baselcommittee@bis.org

**Division Bank and Insurance**
**Austrian Federal Economic Chamber**
Wiedner Hauptstraße 63 | P.O. Box 320
1045 Vienna
T +43 (0)5 90 900-ext | F +43 (0)5 90 900-272
E bsbv@wko.at
W http://wko.at/bsbv

| Your reference, Your message of | Our reference, contact person | Extension | Date |
|---|---|---|---|
| | BSBV 189/Dr.Egger/We | 3137 | 9th October 2013 |

## Consultative Document on Liquidity Coverage Ratio - Disclosure Standards

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 consultation on LCR disclosure standards and would like to submit the following position:

In general we see the strong effect of disclosures of liquidity position data in times of stress which become very likely an important brick to (more) negative consequences due to unintended reactions of market participants. This kind of overreactions cannot be the goal of any disclosure standard as it contains the risk to produce or to tighten a critical situation for an institution. Hence any liquidity disclosure requirement needs to have these potential effects in mind.

Paragraph 16 of the BCBS disclosure requirements states that banks should also disclose an array of additional information in addition to LCR disclosure figures such as:

a. *the main drivers of their LCR results and the evolution of the contribution of inputs to the LCR's calculation over time;*
b. *intra-period changes as well as changes over time;*
c. *the composition of HQLA;*
d. *concentration of funding sources;*
e. *derivatives exposures and potential collateral calls;*
f. *currency mismatch in the LCR;*
g. *a description of the degree of centralization of liquidity management and interaction between the group's units; and*
h. *other inflows and outflows in the LCR calculation that are not captured in the LCR common template but which the institution considers to be relevant for its liquidity profile.*

Here we do not see the additional value when disclosing some kind of "discussions" related to the above listed points. In times of stress these kinds of discussions may be disadvantageous for any bank or financial group in an undesired way.

Therefore if banks are asked to provide more and especially more detailed information regarding liquidity we would appreciate a carefully balanced disclosure standard. It also needs to be a requirement that is applicable to all institutions and considers the principle of a "level-playing-field".
We understand the approach and need for higher transparency concerning liquidity aspects. Nevertheless a standard dealing with this sensitive aspect can become a boomerang very easily, especially if any of the disclosed information is not really comparable through vague standards (with reference to point 19), different approaches for its implementation and/or a wrongful interpretation of the disclosed data. In case additional standards for a disclosure of qualitative liquidity data are considered necessary it should be mandatory for all institutions in the same way, comparable to the approach as provided with the template for quantitative liquidity data.

Kindly give our remarks due consideration.

Yours sincerely,

Dr. Franz Rudorfer
Managing Director
Division Bank & Insurance
Austrian Federal Economic Chamber