

KOREA SOUTHERN POWER CO., LTD. AND SUBSIDIARIES
Notes to the Consolidated Financial Statements
December 31, 2014

26. Retained Earnings and Dividends, Continued

(5) Changes in actuarial losses on retirement benefit obligations for the years ended December 31, 2014 and 2013 are as follows:

<i>In millions of won</i>	December 31, 2014	December 31, 2013
Beginning balance	₩ 17,518	16,290
Changes for the period	12,995	1,620
Income tax effect	(3,145)	(392)
Ending balance	₩ <u>27,368</u>	<u>17,518</u>

27. Statement of Appropriation of Retained Earnings

For the year ended December 31, 2014, the Group's retained earnings are expected to be appropriated on March 27, 2015. For the year ended December 31, 2013, the Group's retained earnings were appropriated on March 28, 2014.

Statements of appropriation of retained earnings for the years ended December 31, 2014 and 2013 are as follows:

<i>In millions of won except for dividends per share</i>	December 31, 2014	December 31, 2013
I . Retained Earnings Before Appropriations		
Unappropriated retained earnings carried over from prior years	₩ 737,790	739,019
Remeasurements of the defined benefit plan	(9,850)	(1,229)
Net income (loss)	<u>68,481</u>	<u>102,670</u>
	<u>796,421</u>	<u>840,460</u>
II . Appropriations of retained earnings		
Dividends	10,272	30,800
Legal reserve	1,027	3,080
Reserve for business expansion	<u>57,182</u>	<u>68,790</u>
	<u>68,481</u>	<u>102,670</u>
III. Unappropriated retained earnings to be carried over forward to subsequent year (I - II)	₩ <u>727,940</u>	<u>737,790</u>