
From: Svetlana.Petuhova [REDACTED]
Sent: 15 December 2015 16:29
To: SSM Public Consultation
Cc: [REDACTED]
Subject: Public consultation on options and discretions

Dear Secretariat to the Supervisory Board,

Referring to the Public Consultation on a draft regulation of the European Central Bank on options and discretions available in Union law (November 2015), Swedbank would like to deliver our comments on Article 9 ("Article 400(2) of Regulation (EU) No 575/2013: Exemptions") of Chapter III Large exposures.

We would like to receive more detailed explanation on the application of Article 9 (2) for subsidiaries of institutions. We met a lack of clearness regarding the application of the exemption for leasing subsidiary companies. We are considering a possibility of the application of Article 9(2) for the leasing subsidiary company based on the following arguments:

- Leasing company (subsidiary, 100% owned by bank) exposures are fully involved into bank consolidated prudential scope and fully covered by bank capital;
- Leasing company is consistent within the scope of Article 113 (6) of Regulation (EU) No 575/2013. Leasing Company is subject to the same risk evaluation, measurement and control procedures as the institution on consolidated level, there are no applied individual capital adequacy and the large exposures controls;
- Leasing company fulfil the Conditions for assessing an exemption from the large exposure limit, in accordance with Article 400(2)(c) of Regulation (EU) No 575/2013 and Article 9(2) of this Regulation (Annex I of REGULATION (EU) [2016/XX] OF THE EUROPEAN CENTRAL BANK of [date Month 2016] on the exercise of options and discretions available in Union law);
- There is no additional potential risk comparing with cases when leasing company is integrated into bank (as it is the case in other banks).

We are kindly asking You to bring a clearness on exemptions stated in Article 9(2) of this Regulation (REGULATION (EU) [2016/XX] OF THE EUROPEAN CENTRAL BANK of [date Month 2016] on the exercise of options and discretions available in Union law) for leasing subsidiary companies, taking into account the arguments stated above.

Yours sincerely,

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