

KOREA SOUTHERN POWER CO., LTD. AND SUBSIDIARIES  
Notes to the Consolidated Financial Statements  
December 31, 2015 and 2014

**27. Retained Earnings and Dividends, Continued**

(5) Changes in actuarial losses on retirement benefit obligations for the years ended December 31, 2015 and 2014 are as follows:

<i>In millions of won</i>	<b><u>December 31, 2015</u></b>	<b><u>December 31, 2014</u></b>
Beginning balance	₩ 27,368	17,518
Changes for the period	723	12,995
Income tax effect	(175)	(3,145)
Ending balance	₩ <u>27,916</u>	<u>27,368</u>

**28. Statement of Appropriation of Retained Earnings**

For the year ended December 31, 2015, the Group's retained earnings are expected to be appropriated on March 28, 2016. For the year ended December 31, 2014, the Group's retained earnings were appropriated on March 27, 2015.

Statements of appropriation of retained earnings of KOSPO, the controlling company, for the years ended December 31, 2015 and 2014 are as follows:

<i>In millions of won</i>	<b><u>December 31, 2015</u></b>	<b><u>December 31, 2014</u></b>
I. Retained earnings before appropriations		
Unappropriated retained earnings carried over from prior years	₩ 727,940	737,790
Remeasurements of the defined benefit plan	(548)	(9,850)
Net income	<u>224,757</u>	<u>68,481</u>
	<u>952,149</u>	<u>796,421</u>
II. Appropriations of retained earnings		
Dividends	17,849	10,272
Legal reserves	1,785	1,027
Voluntary reserves	<u>205,123</u>	<u>57,182</u>
	<u>224,757</u>	<u>68,481</u>
III. Unappropriated retained earnings to be carried over to subsequent year ( I - II )	₩ <u><u>727,392</u></u>	<u><u>727,940</u></u>