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Chris Barnard
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- **Your Ref: Consultation Paper on Draft European Banking Authority Guidelines No xxx/2011 on Remuneration data collection exercise regarding high earners**

Dear Sir.

Thank you for giving us the opportunity to comment on your Consultation Paper on Draft European Banking Authority Guidelines No xxx/2011 on Remuneration data collection exercise regarding high earners. I support the extent and format of the proposed disclosures.

My main concern is that it is not clear that the proposed remuneration disclosures would accurately capture the true cost of providing pension and discretionary pension benefits. Remuneration should include "pension contributions",¹ but this could understate the true cost of accruing pension benefits to higher earners in defined benefit type pension schemes, where "pension contribution" in this context is a weighted average of all members' pension costs. CRD III also refers to discretionary pension benefits and "discretionary pension benefit provisions",² without further elaboration. Finally annex 1 of the consultation paper requires disclosure of the "Total discretionary pension benefits in year N for all individuals earning in excess of € 1mn". It is not clear on what basis this information should be disclosed.

For completeness therefore, I would recommend that cash pension contributions and the increase in the value of accrued pension benefits, including discretionary pension benefits awarded, should be directly disclosed along with the other indicated elements of remuneration.

Yours faithfully

C.R.B.

Chris Barnard

¹ See section 1.1.1 CEBS Guidelines on Remuneration Policies and Practices, 10 December 2010.

² Recital (3) CRD III.