KIA MOTORS CORPORATION AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND SIX MONTHS ENDED
JUNE 30, 2016

ATTACHMENT: INDEPENDENT ACCOUNTANTS' REVIEW REPORT

KIA MOTORS CORPORATION

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Deloitte.

Deloitte Anjin LLC
9F., One IFC,
10, Gukjegeumyung-ro,
Youngdeungpo-gu, Seoul
07326, Korea

Tel: +82 (2) 6676 1000
Fax: +82 (2) 6674 2114
www.deloitteanjin.co.kr

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

English Translation of Independent Accountants' Review Report Originally Issued in Korean on August 12, 2016

To the Shareholders and the Board of Directors of
Kia Motors Corporation:

We have reviewed the accompanying condensed consolidated financial statements of Kia Motors Corporation (the "Company") and its subsidiaries. The condensed consolidated financial statements consist of the condensed consolidated statement of financial position as of June 30, 2016, the related condensed consolidated statements of income and comprehensive income, for the three months and six months ended June 30, 2016 and the related condensed consolidated statements of changes in equity and cash flows for the six months ended June 30, 2016, all expressed in Korean Won, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

The Company's management is responsible for the preparation and fair presentation of the accompanying condensed consolidated financial statements in accordance with Korean International Financial Reporting Standards ("K-IFRS") and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Independent Accountants' Responsibility

Our responsibility is to express a conclusion on the accompanying condensed consolidated financial statements based on our review.

We conducted our review in accordance with standards for review of interim financial statements in the Republic of Korea. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data, and this provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Review Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of the Company are not presented fairly, in all material respects, in accordance with Korean International Financial Reporting Standards 1034, *Interim Financial Reporting*.

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Others
The accompanying consolidated statements of income and comprehensive income, for the three months and six months ended June 30, 2015 and consolidated statements of changes in equity and cash flows for the six months ended June 30, 2015 were reviewed by other auditors whose report thereon dated August 10, 2015, expressed that nothing has come to our attention that causes us to believe that the accompanying condensed consolidated financial statements of the Company are not presented fairly, in all material respects, in accordance with Korean International Financial Reporting Standards 1034, *Interim Financial Reporting*.

The accompanying consolidated statement of financial position as of December 31, 2015, and the related consolidated statements of income, comprehensive income, changes in equity and cash flows for the year then ended, which are not presented in the accompanying consolidated financial statements, were audited by other auditors in accordance with the Korean Auditing Standards on Auditing ("KSAs") and an unqualified opinion was expressed on February 29, 2016. The condensed consolidated statement of financial position as of December 31, 2015, presented as a comparative purpose in the accompanying financial statements does not differ, in all material respects, from the audited consolidated statement of financial position as of December 31, 2015.

Deloitte Anjin LLC

August 12, 2016

Notice to Readers

This report is effective as of August 12, 2016, the independent accountants' review report date. Certain subsequent events or circumstances may have occurred between the independent accountants' review report date and the time the independent accountants' review report is read. Such events or circumstances could significantly affect the accompanying consolidated financial statements and may result in modifications to the independent accountants' review report.

KIA MOTORS CORPORATION (the "Company")
AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS AND SIX MONTHS ENDED
JUNE 30, 2016 AND 2015

The accompanying consolidated financial statements, including all footnote disclosures, were prepared by, and are the responsibility of, the Company.

Park, Han Woo
Chief Executive Officer
KIA MOTORS CORPORATION

Main Office Address: (Road Name Address) 12, Heolleung-ro, Seocho-gu, Seoul
(Phone Number) 02-3464-1114

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Financial Position

As of June 30, 2016 and December 31, 2015

(In millions of won)

	Note		June 30, 2016	December 31, 2015
Assets				
Cash and cash equivalents	25	₩	2,410,145	1,104,928
Short-term financial instruments	25, 26		4,238,322	2,875,137
Short-term available-for-sale financial assets	25, 26		1,610,606	2,872,653
Accounts and notes receivable – trade	11, 25, 26		2,674,047	2,388,911
Accounts and notes receivable – other	25		687,291	696,593
Advance payments			48,722	26,387
Prepaid income taxes			168,343	250,169
Inventories	5		7,943,445	7,695,346
Other current assets	9, 25		338,997	319,386
Non-current assets held for sale	10		-	161,274
Total current assets			20,119,918	18,390,784
Long-term financial instruments	25, 26		241,076	93,352
Long-term available-for-sale financial assets	10, 25, 26		861,075	724,356
Long-term accounts and notes receivable - trade	25		3,511	3,145
Investments in joint venture and associates	6		12,044,697	10,971,504
Property, plant and equipment	4, 7, 11, 15		13,149,445	13,042,121
Investment property	4		29,217	53,474
Intangible assets	4, 8		2,185,838	2,133,785
Guarantee deposits	25		175,737	171,553
Deferred tax assets			374,944	278,579
Other non-current assets	9, 25		244,233	117,460
Total non-current assets			29,309,773	27,589,329
Total assets		₩	49,429,691	45,980,113

See accompanying notes to consolidated financial statements

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Financial Position

As of June 30, 2016 and December 31, 2015

(In millions of won)

	Note		June 30, 2016	December 31, 2015
Liabilities				
Accounts and notes payable - trade	25, 26	₩	5,838,494	5,885,651
Short-term borrowings	11, 25		2,084,095	1,512,424
Accounts and notes payable - other	25		1,909,502	2,653,394
Advances received			1,497,066	590,686
Accrued expenses	25		2,402,000	1,521,078
Income taxes payable			335,366	400,681
Current portion of long-term debt and bonds	11, 25		959,724	1,268,666
Provisions - current	14		754,858	698,492
Other current liabilities	12, 25		51,305	48,413
Total current liabilities			15,832,410	14,579,485
Bonds	11, 25		1,733,757	927,052
Long-term debt	11, 15, 25		2,427,984	2,604,889
Long-term advances received			86,118	76,747
Net defined benefit liabilities	13, 26		519,581	256,341
Provision for other long-term employee benefits			285,044	259,815
Provisions	14		2,031,582	1,691,670
Deferred tax liabilities			1,175,564	1,308,917
Other non-current liabilities	12, 25		71,444	71,166
Total non-current liabilities			8,331,074	7,196,597
Total liabilities			24,163,484	21,776,082
Equity				
Common stock	16		2,139,317	2,139,317
Capital surplus			1,560,650	1,560,650
Retained earnings			22,194,359	21,039,080
Accumulated other comprehensive loss	16		(564,291)	(473,682)
Other equity	16		(63,828)	(59,666)
Other capital item expected to be held for sale			-	(1,668)
Total equity			25,266,207	24,204,031
Total liabilities and equity		₩	49,429,691	45,980,113

See accompanying notes to consolidated financial statements

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Income

For the three months and six months ended June 30, 2016 and 2015

(In millions of won, except earnings per share information)

	NOTE		2016		2015	
			Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
Sales	4, 26	₩	14,449,981	27,099,348	12,441,109	23,618,777
Cost of sales	22, 26		(11,521,452)	(21,597,678)	(9,902,706)	(18,902,552)
Gross profit			2,928,529	5,501,670	2,538,403	4,716,225
Selling expenses	18, 22		(1,341,517)	(2,598,412)	(1,221,754)	(2,243,441)
General and administrative expenses	18, 22		(816,126)	(1,498,750)	(665,939)	(1,310,425)
Operating profit			770,886	1,404,508	650,710	1,162,359
Gain on investments in joint venture and associates, net	6		291,135	640,046	298,694	601,103
Finance income	19, 25		71,421	149,121	47,665	124,013
Finance expenses	19, 25		(86,271)	(137,593)	(52,242)	(111,672)
Other income	20		156,248	406,493	128,200	390,824
Other expenses	20		(143,727)	(356,178)	(85,346)	(259,327)
Profit before income taxes			1,059,692	2,106,397	987,681	1,907,300
Income tax expense	21		(234,006)	(336,127)	(241,166)	(257,566)
Profit for the period			825,686	1,770,270	746,515	1,649,734
Profit attributable to:						
Owners of the Company			825,686	1,770,270	746,515	1,649,734
Non-controlling interests			-	-	-	-
Earnings per share						
Basic earnings per share in won	17	₩	2,059	4,417	1,862	4,112

See accompanying notes to consolidated financial statements

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income

For the three months and six months ended June 30, 2016 and 2015

(In millions of won)

		2016		2015	
		Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30,
Profit for the period	₩	825,686	1,770,270	746,515	1,649,734
Other comprehensive income(loss) for the period:					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans		(78,772)	(179,609)	69,308	(52,611)
Remeasurements of associates, net		371	5,643	(4,159)	(1,798)
		(78,401)	(173,966)	65,149	(54,409)
Items that may be reclassified subsequently to profit or loss:					
Change in fair value of available-for-sale financial assets, net		(64,313)	(72,557)	(124,329)	(241,837)
Effective portion of changes in fair value of cash flow hedges, net		415	1,112	(6,397)	518
Change in capital adjustments – increase(decrease) in gain of equity method accounted investment		(18,967)	(22,826)	21,819	33,741
Change in capital adjustments – increase(decrease) in loss of equity method accounted investment		5,611	16,120	14,352	14,103
Exchange differences on translating foreign operations, net		(4,135)	(12,458)	119,009	(61,974)
Reclassification of non-current assets as held for sale		-	1,668	-	-
		(81,389)	(88,941)	24,454	(255,449)
Other comprehensive income(loss) for the period		(159,790)	(262,907)	89,603	(309,858)
Total comprehensive income for the period	₩	665,896	1,507,363	836,118	1,339,876
Comprehensive income attributable to :					
Owners of the Company		665,896	1,507,363	836,118	1,339,876
Non-controlling interests		-	-	-	-

See accompanying notes to consolidated financial statements

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows

For the six months ended June 30, 2016 and 2015

(In millions of won)

	Attributable to owners of the Company						
	Common stock	Capital surplus	Retained earnings	Accumulated other comprehensive loss	Other equity	Other capital items expected to be held for sale	Total
Balance at January 1, 2015	₩ 2,139,317	1,560,650	18,815,654	(118,301)	86,545	-	22,483,865
Profit for the period	-	-	1,649,734	-	-	-	1,649,734
Change in fair value of available-for-sale financial assets	-	-	-	(241,837)	-	-	(241,837)
Effective portion of changes in fair value of cash flow hedges	-	-	-	518	-	-	518
Change in capital adjustments - increase in gain of equity method accounted investments	-	-	-	33,741	-	-	33,741
Change in capital adjustments - increase in loss of equity method accounted investments	-	-	-	14,103	-	-	14,103
Remeasurements of defined benefit plans	-	-	(52,611)	-	-	-	(52,611)
Remeasurements of associates	-	-	(1,798)	-	-	-	(1,798)
Exchange differences on translating foreign operations	-	-	-	(61,974)	-	-	(61,974)
Payment of cash dividends	-	-	(404,058)	-	-	-	(404,058)
Purchases of treasury stock	-	-	-	-	(146,211)	-	(146,211)
Balance at June 30, 2015	₩ 2,139,317	1,560,650	20,006,921	(373,750)	(59,666)	-	23,273,472
Balance at January 1, 2016	₩ 2,139,317	1,560,650	21,039,080	(473,682)	(59,666)	(1,668)	24,204,031
Profit for the period	-	-	1,770,270	-	-	-	1,770,270
Change in fair value of available-for-sale financial assets	-	-	-	(72,557)	-	-	(72,557)
Effective portion of changes in fair value of cash flow hedges	-	-	-	1,112	-	-	1,112
Change in capital adjustments - decrease in gain of equity method accounted investments	-	-	-	(22,826)	-	-	(22,826)
Change in capital adjustments - increase in loss of equity method accounted investments	-	-	-	16,120	-	-	16,120
Reclassification of non-current assets as held for sale	-	-	-	-	-	1,668	1,668
Remeasurements of defined benefit plans	-	-	(179,609)	-	-	-	(179,609)
Remeasurements of associates	-	-	5,643	-	-	-	5,643
Exchange differences on translating foreign operations	-	-	-	(12,458)	-	-	(12,458)
Payment of cash dividends	-	-	(441,025)	-	-	-	(441,025)
Purchases of treasury stock	-	-	-	-	(89,019)	-	(89,019)
Disposals of treasury stock	-	-	-	-	84,857	-	84,857
Balance at June 30, 2016	₩ 2,139,317	1,560,650	22,194,359	(564,291)	(63,828)	-	25,266,207

See accompanying notes to consolidated financial statements.

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows

For the six months ended June 30, 2016 and 2015

(In millions of won)

	Note	2016	2015
Cash flows from operating activities			
Cash generated from operations	23	₩ 3,194,330	1,893,923
Interest received		84,476	114,275
Interest paid		(77,447)	(56,242)
Dividends received		190,984	263,897
Income tax paid		(465,869)	(321,079)
Net cash provided by operating activities		2,926,474	1,894,774
Cash flows from investing activities			
Disposal of short-term financial instruments		5,013	310,320
Disposal of long-term financial instruments		29,658	993
Disposal of available-for-sale financial assets		1,264,027	97,196
Disposal of property, plant and equipment		42,924	52,287
Disposal of intangible assets		2,384	720
Disposal of Investment property		2,370	-
Cash proceeds from other investing activities		13,813	656
Purchase of short-term financial instruments		(1,368,596)	(24,574)
Purchase of long-term financial instruments		(176,918)	(46,079)
Acquisition of available-for-sale financial assets		(104,435)	(517,333)
Acquisition of investments in associates		(628,275)	(15,646)
Acquisition of property, plant and equipment		(707,337)	(1,868,403)
Acquisition of intangible assets		(367,470)	(326,908)
Cash outflows from other investing activities		(6,457)	(142,858)
Net cash used in investing activities		(1,999,299)	(2,479,629)
Cash flows from financing activities			
Proceeds from short-term borrowings and long-term debt		997,849	1,007,723
Proceeds from bonds		783,462	498,220
Proceeds from other financing activities		836	668
Repayment of short-term borrowings and long-term debt		(144,163)	(67,009)
Repayment of bonds		(761,800)	-
Repayment of financial lease liabilities		(2,689)	(2,611)
Dividends paid		(441,025)	(404,058)
Purchases of treasury stock		(89,019)	(146,211)
Net cash provided by financing activities		343,451	886,722
Effect of exchange rate changes on cash and cash equivalents		34,591	(55,350)
Net increase in cash and cash equivalents		1,305,217	246,517
Cash and cash equivalents at January 1		1,104,928	2,478,470
Cash and cash equivalents at June 30		₩ 2,410,145	2,724,987

See accompanying notes to consolidated financial statements

For the six months ended June 30, 2016 and 2015

1. General Description of Company and Its Subsidiaries

(a) Organization and description of the Company

Kia Motors Corporation (the "Company") was established in December 1944 under the laws of the Republic of Korea to manufacture and sell a range of passenger cars, recreational vehicles and other commercial vehicles in the domestic and international markets. The Company owns and operates three principal automobile production sites: the Sohari factory, the Hwasung factory and the Kwangju factory.

The shares of the Company have been listed on the Korea Exchange since 1973. As of June 30, 2016, the Company's largest shareholder is Hyundai Motors Company, which holds 33.88 percent of the Company's stock.

The consolidated financial statements of the Group comprise the Company and its subsidiaries (the "Group") and the Group's interest in associates and joint ventures.

(b) Consolidated subsidiaries

Details of consolidated subsidiaries as of June 30, 2016 are summarized as follows:

Subsidiary	Location	Business	Percentage of ownership(%)
Kia Motors America, Inc. (KMA)	U.S.A.	Exclusive importer and distributor of motor vehicles and parts	100.00
Kia Motors Manufacturing Georgia, Inc. (KMMG)(*1)	U.S.A.	Manufacturing and sale of vehicles and parts	100.00
Kia Canada Inc. (KCI)(*2)	Canada	Exclusive importer and distributor of motor vehicles and parts	100.00
Kia Motors Deutschland GmbH (KMD)	Germany	"	100.00
Kia Motors Europe GmbH (KME)	Germany	Holding company	100.00
Kia Motors Polska Sp.z.o.o. (KMP)(*3)	Poland	Exclusive importer and distributor of motor vehicles and parts	100.00
Kia Motors Slovakia s.r.o. (KMS)	Slovakia	Manufacturing and sale of vehicles and parts	100.00
Kia Motors Sales Slovensko s.r.o.(KMSs)(*4)	Slovakia	Exclusive importer and distributor of motor vehicles and parts	100.00
Kia Motors Belgium (KMB)(*4)	Belgium	"	100.00
Kia Motors Czech s.r.o. (KMCZ)(*4)	Czech	"	100.00
Kia Motors UK Ltd. (KMUK)(*4)	England	"	100.00
Kia Motors Austria GmbH (KMAS)(*4)	Austria	"	100.00
Kia Motors Hungary K.f.t (KMH)(*4)	Hungary	"	100.00
Kia Motors Iberia (KMIB)(*4)	Spain	"	100.00
Kia Motors Sweden AB (KMSW)(*4)	Sweden	"	100.00
Kia Motors France SAS (KMF)(*4)	France	"	100.00
Kia Motors Nederland BV (KMNL)(*4)	Nederland	"	100.00
Kia Motors Company Italy S.r.l(KMIT)(*4)	Italy	"	100.00
Kia Motors Russia LLC (KMR)(*5)	Russia	"	100.00
Kia Motors Australia Pty Ltd. (KMAU)	Australia	"	100.00

Kia Motors New Zealand Pty Ltd. (KMNZ)(*6)	New Zealand	"	100.00
Kia Motors Mexico S.A de C.V. (KMM)(*7)	Mexico	Manufacturing and sale of vehicles and parts	100.00

1. General Description of Company and Subsidiaries, Continued

(b) Consolidated subsidiaries, continued

(*1) 100.00% owned by KMA
(*2) 17.47% owned by KMA
(*3) 100.00% owned by KMD
(*4) 100.00% owned by KME
(*5) 80.00% owned by KME and 20.00% owned by KMD
(*6) 100.00% owned by KMAU
(*7) 0.01% owned by KMA

Twenty-two investment trusts other than stated in the note above are separate entities and the entities are consolidated as they are under control of the Company.

(c) Financial information of significant subsidiaries

Financial information of significant subsidiaries (before eliminating intra-group transaction) as of and for the six months ended June 30, 2016 and as of and for the year ended December 31, 2015 are summarized as follows:

(i) Financial information as of and for the six months ended June 30, 2016

(In millions of won)

Company		Total assets	Total liabilities	Sales	Net income(loss)
KMA	₩	6,449,742	5,587,793	7,644,474	114,711
KMMG		2,564,831	1,731,209	4,863,014	110,210
KMS		2,878,819	1,859,804	3,859,716	131,621
KMM		1,575,274	1,113,127	602,621	(100,257)
KMR		418,406	379,661	940,449	(3,285)

(ii) Financial information as of and for the year ended December 31, 2015

(In millions of won)

Company		Total assets	Total liabilities	Sales	Net income(loss)
KMA	₩	6,522,417	5,581,266	14,493,133	18,575
KMMG		2,451,924	1,534,815	8,764,010	154,419
KMS		2,804,382	1,713,794	6,367,957	263,758
KMM		1,197,971	849,045	262,805	(102,312)
KMR		402,144	365,163	1,959,935	(8,881)

2. Basis of Preparation

(a) Statement of compliance

The condensed consolidated financial statements have been prepared in accordance with Korean International Financial Reporting Standards ("K-IFRS") as prescribed in the Act on External Audit of Corporations in the Republic of Korea.

These condensed consolidated financial statements were prepared in accordance with K-IFRS (No. 1034 *Interim Financial Reporting*) as part of the period covered by the Group's K-IFRS annual financial statements, and do not include all of the disclosures required for full annual financial statements.

The condensed consolidated financial statements should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2015, which have been prepared in accordance with K-IFRS.

(b) Use of estimates and judgments

The preparation of the consolidated financial statements in conformity with K-IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized prospectively.

In preparing these consolidated financial statements, the significant judgments made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as of and for the year ended December 31, 2015.

(c) Measurement of fair value

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the CFO.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of K-IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

3. Summary of Significant Accounting Policies

The significant accounting policies used for the preparation of the consolidated financial statements are consistent with those applied to the annual consolidated financial statements for the year ended December 31, 2015, except for the adoption effect of the new and revised accounting standards and interpretations described below.

New and revised standards that have been applied from the period beginning on January 1, 2016, are as follows:

- K-IFRS 1001 (Amendment): 'Presentation of Financial Statements'
The amendments to K-IFRS 1001 clarify the concept of applying materiality in practice and restrict an entity reducing the understandability of its financial statements by obscuring material information with immaterial information or by aggregating material items that have different nautres or functions. The amendments also require separate disclosure of the share of other comprehensive income of associates and joint ventures accounted for using that equity method that will or will not be reclassified subsequently to profit or loss.

- K-IFRS 1016 (Amendment): 'Property, Plant and Equipment'
The amendments to K-IFRS 1016 prohibit from using a revenue-based depreciation method for items of property, plant and equipment.

- K-IFRS 1038 (Amendment): 'Intangible Assets'
The amendments to K-IFRS 1038 rebut presumption that revenue is not an appropriate basis for the amortization of intangible assets, which the presumption can only be rebutted when the intangible asset expressed as a measure of revenue or when it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

- K-IFRS 1111 (Amendment): 'Joint Arrangements'
The amendments to K-IFRS 1111 provide guidance on how to account for the acquisition of joint operation that constitues a business as defined in K-IFRS 1103 'Business Combinations'. A joint operator is also required to disclose the relevant information required by K-IFRS 1103 and other standards for business combinations.

- Annual Improvements to K-IFRS 2012-2014 cycle
The Annual Improvements include amendments to a number of K-IFRSs. The amendments introduce specific guidance in K-IFRS 1105 'Non-current Assets Held for Sale and Discontinued Operations' for when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa), such a change is considered as a continuation of the original plan of disposal not as a change to a plan of sale. Other amendments in the Annual Improvements include K-IFRS 1107 'Financial Instruments: Disclosures', K-IFRS 1019 'Employee Benefits', and K-IFRS 1034 'Interim Financial Reporting'.

The application of these amendments has no significant impact on the disclosure in the Group's consolidated financial statements

4. Geographic and Other Information

The Group is engaged in manufacturing and sales of vehicles and parts, leasing of vehicles and rendering vehicle maintenance services. Due to insignificant leasing income and maintenance services compared to total sales, the revenue from leasing and maintenance services are not disclosed.

(a) The following tables provide information of sales and non-current assets by geographic locations where the Group's entities are located as of and for the six months ended June 30, 2016:

(In millions of won)

	Domestic	North America	Europe	Other region	Consolidation adjustment	Consolidation amount
Total sales	₩ 16,154,039	13,920,641	13,496,272	534,837	(17,006,441)	27,099,348
Inter-company sales	(7,096,281)	(3,389,007)	(6,521,040)	(113)	17,006,441	-
Net sales	9,057,758	10,531,634	6,975,232	534,724	-	27,099,348
Property, plant and equipment, intangible assets and other	12,166,745	2,206,361	954,892	3,949	32,553	15,364,500

(b)The following tables provide information of sales and non-current assets by geographic locations where the Group's entities are located as of and for the six months ended June 30, 2015:

(In millions of won)

	Domestic	North America	Europe	Other region	Consolidation adjustment	Consolidation amount
Total sales	₩ 15,899,850	11,879,186	10,388,912	381,159	(14,930,330)	23,618,777
Inter-company sales	(6,784,831)	(3,065,552)	(5,079,901)	(46)	14,930,330	-
Net sales	9,115,019	8,813,634	5,309,011	381,113	-	23,618,777
Property, plant and equipment, intangible assets and other	10,933,806	1,455,694	976,355	3,969	55,083	13,424,907

5. Inventories

Inventories as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

	June 30, 2016	December 31, 2015
Finished goods	₩ 6,594,122	6,424,987
Merchandise	20,678	21,492
Semi-finished goods	286,653	220,443
Work-in-process	250,957	199,341
Raw materials	357,259	375,326
Supplies	166,869	162,506
Materials-in-transit	266,907	291,251
	₩ 7,943,445	7,695,346

6. Investments in Joint Venture and Associates

(a) Details of investments in joint venture and associates as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

Company	Location	Percentage of ownership(%)		Carrying amount	
				June 30, 2016	December 31, 2015
Hyundai Mobis Co., Ltd.(*1)	Korea	16.88	₩	4,381,920	4,167,138
Hyundai Steel Company (*1)	Korea	17.27		2,645,621	2,578,536
Hyundai Engineering & Construction Co., Ltd.(*1)	Korea	5.23		801,901	795,122
Hyundai Powertech Co., Ltd.	Korea	37.58		485,089	433,871
Hyundai Card Co., Ltd.(*1)	Korea	11.48		296,459	286,326
Hyundai Capital Services, Inc.(*4)	Korea	20.10		735,523	-
Hyundai Dymos Inc.	Korea	45.37		320,116	314,692
EUKOR Car Carriers Inc.(*1)	Korea	8.00		121,001	127,471
Hyundai Engineering Co., Ltd.(*1)	Korea	9.35		242,200	234,643
Hyundai Partecs Co., Ltd.	Korea	31.00		22,816	22,446
Hyundai Autoever Systems Co., Ltd.(*1)	Korea	19.37		63,403	61,339
Donghee Auto Co., Ltd.	Korea	35.10		16,697	17,377
TRW Steering Co., Ltd.	Korea	29.00		1,249	1,205
Kia Tigers Co., Ltd.(*2)	Korea	100.00		-	-
Hyundai NGV Co., Ltd.	Korea	24.39		2,880	2,587
Haevichi Hotels & Resorts Co., Ltd.	Korea	23.24		39,754	39,667
Hyundai Autron Co., Ltd.	Korea	20.00		23,462	20,966
Beijing Dymos Transmission Co., Ltd.	China	24.08		61,094	62,232
China Millennium Corporations	China	30.30		31,072	29,779
Hyundai Motor Group China, Ltd.	China	30.00		73,364	78,834
Yanji Kia Motors A/S and Repair(*2)	China	100.00		2,001	2,528
Hyundai Powertech (Shangdong) Co., Ltd.	China	25.00		85,569	78,667
Dongfeng Yueda Kia Motors Co., Ltd.(*3)	China	50.00		816,876	880,820
Hyundai Motor Manufacturing Rus LLC	Russia	30.00		105,825	93,250
Innocean Worldwide Americas, LLC	U.S.A.	20.00		837	1,360
Hyundai Information System North America	U.S.A.	30.00		3,892	3,921
Sewon America, Inc.	U.S.A.	40.00		11,158	10,212
Hyundai Capital America	U.S.A.	20.00		588,390	582,225
Hyundai Capital Services UK Ltd.(*1)	U.K.	10.00		15,244	14,922
Hyundai Capital Canada Inc.(*4)	Canada	40.00		37,666	22,017
Hyundai Capital Services Deutschland GmbH(*4)	Germany	20.00		11,618	7,351
			₩	12,044,697	10,971,504

6. Investments in Joint Venture and Associates, Continued

(a) Details of investment in joint venture and associates as of June 30, 2016 and December 31, 2015 are summarized as follows, continued:

(*1) Though the Group's ownership is below 20%, the Group has significant influence on the financial and operating policy decisions.

(*2) Though the Group has 100% of the ownership, equity method is applied because management believes that the difference between consolidation and equity method is immaterial.

(*3) The Group classified Dongfeng Yueda Kia motors Co., Ltd. as a joint venture since the Group has the right to the net assets established by joint venture agreement.

(*4) The Group acquired shares of Hyundai Capital Services, Inc., Hyundai Capital Canada Inc. and Hyundai Capital Services Deutschland GmbH, amounting to ₩ 604,114 million, ₩ 18,215 million and ₩ 5,946 million, respectively, for the six months ended June 30, 2016.

(b) Fair value of marketable securities of associates as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		June 30, 2016	December 31, 2015
Hyundai Mobis Co., Ltd.	₩	4,139,623	4,049,274
Hyundai Steel Company		1,056,804	1,151,305
Hyundai Engineering & Construction Co., Ltd.		194,492	166,499

(c) Changes in investments in joint venture and associates for the six month ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Balance at January 1	₩	10,971,504	10,470,634
Acquisition		628,275	15,646
Share of profit		640,046	601,103
Share of change in remeasurements		5,643	(1,798)
Share of change in other comprehensive income (loss)		(6,706)	47,844
Dividends(*)		(188,555)	(258,836)
Other		(5,510)	12,454
Balance at June 30	₩	12,044,697	10,887,047

(*) The dividends were mainly from Dongfeng Yueda Kia Motors Co., Ltd., Hyundai Mobis Co., Ltd. and Hyundai Steel Company, amounting to ₩85,279 million, ₩57,495 million and ₩19,584 million, respectively, for the six months ended June 30, 2016 and from Dongfeng Yueda Kia Motors Co., Ltd., Hyundai Mobis Co., Ltd and Hyundai Steel Company, amounting to ₩172,992 million, ₩49,281 million and ₩17,287, respectively, for the six months ended June 30, 2015.

6. Investments in Joint Venture and Associates, Continued

(d) Financial information of significant joint venture and associates as of and for the six months ended June 30, 2016 and as of and for the year ended December 31, 2015 are summarized as follows:

(i) Financial information as of and for the six months ended June 30, 2016 is summarized as follows:

(In millions of won)

Company	Total assets	Total liabilities	Sales	Operating income	Net income	Total Comprehensive income
Hyundai Mobis Co., Ltd.	₩39,243,919	12,323,873	19,193,582	1,503,134	1,644,033	1,553,410
Hyundai Steel Company	31,706,771	15,842,429	7,969,557	701,355	413,139	415,453
Hyundai Engineering & Construction Co., Ltd.	19,615,268	11,905,271	8,974,461	475,575	254,713	327,135
Dongfeng Yueda Kia Motors Co.,Ltd.(*)	4,402,689	2,730,927	4,618,989	132,481	78,985	78,985

(*) Additional financial information of joint venture is summarized as follows:

(In millions of won)

Company	Cash and cash equivalents	Financial liabilities	Depreciation	Interest income	Interest expense	Income tax expense
Dongfeng Yueda Kia Motors Co., Ltd. ₩	171,821	624,625	98,915	6,983	23,807	25,202

(ii) Financial information as of and for the year ended December 31, 2015 is summarized as follows:

(In millions of won)

Company	Total assets	Total liabilities	Sales	Operating income	Net income	Total Comprehensive income
Hyundai Mobis Co., Ltd.	₩37,774,834	12,098,593	36,019,749	2,934,571	3,040,049	2,975,968
Hyundai Steel Company	31,936,434	16,416,435	16,132,513	1,464,142	739,167	743,947
Hyundai Engineering & Construction Co., Ltd.	19,457,593	11,966,328	19,122,053	986,560	584,027	622,729
Dongfeng Yueda Kia Motors Co.,Ltd.(*)	5,407,950	3,613,647	9,439,043	236,330	181,332	181,332

(*) Additional financial information of joint venture is summarized as follows:

(In millions of won)

Company	Cash and cash equivalents	Financial liabilities	Depreciation	Interest income	Interest expense	Income tax expense
Dongfeng Yueda Kia Motors Co., Ltd. ₩	198,311	682,698	188,003	26,869	39,612	67,833

6. Investments in Joint Venture and Associates, Continued

(e) Financial information of significant joint venture and associates reconciled from the proportionate share in investees' net assets to the balance in the Group's consolidated financial statements as of and for the six months ended June 30, 2016 is summarized as follows:

(In millions of won)

Company	Group's share of net assets	Goodwill	Intra-group transaction	Other	Carrying amount
Hyundai Mobis Co., Ltd.	₩ 4,356,087	29,519	(3,686)	-	4,381,920
Hyundai Steel Company	2,691,249	8,277	(53,905)	-	2,645,621
Hyundai Engineering & Construction Co., Ltd.	314,269	284,338	-	203,294	801,901
Dongfeng Yueda Kia Motors Co., Ltd.	835,881	-	(19,005)	-	816,876

(*) Excluded proportionate share of non-controlling interests in net assets of associates and joint venture.

7. Property, Plant and Equipment

(a) Details of changes in property, plant and equipment for the six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

	2016	2015
Balance at January 1	₩ 13,042,121	10,114,317
Acquisition	684,787	1,892,113
Disposal(*)	(46,960)	(61,008)
Depreciation	(526,081)	(463,768)
Other	(4,422)	(49,447)
Balance at June 30	₩ 13,149,445	11,432,207

(*) The amounts of gain and loss on disposals of property, plant and equipment are ₩ 7,018 million and ₩ 11,054 million, respectively, for the six months ended June 30, 2016.

(b) The capitalized borrowing costs and capitalization interest rate for the six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

	2016	2015
Capitalized borrowing costs(*)	₩ 10,386	32,888
Capitalization interest rate(%)	1.63	3.44

(*) Including borrowing costs that were capitalized in respect of development cost of ₩ 4,274 million and ₩ 8,123 million, respectively, for the six months ended June 30, 2016 and 2015.

8. Intangible Assets

Details of changes in intangible assets for the six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Balance at January 1	₩	2,133,785	1,888,828
Acquisition		312,986	291,322
Disposal		(2,353)	(720)
Amortization		(258,660)	(238,575)
Reclassification		(54)	-
Other		134	(4)
Balance at June 30	₩	2,185,838	1,940,851

9. Other Assets

Other assets as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		June 30,2016	December 31, 2015
Other current assets:			
Financial asset at fair value through profit or loss	₩	190,247	200,261
Accrued income		52,103	35,820
Prepaid expenses		74,181	70,485
Derivative assets		7,243	2,122
Deposits provided		1,312	2,159
Other		13,911	8,539
	₩	338,997	319,386
Other non-current assets:			
Long-term accounts and notes receivable - other	₩	228,098	100,605
Long-term prepaid expenses		104	89
Long-term advanced payments		11,955	10,632
Finance lease receivables		4,076	6,134
	₩	244,233	117,460

10. Non-current Assets Held for Sale

Non-current assets held for sale as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		June 30, 2016	December 31, 2015
Investment in associates (*)	₩	-	161,274

(*) On February 5, 2016, the Group contracted a total return swap agreement to transfer 3,062,553 shares of Hyundai Steel Company which were classified as non-current assets held for sale as of

December 31, 2015. Consequently, the Group reclassified the shares as available-for-sale financial assets because the shares did not meet the conditions of de-recognition.

11. Borrowings and other

(a) Short-term borrowings

Short-term borrowings as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

	Lender	Annual interest rate(%) June 30, 2016		June 30, 2016	December 31, 2015
Usance	Woori Bank and others	0.21~1.26	₩	112,277	103,646
Trade financing(*)	Korea Development Bank and others	0.001~1.15		1,971,818	1,408,778
			₩	2,084,095	1,512,424

(*) The Group is continuously recognizing the carrying amount of the outstanding receivables which the Group provided a credit guarantee of, among the receivables sold to financial institutes and cash received for transfer is recognized as collateral.

(b) Long-term debt

Long-term debt in Korean Won as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

	Lender	Annual interest rate(%) June 30, 2016		June 30, 2016	December 31, 2015
Facility loans	Korea Development Bank	2.47~2.83	₩	360,000	360,000
	Nong Hyup Bank	2.11~2.78		180,000	250,000
	Woori Bank	2.48		200,000	200,000
	Kookmin Bank	2.59		150,000	-
Collateralized securities loans(*)	NH Investment & Securities Co.,Ltd.	1.92		130,020	-
				1,020,020	810,000
Less : current portion of long-term debt				(340,000)	(410,000)
			₩	680,020	400,000

(*) As the Group contracted the total return swap contract regarding transfer of 3,062,553 stocks of Hyundai Steel Co., Ltd. during the current period, the transaction is recognized as collateralized borrowing since the entire transaction did not meet the conditions of de-recognition.

11. Borrowings and other, Continued

(c) Long-term debt in foreign currencies as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

	Lender	Annual interest rate(%) June 30, 2016		June 30, 2016	December 31, 2015
General loans	Citi Bank Korea and others	1.09~2.22	₩	938,497	975,310
Facility loans and others	UniCredit Bank and others	0.22~1.77		1,092,593	988,266
Overseas investment loans	The Export-Import Bank of Korea	2.14		278,363	280,108
	Korea Development Bank	2.19		58,235	58,600
				2,367,688	2,302,284
Less : current portion of long-term debt				(619,724)	(97,395)
			₩	1,747,964	2,204,889

(d) As of June 30, 2016, the Group has pledged its buildings in the amount of ₩ 45,155 million as collateral for long-term debt in foreign currencies..

(e) Bonds

Bonds as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

	Maturity date	Annual interest rate(%) June 30, 2016		June 30, 2016	December 31, 2015
Unsecured public bonds	2017.11.24~2022.11.5	2.23~4.18	₩	930,000	930,000
Unsecured foreign bond	2016.2.25	-		-	175,800
Foreign public bond	2016.6.14	-		-	586,000
Foreign public bonds	2021.4.21~2026.4.21	2.63~3.25		815,290	-
Less : discounts on bonds				(11,533)	(3,477)
				1,733,757	1,688,323
Less : current portion of long-term bonds				-	(761,271)
			₩	1,733,757	927,052

12. Other Liabilities

Other liabilities as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		June 30, 2016	December 31, 2015
Other current liabilities:			
Unearned income	₩	23,179	20,372
Dividends payable		23	23
Guarantee received		1,342	840
Finance lease liabilities		1,793	4,383
Derivatives liabilities		-	44
Others		24,968	22,751
		51,305	48,413
Other non-current liabilities:			
Leasehold deposits received		15,964	15,104
Long-term unearned income		331	346
Long-term accounts and notes payable - other		2,096	2,110
Long-term accrued expenses		52,877	53,208
Others		176	398
	₩	71,444	71,166

13. Retirement Benefits Plan

(a) Details of defined benefit liabilities as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		June 30, 2016	December 31, 2015
Present value of defined benefit obligations	₩	2,257,075	1,901,868
Fair value of plan assets		(1,737,494)	(1,645,527)
Net defined benefit liabilities	₩	519,581	256,341

(b) The components of plan assets as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		June 30, 2016	December 31, 2015
Time deposits and others	₩	1,737,494	1,645,527

(c) The components of retirement benefit costs for the six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Current service costs	₩	150,106	144,853
Interest costs, net		2,663	5,843
	₩	152,769	150,696

(d) The principal actuarial assumptions(weighted average rate) used related to benefit plans as of June 30, 2016 and 2015 are summarized as follows:

	2016	2015
Discount rate(%)	2.30	3.31
Expected rate of future salary growth(%)	4.00	5.00

(e) Changes in defined benefit obligations for the six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Balance at January 1	₩	1,901,868	1,603,218
Current service costs		150,106	144,853
Interest costs		27,619	28,175
Remeasurements		215,844	57,078
Transfer in(out), net		(124)	(89)
Benefits paid		(38,238)	(28,656)
Balance at June 30	₩	2,257,075	1,804,579

13. Retirement Benefits Plan, Continued

(f) Changes in plan assets of for the six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Balance at January 1	₩	1,645,527	1,271,212
Return on plan assets		24,956	22,332
Remeasurements		(5,614)	(6,096)
Contributions		100,000	-
Transfer in, net		383	171
Benefits paid		(27,758)	(14,378)
Balance at June 30	₩	1,737,494	1,273,241

14. Provisions

The Group generally provides warranty to the ultimate consumer for each product sold and accrues warranty expense at the time of sale based on the history of actual claims. Also, the Group records a provision for expenses which may occur due to replacement of parts or voluntary recalls pending as of the end of the reporting period. Other provision is comprised of provision related to loss on lawsuits.

Changes in provisions for the six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016			2015		
		Warranty	Other	Total	Warranty	Other	Total
Balance at January 1	₩	2,366,662	23,500	2,390,162	2,037,303	16,067	2,053,370
Provisions made (reversed)		909,342	1,010	910,352	619,399	(1,469)	617,930
Provisions used		(526,061)	(967)	(527,028)	(415,191)	(52)	(415,243)
Other increase (decrease)		9,329	3,625	12,954	(24,536)	1,163	(23,373)
Balance at June 30	₩	2,759,272	27,168	2,786,440	2,216,975	15,709	2,232,684
Current	₩	730,139	24,719	754,858	613,265	13,164	626,429
Non-current	₩	2,029,133	2,449	2,031,582	1,603,710	2,545	1,606,255

15. Commitments and Contingencies

(a) The Group provides guarantees for certain customers' financing relating to long-term installment sales. The outstanding amount for which the Group has provided guarantees to the respective financial institutions is ₩ 631 million as of June 30, 2016. These guarantees are covered by insurance contracts in which the Group is the beneficiary of the claim amount if the customer defaults.

(b) As of June 30, 2016, one certificate deposit of W 1,486 million has been provided as collateral to Korea Defense Industry Association ("KDIA") for a performance guarantee on a contract. The Group has provided 1,500 units (carrying amount: ₩ 643 million) of the Korea Defense Industry Association ("KDIA"), which are included in long-term available-for-sale financial assets for a performance guarantee on a contract.

(c) The Group provides guarantees for employees relating to borrowings to acquire shares of the Company. The outstanding amount for which the Group has provided collective guarantees to the Korea Securities Finance Corporation is ₩ 291,347 million as of June 30, 2016. Management is of the opinion that the aforementioned guarantees will not have a material adverse effect on the Group's credit risk since the Group has pledged its acquired shares as collateral for the borrowings.

(d) The Group is involved in claims, litigations for alleged damages and product liabilities, which arose in the ordinary course of business, as of June 30, 2016. Management is of the opinion that foregoing lawsuits and claims will not have a material adverse effect on the Group's financial position and results of operations since the likelihood of unfavorable outcome is not probable nor can the amounts be reliably estimated. In addition, as of June 30, 2016, the litigation for Ordinary Wage is underway and management cannot reliably estimate the potential impacts, on the Group's financial position, financial performance and cash flows.

(e) In connection with long-term debt guaranteed, amounting to USD 53,333 thousand, by Hyundai Motor America, Inc. and Mobis America, Inc., Kia Motors Manufacturing Georgia, Inc. (KMMG) should pay guarantor fees calculated at a rate of 0.15% per annum on the outstanding debt balance of KMMG which should be paid biannually.

(f) As of June 30, 2016, KMMG entered into an agreement with the West Point Development Authority and Troup Country Development Authority to issue up to USD 2,700,000 thousand of taxable revenue bonds to fund the purchase of building, machinery and equipment.

(g) As of June 30, 2016, KMS had orders in place to acquire property, plant and equipment in the amount of EUR 6,956 thousand.

16. Equity

(a) The number of shares to issue, the number of shares issued and the par value of a share of the Company are 820,000,000 shares, 405,363,347 shares and ₩5,000 as of June 30, 2016, respectively.

The Company retired 22,500,000 shares of treasury stock on July 2, 2003 and May 28, 2004. Due to these stock retirements, the aggregate par value of issued shares differs from the common stock amount.

16. Equity, Continued

(b) Accumulated other comprehensive income(loss) as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		June 30, 2016	December 31, 2015
Change in fair value of available-for-sale financial assets	₩	57,767	130,324
Effective portion of changes in fair value of cash flow hedges		1,542	430
Change in capital adjustments - gain of equity method accounted investment		94,233	117,058
Change in capital adjustments - loss of equity method accounted investment		(310,035)	(326,155)
Exchange differences on translating foreign operations		(407,798)	(395,339)
	₩	(564,291)	(473,682)

(c) Other equity as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		June 30, 2016	December 31, 2015
Gain on retirement of capital stock	₩	119,859	119,859
Other capital surplus		45,234	55,613
Treasury stock		(228,921)	(235,138)
	₩	(63,828)	(59,666)

17. Earnings per Share

(a) Details of basic earnings per share calculation for the three months and six months ended June 30, 2016 and 2015 are summarized as follows:

(In won, except number of shares)

		2016		2015	
		Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
Profit attributable to owners of the Company	₩	825,685,679,636	1,770,269,989,486	746,514,342,797	1,649,734,046,193
Weighted-average number of common shares outstanding(*)		400,931,433	400,777,773	400,931,598	401,167,827
Earnings per share	₩	2,059	4,417	1,862	4,112

(*) The weighted-average number of common equivalent shares is calculated by averaging outstanding period, and treasury stock is not included in the number of common equivalent shares.

(b) The Group did not compute diluted earnings per common stock for the three months and six months ended June 30, 2016 and 2015, since there are no dilutive items during the periods.

For the six months ended June 30, 2016 and 2015

18. Selling, General and Administrative Expenses

(a) Details of selling expenses for the three months and six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

	2016		2015	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
Advertising	₩ 402,915	690,896	300,399	509,294
Sales promotion	257,772	487,841	230,494	441,638
Warranty expenses	349,548	765,843	337,118	619,399
Freight	74,332	140,476	70,081	133,550
Overseas marketing and export expenses	256,950	513,356	283,662	539,560
	₩ 1,341,517	2,598,412	1,221,754	2,243,441

(b) Details of general and administrative expenses for the three months and six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

	2016		2015	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
Salaries	₩ 191,769	382,909	181,691	351,747
Bonus	65,700	133,303	74,215	149,939
Retirement benefits	21,460	42,912	21,349	42,752
Other long-term employee benefits	7,692	9,727	1,735	3,294
Other employee benefits	41,654	89,802	47,321	90,353
Travel	12,182	25,269	12,791	24,301
Communications	3,683	7,714	3,913	8,020
Utilities	4,324	11,210	3,730	8,492
Taxes and dues	6,076	12,186	5,806	11,835
Rent	16,078	33,769	15,568	30,357
Depreciation	23,519	47,156	22,192	42,355
Amortization	6,569	13,146	6,133	12,193
Bad debt expenses	298	255	(439)	(682)
Repairs and maintenance	9,381	14,307	6,924	10,249
Insurance premium	3,103	7,795	2,941	6,135
Entertainment expense	1,430	3,411	1,115	3,006
Maintenance fee for vehicles	7,654	16,260	7,023	14,323
Supplies and stationery	3,673	7,001	2,404	4,492
Information fees	215	1,360	129	1,113
Education and training	6,719	16,031	8,298	16,513
Commissions and fees	83,364	166,290	73,054	145,929
Test expenses	295,754	448,505	166,425	320,705
Others	3,829	8,432	1,621	13,004
	₩ 816,126	1,498,750	665,939	1,310,425

19. Finance Income and Finance Expenses

(a) Details of finance income for the three months and six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

	2016		2015	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
Interest income	₩ 37,406	73,889	41,186	91,362
Gain on exchange currency transaction	27,975	49,575	4,777	19,655
Gain on exchange currency translation	-	12,239	1,672	2,826
Dividends income	-	4,739	-	5,480
Gain on disposal of available-for-sale financial assets	2,874	3,732	-	3,382
Gain on valuation of derivatives	3,166	4,947	-	1,007
Gain on valuation of financial assets at fair value through profit or loss	-	-	30	301
	₩ 71,421	149,121	47,665	124,013

(b) Details of finance expenses for the three months and six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

	2016		2015	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
Interest expense	₩ 35,140	77,639	10,874	39,489
Loss on foreign currency transaction	7,859	24,072	372	24,154
Loss on foreign currency translation	43,272	35,579	31,859	41,310
Loss on valuation of derivatives	-	303	9,137	6,719
	₩ 86,271	137,593	52,242	111,672

20. Other Income and Other Expenses

(a) Other income for the three months and six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

	2016		2015	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
Rent	₩ 2,302	5,142	2,360	5,107
Foreign currency transaction gain	114,232	280,926	90,918	225,477
Foreign currency translation gain	-	52,652	4,097	84,521
Gain on disposals of property, plant and equipment	5,387	7,018	822	5,904
Gain on disposals of intangible assets	-	53	-	-
Reversal of allowance for doubtful accounts	132	138	-	92
Miscellaneous profit	34,195	60,564	30,003	69,723
	₩ 156,248	406,493	128,200	390,824

(b) Other expenses for the three months and six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

	2016		2015	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
Foreign currency transaction loss	₩ 98,765	233,853	24,212	135,044
Foreign currency translation loss	17,980	73,882	31,514	80,905
Loss on disposal of accounts and notes receivable - trade	111	263	144	267
Donation	7,321	12,402	8,692	11,547
Loss on disposals of property, plant and equipment	7,617	11,054	7,781	14,625
Loss on disposals of intangible assets	22	22	-	-
Loss on disposals of non-current assets held for sale	-	8,590	-	-
Miscellaneous losses	11,911	16,112	13,003	16,939
	₩ 143,727	356,178	85,346	259,327

For the six months ended June 30, 2016 and 2015

21. Income Tax Expense

The components of income tax expense for the three months and six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

	2016		2015	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
Income tax currently payable	₩ 230,176	482,380	289,040	465,413
Changes in deferred taxes due to temporary differences	(45,032)	(229,718)	(67,483)	(301,688)
Changes in deferred taxes due to item directly charged to equity	48,862	83,465	19,609	93,841
Income tax expense	₩ 234,006	336,127	241,166	257,566
Effective tax rate(%)	22.08	15.96	24.42	13.50

22. Classification of Expenses by Nature

Details of expenses by nature for the three months and six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

	2016		2015	
	Three months ended June 30	Six months ended June 30	Three months ended June 30	Six months ended June 30
Change in inventories	₩ 295,649	(272,443)	(681,994)	(1,443,380)
Raw material and merchandise consumed	9,584,419	18,631,701	9,052,633	17,293,441
Employee benefits	1,220,303	2,450,486	1,205,402	2,385,862
Depreciation	268,344	526,670	235,561	464,317
Amortization	136,866	258,660	125,490	238,575
Others	2,173,514	4,099,766	1,853,307	3,517,603
	₩ 13,679,095	25,694,840	11,790,399	22,456,418

23. Cash Flows

(a) Details of cash generated from operations for the six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Profit for the period	₩	1,770,270	1,649,734
Adjustments for:			
Retirement benefits		152,769	150,696
Depreciation		526,670	464,317
Amortization		258,660	238,575
Warranty expenses		816,218	619,399
Income tax expense		336,127	257,566
Gain on investment in associates and joint venture, net		(640,046)	(601,103)
Interest expense(income), net		3,750	(51,873)
Dividends income		(4,739)	(5,480)
Loss on foreign currency translations, net		44,570	34,868
Loss(gain) on disposal of property, plant and equipment, net		4,036	8,721
Others		6,864	(39,385)
		1,504,879	1,076,301
Changes in operating assets and liabilities:			
Decrease(increase) in accounts and notes receivable - trade		(308,050)	24,314
Decrease(increase) in accounts and notes receivable - other		73,574	(116,470)
Increase in inventories		(243,708)	(1,378,465)
Decrease in accounts and notes payable - trade		(53,216)	(192,487)
Increase in advances received		906,379	53,606
Increase(decrease) in accounts and notes payable - other		(574,855)	641,553
Increase in accrued expenses		871,473	525,519
Payment of retirement benefits		(38,238)	(28,656)
Change of net defined benefit liability		(72,749)	14,118
Change of warranty provision		(594,896)	(415,191)
Others		(46,533)	40,047
		(80,819)	(832,112)
Cash generated from operations	₩	3,194,330	1,893,923

(b) Significant non-cash investing and financing activities for the six months ended June 30, 2016 and 2015 are follows:

(In millions of won)

		2016	2015
Change in accounts and notes payable – other in connection to acquisition of property, plant and equipment	₩	(28,662)	(1,055)
Change in accounts and notes payable – other in connection to acquisition of intangible assets		(58,758)	(43,709)
Change in accounts and notes receivable – other in connection to disposal of investment property		(19,844)	-
Reclassification from non-current assets held for sale to available-for-sale financial assets		154,352	-

24. Finance Risk Management

The Group's activities are exposed to a variety of financial risks: credit risk, liquidity risk and market risk (comprised of foreign exchange risk and interest rate risk). The treasury department monitors and manages the financial risk arising from the Group's underlying operations in accordance with the risk management policies and procedures authorized by the board of directors.

(a) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group has transacted with customers after evaluating on their credit rating graded by the independent credit rating agencies and has their collaterals to control customers on default. If those grades are not available, customers' credit is evaluated upon their other transaction information. The Group regularly monitors customers' credit ratings.

(b) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group manages liquidity risk by reviewing and forecasting regular cash flows. The Group has a certain level of current account to prepare unexpected payment of short-term financial liabilities and others.

(c) Market risk

Market risk is the risk of fluctuations in fair value of financial instrument and future cash flow by changes of market price. The purpose for managing market price is to optimize profits, while manage and control on exposure to market risk within acceptable limits.

(i) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from high proportion of export in sales amount, which is denominated in foreign currencies. The Group's primary exposure is to the US dollar and Euro and the Group manages to minimize financial risk on fluctuations in foreign exchange in order to stabilize operating activities. The Group consistently evaluates on various foreign exchange risk according to the Group's own guideline for foreign exchange and transaction policy. If necessarily, the Group may enter into foreign currency forwards contracts to hedge its foreign currency risk and strictly limit on speculative transaction.

(ii) Interest rate risk

The Group's asset and liability is exposed to interest rate risk on deposits and loans. In order to minimize actual interest cost, the Group continuously monitors current status of market interest rate, makes a prediction on market data and reviews on method for borrowing and joining financial instruments on deposit. Additionally, the Group's management monitors the level of interest rates and maintains the balance of borrowings at variable rates and fixed rates.

(d) Management of capital risk

The fundamental goal of capital management is to maintain on financial structure. As for this to be maintained, the Group uses debt ratio as indicator of capital management. The debt ratio is calculated as total liability divided by total equity.

25. Risk Management of Financial Instruments

(a) Credit risk

(i) Exposure to credit risk

The carrying amount of financial assets means maximum exposure in respect of credit risk. The maximum exposure as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		June 30, 2016	December 31, 2015
Cash and cash equivalents(*)	₩	2,409,842	1,104,622
Short-term financial instruments		4,238,322	2,875,137
Short-term available-for-sale financial assets		1,610,602	2,872,648
Accounts and notes receivable – trade		2,674,047	2,388,911
Accounts and notes receivable – other		687,291	696,593
Other current assets		264,816	248,901
Long-term financial instruments		241,076	93,352
Long-term available-for-sale financial assets		326,629	225,049
Long-term accounts and notes receivable - trade		3,511	3,145
Guarantee deposits		175,737	171,553
Other non-current assets		232,174	106,739
	₩	12,864,047	10,786,650

(*) Cash on hand is excluded.

(ii) Age analysis of accounts and notes receivable - trade

The aging information based on carrying amount of trade accounts and notes receivable as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		June 30, 2016	December 31, 2015
Not overdue	₩	2,168,738	1,877,388
Past due less than 3 months		286,825	439,863
Past due 4 ~ 6 months		220,210	47,742
Past due 7 ~ 12 months		1,184	26,305
Past due over 12 months		97,855	97,714
	₩	2,774,812	2,489,012

25. Risk Management of Financial Instruments, Continued

(a) Credit and counterparty risk, continued

(ii) Age analysis of accounts and notes receivable - trade, continued

Changes in allowance for doubtful trade accounts and notes receivable for the six months ended June 30, 2016 and for the year ended December 31, 2015 are summarized as follows:

(In millions of won)

		2016	2015
Beginning balance	₩	96,955	98,663
Collection of written-off amount		37	128
Write-off		(23)	(245)
Allowance for doubtful accounts		255	(646)
Others		30	(944)
Ending balance	₩	97,254	96,956

(b) Liquidity risk

(i) Aggregate maturities of the Group's financial liabilities, including estimated interest, as of June 30, 2016 are summarized as follows:

(In millions of won)

		Within 1 year	1~5 years	Over 5 years	Total
Non-interest bearing liabilities :					
Accounts and notes payable - trade	₩	5,838,494	-	-	5,838,494
Accounts and notes payable - other		1,819,995	-	-	1,819,995
Accrued expenses		1,822,445	-	-	1,822,445
Other current liabilities		1,365	-	-	1,365
Other non-current liabilities		-	70,937	-	70,937
Interest bearing liabilities :					
Bonds		47,590	1,179,731	794,178	2,021,499
Borrowings		3,127,166	2,093,255	430,723	5,651,144
Financial lease liabilities		1,809	-	-	1,809
Financial guarantee		291,977	-	-	291,977
	₩	12,950,841	3,343,923	1,224,901	17,519,665

The maturity analysis is based on the non-discounted cash flows and the earliest maturity date at which payments, i.e. both principal and interest, should be made.

25. Risk Management of Financial Instruments, Continued

(c) Foreign exchange risk

The Group's capital and income (loss) would have been increased or decreased, if the foreign exchange rates against USD and EUR were fluctuant. The Group assumes that exchange rate fluctuates 10% as of June 30, 2016 and December 31, 2015. Also, the Group assumes that others variables such as exchange rate are not changed by sensitive analysis. The Group analyzed by the same method as used for last period and details for the effect on income before taxes are summarized as follows:

(In millions of won)

		June 30, 2016		December 31, 2015	
		10% Up	10% Down	10% Up	10% Down
USD	₩	(337,632)	337,632	(236,585)	236,585
EUR		(7,468)	7,468	(17,671)	17,671

(d) Interest rate risk

Sensitivity analysis of interest expenses and interests income for the year from changes of interests rate as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

		June 30, 2016		December 31, 2015	
		100bp Up	100bp Down	100bp Up	100bp Down
Interest income	₩	26,001	(26,001)	13,049	(13,049)
Interest expense		21,494	(21,494)	23,206	(23,206)

25. Risk Management of Financial Instruments, Continued

(e) Fair value

(i) Fair value and carrying amount

Details of fair value and carrying amount of financial assets and liabilities by category as of June 30, 2016 and December 31, 2015 are summarized as follows:

(In millions of won)

	June 30, 2016		December 31, 2015	
	Carrying amount	Fair value	Carrying amount	Fair value
Financial assets at fair value through profit or loss:				
Financial assets at fair value through profit or loss	₩ 190,247	190,247	200,261	200,261
Loans and receivables:				
Cash and cash equivalents	₩ 2,410,145	2,410,145	1,104,928	1,104,928
Short-term financial instruments	4,238,322	4,238,322	2,875,137	2,875,137
Accounts and notes receivable – trade	2,674,047	2,674,047	2,388,911	2,388,911
Accounts and note receivable – other	687,291	687,291	696,593	696,593
Long-term accounts and notes receivable - trade	3,511	3,511	3,145	3,145
Others	716,315	716,315	418,162	418,162
	₩ 10,729,631	10,729,631	7,486,876	7,486,876
Available-for-sale financial assets:				
Short-term available-for-sale financial assets	₩ 1,610,606	1,610,606	2,872,653	2,872,653
Long-term available-for-sale financial assets	861,075	861,075	724,356	724,356
	₩ 2,471,681	2,471,681	3,597,009	3,597,009
Financial derivatives assets:				
Currency option (risk hedge)	₩ 7,243	7,243	2,122	2,122
Liabilities recognized by amortized cost:				
Accounts and notes payable - trade	₩ 5,838,494	5,838,494	5,885,651	5,885,651
Accounts and notes payable - other	1,819,995	1,819,995	1,723,046	1,723,046
Bonds	1,733,757	1,797,485	1,688,323	1,714,458
Borrowings	5,471,803	5,791,267	4,624,708	4,594,641
Financial lease liabilities	1,793	1,793	4,383	4,383
Others	1,894,924	1,894,924	1,438,190	1,438,190
	₩ 16,760,766	17,143,958	15,364,301	15,360,369
Financial derivatives liabilities:				
Currency option (risk hedge)	₩ -	-	44	44

25. Risk Management of Financial Instruments, Continued

(e) Fair value, continued

(i) Fair value and carrying amount, continued

The Group measured the fair value of financial instruments as follows:

- The fair value of available-for-sale financial assets traded within the market is measured at the closing bid price quoted at the end of the reporting period.

- The fair value of the derivatives is the present value of the difference between contractual forward price and future forward price discounted during the remaining period of the contract, from present to contractual maturity.

Except for the financial assets and liabilities above, the fair value of current receivables is close to their carrying amounts. In addition, the fair value of other financial instruments is determined as the present value of estimated future cash flows discounted at the current market interest rate. As of June 30, 2016, there isn't any significant business climate and economic environment changes affecting the fair value of financial assets and liabilities.

(ii) Fair value hierarchy

Fair value measurement classified by fair value hierarchy as of June 30, 2016 are summarized as follows:

(In millions of won)

		Level 1	Level 2	Level 3	Total
Financial assets at fair value though profit or loss:					
Financial assets at fair value though profit or loss	₩	-	190,247	-	190,247
Available-for-sale financial assets:					
Marketable securities		457,979	-	-	457,979
Derivative financial assets:					
Currency option (risk hedge)		-	7,243	-	7,243

(*)There were no significant transfers between levels 1, 2, and 3.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

25. Risk Management of Financial Instruments, Continued

(e) Fair value, continued

(ii) Fair value hierarchy, continued

The valuation techniques and the unobservable inputs used in measuring Level 2 fair values as of June 30, 2015 are summarized as follows:

(In millions of won)

		Fair value	Valuation methods	Inputs
Financial assets at fair value through profit or loss	₩	190,247	DCF model	Discount rate(*)
Hedging derivative financial assets		7,243		

(*) The expected net cash flows are discounted using a risk-adjusted discount rate based on government bonds.

(iii) Financial instruments not measured at fair value, and for which fair value is disclosed

Financial instruments recognized by amortized cost, but presented as fair value classified by fair value hierarchy as of June 30, 2016 are summarized as follows:

(In millions of won)

		Level 1	Level2	Level3	Total
Bonds and borrowings	₩	-	-	7,588,752	7,588,752

The Group has not disclosed the fair values for financial instruments, because their carrying amounts are a reasonable approximation of fair values.

The valuation techniques and the significant unobservable inputs used in measuring Level 3 fair values as of June 30, 2016 are summarized as follows:

(In millions of won)

		Fair value	Valuation methods	Significant unobservable input
Bonds and borrowings	₩	7,588,752	DCF model	Discount rate

(f) Income and expense by financial instruments category for the six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016			2015		
		Finance income	Finance expense	Other comprehensive income(loss)	Finance income	Finance expense	Other comprehensive income(loss)
Loans and receivables	₩	121,440	14,251	-	108,973	39,249	-
Financial assets at fair value though profit or loss		-	-	-	301	-	-
Available-for-sale financial assets		10,495	-	(72,557)	10,906	-	(241,837)
Liabilities measured at amortized		12,239	123,039	-	2,826	65,704	-

cost						
Derivative financial instruments	4,947	303	1,112	1,007	6,719	518
₩	149,121	137,593	(71,445)	124,013	111,672	(241,319)

For the six months ended June 30, 2016 and 2015

26. Transactions and Balances with Related Party

(a) Significant transactions

(i) Significant transactions arising from operation between the Group and related parties or affiliates by the Monopoly Regulation and Fair Trade Act of the Republic of Korea (the "Act") for the six months ended June 30, 2016 are summarized as follows:

(In millions of won)

			Revenues			Expenses		
Relation	**Company**		**Sales**	**Other**	**Total**	**Purchases**	**Other**	**Total**
Entity with significant influence over the Company	Hyundai Motors Company	₩	63,206	16,900	80,106	236,449	209,565	446,014
	Hyundai Motor America		1,206,773	-	1,206,773	-	20,061	20,061
	Hyundai Motor Manufacturing Czech, s.r.o.		416,272	2,599	418,871	60,457	485	60,942
	Hyundai Motor Manufacturing Alabama, LLC		765	2,722	3,487	379,837	13,888	393,725
	Hyundai Auto Canada Corp.		339,199	-	339,199	-	9,575	9,575
	Hyundai Kefico Corporation		24	8	32	137,513	-	137,513
	Others		17,457	23,736	41,193	87,831	61,396	149,227
Joint venture and associates	Hyundai Mobis Co., Ltd.		30,213	1,534	31,747	2,219,363	910	2,220,273
	Hyundai Powertech Co., Ltd.		2,181	1,181	3,362	205,419	597	206,016
	Hyundai Dymos Inc.		2,719	138	2,857	252,664	39	252,703
	Hyundai Engineering Co.,Ltd.		-	92	92	-	75,586	75,586
	Hyundai Steel Company		3,205	54	3,259	50,044	-	50,044
	Hyundai Capital Services Inc.		143,289	60	143,349	120	23,921	24,041
	EUKOR Car Carriers Inc.		-	239	239	-	132,128	132,128
	Donghee Auto Co., Ltd.		37	-	37	70,976	41	71,017
	Hyundai Motor Group China., Ltd.		24,849	-	24,849	-	4,776	4,776
	Dongfeng Yueda Kia Motors Co., Ltd		221,798	4,998	226,796	-	29	29
	Hyundai Motor Manufacturing Rus LLC		3,632	5,106	8,738	392,786	-	392,786
	Mobis Alabama, LLC		1,536	9,916	11,452	1,173,171	5,382	1,178,553
	Mobis Parts America, LLC		289	-	289	260,364	-	260,364
	Mobis Slovakia s.r.o.		29,003	4,492	33,495	905,053	693	905,746
	Powertech America, Inc.		-	1,561	1,561	254,261	-	254,261
	Sewon America, Inc.		-	122	122	174,725	-	174,725
	Others		6,005	4,259	10,264	978,842	168,116	1,146,958
Other related parties			61	-	61	87	-	87
Affiliates by the Act			60,604	10,072	70,676	2,843,156	459,155	3,302,311

For the six months ended June 30, 2016 and 2015

26. Transactions and Balances with Related Party, Continued

(a) Significant transactions, continued

(ii) Significant transactions arising from operation between the Group and related parties or affiliates by the Act for the six months ended June 30, 2015 are summarized as follows:

(In millions of won)

			Revenues			Expenses		
Relation	**Company**		**Sales**	**Other**	**Total**	**Purchases**	**Other**	**Total**
Entity with significant influence over the Company	Hyundai Motors Company	₩	59,257	7,273	66,530	293,906	193,091	486,997
	Hyundai Motor America		965,841	-	965,841	-	21,793	21,793
	Hyundai Motor Manufacturing Czech, s.r.o.		321,705	2,849	324,554	56,812	537	57,349
	Hyundai Motor Manufacturing Alabama, LLC		-	3,464	3,464	331,446	943	332,389
	Hyundai Auto Canada Corp.		340,375	-	340,375	-	11,741	11,741
	Hyundai Kefico Corporation		-	6	6	117,989	-	117,989
	Others		13,847	142	13,989	4,274	56,803	61,077
Joint venture and associates	Hyundai Mobis Co., Ltd.		29,487	1,437	30,924	2,201,116	1,158	2,202,274
	Hyundai Powertech Co., Ltd.		1,223	2	1,225	223,523	653	224,176
	Hyundai Dymos Inc.		-	177	177	209,033	179	209,212
	Hyundai Engineering Co.,Ltd.		-	73	73	-	61,677	61,677
	Hyundai Steel Company			61	61	56,026	-	56,026
	EUKOR Car Carriers Inc.		-	309	309	-	209,409	209,409
	Donghee Auto Co., Ltd.		44	-	44	103,641	34	103,675
	Hyundai Motor Group China., Ltd.		243,559	-	243,559	-	6,740	6,740
	Dongfeng Yueda Kia Motors Co., Ltd		160,396	13,368	173,764	576	86	662
	Hyundai Motor Manufacturing Rus LLC		3,837	8,332	12,169	359,813	-	359,813
	Mobis Alabama, LLC		1,346	7,207	8,553	1,011,750	1,799	1,013,549
	Mobis Parts America, LLC		269	-	269	214,064	-	214,064
	Mobis Slovakia s.r.o.		17,356	2,938	20,294	656,953	4,621	661,574
	Powertech America, Inc.		17	946	963	233,742	-	233,742
	Sewon America, Inc.		-	1	1	146,193	3,110	149,303
	Others		26,857	1,053	27,910	284,630	117,915	402,545
Other related parties			-	-	-	-	-	-
Affiliates by the Act			211,698	14,598	226,296	3,000,338	434,224	3,434,562

For the six months ended June 30, 2016 and 2015

26. Transactions and Balances with Related Party, Continued

(b) Account balances

(i) Significant account balances with related parties or affiliates by the Act as of June 30, 2016 summarized as follows:

(In millions of won)

Relation	Company	Receivables			Payables		
		Trade	Other	Total	Trade	Other	Total
Entity with significant influence over the Company	Hyundai Motors Company	₩ 38,095	41,638	79,733	162,678	158,100	320,778
	Hyundai Motor America	267,407	-	267,407	-	4,518	4,518
	Hyundai Motor Manufacturing Czech, s.r.o.	59,719	73	59,792	-	1,824	1,824
	Hyundai Motor Manufacturing Alabama, LLC	-	1,261	1,261	60,566	306	60,872
	Hyundai Auto Canada Corp.	49,671	-	49,671	-	2,061	2,061
	Hyundai Kefico Corporation	-	6	6	62,143	877	63,020
	Others	5,359	21,026	26,385	3,887	9,381	13,268
Joint venture and associates	Hyundai Mobis Co., Ltd.	2,982	534	3,516	1,102,891	763	1,103,654
	Hyundai Powertech Co., Ltd.	26	1,706	1,732	103,724	963	104,687
	Hyundai Dymos Inc.	-	6,451	6,451	97,618	1,928	99,546
	Hyundai Engineering Co.,Ltd.	-	15	15	-	34,670	34,670
	Hyundai Steel Company	12	117	129	22,739	-	22,739
	Hyundai Capital Services Inc.	30,784	20	30,804	-	4,363	4,363
	EUKOR Car Carriers Inc.	-	20	20	-	16,592	16,592
	Donghee Auto Co., Ltd.	-	-	-	20,885	-	20,885
	Hyundai Motor Group China., Ltd.	178,716	-	178,716	-	846	846
	Dongfeng Yueda Kia Motors Co., Ltd	59,055	10,354	69,409	-	639	639
	Hyundai Motor Manufacturing Rus LLC	705	3,451	4,156	116,766	-	116,766
	Mobis Alabama, LLC	177	989	1,166	203,719	-	203,719
	Mobis Parts America, LLC	81	-	81	47,732	-	47,732
	Mobis Slovakia s.r.o.	-	-	-	177,362	-	177,362
	Powertech America, Inc.	-	338	338	45,351	-	45,351
	Sewon America, Inc.	-	-	-	28,490	-	28,490
	Others	11,435	6,039	17,474	370,203	132,189	502,392
Other related parties		63	-	63	43	-	43
Affiliates by the Act		11,252	20,750	32,002	970,673	128,877	1,099,550

For the six months ended June 30, 2016 and 2015

26. Transactions and Balances with Related Party, Continued

(b) Account balances, Continued

(ii) Significant account balances with related parties or affiliates by the Act as of December 31, 2015 summarized as follows:

(In millions of won)

Relation	Company	Receivables			Payables		
		Trade	Other	Total	Trade	Other	Total
Entity with significant influence over the Company	Hyundai Motors Company	₩ 46,068	34,638	80,706	146,999	330,781	477,780
	Hyundai Motor America	170,253	-	170,253	-	5,197	5,197
	Hyundai Motor Manufacturing Czech, s.r.o.	54,231	1,580	55,811	-	4,457	4,457
	Hyundai Motor Manufacturing Alabama, LLC	-	280	280	48,257	299	48,556
	Hyundai Auto Canada Corp.	35,608	-	35,608	-	1,458	1,458
	Hyundai Kefico Corporation	-	3	3	52,755	771	53,526
	Others	5,611	18	5,629	5,601	18,685	24,286
Joint venture and associates	Hyundai Mobis Co., Ltd.	3,614	451	4,065	926,580	1,540	928,120
	Hyundai Powertech Co., Ltd.	-	11,410	11,410	75,553	880	76,433
	Hyundai Dymos Inc.	-	3,206	3,206	84,029	1,528	85,557
	Hyundai Engineering Co.,Ltd.	-	18	18	-	52,776	52,776
	Hyundai Steel Company	10	108	118	23,277	-	23,277
	EUKOR Car Carriers Inc.	-	25	25	-	23,332	23,332
	Donghee Auto Co., Ltd.	1	-	1	22,010	4	22,014
	Hyundai Motor Group China., Ltd.	382,288	-	382,288	-	588	588
	Dongfeng Yueda Kia Motors Co., Ltd	30,054	2,154	32,208	-	638	638
	Hyundai Motor Manufacturing Rus LLC	253	4,032	4,285	84,761	-	84,761
	Mobis Alabama, LLC	-	1,061	1,061	152,487	-	152,487
	Mobis Parts America, LLC	167	-	167	42,617	-	42,617
	Mobis Slovakia s.r.o.	-	-	-	168,901	-	168,901
	Powertech America, Inc.	-	182	182	33,722	-	33,722
	Sewon America, Inc.	-	-	-	21,997	-	21,997
	Others	8,909	6,382	15,291	260,274	101,897	362,171
Other related parties		-	-	-	-	-	-
Affiliates by the Act		63,189	9,169	72,358	1,076,961	158,316	1,235,277

The Group holds financial instruments of ₩ 600,000 million in HMC Investment Securities Co., Ltd, its affiliate by the Act, and makes contributions to Hyundai Life Insurance Co., Ltd for employee benefit plan in connection with severance and retirement benefits which totaled ₩ 122,874 million as of June 30, 2016.

For the six months ended June 30, 2016 and 2015

26. Transactions and Balances with Related Party, Continued

(c) Significant transactions which occurred in funding with related parties for the six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Investment in capital for associates and joint venture	₩	24,161	15,646

(d) Executive compensation of the Company for each of the following categories for the six months ended June 30, 2016 and 2015 are summarized as follows:

(In millions of won)

		2016	2015
Salaries	₩	22,955	21,727
Retirement benefits		7,334	6,687
Total	₩	30,289	28,414