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Chris Barnard
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- **Your Ref: Consultation Paper on Draft European Banking Authority Guidelines No xxx/2011 On the remuneration benchmarking exercise**

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 the remuneration benchmarking exercise. 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. Annex 2 of the consultation paper requires disclosure of the "Total amount of discretionary pension benefits paid in year N". It is not clear what "paid" means in this context.

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.