

KOREA ELECTRIC POWER CORP

Form 6-K

June 12, 2018

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**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 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 2018**

**KOREA ELECTRIC POWER CORPORATION**

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

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

**(Address of principal executive offices)**

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

Form 20-F

Form 40-F

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

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

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

Yes

No

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

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, 2018 to March 31, 2018)

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

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

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

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**I. Company Overview**

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

2. Information of the company

(Address) 55 Jeollyeok-ro, Naju-si, Jeollanam-do, 58217, Korea

(Phone number) 82-61-345-4213

(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, 2018)

<b>Classification</b>	<b>Consolidated subsidiaries</b>	<b>Associates and joint ventures</b>	<b>Total</b>
Domestic	26	60	86
Overseas	78	46	124
<b>Total</b>	<b>104</b>	<b>106</b>	<b>210</b>

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## 5. Major changes in management

- A. On March 19, 2018, Mr. Kim, Chang-Joon was appointed as a non-standing director in the replacement of Mr. Koo, Ja-Yoon, whose term of office expired.
- B. On April 4, 2018, Mr. Yang, Bong-Ryull, Mr. Kim, Jwa-Kwan and Mr. Jung, Yeon-Gil were appointed as non-standing directors in the replacement of Mr. Ahn, Choong-Yong, Mr. Lee, Gang-Hee and Mr. Cho, Jeon-Hyeok whose term of office expired.
- C. At the extraordinary general meeting of shareholders of KEPCO held on April 10, 2018, Mr. JongKap KIM was appointed as the President and Chief Executive Officer, in replacement of Mr. Cho, Hwan-Eik who voluntarily resigned on December 8, 2017.

## 6. Changes in major shareholders

On December 31, 2014, Korea Development Bank merged with Korea Finance Corporation, and became the largest shareholder of KEPCO.

## 7. Information regarding KEPCO shares

- A. Issued share capital: Won 3,210 billion (Authorized capital: Won 6 trillion)
- B. Total number of issued shares: 641,964,077  
(Total number of shares authorized to for issuance: 1,200,000,000)
- C. Dividends: Dividend payment of Won 790 per share for fiscal year 2017 (Won 0.51 trillion in aggregate). Dividend payments for fiscal year 2016, 2015 and 2014 were Won 1,980, Won 3,100 and Won 500 per share respectively.

**II. Business Overview**

## 1. Consolidated financial results by segment for the first three-month period ended March 31, 2018 and 2017

	(In billions of Won)			
	January to March 2017		January to March 2018	
	Operating		Operating	
	Sales	profit	Sales	profit
Electricity sales	15,193	-784	15,564	-1,442
Nuclear generation	2,669	738	1,962	182

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Thermal generation	6,789	1,522	7,726	1,230
Others <sup>(*)</sup>	669	65	784	69
Subtotal	25,320	1,541	26,036	39
Adjustment for related-party transactions	-10,173	-78	-10,330	-167
<b>Total</b>	<b>15,147</b>	<b>1,463</b>	<b>15,706</b>	<b>-128</b>

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

- <sup>(\*)</sup> Others relate to subsidiaries including KEPCO E&C, KEPCO KPS, KEPCO NF and KEPCO KDN, among others.

Sales and operating profit reflects amendments to Korean IFRS 1001 Presentation of Financial Statements.

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## 2. Changes in unit prices of major products

Business sector	Company	(In Won per kWh)	
		January to March 2017	January to March 2018
Electricity sold	Residential	109.40	111.06
	Commercial	130.09	128.54
	Educational	98.68	99.62
	Industrial	109.15	109.19
	Agricultural	47.82	47.67
	Street lighting	109.48	110.02
	Overnight usage	72.69	72.84
Electricity from nuclear generation	Nuclear Generation KHNP	69.23	69.16
Electricity from thermal generation	KOSEP	89.30	88.31
	KOMIPO	104.70	101.86
	KOWEPO	107.18	105.07
	KOSPO	106.21	104.21
	EWP	105.99	103.94

## 3. Power purchase from generation companies for the first three-month period ended March 31, 2018

Company	Volume (MWh)	Expense (In billions of Won)
KHNP	27,542,332	1,907
KOSEP	17,589,035	1,562
KOMIPO	13,471,173	1,373
KOWEPO	13,018,327	1,369
KOSPO	15,355,844	1,606
EWP	14,602,564	1,524
Others	40,130,728	4,690
Total	141,710,003	14,031

Excludes expense related to the renewable portfolio standard provisions and carbon emissions.



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## 4. Intellectual property as of March 31, 2018

	Patents		Utility models	Trademarks		Total	
	Domestic	Overseas		Designs	Domestic		Overseas
KEPCO	1,943	220	73	66	154	45	2,501
Consolidated subsidiaries	3,808	583	803	117	245	23	5,579
<b>Total</b>	<b>5,751</b>	<b>803</b>	<b>876</b>	<b>183</b>	<b>399</b>	<b>68</b>	<b>8,080</b>

**III. Financial Information**

## 1. Condensed consolidated financial results as of and for the first three-month period ended March 31, 2018

(In billions of Won)

Consolidated statements of comprehensive income				Consolidated statements of financial position			
	January to March 2017	January to March 2018	Change (%)		December 31, 2017	March 31, 2018	Change (%)
Sales	15,147	15,706	3.7	Total assets	181,789	184,025	1.2
Operating profit	1,463	-128	-108.7	Total liabilities	108,824	111,827	2.8
Net income	900	-250	-127.8	Total equity	72,965	72,198	-1.1

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2. Condensed separate financial results as of and for the first three-month period ended March 31, 2018

(In billions of Won)

	Separate statements of			Separate statements of			
	comprehensive income			financial position			
	January to March 2017	January to March 2018	Change (%)	December 31, 2017	March 31, 2018	Change (%)	
Sales	15,193	15,564	2.4	Total assets	106,540	107,194	0.6
Operating profit	-784	-1,442	-83.9	Total liabilities	50,758	52,538	3.5
Net income	318	-622	-295.8	Total equity	55,782	54,656	-2.0

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

1. The board of directors is required to consist of not more than 15 directors including the president. Under our Articles of Incorporation, there may not be more than seven standing directors including the president, and more than eight non-standing directors. The number of non-standing directors must exceed the number of standing directors, including our president.

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

2. Board meetings and agendas for the first three-month period ended March 31, 2018

Number of meetings	Number of agendas	Classification	
		Resolutions	Reports
5	16	11	5

\* The audit committee held 3 meetings with 9 agendas (of which, 4 were approved as proposed and 5 were accepted as reported).

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## 3. Major activities of the Board of Directors

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
February 8, 2018	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	Approved as proposed	Resolution
February 23, 2018	Approval of the maximum aggregate amount of remuneration for directors in 2018	Approved as proposed	Resolution
	Approval of the relocation plan of materials center in Gyeonggi District Division	Approved as proposed	Resolution
	Approval of consolidated and separate financial statements for the fiscal year 2017	Approved as proposed	Resolution
	Approval to call for the annual general meeting of shareholders for the fiscal year 2017	Approved as proposed	Resolution
	Report on operating plan of the Act on the Control and Supervision on Nuclear Power Suppliers, etc. for the Prevention of Corruption in the Nuclear Power Industry (2018-2019)	Accepted as reported	Report
	Report on the annual management of commercial papers in 2017	Accepted as reported	Report
	Report on internal control over financial reporting for the fiscal year 2017	Accepted as reported	Report
	Evaluation report on internal control over financial reporting for the fiscal year 2017	Accepted as reported	Report
	Report on the audit result for 2017	Accepted as reported	Report
February 27, 2018	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
March 15, 2018	Approval of amendments to investment structure and guarantee for Nghi Son II coal-fired power plant in Vietnam	Conditionally Approved	Resolution
	Approval of liquidation of KEPCO Canada Energy(KCE), a subsidiary located in Canada	Approved as proposed	Resolution
	Approval of the construction of a new Integrated Gangwon District Division Office Building	Approved as proposed	Resolution
	Approval of the Statement of Appropriation of Retained Earnings for the fiscal year 2017	Approved as proposed	Resolution
March 26, 2018			Resolution

Approval to call for the extraordinary general meeting of  
shareholders for the fiscal year 2018

Approved as  
proposed

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## 4. Major Activities and Attendance Status of Non-standing directors

Date	Agenda	Ahn, Choong- Yong	Lee, Gang- Hee	Cho, Jeon- Hyeok	Choi, Ki- Ryun	Sung, Tae- Hyun	Koo, Ja- Moon	Kim, Joo- Suen	Kim, Ji- Hong	Kim, Chang- Joon
February 8, 2018	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	For	For	For	For	Absent	For	For	For	Before Appointment
February 23, 2018	Approval of the maximum aggregate amount of remuneration for directors in 2018	For	For	For	For	For	For	For	For	
	Approval of the relocation plan of materials center in Gyeonggi District Division	For	For	For	For	For	For	For	For	
	Approval of consolidated and separate financial statements for the fiscal year 2017	For	For	For	For	For	For	For	For	
	Approval to call for the annual general meeting of shareholders for the fiscal year 2017	For	For	For	For	For	For	For	For	
	Report on operating plan of the Act on the Control and Supervision on Nuclear Power Suppliers, etc. for the Prevention of Corruption in the Nuclear Power Industry (2018-2019)									Agenda for Report
	Report on the annual management of commercial									Agenda for Report

papers in 2017

Report on internal control over financial reporting for the fiscal year 2017

Agenda  
for  
Report

Evaluation report on internal control over financial reporting for the fiscal year 2017

Agenda  
for  
Report

Report on the audit result for 2017

Agenda  
for  
Report

February 27, 2018	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Absent	For	Absent	Absent	Absent	For	For	For
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March 15, 2018	Approval of amendments to investment structure and guarantee for Nghi Son II coal-fired power plant in Vietnam	For	For	For	For	Absent	Absent	For	For
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Approval of liquidation of KEPCO Canada Energy (KCE), subsidiary located in Canada	For	For	For	For	Absent	Absent	For	For
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Approval of the construction of a new Integrated Gangwon District Division Office Building	For	For	For	For	Absent	Absent	For	For
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Approval of the Statement of Appropriation of Retained Earnings for fiscal year 2017	For	For	For	For	Absent	Absent	For	For
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March 26, 2018	Approval to call for the extraordinary general meeting of shareholders for the fiscal	For	For	For	For	Absent	Retired	For	Absent	For
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year 2018

<b>Attendance Rate</b>	<b>80%</b>	<b>100%</b>	<b>80%</b>	<b>80%</b>	<b>20%</b>	<b>75%</b>	<b>100%</b>	<b>80%</b>	<b>100%</b>
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## 4. Major activities of the Audit Committee

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
January 19, 2018	Audit plans for 2018	Approved as proposed	Resolution
February 23, 2018	Education plans for auditors for 2018	Approved as reported	Report
	Amendments to Code of Conduct and Guideline for Practice for KEPCO executives and staff members	Approved as proposed	Resolution
	Report on the audit result for 2017	Approved as reported	Report
	Report on internal control over financial reporting for the fiscal year 2017	Approved as reported	Report
	Evaluation report on internal control over financial reporting for the fiscal year 2017	Approved as reported	Report
March 15, 2018	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 the fiscal year 2017	Approved as reported	Report

The audit department, organized under the supervision of the Audit Committee, conducts internal audit over the entire company and takes administrative measures as appropriate in accordance with relevant internal regulations. KEPCO's District Divisions and Branch Offices also have separate audit teams which conduct internal inspections with respect to the relevant divisions or offices.



**Table of Contents****V. Shareholders**

## 1. List of shareholders as of March 15, 2018

		<b>Number of shareholders</b>	<b>Shares owned</b>	<b>Percentage of total (%)</b>
Government of the Republic of Korea		1	116,841,794	18.20
Korea Development Bank		1	211,235,264	32.90
Subtotal		2	328,077,058	51.10
National Pension Service		1	36,460,422	5.68
Public	Common shares	1,297	156,960,303	24.45
(non-Koreans)	American depository shares (ADS)	1	35,678,712	5.56
Public	Corporate	1,092	31,469,657	4.90
(Koreans)	Individual	429,751	53,317,925	8.31
<b>Total</b>		<b>432,144</b>	<b>641,964,077</b>	<b>100.00</b>

Percentages are based on issued shares of common stock.

All of our shareholder have equal voting rights.

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

**Table of Contents****VI. Directors and employees as of and for the first three-month period ended March 31, 2018****(KEPCO Only)**

## 1. Directors

Type	Number of directors	Total remuneration	Average remuneration per person	(In thousands of Won)
				Remarks
Standing director	3	89,049	29,683	Excluding the members of Audit Committee
Non-standing director	6	45,000	7,500	
Member of Audit Committee	3	44,729	14,910	
Total	12	178,778	14,898	

## 2. Employees

(In thousands of Won)

Type	Number of employees			Average continuous service year	Total salaries	Average salaries per person
	Regular	Non-regular	Total			
Male	17,047	419	17,466	17.7	397,730,608	22,772
Female	4,106	91	4,197	13.6	74,138,923	17,665
Total	21,153	510	21,663	16.9	471,869,531	21,782

**VII. Other Information Necessary for the Protection of Investors**

## 1. Summary of shareholder s meetings for the first three-month period ended March 31, 2018

Type	Agenda	Results
Annual General Meeting held on March 30, 2018	Approval of financial statements for the fiscal year 2017  Approval of the maximum aggregate amount of remuneration for directors in 2018	Approved as proposed  Approved as proposed

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## 2. Pending legal proceedings as of March 31, 2018

<b>Type</b>	<b>(In billions of Won)</b>	
	<b>Number of lawsuits</b>	<b>Amount claimed</b>
Lawsuits where KEPCO and its subsidiaries are engaged as the defendants	579	478
Lawsuits where KEPCO and its subsidiaries are engaged as the plaintiffs	188	751

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**SIGNATURES**

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

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

Date: June 12, 2018

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Financial Statements

March 31, 2018

(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, 2018, the consolidated interim statements of comprehensive income (loss), changes in equity and cash flows for the three-month periods ended March 31, 2018 and 2017 and notes, comprising a summary of significant accounting policies and other explanatory information.

**Management's Responsibility for the Consolidated Interim Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated interim financial statements in accordance with Korean International Financial Reporting Standards (K-IFRS) 1034 Interim Financial Reporting and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditors' Review Responsibility**

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

**Review Conclusion**

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

**Other Matters**

The procedures and practices utilized in the Republic of Korea to review such consolidated interim financial statements may differ from those generally accepted and applied in other countries.

We have previously audited, in accordance with Korean Standards on Auditing, the consolidated statement of financial position of the Company as of December 31, 2017, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, which are not accompanying this report, and we

expressed an unqualified opinion on those consolidated financial statements in our report dated March 15, 2018. The accompanying consolidated financial position of the Company as of December 31, 2017, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG Samjong Accounting Corp.

Seoul, Korea

May 15, 2018

This report is effective as of May 15, 2018, 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 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, 2018 and December 31, 2017**

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	5,6,7,44	₩ 2,580,522	2,369,739
Current financial assets, net	5,10,11,12,44	3,315,560	1,958,357
Trade and other receivables, net	5,8,14,20,44,45,46	6,937,378	7,928,972
Inventories, net	13	5,966,492	6,002,086
Income tax refund receivables	40	19,811	100,590
Current non-financial assets	15	987,215	753,992
Assets held-for-sale	41	23,533	27,971
<b>Total current assets</b>		<b>19,830,511</b>	<b>19,141,707</b>
Non-current assets			
Non-current financial assets, net	5,6,9,10,11,12,44	2,157,284	2,038,913
Non-current trade and other receivables, net	5,8,14,44,45,46	1,716,441	1,754,797
Property, plant and equipment, net	18,27,48	151,687,109	150,882,414
Investment properties, net	19,27	287,642	284,714
Goodwill	16	2,582	2,582
Intangible assets other than goodwill, net	21,27,45	1,183,519	1,187,121
Investments in associates	4,17	4,092,261	3,837,421
Investments in joint ventures	4,17	1,612,518	1,493,275
Deferred tax assets	40	1,015,343	919,153
Non-current non-financial assets	15	439,348	246,818
<b>Total non-current assets</b>		<b>164,194,047</b>	<b>162,647,208</b>
<b>Total Assets</b>	<b>4</b>	<b>₩ 184,024,558</b>	<b>181,788,915</b>

(Continued)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Financial Position, Continued

## As of March 31, 2018 and December 31, 2017

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
<b><u>Liabilities</u></b>			
Current liabilities			
Trade and other payables, net	5,22,24,44,46	₩ 6,836,478	5,999,521
Current financial liabilities, net	5,11,23,44,46	9,090,721	9,194,552
Income tax payables	40	609,309	508,402
Current non-financial liabilities	20,28,29	5,984,682	5,584,308
Current provisions	26,44	2,279,563	2,137,498
<b>Total current liabilities</b>		<b>24,800,753</b>	<b>23,424,281</b>
Non-current liabilities			
Non-current trade and other payables, net	5,22,24,44,46	3,217,146	3,223,480
Non-current financial liabilities, net	5,11,23,44,46	47,640,648	45,980,899
Non-current non-financial liabilities	28,29	8,136,414	8,072,434
Employee benefits liabilities, net	25,44	1,565,834	1,483,069
Deferred tax liabilities	40	10,148,615	10,415,397
Non-current provisions	26,44	16,317,102	16,224,714
<b>Total non-current liabilities</b>		<b>87,025,759</b>	<b>85,399,993</b>
<b>Total Liabilities</b>	<b>4</b>	<b>₩ 111,826,512</b>	<b>108,824,274</b>
<b><u>Equity</u></b>			
Contributed capital	1,30,44		
Share capital		₩ 3,209,820	3,209,820
Share premium		843,758	843,758
		4,053,578	4,053,578
Retained earnings	31		
Legal reserves		1,604,910	1,604,910
Voluntary reserves		35,906,267	34,833,844
Unappropriated retained earnings		15,144,636	16,931,804

		52,655,813	53,370,558
Other components of equity	33		
Other capital surplus		1,233,660	1,233,793
Accumulated other comprehensive loss		(314,942)	(271,457)
Other equity		13,294,973	13,294,973
		14,213,691	14,257,309
Equity attributable to owners of the controlling company		70,923,082	71,681,445
Non-controlling interests	16,32	1,274,964	1,283,196
<b>Total Equity</b>		<b>₩ 72,198,046</b>	<b>72,964,641</b>
<b>Total Liabilities and Equity</b>		<b>₩ 184,024,558</b>	<b>181,788,915</b>

*See accompanying notes to the consolidated interim financial statements.*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Comprehensive Income (Loss)

**For the three-month periods ended March 31, 2018 and 2017**

(Unaudited)

<i>In millions of won, except per share information</i>	<i>Note</i>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Sales</b>	4,34,44,46		
Sales of goods		₩ 15,057,977	14,299,466
Sales of services		74,165	71,905
Sales of construction services	20	450,161	659,092
Revenue related to transfer of assets from customers		123,741	116,146
		15,706,044	15,146,609
<b>Cost of sales</b>	13,25,42,46		
Cost of sales of goods		(14,687,736)	(12,371,525)
Cost of sales of services		(112,391)	(96,278)
Cost of sales of construction services		(423,838)	(662,638)
		(15,223,965)	(13,130,441)
<b>Gross profit</b>		482,079	2,016,168
<b>Selling and administrative expenses</b>	25,35,42,46	(609,692)	(552,982)
<b>Operating profit (loss)</b>	4	(127,613)	1,463,186
<b>Other non-operating income</b>	36	84,827	85,416
<b>Other non-operating expense</b>	36	(16,901)	(36,434)
<b>Other gains, net</b>	37	54,056	129,012
<b>Finance income</b>	5,11,38	156,787	897,286
<b>Finance expenses</b>	5,11,39	(614,430)	(1,309,456)
<b>Profit related to associates, joint ventures and subsidiaries</b>	4,17		
Share in profit of associates and joint ventures		261,581	176,995
Gain on disposal of investments in associates and joint ventures			68
Share in loss of associates and joint ventures		(58,552)	(16,513)
Loss on disposal of investments in associates and joint ventures		(2,184)	
		200,845	160,550

<b>Profit (loss) before income tax</b>		(262,429)	1,389,560
<b>Income tax benefit (expense)</b>	40	11,962	(489,529)
<b>Profit (loss) for the period</b>		₩ (250,467)	900,031

*(Continued)*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Comprehensive Income (Loss), Continued

**For the three-month periods ended March 31, 2018 and 2017**

(Unaudited)

<i>In millions of won, except per share information</i>	<i>Note</i>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Other comprehensive income (loss)</b>	5,11,25,31,33		
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit liability, net of tax	25,31	₩ (8,084)	3,917
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	31	5,410	(1,891)
Net change in fair value of equity investments at fair value through other comprehensive income	33	19,084	
Items that are or may be reclassified subsequently to profit or loss:			
Net change in the unrealized fair value of available-for-sale financial assets, net of tax	33		(1,174)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	5,11,33	(20,748)	(5,937)
Foreign currency translation of foreign operations, net of tax	33	(17,438)	(115,141)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	33	50,279	(103,283)
<b>Other comprehensive income (loss), net of tax</b>		28,503	(223,509)
<b>Total comprehensive income (loss) for the period</b>		₩ (221,964)	676,522
<b>Profit (loss) attributable to:</b>			
Owners of the controlling company	43	₩ (277,270)	866,913
Non-controlling interests		26,803	33,118
		₩ (250,467)	900,031
<b>Total comprehensive income attributable to:</b>			
Owners of the controlling company		₩ (246,155)	665,753
Non-controlling interests		24,191	10,769
		₩ (221,964)	676,522
<b>Earnings (loss) per share (in won)</b>	43		
Basic and diluted earnings (loss) per share		₩ (432)	1,350

*See accompanying notes to the consolidated interim financial statements.*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Changes in Equity

**For the three-month periods ended March 31, 2018 and 2017**

(Unaudited)

<i>In millions of won</i>	Equity attributable to owners of the controlling company			Subtotal	Non-controlling interests	Total equity
	Contributed capital	Retained earnings	Other components of equity			
<b>Balance at January 1, 2017</b>	₩ 4,053,578	53,173,871	14,496,244	71,723,693	1,326,852	73,050,545
<b>Total comprehensive income (loss) for the period</b>						
Profit for the period		866,913		866,913	33,118	900,031
Items that will not be reclassified subsequently to profit or loss:						
Remeasurement of defined benefit liability, net of tax		1,812		1,812	2,105	3,917
Share in other comprehensive income (loss) of associates and joint ventures, net of tax		(1,895)		(1,895)	4	(1,891)
Items that are or may be reclassified subsequently to profit or loss:						
Net change in the unrealized fair value of available-for-sale financial assets, net of tax			(1,172)	(1,172)	(2)	(1,174)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			(5,937)	(5,937)		(5,937)
Foreign currency translation of foreign			(90,391)	(90,391)	(24,750)	(115,141)



operations, net of tax						
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	(103,577)	(103,577)	294	(103,283)		
<b>Transactions with owners of the Company, recognized directly in equity</b>						
Dividends paid	(1,271,089)	(1,271,089)	(21,864)	(1,292,953)		
Issuance of shares of capital by subsidiaries and others			(1)	(1)		
Dividends paid (hybrid bond)			(4,059)	(4,059)		
<b>Balance at March 31, 2017</b>	<b>₩ 4,053,578</b>	<b>52,769,612</b>	<b>14,295,167</b>	<b>71,118,357</b>	<b>1,311,697</b>	<b>72,430,054</b>

*(Continued)*

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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, 2018 and 2017**

(Unaudited)

<i>In millions of won</i>	Equity attributable to owners of the controlling company				Subtotal	Non-controlling interests	Total equity
	Contributed capital	Retained earnings	Other components of equity				
<b>Balance at January 1, 2018</b>	₩ 4,053,578	53,370,558	14,257,309	71,681,445	1,283,196	72,964,641	
<b>Effect of change in accounting policy</b>		71,928	(76,851)	(4,923)		(4,923)	
<b>Adjusted balance at January 1, 2018</b>	4,053,578	53,442,486	14,180,458	71,676,522	1,283,196	72,964,641	
<b>Total comprehensive income (loss) for the period</b>							
Profit (loss) for the period		(277,270)		(277,270)	26,803	(250,467)	
Items that will not be reclassified subsequently to profit or loss:							
Remeasurement of defined benefit liability, net of tax		(7,652)		(7,652)	(432)	(8,084)	
Share in other comprehensive income of associates and joint ventures, net of tax		5,401		5,401	9	5,410	
Net change in fair value of equity investments at fair value through other comprehensive income			19,085	19,085	(1)	19,084	
Items that are or may be reclassified subsequently to profit or loss:							
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			(20,748)	(20,748)		(20,748)	

Foreign currency translation of foreign operations, net of tax		(15,248)	(15,248)	(2,190)	(17,438)	
Share in other comprehensive income of associates and joint ventures, net of tax		50,277	50,277	2	50,279	
<b>Transactions with owners of the Company, recognized directly in equity</b>						
Dividends paid	(507,152)		(507,152)	(35,291)	(542,443)	
Issuance of shares of capital by subsidiaries and others		(133)	(133)	6,168	6,035	
Changes in consolidation scope				46	46	
Dividends paid (hybrid bond)				(3,346)	(3,346)	
<b>Balance at March 31, 2018</b>	<b>₩ 4,053,578</b>	<b>52,655,813</b>	<b>14,213,691</b>	<b>70,923,082</b>	<b>1,274,964</b>	<b>72,198,046</b>

*See accompanying notes to the consolidated interim financial statements.*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Cash Flows

**For the three-month periods ended March 31, 2018 and 2017**

(Unaudited)

<i>In millions of won</i>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
<b>Cash flows from operating activities</b>		
Profit (loss) for the period	₩ (250,467)	900,031
Adjustments for:		
Income tax expense (benefit)	(11,962)	489,529
Depreciation	2,456,076	2,369,838
Amortization	30,069	34,023
Employee benefit expense	88,575	90,580
Bad debt expense	20,862	7,955
Interest expense	462,385	440,954
Loss on sale of financial assets		1,038
Loss on disposal of property, plant and equipment	3,429	3,675
Loss on abandonment of property, plant, and equipment	128,779	94,305
Loss on disposal of intangible assets	2	
Increase to provisions	375,716	510,013
Gain on foreign currency translation, net	(9,846)	(700,819)
Loss on valuation of financial assets at FVTPL	468	
Valuation and transaction loss on derivative instruments, net	62,056	743,089
Share in income of associates and joint ventures, net	(203,029)	(160,482)
Gain on sale of financial assets		(494)
Gain on disposal of property, plant and equipment	(14,366)	(11,029)
Gain on disposal of intangible assets		(463)
Gain on disposal of investments in associates and joint ventures		(68)
Loss on disposal of investments in associates and joint ventures	2,184	
Interest income	(50,678)	(54,457)
Dividend income	(8,107)	(9,677)
Others, net	2,468	6,610
	3,335,081	3,854,120
Changes in:		
Trade receivables	1,050,573	1,112,414
Non-trade receivables	39,971	41,927
Accrued income	156,933	(50,930)
Other receivables	3,752	3,729

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Other current assets	(369,537)	(120,754)
Inventories	(164,688)	(302,233)
Other non-current assets	(133,258)	(13,048)
Trade payables	71,386	(516,617)
Non-trade payables	144,499	(164,995)
Accrued expenses	(215,813)	(61,172)
Other payables	(291)	
Other current liabilities	606,374	148,256
Other non-current liabilities	154,769	227,729
Investments in associates and joint ventures (dividends received)	19,822	13,260
Provisions	(236,306)	(248,582)
Payments of employee benefit obligations	(26,059)	(23,265)
Plan assets	(234)	
	1,101,893	45,719

*(Continued)*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Cash Flows, Continued

**For the three-month periods ended March 31, 2018 and 2017**

(Unaudited)

<i>In millions of won</i>	<b>March 31, 2018</b>	<b>March 31, 2017</b>
Cash generated from operating activities	₩ 4,186,507	4,799,870
Dividends received (available-for-sale financial assets)	1,583	1,323
Interest paid	(433,588)	(470,114)
Interest received	41,002	44,329
Income taxes paid	(160,371)	(989,289)
<b>Net cash from operating activities</b>	<b>3,635,133</b>	<b>3,386,119</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposals of associates and joint ventures		681
Acquisition of associates and joint ventures	(137,552)	(116,618)
Proceeds from disposals of property, plant and equipment	24,767	37,155
Acquisition of property, plant and equipment	(3,212,009)	(3,569,106)
Proceeds from disposals of intangible assets		2,689
Acquisition of intangible assets	(24,251)	(16,375)
Proceeds from disposals of financial assets	933,393	1,713,211
Acquisition of financial assets	(1,826,249)	(1,384,357)
Increase in loans	(86,796)	(190,519)
Collection of loans	38,681	25,931
Increase in deposits	(85,112)	(80,028)
Decrease in deposits	49,304	28,107
Receipt of government grants	5,689	24,640
Other cash inflow (outflow) from investing activities, net	20,209	(578)
<b>Net cash used in investing activities</b>	<b>(4,299,926)</b>	<b>(3,525,167)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings, net	571,300	1,642,339
Proceeds from long-term borrowings and debt securities	3,160,771	1,860,683
Repayment of long-term borrowings and debt securities	(2,199,149)	(3,166,110)
Payment of finance lease liabilities	(34,303)	(31,039)
Settlement of derivative instruments, net	(6,011)	18,898
Change in non-controlling interest	6,271	6
Dividends paid (hybrid bond)	(4,415)	(4,059)

Dividends paid	(14)	(5,116)
Other cash outflow from financing activities, net	(242)	
<b>Net cash from financing activities</b>	<b>1,494,208</b>	<b>315,602</b>
<b>Net increase in cash and cash equivalents before effect of exchange rate fluctuations</b>	<b>829,415</b>	<b>176,554</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>172,692</b>	<b>(40,267)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,002,107</b>	<b>136,287</b>
<b>Cash and cash equivalents at January 1</b>	<b>2,369,739</b>	<b>3,051,353</b>
<b>Effect of change in accounting policy</b>	<b>(791,324)</b>	
<b>Cash and cash equivalents at March 31</b>	<b>₩ 2,580,522</b>	<b>3,187,640</b>

*See accompanying notes to the consolidated interim financial statements.*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements

**March 31, 2018**

(Unaudited)

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

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

As of March 31, 2018, KEPCO 's share capital amounts to ₩3,209,820 million and KEPCO 's shareholders are as follows:

	Number of shares	Percentage of ownership
Government of the Republic of Korea	116,841,794	18.20%
Korea Development Bank	211,235,264	32.90%
Other (*)	313,887,019	48.90%
	641,964,077	100.00%

(\*) The number of shares held by foreign shareholders are 192,639,015 shares (30.01%) as of the most recent closing date of Register of Shareholders (March 15, 2018).

In accordance with the Restructuring Plan enacted on January 21, 1999 by the Ministry of Trade, Industry and Energy, 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**



These consolidated interim financial statements have been prepared in accordance with K-IFRS 1034 Interim Financial Reporting as part of the period covered by KEPCO and subsidiaries (the Company) K-IFRS annual financial statements.

**(2) Basis of measurement**

These consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the consolidated statements of financial position:

derivative financial instruments are measured at fair value

available-for-sale financial assets are measured at fair value

liabilities for defined benefit plans are recognized at the net of the total present value of defined benefit obligations less the fair value of plan assets

**(3) Functional and presentation currency**

These consolidated financial statements are presented in Korean won ( Won ), which is KEPCO's functional currency and the currency of the primary economic environment in which the Company operates.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

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

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

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

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

(iii) Valuations of financial instruments at fair values

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

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

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

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

(iv) Defined employee benefit liabilities

The Company offers its employees defined benefit plans. The cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each reporting period. For actuarial valuations, certain inputs such as discount rates and future salary increases are estimated. Defined benefit plans contain significant uncertainties in estimations due to its long-term nature (refer to note 25).

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**2. Basis of Preparation, Continued**

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

(v) Unbilled revenue

Energy delivered but not metered nor billed is calculated at the reporting date and is estimated 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 consumptions and prices based on statistics. Unbilled revenue recognized as of March 31, 2018 and 2017 are ₩1,344,125 million and ₩1,347,431 million, respectively.

(vi) Construction contracts

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 utilizing the cost-based input method at the end of the reporting period. In applying the cost-based input method, it is necessary to use estimates and assumptions related to the total estimated costs expected to be incurred in the future, costs incurred which are not related to construction progress, changes in costs due to change of contract or design, etc. Total contract revenue is measured based on an agreed contract price; however, it may fluctuate due to the variation of construction work. The measurement of contract revenue is affected by various uncertainties resulting from unexpected future events.

(vii) Continuing operation of Wolsong Unit 1 nuclear power plant

Wolsong unit 1 nuclear power plant of the Company commenced operations on November 21, 1982 and its 30-year of designed life expired on November 20, 2012. On February 27, 2015, the Nuclear Safety and Security Commission (NSSC) evaluated the safety of operation on the Wolsong Unit 1 nuclear power plant and approved to continue its operation until November 20, 2022. As described in note 49, the lawsuit related to the validity of the approval of NSSC is currently ongoing.

According to the Eighth Basic Plan for Electricity Supply and Demand by the Ministry of Trade, Industry and Energy, Wolsong Unit 1 nuclear power plant is expected to go through a comprehensive evaluation for the feasibility of continuous operation including economic efficiency and acceptability of household and community in 2018.

The Korean government plans to refund to the Company for reasonable expenditures incurred in relation to the phase-out of nuclear power plants in accordance with the energy transformation policy established by Korean

government. In doing so, after discussions with relevant government agencies and upon approval by the Congress, the Korean government is considering to use available resource including utilizing relevant fund to make the refund. Also, Korean government plans to establish relevant legal basis of providing refund including utilizing available resource, if necessary.

**(5) Changes in accounting policies**

The Company has newly applied the following new standards for annual periods beginning on January 1, 2018.

**(i) K-IFRS 1109 Financial Instruments**

The Company has adopted K-IFRS 1109 Financial Instruments , since January 1, 2018. K-IFRS 1109 sets out the requirements for recognizing and measuring financial assets, financial liabilities and certain contracts to buy or sell non-financial items. It replaces existing guidance in K-IFRS 1039 Financial Instruments: Recognition and Measurement .

The Company has taken an exemption not to restate comparative information for prior periods upon adoption of K-IFRS 1109. Accordingly, the information presented for 2017 has not been restated and differences in the carrying amounts of financial assets resulting from the adoption of K-IFRS 1109 are recognized in retained earnings at January 1, 2018.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**2. Basis of Preparation, Continued****(5) Changes in accounting policies, continued**

Based on the result of the detailed assessment, the impacts on the Company's financial assets (excluding derivative instruments) on the date of initial application (January 1, 2018) are as follows:

*In millions of won*

<b>Original classification</b>	<b>New classification</b>	<b>Original carrying amount under K-IFRS 1039</b>	<b>New carrying amount under K-IFRS 1109</b>
<b>under K-IFRS 1039</b>	<b>under K-IFRS 1109</b>		
Financial assets at FVTPL	FVTPL	₩ 111,512	111,512
Loans and receivables	Amortized cost	15,203,663	14,405,570
Loans and receivables	FVTPL		791,324
Available-for-sale financial assets	FVOCI	699,833	476,941
Available-for-sale financial assets	FVTPL		222,892
Held-to-maturity investments	Amortized cost	3,144	3,144
<b>Total financial assets (excluding derivative instruments)</b>		<b>₩ 16,018,152</b>	<b>16,011,383</b>

The impacts on the Company's equity including retained earnings on the date of initial application (January 1, 2018) are as follows:

*In millions of won*

<b>Type</b>	<b>Equity attributable to owners of the controlling company</b>			<b>Total equity</b>
	<b>Retained earnings</b>	<b>Other components of equity</b>	<b>Non-controlling interests</b>	

Reclassification of cumulative gain or loss of available-for-sale financial assets	₩ 76,851	(76,851)	
Remeasurement of expected credit loss			
- Trade and other receivables	(6,769)		(6,769)
- Income tax effect	1,846		1,846
<b>Total</b>	<b>₩ 71,928</b>	<b>(76,851)</b>	<b>(4,923)</b>

The detailed accounting policies under K-IFRS 1109 are described in note 3.(21).

(ii) K-IFRS 1115 Revenue from Contracts with Customers

K-IFRS 1115 sets out a comprehensive framework for determining whether revenue is recognized, the extent of revenue recognized, and when revenue is recognized. It replaces existing revenue recognition guidance, including K-IFRS 1018 Revenue, K-IFRS 1011 Construction Contracts, K-IFRS 2031 Revenue-Barter Transactions Involving Advertising Services, K-IFRS 2113 Customer Loyalty Programs, K-IFRS 2115 Agreements for the Construction of Real Estate, K-IFRS 2118 Transfers of Assets from Customers.

The Company has retrospectively applied and recognized the cumulative effect of the adoption of K-IFRS 1115 at the date of initial application (January 1, 2018) and has retrospectively applied K-IFRS 1115 to only those contracts that were not completed as of the date of initial application (January 1, 2018). Accordingly, the Company has not restated the comparative periods.

The Company believes that there is no significant impact on the Company's consolidated interim financial statements. The detailed accounting policies under K-IFRS 1115 are described in note 3.(7).

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**2. Basis of Preparation, Continued**

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

**(i) K-IFRS 1116 Lease**

K-IFRS 1116 replaces K-IFRS 1017 Lease and K-IFRS 2104 Determining whether an Arrangement contains a Lease. This standard is effective for annual reporting periods beginning on or after January 1, 2019, with early adoption permitted if K-IFRS 1115 Revenue from Contracts with Customers has also been applied.

Under K-IFRS 1116, a lessee shall apply this standard to its leases either:

- (a) retrospectively to each prior reporting period presented applying K-IFRS 1008 Accounting Policies, Changes in Accounting Estimates and Errors ; or
- (b) retrospectively with the cumulative effect of initially applying the standard recognized at the date of initial application.

The Company has not yet determined the transition approach for K-IFRS 1116.

K-IFRS 1116 provides a single lessee accounting model in which the lessee recognizes lease related assets and liabilities in the statement of financial position. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments. Lease recognition may be exempted for short-term leases and leases for which the underlying asset is of low value. Accounting for a lessor is similar to the existing standard that classifies each of its leases as either an operating lease or a finance lease.

Upon adoption of K-IFRS 1116, the nature of the costs associated with the lease will change as the operating lease payments recognized based on a straight-line basis will change to depreciation expense of a right-of-use asset and interest expense of the lease liability and no significant impact is expected on the Company's finance lease.

The Company plans to conduct a detailed assessment of the potential impact from the application of K-IFRS 1116 during the year ending December 31, 2018.





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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**3. Significant Accounting Policies**

The significant accounting policies applied by the Company in preparation of its consolidated financial statements are included below. Except as described in note 2.(5), the accounting policies applied by the Company in these consolidated financial statements are the same as those applied by the Company in its consolidated financial statements as of and for the year ended December 31, 2017.

**(1) Basis of consolidation**

The consolidated financial statements are the financial statements of a group in which the assets, liabilities, equity, income, expenses and cash flows of the parent and its subsidiaries are presented as those of a single economic entity. Subsidiaries are controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

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

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

Transactions within the Company are eliminated during the consolidation.

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

When the Company loses control of a subsidiary, the income or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. When assets of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognized in other comprehensive income and accumulated in equity, the amounts previously recognized in other comprehensive income and accumulated in equity are accounted for as if the Company had directly disposed of the relevant assets (i.e. reclassified to income or loss or transferred directly to retained

earnings). The fair value of any investment retained in the former subsidiary at the date when control is lost is recognized as the fair value on initial recognition for subsequent accounting under K-IFRS 1109 Financial Instruments 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.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(2) Business combinations, continued**

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

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

assets (or disposal groups) that are classified as held for sale in accordance with K-IFRS 1105

Non-current Assets Held for Sale are measured in accordance with that standard.

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

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

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

date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not re-measured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is re-measured at subsequent reporting dates in accordance with K-IFRS 1109 Financial Instruments, 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.

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(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 control or joint control over those policies. If the Company holds 20% ~ 50% of the voting power of the investee, it is presumed that the Company has significant influence.

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. After the disposal takes place, the Company shall account for any retained interest in associates in accordance with K-IFRS 1109 Financial Instruments 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.

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 1109. 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.

The requirements of K-IFRS 1028 Investments in Associates and Joint Ventures 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.

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, 2018**

(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 ventures) have rights to the net assets of the arrangement.

If the Company is a joint operator, the Company is to recognize and measure the assets and liabilities (and recognize the related revenues and expenses) in relation to its interest in the arrangement in accordance with relevant K-IFRSs applicable to the particular assets, liabilities, revenues and expenses. If the joint arrangement is a joint venture, the Company is to account for that investment using the equity method accounting in accordance with K-IFRS 1028

Investment in Associates and Joint Ventures (refer to 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 business acquired.

The Company assesses at the end of each reporting period and whenever there is an indication that the 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, 2018**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(7) Revenue from Contracts with Customers**

The Company recognizes revenue by applying the five-step approach (Step 1: Identify the contract(s) with a customer, Step 2: Identify the performance obligations in the contract, Step 3: Determine the transaction price, Step 4: Allocate the transaction price to the performance obligations in the contract, Step 5: Recognize revenue when the entity satisfied a performance obligation).

(i) Identify the performance obligations in the contract

The Company is engaged in the generation, transmission and distribution of electricity and development of electric power resources, and electricity sales revenue accounts for 95.8% of consolidated revenue for the three-month period ended March 31, 2018.

Under K-IFRS 1115, supplying electricity is a series of distinct goods or services identified as a single performance obligation. The Company is also engaged in contracts with customers for transmission and distribution, provision of power generation byproducts, EPC business, O&M, etc. that are identified as different performance obligations for each contract.

(ii) Variable consideration

The Company may be subject to a variation of consideration paid by the customer due to the progressive electricity billing system, discounts on electricity bills for policy purposes, penalties and delinquent payment, etc. The Company estimates an amount of variable consideration by using the expected value method that the Company expects to better predict the amount of consideration to which it will be entitled, and includes in the transaction price some or all of an amount of variable consideration only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

(iii) Performance obligations satisfied over time

The Company satisfies its performance obligations for contracts such as EPC business, O&M, etc. over time. The Company recognizes revenue based on the percentage-of-completion on a reasonable basis.

The Company recognizes revenue over time if one of the following criteria is met:

- (a) the customer simultaneously receives and consumes the benefits provided by the Company's performance as the entity performs;
- (b) the Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- (c) the Company's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(8) 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.

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

At inception of an arrangement, the Company determines whether the arrangement is or contains a lease.

At inception or on reassessment of an arrangement that contains a lease, the Company separates payments and other consideration required by the arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Company concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognized at an amount equal to the fair value of the underlying asset.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(9) Foreign currencies**

Transactions in foreign currencies are translated to the respective functional currencies of the Company entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated to the functional currency using the reporting date's exchange rate. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

Exchange differences are recognized in profit or loss in the period in which they arise except for:

Exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

Exchange differences on transactions entered into in order to hedge certain foreign currency risks (refer to note 3.(23) Derivative financial instruments, including hedge accounting); 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 gain or loss on disposal.

**(10) Borrowing costs**

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

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

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

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(Unaudited)

**3. Significant Accounting Policies, Continued**

**(11) 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.

**(12) Employee benefits**

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

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



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

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

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

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(Unaudited)

**3. Significant Accounting Policies, Continued**

**(13) Income taxes**

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

(i) Current tax

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

(ii) Deferred tax

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

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

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

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

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

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

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

(iii) Current and deferred tax for the year

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

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Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**3. Significant Accounting Policies, Continued****(14) 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:

	<b>Useful lives (years)</b>
Buildings	8 ~ 40
Structures	8 ~ 50
Machinery	2 ~ 32
Vehicles	3 ~ 8
Loaded heavy water	30
Asset retirement costs	18, 30, 40, 60
Finance lease assets	6 ~ 32
Ships	9
Others	4 ~ 15

A component that is significant compared to the total cost of property, plant and equipment is depreciated over its separate useful life.

Depreciation methods, residual values and useful lives of property, plant and equipment are reviewed at the end of each reporting period and if change is deemed appropriate, it is treated as a change in accounting estimate.

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

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

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**3. Significant Accounting Policies, Continued**

**(15) 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.

**(16) Intangible assets**

**(i) Intangible assets acquired separately**

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

(ii) Research and development

Expenditure on research activities is recognized as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, all of the following have been demonstrated:

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

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

The ability to use or sell the intangible asset;

How the intangible asset will generate probable future economic benefits;

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

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

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

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

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**3. Significant Accounting Policies, Continued****(16) Intangible assets, continued**

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

	<b>Useful lives (years)</b>	<b>Amortization methods</b>
Usage rights for donated assets	10 ~ 20	Straight line
Software	4, 5	Straight line
Industrial rights	5 ~ 10	Straight line
Development expenses	5	Straight line
Leasehold rights	10	Straight line
Others	3 ~ 50	Straight line
Mining right	-	Unit of production

**(iii) Intangible assets acquired in a business combination**

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

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

**(iv) Derecognition of intangible assets**

An intangible asset is derecognized on disposal, or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are 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.



**(17) Greenhouse gas emissions rights (allowances) and obligations**

In connection with Enforcement of Allocation and Trading of Greenhouse Gas Emissions Allowances, the Company applies the following accounting policies for greenhouse gas emissions rights and obligations.

(i) Greenhouse gas emissions rights

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

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

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

(ii) Greenhouse gas emissions obligations

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**3. Significant Accounting Policies, Continued**

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

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

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

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

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

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

**(19) Inventories**

Inventories are measured at the lower of cost and net realizable value. Cost of inventories for inventories in transit are measured by using specific identification method. 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.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**3. Significant Accounting Policies, Continued**

**(20) Provisions, continued**

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

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

(i) Provision for employment benefits

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

(ii) Provision for decommissioning costs of nuclear power plants

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

(iii) Provision for disposal of spent nuclear fuel

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

(iv) Provision for low and intermediate radioactive wastes

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

(v) Provision for Polychlorinated Biphenyls ( PCBs )

Under the regulation of Persistent Organic Pollutants Management Act, enacted in 2007, the Company is required to remove PCBs, a toxin, from the insulating oil of its transformers by 2025. As a result of the enactments, the Company is required to inspect the PCBs contents of transformers and dispose of PCBs in excess of safety standards under the legally settled procedures. The Company's estimates and assumptions used to determine fair value can be affected by many factors, such as the estimated costs of inspection and disposal, inflation rate, discount rate, regulations and the general economy.

(vi) Provisions for power plant regional support program

Power plant regional support programs consist of scholarship programs to local students, local economy support programs, local culture support programs, environment development programs, and local welfare programs. The Company recognizes the provision in relation to power plant regional support program.

(vii) Provisions for transmission and transformation facilities-neighboring areas support program

The Company has present obligation to conduct transmission and transformation facilities-neighboring areas support program under Act on assistance to transmission and transformation facilities-neighboring areas. The Company recognizes the provision of estimated amount to fulfill the obligation.

(viii) Renewable Portfolio Standard ( RPS ) provisions

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

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**3. Significant Accounting Policies, Continued****(21) Financial instruments**

The Company recognizes financial assets and financial liabilities in the statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Upon initial recognition, financial assets and financial liabilities are measured at their fair value plus, in the case of a financial asset or financial liabilities 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. The Company derecognizes financial liabilities (or part of financial liabilities) when, and only when, the Company's obligations are discharged, cancelled or they expire.

**(i) Classification and measurement of financial assets**

The Company classifies financial assets into three principal categories; measured at amortized cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL) based on the business model in which assets are managed and their cash flow characteristics. The company assesses the hybrid financial instrument in which derivatives embedded as whole for classification.

Business model	Cash flow characteristics	
	Solely payments of principal and interest (SPPI)	Other than SPPI
To collect contractual cash flows	Amortized cost	
Both collecting contractual cash flows and selling financial assets	FVOCI (*1)	FVTPL (*2)
To sell financial assets	FVTPL	

(\*1)

To eliminate or reduce an accounting mismatch, the Company may elect to recognize the amount of change in fair value in profit or loss.

(\*2) For equity investment that is not held for trading, the Company may elect to present subsequent changes in fair value in OCI.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: 1) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and 2) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL: 1) the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and 2) the contractual terms of the financial asset give rise on specified dates to cash flow that are solely payments of principal and interest on the principal amount outstanding. On initial recognition of equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in fair value in OCI, and will not reclassify(recycle) the those items in OCI to profit or loss subsequently.

A financial asset is measured at FVTPL if the contractual terms of the financial asset give rise to specified dates to cash flows that are not solely payments of principal and interest on the principal amount outstanding, the debt instrument is held within a business model whose objective is to sell the asset, or the equity instruments that are not elected to be designated as measured at FVOCI.

#### Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial 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

**March 31, 2018**

(Unaudited)

**3. Significant Accounting Policies, Continued****(21) Financial instruments, continued****(ii) Classification and measurement of financial liabilities**

The amount of change in the fair value attributable to the changes in the credit risk of the financial liabilities is presented in OCI, not recognized in profit or loss, and the OCI amount will not be reclassified (recycled) to profit or loss. However, if doing so creates or increase an accounting mismatch, the amount of change in the fair value is recognized in profit or loss.

**(iii) Impairment: Financial assets and contract assets**

The Company applies a forward-looking expected credit loss (ECL) model for debt instruments, lease receivables, contractual assets, loan commitments, financial guarantee contracts.

The Company recognizes loss allowances measured on either of the 12-month or lifetime ECL based on the extent of increase in credit risk since inception as shown in the below table.

	<b>Classification</b>	<b>Loss allowances</b>
Stage 1	Credit risk has not increased significantly since the initial recognition	12-month ECL: ECLs that resulted from possible default events within the 12 months after the reporting date
Stage 2	Credit risk has increased significantly since the initial recognition	Lifetime ECL: ECL that resulted from all possible default events over the expected life of a financial instrument
Stage 3	Credit-impaired	

Under K-IFRS 1109, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses for trade receivables or contract assets that result from transactions that are within the scope of K-IFRS 1115 and that do not contain a significant financing component in accordance with K-IFRS 1115 and if the trade receivables or contract assets include a significant financing component, the Company may choose as its accounting policy to measure the loss allowance at an amount equal to lifetime expected credit losses.



The Company has chosen to measure the loss allowance at an amount equal to lifetime expected credit losses for the trade receivables, contract assets and lease receivables that contain a significant financing component.

**(22) Service Concession Arrangements**

The Company recognizes revenues from construction services and operating services related to service concession arrangements in accordance with K-IFRS 1115 Revenue from Contracts with Customers . If the Company performs more than one service under a single contract or arrangement, consideration received or receivable is allocated by reference to the relative stand-alone selling price basis of the services delivered, when such performance obligations are separately identifiable.

The Company recognizes a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset for the construction services and an intangible asset to the extent that it receives a right (license) to charge users of the public service. Borrowing costs attributable to the arrangement are recognized as an expense in the period in which they are incurred unless the Company has a contractual right to receive an intangible asset (a right to charge users of the public service). In this case, borrowing costs attributable to the arrangement are capitalized during the construction phase of the arrangement.

**(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.

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**3. Significant Accounting Policies, Continued**

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

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

(i) Separable embedded derivatives

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

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

(ii) Hedge accounting

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

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

(iii) Fair value hedges

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

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

(iv) Cash flow hedges

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

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

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

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

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

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

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

- (2) Financial information of the segments for the three-month periods ended March 31, 2018 and 2017, respectively, are as follows:

*In millions of  
won*

Segment	Total segment revenue	Intersegment revenue	March 31, 2018					
			Revenue from external customers	Operating Profit (loss)	Depreciation and amortization	Interest income	Interest expenses	Profit (loss) related associates and subsidiaries
Transmission and distribution	₩ 15,563,743	371,043	15,192,700	(1,442,122)	880,413	15,213	174,801	200,023
Electric power generation (Nuclear)	1,962,306	1,952,888	9,418	181,878	763,621	2,495	125,688	1,077
Electric power generation (Non-nuclear)	7,725,692	7,431,070	294,622	1,229,630	814,588	5,810	140,609	(70)
Plant maintenance & engineering service	524,530	453,640	70,890	32,779	28,433	2,851	1,262	(185)
Others	260,082	121,668	138,414	36,726	13,202	39,059	26,012	
Consolidation adjustments	(10,330,309)	(10,330,309)		(166,504)	(14,112)	(14,750)	(5,987)	
	₩ 15,706,044		15,706,044	(127,613)	2,486,145	50,678	462,385	200,845

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

- (2) **Financial information of the segments for the three-month periods ended March 31, 2018 and 2017, respectively, are as follows, continued:**

*In millions of  
won*

Segment	Total segment revenue	Intersegment revenue	March 31, 2017				Interest income	Interest expenses	Profit (loss) related associ and joint ventures
			Revenue from external customers	Operating profit (loss)	Depreciation and amortization				
Transmission and distribution	₩ 15,193,328	497,725	14,695,603	(783,980)	842,622	11,561	188,846	152,071	
Electric power generation (Nuclear)	2,668,468	2,658,386	10,082	738,402	852,147	3,908	121,876	(246)	
Electric power generation (Non-nuclear)	6,789,103	6,559,467	229,636	1,521,498	688,657	3,581	110,766	9,292	
Plant maintenance & engineering service	533,405	437,985	95,420	45,326	27,181	2,761	781	(567)	
Others	135,240	19,372	115,868	19,919	6,519	38,707	22,606		
Consolidation adjustments	(10,172,935)	(10,172,935)		(77,979)	(13,265)	(6,061)	(3,921)		
	₩ 15,146,609		15,146,609	1,463,186	2,403,861	54,457	440,954	160,550	

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

- (3) **Information related to segment assets and segment liabilities as of and for the three-month period ended March 31, 2018 and as of and for the year ended December 31, 2017 are as follows:**

*In millions of won*

Segment	March 31, 2018			
	Segment assets	Investments in associates and joint ventures	Acquisition of non-current assets	Segment liabilities
Transmission and distribution	₩ 107,193,746	3,684,581	2,151,261	52,537,753
Electric power generation (Nuclear)	55,359,977	32,124	349,112	29,815,280
Electric power generation (Non-nuclear)	48,919,002	1,940,322	569,168	26,716,624
Plant maintenance & engineering service	3,342,681	47,752	15,888	1,307,652
Others	7,997,336		127,250	3,062,823
Consolidation adjustments	(38,788,184)		23,581	(1,613,620)
Consolidated totals	₩ 184,024,558	5,704,779	3,236,260	111,826,512

*In millions of won*

Segment	December 31, 2017			
	Segment assets	Investments in associates and joint ventures	Acquisition of non-current assets	Segment liabilities
Transmission and distribution	₩ 106,540,154	3,366,309	6,606,512	50,757,798
Electric power generation (Nuclear)	55,011,096	11,843	2,083,967	29,252,816
Electric power generation (Non-nuclear)	47,938,084	1,904,224	3,250,524	26,337,295

Plant maintenance & engineering service	3,273,959	48,320	145,779	1,176,627
Others	7,798,400		569,447	3,013,743
Consolidation adjustments	(38,772,778)		23,616	(1,714,005)
<b>Consolidated totals</b>	<b>₩ 181,788,915</b>	<b>5,330,696</b>	<b>12,679,845</b>	<b>108,824,274</b>

#### (4) Geographic information

Electricity sales, the main operations of the Company, are conducted in the Republic of Korea where the controlling company is located. The following information on revenue from external customers and non-current assets is determined by the location of the customers and the assets:

<i>In millions of won</i>	Revenue from external customers		Non-current assets (*2)	
	March 31,		March 31, 2018	March 31, 2017
Geographical unit	2018	March 31, 2017	March 31, 2018	March 31, 2017
Domestic	₩ 15,131,391	14,375,352	154,709,077	153,436,810
Overseas (*1)	574,653	771,257	4,595,902	4,497,535
	<b>₩ 15,706,044</b>	<b>15,146,609</b>	<b>159,304,979</b>	<b>157,934,345</b>

(\*1) Middle East and other Asian countries make up the majority of overseas revenue and non-current assets.

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

#### (5) Information on significant customers

There is no individual customer comprising more than 10% of the Company's revenue for the three-month periods ended March 31, 2018 and 2017.



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**5. Classification of Financial Instruments****(1) Classification of financial assets as of March 31, 2018 and December 31, 2017 are as follows:***In millions of won*

	March 31, 2018				
	Financial assets measured at FVTPL	Financial assets measured at amortized cost	Financial assets measured at FVOCI	Derivative assets (applying hedge accounting)	Total
<b>Current assets</b>					
Cash and cash equivalents	₩	2,580,522			2,580,522
<b>Current financial assets</b>					
Held-to-maturity investments		70			70
Financial assets at fair value through profit or loss	1,794,615				1,794,615
Derivative assets	407			3,376	3,783
Other financial assets		1,517,092			1,517,092
Trade and other receivables		6,937,378			6,937,378
	1,795,022	11,035,062		3,376	12,833,460
<b>Non-current assets</b>					
<b>Non-current financial assets</b>					
Financial assets at fair value through profit or loss	336,654				336,654
Available-for-sale financial assets	254,267		505,206		759,473
Held-to-maturity investments		3,148			3,148
Derivative assets	4,380			9,146	13,526
Other financial assets		1,044,483			1,044,483
Trade and other receivables		1,716,441			1,716,441
	595,301	2,764,072	505,206	9,146	3,873,725
	₩ 2,390,323	13,799,134	505,206	12,522	16,707,185

*In millions of won*

December 31, 2017

	Financial assets at fair value through profit or loss	Loans and receivables	Available- for-sale financial assets	Held-to- maturity investments	Derivative assets (applying hedge accounting)	Total
<b>Current assets</b>						
Cash and cash equivalents	₩	2,369,739				2,369,739
<b>Current financial assets</b>						
Held-to-maturity investments				5		5
Derivative assets	12,923				12	12,935
Other financial assets		1,945,417				1,945,417
Trade and other receivables		7,928,972				7,928,972
	12,923	12,244,128		5	12	12,257,068
<b>Non-current assets</b>						
<b>Non-current financial assets</b>						
Available-for-sale financial assets			699,833			699,833
Held-to-maturity investments				3,139		3,139
Derivative assets	9,097				10,594	19,691
Other financial assets	111,512	1,204,738				1,316,250
Trade and other receivables		1,754,797				1,754,797
	120,609	2,959,535	699,833	3,139	10,594	3,793,710
	₩ 133,532	15,203,663	699,833	3,144	10,606	16,050,778

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**5. Classification of Financial Instruments, Continued**(2) **Classification of financial liabilities as of March 31, 2018 and December 31, 2017 are as follows:***In millions of won***March 31, 2018**

	<b>Financial liabilities at fair value through profit or loss</b>	<b>Financial liabilities recognized at amortized cost</b>	<b>Derivative liabilities (using hedge accounting)</b>	<b>Total</b>
<b>Current liabilities</b>				
Borrowings	₩	1,735,932		1,735,932
Debt securities		7,272,946		7,272,946
Derivative liabilities	32,989		48,854	81,843
Trade and other payables		6,836,478		6,836,478
	32,989	15,845,356	48,854	15,927,199
<b>Non-current liabilities</b>				
Borrowings		2,459,558		2,459,558
Debt securities		44,744,448		44,744,448
Derivative liabilities	160,554		276,088	436,642
Trade and other payables		3,217,146		3,217,146
	160,554	50,421,152	276,088	50,857,794
	₩ 193,543	66,266,508	324,942	66,784,993

*In millions of won***December 31, 2017**

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

	<b>profit or loss</b>			
<b>Current liabilities</b>				
Borrowings	₩	1,165,985		1,165,985
Debt securities		7,957,300		7,957,300
Derivative liabilities	51,090		20,177	71,267
Trade and other payables		5,999,521		5,999,521
	51,090	15,122,806	20,177	15,194,073
<b>Non-current liabilities</b>				
Borrowings		2,434,624		2,434,624
Debt securities		43,189,483		43,189,483
Derivative liabilities	99,839		256,953	356,792
Trade and other payables		3,223,480		3,223,480
	99,839	48,847,587	256,953	49,204,379
	₩ 150,929	63,970,393	277,130	64,398,452

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**5. Classification of Financial Instruments, Continued****(3) Classification of comprehensive income from financial instruments for the three-month periods ended March 31, 2018 and 2017 are as follows:**

<i>In millions of won</i>		<b>March 31, 2018</b>	<b>March 31, 2017</b>
Cash and cash equivalents	Interest income	₩ 8,461	8,372
Available-for-sale financial assets	Dividends income	8,107	9,677
	Impairment loss on available-for-sale financial assets	1,391	
	Loss on disposal of available-for-sale financial assets		(544)
Held-to-maturity investments	Interest income	20	29
Loans and receivables	Interest income	5,684	5,545
Trade and other receivables	Interest income	24,271	33,489
Short-term financial instruments	Interest income	9,586	6,234
Long-term financial instruments	Interest income	112	788
Financial assets at fair value through profit or loss	Interest income	2,544	
	Gain (loss) on valuation of derivatives	903	(186,839)
	Gain (loss) on transaction of derivatives	1,823	(9,732)
	Gain on valuation of financial assets	3,348	
	Loss on valuation of derivatives (profit or loss)	(282)	(234,674)
Derivative assets (applying hedge accounting)	Loss on valuation of derivatives (equity, before tax) (*)	(1,681)	(11,139)
	Loss on transaction of derivatives		(19,230)
	Interest expense of borrowings and debt securities	322,376	303,889
Financial liabilities carried at amortized cost	Interest expense of trade and other payables	12,092	13,449
	Interest expense of others	127,917	123,616

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	Gain on foreign currency transactions and translations	3,596	744,334
Financial liabilities at fair value through profit or loss	Loss on valuation of derivatives	(57,628)	(138,031)
	Gain (loss) on transaction of derivatives	7,256	(10,633)
Derivative liabilities (applying hedge accounting)	Loss on valuation of derivatives (profit or loss)	(15,983)	(143,931)
	Gain (loss) on valuation of derivatives (equity, before tax) (*)	(36,864)	806
	Gain (loss) on transaction of derivatives	1,855	(19)

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

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**6. Restricted Deposits**

Restricted deposits as of March 31, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>		<b>March 31, 2018</b>	<b>December 31, 2017</b>
Cash and cash equivalents	Escrow accounts	₩ 84	53
	Deposits for government project	5,435	15,365
	Collateral provided for borrowings	83,855	79,569
	Collateral provided for lawsuit	2	2
	Deposits for transmission regional support program	7,292	2,320
	Short-term financial instruments	119	119
	Restriction on withdrawal related to win-win growth program for small and medium enterprises	34,000	34,000
Financial assets at fair value through profit or loss	Decommissioning costs of nuclear power plants	332,610	108,512
Non-current available-for-sale financial asset	Decommissioning costs of nuclear power plants	245,547	214,156
Long-term financial instruments	Guarantee deposits for checking account	2	2
	Guarantee deposits for banking accounts at oversea branches	301	302
	Decommissioning costs of nuclear power plants	185,000	337,234
	Funds for developing small and medium enterprises (*)	200,000	200,000
		<b>₩ 1,094,247</b>	<b>991,634</b>

(\*)

Deposits for small and medium enterprise at IBK and others for construction of Bitgaram Energy Valley and support for high potential businesses as of March 31, 2018 and December 31, 2017.

**7. Cash and Cash Equivalents**

**Cash and cash equivalents as of March 31, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Cash	₩ 123	132
Other demand deposits	1,026,095	968,966
Short-term deposits classified as cash equivalents	1,270,735	559,239
Short-term investments classified as cash equivalents	283,569	841,402
	₩ 2,580,522	2,369,739



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**8. Trade and Other Receivables****(1) Trade and other receivables as of March 31, 2018 and December 31, 2017 are as follows:***In millions of won*

	<b>March 31, 2018</b>			
	<b>Gross amount</b>	<b>Allowance for doubtful accounts</b>	<b>Present value discount</b>	<b>Book value</b>
<b>Current assets</b>				
Trade receivables	₩ 6,461,032	(191,324)		6,269,708
Other receivables	685,764	(16,335)	(1,759)	667,670
	7,146,796	(207,659)	(1,759)	6,937,378
<b>Non-current assets</b>				
Trade receivables	426,440	(105)	(640)	425,695
Other receivables	1,365,399	(67,885)	(6,768)	1,290,746
	1,791,839	(67,990)	(7,408)	1,716,441
	₩ 8,938,635	(275,649)	(9,167)	8,653,819

*In millions of won*

	<b>December 31, 2017</b>			
	<b>Gross amount</b>	<b>Allowance for doubtful accounts</b>	<b>Present value discount</b>	<b>Book value</b>
<b>Current assets</b>				
Trade receivables	₩ 7,499,285	(173,583)		7,325,702
Other receivables	614,212	(9,199)	(1,743)	603,270
	8,113,497	(182,782)	(1,743)	7,928,972
<b>Non-current assets</b>				
Trade receivables	449,191		(414)	448,777
Other receivables	1,380,983	(68,809)	(6,154)	1,306,020

	1,830,174	(68,809)	(6,568)	1,754,797
	<del>₩</del> 9,943,671	(251,591)	(8,311)	9,683,769

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**8. Trade and Other Receivables, Continued****(2) Other receivables as of March 31, 2018 and December 31, 2017 are as follows:***In millions of won*

	<b>March 31, 2018</b>			
	<b>Gross amount</b>	<b>Allowance for doubtful accounts</b>	<b>Present value discount</b>	<b>Book value</b>
<b>Current assets</b>				
Non-trade receivables	₩ 324,483	(16,291)		308,192
Accrued income	60,503			60,503
Deposits	226,968		(1,759)	225,209
Finance lease receivables	68,439	(44)		68,395
Others	5,371			5,371
	685,764	(16,335)	(1,759)	667,670
<b>Non-current assets</b>				
Non-trade receivables	112,030	(58,794)		53,236
Deposits	338,297		(6,768)	331,529
Finance lease receivables	828,640	(99)		828,541
Others	86,432	(8,992)		77,440
	1,365,399	(67,885)	(6,768)	1,290,746
	₩ 2,051,163	(84,220)	(8,527)	1,958,416

*In millions of won*

	<b>December 31, 2017</b>			
	<b>Gross amount</b>	<b>Allowance for doubtful accounts</b>	<b>Present value discount</b>	<b>Book value</b>
<b>Current assets</b>				
Non-trade receivables	₩ 314,256	(9,199)		305,057
Accrued income	54,002			54,002
Deposits	228,317		(1,743)	226,574

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Finance lease receivables	13,067			13,067
Others	4,570			4,570
	614,212	(9,199)	(1,743)	603,270
<b>Non-current assets</b>				
Non-trade receivables	112,983	(59,117)		53,866
Accrued income	182			182
Deposits	331,071		(6,154)	324,917
Finance lease receivables	849,554			849,554
Others	87,193	(9,692)		77,501
	1,380,983	(68,809)	(6,154)	1,306,020
	₩ 1,995,195	(78,008)	(7,897)	1,909,290

- (3) Trade and other receivables are classified as financial assets at amortized cost and are measured using the effective interest method. No interest is accrued for trade receivables related to electricity for the duration between the billing date and the payment due dates. But once trade receivables are overdue, the Company imposes a monthly interest rate of 1.5% on the overdue trade receivables. The Company holds deposits of three months expected electricity usage for customers requesting temporary usage and customers with past defaulted payments.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**8. Trade and Other Receivables, Continued****(4) Aging analysis of trade receivables as of March 31, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Trade receivables: (not overdue)	₩ 6,599,167	7,698,604
Trade receivables: (overdue, not impaired)		7,117
Less than 60 days		7,117
Trade receivables: (impairment reviewed)	288,305	242,755
Less than 60 days	5,958	
60 ~ 90 days	63,663	39,070
90 ~ 120 days	24,445	17,502
120 days ~ 1 year	53,709	55,242
Over 1 year	140,530	130,941
	6,887,472	7,948,476
Less: allowance for doubtful accounts	(191,429)	(173,583)
Less: present value discount	(640)	(414)
	₩ 6,695,403	7,774,479

At the end of each reporting period, the Company assesses whether the credit to trade receivables is impaired. The Company recognizes loss allowances for trade receivables individually when there is any objective evidence that trade receivables are impaired and significant, and classifies the trade receivables that are not individually assessed as the trade receivables subject to be assessed on a collective basis. Also, the Company recognizes loss allowances based on an expected credit loss (ECL) model.

**(5) Aging analysis of other receivables as of March 31, 2018 and December 31, 2017 are as follows:**

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<i>In millions of won</i>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Other receivables: (not overdue)	₩ 1,843,578	1,810,075
Other receivables: (overdue, not impaired)		47,532
Less than 60 days		47,532
Other receivables: (impairment reviewed)	207,585	137,588
Less than 60 days	52,603	
60 ~ 90 days	29,297	44
90 ~ 120 days	290	1,017
120 days ~ 1year	1,916	11,042
Over 1 year	123,479	125,485
	2,051,163	1,995,195
Less: allowance for doubtful accounts	(84,220)	(78,008)
Less: present value discount	(8,527)	(7,897)
	₩ 1,958,416	1,909,290

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**8. Trade and Other Receivables, Continued**

- (6) Changes in the allowance for doubtful accounts for the three-month period ended March 31, 2018 and for the year ended December 31, 2017 are as follows:

<i>In millions of won</i>	<b>March 31, 2018</b>		<b>December 31, 2017</b>	
	<b>Trade receivables</b>	<b>Other receivables</b>	<b>Trade receivables</b>	<b>Other receivables</b>
<b>Beginning balance</b>	₩ 173,583	78,008	71,985	87,661
Effect of change in accounting policy	6,641	128		
Bad debt expense	18,381	1,174	126,714	1,778
Write-off	(6,991)	(138)	(32,995)	(3,129)
Reversal		(15)		(2,166)
Others	(185)	5,063	7,879	(6,136)
<b>Ending balance</b>	₩ 191,429	84,220	173,583	78,008

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

- (1) Changes in available-for-sale financial assets for the three-month period ended March 31, 2018 and the years ended December 31, 2017 are as follows:

<i>In millions of won</i>	<b>March 31, 2018</b>						<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Effect of change in accounting policy</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Valuation impairment</b>	<b>Others</b>	
<b>Listed</b>	₩ 274,453				28,387	(982)	301,858
<b>Unlisted</b>	425,380	(222,892)			(7)	868	203,349
<b>Beneficiary securities</b>		222,892	30,000	(17)	1,391		254,266

	699,833	30,000	(17)	29,771	(114)	759,473
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Short-term  
available-for-sale financial  
assets

₩

Long-term available-for-sale  
financial assets

	699,833	30,000	(17)	29,771	(114)	759,473
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*In millions of won*

**December 31, 2017**

	<b>Beginning balance</b>	<b>Acquisition</b>	<b>Disposal (*1)</b>	<b>Valuation</b>	<b>Impairment</b>	<b>Others</b>	<b>Ending balance</b>
<b>Listed</b>	₩ 268,171	106		8,156	(97)	(1,883)	274,453
<b>Unlisted</b>	746,561	233,179	(461,423)	(2,908)	(2,616)	(87,413)	425,380
	1,014,732	233,285	(461,423)	5,248	(2,713)	(89,296)	699,833

Short-term  
available-for-sale financial  
assets

₩

Long-term  
available-for-sale financial  
assets

	1,014,732	233,285	(461,423)	5,248	(2,713)	(89,296)	699,833
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(\*1) The Company recognized gain and loss on disposal of available-for-sale financial assets amounted to ₩1,130 million and ₩2,343 million, respectively, from the partial sale of Hanwha-KOSEP New Renewable Energy Private Special Assets Investment Trust 1 and others for the year ended December 31, 2017.



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

(2) Available-for-sale financial assets as of March 31, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>March 31, 2018</b>					
	<b>Shares</b>	<b>Ownership</b>	<b>Acquisition cost</b>	<b>Book value</b>	<b>Fair value</b>	
<b>Listed</b>						
Korea District Heating Corp.	2,264,068	19.55%	₩ 173,201	190,635	190,635	
Ssangyong Motor Co., Ltd.	38,568	0.03%	428	191	191	
Sungjee Construction. Co., Ltd.(*6)	1,053	0.01%	49	9	9	
Korea Line Corp.	18	0.00%	1			
Namkwang Engineering & Construction Co., Ltd.	46	0.00%	15	1	1	
Bumyang Construction Co., Ltd.	35	0.00%	2			
ELCOMTEC Co., Ltd.	32,875	0.04%	217	81	81	
PAN ocean Co., Ltd.	1,492	0.00%	14	8	8	
Dongbu Corporation	955	0.02%	12	9	9	
KSP Co., Ltd.	6,324	0.08%	24	24	24	
STX Heavy Industries Co., Ltd.	35,755	0.14%	191	183	183	
Codes Combine Co., Ltd.	291	0.00%	1	1	1	
PT Adaro Energy Tbk	480,000,000	1.50%	71,554	79,236	79,236	
Energy Fuels Inc.	1,711,814	2.38%	16,819	3,076	3,076	
Baralaba Coal Company Limited	99,763	0.07%	18,445			
Denison Mines Corp.	58,284,000	10.42%	84,134	27,978	27,978	
Fission 3.0	300,000	0.14%		9	9	
Fission Uranium Corp.	800,000	0.16%	785	417	417	
			365,892	301,858	301,858	
<b>Unlisted (*1)</b>						
Intellectual Discovery Co., Ltd.	1,000,000	8.81%	5,000	954	954	
Construction Guarantee (*2)	571	0.02%	601	826	826	
Plant & Mechanical Contractors Financial Cooperative of Korea	97	0.02%	81	81	81	

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Fire Guarantee	40	0.01%	20	20	20
Korea Software Financial Cooperative	5,186	1.08%	3,301	3,301	3,301
Engineering Financial Cooperative	486	0.05%	60	60	60
Electric Contractors Financial Cooperative	1,000	0.04%	215	215	215
Korea Specialty Contractor Financial Cooperative	476	0.01%	417	417	417
Information & Communication Financial Cooperative	121	0.02%	26	26	26
Korea Electric Engineers Association	400	0.24%	40	40	40
Hwan Young Steel Co., Ltd.	10,916	0.14%	1,092	97	97
SAMBO AUTO. Co., Ltd.	15,066	0.02%	38	38	38
Mobo Co., Ltd.	504	0.00%	14	14	14
Dae Kwang Semiconductor Co., Ltd.	589	0.07%	6	6	6
Sanbon Department Store	828	0.01%	124	3	3
Miju Steel Mfg. Co., Ltd.	99,804	0.23%	50	50	50
Sungwon Co., Ltd.	589	0.07%	15	15	15
Hana Civil Engineering Co., Ltd.	23	0.00%	1	1	1
KC Development Co., Ltd.	839	0.02%	6	6	6
IMHWA Corp.	329	0.11%	5	5	5
DALIM Special Vehicle Co., Ltd.	58	0.08%	10	10	10
ASA JEONJU Co., Ltd.	34,846	1.34%	697	69	69
Moonkyung Silica Co., Ltd.	42	0.56%			
Sungkwang Timber Co., Ltd.	9	0.34%	4	4	4
Yongbo Co., Ltd.	61	0.20%	3	3	3
HJ Steel Co., Ltd.	218	0.07%	2	2	2
KS Remicon Co., Ltd.	12	0.04%	3	3	3
Joongang Platec Co., Ltd.	3,591	0.75%	72	35	35
Pyungsan SI Ltd.	434	0.01%	9	9	9
Samgong Development Co., Ltd.	12	0.01%	7	7	7
Joongang Development Co., Ltd.	540	0.12%	8	8	8

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of March 31, 2018 and December 31, 2017 are as follows, continued:***In millions of won*

	Shares	Ownership	March 31, 2018		
			Acquisition cost	Book value	Fair value
AJS Co., Ltd.	12,906	0.23%	₩ 32	32	32
SHIN-E B&P Co., Ltd.	119	0.13%	10	10	10
MSE Co., Ltd.	429	0.13%	9	9	9
Iirim Nano Tec Co., Ltd.	1,520	0.07%	15	15	15
Youngjin Hi-Tech Co., Ltd.	2,512	0.25%	126	21	21
Buyoung Co., Ltd.	270	0.00%	3	3	3
Ilsuk Co., Ltd.	152	0.17%	10	10	10
Dongyang Telecom Co., Ltd.	1,760	0.01%	11	11	11
Jongwon Remicon Co., Ltd.	31	0.18%	13	13	13
Ace Heat Treating Co., Ltd.	477	1.43%	72	72	72
Zyle Daewoo Motor Sales Co., Ltd.	22	0.00%			
Daewoo Development Co., Ltd.	8	0.00%			
Seyang Inc.	537	0.05%	27	27	27
Seungri Enterprise Co., Ltd.	93	0.05%	3	3	3
Onggane Food Co., Ltd.	5	0.07%	1	1	1
Shin-E P&C Co., Ltd.	12	0.00%	1	1	1
Ejung Ad Co., Ltd.	132	0.09%	3	3	3
Solvus Co., Ltd.	1,056	0.04%	3	3	3
Myung Co., Ltd.	89	0.05%	2	2	2
Shinil Engineering Co., Ltd.	887	0.06%	3	3	3
Biwang Industry Co., Ltd.	406	0.04%	2	2	2
Huimun Co., Ltd.	263	0.26%	4	4	4
Young Sung Co., Ltd.	89	0.40%	26	26	26
Yuil Industrial Electronics Co., Ltd.	804	0.32%	15	15	15
DN TEK Inc.	12,401	0.29%	61	5	5
Kwang Jin Structure Co., Ltd.	3,072	0.60%	31	31	31
Woojin Industry Corporation	3	0.00%	16	16	16
Kwang Sung Industry Co., Ltd.	325	0.35%	7	7	7
Futech Mold Co., Ltd.	274	0.27%	14	14	14
Woojoo Environment Ind. Co., Ltd.	101	0.11%	13	13	13

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CHONGATTI Agricultural Co., Inc.	57	0.10%	4	4	4
Hyungji Esquire Co., Ltd.	55	0.02%	22	22	22
Kolmar Pharma Co., Ltd.	1,426	0.01%	52	3	3
Morado Co., Ltd.	209	0.04%	2	2	2
Myung Sung Tex Co., Ltd.	20	0.00%	2	2	2
Kwang Sung Co., Ltd.	610	0.53%	31	31	31
EverTechno. Co.,Ltd.	29,424	0.73%	148	7	7
Autowel Co.,Ltd.	260	0.38%	14	14	14
Woobang Construction Co., Ltd.	8	0.00%	8	8	8
Shin Pyung Co., Ltd.	6	0.03%	3	3	3
JMC Heavy Industries Co., Ltd.	2,724	0.10%	27	27	27
Najin Steel Co., Ltd.	37	0.06%	5	5	5
Sinkwang Industry Co., Ltd.	1,091	1.68%	5	5	5
Crystal Co., Ltd.	22	0.07%	2	2	2
Elephant & Friends Co., Ltd.	563	0.61%	3	3	3
Mireco Co., Ltd.	109	0.25%	11	11	11
L&K Industry Co., Ltd.	1,615	0.60%	24	24	24
JO Tech Co., Ltd.	1,263	0.62%	25	25	25
Kendae Printing Co., Ltd.	422	0.60%	21	21	21
Dauning Co., Ltd.	231	0.41%	6	6	6
Korea Trecision Co., Ltd.	22	0.45%	5	5	5
Ace Track Co., Ltd.	3,130	1.08%	219	59	59
Yoo-A Construction Co., Ltd.	105	0.20%	11	11	11
Dung Hwan Co., Ltd.	531	0.02%	5	5	5

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of March 31, 2018 and December 31, 2017 are as follows, continued:**

*In millions of won*

	Shares	Ownership	March 31, 2018		
			Acquisition cost	Book value	Fair value
Hurim Biocell Co., Ltd.	113	0.00%	₩ 5	5	5
Smart Power Co.,Ltd.	133,333	4.35%	200	200	200
Sunjin Power Tech Co., Ltd.	4,941	0.92%	247	32	32
Haseung Industries Co.,Ltd.	55	0.62%	28	28	28
Beer Yeast Korea Inc.	1,388	0.43%	7	7	7
Daeryung Corporation	207	0.19%	10	10	10
Korea Bio Red Ginseng Co.,Ltd.	194	0.09%	10	10	10
ENH Co.,Ltd.	1,086	0.19%	54	54	54
B CON Co.,Ltd.	96	1.16%	6	6	6
Chunil Metal Co.,Ltd.	11	0.15%	4	4	4
SsangMa Machine Co., Ltd.	4	0.05%	1	1	1
SinJin Co., Ltd.	233	0.30%	9	9	9
Ace Integration Co., Ltd	105	0.09%	24	24	24
AceInti Agricultural Co., Ltd.	16	0.02%	5	5	5
KyungDong Co., Ltd.	130	0.01%	1	1	1
ChunWon Development Co., Ltd.	193	0.19%	39	39	39
WonIl Co., Ltd.	999	0.15%	50	50	50
SungLim Industrial Co., Ltd.	29	0.03%	1	1	1
Korea Minerals Co., Ltd.	191	0.05%	134	1	1
HyoDong Development Co., Ltd.	119	0.15%	24	24	24
Haspe Tech Co., Ltd.	652	0.55%	20	20	20
JoHyun Co., Ltd.	350	1.56%	18	18	18
KC Co., Ltd.	5,107	0.17%	26	26	26
SeongJi Industrial Co.,Ltd.	41	0.05%	1	1	1
DongKwang SD, Inc.	524	0.23%	13	13	13
Dong Yang Metal Co., Ltd.	2,951	1.97%	161	147	147
Seyang Precision Ind.Co., Ltd.	829	0.23%	41	41	41
Dooriwon Food System Co., Ltd.	13	0.27%	1	1	1
ShinShin Co., Ltd	339	1.12%	17	17	17
Kitorang Co., Ltd.	165	0.24%	49	49	49

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Sung Kwang Co., Ltd.	23	0.37%	6	6	6
Hyundai Metal Co., Ltd.	3,757	5.60%	1,416	1,416	1,416
Shinheung petrol. Co. Ltd.	699	0.14%	35	35	35
Force TEC Co., Ltd.	3,501	0.02%	18	18	18
Haisung TPC Co., Ltd.	10,751	0.24%	71	71	71
Samsung Tech Co., Ltd.	486	1.28%	97	97	97
Tae Hyung Co., Ltd.	28	0.43%	20	20	20
Samyangplant Co., Ltd.	323	0.60%	16	16	16
Younil Metal Co., Ltd.	41	0.21%	21	21	21
Myungjin Tech Co., Ltd.	20	0.54%	4	4	4
Hankook Machine Tools Co., Ltd.	719	0.14%	72	72	72
Hankook Precision Ind Co., Ltd.	110	0.06%	11	11	11
Borneo International Furniture Co., Ltd.(*7)	2	0.16%	97	14	14
CJ Paradise Co.,Ltd	24	0.02%	12	12	12
Han Young Technology Company Co.,Ltd.	35	0.00%			
Jungdo Aluminium Co., Ltd.	8,527	0.35%	128	128	128
Ilheung Metal Co, Ltd.	280	0.83%	28	28	28
STX Offshore & Shipbuilding Co., Ltd	8,622	0.25%	1,078	1,078	1,078
Ptotronics Co., Ltd.	843	0.42%	84	84	84
NFT Co., Ltd.	136	0.40%	8	8	8
Echoroba Co.,Ltd.	157	0.02%	3	3	3
Hyundaitech Co.,Ltd.	1,363	0.87%	27	27	27
Alord Corporation Co., Ltd.	239	0.22%	48	48	48
Daekyung Industry Co.,Ltd.	9,112	0.94%	13	13	13

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of March 31, 2018 and December 31, 2017 are as follows, continued:***In millions of won*

	<b>March 31, 2018</b>				
	<b>Shares</b>	<b>Ownership</b>	<b>Acquisition cost</b>	<b>Book value</b>	<b>Fair value</b>
Dasan Material Co.,Ltd.	29	0.04%	₩ 22	22	22
Fish World Co.,Ltd.	47	0.21%	2	2	2
SG Shinsung Engineering and Construction Co., Ltd.	10	0.00%	6	6	6
Samdo Industry Electric Co.,Ltd.	48	0.02%	1	1	1
Taejung Industries Co.,Ltd.	9,268	0.30%	5	5	5
Shinsei Trading Co., Ltd.	64	0.72%	1	1	1
Dynamic Co., Ltd.	111	0.19%	3	3	3
Green Alchemy Co.,Ltd.	38,202	1.48%	191	191	191
IQ Power Asia Inc.	16,179	0.31%	81	81	81
Youone TBM Engineering & Construction Co., Ltd.	615	0.27%	31	31	31
KM Leatech	1,648	0.98%	8	8	8
Wonil T&I Co., Ltd.	229	0.17%	23	23	23
Semist Co.,Ltd.	555	0.80%	3	3	3
DS POWER Co., Ltd.	580,000	2.34%	2,900	1,223	1,223
Sewon Bus Co.,Ltd.	12	0.00%			
Enertec Co., Ltd.	7,937	0.19%	44	44	44
Sangji Co., Ltd.	20	0.26%	4	4	4
Bellie Doughnuts Co., Ltd.	64	0.07%	4	4	4
Possbell Engineering Co., Ltd.	36	0.64%	1	1	1
Duke Co., Ltd.	370	0.64%	6	6	6
AIRTECH Information communication Co., Ltd.	2,379	0.60%	12	12	12
CST co.,Ltd.	4,998	0.28%	100	100	100
Shin Young Metal Co.,Ltd.	1,043	0.25%	21	21	21
TN Inc.	1,416	2.00%	71	71	71
Shin kwang Industrial Co., Ltd.	884	0.35%	55	55	55
Kiscom Co., Ltd.	1,493	0.04%	1	1	1
Seil Electronics Co.,Ltd.	2,285	0.41%	286	286	286

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Wonil laser Co., Ltd	157	0.37%	16	16	16
Pyung Hwa Industrial Co.,Ltd.	3,388	3.00%	85	85	85
Navanakorn Electric Co., Ltd. (*3)	4,442,800	26.93%	17,216	16,335	16,335
PT. Kedap Saayq	671	10.00%	18,540		
Set Holding (*4)	1,100,220	2.50%	229,255	171,242	171,242
PT. Cirebon Energi Prasarana	22,420	10.00%	2,612	2,390	2,390
KODE NOVUS 1 LLC (*8)		10.00%			

289,240 203,349 203,349

**Beneficiary Securities**

Korea investment Korea EXIM Bank  
CERs

Private Special Asset Investment

Trust I (\*1) 1,758,731,002 14.18% 1,752 571 571

Troika Overseas Resource  
Development Private Equity

Firm (\*1) 13,340,012,100 3.66% 13,340 1,553 1,553

IBK-AUCTUS Green Growth Private  
Equity Firm (\*1)

152 6.29% 41 41 41

Global Dynasty Overseas Resource  
Development

Private Equity Firm (\*1) 2,242,437,289 7.46% 2,242 2,242 2,242

Hanwha-KOSEP New Renewable  
Energy Private

Special Assets Investment Trust 1  
(\*1) 4,160,431,864 5.00% 4,311 4,311 4,311

Hanwha KT Master Lease Private  
Special Investment

Trust (\*5) 0.00% 26,586 26,796 26,796

Samsung investment Investment  
Pool for Public funds 1 (\*5)

0.00% 53,220 54,007 54,007

Kyobo Royal-Class Repo Plus A1  
ABCP 1Y (\*5)

0.00% 50,000 50,625 50,625

Kiwoom Dream Private placement  
fund 8 [Bond-Derivative] (\*5)

0.00% 30,000 30,114 30,114

Kyobo Royal-Class Repo Plus Fixed  
Income 1Y 2nd (\*5)

0.00% 33,000 33,220 33,220

Kyobo Royal-Class Repo Plus Fixed  
Income 2Y 1st (\*5)

0.00% 50,000 50,786 50,786

264,492 254,266 254,266

₩ 919,624 759,473 759,473





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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

**(2) Available-for-sale financial assets as of March 31, 2018 and December 31, 2017 are as follows, continued:**

- (\*1) The Company used initial cost as their fair value because there was not enough information to determine fair value, and the range of the estimated fair value is wide.
- (\*2) The Company has estimated the fair value of the investment in Construction Guarantee based upon the price which would be applied when the investment is returned. The Company has recognized the difference between its fair value and book value as a gain or loss on valuation of available-for-sale financial assets in other comprehensive income or loss during the three-month period ended March 31, 2018.
- (\*3) Although the Company holds more than 20% of the equity shares of these investments, the Company cannot exercise significant influence.
- (\*4) The Company has estimated the fair value of Set Holding by using the discounted cash flow method and has recognized the difference between its fair value and book value as gain or loss on valuation of available-for-sale financial assets in other comprehensive income or loss during the three-month period ended March 31, 2018.
- (\*5) As of March 31, 2018, the Company invested in ₩245,548 million as beneficiary securities exclusively for payment of decommissioning cost of nuclear power plants. The Company has measured the fair value of the beneficiary securities based on its net asset value.
- (\*6) The number of shares owned has changed due to the stock merge (10:1) during the three-month period ended March 31, 2018.
- (\*7) The number of shares owned has changed due to capital reduction without refund (3:1) and consolidation of stocks (10,000:1) during the three-month period ended March 31, 2018
- (\*8) As described in note 17, this is reclassified to available-for-sale financial assets due to loss of significant influence of the Company.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

(2) Available-for-sale financial assets as of March 31, 2018 and December 31, 2017 are as follows, continued:

*In millions of won*

	Shares	Ownership	December 31, 2017		
			Acquisition cost	Book value	Fair value
<b>Listed</b>					
Korea District Heating Corp.	2,264,068	19.55%	₩ 173,201	165,277	165,277
Ssangyong Motor Co., Ltd.	38,568	0.03%	428	197	197
Sungjee Construction. Co., Ltd.	10,530	0.01%	49	8	8
Korea Line Corp.	18	0.00%	1		
Namkwang Engineering & Construction Co., Ltd.	46	0.00%	15		
Bumyang Construction Co., Ltd. (*7)	35	0.00%	2		
ELCOMTEC Co., Ltd.	32,875	0.04%	217	72	72
PAN ocean Co., Ltd.	1,492	0.00%	14	8	8
Dongbu Corporation (*6)	955	0.02%	12	10	10
KSP Co., Ltd.	6,324	0.08%	24	24	24
STX Heavy Industries Co., Ltd.	35,749	0.14%	191	165	165
PT Adaro Energy Tbk	480,000,000	1.50%	71,554	70,531	70,531
Energy Fuels Inc.	1,711,814	2.38%	16,819	3,300	3,300
Baralaba Coal Company Limited	99,763	0.07%	18,445	22	22
Denison Mines Corp.	58,284,000	10.42%	84,134	34,292	34,292
Fission 3.0	300,000	0.14%		15	15
Fission Uranium Corp.	800,000	0.16%	785	532	532
			365,891	274,453	274,453

**Unlisted (\*1)**

Korea investment Korea EXIM Bank CERs Private Special Asset Investment Trust I	1,758,731,002	14.18%	1,752	571	
Troika Overseas Resource Development Private Equity Firm	13,340,012,100	3.66%	13,340	1,553	
	152	6.29%	41	41	

IBK-AUCTUS Green Growth Private Equity Firm					
Global Dynasty Overseas Resource Development Private Equity Firm					
	2,242,437,289	7.46%	2,242	2,242	
Intellectual Discovery, Ltd.					
	1,000,000	8.81%	5,000	954	
Hanwha-KOSEP New Renewable Energy Private Special Assets Investment Trust 1					
	4,176,751,013	5.00%	4,328	4,328	
Construction Guarantee (*2)					
	571	0.02%	601	833	833
Plant & Mechanical Contractors Financial Cooperative of Korea					
	144	0.03%	126	126	
Fire Guarantee					
	40	0.01%	20	20	
Korea Software Financial Cooperative					
	5,186	1.09%	3,301	3,301	
Engineering Financial Cooperative					
	486	0.05%	60	60	
Electric Contractors Financial Cooperative					
	1,000	0.04%	216	216	
Korea Specialty Contractor Financial Cooperative					
	476	0.01%	417	417	
Information & Communication Financial Cooperative					
	121	0.02%	26	26	
Korea Electric Engineers Association					
	400	0.24%	40	40	
Samsung investment Investment Pool for Public funds 1 (*5)					
			53,220	53,739	53,739
Korea investment Hanwha KT Master Lease Private Special Investment Trust (*5)					
			26,586	26,591	26,591
Kyobo Royal-Class Repo Plus Fixed Income 1Y 2nd (*5)					
			33,000	33,008	33,008
Kyobo Royal-Class Repo Plus Fixed Income 2Y 1st (*5)					
			50,000	50,399	50,399
Kyobo Royal-Class Repo Plus A1 ABCP 1Y (*5)					
			50,000	50,419	50,419
Hwan Young Steel Co., Ltd.					
	10,916	0.14%	1,092	97	
SAMBO AUTO. Co., Ltd.					
	15,066	0.02%	38	38	
Mobo Co., Ltd.					
	504	0.00%	14	14	

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of March 31, 2018 and December 31, 2017 are as follows, continued:***In millions of won*

	Shares	Ownership	December 31, 2017		
			Acquisition cost	Book value	Fair value
Dae Kwang Semiconductor Co., Ltd.	589	0.07%	₩ 6	6	6
Sanbon Department Store	828	0.01%	124	3	3
Miju Steel Mfg. Co., Ltd.	99,804	0.23%	50	50	50
Sungwon Co., Ltd. (formerly, BnB Sungwon Co., Ltd.)	589	0.07%	15	15	15
Hana Civil Engineering Co., Ltd.	23	0.00%	1	1	1
KC Development Co., Ltd.	839	0.02%	6	6	6
IMHWA Corp.	329	0.11%	5	5	5
DALIM Special Vehicle Co., Ltd.	58	0.08%	10	10	10
ASA JEONJU Co., Ltd.	34,846	1.34%	697	69	69
Moonkyung Silica Co., Ltd.	42	0.56%			
Sungkwang Timber Co., Ltd.	9	0.34%	4	4	4
Yongbo Co., Ltd.	61	0.20%	3	3	3
HJ Steel Co., Ltd.	218	0.07%	2	2	2
KS Remicon Co., Ltd.	12	0.04%	3	3	3
Joongang Platec Co., Ltd.	3,591	0.75%	72	35	35
Pyungsan SI Ltd.	434	0.01%	9	9	9
Samgong Development Co., Ltd.	12	0.01%	7	7	7
Joongang Development Co., Ltd.	540	0.12%	8	8	8
AJS Co., Ltd.	12,906	0.23%	32	32	32
SHIN-E B&P Co., Ltd.	119	0.13%	10	10	10
MSE Co., Ltd.	429	0.13%	9	9	9
Irim Nano Tec Co., Ltd.	1,520	0.07%	15	15	15
Youngjin Hi-Tech Co., Ltd.	2,512	0.25%	126	21	21
Buyoung Co., Ltd.	270	0.00%	3	3	3
Ilsuk Co., Ltd.	152	0.17%	10	10	10
Dongyang Telecom Co., Ltd.	1,760	0.01%	11	11	11
Jongwon Remicon Co., Ltd.	31	0.18%	13	13	13
Ace Heat Treating Co., Ltd.	477	1.43%	72	72	72
Zyle Daewoo Motor Sales Co., Ltd.	22	0.00%			

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Daewoo Development Co., Ltd.	8	0.00%		
Seyang Inc.	537	0.05%	27	27
Seungri Enterprise Co., Ltd.	93	0.05%	3	3
Onggane Food Co., Ltd	5	0.07%	1	1
Shin-E P&C Co., Ltd.	12	0.00%	1	1
Ejung Ad Co., Ltd.	132	0.09%	3	3
Solvus Co., Ltd.	1,056	0.04%	3	3
Myung Co., Ltd.	89	0.05%	2	2
Shinil Engineering Co., Ltd.	887	0.06%	3	3
Biwang Industry Co., Ltd	406	0.04%	2	2
Huimun Co., Ltd.	263	0.26%	4	4
Young Sung Co., Ltd.	89	0.40%	26	26
Yuil Industrial Electronics Co., Ltd.	804	0.32%	15	15
DN TEK Inc.	12,401	0.29%	61	5
Kwang Jin Structure Co., Ltd.	3,072	0.60%	31	31

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of March 31, 2018 and December 31, 2017 are as follows, continued:***In millions of won*

	Shares	Ownership	December 31, 2017		
			Acquisition cost	Book value	Fair value
Woojin Industry Corporation	3	0.00%	₩ 16	16	16
Kwang Sung Industry Co., Ltd.	325	0.35%	7	7	7
Futech Mold Co., Ltd.	274	0.27%	14	14	14
Woojoo Environment Ind. Co., Ltd.	101	0.11%	13	13	13
CHONGATTI Agricultural Co., Inc.	57	0.10%	4	4	4
Hyungji Esquire Co., Ltd.	55	0.02%	22	22	22
Kolmar Pharma Co., Ltd.	1,426	0.01%	52	3	3
Morado Co., Ltd.	209	0.04%	2	2	2
Myung Sung Tex Co., Ltd.	20	0.00%	2	2	2
Kwang Sung Co., Ltd.	610	0.53%	31	31	31
EverTechno. Co.,Ltd.	29,424	0.73%	148	7	7
Autowel Co.,Ltd.	260	0.38%	14	14	14
Woobang Construction Co., Ltd.	8	0.00%	8	8	8
Shin Pyung Co., Ltd.	6	0.03%	3	3	3
JMC Heavy Industries Co., Ltd.	2,724	0.10%	27	27	27
Najin Steel Co., Ltd.	37	0.06%	5	5	5
Sinkwang Industry Co., Ltd.	1,091	1.68%	5	5	5
Crystal Co., Ltd.	22	0.07%	2	2	2
Elephant & Friends Co., Ltd.	563	0.61%	3	3	3
Mireco Co., Ltd.	109	0.25%	11	11	11
L&K Industry Co., Ltd.	1,615	0.60%	24	24	24
JO Tech Co., Ltd.	1,263	0.62%	25	25	25
Kendae Printing Co., Ltd.	422	0.60%	21	21	21
Dauning Co., Ltd.	231	0.41%	6	6	6
Korea Trecision Co., Ltd.	22	0.45%	5	5	5
Ace Track Co., Ltd.	3,130	1.08%	219	59	59
Taebok Machinery Co., Ltd.	109	1.08%	11	11	11
Yoo-A Construction Co., Ltd.	105	0.20%	11	11	11
Dung Hwan Co., Ltd.	531	0.02%	5	5	5
Hurim Biocell Co., Ltd.	113	0.00%	5	5	5

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Sunjin Power Tech Co., Ltd.	4,941	0.92%	247	32
Smart Power Co.,Ltd.	133,333	4.83%	200	200
Haseung Industries Co.,Ltd.	55	0.62%	28	28
Beer Yeast Korea Inc.	1,388	0.43%	7	7
Daeryung Corporation	207	0.19%	10	10
Korea Bio Red Ginseng Co.,Ltd.	194	0.09%	10	10
ENH Co.,Ltd.	1,086	0.19%	54	54
B CON Co.,Ltd.	96	1.16%	6	6
Chunil Metal Co.,Ltd.	11	0.15%	4	4
SsangMa Machine Co., Ltd.	4	0.05%	1	1
SinJin Co., Ltd.	233	0.30%	9	9
Ace Integration Co., Ltd	105	0.09%	24	24
AceInti Agricultural Co., Ltd.	16	0.02%	5	5



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of March 31, 2018 and December 31, 2017 are as follows, continued:**

*In millions of won*

	Shares	Ownership	December 31, 2017		
			Acquisition cost	Book value	Fair value
KyungDong Co., Ltd.	130	0.01%	₩ 1	1	1
ChunWon Development Co., Ltd.	193	0.19%	39	39	
WonIl Co., Ltd.	999	0.15%	50	50	
SungLim Industrial Co., Ltd.	29	0.03%	1	1	
Korea Minerals Co., Ltd.	191	0.05%	134	1	
HyoDong Development Co., Ltd.	119	0.15%	24	24	
Haspe Tech Co., Ltd.	652	0.55%	20	20	
JoHyun Co., Ltd.	350	1.56%	18	18	
KC Co., Ltd.	5,107	0.17%	3	3	
SeongJi Industrial Co.,Ltd.	41	0.05%	1	1	
DongKwang SD, Inc.	524	0.23%	13	13	
Dong Yang Metal Co., Ltd.	2,951	1.97%	15	15	
Seyang Precision Ind.Co., Ltd.	829	0.23%	41	41	
Dooriwon Food System Co., Ltd.	13	0.27%	1	1	
ShinShin Co., Ltd	339	1.12%	17	17	
Kitorang Co., Ltd.	165	0.24%	49	49	
Sung Kwang Co., Ltd.	23	0.37%	6	6	
Hyundai Metal Co., Ltd.	3,757	5.60%	1,416	1,416	
Shinheung petrol. Co. Ltd.	699	0.14%	7	7	
Force TEC Co., Ltd.	3,501	0.02%	18	18	
Haisung TPC Co., Ltd.	10,751	0.24%	54	54	
Samsung Tech Co., Ltd.	486	1.28%	97	97	
Tae Hyung Co., Ltd.	28	0.43%	20	20	
Samyangplant Co., Ltd.	323	0.60%	16	16	
Younil Metal Co., Ltd.	41	0.21%	21	21	
Myungjin Tech Co., Ltd.	20	0.54%	4	4	
Hankook Machine Tools Co., Ltd.	719	0.14%	72	72	
Hankook Precision Ind Co., Ltd.	110	0.06%	11	11	
Borneo International Furniture Co., Ltd.	64,037	0.28%	97	14	
CJ Paradise Co.,Ltd	24	0.02%	12	12	

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Han Young Technology Company Co.,Ltd.	35	0.00%		
Jungdo Aluminium Co., Ltd.	8,527	0.35%	128	128
Ilheung Metal Co, Ltd.	280	0.83%	28	28
STX Offshore & Shipbuilding Co., Ltd	8,622	0.25%	1,078	1,078
Ptotonics Co., Ltd.	151	0.07%	2	2
NFT Co., Ltd.	136	0.40%	8	8
Echoroba Co.,Ltd.	157	0.02%	3	3
Hyundaitech Co.,Ltd.	1,363	0.87%	27	27
Eco Alux Co.,Ltd.	239	0.22%	48	48
Daekyung Industry Co.,Ltd.	9,112	0.94%	13	13
Dasan Material Co.Ltd.	29	0.04%		
Fish World Co.,Ltd.	47	0.21%	2	2
SG Shinsung Engineering and Construction Co., Ltd.	10	0.00%	6	6
Samdo Industry Electric Co.,Ltd.	48	0.02%	1	1
Taejung Industries Co.,Ltd.	9,268	0.30%	5	5
Shinsei Trading Co., Ltd.	64	0.72%	1	1
Dynamic Co., Ltd.	111	0.19%	3	3
Green Alchemy Co.,Ltd.	38,202	1.48%	191	191
IQ Power Asia Inc.	16,179	0.31%	81	81
Youone TBM Engineering & Construction Co., Ltd.	227,854	0.27%	31	31

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of March 31, 2018 and December 31, 2017 are as follows, continued:**

*In millions of won*

			December 31, 2017		
	Shares	Ownership	Acquisition cost	Book value	Fair value
KM Leatech	1,648	0.98%	₩ 8	8	
Wonil T&I Co., Ltd.	229	0.17%	23	23	
Semist Co.,Ltd.	555	0.80%	3	3	
DS POWER Co., Ltd. (*8)	580,000	2.34%	2,900	1,223	1,223
Navanakorn Electric Co., Ltd. (*3)	4,442,800	26.93%	17,216	16,410	
PT. Kedap Saayq	671	10.00%	18,540		
Set Holding (*4)	1,100,220	2.50%	229,255	171,242	171,242
PT. Cirebon Energi Prasarana	22,420	10.00%	2,612	2,401	
			522,782	425,380	387,454
			₩ 888,673	699,833	661,907

(\*1) Investments in unlisted equity securities held by the Company for which a quoted market price does not exist in an active market and fair value cannot be measured reliably were measured at cost less impairment, if any.

(\*2) The Company has estimated the fair value of the investment in Construction Guarantee based upon the price which would be applied when the investment is returned. The Company has recognized the difference between its fair value and book value as a gain or loss on valuation of available-for-sale financial assets in other comprehensive income or loss during the year ended December 31, 2017.

(\*3) Although the Company holds more than 20% of the equity shares of these investments, the Company cannot exercise significant influence.

(\*4) The Company has estimated the fair value of Set Holding by using the discounted cash flow method and has recognized the difference between its fair value and book value as gain or loss on valuation of available-for-sale financial assets in other comprehensive income or loss during the year ended December 31, 2017.

(\*5) As of December 31, 2017, the Company invested in ₩214,156 million as beneficiary securities exclusively for payment of decommissioning cost of nuclear power plants. The Company has measured the fair value of the beneficiary securities based on its net asset value.

(\*6)

The number of shares owned has changed due to the stock merge (9:7) during the year ended December 31, 2017.

(\*7) The number of shares increased due to the stock split (5:1).

(\*8) As described in note 17, this is reclassified to available-for-sale financial assets due to loss of significant influence of the Company.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**10. Held-to-maturity Investments**

Held-to-maturity investments as of March 31, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>March 31, 2018</b>				<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Others</b>	
Government bonds	₩ 3,144	141	(67)		3,218
	₩ 3,144	141	(67)		3,218
Current	₩ 5		(4)	69	70
Non-current	3,139	141	(63)	(69)	3,148

<i>In millions of won</i>	<b>December 31, 2017</b>				<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Others</b>	
Government bonds	₩ 3,244	250	(350)		3,144
	₩ 3,244	250	(350)		3,144
Current	₩ 114		(113)	4	5
Non-current	3,130	250	(237)	(4)	3,139

**11. Derivatives**

(1) Derivatives as of March 31, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>March 31, 2018</b>		<b>December 31, 2017</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
<b>Derivative assets</b>				

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Currency forward	₩	3,734		45	
Currency swap		49	7,541	12	15,711
Interest rate swap			4,702		2,697
Others (*1)			1,283	12,878	1,283
	₩	3,783	13,526	12,935	19,691
<b>Derivative liabilities</b>					
Currency forward	₩	1,119	11,842	7,862	1,278
Currency swap		76,300	367,714	61,997	296,098
Interest rate swap		4,424	57,086	1,408	59,416
	₩	81,843	436,642	71,267	356,792

(\*1) The Company has a put option to sell shares of DS POWER Co., Ltd, a related party of the Company, and the fair value of the option is recorded in Others .

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**11. Derivatives, Continued**

(2) **Currency forward contracts which are not designated as hedging instruments as of March 31, 2018 are as follows:**

*In millions of won and thousands of foreign currencies*

Counterparty	Contract Date	Maturity date	Contract amounts		Contract exchange rate
			Pay	Receive	
KEB Hana Bank	2014.04.10	2021.07.12	55,120	USD 52,000	1,060.00
KEB Hana Bank	2014.04.28	2021.07.12	50,784	USD 48,000	1,058.00
Bank of America	2014.04.29	2021.07.12	105,400	USD 100,000	1,054.00
KEB Hana Bank	2014.05.09	2021.07.12	104,600	USD 100,000	1,046.00
KEB Hana Bank	2017.12.22	2021.07.12	105,079	USD 100,000	1,050.79
Korea Development Bank	2017.12.27	2021.07.12	104,849	USD 100,000	1,048.49
Kookmin Bank	2018.03.05	2018.04.09	10,818	USD 10,000	1,081.80
Mizuho Bank	2018.03.08	2018.04.09	10,673	USD 10,000	1,067.31
KEB Hana Bank	2018.03.08	2018.04.10	10,678	USD 10,000	1,067.75
KEB Hana Bank	2018.03.13	2018.04.16	10,652	USD 10,000	1,065.20
Morgan Stanley	2018.03.14	2018.04.16	5,312	USD 5,000	1,062.40
Nova Scotia	2018.03.16	2018.04.17	5,339	USD 5,000	1,067.80
CCB	2018.03.22	2018.04.26	10,647	USD 10,000	1,064.65
Morgan Stanley	2018.03.22	2018.04.26	5,328	USD 5,000	1,065.50
Mizuho Bank	2018.03.23	2018.04.27	10,784	USD 10,000	1,078.35
Credit Suisse	2018.03.27	2018.04.30	5,344	USD 5,000	1,068.75
Nova Scotia	2018.03.28	2018.04.30	10,694	USD 10,000	1,069.40
Standard Chartered	2018.03.29	2018.05.02	10,656	USD 10,000	1,065.60
Credit Suisse	2018.03.29	2018.05.02	5,322	USD 5,000	1,064.35
Standard Chartered	2018.03.30	2018.05.03	10,640	USD 10,000	1,063.95
Nova Scotia	2018.03.30	2018.05.03	5,314	USD 5,000	1,062.75
Nova Scotia	2018.03.14	2018.04.10	9,573	USD 9,000	1,063.65
ING Bank	2018.03.15	2018.04.05	5,327	USD 5,000	1,065.44
Credit Agricole	2018.03.15	2018.04.10	10,654	USD 10,000	1,065.35
BTMU	2018.03.19	2018.04.17	5,353	USD 5,000	1,070.50

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Korea Development Bank	2018.03.20	2018.04.05	10,706	USD	10,000	1,070.57
Woori bank	2018.03.20	2018.04.17	7,491	USD	7,000	1,070.20
Korea Development Bank	2018.03.23	2018.04.23	7,551	USD	7,000	1,078.75
ING Bank	2018.03.27	2018.04.10	6,420	USD	6,000	1,070.00
Societe Generale	2018.03.29	2018.04.10	8,531	USD	8,000	1,066.36
Woori Bank	2018.03.29	2018.04.10	6,398	USD	6,000	1,066.27
Korea Development Bank	2018.03.29	2018.04.10	7,462	USD	7,000	1,065.98
Mizuho Bank	2018.03.12	2018.04.16	5,315	USD	5,000	1,062.90
Mizuho Bank	2018.03.14	2018.04.16	5,321	USD	5,000	1,064.15
Mizuho Bank	2018.03.29	2018.05.02	10,646	USD	10,000	1,064.60
Mizuho Bank	2018.03.30	2018.05.03	10,628	USD	10,000	1,062.80
Nova Scotia	2018.03.14	2018.04.16	5,316	USD	5,000	1,063.25
Nova Scotia	2018.03.29	2018.05.02	5,306	USD	5,000	1,061.10
Nova Scotia	2018.03.30	2018.04.02	2,042	USD	1,920	1,063.80
Nova Scotia	2018.03.30	2018.06.04	10,613	USD	10,000	1,061.30
BTMU	2018.03.29	2018.05.02	10,646	USD	10,000	1,064.60
BTMU	2018.03.30	2018.05.03	10,632	USD	10,000	1,063.20
BNP Paribas	2018.03.29	2018.05.02	10,653	USD	10,000	1,065.30
BNP Paribas	2018.03.30	2018.05.03	10,639	USD	10,000	1,063.90
CCB	2018.03.29	2018.06.04	10,637	USD	10,000	1,063.70
CCB	2018.03.30	2018.05.03	10,627	USD	10,000	1,062.65
Societe Generale	2018.03.29	2018.06.04	10,639	USD	10,000	1,063.90
Credit Agricole	2018.03.29	2018.06.04	10,639	USD	10,000	1,063.90
Credit Agricole	2018.03.30	2018.06.04	10,617	USD	10,000	1,061.70
Nonghyup Bank	2018.03.29	2018.06.04	10,645	USD	10,000	1,064.45
Nonghyup Bank	2018.03.30	2018.05.03	10,628	USD	10,000	1,062.75
KEB Hana Bank	2018.03.30	2018.06.04	10,612	USD	10,000	1,061.20
Standard Chartered	2018.03.15	2018.04.05	2,127	USD	2,000	1,063.65
Nova Scotia	2018.03.19	2018.04.10	4,282	USD	4,000	1,070.40
Nova Scotia	2018.03.20	2018.04.10	9,629	USD	9,000	1,069.94
BNP Paribas	2018.03.26	2018.04.23	5,393	USD	5,000	1,078.62



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**11. Derivatives, Continued**

(2) **Currency forward contracts which are not designated as hedging instruments as of March 31, 2018 are as follows, continued:**

*In millions of won and thousands of foreign currencies*

Counterparty	Contract Date	Maturity date	Contract amounts		Contract exchange rate
			Pay	Receive	
Standard Chartered	2018.03.29	2018.04.23	19,178	USD 18,000	1,065.47
Busan Bank	2018.03.22	2018.04.26	10,702	USD 10,000	1,070.20
Mizuho Bank	2018.03.23	2018.04.26	4,320	USD 4,000	1,079.95
Nova Scotia	2018.03.23	2018.04.26	3,229	USD 3,000	1,076.30
Nova Scotia	2018.03.27	2018.04.26	4,280	USD 4,000	1,070.05
Standard Chartered	2018.02.14	2018.08.21	86	USD 81	1,061.00
Credit Agricole	2018.03.06	2018.09.10	3,667	USD 3,455	1,061.25
Credit Agricole	2018.03.06	2018.09.10	5,326	USD 5,000	1,065.25
Credit Agricole	2018.03.06	2018.09.10	5,331	USD 5,000	1,066.25
Credit Agricole	2018.03.06	2018.09.10	5,336	USD 5,000	1,067.25
Nova Scotia	2018.03.06	2018.09.10	2,612	USD 2,462	1,061.00
Nova Scotia	2018.03.06	2018.09.10	5,310	USD 5,000	1,062.00
Nova Scotia	2018.03.06	2018.09.10	5,315	USD 5,000	1,063.00
Nova Scotia	2018.03.06	2018.09.10	5,320	USD 5,000	1,064.00
Nova Scotia	2018.03.06	2018.09.10	5,325	USD 5,000	1,065.00
Nova Scotia	2018.03.06	2018.09.10	5,330	USD 5,000	1,066.00
Nova Scotia	2018.03.06	2018.09.10	1,010	USD 946	1,067.00
Societe Generale	2018.03.14	2018.09.19	5,291	USD 5,000	1,058.20
Credit Agricole	2018.03.14	2018.09.19	46	USD 43	1,058.35
Societe Generale	2018.03.21	2018.09.27	5,293	USD 5,000	1,058.50
Societe Generale	2018.03.21	2018.09.27	5,298	USD 5,000	1,059.50
Societe Generale	2018.03.21	2018.09.27	1,024	USD 966	1,060.50
Nova Scotia	2018.03.21	2018.09.27	5,298	USD 5,000	1,059.60
Nova Scotia	2018.03.21	2018.09.27	5,303	USD 5,000	1,060.60
Credit Agricole	2018.03.28	2018.09.28	5,305	USD 5,000	1,060.90
Nova Scotia	2018.03.28	2018.09.28	5,299	USD 5,000	1,059.80

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Nova Scotia	2018.03.28	2018.09.28	5,307	USD	5,000	1,061.40
Nova Scotia	2018.03.28	2018.09.28	5,313	USD	5,000	1,062.50
Woori bank	2018.03.28	2018.09.28	5,299	USD	5,000	1,059.70
Woori bank	2018.03.28	2018.09.28	5,302	USD	5,000	1,060.40
Credit Agricole	2018.03.29	2018.10.02	5,293	USD	5,000	1,058.50
Nova Scotia	2018.03.29	2018.10.02	3,176	USD	3,000	1,058.50
Nova Scotia	2018.03.30	2018.10.04	5,279	USD	5,000	1,055.80
KEB Hana Bank	2017.11.27	2018.11.26	JPY 40,000		398	9.94
KEB Hana Bank	2018.03.28	2018.04.30	JPY 156,000	USD	1,577	10.11

(3) **Currency forward contracts which are designated as hedging instruments as of March 31, 2018 are as follows:**

*In millions of won and thousands of foreign currencies*

Counterparty	Contract date	Maturity date	Contract amounts		Contract exchange rate
			Pay	Receive	
Export-import bank of Korea	2016.12.21	2018.10.31	EUR 112,766	USD 121	1.07

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**11. Derivatives, Continued****(4) Currency swap contracts which are not designated as hedging instruments as of March 31, 2018 are as follows:***In millions of won and thousands of foreign currencies*

Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate
		Pay	Receive	Pay	Receive	
Deutsche Bank	2013~2018	110,412	JPY 10,000,000	6.21%	4.19%	11.04
IBK	2013~2018	111,800	USD 100,000	3.16%	2.79%	1,118.00
Bank of America	2013~2018	103,580	JPY 10,000,000	7.05%	4.19%	10.36
Credit Suisse	2014~2019	118,632	CHF 100,000	2.98%	1.50%	1,186.32
Standard Chartered	2014~2019	114,903	CHF 100,000	4.00%	1.50%	1,149.03
Standard Chartered	2014~2029	102,470	USD 100,000	3.14%	3.57%	1,024.70
Societe Generale	2014~2024	105,017	USD 100,000	4.92%	5.13%	1,050.17
KEB Hana Bank	2015~2024	107,970	USD 100,000	4.75%	5.13%	1,079.70
Credit Agricole	2015~2024	94,219	USD 86,920	4.85%	5.13%	1,083.97
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
Shinhan Bank	2016~2022	112,930	USD 100,000	2.79%	3.00%	1,129.30
HSBC	2012~2022	111,770	USD 100,000	2.89%	3.00%	1,117.70
KEB Hana Bank	2012~2022	111,770	USD 100,000	2.87%	3.00%	1,117.70
Standard Chartered	2012~2022	111,770	USD 100,000	2.89%	3.00%	1,117.70
Deutsche Bank	2012~2022	55,885	USD 50,000	2.79%	3.00%	1,117.70
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
HSBC	2014~2019	105,260	USD 100,000	2.48%	2.38%	1,052.60
Standard Chartered	2014~2019	105,260	USD 100,000	2.48%	2.38%	1,052.60
Korea Development Bank	2016~2019	105,260	USD 100,000	2.48%	2.38%	1,052.60
Nomura	2015~2025	111,190	USD 100,000	2.60%	3.25%	1,111.90
Korea Development Bank	2015~2025	111,190	USD 100,000	2.62%	3.25%	1,111.90

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Woori Bank	2015~2025	55,595	USD	50,000	2.62%	3.25%	1,111.90
KEB Hana Bank	2015~2025	55,595	USD	50,000	2.62%	3.25%	1,111.90
Woori Bank	2017~2027	111,610	USD	100,000	2.25%	3.13%	1,116.10
KEB Hana Bank	2017~2027	111,610	USD	100,000	2.31%	3.13%	1,116.10
Korea Development Bank	2017~2027	111,610	USD	100,000	2.31%	3.13%	1,116.10

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**11. Derivatives, Continued**

(5) **Currency swap contracts which are designated as hedging instruments as of March 31, 2018 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	
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
Korea Development Bank	2017~2020	114,580	USD 100,000	1.75%	2.38%	1,145.80
KEB Hana Bank	2017~2020	114,580	USD 100,000	1.75%	2.38%	1,145.80
Export-import bank of Korea	2017~2020	114,580	USD 100,000	1.75%	2.38%	1,145.80
JP Morgan	2014~2019	107,190	USD 100,000	3M Libor+3.25%	2.75%	1,071.90
Morgan Stanley	2014~2019	107,190	USD 100,000	3M Libor+3.25%	2.75%	1,071.90
Deutsche Bank	2014~2019	107,190	USD 100,000	3M Libor+3.25%	2.75%	1,071.90
Korea Development Bank	2016~2021	121,000	USD 100,000	2.15%	2.50%	1,210.00
Morgan Stanley	2016~2021	121,000	USD 100,000	3M Libor+2.10%	2.50%	1,210.00
BNP Paribas	2016~2021	121,000	USD 100,000	3M Libor+2.10%	2.50%	1,210.00
Nomura	2017~2037	52,457	EUR 40,000	2.60%	1.70%	1,311.42
Nomura	2017~2037	59,423	SEK 450,000	2.62%	2.36%	132.05
Credit Agricole	2013~2019	118,343	CHF 100,000	3.47%	1.63%	1,183.43
Morgan Stanley	2013~2019	59,172	CHF 50,000	3.40%	1.63%	1,183.43
Nomura	2013~2019	59,172	CHF 50,000	3.47%	1.63%	1,183.43

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Morgan Stanley	2013~2018	107,360	USD	100,000	3.27%	2.88%	1,073.60
Credit Agricole	2013~2018	107,360	USD	100,000	3.34%	2.88%	1,073.60
JP Morgan	2013~2018	161,040	USD	150,000	3.34%	2.88%	1,073.60
Standard							
Chartered	2013~2018	161,040	USD	150,000	3.34%	2.88%	1,073.60
Standard							
Chartered	2014~2019	104,490	USD	100,000	2.77%	2.63%	1,044.90
Credit Agricole	2014~2019	104,490	USD	100,000	2.77%	2.63%	1,044.90
Morgan Stanley	2014~2019	104,490	USD	100,000	2.70%	2.63%	1,044.90
KEB Hana							
Bank	2018~2021	212,960	USD	200,000	2.10%	3.00%	1,064.80
Korea							
Development							
Bank	2018~2021	212,960	USD	200,000	2.10%	3.00%	1,064.80
Societe							
Generale	2013~2018	106,190	USD	100,000	3.48%	2.63%	1,061.90
BNP Paribas	2013~2018	53,095	USD	50,000	3.48%	2.63%	1,061.90
KEB Hana							
Bank	2013~2018	53,095	USD	50,000	3.48%	2.63%	1,061.90
Standard							
Chartered	2013~2018	106,030	USD	100,000	3.48%	2.63%	1,060.30
BNP Paribas	2013~2018	53,015	USD	50,000	3.48%	2.63%	1,060.30
KEB Hana							
Bank	2013~2018	31,809	USD	30,000	3.48%	2.63%	1,060.30
Societe							
Generale	2013~2018	21,206	USD	20,000	3.48%	2.63%	1,060.30
HSBC	2013~2018	53,015	USD	50,000	3.47%	2.63%	1,060.30
Nomura	2013~2018	53,015	USD	50,000	3.47%	2.63%	1,060.30
Credit Agricole	2014~2020	110,680	USD	100,000	2.29%	2.50%	1,106.80
Societe							
Generale	2014~2020	55,340	USD	50,000	2.16%	2.50%	1,106.80
KEB Hana							
Bank	2014~2020	55,340	USD	50,000	2.16%	2.50%	1,106.80
KEB Hana							
Bank	2014~2020	55,340	USD	50,000	2.21%	2.50%	1,106.80
Standard							
Chartered	2014~2020	55,340	USD	50,000	2.21%	2.50%	1,106.80
HSBC	2014~2020	55,340	USD	50,000	2.21%	2.50%	1,106.80
Nomura	2014~2020	55,340	USD	50,000	2.21%	2.50%	1,106.80
BNP Paribas	2014~2020	55,340	USD	50,000	2.21%	2.50%	1,106.80
HSBC	2014~2020	55,340	USD	50,000	2.21%	2.50%	1,106.80
KEB Hana							
Bank	2017~2022	226,600	USD	200,000	1.94%	2.63%	1,133.00
Korea							
Development							
Bank	2017~2022	113,300	USD	100,000	1.94%	2.63%	1,133.00
Nomura	2017~2022	113,300	USD	100,000	1.95%	2.63%	1,133.00
Woori Bank	2017~2022	56,650	USD	50,000	1.95%	2.63%	1,133.00
Kookmin Bank	2017~2022	56,650	USD	50,000	1.95%	2.63%	1,133.00



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**11. Derivatives, Continued****(6) Interest rate swap contracts which are not designated as hedging instruments as of March 31, 2018 are as follows:***In millions of won*

Counterparty	Contract year	Contract amount	Contract interest rate per annum	
			Pay	Receive
JP Morgan	2013~2018	₩ 150,000	3.58%	3M CD+0.31%
KEB Hana Bank	2017~2022	100,000	2.01%	3M CD+0.24%
KEB Hana Bank	2017~2022	100,000	2.06%	3M CD+0.27%
Nomura (*1)	2017~2037	30,000	2.05%	3.08%
KEB Hana Bank	2017~2021	200,000	2.45%	3M CD+0.32%
Export-import bank of Korea	2015~2031	USD 15,893	2.67%	6M USD Libor
ING Bank	2015~2031	USD 7,861	2.67%	6M USD Libor
BNP Paribas	2015~2031	USD 7,861	2.67%	6M USD Libor

(\*1) 2.05% of the contract paying interest rate is applied for five years from the date of issuance, and 3M CD+0.10% is applied thereafter.

**(7) Interest rate swap contracts which are designated as hedging instruments as of March 31, 2018 are as follows:***In millions of won*

Counterparty	Contract year	Contract amount	Contract interest rate per annum	
			Pay	Receive
BNP Paribas	2009~2027	USD 92,120	4.16%	6M USD Libor
KFW	2009~2027	USD 92,120	4.16%	6M USD Libor
Credit Agricole	2016~2033	USD 96,297	3.98%~4.10%	6M USD Libor
SMBC	2016~2033	USD 125,927	4.05%~4.18%	6M USD Libor
Mizuho Bank	2016~2019	USD 36,890	1.56%	1.35%
SMBC	2016~2019	USD 36,890	1.56%	1.35%



Export-import bank of Korea	2016~2036	USD	2,564	3.00%	4.99%
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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**11. Derivatives, Continued**

- (8) **Gains and losses on valuation and transaction of derivatives for the three-month periods ended March 31, 2018 and 2017 are as follows and included in finance income and costs in the consolidated interim statements of comprehensive income:**

<i>In millions of won</i>	Net income effects of valuation gain (loss)		Net income effects of transaction gain (loss)		Accumulated other comprehensive income (loss) (*)	
	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017	March 31, 2018	March 31, 2017
	Currency forward	₩ (11,240)	(28,635)	5,530	(19,365)	3,327
Currency swap	(66,380)	(676,861)	5,725	(20,249)	(38,505)	(10,333)
Interest rate swap	4,630	2,021	(321)		(3,367)	
	₩ (72,990)	(703,475)	10,934	(39,614)	(38,545)	(10,333)

- (\*) For the three-month period ended March 31, 2018, the net loss on valuation of derivatives applying cash flow hedge accounting of ₩20,748 million, net of tax, is included in other comprehensive income or loss.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**12. Other Financial Assets****(1) Other financial assets as of March 31, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>March 31, 2018</b>		<b>December 31, 2017</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Loans and receivables	₩ 63,173	655,798	244,309	711,069
Allowance for doubtful accounts		(10,251)		(8,948)
Present value discount	(1,117)	(42,406)	(976)	(39,813)
Long-term/short-term financial instruments	1,455,036	441,342	1,702,084	542,430
Financial assets at fair value through profit or loss (*)				111,512
	₩ 1,517,092	1,044,483	1,945,417	1,316,250

(\*) Due to change in accounting policy, financial assets at fair value through profit or loss are presented separately from other financial assets.

**(2) Loans and receivables as of March 31, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>March 31, 2018</b>			<b>Book value</b>
	<b>Face value</b>	<b>Allowance for doubtful accounts</b>	<b>Present value discount</b>	
<b>Short-term loans and receivables</b>				
Loans for tuition	₩ 36,956		(1,117)	35,839
Loans for housing	14,697			14,697
Fisheries loan	352			352
Other loans	11,168			11,168

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	63,173		(1,117)	62,056
<b>Long-term loans and receivables</b>				
Loans for tuition	419,832		(42,323)	377,509
Loans for housing	148,513			148,513
Loans for related parties	75,554	(10,251)		65,303
Fisheries loan	640		(83)	557
Other loans	11,259			11,259
	655,798	(10,251)	(42,406)	603,141
	₩ 718,971	(10,251)	(43,523)	665,197

*In millions of won*

**December 31, 2017**

	Face value	Allowance for doubtful accounts	Present value discount	Book value
<b>Short-term loans and receivables</b>				
Loans for tuition	₩ 33,763		(976)	32,787
Loans for housing	14,126			14,126
Fisheries loan	352			352
Other loans	196,068			196,068
	244,309		(976)	243,333
<b>Long-term loans and receivables</b>				
Loans for tuition	408,803		(39,716)	369,087
Loans for housing	140,452			140,452
Loans for related parties	94,581	(8,948)		85,633
Fisheries loan	960		(97)	863
Other loans	66,273			66,273
	711,069	(8,948)	(39,813)	662,308
	₩ 955,378	(8,948)	(40,789)	905,641

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**12. Other Financial Assets, Continued**

- (3) **Changes in the allowance for doubtful accounts of loans and receivables for the three-month period ended March 31, 2018 and for the year ended December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>March 31, 2018</b>		<b>December 31, 2017</b>	
Beginning balance	₩	8,948		4,532
Bad debt expense		1,322		2,465
Other		(19)		1,951
Ending balance	₩	10,251		8,948

- (4) **Long-term and short-term financial instruments as of March 31, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>March 31, 2018</b>		<b>December 31, 2017</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Time deposits	₩ 1,014,561	2,348	1,479,034	2
ABCP			145,000	65,600
CP	167,475	53,692	58,050	
CD	30,000		10,000	
RP	20,000		10,000	1,634
Others	223,000	385,302		475,194
	₩ 1,455,036	441,342	1,702,084	542,430

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**13. Inventories**

Inventories as of March 31, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>March 31, 2018</b>		
	<b>Acquisition cost</b>	<b>Valuation allowance</b>	<b>Book value</b>
Raw materials	₩ 3,324,376	(2,829)	3,321,547
Merchandise	1,223		1,223
Work-in-progress	157,047	(1,028)	156,019
Finished goods	60,084	(3,181)	56,903
Supplies	1,662,058	(3,756)	1,658,302
Inventories in transit	762,596		762,596
Other inventories	9,902		9,902
	₩ 5,977,286	(10,794)	5,966,492

<i>In millions of won</i>	<b>December 31, 2017</b>		
	<b>Acquisition cost</b>	<b>Valuation allowance</b>	<b>Book value</b>
Raw materials	₩ 3,528,835	(2,829)	3,526,006
Merchandise	107		107
Work-in-progress	138,709	(1,028)	137,681
Finished goods	72,923	(1,517)	71,406
Supplies	1,581,661	(3,940)	1,577,721
Inventories in transit	679,358		679,358
Other inventories	9,807		9,807
	₩ 6,011,400	(9,314)	6,002,086

The allowance for loss on inventory valuation due to decrease in the net realizable value of inventory recognized in cost of sales was ₩1,270 million for the three-month period ended March 31, 2018. The reversal of the allowance for loss on inventory valuation due to increase in the net realizable value of inventory deducted from cost of sales was

~~₩~~437 million for the year ended December 31, 2017.

The amounts of loss from inventory valuation included in other gains or losses for the three-month period ended March 31, 2018 and for the year ended December 31, 2017 were ~~₩~~210 million and ~~₩~~3,875 million, respectively.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(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 provides 12 energy storage system installation projects and 12 energy efficiency contracts as finance leases with a lease term of 2 to 8 years. Also, the Company entered into a PPA with the Comision Federal de Electricidad in Mexico to provide for 25 years (December 2013 to November 2038) 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, 2018 and December 31, 2017 are as follows and included in current and non-current trade and other receivables, net, in the consolidated statements of financial position:**

<i>In millions of won</i>	<b>March 31, 2018</b>		<b>December 31, 2017</b>	
	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>	<b>Minimum lease payments</b>	<b>Present value of minimum lease payments</b>
Less than 1 year	₩ 106,092	68,439	49,542	13,067
1 ~ 5 years	413,667	230,910	381,181	203,990
More than 5 years	1,409,144	597,730	1,398,449	645,564
	1,928,903	897,079	1,829,172	862,621
Allowance for doubtful accounts		(143)		
		₩ 896,936		862,621



- (3) **Changes in the allowance for doubtful accounts of finance lease receivables for the three-month period ended March 31, 2018 and for the year ended December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Beginning balance	₩	
Bad debt expense		143
Other		
Ending balance	₩	143

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**15. Non-Financial Assets**

Non-financial assets as of March 31, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>March 31, 2018</b>		<b>December 31, 2017</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Advance payment	₩ 149,799	179,381	109,743	43,872
Prepaid expenses	360,983	95,352	251,715	90,118
Others (*1)	476,433	164,615	392,534	112,828
	₩ 987,215	439,348	753,992	246,818

(\*1) Details of others as of March 31, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>March 31, 2018</b>		<b>December 31, 2017</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Tax refund receivables	₩ 87,169	1,223	89,762	1,940
Greenhouse gas emissions rights	207,741		135,211	
Other quick assets (*2)	181,523	163,392	167,561	110,888
	₩ 476,433	164,615	392,534	112,828

(\*2) The Company has recognized ₩92,128 million of its rights in connection with the securities of Orano Expansion (formerly, AREVA NC Expansion) as non-current non-financial assets.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**16. Consolidated Subsidiaries****(1) Consolidated subsidiaries as of March 31, 2018 and December 31, 2017 are as follows:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			March 31, 2018	December 31, 2017
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	65.77%	65.77%
KEPCO Plant Service & Engineering Co., Ltd.	Utility plant maintenance and others	KOREA	51.00%	51.00%
KEPCO Nuclear Fuel Co., Ltd.	Nuclear fuel	KOREA	96.36%	96.36%
KEPCO KDN Co., Ltd.	Electric power information technology and others	KOREA	100.00%	100.00%
Garolim Tidal	Power generation	KOREA	49.00%	49.00%

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Power Plant Co., Ltd. (*2)				
KEPCO International HongKong Ltd.	Holding company	HONG KONG	100.00%	100.00%
KEPCO International Philippines Inc.	Holding company	PHILIPPINES	100.00%	100.00%
KEPCO Gansu International Ltd.	Holding company	HONG KONG	100.00%	100.00%
KEPCO Philippines Holdings Inc.	Holding company	PHILIPPINES	100.00%	100.00%
KEPCO Philippines Corporation	Operation of utility plant	PHILIPPINES	100.00%	100.00%
KEPCO Ilijan Corporation	Construction and operation of utility plant	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.	Holding company	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%
	Construction and operation of utility plant	JORDAN	80.00%	80.00%

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Qatrana Electric Power Company				
KHNP Canada Energy, Ltd.	Holding company	CANADA	100.00%	100.00%
KEPCO Bylong Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
Korea Waterbury Uranium Limited Partnership	Resources development	CANADA	79.64%	79.64%
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	Holding company	PHILIPPINES	100.00%	100.00%
EWP America Inc.	Holding company	USA	100.00%	100.00%
EWP Renewable Corporation	Holding company	USA	100.00%	100.00%
DG Fairhaven Power, LLC	Power generation	USA	100.00%	100.00%
DG Whitefield, LLC	Power generation	USA	100.00%	100.00%
Springfield Power, LLC	Power generation	USA	100.00%	100.00%
KNF Canada Energy Limited	Holding company	CANADA	96.36%	96.36%
PT KEPCO Resource Indonesia	Holding company	INDONESIA	100.00%	100.00%
	Holding company	BARBADOS	100.00%	100.00%

EWP Barbados 1  
SRL

California Power Holdings, LLC	Power generation	USA	100.00%	100.00%
Gyeonggi Green Energy Co., Ltd.	Power generation	KOREA	62.01%	62.01%
PT. Tanggamus Electric Power	Power generation	INDONESIA	52.50%	52.50%
Gyeongju Wind Power Co., Ltd.	Power generation	KOREA	70.00%	70.00%
KOMIPO America Inc.	Holding company	USA	100.00%	100.00%
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	99.96%	99.96%

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued****(1) Consolidated subsidiaries as of March 31, 2018 and December 31, 2017 are as follows, Continued:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			March 31, 2018	December 31, 2017
KEPCO Netherlands J3 B.V.	Holding company	NETHERLANDS	100.00%	100.00%
Korea Offshore Wind Power Co., Ltd.	Power generation	KOREA	100.00%	100.00%
Global One Pioneer B.V.	Holding company	NETHERLANDS	100.00%	100.00%
Global Energy Pioneer B.V.	Holding company	NETHERLANDS	100.00%	100.00%
Mira Power Limited (*3)	Power generation	PAKISTAN	76.00%	76.00%
KOSEP Material Co., Ltd. (*4)	Recycling fly ashes	KOREA	86.22%	86.22%
Commerce and Industry Energy Co., Ltd. (*5)	Power generation	KOREA	59.03%	59.03%
KEPCO Singapore Holdings Pte., Ltd.	Holding company	SINGAPORE	100.00%	100.00%
KOWEPO India Private Limited	Holding company	INDIA	100.00%	100.00%
KEPCO KPS Philippines Corp.	Utility plant maintenance and others	PHILIPPINES	51.00%	51.00%
KOSPO Chile SpA	Holding company	CHILE	100.00%	100.00%
PT. KOWEPO Sumsel Operation And Maintenance Services	Utility plant maintenance and others	INDONESIA	95.00%	95.00%
HeeMang Sunlight Power Co., Ltd.	Operation of utility plant	KOREA	100.00%	100.00%
Fujejj Wind Power Company	Operation of utility plant	JORDAN	100.00%	100.00%
KOSPO Youngnam Power Co., Ltd.	Operation of utility plant	KOREA	50.00%	50.00%

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HI Carbon Professional Private Special Asset Investment Trust 1	Holding company	KOREA	96.67%	96.67%
Chitose Solar Power Plant LLC	Power generation	JAPAN	80.10%	80.10%
KEPCO Energy Solution Co. Ltd.	Energy service	KOREA	100.00%	100.00%
Solar School Plant Co., Ltd.	Power generation	KOREA	100.00%	100.00%
KOSPO Power Services Limitada	Utility plant maintenance and others	CHILE	65.00%	65.00%
Energy New Industry Specialized Investment Private Investment Trust	Holding company	KOREA	99.75%	99.75%
KOEN Bylong Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOMIPO Bylong Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOWEPO Bylong Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOSPO Bylong Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
EWP Bylong Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOWEPO Lao International	Utility plant maintenance and others	LAOS	100.00%	100.00%
KEPCO US Inc.	Holding company	USA	100.00%	100.00%
KEPCO Alamosa LLC	Holding company	USA	50.10%	50.10%
Cogentrix Solar Services, LLC	Holding company	USA	50.10%	50.10%
Solar Investments I, LLC	Holding company	USA	50.10%	50.10%
Cogentrix of Alamosa, LLC	Power generation	USA	50.10%	50.10%
KEPCO-LG CNS Mangilao Holdings LLC	Holding company	USA	70.00%	70.00%
Mangilao Investment LLC	Holding company	USA	70.00%	70.00%
KEPCO-LG CNS Mangilao Solar, LLC	Power generation	USA	70.00%	70.00%
Jeju Hanlim Offshore Wind Co., Ltd.	Power generation	KOREA	68.84%	70.22%
PT. Siborpa Eco Power	Construction and operation of utility plant	INDONESIA	55.00%	64.71%
BSK E-New Industry Fund VII	Holding company	KOREA	81.47%	81.47%
e-New Industry LB Fund 1	Holding company	KOREA	75.92%	75.92%
Songhyun e-New Industry Fund	Holding company	KOREA	80.45%	80.45%
		INDONESIA	95.00%	



PT. Korea Energy Indonesia	Utility plant maintenance and others		
KOLAT SpA	Utility plant maintenance and others	CHILE	100.00%
KEPCO California, LLC	Holding company	USA	100.00%
KEPCO Mojave Holdings, LLC	Holding company	USA	100.00%

(\*1) Considering treasury stocks, the effective percentage of ownership is 66.08%.

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

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

(\*4) The effective percentage of ownership has increased to 86.22% since Long Lasting Value exercised the put option to sell its investment to KOSEP during the year ended December 31, 2017.

(\*5) The Company guarantees a certain return on investment related to Commerce and Industry Energy Co., Ltd. for the financial investors. The financial investors have a right to sell their shares to the Company which can be exercised 84 months after the date of investment. Accordingly, the purchase price including the return on investment is classified as a liability.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

**(2) Subsidiaries included in and excluded from consolidation for the three-month period ended March 31, 2018 are as follows:**

<Subsidiaries included in consolidation during the three-month period ended March 31, 2018>

<b>Subsidiary</b>	<b>Reason</b>
PT. Korea Energy Indonesia	Newly established
KOLAT SpA	Newly established
KEPCO California, LLC	Newly established
KEPCO Mojave Holdings, LLC	Newly established

There are no subsidiaries excluded from consolidation during the three-month period ended March 31, 2018.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

- (3) **Summary of financial information of consolidated subsidiaries as of and for the three-month period ended March 31, 2018 and as of and for the year ended December 31, 2017 are as follows:**

*In millions of won*

Subsidiaries	March 31, 2018			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
Korea Hydro & Nuclear Power Co., Ltd.	₩ 55,359,977	29,815,280	1,962,306	64,499
Korea South-East Power Co., Ltd.	9,851,333	4,645,116	1,655,574	205,876
Korea Midland Power Co., Ltd.	10,357,108	6,408,339	1,449,382	234,580
Korea Western Power Co., Ltd.	9,976,827	5,987,581	1,387,280	100,400
Korea Southern Power Co., Ltd.	9,876,742	5,515,774	1,626,298	141,159
Korea East-West Power Co., Ltd.	8,856,991	4,159,815	1,607,157	123,035
KEPCO Engineering & Construction Company, Inc.	805,515	357,417	86,250	1,724
KEPCO Plant Service & Engineering Co., Ltd.	1,224,932	368,373	250,177	21,222
KEPCO Nuclear Fuel Co., Ltd.	777,629	408,435	56,971	(1,135)
KEPCO KDN Co., Ltd.	534,605	173,427	131,132	8,667
Garolim Tidal Power Plant Co., Ltd.	619	351		(6)
KEPCO International HongKong Ltd.	153,535	1		712
KEPCO International Philippines Inc.	101,895	1,324		(405)
KEPCO Gansu International Ltd.	11,514	491		
KEPCO Philippines Holdings Inc.	120,045	30		577
KEPCO Philippines Corporation	6,056	154		27
KEPCO Ilijan Corporation	487,720	63,244	24,790	9,928
KEPCO Lebanon SARL	1,472	9,100		555
KEPCO Neimenggu International Ltd.	165,109			(70)
KEPCO Shanxi International Ltd.	495,712	194,607		(2,193)
KOMIPO Global Pte Ltd.	228,881	1,496		1,917
KEPCO Canada Energy Ltd.	128	28		(7)
KEPCO Netherlands B.V.	114,395	67		(8)
	155,145	157		(23)

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KOREA Imouraren Uranium Investment Corp.

KEPCO Australia Pty., Ltd.	457,731	529		8
KOSEP Australia Pty., Ltd.	31,130	1,827	5,151	1,029
KOMIPO Australia Pty., Ltd.	33,388	3,775	5,151	1,029
KOWEPO Australia Pty., Ltd.	33,519	3,787	5,173	217
KOSPO Australia Pty., Ltd.	31,485	3,027	5,151	3,796
KEPCO Middle East Holding Company	89,024	84,825		(753)
Qatrana Electric Power Company	462,116	324,764	4,669	5,089
KHNP Canada Energy, Ltd.	45,334	33		(18)
KEPCO Bylong Australia Pty., Ltd.	241,561	280,937		(5,003)
Korea Waterbury Uranium Limited Partnership	20,884	133		(12)
Korea Electric Power Nigeria Ltd.	172	51	175	(42)
KEPCO Holdings de Mexico	238	46		(16)
KST Electric Power Company	547,969	475,472	34,808	4,822
KEPCO Energy Service Company	1,787	1,097	1,318	335
KEPCO Netherlands S3 B.V.	46,472	84		12
PT. KOMIPO Pembangkitan Jawa Bali	13,941	4,125	6,543	3,616
PT. Cirebon Power Service	3,012	155	1,665	65
KOWEPO International Corporation		7		
KOSPO Jordan LLC	24,741	13,602	2,139	700
EWP Philippines Corporation	1,622	797		(5)
EWP America Inc. (*1)	77,334	68,349	6,997	927
KNF Canada Energy Limited	1,813	20		(9)
PT KEPCO Resource Indonesia	394			(96)
EWP Barbados 1 SRL	235,347	602		(538)
Gyeonggi Green Energy Co., Ltd.	277,688	194,428	21,679	(402)
PT. Tanggamus Electric Power	179,469	156,576	2,191	4,479
Gyeongju Wind Power Co., Ltd.	114,811	82,017	6,163	2,639
KOMIPO America Inc.	10,070	546		(417)
KOSEP USA, INC.	63	4,386		4,541
PT. EWP Indonesia	5,223	13		813

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

- (3) **Summary of financial information of consolidated subsidiaries as of and for the three-month period ended March 31, 2018 and as of and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

Subsidiaries	March 31, 2018			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
KEPCO Netherlands J3 B.V.	₩ 122,057	96		(14)
Korea Offshore Wind Power Co., Ltd.	186,968	105		(1,346)
Global One Pioneer B.V.	152	67		(27)
Global Energy Pioneer B.V.	309	72		(29)
Mira Power Limited	202,687	159,419		472
KOSEP Material Co., Ltd.	1,828	1,162	271	(637)
Commerce and Industry Energy Co., Ltd.	98,378	87,680	6,593	(505)
KEPCO Singapore Holdings Pte., Ltd.	3,244	4		(6)
KOWEPO India Private Limited	765			
KEPCO KPS Philippines Corp.	6,905	412	1,517	398
KOSPO Chile SpA	129,126	50,902		335
PT. KOWEPO Sumsel Operation And Maintenance Services	2,382	298	1,790	597
HeeMang Sunlight Power Co., Ltd.	6,896	3,429	30	(15)
Fujeij Wind Power Company	178,499	174,018		(1,077)
KOSPO Youngnam Power Co.,Ltd.	421,340	337,102	103,276	4,755
HI Carbon Professional Private Special Asset Investment Trust 1 (formerly, Global One Carbon Private Equity Investment Trust 2)	2,993			3
Chitose Solar Power Plant LLC	132,760	117,120	3,403	360
KEPCO Energy Solution Co. Ltd.	304,917	3,591	2,337	301
Solar School Plant Co., Ltd.	202,456	1,233	189	340
KOSPO Power Services Limitada	4,879	1,249	2,812	781
Energy New Industry Specialized Investment Private Investment Trust(*3)	505,865	2,071		(295)
KOEN Bylong Pty., Ltd.	5,763			

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KOMIPO Bylong Pty., Ltd.	5,763			
KOWEPO Bylong Pty., Ltd.	5,765	17		
KOSPO Bylong Pty., Ltd.	5,765	17		(16)
EWP Bylong Pty., Ltd.	5,765	17		(16)
KOWEPO Lao International	3,463	1,344	938	322
KEPCO US Inc.	16,835			
KEPCO Alamosa LLC	32,840	475		(149)
Cogentrix Solar Services, LLC (*2)	79,441	53,214	2,086	(43)
KEPCO-LG CNS Mangilao Holdings LLC	24,021	24,668		(274)
Mangilao Investment LLC	24,021			
KEPCO-LG CNS Mangilao Solar, LLC	23,892	135		(1)
Jeju Hanlim Offshore Wind Co., Ltd.	17,241	92		(5)
PT. Siborpa Eco Power	12,826	241		(793)
PT. Korea Energy Indonesia	910			
KOLAT SpA	35,834			
KEPCO California, LLC	40,484			(44)
KEPCO Mojave Holdings, LLC	101,521	63,087		(1,783)

- (\*1) Financial information of EWP America Inc. includes that of six other subsidiaries, EWP Renewable Corporation, DG Fairhaven Power, LLC, DG Whitefield, LLC, Springfield Power, LLC, California Power Holdings, LLC, and EWPRC Biomass Holdings, LLC.
- (\*2) Financial information of Cogentrix Solar Services, LLC includes that of two other subsidiaries, Solar Investments I, LLC and Cogentrix of Alamosa, LLC.
- (\*3) Financial information of Energy New Industry Specialized Investment Private Investment Trust includes that of three other subsidiaries, BSK E-New Industry Fund VII, e-New Industry LB Fund 1 and Songhyun e-New Industry Fund.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

- (3) **Summary of financial information of consolidated subsidiaries as of and for the three-month period ended March 31, 2018 and as of and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

Subsidiaries	December 31, 2017			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
Korea Hydro & Nuclear Power Co., Ltd.	₩ 55,011,096	29,252,816	9,415,751	854,346
Korea South-East Power Co., Ltd.	9,879,577	4,844,184	5,387,846	130,371
Korea Midland Power Co., Ltd.	9,893,822	6,148,173	4,167,009	104,591
Korea Western Power Co., Ltd.	9,660,426	5,739,534	4,199,079	110,939
Korea Southern Power Co., Ltd.	9,648,741	5,401,216	4,397,552	98,817
Korea East-West Power Co., Ltd.	8,855,518	4,204,187	4,644,330	217,599
KEPCO Engineering & Construction Company, Inc.	762,166	305,134	490,193	21,222
KEPCO Plant Service & Engineering Co., Ltd.	1,195,086	294,689	1,232,113	135,482
KEPCO Nuclear Fuel Co., Ltd.	792,187	421,088	279,664	4,557
KEPCO KDN Co., Ltd.	524,520	155,715	619,470	48,968
Garolim Tidal Power Plant Co., Ltd.	619	345		(12)
KEPCO International HongKong Ltd.	153,529	1		4,380
KEPCO International Philippines Inc.	102,323	886		47,201
KEPCO Gansu International Ltd.	11,567	493		(29)
KEPCO Philippines Holdings Inc.	127,922	2,621		43,218
KEPCO Philippines Corporation	6,293	114		2,098
KEPCO Ilijan Corporation	474,624	57,801	109,183	66,320
KEPCO Lebanon SARL	1,069	9,281		(219)
KEPCO Neimenggu International Ltd.	165,937			500
KEPCO Shanxi International Ltd.	497,990	193,309		3,796
KOMIPO Global Pte Ltd.	225,411	1,497		21,858
KEPCO Canada Energy Ltd.	132	22		(32)
KEPCO Netherlands B.V.	114,911	49		17,309
	151,278	131		1,490

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KOREA Imouraren Uranium Investment Corp.

KEPCO Australia Pty., Ltd.	466,654	569		(568)
KOSEP Australia Pty., Ltd.	27,076	333	12,096	1,601
KOMIPO Australia Pty., Ltd.	31,441	4,691	12,096	1,133
KOWEPO Australia Pty., Ltd.	31,586	4,691	12,096	1,232
KOSPO Australia Pty., Ltd.	29,472	4,221	12,096	(2,759)
KEPCO Middle East Holding Company	95,812	90,842		2,913
Qatrana Electric Power Company	460,206	327,401	18,892	23,310
KHNP Canada Energy, Ltd.	51,994	31		(92)
KEPCO Bylong Australia Pty., Ltd.	242,364	277,549		20,271
Korea Waterbury Uranium Limited Partnership	20,886	136		(59)
Korea Electric Power Nigeria Ltd.	238	76	2,164	29
KEPCO Holdings de Mexico	235	30		(20)
KST Electric Power Company	546,242	478,230	120,126	16,154
KEPCO Energy Service Company	1,793	451	6,773	976
KEPCO Netherlands S3 B.V.	46,642	53		2,382
PT. KOMIPO Pembangkitan Jawa Bali	11,261	4,769	20,956	4,666
PT. Cirebon Power Service	2,808	155	7,439	592
KOWEPO International Corporation		8		(2)
KOSPO Jordan LLC	24,077	13,594	7,331	953
EWP Philippines Corporation	1,708	836		(17)
EWP America Inc. (*1)	79,854	67,308	23,543	(9,737)
KNF Canada Energy Limited	1,884	31		(43)
PT KEPCO Resource Indonesia	491			(311)
EWP Barbados 1 SRL	235,096	450		(2,585)
Gyeonggi Green Energy Co., Ltd.	282,408	199,160	95,192	3,203
PT. Tanggamus Electric Power	179,317	160,144	34,281	4,640
Gyeongju Wind Power Co., Ltd.	112,279	82,124	7,219	2,400
KOMIPO America Inc.	10,505	521		2,071
KOSEP USA, INC.	184	9,065		26,997
PT. EWP Indonesia	2,035	23		1,916



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

(3) **Summary of financial information of consolidated subsidiaries as of and for the three-month period ended March 31, 2018 and as of and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

Subsidiaries	December 31, 2017			Sales	Profit (loss) for the period
	Total assets	Total liabilities			
KEPCO Netherlands J3 B.V.	₩ 122,612	76			12,115
Korea Offshore Wind Power Co., Ltd.	190,195	1,985			(6,997)
Global One Pioneer B.V.	151	38			(80)
Global Energy Pioneer B.V.	309	41			(87)
Mira Power Limited	208,150	163,198			737
KOSEP Material Co., Ltd.	2,751	1,448	3,128		320
Commerce and Industry Energy Co., Ltd.	99,129	87,926	30,577		(749)
KEPCO Singapore Holdings Pte., Ltd.	3,265	4			(24)
KOWEPO India Private Limited	781				(46)
KEPCO KPS Philippines Corp.	6,636	235	6,840		555
KOSPO Chile SpA	133,570	50,109			1,066
PT. KOWEPO Sumsel Operation And Maintenance Services	1,350	279	7,651		659
HeeMang Sunlight Power Co., Ltd.	6,876	3,395	105		(229)
Fujeij Wind Power Company	165,636	156,099			8,836
KOSPO Youngnam Power Co.,Ltd.	412,785	333,302	68,973		939
HI Carbon Professional Private Special Asset Investment Trust 1 (formerly, Global One Carbon Private Equity Investment Trust 2)	3,002				12
Chitose Solar Power Plant LLC	136,098	121,622	7,083		4,100
KEPCO Energy Solution Co. Ltd.	313,401	12,376	5,544		1,325
Solar School Plant Co., Ltd.	201,482	599	67		874
KOSPO Power Services Limitada	3,901	887	11,067		666
Energy New Industry Specialized Investment Private Investment Trust(*3)	506,207	2,118			52
KOEN Bylong Pty., Ltd.	5,875				

KOMIPO Bylong Pty., Ltd.	5,875			
KOWEPO Bylong Pty., Ltd.	5,875			
KOSPO Bylong Pty., Ltd.	5,875			
EWP Bylong Pty., Ltd.	5,875			
KOWEPO Lao International	3,259	1,452	3,624	1,881
KEPCO US Inc.	16,913			
KEPCO Alamosa LLC	33,144	492		(218)
Cogentrix Solar Services, LLC (*2)	84,458	53,116	8,958	(112)
KEPCO-LG CNS Mangilao Holdings LLC	24,131	24,395		(278)
Mangilao Investment LLC	24,131			
KEPCO-LG CNS Mangilao Solar, LLC	24,002	134		(278)
Jeju Hanlim Offshore Wind Co., Ltd.	36			
PT. Siborpa Eco Power	11,562	214		(518)

- (\*1) Financial information of EWP America Inc. includes that of six other subsidiaries, EWP Renewable Corporation, DG Fairhaven Power, LLC, DG Whitefield, LLC, Springfield Power, LLC, California Power Holdings, LLC, and EWPRC Biomass Holdings, LLC.
- (\*2) Financial information of Cogentrix Solar Services, LLC includes that of two other subsidiaries, Solar Investments I, LLC and Cogentrix of Alamosa, LLC.
- (\*3) Financial information of Energy New Industry Specialized Investment Private Investment Trust includes that of three other subsidiaries, BSK E-New Industry Fund VII, e-New Industry LB Fund 1 and Songhyun e-New Industry Fund.

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

Company	Nature and extent of any significant restrictions
Gyeonggi Green Energy Co., Ltd.	Acquisition or disposal of assets of more than ₩35 billion, change in the capacity of cogeneration units (except for the change due to performance improvement of equipment, maintenance) will require unanimous consent of all directors.
KOSPO Youngnam Power Co., Ltd.	Dividends can only be paid when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained. Shares cannot be wholly or partially transferred without prior written consent of financial institutions.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

(5) Details of non-controlling interest prior to intra-group eliminations as of and for the three-month period ended March 31, 2018 and as of and for the year ended December 31, 2017 are as follows:

*In millions of won*

Description	March 31, 2018				Total
	KEPCO Ilijan Corporation	KEPCO Plant Service & Engineering Co., Ltd.	KEPCO Engineering & Construction Company, Inc.	Others	
Percentage of ownership	49.00%	49.00%	33.92%		
Current assets	₩ 179,497	651,704	294,799	1,318,622	2,444,622
Non-current assets	308,223	573,228	510,716	2,683,669	4,075,836
Current liabilities	(25,153)	(345,270)	(300,386)	(378,254)	(1,049,063)
Non-current liabilities	(38,091)	(23,103)	(57,031)	(2,053,314)	(2,171,539)
Net assets	424,476	856,559	448,098	1,570,723	3,299,856
Book value of non-controlling interest	207,993	419,714	151,995	659,704	1,439,406
Sales	24,790	250,177	86,250	255,866	617,083
Profit for the period	9,928	21,222	1,724	32,367	65,241
Profit for the period attributable to non-controlling interest	4,865	10,399	585	13,984	29,833
Cash flows from operating activities	27,558	34,556	25,756	45,481	133,351
Cash flows from investing activities	(12,182)	(95,946)	8,623	(235,525)	(335,030)
Cash flows from financing activities before dividends to non-controlling interest			(9,061)	(2,008)	(11,069)
Dividends to non-controlling interest				(4,415)	(4,415)
Effect of exchange rate fluctuation	(469)	(171)	(70)	202,576	201,866
	14,907	(61,561)	25,248	6,109	(15,297)

Net increase (decrease) of cash  
and cash equivalents

*In millions of won*

Description	December 31, 2017				Total
	KEPCO Ilijan Corporation	KEPCO Plant Service & Engineering Co., Ltd.	KEPCO Engineering & Construction Company, Inc.	Others	
Percentage of ownership	49.00%	49.00%	33.92%		
Current assets	₩ 160,588	623,934	257,529	1,269,175	2,311,226
Non-current assets	314,036	571,152	504,637	2,588,833	3,978,658
Current liabilities	(21,546)	(278,562)	(221,860)	(394,320)	(916,288)
Non-current liabilities	(36,255)	(16,127)	(83,274)	(2,014,925)	(2,150,581)
Net assets	416,823	900,397	457,032	1,448,763	3,223,015
Book value of non-controlling interest	204,243	441,194	155,025	612,245	1,412,707
Sales	109,183	1,232,113	490,193	719,087	2,550,576
Profit for the period	66,320	135,482	21,222	66,419	289,443
Profit for the period attributable to non-controlling interest	32,497	66,386	7,199	20,447	126,529
Cash flows from operating activities	123,534	129,801	62,578	60,021	375,934
Cash flows from investing activities	(5,276)	(193,408)	(8,622)	(409,353)	(616,659)
Cash flows from financing activities before dividends to non-controlling interest	(44,442)	(15,606)	(55,504)	339,432	223,880
Dividends to non-controlling interest	(48,855)	(14,994)	(1,419)	(20,840)	(86,108)
Effect of exchange rate fluctuation	(7,432)	(1,267)	(101)	(24,206)	(33,006)
Net increase (decrease) of cash and cash equivalents	17,529	(95,474)	(3,068)	(54,946)	(135,959)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

- (i) Details of goodwill as of March 31, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>March 31, 2018</b>	<b>December 31, 2017</b>
Acquisition cost	₩ 2,582	2,582
Accumulated impairment		
Carrying book value	₩ 2,582	2,582

- (ii) There are no changes in goodwill for the three-month period ended March 31, 2018 and for the year ended December 31, 2017.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**17. Investments in Associates and Joint Ventures****(1) Investments in associates and joint ventures as of March 31, 2018 and December 31, 2017 are as follows:***In millions of won*

Investees	Key operation activities	March 31, 2018		Acquisition cost	Book value
		Location	Percentage of ownership		
<b>&lt;Associates&gt;</b>					
Korea Gas Corporation (*1)	Importing and wholesaling LNG	KOREA	20.47%	₩ 94,500	1,783,771
Korea Electric Power Industrial Development Co., Ltd.	Electricity metering and others	KOREA	29.00%	4,727	20,981
YTN Co., Ltd.	Broadcasting	KOREA	21.43%	59,000	40,178
Cheongna Energy Co., Ltd.	Generating and distributing vapor and hot/cold water	KOREA	43.90%	48,353	8,348
Gangwon Wind Power Co., Ltd. (*2)	Power generation	KOREA	15.00%	5,725	12,292
Hyundai Green Power Co., Ltd.	Power generation	KOREA	29.00%	88,885	114,247
Korea Power Exchange (*5)	Management of power market and others	KOREA	100.00%	127,839	250,857
AMEC Partners Korea Ltd. (*3)	Resources development	KOREA	19.00%	707	213
Hyundai Energy Co., Ltd. (*8)	Power generation	KOREA	30.66%	71,070	
Ecollite Co., Ltd.	Artificial light-weight aggregate	KOREA	36.10%	1,516	
Taebaek Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,810	5,218
Taebaek Guinemi Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,420	3,082
Pyeongchang Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,875	4,432

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Daeryun Power Co., Ltd. (*3, 9)	Power generation	KOREA	13.13%	25,477	25,959
Changjuk Wind Power Co., Ltd.	Power generation	KOREA	30.00%	3,801	7,278
KNH Solar Co., Ltd.	Power generation	KOREA	27.00%	1,296	2,058
SPC Power Corporation	Power generation	PHILIPPINES	38.00%	20,635	51,131
Gemeng International Energy Co., Ltd.	Power generation	CHINA	34.00%	413,153	667,528
PT. Cirebon Electric Power	Power generation	INDONESIA	27.50%	40,365	97,890
KNOC Nigerian East Oil Co., Ltd. (*4)	Resources development	NIGERIA	14.63%	12	
KNOC Nigerian West Oil Co., Ltd. (*4)	Resources development	NIGERIA	14.63%	12	
PT Wampu Electric Power	Power generation	INDONESIA	46.00%	21,292	28,222
PT. Bayan Resources TBK	Resources development	INDONESIA	20.00%	615,860	485,720
S-Power Co., Ltd.	Power generation	KOREA	49.00%	132,300	121,290
Pioneer Gas Power Limited (*7)	Power generation	INDIA	38.50%	49,831	34,639
Eurasia Energy Holdings	Power generation and resources development	RUSSIA	40.00%	461	
Xe-Pian Xe-Namnoy Power Co., Ltd.	Power generation	LAOS	25.00%	74,505	62,359
Hadong Mineral Fiber Co., Ltd. (*3)	Recycling fly ashes	KOREA	8.33%	50	
Green Biomass Co., Ltd. (*11)	Power generation	KOREA	8.80%	714	185
PT. Mutiara Jawa	Manufacturing and operating floating coal terminal	INDONESIA	29.00%	2,978	
Samcheok Eco Materials Co., Ltd. (*10)	Recycling fly ashes	KOREA	2.35%	686	
Noeul Green Energy Co., Ltd.	Power generation	KOREA	29.00%	1,740	2,863
Naepo Green Energy Co., Ltd.	Power generation	KOREA	41.67%	29,200	20,012
Goseong Green Energy Co., Ltd. (*2)	Power generation	KOREA	1.12%	2,900	2,580
Gangneung Eco Power Co., Ltd. (*2)	Power generation	KOREA	1.61%	2,900	2,572
Shin Pyeongtaek Power Co., Ltd.	Power generation	KOREA	40.00%	72,000	61,330
Heang Bok Do Si Photovoltaic Power Co., Ltd.	Power generation	KOREA	28.00%	194	183
Dongducheon Dream Power Co., Ltd.	Power generation	KOREA	33.61%	111,134	48,907
Jinbhuvish Power Generation Pvt. Ltd. (*2)	Power generation	INDIA	5.16%	9,000	
	Power generation	KOREA	47.76%	3,821	3,459

SE Green Energy Co., Ltd.					
Daegu Photovoltaic Co., Ltd.	Power generation	KOREA	29.00%	1,230	1,661
Jeongam Wind Power Co., Ltd.	Power generation	KOREA	40.00%	5,580	3,631
Korea Power Engineering Service Co., Ltd.	Construction and service	KOREA	29.00%	290	3,629
Busan Green Energy Co., Ltd.	Power generation	KOREA	29.00%	5,243	8,067
Gunsan Bio Energy Co., Ltd. (*2)	Power generation	KOREA	18.87%	1,000	
Korea Electric Vehicle Charging Service	Electric vehicle charge service	KOREA	28.00%	2,604	1,573
Ulleungdo Natural Energy Co., Ltd.	Renewable power generation	KOREA	29.85%	8,000	6,296
Korea Nuclear Partners Co., Ltd.	Electric material agency	KOREA	29.00%	290	324
Tamra Offshore Wind Power Co., Ltd.	Power generation	KOREA	27.00%	8,910	10,291
Korea Electric Power Corporation Fund (*12)	Developing electric enterprises	KOREA	98.09%	51,500	53,285
Energy Infra Asset Management Co., Ltd. (*3)	Asset management	KOREA	9.90%	297	513
Daegu clean Energy Co., Ltd.	Renewable power generation	KOREA	28.00%	140	52
YaksuESS Co., Ltd	Installing ESS related equipment	KOREA	29.00%	210	69



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued****(1) Investments in associates and joint ventures as of March 31, 2018 and December 31, 2017 are as follows, continued:***In millions of won*

Investees	Key operation activities	March 31, 2018		Acquisition cost	Book value
		Location	Percentage of ownership		
Nepal Water & Energy Development Company Private Limited (*14)	Construction and operation of utility plant	NEPAL	62.13%	₩ 33,577	30,261
Gwangyang Green Energy Co., Ltd.	Power generation	KOREA	20.00%	2,000	1,672
PND solar., Ltd	Power generation	KOREA	29.00%	1,250	1,153
				2,271,865	4,092,261
<b>&lt;Joint ventures&gt;</b>					
KEPCO-Uhde Inc. (*6)	Power generation	KOREA	52.80%	11,355	256
Eco Biomass Energy Sdn. Bhd. (*6)	Power generation	MALAYSIA	61.53%	14,439	
Datang Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	27,660	29,014
Shuweihaat Asia Power Investment B.V.	Holding company	NETHERLANDS	49.00%	46,037	17,961
Shuweihaat Asia Operation & Maintenance Company (*6)	Maintenance of utility plant	CAYMAN	55.00%	30	879
Waterbury Lake Uranium L.P.	Resources development	CANADA	35.76%	26,602	19,199
ASM-BG Investicii AD	Power generation	BULGARIA	50.00%	16,101	20,750
RES Technology AD	Power generation	BULGARIA	50.00%	15,595	14,818
KV Holdings, Inc.	Power generation	PHILIPPINES	40.00%	2,103	1,596
		PHILIPPINES	75.20%	94,579	220,219

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KEPCO SPC Power Corporation (*6)	Construction and operation of utility plant				
Gansu Datang Yumen Wind Power Co., Ltd.	Power generation	CHINA	40.00%	16,621	11,160
Datang Chifeng Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	121,928	182,989
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	10,858	10,891
Rabigh Electricity Company Rabigh Operation & Maintenance Company Limited	Power generation Maintenance of utility plant	SAUDI ARABIA SAUDI ARABIA	40.00% 40.00%	109,743 70	106,542 4,048
Jamaica Public Service Company Limited	Power generation	JAMAICA	40.00%	301,910	220,142
KW Nuclear Components Co., Ltd.	Manufacturing	KOREA	45.00%	833	6,435
Busan Shinho Solar Power Co., Ltd.	Power generation	KOREA	25.00%	2,100	4,162
GS Donghae Electric Power Co., Ltd.	Power generation	KOREA	34.00%	204,000	234,399
Global Trade Of Power System Co., Ltd.	Exporting products and technology of small or medium business by proxy	KOREA	29.00%	290	510
Expressway Solar-light Power Generation Co., Ltd.	Power generation	KOREA	29.00%	1,856	2,262
Daejung Offshore Wind Power Co., Ltd.	Power generation	KOREA	49.90%	5,190	2,901
Amman Asia Electric Power Company (*6)	Power generation	JORDAN	60.00%	111,476	156,733
KAPES, Inc. (*6)	R&D	KOREA	51.00%	5,629	6,622
Dangjin Eco Power Co., Ltd.	Power generation	KOREA	34.00%	61,540	21,806
Honam Wind Power Co., Ltd.	Power generation	KOREA	29.00%	3,480	4,195
Chun-cheon Energy Co., Ltd.	Power generation	KOREA	29.90%	52,700	51,081
Yeonggwangbaeksu Wind Power Co., Ltd. (*3)	Power generation	KOREA	15.00%	3,000	2,843
Nghi Son 2 Power Ltd.	Power generation	VIETNAM	50.00%	2,781	
Kelar S.A (*6)	Power generation	CHILE	65.00%	77,220	61,394
PT. Tanjung Power Indonesia	Power generation	INDONESIA	35.00%	746	5,021
Incheon New Power Co., Ltd.	Power generation	KOREA	29.00%	461	656
Seokmun Energy Co., Ltd.	Power generation	KOREA	29.00%	15,370	14,103
Daehan Wind Power PSC	Power generation	JORDAN	50.00%	1,354	496
Barakah One Company (*13)	Power generation	UAE	18.00%	118	4,320
Nawah Energy Company (*13)	Operation of utility plant	UAE	18.00%	296	261
MOMENTUM	International thermonuclear experimental reactor construction management	FRANCE	33.33%	1	483

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Daegu Green Power Co., Ltd.	Power generation	KOREA	29.00%	46,225	43,182
Yeonggwang Wind Power Co., Ltd.	Power generation	KOREA	41.00%	15,375	15,386
Chester Solar IV SpA (*6)	Power generation	CHILE	81.82%	1,700	738
Chester Solar V SpA (*6)	Power generation	CHILE	81.82%	525	81
Diego de Almagro Solar SpA (*6)	Power generation	CHILE	81.82%	2,091	1,521
South Jamaica Power Company Limited	Power generation	JAMAICA	20.00%	10,823	10,373
Daesan Green Energy Co., Ltd.	Power generation	KOREA	35.00%	35	34
RE Holiday Holdings LLC	Power generation	USA	50.00%	40,835	40,728

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

(1) Investments in associates and joint ventures as of March 31, 2018 and December 31, 2017 are as follows, continued:

*In millions of won*

		<b>March 31, 2018</b>				
<b>Investees</b>	<b>Key operation activities</b>	<b>Location</b>	<b>Percentage of ownership</b>	<b>Acquisition cost</b>	<b>Book value</b>	
RE Pioneer Holdings LLC	Power generation	USA	50.00%	₩ 26,518	26,002	
RE Barren Ridge 1 Holdings LLC	Power generation	USA	50.00%	26,641	25,614	
RE Astoria 2 LandCo LLC	Power generation	USA	50.00%	4,933	4,633	
RE Barren Ridge LandCo LLC	Power generation	USA	50.00%	2,080	1,960	
Laurel SpA (*6)	Power generation	CHILE	81.82%	1,222	1,119	
				1,545,075	1,612,518	
				₩ 3,816,940	5,704,779	

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

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

(\*3) The Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity.

(\*4) The Company can exercise significant influence by virtue of its contractual right to appoint one out of four members of the steering committee of the entity. Moreover, the Company has significant financial transactions, which can affect its influence on the entity.

(\*5) The 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 shareholders' agreement, all critical financial and operating decisions must be agreed to by all ownership parties. For this reason, the entities are classified as joint ventures.

- (\*7) As of reporting date, the annual reporting period of all associates and joint ventures ends on December 31, except for Pioneer Gas Power Limited whose reporting period ends on March 31.
- (\*8) As of March 31, 2018, 15.64% of ownership of Hyundai Energy Co., Ltd. is held by NH Power II Co., Ltd. and NH Bank. According to the shareholders' agreement reached on March 2011, not only does the Company have a call option to acquire the investment in Hyundai Energy Co., Ltd. from NH Power II Co., Ltd. and NH Bank with a certain rate of return, NH Power II Co., Ltd. and NH Bank also have put options to dispose of their investment to the Company. In connection with this agreement, the Company applied the equity method on the investment in Hyundai Energy Co., Ltd. with 46.30% of ownership.
- (\*9) The effective percentage of ownership is 19.45% considering stock purchase options.
- (\*10) The Company's effective percentage of ownership excluding the redeemable convertible preferred stock is 25.54%.
- (\*11) The effective percentage of ownership is less than 20% but the Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity and the fact that the dominant portion of the investee's sales transactions is generated from the Company.
- (\*12) The effective percentage of ownership is more than 50% but the Company does not hold control over relevant business while it exercises significant influence by participating in the Investment Decision Committee. For this reason, the entity is classified as an associate.
- (\*13) The effective percentage of ownership is less than 20% but the Company has joint control over the entity as decisions on the major activities require the unanimous consent of the parties that collectively control the entity.
- (\*14) The effective percentage of ownership is more than 50% but the Company does not hold control over the entity according to the shareholders' agreement. For this reason, the entity is classified as an associate.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued****(1) Investments in associates and joint ventures as of March 31, 2018 and December 31, 2017 are as follows, continued:***In millions of won*

Investees	Key operation activities	December 31, 2017		Acquisition cost	Book value
		Location	Percentage of ownership		
<b>&lt;Associates&gt;</b>					
Korea Gas Corporation (*1)	Importing and wholesaling LNG	KOREA	20.47%	₩ 94,500	1,618,868
Korea Electric Power Industrial Development Co., Ltd.	Electricity metering and others	KOREA	29.00%	4,727	21,838
YTN Co., Ltd.	Broadcasting	KOREA	21.43%	59,000	40,606
Cheongna Energy Co., Ltd.	Generating and distributing vapor and hot/cold water	KOREA	43.90%	48,353	8,337
Gangwon Wind Power Co., Ltd. (*2)	Power generation	KOREA	15.00%	5,725	13,855
Hyundai Green Power Co., Ltd.	Power generation	KOREA	29.00%	88,885	114,806
Korea Power Exchange (*5)	Management of power market and others	KOREA	100.00%	127,839	237,631
AMEC Partners Korea Ltd. (*3)	Resources development	KOREA	19.00%	707	215
Hyundai Energy Co., Ltd. (*8)	Power generation	KOREA	30.66%	71,070	
Ecollite Co., Ltd.	Artificial light-weight aggregate	KOREA	36.10%	1,516	
Taebaek Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,810	5,319
Taebaek Guinemi Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,420	3,089
	Power generation	KOREA	25.00%	3,875	4,136

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Pyeongchang Wind Power Co., Ltd.					
Daeryun Power Co., Ltd. (*3, 9)	Power generation	KOREA	13.13%	25,477	25,113
Changjuk Wind Power Co., Ltd.	Power generation	KOREA	30.00%	3,801	7,515
KNH Solar Co., Ltd.	Power generation	KOREA	27.00%	1,296	2,218
SPC Power Corporation	Power generation	PHILIPPINES	38.00%	20,635	52,283
Gemeng International Energy Co., Ltd.	Power generation	CHINA	34.00%	413,153	649,973
PT. Cirebon Electric Power	Power generation	INDONESIA	27.50%	40,365	97,410
KNOC Nigerian East Oil Co., Ltd. (*4)	Resources development	NIGERIA	14.63%	12	
KNOC Nigerian West Oil Co., Ltd. (*4)	Resources development	NIGERIA	14.63%	12	
PT Wampu Electric Power	Power generation	INDONESIA	46.00%	21,292	29,403
PT. Bayan Resources TBK	Resources development	INDONESIA	20.00%	615,860	451,831
S-Power Co., Ltd.	Power generation	KOREA	49.00%	132,300	116,945
Pioneer Gas Power Limited (*7)	Power generation	INDIA	38.50%	49,831	38,659
Eurasia Energy Holdings	Power generation and resources development	RUSSIA	40.00%	461	
Xe-Pian Xe-Namnoy Power Co., Ltd.	Power generation	LAOS	25.00%	71,481	61,779
Hadong Mineral Fiber Co., Ltd. (*3)	Recycling fly ashes	KOREA	8.33%	50	
Green Biomass Co., Ltd. (*11, 14)	Power generation	KOREA	8.80%	714	208
PT. Mutiara Jawa	Manufacturing and operating floating coal terminal	INDONESIA	29.00%	2,978	
Samcheok Eco Materials Co., Ltd. (*10)	Recycling fly ashes	KOREA	2.35%	686	
Noeul Green Energy Co., Ltd.	Power generation	KOREA	29.00%	1,740	2,067
Naepo Green Energy Co., Ltd.	Power generation	KOREA	41.67%	29,200	20,598
Goseong Green Energy Co., Ltd. (*2)	Power generation	KOREA	1.12%	2,900	2,597
Gangneung Eco Power Co., Ltd. (*2)	Power generation	KOREA	1.61%	2,900	2,583
Shin Pyeongtaek Power Co., Ltd.	Power generation	KOREA	40.00%	43,920	34,903
Heang Bok Do Si Photovoltaic Power Co., Ltd.	Power generation	KOREA	28.00%	194	187
Dongducheon Dream Power Co., Ltd.	Power generation	KOREA	33.61%	111,134	53,233
	Power generation	INDIA	5.16%	9,000	

Jinhuvish Power Generation Pvt. Ltd. (*2)					
SE Green Energy Co., Ltd.	Power generation	KOREA	47.76%	3,821	3,476
Daegu Photovoltaic Co., Ltd.	Power generation	KOREA	29.00%	1,230	1,718
Jeongam Wind Power Co., Ltd.	Power generation	KOREA	40.00%	5,580	3,763
Korea Power Engineering Service Co., Ltd.	Construction and service	KOREA	29.00%	290	3,659
Busan Green Energy Co., Ltd.	Power generation	KOREA	29.00%	5,243	7,363
Gunsan Bio Energy Co., Ltd. (formerly, Jungbu Bio Energy Co., Ltd.) (*2)	Power generation	KOREA	18.87%	1,000	
Korea Electric Vehicle Charging Service	Electric vehicle charge service	KOREA	28.00%	2,604	1,749
Ulleungdo Natural Energy Co., Ltd.	Renewable power generation	KOREA	29.85%	8,000	6,370
Korea Nuclear Partners Co., Ltd.	Electric material agency	KOREA	29.00%	290	383
Tamra Offshore Wind Power Co., Ltd.	Power generation	KOREA	27.00%	8,910	8,560
Korea Electric Power Corporation Fund (*12)	Developing electric enterprises	KOREA	98.09%	51,500	47,974
Energy Infra Asset Management Co., Ltd. (*3)	Asset management	KOREA	9.90%	297	476
Daegu clean Energy Co., Ltd.	Renewable power generation	KOREA	28.00%	140	11
YaksuESS Co., Ltd	Installing ESS related equipment	KOREA	29.00%	210	194
Nepal Water & Energy Development Company Private Limited (*15)	Construction and operation of utility plant	NEPAL	62.13%	33,577	30,498



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued****(1) Investments in associates and joint ventures as of March 31, 2018 and December 31, 2017 are as follows, continued:***In millions of won***December 31, 2017**

<b>Investees</b>	<b>Key operation activities</b>	<b>Location</b>	<b>Percentage of ownership</b>	<b>Acquisition cost</b>	<b>Book value</b>
Gwangyang Green Energy Co., Ltd.	Power generation	KOREA	20.00%	₩ 2,000	1,772
PND solar., Ltd	Power generation	KOREA	29.00%	1,250	1,250
				2,240,761	3,837,421
<b>&lt;Joint ventures&gt;</b>					
KEPCO-Uhde Inc. (*6)	Power generation	KOREA	52.80%	11,355	258
Eco Biomass Energy Sdn. Bhd. (*6)	Power generation	MALAYSIA	61.53%	14,439	
Datang Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	27,660	27,262
Shuweiha Asia Power Investment B.V.	Holding company	NETHERLANDS	49.00%	46,037	15,675
Shuweiha Asia Operation & Maintenance Company (*6)	Maintenance of utility plant	CAYMAN	55.00%	30	663
Waterbury Lake Uranium L.P.	Resources development	CANADA	35.76%	26,602	19,781
ASM-BG Investicii AD	Power generation	BULGARIA	50.00%	16,101	21,202
RES Technology AD	Power generation	BULGARIA	50.00%	15,595	14,375
KV Holdings, Inc.	Power generation	PHILIPPINES	40.00%	2,103	1,918
KEPCO SPC Power Corporation (*6)	Construction and operation of utility plant	PHILIPPINES	75.20%	94,579	217,094
Gansu Datang Yumen Wind Power Co., Ltd.	Power generation	CHINA	40.00%	16,621	10,840
	Power generation	CHINA	40.00%	121,928	171,055

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Datang Chifeng Renewable Power Co., Ltd.					
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	10,858	11,060
Rabigh Electricity Company	Power generation	SAUDI ARABIA	40.00%	109,743	99,356
Rabigh Operation & Maintenance Company Limited	Maintenance of utility plant	SAUDI ARABIA	40.00%	70	3,987
Jamaica Public Service Company Limited	Power generation	JAMAICA	40.00%	301,910	221,153
KW Nuclear Components Co., Ltd.	Manufacturing	KOREA	45.00%	833	6,703
Busan Shinho Solar Power Co., Ltd.	Power generation	KOREA	25.00%	2,100	4,346
GS Donghae Electric Power Co., Ltd.	Power generation	KOREA	34.00%	204,000	220,727
Global Trade Of Power System Co., Ltd.	Exporting products and technology of small or medium business by proxy	KOREA	29.00%	290	577
Expressway Solar-light Power Generation Co., Ltd.	Power generation	KOREA	29.00%	1,856	2,463
KODE NOVUS I LLC	Power generation	USA	50.00%	19,213	
KODE NOVUS II LLC	Power generation	USA	50.00%	12,756	
Daejung Offshore Wind Power Co., Ltd.	Power generation	KOREA	49.90%	5,190	2,969
Amman Asia Electric Power Company (*6)	Power generation	JORDAN	60.00%	111,476	145,676
KAPES, Inc. (*6)	R&D	KOREA	51.00%	5,629	7,476
Dangjin Eco Power Co., Ltd.	Power generation	KOREA	34.00%	61,540	57,928
Honam Wind Power Co., Ltd.	Power generation	KOREA	29.00%	3,480	4,302
Chun-cheon Energy Co., Ltd.	Power generation	KOREA	29.90%	52,700	48,118
Yeonggwangbaeksu Wind Power Co., Ltd. (*3)	Power generation	KOREA	15.00%	3,000	2,734
Nghi Son 2 Power Ltd.	Power generation	VIETNAM	50.00%	2,781	183
Kelar S.A (*6)	Power generation	CHILE	65.00%	77,220	67,233
PT. Tanjung Power Indonesia	Power generation	INDONESIA	35.00%	746	1,776
Incheon New Power Co., Ltd.	Power generation	KOREA	29.00%	461	619
Seokmun Energy Co., Ltd.	Power generation	KOREA	29.00%	15,370	13,786
Daehan Wind Power PSC	Power generation	JORDAN	50.00%	285	
Barakah One Company (*13)	Power generation	UAE	18.00%	118	626
Nawah Energy Company (*13)	Operation of utility plant	UAE	18.00%	296	258
MOMENTUM		FRANCE	33.33%	1	391

		International thermonuclear experimental reactor construction management			
Daegu Green Power Co., Ltd.	Power generation	KOREA	29.00%	46,225	42,391
Yeonggwang Wind Power Co., Ltd.	Power generation	KOREA	41.00%	15,375	15,294
Chester Solar IV SpA (*6)	Power generation	CHILE	81.82%	1,700	1,700
Chester Solar V SpA (*6)	Power generation	CHILE	81.82%	525	525
Diego de Almagro Solar SpA (*6)	Power generation	CHILE	81.82%	2,091	2,091
South Jamaica Power Company Limited	Power generation	JAMAICA	20.00%	7,090	6,704
				1,469,978	1,493,275
				<b>₩ 3,710,739</b>	<b>5,330,696</b>

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

**(1) Investments in associates and joint ventures as of March 31, 2018 and December 31, 2017 are as follows, continued:**

- (\*1) The effective percentage of ownership is 21.57% considering treasury stocks.
- (\*2) The Company can exercise significant influence by virtue of its contractual right to appoint directors to the board of directors of the entity, and by strict decision criteria of the Company's financial and operating policy of the board of directors.
- (\*3) The Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity.
- (\*4) The Company can exercise significant influence by virtue of its contractual right to appoint one out of four members of the steering committee of the entity. Moreover, the Company has significant financial transactions, which can affect its influence on the entity.
- (\*5) The 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 shareholders' agreement, all critical financial and operating decisions must be agreed to by all ownership parties. For these reasons, the entities are classified as joint ventures.
- (\*7) As of reporting date, the annual reporting period of all associates and joint ventures ends on December 31, except for Pioneer Gas Power Limited whose reporting period ends on March 31.
- (\*8) As of December 31, 2017, 15.64% of ownership of Hyundai Energy Co., Ltd. is held by NH Power II Co., Ltd. and NH Bank. According to the shareholders' agreement reached on March 2011, not only does the Company have a call option to acquire the investment in Hyundai Energy Co., Ltd. from NH Power II Co., Ltd. and NH Bank with a certain rate of return, NH Power II Co., Ltd. and NH Bank also have put options to dispose of their investment to the Company. In connection with this agreement, the Company applied the equity method on the investment in Hyundai Energy Co., Ltd. with 46.30% of ownership.
- (\*9) The effective percentage of ownership is 19.45% considering stock purchase options.
- (\*10) The Company's effective percentage of ownership excluding the redeemable convertible preferred stock is 25.54%.
- (\*11) The effective percentage of ownership is less than 20% but the Company can exercise significant influence by virtue of its contractual right to appoint a director to the board of directors of the entity and the fact that the dominant portion of the investee's sales transactions is generated from the Company.
- (\*12) The effective percentage of ownership is more than 50% but the Company does not hold control over relevant business while it exercises significant influence by participating in the Investment Decision Committee. For this

reason, the entity is classified as an associate.

- (\*13) The effective percentage of ownership is less than 20% but the Company has joint control over the entity as decisions on the major activities require the unanimous consent of the parties that collectively control the entity
- (\*14) The percentage of ownership decreased since the Company did not participate in the capital increase of Green Biomass Co., Ltd. during the period.
- (\*15) The effective percentage of ownership is more than 50% but the Company does not hold control over the entity according to the shareholders' agreement. For this reason, the entity is classified as an associate.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

- (2) **The fair value of associates which are actively traded on an open market and have a readily available market value as of March 31, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>			
<b>Investees</b>		<b>March 31, 2018</b>	<b>December 31, 2017</b>
<b>&lt;Associates&gt;</b>			
Korea Electric Power Industrial Development Co., Ltd.	₩	33,704	38,667
Korea Gas Corporation		915,705	804,195
YTN Co., Ltd.		18,810	18,855
SPC Power Corporation		68,072	72,616
PT. Bayan Resources TBK		556,709	558,267

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(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, 2018 and for the year ended December 31, 2017 are as follows:**

*In millions of won*

Investees	March 31, 2018						Ending balance	
	Beginning balance	Acquisition	Disposal	Dividends received	Share of comprehensive income (loss)	Other income (loss) Others		
<b>&lt;Associates&gt;</b>								
Korea Gas Corporation	₩ 1,618,868				166,782	(2,058)	179	1,783,771
Korea Electric Power Industrial Development Co., Ltd.	21,838			(1,872)	1,002	44	(31)	20,981
YTN Co., Ltd.	40,606			(180)	(243)	(4)	(1)	40,178
Cheongna Energy Co., Ltd.	8,337				11			8,348
Gangwon Wind Power Co., Ltd.	13,855			(2,272)	709			12,292
Hyundai Green Power Co., Ltd.	114,806			(8,888)	8,329			114,247
Korea Power Exchange	237,631				8,219		5,007	250,857
AMEC Partners Korea Ltd.	215				(2)			213
Hyundai Energy Co., Ltd.								
Ecollite Co., Ltd.								
Taebaek Wind Power Co., Ltd.	5,319				(101)			5,218
Taebaek Guinemi Wind Power Co., Ltd.	3,089				(7)			3,082
Pyeongchang Wind Power Co., Ltd.	4,136				296			4,432
	25,113				846			25,959

Daeryun Power Co., Ltd.						
Changjuk Wind Power Co., Ltd.	7,515		(237)			7,278
KNH Solar Co., Ltd.	2,218		(160)			2,058
SPC Power Corporation	52,283		272	(1,435)	11	51,131
Gemeng International Energy Co., Ltd.	649,973		(85)	17,640		667,528
PT. Cirebon Electric Power	97,410	(2,817)	2,618	1,130	(451)	97,890
KNOC Nigerian East Oil Co., Ltd.			481	31	(512)	
KNOC Nigerian West Oil Co., Ltd.			79	49	(128)	
PT Wampu Electric Power	29,403		(1,051)	(130)		28,222
PT. Bayan Resources TBK	451,831		14,454	19,435		485,720
S-Power Co., Ltd.	116,945		4,345			121,290
Pioneer Gas Power Limited	38,659		(3,754)	(266)		34,639
Eurasia Energy Holdings						
Xe-Pian Xe-Namnoy Power Co., Ltd.	61,779	3,024	(2,147)	(297)		62,359
Hadong Mineral Fiber Co., Ltd.						
Green Biomass Co., Ltd.	208		(23)			185
PT. Mutiara Jawa Samcheok Eco Materials Co., Ltd.						
Noeul Green Energy Co., Ltd.	2,067		533		263	2,863
Naepo Green Energy Co., Ltd.	20,598		(586)			20,012
Goseong Green Energy Co., Ltd.	2,597		(17)			2,580
Gangneung Eco Power Co., Ltd.	2,583		(11)			2,572
Shin Pyeongtaek Power Co., Ltd.	34,903	28,080	(1,517)	(136)		61,330
Heang Bok Do Si Photovoltaic Power Co., Ltd.	187		(4)			183
Dongducheon Dream Power Co., Ltd.	53,233		(4,326)			48,907
Jimbhuvish Power Generation Pvt. Ltd.	3,476		(17)			3,459



SE Green Energy Co., Ltd.			
Daegu Photovoltaic Co., Ltd.	1,718	(57)	1,661
Jeongam Wind Power Co., Ltd.	3,763	(132)	3,631
Korea Power Engineering Service Co., Ltd.	3,659	(219)	189
Busan Green Energy Co., Ltd.	7,363	704	8,067
Gunsan Bio Energy Co., Ltd.			
Korea Electric Vehicle Charging Service	1,749	(176)	1,573
Ulleungdo Natural Energy Co., Ltd.	6,370	(74)	6,296
Korea Nuclear Partners Co., Ltd.	383	(59)	324
Tamra Offshore Wind Power Co., Ltd.	8,560	1,731	10,291

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(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, 2018 and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

Investees	March 31, 2018						
	Beginning balance	Acquisition	Disposal	Dividends received	Share of comprehensive income (loss)	Other income (loss) Others	Ending balance
Korea Electric Power Corporation Fund	₩ 47,974				(840)	6,151	53,285
Energy Infra Asset Management Co., Ltd.	476				37		513
Daegu clean Energy Co., Ltd.	11				41		52
YaksuESS Co., Ltd	194				(125)		69
Nepal Water & Energy Development Company Private Limited	30,498				(106)	(131)	30,261
Gwangyang Green Energy Co., Ltd.	1,772				(100)		1,672
PND solar., Ltd	1,250				(97)		1,153
	3,837,421	31,104		(16,248)	195,624	40,023 4,337	4,092,261
<b>&lt;Joint ventures&gt;</b>							
KEPCO-Uhde Inc.	258				(2)		256
Eco Biomass Energy Sdn. Bhd.							
Datang Chaoyang Renewable Power Co., Ltd.	27,262				742	1,010	29,014

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Shuweihat Asia Power Investment B.V.	15,675	(55)	875	1,466	17,961	
Shuweihat Asia Operation & Maintenance Company	663		220	(4)	879	
Waterbury Lake Uranium L.P.	19,781			(582)	19,199	
ASM-BG Investicii AD	21,202		97	(549)	20,750	
RES Technology AD	14,375		39	404	14,818	
KV Holdings, Inc.	1,918	(484)	272	(110)	1,596	
KEPCO SPC Power Corporation	217,094		13,546	(10,417)	(4)	220,219
Gansu Datang Yumen Wind Power Co., Ltd.	10,840		(79)	399	11,160	
Datang Chifeng Renewable Power Co., Ltd.	171,055		5,592	6,342	182,989	
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	11,060		(566)	397	10,891	
Rabigh Electricity Company	99,356		(2,013)	9,289	(90)	106,542
Rabigh Operation & Maintenance Company Limited	3,987		64	(3)	4,048	
Jamaica Public Service Company Limited	221,153			(1,011)	220,142	
KW Nuclear Components Co., Ltd.	6,703	(208)	(60)		6,435	
Busan Shinho Solar Power Co., Ltd.	4,346	(339)	155		4,162	
GS Donghae Electric Power Co., Ltd.	220,727		13,672		234,399	
Global Trade Of Power System Co., Ltd.	577		(67)		510	
Expressway Solar-light Power Generation Co., Ltd.	2,463	(70)	(131)		2,262	
KODE NOVUS I LLC (*1)						
KODE NOVUS II LLC (*2)						
Daejung Offshore Wind Power Co., Ltd.	2,969		(68)		2,901	
Amman Asia Electric Power Company	145,676		4,771	6,286	156,733	
KAPES, Inc.	7,476		(854)		6,622	

Dangjin Eco Power Co., Ltd.	57,928	(36,122)	21,806
Honam Wind Power Co., Ltd.	4,302	(348) 241	4,195
Chun-cheon Energy Co., Ltd.	48,118	2,963	51,081

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(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, 2018 and for the year ended December 31, 2017 are as follows, continued:

*In millions of won*

Investees	March 31, 2018						Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of comprehensive income (loss)	Other comprehensive income (loss) Others	
Yeonggwangbaeksu Wind Power Co., Ltd.	₩ 2,734				109		2,843
Nghi Son 2 Power Ltd.	183				(186)	3	
Kelar S.A	67,233				2,483	(8,044) (278)	61,394
PT. Tanjung Power Indonesia	1,776				858	2,411 (24)	5,021
Incheon New Power Co., Ltd.	619				37		656
Seokmun Energy Co., Ltd.	13,786				317		14,103
Daehan Wind Power PSC		451			(556)	(17) 618	496
Barakah One Company	626				1,963	1,731	4,320
Nawah Energy Company	258				4	(1)	261
MOMENTUM	391				83	9	483
Daegu Green Power Co., Ltd.	42,391				791		43,182
Yeonggwang Wind Power Co., Ltd.	15,294				92		15,386
Chester Solar IV SpA	1,700				(873)	37 (126)	738
Chester Solar V SpA	525				(415)	9 (38)	81
Diego de Almagro Solar SpA	2,091				(431)	49 (188)	1,521

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South Jamaica Power Company Limited	6,704	3,733	(34)	(30)			10,373
Daesan Green Energy Co., Ltd.		35	(1)				34
RE Holiday Holdings LLC		40,835	(107)				40,728
RE Pioneer Holdings LLC		26,518	(516)				26,002
RE Barren Ridge 1 Holdings LLC		26,641	(1,027)				25,614
RE Astoria 2 LandCo LLC		4,933	(300)				4,633
RE Barren Ridge LandCo LLC		2,080	(120)				1,960
Laurel SpA		1,222	(123)	24	(4)		1,119
	1,493,275	106,448	(3,574)	7,405	9,098	(134)	1,612,518
	<b>₩ 5,330,696</b>	<b>137,552</b>	<b>(19,822)</b>	<b>203,029</b>	<b>49,121</b>	<b>4,203</b>	<b>5,704,779</b>

(\*1) The Company reclassified its shares of KODE NOVUS I LLC to available-for-sale financial assets during the three-month period ended March 31, 2018 due to non-participation of capital increase that resulted in loss of significant influence.

(\*2) The Company sold all of its shares of KODE NOVUS II LLC during the three-month period ended March 31, 2018.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(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, 2018 and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

Investees	Beginning balance	December 31, 2017		Dividends received	Other Share of comprehensive income		Ending balance	
		Acquisition	Disposal		(loss)	(loss) Others		
<b>&lt;Associates&gt;</b>								
Korea Gas Corporation	₩ 1,933,877				(242,232)	(72,648)	(129)	1,618,868
Korea Electric Power Industrial Development Co., Ltd.	20,475			(2,061)	3,428	102	(106)	21,838
YTN Co., Ltd.	38,156			(135)	1,095	929	561	40,606
Cheongna Energy Co., Ltd.	12,373				(4,036)			8,337
Gangwon Wind Power Co., Ltd.	13,069			(852)	1,638			13,855
Hyundai Green Power Co., Ltd.	115,998			(8,889)	7,697			114,806
Korea Power Exchange	223,238				8,831		5,562	237,631
AMEC Partners Korea Ltd.	225				(10)			215
Hyundai Energy Co., Ltd.	1,031				(3,498)		2,467	
Ecollite Co., Ltd.								
Taebaek Wind Power Co., Ltd.	4,750				569			5,319
Taebaek Guinemi Wind Power Co.,	3,131				(42)			3,089

Ltd.							
Pyeongchang Wind Power Co., Ltd.	3,383		753				4,136
Daeryun Power Co., Ltd.	29,873		(4,762)		2		25,113
Changjuk Wind Power Co., Ltd.	6,930		(111)	696			7,515
KNH Solar Co., Ltd.	2,073			145			2,218
SPC Power Corporation	56,818		(5,562)	4,310	(3,276)	(7)	52,283
Gemeng International Energy Co., Ltd.	680,065		(13,365)	6,953	(23,680)		649,973
PT. Cirebon Electric Power	96,658		(550)	10,685	2,232	(11,615)	97,410
KNOC Nigerian East Oil Co., Ltd.				(1,914)	1,536	378	
KNOC Nigerian West Oil Co., Ltd.				(1,712)	1,407	305	
PT Wampu Electric Power	23,188			9,336		(3,121)	29,403
PT. Bayan Resources TBK	402,667			34,122	14,982	60	451,831
S-Power Co., Ltd.	123,912			(6,982)		15	116,945
Pioneer Gas Power Limited	50,740			(11,119)	(1,238)	276	38,659
Eurasia Energy Holdings Xe-Pian Xe-Namnoy Power Co., Ltd.	51,544	22,362		(4,264)	(7,863)		61,779
Hadong Mineral Fiber Co., Ltd.				(31)		31	
Green Biomass Co., Ltd.	47			(112)		273	208
PT. Mutiara Jawa Samcheok Eco Materials Co., Ltd.							
Noeul Green Energy Co., Ltd.	1,217			850			2,067
Naepo Green Energy Co., Ltd. (*2)	25,438			(1,400)		(3,440)	20,598
Goseong Green Energy Co., Ltd.	2,663			(66)			2,597
Gangneung Eco Power Co., Ltd.	2,646			(63)			2,583
Shin Pyeongtaek Power Co., Ltd.		43,880		(10,998)	(3,617)	5,638	34,903



Heang Bok Do Si Photovoltaic Power Co., Ltd.	181		6		187
DS POWER Co., Ltd. (*4)	7,190		(1,321)	(5,869)	
Dongducheon Dream Power Co., Ltd. (*1,3)	46,876		(10,980)	17,337	53,233
KS Solar Co., Ltd.	604	(613)		9	
Jimbhuvish Power Generation Pvt. Ltd.					
SE Green Energy Co., Ltd.	3,525		(49)		3,476
Daegu Photovoltaic Co., Ltd.	1,700	(349)	367		1,718
Jeongam Wind Power Co., Ltd.	4,000		(237)		3,763
Korea Power Engineering Service Co., Ltd.	2,810	(191)	1,030	10	3,659
Busan Green Energy Co., Ltd.	13,803	(9,320)	2,884	(4)	7,363
Gunsan Bio Energy Co., Ltd. (formerly, Jungbu Bio Energy Co., Ltd.)					
Korea Electric Vehicle Charging Service	1,103	1,008	(362)		1,749
Ulleungdo Natural Energy Co., Ltd.	6,894		(524)		6,370
Korea Nuclear Partners Co., Ltd.	248		135		383
Tamra Offshore Wind Power Co., Ltd.	7,015		1,545		8,560

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(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, 2018 and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

Investees	December 31, 2017							Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of comprehensive income (loss)	Other income (loss)	Others	
Korea Electric Power Corporation Fund	₩ 50,856				(2,171)	(711)		47,974
Energy Infra Asset Management Co., Ltd.	259				217			476
Daegu clean Energy Co., Ltd.	140				(129)			11
YaksuESS Co., Ltd	196				(2)			194
Nepal Water & Energy Development Company Private Limited	18,667	15,009			(677)	(2,501)		30,498
Gwangyang Green Energy Co., Ltd.		2,000			(228)			1,772
PND solar., Ltd		1,250						1,250
	4,092,252	85,509	(9,933)	(32,065)	(212,629)	(94,337)	8,624	3,837,421
<b>&lt;Joint ventures&gt;</b>								
KEPCO-Uhde Inc.	301				(43)			258
Eco Biomass Energy Sdn. Bhd.								

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Datang Chaoyang Renewable Power Co., Ltd.	28,239	(839)	840	(978)		27,262
Shuweihat Asia Power Investment B.V.		(1,707)	4,275	12,457	650	15,675
Shuweihat Asia Operation & Maintenance Company	450	(770)	1,055	(172)	100	663
Waterbury Lake Uranium L.P.	21,314		(23)	(949)	(561)	19,781
ASM-BG Investicii AD	21,488	(946)	(150)	810		21,202
RES Technology AD	13,582		1,053	(260)		14,375
KV Holdings, Inc. KEPCO SPC	2,098		61	(241)		1,918
Power Corporation	245,367	(37,443)	42,359	(33,230)	41	217,094
Canada Korea Uranium Limited partnership						
Gansu Datang Yumen Wind Power Co., Ltd.	12,821		(1,299)	(682)		10,840
Datang Chifeng Renewable Power Co., Ltd.	166,535		14,079	(9,559)		171,055
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	10,843		837	(620)		11,060
Rabigh Electricity Company	97,802	(18,112)	35,769	(15,227)	(876)	99,356
Rabigh Operation & Maintenance Company Limited	4,427	(2,130)	2,236	(546)		3,987
Jamaica Public Service Company Limited	249,453			(28,300)		221,153
KW Nuclear Components Co., Ltd.	7,133	(208)	(222)			6,703
Busan Shinho Solar Power Co., Ltd.	3,814	(63)	595			4,346
GS Donghae Electric Power Co., Ltd.	205,948		14,714		65	220,727
Global Trade Of Power System Co.,	477		100			577

Ltd.						
Expressway Solar-light Power Generation Co., Ltd.	2,343		120			2,463
KODE NOVUS I LLC						
KODE NOVUS II LLC						
Daejung Offshore Wind Power Co., Ltd.	3,015	200	(246)			2,969
Amman Asia Electric Power Company	153,857		(12,213)	19,957	(15,925)	145,676
KAPES, Inc.	4,758			2,752	(34)	7,476
Dangjin Eco Power Co., Ltd.	53,253	5,440	(752)	(3)	(10)	57,928
Honam Wind Power Co., Ltd.	4,451		(487)	338		4,302
Chun-cheon Energy Co., Ltd.	50,592		(2,474)			48,118

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(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, 2018 and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

Investees	December 31, 2017							Ending balance
	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss)	Others	
Yeonggwangbaeksu Wind Power Co., Ltd.	₩ 2,689				45			2,734
Nghi Son 2 Power Ltd.	229	993			(1,039)			183
Kelar S.A		73,040			(633)	(5,175)	1	67,233
PT. Tanjung Power Indonesia	1,946				2,112	(2,281)	(1)	1,776
Incheon New Power Co., Ltd.	563				56			619
Seokmun Energy Co., Ltd.	391	14,790			(1,219)	(176)		13,786
Daehan Wind Power PSC	16				(40)	22	2	
Barakah One Company	116				570	(60)		626
Nawah Energy Company	290				(5)	(27)		258
MOMENTUM	67				321	3		391
Daegu Green Power Co., Ltd.	47,528				(5,133)		(4)	42,391
Yeonggwang Wind Power Co., Ltd.		15,375			(25)	(56)		15,294
		1,700						1,700

Chester Solar IV SpA								
Chester Solar V SpA		525						525
Diego de Almagro Solar SpA		2,091						2,091
South Jamaica Power Company Limited		7,090				(386)		6,704
	1,418,196	121,244		(74,918)	130,941	(101,175)	(1,013)	1,493,275
	₩ 5,510,448	206,753	(9,933)	(106,983)	(81,688)	(195,512)	7,611	5,330,696

- (\*1) It was determined that there is objective evidence of impairment due to prolonged operating losses. As a result, the Company recognized an impairment loss of ₩23,798 million in impairment loss on investments in associates and joint ventures for the year ended December 31, 2017.
- (\*2) It was determined that there is objective evidence of impairment due to prolonged operating losses. As a result, the Company recognized an impairment loss of ₩3,440 million in impairment loss on investments in associates and joint ventures for the year ended December 31, 2017.
- (\*3) Others include ₩41,170 million of assets held-for-sale (note 41).
- (\*4) Others include ₩4,438 million of assets held-for-sale (note 41), and also include ₩1,439 million of available-for-sale financial assets which is reclassified due to loss of significant influence.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

(4) Summary of financial information of associates and joint ventures as of and for the three-month period ended March 31, 2018 and as of and for the year ended December 31, 2017 are as follows:

*In millions of won*

	<b>March 31, 2018</b>			<b>Profit (loss) for the period</b>
<b>Investees</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Sales</b>	
<b>&lt;Associates&gt;</b>				
Korea Gas Corporation	₩ 37,979,191	29,077,955	8,771,509	774,220
Korea Electric Power Industrial Development Co., Ltd.	160,881	88,533	76,115	6,238
YTN Co., Ltd.	288,473	100,918	27,128	(2,052)
Cheongna Energy Co., Ltd.	444,976	431,531	27,965	21
Gangwon Wind Power Co., Ltd.	84,049	2,430	8,699	4,736
Hyundai Green Power Co., Ltd.	1,207,291	813,337	117,300	22,398
Korea Power Exchange	278,477	27,620	27,789	8,219
AMEC Partners Korea Ltd.	1,122	2		(4)
Hyundai Energy Co., Ltd.	492,011	516,781	28,944	(1,948)
Ecollite Co., Ltd.	2,027	353		(27)
Taebaek Wind Power Co., Ltd.	40,066	18,299	2,409	1,275
Taebaek Guinemi Wind Power Co., Ltd.	12,365	38		(30)
Pyeongchang Wind Power Co., Ltd.	80,729	62,190	2,720	1,112
Daeryun Power Co., Ltd.	779,257	651,024	44,019	4,304
Changjuk Wind Power Co., Ltd.	36,597	11,447	2,434	1,487
KNH Solar Co., Ltd.	23,569	15,625	501	(273)
SPC Power Corporation	246,963	42,042	18,300	12,456
Gemeng International Energy Co., Ltd.	6,532,376	4,569,059	396,603	5,115
PT. Cirebon Electric Power	848,489	492,527	70,803	8,560
KNOC Nigerian East Oil Co., Ltd.	79,754	164,083		(54)
KNOC Nigerian West Oil Co., Ltd.	71,836	151,362		(40)
PT Wampu Electric Power	205,705	144,351	4,302	1,360
PT. Bayan Resources TBK	931,561	389,803	275,921	85,882
S-Power Co., Ltd.	851,209	599,987	180,856	7,597
Pioneer Gas Power Limited	332,491	300,560		(9,750)

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Eurasia Energy Holdings	545	973		
Xe-Pian Xe-Namnoy Power Co., Ltd.	895,521	642,056		(8,395)
Hadong Mineral Fiber Co., Ltd.	203	231		
Green Biomass Co., Ltd.	5,964	3,864	340	(260)
PT. Mutiara Jawa	26,085	27,422	4,571	1,339
Samcheok Eco Materials Co., Ltd.	25,768	2,698		(259)
Noeul Green Energy Co., Ltd.	130,420	120,549	11,985	1,681
Naepo Green Energy Co., Ltd.	118,401	70,375	2,783	(1,404)
Goseong Green Energy Co., Ltd.	1,278,772	1,040,429		(1,243)
Gangneung Eco Power Co., Ltd.	188,245	22,476		(741)
Shin Pyeongtaek Power Co., Ltd.	353,425	212,737		(1,901)
Heang Bok Do Si Photovoltaic Power Co., Ltd.	2,722	2,074	92	(13)
Dongducheon Dream Power Co., Ltd.	1,525,919	1,329,729	254,301	5,702
Jinbhuvish Power Generation Pvt. Ltd.	64,704	13,362		
SE Green Energy Co., Ltd.	7,243			(34)
Daegu Photovoltaic Co., Ltd.	17,166	11,437	955	469
Jeongam Wind Power Co., Ltd.	70,589	61,512		(242)
Korea Power Engineering Service Co., Ltd.	14,417	1,902	3,937	652
Busan Green Energy Co., Ltd.	189,801	161,985	17,076	2,427
Gunsan Bio Energy Co., Ltd.	9,394	16,910		(265)
Korea Electric Vehicle Charging Service	12,009	6,392	780	(629)
Ulleungdo Natural Energy Co., Ltd.	25,482	4,386		(246)
Korea Nuclear Partners Co., Ltd.	1,203	87	60	(193)
Tamra Offshore Wind Power Co., Ltd.	171,249	133,133	6,634	3,671
Korea Electric Power Corporation Fund	54,521	202	113	(990)
Energy Infra Asset Management Co., Ltd.	5,689	506	1,433	658
Daegu clean Energy Co., Ltd.	448	264		(67)
YaksuESS Co., Ltd	6,659	6,427	55	(90)
Nepal Water & Energy Development Company Private Limited	49,775	3,697		(242)



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

(4) Summary of financial information of associates and joint ventures as of and for the three-month period ended March 31, 2018 and as of and for the year ended December 31, 2017 are as follows, continued:

*In millions of won*

Investees	March 31, 2018			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
Gwangyang Green Energy Co., Ltd.	₩ 28,714	20,444		(502)
PND solar., Ltd	17,739	14,293		(335)
<b>&lt;Joint ventures&gt;</b>				
KEPCO-Uhde Inc.	509	7	18	(5)
Eco Biomass Energy Sdn. Bhd.				
Datang Chaoyang Renewable Power Co., Ltd.	144,744	72,210	5,297	1,785
Shuweiha Asia Power Investment B.V.	36,655			1,785
Shuweiha Asia Operation & Maintenance Company	1,628	27	551	402
Waterbury Lake Uranium L.P.	55,355	1,667		
ASM-BG Investicii AD	88,693	47,194	2,212	128
RES Technology AD	73,618	43,982	1,533	21
KV Holdings, Inc.	3,990	1		8
KEPCO SPC Power Corporation	325,572	32,728	45,974	17,837
Gansu Datang Yumen Wind Power Co., Ltd.	84,895	56,994	2,292	(197)
Datang Chifeng Renewable Power Co., Ltd.	786,510	328,915	32,308	14,121
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	64,134	36,905	2,182	753
Rabigh Electricity Company	2,374,683	1,928,374	55,113	2,910
Rabigh Operation & Maintenance Company Limited	21,640	11,519	7,840	922
Jamaica Public Service Company Limited	1,285,307	755,468	221,922	3,391
KW Nuclear Components Co., Ltd.	24,659	9,966		(316)
Busan Shinho Solar Power Co., Ltd.	46,450	29,804	1,964	619
GS Donghae Electric Power Co., Ltd.	2,238,245	1,548,837	218,111	40,181

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Global Trade Of Power System Co., Ltd.	1,865	107	104	(152)
Expressway Solar-light Power Generation Co., Ltd.	18,407	10,608	317	(737)
Daejung Offshore Wind Power Co., Ltd.	6,066	252		(124)
Amman Asia Electric Power Company	743,820	482,451	5,491	7,951
KAPES, Inc.	62,212	49,228	19,371	(261)
Dangjin Eco Power Co., Ltd.	56,933	498		(106,142)
Honam Wind Power Co., Ltd.	40,580	26,225	2,059	831
Chun-cheon Energy Co., Ltd.	701,624	530,797	97,387	9,548
Yeonggwangbaeksu Wind Power Co., Ltd.	95,728	76,815	3,394	729
Nghi Son 2 Power Ltd.	1,744	2,542		
Kelar S.A	614,478	523,808	21,309	4,008
PT. Tanjung Power Indonesia	421,302	406,955	33,236	2,535
Incheon New Power Co., Ltd.	7,348	5,087	849	126
Seokmun Energy Co., Ltd.	249,550	200,917	11,334	1,096
Daehan Wind Power PSC	1,004	11		(288)
Barakah One Company	19,240,620	19,216,618		9,548
Nawah Energy Company	1,452			
MOMENTUM	5,448	4,000	2,519	248
Daegu Green Power Co., Ltd.	603,754	529,322	84,404	2,726
Yeonggwang Wind Power Co., Ltd.	218,024	181,060		55
Chester Solar IV SpA	15,203	14,302	428	(1,174)
Chester Solar V SpA	4,221	4,204		(507)
Diego de Almagro Solar SpA	16,553	14,694		(628)
South Jamaica Power Company Limited	189,812	137,948		(162)
Daesan Green Energy Co., Ltd.	98			(2)
RE Holiday Holdings LLC	330,465	235,433		
RE Pioneer Holdings LLC	245,826	178,511		
RE Barren Ridge 1 Holdings LLC	211,522	141,623		
RE Astoria 2 LandCo LLC	10,921	200		
RE Barren Ridge LandCo LLC	3,822	80		
Laurel SpA	1,433	202		(150)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

(4) Summary of financial information of associates and joint ventures as of and for the three-month period ended March 31, 2018 and as of and for the year ended December 31, 2017 are as follows, continued:

*In millions of won*

Investees	December 31, 2017			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
<b>&lt;Associates&gt;</b>				
Korea Gas Corporation	₩ 37,139,439	28,999,025	22,172,305	(1,205,110)
Korea Electric Power Industrial Development Co., Ltd.	155,033	79,730	334,547	16,126
YTN Co., Ltd.	298,122	108,554	131,080	3,638
Cheongna Energy Co., Ltd.	461,958	448,535	56,533	(9,203)
Gangwon Wind Power Co., Ltd.	94,281	2,243	25,963	11,121
Hyundai Green Power Co., Ltd.	1,150,729	754,846	477,373	26,543
Korea Power Exchange	263,499	25,868	105,107	8,831
AMEC Partners Korea Ltd.	1,135	4	1	(53)
Hyundai Energy Co., Ltd.	474,939	511,486	92,992	(43,317)
Ecollite Co., Ltd.	2,052	352		(121)
Taebaek Wind Power Co., Ltd.	39,227	17,953	7,056	2,312
Taebaek Guinemi Wind Power Co., Ltd.	12,369	12		(140)
Pyeongchang Wind Power Co., Ltd.	77,152	60,606	11,907	3,038
Daeryun Power Co., Ltd.	779,258	655,377	156,508	(23,978)
Changjuk Wind Power Co., Ltd.	35,794	10,745	6,981	2,317
KNH Solar Co., Ltd.	24,432	16,215	3,947	628
SPC Power Corporation	137,586		68,149	37,395
Gemeng International Energy Co., Ltd.	6,496,294	4,584,608	1,334,833	21,769
PT. Cirebon Electric Power	903,429	549,212	280,452	38,448
KNOC Nigerian East Oil Co., Ltd.	241,808	329,639		(10,754)
KNOC Nigerian West Oil Co., Ltd.	147,185	227,588		(9,768)
PT Wampu Electric Power	212,095	148,177	779	8,114
PT. Bayan Resources TBK	908,106	556,881	811,515	243,621
S-Power Co., Ltd.	859,633	617,224	489,042	(14,470)

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Pioneer Gas Power Limited	339,271	296,898	8,215	(27,796)
Eurasia Energy Holdings	548	978		
Xe-Pian Xe-Namnoy Power Co., Ltd.	858,789	607,462		(16,677)
Hadong Mineral Fiber Co., Ltd.	203	231		(260)
Green Biomass Co., Ltd.	6,379	4,018	2,337	(956)
PT. Mutiara Jawa	27,098	29,670	13,574	3,455
Samcheok Eco Materials Co., Ltd.	23,729	270	15	(541)
Noeul Green Energy Co., Ltd.	127,980	120,852	43,099	2,932
Naepo Green Energy Co., Ltd.	121,375	71,945	5,696	(5,603)
Goseong Green Energy Co., Ltd.	1,081,238	841,330		(5,811)
Gangneung Eco Power Co., Ltd.	186,765	20,344		(3,407)
Shin Pyeongtaek Power Co., Ltd.	175,870	90,662		(4,585)
Heang Bok Do Si Photovoltaic Power Co., Ltd.	2,782	2,120	451	22
Dongducheon Dream Power Co., Ltd.	1,575,175	1,365,845	813,440	(33,740)
Jinbhuvish Power Generation Pvt. Ltd.	66,047	13,640		
SE Green Energy Co., Ltd.	7,278			(103)
Daegu Photovoltaic Co., Ltd.	17,262	11,339	3,714	1,263
Jeongam Wind Power Co., Ltd.	67,427	58,019		(580)
Korea Power Engineering Service Co., Ltd.	15,738	3,121	22,283	3,783
Busan Green Energy Co., Ltd.	193,253	167,864	34,280	9,946
Gunsan Bio Energy Co., Ltd. (formerly, Jungbu Bio Energy Co., Ltd.)	9,648	16,462		(6,109)
Korea Electric Vehicle Charging Service	14,650	8,404	8,399	(1,295)
Ulleungdo Natural Energy Co., Ltd.	25,842	4,501		(1,758)
Korea Nuclear Partners Co., Ltd.	2,033	711	1,345	465
Tamra Offshore Wind Power Co., Ltd.	163,740	132,036	4,392	(191)
Korea Electric Power Corporation Fund	49,170	265	666	(2,213)
Energy Infra Asset Management Co., Ltd.	5,240	431	5,807	2,203
Daegu clean Energy Co., Ltd.	252	212		(460)
YaksuESS Co., Ltd	7,105	6,437	381	(6)
Nepal Water & Energy Development Company Private Limited	58,121	11,670		(968)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

(4) Summary of financial information of associates and joint ventures as of and for the three-month period ended March 31, 2018 and as of and for the year ended December 31, 2017 are as follows, continued:

*In millions of won*

Investees	December 31, 2017			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
Gwangyang Green Energy Co., Ltd.	₩ 20,165	11,393		(1,139)
PND solar., Ltd	10,508	6,729		(406)
<b>&lt;Joint ventures&gt;</b>				
KEPCO-Uhde Inc.	515	7		(86)
Eco Biomass Energy Sdn. Bhd.				
Datang Chaoyang Renewable Power Co., Ltd.	138,463	70,309	17,776	2,149
Shuweihat Asia Power Investment B.V.	32,001	10		(170)
Shuweihat Asia Operation & Maintenance Company	1,220	14	2,580	1,918
Waterbury Lake Uranium L.P.	55,563	250		
ASM-BG Investicii AD	87,110	44,706	12,611	(262)
RES Technology AD	71,595	42,845	7,793	2,164
KV Holdings, Inc.	4,795		671	677
KEPCO SPC Power Corporation	318,911	30,222	186,725	57,364
Gansu Datang Yumen Wind Power Co., Ltd.	81,960	54,859	6,938	(3,253)
Datang Chifeng Renewable Power Co., Ltd.	762,605	334,843	113,329	35,294
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	60,913	33,264	8,442	2,094
Rabigh Electricity Company	2,364,522	1,936,403	287,105	78,948
Rabigh Operation & Maintenance Company Limited	19,992	10,025	22,668	5,668
Jamaica Public Service Company Limited	1,276,279	752,617	946,365	24,601
KW Nuclear Components Co., Ltd.	25,693	10,221	6,486	1,493
Busan Shinho Solar Power Co., Ltd.	47,959	30,573	7,984	2,383
GS Donghae Electric Power Co., Ltd.	2,179,465	1,530,266	351,814	43,180
Global Trade Of Power System Co., Ltd.	3,576	1,586	4,079	365

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Expressway Solar-light Power Generation Co., Ltd.	19,143	10,651	3,018	643
KODE NOVUS I LLC	755	108,132	14	(8,117)
KODE NOVUS II LLC	292	47,683		(6,018)
Daejung Offshore Wind Power Co., Ltd.	6,193	243		(493)
Amman Asia Electric Power Company	759,114	516,174	18,034	33,514
KAPES, Inc.	70,679	56,021	129,962	5,397
Dangjin Eco Power Co., Ltd.	163,197	521		(2,182)
Honam Wind Power Co., Ltd.	39,675	24,951	5,961	1,166
Chun-cheon Energy Co., Ltd.	699,652	538,733	164,294	(8,145)
Yeonggwangbaeksu Wind Power Co., Ltd.	94,810	76,621	11,124	297
Nghi Son 2 Power Ltd.	741	376		(2,068)
Kelar S.A	613,293	513,101	90,435	17,590
PT. Tanjung Power Indonesia	374,702	369,627	209,923	6,219
Incheon New Power Co., Ltd.	7,194	5,059	2,972	184
Seokmun Energy Co., Ltd.	247,735	200,197	35,135	(3,939)
Daehan Wind Power PSC	928	1,752		(904)
Barakah One Company	17,574,885	17,571,409		(1,358)
Nawah Energy Company	1,459	23		(11)
MOMENTUM	5,028	3,854	11,555	939
Daegu Green Power Co., Ltd.	602,809	531,103	256,359	(17,700)
Yeonggwang Wind Power Co., Ltd.	212,802	176,062		(62)
Chester Solar IV SpA	11,660	9,626	331	151
Chester Solar V SpA	2,081	1,569		(49)
Diego de Almagro Solar SpA	8,266	5,830		(103)
South Jamaica Power Company Limited	153,958	120,436		(755)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

(5) **Financial information of associates and joint ventures reconciled to the Company's investments in consolidated financial statements as of March 31, 2018 and December 31, 2017 are as follows:**

*In millions of won*

Investees	Net assets	March 31, 2018		Investment differential	Intercompany transaction	Others	Book value
		Percentage of ownership (*)	Share in net assets				
<b>&lt;Associates&gt;</b>							
Korea Gas Corporation	₩ 8,901,236	21.57%	1,919,997			(136,226)	1,783,771
Korea Electric Power Industrial Development Co., Ltd.	72,348	29.00%	20,981				20,981
YTN Co., Ltd.	187,555	21.43%	40,193			(15)	40,178
Cheongna Energy Co., Ltd.	13,445	43.90%	5,902	2,584	(138)		8,348
Gangwon Wind Power Co., Ltd.	81,619	15.00%	12,243			49	12,292
Hyundai Green Power Co., Ltd.	393,954	29.00%	114,247				114,247
Korea Power Exchange	250,857	100.00%	250,857				250,857
AMEC Partners Korea Ltd.	1,120	19.00%	213				213
Hyundai Energy Co., Ltd.	(24,770)	46.30%	(11,468)		(1,027)	12,495	
Ecollite Co., Ltd.	1,674	36.10%	604			(604)	
Taebaek Wind Power Co., Ltd.	21,767	25.00%	5,442		(224)		5,218
Taebaek Guinemi Wind Power Co., Ltd.	12,327	25.00%	3,082				3,082
Pyeongchang Wind Power Co., Ltd.	18,539	25.00%	4,635		(203)		4,432

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Daeryun Power Co., Ltd.	128,233	19.45%	24,945	1,014			25,959
Changjuk Wind Power Co., Ltd.	25,150	30.00%	7,545		(267)		7,278
KNH Solar Co., Ltd.	7,944	27.00%	2,145		(87)		2,058
SPC Power Corporation	204,921	38.00%	77,870			(26,739)	51,131
Gemeng International Energy Co., Ltd.	1,963,317	34.00%	667,528				667,528
PT. Cirebon Electric Power	355,962	27.50%	97,890				97,890
KNOC Nigerian East Oil Co., Ltd.	(84,329)	14.63%	(12,337)			12,337	
KNOC Nigerian West Oil Co., Ltd.	(79,526)	14.63%	(11,635)			11,635	
PT Wampu Electric Power	61,354	46.00%	28,222				28,222
PT. Bayan Resources TBK	541,758	20.00%	108,352	453,748		(76,380)	485,720
S-Power Co., Ltd.	251,222	49.00%	123,098		(1,808)		121,290
Pioneer Gas Power Limited	31,931	38.50%	12,294	22,278		67	34,639
Eurasia Energy Holdings	(428)	40.00%	(171)			171	
Xe-Pian Xe-Namnoy Power Co., Ltd.	253,465	25.00%	63,366	160	(878)	(289)	62,359
Hadong Mineral Fiber Co., Ltd.	(28)	8.33%	(2)			2	
Green Biomass Co., Ltd.	2,100	8.80%	185				185
PT. Mutiara Jawa	(1,337)	29.00%	(388)			388	
Samcheok Eco Materials Co., Ltd.	23,070	2.35%	542			(542)	
Noeul Green Energy Co., Ltd.	9,871	29.00%	2,863				2,863
Naepo Green Energy Co., Ltd.	48,026	41.67%	20,012				20,012
Goseong Green Energy Co., Ltd.	238,343	1.12%	2,659		(79)		2,580
Gangneung Eco Power Co., Ltd.	165,769	1.61%	2,670		(98)		2,572
Shin Pyeongtaek Power Co., Ltd.	140,688	40.00%	56,275	12,800	(7,745)		61,330
Heang Bok Do Si Photovoltaic Power Co., Ltd.	648	28.00%	181			2	183
Dongducheon Dream Power Co., Ltd.	196,190	33.61%	65,940		(4,319)	(12,714)	48,907
Jinhuvish Power Generation Pvt. Ltd.	51,342	5.16%	2,649			(2,649)	
	7,243	47.76%	3,459				3,459



SE Green Energy Co., Ltd.						
Daegu Photovoltaic Co., Ltd.	5,729	29.00%	1,661			1,661
Jeongam Wind Power Co., Ltd.	9,077	40.00%	3,631			3,631
Korea Power Engineering Service Co., Ltd.	12,515	29.00%	3,629			3,629
Busan Green Energy Co., Ltd.	27,816	29.00%	8,067			8,067
Gunsan Bio Energy Co., Ltd.	(7,516)	18.87%	(1,418)		1,418	
Korea Electric Vehicle Charging Service	5,617	28.00%	1,573			1,573
Ulleungdo Natural Energy Co., Ltd.	21,096	29.85%	6,297		(1)	6,296
Korea Nuclear Partners Co., Ltd.	1,116	29.00%	324			324
Tamra Offshore Wind Power Co., Ltd.	38,116	27.00%	10,291			10,291
Korea Electric Power Corporation Fund	54,319	98.09%	53,282		3	53,285
Energy Infra Asset Management Co., Ltd.	5,183	9.90%	513			513
Daegu clean Energy Co., Ltd.	184	28.00%	52			52
YaksuESS Co., Ltd	232	29.00%	68		1	69
Nepal Water & Energy Development Company Private Limited	46,078	58.59%	27,000	972	2,289	30,261

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

(5) **Financial information of associates and joint ventures reconciled to the Company's investments in consolidated financial statements as of March 31, 2018 and December 31, 2017 are as follows, continued:**

*In millions of won*

Investees	March 31, 2018					Book value
	Net assets	Percentage of ownership (*)	Share in net assets	Investment differential	Intercompany transaction Others	
Gwangyang Green Energy Co., Ltd.	₩ 8,270	20.00%	1,654	18		1,672
PND solar., Ltd	3,446	29.00%	999	154		1,153
<b>&lt;Joint ventures&gt;</b>						
KEPCO-Uhde Inc.	502	50.85%	256			256
Eco Biomass Energy Sdn. Bhd.		61.53%				
Datang Chaoyang Renewable Power Co., Ltd.	72,534	40.00%	29,014			29,014
Shuweihaat Asia Power Investment B.V.	36,655	49.00%	17,961			17,961
Shuweihaat Asia Operation & Maintenance Company	1,601	55.00%	880		(1)	879
Waterbury Lake Uranium L.P.	53,688	35.76%	19,199			19,199
ASM-BG Investicii AD	41,499	50.00%	20,750			20,750
RES Technology AD	29,636	50.00%	14,818			14,818
KV Holdings, Inc.	3,989	40.00%	1,596			1,596
KEPCO SPC Power Corporation	292,844	75.20%	220,219			220,219
Gansu Datang Yumen Wind Power Co., Ltd.	27,901	40.00%	11,160			11,160
Datang Chifeng Renewable Power Co., Ltd.	457,595	40.00%	183,038		(49)	182,989
	27,229	40.00%	10,891			10,891

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Datang KEPCO Chaoyang Renewable Power Co., Ltd.						
Rabigh Electricity Company	446,309	40.00%	178,524	(70,978)	(1,004)	106,542
Rabigh Operation & Maintenance Company Limited	10,121	40.00%	4,048			4,048
Jamaica Public Service Company Limited	529,839	40.00%	211,935	(80,161)	88,368	220,142
KW Nuclear Components Co., Ltd.	14,693	45.00%	6,611		(176)	6,435
Busan Shinho Solar Power Co., Ltd.	16,646	25.00%	4,162			4,162
GS Donghae Electric Power Co., Ltd.	689,408	34.00%	234,399			234,399
Global Trade Of Power System Co., Ltd.	1,758	29.00%	510			510
Expressway Solar-light Power Generation Co., Ltd.	7,799	29.00%	2,262			2,262
Daejung Offshore Wind Power Co., Ltd.	5,814	49.90%	2,901			2,901
Amman Asia Electric Power Company	261,369	60.00%	156,821		(88)	156,733
KAPES, Inc.	12,984	51.00%	6,622			6,622
Dangjin Eco Power Co., Ltd.	56,435	34.00%	19,188	2,618		21,806
Honam Wind Power Co., Ltd.	14,355	29.00%	4,163	32		4,195
Chun-cheon Energy Co., Ltd.	170,827	29.90%	51,078	3		51,081
Yeonggwangbaeksu Wind Power Co., Ltd.	18,913	15.00%	2,837	6		2,843
Nghi Son 2 Power Ltd.	(798)	50.00%	(399)		399	
Kelar S.A	90,670	65.00%	58,936	2,424	34	61,394
PT. Tanjung Power Indonesia	14,347	35.00%	5,021			5,021
Incheon New Power Co., Ltd.	2,261	29.00%	656			656
Seokmun Energy Co., Ltd.	48,633	29.00%	14,103			14,103
Daehan Wind Power PSC	993	50.00%	496			496
Barakah One Company	24,002	18.00%	4,320			4,320
Nawah Energy Company	1,452	18.00%	261			261
MOMENTUM	1,448	33.33%	483			483
Daegu Green Power Co., Ltd.	74,432	29.00%	21,585	84	21,513	43,182
Yeonggwang Wind Power Co., Ltd.	36,964	41.00%	15,155	231		15,386
Chester Solar IV SpA	901	81.82%	738			738
Chester Solar V SpA	17	81.82%	14		67	81
Diego de Almagro Solar SpA	1,859	81.82%	1,521			1,521

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South Jamaica Power Company Limited	51,864	20.00%	10,373			10,373
Daesan Green Energy Co., Ltd.	98	35.00%	34			34
RE Holiday Holdings LLC	95,032	50.00%	47,516	(6,788)		40,728
RE Pioneer Holdings LLC	67,315	50.00%	33,658	(7,655)	(1)	26,002
RE Barren Ridge 1 Holdings LLC	69,899	50.00%	34,950	(9,335)	(1)	25,614
RE Astoria 2 LandCo LLC	10,721	50.00%	5,361	(728)		4,633
RE Barren Ridge LandCo LLC	3,742	50.00%	1,871	89		1,960
Laurel SpA	1,231	81.82%	1,007		112	1,119

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

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

- (5) **Financial information of associates and joint ventures reconciled to the Company's investments in consolidated financial statements as of March 31, 2018 and December 31, 2017 are as follows, continued:**

*In millions of won*

Investees	Net assets	December 31, 2017					Book value
		Percentage of ownership (*)	Share in net assets	Investment differential	Intercompany transaction	Others	
<b>&lt;Associates&gt;</b>							
Korea Gas Corporation	₩ 8,140,414	21.57%	1,755,887			(137,019)	1,618,868
Korea Electric Power Industrial Development Co., Ltd.	75,303	29.00%	21,838				21,838
YTN Co., Ltd.	189,568	21.43%	40,624			(18)	40,606
Cheongna Energy Co., Ltd.	13,423	43.90%	5,893	2,584		(140)	8,337
Gangwon Wind Power Co., Ltd.	92,038	15.00%	13,806			49	13,855
Hyundai Green Power Co., Ltd.	395,883	29.00%	114,806				114,806
Korea Power Exchange	237,631	100.00%	237,631				237,631
AMEC Partners Korea Ltd.	1,131	19.00%	215				215
Hyundai Energy Co., Ltd.	(36,547)	46.30%	(16,921)			(1,037)	17,958
Ecollite Co., Ltd.	1,700	36.10%	614			(614)	
Taebaek Wind Power Co., Ltd.	21,274	25.00%	5,319				5,319
Taebaek Guinemi Wind Power Co., Ltd.	12,357	25.00%	3,089				3,089
Pyeongchang Wind Power Co., Ltd.	16,546	25.00%	4,136				4,136

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Daeryun Power Co., Ltd.	123,881	19.45%	24,095	1,014		4	25,113
Changjuk Wind Power Co., Ltd.	25,049	30.00%	7,515				7,515
KNH Solar Co., Ltd.	8,217	27.00%	2,218				2,218
SPC Power Corporation	137,586	38.00%	52,283				52,283
Gemeng International Energy Co., Ltd.	1,911,686	34.00%	649,973				649,973
PT. Cirebon Electric Power	354,217	27.50%	97,410				97,410
KNOC Nigerian East Oil Co., Ltd.	(87,831)	14.63%	(12,850)			12,850	
KNOC Nigerian West Oil Co., Ltd.	(80,403)	14.63%	(11,763)			11,763	
PT Wampu Electric Power	63,918	46.00%	29,403				29,403
PT. Bayan Resources TBK	351,225	20.00%	70,245	482,109		(100,523)	451,831
S-Power Co., Ltd.	242,409	49.00%	118,780		(1,835)		116,945
Pioneer Gas Power Limited	42,373	38.50%	16,314	22,278		67	38,659
Eurasia Energy Holdings	(430)	40.00%	(172)			172	
Xe-Pian Xe-Namnoy Power Co., Ltd.	251,327	25.00%	62,832	74	(838)	(289)	61,779
Hadong Mineral Fiber Co., Ltd.	(28)	8.33%	(2)			2	
Green Biomass Co., Ltd.	2,361	8.80%	208				208
PT. Mutiara Jawa	(2,572)	29.00%	(746)			746	
Samcheok Eco Materials Co., Ltd.	23,459	2.35%	551			(551)	
Noeul Green Energy Co., Ltd.	7,128	29.00%	2,067				2,067
Naepo Green Energy Co., Ltd.	49,430	41.67%	20,598				20,598
Goseong Green Energy Co., Ltd.	239,908	1.12%	2,676		(79)		2,597
Gangneung Eco Power Co., Ltd.	166,421	1.61%	2,681		(98)		2,583
Shin Pyeongtaek Power Co., Ltd.	85,208	40.00%	34,083	7,808	(6,988)		34,903
Heang Bok Do Si Photovoltaic Power Co., Ltd.	662	28.00%	185			2	187
Dongducheon Dream Power Co., Ltd.	209,330	33.61%	70,356		(4,409)	(12,714)	53,233
Jinhuvish Power Generation Pvt. Ltd.	52,407	5.16%	2,704			(2,704)	
	7,278	47.76%	3,476				3,476

SE Green Energy Co., Ltd.				
Daegu Photovoltaic Co., Ltd.	5,923	29.00%	1,718	1,718
Jeongam Wind Power Co., Ltd.	9,408	40.00%	3,763	3,763
Korea Power Engineering Service Co., Ltd.	12,617	29.00%	3,659	3,659
Busan Green Energy Co., Ltd.	25,389	29.00%	7,363	7,363
Gunsan Bio Energy Co., Ltd. (formerly, Jungbu Bio Energy Co., Ltd.)	(6,814)	18.87%	(1,286)	1,286
Korea Electric Vehicle Charging Service	6,246	28.00%	1,749	1,749
Ulleungdo Natural Energy Co., Ltd.	21,341	29.85%	6,370	6,370
Korea Nuclear Partners Co., Ltd.	1,322	29.00%	383	383
Tamra Offshore Wind Power Co., Ltd.	31,704	27.00%	8,560	8,560
Korea Electric Power Corporation Fund	48,905	98.09%	47,971	3 47,974
Energy Infra Asset Management Co., Ltd.	4,809	9.90%	476	476
Daegu clean Energy Co., Ltd.	40	28.00%	11	11

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**March 31, 2018**

(Unaudited)

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

(5) **Financial information of associates and joint ventures reconciled to the Company's investments in consolidated financial statements as of March 31, 2018 and December 31, 2017 are as follows, continued:**

*In millions of won*

Investees	December 31, 2017						
	Net assets	Percentage of ownership (*)	Share in net assets	Investment differential	Intercompany transaction	Others	Book value
YaksuESS Co., Ltd	₩ 668	29.00%	193			1	194
Nepal Water & Energy Development Company Private Limited	46,451	62.13%	28,860	972		666	30,498
Gwangyang Green Energy Co., Ltd.	8,772	20.00%	1,754	18			1,772
PND solar., Ltd	3,779	29.00%	1,096	154			1,250
<b>&lt;Joint ventures&gt;</b>							
KEPCO-Uhde Inc.	508	50.85%	258				258
Eco Biomass Energy Sdn. Bhd.		61.53%					
Datang Chaoyang Renewable Power Co., Ltd.	68,154	40.00%	27,262				27,262
Shuweiha Asia Power Investment B.V.	31,991	49.00%	15,675				15,675
Shuweiha Asia Operation & Maintenance Company	1,206	55.00%	663				663
Waterbury Lake Uranium L.P.	55,313	35.76%	19,780			1	19,781
ASM-BG Investicii AD	42,404	50.00%	21,202				21,202
RES Technology AD	28,750	50.00%	14,375				14,375
KV Holdings, Inc.	4,795	40.00%	1,918				1,918
KEPCO SPC Power Corporation	288,689	75.20%	217,094				217,094
	27,101	40.00%	10,840				10,840



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Gansu Datang Yumen Wind Power Co., Ltd.						
Datang Chifeng Renewable Power Co., Ltd.	427,762	40.00%	171,105		(50)	171,055
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	27,649	40.00%	11,060			11,060
Rabigh Electricity Company	428,119	40.00%	171,248		(70,978)	(914)
Rabigh Operation & Maintenance Company Limited	9,967	40.00%	3,987			3,987
Jamaica Public Service Company Limited	523,662	40.00%	209,464	(80,161)		91,850
KW Nuclear Components Co., Ltd.	15,472	45.00%	6,962		(259)	6,703
Busan Shinho Solar Power Co., Ltd.	17,386	25.00%	4,346			4,346
GS Donghae Electric Power Co., Ltd.	649,199	34.00%	220,727			220,727
Global Trade Of Power System Co., Ltd.	1,990	29.00%	577			577
Expressway Solar-light Power Generation Co., Ltd.	8,492	29.00%	2,463			2,463
KODE NOVUS I LLC	(107,377)	50.00%	(53,689)			53,689
KODE NOVUS II LLC	(47,391)	50.00%	(23,696)			23,696
Daejung Offshore Wind Power Co., Ltd.	5,950	49.90%	2,969			2,969
Amman Asia Electric Power Company	242,940	60.00%	145,764		(88)	145,676
KAPES, Inc.	14,658	51.00%	7,476			7,476
Dangjin Eco Power Co., Ltd.	162,676	34.00%	55,310	2,618		57,928
Honam Wind Power Co., Ltd.	14,724	29.00%	4,270	32		4,302
Chun-cheon Energy Co., Ltd.	160,919	29.90%	48,115	3		48,118
Yeonggwangbaeksu Wind Power Co., Ltd.	18,189	15.00%	2,728	6		2,734
Nghi Son 2 Power Ltd.	365	50.00%	183			183
Kelar S.A	100,192	65.00%	65,125	2,424		(316)
PT. Tanjung Power Indonesia	5,075	35.00%	1,776			1,776
Incheon New Power Co., Ltd.	2,135	29.00%	619			619
Seokmun Energy Co., Ltd.	47,538	29.00%	13,786			13,786
Daehan Wind Power PSC	(824)	50.00%	(412)			412
Barakah One Company	3,476	18.00%	626			626
Nawah Energy Company	1,436	18.00%	258			258
MOMENTUM	1,174	33.33%	391			391
Daegu Green Power Co., Ltd.	71,706	29.00%	20,795		84	21,512
						42,391

Yeonggwang Wind Power Co., Ltd.	36,740	41.00%	15,063	231	15,294
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