Dear all,

We make reference to the consultation paper denominated “Draft Regulatory Technical Standards on Own Funds - Part Three (EBA/CP/2013/17)” (the “Consultation Paper”), and the relevant consultation procedure launched on 23 May 2013, in respect of the technical standard to be developed, in the context of the Capital Requirements Regulation (“CRR”), with reference to the prudential requirements for “Own Funds”.

We welcome the opportunity to comment the Consultation Paper and we hereby propose the responses and contributions laid down below.

1. **Question No.1 (Article 14a of the Consultation Paper and Article 33(1) (f), (h) and (i) of the CRR):** “Are the provisions of Article 14a sufficiently clear? Are there issues which need to be elaborated further?”

We consider the provisions provided sufficiently clear and we don’t recognize any issues to be elaborated further.

2. **Question No.4 (Article 14a of the Consultation Paper and Article 33(1) (f), (h) and (i) of the CRR):** “Do you agree with the examples of synthetic holdings provided in paragraph 2 of the following Article 14a? Should other examples be added to this list?”

We agree with the examples provided and we don’t consider necessary to add any other examples.

3. **Question No.5 (Article 14a and 14e of the Consultation Paper and Article 33(1) (f), (h) and (i) of the CRR):** “Are the provisions contained regarding synthetic holdings in paragraph 2 of the following Article 14a and in Article 14e sufficiently clear? Do you agree that the amount to be deducted shall be the notional amount? Would you see any situations where another amount shall be used?”

We consider the provisions contained regarding synthetic holdings sufficiently clear even if we point out some operating concerns about the adoption of full breakdown in trading book, particularly for any IITRAX positions even for desks with high volatility. Furthermore we understand that uncertainties may arise with the use of notional amount as value of synthetic holdings in the forms of options or similar instruments (the notional amount generally is equal to the number of shares of the underlying instrument multiplied by the strike price at the maturity date); therefore, we consider more appropriate to use, as calculation method, the delta-weighted equivalent which constitutes the effective equivalent position in the underlying security of the derivative instrument. This calculation method is currently used in accordance with Annex 2, Part 1, Article 10 of the Commission Delegated Regulation n.918/2012 (about “the delta-adjusted model for shares”) and Article 333 of CRR (about “net positions in equity instruments”).

We are available for any consultation in respect of the above and we’re going to submit to Q&A session an example on net long position of Additional Tier 1 instruments involving short synthetic instruments with some issues on CRR understanding.