., KOMIPO Global Pte Ltd., KOSEP Australia Pty., Ltd., KOMIPO Australia Pty., Ltd., KOWEPO Australia Pty., Ltd., KOSPO Australia Pty., Ltd., KEPCO Canada Energy Ltd., KEPCO Canada Uranium Investment Limited Partnership, KEPCO Netherlands B.V., KOREA Imouraren Uranium Investment Corp., KEPCO Middle East Holding Company, Qatrana Electric Power Company, Korea Electric Power Nigeria Ltd., KOWEPO International Corporation, KOSPO Jordan LLC, Korea Waterbury Uranium Limited Partnership, PT. Cirebon Power Service, EWP America Inc., KHNP Canada Energy., Ltd., KEPCO Bylong Australia Pty., Ltd., KNF Canada Energy Limited, KEPCO Holdings de Mexico, KST Electric Power Company, KEPCO Energy Service Company, KEPCO Netherlands S3 B.V., PT. KOMIPO Pembangkitan Jawa Bali, PT KEPCO Resource Indonesia, EWP Barbados 1 SRL, PT. Tanggamus Electric Power, KOMIPO America Inc, KOSEP USA, INC., PT. EWP Indonesia, KEPCO Netherlands J3 B.V., Global One Pioneer B.V., Global Energy Pioneer B.V., Mira Power Limited, EWP Philippines Corporation, LLC, KEPCO Singapore Holdings Pte., Ltd., KOWEPO India Private Limited, KEPCO KPS Philippines Corp., KOSPO Chile SpA, PT. KOWEPO Sumsel Operation and Maintenance Services, Commerce and Industry Energy Co., Ltd., Gyeongju Wind Power Co., Ltd., California Power Holdings, LLC, DG Fairhaven Power, LLC, DG Kings Plaza, LLC, DG Whitefield, LLC, EWP Renewable Co., EWPRC Biomass Holdings, LLC, Springfield Power, LLC, HeeMang Sunlight Power Co., Ltd., Fujeij Wind Power Company, KOSPO Youngnam Power Co., Ltd.
Associates (55 associates)	Daegu Green Power Co., Ltd., Dongducheon Dream Power Co., Ltd., Korea Gas Corporation, SE Green Energy Co., Ltd., Daegu Photovoltaic Co., Ltd., Jeongam Wind Power Co., Ltd., Korea Power Engineering Service Co., Ltd., Yeongwol Energy Station Co., Ltd., KS Solar Corp. Ltd., Heang Bok Do Si Photovoltaic Power Co., Ltd., Korea Electric Power Industrial Development Co., Ltd., DS POWER Co., Ltd., Goseong Green Energy Co. Ltd., Gangneung Eco Power Co., Ltd., Shin Pyeongtaek Power Co., Ltd., Naepo Green Energy Co., Ltd., Noeul Green Energy Co., Ltd., YTN Co., Ltd., Cheongna Energy Co., Ltd., Samcheok Eco Material Co., Ltd., Gangwon Wind Power Co., Ltd., Hyundai Green Power Co., Ltd., Korea Power Exchange, AMEC Partners Korea Ltd., Hyundai Energy Co., Ltd., Ecollite Co., Ltd., Taebaek Wind Power Co., Ltd., Muju Wind Power Co., Ltd., Pyeongchang Wind Power Co., Ltd., Daeryun Power Co., Ltd., JinanJangsu Wind Power Co., Ltd., Changjuk Wind Power Co., Ltd., KNH Solar Co., Ltd., S-Power Co., Ltd., Busan Solar Co., Ltd., Hadong Mineral Fiber Co., Ltd., Green Biomass Co., Ltd., SPC Power Corporation, Gemeng International Energy Co., Ltd., PT. Cirebon Electric Power, KNOC Nigerian East Oil Co., Ltd., KNOC Nigerian West Oil Co., Ltd., Dolphin Property Limited, PT Wampu Electric Power, PT. Bayan Resources TBK, Pioneer Gas Power Limited, Eurasia Energy Holdings, Xe-Pian Xe-Namnoy Power Co., Ltd., PT Mutiara Jawa, Jinbhuvish Power Generation Pvt. Ltd., Busan Green Energy Co., Ltd., Jungbu Bio Energy Co., Ltd., Korea Electric Vehicle Charge Service, Ulleungdo Natural Energy Co., Ltd., Korea Nuclear Partners Co., Ltd.

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Joint ventures (38 joint ventures)	KEPCO SPC Power Corporation, Daejung Offshore Wind Power Co., Ltd., KEPCO-ALSTOM Power Electronics Systems, Inc., Dangjin Echo Power Co., Ltd.(Formerly, Dongbu Power Dangjin Corporation), Honam Wind Power Co., Ltd., Seokmun Energy Co., Ltd., Incheon New Power Co., Ltd., Chun-cheon Energy Co., Ltd., Yeonggwangbaeksu Wind Power Co., Ltd., KW Nuclear Components Co., Ltd., KEPCO-Uhde Inc., GS Donghae Electric Power Co., Ltd., Busan Shinho Solar Power Co., Ltd., Global Trade Of Power System Co., Ltd., Expressway Solar-light Power Generation Co., Ltd., Gansu Datang Yumen Wind Power Company Ltd., Datang Chifeng Renewable Power Co., Ltd., KEPCO Energy Resource Nigeria Limited, Rabigh Electricity Company, Eco Biomass Energy Sdn. Bhd., Rabigh Operation & Maintenance Company, Datang KEPCO Chaoyang Renewable Power Co., LTD., Shuweihat Asia Power Investment B.V., Shuweihat Asia Operation & Maintenance Company, Waterbury Lake Uranium L.P., ASM-BG Investicii AD, RES Technology AD, Jamaica Public Service Company Limited, KV Holdings, Inc., Datang Chaoyang Renewable Power Co., Ltd., Nepal Water & Energy Development Company Pty Ltd., KODE NOVUS 1 LLC, KODE NOVUS 2 LLC, Amman Asia Electric Power Company, Kelar S.A, PT. Tanjung Power Indonesia, Nghi Son 2 Power Ltd., Canada Korea Uranium Limited Partnership
Others	Korea Development Bank

(2) Transactions between the Company and its subsidiaries are eliminated during the consolidation and will not be shown as notes.

(3) Related party transactions for the years ended December 31, 2013, 2014 and 2015 are as follows:
<Sales and Others>

Company name	Transaction type	Sales and others		
		2013	2014	2015
		In millions of won		
<Associates>				
Daegu Green Power Co., Ltd.	Electricity sales	121	1,320	1,055
Dongducheon Dream Power Co., Ltd.	Service	11,603	12,446	14,811
Korea Gas Corporation	Electricity sales	124,244	82,117	90,480
Gumi-ochang Photovoltaic Power Co., Ltd.	Electricity sales		14	
Chungbuk Photovoltaic Power Co., Ltd	Electricity sales		6	
Cheonan Photovoltaic Power Co., Ltd.	Electricity sales		2	
SE Green Energy Co., Ltd.	Electricity sales	1		
Daegu Photovoltaic Co., Ltd.	Electricity sales	5		
Jeongam Wind Power Co., Ltd.	Electricity sales	3	8	8
Korea Power Engineering Service Co., Ltd.	Service		1,239	1,743
Golden Route J Solar Power Co., Ltd.	Electricity sales		1	
Yeongwol Energy Station Co., Ltd.	Service	27,900	3,676	814
KOSCON Photovoltaic Co., Ltd.	Electricity sales	1	5	
Yeonan Photovoltaic Co., Ltd.	Electricity sales	52	4	
Q1 Solar Co., Ltd.	Electricity sales	262	13	
Best Solar Energy Co., Ltd.	Electricity sales	39	16	
Seokcheon Solar Power Co., Ltd.	Electricity sales		54	
D Solar Energy Co., Ltd.	Electricity sales		8	
KS Solar Corp., Ltd.	Electricity sales		15	21
Hyundai Asan Solar Power Co., Ltd.	Electricity sales		8	
Heang Bok Do Si Photovoltaic Power Co., Ltd.	Rental income and others		1	1
Jeonnam Solar Co., Ltd.	Electricity sales		16	
Korea Electric Power Industrial Development Co., Ltd.	Service	13,014	15,852	12,361
DS POWER Co., Ltd.	Service		152,025	106,183
Goseong Green Energy Co., Ltd.	Property sales		4,004	9,306
Gangneung Eco Power Co., Ltd.	Service		6,446	9,761

Shin Pyeongtaek Power Co., Ltd.	Service	174	11,344
Naepo Green Energy Co., Ltd.	Electricity sales	8	66
Noeul Green Energy Co., Ltd	Electricity sales		45

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Company name	Transaction type	Sales and others		
		2013	2014	2015
		In millions of won		
YTN Co., Ltd.	Electricity sales	4,070	7,446	1,753
Busan Green Energy Co., Ltd.	Electricity sales			1
Korea Electric Vehicle Charge Service	Electricity sales			2
Ulleungdo Natural Energy Co., Ltd.	Electricity sales			229
Cheongna Energy Co., Ltd.	Service	13,117	14,153	21,081
Gangwon Wind Power Co., Ltd.	Electricity sales	2,133	2,152	1,046
Hyundai Green Power Co., Ltd.	Electricity sales and design service	15,896	14,943	15,401
Korea Power Exchange	Service	26,710	16,300	4,272
Hyundai Energy Co., Ltd.	Service	21,535	58,566	25,402
Ecollite Co., Ltd.	Interest income	866		
Taebaek Wind Power Co., Ltd.	Service	626	1,653	872
Pyeongchang Wind Power Co., Ltd.	Design service	65	120	72
Daeryun Power Co., Ltd.	Electricity sales	780	1,611	1,731
Changjuk Wind Power Co., Ltd.	Electricity sales	751	1,848	754
KNH Solar Co., Ltd.	Electricity sales	19	17	17
S-Power Co., Ltd.	Service and electricity sales		7,564	7,278
Busan Solar Co., Ltd.	Electricity sales	2	17	16
Green Biomass Co., Ltd.	Service			51
SPC Power Corporation	Interest income			1,433
PT. Bayan Resources TBK	Electricity sales			164
Gemeng International Energy Co., Ltd.	Dividend income		6,905	37,163
Dolphin Property Limited	Service	32		
E-POWER S.A.	Dividend income	1,902	1,456	
Pioneer Gas Power Limited	Service		214	274
Xe-Pian Xe-Namnoy Power Co., Ltd.	Service		1,333	584

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Company name	Transaction type	Sales and others		
		2013	2014	2015
		In millions of won		
<Joint ventures>				
KEPCO SPC Power Corporation	Service and dividend income	15,921	17,243	29,572
Daejung Offshore Wind Power Co., Ltd.	Electricity sales			1
KEPCO-ALSTOM Power Electronics Systems, Inc.	Service	796	1,129	1,315
Dangjin Echo Power Co., Ltd.	Technical fee	1,431	352	334
Honam Wind Power Co., Ltd.	Electricity sales		73	65
Seokmun Energy Co., Ltd.	Technical fee	1,138	1,910	2,395
Incheon New Power Co., Ltd.	Construction revenue	1,435	6,637	388
KW Nuclear Components Co., Ltd.	Service	829	2,307	1,948
Chun-cheon Energy Co., Ltd.	Technical fee			2,201
Yeonggwangbaeksu Wind Power Co., Ltd.	Electricity sales			927
GS Donghae Electric Power Co., Ltd.	Service	3,484	4,053	5,614
Busan Shinho Solar Power Co., Ltd.	Electricity sales		24	24
Yeongam Wind Power Co., Ltd.	Electricity sales	255	47	
Global Trade Of Power System Co., Ltd.	Electricity sales		39	
Expressway Solar-light Power Generation Co., Ltd	Electricity sales	215		
Datang Chifeng Renewable Power Co., Ltd.	Interest income	2,460	10,849	9,702
Rabigh Electricity Company	Service	676	38,954	565
Rabigh Operation & Maintenance Company	Service	2,091	2,822	1,780
Datang Chaoyang Renewable Power Co., Ltd.	Dividend income		740	
Shuweihat Asia Operation & Maintenance Company	Dividend income		869	1,006
Jamaica Public Service Company Limited	Repair service	2,798	2,865	3,077
KV Holdings, Inc.	Dividend income	319		
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	Dividend income		788	
Amman Asia Electric Power Company	Service	18,092	26,838	48,968
Kelar S.A	Service		2,041	6,229
<Others>				
Korea Development Bank	Electricity sales	1,057	1,141	4,039
	Interest income			2,402

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<Purchase and Others>

Company name	Transaction type	Purchase and others 2013	2014	2015
		In millions of won		
<Associates>				
Daegu Green Power Co., Ltd.	Electricity purchase			318,221
Korea Gas Corporation	Purchase of power generation fuel	12,450,325	10,134,526	4,598,763
Dongducheon Dream Power Co., Ltd.	Service			1,003,346
Gumi-ochang Photovoltaic Power Co., Ltd.	REC purchase	6,498	1,789	
Chungbuk Photovoltaic Power Co., Ltd.	REC purchase	1,214	575	
Cheonan Photovoltaic Power Co., Ltd.	REC purchase	1,039	435	
Daegu Photovoltaic Co., Ltd.	REC purchase	1,943	3,552	3,978
Korea Power Engineering Service Co., Ltd.	Service		2,320	3,241
Golden Route J Solar Power Co., Ltd.	REC purchase	983	518	
Yeongwol Energy Station Co., Ltd.	REC purchase		8,640	16,408
KOSCON Photovoltaic Co., Ltd.	REC purchase	549	243	
Yeonan Photovoltaic Co., Ltd.	REC purchase	162	635	
Q1 Solar Co., Ltd.	REC purchase	904	2,501	
Best Solar Energy Co., Ltd.	REC purchase	86	4,882	
Seokcheon Solar Power Co., Ltd.	REC purchase	2,003	1,193	
D Solar Energy Co., Ltd.	REC purchase	29	1,163	
Daeryun Power Co., Ltd.	Electricity purchase			274,379
KS Solar Corp., Ltd.	REC purchase		3,496	6,211
Hyundai Asan Solar Power Co., Ltd.	REC purchase		606	
Heang Bok Do Si Photovoltaic Power Co., Ltd.	Rental fee and others		119	479
Korea Electric Power Industrial Development Co., Ltd.	Electricity metering service fee	188,551	240,416	273,057
YTN Co., Ltd.	Advertisement fee	785	410	440
Gangwon Wind Power Co., Ltd.	Electricity purchase	38,980	28,836	21,946
Hyundai Green Power Co., Ltd.	Electricity purchase	313,164	477,642	486,443
Korea Power Exchange	Trading Fees	80,279	74,861	79,283
Hyundai Energy Co., Ltd.	Electricity purchase	1,643	2,961	1,684
Taebaek Wind Power Co., Ltd.	REC purchase	11,680	10,362	6,626
Changjuk Wind Power Co., Ltd.	Electricity purchase	11,893	15,549	6,472
KNH Solar Co., Ltd.	Electricity purchase	5,406	4,914	4,598
S-Power Co., Ltd.	Service		105,107	614,658
Busan Solar Co., Ltd.	Electricity purchase	4,433	4,910	4,055
Green Biomass Co., Ltd.	Woodchip purchase	869	1,690	3,782
<Joint ventures>				
KEPCO-ALSTOM Power Electronics Systems, Inc.	Service	143	383	47,130
Honam Wind Power Co., Ltd.	Electricity purchase		5,304	5,944
Yeonggwangbaeksu Wind Power Co., Ltd.	Electricity purchase			4,974
Busan Shinho Solar Power Co., Ltd.	REC purchase	8,944	8,115	7,565
Yeongam Wind Power Co., Ltd.	REC purchase		7,080	
Global Trade Of Power System Co., Ltd.	Plant facility purchase	574	79	192
Expressway Solar-light Power Co., Ltd.	Electricity purchase	1,319	3,205	3,451
Jamaica Public Service Company Limited	Service	104	96	106
Amman Asia Electric Power Company	Service			125
<Others>				
Korea Development Bank	Interest expense	71,913	60,631	21,719
	Dividend paid		17,294	96,087

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(4) Receivables and payables arising from related party transactions as of December 31, 2014 and 2015 are as follows:

Company name	Type	Receivables		Payables	
		2014	2015	2014	2015
		In millions of won			
<Associates>					
Daegu Green Power Co., Ltd.	Trade receivables	90	95		
	Trade payables				22,200
Dongducheon Dream Power Co., Ltd.	Trade receivables	1,124	1,206		
	Trade payables				100,396
Korea Gas Corporation	Trade receivables	8,746	7,931		
	Non-trade receivables and others	152	255		
	Trade payables			1,104,075	302,752
Jeongam Wind Power Co., Ltd.	Trade receivables				
	Non-trade payables and others			1	1
Korea Power Engineering Services Co., Ltd.	Non-trade payables and others			447	
Yeongwol Energy Station Co., Ltd.	Trade receivables	7,060	7,063		
	Trade payables				229
KS Solar Corp., Ltd.	Trade receivables	2	2		
	Trade payables				68
	Non-trade payables and others			113	281
Heang Bok Do Si Photovoltaic Power Co., Ltd.	Trade receivables				
Korea Electric Power Industrial Development Co., Ltd.	Trade receivables	692	469		
	Non-trade receivables and others	23	27		
	Non-trade payables and others			28,195	27,569
DS Power Co., Ltd.	Trade receivables	46	260		
	Non-trade receivables and others	35,909			
	Non-trade payables and others			1	135
Goseong Green Energy Co., Ltd.	Non-trade payables and others			3,900	3,900
Gangneung Eco Power Co., Ltd.	Trade receivables		1		
	Non-trade receivables and others		1,701		
Shin Pyeongtaek Power Co., Ltd.	Trade receivables				
	Non-trade receivables and others	191	272		
Naepo Green Energy Co., Ltd.	Trade receivables	8	9		
YTN Co., Ltd.	Trade receivables	91	93		
	Non-trade payables and others			44	154
Cheongna Energy Co., Ltd.	Trade receivables	148	157		
	Non-trade receivables and others	5,073	375		
Gangwon Wind Power Co., Ltd.	Trade receivables	6	12		
	Trade payables				1,753
	Non-trade payables and others			4,982	
Hyundai Green Power Co., Ltd.	Trade receivables	837	962		
	Trade payables				36,079
	Non-trade payables and others			43,417	
Korea Power Exchange	Trade receivables	611	1,452		
	Non-trade receivables and others		112		
	Trade payables			3,676	3,529
	Non-trade payables and others			1,360	1,529
Hyundai Energy Co., Ltd.	Trade receivables	30,186	44,510		
	Trade payables				178
	Non-trade payables and others			8,649	8,030
Ecollite Co., Ltd.	Non-trade receivables and others		210		
Taebaek Wind Power Co., Ltd.	Non-trade receivables and others	104	147		
	Trade payables			862	349
Pyeongchang Wind Power Co., Ltd.	Non-trade receivables and others	306	170		
Daeryun Power Co., Ltd.	Trade receivables	150	117		
	Trade payables				27,374

Changjuk Wind Power Co., Ltd.	Non-trade receivables and others	93	153		
	Non-trade payables and others			867	330

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Company name	Type	Receivables		Payables	
		2014	2015	2014	2015
		In millions of won			
Busan Solar Co., Ltd.	Trade receivables	1	1		
	Trade payables				1
	Non-trade payables and others			127	208
KNH Solar Co., Ltd.	Trade receivables	1	2		
S-Power Co., Ltd.	Trade receivables	213	121		
	Non-trade receivables and others	1,203			
	Trade payables				54,141
	Non-trade payables and others			55,238	
Green Biomass Co., Ltd.	Non-trade receivables and others		109		
	Non-trade payables and others				152
SPC Power Corporation	Non-trade receivables and others	64			
Pioneer Gas Power Limited	Non-trade receivables and others	214	26		
Xe-Pian Xe-Namnoy Power Co., Ltd.	Non-trade receivables and others	547			
<Joint ventures>					
KEPCO SPC Power Corporation	Trade receivables	2,519			
	Non-trade receivables and others	1,736	252		
KEPCO-ALSTOM Power	Non-trade receivables and others	668	251		
Electronics Systems, Inc.	Non-trade payables and others				61
Dangjin Echo Power Co., Ltd.	Trade receivables				
	Non-trade receivables and others	1,955	300		
Honam Wind Power Co., Ltd.	Trade payables				342
	Non-trade payables and others			2,481	2,124
Seokmun Energy Co., Ltd.	Non-trade receivables and others	1,101	2,086		
Incheon New Power Co., Ltd.	Trade receivables	1,383	128		
Chun-cheon Energy Co., Ltd.	Non-trade receivables and others		112		
	Trade receivables		7		
Yeonggwangbaeksu Wind Power Co., Ltd.	Non-trade receivables and others		136		
	Trade payables				627
	Non-trade payables and others				2,000
KW Nuclear Components Co., Ltd.	Non-trade receivables and others	57			
GS Donghae Electric Power Co., Ltd.	Trade receivables		970		
	Non-trade receivables and others	14,626	1,216		
Busan Shinho Solar Power Co., Ltd.	Trade receivables	2	2		
	Trade payables				272
	Non-trade payables and others			1,516	970
Datang Chifeng Renewable Power Co., Ltd.	Non-trade receivables and others	511	368		
Rabigh Operation & Maintenance Company	Non-trade receivables and others		1,780		
Jamaica Public Service Company Limited	Trade receivables	1,121	1,193		
	Non-trade receivables and others	303	581		
Amman Asia Electric Power Company	Trade receivables	11,171	739		
<Others>					
Korea Development Bank	Accrued interest income		212		
	Non-trade receivables and others		45,623		
	Non-trade payables and others			4,069	493
	Derivatives	2,737	3,777	4,620	2,313

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(5) Loans and others arising from related party transactions as of December 31, 2014 and 2015 are as follows:

Type	Company name	Beginning balance	Loans	Collection	Others	Ending balance
		In millions of won				
Joint ventures	KEPCO SPC Power Corporation	32,866		(5,205)	1,990	29,651
Joint ventures	Datang Chifeng Renewable Power Co., Ltd.	29,731		(7,651)	1,695	23,775
Joint ventures	Jamaica Public Service Company Limited	2,199			146	2,345
Associates	KNOC Nigerian East Oil Co., Ltd.					
	KNOC Nigerian West Oil Co., Ltd.	26,544	117		1,635	28,296
	Allowance for doubtful accounts	(16,884)			(871)	(17,755)
Associates	Rabigh Electricity Company	62,713		(20,578)	3,417	45,552
Associates	PT. Cirebon Electric Power	45,136	4,260	(9,412)	995	40,979
Associates	PT Mutiara Jawa		450			450
Associates	Xe-Pian Xe-Namnoy Power Co., Ltd.	1,413				1,413
		183,718	4,827	(42,846)	9,007	154,706

(6) Borrowings arising from related party transactions as of December 31, 2014 and 2015 are as follows:

Related parties	Type	Beginning balance	Borrowings	Repayment	Ending balance
		In millions of won			
Korea Development Bank	Facility	1,552,600	12,300	(1,303,463)	261,437
	Others	7,178		(760)	6,418
	Operating funds	8,618	12,000	(8,618)	12,000

(7) Guarantees provided to associates or joint ventures as of December 31, 2015 are as follows:

Primary guarantor	Secondary guarantor	Type of guarantees	Credit limit	Guarantee
	In millions of won and thousands of foreign currencies			
Korea Electric Power Corporation	KEPCO SPC Power Corporation	Debt guarantees	USD 88,138	SMBC, The Export-import Bank of Korea and ADB
Korea Electric Power Corporation	Shuweihat Asia O&M Co., Ltd.	Performance guarantees	USD 11,000	SAPCO
Korea Electric Power Corporation	KNOC Nigerian East Oil Co., Ltd. and KNOC Nigerian West Oil Co., Ltd.	Performance guarantees	USD 34,650	Korea National Oil Corporation (Nigerian government)
Korea Electric Power Corporation	Rabigh Operation & Maintenance Company.	Performance guarantees and others	USD 1,387	Rabigh Electricity Company
Korea Electric Power Corporation	Nghi Son 2 Power Ltd.	Bidding guarantees	USD 10,000	SMBC Ho Chi Minh
Korea Western Power Co., Ltd.	Cheongna Energy Co., Ltd.	Collateralized money invested	KRW 48,353	KEB Hana Bank and others
		Guarantees for supplemental funding(*1)	-	
Korea Western Power Co., Ltd.	Xe-Pian Xe-Namnoy Power Co., Ltd.	Payment guarantees for business reserve	USD 2,500	Krung Thai Bank
			USD 29,357	

	Collateralized money invested		
	Guarantees for supplemental funding(*1)	-	
	Impounding bonus guarantees	USD 5,000	SK E&C

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Primary guarantor	Secondary guarantor	Type of guarantees	Credit limit	Guarantee
	In millions of won and thousands of foreign currencies			
Korea Western Power Co., Ltd.	Rabigh Operation & Maintenance Company.	Performance guarantees	SAR 4,800	Saudi Arabia British Bank
Korea Western Power Co., Ltd.	Daegu Photovoltaic Co., Ltd.	Collateralized money invested	KRW 1,230	IBK
Korea Western Power Co., Ltd.	Dongducheon Dream Power Co., Ltd.(*2)	Collateralized money invested	KRW 111,134	Kookmin Bank
Korea Western Power Co., Ltd.	PT. Mutiara Jawa	Collateralized money invested	USD 2,610	Shinhan Bank Singapore
Korea Western Power Co., Ltd.	Heangbok Do Si Photovoltaic Power Co., Ltd.	Collateralized money invested	KRW 194	Nonghyup Bank
Korea Western Power Co., Ltd.	Shin Pyeongtaek Power Co., Ltd.	Collateralized money invested	KRW 40	Kookmin Bank
Korea East-West Power Co., Ltd.	Busan Shinho Solar Power Co., Ltd.	Collateralized money invested	KRW 2,100	KT Capital Co., Ltd.
Korea East-West Power Co., Ltd.	Seokmun Energy Co., Ltd.	Collateralized money invested Guarantees for supplemental funding(*1)	KRW 580	KEB Hana Bank and others
Korea East-West Power Co., Ltd.	Chun-cheon Energy Co., Ltd.	Collateralized money invested Guarantees for supplemental funding(*1)	KRW 32,868	Kookmin Bank and others
Korea East-West Power Co., Ltd.	Honam Wind Power Co., Ltd.	Collateralized money invested Guarantees for supplemental funding(*1)	KRW 3,480	Shinhan Bank and others
Korea East-West Power Co., Ltd.	GS-Donghae Electric Power Co., Ltd.	Collateralized money invested Guarantees for supplemental funding(*1)	KRW 204,000	Korea Development Bank and others
Korea East-West Power Co., Ltd.	Yeonggwangbaeksu Wind Power Co., Ltd.	Collateralized money invested Guarantees for supplemental funding(*1)	KRW 3,000	Hyundai Marine & Fire Insurance Co., Ltd. and others
Korea East-West Power Co., Ltd.	PT. Tanjung Power Indonesia	Debt guarantees	USD 10,500	The Bank of Tokyo-Mitsubishi
Korea Southern Power Co., Ltd.	KNH Solar Co., Ltd.	Collateralized money invested Performance guarantees and guarantees for supplemental funding(*1)	KRW 1,296	Shinhan Bank and Kyobo Life Insurance Co., Ltd.

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Primary guarantor	Secondary guarantor	Type of guarantees	Credit limit	Guarantee
		In millions of won and thousands of foreign currencies		
Korea Southern Power Co., Ltd.	Daeryun Power Co., Ltd.	Collateralized money invested	KRW 25,477	Korea Development Bank, Daewoo Securities Co., Ltd. and others
		Guarantees for supplemental funding(*1)		
Korea Southern Power Co., Ltd.	Changjuk Wind Power Co., Ltd.	Collateralized money invested	KRW 3,801	Shinhan Bank and Woori Bank
		Guarantees for supplemental funding(*1)		
Korea Southern Power Co., Ltd.	Busan Solar Co., Ltd.	Collateralized money invested	KRW 793	Consus Asset Management Co., Ltd
Korea Southern Power Co., Ltd.	Daegu Green Power Co., Ltd.	Collateralized money invested	KRW 76,193	KEB Hana Bank and Kookmin Bank
		Performance guarantees and guarantees for supplemental funding(*1)		
Korea Southern Power Co., Ltd.	KS Solar Corp. Ltd.	Collateralized money invested	KRW 637	Shinhan Capital Co., Ltd.
Korea Southern Power Co., Ltd.	Kelar S.A	Performance guarantees(*1)		KEB Hana Bank, SMBC and others
		Debt guarantees	USD 132,600	SMBC, MIZUHO Bank and others
Korea Southern Power Co., Ltd.	DS Power Co., Ltd.	Collateralized money invested	KRW 2,900	Korea Development Bank and Daewoo Securities Co., Ltd.
		Guarantees for supplemental funding(*1)		
Korea Southern Power Co., Ltd.	Pyoungchang Wind Power Co., Ltd.	Collateralized money invested	KRW 3,875	Woori Bank and Shinhan Bank
		Performance guarantees and guarantees for supplemental funding(*1)		
Korea Southern Power Co., Ltd.	Taebaek Wind Power Co., Ltd.	Guarantees for supplemental funding(*1)		Shinhan Bank and Cheju Bank
KEPCO Engineering & Construction Company, Inc.	DS Power Co., Ltd.	Collateralized money invested	KRW 15,000	Korea Development Bank and Daewoo Securities Co., Ltd.
		Performance guarantees and guarantees for supplemental funding(*1)		
Korea Midland Power Co., Ltd.	Hyundai Green Power Co., Ltd.	Collateralized money invested	KRW 87,003	Korea Development Bank and others
		Guarantees for supplemental funding(*1)		

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Primary guarantor	Secondary guarantor	Type of guarantees	Credit limit	Guarantee
		In millions of won and thousands of foreign currencies		
Korea Midland Power Co., Ltd.	PT. Cirebon Electric Power	Debt guarantees	USD 9,653	Nonghyup Bank
Korea Midland Power Co., Ltd.	PT Wampu Electric Power	Performance guarantees(*1)		KEB Hana Bank
Korea Midland Power Co., Ltd.	Gangwon Wind Power Co., Ltd.	Collateralized money invested	KRW 7,410	IBK and others
Korea South-East Power Co., Ltd.	Hyundai Energy Co., Ltd.	Collateralized money invested	KRW 71,070	Korea Development Bank and others
		Performance guarantees and guarantees for supplemental funding(*1)		
Korea South-East Power Co., Ltd.	RES Technology AD	Collateralized money invested	KRW 15,595	Korea Development Bank and others
		Debt guarantees	EUR 4,271	
Korea South-East Power Co., Ltd.	ASM-BG Investicii AD	Collateralized money invested	KRW 16,101	Korea Development Bank and others
		Debt guarantees	EUR 4,175	
Korea South-East Power Co., Ltd.	Express Solar-light Power Generation Co., Ltd.	Guarantees for supplemental funding(*1)		Woori Bank
Korea South-East Power Co., Ltd.	S-Power Co., Ltd.	Collateralized money invested	KRW 132,300	Korea Development Bank and others
		Performance guarantees and guarantees for supplemental funding(*1)		
KOSEP USA, INC.	KODE NOVUS II LLC	Guarantees for supplemental funding(*1)		Korea Development Bank and others
KOSEP USA, INC.	KODE NOVUS I LLC	Guarantees for supplemental funding(*1)		The Export-Import Bank of Korea and others
Korea Hydro & Nuclear Power Co., Ltd.	Yeongwol Energy Station Co., Ltd.	Collateralized money invested	KRW 1,400	Meritz Fire & Marine Insurance Co., Ltd.
KEPCO Plant Service & Engineering Co., Ltd.	Incheon New Power Co., Ltd.	Collateralized money invested	KRW 6,800	Shinhan Bank
		Guarantees for supplemental funding(*1)		

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

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

(8) Guarantees provided from related parties as of December 31, 2015 are as follows:

Primary guarantor	Secondary guarantor	Type of guarantees	Credit limit
	In thousands of U.S. dollars		
Korea Development Bank	Korea Electric Power Corporation	Debt guarantees	USD 195,175

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(9) Derivatives transactions with related parties as of December 31, 2015 are as follows:

(i) Currency Swap

Counterparty	Contract year	Contract Amount		Contract interest rate per annum		Contract exchange rate
		Pay	Receive	Pay (%)	Receive (%)	
		In millions of won and thousands of U.S. dollars				
Korea Development Bank	2015~2025	111,190	USD 100,000	2.62%	3.25%	1,111.90

(ii) Interest Rate Swap

Counterparty	Contract year	Contract amount	Contract interest rate per annum	
			Pay (%)	Receive (%)
		In millions of won		
Korea Development Bank	2012~2016	200,000	3.57%	3M CD + 0.26%
Korea Development Bank	2012~2016	50,000	3.49%	3M CD + 0.25%
Korea Development Bank(*)	2014~2029	40,000	3M CD 0.03%	4.65%

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

(10) Salaries and other compensations to the key members of management of the Company for the years ended December 31, 2013, 2014 and 2015 are as follows:

Type	2013	2014	2015
	In millions of won		
Salaries	1,114	993	1,271
Employee benefits	63	44	59
	1,177	1,037	1,330

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48. Non-Cash Transactions

Significant non-cash investing and financing transactions for the years ended December 31, 2013, 2014 and 2015 are as follows:

Transactions	2013	2014	2015
		In millions of won	
Transfer from construction-in-progress to other assets	6,507,426	9,465,204	10,491,054
Recognition of asset retirement cost and related provision for decommissioning costs	251,054	282,396	699,673
Transfer from provision for disposal of spent nuclear fuel to accrued expenses	403,638	377,697	491,755
Transfer from property, plant and equipment to finance lease receivables	470,867		

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49. Commitments for Expenditure

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

Contracts	2014		2015	
	Amounts	Balance	Amounts	Balance
	In millions of won			
Purchase of cable(TR CNCE-W/AL,1C,400SQ) (unit price contract)	105,588	63,375	105,588	
Purchase of cable(TR CNCE-W,1C,600SQ) (unit price contract)	43,495	35,772	43,495	
Purchase of GIS(362kV 4000A 60KA)	40,630	37,048	40,630	
Purchase of Concrete Poles(10M, 350KGF)	123,888	97,944	123,888	
Purchase of G-type low pressure electronic Watt-hour meter (3P4W, 100(10)A) (unit price contract)	48,962	21,744	48,962	
Purchase of 345kV cable(PVC, 1C, 2500SQ, 200KV) and 17 other types	40,450	7,045	40,450	
Purchase of Kerosene (higher than 40DEG)			26,163	8,482
Construction of New Kori units (#3,4)	6,481,107	312,081	6,856,150	214,678
Construction of New Kori units (#5,6)	8,625,387	8,281,741	8,625,387	7,899,368
Construction of New Hanwool units (#1,2)	7,982,343	4,039,178	7,982,343	2,578,707
Construction of New Hanwool units (#3,4)	8,261,817	8,247,541	8,261,817	8,238,651
Construction of New Wolseong units (#1,2)	5,310,003	171,367	5,310,003	
Construction of Yeosu Thermal Power units (#1)	495,368	255,973	489,440	30,853
Construction of Yeongheung Thermal Power units (#5,6)	836,708	46,962	576,187	
Other contracts	75,326	27,341	199,846	140,563
Service of designing New Boryeong units (#1,2)	124,082	43,606	126,038	32,910
Construction of New Boryeong units (#1,2)	246,964	66,982	246,964	10,859
Purchase of Haengbokdosi cogeneration units	305,360	46,007	337,283	
Purchase of Wonju RDF cogeneration units	50,220	17,526	52,877	
Purchase of coal handling machine for construction of New Boryeong units (#1,2)	144,122	72,967	146,353	25,266
Construction of Seoul Combined units (#1,2)	225,993	215,265	227,000	182,630
Purchase of smoke eliminating machine for construction of New Boryeong units (#1,2)	118,058	46,873	118,058	8,775
Electricity construction of New Boryeong units (#1,2)	245,357	170,029	245,357	36,893
Purchase of main machine for construction of Seoul Combined units (#1,2)	360,500	328,210	360,500	328,210
Purchase of main machine for construction of New Boryeong units (#1,2)	851,132	412,758	851,132	137,744
Construction of harbor facility for New Boryeong units (#1,2)	73,702	35,672	78,166	
Purchase of furnace for construction of Taean units (#9,10)	561,071	318,017	546,637	66,271
Service of designing Taean units (#9,10)	107,516	39,247	107,516	26,437
Purchase of desulfurization machine for construction of Taean units (#9,10) (conditional contract for installation)	90,490	46,808	91,592	6,175
Purchase of turbine generator for construction of Taean units (#9,10)	207,603	132,604	426,139	103,146
Purchase of coal handling machine for construction of Taean (#9,10) and IGCC units (conditional contract for installation)	139,200	35,688	146,634	9,943
Purchase of gas plant machine for construction of Taean IGCC units	458,388	37,773	457,423	4,541
Purchase of combined generating machine for construction of Taean IGCC units	190,207	17,900	204,514	25,808
Purchase of oxygen plant for construction of Taean IGCC units	95,459	12,611	97,804	4,252

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Contracts	2014		2015	
	Amounts	Balance	Amounts	Balance
	In millions of won			
Service of designing Taean IGCC plant units	44,374	9,653	44,374	5,520
Purchase of coal handling machine for construction of Samcheok units (#1,2)	290,417	111,090	290,417	23,795
Construction of Samcheok units (#1,2)	384,716	82,705	384,716	27,018
Construction of breakwater for Samcheok units (#1,2)	84,893	30,328	84,893	18,096
Purchase of furnace for construction of Samcheok units (#1,2)	1,087,301	230,298	1,091,303	115,896
Purchase of electric precipitator for construction of Samcheok units (#1,2)	53,705	12,036	53,705	
Purchase of turbine generator for construction of Samcheok units (#1,2)	223,407	14,633	213,761	4,040
Service of designing Samcheok units (#1,2)	113,161	47,523	112,949	42,631
Purchase of ash disposing facility for construction of Samcheok units (#1,2)			46,970	2,857
Purchase of Andong main machine	234,601	11,730	234,601	
Construction of yard for Andong natural gas power plant			40,960	2,528
Service of designing Dangjin units (#9,10)	108,677	22,915	109,340	16,261
Purchase of main machine for construction of Dangjin units (#9,10)	297,989	12,724	561,586	4,694
Construction of Dangjin units (#9,10)	355,285	22,179	388,559	6,054
Purchase of Ulsan combined cycle power units (#4) (conditional contract for installation)	286,755	8,355	595,223	
Electicity construction of Dangjin units (#9,10)	223,085	80,891	294,099	16,812
Construction of office building (KOPEC)	213,216	45,694	215,395	
Purchase of cable(TR CNCE-W,600MM2, 13, 2KV)			50,581	50,581
Purchase of Concrete Poles(10M, 350KGF)			106,037	74,549
Purchase of Ground Switch(44-D-A125, 600AX4)			43,624	42,912
	47,068,078	24,484,409	48,561,429	20,575,406

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(2) As of December 31, 2015, details of contracts for inventory purchase are as follows:

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

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

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50. Contingencies and Commitments

(1) Ongoing litigations related with contingent liabilities and assets as of December 31, 2014 and 2015 are as follows:

	2014		2015	
	Number of cases	Claim amount	Number of cases	Claim amount
		In millions of won		
As the defendant	669	637,749	750	1,052,301
As the plaintiff	164	460,965	170	436,490

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

Hyundai Engineering & Construction Co., Ltd.(Hyundai E&C), SK Engineering & Construction Co., Ltd. and GS Engineering & Construction Co., Ltd. filed a law suit for increase in contract bill (formerly, amounted to 1,000 million) against Korea Hydro & Nuclear Co., Ltd.(KHNP) in September 2013, in relation to the design changes on the plant construction of New Hanwool 1 & 2. Hyundai Engineering & Construction Co., Ltd. and two other companies increased the contract bill to 133,426 million in October 2014 and 204,040 million in November 2015, respectively, and submitted an application to demand extra contract payments due to the design changes.

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

In December 2013, the Supreme Court of Korea ruled that regular bonuses also fall under the category of ordinary wages on the condition that those bonuses are paid regularly and uniformly. Also, the Supreme Court ruled that employees shall retroactively demand certain wages based on the new ordinary wages that include regular bonuses as additional wages. However, the request may be limited to the extent of the principle of good faith.

The Company believes that the possibility of economic outflow is probable on the ongoing and the expected lawsuit. For this reason, the Company recognized 145,522 million of other provision in relation to the lawsuit.

KHNP, a subsidiary of the Company, adopted amendments to remuneration regulations and bylaws regarding basic bonuses in the year 2012. With respect to this, a lawsuit was filed in January 2015 (claim amount: 11,838 million) by employees against KHNP for what they claim to be unpaid bonuses, which is derived from different interpretations of the remuneration regulations and bylaws applied to the three-month working period from September to December 2011.

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

The Company has a borrowing of 22,500 million from Long Lasting Value (LLV) as of December 31, 2015. LLV obtains loans from major stockholders, such as Samsung Life Insurance, and lends the money to other third parties. The Company guarantees secured payments to the major stockholders of LLV, such as payment of principal, tax, commissions, etc., with a limit of 23,900 million.

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

The Company has outstanding borrowings with a limit of USD 275,600,000 from its creditors such as International Finance Corporation. Regarding the borrowing contract, the Company has guaranteed capital contribution of USD 69,808,000 and additional contribution up to USD 19,000,000 for contingencies, if any. Moreover, for one of the electricity purchasers, Central Power Purchasing Agency Guarantee Ltd., the Company has provided payment guarantee up to USD 2,777,000, in case of construction delay or insufficient contract volume after commencement of the construction.

(3) Credit lines provided by financial institutions as of December 31, 2015 are as follows:

Commitments	Financial institutions	Currency	Amount In millions of won and thousands of foreign currencies
Commitments on bank-overdraft	Nonghyup Bank and others	KRW	1,915,000
Commitments on bank-daylight overdraft	Nonghyup Bank and others	KRW	280,000
Limit amount available for CP	Shinhan Bank and others	KRW	800,000
Limit amount available for card	KEB Hana Bank and others	KRW	55,578
	Banco de Oro	PHP	5,000
Certification of payment on payables from foreign country	Korea Development Bank and others	USD	198,175
Loan limit	Kookmin Bank and others	KRW	705,584
Certification of payment on L/C	BNP Paribas and others	USD	2,228,059
	KEB Hana Bank	EUR	260
	KEB Hana Bank	GBP	61,169
	Woori Bank and others	USD	1,229,049
Certification of performance guarantee on contract	Kookmin Bank	EUR	14,833
	KEB Hana Bank	INR	236,443
	Seoul Guarantee Insurance and others	KRW	264,538
	Bank of Kathmandu	NPR	32,633
	First Gulf Bank and others	USD	767,485
Certification of bidding	The Export-Import Bank of Korea and others	USD	10,450
Advance payment bond, Warranty bond, Retention bond and others	KEB Hana Bank	INR	157,830
	KEB Hana Bank and others	NPR	36,309
	HSBC and others	USD	571,349
Others	Shinhan Bank and others	JPY	2,245,843
	KEB Hana Bank and others	KRW	57,300
	KEB Hana Bank	SAR	2,240
	HSBC and others	USD	1,085,305
Inclusive credit	Shinhan Bank	INR	47,489
	KEB Hana Bank	KRW	501,500
	HSBC and others	USD	774,510

Trade finance	BNP Paribas and others	USD	800,000

(4) The Company voluntarily suspended operations of the Gangneung hydroelectric generating plant, with a carrying amount of 101,371 million, to improve the quality of water used in generating electricity. The expenses related to the suspension of operations of 779 million and depreciation on the utility plant of 6,699 million are charged to other expenses for the year ended December 31, 2015.

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(5) As of December 31, 2015, the blank check and assets provided as collaterals or pledges to financial institutions by the Company are follows:

Guarantor	Guarantee	Type of guarantee	Currency	Amount	Description
		In millions of won and thousands of foreign currencies			
KEPCO Nuclear Fuel Co., Ltd.	Korea Resources Corporation	Blank check	KRW		Collateral for project loan
Korea East-West Power Co., Ltd.	Korea Development Bank and others	All shareholdings of Gyeongju Wind Power Co., Ltd.	KRW	9,240	Collateral for borrowings
Korea Midland Power Co.,Ltd.	IBK and others	All shareholdings of Commerce and Industry Energy Co., Ltd.	KRW	13,605	Collateral for borrowings
Korea Southern Power Co., Ltd.	Shinhan Bank	All shareholdings of KOSPO Youngnam Power Co., Ltd.	KRW	25,000	Collateral for borrowings
Korea South-East Power Co., Ltd.	International Finance Corporation and others	Shareholdings of Mira Power Limited	KRW	38,206	Collateral for borrowings
Korea Hydro & Nuclear Power Co., Ltd.	Korea Development Bank and others	All shareholdings of Gyeonggi Green Energy Co., Ltd.	KRW	47,000	Collateral for borrowings
KEPCO KDN Co., Ltd.	KEB Hana Bank	Cash and cash equivalents	KRW	740	Establishment the right of pledge for lending
Gyeonggi Green Energy Co., Ltd.	Korea Development Bank and others	Factory estate and others	KRW	327,080	Providing guarantees (*)
Commerce and Industry Energy Co., Ltd.	IBK and others	Land, buildings, structures and machinery	KRW	88,300	Collateral for borrowings
		Cash and cash equivalents	KRW	6,839	
Gyeongju Wind Power Co., Ltd.	Korea	Property, plant and	KRW	35,386	Collateral for borrowings

	Development Bank and others	equipment and others			
		Existing or expected trade receivables and others	KRW	2,469	
		Cash and cash equivalents	KRW	4,757	
Qatrana Electric Power Company	The Islamic Development Bank and others	Finance Lease receivable and property, plant and equipment and others	JOD	44,599	Collateral for borrowings
KST Electric Power Company	Scotiabank Inverlat, S.A	Finance Lease receivable and others	USD	330,000	Collateral for borrowings

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

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51. Subsequent Events

Subsequent to the December 31, 2015, the subsidiaries of the Company, Korea Western Power Co. Ltd., and Korea Midland Power Co., Ltd., have issued new debt securities for funding facilities and operation as follows:

Company Name	Type	Interest rate	Issued date	Maturity	Amounts
			In millions of won		
Korea Western Power Co., Ltd.	Short-term borrowings	1.71%	2016.01.05	2016.03.23	20,000
		1.71%	2016.01.05	2016.03.23	20,000
		1.71%	2016.01.05	2016.03.23	20,000
		1.71%	2016.01.05	2016.03.23	20,000
		1.46%	2016.01.21	2016.01.22	70,000
		1.46%	2016.01.21	2016.01.22	30,000
		1.52%	2016.01.21	2016.01.28	100,000
	Corporate Bonds #30-1	1.88%	2016.01.28	2021.01.28	90,000
	Corporate Bonds #30-2	2.10%	2016.01.28	2026.01.28	110,000
Korea Midland Power Co., Ltd.	The 5th Global Bond (Reg S only)	2.50%	2016.01.21	2021.07.21	363,000
	Corporate Bonds #34-1	1.94%	2016.03.11	2026.03.11	60,000
	Corporate Bonds #34-2	2.01%	2016.03.11	2031.03.11	130,000

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INDEX OF EXHIBITS

1.1	Articles of Incorporation, as last amended on November 20, 2014 (in English)*
2.1	Form of Deposit Agreement**
8.1	List of Subsidiaries****
12.1	Certifications of our Chief Executive Officer required by Rule 13a-14(a) of the Exchange Act (Certifications under Section 302 of the Sarbanes-Oxley Act of 2002)
12.2	Certifications of our Chief Financial Officer required by Rule 13a-14(a) of the Exchange Act (Certifications under Section 302 of the Sarbanes-Oxley Act of 2002)
13.1	Certifications of our Chief Executive Officer required by Rule 13a-14(b) and Section 1350 of Chapter 63 of the United States Code (18 U.S.C. 1350) (Certifications under Section 906 of the Sarbanes-Oxley Act of 2002)
13.2	Certifications of our Chief Financial Officer required by Rule 13a-14(b) and Section 1350 of Chapter 63 of the United States Code (18 U.S.C. 1350) (Certifications under Section 906 of the Sarbanes-Oxley Act of 2002)
15.1	The Korea Electric Power Corporation Act, as amended on December 31, 2014 (in English)*
15.2	Enforcement Decree of the Korea Electric Power Corporation Act, as amended on March 23, 2013 (in English)***
15.3	The Public Agencies Management Act, as amended on May 28, 2014 (in English)*
15.4	Enforcement Decree of the Public Agencies Management Act, as amended on March 31, 2016 (in English)****

* Incorporated by reference to the Registrant s annual report on Form 20-F (No. 001-13372) previously filed on April 30, 2015.
** Incorporated by reference to the Registrant s Registration Statement on Form F-6 with respect to the ADSs, registered under Registration No. 333-196703.
*** Incorporated by reference to the Registrant s annual report on Form 20-F (No. 001-13372) previously filed on April 30, 2013.
**** Incorporated by reference to the Registrant s annual report on Form 20-F (No. 001-13372) previously filed on April 29, 2016.