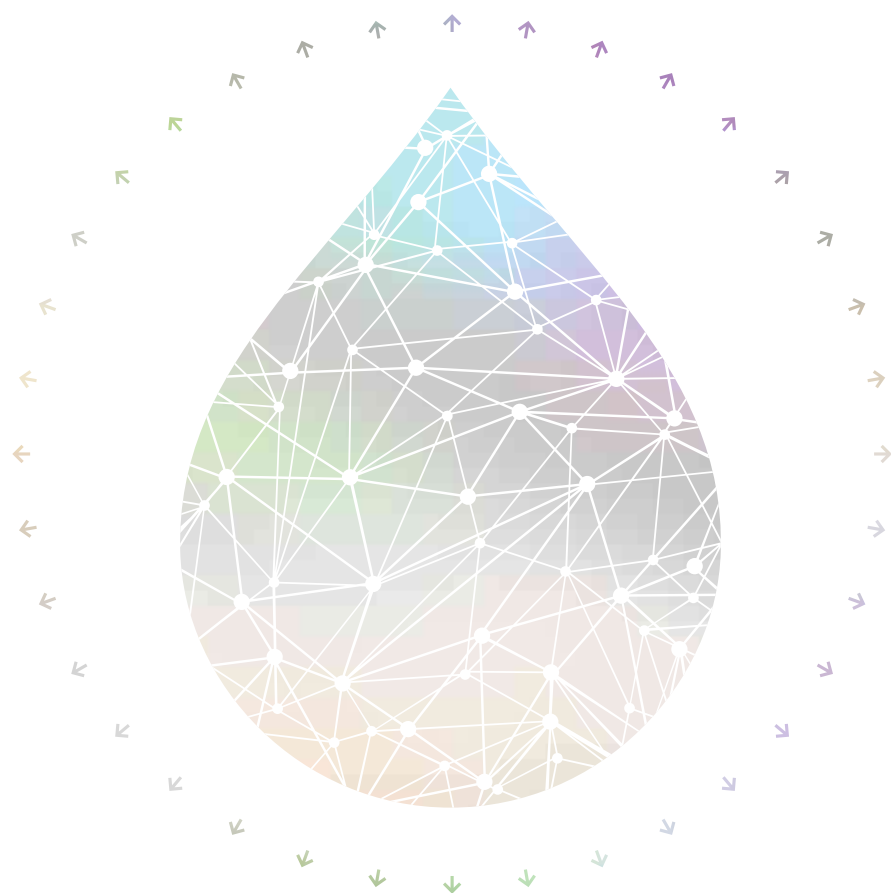


HIGHER EFFICIENCY



HIGHER EFFICIENCY

现代Oilbank正朝着更高的目标——“跨国综合能源公司”不断阔步前进。

2015年, 现代Oilbank基于积极、主动的投资, 将尖端化比率提高至行业最高水平39.1%, 奠定了稳定创造收益的基础。

现代Oilbank正通过基础油和油品码头等业务, 稳定地推进业务多元化的同时, 致力于新项目在市场上实现软着陆。

为营造最令人满意的的安全的环境和工作岗位, 全体员工付出了不懈努力, 创造了最长时间无事故新纪录, 作为多种领域的革新先进企业也得到了外界的认可。

此外, 为营造更好的环境和社会, 坚持开展公益活动, 诚实地履行企业公民应尽的保护环境和社会责任。

今后, 现代Oilbank力争以更高的效率创造更多的价值, 为实现“跨国综合能源公司”这一企业愿景而不懈努力。

GOING HIGHER



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COMPANY OVERVIEW

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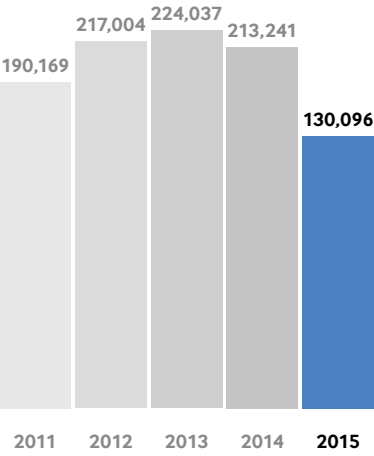
2015年主要成果

2015年, 现代Oilbank通过系统、有效地应对油价迅速下跌等迅猛变化的市场环境, 连续十四个季度实现盈利经营, 延续着前所未有的发展步伐。基于韩国领先的尖端化设备、原油进口渠道多样化及为节省成本所做出的多种努力, 创造了卓越的绩效。

销售额

130,096

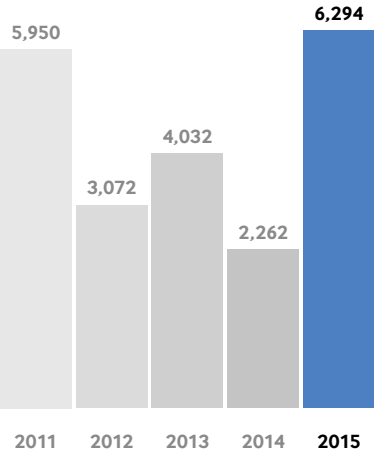
单位: 亿韩元



营业利润

6,294

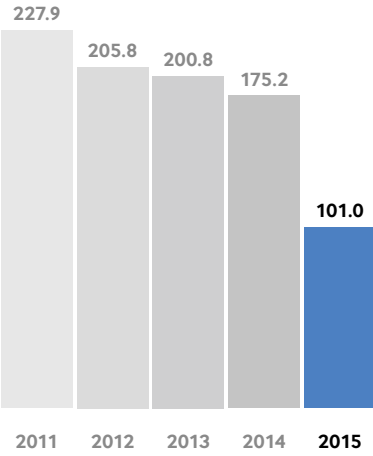
单位: 亿韩元



负债率

101.0%

单位: %



*以合并财务报表为准

单位: 亿韩元

	2013	2014	2015
简要利润表			
销售额	224,037	213,241	130,096
营业利润	4,032	2,262	6,294
本期利润率	1,584	42	4,512
简要资产负债表			
资产总计	89,001	81,850	75,601
负债总计	59,414	52,105	37,983
所有者权益总计	29,587	29,745	37,618
稳定性指标			
流动比率	102.2%	95.0%	119.1%
负债率	200.8%	175.2%	101.0%
借款依赖度	34.9%	42.4%	28.4%
利息保障倍数	3.3	2.0	7.8
公司债券等级			
韩国企业评价	AA-	AA-	AA-
韩国信用评价	AA-	AA-	AA-
NICE信用评价	AA-	AA-	AA-
商业票据等级			
韩国企业评价	A1	A1	A1
韩国信用评价	A1	A1	A1
NICE信用评价	A1	A1	A1

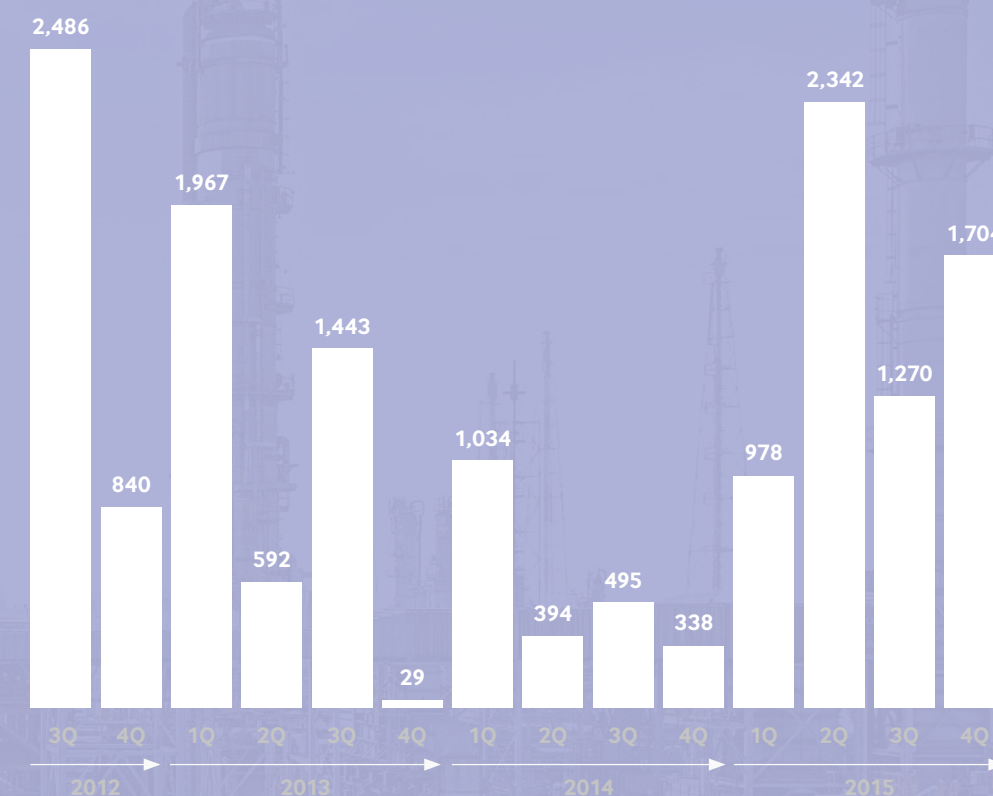
*以韩国使用的国际会计准则(K-IFRS)及合并财务报表为准

— Profitability

连续十四个季度实现盈利

2012年三季度 - 2015年四季度

单位: 亿韩元



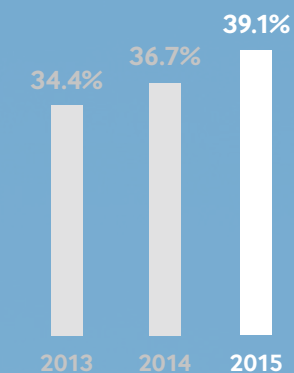
*以合并财务报表为准

2015年, 现代Oilbank基于行业领先的尖端化比率, 实现了卓越的营业利润。从2012年第三季度至2015年底, 盈利经营一直延续了十四个季度, 实现了持续、稳定的增长。2015年, 因油价暴跌, 销售额降至13.0096万亿韩元, 同比减少了8.3145万亿韩元, 但营业利润实现了6294亿韩元, 同比增加了4032亿韩元。

—Competitiveness

行业领先的尖端化比率

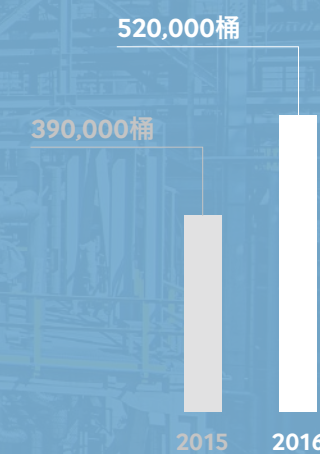
39.1%



日原油精炼能力

390,000 桶

预计2016年将达到52万桶



现代Oilbank通过对生产设施进行持续投资，不断强化石油业务的竞争力。截至2015年底，现代Oilbank的原油精炼日产量达到了39万桶，尖端化比率由2014年的36.5%增至39.1%，达到了行业最高水平。2016年，随着混合二甲苯(MX)工厂投产，现代Oilbank原油精炼日产能将增至52万桶。

—Diversification



单位: 亿韩元

现代Shell Base Oil

销售额
5,688
营业利润
445

现代油品码头

销售额
280
营业利润
76

现代Cosmo

销售额
21,557
营业利润
-132

现代化学

2017年事业计划(预计从2016年10月起投入商业生产)

销售额
35,467
营业利润
1,615

为确保新发展引擎, 现代Oilbank大力开展了业务多元化, 为使新项目在市场上实现软着陆和创造价值做出了不懈努力。自2015年进军基础油市场以后, 现代Shell Base Oil创造了5688亿韩元的销售额和445亿韩元的营业利润, 实现了8%的营业利润率。现代油品码头在起步的第一年2014年, 就实现了226亿韩元的销售额和57亿韩元的营业利润, 2015年创造了销售额280亿韩元和营业利润76亿韩元, 实现了27%的营业利润率。现代Cosmo于2015年实现了2.1557万亿韩元的销售额, 随着现代化学投入商业生产后, 2017年有望创造3.5467万亿韩元的销售额和1615亿韩元的营业利润。

—Commitment



获2015年
韩国经营者总协会
颁发的透明经营大奖

大奖

获2015年
用电安全大奖之
总统奖

总统奖

获2015年
韩国绿色经营大奖之
综合大奖

总统表彰

大山工厂实现无事故500万工时

5,000,000^{工时}

2013年10月~2015年11月(740天)



现代Oilbank为营造安全、健康的工作岗位做出了不懈努力。凭借全体成员的积极参与，总公司——大山工厂自2013年10月起至2015年11月，实现了740天500万工时无事故。同时，透明经营、劳资合作共赢、分享1%等活动得到行业认可，在韩国经营者总协会举行的透明经营大奖颁奖仪式上荣获了大奖。此外，在2015年韩国用电安全大奖颁奖仪式上荣获了总统奖；在韩国绿色经营大奖颁奖仪式上荣获了综合大奖——总统表彰。

— Sustainability

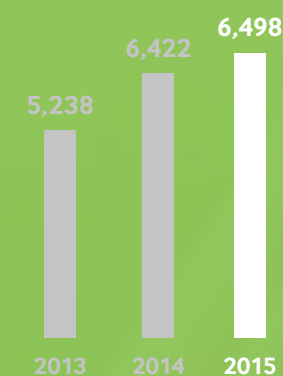
现代Oilbank 分享1%基金

分享1%工资

2011年9月起,
每月分享员工工资的1%

员工年志愿活动时长

6,498^{小时}



社会公益捐款

50^{亿韩元}

环境经营投资

131^{亿韩元}

现代Oilbank通过分享1%基金,为在韩国社会普及分享文化做出了贡献,为实现与地区社会的合作共赢,积极开展多种社会公益活动。现代Oilbank及子公司员工从2011年9月起自愿参与分享1%捐赠活动,以部门或同好会为单位参加志愿活动,每年参加志愿活动的时间超过了5000小时。2015年,现代Oilbank向社会公益事业捐赠了50亿韩元,向环保事业投入了131亿韩元,为践行企业的社会责任发挥了领头羊作用。

经营团队致辞

MESSAGE FROM CEO



“2015年, 现代Oilbank在低油价和低速增长的基调下, 通过尖端化设备的稳定运行、油种多样化、库存弹性管理等措施, 连续五年在炼油行业实现了营业利润率第一位。2016年, 预计仍将面临低油价走势、全球金融市场继续呈现不确定性等经营难关。为克服这些经营难关, 我们应继续以“确保成本竞争优势”、“以安全为本运营工厂”为经营目标, 使十四个季度连续盈利基调继续延续下去。”

各位股东、客户, 大家好!

我谨代表全体员工向大家报告去年取得的经营成果和本年度的实施计划, 对此我感到无比荣幸和喜悦。

去年, 现代Oilbank在低油价和低速增长的基调下, 通过尖端化设备的稳定运行、油种多样化、库存弹性管理等, 连续五年在炼油行业实现了营业利润率第一位。

2015年, 即使在新厂建设和老厂进行定期检修的过程中, 也创造了500万工时无事故的历史新纪录, 并在加油站原籍地及液化石油气价格串通诉讼中胜诉, 是使企业的透明度得到恢复的富有意义的一年。

现代化学、现代Cosmo、现代Shell Base Oil、现代油品码头等子公司也都克服了市场供过于求和主要消费国家经济不景气等一系列难关, 即将步入稳定地创造收益的轨道。

预计, 今年的经营环境仍将面临原油市场供过于求导致的低油价走势, 及全球金融市场继续呈现不确定性等经营难关。为克服这些经营难关, 我们会继续以“确保成本竞争优势”、“以安全为本运营工厂”为经营目标, 使十四个季度连续盈利基调继续延续下去。

确保成本竞争力的关键在于进口具有经济性的原油。我们将全力以赴地扩大油种的研究范围, 实现原油进口渠道的多样化, 开拓高额利差产品市场。同时, 我们还将继续开展新提案制度、工程师点子挖掘会等革新活动, 为提高工厂的效率、扩大收益及节省成本而努力。

安全是现代Oilbank的核心要素。由此从2013年起, 更是将大山工厂的名称更换为“安全生产本部”。尤其, 与乐天集团合资的混合二甲苯制造工厂计划于今年下半年投入商业生产。此厂竣工投产后, 预计公司的竞争力将会进一步提升。为保证原有工厂的安全运行及成功地完成MX项目, 我们应全力以赴地开展安全检查和管理工作。

作为大企业最先开展的活动, 不知不觉已经度过了四年光景的现代Oilbank的“分享1%基金”, 正面向社会弱势群体开展多种多样的服务事业。今后, 我们将继续努力把温暖之手伸向周围需要关爱的地方, 全面履行企业应尽的社会责任。

对一向关心和支持现代Oilbank的各位表示最诚挚的感谢, 也希望今后一如既往地关心和支持现代Oilbank。现代Oilbank将继续为促进国家经济和地区社会的发展而努力, 为提高各位股东和客户的价值而全力以赴。衷心祝愿各位家庭和睦, 健康幸福。谢谢。

现代Oilbank代表董事社长

文钟博

现代Oilbank力争通过高效率的运营, 强化成本竞争力, 基于以安全为本运营工厂等, 创造稳定的收益, 实现持续增长和飞跃。



姜达镐副社长 安全生产本部长

2016年, 安全生产本部将继续为确立安全意识, 提高设备可靠性, 强化收益改进活动而努力。确立安全意识是工厂运营的基本和核心价值。将通过实现应急应对能力的生活化和强化安全管理来实现工厂的无事故运营。通过核心工艺设备的可靠性检查和安全诊断TFT活动, 提高设备可靠性, 提前防备核心工艺设备的非正常停机事故。开展工程师和设备操作员共同参与的挖掘点子的活动, 拓宽新提案渠道, 进而节省能源, 提高总体工艺生产效率, 创造新收益, 为提高收益率做出贡献。同时, 对正在推进的MX项目和第10号焦煤循环流化床锅炉等新项目提供鼎力支持, 使这些项目得以在2016年下半年顺利完工及投入正常运行。我们将集中全部力量, 力争在2016年, 为工厂乃至公司奠定中长期发展基础迎来转机。

朴炳德副社长 营业本部长

2016年, 营业本部力争使加油站的亲切、清洁服务蔚然成风, 不断提高品牌价值。曾几何时, 自以为服务水平超过日本的韩国加油站市场, 随着高油价时期爆发的激烈竞争, 韩国加油站的收益率和服务水平一落千丈。据此, 营业本部将通过亲切、清洁的服务理念教育, 组织服务标兵巡回演示, 宣传先进事迹, 改进加油员工作服, 强化MD等, 以区别于其他炼油公司的服务项目, 致力于提高竞争力。此外, 将老式加油站改造成与餐饮等多种服务设施为一体的综合加油站, 扩大营业利润的同时, 提高资产价值。最近, 第一号综合加油站——花井加油站获得了巨大成功, 所以我们将怀着自信心, 大力推进综合加油站事业。但是, 鉴于内销市场和海外市场的联动效果日益增加, 不能再无条件地只侧重于韩国内销市场。据此, 我们将与全球业务本部密切合作和沟通, 实现内销与出口业务组合的最优化, 为公司收益最大化做出贡献。

张志学副社长 全球业务本部长

2016年, 预计油价变动危险会日益增长。据此, 以对期货及库存风险进行灵活的管理为重点, 强化收益优先供求关系调整, 应对迅猛变化的国内外环境。作为应用海外法人公司和分公司来强化销售竞争力的方案, 实施面向澳大利亚和新西兰的低硫汽油、面向越南的高硫汽油及超低硫柴油的出口, 并通过出口货物的大型化提高经济性。同时, 通过向销售利差比较大的美洲地区出口汽油的同时, 进军新加坡海上加油市场等, 为确保新的发展引擎做出了努力。还将根据内销和出口间经济性优势关系调整供需关系, 与新投产的工厂进行一体化管理, 确保成本竞争力, 强化供需应对能力, 创造最佳协同效应, 实现营业利润极大化。

韩焕奎专务 经营支援本部长

2016年, 预计油价和金融市场变动将带来许多困难。经营支援本部为提前应对迅猛变化的市场环境变化, 将专注于本职工作, 协调各业务本部间的作用, 为各本部创造最大收益提供鼎力支持。同时, 积极对外汇风险进行管理, 保证财务风险管理万无一失, 为最大程度地降低库存损失, 还将全力以赴地管理好油价风险。同时强化对子公司的支援, 使新业务迅速应对外部环境变化的实力不断提高, 强化学习组织和小型聚会活动等沟通活动, 为公司成长为具备最高水平竞争力的专家集团提供鼎力支援。

主要发展历程

现代Oilbank成立于1964年, 以韩国第一家民营炼油公司起步, 2010年纳入现代重工业集团旗下。
现代Oilbank于2014年迎来创立五十周年, 正为跻身跨国综合能源公司而不断进行革新和挑战。

1900' s

1964. 11.	成立最早的民营炼油公司极东石油工业(株)(现现代Oilbank株式会社)	1989. 07.	大山工厂竣工(获总统表彰)
1969. 01.	公司名称由“极东石油工业株式会社”更名为“极东SHELL石油株式会社”	1989. 11.	日产10万桶的原油处理设施扩建项目获政府许可
1977. 05.	公司名称由“极东SHELL株式会社”更名为“极东石油株式会社”	1993. 07.	公司名称由“极东精油株式会社”更名为“现代精油株式会社”
1978. 08.	日产1万桶的原油处理设施竣工	1994. 06.	开发和引进OILBANK品牌
1988. 08.	日产6万桶的常压蒸馏设备投入运转	1996. 05.	大山工厂20万桶原油精炼设施竣工
1988. 11.	公司名称由“极东石油株式会社”更名为“极东精油株式会社”	1998. 05.	年产40万吨BTX设施竣工
		1999. 12.	收购韩华能源及兼并韩华能源广场(株)

2000' s

2002. 04.	公司名称从“现代精油株式会社”变更为“现代Oilbank株式会社”	2008. 11.	签署大山工厂“第二尖端化项目成套设备建设劳务合同”
2004. 11.	入选韩国劳动部评选的“新劳资文化先进企业”	2008. 12.	荣获商工会议所主办的第15届企业革新大奖之国务总理奖
2005. 11.	清洁燃料项目(Clean Fuel Project)竣工	2009. 03.	荣获2009年度第七届韩国伦理经营大奖之综合大奖
2006. 03.	获韩国产业资源部评选的民营企业制造部门最佳伦理经营企业	2009. 06.	现代Oilbank与日本科斯莫石油就建设年产91万吨BTX工厂达成协议
2007. 01.	被评为公平交易自觉遵守项目甲级单位	2009. 07.	荣获2009年度韩国能率协会咨询评选的KSQI炼油公司客服部门第一名
2007. 03.	5.2万桶规模的济州储油站投入运转	2009. 12.	荣获贸易协会主办的贸易日50亿美元出口塔奖
2008. 04.	现代Oilbank与日本科斯莫石油签署涵盖整个炼油业务领域的战略合作协议		

2010

2010. 06.	荣获2010年度韩国经济杂志主办的“最佳工作单位”大奖
2010. 07.	荣获2010年度韩国能率协会咨询评选的KSQI炼油公司客服部门第一名
2010. 08.	编入现代重工业集团系列
2010. 08.	权五甲就任社长

2011

2011. 01.	第二尖端化设施竣工
2011. 03.	成立地区著名人士客户咨询团
2011. 09.	在大企业中最先签订分享1%协议
2011. 11.	成立板桥中央技术研究院

2012

2012. 02.	创立现代Oilbank分享1%基金
2012. 02.	成立现代油品码头
2012. 04.	成立现代Shell Base Oil
2012. 04.	合作伙伴企业专用“一心馆”竣工
2012. 07.	权五甲社长荣获韩国经济新闻主办的茶山经营奖
2012. 09.	最尖端供热设备(FBC)竣工
2012. 10.	荣获第一届大韩民国知识大奖之总统奖
2012. 11.	KS-CQI居全产业第一名, KS-SQI居炼油行业第一名
2012. 11.	第二BTX竣工
2012. 12.	权五甲社长荣获贸易日银塔产业勋章
2012. 12.	荣获贸易协会主办的贸易日80亿美元出口塔奖

2014

2014. 01.	直营加油站参与利润分享1%捐赠活动
2014. 01.	成立现代化学(株)
2014. 05.	获能源管理体系(ISO50001)认证
2014. 07.	现代Oilbank创立五十周年
2014. 09.	现代Shell Base Oil基础油工厂竣工
2014. 09.	大邱物流中心竣工
2014. 09.	文钟博就任社长
2014. 10.	荣获韩国消防厅颁发的韩国安全大奖之总统奖
2014. 10.	最尖端供热设备竣工
2014. 11.	连续三年荣获韩国标准协会颁发的客服质量指数(KS-CQI)第一名
2014. 11.	荣获韩国产业通商资源部能源节约促进大会颁发的国务总理奖
2014. 11.	荣获韩国雇佣劳动部颁发的劳资文化大奖之总统奖
2014. 11.	荣获大韩商工会议所颁发的企业革新大奖之总统奖

2013

2013. 02.	入选怡安翰威特(Aon Hewitt)评选的“韩国十大最佳职场”
2013. 02.	分享1%基金与好邻居(Good Neighbors)就国外学校支援事业达成协议
2013. 07.	与乐天化学签订合作生产MX(混合二甲苯)谅解备忘录
2013. 08.	进入润滑油行业, 推出汽车发动机油“XTeer”
2013. 11.	荣获KS-CQI炼油行业第一名
2013. 12.	蔚山新港油类储藏设施竣工

2015

2015. 02.	获第十一届透明经营大奖
2015. 03.	现代Oilbank 分享1%基金“端山分享1%大棚事业”起步
2015. 06.	获2015年绿色经营大奖之总统奖
2015. 06.	实现400万工时无事故
2015. 06.	与国立首尔显忠院缔结兄弟关系
2015. 11.	实现500万工时无事故
2015. 11.	获2015年韩国用电安全大奖

公司愿景

VISION 2020

具备世界一流竞争力的
跨国能源公司

具备最高生产率的能源公司

通过扩张海外业务, 向跨国公司飞跃

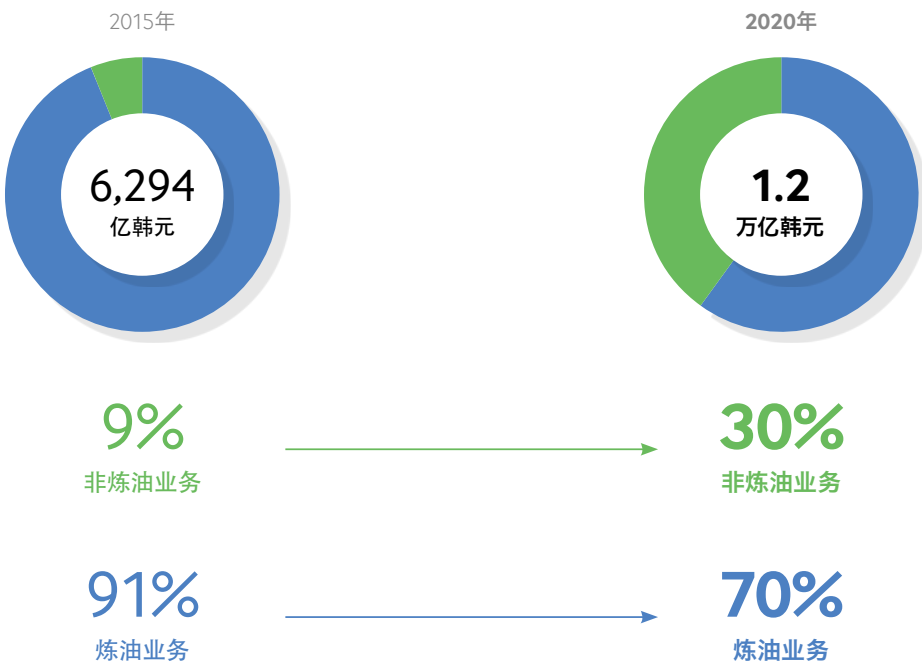
履行社会责任的受尊敬的企业

实现销售额21万亿韩元, 营业利润1.2万亿韩元

2014年, 现代Oilbank迎来创立五十周年发布了“愿景2020”。50年来以原油精炼为中心的业务结构占据了公司的大部分收益来源, 新愿景跳脱了这一业务结构, 阐明了现代Oilbank立志发展成为跨国综合能源公司的坚定意志和雄心壮志。

除了原有的基础油、油类储藏、MX等业务以外, 现代Oilbank还积极促进炭黑、丙烯衍生物、海外能源项目投资等新项目, 力争在2020年发展成为具备世界一流竞争力的综合能源公司。

营业利润比重



*以合并财务报表为准

2020年实现销售额21万亿韩元, 营业利润1.2万亿韩元

通过原油进口渠道多样化、节约成本及改进工艺等, 现代Oilbank保持着炼油业务收益率领先地位。并以稳定的收益结构为基础, 强化原有业务实力和进军海外市场, 力争在2020年实现销售额21万亿韩元和营业利润1.2万亿韩元, 奠定跻身综合能源公司的基础。同时, 通过持续实现业务多元化, 使非炼油业务营业利润的比重超过30%, 实现收益率多样化。

董事会

现代Oilbank为构建透明的公司治理结构, 进一步强化了位居其中心的董事会的作用和地位。通过公司最高决策机构董事会的活动, 积极响应各位股东、员工及客户等所有利益相关者的期待, 不断完善先进的企业治理结构。

董事会的作用

董事会存在的意义在于通过对整个经营领域作出战略性决策, 提出建议, 进行审计等, 确保经营透明度, 进而提高企业价值。为履行这一职能, 董事会负责选聘代表董事, 赋予代表董事权限, 监督经营团队业务执行状况、回应咨询及提出意见。现代Oilbank通过董事会活动, 同时追求经营的透明度和效率性, 致力于提高股东和投资者等市场的信誉。

董事会组成

现代Oilbank董事会根据公司章程和董事会规定, 由股东大会选聘的两名公司执行董事和三名独立董事等共五名董事组成, 董事会主席由代表董事担任。董事会作为公司的最高决策机构, 通过对财务事项、投资决定及其他经营事项等, 与公司经营活动相关的主要事项, 进行自由、深入地讨论, 作出审议和议决。

董事会旗下委员会

为强化董事会的独立性、专业性和效率性, 现代Oilbank在董事会内设置并运作独立董事候补推荐委员会、审计委员会和内部交易委员会等三个委员会。各委员会的组成和作用如下。

董事会旗下委员会 组成及作用	审计委员会	金重会 尹增铉 郑昌武	– 公司的会计和业务审计 – 索取营业报告, 调查公司财产状况 – 处理法令或章程规定的事项及董事会委任事项 – 审计人的选任、变更及解雇权
	内部交易委员会	金重会 尹增铉 郑昌武	– 批准大宗内部交易及向董事会报告
	独立董事候补推荐委员会	文钟博 金重会 尹增铉	– 推荐由股东大会选聘的候补独立董事的权限

2015年董事会活动

2015年, 现代Oilbank董事会共举行七次董事会议, 处理了24项案件。

2015年董事会 主要议决事项	关于股东大会、董事会和治理结构	– 召集第51期定期股东大会和批准目的事项 – 选拔独立董事候补推荐委员会委员(2次) – 选拔内部交易委员会委员
	关于投资	– 批准参与现代化学增资(3次) – 批准成立现代OCI(株) – 批准与现代重工业(株)的发电设备运转系统的劳务合同
	关于会计及财务管理	– 批准第51期财务报表 – 批准第51期营业报告 – 根据条款批准与关联金融公司的金融交易额度(4次) – 批准关联公司间内部交易总合限额(4次) – 批准发行第115次公司债券 – 批准发行混合资本证券
	其他主要经营事项	– 批准与现代重工业体育(株)签订赞助合同 – 批准与(社)韩国职业足球联盟签订赞助合同 – 批准2016年经营目标

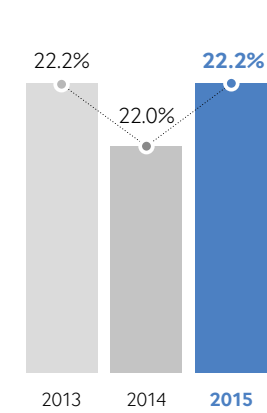
BUSINESS REVIEW

28	炼油业务
30	石化业务
31	基础油业务
32	油品码头业务
33	新项目
34	主要产品
36	主要生产设施

炼油业务

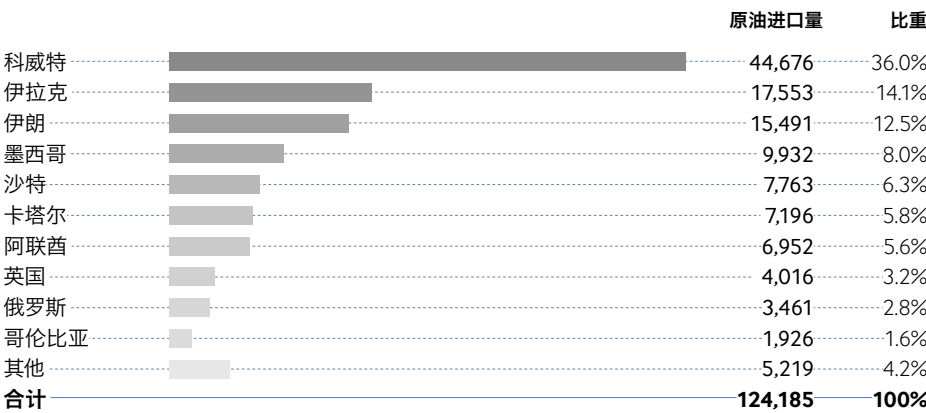
2015年, 现代Oilbank拥有39万桶石油产品的日产能, 通过运营约2300个加油站, 在轻质油内销市场, 实现了22.2%的市场份额。现代Oilbank正基于尖端化技术竞争力和原油进口渠道多样化, 作为生产和供应最优质产品的综合能源企业, 不断夯实市场地位, 实现更大的飞跃式发展。

2015年轻质油市场份额



2015年从各国进口原油量

单位: 千桶



实现原油进口渠道多样化

2015年, 现代Oilbank通过签署长期和现货合同, 稳定地从科威特、伊拉克等进口中东产原油。与此同时, 为减少原油货源偏重于中东地区的状况, 实现原油进口地区多样化, 进口了墨西哥、哥伦比亚等南美产原油、欧洲北海产原油及俄罗斯产原油。

轻质油内销市场份额稳定地保持在22%的水平上

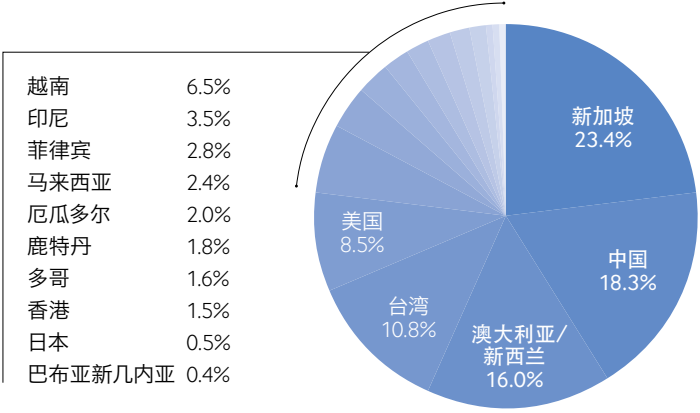
2015年, 现代Oilbank克服国际油价暴跌、国内外经济萧条等艰难的经营环境, 通过强化亲切和清洁服务、连续四次成功中标“精打细算加油站”、确保新的优秀客户等, 稳定地保持了22%水平的轻质油内销市场份额。

除了以加油站业主为对象的营销活动外, 现代Oilbank还通过扩大赠品卡(Bonus Card)和合作卡、吸引移动客户、强化地区联合营销等, 持续开展以消费者为对象的营销活动。通过这些努力, 获得了韩国标准协会主管的客服质量指数(KS-SQI)第一名, 连续四年获得了韩国客服中心质量指数(KS-CQI)第一名等, 成为得到广泛认可的服务先进企业。

扩大出口市场和强化海外网络

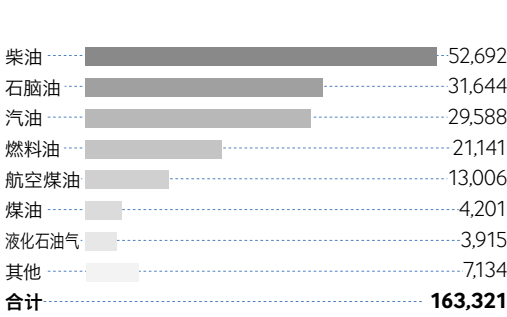
2015年, 现代Oilbank出口了3987万桶石油产品。主要出口市场从新加坡、台湾、中国和日本, 逐渐扩大到澳大利亚、新西兰、越南、菲律宾、印尼等国家。现代Oilbank进一步强化了原有两个法人公司(新加坡、上海)、三个分公司(中东、越南、伦敦)的职能, 积极促进原油、石化产品的三角贸易, 并开展面向中东、非洲、欧洲、美洲等地区的境外交易。今后, 现代Oilbank将继续应用海外营业网络, 开展各种贸易活动, 积极进军收益率较高的新市场。

2015年向各国出口物量的比重



2015年各产品销量

单位: 千桶



原油精炼日产能达到39万桶的现代Oilbank大山工厂

石化业务

现代Oilbank与日本科斯莫石油公司合资成立了现代Cosmo，跳脱了以炼油部门为中心的收益结构，将业务范围扩大到石化领域。随着2013年第二BTX工厂竣工投产，具备了年产137万吨的芳香族产品的生产设备。

强化石化业务竞争力

现代Oilbank与日本科斯莫石油公司合资成立了现代Cosmo。现代Cosmo生产BTX(苯、甲苯、二甲苯)等石油产品，销往国内外市场，BTX作为合成纤维或各种塑料、汽油添加剂等生活所必需的石化产品的基础原料使用。2013年4月，现代Cosmo成功地将第二BTX工厂投入商业生产，具备了年产137万吨芳香族(BTX)产品的生产设备。

BTX生产能力(吨/年)

1,370,000



第二BTX工厂(#2 BTX Plant)

基础油业务

现代Oilbank与壳牌集团合资成立了现代Shell Base Oil，从2014年起生产环保基础油，销往国际市场。基础油业务通过稳定地进军市场和扩大收益率，建立了成为行业标杆的业务多元化模式。

生产环保型基础油

现代Oilbank与壳牌集团合资成立了现代Shell Base Oil。现代Shell Base Oil在大山工厂内成立了基础油工厂，从2014年起投入商业生产。基础油以现代Oilbank的尖端化精炼装置产出的渣油为原料制成，作为润滑油的基础原料使用。基础油与各种添加剂混合，便可制造用于汽车、船舶、产业的成品润滑油。现代Shell Base Oil生产Group II 70 Neutral、Group II 150 Neutral、Group II 500 Neutral等环保型基础油。

创造稳定的收益

2015年，现代Shell Base Oil稳定地打入基础油市场后，凭借强化营销实力，提高投入与产出比率等，不断扩大了收益率。现代Shell Base Oil生产的大部分产品，通过壳牌集团的全球流通网络，销往世界最大的消费市场中国及整个亚洲地区，2015年实现了约6000亿韩元的销售额。

基础油生产能力(吨/年)

700,000



基础油装置(Lube Base Oil Unit)

油品码头业务

现代Oilbank通过成立子公司现代油品码头, 在韩国炼油公司中最先进军商业用油罐码头事业领域。现代油品码头正通过委托经营现代Oilbank所有的储油站、石油及石化产品储藏业务, 以物流专业生产厂商为目标阔步前进。

油类储藏业务进入正规化

现代Oilbank的子公司现代油品码头在蔚山新港共投入1000亿韩元, 填埋了86821平方米的大海, 兴建了最大可停泊5万吨级(以DWT为准)船舶的码头设施和可储藏28万千升的石油产品及石化产品的大型油类储藏设施, 该项目于2013年12月竣工。

从2014年1月起, 现代油品码头开始委托经营以前由现代Oilbank所有和运营的各地区储油站, 成长为具备全国网络的油品码头公司。今后, 现代油品码头将持续运营国内外石油产品储藏业务, 应用物流网络开展多种相关业务, 发展成为东南地区最大的石油产品、石化产品储藏及物流专业公司。

油类储藏能力(千升)

280,000



现代油品码头全景(Hyundai Oil Terminal)

新项目

现代Oilbank与乐天化学合资成立了现代化学, 推进凝析油精炼和混合二甲苯制造业务, 生产工厂预计于2016年竣工投入商业生产。

凝析油精炼和混合二甲苯制造业务

2014年5月, 为开展凝析油精炼及混合二甲苯制造业务, 现代Oilbank与石化企业乐天化学(株)合资成立了现代化学。2014年12月, 现代化学在大山工厂内开始兴建生产工厂, 预计从2016年下半年起投入生产, 届时, 凝析油日处理量可达13万桶, 每年可生产100万吨混合二甲苯。由于现代Oilbank和乐天化学(株)使用的BTX装置的主原料混合二甲苯大部分依赖于进口, 因此当工厂建成投产时, 两家公司都将确保稳定的原料货源, 与原有工厂合作还可建立BTX业务垂直系列化。

现代化学工厂竣工投产后, 包括混合二甲苯在内的各种产品及副产品将全部销往现代Oilbank、乐天化学及现代Cosmo。预计进口替代效果将超过1万亿韩元, 通过销售混合二甲苯生产过程产生的航空煤油及柴油, 还将获得约1.5万亿韩元的扩大出口效果。

主要产品

从汽车、船舶、飞机燃料，到产业原料、烹饪燃料，现代Oilbank正通过生产和供应世界最优质的石油产品和石化原料，不断夯实现代产业和文明的基础。此外，还通过提供使日常生活更加便利的产品和服务，为开创更幸福、更美好的未来作出贡献。

高级汽油 Premium Gasoline

高级汽油是代表现代Oilbank的最高档产品，属于辛烷值高于98的高辛烷汽油。高级汽油添加了可提高发动机性能的最新添加剂，可在长时间、严酷的驾驶环境下，防止发动机输出功率及燃料燃烧效率降低，同时可大幅度地减少有害气体的排放，也属于环保高性能产品。

汽油 Gasoline

汽油是挥发性强烈的混合液体，作为应用火花点火的内燃机关的燃料广泛使用。韩国政府的大气保护法限制苯的体积不得超过0.7%，硫磺的含量不得超过10mg/kg，现代Oilbank生产和供应的汽油，燃烧后产生的污染物含量远低于政府规定值。此外，汽油内还添加了发动机清洁剂，进一步提高了发动机内燃料的喷射能力和燃烧效率。

超低硫柴油 Ultra Low Sulfur Diesel

超低硫柴油大幅度改善了以往柴油的烟霾和噪音问题，在韩国堪称首创的环保型超低硫柴油。此产品含有高级柴油添加剂，具有清洁发动机的功能；从2006年起，所有柴油产品都混合了生物柴油，生产并供应更加环保的产品。

煤油 Kerosene

现代Oilbank生产和销售的室内煤油，是获得了环保标志，没有刺激性气味，燃烧时几乎不产生烟气或烟灰，适合作为室内取暖燃料使用。

燃料油 Fuel Oil

主要作为内燃机和锅炉的燃料使用，根据含硫量、用途和粘度，燃料油可划分为低硫燃料油、船用燃料油、A燃料油、B燃料油和C燃料油。

液化石油气 Liquefied Petroleum Gas

丙烷(Propane)使用于家庭及商业中的烹饪和取暖等；丁烷(Butane)使用于汽车燃料、移动燃烧器或取暖燃料及产业燃料等。现代Oilbank生产和供应无臭气雾剂(Aerosol)用无硫液化石油气(LPG)，可最大程度地减少液化石油气汽车的故障原因——气化器残留物的发动机试验等，经过严格的质量管理生产和供应优质产品。

航空煤油 Jet Fuel

作为飞机的喷气涡轮发动机使用的燃料油，即使在低压和低温的高空，也应无堵塞燃料滤清器现象，使发动机保持良好的燃烧和发动性能。现代Oilbank生产军用JP-8和民用Jet A-1等产品。

石脑油 Naphtha

石脑油广泛用于石化产业，既是生产汽油的原料，也是溶剂、石化和肥料工业的原料。重质石脑油的沸点高于100°C，通过改性工艺(Reformer)生产BTX(苯、甲苯、二甲苯)，BTX是生产尼龙、合成橡胶、油漆溶剂、塑料和聚酯纤维的原材料。

苯、甲苯和对二甲苯 Benzene, Toluene, P-Xylene

苯、甲苯、二甲苯是无色液体，易燃，具有特殊香味，是芳香族的基础产品。其中苯作为尼龙、聚苯乙烯和保温材料等的原料使用，甲苯作为稀释剂等的合成原料使用，对二甲苯(P-Xylene)作为聚酯、薄膜等的原料使用。

丙烯 Propylene

作为生产丙酮、异丙醇、丙烯腈、尼龙6、聚丙烯、环氧丙烷、环氧氯丙烷、聚异戊二烯等的广范围的石化核心原料，是生产亚克力、合成橡胶、塑料、洗涤剂等各种石化产品的基础。



烷基化物 Alkylate

辛烷值高，不含可诱发大气污染的芳香族化合物，而且蒸汽压低，含硫量少，作为环保、优质汽油的配方材料使用。

沥青 Asphalt

沥青在减压蒸馏工艺中生产，作为铺设道路的主要材料使用。现代Oilbank生产和供应的沥青，不仅满足了用于铺设道路的沥青规格认证(KS M2201)，还是在韩国唯一获得日本沥青规格认证(JIS K2207)的优质产品。

基础油 Lube Base Oil

基础油是使用加氢裂化装置生产的加氢尾油(Unconverted Oil)，通过催化工艺生产的产品。作为占成品润滑油比重超过80%的基础原料，通过加入各种添加剂，生产汽车、船舶、产业用成品润滑油。

润滑油 Lubricants

生产和供应润滑油品牌“XTeer”和燃料添加剂品牌“XTeer α”。

凝析油 Condensate

凝析油系指生产天然气过程中产生的API达到40~50度以上的超轻质油，主成分为石脑油，含有少量的中间馏分(煤油馏分、柴油馏分)和残渣馏分。

混合二甲苯 Mixed Xylene

邻二甲苯(o-Xylene)、间二甲苯(m-Xylene)、对二甲苯(p-Xylene)等的混合物，无色透明的挥发性液体，具有芳香性气味，是BTX工艺的主要产品，主要用于涂料和农药生产。

主要生产设施

现代Oilbank在总公司的所在地大山工厂，通过尖端化设备生产高附加值产品的同时，将业务范围扩大到BTX、基础油、混合二甲苯(MX)、炭黑等制造领域，逐步完善石油业务的垂直系列化。



现代Oilbank大山工厂全景

现代Oilbank依靠行业领先的最尖端精炼设施，稳定地生产和供应最高档石油产品和石化原料，不断创造高附加值。通过不断改进工艺，提高生产效率，将污染物排放量降至最低，打造更加安全、环保的生产基地。

不断实现设备尖端化

大山工厂位于韩国忠清南道瑞山，是现代Oilbank的精炼原油的核心基地，也是使公司的价值最先得以实现的地方。大山工厂占地330多万平方米，通过不断扩建和改造，构筑成业界领先的尖端生产设施基础。通过不断的扩建和改造，奠定了精炼原油日产能达到39万桶的炼油生产设施基础。同时，基于被誉为地上油田的重质油裂化设施等，截至2015年末，确保了韩国最高水平的尖端化比率(39.1%)。此外，随着2013年第二BTX生产设施投入商业生产，2014年基础油设施投入商业生产，大山工厂成长为世界一流水平的生产基地。



第一工厂全景(CDU: Crude Distillation Unit, VDU: Vacuum Distillation Unit)

主要生产设施

现代Oilbank总公司——大山工厂由第一工厂、第二工厂、第一BTX工厂、第二BTX工厂及基础油生产设施组成。

总设施生产能力

单位: 千桶/日

装置与设施	第一工厂	第二工厂	第一BTX工厂	第二BTX工厂	MX	合计
常压蒸馏装置(CDU)	110	280				390
减压蒸馏装置(VDU)	78	-				78
液化石油气分离设施(LER)	12	6				18
石脑油/Mogas* 处理设施						
－石脑油脱硫装置(NHT)	12	20				32
－石脑油改质装置(PLT)	4	20				24
－Mogas脱硫装置(MHT)	-	34				34
－烷基化物生产装置(ALK)	-	18				18
－Mogas的MEROX装置(MMX)	-	10				10
煤油/柴油处理设施						
－煤油脱硫装置(KHT/KGHT)	-	60				60
－柴油脱硫装置(GHT)	22	102				124
－煤油MEROX装置(KMX)	22	-				22
重质油脱硫/裂化设备						
－催化裂化装置(HCR)	42	-				42
－延迟焦化装置(DCU)	36.5	-				36.5
－常压渣油加氢脱硫装置(ARDS)	-	85				85
－重质油流化催化裂化装置(RFCC)	-	74				74
LBO生产设施						
－基础油生产装置(LBO)	20	-				20
BTX装置(KMTA)**						
－生产苯	-	-	120	120		240
－生产对二甲苯	-	-	330	800		1,130
凝析油精炼装置(2016年)					130	130
混合二甲苯制造装置(2016年)(KMTA)					1,200	1,200

* Mogas: 车用汽油(Motor gasoline)的缩写，系汽油配方材料的一种

** KMTA: 千公吨/年(Kilo Metric Ton Annual)

(1) 常压蒸馏装置

CDU (Crude Distillation Unit)

根据沸点的差异，分馏各种石油产品的装置，从沸点较低的液化石油气开始，依次生产石脑油、煤油、柴油、燃料油等产品。

(2) 减压蒸馏装置

VDU (Vacuum Distillation Unit)

作为在低于常压的压力下形成的蒸馏装置，从塔顶上依次分离出沸点比较低的减压轻质柴油、减压重质柴油及减压燃料油。

(3) 加氢裂化装置

HCR (Hydro Cracking Unit)

对从减压蒸馏塔生产的低附加值重质油进行裂化，消除杂质的装置，生产优质轻质油(煤油、柴油、液化石油气和石脑油)。

(4) 延迟焦化装置

DCU (Delayed Coking Unit)

在490℃高温下，对常压及减压蒸馏产品进行裂化，生产轻质馏分和副产品焦炭的装置。焦炭则作为燃料使用，或作为产品供应市场。

(5) 石脑油脱硫装置

NHT (Naphtha Hydro Treating)

在高温、高压状态下，使用催化剂，加氢，去除石脑油和液化石油气等含有的氮、氧等杂质。

(6) 煤油脱硫装置

KHT (Kerosene Hydro Treating)

去除常压蒸馏装置及延迟焦化装置生产的煤油的硫磺成分，转换成低硫煤油，改进产品质量。

(7) 柴油脱硫装置

GHT (Gasoil Hydro Treating)

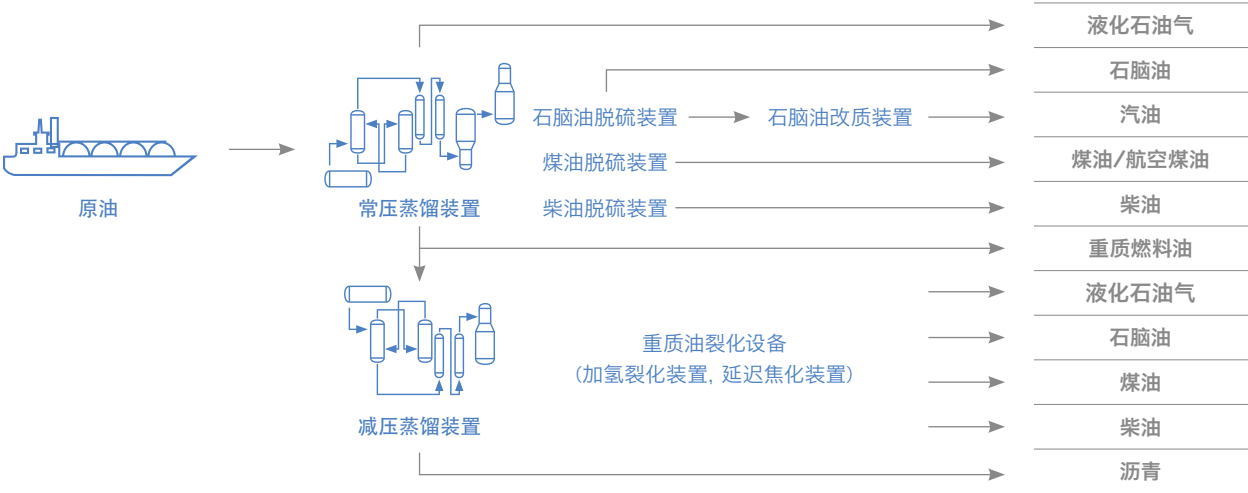
去除常压蒸馏装置及延迟焦化装置生产的柴油的硫磺成分，转换成低硫柴油，改进产品质量。

(8) 石脑油改质装置

PLT (Platforming)

将常压及裂化设施生产的低辛烷值石脑油转换成芳香烃成分比较丰富的改质石脑油的装置。生产的改质石脑油作为汽油的配方原料或BTX的原料使用。

工艺流程图



(9) 常压渣油加氢脱硫装置

ARDS

(Atmospheric Residue De-Sulfurization) 以高硫常压渣油为原料，在高温、高压状态下，通过加氢来引起脱硫反应，主要生产作为RFCC装置的原料使用的低硫渣油和部分轻质油。

(10) 重质油流化催化裂化装置

RFCC

(Residue Fluidized Catalytic Cracking) 以常压渣油加氢脱硫装置(ARDS)生产的低硫重质燃料油为流化催化剂，在高温状态下进行裂化的装置，生产丙烯、烷基化物及Mogas(汽油配料)等产品。

(11) BTX装置

BTX (Benzene, Toluene, P-Xylene)

第一BTX装置和第二BTX装置分别以改质石脑油和混合二甲苯为原料，生产对二甲苯、苯及甲苯等产品。

(12) 基础油装置

LBO (Lube Base Oil Unit)

以加氢裂化装置中未转换成煤油、柴油的加氢尾油(Unconverted Oil或Hydrowax)为原料，应用催化剂，进行异构化和加氢反应，生产优质基础油(Lube Base Oil)。

(13) 凝析油装置

Condensate

通过凝析油蒸馏，分馏各种石油产品的工艺，从沸点较低的液化石油气开始，依次生产石脑油、煤油、柴油、残渣馏分等产品。尤其，产量较大的石脑油作为生产混合二甲苯的原料使用。

(14) 混合二甲苯装置

MX (Mixed Xylene)

以凝析油装置生产的石脑油、进口的二甲苯及重质芳香族为原料，利用挥发度的相对差异，生产混合二甲苯和苯。



ARDS装置(Atmospheric Residue De-Sulfurization)



RFCC装置(Residue Fluidized Catalytic Cracking)

依靠领先的尖端化比率, 生产环保型高附加值产品

在炼油产业, 尖端化设施是指将原油精炼工艺中产生的高含硫重质油转换成高附加值及环保型汽油、柴油、丙烯、烷基化物等轻质油的最尖端设备, 被誉为“从大地表面采油”的“地上油田”。2011年9月, 随着第二尖端化设施竣工投产, 尖端化设施的日产能从原来的7.85万桶增至15.25万桶, 从而在原油精炼领域奠定了新的飞跃发展基础。

标志着高附加值产品的生产能力占总精炼能力的尖端化比率增至39.1%, 达到了韩国最高水平。现代Oilbank依靠行业领先的尖端化比率, 以精炼原油后产生的占40~50%的价格低廉的常压渣油为原料, 生产高附加值产品, 稳定地创造营业利润。此外, 现代Oilbank生产的石油产品质量满足了美国加利福尼亚州的含硫量标准(低于15ppm), 此标准是目前世界上最为严格的汽油和柴油产品标准, 石油产品销往美国等世界主要发达国家。

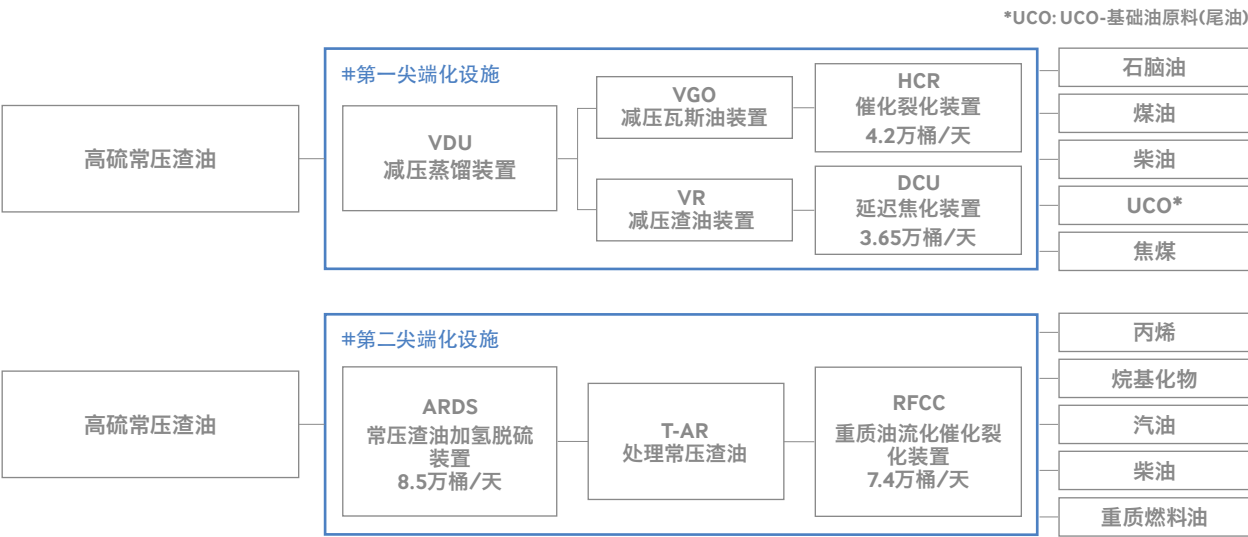
第一尖端化设施

现代Oilbank已经确保第一尖端化设施和第二尖端化设施, 分别用于裂化第一常压蒸馏装置生产的燃料油及第二常压蒸馏装置生产的燃料油。第一尖端化设施于1989年投入生产, 主要生产煤油和柴油, 由加氢裂化装置(HCR, Hydrocracking Unit)和延迟焦化装置(DCU, Delayed Coking Unit)组成。从第一尖端化设施的日精炼规模看, 加氢裂化装置和延迟焦化装置分别为4.2万桶和3.65万桶。

第二尖端化设施

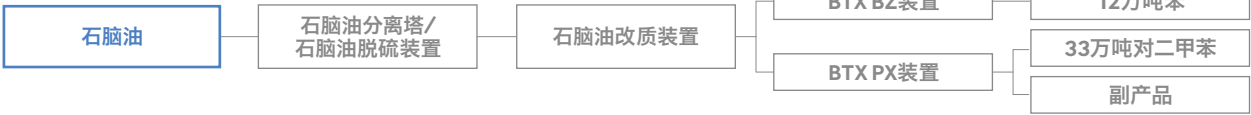
第二尖端化设施由两种核心装置组成, 一是, 以精炼过程产生的燃料油为原料进行加氢脱硫的常压渣油加氢脱硫装置(ARDS, Atmospheric Residue De-Sulfurization); 二是, 以经过常压渣油加氢脱硫装置的燃料油为原料生产石油产品和石化原料丙烯等的重质油流化催化裂化装置(RFCC, Residue Fluidized Catalytic Cracking Unit)。从第二尖端化设施的日精炼规模看, 常压渣油加氢脱硫装置和重质油流化催化裂化装置 分别为8.5万桶和7.4万桶。

尖端化设施(HOU)工艺流程图



BTX工艺流程图

第一BTX装置流程图



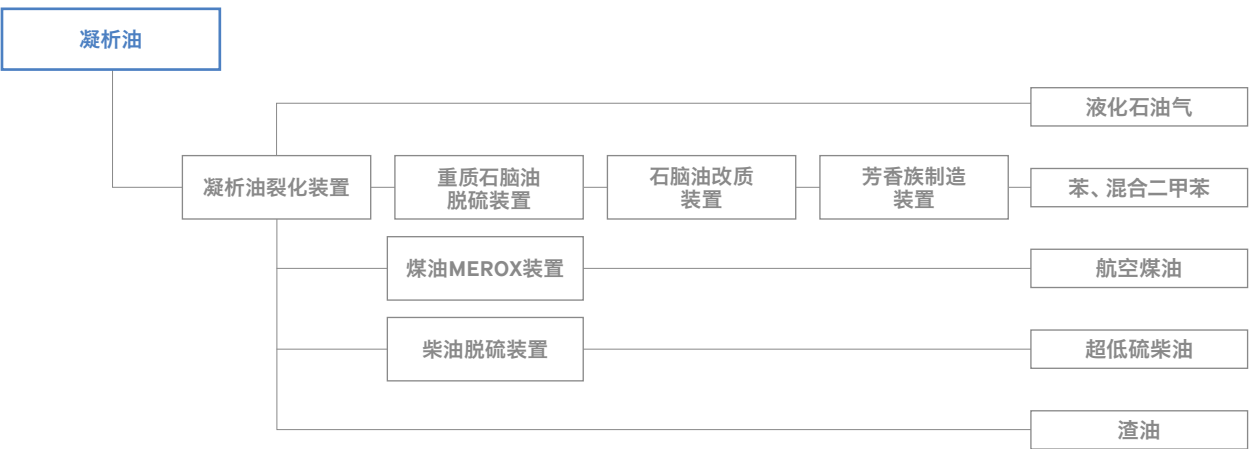
第二BTX装置流程图



基础油工艺流程图



凝析油/混合二甲苯工艺流程



MANAGEMENT REVIEW

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经营理念

现代Oilbank决心诚实地履行企业的根本目的和社会赋予的责任，贡献于国家经济和社会发展，成长为最受信任和尊敬的企业。为此，现代Oilbank确立了涵盖所有利益相关者的经营基本哲学。此经营理念由七个具体方针组成。



提高利益相关者的价值

尊重客户和股东、公司和员工及地区社会，现代Oilbank以发自内心的尊重，为提高各利益相关者的价值而不断努力。一方面为了提高生活的立足之地——公司的名誉和价值而努力，同时员工们深知自己就是公司的宝贵财产，尊重彼此的人格，激发彼此的创意，不断提高企业实力。现代Oilbank认识到满足客户是所有业务之根本，以正直、诚实的姿态为客户创造价值，同时以效率化经营不断创造可持续价值，努力实现股东价值最大化。此外，现代Oilbank还认识到自己本身就是国家基础产业的中轴，为贡献于国家经济和社会发展而不懈努力，与地区社会共同体携手探索合作共赢发展之路。

为成为赢得信赖的企业开展经营活动

现代Oilbank通过开展透明经营和开放经营，力争成为赢得社会信赖和尊敬的企业。现代Oilbank正依托高水平伦理标准，遵守相关社会规范和秩序，走在公平和透明经营的前列，积极公开公司经营所需信息，开展员工自由参与的开放经营。通过这一努力，现代Oilbank将不断强化核心力量，提供最佳产品和服务，实践客户、员工、合作伙伴企业、股东及地区社会的利益，全面履行企业的根本责任和目的，发展成为值得信赖的企业。

经营战略

2015年，即使在油价下跌的状况下，现代Oilbank依然通过系统和有效的应对，迅速响应市场环境变化，创造了6294亿韩元的营业利润。2016年，现代Oilbank将继续致力于挖掘经济性原油，开发海外高额利差市场，扩大高收益装置的处理量等，继续致力于提高收益率。通过以安全为本的工厂运营，力争实现700万工时无事故和“零(Zero)紧急停工”。



2016年
战略课题

继续保持成本竞争力优势	提高进口原油的经济性	— 扩大超重质油等低价原油的进口 — 持续挖掘新原油
	强化收益改善活动	— 扩大高收益装置的处理量和提高生产效率 — 改善内销销售毛利，开发海外高额利差市场
运营以安全为本的工厂	建立安全文化	— 实现“零(Zero)紧急停工” — 实现700万工时无事故 — 共享装置操作技巧和经验，强化工厂运转实力

伦理经营

现代Oilbank通过引进伦理经营, 开展透明经营。通过践行全公司层面的伦理经营, 以值得利益相关者信赖的企业为目标, 坚定不移地向前阔步前进。

实践全公司层面的伦理经营

现代Oilbank从2002年起引进和践行伦理经营。自2010年成为现代重工业集团的一员后, 现代Oilbank实施集团层面的伦理经营政策, 对更加透明的经营和持续革新形成了全公司层面的共识。现代Oilbank决心通过伦理经营, 发展成为客户和合作伙伴公司“乐于交易的公司”、股东“乐于投资的公司”、员工“乐于工作的公司”和为国家和社会“全面履行社会责任, 贡献于国家和人类社会发展的公司”。

伦理经营推进体系

现代Oilbank制定和实施伦理宪章、伦理规范、职务伦理实践方针等伦理经营规定。伦理宪章阐明了基于伦理经营的企业经营哲学。同时, 针对不同部门制定更为具体的伦理宪章, 已成为伦理行为的标准“伦理规范”、行为判断和业务处理指南“职务伦理实践方针”等的具体规定。针对需要具备高度的伦理意识的六个职务, 追加制定和适用了“特定职务伦理规范”。同时, 通过教育培训、宣传等多种实践项目, 为构建名副其实的伦理经营体系而努力。

主要实践项目

清廉报告举报制度	从2013年起, 现代Oilbank开展更为严格的伦理经营, 以杜绝员工从合作伙伴企业等利益相关人处收受金钱、礼物、红白喜事慰问金、餐饮招待等。若不得已之下, 接受了合作伙伴企业赠与的金钱或礼物, 应立即返还或退送; 若无法立即返还或退送时, 应捐赠给指定的社会福利团体。
利益关系申报制度	在公司与客户进行交易方面, 若公司员工乃至合作伙伴企业员工与交易对象存在利益关系或可能发生利益关系时, 应事先向公司申报, 采取防止利益关系相冲的措施, 力求遵循公正、透明的交易惯例。
对举报人的保护及奖励制度	原则上禁止公开举报人及举报内容, 并严守秘密; 严防正当的举报人因举报而遭受打击报复。此外, 根据举报不正当行为及腐败行为奖励标准, 对举报人给予奖励。
运营主页及网上举报制度	开放伦理经营主页(http://ethics.oilbank.co.kr), 宣传和介绍伦理经营制度和促进过程, 供读者随时查阅伦理宪章等各种伦理规章。通过“从伦理经营事例中看伦理法规”和“伦理经营Q&A”板块等, 帮助读者理解伦理法规; 伦理经营主页上还设有“网上举报”窗口, 可举报违反规章制度、营私舞弊、违反公平交易等错误惯例或政策。
伦理经营教育制度	为加深员工对伦理经营的理解, 提高实践水平, 每年以新员工和晋升员工为对象, 开展伦理经营集中教育, 全体员工每月都要收看伦理经营宣传视频。此外, 还开设了现代重工业集团定制型网上教育课程。

公平交易自觉遵守项目

只有遵守公平竞争秩序, 才能提高企业竞争力, 开启“合作共赢”之路。现代Oilbank以此信念为基础, 积极开展透明经营和公平竞争。为系统地履行这一信念, 从2003年起引进了公平交易自觉遵守项目, 并贯穿于企业经营活动的全部领域。

公平交易自觉遵守项目适用领域

为践行公平竞争和透明经营, 现代Oilbank在整个经营活动中, 全面实施了公平交易自觉遵守项目(CP, Compliance Program, 合规项目)。合规项目为遵守公平交易法明确了行动标准, 可预防日常经营活动中可能发生的违法行为。通过强化合规项目, 短期内可减少违法行为带来的法律费用; 长期内可提高企业价值和企业竞争力。

为强化合规项目而努力

现代Oilbank的最高经营团队阐明了实施合规项目的意志, 全体员工均递交了自觉遵守合规项目的誓约。此外, 还持续开展公司内外公平交易教育、公平交易守法检查及事前研究业务等活动。同时, 还建立违法制裁系统及合规项目相关文件管理体系, 实施全面的内部守法体系, 主要践行事项如下。

主要践行事项

核心要素	践行事项
CEO阐明实施合规项目意志	阐明了实施合规项目的意志及方针(电子文件、主页)
选任首席合规官(CCO)并进行管理	任命经营支援本部长(主管部门: 政策支援组)
编制和发放合规项目汇编	2003年12月发行汇编及发放
运营员工教育项目	内部教育(法令的制定和修订教育, 合规项目负责人教育, 合规项目检查及教育, 新员工、老员工、组长、加油站站长教育等) 外部委托教育(韩国公平竞争联合会、公平交易委员会等主管) 网上研修院(在线教育)
建立内部监督体系	公平交易业务规定及全公司业务流程书 运营内部举报系统(合规项目咨询室、公平交易信访办公室等) 实施公平交易守法检查, 运营业务事前研究系统
建立违法者处罚体系	根据人事规定(奖励、惩戒规定)进行制裁 由人事委员会审议和决定(最严制裁可给予“解雇”)
建立文件管理体系	与合规项目相关的线上及线下文件管理(管理部门: 政策支援组)

风险管理

现代Oilbank针对油价和汇率变动等多种危险因素并存的特点，完备了有效地应对风险的体系和组织，对风险进行管理。同时，为迅速、正确地应对迅猛变化的市场状况，将损失降至最低，开展有体系的、高效的风险分析活动。

风险管理组织

现代Oilbank为有效管理石油价格变动所引起可能发生的所有风险，运作以CEO为委员长的风险管理委员会，对外汇风险、油价风险和精炼毛利风险等多种形态的风险，进行系统的整合管理。

油价变动风险管理

现代Oilbank进口的产自中东的原油大部分以装船月基准价格为准签订合同，因此在运输期间(1个月)内可能发生价格变动所带来的风险。为防止油价变动造成的损失，现代Oilbank对开工利差进行对冲，在固定价投标、储备油和设施租赁时，必须实施对冲，这已成为制度化。此外，为防止油价期货价差变动风险，将受油价期货价差变动影响的货量定义为风险，根据油价状况调整风险暴露货量。原则上，首先通过调整实物价格标准来调整风险暴露货量，然后再通过掉期交易对冲和调整。

进口原油进口渠道多样化

现代Oilbank正在积极拓宽进口原油的渠道，力争从根本上回避进口包括伊朗在内的中东地区产原油造成的地缘政治学风险。随着购买原油地区从中东扩大到南美、北海等地区，原油购买价格标准也从迪拜到西德克萨斯(WTI)、布伦特，变得多样化，现代Oilbank基于市场状况，为最大程度地提高引进原油的经济性而努力。今后，现代Oilbank计划通过与工厂之间的有机联系，不断扩大进口原油的新渠道，力争隔绝风险的同时尽可能地实现最大盈利。

外汇风险管理

现代Oilbank从海外进口原料和出口产品时均以外汇为基础形成，由于这种行业特征，常常暴露在汇率变动导致的外汇风险中，为有效地应对这一风险，现代Oilbank每季度召开风险管理委员会会议。会上，通过监视和分析国内外宏观经济，制定最佳对冲战略。专门管理外汇风险的部门根据风险管理委员会做出的对冲战略决定，对暴露于外汇风险的部分实施积极的对冲，以最大程度地降低外汇风险。



风险管理

质量政策

现代Oilbank为践行满足客户这一最根本的价值，正通过严格的各级质量检查和系统的质量投诉应对体系，不断提高售后服务水平。同时，现代Oilbank通过持续的研发活动，为最大程度地满足客户而努力。

质量经营方针及质量管理活动

从产品的生产阶段到销售阶段，根据法律规定，对整个流通过程实施全面的质量检查。尤其，为了对最终流通阶段实施高水平的管理，全年实施事前质量检查，对产品质量进行全面管理。通过这种努力，2015年，现代Oilbank获得了韩国产业通商资源部及环境部以加油站为对象定期实施的燃料质量检查中，获得了全部合格的优异成绩。此外，现代Oilbank还在由韩国石油管理院主管、四家炼油公司等韩国大部分石油试验室共同参加的“2014年、2015年燃料油、液化石油气、沥青精密度比较试验”中，全部油种、全部项目均在误差允许范围内通过了质量试验，产品的客观可信度再次得到了广泛认可。2015年，现代Oilbank很好地执行了ISO 9001质量管理体系，使质量及管理水平得到了国际公认。



中央技术研究院



产品质量测试

质量投诉应对体系

现代Oilbank下设质量管理组，专门负责处理客户的质量投诉。一旦接到投诉，立即联合各有关部门共同处理客户投诉事项，并与客户共享处理结果。在处理客户投诉过程中，现代Oilbank排除了延误处理客户投诉的原因，为从客户立场出发，迅速处理客户投诉做出了努力。此外，还在板桥运作具备最尖端试验分析设备的“客户技术支援中心”，开展迅速满足客户需求的质量管理服务。

现代Oilbank在客户投诉原因不明确的情况下，依然根据规定以在72小时内访问客户及处理投诉事项为原则，做到迅速收集样品，按客户投诉类别确定质量测试项目，快速通报分析结果。为了迅速正确地处理客户的质量投诉，现代Oilbank以销售员工和加油站业主为对象，定期实施质量教育，每年通过发行《现代Oilbank质量手册》，使全体员工能够快速应对客户质量投诉。另外，为了保证客户的安全和健康，公开披露产品和服务中发生的有害物质信息，严格遵守与之相关的保健及安全规定。

研发领域的排头兵，中央技术研究院

2011年11月，作为业务多元化和促进新项目发展的排头兵，现代Oilbank在板桥科技谷成立了专门从事研发活动的研究中心——“中央技术研究院”。中央技术研究院整合了分散在大山总公司、首尔、釜山等全国各地营业点的技术开发职能和研究人力，构筑了现代Oilbank的新一代研发基地。中央技术研究院还致力于开发原油精炼新技术、催化剂技术、基础油、新一代燃料及石化产品等多种领域的技术和培养未来优秀技术人才。中央技术研究院已与韩国大学进行产学合作，与政府出资的研究所联合开展课题攻关，与海外企业联合在石油和石化领域开展技术合作。例如，与日本的BTX行业的合作伙伴科斯莫石油公司就联合开展研发及在整个能源产业领域开展技术合作签订了谅解备忘录，开展技术人才交流。尤其，2013年10月，第一柴油脱硫装置(#1 GHT)决定从科斯莫引进催化剂，为确保催化剂的原创技术奠定了基础。此外，为率先在韩国实现炼油脱硫催化剂的国产化而努力的同时，与海外一流企业联合致力于开发最优化的催化剂。中央技术研究院为了完成培养优秀人才、带头发掘新发展引擎的艰巨使命，树立了如下愿景和目标并加以实施。

首先，中央技术研究院为强化技术竞争力，将加大力度继续致力于研发工作。今后，中央技术研究院将持续发掘政府支援研发课题，为解决全球能源问题及发掘新发展引擎，不断加强产学研合作。

其次，中央技术研究院将致力于确保业务多元化所需技术。为确保进军催化剂制造技术研究、催化剂再生技术、试验工厂应用工艺催化剂最优化、FBC脱硫技术、海洋机会原油处理技术、焦煤气化、炼钢化学、丙烯衍生物、润滑油技术、高附加值溶剂、非溶性硫磺技术、改质沥青、芳香族产品多样化等有发展潜力的业务领域所必需的生产技术，最大程度地集中研究院的力量。

最后，中央技术研究院在全球技术竞争日益激烈的环境下，全力以赴吸引和确保核心优秀人才，发掘和确保面向未来的新增长引擎。今后，中央技术研究院将不分国内外，不断扩大技术合作范围，全力以赴地确保与公司地位和愿景相匹配的技术实力。

质量投诉处理程序



营销政策

现代Oilbank正通过多种品牌价值活动、提高服务水平、扩大联合营销等举措, 致力于提升品牌知名度和客户忠诚度。此外, 还通过扩大以客户为中心的差异化营销活动, 与从属加油站建立强有力的伙伴关系, 不断强化营业竞争力。

提高品牌价值

2010年, 现代Oilbank以现代重工业的一员重新起步后, 通过开展多种多样的提高品牌价值的活动, 通过树立亲切的企业形象, 不断拉近与消费者的距离。现代Oilbank通过连续六年冠名赞助韩国职业足球联赛及赞助蔚山现代足球队等, 积极开展了体育营销活动。此外, 还通过举办以潜在客户——大学生为对象的营销创意公开征集展、支援海外贫困儿童等, 为提升公司的品牌价值作出了不懈努力。

现代Oilbank以“奔向百年的希望与分享”为口号, 强化不断持续向前发展的企业形象的同时, 积极开展提高新产品的品牌价值的活动。同时, 为使2013年投放市场的润滑油品牌“XTeer”和2014年打入新业务领域的燃料添加剂品牌“XTeer α”能够尽快进入市场并提高知名度, 通过向客户提供与产品亲密接触的体验活动等, 积极开展产品宣传活动。

此外, 现代Oilbank对加油站外观、工作服、广告制品、办公室等所有空间进行了统一的标准化设计。尤其, 对直接与客户打交道的加油站, 应用了公司标志性吉祥物, 为提高品牌知名度作出了不懈努力。

提高亲切及清洁服务水平

为树立亲切及清洁的加油站形象, 现代Oilbank打出了“Good Service Bank!”的服务口号, 积极开展提高服务质量的活动。现代Oilbank在行业中率先将服务及地区合作专家——市场设计师(MD, Market Designer)派往各个地区, 系统地改进加油站服务水平的同时, 积极开展与地区文化演出等活动的合作服务。现代Oilbank通过加油客户亲自推荐优秀亲切加油员的“服务活动”; 承担标准化服务示范及加油站员工教育培训工作的“服务团队”; 从客户的立场出发评估营销活动和服务水平, 建议改进方向的“客户咨询团/在线支持者/监督会员”等组织, 鼓励客户参与, 倾听来自现场的呼声。现代Oilbank还发行《加油站服务指南》, 不断扩大现代Oilbank特有的与众不同的标准化服务。

凭借这些努力, 2015年, 现代Oilbank荣获了韩国标准协会主管的服务质量指数(KS-SQI, Korean Standard-Service Quality Index)加油站部门的第一名; 现代Oilbank客服中心连续七年荣获韩国能率协会咨询主管的“韩国产业服务质量指数(KSQI, Korean Service Quality Index)”客服中心部门第一名, 连续四年荣获韩国标准协会主管的“客服中心质量指数(KS-CQI, Korean Standard-Contact Service Quality Index)”行业第一名等, 服务水平得到公认。

扩大联合营销

现代Oilbank与百货商店、大型折扣店、汽车、保险、食品饮料、餐饮等韩国各行业一流企业合作, 不断扩大赠品卡(Bonus Card)积分累积和使用范围。最近, 随着对油价波动十分敏感的消费群越来越多, 现代Oilbank通过推出新的合作型信用卡, 积极开展“BC卡Oh! Point”等以积分支付加油费的服务活动, 使消费者能够切身体验到折扣优惠。与此同时, 现代Oilbank举办大型演出、庆典活动、与折扣店合作等符合全国各地特点的合作活动, 牢固地树立了“充满趣味和折价优惠的加油站”形象。

强化客户忠诚度

现代Oilbank实施的营销政策源自对多达1300万人的赠品卡客户数据进行科学分析。现代Oilbank通过招引和维系客户等针对客户生活方式的“客户CRM”、考虑加油站营业环境的“加油站定制型CRM”、与合作伙伴企业联合、扩大开展的“合作型CRM”等多种多样的CRM活动, 为搞好客户管理和扩大销量作出了贡献。此外, 现代Oilbank还以赠品卡客户为对象, 开展“XTeer α免费体验节”、“新米满满心意满满大赠送”、“Hansol Oak Valley合作活动”等实惠明显高于竞争对手的促销活动。通过这些努力, 使赠品卡价值不断扩大, 客户忠诚度不断提高。

与从属加油站建立强有力的合作伙伴关系

现代Oilbank通过优待从属加油站、加气站业主的伙伴关系管理项目(PRM, Partner Relationship Management), 向加油站业主传递“细致入微的关怀”和“感动”, 不断强化与他们的合作伙伴关系。现代Oilbank以加油站业主及其家属为对象, 开展“皇后派对”、“广域本部家庭野营”、“都市晚餐”、“亲自上门的厨师晚餐”等各种与家属共同参与的活动的同时, 还提供综合医院体检、旅行住宿优惠、支援红白喜事用品等, 开展与实际生活密切相关的支援活动。

现代Oilbank还开展“加油站促销品团购”活动, 为以全国最低价购买优质矿泉水和湿巾提供支持等, 为强化加油站的竞争力持续开展支援活动。



综合加油站一号店



梦之队击鼓表演

环境经营

为将生产活动造成的环境污染降至最低，现代Oilbank正在建立整合环境管理系统，持续投资于环境保护事业。同时，积极开展员工教育及环境检查等预防活动，建立迅速应对紧急事态的程序和流程等，大力强化环境经营活动。

整合环境经营体系

作为积极开展环境经营活动的基本方针，现代Oilbank制定和实施了环境方针。构筑了整合环境管理系统，将之贯穿于所有旨在实现环境目标的各种主要活动。现代Oilbank获得了国际标准化组织ISO认证机构颁发的ISO 14001环境管理体系认证，为根据国际标准进行有效、系统的管理，建立了环境整合信息系统，管理大气、水质、废气、化学物质、教育等相关资料。

2015年
针对可能发生的化学事故
实施防治训练



旨在实现环境经营目标的 整合环境管理系统的主要领域

事前环境评价	现代Oilbank的所有经营活动，都要事前进行环境影响评价，并根据评价结果采取适当措施。
环境目标管理与公开	现代Oilbank定期对环境目标成果进行调查、研究及审计，所设定的目标均公开披露。
遵守环境管理规定	现代Oilbank严格遵守国际环境公约、韩国环境法规及现代Oilbank自主制定的环境管理规定。
防止环境污染	现代Oilbank自主制定环境目标及改进计划，通过持续改进工艺及加强污染防治能力，致力于防止环境污染。
持续开展教育	现代Oilbank持续开展教育并积极鼓励，使全体员工在业务过程中能够彻底地履行应尽的环保责任。

为改进环境而努力

现代Oilbank在整个经营领域为营造清洁的环境而努力。

(1) 环境投资

为将营业点内发生的污染物质降至最低，现代Oilbank引进了最佳环境保护设备。尤其，2015年，为减少泵、阀门等飞溅设备排放的挥发性有机化合物(VOC: Volatile Organic Compounds)，引进了泄漏检测和修复系统(LDAR: Leak Detection & Repair)；同时，引进了发货设备油气回收装置(VRU: Vapor Recovery Unit)，实施了工艺排水道封闭作业等，共为环境保护事业投入了约131亿韩元。

(2) 应对气候变化

为将温室气体排放量降至最低，现代Oilbank持续开展能源基本单位管理、工艺改进、余热回收及设备运转优化等减排温室气体活动。现代Oilbank还积极参与温室气体减排注册业务、能源目标管理制度、排放权交易制度等，韩国政府正在促进的绿色发展政策，为建设低碳社会发挥着领头羊作用。

(3) 环境协议会及环境检查

现代Oilbank通过定期进行环境检查和运营环境协议会，事前预防及排除全公司环境风险隐患，做到防患未然的同时，将事故造成的损害降至最低。

环境检查	环境协议会
-通过事前检查，排除环境危险隐患 -根据环境检查结果，制定改进措施计划，并进行管理 -核实环境法规、规定及方针的执行与否 -到现场核实防污设施管理状况 -半年实施一次：直营加油站、物流中心、生产本部	-制定环境投资计划，并管理执行成果 -针对主要悬案问题制定相应的解决方案 -监测各排放源的污染物排放浓度 -共享主要法规修订事项 -一个季度实施一次：营业本部、生产本部

化学事故等应急程序

为在发生化学事故后迅速采取有效措施，将化学事故造成的损害降至最低，现代Oilbank与韩国环境部及大山产业园区附近公司联合成立和运作化学事故安全支援团。此外，为提高自主防治能力，重新完善了事故应对手册，根据年度计划针对各种典型事故案例，实施防治训练。

组成	主要作用
韩国环境部、现代Oilbank、LG化学、三星道达尔、乐天化学及KCC	-发生化工事故时，提供化工事故发生地点及化学物质等信息 -发生事故后，提供各自储备的防治设备，对发生事故的营业点周围地区的防治提供支援 -共享地区产业园区内信息，建立紧急联络网系统

社会公益

现代Oilbank以“爱心满满希望能源”为社会公益活动口号, 致力于为青少年儿童带来希望, 与弱势群体休戚与共, 爱护绿色自然。除了通过能源实践爱心外, 现代Oilbank还通过员工、家属及个体加油站共同参与的多种多样的社会公益活动, 为传播分享文化作出了贡献。



以相视而笑的两张脸孔为主题, 体现了现代Oilbank通过客户和社会服务, 打造光明、温暖的社会等, 开展社会公益活动的坚定意志。

现代Oilbank分享1%基金

为关爱社会弱势群体, 建设温暖、健全的社会, 从2011年9月起, 现代Oilbank员工每月捐献工资的1%。目前, 韩国大企业员工都在参与每月捐赠工资的1%的活动。现代Oilbank最先倡导了这一活动的同时, 积极引导其他企业、个体加油站及员工家属参与其中, 为传播分享文化作出了贡献。现代Oilbank分享1%基金正凭借分享工资的1%和社会服务等实践活动, 为开创更美好的世界而努力。

地区社会公益活动

现代Oilbank为与总公司所在地忠清南道瑞山地区居民实现合作共赢发展, 开展了多种多样的地区社会公益活动。从2003年起, 通过购买瑞山地区产大米的“购买地区大米事业”, 每年购买相当于10亿韩元的大米, 为地区农民增加收入和实现农村经济自立提供了有力的支援。为扩大沿海渔业资源, 从2002年起开始了“放生石斑鱼事业”, 每年在附近海域放生15万尾中等大小未成年石斑鱼, 为增加渔民收入, 振兴渔村经济, 作出了积极贡献。如今, 放生石斑鱼事业催生了代表地区的庆典活动——“三吉浦石斑鱼庆典”, 成为游客争相光顾的地区旅游名胜, 此外, 为保护海洋环境, 持续开展三吉浦海滨清扫活动。

自2003年成立以来, 现代Oilbank奖学事业会以公司附近地区家庭环境困难的初中生、高中生及大学生为对象, 每年发放5000万韩元奖学金。2011年9月建成现代大竹公园, 免费向瑞山市民及地区居民开放。此公园占地1.74万平方米, 由天然草皮球场、篮球场、排球场、生活设施等组成。2014年6月作为瑞山花谷水库公园化事业的一环, 建成了绿色生态公园和环公园散步路, 为地区居民营造了休息场所, 致力于增进居民健康和促进地区经济发展。



奖学事业



三吉浦海滨清扫活动



购买地区大米事业

员工志愿活动

从2005年起, 现代Oilbank积极开展“幸福分享志愿活动”, 为员工自觉开展的志愿活动注入了新鲜活力, 员工投入志愿活动的时间每满一小时公司就捐赠一万韩元, 如此积攒的款项全部捐赠给服务对象机构, 此外, 还向服务对象机构提供价值达200万韩元的物质援助。现代Oilbank的员工以所在部门或社团为单位, 亲自到需要关爱的现场开展志愿活动, 每年参与志愿活动的时间达到了5000小时以上。

多种多样的捐赠活动

现代Oilbank与母公司现代重工业联合开展募捐活动, 每年向社会福利机构捐赠善款, 用于帮助社会弱势群体。现代Oilbank参加了由四家炼油公司共同出资营造的1000亿韩元特别基金事业, 致力于帮助能源弱势群体, 普及和传播健全的能源文化。现代Oilbank作为“一公司一兵营”的先进企业, 与缔结兄弟关系的部队——海军陆战队延平部队, 积极开展交流活动和慰问活动的同时, 向小型社会福利设施和低收入阶层提供取暖燃料油援助, 向小本经营货车司机和海洋警察的子女提供奖学金等, 积极开展多种多样的捐赠活动。此外, 现代Oilbank还通过与加油客户共同参与的积分分享活动, 援助海外低收入国家遭遇不幸的儿童。

支援残疾人就业

现代Oilbank为帮助残疾人自立, 开展了为残疾人创造就业岗位的活动。作为该活动的一环, 从2003年起, 现代Oilbank与韩国残疾人雇佣社团合作, 雇佣包括重度残疾人在内的残疾人为加油站洗车员, 截至2015年底, 共有21名残疾人作为洗车员参加工作。



分享幸福家庭志愿服务



爱心取暖燃料油



残疾人洗车员家庭郊游

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Management's Discussion & Analysis

对预测信息的注意事项

本公司在本报告中预测未来可能发生的活动、事件或现象，及编制本报告时的事件及财务成果时，反映了本公司的见解。本预测信息基于对未来业务环境相关的多种假设，这些假设最终有可能不成立。此外，这些假设中，还包含了预测信息中记载的预期值和实际结果存在重大差异的风险、不确定性及其他要素。这些要素包括公司内部经营相关要素和外部环境导致的要素，并不限于此。

为反映完成本预测信息的那一时刻以后发生的危险或不确定性，本公司可对预测信息所记载的事项进行修订，但没有义务公开披露修订报告。总而言之，本公司对本报告记载的预测结果或事项是否得以实现，或当初所预测的影响是否发生，不提供任何担保。望周知，本报告记载的预测信息是以制作本报告的那一时刻为准，本公司对预测信息的危险因素或预测信息本身没有更新计划。

I. 经济及市场状况

1. 2015年经济状况

2015年上半年，韩国流行中东呼吸综合征，导致消费萧条，内销疲软的同时，因油价暴跌，中国经济增长放缓，导致出口大幅减少。但是，到下半年，随着中东呼吸综合征得到控制，政府实施追加预算调整等，使得国民消费得到改善，建设投资势头反弹并延续，内销经济出现复苏势头。

相反，从国际市场看，以美国为中心的部分先进国家出现强势复苏势头，欧盟区和日本出现微弱的复苏势头。受中国经济增长放缓和原材料价格下跌影响，新兴发展中国家经济复苏势头趋于平缓。

2016年，以美国消费复苏为基础，预计内销复苏势头将继续延续下去，但是，随着美元走强，导致出口条件恶化，预计总体经济复苏势头将保持平缓。预计以先进国家为中心的经济复苏势头将保持平缓。另外，从新兴发展中国家看，原材料出口不景气、外国人撤资等导致经济下滑风险已开始显现，预计经济增长势头将趋于平缓。

自2014年以来，美国页岩油、欧佩克(OPEC，石油输出国组织)成员国原油的供应量扩大，中国经济增长放缓导致原油进口量减少，国际油价延续了低油价势头。2016年，若世界经济复苏势头平缓，原油供应过剩状况继续延续的话，预计低油价势头也将继续延续。同时，随着伊朗核协商取得妥协，增加了原油供应过剩的可能性，也将是导致油价弱势的原因之一。

2. 市场状况

1) 国际原油市场及汇率

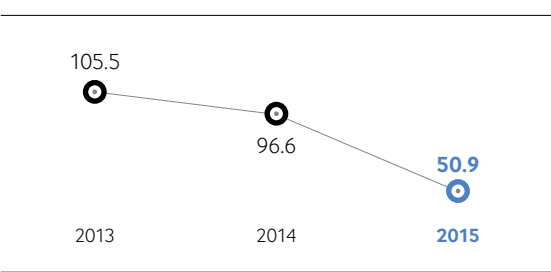
国际原油市场存在石油有限性、地区偏重性、需求和供应不确定性、石油价格不稳定性等特点。从需求和供应的基本结构看，国际原油市场仍然是卖方市场，市场调整以卖方为主。主要产油国集中于中东，中东产油国占有全世界经确认的原油储量的75%和世界年产量的40%。大部分中东产油国为欧佩克成员国，因此欧佩克对国际原油市场的影响力巨大。然而，非欧佩克国家的国际原油市场份额正在迅速增加，因此国际原油市场价格的形成并非由欧佩克“一锤定音”，非欧佩克国家的发言权正日渐增加。

目前，国际原油市场价格受到下列多种因素的综合影响：世界石油需求量、非欧佩克地区的供应量、原油库存量等经济因素，伊朗和欧佩克国家间的产量纠纷等地缘政治学因素，石油期货市场或投机资本形态及战略导致的其他金融商品因素。

2015年上半年，随着页岩油投入生产导致世界市场原油供应过剩，国际油价曾一度暴跌至每桶40多美元，但是，随着中东政局陷入动荡及对经济复苏的期待日益提高，国际油价反弹至每桶65美元左右。2015年第四季度，随着中国经济增长放缓及原油供应量增加，国际油价跌至35美元左右，预计2016年低油价状况将继续延续，但是，随着产油国的政局动荡和国际金融市场动荡不断扩大，国际油价存在暴跌暴涨的可能性。

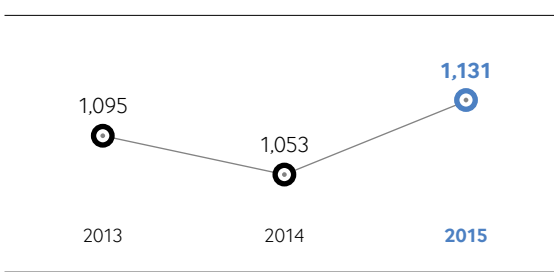
迪拜原油年均价格变动趋势

单位：美元/桶



平均汇率变动趋势

单位：韩元/美元



2014年下半年，日本银行第二次实施强化量化宽松政策，导致日元贬值，韩元兑美元汇率反弹后，随着美国经济复苏而持续走高。

2016年，受中国等新兴发展中国家经济不景气、美国提高基准利率等影响，预计韩元兑美元汇率将小幅上升。但是，韩国经常收支继续保持大幅盈利，国际投资者将韩国视为相对安全的投资对象时，可能会成为汇率上升的制约因素。

Management’s Discussion & Analysis

2) 韩国炼油产业概要

上个世纪90年代初, 韩国炼油公司不断扩大生产规模, 2015年底, 韩国炼油产业的日产能达到了268.4万桶, 常压精炼设施规模名列世界第六位。韩国炼油产业依靠庞大的精炼设施, 不仅实现了规模经济, 还在国际出口竞争力方面确保了优势地位。

自2014年以后, 国际油价持续暴跌, 对韩国产业降低生产成本, 提高收益率, 扩大内销及出口等起到了推动作用, 并为韩国整个产业地扩大生产发挥了重要作用。2014年油价暴跌, 起到了负的库存效果, 大幅降低了炼油行业利益。但是, 也同时降低了炼油行业的原油进口价格, 振兴了石油产品的需求, 对2015年精炼毛利起到正面影响。预计原油市场供过于求的现象不会在短时间内消失, 因此韩国炼油行业将在一段时间内继续分享需求增长带来的利益。

2016年, 预计低油价走势将继续延续。现代Oilbank将基于在韩国领先的尖端化比率和最优化的装置效率, 通过新业务的稳定化, 强化内销和出口, 确保持续超越竞争对手的竞争优势。

精炼能力		单位: 千桶/日	尖端化比率		单位: %
现代Oilbank		390	现代Oilbank		39.1
SK		840	SK		23.7
GS		785	GS		34.9
S-OIL		669	S-OIL		22.1

II. 主要财务成果

1. 主要经营成果

单位: 亿韩元				
主要财务指标	2015	2014	变动	
1. 销售额	130,096	213,241	-83,145	-39.0%
2. 销售成本	120,088	207,657	-87,569	-42.2%
3. 销售利润总额	10,008	5,584	4,424	79.2%
4. 销售与管理支出	3,715	3,322	393	11.8%
5. 营业利润	6,294	2,262	4,032	178.2%
6. 金融损益	636	-1,377	2,013	-146.2%
7. 其他营业外损益	-159	-159	-	0.0%
8. 权益法损益	-205	-541	336	-62.1%
9. 本期净利润	4,512	42	4,470	10,642.9%
营业利润率	4.84%	1.06%		3.78%p
净利润率	3.47%	0.02%		3.45%p

* 以合并财务报表为准

自2014年以后, 国际油价持续暴跌, 国内外经济持续萧条等, 面对如此艰难的经营环境, 本公司以最高水平的效率为目标, 从原油进口到生产、销售, 不断提高收益率, 使新项目早日实现软着陆等, 致力于业务多元化。同时, 通过现场经营, 灵活地调整工厂开工率, 对精炼毛利进行跟踪管理; 通过产品库存量管理, 对库存损益进行实时管理等, 这些努力一年到头从未停止过。本公司通过尖端化设施的稳定运转, 持续节约成本等措施, 使得收益率得到了大幅改善, 从而在炼油行业连续五年实现了营业利润率第一, 连续十四个季度实现了盈利经营。

凭借为改善经营做出的不断努力, 本公司确保了以下竞争力。
第一, 提高生产率。新建FCB锅炉、回收余热、基于能源咨询节省能源、扩大尖端化装置效率及通过装置自动化改善运转水平。

第二, 确保原油进口的成本竞争力。扩大了北海产福蒂斯(Forties)、俄罗斯产索科尔(Sokol)、墨西哥产伊斯莫斯(Isthmus)等非中东原油的进口量, 还挖掘出C5C6及溶剂二甲苯等有益于进口的新基础材料, 扩大了辅助材料的进口。

第三, 通过不断的投资, 确保了韩国领先的尖端化设备, 并实现了安全运转, 实现了500万工时无事故。凭借在此过程中积累的专业知识和经验, 确保了可在今后稳定地运营最尖端工厂及最大程度地实现收益的能力。

Management’s Discussion & Analysis

2. 销售额分析

1) 销售额

2015年, 世界范围的经济不景气导致石油消费增长率趋于平缓, 相反, 随着低油价走势持续延续, 推动了石油产品需求的增加等, 形成了两个明显的极端。针对这种外部环境变化, 本公司以灵活应对市场变化为基本思想, 致力于开展内销和出口均衡发展的市场经营。本公司通过销售渠道的多样化和开发新渠道, 不仅扩大销售实力, 还构建了具备竞争力的销售网络, 提高了收益, 确保了新项目推进实力, 致力于创造全新的收益模型。

2) 各渠道销售战略

本公司为率先应对市场环境变化, 灵活地调整销售, 实现收益最大化, 制定了适合各销售渠道的战略并付诸实施。

零售

本公司主要向加油站、代理店、农协、一般销售处、液化石油气加气站等销售产品, 通过零售渠道主要供应轻质油产品。零售渠道是内销的根本渠道, 本公司通过扩大开发新的战略地区, 强化广告、大众传媒促销等, 扩大零售渠道的销售, 不断提高市场支配力。此外, 通过加油站亲切服务和清洁服务走上正常轨道, 提高品牌价值, 开发综合加油站等, 力争扩大营业利润的同时, 不断提高资产价值。

直销

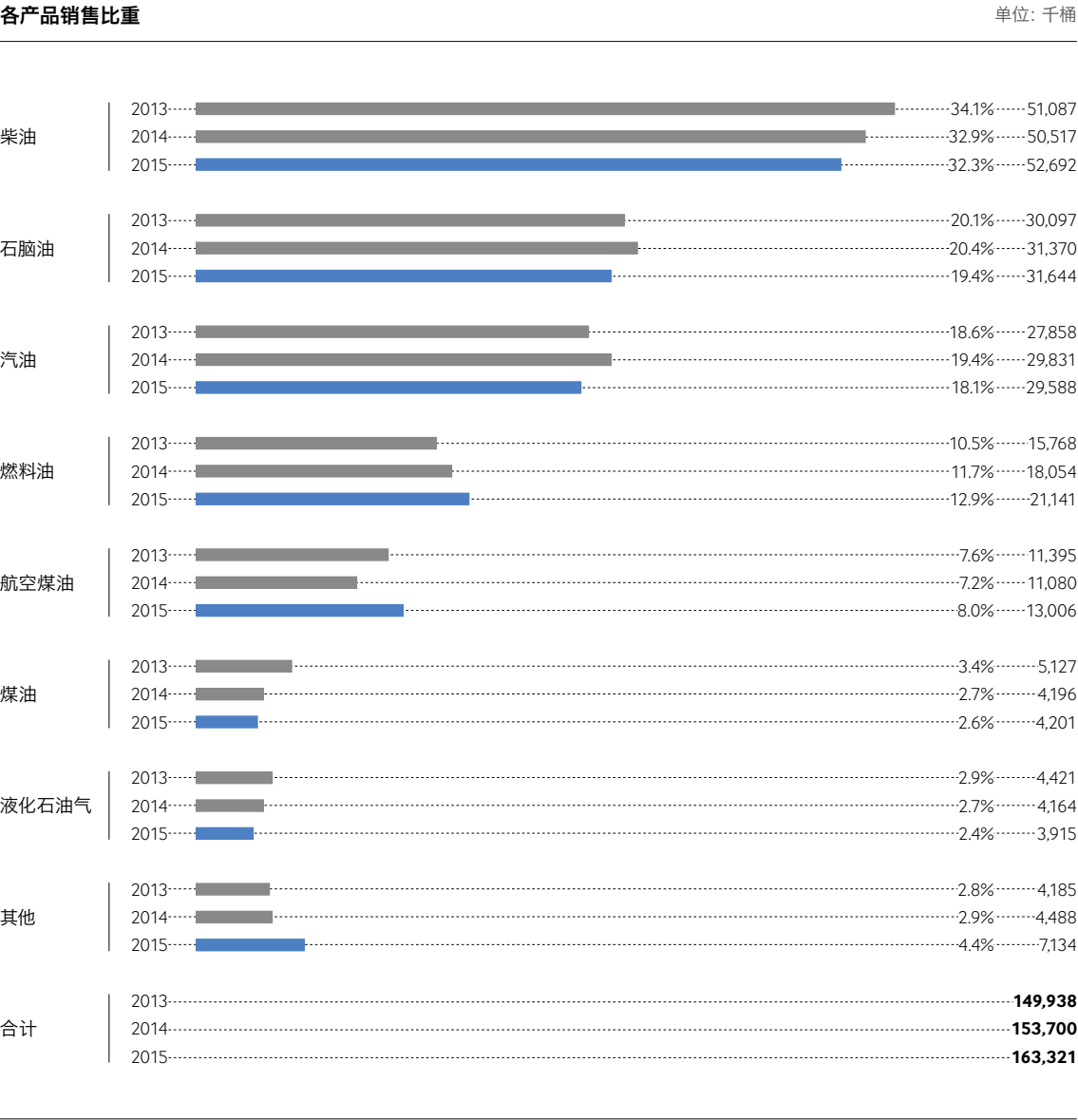
针对一般企业、军队或政府、投标等的法人营业渠道, 与零售渠道主要供应轻质油不同, 直销渠道主要供应海上油、航空煤油、沥青、石脑油等多种产品。

出口

2011年, 本公司完成尖端化设施扩建后, 开工率明显增加, 出口产品实现了多样化, 出口比重呈现稳步增长势头。近来鉴于内销市场和海外市场的联动效果日益增加, 本公司将业务的重点放在了通过内销与出口业务组合最优化, 实现公司收益最大化方面。据此, 本公司向销售利差比较大的美洲地区出口汽油的同时, 进军新加坡海上加油事业领域等, 为确保新的发展引擎做出了努力。

3) 各产品销量

尖端化设施投产后, 相对于精炼能力的比例——尖端化比率, 由2014年的36.7%提高至2015年的39.1%, 尖端化比率维持在韩国最高水平上。由此, 汽油、航空煤油、煤油、柴油等轻质油在销售额中所占比重保持稳定状态。从各产品销比重看, 柴油最高, 占32.3%; 其次是石脑油、汽油和燃料油。随着尖端化设施投产, 高附加值产品生产比例增加, 使整体业务竞争力及收益基础得到强化, 从内销市场看, 轻质油市场份额占22.2%, 基本与去年持平, 确保了稳定性。



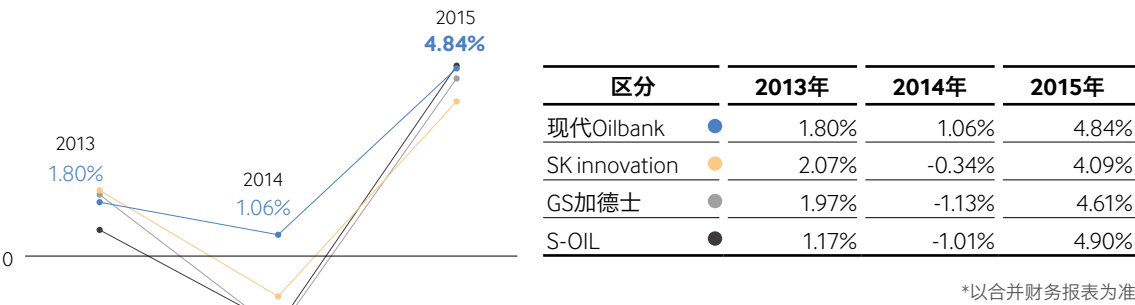
Management’s Discussion & Analysis

3. 收益率分析

持续实现营业利润

公司通过行业领先的比率、比较高的内销市场份额及内涵式经营实现了比较高的营业利润率。2014年, 受外部经营环境恶化影响, 所有竞争对手都未能避免营业亏损时, 唯有本公司创造了良好的营业利润。2015年, 公司连续五年在炼油行业实现了营业利润率第一名, 连续十四个季度实现了盈利经营等, 充分显示了稳定的营业利润管理能力。

营业利润率



随着西方国家解除对伊朗的经济制裁, 伊朗原油出口回复了正常化, 而美国页岩油和欧佩克(OPEC)原油生产量仍维持在原有水平上, 预计目前的低油价走势将趋于长期化。此外, 随着中东地区正在兴建和扩建大型新型炼油工厂, 运河得到扩张, 导致境外原油流入量增加, 使得境内出口竞争日益激化。面对这一市场环境的中长期展望, 本公司将基于新项目继续致力于利润极大化, 积极开展提高生产率、节能、开发利差比较大的海外市场及以各本部为单位的改善收益等活动。2016年, 本公司将继续致力于提高原油进口、生产、营业等各个领域的效率, 实现远远高于竞争对手的收益率。

4. 未来投资分析

本公司依靠持续的技术革新和研发, 强化炼油及石化业务的实力, 为了通过发掘新项目, 创造本公司的未来价值, 于2011年11月1日成立了中央技术研究院。

中央技术研究院由技术开发组、技术战略组、工艺技术组等组成。技术开发组担负着开创公司未来愿景的研发课题, 与现场最为密切相关, 以商业化为目标, 致力于炼油及石化产品、工艺催化剂最优化、垃圾资源化、绿色能源等多样领域的研究课题。技术战略组担负着挖掘新研究课题, 对开发课题的可行性和经济性进行研究, 对研究课题的未来价值进行评估, 使完成开发的课题稳定地实现商业化等业务。工艺技术组担负着中长期投资、能源效率化、工艺最优化等工艺改进和效率化研究业务。

5. 财务现状

1) 简要财务状况

2015年底, 资产总计为7.5601万亿韩元, 同比小幅减少。全部流动资产减少了32.9%, 这是对库存资产及债权等主要项目进行有效管理的结果。流动比率为119.1%, 同比(2015年)增长了24.0%p, 财务流动性变得更好。为了稳定地确保中长期发展引擎, 持续开展新项目投资活动, 使有型资产增加, 非流动资产增长了7.5%, 增至5.5031万亿韩元。此外, 凭借原油进口渠道多样化管理、扩大经济性高的原油进口等努力, 以及2015年油价急剧下跌, 导致流动负债同比下降了46.4%, 降至1.7274万亿韩元; 非流动负债增长了4.2%, 增至2.071万亿韩元; 负债总计同比(2014年)下降了27.1%, 降至3.7983万亿韩元。所有者权益总计同比增长了26.5%, 增至3.7618万亿韩元, 稳定地保持了保有资本。此外, 负债率同比下降了74.2%p, 降至101.0%, 财务结构得到了改善。

单位: 亿韩元				
主要财务指标	2015	2014	变动	
流动资产	20,571	30,636	-10,065	-32.9%
非流动资产	55,031	51,214	3,817	7.5%
资产总计	75,601	81,850	-6,249	-7.6%
流动负债	17,274	32,233	-14,959	-46.4%
非流动负债	20,710	19,872	838	4.2%
负债总计	37,983	52,105	-14,122	-27.1%
资本金	12,254	12,254	-	0.0%
混合资本证券	224	-	-	-
资本盈余	-760	-751	-9	1.2%
未分配利润	-22	-65	43	-66.2%
利润盈余	21,014	16,823	4,191	24.9%
非控制权益	2,890	1,484	1,406	94.7%
所有者权益总计	37,618	29,745	7,873	26.5%
本期利润率	101.0%	175.2%	-74.20p	

*以合并财务报表为准

Management’s Discussion & Analysis

2) CAPEX

公司依靠持续的技术革新和研发, 强化炼油及石化业务实力, 以及发掘新项目, 为创造未来价值持续进行投资。同时, 通过新建SDA、扩大尖端化设备固定容量、增建流化床锅炉、开发应用大山工业园区副产品的业务等, 大力推进新项目。此外, 为了提高原有投资的效率及尽早实现稳定化, 实施了补充投资及资本投资。预计这些投资有望为确保本公司的中长期发展引擎及提高收益作出贡献。

单位: 亿韩元				
	2015	2014	变动	
新投资	2,006	1,295	711	54.9%
补充投资	1,345	1,324	21	1.6%
资本投资	1,946	1,250	696	55.7%
合计	5,297	3,869	1,428	36.9%

*以合并财务报表为准

6. 流动性及资金调配

1) 流动性现状

2015年底, 本公司的流动比率为119.1%, 同比(2015年)增长了24.0%p, 财务流动性得到了更大的改善。这归功于应对炼油产业不稳定性的市场环境, 为提高财务稳定性而不断努力的结果。本公司为保持适当水平的流动性规模, 满足运营资金等资金需求, 对流动性进行实时监控。

2) 筹资

本公司通过发行新公司债券和混合资本证券, 着眼于长远观点, 应用了更加稳定的筹资手段。2015年底, 总借款约为2.1486万亿韩元, 同比减少了约1.3252万亿韩元, 主要是偿还本期到期短期借款所致。负债总计为3.7983万亿韩元, 同比下降了27.1%, 负债率也同比下降了74.2%p, 降至101.0%, 从整体上看, 财务结构的稳定性得到很大提高。

III. 2016年经营展望

2015年, 本公司集中力量开展内涵式经营, 创造了稳定的收益, 实现了收益率远远高于竞争对手的稳步发展。通过强化竞争力, 提高业务效率, 持续推进业务多元化等诸多努力, 本公司连续五年在炼油行业实现了营业利润率第一名, 连续十四个季度实现了盈利经营等, 稳定的营业利润管理能力得到了认可。然而, 从更宏观视角来看, 2015年经历了低油价长期化、境内出口竞争日益激化、世界经济萧条等中长期性艰难的市场环境, 是公司的危机管理能力得到考验和强化的一年。

本公司通过原有石油业务的多元化, 打入多种新项目领域, 奠定了稳定地创造收益的基础, 为在2020年跻身具备世界一流竞争力的跨国综合能源公司而努力。为此, 本公司将大力强化原有业务实力, 积极进军海外市场, 着眼于中长期未来, 不断改善收益率。

2016年, 为实现经营管理目标, 公司将具体地重点推进下列战略课题。

第一, 提高原油进口的经济性。扩大超重质油等低价原油的进口量, 持续挖掘新种原油。

第二, 强化收益改善活动。扩大高收益装置处理量, 致力于提高生产效率, 提高内销毛利, 开发海外高额利差市场。

第三, 确立安全文化。实现零(Zero)紧急停工和700万工时无事故, 传播设备操作经验和技巧, 为提高工厂运转实力做出贡献。

本公司将通过实施上述战略课题, 继续保持成本竞争力优势, 运营以安全为本的工厂, 力争在2016年, 继续保持行业收益率第一, 确保未来发展引擎。

Independent Auditor’s Report

To the Board of Directors and Shareholders of
Hyundai Oilbank Co., Ltd.

We have audited the accompanying consolidated financial statements Hyundai Oilbank Co., Ltd. and its subsidiaries (collectively “the Group”), which comprise the consolidated statements of financial position as of December 31, 2015 and 2014, and the consolidated statements of income, comprehensive income, changes in equity and cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS) 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.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with the Korean Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Hyundai Oilbank Co., Ltd. and its subsidiaries as of December 31, 2015 and 2014, and their financial performance and cash flows for the years then ended in accordance with the Korean IFRS.

Other Matters

Auditing standards and their application in practice vary among countries. The procedure and practices used in the Republic of Korea to audit such financial statements may differ from those generally accepted and applied in other countries.

Seoul, Korea
March 7, 2016

Sami PricewaterhouseCoopers

This report is effective as of March 7, 2016, the audit report date. Certain subsequent events or circumstances, which may occur between the audit report date and the time of reading this report, could have a material impact on the accompanying consolidated financial statements and notes thereto. Accordingly, the readers of the audit report should understand that there is a possibility that the above audit report may have to be revised to reflect the impact of such subsequent events or circumstances, if any.

Consolidated Financial Statements

Consolidated Statements of Financial Position
December 31, 2015 and 2014

Hyundai Oilbank Co., Ltd. and Subsidiaries		(in thousands of Korean won)	
Subject	Notes	2015	2014
Assets			
Current assets			
Cash and cash equivalents		250,139,265	434,504,203
Short-term financial instruments	8	36,031,187	14,027,932
Available-for-sale financial assets	9	-	1,076,185
Financial assets at fair value through profit or loss	20	1,206,981	210,780
Derivative financial instruments	20	27,838,652	610,613
Trade and other receivables	10, 32	670,563,467	1,105,037,355
Inventories	11	955,228,791	1,404,721,111
Other current assets		116,050,280	103,438,370
		2,057,058,623	3,063,626,549
Non-current assets			
Investments in associates	12	82,731,734	110,029,185
Long-term financial instruments	8	1,023,500	2,023,500
Available-for-sale financial assets	9	3,000,000	3,000,000
Long-term trade and other receivables	10	127,057,928	144,796,794
Investments in properties	13	10,634,973	10,634,973
Property, plant and equipment	14	5,183,619,088	4,758,498,892
Intangible assets	15	93,616,376	88,469,079
Derivative financial instruments	20	229,398	489,482
Deferred income tax assets	29	1,176,519	3,497,931
		5,503,089,516	5,121,439,836
Total assets		7,560,148,139	8,185,066,385
Liabilities			
Current liabilities			
Short-term financial liabilities	17	301,244,150	1,699,232,421
Financial liabilities at fair value through profit or loss	20	3,568,072	1,230,297
Derivative financial instruments	20	26,107,900	168,159
Trade and other payables	16, 32	1,184,935,874	1,433,612,835
Current income tax liabilities	29	96,630,175	2,494,390
Provisions	19	7,117,476	3,620,356
Other current liabilities		107,764,575	82,982,540
		1,727,368,222	3,223,340,998

Consolidated Financial Statements

Consolidated Statements of Financial Position
December 31, 2015 and 2014

Hyundai Oilbank Co., Ltd. and Subsidiaries		(in thousands of Korean won)	
Subject	Notes	2015	2014
Non-current liabilities			
Long-term financial liabilities	17	1,847,362,111	1,774,623,325
Derivative financial instruments	20	2,575,546	4,238,659
Long-term trade and other payables	16	92,392,519	92,560,519
Net defined benefit liability	18	13,261,804	11,179,150
Provisions	19	1,714,815	2,153,000
Deferred income		28,380,914	28,531,581
Deferred income tax liabilities	29	79,250,746	67,835,016
Other non-current liabilities		6,026,170	6,080,290
		2,070,964,625	1,987,201,540
Total liabilities		3,798,332,847	5,210,542,538
Equity attributable to owners of the Parent			
Capital stock	21	1,225,412,110	1,225,412,110
Hybrid capital securities	22	224,272,850	-
Additional paid-in and other capital		(76,016,121)	(75,094,521)
Accumulated other comprehensive income	23	(2,186,580)	(6,474,769)
Retained earnings	24	2,101,351,584	1,682,269,983
Non-controlling interest		288,981,449	148,411,044
Total equity		3,761,815,292	2,974,523,847
Total liabilities and equity		7,560,148,139	8,185,066,385

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Financial Statements

Consolidated Statements of Income
Years Ended December 31, 2015 and 2014

Hyundai Oilbank Co., Ltd. and Subsidiaries		(in thousands of Korean won)	
Subject	Notes	2015	2014
Sales	7, 32	13,009,622,080	21,324,071,940
Cost of sales	26, 32	12,008,781,218	20,765,692,394
Gross profit		1,000,840,862	558,379,546
Selling and administrative expenses	25, 26	371,475,283	332,198,842
Operating profit		629,365,579	226,180,704
Finance income	27	36,679,950	56,031,606
Finance costs	27	137,678,335	193,681,222
Other non-operating income	28	287,297,701	265,455,246
Other non-operating expenses	28	223,721,076	281,341,692
Share of loss of associates	12	(20,519,740)	(54,127,359)
Profit before income tax		571,424,079	18,517,283
Income tax expense	29	120,195,381	14,363,939
Profit for the year		451,228,698	4,153,344
Net income attributable to owners of the parent company		437,594,630	(5,321,836)
Non-controlling interest		13,634,068	9,475,180
Basic earnings per share (in Korean won)	30	1,785	(22)

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Financial Statements

Consolidated Statements of Comprehensive Income
Years Ended December 31, 2015 and 2014

Hyundai Oilbank Co., Ltd. and Subsidiaries		(in thousands of Korean won)
Subject	2015	2014
Profit for the year	451,228,698	4,153,344
Other comprehensive income		
Items that will be reclassified to profit or loss		
Gain on valuation of derivative financial instruments for cash flow hedge	2,075,232	1,263,900
Share of other comprehensive income of associates	589,758	(498,444)
Currency translation differences	1,191,944	735,113
Gain (loss) on valuation of available-for-sale financial assets	489,449	(489,449)
Items that will not be reclassified to profit or loss		
Remeasurements of net defined benefit liability	(18,422,291)	(16,518,519)
Total comprehensive income for the year	437,152,790	(11,354,055)
Net income attributable to owners of the Parent company	423,967,985	(21,150,685)
Non-controlling interest	13,184,805	9,796,630

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Financial Statements

Consolidated Statements of Changes in Equity
Years Ended December 31, 2015 and 2014

Hyundai Oilbank Co., Ltd. and Subsidiaries		(in thousands of Korean won)					
Subject	Capital Stock	Hybrid Equity Securities	Additional paid-in and Other Capital	Accumulated Other Comprehensive Income	Retained Earnings	Non-controlling Interest	Total
Balance at January 1, 2014	1,225,412,110	-	(22,619,670)	(7,113,114)	1,704,059,013	58,930,981	2,958,669,320
Comprehensive income							
Net income	-	-	-	-	(5,321,836)	9,475,180	4,153,344
Cash flow hedges	-	-	-	891,125	-	372,775	1,263,900
Change in value of available-for-sale financial assets	-	-	-	(489,449)	-	-	(489,449)
Remeasurements of net defined benefit liability	-	-	-	-	(16,467,194)	(51,325)	(16,518,519)
Share of other comprehensive income of associates	-	-	-	(498,444)	-	-	(498,444)
Currency translation differences	-	-	-	735,113	-	-	735,113
Transactions with shareholder							
Investments of subsidiaries	-	-	(14,051)	-	-	15,990,633	15,976,582
Establishment of subsidiaries and others	-	-	(52,460,800)	-	-	63,692,800	11,232,000
Balance at December 31, 2014	1,225,412,110	-	(75,094,521)	(6,474,769)	1,682,269,983	148,411,044	2,974,523,847
Balance at January 1, 2015	1,225,412,110	-	(75,094,521)	(6,474,769)	1,682,269,983	148,411,044	2,974,523,847
Comprehensive income							
Net income	-	-	-	-	437,594,630	13,634,068	451,228,698
Cash flow hedges	-	-	-	2,017,038	-	58,194	2,075,232
Change in value of available-for-sale financial assets	-	-	-	489,449	-	-	489,449
Remeasurements of net defined benefit liability	-	-	-	-	(17,914,834)	(507,457)	(18,422,291)
Share of other comprehensive income of associates	-	-	-	589,758	-	-	589,758
Currency translation differences	-	-	-	1,191,944	-	-	1,191,944
Transactions with shareholder							
Investments of subsidiaries	-	-	(921,600)	-	-	127,385,600	126,464,000
Issuance of hybrid euqity securities	-	224,272,850	-	-	-	-	224,272,850
Dividends of hybrid equity securities	-	-	-	-	(598,195)	-	(598,195)
Balance at December 31, 2015	1,225,412,110	224,272,850	(76,016,121)	(2,186,580)	2,101,351,584	288,981,449	3,761,815,292

The accompanying notes are an integral part of these consolidated financial statements.

Consolidated Financial Statements

Consolidated Statements of Cash Flows
Years Ended December 31, 2015 and 2014

Hyundai Oilbank Co., Ltd. and Subsidiaries		(in thousands of Korean won)	
Subject	Note	2015	2014
Cash flows from operating activities			
Cash generated from operations			
Net income		451,228,698	4,153,344
Adjustments	31	509,428,221	432,598,832
Changes in assets and liabilities	31	618,489,289	107,927,224
		1,579,146,208	544,679,400
Interest received		7,403,168	6,276,752
Interest paid		(84,422,235)	(117,686,578)
Income tax paid		(4,947,303)	(40,510,574)
Net cash inflow from operating activities		1,497,179,838	392,759,000
Cash flows from investing activities			
Increase in short-term financial assets		(47,177,495)	(48,621,104)
Decrease in disposal of short-term financial assets		25,674,239	55,083,645
Decrease in financial assets at fair value through profit or loss		9,827,133	19,954,031
Proceeds from disposal of avilable-for-sale financial assets		2,156,981	-
Decrease in long-term financial assets		500,000	500,000
Proceeds from disposal of Investments in properties		-	15,236,500
Purchases of property, plant and equipment		(732,547,669)	(579,099,648)
Proceeds from disposal of property, plant and equipment		12,436,609	75,457,591
Purchases of intangible assets		(2,174,923)	(1,808,260)
Proceeds from disposal of intangible assets		1,239,545	920,000
Proceeds from disposal of investments in associates		7,212,150	-
Increase in loans and receivables		(8,699,072)	(51,306,330)
Decrease in loans and receivables		26,219,926	61,502,611
Net cash outflow from investing activities		(705,332,576)	(452,180,964)

Consolidated Financial Statements

Hyundai Oilbank Co., Ltd. and Subsidiaries		(in thousands of Korean won)	
Subject	Notes	2015	2014
Cash flows from financing activities			
Proceeds from borrowings		3,973,380,625	9,748,595,520
Repayments of borrowings		(5,021,853,175)	(9,301,917,377)
Repayments of current portion of long-term liabilities		(162,898,193)	(152,212,769)
Repayments of current portion of bonds		(450,000,000)	(300,000,000)
Proceeds from issuance of bonds		398,273,300	597,419,099
Repayments of bonds		-	(52,558,106)
Incesae in long-term borrowings		84,325,780	124,379,486
Repayments of long-term borrowings		(150,000,000)	(300,000,000)
Capital increase of subsidiaries		126,386,538	79,195,046
Inssuance of hybrid equity securities		224,272,850	-
Net cash inflow (outflow) from financing activities		(978,112,275)	442,900,899
Change in foreign exchange rates		598,692	231,127
Net increase (decrease) in cash and cash equivalents		(185,666,321)	383,710,062
Cash and cash equivalents at beginning of year		434,504,203	50,595,955
Changes in cash equivalents due to foreign currency translation		1,301,383	198,186
Cash and cash equivalents at the end of year		250,139,265	434,504,203

The accompanying notes are an integral part of these consolidated financial statements.

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

Hyundai Oilbank Co., Ltd. and Subsidiaries

1. General Information

Hyundai Oilbank Co., Ltd. (the “Company”) was established in 1964 to engage in the production and sale of petroleum products. The Company and its production facilities are located in Daesan, South Chungcheong Province. The Company has a production capacity of 390,000 barrels per stream day (BPSD) in petroleum processing.

The consolidated financial statements of the Company as at and for the year ended December 31, 2015, consist that of the Company and its subsidiaries (together referred to as the “Group”).

As of December 31, 2015, Hyundai Heavy Industries Co., Ltd. owns 91.13% of total outstanding shares.

The consolidated subsidiaries as of December 31, 2015 and 2014, are as follows:

Subsidiaries	Location	Percentage of ownership		Business
		2015	2014	
HDO Singapore Pte. Ltd.	Singapore	100%	100%	Petroleum trading
MS Dandy Ltd.	Marshall Islands	100%	100%	Ships leasing
Hyundai Oil Terminal Co., Ltd	Korea	70%	70%	Oil storage industry
Hyundai and Shell Base Oil Co., Ltd	Korea	60%	60%	Lubricant oil production
Hyundai Oilbank (Shanghai) Co., Ltd.	China	100%	100%	Petroleum trading
Hyundai Chemical Co., Ltd.	Korea	60%	60%	Crude petroleum refining
Grande Ltd.	Marshall Islands	100%	100%	Ships leasing

Subsidiary’s financial information as of December 31, 2015 and 2014, are as follows:

(1) 2015

Subsidiaries	Assets	Liabilities	Sales	Profit (loss) for the year
HDO Singapore Pte. Ltd.	161,621,142	138,311,318	3,672,248,845	2,164,656
MS Dandy Ltd.	17,450,544	11,959,374	1,538,953	(3,766)
Hyundai Oil Terminal Co., Ltd	109,551,176	24,280,550	28,026,181	5,547,446
Hyundai and Shell Base Oil Co., Ltd	392,588,590	209,002,287	568,792,493	31,152,541
Hyundai Oilbank (Shanghai) Co., Ltd.	28,149,013	23,839,110	201,202,404	297,010
Hyundai Chemical Co., Ltd.	569,206,102	93,725,195	-	(1,532,615)
Grande Ltd.	11,535,484	3,517,977	-	(66,878)

(2) 2014

(in thousands of Korean won)				
Subsidiaries	Assets	Liabilities	Sales	Profit (loss) for the year
HDO Singapore Pte. Ltd.	350,630,787	333,289,999	6,961,228,861	2,840,857
MS Dandy Ltd.	17,294,096	12,140,357	1,436,921	(72,097)
Hyundai Oil Terminal Co., Ltd	112,753,802	32,884,404	22,667,100	5,608,437
Hyundai and Shell Base Oil Co., Ltd	429,771,822	277,277,764	345,045,308	20,958,459
Hyundai Oilbank (Shanghai) Co., Ltd.	42,485,184	38,498,753	353,761,312	675,440
Hyundai Chemical Co., Ltd.	164,553,062	5,050,344	-	(605,619)
Grande Ltd.	5,166,220	-	-	(19)

2. Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1 Basis of Preparation

The Group maintains its accounting records in Korean won and prepares statutory financial statements in the Korean language (Hangul) in accordance with the International Financial Reporting Standards as adopted by the Republic of Korea (Korean IFRS). The accompanying consolidated financial statements have been condensed, restructured and translated into English from the Korean language financial statements.

Certain information attached to the Korean language financial statements, but not required for a fair presentation of the Group’s financial position, financial performance or cash flows, is not presented in the accompanying consolidated financial statements.

The consolidated financial statements of the Group for the annual period beginning on January 1, 2011, have been prepared in accordance with Korean IFRS. These are the standards, subsequent amendments and related interpretations issued by the International Accounting Standards Board (IASB) that have been adopted by the Republic of Korea.

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 3.

Notes to Consolidated Financial Statements

2.2 Changes in Accounting Policy and Disclosures

(1) New and amended standards adopted by the Group

The Group newly applied the following amended and enacted standards for the annual period beginning on January 1, 2015:

- Amendment to Korean IFRS 1019, *Employee Benefits*
Korean IFRS 1019, *Employee Benefits*, allows a practical expedient for companies that operate defined benefit plans and when contributions are made by employees or third parties. The application of this amendment does not have a material impact on the consolidated financial statements.
- Annual Improvements to Korean IFRS 2010-2012 Cycle
 - Amendment to Korean IFRS 1102, *Share-based payment*
Korean IFRS 1102, *Share-based payment*, clarifies the definition of a 'vesting conditions', 'performance condition', and 'service condition'.
 - Amendment to Korean IFRS 1103, *Business Combination*
Korean IFRS 1103, *Business Combination*, clarifies the classification and measurement of contingent consideration in the business combination.
 - Amendment to Korean IFRS 1108, *Operating Segments*
Korean IFRS 1108, *Operating Segments*, requires disclosures of the judgments made by management in aggregating operating segments and a reconciliation of the reportable segments' assets to the entity's assets.
 - Amendment to Korean IFRS 1016, *Property, plant and equipment*, and Korean IFRS 1038, *Intangible assets*
Korean IFRS 1016, *Property, plant and equipment*, and Korean IFRS 1038, *Intangible assets*, clarify how the gross carrying amount and the accumulated depreciation are treated where an entity uses the revaluation model.
 - Amendment to Korean IFRS 1024, *Related Party Disclosures*
Korean IFRS 1024, *Related Party Disclosures*, includes, as a related party, an entity that provides key management personnel services to the reporting entity or to the parent of the reporting entity (the management entity).
- Annual Improvements to Korean IFRS 2011-2013 Cycle:
 - Amendment to Korean IFRS 1103, *Business Combination*
Korean IFRS 1103, *Business Combination*, clarifies that Korean IFRS 1103 does not apply to the accounting for the formation of any joint arrangement.
 - Amendment to Korean IFRS 1113, *Fair Value Measurement*
Korean IFRS 1113, *Fair Value Measurement*, clarifies that the portfolio exception, which allows an entity to measure the fair value of a group of financial instruments on a net basis, applies to all contracts (including non-financial contracts) within the scope of Korean IFRS 1039.
 - Amendment to Korean IFRS 1040, *Investment property*
Korean IFRS 1040, *Investment property*, clarifies that Korean IFRS 1040 and Korean IFRS 1103 are not mutually exclusive.

Other standards and amendments which are effective for the annual period beginning on January 1, 2015, do not have a material impact on the consolidated financial statements of the Group.

(2) New and amended standards not yet adopted

New standards and amendments issued but not effective for the financial year beginning January 1, 2015, and not early adopted are enumerated below. The Group expects that these standards and amendments would not have a material impact on its consolidated financial statements.

- Amendment to Korean IFRS 1001, *Presentation of Financial Statements*
- Korean IFRS 1016, *Property, plant and equipment*, and Korean IFRS 1041, *Agriculture and fishing: Productive plants*
- Korean IFRS 1016, *Property, plant and equipment*, and Korean IFRS 1038, *Intangible assets: Amortization based on revenue*
- Korean IFRS 1110, *Consolidated Financial Statements*, Korean IFRS 1028, *Investments in Associates and Joint Ventures*, and Korean IFRS 1112, *Disclosures of Interests in Other Entities: Exemption for consolidation of investee*
- Korean IFRS 1111, *Joint Agreements*
- Annual Improvements to Korean IFRS 2012-2014 Cycle

Further, new standards issued, but not effective for the financial year beginning January 1, 2015, and not early adopted are enumerated below:

- Korean IFRS 1109, *Financial Instruments*
The new Standard issued in December 2015 regarding financial instruments replaces Korean IFRS 1039, *Financial Instruments: Recognition and Measurement*.

Korean IFRS 1109, *Financial Instruments*, requires financial assets to be classified and measured on the basis of the holder's business model and the instrument's contractual cash flow characteristics. The Standard requires a financial instrument to be classified and measured at amortized cost, fair value through other comprehensive income, or fair value through profit or loss, and provides guidance on accounting for related gains and losses. The impairment model is changed into an expected credit loss model, and changes in those expected credit losses are recognized in profit or loss. The new Standard is effective for the financial year initially beginning on or after January 1, 2018, but early adoption is allowed. Early adoption of only the requirements related to financial liabilities designated at fair value through profit or loss is also permitted. The Group is in the process of determining the effects resulting from the adoption of the new Standard.

- Korean IFRS 1115, *Revenue from Contracts with Customers*
The new Standard for the recognition of revenue issued in December 2015 will replace Korean IFRS1018, Revenue, Korean IFRS 1011, Construction Contracts, and related Interpretations.

Korean IFRS 1115, *Revenue from Contracts with Customers*, will replace the risk-and-reward model under the current standards and is based on the principle that revenue is recognized when control of goods or services transfer to the customer by applying the five-step process. Key changes to current practices include guidance on separate recognition of distinct goods or services in any bundled arrangement, constraint on recognizing variable consideration, criteria on recognizing revenue over time, and increased disclosures. The new Standard is effective for annual reporting beginning on or after January 1, 2018, but early application is permitted. The Group is in the process of determining the effects resulting from the adoption of the new Standard.

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

2.3 Consolidation

The Group has prepared the consolidated financial statements in accordance with Korean IFRS 1110, *Consolidated Financial Statements*.

(1) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Company has control. The Company controls the corresponding investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Consolidation of a subsidiary begins from the date the Company obtains control of a subsidiary and ceases when the Company loses control of the subsidiary.

The Group applies the acquisition method to account for business combinations. The consideration transferred is measured at the fair values of the assets transferred, and identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are initially measured at their fair values at the acquisition date. The Group recognizes any non-controlling interest in the acquiree on an acquisition-by-acquisition basis in the event of liquidation, either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of acquiree's identifiable net assets. All other non-controlling interests are measured at their acquisition-date fair values, unless another measurement basis is required by IFRSs. Acquisition-related costs are expensed as incurred.

Goodwill is recognized as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree, and the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree over the identifiable net assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized in profit or loss.

Balances of receivables and payables, income and expenses and unrealized gains on transactions between the Group subsidiaries are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(2) Changes in ownership interests in subsidiaries without change of control

In transactions with non-controlling interests, which do not result in loss of control, the Group recognizes directly in equity any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received, and attribute it to the owners of the parent.

(3) Disposal of subsidiaries

If the Group loses control of a subsidiary, any investment continuously retained in the subsidiary is re-measured at its fair value at the date when control is lost and any resulting differences are recognized in profit or loss.

(4) Associates

Associates are all entities over which the Group has significant influence, and investments in associates are initially recognized at acquisition cost using the equity method. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. If there is any objective evidence that the investment in the associate is impaired, the Group recognizes the difference between the recoverable amount of the associate and its book value as impairment loss.

(5) Joint Arrangements

A joint arrangement of which two or more parties have joint control is classified as either a joint operation or a joint venture. A joint operator has rights to the assets, and obligations for the liabilities, relating to the joint operation and recognizes the assets, liabilities, revenues and expenses relating to its interest in a joint operation. A joint venturer has rights to the net assets relating to the joint venture and accounts for that investment using the equity method.

2.4 Foreign Currency Translation

(1) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the each entity operates (the "functional currency"). The consolidated financial statements are presented in Korean won, which is the Controlling Company's functional and presentation currency.

(2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

Exchange differences arising on non-monetary financial assets and liabilities such as equity instruments at fair value through profit or loss and available-for-sale equity instruments are recognized in profit or loss and included in other comprehensive income, respectively, as part of the fair value gain or loss.

(3) Translation into the presentation currency

The results and financial position of all Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- assets and liabilities for each statement of financial position presented are translated at the closing rate at the end of the reporting period;
- income and expenses for each statement of income are translated at average exchange rates; and
- all resulting exchange differences are recognized in other comprehensive income.

Exchange differences arising from the translation of borrowings designated for hedging the investment and other currency instruments are recognized in other comprehensive income. When foreign operations are wholly or partially sold, exchange differences recognized in equity are transferred to profit or loss in the statement of income. When the Company ceases to control the subsidiary, exchange differences that were recorded in equity are recognized in the statement of income as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognized in other comprehensive income.

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

2.5 Financial Assets

(1) Classification and measurement

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, available-for-sale financial assets, loans and receivables, and held-to-maturity financial assets. Regular purchases and sales of financial assets are recognized on trade date.

For hybrid (combined) instruments, the Group is unable to measure an embedded derivative separately from its host contract and therefore, the entire hybrid (combined) contract is classified as at fair value through profit or loss. The financial assets designated as at fair value through profit or loss by the Group are foreign convertible bonds and securitized derivatives.

Regular purchases and sales of financial assets are recognized on the trade date. At initial recognition, financial assets are measured at fair value plus, in the case of financial assets not carried at fair value through profit or loss, transaction costs. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of income. After the initial recognition, available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables, and held-to-maturity investments are subsequently carried at amortized cost using the effective interest rate method.

Changes in fair value of financial assets at fair value through profit or loss are recognized in profit or loss and changes in fair value of available-for-sale financial assets are recognized in other comprehensive income. When the available-for-sale financial assets are sold or impaired, the fair value adjustments recorded in equity are reclassified into profit or loss.

(2) Impairment

The Group assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or a group of financial assets that can be reliably estimated.

Impairment of loans and receivables is presented as a deduction in an allowance account. Impairment of other financial assets is directly deducted from their carrying amount. The Group writes off financial assets when the assets are determined to be no longer recoverable.

The objective evidence that a financial asset is impaired includes significant financial difficulty of the issuer or obligor; a significant delinquency in interest or principal payments; or the disappearance of an active market for that financial asset because of financial difficulties. A decline in the fair value of an available-for-sale equity instrument by more than 30% from its cost or a prolonged decline below its cost for more than six months is also objective evidence of impairment.

(3) Derecognition

If the Group transfers a financial asset and the transfer does not result in derecognition because the Group has retained substantially of all risks and rewards of ownership of the transferred asset due to a recourse in the event the debtor defaults, the Group continues to recognize the transferred asset in its entirety and recognizes a financial liability for the consideration received. The related financial liability is classified as 'borrowings' in the statement of financial position.

(4) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statements of financial position where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the assets and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

2.6 Derivative Financial Instruments

Derivatives are initially recognized at fair value on the date when a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of the derivatives that are not qualified for hedge accounting are recognized in the statement of income within 'other non-operating income (expenses)' or 'finance income (costs)' according to the nature of transactions.

2.7 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the moving average method.

2.8 Non-current Assets (or Disposal Group) Held for Sale

Non-current assets (or disposal group) are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

2.9 Property, Plant and Equipment

Land is not depreciated. Depreciation on assets is calculated using the straight-line method to allocate the difference between their cost and their residual values over their estimated useful lives, as follows:

	Useful lives		Useful lives
Buildings	25 ~ 50 years	Tools and fixtures	5 years
Structures	25 ~ 50 years	Vehicles	5 years
Machinery	2 ~ 36 years	Others	2 ~ 6 years
Ships	15 years		

The depreciation method, residual values and useful lives of property, plant and equipment are reviewed at the end of each reporting period and, if appropriate, accounted for as changes in accounting estimates.

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2.10 Borrowing Costs

Borrowing costs incurred in the acquisition or construction of a qualifying asset are capitalized in the period when it is prepared for its intended use, and investment income earned on the temporary investment of borrowings made specifically for the purpose obtaining a qualifying asset is deducted from the borrowing costs eligible for capitalization during the period. Other borrowing costs are recognized as expenses for the period in which they are incurred.

2.11 Intangible Assets

Goodwill is measured as explained in Note 2.3.(a) and carried at its cost less accumulated impairment losses.

Intangible assets, except for goodwill, are initially recognized at its historical cost and carried at its cost less accumulated amortization and accumulated impairment losses.

Internally generated software development costs are the aggregate costs recognized after meeting the asset recognition criteria, including technical feasibility, and determined to have future economic benefits. Membership rights are regarded as intangible assets with indefinite useful life and not amortized because there is no foreseeable limit to the period over which the assets are expected to be utilized. Intangible assets with definite useful life that are amortized using the straight-line method over their estimated useful lives, are as follows:

Trademarks and licenses	4 - 20 years
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2.12 Investment Property

Property held to earn rentals or for capital appreciation or both is classified as investment property. Investment property is measured initially at its cost. After recognition as an asset, investment property is carried at cost less accumulated depreciation and impairment losses. Investment property, except for land, is depreciated using the straight-line method over their useful lives from 25 to 50 years.

2.13 Impairment of Non-financial Assets

Goodwill or intangible assets with indefinite useful lives are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. Non-financial assets, other than goodwill, that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.14 Financial Liabilities

(1) Classification and measurement

Financial liabilities at fair value through profit or loss are financial instruments held for trading. Financial liabilities are classified in this category if incurred principally for the purpose of repurchasing them in the near term. Derivatives that are not designated as hedges or bifurcated from financial instruments containing embedded derivatives are also categorized as held-for-trading.

The Group classifies non-derivative financial liabilities, except for financial liabilities at fair value through profit or loss, financial guarantee contracts and financial liabilities that arise when a transfer of financial assets does not qualify for derecognition, as financial liabilities carried at amortized cost and presented as 'trade payables', 'borrowings', and 'other financial liabilities' in the statement of financial position.

Preferred shares that provide for a mandatory redemption at a particular date are classified as liabilities. Interest expenses on these preferred shares calculated using the effective interest method are recognized in the statement of income as 'finance costs', together with interest expenses recognized on other financial liabilities.

(2) Derecognition

Financial liabilities are removed from the statement of financial position when it is extinguished, for example, when the obligation specified in the contract is discharged, cancelled or expired or when the terms of an existing financial liability are substantially modified.

2.15 Financial Guarantee Contract

Financial guarantee contracts provided by the Group are initially measured at fair value on the date the guarantee was given. Subsequent to initial recognition, the Group's liabilities under such guarantees are measured at the higher of the amounts below and recognized as 'other financial liabilities':

- the amount determined in accordance with Korean IFRS 1037, *Provisions, Contingent Liabilities and Contingent Assets*; or
- the initial amount, less accumulated amortization recognized in accordance with Korean IFRS1018, *Revenue*.

2.16 Provisions

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation and the increase in the provision due to passage of time is recognized as interest expense.

2.17 Current and Deferred Income Tax

The tax expense for the period consists of current and deferred tax. Tax is recognized on the profit for the period in the statement of income, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In this case, the tax is also recognized in other comprehensive income or directly in equity, respectively. The tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period.

Management periodically evaluates tax policies that are applied in tax returns in which applicable tax regulation is subject to interpretation. The Company recognizes current income tax on the basis of the amount expected to be paid to the tax authorities.

Deferred tax is recognized for temporary differences arising between the tax bases of assets and liabilities and their carrying amounts as expected tax consequences at the recovery or settlement of the carrying amounts of the assets and liabilities. However, deferred tax assets and liabilities are not recognized if they arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss.

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Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

Deferred tax liability is recognized for 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. In addition, deferred tax asset is recognized for deductible temporary differences arising from such investments to the extent that it is probable the temporary difference will reverse in the foreseeable future and taxable profit will be available against which the temporary difference can be utilized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.18 Employee Benefits

The Group operates a defined benefit plan. A defined benefit plan is a pension plan that is not a defined contribution plan

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation. The liability recognized in the statement of financial position in respect of defined benefit pension plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. 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 and that have terms to maturity approximating to the terms of the related pension obligation. The remeasurements of the net defined benefit liability are recognized in other comprehensive income.

If any plan amendments, curtailments, or settlements occur, past service costs or any gains or losses on settlement are recognized as profit or loss for the year.

2.19 Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of goods or rendering of services arising from the normal activities of the Group. It is stated as net of value added taxes, returns, rebates and discounts, after elimination of intra-company transactions.

The Group recognizes revenue when the amount of revenue can be reliably measured; when it is probable that future economic benefits will flow to the entity; and when specific criteria have been met for each of the Group's activities, as described below. The Group bases its estimate on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

(1) Sale of goods

The Group manufactures and sells petroleum products. Sale of goods are recognized when products are delivered to the purchaser.

(2) Interest income

Interest income is recognized using the effective interest method according to the time passed. When a loan and receivable is impaired, the Group reduces the carrying amount to its recoverable amount and continues unwinding the discount as interest income. Interest income on impaired loan and receivables is recognized using the original effective interest rate.

(3) Dividend income

Dividend income is recognized when the right to receive payment is established.

2.20 Lease

A lease is an agreement, whereby the lessor conveys to the lessee, in return for a payment or series of payments, the right to use an asset for an agreed period of time. Leases in which a significant portion of the risks and rewards of ownership are retained by the Group are classified as operating leases. Lease payments under operating leases are recognized as expenses on a straight-line basis over the lease term.

Leases where the Group has substantially all the risks and rewards of ownership are classified as finance leases and recognized as lease assets and liabilities at the lower of the fair value of the leased property and the present value of the minimum lease payments on the opening date of the lease period.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership at the inception of the lease. A lease other than a finance lease is classified as an operating lease. Lease income from operating leases is recognized in income on a straight-line basis over the lease term. Initial direct costs incurred by the lessor in negotiating and arranging an operating lease is added to the carrying amount of the leased asset and recognized as an expense over the lease term on the same basis as the lease income.

2.21 Segment Reporting

Information of each operating segment is reported in a manner consistent with the business segment reporting provided to the chief operating decision-maker (Note 7). The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the steering committee that makes strategic decisions.

2.22 Approval of Issuance of the Financial Statements

The issuance of the December 31, 2015 financial statements of the Company was approved by the Board of Directors on February 4, 2016, which is subject to change with approval at the annual shareholder's meeting.

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3. Critical Accounting Estimates and Judgments

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimations and assumptions are continuously evaluated with consideration to factors such as events reasonably predictable in the foreseeable future within the present circumstance according to historical experience. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(1) Estimated impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment. The recoverable amounts of cash-generating units have been determined based on value-in-use calculations. These calculations require the use of estimates.

(2) Useful lives of property, plant and equipment

The Group determines the estimated useful lives and related depreciation expenses of property, plant and equipment such as machinery. The estimation is based on the expected cycles of the products and it can vary depending on the behavior of the competitors to respond to changes in the technical and industrial cycles. When there is a reduction in useful lives the management will increase depreciation expense accordingly. Also, when assets are abandoned, disposed or obsolete, its value can be reduced or removed from the book.

(3) Income taxes

The Group is operating in numerous countries and the income generated from these operations is subject to income taxes based on tax laws and interpretations of tax authorities in numerous jurisdictions. There are many transactions and calculations for which the ultimate tax determination is uncertain (Note 29).

If certain portion of the taxable income is not used for investments, increase in wages, or dividends in accordance with the *Tax System for Recirculation of Corporate Income*, the Group is liable to pay additional income tax calculated based on the tax laws. The new tax system is effective for three years from 2015. Accordingly, the measurement of current and deferred income tax is affected by the tax effects from the new system. As the Group's income tax is dependent on the investments, increase in wages and dividends, there exists uncertainty with regard to measuring the final tax effects.

(4) Provisions

As described in Note 19, the Group recognizes provisions for environmental restoration. The amounts are estimated based on historical data.

(5) Customer loyalty programme

The Group operates a customer loyalty programme and the granted reward to the customer from the program is a separately identifiable component of the initial sale transaction that grants the reward. The allocation of the reward portion is estimated based on the past experience.

(6) Defined benefit liability

The present value of net defined benefit liability depends on a number of factors that are determined on an actuarial basis using a number of assumptions including the discount rate (Note 18).

4. Financial Risk Management

4.1 Financial Risk Factors

The Group's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

4.1.1 Market risk

(1) Foreign exchange risk

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

The Group's risk management policy is to hedge the risk of changes in currency from foreign currency assets and liabilities through derivatives such as forward exchange contracts, and others.

The Group's financial instruments denominated in major foreign currencies as of December 31, 2015 and 2014, are as follows

(in thousands of Korean won)

2015	USD	EUR	JPY	Total
Cash and cash equivalents	28,935,360	-	-	28,935,360
Trade receivables	194,763,416	-	-	194,763,416
Other receivables	95,153,432	-	-	95,153,432
	318,852,208	-	-	318,852,208
Trade payables	(293,739,127)	(346,851)	-	(294,085,978)
Other payables	(11,197,103)	-	-	(11,197,103)
Financial liabilities	(39,184,720)	-	-	(39,184,720)
	(344,120,950)	(346,851)	-	(344,467,801)

(in thousands of Korean won)

2014	USD	EUR	JPY	Total
Cash and cash equivalents	13,006,812	-	-	13,006,812
Trade receivables	173,191,148	-	-	173,191,148
Other receivables	-	-	-	-
	186,197,960	-	-	186,197,960
Trade payables	(397,761,159)	(524,103)	-	(398,285,262)
Other payables	(5,879,078)	-	(426,750)	(6,305,828)
Financial liabilities	(672,452,717)	-	-	(672,452,717)
	(1,076,092,954)	(524,103)	(426,750)	(1,077,043,807)

Notes to Consolidated Financial Statements

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The effect of foreign currency risk to profit is a sum of net foreign currency fluctuations of Korean won against other foreign currency fluctuations. Hedge effectiveness on derivative instruments has not been reflected. As of December 31, 2015 and 2014, if the foreign exchange rate of the Korean won fluctuated by 5% while other variables held constant, the effects on profit would be as follows:

	2015		2014	
	5% Increase	5% Decrease	5% Increase	5% Decrease
Foreign currency assets	15,942,610	(15,942,610)	9,309,898	(9,309,898)
Foreign currency liabilities	(17,223,390)	17,223,390	(53,852,190)	53,852,190
Net effect	(1,280,780)	1,280,780	(44,542,292)	44,542,292

(in thousands of Korean won)

(2) Price risk

The Group is exposed to equity securities price risk because of investments held by the Group and classified on the statement of financial position either as available-for-sale or at fair value through profit or loss.

The table below summarizes the impact of increases/decreases of prices of unlisted stocks on the Group's comprehensive income for the year. The analysis is based on the assumption that the unlisted stock prices had uniformly increased/decreased by 30% with all other variables held constant:

	2015	2014
Equity securities	900,000	1,222,855

(in thousands of Korean won)

(3) Interest rate risk

The Group's cash flow interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable rates.

Based on the various scenarios, the Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with other parties to exchange, at specified intervals (primarily quarterly), the difference between fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional amounts.

At December 31, 2015, if interest rates on Korean won-denominated borrowings were 10 basis points higher/lower with all other variables held constant, comprehensive income for the year would be ₩543 million (2014: ₩770 million) lower/higher, mainly as a result of higher/lower interest expense on long-term floating rate borrowings.

4.1.2 Credit Risk

Credit risk is managed on a Group basis. Credit risk arises from cash and cash equivalents, derivative financial instruments and deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables and committed transactions. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. If wholesale customers are independently rated, these ratings are used. If there is no independent rating, the credit quality of the customer is evaluated taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the board. The utilization of credit limits is regularly monitored. Sales to retail customers are settled in cash or through major credit cards.

The analyses of the Group's credit risk as of December 31, 2015 and 2014, are as follows:

(1) Book value

	2015	2014
Cash and cash equivalents	249,913,780	434,237,478
Short-term financial instruments	36,031,187	14,027,932
Trade and other receivables	670,563,467	1,105,037,355
Long-term financial instruments	1,023,500	2,023,500
Long-term trade and other receivables	127,057,928	144,796,794
	1,084,589,862	1,700,123,059

(in thousands of Korean won)

The maximum credit exposure amount is equivalent to total financial assets, less cash and equity securities. The Group is exposed to credit risk up to the maximum amount of payment guarantee provided to subsidiaries (Note 32).

(2) Loans and receivables for each region of the maximum exposure to credit risk

	2015	2014
Korea	847,425,378	1,167,133,630
North America	1,144,327	10,276,711
Asia	228,306,446	517,568,470
Europe	3,119,837	3,812,257
Others	4,593,874	1,331,991
	1,084,589,862	1,700,123,059

(in thousands of Korean won)

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4.1.3 Liquidity Risk

Cash flow forecasting is performed by the treasury team of the Company. The Group monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance, compliance with internal financial ratio targets and, if applicable external regulatory or legal requirements - for example, currency restrictions.

The analyses of the Group's liquidity risk as of December 31, 2015 and 2014, are as follows:

(1) 2015

	Book value	Cash flow on contract ¹	Maturity			
			Less than 6 months	Between 6 months and 1 year	Between 1 and 3 years	Over 3 years
Short-term financial liabilities	301,244,150	313,211,917	126,835,803	186,376,114	-	-
Financial liabilities at fair value through profit or loss	3,568,072	3,568,072	3,568,072	-	-	-
Trade payables and other liabilities	1,184,935,874	1,184,935,874	1,184,935,874	-	-	-
Long-term financial liabilities	1,847,362,111	1,986,874,103	20,398,900	20,423,063	953,606,940	992,445,200
Long-term trade payables and other liabilities	92,392,519	92,392,519	-	-	7,392,519	85,000,000
Derivative financial instruments to hedge	28,683,446	28,683,446	26,868,267	690,414	1,124,765	-
Financial guarantee contracts	-	35,160,000	35,160,000	-	-	-

¹ Includes interest amount to be paid and does not include present value discount.

(2) 2014

	Book value	Cash flow on contract ¹	Maturity			
			Less than 6 months	Between 6 months and 1 year	Between 1 and 3 years	Over 3 years
Short-term financial liabilities	1,699,232,421	1,730,186,403	1,628,797,737	101,388,666	-	-
Financial liabilities at fair value through profit or loss	1,230,297	1,230,297	1,230,297	-	-	-
Trade payables and other liabilities	1,433,612,835	1,433,612,835	1,433,612,835	-	-	-
Long-term financial liabilities	1,774,623,325	1,925,938,142	17,468,750	17,468,750	886,498,003	1,004,502,639
Long-term trade payables and other liabilities	92,560,519	92,560,519	-	-	7,560,519	85,000,000
Derivative financial instruments to hedge	4,406,818	4,406,818	940,659	758,490	2,056,757	650,912
Financial guarantee contracts	-	32,976,000	32,976,000	-	-	-

¹ Includes interest amount to be paid and does not include present value discount.

4.2 Capital Management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as total liabilities divided by total equity.

The gearing ratios as of December 31, 2015 and 2014, are as follows:

	2015	2014
Total liabilities	3,798,332,847	5,210,542,538
Total equity	3,761,815,292	2,974,523,847
Debt ratio	101%	175%

4.3 Offsetting Financial Assets and Financial Liabilities

Details of the Group's recognized financial liabilities subject to enforceable master netting arrangements or similar agreements as of December 31, 2015 and 2014, are as follows:

(in thousands of Korean won)

	2015					
	Gross liabilities	Gross assets offset	Net amounts presented in the statement of financial position	Amounts not offset		Net amount
				Financial instruments	Cash collateral	
Other payables	22,099,671	11,376,858	10,722,813	10,722,813	-	10,722,813

(in thousands of Korean won)

	2014					
	Gross liabilities	Gross assets offset	Net amounts presented in the statement of financial position	Amounts not offset		Net amount
				Financial instruments	Cash collateral	
Other payables	27,840,712	12,013,048	15,827,664	15,827,664	-	15,827,664

The Company trades products with other companies of the same industry. The offset amount of other receivables against other payables in result of the transactions are shown on the financial statements.

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5. Fair Value

5.1 Fair Value of Financial Instruments by Category

Carrying amount and fair value of financial instruments by category as of December 31, 2015 and 2014, are as follows:

	2015		2014	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets^{1,2}				
Available-for-sale financial assets	-	-	1,076,185	1,076,185
Financial instruments at fair value through profit or loss	1,206,981	1,206,981	210,780	210,780
Derivative financial instruments	28,068,050	28,068,050	1,100,095	1,100,095
	29,275,031	29,275,031	2,387,060	2,387,060
Financial liabilities²				
Financial instruments at fair value through profit or loss	3,568,072	3,568,072	1,230,297	1,230,297
Derivative financial instruments	28,683,446	28,683,446	4,406,818	4,406,818
	32,251,518	32,251,518	5,637,115	5,637,115

¹ Equity instruments that do not have a quoted price in an active market are measured at cost because their fair value cannot be measured reliably and excluded from the fair value disclosures.

² Short-term trade receivables and payables whose carrying amount is a reasonable approximation of fair value are excluded from the fair value disclosures.

5.2 Financial Instruments Measured at Cost

Details of financial instruments measured at cost as of December 31, 2015 and 2014, are as follows:

	2015	2014
Equity securities (unlisted)	3,000,000	3,000,000

The above unlisted shares and investments are measured at cost because the variability of estimated cash flows is significant and the probabilities of the various estimates cannot be reasonably assessed.

5.3 Fair Value Hierarchy

Assets measured at fair value or for which the fair value is disclosed are categorized within the fair value hierarchy, and the defined levels are as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

Fair value hierarchy classifications of the financial assets and financial liabilities that are measured at fair value or its fair value are disclosed as of December 31, 2015, are as follows:

	(in thousands of Korean won)			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through profit or loss	-	1,206,981	-	1,206,981
Financial liabilities at fair value through profit or loss	-	3,568,072	-	3,568,072
Derivative assets	-	28,068,050	-	28,068,050
Derivative liabilities	-	28,683,446	-	28,683,446

Fair value hierarchy classifications of the financial assets and financial liabilities that are measured at fair value or its fair value is disclosed as of December 31, 2014, are as follows:

	(in thousands of Korean won)			
	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Available-for-sale financial assets	1,076,185	-	-	1,076,185
Financial assets at fair value through profit or loss	-	210,780	-	210,780
Financial liabilities at fair value through profit or loss	-	1,230,297	-	1,230,297
Derivative assets	-	1,100,095	-	1,100,095
Derivative liabilities	-	4,406,818	-	4,406,818

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5.4 Valuation Technique and the Inputs

Valuation techniques and inputs used in the recurring, non-recurring fair value measurements and disclosed fair values categorized within Level 2 of the fair value hierarchy as of December 31, 2015 and 2014, are as follows:

(1) 2015

	Fair value	Level	Valuation techniques
(in thousands of Korean won)			
Financial assets at fair value through profit or loss			
Currency forwards	729,573	2	Present value technique
Commodity forward contracts	477,408	2	Present value technique
Derivative financial assets			
Currency forwards	1,395,404	2	Present value technique
Commodity forward contracts	26,672,646	2	Present value technique
Financial liabilities at fair value through profit or loss			
Currency forwards	230,785	2	Present value technique
Commodity forward contracts	3,337,287	2	Present value technique
Derivative financial liabilities			
Interest rate swaps	2,575,545	2	Present value technique
Currency forwards	317,980	2	Present value technique
Commodity forward contracts	25,789,921	2	Present value technique
Investment property (disclosed fair value)			
Investment property	10,846,150	3	Independent valuation technique

(2) 2014

	Fair value	Level	Valuation techniques
(in thousands of Korean won)			
Financial assets at fair value through profit or loss			
Currency forwards	210,780	2	Present value technique
Derivative financial assets			
Currency forwards	1,100,095	2	Present value technique
Financial liabilities at fair value through profit or loss			
Currency forwards	1,147,033	2	Present value technique
Commodity forward contracts	83,264	2	Present value technique
Derivative financial liabilities			
Interest rate swaps	4,238,659	2	Present value technique
Currency forwards	168,159	2	Present value technique
Investment property (disclosed fair value)			
Investment property	10,846,150	3	Independent valuation technique

6. Financial Instruments by Category

6.1 Carrying Amounts of Financial Instruments by Category

Categorizations of financial assets and liabilities as of December 31, 2015 and 2014, are as follows:

(1) 2015

	Loans and receivables	Financial assets at fair value through profit or loss		Financial assets classified as available-for-sale	Financial assets held-to-maturity	Other financial assets ¹	Total
		Held for trading	Fair value through profit or loss				
Cash and cash equivalents	250,139,265	-	-	-	-	-	250,139,265
Short-term financial instruments	36,031,187	-	-	-	-	-	36,031,187
Available-for-sale financial assets	-	-	-	3,000,000	-	-	3,000,000
Financial assets at fair value through profit or loss	-	1,206,981	-	-	-	-	1,206,981
Derivative financial instruments	-	-	-	-	-	28,068,050	28,068,050
Trade receivables and other receivables	797,621,395	-	-	-	-	-	797,621,395
Long-term financial assets	1,023,500	-	-	-	-	-	1,023,500
	1,084,815,347	1,206,981	-	3,000,000	-	28,068,050	1,117,090,378

¹ Other financial assets include finance lease assets and financial instruments designated as hedged items.

	Financial liabilities at fair value through profit or loss		Other financial liabilities at amortized cost	Other financial liabilities ¹	Total
	Held for trading	Fair value through profit or loss			
Short-term financial liabilities	-	-	301,244,150	-	301,244,150
Financial liabilities at fair value through profit or loss	3,568,072	-	-	-	3,568,072
Derivative liabilities	-	-	-	28,683,446	28,683,446
Trade payables and other payables	-	-	1,277,328,393	-	1,277,328,393
Long-term financial liabilities	-	-	1,847,362,111	-	1,847,362,111
	3,568,072	-	3,425,934,654	28,683,446	3,458,186,172

¹ Other financial liabilities include finance lease liabilities, financial liabilities designated as hedged items.

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(2) 2014

(in thousands of Korean won)

	Loans and receivables	Financial assets at fair value through profit or loss		Financial assets classified as available- for-sale	Financial assets held-to- maturity	Other financial assets ¹	Total
		Held for trading	Fair value through profit or loss				
Cash and cash equivalents	434,504,203	-	-	-	-	-	434,504,203
Short-term financial instruments	14,027,932	-	-	-	-	-	14,027,932
Available-for-sale financial assets	-	-	-	4,076,185	-	-	4,076,185
Financial assets at fair value through profit or loss	-	210,780	-	-	-	-	210,780
Derivative financial instruments	-	-	-	-	-	1,100,095	1,100,095
Trade receivables and other receivables	1,249,834,149	-	-	-	-	-	1,249,834,149
Long-term financial assets	2,023,500	-	-	-	-	-	2,023,500
	1,700,389,784	210,780	-	4,076,185	-	1,100,095	1,705,776,844

¹ Other financial assets include finance lease assets and financial instruments designated as hedged items.

(in thousands of Korean won)

	Financial liabilities at fair value through profit or loss		Other financial liabilities at amortized cost	Other financial liabilities¹	Total
	Held for trading	Fair value through profit or loss			
Short-term financial liabilities	-	-	1,699,232,421	-	1,699,232,421
Financial liabilities at fair value through profit or loss	1,230,297	-	-	-	1,230,297
Derivative liabilities	-	-	-	4,406,818	4,406,818
Trade payables and other payables	-	-	1,526,173,354	-	1,526,173,354
Long-term financial liabilities	-	-	1,774,623,325	-	1,774,623,325
	1,230,297	-	5,000,029,100	4,406,818	5,005,666,215

¹ Other financial liabilities include finance lease liabilities, financial liabilities designated as hedged items.

6.2 Net gains or Losses by Category of Financial Instruments

Net gains or net losses on each category of financial instruments for the years ended December 31, 2015 and 2014, are as follows:

(1) 2015

(in thousands of Korean won)							
	Financial assets at fair value through profit or loss	Loans and receivables	Available- for-sale financial assets	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Derivatives financial instruments	Total
Interest income	-	7,302,836	-	-	-	-	7,302,836
Gain on valuation of financial assets at fair value through profit or loss	1,206,981	-	-	-	-	-	1,206,981
Gain on disposal of financial assets at fair value through profit or loss	45,880,831	-	-	-	-	-	45,880,831
Gain on disposal of available-for-sale financial assets	-	-	435,085	-	-	-	435,085
Gain on foreign currency translation	-	652,397	-	-	3,228,503	-	3,880,900
Gain on foreign currency transactions	-	76,772,991	-	-	93,553,818	-	170,326,809
Interest expense	-	-	-	(287,471)	(80,226,296)	-	(80,513,767)
Loss on valuation of financial assets at fair value through profit or loss	-	-	-	(3,568,072)	-	-	(3,568,072)
Loss on disposal of financial assets at fair value through profit or loss	-	-	-	(35,034,181)	-	-	(35,034,181)
Loss on transactions of derivative financial instruments	-	-	-	-	-	(754,746)	(754,746)
Loss on foreign currency translation	-	(705,280)	-	-	(2,482,267)	-	(3,187,547)
Loss on foreign currency transactions	-	(49,100,547)	-	-	(168,908,352)	-	(218,008,899)
Bad debt expenses	-	(471,191)	-	-	-	-	(471,191)

(2) 2014

(in thousands of Korean won)						
	Financial assets at fair value through profit or loss	Loans and receivables	Financial liabilities at fair value through profit or loss	Financial liabilities at amortized cost	Derivatives financial instruments	Total
Interest income	-	6,291,411	-	-	-	6,291,411
Gain on valuation of financial assets at fair value through profit or loss	210,780	-	-	-	-	210,780
Gain on disposal of financial assets at fair value through profit or loss	81,184,410	-	-	-	-	81,184,410
Gain on foreign currency translation	-	760,961	-	6,214,338	-	6,975,299
Gain on foreign currency transactions	-	70,434,154	-	129,694,748	-	200,128,902
Interest expense	-	-	(27,757)	(111,064,585)	-	(111,092,342)
Loss on valuation of financial assets at fair value through profit or loss	-	-	(1,230,297)	-	-	(1,230,297)
Loss on disposal of financial assets at fair value through profit or loss	-	-	(60,762,586)	-	-	(60,762,586)
Loss on transactions of derivative financial instruments	-	-	-	-	(551,173)	(551,173)
Loss on foreign currency translation	-	(2,188,749)	-	(4,430,902)	-	(6,619,651)
Loss on foreign currency transactions	-	(47,699,290)	-	(220,796,372)	-	(268,495,662)
Reversal of allowance for bad debt	-	2,347,353	-	-	-	2,347,353

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7. Segment Information

Management as a strategic decision-maker has determined the operating segments. The Group has only one reportable segment.

Breakdown of the Group's segment revenue for the years ended December 31, 2015 and 2014, are as follows:

	2015	2014
Sale of goods	12,922,009,510	21,260,954,077
Rendering of services	87,612,570	63,117,863
	13,009,622,080	21,324,071,940

There is no external customer attributing to more than 10% of the total sales for the years ended December 31, 2015 and 2014.

8. Restricted Financial Instruments

As of December 31, 2015, certain short-term and long-term financial instruments amounting to ₩400 million (2014: ₩300 million) and ₩23.5 million (2014: ₩23.5 million) are restricted, respectively.

9. Available-for-sale Financial Assets

Available-for-sale financial assets as of December 31, 2015 and 2014, are as follows:

	2015	2014
Equity securities (listed)	-	1,076,185
Equity securities (unlisted) ¹	3,000,000	3,000,000
	3,000,000	4,076,185

¹ Since the range of reasonable fair value estimates is significant and the probabilities of the various estimates cannot be reasonably assessed, these instruments are measured at cost.

Changes in available-for-sale financial assets for the years ended December 31, 2015 and 2014, are as follows:

	2015	2014
Beginning balance	4,076,185	3,075,175
Replacement purchase	-	1,721,896
Valuation	-	(645,711)
Impairment	-	(75,175)
Disposal	(1,076,185)	-
Ending balance	3,000,000	4,076,185
Less: non-current portion	(3,000,000)	(3,000,000)
Current portion	-	1,076,185

10. Trade and Other Receivables

Trade and other receivables as of December 31, 2015 and 2014, are as follows:

	2015	2014
Trade receivables	578,897,072	904,923,140
Less: provision for impairment of trade receivables	(349,674)	(669,960)
Other receivables	91,082,144	199,830,651
Less: provision for impairment of other receivables	-	(3,822)
Accrued income	378,301	423,021
Deposits	555,624	534,325
	670,563,467	1,105,037,355

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The aging analysis of trade and other receivables as of December 31, 2015 and 2014, are as follows:

	2015	2014
Trade receivables not past due	642,679,091	1,074,314,491
Trade receivables past due but not impaired ¹		
Up to 6 months	23,335,455	25,437,022
Over 6 months	4,220,505	4,619,705
Trade receivables impaired ²		
Up to 1 year	333,835	429,992
Over 1 year	344,255	909,927
	670,913,141	1,105,711,137

¹ Trade receivables are temporarily overdue.

² The amount of the provision set for the relevant receivables was ₩350 million (2014: ₩674 million) as of December 31, 2015. Total trade receivables impaired less the recoverable amount is set as provision for impairment.

Movements on provisions for impairment of trade and other receivables are as follows:

	2015	2014
Beginning balance	673,782	3,974,791
Provision for receivables impairment (reversal)	171,191	(2,347,353)
Receivables written off during the year as uncollectible	(495,299)	(953,656)
Ending balance	349,674	673,782

Details of long-term trade and other receivables of the Group as of December 31, 2015 and 2014, are as follows:

	2015	2014
Long-term loans	73,548,535	90,624,095
Provision for impairment of long-term loans	(300,000)	-
Deposits	53,809,393	54,172,699
	127,057,928	144,796,794

Movements on provisions for impairment of long-term trade and other receivables for the years ended December 31, 2015 and 2014, are as follows:

	2015	2014
Beginning balance	-	-
Provisions for receivables impaired	300,000	-
Ending balance	300,000	-

11. Inventories

Inventories as of December 31, 2015 and 2014, are as follows:

	2015	2014
Products	19,679,376	60,722,076
Finished goods	266,616,879	361,245,603
Work in process	126,217,664	127,084,551
Raw materials	251,132,666	611,569,875
Supplies	26,019,372	20,947,475
Materials-in-transit	265,562,834	223,151,531
	955,228,791	1,404,721,111

Details of cost of inventories recognized are as of December 31, 2015 and 2014, are as follows:

	2015	2014
Cost of inventories (Cost of sales)	11,214,005,625	20,099,278,273
Loss on valuation of inventory (reversal of inventory written-down)	(5,775,836)	5,106,518

12. Investments in Associates and Joint Ventures

Investments in associates and joint ventures as of December 31, 2015 and 2014, are as follows:

	Ownership (%)	2015 Acquisition cost	2015 Book value	2014 Acquisition cost	2014 Book value
Joint Ventures					
Hyundai Cosmo Petrochemical Co., Ltd.	50	291,100,000	82,731,734	291,100,000	102,661,716
Associate					
HYUNDAI-ENR ¹ .	-	-	-	7,500,000	7,367,469
		291,100,000	82,731,734	298,600,000	110,029,185

¹ Although the Group holds less than 20% of the equity share of HYUNDAI-ENR, the Group exercises significant influence on its board of directors. And the Group sold HYUNDAI-ENR for the year ended December 31, 2015.

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Changes in investments in associates for the years ended December 31, 2015 and 2014, are as follows:

(1) 2015

(in thousands of Korean won)						
Investee	Beginning	Acquisition	Valuation Gain	Capital adjustment	Disposal	Ending
Hyundai Cosmo Petrochemical Co., Ltd.	102,661,716	-	(20,519,740)	589,758	-	82,731,734
HYUNDAI-ENR	7,367,469	-	-	-	(7,367,469)	-
	110,029,185	-	(20,519,740)	589,758	(7,367,469)	82,731,734

(2) 2014

(in thousands of Korean won)					
Investee	Beginning	Acquisition	Valuation Gain	Capital adjustment	Ending
Hyundai Cosmo Petrochemical Co., Ltd.	157,258,900	-	(54,098,739)	(498,444)	102,661,716
HYUNDAI-ENR	7,396,088	-	(28,620)	-	7,367,469
	164,654,988	-	(54,127,359)	(498,444)	110,029,185

Elimination of unrealized gains and losses for the years ended December 31, 2015 and 2014, is as follows:

(1) 2015

(in thousands of Korean won)					
Investee	Transaction	Beginning	Increased	Realized	Ending
Hyundai Cosmo Petrochemical Co., Ltd.	Disposal of PP&E	(113,961,788)	-	715,104	(113,246,684)
	Disposal of intangible asset	(168,142)	-	33,629	(134,513)
	Sale of inventories	(463,519)	(841,882)	463,519	(841,882)
		(114,593,449)	(841,882)	1,212,252	(114,223,079)

(2) 2014

(in thousands of Korean won)					
Investee	Transaction	Beginning	Increased	Realized	Ending
Hyundai Cosmo Petrochemical Co., Ltd.	Disposal of PP&E	(114,068,976)	785,539	(678,351)	(113,961,788)
	Disposal of intangible asset	(201,770)	-	33,628	(168,142)
	Sale of inventories	(2,398,856)	(463,519)	2,398,856	(463,519)
		(116,669,602)	322,020	1,754,133	(114,593,449)

Financial information of the investees as of and for the years ended December 31, 2015, is as follows:

(in thousands of Korean won)				
	Assets	Liabilities	Sales	Loss for the year
Hyundai Cosmo Petrochemical Co., Ltd.	1,159,414,441	765,504,814	2,155,732,411	(41,780,218)

13. Investment Property

Changes in investment property for the years ended December 31, 2015 and 2014, are as follows:

(in thousands of Korean won)		
	2015	2014
Acquisition cost	10,634,973	25,921,563
Disposal	-	(15,286,590)
Ending net book value	10,634,973	10,634,973

During 2015, rental income from investment property is ₩12 million (2014: ₩65 million), and direct operating expenses (including repairs and maintenance) arising from investment property that generated rental income during the year are ₩116 million (2014: ₩406 million).

Fair value of investment property as of December 31, 2015, is ₩10,846 million (2014: ₩10,846 million). The valuation of fair value as of December 31, 2015 and 2014, is performed by an independent valuer.

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14. Property, Plant and Equipment

Changes in property, plant and equipment for the years ended December 31, 2015 and 2014, are as follows:

(1) 2015

(in thousands of Korean won)										
	Land	Buildings	Structures	Machinery and equipment	Vessel	Vehicles	Tools	Construction-in-progress	Other property, plant and equipment	Total
Opening acquisition cost	850,656,178	285,987,843	1,283,477,185	3,190,264,922	18,809,625	13,047,565	151,807,607	242,907,095	171,514,962	6,208,472,982
Opening accumulated depreciation	-	(59,833,349)	(389,032,330)	(762,074,700)	(1,802,589)	(11,773,261)	(113,696,203)	-	(111,761,658)	(1,449,974,090)
Opening net book value	850,656,178	226,154,494	894,444,855	2,428,190,222	17,007,036	1,274,304	38,111,404	242,907,095	59,753,304	4,758,498,892
Acquisitions	179,510	138,527	520,249	1,308,017	-	199,277	6,947,580	721,178,396	-	730,471,556
Disposals	(10,991,358)	(7,245,750)	(892,587)	(2,942,352)	-	(3)	(330,876)	-	(153,886)	(22,556,812)
Transfer	2,511,472	7,319,352	14,129,369	101,952,588	-	813,195	8,177,044	(195,229,526)	51,770,921	(8,555,585)
Depreciation	-	(7,119,560)	(37,013,173)	(175,779,087)	(968,109)	(596,208)	(16,014,200)	-	(38,371,344)	(275,861,681)
Exchange differences	-	-	-	-	1,091,715	-	1,776	529,227	-	1,622,718
Ending acquisition cost	842,355,802	283,642,271	1,295,352,765	3,286,456,533	20,055,386	13,948,848	154,591,308	769,385,192	222,989,978	6,888,778,083
Ending accumulated depreciation	-	(64,395,208)	(424,164,052)	(933,727,145)	(2,924,744)	(12,258,283)	(117,698,580)	-	(149,990,983)	(1,705,158,995)
Ending net book value	842,355,802	219,247,063	871,188,713	2,352,729,388	17,130,642	1,690,565	36,892,728	769,385,192	72,998,995	5,183,619,088

(2) 2014

(in thousands of Korean won)										
	Land	Buildings	Structures	Machinery and equipment	Vessel	Vehicles	Tools	Construction-in-progress	Other property, plant and equipment	Total
Opening acquisition cost	921,561,133	287,740,886	1,172,343,742	2,769,316,196	18,058,403	12,867,936	142,660,345	316,551,358	124,913,689	5,766,013,688
Opening accumulated depreciation	-	(56,264,487)	(356,753,164)	(599,917,431)	(827,677)	(11,553,149)	(100,850,996)	-	(85,007,183)	(1,211,174,087)
Opening net book value	921,561,133	231,476,399	815,590,578	2,169,398,765	17,230,726	1,314,787	41,809,349	316,551,358	39,906,506	4,554,839,601
Acquisitions	5,647,434	249,064	459,924	857,452	-	40,197	7,711,663	567,146,433	-	582,112,167
Disposals	(63,202,462)	(5,848,715)	(1,496,027)	(2,521,556)	-	(16,753)	(887,366)	-	(1,338,523)	(75,311,402)
Transfer	(13,349,927)	7,485,542	114,519,422	427,343,193	-	653,576	6,733,289	(641,003,675)	49,856,692	(47,761,888)
Depreciation	-	(7,207,796)	(34,629,042)	(166,887,632)	(901,140)	(717,503)	(17,256,212)	-	(28,671,371)	(256,270,696)
Exchange differences	-	-	-	-	677,450	-	681	212,979	-	891,110
Ending acquisition cost	850,656,178	285,987,843	1,283,477,185	3,190,264,922	18,809,625	13,047,565	151,807,607	242,907,095	171,514,962	6,208,472,982
Ending accumulated depreciation	-	(59,833,349)	(389,032,330)	(762,074,700)	(1,802,589)	(11,773,261)	(113,696,203)	-	(111,761,658)	(1,449,974,090)
Ending net book value	850,656,178	226,154,494	894,444,855	2,428,190,222	17,007,036	1,274,304	38,111,404	242,907,095	59,753,304	4,758,498,892

Depreciation expense of ₩256,631 million (2014: ₩235,368 million) has been charged to 'cost of sales' and ₩19,230 million (2014: ₩20,903 million) to 'selling and administrative expenses'.

As of December 31, 2015, a certain portion of the Group's property, plant and equipment is pledged as collateral for the Group's bonds, short and long-term borrowings, as follows:

(in thousands of Korean won and in USD)

Assets	Book value	Up to	Accounts	Related to the amount	Pledged to
Land	112,753,248	1,440,000,000	Borrowings (Note 17)	299,360,000	Korea Development Bank and others financial institutions
Building	87,398,556				
Machinery and equipment	1,841,588,645				
Land	13,743,242	36,000,000		20,000,000	Shinhan Bank
Building	2,441,607				
Structures	19,797,300				
Land	8,563,065	234,000,000		195,000,000	Korea Exchange Bank and others financial institutions
Building	3,493,969				
Structures	42,871,058				
Machinery and equipment	197,728,755	USD 10,136,089		USD 10,136,089	Suhyup Bank
Vessel	17,130,642				

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15. Intangible Assets

Changes in intangible assets for the years ended December 31, 2015 and 2014, are as follows:

(1) 2015

	Goodwill	Development costs	Membership rights	Others	Total
Book value at January 1, 2015	56,629,475	4,018,590	13,933,216	13,887,798	88,469,079
Additions	-	25,062	2,149,861	-	2,174,923
Disposals	-	-	(2,361,346)	-	(2,361,346)
Amortization	-	(1,804,326)	-	(1,432,448)	(3,236,774)
Transfer	-	3,754,016	-	4,801,491	8,555,507
Exchange differences	-	-	14,936	51	14,987
Book value at December 31, 2015	56,629,475	5,993,342	13,736,667	17,256,892	93,616,376

(2) 2014

	Goodwill	Development costs	Membership rights	Others	Total
Book value at January 1, 2014	56,629,475	3,328,681	13,428,100	9,170,165	82,556,421
Additions	-	370,545	1,437,715	-	1,808,260
Disposals	-	-	(940,240)	(98,599)	(1,038,839)
Amortization	-	(1,219,120)	-	(1,091,861)	(2,310,981)
Transfer	-	1,538,485	-	5,908,021	7,446,506
Exchange differences	-	-	7,641	71	7,712
Book value at December 31, 2014	56,629,475	4,018,591	13,933,216	13,887,797	88,469,079

Amortization of ₩546 million (2014: ₩275 million) is included in 'cost of sales' in the statement of income and ₩2,691 million (2014: ₩2,036 million) in 'administrative expenses'.

15.1 Impairment of Intangible assets

The Group's goodwill as of December 31, 2015, represents the goodwill arising from past acquisition. Goodwill is distributed based on the cash-generating units, by which the executives manage the goodwill.

	Goodwill allocation amount
Goodwill	56,629,475

Assumptions	Rate
Operating profit margin rate	7.58%
Growth rate of the sales volume ¹	10.21%
Growth rate beyond 5 years ²	(2.84%)
Pre-tax discount rate ³	7.18%

¹ Weighted average of sales growth rate calculated based on historical growth rate to forecast cash flows for five years.

² Consistent with the growth rate beyond five years used in the Industrial Report.

³ Pre-tax discount rate applied in forecasted cash flows.

The Group determines the sales volume growth rate by the expectation level set based on the past performance and market development. The growth rate used is consistent with the forecasts included in the industry reports.

16. Trade and Other Payables

Trade and other payables as of December 31, 2015 and 2014, are as follows:

	2015	2014
Current		
Trade payables	547,926,996	904,671,609
Other payables	623,458,117	514,548,685
Dividend payables	598,195	-
Accrued expenses	12,952,566	14,392,541
	1,184,935,874	1,433,612,835
Non-current		
Long-term other payables	85,000,000	85,000,000
Long-term withholdings	7,392,519	7,560,519
	92,392,519	92,560,519

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17. Short and Long-term Financial Liabilities

Details of short-term financial liabilities as of December 31, 2015 and 2014, are as follows:

(in thousands of Korean won)

	2015	2014
Short-term borrowings	39,184,720	1,086,490,421
Current portion of long-term borrowings	162,137,792	162,871,585
Current portion of bonds	99,921,638	449,870,415
	301,244,150	1,699,232,421

Details of long-term financial liabilities as of December 31, 2015 and 2014, are as follows:

(in thousands of Korean won)

	2015	2014
Long-term borrowings	451,075,508	677,932,272
Bonds	1,396,286,603	1,096,691,053
	1,847,362,111	1,774,623,325

Details of short-term borrowings as of December 31, 2015 and 2014, are as follows:

(in thousands of Korean won)

Type of borrowings	Creditor	Interest (%)	2015	2014
Import loan	SMBC	0.65%	39,184,720	-
Usance L/C	KDB and others	-	-	672,452,717
Commercial paper	KTB and others	-	-	395,000,000
General brrowings	BNP	-	-	10,000,000
General brrowings	HSBC	-	-	9,037,704
			39,184,720	1,086,490,421

Details of long-term borrowings as of December 31, 2015 and 2014, are as follows:

(in thousands of Korean won)

Type of borrowings	Creditor	Interest (%)	2015	2014
Energy Invest Loan	KDB	1.75%	2,302,400	3,725,000
Environmental improvement loan	KDB	1.98%	727,100	1,398,300
Facility loan	KDB and others	3.53%	299,360,000	599,232,000
Facility loan	Shinhan bank	3.46%	20,000,000	30,000,000
Facility loan	KEB and others	3.34%	194,496,994	194,401,183
Facility loan	KDB and others	3.74%	80,931,310	-
Shipbuilding loan	Suhyup Bank	5.40%	11,879,496	12,047,374
Shipbuilding loan	HHD Co., Ltd.	2.25%	3,516,000	-
			613,213,300	840,803,857
Less: Current maturities			(162,137,792)	(162,871,585)
			451,075,508	677,932,272

Details of bonds as of December 31, 2015 and 2014, are as follows:

(in thousands of Korean won)

Series	Issuance date	Maturity date	Interest (%)	2015	2014
105 th	2010-06-28	2015-06-28	-	-	199,916,597
108 th	2012-01-25	2015-01-25	-	-	149,984,675
109 th	2012-03-27	2015-03-27	-	-	99,969,143
110 th	2012-07-20	2017-07-20	3.52%	299,631,466	299,398,708
111-1 st	2012-10-23	2016-10-23	3.24%	99,921,638	99,827,605
111-2 nd	2012-10-23	2019-10-23	3.52%	99,799,969	99,747,787
112-1 st	2014-01-27	2018-01-27	3.35%	149,639,171	149,465,973
112-2 nd	2014-01-27	2019-01-27	3.59%	49,845,157	49,794,938
113 rd	2014-06-25	2018-06-25	3.01%	99,744,750	99,642,650
114-1 st	2014-11-21	2017-11-21	2.36%	79,789,869	79,680,236
114-2 nd	2014-11-21	2019-11-21	2.59%	159,510,260	159,385,220
114-3 rd	2014-11-21	2021-11-21	2.94%	59,784,380	59,747,936
115-1 st	2015-03-27	2018-03-27	1.98%	69,742,300	-
115-2 nd	2015-03-27	2020-03-27	2.20%	189,321,870	-
115-3 rd	2015-03-27	2022-03-27	2.53%	139,477,411	-
				1,496,208,241	1,546,561,468
Less: Current maturities				(99,921,638)	(449,870,415)
				1,396,286,603	1,096,691,053

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18. Net Defined Benefit Liability

Net Defined benefit liabilities recognized in the statements of financial position as of December 31, 2015 and 2014, are as follows:

	(in thousands of Korean won)	
	2015	2014
Present value of defined benefit liabilities	193,262,357	152,960,997
Fair value of plan assets	(179,581,648)	(141,319,193)
Contribution to National Pension Fund	(418,905)	(462,654)
Liability in the statement of financial position	13,261,804	11,179,150

Changes in the carrying amount of defined benefit obligations for the years ended December 31, 2015 and 2014, are as follows:

	(in thousands of Korean won)	
	2015	2014
Beginning balance	152,960,997	126,469,141
Current service cost	20,384,898	18,499,428
Interest expense	4,479,878	5,187,191
Remeasuments:	22,640,957	14,664,393
Actuarial gains and losses arising from changes in demographic assumptions	-	9,730,677
Actuarial gains and losses arising from changes in financial assumptions	18,063,574	9,276,789
Actuarial gains and losses arising from experience adjustments	4,577,383	(4,343,073)
Benefits payments	(11,861,308)	(6,876,575)
Effect of transference	4,656,935	(4,982,581)
Ending balance	193,262,357	152,960,997

Changes in the fair value of plan assets for the years ended December 31, 2015 and 2014, are as follows:

	(in thousands of Korean won)	
	2015	2014
Beginning balance	141,319,193	136,719,545
Expected return on plan assets	3,893,988	4,313,244
Remeasurements:		
Return on plan assets (excluding amounts included in interest income)	(1,312,092)	(1,056,972)
Contributions:		
Employer	41,600,000	10,000,000
Payments from plans:		
Benefit payments	(5,919,441)	(8,656,624)
Ending balance	179,581,648	141,319,193

Plan assets as of December 31, 2015 and 2014, consist of as follows:

	(in thousands of Korean won)		
	2015		2014
	Quoted price	Total	Composition
Cash and cash equivalents	179,581,648	179,581,648	100%
	141,319,193	141,319,193	100

Expected contributions to post-employment benefit plans for the financial year following the reporting period are ₩28,751 million.

The principal actuarial assumptions as of December 31, 2015 and 2014, are as follows:

	2015	2014
Discount rate at year-end	2.66%	3.08%
Future salary increases	2.81% ~ 4.74%	2.53% ~ 4.42%

The sensitivity of the defined benefit obligations as of December 31, 2015, to changes in the weighted principal assumptions is:

	(in percentage, %)		
	Effect on defined benefit obligation		
	Changes in principal assumption	Increase in principal assumption	Decrease in principal assumption
Discount rate	1%	10.08% decrease	12.32% increase
Salary growth rate	1%	11.97% increase	10.01% decrease

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions using the same method, the projected unit credit method, is applied when calculating the defined benefit obligations recognized within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

Expected maturity analysis of undiscounted pension benefits as of December 31, 2015, is as follows:

	(in thousands of Korean won)				
	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Between 5 and 10 years	Total
Pension benefits	8,306,658	14,432,070	33,070,692	7,500,765,401	7,556,574,821

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19. Provisions, Contingent Liabilities and Commitments

19.1 Provisions

Changes in provisions for the years ended December 31, 2015 and 2014, are as follows:

(1) 2015

	Beginning balance	Increase	Decrease	Ending balance
Provision for environmental restoration costs	5,773,356	-	1,045,755	4,727,601
Provision for carbon gas emission	-	4,104,690	-	4,104,690

(2) 2014

	Beginning balance	Increase	Decrease	Ending balance
Provision for environmental restoration costs	9,953,707	-	4,180,351	5,773,356

In regards to Carbon gas emissions, the Group sets provision for expected expenses due to emissions exceeding the emission rights capacity in a given year. As of December 31, 2015, emission rights for allocation of no cost are as follows:

	2015	2016	2017	Total
Emission allowances allocated free of charge	2,160	2,108	2,066	6,334

The carrying amount of emission rights is nil and none of rights are pledged as collaterals.

19.2 Contingent Liabilities

	Description	Amount
Lawsuit as the defendant	Damage claim suit (The Fair Trade Commission)	12.4
	Damage claim suit (THE HANKOOK SHELL OIL CO., LTD.)	14.8
Lawsuit as the plaintiff	Revocation suit1 (Alleged collusive LPG price-fixing)	26.3
	Revocation suit1 (Restitution for reimbursement of petroleum import levy) ¹	9.7
	Revocation suit (Restitution for reimbursement of Korea National Oil Corporation)	3.1

¹ Reflected as loss in the consolidated financial statements of the previous period.

19.3 Commitments

The Group has entered into bank overdraft agreements with Korea Exchange Bank and others for up to ₩40,000 million (2014: ₩50,000 million) and agreement for a discount note with Shinhan Bank for the amount of ₩50,000 million (2014: ₩50,000 million). Also, the Group has entered into mutual support agreements with Woori Bank for cooperation partner amounting to ₩50,000 million as of December 31, 2015.

The Group has entered into an import letter of credit arrangement of US\$4,325 million (2014: US\$ 5,335 million) with Korea Exchange Bank and others. Payment of US\$241 million has been made as of December 31, 2015, to the beneficiary.

The Group has entered into a factoring agreement with Hana Bank and Shinhan Capital for up to ₩400,000 million and ₩170,000 million, respectively, and ₩73,088 million has been paid to Shinhan Capital as of December 31, 2015. Also, the Group has sold ₩26,370 million of account receivables from exports to Mizuho bank through a forfaiting agreement.

The Group is provided with supplemental funding agreements amounting to ₩286,000 million for borrowings from Lotte Chemical Co., Ltd. as of December 31, 2015.

The Group entered into a long-term freight contract with chartering company in order to ensure the subsidiaries' stable operations.

The Group has entered into a navigation performance guarantee with Hyundai Glovis Co., Ltd. The total amount of the guarantee is USD 707 million and the unexecuted balance of the guarantee is USD 656 million.

The Group has entered into a purchase agreement with non-controlling shareholders for non-controlling interests of its subsidiary, Hyundai Oil Terminal Co., Ltd, Hyundai and Shell Base oil Co., Ltd. Under the agreement, non-controlling shareholders of Hyundai Oil Terminal Co., Ltd have the option to request the purchase of relevant shares for the duration of one year from July 2017. In addition, non-controlling shareholders of Hyundai and Shell Base Oil Co., Ltd have the option to request the purchase of relevant shares after from August 2021.

20. Derivative Financial Instruments

As of December 31, 2015, the Group has entered into foreign exchange forward contracts to hedge foreign exchange fluctuation risk into commodity forward contracts to hedge price fluctuation risk related to the crude oil. The Group used valuations provided by financial institutions for fair values of all derivative financial instruments.

Details of derivative financial instruments as of December 31, 2015, is as follows:

Purpose	Type of contract	Details of contract	Contract unit	Contract value
Cash flow hedge	Interest swap contract	CP floating rate risk hedge	KRW	50,000,000
	Commodity forward contracts	Refining margin risk hedge	USD	43,471,745
	Foreign exchange forward contracts	Foreign exchange risk hedge	USD	12,668,514
			EUR	1,200,000
Trading purposes	Foreign exchange forward contracts	Foreign exchange risk hedge	JPY	217,600,000
			USD	142,400,000
	Commodity forward contracts	Commodity price risk hedge	USD	262,470

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December 31, 2015 and 2014

Derivative financial instruments as of December 31, 2015 and 2014, are as follows:

(1) 2015

(in thousands of Korean won)

	Type of contract	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Derivative financial assets	Derivative financial liabilities
Cash flow hedge	Interest swap contract	-	-	-	2,575,545
	Foreign exchange forward contracts	-	-	1,395,404	317,980
	Commodity forward contracts	-	-	26,672,646	25,789,921
Trading purpose	Foreign exchange forward contracts	729,573	230,785	-	-
	Commodity forward contracts	477,408	3,337,287	-	-
		1,206,981	3,568,072	28,068,050	28,683,446

(2) 2014

(in thousands of Korean won)

	Type of contract	Financial assets at fair value through profit or loss	Financial liabilities at fair value through profit or loss	Derivative financial assets	Derivative financial liabilities
Cash flow hedge	Interest swap contract	-	-	-	4,238,659
	Foreign exchange forward contracts	-	-	1,100,095	168,159
Trading purpose	Foreign exchange forward contracts	210,780	1,147,033	-	-
	Commodity forward contracts	-	83,264	-	-
		210,780	1,230,297	1,100,095	4,406,818

For the years ended December 31, 2015 and 2014, realized and unrealized gain (loss) from derivative instruments transactions are as follows:

(1) 2015

(in thousands of Korean won)

	Gain/Loss	Disposal of financial instruments at fair value through profit or loss	Valuation of financial instruments at fair value through profit or loss	Loss on disposal of Derivatives instruments
Trading purposes				
Foreign exchange forward contracts	Gain	42,789,111	729,573	-
	Loss	34,063,851	230,785	-
Commodity forward contracts	Gain	3,091,720	477,408	-
	Loss	970,330	3,337,287	-
Cash flow hedge				
Interest swap	Loss	-	-	754,746

(2) 2014

(in thousands of Korean won)

	Gain/Loss	Disposal of financial instruments at fair value through profit or loss	Valuation of financial instruments at fair value through profit or loss	Loss on disposal of Derivatives instruments
Trading purposes				
Foreign exchange forward contracts	Gain	68,649,158	210,780	-
	Loss	56,997,799	1,147,033	-
Commodity forward contracts	Gain	12,535,252	-	-
	Loss	3,764,787	83,264	-
Cash flow hedge				
Interest swap	Loss	-	-	551,173

21. Equity

The Group's number of authorized shares is 500,000,000 shares. Total number of common stocks issued is 245,082,422 shares, and the par value per share is ₩5,000.

22. Hybrid Equity Securities

Details of bond-type hybrid equity securities classified as equity as of December 31, 2015 are as follows:

(in thousands of Korean won)

	Issue date	Maturity date	Interest rate	2015
1-1 st private hybrid equity securities	2015. 12. 11	2045. 12. 11	4.80%	160,000,000
1-2 nd private hybrid equity securities	2015. 12. 11	2045. 12. 11	4.75%	65,000,000
				225,000,000
Less: issuance expenses				(727,150)
				224,272,850

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The condition of hybrid equity securities issued for the year ended December 31, 2015 is as follows:

	<i>(in thousands of Korean won)</i>	
	1-1 st Private hybrid equity securities	1-2 nd Private hybrid equity securities
Issue amount	160,000,000 thousand	65,000,000 thousand
Maturity	30 years (At maturity, it can be extended on the Group's decision)	
Rate	From issue date to December 11, 2020 : Fixed rate 4.80% per year Recalculated and applied every 5 years, Yield rate of government bond with 5 year maturity + annual 2.865% + annual 2.00% (step-up clauses)	From issue date to December 11, 2020: Fixed rate 4.75% per year, Recalculated and applied every 5 years, Yield rate of government bond with 5 year maturity + annual 2.815 % + annual 2.00% (step-up clauses)
Condition for interest paid	Three months deferred payment and it is possible to selectively extend the payment date.	
Others	Prepayment is allowed after 5 years from the issuance date or every interest payment date depending on the Group's decision.	

The Group has a right to extend the maturity date of hybrid equity securities. In addition, payment of interest on bonds can be postponed at the discretion of the Group which in that case the Group cannot resolve and pay the dividend of common stocks until the interest is fully paid. Hybrid capital securities where the Group has an unconditional right to avoid delivering cash or another financial asset to settle a contractual obligation are classified as equity instruments.

23. Accumulated Other Comprehensive Income

Accumulated other comprehensive income (loss) as of December 31, 2015 and 2014, are as follows:

	<i>(in thousands of Korean won)</i>	
	2015	2014
Cash flow hedge gain (loss) on valuation of derivative financial instruments	(636,704)	(2,653,741)
Currency translation differences	1,187,884	(4,061)
Change in value of available-for-sale financial assets	-	(489,449)
Share of other comprehensive income of associates	(2,737,760)	(3,327,518)
	(2,186,580)	(6,474,769)

Changes in accumulated other comprehensive income (loss) for the years ended December 31, 2015 and 2014, are as follows:

(1) 2015

	<i>(in thousands of Korean won)</i>		
	Before tax	Tax effect	After tax
Beginning balance	(7,478,268)	1,003,499	(6,474,769)
Changes	5,088,413	(800,224)	4,288,189
Ending balance	(2,389,855)	203,275	(2,186,580)

(2) 2014

	<i>(in thousands of Korean won)</i>		
	Before tax	Tax effect	After tax
Beginning balance	(8,244,852)	1,131,738	(7,113,114)
Changes	766,584	(128,239)	638,345
Ending balance	(7,478,268)	1,003,499	(6,474,769)

24. Retained Earnings

Retained earnings as of December 31, 2015 and 2014, consist of:

	<i>(in thousands of Korean won)</i>	
	2015	2014
Legal reserves ¹	25,058,572	25,058,572
Unappropriated retained earnings	2,076,293,012	1,657,211,411
	2,101,351,584	1,682,269,983

¹ The Commercial Code of the Republic of Korea requires the Group to appropriate, as a legal reserve, an amount equal to a minimum of 10% of cash dividends paid until such reserve equals 50% of its issued capital stock. The reserve is not available for the payment of cash dividends, but may be transferred to capital stock or used to reduce accumulated deficit, if any, with the ratification of the Group's majority shareholders.

25. Selling and Administrative Expenses

Selling and administrative expenses for the years ended December 31, 2015 and 2014, are as follows:

	<i>(in thousands of Korean won)</i>	
	2015	2014
Salaries	82,111,414	70,626,572
Employee benefits	14,637,146	13,524,839
Promotional expenses	11,880,223	11,362,903
Advertising expenses	21,643,495	17,767,686
Service costs	37,581,184	20,782,603
Commission expenses	22,092,671	23,375,331
Transportation expenses	109,068,871	106,636,892
Depreciation	19,230,315	20,902,963
Amortization	2,691,092	2,036,263
Rental expenses	24,225,992	22,720,984
Bad debt expenses (reversal)	171,191	(2,351,175)
Others	26,141,689	24,812,981
	371,475,283	332,198,842

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December 31, 2015 and 2014

26. Expenses by Nature

Expenses by nature for the years ended December 31, 2015 and 2014, are as follows:

	2015	2014
Changes in inventories	449,492,320	845,765,094
Purchase of inventories	10,764,513,304	19,253,513,179
Depreciation	275,861,681	256,270,696
Amortization	3,236,774	2,310,981
Salaries	206,664,376	176,154,060
Others	680,488,046	563,877,226
	12,380,256,501	21,097,891,236

The sum of total expenses by nature equals to the sum of cost of sales and selling and administrative expenses in the statement of comprehensive income.

27. Finance Income and Costs

Finance income and costs for the years ended December 31, 2015 and 2014, are as follows:

	2015	2014
Finance income		
Interest income	7,302,836	6,291,411
Gain on disposal of available-for-sale financial assets	435,085	-
Gain on foreign currency translation	1,333,303	1,859,329
Gain on foreign currency transactions	27,608,726	47,880,866
	36,679,950	56,031,606
Finance costs		
Interest expense	80,513,767	111,092,342
Impairment loss of financial assets	-	75,175
Loss on foreign currency translation	1,198,769	2,180,810
Loss on foreign currency transactions	55,965,799	80,332,895
	137,678,335	193,681,222

28. Other Non-operating Income and Expenses

Other non-operating income and expenses of the Group for the years ended December 31, 2015 and 2014, are as follows:

	2015	2014
Other non-operating Income		
Gain on disposal of financial assets at fair value through profit or loss	45,880,831	81,184,410
Gain on valuation of financial assets at fair value through profit or loss	1,206,981	210,780
Gain on foreign currency translation	2,547,597	5,115,970
Gain on foreign currency transactions	142,718,083	152,248,036
Gain on disposal of property, plant, and equipment	702,274	14,284,960
Reversal of provision for other receivables impairment	-	340,000
Miscellaneous income	94,241,935	12,071,090
	287,297,701	265,455,246
Other non-operating Expenses		
Loss on transactions of derivative financial instruments	754,746	551,173
Loss on disposal of financial assets at fair value through profit or loss	35,034,181	60,762,586
Loss on valuation of financial assets at fair value through profit or loss	3,568,072	1,230,297
Loss on foreign currency translation	1,988,778	4,438,841
Loss on foreign currency transactions	162,043,100	188,162,767
Loss on disposal of property, plant, and equipment	10,822,478	14,378,809
Loss on disposal of intangible assets	1,121,801	20,240
Impairment loss of intangible assets	-	98,599
Loss on disposal of investment property	-	50,090
Loss on disposal of investments in subsidiaries and associates	155,318	-
Other bad debt expense	300,000	343,822
Donations	4,993,723	8,807,426
Miscellaneous expenses	2,938,879	2,497,042
	223,721,076	281,341,692

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29. Income Tax

Income tax expense for the years ended December 31, 2015 and 2014, are as follows:

	2015	2014
Current income tax	101,699,837	16,001,779
Deferred income tax due to temporary differences	(8,761,152)	(17,321,448)
Deferred income tax due to tax losses	-	435,353
Deferred income tax due to tax credit	22,498,294	9,967,595
Deferred income tax charged to equity	4,758,402	5,280,660
Income tax expense	120,195,381	14,363,939

The tax on the Group's taxable income differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the Group as follows:

	2015	2014
Profit before tax	571,424,079	18,517,283
Tax calculated at statutory tax rates	142,764,054	4,131,136
Effect of non-taxable income	(18,327,082)	(731,285)
Effect of non-deductible expenses	1,887,113	2,446,514
Effect of tax exemptions	(6,528,730)	(3,861,575)
Effect of unrecognized deferred tax	-	12,647,408
Effect of change in tax rate	400,026	(268,259)
	120,195,381	14,363,939

Changes in deferred tax assets and liabilities for the years ended December 31, 2015 and 2014, are as follows:

(1) 2015

Type	Temporary differences			Deferred assets (liabilities)
	Beginning balance	Changes	Ending balance	
Depreciation	26,726,668	20,900,516	47,627,184	11,525,779
Construction-in-progress	30,923,818	1,811,018	32,734,836	7,921,830
Contingent liabilities	500,000	-	500,000	121,000
Bad debt expense	9,870,385	(623,033)	9,247,352	2,237,859
Impairment of monetary securities	645,711	(645,711)	-	-
Accrued income	(421,497)	44,615	(376,882)	(91,205)
Provisions	34,600,680	(1,236,421)	33,364,259	8,074,151
Loss on valuation of inventories	9,878,028	(5,840,913)	4,037,115	976,982
Loss on disposal of property, plant, and equipment	1,527,234	(120,414)	1,406,820	340,450
Miscellaneous expenses	99,770	(99,770)	-	-
Defined benefit liability	52,861,458	17,660,445	70,521,903	17,066,301
Plan assets	(131,764,438)	(35,220,468)	(166,984,906)	(40,410,347)
Loss on valuation of derivative instruments	4,321,923	230,777	4,552,700	1,101,753
Promotion expenses	918,104	245,960	1,164,064	281,703
Revaluation of assets	(407,684,452)	13,813,881	(393,870,571)	(95,316,678)
Advanced depreciation provision	(91,858,874)	-	(91,858,874)	(22,229,847)
Actuarial gains and losses	88,163,039	22,559,388	110,722,427	26,860,759
Other long-term employee benefits	-	258,243	258,243	62,495
Accrued expenses	4,298,063	1,368,848	5,666,911	1,371,392
Government subsidy	4,423,033	(899,600)	3,523,433	852,671
Provision for carbon gas emission	-	4,104,690	4,104,690	993,335
Others	(154,396,082)	14,577,754	(139,818,328)	(611,368)
Tax credit carry forwards	-	-	-	796,758
	(516,367,429)	52,889,805	(463,477,624)	(78,074,227)

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(2) 2014

(in thousands of Korean won)

Type	Temporary differences			Deferred assets (liabilities)
	Beginning balance	Changes	Ending balance	
Depreciation	18,332,458	8,394,210	26,726,668	6,467,854
Construction-in-progress	523,621	30,400,197	30,923,818	7,483,564
Contingent liabilities	500,000	-	500,000	121,000
Bad debt expense	9,340,849	529,536	9,870,385	2,388,633
Impairment of financial assets	436,145	(436,145)	-	-
Impairment of monetary securities	-	645,711	645,711	156,262
Accrued income	(435,505)	14,008	(421,497)	(102,002)
Provisions	49,148,501	(14,547,821)	34,600,680	8,373,365
Loss on valuation of inventories	4,965,527	4,912,501	9,878,028	2,390,483
Loss on disposal of property, plant, and equipment	1,651,591	(124,357)	1,527,234	369,591
Miscellaneous expenses	-	99,770	99,770	24,144
Defined benefit liability	39,278,226	13,583,232	52,861,458	12,792,473
Plan assets	(113,126,539)	(18,637,899)	(131,764,438)	(31,886,994)
Loss on valuation of derivative instruments	4,466,780	(144,857)	4,321,923	1,045,905
Promotion expenses	1,013,406	(95,302)	918,104	222,181
Revaluation of assets	(439,220,591)	31,536,139	(407,684,452)	(98,659,637)
Advanced depreciation provision	(97,798,225)	5,939,351	(91,858,874)	(22,229,847)
Actuarial gains and losses	66,471,513	21,691,526	88,163,039	21,335,455
Accrued expenses	4,841,730	(543,667)	4,298,063	1,040,131
Government subsidy	-	4,423,033	4,423,033	1,070,374
Others	21,444,848	(175,840,930)	(154,396,082)	(35,072)
Tax credit carryforwards	-	-	-	23,295,052
	(428,165,665)	(88,201,764)	(516,367,429)	(64,337,085)

Details of deferred income tax charged to equity are as follows:

(in thousands of Korean won)

	2015	2014
Loss on valuation of derivative instruments	409,663	1,025,755
Loss on valuation of monetary securities	-	156,262
Actuarial losses	26,866,212	21,335,455
	27,275,875	22,517,472

30. Earnings per Share

Basic earnings per ordinary share for the years ended December 31, 2015 and 2014, are as follows:

(in thousands of Korean won, except per share amount)

	2015	2014
Profit attributable to owners of the parent company	437,594,630	(5,321,836)
Weighted average number of ordinary shares outstanding	245,082,422 shares	245,082,422 shares
Basic earnings per share (Korean won)	1,785	(22)

Diluted earnings per share is equal to basic earnings per share.

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

31. Cash Generated from Operations

Cash generated from operations for the years ended December 31, 2015 and 2014, are as follows:

	<i>(in thousands of Korean won)</i>	
	2015	2014
Adjustments for:		
Severance and retirement benefits	20,970,788	19,373,375
Depreciation	275,861,681	256,270,696
Amortization	3,236,774	2,310,981
Bad debt expenses (reversal)	171,191	(2,351,175)
Miscellaneous bad debt expenses	300,000	3,822
Loss on disposal of investment property	-	50,090
Interest expenses	80,513,767	111,092,342
Loss on foreign currency translation	3,187,547	6,619,651
Loss on disposal of financial assets at fair value through profit or loss	35,034,181	60,762,586
Loss on valuation of financial assets at fair value through profit or loss	3,568,072	1,230,297
Loss on valuation of inventories (reversal)	(5,775,836)	5,106,518
Loss on disposal of property, plant, and equipment	10,822,478	14,378,809
Loss on disposal of intangible assets	1,121,801	20,240
Impairment loss of intangible assets	-	98,599
Impairment loss of available-for-sale financial assets	-	75,175
Loss on disposal of equity method investments	155,318	-
Income tax expense	120,195,381	14,363,939
Interest revenue	(7,302,836)	(6,291,411)
Gain on foreign currency translation	(3,880,900)	(6,975,299)
Gain on disposal of financial assets at fair value through profit or loss	(45,880,831)	(81,184,410)
Gain on valuation of financial assets at fair value through profit or loss	(1,206,981)	(210,780)
Gain on disposal of available-for-sale financial assets	(435,085)	-
Gain on disposal of property, plant, and equipment	(702,274)	(14,284,960)
Share of loss of associates	20,519,740	54,127,359
Reversal of provision for restoration costs	(1,045,755)	(1,987,612)
	509,428,221	432,598,832

	<i>(in thousands of Korean won)</i>	
	2015	2014
Changes in operating assets and liabilities		
Trade receivables	339,078,020	414,541,525
Other receivables	86,801,136	32,494,104
Inventories	455,483,277	881,646,426
Other current assets	(12,142,997)	(52,521,131)
Other non-current assets	(77,391)	49,213
Trade payables	(370,361,769)	(999,076,188)
Other payables	133,838,151	(167,582,556)
Other current liabilities	24,980,142	25,546,189
Long-term trade and other payables	(168,000)	(1,497,936)
Defined benefit liability	(42,841,183)	(13,119,425)
Long-term provisions	4,104,690	(2,489,608)
Deferred income	(150,667)	(10,063,389)
Other non-current liabilities	(54,120)	-
	618,489,289	107,927,224

Significant non-cash investing and financing activities for the years ended December 31, 2015 and 2014, are as follows:

	<i>(in thousands of Korean won)</i>	
	2015	2014
Transferred from construction-in-progress to other property, plant and equipment and intangible assets accounts	195,229,448	641,003,675
Accounts payable related to the acquisition of property, plant and equipment	3,981,427	3,012,519

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

32. Related Party Transactions

As of December 31, 2015 and 2014, the Parent Group is Hyundai Heavy Industries Co., Ltd. (percentage of ownership: 91.13%) which is also the ultimate parent company.

Details of associates and other related parties that have sales and other transactions with the Group or have receivables and payables balances as of December 31, 2015 and 2014, are as follows:

	2015	2014	Relationship
Joint Venture	Hyundai Cosmo Petrochemical Co., Ltd.	Hyundai Cosmo Petrochemical Co., Ltd.	
Associates ¹	-	HYUNDAI-ENR	A subsidiary of Hyundai Heavy Industries Co., Ltd.
Other related parties	The subsidiaries of Hyundai Heavy Industries Co., Ltd. and others	The subsidiaries of Hyundai Heavy Industries Co., Ltd. and others	

¹ HYUNDAI-ENR was sold to Hyundai Corporation for the year ended December 31, 2015.

Sales and purchases with related parties for the years ended December 31, 2015 and 2014, are as follows:

(1) 2015

(in thousands of Korean won)					
Count party	Sales of goods	Purchase of raw materials	Acquisition of property, plant and equipment	Other Sales ¹	Other Purchase
Parent company					
Hyundai Heavy Industries Co., Ltd.	91,303,263	-	75,909,404	547	4,395,312
Joint venture					
Hyundai Cosmo Petrochemical Co., Ltd.	1,193,371,668	887,870,946	-	55,257	11,643
Other related parties					
Hyundai Corporation ²	191,224,001	165,557	-	-	1,363
Hyundai Mipo Dockyard Co., Ltd.	11,735,537	-	-	-	-
Hyundai Samho Heavy Industries Co., Ltd.	29,513,988	-	-	-	60,481
HYMS	42,700,548	-	-	-	-
HYUNDAI CORP. SINGAPORE Pte., Ltd. ²	114,524,510	-	-	-	128,562
Others	3,711,285	-	-	-	8,093,689
	1,678,084,800	888,036,503	75,909,404	55,804	12,691,050

¹ Other than the above transaction, the Group sold its entire shares of Hyundai Energy & Resource Co., Ltd., an associate, to Hyundai Corporation, an assicoate, for ₩87 million.
² Hyundai Merchant Marine etc. has been excluded from related parties due to the disposal of shares of Hyundai Corporation during 2015. Shown above is the amount until the exclusion.

(2) 2014

(in thousands of Korean won)						
	Sales of goods	Purchase of raw materials	Proceeds from sale of property, plant and equipment	Acquisition of property, plant and equipment	Other Sales	Other Purchase
Parent company						
Hyundai Heavy Industries Co., Ltd.	131,705,197	-	-	60,194,183	-	4,010,504
Joint venture						
Hyundai Cosmo Petrochemical Co., Ltd.	1,844,524,802	1,462,766,930	16,259,039	-	109,276	1,940
Other related parties						
Hyundai Corporation	170,171,977	19,274,510	-	-	308,665	-
Hyundai Mipo Dockyard Co., Ltd.	18,085,043	-	-	4,845,640	-	-
Hyundai Samho Heavy Industries Co., Ltd.	22,426,348	-	-	-	-	60,154
Hyundai Merchant Marine Co., Ltd. ¹	32,899,995	-	-	-	700,000	14,520,720
HYMS	51,577,986	-	-	-	-	-
HYUNDAI CORP. SINGAPORE Pte., Ltd.	458,646,124	39,974,039	-	-	-	-
Hyundai Asan Co., Ltd. ¹	3,247,465	-	-	-	-	24,233
Others	2,130,933	-	-	27,886	-	6,705,812
	2,735,415,870	1,522,015,479	16,259,039	65,067,709	1,117,941	25,323,363

¹ Hyundai Merchant Marine etc. has been excluded from related parties due to a decrease in rate of ownership by the parent company and subsidiaries during 2014. Shown above is the amount until the exclusion.

Year-end balances of receivables and payables arising from sales and purchases of goods and services as of December 31, 2015 and 2014, are as follows:

(1) 2015

(in thousands of Korean won)				
	Receivables		Payables	
	Trade receivables	Other receivables	Trade payables	Other payables
Parent company				
Hyundai Heavy Industries Co., Ltd.	9,026,398	-	-	13,070,691
Joint venture				
Hyundai Cosmo Petrochemical Co., Ltd.	92,015,676	14,639	28,824,095	1,067
Other related parties				
Hyundai Mipo Dockyard Co., Ltd.	1,175,407	-	-	176,612
Hyundai Samho Heavy Industries Co., Ltd.	3,213,636	55,049	-	268
HYMS	2,227,411	-	-	-
Others	198,506	-	-	19,433
	107,857,034	69,688	28,824,095	13,268,071

Notes to Consolidated Financial Statements

December 31, 2015 and 2014

(2) 2014

(in thousands of Korean won)

	Receivables		Payables	
	Trade receivables	Other receivables	Trade payables	Other payables
Parent company				
Hyundai Heavy Industries Co., Ltd.	14,362,404	-	-	7,293,898
Joint venture				
Hyundai Cosmo Petrochemical Co., Ltd.	13,275,596	9,757	79,499,498	-
Other related parties				
Hyundai Corporation	15,020,813	2,116,580	-	-
Hyundai Mipo Dockyard Co., Ltd.	1,839,081	-	-	84,770
Hyundai Samho Heavy Industries Co., Ltd.	3,049,916	55,049	-	2,042
HYMS	5,922,855	-	-	-
HYUNDAI CORP. SINGAPORE Pte. Ltd.	12,351,595	-	-	39,450
Others	44,421	-	-	-
	65,866,681	2,181,386	79,499,498	7,420,160

Fund transactions with related parties for the years ended December 31, 2015 and 2014, are as follows:

(in thousands of Korean won)

	Name of company	Capital reduction by cash distribution	
		2015	2014
Associates	HYUNDAI-ENR	7,125,000	-

The Group has entrusted HI Investment & Securities Co., Ltd., an Other related party of the Group, with short-term funds to invest in Money Market Trust(MMT) with an average daily balance of ₩48,216 million (2014: ₩9,068 million). For the years ended 2015 and 2014, the Group does not have remaining balances in the MMT. The Group has deposited plan assets of ₩6,575 million (2014: ₩7,003 million) in HI Investment & Securities Co., Ltd. account as of December 31, 2015.

HI Investment & Securities Co., Ltd., an Other related party of the Company, acquired bonds at the amount of ₩70 billion (2014: ₩110 billion) for the year ended December 31, 2015 issued by the Company.

Details of payment guarantees provided by the Group for the funding sources of the related parties as of December 31, 2015, are as follows, no collaterals is provided by the Group, and no collaterals and payment guarantees are provided by the related parties:

(in thousands of USD)

	Guaranteed by	Guaranteed amount	Guarantee period	Remark
Joint venture				
Hyundai Cosmo Petrochemical Co., Ltd.	Mizuho Bank	USD 30,000	10/26/2012 ~ 9/30/2019	Borrowings

The compensation paid or payable to key management for employee services for the years ended December 31, 2015 and 2014, consists of:

(in thousands of Korean won)

	2015	2014
Short-term salaries	1,021,343	1,239,743
Post-employment benefits	125,785	220,575
	1,147,128	1,460,318

Key management includes directors (executive and non-executive) and members of the Executive Committee.

33. Events After the Reporting Period

On February 17, 2016, the Group newly established Hyundai OCI Co., Ltd. The initial capital stock amounted to ₩20 billion and the Group acquired 51% of issued shares, and rest of shares will be acquired by OCI Corporation. Hyundai OCI Co., Ltd. plans to produce carbon black.

On February 25, 2016, the Group decided to participate in paid-in capital increase for Hyundai Cosmo Petrochemical Co., Ltd. as approved by the Board of Directors. In accordance with the plan of the Group, the capital increase for Hyundai Cosmo Petrochemical Co., Ltd. amounts to ₩50 billion of which ₩25 billion will be contributed by the Group and the rest of shares will be contributed by Cosmo Oil Co., Ltd.

全球网络



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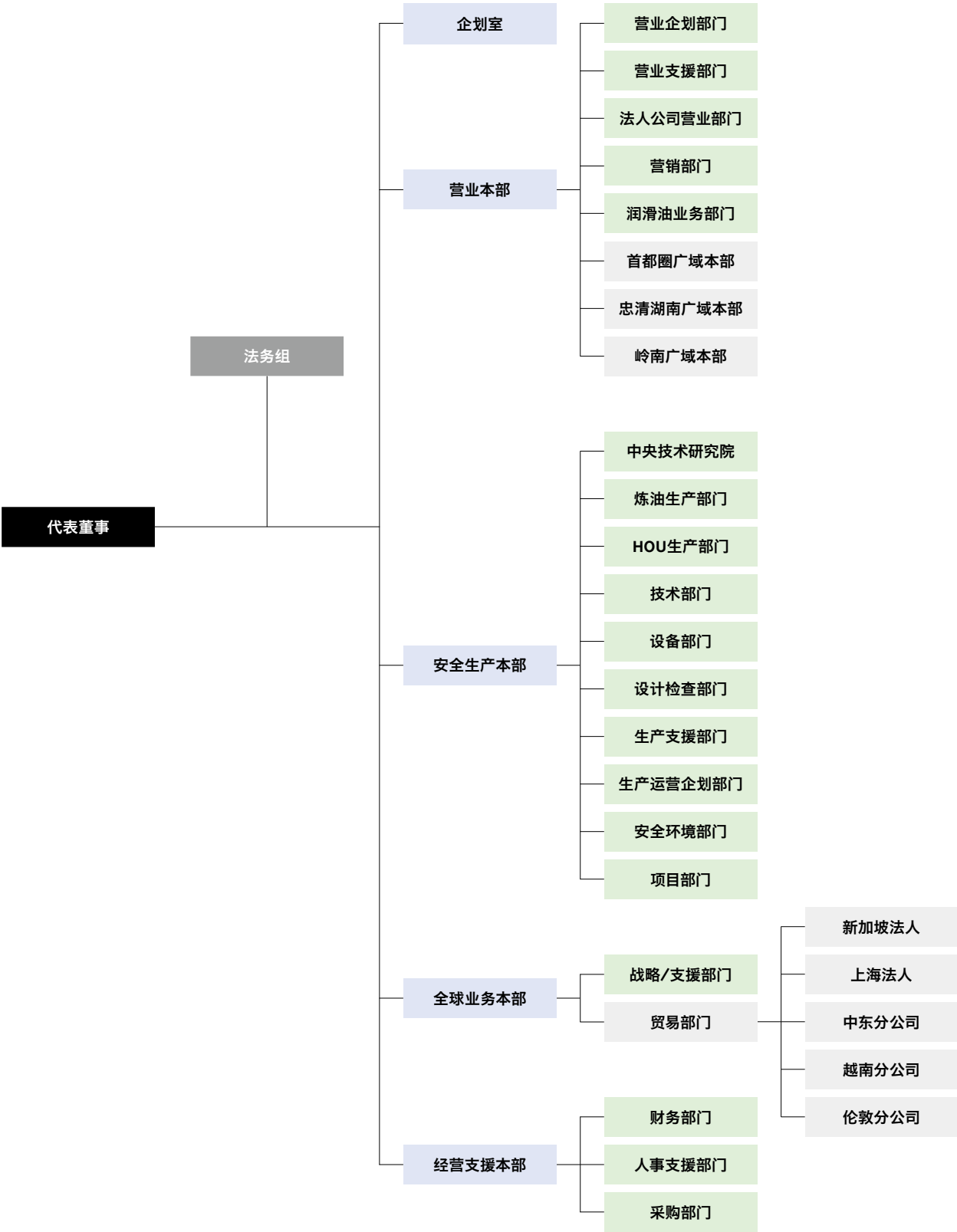
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