ING

Annual Report 2024.

ING Australia

ING Bank (Australia) Limited | ABN 24 000 893 292
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do your thing

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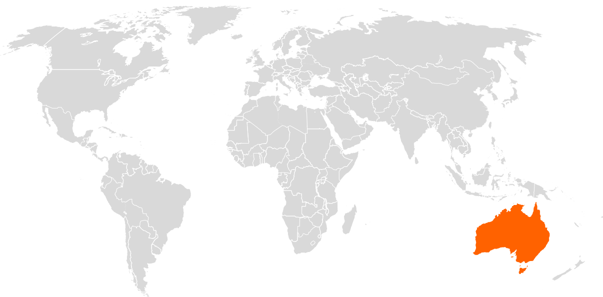
A snapshot of our business as at 31 December 2024

Who we are

- ING Bank (Australia) Limited trading as ING ('the Bank')[1], a wholly owned subsidiary of ING Bank N.V.[2] and part of the ING Groep[3].
- Headquartered in Sydney, with a 24/7 contact centre in Wyong and offices across many of Australia's capital cities.



Customers

- #1 Net Promoter Score[4]
- 2.23 million active customers

People

- 2,556 employees[5]

Community

- Launched our first Reflect Reconciliation Action Plan
- Announced a $4 million investment as the Powerhouse Parramatta Community and Wellbeing Partner
- Recognised as an Employer of Choice for Gender Equality by the Workplace Gender Equality Agency
- Donated $525k and 2,825 volunteer hours to community causes.

2024 Award highlights

- Canstar Bank of the year for 5 years running
- Mozo Australia's Best Bank- for 2 years running Australia's top financial institution in the 2024 World's Best Banks list by Forbes
- RFI's Global Banking & Finance Awards:
  - Best Digital Consumer Bank
  - Most Innovative Consumer Bank
  - Most Recommended Personal Loan
- TAB Global and the International Council of Advisors, Best Digital Bank in Australia 2024
- Ranked the third best brand for customer experience and number one bank according to KPMG's Customer Experience Excellence 2024 Australia report.

Financial highlights

Net profit after tax	Cost to income ratio	Capital adequacy ratio	Loans	Savings
$532m	49.2%	18.7%	$77,398m	$53,195m

[1] In the Annual Report, 'ING' and 'the Group' refers to ING Bank (Australia) Limited and its controlled entities.
[2] 'ING Bank N.V.' is a part of ING Groep and is the immediate holding company of the Bank.
[3] 'ING Groep' refers to ING Groep N.V. (a company domiciled in Amsterdam, the Netherlands) and its controlled entities. 'ING Groep N.V.' is the ultimate holding company of the Bank.
[4] ING is Australia's most recommended bank according to RFI Global's Consumer Atlas Survey, August 2024 – January 2025 (n = 29,182) when compared to customers of the 10 largest ADIs operating in Australia.
[5] This number includes permanent employees and contractors, but excludes outsourced and offshored activities.

CEO's year in review

25 years of continued customer growth

Twenty-five years ago, ING launched in Australia as the country's first digital only bank.

Today we have more than 2.3 million active Australian customers who choose to bank with us for their transactional banking, home loans, credit cards, insurance and superannuation. Additionally, our expanding Wholesale Bank now accounts for 21% of ING Australia's profit before tax.

In 2024, ING was named Canstar's Bank of the Year for the fifth consecutive year. We have also proudly maintained our status as Australia's most recommended bank and were the only bank named in KPMG's Customer Experience Excellence 2024 Report.

Throughout the year we've successfully grown our customer base and increased investment in the future of our business while operating in an environment with tight margins.

We now have more customers than ever calling ING their main bank (1.1 million) and have helped many Australians achieve their goal of purchasing a home, with ING's residential mortgages book growing 8%, which was above the industry average of 5%.

Our dedication to innovation and customer excellence and an enduring commitment to bringing value to the Australian market has driven us to invest at record levels.

Laying the foundations for the next 25 years

To maintain an exceptional and relevant customer experience, we continued to invest in technology to bolster our resilience and scalability and keep pace with evolving customer expectations.

In 2024, we made our largest investment in future-forward innovations to-date, setting us up for another 25 years in Australia. Key initiatives included:

- Ongoing transformation of our core banking platform, enabling us to streamline many of our processes, move faster and more efficiently with less reliance on manual handling.
- Preparing to enhance our mobile app experience for even more user-friendly and frictionless products to help customers manage their finances, track spending, and access vital banking features swiftly and intuitively.
- Rolling out our Early Warning System – helping us to identify and deliver targeted support to customers who are at risk of falling into arrears, hardship or default.
- Launching our Home Energy Helper - a new experience to make it easier for customers looking to improve the energy efficiency of their home. This is a one-stop-shop where customers can source quotes from accredited installers, see what rebates they may qualify for and assess the potential impact of their renovation. Eligible ING customers can also apply for our Green Upgrade Loan.

Alleviating cost-of-living pressures

This year, like the one before it, has been hard for some customers. In response to cost-of-living pressures, we have taken several measures:

- Provided highly competitive ongoing savings rates throughout the year, including our Savings Maximiser bonus rate, which has delivered $725 million in bonus interest to eligible customers.
- Helped alleviate the burden of utility bills by giving back $7.8 million to eligible customers through our 1% cashback offer.
- Returned $15.5 million to customers in ATM fee rebates.

Protecting customers and fighting scams

Our commitment to combatting scams has been a key focus of 2024. We continue to address this critical issue both independently and in collaboration with the banking industry and others in the digital economy and Government.

This year, we've taken significant steps to protect our customers, including:

- Implemented scam warnings for customers when they make new payments through the ING app.
- Joined the Australian Financial Crimes Exchange, enabling quick intelligence sharing with government, industry and law enforcement agencies.
- Introduced new security technology to combat scams including measures to block high-risk channels and accounts used for scam activity.

Looking ahead to 2025, we plan to build on this work with significant anti-scam investments aligned with the Australian Banking Association's Scam Safe Accord.

Diversified initiatives boosting our growth

Deepening relationships with customers remains central to our diversification strategy. This year we've laid the groundwork for launching digital led business products for small to medium sized businesses, informed by valued customer feedback.

In addition, we have revised our commercial lending policy to facilitate easier borrowing for small businesses, allowing loans up to 80% of property value.

We have significantly invested in product capability for our Wholesale Bank in Australia. This positions us perfectly to support several high-profile, event-driven transactions in the loan distribution and debt capital markets. We've also established strong niche positions in Financial Markets.

This success highlights our world-class global sector expertise, our reputation as sustainability leaders, and the strength of our local product and coverage bankers.

Delivering on our climate ambitions

The transition to a low-carbon economy is a real opportunity for ING, our clients and society. We aim to play a leading role in accelerating the transition to a low carbon economy in line with the Paris Agreement.

We want to work with those who are driving progress, bringing impactful change to the areas where it most needs to happen. Our Wholesale Bank continued to support some of Australia's largest businesses via finance and expertise to help them deliver on their own climate ambitions.

We're also finding ways to empower people to prepare for the future, starting with customers whose homes we help to finance. Our new Green Upgrade Loan was developed to make it easier and more affordable for people in Australia to make their homes more energy efficient – a positive first step in our efforts to reduce the emissions from our mortgage portfolio.

People

At ING, we recognise that a diverse workforce with varied perspectives drives exceptional outcomes. This year we launched the Enable Community, ING's employee network dedicated to promoting disability and neurodiversity inclusion in the workplace.

We also proudly launched ING's Reconciliation Action Plan (in collaboration with Reconciliation Australia), reinforcing our commitment to fostering stronger relationships and supporting financial inclusion for First Nations People.

The Diversity Council of Australia recognised us as an Inclusive Employer and we maintained our Workplace Gender Equality Certification, closing our median pay gap for total remuneration by 2.7%.

Thank you

I'm proud of the people who make up the ING team, whose dedication to customer excellence has been the bedrock of our continued success. With the team's support, we continue to significantly invest in our business, ensuring we sustain growth while maintaining our unique ING difference. Our targeted and ongoing investment in customer-facing technology and product development are important foundations to help scale the business in the years ahead.

To customers, we are grateful for your trust and for the opportunity to help you manage your banking needs. We are excited to be able share ING's next 25 years with you.

Melanie Evans

Chief Executive Officer
ING Bank (Australia) Limited

Directors' report

The Directors submit their report, together with the financial report of the Group for the year ended 31 December 2024.

The names and details of the Directors of the Group holding office during the financial year and until the date of this report or otherwise stated are set out below, together with details of their qualifications and special responsibilities.

Directors' qualifications, experience and special responsibilities

Dr John Francis Laker AO, MSc, PhD
Chairman and Independent Non-Executive Director

Appointed: 1 January 2019, Chairman from 1 January 2020

Board Committees: Chair of the People, Remuneration and Nomination Committee and member of the Audit and Risk Committees.

In 2003, Dr Laker was appointed as Chairman of the Australian Prudential Regulation Authority (APRA), the body that supervises banking, insurance and superannuation in Australia. In 2008, he was reappointed to another five-year term as Chairman, and retired in 2014 after a further extension. Dr Laker chaired the panel that led the Prudential Inquiry into the Commonwealth Bank of Australia (CBA) from mid-2017 to mid-2018.

He was appointed an Officer of the Order of Australia in 2008 and has won other professional awards for his services to the regulation of the Australian financial system.

Vicki Allen, B.Bus, MBA, FAICD
Independent Non-Executive Director

Appointed: 9 August 2022

Board Committees: Chair of the Customer Experience Committee and member of the People, Remuneration and Nomination and Risk Committees.

Ms Allen is an experienced Non-Executive Director and chairman, with particular expertise in highly regulated industries. Her current directorships include ASX listed, subsidiary and private company boards. Her executive career of more than 30 years was spent in the financial services and property investment industries. This spanned senior strategic, operational and investment management roles in organisations such as Westfield, Lend Lease, MLC and Trust Company.

Vicki is a Non-Executive Director of Steadfast Group Ltd, NSW Treasury Corporation, GPT Funds Management Ltd and New Forests Pty Ltd.

Vicki holds an MBA from Melbourne Business School as well as a Bachelor of Business from the University of Technology, Sydney. She is a Fellow of the Australian Institute of Company Directors (AICD) and is a member of the AICD's Australian Prudential Regulation Authority (APRA) Regulated Entities Forum.

Lisa Gray, BT&RegPlan (Hons), GradDipMgt, MBA, AMP (INSEAD)
Independent Non-Executive Director

Appointed: 21 September 2020

Board Committees: Chair of the Risk Committee and member of the Audit, Customer Experience and Technology and Transformation Committees.

Ms Gray is an accomplished CEO and Company Director of businesses across private and public sectors. Lisa brings over 30 years' experience in leading and transforming large, distributed customer businesses across banking, investment management, superannuation, insurance and wealth management.

Lisa is a non-executive Director of Challenger Limited (ASX:CGF), Challenger Life Company Limited and Bupa Australia and New Zealand. Victorian Funds Management Corporation (VFMC) from 2016 to September 2021. Prior to working with Government, Lisa held senior executive roles at NAB including Group Executive, Enterprise Services and Transformation and Group Executive, Personal Banking. Before joining NAB, Lisa was CEO, MLC Insurance and Managing Director, Plum Financial Services.

Lisa's qualifications include an Advanced Management Program from INSEAD, MBA from University of Melbourne and Columbia University (NY), Graduate Diploma in Management from RMIT, and a Bachelor of Town and Regional Planning (Hons) from University of Melbourne.

Richard Kimber, B.Sc, MBA
Independent Non-Executive Director

Appointed: 16 November 2022

Board Committees: Chair of the Technology and Transformation Committee.

Mr Kimber is a seasoned international Financial Services and Technology CEO and experienced Board Director and Chairman.

Richard is currently Chairman of Stone & Chalk, Non-Executive Director (and Chair of the Strategy & Transformation Committee, and member of the People & Culture committee) of Kina Securities Limited (ASX: KSL), Non Executive Director (and Chair of the Risk Committee) of Energy One Limited (ASX: EOL) and Non-Executive Director of Daisee; a multi-award-winning AI software company he founded in 2017. Prior to these roles he was CEO of ASX listed OFX Group, a leading international payment company. In 2006 he was appointed as the first Managing Director of Google in Southeast Asia. Prior to this he was Chief Executive of firstdirect Bank in the UK - the original neobank. This followed several international roles with the HSBC Group, including; Global Head of Internet Marketing based out of New York and the APAC leader for eCommerce based out of Hong Kong.

Richard has a Bachelor of Science and an MBA from Macquarie University.

Darryl Newton, B.Comm, CA, GAICD
Independent Non-Executive Director

Appointed: 28 August 2018

Board Committees: Chair of the Audit Committee and member of the Risk, Customer Experience, Technology and Transformation and People, Remuneration and Nomination Committees.

Mr Newton has an extensive career over a variety of industries and roles. Most recently, he was the CRO of Australia Post from November 2013 to March 2018 and acted as a Special Advisor to Australia Post until the end of 2018. Mr Newton's career has spanned the accounting and consulting profession, the banking industry and the diversity of Australia Post. Darryl was a partner at Ernst & Young for fourteen years specialising in Financial Services customers in Australia and also on major assignments in Indonesia and Thailand.

Melanie Evans, BCom, MCom, MPAcc
Chief Executive Officer and Executive Director

Appointed: 16 November 2020

Board Committees: Nil

Ms Evans joined ING in 2017 to lead the Retail Bank for ING Australia. She was appointed country CEO in November 2020. Melanie has spent her career in financial services.

Starting out with a St. George Bank cadetship in 1995, she later joined Westpac's equities business in 2000. After a move to BT Financial Group in 2003, she spent a decade in product, brand, marketing, superannuation, platforms and investments leadership roles. Returning to banking within the Westpac Group as a Chief of Staff, she then went on to lead business units across mortgages, transformation and business banking. In 2017 she moved to ING, leading ING's retail growth and diversification agenda.

Melanie is a Board Member and Deputy Chair of the Australian Banking Association, Chair of the Business Council of Australia's Women's Workforce Participation Committee and is also a Board Member of the European Australian Business Council.

Anju Abrol, B.Sc, MBA

Ms Abrol was appointed as a Non-Executive Director in April 2023 and ceased as a Director on 22 May 2024. She was not a member of any Board Committees.

Company secretary

Belinda Hannover, GradDipACGRM, FGIA, FCG, MAICD
Company Secretary

Appointed: 7 December 2022

Belinda Hannover joined ING in November 2022. Belinda is a Chartered Secretary and risk and governance professional, trained in applied corporate law, finance, governance, risk, compliance, and strategy development.

Belinda Hannover has extensive expertise within financial services, having worked as an Executive Manager Governance Advisor and Company Secretary at the Commonwealth Bank of Australia, Company Secretary at humm group limited and Regal Partners Limited and an Assistant Company Secretary at ClearView Wealth Limited.

Belinda's qualifications include a Graduate Diploma in Applied Corporate Governance and Risk Management from the Governance Institute of Australia.

Board of Directors and Board Committee meetings

The Board of Directors met 8 times during the year. The following table includes the names of Directors holding office at any time during, or since the end of, the financial year and the number of Board and Board Committee meetings held during the financial year for which each Director was a member of the Board or relevant Board Committee and eligible to attend, and the number of meetings attended by each Director.

All Directors may attend Board Committee meetings even if they are not a member of the relevant Committee. The table below excludes the attendance of those Directors who attended meetings of Board Committees of which they are not a member.

Board Committees

	Meetings of Directors		Audit		Risk		People, Remuneration & Nomination		Customer Experience		Technology & Transformation	
Director	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**	**Held[1]**	**Attended**
J Laker	8	8	5	5	5	5	6	6	n/a	n/a	n/a	n/a
V Allen	8	8	n/a	n/a	5	5	6	6	2	2	n/a	n/a
L Gray	8	8	5	5	5	5	n/a	n/a	2	2	3	3
R Kimber	8	8	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	3	3
D Newton	8	8	5	5	5	5	6	6	2	2	3	3
M Evans	8	7	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
A Abrol[2]	2	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

[1] The number of meetings held during the time the Director was a member of the Board or relevant Board Committee.
[2] Anju Abrol ceased as a Director on 22 May 2024.

Corporate structure

The Group is a company incorporated and domiciled in Australia. The registered office and principal place of business is Level 28, 60 Margaret Street, Sydney NSW 2000. Its ultimate parent entity is ING Groep N.V. incorporated in the Netherlands.

Nature of operations and principal activities

The principal activity of the Group during the year was the provision of banking and related services. Further information on the operating activities and financial performance is detailed in the CEO's year in review. There have been no significant changes in the nature of those activities during the year.

Employees

The Group employed 2,023 (2023: 1,930) permanent employees and 533 (2023: 556) contractors as at 31 December 2024.

Significant changes in the state of affairs

In the opinion of the Directors, there were no significant changes in the state of affairs of the Group that occurred during the financial year under review.

Significant events after the balance date

On 24 January 2025, a new internal self-securitisation trust (IDOL Trust R) was settled for $10 billion. On 4 March 2025, the Group issued $450m in Subordinated Notes with a term of 10 years with an option to redeem, in whole or in part, on the 5th anniversary following the issue date. On 5 March 2025, the Directors of the Group determined to pay a dividend in respect of the 2024 financial year. The total amount of the dividend declared was $479 million (2023: $654 million) to ING Bank N.V., the parent.

Other than the matters mentioned above, no subsequent events have occurred since the year ended 31 December 2024, or are pending, that would have a material effect on the financial statements.

Likely developments and expected results

Further information on our business strategies and prospects for future financial years and likely developments in our operations and the expected results of operations have not been included in this report because the Directors believe it would be likely to result in unreasonable prejudice to the Group.

Rounding

In compliance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191 all amounts in this report have been rounded to the nearest one million dollars, unless otherwise stated.

Indemnification and insurance of directors and officers

The Constitution of the Group requires it to indemnify all current and former officers of the Group against:

- any liability for costs and expenses which may be incurred by that person in defending civil or criminal proceedings in which judgement is given only when it is in that person's favour or in which the person is acquitted or in connection with an application in relation to any such proceedings in which the court grants relief to the person under the Corporations Act 2001; and
- a liability incurred by the person, as an officer of the Group or a related body corporate, to another person (other than the Bank or a related body corporate) unless the liability arises out of conduct involving a lack of good faith.

During the reporting period, ING Groep N.V., on behalf of the Group paid an insurance premium in respect of a contract insuring each of the Directors of the Group named earlier in this report and each Director, secretary and officer. The amount of the premium is confidential under the terms of the insurance contract. The liabilities insured include costs and expenses that may be incurred in defending civil or criminal proceedings that may be brought against the Director, secretary or officer in their capacity as officers of the Group or a related body corporate.

The auditor of the Group is in no way indemnified out of the assets of the Group.

Auditor's independence declaration

We have obtained an independence declaration from our auditor KPMG as presented on the following page.

Dr John Laker Chairman	Melanie Evans Chief Executive Officer

5 March 2025
Sydney

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of ING Bank (Australia) Limited

I declare that, to the best of my knowledge and belief, in relation to the audits of ING Bank (Australia) Limited for the financial year ended 31 December 2024 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audits; and

ii. no contraventions of any applicable code of professional conduct in relation to the audits.

KPMG

KPMG

Graeme Scott
Partner
Sydney
05 March 2025

Corporate governance statement

Board responsibilities

The Board of Directors of the Group is responsible for corporate governance.

Composition of the Board

At 31 December 2024 the Board comprised of five Non-executive Directors and one Executive Director. The Chairman is an Independent Non-Executive Director. The Board met eight times during the year.

Board's 2024 governance priorities

The Board's 2024 governance priorities were to:

- review the strategic direction and risk appetite of the Group in an environment of higher interest rates and cost of living pressures;
- support strengthening the effectiveness and robustness of the Group's technology, cyber security and operating systems;
- review the Group's environmental, social and governance impact areas and agree the Group's priorities, with a focus on climate actions and embedding sustainability within the core functions of the bank;
- enhance the Group's governance, risk management and culture, with a particular focus on non-financial risk;
- continue to oversee and advise on management's initiatives to protect the health and safety of the Group's people and support its customers; and
- ongoing support and governance to protect the integrity and prudential soundness of the bank.

A summary of the roles and responsibilities of the Board, its Committees and the Chief Executive Officer are also outlined below.

Board responsibilities

The Board acts on behalf of and is accountable to the shareholder, ING Bank N.V. Board members have the experience and qualifications to discharge this duty as set out in the Directors' Report. The Board is subject to the prudential requirements of the Australian Prudential Regulation Authority (APRA) and seeks to identify and ensure compliance with all regulatory and ethical expectations and obligations. In addition, the Board is responsible for identifying areas of significant business risk and ensuring arrangements are in place to manage those risks. The Board also reviews the corporate governance policies and procedures of the Group at least once every year and has external experts advise it on best practice and developments in corporate governance, risk management and other issues of interest and concern to the Board.

To maintain Director independence and objectivity, a majority of Directors are not Executives of the Group. Non-executive Directors are appointed for an initial term of four years.

The responsibility for the operation and administration of the Group is delegated by the Board to the Chief Executive Officer, who is responsible for the Executive team being appropriately qualified and experienced to discharge their responsibilities. The Board has in place procedures to assess the performance of the Chief Executive Officer and reviews the Chief Executive Officer's performance and remuneration annually.

The Chief Executive Officer attends Board meetings and provides information, analysis and commentary to the Board. The Chief Executive Officer is entitled to one vote at Directors' meetings and participates at Board meetings in all matters other than where there is a conflict, for example, where their performance or remuneration is being reviewed.

ING Groep N.V. global succession planning procedures identify candidates to fill the position of Chief Executive Officer (if it becomes vacant) and, together with the Board, provide alternative candidates so there is continuity of leadership regardless of the circumstances.

The Board seeks to align management's objectives and activities with the expectations and risks identified by the Board.

The Board has a number of mechanisms in place to achieve this. In addition to the establishment of the Committees referred to below, the mechanisms include the following:

i. Board monitoring of performance against a strategic plan which encompasses the Group's purpose, customer promise and strategic priorities which are designed to meet shareholders' needs, regulatory requirements and manage business risks. The strategic plan is a dynamic document and the Board is actively involved in reviewing and approving initiatives and strategies designed to foster the growth and success of the Group;

ii. Development and implementation of operating plans and budgets (dynamic plan) by management and the Board monitoring progress against those plans and budgets;

iii. Remuneration incentives aligned with the Dynamic Plan of the Group, Orange Code and remuneration framework and policies; and

iv. Risk appetite framework designed to achieve portfolio outcomes consistent with the Group's risk and return expectations.

To assist in the fulfilment of its responsibilities, the Board has instituted several Committees that operate under charters approved by the Board.

To ensure that all relevant issues are addressed between meetings of the Board and its Committees, there are also various Committees at a management level. These Committees include the Executive Committee, Risk and Compliance Committee, Delivery and Change Committee, Customer Conduct and Reputation Committee, Finance and Balance Sheet Committee, Credit Risk Committee and the Anti-Money Laundering Committee (Management Committees). All Management Committees are chaired by and comprised of appropriate Senior Executives of the Group.

Board Committees

Audit Committee

The Audit Committee, chaired by Mr Newton, assists the Board by providing an objective non-executive review of the effectiveness of the Group's financial reporting and risk management framework. This includes internal controls to deal with both the effectiveness and efficiency of significant business processes which involve the safeguarding of assets, the maintenance of proper accounting records, as well as non-financial considerations, such as the operational key performance indicators. The Audit Committee assists the Board in the establishment and maintenance of a framework of internal control and ethical standards for the management of the Group.

The Audit Committee also provides the Board with additional assurance regarding the reliability of financial information for inclusion in the annual report and is responsible for directing and monitoring the internal audit function (i.e. Corporate Audit Services) and reviewing the adequacy of the scope of the external audit.

Furthermore, the Audit Committee monitors that management effectively deals with issues raised by both internal and external audit and that the external auditors are satisfactorily discharging their duties.

Risk Committee

The Risk Committee, chaired by Ms Gray, assists the Board by providing an objective non-executive oversight of the implementation and operation of the Group's risk management framework. The Risk Committee ensures a holistic approach to risk management within the Group. It ensures the Group maintains a risk management strategy, approach and framework that is consistent with the approved risk appetite and complexity of the Bank's business model.

The Risk Committee formulates the Bank's risk appetite for Board consideration and also makes recommendations on key policies relating to capital, liquidity and funding. It ensures effective and informed risk management reporting to the Board as necessary, and is available to meet with regulators such as the Australian Securities and Investment Commission (ASIC) and Australian Prudential Regulation Authority (APRA) on behalf of the Group, when requested.

People, Remuneration and Nomination Committee

The People, Remuneration and Nomination Committee, chaired by Dr Laker, ensures that the Group's remuneration arrangements support its strategy and enables the recruitment, motivation and retention of Senior Executives. The Committee also ensures compliance with the local and ING Groep N.V. regulatory and governance bodies, satisfying the expectations of shareholders and remaining consistent with the expectations of the wider employee population.

Customer Experience Committee

The Customer Experience Committee, chaired by Ms Allen, assists the Board in reviewing and monitoring customer experience within the Group, including customer complaints, resolution and closure, and improved customer outcomes.

Technology and Transformation Committee

The Technology and Transformation Committee, chaired by Mr Kimber, assists the Board in reviewing the Group's technology strategy and strategic transformation initiatives, including technology, information security, data and business transformation and overseeing and monitoring related priorities and deliverables.

All Committees perform additional functions as the Board of Directors may require from time to time. These other functions are required of the Committees by applicable legislation or by any relevant regulatory authority. The Committees seek expert advice when appropriate, including when material contentious items arise. With these Committees in place the Board can more effectively ensure the compliance, monitoring and review of all aspects of the Group's business.

Pillar 3 Disclosures

The Common Disclosures and Regulatory Capital reconciliation documents required under the 'Pillar 3 Disclosures', per prudential standard APS 330 'Public Disclosure' are provided in the Investor Relations section of the Bank's website.

Read more

Financial statements
Income statements

for the year ended 31 December 2024

		Consolidated		Bank	
Amounts in millions of dollars	Note	**2024**	2023	**2024**	2023
Interest income using effective interest method		4,424	3,754	5,575	4,814
Other interest income		362	392	362	392
Total interest income		**4,786**	**4,146**	**5,937**	**5,206**
Interest expense using effective interest method		(3,104)	(2,393)	(4,321)	(3,515)
Other interest expense		(137)	(160)	(137)	(160)
Total interest expense		**(3,241)**	**(2,553)**	**(4,458)**	**(3,675)**
Net interest income		**1,545**	**1,593**	**1,479**	**1,531**
Net non-interest income		97	95	161	154
Total operating income	3	**1,642**	**1,688**	**1,640**	**1,685**
Employment expenses		(469)	(425)	(469)	(425)
Advertising expenses		(57)	(40)	(57)	(40)
Depreciation and amortisation expenses		(44)	(38)	(44)	(38)
Depreciation on right of use assets		(11)	(12)	(11)	(12)
Occupancy expenses		(8)	(7)	(8)	(7)
Technology expenses		(41)	(38)	(41)	(38)
Intercompany management fees		(127)	(95)	(127)	(95)
Fee expenses		(14)	(14)	(12)	(12)
Other expenses		(37)	(41)	(37)	(41)
Total operating expenses		**(808)**	**(710)**	**(806)**	**(708)**
Loan impairment benefit/(expense)	12	(65)	(41)	(65)	(41)
Operating profit before tax		**769**	**937**	**769**	**936**
Income tax expense	4	(237)	(283)	(236)	(282)
Profit for the year		**532**	**654**	**533**	**654**
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss					
Unrealised revaluations net of tax:					
Financial assets at FVOCI					
Gains/(losses) arising during the year	21	16	31	16	31
Gains/(losses) transferred to profit or loss	21	(47)	(56)	(47)	(56)
Net gains/(losses) on financial assets at FVOCI		(31)	(25)	(31)	(25)
Cash flow hedges					
Gains/(losses) arising during the year	21	(262)	(288)	(262)	(288)
Gains/(losses) transferred to profit or loss	21	158	187	158	187
Net gains/(losses) on cash flow hedges		(104)	(101)	(104)	(101)
Total amount recognised directly in equity		**(135)**	**(126)**	**(135)**	**(126)**
Total comprehensive income		**397**	**528**	**398**	**528**

The above income statements should be read in conjunction with the accompanying notes which are an integral part of the financial statements.

Financial statements
Balance sheets
as at 31 December 2024

		Consolidated		Bank	
Amounts in millions of dollars	Note	**2024**	2023	**2024**	2023
Assets					
Cash and cash equivalents	6	1,752	3,733	1,432	3,090
Due from other financial institutions	7	161	250	184	273
Financial assets at FVOCI	8	6,758	5,247	6,758	5,247
Derivative assets	9	707	900	707	900
Securities at amortised cost	8	2,971	2,696	2,971	2,696
Amounts due from controlled entities	24	-	-	18,442	19,092
Loans and advances	11	77,174	73,744	77,174	73,744
Deferred tax assets	4	174	138	173	133
Other assets	10	385	273	376	265
Total assets		**90,082**	**86,981**	**108,217**	**105,440**
Liabilities					
Deposits and other borrowings	14	72,936	72,992	73,265	73,267
Derivative liabilities	9	146	221	146	221
Amounts due to controlled entities	24	-	-	20,543	20,485
Debt issues	15	10,763	6,900	8,027	4,604
Current tax liabilities	4	-	18	-	18
Provisions	19	36	31	36	31
Deferred tax liabilities	4	68	112	68	107
Other liabilities	13	335	653	334	654
Total liabilities		**84,284**	**80,927**	**102,419**	**99,387**
Net assets		**5,798**	**6,054**	**5,798**	**6,053**
Equity					
Contributed equity	20	1,334	1,334	1,334	1,334
Reserves	21	(21)	113	(21)	113
Retained earnings		4,485	4,607	4,485	4,606
Total equity		**5,798**	**6,054**	**5,798**	**6,053**

The above balance sheets should be read in conjunction with the accompanying notes which are an integral part of the financial statements.

Financial statements
Statements of changes in equity
for the year ended 31 December 2024

Amounts in millions of dollars	Note	Contributed equity	Reserves	Retained earnings	Total equity
Consolidated					
As at 1 January 2024		**1,334**	**113**	**4,607**	**6,054**
Profit for the year		-	-	532	532
Other comprehensive income		-	(135)	-	(135)
Total comprehensive income		**-**	**(135)**	**532**	**397**
Transactions with owners, recorded directly in equity					
Dividend provided for or paid	17	-	-	(654)	(654)
Transfers	21	-	-	-	-
Share based payment plan	21	-	1	-	1
As at 31 December 2024		**1,334**	**(21)**	**4,485**	**5,798**
As at 1 January 2023		**1,334**	**332**	**4,446**	**6,112**
Profit for the year		-	-	654	654
Other comprehensive income		-	(126)	-	(126)
Total comprehensive income		**-**	**(126)**	**654**	**528**
Transactions with owners, recorded directly in equity					
Dividend provided for or paid	17	-	-	(588)	(588)
Transfers	21	-	(95)	95	-
Share based payment plan	21	-	2	-	2
As at 31 December 2023		**1,334**	**113**	**4,607**	**6,054**
Bank					
As at 1 January 2024		**1,334**	**113**	**4,606**	**6,053**
Profit for the year		-	-	533	533
Other comprehensive income		-	(135)	-	(135)
Total comprehensive income		**-**	**(135)**	**533**	**398**
Transactions with owners, recorded directly in equity					
Dividend provided for or paid	17	-	-	(654)	(654)
Transfers	21	-	-	-	-
Share based payment plan	21	-	1	-	2
As at 31 December 2024		**1,334**	**(21)**	**4,485**	**5,798**
As at 1 January 2023		**1,334**	**332**	**4,445**	**6,111**
Profit for the year		-	-	654	654
Other comprehensive income		-	(126)	-	(126)
Total comprehensive income		**-**	**(126)**	**654**	**528**
Transactions with owners, recorded directly in equity					
Dividend provided for or paid	17	-	-	(588)	(588)
Transfers	21	-	(95)	95	-
Share based payment plan	21	-	2	-	2
As at 31 December 2023		**1,334**	**113**	**4,606**	**6,053**

The above statements of changes in equity should be read in conjunction with the accompanying notes which are an integral part of the financial statements.

Financial statements
Statements of cash flows
as at 31 December 2024

		Consolidated		Bank	
Amounts in millions of dollars	Note	**2024**	2023	**2024**	2023
Cash flows from operating activities					
Operating profit before tax		769	937	769	936
Adjustments for:					
Depreciation and amortisation expenses		55	50	55	50
Loan impairment expense /(benefit)		65	41	65	41
Other		(149)	(271)	(147)	(272)
Taxes paid		(319)	(301)	(319)	(301)
Changes in:					
Loans and advances		(3,495)	(2,916)	(3,495)	(2,916)
Derivatives		118	169	118	169
Other assets		41	2	41	1
Other liabilities		(297)	255	(299)	258
Deposits and other borrowings		(26)	512	737	1,737
Net cash flows (used in)/from operating activities[1]		**(3,238)**	**(1,522)**	**(2,475)**	**(297)**
Cash flows from investing activities					
Payments for property and equipment		(5)	(7)	(5)	(7)
Payment for intangible assets		(114)	(75)	(114)	(75)
Payments for securities		(941)	(1,353)	(941)	(1,353)
Payments for discount securities		(3,590)	(2,085)	(3,590)	(2,085)
Proceeds from sale of securities		97	50	97	50
Proceeds from redemption of securities		317	555	317	555
Proceeds from sale of discount securities		1,030	2,700	1,030	2,700
Proceeds from redemption of discount securities		1,300	128	1,300	128
Net cash flows (used in) / from investing activities		**(1,906)**	**(87)**	**(1,906)**	**(87)**
Cash flows from financing activities					
Proceeds from other long term financing		14,443	16,121	14,443	16,121
Proceeds from other debt issued		4,446	2,002	3,200	250
Proceeds from covered bond issuance		1,000	-	1,000	-
Repayment of other long term financing		(14,473)	(14,269)	(14,473)	(14,269)
Repayment of debt issued		(1,583)	(846)	(777)	(563)
Principal payments on lease liability		(16)	(14)	(16)	(14)
Dividends paid		(654)	(588)	(654)	(588)
Net cash flows (used in) / from financing activities[2]		**3,163**	**2,406**	**2,723**	**937**
Net cash flows		(1,981)	797	(1,658)	553
Cash and cash equivalents at beginning of year		3,733	2,936	3,090	2,537
Cash and cash equivalents at end of year	6	**1,752**	**3,733**	**1,432**	**3,090**

[1] Includes $1m (2023: $1m) for repayment of interest on lease liabilities disclosed in cash flows from operating activities.
[2] Includes $16m (2023: $14m) for principal payments on lease liabilities disclosed in cash flows from financing activities.

The above statements of cash flows should be read in conjunction with the accompanying notes which are an integral part of the financial statements.

Notes to the financial statements

1. Basis of preparation

1.1 Corporate information

ING Bank (Australia) Limited (the "Bank") is a company incorporated and domiciled in Australia. The registered office and principal place of business is Level 28, 60 Margaret Street, Sydney NSW 2000. Its ultimate parent entity is ING Groep N.V. incorporated in the Netherlands.

The financial statements for the year ended 31 December 2024 is comprised of the Bank and its controlled entities IDS Trust 2008-1, IDOL Trust Series 2015-1, IDOL Trust Series 2016-1, IDOL Trust Series 2017-1, IDOL Trust Series 2019-1, IDOL Trust Series 2023-1, IDOL Series 2024-1 and IBAL Covered Bond Trust (together "the Group"). IDOL Trust Series 2015-1 and IDOL Trust Series 2016-1 were wound up during the year. Please see the Consolidated Entities Disclosure statement for further reference.

The financial statements were authorised for issue in accordance with a resolution of the Directors on 5 March 2025.

The nature of the operations and principal activities of the Group are described in the Directors' Report.

Notes accompanying the financial statements, the consolidated entity disclosure statement and the Directors' declaration form part of the Financial Report.

1.2 Basis of accounting

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards ("AAS") and Interpretations issued by the Australian Accounting Standards Board ("AASB") and the Corporations Act 2001. The consolidated financial statements and notes thereto also comply with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements are presented in Australian Dollars which is also the functional currency. In compliance with ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191, all values are rounded to the nearest one million dollars, unless otherwise stated.

The financial statements are prepared on a historical cost basis except for the following two items:

- Derivative financial instruments – fair value; and
- Debt securities at fair value through other comprehensive income ("FVOCI") – fair value.

1.3 Basis of presentation

AASB 101 *Presentation of Financial Statements* provides when considered more reliable and relevant to the user of the financial statements that entities can present their Statement of Financial Position on a liquidity basis. The Group has elected to present on this basis and reports its assets and liabilities in increasing, decreasing order of liquidity as it is more reliable and more relevant than a current, or non-current presentation as the Group does not supply goods or services within a clearly identifiable operating cycle.

2. Material accounting policies

2.1 Changes to accounting policies

2.1.1 Newly Effective Accounting Standards for 31 December 2024

A number of new standards, amendments to standards and interpretations are effective from 1 January 2024 and apply to the Group. The Group has assessed the relevant standards:

- AASB 2020-1 *Amendments to Australian Accounting Standards - Classification of Liabilities as Current / Non-current*
- AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*
- AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements*

and has concluded that with these changes do not have a material impact on the Financial Statements for the year ended 31 December 2024.

2.1.2 Accounting Standards Not Early Adopted

A number of new standards, amendments to standards and interpretations have been published but are not mandatory for the financial statements for the year ended 31 December 2024, and have not been applied by the Group in preparing these financial statements. The Group continues to assess the impact of these new standards.

Standard	Effective Period	Purpose and summary of details
AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*	Annual reporting periods after 1 January 2025	Assists entities determine whether a currency is exchangeable into another currency, and which spot exchange rate to use when it is not.
AASB 2024-2 *Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments*	Annual reporting periods after 1 January 2026	• Clarify the date of recognition and derecognition of some financial assets and liabilities; • Clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion; • Add new disclosures for certain instruments with contractual terms that can change cash flows; and • Update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).
AASB 18 *Presentation and Disclosure in Financial Statements*	Annual reporting periods after 1 January 2026	Assists in achieving comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

International Tax Reform – Pillar Two Model Rules

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy. These rules have been implemented in Australia in 2024. As such, the legislation is effective for the Group's financial year beginning 1 January 2024.

In response to uncertainty concerning the measurement of deferred taxes under these rules, AASB issued amendments to AASB 112 *Income taxes* introducing a mandatory temporary exception to the requirements of AASB 112 under which a company does not recognise or disclose information about deferred tax assets and liabilities related to the proposed OECD/G20 BEPS Pillar Two model rules. The application of this amendment is effective to annual periods beginning on or after 1 January 2023 that end on or after 30 June 2023. The Group has applied the relief to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

The Group has performed an assessment of its potential exposure to Pillar Two taxes based on most recent tax returns lodged and financial statements. Based on this assessment, Pillar Two taxes are not expected to be paid by the Group as the headline corporate tax rate in Australia is 30%, where all constituent entities of the Group are tax resident. The Group has an effective tax rate higher than the headline corporate tax rate. The impact of the legislation on future financial performance will continue to be assessed.

2. Material accounting policies (continued)

2.1.3 Significant estimates and judgements

In applying the Group's accounting policies, management continually evaluates judgements, estimates and assumptions based on experience and other factors, including expectations of future events that may have an impact on the Group. All judgements, estimates and assumptions made are believed to be reasonable based on the most current set of circumstances available to management even though actual results may differ.

The estimates and underlying assumptions are reviewed on an ongoing basis. Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have a significant effect on the amounts recognised in the financial statements are described below:

Impairment of financial assets

Considerable judgement is exercised in determining the extent of the loan loss allowance for financial assets assessed for impairment both individually and collectively. The loan loss allowance for financial assets is based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward- looking estimates at the end of each reporting period. Changes in such judgements and analyses may lead to changes in the loan loss allowance over time. The key judgement areas are the assumptions used to measure Expected Credit Losses ("ECL"), including the use of forward-looking and macroeconomic information for individual and collective impairment assessment.

Individually assessed loans (Stage 3): Individual provisions are calculated using the discounted expected future cash flow method. To determine expected future cash flows, one or more scenarios are used. Each scenario is analysed based on the probability of occurrence and including forward looking information. In determining the scenarios, all relevant factors impacting the future cash flows are taken into account. These include expected developments in credit quality, business and economic forecasts, and estimates of if or when recoveries will occur, taking into account the structure of the financial asset and the Group's restructuring or recovery strategy. The macroeconomic forecast is captured, as the expected future macroeconomic situation serves as a basis for the cash flows in the scenarios. For the individual assessment, with granular (company or deal-specific) scenarios, specific factors can have a larger impact on the future cash flows than macroeconomic factors (i.e. for the country as a whole).

Collectively assessed loans (Stages 1 to 3): For the purposes of a collective evaluation of impairment, financial assets are grouped on the basis of similar credit risk characteristics. Those characteristics are relevant to the estimation of future cash flows for groups of such assets by being indicative of the debtors' ability to pay all amounts due according to the contractual terms of the assets being evaluated. Expected future cash flows in a portfolio of financial assets that are collectively evaluated for impairment, are estimated on the basis of the contractual cash flows of the assets in the portfolio and historical loss experience for assets with credit risk characteristics similar to those in the portfolio. The methodology and assumptions used for estimating future cash flows are reviewed regularly to assess any differences between loss estimates and actual loss experience. The outcome of the models reflects forward looking and macro-economic information.

The use of different assumptions could produce significantly different estimates of ECL. As the inclusion of forward-looking macroeconomic scenarios requires judgement, ING Groep N.V. has established a quarterly process whereby forward-looking macroeconomic scenarios are developed for ECL calculation purposes. This process is based on using a third party provider – Oxford Economics ("OE") – that delivers the forecast macroeconomic scenarios using key impairment drivers such as Gross Domestic Product ("GDP"), unemployment and house prices.

The inflationary pressure has remained elevated throughout 2024 and has influenced the interest rate environment managed by the Reserve Bank of Australia (RBA). In response to these conditions, the RBA has lifted interest rates materially since May 2022. This has brought the current cash rate to the highest level since early 2012. The sustained inflationary pressure and higher interest rates have substantially heightened cost of living pressures, exerting a negative impact on the macro-economic outlook, potentially straining GDP growth and increasing the unemployment rate.

Two internal groups have been established by ING Groep N.V.: the Macroeconomic Scenarios Team and the Macroeconomic Scenarios Expert Panel, which are responsible for ensuring the scenarios received from OE are in line with ING's view on the macro economy. The Macroeconomics Scenarios Team is responsible for the macroeconomic scenarios used for AASB 9 ECL purposes with a challenge by the Macroeconomic Scenarios Expert Panel. This ensures that the macroeconomic scenarios are sufficiently challenged and that key economic risks, including immediate short term risks, are taken into consideration when developing the macroeconomic scenarios used in the calculation of ECL. The macro-economic forecasts are consistently applied in the AASB 9 framework, to determine the significant increase in credit risk and the (lifetime) expected credit loss.

2. Material accounting policies (continued)

The following criteria and definitions are applied for impairment:

- **The criteria for identifying a significant increase in credit risk**

  When determining whether the credit risk on a financial asset has increased significantly since origination, the Group considers reasonable and supportable information available to compare the risk of lifetime default occurring at the quarterly reporting date with the risk of a lifetime default occurring at initial recognition of the financial asset. To measure SICR, a combination of quantitative and qualitative triggers is used. This includes consideration of modelled lifetime default probabilities, modelled identification of credit deterioration, forbearance, exposures managed by special assets department, arrears, and the use of a qualitative framework to capture risk not picked up by the models.

- **Definition of default**

  The Group applies a definition of default in line with both APRA and the European Banking Authority ("EBA") guidelines where 90+ days past due above a materiality threshold is the main trigger. Next to this objective measure, the Group applies unlikely to pay framework with various triggers and indicators. The unlikely to pay determination is assessed on a case by case basis whether there is objective evidence that an impairment loss on an asset has been incurred. Refer to 'Note 12 – Impairment of financial assets' for the group's definition of default.

Financial instruments fair value

The best evidence of fair value is quoted prices in an active market. If the market for a financial instrument is not active, the Group establishes fair value using valuation techniques. The objective of using a valuation technique is to establish what the transaction price would have been on the measurement date in an arm's length exchange driven by normal business considerations. Valuation techniques are subjective in nature and involve various assumptions regarding pricing factors.

3. Operating income

	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Interest income				
Cash and cash equivalents*	118	100	99	83
Due from other financial institutions*	9	13	9	13
Debt securities at FVOCI*	206	189	206	189
Securities at amortised cost*	100	84	100	84
Loans and advances*	3,991	3,368	3,991	3,368
Amounts due from controlled entities*	-	-	1,170	1,077
Derivative assets	362	392	362	392
Total interest income	**4,786**	**4,146**	**5,937**	**5,206**
Interest expense				
Deposits*	2,735	2,125	2,748	2,139
Debt issues*	369	268	226	201
Derivative liabilities	136	159	136	159
Lease liabilities	1	1	1	1
Amounts due to controlled entities*	-	-	1,347	1,175
Total interest expense	**3,241**	**2,553**	**4,458**	**3,675**
Net interest income	**1,545**	**1,593**	**1,479**	**1,531**
Non-interest income / (expense)				
Net account fees and commissions	105	106	105	106
Customer transaction costs	(16)	(18)	(16)	(18)
Gain from sale of financial assets	1	6	1	6
Securitisation income	-	-	64	60
Other non-interest income/(expense)	7	1	7	-
Net non-interest income/(expense)	**97**	**95**	**161**	**154**
Total operating income	**1,642**	**1,688**	**1,640**	**1,685**

*Calculated using the effective interest rate method

Income and expense recognition – Accounting policy

Interest income and expenses other than that derived from derivatives assets and liabilities and lease are recognised using a calculated effective interest rate method which is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument to the net carrying amount of the financial asset or liability. Contractual interest on instruments not held at amortised cost are included in interest income and expense.

Fees and commissions are recognised in non-interest income when the performance obligation is satisfied and the significant act has been completed. Fees charged for providing ongoing services are recognised in non-interest income over the period the service is provided.

Fee income earned or expenses incurred which are associated with the origination of loans and advances or financial liabilities are deferred and form part of the amortised cost of the asset or liability and result in an adjustment to the effective interest rate.

4. Income tax

The Bank is a signatory to the voluntary Tax Transparency Code. Information provided in this note is also for the purposes of Part A of the voluntary Tax Transparency Code disclosures.

	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Income Statement				
Current income tax	258	303	257	302
Deferred income tax	(21)	(20)	(21)	(20)
Income tax expense reported in Income Statement	**237**	**283**	**236**	**282**
Statement of Comprehensive Income				
Deferred income tax				
Revaluation of cash flow hedge	(44)	(43)	(44)	(43)
Revaluation of financial assets at FVOCI	(14)	(11)	(14)	(11)
Income tax expense recognised in other comprehensive income	**(58)**	**(54)**	**(58)**	**(54)**
Reconciliation of income tax expense				
Operating profit before income tax	769	937	769	936
Prima facie income tax on operating profit at 30%	231	281	231	281
Income Tax (over)/under provided in prior years	3	-	2	(1)
Effects of amounts which are not (assessable)/deductible	3	2	3	2
Income tax expense	**237**	**283**	**236**	**282**
Effective tax rate	**30.8%**	**30.2%**	**30.7%**	**30.1%**

	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Reconciliation of income tax expense to income tax receivable / (payable)				
Opening balance	(18)	(16)	(18)	(17)
Current income tax expense for the year	(255)	(303)	(255)	(302)
Current income tax prior year adjustment	(3)	-	(2)	-
Income tax paid/(refund)	319	301	319	301
Closing balance	**43**	**(18)**	**44**	**(18)**

4. Income tax (continued)

Deferred income tax	Consolidated Balance Sheet		Consolidated Income Statement		Bank Balance Sheet		Bank Income Statement	
Amounts in millions of dollars	**2024**	2023	**2024**	2023	**2024**	2023	**2024**	2023
Deferred income tax at 31 December relates to the following:								
Deferred tax liabilities								
Deferred lending expenses	64	58	6	3	64	58	6	3
Revaluation of derivatives	-	-	-	-	-	-	-	-
Revaluation of cash flow hedge	4	48	-	-	4	48	-	-
Revaluation of financial assets at FVOCI	-	-	-	-	-	-	-	-
Other	-	6	(6)	(2)	-	1	(1)	-
Total deferred tax liabilities	**68**	**112**			**68**	**107**		
Deferred tax assets								
Provisions for impairment	67	48	(19)	(12)	67	48	(19)	(12)
Deferred lending income	-	-	-	-	-	-	-	-
Revaluation of derivatives	17	20	3	(1)	-	-	-	-
Revaluation of financial assets at FVOCI	24	10	-	-	24	10	-	-
Revaluation of cash flow hedge	-	-	-	-	-	-	-	-
Depreciation and amortisation expenses	32	29	(4)	(3)	32	29	(4)	(3)
Accrued expenses	17	16	(1)	(3)	17	16	(1)	(3)
Provisions	11	10	(1)	(2)	11	10	(1)	(2)
Other	6	5	1	-	22	20	(1)	(3)
Total deferred tax assets before set-off	**174**	**138**			**173**	**133**		
Net deferred tax assets/(liabilities)	**106**	**26**			**105**	**26**		
Deferred income tax charge			**(21)**	**(20)**			**(21)**	**(20)**

Income tax – Accounting policy

Income tax expense comprises current and deferred tax. Income tax is recognised in profit or loss in the Income Statement except to the extent that it relates to items recognised directly in equity, or when it is recognised in other comprehensive income.

Current income tax is the tax payable on the taxable income for the year based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date and any adjustment to tax payable or receivable in respect of previous years.

Deferred tax assets and liabilities are recognised based on temporary differences between the tax base and the accounting carrying amount of an asset or liability in the Balance Sheet, or when a benefit arises due to unused tax losses. They are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognised to the extent that it is probable that future taxable amounts will be available to utilise those temporary differences or tax losses.

Tax consolidation

The Bank and other wholly owned subsidiaries of ING Groep N.V. in Australia formed a tax consolidated group from 1 January 2004 and are taxed as a single entity from that date. The tax consolidated group does not include the Bank's controlled entities with the exception of IBAL Covered Bond Trust.

Members of the tax consolidated group have entered into a tax sharing deed which sets out the funding obligations and allocation of income tax payable to group members. This allocation is calculated on a stand-alone taxpayer approach. The amounts receivable or payable under the tax sharing deed are due upon receipt of the funding advice from the Head Entity, which is issued as soon as practicable after the end of each financial year. The Head Entity may also require payment of interim funding amounts to assist with its obligations to pay income tax instalments. The Head Entity of the tax consolidated group is ING Australia Holdings Limited. Each member of the tax consolidated group is separately managed and responsible for ensuring it meets its tax obligations.

Income tax paid by members of the tax consolidated group gives rise to a credit in the franking account. The Head Entity maintains one franking account which is available to pay franked dividends.

5. Financial instruments

Financial instruments – Accounting policy

The financial assets of the Group include cash and cash equivalents, due from other financial institutions, financial assets at fair value through other comprehensive income, securities at amortised cost, derivative assets, receivables and other assets, amounts due from controlled entities and loans and advances. The financial liabilities of the Group include derivative liabilities, deposits and other borrowings, creditors and other liabilities, amounts due to controlled entities and debt issues.

Recognition and derecognition of financial instruments

The Group recognises a financial asset or financial liability in its balance sheet when the Group becomes a party to the contractual provisions of the instrument. This is usually on the trade date, being the date the Group commits itself to purchase or sell an asset. Loans and advances, and reverse repurchase agreements are recognised using settlement date accounting, the date at which the asset is delivered by the Group.

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or where the Group has transferred substantially all risks and rewards of ownership. If the Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it derecognises the financial asset if it no longer has control over the asset. The difference between the carrying amount of a financial asset that has been extinguished and the consideration received is recognised in profit or loss.

Financial liabilities are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial instrument that has been extinguished and the consideration paid is recognised in profit or loss.

Financial assets

General classification framework and initial measurement

The Group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss); and
- those to be measured at amortised cost ("AC").

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the income statement.

The classification is dependent upon the Group's business model for managing the financial assets and the contractual terms of the cash flows at initial recognition.

Business models

Business models are classified as either Hold to Collect ("HtC"), Hold to Collect & Sell ("HtC&S") or Other depending on how a portfolio of financial instruments as a whole is managed. The Group's business models are based on the existing management structure of the Bank, and refined based on an analysis of how businesses are evaluated and reported, how their specific business risks are managed and on historic and expected future sales.

Sales are permissible in a HtC business model when these are:

- due to an increase in credit risk;
- take place close to the maturity date;
- are insignificant in value (both individually and in aggregate);
- or are infrequent.

Contractual cash flow characteristics

The contractual cash flows of a financial asset are assessed to determine whether the instrument gives rise to cash flows that are solely payments of principal and interest ("SPPI"). Principal is defined as the fair value of the financial asset on initial recognition. Interest includes consideration for the time value of money, credit risk and also consideration for liquidity risk and costs associated with holding the financial assets for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending agreement. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

5. Financial instruments (continued)

In assessing whether the contractual cash flows are SPPI, the Group considers the contractual terms of the instruments. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making the assessment, terms such as the following are considered:

- Prepayment terms: for example a prepayment of an outstanding principal amount plus a penalty capped to 3 or 6 months of interest;
- Leverage features: which increase the variability of the contractual cash flows with the result that they do not have the economic characteristics of interest. An example is a BBSW contract with a multiplier of 1.3;
- Terms that limit the Group's claim to cash flows from specified assets e.g. non-recourse asset arrangements. This could be the case if payments of principal and interest are met solely by the cash flows generated by the underlying asset, for example in real estate, shipping and aviation financing; and
- Features that modify consideration for the time value of money. These are contracts with, for example, an interest rate which is reset every month to a one-year rate. The Group performs either a qualitative or quantitative benchmark test on a financial asset with a modified time value of money element. A qualitative test is performed when it is clear with little or no analysis whether the contractual cash flows solely represent SPPI.

There are three measurement categories into which the Group classifies its financial assets:

- Amortised cost: debt instruments that are held for collection of contractual cash flows under a HtC business model where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in the income statement. Impairment losses are presented as a separate line item in the income statement.
- FVOCI: debt instruments that are held for collection of contractual cash flows and for selling the financial assets under a HtC&S business model, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in the income statement. On derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from equity to the income statement. Interest income from these financial assets is included in interest income using the effective interest rate method. Impairment losses are presented as a separate line item in the income statement.
- FVTPL: debt instruments that do not meet the criteria for amortised cost or FVOCI are measured and can be designated at FVTPL. The contractual interest result on a debt instrument that is part of a hedged relationship, but not subject to hedge accounting, is recognised in the income statement and presented within interest income or interest expense in the period in which it arises. The Group may in some cases, on initial recognition, irrevocably designate a financial asset that otherwise meets the requirements to be measured at AC or at FVOCI as at FTVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

The Group reclassifies debt investments when, and only when, its business model for managing those assets changes.

Financial liabilities

Financial liabilities are classified and measured at amortised cost unless the Group is required to measure liabilities at FVTPL such as derivative liabilities.

Derivatives and hedge accounting

Derivatives are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently measured at fair value. The Group applies valuation techniques (such as discounted cashflow models) based on observable market inputs in the valuation of derivatives. Derivatives are carried as assets when their fair value is positive and as liabilities where their fair value is negative.

The method of recognising the resulting fair value gain or loss depends on whether the derivative is designated as a hedging instrument and if so, the nature of the item being hedged when the conditions of AASB 139 *Financial Instruments: Recognition and measurement* are met (see Note 9). For those derivatives not designated for hedge accounting purposes, changes in fair value are recorded in the income statement.

The Group decided to continue to apply the hedge accounting guidance of AASB 139 as explicitly permitted by AASB 9.

6. Cash and cash equivalents

	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Cash and liquid assets	1,390	3,025	1,373	3,015
Cash equivalents held by other financial institutions	362	708	59	75
Total cash and cash equivalents	**1,752**	**3,733**	**1,432**	**3,090**

Cash and cash equivalents – Accounting policy

Comprises cash on hand, in banks and at-call loans excluding cash collateral. These are readily convertible to known amounts of cash which are subject to insignificant risk of changes in value and are initially measured at fair value and subsequently measured at amortised cost which is an approximation of fair value as they are short term in nature.

7. Due from other financial institutions

	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Cash collateral - for derivatives	161	250	161	250
Cash collateral - for SPVs	-	-	23	23
Total cash collateral	**161**	**250**	**184**	**273**

Due from other financial institutions – Accounting policy

Includes cash collateral pledged to counterparties on derivative instruments and are initially measured at fair value and subsequently measured at amortised cost which is an approximation of fair value as they are short term in nature.

8. Financial assets at fair value through other comprehensive income and securities at amortised cost

Consolidated and Bank

Amounts in millions of dollars	**Financial assets at FVOCI**	**Securities at amortised cost**	**Total 2024**	Financial assets at FVOCI	Securities at amortised cost	Total 2023
Discount securities	1,483	-	1,483	198	-	198
Government bonds	5,275	2,971	8,246	5,049	2,696	7,745
Total debt securities	**6,758**	**2,971**	**9,729**	**5,247**	**2,696**	**7,943**
Maturity analysis of debt securities						
Not longer than 3 months	402	-	402	61	-	61
Longer than 3 months and not longer than 1 year	1,293	249	1,542	457	-	457
Longer than 1 year and not longer than 5 years	2,405	1,027	3,432	2,124	1,149	3,273
Longer than 5 years	2,658	1,695	4,353	2,605	1,547	4,152
Total securities	**6,758**	**2,971**	**9,729**	**5,247**	**2,696**	**7,943**

Refer to 'Note 5 – Financial Instruments' for accounting policy on debts instruments amortised cost and FVOCI.

9. Derivatives

Derivatives – Accounting policy

The Group uses derivative financial instruments such as interest rate swaps and basis swaps as part of its risk management activities to manage exposures to interest rate and foreign currency risks.

The Group designates certain interest rate swaps as hedges of the fair value of recognised assets or liabilities (fair value hedges) or hedges of highly probable cash flows attributable to a recognised asset or liability (cash flow hedges).

Consolidated	2024			2023		
Amounts in millions of dollars	**Notional**	**Fair value asset**	**Fair value liability**	Notional	Fair value asset	Fair value liability
Derivatives designated as fair value hedges						
Interest rate swaps	10,108	593	(43)	9,755	580	(65)
Total fair value hedges	**10,108**	**593**	**(43)**	**9,755**	**580**	**(65)**
Derivatives designated as cash flow hedges						
Interest rate swaps	21,495	114	(103)	27,352	320	(156)
Total cash flow hedges	**21,495**	**114**	**(103)**	**27,352**	**320**	**(156)**
Total recognised derivative assets/(liabilities)	**31,603**	**707**	**(146)**	**37,107**	**900**	**(221)**

Bank	2024			2023		
Amounts in millions of dollars	**Notional**	**Fair value asset**	**Fair value liability**	Notional	Fair value asset	Fair value liability
Derivatives designated as fair value hedges						
Interest rate swaps	10,108	593	(43)	9,755	580	(65)
Total fair value hedges	**10,108**	**593**	**(43)**	**9,755**	**580**	**(65)**
Derivatives designated as cash flow hedges						
Interest rate swaps	21,495	114	(103)	27,352	320	(156)
Total cash flow hedges	**21,495**	**114**	**(103)**	**27,352**	**320**	**(156)**
Total recognised derivative assets/(liabilities)	**31,603**	**707**	**(146)**	**37,107**	**900**	**(221)**

	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Maturity analysis for derivative assets				
Not longer than 3 months	5	2	5	2
Longer than 3 months and not longer than 1 year	41	92	41	92
Longer than 1 year and not longer than 5 years	166	273	166	273
Longer than 5 years	495	533	495	533
No maturity specified	-	-	-	-
Total derivative assets	**707**	**900**	**707**	**900**

9. Derivatives (continued)

Hedging – Accounting policy

Risk Management Strategy

The Group's hedging strategy is to minimise the exposure to interest rate fluctuations. The Group enters into derivative transactions which are designated and qualify as either fair value or cash flow hedges for recognised assets or liabilities. The amounts in this note are exactly the same across the Group and the Bank.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objectives and strategies for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the Group will assess the hedging instrument's effectiveness in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting period for which they were designated.

The following table shows the notional of the hedging derivatives in time bands together with the average fixed interest rates. All the swaps shown in the below table are interest rate swaps.

Consolidated and Bank	2024					2023				
Amounts in millions of dollars	**0 to 3 months**	**3 to 12 months**	**1 to 5 years**	**Over 5 years**	**Total**	0 to 3 months	3 to 12 months	1 to 5 years	Over 5 years	Total
Fair value hedges										
Pay Fixed										
Notional	100	361	3,378	4,894	8,733	60	257	3,199	4,664	8,180
Average Rate	1.25%	2.85%	3.19%	2.78%	2.92%	6.00%	4.61%	3.17%	2.54%	2.87%
Receive Fixed										
Notional	-	550	825	-	1,375	-	500	675	400	1,575
Average Rate	-	4.45%	4.15%	-	4.15%	-	1.45%	3.83%	4.50%	3.83%
Cash flow hedges										
Pay Fixed										
Notional	1,324	2,445	2,495	-	6,264	484	3,415	5,510	561	9,970
Average Rate	1.29%	1.25%	2.88%	-	1.91%	1.46%	0.83%	1.82%	2.21%	1.49%
Receive Fixed										
Notional	2,027	3,505	9,699	-	15,231	3,077	5,130	9,149	26	17,382
Average Rate	4.00%	3.94%	3.46%	-	3.64%	3.48%	4.06%	3.29%	1.73%	3.55%

9. Derivatives (continued)

Derivatives designated and accounted for as hedging instruments

Cash flow hedges

The operations of the Group are subject to the risk of interest rate fluctuations to the extent of the repricing profile of the Group's balance sheet. The Group uses interest rate swaps to minimise the variability in cash flows from interest earning assets and interest-bearing liabilities. The Group manages the interest risk exposure on a portfolio basis for the following hedged items:

- Floating rate loans by entering into shorter term pay floating / receive fixed interest rate swaps; and
- Floating rate deposits by entering into longer term pay fixed/receive floating interest rate swaps

The following table shows the amount of assets/liabilities considered in each pool.

Consolidated		
Amounts in millions of dollars	**2024**	2023
Floating rate assets	57,498	46,688
Floating rate liabilities	(30,231)	(28,643)

Cash flow hedge accounting involves designating derivatives as hedges of the variability in highly probable forecast future cash flows arising from a recognised asset or liability. The gain or loss on the derivative associated with the effective portion of the hedge is initially recognised in other comprehensive income in the cash flow hedge reserve and reclassified into profit or loss when the hedged item is brought to account.

Cash flow hedges	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Fair value of hedge instruments	11	164	11	164
Amount recognised in other comprehensive income during the period (net of tax)	(104)	(101)	(104)	(101)

The gain or loss relating to the ineffective portion of the hedge is recognised immediately in profit or loss. More specifically, the ineffectiveness on a cash flow hedge is accounted for by adjusting the separate component of equity associated with the hedged item to the lesser of the following (in absolute amounts):

(i) the cumulative gain or loss on the hedging instrument from inception of the hedge; and

(ii) the cumulative change in fair value (present value) of the expected future cash flows on the hedged item from inception of the hedge.

The Group determines the economic relationship between the hedged item and hedging instrument for the purpose of assessing hedge effectiveness through matched terms of the contracts and also the relationship between the 1 month BBSW reference rate and variable rate products whereby pricing is reviewed monthly.

There was no hedge ineffectiveness arising from the cash flow hedges recognised in the profit or loss for the period and the swaps were fully collateralised (2023: nil).

See Reserves Note 21 for the cash flow hedge reserve movement schedule.

9. Derivatives (continued)

Fair value hedges

The Group's fair value hedges are used to limit exposure to changes in the fair value of fixed rate interest earning assets and interest bearing liabilities. Specific exposures are managed on a one to one basis for:

- Debt securities investments by entering into a pay fixed/receive floating interest rate swap; and
- Covered bond issuance by entering into pay floating/receive fixed interest rate swap

The following table shows each category of hedged items. Fair value hedge adjustments are applicable to Financial assets at fair value through other comprehensive income, securities at amortised cost and the covered bond issuance. For a derivative designated as hedging a fair value exposure arising from a recognised asset or liability, the gain or loss on the derivative is recognised in the Income Statement together with any changes in the fair value of the hedged asset or liability that is attributed to the hedged risk.

The Group determines the economic relationship between the hedged item and hedging instrument for the purpose of assessing hedge effectiveness through matched terms of the contracts.

There was no hedge ineffectiveness arising from the fair value hedges recognised in the profit or loss for the period and the swaps were fully collateralised (2023: nil).

Fair value hedges	**Consolidated**		**Bank**	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Fair value of hedge instruments	(550)	(515)	(550)	(515)
Current year gains/(losses) on hedging instruments	(31)	(172)	(31)	(172)
Fair value of hedged items - Financial assets at FVOCI	5,275	5,049	5,275	5,049
Fair value of hedged items - Securities at Amortised Cost	2,800	2,553	2,800	2,553
Fair value of hedged items - Debt Issues	(1,987)	(1,549)	(1,987)	(1,549)
Current year gains/(losses) on hedged items attributable to the hedged risk	31	172	31	172
Net hedge ineffectiveness	-	-	-	-

9. Derivatives (continued)

Offsetting

The Group presents the fair value of its derivative assets and derivative liabilities on a gross basis. However, certain derivative assets and liabilities are subject to netting arrangements. The Group does not use Master Netting Arrangements and instead relies on the specific Credit Support Annex ("CSA") appended to the global market product specific ISDA (International Swaps and Derivatives Association) Master Agreement. The Group does not have any financial assets or liabilities which are offset on the face of the balance sheet in accordance with AASB 132 *Financial Instruments: Presentation.*

Consolidated	Effects of offsetting on the balance			Related amounts not offset		
Amounts in millions of dollars	Gross amount	Amounts set-off in the balance sheet	**Amount presented in the balance sheet**	Amount subject to CSA	Financial instrument collateral	**Net Amount**
31 December 2024						
Financial assets						
Derivative financial instruments	707	-	707	(143)	(424)	140
Total	**707**	**-**	**707**	**(143)**	**(424)**	**140**
Financial liabilities						
Derivative financial instruments	(146)	-	(146)	143	161	158
Total	**(146)**	**-**	**(146)**	**143**	**161**	**158**
31 December 2023						
Financial assets						
Derivative financial instruments	900	-	900	(218)	(441)	241
Total	**900**	**-**	**900**	**(218)**	**(441)**	**241**
Financial liabilities						
Derivative financial instruments	(221)	-	(221)	218	250	247
Total	**(221)**	**-**	**(221)**	**218**	**250**	**247**

Bank	Effects of offsetting on the balance			Related amounts not offset		
Amounts in millions of dollars	Gross amount	Amounts set-off in the balance sheet	**Amount presented in the balance sheet**	Amount subject to CSA	Financial instrument collateral	**Net Amount**
31 December 2024						
Financial assets						
Derivative financial instruments	707	-	707	(143)	(424)	140
Total	**707**	**-**	**707**	**(143)**	**(424)**	**140**
Financial liabilities						
Derivative financial instruments	(146)	-	(146)	143	161	158
Total	**(146)**	**-**	**(146)**	**143**	**161**	**158**
31 December 2023						
Financial assets						
Derivative financial instruments	900	-	900	(218)	(441)	241
Total	**900**	**-**	**900**	**(218)**	**(441)**	**241**
Financial liabilities						
Derivative financial instruments	(221)	-	(221)	218	250	247
Total	**(221)**	**-**	**(221)**	**218**	**250**	**247**

10. Other assets

Other Assets by type	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Data processing equipment	12	8	12	8
Fixtures and fitting and other equipment	11	16	11	16
Right-of-use assets	35	49	35	49
Software acquired and developed internally	228	148	228	148
Other	99	52	90	44
Total	**385**	**273**	**376**	**265**

Other assets – Accounting policy

The accounting policy for Other assets is outlined in Note 27 – Other Accounting Policies and accounting standard developments.

11. Loans and advances

		Consolidated		Bank	
Amounts in millions of dollars	Note	**2024**	2023	**2024**	2023
Retail Banking mortgages		63,363	58,790	63,363	58,790
Business Banking loans		3,378	3,661	3,378	3,661
Wholesale Banking loans		9,797	9,942	9,797	9,942
Treasury loans		317	1,069	317	1,069
Consumer Lending		543	442	543	442
Gross loans and advances		**77,398**	**73,904**	**77,398**	**73,904**
Loan Loss Provision	12	(224)	(160)	(224)	(160)
Total loans and advances		**77,174**	**73,744**	**77,174**	**73,744**
Maturity analysis of loans and advances					
Less than 1 year		6,108	5,470	6,108	5,470
Greater than 1 year		71,290	68,434	71,290	68,434
Gross loans and advances		**77,398**	**73,904**	**77,398**	**73,904**

Loans and advances - Accounting policy

Subsequent to initial recognition, loans and advances are measured at amortised cost using a calculated effective interest method. Loans and advances are presented net of provisions for impairment. Loans and advances are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They include secured loans made to retail borrowers, business borrowers, inter-bank loans, and unsecured consumer lending and wholesale loans.

AASB 9 *Financial Instruments* requires that if the terms of a loan are amended it must be assessed whether or not the original loan has been substantially modified and extinguished or non-substantially modified.

If it is determined that the loan has been substantially modified and extinguished, the existing loan is derecognised with any capitalised transaction costs or commissions immediately recognised in profit or loss. A new loan asset is then initially recognised at fair value, plus any capitalised transaction costs and less any commissions, and subsequently measured at amortised cost using the effective interest rate on the new loan.

If it is determined that the loan has been non-substantially modified, the difference in net present value on the remaining cash flows of the loan, before and after modification, using the effective interest rate of the original loan, is immediately recognised in profit or loss. The modified loan will be subsequently measured at amortised cost using the effective interest rate of the original loan.

Management has assessed those loans modified during the reporting period and determined that there is no material impact to the financial statements.

12. Impairment of financial assets

The Group applies an Expected Credit Loss ("ECL") model to on-balance sheet financial assets accounted for at amortised cost and FVOCI. This includes loans and debt securities, as well as off-balance sheet items such as undrawn loan commitments, certain financial guarantees, and undrawn committed revolving credit facilities. Under the ECL model the Group calculates the allowance for credit losses (Loan Loss Allowance, "LLA") by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The LLA applies an unbiased probability-weighted method and the ECL estimates include supportable information about past events, current conditions, and forecasts of future economic conditions. The approach leveraged the existing Advanced Internal Ratings Based ("AIRB") models for regulatory purposes tailored to ensure IFRS 9 compliance. For other portfolios that use the Standardised Approach ("SA") to calculate regulatory capital, the Group uses simplified ECL models applying reasonable and supportive information.

Three stage approach

Financial assets are classified in any of the below three Stages at a quarterly reporting date. A financial asset can move between stages at any point during its lifetime. The stages classification is based on changes in credit quality since initial recognition and defined as follows:

- Stage 1: 12 month ECL
  Financial assets that have not had a significant increase in credit risk since initial recognition (i.e. no Stage 2 or 3 triggers apply). Assets are classified as stage 1 upon initial recognition (with the exception of purchased or originated credit impaired ("POCI") assets) and a provision for ECL is based on a 12 month horizon. For those financial assets with a remaining maturity of less than 12 months, a probability of default ("PD") is used that corresponds to the remaining maturity;
- Stage 2: Lifetime ECL not credit impaired
  Financial assets showing a significant increase in credit risk since initial recognition. A provision is made for the lifetime ECL representing losses over the remaining life of the financial instrument ("lifetime ECL"); or
- Stage 3: Lifetime ECL credit impaired
  Financial instruments that move into Stage 3 once credit impaired require a provision reflecting the remaining lifetime.

Significant increase in credit risk ("SICR")

A financial asset moves from Stage 1 to Stage 2 when there is a significant increase in credit risk since initial recognition. A framework is established which incorporates quantitative and qualitative information to identify significant increases in credit risk on an asset level applying a relative assessment. Each financial asset is assessed at the reporting date on the triggers for significant deterioration. The Group assesses significant increase in credit risk using:

- change in the lifetime probability of default;
- forbearance status;
- watch list status;
- intensive care management;
- internal rating;
- arrears; and
- more than 30 days past due backstop for Stage 1 to Stage 2 transfers.

The change in lifetime probability of default is one of the main triggers for movement between Stage 1 and Stage 2. The trigger compares lifetime probability of default at origination versus lifetime probability of default at reporting date, considering the remaining maturity. Assets can move in both directions, meaning that they will move back to Stage 1 or Stage 2 when the Stage 2 or Stage 3 triggers are not applicable anymore. The stage allocation is implemented in the central credit risk systems.

12. Impairment of financial assets (continued)

Macroeconomic scenarios

The inherent complexities of AASB 9 have heightened the estimation uncertainties from forward-looking macroeconomic conditions. In particular, the Group's reportable ECL numbers are most sensitive to the forward-looking macroeconomic forecasts used as model inputs, the probability-weights applied to each of the three scenarios, and the criteria for identifying a significant increase in credit risk. As such, these crucial components require consultation and management judgement, and are subject to extensive governance.

Forward-looking macroeconomics used as model inputs

As a baseline for AASB 9, the Group use the consensus outlook for economic variables. The Group uses data from a leading provider, Oxford Economics' Global Economic Model ("OEGEM"), to complement the consensus with consistent projections for variables for which there are no consensus estimates available (most notably House Price Index ("HPI") and unemployment), and to ensure general consistency of the scenarios. The up and downside scenarios reflect a mix of historical data analyses, applying the OEGEM and expert opinion based on the most economic insights.

Probability weights applied to each of the three scenarios

The alternative scenarios are based on the forecast errors of the OEGEM. To understand the baseline level of uncertainty around any forecast, Oxford Economics keeps track of all its forecast errors of the past 20 years. The distribution of forecast errors for GDP, unemployment, house prices and share prices is applied to the baseline forecast creating a broad range of alternative outcomes.

For the downside scenario, the Group applies the 90th percentile of that distribution because this corresponds with how within risk management earnings at risk is being defined. The upside scenario is represented by the 10th percentile of the distribution. The distribution of the scenarios for economic growth, taking into account the applicable percentile of the distribution, is resulting in the upside scenario to be weighted at 20%, the downside scenario to be weighted at 20% and consequently, the base case scenario to be weighted at 60%.

Based on the above two sources of estimation uncertainty, analysis on the sensitivity of key forward-looking macroeconomic inputs used in the ECL collective-assessment modelling process and the probability-weights applied to each of the three scenarios is presented below. The Group also observes that, in general, the Wholesale Banking business is more sensitive to the impact of forward-looking macroeconomic scenarios.

Real GDP, the Unemployment rate and House Price Index ("HPI") are the variables with the largest impact on the ECL. These forward looking macroeconomic factors (amongst others) are used in the calculation of the probability-weighted ECL as disclosed, to arrive at the reportable ECL for collectively-assessed assets. The sensitivity analysis table does give a high-level indication of the sensitivity of the outputs to the different scenarios. However any reliance placed on the sensitivity analysis should consider the complexities due to interdependencies and correlations between different macroeconomic variable inputs and that in addition to forward-looking macroeconomics and there are a number of other model inputs and processes which contribute to the calculation of un-weighted ECLs.

12. Impairment of financial assets (continued)

Measurement of ECL

The Group's expected loss models; PD, loss given default ("LGD") and exposure at default ("EAD"), used for regulatory capital, economic capital and collective provisions are adjusted for the removal of embedded prudential conservatism (such as floors), provide forward-looking point in time estimates based on macroeconomic predictions and a 12 month or lifetime view of credit risk where needed. Lifetime features are default behaviour over a longer horizon, full behaviour after the default moment, repayment schedules and early settlements. For most financial instruments, the expected life is limited to the remaining maturity. For overdrafts and certain revolving credit facilities, such as credit cards, open ended assumptions are taken as these do not have a fixed term or repayment schedule.

The Group applies a PD x EAD x LGD approach incorporating the time value of money to measure ECL. A forward-looking approach on a 12 month horizon is applied for Stage 1 assets. For Stage 2 assets a lifetime view on the credit is applied. The Lifetime Expected Loss ("LEL") is the discounted sum of the portions of lifetime losses related to default events within each time window of 12 months until maturity. For Stage 3 assets the PD equals 100% and the LGD and EAD represent a lifetime view of the losses based on characteristics of defaulted facilities.

During the financial year, a new ECL model was implemented for the Residential Mortgage portfolio. The new model updated PD and LGD estimates, and used more recent macro-economic data to recalibrate the model. This mainly impacted LGD estimates, improving the methodology with the introduction of greater consistency in how LGD is estimated across the default and non-default cohorts.

Base case economic forecast assumption

The economic drivers of the base case economic forecasts at 31 December 2024 are set out below. These reflect the Group's view of the most likely future macroeconomic conditions at 31 December 2024. For years beyond the near term forecasts below, the ECL models project future year economic conditions including an assumption to eventual reversion to mid-cycle economic conditions.

Sensitivity Analysis

		2025	2026	2027	Un-weighted ECL $m	Probability weighting	2024	2023
Upside scenario	Real GDP [1]	2.6%	2.9%	2.9%	127	20%		
	Unemployment [2]	3.8%	3.8%	3.8%				
	HPI [3]	10.5%	8.1%	5.5%				
Base case scenario	Real GDP [1]	2.0%	2.4%	2.5%	142	60%	146	126
	Unemployment [2]	4.3%	4.3%	4.3%				
	HPI [3]	5.8%	6.8%	5.1%				
Downside scenario	Real GDP [1]	0.9%	1.4%	1.9%	175	20%		
	Unemployment [2]	5.6%	6.2%	6.7%				
	HPI [3]	0.5%	5.3%	4.7%				

[1] Real GDP, % year-on-year change.
[2] Unemployment, % of total labour force (quarterly average).
[3] House price index, % year-on-year change.

12. Impairment of financial assets (continued)

ECL - Sensitivity analysis

Given current economic uncertainties and the judgment applied to factors used in determining the expected default of borrowers in future periods, expected credit losses reported by the Group should be considered as a best estimate within a range of possible estimates.

The table below illustrates the sensitivity of collectively and individually assessed provisions to migration of 1% of Stage 1 facilities to Stage 2 and Stage 3.

Sensitivity ECL	2024		2023	
Amounts in millions of dollars	ECL $m	Impact $m	ECL $m	Impact $m
If 1% of Stage 1 facilities were included in Stage 2	149	3	129	3
If 1% of Stage 1 facilities were included in Stage 3	206	60	190	64

The table also shows the impact under Upside and Downside economic scenarios:

Sensitivity Economic Scenarios	2024		2023	
Amounts in millions of dollars	ECL $m	Impact $m	ECL $m	Impact $m
100% upside scenario	127	(15)	107	(12)
100% base case scenario	142	-	119	-
100% downside scenario	175	33	165	46

Management temporary adjustments

Management overlays, which add to the modelled ECL provision, have been made for risks particular to retail lending, business banking and wholesale banking where applicable. These are intended to supplement the modelled ECL where these may not fully capture the extent to which additional losses may eventuate. Overlays may adjust the model output either via updates to macroeconomic settings or using additional point-in-time early warning indicators which identify higher risk exposures.

The modelled macroeconomic framework used in the construct of management overlays is continually monitored and where required augmented with assumptions relating to recent observable macroeconomic risks from time to time. These management overlays ensure that the ECL represents the Bank's forward-looking unbiased expectations of macroeconomic risk.

These overlays contribute towards ensuring the ECL represents the Bank's forward-looking unbiased expectations of macroeconomic risk.

Definition of default

The Group uses the definition of default for internal risk management purposes and has aligned the definition of credit impaired under AASB 9 (Stage 3) with the definition of default for prudential regulatory purposes.

The definition of default may differ across products and considers both quantitative and qualitative factors, such as the terms of financial covenants and days past due. For retail and wholesale borrowers default occurs when the borrower is more than 90 days past due on any material obligation to the Group, and/or the Group considers the borrower unlikely to make its payments in full without recourse action on the Group's part, such as taking formal possession of any collateral held.

Credit impaired financial assets (Stage 3)

Financial assets are assessed for credit-impairment at each reporting date and more frequently when circumstances warrant further assessment. Evidence of credit-impairment may include indications that the borrower is experiencing significant financial difficulty, a breach of contract, probability of bankruptcy or other financial re-organisation, as well as a measurable decrease in the estimated future cash flows evidenced by the adverse changes in the payment status of the borrower or economic conditions that correlate with defaults.

An asset that is in Stage 3 will move back to Stage 2 when, as at the reporting date, it is no longer considered to be credit-impaired, which includes the successful completion of any relevant default probation periods. The asset will migrate back to Stage 1 when its credit risk at the reporting date is no longer considered to have increased significantly from initial recognition.

When a financial asset has been identified as credit-impaired, expected credit losses are measured as the difference between the asset's gross carrying amount and the present value of estimated future cash flows discounted at the instrument's original effective interest rate. For impaired financial assets with drawn and undrawn components, expected credit losses also reflect any credit losses related to the portion of the loan commitment that is expected to be drawn down over the remaining life of the instrument. When a financial asset is credit-impaired, interest ceases to be recognised on the regular accrual basis, which accrues income based on the gross carrying amount of the asset. Rather, interest income is calculated by applying the original effective interest rate to the amortised cost of the asset, which is the gross carrying amount less the related loan loss allowance.

The loan loss allowance for credit-impaired loans in Stage 3 are established at the borrower level, where losses related to impaired loans are identified on individually significant loans, or collectively assessed and determined through the use of portfolio-based rates, without reference to particular loans.

12. Impairment of financial assets (continued)

Individually assessed loans (Stage 3)

The Group estimates individual impairment provisions for individually significant credit impaired financial assets within Stage 3. Individual provisions are calculated using the discounted expected future cash flow method. To determine expected future cash flows, one or more scenarios are used. Each scenario is analysed based on the probability of occurrence and including forward looking information.

The best estimate of loan loss is calculated as the weighted average of the shortfall (gross carrying amount minus discounted expected future cash flow using the original effective interest rate) per scenario. The expected future cash flows are based on the restructuring officers' best estimate when recoveries are likely to occur. Recoveries can be from different sources including repayment of the loan, additional drawing, collateral recovery, asset sale. Cash flows from collateral and other credit enhancements are included in the measurement of the expected credit losses of the related financial asset when it is part of or integral to the contractual terms of the financial asset and the credit enhancement is not recognised separately. The estimation of future cash flows are subject to significant estimation uncertainty and assumptions.

Collectively assessed loans (Stages 1 to 3)

Loans that are collectively assessed are grouped on the basis of similar risk characteristics, taking into account loan type, industry, geographic location, collateral type, past due status and other relevant factors. The collectively-assessed loan loss allowance reflects:

(i) the expected amount of principal and interest calculated under the terms of the original loan agreement that will not be recovered; and

(ii) the impact of time delays in collecting principal and/or interest (time value of money).

Write-off and debt forgiveness

Loans and the related ECL are written off, either partially or in full, when there is no realistic prospect of recovery. Write- offs are made:

- after a restructuring has been completed and there is a high improbability of recovery of part of the remaining loan exposure (including partial debt waivers);
- in a bankruptcy liquidation scenario (not as a result of a reorganisation);
- when there is a high improbability of recovery of the remaining loan exposure or certainty that no recovery can be realised;
- after divestment or sale of a credit facility at a discount;
- upon conversion of a credit facility into equity; or
- The Group releases a legal (monetary) claim it has on its customer.

12. Impairment of financial assets (continued)

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in other comprehensive income, instead of deducting the carrying amount of the asset. Impairment losses on debt securities measured at amortised cost is presented in the profit or loss in addition to loan loss allowance.

The following tables present the movement in the allowance for ECL for the year. Allowance for ECL is included in loans and advances.

Consolidated and Bank 2024

	Stage 1	Stage 2	Stage 3		
	12-mth ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Total
Amounts in millions of dollars	Collectively assessed			Individually assessed	
As at 1 January 2024	**29**	**56**	**72**	**3**	**160**
Changes due to financial assets that have:					
Transferred between ECL stages during the year[1]	1	61	7	32	101
New and increased loss allowance (net of releases)[2]	8	(23)	(25)	4	(36)
Interest adjustment	-	-	7	-	7
Bad debts written-off	-	-	(8)	-	(8)
As at 31 December 2024	**38**	**94**	**53**	**39**	**224**

[1] A worsening outlook in macro-economic factors utilised in ECL models contributed to the transfer between ECL stages during the year.

[2] Total gross carrying amount of financial assets increased by $3,494m to $77,398m (2023: $73,904m) contributed to the new and increased loss allowance (net of releases) in FY2024. The aggregate negative figure shows that at year-end, the ECL from loans newly originated was lower than ECL required at the start of the reporting period for loans which closed during the year.

Consolidated and Bank 2023

	Stage 1	Stage 2	Stage 3		
	12-mth ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Total
Amounts in millions of dollars	Collectively assessed			Individually assessed	
As at 1 January 2023	**26**	**43**	**52**	**-**	**121**
Changes due to financial assets that have:					
Transferred between ECL stages during the year[3]	(1)	36	18	-	53
New and increased loss allowance (net of releases)[4]	4	(23)	4	3	(12)
Interest adjustment	-	-	4	-	4
Bad debts written-off	-	-	(6)	-	(6)
As at 31 December 2023	**29**	**56**	**72**	**3**	**160**

[3] A worsening outlook in macro-economic factors utilised in ECL models contributed to the transfer between ECL stages during the year.

[4] Total gross carrying amount of financial assets increased by $2,914m to $73,904m (2022: $70,990m) contributed to the new and increased loss allowance (net of releases) in FY2023. The aggregate negative figure shows that at year-end, the ECL from loans newly originated was lower than ECL required at the start of the reporting period for loans which closed during the year.

Loan impairment expense	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Income Statement				
Collectively assessed - stage 1 & 2	(47)	(16)	(47)	(16)
Collectively assessed - stage 3	18	(22)	18	(22)
Individually assessed - stage 3	(36)	(3)	(36)	(3)
Total loan loss expense/(benefit)	**(65)**	**(41)**	**(65)**	**(41)**

For the year ended 31 December 2024 the Group recognised $65 million in loan loss allowances expense (2023: $41 million in loan loss allowances expenses).

13. Other liabilities

Other liabilities by type	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Employee entitlements	42	37	42	37
Settlement account	149	484	149	484
Lease liabilities	46	59	46	59
Other	98	73	97	74
Total	**335**	**653**	**334**	**654**

Other Liabilities – Accounting policy

The accounting policy for Other liabilities is outlined in Note 27 – Other Accounting Policies and accounting standard developments.

14. Deposits and other borrowings

	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Deposits				
Deposits at call	46,635	45,625	46,963	45,900
Term deposits[(1)]	25,403	23,083	25,404	23,083
Certificates of deposits	898	928	898	928
Securities sold under agreement to repurchase[(2)]	-	3,356	-	3,356
Deposits and other borrowings	**72,936**	**72,992**	**73,265**	**73,267**
Concentration of deposits				
Retail deposits	52,914	49,868	52,914	49,868
Business deposits	281	541	281	541
Wholesale deposits[(1)]	19,741	22,583	20,070	22,858
Total deposits	**72,936**	**72,992**	**73,265**	**73,267**

[(1)] Term and wholesale deposits include funding from ING Bank N.V. (Sydney Branch) of $13,762 million (2023: $13,785 million).
[(2)] Includes nil (2023: $3,060 million) of funds drawn under the RBA's Term Funding Facility (TFF).

Deposits and other borrowings – Accounting policy

Deposits and other borrowings include term deposits, at call deposits, negotiable certificates of deposits and funding from ING Bank N.V. (Sydney Branch). They are recognised initially at the fair value and are subsequently measured at amortised cost, using the effective interest rate method.

15. Debt issues

	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Covered Bonds	4,402	4,128	4,402	4,128
Unsecured Bonds	2,768	-	2,768	-
Mortgage-backed securities	2,736	2,296	-	-
Subordinated Debt	857	476	857	476
Total debt issues	**10,763**	**6,900**	**8,027**	**4,604**

Maturity of debt issues	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Not later than 1 month	-	74	-	-
Later than 1 month and not later than 3 months	102	138	-	75
Later than 3 months and not later than 1 year	2,005	871	2,005	743
Later than 1 year and not later than 5 years	7,516	5,432	6,022	3,397
Greater than 5 years	1,140	385	-	389
Total debt issues	**10,763**	**6,900**	**8,027**	**4,604**

Debt issues – Accounting policy

The Group uses a variety of funding programmes to issue senior debt (including covered bonds and securitisations) and subordinated debt. The difference between senior debt and subordinated debt is that holders of senior debt take priority over holders of subordinated debt owed by the relevant issuer. In the winding up of the relevant issuer, the subordinated debt will be repaid by the relevant issuer only after the repayment of claims of depositors, other creditors and the senior debt holders.

All subordinated debt issued by the Group qualifies as regulatory capital and depending on their terms and conditions, the instruments are classified as either Additional Tier 1 (AT1) capital or Tier 2 capital for APRA's capital adequacy purposes. Refer to Note 17 Capital management for further information.

Subordinated debt with capital-based conversion features (i.e. Common Equity Capital Trigger Events or Non-Viability Trigger Events) are considered to contain embedded derivatives that we account for separately at FVTPL. The embedded derivatives arise because the number of shares issued on conversion following any of those trigger events is subject to the maximum conversion number, however they have no significant value as of the reporting date given the remote nature of those trigger events.

16. Risk management

This note explains the nature and extent of risks arising from financial instruments and how these risks could affect the Group's financial performance.

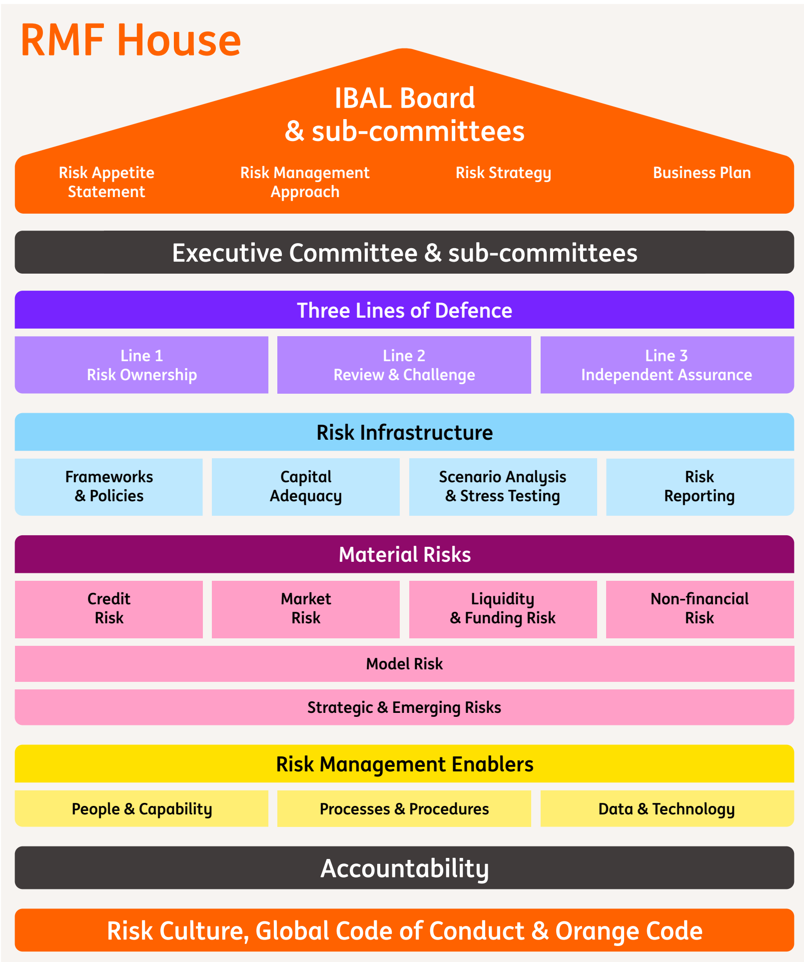
Risk management framework

Taking risk is inherent in the Group's business activities. To ensure prudent risk-taking across the organisation, the Group operates through a comprehensive Risk Management Framework ("RMF") to ensure risks are identified, well understood, accurately measured, controlled and proactively managed at all levels of the organisation ensuring that the Group's financial strength is safeguarded. The Group's RMF incorporates the requirements of APRA's prudential standard CPS 220 Risk Management.

The key objectives of the Group's RMF are to ensure:

- the risk management objectives are linked to the Group's business strategy, ING Orange Code, Customer Golden Rules[1] and operations;
- all key risks are identified and appropriately managed by the risk owner;
- an appropriate risk culture and accountability framework are embedded across the organisation;
- systems, processes and tools are established to identify, monitor, manage and report on the key risks;
- the documentation for the risk management framework and supporting policies, procedures, tools and systems are kept accurate and current; and
- that the Group is compliant with all relevant legal and regulatory obligations, together with internal policy.

The key components that make up the Risk Management Framework are summarised in the diagram below, known as the "IBAL RMF House".



[1] Customer Golden Rules depict the principles of interaction between ING and customers throughout the customer life cycle.

16. Risk management (continued)

Risk governance framework

The Group regards risk management as a fundamental activity, performed at all levels of the organisation. Accountability in the risk management framework is based on the "three lines of defence" governance model. This approach reflects our belief that all employees have a role in identifying and managing risk and operating within the approved risk appetite. Each line of defence undertakes risk management activities that contribute to the effectiveness of the framework. The three lines of defence model is summarised as follows:

- Line 1 – Encompasses business line and support function employees and management. Line 1 is responsible for identifying and managing the risks that arise as a result of them carrying out their business activities.
- Line 2 - Risk Management provides oversight, advice, review and challenge of risk activities, ensuring Line 1 are managing risk in accordance with risk appetite and strategy.
- Line 3 – Corporate Audit Services ("CAS") – Forms the 3rd Line and provides independent and objective assurance.

The Group's risk governance framework contains clear charters and mandates for the management of risk. Risk management in the Group is effected through a governance structure comprised of Management, Board and Head Office committees. The governance structure is independent of the day-to-day management of the Group's business activities.

ING Bank (Australia) Limited Board	ING Bank (Australia) Limited Board					
Board Committees	Risk Committee	Audit Committee	People, Remuneration and Nomination Committee	Customer Experience Committee	Technology and Transformation Committee	
Management Committees (in addition to Executive Committee)	Risk & Compliance Committee	Finance & Balance Sheet Committee	Credit Risk Committee	Delivery & Change Committee	Customer, Conduct & Reputation Committee	AML Committee

Role of the Board

The Board is responsible for the Group's RMF and oversight of its operation. This includes setting the risk appetite for management to operate within and approving key RMF documents including the Risk Appetite Statement, Risk Management Approach and Risk Strategy. As a subsidiary of ING Groep N.V., the Group is also subject to the governance and control of the parent company. The Board utilises five committees to discharge its responsibilities:

- *Risk Committee* – the Board Risk Committee provides objective non-executive oversight of the implementation and operation of the Group's risk management framework. A key purpose of the Risk Committee is to help formulate the Group's risk strategy and appetite for consideration and approval by the Board.
- *Audit Committee* – the Board Audit Committee assists the Board by providing an objective non-executive review of the effectiveness of the Group's financial reporting and risk management framework. This includes internal controls to deal with both the design and effectiveness and efficiency of significant business processes, which involve safeguarding of assets and the maintenance of proper accounting records.
- *People, Remuneration and Nomination Committee* – the Board People, Remuneration and Nomination Committee is responsible for reviewing and making recommendations to the Board on the Group's Remuneration Policy, and making recommendations in relation to remuneration of the Chief Executive Officer ("CEO"), and direct reports of the CEO, other persons whose activities may affect the financial soundness of the Group and those persons covered by the Remuneration Policy. The Committee also oversees people related matters and policies, including employee engagement, executive talent and succession, diversity, inclusion and belonging, and health, safety and wellbeing.
- *Customer Experience Committee* – the Board Customer Experience Committee is responsible for reviewing and monitoring customer experience with the Group, including customer complaints, resolution and closure of customer outcomes.
- *Technology and Transformation Committee* – the Board Technology and Transformation Committee is responsible for reviewing the Group's technology strategy and planning, including priorities, budgets, deliverables and operational plans. In addition, it oversees and monitors the Group's strategic transformation initiatives, including technology, data and business transformation.

16. Risk management (continued)

Management Risk Committees

The Executive Committee ("ExCo") is the peak Management Committee, ensuring management reporting is appropriate and fulsome to enable effective Board and Management oversight and decision-making. The risk committees described below act within the overall risk policy and delegated authorities granted by the Board. The committees have a governing role and ensure a close link between the business lines and the Risk Management functions through joint representation on each committee:

Risk and Compliance Committee

The Risk and Compliance Committee (RACC) provides assurance to ExCo that risk and compliance matters that impact IBAL's operations and activities are managed through an appropriate framework which meet the Board's and regulatory expectations. This includes oversight of enterprise risk management, non-financial risk, compliance and responsible managers, health, safety and well-being, product development and management, information security and data management, privacy and data ethics, as well as those risks impacting IBAL's daily operations from an aggregate oversight perspective and emerging risks. The RACC also maintains an open dialogue with other Management Committees to ensure any risk appetite tolerances recommended by those Committees, is considered as part of the Risk Appetite Statement (RAS) development.

Credit Risk Committee

The Credit Risk Committee (CRC) provides assurance to ExCo that credit risk and related risk matters that impact IBAL's operations and activities are managed through an appropriate framework which meet the Board's and regulatory expectations. The CRC also maintains an open dialogue with the RACC to ensure risk appetite tolerances and other relevant matters recommended by the Committee are communicated to the RACC.

Finance and Balance Sheet Committee

The Finance and Balance Sheet Committee (FBSC) provides assurance to ExCo that finance, balance sheet, funding and pricing matters impacting IBAL's operations and activities are managed through an appropriate framework which meet the Board's and regulatory expectations. The FBSC also maintains an open dialogue with the RACC to ensure risk appetite tolerances and other relevant matters recommended by the Committee are communicated to the RACC.

Anti-Money Laundering Committee

The Anti-Money Laundering Committee (AMLC) provides assurance to ExCo that anti-money laundering and counter-terrorism financing matters impacting IBAL's operations and activities are managed through an appropriate framework which meet the Board's and regulatory expectations. The AMLC also maintains an open dialogue with the RACC to ensure risk appetite tolerances and other relevant matters recommended by the Committee are communicated to the RACC.

Delivery and Change Committee

The Delivery and Change Committee (DCC) provides assurance to ExCo that the activities associated with delivery, change and transformation initiatives which impact IBAL's operations are managed through an appropriate framework which meet the Board's and regulatory expectations. The DCC also maintains an open dialogue with the RACC to ensure risk appetite tolerances and other relevant matters recommended by the Committee are communicated to the RACC.

Customer, Conduct and Reputation Committee

The Customer, Conduct and Reputation Committee (CCRC) provides assurance to ExCo that customer, conduct and reputational matters (including sustainability) impacting IBAL's operations and activities are managed through an appropriate framework which meet the Board's and regulatory expectations. The CCRC also maintains an open dialogue with the RACC and ExCo to ensure risk appetite tolerances or key performance indicators and other relevant matters recommended by the Committee are communicated to the RACC.

Risk Management infrastructure and enablers

The RMF is operationalised through key risk infrastructure such as frameworks and policies, capital adequacy assessments, stress testing, scenario analysis and risk reporting. This infrastructure supports the Group in identifying, managing and reporting our risks in a consistent way throughout the organisation and define requirements that are binding on all business units. The operationalisation of the RMF is supported by enablers that support our staff in executing risk management activities. These enablers include the use of risk data and technology to support the execution of activities, standardised processes and procedures aligned to risk policies, and the ongoing development of our people and their risk management capabilities.

Risk Culture

A sound risk culture is essential in performing our role in society responsibly and in keeping the Group safe, secure and compliant. We recognise that what we do every day touches many lives: customers, employees, shareholders, suppliers and society at large. Individuals within these groups can and do expect us to act with integrity. Balancing the rights and interest of all involved is core to IBAL's ongoing viability. Integrity is an integral part of our DNA and is implied in the ING Brand. Without integrity success cannot be achieved. A sound risk culture ultimately reflects on how we interact with our customers. Senior Management across all parts of our business ensure awareness of the RMF throughout the organization and instil an appropriate risk culture within IBAL. Our culture is driven by our Orange Code and Global Code of Conduct; it lies at the heart of how we think and behave, and shapes and influences our attitudes and behaviours. It is about doing the right thing, with good outcomes for our customers and those whose lives we touch. Our RACC oversees the development and strengthening of IBAL's risk culture through initiatives and recommendations and supporting the Board with forming a view on risk culture.

16. Risk management (continued)

The Group's major risk categories are detailed below.

Risk	Exposure arising from	Measurement	Key Governance
Credit Risk	▪ Cash and cash equivalents ▪ Due from other financial institutions ▪ Loans and advances ▪ Derivative financial instruments ▪ Financial assets at FVOCI ▪ Securities at amortised cost ▪ Undrawn loan commitments ▪ Bank accepted guarantees	▪ Aging analysis ▪ Credit ratings ▪ Arrears analysis ▪ Internal ratings models ▪ Stress testing ▪ Financial analysis ▪ Covenant measures ▪ Loan to Value ▪ Loan to Income serviceability	▪ Risk Management Approach ▪ Risk Strategy ▪ Risk Appetite Statement ▪ Retail Credit Risk (RCR) Policy ▪ Wholesale Banking and Group Treasury Underwriting Guidance ▪ General Professional Real Estate Lending Guidance ▪ Large Exposure and Related Entity (LEREP) Policy ▪ IBAL Small & Medium Enterprise (SME) Credit Policy
Market Risk – Interest Rate Risk	▪ Cash and cash equivalents ▪ Loans and advances ▪ Deposits and other borrowings ▪ Financial assets at FVOCI ▪ Securities at amortised cost ▪ Debt issues	▪ Historical Value-at-Risk ("HVaR") ▪ Net Present Value and Net Interest Income at Risk ("NPVaR"; "NIIaR") ▪ Interest Rate Risk in the Banking Book ("IRRBB") stress testing ▪ Basis Point Value sensitivity	▪ Risk Management Approach ▪ Risk Strategy ▪ Risk Appetite Statement ▪ Asset and Liability Management (ALM) Policy ▪ Funds Transfer Pricing Policy ▪ Funds Transfer Pricing Procedure
Market Risk – Foreign Exchange Risk	▪ Financial assets and liabilities not denominated in Australian dollars	▪ Sensitivity analysis	▪ Risk Management Approach ▪ Risk Strategy ▪ Risk Appetite Statement ▪ Asset and Liability Management (ALM) Policy
Overarching Risk	▪ Overarching risks in the balance sheet not specific to one risk type	▪ Solvency risk ▪ Model risk	▪ Risk Management Approach ▪ Risk Strategy ▪ Risk Appetite Statement ▪ Internal Capital Adequacy Assessment Process Policy ▪ Stress testing policy ▪ ING Groep Model Risk Management Policy with Local Annex
Liquidity and funding risk	▪ Deposits and other borrowings ▪ Debt issues ▪ Undrawn loan commitments	▪ Scenario analysis and stress testing ▪ Liquidity Coverage Ratio ("LCR") ▪ Net Stable Funding Ratio ("NSFR") ▪ Behavioural models	▪ Risk Management Approach ▪ Risk Strategy ▪ Risk Appetite Statement ▪ Asset and Liability Management (ALM) Policy ▪ Capital Contingency Funding Plan (CCFP) ▪ Retail Deposit Run Plan ▪ Liquidity Stress Testing Methodology

16. Risk management (continued)

Risk	Exposure arising from	Measurement	Key Governance
Non-Financial Risk (i.e. operational, compliance and legal risk)	▪ Inadequate or failed internal processes, people and systems ▪ Failure or perceived failure to comply with relevant laws, regulations, the Group's policies	▪ Risk and Control Self-Assessment ▪ Non-Financial Risk Score ▪ Incident reporting ▪ Scenario analysis ▪ Business Environment Analysis	▪ Risk Management Approach ▪ Risk Strategy ▪ Risk Appetite Statement ▪ ING Groep Non-Financial Risk Framework ▪ IBAL Annex to Non-Financial Risk Framework ▪ ING Groep Risk Mitigation and Issue Tracking Procedure ▪ ING Groep Product Approval and Review ("PARP") Policy & Minimum Standard ▪ IBAL Annex to PARP Policy & Minimum Standard ▪ ING Groep Risk Identification and Assessment Procedure ▪ IBAL Annex to Groep Risk Identification and Assessment ("RIA") Procedure ▪ ING Groep Information and Technology Risk Policy ▪ IBAL Annex to Information and Technology Risk Policy ▪ ING Groep Third and Intragroup Party Management ("TIPM") Policy ▪ ING Groep Fraud Management Policy and Minimum Standard ▪ ING Groep Event Management Procedure ▪ IBAL Annex to Event Management Procedure ▪ ING Groep Operational Resilience & Business Continuity ("OpsRes & BC") Policy ▪ IBAL Annex to Groep Operational Resilience & Business Continuity ("OpsRes and BC") Policy ▪ ING Data Management Policy ▪ Joint AML-CTF Program Part A ▪ Joint AML-CTF Program Part B ▪ Anti-Bribery & Corruption (AB&C) Policy ▪ Compliance Risk Management Framework Guidance ▪ ING Groep Conflicts of Interest Policy ▪ ING Groep Policy against Market Abuse ▪ Customer Best Interest Policy ▪ Global Personal Data Protection Internal Policy ▪ FATCA and CRS Policy ▪ Fit and Proper Policy ▪ Obligation Management Policy ▪ Whistleblower Protection and Reporting Policy

16. Risk management (continued)

16.1 Credit risk

Credit risk arises from the Group's lending activities, pre-settlement and investment activities. Credit risk is the potential loss arising from customer or counterparty failure to meet contractual obligations as and when they fall due. Credit risk management is supported by dedicated credit risk information systems and internal rating methodologies for debtors and counterparties. The Group's credit exposure mainly relates to:

- Retail Banking loans to individuals which are predominantly mortgage loans secured by residential property. The Group also has a portfolio of unsecured loans via its credit card and personal loan products.
- Business Banking loans consisting of Commercial Property Finance ("CPF") and Priority Commercial Mortgages ("PCM") secured by predominantly commercial properties. PCM represents the channel for the Bank's SME lending proposition (secured lending only).
- Wholesale Banking comprises Real Estate Finance, Infrastructure, Energy, Technology-Media-Telecommunications, Food & Agriculture and Corporate Sector Coverage lending.
- Wholesale investments and securities are marketable liquid assets which are mainly unsecured and used for liquidity management.

Pre-settlement risk arises from the Group's derivative activities. To mitigate this risk, the Group uses central clearing counterparties for its derivatives and enters into CSA's with derivative counterparties.

Maximum credit exposure

The Group has credit risk exposure to both on balance-sheet and off-balance sheet market and non-market related exposures. The consolidated maximum credit risk exposure is $99,779m (2023: $96,265m).

Collateral held against Loans

The Group monitors the coverage of the loan portfolio which is secured by the collateral that is holds. The coverage percentages presented below is disclosed in accordance with the requirements of APS220 Credit Quality.

Consolidated and Bank 2024

In percentages	Retail mortgages	Consumer Lending	Business Banking loans	Wholesale Banking loans	Total
Performing Loans					
- Well-secured	99.8%	0.0%	94.6%	22.4%	88.7%
- Not well-secured or unsecured	0.2%	100.0%	5.4%	77.6%	11.3%
Total	**100%**	**100%**	**100%**	**100%**	**100.0%**
Non-performing Loans					
- Well-secured	96.9%	0.0%	85.5%	0.0%	89.8%
- Not well-secured or unsecured	3.1%	100%	14.5%	100.0%	10.2%
Total	**100%**	**100%**	**100%**	**100%**	**100.0%**

Consolidated and Bank 2023

In percentages	Retail mortgages	Consumer Lending	Business Banking loans	Wholesale Banking loans	Total
Performing Loans					
- Well-secured	99.8%	0.0%	74.2%	28.8%	87.2%
- Not well-secured or unsecured	0.2%	100.0%	25.8%	71.2%	12.8%
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**
Non-performing Loans					
- Well-secured	96.6%	0.0%	88.0%	-	94.4%
- Not well-secured or unsecured	2.3%	100.0%	12.0%	-	5.6%
Total	**100.0%**	**100.0%**	**100.0%**	**-**	**100.0%**

16. Risk management (continued)

Collateral – Lending activities

The creditworthiness of customers, trading partners and investments is continuously evaluated for their ability to meet their financial obligations to the Group. During the process of creating new loans or investments, as well as reviewing existing loans and investments, the Group determines the amount and type of collateral, if any, that a customer may be required to pledge to the Group. Generally, the lower the perceived creditworthiness of a borrower or financial counterparty, the more collateral the customer or counterparty will have to provide.

Collateral	Consolidated	
Amounts in millions of dollars	**2024**	2023
Held against past due but not impaired assets	1,347	1,244
Held against impaired assets	1,793	1,318

Exposure not mitigated by collateral as a percentage of total financial assets	Consolidated	
In percentages	**2024**	2023
Retail Banking mortgages	0.0%	0.0%
Business Banking loans	0.2%	0.0%
Wholesale Banking loans	5.4%	7.1%
Consumer Lending	0.6%	0.5%
Financial assets other than loans and advances	14.2%	16.1%
Total	**20.4%**	**23.7%**

Collateral – Derivative contracts

Under Australian Prudential Regulatory Authority ("APRA") Standard Margining and Risk Mitigation for Non-Centrally Cleared Derivatives ("CPS 226"), the Group is required to clear eligible over the counter derivatives through an Australian Securities and Investment Commission ("ASIC") approved clearing house. All new derivative transactions completed by the Group are cleared with central counterparties.

Distribution of financial assets by credit quality

The table below details the distribution of credit quality of financial assets. An asset is considered to be past due when any payment under the contractual terms has been missed. An asset, including these well-secured, is considered to be impaired for financial reporting purpose when they default. This definition is also in line with the regulatory definition of default.

	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Neither past due nor impaired	88,236	85,478	106,372	103,943
- of which: Retail Banking mortgages	62,178	57,676	62,178	57,676
- of which: Business Banking loans	3,083	3,553	3,083	3,553
- of which: Wholesale Banking loans	9,692	9,884	9,692	9,884
- of which: Consumer Lending	513	420	513	420
- Related entities	624	1,715	18,760	20,180
- Financial assets other than loans and advances	12,146	12,230	12,146	12,230
Past due but not impaired gross loans and advances	695	643	695	643
Impaired loans and advances	917	661	917	661
Total	**89,848**	**86,782**	**107,984**	**105,247**

16. Risk management (continued)

Risk classes of financial assets

Risk classes are defined based upon the quality of the exposures in terms of creditworthiness, varying from investment grade to problem grade.

Internal Rating		Consolidated		Bank	
Amounts in millions of dollars	**Risk Grading**	**2024**	2023	**2024**	2023
Lower risk	1-10	73,262	69,167	91,398	87,632
Medium risk	11-17	15,328	16,786	15,328	16,786
High risk	18-19	341	168	341	168
Non-performing	20-22	917	661	917	661
Not rated		-	-	-	-
Total		**89,848**	**86,782**	**107,984**	**105,247**

The tables below show exposures to credit risk by risk classes for those financial assets for which the expected credit loss model is applied:

Consolidated 2024						
		Stage 1	Stage 2[1]	Stage 3		
Internal Rating	**Risk Grading**	12-mth ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Total
		Collectively assessed			Individually assessed	
Amounts in millions of dollars						
Lower risk	1-10	71,034	2,228	-	-	73,262
Medium risk	11-17	11,143	4,185	-	-	15,328
High risk	18-19	-	341	-	-	341
Non-performing	20-22	-	-	877	40	917
Not rated		-	-	-	-	-
Total		**82,177**	**6,754**	**877**	**40**	**89,848**

Consolidated 2023						
		Stage 1	Stage 2[1]	Stage 3		
Internal Rating	**Risk Grading**	12-mth ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Total
		Collectively assessed			Individually assessed	
Amounts in millions of dollars						
Lower risk	1-10	66,647	2,520	-	-	69,167
Medium risk	11-17	12,972	3,814	-	-	16,786
High risk	18-19	-	168	-	-	168
Non-performing	20-22	-	-	638	23	661
Not rated		-	-	-	-	-
Total		**79,619**	**6,502**	**638**	**23**	**86,782**

[1] The main drivers for the growth in Stage 2 exposure are the adoption of a new IFRS9 model for Residential Mortgages and increases in non-retail Stage 2 exposures due to a worsening economic outlook.

16. Risk management (continued)

Bank 2024

Internal Rating	Risk Grading	Stage 1 12-mth ECL	Stage 2[(1)] Lifetime ECL	Stage 3 Lifetime ECL	Stage 3 Lifetime ECL	Total
		Collectively assessed			Individually assessed	
Amounts in millions of dollars						
Lower risk	1-10	89,170	2,228	-	-	91,398
Medium risk	11-17	11,143	4,185	-	-	15,328
High risk	18-19	-	341	-	-	341
Non-performing	20-22	-	-	877	40	917
Not rated		-	-	-	-	-
Total		**100,313**	**6,754**	**877**	**40**	**107,984**

Bank 2023

Internal Rating	Risk Grading	Stage 1 12-mth ECL	Stage 2[(1)] Lifetime ECL	Stage 3 Lifetime ECL	Stage 3 Lifetime ECL	Total
		Collectively assessed			Individually assessed	
Amounts in millions of dollars						
Lower risk	1-10	85,112	2,520	-	-	87,632
Medium risk	11-17	12,972	3,814	-	-	16,786
High risk	18-19	-	168	-	-	168
Non-performing	20-22	-	-	638	23	661
Not rated		-	-	-	-	-
Total		**98,084**	**6,502**	**638**	**23**	**105,247**

[(1)] The main drivers for the growth in Stage 2 exposure are the adoption of a new IFRS9 model for Residential Mortgages and increases in non-retail Stage 2 exposures due to a worsening economic outlook.

Impaired loans – Accounting policy

The Group continually measures its portfolio in terms of payment arrears. The impairment levels on the business and wholesale loans are monitored on an individual basis. The impairment levels on the retail portfolios are monitored each month on a portfolio basis to determine if there are any significant changes in the level of arrears. An obligation is considered 'past-due' if a payment of interest or principal is more than one day late. Letters will be sent to the obligor reminding the obligor of its (past due) payment obligations. Once the account is in arrears, the obligation is transferred to the collections business unit. In order to reduce the number of arrears, the Group requires obligors to set up automatic debits from their accounts to ensure timely payments.

The facilities in respect of which there is doubt on the full collection of principal and interest based on an assessment of the customer's outlook, cash flow, and the net realisation of value of assets to which recourse is held are classified as Impaired including those that are formally restructured.

16. Risk management (continued)

Ageing analysis (past due but not impaired)

Consolidated and Bank	2024		2023	
Amounts in millions of dollars and percentages	Millions	%	Millions	%
Less than 1 payment past due	479	68.9%	545	84.8%
1 payment past due	194	27.9%	82	12.7%
2 or more payments past due	22	3.2%	16	2.5%
Total	**695**	**100.0%**	**643**	**100.0%**

Impaired loans by economic sector

Consolidated and Bank	2024		2023	
Amounts in millions of dollars and in percentages	Millions	%	Millions	%
Construction & commercial real estate	69	7.5%	23	3.5%
Corporate	43	4.7%	-	0.0%
Retail	806	87.8%	638	96.5%
Total	**918**	**100.0%**	**661**	**100.0%**

Risk concentration: Group portfolio (by economic sector)

	Consolidated				Bank			
Amounts in millions of dollars and in percentages	2024	%	2023	%	2024	%	2023	%
Construction & commercial real estate	5,542	6.2%	5,708	6.6%	5,542	5.1%	5,708	5.4%
Corporate	6,809	7.6%	7,218	8.3%	6,809	6.3%	7,218	6.9%
Financial institutions	3,049	3.4%	3,134	3.6%	21,185	19.6%	21,598	20.5%
Retail	64,833	72.2%	59,964	69.1%	64,833	60.0%	59,964	57.0%
Sovereign	9,615	10.6%	10,758	12.4%	9,615	8.9%	10,758	10.2%
Total	**89,848**	**100.0%**	**86,782**	**100.0%**	**107,984**	**100.0%**	**105,246**	**100.0%**

16. Risk management (continued)

16.2 Market risk

Market risk is defined as unexpected adverse movements in income or value due to changes in market conditions. For the Group, this includes interest rate risk and foreign exchange risk.

The Group operates a banking book with the underlying assumption that positions are intended to be held for the long term (or until maturity) or for the purpose of hedging other banking book positions.

Interest rate risk in the banking book

Broadly defined, interest rate risk is the risk of a change in income or economic value of the Group as a result of movements in market interest rates. The term "interest rate risk" can be classified into four main categories:

- **Repricing risk** - the risk of loss in earnings or economic value caused by a change in the overall level of interest rates. This risk arises from mismatches in the repricing dates of banking book assets and liabilities. The repricing date of an asset, liability or other banking book item is the date on which the principal of that item is repaid (in whole or part) to, or by the Bank or on which the interest rate on that principal is reset, if earlier.
- **Yield curve risk** - the risk of loss in earnings or economic value caused by a change in the relative levels of interest rates for different tenors (that is, a change in the slope or shape of the yield curve). Yield curve risk also arises from repricing mismatches between assets and liabilities, so, for most purposes these are grouped together.
- **Basis risk** - the risk of loss in earnings or economic value of the banking book arising from imperfect correlation in the adjustment of the interest rates earned and paid on different instruments with otherwise similar repricing characteristics.
- **Optionality risk** - the risk of loss in earnings or economic value due to the existence of stand-alone or embedded options to the extent that the potential for those losses is not included in the measurement of repricing, yield curve or basis risks. An option provides the holder the right but not the obligation to buy, sell or in some manner alter the cash flow of an instrument or financial contract. In the case of options embedded in customer products, losses from optionality risk will arise from customers exercising choices that cause the actual repricing dates to deviate from those specified by the repricing assumptions.

Managing and monitoring interest rate risk

The Group measures its sensitivity to the above types of interest rate risk, and supplements this with regular stress testing of the underlying variables. Triggers and early warning indicators are in place to ensure that potential limit breaches are identified and acted upon early. Risk mitigation is also further explained in Note 9 in relation to hedging using derivatives to mitigate exposure to interest rate and foreign exchange risk.

The type and level of residual interest rate risk of the Group is managed and monitored from two perspectives, Historical Value-at-Risk ("HVaR") and Earnings at Risk ("EaR").

- HVaR is a measure of potential profit or loss to the Group resulting from changes in interest rates. The process of calculating HVaR involves simulating the potential profit or loss in different interest rate environments based on 10 years historical movements in the market.
- EaR estimates the amount of change in future earnings of the Group that may result from a change in market interest rates. This measure is to ensure that the amount of potential diminution of future earnings resulting from changes in market rates is within the risk appetite determined by the Board. The EaR perspective considers how changes in interest rates will affect the Group's reported earnings due to the current and forecast mismatch interest rate positions. The Group undertakes a number of scenarios to measure the potential change in earnings.

Interest rate risk analysis

Amounts in millions of dollars	**2024**	2023
HVaR		
Limit =≤ $500	(364)	(356)
EaR[1]		
- 120bps Shock (Year 1)	(37)	(17)
+ 120bps Shock (Year 1)	37	23
Limit =< $49		

[1] For the EaR 100bps shock was applied for the year ended 31 December 2023.

Foreign exchange risk

Foreign exchange risk is the risk of loss due to adverse movements in exchange rates. Group policy requires that all currency risks are fully hedged, leaving little residual FX risk.

16. Risk management (continued)

16.3 Liquidity and funding risk

Liquidity risk is the risk that the Group cannot meet its financial liabilities as and when they become due, at reasonable cost and in a timely manner. Treasury is responsible for ensuring that the Group has continuous access to funds in accordance with policies established and monitored by the Board, Risk Committee and Finance and Balance Sheet Committee. The primary objective is to maintain sufficient liquidity in order to ensure safe and sound operations.

The key objectives of the Group's liquidity management policy are to measure, monitor and report expected liquidity flows and maintain a level of liquidity in excess of regulatory and internal defined limits and also to provide early warning signals of potential adverse developments, so that preventative actions may be taken before any liquidity strain is experienced.

The Group's liquidity policy has been developed in accordance with the liquidity management policies of ING Groep N.V. and APRA prudential standards. APRA Prudential Standard APS 210 Liquidity includes the liquidity coverage ratio ("LCR") that measures the Bank's ability to sustain a 30-day pre-defined liquidity stress scenario. The current internal policy requires the Group to maintain a buffer of marketable liquid assets throughout the year. The level of cash and debt securities was $11,480 million at 31 December 2024 (2023: $11,676 million). The average LCR for the quarter ended 31 December 2024 was 165% (2023: 163%), above the regulatory minimum of 100%.

The net stable funding ratio ("NSFR") establishes a minimum stable funding requirement based on the liquidity profile of the Bank's assets and off balance sheet activity over a one year horizon. The Group's NSFR was 132% as at 31 December 2024 (2023: 136%), above the regulatory minimum of 100%.

Part of the Group's liquidity strategy is to have adequate and up to date contingency funding plans and early warning liquidity triggers in place. The contingency funding plans were established to address temporary and long term liquidity disruptions caused by a general event in the market or a Group specific event. These plans ensure that all roles and responsibilities are clearly defined and all necessary management information is in place. The main objective of the Group's contingency funding plan and early warning liquidity triggers is to enable senior management to act effectively and efficiently in times of crisis. The ING Contingency and Funding Plan is regularly tested using crisis simulation, the most recent simulation having been carried out in December 2024.

The Group's funding sources include an appropriately diverse mix of residential deposits and wholesale funding. At 31 December 2024, approximately 64% (2023: 63%) of the Group's funding was provided by residential and business sources and 36% (2023: 37%) was provided by wholesale including funding from ING Bank N.V. (Sydney Branch) and other sources.

RBA Term Funding Facility

The RBA term funding facility (TFF) is a three-year secured funding facility to ADIs which was utilised by the Group since 2021. The TFF has fully matured during the year ended 31 December 2024.

16. Risk management (continued)

Maturity analysis of financial liabilities

Amounts shown below in the tables are based on contractual undiscounted cash flows for the remaining contractual maturities.

Consolidated 2024

Amounts in millions of dollars	Carrying amount	At call	Not later than 1 month	later than 1 month and not later than 3 months	later than 3 months and not later than 1 year	later than 1 year and not later than 5 years	Greater than 5 years	Total contractual cashflows
Financial liabilities								
Deposits and other borrowings	72,936	46,639	2,312	3,242	9,795	12,712	-	74,700
Derivative liabilities	146	-	15	29	62	122	4	232
Creditors and other liabilities	289	-	163	80	46	-	-	289
Lease liabilities	46	-	1	3	12	26	4	46
Debt issues	10,763	-	47	194	2,398	8,550	1,236	12,425
Total	**84,180**	**46,639**	**2,538**	**3,548**	**12,313**	**21,410**	**1,244**	**87,692**
Undrawn loan commitments[1]	11,918	-	10,647	1,271	-	-	-	11,918
Bank accepted guarantees and letters of credit[2]	1,569	1,569	-	-	-	-	-	1,569
Total	**97,667**	**48,208**	**13,185**	**4,819**	**12,313**	**21,410**	**1,244**	**101,179**

Bank 2024

Amounts in millions of dollars	Carrying amount	At call	Not later than 1 month	later than 1 month and not later than 3 months	later than 3 months and not later than 1 year	later than 1 year and not later than 5 years	Greater than 5 years	Total contractual cashflows
Financial liabilities								
Deposits and other borrowings	73,265	46,968	2,312	3,242	9,795	12,712	-	75,029
Derivative liabilities	146	-	15	29	62	122	4	232
Creditors and other liabilities	288	-	163	80	46	-	-	289
Lease liabilities	46	-	1	3	12	26	4	46
Debt issues	8,027	-	34	2,077	283	6,768	-	9,162
Amounts due to controlled entities	20,543	20,543	-	-	-	-	-	20,543
Total	**102,315**	**67,511**	**2,525**	**5,431**	**10,198**	**19,628**	**8**	**105,301**
Undrawn loan commitments[1]	11,918	-	10,647	1,271	-	-	-	11,918
Bank accepted guarantees and letters of credit[2]	1,569	1,569	-	-	-	-	-	1,569
Total	**115,802**	**69,080**	**13,172**	**6,702**	**10,198**	**19,628**	**8**	**118,788**

[1] 'Undrawn loan commitments' include all obligations on the part of the Group to provide credit facilities including undrawn amounts eligible for redraw and unconditionally approved loans.

[2] 'Bank accepted guarantees and letters of credit' represent conditional undertakings by the Group to support the obligations of its customers to third parties.

16. Risk management (continued)

Consolidated 2023

Amounts in millions of dollars	Carrying amount	At call	Not later than 1 month	later than 1 month and not later than 3 months	later than 3 months and not later than 1 year	later than 1 year and not later than 5 years	Greater than 5 years	Total contractual cashflows
Financial liabilities								
Deposits and other borrowings	72,992	45,530	2,117	3,728	10,315	13,363	-	75,053
Derivative liabilities	221	-	15	29	62	122	4	232
Creditors and other liabilities	591	-	490	63	41	-	-	594
Lease liabilities	62	-	1	3	10	39	6	59
Debt issues	6,900	-	92	184	1,049	5,736	399	7,460
Total	**80,766**	**45,530**	**2,715**	**4,007**	**11,477**	**19,260**	**409**	**83,398**
Undrawn loan commitments[1]	12,256	-	11,455	801	-	-	-	12,256
Bank accepted guarantees and letters of credit[2]	1,077	1,077	-	-	-	-	-	1,077
Total	**94,099**	**46,607**	**14,170**	**4,808**	**11,477**	**19,260**	**409**	**96,731**

Bank 2023

Amounts in millions of dollars	Carrying amount	At call	Not later than 1 month	later than 1 month and not later than 3 months	later than 3 months and not later than 1 year	later than 1 year and not later than 5 years	Greater than 5 years	Total contractual cashflows
Financial liabilities								
Deposits and other borrowings	73,267	45,805	2,117	3,728	10,315	13,363	-	75,328
Derivative liabilities	221	-	15	29	62	122	4	232
Creditors and other liabilities	592	-	490	63	41	-	-	594
Lease liabilities	62	-	1	3	10	39	6	59
Debt issues	4,604	-	18	789	151	3,700	384	5,042
Amounts due to controlled entities	20,485	20,485	-	-	-	-	-	20,485
Total	**99,231**	**66,290**	**2,641**	**4,612**	**10,579**	**17,224**	**394**	**101,740**
Undrawn loan commitments[1]	12,256	-	11,455	801	-	-	-	12,256
Bank accepted guarantees and letters of credit[2]	1,077	1,077	-	-	-	-	-	1,077
Total	**112,564**	**67,367**	**14,096**	**5,413**	**10,579**	**17,224**	**394**	**115,073**

[1] 'Undrawn loan commitments' include all obligations on the part of the Group to provide credit facilities including undrawn amounts eligible for redraw and unconditionally approved loans.
[2] 'Bank accepted guarantees and letters of credit' represent conditional undertakings by the Group to support the obligations of its customers to third parties.

16. Risk management (continued)

16.4 Non-financial risk

As an ADI, the Group is subject to a range of non-financial risk. Examples are operational risk, business risk, cyber-risk , compliance risk, conduct risk, reputation risk, and risk arising from workplace, health, and safety. Such risks are managed under a "Non-Financial Risk Governance Framework" and have dedicated training and culture programs tailored to appropriate (risk) behaviour throughout the company. The implementation of the Financial Accountability Regime ("FAR") ensures that the preventive and remedial behaviours directed by the (executive) risk owners are associated with the day-to-day working of the business. Long term thinking and behaviour is rewarded via the remuneration structure. Other than operational risk, non-financial risks are not subject to specific capital requirements.

17. Capital management

The Group's capital management strategy aims to ensure adequate capital levels to protect deposit holders and to maximise shareholder returns. The Group's capital is measured and managed in line with Prudential Standards and minimum regulatory capital requirements for banks established by APRA[1] which are consistent with capital requirements legislation. APRA has set minimum ratios that compare the regulatory capital with risk weighted on and off-balance sheet assets for credit, operational and market risks as well as mandating a charge for other risks that may or may not be easily measured. The Group has been in compliance with the minimum capital requirements imposed by APRA throughout the year.

The Group chooses to hold capital in addition to prudential minimum levels by maintaining management buffers that are sufficient to absorb potential losses under stress scenarios of certain severities, and are forward-looking in the sense that they take into account future regulation changes including increased minimum capital requirements. The Internal Capital Adequacy Assessment Process ("ICAAP") supports the Group's Capital Management Policy which defines the framework for defining, measuring, management, monitoring and governance of the Group's capital position. Further the Group applies a risk appetite framework with annually reviewed trigger and tolerance levels.

Capital planning is a dynamic process which involves various teams and covers internal capital target ratios, potential capital transactions as well as projected dividend pay-outs. The integral parts of capital planning comprise business operating plans, stress- testing, ICAAP along with considerations of (future) regulatory capital requirements, accounting changes, taxation rules and expectations of rating agencies.

The management buffers and capital plan are established on an annual basis and adjusted when significant events require so. The capital plan is aligned with management actions included in the 3 year business plan, which includes forecast growth in assets and earnings taking into account the Group's business strategies, projected market and economic environment, upcoming regulation changes and peer positioning. All the components of the capital plan are monitored throughout the year and are revised as appropriate.

The Board has set internal targets and risk appetite trigger and tolerance levels on top of the prudential requirements to manage the capital ratio. The calibration of the targets and risk appetite trigger and tolerance levels includes consideration of upholding regulatory requirements and commitments in times of stress.

Credit risk capital

In accordance with APRA's methodology, measuring credit risk requires one of a number of risk weights to be applied to each asset on the Balance Sheet and to off-Balance Sheet obligations. The risk weights are applied based on APRA's Internal Ratings-Based Approach for the Residential Mortgage book, Foundation IRB for Financial Institutions, Corporate Lending and Income producing Real-estate portfolios, Supervisory slotting for the Real Estate related wholesale and commercial property portfolios and the project finance activities. The Supervisory Formula Approach is applied to the relevant securitisation exposures while Credit Cards, Priority Commercial Mortgages, Personal Loans, Sovereigns and niche portfolios in Wholesale Banking, apply the Standardised Approach.

Market risk

Under the Advanced Accreditation from APRA, risk weighted assets for Market Risk are calculated using a set of approved models (Embedded Mark-to-Market loss or gain, Optionality & Historical Value-at-Risk) to quantify the risks associated with the interest rate risk in the banking book.

Based on this modelled output the Group holds sufficient capital to cover interest rate risk in the banking book. The Group measures this risk by ascribing a portion of the capital adequacy limit to cover the calculated change in economic value from adverse movements in interest rates.

Operational risk capital

Risk-weighted assets for operational risk are calculated under the Standardised Measurement Approach to Operational Risk based on business indicators, which is a financial-statement-based proxy of the Groups operational risk exposure.

Total capital position

In the determination of the total Risk Weighted Assets (RWAs) the Group does apply the output floor of 72.5% of the RWAs determined when applying the standardised approach. The IRB risk weighted assets exceed the output floor.

[1] APRA capital framework builds on the pillars Prudential Capital Requirement (PRC), Capital Conservation Buffer (CCB) and Counter Cyclical Buffer (CCyB). The CCyB relates to exposure to counterparties in jurisdictions where a CCyB applies, including 1% for Australia. ING Australia has limited exposures in non-Australian jurisdictions, resulting in a ~0.99% CCyB. Given the small difference, ING Australia decided to apply a 1% CCyB.

17. Capital management (continued)

Capital Adequacy	Consolidated	
Amounts in millions of dollars	**2024**	2023
Qualifying capital		
Tier 1		
Total equity	5,798	6,054
Reserve adjustments	(26)	(25)
Regulatory adjustments	(653)	(636)
Common Equity Tier 1	**5,119**	**5,393**
Additional Tier 1 Capital	456	-
Total Tier 1 qualifying capital	**5,575**	**5,393**
Tier 2		
Tier 2 Capital instrument	402	476
Standardised approach[1]	41	34
Total Tier 2 qualifying capital	**443**	**510**
Total regulatory capital	**6,018**	**5,903**
Total risk adjusted assets and off-balance sheet exposures	**32,122**	**31,520**
Capital adequacy ratio	**18.7%**	**18.7%**

[1] Represents the total general reserve for credit losses recognised for those portfolios under the Basel III Standardised approach.

Dividends - Accounting policy

A provision is made for the amount of any dividend declared being appropriately authorised and no longer at the discretion of the Group, on or before the end of the reporting period but not distributed at the end of the reporting period.

Dividend declared, provided for or paid		
Amounts in millions of dollars	2024	2023
Consolidated and Bank		
Fully franked dividend	**654**	588

18. Fair value of financial instruments

The financial assets and liabilities listed below are recognised and measured at fair value and therefore the carrying value equates to their fair value:

Financial instrument	Fair value techniques	Assumptions
Financial assets at FVOCI	Financial assets at FVOCI are initially recognised at fair value plus any directly attributable transaction costs. Any changes in fair value are recognised in other comprehensive income up until sale. Interest income received on these assets is recorded in net interest income with any realised gains and losses on sale recognised in non-interest income.	Fair value of quoted investments in active markets are based on current bid prices.
Derivative assets and liabilities	Derivative assets and liabilities are initially recognised at fair value. Any changes in fair value are recorded in non-interest income with interest income and expense associated with the derivative recognised in net interest income.	The fair value of swaps is calculated by utilising discounted cash flow models, based on the estimated future cash flows.

The following table lists the financial assets and liabilities which are not measured at fair value:

Financial asset/liability	Fair value techniques	Assumptions
Cash and cash equivalents	The carrying amount is an approximation of fair value.	Short term in nature or are receivable on demand.
Due from other financial institutions	The carrying amount is an approximation of fair value.	Short term in nature and of high credit rating.
Securities at amortised cost	Level 1: The fair value is taken from quoted market prices. Level 2: The fair value is based on the inputs other than quoted prices that are market observable.	Fair values of quoted investments in active markets are based on current bid prices. If quoted prices in an active market are not available, fair value is based on an analysis of available market inputs.
Receivables and other assets	The carrying amount of accrued interest receivable is an approximation of fair value.	Short term in nature.
Loans and advances	For variable loans at call the carrying amount is an approximation of fair value. For variable and fixed rate term loans, the fair value is calculated by utiltsing discounted cash flow models based on the contractual term of the loans.	Short term in nature. For variable and fixed rate term rate loans the discount rate applied reflects the market rate for the maturity of the loan.
Amounts due from controlled entities	The carrying amount is an approximation of fair value.	Short term in nature.
Deposits	The carrying amount is an approximation of fair value. For term deposits, the fair value is calculated by utilising discounted cash flow models, based on the maturity of the deposits.	Short term in nature or are payable on demand. For term deposits the discount rate applied is the current rate offered for deposits of similar remaining maturities.
Debt issues	The fair value of debt issues is calculated by utilising discounted cash flow models, based on the estimated future cash flows.	The discount rate applied is based on quoted market prices where available for the instrument and the term of the issue.
Creditors and other liabilities	The carrying amount of creditors and other liabilities is an approximation of fair value.	Short term in nature.
Amounts due to controlled entities	The carrying amount is an approximation of fair value.	Arises from imputed loan approach and represents the obligation to repay the Trusts on the equitable assignment of loans.

18. Fair value of financial instruments (continued)

Fair value hierarchy

The Group measures fair values using the fair value hierarchy, which reflects the significance of the inputs used in making the measurements:

Level 1 – Reference to quoted unadjusted market prices in active markets for identical instruments.
Level 2 – Inputs other than quoted prices that are observable either directly or indirectly.
Level 3 – Inputs that are unobservable (no observable market data).

The following table presents the fair values of the Group's financial assets and liabilities which are measured at fair value or for which the fair value is disclosed.

31 December 2024					
Amounts in millions of dollars	Carrying value total	Fair value total	Fair value hierarchy		
			Level 1	Level 2	Level 3
Consolidated					
Assets measured at fair value:					
Financial assets at FVOCI	6,758	6,758	5,213	1,545	-
Derivative assets	707	707	-	707	-
Liabilities measured at fair value:					
Derivative liabilities	146	146	-	146	-
Assets for which fair values are disclosed:					
Securities at amortised cost	2,971	2,924	2,666	258	-
Loans and advances - Variable	70,666	71,317	-	-	71,317
Loans and advances - Fixed	6,508	6,617	-	-	6,617
Liabilities for which fair values are disclosed:					
Deposits and other borrowings - call[(1)]	46,635	46,635	-	-	-
Deposits and other borrowings - term	26,301	26,697	-	905	25,792
Debt issues - Variable	8,792	8,896	-	8,896	-
Debt issues - Fixed	1,971	1,987	-	1,987	-
Bank					
Assets measured at fair value:					
Financial assets at FVOCI	6,758	6,758	5,213	1,545	-
Derivative assets	707	707	-	707	-
Liabilities measured at fair value:					
Derivative liabilities	146	146	-	146	-
Assets for which fair values are disclosed:					
Securities at amortised cost	2,971	2,924	2,666	258	-
Loans and advances - Variable	70,666	71,317	-	-	71,317
Loans and advances - Fixed	6,508	6,617	-	-	6,617
Liabilities for which fair values are disclosed:					
Deposits and other borrowings - call[(1)]	46,963	46,963	-	-	-
Deposits and other borrowings - term	26,302	26,697	-	905	25,792
Debt issues - Variable	6,056	6,154	-	6,154	-
Debt issues - Fixed	1,971	1,987	-	1,987	-

[(1)] The carrying amount of call financial assets and liabilities are an approximation of fair value. In line with other instruments of similar nature no fair value is designated.

18. Fair value of financial instruments (continued)

31 December 2023					
			Fair value hierarchy		
Amounts in millions of dollars	Carrying value total	Fair value total	Level 1	Level 2	Level 3
Consolidated					
Assets measured at fair value:					
Financial assets at FVOCI	5,247	5,247	4,532	715	-
Derivative assets	900	900	-	900	-
Liabilities measured at fair value:					
Derivative liabilities	221	221	-	221	-
Assets for which fair values are disclosed:					
Securities at amortised cost	2,696	2,587	1,992	595	-
Loans and advances - Variable	60,425	60,648	-	-	60,648
Loans and advances - Fixed	13,319	13,055	-	-	13,055
Liabilities for which fair values are disclosed:					
Deposits and other borrowings - call[(1)]	45,625	45,625	-	-	-
Deposits and other borrowings - term	27,367	27,494	-	4,263	23,231
Debt issues - Variable[(1)]	5,325	5,372	-	5,372	-
Debt issues - Fixed	1,575	1,549	-	1,549	-
Bank					
Assets measured at fair value:					
Financial assets at FVOCI	5,247	5,247	4,532	715	-
Derivative assets	900	900	-	900	-
Liabilities measured at fair value:					
Derivative liabilities	221	221	-	221	-
Assets for which fair values are disclosed:					
Securities at amortised cost	2,696	2,587	1,992	595	-
Loans and advances - Variable	60,425	60,648	-	-	60,648
Loans and advances - Fixed	13,319	13,055	-	-	13,055
Liabilities for which fair values are disclosed:					
Deposits and other borrowings - call[(1)]	45,900	45,900	-	-	-
Deposits and other borrowings - term	27,367	27,494	-	4,263	23,231
Debt issues - Variable	3,029	3,081	-	3,081	-
Debt issues - Fixed	1,575	1,549	-	1,549	-

[(1)] The carrying amount of call financial assets and liabilities are an approximation of fair value. In line with other instruments of similar nature no fair value is designated.

Transfers between Level 1 and Level 2

In 2024, there were $414m of semi-government bonds transferred from Level 2 to Level 1 (in 2023, $514m was transferred from Level 1 to Level 2).

Valuation: Where available, fair values for debt securities are generally based on quoted market prices. Quoted market prices are obtained from an exchange market, dealer, broker, industry group, pricing service, or regulatory service. The quoted prices from non-exchange sources are reviewed on their tradability of market prices. If quoted prices in an active market are not available, fair value is based on an analysis of available market inputs, which includes consensus prices obtained from one or more pricing services. Furthermore, fair values are determined by valuation techniques discounting expected future cash flows using market interest rate curves, referenced credit spreads, maturity of the investment, and estimated prepayment rates where applicable.

Fair value hierarchy: Commonwealth government bonds and financial institutions bonds are generally traded in active markets, where quoted prices are readily and regularly available and are hence, classified as Level 1. The remaining positions are classified as Level 2 or Level 3. Asset backed securities for which no active market is available and a wide discrepancy in quoted prices exists, are classified as Level 3.

19. Provisions

Provisions	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Annual leave	17	16	17	16
Long service leave	16	13	16	13
Other provisions	3	2	3	2
Provision for dividend	-	-	-	-
Total provisions	**36**	**31**	**36**	**31**
Provisions expected to be paid in the next 12 months	**30**	**26**	**30**	**26**

Movement in provisions	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Carrying amount at beginning of the year	31	25	31	25
Additional provision recognised	24	14	24	14
Amounts utilised during the year	(19)	(8)	(19)	(8)
Carrying amount at end of year	**36**	**31**	**36**	**31**

Provisions – Accounting policy

A provision is recognised on the Balance Sheet when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and is reliably measured. Provisions are measured by discounting the expected future pre-tax cash flows reflecting time value of money and risks specific to the obligation.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

The provision for long service leave represents the present value of the estimated future cash outflows to be made resulting from employees' services provided to reporting date. The provision is measured using expected future increases in wage and salary rates including related on-costs and is probability weighted based on observed employee turnover and is discounted using the rates attached to high quality corporate bond rates at reporting date of a similar maturity.

20. Contributed equity

	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Issued and fully paid equity				
Ordinary voting shares	1,284	1,284	1,284	1,284
Ordinary non-voting shares	50	50	50	50
Total contributed equity	**1,334**	**1,334**	**1,334**	**1,334**

	Consolidated		Bank	
Amounts in millions of dollars	**2024**	2023	**2024**	2023
Issued capital	# of Shares	# of Shares	# of Shares	# of Shares
Balance at beginning of financial year	1,334,000,004	1,334,000,004	1,334,000,004	1,334,000,004
Issue of shares	-	-	-	-
Balance at end of financial year	**1,334,000,004**	**1,334,000,004**	**1,334,000,004**	**1,334,000,004**

Contributed equity – Accounting policy

Issued and paid-up capital represents the considerations received by the Group. Incremental costs directly attributable to the issue of ordinary shares are recognised as a reduction from equity, net of tax.

21. Reserves

2024 Consolidated and Bank					
Amounts in millions of dollars	General reserve for credit losses[1]	Share based payments reserve	Cash flow hedge reserve	Fair Value reserve	Total
Opening balance	**-**	**25**	**112**	**(24)**	**113**
Revaluation movement for the year, net of tax	-	1	(262)	16	(245)
Transferred to Other Comprehensive Income Statement - net interest income	-	-	226	(47)	179
Tax on amounts transferred to Other Comprehensive Income Statement	-	-	(68)	-	(68)
Transfer (to)/from retained earnings	-	-	-	-	-
Closing balance	**-**	**26**	**8**	**(55)**	**(21)**

2023 Consolidated and Bank					
Amounts in millions of dollars	General reserve for credit losses[1]	Share based payments reserve	Cash flow hedge reserve	Fair Value reserve	Total
Opening balance	**95**	**23**	**213**	**1**	**332**
Revaluation movement for the year, net of tax	-	2	(288)	31	(255)
Transferred to Other Comprehensive Income Statement - net interest income	-	-	267	(56)	211
Tax on amounts transferred to Other Comprehensive Income Statement	-	-	(80)	-	(80)
Transfer (to)/from retained earnings	(95)	-	-	-	(95)
Closing balance	**-**	**25**	**112**	**(24)**	**113**

Reserves – Accounting policy

Share based payments reserve

The share based payments reserve records attribution to equity from the employee share-based payment plan. The fair value of share-based payment transactions is expensed over the vesting period. The charge to the Income Statement is the fair value of the equity-settled transactions less the amounts already charged in previous periods. The fair value is recognised as an employee expense with a corresponding increase in equity.

Cash flow hedge reserve

The cash flow hedge reserve records the fair value revaluation of derivatives designated as cash flow hedging instruments. For a derivative designated as hedging a cash flow exposure arising from a recognised asset or liability, the gain or loss on the derivative associated with the effective portion of the hedge is initially recognised in equity in the cash flow hedge reserve and reclassified into the income statement when the associated hedged transaction affects profit or loss.

Fair value reserve

Gains and losses arising from subsequent changes in fair value of financial assets at FVOCI are recognised directly in the fair value reserve in equity until the asset is derecognised or impaired, at which time the cumulative gain or loss will be recognised in the Income Statement.

[1] *As part of the introduction of APS 220 Credit Quality in 2022, reference to GRCL was removed in 2023 and instead replaced with this guidance: "Provisions held against performing exposures that represent a purely forward-looking amount for future losses that are presently unidentified." As at 1 January 2023 these updates have been made by APRA and ING received confirmation to align with the guidance stated in the revised APS 220 and GRCL was reversed to Retained Earnings.*

22. Share based payments

The following table illustrates the number and weighted average grant prices ("WAGP") in Euro of, and movements in, performance units issued during the year.

Performance units	2024		2023	
	Number	WAGP	Number	WAGP
Outstanding at the beginning of the year	87,707	€ 9.28	76,843	€ 8.92
Forfeited during the year	(3,086)	€ 11.26	(3,089)	€ 8.99
Granted during the year	101,744	€ 13.75	80,886	€ 9.99
Performance effect	-	€ 0.00	-	€ 0.00
Vested during the year	(73,722)	€ 13.64	(66,903)	€ 9.74
Transferred during the year	2,321	€ 8.83	(30)	€ 7.28
Outstanding at the end of the year	**114,964**	**€ 10.38**	**87,707**	**€ 9.28**

The outstanding balances of performance units as at 31 December 2023 are:

Year of grant	2024		2023	
	Number of Performance Units	WAGP	Number of Performance Units	WAGP
2021	8,062	€ 8.50	10,682	€ 8.61
2022	26,027	€ 8.77	37,556	€ 9.33
2023	32,286	€ 9.05	39,469	€ 9.41
2024	48,589	€ 12.43		
Total	**114,964**	**€ 10.38**	**87,707**	**€ 9.28**

All performance units are granted in the ultimate parent entity, ING Groep N.V. and vest 3 years from the issue date at the exercise price noted above. The actual expense for share based payments for 2024 net of tax is $2m (2023: $2m).

The fair value of share awards granted is recognised as an expense under staff expenses and is allocated over the vesting period of the share awards. As of 2015, ING Groep no longer has share awards containing a market based performance condition. Previously, the fair values of share awards containing a market based performance condition have been determined using a Monte Carlo simulation based valuation model. The model takes into account the risk free interest rate, the current stock prices, expected volatilities and current dividend yields of the performance peer group used to determine ING's Total Shareholder Return (TSR) ranking. As at 31 December 2024 total unrecognised compensation costs related to share awards amounted to EUR 629,549. These costs are expected to be recognised over a weighted average period of 2.4 years.

Share-based payment transactions – Accounting policy

The Group provides benefits to key personnel including key management personnel in the form of share-based payments (performance units). The measurement of share-based payment transactions granted is determined by ING Groep N.V. and is based on their fair value using a generally accepted valuation methodology. Share-based payments do not vest until the employee completes a specified period of service being 3 years from the date of grant (the vesting period). Vesting conditions, other than market conditions, are not taken into account when estimating the fair value of the equity- settled transactions.

The fair value of share-based payment transactions is expensed over the vesting period. The charge to the Income Statement is the fair value of the equity-settled transactions less the amounts already charged in previous periods. The fair value is recognised as an employee expense with a corresponding increase in equity.

Until an award has vested, any amounts recorded are contingent and will be adjusted if more or fewer awards vest than were originally anticipated to do so. Any award subject to a market condition is considered to vest irrespective of whether or not that market condition is fulfilled, provided that all other conditions are satisfied.

Employee performance units plan

During the year key personnel were issued with performance units. These performance units vest after 3 years, provided that the employee remains in the Group's employment. The awarded shares will be multiplied by a certain factor that is dependent upon ING Groep N.V.'s total shareholder's return compared to a peer group of other financial institutions.

23. Commitments and contingencies

Irrevocable commitments to extend credit include all obligations on the part of the Group to provide credit facilities including:

- undrawn amounts eligible for redraw and unconditionally approved loans not yet settled; and
- bank accepted guarantees and letters of credit representing unconditional undertakings by the Group to support the obligations of its customers to third parties.

Consolidated and Bank		
Amounts in millions of dollars	**2024**	2023
Commitments to extend credit		
- undrawn loan commitments	11,918	12,256
- bank accepted guarantees and letters of credit	1,569	1,077
Total commitments to extend credit	**13,487**	**13,333**

The Bank also provides liquidity facilities to its special purpose vehicles.

Bank	2024	2024	2023	2023
Amounts in millions of dollars	**Unused**	**Available**	Unused	Available
Liquidity facilities to related entities	338	338	348	348

Regulatory and customer exposures

In recent years there has been an increase in the number of matters on which the Group engages with its regulators. There have also been significant increases in the nature and scale of regulatory investigations, surveillance and reviews, civil and criminal enforcement actions (whether by court action or otherwise), formal and informal inquiries, regulatory supervisory activities and the quantum of fines issued by regulators, particularly against financial institutions both in Australia and globally. The Group continues to receive and respond to various notices and requests for information from its regulators as part of both industry-wide and Group-specific reviews and continues to make disclosures to its regulators at its own instigation. The nature of these interactions include a range of matters related to anti-money laundering and counter-terrorism financing obligations. There may be exposures to customers which are additional to any regulatory exposures. These could include class actions, individual claims or customer remediation or compensation activities. The outcomes and total costs associated with such reviews and possible exposures remain uncertain.

24. Related party disclosures

Key management personnel compensation

The key management personnel of the Group during the year were:

Specified Directors:

John Laker	Chair (Non-Executive)
Darryl Newton	Director (Non-Executive)
Lisa Gray	Director (Non-Executive)
Vicki Allen	Director (Non-Executive)
Richard Kimber	Director (Non-Executive)
Anju Abrol	Director (Non-Executive) (until May 2024)
Melanie Evans	Chief Executive Officer ("CEO") and Director (Executive)

Executives:

Michal Kowalczyk	Chief Financial Officer ("CFO")
Praveen Khurana	Chief Risk Officer ("CRO")
Fiona Geddes	Chief Operations Officer (until July 2024)
Linda Da Silva	Chief Information Officer (full year) and Acting Chief Operations Officer (from July 2024)
Andras Hamori	Head of Retail Banking
Flavio Passaro	Head of Human Resources (from December 2024)
Justine Carmichael	Head of Human Resources (until July 2024)
Claire Machin	Head of Legal and General Counsel (from April 2024) and Acting Head of Human Resources (from July 2024 to December 2024)
Andrew Hector	Head of Wholesale Banking
Lambrecht Wessels	Operations Resilience Lead (until August 2024)
Hein Wegdam	Head of Business Banking (from October 2024)

The compensation paid or payable to key management personnel of the Group for the year:

Amounts in thousands of dollars	2024	2023
Short-term employee benefits	6,704	6,467
Other short-term employee benefits	1,480	1,218
Other long-term benefits	795	533
Share-based payments	1,009	736
Termination benefits	1,211	-
Total compensation	**11,199**	**8,954**

24. Related party disclosures (continued)

Transactions with entities in the wholly owned group

Aggregate amounts receivable comprise term loans, at-call loans, accrued interest and inter-company balances. Aggregate amounts payable comprise mainly deposits but also comprise subordinated debt, certificates of deposit, accrued interest and inter-company balances. Interest received and charged was on normal commercial terms throughout the year. No security or guarantee has been provided and no bad and doubtful debt provisions were raised during the year.

Other intragroup transactions, which are on commercial terms, include the provision of management and administration services, fees for expenses incurred for services rendered on behalf of entities in the wholly owned ING Groep N.V., ING Bank N.V. (Sydney Branch)'s facilitation of back-to-back interest rate derivatives between the Bank and the Trusts and Wholesale Banking deals entered in conjunction with other ING related entities.

Consolidated				
Amounts in millions of dollars	**2024[(1)]**	**For the period[(2)]**	2023[(1)]	For the period[(2)]
Aggregate amounts receivable from related parties in the wholly owned group	664	36	1,717	60
Aggregate amounts payable to the ultimate controlling entity	(862)	(144)	(476)	(96)
Aggregate amounts payable to related parties in the wholly owned group	(13,960)	(769)	(14,219)	(620)
Total	**(14,158)**	**(877)**	**(12,978)**	**(656)**

Transactions with controlled entities

Bank				
Amounts in millions of dollars	**2024[(1)]**	**For the period[(2)]**	2023[(1)]	For the period[(2)]
Aggregate amounts receivable from controlled entities	18,442	1,170	19,092	1,077
Aggregate amounts due to controlled entities	(20,543)	(1,347)	(20,485)	(1,175)
Total	**(2,101)**	**(177)**	**(1,393)**	**(98)**

(1) Positions as at the respective reporting date.
(2) Transactions during the year.

25. Auditor's remuneration

	Consolidated		Bank	
Amounts in thousands of dollars	**2024**	2023	**2024**	2023
Audit and review services				
Auditors of the Group - KPMG Australia				
Audit of financial statements - Group	510	445	-	-
Audit of financial statements - Parent	-	-	510	445
Audit of financial statements - controlled entities	113	106	-	-
Review of interim financial information	131	103	131	103
Total audit and review services	**754**	**654**	**641**	**548**
Audit and review services				
Auditors of the Group - KPMG Australia				
Regulatory assurance services	736	1,528	736	1,528
Total assurance services	**736**	**1,528**	**736**	**1,528**
Other Services				
Auditors of the Group - KPMG Australia				
Agreed upon procedures	23	93	-	-
Total other services	**23**	**93**	**-**	**-**
Total	**1,513**	**2,275**	**1,377**	**2,076**

Auditor's remuneration amounts stated above are exclusive of GST.

26. Subsequent events

On 24 January 2025, a new internal self-securitisation trust (IDOL Trust R) was settled for $10bn.

On 4 March 2025, the Group issued $450m in Subordinated Notes with a term of 10 years with an option to redeem, in whole or in part, on the 5th anniversary following the issue date.

On 5 March 2025, the Directors of the Group determined to pay a dividend on ordinary shares. The total amount of the dividend of $479 million (2023: $654 million) to ING Bank N.V., the parent, represents a fully-franked dividend of 35.9 cents per share (2023: 49.0 cents per share) to be paid in March 2025.

Other than the matters mentioned above, no subsequent events or transactions have occurred since the year ended 31 December 2024 or are pending that would have a material effect on the Financial Statements.

27. Other accounting policies and accounting standard developments

Consolidation

Subsidiaries

The consolidated Financial Statements comprise the Financial Statements of the Group. Control exists when the Bank has the power over the investee, being the ability to direct the relevant activities, exposure or rights to variable returns and ability to use its power over the investee to affect those returns.

The Financial Statements of the controlled entities are included in the consolidated financial report from the date that control commences until the date that control ceases. In the Bank's Financial Statements, investments in controlled entities are carried at cost.

Securitisation

The Bank conducts securitisation programs whereby the equitable rights to selected residential mortgages are assigned to special purpose trusts. These Trusts issue securities to investors who have full recourse to the assets transferred to the Trusts. The investors in the securities issued by the Trusts have full recourse to the assets transferred to the Trusts.

The Bank receives the residual income distributed by the Trusts after all payments due to investors and associated costs of the program have been met. In addition to this, the Bank retains the junior notes issued by the Trusts and interest rate risk from the Trusts is transferred back to the Bank by way of interest rate swaps. Hence, the Bank is considered to retain the risks and rewards of these cash flows. Accordingly, the original sale of the mortgages from the Bank to the Trusts does not meet the derecognition criteria set out in AASB 9.

The Bank continues to reflect the securitised loans in their entirety due to retaining substantially all the risks and rewards associated with the loans. The obligation to repay this amount to the Trusts is recognised as a financial liability of the Bank and included within amounts due to controlled entities. In addition, the Bank discloses securitisation income, which represents income received from the Trusts which includes the residual spread income, trust manager fees, servicer fees and liquidity facility fees. All transactions between the Bank and the Trusts are eliminated on consolidation.

Covered Bonds

The Bank conducts a Covered Bond program whereby the equitable rights to selected residential mortgages are assigned to a special purpose covered bond trust. The Bank issues covered bonds to investors who have dual recourse to the Bank as issuer and the cover pool of assets. The Bank cannot otherwise pledge or dispose of the assigned mortgages, however subject to legal arrangements it may repurchase and substitute assets so long as the requirements of the cover pool are maintained.

The Bank is required to maintain the cover pool at a level sufficient to cover the bond obligations. In addition the Bank is entitled to any residual income of the Covered Bond Trust and enters into derivatives with the Trust. The Bank retains the majority of the risks and rewards of the residential mortgages and continues to recognise the mortgages as financial assets. The obligation to pay this amount to the Trust is recognised as a financial liability of the Bank.

The Bank is exposed to variable returns from its involvement with the Covered Bond Trust and has the ability to affect those returns through its power over the Trust's activities. The Trust is therefore consolidated by the Group. The covered bonds issued externally are included within debt issues.

Structured entities

The Group's activities involve transactions with various structured entities in the normal course of its business. A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements. The Group establishes whether these involvements result in no significant influence, significant influence, joint control or control over the structured entity.

The structured entities over which the Group can exercise control are consolidated. The Group may provide support to these consolidated structured entities as and when appropriate, however this is fully reflected in the consolidated Financial Statements of the Group as all assets and liabilities of these entities are included and off- balance sheet commitments are disclosed. All structured entities are consolidated.

27. Other accounting policies and accounting standard developments (continued)

As not substantially all risks and rewards of the assets are transferred to the third party investors of the Trusts, the Group continues to recognise these assets in the Bank's stand-alone Financial Statements.

Assets used in securitisation and covered bonds programmes		
Amounts in millions of dollars	**2024**	2023
Residential mortgages	20,557	20,488
Total	**20,557**	**20,488**

Facilities used in securitisation programmes		
Amounts in millions of dollars	**2024**	2023
Liquidity facilities	338	348
Total	**338**	**348**

Foreign currencies

Transactions in foreign currencies are initially recorded in the functional currency by applying the exchange rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates at reporting date.

Foreign currency swaps are valued at fair value using the appropriate market rates at balance date. Unrealised profits and losses arising from these revaluations are recognised in 'net non-interest income' in the income statement.

Recoverable amount of assets

At each reporting date the Group assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, the Group makes a formal estimate of recoverable amount (lower of value in use or fair value less cost to sell). Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Right-of-use assets

Right-of-use assets relate primarily to leased buildings and staff cars under novated lease arrangements.

Property and equipment

Property and equipment is measured at historical cost and depreciated or amortised on a straight-line basis over the estimated useful life of the assets. Leasehold improvements are amortised over the remaining term of the lease.

For an asset that does not generate largely independent cash flows, the recoverable amount is determined based on the cash-generating unit to which the asset belongs. Where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

Major depreciation and amortisation periods are generally:

Category	2024	2023
Data processing equipment	3–5 years	3–5 years
Fixtures and fitting and other equipment	3–5 years	3–5 years
Right-of-use assets	1–10 years	1–10 years
Software acquired and internally developed	3-5 years	3-5 years

The carrying value of property and equipment is reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. Impairment losses are recognized in the Income Statement.

27. Other accounting policies and accounting standard developments (continued)

Intangible assets

Intangible assets are identifiable non-monetary assets without physical substance. They are recognised only if it is probable that the asset will generate future benefits for the Group. They are recognised at cost and amortised on a straight line basis over the estimated useful life of the assets. Those assets with an indefinite useful life are tested for impairment annually. All intangible assets must be tested for impairment when there is an indication that its carrying amount may be greater than its recoverable amount.

Software as a Service arrangements

Software as a Service (SaaS) arrangements are service contracts providing the Bank with the right to access the cloud provider's application software over the contract period. Costs incurred to configure or customise, and the ongoing fees to obtain access to the cloud provider's application software, are recognised as operating expenses when the services are received. Some of these costs incurred are for the development of software code that enhances, modifies or creates additional capability to existing on premise systems and meets the recognition criteria for an intangible asset.

Goods and services tax

Income, expenses and assets are recognised net of the amount of Goods and Services tax ("GST") except:

(i) when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

(ii) receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Balance Sheet.

Creditors and other liabilities

Liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Recognised initially at their fair value and subsequently measured at amortised cost, using a methodology that is in line with the effective interest rate method.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments that have not been paid at the commencement date, discounted using the Group's incremental borrowing rate. The lease liability is subsequently measured at amortised cost using the effective interest method.

Operating expenses

Operating expenses are recognised as the relevant service is rendered or once a liability is incurred. Staff expenses are recognised over the period the employee renders the service to receive the benefit. Information technology expenses are recognised as incurred unless they qualify for capitalisation if the asset generates probable future economic benefits.

Consolidated entities disclosure statement

as at 31 December 2024

This Consolidated Entity Disclosure Statement has been prepared in accordance with subsection 295(3A) of the Corporations Act 2001. The entities listed in the statement are for ING Bank (Australia) Limited and all its controlled entities as at 31 December 2024 in accordance with AASB 10 *Consolidated Financial Statements*.

Entity registered name	Entity Type	% of share capital held	Place formed or incorporated	Australian Resident or Foreign Resident	Foreign jurisdiction of foreign residents[2]
ING Bank (Australia) Limited	Body Corporate	n/a	Australia	Australian	n/a
IDS Trust 2008-1	Trust	n/a	Australia	Australian	n/a
IDOL Trust 2017-1	Trust	n/a	Australia	Australian	n/a
IDOL Trust 2019-1	Trust	n/a	Australia	Australian	n/a
IDOL Trust 2023-1	Trust	n/a	Australia	Australian	n/a
IDOL Trust 2024-1	Trust	n/a	Australia	Australian	n/a
IBAL Covered Bond Trust	Trust	n/a	Australia	Australian	n/a

[1] During the year ended 31 December 2024, IDOL Trust 2015-1 and IDOL Trust 2016-1 were wound up.

[2] These entities are also a tax resident in their respective countries of incorporation. However, they are assessed as an Australian resident under the Income Tax Assessment Act 1997 and therefore not classified as a foreign resident under that Act.

Basis of preparation - Key assumptions and judgements

Determination of Tax Residency

Section 295 (3A) of the Corporation Acts 2001 requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the Income Tax Assessment Act 1997. The determination of tax residency involves judgment as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

- Australian tax residency: The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commissioner of Taxation's public guidance in Tax Ruling TR 2018/5.
- Foreign tax residency: The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency. Where necessary, the consolidated entity has used independent tax advisers in foreign jurisdictions to assist in its determination of tax residency to ensure applicable foreign tax legislation has been complied with.

Partnerships and Trusts

Australian tax law does not contain specific residency tests for partnerships and trusts. Generally, these entities are taxed on a flow- through basis so there is no need for a general residence test. There are some provisions which treat trusts as residents for certain purposes, but this does not mean the trust itself is an entity that is subject to tax. Additional disclosures on the tax status of partnerships and trusts have been provided where relevant.

Directors' declaration

In accordance with a resolution of the Directors of the Bank, we state that:

In the opinion of the Directors:

a) The Financial Statements and notes of the Group are in accordance with the *Corporations Act 2001*, including;

   i) giving a true and fair view of the Group's financial position as at 31 December 2024 and of its financial performance for the year ended on that date; and

   ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and

b) The Financial Statements and notes also comply with International Financial Reporting Standards as disclosed in Note 1;

c) There are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and

d) The consolidated entities disclosure statement is true and correct in accordance with the Corporations Act 2001.

This declaration is made in accordance with a resolution of the Board of Directors.

Dr John Laker
Chairman

Melanie Evans
Director

Sydney
5 March 2025

Independent Auditor's Report

To the shareholders of ING Bank (Australia) Limited

Opinion

We have audited the ***Financial Report*** of ING Bank (Australia) Limited (the Group Financial Report) and the ***Financial Report*** of ING Bank (Australia) Limited (the Company Financial Report).

In our opinion, the accompanying Financial Report of the Group and the Company gives a true and fair view, including of the ***Group*** and the ***Company's*** financial position as at 31 December 2024 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001*, in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** of the Group and Company comprises:

- Statements of financial position as at 31 December 2024;
- Statements of profit or loss, Statements of comprehensive income, Statements of changes in equity, and Statements of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 31 December 2024;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year-end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group and the Company in accordance with the *Corporations Act 2001* and the ethical requirements of the *Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the Financial Reports in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the Directors of ING Bank (Australia) Limited, would be in the same terms if given to the Directors as at the time of this Auditor's Report.

Other Information

Other Information is financial and non-financial information in ING Bank (Australia) Limited's annual report which is provided in addition to the Financial Reports and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Reports does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Financial Reports, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Reports or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Reports

The Directors are responsible for:

- preparing the Financial Reports in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group and the Company, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of the Financial Reports in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group and the Company, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Reports

Our objective is:

- to obtain reasonable assurance about whether the Financial Reports as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Reports.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/apzlwn0y/ar3_2024.pdf This description forms part of our Auditor's Report.

KPMG

KPMG

Graeme Scott

Partner

Sydney

5 March 2025

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