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Ref. DK: IASB

Ref. BdB: BI.01

Prepared by Wu/Gk/To

Exposure Draft ED/2015/11: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Proposed amendments to IFRS 4

4 February 2016

Dear Mr Hoogervorst,

Thank you for the opportunity to comment on the IASB's exposure draft ED/2015/11: Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts - Proposed amendments to IFRS 4.

Given the concerns – voiced above all by the insurance industry – about the different effective dates of IFRS 9 and IFRS 4, we welcome the IASB's efforts to find a suitable solution for all affected parties.

We consider the two optional approaches outlined in the exposure draft (overlay and deferral approach) a good basis for accommodating the concerns of the insurance industry. We nevertheless feel that a few of the IASB's proposals and definitions, such as the predominance criterion in the deferral approach, need to be spelled out in more detail resp. slightly different to ensure that they are well understood and interpreted consistently worldwide. The predominance criterion as defined in the Exposure Draft, i.e. at reporting entity level, is too restrictive so that financial conglomerates including insurance companies will not qualify for applying the deferral approach. Therefore, we suggest granting the deferral of IFRS 9 for insurers at legal entity level, which has already been proposed by EFRAG.

It is true that the use of either option, especially the deferral approach, will lead to a temporary reduction in the comparability of financial statements. We believe this is an acceptable trade-off, however, particularly in view of the proposed disclosure requirements.

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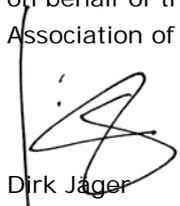
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In addition, we support retaining the 1 January 2018 as the effective date for the initial application of IFRS 9 by all other entities.

Yours sincerely,
on behalf of the German Banking Industry Committee,
Association of German Banks



Dirk Jäger
Member of the Management Board



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