

## Examination Areas of Emphasis 2012

(Berlin, 20 October 2011)

1. Accounting for financial instruments affected by the sovereign debt crisis – IAS 39, IFRS 7, section 315 (1) HGB (German Commercial Code)
  - Reasonableness of determination of fair value, in particular the assessment as to whether an active market exists
  - Transparent and appropriate disclosures in (consolidated) notes and (group) management report
  - Supporting documentation
2. Report on opportunities and risks in (group) management report – sections 289 (1) sentence 4, 315 (1) sentence 5 HGB
  - Impact of agreed upon financial covenants (GAS 5.10 and GAS 15.62)
  - Complete and accurate presentation of significant risks in accordance with GAS 5.10
  - Quantification of risks in accordance with GAS 5.20
  - Presentation of significant factors impacting future development (GAS 15.83 et seq.)
3. Impairments of assets including goodwill - IAS 36
  - Reasonableness of valuation assumptions made in determining recoverable amount including discount rate (IAS 36.25 et seq. and IAS 36.30 et seq.), allocation (identification) of cash-generating units (IAS 36.80) and supporting documentation
  - Discussion of key assumptions in accordance with IAS 36.134d and 134e and disclosures on sensitivities in accordance with IAS 36.134f
4. Business combinations - IFRS 3, IAS 27
  - Evidence that the acquiree constitutes a business as discussed in IFRS 3.3, IFRS 3 Appendix A
  - Purchase price allocation, e.g.
    - o Identification and measurement of operating leases and intangible assets (IFRS 3 Appendix B28-B40)
    - o Note disclosures required by IFRS 3 Appendix B64-B66
  - Bargain purchases (IFRS 3.34-36)
  - Contingent consideration and subsequent adjustments to the purchase price (IFRS 3.58)
  - Business combination achieved in stages (IFRS 3.41 et seq.)
  - Loss of control (IAS 27.32 et seq.)
5. Measurement of investment properties accounted for at fair value – IAS 40
  - Discussion of valuation method and underlying assumptions (IAS 40.75d)
  - Reasonableness of valuation assumptions used in the calculation of fair value (IAS 40.40 and IAS 40.46c)
  - Supporting documentation