

ING Bank N.V (Sydney Branch) – Financial Year 1 January 2024 to 31 December 2024

The following disclosure relates to ING Bank N.V (Sydney Branch), which is classified as a non-Significant Financial Institution (non-SFI) under CPS 511.

Table 1 Remuneration framework

Governance of the remuneration framework
<p><b>1) Name, composition and mandate of the main bodies overseeing remuneration.</b></p> <p><b>ING Bank N.V. (Sydney Branch) Management Committee (MACO) composition as at 31 December 2024:</b></p> <ul style="list-style-type: none"><li>▪ Guido Leitner – Senior Officer Outside Australia</li><li>▪ Michal Kowalczyk – Chief Financial Officer</li><li>▪ Praveen Khurana – Chief Risk Officer</li><li>▪ Peter Casey – Treasurer</li><li>▪ Andrew Hector– Head of Wholesale Banking</li><li>▪ Claire Machin – Head of Legal</li></ul> <p>Mandate:</p> <ul style="list-style-type: none"><li>▪ Sydney Branch is the funding conduit for unsecured funding transactions between ING Group/external markets and IBAL. All functions of Sydney Branch are provided by IBAL through a material service level arrangement (SLA), which is principally serviced by IBAL Treasury;</li><li>▪ Review organisation plans and improve accountability;</li><li>▪ Oversee the organisation’s allocation and management of its finance;</li><li>▪ Manage and monitor Sydney Branch’s legal and compliance obligations under its Australian Financial Services Licence (AFSL), as an APRA authorised deposit-taking institution (ADI); and</li><li>▪ AML/CTF Legislation as a reporting entity.</li><li>▪ Oversee the execution and management of financial and non-financial risks in respect of Sydney Branch.</li></ul>
<p><b>2) Number of meetings held by the main bodies overseeing remuneration during the financial year.</b></p> <p>In the financial year 2024 (FY24), there were 11 MACO meetings.</p>
<p><b>3) An overview of reviews of the remuneration framework performed during the financial year, including any consequential changes, the reasons for those changes and the intended impact on remuneration outcomes.</b></p> <p>All functions of Sydney Branch are provided by related ADI ING Bank Australia Limited (IBAL) through a material service level arrangement (SLA), which is principally serviced by IBAL Treasury.</p> <p>MACO oversees the execution and management of financial and non-financial risk provided by IBAL as the service provider to Sydney Branch.</p> <p>IBAL Remuneration Policy is reviewed annually during the fourth quarter of the performance year. The PY24 review was undertaken on the 12th of December 2024. The changes were approved by the IBAL BPRNC and IBAL Board.</p>

The key change to the Policy was the update to the IBAL Consequence Management Framework (CMF). The purpose of the CMF is to clearly set out the possible financial consequences that can be imposed on employees in the event of findings of misconduct, adverse risk events and/or ongoing poor performance. The CMF applies to all employees across IBAL. In PY24 the CMF was refined to provide greater clarity and define categories - more specifically, to clearly differentiate level of severity and to further support consistent application of financial consequences for each category.

Additionally, the ING Remuneration Regulations Framework (IRRF), which is the ING Group's Remuneration Policy, is reviewed annually during the fourth quarter of the performance year by the ING Supervisory Board. Key changes included the expansion of eligibility for buyout awards, specifically removing the restriction on buyouts for employees who have come to ING from other financial institutions, and an update to governance requirements relating to remuneration approvals of individuals who are classified as High earners.

#### **4) A description of how the MACO:**

- (i) oversees remuneration policies:
- (ii) oversees the input provided by:
- (iii) exercises its discretion in determining remuneration outcomes, including remuneration outcomes for variable remuneration awarded in prior financial years:

For the points above, Sydney Branch MACO reviews the performance and outcomes of the SLAs conducted by IBAL. IBAL employees undertaking work for the Sydney Branch, are informed by and remunerated under IBAL's Remuneration Framework and ING Group policies.

IBAL has made disclosures of its remuneration framework for the requirements.

#### **5) A description of external consultants whose advice has been sought on remuneration, the body by which they were commissioned and in what areas of the remuneration framework.**

No external consultants were commissioned for advice on the remuneration framework in FY24.

### **Remuneration Framework**

#### **6) An overview of the key features and objectives of the remuneration framework, including how it:**

- (i) aligns to the APRA-regulated entity's business plan, strategic objectives and risk management framework:
- (ii) promotes effective management of both financial and non-financial risks, sustainable performance and long-term soundness:
- (iii) supports the prevention and mitigation of conduct risk:

Sydney Branch is the funding conduit for unsecured funding transactions between ING Group/external markets and IBAL. All functions of Sydney Branch are provided by IBAL through a material service level arrangement (SLA). IBAL employees undertaking work for the Sydney Branch, are informed by and remunerated under IBAL's Remuneration Framework and ING Group policies.

IBAL has made disclosures of its remuneration framework for the requirements.
- (iv) for an RSE licensee, promotes the RSE licensee performing its duties and exercising powers in the best financial interests of beneficiaries.

This is not applicable for Sydney Branch.



**7) A description of the scope of the APRA-regulated entity's remuneration policy (such as by regions or business lines), including the extent to which it is applied to foreign subsidiaries and branches (if applicable).**

The IRRF sets the principles and rules for remuneration and for remuneration policies of ING Bank entities globally. The IBAL Remuneration Policy summarises additional terms and provisions required to meet Australian legislation and regulations. The IBAL Remuneration Policy should be read alongside the IRRF. It is applicable for all IBAL business lines including Sydney Branch.

**8) A description of the types of positions included in specified roles as defined in paragraph 20(v) of this Prudential Standard.**

All functions of Sydney Branch are provided by IBAL through a material service level arrangement (SLA).

IBAL employees undertaking work for the Sydney Branch, are informed by and remunerated under IBAL's Remuneration Framework and ING Group policies.

IBAL has made disclosures of its remuneration framework for the requirements including for specified roles by paragraph 20(v) of the Prudential Standard.

**9) A description of how the APRA-regulated entity aligns remuneration outcomes with performance. This must include:**

- (i) an overview of the main financial and non-financial performance measures for the entity, key business lines, the CEO and other specified roles on a cohort basis;
- (ii) a description of how material weight is applied to non-financial measures in the determination of performance related variable remuneration, including the proportion (level or range) of variable remuneration that would be impacted by non-financial measures, where this is possible to define;
- (iii) a discussion of how a person's remuneration is linked to entity-wide and individual performance:

For all points, all functions of Sydney Branch are provided by IBAL through a material service level arrangement (SLA). MACO oversees the execution and management of financial and non-financial risk provided by IBAL as the service provider to Sydney Branch.

IBAL employees undertaking work for the Sydney Branch, are informed by and remunerated under IBAL's Remuneration Framework and ING Group policies.

**10) Where no variable remuneration is offered (excluding one-off payments), a description of the method used to ensure risk management outcomes are assessed and consequence management applied in the event of a material breach or misconduct.**

All functions of Sydney Branch are provided by IBAL through a material service level arrangement (SLA).

**11) A description of variable remuneration of risk and financial control personnel for the financial year covering:**

- (i) remuneration arrangements, including how variable remuneration arrangements reflect their independence, authority and the purpose of their functions, and are not unduly influenced by the performance of the business activities they control;
- (ii) the remuneration outcomes, including variable remuneration outcomes as a proportion (level or range) of fixed remuneration and the nature and proportion of any adjustments made to reflect risk performance;
- (iii) any special payments made.

For the points above, all functions of Sydney Branch are provided by IBAL through a material service level arrangement (SLA).

Sydney Branch does not make special payments to Risk and Financial Control Personnel in PY24.



## Design of variable remuneration plans

### 12) For the variable remuneration plans applicable to specified roles, a description of the plan design, including:

- (i) forms of remuneration offered:
- (ii) the persons eligible to participate in the plan, as a percentage of their respective cohort of specified role:
- (iii) how it is aligned with the business strategy and effective risk management:
- (iv) how cohort and individual outcomes are determined, including how material weight is given to non-financial measures:
- (v) if the mix of variable remuneration differs across persons within a specified role cohort, a description of the factors that determine the mix and their relative importance:
- (vi) how the variable remuneration pool (if any) is determined, including performance and risk measures used:
- (vii) deferral periods and vesting schedules:
- (viii) any adjustment measures that may differ from Table 1, row 13.
- (ix) the persons eligible to participate in the plan, as a percentage of their respective cohort of specified role:
- (x) how it is aligned with the business strategy and effective risk management;
- (xi) how cohort and individual outcomes are determined, including how material weight is given to non-financial measures:
- (xii) if the mix of variable remuneration differs across persons within a specified role cohort, a description of the factors that determine the mix and their relative importance:
- (xiii) how the variable remuneration pool (if any) is determined, including performance and risk measures used:
- (xiv) deferral periods and vesting schedules:
- (xv) any adjustment measures that may differ from Table 1, row 13.

For all points above, all functions of Sydney Branch are provided by IBAL through a material service level arrangement (SLA). There are no adjustments measures that differ from the Table 1 row 13.

## Deferrals and adjustments

### 13) A description of the ways in which the APRA-regulated entity defers and adjusts variable remuneration to take account of longer-term performance, including risk performance. This must include:

- (i) an overview of the processes and tools for adjusting variable remuneration, including criteria and triggers for each tool:
- (ii) an overview of the policy for deferral and vesting of variable remuneration:

For all points above, all functions of Sydney Branch are provided by IBAL through a material service level arrangement (SLA).



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Table 2 Remuneration framework
N/A

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Table 3 Special Payments
N/A

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Table 4 Deferred and adjusted variable remuneration
N/A

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