

Pillar 3 Disclosure Rabobank Australia Limited

As at 31 March 2026



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1. Notes to readers

Introduction

Rabobank Australia Limited (“the Bank” or “RBAL”) 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.

In accordance with the Australian Prudential Standard 330 (“APS 330”), financial institutions are required to disclose prudential information. From 1 January 2025, APRA’s new APS 330 became effective. The revised APS330 requires prudential disclosure to be made as set out in the standard made by the Basel Committee on Banking Supervision (BCBC) and adjusted by APRA for the Australian context, to contribute to the transparency of financial markets and to enhance market discipline.

Amounts are presented in Australian dollars and have been rounded to the nearest million dollars (\$m) except where indicated.

Scope of Application

The Bank is a Level 1 entity for regulatory (“APRA”) reporting purposes. The Bank is a solo entity, therefore does not have any subsidiaries, Level 2 entities.

| | |
|---------|---|
| Level 1 | Standalone basis (“Solo”) |
| Level 2 | The consolidation of the Bank and all its subsidiary entities other than non-consolidated subsidiaries (“Consolidated”) |

Context

The Bank is on the Standardised Approach for Credit, Market and Operational risk for APRA regulatory reporting.

Nature of Business

The Bank continues to focus on the provision of flexible, competitively priced, secured loans to the rural sector in Australia and the raising of deposits. The Bank continues to provide deposit products to customers, including household, investors, farmers, corporates, and government entities.

There were no significant changes in the state of affairs of the Bank during the financial year.

Accountable Person Attestation

The Chief Financial Officer, an Accountable Person of Rabobank Australia Limited, attests that the information presented in this Pillar 3 report has been prepared to meet its disclosure requirements set out in APRA’s prudential standard APS330 Public Disclosure and has been prepared in accordance with our board-approved policy on disclosure controls and prudential disclosures.



David Mu
Chief Financial Officer

13 May 2026

2. Overview of risk management, key prudential metrics and risk-weighted assets

2.1. KM1 Key metrics

The following table provides an overview of prudential metrics over the last five quarters.

| KM1: Key metrics (at consolidated group level) | | | | | | |
|--|--|---------------|------------------|-------------------|--------------|---------------|
| | | a | b | c | d | e |
| | | 31 March 2026 | 31 December 2025 | 30 September 2025 | 30 June 2025 | 31 March 2025 |
| | Available capital (amounts) | | | | | |
| 1 | Common Equity Tier 1 (CET1) | 3,433 | 3,443 | 3,450 | 3,407 | 3,340 |
| 2 | Tier 1 | 3,433 | 3,443 | 3,450 | 3,407 | 3,340 |
| 3 | Total capital | 3,479 | 3,473 | 3,484 | 3,450 | 3,382 |
| | Risk-weighted assets (amounts) | | | | | |
| 4 | Total risk-weighted assets (RWA) | 23,471 | 23,055 | 23,602 | 23,893 | 22,608 |
| 4a | Total risk-weighted assets (pre-floor) | 23,471 | 23,055 | 23,602 | 23,893 | 22,608 |
| | Risk-based capital ratios as a percentage of RWA | | | | | |
| 5 | CET1 ratio (%) | 14.63% | 14.93% | 14.62% | 14.26% | 14.77% |
| 5b | CET1 ratio (%) (pre-floor ratio) | 14.63% | 14.93% | 14.62% | 14.26% | 14.77% |
| 6 | Tier 1 ratio (%) | 14.63% | 14.93% | 14.62% | 14.26% | 14.77% |
| 6b | Tier 1 ratio (%) (pre-floor ratio) | 14.63% | 14.93% | 14.62% | 14.26% | 14.77% |
| 7 | Total capital ratio (%) | 14.82% | 15.07% | 14.76% | 14.44% | 14.96% |
| 7b | Total capital ratio (%) (pre-floor ratio) | 14.82% | 15.07% | 14.76% | 14.44% | 14.96% |
| | Additional CET1 buffer requirements as a percentage of RWA | | | | | |
| 8 | Capital conservation buffer requirement (2.5% from 2019) (%) | 2.50% | 2.50% | 2.50% | 2.50% | 2.50% |
| 9 | Countercyclical buffer requirement (%) | 1.00% | 1.00% | 1.00% | 1.00% | 1.00% |
| 10 | Bank G-SIB and/or D-SIB additional requirements (%) | 0% | 0% | 0% | 0% | 0% |
| 11 | Total of bank CET1 specific buffer requirements (%) (row 8 + row 9 + row 10) | 3.50% | 3.50% | 3.50% | 3.50% | 3.50% |
| 12 | CET1 available after meeting the bank's minimum capital requirements (%) | 6.82% | 7.07% | 6.76% | 6.44% | 6.96% |
| | Basel III Leverage ratio | | | | | |
| 13 | Total Basel III leverage ratio exposure measure | N/A | N/A | N/A | N/A | N/A |
| 14 | Basel III leverage ratio (%) (including the impact of any applicable temporary exemption of central bank reserves) | N/A | N/A | N/A | N/A | N/A |
| | Liquidity Coverage Ratio (LCR) | | | | | |
| 15 | Total high-quality liquid assets (HQLA) | 4,674 | 4,460 | 3,624 | 3,293 | 2,836 |
| 16 | Total net cash outflow | 2,220 | 2,043 | 2,104 | 2,190 | 1,971 |
| 17 | LCR ratio (%) | 211.0% | 221.4% | 175.0% | 151.1% | 143.9% |
| | Net Stable Funding Ratio (NSFR) | | | | | |
| 18 | Total available stable funding | 22,645 | 22,733 | 23,547 | 24,074 | 21,498 |
| 19 | Total required stable funding | 19,275 | 18,992 | 20,026 | 20,423 | 18,580 |
| 20 | NSFR ratio | 117.5% | 119.7% | 117.6% | 117.9% | 115.7% |

* CET1 available after meeting the bank's minimum capital requirements is calculated as CET1 ratio of the bank, less the minimum CET1 capital requirement (4.5%) and any shortfall in meeting the Tier 1 and Total capital minimum requirements, as defined by BCBS. Comparative information has been realigned to the BCBS methodology.

CET1

As at 31 March 2026, the CET1 ratio was 14.63%, remaining well above the minimum prudential capital requirement. In the March quarter, the CET1 ratio decreased by 0.3%, from 14.93% as at 31 December 2025 to 14.63%. This was mainly driven by a reduction in CET1 capital, reflecting increases in unrealised losses on investment securities and net deferred tax assets. Together with expected organic loan growth in the normal course of business in the first quarter of 2026, these factors contributed to the decline in the capital ratio as at 31 March 2026.

LCR

The liquidity coverage ratio, and the net stable funding ratio are well above the minimum requirements. The Bank's average LCR decreased to 211% for the quarter ended 31 March 2026, compared with 221% in the previous quarter. The decrease was mainly driven by higher net cash outflows, partially offset by increased holdings of liquid assets.

NSFR

As at 31 March 2026, the Bank's NSFR declined to 117.5%, from 119.7% as at 31 December 2025. The decrease was primarily driven by a reduction in Available Stable Funding (ASF), and an increase in Required Stable Funding (RSF). The reduction in ASF was mainly driven by some intragroup funding being reclassified from the ≥ 1 year maturity bucket as at 31 December 2025 to maturity bucket of less than one year as at 31 March 2026. Meanwhile the increase in RSF reflects higher loan balances as at 31 March 2026 compared with 31 December 2025.

2.2. OV1 Overview of risk-weighted assets (RWA)

The following table provides RWA and minimum capital requirements.

| OV1: Overview of RWA | | | | |
|----------------------|---|---------------|------------------|--|
| | | a | b | c |
| | | RWA | | Minimum capital requirement ¹ |
| | | 31 March 2026 | 31 December 2025 | 31 March 2026 |
| 1 | Credit risk (excluding counterparty credit risk) | 22,380 | 22,033 | 1,790 |
| 2 | Of which: standardised approach (SA) | 22,380 | 22,033 | 1,790 |
| 6 | Counterparty credit risk (CCR) | 101 | 91 | 8 |
| 7 | Of which: standardised approach for counterparty credit risk | 101 | 91 | 8 |
| 10 | Credit valuation adjustment (CVA) | 92 | 95 | 7 |
| 15 | Settlement risk | - | - | - |
| 16 | Securitisation exposures in banking book | - | - | - |
| 19 | Of which: securitisation standardised approach (SEC-SA) | - | - | - |
| 20 | Market risk | - | - | - |
| 21 | Of which: standardised approach (SA) | - | - | - |
| 22 | Of which: internal model approach (IMA) | - | - | - |
| 23 | Capital charge for switch between trading book and banking book | - | - | - |
| 24 | Operational risk | 898 | 836 | 72 |
| 29 | Total | 23,471 | 23,055 | 1,877 |

1. Minimum capital requirement in accordance with APS110 Capital Adequacy 8% of RWA

Credit risk RWA increased by \$416m due to assets growth and seasonality. This was in line with the agribusiness production cycle.

3. Credit valuation adjustment risk

3.1. CVAA General qualitative disclosure requirements related to CVA

The Bank calculate its credit valuation adjustment (CVA) risk capital charge for the risk of mark-to-market losses on the expected counterparty credit risk (CVA loss) for all bilateral OTC derivatives. The CVA risk capital charge is calculated using the CVA approach outlined in Prudential Standard APS 180 Capital Adequacy: Counterparty Credit Risk. The CVA capital charge is \$7.4m as at 31 March 2026.

4. Liquidity

4.1. LIQ1 Liquidity Coverage Ratio (LCR)

The Bank manages its LCR position on a daily basis according to the Board's risk appetite and includes a buffer above the minimum regulatory requirement. The Bank has centralised its liquidity management function, into the Bank's Treasury department, which manages, co-ordinates and executes all the liquidity and funding needs of the Bank.

The Bank's average LCR decreased to 211% for the quarter ended 31 March 2026, compared with 221% in the previous quarter. This remains well above the regulatory minimum of 100%. The decrease was mainly driven by higher net cash outflows, partially offset by increased holdings of liquid assets. The intra-period movements of the LCR are forecast and monitored on a daily basis and were within the normal operating ranges of the Bank's liquidity management activity.

The Bank maintains a diverse mix of liquid assets consisting of cash with the Reserve Bank of Australia (RBA) and Australian Semi Government and Commonwealth Government securities. During the quarter, the overall increase in liquid assets was primarily driven by higher cash balances with the RBA and an increase in holdings of Government securities.

The LCR net cash outflow (NCO) represents potential cash outflows from on and off balance sheet activities within a 30 day liquidity stress scenario, after applying APRA prescribed run-off factors to maturing debt and deposits, and inflow factors to assets. As part of its overall liquidity management strategy the Bank manages its balance sheet in a manner that aims to manage NCOs within the Board's risk appetite. Average NCO's increased over the quarter. The increase in cash outflows was mainly driven by average contingent funding obligations increased over the quarter, primarily due to new business loan commitments and an overall decrease in cash inflows from cash at other banks during the quarter. The Bank has a diversified funding base aimed at reducing concentrations on funding source, tenor, and outflow risk. The Bank is primarily funded with stable customer deposits, and intercompany funding from Cooperative Rabobank U.A. ("the Parent").

In addition, the Bank has in place a \$725m Committed Liquidity Facility with the Parent to boost the Bank's access to liquidity, if needed. There are very limited foreign currency transactions in the Bank, and interest rate derivatives are used to hedge interest rate risk residing in the Bank.

| LIQ1: Liquidity Coverage Ratio (LCR) | | | | | |
|--------------------------------------|---|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| | | a | b | a | b |
| | | 31 March 2026 | | 31 December 2025 | |
| \$m | | Total unweighted value (average)* | Total weighted value (average)** | Total unweighted value (average)* | Total weighted value (average)** |
| | High-quality liquid assets | | | | |
| 1 | Total HQLA | | 4,674 | | 4,460 |
| | Alternative liquid assets (ALA) | | - | | - |
| | Reserve bank of New Zealand (RBNZ) securities | | - | | - |
| | Cash outflows | | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | 7,976 | 1,441 | 7,853 | 1,438 |
| 3 | Stable deposits | 2,387 | 119 | 2,282 | 114 |
| 4 | Less stable deposits | 5,589 | 1,321 | 5,571 | 1,324 |
| 5 | Unsecured wholesale funding, of which: | 1,340 | 648 | 1,289 | 644 |
| 6 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | - | - | - | - |
| 7 | Non-operational deposits (all counterparties) | 1,340 | 648 | 1,289 | 644 |

LIQ1: Liquidity Coverage Ratio (LCR)

| | | a | b | a | b |
|-----|--|-----------------------------------|----------------------------------|-----------------------------------|----------------------------------|
| | | 31 March 2026 | | 31 December 2025 | |
| \$m | | Total unweighted value (average)* | Total weighted value (average)** | Total unweighted value (average)* | Total weighted value (average)** |
| 8 | Unsecured debt | - | - | - | - |
| 9 | Secured wholesale funding | - | - | - | - |
| 10 | Additional requirements, of which: | 6,796 | 507 | 5,787 | 439 |
| 11 | Outflows related to derivative exposures and other collateral requirements | 2 | 2 | 3 | 3 |
| 12 | Outflows related to loss of funding on debt products | - | - | - | - |
| 13 | Credit and liquidity facilities | 3,579 | 316 | 3,133 | 275 |
| 14 | Other contractual funding obligations | - | - | - | - |
| 15 | Other contingent funding obligations | 3,215 | 189 | 2,651 | 161 |
| 16 | Total Cash Outflows | | 2,595 | | 2,521 |
| | Cash inflows | | | | |
| 17 | Secured lending (eg reverse repos) | - | - | - | - |
| 18 | Inflows from fully performing exposures | 414 | 369 | 536 | 470 |
| 19 | Other cash inflows | 6 | 6 | 8 | 8 |
| 20 | Total Cash Inflows | 420 | 375 | 544 | 478 |
| | Total adjusted value | | | | |
| 21 | Total HQLA | | 4,674 | | 4,460 |
| 22 | Total net cash outflows | | 2,220 | | 2,043 |
| 23 | Liquidity Coverage Ratio (%) | | 211.0 | | 221.4 |

**Unweighted values are calculated as outstanding balances maturing or callable within 30 days (for inflows and outflows)

**Weighted values is calculated after the application of respective haircuts (for HQLA) or inflow and outflow rates (for inflows and outflows)