

KOREA ELECTRIC POWER CORP

Form 6-K

September 07, 2017

[Table of Contents](#)

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 September 2017

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.

Table of Contents

QUARTERLY BUSINESS REPORT

(For the period from January 1, 2017 to June 30, 2017)

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.

Table of Contents

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 June 30, 2017)

Classification	Consolidated subsidiaries	Associates and joint ventures	Total
Domestic	22	59	81
Overseas	70	42	112
Total	92	101	193

Table of Contents

5. Major changes in management

A. At the extraordinary general meeting of shareholders of KEPCO held on January 10, 2017, Mr. Moon, Bong-Soo was appointed as a standing director and Executive Vice President & Chief Power System Officer, in replacement of Mr. Chang, Jae-Won who voluntarily resigned.

B. At the annual general meeting of shareholders of KEPCO held on March 21, 2017, Mr. Cho, Hwan-Eik whose term of the office expired was re-elected as the President and Chief Executive Officer.

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 1,980 per share for fiscal year 2016 (Won 1.27 trillion in aggregate). Dividend payments for fiscal year 2015, 2014 and 2013 were Won 3,100, Won 500 and Won 90 per share respectively.

II. Business Overview

1. Consolidated financial results by segment for a six-month period ended June 30, 2016 and 2017

	January to June 2016		(In billions of Won) January to June 2017	
	Sales	Operating profit	Sales	Operating profit
Electricity sales	28,819	2,175	28,445	-443
Nuclear generation	5,671	2,165	4,944	938
Thermal generation	10,270	1,982	11,384	1,718
Others ^(*)	1,474	195	1,454	163
Subtotal	46,234	6,517	46,227	2,376
Adjustment for related-party transactions	-17,273	-207	-18,155	-66

Total	28,961	6,310	28,072	2,310
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Table of Contents

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

- (*) Others relate to 86 subsidiaries including KEPCO E&C, KEPCO KPS, KEPCO NF and KEPCO KDN, among others.

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

2. Changes in unit prices of major products

Business sector		Company	(In Won per kWh)	
			January to December 2016	January to June 2017
Electricity sold	Residential	KEPCO	121.52	106.04
	Commercial		130.41	126.90
	Educational		111.51	98.66
	Industrial		107.11	105.23
	Agricultural		47.41	47.85
	Street lighting		113.35	114.24
	Overnight usage		67.56	67.52
Electricity from nuclear generation	Nuclear Generation	KHNP	68.89	62.47
Electricity from thermal generation	Thermal generation	KOSEP	71.57	85.42
		KOMIPO	84.33	97.04
		KOWEPO	86.11	99.22
		KOSPO	86.47	97.02
		EWP	84.62	99.36

Table of Contents

3. Power purchase from generation companies for a six-month period ended June 30, 2017

Company	Volume (MWh)	Expense (In billions of Won)
KHNP	76,716,439	4,799
KOSEP	31,183,167	2,591
KOMIPO	23,914,826	2,249
KOWEPO	21,835,371	2,134
KOSPO	22,052,961	2,127
EWP	23,540,598	2,344
Others	54,312,867	5,641
Total	253,556,229	21,885

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

4. Intellectual property as of June 30, 2017

	Patents		Utility	Trademarks		Total	
	Domestic	Overseas	models	Designs	Domestic		Overseas
KEPCO	1,837	196	84	67	142	43	2,369
Consolidated subsidiaries	3,709	581	780	109	253	22	5,454
Total	5,546	777	864	176	395	65	7,823

III. Financial Information

1. Condensed consolidated financial results as of and for a six-month period ended June 30, 2016 and 2017

Consolidated statements of				Consolidated statements of			
comprehensive income				financial position			
January		January to		December 31,		June 30,	
to		Change		2016,		Change	
June	June	Change		2016	2017	Change	
2016	2017	(%)		2016	2017	(%)	
Sales	28,961	28,072	-3.1	Total assets	177,837	179,938	1.2
Operating profit	6,310	2,310	-63.4	Total liabilities	104,786	107,068	2.2
Net income	3,931	1,259	-68.0	Total equity	73,051	72,870	-0.2

(In billions of Won)

Table of Contents

2. Condensed separate financial results as of and for a six-month period ended June 30, 2016 and 2017

(In billions of Won)

	Separate statements of			Separate statements of			
	comprehensive income			financial position			
	January	January	Change	December 31,	June 30,	Change	
	to June	to June			June 30,		
2016	2017	(%)	2016	2017	(%)		
Sales	28,819	28,445	-1.3	Total assets	105,321	106,022	0.7
Operating profit	2,175	-443	-120.4	Total liabilities	49,854	51,244	2.8
Net income	2,448	549	-77.6	Total equity	55,467	54,778	-1.2

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.

2. Board meetings and agendas for a six-month period ended June 30, 2017

Number of meetings	Number of agendas	Resolutions	Classification		Results
			Results	Reports	
7	20	15	Approved as proposed	5	Accepted as reported

* The audit committee held 6 meetings with 18 agendas (of which, 9 were resolved as proposed and 9 were approved as reported).

Table of Contents

3. Major activities of the Board of Directors

Date	Agenda	Results	Type
January 19, 2017	Approval of contribution to KEPCO medical corporation	Conditional Approval	Resolution
	Approval of plan to establish ICT backup center	Approved as proposed	Resolution
	Approval of amendment to the rules on employment	Approved as proposed	Resolution
February 17, 2017	Approval of the maximum aggregate amount of remuneration for directors in 2017	Approved as proposed	Resolution
	Approval of consolidated and separate financial statements for the fiscal year 2016	Approved as proposed	Resolution
	Approval to call for the annual general meeting of shareholders for the fiscal year 2016	Approved as proposed	Resolution
	Approval to expand target business to invest in to secure financial resources required for the Energy Valley Dream Plan	Approved as amended	Resolution
	Report on the annual management of commercial papers in 2016	Accepted as reported	Report
	Report on internal control over financial reporting for the fiscal year 2016	Accepted as reported	Report
	Evaluation report on internal control over financial reporting for the fiscal year 2016	Accepted as reported	Report
	Report on the audit result for fiscal year 2016	Accepted as reported	Report
March 3, 2017	Approval of the Statement of Appropriation of Retained Earnings for fiscal year 2016	Approved as proposed	Resolution
March 17, 2017		Approved as proposed	Resolution

Approval of guarantee for
the solar energy project in
Colorado, U.S.A.,
according to the change of
business structure

Table of Contents

	Approval of forming Executive Recommendation Committee and evaluation standard for the candidate of non-standing directors	Approved as proposed	Resolution
April 21, 2017	Approval of amendments to the regulation for employee remuneration and welfare	Approved as proposed	Resolution
	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	Approved as proposed	Resolution
	Approval of payment guarantee for foreign currency-denominated borrowings in relation to the Bylong coal mine in Australia	Approved as proposed	Resolution
June 16, 2017	Approval of the establishment of a new regional office	Approved as proposed	Resolution
	Report on results of external and internal audits for the first quarter of 2017	Accepted as reported	Report
June 30, 2017	Approval of mid-to-long term financial management plan (2017-2021)	Approved as proposed	Resolution

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

Date	Agenda	Ahn, Choong-Yong	Lee, Gang-Hee	Choi, Jeon-Hyeok	Sung, Ki-Ryun	Koo, Tae-Hyun	Kim, Ja-Yoon	Kim, Joo-Suen	Kim, Ji-Hong
January 19, 2017	Approval of contribution to KEPCO medical corporation	For	For	For	For	For	For	For	Against
	Approval of plan to establish ICT backup center	For	For	For	For	For	For	For	For
	Approval of amendment to the rules on employment	For	For	For	For	For	For	For	For
February 17, 2017	Approval of the maximum aggregate amount of remuneration for directors in 2017	For	For	For	For	For	For	For	Absence
		For	For	For	For	For	For	For	Absence

Approval of consolidated and
separate financial statements for
the fiscal year 2016

Table of Contents

	Approval to call for the annual general meeting of shareholders for the fiscal year 2016	For	For	For	For	For	For	For	Absence
	Approval to expand target business to invest in to secure financial resources required for the Energy Valley Dream Plan	For	For	For	For	For	For	For	Absence
	Report on the annual management of commercial papers in 2016								Agenda for Report
	Report on internal control over financial reporting for the fiscal year 2016								Agenda for Report
	Evaluation report on internal control over financial reporting for the fiscal year 2016								Agenda for Report
	Report on the audit result for fiscal year 2016								Agenda for Report
March 3, 2017	Approval of the Statement of Appropriation of Retained Earnings for fiscal year 2016	For	For	For	For	For	For	For	For
March 17, 2017	Approval of guarantee for the solar energy project in Colorado, U.S.A., according to the change of business structure	For	For	For	For	For	For	For	For
	Approval of forming Executive Recommendation Committee and evaluation standard for the candidate of non-standing directors	For	For	For	For	For	For	For	For
April 21, 2017	Approval of amendments to the regulation for employee remuneration and welfare	Absence	For	For	For	For	For	For	For
	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	Absence	For	For	Against	For	For	For	For
	Approval of payment guarantee for foreign currency-denominated borrowings in relation to the Bylong coal mine in Australia	Absence	For	For	For	For	For	For	For

Table of Contents

June 16, 2017	Approval of the establishment of a new regional office Report on results of external and internal audits for the first quarter of 2017	Absence	For	For	For	For	For	For	For
		Agenda for Report							
June 30, 2017	Approval of mid-to-long term financial management plan (2017-2021)	For	For	For	For	For	For	For	For
Attendance Rate		71.4%	100%	100%	100%	100%	100%	100%	85.7%

5. Major activities of the Audit Committee

Date	Agenda	Results	Type
January 19, 2017	Audit plans for 2017	Approved as proposed	Resolution
	Education plans for auditors for 2017	Approved as reported	Report
February 17, 2017	Report on the audit result for fiscal year 2016	Approved as reported	Report
	Report on internal control over financial reporting for the fiscal year 2016	Approved as reported	Report
	Evaluation report on internal control over financial reporting for the fiscal year 2016	Approved as reported	Report
March 17, 2017	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
	Prior approval for non-audit service for subsidiaries by the independent auditor	Accepted as proposed	Resolution
	Independent auditor's report on the auditing results for the consolidated and separate financial statements for the fiscal year 2016	Accepted as reported	Report
April 21, 2017	Approval of selection of independent auditors of	Accepted as proposed	Resolution

subsidiaries
Report on the Form 20-F
for the fiscal year 2016 to
be filed with the

Accepted as reported

Report

U.S. Securities and
Exchange Commission

Table of Contents

	Auditor's report for fiscal year 2016 in accordance with U.S. accounting principles	Accepted as reported	Report
May 17, 2017	Amendments to guidelines for internal audit regulations	Accepted as proposed	Resolution
	Amendments to code of conduct for KEPCO executives and staff members	Accepted as proposed	Resolution
	Amendments to the guidelines for disciplinary actions	Accepted as proposed	Resolution
June 16, 2017	Amendments to the guidelines for the whistleblowing process and whistleblower protection	Accepted as proposed	Resolution
	Report on results of external and internal audits during the first quarter of 2017	Accepted as reported	Report
	Independent auditor's report on the audit plans for the fiscal year 2017	Accepted as reported	Report

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

V. Shareholders

1. List of shareholders as of December 31, 2016

		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	41,705,930	6.50
Public (non-Koreans)	Common shares	1,701	161,040,488	25.09
	American depository shares (ADS)	1	36,267,926	5.65
Public (Koreans)	Corporate	1,398	44,126,225	6.87
	Individual	376,643	30,746,450	4.79
Total		379,746	641,964,077	100.00

Table of Contents

Percentages are based on issued shares of common stock.

All of our shareholder have equal voting rights.

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

VI. Directors and employees as of and for a six-month period ended June 30, 2017 (KEPCO Only)

1. Directors

Type	Number of directors	Total remuneration	(In thousands of Won)
			Average remuneration per person
Standing director	6	707,796	117,966
Non-standing director	6	90,000	15,000
Member of Audit Committee	3	140,001	46,667
Total	15	937,797	62,520

2. Employees

Type	Number of employees			Average continuous service year	(In thousands of Won)	
	Regular	Non-regular	Total		Total salaries	Average salaries per person
Male	17,084	493	17,577	18.5	727,338,274	41,380
Female	3,879	154	4,033	14.0	128,086,598	31,760
Total	20,963	647	21,610	17.6	855,424,872	39,585

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

1. Summary of shareholder s meetings for a six-month period ended June 30

Type	Agenda	Results
Extraordinary General Meeting held on January 10, 2017	Election of a Standing Director : Moon, Bong-Soo	Approved as proposed
	Approval of financial statements for the fiscal year 2016	Approved as proposed
Annual General Meeting held on March 21, 2017	Approval of the maximum aggregate amount of remuneration for directors in 2017	Approved as proposed
	Election of President and CEO : Cho, Hwan-Eik	Approved as proposed

2. Pending legal proceedings as of June 30, 2017

(In billions of Won)

Type	Number of lawsuits	Amount claimed
Lawsuits where KEPCO and its subsidiaries are engaged as the defendants	667	633
Lawsuits where KEPCO and its subsidiaries are engaged as the plaintiffs	193	614

Table of Contents

SIGNATURES

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

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

Date: September 7, 2017

Table of Contents

KOREA ELECTRIC POWER CORPORATION

AND SUBSIDIARIES

Consolidated Interim Financial Statements

June 30, 2017

(Unaudited)

(With Independent Auditors' Review Report Thereon)

Table of Contents

INDEX TO FINANCIAL STATEMENTS

	Page
<u>Independent Auditors' Review Report</u>	1
<u>Consolidated Interim Statements of Financial Position</u>	3
<u>Consolidated Interim Statements of Comprehensive Income</u>	5
<u>Consolidated Interim Statements of Changes in Equity</u>	7
<u>Consolidated Interim Statements of Cash Flows</u>	9
<u>Notes to the Consolidated Interim Financial Statements</u>	11

Table of Contents

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 June 30, 2017, the consolidated interim statements of comprehensive income for the three and six-month periods ended June 30, 2017 and 2016, changes in equity and cash flows for the six-month periods ended June 30, 2017 and 2016 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.

Emphasis of Matters

Without qualifying our review report, we draw attention to the following key audit matters of the build-to-order industry that were of significance in our review of the consolidated financial statements as of and for the three and six-month periods ended June 30, 2017, which determination is based on auditor's professional judgment and communications with those charged with governance, in accordance with the Practical Guide of Korean Standards on Auditing 2016-1. These matters were addressed in the context of our review of the consolidated financial statements as a whole, and we do not issue a separate opinion on this matter.

Also, as stated above under **Auditors' Review Responsibility**, our responsibility is to issue a report on these consolidated interim financial statements based on our reviews in accordance with the Review Standards for Quarterly and Semi-annual Financial Statements established by the Securities and Futures Commission of the Republic of Korea. Accordingly, we have inquired primarily of persons responsible for financial and accounting matters, and applied analytical and other review procedures on the key audit matters of the build-to-order industry.

We have considered the results from review procedures for these key audit matters in forming our review conclusion on the consolidated interim financial statements as of and for the three and six-month periods ended June 30, 2017.

Table of Contents

When the outcome of a construction contract can be estimated reliably, the Company recognizes contract revenue and costs based on the percentage-of-completion method at the end of the reporting period. Also, the gross amount due from customers for contract work is presented for all contracts in which costs incurred plus recognized profits exceed progress billings. The gross amount due to customers for contract work is presented for all contracts in which progress billings exceed costs incurred plus recognized profits.

Total contract revenue is measured based on an agreed contract price; however, it may fluctuate due to the variation of construction work. The measurement of contract revenue is affected by various uncertainties resulting from unexpected future events. Total contract costs are estimated based on the estimates of future costs such as material costs, labor costs and construction period. The uncertainty of estimated total contract costs and changes in such estimates has an impact on the completion progress and contract revenue.

Considering the impacts from these uncertainty and changes in estimates on profit or loss for the current or future periods, we identified the Company's revenue recognition accounting policy utilizing the input method, uncertainty of estimated total contract costs, assessment of the percentage-of-completion and accounting for the variation of construction works as significant risks.

We conducted the following review procedures regarding those significant risks described above as of and for the three and six-month periods ended June 30, 2017:

Inquiry of the accounting policy of revenue recognition and any changes, and significant changes to the contracts

Analytical review of financial indicators such as contract price, estimated contract costs, cost ratio, ratio of amounts due from/to customers for contract work and others

Inquiry and analytical review of changes in major components of estimated contract costs

Inquiry and analytical review of fluctuations in completion progress of contracts including contract price, accumulated contract costs and total contract costs

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, 2016, 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 6, 2017. The accompanying consolidated financial position of the Company as of December 31, 2016, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

KPMG Samjong Accounting Corp.

Seoul, Korea

August 14, 2017

This report is effective as of August 14, 2017, 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.

Table of Contents

KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Financial Position

As of June 30, 2017 and December 31, 2016

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	<i>June 30, 2017</i>	<i>December 31, 2016</i>
Assets			
Current assets			
Cash and cash equivalents	5,6,7,44	₩ 3,482,936	3,051,353
Current financial assets, net	5,10,11,12,44	1,813,848	2,671,989
Trade and other receivables, net	5,8,14,20,44,45,46	6,837,853	7,788,876
Inventories, net	13	5,806,987	5,479,443
Income tax refund receivables	40	14,619	19,163
Current non-financial assets	15	1,042,278	631,860
Assets held-for-sale	41	64,703	65,842
Total current assets		19,063,224	19,708,526
Non-current assets			
Non-current financial assets, net	5,6,9,10,11,12,44	2,358,400	2,657,494
Non-current trade and other receivables, net	5,8,14,44,45,46	1,791,146	1,903,515
Property, plant and equipment, net	18,27,48	148,646,272	145,743,056
Investment properties, net	19,27	291,218	353,680
Goodwill	16	2,582	2,582
Intangible assets other than goodwill, net	21,27,45	1,174,094	980,821
Investments in associates	4,17	4,137,137	4,092,252
Investments in joint ventures	4,17	1,507,477	1,418,196
Deferred tax assets	40	824,051	795,131
Non-current non-financial assets	15	142,615	181,789
Total non-current assets		160,874,992	158,128,516
Total Assets	4	₩ 179,938,216	177,837,042

(Continued)

Table of Contents

KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Financial Position, Continued

As of June 30, 2017 and December 31, 2016

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	June 30, 2017	December 31, 2016
Liabilities			
Current liabilities			
Trade and other payables, net	5,22,24,44,46	₩ 5,251,058	5,585,411
Current financial liabilities, net	5,11,23,44,46	10,570,832	8,942,329
Income tax payables	40	673,102	1,843,288
Current non-financial liabilities	20,28,29	6,092,501	6,368,210
Current provisions	26,44	2,321,778	1,999,988
Total current liabilities		24,909,271	24,739,226
Non-current liabilities			
Non-current trade and other payables, net	5,22,24,44,46	3,480,256	3,558,175
Non-current financial liabilities, net	5,11,23,44,46	46,312,317	44,835,562
Non-current non-financial liabilities	28,29	7,923,053	7,591,605
Employee benefits liabilities, net	25,44	1,917,721	1,686,258
Deferred tax liabilities	40	9,092,258	8,948,520
Non-current provisions	26,44	13,433,317	13,427,151
Total non-current liabilities		82,158,922	80,047,271
Total Liabilities	4	₩ 107,068,193	104,786,497
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	1,604,910
Voluntary reserves		34,833,844	31,847,275
Unappropriated retained earnings		16,629,110	19,721,686
		53,067,864	53,173,871

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Other components of equity	33		
Other capital surplus		1,235,304	1,235,146
Accumulated other comprehensive loss		(121,921)	(33,875)
Other equity		13,294,973	13,294,973
		14,408,356	14,496,244
Equity attributable to owners of the controlling company		71,529,798	71,723,693
Non-controlling interests	16,32	1,340,225	1,326,852
Total Equity		₩ 72,870,023	73,050,545
Total Liabilities and Equity		₩ 179,938,216	177,837,042

See accompanying notes to the consolidated interim financial statements.

Table of Contents

KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Comprehensive Income

For the three and six-month periods ended June 30, 2017 and 2016

(Unaudited)

In millions of won, except per share information

		June 30, 2017		June 30, 2016	
	Note	Three-month period ended	Six-month period ended	Three-month period ended	Six-month period ended
Sales	4,34,44,46				
Sales of goods		₩ 11,932,055	26,231,521	12,155,550	26,657,484
Sales of services		87,929	159,834	74,098	177,728
Sales of construction services	20	786,491	1,445,583	945,481	1,927,326
Revenue related to transfer of assets from customers		119,064	235,210	100,295	198,213
		12,925,539	28,072,148	13,275,424	28,960,751
Cost of sales	13,25,42,46				
Cost of sales of goods		(10,577,811)	(22,949,336)	(9,005,798)	(19,522,816)
Cost of sales of services		(136,072)	(232,350)	(111,863)	(205,097)
Cost of sales of construction services		(735,737)	(1,398,375)	(861,011)	(1,821,882)
		(11,449,620)	(24,580,061)	(9,978,672)	(21,549,795)
Gross profit		1,475,919	3,492,087	3,296,752	7,410,956
Selling and administrative expenses	25,35,42,46	(629,427)	(1,182,409)	(592,258)	(1,101,115)
Operating profit	4	846,492	2,309,678	2,704,494	6,309,841
Other non-operating income	36	107,246	192,662	103,010	195,312
Other non-operating expense	36	(29,064)	(65,498)	(31,888)	(52,590)
Other gains, net	37	23,989	153,001	30,883	70,786
Finance income	5,11,38	457,963	779,694	207,714	379,446
Finance expenses	5,11,39	(768,651)	(1,502,552)	(610,604)	(1,149,549)
Profit related to associates, joint ventures and subsidiaries	4,17				
Share in profit of associates and joint ventures		(24,037)	152,958	28,274	214,055
		265	333	52	52

Gain on disposal of investments in associates and joint ventures					
Share in loss of associates and joint ventures		(30,985)	(47,498)	(27,352)	(54,212)
Loss on disposal of investments in associates and joint ventures				(171)	(171)
		(54,757)	105,793	803	159,724
Profit before income tax		583,218	1,972,778	2,404,412	5,912,970
Income tax expense	40	(224,297)	(713,826)	(636,624)	(1,982,349)
Profit for the period		₩ 358,921	1,258,952	1,767,788	3,930,621
<i>(Continued)</i>					

Table of Contents

KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Comprehensive Income, Continued

For the three and six-month periods ended June 30, 2017 and 2016

(Unaudited)

In millions of won, except per share information

	Note	June 30, 2017		June 30, 2016	
		Three-month period ended	Six- month period ended	Three-month period ended	Six- month period ended
Other comprehensive income (loss)	5,11,25,31,33				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit liability, net of tax	25,31	₩ (34,209)	(30,292)	(101,290)	(201,861)
Share in other comprehensive loss of associates and joint ventures, net of tax	31	(194)	(2,085)	(459)	(643)
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	2,277	1,103	(4,694)	22,476
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	5,11,33	5,886	(51)	43,282	30,478
Foreign currency translation of foreign operations, net of tax	33	58,825	(56,316)	1,378	4,721
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	33	53,193	(50,090)	(43,811)	(39,222)
Other comprehensive income (loss), net of tax		85,778	(137,731)	(105,594)	(184,051)
Total comprehensive income for the period		₩ 444,699	1,121,221	1,662,194	3,746,570
Profit or loss attributable to:					
Owners of the controlling company	43	₩ 327,166	1,194,079	1,726,467	3,861,917
Non-controlling interests		31,755	64,873	41,321	68,704

	₩ 358,921	1,258,952	1,767,788	3,930,621
Total comprehensive income attributable to:				
Owners of the controlling company	₩ 411,283	1,077,036	1,625,395	3,693,429
Non-controlling interests	33,416	44,185	36,799	53,141
	₩ 444,699	1,121,221	1,662,194	3,746,570

Earnings per share (in won)	43			
Basic and diluted earnings per share	₩ 510	1,860	2,689	6,016

See accompanying notes to the consolidated interim financial statements.

Table of Contents

KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Changes in Equity

For the six-month periods ended June 30, 2017 and 2016

(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		
Balance at January 1, 2016	₩ 4,053,578	48,187,241	14,393,648	66,634,467	1,308,008	67,942,475
Total comprehensive income (loss) for the period						
Profit for the period		3,861,917		3,861,917	68,704	3,930,621
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of defined benefit liability, net of tax		(188,083)		(188,083)	(13,778)	(201,861)
Share in other comprehensive loss of associates and joint ventures, net of tax		(635)		(635)	(8)	(643)
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			22,477	22,477	(1)	22,476
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			30,486	30,486	(8)	30,478
Foreign currency translation of foreign operations, net of tax			6,493	6,493	(1,772)	4,721
Share in other comprehensive income			(39,226)	(39,226)	4	(39,222)

(loss) of associates and joint ventures, net of tax

Transactions with owners of the Company, recognized directly in equity

Dividends paid	(1,990,089)		(1,990,089)	(68,099)	(2,058,188)	
Issuance of shares of capital by subsidiaries and others		(260)	(260)	14,815	14,555	
Changes in consolidation scope				2,453	2,453	
Dividends paid (hybrid securities)				(8,227)	(8,227)	
Balance at June 30, 2016	₩ 4,053,578	49,870,351	14,413,618	68,337,547	1,302,091	69,639,638

(Continued)

Table of Contents

KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Changes in Equity, Continued

For the six-month periods ended June 30, 2017 and 2016

(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		
Balance at January 1, 2017	₩ 4,053,578	53,173,871	14,496,244	71,723,693	1,326,852	73,050,545
Total comprehensive income (loss) for the period						
Profit for the period		1,194,079		1,194,079	64,873	1,258,952
Items that will not be reclassified subsequently to profit or loss:						
Remeasurements of defined benefit liability, net of tax		(26,909)		(26,909)	(3,383)	(30,292)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax		(2,088)		(2,088)	3	(2,085)
Items that are or may be reclassified subsequently to profit or loss:						
Net change in the unrealized fair value of available-for-sale financial assets, net of tax			1,104	1,104	(1)	1,103
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			(51)	(51)		(51)
Foreign currency translation of foreign operations, net of tax			(38,711)	(38,711)	(17,605)	(56,316)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax			(50,388)	(50,388)	298	(50,090)

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

Dividends paid	(1,271,089)			(1,271,089)	(44,400)	(1,315,489)
Issuance of shares of capital by subsidiaries and others		158		158	21,798	21,956
Dividends paid (hybrid securities)					(8,210)	(8,210)
Balance at June 30, 2017	₩ 4,053,578	53,067,864	14,408,356	71,529,798	1,340,225	72,870,023

See accompanying notes to the consolidated interim financial statements.

Table of Contents

KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Cash Flows

For the six-month periods ended June 30, 2017 and 2016

(Unaudited)

<i>In millions of won</i>	June 30, 2017	June 30, 2016
Cash flows from operating activities		
Profit for the period	₩ 1,258,952	3,930,621
Adjustments for:		
Income tax expense	713,826	1,982,349
Depreciation	4,765,106	4,247,987
Amortization	61,329	37,421
Employee benefit expense	186,400	172,046
Bad debt expense	14,926	14,550
Interest expense	877,376	881,259
Loss on sale of financial assets	1,092	
Loss on disposal of property, plant and equipment	20,196	3,232
Loss on abandonment of property, plant, and equipment	152,766	185,261
Loss on disposal of intangible assets	78	138
Increase to provisions	791,309	701,038
Gain on foreign currency translation, net	(438,980)	(45,699)
Loss on valuation of financial assets at fair value through profit or loss	451	
Valuation and transaction loss on derivative instruments, net	474,522	47,307
Share in income of associates and joint ventures, net	(105,460)	(159,843)
Gain on sale of financial assets	(508)	(1,480)
Gain on disposal of property, plant and equipment	(20,018)	(29,958)
Gain on disposal of intangible assets	(484)	
Gain on disposal of associates and joint ventures	(333)	(52)
Loss on disposal of associates and joint ventures		171
Interest income	(108,353)	(132,521)
Dividend income		