

KOREA ELECTRIC POWER CORP

Form 6-K

December 17, 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 December 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 September 30, 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 September 30, 2018)

<b>Classification</b>	<b>Consolidated subsidiaries</b>	<b>Associates and joint ventures</b>	<b>Total</b>
Domestic	27	61	88
Overseas	75	47	122
<b>Total</b>	<b>102</b>	<b>108</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 terms 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.
- D. On June 12, 2018, Ms. Noh, Geum-Sun, Mr. Choi, Seung-Kook and Mr. Park, Cheol-Su were appointed as non-standing directors in the replacement of Mr. Choi, Ki-Ryun, Mr. Sung, Tae-Hyun and Mr. Kim, Ju-Suen whose terms of office expired.
- E. At the extraordinary general meeting of shareholders of KEPCO held on July 16, 2018, Mr. Kim, Dong-Sub, Mr. Kim, Hoe-Chun, Mr. Park, Hyung-Duck and Mr. Lim, Hyun-Seung were appointed as standing directors in replacement of Mr. Kim, Si-Ho and other standing directors whose terms of office expired. Ms. Noh, Geum-Sun and Mr. Jung, Yeon-Gil were appointed as non-standing directors and members of the audit committee.
- F. At the extraordinary general meeting of shareholders of KEPCO held on July 30, 2018, Mr. Lee, Jung-Hee was appointed as standing director and member of the audit committee in replacement of Mr. Lee, Sung-Han whose term of office expired.
- G. On October 10, 2018, Mr. Kim, Tai-Yoo was appointed as non-standing director in replacement of Mr. Kim, Ji-Hong whose term of office expired.

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 507 billion in aggregate).  
Dividend payments for fiscal year 2016, 2015 and 2014 were Won 1,980, Won 3,100 and Won 500 per share respectively.

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## 1. Consolidated financial results by segment for a nine-month period ended September 30, 2017 and 2018

(In billions of Won)

	January to September 2017		January to September 2018	
	Sales	Operating profit	Sales	Operating profit
Electricity sales	44,565	1,518	45,139	-1,399
Nuclear generation	7,101	1,402	6,307	735
Thermal generation	17,222	2,048	19,508	1,103
Others <sup>(*)</sup>	2,215	242	2,469	273
Subtotal	71,103	5,210	73,423	712
Adjustment for related-party transactions	-26,843	-127	-27,970	-132
<b>Total</b>	<b>44,260</b>	<b>5,083</b>	<b>45,453</b>	<b>580</b>

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

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

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

The figures for the period of 2017 are presented in accordance with previous standards including K-IFRS 1018 Revenue, K-IFRS 1011 Construction Contracts and K-IFRS 1039 Financial Instrument: Recognition and Measurement.

## 2. Changes in unit prices of major products

(In Won per kWh)

Business sector	Company	January to	January to
		December 2017	September 2018
Electricity sold	Residential	108.50	108.05
	Commercial	130.42	129.98
	Educational	103.07	105.05
	Industrial	107.41	106.30
	Agricultural	47.57	47.64
	Street lighting	113.48	115.89



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	Overnight usage		67.48	67.33
Electricity from nuclear generation	Nuclear Generation	KHNP	62.25	63.61
Electricity from thermal generation	Thermal generation	KOSEP	77.66	94.27
		KOMIPO	89.01	94.00
		KOWEPO	92.31	96.40
		KOSPO	91.10	98.52
		EWP	92.04	98.38

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## 3. Power purchase from generation companies for a nine-month period ended September 30, 2018

<b>Company</b>	<b>Volume (MWh)</b>	<b>Expense (In billions of Won)</b>
KHNP	95,942,430	6,111
KOSEP	47,565,849	3,961
KOMIPO	36,036,811	3,394
KOWEPO	38,102,282	3,675
KOSPO	42,816,625	4,223
EWP	37,869,608	3,665
Others	112,943,349	12,461
<b>Total</b>	<b>411,276,954</b>	<b>37,490</b>

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

## 4. Intellectual property as of September 30, 2018

	<b>Patents</b>		<b>Utility</b>	<b>Trademarks</b>			<b>Total</b>
	<b>Domestic</b>	<b>Overseas</b>	<b>models</b>	<b>Designs</b>	<b>Domestic</b>	<b>Overseas</b>	
KEPCO	2,049	271	65	64	141	48	2,638
Consolidated subsidiaries	3,872	588	798	132	245	25	5,660
<b>Total</b>	<b>5,921</b>	<b>859</b>	<b>863</b>	<b>196</b>	<b>386</b>	<b>73</b>	<b>8,298</b>

**Table of Contents****III. Financial Information**

1. Condensed consolidated financial results as of and for a nine-month period ended September 30, 2017 and 2018

(In billions of Won)

<b>Consolidated statements of comprehensive income</b>				<b>Consolidated statements of financial position</b>			
	<b>January to September 2017</b>	<b>January to September 2018</b>	<b>Change (%)</b>		<b>December 31, 2017</b>	<b>September 30, 2018</b>	<b>Change (%)</b>
Sales	44,260	45,453	2.7	Total assets	181,789	186,775	2.7
Operating profit	5,083	580	-88.6	Total liabilities	108,824	114,838	5.5
Net income	2,788	-432	-115.5	Total equity	72,965	71,937	-1.4

2. Condensed separate financial results as of and for a nine-month period ended September 30, 2017 and 2018

(In billions of Won)

<b>Separate statements of comprehensive income</b>				<b>Separate statements of financial position</b>			
	<b>January to September 2017</b>	<b>January to September 2018</b>	<b>Change (%)</b>		<b>December 31, 2017</b>	<b>September 30, 2018</b>	<b>Change (%)</b>
Sales	44,565	45,139	1.3	Total assets	106,540	107,146	0.6
Operating profit	1,518	-1,399	-192.2	Total liabilities	50,758	52,467	3.4
Net income	2,008	-544	-127.1	Total equity	55,782	54,679	-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 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.

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## 2. Board meetings and agendas for a nine-month period ended September 30, 2018

Number of meetings	Number of agendas	Classification	
		Resolution	Reports
13	46	37	9

\* The audit committee held 10 meetings with 24 agendas (of which, 14 were approved as proposed and 10 were accepted as reported).

## 3. Major activities of the Board of Directors

Date	Agenda	Results	Type
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

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	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	Approval to call for the extraordinary general meeting of shareholders for the fiscal year 2018	Approved as proposed	Resolution
April 20, 2018	Approval of amendments to the regulation for employee remuneration and welfare	Approved as proposed	Resolution
	Approval of forming Director Nomination Committee and evaluation standards for the candidates of non-standing directors	Approved as proposed	Resolution
	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
May 18, 2018	Approval of forming Director Nomination Committee and evaluation standards for the candidate of a standing director and member of the Audit Committee	Approved as proposed	Resolution
	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
	Approval of amendment to the rules on employment	Approved as proposed	Resolution
	Report on results of external and internal audits for the first quarter of 2018	Accepted as reported	Report
June 15, 2018	Approval of investment in the mutual growth and cooperation fund for agriculture and fishery in 2018	Approved as proposed	Resolution
	Approval of plans for the sales of real estate holdings within combined heat and power plant in Bucheon	Approved as proposed	Resolution
	Approval of 8 <sup>th</sup> long-term plan for power transmission and substation facilities	Approved as proposed	Resolution
	Approval of the establishment of a new regional office	Approved as proposed	Resolution

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	Approval of amendment to the regulation of the Board of directors	Approved as proposed	Resolution
June 29, 2018	Approval of Agreement on Management Performance Assessment for the President	Approved as proposed	Resolution
	Approval of mid-to-long term financial management plan (2018-2022)	Approved as proposed	Resolution
	Approval of recommendation of a candidate for the Audit Committee	Approved as proposed	Resolution
	Approval to call for the extraordinary general meeting of shareholders for the fiscal year 2018	Approved as proposed	Resolution
July 12, 2018	Approval to call for the extraordinary general meeting of shareholders for the fiscal year 2018	Approved as proposed	Resolution
August 7, 2018	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	Approved as proposed	Resolution
August 17, 2018	Approval of investment in the Intra-company Employee Welfare Fund in 2018	Approved as proposed	Resolution
	Approval of personnel increase	Approved as proposed	Resolution
	Approval of amendments to the regulation of the Board of Directors	Approved as proposed	Resolution
	Approval to invest in the acquisition of shares for a solar power plant in Calatagan, Philippines	Approved as proposed	Resolution
	Approval of liquidation of KESH, related to the Nghi Son II coal-fired power project in Vietnam	Approved as proposed	Resolution
	Approval of liquidation of KRI, related to the disposal of resource project in Indonesia	Approved as proposed	Resolution
	Approval of the mid-to-long term management target (2019-2023)	Approved as proposed	Resolution
	Approval of forming Director Nomination Committee and evaluation standards for the candidates of non-standing director	Approved as proposed	Resolution
	Report on the earnings results for the first half of fiscal year 2018	Accepted as reported	Report
September 20, 2018	Approval of amendments to the rules on employment	Approved as proposed	Resolution

Report on results of collective agreement	Accepted as reported	Report
Report on results of external and internal audits for the second quarter of 2018	Accepted as reported	Report

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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- Yoon	Kim, Joo- Suen	Kim, Ji- Hong	Kim, Chang- Joon	Yang, Bong- Ryull	Kim, Jwa- Kwan	Jung, Yeon- Gil	Noh, Geum- Sun	Choi, Seung- C
January 8, 2018	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	For	For	For	For	Absent	For	For	For				Before Appointment		
January 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	For	For	For	For	For	For	For	For						



meeting of  
shareholders  
for the fiscal  
year 2017

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	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 papers in 2017									Agenda for Report
	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 fiscal year 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	
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	
	Approval of liquidation of KEPCO Canada Energy(KCE), a subsidiary located in Canada	For	For	For	For	Absent	Absent	For	For	
		For	For	For	For	Absent	Absent	For	For	

Approval of the construction  
of a new Integrated Gangwon  
District Division Office  
Building

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 year 2018	For	For	For	For	Absent	Retired	For	Absent	For			
April 20, 2018	Approval of amendments to the regulation for employee remuneration and welfare		Retired	Absent	For			For	For	For	For	For	For
	Approval of forming Director Nomination Committee and evaluation standards for the candidates of non-standing directors			Absent	For			For	For	For	For	For	For
	Approval to close the shareholders registry for extraordinary general meeting of shareholders			Absent	For			For	For	For	For	For	For
May 18, 2018	Approval of forming Director Nomination Committee and evaluation standards for the candidate of a standing director and member of the Audit Committee			For	For			For	For	Absent	For	For	For
	Approval to close the shareholders registry for extraordinary general meeting of shareholders			For	For			For	For	Absent	For	For	For
	Approval of amendment to the rules on employment			For	For			For	For	Absent	For	For	For
													Agenda for Report

Report on results of  
external and internal  
audits for the first  
quarter of 2018

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June 15, 2018	Approval of investment in the mutual growth and cooperation fund for agriculture and fishery in 2018	Retired	Retired	Retired	For	For	For	For	For	For	For	For
	Approval of plans for the sales of real estate holdings within combined heat and power plant in Bucheon				For	For	For	For	For	For	For	For
	Approval of 8 <sup>th</sup> long-term plan for power transmission and substation facilities				For	For	For	For	For	For	For	For
	Approval of the establishment of a new regional office				For	For	For	For	For	For	For	For
	Approval of amendment to the regulation of the Board of directors				For	For	For	For	For	For	For	For
June 29, 2018	Approval to call for the extraordinary general meeting of shareholders for the fiscal year 2018				For	For	For	Absent	For	For	For	For
					For	Absent	Absent	Absent	Absent	For	For	For
July 12, 2018	Approval to call for the extraordinary general meeting of											

shareholders for  
the fiscal year  
2018

August 7, 2018	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	Absent	For	For	For	Absent	For	For	For
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August 17, 2018	Approval of investment in the Intra-company Employee Welfare Fund in 2018	For	For	For	Absent	For	For	For	For
	Approval of personnel increase	For	For	For	Absent	For	For	For	For

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Approval of amendments to the regulation of the Board of Directors	For	For	For	Absent	For	For	For	For
Approval to invest in the acquisition of shares for a solar power plant in Calatagan, Philippines	For	For	For	Absent	For	For	For	For
Approval of liquidation of KESH, related to the Nghi Son II coal-fired power project in Vietnam	For	For	For	Absent	For	For	For	For
Approval of liquidation of KRI, related to the disposal of resource project in Indonesia	For	For	For	Absent	For	For	For	For
Approval of the mid-to-long term management target (2019-2023)	For	For	For	Absent	For	For	For	For
Approval of forming Director Nomination Committee and evaluation standards for the candidates of non-standing director	For	For	For	Absent	For	For	For	For
	Agenda for Report							
Report on the earnings results for								



the first half of  
fiscal year 2018

September 20, 2018	Approval of amendments to the rules on employment	Absent For For For For For Absent For
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Report on results of  
collective  
agreement

Agenda for Report

Report on results of  
external and  
internal audits for  
the second quarter  
of 2018

Agenda for Report

<b>Attendance Rate (%)</b>	<b>80 100 80 71.4 42.9 75 100 76.9 77.8 87.5 62.5 75 100 83.3 100</b>
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## 5. 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 Accepted as reported	Resolution Report
	Education plans for auditors for 2018		
February 23, 2018	Amendments to Code of Conduct and Guideline for Practice for KEPCO executives and staff members	Approved as proposed Accepted as reported	Resolution Report
	Report on the audit result for 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		
March 15, 2018	Auditor's report on the agendas for the annual general meeting of shareholders	Approved as proposed Approved as proposed	Resolution Resolution
	Approval of selection of independent auditors of subsidiaries	Accepted as reported	Report
	Independent auditor's report on the auditing results for the consolidated and separate financial statements for the fiscal year 2017		
April 6, 2018	Auditor's report on the agendas for the extraordinary general meeting of shareholders	Approved as proposed	Resolution
April 20, 2018	Approval of selection of independent auditors of subsidiaries	Accepted as reported	Report
	Report on the Form 20-F for the fiscal year 2017 to be filed with the U.S. Securities and Exchange Commission	Accepted as reported	Report

Auditor's report for the fiscal year 2017 in accordance with  
U.S. accounting principles

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May 18, 2018	Approval of selection of independent auditors of subsidiaries	Approved as proposed Accepted as reported	Resolution Report
	Report on results of external and internal audits during the first quarter of 2018		
July 11, 2018	Auditor s report on the agendas for the extraordinary general meeting of shareholders	Approved as proposed	Resolution
July 20, 2018	Auditor s report on the agendas for the extraordinary general meeting of shareholders	Approved as proposed	Resolution
August 17, 2018	Approval to appoint the chairman of the Audit Committee	Approved as proposed Accepted as reported	Resolution Report
	Independent auditor s report on the audit plans for the fiscal year 2018		
September 20, 2018	Amendments to Code of Conduct and Guideline for Practice for KEPCO executives and staff members	Approved as proposed Approved as proposed	Resolution Resolution
	Approval of joint selection of independent auditors for the period from fiscal year 2019 to 2021	Accepted as reported	Report
	Report on results of external and internal audits during the second quarter of 2018	Approved as proposed	Resolution
	Approval of selection of independent auditors of subsidiaries	Approved as proposed	Resolution
	Prior approval of non-audit service for subsidiaries by the independent auditor		

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.

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## 1. List of shareholders as of June 4, 2018

		Number of shareholders	Shares owned	Percentage of total (%)
Government of the Republic of Korea		1	116,841,794	18.20
Korea Development Bank		1	211,235,264	32.90
Subtotal		2	328,077,058	51.10
National Pension Service		1	41,259,764	6.43
Public	Common shares	1,241	152,674,876	23.78
(non-Koreans)	American depository shares (ADS)	1	33,227,098	5.18
Public	Corporate	1,293	36,872,238	5.74
(Koreans)	Individual	427,823	49,853,043	7.77
<b>Total</b>		<b>430,361</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.

**VI. Directors and employees as of and for a nine-month period ended September 30, 2018****(KEPCO Only)**

## 1. Directors

Type	Number of directors	Total remuneration	(In thousands of Won)	
			Average remuneration per person	Remarks
Standing director	5	688,082	151,043	Excluding the members of Audit Committee
Non-standing director	6	135,000	22,500	
Member of Audit Committee	3	243,648	84,340	
Total	14	1,066,730		

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## 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	17,201	285	17,486	17.2	1,162,698,237	66,493
Female	4,215	72	4,287	13.5	216,314,675	50,458
Total	21,416	357	21,773	16.5	1,379,012,912	63,336

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

## 1. Summary of shareholder s meetings for a nine-month period ended September 30, 2018

Type	Agenda	Results
Annual General Meeting held on March 30, 2018	Approval of financial statements for the fiscal year 2017	Approved as proposed
Extraordinary General Meeting held on April 10, 2018	Approval of the maximum aggregate amount of remuneration for directors in 2018	Approved as proposed
Extraordinary General Meeting held on July 16, 2018	Election of President and CEO - Candidates : 1) JongKap KIM 2) Byun, Jun-Yeon	JongKap KIM was appointed as the President and CEO
Extraordinary General Meeting held on July 16, 2018	Election of four standing directors Election of two non-standing directors and members of the audit committee	Approved as proposed Approved as proposed
Extraordinary General Meeting	Election of a standing director Election of a standing director and member of the audit committee	Approved as proposed Approved as proposed

held on

July 30, 2018

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## 2. Pending legal proceedings as of September 30, 2018

<b>Type</b>	(In billions of Won)	
	<b>Number of lawsuits</b>	<b>Amount claimed</b>
Lawsuits where KEPCO and its subsidiaries are engaged as the defendants	585	573
Lawsuits where KEPCO and its subsidiaries are engaged as the plaintiffs	180	736

## 3. Criminal convictions and penalties for current and former KEPCO executive and employees

The current and former KEPCO executive and employees below have been convicted on charges of bribery by the trial court on November 9, 2018.

<b>Date of Prosecution</b>	<b>Accused person</b>	<b>Conviction (Trial Court)</b>
May 23, 2018	Former Executive	Bribery : 5 years imprisonment, 90 million Korean Won of additional collection, 180 million Korean Won of penalty
May 23, 2018	Current Director General	Bribery : 6 years imprisonment, 70 million Korean Won of additional collection, 140 million Korean Won of penalty
May 23, 2018	Current General Manager	Bribery : 5 years imprisonment, 100 million Korean Won of additional collection, 180 million Korean Won of penalty

Internal disciplinary proceedings for the convicted employees are currently ongoing at KEPCO's disciplinary committee, and convicted employees are expected to be terminated once the internal disciplinary proceedings are completed.

To prevent recurrence of similar cases, the following measures will be enforced by KEPCO:

- Implementing web training program on integrity for all employees,
- Strengthening integrity and anti-corruption evaluation systems for high-ranking officers and reflecting such results in performance evaluations, and
- increasing the punishment and penalties for employee corruption



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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, Kab-soon  
Name: Kim, Kab-soon  
Title: Vice President

Date: December 17, 2018

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KOREA ELECTRIC POWER CORPORATION

AND SUBSIDIARIES

Consolidated Interim Financial Statements

September 30, 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 September 30, 2018, the consolidated interim statements of comprehensive income (loss) for the three and nine-month periods ended September 30, 2018 and 2017, changes in equity and cash flows for the nine-month periods ended September 30, 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

November 14, 2018

This report is effective as of November 14, 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 September 30, 2018 and December 31, 2017**

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
<b>Assets</b>			
Current assets			
Cash and cash equivalents	5,6,7,44	₩ 2,925,047	2,369,739
Current financial assets, net	5,10,11,12,44	4,366,482	1,958,357
Trade and other receivables, net	5,8,14,20,44,45,46	7,246,008	7,928,972
Inventories, net	13	6,516,678	6,002,086
Income tax refund receivables	40	28,024	100,590
Current non-financial assets	15	796,167	753,992
Assets held-for-sale	41	22,134	27,971
<b>Total current assets</b>		<b>21,900,540</b>	<b>19,141,707</b>
Non-current assets			
Non-current financial assets, net	5,6,9,10,11,12,44	2,263,329	2,038,913
Non-current trade and other receivables, net	5,8,14,44,45,46	1,814,109	1,754,797
Property, plant and equipment, net	18,27,48	152,029,896	150,882,414
Investment properties, net	19,27	181,377	284,714
Goodwill	16	2,582	2,582
Intangible assets other than goodwill, net	21,27,45	1,176,556	1,187,121
Investments in associates	4,17	4,051,992	3,837,421
Investments in joint ventures	4,17	1,757,869	1,493,275
Deferred tax assets	40	1,159,894	919,153
Non-current non-financial assets	15	437,025	246,818
<b>Total non-current assets</b>		<b>164,874,629</b>	<b>162,647,208</b>
<b>Total Assets</b>	<b>4</b>	<b>₩ 186,775,169</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 September 30, 2018 and December 31, 2017

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
<b>Liabilities</b>			
Current liabilities			
Trade and other payables, net	5,22,24,44,46	₩ 5,294,815	5,999,521
Current financial liabilities, net	5,11,23,44,46	9,235,946	9,194,552
Income tax payables	40	146,182	508,402
Current non-financial liabilities	20,28,29	6,080,495	5,584,308
Current provisions	26,44	1,825,928	2,137,498
<b>Total current liabilities</b>		<b>22,583,366</b>	<b>23,424,281</b>
Non-current liabilities			
Non-current trade and other payables, net	5,22,24,44,46	3,195,783	3,223,480
Non-current financial liabilities, net	5,11,23,44,46	52,607,527	45,980,899
Non-current non-financial liabilities	28,29	8,103,420	8,072,434
Employee benefits liabilities, net	25,44	1,856,609	1,483,069
Deferred tax liabilities	40	9,999,846	10,415,397
Non-current provisions	26,44	16,491,241	16,224,714
<b>Total non-current liabilities</b>		<b>92,254,426</b>	<b>85,399,993</b>
<b>Total Liabilities</b>	<b>4</b>	<b>₩ 114,837,792</b>	<b>108,824,274</b>
<b>Equity</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		14,837,014	16,931,804
		52,348,191	53,370,558
Other components of equity	33		

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Other capital surplus		1,233,815	1,233,793
Accumulated other comprehensive loss		(303,655)	(271,457)
Other equity		13,294,973	13,294,973
		14,225,133	14,257,309
Equity attributable to owners of the controlling company		70,626,902	71,681,445
Non-controlling interests	16,32	1,310,475	1,283,196
<b>Total Equity</b>		<b>₩ 71,937,377</b>	<b>72,964,641</b>
<b>Total Liabilities and Equity</b>		<b>₩ 186,775,169</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 and nine-month periods ended September 30, 2018 and 2017**

(Unaudited)

*In millions of won, except per share information*

		<b>September 30, 2018</b>		<b>September 30, 2017</b>	
	<i>Note</i>	<b>Three-month period ended</b>	<b>Nine-month period ended</b>	<b>Three-month period ended</b>	<b>Nine-month period ended</b>
<b>Sales</b>	4,34,44,46				
Sales of goods		₩ 15,794,339	43,507,145	15,357,130	41,588,651
Sales of services		116,530	263,812	84,070	243,904
Sales of construction services	20	357,067	1,231,661	625,401	2,070,984
Revenue related to transfer of assets from customers		141,908	450,429	121,126	356,336
		16,409,844	45,453,047	16,187,727	44,259,875
<b>Cost of sales</b>	13,25,42,46				
Cost of sales of goods		(13,937,633)	(41,502,856)	(12,078,031)	(35,027,367)
Cost of sales of services		(130,643)	(364,732)	(125,225)	(357,575)
Cost of sales of construction services		(333,997)	(1,138,468)	(576,271)	(1,974,646)
		(14,402,273)	(43,006,056)	(12,779,527)	(37,359,588)
<b>Gross profit</b>		2,007,571	2,446,991	3,408,200	6,900,287
<b>Selling and administrative expenses</b>	25,35,42,46	(612,356)	(1,866,507)	(635,279)	(1,817,688)
<b>Operating profit</b>	4	1,395,215	580,484	2,772,921	5,082,599
<b>Other non-operating income</b>	36	81,274	259,923	80,247	272,909
<b>Other non-operating expense</b>	36	(20,912)	(118,434)	(17,772)	(83,270)
<b>Other gains (losses), net</b>	37	83,063	(548,206)	(1,746)	151,255
<b>Finance income</b>	5,11,38	198,407	627,161	203,936	836,190
<b>Finance expenses</b>	5,11,39	(634,402)	(1,932,660)	(652,182)	(2,007,294)
<b>Profit (loss) related to associates, joint ventures and subsidiaries</b>	4,16,17				
Share in profit (loss) of associates and joint ventures		24,068	376,696	(2,642)	150,316
Gain on disposal of investments in associates and joint ventures					333
			3		

Gain on disposal of investments in subsidiaries					
Share in loss of associates and joint ventures		(15,430)	(93,930)	(195,775)	(243,273)
Loss on disposal of investments in associates and joint ventures		(2,538)	(4,722)	(73)	(73)
		6,100	278,047	(198,490)	(92,697)
<b>Profit (loss) before income tax</b>		1,108,745	(853,685)	2,186,914	4,159,692
<b>Income tax benefit (expense)</b>	40	(371,455)	421,917	(657,679)	(1,371,505)
<b>Profit (loss) for the period</b>	₩	737,290	(431,768)	1,529,235	2,788,187

*(Continued)*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Comprehensive Income (Loss), Continued

**For the three and nine-month periods ended September 30, 2018 and 2017**

(Unaudited)

*In millions of won, except per share information*

	<i>Note</i>	<b>September 30, 2018</b>		<b>September 30, 2017</b>	
		<b>Three-month period ended</b>	<b>Nine-month period ended</b>	<b>Three-month period ended</b>	<b>Nine-month period ended</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	₩ (29,003)	(85,544)	3,059	(27,233)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	31	(385)	8,523	2,164	79
Net change in fair value of equity investments at fair value through other comprehensive income	33	8,028	1,483		
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			(1,212)	(109)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	5,11,33	7,758	(27,031)	2,427	2,376
Foreign currency translation of foreign operations, net of tax	33	(23,649)	12,679	41,400	(14,916)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	33	(22,558)	71,401	21,539	(28,551)
<b>Other comprehensive income (loss), net of tax</b>		(59,809)	(18,489)	69,377	(68,354)
<b>Total comprehensive income (loss) for the period</b>		₩ 677,481	(450,257)	1,598,612	2,719,833
<b>Profit (loss) attributable to:</b>					
Owners of the controlling company	43	₩ 708,582	(517,907)	1,493,036	2,687,115
Non-controlling interests		28,708	86,139	36,199	101,072

	₩ 737,290	(431,768)	1,529,235	2,788,187
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**Total comprehensive income (loss)  
attributable to:**

Owners of the controlling company	₩ 654,362	(542,490)	1,553,012	2,630,048
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Non-controlling interests	23,119	92,233	45,600	89,785
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	₩ 677,481	(450,257)	1,598,612	2,719,833
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**Earnings (loss) per share (in won)** 43

Basic and diluted earnings (loss) per share	₩ 1,104	(807)	2,326	4,186
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*See accompanying notes to the consolidated interim financial statements.*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Changes in Equity

**For the nine-month periods ended September 30, 2018 and 2017**

(Unaudited)

<i>In millions of won</i>	Equity attributable to owners of the controlling company					Non-controlling interests	Total equity
	Contributed capital	Retained earnings	Other components of equity	Subtotal			
<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		2,687,115		2,687,115	101,072	2,788,187	
Items that will not be reclassified subsequently to profit or loss:							
Remeasurement of defined benefit liability, net of tax		(29,393)		(29,393)	2,160	(27,233)	
Share in other comprehensive income of associates and joint ventures, net of tax		76		76	3	79	
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			(110)	(110)	1	(109)	
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			2,031	2,031	345	2,376	
Foreign currency translation of foreign operations, net of tax			(821)	(821)	(14,095)	(14,916)	
Share in other comprehensive income (loss) of associates and joint ventures, net of tax			(28,850)	(28,850)	299	(28,551)	

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

Dividends paid	(1,271,089)			(1,271,089)	(61,216)	(1,332,305)
Issuance of shares of capital by subsidiaries and others		(1,137)		(1,137)	19,952	18,815
Dividends paid (hybrid bond)					(12,324)	(12,324)
<b>Balance at September 30, 2017</b>	<b>₩ 4,053,578</b>	<b>54,560,580</b>	<b>14,467,357</b>	<b>73,081,515</b>	<b>1,363,049</b>	<b>74,444,564</b>

*(Continued)*

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Changes in Equity, Continued

**For the nine-month periods ended September 30, 2018 and 2017**

(Unaudited)

<i>In millions of won</i>	Equity attributable to owners of the controlling company					
	Contributed capital	Retained earnings	Other components of equity	Subtotal	Non-controlling interests	Total 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	72,959,718
<b>Total comprehensive income (loss) for the period</b>						
Profit (loss) for the period		(517,907)		(517,907)	86,139	(431,768)
Items that will not be reclassified subsequently to profit or loss:						
Remeasurement of defined benefit liability, net of tax		(77,750)		(77,750)	(7,794)	(85,544)
Share in other comprehensive income of associates and joint ventures, net of tax		8,514		8,514	9	8,523
Net change in fair value of equity investments at fair value through other comprehensive income			1,482	1,482	1	1,483
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			(27,275)	(27,275)	244	(27,031)
Foreign currency translation of foreign operations, net of tax			(954)	(954)	13,633	12,679
			71,400	71,400	1	71,401

Share in other  
comprehensive income of  
associates and joint ventures,  
net of tax

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

Dividends paid	(507,152)		(507,152)	(67,353)	(574,505)	
Issuance of shares of capital by subsidiaries and others		22	22	10,392	10,414	
Changes in consolidation scope				2,046	2,046	
Dividends paid (hybrid bond)				(10,039)	(10,039)	
<b>Balance at September 30, 2018</b>	<b>₩ 4,053,578</b>	<b>52,348,191</b>	<b>14,225,133</b>	<b>70,626,902</b>	<b>1,310,475</b>	<b>71,937,377</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 nine-month periods ended September 30, 2018 and 2017**

(Unaudited)

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>September 30, 2017</b>
<b>Cash flows from operating activities</b>		
Profit (loss) for the period	₩ (431,768)	2,788,187
Adjustments for:		
Income tax expense (benefit)	(421,917)	1,371,505
Depreciation	7,462,754	7,193,033
Amortization	86,932	88,206
Employee benefit expense	263,171	283,479
Bad debt expense	30,217	17,265
Interest expense	1,407,191	1,340,578
Loss on sale of financial assets		1,092
Loss on disposal of property, plant and equipment	27,874	31,251
Loss on abandonment of property, plant, and equipment	371,129	306,698
Loss on impairment of property, plant, and equipment	701,317	
Loss on disposal of intangible assets	23	79
Increase to provisions	666,152	911,865
Loss (gain) on foreign currency translation, net	273,723	(336,886)
Gain on valuation of financial assets at fair value through profit or loss	(3,708)	
Loss on valuation of financial assets at fair value through profit or loss	4,242	393
Valuation and transaction loss (gain) on derivative instruments, net	(202,721)	458,618
Share in loss (income) of associates and joint ventures, net	(282,766)	92,957
Gain on sale of financial assets	(755)	(564)
Gain on disposal of property, plant and equipment	(91,132)	(33,742)
Gain on disposal of intangible assets	(11)	(555)
Gain on disposal of associates and joint ventures		(333)
Loss on disposal of associates and joint ventures	4,722	73
Gain on disposal of subsidiaries	(3)	
Interest income	(175,004)	(155,133)
Dividend income	(11,811)	(10,971)
Impairment loss on available-for-sale securities		118
Others, net	4,269	(1,273)
	10,113,888	11,557,753
Changes in:		
Trade receivables	1,021,407	962,478

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Non-trade receivables	408,108	90,312
Accrued income	567,421	587,653
Other receivables	(770)	10,680
Other current assets	(384,581)	(203,631)
Inventories	(1,037,621)	(1,194,287)
Other non-current assets	(86,162)	(31,154)
Trade payables	(409,559)	(596,785)
Non-trade payables	(331,637)	(289,338)
Accrued expenses	(714,908)	(924,132)
Other current liabilities	747,259	329,975
Other non-current liabilities	227,709	561,396
Investments in associates and joint ventures (dividends received)	122,164	64,078
Provisions	(1,108,053)	(988,074)
Payments of employee benefit obligations	(57,652)	(59,199)
Plan assets	(11,547)	(9,570)
	<b>₩ (1,048,422)</b>	<b>(1,689,598)</b>

(Continued)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Interim Statements of Cash Flows, Continued

**For the nine-month periods ended September 30, 2018 and 2017**

(Unaudited)

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>September 30, 2017</b>
Cash generated from operating activities	₩ 8,633,698	12,656,342
Dividends received (available-for-sale financial assets)	10,518	10,470
Interest paid	(1,351,612)	(1,460,266)
Interest received	125,012	143,065
Income taxes paid	(440,884)	(2,255,007)
<b>Net cash from operating activities</b>	<b>6,976,732</b>	<b>9,094,604</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposals of associates and joint ventures	1,604	1,601
Acquisition of associates and joint ventures	(253,880)	(182,076)
Proceeds from disposals of property, plant and equipment	212,338	60,309
Acquisition of property, plant and equipment	(9,166,460)	(9,566,083)
Proceeds from disposals of intangible assets	11	941
Acquisition of intangible assets	(67,652)	(79,074)
Proceeds from disposals of financial assets	1,335,392	3,518,209
Acquisition of financial assets	(3,868,179)	(3,750,712)
Increase in loans	(120,260)	(178,284)
Collection of loans	81,730	64,429
Increase in deposits	(412,960)	(284,358)
Decrease in deposits	180,050	83,684
Proceeds from disposals of assets held-for-sale	17,316	
Receipt of government grants	23,250	37,899
Net cash inflow from changes in consolidation scope	2,031	
Other cash outflow from investing activities, net	(39,036)	(2,529)
<b>Net cash used in investing activities</b>	<b>(12,074,705)</b>	<b>(10,276,044)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings, net	377,007	1,542,984
Proceeds from long-term borrowings and debt securities	11,330,658	7,987,614
Repayment of long-term borrowings and debt securities	(5,377,108)	(7,186,001)
Payment of finance lease liabilities	(117,572)	(92,293)
Settlement of derivative instruments, net	8,405	53,369
Change in non-controlling interest	9,362	20,879
Dividends paid (hybrid bond)	(13,244)	(12,324)

Dividends paid	(574,505)	(1,332,350)
Other cash outflow from financing activities, net	(87)	(1,088)
<b>Net cash from financing activities</b>	<b>5,642,916</b>	<b>980,790</b>
<b>Net increase (decrease) in cash and cash equivalents before effect of exchange rate fluctuations</b>	<b>544,943</b>	<b>(200,650)</b>
<b>Effect of exchange rate fluctuations on cash held</b>	<b>10,365</b>	<b>(35,380)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>555,308</b>	<b>(236,030)</b>
<b>Cash and cash equivalents at January 1</b>	<b>2,369,739</b>	<b>3,051,353</b>
<b>Cash and cash equivalents at September 30</b>	<b>₩ 2,925,047</b>	<b>2,815,323</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

**September 30, 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 September 30, 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 185,901,974 shares (28.96%) as of the most recent closing date of Register of Shareholders (June 4, 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

**September 30, 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

**September 30, 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 for the nine-month periods ended September 30, 2018 and 2017 are ₩1,131,690 million and ₩1,266,646 million, respectively.

(vi) Construction contracts

For each performance obligation satisfied over time, the Company recognizes revenue over time by measuring the progress towards complete satisfaction of that performance obligation. The Company applies a single method of measuring progress for each performance obligation satisfied over time and applies that method consistently to similar performance obligations and in similar circumstances. Revenue and costs are recognized based on the progress towards complete satisfaction of a performance obligation 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 Company's efforts or inputs expected to be incurred in the future, costs incurred which are not related to the performance obligation, changes in the Company's efforts or inputs due to change of the performance obligation, etc. Total revenue is measured based on an agreed contract price; however, it may fluctuate due to the variation of performance obligations. The measurement of revenue is affected by various uncertainties resulting from unexpected future events.

(vii) Early closure of Wolsong unit 1 nuclear power plant and changes in new nuclear power plant construction  
The 30-year of designed life of Wolsong unit 1 nuclear power plant of the Company had expired on November 20, 2012. On February 27, 2015, however, it was approved by the Nuclear Safety and Security Commission (NSSC) to continue its operation until November 20, 2022.

According to the Eighth Basic Plan for Electricity Supply and Demand announced by the Ministry of Trade, Industry and Energy in 2017, 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 in order to decide whether to shut down early. On June 15, 2018, the board of directors of Korea Hydro &

Nuclear Power Co., Ltd. ( KHNP ), a subsidiary of KEPCO, has decided to shut down the Wolsong unit 1 on the grounds that its deficit was increasing and its economic efficiency was low due to the unoptimistic utilization rate. In addition, KHNP has also decided to suspend construction of Cheonji unit 1 and 2 and Daejin unit 1 and 2 pursuant to the government policy. For this reason, the Company recognized impairment loss and other expenses as described in note 18, note 36 and note 49.

Among the new nuclear power plants under construction, Shin-Hanwool unit 3 and 4, for which approval for power generation business was previously obtained, are not included in the decision to suspend construction of the board of directors of KHNP. However, considering the decision to shut down Wolsong unit 1 and suspended construction of Cheonji unit 1 and 2 and Daejin unit 1 and 2, it is highly likely that the construction of Shin-Hanwool unit 3 and 4 will be suspended according to the government's policy. For this reason, the Company recognized impairment loss as described in note 18 and note 49, as the Company believes that there was a significant change in its operating environment as of the date of the board of directors of KHNP's decision.

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 has stated that it plans to establish relevant legal basis of providing refund including utilizing available resource, if necessary.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**2. Basis of Preparation, Continued****(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 instruments resulting from the adoption of K-IFRS 1109 are recognized in retained earnings at January 1, 2018.

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*

Original classification under	New classification under	Original carrying amount under	New carrying amount under
K-IFRS 1039	K-IFRS 1109	K-IFRS 1039	K-IFRS 1109
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

Total financial assets (excluding derivative instruments)	₩	16,018,152	16,011,383
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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*

Type	Equity attributable to owners of the controlling company			Total equity
	Retained earnings	Other components of equity	Non- controlling interests	
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).

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**2. Basis of Preparation, Continued**

**(5) Changes in accounting policies, continued**

(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 the standard 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).

**(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

**September 30, 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

**September 30, 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

**September 30, 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

**September 30, 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

**September 30, 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 95.4% of consolidated revenue for the nine-month period ended September 30, 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

**September 30, 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**

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**September 30, 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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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

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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**

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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

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(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. As a result of such review, useful lives of certain structures and machinery were changed during the nine-month period ended September 30, 2018. Depreciation expenses are expected to decrease by ₩25,985 million, ₩157,333 million and ₩170,471 million for the year ending December 31, 2018, 2019 and 2020, respectively, and to increase by ₩353,789 million for the years after December 31, 2020.

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

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**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

**September 30, 2018**

(Unaudited)

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

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

	Useful lives (years)	Amortization methods
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 or indefinite	Straight line
Mining right		Unit of production

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

Intangible assets that are acquired in a business combination and are recognized separately from goodwill are initially recognized at their fair value at the acquisition date.

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

**September 30, 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

**September 30, 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

**September 30, 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	FVTPL (*2)
Both collecting contractual cash flows and selling financial assets	FVOCI (*1)	
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

**September 30, 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 and 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 .

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

**September 30, 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

**September 30, 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

**September 30, 2018**

(Unaudited)

**4. Segment, Geographic and Other Information, Continued****(2) Financial information of the segments for the three and nine-month periods ended September 30, 2018 and 2017, respectively, are as follows:****September 30, 2018**

Intersegment revenue		Revenue from external customers		Operating profit (loss)		Depreciation and amortization		Interest income	
		Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
257,643	985,287	16,060,243	44,154,066	741,453	(1,398,832)	868,508	2,679,981	15,313	44,963
2,383,676	6,257,756	(721)	49,228	511,379	734,951	781,788	2,337,629	14,131	24,104
6,384,969	18,913,196	114,869	594,476	31,972	1,103,328	823,609	2,448,237	8,984	23,503
516,972	1,491,697	82,010	245,322	54,306	159,534	28,467	85,603	3,336	9,161
103,347	322,069	153,443	409,955	58,119	113,479	13,855	41,303	32,987	95,307
(9,646,607)	(27,970,005)			(2,014)	(131,976)	(15,048)	(43,067)	(7,863)	(22,034)
		16,409,844	45,453,047	1,395,215	580,484	2,501,179	7,549,686	66,888	175,004

**September 30, 2017**

Intersegment revenue	Revenue from external	Operating profit (loss)	Depreciation and	Interest
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		customers				amortization		income	
Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
459,769	1,658,544	15,660,946	42,906,779	1,960,213	1,517,522	903,915	2,595,732	12,814	36,703
2,138,481	7,060,951	18,276	40,044	463,968	1,402,331	767,312	2,475,746	4,957	13,911
5,565,085	16,573,405	272,481	648,640	330,871	2,048,393	761,877	2,150,298	5,343	14,869
516,222	1,504,769	85,742	277,975	50,561	173,088	27,311	81,655	2,768	7,934
13,105	50,288	150,282	386,437	28,278	68,753	7,591	22,831	27,000	99,799
(8,692,662)	(26,847,957)			(60,970)	(127,488)	(13,203)	(45,023)	(6,102)	(18,083)
		16,187,727	44,259,875	2,772,921	5,082,599	2,454,803	7,281,239	46,780	155,133

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**4. Segment, Geographic and Other Information, Continued****(3) Information related to segment assets and segment liabilities as of and for the nine-month period ended September 30, 2018 and as of and for the year ended December 31, 2017 are as follows:**

In millions of won

Segment	September 30, 2018			
	Segment assets	Investments in associates and joint ventures	Acquisition of non-current assets	Segment liabilities
Transmission and distribution	₩ 107,145,966	3,634,490	4,896,502	52,466,956
Electric power generation (Nuclear)	56,252,129	39,902	1,434,912	31,062,240
Electric power generation (Non-nuclear)	49,788,651	2,086,673	2,510,218	27,615,540
Plant maintenance & engineering service	3,312,423	48,796	78,401	1,193,619
Others	8,298,846		320,971	3,165,476
Consolidation adjustments	(38,022,846)		(6,892)	(666,039)
<b>Consolidated totals</b>	<b>₩ 186,775,169</b>	<b>5,809,861</b>	<b>9,234,112</b>	<b>114,837,792</b>

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
	3,273,959	48,320	145,779	1,176,627

Plant maintenance & engineering  
service

Others	7,798,400		569,447	3,013,743
Consolidation adjustments	(38,772,778)		23,616	(1,714,005)
Consolidated totals	₩ 181,788,915	5,330,696	12,679,845	108,824,274

#### (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)	
	September 30, 2018		September 30, 2017		September 30, 2018	December 31, 2017
	Three-month period ended	nine-month period ended	Three-month period ended	nine-month period ended		
Domestic	₩ 15,903,653	43,862,524	15,429,393	41,845,279	154,844,776	153,436,810
Overseas (*1)	506,191	1,590,523	758,334	2,414,596	4,792,521	4,497,535
	₩ 16,409,844	45,453,047	16,187,727	44,259,875	159,637,297	157,934,345

(\*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 nine-month periods ended September 30, 2018 and 2017.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**5. Classification of Financial Instruments****(1) Classification of financial assets as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won*

	<b>September 30, 2018</b>				<b>Total</b>
	<b>Financial assets measured at FVTPL</b>	<b>Financial assets measured at amortized cost</b>	<b>Financial assets measured at FVOCI</b>	<b>Derivative assets (applying hedge accounting)</b>	
<b>Current assets</b>					
Cash and cash equivalents	₩	2,925,047			2,925,047
<b>Current financial assets</b>					
Held-to-maturity investments		957			957
Derivative assets	18,049			47,407	65,456
Other financial assets	2,125,199	2,174,870			4,300,069
Trade and other receivables		7,246,008			7,246,008
	2,143,248	12,346,882		47,407	14,537,537
<b>Non-current assets</b>					
<b>Non-current financial assets</b>					
Available-for-sale financial assets	333,313		464,916		798,229
Held-to-maturity investments		2,226			2,226
Derivative assets	26,573			30,283	56,856
Other financial assets	309,336	1,096,682			1,406,018
Trade and other receivables		1,814,109			1,814,109
	669,222	2,913,017	464,916	30,283	4,077,438
	₩ 2,812,470	15,259,899	464,916	77,690	18,614,975

*In millions of won*

	<b>December 31, 2017</b>				<b>Total</b>
	<b>Financial assets at</b>	<b>Loans and receivables</b>	<b>Available -for-sale</b>	<b>Held-to- maturity</b>	

	fair value through profit or loss		financial investments (applying assets hedge accounting)			
<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

**September 30, 2018**

(Unaudited)

**5. Classification of Financial Instruments, Continued****(2) Classification of financial liabilities as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won***September 30, 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	₩	1,406,487		1,406,487
Debt securities		7,796,654		7,796,654
Derivative liabilities	31,309		1,496	32,805
Trade and other payables		5,294,815		5,294,815
	31,309	14,497,956	1,496	14,530,761
<b>Non-current liabilities</b>				
Borrowings		2,728,221		2,728,221
Debt securities		49,517,283		49,517,283
Derivative liabilities	128,380		233,643	362,023
Trade and other payables		3,195,783		3,195,783
	128,380	55,441,287	233,643	55,803,310
	₩ 159,689	69,939,243	235,139	70,334,071

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

	<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>
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<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

**September 30, 2018**

(Unaudited)

**5. Classification of Financial Instruments, Continued****(3) Classification of comprehensive income from financial instruments for the three and nine-month periods ended September 30, 2018 and 2017 are as follows:**

<i>In millions of won</i>		<b>September 30, 2018</b>		<b>September 30, 2017</b>	
		<b>Three-month period ended</b>	<b>Nine-month period ended</b>	<b>Three-month period ended</b>	<b>Nine-month period ended</b>
Cash and cash equivalents	Interest income	₩ 15,456	36,466	7,666	26,280
Available-for-sale financial assets	Dividends income		11,811		10,971
	Gain on valuation of available-for-sale financial assets	2,567	5,514		
	Impairment loss on available-for-sale financial assets				(118)
	Gain (loss) on disposal of available-for-sale financial assets	83	755	56	(528)
Held-to-maturity investments	Interest income	22	63	20	63
Loans and receivables	Interest income	10,835	27,631	11,206	25,702
Trade and other receivables	Interest income	22,403	65,474	16,995	78,215
Short-term financial instruments	Interest income	12,262	35,166	8,440	19,420
Long-term financial instruments	Interest income	5,765	9,769	2,307	5,308
Financial assets at fair value through profit or loss	Interest income	145	435	145	145
	Gain (loss) on valuation of derivatives	(34,999)	19,604	1,620	(139,023)
	Gain (loss) on transaction of derivatives	3,063	11,753	2,356	(37,072)
		813	(534)		(393)

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Gain (loss) on valuation of financial assets

Derivative assets (applying hedge accounting)	Gain (loss) on valuation of derivatives (profit or loss)	6,327	117,237	29,674	(131,820)
	Gain on valuation of derivatives (equity, before tax) (*)	14,603	9,638	4,342	5,075
	Gain (loss) on transaction of derivatives	(301)	1,306	(31,876)	(97,152)
Financial liabilities carried at amortized cost	Interest expense of borrowings and debt securities	(342,755)	(992,548)	(325,412)	(926,689)
	Loss on repayments of financial liabilities				(5)
	Interest expense of trade and other payables	(10,366)	(33,346)	(108,118)	(136,228)
	Interest expense of others	(126,762)	(381,297)	(29,672)	(277,661)
	Gain (loss) on foreign currency transactions and translations	77,901	(304,181)	(48,721)	491,801
Financial liabilities at fair value through profit or loss	Loss on valuation of derivatives	(29,497)	(10,942)	(7,625)	(9,233)
	Gain (loss) on transaction of derivatives	11,567	25,515	(15,765)	(14,511)
Derivative liabilities (applying hedge accounting)	Gain (loss) on valuation of derivatives (profit or loss)	(58,241)	34,932	36,569	(30,739)
	Loss on valuation of derivatives (equity, before tax) (*)	(1,091)	(62,082)	(699)	(1,521)
	Gain on transaction of derivatives	4,079	3,316	951	932

(\*) 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

**September 30, 2018**

(Unaudited)

**6. Restricted Deposits**

Restricted deposits as of September 30, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>		<b>September 30, 2018</b>	<b>December 31, 2017</b>
Cash and cash equivalents	Escrow accounts	₩	53
	Deposits for government project	10,804	15,365
	Collateral provided for borrowings	86,846	79,569
	Collateral provided for lawsuit	3	2
	Deposits for transmission regional support program	7,365	2,320
Short-term financial instruments	Bidding guarantees	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	178,022	108,512
	Non-current available-for-sale financial asset	Decommissioning costs of nuclear power plants	324,952
Long-term financial instruments	Escrow accounts	1	
	Guarantee deposits for checking account		2
	Guarantee deposits for banking accounts at oversea branches	314	302
	Decommissioning costs of nuclear power plants	319,230	337,234
	Funds for developing small and medium enterprises (*)	200,000	200,000
		₩ 1,161,656	991,634

(\*) Deposits for small and medium enterprise at IBK and others for construction of Bitgaram Energy Valley and support for high potential businesses as of September 30, 2018 and December 31, 2017.

**7. Cash and Cash Equivalents**

Cash and cash equivalents as of September 30, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Cash	₩ 147	132
Other demand deposits	842,631	968,966
Short-term deposits classified as cash equivalents	476,823	559,239
Short-term investments classified as cash equivalents	1,605,446	841,402
	₩ 2,925,047	2,369,739

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**8. Trade and Other Receivables****(1) Trade and other receivables as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won*

	<b>September 30, 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	₩6,518,188	(210,254)		6,307,934
Other receivables	956,327	(16,761)	(1,492)	938,074
	7,474,515	(227,015)	(1,492)	7,246,008
<b>Non-current assets</b>				
Trade receivables	419,078	(83)	(532)	418,463
Other receivables	1,468,248	(65,485)	(7,117)	1,395,646
	1,887,326	(65,568)	(7,649)	1,814,109
	₩9,361,841	(292,583)	(9,141)	9,060,117

*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

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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

**September 30, 2018**

(Unaudited)

**8. Trade and Other Receivables, Continued****(2) Other receivables as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won*

		<b>September 30, 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	₩ 308,391	(16,666)		291,725
Accrued income	137,568			137,568
Deposits	425,373		(1,492)	423,881
Finance lease receivables	70,252	(95)		70,157
Others	14,743			14,743
	956,327	(16,761)	(1,492)	938,074
<b>Non-current assets</b>				
Non-trade receivables	133,624	(59,257)		74,367
Accrued income	681			681
Deposits	360,307		(7,117)	353,190
Finance lease receivables	886,916	(251)		886,665
Others	86,720	(5,977)		80,743
	1,468,248	(65,485)	(7,117)	1,395,646
	₩ 2,424,575	(82,246)	(8,609)	2,333,720

*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



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Deposits	228,317		(1,743)	226,574
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

**September 30, 2018**

(Unaudited)

**8. Trade and Other Receivables, Continued****(4) Aging analysis of trade receivables as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Trade receivables: (not overdue)	₩ 6,623,406	7,698,604
Trade receivables: (overdue, not impaired)		7,117
Less than 60 days		7,117
Trade receivables: (impairment reviewed)	313,860	242,755
Less than 60 days	7,765	
60 ~ 90 days	54,935	39,070
90 ~ 120 days	18,148	17,502
120 days ~ 1 year	73,298	55,242
Over 1 year	159,714	130,941
	6,937,266	7,948,476
Less: allowance for doubtful accounts	(210,337)	(173,583)
Less: present value discount	(532)	(414)
	₩ 6,726,397	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 September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Other receivables: (not overdue)	₩ 2,251,404	1,810,075
Other receivables: (overdue, not impaired)		47,532
Less than 60 days		47,532
Other receivables: (impairment reviewed)	173,171	137,588
Less than 60 days	29,900	
60 ~ 90 days	9,635	44
90 ~ 120 days	170	1,017
120 days ~ 1year	10,903	11,042
Over 1 year	122,563	125,485
	2,424,575	1,995,195
Less: allowance for doubtful accounts	(82,246)	(78,008)
Less: present value discount	(8,609)	(7,897)
	₩ 2,333,720	1,909,290

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

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

- (6) Changes in the allowance for doubtful accounts for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:

<i>In millions of won</i>	<b>September 30, 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	28,457	2,069	126,714	1,778
Write-off	(3,159)	(166)	(32,995)	(3,129)
Reversal	(1,726)			(2,166)
Others	6,541	2,207	7,879	(6,136)
<b>Ending balance</b>	₩ 210,337	82,246	173,583	78,008

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

- (1) Changes in available-for-sale financial assets for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:

<i>In millions of won</i>	<b>September 30, 2018</b>						
	<b>Beginning balance</b>	<b>Effect of change in accounting policy</b>	<b>Acquisition</b>	<b>Disposal (*1)</b>	<b>Valuation impairment</b>	<b>Others</b>	<b>Ending balance</b>
<b>Listed</b>	₩ 274,453			(1)	(14,434)	115	260,133
<b>Unlisted</b>	425,380	(222,892)			(51)	2,346	204,783
<b>Beneficiary securities</b>		222,892	158,800	(55,350)	5,514	1,457	333,313
	699,833		158,800	(55,351)	(8,971)	3,918	798,229

Short-term available-for-sale financial assets	₩						
Long-term available-for-sale financial assets	699,833	158,800	(55,351)	(8,971)	3,918	798,229	

(\*1) The Company recognized gain on disposal of available-for-sale financial assets amounted to ₩755 million from the partial sale of Hanwha-KOSEP New Renewable Energy Private Special Assets Investment Trust 1 and others for the nine-month period ended September 30, 2018.

*In millions of won*

	Beginning balance	Acquisition	December 31, 2017				Ending balance
			Disposal (*1)	Valuation Impairment	Others		
<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

(\*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

**September 30, 2018**

(Unaudited)

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

(2) Available-for-sale financial assets as of September 30, 2018 and December 31, 2017 are as follows:

*In millions of won*

		September 30, 2018				
	Shares	Ownership	Acquisition cost	Book value	Fair value	
<b>Listed</b>						
Korea District Heating Corp.	2,264,068	19.55%	₩ 173,201	145,128	145,128	
Ssangyong Motor Co., Ltd.	38,568	0.03%	428	176	176	
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	61	61	
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	96	96	
Codes Combine Co., Ltd.	291	0.00%	1	1	1	
PT Adaro Energy Tbk	480,000,000	1.50%	71,554	65,708	65,708	
Energy Fuels Inc.	1,711,814	1.91%	16,819	6,166	6,166	
Baralaba Coal Company Limited	99,763	0.07%	18,445			
Denison Mines Corp.	58,284,000	10.42%	84,134	42,283	42,283	
Fission 3.0 (*8)	75,000	0.14%		9	9	
Fission Uranium Corp.	800,000	0.16%	785	463	463	
			365,843	260,133	260,133	
<b>Unlisted (*1)</b>						
Intellectual Discovery Co., Ltd.	1,000,000	8.81%	5,000	954	954	
Construction Guarantee (*2)	571	0.02%	601	838	838	
Plant & Mechanical Contractors						
Financial Cooperative of Korea	97	0.02%	81	81	81	
Fire Guarantee	40	0.01%	20	20	20	
Korea Software Financial Cooperative	5,186	1.02%	3,301	3,301	3,301	
Engineering Financial Cooperative	486	0.05%	60	60	60	

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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

**September 30, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of September 30, 2018 and December 31, 2017 are as follows, continued:***In millions of won*

	Shares	Ownership	September 30, 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
Ilim 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.	1,569	0.64%	111	111	111
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



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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
Seen Business and Technology co., Ltd. (formerly, 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	2	2
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

**September 30, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of September 30, 2018 and December 31, 2017 are as follows, continued:***In millions of won*

	Shares	Ownership	September 30, 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
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
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
Sung Kwang Co., Ltd.	23	0.37%	6	6	6

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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. (*6)	2	0.16%	97	13	13
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
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

**September 30, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of September 30, 2018 and December 31, 2017 are as follows, continued:***In millions of won*

	Shares	Ownership	September 30, 2018		
			Acquisition cost	Book value	Fair value
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%	6	6	6
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.	5,879	0.15%	29	29	29
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

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Seil Electronics Co., Ltd.	2,285	0.41%	286	286	286
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	17,043	17,043
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	2,495	2,495
KODE NOVUS 1 LLC (*7)		10.00%			
Choheung packing Co., Ltd.	61	0.13%	12	12	12
Jaewoo Co., Ltd.	359	0.24%	11	11	11
Wooyang HC Co., Ltd	13,750	0.01%	159	159	159
Sungsan Parts Co., Ltd.	629	0.80%	63	63	63
KMT Co., Ltd.	1,411	0.93%	21	21	21
TheYeonriji Co., Ltd.	116	0.10%	6	6	6
Flusys Co., Ltd.	9	0.08%	2	2	2
JM Motors Co., Ltd.	202	0.12%	10	10	10
DaeSung Frontier Co., Ltd.	2,203	1.11%	221	221	221
DongSeo Electronics Co., Ltd.	323	0.07%	16	16	16
Daewoo Display Co., Ltd.	177	0.03%	5	5	5
Yeong-gwang Remicon Co., Ltd.	15	0.00%	2	2	2
NTS Co., Ltd.	143	0.22%	36	36	36
AID CO., LTD.	1,212	0.57%	36	36	36
Changwon Eco-friendly farming corporation	3	0.01%			
Kumo Hitech Co., Ltd.	6,697	0.53%	3	3	3
			289,875	204,783	204,783

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of September 30, 2018 and December 31, 2017 are as follows, continued:**

*In millions of won*

		<b>September 30, 2018</b>			
	<b>Shares</b>	<b>Ownership</b>	<b>Acquisition cost</b>	<b>Book value</b>	<b>Fair value</b>
<b>Beneficiary Securities</b>					
Korea investment Korea EXIM Bank CERs Private Special Asset Investment Trust I (*1)	1,758,731,002	14.18%	₩ 1,752	572	572
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)	3,809,929,243	5.00%	3,953	3,953	3,953
Hanwha KT Master Lease Private Special Investment Trust (*5)			22,778	23,310	23,310
Samsung investment Investment Pool for Public funds 1 (*5)			53,220	55,455	55,455
Kiwoom Dream Private placement fund 8 (Bond-Derivative) (*5)			30,000	30,873	30,873
Kyobo Royal-Class Repo Plus Fixed Income 1Y 2nd (*5)			33,000	33,685	33,685
Kyobo Royal-Class Repo Plus Fixed Income 2Y 1st (*5)			50,000	51,479	51,479
Kyobo Royal-Class Repo Plus Fixed Income 2Y U-1C (*5)			50,000	50,977	50,977
Kyobo Royal-Class Repo Plus Fixed Income 1Y U-1 (*5)			22,800	23,159	23,159
Kyobo Royal-Class Repo Plus Fixed Income 1Y U-7 (*5)			56,000	56,014	56,014

	339,126	333,313	333,313
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₩	994,844	798,229	798,229
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- (\*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 nine-month period ended September 30, 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 nine-month period ended September 30, 2018.
- (\*5) As of September 30, 2018, the Company invested in ₩324,952 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 capital reduction without refund (3:1) and consolidation of stocks (10,000:1) during the nine-month period ended September 30, 2018
- (\*7) As described in note 17, this is reclassified to available-for-sale financial assets due to loss of significant influence of the Company.
- (\*8) The number of shares owned has changed due to the stock merge (4:1) during the nine-month period ended September 30, 2018.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of September 30, 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
<b>Unlisted (*1)</b>					
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

**September 30, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of September 30, 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
Sanbon Department Store	828	0.01%	124	3
Miju Steel Mfg. Co., Ltd.	99,804	0.23%	50	50
Sungwon Co., Ltd.	589	0.07%	15	15
Hana Civil Engineering Co., Ltd.	23	0.00%	1	1
KC Development Co., Ltd.	839	0.02%	6	6
IMHWA Corp.	329	0.11%	5	5
DALIM Special Vehicle Co., Ltd.	58	0.08%	10	10
ASA JEONJU Co., Ltd.	34,846	1.34%	697	69
Moonkyung Silica Co., Ltd.	42	0.56%		
Sungkwang Timber Co., Ltd.	9	0.34%	4	4
Yongbo Co., Ltd.	61	0.20%	3	3
HJ Steel Co., Ltd.	218	0.07%	2	2
KS Remicon Co., Ltd.	12	0.04%	3	3
Joongang Platec Co., Ltd.	3,591	0.75%	72	35
Pyungsan SI Ltd.	434	0.01%	9	9
Samgong Development Co., Ltd.	12	0.01%	7	7
Joongang Development Co., Ltd.	540	0.12%	8	8
AJS Co., Ltd.	12,906	0.23%	32	32
SHIN-E B&P Co., Ltd.	119	0.13%	10	10
MSE Co., Ltd.	429	0.13%	9	9
Irim Nano Tec Co., Ltd.	1,520	0.07%	15	15
Youngjin Hi-Tech Co., Ltd.	2,512	0.25%	126	21
Buyoung Co., Ltd.	270	0.00%	3	3
Ilsuk Co., Ltd.	152	0.17%	10	10
Dongyang Telecom Co., Ltd.	1,760	0.01%	11	11
Jongwon Remicon Co., Ltd.	31	0.18%	13	13
Ace Heat Treating Co., Ltd.	477	1.43%	72	72
Zyle Daewoo Motor Sales Co., Ltd.	22	0.00%		

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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

**September 30, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of September 30, 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

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Hurim Biocell Co., Ltd.	113	0.00%	5	5
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

**September 30, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of September 30, 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	

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CJ Paradise Co., Ltd	24	0.02%	12	12
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

**September 30, 2018**

(Unaudited)

**9. Available-for-sale Financial Assets, Continued****(2) Available-for-sale financial assets as of September 30, 2018 and December 31, 2017 are as follows, continued:**

<i>In millions of won</i>	Shares	Ownership	December 31, 2017		
			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

**September 30, 2018**

(Unaudited)

**10. Held-to-maturity Investments****Held-to-maturity investments as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>				<b>Ending balance</b>
	<b>Beginning balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Others</b>	
Government bonds	₩ 3,144	384	(345)		3,183
	₩ 3,144	384	(345)		3,183
Current	₩ 5		(4)	956	957
Non-current	3,139	384	(341)	(956)	2,226

<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 September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 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>				
Currency forward	₩ 2,056	4,778	45	

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Currency swap	63,400	43,133	12	15,711
Interest rate swap		7,662		2,697
Others (*1)		1,283	12,878	1,283
	₩ 65,456	56,856	12,935	19,691
<b>Derivative liabilities</b>				
Currency forward	₩ 3,669		7,862	1,278
Currency swap	29,136	303,391	61,997	296,098
Interest rate swap		58,632	1,408	59,416
	₩ 32,805	362,023	71,267	356,792

(\*1) The Company has a put option to sell shares of DS POWER Co., Ltd. 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

**September 30, 2018**

(Unaudited)

**11. Derivatives, Continued****(2) Currency forward contracts which are not designated as hedging instruments as of September 30, 2018 are as follows:***In millions of won and thousands of foreign currencies except contract exchange rate information*

Counterparty	Contract date	Maturity date	Contract amounts		Contract exchange rate (in won)
			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
Mizuho Bank	2018.09.05	2018.10.11	17,880	USD 16,000	1,117.51
Korea Development Bank	2018.09.06	2018.10.12	8,965	USD 8,000	1,120.60
Woori Bank	2018.09.06	2018.10.13	5,610	USD 5,000	1,122.06
Kookmin Bank	2018.09.10	2018.10.15	20,297	USD 18,000	1,127.60
Woori Bank	2018.09.12	2018.10.16	6,760	USD 6,000	1,126.60
Standard Chartered	2018.09.13	2018.10.17	11,231	USD 10,000	1,123.10
CCB	2018.09.13	2018.10.17	11,226	USD 10,000	1,122.57
Mizuho Bank	2018.09.13	2018.10.18	11,218	USD 10,000	1,121.84
Woori Bank	2018.09.14	2018.10.18	8,950	USD 8,000	1,118.75
Morgan Stanley	2018.09.19	2018.10.22	11,215	USD 10,000	1,121.48
KEB Hana Bank	2018.09.19	2018.10.22	6,726	USD 6,000	1,121.00
Nonghyup Bank	2018.09.20	2018.10.29	8,957	USD 8,000	1,119.60
Standard Chartered	2018.09.21	2018.10.31	5,579	USD 5,000	1,115.70
Morgan Stanley	2018.09.27	2018.11.01	14,464	USD 13,000	1,112.64
Standard Chartered	2018.09.28	2018.11.02	11,139	USD 10,000	1,113.90
CCB	2018.09.28	2018.11.05	5,561	USD 5,000	1,112.22
KEB Hana Bank	2018.09.28	2018.11.05	5,547	USD 5,000	1,109.35
ING Bank	2018.09.14	2018.10.01	11,211	USD 10,000	1,121.06
Nova Scotia	2018.09.14	2018.10.01	11,211	USD 10,000	1,121.05

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MUFG	2018.09.14	2018.10.01	11,212	USD	10,000	1,121.15
KEB Hana Bank	2018.09.14	2018.10.01	11,211	USD	10,000	1,121.10
Nonghyup Bank	2018.09.14	2018.10.01	11,211	USD	10,000	1,121.05
Societe Generale	2018.09.18	2018.10.05	15,765	USD	14,000	1,126.09
Korea Development Bank	2018.09.19	2018.10.05	13,474	USD	12,000	1,122.80
ING Bank	2018.09.19	2018.10.05	11,227	USD	10,000	1,122.74
Korea Development Bank	2018.09.20	2018.10.11	11,196	USD	10,000	1,119.60
ING Bank	2018.09.20	2018.10.11	11,196	USD	10,000	1,119.57
Credit Agricole	2018.09.20	2018.10.11	11,197	USD	10,000	1,119.65
Korea Development Bank	2018.09.27	2018.10.15	11,125	USD	10,000	1,112.45
ING Bank	2018.09.27	2018.10.01	5,565	USD	5,000	1,112.90
Mizuho Bank	2018.09.14	2018.10.18	5,582	USD	5,000	1,116.35
MUFG	2018.09.14	2018.10.18	5,581	USD	5,000	1,116.25
MUFG	2018.09.21	2018.10.29	5,575	USD	5,000	1,114.95
BNP Paribas	2018.09.21	2018.10.29	10,035	USD	9,000	1,115.05
CCB	2018.09.21	2018.10.29	5,578	USD	5,000	1,115.60
HSBC	2018.09.21	2018.10.29	5,577	USD	5,000	1,115.45
Societe Generale	2018.09.21	2018.10.29	1,673	USD	1,500	1,115.45
Societe Generale	2018.09.28	2018.11.02	8,858	USD	8,000	1,107.20
Credit Agricole	2018.09.21	2018.10.29	5,576	USD	5,000	1,115.25
Nova Scotia	2018.09.27	2018.11.01	11,130	USD	10,000	1,113.00
Nonghyup Bank	2018.09.27	2018.11.01	11,113	USD	10,000	1,111.30
Woori Bank	2018.09.28	2018.11.02	6,652	USD	6,000	1,108.70
Busan Bank	2018.09.05	2018.10.05	14,167	USD	12,700	1,115.50
Kookmin Bank	2018.09.07	2018.10.05	17,395	USD	15,500	1,122.23
KEB Hana Bank	2018.09.11	2018.10.11	23,169	USD	20,600	1,124.70
Nonghyup Bank	2018.09.21	2018.10.11	5,584	USD	5,000	1,116.75
Kookmin Bank	2018.09.13	2018.10.15	22,396	USD	20,000	1,119.78
Busan Bank	2018.09.13	2018.10.23	18,595	USD	16,500	1,126.95

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**11. Derivatives, Continued****(2) Currency forward contracts which are not designated as hedging instruments as of September 30, 2018 are as follows, continued:***In millions of won and thousands of foreign currencies except contract exchange rate information*

Counterparty	Contract date	Maturity date	Contract amounts		Contract exchange rate (in won)
			Pay	Receive	
Nonghyup Bank	2018.09.19	2018.10.23	₩ 3,929	USD 3,500	₩ 1,122.47
Nonghyup Bank	2018.09.20	2018.10.23	16,799	USD 15,000	1,119.93
Kookmin Bank	2018.09.27	2018.10.23	14,674	USD 13,200	1,111.70
Nova Scotia	2018.07.31	2018.11.05	446	USD 401	1,111.20
Nova Scotia	2018.08.24	2018.11.29	1,954	USD 1,758	1,111.90
Nova Scotia	2018.08.24	2018.11.29	4,652	USD 4,180	1,112.90
Societe Generale	2018.08.27	2018.11.29	5,555	USD 5,000	1,111.00
Societe Generale	2018.08.27	2018.11.29	2,028	USD 1,823	1,112.00
Nova Scotia	2018.08.27	2018.11.30	5,544	USD 5,000	1,108.85
Nova Scotia	2018.08.27	2018.11.30	5,539	USD 5,000	1,107.85
Nova Scotia	2018.08.27	2018.11.30	2,234	USD 2,018	1,106.85
Nomura	2018.09.13	2018.12.17	5,603	USD 5,000	1,120.50
Nomura	2018.09.13	2018.12.17	1,041	USD 930	1,119.50
Nova Scotia	2018.09.20	2018.12.31	5,577	USD 5,000	1,115.40
Nova Scotia	2018.09.21	2018.12.31	5,556	USD 5,000	1,111.10
Nova Scotia	2018.09.27	2019.01.02	22,193	USD 20,000	1,109.65
KEB Hana Bank	2017.11.27	2018.11.26	JPY 40,000	398	9.94

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**11. Derivatives, Continued****(3) Currency forward contracts which are designated as hedging instruments as of September 30, 2018 are as follows:***In won and thousands of foreign currencies*

Counterparty	Contract date	Maturity date	Contract amounts		Contract exchange rate (in won)
			Pay	Receive	
Export-import bank of Korea	2016.12.21	2018.10.31	EUR 112,766	USD 120,761	₩ 1.07

**(4) Currency swap contracts which are not designated as hedging instruments as of September 30, 2018 are as follows:***In millions of won and thousands of foreign currencies except contract exchange rate information*

Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate (in won)
		Pay	Receive	Pay	Receive	
Deutsche Bank	2013~2018	₩ 110,412	JPY 10,000,000	6.21%	4.19%	₩ 11.04
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

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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
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
Korea Development Bank	2018~2028	108,600	HKD	800,000	2.69%	3.35%	135.75
Shinhan Bank	2018~2028	115,388	HKD	850,000	2.66%	3.35%	135.75
Korea Development Bank	2018~2023	170,280	USD	150,000	2.15%	3.75%	1,135.20
Woori Bank	2018~2023	170,280	USD	150,000	2.18%	3.75%	1,135.20
KEB Hana Bank	2018~2023	113,520	USD	100,000	2.17%	3.75%	1,135.20
Shinhan Bank	2018~2023	227,040	USD	200,000	2.17%	3.75%	1,135.20



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**11. Derivatives, Continued****(5) Currency swap contracts which are designated as hedging instruments as of September 30, 2018 are as follows:***In millions of won and thousands of foreign currencies except contract exchange rate information*

Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate (in won)
		Pay	Receive	Pay	Receive	
HSBC	2014~2020	₩ 99,901	AUD 100,000	3.52%	5.75%	₩ 999.01
HSBC	2014~2020	100,482	AUD 100,000	3.48%	5.75%	1,004.82
Standard Chartered	2013~2020	USD 117,250	AUD 125,000	3M Libor+1.25%	5.75%	0.94
Standard Chartered	2014~2020	₩ 126,032	USD 117,250	3.55%	3M Libor+1.25%	1,074.90
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
Korea							
Development							
Bank	2018~2023	320,880	USD	300,000	2.03%	3.75%	1,069.60
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
Korea							
Development							
Bank	2018~2023	169,335	USD	150,000	3.88%	2.26%	1,128.90
Woori Bank	2018~2023	169,335	USD	150,000	3.88%	2.26%	1,128.90
Credit Agricole	2018~2023	112,890	USD	100,000	3.88%	2.26%	1,128.90
KEB Hana Bank	2018~2023	56,445	USD	50,000	3.88%	2.26%	1,128.90
Kookmin Bank	2018~2023	56,445	USD	50,000	3.88%	2.26%	1,128.90



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**11. Derivatives, Continued****(6) Interest rate swap contracts which are not designated as hedging instruments as of September 30, 2018 are as follows:***In millions of won and thousands of foreign currencies*

Counterparty	Contract year	Contract amount	Contract interest rate per annum	
			Pay	Receive
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%
Nomura (*2)	2018~2038	30,000	2.56%	3.75%
KEB Hana Bank	2018~2023	200,000	2.15%	3M CD+0.19%
Export-import bank of Korea	2015~2031	USD 19,254	2.67%	6M USD Libor
ING Bank	2015~2031	USD 47,480	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.

(\*2) 2.56% 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 September 30, 2018 are as follows:***In millions of won and thousands of foreign currencies*

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 94,446	3.98%~4.10%	6M USD Libor
SMBC	2016~2033	USD 123,506	4.05%~4.18%	6M USD Libor
Mizuho Bank	2016~2019	USD 36,890	1.56%	1.65%
SMBC	2016~2019	USD 36,890	1.56%	1.65%

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

**September 30, 2018**

(Unaudited)

**11. Derivatives, Continued**

- (8) Gains and losses on valuation and transaction of derivatives for the three and nine-month periods ended September 30, 2018 and 2017 are as follows and included in finance income and costs in the consolidated interim statements of comprehensive income (loss):

	Net income effects of valuation gain (loss)				Net income effects of transaction gain (loss)				Accumulated other comprehensive income (loss)		
	September 30, 2018		September 30, 2017		September 30, 2018		September 30, 2017		September 30, 2018		September 30, 2017
	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended
Interest rate forward	₩ (87,759)	2,220	76	(10,628)	5,280	22,359	2,047	(15,123)	1,141	2,747	
Interest rate swap	(32,770)	151,568	58,693	(306,125)	13,475	19,425	(48,299)	(129,820)	12,628	(55,746)	2,859
Commodity rate swap	4,119	7,043	1,469	5,938	(347)	106	1,918	(2,860)	(257)	555	784
	₩ (116,410)	160,831	60,238	(310,815)	18,408	41,890	(44,334)	(147,803)	13,512	(52,444)	3,643

- (\*) For the nine-month period ended September 30, 2018, the net loss on valuation of derivatives applying cash flow hedge accounting of ₩27,031 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

**September 30, 2018**

(Unaudited)

**12. Other Financial Assets****(1) Other financial assets as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>December 31, 2017</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Loans and receivables	₩ 94,616	650,804	244,309	711,069
Allowance for doubtful accounts	(9)	(6,339)		(8,948)
Present value discount	(1,133)	(40,852)	(976)	(39,813)
Long-term/short-term financial instruments	4,206,496	609,335	1,702,084	542,430
Financial assets at fair value through profit or loss	99	193,070		111,512
	₩ 4,300,069	1,406,018	1,945,417	1,316,250

**(2) Loans and receivables as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>			
	<b>Face value</b>	<b>Allowance for doubtful accounts</b>	<b>Present value discount</b>	<b>Book value</b>
<b>Short-term loans and receivables</b>				
Loans for tuition	₩ 34,662		(1,133)	33,529
Loans for housing	15,117			15,117
Fisheries loan	320			320
Other loans	44,517	(9)		44,508
	94,616	(9)	(1,133)	93,474
<b>Long-term loans and receivables</b>				
Loans for tuition	421,939		(40,789)	381,150
Loans for housing	165,103			165,103
Loans for related parties	53,043	(6,252)		46,791
Fisheries loan	640		(63)	577

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Other loans	10,079	(87)		9,992
	650,804	(6,339)	(40,852)	603,613
	₩ 745,420	(6,348)	(41,985)	697,087

*In millions of won*

	<b>December 31, 2017</b>			
	<b>Face value</b>	<b>Allowance for doubtful accounts</b>	<b>Present value discount</b>	<b>Book value</b>
<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

**September 30, 2018**

(Unaudited)

**12. Other Financial Assets, Continued**

- (3) **Changes in the allowance for doubtful accounts of loans and receivables for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>December 31, 2017</b>	
Beginning balance	₩	8,948		4,532
Bad debt expense		1,417		2,465
Other		(4,017)		1,951
Ending balance	₩	6,348		8,948

- (4) **Long-term and short-term financial instruments as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>December 31, 2017</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Time deposits	₩ 1,818,894	83,350	1,479,034	2
ABCP	1,424,771		145,000	65,600
CP	535,360	87,025	58,050	
CD	40,000		10,000	
RP	15,000	53,334	10,000	1,634
Others	372,471	385,626		475,194
	₩ 4,206,496	609,335	1,702,084	542,430

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**13. Inventories****Inventories as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>Book value</b>
	<b>Acquisition cost</b>	<b>Valuation allowance</b>	
Raw materials	₩ 3,602,765	(2,829)	3,599,936
Merchandise	738		738
Work-in-progress	188,366	(1,028)	187,338
Finished goods	24,030		24,030
Supplies	1,790,362	(3,779)	1,786,583
Inventories in transit	908,129		908,129
Other inventories	9,924		9,924
	₩ 6,524,314	(7,636)	6,516,678

<i>In millions of won</i>	<b>December 31, 2017</b>		<b>Book value</b>
	<b>Acquisition cost</b>	<b>Valuation allowance</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 reversals of the allowance for loss on inventory valuation due to increase in the net realizable value of inventory deducted from cost of sales for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 were ₩3,347 million and ₩437 million, respectively.

The amounts of loss from inventory valuation included in other gains or losses for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 were ₩1,669 million and ₩3,875 million, respectively.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 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 17 energy storage system installation projects and 29 energy efficiency contracts as finance leases with a lease term of 2 to 10 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 September 30, 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>September 30, 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	₩ 98,442	70,252	49,542	13,067
1 ~ 5 years	463,901	185,823	381,181	203,990
More than 5 years	1,375,630	701,093	1,398,449	645,564
	₩ 1,937,973	957,168	1,829,172	862,621
Allowance for doubtful accounts		(346)		
		₩ 956,822		862,621

**(3)**

**Changes in the allowance for doubtful accounts of finance lease receivables for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Beginning balance	₩	
Bad debt expense		346
Write-off		
Other		
Ending balance	₩	346

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**15. Non-Financial Assets****Non-financial assets as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>December 31, 2017</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Advance payment	₩ 242,383	183,007	109,743	43,872
Prepaid expenses	296,858	89,651	251,715	90,118
Others (*1)	256,926	164,367	392,534	112,828
	₩ 796,167	437,025	753,992	246,818

(\*1) Details of others as of September 30, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>December 31, 2017</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Tax refund receivables	₩ 20,941	1,276	89,762	1,940
Greenhouse gas emissions rights	32,966		135,211	
Other quick assets (*2)	203,019	163,091	167,561	110,888
	₩ 256,926	164,367	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 as of September 30, 2018 and December 31, 2017.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**16. Consolidated Subsidiaries****(1) Consolidated subsidiaries as of September 30, 2018 and December 31, 2017 are as follows:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			September 30, 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 Plant Co., Ltd. (*2)	Power generation	KOREA	49.00%	49.00%
KEPCO International HongKong Ltd.	Holding company	HONG KONG	100.00%	100.00%
KEPCO International Philippines Inc.	Holding company	PHILIPPINES	100.00%	100.00%
KEPCO Gansu International Ltd.	Holding company	HONG KONG	100.00%	100.00%

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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%
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%
Qatrana Electric Power Company	Construction and operation of utility plant	JORDAN	80.00%	80.00%
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%
	Holding company	USA	100.00%	100.00%



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EWP Renewable  
Corporation

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%
EWP Barbados 1 SRL	Holding company	BARBADOS	100.00%	100.00%
California Power Holdings, LLC	Power generation	USA	100.00%	100.00%

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued****(1) Consolidated subsidiaries as of September 30, 2018 and December 31, 2017 are as follows, continued:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			September 30, 2018	December 31, 2017
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%
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%

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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%
Fujeij Wind Power Company	Operation of utility plant	JORDAN	100.00%	100.00%
KOSPO Younghan Power Co., Ltd.	Operation of utility plant	KOREA	50.00%	50.00%
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%
Solar Investments I, LLC	Holding company	USA		50.10%
KEPCO Solar of Alamosa, LLC (formerly, 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%

PT. Korea Energy Indonesia	Utility plant maintenance and others	INDONESIA	95.00%
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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued****(1) Consolidated subsidiaries as of September 30, 2018 and December 31, 2017 are as follows, continued:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			September 30, 2018	December 31, 2017
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%	
Incheon Fuel Cell Co., Ltd.	Power generation	KOREA	60.00%	

(\*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.

**(2) Subsidiaries included in and excluded from consolidation for the nine-month period ended September 30, 2018 are as follows:**

&lt;Subsidiaries included in consolidation during the nine-month period ended September 30, 2018&gt;

Subsidiary	Reason
PT. Korea Energy Indonesia	Newly established
KOLAT SpA	Newly established
KEPCO California, LLC	Newly established

KEPCO Mojave Holdings, LLC  
Incheon Fuel Cell Co., Ltd.

Newly established  
Newly established

<Subsidiaries excluded from consolidation during the nine-month period ended September 30, 2018>

**Subsidiary**

KEPCO Canada Energy Ltd.  
Cogentrix Solar Services, LLC  
Solar Investments I, LLC

**Reason**

Liquidated  
Liquidated  
Liquidated

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

- (3) **Summary of financial information of consolidated subsidiaries as of and for the nine-month period ended September 30, 2018 and as of and for the year ended December 31, 2017 are as follows:**

*In millions of won*

Subsidiaries	September 30, 2018			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
Korea Hydro & Nuclear Power Co., Ltd.	₩ 56,252,129	31,062,240	6,306,984	(254,865)
Korea South-East Power Co., Ltd.	9,846,710	4,595,394	4,165,637	218,999
Korea Midland Power Co., Ltd.	10,502,698	6,595,632	3,500,982	138,097
Korea Western Power Co., Ltd.	10,329,092	6,346,601	3,769,278	41,755
Korea Southern Power Co., Ltd.	10,010,676	5,649,640	4,286,931	91,992
Korea East-West Power Co., Ltd.	9,099,475	4,428,273	3,784,844	50,255
KEPCO Engineering & Construction Company, Inc.	756,237	304,449	273,074	8,383
KEPCO Plant Service & Engineering Co., Ltd.	1,223,546	314,826	853,693	86,227
KEPCO Nuclear Fuel Co., Ltd.	799,363	414,866	184,693	15,802
KEPCO KDN Co., Ltd.	533,278	159,479	425,559	26,224
Garolim Tidal Power Plant Co., Ltd.	607	346		(12)
KEPCO International HongKong Ltd.	162,199	1		2,698
KEPCO International Philippines Inc.	106,416	1,303		30,523
KEPCO Gansu International Ltd.	12,002	512		(10)
KEPCO Philippines Holdings Inc.	159,959	114		39,785
KEPCO Philippines Corporation	6,139	104		112
KEPCO Ilijan Corporation	456,001	53,427	74,236	32,965
KEPCO Lebanon SARL	1,495	9,470		531
KEPCO Neimenggu International Ltd.	193,478			20,730
KEPCO Shanxi International Ltd.	520,346	199,799		4,038
KOMIPO Global Pte Ltd.	250,733	712		12,766
KEPCO Netherlands B.V.	135,039	52		14,764
KOREA Imouraren Uranium Investment Corp.	153,038	127		(45)
KEPCO Australia Pty., Ltd.	447,800	518		28

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KOSEP Australia Pty., Ltd.	35,138	870	15,553	6,789
KOMIPO Australia Pty., Ltd.	37,248	2,784	15,553	6,679
KOWEPO Australia Pty., Ltd.	37,463	4,016	15,553	5,509
KOSPO Australia Pty., Ltd.	35,387	3,547	15,553	7,851
KEPCO Middle East Holding Company	93,737	90,880		(2,317)
Qatrana Electric Power Company	485,823	331,396	14,233	16,082
KHNP Canada Energy, Ltd.	62,776	29		(22)
KEPCO Bylong Australia Pty., Ltd.	246,204	301,582		(22,300)
Korea Waterbury Uranium Limited Partnership	20,893	141		(44)
Korea Electric Power Nigeria Ltd.	230	40	657	23
KEPCO Holdings de Mexico	247	54		(17)
KST Electric Power Company	562,961	491,637	91,276	4,069
KEPCO Energy Service Company	2,130	964	3,827	408
KEPCO Netherlands S3 B.V.	48,510	48		396
PT. KOMIPO Pembangkitan Jawa Bali	15,766	4,928	16,013	6,177
PT. Cirebon Power Service	3,107	488	5,274	84
KOWEPO International Corporation		7		
KOSPO Jordan LLC	39,159	23,864	10,006	4,314
EWP Philippines Corporation	1,632	802		(7)
EWP America Inc. (*1)	76,496	72,017	21,285	(3,856)
KNF Canada Energy Limited	1,883	16		(30)
PT KEPCO Resource Indonesia	215	14		(283)
EWP Barbados 1 SRL	253,226	1,232		(1,788)
Gyeonggi Green Energy Co., Ltd.	288,536	184,291	78,388	20,585
PT. Tanggamus Electric Power	194,058	166,336	3,278	8,319
Gyeongju Wind Power Co., Ltd.	114,625	78,891	15,298	5,579
KOMIPO America Inc.	10,370	570		(557)
KOSEP USA, INC.	3	4,762		4,376
PT. EWP Indonesia	8,911			2,349
KEPCO Netherlands J3 B.V.	127,290	95		(64)



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

(3) **Summary of financial information of consolidated subsidiaries as of and for the nine-month period ended September 30, 2018 and as of and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

	<b>September 30, 2018</b>			
<b>Subsidiaries</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Sales</b>	<b>Profit (loss) for the period</b>
Korea Offshore Wind Power Co., Ltd.	₩ 183,132	161		(5,238)
Global One Pioneer B.V.	173	66		(81)
Global Energy Pioneer B.V.	334	46		(62)
Mira Power Limited	264,239	209,939		(2,371)
KOSEP Material Co., Ltd.	2,656	942	2,570	412
Commerce and Industry Energy Co., Ltd.	96,932	88,510	19,820	(2,781)
KEPCO Singapore Holdings Pte., Ltd.	593			(8)
KOWEPO India Private Limited	716			
KEPCO KPS Philippines Corp.	7,539	514	4,037	880
KOSPO Chile SpA	137,459	55,097		1,076
PT. KOWEPO Sumsel Operation And Maintenance Services	1,094	129	4,365	(582)
HeeMang Sunlight Power Co., Ltd.	6,870	3,431	100	(42)
Fujeij Wind Power Company	197,655	190,998		(1,888)
KOSPO Youngnam Power Co.,Ltd.	409,801	325,715	270,452	4,603
HI Carbon Professional Private Special Asset Investment Trust 1	2,999			9
Chitose Solar Power Plant LLC	116,675	103,326	12,033	1,682
KEPCO Energy Solution Co. Ltd.	305,668	2,806	3,486	1,836
Solar School Plant Co., Ltd.	203,471	1,184	796	1,404
KOSPO Power Services Limitada	3,426	918	7,055	1,080
Energy New Industry Specialized Investment Private Investment Trust (*2)	507,028	2,270		(431)
KOEN Bylong Pty., Ltd.	5,638			
KOMIPO Bylong Pty., Ltd.	5,639	17		(16)
KOWEPO Bylong Pty., Ltd.	5,639	17		
KOSPO Bylong Pty., Ltd.	5,639	17		(16)

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EWP Bylong Pty., Ltd.	5,639	17		(16)
KOWEPO Lao International	3,800	1,014	2,899	895
KEPCO US Inc.	16,560			6
KEPCO Alamosa LLC	32,235	23	512	(584)
KEPCO Solar of Alamosa, LLC (formerly, Cogentrix of Alamosa, LLC)	65,422	50,531	7,060	51
KEPCO-LG CNS Mangilao Holdings LLC	25,061	26,314		(845)
Mangilao Investment LLC	25,061			
KEPCO-LG CNS Mangilao Solar, LLC	24,927	143		(4)
Jeju Hanlim Offshore Wind Co., Ltd.	17,048	18		(123)
PT. Siborpa Eco Power	12,488	82		(1,517)
PT. Korea Energy Indonesia	1,038	45	860	122
KOLAT SpA	37,791	563		(699)
KEPCO California, LLC	42,149	74		(203)
KEPCO Mojave Holdings, LLC	102,690	65,500		(4,011)
Incheon Fuel Cell Co., Ltd.	5,000			

(\*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 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

**September 30, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

(3) **Summary of financial information of consolidated subsidiaries as of and for the nine-month period ended September 30, 2018 and as of and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

<b>Subsidiaries</b>	<b>December 31, 2017</b>			
	<b>Total assets</b>	<b>Total liabilities</b>	<b>Sales</b>	<b>Profit (loss) for the period</b>
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
KOREA Imouraren Uranium Investment Corp.	151,278	131		1,490

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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

**September 30, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

(3) **Summary of financial information of consolidated subsidiaries as of and for the nine-month period ended September 30, 2018 and as of and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

<b>Subsidiaries</b>	<b>December 31, 2017</b>			
	<b>Total assets</b>	<b>Total liabilities</b>	<b>Sales</b>	<b>Profit (loss) for the period</b>
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 Younghan Power Co.,Ltd.	412,785	333,302	68,973	939
HI Carbon Professional Private Special Asset Investment Trust 1	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			

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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.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

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

<b>Company</b>	<b>Nature and extent of any significant restrictions</b>
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.
Incheon Fuel Cell Co., Ltd.	Acquisition or disposal of assets of more than ₩20 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.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**16. Consolidated Subsidiaries, Continued**

(5) Details of non-controlling interest prior to intra-group eliminations as of and for the nine-month period ended September 30, 2018 and as of and for the year ended December 31, 2017 are as follows:

*In millions of won*

Description	September 30, 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	₩ 169,629	598,334	260,219	1,360,026	2,388,208
Non-current assets	286,372	625,212	496,018	2,747,340	4,154,942
Current liabilities	(11,525)	(256,680)	(235,211)	(364,006)	(867,422)
Non-current liabilities	(41,902)	(58,146)	(69,238)	(2,118,510)	(2,287,796)
Net assets	402,574	908,720	451,788	1,624,850	3,387,932
Book value of non-controlling interest	197,261	445,273	153,247	668,382	1,464,163
Sales	74,236	853,693	273,074	737,218	1,938,221
Profit for the period	32,965	86,227	8,383	77,967	205,542
Profit for the period attributable to non-controlling interest	16,153	42,251	2,844	23,055	84,303
Cash flows from operating activities	60,580	98,954	61,964	123,199	344,697
Cash flows from investing activities	(6,556)	(78,424)	(26,501)	(62,914)	(174,395)
Cash flows from financing activities before dividends to non-controlling interest	(31,382)	(33,737)	(14,591)	48,064	(31,646)
Dividends to non-controlling interest	(30,984)	(32,414)	(2,838)	(9,962)	(76,198)
Effect of exchange rate fluctuation	2,589	64	(10)	1,126	3,769
Net increase (decrease) of cash and cash equivalents	(5,753)	(45,557)	18,024	99,513	66,227

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



Description	KEPCO Plant Service & Engineering Co., Ltd.		KEPCO Engineering & Construction Company, Inc.		Others	Total
	KEPCO Ilijan Corporation	Ltd.	Company, Inc.			
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

**September 30, 2018**

(Unaudited)

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

(i) Details of goodwill as of September 30, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>September 30, 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 nine-month period ended September 30, 2018 and for the year ended December 31, 2017.

**(7) Disposals of subsidiaries**

The Company liquidated KEPCO Canada Energy Ltd , Cogentrix Solar Services, LLC and Solar Investments I, LLC during the nine-month period ended September 30, 2018.

(i) The fair value of proceeds from disposal as of September 30, 2018 is as follows:

<i>In millions of won</i>	<b>September 30, 2018</b>	
Consideration received in cash	₩	103
Net assets transferred due to dissolution		
Total	₩	103

- (ii) The carrying value of assets and liabilities of subsidiaries as at the date the Company lost its control during the nine-month period ended September 30, 2018 is as follows:

<i>In millions of won</i>	<b>September 30, 2018</b>	
Current assets		
Cash and cash equivalents	₩	117
Trade and other receivables		11
Current liabilities		
Trade and other payables		(28)
	₩	100

- (iii) Gain from disposals of subsidiaries for the nine-month period ended September 30, 2018 is as follows:

<i>In millions of won</i>	<b>September 30, 2018</b>	
Fair value of sale price	₩	103
Net assets disposed		(100)
Non-controlling interests		
Realization of unrealized gain		
Other comprehensive income		
Gain from disposals of subsidiaries (*1)	₩	3

- (\*1) Gain from disposals of subsidiaries is included 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

**September 30, 2018**

(Unaudited)

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

(iv) Net cashflow from sales of subsidiaries for the nine-month period ended September 30, 2018 is as follows:

<i>In millions of won</i>	<b>September 30, 2018</b>	
Consideration received in cash	₩	103
Less: cash held by disposed subsidiary		(117)
<b>Net cash flow</b>	<b>₩</b>	<b>(14)</b>

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**17. Investments in Associates and Joint Ventures****(1) Investments in associates and joint ventures as of September 30, 2018 and December 31, 2017 are as follows:***millions of won*

Investees <Associates>	September 30, 2018		Percentage of ownership	Acquisition cost	Book value
	Key operation activities	Location			
Korea Gas Corporation (*1)	Importing and wholesaling LNG	KOREA	20.47%	₩ 94,500	1,693,132
Korea Electric Power Industrial Development Co., Ltd.	Electricity metering and others	KOREA	29.00%	4,727	23,478
KN Co., Ltd.	Broadcasting	KOREA	21.43%	59,000	39,953
Seongna Energy Co., Ltd.	Generating and distributing vapor and hot/cold water	KOREA	43.90%	48,353	3,458
Seongwon Wind Power Co., Ltd. (*2)	Power generation	KOREA	15.00%	5,725	12,944
Seundai Green Power Co., Ltd.	Power generation	KOREA	29.00%	88,885	120,046
Korea Power Exchange (*5)	Management of power market and others	KOREA	100.00%	127,839	265,591
MEC Partners Korea Ltd. (*3)	Resources development	KOREA	19.00%	707	211
Seundai Energy Co., Ltd. (*8)	Power generation	KOREA	30.66%	71,070	
Seollite Co., Ltd.	Artificial light-weight aggregate	KOREA	36.10%	1,516	
Seobaek Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,810	5,654
Seobaek Guinemi Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,420	2,576
Seongchang Wind Power Co., Ltd.	Power generation	KOREA	25.00%	3,875	5,408
Seeryun Power Co., Ltd. (*3, 9)	Power generation	KOREA	6.73%	25,477	20,615
Seongjuk Wind Power Co., Ltd.	Power generation	KOREA	30.00%	3,801	8,085
SH Solar Co., Ltd.	Power generation	KOREA	27.00%	1,296	2,296
SHC Power Corporation	Power generation	PHILIPPINES	38.00%	20,635	58,679
Sheng International Energy Co., Ltd.	Power generation	CHINA	34.00%	413,153	632,317
Sh. Cirebon Electric Power	Power generation	INDONESIA	27.50%	40,365	106,567
SHOC Nigerian East Oil Co., Ltd. (*4)	Resources development	NIGERIA	14.63%	12	

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IOC Nigerian West Oil Co., Ltd. (*4)	Resources development	NIGERIA	14.63%	12	
Wampu Electric Power	Power generation	INDONESIA	46.00%	21,292	33,446
. Bayan Resources TBK	Resources development	INDONESIA	20.00%	615,860	501,021
Power Co., Ltd.	Power generation	KOREA	49.00%	132,300	113,781
ioneer Gas Power Limited (*7)	Power generation	INDIA	38.50%	49,831	24,609
rasia Energy Holdings	Power generation and resources development	RUSSIA	40.00%	461	
-Pian Xe-Namnoy Power Co., Ltd.	Power generation	LAOS	25.00%	82,626	75,714
dong Mineral Fiber Co., Ltd. (*3)	Recycling fly ashes	KOREA	8.33%	50	
een Biomass Co., Ltd. (*11)	Power generation	KOREA	8.80%	714	138
. Mutiara Jawa	Manufacturing and operating floating coal terminal	INDONESIA	29.00%	2,978	
ancheok Eco Materials Co., Ltd. (*10)	Recycling fly ashes	KOREA	2.35%	686	
eul Green Energy Co., Ltd.	Power generation	KOREA	29.00%	1,740	6,284
epo Green Energy Co., Ltd.	Power generation	KOREA	41.67%	29,200	19,201
seong Green Energy Co., Ltd. (*2)	Power generation	KOREA	1.12%	2,900	2,452
ngneung Eco Power Co., Ltd. (*2)	Power generation	KOREA	1.61%	2,900	2,528
n Pyeongtaek Power Co., Ltd.	Power generation	KOREA	40.00%	72,000	65,836
ang Bok Do Si Photovoltaic Power Co., Ltd.	Power generation	KOREA	28.00%	194	197
ngducheon Dream Power Co., Ltd. (*15)	Power generation	KOREA	33.61%	148,105	77,326
bhuvish Power Generation Pvt. Ltd. (*2)	Power generation	INDIA	5.16%	9,000	
Green Energy Co., Ltd.	Power generation	KOREA	47.76%	3,821	3,379
egu Photovoltaic Co., Ltd.	Power generation	KOREA	29.00%	1,230	1,925
ngam Wind Power Co., Ltd.	Power generation	KOREA	40.00%	5,580	3,402
rea Power Engineering Service Co., Ltd.	Construction and service	KOREA	29.00%	290	4,190
san Green Energy Co., Ltd.	Power generation	KOREA	29.00%	5,243	12,127
nsan Bio Energy Co., Ltd. (*2)	Power generation	KOREA	18.87%	1,000	
rea Electric Vehicle Charging Service	Electric vehicle charge service	KOREA	28.00%	2,800	1,744
euungdo Natural Energy Co., Ltd.	Renewable power generation	KOREA	29.85%	8,000	6,143
rea Nuclear Partners Co., Ltd.	Electric material agency	KOREA	29.00%	290	243
mra Offshore Wind Power Co., Ltd.	Power generation	KOREA	27.00%	8,910	10,582
rea Electric Power Corporation Fund (*12)	Developing electric enterprises	KOREA	98.09%	51,500	46,544
ergy Infra Asset Management Co., Ltd. (*3)	Asset management	KOREA	9.90%	297	612

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued****(1) Investments in associates and joint ventures as of September 30, 2018 and December 31, 2017 are as follows, continued:**

won

	September 30, 2018		Percentage of Acquisition ownership	cost	Book value
	Key operation activities	Location			
Energy Co., Ltd.	Renewable power generation	KOREA	28.00%	₩ 140	23
o., Ltd	Installing ESS related equipment	KOREA	29.00%	210	440
& Energy Development Company Ltd (*14)	Construction and operation of utility plant	NEPAL	57.67%	33,577	30,945
Green Energy Co., Ltd.	Power generation	KOREA	20.00%	2,000	1,446
td	Power generation	KOREA	29.00%	1,250	1,094
Energy Co., Ltd. (*2)	Power generation	KOREA	19.00%	3,610	3,610
				2,320,763	4,051,992
res>					
e Inc. (*6)	Power generation	KOREA	52.80%	11,355	221
Energy Sdn. Bhd. (*6)	Power generation	MALAYSIA	61.53%	14,439	
asia Power Investment B.V.	Holding company	NETHERLANDS	49.00%	44,433	29,065
asia Operation & Maintenance Company	Maintenance of utility plant	CAYMAN	55.00%	30	1,012
ake Uranium L.P.	Resources development	CANADA	34.54%	26,602	19,801
resticii AD	Power generation	BULGARIA	50.00%	16,101	21,772
ogy AD	Power generation	BULGARIA	50.00%	15,595	15,928
, Inc.	Power generation	PHILIPPINES	40.00%	2,103	1,608
Power Corporation (*6)	Construction and operation of utility plant	PHILIPPINES	75.20%	94,579	204,281
g Yumen Wind Power Co., Ltd.	Power generation	CHINA	40.00%	16,621	9,950
ng Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	121,928	178,486
	Power generation	CHINA	40.00%	10,858	38,885

CO Chaoyang Renewable Power Co.,

Electricity Company	Power generation	SAUDI ARABIA	40.00%	109,743	114,379
Operation & Maintenance Company Limited	Maintenance of utility plant	SAUDI ARABIA	40.00%	70	5,487
Electric Service Company Limited	Power generation	JAMAICA	40.00%	301,910	229,679
Components Co., Ltd.	Manufacturing	KOREA	45.00%	833	7,736
o Solar Power Co., Ltd.	Power generation	KOREA	25.00%	2,100	4,613
Electric Power Co., Ltd.	Power generation	KOREA	34.00%	204,000	241,534
Of Power System Co., Ltd.	Exporting products and technology of small or medium business by proxy	KOREA	29.00%	290	504
Solar-light Power Generation Co., Ltd.	Power generation	KOREA	29.00%	1,856	2,626
shore Wind Power Co., Ltd.	Power generation	KOREA	49.90%	5,190	2,779
Electric Power Company (*6)	Power generation	JORDAN	60.00%	111,476	177,436
(*6)	R&D	KOREA	51.00%	5,629	9,096
Power Co., Ltd.	Power generation	KOREA	34.00%	61,540	20,102
Power Co., Ltd.	Power generation	KOREA	29.00%	3,480	4,588
Energy Co., Ltd.	Power generation	KOREA	29.90%	52,700	45,029
baeksu Wind Power Co., Ltd. (*3)	Power generation	KOREA	15.00%	3,000	2,808
Power LLC	Power generation	VIETNAM	50.00%	2,781	
5)	Power generation	CHILE	65.00%	77,220	66,433
Power Indonesia	Power generation	INDONESIA	35.00%	746	8,826
Power Co., Ltd.	Power generation	KOREA	29.00%	461	584
Energy Co., Ltd.	Power generation	KOREA	29.00%	15,370	15,775
l Power PSC	Power generation	JORDAN	50.00%	2,740	1,441
Company (*13)	Power generation	UAE	18.00%	118	5,279
y Company (*13)	Operation of utility plant	UAE	18.00%	296	273
M	International thermonuclear experimental reactor construction management	FRANCE	33.33%	1	521
Power Co., Ltd.	Power generation	KOREA	29.00%	46,225	41,449
Wind Power Co., Ltd.	Power generation	KOREA	41.00%	15,375	15,339
IV SpA (*6)	Power generation	CHILE	81.82%	1,700	586



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued****(1) Investments in associates and joint ventures as of September 30, 2018 and December 31, 2017 are as follows, continued:***In millions of won*

Investees	Key operation activities	Location	September 30, 2018		
			Percentage of ownership	Acquisition cost	Book value
Chester Solar V SpA (*6)	Power generation	CHILE	81.82%	₩ 525	42
Diego de Almagro Solar SpA (*6)	Power generation	CHILE	81.82%	2,091	1,189
South Jamaica Power Company Limited	Power generation	JAMAICA	20.00%	15,493	15,370
Daesan Green Energy Co., Ltd.	Power generation	KOREA	35.00%	17,850	17,359
RE Holiday Holdings LLC	Power generation	USA	50.00%	42,862	51,315
RE Pioneer Holdings LLC	Power generation	USA	50.00%	27,372	38,149
RE Barren Ridge 1 Holdings LLC	Power generation	USA	50.00%	26,950	39,309
RE Astoria 2 LandCo LLC	Power generation	USA	50.00%	4,663	5,384
RE Barren Ridge LandCo LLC	Power generation	USA	50.00%	1,970	1,889
Laurel SpA (*6)	Power generation	CHILE	81.82%	1,222	684
KIAMCO KOWEPO Bannerton Hold Co Pty Ltd (*3)	Power generation	AUSTRALIA	12.37%	4,095	4,017
Chile Solar JV SpA	Power generation	CHILE	50.00%	36,654	37,251
				1,583,241	1,757,869

- (\*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 September 30, 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 9.34% 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.
- (\*15) The effective percentage of ownership is 34.01% considering redeemable convertible preferred stock.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued****(1) Investments in associates and joint ventures as of September 30, 2018 and December 31, 2017 are as follows, continued:**

		December 31, 2017			
Key operation activities		Location	Percentage of ownership	Acquisition cost	Book value
	Importing and wholesaling LNG	KOREA	20.47%	₩ 94,500	1,618,868
Development Co., Ltd.	Electricity metering and others	KOREA	29.00%	4,727	21,838
	Broadcasting	KOREA	21.43%	59,000	40,606
	Generating and distributing vapor and hot/cold water	KOREA	43.90%	48,353	8,337
2)	Power generation	KOREA	15.00%	5,725	13,855
	Power generation	KOREA	29.00%	88,885	114,806
	Management of power market and others	KOREA	100.00%	127,839	237,631
	Resources development	KOREA	19.00%	707	215
	Power generation	KOREA	30.66%	71,070	
	Artificial light-weight aggregate	KOREA	36.10%	1,516	
	Power generation	KOREA	25.00%	3,810	5,319
Ltd.	Power generation	KOREA	25.00%	3,420	3,089
.	Power generation	KOREA	25.00%	3,875	4,136
	Power generation	KOREA	13.13%	25,477	25,113
	Power generation	KOREA	30.00%	3,801	7,515
	Power generation	KOREA	27.00%	1,296	2,218
	Power generation	PHILIPPINES	38.00%	20,635	52,283
Ltd.	Power generation	CHINA	34.00%	413,153	649,973
	Power generation	INDONESIA	27.50%	40,365	97,410
(*4)	Resources development	NIGERIA	14.63%	12	
(*4)	Resources development	NIGERIA	14.63%	12	
	Power generation	INDONESIA	46.00%	21,292	29,403
	Resources development	INDONESIA	20.00%	615,860	451,831
	Power generation	KOREA	49.00%	132,300	116,945
	Power generation	INDIA	38.50%	49,831	38,659
	Power generation and resources development	RUSSIA	40.00%	461	

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id.	Power generation	LAOS	25.00%	71,481	61,779
)	Recycling fly ashes	KOREA	8.33%	50	
	Power generation	KOREA	8.80%	714	208
	Manufacturing and operating floating coal terminal	INDONESIA	29.00%	2,978	
(*10)	Recycling fly ashes	KOREA	2.35%	686	
	Power generation	KOREA	29.00%	1,740	2,067
	Power generation	KOREA	41.67%	29,200	20,598
2)	Power generation	KOREA	1.12%	2,900	2,597
2)	Power generation	KOREA	1.61%	2,900	2,583
	Power generation	KOREA	40.00%	43,920	34,903
er Co., Ltd.	Power generation	KOREA	28.00%	194	187
td.	Power generation	KOREA	33.61%	111,134	53,233
td. (*2)	Power generation	INDIA	5.16%	9,000	
	Power generation	KOREA	47.76%	3,821	3,476
	Power generation	KOREA	29.00%	1,230	1,718
	Power generation	KOREA	40.00%	5,580	3,763
Co., Ltd.	Construction and service	KOREA	29.00%	290	3,659
	Power generation	KOREA	29.00%	5,243	7,363
erly, Jungbu Bio					
	Power generation	KOREA	18.87%	1,000	
ervice	Electric vehicle charge service	KOREA	28.00%	2,604	1,749
.	Renewable power generation	KOREA	29.85%	8,000	6,370
	Electric material agency	KOREA	29.00%	290	383
td.	Power generation	KOREA	27.00%	8,910	8,560
Fund (*12)	Developing electric enterprises	KOREA	98.09%	51,500	47,974
o., Ltd. (*3)	Asset management	KOREA	9.90%	297	476
	Renewable power generation	KOREA	28.00%	140	11
	Installing ESS related equipment	KOREA	29.00%	210	194
nt Company Private					
	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

**September 30, 2018**

(Unaudited)

**17. Investments in Associates and Joint Ventures, Continued****(1) Investments in associates and joint ventures as of September 30, 2018 and December 31, 2017 are as follows, continued:***in millions of won*

	Key operation activities	Location	December 31, 2017		Book value
			Percentage of ownership	Acquisition cost	
<b>Investees</b>					
Wangyang Green Energy Co., Ltd.	Power generation	KOREA	20.00%	₩ 2,000	1,773
Wangyang ND solar., Ltd	Power generation	KOREA	29.00%	1,250	1,250
				2,240,761	3,837,423
<b>Joint ventures&gt;</b>					
KEPCO-Uhde Inc. (*6)	Power generation	KOREA	52.80%	11,355	25,000
Wangyang Biomass Energy Sdn. Bhd. (*6)	Power generation	MALAYSIA	61.53%	14,439	14,439
Wangyang Datang Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	27,660	27,260
Wangyang Huweihat Asia Power Investment B.V.	Holding company	NETHERLANDS	49.00%	46,037	15,673
Wangyang Huweihat Asia Operation & Maintenance Company (*6)	Maintenance of utility plant	CAYMAN	55.00%	30	66,000
Wangyang Waterbury Lake Uranium L.P.	Resources development	CANADA	35.76%	26,602	19,780
Wangyang SM-BG Investicii AD	Power generation	BULGARIA	50.00%	16,101	21,200
Wangyang SES Technology AD	Power generation	BULGARIA	50.00%	15,595	14,370
Wangyang V Holdings, Inc.	Power generation	PHILIPPINES	40.00%	2,103	1,910
Wangyang KEPCO SPC Power Corporation (*6)	Construction and operation of utility plant	PHILIPPINES	75.20%	94,579	217,090
Wangyang Kansu Datang Yumen Wind Power Co., Ltd.	Power generation	CHINA	40.00%	16,621	10,840
Wangyang Datang Chifeng Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	121,928	171,050
Wangyang Datang KEPCO Chaoyang Renewable Power Co., Ltd.	Power generation	CHINA	40.00%	10,858	11,060
Wangyang Abigh Electricity Company	Power generation	SAUDI ARABIA	40.00%	109,743	99,350
Wangyang Abigh Operation & Maintenance Company Limited	Maintenance of utility plant	SAUDI ARABIA	40.00%	70	3,980
Wangyang Jamaica Public Service Company Limited	Power generation	JAMAICA	40.00%	301,910	221,150
Wangyang W Nuclear Components Co., Ltd.	Manufacturing	KOREA	45.00%	833	6,700

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usan Shinho Solar Power Co., Ltd.	Power generation	KOREA	25.00%	2,100	4,340
S Donghae Electric Power Co., Ltd.	Power generation	KOREA	34.00%	204,000	220,720
lobal Trade Of Power System Co., Ltd.	Exporting products and technology of small or medium business by proxy	KOREA	29.00%	290	570
xpressway Solar-light Power Generation Co., Ltd.	Power generation	KOREA	29.00%	1,856	2,460
ODE NOVUS I LLC	Power generation	USA	50.00%	19,213	
ODE NOVUS II LLC	Power generation	USA	50.00%	12,756	
aejung Offshore Wind Power Co., Ltd.	Power generation	KOREA	49.90%	5,190	2,960
mman Asia Electric Power Company (*6)	Power generation	JORDAN	60.00%	111,476	145,670
APES, Inc. (*6)	R&D	KOREA	51.00%	5,629	7,470
angjin Eco Power Co., Ltd.	Power generation	KOREA	34.00%	61,540	57,920
onam Wind Power Co., Ltd.	Power generation	KOREA	29.00%	3,480	4,300
hun-cheon Energy Co., Ltd.	Power generation	KOREA	29.90%	52,700	48,110
yeonggwangbaeksu Wind Power Co., Ltd. (*3)	Power generation	KOREA	15.00%	3,000	2,730
ghi Son 2 Power LLC	Power generation	VIETNAM	50.00%	2,781	180
elar S.A (*6)	Power generation	CHILE	65.00%	77,220	67,230
T. Tanjung Power Indonesia	Power generation	INDONESIA	35.00%	746	1,770
cheon New Power Co., Ltd.	Power generation	KOREA	29.00%	461	610
okmun Energy Co., Ltd.	Power generation	KOREA	29.00%	15,370	13,780
aehan Wind Power PSC	Power generation	JORDAN	50.00%	285	
arakah One Company (*13)	Power generation	UAE	18.00%	118	620
awah Energy Company (*13)	Operation of utility plant	UAE	18.00%	296	250
OMENTUM	International thermonuclear experimental reactor construction management	FRANCE	33.33%	1	390
aeegu Green Power Co., Ltd.	Power generation	KOREA	29.00%	46,225	42,390
yeonggwang Wind Power Co., Ltd.	Power generation	KOREA	41.00%	15,375	15,290
hester Solar IV SpA (*6)	Power generation	CHILE	81.82%	1,700	1,700
hester Solar V SpA (*6)	Power generation	CHILE	81.82%	525	520
iego de Almagro Solar SpA (*6)	Power generation	CHILE	81.82%	2,091	2,090
outh Jamaica Power Company Limited	Power generation	JAMAICA	20.00%	7,090	6,700
				1,469,978	1,493,270
				₩ 3,710,739	5,330,690

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**KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES**

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

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

**(1) Investments in associates and joint ventures as of September 30, 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

**September 30, 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 September 30, 2018 and December 31, 2017 are as follows:**

*In millions of won*

Investees	September 30, 2018	December 31, 2017
<b>&lt;Associates&gt;</b>		
Korea Electric Power Industrial Development Co., Ltd.	₩ 35,453	38,667
Korea Gas Corporation	1,147,230	804,195
YTN Co., Ltd.	19,530	18,855
SPC Power Corporation	73,939	72,616
PT. Bayan Resources TBK	922,554	558,267

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

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

(3) **Changes in investments in associates and joint ventures for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows :**

*In millions of won*

Investees	September 30, 2018						
	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss) Others	Ending balance
<b>&lt;Associates&gt;</b>							
Korea Gas Corporation	₩ 1,618,868				76,019	(1,768) 13	1,693,132
Korea Electric Power Industrial Development Co., Ltd.	21,838			(1,872)	4,006	(102) (392)	23,478
YTN Co., Ltd.	40,606			(180)	(483)	(182) 192	39,953
Cheongna Energy Co., Ltd.	8,337				(4,879)		3,458
Gangwon Wind Power Co., Ltd.	13,855			(2,272)	1,361		12,944
Hyundai Green Power Co., Ltd.	114,806			(8,889)	14,129		120,046
Korea Power Exchange	237,631				23,328	4,632	265,591
AMEC Partners Korea Ltd.	215				(4)		211
Hyundai Energy Co., Ltd.							
Ecollite Co., Ltd.							
Taebaek Wind Power Co., Ltd.	5,319			(196)	531		5,654
Taebaek Guinemi Wind Power Co., Ltd.	3,089				(513)		2,576
Pyeongchang Wind Power Co., Ltd.	4,136				1,272		5,408

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Daeryun Power Co., Ltd.	25,113		(1,979)	15	(2,534)	20,615
Changjuk Wind Power Co., Ltd.	7,515		(416)	986		8,085
KNH Solar Co., Ltd.	2,218			78		2,296
SPC Power Corporation	52,283		(4,727)	3,865	7,247	58,679
Gemeng International Energy Co., Ltd.	649,973		(11,246)	3,851	(10,261)	632,317
PT. Cirebon Electric Power	97,410		(4,394)	7,490	6,061	106,567
KNOC Nigerian East Oil Co., Ltd.				2,651	(419)	(2,232)
KNOC Nigerian West Oil Co., Ltd.				2,343	(367)	(1,976)
PT Wampu Electric Power	29,403			2,853	1,190	33,446
PT. Bayan Resources TBK	451,831		(33,651)	59,444	23,397	501,021
S-Power Co., Ltd.	116,945			(3,164)		113,781
Pioneer Gas Power Limited	38,659			(13,480)	(570)	24,609
Eurasia Energy Holdings						
Xe-Pian Xe-Namnoy Power Co., Ltd.	61,779	11,145		162	2,628	75,714
Hadong Mineral Fiber Co., Ltd.						
Green Biomass Co., Ltd.	208			(70)		138
PT. Mutiara Jawa Samcheok Eco Materials Co., Ltd.						
Noeul Green Energy Co., Ltd.	2,067			3,954	263	6,284
Naepo Green Energy Co., Ltd.	20,598			(1,397)		19,201
Goseong Green Energy Co., Ltd.	2,597			(145)		2,452
Gangneung Eco Power Co., Ltd.	2,583			(55)		2,528
Shin Pyeongtaek Power Co., Ltd.	34,903	28,080		(3,880)	3,128	65,836
Heang Bok Do Si Photovoltaic Power Co., Ltd.	187			10		197
Dongducheon Dream Power Co., Ltd.	53,233	36,971		(12,878)		77,326
Jinbhuvish Power Generation Pvt. Ltd.						
SE Green Energy Co., Ltd.	3,476			(97)		3,379

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Daegu Photovoltaic Co., Ltd.	1,718		(128)	335		1,925
Jeongam Wind Power Co., Ltd.	3,763			(361)		3,402
Korea Power Engineering Service Co., Ltd.	3,659		(218)	749		4,190
Busan Green Energy Co., Ltd.	7,363			4,620	144	12,127
Gunsan Bio Energy Co., Ltd.						
Korea Electric Vehicle Charging Service	1,749	196		(201)		1,744
Ulleungdo Natural Energy Co., Ltd.	6,370			(227)		6,143
Korea Nuclear Partners Co., Ltd.	383			(140)		243
Tamra Offshore Wind Power Co., Ltd.	8,560			2,022		10,582

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

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

(3) **Changes in investments in associates and joint ventures for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

Investees	September 30, 2018							
	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehensive income (loss)	Others	Ending balance
Korea Electric Power Corporation Fund	₩ 47,974				(1,522)	92		46,544
Energy Infra Asset Management Co., Ltd.	476				136			612
Daegu clean Energy Co., Ltd.	11				12			23
YaksuESS Co., Ltd	194				246			440
Nepal Water & Energy Development Company Private Limited	30,498				(643)	1,090		30,945
Gwangyang Green Energy Co., Ltd.	1,772				(326)			1,446
PND solar., Ltd	1,250				(156)			1,094
Hyundai Eco Energy Co., Ltd.		3,610						3,610
	3,837,421	80,002		(68,189)	169,853	31,179	1,726	4,051,992
<b>&lt;Joint ventures&gt;</b>								
KEPCO-Uhde Inc.	258				(37)			221

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Eco Biomass Energy Sdn. Bhd.						
Datang Chaoyang Renewable Power Co., Ltd. (*3)	27,262		743	1,009	(29,014)	
Shuweihat Asia Power Investment B.V.	15,675	(1,604)	(55)	3,084	11,965	29,065
Shuweihat Asia Operation & Maintenance Company	663		(435)	737	47	1,012
Waterbury Lake Uranium L.P.	19,781		(8)	28		19,801
ASM-BG Investicii AD	21,202		(1,039)	2,379	(770)	21,772
RES Technology AD	14,375			1,354	199	15,928
KV Holdings, Inc.	1,918		(735)	520	(95)	1,608
KEPCO SPC Power Corporation	217,094		(33,476)	37,602	(16,935)	(4)
Gansu Datang Yumen Wind Power Co., Ltd.	10,840			(794)	(96)	9,950
Datang Chifeng Renewable Power Co., Ltd.	171,055			9,723	(2,292)	178,486
Datang KEPCO Chaoyang Renewable Power Co., Ltd. (*3)	11,060			259	(1,447)	29,013
Rabigh Electricity Company	99,356		(16,151)	13,178	17,995	1
Rabigh Operation & Maintenance Company Limited	3,987		(1,147)	2,481	166	5,487
Jamaica Public Service Company Limited	221,153				8,526	229,679
KW Nuclear Components Co., Ltd.	6,703		(208)	1,241		7,736
Busan Shinho Solar Power Co., Ltd.	4,346		(340)	607		4,613
GS Donghae Electric Power Co., Ltd.	220,727			20,807		241,534
Global Trade Of Power System Co., Ltd.	577			(73)		504
	2,463			163		2,626

Expressway Solar-light Power Generation Co., Ltd.					
KODE NOVUS I LLC (*1)					
KODE NOVUS II LLC (*2)					
Daejung Offshore Wind Power Co., Ltd.	2,969	(190)			2,779
Amman Asia Electric Power Company	145,676	14,505	17,255		177,436
KAPES, Inc.	7,476	1,761		(141)	9,096
Dangjin Eco Power Co., Ltd.	57,928	(37,826)	(65)	65	20,102
Honam Wind Power Co., Ltd.	4,302	(348)	634		4,588
Chun-cheon Energy Co., Ltd.	48,118	(3,089)			45,029

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

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

(3) **Changes in investments in associates and joint ventures for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won***September 30, 2018**

Investees	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehen- sive income		Ending balance
						(loss)	Others	
Yeonggwangbaeksu Wind Power Co., Ltd.	₩ 2,734				74			2,808
Nghi Son 2 Power LLC	183				(118)	(65)		
Kelar S.A	67,233				4,859	(5,659)		66,433
PT. Tanjung Power Indonesia	1,776				2,511	4,539		8,826
Incheon New Power Co., Ltd.	619			(41)	6			584
Seokmun Energy Co., Ltd.	13,786				1,989			15,775
Daehan Wind Power PSC		1,837			(922)	(92)	618	1,441
Barakah One Company	626				2,749	1,904		5,279
Nawah Energy Company	258				4	11		273
MOMENTUM	391				127	3		521
Daegu Green Power Co., Ltd.	42,391				(942)			41,449
Yeonggwang Wind Power Co., Ltd.	15,294				45			15,339



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Chester Solar IV SpA	1,700			(972)	(142)			586
Chester Solar V SpA	525			(448)	(35)			42
Diego de Almagro Solar SpA	2,091			(689)	(213)			1,189
South Jamaica Power Company Limited	6,704	8,403		(124)	387			15,370
Daesan Green Energy Co., Ltd.		17,850		(491)				17,359
RE Holiday Holdings LLC		42,862		8,767	(314)			51,315
RE Pioneer Holdings LLC		27,372		10,823	(46)			38,149
RE Barren Ridge 1 Holdings LLC		26,950		12,362	(3)			39,309
RE Astoria 2 LandCo LLC		4,663		762	(41)			5,384
RE Barren Ridge LandCo LLC		1,970		(67)	(14)			1,889
Laurel SpA		1,222		(525)	(13)			684
KIAMCO KOWEPO Bannerton Hold Co Pty Ltd		4,095		(15)	(63)			4,017
Chile Solar JV SpA		36,654		3,387	(2,790)			37,251
	1,493,275	173,878	(1,604)	(53,975)	112,913	32,844	538	1,757,869
	₩ 5,330,696	253,880	(1,604)	(122,164)	282,766	64,023	2,264	5,809,861

(\*1) The Company reclassified its shares of KODE NOVUS I LLC to available-for-sale financial assets during the nine-month period ended September 30, 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 nine-month period ended September 30, 2018.

(\*3) Datang Chaoyang Renewable Power Co., Ltd. was merged with Datang KEPCO Chaoyang Renewable Power Co., Ltd. during the nine-month period ended September 30, 2018.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

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

(3) **Changes in investments in associates and joint ventures for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

December 31, 2017

Investees	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other	Ending balance	
						comprehen- sive income (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
	3,131				(42)			3,089

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Taeback Guinemi Wind Power Co., 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
		43,880		(10,998)	(3,617)	5,638	34,903

Shin Pyeongtaek Power Co., Ltd.					
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	
Jinbhuvish 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

**September 30, 2018**

(Unaudited)

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

(3) **Changes in investments in associates and joint ventures for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows, continued:**

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

Investees	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehen- sive income		Ending balance
						(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.								
Datang Chaoyang Renewable Power	28,239			(839)	840	(978)		27,262

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Co., Ltd.						
Shuweiha Asia Power Investment B.V.		(1,707)	4,275	12,457	650	15,675
Shuweiha 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.	2,098		61	(241)		1,918
KEPCO SPC 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., Ltd.	477		100			577
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
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Amman Asia Electric  
Power Company

153,857			(12,213)	19,957	(15,925)	145,676
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KAPES, Inc.

4,758				2,752	(34)	7,476
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Dangjin Eco Power  
Co., Ltd.

53,253	5,440		(752)	(3)	(10)	57,928
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Honam Wind Power  
Co., Ltd.

4,451			(487)	338		4,302
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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

**September 30, 2018**

(Unaudited)

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

(3) **Changes in investments in associates and joint ventures for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

December 31, 2017

Investees	Beginning balance	Acquisition	Disposal	Dividends received	Share of income (loss)	Other comprehen- sive income (loss)	Others	Ending balance
Yeonggwangbaeksu Wind Power Co., Ltd.	₩ 2,689				45			2,734
Nghi Son 2 Power LLC	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
		15,375			(25)	(56)		15,294



Yeonggwang Wind Power Co., Ltd.								
Chester Solar IV SpA	1,700							1,700
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

**September 30, 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 nine-month period ended September 30, 2018 and as of and for the year ended December 31, 2017 are as follows:**

*In millions of won*

	<b>September 30, 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 (*1)	₩ 36,575,911	28,114,265	18,555,746	368,511
Korea Electric Power Industrial Development Co., Ltd.	157,086	76,129	239,042	16,243
YTN Co., Ltd.	280,138	93,639	90,527	(3,194)
Cheongna Energy Co., Ltd.	423,597	421,297	43,892	(11,123)
Gangwon Wind Power Co., Ltd.	88,134	2,170	19,199	9,082
Hyundai Green Power Co., Ltd.	1,113,407	699,455	375,040	42,395
Korea Power Exchange	292,585	26,994	81,221	23,328
AMEC Partners Korea Ltd.	1,114	3		(13)
Hyundai Energy Co., Ltd.	481,681	519,573	71,191	(15,071)
Ecollite Co., Ltd.	1,983	324		(41)
Taebaek Wind Power Co., Ltd.	36,853	14,236	6,370	2,125
Taebaek Guinemi Wind Power Co., Ltd.	10,404	100		(2,053)
Pyeongchang Wind Power Co., Ltd.	82,467	60,835	10,144	4,206
Daeryun Power Co., Ltd.	798,567	507,190	138,449	(10,224)
Changjuk Wind Power Co., Ltd.	35,025	8,075	6,122	3,287
KNH Solar Co., Ltd.	23,776	15,272	2,665	287
SPC Power Corporation	226,323	16,735	36,784	32,491
Gemeng International Energy Co., Ltd.	6,225,244	4,365,492	1,388,799	77,563
PT. Cirebon Electric Power	849,415	461,898	206,247	26,264
KNOC Nigerian East Oil Co., Ltd.	78,367	150,947		(156)
KNOC Nigerian West Oil Co., Ltd.	70,104	136,998		(390)
PT Wampu Electric Power	220,942	148,233	19,060	9,911
PT. Bayan Resources TBK	1,063,968	379,133	1,190,085	378,786
S-Power Co., Ltd.	795,539	559,752	368,130	(7,838)
Pioneer Gas Power Limited	301,114	295,235		(35,015)

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Eurasia Energy Holdings	569	1,015		
Xe-Pian Xe-Namnoy Power Co., Ltd.	1,001,112	694,327		1,119
Hadong Mineral Fiber Co., Ltd.	203	231		
Green Biomass Co., Ltd.	4,884	3,306	833	(783)
PT. Mutiara Jawa	22,209	22,645	11,605	2,207
Samcheok Eco Materials Co., Ltd.	24,769	3,229	1,484	(1,766)
Noeul Green Energy Co., Ltd.	143,419	121,748	45,582	13,480
Naepo Green Energy Co., Ltd.	116,919	70,874	4,534	(3,385)
Goseong Green Energy Co., Ltd.	1,696,888	1,462,568		(5,230)
Gangneung Eco Power Co., Ltd.	729,417	566,083		(3,177)
Shin Pyeongtaek Power Co., Ltd.	551,278	395,495		(3,978)
Heang Bok Do Si Photovoltaic Power Co., Ltd.	2,668	1,972	342	35
Dongducheon Dream Power Co., Ltd.	1,515,961	1,245,118	612,558	(20,336)
Jinhuvish Power Generation Pvt. Ltd.	64,348	13,289		
SE Green Energy Co., Ltd.	7,074			(203)
Daegu Photovoltaic Co., Ltd.	16,830	10,193	2,832	1,377
Jeongam Wind Power Co., Ltd.	90,642	82,137		(814)
Korea Power Engineering Service Co., Ltd.	15,652	1,203	13,586	2,585
Busan Green Energy Co., Ltd.	201,063	159,245	55,756	15,934
Gunsan Bio Energy Co., Ltd.	8,612	19,101		(3,238)
Korea Electric Vehicle Charging Service	12,434	6,206	5,132	(717)
Ulleungdo Natural Energy Co., Ltd.	22,372	1,791		(761)
Korea Nuclear Partners Co., Ltd.	867	30	79	(473)
Tamra Offshore Wind Power Co., Ltd.	171,573	132,380	16,186	4,748
Korea Electric Power Corporation Fund	47,754	307	219	(1,686)
Energy Infra Asset Management Co., Ltd.	6,546	365	4,348	1,657
Daegu clean Energy Co., Ltd.	405	324		(171)
YaksuESS Co., Ltd	7,643	6,131	1,735	1,190
Nepal Water & Energy Development Company Private Limited	57,736	6,463		(665)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 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 nine-month period ended September 30, 2018 and as of and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

	<b>September 30, 2018</b>			<b>Profit (loss) for the period</b>
<b>Investees</b>	<b>Total assets</b>	<b>Total liabilities</b>	<b>Sales</b>	
Gwangyang Green Energy Co., Ltd.	₩ 27,414	20,271		(1,629)
PND solar., Ltd	39,949	36,706	456	(538)
Hyundai Eco Energy Co., Ltd.	158,677	140,805		(1,025)
<b>&lt;Joint ventures&gt;</b>				
KEPCO-Uhde Inc.	437	2	18	(72)
Eco Biomass Energy Sdn. Bhd.				
Shuweiha Asia Power Investment B.V.	59,318	2		(145)
Shuweiha Asia Operation & Maintenance Company	1,865	23	1,830	1,341
Waterbury Lake Uranium L.P.	57,983	655		
ASM-BG Investicii AD	89,505	45,962	11,243	4,692
RES Technology AD	73,641	41,784	7,646	2,652
KV Holdings, Inc.	4,021		7	628
KEPCO SPC Power Corporation	296,275	24,624	139,924	49,825
Gansu Datang Yumen Wind Power Co., Ltd.	78,350	53,475	5,454	(1,985)
Datang Chifeng Renewable Power Co., Ltd.	740,649	294,310	81,642	24,450
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	195,714	98,501	12,566	1,750
Rabigh Electricity Company	2,455,353	1,989,679	201,494	38,472
Rabigh Operation & Maintenance Company Limited	25,510	11,795	20,860	6,324
Jamaica Public Service Company Limited	1,349,941	781,441	734,727	23,066
KW Nuclear Components Co., Ltd.	24,594	7,011	6,031	2,575
Busan Shinho Solar Power Co., Ltd.	47,301	28,850	6,116	2,423
GS Donghae Electric Power Co., Ltd.	2,261,258	1,550,864	596,326	61,167
Global Trade Of Power System Co., Ltd.	2,157	417	862	(171)
	18,510	9,454	2,233	519

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Expressway Solar-light Power Generation Co.,  
Ltd.

Daejung Offshore Wind Power Co., Ltd.	6,607	1,037		(369)
Amman Asia Electric Power Company	783,168	487,294	17,070	24,176
KAPES, Inc.	82,518	64,683	49,394	4,864
Dangjin Eco Power Co., Ltd.	52,686	580		(110,471)
Honam Wind Power Co., Ltd.	42,765	27,057	5,514	2,184
Chun-cheon Energy Co., Ltd.	659,501	508,916	248,603	(10,694)
Yeonggwangbaeksu Wind Power Co., Ltd.	100,233	81,552	8,333	498
Nghi Son 2 Power LLC	435,032	476,924	145,836	3,428
Kelar S.A	640,637	542,378	64,928	7,667
PT. Tanjung Power Indonesia	484,813	459,596	82,142	7,252
Incheon New Power Co., Ltd.	6,645	4,630	2,069	22
Seokmun Energy Co., Ltd.	253,752	199,353	36,317	6,861
Daehan Wind Power PSC	25,950	23,068		(1,021)
Barakah One Company	20,082,320	20,052,994		13,915
Nawah Energy Company	1,515			
MOMENTUM	8,972	7,408	11,162	317
Daegu Green Power Co., Ltd.	565,621	497,163	196,326	(3,248)
Yeonggwang Wind Power Co., Ltd.	249,772	212,922		(59)
Chester Solar IV SpA	14,503	13,787	1,002	(1,297)
Chester Solar V SpA	4,493	4,528	164	(548)
Diego de Almagro Solar SpA	16,104	14,650		(945)
South Jamaica Power Company Limited	260,716	183,861		(635)
Daesan Green Energy Co., Ltd.	52,936	3,338		(1,402)
RE Holiday Holdings LLC	336,932	234,303	6,523	2,708
RE Pioneer Holdings LLC	253,343	177,044	7,370	4,991
RE Barren Ridge 1 Holdings LLC	217,904	139,285	6,706	5,350
RE Astoria 2 Land Co LLC	10,977	209	409	369
RE Barren Ridge Land Co LLC	3,862	83	164	146
Laurel SpA	5,325	4,631		(642)
KIAMCO KOWEPO Bannerton Hold Co Pty Ltd	32,494	94		(155)
Chile Solar JV SpA	74,503	2		6,773

(\*1) The profit for the nine-month period ended September 30, 2018 is net of net income attributable to non-controlling interests.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 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 nine-month period ended September 30, 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)
Pioneer Gas Power Limited	339,271	296,898	8,215	(27,796)

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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

**September 30, 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 nine-month period ended September 30, 2018 and as of and for the year ended December 31, 2017 are as follows, continued:***In millions of won*

	December 31, 2017			Profit (loss) for the period
Investees	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
Shuweiha Asia Power Investment B.V.	32,001	10		(170)
Shuweiha 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
	19,143	10,651	3,018	643



Expressway Solar-light Power Generation Co.,  
Ltd.

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 LLC	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

**September 30, 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 September 30, 2018 and December 31, 2017 are as follows:

*In millions of won*

Investees	Net assets	September 30, 2018		Investment differential	Intercompany transaction	Others	Book value
		Percentage of ownership (*)	Share in net assets				
<b>&lt;Associates&gt;</b>							
Korea Gas Corporation	₩ 8,461,646	21.57%	1,825,177			(132,045)	1,693,132
Korea Electric Power Industrial Development Co., Ltd.	80,957	29.00%	23,478				23,478
YTN Co., Ltd.	186,499	21.43%	39,964		(9)	(2)	39,953
Cheongna Energy Co., Ltd.	2,300	43.90%	1,010	2,584	(136)		3,458
Gangwon Wind Power Co., Ltd.	85,964	15.00%	12,895			49	12,944
Hyundai Green Power Co., Ltd.	413,952	29.00%	120,046				120,046
Korea Power Exchange AMEC Partners Korea Ltd.	265,591	100.00%	265,591				265,591
Hyundai Energy Co., Ltd.	1,111	19.00%	211				211
Ecollite Co., Ltd.	(37,892)	46.30%	(17,544)		(1,006)	18,550	
Taebaek Wind Power Co., Ltd.	1,659	36.10%	599			(599)	
Taebaek Guinemi Wind Power Co., Ltd.	22,617	25.00%	5,654				5,654
Pyeongchang Wind Power Co., Ltd.	10,304	25.00%	2,576				2,576
Daeryun Power Co., Ltd.	21,632	25.00%	5,408				5,408
Changjuk Wind Power Co., Ltd.	291,377	9.34%	27,215	1,014		(7,614)	20,615
KNH Solar Co., Ltd.	26,950	30.00%	8,085				8,085
	8,504	27.00%	2,296				2,296

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SPC Power Corporation	209,588	38.00%	79,643			(20,964)	58,679
Gemeng International Energy Co., Ltd.	1,859,752	34.00%	632,316			1	632,317
PT. Cirebon Electric Power	387,517	27.50%	106,567				106,567
KNOC Nigerian East Oil Co., Ltd.	(72,580)	14.63%	(10,618)			10,618	
KNOC Nigerian West Oil Co., Ltd.	(66,894)	14.63%	(9,787)			9,787	
PT Wampu Electric Power	72,709	46.00%	33,446				33,446
PT. Bayan Resources TBK S-Power Co., Ltd.	684,835	20.00%	136,967	435,522		(71,468)	501,021
Pioneer Gas Power Limited	235,787	49.00%	115,536			(1,755)	113,781
Eurasia Energy Holdings	5,879	38.50%	2,263	22,278		68	24,609
Xe-Pian Xe-Namnoy Power Co., Ltd.	(446)	40.00%	(178)			178	
Hadong Mineral Fiber Co., Ltd.	306,785	25.00%	76,696	254	(947)	(289)	75,714
Green Biomass Co., Ltd.	(28)	8.33%	(2)			2	
PT. Mutiara Jawa	1,578	8.80%	138				138
Samcheok Eco Materials Co., Ltd.	(436)	29.00%	(126)			126	
Noeul Green Energy Co., Ltd.	21,540	2.35%	506			(506)	
Naepo Green Energy Co., Ltd.	21,671	29.00%	6,284				6,284
Goseong Green Energy Co., Ltd.	46,045	41.67%	19,185			16	19,201
Gangneung Eco Power Co., Ltd.	234,320	1.12%	2,614			(162)	2,452
Shin Pyeongtaek Power Co., Ltd.	163,334	1.61%	2,631			(103)	2,528
Heang Bok Do Si Photovoltaic Power Co., Ltd.	155,783	40.00%	62,313	12,800	(9,277)		65,836
Dongducheon Dream Power Co., Ltd.	696	28.00%	195			2	197
Jinbhuvish Power Generation Pvt. Ltd.	270,843	34.01%	92,114	1,933	(4,139)	(12,582)	77,326
SE Green Energy Co., Ltd.	51,059	5.16%	2,635			(2,635)	
Daegu Photovoltaic Co., Ltd.	7,074	47.76%	3,379				3,379
Jeongam Wind Power Co., Ltd.	6,637	29.00%	1,925				1,925
Korea Power Engineering Service Co., Ltd.	8,505	40.00%	3,402				3,402
Busan Green Energy Co., Ltd.	14,449	29.00%	4,190				4,190
Gunsan Bio Energy Co., Ltd.	41,818	29.00%	12,127				12,127
	(10,489)	18.87%	(1,979)			1,979	

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Korea Electric Vehicle Charging Service	6,228	28.00%	1,744			1,744
Ulleungdo Natural Energy Co., Ltd.	20,581	29.85%	6,143			6,143
Korea Nuclear Partners Co., Ltd.	837	29.00%	243			243
Tamra Offshore Wind Power Co., Ltd.	39,193	27.00%	10,582			10,582
Korea Electric Power Corporation Fund	47,447	98.09%	46,541		3	46,544
Energy Infra Asset Management Co., Ltd.	6,181	9.90%	612			612
Daegu clean Energy Co., Ltd.	81	28.00%	23			23
YaksuESS Co., Ltd	1,512	29.00%	438		2	440
Nepal Water & Energy Development Company Private Limited	51,273	57.67%	29,569	972	404	30,945
Gwangyang Green Energy Co., Ltd.	7,143	20.00%	1,428	18		1,446

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 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 September 30, 2018 and December 31, 2017 are as follows, continued:**

*In millions of won*

Investees	September 30, 2018					Book value
	Net assets	Percentage of ownership (*)	Share in net assets	Investment differential	Intercompany transaction Others	
PND solar., Ltd	₩ 3,243	29.00%	940	154		1,094
Hyundai Eco Energy Co., Ltd.	17,872	19.00%	3,396	214		3,610
<b>&lt;Joint ventures&gt;</b>						
KEPCO-Uhde Inc.	435	50.85%	221			221
Eco Biomass Energy Sdn. Bhd.		61.53%				
Shuweihaat Asia Power Investment B.V.	59,316	49.00%	29,065			29,065
Shuweihaat Asia Operation & Maintenance Company	1,842	55.00%	1,013		(1)	1,012
Waterbury Lake Uranium L.P.	57,328	34.54%	19,801			19,801
ASM-BG Investicii AD	43,543	50.00%	21,772			21,772
RES Technology AD	31,857	50.00%	15,928			15,928
KV Holdings, Inc.	4,021	40.00%	1,608			1,608
KEPCO SPC Power Corporation	271,651	75.20%	204,281			204,281
Gansu Datang Yumen Wind Power Co., Ltd.	24,875	40.00%	9,950			9,950
Datang Chifeng Renewable Power Co., Ltd.	446,339	40.00%	178,536		(50)	178,486
Datang KEPCO Chaoyang Renewable Power Co., Ltd.	97,213	40.00%	38,885			38,885
Rabigh Electricity Company	465,674	40.00%	186,270	(70,977)	(914)	114,379
	13,715	40.00%	5,487			5,487

Rabigh Operation & Maintenance Company Limited						
Jamaica Public Service Company Limited	568,500	40.00%	227,400	(80,161)	82,440	229,679
KW Nuclear Components Co., Ltd.	17,583	45.00%	7,912		(176)	7,736
Busan Shinho Solar Power Co., Ltd.	18,451	25.00%	4,613			4,613
GS Donghae Electric Power Co., Ltd.	710,394	34.00%	241,534			241,534
Global Trade Of Power System Co., Ltd.	1,740	29.00%	504			504
Expressway Solar-light Power Generation Co., Ltd.	9,056	29.00%	2,626			2,626
Daejung Offshore Wind Power Co., Ltd.	5,570	49.90%	2,779			2,779
Amman Asia Electric Power Company	295,874	60.00%	177,524		(88)	177,436
KAPES, Inc.	17,835	51.00%	9,096			9,096
Dangjin Eco Power Co., Ltd.	52,106	34.00%	17,716	2,618	(232)	20,102
Honam Wind Power Co., Ltd.	15,708	29.00%	4,556	32		4,588
Chun-cheon Energy Co., Ltd.	150,585	29.90%	45,026	3		45,029
Yeonggwangbaeksu Wind Power Co., Ltd.	18,681	15.00%	2,802	6		2,808
Nghi Son 2 Power LLC	(41,892)	50.00%	(20,946)		20,946	
Kelar S.A	98,259	65.00%	63,868	2,470	95	66,433
PT. Tanjung Power Indonesia	25,217	35.00%	8,826			8,826
Incheon New Power Co., Ltd.	2,015	29.00%	584			584
Seokmun Energy Co., Ltd.	54,399	29.00%	15,775			15,775
Daehan Wind Power PSC	2,882	50.00%	1,441			1,441
Barakah One Company	29,326	18.00%	5,279			5,279
Nawah Energy Company	1,515	18.00%	273			273
MOMENTUM	1,564	33.33%	521			521
Daegu Green Power Co., Ltd.	68,458	29.00%	19,853	84	21,512	41,449
Yeonggwang Wind Power Co., Ltd.	36,850	41.00%	15,109	230		15,339
Chester Solar IV SpA	716	81.82%	586			586
Chester Solar V SpA	(35)	81.82%	(28)	70		42
Diego de Almagro Solar SpA	1,454	81.82%	1,189			1,189
South Jamaica Power Company Limited	76,855	20.00%	15,370			15,370
Daesan Green Energy Co., Ltd.	49,598	35.00%	17,359			17,359
RE Holiday Holdings LLC	102,629	50.00%	51,315			51,315
RE Pioneer Holdings LLC	76,299	50.00%	38,149			38,149
RE Barren Ridge 1 Holdings LLC	78,619	50.00%	39,309			39,309
RE Astoria 2 LandCo LLC	10,768	50.00%	5,384			5,384
RE Barren Ridge LandCo LLC	3,779	50.00%	1,889			1,889

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Laurel SpA	694	81.82%	568	116	684
KIAMCO KOWEPO					
Bannerton Hold Co Pty Ltd	32,400	12.37%	4,008	9	4,017
Chile Solar JV SpA	74,501	50.00%	37,251		37,251

(\*) 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

**September 30, 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 September 30, 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
Daeryun Power Co., Ltd.	123,881	19.45%	24,095	1,014		4	25,113



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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)
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)
Jinhuvish Power Generation Pvt. Ltd.	52,407	5.16%	2,704		(2,704)	
SE Green Energy Co., Ltd.	7,278	47.76%	3,476			3,476
	5,923	29.00%	1,718			1,718

Daegu Photovoltaic Co., Ltd.				
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

**September 30, 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 September 30, 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
Gansu Datang Yumen Wind Power Co., Ltd.	27,101	40.00%	10,840				10,840

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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 Rabigh Operation & Maintenance Company Limited	428,119	40.00%	171,248		(70,978) (914)	99,356
Jamaica Public Service Company Limited	9,967	40.00%	3,987			3,987
KW Nuclear Components Co., Ltd.	523,662	40.00%	209,464	(80,161)		91,850 221,153
Busan Shinho Solar Power Co., Ltd.	15,472	45.00%	6,962		(259)	6,703
GS Donghae Electric Power Co., Ltd.	17,386	25.00%	4,346			4,346
Global Trade Of Power System Co., Ltd.	649,199	34.00%	220,727			220,727
Expressway Solar-light Power Generation Co., Ltd.	1,990	29.00%	577			577
KODE NOVUS I LLC	8,492	29.00%	2,463			2,463
KODE NOVUS II LLC	(107,377)	50.00%	(53,689)			53,689
Daejung Offshore Wind Power Co., Ltd.	(47,391)	50.00%	(23,696)			23,696
Amman Asia Electric Power Company	5,950	49.90%	2,969			2,969
KAPES, Inc.	242,940	60.00%	145,764		(88)	145,676
Dangjin Eco Power Co., Ltd.	14,658	51.00%	7,476			7,476
Honam Wind Power Co., Ltd.	162,676	34.00%	55,310	2,618		57,928
Chun-cheon Energy Co., Ltd.	14,724	29.00%	4,270	32		4,302
Yeonggwangbaeksu Wind Power Co., Ltd.	160,919	29.90%	48,115	3		48,118
Nghi Son 2 Power LLC	18,189	15.00%	2,728	6		2,734
Kelar S.A	365	50.00%	183			183
PT. Tanjung Power Indonesia	100,192	65.00%	65,125	2,424	(316)	67,233
Incheon New Power Co., Ltd.	5,075	35.00%	1,776			1,776
Seokmun Energy Co., Ltd.	2,135	29.00%	619			619
Daehan Wind Power PSC	47,538	29.00%	13,786			13,786
Barakah One Company	(824)	50.00%	(412)			412
Nawah Energy Company	3,476	18.00%	626			626
MOMENTUM	1,436	18.00%	258			258
Daegu Green Power Co., Ltd.	1,174	33.33%	391			391
Yeonggwang Wind Power Co., Ltd.	71,706	29.00%	20,795		84 21,512	42,391
Chester Solar IV SpA	36,740	41.00%	15,063	231		15,294
Chester Solar V SpA	2,034	81.82%	1,664		36	1,700
Diego de Almagro Solar SpA	512	81.82%	419		106	525
South Jamaica Power Company Limited	2,436	81.82%	1,993		98	2,091
	33,522	20.00%	6,704			6,704

(\* 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

**September 30, 2018**

(Unaudited)

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

- (6) As of September 30, 2018 and December 31, 2017, unrecognized equity interest in investments in associates and joint ventures whose book value has been reduced to zero due to accumulated losses are as follows:

<i>In millions of won</i>	September 30, 2018		December 31, 2017	
	Unrecognized equity interest	Accumulated unrecognized equity interest	Unrecognized equity interest	Accumulated unrecognized equity interest
Shin Pyeongtaek Power Co., Ltd.	₩		(2,537)	
Kelar S.A			(61,309)	
Hadong Mineral Fiber Co., Ltd.		2	(3)	2
PT. Mutiara Jawa	(620)	126	(1,159)	746
Eurasia Energy Holdings	6	178	(22)	172
KODE NOVUS I LLC			8,706	53,689
KODE NOVUS II LLC			181	23,696
Gunsan Bio Energy Co., Ltd.	693	1,979	1,154	1,286
Daehan Wind Power PSC	(412)		412	412
Hyundai Energy Co., Ltd.	17,110	17,110		
Nghi Son 2 Power LLC	20,946	20,946		
Samcheok Eco Materials Co., Ltd.	1,323	1,323		

- (7) As of September 30, 2018, shareholders agreements on investments in associates and joint ventures that may cause future economic resource or cash outflows are as follows:

- (i) Gemeng International Energy Co., Ltd.

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

(ii) Hyundai Energy Co., Ltd.

The Company had placed guarantees for a fixed return on the investment to NH Power II Co., Ltd. and National Agricultural Cooperative Federation ( NACF ) and had obtained the rights to acquire the investment securities in return preferentially. In addition, NH Power II Co., Ltd. and NACF have a right, which can be exercised for 30 days starting from 2 months to 1 month prior to 17 years after the termination date of the contract to sell their shares to the Company.

(iii) Taebaek Wind Power Co., Ltd.

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

(iv) Pyeongchang Wind Power Co., Ltd.

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

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

**(7) As of September 30, 2018, shareholders' agreements on investments in associates and joint ventures that may cause future economic resource or cash outflows are as follows, continued:**

(v) Jeongam Wind Power Co., Ltd.

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

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

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

(vii) Samcheok Eco Materials Co., Ltd.

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

(viii) Hyundai Green Power Co., Ltd.

As of September 30, 2018, Hyundai Green Power Co., Ltd., an associate of the Company, which engages in the byproduct gas power generating business, entered into a project financing agreement with a limit of ₩852.1 billion with Korea Development Bank and others. At a certain period in the future, the Company has call option against the financial investors (Korea Development Bank and others) and also has an obligation to purchase its shares when claimed by the financial investors. At a certain period in the future, the Company has put option against Hyundai Steel Company and a third party designated by Hyundai Steel Company (collectively, Hyundai Steel Company), the operating investor of Hyundai Green Power Co., Ltd., according to the conditions of the agreement and also has an obligation to sell its shares upon request from Hyundai Steel Company.



**(8) Significant restrictions on the Company's abilities on associates or joint ventures are as follows:**

<b>Company</b>	<b>Nature and extent of any significant restrictions</b>
Daeryun Power Co., Ltd.	Principals on subordinated loans or dividends can only be paid when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained.
Changjuk Wind Power Co., Ltd.	Principals on subordinated loans or dividends can only be paid when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained.
Taebaek Wind Power Co., Ltd.	Financial institutions can reject or defer an approval with regard to the request for fund executions on subordinated loans of shareholders in order to pay senior loans based on the loan agreement.
Pyeongchang Wind Power Co., Ltd.	Principals on subordinated loans or dividends can only be paid when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained.
Daegu Green Power Co., Ltd.	Principals on subordinated loans or dividends can only be paid when all conditions of the loan agreement are satisfied or prior written consent of financial institutions is obtained. Shares cannot be wholly or partially transferred without prior written consent of financial institutions is obtained.
KNH Solar Co., Ltd.	Principal and interest, dividends to shareholders cannot be paid without written consent of financial institutions.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**18. Property, Plant and Equipment****(1) Property, plant and equipment as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won*

	<b>September 30, 2018</b>				
	<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated depreciation</b>	<b>Accumulated impairment losses</b>	<b>Book value</b>
Land	₩ 13,470,676	(21,968)			13,448,708
Buildings	19,186,882	(63,998)	(7,327,099)	(3,669)	11,792,116
Structures	67,764,118	(194,294)	(23,715,919)	(8,399)	43,845,506
Machinery	78,215,611	(171,296)	(32,411,999)	(439,350)	45,192,966
Ships	3,657		(3,330)		327
Vehicles	270,848	(4,722)	(210,215)	(116)	55,795
Equipment	1,501,568	(484)	(1,141,418)	(42)	359,624
Tools	1,052,954	(772)	(872,348)	(38)	179,796
Construction-in-progress	29,028,378	(56,533)		(196,868)	28,774,977
Finance lease assets	2,390,699	(27)	(2,178,897)		211,775
Asset retirement costs	9,466,939		(3,617,808)	(146,423)	5,702,708
Others	11,797,587		(9,331,989)		2,465,598
	<b>₩ 234,149,917</b>	<b>(514,094)</b>	<b>(80,811,022)</b>	<b>(794,905)</b>	<b>152,029,896</b>

*In millions of won*

	<b>December 31, 2017</b>				
	<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated depreciation</b>	<b>Accumulated impairment losses</b>	<b>Book value</b>
Land	₩ 13,318,542	(21,968)			13,296,574
Buildings	18,777,678	(63,539)	(6,722,376)	(1,776)	11,989,987
Structures	66,184,484	(196,414)	(22,071,667)	(8,039)	43,908,364
Machinery	75,826,292	(183,188)	(28,904,982)	(45,512)	46,692,610
Ships	4,175		(3,772)		403
Vehicles	276,425	(6,322)	(195,260)	(127)	74,716
Equipment	1,440,870	(761)	(1,020,192)	(6)	419,911
Tools	1,010,537	(1,027)	(809,842)	(32)	199,636

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Construction-in-progress	25,610,649	(49,084)		(38,108)	25,523,457
Finance lease assets	2,390,680	(27)	(2,093,001)		297,652
Asset retirement costs	9,395,821		(3,356,337)		6,039,484
Others	11,247,021		(8,807,401)		2,439,620
	<del>₩</del> 225,483,174	(522,330)	(73,984,830)	(93,600)	150,882,414

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**18. Property, Plant and Equipment, Continued**

(2) Changes in property, plant and equipment for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:

*In millions of won*

	September 30, 2018						Ending balance
	Beginning balance	Acquisition	Disposal	Depreciation	Impairment (*)	Others	
Land	₩ 13,318,542	2,076	(12,471)			162,529	13,470,676
(Government grants)	(21,968)						(21,968)
Buildings	12,053,526	4,696	(3,987)	(598,318)	(1,896)	402,093	11,856,114
(Government grants)	(63,539)	(3,342)		4,456		(1,573)	(63,998)
Structures	44,104,778	7,167	(467,062)	(1,901,127)	(360)	2,296,404	44,039,800
(Government grants)	(196,414)		2,120	7,936		(7,936)	(194,294)
Machinery	46,875,798	415,740	(165,450)	(3,690,522)	(393,839)	2,322,535	45,364,262
(Government grants)	(183,188)		525	13,391		(2,024)	(171,296)
Ships	403			(78)		2	327
Vehicles	81,038	1,265	(385)	(25,450)		4,049	60,517
(Government grants)	(6,322)	(10)		1,611		(1)	(4,722)
Equipment	420,672	23,116	(233)	(139,250)	(36)	55,839	360,108
(Government grants)	(761)			282		(5)	(484)
Tools	200,663	7,620	(245)	(61,789)	(6)	34,325	180,568
(Government grants)	(1,027)			336		(81)	(772)
Construction-in-progress	25,572,541	8,710,386	(37,877)		(158,758)	(5,254,782)	28,831,510
(Government grants)	(49,084)	(18,748)				11,299	(56,533)
Finance lease assets	297,679			(85,816)		(61)	211,802
(Government grants)	(27)			1		(1)	(27)
Asset retirement costs	6,039,484	1,971		(461,155)	(146,422)	268,830	5,702,708
Others	2,439,620	14,523	(6,402)	(526,545)		544,402	2,465,598
	₩ 150,882,414	9,166,460	(691,467)	(7,462,037)	(701,317)	835,843	152,029,896

(\*) Korea Hydro & Nuclear Power Co., Ltd. and Korea Western Power Co., Ltd., 100% owned subsidiaries, have determined that there are impairment indicators for the shutdowns of certain power generation units and fire, and

performed an impairment test over the individual assets. As a result, the Company recognized the amount of the carrying amount in excess of its recoverable amount as impairment loss in the consolidated statements of comprehensive income. The amount includes impairment loss in relation to Wolsong unit 1, Cheonji unit 1 and 2, Daejin unit 1 and 2, and Shin-Hanwool unit 3 and 4 as described in note 2, and the loss due to fire at Taean unit 2.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**18. Property, Plant and Equipment, Continued**

(2) Changes in property, plant and equipment for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows, continued:

*In millions of won*

	Beginning balance	Acquisition	December 31, 2017				Ending balance
			Disposal	Depreciation	Impairment (*)	Others	
Land	₩ 12,969,741	32,773	(8,961)			324,989	13,318,542
(Government grants)	(3,204)		5			(18,769)	(21,968)
Buildings	11,784,624	40,592	(19,715)	(794,804)	(923)	1,043,752	12,053,526
(Government grants)	(61,188)	(900)	28	5,996		(7,475)	(63,539)
Structures	43,330,415	428	(519,366)	(2,421,168)	(6,856)	3,721,325	44,104,778
(Government grants)	(197,641)		1,905	10,011		(10,689)	(196,414)
Machinery	43,421,945	421,892	(242,428)	(4,821,595)	(43,121)	8,139,105	46,875,798
(Government grants)	(111,064)	(10,834)	489	17,390		(79,169)	(183,188)
Ships	550			(147)			403
Vehicles	70,970	3,447	(174)	(34,236)	(127)	41,158	81,038
(Government grants)	(107)	(107)	14	1,070		(7,192)	(6,322)
Equipment	376,395	53,529	(413)	(158,614)	(6)	149,781	420,672
(Government grants)	(732)	(43)		454		(440)	(761)
Tools	179,032	30,990	(166)	(74,909)	(32)	65,748	200,663
(Government grants)	(430)			354		(951)	(1,027)
Construction-in-progress	27,296,260	11,996,508	(6,487)			(13,713,740)	25,572,541
(Government grants)	(135,807)	(42,728)				129,451	(49,084)
Finance lease assets	406,353		(29,696)	(107,390)		28,412	297,679
(Government grants)				1		(28)	(27)
Asset retirement costs	4,065,412			(518,565)		2,492,637	6,039,484
Others	2,351,532	10,411	(28)	(762,711)		840,416	2,439,620
	₩ 145,743,056	12,535,958	(824,993)	(9,658,863)	(51,065)	3,138,321	150,882,414

- (\*) Korea Midland Power Co., Ltd. and Korea Western Power Co., Ltd., 100% owned subsidiaries, have determined that there are impairment indicators for the shutdowns of certain power generation units and fire, and performed an impairment test over the individual assets. As a result, the Company recognized the amount of the carrying amount in excess of its recoverable amount as impairment loss in the consolidated statements of comprehensive income.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**19. Investment Properties****(1) Investment properties as of September 30, 2018 and December 31, 2017 are as follows:**

*In millions of won*

	September 30, 2018			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 161,214			161,214
Buildings	36,152	(20)	(15,969)	20,163
	₩ 197,366	(20)	(15,969)	181,377

*In millions of won*

	December 31, 2017			
	Acquisition cost	Government grants	Accumulated depreciation	Book value
Land	₩ 264,205			264,205
Buildings	36,165	(83)	(15,573)	20,509
	₩ 300,370	(83)	(15,573)	284,714

**(2) Changes in investment properties for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

*In millions of won*

	September 30, 2018			
	Beginning balance	Depreciation	Others	Ending balance
Land	₩ 264,205		(102,991)	161,214
Buildings	20,592	(718)	309	20,183
(Government grants)	(83)	1	62	(20)
	₩ 284,714	(717)	(102,620)	181,377



*In millions of won*

	<b>December 31, 2017</b>			
	<b>Beginning balance</b>	<b>Depreciation</b>	<b>Others</b>	<b>Ending balance</b>
Land	₩ 336,421		(72,216)	264,205
Buildings	17,323	(1,178)	4,447	20,592
(Government grants)	(64)	2	(21)	(83)
	₩ 353,680	(1,176)	(67,790)	284,714

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**19. Investment Properties, Continued****(3) Income and expenses related to investment properties for the nine-month periods ended September 30, 2018 and 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>September 30, 2017</b>	
	<b>Three-month period ended</b>	<b>Nine-month period ended</b>	<b>Three-month period ended</b>	<b>Nine-month period ended</b>
Rental income	₩ 2,411	7,091	2,383	7,138
Operating and maintenance expenses related to rental income	(209)	(717)	(408)	(954)
	₩ 2,202	6,374	1,975	6,184

**(4) Fair value of investment properties as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>December 31, 2017</b>	
	<b>Book value</b>	<b>Fair value</b>	<b>Book value</b>	<b>Fair value</b>
Land	₩ 161,214	202,325	264,205	309,241
Buildings	20,163	22,692	20,509	23,319
	₩ 181,377	225,017	284,714	332,560

The fair values of the investment properties as of the reporting date were determined in consideration of the fluctuation on the publicly announced individual land price after the K-IFRS transition date (January 1, 2010).

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

**20. Construction Contracts**

- (1) **Changes in total contract amount in which revenue is not yet recognized for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

*In millions of won*

	<b>Beginning balance</b>	<b>September 30, 2018 Increase (decrease) (*)</b>	<b>Recognized as revenue</b>	<b>Ending balance</b>
Nuclear power plant construction in UAE and others	₩4,176,595	363,018	(1,231,661)	3,307,952

- (\*) For the nine-month period ended September 30, 2018, the increased balance of contracts from new orders and other is ₩388,059 million and the decreased balance of contracts due to changes in scope of construction work is ₩25,041 million.

*In millions of won*

	<b>Beginning balance</b>	<b>December 31, 2017 Increase (decrease) (*)</b>	<b>Recognized as revenue</b>	<b>Ending balance</b>
Nuclear power plant construction in UAE and others	₩7,236,888	151,891	(3,212,184)	4,176,595

- (\*) For the year ended December 31, 2017, the increased balance of contracts from new orders and other is ₩438,142 million and the decreased balance of contracts due to changes in scope of construction work is ₩286,251 million.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**20. Construction Contracts, Continued**

- (2) **Accumulated earned revenue, expense and others related to the Company's construction contracts as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>			
	<b>Accumulated earned revenue</b>	<b>Accumulated expense</b>	<b>Accumulated profit</b>	<b>Unearned advance receipts</b>
Nuclear power plant construction in UAE and others	₩ 19,408,483	18,256,742	1,151,741	

<i>In millions of won</i>	<b>December 31, 2017</b>			
	<b>Accumulated earned revenue</b>	<b>Accumulated expense</b>	<b>Accumulated profit</b>	<b>Unearned advance receipts</b>
Nuclear power plant construction in UAE and others	₩ 18,236,992	16,937,772	1,299,220	

- (3) **Gross amount due from customers recognized as assets and due to customers recognized as liabilities for contract work as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>December 31, 2017</b>	
	<b>Assets</b>			
	<b>(*1)</b>	<b>Liabilities (*2)</b>	<b>Assets (*1)</b>	<b>Liabilities (*2)</b>
Nuclear power plant construction in UAE and others	₩ 41,837	509,828	55,755	542,921

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

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

- (4) The contract between the Company and ENEC (purchaser) states that disclosure of information related to UAE nuclear power plant construction projects such as contract date, contractual completion date, completion progress, unbilled construction, impairment losses, etc. is not allowed without consent from the purchaser. ENEC did not agree to disclose such information. Accordingly, the Company did not disclose such information based on K-IFRS 1115 129.2(2) as it is probable that ENEC may file a lawsuit for breach of contract if the Company does so. Also, the Company has not disclosed such information in a registration statement, investment prospectus or annual report and reported to the audit committee that those items will not be disclosed in the notes to the financial statements.
- (5) **Changes in estimates of contract revenues and costs related to the Company's construction services for the nine-month period ended September 30, 2018 are as follows:**

*In millions of won*

	September 30, 2018									
	Expected loss on construction contracts	Changes in estimates of revenue and costs	Amounts recognized in current profit or loss	Amounts recognized in future profit or loss	Assets		Receivables from construction contracts		Changes in Allowance estimated for doubtful contract costs	
					Gross	Allowance for doubtful accounts	Gross			
Transmission and distribution	₩	(469)	(287)	(182)	19,530					
Plant maintenance & engineering service	111	(2,922)	(2,266)	(656)	22,307	(1)	34,350	(7,880)		1,715
	₩ 111	(3,391)	(2,553)	(838)	41,837	(1)	34,350	(7,880)		1,715

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**21. Intangible Assets other than Goodwill****(1) Intangible assets as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won*

	<b>September 30, 2018</b>				<b>Book value</b>
	<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated amortization</b>	<b>Accumulated impairment losses</b>	
Software	₩ 567,728	(325)	(447,886)		119,517
Licenses and franchises	3,398		(3,398)		
Copyrights, patents rights and other industrial rights	96,077		(27,423)		68,654
Mining rights	564,341		(18,890)		545,451
Development expenditures	863,308	(2,355)	(776,699)		84,254
Intangible assets under development	93,268	(11,316)		(3,941)	78,011
Usage rights of donated assets and other	459,682	(3)	(369,009)		90,670
Leasehold rights	25,482		(19,765)		5,717
Greenhouse gas emissions rights	9,032				9,032
Others	291,331		(104,012)	(12,069)	175,250
	<b>₩ 2,973,647</b>	<b>(13,999)</b>	<b>(1,767,082)</b>	<b>(16,010)</b>	<b>1,176,556</b>

*In millions of won*

	<b>December 31, 2017</b>				<b>Book value</b>
	<b>Acquisition cost</b>	<b>Government grants</b>	<b>Accumulated amortization</b>	<b>Accumulated impairment losses</b>	
Software	₩ 534,191	(486)	(408,300)		125,405
Licenses and franchises	3,398		(3,398)		
Copyrights, patents rights and other industrial rights	43,857		(19,876)		23,981
Mining rights	553,876		(14,243)		539,633
Development expenditures	836,996	(3,702)	(752,478)		80,816
Intangible assets under development	143,851	(10,540)		(3,941)	129,370
Usage rights of donated assets and other	459,682	(11)	(358,024)		101,647

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Leasehold rights	24,306	(19,262)		5,044
Others	297,289	(103,995)	(12,069)	181,225
	₩ 2,897,446	(14,739)	(1,679,576)	(16,010)
				1,187,121

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**21. Intangible Assets other than Goodwill, Continued****(2) Changes in intangible assets for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

*In millions of won*

	<b>September 30, 2018</b>						
	<b>Beginning balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Amortization</b>	<b>Impairment</b>	<b>Others</b>	<b>Ending balance</b>
Software	₩ 125,891	4,329	(1)	(38,295)		27,918	119,842
(Government grants)	(486)			186		(25)	(325)
Licenses and franchises							
Copyrights, patents rights and other industrial rights	23,981	17		(6,628)		51,284	68,654
Mining rights	539,633	21,704		(2,922)		(12,964)	545,451
Development expenditures	84,518	621		(19,605)		21,075	86,609
(Government grants)	(3,702)			1,346		1	(2,355)
Intangible assets under development	139,910	39,812				(90,395)	89,327
(Government grants)	(10,540)					(776)	(11,316)
Usage rights of donated assets and other	101,658			(10,002)		(983)	90,673
(Government grants)	(11)			8			(3)
Leasehold rights	5,044			(502)		1,175	5,717
Greenhouse gas emissions rights						9,032	9,032
Others	181,225	1,169	(22)	(10,518)		3,396	175,250
(Government grants)							
	₩ 1,187,121	67,652	(23)	(86,932)		8,738	1,176,556

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

	<b>Beginning balance</b>	<b>Acquisition</b>	<b>Disposal</b>	<b>Amortization</b>	<b>Impairment</b>	<b>Others</b>	<b>Ending balance</b>
Software	₩ 93,221	12,700	(5)	(44,809)		64,784	125,891



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(Government grants)	(595)	(17)		255		(129)	(486)
Licenses and franchises							
Copyrights, patents rights and other industrial rights	20,081	30	(7)	(3,350)		7,227	23,981
Mining rights	538,860	26,751	(272)	(4,640)		(21,066)	539,633
Development expenditures	62,405	494		(25,924)		47,543	84,518
(Government grants)	(5,152)			2,811		(1,361)	(3,702)
Intangible assets under development	115,533	56,527			(20)	(32,130)	139,910
(Government grants)	(11,090)					550	(10,540)
Usage rights of donated assets and other	84,102			(14,462)		32,018	101,658
(Government grants)	(21)			10			(11)
Leasehold rights	4,632			(545)		957	5,044
Greenhouse gas emissions rights	6,283					(6,283)	
Others	72,562	47,402	(377)	(23,018)	54	84,602	181,225
(Government grants)							
	₩ 980,821	143,887	(661)	(113,672)	34	176,712	1,187,121

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**21. Intangible Assets other than Goodwill, Continued****(3) Significant specific intangible assets as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won and thousands of Australian dollars*

Type	Description	September 30, 2018		Remaining useful lives
		Currency	Amount	
Software	ERP system and others	KRW	871	2 years and 5 months ~ 2 years and 7 months
Copyrights, patents rights and other industrial rights	Smart technology verification and standard design project conducting right	KRW	9,873	4 years
Mining rights	Mining right of Bylong mine	AUD	401,225	(*)
Development expenditures	Comprehensive system for transmission and transformation regional support program	KRW	3,946	5 years
	Electricity sales information system	KRW	24,100	3 years and 6 months
Intangible assets under development	Contributions to ARP NRC DC	KRW	47,888	
Usage rights of donated assets and others	Sejong Haengbogdosi sharing charge	KRW	37,057	8 years and 2 months
	Dangjin power plant load facility usage right	KRW	15,741	2 years and 6 months
Others	Occupancy and use of public waters	KRW	99,211	18 years and 2 months

(\*) Mining rights are amortized using the units-of-production method and the amortization has not commenced yet.  
*In millions of won and thousands of Australian dollars*

Type	Description	December 31, 2017		Remaining useful lives
		Currency	Amount	
Software	ERP system and others	KRW	1,135	3 years and 2 months ~

				3 years and 4 months
	AMI GATEWAY S/W	KRW	3,528	3 years and 2 months
Copyrights, patents rights and other industrial rights	Smart technology verification and standard design project conducting right	KRW	11,724	4 years and 9 months
Mining rights	Mining right of Bylong mine	AUD	401,225	(*)
Development expenditures	Electricity sales information system	KRW	29,391	4 years and 3 months
Intangible assets under development	Contributions to ARP NRC DC	KRW	46,458	
Usage rights of donated assets and others	Sejong Haengbogdosi sharing charge	KRW	40,460	8 years and 11 months
	Dangjin power plant load facility usage right	KRW	20,463	3 years and 3 months
Others	Occupancy and use of public waters	KRW	103,269	18 years and 11 months

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

(4) For the nine-month periods ended September 30, 2018 and 2017, the Company recognized research and development expenses of ₩496,386 million and ₩499,138 million, respectively.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**22. Trade and Other Payables**

Trade and other payables as of September 30, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>December 31, 2017</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Trade payables	₩ 2,520,820		2,936,990	
Other trade payables	1,352,289	2,862,894	1,649,933	2,825,039
Accrued expenses	1,189,163	2,996	1,087,844	1,951
Leasehold deposits received	1,913	1,056	1,562	1,308
Other deposits received	167,390	74,448	186,817	102,896
Finance lease liabilities	59,117	241,571	131,792	286,468
Dividends payable	4,123		4,448	
Others (*)		12,818	135	5,818
	₩ 5,294,815	3,195,783	5,999,521	3,223,480

(\*) Details of others as of September 30, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>December 31, 2017</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Advance received from local governments	₩	5,818		5,818
Others		7,000	135	
	₩	12,818	135	5,818

**23. Borrowings and Debt Securities**

(1) Borrowings and debt securities as of September 30, 2018 and December 31, 2017 are as follows:

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<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
<b>Current liabilities</b>		
Short-term borrowings	₩ 1,261,129	1,038,328
Current portion of long-term borrowings	146,240	128,543
Current portion of debt securities	7,798,440	7,961,182
Less : Current portion of discount on long-term borrowings	(882)	(886)
Less : Current portion of discount on debt securities	(1,823)	(3,882)
Add : Current portion of premium on debt securities	37	
	9,203,141	9,123,285
<b>Non-current liabilities</b>		
Long-term borrowings	2,746,831	2,455,737
Debt securities	49,609,757	43,270,825
Less : Discount on long-term borrowings	(18,610)	(21,113)
Less : Discount on debt securities	(92,474)	(81,424)
Add : Premium on debt securities		82
	52,245,504	45,624,107
	₩ 61,448,645	54,747,392

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(2) Repayment schedule of borrowings and debt securities as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won*

	<b>September 30, 2018</b>	
<b>Type</b>	<b>Borrowings</b>	<b>Debt securities</b>
Less than 1 year	₩ 1,407,369	7,798,440
1~ 5 years	1,307,711	30,398,338
Over 5 years	1,439,120	19,211,419
	₩ 4,154,200	57,408,197

*In millions of won*

	<b>December 31, 2017</b>	
<b>Type</b>	<b>Borrowings</b>	<b>Debt securities</b>
Less than 1 year	₩ 1,166,871	7,961,182
1~ 5 years	1,117,222	25,047,075
Over 5 years	1,338,515	18,223,750
	₩ 3,622,608	51,232,007

**(3) Short-term borrowings as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won and thousands of foreign currencies*

	<b>September 30, 2018</b>				
<b>Type</b>	<b>Creditor</b>	<b>Interest rate (%)</b>	<b>Maturity</b>	<b>Foreign currency</b>	<b>Local currency</b>
Local short-term borrowings	KTB Investment and securities and	1.62~2.01	2018.10.16~2018.10.24		₩ 950,000

others					
Foreign short-term borrowings	SCNT and others	4.60~6.50	2018.12.03	USD 8,766	9,754
Foreign short-term borrowings	Export-import Bank of Korea	3M Libor+0.59	2018.12.18	AUD 375,473	300,912
Local bank overdraft	Woori Bank	Standard overdraft rate+1.09	2019.02.26		463
					₩ 1,261,129

*In millions of won and thousands of foreign currencies*

**December 31, 2017**

Type	Creditor	Interest rate (%)	Maturity	Foreign currency	Local currency
Local short-term borrowings	KTB Investment and securities and others	1.57~2.47	2018.01.12~ 2018.09.19		₩ 686,561
Foreign short-term borrowings	SCNT and others	4.60~6.50	2018.12.03	USD 8,955	9,594
Foreign short-term borrowings	Export-import Bank of Korea	3M Libor+0.41~0.63	2018.12.18	AUD 327,259	273,314
Local bank overdraft	Nonghyup Bank	3.04	2018.01.02		51,300
Local bank overdraft	Woori Bank	Standard overdraft rate+1.12	2018.02.27		17,559
					₩ 1,038,328

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(4) Long-term borrowings as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won and thousands of foreign currencies*

		September 30, 2018		Foreign	Local
Type		Interest rate (%)	Maturity	currency	currency
<b>Local long-term borrowings</b>					
Korea Development Bank	Others	0.50	2018~2044		₩ 4,517
	Facility	2.45~4.60	2023~2028		68,040
	Operating funds	2.59~3.56	2020~2021		67,000
	Operating funds	1yr KoFC bond rate			
		+0.95	2020		14,000
KEB Hana Bank	Commercial Paper	3M CD+0.19~0.32	2021~2023		600,000
	Facility	4.60	2028		14,101
	Facility	3yr KTB rate-1.25	2018~2028		8,416
IBK	PF Refinancing	CD+1.25	2030		22,500
Export-Import Bank of Korea	Project loans	1.50	2026		23,569
	Operating funds	2.21	2020		35,000
Korea Energy Agency	Development of power resources	3yr KTB rate-2.25	2023~2025		5,860
	Facility	3yr KTB rate-2.25	2018~2024		2,722
	Project loans		2022~2025		3,733
	Others	KTB rate -2.25	2024~2028		17,760
Shinhan Bank	Collateral borrowing	2.32	2019		30,000
	Facility	CB rate+1.10	2028		21,151
	Others	3.95	2035		105,000
	Others	Standard overdraft rate+1.00	2035		105,000



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Kookmin Bank	Facility	3.16	2020		10,000
	Facility	MOR+0.79	2023		32,667
Others	Facility	1.75~4.60	2026~2029		141,507
	Facility	CB rate+1.10~1.20	2022~2028		42,440
	PF Refinancing	4.10	2030		62,500
	Others	4.50~7.90	2022~2039		102,347

1,539,830

**Foreign long-term borrowings**

Korea Energy Agency	Project loans		2021~2023	USD 8,744	9,729
Export-Import Bank of Korea and others	Direct loan and others	1M Libor+1.80~3.20	2036	USD 78,287	87,110
	Direct loan and others	3M Libor+2.75~3.70	2027	JOD 163,706	256,739
	Commercial loan and others	3M Libor+1.50~2.50	2030~2033	USD 283,144	315,055
	PF Loan	6M Libor+1.70~2.50	2032	USD 123,411	137,319
SCNT and others	Shareholder's loan	6.50~8.00	2023	USD 42,408	47,187
	Shareholder's loan	8.00	2031	JOD 4,853	7,611
PT PJB	Shareholder's loan	12.75	2019	IDR 9,421,024	703
Samsung Life Insurance and others	Syndicated Loan	3.10	2032	JPY 5,286,835	51,873
Woori Bank and others	Syndicated Loan	JPY 6M Libor+2.00	2032	JPY 3,410,381	33,462
SMBC and others	Equity Bridge Loan	1M Libor+0.90	2019	USD 71,499	79,557
IFC and others	Others	6M Libor+5.00	2031	PKR 23,144,660	208,996
Federal Financing Bank and others	PF loan	2.39~13.00	2031~2038	USD 104,647	116,441
Others	Others		2019	USD 1,312	1,459

1,353,241

2,893,071

Less : Discount of long-term borrowings (19,492)

Less : Current portion of long-term borrowings (146,240)

Add : Current portion of discount on long-term borrowings 882

₩ 2,728,221

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(4) Long-term borrowings as of September 30, 2018 and December 31, 2017 are as follows, continued:***In millions of won and thousands of foreign currencies*

		<b>December 31, 2017</b>			
<b>Type</b>		<b>Interest rate (%)</b>	<b>Maturity</b>	<b>Foreign currency</b>	<b>Local currency</b>
<b>Local long-term borrowings</b>					
Korea Development Bank	Others	0.50	2018~2044	₩	4,909
	Facility	2.45~4.60	2023~2028		68,883
	Facility	1yr KoFC bond rate			
	Operating funds	+0.31	2018		25,000
	Operating funds	2.59~3.04	2018~2020		47,000
	Operating funds	1yr KoFC bond rate			
		+0.95	2020		14,000
KEB Hana Bank	Commercial Paper Facility	3M CD+0.24~0.32	2021~2022		400,000
	Facility	4.60	2028		15,038
	Facility	3yr KTB rate-1.25	2018~2028		8,947
IBK	PF Refinancing	CD+1.25	2030		22,500
Export-Import Bank of Korea	Project loans	1.50	2026		25,042
	Operating funds	2.21	2020		35,000
Korea Energy Agency	Development of power resources	3yr KTB rate-2.25	2023~2025		6,765
	Facility	3yr KTB rate-2.25	2018~2024		3,121
	Project loans		2022~2025		3,733
	Others	KTB rate -2.25	2024~2028		18,455
Shinhan Bank	Collateral borrowing	2.32	2019		30,000

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	Facility	CB rate +1.10	2028		22,557
	Operating funds	2.70	2018		15,000
	Others	4.10	2035		105,000
	Others	Standard overdraft rate			
		+1.10	2035		105,000
Kookmin Bank	Facility	3.16	2020		10,000
	Facility	MOR+0.79	2023		35,000
Others	Facility	1.75~4.60	2026~2029		148,423
	Facility	CB rate +1.10~1.20	2022~2028		46,278
	PF Refinancing	4.10	2030		62,500
	Others	4.50~8.00	2022~2039		102,346

1,380,497

**Foreign long-term borrowings**

Korea Energy Agency	Project loans		2021~2023	USD 8,744	9,368
Export-Import Bank of Korea and others	Direct loan and others	1M Libor+1.80~3.20	2036	USD 64,913	69,548
	Direct loan and others	3M Libor+2.75~3.70	2027	JOD 168,663	254,514
	Commercial loan and others	3M Libor+1.50~2.50	2030~2033	USD 289,026	309,662
	PF Loan	6M Libor+1.70~2.50	2032	USD 123,253	132,054
SCNT and others	Shareholder's loan	6.50~8.00	2023	USD 41,718	44,697
	Shareholder's loan	8.00	2031	JOD 5,136	7,750
PT PJB	Shareholder's loan	12.75	2019	IDR 10,932,568	864
Samsung Life Insurance and others	Syndicated Loan	3.10	2032	JPY 5,325,000	50,540
Woori Bank and others	Syndicated Loan	JPY 6M Libor +2.00	2032	JPY 3,435,000	32,602
SMBC and others	Equity Bridge Loan	1M Libor+0.90	2019	USD 70,986	76,054
IFC and others	Others	6M Libor+5.00	2031	PKR 16,652,350	161,195
Federal Financing Bank	PF loan	2.39	2031	USD 48,366	51,819
Others	Others		2019	USD 2,907	3,116

1,203,783

2,584,280

Less : Discount of long-term borrowings					(21,999)
Less : Current portion of long-term borrowings					(128,543)
Add : Current portion of discount on long-term borrowings					886



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(5) Local debt securities as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won*

	<b>Issue date</b>	<b>Maturity</b>	<b>Interest rate (%)</b>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Electricity bonds	2009.12.03~	2018.10.14~			
	2018.09.27	2038.06.15	1.62~5.45	₩ 23,760,000	20,700,000
Electricity bonds	2013.06.25	2018.06.25	3M CD+0.31		150,000
Corporate bonds (*1)	2009.05.04~	2018.10.15~			
	2018.09.28	2048.09.28	1.36~5.84	22,822,708	21,122,708
				46,582,708	41,972,708
Less : Discount on local debt securities				(40,900)	(37,816)
Less : Current portion of local debt securities				(4,810,000)	(5,200,000)
Add : Current portion of discount on local debt securities				767	923
				₩ 41,732,575	36,735,815

(\*1) Corporate bonds of HeeMang Sunlight Power Co., Ltd (₩2,697 million) can be redeemed every March 31 after five years from its issue date, March 31, 2016.

**(6) Foreign debt securities as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won and thousands of foreign currencies***September 30, 2018**

<b>Type</b>	<b>Issue date</b>	<b>Maturity</b>	<b>Interest rate (%)</b>	<b>Foreign currency</b>	<b>Local currency</b>
FY-96	1996.04.01~1996.12.06	2026.12.01~2096.04.01	6.00~8.37	USD 249,072	₩ 277,142
FY-97	1997.01.31~1997.08.04	2027.02.01~2027.08.01	6.75~7.00	USD 314,717	350,186

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FY-04	2004.04.23	2034.04.23	5.13	USD 286,920	319,256
FY-08	2008.11.27	2018.11.27	4.19	JPY 20,000,000	196,234
FY-11	2011.07.13	2021.07.13	4.75	USD 500,000	556,350
FY-12	2012.09.19	2022.09.19	3.00	USD 750,000	834,525
FY-13	2013.10.02~2013.11.27	2018.10.02~2018.11.27	2.63~2.88	USD 1,500,000	1,669,050
FY-13	2013.09.26~2013.10.23	2019.03.26~2019.04.23	1.50~1.63	CHF 400,000	455,536
FY-13	2013.09.25	2020.09.25	5.75	AUD 325,000	260,462
FY-14	2014.02.11~2014.12.02	2019.02.11~2029.07.30	2.38~3.57	USD 1,500,000	1,669,050
FY-15	2015.06.15	2025.06.15	3.25	USD 300,000	333,810
FY-16	2016.01.21	2021.07.21	2.50	USD 300,000	333,810
FY-17	2017.04.12~2017.07.25	2020.04.12~2027.07.25	2.38~3.13	USD 1,100,000	1,223,970
FY-17	2017.10.30	2037.10.30	1.70	EUR 40,000	51,783
FY-17	2017.11.16	2037.11.16	2.36	SEK 450,000	56,556
FY-18	2018.01.29~2018.07.25	2021.01.29~2023.07.25	3.00~3.88	USD 1,800,000	2,002,860
FY-18	2018.03.13	2028.03.13	3.35	HKD 1,650,000	234,909
					10,825,489
Less : Discount on foreign debt securities					(53,397)
Add : Premium on foreign debt securities					37
Less : Current portion of foreign debt securities					(2,988,440)
Add : Current portion of discount on foreign debt securities					1,056
Less: Current portion of premium on foreign debt securities					(37)
					₩ 7,784,708

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**23. Borrowings and Debt Securities, Continued****(6) Foreign debt securities as of September 30, 2018 and December 31, 2017 are as follows, continued:***In millions of won and thousands of foreign currencies***December 31, 2017**

Type	Issue date	Maturity	Interest rate (%)	Foreign currency	Local currency
FY-96	1996.04.01~1996.12.06	2026.12.01~2096.04.01	6.00~8.37	USD 249,070	₩ 266,854
FY-97	1997.01.31~1997.08.04	2027.02.01~2027.08.01	6.75~7.00	USD 314,717	337,188
FY-04	2004.04.23	2034.04.23	5.13	USD 286,920	307,406
FY-08	2008.11.27	2018.11.27	4.19	JPY 20,000,000	189,822
FY-11	2011.07.13	2021.07.13	4.75	USD 500,000	535,700
FY-12	2012.09.19	2022.09.19	3.00	USD 750,000	803,550
FY-13	2013.02.05~2013.11.27	2018.02.05~2018.11.27	1.88~2.88	USD 1,900,000	2,035,660
FY-13	2013.09.26~2013.10.23	2019.03.26~2019.04.23	1.50~1.63	CHF 400,000	437,888
FY-13	2013.09.25	2020.09.25	5.75	AUD 325,000	271,427
FY-13	2013.02.20~2013.07.25	2018.02.20~2018.07.25	3M Libor+0.84~1.50	USD 500,000	535,700
FY-14	2014.02.11~2014.12.02	2019.02.11~2029.07.30	2.38~3.57	USD 1,500,000	1,607,100
FY-15	2015.06.15	2025.06.15	3.25	USD 300,000	321,420
FY-16	2016.01.21	2021.07.21	2.50	USD 300,000	321,420
FY-17	2017.04.12~2017.07.25	2020.04.12~2027.07.25	2.38~3.13	USD 1,100,000	1,178,540
FY-17	2017.10.30	2037.10.30	1.70	EUR 40,000	51,170
FY-17	2017.11.16	2037.11.16	2.36	SEK 450,000	58,454
					9,259,299
Less : Discount on foreign debt securities					(47,490)
Add : Premium on foreign debt securities					82
Less : Current portion of foreign debt securities					(2,761,182)
Add : Current portion of discount on foreign debt securities					2,959
					₩ 6,453,668

**(7)**

**Changes in borrowings and debt securities for the nine-month periods ended September 30, 2018 and 2017 are as follows:**

<i>In millions of won</i>		<b>September 30, 2018</b>	<b>September 30, 2017</b>
Beginning balance	₩	54,747,392	53,639,205
Cash flow		6,330,557	2,344,597
Effect of exchange rate fluctuations		377,225	(408,642)
Others		(6,529)	(3,218)
Ending balance	₩	61,448,645	55,571,942



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**24. Finance Lease Liabilities****(1) Lease contracts**

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

**(2) Finance lease liabilities as of September 30, 2018 and December 31, 2017 are as follows and are included in current and non-current trade and other payables, net, in the consolidated statements of financial position:**

<i>In millions of won</i>	September 30, 2018		December 31, 2017	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Less than 1 year	₩ 91,127	59,117	174,534	131,792
1 ~ 5 years	239,836	179,025	272,994	204,069
More than 5 years	76,124	62,546	108,748	82,399
	₩ 407,087	300,688	556,276	418,260

**(3) Current and non-current portion of finance lease liabilities as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	September 30, 2018	December 31, 2017
Current finance lease liabilities	₩ 59,117	131,792
Non-current finance lease liabilities	241,571	286,468
	₩ 300,688	418,260

- (4) **Minimum lease payment and contingent rent payment recognized as an expense as a lessee for the three and nine-month periods ended September 30, 2018 and 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>September 30, 2017</b>	
	<b>Three-month period ended</b>	<b>Nine-month period ended</b>	<b>Three-month period ended</b>	<b>Nine-month period ended</b>
Minimum lease payment	₩ 12,021	87,100	36,690	118,137
Contingent rent payment	(4,759)	(14,113)	(5,249)	(15,774)

- (5) **The Company does not have any irrevocable operating lease contracts as of September 30, 2018 and December 31, 2017.**

- (6) **Changes in finance lease liabilities for the nine-month periods ended September 30, 2018 and 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>September 30, 2017</b>
Beginning balance	₩ 418,260	541,179
Cash flow	(117,572)	(92,293)
Acquisition of finance lease assets		
Ending balance	₩ 300,688	448,886

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**25. Employment Benefits****(1) Employment benefit obligations as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Net defined benefit obligations	₩ 1,850,248	1,476,201
Other long-term employee benefit obligations	6,361	6,868
	₩ 1,856,609	1,483,069

**(2) Principal assumptions on actuarial valuation as of September 30, 2018 and December 31, 2017 are as follows:**

	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Discount rate	2.58%~2.71%	2.75%~2.90%
Future salary and benefit levels	4.88%	4.88%
Weighted average duration	13.54 years	13.40 years

**(3) Details of expense relating to defined benefit plans for the three and nine-month periods ended September 30, 2018 and 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>September 30, 2017</b>	
	<b>Three-month period ended</b>	<b>Nine-month period ended</b>	<b>Three-month period ended</b>	<b>Nine-month period ended</b>
Current service cost	₩ 92,130	269,964	96,932	284,468
Interest cost	22,348	64,916	20,436	57,903
Expected return on plan assets	(10,387)	(31,178)	(7,661)	(22,823)
Loss from settlement	(439)	(716)	(59)	(515)

₩ 103,652	302,986	109,648	319,033
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Expenses as described above are recognized in those items below in the financial statements.

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>September 30, 2017</b>	
	<b>Three-month period ended</b>	<b>Nine-month period ended</b>	<b>Three-month period ended</b>	<b>Nine-month period ended</b>
Cost of sales	₩ 77,198	225,124	82,643	241,455
Selling and administrative expenses	12,924	38,047	14,435	42,024
Others (Construction-in-progress and others)	13,530	39,815	12,570	35,554
	₩ 103,652	302,986	109,648	319,033

In addition, for the nine-month periods ended September 30, 2018 and 2017, employee benefit obligations expenses of ₩48,540 million and ₩47,344 million, respectively, is recognized as cost of sales, and ₩9,384 million and ₩8,601 million, respectively, is recognized as selling and administrative expenses, and ₩10,191 million and ₩9,859 million, respectively, are recognized as construction-in-progress and others, relates to the Company's defined contribution plans.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**25. Employment Benefits, Continued****(4) Details of defined benefit obligations as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Present value of defined benefit obligation from funded plans	₩ 3,311,205	2,951,842
Fair value of plan assets	(1,460,957)	(1,475,641)
	1,850,248	1,476,201
Present value of defined benefit obligation from unfunded plans		
Net liabilities incurred from defined benefit plans	₩ 1,850,248	1,476,201

**(5) Changes in the present value of defined benefit obligations for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Beginning balance	₩ 2,951,842	2,867,377
Current service cost	269,964	392,820
Interest cost (*)	64,916	79,524
Remeasurement component	129,409	(258,223)
Loss from settlement	(716)	(1,055)
Actual payments	(104,388)	(128,707)
Others	178	106
Ending balance	₩ 3,311,205	2,951,842

(\*)

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

**(6) Changes in the fair value of plan assets for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Beginning balance	₩ 1,475,641	1,188,907
Expected return	31,178	31,307
Remeasurement component	(10,673)	(10,435)
Contributions by the employers	11,547	325,080
Actual payments	(46,736)	(59,218)
Ending balance	₩ 1,460,957	1,475,641

In addition, loss on accumulated remeasurement component amounted to ₩196,636 million and ₩43,513 million has been recognized as other comprehensive income or loss for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017, respectively.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**25. Employment Benefits, Continued****(7) Details of the fair value of plan assets as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Equity instruments	₩ 26,716	79,204
Debt instruments	481,264	517,040
Bank deposit	160,719	293,477
Others	792,258	585,920
	₩ 1,460,957	1,475,641

For the nine-month period ended September 30, 2018 and for the year ended December 31, 2017, actual returns on plan assets amounted to ₩20,505 million and ₩20,872 million, respectively.

**(8) Remeasurement component recognized in other comprehensive income (loss) for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Actuarial gain from changes in financial assumptions	₩ 75,188	(300,058)
Experience adjustments	54,221	41,835
Expected return	10,673	10,435
	₩ 140,082	(247,788)

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

**26. Provisions**

**(1) Provisions as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	September 30, 2018		December 31, 2017	
	Current	Non-current	Current	Non-current
Employment benefits				
Provisions for employment benefits	₩ 994,960		913,787	
Litigation				
Litigation provisions	252,464	21,773	48,621	24,955
Decommissioning cost				
Nuclear plants		13,306,732		13,007,228
Spent fuel		1,329,534		1,339,046
Radioactive waste	11,853	1,614,619	11,494	1,626,877
PCBs		172,724		180,087
Other recovery provisions		8,952		6,659
Others				
Power plant regional support program	165,048		153,756	
Transmission regional support program	164,693		243,365	
Provisions for tax	24		61	
Provisions for financial guarantee		17,132		23,475
Provisions for RPS	231,396		271,624	
Provisions for greenhouse gas emissions obligations			414,252	
Others	5,490	19,775	80,538	16,387
	₩ 1,825,928	16,491,241	2,137,498	16,224,714



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**26. Provisions, Continued**

(2) **Changes in provisions for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

*In millions of won*

	<b>September 30, 2018</b>					
	<b>Beginning balance</b>	<b>Increase in provision</b>	<b>Payment</b>	<b>Reversal</b>	<b>Other</b>	<b>Ending balance</b>
Employment benefits						
Provisions for employment benefits	₩ 913,787	723,863	(636,091)	(6,599)		994,960
Litigation						
Litigation provisions (*)	73,576	209,419	(6,126)	(2,632)		274,237
Decommissioning cost						
Nuclear plants	13,007,228	315,434	(15,930)			13,306,732
Spent fuel	1,339,046	345,799	(355,311)			1,329,534
Radioactive waste	1,638,371	18,739	(30,638)			1,626,472
PCBs	180,087	3,450	(10,813)			172,724
Other recovery provisions	6,659	105			2,188	8,952
Others						
Power plant regional support program	153,756	46,366	(44,598)		9,524	165,048
Transmission regional support program	243,365	103,217	(181,889)			164,693
Provisions for tax	61				(37)	24
Provisions for financial guarantee	23,475	798	(676)	(5,661)	(804)	17,132
Provisions for RPS	271,624	279,929	(320,157)			231,396
Provisions for greenhouse gas emissions obligations	414,252		(287,907)	(115,346)	(10,999)	
Others	96,925	3,589	(81,654)	(403)	6,808	25,265
	<b>₩ 18,362,212</b>	<b>2,050,708</b>	<b>(1,971,790)</b>	<b>(130,641)</b>	<b>6,680</b>	<b>18,317,169</b>

- (\*) As described in note 49.(1), the Company believes that the possibility of economic outflow is probable on the request for additional construction costs of Hyundai E&C, GS Engineering & Construction Corp. and Hansol SeenTec Co., Ltd. For this reason, the Company recognized ~~₩~~204,787 million of provision as addition to property, plant and equipment.

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**26. Provisions, Continued**

(2) **Changes in provisions for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows, continued:**

*In millions of won*

		<b>December 31, 2017</b>				
	<b>Beginning balance</b>	<b>Increase in provision</b>	<b>Payment</b>	<b>Reversal</b>	<b>Other</b>	<b>Ending balance</b>
Employment benefits						
Provisions for employment benefits	₩ 810,607	984,896	(880,255)	(1,461)		913,787
Litigation						
Litigation provisions	198,237	34,629	(152,461)	(7,096)	267	73,576
Decommissioning cost						
Nuclear plants	10,195,928	2,818,033	(6,733)			13,007,228
Spent fuel	1,374,225	307,682	(342,861)			1,339,046
Radioactive waste	1,479,502	222,632	(63,763)			1,638,371
PCBs	191,744	5,309	(14,266)	(2,700)		180,087
Other recovery provisions	507	5,939			213	6,659
Others						
Power plant regional support program	152,851	94,039	(103,889)		10,755	153,756
Transmission regional support program	282,608	143,178	(182,421)			243,365
Provisions for tax	242		(25)	(136)	(20)	61
Provisions for financial guarantee	29,665	3,760		(9,945)	(5)	23,475
Provisions for RPS	417,404	242,946	(388,726)			271,624
Provisions for greenhouse gas emissions obligations	249,644	422,666	(256,758)	(1,300)		414,252
Others (*)	43,975	6,639	(3,348)	(26,477)	76,136	96,925
	<b>₩ 15,427,139</b>	<b>5,292,348</b>	<b>(2,395,506)</b>	<b>(49,115)</b>	<b>87,346</b>	<b>18,362,212</b>

(\*)

As described in note 49.(1), the Company believes that the possibility of economic outflow is probable on the cost of construction suspension of Shin-Kori unit 5 and 6 for three months. For this reason, the Company recognized ₩77,261 million of provision as addition to construction-in-progress.

## 27. Government Grants

### (1) Government grants as of September 30, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Land	₩ (21,968)	(21,968)
Buildings	(63,998)	(63,539)
Structures	(194,294)	(196,414)
Machinery	(171,296)	(183,188)
Vehicles	(4,722)	(6,322)
Equipment	(484)	(761)
Tools	(772)	(1,027)
Construction-in-progress	(56,533)	(49,084)
Finance lease assets	(27)	(27)
Investment properties	(20)	(83)
Software	(325)	(486)
Development expenditures	(2,355)	(3,702)
Intangible assets under development	(11,316)	(10,540)
Usage rights of donated assets and other	(3)	(11)
Other intangible assets other than goodwill		
	₩ (528,113)	(537,152)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**27. Government Grants, Continued**

- (2) Changes in government grants for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:

*In millions of won***September 30, 2018**

	<b>Beginning balance</b>	<b>Receipt</b>	<b>Acquisition</b>	<b>Offset the items of depreciation expense and others</b>	<b>Disposal</b>	<b>Others</b>	<b>Ending balance</b>
Cash	₩	(23,250)				23,250	
Land	(21,968)						(21,968)
Buildings	(63,539)			4,456		(4,915)	(63,998)
Structures	(196,414)			7,936	2,120	(7,936)	(194,294)
Machinery	(183,188)			13,391	525	(2,024)	(171,296)
Vehicles	(6,322)			1,611		(11)	(4,722)
Equipment	(761)			282		(5)	(484)
Tools	(1,027)			336		(81)	(772)
Construction-in-progress	(49,084)		11,299			(18,748)	(56,533)
Finance lease assets	(27)			1		(1)	(27)
Investment properties	(83)			1		62	(20)
Software	(486)			186		(25)	(325)
Development expenditures	(3,702)			1,346		1	(2,355)
Intangible assets under development	(10,540)					(776)	(11,316)
Usage rights of donated assets and other	(11)			8			(3)
Others							
	₩ (537,152)	(23,250)	11,299	29,554	2,645	(11,209)	(528,113)

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

	<b>Beginning balance</b>	<b>Receipt</b>	<b>Acquisition</b>	<b>Offset the items of depreciation expense and others</b>	<b>Disposal</b>	<b>Others</b>	<b>Ending balance</b>
Cash	₩	(55,533)				55,533	
Land	(3,204)				5	(18,769)	(21,968)
Buildings	(61,188)			5,996	28	(8,375)	(63,539)
Structures	(197,641)			10,011	1,905	(10,689)	(196,414)
Machinery	(111,064)			17,390	489	(90,003)	(183,188)
Vehicles	(107)			1,070	14	(7,299)	(6,322)
Equipment	(732)			454		(483)	(761)
Tools	(430)			354		(951)	(1,027)
Construction-in-progress	(135,807)		129,451			(42,728)	(49,084)
Finance lease assets				1		(28)	(27)
Investment properties	(64)			2		(21)	(83)
Software	(595)			255		(146)	(486)
Development expenditures	(5,152)			2,811		(1,361)	(3,702)
Intangible assets under development	(11,090)					550	(10,540)
Usage rights of donated assets and other	(21)			10			(11)
Others							
	₩ (527,095)	(55,533)	129,451	38,354	2,441	(124,770)	(537,152)

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**28. Deferred Revenues**

Deferred revenue related to the Company's construction contracts for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows which included in current and non-current non-financial liabilities in the consolidated statements of financial position:

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>December 31, 2017</b>	
Beginning balance	₩	8,325,181		7,825,765
Increase during the current year / period		633,616		978,389
Recognized as revenue during the current year / period		(450,429)		(478,973)
Ending balance	₩	8,508,368		8,325,181

**29. Non-financial Liabilities**

Non-financial liabilities as of September 30, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>September 30, 2018</b>		<b>December 31, 2017</b>	
	<b>Current</b>	<b>Non-current</b>	<b>Current</b>	<b>Non-current</b>
Advance received	₩ 3,809,448	107,055	3,772,713	181,612
Unearned revenue	67,678	4,848	41,593	19,718
Deferred revenue	549,094	7,959,274	476,631	7,848,550
Withholdings	382,484	10,564	164,370	10,529
Others	1,271,791	21,679	1,129,001	12,025
	₩ 6,080,495	8,103,420	5,584,308	8,072,434

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**30. Contributed Capital****(1) Details of shares issued as of September 30, 2018 and December 31, 2017 are as follows:***In millions of won except share information*

			<b>September 30, 2018</b>			
	<b>Shares</b>	<b>Shares</b>	<b>Par value</b>	<b>Owned by</b>	<b>Owned by</b>	<b>Total</b>
	<b>authorized</b>	<b>issued</b>	<b>per</b>	<b>government (*)</b>	<b>others</b>	
			<b>share</b>			
			<b>(in won)</b>			
Common shares	1,200,000,000	641,964,077	₩ 5,000	1,640,385	1,569,435	3,209,820

(\*) Korea Development Bank's interest of ₩1,056,176 million is included.

*In millions of won except share information*

			<b>December 31, 2017</b>			
	<b>Shares</b>	<b>Shares</b>	<b>Par value</b>	<b>Owned by</b>	<b>Owned by</b>	<b>Total</b>
	<b>authorized</b>	<b>issued</b>	<b>per</b>	<b>government (*)</b>	<b>others</b>	
			<b>share</b>			
			<b>(in won)</b>			
Common shares	1,200,000,000	641,964,077	₩ 5,000	1,640,385	1,569,435	3,209,820

(\*) Korea Development Bank's interest of ₩1,056,176 million is included.

**(2) Details in number of outstanding capital stock for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

<i>Number of shares</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Beginning balance	641,964,077	641,964,077
Ending balance	641,964,077	641,964,077



(3) Details of share premium as of September 30, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Share premium	₩ 843,758	843,758

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**31. Retained Earnings and Dividends Paid****(1) Details of retained earnings as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Legal reserve (*)	₩ 1,604,910	1,604,910
Voluntary reserves	35,906,267	34,833,844
Retained earnings before appropriations	14,837,014	16,931,804
Retained earnings	₩ 52,348,191	53,370,558

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

**(2) Details of voluntary reserves as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Reserve for investment on social overhead capital	₩ 5,277,449	5,277,449
Reserve for research and human development (*)	330,000	330,000
Reserve for business expansion	30,088,818	29,016,395
Reserve for equalizing dividends	210,000	210,000
	₩ 35,906,267	34,833,844

(\*) The reserve for research and human development is appropriated by KEPCO to use as qualified tax credits to reduce corporate tax liabilities. The reserve is available for cash dividends for a certain period as defined by the

Restriction of Special Taxation Act of Korea.

**(3) Changes in retained earnings for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Beginning balance	₩ 53,370,558	53,173,871
Effect of change in accounting policy	71,928	
Net profit for the period attributed to owner of the Company	(517,907)	1,298,720
Changes in equity method retained earnings	8,514	10,065
Remeasurement of defined benefit liability, net of tax	(77,750)	158,991
Dividends paid	(507,152)	(1,271,089)
<b>Ending balance</b>	<b>₩ 52,348,191</b>	<b>53,370,558</b>

**(4) Dividends paid for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>				
	<b>Number of shares issued</b>	<b>Number of treasury stocks</b>	<b>Number of shares eligible for dividends</b>	<b>Dividends paid per share (in won)</b>	<b>Dividends paid</b>
Common shares	641,964,077		641,964,077	₩ 790	507,152

<i>In millions of won</i>	<b>December 31, 2017</b>				
	<b>Number of shares issued</b>	<b>Number of treasury stocks</b>	<b>Number of shares eligible for dividends</b>	<b>Dividends paid per share (in won)</b>	<b>Dividends paid</b>
Common shares	641,964,077		641,964,077	₩ 1,980	1,271,089

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**31. Retained Earnings and Dividends Paid, Continued**

- (5) **Changes in retained earnings of investments in associates and joint ventures for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows :**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Beginning balance	₩ 5,122	(4,943)
Changes	8,514	10,065
Ending balance	₩ 13,636	5,122

- (6) **Changes in remeasurement components related to defined benefit liability for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows :**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Beginning balance	₩ (43,513)	(222,997)
Changes	(132,684)	239,636
Income tax effect	54,934	(80,645)
Transfer to reserve for business expansion	(75,373)	20,493
Ending balance	₩ (196,636)	(43,513)

**32. Hybrid Bonds**

Hybrid bonds classified as equity (non-controlling interest) as of September 30, 2018 and December 31, 2017 are as follows:

<i>In millions of won</i>					
<b>Issuer</b>	<b>Hybrid bond</b>	<b>Issued date</b>	<b>Maturity</b>	<b>Yield (%)</b>	<b>September 30, 2018</b>

							<b>December 31, 2017</b>	
Korea South-East Power Co., Ltd.	1st hybrid bond	2012.12.07	2042.12.06	4.38	₩	170,000	170,000	
Korea South-East Power Co., Ltd.	2nd hybrid bond	2012.12.07	2042.12.06	4.44		230,000	230,000	
Expense of issuance						(1,090)	(1,090)	
						₩	398,910	398,910

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

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

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**33. Other Components of Equity****(1) Other components of equity as of September 30, 2018 and December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Other capital surplus	₩ 1,233,815	1,233,793
Accumulated other comprehensive loss	(303,655)	(271,457)
Other equity	13,294,973	13,294,973
	₩ 14,225,133	14,257,309

**(2) Changes in other capital surplus for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>			<b>December 31, 2017</b>		
	<b>Gain on disposal of treasury stocks</b>	<b>Others</b>	<b>Subtotal</b>	<b>Gain on disposal of treasury stocks</b>	<b>Others</b>	<b>Subtotal</b>
Beginning balance	₩ 387,524	846,269	1,233,793	387,524	847,622	1,235,146
Issuance of share capital of subsidiary		22	22		(1,378)	(1,378)
Others					25	25
Ending balance	₩ 387,524	846,291	1,233,815	387,524	846,269	1,233,793

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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**33. Other Components of Equity, Continued****(3) Changes in accumulated other comprehensive income (loss) for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:***In millions of won*

	<b>September 30, 2018</b>				
	<b>Available-for-sale financial asset valuation reserve</b>	<b>Shares in other comprehensive income of investments in associates and joint ventures</b>	<b>Reserve for overseas operations translation</b>	<b>Reserve for loss on valuation of derivatives</b>	<b>Total</b>
Beginning balance	₩ 29,268	66,464	(318,159)	(49,030)	(271,457)
Effect of change in accounting policy	(76,851)				(76,851)
Changes in the unrealized fair value of available-for-sale financial assets, net of tax	1,482				1,482
Shares in other comprehensive income of associates and joint ventures, net of tax		71,400			71,400
Foreign currency translation of foreign operations, net of tax			(954)		(954)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax				(27,275)	(27,275)
Ending balance	₩ (46,101)	137,864	(319,113)	(76,305)	(303,655)

*In millions of won*

	<b>December 31, 2017</b>				
	<b>Available-for-sale financial asset</b>	<b>Shares in other comprehensive income of</b>	<b>Reserve for overseas operations translation</b>	<b>Reserve for loss on valuation of</b>	<b>Total</b>

	valuation reserve	investments in associates and joint ventures	derivatives		
Beginning balance	₩ 36,370	221,455	(223,056)	(68,644)	(33,875)
Changes in the unrealized fair value of available-for-sale financial assets, net of tax	(7,102)				(7,102)
Shares in other comprehensive income of associates and joint ventures, net of tax		(154,991)			(154,991)
Foreign currency translation of foreign operations, net of tax			(95,103)		(95,103)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax				19,614	19,614
Ending balance	₩ 29,268	66,464	(318,159)	(49,030)	(271,457)

**(4) Details of changes in other equity for the nine-month period ended September 30, 2018 and for the year ended December 31, 2017 are as follows:**

<i>In millions of won</i>	<b>September 30, 2018</b>	<b>December 31, 2017</b>
Statutory revaluation reserve	₩ 13,295,098	13,295,098
Changes in other equity	(125)	(125)
	₩ 13,294,973	13,294,973



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## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

**September 30, 2018**

(Unaudited)

**34. Sales**

Details of sales for the three and nine-month periods ended September 30, 2018 and 2017 are as follows:

*In millions of won*

	Domestic		Overseas		Total	
	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
<b>[Type of goods and services]</b>						
Sales of goods	₩ 15,694,683	43,220,255	99,656	286,890	15,794,339	43,507,145
Electricity	15,506,010	42,637,084			15,506,010	42,637,084
Heat supply	5,105	147,723			5,105	147,723
Others	183,568	435,448	99,656	286,890	283,224	722,338
Sales of service	44,685	114,805	71,845	149,007	116,530	263,812
Sales of construction services	22,377	77,035	334,690	1,154,626	357,067	1,231,661
Revenue related to transfer of assets from customers	141,908	450,429			141,908	450,429
	₩ 15,903,653	43,862,524	506,191	1,590,523	16,409,844	45,453,047
<b>[Timing of revenue recognition]</b>						
Performance obligations satisfied at a point in time	₩ 15,694,683	43,220,255	99,656	286,890	15,794,339	43,507,145
Performance obligations satisfied over time	208,970	642,269	406,535	1,303,633	615,505	1,945,902
	₩ 15,903,653	43,862,524	506,191	1,590,523	16,409,844	45,453,047

*In millions of won*

	Domestic		Overseas		Total	
	Three-month period	Nine-month period	Three-month period	Nine-month period	Three-month period	Nine-month period

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	ended	ended	ended	ended	ended	ended
<b>[Type of goods and services]</b>						
Sales of goods	₩ 15,241,696	41,288,145	115,434	300,506	15,357,130	41,588,651
Electricity	15,121,330	40,770,117			15,121,330	40,770,117
Heat supply	3,962	136,571			3,962	136,571
Others	116,404	381,457	115,434	300,506	231,838	681,963
Sales of service	42,336	134,965	41,734	108,939	84,070	243,904
Sales of construction services	24,235	65,833	601,166	2,005,151	625,401	2,070,984
Revenue related to transfer of assets from customers	121,126	356,336			121,126	356,336