

KOREA ELECTRIC POWER CORP  
Form 6-K  
March 22, 2019

**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 March 2019**

**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.

Edgar Filing: KOREA ELECTRIC POWER CORP - Form 6-K

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- .

At the annual general meeting ( AGM ) of shareholders of Korea Electric Power Corporation ( KEPCO ) held on March 22, 2019, all the agendas set forth below submitted for shareholder approval were approved by the shareholders as originally proposed:

**1. Agendas for Shareholder Approval:**

- 1) Approval of financial statements for the fiscal year 2018
- 2) Approval of the maximum aggregate amount of remuneration for directors in 2019

Aggregate ceiling on remuneration for directors in 2019 : 2,174,564 thousand won

**2. Voting Results**

| Agenda | Outstanding Shares | Attendant Shares | Shares for          |
|--------|--------------------|------------------|---------------------|
| 1. 1)  | 641,964,077        | 525,181,688      | 491,395,343 (93.6%) |
| 1. 2)  | 641,964,077        | 525,181,688      | 476,740,593 (90.8%) |

Details on the proposed agenda for the AGM are attached hereto.

SIGNATURES

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

By: /s/ Kim,

Kab-soon\_\_\_\_\_

Name: Kim, Kab-soon

Title: Vice President

Date: March 22, 2019

*Attachment*

**Agenda 1. Approval of Financial Statements for the Fiscal Year 2018**

Disclaimer: The financial statements for the fiscal year 2018 as presented below is in accordance with the International Financial Reporting Standard adopted in Korea (K-IFRS), and are subject to shareholders' approval.

KOREA ELECTRIC POWER CORPORATION

AND SUBSIDIARIES

Consolidated Financial Statements

December 31, 2018

(With Independent Auditors' Report Thereon)

## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Financial Position

As of December 31, 2018 and 2017

| <i>In millions of won</i>                    | <i>Note</i>                | <b>2018</b>          | <b>2017</b>        |
|--|----------------------------|----------------------|--------------------|
| <b>Assets</b>                                |                            |                      |                    |
| Current assets                               |                            |                      |                    |
| Cash and cash equivalents                    | 5,6,7,48                   | ₩ 1,358,345          | 2,369,739          |
| Current financial assets, net                | 5,9,12,13,14,15,48         | 2,359,895            | 1,958,357          |
| Trade and other receivables, net             | 5,8,17,23,48,49,50         | 7,793,592            | 7,928,972          |
| Inventories, net                             | 16                         | 7,188,253            | 6,002,086          |
| Income tax refund receivables                | 44                         | 143,214              | 100,590            |
| Current non-financial assets                 | 18                         | 878,888              | 753,992            |
| Assets held-for-sale                         | 45                         | 22,881               | 27,971             |
| <b>Total current assets</b>                  |                            | <b>19,745,068</b>    | <b>19,141,707</b>  |
| Non-current assets                           |                            |                      |                    |
| Non-current financial assets, net            | 5,6,9,10,11,12,13,14,15,48 | 2,113,613            | 2,038,913          |
| Non-current trade and other receivables, net | 5,8,17,48,49,50            | 1,819,845            | 1,754,797          |
| Property, plant and equipment, net           | 21,30,52                   | 152,743,194          | 150,882,414        |
| Investment properties, net                   | 22,30                      | 159,559              | 284,714            |
| Goodwill                                     | 19                         | 2,582                | 2,582              |
| Intangible assets other than goodwill, net   | 24,30,49                   | 1,225,942            | 1,187,121          |
| Investments in associates                    | 4,20                       | 4,064,820            | 3,837,421          |
| Investments in joint ventures                | 4,20                       | 1,813,525            | 1,493,275          |
| Deferred tax assets                          | 44                         | 1,233,761            | 919,153            |
| Non-current non-financial assets             | 18                         | 327,152              | 246,818            |
| <b>Total non-current assets</b>              |                            | <b>165,503,993</b>   | <b>162,647,208</b> |
| <b>Total Assets</b>                          | <b>4</b>                   | <b>₩ 185,249,061</b> | <b>181,788,915</b> |

*(Continued)*

## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Financial Position, Continued

As of December 31, 2018 and 2017

| <i>In millions of won</i>                 | <i>Note</i>   | <b>2018</b>   | <b>2017</b> |
|---|---------------|---------------|-------------|
| <b>Liabilities</b>                        |               |               |             |
| Current liabilities                       |               |               |             |
| Trade and other payables, net             | 5,25,27,48,50 | ₩ 6,405,395   | 5,999,521   |
| Current financial liabilities, net        | 5,14,26,48,50 | 7,981,879     | 9,194,552   |
| Income tax payables                       | 44            | 285,420       | 508,402     |
| Current non-financial liabilities         | 23,31,32      | 5,574,041     | 5,584,308   |
| Current provisions                        | 29,48         | 1,594,798     | 2,137,498   |
| <b>Total current liabilities</b>          |               | 21,841,533    | 23,424,281  |
| Non-current liabilities                   |               |               |             |
| Non-current trade and other payables, net | 5,25,27,48,50 | 2,941,696     | 3,223,480   |
| Non-current financial liabilities, net    | 5,14,26,48,50 | 53,364,911    | 45,980,899  |
| Non-current non-financial liabilities     | 31,32         | 8,160,033     | 8,072,434   |
| Employee benefits liabilities, net        | 28,48         | 1,645,069     | 1,483,069   |
| Deferred tax liabilities                  | 44            | 9,617,309     | 10,415,397  |
| Non-current provisions                    | 29,48         | 16,585,748    | 16,224,714  |
| <b>Total non-current liabilities</b>      |               | 92,314,766    | 85,399,993  |
| <b>Total Liabilities</b>                  | 4             | ₩ 114,156,299 | 108,824,274 |
| <b>Equity</b>                             |               |               |             |
| Contributed capital                       | 1,33,48       |               |             |
| Share capital                             |               | ₩ 3,209,820   | 3,209,820   |
| Share premium                             |               | 843,758       | 843,758     |
|   |               | 4,053,578     | 4,053,578   |
| Retained earnings                         | 34            |               |             |
| Legal reserves                            |               | 1,604,910     | 1,604,910   |
| Voluntary reserves                        |               | 35,906,267    | 34,833,844  |
| Unappropriated retained earnings          |               | 14,007,942    | 16,931,804  |
|   |               | 51,519,119    | 53,370,558  |
| Other components of equity                | 37            |               |             |
| Other capital surplus                     |               | 1,234,825     | 1,233,793   |
| Accumulated other comprehensive loss      |               | (358,570)     | (271,457)   |
| Other equity                              |               | 13,294,973    | 13,294,973  |
|   |               | 14,171,228    | 14,257,309  |



|  |       |                      |                    |
|--|-------|----------------------|--------------------|
| Equity attributable to owners of the controlling company |       | 69,743,925           | 71,681,445         |
| Non-controlling interests                                | 19,36 | 1,348,837            | 1,283,196          |
| <b>Total Equity</b>                                      |       | <b>₩ 71,092,762</b>  | <b>72,964,641</b>  |
| <b>Total Liabilities and Equity</b>                      |       | <b>₩ 185,249,061</b> | <b>181,788,915</b> |

## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Comprehensive Income (Loss)

## For the years ended December 31, 2018 and 2017

| <i>In millions of won, except per share information</i>                     | <i>Note</i> | <b>2018</b>   | <b>2017</b>  |
|---|-------------|---------------|--------------|
| <b>Sales</b>  | 4,38,48,50  |               |              |
| Sales of goods  |             | ₩ 57,897,804  | 55,772,548   |
| Sales of services   |             | 392,867       | 351,157      |
| Sales of construction services  | 23          | 1,742,391     | 3,212,184    |
| Revenue related to transfer of assets from customers                        |             | 594,548       | 478,973      |
|   |             | 60,627,610    | 59,814,862   |
| <b>Cost of sales</b>  | 16,28,46,50 |               |              |
| Cost of sales of goods  |             | (55,976,628)  | (48,454,036) |
| Cost of sales of services   |             | (592,224)     | (597,423)    |
| Cost of sales of construction services                                      |             | (1,638,869)   | (3,047,396)  |
|   |             | (58,207,721)  | (52,098,855) |
| <b>Gross profit</b>   |             | 2,419,889     | 7,716,007    |
| <b>Selling and administrative expenses</b>                                  | 28,39,46,50 | (2,627,890)   | (2,762,855)  |
| <b>Operating profit (loss)</b>  | 4           | (208,001)     | 4,953,152    |
| <b>Other non-operating income</b>   | 40          | 375,346       | 390,145      |
| <b>Other non-operating expense</b>  | 40          | (231,330)     | (180,055)    |
| <b>Other gains (losses), net</b>  | 41          | (621,124)     | 156,627      |
| <b>Finance income</b>   | 5,14,42     | 796,870       | 1,530,618    |
| <b>Finance expenses</b>   | 5,14,43     | (2,470,743)   | (3,127,952)  |
| <b>Profit (loss) related to associates, joint ventures and subsidiaries</b> | 4,20        |               |              |
| Share in profit of associates and joint ventures                            |             | 473,269       | 241,537      |
| Gain on disposal of investments in associates and joint ventures            |             | 5,079         | 609          |
| Gain on disposal of investments in subsidiaries                             |             | 73            |              |
| Share in loss of associates and joint ventures                              |             | (110,168)     | (323,225)    |
| Loss on disposal of investments in associates and joint ventures            |             | (2,183)       |              |
| Impairment loss on investments in associates and joint ventures             | 20          | (7,907)       | (27,238)     |
|   |             | 358,163       | (108,317)    |
| <b>Profit (loss) before income tax</b>                                      |             | (2,000,819)   | 3,614,218    |
| <b>Income tax benefit (expense)</b>   | 44          | 826,321       | (2,172,824)  |
| <b>Profit (loss) for the period</b>   |             | ₩ (1,174,498) | 1,441,394    |

(Continued)



## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Comprehensive Income (Loss), Continued

## For the years ended December 31, 2018 and 2017

| <i>In millions of won, except per share information</i>  | <i>Note</i>   | <b>2018</b>   | <b>2017</b> |
|--|---------------|---------------|-------------|
| <b>Other comprehensive income (loss)</b>   | 5,14,28,34,37 |               |             |
| Items that will not be reclassified subsequently to profit or loss:                                    |               |               |             |
| Remeasurement of defined benefit liability, net of tax   | 28,34         | ₩ (108,169)   | 170,337     |
| Share in other comprehensive income (loss) of associates and joint ventures, net of tax                | 34            | (1,153)       | 10,067      |
| Net change in fair value of equity investments at fair value through other comprehensive income (loss) | 37            | (34,185)      |             |
| Items that are or may be reclassified subsequently to profit or loss:                                  |               |               |             |
| Net change in the unrealized fair value of available-for-sale financial assets, net of tax             | 37            |               | (7,098)     |
| Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax    | 5,14,37       | 211           | 20,868      |
| Foreign currency translation of foreign operations, net of tax   | 37            | (20,717)      | (134,196)   |
| Share in other comprehensive income (loss) of associates and joint ventures, net of tax                | 37            | 57,088        | (154,694)   |
| <b>Other comprehensive loss, net of tax</b>  |               | (106,925)     | (94,716)    |
| <b>Total comprehensive income (loss) for the period</b>  |               | ₩ (1,281,423) | 1,346,678   |
| <b>Profit (loss) attributable to:</b>  |               |               |             |
| Owners of the controlling company  | 47            | ₩ (1,314,567) | 1,298,720   |
| Non-controlling interests  |               | 140,069       | 142,674     |
|  |               | ₩ (1,174,498) | 1,441,394   |
| <b>Total comprehensive income (loss) attributable to:</b>  |               |               |             |
| Owners of the controlling company  |               | ₩ (1,426,477) | 1,230,194   |
| Non-controlling interests  |               | 145,054       | 116,484     |
|  |               | ₩ (1,281,423) | 1,346,678   |
| <b>Earnings (loss) per share (in won)</b>  | 47            |               |             |
| Basic and diluted earnings (loss) per share  |               | ₩ (2,048)     | 2,023       |

## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Changes in Equity

## For the years ended December 31, 2018 and 2017

| <i>In millions of won</i>   | Equity attributable to owners of the controlling company |                   |                            |             | Non-controlling interests | Total equity |
|---|--|-------------------|----------------------------|-------------|---------------------------|--------------|
|   | Contributed capital                                      | Retained earnings | Other components of equity | Subtotal    |                           |              |
| <b>Balance at January 1, 2017</b>   | ₩ 4,053,578  | 53,173,871        | 14,496,244                 | 71,723,693  | 1,326,852                 | 73,050,545   |
| <b>Total comprehensive income (loss) for the period</b>   |  |                   |                            |             |                           |              |
| Profit for the period   |  | 1,298,720         |                            | 1,298,720   | 142,674                   | 1,441,394    |
| Items that will not be reclassified subsequently to profit or loss:                                 |  |                   |                            |             |                           |              |
| Remeasurement of defined benefit liability, net of tax  |  | 158,991           |                            | 158,991     | 11,346                    | 170,337      |
| Share in other comprehensive income of associates and joint ventures, net of tax                    |  | 10,065            |                            | 10,065      | 2                         | 10,067       |
| Items that are or may be reclassified subsequently to profit or loss:                               |  |                   |                            |             |                           |              |
| Net change in the unrealized fair value of available-for-sale financial assets, net of tax          |  |                   | (7,102)                    | (7,102)     | 4                         | (7,098)      |
| Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax |  |                   | 19,614                     | 19,614      | 1,254                     | 20,868       |
| Foreign currency translation of foreign operations, net of tax                                      |  |                   | (95,103)                   | (95,103)    | (39,093)                  | (134,196)    |
| Share in other comprehensive income (loss) of associates and joint ventures, net of tax             |  |                   | (154,991)                  | (154,991)   | 297                       | (154,694)    |
| <b>Transactions with owners of the Company, recognized directly in equity</b>                       |  |                   |                            |             |                           |              |
| Dividends paid  |  | (1,271,089)       |                            | (1,271,089) | (70,252)                  | (1,341,341)  |
|   |  |                   | (1,378)                    | (1,378)     | 18,381                    | 17,003       |

|   |                    |                   |                   |                   |                  |                   |
|---|--------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| Issuance of shares of capital<br>by subsidiaries and others |                    |                   |                   |                   |                  |                   |
| Changes in consolidation<br>scope                           |                    |                   |                   |                   | 7,337            | 7,337             |
| Dividends paid (hybrid<br>securities)                       |                    |                   |                   |                   | (15,856)         | (15,856)          |
| Repayment of hybrid<br>securities                           |                    |                   |                   |                   | (99,750)         | (99,750)          |
| Others  |                    |                   | 25                | 25                |                  | 25                |
| <b>Balance at December 31,<br/>2017</b>                     | <b>₩ 4,053,578</b> | <b>53,370,558</b> | <b>14,257,309</b> | <b>71,681,445</b> | <b>1,283,196</b> | <b>72,964,641</b> |

*(Continued)*

## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Changes in Equity, Continued

## For the years ended December 31, 2018 and 2017

| <i>In millions of won</i>   | Equity attributable to owners of the controlling company |                   |                            |             | Non-controlling interests | Total equity |
|---|--|-------------------|----------------------------|-------------|---------------------------|--------------|
|   | Contributed capital                                      | Retained earnings | Other components of equity | Subtotal    |                           |              |
| <b>Balance at January 1, 2018</b>   | ₩ 4,053,578  | 53,370,558        | 14,257,309                 | 71,681,445  | 1,283,196                 | 72,964,641   |
| <b>Effect of change in accounting policy</b>  |  | 71,928            | (76,851)                   | (4,923)     |                           | (4,923)      |
| <b>Adjusted balance at January 1, 2018</b>  | 4,053,578  | 53,442,486        | 14,180,458                 | 71,676,522  | 1,283,196                 | 72,959,718   |
| <b>Total comprehensive income (loss) for the period</b>   |  |                   |                            |             |                           |              |
| Profit (loss) for the period  |  | (1,314,567)       |                            | (1,314,567) | 140,069                   | (1,174,498)  |
| Items that will not be reclassified subsequently to profit or loss:                                 |  |                   |                            |             |                           |              |
| Remeasurement of defined benefit liability, net of tax  |  | (100,495)         |                            | (100,495)   | (7,674)                   | (108,169)    |
| Share in other comprehensive income of associates and joint ventures, net of tax                    |  | (1,153)           |                            | (1,153)     |                           | (1,153)      |
| Net change in fair value of equity investments at fair value through other comprehensive income     |  |                   | (34,125)                   | (34,125)    | (60)                      | (34,185)     |
| Items that are or may be reclassified subsequently to profit or loss:                               |  |                   |                            |             |                           |              |
| Net change in the unrealized fair value of derivatives using cash flow hedge accounting, net of tax |  |                   | (1,140)                    | (1,140)     | 1,351                     | 211          |
| Foreign currency translation of foreign operations, net of tax                                      |  |                   | (32,086)                   | (32,086)    | 11,369                    | (20,717)     |
| Share in other comprehensive income (loss) of associates and joint ventures, net of tax             |  |                   | 57,089                     | 57,089      | (1)                       | 57,088       |
| <b>Transactions with owners of the Company,</b>   |  |                   |                            |             |                           |              |

**recognized directly in equity**

|  |          |                  |                   |                   |                   |                  |                   |
|--|----------|------------------|-------------------|-------------------|-------------------|------------------|-------------------|
| Dividends paid   |          | (507,152)        |                   | (507,152)         | (92,741)          | (599,893)        |                   |
| Issuance of shares of capital by subsidiaries and others |          |                  | 1,032             | 1,032             | 17,183            | 18,215           |                   |
| Changes in consolidation scope                           |          |                  |                   |                   | 9,530             | 9,530            |                   |
| Dividends paid (hybrid bond)                             |          |                  |                   |                   | (13,385)          | (13,385)         |                   |
| <b>Balance at December 31, 2018</b>                      | <b>₩</b> | <b>4,053,578</b> | <b>51,519,119</b> | <b>14,171,228</b> | <b>69,743,925</b> | <b>1,348,837</b> | <b>71,092,762</b> |



## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

## For the years ended December 31, 2018 and 2017

| <i>In millions of won</i>  | <b>2018</b>   | <b>2017</b> |
|--|---------------|-------------|
| <b>Cash flows from operating activities</b>                                |               |             |
| Profit (loss) for the period   | ₩ (1,174,498) | 1,441,394   |
| Adjustments for:   |               |             |
| Income tax expense (benefit)   | (826,321)     | 2,172,824   |
| Depreciation   | 9,905,856     | 9,660,039   |
| Amortization   | 118,938       | 113,672     |
| Employee benefit expense   | 360,575       | 391,360     |
| Bad debt expense   | 57,468        | 126,326     |
| Interest expense   | 1,868,458     | 1,789,552   |
| Loss on sale of financial assets   | 1             | 2,343       |
| Loss on disposal of property, plant and equipment                          | 60,704        | 70,514      |
| Loss on abandonment of property, plant, and equipment                      | 481,176       | 424,091     |
| Loss on impairment of property, plant, and equipment                       | 710,162       | 51,067      |
| Loss on impairment of intangible assets                                    | 8,112         | 20          |
| Loss on disposal of intangible assets                                      | 43            | 183         |
| Increase to provisions   | 1,056,994     | 1,690,120   |
| Loss (gain) on foreign currency translation, net                           | 243,378       | (902,878)   |
| Gain on valuation of financial assets at fair value through profit or loss | (8,495)       |             |
| Loss on valuation of financial assets at fair value through profit or loss | 6,616         |             |
| Valuation and transaction loss (gain) on derivative instruments, net       | (300,500)     | 1,043,628   |
| Share in loss (income) of associates and joint ventures, net               | (363,101)     | 81,688      |
| Gain on sale of financial assets   | (1,838)       | (1,130)     |
| Gain on disposal of property, plant and equipment                          | (98,077)      | (48,316)    |
| Gain on disposal of intangible assets                                      | (12)          | (564)       |
| Gain on disposal of associates and joint ventures                          | (5,079)       | (609)       |
| Loss on disposal of associates and joint ventures                          | 2,183         |             |
| Impairment loss on associates and joint ventures                           | 7,907         | 27,238      |
| Gain on disposal of subsidiaries   | (72)          |             |
| Interest income  | (223,767)     | (206,143)   |
| Dividend income  | (12,777)      | (11,477)    |
| Impairment loss on available-for-sale securities                           |               | 2,713       |
| Others, net  | 81,317        | 16,679      |
|  | 13,129,849    | 16,492,940  |
| Changes in:  |               |             |
| Trade receivables  | 246,755       | (218,328)   |
| Non-trade receivables  | 154,580       | (31,807)    |
| Accrued income   | (484,718)     | 577,838     |
| Other receivables  | (61,961)      | (1,271)     |

Edgar Filing: KOREA ELECTRIC POWER CORP - Form 6-K

|   |               |             |
|---|---------------|-------------|
| Other current assets  | (148,509)     | 37,576      |
| Inventories   | (1,771,550)   | (1,373,438) |
| Other non-current assets  | (54,148)      | (46,079)    |
| Trade payables  | 478,744       | 342,126     |
| Non-trade payables  | (292,912)     | (214,704)   |
| Accrued expenses  | (361,204)     | (715,305)   |
| Other payables  |               | 292         |
| Other current liabilities   | 250,112       | (126,323)   |
| Other non-current liabilities                                     | 287,488       | 763,958     |
| Investments in associates and joint ventures (dividends received) | 175,175       | 106,983     |
| Provisions  | (1,132,969)   | (1,390,606) |
| Payments of employee benefit obligations                          | (89,253)      | (69,489)    |
| Plan assets   | (330,064)     | (325,080)   |
|   | ₩ (3,134,434) | (2,683,657) |

(Continued)

## KOREA ELECTRIC POWER CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements, Continued

**December 31, 2018**

| <i>In millions of won</i>  | <b>2018</b>         | <b>2017</b>         |
|--|---------------------|---------------------|
| Cash generated from operating activities   | ₩ 8,820,917         | 15,250,677          |
| Dividends received (financial assets at fair value through other comprehensive income) | 11,182              | 10,590              |
| Interest paid  | (1,895,898)         | (1,886,303)         |
| Interest received  | 194,221             | 173,226             |
| Income taxes paid  | (450,290)           | (2,298,296)         |
| <b>Net cash from operating activities</b>  | <b>6,680,132</b>    | <b>11,249,894</b>   |
| <b>Cash flows from investing activities</b>  |                     |                     |
| Proceeds from disposals of associates and joint ventures                               | 1,617               | 10,542              |
| Acquisition of associates and joint ventures   | (319,425)           | (206,753)           |
| Proceeds from disposals of property, plant and equipment                               | 234,138             | 85,801              |
| Acquisition of property, plant and equipment   | (12,266,870)        | (12,535,958)        |
| Proceeds from disposals of intangible assets   | 13                  | 1,072               |
| Acquisition of intangible assets   | (110,587)           | (143,887)           |
| Proceeds from disposals of financial assets  | 2,419,259           | 5,296,680           |
| Acquisition of financial assets  | (2,841,651)         | (4,786,717)         |
| Increase in loans  | (188,675)           | (218,698)           |
| Collection of loans  | 100,010             | 120,967             |
| Increase in deposits   | (299,564)           | (397,078)           |
| Decrease in deposits   | 259,930             | 110,383             |
| Proceeds from disposals of assets held-for-sale  | 18,716              |                     |
| Receipt of government grants   | 30,416              | 55,533              |
| Net cash inflow from changes in consolidation scope                                    | 2,141               |                     |
| Other cash inflow (outflow) from investing activities, net                             | (53,769)            | 1,414               |
| <b>Net cash used in investing activities</b>   | <b>(13,014,301)</b> | <b>(12,606,699)</b> |
| <b>Cash flows from financing activities</b>  |                     |                     |
| Proceeds from (repayment of) short-term borrowings, net                                | (183,660)           | 370,328             |
| Proceeds from long-term borrowings and debt securities                                 | 14,251,586          | 10,098,067          |
| Repayment of long-term borrowings and debt securities                                  | (8,095,590)         | (8,198,882)         |
| Payment of finance lease liabilities   | (134,454)           | (122,919)           |
| Settlement of derivative instruments, net  | 60,907              | 33,434              |
| Change in non-controlling interest   | 20,113              | 23,582              |
| Repayment of hybrid bond   |                     | (99,750)            |
| Dividends paid (hybrid bond)   | (17,658)            | (15,856)            |
| Dividends paid   | (599,391)           | (1,340,387)         |
| Other cash outflow from financing activities, net                                      | (175)               | (2,023)             |

|  |             |           |
|--|-------------|-----------|
| <b>Net cash from financing activities</b>  | 5,301,678   | 745,594   |
| <b>Net decrease in cash and cash equivalents before effect of exchange rate fluctuations</b> | (1,032,491) | (611,211) |
| <b>Effect of exchange rate fluctuations on cash held</b>                                     | 21,097      | (70,403)  |
| <b>Net decrease in cash and cash equivalents</b>   | (1,011,394) | (681,614) |
| <b>Cash and cash equivalents at January 1</b>  | 2,369,739   | 3,051,353 |
| <b>Cash and cash equivalents at December 31</b>  | ₩ 1,358,345 | 2,369,739 |

**Agenda 2. Approval of the ceiling amount of remuneration for directors**

Proposed aggregate ceiling on remuneration for directors:

2,174,564 thousand won in fiscal year 2019 (total number of directors: 15; number of non-standing directors: 8)

2,120,796 thousand won in fiscal year 2018 (total number of directors: 15; number of non-standing directors: 8)

We proposed to increase the maximum aggregate amount of remuneration for directors in 2019 by 2.54% compared to 2018 as a result of (i) the notification by the Government to increase the remuneration for directors of government controlled entities by 1.8% and (ii) the increased severance payments due to the increase in the average incumbency of our directors from 19 months to 20 months.