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| EBA-CP-2013-31@eba.europa.eu  Schaffer/BMF  Schütz/BMF  Reading/OeNB  Hrdlicka/OeNB  Hysek/FMA  Lembeck/FMA  Urbanek/FMA | **Division Bank and Insurance**  Austrian Federal Economic Chamber  Wiedner Hauptstraße 63 | P.O. Box 320  1045 Vienna  T +43 (0)5 90 900-DW | F +43 (0)5 90 900-272  E bsbv@wko.at  W http://wko.at/bsbv |

Your ref., Your message of Our ref., person in charge Extension Date

BSBV 115/Dr. Egger/Ha 3137 27 August 2013

**EBA – Consultation RTS on close correspondence between value of covered bonds and value of assets relating to own credit risk (EBA/CP/2013/31)**

The Division Bank and Insurance of the Austrian Federal Economic Chamber, as representative of the entire Austrian banking industry, appreciates the possibility to comment on the EBA Consultation on RTS on close correspondence between value of covered bonds and value of assets relating to own credit risk (EBA/CP/2013/31) and would like to submit the following position:

The conditions described in the consultation paper are hardly of any relevance to Austrian banks. They only have a bearing on banks who determine their regulatory capital on the basis of IFRS. This will be true for several Austrian banks in future, but an institutional framework is required which apparently only exists in Denmark. There must be a close link between the covered bank bonds issued by the institution and its mortgage loans. Mortgage loans could be repaid by buying back the mortgage bonds issued for funding purposes. Under these conditions, an exemption can be made to the general principle according to which capital generated through the impairment of liabilities on account of fluctuations in the institution's credit standing is ineligible for the reason that the increase in capital is offset by reductions resulting from the impairment of mortgage loans.

In our view there is no need for us to comment, since, for the most part, the representations made in the consultation paper are based on Article 33 of the CRR.

Kindly give our remarks due consideration.

Yours sincerely,

Dr. Franz Rudorfer

Managing Director

Division Bank & Insurance

Austrian Federal Economic Chamber