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Standard Business Reporting Seminar

Brussels, Belgium

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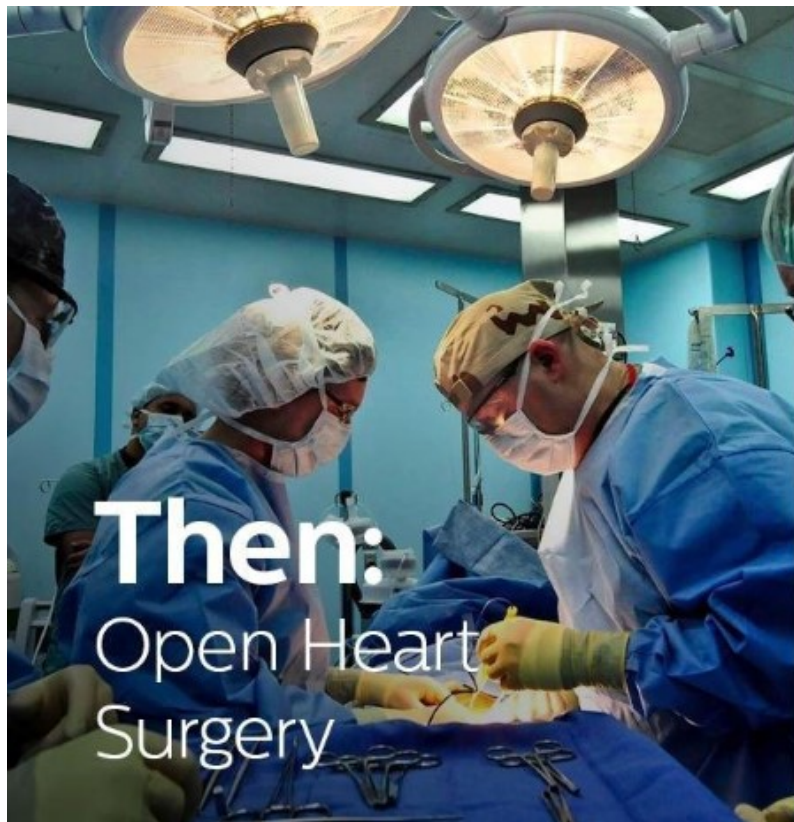# Agenda

1. Introduction

2. Philips experience with (i)XBRL

3. Philips recommendations to the European and Dutch regulators

4. Q&A

Introduction

Philips experience with (i)XBRL

The Daily News

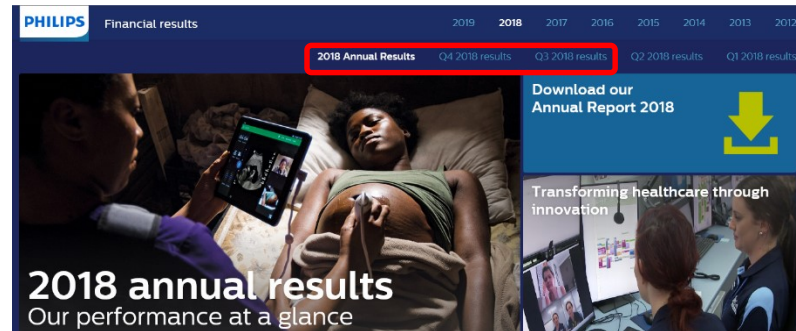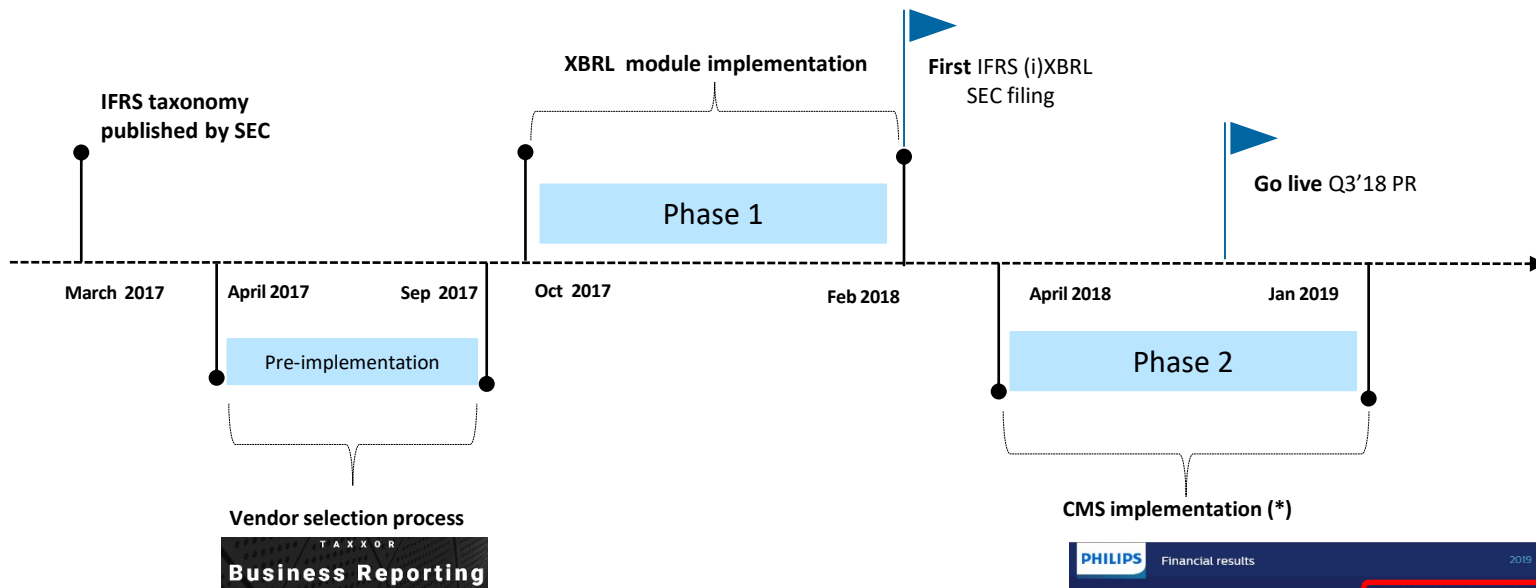## SEC Posts Notice of Availability of IFRS Taxonomy

The Securities and Exchange Commission today published a taxonomy on its website so that foreign private issuers that prepare their financial statements in accordance with International Financial Reporting Standards (IFRS) may submit those reports using XBRL. XBRL is a machine readable data format that allows investors and other data users to more easily access, analyze and compare financial information across reporting periods and across companies.

Foreign private issuers that prepare their financial statements in accordance with IFRS as issued by the IASB may begin immediately to submit their financial statements in XBRL. Otherwise, all such foreign private issuers must submit their financial statements in XBRL for fiscal periods ending on or after December 15, 2017.

In 2009, the Commission adopted requirements for structuring certain foreign private issuer financial statements in XBRL once an IFRS taxonomy was specified on the Commission's website, SEC.gov.

Our XBRL journey

XBRL module implementation

First IFRS (i)XBRL
SEC filing

**IFRS taxonomy
published by SEC**

Phase 1

Go live Q3'18 PR

| March 2017 | April 2017 | Sep 2017 | Oct 2017 | Feb 2018 | April 2018 | Jan 2019 |

Pre-implementation

Phase 2

Vendor selection process

TAXXOR
Business Reporting

CMS implementation (*)

PHILIPS Financial results   2019 **2018** 2017 2016 2015 2014 2013 2012

2018 Annual Results   Q4 2018 results   Q3 2018 results   Q2 2018 results   Q1 2018 results

Download our
Annual Report 2018

Transforming healthcare through
innovation

2018 annual results
Our performance at a glance

(*) remaining modules and XBRL module integration

Zoom in **XBRL implementation**

1. Philips responsibility to **prepare** and **review** XBRL reporting supported by Taxxor XBRL knowledge
2. Involving both **notes/content owners** and **technical accounting** (TAO) in the preparation and review process
3. Process started well **in advance** to secure required time to initially prepare and review XBRL

Time (*)	Philips	Taxxor	Total
Hours	590	209	798
Days	74	26	100
Weeks	15	5	20

Scope: block and detail tagging

20% statement tagging
80% notes tagging

4. Opting for **(i)XBRL** yet having traditional XBRL as a back-up solution

(*) Year 1 tagging

Pros and **cons** of XBRL reporting for Philips

Pros

1. Being more in control of the way the data is provided to data aggregators eliminating manual data processing

2. Re-thinking the external reporting process.

3. Re-thinking presentation of certain data

4. Data validation

Cons

1. Additional work & implementation costs

2. Using the taxonomy can be time-consuming

3. SEC EDGAR portal technical issues

4. 'Black hole' - no visibility on XBRL usage by data aggregators

Philips recommendations to the European and Dutch regulators

Recommendations

1. **One set** of XBRL taxonomy for both SEC and ESMA filing or a formal cross-reference table so that tags are consistent across dual filers

2. Adding a **search option** in the Taxonomy based on IFRS disclosure number/paragraph

3. Providing a user and IT friendly **filing portal** including a sound validation mechanism

4. **Providing feedback** for the filers on # of downloads, usage, questions form data aggregators