

WOORI BANK
Form 6-K
November 14, 2018
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 6-K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

For the month of November 2018

Woori Bank

(Translation of Registrant's name into English)

51, Sogong-ro, Jung-gu, Seoul, 04632, Korea

(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover of Form 20-F or Form 40-F.

Form 20-F

Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Note: Regulation S-T Rule 101(b)(1) only permits the submission in paper of a Form 6-K if submitted solely to provide an attached annual report to security holders.

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Note: Regulation S-T Rule 101(b)(7) only permits the submission in paper of a Form 6-K if submission to furnish a report or other document that the registration foreign private issuer must furnish and make public under the laws of the jurisdiction in which the registrant is incorporated, domiciled or legally organized (the registrant's home country), or under the rules of the home country exchange on which the registrant's securities are traded, as long as the report or other document is not a press release, is not required to be and has not been distributed to the registrant's security holders, and if discussing a material event, has already been the subject of a Form 6-K submission or other Commission filing on EDGAR.

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Except where indicated otherwise, financial information contained in this document (including the attached financial statements) has been prepared in accordance with the Korean equivalent of International Financial Reporting Standards (Korean IFRS), which differ in certain important respects from generally accepted accounting principles in the United States.

All references to Woori Bank, we, us or the Bank are to Woori Bank and, unless the context requires otherwise, its subsidiaries. In addition, all references to Won or KRW in this document are to the currency of the Republic of Korea.

Table of Contents**I. Introduction of the Bank****1. Overview of the Bank****a. History**

(1) Background: Major developments.

January 30, 1899	Established Daehancheonil Bank (Changed its name to The Commercial Bank of Korea on April 24, 1950)
July 3, 1909	The first bank in Korea to build modernized head office building Gwangtonggwang
March 31, 1915	Became main transaction bank of Gyeongsung (Present: Seoul Metropolitan City)
December 16, 1932	Established Chosun Trust Company (Changed its name to Hanil Bank on January 1, 1960)
March 3, 1956	The first company to be listed in KRX
June 10, 1959	Installed vault for women
November 11, 1968	The first Korean bank to open an overseas branch (Tokyo branch)
January 4, 1999	The Commercial Bank of Korea changed its name to Hanvit Bank after merging with Hanil Bank
March 27, 2001	Became a subsidiary of Woori Finance Holdings Co., Ltd. (Woori Finance Holdings)
December 31, 2001	Merged with the spun off banking division of Peace Bank of Korea
January 31, 2002	Transferred the credit card business of Hanvit Bank to Woori Card
May 20, 2002	Changed its name and C.I. to Woori Bank
July 31, 2003	Merged with Woori Investment Bank
March 31, 2004	Merged with Woori Credit Card
December 1, 2006	Officially launched Woori Global Markets Asia Limited
November 12, 2007	Established a local legal entity in China, Woori Bank China Ltd.
January 9, 2008	Established a local legal entity in Russia, AO Woori Bank
December 16, 2008	Issued 70,000,000 convertible preferred shares (par value KRW 5,000, issue price KRW 10,000)
April 1, 2009	Issued 60,000,000 common shares for increase in capital

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December 15, 2009	Awarded Asian Financial Culture Grand Prize Top Prize in Community Activities
November 29, 2010	Acquired IT service ISO 27001 Certificate
April 25, 2012	Awarded 2012 Top Bank of Korea by the Asian Banker for two consecutive years
September 25, 2012	Woori Brazil Bank began business
November 7, 2012	Awarded Grand Prize for the First Awards for Protection of Financial Consumers in 2012 by the Korea Economic Daily
November 29, 2012	Awarded Presidential Award sponsored by the Financial Supervisory Commission for Anti-Money Laundering
April 1, 2013	Spun off its credit card business
June 27, 2013	Number 1 in Korean Standard-Service Quality Index (KS-SQI) for three consecutive years
October 4, 2013	Selected by National Pension Fund as Top Foreign Exchange Bank
April 24, 2014	Became the First domestic bank to issue Basel III subordinated debt in foreign currency (USD 1 billion)
May 21, 2014	Awarded Korea's Top Bank in Money Management by Asian Banker in 2014
June 30, 2014	Daehancheonil Bank materials designated as the 11th in National Records Designation System
August 1, 2014	The first Korean bank to launch Woori Mobile Passbook, enables to transact without passbook
November 1, 2014	Woori Finance Holdings merged with and into the Bank
November 19, 2014	Re-listed Woori Bank in KRX
February 26, 2015	PT. Bank Woori Saudara Indonesia officially launched
March 31, 2015	Commemoration of the 100 year partnership between Woori Bank and Seoul Metropolitan Government
April 19, 2015	Awarded 2015 Best Cash Management Bank in South Korea and 2015 Best Sub Custodian Bank in South Korea by Asian Banker
May 15, 2015	Opened Incheon International Airport Branch
May 26, 2015	Launched mobile-only bank, WiBee Bank WiBee Bank mobile loan products released

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November 26, 2015	The first Korean bank to reach 200 global networks (Woori Finance Myanma)
January 13, 2016	The first Korean bank to start iris scan ATM service
January 19, 2016	Started debit card service in Bangladesh
February 3, 2016	Lunched WiBee Bank service in Indonesia, Vietnam and Brazil
May 2, 2016	The first Korean bank to open representative office in Iran
July 1, 2016	Launched mobile based WiBee Members
October 31, 2016	Acquired approval to launch subsidiary in Vietnam
November 13, 2016	The FSC announced the KDIC's successful privatization efforts through the sales of a combined 29.7% ownership interest in Woori Bank to seven financial companies
December 8, 2016	Awarded 2016 Bank of the Year in Korea by Bankers
December 27, 2016	Reached 250th global networks
January 5, 2017	The first Korean bank to launch One-touch Notice in foreign languages
January 12, 2017	Selected as the 2016 Best Korean Wealth Management Provider by British magazine World Finance
February 5, 2017	The first Korean bank to Open office in Katowice, Poland
March 22, 2017	The first Korean bank to launch Korean film investment fund Woori Bank-Company K Korean film investment fund
March 28, 2017	Launched SORi, the first voice recognition AI banking service in Korea
June 8, 2017	Awarded Best Transaction Bank and Top Bank in Money Management by Asian Banker
June 21, 2017	Launched overseas remittance service with an Indonesian telecommunications company, the first in the Korean financial sector
June 28, 2017	Received a Presidential Citation for social enterprise fosterage from the Ministry of Employment and Labor, the sole recipient from the Korean financial sector.

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July 12, 2017	Joint declaration to create jobs by management and labor force for the first time in the Korean financial sector
September 8, 2017	Woori Bank Vietnam launched a local credit card in collaboration with Woori Card
October 16, 2017	Selected by National Pension Fund as main transaction bank
November 30, 2017	Awarded 2017 Asia-Pacific Bank of the Year by Bankers
December 22, 2017	Inaugurated the 51st President of the Bank, Tae- Seung Sohn
December 26, 2017	Exceeded 300 global networks
January 15, 2018	Opened sub-branch in Incheon International Airport Passenger Terminal 2
February 1, 2018	Launched comprehensive real-estate information platform, WiBee Homes
May 8, 2018	Implemented new core banking system WINI
June 21, 2018	Acquired a local financial institution in Cambodia, WB Finance (VisionFund Cambodia), expanding global network to 410
July 9, 2018	The first Korean bank to invest in the Impact Investment Fund
August 30, 2018	The first Korean bank to agree with its labor union on an early introduction of the 52-hour workweek

Table of Contents**b. Affiliated Companies**

(1) Overview of Business Group

1. Name of business group: Woori Bank

(2) Affiliated companies within the business group

As of September 30, 2018

Type	Name of Company	Controlling Company
Company	Woori Bank	
	Woori Card (equity ownership 100.0%)	
	Woori Investment Bank (equity ownership 59.83%)	
	Woori FIS (equity ownership 100.0%)	
	Woori Private Equity Asset Management (equity ownership 100.0%)	
	Woori Finance Research Institute (equity ownership 100.0%)	
	Woori Credit Information (equity ownership 100.0%)	
	Woori Fund Services (equity ownership 100.0%)	
First Tier Subsidiaries	Korea BTL Infrastructure Fund (equity ownership 99.87%)	
	Woori America Bank (equity ownership 100.0%)	Woori Bank
(19 companies)	PT. Bank Woori Saudara Indonesia (equity ownership 79.88%)	
	AO Woori Bank (equity ownership 100.0% - 1 share)	
	Woori Bank China Limited (equity ownership 100.0%)	
	Woori Bank Brasil (equity ownership 100.0% - 1 share)	
	Woori Finance Cambodia (equity ownership 100.0%)	
	WB Finance (Cambodia) (equity ownership 100.0%)	
	Woori Finance Myanmar (equity ownership 100.0%)	
	Woori Wealth Bank Philippines (equity ownership 51%)	
	Woori Bank Vietnam (equity ownership 100.0%)	
	Woori Global Markets Asia Ltd. (equity ownership 100.0%)	
Second Tier Subsidiaries	TUTU Finance-WCI Myanmar (equity ownership 100.0%)	Woori Card
(1 company)		
Other Subsidiaries	Woori-Hanwha Eureka Private Equity Fund (equity ownership 0.80%) Note1)	Woori Private Equity Asset Management
(1 company)		

* Listed Companies : Woori Bank, Woori Investment Bank and PT. Bank Woori Saudara Indonesia

Note 1) Established on August 1, 2018, Woori-Hanwha Eureka Private Equity Fund merged with Woori Private Equity Asset Management as Co-GP. It is not a consolidated subsidiary (equity ownership 0.8%).

2. Capital Structure (Changes in Capital)

As of September 30, 2018

(units: Won, shares)

Date	Category	Type	Quantity	Stock Decrease/Increase		Note
				Par Value	Issue price	
4.1.2013	Capital reduction with compensation	Common	153,797,130	5,000	5,000	Capital reduction due to spin off of credit card business
4.1.2013	Capital reduction with compensation	Preferred	15,469,070	5,000	10,000	Capital reduction due to spin off of credit card business
6.5.2013	Exercise of conversion rights	Common	54,530,930	5,000	10,000	Reduction of preferred shares due to exercise of rights to convert convertible preferred shares
6.5.2013	Exercise of conversion rights	Preferred	54,530,930	5,000	10,000	Increase in common shares due to exercise of rights to convert convertible preferred shares
11.3.2014		Common	596,690,380	5,000	5,000	Capital reduction due to the merger with Woori Finance Holdings
11.3.2014		Common	676,278,371	5,000	5,000	Increase in common shares (new issuance of shares) due to the merger with Woori Finance Holdings
10.2.2015		Common	278,371	5,000		Retirement of shares *

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- * Upon consummation of the merger with Woori Finance Holdings, 596,690,380 shares of the Bank were cancelled and 676,278,371 shares were newly issued according to the merger ratio.
- * On October 2, 2015, 278,371 shares were retired and the total number of shares issued changed to 676,000,000 shares. There was no decrease to Woori Bank's capital as the number of outstanding shares remains the same. [Related Disclosure : Report on Form 6-K submitted by Woori Bank on September 11, 2015, entitled "Resolution Relating to Retirement of Shares"]

Table of Contents**3. Total Number of Authorized Shares**

As of September 30, 2018

Items	(unit: shares)	
	Common Shares	Total
Total number of shares authorized	5,000,000,000	5,000,000,000
Total number of shares issued to date	676,000,000	676,000,000
Number of treasury shares	2,728,774	2,728,774
Number of outstanding shares	673,271,226	673,271,226

- * Upon consummation of the merger with Woori Finance Holdings, 596,690,380 shares of the Bank were cancelled and 676,278,371 shares were newly issued according to the merger ratio.
- * On September 30, 2015 Woori Bank terminated its trust agreement and acquired 2,913,155 treasury shares which were deposited into Woori Bank's treasury share account and 278,371 of such acquired shares were retired. [Related Disclosure : Report on Form 6-K submitted by Woori Bank on September 11, 2015, entitled "Resolution Relating to Retirement of Shares"]

4. Voting Rights

As of December 31, 2017

Items	(unit: shares)		
	Common Shares	Preferred Shares	Notes
Total number of shares issued	676,000,000		
Number of shares without voting rights	2,728,774		Note 1)
Number of shares for which voting rights are excluded pursuant to the articles of incorporation			
Number of shares for which voting rights are limited by law	17,454,546		Note 2)
Number of shares for which voting rights have been restored			
Number of shares for which voting rights may be exercised	655,816,680		

Note 1) The shares without voting rights are treasury shares. Please see I. Introduction of the Bank - 3. Total Number of Authorized Shares.

Note 2) Pursuant to Article 16-2(2) of the Banking Act, a non-financial business operator is restricted from exercising voting rights in excess of 4% of the total number of outstanding voting shares of a bank.

5. Dividend Information

Items	3Q 2018	2017	2016
Par value per share (Won)	5,000	5,000	5,000
Net profit (Millions of Won)	1,903,406	1,512,148	1,261,266
Earnings per share (Won)	2,661	1,999	1,567
Total cash dividends (Millions of Won)		403,963	269,308
Total stock dividends (Millions of Won)			
Cash dividend payout ratio (%)		26.71	21.35
Cash dividend yield (%)	Common Shares	3.70	3.01
	Preferred Shares		
Stock dividend yield (%)	Common Shares		
	Preferred Shares		
Cash dividend per share (Won)	Common Shares	600	400
	Preferred Shares		
Stock dividend per share (Won)	Common Shares		
	Preferred Shares		

* Based on K-IFRS consolidated financial statements

* 2017 figures include interim dividends (KRW 100)

Table of Contents**II. Business Overview****1. Results of Operations**

As of September 30, 2018

Type	(unit: 100 millions of Won)			
	3Q 2018	3Q 2017	2017	2016
Operating income	25,736	18,019	21,567	15,742
Non-operating income	1,340	1,766	1,679	1,690
Non-operating expenses	802	1,770	3,751	1,898
Ordinary profits	26,274	18,016	19,495	15,534
Income from continuing operations before income tax	26,273	18,016	19,495	15,534
Income tax expense from continuing operations	7,065	4,091	4,194	2,759
Income from discontinued operations				
Net income	19,209	13,924	15,301	12,775

* Based on K- IFRS consolidated financial statements

2. Business Performance by Operation**a. Deposit Services**

As of September 30, 2018

Type	(unit: millions of Won)			
	3Q 2018	2017	2016	
Deposits received in local currency	Demand deposits	8,617,162	9,349,070	9,491,680
	Fixed deposits	197,913,077	194,289,437	183,723,169
	Mutual funds	31,475	34,055	37,128
	Subtotal	206,561,714	203,672,562	193,251,977
Deposits received in foreign currencies	22,933,453	23,682,755	21,452,943	
CDs	4,574,411	4,399,817	3,808,856	
Money trusts	1,401,241	1,401,841	1,360,176	
Other deposits received	1,888,240	1,538,110	1,146,459	
Total	237,359,059	234,695,084	221,020,411	

* Based on K- IFRS consolidated financial statements

Table of Contents**b. Loan Services**

(a) Balances of Loans by Type
As of September 30, 2018

Type	(unit: millions of Won)		
	3Q 2018	2017	2016
Loans in local currency	206,709,475	200,213,230	191,309,481
Loans in foreign currencies	18,004,517	15,664,794	17,855,868
Guarantee payments	16,027	23,620	25,197
Total	224,730,019	215,901,645	209,190,547

* Based on K- IFRS consolidated financial statements

* Loans in foreign currencies includes domestic bank's letter of credit (usance)

(b) Balances of Loans by Maturity
As of September 30, 2018

Type	(unit: millions of Won)				Total
	1 year or under	Over 1 year ~ 3 years or under	Over 3 years ~ 5 years or under	Over 5 years	
Loans in local currency	103,027,473	41,125,995	9,683,431	50,739,944	204,576,843
Loans in foreign currencies	7,841,628	2,061,229	905,329	911,521	11,719,707

* Based on K- IFRS separate financial statements

c. Guarantees

As of September 30, 2018

Type	(unit: millions of Won)		
	3Q 2018	2017	2016
Confirmed guarantees	6,685,631	6,875,021	8,270,187
Unconfirmed guarantees	4,583,683	4,526,593	5,101,701
Commercial paper purchase commitments and others	1,206,156	1,458,101	1,389,896

* Based on K- IFRS consolidated financial statements

d. Trust Business

As of September 30, 2018

Type	(unit: millions of Won)					
	3Q 2018		2017		2016	
	Trust Funds	Trust Fees	Trust Funds	Trust Fees	Trust Funds	Trust Fees
Money trust	36,008,011	145,549	30,131,764	139,025	26,019,180	73,814
Property trust	13,983,329	3,627	12,942,930	4,507	12,714,338	4,803
Total	49,991,340	149,176	43,074,694	143,532	38,733,518	78,617

* Trust funds indicate average balances.

Table of Contents**3. Funding Sources and Use of Funds****a. Sources of Funds**

[Bank Accounts]

		3Q 2018			2017			(unit: millions of Won, %)		
Classification	Funding Source	Average	Interest	Proportion	Average	Interest	Proportion	2016		
		Balance	Rate		Balance	Rate		Average	Interest	Proportion
Local currency funds	Deposits received in local currency	195,719,247	1.39	66.75	187,332,008	1.26	66.02	183,440,285	1.38	65.35
	Certificates of deposit	4,758,507	1.89	1.62	4,500,100	1.66	1.59	3,466,223	1.70	1.23
	Borrowings in local currency	6,511,701	1.46	2.22	6,213,903	1.32	2.19	6,709,080	1.45	2.39
	Call money in local currency	192,702	1.49	0.07	1,254,623	1.23	0.44	1,159,188	1.32	0.41
	Others	20,924,929	2.36	7.14	20,168,307	2.29	7.11	18,532,241	2.60	6.60
	Subtotal	228,107,086	1.49	77.80	219,468,941	1.37	77.34	213,307,017	1.50	75.98
Foreign currency funds	Deposits received in foreign currencies	15,220,677	0.80	5.19	14,338,927	0.51	5.05	14,838,684	0.47	5.29
	Borrowings in foreign currencies	6,281,571	2.05	2.14	7,267,096	1.38	2.56	8,595,575	0.86	3.06
	Call money in foreign currencies	706,911	1.68	0.24	980,001	1.14	0.35	1,401,294	0.70	0.50
	Debentures in foreign currencies	3,703,085	3.87	1.26	3,649,805	3.11	1.29	3,950,614	2.54	1.41
	Others	683,090	0.38	0.23	574,786	0.14	0.20	531,877	0.29	0.19
	Subtotal	26,595,334	1.54	9.07	26,810,615	1.12	9.45	29,318,044	0.87	10.44
Others	Total capital	20,507,242		6.99	20,134,843		7.10	19,617,484		6.99
	Provisions	437,546		0.15	351,750		0.12	412,553		0.15

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Others	17,567,720	5.99	16,993,430	5.99	18,070,427	6.44			
Subtotal	38,512,508	13.13	37,480,023	13.21	38,100,463	13.57			
Total	293,214,928	1.30	100.00	283,759,580	1.16	100.00	280,725,524	1.23	100.00

* Based on K-IFRS separate financial statements
[Trust Accounts]

Category	Funding Source	3Q 2018			2017			(unit: millions of Won, 2016)		
		Average Balance	Interest Rate	Share	Average Balance	Interest Rate	Share	Average Balance	Interest Rate	Share
t	Money trusts	36,008,011	1.77	71.85	30,131,764	1.70	69.76	26,019,180	1.52	66
	Borrowings	0	0.00	0.00	0	0.00	0.00	0	0.00	0
	Subtotal	36,008,011	1.77	71.85	30,131,764	1.70	69.76	26,019,180	1.52	66
-cost	Property trusts	13,983,329		27.90	12,942,930		29.97	12,714,338		32
	Special reserves	39,845		0.08	39,082		0.09	38,160		0
	Other	85,839		0.17	76,821		0.18	72,810		0
	Subtotal	14,109,013		28.15	13,058,833		30.24	12,825,308		33

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See accompanying notes to condensed consolidated financial statements.

GENTEX CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)
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(1) Basis of Presentation

The unaudited condensed consolidated financial statements included herein have been prepared by the Company, pursuant to the rules and regulations of the Securities and Exchange Commission. Certain information and footnote disclosures normally included in financial statements prepared in accordance with accounting principles generally accepted in the United States have been condensed or omitted pursuant to such rules and regulations, although the Company believes that the disclosures are adequate to make the information presented not misleading. It is suggested that these unaudited condensed consolidated financial statements be read in conjunction with the financial statements and notes thereto included in the Company's 2016 annual report on Form 10-K. In the opinion of management, the accompanying unaudited condensed consolidated financial statements contain all adjustments, consisting of only a normal and recurring nature, necessary to present fairly the financial position of the Company as of June 30, 2017, and the results of operations and cash flows for the interim periods presented.

(2) Adoption of New Accounting Standards

In May 2014, the Financial Accounting Standards Board (FASB) issued the Accounting Standards Update (ASU) No. 2014-09, Revenue from Contracts with Customers (Topic 606), that will supersede nearly all existing revenue recognition guidance under US GAAP. The core principle of the guidance is that an entity should recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. The standard was originally to be effective for public entities for annual and interim periods beginning after December 15, 2016. On July 9, 2015, the FASB decided to defer by one year the effective dates of the new standard for both public and nonpublic entities reporting under US GAAP. Early adoption would be permitted for all entities, but not before the original public entity effective date (i.e. annual and interim periods beginning after December 15, 2016).

The Company will adopt ASU 2014-09 in the first quarter of 2018 and apply the modified retrospective approach. Under this method, the Company will recognize the cumulative effect of initially applying the new standard as an adjustment to the opening balance of retained earnings at the date of initial application. The new revenue standard will be applied to contracts that are in progress at the date of initial application.

The Company is currently evaluating the impact of this standard on its operations, consolidated financial statements and footnote disclosures. The assessment phase of this evaluation has included the identification of the key revenue streams and the comparison of historical accounting policies and practices to the requirements of the new standard by revenue stream. The implementation team has also made substantial progress in the contract review phase of this evaluation, which includes identifying the population of contracts for a deeper analysis of the potential accounting impact due to the new standard for individual contracts. As a result, the Company expects to continue recognizing revenue at a particular point in time for the majority of our contracts with customers, which is generally when products are either shipped or delivered. The new standard may also impact how the Company accounts for pre-production activities, such as customer funded tooling and engineering design and development cost recoveries. Additionally, the Company anticipates testing the new controls and processes designed to comply with the standard in 2017 to permit the Company's adoption on January 1, 2018.

In February 2016, the FASB issued ASU 2016-02, Leases, which provides guidance for lease accounting. The new guidance contained in the ASU stipulates that lessees will need to recognize a right-of-use asset and a lease liability for substantially all leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. Treatment in the consolidated statements of earnings will be similar to the current treatment of operating and capital leases. The new guidance is effective on a modified retrospective basis for the Company in the first quarter of its fiscal year ending December 31, 2019. The Company is currently in the process of evaluating the impact of adoption of this standard on its consolidated financial statements. Upon adoption, the Company does not anticipate a material impact on the Company's Consolidated Financial Statements.

GENTEX CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

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(2) Adoption of New Accounting Standards (continued)

In March 2016, the FASB issued ASU 2016-09, Improvements to Employee Share-Based Payment Accounting, which amends Accounting Standards Codification ("ASC") Topic 718, Compensation - Stock Compensation. ASU 2016-09 simplifies several aspects of the accounting for share-based payment transactions, including the income tax consequences, classification of awards as either equity or liabilities, and classification on the statement of cash flows.

Under previous guidance, excess tax benefits and deficiencies from stock-based compensation arrangements were recorded in equity when the awards vested or were settled. ASU 2016-09 requires prospective recognition of excess tax benefits and deficiencies in the income statement as a component of the income tax provision. In addition, under ASU 2016-09, excess income tax benefits from stock-based compensation arrangements are classified as cash flow from operations, rather than as cash flow from financing activities. ASU 2016-09 also allows for the Company to make an entity-wide accounting policy election to either estimate the number of awards that are expected to vest or account for forfeitures when they occur. The Company will continue to apply its existing entity-wide policy to estimate the number of awards expected to be forfeited.

Impact to Consolidated Statements of Income

One of the more significant impacts of adopting ASU 2016-09 is the required change in how the Company recognizes the excess tax benefits or deficiencies related to share-based compensation. For example, prior to adopting ASU 2016-09 such benefits and deficiencies were credited or charged, respectively, to additional paid-in capital in the Company's Consolidated Balance Sheets. Under ASU 2016-09, these benefits and deficiencies are recognized as a discrete tax benefit or discrete tax expense, in the Company's Consolidated Statements of Income. For the three and six months ended June 30, 2017, the Company recognized a discrete tax benefit of \$0.2 million and \$2.0 million respectively, related to net tax benefits from share-based compensation. ASU 2016-09 requires companies to adopt the amendment related to accounting for benefits and deficiencies on a prospective basis only. As a result, no change has been made to the Consolidated Statements of Income for the three and six months ended June 30, 2016 related to the \$0.3 million of net tax benefit and \$0.1 million of net tax expense the Company recognized as additional paid-in capital during each respective period. Net tax benefit of \$0.3 million and net tax expense of \$0.1 million recognized as additional paid-in-capital during the three and six months ended June 30, 2016 includes gross tax benefits of \$0.8 million net of \$0.5 million tax expense for the three months ended June 30, 2016, and gross tax benefits of \$1.0 million net of \$1.1 million tax expense for the six months ended June 30, 2016. In consideration of the impact of the adoption of this standard to earnings per share, the total impact of adoption of this standard to the earnings per share calculation was less than \$.01 for each of the three and six month periods ending June 30, 2017.

Impact to Consolidated Statements of Cash Flows

In addition to the income tax consequences described above, under ASU 2016-09 all tax benefits related to share-based payments are reported as cash flows from operating activities along with all other income tax cash flows.

Previously, tax benefits from share-based payment arrangements were reported as cash flows from financing activities. With respect to the classification of tax benefits on the statement of cash flows, ASU 2016-09 allows companies to elect either a prospective or retrospective application. The Company has elected to apply this classification amendment retrospectively. As a result, the Company elected to reclassify \$1.7 million of tax expense previously reported as cash flows from financing activities on the Company's Consolidated Statement of Cash Flows for the six months ended June 30, 2016 as cash flows from operating activities.

In August 2016, the FASB issued ASU No. 2016-15, Statement of Cash Flows, which updates the guidance as to how certain cash receipts and cash payments should be presented and classified within the statement of cash flows. The update is intended to reduce the existing diversity in practice. The amended guidance is effective for fiscal years, and

interim periods within those years, beginning after December 15, 2017, with early adoption permitted, including adoption in an interim period. The Company is in the process of assessing the potential effect the new standard will have on its consolidated financial statements.

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(3) Goodwill and Other Intangible Assets

Goodwill represents the cost of an acquisition in excess of the fair values assigned to identifiable net assets acquired. The Company recorded Goodwill of \$307.4 million as part of the HomeLink® acquisition. The carrying value of Goodwill as of December 31, 2016 and June 30, 2017 was \$307.4 million.

In addition to annual impairment testing, which is performed as of the first day of the fourth quarter, the Company continuously monitors for events and circumstances that could negatively impact the key assumptions in determining fair value thus resulting in the need for interim impairment testing, including long-term revenue growth projections, profitability, discount rates, recent market valuations from transactions by comparable companies, volatility in the Company's market capitalization, and general industry, market and macroeconomic conditions. No such events or circumstances in the most recently completed quarter indicated the need for interim impairment testing.

The patents and intangible assets and related change in carrying values are set forth in the tables below:

As of June 30, 2017:

Other Intangible Assets	Gross	Accumulated Amortization	Net	Assumed Useful Life
Gentex Patents	\$33,939,953	\$(17,473,999)	\$16,465,954	various
Other Intangible Assets				
HomeLink® Trade Names and Trademarks	\$52,000,000	\$—	\$52,000,000	Indefinite
HomeLink® Technology	180,000,000	(56,250,000)	123,750,000	12 years
Existing Customer Platforms	43,000,000	(16,125,000)	26,875,000	10 years
Exclusive Licensing Agreement	96,000,000	—	96,000,000	Indefinite
Total Other Intangible Assets	\$371,000,000	\$(72,375,000)	\$298,625,000	
Total Patents & Other Intangible Assets	\$404,939,953	\$(89,848,999)	\$315,090,954	

As of December 31, 2016:

Other Intangible Assets	Gross	Accumulated Amortization	Net	Assumed Useful Life
Gentex Patents	\$33,002,468	\$(16,481,728)	\$16,520,740	various
Other Intangible Assets				
HomeLink® Trade Names and Trademarks	\$52,000,000	\$—	\$52,000,000	Indefinite
HomeLink® Technology	180,000,000	(48,750,000)	\$131,250,000	12 years
Existing Customer Platforms	43,000,000	(13,975,000)	\$29,025,000	10 years
Exclusive Licensing Agreement	96,000,000	—	\$96,000,000	Indefinite
Total other identifiable intangible assets	\$371,000,000	\$(62,725,000)	\$308,275,000	

Total Patents & Other Intangible Assets \$404,002,468 \$(79,206,728) \$324,795,740

Amortization expense on patents and intangible assets was approximately \$5.7 million and \$11.3 million, respectively, during the three and six month periods ended June 30, 2017, compared to approximately \$5.6 million and \$11.1 million, respectively, for the same periods ended June 30, 2016.

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(3) Goodwill and Other Intangible Assets (continued)

Excluding the impact of any future acquisitions, the Company continues to estimate amortization expense for each of the years ended December 31, 2017, 2018, 2019, 2020 and 2021 to be approximately \$22 million annually.

(4) Investments

The Company follows the provisions of ASC 820, “Fair Value Measurements and Disclosures” for its financial assets and liabilities, and for its non-financial assets and liabilities subject to fair value measurements. ASC 820 provides a framework for measuring the fair value of assets and liabilities. This framework is intended to provide increased consistency in how fair value determinations are made under various existing accounting standards that permit, or in some cases, require estimates of fair-market value. This standard also expanded financial statement disclosure requirements about a company’s use of fair-value measurements, including the effect of such measure on earnings. The cost of securities sold is based on the specific identification method.

The Company’s common stocks and certain mutual funds are classified as available for sale and are stated at fair value based on quoted market prices, and as such are classified as Level 1 assets. The Company determines the fair value of its government securities, corporate bonds, and certain mutual funds by utilizing monthly valuation statements that are provided by its broker. The broker determines the investment valuation by utilizing the bid price in the market and also refers to third party sources to validate valuations, and as such are classified as Level 2 assets.

The Company's certificates of deposit have remaining maturities of less than one year and are classified as available for sale, and are considered as Level 1 assets. These investments are carried at cost, which approximates fair value.

Assets or liabilities that have recurring fair value measurements are shown below as of June 30, 2017, and

December 31, 2016:

As of June 30, 2017:

Fair Value Measurements at Reporting Date Using

Description	Total as of June 30, 2017	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash & Cash Equivalents	\$580,579,352	\$ 580,579,352	\$ —	\$ —
Short-Term Investments:				
Certificate of Deposit	130,000,000	130,000,000	—	—
Corporate Bonds	10,757,288	—	10,757,288	—
Government Securities	17,028,600	—	17,028,600	—
Mutual Funds	26,525,181	—	26,525,181	—
Other	242,173	242,173	—	—
Long-Term Investments:				
Corporate Bonds	3,038,550	—	3,038,550	—
Common Stocks	13,819,854	13,819,854	—	—
Mutual Funds – Equity	31,615,311	31,615,311	—	—
Preferred Stock	786,666	786,666	—	\$ —
Total	\$814,392,975	\$ 757,043,356	\$ 57,349,619	\$ —

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(4) Investments (continued)

As of December 31, 2016:

Fair Value Measurements at Reporting Date Using

Description	Total as of December 31, 2016	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash & Cash Equivalents	\$546,477,075	\$ 546,477,075		