

Pillar 3 —Capital Adequacy & Risk Disclosures.

September 2025



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Introduction

ING Bank (Australia) Limited (IBAL) trading as ING, is an authorised deposit-taking Institution (ADI) subject to regulation by the Australian Prudential Regulation Authority (APRA) under the authority of the Banking Act 1959 (Cth). IBAL is a wholly owned subsidiary of ING Bank N.V. and part of the ING Groep.

In the Pillar 3 report, “The Group” refers to IBAL and its controlled entities and “The Bank” refers to IBAL standalone.

The Pillar 3 report is prepared as per the prudential disclosure requirements set out in APRA’s revised Prudential Standard for Public Disclosure (APS 330) and the Standard made by the Basel Committee on Banking Supervision (BCBS Standard) titled “Disclosure requirements”, which came into effect from 1 January 2025.

The Pillar 3 report contains key prudential metrics and information relating to IBAL’s risk profile and financial resilience, including regulatory capital, credit risk, counterparty credit risk, securitisation, market risk, operational risk, interest rate risk in the banking book (IRRBB), leverage ratio and liquidity. In accordance with the BCBS Standard, the specific disclosure items vary with the frequency of disclosures on a quarterly, semi-annual or annual basis.

Capital adequacy approaches

Advanced Internal Ratings-Based (AIRB)	Foundational Internal Ratings-Based (FIRB)	Supervisory Slotting
▪ Residential Mortgages portfolio	▪ Financial Institutions portfolio ▪ Corporate Lending portfolio ▪ Commercial Real Estate portfolio	▪ Project Finance

The remaining portfolios remain on the standardised approach.

Written Attestation

As the Chief Risk Officer and Accountable Person of ING Bank Australia Limited (IBAL), I confirm the prudential disclosures for 30 September 2025 have been prepared in accordance with IBAL’s public disclosure policy. The public disclosure policy meets the requirements of the Prudential Standard APS 330 Public Disclosure.



Praveen Khurana

Chief Risk Officer
26 November 2025



Overview of risk management, key prudential metrics and RWA

KM1: Key metrics

The Group's total capital ratio was 19.1% at September 2025, a decrease of 46 basis points from June 2025. This movement is primarily attributable to the following:

- An increase in Interest rate risk in the banking book (IRRBB) RWA (\$712m), and Credit risk (\$442m) as discussed in OV1; and
- Offset by an increase in Total capital due to increases to Common Equity Tier 1 (CET1) capital (\$78m) from current year earnings.

The Group's Basel III leverage ratio was 5.2% at September 2025, unchanged from June 2025.

The Group's average Liquidity Coverage Ratio (LCR) for September quarter was 163.4%, an increase of 230 basis points from June quarter (161.1%). The increase was driven by a higher average High Quality Liquid Assets (HQLAs), offset by an increase in Net Cash Outflows (NCOs).

The Group's Net Stable Funding Ratio (NSFR) was 131.2% as at September 2025, representing a decrease of 240 basis points from June 2025 (133.6%). The reduction was due to an increase in Required Stable Funding (RSF) driven by lending growth which exceeded the increase in Available Stable Funding (ASF) from retail stable deposits.



		a	b	c	d	e
		September 2025	June 2025	March 2025	December 2024	September 2024
Amounts in millions of dollars						
Available capital (amounts)						
1	Common Equity Tier 1 (CET1)	4,994	4,916	4,777	5,120	5,038
2	Tier 1	5,444	5,366	5,227	5,575	5,038
3	Total capital	6,332	6,257	6,118	6,018	5,477
Risk-weighted assets (amounts)						
4	Total risk-weighted assets (RWA)	33,141	31,987	32,044	32,122	31,213
4a	Total risk-weighted assets (pre-floor)	33,141	31,987	32,044	32,122	31,213
Risk-based capital ratios as a percentage of RWA						
5	CET1 ratio (%)	15.1 %	15.4 %	14.9 %	15.9 %	16.1 %
5b	CET1 ratio (%) (pre-floor ratio)	15.1 %	15.4 %	14.9 %	15.9 %	16.1 %
6	Tier 1 ratio (%)	16.4 %	16.8 %	16.3 %	17.4 %	16.1 %
6b	Tier 1 ratio (%) (pre-floor ratio)	16.4 %	16.8 %	16.3 %	17.4 %	16.1 %
7	Total capital ratio (%)	19.1 %	19.6 %	19.1 %	18.7 %	17.6 %
7b	Total capital ratio (%) (pre-floor ratio)	19.1 %	19.6 %	19.1 %	18.7 %	17.6 %
Additional CET1 buffer requirements as a percentage of RWA						
8	Capital conservation buffer requirement	3.75 %	3.75 %	3.75 %	3.75 %	3.75 %
9	Countercyclical buffer requirement (%)	1.00 %	1.00 %	1.00 %	1.00 %	1.00 %
11	Total of bank CET1 specific buffer requirements (%) (row 8 + row 9)	4.75 %	4.75 %	4.75 %	4.75 %	4.75 %
12	CET1 available after meeting the bank's minimum capital requirements (%) ¹	10.4 %	10.8 %	10.3 %	10.7 %	9.6 %
Basel III Leverage ratio						
13	Total Basel III leverage ratio exposure measure	105,215	103,981	101,656	99,977	98,913
14	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves)	5.2 %	5.2 %	5.1 %	5.6 %	5.1 %
14c	Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values for SFT assets	5.2 %	5.2 %	5.1 %	5.6 %	5.1 %
Liquidity Coverage Ratio (LCR)						
15	Total high-quality liquid assets (HQLA)	10,065	9,877	9,577	9,739	10,193
16	Total net cash outflow	6,159	6,132	5,958	5,897	6,405
17	LCR ratio (%)	163.4 %	161.1 %	160.7 %	165.2 %	159.1 %
Net Stable Funding Ratio (NSFR)						
18	Total available stable funding	80,829	79,615	78,251	77,631	76,825
19	Total required stable funding	61,598	59,587	58,909	58,671	56,664
20	NSFR ratio (%)	131.2 %	133.6 %	132.8 %	132.3 %	135.6 %

¹ Row 12 is calculated as the CET1 capital adequacy ratio of the bank less the ratio of RWA of any common equity used to meet the bank's minimum CET1, Tier 1 and Total capital requirements.



OV1: Overview of risk-weighted assets

The Group's total Risk-Weighted Assets (RWA) was \$33,141m at September 2025, an increase of \$1,154m from June 2025.

This movement is attributable to the following:

- An increase in Credit risk under the standardised approach (\$337m) primarily due to growth in general corporate and residential property exposures;
- An increase in Credit risk under the F-IRB approach (\$523m) primarily due to growth in corporate non-IPRE and Income-Producing Real Estate (IPRE) exposures;
- A decrease under the supervisory slotting approach (-\$214m) due a reduction in project finance exposures;
- A decrease in Credit risk under the A-IRB approach (-\$204m) primarily due improvements in the residential mortgage credit quality, offset by exposure growth; and
- An increase in IRRBB RWA (\$712m), primarily due to reduced embedded gain amount.

		a		b		c		d
		RWA				Minimum capital requirements ²		
Amounts in millions of dollars		September 2025	June 2025	September 2025	June 2025	September 2025	June 2025	
1	Credit risk (excluding counterparty credit risk)	27,306	26,864			2,184	2,149	
2	Of which: standardised approach (SA)	4,358	4,021			349	322	
3	Of which: foundation internal ratings-based (F-IRB) approach ³	5,841	5,318			467	425	
4	Of which: supervisory slotting approach ⁴	1,804	2,018			144	161	
5	Of which: advanced internal ratings-based (A-IRB) approach ⁵	15,303	15,507			1,224	1,241	
6	Counterparty credit risk (CCR)	5	5			-	-	
7	Of which: standardised approach for counterparty credit risk	5	5			-	-	
10	Credit valuation adjustment (CVA)	-	-			-	-	
15	Settlement risk	-	-			-	-	
16	Securitisation exposures in banking book	218	218			17	17	
19	Of which: securitisation standardised approach (SEC-SA)	218	218			17	17	
20	Market risk	-	-			-	-	
	Interest rate risk in the banking book ⁶	3,454	2,742			276	220	
24	Operational risk	2,158	2,158			173	173	
26	Output floor applied	72.5 %	72.5 %					
28	Floor adjustment	-	-					
29	Total	33,141	31,987			2,651	2,559	

² The minimum capital requirement is the Pillar 1 capital requirement, calculated as 8% of RWA.

³ The F-IRB approach RWA includes an overlay of \$247 million on the corporate IPRE portfolio.

⁴ The supervisory slotting approach RWA includes an overlay of \$38 million on the project finance portfolio.

⁵ The A-IRB approach RWA includes an overlay of \$1,890 million on the residential mortgages portfolio.

⁶ The interest rate risk in the banking book RWA includes an overlay of \$625 million.



Comparison of modelled and standardised RWA

CMS1: Comparison of modelled and standardised RWA at risk level

The following table provides a comparison at the risk level of RWA and RWA calculated using the full standardised approach.

The difference in the Group Total Actual RWA and the RWA calculated using the full standardised approach has two main drivers.

- Regulatory approval for the use of Internal Ratings-Based (IRB) models for calculating Credit risk. The Group has approval to use:
 - The A-IRB approach for the Residential Mortgage portfolio;
 - The F-IRB approach for Financial Institution, Corporate Lending, and Income Producing Real Estate portfolios; and
 - The supervisory slotting approach for the Project Finance portfolio.
- Regulatory approval for the use of an internal model approach for calculating Interest Rate Risk in the Banking Book (IRRBB). As there is no standardised approach equivalent for IRRBB, the modelled approach reduces the total difference in the modelled and full standardised approaches.

September 2025		a	b	c	d
		RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA	RWA calculated using full standardised approach
Amounts in millions of dollars					
1	Credit risk (excluding counterparty credit risk)	22,948	4,358	27,306	41,168
2	Counterparty credit risk		5	5	5
3	Credit valuation adjustment		-	-	-
4	Securitisation exposures in the banking book		218	218	218
5	Market risk		-	-	-
	Interest rate risk in the banking book	3,454	-	3,454	-
6	Operational risk		2,158	2,158	2,158
7	Residual RWA		-	-	-
8	Total	26,402	6,739	33,141	43,549

June 2025		a	b	c	d
		RWA for modelled approaches that banks have supervisory approval to use	RWA for portfolios where standardised approaches are used	Total Actual RWA	RWA calculated using full standardised approach
Amounts in millions of dollars					
1	Credit risk (excluding counterparty credit risk)	22,843	4,021	26,864	39,569
2	Counterparty credit risk		5	5	5
3	Credit valuation adjustment		-	-	-
4	Securitisation exposures in the banking book		218	218	218
5	Market risk		-	-	-
	Interest rate risk in the banking book	2,742	-	2,742	-
6	Operational risk		2,158	2,158	2,158
7	Residual RWA		-	-	-
8	Total	25,585	6,402	31,987	41,950



Credit risk

CR8: RWA flow statements of credit risk exposures under IRB

The Group's IRB RWA was \$21,144m at September 2025, an increase of \$319m from June 2025.

This movement is primarily attributable to the following:

- An increase in asset size from growth in the residential mortgage, corporate non-IPRE, and Income-Producing Real Estate (IPRE) portfolios, offset by reductions in the financial institutions portfolio ;
- Improvement in the average asset quality of the residential mortgage portfolio; and
- An increase in the total overlay due to growth of the residential mortgage and IPRE portfolios.

		a	b
		RWA amounts	
Amounts in millions of dollars		September 2025	June 2025
1	RWA as at end of previous reporting period	20,825	20,832
2	Asset size	791	446
3	Asset quality	(813)	(486)
4	Model updates ⁷	-	13
7	Foreign exchange movements	(4)	(6)
	Overlay	345	26
8	Other	-	-
9	RWA as at end of reporting period	21,144	20,825

⁷ Model updates shows the impact of IPRE exposures that transitioned from the supervisory slotting to F-IRB approaches for calculating RWA, which completed in June 2025.



Leverage ratio

LR2: Leverage ratio common disclosure template

The Group's Basel III leverage ratio was 5.2% at September 2025, unchanged from June 2025.

This is primarily attributable to:

- A net increase in Tier 1 capital (\$78m) due to the current year earnings;
- A decrease in off-balance sheet items (-\$49m); and
- Offset by an increase in the total on-balance sheet exposures (\$1,289m) from portfolio growth over the period, predominately in the residential mortgage portfolio.

Amounts in millions of dollars		a	b
		September 2025	June 2025
On-balance sheet exposures			
1	On-balance sheet exposures (excluding derivatives and securities financing transactions (SFTs), but including collateral)	94,231	92,892
6	(Asset amounts deducted in determining Tier 1 capital and regulatory adjustments)	(641)	(591)
7	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of rows 1 to 6)	93,590	92,301
Derivative exposures			
8	Replacement cost associated with all derivatives transactions (where applicable net of eligible cash variation margin, with bilateral netting and/or the specific treatment for client cleared derivatives)	-	2
9	Add-on amounts for potential future exposure associated with all derivatives transactions	45	49
13	Total derivative exposures (sum of rows 8 to 12)	45	51
Securities financing transaction exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sale accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
18	Total securities financing transaction exposures (sum of rows 14 to 17)	-	-
Other off-balance sheet exposures			
19	Off-balance sheet exposure at gross notional amount	14,616	14,745
20	(Adjustments for conversion to credit equivalent amounts)	(3,036)	(3,116)
22	Off-balance sheet items (sum of rows 19 to 21)	11,580	11,629
Capital and total exposures			
23	Tier 1 capital	5,444	5,366
24	Total exposures (sum of rows 7, 13, 18 and 22)	105,215	103,981
Leverage ratio			
25	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves)	5.2 %	5.2 %
26	National minimum leverage ratio requirement	3.5 %	3.5 %
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-



Amounts in millions of dollars		a	b
		September 2025	June 2025
30	Total exposures (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	105,215	103,981
31	Basel III leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.2 %	5.2 %



Liquidity

LIQ1: Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio (LCR), as defined in APRA Prudential Standard 210 Liquidity (APS 210), measures the Group's ability to sustain a 30-day pre-defined liquidity stress scenario.

The LCR is determined by dividing the daily average value of liquid assets by the daily average net cash outflows over the reporting quarter, excluding weekends and public holidays. Liquid assets refer to High Quality Liquid Assets (HQLA), made up of cash balances held with the Reserve Bank of Australia, Australian Semi Government and Commonwealth Government securities. The average HQLA for the quarter was AUD \$10.1bn.

The main funding sources for the Group are deposits from retail and business customers. Funding is also sourced from within the ING Groep N.V. in the form of deposits and the Group also raises funds from the wholesale market in the form of corporate and bank deposits and by issuing Residential Mortgage-Backed Securities (RMBS) and Covered Bonds. All wholesale funding activity is managed centrally by the Group Treasury department, which is also responsible for managing the funding gap between retail, business and wholesale assets and liabilities on the Group's balance sheet.

Derivatives exposures, potential collateral calls and any contingent funding requirements are taken into account in the daily calculation of LCR as per the requirements in the APRA Prudential Standard, APS 210. The weightings and run-off factors prescribed in APS 210 are also used to determine outflows from each of the Group's funding sources.

The Group manages its LCR position daily with a Board approved buffer above the regulatory limit of 100%.

The Group's average LCR for the quarter ended 30 September 2025 was 167.6% an increase of 65 basis points reported for the quarter ended (30 June 2025: 161.1%). This increase was driven by a larger increase in High Quality Liquid Assets (HQLA) comparing to an increase in Net Cash Outflows (NCOs) due to portfolio growth in retail deposits and wholesale funding from non operational deposits, and increase in other contingent funding obligations, partially offset by the lower projected credit loss of funding on debt products. The lowest LCR recorded during the quarter was 145.4%.

The Group steers and reports LCR above 100% for both all currency and AUD LCR, in line with the Funding & Liquidity Risk Appetite Statement and regulatory requirements. The Group's AUD-only LCR was 165.2%, 170 basis points lower than all-currency LCR as at the end of the quarter.



		September 2025		June 2025	
		a	b	c	d
Amounts in millions of dollars		Total unweighted value (average)	Total weighted value (average)	Total unweighted value (average)	Total weighted value (average)
High-quality liquid assets					
1	Total HQLA		10,065		9,877
Cash outflows					
2	Retail deposits and deposits from small business customers, of which:	48,710	5,410	47,774	5,239
3	Stable deposits	32,590	1,629	31,737	1,587
4	Less stable deposits	16,120	3,781	16,038	3,652
5	Unsecured wholesale funding, of which:	1,788	1,267	1,504	1,192
7	Non-operational deposits (all counterparties)	1,718	1,197	1,423	1,111
8	Unsecured debt	70	70	81	81
9	Secured wholesale funding		-		-
10	Additional requirements, of which:	11,569	1,225	11,684	1,507
11	Outflows related to derivative exposures and other collateral requirements	395	395	373	373
12	Outflows related to loss of funding on debt products	84	84	407	407
13	Credit and liquidity facilities	11,090	746	10,904	727
14	Other contractual funding obligations	1,255	49	1,278	59
15	Other contingent funding obligations	5,263	284	3,983	208
16	Total cash outflows		8,235		8,204
Cash inflows					
17	Secured lending (eg reverse repos)	-	-	-	-
18	Inflows from fully performing exposures	3,362	1,948	3,289	1,950
19	Other cash inflows	128	128	122	122
20	Total cash inflows	3,490	2,076	3,411	2,072
		Total adjusted value		Total adjusted value	
21	Total HQLA		10,065		9,877
22	Total net cash outflows		6,159		6,132
23	Liquidity Coverage Ratio (%)		163.4 %		161.1 %

