Notification template for Article 131 of the Capital Requirements Directive (CRD) – Global Systemically Important Institutions (G-SIIs)

Template for notifying the European Central Bank (ECB) and European Systemic Risk Board (ESRB) of the identity of G-SIIs under Article 131(12) CRD

Please send/upload this template to:

- macropru.notifications@ecb.europa.eu when notifying the ECB (under Article 5 of the Single Supervisory Mechanism (SSM) Regulation[1]);
- notifications@esrb.europa.eu when notifying the ESRB.

The ESRB will forward the notification to the European Commission and the European Banking Authority (EBA) without delay and will publicly disclose the names of the G-SIIs on its website. This notification will be made public by the ESRB once the relevant authorities have adopted and published the notified macroprudential measure[2].

E-mailing/uploading this template to the above addresses constitutes official notification, no further official letter is required. To facilitate the work of the notified authorities, please submit the notification template in a format that allows the information to be read electronically.

1. Notifying national authority	
1.1 Name of the notifying authority	De Nederlandsche Bank NV
1.2 Country of the notifying authority	The Netherlands
2. Description of the measure	
2.1a Institution(s) concerned	The buffer requirement is imposed on the below mentioned institution on the basis of the highest level of consolidation. The entity referred to below thus differs from the ultimate EU parent undertaking ('ING Groep N.V.'). The reason is that the relevant provisions in Dutch law transposing Article 131 CRD (i.e. Article 3:62a of the Financial Supervision Act and Article 105c of the Decree on Prudential Rules) prescribe that the buffer requirement applies to the credit institution that is the subsidiary of the EU parent financial holding company on the basis of the consolidated financial position of that holding company (the latter being jointly responsible -in accordance with Article 3:273c(a) of the Financial Supervision Act, being the relevant provision in Dutch law transposing Article 3(3) CRD- for the subsidiary credit institution's compliance with the consolidated buffer requirement). Accordingly, the entity mentioned below is required to maintain a capital buffer on the basis of the highest level of consolidation, i.e. including the whole supervised group of which either an EU parent institution or an EU parent (mixed) financial holding company is the ultimate EU parent undertaking. The buffer requirements are in line with the provisions in Dutch law transposing Article 131 CRD and do not

[1] Council Regulation (EU) No 1024/2013 of 15 October 2013 conferring specific tasks on the European Central Bank concerning policies relating to the prudential supervision of credit institutions (OJ L 287, 29.10.2013, p. 63).
[2] On request by the notifying authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability.

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differ in (consolidation) scope or level from the ones imposed and notified by DNB in previous years.

Name of institution	LEI
ING Bank N.V. (“ING”)	3TK20IVIUJ8J3ZU0QE75

2.1b Changes to the list of institutions concerned

N/A

2.2 Level of the buffer applied

What is the level of the buffer (in %) applied to the institution(s)?

Name of institution	New G-SII buffer	Previous G-SII buffer
ING	1%	1%

2.3 Names of subsidiaries

Do any of the institutions identified as a G-SII have one or more subsidiaries that have been identified as Other Systemically Important Institutions (O-SIIs)? (Please provide the name and LEI code)

Name of identified parent G-SII	Name of O-SII subsidiary	LEI of O-SII subsidiary
ING	ING Belgium NV	JLS56RAMYQZECFUF2G44
ING	ING DiBa AG	3KXUNHVVQFIJN6RHLO76
ING	ING Bank Śląski SA	259400YLRTOBISHBVX41

3. Timing for the measure

3.1 Timing for the decision	The decision will be made on 20 November 2024.
3.2 Timing for publication	We plan to publish our decision by 1 December 2024.
3.3 Disclosure	Since we confirm the outcome of the FSB exercise, we will only publish a notification on our website.
3.4 Timing for application	The results of this year’s analysis will apply from 1 January 2026. In 2025 a G-SII buffer of 1% is applicable to ING.

4. Reason for G-SII identification and activation of the G-SII buffer

4.1 Indicators used for designation of the G-SII

(Article 131.2 CRD)

Please provide the scores attributed to the following categories of indicators:

a. size of the group;

b. interconnectedness of the group with the rest of the financial system;

c. substitutability of the services or the financial infrastructure provided by the group;

d. complexity of the group;

e. cross-border activity of the group, including cross-border activity between Member States and between a Member State and third countries.

Name of institution	Size	Substitutability	Complexity	Interconnectedness	Cross-border activity
ING	104	48	90	126	379

4.2 Scores and buckets

(Articles 131.2 and 131.9 CRD)

Please provide information on:

a. which overall score and bucket is attributed to each G-SII?

Overall score is 150 which corresponds to Bucket 1.

b. which overall score and bucket is attributed when the alternative methodology under Article 131.2a CRD is used?

DNB does not apply the alternative methodology, hence N/A.

Name of institution	Overall score	Bucket	Overall score (alternative methodology)	Bucket (alternative methodology)

4.3 Supervisory judgement

(Article 131.10 CRD)

Have any of the institutions listed in 2.1 been identified by applying supervisory judgement? If yes, please list the institutions concerned.

N/A

(1)

5. Cross-border and cross-sector impact of the measure

5.1 Assessment of cross-border effects and the likely impact on the Internal Market

(Recommendation ESRB/2015/2[3])

Assessment of the cross-border effects of implementation of the measure.

Spillover channels operating via risk adjustment:

We do not expect any significant cross-border risk adjustments. On adjustments in credit exposures, there could be some decrease in foreign activities of ING if it decides to reduce its systemic significance. However, the credit exposures of ING in other Member States is not on a level that a potential reduction in its lending would severely affect the real economy. Moreover, to the extent that ING is moderately represented in another Member State, we do not believe that imposition of the G-SII buffer has a major impact on their cross-border exposures since the O-SII buffer is the binding constraint in the risk weighted framework. On access to cross-border capital markets, given that the G-SII buffer is unchanged, no spillover effects are expected.

Spillover channels operating via regulatory arbitrage:

We expect that regulatory arbitrage is very limited, with non-banking activity slightly more significant than capital or liquidity regulatory arbitrage given the imposition of the G-SII buffer at the highest level of consolidation. Moreover, it is expected that

[3] Recommendation of the European Systemic Risk Board of 15 December 2015 on the assessment of cross-border effects of and voluntary reciprocity for macroprudential policy measures (ESRB/2015/3) (OJ C 97, 12.3.2016, p. 9).

	the increase in activity of the non-banking sector resulting from the potential reduction of activities from ING due to the G-SII buffer is limited given that the O-SII buffer is the binding constraint. <u>Assessment of the cross-border effects of implementation of the measure in your own jurisdiction (inward spillovers); cross-border effects on other Member States and on the Single Market of the measure (outward spillovers); overall impact on the Single Market of implementation of the measure.</u> We do not expect outward spillovers that would create additional systemic risks due to the imposition of the G-SII buffer, given that the buffer is applied at the highest level of consolidation and given that the O-SII buffer is the binding constraint. Moreover, the cross-border assets of ING as percentage of its total assets have remained relatively stable over the past years and thus, we have no reason to believe that the G-SII buffer has resulted in significant outward spillovers. There might be inward spillovers, given that foreign financial institutions could find it more profitable than ING to offer their services in the Netherlands. However, again the O-SII buffer is the binding constraint for ING and again we did not receive such signals as in recent years the share of assets of foreign branches compared to total assets of the Dutch banking sector has decreased. In addition, we do not expect an overall impact on the Single Market. Finally, given that the G-SII buffer has remained unchanged, we do not expect any cross-border effects.
5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State	<u>Referring to your Member State's specific characteristics, what is the scope for "leakages and regulatory arbitrage" in your own jurisdiction (i.e. circumvention of the measure/leakages to other parts of the financial sector)?</u> The scope for leakages and regulatory arbitrage would be the same in our jurisdiction and in others. The G-SII buffer is applied at the consolidated level, which avoids (jurisdictional) shifts of activities within groups due to regulatory arbitrage. Systemic banks may take measures to reduce their systemic importance, possibly including a shift of activities to non-regulated entities. However, given that the G-SII buffer level has remained unchanged, and given the current capitalisation level of the identified G-SII, we expect these incentives to be small. Furthermore, if banks reduce their systemic importance in an orderly manner, this could also be beneficial for financial stability.

6. Combinations and interactions with other measures

6.1 Combinations between G-SII and O-SII buffers

(Article 131.14 CRD)

ING is subject to both an O-SII buffer (2%) and a G-SII buffer (1%). The O-SII buffer is thus higher.

Name of institution	O-SII buffer	G-SII buffer
ING	2%	1%
	%	%
	%	%

6.2 Combinations with systemic risk buffers (SyRBs)

(Article 131.15 CRD)

Are any of the institutions identified as G-SIIs subject to a systemic risk buffer?

No.

Name of institution	SyRB rate	SyRB application level	Sum of G-SII/O-SII and SyRB rates
	%		%
	%		%
	%		%
	%		%

7. Miscellaneous	
7.1 Contact person(s)/mailbox at notifying authority	Contact person(s) (name, phone number and e-mail address) and mailbox for further inquiries. Kenny Martens, +31 20 524 24 65, k.d.l.martens@dnb.nl Laura Deen, +31 6 52 49 64 55, t.g.w.deen@dnb.nl
7.2 Any other relevant information	N/A
7.3 Date of the notification	6 November 2024