

Annual Report 2025.

ING Australia



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A snapshot of our business as at 31 December 2025

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 Group³.
- Headquartered in Sydney, with a contact centre in Wyong and offices across many of Australia's capital cities.



Customers

- #1 Net Promoter Score⁴
- 2.33 million active customers



People

- 2,244 employees⁵



Community

- Completed our first Reflect Reconciliation Action Plan
- Launched our Social Impact Strategy, to help create a more resilient, financially secure and environmentally sustainable future.
- Donated \$950K to social impact partners including R U OK?, Women's Community Shelters, Powerhouse Parramatta, KARI Foundation and IndigiGrow.
- Mobilised ING team members to donate 3,256 volunteer hours to community causes

2025 Award highlights

- Canstar Bank of the year for 6 years running
- Mozo Experts Choice Awards 2025: Named Australia's Best Bank.
- Consumer Finance Awards 2025 (Money Magazine): Bank of the Year – Savers, Young and Retirees.
- Finder's Banking Awards 2025: Provider of the Year for Savings and Deposits.
- RFI Global's Consumer Atlas Survey (2025) Most Recommended Bank.
- Coalition Greenwich Voice of the Customer Survey 2025:
 - #1 European Wholesale Bank in Australia by market penetration.
 - #1 for Best ESG Insights and Advice.
 - #1 for Industry Knowledge⁶.
 - #1 for Most Creative Ideas and Solutions⁶.

Financial highlights



Net profit after tax
\$591m



Cost to income ratio
49.8%



Capital adequacy ratio
17.6%



Loans
\$86.577m



Savings
\$55,849m

¹ In the Annual Report, 'ING Australia' refers to ING Bank (Australia) Limited and its controlled entities.

² 'ING Bank N.V.' is a part of ING Group and is the immediate holding company of the Bank.

³ 'ING Group' 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 Bank (Australia) Limited is Australia's most recommended bank according to RFI Global's Consumer Atlas Survey, July – December 2025 (n = 29,246) when compared to customers of the 10 largest ADIs operating in Australia amongst AFR customers. ING is Australia's fifth largest main financial institution (MFI) with 5% market share according to RFI Global's Consumer Atlas Survey, July – December 2025 (n = 29,246). MFI is defined as the bank that the consumer says is their main financial institution.

⁵ This number includes permanent employees and contractors, but excludes outsourced and offshore activities.

⁶ Ranking against top 10 global banks by market penetration.



CEO year in review



2025 was a strong year for ING Australia. In an environment where households and businesses continued to navigate cost-of-living pressures and economic uncertainty, we remained focused on delivering banking that genuinely helps people get ahead. By staying close to customer needs, looking after teammates, and supporting our community and partners, we lifted our

performance while continuing to invest in the long-term future of ING and the communities in which it operates.

I am pleased to report that we delivered \$591 million in Net Profit After Tax, an increase of 11% on 2024. This was underpinned by strong growth in our residential mortgage portfolio, growing at more than 2 times system, continued uplift in active customers, and the strong contribution of our Wholesale Bank, which was recognised as the number one European Bank in Australia. Our disciplined management of costs, combined with ongoing investment in core technology, supported these results while laying the foundations for future growth.

We made meaningful progress in advancing our long-term strategy. Now in Year 3 of transformation, delivery remains firmly on track. We began rolling out our new mobile app, offering customers a simpler, more intuitive, faster experience, together with enhanced security features. Across the business we continued to automate processes, uplift our risk and governance models, and strengthen systems to support growth and ensure a reliable experience for our 2.33 million active customers.

More customers are choosing ING as their main bank, and our commitment to delivering simple, personalised banking was recognised externally. We were proud to be named Canstar's Bank of the Year for the sixth consecutive year, and customer sentiment measured throughout the year confirmed that ING remains Australia's most recommended bank.

Risk management remained central to our strategy, as we proactively identified, assessed and mitigated risks to protect our customers, support financial stability, and help to ensure the business remains resilient in a changing economic and regulatory environment.

A core part of who we are is our commitment to the communities we serve. In 2025, we completed our first Reflect Reconciliation Action Plan, deepening our engagement with First Nations communities and strengthening cultural awareness across our workforce. We launched our Social Impact Strategy, focused on improving financial security, supporting community resilience and contributing to a more sustainable future. Together with our partners, including R U OK?, Women's Community Shelters, Powerhouse Parramatta, KARI Foundation and IndigiGrow, we contributed \$950,000 to programs that deliver real and lasting impact. Our people also played a major role, contributing 3,256 volunteer hours to community causes across the country.

We also continued to take practical steps to support sustainability efforts. Through products such as the Green Upgrade Loan and Home Energy Helper, we helped households improve the energy efficiency of their homes. Our Business Bank supported commercial property customers through the Business Green Upgrade Loan, while our Wholesale Bank financed renewable energy developments that contribute to Australia's clean-energy landscape.

We have more work to do but we are proud of the progress we are making. Our commitment to responsible banking, transparency and positive impact remains central to who we are.

As we look ahead, we do so with confidence. We have a clear strategy, a strong financial position, and a purpose-driven team dedicated to delivering better banking for Australians. Thank you to customers, teammates, partners and shareholders for your continued trust and support as we continue to shape the next chapter of ING Australia's future.

Melanie Evans
Chief Executive Officer
ING Bank (Australia) Limited



Directors' report

The Directors submit their report, together with the financial report of ING Australia for the year ended 31 December 2025.

The names and details of the Directors of ING Australia 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, Board Chair from 1 January 2020

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

Dr Laker has had a distinguished career in financial services spanning over 45 years including roles in the Commonwealth Treasury, the International Monetary Fund (IMF), the Reserve Bank of Australia (Assistant Governor Financial System) and the Australian Prudential Regulation Authority (APRA).

Dr Laker was Chair of APRA from 2003 to 2014; He subsequently chaired the panel that conducted the Prudential Inquiry into the Commonwealth Bank of Australia (CBA) from mid-2017 to mid-2018 on behalf of APRA. He is also Deputy Chancellor of the University of Technology Sydney and a member of ASIC's Consultative Panel and the IMF's Experts Panel.

He was appointed an Officer of the Order of Australia in 2008 and has received 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 Risk Committee and member of the Audit Committee and the People and Remuneration Committee.

Ms Allen is an experienced Non-Executive Director and Chair, 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.

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

Ms Allen 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 APRA-Regulated Entities Forum.

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

Appointed: 3 December 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 and Director in December 2020.

Ms Evans 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.

Ms Evans 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.

Rein Graat MSc LL.M Non-Executive Director

Appointed: 1 May 2025

Board Committees: Member of the Risk Committee

Mr Graat is currently Head of Risk (Wholesale Bank) at ING Bank N.V., a role he has held since September 2024. His career spans legal, risk and business, with previous leadership roles including Group CCO, General Counsel APAC, and Global Head Fixed Income Sales, FM Strategy, and Legal FM. His expertise has taken him to Amsterdam, London and Singapore.

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

Appointed: 16 November 2022

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

Mr Kimber is a seasoned international financial services and technology CEO and experienced Non-Executive Director and Chair.

Mr Kimber is currently Chair of Stone & Chalk, Non-Executive Director of Kina Securities Limited (ASX: KSL) (Chair of the Strategy & Transformation Committee, member of the People & Culture Committee), Non-Executive Director of Energy One Limited (ASX: EOL) (Chair of the Risk Committee), Non-Executive Director of VetPartners (Chair - Digital & Technology Committee) and Non-Executive Director of Daisee; a multi-award-winning AI software company he founded in 2017.

Prior to these roles Mr Kimber 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 First Direct 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 APAC leader for eCommerce based out of Hong Kong.

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



**Malgorzata Kolakowska MSc (Econ)
Non-Executive Director**

Appointed: 14 August 2025

Board Committees: Member of the People & Remuneration Committee effective 1 January 2026.

Ms Kolakowska is an executive and non-executive director with over three decades of experience leading financial institutions in the UK, Poland and the Netherlands.

Most recently, Ms Kolakowska served as Chief Executive Officer of ING Bank in the UK and Middle East. In her prior roles, Ms Kolakowska was Chief Executive Officer of publicly listed ING Bank in Poland, Global Head of Network for ING Wholesale Bank in the Netherlands, Country Director for Poland and the Baltic States at the European Bank for Reconstruction and Development, and Chief Financial Officer of McDonald's Poland.

Currently, Ms Kolakowska is the Vice-Chair of the Supervisory Board of ING Bank Poland.

**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 Committee, Customer Experience Committee, Technology and Transformation Committee and People and Remuneration Committee.

Mr Newton has an extensive career over a variety of industries and roles. Mr Newton's career has spanned the accounting and consulting profession, the banking industry and the diversity of Australia Post.

Most recently, he was the Chief Risk Officer (CRO) and Special Advisor at Australia Post. Mr Newton was a partner at Ernst & Young for fourteen years specialising in financial services in Australia and also on major assignments in Indonesia and Thailand. Mr Newton held senior risk roles at Westpac and was Chief Risk Officer at Bank of Queensland.

**Jan Swinhoe, BSc (Hons), AIAA
Independent Non-Executive Director**

Appointed: 10 March 2025

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

Ms Swinhoe has over three decades of experience in financial services spanning institutional banking, wealth management, superannuation and insurance.

Ms Swinhoe has held executive roles with AMP, Mercantile Mutual Life, Citibank Australia, County NatWest Australia and Westpac, including as General Manager, Westpac Private Bank. Ms Swinhoe has held Non-Executive Director roles with Fusion Retail, Suncorp Superannuation, Mercer Superannuation, IMB Bank, Athletics Australia and Swiss Re Life and Health. She is currently a Non-Executive Director of Vanguard Super and Australian Philanthropic Services.

Ms Swinhoe holds a B.Sc (Hons) in Pure Mathematics and is an Associate of the Institute of Actuaries.

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

Ms Gray was appointed as a Non-Executive Director in September 2020 and ceased as a Director on 31 March 2025. During the reporting period she was Chair of the Risk Committee and a member of the Audit Committee, the Customer Experience Committee and the Technology and Transformation Committee.

Company secretaries

**Suzanne Barron BSc LLB, GradDip Law, FGIA, GAICD
Lead – Governance & Company Secretary**

Appointed: 17 July 2025

Ms Barron joined ING as Company Secretary in July 2025.

Ms Barron is an experienced corporate and commercial lawyer and company secretary with a wealth of experience in-house across a range of industries, including financial services, insurance, wealth management, media and FMCG (Fast Moving Consumer Goods).

Ms Barron holds a Bachelor of Science and Bachelor of Laws, is admitted as a solicitor of the Supreme Court of NSW, is a Fellow of the Governance Institute of Australia and a Graduate of the Australian Institute of Company Directors.

**Belinda Hannover, GradDipACGRM, FGIA, FCG, MAICD
Head of Regulatory Risk**

Appointed: 7 December 2022

Ms Hannover joined ING in November 2022 and was appointed a Company Secretary in December 2022. She continued as an additional Company Secretary following her appointment as Head of Regulatory Risk in March 2025.

She is a Chartered Secretary and risk and governance professional, trained in applied corporate law, finance, governance, risk, compliance and strategy development. Ms Hannover is an experienced company secretary with extensive expertise within financial services and brings a wealth of risk and governance experience in highly regulated environments.

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

**Claire Machin LLM, FGIA, GAICD
Head of Legal & General Counsel**

Appointed: 28 March 2025

Ms Machin joined ING Australia as Head of Legal & General Counsel in April 2024 and is a member of the Executive Committee. She was appointed as an additional Company Secretary in March 2025.

Ms Machin is an experienced lawyer and executive with over 25 years' experience working in senior roles across financial services and private legal firms.

Ms Machin holds a Master of Law from University of Sydney and is a Graduate of the Australian Institute of Company Directors.



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

Director	Meetings of Directors		Audit		Risk		People and Remuneration		Customer Experience		Technology & Transformation	
	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	7	7	-	-	-	-
V Allen	8	8	4	4	5	5	7	7	1	1	-	-
M Evans	8	8	-	-	-	-	-	-	-	-	-	-
R Graat ²	6	6	-	-	3	2	-	-	-	-	-	-
R Kimber	8	7	-	-	-	-	-	-	2	2	3	3
M Kolakowska ³	5	5	-	-	-	-	-	-	-	-	-	-
D Newton	8	7	5	5	5	5	7	6	2	2	3	3
J Swinhoe ⁴	7	7	-	-	-	-	4	4	2	1	2	2
L Gray ⁵	2	2	1	1	1	1	-	-	-	-	1	1

1 The number of meetings held during the time the Director was a member of the Board or relevant Board Committee.

2 Rein Graat was appointed as a Director effective 1 May 2025.

3 Malgorzata Kolakowska was appointed as a Director effective 14 August 2025.

4 Jan Swinhoe was appointed as a Director effective 10 March 2025.

5 Lisa Gray ceased as a Director on 31 March 2025.



Corporate structure

ING Australia 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 ING Australia 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

ING Australia employed 1,954 (2024: 2,023) permanent employees and 290 (2024: 553) contractors as at 31 December 2025.

Significant changes in the state of affairs

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

Significant events after the balance date

On 13 February 2026, a new issuance of medium-term notes was settled for \$2.25 billion.

Other than the matters mentioned above, no subsequent events have occurred since the year ended 31 December 2025, 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 ING Australia.

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 ING Australia requires it to indemnify, amongst other persons, all current and former directors, executive officers and officers (as defined in the Corporations Act 2001) to the full extent permitted by law against all losses or liabilities (including costs and expenses) incurred by the person as an officer of the company or of a related body corporate.

ING Australia's indemnity obligation is supported by an indemnity given by the ING Groep N.V. pursuant to which it will indemnify amongst other persons, the directors and officers of ING Australia to the full extent permitted by law against direct financial loss incurred in connection with claims from a third party related to their services as a director or officer of ING Australia.

In addition, during the reporting period, ING Group, on behalf of ING Australia paid an insurance premium in respect of a contract insuring each of the Directors of ING Australia 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 ING Australia or a related body corporate.

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

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

4 March 2026
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 2025 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



Graeme Scott

Partner

Sydney

4 March 2026

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Corporate governance statement

Board responsibilities

The Board of Directors of ING Australia is responsible for corporate governance.

Composition of the Board

At 31 December 2025 the Board comprised seven Non-executive Directors and one Executive Director. The Chair is an Independent Non-Executive Director. The Board met eight times during the year.

Board's 2025 governance priorities

The Board's 2025 governance priorities were to:

- review the strategic direction and risk appetite of ING Australia in an inflationary environment with continued cost of living pressures for customers;
- support the delivery of improved customer experiences and outcomes through digitisation and differentiation;
- continue to support strengthening the effectiveness and robustness of ING Australia's technology, cyber security and operating systems;
- continue to uplift risk management practices and risk culture, with a particular focus on non-financial risk, technology risk and risk in change;
- review ING Australia's environmental, social and governance impact areas, with a focus on climate actions and embedding sustainability at the heart of the bank; and
- drive a capability uplift across ING Australia to support strategic delivery, with a focus on gender equality, diversity and inclusion, while ensuring the health and safety of our people are protected.

continue to uplift governance practices 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 ING Australia 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 ING Australia. Non-executive Directors are appointed for an initial term of four years.

The responsibility for the operation and administration of ING Australia 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 a Director and 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 Group 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:

- Board monitoring of performance against a strategic plan that encompasses ING Australia'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 ING Australia;
- development and implementation of operating plans and budgets (Dynamic Plan) by management and the Board monitoring progress against those plans and budgets;
- remuneration incentives aligned with the Dynamic Plan of ING Australia, Orange Behaviours and remuneration framework and policies; and
- risk appetite framework designed to achieve portfolio outcomes consistent with ING Australia'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 ING Australia.



Board Committees

The Board has established a number of Committees to support it in overseeing all aspects of ING Australia's business.

Audit Committee

The Audit Committee assists the Board by providing an objective non-executive review of the effectiveness of ING Australia's financial reporting (including the disclosure of climate-related risks) 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 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 assists the Board by providing an objective non-executive oversight of the implementation and operation of ING Australia's risk management framework, including risk culture. The Risk Committee ensures a holistic approach to risk management within ING Australia. It ensures ING Australia 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.

People and Remuneration Committee

The People and Remuneration Committee ensures that ING Australia's remuneration arrangements support its strategy and enables the recruitment, motivation and retention of Senior Executives, while incentivising them to prudently manage the risks for which they are responsible. The Committee also ensures compliance with the local and ING Group 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 assists the Board in reviewing and monitoring customer experience within ING Australia, including customer complaints, resolution and closure, and customer outcomes. The Committee evaluates insights and themes arising from customer feedback as well as considering how industry and regulatory developments might influence Group strategy.

Technology and Transformation Committee

The Technology and Transformation Committee assists the Board in reviewing ING Australia's technology strategy and strategic transformation initiatives, including information security, data and business transformation, and 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.

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 2025

Amounts in millions of dollars	Note	Consolidated		Bank	
		2025	2024	2025	2024
Interest income using effective interest method		4,527	4,424	5,519	5,575
Other interest income		140	362	143	362
Total interest income		4,667	4,786	5,662	5,937
Interest expense using effective interest method		(3,070)	(3,104)	(4,130)	(4,321)
Other interest expense		(67)	(137)	(71)	(137)
Total interest expense		(3,137)	(3,241)	(4,201)	(4,458)
Net interest income		1,530	1,545	1,461	1,479
Net non-interest income		175	97	241	161
Total operating income	3	1,705	1,642	1,702	1,640
Employment expenses		(459)	(469)	(459)	(469)
Advertising expenses		(60)	(57)	(60)	(57)
Depreciation and amortisation expenses		(57)	(44)	(57)	(44)
Depreciation on right of use assets		(10)	(11)	(10)	(11)
Occupancy expenses		(8)	(8)	(8)	(8)
Technology expenses		(48)	(41)	(48)	(41)
Intercompany management fees		(153)	(127)	(153)	(127)
Fee expenses		(15)	(14)	(13)	(12)
Other expenses		(38)	(37)	(38)	(37)
Total operating expenses		(848)	(808)	(846)	(806)
Loan impairment expense/(benefit)	12	2	65	2	65
Operating profit before tax		855	769	854	769
Income tax expense	4	(264)	(237)	(263)	(236)
Profit for the year		591	532	591	533
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	74	16	74	16
Gains/(losses) transferred to profit or loss	21	(50)	(47)	(50)	(47)
Net gains/(losses) on financial assets at FVOCI		24	(31)	24	(31)
Cash flow hedges					
Gains/(losses) arising during the year	21	(77)	(262)	(77)	(262)
Gains/(losses) transferred to profit or loss	21	21	158	21	158
Net gains/(losses) on cash flow hedges		(56)	(104)	(56)	(104)
Total amount recognised directly in equity		(32)	(135)	(32)	(135)
Total comprehensive income		559	397	559	398

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 2025

Amounts in millions of dollars	Note	Consolidated		Bank	
		2025	2024	2025	2024
Assets					
Cash and cash equivalents	6	2,577	1,752	2,093	1,432
Due from other financial institutions	7	135	161	141	184
Financial assets at FVOCI	8	5,077	6,758	5,077	6,758
Derivative assets	9	627	707	627	707
Securities at amortised cost	8	2,715	2,971	2,715	2,971
Amounts due from controlled entities	24	-	-	16,738	18,442
Loans and advances	11	86,381	77,174	86,381	77,174
Deferred tax assets	4	206	174	205	173
Other assets	10	833	385	825	376
Total assets		98,551	90,082	114,802	108,217
Liabilities					
Deposits and other borrowings	14	78,927	72,936	79,144	73,265
Derivative liabilities	9	139	146	139	146
Amounts due to controlled entities	24	-	-	19,517	20,543
Debt issues	15	13,225	10,763	9,743	8,027
Current tax liabilities	4	-	-	-	-
Provisions	19	36	36	36	36
Deferred tax liabilities	4	76	68	76	68
Other liabilities	13	251	335	250	334
Total liabilities		92,654	84,284	108,905	102,419
Net assets		5,897	5,798	5,897	5,798
Equity					
Contributed equity	20	1,334	1,334	1,334	1,334
Reserves	21	(50)	(21)	(50)	(21)
Retained earnings		4,613	4,485	4,613	4,485
Total equity		5,897	5,798	5,897	5,798

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 2025

Amounts in millions of dollars	Note	Contributed equity	Reserves	Retained earnings	Total equity
Consolidated					
As at 1 January 2025		1,334	(21)	4,485	5,798
Profit for the year		-	-	591	591
Other comprehensive income		-	(32)	-	(32)
Total comprehensive income		-	(32)	591	559
Transactions with owners, recorded directly in equity					
Dividend provided for or paid	17	-	-	(463)	(463)
Transfers	21	-	-	-	-
Share based payment plan	21	-	3	-	3
As at 31 December 2025		1,334	(50)	4,613	5,897
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
Bank					
As at 1 January 2025		1,334	(21)	4,485	5,798
Profit for the year		-	-	591	591
Other comprehensive income		-	(32)	-	(32)
Total comprehensive income		-	(32)	591	559
Transactions with owners, recorded directly in equity					
Dividend provided for or paid	17	-	-	(463)	(463)
Transfers	21	-	-	-	-
Share based payment plan	21	-	3	-	3
As at 31 December 2025		1,334	(50)	4,613	5,897
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	-	1
As at 31 December 2024		1,334	(21)	4,485	5,798

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 2025

Amounts in millions of dollars	Note	Consolidated		Bank	
		2025	2024	2025	2024
Cash flows from operating activities					
Operating profit before tax		855	769	854	769
Adjustments for:					
Depreciation and amortisation expenses		67	55	67	55
Loan impairment expense /(benefit)		2	65	2	65
Other		(11)	(149)	(10)	(147)
Taxes paid		(303)	(319)	(303)	(319)
Changes in:					
Loans and advances		(9,209)	(3,495)	(9,209)	(3,495)
Derivatives		73	118	73	118
Other assets		(346)	41	(329)	41
Other liabilities		(73)	(297)	(73)	(299)
Deposits and other borrowings		1,468	(26)	2,033	737
Net cash flows (used in)/from operating activities⁽¹⁾		(7,477)	(3,238)	(6,895)	(2,475)
Cash flows from investing activities					
Payments for property and equipment		(5)	(5)	(5)	(5)
Payment for intangible assets		(137)	(114)	(137)	(114)
Payments for securities		(430)	(941)	(430)	(941)
Payments for discount securities		(3,713)	(3,590)	(3,713)	(3,590)
Proceeds from sale of securities		170	97	170	97
Proceeds from redemption of securities		713	317	713	317
Proceeds from sale of discount securities		5,197	1,030	5,197	1,030
Proceeds from redemption of discount securities		-	1,300	-	1,300
Net cash flows (used in) / from investing activities		1,795	(1,906)	1,795	(1,906)
Cash flows from financing activities					
Proceeds from other long term financing		15,696	14,443	15,696	14,443
Proceeds from other debt issued		3,385	4,446	1,775	3,200
Proceeds from covered bond issuance		1,500	1,000	1,500	1,000
Repayment of other long term financing		(11,173)	(14,473)	(11,173)	(14,473)
Repayment of debt issued		(2,423)	(1,583)	(1,559)	(777)
Principal payments on lease liability		(15)	(16)	(15)	(16)
Dividends paid		(463)	(654)	(463)	(654)
Net cash flows (used in) / from financing activities		6,507	3,163	5,761	2,723
Net cash flows		825	(1,981)	661	(1,658)
Cash and cash equivalents at beginning of year		1,752	3,733	1,432	3,090
Cash and cash equivalents at end of year	6	2,577	1,752	2,093	1,432

⁽¹⁾ Includes \$1m (2024: \$1m) for repayment of interest on lease liabilities disclosed in cash flows from operating 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 2025 is comprised of the Bank and its controlled entities IDOL R Trust, IDOL Trust Series 2019-1, IDOL Trust Series 2023-1, IDOL Series 2024-1, IDOL Series 2025-1 and IBAL Covered Bond Trust (together "ING Australia"). IDOL Trust Series 2017-1 and IDS Trust 2008-1 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 4 March 2026.

The nature of the operations and principal activities of ING Australia 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. ING Australia 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 ING Australia 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 2025

A number of new standards, amendments to standards and interpretations are effective from 1 January 2025 and apply to ING Australia.

Disclosures addressing the requirements of AASB S2 Climate-related Disclosures for the year ended 31 December 2025 are presented separately in Sections 6 to 10 of the 2025 ING Bank (Australia) Limited Sustainability Report, available at www.ing.com.au/about-us.

ING Australia has assessed the relevant standard:

- AASB 2023-5 *Amendments to Australian Accounting Standards – Lack of Exchangeability*

This standard amends AASB 121 and AASB 1 to improve the usefulness of information provided to users of financial statements. The amendments require entities to apply a consistent approach to determining whether a currency is exchangeable into another currency and the spot exchange rate to use when it is not exchangeable.

These changes do not have a material impact on the Financial Statements for the year ended 31 December 2025.

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 2025, and have not been applied by ING Australia in preparing these financial statements. ING Australia continues to assess the impact of these new standards.

Standard	Effective Period	Purpose and summary of details
AASB 2024-2 <i>Amendments to Australian Accounting Standards – Classification and Measurement of Financial Instruments</i>	Annual reporting periods after 1 January 2026	<ul style="list-style-type: none"> ▪ 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 <i>Presentation and Disclosure in Financial Statements</i>	Annual reporting periods after 1 January 2027	Assists in achieving comparability of the financial performance of similar entities and provide more relevant information and transparency to users.
AASB 2025-1 <i>Amendments to Australian Accounting Standards – Contracts Referencing Nature-dependent Electricity</i>	Annual reporting periods after 1 January 2026	<p>This Standard amends AASB 7 <i>Financial Instruments: Disclosures</i> and AASB 9 <i>Financial Instruments</i> to allow entities to better reflect contracts referencing nature-dependent electricity in the financial statements. The amendments:</p> <ul style="list-style-type: none"> ▪ Clarify the application of the 'own-use' criteria to nature-dependent electricity contracts; ▪ Permit hedge accounting if these contracts are used as hedging instruments; and ▪ Add new disclosure requirements to enable users of financial statements to better understand the effect of these contracts on an entity's financial performance and cash flows.



2. Material accounting policies (continued)

2.1.3 Significant estimates and judgements

In applying ING Australia'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 ING Australia. 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. ING Australia uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on ING Australia'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 ING Australia'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 Group 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.

Two internal groups have been established by ING Group: 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, ING Australia 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**

ING Australia 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, ING Australia 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 ING Australia'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, ING Australia 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

Amounts in millions of dollars	Consolidated		Bank	
	2025	2024	2025	2024
Interest income				
Cash and cash equivalents*	91	118	77	99
Due from other financial institutions*	6	9	6	9
Debt securities at FVOCI*	208	206	208	206
Securities at amortised cost*	101	100	101	100
Loans and advances*	4,121	3,991	4,121	3,991
Amounts due from controlled entities*	-	-	1,006	1,170
Derivative assets	140	362	143	362
Total interest income	4,667	4,786	5,662	5,937
Interest expense				
Deposits*	2,670	2,735	2,682	2,748
Debt issues*	400	369	281	226
Derivative liabilities	66	136	70	136
Lease liabilities	1	1	1	1
Amounts due to controlled entities*	-	-	1,167	1,347
Total interest expense	3,137	3,241	4,201	4,458
Net interest income	1,530	1,545	1,461	1,479
Non-interest income/(expense)				
Net account fees and commissions	171	105	171	105
Customer transaction costs	(12)	(16)	(12)	(16)
Gain from sale of financial assets	3	1	3	1
Securitisation income	-	-	66	64
Other non-interest income/(expense)	13	7	13	7
Net non-interest income/(expense)	175	97	241	161
Total operating income	1,705	1,642	1,702	1,640

*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	
	2025	2024	2025	2024
Amounts in millions of dollars				
Income Statement				
Current income tax	275	258	274	257
Deferred income tax	(11)	(21)	(11)	(21)
Income tax expense reported in Income Statement	264	237	263	236
Statement of Comprehensive Income				
Deferred income tax				
Revaluation of cash flow hedge	(24)	(44)	(24)	(44)
Revaluation of financial assets at FVOCI	11	(14)	11	(14)
Income tax expense recognised in other comprehensive income	(13)	(58)	(13)	(58)
Reconciliation of income tax expense				
Operating profit before income tax	855	769	854	769
Prima facie income tax on operating profit at 30%	256	231	256	231
Income Tax (over)/under provided in prior years	(2)	3	(3)	2
Effects of amounts which are not (assessable)/deductible	10	3	10	3
Income Tax (over)/under provided in prior years	-	-	-	-
Income tax expense	264	237	263	236
Effective tax rate	30.9%	30.8%	30.8%	30.7%

	Consolidated		Bank	
	2025	2024	2025	2024
Amounts in millions of dollars				
Reconciliation of income tax expense to income tax receivable / (payable)				
Opening balance	43	(18)	44	(18)
Current income tax expense for the year	(264)	(255)	(264)	(255)
Current income tax prior year adjustment	(10)	(3)	(10)	(2)
Income tax paid/(refund)	303	319	303	319
Closing balance	72	43	73	44



4. Income tax (continued)

Deferred income tax	Consolidated Balance Sheet		Consolidated Income Statement		Bank Balance Sheet		Bank Income Statement	
	2025	2024	2025	2024	2025	2024	2025	2024
Amounts in millions of dollars								
Deferred income tax at 31 December relates to the following:								
Deferred tax liabilities								
Deferred lending expenses	75	64	11	6	75	64	11	6
Revaluation of derivatives	-	-	-	-	-	-	-	-
Revaluation of cash flow hedge	-	4	-	-	-	4	-	-
Revaluation of financial assets at FVOCI	-	-	-	-	-	-	-	-
Other	1	-	-	(6)	1	-	-	(1)
Total deferred tax liabilities	76	68			76	68		
Deferred tax assets								
Provisions for impairment	59	67	8	(19)	59	67	8	(19)
Deferred lending income	-	-	-	-	-	-	-	-
Revaluation of derivatives	12	17	5	3	-	-	-	-
Revaluation of financial assets at FVOCI	13	24	-	-	13	24	-	-
Revaluation of cash flow hedge	21	-	-	-	21	-	-	-
Depreciation and amortisation expenses	63	32	(31)	(4)	63	32	(31)	(4)
Accrued expenses	18	17	(1)	(1)	18	17	(1)	(1)
Provisions	11	11	-	(1)	11	11	-	(1)
Other	9	6	(3)	1	20	22	2	(1)
Total deferred tax assets before set-off	206	174			205	173		
Net deferred tax assets/(liabilities)	130	106			129	105		
Deferred income tax charge			(11)	(21)			(11)	(21)

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.

Pillar Two – Global Minimum Tax

On 10 December 2024, legislation implementing the OECD Pillar Two global minimum tax rules was substantively enacted in Australia. These rules introduced a 15% minimum tax on profits of large multinational groups and apply to Group for the current financial year.

ING Australia has performed an assessment and there are no Pillar Two taxes to be paid for the 2025 financial year.

In accordance with the amendments to AASB 112 Income Taxes, ING Australia has applied the mandatory temporary exception to the recognition and disclosure of deferred tax assets or liabilities in respect of the Pillar Two top-up taxes.

Tax consolidation

The Bank and other wholly owned subsidiaries of ING Group 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 ING Australia 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 ING Australia 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

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

ING Australia derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or where ING Australia has transferred substantially all risks and rewards of ownership. If ING Australia 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

ING Australia 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, ING Australia 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 ING Australia'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. ING Australia'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 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, ING Australia 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 ING Australia'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. ING Australia 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 ING Australia 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. ING Australia 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 FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.
- ING Australia 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 ING Australia 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. ING Australia 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.

ING Australia continues to apply the hedge accounting guidance of AASB 139 as explicitly permitted by AASB 9.



6. Cash and cash equivalents

	Consolidated		Bank	
	2025	2024	2025	2024
Amounts in millions of dollars				
Cash and liquid assets	2,097	1,390	2,080	1,373
Cash equivalents held by other financial institutions	480	362	13	59
Total cash and cash equivalents	2,577	1,752	2,093	1,432

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	
	2025	2024	2025	2024
Amounts in millions of dollars				
Cash collateral - for derivatives	135	161	135	161
Cash collateral - for SPVs	-	-	6	23
Total cash collateral	135	161	141	184

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 2025	Financial assets at FVOCI	Securities at amortised cost	Total 2024
Discount securities	51	-	51	1,483	-	1,483
Corporate bonds	-	-	-	-	-	-
Covered bonds	-	-	-	-	-	-
Government bonds	5,026	2,715	7,741	5,275	2,971	8,246
Total debt securities	5,077	2,715	7,792	6,758	2,971	9,729
Maturity analysis of debt securities						
Not longer than 3 months	101	-	101	402	-	402
Longer than 3 months and not longer than 1 year	494	505	999	1,293	249	1,542
Longer than 1 year and not longer than 5 years	2,244	993	3,237	2,405	1,027	3,432
Longer than 5 years	2,238	1,217	3,455	2,658	1,695	4,353
Total securities	5,077	2,715	7,792	6,758	2,971	9,729

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



9. Derivatives

Derivatives – Accounting policy

ING Australia 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.

ING Australia 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	2025			2024		
	Notional	Fair value asset	Fair value liability	Notional	Fair value asset	Fair value liability
Amounts in millions of dollars						
Derivatives designated as fair value hedges						
Interest rate swaps	10,064	584	(27)	10,108	593	(43)
Total fair value hedges	10,064	584	(27)	10,108	593	(43)
Derivatives designated as cash flow hedges						
Interest rate swaps	18,113	41	(111)	21,495	114	(103)
Total cash flow hedges	18,113	41	(111)	21,495	114	(103)
Other derivatives						
Interest rate swaps	6,080	2	(1)	-	-	-
Total other derivatives	6,080	2	(1)	-	-	-
Total recognised derivative assets/(liabilities)	34,257	627	(139)	31,603	707	(146)

Bank	2025			2024		
	Notional	Fair value asset	Fair value liability	Notional	Fair value asset	Fair value liability
Amounts in millions of dollars						
Derivatives designated as fair value hedges						
Interest rate swaps	10,064	584	(27)	10,108	593	(43)
Total fair value hedges	10,064	584	(27)	10,108	593	(43)
Derivatives designated as cash flow hedges						
Interest rate swaps	18,113	41	(111)	21,495	114	(103)
Total cash flow hedges	18,113	41	(111)	21,495	114	(103)
Other derivatives						
Interest rate swaps	6,080	2	(1)	-	-	-
Total other derivatives	6,080	2	(1)	-	-	-
Total recognised derivative assets/(liabilities)	34,257	627	(139)	31,603	707	(146)

	Consolidated		Bank	
	2025	2024	2025	2024
Amounts in millions of dollars				
Maturity analysis for derivative assets				
Not longer than 3 months	1	5	1	5
Longer than 3 months and not longer than 1 year	12	41	12	41
Longer than 1 year and not longer than 5 years	187	166	187	166
Longer than 5 years	427	495	427	495
No maturity specified	-	-	-	-
Total derivative assets	627	707	627	707



9. Derivatives (continued)

Hedging – Accounting policy

Risk Management Strategy

ING Australia's hedging strategy is to minimise the exposure to interest rate fluctuations. ING Australia 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 ING Australia and the Bank.

At the inception of a hedge relationship, ING Australia formally designates and documents the hedge relationship to which ING Australia 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 ING Australia 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	2025					2024				
	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
Amounts in millions of dollars										
Fair value hedges										
<i>Pay Fixed</i>										
Notional	50	990	3,264	3,910	8,214	100	361	3,378	4,894	8,733
Average Rate	3.25%	3.94%	2.68%	2.89%	2.93%	1.25%	2.85%	3.19%	2.78%	2.92%
<i>Receive Fixed</i>										
Notional	-	125	1,725	-	1,850	-	550	825	-	1,375
Average Rate	-	1.10%	4.62%	-	4.62%	-	4.45%	4.15%	-	4.15%
Cash flow hedges										
<i>Pay Fixed</i>										
Notional	1,019	880	1,769	-	3,668	1,324	2,445	2,495	-	6,264
Average Rate	3.54%	2.80%	3.14%	-	3.17%	1.29%	1.25%	2.88%	-	1.91%
<i>Receive Fixed</i>										
Notional	854	5,698	7,892	-	14,444	2,027	3,505	9,699	-	15,231
Average Rate	3.56%	3.52%	3.33%	-	3.42%	4.00%	3.94%	3.46%	-	3.64%



9. Derivatives (continued)

Derivatives designated and accounted for as hedging instruments

Cash flow hedges

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

- Floating rate loans by entering into pay floating/ receive fixed interest rate swaps; and
- Floating rate deposits by entering into 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	2025	2024
Floating rate assets	69,194	57,498
Floating rate liabilities	(32,483)	(30,231)

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	
	2025	2024	2025	2024
Amounts in millions of dollars				
Fair value of hedge instruments	(70)	11	(70)	11
Amount recognised in other comprehensive income during the period (net of tax)	(56)	(104)	(56)	(104)

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):

- the cumulative gain or loss on the hedging instrument from inception of the hedge; and
- the cumulative change in fair value (present value) of the expected future cash flows on the hedged item from inception of the hedge.

ING Australia 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 (2024: nil).

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



9. Derivatives (continued)

Fair value hedges

ING Australia'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 and unsecured issuances 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.

ING Australia 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 (2024: nil).

Fair value hedges	Consolidated		Bank	
	2025	2024	2025	2024
Amounts in millions of dollars				
Fair value of hedge instruments	(557)	(550)	(557)	(550)
Current year gains/(losses) on hedging instruments	14	(31)	14	(31)
Fair value of hedged items - Financial assets at FVOCI	5,026	5,275	5,026	5,275
Fair value of hedged items - Securities at Amortised Cost	2,563	2,800	2,563	2,800
Fair value of hedged items - Debt Issues	(1,855)	(1,987)	(1,855)	(1,987)
Current year gains/(losses) on hedged items attributable to the hedged risk	(14)	31	(14)	31
Net hedge ineffectiveness	-	-	-	-



9. Derivatives (continued)

Offsetting

ING Australia 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. ING Australia 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. ING Australia 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		
	Gross amount	Amounts set-off in the balance sheet	Amount presented in the balance sheet	Amount subject to CSA	Financial instrument collateral	Net Amount
Amounts in millions of dollars						
31 December 2025						
Financial assets						
Derivative financial instruments	627	-	627	(137)	(360)	130
Total	627	-	627	(137)	(360)	130
Financial liabilities						
Derivative financial instruments	(139)	-	(139)	137	135	133
Total	(139)	-	(139)	137	135	133
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

Bank	Effects of offsetting on the balance			Related amounts not offset		
	Gross amount	Amounts set-off in the balance sheet	Amount presented in the balance sheet	Amount subject to CSA	Financial instrument collateral	Net Amount
Amounts in millions of dollars						
31 December 2025						
Financial assets						
Derivative financial instruments	627	-	627	(137)	(360)	130
Total	627	-	627	(137)	(360)	130
Financial liabilities						
Derivative financial instruments	(139)	-	(139)	137	135	133
Total	(139)	-	(139)	137	135	133
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



10. Other assets

Other Assets by type	Consolidated		Bank	
	2025	2024	2025	2024
Amounts in millions of dollars				
Data processing equipment	8	12	8	12
Fixtures and fitting and other equipment	10	11	10	11
Right-of-use assets	23	35	23	35
Software	319	228	319	228
Overnight Settlement Account	339	-	339	-
Other	134	99	126	90
Total	833	385	825	376

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	2025	2024	2025	2024
Retail Banking mortgages		72,348	63,363	72,348	63,363
Business Banking loans		3,294	3,378	3,294	3,378
Wholesale Banking loans		10,104	9,797	10,104	9,797
Treasury loans		264	317	264	317
Consumer Lending		567	543	567	543
Gross loans and advances		86,577	77,398	86,577	77,398
Loan Loss Provision	12	(196)	(224)	(196)	(224)
Total loans and advances		86,381	77,174	86,381	77,174
Maturity analysis of loans and advances					
Less than 1 year		6,805	6,108	6,805	6,108
Greater than 1 year		79,772	71,290	79,772	71,290
Gross loans and advances		86,577	77,398	86,577	77,398

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

ING Australia 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 ING Australia 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, ING Australia 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. ING Australia 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, ING Australia'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, ING Australia use the consensus outlook for economic variables. ING Australia 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, ING Australia 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. ING Australia 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

ING Australia'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.

ING Australia 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.

Base case economic forecast assumption

The economic drivers of the base case economic forecasts at 31 December 2025 are set out below. These reflect ING Australia's view of the most likely future macroeconomic conditions at 31 December 2025. 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		2026	2027	2028	Un-weighted ECL \$m	Probability weighting	2025	2024
Upside scenario	Real GDP ¹	3.4%	2.8%	2.6%	114	20%	148	146
	Unemployment ²	3.8%	3.8%	3.8%				
	HPI ³	13.6%	5.0%	4.8%				
Base case scenario	Real GDP ¹	2.2%	2.3%	2.3%	139	60%	148	146
	Unemployment ²	4.3%	4.3%	4.4%				
	HPI ³	6.9%	3.8%	3.0%				
Downside scenario	Real GDP ¹	0.2%	1.4%	2.0%	208	20%	148	146
	Unemployment ²	5.8%	6.3%	6.6%				
	HPI ³	-2.1%	-1.2%	-0.1%				

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 ING Australia 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	2025		2024	
	ECL \$m	Impact \$m	ECL \$m	Impact \$m
Amounts in millions of dollars				
If 1% of Stage 1 facilities were included in Stage 2	151	3	149	3
If 1% of Stage 1 facilities were included in Stage 3	203	55	206	60

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

Sensitivity Economic Scenarios	2025		2024	
	ECL \$m	Impact \$m	ECL \$m	Impact \$m
Amounts in millions of dollars				
100% upside scenario	114	(25)	127	(15)
100% base case scenario	139	-	142	-
100% downside scenario	208	69	175	33

Management temporary adjustments

Management overlays, which add to the modelled ECL provision, have been made for risks particular to retail lending. 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, identification of portfolio segments with emerging risks, 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

ING Australia 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 ING Australia, and/or ING Australia considers the borrower unlikely to make its payments in full without recourse action on ING Australia'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)

ING Australia 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
- ING Australia 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 2025						
	Stage 1		Stage 2		Stage 3	
	12-mth ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	Total
Amounts in millions of dollars	Collectively assessed				Individually assessed	
As at 1 January 2025	38	94	53	39	224	
Changes due to financial assets that have:						
Transferred between ECL stages during the year ⁽¹⁾	-	22	-	36	58	
New and increased loss allowance (net of releases) ⁽²⁾	-	(47)	(3)	(6)	(56)	
Interest adjustment	-	-	6	1	7	
Bad debts written-off	-	-	(11)	(26)	(37)	
As at 31 December 2025	38	69	45	44	196	

⁽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 \$9,179m to \$86,577m (2024: \$77,398m) contributed to the new and increased loss allowance (net of releases) in FY2025. 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 2024						
	Stage 1		Stage 2		Stage 3	
	12-mth ECL	Lifetime 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 ⁽³⁾	1	61	7	32	101	
New and increased loss allowance (net of releases) ⁽⁴⁾	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	

⁽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 \$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.

Loan impairment expense	Consolidated		Bank	
	2025	2024	2025	2024
Amounts in millions of dollars				
Income Statement				
Collectively assessed - stage 1 & 2	(25)	47	(25)	47
Collectively assessed - stage 3	(3)	(18)	(3)	(18)
Individually assessed - stage 3	30	36	30	36
Total loan loss expense/(benefit)	2	65	2	65

For the year ended 31 December 2025 ING Australia recognised \$2 million in loan loss allowances expense (2024: \$65 million in loan loss allowances expenses).



13. Other liabilities

Other liabilities by type	Consolidated		Bank	
	2025	2024	2025	2024
Amounts in millions of dollars				
Employee entitlements	46	42	46	42
Settlement account	97	149	97	149
Lease liabilities	32	46	32	46
Other	76	98	75	97
Total	251	335	250	334

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

Amounts in millions of dollars	Consolidated		Bank	
	2025	2024	2025	2024
Deposits				
Deposits at call	49,113	46,635	49,330	46,963
Term deposits ⁽¹⁾	29,371	25,403	29,371	25,404
Certificates of deposits	443	898	443	898
Deposits and other borrowings	78,927	72,936	79,144	73,265
Concentration of deposits				
Retail deposits	55,645	52,914	55,645	52,914
Business deposits	204	281	204	281
Wholesale deposits ⁽¹⁾	23,078	19,741	23,295	20,070
Total deposits	78,927	72,936	79,144	73,265

⁽¹⁾ Term and wholesale deposits include funding from ING Bank N.V. (Sydney Branch) of \$18,280 million (2024: \$13,762 million).

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	
	2025	2024	2025	2024
Amounts in millions of dollars				
Covered Bonds	3,891	4,402	3,891	4,402
Unsecured Bonds	4,544	2,768	4,544	2,768
Mortgage-backed securities	3,482	2,736	-	-
Subordinated Debt	1,308	857	1,308	857
Total debt issues	13,225	10,763	9,743	8,027

Maturity of debt issues	Consolidated		Bank	
	2025	2024	2025	2024
Amounts in millions of dollars				
Not later than 1 month	-	-	-	-
Later than 1 month and not later than 3 months	-	102	-	-
Later than 3 months and not later than 1 year	2,081	2,005	1,002	2,005
Later than 1 year and not later than 5 years	7,876	7,516	7,888	6,022
Greater than 5 years	3,268	1,140	853	-
Total debt issues	13,225	10,763	9,743	8,027

Debt issues – Accounting policy

ING Australia 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 ING Australia 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 ING Australia's financial performance.

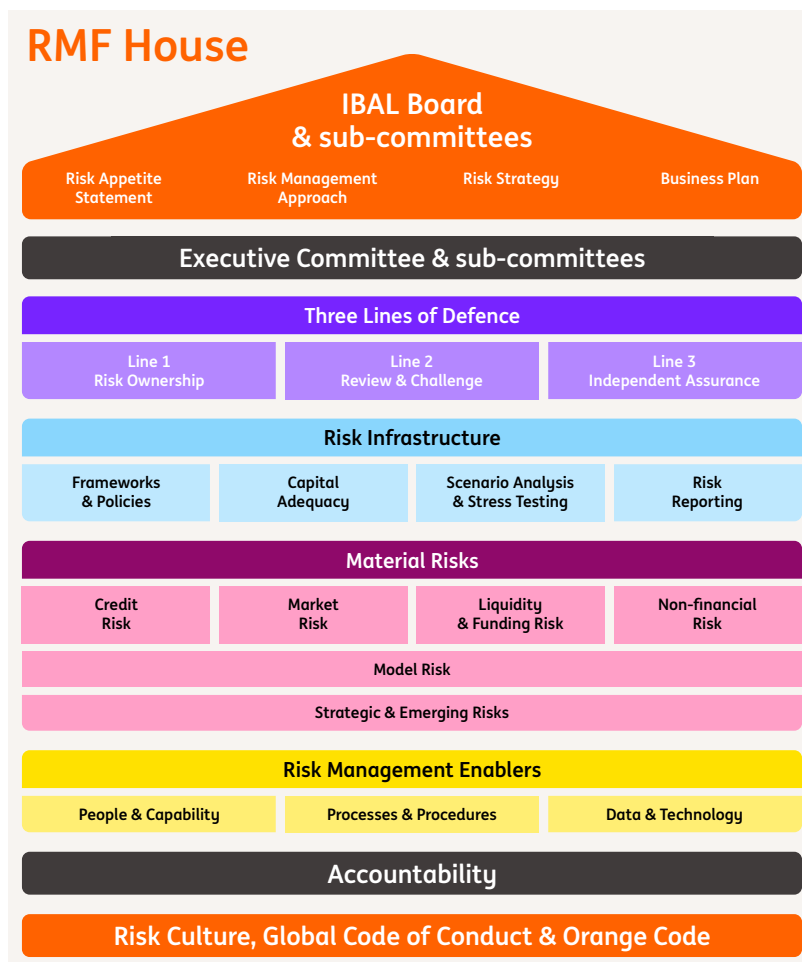
Risk management framework

Taking measured risk is at the core of ING Australia's business activities. To ensure prudent risk-taking across the organisation, ING Australia 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 ING Australia's financial strength is safeguarded. ING Australia's RMF incorporates the requirements of APRA's prudential standard CPS 220 Risk Management.

The key objectives of ING Australia's RMF are to ensure:

- the risk management objectives are linked to ING Australia'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 ING Australia 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

ING Australia 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.

ING Australia's risk governance framework contains clear charters and mandates for the management of risk. Risk management in ING Australia 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 ING Australia's business activities.

ING Bank (Australia) Limited Board	ING Bank (Australia) Limited Board					
Board Committees	Risk Committee	Audit Committee	People and Remuneration 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 ING Australia'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 Group, ING Australia 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 ING Australia's risk appetite, risk profile relative to the risk appetite, risk management framework and risk culture. The Committee is responsible for making recommendations to the Board for the oversight of senior management's implementation of the risk management strategy, and constructive challenge of senior management's proposals and decisions on all aspects of risk management arising from IBAL's activities concerning particular risks and risk management practices.
- Audit Committee** – the Board Audit Committee assists the Board by providing an objective non-executive review of the effectiveness of ING Australia's financial, accounting and auditing reporting and risk management framework.
- People and Remuneration Committee** – the Board People and Remuneration Committee is responsible for reviewing and making recommendations to the Board on ING Australia's people related policies, remuneration policies, making recommendations in relation to remuneration of the Chief Executive Officer ("CEO"), direct reports of the CEO and other personnel which the Board is required to have oversight of and approve. The Committee also oversees the process for annual evaluation of the Board's performance, succession plans for the Board including appointments and retirements, and reviewing the collective suitability of the Board and the IBAL Executive Committee as well as individual suitability, fitness and propriety of required individuals.
- Customer Experience Committee** – the Board Customer Experience Committee is responsible for reviewing and monitoring customer experience with ING Australia, including customer complaints, resolution and closure, customer remediation and customer outcomes.
- Technology and Transformation Committee** – the Board Technology and Transformation Committee is responsible for reviewing ING Australia's technology strategy and transformation initiatives, including technology, information security, data and business transformation and overseeing and monitoring related priorities.



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 meets 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 meets 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 meets 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 meets 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 ING Australia 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 ING Australia 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)

ING Australia's major risk categories are detailed below.

Risk	Exposure arising from	Measurement	Key Governance
Credit Risk	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ Aging analysis ▪ Credit ratings ▪ Arrears analysis ▪ Internal ratings models ▪ Stress testing ▪ Financial analysis ▪ Covenant measures ▪ Loan to Value ▪ Loan to Income serviceability 	<ul style="list-style-type: none"> ▪ Risk Management Approach ▪ Risk Strategy ▪ Risk Appetite Statement ▪ Credit Risk Appetite Policy ▪ Wholesale Banking and Group Treasury Underwriting Guidance ▪ General Professional Real Estate Lending Guidance ▪ Large Exposure and Related Entity (LEREP) Policy ▪ Distressed Debt Management Policy. ▪ Mandatory Instructions for Private Individuals Credit Risk ▪ Business Banking Credit Risk Mandatory Instructions
Market Risk – Interest Rate Risk	<ul style="list-style-type: none"> ▪ Cash and cash equivalents ▪ Loans and advances ▪ Deposits and other borrowings ▪ Financial assets at FVOCI ▪ Securities at amortised cost ▪ Debt issues 	<ul style="list-style-type: none"> ▪ Historical Conditional Value-at-Risk ("HCVaR") ▪ 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 	<ul style="list-style-type: none"> ▪ 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	<ul style="list-style-type: none"> ▪ Financial assets and liabilities not denominated in Australian dollars 	<ul style="list-style-type: none"> ▪ Sensitivity analysis 	<ul style="list-style-type: none"> ▪ Risk Management Approach ▪ Risk Strategy ▪ Risk Appetite Statement ▪ Asset and Liability Management (ALM) Policy
Overarching Risk	<ul style="list-style-type: none"> ▪ Overarching risks in the balance sheet not specific to one risk type 	<ul style="list-style-type: none"> ▪ Solvency risk ▪ Model risk 	<ul style="list-style-type: none"> ▪ Risk Management Approach ▪ Risk Strategy ▪ Risk Appetite Statement ▪ Internal Capital Adequacy Assessment Process Policy ▪ ING Bank (Australia) Limited Recovery and Exit Plan ▪ ING Group Stress Testing Policy with Local Annex ▪ ING Group Model Risk Management Policy with Local Annex
Liquidity and funding risk	<ul style="list-style-type: none"> ▪ Deposits and other borrowings ▪ Debt issues ▪ Undrawn loan commitments 	<ul style="list-style-type: none"> ▪ Scenario analysis and stress testing ▪ Liquidity Coverage Ratio ("LCR") ▪ Net Stable Funding Ratio ("NSFR") ▪ Behavioural models 	<ul style="list-style-type: none"> ▪ 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)	<ul style="list-style-type: none"> Inadequate or failed internal processes, people and systems Failure or perceived failure to comply with relevant laws, regulations, ING Australia's policies 	<ul style="list-style-type: none"> Risk and Control Self-Assessment Non-Financial Risk Score Incident reporting Scenario analysis Business Environment Analysis 	<ul style="list-style-type: none"> Risk Management Approach Risk Strategy Risk Appetite Statement ING Group Non-Financial Risk Framework IBAL Annex to Non-Financial Risk Framework ING Group Risk Mitigation and Issue Tracking Procedure ING Group Product Approval and Review ("PARP") Policy & Minimum Standard IBAL Annex to PARP Policy & Minimum Standard ING Group Risk Identification and Assessment Procedure IBAL Annex to Group Risk Identification and Assessment ("RIA") Procedure ING Group Information and Technology Risk Policy IBAL Annex to Information and Technology Risk Policy ING Group Third and Intragroup Party Management ("TIPM") Policy IBAL Annex to Global Third and Intragroup Party Management ("TIPM") Policy ING Group Fraud Management Policy and Minimum Standard ING Group Event Management Procedure IBAL Annex to Event Management Procedure ING Group Operational Resilience & Business Continuity ("OpsRes & BC") Policy IBAL Annex to Group Operational Resilience & Business Continuity ("OpsRes and BC") Policy ING Data Management Policy ING Group Personal and Physical Security Risk Policy AML-CTF Program (Part A and Part B) Anti-Bribery & Corruption Policy Compliance Risk Management Framework Guidance ING Group Conflicts of Interest Policy Global Market Abuse Policy Customer Centricity Policy (plus Local Annex) Global Competition Policy Global Record Retention and Deletion Policy FATCA and CRS Policy Global Sanctions Policy Fit and Proper Policy Compliance Training Policy Consumer Data Right Policy Complaints Policy Privacy Policy Obligation Management Policy Whistleblower Policy (plus Local Annex)



16. Risk management (continued)

16.1 Credit risk

Credit risk arises from ING Australia'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. ING Australia's credit exposure mainly relates to:

- Retail Banking loans to individuals which are predominantly mortgage loans secured by residential property. ING Australia 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 ING Australia's derivative activities. To mitigate this risk, ING Australia uses central clearing counterparties for its derivatives and enters into CSA's with derivative counterparties.

Maximum credit exposure

ING Australia 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 \$109,182m (2024: \$99,779m).

Collateral held against Loans

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

Consolidated and Bank 2025					
In percentages	Retail mortgages	Consumer Lending	Business Banking loans	Wholesale Banking loans	Total
Performing Loans					
- Well-secured	99.5%	0.0%	96.0%	23.5%	89.7%
- Not well-secured or unsecured	0.5%	100.0%	4.0%	76.5%	10.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%
Non-performing Loans					
- Well-secured	97.8%	0.0%	59.1%	0.0%	84.9%
- Not well-secured or unsecured	2.2%	100%	40.9%	100.0%	15.1%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

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	100.0%	100.0%	100.0%	100.0%	100.0%
Non-performing Loans					
- Well-secured	96.9%	0%	85.5%	0%	89.8%
- Not well-secured or unsecured	3.1%	100%	14.5%	100%	10.2%
Total	100.0%	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 ING Australia. During the process of creating new loans or investments, as well as reviewing existing loans and investments, ING Australia determines the amount and type of collateral, if any, that a customer may be required to pledge to ING Australia. 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	
	2025	2024
Amounts in millions of dollars		
Held against past due but not impaired assets	652	1,347
Held against impaired assets	1,579	1,793

Exposure not mitigated by collateral as a percentage of total financial assets	Consolidated	
	2025	2024
In percentages		
Retail Banking mortgages	0.0%	0.0%
Business Banking loans	0.2%	0.2%
Wholesale Banking loans	5.5%	5.4%
Consumer Lending	0.6%	0.6%
Financial assets other than loans and advances	11.7%	14.2%
Total	18.0%	20.4%

Collateral – Derivative contracts

Under Australian Prudential Regulatory Authority ("APRA") Standard Margining and Risk Mitigation for Non-Centrally Cleared Derivatives ("CPS 226"), ING Australia 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 ING Australia 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	
	2025	2024	2025	2024
Amounts in millions of dollars				
Neither past due nor impaired	96,843	88,236	113,099	106,372
- of which: Retail Banking mortgages	71,312	62,178	71,312	62,178
- of which: Business Banking loans	3,139	3,083	3,139	3,083
- of which: Wholesale Banking loans	9,990	9,692	9,990	9,692
- of which: Consumer Lending	534	513	534	513
- Related entities	731	624	16,987	18,760
- Financial assets other than loans and advances	11,137	12,146	11,137	12,146
Past due but not impaired gross loans and advances	481	695	481	695
Impaired loans and advances	853	917	853	917
Total	98,177	89,848	114,433	107,984



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	2025	2024	2025	2024
Lower risk	1-10	82,072	73,262	98,328	91,398
Medium risk	11-17	14,972	15,328	14,972	15,328
High risk	18-19	280	341	280	341
Non-performing	20-22	853	917	853	917
Not rated		-	-	-	-
Total		98,177	89,848	114,433	107,984

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 2025						
Internal Rating	Risk Grading	Stage 1	Stage 2	Stage 3		Total
		12-mth ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
		Collectively assessed			Individually assessed	
Amounts in millions of dollars						
Lower Risk	1-10	79,799	2,273	-	-	82,072
Medium Risk	11-17	10,935	4,037	-	-	14,972
High Risk	18-19	-	280	-	-	280
Non-performing	20-22	-	-	791	62	853
Not rated		-	-	-	-	-
Total		90,734	6,590	791	62	98,177

Consolidated 2024						
Internal Rating	Risk Grading	Stage 1	Stage 2	Stage 3		Total
		12-mth ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
		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



16. Risk management (continued)

Bank 2025						
Internal Rating	Risk Grading	Stage 1	Stage 2	Stage 3		Total
		12-mth ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
		Collectively assessed			Individually assessed	
Amounts in millions of dollars						
Lower risk	1-10	96,055	2,273	-	-	98,328
Medium risk	11-17	10,935	4,037	-	-	14,972
High risk	18-19	-	280	-	-	280
Non-performing	20-22	-	-	791	62	853
Not rated		-	-	-	-	-
Total		106,990	6,590	791	62	114,433

Bank 2024						
Internal Rating	Risk Grading	Stage 1	Stage 2	Stage 3		Total
		12-mth ECL	Lifetime ECL	Lifetime ECL	Lifetime ECL	
		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

Impaired loans – Accounting policy

ING Australia 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, ING Australia 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	2025		2024	
	Millions	%	Millions	%
Amounts in millions of dollars and in percentages				
Less than 1 payment past due	392	81.5%	479	68.9%
1 payment past due	76	15.8%	194	27.9%
2 or more payments past due	13	2.7%	22	3.2%
Total	481	100.0%	695	100.0%

Impaired loans by economic sector

Consolidated and Bank	2025		2024	
	Millions	%	Millions	%
Amounts in millions of dollars and in percentages				
Construction & commercial real estate	72	8.4%	69	7.5%
Corporate	62	7.3%	43	4.7%
Retail	719	84.3%	805	87.8%
Total	853	100.0%	917	100.0%

Risk concentration: Group portfolio (by economic sector)

	Consolidated				Bank			
	2025	%	2024	%	2025	%	2024	%
Amounts in millions of dollars and in percentages								
Construction & commercial real estate	5,065	5.2%	5,542	6.2%	5,065	4.4%	5,542	5.1%
Corporate	7,325	7.5%	6,809	7.6%	7,325	6.4%	6,809	6.3%
Financial institutions	1,517	1.5%	3,049	3.4%	17,773	15.5%	21,185	19.6%
Retail	74,392	75.7%	64,833	72.2%	74,392	65.0%	64,833	60.0%
Sovereign	9,878	10.1%	9,615	10.6%	9,878	8.6%	9,615	8.9%
Total	98,177	100.0%	89,848	100.0%	114,433	100.0%	107,984	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 ING Australia, this includes interest rate risk and foreign exchange risk.

ING Australia 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 ING Australia 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

ING Australia 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 ING Australia is managed and monitored from two perspectives, Historical Conditional Value-at-Risk ("HCVaR") and Earnings at Risk ("EaR").

- HCVaR is a measure of the average potential losses to ING Australia resulting from changes in interest rates over a one-year holding period. The calculation of HCVaR involves simulating profit or loss under various interest rate environments. These scenarios are generated using ten-day shifted interest rates based on eight years of historical market data. HCVaR is then computed as the average of losses in the worst 2.5% of simulated outcomes.
- EaR estimates the amount of change in future earnings of ING Australia 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 ING Australia's reported earnings due to the current and forecast mismatch interest rate positions. ING Australia undertakes a number of scenarios to measure the potential change in earnings.

Interest rate risk analysis		
Amounts in millions of dollars	2025	2024
HVCaR⁽¹⁾		
Limit = ≤ \$600	(361)	(364)
EaR⁽²⁾		
- 120bps Shock (Year 1)	(101)	(37)
+ 120bps Shock (Year 1)	101	37
Limit = < \$153		

⁽¹⁾ Revised APS117 effective 1 October 2025, Hvar (Historical Value at Risk) has changed to HCVaR (Historical Conditional Value at Risk).

⁽²⁾ For the EaR 120bps shock was applied for the year ended 31 December 2024.

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 ING Australia 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 ING Australia 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 ING Australia'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.

ING Australia's liquidity policy has been developed in accordance with the liquidity management policies of ING Group 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 ING Australia to maintain a buffer of marketable liquid assets throughout the year. The level of cash and debt securities was \$10,369 million at 31 December 2025 (2024:

\$11,480 million). The average LCR for the quarter ended 31 December 2025 was 162.2% (2024: 165.2%), 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. ING Australia's NSFR was 132.1% as at 31 December 2025 (2024: 132.3%), above the regulatory minimum of 100%.

Part of ING Australia's liquidity strategy is to have adequate and up to date capital and contingency funding plan and early warning liquidity triggers in place. The capital and 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 ING Australia's capital and contingency funding plan and early warning liquidity triggers is to enable senior management to act effectively and efficiently in times of crisis. The ING Australia capital and contingency funding plan is regularly tested using crisis simulation, the most recent simulation having been carried out in December 2025.

ING Australia's funding sources include an appropriately diverse mix of residential deposits and wholesale funding. At 31 December 2025, approximately 61% (2024: 64%) of ING Australia's funding was provided by residential and business sources and 39% (2024: 36%) was provided by wholesale including funding from ING Bank N.V. (Sydney Branch) and other sources.



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 2025								
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	78,927	49,117	2,013	4,185	10,303	15,331	-	80,949
Derivative liabilities	139	-	9	(5)	60	71	-	135
Creditors and other liabilities	220	-	105	64	50	-	-	219
Lease liabilities	32	-	1	3	12	13	1	30
Debt issues	13,225	-	50	100	2,514	9,265	3,590	15,519
Total	92,543	49,117	2,178	4,347	12,939	24,680	3,591	96,852
Undrawn loan commitments ⁽¹⁾	14,362	-	14,362	-	-	-	-	14,362
Bank accepted guarantees and letters of credit ⁽²⁾	1,175	1,175	-	-	-	-	-	1,175
Total	108,080	50,292	16,540	4,347	12,939	24,680	3,591	112,389

Bank 2025								
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	79,144	49,334	2,013	4,185	10,303	15,331	-	81,166
Derivative liabilities	139	-	9	(5)	60	71	-	135
Creditors and other liabilities	218	-	105	64	50	-	-	219
Lease liabilities	32	-	1	3	12	13	1	30
Debt issues	9,743	-	37	1,079	329	8,854	685	10,984
Amounts due to controlled entities	19,517	19,517	-	-	-	-	-	19,517
Total	108,793	68,851	2,165	5,326	10,754	24,269	686	112,051
Undrawn loan commitments ⁽¹⁾	14,362	-	14,362	-	-	-	-	14,362
Bank accepted guarantees and letters of credit ⁽²⁾	1,175	1,175	-	-	-	-	-	1,175
Total	124,330	70,026	16,527	5,326	10,754	24,269	686	127,588

⁽¹⁾ 'Undrawn loan commitments' include all obligations on the part of ING Australia 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 ING Australia to support the obligations of its customers to third parties.



16. Risk management (continued)

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 ING Australia 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 ING Australia to support the obligations of its customers to third parties.



16. Risk management (continued)

16.4 Non-financial risk

ING Australia is exposed to a range of non-financial risks that may result in financial loss, reputational damage, business disruption, or regulatory sanctions. These risks arise from inadequate or failed internal processes, people, systems, or external events, as well as breaches of laws, regulations, and standards. Group recognises ten key non-financial risk categories: control risk, processing risk, unauthorised activity risk, employment practice risk, information technology risk, external fraud risk, internal fraud risk, continuity risk, compliance risk, and personal & physical security risk.

Non-financial risks are managed under Group's Non-Financial Risk Framework, which forms part of the broader Risk Management Approach aligned to APRA's CPS 220 Risk Management and CPS 230 Operational Risk Management standards. This framework incorporates governance structures, policies, and processes designed to identify, assess, monitor, and mitigate non-financial risks across all business units. Key components include risk identification and assessment, control design and testing, monitoring through dashboards and key risk indicators, and reporting to management and the Board.

Accountability for managing non-financial risk is embedded within Group's Three Lines of Defence model and reinforced through the Financial Accountability Regime (FAR). Senior leaders who are Accountable Persons under FAR have prescribed responsibilities documented in Accountability Statements, ensuring clear ownership of risk management obligations. Risk culture principles, training programs, and consequence management frameworks further support sound risk behaviours across the organisation.

ING Australia maintains a proactive approach to non-financial risk management through regular reviews, stress testing, and scenario analysis, ensuring risks remain within the approved risk appetite. While non-financial risks are not subject to specific capital requirements, they are monitored and managed with the same rigour as financial risks to safeguard ING Australia's operational resilience and compliance obligations.



17. Capital management

ING Australia's capital management strategy aims to ensure adequate capital levels to protect deposit holders and to maximise shareholder returns. ING Australia'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. ING Australia has been in compliance with the minimum capital requirements imposed by APRA throughout the year.

ING Australia 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 consider future regulation changes including increased minimum capital requirements. The Internal Capital Adequacy Assessment Process ("ICAAP") supports ING Australia's Capital Management Policy which defines the framework for defining, measuring, management, monitoring and governance of ING Australia's capital position. Further ING Australia 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 ING Australia'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, and Supervisory Slotting for 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 APRA approved models (Embedded Mark-to-Market loss or gain, Optionality & Historical Conditional Value-at-Risk) to quantify the risks associated with the interest rate risk in the banking book.

Based on this modelled output ING Australia holds sufficient capital to cover interest rate risk in the banking book. IBAL 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 ING Australia's operational risk exposure.

Total capital position

In the determination of the total Risk Weighted Assets (RWAs) ING Australia does apply the output floor of 72.5% of the RWAs determined when applying the standardised approach. ING Australia's 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		2025	2024
Qualifying capital			
Tier 1			
Total equity		5,897	5,798
Reserve adjustments		(29)	(26)
Regulatory adjustments		(775)	(653)
Common Equity Tier 1		5,093	5,119
Additional Tier 1 Capital		450	456
Total Tier 1 qualifying capital		5,543	5,575
Tier 2			
Tier 2 Capital instrument		850	402
Standardised approach		35	41
Total Tier 2 qualifying capital		885	443
Total regulatory capital		6,428	6,018
Total risk weighted assets		36,540	32,122
CET1 ratio		13.9%	15.9%
Tier 1 ratio		15.2%	17.4%
Capital adequacy ratio		17.6%	18.7%

Dividends - Accounting policy

A provision is made for the amount of any dividend declared being appropriately authorised and no longer at the discretion of ING Australia, 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		Consolidated	
Amounts in millions of dollars		2025	2024
Consolidated and Bank			
Fully franked dividend		463	654



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 utilising 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

ING Australia 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 ING Australia's financial assets and liabilities which are measured at fair value or for which the fair value is disclosed.

31 December 2025					
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	5,077	5,077	5,026	51	-
Derivative assets	627	627	-	627	-
Liabilities measured at fair value:					
Derivative liabilities	139	139	-	139	-
Assets for which fair values are disclosed:					
Securities at amortised cost	2,715	2,688	2,536	152	-
Loans and advances - Variable	82,654	82,784	-	-	82,784
Loans and advances - Fixed	3,727	3,712	-	-	3,712
Liabilities for which fair values are disclosed:					
Deposits and other borrowings - call ⁽¹⁾	49,113	49,113	-	-	-
Deposits and other borrowings - term	29,814	30,036	-	445	29,591
Debt issues - Variable	11,390	11,566	-	11,566	-
Debt issues - Fixed	1,835	1,855	-	1,855	-
Bank					
Assets measured at fair value:					
Financial assets at FVOCI	5,077	5,077	5,026	51	-
Derivative assets	627	627	-	627	-
Liabilities measured at fair value:					
Derivative liabilities	139	139	-	139	-
Assets for which fair values are disclosed:					
Securities at amortised cost	2,715	2,688	2,536	152	-
Loans and advances - Variable	82,654	82,784	-	-	82,784
Loans and advances - Fixed	3,727	3,712	-	-	3,712
Liabilities for which fair values are disclosed:					
Deposits and other borrowings - call ⁽¹⁾	49,330	49,330	-	-	-
Deposits and other borrowings - term	29,814	30,036	-	445	29,591
Debt issues - Variable	7,908	8,075	-	8,075	-
Debt issues - Fixed	1,835	1,855	-	1,855	-

⁽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 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 ⁽¹⁾	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.

Transfers between Level 1 and Level 2

In 2025, there were \$70m of semi-government bonds transferred from Level 2 to Level 1 (in 2024, \$414m was transferred from Level 2 to Level 1).

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	
	2025	2024	2025	2024
Amounts in millions of dollars				
Annual leave	15	17	15	17
Long service leave	18	16	18	16
Other provisions	3	3	3	3
Provision for dividend	-	-	-	-
Total provisions	36	36	36	36
Provisions expected to be paid in the next 12 months	29	30	29	30

Movement in provisions	Consolidated		Bank	
	2025	2024	2025	2024
Amounts in millions of dollars				
Carrying amount at beginning of the year	36	31	36	31
Additional provision recognised	27	24	27	24
Amounts utilised during the year	(27)	(19)	(27)	(19)
Carrying amount at end of year	36	36	36	36

Provisions – Accounting policy

A provision is recognised on the Balance Sheet when ING Australia 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	
	2025	2024	2025	2024
Amounts in millions of dollars				
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	
	2025	2024	2025	2024
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 ING Australia. Incremental costs directly attributable to the issue of ordinary shares are recognised as a reduction from equity, net of tax.



21. Reserves

2025 Consolidated and Bank				
Amounts in millions of dollars	Share based payments reserve	Cash flow hedge reserve	Fair Value reserve	Total
Opening balance	26	8	(55)	(21)
Revaluation movement for the year, net of tax	3	(77)	74	-
Transferred to Other Comprehensive Income Statement - net interest income	-	30	(50)	(20)
Tax on amounts transferred to Other Comprehensive Income Statement	-	(9)	-	(9)
Transfer (to)/from retained earnings	-	-	-	-
Closing balance	29	(48)	(31)	(50)

2024 Consolidated and Bank				
Amounts in millions of dollars	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)

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.



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	2025		2024	
	Number	WAGP	Number	WAGP
Outstanding at the beginning of the year	114,964	€ 10.38	87,707	€ 9.28
Forfeited during the year	(16,241)	€ 12.94	(3,086)	€ 11.26
Granted during the year	88,345	€ 17.69	101,744	€ 13.75
Performance effect	-	€ 0.00	-	€ 0.00
Vested during the year	(71,448)	€ 15.24	(73,722)	€ 13.64
Transferred during the year	7,381	€ 11.10	2,321	€ 8.83
Outstanding at the end of the year	123,001	€ 12.51	114,964	€ 10.38

The outstanding balances of performance units as at 31 December 2025 are:

Year of grant	2025		2024	
	Number of Performance Units	WAGP	Number of Performance Units	WAGP
2021	-	€ 0.00	8,062	€ 8.50
2022	16,165	€ 8.27	26,027	€ 8.77
2023	25,961	€ 9.00	32,286	€ 9.05
2024	40,590	€ 12.06	48,589	€ 12.43
2025	40,285	€ 16.93		
Total	123,001	€ 12.51	114,964	€ 10.38

All performance units are granted in the ultimate parent entity, ING Groep N.V. and vest 4 years from the issue date at the exercise price noted above. The actual expense for share based payments for 2025 net of tax is \$3m (2024: \$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 Group 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 2025 total unrecognised compensation costs related to share awards amounted to EUR 751,177. These costs are expected to be recognised over a weighted average period of 1.8 years.

Share-based payment transactions – Accounting policy

ING Australia 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 Group 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 4 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 4 years, provided that the employee remains in ING Australia's employment. The awarded shares will be multiplied by a certain factor that is dependent upon ING Group'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 ING Australia 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 ING Australia to support the obligations of its customers to third parties.

Consolidated and Bank		
Amounts in millions of dollars	2025	2024
Commitments to extend credit		
- undrawn loan commitments	14,362	11,918
- bank accepted guarantees and letters of credit	1,175	1,569
Total commitments to extend credit	15,537	13,487

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

Bank	2025	2025	2024	2024
Amounts in millions of dollars	Unused	Available	Unused	Available
Liquidity facilities to related entities	305	305	338	338

Regulatory and customer exposures

In recent years there has been an increase in the number of matters on which ING Australia engages with its regulators. The nature of these regulatory interactions can be wide ranging and include surveillance, formal and informal inquiries and reviews, reportable situations and regulatory supervisory activities. ING Australia continues to receive and respond to various notices and requests for information from its regulators and other bodies from time to time as part of both industry-wide and ING Australia-specific reviews and continues to make disclosures to its regulators at its own instigation. The nature of these interactions are broad and include matters related to risk and prudential management, financial services and consumer credit law obligations, deceased estate and hardship processes and anti-money laundering and counter-terrorism financing obligations. There may be possible exposures to customers and third parties 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 possible regulatory, customer or other exposures remain uncertain.



24. Related party disclosures

Key management personnel compensation

The key management personnel of ING Australia during the year were:

Specified Directors:

John Laker	Chair (Non-Executive)
Darryl Newton	Director (Non-Executive)
Lisa Gray	Director (Non-Executive) (until 31 March 2025)
Vicki Allen	Director (Non-Executive)
Richard Kimber	Director (Non-Executive)
Rein Graat	Director (Non-Executive) (from 1 May 2025)
Malgorzata Kolakowska	Director (Non-Executive) (from 14 August 2025)
Jan Swinhoe	Director (Non-Executive) (from 10 March 2025)
Melanie Evans	Chief Executive Officer ("CEO") and Director (Executive)

Executives:

Michal Kowalczyk	Chief Financial Officer ("CFO")
Praveen Khurana	Chief Risk Officer ("CRO") (until 19 February 2026)
Gordana Hulina	Chief Risk Officer ("CRO") (from 20 February 2026)
Berkay Özlüdil	Chief Operations Officer (from 10 March 2025)
Linda Da Silva	Chief Information Officer and Acting Chief Operations Officer (until 10 March 2025)
Jennifer Davies	Head of Retail Banking (from 1 May 2025)
Andras Hamori	Head of Retail Banking (until 28 February 2025)
Flavio Passaro	Head of Human Resources
Claire Machin	Head of Legal and General Counsel
Andrew Hector	Head of Wholesale Banking
Hein Wegdam	Head of Business Banking

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

Amounts in thousands of dollars	2025	2024
Short-term employee benefits	8,755	6,704
Other short-term employee benefits	1,334	1,480
Other long-term benefits	1,437	795
Share-based payments	2,726	1,009
Termination benefits	-	1,211
Total compensation	14,252	11,199



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 Group 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	2025 ⁽¹⁾	For the period ⁽²⁾	2024 ⁽¹⁾	For the period ⁽²⁾
Aggregate amounts receivable from related parties in the wholly owned group	805	29	664	36
Aggregate amounts payable to the ultimate controlling entity	(1,313)	(206)	(862)	(144)
Aggregate amounts payable to related parties in the wholly owned group	(18,599)	(717)	(13,960)	(769)
Total	(19,107)	(894)	(14,158)	(877)

Transactions with controlled entities

Bank				
Amounts in millions of dollars	2025 ⁽¹⁾	For the period ⁽²⁾	2024 ⁽¹⁾	For the period ⁽²⁾
Aggregate amounts due from controlled entities	16,738	1,006	18,442	1,170
Aggregate amounts due to controlled entities	(19,517)	(1,167)	(20,543)	(1,347)
Total	(2,779)	(161)	(2,101)	(177)

⁽¹⁾ Positions as at the respective reporting date.

⁽²⁾ Transactions during the year.



25. Auditor's remuneration

	Consolidated		Bank	
	2025	2024	2025	2024
Amounts in thousands of dollars				
Audit and review services				
Auditors of the Group - KPMG Australia				
Audit of financial statements - Group	708	510	-	-
Audit of financial statements - Parent	-	-	708	510
Audit of financial statements - controlled entities	136	113	-	-
Review of interim financial information	158	131	158	131
Total audit and review services	1,002	754	866	641
Audit and review services				
Auditors of the Group - KPMG Australia				
Regulatory assurance services	670	736	670	736
Total assurance services	670	736	670	736
Other Services				
Auditors of the Group - KPMG Australia				
Agreed upon procedures	187	23	55	-
Other	139	-	139	-
Total other services	326	23	194	-
Total	1,998	1,513	1,730	1,377

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

26. Subsequent events

On 13 February 2026, a new issuance of medium-term notes was settled for \$2.25 billion.

Other than the matters mentioned above, no subsequent events or transactions have occurred since the year ended 31 December 2025 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 ING Australia. 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 ING Australia. The covered bonds issued externally are included within debt issues.

Structured entities

ING Australia'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. ING Australia establishes whether these involvements result in no significant influence, significant influence, joint control or control over the structured entity.

The structured entities over which ING Australia can exercise control are consolidated. ING Australia may provide support to these consolidated structured entities as and when appropriate, however this is fully reflected in the consolidated Financial Statements of ING Australia 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, ING Australia 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	2025	2024
Residential mortgages	19,532	20,557
Total	19,532	20,557

Facilities used in securitisation programmes		
Amounts in millions of dollars	2025	2024
Liquidity facilities	305	338
Total	305	338

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 ING Australia assesses whether there is any indication that an asset may be impaired. Where an indication of impairment exists, ING Australia 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	2025	2024
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

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 recognised in the Income Statement.



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

Software

Internal and external costs incurred in building software and computer systems is recognised initially at cost and subsequently measured at cost less accumulated amortisation and impairment losses. Except for major core infrastructure software is amortised over periods between 3 and 5 years, however, major core infrastructure may be amortised over 10 years.

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 ING Australia. 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 ING Australia 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 ING Australia'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 2025

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 2025 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
IDOL R Trust	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
IDOL Trust 2025-1	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 2025, IDOL Trust 2017-1 and IDS Trust 2008-1 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 ING Australia are in accordance with the *Corporations Act 2001*, including;
 - i) giving a true and fair view of ING Australia's financial position as at 31 December 2025 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 ING Australia 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
4 March 2026





Independent Auditor's Report

To the shareholders of ING Bank (Australia) Limited

Opinions

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

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the **Group's** financial position as at 31 December 2025 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** comprises:

- Balance sheets as at 31 December 2025;
- Income statements, 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 2025;
- 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 in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional and the Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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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 Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report 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 Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report 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 Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, 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 Report

Our objective is:

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

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 Report.





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/apzlw0y/ar3_2024.pdf This description forms part of our Auditor's Report.

A stylized, handwritten version of the KPMG logo in black ink.

KPMG

A handwritten signature in black ink, appearing to read 'G. R. Scott'.

Graeme R Scott

Partner

Sydney

4 March 2026



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