KIA MOTORS CORPORATION AND ITS SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS AND NINE MONTHS ENDED SEPTEMBER 30, 2016

ATTACHMENT: INDEPENDENT ACCOUNTANTS' REVIEW REPORT

KIA MOTORS CORPORATION

Contents

	Page
Independent Accountants' Review Report	1
Consolidated Financial Statements	
Consolidated Statements of Financial Position	5
Consolidated Statements of Income	7
Consolidated Statements of Comprehensive Income	8
Consolidated Statements of Changes in Equity	9
Consolidated Statements of Cash Flows	11
Notes to Consolidated Financial Statements	12

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 November 11, 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 September 30, 2016, the related condensed consolidated statements of income and comprehensive income for the three months and nine months ended September 30, 2016 and the related condensed consolidated statement of changes in equity and cash flows for the nine months ended September 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 condensed 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 consolidated 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 K-IFRS 1034, *Interim Financial Reporting*.

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/kr/about for a more detailed description of DTTL and its member firms.

© 2016. For information, contact Deloitte Anjin LLC

Deloitte.

Others
The accompanying consolidated statements of income and comprehensive income for the three months and nine months ended September 30, 2015, and consolidated statements of changes in equity and cash flows for the nine months ended September 30, 2015, were reviewed by other auditors whose report thereon dated November 11, 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 K-IFRS 1034.

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 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 for a comparative purpose in the accompanying consolidated 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

November 11, 2016

Notice to Readers

This report is effective as of November 11, 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 condensed 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 NINE MONTHS ENDED
SEPTEMBER 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 September 30, 2016, and December 31, 2015

(In millions of Korean won)

	Notes		September 30, 2016	December 31, 2015
Assets				
Cash and cash equivalents	25	₩	2,564,658	1,104,928
Short-term financial instruments	25, 26		3,971,842	2,875,137
Short-term available-for-sale financial assets	25, 26		1,563,476	2,872,653
Accounts and notes receivable – trade	11, 25, 26		2,068,132	2,388,911
Accounts and notes receivable – other	25		690,618	696,593
Advance payments			42,449	26,387
Current tax assets			108,617	250,169
Inventories	5		7,248,667	7,695,346
Other current assets	9, 25		376,493	319,386
Non-current assets held for sale	10		-	161,274
Total current assets			18,634,952	18,390,784
Long-term financial instruments	25, 26		282,763	93,352
Long-term available-for-sale financial assets	15, 25, 26		691,567	724,356
Long-term accounts and notes receivable - trade	25		3,830	3,145
Investments in joint venture and associates	6		12,118,379	10,971,504
Property, plant and equipment	4, 7, 11, 15		13,072,021	13,042,121
Investment property	4		27,228	53,474
Intangible assets	4, 8		2,245,435	2,133,785
Guarantee deposits	25		175,010	171,553
Other non-current assets	9, 25		241,285	117,460
Deferred tax assets			390,744	278,579
Total non-current assets			29,248,262	27,589,329
Total assets		₩	47,883,214	45,980,113

(Continued)

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Financial Position

As of September 30, 2016, and December 31, 2015

(In millions of Korean won)

	Notes	September 30, 2016	December 31, 2015
Liabilities			
Accounts and notes payable - trade	25, 26	₩ 4,999,121	5,885,651
Short-term borrowings	11, 25	1,568,396	1,512,424
Accounts and notes payable - other	25	1,871,059	2,653,394
Advances received		1,370,565	590,686
Accrued expenses	25	2,557,950	1,521,078
Income taxes payable		109,361	400,681
Current portion of long-term debt and bonds	11, 25	584,112	1,268,666
Provisions - current	14	762,494	698,492
Other current liabilities	12, 25	38,731	48,413
Total current liabilities		13,861,789	14,579,485
Bonds	11, 25	1,686,371	927,052
Long-term debt	11, 15, 25	2,376,789	2,604,889
Long-term advances received		87,417	76,747
Net defined benefit liabilities	13, 26	618,417	256,341
Provision for other long-term employee benefits		290,039	259,815
Provisions	14	1,970,077	1,691,670
Other non-current liabilities	12, 25	68,162	71,166
Deferred tax liabilities		1,341,205	1,308,917
Total non-current liabilities		8,438,477	7,196,597
Total liabilities		22,300,266	21,776,082
Equity			
Common stock	16	2,139,317	2,139,317
Capital surplus		1,560,650	1,560,650
Retained earnings		22,837,121	21,039,080
Accumulated other comprehensive loss	16	(890,312)	(473,682)
Other equity	16	(63,828)	(59,666)
Other capital item expected to be held for sale		-	(1,668)
Total equity		25,582,948	24,204,031
Total liabilities and equity		₩ 47,883,214	45,980,113

(Concluded)

See accompanying notes to consolidated financial statements.

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Income

For the three months and nine months ended September 30, 2016 and 2015

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

	Notes	2016		2015	
		Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
Sales	4, 26	₩ 12,698,855	39,798,203	13,110,901	36,729,678
Cost of sales	22, 26	(10,323,729)	(31,921,407)	(10,534,664)	(29,437,217)
Gross profit		2,375,126	7,876,796	2,576,237	7,292,461
Selling expenses	18, 22	(1,100,042)	(3,698,454)	(1,216,513)	(3,459,953)
General and administrative expenses	18, 22	(750,336)	(2,249,086)	(682,221)	(1,992,646)
Operating profit		524,748	1,929,256	677,503	1,839,862
Gain on investments in joint venture and associates, net	6	254,383	894,428	24,043	625,146
Finance income	19, 25	164,474	287,528	191,705	315,300
Finance expenses	19, 25	(62,329)	(173,855)	(193,512)	(304,766)
Other income	20	189,877	595,538	257,491	625,420
Other expenses	20	(191,892)	(547,238)	(246,738)	(483,171)
Profit before income taxes		879,261	2,985,657	710,492	2,617,791
Income tax expense	21	(214,893)	(551,019)	(160,420)	(417,985)
Profit for the period		₩ 664,368	2,434,638	550,072	2,199,806
Profit attributable to:					
Owners of the Company		664,368	2,434,638	550,072	2,199,806
Non-controlling interests		-	-	-	-
Earnings per share					
Basic earnings per share in Korean won	17	₩ 1,657	6,074	1,372	5,485

See accompanying notes to consolidated financial statements.

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Comprehensive Income

For the three months and nine months ended September 30, 2016 and 2015

(In millions of Korean won)

		2016		2015	
		Three months ended September 30	Nine months ended September 30	Three months Ended September 30	Nine months ended September 30
Profit for the period	₩	664,368	2,434,638	550,072	2,199,806
Other comprehensive income (loss) for the period:					
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans		(19,843)	(199,452)	(89,329)	(141,940)
Remeasurements of associates, net		(1,763)	3,880	2,197	400
		(21,606)	(195,572)	(87,132)	(141,540)
Items that may be reclassified subsequently to profit or loss:					
Change in fair value of available-for-sale financial assets, net		2,420	(70,136)	(36,408)	(278,244)
Effective portion of changes in fair value of cash flow hedges, net		6,404	7,516	(6,014)	(5,496)
Change in capital adjustments – increase (decrease) in gain of equity method accounted investment		(58,981)	(81,807)	53,318	87,059
Change in capital adjustments – decrease (increase) in loss of equity method accounted investment		(82,820)	(66,701)	40,140	54,243
Exchange differences on translating foreign operations, net		(193,044)	(205,502)	191,441	129,466
Reclassification of non-current assets as held for sale		-	1,668	-	-
		(326,021)	(414,962)	242,477	(12,972)
Other comprehensive income (loss) for the period		(347,627)	(610,534)	155,345	(154,512)
Total comprehensive income for the period	₩	316,741	1,824,104	705,417	2,045,294
Comprehensive income attributable to :					
Owners of the Company		316,741	1,824,104	705,417	2,045,294
Non-controlling interests		-	-	-	-

See accompanying notes to consolidated financial statements.

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2016 and 2015

(In millions of Korean 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
Comprehensive income:							
Profit for the period	-	-	2,199,806	-	-	-	2,199,806
Change in fair value of available-for-sale financial assets	-	-	-	(278,244)	-	-	(278,244)
Effective portion of changes in fair value of cash flow hedges	-	-	-	(5,496)	-	-	(5,496)
Change in capital adjustments - increase in gain of equity method accounted investments	-	-	-	87,059	-	-	87,059
Change in capital adjustments - decrease in loss of equity method accounted investments	-	-	-	54,243	-	-	54,243
Remeasurements of defined benefit plans	-	-	(141,940)	-	-	-	(141,940)
Remeasurements of associates	-	-	400	-	-	-	400
Exchange differences on translating foreign operations	-	-	-	129,466	-	-	129,466
Total comprehensive income	-	-	2,058,266	(12,972)	-	-	2,045,294
Transactions with owners and other, recorded directly in equity:							
Payment of cash dividends	-	-	(404,058)	-	-	-	(404,058)
Purchases of treasury stock	-	-	-	-	(146,211)	-	(146,211)
Total transactions with owners and other, recorded directly in equity	-	-	(404,058)	-	(146,211)	-	(550,269)
Balance at September 30, 2015	₩ 2,139,317	1,560,650	20,469,862	(131,273)	(59,666)	-	23,978,890

(Continued)

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Changes in Equity

For the nine months ended September 30, 2016 and 2015

(In millions of Korean 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, 2016	₩ 2,139,317	1,560,650	21,039,080	(473,682)	(59,666)	(1,668)	24,204,031
Comprehensive income:							
Profit for the period	-	-	2,434,638	-	-	-	2,434,638
Change in fair value of available-for-sale financial assets	-	-	-	(70,136)	-	-	(70,136)
Effective portion of changes in fair value of cash flow hedges	-	-	-	7,516	-	-	7,516
Change in capital adjustments - decrease in gain of equity method accounted investments	-	-	-	(81,807)	-	-	(81,807)
Change in capital adjustments - increase in loss of equity method accounted investments	-	-	-	(66,701)	-	-	(66,701)
Reclassification of non-current assets as held for sale	-	-	-	-	-	1,668	1,668
Remeasurements of defined benefit plans	-	-	(199,452)	-	-	-	(199,452)
Remeasurements of associates	-	-	3,880	-	-	-	3,880
Exchange differences on translating foreign operations	-	-	-	(205,502)	-	-	(205,502)
Total comprehensive income	-	-	2,239,066	(416,630)	-	1,668	1,824,104
Transactions with owners and other, recorded directly in equity:							
Payment of cash dividends	-	-	(441,025)	-	-	-	(441,025)
Purchases of treasury stock	-	-	-	-	(89,019)	-	(89,019)
Disposals of treasury stock	-	-	-	-	84,857	-	84,857
Total transactions with owners and other, recorded directly in equity	-	-	(441,025)	-	(4,162)	-	(445,187)
Balance at September 30, 2016	₩ 2,139,317	1,560,650	22,837,121	(890,312)	(63,828)	-	25,582,948

(Concluded)

See accompanying notes to consolidated financial statements.

KIA MOTORS CORPORATION AND ITS SUBSIDIARIES
Consolidated Statements of Cash Flows

For the three months and nine months ended September 30, 2016 and 2015

(In millions of Korean won)

	Note	2016	2015
Cash flows from operating activities			
Cash generated from operations	23	₩ 4,651,794	3,775,106
Interest received		114,395	173,658
Interest paid		(104,613)	(83,780)
Dividends received		191,282	292,642
Income tax paid		(693,683)	(488,482)
Net cash provided by operating activities		4,159,175	3,669,144
Cash flows from investing activities			
Disposal of short-term financial instruments		49,868	1,084,648
Disposal of long-term financial instruments		10,544	13,263
Disposal of available-for-sale financial assets		1,309,230	197,682
Disposal of property, plant and equipment		54,278	59,713
Disposal of intangible assets		2,381	720
Disposal of investment property		2,741	-
Cash proceeds from other investing activities		154,382	120,672
Purchase of short-term financial instruments		(1,151,647)	(25,068)
Purchase of long-term financial instruments		(200,274)	(2,466)
Acquisition of available-for-sale financial assets		(60,266)	(2,640,573)
Acquisition of investments in associates		(628,275)	(22,863)
Acquisition of property, plant and equipment		(1,110,147)	(3,095,011)
Acquisition of intangible assets		(575,691)	(468,280)
Cash outflows for other investing activities		(23,694)	(3,250)
Net cash used in investing activities		(2,166,570)	(4,780,813)
Cash flows from financing activities			
Proceeds from short-term borrowings and long-term debt		580,740	663,788
Proceeds from bonds		783,462	498,220
Proceeds from other financing activities		934	559
Repayment of short-term borrowings and long-term debt		(490,108)	(288,980)
Repayment of bonds		(761,800)	(100,000)
Repayment of finance lease liabilities		(3,985)	(3,937)
Dividends paid		(441,025)	(404,058)
Purchases of treasury stock		(89,019)	(146,211)
Cash outflows for other financing activities		-	(34)
Net cash provided by financing activities		(420,801)	219,347
Effect of exchange rate changes on cash and cash equivalents		(112,074)	39,181
Net increase in cash and cash equivalents		1,459,730	(853,141)
Cash and cash equivalents at January 1		1,104,928	2,478,470
Cash and cash equivalents at September 30		₩ 2,564,658	1,625,329

See accompanying notes to consolidated financial statements

For the three months and nine months ended September 30, 2016 and 2015

1. General Description of the 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 from 1973. As of September 30, 2016, the Company's largest shareholder is Hyundai Motors Company, which holds 33.88% of the Company's stock.

The condensed 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 September 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)	Netherlands	"	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-six investment trusts other than stated in the note above are separate entities, and the entities are consolidated as they are under the 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 nine months ended September 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 nine months ended September 30, 2016

(In millions of Korean won)

Company		Total assets	Total liabilities	Sales	Net income (loss)
KMA	₩	6,020,480	5,237,280	11,508,325	82,907
KMMG		2,514,432	1,690,177	7,143,979	150,237
KMS		2,751,650	1,722,924	5,456,235	193,558
KMM		1,680,778	1,276,759	1,477,880	(131,342)
KMR		385,698	362,345	1,489,517	(16,623)

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

(In millions of Korean 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 as of and 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 as of and 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 natures or functions. The amendments also require separate disclosure of the share of other comprehensive income of associates and joint ventures accounted for using the 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; the presumption can only be rebutted when an intangible asset is 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 constitutes 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 a specific guidance in K-IFRS 1105 'Non-current Assets Held for Sale and Discontinued Operations' when an entity reclassifies an asset (or disposal group) from held for sale to held for distribution to owners (or vice versa) and such a change is considered as a continuation of the original plan of disposal, but 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 revenues from leasing and maintenance services are not disclosed.

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

(In millions of Korean won)

	Domestic	North America	Europe	Other region	Consolidation adjustment	Consolidation amount
Total sales	₩ 22,858,002	21,362,350	19,380,513	810,592	(24,613,254)	39,798,203
Intercompany sales	(9,798,874)	(5,652,417)	(9,161,800)	(163)	24,613,254	-
Net sales	13,059,128	15,709,933	10,218,713	810,429	-	39,798,203
Property, plant and equipment, intangible assets and other	12,292,705	2,130,723	883,690	5,014	32,552	15,344,684

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

(In millions of Korean won)

	Domestic	North America	Europe	Other region	Consolidation adjustment	Consolidation amount
Total sales	₩ 23,583,505	18,902,203	15,898,688	590,072	(22,244,790)	36,729,678
Intercompany sales	(9,954,395)	(4,615,982)	(7,674,328)	(85)	22,244,790	-
Net sales	13,629,110	14,286,221	8,224,360	589,987	-	36,729,678
Property, plant and equipment, intangible assets and other	11,740,015	1,791,359	1,023,258	3,592	56,494	14,614,718

5. Inventories

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

(In millions of Korean won)

	September 30, 2016	December 31, 2015
Finished goods	₩ 5,882,970	6,424,987
Merchandise	22,726	21,492
Semifinished goods	300,050	220,443
Work in process	241,624	199,341
Raw materials	356,135	375,326
Supplies	168,558	162,506
Materials in transit	276,604	291,251
	₩ 7,248,667	7,695,346

6. Investments in Joint Venture and Associates

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

(In millions of Korean won)

Company	Location	Percentage of ownership (%)	Carrying amount	
			September 30, 2016	December 31, 2015
Hyundai Mobis Co., Ltd.(*1)	Korea	16.88	₩ 4,440,006	4,167,138
Hyundai Steel Company(*1)	Korea	17.27	2,705,888	2,578,536
Hyundai Engineering & Construction Co., Ltd.(*1)	Korea	5.23	799,049	795,122
Hyundai Powertech Co., Ltd.	Korea	37.58	487,278	433,871
Hyundai Card Co., Ltd.(*1)	Korea	11.48	304,581	286,326
Hyundai Capital Services, Inc.(*4)	Korea	20.10	739,686	-
Hyundai Dymos Inc.	Korea	45.37	326,206	314,692
EUKOR Car Carriers Inc.(*1)	Korea	8.00	115,029	127,471
Hyundai Engineering Co., Ltd.(*1)	Korea	9.35	251,884	234,643
Hyundai Partecs Co., Ltd.	Korea	31.00	23,115	22,446
Hyundai Autoever Systems Co., Ltd.(*1)	Korea	19.37	66,320	61,339
Donghee Auto Co., Ltd.	Korea	35.10	16,100	17,377
TRW Steering Co., Ltd.	Korea	29.00	1,035	1,205
Kia Tigers Co., Ltd.(*2)	Korea	100.00	2,476	-
Hyundai NGV Co., Ltd.	Korea	24.39	3,336	2,587
Haevichi Hotels & Resorts Co., Ltd.	Korea	23.24	40,291	39,667
Hyundai Autron Co., Ltd.	Korea	20.00	23,164	20,966
Beijing Dymos Transmission Co., Ltd.	China	24.08	57,794	62,232
China Millennium Corporations	China	30.30	30,011	29,779
Hyundai Motor Group China, Ltd.	China	30.00	75,099	78,834
Yanji Kia Motors A/S and Repair(*2)	China	100.00	2,006	2,528
Hyundai Powertech (Shangdong) Co., Ltd.	China	25.00	87,093	78,667
Dongfeng Yueda Kia Motors Co., Ltd.(*3)	China	50.00	780,308	880,820
Hyundai Motor Manufacturing Rus LLC	Russia	30.00	109,248	93,250
Innocean Worldwide Americas, LLC	U.S.A.	20.00	1,528	1,360
Hyundai Information System North America	U.S.A.	30.00	3,905	3,921
Sewon America, Inc.	U.S.A.	40.00	10,583	10,212
Hyundai Capital America	U.S.A.	20.00	561,997	582,225
Hyundai Capital Services UK Ltd.(*3)	U.K.	10.00	13,837	14,922
Hyundai Capital Canada Inc.(*4)	Canada	40.00	33,905	22,017
Hyundai Capital Services Deutschland GmbH(*4)	Germany	20.00	5,621	7,351
			₩ 12,118,379	10,971,504

6. Investments in Joint Venture and Associates, Continued

(a) Details of investment in joint venture and associates as of September 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% 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. and Hyundai Capital Services UK Ltd. as joint ventures since it 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 nine months ended September 30, 2016.

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

(In millions of Korean won)

		September 30, 2016	December 31, 2015
Hyundai Mobis Co., Ltd.	₩	4,517,445	4,049,274
Hyundai Steel Company		1,170,897	1,151,305
Hyundai Engineering & Construction Co., Ltd.		228,900	166,499

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

(In millions of Korean won)

		2016	2015
Balance at January 1	₩	10,971,504	10,470,634
Acquisition		628,275	228,519
Share of profit		894,428	625,146
Share of change in remeasurements		3,880	400
Share of change in other comprehensive income (loss)		(148,508)	141,302
Dividends(*)		(188,420)	(289,991)
Other		(42,780)	47,600
Balance at September 30	₩	12,118,379	11,223,610

(*) 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 nine months ended September 30, 2016, and ₩172,992 million, ₩49,281 million and ₩17,287, respectively, for the nine months ended September 30, 2015.

6. Investments in Joint Venture and Associates, Continued

(d) Financial information of significant joint venture and associates as of and for the nine months ended September 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 nine months ended September 30, 2016, is summarized as follows:

(In millions of Korean won)

Company	Total assets	Total liabilities	Sales	Operating income	Net income	Total comprehensive income
Hyundai Mobis Co., Ltd.	₩ 39,163,584	11,817,752	27,971,644	2,224,842	2,349,869	1,979,196
Hyundai Steel Company	31,853,230	15,652,360	12,032,958	1,057,604	713,805	751,980
Hyundai Engineering & Construction Co., Ltd.	19,196,670	11,468,361	13,438,575	750,695	390,320	345,453
Dongfeng Yueda Kia Motors Co., Ltd.(*)	4,293,590	2,694,835	6,634,727	175,892	108,742	108,742

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

(In millions of Korean won)

Company	Cash and cash equivalents	Financial liabilities	Depreciation	Interest income	Interest expense	Income tax expense
Dongfeng Yueda Kia Motors Co., Ltd.	₩ 190,964	562,186	145,564	8,659	33,729	29,547

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

(In millions of Korean 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 Korean 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 nine months ended September 30, 2016, is summarized as follows:

(In millions of Korean won)

Company		Group's share of net assets(*)	Goodwill	Intra-Group transaction	Other	Carrying amount
Hyundai Mobis Co., Ltd.	₩	4,413,903	29,519	(3,416)	-	4,440,006
Hyundai Steel Company		2,751,501	7,177	(52,790)	-	2,705,888
Hyundai Engineering & Construction Co., Ltd.		312,873	284,338	-	201,838	799,049
Dongfeng Yueda Kia Motors Co., Ltd.		799,377	-	(19,069)	-	780,308

(*) 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 nine months ended September 30, 2016 and 2015, are summarized as follows:

(In millions of Korean won)

		2016	2015
Balance at January 1	₩	13,042,121	10,114,317
Acquisition		1,094,546	3,120,838
Disposal(*)		(65,799)	(73,836)
Depreciation		(821,606)	(705,638)
Reclassification		(1,181)	-
Other		(176,060)	108,212
Balance at September 30	₩	13,072,021	12,563,893

(*) The amounts of gain and loss on disposals of property, plant and equipment are ₩6,186 million and ₩17,707 million, respectively, for the nine months ended September 30, 2016.

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

(In millions of Korean won)

		2016	2015
Capitalized borrowing costs (*)	₩	7,631	49,545
Capitalization interest rate (%)		0.88	3.27

(*) Including borrowing costs that were capitalized in respect of development cost of ₩3,125 million and ₩12,262 million, respectively, for the nine months ended September 30, 2016 and 2015.

8. Intangible Assets

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

(In millions of Korean won)

		2016	2015
Balance at January 1	₩	2,133,785	1,888,828
Acquisition		515,819	443,018
Disposal		(2,351)	(720)
Amortization		(398,397)	(338,360)
Reclassification		1,127	-
Other		(4,548)	3,260
Balance at September 30	₩	2,245,435	1,996,026

9. Other Assets

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

(In millions of Korean won)

		September 30, 2016	December 31, 2015
Other current assets:			
Financial assets at fair value through profit or loss	₩	220,311	200,261
Accrued income		57,758	35,820
Prepaid expenses		72,844	70,485
Derivative assets		12,206	2,122
Deposits provided		1,310	2,159
Other		12,064	8,539
	₩	376,493	319,386
Other non-current assets:			
Long-term accounts and notes receivable - other	₩	225,429	100,605
Long-term prepaid expenses		103	89
Long-term advance payments		11,770	10,632
Finance lease receivables		2,951	6,134
Derivative assets		1,032	-
	₩	241,285	117,460

10. Non-Current Assets Held for Sale

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

(In millions of Korean won)

		September 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 has disposed of all of them under the agreement.

11. Borrowings and Other

(a) Short-term borrowings

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

(In millions of Korean won)

		Annual interest rate (%)		Amount	
	Lender	September 30, 2016		September 30, 2016	December 31, 2015
Usance	Woori Bank and others	0.19–1.51	₩	102,739	103,646
Trade financing(*)	Korea Development Bank and others	0.001~1.35		1,465,657	1,408,778
			₩	1,568,396	1,512,424

(*) The Group is continuously recognizing the carrying amount of the outstanding receivables, which it 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 September 30, 2016, and December 31, 2015, is summarized as follows:

(In millions of Korean won)

		Annual interest rate (%)		Amount	
	Lender	September 30, 2016		September 30, 2016	December 31, 2015
Facility loans	Korea Development Bank	2.47	₩	130,000	360,000
	Nong Hyup Bank	2.11		70,000	250,000
	Woori Bank	2.48		200,000	200,000
	Kookmin Bank	2.59		150,000	-
				550,000	810,000
Less: current portion of long-term debt				-	(410,000)
			₩	550,000	400,000

11. Borrowings and Other, Continued

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

(In millions of Korean won)

		Annual interest rate (%)		Amount	
	Lender	September 30, 2016		September 30, 2016	December 31, 2015
General loans	Citi Bank Korea and others	1.47–2.38	₩	854,502	975,310
Facility loans and others	UniCredit Bank and others	0.25–1.99		1,239,569	988,266
Overseas investment loans	The Export-Import Bank of Korea	2.13		262,015	280,108
	Korea Development Bank	2.19		54,815	58,600
				2,410,901	2,302,284
Less: current portion of long-term debt				(584,112)	(97,395)
			₩	1,826,789	2,204,889

(d) As of September 30, 2016, the Group has pledged its buildings in the amount of ₩42,441 million as collateral for long-term debt in foreign currencies.

(e) Bonds

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

(In millions of Korean won)

		Annual interest rate (%)		Amount	
	Maturity date	September 30, 2016		September 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		767,410	-
Less: discounts on bonds				(11,039)	(3,477)
				1,686,371	1,688,323
Less: current portion of long-term bonds				-	(761,271)
			₩	1,686,371	927,052

12. Other Liabilities

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

(In millions of Korean won)

		September 30, 2016	December 31, 2015
Other current liabilities:			
Unearned income	₩	17,382	20,372
Dividends payable		23	23
Guarantee received		1,711	840
Finance lease liabilities		428	4,383
Derivative liabilities		-	44
Others		19,187	22,751
	₩	38,731	48,413
Other non-current liabilities:			
Leasehold deposits received	₩	16,026	15,104
Long-term unearned income		324	346
Long-term accounts and notes payable - other		1,973	2,110
Long-term accrued expenses		49,773	53,208
Others		66	398
	₩	68,162	71,166

13. Retirement Benefits Plan

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

(In millions of Korean won)

		September 30, 2016	December 31, 2015
Present value of defined benefit obligations	₩	2,357,767	1,901,868
Fair value of plan assets		(1,739,350)	(1,645,527)
Net defined benefit liabilities	₩	618,417	256,341

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

(In millions of Korean won)

		September 30, 2016	December 31, 2015
Time deposits and others	₩	1,739,350	1,645,527

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

(In millions of Korean won)

		2016	2015
Current service costs	₩	225,159	217,279
Interest costs, net		3,994	8,765
	₩	229,153	226,044

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

	2016	2015
Discount rate (%)	2.24	2.93
Expected rate of future salary growth (%)	4.00	5.00

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

(In millions of Korean won)

		2016	2015
Balance at January 1	₩	1,901,868	1,603,218
Current service costs		225,159	217,279
Interest costs		41,429	42,263
Remeasurements		240,834	162,979
Transfer in (out), net		(196)	(85)
Benefits paid		(51,327)	(36,223)
Balance at September 30	₩	2,357,767	1,989,431

13. Retirement Benefits Plan, Continued

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

(In millions of Korean won)

		2016	2015
Balance at January 1	₩	1,645,527	1,271,212
Return on plan assets		37,435	33,498
Remeasurements		(5,304)	(6,970)
Contributions		100,000	-
Transfer in, net		444	411
Benefits paid		(38,752)	(18,996)
Balance at September 30	₩	1,739,350	1,279,155

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 that 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 nine months ended September 30, 2016 and 2015, are summarized as follows:

(In millions of Korean 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)		1,195,599	1,260	1,196,859	996,118	(1,273)	994,845
Provisions used		(792,241)	(1,178)	(793,419)	(696,371)	(105)	(696,476)
Other increase (decrease)		(63,639)	2,608	(61,031)	36,478	1,057	37,535
Balance at September 30	₩	2,706,381	26,190	2,732,571	2,373,528	15,746	2,389,274
Current	₩	738,388	24,106	762,494	651,298	13,044	664,342
Non-current	₩	1,967,993	2,084	1,970,077	1,722,230	2,702	1,724,932

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 ₩375 million as of September 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 September 30, 2016, one certificate of deposit of ₩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 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 ₩290,828 million as of September 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 September 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 September 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, amounting to USD 40,000 thousand, guaranteed by Hyundai Motor America, Inc. and Mobis America, Inc., KMMG should pay guarantor fees calculated at a rate of 0.15% per annum on the outstanding debt balance of it, which should be paid biannually.

(f) As of September 30, 2016, KMMG entered into an agreement with the West Point Development Authority and the 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 September 30, 2016, KMS had orders in place to acquire property, plant and equipment in the amount of EUR 5,441 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, respectively, as of September 30, 2016.

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 September 30, 2016, and December 31, 2015, is summarized as follows:

(In millions of Korean won)

		September 30, 2016	December 31, 2015
Changes in fair value of available-for-sale financial assets	₩	60,188	130,324
Effective portion of changes in fair value of cash flow hedges		7,946	430
Change in capital adjustments - gain of equity method accounted investment		35,251	117,058
Change in capital adjustments - loss of equity method accounted investment		(392,856)	(326,155)
Exchange differences on translating foreign operations		(600,841)	(395,339)
	₩	(890,312)	(473,682)

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

(In millions of Korean won)

		September 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 nine months ended September 30, 2016 and 2015, are summarized as follows:

(In Korean won, except number of shares)

		2016		2015	
		Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
Profit attributable to owners of the Company	₩	664,368,184,720	2,434,638,174,206	550,072,005,071	2,199,806,051,264
Weighted-average number of common shares outstanding(*)		400,931,433	400,829,367	400,931,598	401,088,219
Earnings per share	₩	1,657	6,074	1,372	5,485

(*) 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 nine months ended September 30, 2016 and 2015, since there are no dilutive items during these periods.

18. Selling, General and Administrative Expenses

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

(In millions of Korean won)

	2016		2015	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
Advertising	₩ 353,745	1,044,641	328,721	838,015
Sales promotion	212,767	700,608	228,919	670,556
Warranty expenses	291,875	1,057,718	376,719	996,118
Freight	63,462	203,938	67,226	200,776
Overseas marketing and export expenses	178,193	691,549	214,928	754,488
	₩ 1,100,042	3,698,454	1,216,513	3,459,953

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

(In millions of Korean won)

	2016		2015	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
Salaries	₩ 180,121	563,030	186,680	538,427
Bonus	59,226	192,529	74,667	224,606
Retirement benefits	21,511	64,423	21,024	63,776
Other long-term employee benefits	2,151	11,878	1,947	5,241
Other employee benefits	46,002	135,804	44,623	134,976
Travel	11,337	36,606	14,135	38,436
Communications	3,793	11,507	4,279	12,299
Utilities	3,808	15,018	4,466	12,958
Taxes and dues	9,118	21,304	5,110	16,945
Rent	16,168	49,937	16,015	46,372
Depreciation	22,718	69,874	21,574	63,929
Amortization	8,163	21,309	6,370	18,563
Bad debt expenses	(250)	5	(917)	(1,599)
Repairs and maintenance	9,860	24,167	6,486	16,735
Insurance premium	3,125	10,920	3,043	9,178
Entertainment expense	1,411	4,822	948	3,954
Maintenance fee for vehicles	5,264	21,524	6,888	21,211
Supplies and stationery	3,187	10,188	2,766	7,258
Information fees	390	1,750	379	1,492
Education and training	7,011	23,042	6,464	22,977
Commissions and fees	110,443	276,733	83,053	228,982
Test expenses	221,537	670,042	171,710	492,415
Others	4,242	12,674	511	13,515
	₩ 750,336	2,249,086	682,221	1,992,646

19. Finance Income and Finance Expenses

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

(In millions of Korean won)

	2016		2015	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
Interest income	₩ 41,656	115,545	44,366	135,728
Gain on exchange currency transaction	2,878	52,455	4,057	23,713
Gain on exchange currency translation	119,592	107,991	1,326	4,152
Dividends income	298	5,037	61	5,541
Gain on disposals of available-for-sale financial assets and others	-	3,732	142,133	145,515
Gain on valuation of derivatives	-	2,718	-	588
Gain on valuation of financial assets at fair value through profit or loss	50	50	(238)	63
	₩ 164,474	287,528	191,705	315,300

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

(In millions of Korean won)

	2016		2015	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
Interest expense	₩ 45,490	123,129	21,756	61,245
Loss on foreign currency transaction	14,870	38,943	21,081	45,236
Loss on foreign currency translation	-	11,739	113,532	154,842
Loss on valuation of derivatives	1,969	44	37,143	43,443
	₩ 62,329	173,855	193,512	304,766

20. Other Income and Other Expenses

(a) Other income for the three months and nine months ended September 30, 2016 and 2015, is summarized as follows:

(In millions of Korean won)

	2016		2015	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
Rent	₩ 2,172	7,314	3,048	8,155
Foreign currency transaction gain	122,230	403,156	194,283	419,760
Foreign currency translation gain	4,131	56,783	12,757	74,383
Gain on disposals of property, plant and equipment	-	6,186	1,857	7,761
Gain on disposals of intangible assets	-	53	-	-
Reversal of allowance for doubtful accounts	(109)	29	(3)	89
Miscellaneous profit	61,453	122,017	45,549	115,272
	₩ 189,877	595,538	257,491	625,420

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

(In millions of Korean won)

	2016		2015	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
Foreign currency transaction loss	₩ 161,776	395,629	223,612	358,656
Foreign currency translation loss	14,790	88,672	-	58,011
Loss on disposals of accounts and notes receivable - trade	117	380	93	360
Donation	4,951	17,353	4,896	16,443
Loss on disposals of property, plant and equipment	7,484	17,707	7,259	21,884
Loss on disposals of intangible assets	-	22	-	-
Loss on disposals of non-current assets held for sale	-	8,590	-	-
Miscellaneous losses	2,774	18,885	10,878	27,817
	₩ 191,892	547,238	246,738	483,171

21. Income Tax Expense

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

(In millions of Korean won)

	2016		2015	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
Income tax currently payable	₩ 61,535	543,914	231,779	697,192
Changes in deferred taxes due to temporary differences	149,841	(79,878)	(113,421)	(415,110)
Changes in deferred taxes due to an item directly charged to equity	3,517	86,983	42,062	135,903
Income tax expense	₩ 214,893	551,019	160,420	417,985
Effective tax rate (%)	24.44	18.46	22.58	15.97

22. Classification of Expenses by Nature

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

(In millions of Korean won)

	2016		2015	
	Three months ended September 30	Nine months ended September 30	Three months ended September 30	Nine months ended September 30
Change in inventories	₩ 704,475	432,032	120,040	(1,323,340)
Raw material and merchandise consumed	8,031,463	26,663,164	8,989,202	26,282,643
Employee benefits	1,143,301	3,593,787	1,184,553	3,570,415
Depreciation	295,804	822,474	242,160	706,477
Amortization	139,737	398,397	99,785	338,360
Others	1,859,327	5,959,093	1,797,658	5,315,261
	₩ 12,174,107	37,868,947	12,433,398	34,889,816

23. Cash Flows

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

(In millions of Korean won)

		2016	2015
Profit for the period	₩	2,434,638	2,199,806
Adjustments for:			
Retirement benefits		229,153	226,044
Depreciation		822,474	706,477
Amortization		398,397	338,360
Warranty expenses		1,032,299	996,118
Income tax expense		551,019	417,985
Gain on investment in associates and joint venture, net		(894,428)	(625,146)
Interest expense (income), net		7,584	(74,483)
Dividends income		(5,037)	(5,541)
Loss on foreign currency translations, net		(64,363)	134,318
Loss on disposals of property, plant and equipment, net		11,521	14,123
Others		15,352	(125,065)
		2,103,971	2,003,190
Changes in operating assets and liabilities:			
Decrease in accounts and notes receivable - trade		266,172	275,940
Decrease (increase) in accounts and notes receivable - other		72,429	(114,092)
Decrease (increase) in inventories		459,432	(1,370,764)
Decrease in accounts and notes payable - trade		(900,953)	(92,591)
Increase in advances received		779,879	55,981
Increase (decrease) in accounts and notes payable - other		(616,800)	523,964
Increase in accrued expenses		1,012,398	987,927
Payment of retirement benefits		(51,327)	(36,223)
Change of net defined benefit liability		(61,888)	18,500
Change of warranty provision		(792,241)	(696,371)
Others		(53,916)	19,839
		113,185	(427,890)
Cash generated from operations	₩	4,651,794	3,775,106

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

(In millions of Korean won)

		2016	2015
Change in accounts and notes payable – other in connection with acquisition of property, plant and equipment	₩	(20,107)	(11,456)
Change in accounts and notes payable – other in connection with acquisition of intangible assets		(62,997)	(37,524)
Change in accounts and notes receivable – other in connection with disposal of investment property		(19,498)	-
Reclassification from non-current assets held for sale to investment in associates		-	205,656

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 risks according to its own guideline for foreign exchange and transaction policy. If necessary, the Group may enter into foreign currency forward contracts to hedge its foreign currency risk and strictly limit on speculative transaction.

(ii) Interest rate risk

The Group's assets and liabilities are 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 September 30, 2016, and December 31, 2015, is summarized as follows:

(In millions of Korean won)

		September 30, 2016	December 31, 2015
Cash and cash equivalents(*)	₩	2,564,362	1,104,622
Short-term financial instruments		3,971,842	2,875,137
Short-term available-for-sale financial assets		1,563,473	2,872,648
Accounts and notes receivable – trade		2,068,132	2,388,911
Accounts and notes receivable – other		690,618	696,593
Other current assets		303,648	248,901
Long-term financial instruments		282,763	93,352
Long-term available-for-sale financial assets		284,440	225,049
Long-term accounts and notes receivable - trade		3,830	3,145
Guarantee deposits		175,010	171,553
Other non-current assets		229,412	106,739
	₩	12,137,530	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 September 30, 2016, and December 31, 2015, is summarized as follows:

(In millions of Korean won)

		September 30, 2016	December 31, 2015
Not overdue	₩	1,905,906	1,877,388
Past due less than 3 months		102,909	439,863
Past due 4–6 months		62,687	47,742
Past due 7–12 months		456	26,305
Past due more than 12 months		96,650	97,714
	₩	2,168,608	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 nine months ended September 30, 2016, and for the year ended December 31, 2015, are summarized as follows:

(In millions of Korean won)

		2016	2015
Beginning balance at January 1	₩	96,956	98,663
Collection of written-off amount		42	128
Write-off		(23)	(245)
Allowance for doubtful accounts		5	(646)
Others		(334)	(944)
Ending balance at September 30	₩	96,646	96,956

(b) Liquidity risk

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

(In millions of Korean won)

		Within 1 year	1 year– 5 years	More than 5 years	Total
Non-interest-bearing liabilities:					
Accounts and notes payable - trade	₩	4,999,121	-	-	4,999,121
Accounts and notes payable - other		1,799,036	-	-	1,799,036
Accrued expenses		1,847,159	-	-	1,847,159
Other current liabilities		1,734	-	-	1,734
Other non-current liabilities		-	67,838	-	67,838
Interest-bearing liabilities:					
Bonds		46,205	1,140,418	765,355	1,951,978
Borrowings		2,232,026	2,147,806	316,651	4,696,483
Finance lease liabilities		428	-	-	428
Financial guarantee		291,203	-	-	291,203
	₩	11,216,912	3,356,062	1,082,006	15,654,980

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.

(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 interest rate fluctuates 10% as of September 30, 2016, and December 31, 2015. Also, the Group assumes that other variables, such as interest rate, are not changed by sensitive analysis. The Group analyzed by the same method that was used for the last period and details for the effect on income before taxes are summarized as follows:

(In millions of Korean won)

		September 30, 2016		December 31, 2015	
		10% Up	10% Down	10% Up	10% Down
USD	₩	(295,420)	295,420	(236,585)	236,585
EUR		(10,442)	10,442	(17,671)	17,671

25. Risk Management of Financial Instruments, Continued

(d) Interest rate risk

Sensitivity analysis of interest expense and interest income for the year from changes of interest rate as of September 30, 2016, and December 31, 2015, is summarized as follows:

(In millions of Korean won)

		September 30, 2016		December 31, 2015	
		100bp Up	100bp Down	100bp Up	100bp Down
Interest income	₩	27,847	(27,847)	13,049	(13,049)
Interest expense		28,312	(28,312)	23,206	(23,206)

(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 September 30, 2016, and December 31, 2015, are summarized as follows:

(In millions of Korean won)

		September 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	₩	220,311	220,311	200,261	200,261
Loans and receivables:					
Cash and cash equivalents	₩	2,564,658	2,564,658	1,104,928	1,104,928
Short-term financial instruments		3,971,842	3,971,842	2,875,137	2,875,137
Accounts and notes receivable – trade		2,068,132	2,068,132	2,388,911	2,388,911
Accounts and note receivable – other		690,618	690,618	696,593	696,593
Long-term accounts and notes receivable - trade		3,830	3,830	3,145	3,145
Others		757,284	757,284	418,162	418,162
	₩	10,056,364	10,056,364	7,486,876	7,486,876
Available-for-sale financial assets:					
Short-term available-for-sale financial assets	₩	1,563,476	1,563,476	2,872,653	2,872,653
Long-term available-for-sale financial assets		691,567	691,567	724,356	724,356
	₩	2,255,043	2,255,043	3,597,009	3,597,009
Financial derivative assets:					
Currency option (risk hedge)	₩	12,206	12,206	2,122	2,122
Total return swap		1,032	1,032	-	-
	₩	13,238	13,238	2,122	2,122
Liabilities recognized by amortized cost:					
Accounts and notes payable - trade	₩	4,999,121	4,999,121	5,885,651	5,885,651
Accounts and notes payable - other		1,799,036	1,799,036	1,723,046	1,723,046
Bonds		1,686,371	1,752,573	1,688,323	1,714,458
Borrowings		4,529,297	4,518,139	4,624,708	4,594,641
Finance lease liabilities		428	428	4,383	4,383
Others		1,916,731	1,916,731	1,438,190	1,438,190
	₩	14,930,984	14,986,028	15,364,301	15,360,369
Financial derivative 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 September 30, 2016, there are no 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 September 30, 2016, is summarized as follows:

(In millions of Korean 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	₩	-	220,311	-	220,311
Available-for-sale financial assets:					
Marketable securities	₩	331,153	-	-	331,153
Derivative financial assets:					
Currency option (risk hedge)	₩	-	12,206	-	12,206
Total return swap		-	1,032	-	1,032
	₩	-	13,238	-	13,238

There were no significant transfers between Levels 1, 2 and 3.

25. Risk Management of Financial Instruments, Continued

(e) Fair value, continued

(ii) Fair value hierarchy, continued

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)

The valuation techniques and the unobservable inputs used in measuring Level 2 fair values as of September 30, 2016, are summarized as follows:

(In millions of Korean won)

	Fair value	Valuation method	Input
Financial assets at fair value through profit or loss	₩ 220,311	DCF model	Discount rate(*)
Hedging derivative financial assets	13,238		

(*) 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 September 30, 2016, are summarized as follows:

(In millions of Korean won)

	Level 1	Level 2	Level 3	Total
Bonds and borrowings	₩ -	-	6,270,712	6,270,712

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 September 30, 2016, are summarized as follows:

(In millions of Korean won)

	Fair value	Valuation method	Significant unobservable input
Bonds and borrowings	₩ 6,270,712	DCF model	Discount rate

25. Risk Management of Financial Instruments, Continued

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

(In millions of Korean won)

	2016			2015		
	Finance income	Finance expense	Other comprehensive income (loss)	Finance income	Finance expense	Other comprehensive income (loss)
Loans and receivables	₩ 168,870	29,123	-	156,433	64,431	-
Financial assets at fair value though profit or loss	50	-	-	63	-	-
Available-for-sale financial assets	7,898	-	(70,136)	154,064	-	(278,244)
Liabilities measured at amortized cost	107,991	144,688	-	4,152	196,892	-
Derivative financial instruments	2,719	44	7,516	588	43,443	(5,496)
	₩ 287,528	173,855	(62,620)	315,300	304,766	(283,740)

For the three months and nine months ended September 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 nine months ended September 30, 2016, are summarized as follows:

(In millions of Korean won)

Relation	Company	Revenues			Expenses		
		Sales	Other	Total	Purchases	Other	Total
Entity with significant influence over the Company	Hyundai Motors Company	₩ 84,008	23,773	107,781	333,104	352,472	685,576
	Hyundai Motor America	1,651,975	-	1,651,975	-	29,393	29,393
	Hyundai Motor Manufacturing Czech, s.r.o.	592,378	4,004	596,382	81,307	732	82,039
	Hyundai Motor Manufacturing Alabama, LLC	8,725	3,742	12,467	546,271	13,940	560,211
	Hyundai Auto Canada Corp.	505,193	-	505,193	-	14,516	14,516
	Hyundai Kefico Corporation	24	12	36	184,560	-	184,560
	Others	34,898	335	35,233	102,141	95,232	197,373
Joint venture and associates	Hyundai Mobis Co., Ltd.	44,424	2,183	46,607	3,160,110	1,357	3,161,467
	Hyundai Powertech Co., Ltd.	2,748	1,858	4,606	268,411	866	269,277
	Hyundai Dymos Inc.	4,558	286	4,844	364,900	64	364,964
	Hyundai Engineering Co., Ltd.	11	140	151	-	122,635	122,635
	Hyundai Steel Company	3,205	92	3,297	76,042	-	76,042
	Hyundai Capital Services Inc.	204,460	97	204,557	182	37,380	37,562
	EUKOR Car Carriers Inc.	-	345	345	-	188,922	188,922
	Donghee Auto Co., Ltd.	55	-	55	105,282	54	105,336
	Hyundai Motor Group China., Ltd.	33,832	-	33,832	-	7,075	7,075
	Dongfeng Yueda Kia Motors Co., Ltd.	308,073	7,824	315,897	-	29	29
	Hyundai Motor Manufacturing Rus LLC	3,632	9,771	13,403	613,371	27	613,398
	Mobis Alabama, LLC	2,364	13,005	15,369	1,711,678	5,770	1,717,448
	Mobis Parts America, LLC	410	-	410	396,578	-	396,578
	Mobis Slovakia s.r.o.	40,957	8,324	49,281	1,291,980	789	1,292,769
	Powertech America, Inc.	-	2,286	2,286	372,199	-	372,199
	Sewon America, Inc.	-	10	10	248,716	2,390	251,106
	Others	9,279	5,644	14,923	1,622,379	284,194	1,906,573
Other related parties		1,094	-	1,094	132	-	132
Affiliates by the Act		89,733	16,270	106,003	3,932,823	682,748	4,615,571

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 nine months ended September 30, 2015, are summarized as follows:

(In millions of Korean won)

Relation	Company	Revenues			Expenses		
		Sales	Other	Total	Purchases	Other	Total
Entity with significant influence over the Company	Hyundai Motors Company	₩ 89,791	17,250	107,041	414,779	322,067	736,846
	Hyundai Motor America	1,498,272	-	1,498,272	-	34,310	34,310
	Hyundai Motor Manufacturing Czech, s.r.o.	508,814	374	509,188	86,976	875	87,851
	Hyundai Motor Manufacturing Alabama, LLC	-	4,969	4,969	501,311	1,240	502,551
	Hyundai Auto Canada Corp.	528,263	-	528,263	-	18,735	18,735
	Hyundai Kefico Corporation	26	8	34	169,428	27	169,455
	Others	24,466	479	24,945	93,144	90,449	183,593
Joint venture and associates	Hyundai Mobis Co., Ltd.	46,274	2,109	48,383	3,236,064	1,612	3,237,676
	Hyundai Powertech Co., Ltd.	1,708	9	1,717	333,069	953	334,022
	Hyundai Dymos Inc.	23	220	243	311,237	196	311,433
	Hyundai Engineering Co., Ltd.	-	110	110	-	104,644	104,644
	Hyundai Steel Company	-	89	89	87,546	-	87,546
	EUKOR Car Carriers Inc.	-	424	424	-	301,151	301,151
	Donghee Auto Co., Ltd.	73	-	73	142,505	48	142,553
	Hyundai Motor Group China., Ltd.	336,609	-	336,609	-	9,341	9,341
	Dongfeng Yueda Kia Motors Co., Ltd.	293,203	13,582	306,785	863	101	964
	Hyundai Motor Manufacturing Rus LLC	3,837	10,151	13,988	551,295	-	551,295
	Mobis Alabama, LLC	2,355	11,138	13,493	1,563,577	7,466	1,571,043
	Mobis Parts America, LLC	38	-	38	341,303	-	341,303
	Mobis Slovakia s.r.o.	25,095	4,795	29,890	986,088	6,041	992,129
	Powertech America, Inc.	18	1,634	1,652	357,062	-	357,062
	Sewon America, Inc.	-	2	2	224,354	9,097	233,451
	Others	37,508	1,777	39,285	881,603	215,634	1,097,237
Other related parties		-	-	-	-	-	-
Affiliates by the Act		358,656	22,582	381,238	4,372,444	653,998	5,026,442

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 September 30, 2016, are summarized as follows:

(In millions of Korean won)

Relation	Company		Receivables			Payables		
			Trade	Other	Total	Trade	Other	Total
Entity with significant influence over the Company	Hyundai Motors Company	₩	28,708	41,502	70,210	146,796	146,747	293,543
	Hyundai Motor America		140,943	-	140,943	-	1,888	1,888
	Hyundai Motor Manufacturing Czech, s.r.o.		66,165	41	66,206	-	482	482
	Hyundai Motor Manufacturing Alabama, LLC		-	5,021	5,021	57,052	279	57,331
	Hyundai Auto Canada Corp.		63,837	-	63,837	-	3,040	3,040
	Hyundai Kefico Corporation		-	6	6	42,049	598	42,647
	Others		5,121	19,791	24,912	9,992	11,504	21,496
Joint venture and associates	Hyundai Mobis Co., Ltd.		2,627	1,108	3,735	834,489	612	835,101
	Hyundai Powertech Co., Ltd.		32	1,537	1,569	55,153	18	55,171
	Hyundai Dymos Inc.		-	2,238	2,238	80,354	1,710	82,064
	Hyundai Engineering Co., Ltd.		-	18	18	-	50,148	50,148
	Hyundai Steel Company		-	151	151	16,521	-	16,521
	Hyundai Capital Services Inc.		17,468	18	17,486	-	4,614	4,614
	EUKOR Car Carriers Inc.		-	11	11	-	14,574	14,574
	Donghee Auto Co., Ltd.		-	-	-	15,673	-	15,673
	Hyundai Motor Group China., Ltd.		44,158	-	44,158	-	719	719
	Dongfeng Yueda Kia Motors Co., Ltd.		32,152	14,544	46,696	-	597	597
	Hyundai Motor Manufacturing Rus LLC		291	4,701	4,992	105,554	-	105,554
	Mobis Alabama, LLC		-	1,302	1,302	180,179	163	180,342
	Mobis Parts America, LLC		73	-	73	43,338	-	43,338
	Mobis Slovakia s.r.o.		-	-	-	172,054	-	172,054
	Powertech America, Inc.		-	200	200	40,121	-	40,121
	Sewon America, Inc.		-	1	1	26,199	-	26,199
	Others		11,134	2,545	13,679	384,773	110,689	495,462
Other related parties			656	-	656	9	-	9
Affiliates by the Act			8,772	17,141	25,913	803,669	111,796	915,465

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, are summarized as follows:

(In millions of Korean 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 ₩650,000 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 that totaled ₩123,762 million as of September 30, 2016.

26. Transactions and Balances with Related Party, Continued

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

(In millions of Korean won)

		2016	2015
Investment in capital for associates and joint venture	₩	24,161	22,639

(d) Executive compensation of the Company for each of the following categories for the nine months ended September 30, 2016 and 2015, is summarized as follows:

(In millions of Korean won)

		2016	2015
Salaries	₩	37,380	37,786
Retirement benefits		11,000	10,031
Total	₩	48,380	47,817