

Committee of European
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**Comments from the Association of German Public Sector Banks (VÖB) to the
Draft CESR-Statement: Fair Value Measurement and related Disclosures of
Financial Instruments in illiquid Markets**

Dear Sir or Madam

We are very grateful for the opportunity to comment on the Draft CESR-
Statement: *Fair Value Measurement and related Disclosures of Financial In-
struments in illiquid Markets*.

The Association of German Public Sector 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 2007, the total assets of all VÖB
member institutes amounted to 2,047 billion euros. The market share of the
VÖB member banks was thus 27 percent, as measured by the total assets of
the entire German banking industry. The VÖB banks employ 87,551 persons.

We would like to make the following remarks.

We query whether a CESR-Statement on the topic of fair valuation and the
corresponding disclosures is adequate. The statement represents in actual fact
an interpretation of the standards of the International Accounting Standards
Board (IASB) and published by a supranational organisation which stands for a
certain region or continent it might reduce worldwide comparability of finan-
cial reports. Therefore we would like to point out that the interpretation of

International Financial Reporting Standards (IFRS) should remain the task of the International Financial Reporting Interpretations Committee (IFRIC). Nevertheless, we appreciate a close contact between CESR und IFRIC that results in a single interpretation.

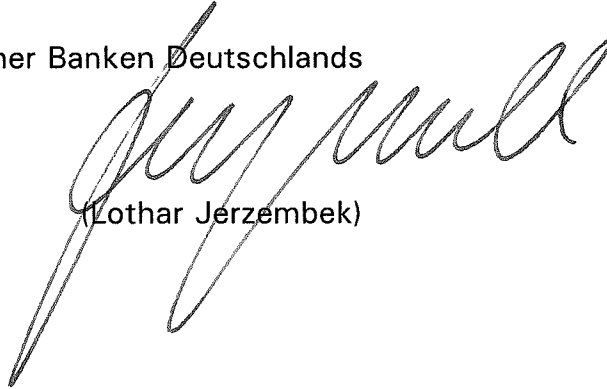
If you should have any further questions please do not hesitate to contact us.

Yours sincerely

Bundesverband Öffentlicher Banken Deutschlands

A handwritten signature in cursive script, appearing to read 'Boos'.

(Karl-Heinz Boos)

A large, stylized handwritten signature in cursive script, appearing to read 'Jerzembek'.

(Lothar Jerzembek)