ESRB
European Systemic Risk Board
European System of Financial Supervision

EUROPEAN CENTRAL BANK
EUROSYSTEM

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]);
- [DARWIN/ASTRA link] 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.

<table>
<tr><th colspan="2">1. Notifying national authority</th></tr>
<tr><td>1.1 Name of the notifying authority</td><td>De Nederlandsche Bank NV</td></tr>
<tr><td>1.2 Country of the notifying authority</td><td>The Netherlands</td></tr>
<tr><th colspan="2">2. Description of the measure</th></tr>
<tr><td>2.1a Institution(s) concerned</td><td>The buffer requirement is imposed on the below mentioned institution on the basis of the highest level of consolidation.
<table><tr><th>Name of institution</th><th>LEI</th></tr><tr><td>ING Bank N.V. (“ING”)</td><td>3TK20IVIUJ8J3ZU0QE75</td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr><tr><td></td><td></td></tr></table></td></tr>
<tr><td>2.1b Changes to the list of institutions concerned</td><td>NA</td></tr>
</table>

[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authority, it may be agreed with the Head of the ESRB Secretariat that this notification, or a part thereof, should not be published for reasons of confidentiality or financial stability.

<table>
<tr><td>2.2 Level of the buffer applied</td><td>
<table>
<tr><th>Name of institution</th><th>New G-SII buffer</th><th>Previous G-SII buffer</th></tr>
<tr><td>ING</td><td>1%</td><td>1%</td></tr>
<tr><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td></tr>
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</td></tr>
<tr><td>2.3 Names of subsidiaries</td><td>
<table>
<tr><th>Name of identified parent G-SII</th><th>Name of O-SII subsidiary</th><th>LEI of O-SII subsidiary</th></tr>
<tr><td>ING</td><td>ING België NV</td><td>JLS56RAMYQZECFUF2G44</td></tr>
<tr><td>ING</td><td>ING DiBa AG</td><td>3KXUNHVVQFIJN6RHLO76</td></tr>
<tr><td>ING</td><td>ING Bank Slaski SA</td><td>259400YLRTOBISHBVX41</td></tr>
<tr><td></td><td></td><td></td></tr>
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</td></tr>
<tr><td colspan="2">3. Timing for the measure</td></tr>
<tr><td>3.1 Timing for the decision</td><td>We follow the 2021 outcome of the assessment of the Financial Stability Board. Should the ECB advise revisions to this decision, these will be duly considered in good faith. Should this not be the case, the decision will be made 26 November.</td></tr>
<tr><td>3.2 Timing for publication</td><td>We plan to publish our decision by 29 November 2021.</td></tr>
<tr><td>3.3 Disclosure</td><td>Since we confirm the outcome of the FSB exercise, we will only publish a notification on our website.</td></tr>
<tr><td>3.4 Timing for application</td><td>The results of this year’s analysis will apply from 1 January 2023;
In 2022 a G-SII buffer of 1% is applicable to ING.</td></tr>
<tr><td colspan="2">4. Reason for G-SII identification and activation of the G-SII buffer</td></tr>
<tr><td>4.1 Indicators used for designation of the G-SII
(Article 131.2 CRD)</td><td>We used the standard BIS template. The scores of ING are as follows:
<table>
<tr><th>Name of institution</th><th>Size</th><th>Substitutability</th><th>Complexity</th><th>Interconnectedness</th><th>Cross-border activity</th></tr>
<tr><td>ING</td><td>130</td><td>50</td><td>67</td><td>145</td><td>382</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td></td></tr>
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</td></tr>
<tr><td>4.2 Scores and buckets
(Articles 131.2 and 131.9 CRD)</td><td>a. which overall score and bucket is attributed to each G-SII?
155; 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.</td></tr>
<tr><td>4.3 Supervisory judgement
(Article 131.10 CRD)</td><td>Have any of the institutions listed in 2.1 been identified by applying supervisory judgement? If yes, please list the institutions concerned.
N/A</td></tr>
</table>

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 buffers 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 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. 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. 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 has 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.

[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).

<table>
<tr><td>5.2 Assessment of leakages and regulatory arbitrage within the notifying Member State</td><td><u>Referring to your Member State's specific characteristics, what is the scope for "leakages and regulatory arbitrage" in your own jurisdiction? Is there scope for "leakages and regulatory arbitrage" in other jurisdictions?</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.</td></tr>
<tr><td colspan="2">6. Combinations and interactions with other measures</td></tr>
<tr><td>6.1 Combinations between G-SII and O-SII buffers

(Article 131.14 CRD)</td><td>ING is subject to both an O-SII buffer (2,5%) and a G-SII buffer (1%). The O-SII buffer is thus higher.
<table>
<tr><th>Name of institution</th><th>O-SII buffer</th><th>G-SII buffer</th></tr>
<tr><td>ING</td><td>2,5%</td><td>1%</td></tr>
<tr><td></td><td>%</td><td>%</td></tr>
<tr><td></td><td>%</td><td>%</td></tr>
</table></td></tr>
<tr><td>6.2 Combinations with systemic risk buffers (SyRBs)

(Article 131.15 CRD)</td><td>Are any of the institutions identified as G-SIIs subject to a systemic risk buffer?

No</td></tr>
<tr><td colspan="2">7. Miscellaneous</td></tr>
<tr><td>7.1 Contact person(s)/mailbox at notifying authority</td><td>Contact person(s) (name, phone number and e-mail address) and mailbox for further inquiries.

Kenny Martens, +31 205242465, k.d.l.martens@dnb.nl</td></tr>
<tr><td>7.2 Any other relevant information</td><td>N/A</td></tr>
<tr><td>7.3 Date of the notification</td><td>This notification is shared with the ESRB on 26 November.</td></tr>
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