

KOREA ELECTRIC POWER CORP

Form 6-K

June 03, 2014

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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

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

the Securities Exchange Act of 1934

For the Month of June 2014

Commission File Number: 001-13372

KOREA ELECTRIC POWER CORPORATION

(Translation of registrant's name into English)

512 Yeongdongdaero, Gangnam-gu, Seoul 135-791, Korea

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

Yes No

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

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

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QUARTERLY BUSINESS REPORT

(For the period from January 1, 2014 to March 31, 2014)

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

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

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

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I. Company Overview

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

2. Information of the company

(Address) 512 Yeongdongdaero, Gangnam-Gu, Seoul 135-791, Korea

(Phone number) 82-2-3456-4217

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

3. Major businesses

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

development of electric power resources;

generation, transmission, transformation and distribution of electricity and other related activities;

research and development of technology related to the businesses mentioned above;

overseas business related to the businesses mentioned above;

investment or contributions related to the businesses mentioned above;

development and operation of certain real estate holdings; and

other businesses entrusted by the government.

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

4. Subsidiaries and affiliates of KEPCO

(As of March 31, 2014)

Classification	Subsidiaries	Associates and joint ventures	Total
Domestic	17	56	73
Overseas	62	38	100
Total	79	94	173

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5. Major changes in management

At the extraordinary general meeting of shareholders held on March 14, 2014, Mr. Koo, Bon-Woo was re-elected as a standing director of KEPCO, and Mr. Cho, Jeon-Hyeok and Mr. Choi, Gyo-Il, non-standing directors of KEPCO, were elected as members of the Audit Committee of KEPCO.

6. Changes in major shareholders

No changes in major shareholders for the past three years.

7. Information regarding KEPCO shares

A. Issued share capital: Won 3.2 trillion (Authorized capital: Won 6 trillion)

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

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

C. Dividends: Dividend payment of Won 90 per share for fiscal year 2013 (Won 56 billion in aggregate). No dividend payments for fiscal years 2012 and 2011.

II. Business Overview

1. Segment results

(In billions of Won)

	Jan. - Mar. 2014		Jan. - Mar. 2013	
	Sales	Operating income(loss)	Sales	Operating income(loss)
Electricity sales	14,681	-267	13,633	-479
Nuclear generation	2,448	949	2,012	554
Thermal generation	7,429	514	7,630	593
Others*	677	89	583	67
Subtotal	25,235	1,285	23,858	735
Adjustment of related-party transactions	-10,462	-58	-10,059	-77
Total	14,773	1,227	13,799	658

* Others relate to 75 subsidiaries including KEPCO E&C, KEPCO KPS, KEPCO NF and KEPCO KDN.

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Sales and operating income (loss) reflects amendments to Korean IFRS 1001 Presentation of Financial Statements.

2. Changes in unit prices of major products

(In Won per kWh)

Business			2014	2013
sector	Company		Jan. - Mar.	Jan. - Dec.
Electricity sold	Residential		130.20	127.02
	Commercial		129.34	121.98
	Educational		110.52	115.99
	Industrial	KEPCO	108.36	100.70
	Agricultural		47.17	45.51
	Street lighting		109.11	107.33
	Overnight usage		72.96	63.52
Electricity from nuclear generation	Nuclear generation	KHNP	64.03	45.32
Electricity from thermal generation	Thermal generation	KOSEP	75.66	67.50
		KOMIPO	108.83	101.40
		KOWEPO	108.40	103.06
		KOSPO	114.40	107.97
		EWP	98.11	97.39

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3. Major contracts in 2014

(In billions of Won)

Party	Date of contract	Nature of contract	Contract amount	Counterparty
KEPCO	2014.02.21	Inspection of transmission lines in 2014	62	KEPCO KPS Co., Ltd.
KHNP	2014.03.27	Re-wiring of the main generators for Hanbit units 3, 4	24	Doosan Heavy Industries & Construction Co., Ltd.
KOMIPO	2014.02.06	Procurement of water treatment facilities for Shin-Boryeong units 1, 2	25	POSCO Engineering Co., Ltd.
KOWEP	2014.01.31	Procurement of desulfurization facilities for Taean units 9, 10	90	STX Heavy Industries Co., Ltd.

4. Intellectual property as of March 31, 2014

	Patents		Utility	Trademarks		
	Domestic	Overseas	models	Designs	Domestic	Overseas
Number of registrations	4,627	507	799	146	367	60

III. Financial Information

1. Condensed consolidated financial results for the first three months ended March 31, 2014

(In billions of Won)

Consolidated statements of comprehensive income				Consolidated statements of financial position			
	Jan.-Mar.		Change (%)		As of	As of	Change (%)
	Jan.-Mar. 2013	Jan.-Mar. 2014			Dec. 31, 2013	Mar. 31, 2014	
Sales	13,799	14,773	7.1	Total assets	155,527	157,040	1.0
Operating income	658	1,227	86.5	Total liabilities	104,076	105,146	1.0
Net income	160	561	249.9	Total equity	51,451	51,894	0.9

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2. Condensed separate financial results for the first three months ended March 31, 2014

(In billions of Won)

	Separate statements of comprehensive income			Separate statements of financial position			
	Jan.-Mar. 2013	Jan.-Mar. 2014	Change (%)	As of Dec. 31, 2013	As of Mar. 31, 2014	Change (%)	
	Sales	13,633	14,681	7.7	Assets	98,250	98,081
Operating income	-479	-267	44.2	Liabilities	56,590	56,726	0.2
Net income	-17	-204	-1,102.4	Equity	41,660	41,355	-0.7

IV. Independent Auditor's Opinion

1. Independent auditor's opinion on consolidated financial statements for the first three months ended March 31, 2014:
Unqualified

KPMG Samjong Accounting Corp. has been engaged as KEPCO's independent auditor from 2013 for a term of three years until 2015.

Jan. 1, 2014	Mar. 31, 2014	Jan. 1, 2013	Dec. 31, 2013	Jan. 1, 2012	Dec. 31, 2012
KPMG Samjong Accounting Corp.	KPMG Samjong Accounting Corp.	KPMG Samjong Accounting Corp.	KPMG Samjong Accounting Corp.	Deloitte Anjin LLC	Deloitte Anjin LLC

V. Board of Directors

1. Composition of the Board of Directors: not more than 15 directors (with standing directors comprising less than the majority of the directors)

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

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2. Board meetings and agendas

Number of meetings	Number of agendas	Classification			
		Resolutions	Status	Reports	Status
3	12	8	Approved as proposed	4	Accepted as reported

Audit Committee: 2 meetings held where 12 agendas were discussed (of which, 6 were resolved as proposed and 6 were approved as reported).

3. Major activities of the Board of Directors

Date	Agenda	Status	Type
2014. 1. 14	Approval to close the shareholders registry	Approved as proposed	Resolution
	Research and development plans for 2014	Accepted as reported	Report
2014. 2. 20	Recommendation of candidates to become new members of the Audit Committee	Approved as proposed	Resolution
	Approval to call for the 54th extraordinary general meeting of shareholders	Approved as proposed	Resolution
	Approval of consolidated and separate financial statements for fiscal year 2013	Approved as proposed	Resolution
	Approval of aggregate ceiling on remuneration for directors in 2014	Approved as proposed	Resolution
	Approval to call for the 53rd annual general meeting of shareholders	Approved as proposed	Resolution
	Development plans for the next-generation Electricity Sales Information System	Approved as proposed	Resolution
	Auditor's report to the Board of Directors for fiscal year 2013	Accepted as reported	Report
2014. 3. 20	Approval of ceilings on the issue amounts of commercial papers and electronic short-term bonds in 2014	Approved as proposed	Resolution
	Annual report on internal control over financial reporting for fiscal year 2013	Accepted as reported	Report
	Annual evaluation report on internal control over financial reporting for fiscal year 2013	Accepted as reported	Report

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4. Major activities of the Audit Committee

Date	Agenda	Status	Type
2014. 1. 29	Auditor's report on the agendas for the extraordinary meeting of shareholders	Approved as proposed	Resolution
	Audit plans for fiscal year 2014	Approved as proposed	Resolution
	Approval of selection of independent auditors of subsidiaries (KOSEP Material Co., Ltd. and KEPCO KPS Philippines Corp.)	Approved as proposed	Resolution
	Independent auditor's report on audit plans for fiscal year 2013	Accepted as reported	Report
	Education plans for auditors for 2014	Accepted as reported	Report
	Auditor's report for fiscal year 2013	Accepted as reported	Report
2014. 3. 20	Election of the chairman of the Audit Committee	Approved as proposed	Resolution
	Auditor's report on the agendas for the annual general meeting of shareholders	Approved as proposed	Resolution
	Approval of selection of independent auditors of subsidiaries	Approved as proposed	Resolution
	Independent auditor's report on the auditing results for the consolidated and separate financial statements for fiscal year 2013	Accepted as reported	Report
	Annual report on internal control over financial reporting for fiscal year 2013	Accepted as reported	Report
	Annual evaluation report on internal control over financial reporting for fiscal year 2013	Accepted as reported	Report

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An audit team, organized under the supervision of the Audit Committee, conducts internal audit with respect to the entire company and takes administrative measures as appropriate in accordance with relevant internal regulations. KEPCO's District Divisions and Branch Offices also have separate audit teams which conduct internal inspection with respect to the relevant division or office.

VI. Shareholders

1. List of shareholders as of March 31, 2014

		Number of shareholders	Shares owned	Percentage (%)
Korean Government		1	135,917,118	21.17
Korea Finance Corporation		1	192,159,940	29.94
National Pension Service		1	41,775,649	6.51
KEPCO (held in the form of treasury stock)*		1	18,929,995	2.95
Public	Common shares	1,086	118,634,815	18.48
(non-Koreans)	American depository shares	1	31,977,417	4.98
Public	Corporate	1,552	68,468,358	10.66
(Koreans)	Individual	383,104	34,100,785	5.31
Total		385,747	641,964,077	100.0

* Treasury stocks do not have voting rights. Number of shares with voting rights: 623,034,082

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1. Remuneration for directors

A. Aggregate ceiling on remuneration for directors approved by shareholders:
Won 1.9 billion

B. Actual amount paid to directors

Type	Number of directors	Total remuneration	
		(Jan. 1, 2014	Mar. 31, 2014)
Total	15	Won 250 million	

C. Stock option: None

2. Employees as of March 31, 2014

Employees			Average years of employment	Total remuneration	
Regular	Contract	Total		(Jan. 1, 2014	Mar. 31, 2014)
19,499	369	19,868	18.5	Won 364 billion	

VIII. Other Information Relating to the Protection of Investors

1. Number of shareholders meetings held in 2014: twice

(One annual general meeting of shareholders held on March 28, 2014 / one extraordinary general meeting of shareholders held on March 14, 2014)

2. Pending legal proceedings

Type	Number of lawsuits	Litigation value
Lawsuits where KEPCO and its subsidiaries and affiliates are engaged as the defendant	642	Won 464 billion
Lawsuits where KEPCO and its subsidiaries and affiliates are engaged as the plaintiff	137	Won 270 billion

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SIGNATURES

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

By: /s/ Ko, Weon-Gun
Name: Ko, Weon-Gun
Title: Vice President

Date: June 03, 2014

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Financial Statements

March 31, 2014

(Unaudited)

(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

The Board of Directors and Shareholders

Korea Electric Power Corporation

Reviewed financial statements

We have reviewed the accompanying consolidated interim financial statements of Korea Electric Power Corporation and its subsidiaries (the Company), which comprise the consolidated interim statement of financial position as of March 31, 2014, the consolidated interim statements of comprehensive income, changes in equity and cash flows for the three-month periods ended March 31, 2014 and 2013 and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Korean International Financial Reporting Standards (K-IFRS) No. 1034 Interim Financial Reporting, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' review responsibility

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

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

Conclusion

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

Other matters

The procedures and practices utilized in the Republic of Korea to review such consolidated interim financial statements may differ from those generally accepted and applied in other countries. Accordingly, this report and the accompanying consolidated interim financial statements are for use by those knowledgeable about Korean review standards and their application in practice.

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The consolidated statement of financial position of the Company as of December 31, 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by us and our report thereon, dated March 20, 2014, expressed an unqualified opinion. The accompanying consolidated statement of financial position of the Company as of December 31, 2013, presented for comparative purposes, is not different from that audited by us in all material respects.

KPMG Samjong Accounting Corp.

Seoul, Korea

May 14, 2014

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This report is effective as of May 14, 2014, the review report date. Certain subsequent events or circumstances, which may occur between the review report date and the time of reading this report, could have a material impact on the accompanying consolidated interim financial statements and notes thereto. Accordingly, the readers of the review report should understand that the above review report has not been updated to reflect the impact of such subsequent events or circumstances, if any.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Financial Position

As of March 31, 2014 and December 31, 2013

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	March 31, 2014	December 31, 2013
Assets			
Current assets			
Cash and cash equivalents	5,6,7,43	2,728,775	2,232,313
Current financial assets, net	5,10,11,12,43	316,390	436,213
Trade and other receivables, net	5,8,14,20,43,45	6,759,519	7,526,311
Inventories, net	13	4,359,764	4,279,593
Income tax receivables	40	81,970	223,803
Current non-financial assets	15	627,834	570,845
Total current assets		14,874,252	15,269,078
Non-current assets			
Non-current financial assets, net	5,6,9,10,11,12,43	1,917,721	1,902,953
Non-current trade and other receivables, net	5,8,14,43,45	1,665,489	1,644,333
Property, plant and equipment, net	18,27,47	131,411,165	129,637,596
Investment properties, net	19,27	549,414	538,327
Goodwill	16	2,582	2,582
Intangible assets other than goodwill, net	21,27	836,539	810,664
Investments in associates	4,17	4,206,836	4,124,574
Investments in joint ventures	4,17	1,192,064	1,106,181
Deferred tax assets	40	255,724	359,535
Non-current non-financial assets	15	128,547	131,511
Total non-current assets		142,166,081	140,258,256
Total Assets	4	157,040,333	155,527,334
Liabilities			
Current liabilities			
Trade and other payables, net	5,22,24,43,45	5,502,731	5,892,763
Current financial liabilities, net	5,11,23,43,45	8,446,504	8,425,231
Income tax payables	40	117,784	51,407
Current non-financial liabilities	20,28,29	5,270,714	4,730,631

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Current provisions	26,43	1,233,152	1,113,817
Total current liabilities		20,570,885	20,213,849
Non-current liabilities			
Non-current trade and other payables, net	5,22,24,43,45	3,977,897	3,971,519
Non-current financial liabilities, net	5,11,23,43,45	53,652,247	53,163,394
Non-current non-financial liabilities	28,29	7,004,728	6,985,641
Employee benefits obligations, net	25,43	2,194,527	2,137,296
Deferred tax liabilities	40	5,019,215	5,002,585
Non-current provisions	26,43	12,726,934	12,602,314
Total non-current liabilities		84,575,548	83,862,749
Total Liabilities	4	105,146,433	104,076,598

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Financial Position, Continued

As of March 31, 2014 and December 31, 2013

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	March 31, 2014	December 31, 2013
Equity			
Contributed capital	1,30,43		
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	1,603,919
Voluntary reserves		22,999,359	22,753,160
Retained earnings before appropriations		8,623,100	8,409,007
		33,227,369	32,766,086
Other components of equity	33		
Other capital surpluses		828,121	830,982
Accumulated other comprehensive income		34,185	55,538
Treasury stock		(741,489)	(741,489)
Other equity		13,294,973	13,294,973
		13,415,790	13,440,004
Equity attributable to owners of the Company		50,696,737	50,259,668
Non-controlling interests	16	1,197,163	1,191,068
Total Equity		51,893,900	51,450,736
Total Liabilities and Equity		157,040,333	155,527,334

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 three-month periods ended March 31, 2014 and 2013

(Unaudited)

<i>In millions of won, except per share information</i>	<i>Note</i>	March 31, 2014	March 31, 2013
Sales	4,34,43,45		
Sales of goods		14,073,576	13,234,359
Sales of services		64,578	80,372
Sales of construction services	20	548,748	405,780
Revenue related to transfer of assets from customers		85,745	78,587
		14,772,647	13,799,098
Cost of sales	13,25,41,45		
Cost of sales of goods		(12,518,259)	(12,264,769)
Cost of sales of services		(88,080)	(71,302)
Cost of sales of construction services		(503,382)	(363,614)
		(13,109,721)	(12,699,685)
Gross profit		1,662,926	1,099,413
Selling and administrative expenses	25,35,41,45	(435,849)	(441,644)
Operating income	4,50	1,227,077	657,769
Other non-operating income	36	70,723	88,059
Other non-operating expenses	36	(23,059)	(17,213)
Other gains, net	37	41,082	31,004
Finance income	5,11,38	278,058	436,728
Finance expenses	5,11,39	(802,121)	(1,059,543)
Equity method income (loss) of associates and joint ventures	4,17		
Share in income of associates and joint ventures		134,983	99,760
Share in loss of associates and joint ventures		(23,258)	(28,519)
Impairment losses on investments in associates and joint ventures		(1,558)	
		110,167	71,241

Profit before income taxes		901,927	208,045
Income tax expense	40	(340,656)	(47,620)
Profit for the period		561,271	160,425

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income, Continued

For the three-month periods ended March 31, 2014 and 2013

(Unaudited)

<i>In millions of won, except per share information</i>	<i>Note</i>	March 31, 2014	March 31, 2013
Other comprehensive income	5,11,25,31,33		
Items that will not be reclassified subsequently to profit or loss:			
Defined benefit plan actuarial losses, net of tax	25,31	(15,345)	(98,217)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	31	(206)	585
Items that may be reclassified subsequently to profit or loss:			
Net change in the unrealized fair value of available-for-sale financial assets, net of tax	33	(16,547)	28,620
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	5,11,33	3,325	(1,369)
Foreign currency translation of foreign operations, net of tax	33	58,805	59,673
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	33	(53,794)	57,203
Other comprehensive income (loss), net of tax		(23,762)	46,495
Total comprehensive income for the period		537,509	206,920
Profit attributable to:			
Owners of the Company	42	532,262	133,300
Non-controlling interests		29,009	27,125
		561,271	160,425
Total comprehensive income attributable to:			
Owners of the Company		496,003	167,998
Non-controlling interests		41,506	38,922
		537,509	206,920
Earnings per share	42		
Basic and diluted earnings per share		854	214

See accompanying notes to the consolidated financial statements.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Changes in Equity

For the three-month periods ended March 31, 2014 and 2013

(Unaudited)

<i>In millions of won</i>	Equity attributable to owners of the Company			Subtotal	Non-controlling interests	Total equity
	Contributed capital	Retained earnings	Other components of equity			
Balance at January 1, 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		133,300		133,300	27,125	160,425
Items that will not be reclassified subsequently to profit or loss:						
Defined benefit plan actuarial losses, net of tax		(95,415)		(95,415)	(2,802)	(98,217)
Share in other comprehensive income of associates and joint ventures, net of tax		585		585		585
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			28,694	28,694	(74)	28,620
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			(1,467)	(1,467)	98	(1,369)
Foreign currency translation of foreign operations, net of tax			45,236	45,236	14,437	59,673
Share in other comprehensive income of associates and joint ventures, net of tax			57,065	57,065	138	57,203

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

Dividends paid					(39,936)	(39,936)
Issuance of share capital					7,920	7,920
Changes in consolidation scope					(4,558)	(4,558)

Balance at March 31, 2013	4,053,578	32,602,753	13,400,434	50,056,765	1,177,783	51,234,548
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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Changes in Equity, Continued

For the three-month periods ended March 31, 2014 and 2013

(Unaudited)

<i>In millions of won</i>	Equity attributable to owners of the Company			Subtotal	Non-controlling Interests	Total equity
	Contributed capital	Retained earnings	Other components of equity			
Balance at January 1, 2014	4,053,578	32,766,086	13,440,004	50,259,668	1,191,068	51,450,736
Total comprehensive income for the period						
Profit for the period		532,262		532,262	29,009	561,271
Items that will not be reclassified subsequently to profit or loss:						
Defined benefit plan actuarial losses, net of tax		(14,700)		(14,700)	(645)	(15,345)
Share in other comprehensive loss of associates and joint ventures, net of tax		(206)		(206)		(206)
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			(16,545)	(16,545)	(2)	(16,547)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			456	456	2,869	3,325
Foreign currency translation of foreign operations, net of tax			48,417	48,417	10,388	58,805
Share in other comprehensive loss of associates and joint ventures, net of tax			(53,681)	(53,681)	(113)	(53,794)
Transactions with owners of the Company,						

recognized directly in equity

Dividends paid	(56,073)		(56,073)	(37,753)	(93,826)
Issuance of share capital		(155)	(155)	3,440	3,285
Changes in consolidation scope		(2,706)	(2,706)	(1,088)	(3,794)
Others				(10)	(10)

Balance at March 31, 2014	4,053,578	33,227,369	13,415,790	50,696,737	1,197,163	51,893,900
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See accompanying notes to the consolidated financial statements.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Cash Flows

For the three-month periods ended March 31, 2014 and 2013

(Unaudited)

<i>In millions of won</i>	March 31, 2014	March 31, 2013
Cash flows from operating activities		
Profit for the period	561,271	160,425
Adjustments for:		
Income tax expense	340,656	47,620
Depreciation	1,888,262	1,812,745
Amortization	19,862	22,082
Employee benefit expense	87,045	93,484
Bad debt expense	12,371	3,492
Interest expense	597,046	595,282
Loss on sale of financial assets	2	
Loss on disposal of property, plant and equipment	2,944	11,222
Loss on abandonment of property, plant, and equipment	74,729	66,300
Impairment loss on property, plant and equipment		1,161
Impairment loss on intangible assets		2
Accretion expense to provisions, net	289,543	119,879
Loss on foreign currency translation, net	144,676	386,022
Valuation and transaction gain on derivative instruments, net	(155,782)	(303,796)
Share in income of associates and joint ventures, net	(111,724)	(71,241)
Impairment loss on investments in associates and joint ventures	1,558	
Gain on sale of property, plant and equipment	(1,619)	(12,746)
Interest income	(48,195)	(50,662)
Dividends income	(12,525)	(11,239)
Others, net	(665)	19,822
	3,128,184	2,729,429
Changes in:		
Decrease in trade receivables	839,907	862,995
Decrease in non-trade receivables	220,792	229,816
Decrease (increase) in accrued income	(63,485)	64,196
Decrease in other receivables	1,411	1,091
Decrease (increase) in other current assets	(103,743)	61,363
Increase in inventories	(284,922)	(341,324)
Decrease (increase) in other non-current assets	(2,284)	15,266

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Decrease in trade payables	(202,389)	(236,141)
Increase (decrease) in non-trade payables	20,006	(98,465)
Decrease in accrued expenses	(97,095)	(77,971)
Decrease in other payables	(171,938)	
Increase in other current liabilities	327,098	6,714
Increase in other non-current liabilities	241,112	264,591
Decrease in investments in associates and joint ventures	14,201	
Decrease in provisions	(113,316)	(21,841)
Payments of employee benefit obligations	(64,805)	(8,052)
Increase in plan assets	(112)	(105)
	560,438	722,133

(Continued)

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Cash Flows

For the three-month periods ended March 31, 2014 and 2013

(Unaudited)

<i>In millions of won</i>	March 31, 2014	March 31, 2013
Cash generated from operating activities		
Dividends received	644	6,651
Interest paid	(615,071)	(610,364)
Interest received	41,016	35,046
Income taxes paid	(19,353)	(35,654)
Net cash from operating activities	3,657,129	3,007,666
Cash flows investing activities		
Proceeds from disposals of subsidiaries, associates and joint ventures	491	
Acquisition of subsidiaries, associates and joint ventures	(108,576)	(59,994)
Proceeds from disposals of property, plant and equipment	7,169	28,088
Acquisition of property, plant and equipment	(3,580,706)	(3,280,447)
Acquisition of intangible assets	(12,028)	(19,410)
Proceeds from disposals of financial assets	242,764	79,592
Acquisition of financial assets	(120,351)	(137,781)
Increase in loans	(36,622)	(130,050)
Decrease in loans	23,578	17,765
Increase in deposits	(107,938)	(8,473)
Decrease in deposits	97,689	2,658
Receipt of government grants	23,852	5,454
Usage of government grants	(1,597)	(61)
Other cash outflow from investing activities, net	(4,317)	(3,424)
Net cash used in investing activities	(3,576,592)	(3,506,083)
Cash flows from financing activities		
Increase (decrease) in short-term borrowings, net	346,444	420,504
Proceeds from long-term borrowings and debt securities	1,952,121	3,303,949
Repayment of long-term borrowings and debt securities	(1,804,376)	(1,538,034)
Payment of finance lease liabilities	(30,128)	(30,244)
Settlement of derivative instruments, net	(48,360)	24,808
Change in non-controlling interest	(367)	7,854
Dividends paid (hybrid bond)	(5,405)	(5,427)

Dividends paid	(1,442)	(1)
Other cash inflow (outflow) from financing activities, net	6,367	8,354
Net cash from financing activities	414,854	2,191,763
Net increase in cash and cash equivalents before effect of exchange rate fluctuations	495,391	1,693,346
Effect of exchange rate fluctuations on cash held	1,071	(9,327)
Net increase in cash and cash equivalents	496,462	1,684,019
Cash and cash equivalents at January 1	2,232,313	1,954,949
Cash and cash equivalents at March 31, 2014	2,728,775	3,638,968

See accompanying notes to the consolidated financial statements.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Interim Consolidated Financial Statements

March 31, 2014

(Unaudited)

1. Reporting Entity (Description of the controlling company)

Korea Electric Power Corporation (the "KEPCO"), controlling company as defined in Korean International Financial Reporting Standards (K-IFRS) 1110 Consolidated Financial Statements, was incorporated on January 1, 1982 in accordance with the Korea Electric Power Corporation Act (the "KEPCO Act") to engage in the generation, transmission and distribution of electricity and development of electric power resources in the Republic of Korea. The KEPCO also provides power plant construction services. The 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 March 31, 2014, the KEPCO's share capital amounts to 3,209,820 million and the KEPCO's shareholders are as follows:

	Number of shares	Percentage of ownership
Government of the Republic of Korea	135,917,118	21.17%
Korea Finance Corporation	192,159,940	29.93%
Foreign investors	150,612,232	23.46%
Other	163,274,787	25.44%
	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.

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

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

These consolidated interim financial statements were prepared in accordance with K-IFRS 1034, Interim Financial Reporting as part of the period covered by the Group's K-IFRS annual financial statements. The notes are included to explain events and transactions to give the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended December 31, 2013.

(2) Basis of measurement

The consolidated interim 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 are the KEPCO's functional currency and the currency of the primary economic environment in which the Company operates.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

2. Basis of Preparation, Continued

(4) Use of estimates and judgments

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

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

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

(i) Continued operation of Wolsong #1 nuclear power plant

The Company owns Wolsong #1 nuclear power plant, which started its operation on November 21, 1982, and completed its operation on November 20, 2012, completing the permitted operation period of 30 years. As of March 31, 2014, the Company is in the process of obtaining safety assessments to obtain an approval from the Nuclear Safety and Security Commission to resume the plant's operation for another term. The Company has prepared the consolidated financial statements assuming that the plant will operate for the next 10 years.

(ii) Useful lives of property, plant and equipment, estimations on provision for decommissioning costs

The Company reviews the estimated useful lives of property, plant and equipment at the end of each annual reporting period. Management's assumptions could affect the determination of estimated economic useful lives.

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

(iii) Deferred tax

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

(iv) Valuations of financial instruments at fair values

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

2. Basis of Preparation, Continued

(4) Use of estimates and judgments, continued

When measuring the fair value of an asset or a liability, the Company uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows. If the inputs used to measure the fair value of an asset or a liability might be categorized in different levels of the fair value hierarchy, then the fair value measurement is categorized in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Company recognizes transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

(v) Defined employee liabilities

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

(vi) Unbilled revenue

Energy delivered but not yet metered, and the quantities of energy delivered but not yet measured and not 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 March 31, 2014 and 2013 is 1,499,049 million and 1,226,542 million, respectively.

(5) Changes in accounting policies

(i) Amendments to K-IFRS 1032, Financial Instruments: Disclosures

The Company adopted the amendments of K-IFRS 1032, Financial Instruments: Disclosures since January 1, 2014. K-IFRS 1032 requires that a financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity: (i) currently has a legally enforceable right to set off the recognized amounts; and (ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

A legally enforceable right of set-off must not be contingent on a future event; and must be legally enforceable in all of the following circumstances: (i) the normal course of business; (ii) the event of default; and (iii) the event of insolvency or bankruptcy of the entity and all of the counterparties.

If the Company can settle amounts in a manner such that the outcome is, in effect, equivalent to net settlement, the Company will meet the net settlement criterion in K-IFRS 1032. This will occur if, and only if, the gross settlement mechanism has features that eliminate or result in insignificant credit and liquidity risk, and that will process receivables and payables in a single settlement process or cycle.

The Company has not applied the amendment retrospectively since management believes the impact of the amendments on the Company's consolidated financial statements is clearly immaterial.

(ii) K-IFRS 2121, Levies

The Company adopted K-IFRS 2121, Levies since January 1, 2014. K-IFRS 2121 defines the obligating event that gives rise to a liability to pay a levy as the activity that triggers the payment of the levy, as identified by the legislation.

The liability to pay a levy is recognized progressively if the obligating event occurs over a period of time and if the obligating event is the reaching of a minimum activity threshold, the corresponding liability is recognised when that minimum activity threshold is reached. Meanwhile, an entity shall recognise an asset if it has prepaid a levy but does not yet have a present obligation to pay that levy.

The Company has not applied the amendment retrospectively since management believes the impact of the amendments on the Company's consolidated financial statements is clearly immaterial.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

3. Significant Accounting Policies

(1) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including special purpose entities) controlled by the Company (or one of its subsidiaries).

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

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

Transactions between the Company and its subsidiaries are eliminated during the consolidation.

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

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

(2) Business combinations

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

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

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

3. Significant Accounting Policies, Continued

(2) Business combinations, continued

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

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

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

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

When a business combination is achieved in stages, the Company's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date (i.e. the date when the Company obtains control) and the resulting

gain or loss, if any, is recognized in income or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are reclassified to income or loss where such treatment would be appropriate if that interest were disposed of.

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

3. Significant Accounting Policies, Continued

(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 have control or joint control over those policies.

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

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

Under the equity method, an investment in an associate is initially recognized in the consolidated statement of financial position at cost and adjusted thereafter to recognize the Company's share of the income or loss and other comprehensive income of the associate. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses are recognized only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

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

subsequently increases.

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

3. Significant Accounting Policies, Continued

(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 venturers) 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 K-IFRS 1028, Investment in Associates and Joint Ventures (see note 3 (3)), except when the Company is applicable to the K-IFRS 1105, Non-current Assets Held for Sale .

(5) Non-current assets held for sale

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

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

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

(6) Goodwill

The Company measures goodwill which 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.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

3. Significant Accounting Policies, Continued

(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, and 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 services

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

(iii) Dividend income and interest income

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

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

asset's net carrying amount on initial recognition.

(iv) Rental income

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

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

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

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3. Significant Accounting Policies, Continued

(8) Construction services revenue

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

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

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

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

(9) Leases

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

(i) The Company as lessor

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

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

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

(ii) The Company as lessee

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

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

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

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3. Significant Accounting Policies, Continued

(9) Leases, Continued

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

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

(iii) Determining whether an arrangement contains a lease

Determining whether an arrangement is, or contains, a lease is based on the substance of the arrangement and requires an assessment of whether fulfillment of the arrangement is dependent on the use of a specific asset or assets (the asset) and the arrangement conveys a right to use the asset.

At inception or reassessment of the arrangement, management of the Company separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If management of the Company concludes for a financial lease that it is impracticable to separate the payments reliably, the Company recognizes an asset and a liability at an amount equal to the fair value of the underlying asset that was identified as the subject of the lease. Subsequently, the liability shall be reduced as payments are made and an imputed finance charge on the liability recognized using the purchaser's incremental borrowing rate of interest.

(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;

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3. Significant Accounting Policies, Continued

(10) Foreign currencies, continued

Exchange differences on transactions entered into in order to hedge certain foreign currency risks; and

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

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

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

(11) Borrowing costs

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

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

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

(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.

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3. Significant Accounting Policies, Continued

(13) Employee benefits

(i) Retirement benefits: defined contribution plans

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), after deducting any contribution already paid.

(ii) Retirement benefits: defined benefit plans

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 asset or liability recognized in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognized past service costs. 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.

All actuarial gains and losses that arise in calculating the present value of the defined benefit obligation and the fair value of plan assets are recognized immediately in retained earnings and included in the statement of comprehensive income.

For the purpose of calculating the expected return on plan assets, the assets are valued at fair value. Actual results will differ from results which are estimated based on assumptions. Past service cost is recognized as an expense at the earlier of the following dates: (a) when the plan amendment or curtailment occurs; (b) when the company recognizes related restructuring costs or termination benefits.

The retirement benefit obligation recognized in the consolidated 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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3. Significant Accounting Policies, Continued

(14) Income taxes

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

(i) Current tax

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

(ii) Deferred tax

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

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

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

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

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

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

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

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3. Significant Accounting Policies, Continued

(14) Income taxes, continued

(iii) Current and deferred tax for the year

Current and deferred tax are recognized in income or loss, except when they relate to items that are recognized in other comprehensive income 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.

(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

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Structures	8 ~ 50
Machinery	6 ~ 32
Vehicles	4
Loaded heavy water	30
Asset retirement costs	18, 30, 40
Finance lease assets	20
Ships	9
Others	4 ~ 9

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

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

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(Unaudited)

3. Significant Accounting Policies, Continued

(16) Investment property

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

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

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

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

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

(17) Intangible assets

(i) Intangible assets acquired separately

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

(ii) Research and development

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

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

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

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

The ability to use or sell the intangible asset;

How the intangible asset will generate probable future economic benefits;

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

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

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

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

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

(iii) Intangible assets acquired in a business combination

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

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

(iv) Derecognition of intangible assets

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

(v) Subsequent expenditures

Subsequent expenditures are capitalized only when they increase the future economic benefits embodied in the specific asset to which they relate. All other expenditures, including expenditures on internally generated goodwill and brands, are recognized in profit or loss as incurred.

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

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

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

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

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3. Significant Accounting Policies, Continued

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

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.

(19) Inventories

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

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

(20) Provisions

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

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

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

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

(i) Provision for Polychlorinated Biphenyls (PCB)

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.

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3. Significant Accounting Policies, Continued

(20) Provisions, continued

(ii) Provision for decommissioning costs of nuclear power plants

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

(iii) Provision for disposal of spent nuclear fuel

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

(iv) Provision for low and intermediate radioactive wastes

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

(v) 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.

(vi) 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.

(21) Non-derivative financial assets

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

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

(i) Effective interest method

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

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(Unaudited)

3. Significant Accounting Policies, Continued

(21) Non-derivative financial assets, continued

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

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

A financial asset is classified as held for trading if:

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

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

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

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

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

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

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

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

(iii) Held-to-maturity investments

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

3. Significant Accounting Policies, Continued

(21) Non-derivative financial assets, continued

(iv) Available-for-sale financial assets

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

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

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

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

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

(v) Loans and receivables

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

(vi) Impairment of financial assets

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

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

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

Significant financial difficulty of the issuer or counterparty; or

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

3. Significant Accounting Policies, Continued

(21) Non-derivative financial assets, continued

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.

(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.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

3. Significant Accounting Policies, Continued

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

(i) Classification as debt or equity

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

(ii) Equity instruments

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

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

(iii) Financial liabilities

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

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

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

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

3. Significant Accounting Policies, Continued

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

(v) Other financial liabilities

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

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

(vi) Financial guarantee contract liabilities

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

(vii) De-recognition of financial liabilities

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

(23) Derivative financial instruments, including hedge accounting

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

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

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

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

(i) Separable embedded derivatives

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

3. Significant Accounting Policies, Continued

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

(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.

(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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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

4. Segment, Geographic and Other Information

(1) Segment determination and explanation of the measurements

The Company's operating segments are its business components that generates discrete financial information that is reported to and regularly revised by the Company's the chief operating decision maker, the Chief Executive Officer, for the purpose of resource allocation and assessment of segment performance. The Company's reportable segments, in accordance with K-IFRS 1108, 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 income (loss) is determined the same way that consolidated operating income is determined under K-IFRS 1108 without any adjustment for corporate allocations. The accounting policies used by each segment are consistent with the accounting policies used in the preparation of the consolidated financial statements. Segment assets and liabilities are determined based on separate financial statements of the entities instead of on a consolidated basis. There are various transactions between the reportable segments, including sales of property, plant and equipment and so on, that are conducted on an arms-length basis at market prices that would be applicable to an independent third-party. For subsidiaries which are in a different segment from that of its immediate parent company, their carrying amount in separate financial statements is eliminated in the consolidating adjustments in the tables below. In addition, consolidation adjustments in the table below include adjustments of the amount of investment in associates and joint ventures from the cost basis amount reflected in segment assets to that determined using an equity method basis in the consolidated financial statements.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

4. Segment, Geographic and Other Information, Continued

- (2) **Financial information of the segments for the three-month periods ended March 31, 2014 and 2013 respectively are as follows:**

*In millions of
won*

Segment	March 31, 2014							
	Total segment revenue	Intersegment revenue	Revenue from external customers	Depreciation and amortization	Interest income	Interest expense	Income(loss) of associates and joint ventures	Operating income (loss)
Transmission and distribution	14,681,061	285,952	14,395,109	671,919	6,965	359,889	107,056	(266,967)
Electric power generation (Nuclear)	2,448,121	2,445,463	2,658	703,211	3,952	145,797	740	948,969
Electric power generation (Non-nuclear)	7,428,668	7,301,758	126,910	517,069	8,150	74,913	3,572	514,372
Plant maintenance & engineering service	554,479	403,044	151,435	17,766	5,002	143	(1,201)	57,658
Others	122,200	25,665	96,535	6,657	26,896	18,568		31,107
Consolidation adjustments	(10,461,882)	(10,461,882)		(8,498)	(2,770)	(2,264)		(58,062)
	14,772,647		14,772,647	1,908,124	48,195	597,046	110,167	1,227,077
Other income								70,723

Other expenses	(23,059)
Other gains (losses), net	41,082
Finance income	278,058
Finance costs	(802,121)
Equity method Income of associates joint ventures	110,167
Profit before income tax	901,927

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

4. Segment, Geographic and Other Information, Continued

- (2) Financial information of the segments for the three-month periods ended March 31, 2014 and 2013, respectively are as follows, continued:

*In millions of
won*

Segment	March 31, 2013							
	Total segment revenue	Intersegment revenue	Revenue from external customers	Depreciation and amortization	Interest income	Interest expense	Income(loss) of associates and joint ventures	Operating income (loss)
Transmission and distribution	13,632,974	207,370	13,425,604	653,948	7,984	386,448	80,665	(478,941)
Electric power generation (Nuclear)	2,011,717	1,983,604	28,113	694,463	5,512	139,491		553,932
Electric power generation (Non-nuclear)	7,630,708	7,474,032	156,676	472,950	11,956	61,376	(8,597)	593,417
Plant maintenance & engineering service	513,456	392,560	120,896	18,867	8,390	36	(827)	44,822
Others	69,316	1,507	67,809	2,024	19,500	11,353		21,905
Consolidation adjustments	(10,059,073)	(10,059,073)		(7,425)	(2,680)	(3,422)		(77,366)
	13,799,098		13,799,098	1,834,827	50,662	595,282	71,241	657,769

Other income	88,059
Other expenses	(17,213)
Other gains (losses), net	31,004
Finance income	436,728
Finance costs	(1,059,543)
Equity method Income of associates joint ventures	71,241
Profit before income tax	208,045

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

4. Segment, Geographic and Other Information, Continued**(3) Total assets and liabilities of the segments as of March 31, 2014 and December 31, 2013 are as follows:***In millions of won*

Segment	March 31, 2014			
	Segment assets	Investments in associates and joint ventures	Acquisition of non-current assets	Segment liabilities
Transmission and distribution	98,081,007	4,013,949	1,376,818	56,726,361
Electric power generation (Nuclear)	47,574,590	1,672	372,054	26,739,548
Electric power generation (Non-nuclear)	38,070,404	1,326,813	1,638,636	21,209,516
Plant maintenance & engineering service	2,488,282	56,466	39,540	1,007,671
Others	5,959,556		80,191	2,062,017
Consolidation adjustments	(35,133,506)		85,495	(2,598,680)
Consolidated totals	157,040,333	5,398,900	3,592,734	105,146,433

In millions of won

Segment	December 31, 2013			
	Segment assets	Investments in associates and joint ventures	Acquisition of non-current assets	Segment liabilities
Transmission and distribution	98,249,927	3,895,266	4,458,291	56,590,381
Electric power generation (Nuclear)	46,717,706	908	2,412,782	26,482,646

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Electric power generation (Non-nuclear)	36,455,090	1,275,330	6,882,630	19,832,122
Plant maintenance & engineering service	2,463,204	59,251	222,547	932,485
Others	5,617,304		429,626	2,008,541
Consolidation adjustments	(33,975,897)		(75,237)	(1,769,577)
Consolidated totals	155,527,334	5,230,755	14,330,639	104,076,598

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

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

In millions of won

	Revenue from external customers		Non-current assets (*2)	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Domestic	14,164,630	13,329,168	133,587,578	131,876,535
Overseas (*1)	608,017	469,930	4,739,569	4,474,900
	14,772,647	13,799,098	138,327,147	136,351,435

(*1) Middle East and Asia make up the majority of overseas revenue and non-current assets.

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

(5) Information on significant customers

There is no individual customer comprising more than 10% of the Company's revenue for the three-month periods ended March 31, 2014 and 2013.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

5. Classification of Financial Instruments**(1) Classification of financial assets as of March 31, 2014 and December 31, 2013 are as follows:***In millions of won*

	March 31, 2014					Total
	Financial assets at fair value through profit or loss	Loans and receivables	Available- for-sale financial assets	Held-to- maturity investments	Derivative assets (using hedge accounting)	
Current assets						
Cash and cash equivalents		2,728,775				2,728,775
Current financial assets						
Held-to-maturity investments				133		133
Derivative assets	3,088					3,088
Other financial assets		313,169				313,169
Trade and other receivables		6,759,519				6,759,519
	3,088	9,801,463		133		9,804,684
Non-current assets						
Non-current financial assets						
Available-for-sale financial assets			1,232,732			1,232,732
Held-to-maturity investments				2,072		2,072
Derivative assets	13,104				96,242	109,346
Other financial assets		573,571				573,571
Trade and other receivables		1,665,489				1,665,489
	13,104	2,239,060	1,232,732	2,072	96,242	3,583,210
	16,192	12,040,523	1,232,732	2,205	96,242	13,387,894

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

5. Classification of Financial Instruments, Continued**(1) Classification of financial assets as of March 31, 2014 and December 31, 2013 are as follows, continued:**

In millions of won

	Financial assets at fair value through profit or loss		December 31, 2013			Total
			Loans and receivables	Available-for-sale financial assets	Held-to-maturity investments	
Current assets						
Cash and cash equivalents		2,232,313				2,232,313
Current financial assets						
Held-to-maturity investments				168		168
Derivative assets	1,437					1,437
Other financial assets		434,608				434,608
Trade and other receivables		7,526,311				7,526,311
	1,437	10,193,232		168		10,194,837
Non-current assets						
Non-current financial assets						
Available-for-sale financial assets			1,256,765			1,256,765
Held-to-maturity investments				2,117		2,117
Derivative assets	2,681				82,376	85,057
Other financial assets		559,013				559,013
Trade and other receivables		1,644,333				1,644,333
	2,681	2,203,346	1,256,765	2,117	82,376	3,547,285
	4,118	12,396,578	1,256,765	2,285	82,376	13,742,122

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

5. Classification of Financial Instruments, Continued**(2) Classification of financial liabilities as of March 31, 2014 and December 31, 2013 are as follows:***In millions of won***March 31, 2014**

	Financial liabilities at fair value through profit or loss	Financial liabilities recognized at amortized cost	Derivative liabilities (using hedge accounting)	Total
Current liabilities				
Borrowings		1,730,223		1,730,223
Debt securities		6,445,966		6,445,966
Derivative liabilities	241,493		28,822	270,315
Trade and other payables		5,502,731		5,502,731
	241,493	13,678,920	28,822	13,949,235
Non-current liabilities				
Borrowings		4,473,227		4,473,227
Debt securities		48,922,710		48,922,710
Derivative liabilities	125,046		131,264	256,310
Trade and other payables		3,977,897		3,977,897
	125,046	57,373,834	131,264	57,630,144
	366,539	71,052,754	160,086	71,579,379

*In millions of won***December 31, 2013****Total**

	Financial liabilities at fair value through profit or loss	Financial liabilities recognized at amortized cost	Derivative liabilities (using hedge accounting)	
Current liabilities				
Borrowings		1,470,862		1,470,862
Debt securities		6,616,636		6,616,636
Derivative liabilities	304,699		33,034	337,733
Trade and other payables		5,892,763		5,892,763
	304,699	13,980,261	33,034	14,317,994
Non-current liabilities				
Borrowings		4,538,390		4,538,390
Debt securities		48,262,262		48,262,262
Derivative liabilities	186,336		176,406	362,742
Trade and other payables		3,971,519		3,971,519
	186,336	56,772,171	176,406	57,134,913
	491,035	70,752,432	209,440	71,452,907

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

5. Classification of Financial Instruments, Continued

(3) **Classification of comprehensive income (loss) from financial instruments for the three-month periods ended March 31, 2014 and 2013 are as follows:**

<i>In millions of won</i>		March 31, 2014	March 31, 2013
Cash and cash equivalents	Interest income	12,242	15,889
Available-for-sale financial assets	Dividends income	12,525	11,239
	Interest income	108	527
	Loss on disposal of financial assets	(2)	
Held-to-maturity investments	Interest income	17	16
Loans and receivables	Interest income	6,020	12,691
Trade and other receivables	Interest income	25,466	15,412
Other financial assets	Interest income	305	7
Short-term financial instruments	Interest income	3,927	6,115
Long-term financial instruments	Interest income	110	5
Financial assets at fair value through profit or loss	Gain on valuation of derivatives	9,379	43,233
	Gain (loss) on transaction of derivatives	(9,563)	7,431
Derivative assets (using hedge accounting)	Gain on valuation of derivatives	35,908	79,722
	Loss on valuation of derivatives (equity, before tax)*	(5,732)	(6,407)
	Gain (loss) on transaction of derivatives	(1,585)	5,220
Financial liabilities carried at amortized cost	Interest expense of borrowings and debt securities	(427,547)	(428,335)
	Interest expense of trade and other payables	(22,376)	(26,222)
	Interest expense of others	(147,123)	(140,725)
	Loss on foreign currency transactions and translations	(145,391)	(408,665)

Financial liabilities at fair value through profit or loss	Gain on valuation of derivatives	68,839	116,063
	Gain on transaction of derivatives	28,595	132
Derivative liabilities (using hedge accounting)	Gain on valuation of derivatives	29,520	49,980
	Gain on valuation of derivatives (equity, before tax)*	6,690	3,662
	Gain (loss) on transaction of derivatives	(5,311)	2,015

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

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(Unaudited)

6. Restricted Deposits

Restricted deposits as of March 31, 2014 and December 31, 2013 are as follows:

<i>In millions of won</i>		March 31, 2014	December 31, 2013
Cash and cash equivalents	Escrow accounts	76,541	61,873
	Deposits for government project	16,652	17,807
	Collateral provided for lawsuit	189	
	Collateral for borrowings	10,306	
Short-term financial instruments	Restriction on withdrawal related to win-win growth program for small and medium enterprises	5,000	
Long-term financial instruments	Guarantee deposits for checking account	5	5
	Guarantee deposits for banking accounts at oversea branches	304	300
	Collateral provided for lawsuit	330	330
		109,327	80,315

7. Cash and Cash Equivalents

Cash and cash equivalents as of March 31, 2014 and December 31, 2013 are as follows:

<i>In millions of won</i>	March 31, 2014	December 31, 2013
Cash	103	56

Cash equivalents	1,147,795	1,141,202
Short-term deposits classified as cash equivalents	1,236,497	1,073,789
Short-term investments classified as cash equivalents	344,380	17,266
	2,728,775	2,232,313

8. Trade and Other Receivables

(1) Trade and other receivables as of March 31, 2014 and December 31, 2013 are as follows:

In millions of won

	March 31, 2014			
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
Current assets				
Trade receivables	6,251,671	(63,179)	(91)	6,188,401
Other receivables	616,916	(43,697)	(2,101)	571,118
	6,868,587	(106,876)	(2,192)	6,759,519
Non-current assets				
Trade receivables	420,868			420,868
Other receivables	1,288,979	(37,472)	(6,886)	1,244,621
	1,709,847	(37,472)	(6,886)	1,665,489
	8,578,434	(144,348)	(9,078)	8,425,008

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

8. Trade and Other Receivables, Continued**1) Trade and other receivables as of March 31, 2014 and December 31, 2013 are as follows, continued:***In millions of won*

		December 31, 2013		
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
Current assets				
Trade receivables	7,076,303	(65,024)	(136)	7,011,143
Other receivables	559,958	(42,729)	(2,061)	515,168
	7,636,261	(107,753)	(2,197)	7,526,311
Non-current assets				
Trade receivables	421,949		(8)	421,941
Other receivables	1,255,724	(27,158)	(6,174)	1,222,392
	1,677,673	(27,158)	(6,182)	1,644,333
	9,313,934	(134,911)	(8,379)	9,170,644

(2) Other receivables as of March 31, 2014 and December 31, 2013 are as follows:*In millions of won*

		March 31, 2014		
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
Current assets				
Non-trade receivables	297,097	(43,697)		253,400
Accrued income	38,198			38,198

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Deposits	166,431		(2,101)	164,330
Finance lease receivables	5,356			5,356
Others	109,834			109,834
	616,916	(43,697)	(2,101)	571,118

Non-current assets

Non-trade receivables	100,091	(17,829)		82,262
Accrued income	7,910			7,910
Deposits	239,212		(6,886)	232,326
Finance lease receivables	853,594			853,594
Others	88,172	(19,643)		68,529
	1,288,979	(37,472)	(6,886)	1,244,621
	1,905,895	(81,169)	(8,987)	1,815,739

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

8. Trade and Other Receivables, Continued**(2) Other receivables as of March 31, 2014 and December 31, 2013 are as follows, continued:***In millions of won*

	Gross amount	December 31, 2013		Book value
		Allowance for doubtful accounts	Present value discount	
Current assets				
Non-trade receivables	233,714	(42,729)		190,985
Accrued income	47,310			47,310
Deposits	162,730		(2,061)	160,669
Finance lease receivables	4,569			4,569
Others	111,635			111,635
	559,958	(42,729)	(2,061)	515,168
Non-current assets				
Non-trade receivables	102,254	(8,608)		93,646
Deposits	230,083		(6,174)	223,909
Finance lease receivables	845,712			845,712
Accrued income	7,052			7,052
Others	70,623	(18,550)		52,073
	1,255,724	(27,158)	(6,174)	1,222,392
	1,815,682	(69,887)	(8,235)	1,737,560

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 for the duration between the billing date and the payment due dates. Once trade receivables are overdue, the Company imposes a 2.0% interest rate on the overdue trade receivables. The Company holds deposits of three-months expected electricity usage for customers requesting temporary usage

and customers with past defaulted payments.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

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(Unaudited)

8. Trade and Other Receivables, Continued**(3) Aging analysis of trade receivables as of March 31, 2014 and December 31, 2013 are as follows:**

<i>In millions of won</i>	March 31, 2014	December 31, 2013
Trade receivables: (not overdue, not impaired)	6,476,872	7,350,705
Trade receivables: (overdue, not impaired)	972	292
Less than 60 days	972	292
Trade receivables: (impairment reviewed)	194,695	147,255
60 ~ 90 days	69,137	36,707
90 ~ 120 days	11,639	18,214
120 days ~ 1year	60,799	38,066
Over 1 year	53,120	54,268
	6,672,539	7,498,252
Less allowance for doubtful accounts	(63,179)	(65,024)
Less present value discount	(91)	(144)
	6,609,269	7,433,084

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 allowance based on past experience of collection.

(4) Aging analysis of other receivables as of March 31, 2014 and December 31, 2013 are as follows:

<i>In millions of won</i>	March 31, 2014	December 31, 2013
Other receivables: (not overdue, not impaired)	1,701,581	1,667,837
Other receivables: (overdue, not impaired)	60,009	24,878
Less than 60 days	60,009	24,878
Other receivables: (impairment reviewed)	144,305	122,967
60 ~ 90 days	11,610	17,507
90 ~ 120 days	2,745	1,880
120 days ~ 1year	42,678	23,996
Over 1 year	87,272	79,584
	1,905,895	1,815,682
Less allowance for doubtful accounts	(81,169)	(69,887)
Less present value discount	(8,987)	(8,235)
	1,815,739	1,737,560

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(Unaudited)

8. Trade and Other Receivables, Continued

- (5) Changes in the allowance for doubtful accounts for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows:

<i>In millions of won</i>	March 31, 2014		December 31, 2013	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Beginning balance	65,024	69,887	47,312	225,078
Bad debt expense	501	11,870	40,446	8,665
Write-offs	(2,346)	(2,091)	(22,734)	(4,227)
Reversals				
Others (*)		1,503		(159,629)
Ending balance	63,179	81,169	65,024	69,887

- (*) The allowance against loans to equity method investments which were reversed when the loans were converted to investment in associates.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

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(Unaudited)

9. Available-for-sale Financial Assets

Available-for-sale financial assets as of March 31, 2014 and December 31, 2013 are as follows:

<i>In millions of won</i>	Ownership	March 31, 2014	December 31, 2013
Equity securities			
Listed			
Kwanglim Co., Ltd.(*1)	0.44%	159	150
Sungjee Construction Co., Ltd.(*1)	0.01%	8	7
Korea District Heating Corp.	19.55%	154,183	194,710
Ssangyong Motor Co., Ltd.(*1)	0.03%	337	291
LG Uplus Corporation	8.80%	401,377	412,901
Fission Uranium Corp.(formerly named Fission)	0.52%	1,300	848
Denison Mines Corp.	12.62%	91,866	74,498
Energy Fuels INC	9.06%	17,054	10,307
PT Adaro Energy Tbk	1.50%	44,406	45,204
Cockatoo Coal Limited (*2)	1.20%	1,825	1,875
Namkwang Engineering & Construction Co., Ltd	0.01%	5	5
Byucksan Engineering & Construction Co., Ltd	0.00%	1	1
Dongyang Engineering & Construction Corp.	0.01%	4	5
Pumyang Construction Co., Ltd.	0.00%	2	3
Korea Line Corp.	0.00%		
		712,527	740,805
Unlisted			
Construction Guarantee	0.02%	781	790
Global Dynasty Overseas Resource Development Private Equity Firm	7.46%	1,681	1,517
Plant & Mechanical Contractors Financial Cooperative of Korea	0.01%	36	36
Dongnam Co., Ltd.	0.46%	72	72
Mobo Co., Ltd.	0.00%	14	14

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Fire Guarantee	0.02%	20	20
Korea Software Financial Cooperative	0.18%	301	301
Woobang ENC Co., Ltd.	0.00%	22	22
Women s Venture Fund	10.00%	780	780
Engineering Financial Cooperative	0.11%	60	60
Intellectual Discovery, Ltd.	9.13%	5,000	5,000
Electric Contractors Financial Cooperative	0.03%	152	152
Korea Specialty Contractor Financial Cooperative	0.01%	417	417
Information & Communication Financial Cooperative	0.03%	10	10
Troika Overseas Resource Development Private Equity Firm	3.66%	11,104	10,664
Poonglim Industrial Co., Ltd.	0.01%	78	78
Woori Ascon Co., Ltd.	0.34%	10	10
HANKOOK Silicon Co., Ltd.	11.82%	7,513	7,513
LIG E&C Co., Ltd.	0.00%	5	5
Miju Steel Mfg Co., Ltd.	0.23%	51	51
Ginseng K Co., Ltd.	0.08%	8	8
Dae Kwang Semiconductor Co., Ltd.	0.07%	6	6
Sanbon Department Store	0.01%	124	124
SAMBO AUTO. Co., Ltd.	0.02%	38	38

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

9. Available-for-sale Financial Assets, Continued

Available-for-sale financial assets as of March 31, 2014 and December 31, 2013 are as follows, continued:

<i>In millions of won</i>	Ownership	March 31, 2014	December 31, 2013
Korea Bio Fuel Co., Ltd.	15.00%	1,500	1,500
Korea Electric Engineers Association	0.26%	61	61
Korea Investment Korea EXIM Bank CERs Private Special Asset Investment Trust	14.18%	6,803	6,803
Hanwha Electric Power Venture Fund	16.40%	1,804	1,804
Hwan Young Steel Co., Ltd.	0.14%	97	97
IBK-AUCTUS Green Growth Private Equity Firm	6.30%	6,054	6,054
K&C- Gyeongnam Youth Job Creation Investment Fund	10.00%	1,340	1,340
Areva Nc Expansion	13.49%	250,528	248,292
Green & Sustainable Energy Investment Corp.	19.58%	13	13
Kanan Hydroelectric Power Corp.	19.58%	18	17
Set Holding	2.50%	170,514	170,514
Siam Solar Power	10.00%	945	933
3i Powergen Inc.	15.00%	1,492	1,486
PT. Kedap Saayq	10.00%	18,540	18,540
Navanakorn Electric Co., Ltd. (*3)	29.00%	16,370	16,163
Pumyang Assetmanagement Co. Ltd.	0.00%	3	
BnB Sungwon Co., Ltd	0.01%	15	
Hana	0.00%	1	
		504,381	501,305
Debt securities			
Ambre Energy Limited		15,824	14,655

1,232,732

1,256,765

- (*1) It has been determined that available-for-sale financial assets were impaired because the fair values of the securities of Kwanglim Co., Ltd., Ssangyong Motor Co., Ltd. and Sungjee Construction Co., Ltd. declined below their respective acquisition costs during the prior year. As such, cumulative losses of 415 million previously recognized in other comprehensive loss were reclassified to impairment losses on available-for-sale financial assets for the year ended March 31, 2014.
- (*2) The fair value of Cockatoo Coal Limited securities declined significantly below the acquisition cost and the cumulative losses of 12,177 million previously recognized in other comprehensive loss were reclassified to impairment loss on available-for-sale financial assets for the the year ended March 31, 2014.
- (*3) Although the Company holds more than 20% of the equity shares of these investments, the Company cannot exercise significant influence.

Book values of unlisted equity securities held by the Company that were measured at cost as of March 31, 2014 and December 31, 2013 are 333,086 million and 330,001 million, respectively, as a quoted market price does not exist in an active market and its fair value cannot be measured reliably.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

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March 31, 2014

(Unaudited)

10. Held-to-maturity Investments

Held-to-maturity investments as of March 31, 2014 and December 31, 2013 are as follows:

<i>In millions of won</i>	March 31, 2014		December 31, 2013	
	Current	Non-current	Current	Non-current
Government and municipal bonds and others	133	2,072	168	2,117

11. Derivatives

(1) Derivatives as of March 31, 2014 and December 31, 2013 are as follows:

<i>In millions of won</i>	March 31, 2014		December 31, 2013	
	Current	Non-current	Current	Non-current
Derivative assets				
Currency option	2,402		963	
Currency forward	686	30	474	206
Currency swap		108,096		83,003
Interest rate swap		1,220		1,848
	3,088	109,346	1,437	85,057
Derivative liabilities				
Currency option	3,341		42,144	
Currency forward	244	1	2,166	
Currency swap	265,076	196,316	291,476	289,819
Interest rate swap	1,654	59,993	1,947	72,923
	270,315	256,310	337,733	362,742

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(Unaudited)

11. Derivatives, Continued**(2) Currency option contracts which are not designated as hedge instruments as of March 31, 2014 are as follows:****(i) Target Redemption Forward***In won and thousands of U.S. dollars*

Financial institution	Contract year	Position	Contract amount	Contract exchange rate	Target profit
Standard Chartered	2014.01.09 ~ 2015.01.02	SELL	USD 6,000	1,087.10	250
Barclays Bank PLC	2014.01.10 ~ 2015.01.02	SELL	USD 3,000	1,086.40	250
Credit Suisse	2014.01.08 ~ 2014.12.31	SELL	USD 5,000	1,086.70	250
Morgan Stanley	2013.09.11 ~ 2014.05.07	BUY	USD 10,000	1,072.90	50
Morgan Stanley	2013.10.21 ~ 2014.12.29	BUY	USD 3,000	1,047.00	50
Morgan Stanley	2013.08.19 ~ 2014.08.18	BUY	USD 3,000	1,089.40	200

The Company enters into currency option contracts to buy or sell currency at a specified exchange rate during a specified period of time to hedge currency exchange risk from flaming coal purchase payments. Every week, the Company compares the target profit to the accumulated total profit or loss from the difference between the contract exchange rate and average exchange rate. When the target profits are achieved, the contracts will be automatically terminated.

(ii) European Knock-Out*In millions of won and thousands of U.S. dollars*

Financial institution	Contract year	Contract amount		Contract exchange rate	Barrier
		Pay	Receive		
Barclays Bank PLC	2013.10.11 ~ 2014.04.07	9,884	USD 9,317	1,060.90	1,130.00
Barclays Bank PLC	2013.10.29 ~ 2014.04.24	11,250	USD 10,689	1,052.50	1,100.00
Barclays Bank PLC	2013.12.13 ~ 2014.05.08	8,472	USD 8,121	1,043.20	1,100.00
Barclays Bank PLC	2014.01.14 ~ 2014.06.11	4,309	USD 4,094	1,052.70	1,110.00
Barclays Bank PLC	2014.01.20 ~ 2014.07.02	12,780	USD 12,048	1,060.80	1,120.00
Barclays Bank PLC	2014.01.20 ~ 2014.06.12	11,180	USD 10,561	1,058.60	1,120.00

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Barclays Bank PLC	2014.01.20 ~ 2014.04.15	13,129	USD 12,344	1,063.60	1,120.00
Barclays Bank PLC	2014.01.20 ~ 2014.07.02	4,644	USD 4,395	1,056.60	1,120.00
Korea Exchange Bank	2013.10.22 ~ 2014.04.17	5,816	USD 5,516	1,054.40	1,110.00
Korea Exchange Bank	2013.12.16 ~ 2014.06.11	18,335	USD 17,664	1,038.00	1,100.00
Korea Exchange Bank	2014.01.14 ~ 2014.07.10	11,661	USD 11,121	1,048.60	1,110.00
Korea Exchange Bank	2014.01.15 ~ 2014.06.11	10,906	USD 10,343	1,054.40	1,110.00
Korea Exchange Bank	2014.01.20 ~ 2014.07.16	17,392	USD 16,488	1,054.80	1,110.00
Credit Suisse	2013.10.28 ~ 2014.04.24	10,142	USD 9,619	1,054.40	1,110.00
RBS	2013.11.23 ~ 2014.04.21	5,853	USD 5,546	1,055.20	1,110.00
RBS	2014.01.21 ~ 2014.06.18	14,414	USD 13,596	1,060.20	1,120.00

Contracts are entered to hedge the currency risk arising from foreign short-term borrowings. The contracts will be automatically cancelled if the market average exchange rate at maturity date is above the barrier.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

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March 31, 2014

(Unaudited)

11. Derivatives, Continued**(3) Currency forward contracts which are not designated as hedge instruments, as of March 31, 2014 are as follows:***In millions of won and thousands of foreign currencies*

Counterparty	Contract Date	Maturity date	Contract amounts		Contract exchange rate
			Pay	Receive	
Korea Exchange Bank	2014.03.13	2014.04.17	13,771	12,879	1,069.27
Korea Exchange Bank	2014.03.06	2014.04.10	4,059	3,803	1,067.35
The Bank of Nova Scotia	2014.03.27	2014.04.30	5,369	5,000	1,073.70
The Bank of Nova Scotia	2014.03.27	2014.04.21	10,748	10,000	1,074.75
The Bank of Nova Scotia	2014.03.31	2014.04.03	3,218,710	3,022	1,064.95
Standard Chartered	2014.03.27	2014.04.21	USD 10,000	10,747	1,074.65
RBS	2014.03.27	2014.04.21	USD 10,000	10,747	1,074.65
Barclays Bank PLC	2014.03.27	2014.04.21	USD 8,000	8,582	1,072.80
Barclays Bank PLC	2014.03.31	2014.04.01	USD 2,175	2,319	1,066.05
Citibank	2014.03.31	2014.04.21	USD 5,000	5,333	1,066.69
RBS	2014.03.28	2014.04.03	5,341	USD 5,000	1,068.21
RBS	2014.03.31	2014.04.10	5,331	USD 5,000	1,066.26
Deutsche Bank	2014.03.31	2014.04.10	5,333	USD 5,000	1,066.55
Korea Exchange Bank	2014.03.31	2014.04.18	5,330	USD 5,000	1,066.00
The Bank of Nova Scotia	2014.03.31	2014.04.03	5,328	USD 5,000	1,065.65
Barclays Bank PLC	2014.03.06	2014.04.10	5,341	USD 5,000	1,068.15
Barclays Bank PLC	2014.03.06	2014.04.10	5,338	USD 5,000	1,067.55
Barclays Bank PLC	2014.03.06	2014.04.10	1,335	USD 1,252	1,066.65
Barclays Bank PLC	2014.03.28	2014.05.02	5,341	USD 5,000	1,068.10
Barclays Bank PLC	2014.03.31	2014.05.02	4,265	USD 4,000	1,066.20
BNP Paribas	2014.03.06	2014.04.10	5,338	USD 5,000	1,067.55
BNP Paribas	2014.03.06	2014.04.10	5,333	USD 5,000	1,066.65
Credit Agricole	2014.03.06	2014.04.10	5,333	USD 5,000	1,066.65

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Credit Agricole	2014.03.06	2014.04.10	5,338	USD 5,000	1,067.55
Credit Agricole	2014.03.27	2014.04.30	10,706	USD 10,000	1,070.60
Citibank	2014.03.06	2014.04.10	5,332	USD 5,000	1,066.35
Citibank	2014.03.27	2014.04.02	5,357	USD 5,000	1,071.42
Citibank	2014.03.31	2014.05.02	5,335	USD 5,000	1,067.07
Credit Suisse	2014.03.07	2014.04.11	10,629	USD 10,000	1,062.90
Credit Suisse	2014.03.31	2014.05.02	5,334	USD 5,000	1,066.70
Goldman Sachs	2014.03.31	2014.05.02	5,332	USD 5,000	1,066.35
Goldman Sachs	2014.03.28	2014.05.02	3,204	USD 3,000	1,068.10
HSBC	2014.03.31	2014.05.02	5,333	USD 5,000	1,066.55
HSBC	2014.03.31	2014.05.02	5,316	USD 5,000	1,063.10
Morgan Stanley	2014.03.06	2014.04.10	3,617	USD 3,385	1,068.35
The Bank of Nova Scotia	2014.03.06	2014.04.10	5,341	USD 5,000	1,068.15
The Bank of Nova Scotia	2014.03.06	2014.04.10	559	USD 524	1,067.65
The Bank of Nova Scotia	2014.03.27	2014.04.02	5,348	USD 5,000	1,069.50
The Bank of Nova Scotia	2014.03.31	2014.05.02	5,323	USD 5,000	1,064.60
The Bank of Nova Scotia	2014.03.31	2014.05.02	5,316	USD 5,000	1,063.10
RBS	2014.03.06	2014.04.10	5,333	USD 5,000	1,066.65
RBS	2014.03.06	2014.04.10	529	USD 495	1,068.25
Societe Generale	2014.03.28	2014.05.02	5,341	USD 5,000	1,068.10
Standard Chartered	2011.08.08	2014.04.28 ~ 2015.12.28	USD 17,593	19,339	1,093.10~1103.10
Hana Bank	2013.12.27	2014.04.07 ~ 2014.06.20	JPY 25,900	261	10.08~10.10

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

11. Derivatives, Continued

(4) Currency swap contracts which are not designated as hedge instruments as of March 31, 2014 are as follows:

In millions of won and thousands of foreign currencies

Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate
		Pay	Receive	Pay (%)	Receive (%)	
Shinhan Bank	2010~2014	84,615	USD 75,000	6.83%	5.50%	1,128.20
RBS	2010~2014	141,125	USD 125,000	6.78%	5.50%	1,129.00
Morgan Stanley	2010~2014	112,320	USD 100,000	6.71%	5.50%	1,123.20
HSBC	2010~2014	112,320	USD 100,000	6.71%	5.50%	1,123.20
Bank of America	2011~2014	110,310	USD 100,000	6.93%	5.50%	1,103.10
UBS	2011~2015	220,356	USD 200,000	3.90%	3.00%	1,101.78
RBS	2011~2015	110,110	USD 100,000	3.90%	3.00%	1,101.10
Barclays Bank PLC	2011~2015	108,390	USD 100,000	3.78%	3.00%	1,083.90
Credit Suisse	2011~2015	108,390	USD 100,000	3.22%	3.00%	1,083.90
Morgan Stanley	2011~2015	63,006	USD 60,000	4.06%	3.00%	1,050.10
Goldman Sachs	2010~2015	156,643	USD 140,000	3.92%	3.00%	1,118.88
Deutsche Bank	2012~2018	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	2012~2018	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
Morgan Stanley	2010~2015	118,800	USD 100,000	4.61%	3M Libor+1.64%	1,188.00
M-UFJ	2010~2015	116,100	USD 100,000	4.00%	3M Libor+1.00%	1,161.00
DBS	2011~2014	56,150	USD 50,000	4.21%	3M Libor+1.00%	1,123.00
SMBC	2011~2014	56,150	USD 50,000	4.21%	3M Libor+1.00%	1,123.00
Mizuho Corporate Bank	2011~2014	112,800	USD 100,000	3.86%	3M Libor+0.80%	1,128.00
DBS	2011~2014	109,500	USD 100,000	3.80%	3M Libor+0.85%	1,095.00
Deutsche Bank	2009~2014	126,610	USD 100,000	5.39%	6.25%	1,266.10
Nomura	2009~2014	126,610	USD 100,000	5.35%	6.25%	1,266.10
Nomura	2009~2014	126,610	USD 100,000	5.33%	6.25%	1,266.10
Morgan Stanley	2009~2014	126,610	USD 100,000	5.32%	6.25%	1,266.10
Morgan Stanley	2010~2014	126,610	USD 100,000	5.30%	6.25%	1,266.10

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Barclays Bank PLC	2010~2014	126,610	USD 100,000	5.29%	6.25%	1,266.10
Citibank	2010~2014	126,610	USD 100,000	5.27%	6.25%	1,266.10
JP Morgan	2010~2014	126,610	USD 100,000	4.93%	6.25%	1,266.10
Deutsche Bank	2010~2014	126,610	USD 100,000	4.93%	6.25%	1,266.10
RBS	2010~2014	126,610	USD 100,000	4.93%	6.25%	1,266.10
Citibank	2010~2015	116,080	USD 100,000	3.97%	3.13%	1,160.80
Deutsche Bank	2010~2015	116,080	USD 100,000	3.98%	3.13%	1,160.80
RBS	2010~2015	116,080	USD 100,000	3.97%	3.13%	1,160.80
HSBC	2010~2015	116,080	USD 100,000	3.23%	3.13%	1,160.80
UBS	2010~2015	116,080	USD 100,000	3.23%	3.13%	1,160.80
Citibank	2012~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
JP Morgan	2012~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
Bank of America	2012~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
Goldman Sachs	2012~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
HSBC	2012~2022	111,770	USD 100,000	2.89%	3.00%	1,117.70
Hana Bank	2012~2022	111,770	USD 100,000	2.87%	3.00%	1,117.70
Standard Chartered	2012~2022	111,770	USD 100,000	2.89%	3.00%	1,117.70
Deutsche Bank	2012~2022	55,885	USD 50,000	2.79%	3.00%	1,117.70
DBS	2013~2018	108,140	USD 100,000	2.63%	3M Libor+0.84%	1,081.40
DBS	2013~2018	108,140	USD 100,000	2.57%	3M Libor+0.84%	1,081.40
DBS	2013~2018	108,140	USD 100,000	2.57%	3M Libor+0.84%	1,081.40
HSBC	2013~2018	107,450	USD 100,000	3.41%	2.88%	1,074.50
Standard Chartered	2013~2018	107,450	USD 100,000	3.44%	2.88%	1,074.50
JP Morgan	2013~2018	107,450	USD 100,000	3.48%	2.88%	1,074.50
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

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March 31, 2014

(Unaudited)

11. Derivatives, Continued**(5) Currency swap contracts which are designated as hedge instruments as of March 31, 2014 are as follows:***In millions of won and thousands of foreign currencies*

Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate
		Pay	Receive	Pay (%)	Receive (%)	
Citibank	2006~2016	113,200	USD 100,000	1.05%	6.00%	1,132.00
Barclays Bank PLC	2006~2016	113,200	USD 100,000	1.05%	6.00%	1,132.00
Credit Suisse	2006~2016	113,200	USD 100,000	1.05%	6.00%	1,132.00
Goldman Sachs	2011~2017	105,260	USD 100,000	3.99%	3.63%	1,052.60
Barclays Bank PLC	2011~2017	105,260	USD 100,000	3.99%	3.63%	1,052.60
Citibank	2011~2017	105,260	USD 100,000	3.99%	3.63%	1,052.60
HSBC	2012~2014	45,264	USD 40,000	3.25%	3M Libor+1.50%	1,131.60
Citibank	2012~2014	33,948	USD 30,000	3.25%	3M Libor+1.50%	1,131.60
RBS	2012~2014	22,632	USD 20,000	3.25%	3M Libor+1.50%	1,131.60
UOB	2012~2014	33,948	USD 30,000	3.25%	3M Libor+1.50%	1,131.60
DBS	2012~2014	56,580	USD 50,000	3.20%	3M Libor+1.50%	1,131.60
ANZ	2012~2014	22,632	USD 20,000	3.20%	3M Libor+1.50%	1,131.60
Citibank	2012~2014	20,369	USD 18,000	3.20%	3M Libor+1.50%	1,131.60
Credit Suisse	2012~2014	45,264	USD 40,000	2.77%	3M Libor+1.50%	1,131.60
RBS	2012~2014	58,843	USD 52,000	2.77%	3M Libor+1.50%	1,131.60
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

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UBS AG	2006~2016	98,100	USD	100,000	5.48%	5.50%	981
Credit Suisse	2006~2016	98,100	USD	100,000	5.48%	5.50%	981
JP Morgan	2014~2019	107,190	USD	100,000	3.25%+3%*n/N	2.75%	1,071.90
Morgan Stanley	2014~2019	107,190	USD	100,000	3.25%+3%*n/N	2.75%	1,071.90
Barclays Bank PLC	2014~2019	107,190	USD	100,000	3.25%+3%*n/N	2.75%	1,071.90
Barclays Bank PLC	2006~2016	71,888	USD	75,000	4.81%	5.50%	958.51
Deutsche Bank AG	2006~2016	71,888	USD	75,000	4.81%	5.50%	958.51
Barclays Bank PLC	2012~2017	142,500	USD	125,000	3.83%	3.13%	1,140.00
Morgan Stanley	2012~2017	142,500	USD	125,000	3.83%	3.13%	1,140.00
RBS	2012~2017	142,500	USD	125,000	3.83%	3.13%	1,140.00
JP Morgan	2012~2017	142,500	USD	125,000	3.83%	3.13%	1,140.00
RBS	2013~2019	118,343	CHF	100,000	3.47%	1.63%	1,183.43
Barclays Bank PLC	2013~2019	59,172	CHF	50,000	3.47%	1.63%	1,183.43
Nomura	2013~2019	59,172	CHF	50,000	3.47%	1.63%	1,183.43
Barclays Bank PLC	2013~2018	107,360	USD	100,000	3.34%	2.88%	1,073.60
RBS	2013~2018	107,360	USD	100,000	3.34%	2.88%	1,073.60
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
Barclays Bank PLC	2004~2014	172,875	USD	150,000	5.10%	5.75%	1,152.50
Barclays Bank PLC	2013~2018	81,188	USD	75,000	2.65%	1.88%	1,082.50
RBS	2013~2018	81,188	USD	75,000	2.65%	1.88%	1,082.50
Deutsche Bank	2013~2018	81,188	USD	75,000	2.65%	1.88%	1,082.50
Citibank	2013~2018	81,188	USD	75,000	2.65%	1.88%	1,082.50
Standard Chartered	2014~2017	54,205	USD	50,000	2.93%	3M Libor+1.50%	1,084.10
Credit Agricole	2014~2017	54,205	USD	50,000	2.93%	3M Libor+1.50%	1,084.10
BTMU	2010~2015	55,900	USD	50,000	4.03%	3M Libor+1.20%	1,118.00
RBS	2012~2017	115,140	USD	100,000	3.38%	2.50%	1,151.40
BNP Paribas	2012~2017	115,140	USD	100,000	3.38%	2.50%	1,151.40
Hana Bank	2012~2017	115,140	USD	100,000	3.38%	2.50%	1,151.40
Barclays Bank PLC	2012~2017	57,570	USD	50,000	3.38%	2.50%	1,151.40
Standard Chartered	2012~2017	57,570	USD	50,000	3.38%	2.50%	1,151.40
Nomura	2012~2017	57,570	USD	50,000	3.38%	2.50%	1,151.40
Credit Agricole	2012~2017	57,570	USD	50,000	3.38%	2.50%	1,151.40

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

11. Derivatives, Continued**(5) Currency swap contracts which are designated as hedge instruments as of March 31, 2014 are as follows, continued:***In millions of won and thousands of foreign currencies*

Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate
		Pay	Receive	Pay (%)	Receive (%)	
Societe Generale	2013~2018	106,190	USD 100,000	3.48%	2.50%	1,061.90
BNP Paribas	2013~2018	53,095	USD 50,000	3.48%	2.63%	1,061.90
Hana Bank	2013~2018	53,095	USD 50,000	3.48%	2.63%	1,061.90
Standard Chartered	2013~2018	106,030	USD 100,000	3.48%	2.63%	1,060.30
Barclays Bank PLC	2013~2018	53,015	USD 50,000	3.48%	2.63%	1,060.30
Hana Bank	2013~2018	31,809	USD 30,000	3.48%	2.63%	1,060.30
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

(6) Interest rate swap contracts which are not designated as hedge instruments as of March 31, 2014 are as follows:*In millions of won*

Counterparty	Contract year	Contract amount	Contract interest rate per annum	
			Pay (%)	Receive (%)
Nonghyup Bank	2010~2015	100,000	4.90%	3M CD+1.05%
Nonghyup Bank	2010~2015	100,000	4.83%	3M CD+0.90%
Nonghyup Bank	2010~2015	50,000	4.77%	3M CD+0.90%
Korea Development Bank	2012~2016	200,000	3.57%	3M CD+0.26%
Nonghyup Bank	2012~2016	100,000	3.49%	3M CD+0.25%
Korea Development Bank	2012~2016	50,000	3.49%	3M CD+0.25%
HSBC	2012~2016	50,000	3.49%	3M CD+0.25%
Standard Chartered	2012~2016	200,000	3.55%	3M CD+0.26%

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Standard Chartered	2012~2017	160,000	3.57%	3M CD+0.32%
JP Morgan	2013~2018	150,000	3.58%	3M CD+0.31%
Korea Exchange Bank	2011~2014	100,000	3.89%	3M CD+0.05%
Korea Exchange Bank	2011~2014	200,000	3.66%	3M CD+0.24%
Korea Exchange Bank	2012~2015	100,000	3.58%	3M CD+0.15%
Korea Exchange Bank	2012~2015	200,000	3.65%	3M CD+0.10%
Korea Exchange Bank	2012~2015	100,000	2.86%	3M CD+0.05%
Korea Exchange Bank	2013~2016	100,000	2.82%	3M CD+0.04%
Korea Exchange Bank	2013~2016	200,000	2.57%	3M CD+0.04%
Korea Exchange Bank	2013~2016	100,000	2.75%	3M CD+0.03%

- (7) **Interest rate swap contracts which are designated as hedge instruments, as of of March 31, 2014 are as follows:**

In thousands of U.S. dollars

Counterparty	Contract year	Contract amount	Contract interest rate per annum	
			Pay (%)	Receive (%)
BNP Paribas	2009~2027	USD 108,633	4.16%	6M USD Libor
KFW	2009~2027	USD 108,633	4.16%	6M USD Libor
CA-CIB (Credit Agricole)	2013~2033	USD 106,684	3.98% ~ 4.10%	6M USD Libor
SMBC	2013~2033	USD 139,510	4.05% ~ 4.18%	6M USD Libor

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

11. Derivatives, Continued

- (8) **Gain and loss on valuation and transaction of derivatives for the three-month periods ended March 31, 2014 and 2013 are as follows and included in finance income and costs in the accompanying consolidated statements of comprehensive income:**

<i>In millions of won</i>	Net income effects of valuation gain		Net income effects of transaction gain		Accumulated other comprehensive income (loss) (*)	
	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013	March 31, 2014	March 31, 2013
Currency option	(940)		22,106			
Currency forward	42	205	1,534	7,067		4,004
Currency swap	147,651	292,129	(8,552)	4,612	(5,563)	(6,745)
Interest rate swap	(3,107)	(3,336)	(1,342)	(3,182)	6,521	(4)
Other derivatives			(1,610)	6,301		
	143,646	288,998	12,136	14,798	958	(2,745)

(*) As of March 31, 2014, the accumulated net gain on valuation of derivatives using cash flow hedge accounting of 3,325 million, net of tax, is included in accumulated other comprehensive income.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

12. Other Financial Assets**(1) Other financial assets as of March 31, 2014 and December 31, 2013 are as follows:**

<i>In millions of won</i>	March 31, 2014		December 31, 2013	
	Current	Non-current	Current	Non-current
Loans and receivables	52,704	632,801	51,503	616,389
Present value discount	(1,177)	(60,424)	(1,094)	(58,559)
Long-term/short-term financial instruments	261,642	1,194	384,199	1,183
	313,169	573,571	434,608	559,013

(2) Loans and receivables as of March 31, 2014 and December 31, 2013 are as follows:

<i>In millions of won</i>	March 31, 2014		
	Face value	Present value discount	Book value
Short-term loans and receivables			
Loans for tuition	26,868	(1,177)	25,691
Loans for housing	12,409		12,409
Loans for related parties	933		933
Fisheries loan	11,000		11,000
Other loans	1,494		1,494
	52,704	(1,177)	51,527
Long-term loans and receivables			
Loans for tuition	372,949	(59,015)	313,934
Loans for housing	105,519		105,519
Loans for related parties	140,238		140,238
Fisheries loan	13,760	(1,409)	12,351

Other loans	335		335
	632,801	(60,424)	572,377
	685,505	(61,601)	623,904

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

12. Other Financial Assets, Continued(2) **Loans and receivables as of March 31, 2014 and December 31, 2013 are as follows, continued:**

<i>In millions of won</i>	Face value	December 31, 2013 Present value discount	Book value
Short-term loans and receivables			
Loans for tuition	25,296	(1,094)	24,202
Loans for housing	12,505		12,505
Loans for related parties	890		890
Fisheries loan	6,000		6,000
Other loans	6,812		6,812
	51,503	(1,094)	50,409
Long-term loans and receivables			
Loans for tuition	352,554	(56,956)	295,598
Loans for housing	108,564		108,564
Loans for related parties	141,191		141,191
Fisheries loan	13,760	(1,603)	12,157
Other loans	320		320
	616,389	(58,559)	557,830
	667,892	(59,653)	608,239

(3) **Long-term and short-term financial instruments as of March 31, 2014 and December 31, 2013 are as follows:**

<i>In millions of won</i>	March 31, 2014		December 31, 2013	
	Current	Non-current	Current	Non-current

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Time deposits	135,606	447	256,173	453
Installment deposits		108		93
Deposit for treasury stock in trust	60,779		64,940	
Special money in trust	55,298		30,086	
Repurchase agreement			18,000	
CD			10,000	
CP	4,959			
Others	5,000	639	5,000	637
	261,642	1,194	384,199	1,183

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

13. Inventories

Inventories as of March 31, 2014 and December 31, 2013 are as follows:

<i>In millions of won</i>	March 31, 2014		Book value
	Acquisition cost	Valuation allowance	
Raw materials	3,066,231	(46)	3,066,185
Merchandises	374		374
Work-in-progress	103,190		103,190
Finished goods	40,901		40,901
Supplies	721,113	(4,100)	717,013
Inventories in transit	420,419		420,419
Other inventories	11,682		11,682
	4,363,910	(4,146)	4,359,764

<i>In millions of won</i>	December 31, 2013		Book value
	Acquisition cost	Valuation allowance	
Raw materials	2,904,722	(46)	2,904,676
Merchandises	373		373
Work-in-progress	89,883		89,883
Finished goods	55,056		55,056
Supplies	683,699	(4,089)	679,610
Inventories in transit	541,154		541,154
Other inventories	8,841		8,841
	4,283,728	(4,135)	4,279,593

The reversal of the allowance for loss on inventory valuation due from increases in the net realizable value of inventory and fluctuations in foreign exchange rates deducted from cost of sales were 228 million and 687 million, for the three-month period ended March 31, 2014 and for the year ended December 31, 2013, respectively. The amounts of loss from inventory valuation included in cost of sales for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 were 239 million and 261 million, respectively.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

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March 31, 2014

(Unaudited)

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

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

(2) Finance lease receivables as of March 31, 2014 and December 31, 2013 are as follows and included in current and non-current trade and other receivables, net, in the accompanying consolidated statements of financial position:

<i>In millions of won</i>	March 31, 2014		December 31, 2013	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Less than 1 year	84,918	5,356	81,484	4,569
1 ~ 5 years	362,880	38,414	356,874	36,710
More than 5 years	1,698,865	815,180	1,782,639	809,002
	2,146,663	858,950	2,220,997	850,281

(3) There are no impaired finance lease receivables as of March 31, 2014 and December 31, 2013.

(4) There are no changes in valuation allowance for finance lease receivables for the three-month period ended March 31, 2014 and for the year ended December 31, 2013.

15. Non-Financial Assets

Non-financial assets as of March 31, 2014 and December 31, 2013 are as follows:

<i>In millions of won</i>	March 31, 2014		December 31, 2013	
	Current	Non-current	Current	Non-current
Advance payment	301,965	12,630	110,541	12,760
Prepaid expenses	173,059	103,020	150,852	102,823
Others (*)	152,810	12,897	309,452	15,928
	627,834	128,547	570,845	131,511

(*) Details of others as of March 31, 2014 and December 31, 2013 are as follows:

<i>In millions of won</i>	March 31, 2014		December 31, 2013	
	Current	Non-current	Current	Non-current
Tax refund receivables	48,521	1,366	228,857	1,349
Other quick assets and others	104,289	11,531	80,595	14,579
	152,810	12,897	309,452	15,928

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

16. Investments in Subsidiaries**(1) Investments in subsidiaries as of March 31, 2014 and December 31, 2013 are as follows:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			March 31, 2014	December 31, 2013
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	71.16%	70.86%
KEPCO Plant Service & Engineering Co., Ltd.	Utility plant maintenance and Others	KOREA	63.00%	63.00%
KEPCO Nuclear Fuel Co., Ltd.	Nuclear fuel	KOREA	96.36%	96.36%
KEPCO KDN Co., Ltd.	Electric Power information technology and others	KOREA	100.00%	100.00%
	Power generation	KOREA	49.00%	49.00%

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Garorim Tidal Power Plant Co., Ltd. (*2)				
Korea Engineering & Power Services Co., Ltd.	Operation and maintenance of utility plant	KOREA	52.43%	52.43%
KEPCO International Hong Kong 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	Construction and 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%
	Resources development	CANADA	79.64%	79.64%

Korea Waterbury Uranium Limited Partnership				
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 Philippine Holdings Corporation	Holding company	PHILIPPINES	100.00%	100.00%
EWP America Inc.	Holding company	USA	100.00%	100.00%
EWP Renewable Co.	Holding company	USA	100.00%	100.00%
DG Fairhaven Power, LLC	Power generation	USA	100.00%	100.00%
DG Kings Plaza Holdings, LLC	Holding company	USA	100.00%	100.00%

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

16. Investments in Subsidiaries, Continued**(1) Investments in subsidiaries as of March 31, 2014 and December 31, 2013 are as follows, continued:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			March 31, 2014	December 31, 2013
DG Kings Plaza, LLC	Power generation	USA	100.00%	100.00%
DG Kings Plaza II, LLC	Holding company	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 Resources 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%	60.00%
Gyeongju Wind Power Co., Ltd.	Power generation	KOREA	70.00%	70.00%
KOMIPO America Inc.	Holding company	USA	100.00%	100.00%
Boulder Solar Power, LLC	Solar photovoltaic power generation	USA	75.00%	75.00%
EWPRC Biomass Holdings, LLC	Holding company	USA	100.00%	100.00%
KOSEP USA, INC.	Power generation	USA	100.00%	100.00%
PT. EWP Indonesia	Holding company	INDONESIA	100.00%	100.00%
		USA	100.00%	100.00%

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KOWEPO America LLC.	Solar photovoltaic power generation			
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%
KOSEP Wind Power, LLC. (*3)	Power generation	USA		100.00%
Mira Power Limited (*4)	Power generation	PAKISTAN	76.00%	76.00%
KOSEP Material Co., Ltd.	Power generation	KOREA	77.04%	77.04%
Commerce and Industry Energy Co., Ltd.	Power generation	KOREA	59.03%	59.03%
KEPCO Singapore Holding Pte., Ltd.	Holding company	SINGAPORE	100.00%	100.00%
KOWEPO India Private Limited	Holding company	INDIA	100.00%	100.00%
KEPCO KPS Philippines Corp.	Utility plant maintenance and others	PHILIPPINES	100.00%	100.00%
KOSPO Chile SpA	Holding company	Chile	100.00%	100.00%

(*1) The percentage of ownership has been increased due to the acquisition of treasury stocks for the three-month period ended March 31, 2014.

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

(*3) KOSEP Wind Power, LLC was merged into KOSEP USA, INC. and excluded from consolidation for the three-month period ended March 31, 2014.

(*4) As of reporting date, the reporting period end of all subsidiaries ends in December 31, except for Mira Power Limited.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

16. Investments in Subsidiaries, Continued**(2) Subsidiaries newly included in or excluded from consolidation for the three-month period ended March 31, 2014 are as follows:**

- (i) Subsidiaries excluded from consolidation

Subsidiary	Reason
KOSEP Wind Power, LLC	Merged

(3) Summary of financial information of consolidated subsidiaries as of and for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows:*In millions of won*

Subsidiaries	March 31, 2014			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
Korea Hydro & Nuclear Power Co., Ltd.	47,574,590	26,739,548	2,448,121	609,200
Korea South-East Power Co., Ltd.	8,762,230	4,962,659	1,202,924	179,174
Korea Midland Power Co., Ltd.	6,339,818	3,379,810	1,569,755	51,554
Korea Western Power Co., Ltd.	7,298,879	4,130,034	1,519,573	50,837
Korea Southern Power Co., Ltd.	8,034,001	4,595,954	1,823,061	15,545
Korea East-West Power Co., Ltd.	7,635,476	4,141,059	1,313,355	66,339
KEPCO Engineering & Construction Company, Inc.	770,399	391,548	177,314	13,954
KEPCO Plant Service & Engineering Co., Ltd.	863,208	285,991	219,415	27,165
KEPCO Nuclear Fuel Co., Ltd.	515,619	223,338	72,806	11,831
KEPCO KDN Co.,Co., Ltd.	339,056	106,793	84,945	(2,119)
Garorim Tidal Power Plant Co., Ltd.	42,467	2,553		(327)
Korea Engineering & Power Services Co., Ltd.	12,739	6,629	5,150	(1,663)

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KEPCO International HongKong Ltd.	203,902			1,774
KEPCO International Philippines Inc.	103,163	864		(6)
KEPCO Gansu International Ltd.	15,888	492		(1)
KEPCO Philippines Holdings Inc.	114,904	10		(13)
KEPCO Philippines Corporation	13,974	127		(274)
KEPCO Ilijan Corporation	741,344	84,094	33,123	21,091
KEPCO Lebanon SARL	6,910	9,655		(131)
KEPCO Neimenggu International Ltd.	183,968			(6)
KEPCO Shanxi International Ltd.	497,969	230,376		(937)
KOMIPO Global Pte Ltd.	141,994	31		2,046
KEPCO Canada Energy Ltd.	91,873	11,996		(33)
KEPCO Netherlands B.V.	212,274	25		(33)
KOREA Imouraren Uranium Investment Corp.	250,596	232		(12)
KEPCO Australia Pty., Ltd.	592,059	1,815	863	94
KOSEP Australia Pty., Ltd.	20,503	1,106	1,489	809
KOMIPO Australia Pty., Ltd.	20,505	1,117	1,489	808
KOWEPO Australia Pty., Ltd.	20,643	1,104	1,489	809
KOSPO Australia Pty., Ltd.	20,711	1,105	1,489	809
KEPCO Middle East Holding Company	110,262	102,030		1,024
Qatrana Electric Power Company	533,731	446,412	4,338	6,032
KHNP Canada Energy Ltd.	49,315	32		(7)
KEPCO Bylong Australia Pty., Ltd.	218,261	173,408		2,922
Korea Waterbury Uranium Limited Partnership	22,514	24		(11)
KEPCO Canada Uranium Investment Limited Partnership	104,279	15		(5)
Korea Electric Power Nigeria Ltd.	442	165	1,106	(128)
KEPCO Holdings de Mexico	10	12		(2)
KST Electric Power Company	530,092	508,092	3,923	(83)
KEPCO Energy Service Company	717	184	1,130	243
KEPCO Netherlands S3 B.V.	60,007	35		(27)
PT. KOMIPO Pembangkitan Jawa Bali	18,181	5,891	8,009	5,878
PT. Cirebon Power Service	1,414	526	1,520	52
KOWEPO International Corporation	1,904	31		

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

16. Investments in Subsidiaries, Continued

- (3) **Summary of financial information of consolidated subsidiaries as of and for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows, continued:**

In millions of won

Subsidiaries	March 31, 2014			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
KOSPO Jordan, LLC.	17,129	9,928	7,765	989
EWP Philippines Corporation	7,122	269		(114)
EWP Philippine Holdings Corporation	212	1		
EWP America Inc. (*)	104,393	78,215	12,289	(1,250)
KNF Canada Energy Limited	2,265	25		(12)
PT KEPCO Resources Indonesia	1,562		1	(67)
EWP Barbados 1 SRL	290,381	237	668	2,544
Gyeonggi Green Energy Co., Ltd.	337,479	265,787	25,949	(3,094)
PT. Tanggamus Electric Power	17,122	379		(1,083)
Gyeongju Wind Power Co., Ltd.	47,984	31,763	1,789	467
KOMIPO America Inc.	7,701	6		
Boulder Solar Power, LLC.	6,697	6		(111)
KOSEP USA, INC.	32,120	626	301	(113)
PT. EWP Indonesia	703	14		(82)
KOWEPO America, LLC.	5,855	31		(289)
KEPCO Netherlands J3 B.V.	103,590	57		(23)
Korea Offshore Wind Power Co., Ltd.	12,529	309		(680)
Global One Pioneer B.V.	38	13		(1)
Global Energy Pioneer B.V.	40	13		(1)
Mira Power Limited	14,322	82		(318)
KOSEP Material Co., Ltd	12,861	81		(288)
Commerce and Industry Energy Co., Ltd.	104,491	87,015	6,779	296
KEPCO Singapore Holding Pte., Ltd.	464			(6)
KOWEPO India Private Limited	1,292	31		(161)
KEPCO KPS Philippines Corp.	5,230	3,870	1,540	370
KOSPO Chile SpA	4,044	4,234		(189)

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

16. Investments in Subsidiaries, Continued

- (3) **Summary of financial information of consolidated subsidiaries as of and for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows, continued:**

In millions of won

Subsidiaries	December 31, 2013			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
Korea Hydro & Nuclear Power Co., Ltd.	46,717,706	26,482,646	6,378,280	(180,160)
Korea South-East Power Co., Ltd.	8,294,384	4,634,288	4,157,175	116,001
Korea Midland Power Co., Ltd.	6,189,836	3,266,269	5,658,612	40,815
Korea Western Power Co., Ltd.	7,160,956	4,010,759	5,762,386	106,829
Korea Southern Power Co., Ltd.	7,360,191	3,906,329	7,120,621	102,670
Korea East-West Power Co., Ltd.	7,449,723	4,014,477	5,368,299	27,021
KEPCO Engineering & Construction Company, Inc.	760,504	378,454	755,484	34,407
KEPCO Plant Service & Engineering Co., Ltd.	839,067	217,404	1,121,717	151,524
KEPCO Nuclear Fuel Co., Ltd.	509,057	221,023	233,638	15,401
KEPCO KDN Co., Ltd.	354,577	115,604	372,830	8,561
Garorim Tidal Power Plant Co., Ltd.	43,592	3,350		(2,502)
Korea Power Engineering & Power Services Co., Ltd.	15,555	4,781	29,066	5,764
KEPCO International HongKong Ltd.	243,898			12,746
KEPCO International Philippines Inc.	101,832	819		705
KEPCO Gansu International Ltd.	15,689	486		(10)
KEPCO Philippines Holdings Inc.	116,825	13		2,861
KEPCO Philippines Corporation	14,226	150		493
KEPCO Ilijan Corporation	705,425	76,329	140,782	71,194
KEPCO Lebanon SARL	6,836	9,417		(895)
KEPCO Neimenggu International Ltd.	177,649			1,255
KEPCO Shanxi International Ltd.	491,681	226,543		(4,526)
KOMIPO Global Pte Ltd.	131,874	30		14,423
KEPCO Canada Energy Ltd.	75,197	12,358		(164)

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KEPCO Netherlands B.V.	209,885	21		2,844
KOREA Imouraren Uranium Investment Corp.	248,300	161		(45)
KEPCO Australia Pty., Ltd.	498,742	2,173	4,979	162,325
KOSEP Australia Pty., Ltd.	18,592	931	4,728	1,578
KOMIPO Australia Pty., Ltd.	18,190	537	4,728	1,574
KOWEPO Australia Pty., Ltd.	18,724	929	4,728	1,577
KOSPO Australia Pty., Ltd.	18,789	929	4,728	1,578
KEPCO Middle East Holding Company	107,802	100,742		4,190
Qatrana Electric Power Company	516,637	436,210	17,471	20,850
KHNP Canada Energy Ltd.	50,314	23		(51)
KEPCO Bylong Australia Pty., Ltd.	145,704	169,014		(136,027)
Korea Waterbury Uranium Limited Partnership	20,380	21		(70)
KEPCO Canada Uranium Investment Corp. Partnership	81,945	25		(46)
Korea Electric Power Nigeria Ltd.	1,859	1,449	3,602	427
KEPCO Holdings de Mexico	10	9		(14)
KST Electric Power Company	498,705	483,339	456	4,616
KEPCO Energy Service Company	835	437	3,733	407
KEPCO Netherlands S3 B.V.	514	18		(64)
PT. KOMIPO Pembangkitan Jawa Bali	14,884	5,548	20,162	6,143
PT. Cirebon Power Service	1,646	642	7,143	406
KOWEPO International Corporation	1,897	31		
KOSPO Jordan, LLC.	15,938	9,790	7,817	2,389
EWP Philippines Corporation	7,067	290	212	(914)
EWP Philippine Holdings Corporation	211	1		(2)
EWP America Inc. (*)	104,186	77,105	53,087	(3,184)
KNF Canada Energy Limited	2,254	19		(71)
PT KEPCO Resources Indonesia	1,609			(84)
EWP Barbados 1 SRL	284,111	145	2,738	(21,771)
Gyeonggi Green Energy Co., Ltd.	338,394	263,608	26,944	(161)

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

16. Investments in Subsidiaries, Continued

- (3) **Summary of financial information of consolidated subsidiaries as of and for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows, continued:**

In millions of won

Subsidiaries	December 31, 2013			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
PT. Tanggamus Electric Power	9,784	626		(3,640)
Gyeongju Wind Power Co., Ltd.	49,264	32,580	7,440	2,507
KOMIPO America Inc.	7,604	6		
Boulder Solar Power, LLC.	7,639	6		(2,131)
KOSEP USA, INC.	31,121	233		(757)
PT. EWP Indonesia	771	14		(334)
KOWEPO America, LLC.	6,057	21		(1,295)
KEPCO Netherlands J3 B.V.	102,295	31		(86)
Korea Offshore Wind Power Co., Ltd.	4,052	1,598		(2,436)
Global One Pioneer B.V.	46	19		(44)
Global Energy Pioneer B.V.	47	19		(42)
KOSEP Wind Power, LLC.	1,219	688	2,053	332
Mira Power Limited	13,607	244		(742)
KOSEP Material Co., Ltd	13,349	280		(431)
Commerce and Industry Energy Co., Ltd.	104,739	87,628	13,450	(2,959)
KEPCO Singapore Holding Pte., Ltd.		11		(11)
KOWEPO India Private Limited	1,370	4		(377)
KEPCO KPS Philippines Corp.	4,396	3,409	5,923	659
KOSPO Chile SpA	4,180	4,180		

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

16. Investments in Subsidiaries, Continued**(4) Significant restrictions on its abilities to subsidiaries are as follows:**

Company	Nature and extent of any significant restrictions
Gyeonggi Green Energy Co., Ltd.	Acquisition or disposal of assets more than 35 billion, change in the capacity of cogeneration units (except for the change due to performance improvement of equipment, maintenance) will require unanimous consent of all directors.

(5) Details of non-controlling interest prior to inter-group eliminations as of and for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows:*In millions of won*

Description	March 31, 2014					Total
	KEPCO Ilijan Corporation	KEPCO Plant Service & Engineering Co., Ltd.	KEPCO Engineering & Construction Company, Inc.	Garorim Tidal Power Plant Co., Ltd.	Others	
Percentage of ownership	49.00%	37.00%	28.84%	51.00%		
Current assets	286,046	453,072	476,430	5,642	542,162	1,763,352
Non-current assets	455,298	410,136	293,969	36,825	1,638,313	2,834,541
Current liabilities	(50,223)	(240,873)	(346,935)	(2,475)	(259,919)	(900,425)
Non-current liabilities	(33,871)	(45,119)	(44,614)	(78)	(1,320,106)	(1,443,788)
Net assets	657,250	577,216	378,850	39,914	600,450	2,253,680
Book value of non-controlling interest	322,053	213,570	109,261	20,356	604,865	1,270,105
Sales	33,123	219,415	177,314		128,820	558,672
Profit (loss) for the period	21,091	27,165	13,954	(327)	18,266	80,149
Profit (loss) for the period attributable to	10,334	10,051	4,024	(167)	2,348	26,590

non-controlling interest						
Cash flows from operating activities	46,305	16,989	5,347	(1,005)	71,619	139,255
Cash flows from investing activities	(3,415)	21,630	13,561	(242)	(8,087)	23,447
Cash flows from financing activities before dividends to non-controlling interest			(3,795)		(26,063)	(29,858)
Dividends to non-controlling interest		(25,308)	(4,905)		(7,540)	(37,753)
Effect of exchange rate fluctuation	2,162	(220)	(99)	(27)	1,103	2,919
Net increase (decrease) of cash and cash equivalents	45,052	13,091	10,109	(1,274)	31,032	98,010

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

16. Investments in Subsidiaries, Continued

- (5) Details of non-controlling interest prior to inter-group eliminations as of and for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows, continued:

In millions of won

Description	December 31, 2013					Others	Total
	KEPCO Ilijan Corporation	KEPCO Plan Service & Engineering Co., Ltd.	Dongducheon Dream Power Co., Ltd.	KEPCO Engineering & Construction Company, Inc.	Garorim Tidal Power Plant Co., Ltd.		
Percentage of ownership	49.00%	37.00%	51.00%	28.95%	51.00%		
Current assets	251,147	438,272		478,851	7,002	476,286	1,651,558
Non-current assets	454,278	400,794		281,653	36,591	1,644,436	2,817,752
Current liabilities	(44,046)	(182,871)		(336,046)	(3,272)	(243,826)	(810,061)
Non-current liabilities	(32,282)	(34,533)		(42,407)	(78)	(1,296,242)	(1,405,542)
Net assets	629,097	621,662		382,051	40,243	580,654	2,253,707
Book value of non-controlling interest	308,257	230,015		110,603	20,523	599,434	1,268,832
Sales	140,782	1,121,717		755,484		361,692	2,379,675
Profit (loss) for the period	71,194	151,524		34,407	(2,502)	55,763	310,386
Profit (loss) for the period attributable to non-controlling interest	34,885	45,457		8,650	(1,276)	33,989	121,705
Cash flows from	57,785	40,805		11,367	(665)	(4,871)	104,421

operating activities							
Cash flows from investing activities	(2,524)	(21,412)	(20,006)	4,854	(186)	(126,946)	(166,220)
Cash flows from financing activities before dividends to non-controlling interest	(22,735)	2,657		1,716	3,475	189,313	174,426
Dividends to non-controlling interest		(19,440)		(18,564)		(20,037)	(58,041)
Effect of exchange rate fluctuation	(1,953)	(220)		(33)		(2,529)	(4,735)
Net increase (decrease) of cash and cash equivalents	30,573	2,390	(20,006)	(660)	2,624	34,930	49,851

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

16. Investments in Subsidiaries, Continued**(6) Business combination**

On April 29, 2013, the Company has obtained control of Commerce and Industry Energy Co., Ltd. which engages in the integrated commerce and industry energy business, by acquiring an additional 29.5% of its equity shares. As a result, the Company's ownership for Commerce and Industry Energy Co., Ltd. has increased from 29.5% to 59.0%. The acquisition was accounted for as follows:

In millions of won

	Amount
I. Fair value of consideration transferred	
Carrying value of the equity method investees previously owned	5,829
Fair value adjustment (*1)	(1,022)
Cash and cash equivalents paid	2
Fair value of related commitments (*2)	4,806
	9,615
II. Fair value of non-controlling interest (*3)	
	4,882
	14,497
III. Recognized amounts of identifiable assets acquired and liabilities assumed	
<Assets>	
Cash and cash equivalents	7,292
Trade and other receivables	1,631
Inventories	515
Property people & equipment	82,733
Other assets	3,460
<Liabilities>	

Trade and other payables	(1,777)
Borrowings	(81,752)
Other liabilities	(187)

Fair value of net assets 11,915

IV. Goodwill 2,582

- (*1) Prior to business combination, 29.5% of the Company's equity shares re-measured to fair value. As a result, the differences incurred from the re-measurement amounted to 1,022 million is recognized as a loss on the disposal of its interest in associates and joint ventures.
- (*2) The Company guarantees a certain rate of return on investment to Hana Power Co., Ltd. and one other investor, the financial investors of Commerce and Industry Energy Co., Ltd., holding 39.3% of the 2,260,000 shares of equity in Commerce and Industry Energy Co., Ltd. The investors may request the Company to purchase their investment shares after 58 months have elapsed from the date of investment. The Company has included the fair value valuation of the purchase commitment in consideration transferred.
- (*3) Non-controlling interest is measured by proportionate share of non-controlling of the identifiable net assets. If the Company had acquired the equity shares of Commerce and Industry Energy Co., Ltd. on January 1, 2013, the sales and loss for the prior year period would have been 54,044,024 million and 182,218 million, respectively. From the date of the acquisition, the subsidiary incurred sales and loss for the period 13,450 million and 2,959 million, respectively.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

16. Investments in Subsidiaries, Continued

The net cash outflows from the business combination are as follows:

<i>In millions of won</i>	
Consideration paid in cash	2
Less : acquired cash and cash equivalents	(7,292)
	(7,290)

(7) Goodwill

(i) Details of goodwill as of March 31, 2014 and December 31, 2013 are as follows:

<i>In millions of won</i>		
	March 31, 2014	December 31, 2013
Acquisition cost	2,582	2,582
Accumulated impairment		
Carrying book value	2,582	2,582

(ii) Changes in goodwill for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows:

<i>In millions of won</i>		
	March 31, 2014	December 31, 2013
Beginning balance	2,582	

Changes

Newly recognized		2,582
Ending balance	2,582	2,582

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures**(1) Investments in associates and joint ventures as of March 31, 2014 and December 31, 2013 are as follows:***In millions of won*

Investees	Key operation activities	Location	Percentage of ownership	March 31, 2014	
				Acquisition cost	Book value
<Associates>					
Daegu Green Power Co., Ltd.	Power generation	KOREA	48%	76,193	73,883
Korea Gas Corporation	Importing and wholesaling LNG	KOREA	20%	94,500	2,019,889
Korea Electric Power Industrial Development Co., Ltd.	Electricity metering	KOREA	29%	4,727	20,500
YTN Co., Ltd.	Broadcasting	KOREA	21%	59,000	36,352
Cheongna Energy Co., Ltd.	Generating and distributing vapor and hot/cold water	KOREA	44%	43,900	29,060
Gangwon Wind Power Co., Ltd. (*1)	Wind power generation	KOREA	15%	5,725	11,315
Hyundai Green Power Co., Ltd.	Power generation	KOREA	29%	88,885	105,236
Korea Power Exchange (*5)	Management of power market	KOREA	100%	127,839	196,104
AMEC Partners Korea (*2)	Resources development	KOREA	19%	707	208
Hyundai Energy Co., Ltd. (*8)	Power generation	KOREA	29%	71,070	42,042
Ecollite Co., Ltd.	Artificial light-weight aggregate	KOREA	36%	1,516	
Taebaek Wind Power Co., Ltd.	Power generation	KOREA	25%	3,810	4,998
Alternergy Philippine Investments Corporation	Power generation	PHILIPPINES	50%	3,881	1,497
Muju Wind Power Co., Ltd.	Power generation	KOREA	25%	2,850	2,708
Pyeongchang Wind Power Co., Ltd.	Power generation	KOREA	25%	638	587
Daeryun Power Co., Ltd.	Power generation	KOREA	20%	25,477	24,569

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JinanJangsu Wind Power Co., Ltd.	Power generation	KOREA	25%	100	77
Changjuk Wind Power Co., Ltd.	Power generation	KOREA	30%	3,801	5,674
KNH Solar Co., Ltd.	Power generation	KOREA	27%	1,296	1,326
SPC Power Corporation	Power generation	PHILIPPINES	38%	20,635	46,322
Gemeng International Energy Co., Ltd.	Power generation	CHINA	34%	413,153	609,016
PT. Cirebon Electric Power	Power generation	INDONESIA	28%	39,217	36,621
KNOC Nigerian East Oil Co., Ltd. (*3)	Resources development	NIGERIA	15%	12	
KNOC Nigerian West Oil Co., Ltd. (*3)	Resources development	NIGERIA	15%	12	
Dolphin Property Limited (*3)	Rental company	NIGERIA	15%	12	
E-Power S.A.	Operation of utility plant and sales of electricity	HAITI	30%	3,779	5,771
PT Wampu Electric Power	Power generation	INDONESIA	46%	18,935	14,387
PT. Bayan Resources TBK	Resources development	INDONESIA	20%	615,860	573,510
S-Power Co., Ltd.	Power generation	KOREA	40%	108,000	107,138
Pioneer Gas Power Limited (*7)	Power generation	INDIA	40%	48,709	44,814
Eurasia Energy Holdings	Power generation and resources development	RUSSIA	40%	461	
Xe-Pian Xe-Namnoy Power Co., Ltd.	Power generation	LAOS	25%	18,928	18,535
Busan Solar Co., Ltd. (*2)	Power generation	KOREA	20%	793	585
Hadong Mineral Fiber Co., Ltd.	Recycling fly ashes	KOREA	25%	50	3
Green Biomass Co., Ltd.	Power generation	KOREA	34%	714	76
Gumi-Ochang Photovoltaic Power Co., Ltd. (*1)	Power generation	KOREA	10%	288	359
Chungbuk Photovoltaic Power Co., Ltd. (*1)	Power generation	KOREA	10%	166	180
Cheonan Photovoltaic Power Co., Ltd. (*1)	Power generation	KOREA	10%	122	132
PT. Mutiara Jawa	Manufacturing and operating floating coal terminal	INDONESIA	29%	2,978	1,908
Hyundai Asan Solar Power Co., Ltd.(*1)	Power generation	KOREA	10%	471	395
Heang Bok Do Si Photovoltaic Power Co., Ltd.	Power generation	KOREA	28%	92	90
Jeonnam Solar Co., Ltd.(*1)	Power generation	KOREA	10%	700	696

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures, Continued**(1) Investments in associates and joint ventures as of March 31, 2014 and December 31, 2013 are as follows, continued:***In millions of won*

Investees	Key operation activities	Location	March 31, 2014		
			Percentage of ownership	Acquisition cost	Book value
DS POWER Co., Ltd.(*1)	Power generation	KOREA	11%	17,900	17,865
D Solarenergy Co., Ltd(*1)	Power generation	KOREA	10%	400	434
Dongducheon Dream Power Co., Ltd.	Power generation	KOREA	44%	140,079	131,708
KS Solar Corp. Ltd.(*2)	Power generation	KOREA	19%	637	474
KOSCON Photovoltaic Co., Ltd(*1)	Power generation	KOREA	19%	245	351
Yeongwol Energy Station Co., Ltd(*1)	Power generation	KOREA	13%	1,862	1,672
Yeonan Photovoltaic Co., Ltd(*1)	Power generation	KOREA	19%	157	122
Q1 Solar Co., Ltd	Power generation	KOREA	28%	1,005	1,006
Jimbhuvish Power Generation (*1)	Power generation	INDIA	5%	9,000	8,632
Best Solar Energy Co., Ltd.	Power generation	KOREA	23%	1,242	962
Seokcheon Solar Power Co., Ltd.(*1)	Power generation	KOREA	10%	970	1,063
SE Green Energy Co., Ltd.	Power generation support	KOREA	48%	3,821	3,686
Daegu Photovoltaic Co., Ltd.	Power generation	KOREA	29%	1,230	1,302
Jeongam Wind Power Co., Ltd.	Power generation	KOREA	40%	800	192
Korea Power Engineering	Construction and service	KOREA	29%	290	727

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Service Co., Ltd.					
Golden Route J Solar Power Co., Ltd. (*1)	Photovoltaic power generation	KOREA	10%	82	77
				2,089,722	4,206,836
<Joint ventures>					
KEPCO-Uhde Inc. (*6)	Power generation	KOREA	66%	11,355	9,392
Eco Biomass Energy Sdn. Bhd. (*6)	Power generation	MALAYSIA	62%	9,661	
Datang Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40%	27,660	27,458
Shuweihaat Asia Power Investment B.V.	Holding company	NETHERLANDS	49%	60,083	23,355
Shuweihaat Asia Operation & Maintenance Company (*6)	Maintenance of utility plant	CAYMAN	55%	30	29
Waterbury Lake Uranium L.P.	Resources development	CANADA	40%	25,839	22,487
ASM-BG Investicii AD	Power generation	BULGARIA	50%	16,101	20,505
RES Technology AD	Power generation	BULGARIA	50%	15,595	16,114
KV Holdings, Inc.	Power generation	PHILIPPINES	40%	2,103	1,849
KEPCO SPC Power Corporation (*6)	Construction and operation of utility plant	PHILIPPINES	75%	94,579	148,993
Canada Korea Uranium Limited Partnership (*4)	Resources development	CANADA	13%	5,404	
KEPCO Energy Resource Nigeria Limited	Holding company	NIGERIA	30%	8,463	
Gansu Datang Yumen Wind Power Co., Ltd.	Power generation	CHINA	40%	16,621	18,338
Datang Chifeng Renewable Power Co., Ltd.	Power generation	CHINA	40%	121,928	166,458
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40%	10,858	10,470
Rabigh Electricity Company	Construction of utility plant				
	and sales of electricity	SAUDI ARABIA	40%	109,743	
Rabigh Operation & Maintenance Company	Maintenance of utility plant	SAUDI ARABIA	40%	70	4,894
Jamaica Public Service Company Limited	Power generation	JAMAICA	40%	301,910	275,824
KW Nuclear Components Co., Ltd.	R&D	KOREA	45%	833	1,814
Busan shinho Solar power Co., Ltd.	Power generation	KOREA	25%	2,100	3,060
GS Donghae Electric Power Co., Ltd. (Formerly, STX Electric Power Co., Ltd.)	Power generation	KOREA	49%	225,400	222,505

YEONGAM Wind Power Co., Ltd.	Power generation	KOREA	49%	11,584	11,513
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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures, Continued**(1) Investments in associates and joint ventures as of March 31, 2014 and December 31, 2013 are as follows, continued:***In millions of won*

Investees	Key operation activities	Location	March 31, 2014		
			Percentage of ownership	Acquisition cost	Book value
Global Trade Of Power System Co., Ltd.	Exporting products and technology of small or medium sized business by proxy	KOREA	29%	290	238
Expressway Solar-light Power Generation Co., Ltd.	Power generation	KOREA	29%	3,132	3,197
KODE NOVUS 1 LLC.	Power generation	USA	50%	19,213	14,082
KODE NOVUS 2 LLC.	Power generation	USA	49%	12,498	9,155
Daejung Offshore Wind Power Co., Ltd.	Power generation	KOREA	50%	4,990	4,002
Arman Asia Electric Power Company (*6)	Power generation	JORDAN	60%	104,721	115,119
KEPCO-ALSTOM Power Electronics Systems, Inc. (*6)	R&D	KOREA	51%	5,629	4,454
Dongbu Power Dangjin Corporation	Power generation	KOREA	40%	40,000	38,685
Honam Wind Power Co., Ltd.	Power generation	KOREA	29%	3,600	2,639
Nepal Water & Energy Development Company Pty Ltd.	Power generation	NEPAL	44%	10,550	10,271
Kelar S.A (*6)	Power generation	CHILE	65%	4,180	4,044
PT. Tanjung Power Indonesia	Power generation	INDONESIA	35%	388	359
Incheon New Power Co., Ltd.	Power generation	KOREA	29%	461	436
Seokmun Energy Co., Ltd.	Integrated energy business	KOREA	34%	680	325

1,288,252 1,192,064

3,377,974 5,398,900

- (*1) 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.
- (*2) The Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity.
- (*3) 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 with the associate which can affect its influence on the entity.
- (*4) The Company has joint control on 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.
- (*5) 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.
- (*6) According to the shareholder 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.
- (*7) As of reporting date, the reporting period end of all associates and joint ventures ends in December 31, except for Pioneer Gas Power Limited whose reporting period ends on March 31.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures, Continued**(1) Investments in associates and joint ventures as of March 31, 2014 and December 31, 2013 are as follows, continued:**

(*8) As of March 31, 2014, 16% of ownership of Hyundai Energy Co., Ltd. is held by NH Power II Co., Ltd. and NH Bank . According to the shareholders agreement reached on March 2011, not only does the Company have a call option to acquire the investment in Hyundai Energy Co., Ltd. from NH Power II Co., Ltd. and NH Bank with a certain rate of return, NH Power II Co., Ltd. and NH Bank also have put options to dispose of their investment to the Company. In connection with this agreement, the Company applied the equity method on the investment in Hyundai Energy Co., Ltd. with 45% of ownership.

In millions of won

Investees	Key operation activities	December 31, 2013		Acquisition cost	Book value
		Location	Percentage of ownership		
<Associates>					
Daegu Green Power Co., Ltd.	Power generation	KOREA	48%	76,193	74,878
Korea Gas Corporation	Importing and wholesaling LNG	KOREA	20%	94,500	1,926,800
Korea Electric Power Industrial Development Co., Ltd.	Electricity metering	KOREA	29%	4,727	22,450
YTN Co., Ltd.	Broadcasting	KOREA	21%	59,000	38,426
Cheongna Energy Co., Ltd.	Generating and distributing vapor and hot/cold water	KOREA	44%	43,900	28,114
Gangwon Wind Power Co., Ltd. (*1)	Wind power generation	KOREA	15%	5,725	13,185
Hyundai Green Power Co., Ltd.	Power generation	KOREA	29%	88,885	110,157

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Korea Power Exchange (*5)	Management of power market	KOREA	100%	127,839	189,544
AMEC Partners Korea (*2)	Resources development	KOREA	19%	707	189
Hyundai Energy Co., Ltd. (*8)	Power generation	KOREA	29%	71,070	43,386
Ecollite Co., Ltd.	Artificial light-weight aggregate	KOREA	36%	1,516	
Taebaek Wind Power Co., Ltd.	Power generation	KOREA	25%	3,810	5,553
Alternergy Philippine Investments Corporation	Power generation	PHILIPPINES	50%	3,881	1,500
Muju Wind Power Co., Ltd.	Power generation	KOREA	25%	2,850	2,707
Pyeongchang Wind Power Co., Ltd.	Power generation	KOREA	25%	638	600
Daeryun Power Co., Ltd.	Power generation	KOREA	20%	25,477	24,599
JinanJangsu Wind Power Co., Ltd.	Power generation	KOREA	25%	100	77
Changjuk Wind Power Co., Ltd.	Power generation	KOREA	30%	3,801	6,344
KNH Solar Co., Ltd.	Power generation	KOREA	27%	1,296	1,372
SPC Power Corporation	Power generation	PHILIPPINES	38%	20,635	47,661
Gemeng International Energy Co., Ltd.	Power generation	CHINA	34%	413,153	608,674
PT. Cirebon Electric Power	Power generation	INDONESIA	28%	39,217	32,826
KNOC Nigerian East Oil Co., Ltd. (*3)	Resources development	NIGERIA	15%	12	
KNOC Nigerian West Oil Co., Ltd. (*3)	Resources development	NIGERIA	15%	12	
Dolphin Property Limited (*3)	Rental company	NIGERIA	15%	12	
E-Power S.A.	Operation of utility plant and sales of electricity	HAITI	30%	3,779	5,284
PT Wampu Electric Power	Power generation	INDONESIA	46%	18,935	15,121
PT. Bayan Resources TBK	Resources development	INDONESIA	20%	615,860	579,534
S-Power Co., Ltd.	Power generation	KOREA	40%	108,000	107,264
Pioneer Gas Power Limited (*7)	Power generation	INDIA	40%	48,709	43,666
Eurasia Energy Holdings	Power generation and resources development	RUSSIA	40%	461	
Xe-Pian Xe-Namnoy Power Co., Ltd.	Power generation	LAOS	25%	18,928	18,058
Busan Solar Co., Ltd. (*2)	Power generation	KOREA	20%	793	741
Hadong Mineral Fiber Co., Ltd.	Recycling fly ashes	KOREA	25%	50	3

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Green Biomass Co., Ltd. Gumi-ochang Photovoltaic Power Co., Ltd. (*1)	Power generation	KOREA	34%	714	171
Chungbuk Photovoltaic Power Co., Ltd. (*1)	Power generation	KOREA	10%	288	389
Cheonan Photovoltaic Power Co., Ltd. (*1)	Power generation	KOREA	10%	166	184
	Power generation	KOREA	10%	122	148

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures, Continued**(1) Investments in associates and joint ventures as of March 31, 2014 and December 31, 2013 are as follows, continued:***In millions of won*

Investees	Key operation activities	December 31, 2013		Acquisition cost	Book value
		Location	Percentage of ownership		
PT. Mutiara Jawa	Manufacturing and operating floating coal terminal	INDONESIA	29%	2,978	1,666
Hyundai Asan Solar Power Co., Ltd.(*1)	Power generation	KOREA	10%	471	462
Heang Bok Do Si Photovoltaic Power Co., Ltd.	Power generation	KOREA	28%	92	91
Jeonnam Solar Co., Ltd. (*1)	Power generation	KOREA	10%	700	696
DS POWER Co., Ltd. (*1)	Power generation	KOREA	11%	17,900	17,900
D Solarenergy Co., Ltd(*1)	Power generation	KOREA	10%	400	364
Dongducheon Dream Power Co., Ltd.	Power generation	KOREA	44%	140,079	134,398
KS Solar Corp. Ltd.(*2)	Power generation	KOREA	19%	637	537
KOSCON Photovoltaic Co., Ltd(*1)	Power generation	KOREA	19%	245	315
Yeongwol Energy Station Co., Ltd(*1)	Power generation	KOREA	13%	1,862	908
Yeonan Photovoltaic Co., Ltd(*1)	Power generation	KOREA	19%	157	123
Q1 Solar Co., Ltd	Power generation	KOREA	28%	1,005	983
Jimbhuvish Power Generation (*1)	Power generation	INDIA	5%	9,000	8,495

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Best Solar Energy Co., Ltd.	Power generation	KOREA	23%	1,242	898
Seokcheon Solar Power Co., Ltd.(*1)	Power generation	KOREA	10%	970	1,046
SE Green Energy Co., Ltd.	Power generation support	KOREA	48%	3,821	3,745
Daegu Photovoltaic Co., Ltd.	Power generation	KOREA	29%	1,230	1,334
Jeongam Wind Power Co., Ltd.	Power generation	KOREA	40%	800	324
Korea Power Engineering Service Co., Ltd.	Construction and service	KOREA	29%	290	585
Golden Route J Solar Power Co., Ltd. (*1)	Photovoltaic power generation	KOREA	10%	82	99
				2,089,722	4,124,574

<Joint ventures>

KEPCO-Uhde Inc. (*6)	Power generation	KOREA	66%	11,355	9,537
Eco Biomass Energy Sdn. Bhd. (*6)	Power generation	MALAYSIA	62%	9,661	
Datang Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40%	27,660	28,161
Shuweihaat Asia Power Investment B.V.	Holding company	NETHERLANDS	49%	507	64
Shuweihaat Asia Operation & Maintenance Company (*6)	Maintenance of utility plant	CAYMAN	55%	30	29
Waterbury Lake Uranium L.P.	Power generation	CANADA	40%	25,839	23,042
ASM-BG Investicii AD	Power generation	BULGARIA	50%	16,101	20,088
RES Technology AD	Power generation	BULGARIA	50%	15,595	16,045
KV Holdings, Inc.	Power generation	PHILIPPINES	40%	2,103	1,842
KEPCO SPC Power Corporation (*6)	Construction and operation of utility plant	PHILIPPINES	75%	94,579	143,294
Canada Korea Uranium Limited Partnership (*4)	Resources development	CANADA	13%	5,404	
KEPCO Energy Resource Nigeria Limited	Holding company	NIGERIA	30%	8,463	2,202
Gansu Datang Yumen Wind Power Co., Ltd.	Power generation	CHINA	40%	16,621	19,237
Datang Chifeng Renewable Power Co., Ltd.	Power generation	CHINA	40%	121,928	166,330
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40%	10,858	10,604
	Sales of electricity	SAUDI ARABIA	40%	109,743	

Rabigh Electricity
Company

Rabigh Operation & Maintenance Company	Maintenance of utility plant	SAUDI ARABIA	40%	70	4,082
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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures, Continued**(1) Investments in associates and joint ventures as of March 31, 2014 and December 31, 2013 are as follows, continued:***In millions of won*

Investees	Key operation activities	December 31, 2013		Acquisition cost	Book value
		Location	Percentage of ownership		
Jamaica Public Service Company Limited	Power generation	JAMAICA	40%	301,910	268,022
KW Nuclear Components Co., Ltd.	R&D	KOREA	45%	833	2,476
Busan shinho Solar power Co., Ltd.	Power generation	KOREA	25%	2,100	2,871
GS Donghae Electric Power Co., Ltd. (Formerly, STX Electric Power Co., Ltd.)	Power generation	KOREA	49%	176,400	173,915
YEONGAM Wind Power Co., Ltd.	Power generation	KOREA	49%	11,584	11,424
Global Trade Of Power System Co., Ltd.	Exporting products and technology of small or medium business by proxy	KOREA	29%	290	249
Expressway Solar-light Power Generation Co., Ltd	Power generation	KOREA	29%	3,132	1,863
KODE NOVUS 1 LLC.	Power generation	USA	50%	19,213	14,237
KODE NOVUS 2 LLC.	Power generation	USA	49%	12,498	9,510
Daejung Offshore Wind Power Co., Ltd.	Power generation	KOREA	50%	4,990	4,135
Arman Asia Electric Power Company (*6)	Power generation	JORDAN	60%	104,721	111,315
KEPCO-ALSTOM Power Electronics	R&D	KOREA	51%	5,629	4,758

Systems, Inc. (*6)					
Dongbu Power Dangjin Corporation	Power generation	KOREA	40%	40,000	39,102
Honam Wind Power Co., Ltd.	Power generation	KOREA	46%	3,600	1,933
Nepal Water & Energy Development Company Pty Ltd.	Power generation	NEPAL	44%	10,550	10,409
Kelar S.A (*6)	Power generation	CHILE	65%	4,180	4,180
PT. Tanjung Power Indonesia	Power generation	INDONESIA	35%	388	361
Incheon New Power Co., Ltd.	Power generation	KOREA	29%	461	449
Seokmun Energy Co., Ltd.	Integrated energy business	KOREA	34%	680	415
				1,179,676	1,106,181
				3,269,398	5,230,755

- (*1) 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.
- (*2) The Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity.
- (*3) 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 with the associate which can affect its influence on the entity.
- (*4) The Company has joint control on 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.
- (*5) 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.
- (*6) According to the shareholder 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.
- (*7) As of reporting date, the reporting period end of all associates and joint ventures ends in December 31, except for Pioneer Gas Power Limited whose reporting period ends on March 31.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures, Continued**(1) Investments in associates and joint ventures as of March 31, 2014 and December 31, 2013 are as follows, continued:**

(*8) As of December 31, 2013, 16% of ownership of Hyundai Energy Co., Ltd. is held by NH Power II Co., Ltd. and NH Bank. According to the shareholders' agreement reached on March 2011, not only does the Company have a call option to acquire the investment in Hyundai Energy Co., Ltd. from NH Power II Co., Ltd. and NH Bank with a certain rate of return, NH Power II Co., Ltd. and NH Bank also have put options to dispose of their investment to the Company. In connection with this agreement, the Company applied the equity method on the investment in Hyundai Energy Co., Ltd. with 45% of ownership.

(2) The fair value of associates which are actively traded on the open market and have a readily available market value as of March 31, 2014 and December 31, 2013 are as follows:

<i>In millions of won</i>		
Investees	March 31, 2014	December 31, 2013
<Associates>		
Korea Electric Power Industrial Development Co., Ltd.	41,409	39,423
Korea Gas Corporation	1,175,580	1,258,740
YTN Co., Ltd.	31,365	25,110
PT. Bayan Resources TBK	530,097	489,600

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures, Continued

(3) **Changes in investments in associates and joint ventures for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows:**

In millions of won

Investees	March 31, 2014						Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of comprehensive income (loss)	Other income (loss) Others	
<Associates>							
Daegu Green Power Co., Ltd.	74,878				(995)		73,883
Korea Gas Corporation	1,926,800				91,086	1,973 30	2,019,889
Korea Electric Power Industrial Development Co., Ltd.	22,450			(1,872)	141	(219)	20,500
YTN Co., Ltd.	38,426			(90)	(1,943)	(17) (24)	36,352
Cheongna Energy Co., Ltd.	28,114				946		29,060
Gang won Wind Power Co., Ltd.	13,185			(1,988)	118		11,315
Hyundai Green Power Co., Ltd.	110,157			(8,889)	3,968		105,236
Korea Power Exchange	189,544				7,228	(668)	196,104
AMEC Partners Korea	189				19		208
Hyundai Energy Co., Ltd.	43,386				(1,344)		42,042
Ecollite Co., Ltd.							
Taebaek Wind Power Co., Ltd.	5,553				(555)		4,998
Alternergy Philippine Investments Corporation	1,500				(7)	4	1,497
Muju Wind Power Co., Ltd.	2,707				1		2,708
Pyeongchang Wind Power Co., Ltd.	600				(13)		587
Daeryun Power Co., Ltd.	24,599				(35)	5	24,569

JinanJangsu Wind Power Co., Ltd.	77				77
Changjuk Wind Power Co., Ltd.	6,344	(670)			5,674
KNH Solar Co., Ltd.	1,372	(46)			1,326
SPC Power Corporation	47,661	(1,811)	477	(5)	46,322
Gemeng International Energy Co., Ltd.	608,674	6,808	(6,466)		609,016
PT. Cirebon Electric Power	32,826	2,255	1,381	159	36,621
KNOC Nigerian East Oil Co., Ltd.					
KNOC Nigerian West Oil Co., Ltd.					
Dolphin Property Limited					
E-Power S.A	5,284	432	55		5,771
PT Wampu Electric Power	15,121	(927)		193	14,387
PT. Bayan Resources TBK	579,534	(5,087)	(937)		573,510
S-Power Co., Ltd.	107,264	(126)			107,138
Pioneer Gas Power Limited	43,666	(11)	1,159		44,814
Eurasia Energy Holdings					
Xe-Pian Xe-Namnoy Power Co., Ltd.	18,058	309	168		18,535
Busan Solar Co., Ltd.	741	(156)			585
Hadong Mineral Fiber Co., Ltd.	3				3
Green Biomass Co., Ltd.	171	(95)			76
Gumi-Ochang Photovoltaic Power Co., Ltd.	389	(14)	(16)		359
Chungbuk Photovoltaic Power Co., Ltd	184	(4)			180
Cheonan Photovoltaic Power Co., Ltd i	148	(16)			132
PT. Mutiara Jawa	1,666	96	146		1,908
Hyundai Asan Solar Power Co., Ltd.	462	(67)			395
Heang Bok Do Si Photovoltaic Power Co., Ltd.	91	(1)			90
Jeonnam Solar Co., Ltd.	696				696
DS POWER Co., Ltd.	17,900	(35)			17,865

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures, Continued

(3) **Changes in investments in associates and joint ventures for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows, continued:**

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

Investees	Beginning balance	Acquisition	Disposal	Dividends received	Share of comprehensive		Ending balance
					income (loss)	Other income (loss) Others	
D Solarenergy Co., Ltd.	364				70		434
Dongducheon Dream Power Co., Ltd.	134,398				(2,690)		131,708
KS Solar Corp. Ltd.	537				(78)	15	474
KOSCON Photovoltaic Co., Ltd.	315				36		351
Yeongwol Energy Station Co., Ltd.	908				740	(33) 57	1,672
Yeonan Photovoltaic Co., Ltd.	123				(1)		122
Q1 Solar Co., Ltd.	983				23		1,006
Jinbhuvish Power Generation	8,495					137	8,632
Best Solar Energy Co., Ltd.	898				64		962
Seokcheon Solar Power Co., Ltd.	1,046				22	(5)	1,063
SE Green Energy Co., Ltd.	3,745				(59)		3,686
Daegu Photovoltaic Co., Ltd.	1,334				(32)		1,302
Jeongam Wind Power Co., Ltd.	324				(132)		192
Korea Power Engineering Service	585				142		727

Co., Ltd.

Golden Route J Solar Power Co., Ltd.	99		(22)			77
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4,124,574		(12,853)	97,530	(2,080)	(335)	4,206,836
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<Joint ventures>

KEPCO-Uhde Inc.	9,537		(145)			9,392
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Eco Biomass Energy Sdn. Bhd.

Datang Chaoyang Renewable Power Co., Ltd.	28,161		(422)	(281)		27,458
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Shuweihat Asia Power Investment B.V.	64	59,576	(6)	(36,045)	(234)	23,355
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Shuweihat Asia Operation & Maintenance Company	29					29
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Waterbury Lake Uranium L.P.	23,042			(441)	(114)	22,487
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ASM-BG Investicii AD	20,088		180	237		20,505
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RES Technology AD	16,045		(120)	189		16,114
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KV Holdings, Inc.	1,842			7		1,849
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KEPCO SPC Power Corporation	143,294		5,314	360	25	148,993
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Canada Korea Uranium Limited Partnership

KEPCO Energy Resource Nigeria Limited	2,202		(2,189)	(13)		
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Gansu Datang Yumen Wind Power Co., Ltd.	19,237		(718)	(181)		18,338
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Datang Chifeng Renewable Power Co., Ltd.	166,330		1,867	(1,743)	4	166,458
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Datang KEPCO Chaoyang Renewable Power Co., Ltd.	10,604		(26)	(108)		10,470
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Rabigh Electricity Company			2,700	(9,313)	6,613	
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Rabigh Operation & Maintenance Company	4,082		759	53		4,894
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Jamaica Public Service Company Limited	268,022		4,419	3,383		275,824
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KW Nuclear Components Co., Ltd.	2,476		(1,452)	790		1,814
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Busan shinho Solar power Co., Ltd.	2,871			189		3,060
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GS Donghae Electric Power Co., Ltd.	173,915	49,000	(174)	(236)		222,505
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(Formerly, STX
Electric Power Co.,
Ltd.)

YEONGAM Wind Power Co., Ltd.	11,424	89	11,513
Global Trade Of Power System Co., Ltd	249	(11)	238

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures, Continued

(3) **Changes in investments in associates and joint ventures for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows, continued:**

In millions of won

Investees	March 31, 2014							Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss)	Others	
Expressway Solar-light Power Generation Co., Ltd	1,863			(237)	1,571			3,197
KODE NOVUS 1 LLC.	14,237				(276)	121		14,082
KODE NOVUS 2 LLC.	9,510				(477)	122		9,155
Daejung Offshore Wind Power Co., Ltd.	4,135				(133)			4,002
Arman Asia Electric Power Company	111,315				2,601	1,203		115,119
KEPCO-ALSTOM Power Electronics Systems, Inc.	4,758				(304)			4,454
Dongbu Power Dangjin Corporation	39,102				(418)		1	38,685
Honam Wind Power Co., Ltd.	1,933		(120)		(446)	1,272		2,639
Nepal Water & Energy Development Company Pty Ltd.	10,409				(309)	171		10,271
Kelar S.A	4,180						(136)	4,044
PT. Tanjung Power Indonesia	361				(8)		6	359
Incheon New Power Co., Ltd.	449				(13)			436
Seokmun Energy Co., Ltd.	415				(90)			325
	1,106,181	108,576	(120)	(1,689)	14,194	(41,243)	6,165	1,192,064
	5,230,755	108,576	(120)	(14,542)	111,724	(43,323)	5,830	5,398,900

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures, Continued

(3) Changes in investments in associates and joint ventures for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows, continued:

In millions of won

Investees	December 31, 2013						Ending balance	
	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss) Others		
<Associates>								
Daegu Green Power Co., Ltd.	56,007	18,833			160	(91)	(31)	74,878
Korea Gas Corporation	2,049,340			(30,996)	(26,848)	1,541	(66,237)	1,926,800
Korea Electric Power Industrial Development Co., Ltd.	18,936			(255)	3,477		292	22,450
YTN Co., Ltd.	37,876			(90)	472	40	128	38,426
Cheongna Energy Co., Ltd.	33,379				(5,217)		(48)	28,114
Gangwon Wind Power Co., Ltd.	12,113			(1,988)	3,005	55		13,185
Hyundai Green Power Co., Ltd.	110,346			(8,107)	8,038		(120)	110,157
Korea Power Exchange	176,264				10,283		2,997	189,544
AMEC Partners Korea	141				48			189
Hyundai Energy Co., Ltd.	49,463	13,920			(19,834)		(163)	43,386
Ecollite Co., Ltd. (*1)	1,266	1,349			(896)		(1,719)	
Taebaek Wind Power Co., Ltd.	3,728				1,825			5,553
Alternergy Philippine Investments Corporation	1,600	569			(508)	(161)		1,500
Muju Wind Power Co., Ltd.	2,711				(4)			2,707
	613				(13)			600

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Pyeongchang Wind Power Co., Ltd.						
Daeryun Power Co., Ltd.	25,017		(270)	(19)	(129)	24,599
JinanJangsu Wind Power Co., Ltd.	78		(1)			77
Changjuk Wind Power Co., Ltd.	3,926		2,418			6,344
Commerce and industry energy Co., Ltd	7,066		(1,237)		(5,829)	
KNH Solar Co., Ltd.	1,089		290		(7)	1,372
SPC Power Corporation	36,760		15,599	(4,501)	(197)	47,661
Gemeng International Energy Co., Ltd.	549,730		53,120	5,824		608,674
PT. Cirebon Electric Power	17,022		10,300	6,361	(857)	32,826
KNOC Nigerian East Oil Co., Ltd.			(348)	127	221	
KNOC Nigerian West Oil Co., Ltd.			(933)	113	820	
Dolphin Property Limited			344	(3)	(341)	
E-Power S.A.	5,646	(1,878)	(359)	(28)	1,903	5,284
PT Wampu Electric Power	15,644		(303)		(220)	15,121
PT. Bayan Resources TBK (*2)	642,636		(54,399)	(8,703)		579,534
S-Power Co., Ltd.	81,679	26,000	(158)	(125)	(132)	107,264
Pioneer Gas Power Limited	37,875	8,811	377	(3,316)	(81)	43,666
Eurasia Energy Holdings			(171)	57	114	
Xe-Pian Xe-Namnoy Power Co., Ltd	27	18,898	(363)	(504)		18,058
Busan Solar Co., Ltd.	546	150	45			741
Hadong Mineral Fiber Co., Ltd.	5		(1)		(1)	3
Green Biomass Co., Ltd.	637		(466)			171
Gumi-ochang Photovoltaic Power Co., Ltd.	282		107			389
Chungbuk Photovoltaic Power Co., Ltd.	159		25			184
Cheonan Photovoltaic Power Co., Ltd.	109		39			148
PT. Mutiara Jawai	2,624		(573)	(456)	71	1,666
Hyundai Asan Solar Power Co., Ltd.		471	(9)			462
Heang Bok Do Si Photovoltaic Power Co., Ltd.		92	1	(2)		91
Jeonnam Solar Co., Ltd.		700		(4)		696
DS POWER Co., Ltd.		17,900				17,900
D Solarenergy Co., Ltd.		400	(36)			364
Dongducheon Dream Power Co., Ltd.			(5,677)	52	140,023	134,398

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures, Continued

(3) **Changes in investments in associates and joint ventures for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows, continued:**

In millions of won

Investees	Beginning balance	December 31, 2013					Ending balance
		Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss) Others	
KS Solar Corp. Ltd.		637			(100)		537
KOSCON Photovoltaic Co., Ltd.		245			70		315
Yeongwol Energy Station Co., Ltd.		1,862			(926)	(28)	908
Yeonan Photovoltaic Co., Ltd.		157			(34)		123
Q1 Solar Co., Ltd.		1,005			(10)	(12)	983
Jinbhuvish Power Generation		9,000			(145)	(360)	8,495
Best Solar Energy Co., Ltd.		1,242			(344)		898
Seokcheon Solar Power Co., Ltd.		970			76		1,046
SE Green Energy Co., Ltd.		3,821			(57)	(19)	3,745
Daegu Photovoltaic Co., Ltd.		1,230			111	(7)	1,334
Jeongam Wind Power Co., Ltd.		800			(476)		324

Korea Power Engineering Service Co., Ltd.	290		295				585
Golden Route J Solar Power Co., Ltd.	82		17				99
	3,982,340	129,434	(43,314)	(10,174)	(4,157)	70,445	4,124,574
<Joint ventures>							
KEPCO-Uhde Inc.	10,269		(751)			19	9,537
Eco Biomass Energy Sdn. Bhd.							
Datang Chaoyang Renewable Power Co., Ltd.	28,705		(1,300)	549	395	(188)	28,161
Shuweihat Asia Power Investment B.V.	109		(42)	(7)		4	64
Shuweihat Asia Operation & Maintenance Company	29						29
Waterbury Lake Uranium L.P.	24,906				(1,374)	(490)	23,042
ASM-BG Investicii AD	16,024	1,371		2,301	392		20,088
RES Technology AD	14,637	897		157	354		16,045
KV Holdings, Inc.	2,023		(319)	307	(169)		1,842
KEPCO SPC Power Corporation	121,737		(2,304)	20,196	3,665		143,294
Canada Korea Uranium Limited Partnership (*3)	5,083					(5,083)	
KEPCO Energy Resource Nigeria Limited	5,663		(3,386)	(75)			2,202
Gansu Datang Yumen Wind Power Co., Ltd.	20,381		(1,365)	221			19,237
Datang Chifeng Renewable Power Co., Ltd.	156,449		(3,545)	11,837	1,838	(249)	166,330
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	10,125		(506)	893	155	(63)	10,604
Rabigh Electricity Company (*4)	108,385			15,539	41,458	(165,382)	

Rabigh Operation & Maintenance Company	814		(1,831)	5,188	(89)	4,082
Jamaica Public Service Company Limited (*5)	293,007			(2,242)	(3,544)	(19,199)
KW Nuclear Components Co., Ltd.	1,222		(457)	1,711		2,476
Busan shinho Solar power Co., Ltd.	2,056			815		2,871
GS Donghae Electric Power Co., Ltd. (Formerly, STX Electric Power Co., Ltd.)	96,698	78,400		(806)	(377)	173,915
YEONGAM Wind Power Co., Ltd.	11,563			(76)		(63)
Global Trade Of Power System Co. , Ltd	213			36		249
Expressway Solar-light Power Generation Co., Ltd.	3,132			(1,257)	(12)	1,863
Yeongam F1 Solar Power Plant	1,673		(2,002)	329		

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

March 31, 2014

(Unaudited)

17. Investments in Associates and Joint Ventures, Continued

(3) **Changes in investments in associates and joint ventures for the three-month period ended March 31, 2014 and for the year ended December 31, 2013 are as follows, continued:**

In millions of won

Investees	December 31, 2013						Ending balance	
	Beginning balance	Acquisition	Disposals	Dividends received	Share of comprehensive income (loss)	Other income (loss) Others		
KODE NOVUS 1 LLC.	17,691				(3,661)	(64)	271	14,237
KODE NOVUS 2 LLC.	11,550				(1,940)	(100)		9,510
Daejung Offshore Wind Power Co., Ltd.	4,844				(709)			4,135
Arman Asia Electric Power Company	687	103,740			(1,501)	10,685	(2,296)	111,315
KEPCO-ALSTOM Power Electronics Systems, Inc.								