

KOREA ELECTRIC POWER CORP

Form 6-K

September 09, 2016

Table of Contents

**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 September 2016**

**Commission File Number: 001-13372**

**KOREA ELECTRIC POWER CORPORATION**

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

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

**(Address of principal executive offices)**

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-\_\_\_\_\_.

**Table of Contents**

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

**Table of Contents**

QUARTERLY BUSINESS REPORT

(For the period from January 1, 2016 to June 30, 2016)

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

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

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

**Table of Contents**

**I. Company Overview**

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

2. Information of the company

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

(Phone number) 82-61-345-4261

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

3. Major businesses

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

- 1 development of electric power resources;
- 1 generation, transmission, transformation and distribution of electricity and other related activities;
- 1 research and development of technology related to the businesses mentioned above;
- 1 overseas business related to the businesses mentioned above;
- 1 investment or contributions related to the businesses mentioned above;
- 1 development and operation of certain real estate holdings; and
- 1 other businesses entrusted by the government.

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

4. Subsidiaries and affiliates of KEPCO

(As of June 30, 2016)

<b>Classification</b>	<b>Consolidated subsidiaries</b>	<b>Associates and joint ventures</b>	<b>Total</b>
Domestic	21	57	78
Overseas	60	37	97
<b>Total</b>	<b>81</b>	<b>94</b>	<b>175</b>

**Table of Contents**

## 5. Major changes in management for the second three-month period ended June 30, 2016

A. At the extraordinary meeting of shareholders of KEPCO held on April 25, 2016, Mr. Lee, Sung-Han was appointed as a standing director and a member of the audit committee in replacement of Mr. Ahn, Hong-Ryoul, whose term of office expired. On the same date, Mr. Cho, Jeon-Hyeok was reappointed as a non-standing director and a member of the audit committee.

B. On May 16, 2016, Mr. Kim, Ji-Hong was appointed as a non-standing director in the replacement of Mr. Ahn, Hyun-Ho, who voluntarily resigned on March 17, 2016.

## 6. Changes in major shareholders

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

## 7. Information regarding KEPCO shares

A. Issued share capital: Won 3,210 billion (Authorized capital: Won 6 trillion)

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

C. Dividends: Dividend payment of Won 3,100 per share for fiscal year 2015 (Won 1.99 trillion in aggregate). Dividend payments for fiscal year 2014 and 2013 were Won 500 and Won 90 per share respectively and no dividend was paid for fiscal year 2012.

**II. Business Overview**

## 1. Consolidated financial results by segment for a six-month period ended June 30, 2015 and 2016

(In billions of Won)

	January to June 2015		January to June 2016	
	Sales	Operating profit	Sales	Operating profit
Electricity sales	28,498	1,930	28,819	2,175
Nuclear generation	4,638	1,192	5,671	2,165
Thermal generation	10,710	1,034	10,270	1,982
Others(*)	1,485	164	1,474	195
<b>Subtotal</b>	<b>45,331</b>	<b>4,320</b>	<b>46,234</b>	<b>6,517</b>
Adjustment for related-party transactions	-16,535	8	-17,273	- 207
<b>Total</b>	<b>28,796</b>	<b>4,328</b>	<b>28,961</b>	<b>6,310</b>

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

(\*) Others relate to 75 subsidiaries including KEPCO E&C, KEPCO KPS, KEPCO NF and KEPCO KDN, among others.

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

**Table of Contents**

## 2. Changes in unit prices of major products

(In Won per kWh)

Business sector	Company	January to March	January to June	
		2016	2016	
Electricity sold	Residential	129.91	124.02	
	Commercial	129.40	126.48	
	Educational	104.21	106.94	
	Industrial	107.91	103.64	
	Agricultural	47.56	47.86	
	Street lighting	108.89	114.05	
	Overnight usage	72.86	67.77	
Electricity from nuclear generation	Nuclear Generation	KHNP	75.93	65.08
Electricity from thermal generation	Thermal generation	KOSEP	81.66	71.39
		KOMIPO	92.88	81.70
		KOWEPO	98.86	86.68
		KOSPO	100.14	86.14
		EWP	98.06	87.00

## 3. Power purchase from generation companies for the six-month period ended June 30, 2016

Company	Volume (MWh)	Expense (In billions of Won)
KHNP	84,441,535	5,584
KOSEP	32,960,248	2,354
KOMIPO	21,022,889	1,719
KOWEPO	22,925,975	1,988
KOSPO	21,279,364	1,833
EWP	23,111,784	2,009
Others	49,724,715	4,782
Total	255,466,510	20,269

Excludes expense related to the renewable portfolio standard provisions and emission trading system.



**Table of Contents**

## 4. Intellectual property as of June 30, 2016

	Patents		Utility		Trademarks		Total
	Domestic	Overseas	models	Designs	Domestic	Overseas	
KEPCO	1,804	175	96	73	125	44	2,317
Consolidated subsidiaries	3,635	567	747	98	258	16	5,321
Total	5,439	742	843	171	383	60	7,638

**III. Financial Information**

## 1. Condensed consolidated financial results as of and for a six-month period ended June 30, 2015 and 2016

(In billions of Won)

Consolidated statements of comprehensive income				Consolidated statements of financial position			
	January to June 2015	January to June 2016	Change (%)		December 31, 2015	June 30, 2016	Change (%)
Sales	28,796	28,961	0.6	Total assets	175,257	175,191	0.0
Operating profit	4,328	6,310	45.8	Total liabilities	107,315	105,551	-1.6
Net income	2,565	3,931	53.2	Total equity	67,942	69,640	2.5

**Table of Contents**

2. Condensed separate financial results as of and for the six-month period ended June 30, 2015 and 2016

(In billions of Won)

Separate statements of comprehensive income				Separate statements of financial position			
	January to June 2015	January to June 2016	Change (%)		December 31, 2015	June 30, 2016	Change (%)
Sales	28,498	28,819	1.1	Total assets	106,306	103,638	-2.5
Operating profit	1,931	2,175	12.7	Total liabilities	53,125	50,062	-5.8
Net income	1,929	2,448	26.9	Total equity	53,181	53,576	0.7

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

1. The board of directors is required to consist of not more than 15 directors including the president. Under our Article of Incorporation, there may not be more than 7 standing directors including president, and more than 8 non-standing directors. The number of non-standing directors must exceed the number of standing directors, including our president.

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

2. Board meetings and agendas for a six-month period ended June 30, 2016

Number of meetings	Number of agendas	Resolutions	Results Approved as proposed	Reports	Results Accepted as reported
10	37	31		6	

\* The audit committee held 6 meetings with 24 agendas (of which, 14 were resolved as proposed and 10 were approved as reported).

**Table of Contents**

## 3. Major activities of the Board of Directors

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
January 5, 2016	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
	Approval to call for the extraordinary general meeting of shareholders for the fiscal year 2016	Approved as proposed	Resolution
February 19, 2016	Approval of the maximum aggregate amount of remuneration for directors in 2016	Approved as proposed	Resolution
	Approval of consolidated and separate financial statements for the fiscal year 2015	Approved as proposed	Resolution
	Approval to call for the annual general meeting of shareholders for the fiscal year 2015	Approved as proposed	Resolution
	Approval of contribution to a special purpose company for solar power project in Hokkaido, Japan	Approved as proposed	Resolution
	Composition of and approval of standards for examining candidates for the Director Nomination Committee to recommend candidates for a standing director and member of the Audit Committee	Approved as proposed	Resolution
	Approval to close the shareholders registry for extraordinary general meeting of shareholders	Approved as proposed	Resolution
	Report on the annual management of commercial papers in 2015	Accepted as reported	Report
	Report on internal control over financial reporting for the fiscal year 2015	Accepted as reported	Report
	Evaluation report on internal control over financial reporting for the fiscal year 2015	Accepted as reported	Report
	Report on operating plan of the Act on the Control and Supervision on Nuclear Power Suppliers, etc. for the Prevention of Corruption in the Nuclear Power Industry	Accepted as reported	Report

**Table of Contents**

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
February 29, 2016	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	Approved as proposed	Resolution
	Approval of the Statement of Appropriation of fiscal year 2015 retained earnings	Approved as proposed	Resolution
March 18, 2016	Approval of Agreement on Management Performance Assessment for the President	Approved as proposed	Resolution
	Approval of the establishment of a new organization	Approved as proposed	Resolution
	Approval of amendments to the Electricity Usage Agreement and Rules for Operation	Approved as proposed	Resolution
	Approval of liquidation of Dolphin, an associate located in Nigeria	Approved as proposed	Resolution
	Composition of and approval of standards for examining candidates for the Director Nomination Committee to recommend candidates for non-standing directors	Approved as proposed	Resolution
	Auditor s report to the board of directors for 2015	Accepted as reported	Report
April 8, 2016	Recommendation of candidates for the Audit Committee	Approved as proposed	Resolution
	Approval to call for the extraordinary meeting of shareholders for the fiscal year 2016	Approved as proposed	Resolution
April 15, 2016	Approval of amendments to the Articles of Incorporation	Approved as proposed	Resolution
	Approval of the establishment of a new organization	Approved as proposed	Resolution
	Approval of amendments to the regulation for employee remuneration and welfare	Approved as proposed	Resolution

**Table of Contents**

<b>Date</b>	<b>Agenda</b>	<b>Results</b>	<b>Type</b>
April 29, 2016	Approval of adoption of proposal of merit-based annual salary for state-owned corporations and amendments to the regulation for remuneration and welfare	Approved as proposed	Resolution
May 20, 2016	Approval to establish and contribute to a Special Purpose Company for solar energy business in schools, one of the Government's top ten energy industry initiatives	Approved as proposed	Resolution
	Approval to establish electricity vehicle charging infrastructure	Approved as proposed	Resolution
	Approval of long-term plan for power transmission and distribution network	Approved as proposed	Resolution
	Approval to transfer KEPCO's shares in KEPCO Energy Resource Nigeria, Ltd (KERNL) to ERL	Approved as proposed	Resolution
	Report on results of external and internal audits for the first quarter of 2016	Accepted as reported	Report
June 17, 2016	Approval to establish and contribute to a Special Purpose Company for energy efficiency business, Government's top ten energy industry initiatives	Conditional approved as proposed	Resolution
	Approval to finance the new energy industry fund and operating company	Deferred	-
	Approval to modify capital budget for fiscal year 2016 to finance a Special Purpose Company for the new energy industry fund and energy efficiency business	Deferred	-
	Approval of mid-to-long term financial management plan (2016-2020)	Approved as proposed	Resolution
June 24, 2016	Approval to contribute to the new energy industry fund and operating company	Accepted as revised	Resolution
	Approval to modify capital budget for fiscal year 2016	Accepted as revised	Resolution

**Table of Contents**

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

<b>Date</b>	<b>Agenda</b>	<b>Ahn, Choong- Yong</b>	<b>Lee, Kang- Hee</b>	<b>Cho, Jeon- Hyeok</b>	<b>Choi, Ki- Ryun</b>	<b>Sung, Tae- Hyun</b>	<b>Koo, Ja- Yoon</b>	<b>Ahn, Hyun- Ho(*)</b>	<b>Kim, Joo- Suen</b>	<b>Kim, Ji- Hong(*)</b>
January 5, 2016	Approval to close the shareholders registry for extraordinary general meeting of shareholders	For	For	For	For	For	For	Absence	For	-
	Approval to call for the extraordinary general meeting of shareholders for the fiscal year 2016	For	For	For	For	For	For	Absence	For	-
February 19, 2016	Approval of the maximum aggregate amount of remuneration for directors in 2016	For	For	For	For	For	For	For	For	-
	Approval of consolidated and separate financial statements for the fiscal year 2015	For	For	For	For	For	For	For	For	-
	Approval to call for the annual general meeting of shareholders for the fiscal year 2015	For	For	For	For	For	For	For	For	-
	Approval of contribution to a special purpose company for solar power project in Hokkaido, Japan	For	For	For	For	For	For	For	For	-
	Composition of and approval of standards for examining candidates for the Director Nomination Committee to recommend candidates for a standing director and member of the Audit	For	For	For	For	For	For	For	For	-

Committee										
Approval to close the shareholders registry for extraordinary general meeting of shareholders	For	For	For	For	For	For	For	For	For	-
Report on the annual management of commercial papers in 2015									Agenda for Report	
Report on internal control over financial reporting for the fiscal year 2015									Agenda for Report	
Evaluation report on internal control over financial reporting for the fiscal year 2015									Agenda for Report	
Report on operating plan of the Act on the Control and Supervision on Nuclear Power Suppliers, etc. for the Prevention of Corruption in the Nuclear Power Industry									Agenda for Report	





**Table of Contents**

Date	Agenda	Ahn, Choong- Yong	Lee, Kang- Hee	Cho, Jeon- Hyeok	Choi, Ki- Ryun	Sung, Tae- Hyun	Koo, Ja- Yoon	Ahn, Hyun- Ho(*)	Kim, Joo- Suen	Kim, Ji- Hong(*)
April 8, 2016	Recommendation of candidates for the Audit Committee	For	For	Absence	For	Absence	For	-	For	-
	Approval to call for the extraordinary meeting of shareholders for the fiscal year 2016	For	For	Absence	For	Absence	For	-	For	-
April 15, 2016	Approval of amendments to the Articles of Incorporation	For	For	For	For	Absence	For	-	For	-
	Approval of the establishment of a new organization	For	For	For	For	Absence	For	-	For	-
	Approval of amendments to the regulation for employee remuneration and welfare	For	For	For	For	Absence	For	-	For	-
April 29, 2016	Approval of adoption of proposal of merit-based annual salary for state-owned corporations and amendments to the regulation for remuneration and welfare	For	For	For	For	Absence	For	-	For	-
May 20, 2016	Approval to establish and contribute to a Special Purpose Company for solar energy business in schools, one of the Government's top ten energy industry initiatives	For	For	Absence	For	For	Absence	-	For	For
	Approval to establish electricity vehicle charging infrastructure	For	For	Absence	For	For	Absence	-	For	&