

KOREA ELECTRIC POWER CORP

Form 6-K

December 05, 2014

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SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 6-K

REPORT OF FOREIGN PRIVATE ISSUER

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

of the Securities Exchange Act of 1934

For the Month of December 2014

Commission File Number: 001-13372

KOREA ELECTRIC POWER CORPORATION

(Translation of registrant's name into English)

55 Jeollyeok-ro, Naju-si, Jeollanam-do, 520-350, Korea

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

Yes No

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

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

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QUARTERLY BUSINESS REPORT

(For the period from January 1, 2014 to September 30, 2014)

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

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

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

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I. Company Overview

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

2. Information of the company

(Address) 55 Jeollyeok-ro, Naju-si, Jeollanam-do, 520-350, Korea

(Phone number) 82-61-345-4217

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

3. Major businesses

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

development of electric power resources;

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

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

overseas business related to the businesses mentioned above;

investment or contributions related to the businesses mentioned above;

development and operation of certain real estate holdings; and

other businesses entrusted by the government.

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

4. Subsidiaries and affiliates of KEPCO

(As of Sep. 30, 2014)

Classification	Subsidiaries Associates and joint ventures		Total
Domestic	16	52	68
Overseas	62	38	100
Total	78	90	168

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5. Major changes in management

At the extraordinary general meeting of shareholders held on March 4, 2014, Mr. Koo, Bon-Woo was re-elected as a standing director of KEPCO, and Mr. Cho, Jeon-Hyeok and Mr. Choi, Gyo-IL were appointed as members of the audit committee.

On August 12, 2014, Mr. Choi, Ki-Ryun and Mr. Sung, Tae-Hyun were appointed as non-standing directors of KEPCO, while the terms of office of Mr. Nam, Dong-Kyoon and Mr. Shin, Il-Soon expired.

On September 2, 2014, Mr. Koo, Ja-Yoon was appointed as a non-standing director of KEPCO, while the term of office of Mr. Kim, Jung-Hyun expired.

6. Changes in major shareholders

No changes in major shareholders for the past three years.

7. Information regarding KEPCO shares

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

B. Total number of issued shares: 641,964,077
(Total number of shares authorized for issuance: 1,200,000,000)

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

II. Business Overview

1. Segment results

(In billions of Won)

	Jan. - Sep. 2014		Jan. - Sep. 2013	
	Sales	Operating income(loss)	Sales	Operating income(loss)
Electricity sales	42,670	1,158	39,578	-1,038
Nuclear generation	7,188	2,403	5,402	917
Thermal generation	18,955	1,233	21,558	1,123
Others*	2,176	280	1,940	235

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Subtotal	70,989	5,074	68,477	1,237
Adjustment of related-party transactions	-28,420	-156	-28,714	-125
Total	42,569	4,918	39,763	1,112

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

* Others relate to 72 subsidiaries including KEPCO E&C, KEPCO KPS, KEPCO NF and KEPCO KDN.

Sales and operating income (loss) reflects amendments to Korean IFRS 1001 Presentation of Financial Statements.
2. Changes in unit prices of major products

(In Won per kWh)

Business sector		Company	2014	2013
			Jan. - Sep.	Jan. - Sep.
Electricity sold	Residential	KEPCO	126.33	129.10
	Commercial		130.29	120.99
	Educational		115.61	115.50
	Industrial		106.50	99.18
	Agricultural		47.55	45.44
	Street lighting		115.93	109.10
	Overnight usage		66.79	62.40
Electricity from nuclear generation	Nuclear Generation	KHNP	60.95	51.75
Electricity from thermal generation	Thermal generation	KOSEP	68.28	70.66
		KOMIPO	99.89	104.26
		KOWEPO	99.17	106.11
		KOSPO	111.04	110.41
		EWP	92.66	99.08

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3. Revenues per business sector

(In billions of Won)

Business sector		Company	2014	2013
			Jan. - Sep.	Jan. - Sep.
Electricity sold	Residential		6,143	6,474
	Commercial		9,977	9,508
	Educational		638	700
	Industrial	KEPCO	21,684	19,573
	Agricultural		509	470
	Street lighting		270	250
	Overnight usage		737	791
Electricity from nuclear generation	Nuclear Generation	KHNP	7,121	5,334
Electricity from thermal generation	Thermal generation	KOSEP	3,213	3,275
		KOMIPO	3,726	4,408
		KOWEPO	3,634	4,402
		KOSPO	4,809	5,393
		EWP	3,425	4,049

4. Intellectual property as of Sep. 30, 2014

	Patents		Utility	Designs	Trademarks	
	Domestic	Overseas	models		Domestic	Overseas
Number of registrations	4,813	613	806	171	368	60

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1. Condensed consolidated financial results for the first nine months ended Sep. 30, 2014

(In billions of Won)

Consolidated statements of comprehensive income				Consolidated statements of financial position			
	Jan.- Sep. 2013	Jan.- Sep. 2014	Change (%)		As of Dec. 31, 2013	As of Sep. 30, 2014	Change (%)
Sales	39,763	42,569	7.1	Total assets	155,527	161,189	3.6
Operating income	1,112	4,918	342.3	Total liabilities	104,077	107,665	3.4
Net income	-451	2,322	n/m	Total equity	51,451	53,524	4.0

n/m means not meaningful.

2. Condensed separate financial results for the first nine months ended Sep. 30, 2014

(In billions of Won)

Separate statements of comprehensive income				Separate statements of financial position			
	Jan.- Sep. 2013	Jan.- Sep. 2014	Change (%)		As of Dec. 31, 2013	As of Sep. 30, 2014	Change (%)
Sales	39,578	42,670	7.8	Total assets	98,250	99,223	1.0
Operating income	-1,038	1,158	n/m	Total liabilities	56,590	56,993	0.7
Net income	-927	647	n/m	Total equity	41,660	42,230	1.4

n/m means not meaningful.

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IV. Independent Auditor's Opinion

1. Independent auditor's opinion on consolidated financial statements for the first nine months ended September 30, 2014: **Unqualified**

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

Jan. 1, 2014	Sep. 30, 2014	Jan. 1, 2013	Dec. 31, 2013	Jan. 1, 2012	Dec. 31, 2012
KPMG Samjong Accounting Corp.		KPMG Samjong Accounting Corp.		Deloitte Anjin LLC	

V. Board of Directors

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

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

2. Board meetings and agendas

Number of	Number of	Classification			
meetings	agendas	Resolutions	Status	Reports	Status
11	34	27	Approved as proposed	7	Accepted as reported

Audit Committee: 6 meetings held where 27 agendas were discussed (of which, 19 were resolved as proposed and 8 were approved as reported).

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3. Major activities of the Board of Directors

Date	Agenda	Status	Type
2014. 1. 14	Approval to close the shareholders registry Research and development plans for 2014	Approved as proposed Accepted as reported	Resolution Report
2014. 2. 20	Recommendation of candidates to become new members of the Audit Committee Approval to call for the 54th extraordinary general meeting of shareholders Approval of consolidated and separate financial statements for fiscal year 2013 Approval of aggregate ceiling on remuneration for directors in 2014 Approval to call for the 53rd annual general meeting of shareholders Development plans for the next-generation Electricity Sales Information System Auditor's report to the Board of Directors for fiscal year 2013	Approved as proposed Approved as proposed Approved as proposed Approved as proposed Approved as proposed Approved as proposed Accepted as reported	Resolution Resolution Resolution Resolution Resolution Resolution Report
2014. 3. 20	Approval of ceilings on the issue amounts of commercial papers and electronic short-term bonds in 2014 Annual report on internal control over financial reporting for fiscal year 2013 Annual evaluation report on internal control over financial reporting for fiscal year 2013	Approved as proposed Accepted as reported Accepted as reported	Resolution Report Report
2014. 4.17	Composition of the director nomination committee to recommend candidates for non-standing directors and its evaluation criteria Plans for the sales of equity interest in affiliates Amendments to the regulation for remuneration and welfare	Approved as proposed Approved as proposed Approved as proposed	Resolution Resolution Resolution
2014. 5.15	Amendments to the regulation for electricity service including special tariff for educational usage Auditor's report to the Board of Directors for the first quarter of the fiscal year 2014	Approved as proposed Accepted as reported	Resolution Report
2014. 5.23	Amendments to the special tariff for educational usage	Approved as proposed	Resolution
2014. 6.19	Composition of the director nomination committee to recommend candidates for non-standing directors and its evaluation criteria Mid-to-long term financial management planning for years from 2014 to 2018 Amendments to the Articles of Incorporation of KEPCO Guarantee on a put option related to a joint venture in Gemeng International Energy Co., Ltd.	Approved as proposed Approved as proposed Approved as proposed Approved as proposed	Resolution Resolution Resolution Resolution
2014. 7.17	Amendments to the consignment sales conditions related to the sales of equity interest in LG U+ Disposal of existing properties	Approved as proposed Approved as proposed	Resolution Resolution

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2014. 8.21	Approval to close the shareholders registry	Approved as proposed	Resolution
	Amendments to the employment regulation	Approved as proposed	Resolution
	Amendments to the regulation for remuneration and welfare	Approved as proposed	Resolution
	Auditor's report to the Board of Directors for the second quarter of fiscal year 2014	Accepted as reported	Report
	Report on the earnings results for the first half of 2014	Accepted as reported	Report
2014. 8.29	Amendments to the employment regulation	Approved as proposed	Resolution
	Amendments to the regulation for remuneration and welfare	Approved as proposed	Resolution
2014. 9.18	Amendments to the employment regulation	Approved as proposed	Resolution
	Mid-to-long term management target (2015-2019)	Approved as proposed	Resolution
	Plans for the sales of equity interest in overseas resources development business	Approved as proposed	Resolution

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4. Major activities of the Audit Committee

Date	Agenda	Status	Type
2014. 1. 29	Auditor's report on the agendas for the extraordinary meeting of shareholders	Approved as proposed	Resolution
	Audit plans for fiscal year 2014	Approved as proposed	Resolution
	Approval of selection of independent auditors of subsidiaries (KOSEP Material Co., Ltd. and KEPCO KPS Philippines Corp.)	Approved as proposed	Resolution
	Independent auditor's report on audit plans for fiscal year 2013	Accepted as reported	Report
	Education plans for auditors for 2014	Accepted as reported	Report
	Auditor's report for fiscal year 2013	Accepted as reported	Report
2014. 3. 20	Election of the chairman of the Audit Committee	Approved as proposed	Resolution
	Auditor's report on the agendas for the annual general meeting of shareholders	Approved as proposed	Resolution
	Approval of selection of independent auditors of subsidiaries	Approved as proposed	Resolution
	Independent auditor's report on the auditing results for the consolidated and separate financial statements for fiscal year 2013	Accepted as reported	Report
	Annual report on internal control over financial reporting for fiscal year 2013	Accepted as reported	Report
	Annual evaluation report on internal control over financial reporting for fiscal year 2013	Accepted as reported	Report
2014. 4.17	Prior approval for non-audit services of independent auditors	Approved as proposed	Resolution
	Auditor's report for fiscal year 2013 in accordance with U.S. accounting principles	Approved as proposed	Resolution
	Report on the Form 20-F for the fiscal year 2013 to be filed with the U.S. SEC	Approved as proposed	Resolution
2014. 5.15	Amendments to code of conduct for employees	Approved as proposed	Resolution
	Amendments to the guidelines for voluntary property registration	Approved as proposed	Resolution
	Amendments to the guidelines for disciplinary actions	Approved as proposed	Resolution
	Auditor's report to the Board of Directors for the first quarter of fiscal year 2014	Approved as proposed	Resolution
	Independent auditor's report for the auditing plans for fiscal year 2014	Approved as proposed	Resolution
2014. 8.21	Amendments to code of conduct for employees	Approved as proposed	Resolution
	Approval of selection of independent auditors of subsidiaries	Approved as proposed	Resolution
	Amendments to the contracts with independent auditors for fiscal year 2014	Approved as proposed	Resolution
	Auditor's report to the Board of Directors for the second quarter of fiscal year 2014	Approved as reported	Report
	Independent auditor's report on the auditing results for the consolidated financial statements for the first half of fiscal year 2014	Approved as reported	Report
2014. 9.18	Amendments to the guidelines for disciplinary actions and to the	Approved as proposed	Resolution

regulations for prosecution and complaint regarding job affairs
Approval of selection and change of independent auditors of
subsidiaries

Approved as proposed Resolution

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

VI. Shareholders

1. List of shareholders as of September 5, 2014

		Number of shareholders	Shares owned	Percentage (%)
Korean Government		1	135,917,118	21.17
Korea Finance Corporation		1	192,159,940	29.94
Subtotal		2	328,077,058	51.11
National Pension Service		1	39,845,923	6.21
KEPCO (held in the form of treasury stock)*		1	18,929,995	2.95
Public	Common shares	1,237	145,416,016	22.65
(non-Koreans)	American depositary shares	1	32,430,949	5.05
Public	Corporate	1,449	50,670,940	7.89
(Koreans)	Individual	368,606	26,593,196	4.14
Total		371,297	641,964,077	100.0

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

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1. Status

Directors	Employees	Professionals	Labor Union
7*	19,895	Lawyer: 12	Members: 14,693
	- Male: 19,555	CPA: 14	Exclusive duty on labor union: 12
	- Female: 340	Tax Accountant: 13	Affiliated group:
		LL.D.: 4	Federation of Korean Trade Unions

* Indicates the number of standing directors

2. Remuneration

Type	Average remuneration per person	Total remuneration (Jan. 1, 2014 Sep. 30, 2014)	
Directors*	56,607	Won	849 million
Employees	54,446	Won	1,083 billion

* Indicates both standing and non-standing directors

VIII. Other Information Relating to the Protection of Investors

1. Number of shareholders meetings held in 2014: twice

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

2. Pending legal proceedings

Type	Number of lawsuits	Litigation value
Lawsuits where KEPCO and its subsidiaries and affiliates are engaged as the defendant	631	Won 557 billion
Lawsuits where KEPCO and its subsidiaries and affiliates are engaged as the plaintiff	172	Won 195 billion

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SIGNATURES

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

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

Date: December 5, 2014

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KOREA ELECTRIC POWER CORPORATION

AND SUBSIDIARIES

Consolidated Interim Financial Statements

September 30, 2014

(Unaudited)

(With Independent Auditors' Review Report Thereon)

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Independent Auditors' Review Report

Based on a report originally issued in Korean

The Board of Directors and Shareholders

Korea Electric Power Corporation

Reviewed financial statements

We have reviewed the accompanying consolidated interim financial statements of Korea Electric Power Corporation and its subsidiaries (the Company), which comprise the consolidated interim statement of financial position as of September 30, 2014, the consolidated interim statements of comprehensive income (loss) for the three and nine-month periods ended September 30, 2014 and 2013, changes in equity and cash flows for the nine-month periods ended September 30, 2014 and 2013 and notes to the interim financial statements.

Management's responsibility

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

Auditors' review responsibility

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

We conducted our reviews in accordance with the Review Standards for Quarterly and Semiannual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. A review of interim financial 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 auditing standards generally accepted in the Republic of Korea and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

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

Other matters

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

The consolidated statement of financial position of the Company as of December 31, 2013, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, which

are not accompanying this report, were audited by us and our report thereon, dated March 20, 2014, expressed an unqualified opinion. The accompanying consolidated statement of financial position of the Company as of December 31, 2013, presented for comparative purposes, is not different from that audited by us in all material respects.

KPMG Samjong Accounting Corp.

Seoul, Korea

November 14, 2014

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Financial Position

As of September 30, 2014 and December 31, 2013

(Unaudited)

In millions of won

	<i>Note</i>	September 30, 2014	December 31, 2013
<u>Assets</u>			
Current assets			
Cash and cash equivalents	5,6,7,44	3,485,279	2,232,313
Current financial assets, net	5,10,11,12,44	273,515	436,213
Trade and other receivables, net	5,8,14,20,44,46	6,506,239	7,526,311
Inventories, net	13	4,438,457	4,279,593
Income tax refund receivables	40	18,693	223,803
Current non-financial assets	15	447,030	570,845
Assets held-for-sale	17,41	1,242	
Total current assets		15,170,455	15,269,078
Non-current assets			
Non-current financial assets, net	5,6,9,10,11,12,44	1,626,322	1,902,953
Non-current trade and other receivables, net	5,8,14,44,46	1,632,240	1,644,333
Property, plant and equipment, net	18,27,48	135,401,220	129,637,596
Investment properties, net	19,27	551,653	538,327
Goodwill	16	2,582	2,582
Intangible assets other than goodwill, net	21,27	784,457	810,664
Investments in associates	4,17	4,240,534	4,124,574
Investments in joint ventures	4,17	1,167,503	1,106,181
Deferred tax assets	40	432,268	359,535
Non-current non-financial assets	15	179,573	131,511
Total non-current assets		146,018,352	140,258,256
Total Assets	4	161,188,807	155,527,334
<u>Liabilities</u>			
Current liabilities			
Trade and other payables, net	5,22,24,44,46	4,662,066	5,892,763
Current financial liabilities, net	5,11,23,44,46	7,463,029	8,425,231
Income tax payables	40	496,383	51,407
Current non-financial liabilities	20,28,29	6,392,478	4,730,631

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Current provisions	26,44	1,393,353	1,113,817
Total current liabilities		20,407,309	20,213,849
Non-current liabilities			
Non-current trade and other payables, net	5,22,24,44,46	4,002,055	3,971,519
Non-current financial liabilities, net	5,11,23,44,46	55,127,232	53,163,394
Non-current non-financial liabilities	28,29	7,310,463	6,985,641
Employee benefit liabilities, net	25,44	2,284,373	2,137,296
Deferred tax liabilities	40	5,560,875	5,002,585
Non-current provisions	26,44	12,972,167	12,602,314
Total non-current liabilities		87,257,165	83,862,749
Total Liabilities	4	107,664,474	104,076,598

(Continued)

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Financial Position, Continued

As of September 30, 2014 and December 31, 2013

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	September 30, 2014	December 31, 2013
Equity			
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	1,603,919
Voluntary reserves		22,999,359	22,753,160
Unappropriated retained earnings		10,270,769	8,409,007
		34,875,038	32,766,086
Other components of equity	33		
Other capital surpluses		969,954	830,982
Accumulated other comprehensive income (loss)		(89,987)	55,538
Treasury stock		(741,489)	(741,489)
Other equity		13,294,973	13,294,973
		13,433,451	13,440,004
Equity attributable to owners of the Company		52,362,067	50,259,668
Non-controlling interests	16	1,162,266	1,191,068
Total Equity		53,524,333	51,450,736
Total Liabilities and Equity		161,188,807	155,527,334

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, 2014 and 2013

(Unaudited)

In millions of won

	<i>Note</i>	September 30, 2014 Three- month period ended	September 30, 2014 Nine- month period ended	September 30, 2013 Three- month period ended	September 30, 2013 Nine- month period ended
Sales	4,34,44,46				
Sales of goods		13,993,156	39,896,758	13,559,051	37,731,917
Sales of services		112,556	320,020	70,492	221,196
Sales of construction services	20	713,076	2,091,045	576,214	1,569,472
Revenue related to transfer of assets from customers		88,755	261,666	82,233	240,767
		14,907,543	42,569,489	14,287,990	39,763,352
Cost of sales	13,25,42,46				
Cost of sales of goods		10,789,119	33,989,614	11,572,374	35,546,718
Cost of sales of services		169,994	313,665	74,139	207,628
Cost of sales of construction services		647,216	1,949,359	578,796	1,495,114
		11,606,329	36,252,638	12,225,309	37,249,460
Gross profit (loss)		3,301,214	6,316,851	2,062,681	2,513,892
Selling and administrative expenses	25,35,42,46	(439,583)	(1,398,903)	(515,360)	(1,402,033)
Operating profit	4, 51	2,861,631	4,917,948	1,547,321	1,111,859
Other non-operating income	36	77,609	223,290	96,154	271,893
Other non-operating expenses	36	(13,457)	(50,814)	(14,464)	(40,610)
Other gains, net	37	20,792	111,269	90,130	129,658
Finance income	5,11,38	429,866	465,875	738,348	384,920
Finance expenses	5,11,39	(1,021,442)	(2,184,441)	(1,079,656)	(2,081,451)
Equity method income (loss) of associates and joint ventures	4,17				
Share in income (loss) of associates and joint ventures		22,846	207,924	(23,033)	94,193

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Gains on disposal of investments in associates and joint ventures		46,087	92,068	1,055	1,059
Share in loss of associates and joint ventures		(36,696)	(63,744)	(23,105)	(65,302)
Loss on disposal of investments in associates and joint ventures		(924)	(1,030)		(1,134)
Impairment loss on investments in associates and joint ventures			(1,558)	(1,719)	(4,211)
		31,313	233,660	(46,802)	24,605
Profit (loss) before income tax		2,386,312	3,716,787	1,331,031	(199,126)
Income tax expense	40	(817,263)	(1,394,955)	(357,368)	(251,638)
Profit (loss) for the period		1,569,049	2,321,832	973,663	(450,764)

(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, 2014 and 2013

(Unaudited)

*In millions of won, except per share
Information*

	<i>Note</i>	September 30, 2014		September 30, 2013	
		Three- month period ended	Nine- month period ended	Three- month period ended	Nine- month period ended
Other comprehensive income (loss)	5,11,25,31,33				
Items that will not be reclassified subsequently to profit or loss:					
Defined benefit plan actuarial loss, net of tax	25,31	(17,482)	(78,190)	(68,228)	(42,731)
Share in other comprehensive loss of associates and joint ventures, net of tax	31	(900)	(2,917)	(1,723)	(1,676)
Items that may be reclassified subsequently to profit or loss:					
Net change in the unrealized fair value of available-for-sale financial assets, net of tax	33	19,890	(20,605)	(515)	92,684
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	5,11,33	(24,258)	(58,171)	28,535	(1,376)
Foreign currency translation of foreign operations, net of tax	33	(1,958)	(100,423)	(145,103)	(45,097)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	33	112,724	31,035	(18,669)	91,286
Other comprehensive income (loss), net of tax		88,016	(229,271)	(205,703)	93,090
Total comprehensive income (loss) for the period		1,657,065	2,092,561	767,960	(357,674)
Profit or loss attributable to:					
Owners of the Company	43	1,547,434	2,234,448	945,455	(535,064)
Non-controlling interests		21,615	87,384	28,208	84,300

	1,569,049	2,321,832	973,663	(450,764)
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Total comprehensive income (loss)**attributable to:**

Owners of the Company	1,641,444	2,019,501	768,696	(443,760)
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Non-controlling interests	15,621	73,060	(736)	86,086
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	1,657,065	2,092,561	767,960	(357,674)
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Earnings (loss) per share

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Basic and diluted earnings (loss) per share	2,483	3,586	1,518	(859)
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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, 2014 and 2013

(Unaudited)

In millions of won

	Equity attributable to owners of the Company				Non-controlling interests	Total equity
	Contributed Capital	Retained earnings	Other components of equity	Subtotal		
Balance at January 1, 2013	4,053,578	32,564,283	13,270,906	49,888,767	1,175,435	51,064,202
Total comprehensive income (loss) for the period:						
Profit (loss) for the period		(535,064)		(535,064)	84,300	(450,764)
Items that will not be reclassified subsequently to profit or loss:						
Defined benefit plan actuarial loss, net of tax		(42,389)		(42,389)	(342)	(42,731)
Share in other comprehensive loss of associates and joint ventures, net of tax		(1,676)		(1,676)		(1,676)
Items that may be reclassified subsequently to profit or loss:						
Net changes in the unrealized fair value of available-for-sale financial assets, net of tax			92,758	92,758	(74)	92,684
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			(5,545)	(5,545)	4,169	(1,376)
Foreign currency translation of foreign operations, net of tax			(43,236)	(43,236)	(1,861)	(45,097)
Share in other comprehensive income (loss) of associates and			91,392	91,392	(106)	91,286

joint ventures, net of tax

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

Dividends paid				(41,815)		(41,815)
Issuance of share capital by subsidiaries				31,010		31,010
Changes in consolidation scope			(10,743)	(10,743)	(110,127)	(120,870)
Dividends paid (hybrid securities)					(12,304)	(12,304)
Others			(254)	(254)	(6,292)	(6,546)

Balance at**September 30, 2013**

4,053,578	31,985,154	13,395,278	49,434,010	1,121,993	50,556,003
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(Continued)

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Changes in Equity, Continued

For the nine-month period ended September 30, 2014 and 2013

(Unaudited)

<i>In millions of won</i>	Equity attributable to owners of the Company				Non-controlling Interests	Total equity
	Contributed Capital	Retained earnings	Other components of equity	Subtotal		
Balance at January 1, 2014	4,053,578	32,766,086	13,440,004	50,259,668	1,191,068	51,450,736
Total comprehensive income (loss) for the period:						
Profit for the period		2,234,448		2,234,448	87,384	2,321,832
Items that will not be reclassified subsequently to profit or loss:						
Defined benefit plan actuarial loss, net of tax		(66,505)		(66,505)	(11,685)	(78,190)
Share in other comprehensive loss of associates and joint ventures, net of tax		(2,917)		(2,917)		(2,917)
Items that may be reclassified subsequently to profit or loss:						
Net changes in the unrealized fair value of available-for-sale financial assets, net of tax			(20,610)	(20,610)	5	(20,605)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			(54,931)	(54,931)	(3,240)	(58,171)
Foreign currency translation of foreign operations, net of tax			(100,465)	(100,465)	42	(100,423)
Share in other comprehensive income of associates and joint			30,481	30,481	554	31,035

ventures, net of tax

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

Dividends paid	(56,074)		(56,074)	(129,681)	(185,755)	
Issuance of share capital by subsidiaries				6,545	6,545	
Equity transaction in consolidated scope other than issuance of share capital		138,972	138,972	37,991	176,963	
Changes in consolidation scope				(4,367)	(4,367)	
Dividends paid (hybrid securities)				(12,350)	(12,350)	
Balance at September 30, 2014	4,053,578	34,875,038	13,433,451	52,362,067	1,162,266	53,524,333

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, 2014 and 2013

(Unaudited)

<i>In millions of won</i>	September 30, 2014	September 30, 2013
Cash flows from operating activities		
Profit (loss) for the period	2,321,832	(450,764)
Adjustments for:		
Income tax expense	1,394,955	251,638
Depreciation	5,723,875	5,429,116
Amortization	58,171	66,074
Employee benefit expense	258,799	283,693
Bad debt expense	50,858	47,809
Interest expense	1,786,901	1,767,271
Loss on sale of financial assets	721	4,202
Loss on disposal of property, plant and equipment	631	32,989
Loss on abandonment of property, plant, and equipment	206,556	201,327
Impairment loss on property, plant and equipment	11,774	