



27 April 2012

Mr. Adam Farkas  
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Dear Mr. Farkas,

***DB Response to EBA questionnaire on the identification of users/investors needs on credit institutions' Pillar 3 disclosures***

DB welcomes the opportunity to comment on the Pillar 3 questionnaire. We have responded using input from our research analysts and from those who prepare our Pillar 3 disclosures.

The introduction of Pillar 3 has led to the disclosure of valuable information about the risk profile of banks. Unfortunately, comparison between banks has not always been easy. In this context, the current review of Pillar 3 is welcome as it addresses the volume of disclosures and in promoting greater harmonisation and comparability for core information, whilst allowing disclosures to remain grounded in internal risk management practices.

To be effective, the Pillar 3 disclosure framework needs to strike a balance between value and volume to end users, providing them with useful information that is fit for purpose, while ensuring that the volume of required information is adequate to avoid information overload. In addition, the EBA's review should also consider a rationalisation of the disclosures already required. It would also be useful to explore whether there is an appropriate balance between disclosures of quantitative and of qualitative information.

There are obvious challenges to Pillar 3 comparability as a result of bank-specific implementation of Basel 2 and Basel 2.5, and the variety of methods available for assessing the same risks. This makes alignment of strict format and template generally impractical as many disclosures require a bank-specific presentation or at least the flexibility to address current market needs. We believe, however, that harmonisation of disclosure of some core risk elements could be achievable and appropriate which would result in greater comparability across institutions. For example, definition and granularity of capital information and elements of credit risk could be standardised and followed up with enhanced guidance from EBA.



Our response to the questionnaire is attached. We look forward to continued dialogue with you on this important review.

Yours sincerely,

A handwritten signature in blue ink, appearing to be 'A. Procter', with a long horizontal stroke extending to the right.

Andrew Procter  
Global Head of Government and  
Regulatory Affairs