

KOREA ELECTRIC POWER CORP

Form 6-K

November 29, 2013

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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 November 2013

Commission File Number: 001-13372

KOREA ELECTRIC POWER CORPORATION

(Translation of registrant's name into English)

167 Samseong-dong, Gangnam-gu, Seoul 135-791, Korea

(Address of principal executive offices)

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

Form 20-F Form 40-F

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

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

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

Yes No

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

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

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QUARTERLY BUSINESS REPORT

(For the period from January 1, 2013 to September 30, 2013)

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) 167 Samseong-dong, Gangnam-Gu, Seoul 135-791, Korea

(Phone number) 82-2-3456-4217

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

3. Major Businesses

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

development of electric power resources;

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

research and technology development 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 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, 2013)

Classification	Subsidiaries	Associates and joint ventures	Total
Domestic	17	53	70
Overseas	64	35	99
Total	81	88	169

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5. Major changes in management

On February 6, 2013, Mr. Ryu, Chang-Moo resigned from his position as non-standing director of KEPCO.

On June 18, 2013, Mr. Park, Kyu-Ho, Mr. Rhee, Chong-Chan, Mr. Baek, Seung-Jung and Mr. Kim, Byung-Sook were elected as standing directors of KEPCO at the extraordinary general meeting of shareholders.

On October 29, 2013, Mr. Rhee, Chong-Chan was dismissed from his position as a standing director of KEPCO, and Mr. Park, Jung-Keun was elected as a new standing director of KEPCO at the extraordinary general meeting of shareholders.

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. Dividend: No dividend payments in the past 3 years from 2010 to 2012

II. Business Overview

1. Segment Results

(In billions of Won)

	Jan. - Sep. 2013		Jan. - Sep. 2012	
	Sales	Operating Income (Loss)	Sales	Operating Income (Loss)
Electricity sales	39,578	-1,038	36,443	-3,465
Nuclear generation	5,402	917	5,427	1,257
Thermal generation	21,558	1,123	22,690	1,604
Others*	1,940	235	1,884	312
Sub Total	68,478	1,237	66,444	-292
Adjustment of related party transactions	-28,715	-125	-30,050	-104
Total	39,763	1,112	36,394	-396

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

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Sales and operating income (loss) reflects amendments to Korean IFRS 1001 Presentation of Financial Statements and the reclassification of accounts receivable to non-current non-financial assets related to the fuel cost pass-through adjustment (FCPTA) system.

2. Changes in unit prices of major products

(In Won per kWh)

Business			2013	2012
Sector	Company		Jan. - Sep.	Jan. - Dec.
Electricity sold	Residential		129.10	123.69
	Commercial		120.99	112.50
	Educational		115.50	108.84
	Industrial	KEPCO	99.18	92.83
	Agricultural		45.44	42.90
	Street Lighting		109.10	98.89
	Overnight Usage		62.40	58.65
Electricity from nuclear generation	Nuclear Generation	KHNP	51.75	45.29
Electricity from thermal generation	Thermal	KOSEP	70.66	75.43
		KOMIPO	104.26	108.16
	Generation	KOWEPO	106.11	109.69
		KOSPO	110.41	113.65
		EWP	99.08	106.38

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3. Major contracts in 2013

(In billions of Won)

Party	Date of Contract	Nature of Contract	Contract Amount	Counterparty
KEPCO	2013.03.29	Maintenance of transmission lines	57	KEPCO KPS Co., Ltd
	2013.07.18	Procurement of concrete electric poles	85	Korea Centrifugal Reinforced Concrete Industry Cooperative Doosan Heavy Industries &
KHNP	2013.02.25	Procurement of reactor vessel heads for Kori unit 2	54	Construction Co., Ltd
	2013.08.08	Maintenance and trial operations of BNPP units 1,2,3,4	134	KEPCO KPS Co., Ltd
KOSEP	2013.01.01	Operation of Yong Hung units 5,6 and Samchunpo fuel and refinery facilities	30	Korean Electronics Power Source Co., Ltd
	2013.05.01	Operation and maintenance of fuel facilities for 2013	19	Korea Electric Power Industrial Development Hyundai Rotem, Hyundai Emco
KOMIPO	2013.01.30	Procurement of coal handling facilities for Shin-Boryeong units 1,2	183	Co., Ltd
	2013.02.25	Construction of Seoul combined cycle units 1,2	226	POSCO Engineering & Construction Co., Ltd and others
	2013.06.17	Installation of electro-mechanical equipment for Shin-Boryeong units 1,2	245	GS Engineering & Construction Corp.
KOWEPO	2013.07.05	Procurement of main equipments for Seoul combined cycle units 1,2	361	Doosan Heavy Industries & Construction Co., Ltd
	2013.03.04	Procurement of coal handling facilities for IGCC and Taean units 9,10	139	Hyundai Samho Heavy Industries Co., Ltd
EWP	2013.01.01	Maintenance of generation facilities for 2013	55	KEPCO KPS Co., Ltd

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4. Intellectual property as of September 30, 2013

	Patents		Utility	Designs	Trademarks	
	Domestic	Overseas	models		Domestic	Overseas
Number of registrations	4,348	452	795	140	356	58

III. Financial Information

1. Condensed consolidated financial results for the first nine months of 2013

(In billions of Won)

Consolidated Statements of Comprehensive Income				Consolidated Statements of Financial Position			
	Jan.-Sep. 2012	Jan.-Sep. 2013	Change (%)		As of Dec. 31, 2012	As of Sep. 30, 2013	Change (%)
Sales	36,394	39,763	9.3	Total Assets	146,153	152,446	4.3
Operating Income	-396	1,112	380.9	Total Liabilities	95,089	101,890	7.2
Net Income	-1,322	-451	65.9	Total Equity	51,064	50,556	-1.0

2. Condensed separate financial results for the first nine months of 2013

(In billions of Won)

Separate Statements of Comprehensive Income				Separate Statements of Financial Position			
	Jan.-Sep. 2012	Jan.-Sep. 2013	Change (%)		As of Dec. 31, 2012	As of Sep. 30, 2013	Change (%)
Sales	36,443	39,578	8.6	Assets	96,235	96,757	0.5
Operating Income	-3,465	-1,038	70.0	Liabilities	54,964	56,341	2.5
Net Income	-2,264	-927	59.1	Equity	41,271	40,415	-2.1

IV. Auditor's Opinion1. Auditor's opinion on consolidated and separate financial statements for the first nine months of 2013: **Unqualified**

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

Jan. 1, 2013	Sep. 30, 2013	Jan. 1, 2012	Dec. 31, 2012	Jan. 1, 2011	Dec. 31, 2011
KPMG Samjong Accounting Corp.		Deloitte Anjin LLC		Deloitte Anjin LLC	

V. Board of Directors

1. Composition of 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	31	24	Approved as proposed	7	Accepted as reported

Audit Committee: 8 meetings held where 24 agendas were discussed (of which, 11 were resolved as proposed and 13 were approved as reported).

3. Major activities of the Board of Directors

Date	Agenda	Status	Type
2013. 1. 8	Amendments to the Regulation for Electricity Service related to electricity tariff adjustments	Approved as proposed	Resolution
2013. 1. 17	Plans to establish ICT Center in Naju	Approved as proposed	Resolution
	Investment plans for the Bylong coal mine in 2013	Approved as proposed	Resolution
2013. 2. 21	Contributions to AESIEAP	Approved as proposed	Resolution
	Approval of aggregate ceiling on remuneration for directors in 2013	Approved as proposed	Resolution
	Auditor's report to the Board of Directors for fiscal year 2012	Accepted as reported	Report

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2013. 3. 14	Approval of consolidated and separate financial statements for fiscal year 2012	Approved as proposed	Resolution
	Approval to call for the 52nd annual general meeting of shareholders	Approved as proposed	Resolution
	Annual report on internal control over financial reporting for fiscal year 2012	Accepted as reported	Report
	Annual evaluation report on internal control over financial reporting for fiscal year 2012	Accepted as reported	Report
2013. 4. 18	Plans to sell real estate holdings within 154kV Deokso substation	Approved as proposed	Resolution
	Plans to establish and invest in a holding company to conduct the Nghi Son project II in Vietnam	Approved as proposed	Resolution
2013. 5. 7	Approval to close the shareholders registry	Approved as proposed	Resolution
	Approval to call for the 53rd extraordinary general meeting of shareholders	Approved as proposed	Resolution
2013. 5. 16	Contributions to KEPCO Foundation for Healthcare	Revised proposal approved	Resolution
	Amendments to the regulation for remuneration and welfare	Approved as proposed	Resolution
	Plans to establish and invest in a holding company to conduct the Fujiej wind farm project in Jordan	Approved as proposed	Resolution
	Auditor's report to the Board of Directors for the first quarter of 2013	Accepted as reported	Report
2013. 6. 20	Mid-to-long term financial management planning (2013-2017)	Approved as proposed	Resolution
	Sixth long-term plans for transmission and distribution facilities	Revised proposal approved	Resolution
	Settlement of the holding company in charge of the Norte project II in Mexico	Approved as proposed	Resolution
	Report on the signing of the collective bargaining agreement for 2013	Accepted as reported	Report

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2013. 7. 18	Amendments to the Articles of Incorporation of KEPCO	Approved as proposed	Resolution
	Amendments to the employment regulation	Approved as proposed	Resolution
	Plans to merge EFI and STM and investment in new shares of EFI	Approved as proposed	Resolution
2013. 8. 22	Contributions to Korea Electrical Engineering & Science Research Institute	Approved as proposed	Resolution
	Approval to close the shareholders registry	Approved as proposed	Resolution
	Report on the earnings results for the first half of 2013	Accepted as reported	Report
2013. 9. 26	Mid-to-long term business goals for the years from 2014 to 2018	Approved as proposed	Resolution
	Approval to call for the 53rd extraordinary general meeting of shareholders	Approved as proposed	Resolution
	Results of external and internal audits in the second quarter of 2013	Accepted as reported	Report

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4. Major activities of the Audit Committee

Date	Agenda	Status	Type
2013. 1. 8	Selection of independent auditors for fiscal years 2013 to 2015	Approved as proposed	Resolution
	Audit plans for fiscal year 2013	Approved as proposed	Resolution
	Education plans for auditors for 2013	Accepted as reported	Report
	Auditor s report for fiscal year 2012	Accepted as reported	Report
2013. 2. 4	Joint selection of independent auditors for KEPCO, KHNP, and KOSPO for fiscal years 2013 to 2015	Approved as proposed	Resolution
	Power of attorney of the standing director and controller & auditor general	Accepted as reported	Report
2013. 3. 11	Auditor s report on the agendas for the annual general meeting of shareholders	Approved as proposed	Resolution
	Auditor s report on the auditing results for the consolidated and separate financial statements for fiscal year 2012	Accepted as reported	Report
	Annual report on internal control over financial reporting for fiscal year 2012	Accepted as reported	Report
	Annual evaluation report on internal control over financial reporting for fiscal year 2012	Accepted as reported	Report
	Results of joint selection of independent auditors for KEPCO, KHNP, and KOSPO for fiscal years 2013 to 2015	Accepted as reported	Report
2013. 3. 27	Approval of selection of independent auditors and auditing fees for fiscal years 2013 to 2015	Approved as proposed	Resolution
	Approval of selection of independent auditors of subsidiaries	Approved as proposed	Resolution
	Auditor s report on the auditing results of the consolidated and separate financial statements for fiscal year 2012	Accepted as reported	Report
2013. 4. 25	Approval of selection of independent auditors of affiliated companies	Approved as proposed	Resolution
	Auditing results by external and internal auditors for the first quarter of 2013	Accepted as reported	Report
2013. 4. 29	Auditor s report for fiscal year 2012 in accordance with U.S. GAAP	Accepted as reported	Report
	Report on the Form 20-F for the fiscal year 2012 to be filed with the U.S. SEC	Accepted as reported	Report
2013. 6. 13	Auditor s report on the agenda for the extraordinary meeting of shareholders	Approved as proposed	Resolution

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2013. 8. 19	Establishment of guidelines for whistleblowing and protection of the whistleblower	Approved as proposed	Resolution
	Amendments to the guidelines for disciplinary actions	Approved as proposed	Resolution
	Approval of selection of independent auditors of affiliated companies	Approved as proposed	Resolution
	Auditor's report on the auditing results of the consolidated financial statements for the first half of 2013	Accepted as reported	Report
	Auditing results by external and internal auditors for the second quarter of 2013	Accepted as reported	Report

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 9, 2013

		Number of shareholders	Shares Owned	Percentage
Korean Government		1	135,917,118	21.17%
Korea Finance Corporation		1	192,159,940	29.94%
National Pension Service		1	35,390,323	5.51%
KEPCO (held in the form of treasury stock)*		1	18,929,995	2.95%
Korea Resolution & Collection Corporation		1	8,710,933	1.36%
Public	Common shares	981	113,135,563	17.62%
(non-Koreans)	American depository shares	1	30,889,452	4.81%
Public	Corporate	1,471	63,621,064	9.91%
(Koreans)	Individual	403,806	43,209,689	6.73%
Total		406,264	641,964,077	100.0%

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

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1. Remuneration for directors

A. Aggregate ceiling on remuneration for directors approved by shareholders:
Won 2.1 billion

B. Actual amount paid to directors

		Total remuneration	
Type	Number of directors	(Jan. 1, 2013	Sep. 30, 2013)
Total	15	Won 1.2 billion	

C. Stock option: None

2. Employees as of September 30, 2013

Employees			Total remuneration		
Regular	Contract	Total	Average years of employment	(Jan. 1, 2013	Sep. 30, 2013)
19,250	342	19,592	18.6	Won 1,020 billion	

VIII. Other information relating to the protection of investors

1. Number of shareholders meetings held in 2013: Twice

(One annual general meeting of shareholders held on March 29, 2013 / one extraordinary general meeting of shareholders held on June 18, 2013)

2. Pending legal proceedings

Type	Number of cases	Litigation value
Cases where KEPCO and its subsidiaries and affiliates are acting as defendants	604	Won 427 billion
Cases where KEPCO and its subsidiaries and affiliates are acting as plaintiffs	140	Won 155 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/ Han, Key-Shik
Name: Han, Key-Shik
Title: Vice President

Date: November 29, 2013

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Financial Statements

September 30, 2013

(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 Group), which comprise the consolidated statement of financial position as of September 30, 2013, the consolidated statements of comprehensive income (loss) for the three-month and nine-month periods ended September 30, 2013, the consolidated statements of changes in equity and cash flows for the nine-month period ended September 30, 2013 and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's responsibility

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

Auditors' review responsibility

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

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

Conclusion

Based on our review, 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 No.1034, Interim Financial Reporting.

Other matters

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

The consolidated statement of financial position of the Group as of December 31, 2012, and the related consolidated statements of comprehensive income (loss), changes in equity and cash flows for the year then ended, which are not accompanying this report, were audited by other auditors whose report thereon, dated March 21, 2013, expressed an unqualified opinion. The accompanying consolidated statement of financial position of the Group as of December 31, 2012, presented for comparative purposes, is not different from that audited by other auditors in all material respects.

The consolidated statements of comprehensive income (loss) for the three and nine-month periods ended September 30, 2012, the consolidated statements of changes in equity and cash flows for the nine-month period ended September 30, 2012 were reviewed by other auditors whose report thereon, dated November 29, 2012, expressed that nothing came to their attention that caused them to believe that the consolidated interim financial statements referred to above were not presented fairly, in all material respects, in accordance with K-IFRS No.1034, Interim Financial Reporting . The Group restated the consolidated statement of comprehensive income (loss) for the three and nine-month periods ended September 30, 2012, in accordance with certain items as described in note 2(6) to the consolidated interim financial statements. As discussed in note 2(6) to the consolidated interim financial statements, the Group applied the amendments to K-IFRS

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No.1001, Presentation of Financial Statements from the annual period for the year ended December 31, 2012. We were not engaged to audit, review or apply any procedures to the consolidated statement of financial position of the Group as of December 31, 2012 and the consolidated statements of comprehensive income (loss) for the three and nine-month periods ended September 30, 2012, including the changes in accounting policies described in note 2(6).

KPMG Samjong Accounting Corp.

Seoul, Korea

November 14, 2013

This report is effective as of November 14, 2013, 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, 2013 and December 31, 2012

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	September 30, 2013	December 31, 2012
Assets			
Current assets:			
Cash and cash equivalents	5,6,7,41	2,949,827	1,954,949
Current financial assets	5,10,11,12,41	539,532	656,217
Trade and other receivables	5,8,14,20,41,43	6,058,740	7,184,625
Inventories	13	4,108,226	3,440,341
Income tax receivables	38	17,148	30,476
Current non-financial assets	15	655,472	664,047
Non-current assets held for sale			2,828
		14,328,945	13,933,483
Non-current assets:			
Non-current financial assets	5,6,9,10,11,12,41	1,996,716	1,873,676
Non-current trade and other receivables	5,8,14,41,43	1,274,021	1,254,330
Property, plant and equipment	18,45	127,593,072	122,376,140
Investment properties	19	551,336	590,223
Goodwill	16	2,582	
Intangible assets other than goodwill	21	828,321	883,814
Investments in joint ventures	4,17	1,122,092	908,593
Investments in associates	4,17	4,143,146	3,982,340
Deferred tax assets	38	450,680	209,783
Non-current non-financial assets	15	155,267	140,438
		138,117,233	132,219,337
Total assets	4	152,446,178	146,152,820
Liabilities			
Current liabilities:			
Trade and other payables	5,22,24,41,43	5,078,315	6,418,464
Short-term borrowings	5,23,41	2,047,998	689,310
Current financial liabilities	5,11,23,41,43	7,693,487	7,099,509
Income tax payables	38	413,649	334,053
Current non-financial liabilities	20,27,28	4,481,424	4,117,440

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Current provisions	26,41	347,966	158,303
		20,062,839	18,817,079
Non-current liabilities:			
Non-current trade and other payables	5,22,24,41,43	4,179,887	4,173,691
Non-current financial liabilities	5,11,23,41,43	50,731,985	46,050,766
Non-current non-financial liabilities	27,28	6,784,446	6,298,650
Employee benefits obligations	25,41	2,390,696	2,144,334
Deferred tax liabilities	38	5,215,190	5,433,292
Non-current provisions	26,41	12,525,132	12,170,806
		81,827,336	76,271,539
Total liabilities	4	101,890,175	95,088,618

See accompanying notes to the consolidated interim financial statements.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Consolidated Interim Statements of Financial Position, Continued

As of September 30, 2013 and December 31, 2012

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	September 30, 2013	December 31, 2012
Equity			
Contributed capital:	1,29,41		
Share capital		3,209,820	3,209,820
Share premium		843,758	843,758
		4,053,578	4,053,578
Retained earnings:	30		
Legal reserves		1,603,919	1,603,919
Voluntary reserves		22,753,161	25,961,315
Retained earnings before appropriations		7,628,075	4,999,049
		31,985,154	32,564,283
Other components of equity :	31		
Other capital surpluses		694,450	705,448
Accumulated other comprehensive income		147,327	11,957
Treasury stocks		(741,489)	(741,489)
Other equity		13,294,990	13,294,990
		13,395,278	13,270,906
Equity attributable to owners of the Company		49,434,010	49,888,767
Non-controlling interests	16	1,121,993	1,175,435
Total equity		50,556,003	51,064,202
Total liabilities and equity		152,446,178	146,152,820

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, 2013 and 2012

(Unaudited)

<i>In millions of won</i>	<i>Note</i>	September 30, 2013 Three- month period ended	September 30, 2012 Three- month period ended	September 30, 2012 Three- month period ended	September 30, 2012 Nine- month period ended
Sales	2,4,32,41,43				
Sales of goods		13,559,051	37,731,917	12,737,036	34,543,938
Sales of services		70,492	221,196	87,061	256,826
Sales of construction services	20	576,214	1,569,472	481,397	1,369,817
Revenue related to transfer of assets from customers		82,233	240,767	75,730	223,361
		14,287,990	39,763,352	13,381,224	36,393,942
Cost of sales	2,13,25,39,43				
Cost of sales of goods		(11,572,374)	(35,546,718)	(10,451,400)	(33,968,179)
Cost of sales of services		(74,139)	(207,628)	(97,178)	(261,652)
Cost of sales of construction services		(578,796)	(1,495,114)	(471,669)	(1,254,298)
		(12,225,309)	(37,249,460)	(11,020,247)	(35,484,129)
Gross profit		2,062,681	2,513,892	2,360,977	909,813
Selling and administrative expenses	2,25,33,39,43	(515,360)	(1,402,033)	(454,712)	(1,305,624)
Operating profit (loss)	2,4,48	1,547,321	1,111,859	1,906,265	(395,811)
Other income	2, 34	96,154	271,893	66,582	266,209
Other expenses	34	(14,464)	(40,610)	(13,238)	(47,832)
Other profit	35	90,130	129,658	17,954	93,326
Finance income	5,11,36	738,348	384,920	395,590	577,989
Finance costs	5,11,37	(1,079,656)	(2,081,451)	(941,022)	(2,043,093)

Equity method income (loss) of associates and joint ventures

Share in income (loss) of associates and joint ventures	17	(23,033)	94,193	(32,455)	154,467
Gains on disposal of investments in associates and joint ventures	16, 17	1,055	1,059		
Share in loss of associates and joint ventures	17	(23,105)	(65,302)	(6,396)	(20,049)
Gains (losses) on disposal of investments in associates and joint ventures	16, 17		(1,134)	282	
Impairment losses on investments in associates and joint ventures	17	(1,719)	(4,211)		
		(46,802)	24,605	(38,569)	134,418
Profit (loss) before income tax		1,331,031	(199,126)	1,393,562	(1,414,794)
Income tax benefit (expense)	38	(357,368)	(251,638)	(437,330)	93,034
Profit (loss) for the period		973,663	(450,764)	956,232	(1,321,760)

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), Continued

For the three and nine-month periods ended September 30, 2013 and 2012

(Unaudited)

In millions of won, except per share information

	<i>Note</i>	September 30, 2013 Three- month period ended	September 30, 2012 Three- month period ended	September 30, 2012 Three- month period ended	September 30, 2012 Nine- month period ended
Other comprehensive income (loss)	5,11,25,31				
Items that will not be reclassified subsequently to profit or loss:					
Defined benefit plan actuarial losses, net of tax	25,30	(68,228)	(42,731)	(148,275)	(211,953)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	30	(1,723)	(1,676)	(221)	58
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	31	(515)	92,684	83,606	(18,837)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax	5,11,31	28,535	(1,376)	(48,181)	(58,092)
Foreign currency translation of foreign operations, net of tax	31	(145,103)	(45,097)	(32,507)	(32,983)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax	31	(18,669)	91,286	(27,130)	(70,645)
Other comprehensive income (loss), net of tax		(205,703)	93,090	(172,708)	(392,452)
Total comprehensive income (loss) for the period		767,960	(357,674)	783,524	(1,714,212)
Profit (loss) attributable to:					
Owners of the Company	40	945,455	(535,064)	939,552	(1,382,877)
Non-controlling interests		28,208	84,300	16,680	61,117
		973,663	(450,764)	956,232	(1,321,760)

Total comprehensive income (loss) attributable to:

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Owners of the Company	768,696	(443,760)	784,978	(1,746,412)
Non-controlling interests	(736)	86,086	(1,454)	32,200
	767,960	(357,674)	783,524	(1,714,212)

Earnings (loss) per share	40			
Basic and diluted earnings (loss) per share	1,518	(859)	1,508	(2,220)

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 period ended September 30, 2012

(Unaudited)

<i>In millions of won</i>	Equity attributable to owners of the Company			Subtotal	Non-controlling interests	Total equity
	Contributed Capital	Retained earnings	Other components of equity			
Balance at January 1, 2012	4,053,578	35,769,094	13,447,624	53,270,296	533,654	53,803,950
Total comprehensive income for the period:						
Profit (loss) for the period		(1,382,877)		(1,382,877)	61,117	(1,321,760)
Items that will not be reclassified subsequently to profit or loss:						
Defined benefit plan actuarial losses, net of tax		(206,610)		(206,610)	(5,343)	(211,953)
Share in other comprehensive income of associates and joint ventures, net of tax		58		58		58
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			(18,802)	(18,802)	(35)	(18,837)
Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax			(38,305)	(38,305)	(19,787)	(58,092)
Foreign currency translation of foreign operations, net of tax			(29,188)	(29,188)	(3,795)	(32,983)
Share in other comprehensive income (loss) of associates and joint ventures, net of tax			(70,688)	(70,688)	43	(70,645)
Transactions with owners of the Company,						

recognized directly in equity:

Dividends paid				(53,706)	(53,706)
Issuance of share capital				77,055	77,055
Changes in consolidation scope	66,419	66,419	26,641	93,060	
Others				2,777	2,777

Balance at September 30, 2012

4,053,578	34,179,665	13,357,060	51,590,303	618,621	52,208,924
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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, Continued

For the nine-month period ended September 30, 2013

(Unaudited)

<i>In millions of won</i>	Equity attributable to owners of the Company			Subtotal	Non-controlling Interests	Total equity
	Contributed Capital	Retained earnings	Other components of equity			
Balance at January 1, 2013	4,053,578	32,564,283	13,270,906	49,888,767	1,175,435	51,064,202
Total comprehensive income for the period:						
Profit (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 losses, 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 joint ventures, net of tax			91,392	91,392	(106)	91,286

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

Dividends paid				(41,815)	(41,815)
Issuance of share capital				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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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, 2013 and 2012

(Unaudited)

<i>In millions of won</i>	2013	2012
Cash flows from operating activities		
Loss for the period	(450,764)	(1,321,760)
Adjustments for:		
Income tax expense (benefit)	251,638	(93,034)
Depreciation	5,429,116	5,179,962
Amortization	66,074	66,715
Employee benefit expense, net	283,693	257,806
Bad debt expense	47,809	28,665
Interest expense	1,767,271	1,752,726
Losses on sale of financial assets	4,202	
Losses on disposal of property, plant and equipment	32,989	27,497
Losses on abandonment of property, plant, and equipment	201,327	163,647
Impairment losses on property, plant and equipment	1,161	
Losses on disposal of intangible assets	1	
Impairment losses on intangible assets	2	18
Accretion expense to provisions, net	375,937	97,857
Gain on foreign currency translation, net	(3,130)	(314,844)
Valuation and transaction losses (gains) on derivative instruments, net	(9,931)	217,479
Share in income of associates and joint ventures, net	(28,891)	(134,418)
Gain on sale of financial assets		(189)
Gain on sale of property, plant and equipment	(29,184)	(25,476)
Gain on disposal of investments in associates and joint ventures	(76)	
Impairment losses on investments in associates and joint ventures	4,211	
Interest income	(135,228)	(150,609)
Dividends income	(9,736)	(9,043)
Impairment losses on available-for-sale financial assets	10,673	
Others, net	(20,041)	(1,972)
	8,239,887	7,062,787
Changes in:		
Trade receivables	1,104,288	(997,909)
Other receivables non trade	75,579	(106,013)
Accrued income	2,273	(20,887)
Other receivables	3,343	6,272

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Other current assets	26,360	(219,332)
Inventories	(888,242)	(625,796)
Other non-current assets	(10,851)	(24,851)
Trade payables	(1,098,177)	(853,630)
Other payables	(213,835)	(33,326)
Accrued expenses	(215,369)	(121,895)
Other current liabilities	887,043	483,220
Other non-current liabilities	118,617	670,616
Disposal of investments in associates and joint ventures	45,601	48,429
Provisions	(74,249)	(51,667)
Payments of employee benefit obligations	(109,711)	(146,119)
Plan assets	(16,353)	(22,838)
	(363,683)	(2,015,726)

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, Continued

For the nine-month periods ended September 30, 2013 and 2012

(Unaudited)

<i>In millions of won</i>	2013	2012
Cash generated from operating activities		
Dividends received	41,683	10,335
Interest paid	(1,879,777)	(1,781,224)
Interest received	102,533	110,011
Income taxes paid	(559,492)	(279,865)
Net cash from operating activities	5,130,387	1,784,558
Cash flows investing activities		
Proceeds from disposals of subsidiaries, associates and joint ventures	2,966	
Acquisition of subsidiaries, associates and joint ventures	(384,420)	(309,622)
Proceeds from disposals of property, plant and equipment	39,214	13,746
Acquisition of property, plant and equipment	(10,230,506)	(8,439,223)
Proceeds from disposals of intangible assets	8,318	1,433
Acquisition of intangible assets	(51,318)	(43,435)
Acquisition of goodwill	(2,582)	
Proceeds from disposals of financial assets	683,502	667,645
Acquisition of financial assets	(671,890)	(851,315)
Increase in loans, net	(36,738)	(11,614)
Increase (decrease) in deposits, net	10,342	(45,406)
Increase of government grants	16,358	39,210
Business acquisition, net of cash acquired	(39,227)	3,193
Others, net	(6,653)	48,208
Net cash used in investing activities	(10,662,634)	(8,927,180)
Cash flows from financing activities		
Proceeds from short-term borrowings, net	1,377,838	415,803
Proceeds from long-term borrowings and debt securities	10,644,699	12,820,077
Repayment of long-term borrowings and debt securities	(5,412,323)	(3,543,766)
Payment of finance lease liabilities	(91,550)	(95,632)
Settlement of derivative instruments, net	50,251	3,567
Contributed capital from non-controlling interests, net	48,325	188,386
Dividends paid (hybrid securities)	(12,304)	
Dividends paid	(41,815)	(54,272)

Others, net	(2,732)	(731)
Net cash from financing activities	6,560,389	9,733,432
Net increase in cash and cash equivalents before effect of exchange rate fluctuations	1,028,142	2,590,810
Effect of exchange rate fluctuations on cash held	(33,264)	(2,872)
Net increase in cash and cash equivalents	994,878	2,587,938
Cash and cash equivalents at January 1	1,954,949	1,387,921
Cash and cash equivalents at September 30	2,949,827	3,975,859

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

For the nine-month periods ended September 30, 2013 and 2012

(Unaudited)

1. Reporting Entity (Description of the controlling company)

Korea Electric Power Corporation (the Company), controlling company as defined in Korean International Financial Reporting Standards (K-IFRS) No. 1110 Consolidated Financial Statements, was incorporated on January 1, 1982 in accordance with the Korea Electric Power Corporation Act (the KEPCO Act) to engage in the generation, transmission and distribution of electricity and development of electric power resources in the Republic of Korea. The Company also provides power plant construction services. The Company's stock was listed on the Korea Stock Exchange on August 10, 1989 and the Company listed its Depository Receipts (DR) on the New York Stock Exchange on October 27, 1994.

As of September 30, 2013, the Company's share capital amounts to 3,209,820 million and the Company's shareholders :

	Number of shares	Percentage of ownership
Government of the Republic of Korea	135,917,118	21.17%
Korea Finance Corporation	192,159,940	29.93%
Foreign investors	144,025,015	22.44%
Other	169,862,004	26.46%
	641,964,077	100.00%

In accordance with the Restructuring Plan enacted on January 21, 1999 by the Ministry of Trade, Industry and Energy (the MTIE, formerly the Ministry of Knowledge Economy), KEPCO spun off its power generation divisions on April 2, 2001, resulting in the establishment of six power generation subsidiaries.

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

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

These consolidated interim financial statements were prepared in accordance with K-IFRS No.1034, Interim Financial Reporting as part of the period covered by the Group's K-IFRS annual financial statements. The notes are included to

explain events and transactions to give the changes in financial position and performance of the Group since the last annual consolidated financial statements as at and for the year ended December 31, 2012.

(2) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis, except for the following material items in the statement 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, which are the Company'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, 2013

(Unaudited)

2. Basis of Preparation, Continued

(4) Use of estimates and judgments

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

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

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

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

The Group owns Wolsong #1 nuclear power plant, which started its operation on November 21, 1982, and completed its operation on November 20, 2012, maxing out the permitted operation period of 30 years. As of December 31, 2012, the Group is in the process of obtaining safety assessments to obtain an approval from the Nuclear Safety and Security Commission for resuming the plant's operating for the 2nd operation term. The Group has prepared the accompanying financial statements assuming that the plant will operate for the next 10 years.

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

The Group 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 Group records the fair value of estimated decommissioning costs as a liability in the period in which the Group 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. Under the Korean Electricity Business Act (EBA) Article 94, the Group is required to record a liability for the dismantling (demolition) of nuclear power plants and disposal of spent fuel and low and intermediate radioactive wastes.

(iii) Deferred tax

The Group 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 Group does not realize estimated future taxable income during the carry forward periods.

(iv) Valuations of financial instruments at fair values

As described in Note 41, the Group uses inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Note 41 explain the assumptions used for valuations of financial instruments and sensitivity analysis of these assumptions.

(v) Defined employee liabilities

The Group 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.

(vi) Unbilled revenue

Energy delivered but not yet metered, and the quantities of energy delivered but not yet measured and not billed are calculated at the reporting date based on consumption statistics and selling price estimates. Determination of the unbilled revenues at the end of the reporting period is sensitive to the estimated assumptions and prices based on statistics. Unbilled revenue recognized as of September 30, 2013 and 2012 is 1,157,804 million and 1,205,752 million, respectively.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

2. Basis of Preparation, Continued

(5) Changes in accounting policies

(i) K-IFRS No.1110, Consolidated Financial Statements

The Group adopted K-IFRS No.1110, Consolidated Financial Statements since January 1, 2013. As a result, the Group changed its accounting policy with respect to determining whether it has control over and consequently whether it consolidates its investees. K-IFRS No. 1110 introduces a new control model that is applicable to all investees; among other things, it requires the consolidation of an investee if the Group controls the investee on the basis of de facto circumstances.

The standard includes a new definition of control that contains three elements: (a) power over an investee, (b) exposure, or rights, to variable returns from its involvement with the investee, and (c) the ability to use its power over the investee to affect the amount of the investor's return.

Management believes that the impact of adoption of the standard on the Group's consolidated financial statements is not significant.

(ii) K-IFRS No.1111, Joint Arrangements

The Group adopted K-IFRS No.1111, Joint Arrangements since January 1, 2013. The standard classifies joint arrangements into two types - joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. The standard requires a joint operator 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. The standard requires a joint venturer to recognize an investment and to account for that investment using the equity method.

The Group classified ownership of joint arrangements into two types - joint operations and joint ventures according to rights to the assets and obligations for the liabilities, relating to the arrangement. Management believes that there are no impacts of the adoption of the standard on the Group's consolidated financial statements since all arrangements are considered as joint ventures and equity method accounting was applied in prior years.

(iii) K-IFRS No.1112, Disclosure of Interests in Other Entities

The Group adopted K-IFRS No.1112, Disclosure of Interests in Other Entities since January 1, 2013. The standard brings together into a single standard all the disclosure requirements about an entity's interests in subsidiaries, joint arrangements, associates and unconsolidated structured entities. The Group is currently assessing the disclosure requirements for interests in subsidiaries, interests in joint arrangements and associates and unconsolidated structured entities in comparison with the existing disclosures. The standard requires the disclosure of information about the nature, risks and financial effects of these interests.

(iv) Amendments to K-IFRS No. 1019, Employee Benefits

The Group has applied the amendments to K-IFRS No. 1019, Employee Benefits since January 1, 2013. The standard requires recognition of actuarial gains and losses immediately in other comprehensive income and to calculate expected return on plan assets based on the rate used to discount the defined benefit obligation.

(v) K-IFRS No. 1113, Fair Value Measurement

The Group adopted K-IFRS No.1113, Fair Value Measurement since January 1, 2013. The standard defines fair value and a single framework for fair value, and requires disclosures about fair value measurements.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

2. Basis of Preparation, Continued**(6) Impact of change in accounting policy**

The accompanying consolidated interim statements of comprehensive income (loss) for the three-month and nine-month periods ended September 30, 2012 have been restated for the following changes:

(i) Presentation of financial statements

The Group has adopted the amendments pursuant to the amended K-IFRS No. 1001, Presentation of Financial Statements from the annual period ended December 31, 2012. The Group's operating income (loss) is calculated as revenue less: (1) cost of goods sold, and (2) selling, general and administrative expenses, and is presented separately in the consolidated statement of comprehensive income (loss).

The Group restated the accompanying consolidated statements of comprehensive income (loss) for the three-month and nine-month periods ended September 30, 2012, as follows:

<i>In millions of won</i>	September 30, 2012	
	Three-month period ended	Nine-month period ended
Operating income (loss) before adoption of the amendment	1,977,563	(84,108)
Differences		
Other income		
Reversal of other provisions		(123)
Reversal of allowance for doubtful accounts		(3,535)
Gains on assets contributed	(50)	(865)
Gains on liabilities exempted	(94)	(697)
Compensation and reparations revenue	(9,456)	(74,413)
Gains on electricity infrastructure development fund	(6,536)	(23,746)
Revenue from research contracts		(1,656)
Rental income	(45,159)	(137,002)
Others	(5,287)	(24,172)

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Other expense		
Accretion expenses of other provisions	9	80
Depreciation expenses on investment properties	240	710
Depreciation expenses on idle assets	1,657	4,964
Donations	11,332	27,666
Others		14,412
Other Loss		
Gains on disposal of property, plant and equipment	(6,687)	(25,476)
Gains on disposal of other non-current assets		(584)
Reversal of impairment loss on intangible assets	(5)	(7)
Gains on foreign currency translation		(3,876)
Gains on foreign currency transaction	(18,394)	(51,204)
Gains on insurance		(5,375)
Other profits	(26,446)	(122,136)
Losses on disposal of property, plant and equipment	4,901	27,497
Losses on disposal of intangible assets		7
Losses on impairment of intangible assets		18
Losses on foreign currency translation	521	1,112
Losses on foreign currency transaction	3,936	44,878
Other losses	24,220	41,820
Operating income (loss) after adoption of the amendment		
	1,906,265	(395,811)

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

2. Basis of Preparation, Continued

(6) Impact of change in accounting policy, continued

(ii) Reclassification of other comprehensive income

The Group early adopted K-IFRS No. 1001 Presentation of financial statement , which requires items of other comprehensive income to be grouped into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. The Group applied this change in accounting policies retrospectively, and accordingly restated the comparative information of the consolidated statement of comprehensive income for the nine-month period ended September 30, 2012.

(iii) Fuel cost adjustment

As of July 1, 2011, the Korean government approved a fuel cost pass-through adjustment (FCPTA), allowing the Group to ultimately pass-through increases in fuel costs to customers. Currently, the Korean government has issued a temporary hold-order on the Group in collecting on the pass-through of fuel cost from customers, as a means to stabilizing inflation in Korea. The Group recorded unbilled FCPTA amounts as a deduction of the relevant cost and recognized them as a related non-current non-financial asset, and restated the consolidated statements of comprehensive loss for the three-month and nine-month periods ended September 30, 2012 to improve comparability. The impact of the restatement was a decrease in sales and cost of sales by 1,468,714 million.

(iv) Revenue related to transfer of assets from customers

As noted above, the amendments to K-IFRS No. 1001 Presentation of financial statements requires operating profit (loss) to be calculated by revenue less: 1) cost of goods sold, and 2) selling, general and administrative expenses. However, according to accounting guidelines for public enterprises and quasi-government agencies prepared and distributed by the Ministry of Strategy and Finance in November 2012, the revenue related to the transfer of assets from customers was classified as other income. However, since it is not included in the items to be excluded from operating income per the amendments to K-IFRS No. 1001, it has been reclassified to sales in the accompanying consolidated interim statements of comprehensive income (loss). The financial statements for the three-month and nine-month periods ended September 30, 2012 have been restated to improve comparability. The impact of the restatement was an increase in sales to 223,361 million and a decrease in other income by 223,361 million, for the nine-month period ended September 30, 2012.

The Group applied these changes in accounting policies retrospectively, and accordingly restated the comparative information of the consolidated interim statement of comprehensive income (loss) for the nine-month periods ended September 30, 2012. The impact of reclassification of FCPTA and customer's donation is as below:

<i>In millions of won</i>	Before		After		Difference	
	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
Sales	13,724,005	37,639,295	13,381,224	36,393,942	(342,781)	(1,245,353)
Cost of sales	11,438,758	36,952,843	11,020,247	35,484,129	418,511	1,468,714
Other income	143,332	490,590	66,582	266,209	(76,750)	(224,381)
Selling and Administrative expenses	455,732	1,306,644	454,712	1,305,624	1,020	1,020

(7) New standards and interpretations not yet adopted

The following new standards, interpretations and amendments to existing standards have been published and are mandatory for the Group for annual period beginning after January 1, 2013, and the Group has not early adopted them.

Amendments to K-IFRS No.1032 Financial Instruments: Disclosures

The amendments to K-IFRS No.1032 will require changes to the presentation of offsetting financial assets and financial liabilities. The amendments to K-IFRS No.1032 are effective for annual periods beginning on or after January 1, 2014. The Group is in the process of evaluating the impact on the consolidated financial statements upon the adoption of amendments.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

3. Significant Accounting Policies

(1) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Group and entities (including special purpose entities) controlled by the Group (or its subsidiary). The Group applied control model that is applicable to all investees; among other things, it requires the consolidation of an investee if the Group controls the investee on the basis of de facto circumstances.

Income and expenses 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 Group 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 used the Group.

Transactions between the Company and its subsidiaries are eliminated during the consolidation and will not be shown in notes.

Changes in the Group's ownership interests in a subsidiary that do not result in the Group losing control over the subsidiary are accounted for as equity transactions. The carrying amounts of the Group'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 Group.

When the Group 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 Group 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 No.1039 Financial Instruments : Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or a jointly controlled entity.

(2) Business combinations

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

The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree.

Acquisition-related costs are generally recognized in income or loss as incurred.

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

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

Assets (or disposal 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.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

3. Significant Accounting Policies, Continued

(2) Business combinations, continued

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

Non-controlling interest that is present on acquisition day and if it entitles the holder to a proportionate share of the entity's net assets in an event of a liquidation, the non-controlling interest 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 K-IFRS.

When the consideration transferred by the Group 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 No.1039, Financial Instruments: Recognition and Measurement, or with K-IFRS No.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 Group's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date (i.e. the date when the Group 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 Group 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.

(3) Investments in associates

An associate is an entity over which the Group 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.

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 No.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.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

3. Significant Accounting Policies, Continued

(3) Investments in associates, continued

After the disposal takes place, the Group shall account for any retained interest in associates in accordance with K-IFRS No.1039 Financial Instruments: Recognition and Measurement unless the retained interest continues to be an associates, in which case the entity uses the equity method.

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

Any excess of the cost of acquisition over the Group'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 Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognized immediately in income or loss. The requirements of K-IFRS No.1039, Financial Instruments: Recognition and Measurement, are applied to determine whether it is necessary to recognize any impairment loss with respect to the Group'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 No.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 No.1036 to the extent that the recoverable amount of the investment subsequently increases.

Upon disposal of an associate that results in the Group 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 No.1036. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. In addition, the Group 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 Group reclassifies the gain or loss from equity to income or loss (as a reclassification adjustment) when it loses significant influence over that associate.

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

(4) Joint arrangements

A Joint arrangement is an arrangement of which two or more parties have joint control. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. Joint arrangements are classified into two types - joint operations and joint ventures. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement.

If the Group is a joint operator, the Group is to recognize and measure the assets and liabilities (and recognize the related revenues and expenses) in relation to its interest in the arrangement in accordance with relevant IFRSs applicable to the particular assets, liabilities, revenues and expenses. If the Group is joint ventures, the Group is to account for that investment using the equity method accounting (see note 3 (3)), except when the Group is applicable to the K-IFRS No.1105 Non-current Assets Held for Sale .

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

3. Significant Accounting Policies, Continued

(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 Group 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 Group 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) Revenue

Revenue from the sale of goods, rendering of services or use of the Group assets is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates, and are recognized as a reduction of revenue. Revenue is recognized when the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the Group.

(i) Sales of Goods

The Korean government approves the rates the Group charges to the customers, for the Group's power transmission and distribution division. The Group's utility rates are designed to recover the Group's reasonable costs plus a fair investment return. The Group's power generation rates are determined in the market.

The Group recognizes electricity sales revenue based on power sold (transferred to the customer) up to the reporting date. To determine the amount of power sold, the Group estimates daily power volumes for residential, commercial, general, etc electricity. The differences between the current month's estimated amount and actual (meter-read) amount, is adjusted for (trued-up) during the next month period.

(ii) Sales of Service

Revenue from services rendered is recognized in profit or loss in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed by reference to surveys of work performed or services performed to date as a percentage of total services to be performed or the proportion that costs incurred to date bear to the estimated total costs of the transaction or other methods that measures reliably the services performed. Refer to note 2 (4) below for Construction contract related revenue recognition.

(iii) Dividend income and interest income

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

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

(iv) Rental income

The Group's policy for recognition of revenue from operating leases is described in note 3 (8) below.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

3. Significant Accounting Policies, Continued

(6) Revenue, continued

(v) Deferral of revenue – Transfer of assets from customers

The Group recovers a substantial amount of the cost related to its electric power distribution facilities from customers through transfer of assets, while the remaining portion is recovered through electricity sales from such customers in the future. As such, the Group believes there exists a continued service obligation to the customers in accordance with K-IFRS 2118, Transfer of assets from customers when the Group receives an item of property, equipment, or cash for constructing or acquiring an item of property or equipment, in exchange for supplying electricity to customers. The Group defers the amounts received, which are then recognized as revenue over the transferred asset's useful life.

(7) Construction service revenue

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

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

3. Significant Accounting Policies, Continued

(8) Leases

The Group classifies and accounts for leases as either a finance or operating lease, depending on the terms. Leases where the Group 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 Group as lessor

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Group'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 Group'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 Group 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 Group 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 Group'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.

(9) Foreign currencies

Transactions in foreign currencies are translated to the respective functional currencies of Group 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; and

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

3. Significant Accounting Policies, Continued

(9) Foreign currencies, continued

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

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

(10) Borrowing costs

The Group 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.

(11) Government grants

Government grants are not recognized unless there is reasonable assurance that the Group 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 Group received grants related to assets

Government grants whose primary condition is that the Group 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 Group received grants related to income

Government grants which are intended to compensate the Group for expenses incurred are recognized as other income (government grants) in profit or loss over the periods in which the Group recognizes the related costs as expenses.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

3. Significant Accounting Policies, Continued

(12) Employee benefits

(i) Retirement benefits: defined contribution plans

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

(ii) Retirement benefits: defined benefit plans

For defined benefit pension plans and other post-employment benefits, the net periodic pension expense is actuarially determined by Pension Actuarial system developed by independent actuaries using the projected unit credit method.

The asset or liability recognized in the statement of financial position is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets, together with adjustments for unrecognized past service costs. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating the terms of the related pension liability.

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(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 Group 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 Group 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 Group 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 Group 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 Group expects, at the end of the reporting period to recover or settle the carrying amount of its assets and liabilities.

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

3. Significant Accounting Policies, Continued

(13) Income taxes, continued

(iii) Current and deferred tax for the year

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

(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 Group 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 Group uses the production method to measure and recognizes as expense the economic benefits of the assets.

The estimated useful lives of the Group's property, plant and equipment are as follows:

Useful lives (years)

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(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 Group 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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(Unaudited)

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

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

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

Amortization periods and the amortization methods for intangible assets with finite useful lives are reviewed at the end of each reporting period. The useful lives of intangible assets that are not being amortized are reviewed at the end of each reporting period to determine whether events and circumstances continue to support indefinite useful life assessments for those assets. Changes are accounted for as changes in accounting estimates.

(iii) Intangible assets acquired in a business combination

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

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

(iv) Derecognition of intangible assets

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

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

At the end of each reporting period, the Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest Group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

3. Significant Accounting Policies, Continued

(17) Impairment of non-financial assets, continued

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

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

(18) Inventories

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

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

(19) Provisions

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

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

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

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

(i) Provision for Polychlorinated Biphenyls (PCB)

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

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(Unaudited)

3. Significant Accounting Policies, Continued

(19) Provisions, continued

(ii) Provision for decommissioning costs of nuclear power plants

The Group records the fair value of estimated decommissioning costs as a liability in the period in which the Group 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 Group is levied to pay the spent nuclear fuel fund for the management of spent nuclear fuel. The Group recognizes the provision of present value of the payments.

(iv) Provision for low and intermediate radioactive wastes

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

(v) Provisions for power plant regional support program

In accordance with regulations on nuclear and hydro-electric power plants' social responsibility to support the surrounding communities of the power plants sites; KHNP, the Group's nuclear generation subsidiary, accrues 0.25won per KWH of KHNP's generation volume as a provision 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.

(20) Non-derivative financial assets

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

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

(i) Effective interest method

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

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Notes to the Consolidated Interim Financial Statements, Continued

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(Unaudited)

3. Significant Accounting Policies, Continued

(20) Non-derivative financial assets, continued

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

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

A financial asset is classified as held for trading if:

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

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

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

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

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

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

It forms a part of a contract containing one or more embedded derivatives, and with K-IFRS No. 1039, Financial Instruments; Recognition and Measurement permits the entire combined contract (asset or liability) to be designated as at financial assets at fair value through profit or loss.

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

(iii) Held-to-maturity investments

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

3. Significant Accounting Policies, Continued

(20) Non-derivative financial assets, continued

(iv) Available-for-sale financial assets

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

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

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

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

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

(v) Loans and receivables

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

(vi) Impairment of financial assets

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

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

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

Significant financial difficulty of the issuer or counterparty; or

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

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

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

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and, as well as observable changes in national or local economic conditions that correlate with default on receivables.

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September 30, 2013

(Unaudited)

3. Significant Accounting Policies, Continued

(20) Non-derivative financial assets, continued

For financial assets recorded at amortized cost, the amount of the impairment loss recognized is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost, the amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables, where the carrying amount is reduced through the use of an allowance account. When a trade receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in income or loss.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognized in other comprehensive income are reclassified to income or loss in the period.

For financial assets measured at amortized cost, if, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through income or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

In respect of available-for-sale equity securities, impairment losses previously recognized in income or loss are not reversed through income or loss. Any increase in fair value subsequent to an impairment loss is recognized in other comprehensive income. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through income or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

(vii) De-recognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognized as a separate asset or liability. If the Group retains substantially all the risks and rewards of ownership of the transferred financial assets, the Group continues to recognize the transferred financial assets and recognizes financial liabilities for the consideration received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in income or loss.

On de-recognition of a financial asset other than in its entirety (e.g. when the Group retains an option to repurchase part of a transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognize under continuing involvement, and the part it no longer recognizes on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognized and the sum of the consideration received for the part no longer recognized and any cumulative gain or loss allocated to it that had been recognized in other comprehensive income is recognized in income or loss. A cumulative gain or loss that had been recognized in other comprehensive income is allocated between the part that continues to be recognized and the part that is no longer recognized on the basis of the relative fair values of those parts.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

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(Unaudited)

3. Significant Accounting Policies, Continued

(21) Non-derivative financial liabilities and equity instruments issued by the Group

(i) Classification as debt or equity

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

(ii) Equity instruments

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

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

(iii) Financial liabilities

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

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

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

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

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

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

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3. Significant Accounting Policies, Continued

(21) Non-derivative financial liabilities and equity instruments issued by the Group, continued

(v) Other financial liabilities

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

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

(vi) Financial guarantee contract liabilities

Financial guarantee contract liabilities are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of: (a) the amount of the obligation under the contract, as determined in accordance with K-IFRS No. 1037, Provisions, Contingent Liabilities and Contingent Assets; or (b) the amount initially recognized less, cumulative amortization recognized in accordance with K-IFRS No. 1018, Revenue.

(vii) De-recognition of financial liabilities

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

(22) Derivative financial instruments, including hedge accounting

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

Derivatives are initially recognized at fair value. Subsequent to initial recognition, derivatives are measured at fair value. The resulting gain or loss is recognized in income or loss immediately unless the derivative is designated and effective as a hedging instrument, in such case the timing of the recognition in income or loss depends on the nature of the hedge relationship.

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

(i) Separable embedded derivatives

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

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

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(Unaudited)

3. Significant Accounting Policies, Continued

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

(ii) Hedge accounting

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

(iv) Cash flow hedges

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognized in other comprehensive income and accumulated under the heading of reverse for gains (loss) on valuation of derivatives. The gain or loss relating to the ineffective portion is recognized immediately in income or loss, and is included in the finance income and expense .

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

Hedge accounting is discontinued when the Group 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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4. Segment Information**(1) Assets, liabilities, revenue and expenses**

The Group's segments are classified at the business unit level, at which the Group generates separately identifiable revenue and expense, and the related information is reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance. The Group's reporting segments, in accordance with K-IFRS No.1108, are Electric power generation (Nuclear), Electric power generation (Non-nuclear), Transmission and distribution, and Others; others mainly represent the business unit that manages the Group's foreign operations.

Transactions that occur between each segment are based on arms-length transactions priced at market prices that would be applicable to an independent third-party. The accounting policies of the reportable segments are the same as the Group's accounting policies described in note 3.

(2) Sales, income and profit (loss) of the segments for the three and nine-month periods ended September 30, 2013 and 2012 are as follows:

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		September 30, 2013							
Total segment revenue		Intersegment revenue		Revenue from external customers		Operating income (loss)		Depreciation and amortization	
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	
1,624,124	5,402,178	1,624,124	5,374,065		28,113	215,189	916,824	662,158	
6,993,886	21,557,877	6,943,891	21,280,641	49,995	277,236	269,867	1,123,176	487,335	
14,244,150	39,577,829	290,574	770,083	13,953,576	38,807,746	1,011,716	(1,038,067)	665,719	

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630,268	1,939,686	345,849	1,289,429	284,419	650,257	62,645	234,812	21,189
(9,204,438)	(28,714,218)	(9,204,438)	(28,714,218)			(12,096)	(124,886)	(8,089)
14,287,990	39,763,352			14,287,990	39,763,352	1,547,321	1,111,859	1,828,312

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

4. Segment Information, Continued

(2) Sales, income and profit (loss) of the segments for the three and nine-month periods ended September 30, 2013 and 2012 are as follows, continued:

won

Total segment revenue		September 30, 2012				Operating income (loss)		Deprecia amorti
		Intersegment revenue		Revenue from external customers				
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
1,770,774	5,427,500	1,763,349	5,412,677	7,425	14,823	406,957	1,257,124	617,850
6,856,103	22,689,771	6,819,054	22,469,864	37,049	219,907	342,551	1,604,263	474,041
13,451,077	36,442,883	330,631	842,768	13,120,446	35,600,115	1,082,664	(3,464,741)	662,511
628,672	1,884,210	412,368	1,325,113	216,304	559,097	93,695	311,545	19,648
(9,325,402)	(30,050,422)	(9,325,402)	(30,050,422)			(19,602)	(104,002)	(6,152)
13,381,224	36,393,942			13,381,224	36,393,942	1,906,265	(395,811)	1,767,898

(*) Revenue and operating loss has been restated, see note 2(6).

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

4. Segment Information, Continued**(3) Total assets and liabilities of the segments as of September 30, 2013 and December 31, 2012 are as follows:***In millions of won*

Segment	September 30, 2013			
	Segment assets	Investments in associates and joint ventures	Acquisition of non-current assets	Segment liabilities
Electric power generation (Nuclear)	46,483,274	1,400	1,831,796	25,753,940
Electric power generation (Non-nuclear)	34,800,213	1,263,872	4,416,755	17,825,189
Transmission and distribution	96,756,544	3,959,439	3,625,499	56,341,240
Others	8,056,487	40,527	459,784	3,038,497
Consolidation adjustments	(33,650,340)		(49,428)	(1,068,691)
	152,446,178	5,265,238	10,284,406	101,890,175

In millions of won

Segment	December 31, 2012			
	Segment assets	Investments in associates and joint ventures	Acquisition of non-current assets	Segment liabilities
Electric power generation (Nuclear)	45,061,851		2,928,345	24,638,944
Electric power generation	31,214,058	986,343	3,735,111	14,640,938

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(Non-nuclear)

Transmission and distribution	96,234,698	3,865,492	4,368,190	54,963,618
Others	7,655,810	39,098	718,966	2,637,369
Consolidation adjustments	(34,013,597)		(236,063)	(1,792,251)
	146,152,820	4,890,933	11,514,549	95,088,618

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

4. Segment Information, Continued**(4) Geographic information**

The Group is engaged in the generation, transmission and distribution of electricity and development of electric power resources in the Republic of Korea. Geographical information on revenue from external customers for the three and nine-month periods ended September 30, 2013 and 2012 and non-current assets as of September 30, 2013 and December 31, 2012 are as follows:

In millions of won

Geographical unit	Revenue from external customers				Non-current assets (*2)	
	September 30, 2013		September 30, 2012		September 30, 2013	December 31, 2012
	Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended		
Domestic	13,682,300	38,076,381	12,835,880	34,822,883	129,773,504	124,433,063
Overseas (*1)	605,690	1,686,971	545,344	1,571,059	4,622,312	4,448,485
	14,287,990	39,763,352	13,381,224	36,393,942	134,395,816	128,881,548

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

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

(5) Information on key clients

There is no individual client comprising more than 10% of the Group's revenue for the nine-month periods ended September 30, 2013 and 2012.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

5. Classification of Financial Instruments**(1) Classification of financial assets as of September 30, 2013 and December 31, 2012 are as follows:**

In millions of won

	September 30, 2013					Total
	Financial assets at fair value through profit or loss	Loans and receivables	Available-for-sale financial assets	Held-to-maturity investments	Derivative assets (using hedge accounting)	
Current assets:						
Cash and cash equivalents		2,949,827				2,949,827
Current financial assets						
Held-to-maturity investments				189		189
Derivative assets	32,455					32,455
Other financial assets		506,888				506,888
Trade and other receivables		6,058,740				6,058,740
	32,455	9,515,455		189		9,548,099
Non-current assets:						
Non-current financial assets						
Available-for-sale financial assets			1,251,530			1,251,530
Held-to-maturity investments				2,015		2,015
Derivative assets	6,597				110,866	117,463
Other financial assets		625,708				625,708
Trade and other receivables		1,274,021				1,274,021
	6,597	1,899,729	1,251,530	2,015	110,866	3,270,737
	39,052	11,415,184	1,251,530	2,204	110,866	12,818,836

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

5. Classification of Financial Instruments, Continued**(1) Classification of financial assets as of September 30, 2013 and December 31, 2012 are as follows, continued:***In millions of won*

	Financial assets at fair value through profit or loss		December 31, 2012			Total
			Loans and receivables	Available-for-sale financial assets	Held-to-maturity investments	
Current assets:						
Cash and cash equivalents		1,954,949				1,954,949
Current financial assets						
Held-to-maturity investments				196		196
Derivative assets	52,061				63,945	116,006
Other financial assets		540,015				540,015
Trade and other receivables		7,184,625				7,184,625
	52,061	9,679,589		196	63,945	9,795,791
Non-current assets:						
Non-current financial assets						
Available-for-sale financial assets			1,141,194			1,141,194
Held-to-maturity investments				2,020		2,020
Derivative assets	3,830				123,866	127,696
Other financial assets		602,766				602,766
Trade and other receivables		1,254,330				1,254,330
	3,830	1,857,096	1,141,194	2,020	123,866	3,128,006
	55,891	11,536,685	1,141,194	2,216	187,811	12,923,797

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

5. Classification of Financial Instruments, Continued**(2) Classification of financial liabilities as of September 30, 2013 and December 31, 2012 are as follows:***In millions of won***September 30, 2013**

	Financial liabilities at fair value through profit or loss	Financial liabilities recognized at amortized cost	Derivative liabilities (using hedge accounting)	Total
Current liabilities:				
Borrowings		2,812,825		2,812,825
Debt securities		6,680,446		6,680,446
Derivative liabilities	239,893		8,321	248,214
Trade and other payables		5,078,315		5,078,315
	239,893	14,571,586	8,321	14,819,800
Non-current liabilities:				
Borrowings		4,926,628		4,926,628
Debt securities		45,498,387		45,498,387
Derivative liabilities	126,208		180,762	306,970
Trade and other payables		4,179,887		4,179,887
	126,208	54,604,902	180,762	54,911,872
	366,101	69,176,488	189,083	69,731,672

*In millions of won***December 31, 2012****Total**

	Financial liabilities at fair value through profit or loss	Financial liabilities recognized at amortized cost	Derivative liabilities (using hedge accounting)	
Current liabilities:				
Borrowings		2,215,961		2,215,961
Debt securities		5,478,720		5,478,720
Derivative liabilities	46,939		47,199	94,138
Trade and other payables		6,418,464		6,418,464
	46,939	14,113,145	47,199	14,207,283
Non-current liabilities:				
Borrowings		4,674,935		4,674,935
Debt securities		40,849,793		40,849,793
Derivative liabilities	322,199		203,839	526,038
Trade and other payables		4,173,691		4,173,691
	322,199	49,698,419	203,839	50,224,457
	369,138	63,811,564	251,038	64,431,740

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

5. Classification of Financial Instruments, Continued**(3) Classification of comprehensive income (loss) from financial instruments for the three and nine-month periods ended September 30, 2013 and 2012 are as follows:**

In millions of won

		September 30, 2013		September 30, 2012	
		Three-month period ended	Nine-month period ended	Three-month period ended	Nine-month period ended
Cash and cash equivalents	Interest income	13,830	54,676	28,423	66,442
Available-for-sale financial assets	Dividends income	(48)	9,736		9,043
	Interest income	241	1,051		
Held-to-maturity investments	Interest income	14	45	17	51
Loans and receivables (Including Trade and other receivables)	Interest income	23,944	79,456	33,120	84,116
Financial assets at fair value through profit or loss	Losses on valuation of derivatives	(133,646)	(3,010)	(85,214)	(13,562)
	Gains (losses) on transaction of Derivatives	(101)	12,555	1,997	9,611
	Gains on disposal of financial assets				189
Derivative assets (using hedge accounting)	Gains (losses) on valuation of derivatives (profit or loss)	(81,812)	10,964	(73,628)	(57,619)
	Gains (losses) on valuation of derivatives (equity, before tax)	7,762	(22,072)	(5,312)	12,460
	Gains on transaction of derivatives	24,443	29,663	2,153	2,579
Financial liabilities carried at amortized cost	Interest expense of borrowings and debt securities	(414,896)	(1,275,767)	(484,502)	(1,365,639)
		(14,538)	(66,948)	(30,213)	(90,706)

	Interest expense of trade and other payables				
	Interest expense of others	(142,230)	(424,555)	(101,953)	(296,381)
Financial liabilities at fair value through profit or loss	Losses on valuation of derivatives	(138,548)	(37,006)	(95,401)	(98,788)
	Losses on transaction of derivatives	(24,075)	(9,477)	(7,578)	(7,076)
Derivative liabilities (using hedge accounting)	Losses on valuation of derivatives (profit or loss)	(127,897)	(10,279)	(38,811)	(42,576)
	Gains (losses) on valuation of derivatives (equity, before tax)	49,512	12,448	(38,838)	(64,838)
	Gains (losses) on transaction of derivatives	(12,121)	16,521	(7,002)	(10,048)

6. Restricted Deposits

Restricted deposits as of September 30, 2013 and December 31, 2012 are as follows:

<i>In millions of won</i>		September 30, 2013	December 31, 2012
Cash and cash equivalents	Escrow accounts	79,000	72,979
Cash and cash equivalents	Collateral provided for lawsuit	330	329
Long-term financial instruments	Guarantee deposits for checking account	5	5
Long-term financial instruments	Guarantee deposits for banking accounts at oversea branches	306	303
		79,641	73,616

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

7. Cash and Cash Equivalents

Cash and cash equivalents as of September 30, 2013 and December 31, 2012 are as follows:

<i>In millions of won</i>	September 30, 2013	December 31, 2012
Cash	843,273	734,986
Cash equivalents	2,106,554	1,249,704
Government grants		(29,741)
	2,949,827	1,954,949

8. Trade and Other receivables

(1) Trade and other receivables as of September 30, 2013 and December 31, 2012 are as follows:

<i>In millions of won</i>	September 30, 2013			
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
Current assets				
Trade receivables	5,719,192	(67,917)	(188)	5,651,087
Other receivables	454,601	(44,562)	(2,386)	407,653
	6,173,793	(112,479)	(2,574)	6,058,740
Non-current assets				
Trade receivables	436,253		(23)	436,230
Other receivables	884,667	(41,350)	(5,526)	837,791
	1,320,920	(41,350)	(5,549)	1,274,021

7,494,713	(153,829)	(8,123)	7,332,761
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In millions of won

	December 31, 2012			
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
Current assets				
Trade receivables	6,776,526	(47,312)	(416)	6,728,798
Other receivables	504,067	(45,791)	(2,449)	455,827
	7,280,593	(93,103)	(2,865)	7,184,625
Non-current assets				
Trade receivables	451,179		(144)	451,035
Other receivables	989,445	(179,287)	(6,863)	803,295
	1,440,624	(179,287)	(7,007)	1,254,330
	8,721,217	(272,390)	(9,872)	8,438,955

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

8. Trade and Other receivables, Continued**(2) Other receivables as of September 30, 2013 and December 31, 2012 are as follows:***In millions of won*

		September 30, 2013		
	Gross amount	Allowance for doubtful accounts	Present value discount	Book value
Current assets				
Other receivables	214,088	(44,562)		169,526
Accrued income	65,815			65,815
Deposits	166,798		(2,386)	164,412
Finance lease receivables	4,252			4,252
Others	3,648			3,648
	454,601	(44,562)	(2,386)	407,653
Non-current assets				
Other receivables	101,372	(7,727)		93,645
Deposits	212,849		(5,526)	207,323
Finance lease receivables	391,374			391,374
Others	179,072	(33,623)		145,449
	884,667	(41,350)	(5,526)	837,791
	1,339,268	(85,912)	(7,912)	1,245,444

In millions of won

		December 31, 2012		
	Gross amount	Allowance for doubtful	Present value discount	Book value

accounts				
Current assets				
Other receivables	294,989	(45,791)		249,198
Accrued income	42,067			42,067
Deposits	160,801		(2,449)	158,352
Finance lease receivables	4,134			4,134
Others	2,076			2,076
	504,067	(45,791)	(2,449)	455,827
Non-current assets				
Other receivables	57,386	(1,684)		55,702
Deposits	224,112		(6,863)	217,249
Finance lease receivables	389,326			389,326
Others	318,621	(177,603)		141,018
	989,445	(179,287)	(6,863)	803,295
	1,493,512	(225,078)	(9,312)	1,259,122

Trade and other receivables are classified as loans and receivables, and are measured using the effective interest method. No interest is accrued for trade receivables for the duration between the billing date and the payment due dates. But once trade receivables are overdue, the Group imposes a 2.0% interest rate on the overdue trade receivables. The Group holds deposits of three-months expected electricity rate for customers requesting temporary usage and customers with past defaulted payment.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

8. Trade and Other receivables, Continued**(3) Aging analysis of trade receivables as of September 30, 2013 and December 31, 2012 are as follows:**

<i>In millions of won</i>	September 30, 2013	December 31, 2012
Trade receivables: (not overdue, not impaired)	5,991,551	7,125,836
Less than 60 days	7	4
60 ~ 90 days	32,111	33,124
90 ~ 120 days	10,349	9,853
120 days ~ 1year	68,778	25,621
Over 1 year	52,649	33,267
Trade receivables: (impairment reviewed)	163,894	101,869
	6,155,445	7,227,705
Less allowance for doubtful accounts	(67,917)	(47,312)
Less present value discount	(211)	(560)
	6,087,317	7,179,833

The Group assesses at the end of each reporting period whether there is any objective evidence that trade receivables are impaired, and provides allowances for doubtful accounts; which includes impairment for trade receivables that are individually significant and incurred but not identified as impairment for the Group of trade receivables with similar credit risk characteristics.

The Group considers receivables as overdue if the receivables are outstanding 60 days after the maturity and sets allowance based on past experience of collection.

(4) Aging analysis of other receivables as of September 30, 2013 and December 31, 2012 are as follows:

<i>In millions of won</i>	September 30, 2013	December 31, 2012
Other receivables: (not overdue, not impaired)	1,222,426	1,252,525
Less than 60 days	22,417	
60 ~ 90 days	3,241	7,430
90 ~ 120 days	2,435	1,870
120 days ~ 1year	21,991	5,520
Over 1 year	66,758	226,167
Other receivables: (impairment reviewed)	116,842	240,987
	1,339,268	1,493,512
Less allowance for doubtful accounts	(85,912)	(225,078)
Less present value discount	(7,912)	(9,312)
	1,245,444	1,259,122

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

8. Trade and Other receivables, Continued

- (5) **Changes in allowance for doubtful accounts for the nine-month period ended September 30, 2013 and for the year ended December 31, 2012 are as follows:**

<i>In millions of won</i>	September 30, 2013		December 31, 2012	
	Trade receivables	Other receivables	Trade receivables	Other receivables
Beginning balance	47,312	225,078	24,586	203,198
Bad debt expense	42,233	5,576	37,447	3,994
Write-off	(21,628)	(641)	(14,721)	(3,331)
Reversal		(226)		(152)
Others (*)		(143,875)		21,369
Ending balance	67,917	85,912	47,312	225,078

- (*) The allowance on the loan was converted to cumulative equity method loss when loan was converted to investment in associates.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

9. Available-for-sale Financial Assets

Available-for-sale financial assets as of September 30, 2013 and December 31, 2012 are as follows:

<i>In millions of won</i>	Ownership	September 30, 2013		December 31, 2012	
		Current	Non-current	Current	Non-current
Equity securities					
Listed:					
Kwanglim Co., Ltd.	0.44%		144		168
Sungjee Construction Co., Ltd.	0.01%		8		5
Korea District Heating Corp. (*1)	19.55%		223,916		167,541
Ssangyong Motor Co., Ltd.	0.03%		329		205
LG Uplus Corporation (*1)	8.80%		443,628		299,593
Fission Uranium Corp.	0.52%		1,051		533
Denison Mines Corp.	12.63%		69,288		76,765
Energy Fuel INC	9.06%		14,276		12,425
PT Adaro Energy Tbk	1.50%		39,957		84,288
Cockatoo Coal Limited (*3)	4.91%		3,055		6,487
Korea Line Corporation	0.00%		2		
Strathmore Minerals Corp.	0.00%				4,132
			795,654		652,142
Unlisted:					
Construction Guarantee	0.02%		782		784
Global Dynasty overseas resource development private equity firm	7.46%		1,275		881
Plant & Mechanical Contractors Financial Cooperative of Korea	0.01%		36		36

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Dongnam Co., Ltd.	0.46%	72	72
Mobo Co., Ltd.	0.00%	14	14
Fire Guarantee	0.02%	20	20
Korea Software Financial Cooperative	0.23%	301	301
Woobang ENC Co., Ltd.	0.00%	22	22
Women s venture fund	10.00%	780	780
Engineering Financial Cooperative	0.10%	60	60
Intellectual Discovery, Ltd.	9.13%	5,000	5,000
Electric Contractors Financial Cooperative	0.03%	151	152
Korea Specialty Contractor Financial Cooperative	0.01%	417	417
Information & Communication Financial Cooperative	0.01%	10	10
Troika overseas resource development private equity firm	3.66%	8,573	8,573
POSTECH Venture Capital Corporation	0.00%		240
POSTECH electric power fund	13.33%	3,040	2,800
Poonglim Industrial Co., Ltd.	0.01%	78	
Namkwang Engineering & Construction Co., Ltd.	0.01%	5	
HANKOOK Silicon Co., Ltd.	11.05%	7,023	
LIG E&C Co., Ltd.	0.00%	5	
Pumyang Construction Co., Ltd.	0.00%	3	

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

9. Available-for-sale Financial Assets, Continued

Available-for-sale financial assets as of September 30, 2013 and December 31, 2012 are as follows, continued:

<i>In millions of won</i>	September 30,		December 31,		
	Ownership	Current	Non-current	Current	Non-current
Dae Kwang Semiconductor Co., Ltd.	0.07%	6			
Sanbon Department Store	0.01%	124			
Korea Bio Fuel Co., Ltd.	15.00%	1,500		1,500	
SAMBOAUTO. Co., Ltd.	0.02%	38			38
Korea Electric Engineers Association	0.26%	40			40
Korea electrical manufacturers Association	1.05%	240			240
Korea investment - Korea EXIM Bank CERs private special asset Investment Trust I	14.18%	6,803			6,803
Hanwha Venture Capital Corporation					180
Hanwha electric power venture fund	16.40%	1,804			2,280
Hwan Young Steel Co., Ltd.	0.14%	97			97
IBK-AUCTUS green growth Private equity firm (*1)	6.29%	6,054			6,054
K&C- Gyeongnam youth job Creation investment fund	10.00%	1,340			1,420
Areva Nc Expansion	13.49%	247,448			241,472
Green & Sustainable Energy Investment Corp. (*2)	20.00%	14			14
Kanan Hydroelectric Power Corp.(*2)	20.00%	18			19
Set Holding	2.50%	123,551			169,637
Siam Solar Power	10.00%	951			
3i Powergen Inc.	15.00%	1,553			1,630
Navanakorn Electric Co., Ltd. (*2)	29.00%	16,475			14,948

	435,723	466,534
Debt securities		
Ambre Energy Limited	20,147	22,518
Government and municipal bonds	6	
	20,153	22,518
	1,251,530	1,141,194

- (*1) The fair values of the securities of Korea District Heating Corp. and LG Uplus Corporation have declined below their respective acquisition costs for more than a year. As such, cumulative losses of 35,619 million that were previously recognized in other comprehensive loss have been reclassified to as profit or loss for the year ended December 31, 2012. Also, as the recoverable amount of IBK-AUCTUS green growth private equity firm has delined below the book value in prior year ended December 31, 2012, the impairment loss on available-for-sale financial assets of 1,106 million has been recognized as profit or loss for the year ended December 31, 2012.
- (*2) Although the Group holds 20% or more of the equity shares of these investments, the Group cannot exercise significant influence.
- (*3) For the nine-month period ended September 30, 2013, the fair value of Cockatoo Coal Limited equity instrument, the listed stock, has declined below the acquisition cost significantly and the impairment loss on available-for-sale financial assets of 10,673 million was recognized as profit or loss.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

10. Held-to-maturity Investments

Held-to-maturity investments as of September 30, 2013 and December 31, 2012 are as follows:

<i>In millions of won</i>	September 30, 2013		December 31, 2012	
	Current	Non-current	Current	Non-current
Government and municipal bonds and others	189	2,015	196	2,020

11. Derivatives

(1) Derivatives as of September 30, 2013 and December 31, 2012 are as follows:

<i>In millions of won</i>	September 30, 2013		December 31, 2012	
	Current	Non-Current	Current	Non-Current
Derivative assets				
Currency forward	212	17	245	40
Currency swap	32,243	115,455	115,761	127,652
Interest rate swap		1,991		4
	32,455	117,463	116,006	127,696
Derivative liabilities				
Currency forward	29,429	46	10,323	105
Currency swap	217,160	203,433	70,011	389,948
Interest rate swap	1,625	103,491	4,313	135,985
Other derivatives			9,491	
	248,214	306,970	94,138	526,038

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

11. Derivatives, Continued

(2) **Currency swap contracts which are not designated as hedge instruments as of September 30, 2013 are as follows:**

In millions of won and thousands of foreign currencies

Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate
		Pay	Receive	Pay (%)	Receive (%)	
Shinhan Bank	2010~2014	84,615	\$ 75,000	6.83	5.50	1,128.20
RBS	2010~2014	141,125	125,000	6.78	5.50	1,129.00
Morgan Stanley	2010~2014	112,320	100,000	6.71	5.50	1,123.20
HSBC	2010~2014	112,320	100,000	6.71	5.50	1,123.20
Bank of America	2010~2014	110,310	100,000	6.93	5.50	1,103.10
UBS	2011~2015	220,356	200,000	3.90	3.00	1,101.78
RBS	2011~2015	110,110	100,000	3.90	3.00	1,101.10
Barclays Bank PLC	2011~2015	108,390	100,000	3.78	3.00	1,083.90
Credit Suisse	2011~2015	108,390	100,000	3.22	3.00	1,083.90
Morgan Stanley	2011~2015	63,006	60,000	4.06	3.00	1,050.10
Goldman Sachs	2010~2015	156,643	140,000	3.92	3.00	1,118.88
Deutsche Bank	2012~2018	110,412	¥ 10,000,000	6.21	4.19	11.04
IBK	2013~2018	111,800	\$ 100,000	3.16	2.79	1,118.00
Morgan Stanley	2010~2015	118,800	100,000	4.61	3M Libor + 1.64	1,188.00
M-UFJ	2010~2015	116,100	100,000	4.00	3M Libor + 1.00	1,161.00
DBS	2011~2014	56,150	50,000	4.21	3M Libor + 1.00	1,123.00
SMBC	2011~2014	56,150	50,000	4.21	3M Libor + 1.00	1,123.00
Mizuho Corporate Bank	2011~2014	112,800	100,000	3.86	3M Libor + 0.80	1,128.00
DBS	2011~2014	109,500	100,000	3.80	3M Libor + 0.85	1,095.00
Deutsche Bank	2009~2014	126,610	100,000	5.39	6.25	1,266.10
Nomura	2009~2014	126,610	100,000	5.35	6.25	1,266.10
Nomura	2009~2014	126,610	100,000	5.33	6.25	1,266.10
Morgan Stanley	2009~2014	126,610	100,000	5.32	6.25	1,266.10
Morgan Stanley	2010~2014	126,610	100,000	5.30	6.25	1,266.10
Barclays Bank PLC	2010~2014	126,610	100,000	5.29	6.25	1,266.10
Citibank	2010~2014	126,610	100,000	5.27	6.25	1,266.10

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

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

11. Derivatives, Continued

(3) **Currency swap contracts which are designated as hedge instruments as of September 30, 2013 are as follows:**

In millions of won and thousands of foreign currencies

Counterparty	Contract year	Contract amount		Contract interest rate		Contract exchange rate
		Pay	Receive	Pay (%)	Receive (%)	
Citibank	2006~2016	113,200	\$ 100,000	1.05	6.00	1,132.00
Barclays Bank PLC	2006~2016	113,200	100,000	1.05	6.00	1,132.00
Credit Suisse	2006~2016	113,200	100,000	1.05	6.00	1,132.00
Goldman Sachs	2011~2017	105,260	100,000	3.99	3.63	1,052.60
Barclays Bank PLC	2011~2017	105,260	100,000	3.99	3.63	1,052.60
Citibank	2011~2017	105,260	100,000	3.99	3.63	1,052.60
HSBC	2012~2014	45,264	40,000	3.25	3M Libor+1.50	1,131.60
Citibank	2012~2014	33,948	30,000	3.25	3M Libor+1.50	1,131.60
RBS	2012~2014	22,632	20,000	3.25	3M Libor+1.50	1,131.60
UOB	2012~2014	33,948	30,000	3.25	3M Libor+1.50	1,131.60
DBS	2012~2014	56,580	50,000	3.20	3M Libor+1.50	1,131.60
ANZ	2012~2014	22,632	20,000	3.20	3M Libor+1.50	1,131.60
Citibank	2012~2014	20,369	18,000	3.20	3M Libor+1.50	1,131.60
Credit Suisse	2012~2014	45,264	40,000	2.77	3M Libor+1.50	1,131.60
RBS	2012~2014	58,843	52,000	2.77	3M Libor+1.50	1,131.60
HSBC	2013~2020	USD 92,940	AUD 100,000	5.75	3M Libor+1.22	0.93
HSBC	2013~2020	USD 93,480	AUD 100,000	5.75	3M Libor+1.18	0.93
Citibank	2013~2018	54,570	\$ 50,000	2.90	3M Libor+1.01	1,091.40
Standard Chartered	2013~2018	54,570	50,000	2.90	3M Libor+1.01	1,091.40
Credit Suisse	2013~2018	111,410	100,000	3.22	3M Libor+1.50	1,114.10
UBS AG	2006~2016	98,100	100,000	5.48	5.50	981.00
Credit Suisse	2006~2016	98,100	100,000	5.48	5.50	981.00
Barclays Bank PLC	2006~2016	71,888	75,000	4.81	5.50	958.51
Deutsche Bank	2006~2016	71,888	75,000	4.81	5.50	958.51
Barclays Bank PLC	2012~2017	142,500	125,000	3.83	3.13	1,140.00
Morgan Stanley	2012~2017	142,500	125,000	3.83	3.13	1,140.00

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RBS	2012~2017	142,500		125,000	3.83	3.13	1,140.00
JP Morgan	2012~2017	142,500		125,000	3.83	3.13	1,140.00
RBS	2013~2019	118,343	CHF	100,000	3.47	1.63	1,183.43
Barclays Bank PLC	2013~2019	59,172	CHF	50,000	3.47	1.63	1,183.43
Barclays Bank PLC	2004~2014	172,875	\$	150,000	5.10	5.75	1,152.50
Barclays Bank PLC	2013~2018	81,188		75,000	2.65	1.88	1,082.50
RBS	2013~2018	81,188		75,000	2.65	1.88	1,082.50
Deutsche Bank	2013~2018	81,188		75,000	2.65	1.88	1,082.50
Citibank	2013~2018	81,188		75,000	2.65	1.88	1,082.50
BTMU	2010~2015	55,900		50,000	4.03	3M USD Libor+1.20	1,118.00
RBS	2012~2017	115,140		100,000	3.38	2.50	1,151.40
BNP Paribas	2012~2017	115,140		100,000	3.38	2.50	1,151.40
Hana Bank	2012~2017	115,140		100,000	3.38	2.50	1,151.40
Barclays Bank PLC	2012~2017	57,570		50,000	3.38	2.50	1,151.40
Standard Chartered	2012~2017	57,570		50,000	3.38	2.50	1,151.40
Nomura	2012~2017	57,570		50,000	3.38	2.50	1,151.40
Credit Agricole	2012~2017	57,570		50,000	3.38	2.50	1,151.40

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

11. Derivatives, Continued

- (4) **Interest rate swap contracts which are not designated as hedge instruments as of September 30, 2013 are as follows:**

In millions of won

Counterparty	Contract year	Contract amount	Contract interest rate per annum	
			Pay (%)	Receive (%)
Nonghyup Bank	2010~2015	100,000	4.90	3M CD + 1.05
Nonghyup Bank	2010~2015	100,000	4.83	3M CD + 0.90
Nonghyup Bank	2010~2015	50,000	4.77	3M CD + 0.90
Korea Development Bank	2012~2016	200,000	3.57	3M CD + 0.26
Nonghyup Bank	2012~2016	100,000	3.49	3M CD + 0.25
Korea Development Bank	2012~2016	50,000	3.49	3M CD + 0.25
Hongkong-Shanghai Bank, Seoul branch	2012~2016	50,000	3.49	3M CD + 0.25
Standard Chartered	2012~2016	200,000	3.55	3M CD + 0.26
Standard Chartered	2012~2017	160,000	3.57	3M CD + 0.32
JP Morgan	2013~2018	150,000	3.58	3M CD + 0.31
Korea Exchange Bank	2011~2014	100,000	4.08	3M CD + 0.03
Korea Exchange Bank	2011~2014	100,000	3.89	3M CD + 0.05
Shinhan Bank	2011~2014	100,000	3.63	3M CD + 0.18
Korea Exchange Bank	2011~2014	200,000	3.66	3M CD + 0.24
Korea Exchange Bank	2011~2013	100,000	3.53	3M CD + 0.14
Korea Exchange Bank	2011~2013	100,000	3.56	3M CD + 0.19
Korea Exchange Bank	2012~2015	100,000	3.58	3M CD + 0.15
Korea Exchange Bank	2012~2015	200,000	3.65	3M CD + 0.10
Korea Exchange Bank	2012~2015	100,000	2.86	3M CD + 0.05
Korea Exchange Bank	2013~2016	100,000	2.82	3M CD + 0.04
Korea Exchange Bank	2013~2016	200,000	2.57	3M CD + 0.04
Korea Exchange Bank	2013~2016	100,000	2.75	3M CD + 0.03

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

11. Derivatives, Continued**(5) Interest rate swap contracts which are designated as hedge instruments, as of September 30, 2013 are as follows:***In thousands of U.S. dollars*

Counterparty	Contract year	Contract amount	Contract interest rate per annum	
			Pay (%)	Receive (%)
BNP Paribas	2009~2027	USD 110,472	4.16	6M USD Libor
KFW	2009~2027	USD 110,472	4.16	6M USD Libor
CA-CIB (Credit Agricole)	2012~2033	USD 107,728	3.98 ~ 4.10	6M USD Libor
SMBC	2012~2033	USD 140,875	4.05 ~ 4.18	6M USD Libor

(6) Currency forward contracts which are not designated as hedge instruments, as of September 30, 2013 are as follows:*In millions of won and thousands of foreign currencies*

Counterparty	Contract Date	Maturity date	Contract amounts		Contract exchange rate
			Pay	Receive	
Korea Exchange Bank	2013.04.25~2013.09.30	2013.10.02~2014.03.05	137,424	\$ 126,217	1,066.70~1,118.70
Credit Suisse	2013.05.21~2013.09.30	2013.10.02~2014.07.02	271,003	245,006	1,093.20~1,122.40
RBS	2013.09.06	2014.01.28	4,261	3,942	1,080.80
RBS	2013.07.04	2014.06.30	130,104	117,000	1,112.00
Nomura	2013.07.04	2014.06.30	128,981	117,000	1,102.40
HSBC	2013.07.04	2014.07.07	128,677	117,000	1,099.80
The Bank of Nova Scotia	2013.09.09	2013.10.11	10,900	10,000	1,090.00
The Bank of Nova Scotia	2013.08.29	2013.10.04	11,130	9,984	1,114.80
The Bank of Nova Scotia	2013.09.16	2013.11.25	5,433	5,000	1,086.67

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The Bank of Nova					
Scotia	2013.09.23	2013.11.25	10,815	10,000	1,081.50
Standard Chartered	2013.09.30	2013.10.01	8,975	8,358	1,073.73
Barclays Bank					
PLC	2013.09.12	2013.11.18	10,872	10,000	1,087.20
Citibank	2013.09.30	2013.10.15	10,872	10,000	1,087.22
RBS	2013.08.29	2013.10.04	11,135	10,000	1,113.50
Korea Exchange					
Bank	2013.09.26	2013.10.07	6,450	6,000	1,075.05
RBS	2013.09.27	2013.10.10	3,228	3,000	1,075.85
Credit Suisse	2013.09.27	2013.10.07	3,229	3,000	1,076.43
BNP Paribas	2013.09.23	2013.10.07	3,230	3,000	1,076.55
BNP Paribas	2013.09.27	2013.10.10	3,222	3,000	1,073.85
Credit Agricole	2013.09.26	2013.10.07	2,147	2,000	1,073.70
Credit Agricole	2013.09.27	2013.10.10	3,222	3,000	1,073.85
Goldman Sachs	2013.09.27	2013.10.10	3,227	3,000	1,075.50
Goldman Sachs	2013.09.27	2013.10.10	3,225	3,000	1,074.90
Shinhan Bank	2013.07.26	2013.10.30	5,579	5,000	1,115.80
Barclays Bank					
PLC	2013.09.02	2013.12.04	5,544	5,000	1,108.75
BNP Paribas	2013.08.08~2013.09.17	2013.10.24~2013.12.04	27,452	25,000	1,074.10~1,118.45
Credit Agricole	2013.07.26~2013.09.09	2013.10.07~2013.12.11	33,054	30,000	1,093.10~1,116.85
Citibank	2013.08.05~2013.08.08	2013.11.07~2013.11.12	16,597	14,838	1,118.10~1,119.20
Credit Suisse	2013.07.24~2013.09.09	2013.10.10~2013.12.04	44,970	40,781	1,090.60~1,118.70
Goldman Sachs	2013.08.08	2013.11.12	11,184	10,000	1,118.35
HSBC	2013.08.06~2013.09.10	2013.11.08~2013.12.12	23,108	21,049	1,088.60~1,118.15
JP Morgan	2013.07.24~2013.09.06	2013.10.28~2013.12.10	11,092	10,000	1,100.05~1,118.25
Morgan Stanley	2013.09.02	2013.12.04	5,556	5,000	1,111.25
The Bank of Nova					
Scotia	2013.08.08~2013.09.18	2013.10.07~2014.01.10	61,133	56,000	1,077.40~1,118.20
RBS	2013.07.24~2013.09.09	2013.10.28~2014.01.10	41,334	37,395	1,095.00~1,118.65
Standard Chartered	2013.09.02	2013.12.04	5,536	5,000	1,107.15
Societe Generale	2013.09.03	2013.12.05	1,100	1,000	1,100.00
UBS	2013.07.26~2013.09.06	2013.10.30~2013.12.10	10,275	9,269	1,100.20~1,115.75
Standard Chartered	2011.08.08	2013.10.28~2015.12.28	\$ 21,381	23,517	1,093.10~1,103.20
Hana Bank	2013.07.31	2013.11.06	¥ 43,200	494	11.43
Hana Bank	2013.07.31	2013.12.26	4,800	55	11.44

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

11. Derivatives, Continued

- (7) Gains and losses on valuation and transaction of derivatives for the three and nine-month periods ended September 30, 2013 and 2012 are as follows:

	Net income effects of valuation gains (losses)				Net income effects of transaction gains (losses)				Accumulated other comprehensive income (loss)		
	September 30, 2013		September 30, 2012		September 30, 2013		September 30, 2012		September 30, 2013		September 30, 2012
	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
Forward	(39,764)	(29,205)	(2,750)	(3,705)	(1,341)	5,781	1,198	(178)	27,810	4,004	
Swap	(442,048)	(19,922)	(260,535)	(178,663)	(7,343)	59,651	(6,536)	(6,576)	28,790	(23,370)	(13,770)
Swap	(91)	9,796	(27,836)	(28,325)	(1,802)	(4,765)	(4,733)	(8,515)	674	9,742	(30,380)
Derivatives			(1,933)	(1,852)	(1,368)	(11,405)	(359)	10,335			
	(481,903)	(39,331)	(293,054)	(212,545)	(11,854)	49,262	(10,430)	(4,934)	57,274	(9,624)	(44,150)

- (*1) Losses on valuation of derivatives using cash flow hedge accounting 1,376 million, net of tax recognized in accumulated other comprehensive income for the nine-month period ended September 30, 2013.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

12. Other financial assets

Other financial assets as of September 30, 2013 and December 31, 2012 are as follows:

<i>In millions of won</i>	September 30, 2013		December 31, 2012	
	Current	Non-current	Current	Non-current
Loans and receivables	54,754	687,202	72,888	668,733
Present value discount	(1,316)	(62,686)	(1,224)	(67,009)
Long-term/Short-term financial instruments	453,450	1,192	468,351	1,042
	506,888	625,708	540,015	602,766

13. Inventories

Inventories as of September 30, 2013 and December 31, 2012 are as follows:

<i>In millions of won</i>	September 30, 2013		
	Acquisition cost	Valuation allowance	Book value
Raw materials	2,725,831	(294)	2,725,537
Merchandises	900		900
Work-in-progress	76,175		76,175
Finished goods	44,739		44,739
Supplies	656,739	(4,273)	652,466
Inventories in transit	600,358		600,358
Other inventories	8,051		8,051
	4,112,793	(4,567)	4,108,226

<i>In millions of won</i>	December 31, 2012		
	Acquisition cost	Valuation allowance	Book value

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Raw materials	2,285,822	(65)	2,285,757
Merchandises	379		379
Work-in-progress	68,127		68,127
Finished goods	53,640		53,640
Supplies	523,397	(4,496)	518,901
Inventories in transit	506,547		506,547
Other inventories	6,990		6,990
	3,444,902	(4,561)	3,440,341

There is no reversal of inventory valuation allowance for the nine-month period ended September 30, 2013, whereas 5,568 million incurred for the year ended December 31, 2012. The amounts of valuation losses of inventories during the nine-month period ended September 30, 2013 and for the year ended December 31, 2012 are 1,448 million and 6,920 million, respectively.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

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

The Group has entered into power purchase agreement (PPA) of providing Jordan Electric Power Company with Qatrana gas combined power plant for 25 years. In addition, the Group also provides fly ashes transferring pipe conduit as a finance lease, and the average lease term is 7 years. A new finance lease of the manufacturing facility for Artificial Light-weight Aggregate has been transferred to tangible assets due to the termination of the contract with Ecollite Co., Ltd. during the nine-month period ended September 30, 2013.

(2) Finance lease receivables as of September 30, 2013 and December 31, 2012 are as follows:

<i>In millions of won</i>	September 30, 2013		December 31, 2012	
	Minimum lease payments	Present value of minimum lease payments	Minimum lease payments	Present value of minimum lease payments
Less than 1 year	46,901	4,252	46,758	4,134
1 ~ 5 years	198,243	33,777	192,651	27,422
More than 5 years	753,127	357,597	783,314	361,904
	998,271	395,626	1,022,723	393,460

(3) There are no impaired finance lease receivables as of September 30, 2013 and December 31, 2012.**(4) There are no changes in valuation allowance for finance lease receivables for the nine-month period ended September 30, 2013 and for the year ended December 31, 2012.****15. Non-Financial Assets**

Non-financial assets as of September 30, 2013 and December 31, 2012 are as follows:

In millions of won

	September 30, 2013		December 31, 2012	
	Current	Non-current	Current	Non-current
Advance payment	268,097	13,131	146,042	4,607
Prepaid expenses	183,894	113,294	230,260	100,804
Others	203,481	28,842	287,745	35,027
	655,472	155,267	664,047	140,438

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

16. Investments in Subsidiaries**(1) Investments in subsidiaries as of September 30, 2013 and December 31, 2012 are as follows:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			September 30, 2013	December 31, 2012
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.	Architectural engineering for utility plant and others	KOREA	74.86%	74.86%
Korea Plant Service & Engineering Co., Ltd.	Utility plant maintenance and Others	KOREA	70.00%	70.00%
Korea Nuclear Fuel Co., Ltd.	Nuclear fuel	KOREA	96.36%	96.36%
Korea Electric Power Data Network Co., Ltd.	Electric Power information technology and others	KOREA	100.00%	100.00%
Garorim Tidal Power Plant Co., Ltd. (*2)	Power generation	KOREA	49.00%	49.00%
Korea Power Engineering & Power Services Co., Ltd.	Operation and maintenance of utility plant	KOREA	52.43%	52.43%
Dongducheon Dream Power Co., Ltd. (*4)	Power generation	KOREA		49.00%

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KEPCO International HongKong Ltd.	Holding company	HONG KONG	100.00%	100.00%
KEPCO International Philippines Inc.	Holding company	PHILIPPINES	100.00%	100.00%
KEPCO Gansu International Ltd.	Holding company	HONG KONG	100.00%	100.00%
KEPCO Philippines Holdings Inc.	Holding company	PHILIPPINES	100.00%	100.00%
KEPCO Philippines Corporation	Construction and operation of utility plant	PHILIPPINES	100.00%	100.00%
KEPCO Ilijan Corporation	Utility plant rehabilitation and operation	PHILIPPINES	51.00%	51.00%
KEPCO Lebanon SARL	Operation of utility plant	LEBANON	100.00%	100.00%
KEPCO Neimenggu International Ltd.	Holding company	HONG KONG	100.00%	100.00%
KEPCO Shanxi International Ltd.	Holding company	HONG KONG	100.00%	100.00%
KOMIPO Global Pte Ltd.	Holding company	SINGAPORE	100.00%	100.00%
KEPCO Canada Energy Ltd.	Resources development	CANADA	100.00%	100.00%
KEPCO Netherlands B.V.	Holding company	NETHERLANDS	100.00%	100.00%
KOREA Imouraren Uranium Investment Ltd.	Uranium mine development	FRANCE	100.00%	100.00%
KEPCO Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOSEP Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOMIPO Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOWEPO Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KOSPO Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
KEPCO Middle East Holding Company	Holding company	BAHRAIN	100.00%	100.00%
Qatrana Electric Power Company	Construction and operation of utility plant	JORDAN	80.00%	80.00%
KHNP Canada Energy Ltd.	Resources development	CANADA	100.00%	100.00%
KEPCO Bylong Australia Pty., Ltd.	Resources development	AUSTRALIA	100.00%	100.00%
Korea Waterbury Uranium Limited Partnership	Resources development	CANADA	79.64%	79.64%
KEPCO Canada Uranium Investment Limited Partnership	Resources development	CANADA	100.00%	100.00%
Sylardus Holding B.V. (*3)	Holding company	NETHERLANDS		100.00%
Akkuyu Finance B.V. (*3)	Construction and operation of utility plant	NETHERLANDS		100.00%

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Akkuyu Fuel B.V. (*3)	Construction and operation of utility plant	NETHERLANDS		100.00%
Akkuyu Operations B.V. (*3)	Construction and operation of utility plant	NETHERLANDS		100.00%
Korea Electric Power Nigeria Ltd.	Operation of utility plant	NIGERIA	100.00%	100.00%
KEPCO Holdings de Mexico	Holding company	MEXICO	100.00%	100.00%
KST Electric Power Company	Construction and operation of utility plant	MEXICO	56.00%	56.00%
KEPCO Energy Service Company	Operation of utility plant	MEXICO	100.00%	100.00%
KEPCO Netherlands S3 B.V.	Holding company	NETHERLANDS	100.00%	100.00%
PT. KOMIPO				
Pembangkitan Jawa Bali	Operation of utility plant	INDONESIA	51.00%	51.00%
PT. Cirebon Power Service (*2)	Operation of utility plant	INDONESIA	27.50%	27.50%
KOWEPO International Corporation	Operation of utility plant	PHILIPPINES	99.99%	99.99%

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

16. Investments in Subsidiaries, Continued**(1) Investments in subsidiaries as of September 30, 2013 and December 31, 2012 are as follows, continued:**

Subsidiaries	Key operation activities	Location	Percentage of ownership (%)	
			September 30, 2013	December 31, 2012
KOSPO Jordan LLC	Operation of utility plant	JORDAN	100.00%	100.00%
EWP Cebu Corporation	Operation of utility plant	PHILIPPINES	100.00%	100.00%
EWP Philippine Holdings Corporation	Holding company	PHILIPPINES	100.00%	100.00%
EWP America Inc.	Holding company	USA	100.00%	100.00%
EWP Renewable Co.	Holding company	USA	100.00%	100.00%
DG Fairhaven Power, LLC	Power generation	USA	100.00%	100.00%
DG Kings Plaza Holdings, LLC	Holding company	USA	100.00%	100.00%
DG Kings Plaza, LLC	Power generation	USA	100.00%	100.00%
DG Kings Plaza II, LLC	Holding company	USA	100.00%	100.00%
DG Whitefield, LLC	Power generation	USA	100.00%	100.00%
Springfield Power, LLC	Power generation	USA	100.00%	100.00%
KNF Canada Energy Limited	Resources development	CANADA	96.36%	96.36%
PT KEPCO Resource Indonesia	Resources development	INDONESIA	100.00%	100.00%
EWP Barbados 1 SRL	Holding company	BARBADOS	100.00%	100.00%
California Power Holdings, LLC	Power generation	USA	100.00%	100.00%
Gyeonggi Green Energy Co., Ltd.	Power generation	KOREA	62.01%	49.00%
PT. Tanggamus Electric Power	Power generation	INDONESIA	60.00%	60.00%
Gyeongju Wind Power Co., Ltd.	Power generation	KOREA	70.00%	70.00%
KOMIPO America Inc.	Holding company	USA	100.00%	100.00%

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Boulder Solar Power, LLC	Solar photovoltaic power generation	USA	75.00%	75.00%
EWPRC Biomass Holdings, LLC	Holding company	USA	100.00%	100.00%
KOSEP USA, INC.	Power generation	USA	100.00%	100.00%
Nepal Water & Energy Development Company Pty Ltd. (*1, 2)	Construction and operation of utility plant	NEPAL	50.00%	50.00%
PT. EWP Indonesia	Holding company	INDONESIA	100.00%	100.00%
KOWEPO America LLC.	Solar photovoltaic power generation	USA	100.00%	100.00%
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%
EWP Barbados 2 SRL	Holding company	BARBADOS	100.00%	100.00%
Global One Pioneer B.V.	Holding company	NETHERLANDS	100.00%	100.00%
Global Energy Pioneer B.V.	Holding company	NETHERLANDS	100.00%	100.00%
KOSEP Wind Power, LLC.	Power generation	USA	100.00%	100.00%
Mira Power Limited (*1)	Power generation	PAKISTAN	76.00%	76.00%
KOSEP Material Co., Ltd.	Power generation	KOREA	77.04%	
Commerce and Industry Energy Co., Ltd.	Power generation	KOREA	59.03%	29.51%
KEPCO Singapore Holding Pte., Ltd.	Holding company	SINGAPORE	100.00%	
KOWEPO India Private Limited	Holding company	INDIA	100.00%	
KEPCO KPS Philippines Corp.	Utility plant maintenance and others	PHILIPPINES	100.00%	

(*1) As of September 30, 2013, the reporting period end date of all consolidated subsidiaries is December 31, except for Nepal Water & Energy Development Company Pty Ltd. and Mira Power Limited.

(*2) The Group owns less than 50% of the shares of the respective entities. However, these subsidiaries are included in the consolidated financial statements as the Group obtains the majority of the voting power through the shareholders agreement.

(*3) Disposed during the nine-month period ended September 30, 2013, and losses on disposal of investments in associated and joint ventures amounted to 113 million was recognized.

(*4) Reclassified as investments in associates and joint ventures due to the lost of control during the nine-month period ended September 30, 2013 and gains on disposal of investments in associated and joint ventures amounted to 1,056 million was recognized.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

16. Investments in Subsidiaries, Continued**(2) Subsidiaries newly included in or excluded from consolidation for the nine-month period ended September 30, 2013 are as follows:****(i) Subsidiaries newly included in consolidation**

Subsidiary	Reason
KOSEP Material Co., Ltd.	New investment
Commerce and Industry Energy Co., Ltd.	Step acquisition
KEPCO Singapore Holding Pte., Ltd.	New investment
KOWEPO India Private Limited	New investment
KEPCO KPS Philippines Corp.	New investment

(ii) Subsidiaries excluded from consolidation

Subsidiary	Reason
Dongducheon Dream Power Co., Ltd.	Decrease of voting power to appoint directors
Sylardus Holding B.V.	Liquidation
Akkuyu Finance B.V.	Liquidation
Akkuyu Fuel B.V.	Liquidation
Akkuyu Operations B.V.	Liquidation

(3) Summary of financial information of consolidated subsidiaries as of and for the nine-month period ended September 30, 2013 and as of and for the year ended December 31, 2012 are as follows:*In millions of won***September 30, 2013**

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Subsidiaries	Total assets	Total liabilities	Sales	Profit (loss) for the period
Korea Hydro & Nuclear Power Co., Ltd.	46,483,274	25,753,940	5,402,178	398,219
Korea South-East Power Co., Ltd.	8,358,588	4,590,524	3,294,449	226,024
Korea Midland Power Co., Ltd.	6,024,982	2,976,212	4,413,689	175,808
Korea Western Power Co., Ltd.	6,678,252	3,476,987	4,402,494	160,390
Korea Southern Power Co., Ltd.	6,964,655	3,498,654	5,395,336	113,144
Korea East-West Power Co., Ltd.	6,773,736	3,282,811	4,051,909	92,338
KEPCO Engineering & Construction Company, Inc.	777,676	386,459	515,215	37,570
Korea Plant Service & Engineering Co., Ltd.	825,993	272,518	786,914	85,384
Korea Nuclear Fuel Co., Ltd.	500,364	224,318	163,286	12,518
Korea Electric Power Data Network Co., Ltd.	331,574	103,261	236,236	4,091
Garorim Tidal Power Plant Co., Ltd.	36,047	1,555		(1,438)
Korea Power Engineering & Power Services Co., Ltd.	7,879	1,445	14,708	1,424
KEPCO International HongKong Ltd.	246,097	90		10,221
KEPCO International Philippines Inc.	102,828	577		(12)
KEPCO Gansu International Ltd.	15,998	495		(3)
KEPCO Philippines Holdings Inc.	119,578			327
KEPCO Philippines Corporation	14,883	173		510
KEPCO Ilijan Corporation	717,550	91,408	105,915	56,438
KEPCO Lebanon SARL	6,781	9,251		(765)
KEPCO Neimenggu International Ltd.	181,074			1,277
KEPCO Shanxi International Ltd.	496,155	223,674		(2,266)
KOMIPO Global Pte Ltd.	129,360	22		8,148
KEPCO Canada Energy Ltd.	74,325	12,925		(139)
KEPCO Netherlands B.V.	213,580	68		2,473
KOREA Imouraren Uranium Investment Ltd.	247,457	151		(35)
KEPCO Australia Pty., Ltd.	515,043	169,518	3,584	(18,390)
KOSEP Australia Pty., Ltd.	19,393	991	3,550	1,182
KOMIPO Australia Pty., Ltd.	19,381	988	3,550	1,177

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

16. Investments in Subsidiaries, Continued

- (3) **Summary of financial information of consolidated subsidiaries as of and for the nine-month period ended September 30, 2013 and as of and for the year ended December 31, 2012 are as follows, continued:**

In millions of won

Subsidiaries	September 30, 2013			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
KOWEPO Australia Pty., Ltd.	19,533	989	3,550	1,179
KOSPO Australia Pty., Ltd.	19,602	990	3,550	1,180
KEPCO Middle East Holding Company	108,877	102,679		3,206
Qatrana Electric Power Company	532,054	480,042	13,098	16,167
KHNP Canada Energy Ltd.	53,005	26		(43)
KEPCO Bylong Australia Pty., Ltd.	84,089	136		(5,128)
Korea Waterbury Uranium Limited Partnership	21,443	18		109
KEPCO Canada Uranium Investment Limited Partnership	79,718	23		(41)
Korea Electric Power Nigeria Ltd.	14	5	223	9
KEPCO Holdings de Mexico	10	11		(12)
KST Electric Power Company	419,053	410,803		(413)
KEPCO Energy Service Company	754	458	2,724	300
KEPCO Netherlands S3 B.V.	541	14		(43)
PT. KOMIPO Pembangkitan Jawa Bali	17,350	6,766	16,002	7,043
PT. Cirebon Power Service	1,466	600	5,518	248
KOWEPO International Corporation	1,981	33		
KOSPO Jordan, LLC.	16,458	10,406	5,872	2,181
EWP Cebu Corporation	7,505	292	216	(789)
EWP Philippine Holdings Corporation	228	7		(1)
EWP America Inc. (*)	107,528	79,646	39,501	(2,929)
KNF Canada Energy Limited	2,377	16		(58)
PT KEPCO Resource Indonesia	1,685			(39)
EWP Barbados 1 SRL	307,777	146	2,074	(3,273)
Gyeonggi Green Energy Co., Ltd.	399,737	325,285		(699)
PT. Tanggamus Electric Power	11,092	424		(2,305)

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Gyeongju Wind Power Co., Ltd.	47,193	31,968	5,003	1,047
KOMIPO America Inc.	7,750	6		
Boulder Solar Power, LLC.	8,232	6		(1,694)
KOSEP USA, INC.	31,702	11		(550)
Nepal Water & Energy Development Company Pty Ltd.	28,565	10,017		(1,548)
PT. EWP Indonesia	821	1		(250)
KOWEPO America, LLC.	6,107	58		(971)
KEPCO Netherlands J3 B.V.	104,252	73		(73)
Korea Offshore Wind Power Co., Ltd.	3,734	986		(2,141)
EWP Barbados 2 SRL	44			(634)
Global One Pioneer B.V.	55			(16)
Global Energy Pioneer B.V.	55			(16)
KOSEP Wind Power, LLC.	795	352	1,452	235
Mira Power Limited	6,203	112		(631)
KOSEP Material Co., Ltd	13,846	451		(106)
Commerce and Industry Energy Co., Ltd.	105,506	86,801	7,809	(1,365)
KEPCO Singapore Holding Pte., Ltd.				
KOWEPO India Private Limited	1,721			
KEPCO KPS Philippines Corp.	384	14	137	(30)

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

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Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

16. Investments in Subsidiaries, Continued

- (3) **Summary of financial information of consolidated subsidiaries as of and for the nine-month period ended September 30, 2013 and as of and for the year ended December 31, 2012 are as follows, continued:**

In millions of won

Subsidiaries	December 31, 2012			
	Total assets	Total liabilities	Sales	Profit (loss) for the period
Korea Hydro & Nuclear Power Co., Ltd.	45,061,851	24,638,944	6,717,341	126,181
Korea South-East Power Co., Ltd.	7,218,552	3,564,786	4,672,289	179,139
Korea Midland Power Co., Ltd.	5,767,527	2,828,679	5,427,872	132,306
Korea Western Power Co., Ltd.	5,716,612	2,615,447	5,967,870	118,319
Korea Southern Power Co., Ltd.	6,441,594	3,038,450	6,955,053	103,368
Korea East-West Power Co., Ltd.	6,069,774	2,593,576	5,950,683	164,489
KEPCO Engineering & Construction Company, Inc.	861,882	435,913	785,586	134,310
Korea Plant Service & Engineering Co., Ltd.	756,214	224,674	1,006,609	117,888
Korea Nuclear Fuel Co., Ltd.	500,744	221,196	238,627	30,844
Korea Electric Power Data Network Co., Ltd.	320,860	96,911	338,769	3,714
Garorim Tidal Power Plant Co., Ltd.	37,476	1,546		(1,404)
Korea Power Engineering & Power Services Co., Ltd.	7,093	2,043	10,381	3,206
Dongducheon Dream Power Co., Ltd.	235,002	856		(4,289)
KEPCO International HongKong Ltd.	246,889	35		25,262
KEPCO International Philippines Inc.	102,564	728		13,264
KEPCO Gansu International Ltd.	15,934	493		(8)
KEPCO Philippines Holdings Inc.	125,971	162		1,650
KEPCO Philippines Corporation	18,020	826		(573)
KEPCO Ilijan Corporation	678,488	109,610	146,295	83,647
KEPCO Lebanon SARL	7,111	8,850		(1,846)
KEPCO Neimenggu International Ltd.	182,669			22,307
KEPCO Shanxi International Ltd.	496,410	223,186		(2,960)

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KOMIPO Global Pte Ltd.	111,765	115		(4,780)
KEPCO Canada Energy Ltd.	81,560	13,602		(43)
KEPCO Netherlands B.V.	219,828	31		10,345
KOREA Imouraren Uranium Investment Ltd.	241,481	114		(51)
KEPCO Australia Pty., Ltd.	547,886	168,837	5,446	1,034
KOSEP Australia Pty., Ltd.	19,878	495	5,301	2,067
KOMIPO Australia Pty., Ltd.	19,869	957	5,307	1,142
KOWEPO Australia Pty., Ltd.	20,036	491	5,301	1,636
KOSPO Australia Pty., Ltd.	20,112	959	5,309	1,146
KEPCO Middle East Holding Company	105,319	102,250		2,526
Qatrana Electric Power Company	467,457	432,000	19,172	24,499
KHNP Canada Energy Ltd.	55,238	705		(20)
KEPCO Bylong Australia Pty., Ltd.	73,016	252		(4,007)
Korea Waterbury Uranium Limited Partnership	22,623	701		(39)
KEPCO Canada Uranium Investment Limited Partnership	89,223			(5)
Sylardus Holding B.V.	103	178		(52)
Akkuyu Finance B.V.	6	80		(27)
Akkuyu Fuel B.V.	7	75		(26)
Akkuyu Operations B.V.	6	74		(26)
Korea Electric Power Nigeria Ltd.	6	5	252	(39)
KEPCO Holdings de Mexico	31	13		(13)
KST Electric Power Company	345,416	387,121		(8,498)
KEPCO Energy Service Company	73	53	296	13
KEPCO Netherlands S3 B.V.	480	10		(88)
PT. KOMIPO Pembangkitan Jawa Bali	19,175	8,449	21,439	5,714
PT. Cirebon Power Service	1,182	277	7,256	541
KOWEPO International Corporation	2,080	34		(182)
KOSPO Jordan, LLC.	6,375	1,108	14,186	2,606
EWP Cebu Corporation	10,329	1,441	9,991	2,744

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September 30, 2013

(Unaudited)

16. Investments in Subsidiaries, Continued

- (3) **Summary of financial information of consolidated subsidiaries as of and for the nine-month period ended September 30, 2013 and as of and for the year ended December 31, 2012 are as follows, continued:**

In millions of won

Subsidiaries	December 31, 2012			Profit (loss) for the period
	Total assets	Total liabilities	Sales	
EWP Philippine Holdings Corporation	241	6		(1)
EWP America Inc. (*)	117,971	87,346	44,618	(6,113)
KNF Canada Energy Limited	2,412	5		(38)
PT KEPCO Resource Indonesia	1,715			1
EWP Barbados 1 SRL	309,581	138	2,817	1,696
Gyeonggi Green Energy Co., Ltd.	103,342	68,991		(465)
PT. Tanggamus Electric Power	12,583	386		(3,199)
Gyeongju Wind Power Co., Ltd.	48,501	34,355	1,605	980
KOMIPO America Inc.	6,427			
Boulder Solar Power, LLC.	8,553	6		(24)
KOSEP USA, INC.	30,734	249		(424)
Nepal Water & Energy Development Company Pty Ltd.	21,114	12,114		(2,901)
PT. EWP Indonesia	882			(289)
KOWEPO America, LLC.	4,517	346		(2,147)
KEPCO Netherlands J3 B.V.	33,138	31		(31)
Korea Offshore Wind Power Co., Ltd.	4,966	76		(37)
EWP Barbados 2 SRL	779			(614)
Global One Pioneer B.V.	71			(1)
Global Energy Pioneer B.V.	71			(1)
KOSEP Wind Power, LLC.	213			(1)
Mira Power Limited	1,841	11		(2)

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

Springfield Power, LLC., California Power Holdings, LLC., EWPRC Biomass Holdings, LLC. and DG Kings Plaza II, LLC.

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KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Interim Financial Statements, Continued

September 30, 2013

(Unaudited)

16. Investments in Subsidiaries, Continued

(4) Details of non-controlling interest prior to inter-group eliminations as of and for the nine-month period ended September 30, 2013 and as of and for the year ended December 31, 2012 are as follows:

In millions of won

Description	September 30, 2013					Others	Total
	KEPCO Ilijan Corporation	Engineering Co., Ltd.	Service Dream Power Co., Ltd.	Construction Group, Inc.	Carorim Tidal Power Plant Co., Ltd.		
Current assets	250,390	435,535		523,284	623	526,852	1,736,684
Non-current assets	467,160	390,458		254,392	35,424	1,593,519	2,740,953
Current liabilities	(58,208)	(197,652)		(333,655)	(1,489)	(248,940)	(839,944)
Non-current liabilities	(33,200)	(74,866)		(52,804)	(66)	(1,330,271)	(1,491,207)
Net assets	626,142	553,475		391,217	34,492	541,160	2,146,486
Book value of non-controlling interest	306,809	166,043		98,352	17,591	596,472	1,185,267
Sales	105,915	786,914		515,215		225,562	1,633,606