

“Executives’ compensation in 10 of the biggest banks in Europe: An analysis for the past 10 years”

Bachelor Thesis

Study Focus: Banking & Finance

Written by:

Andreas Egli

Date: 26.8.2011

Executive Summary

This thesis should give an insight in today's executives' compensation. First of all, there is an attempt to explain often discussed exorbitant salaries. Secondly, compensation packages for European banks' executives are examined and explained. In a further step, different compensation plans which are currently applied are explained and presented. There is also a look back in chronology what concerns compensation plans. Findings about changes and development for the past 10 years are shown. A further topic is regulation. Principles and guidelines which are intended to improve the alignment of shareholders' and executives interest in order to prevent from wrong incentives are explained. This topic is, especially after the latest crisis more important than ever.

To conclude this thesis, I tried to describe changes of the different constituting parts of executive compensation. I intended to show the development of i.e base salary, annual cash bonus and annual share bonus in absolute figures for the past 10 years. Due to inaccessible or insufficient information in the annual reports of the banks of my sample, the analysis in this section can unfortunately only be indicative.