

via mail

The International Integrated Reporting
Council (IIRC)

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Discussion paper „Towards Integrated Reporting – Communicating Value in the 21st Century“

Dear Sir or Madam

We welcome the possibility to comment the discussion paper mentioned above and are pleased to use this opportunity. The Association of German Public Banks – Bundesverband Öffentlicher Banken Deutschlands, VÖB – is a leading industry association in the German banking industry. It represents 62 member institutions including the regional banks (Landesbanken) as well as the development banks owned by the federal and state governments. As of the end of 2010, the total assets of all VÖB member banks amounted to 2,031.6 billion euros. The market share of the VÖB member banks was thus 26 percent, as measured by the total assets of the entire German banking industry. The VÖB banks employ roundabout 80,000 persons.

We are watching the development over the last years in particular with regard to the reporting of non-financial aspects with great interest.

The requirements as far as content and thematic adjustments are concerned exceed the present requirements for reporting. Even if the single reports individually may fulfill the needs of information of the stakeholder in each case, they lead in their sum to a clearly risen expenditure on both sides, the preparer as well as the users of information. In this respect we consider the subject "Integrated Reporting" as one of the future challenges in the external enterprise communication. In this context we understand "Integrated Reporting" not only as an uniform reporting, but also as between legislators and standard setters coordinated enterprise reporting.

At the same time the discussion about an integration of non-financial issues in cohesive reporting as well as "Integrated Reporting" is still at the early stages. Accordingly, from our point of view, a consistent understanding does not exist yet about the variety and extensiveness particularly of the comprehension of non-financial issues in a comprehensive and adequate enterprise reporting. In this respect we regard the discussion considerations the IIRC as very important for the further development of the enterprise reporting of the 21st century. Based on the interrelations between financial and non-financial aspects of the enterprise activity to our understanding requires a compelling understanding about contents and arrangement of the single financial and non-financial report components should to be developed.

In this respect we welcome the approach of the IIRC to reduce the scope of the disclosure with integrated reports on the really decisive-essential aspects. However it is not clear to us how contents would be reduced. Moreover the IIRC presents no proposal. Nevertheless the idea of limiting the scope of report to the essential, really decision-relevant information is of high importance for us. Insofar we are afraid an excessive demand of preparers, investors and other Stakeholder by a pure addition of up to now separate reports. Rather existing and proven report formats which – as for example the German Management Report (Lagebericht) which contains amongst other information about the strategically focus and non-financial aspects – already today contain a variety of information mentioned in the discussion paper, should be developed further.

In addition, we would like to point out that the European Commission plans a legislative proposal of Corporate Social Responsibility and non-financial information in 2012. Against the background of existing and planned legislative and regulatory initiatives we view the proposal presented in the discussion critically despite its forward-looking orientation.

In summary we express emphatically to consider the aspects layed out by us in the further discussion about an integrated reporting. In addition, it is highly important for us to emphasize that an Integrated Reporting does not become obligatory. This voluntary reporting could be done either on the internet or in separate reports. All in all integrated reporting exceeding current requirements should be published on an explicitly voluntary basis only, regardless of size and capital market orientation of the enterprises.

If you have any further queries, please don't hesitate to contact us. We would welcome further discussions with you.

Yours sincerely
Bundesverband Öffentlicher Banken Deutschlands



(Lothar Jerzembek)



(Marcel Rosteck)