

Pillar 3 - Capital Adequacy & **Risk Disclosures**

As at 30 September 2025



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1. Notes to readers

Introduction

Rabobank Australia Limited (“the Bank”) 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.

The revised standard is first applicable for the Bank’s March 2025 Pillar 3 Report.

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 (such as universities and local councils).

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

24 November 2025

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

2.1. KM1 Key metrics

KM1: Key metrics (at consolidated group level)						
		a	b	c	d	e
		30 September 2025	30 June 2025	31 March 2025	31 December 2024	30 September 2024
	Available capital (amounts)					
1	Common Equity Tier 1 (CET1)	3,450	3,407	3,340	3,290	3,249
2	Tier 1	3,450	3,407	3,340	3,290	3,249
3	Total capital	3,484	3,450	3,382	3,329	3,290
	Risk-weighted assets (amounts)					
4	Total risk-weighted assets (RWA)	23,602	23,893	22,608	21,894	22,542
4a	Total risk-weighted assets (pre-floor)	23,602	23,893	22,608	21,894	22,542
	Risk-based capital ratios as a percentage of RWA					
5	CET1 ratio (%)	14.62%	14.26%	14.77%	15.03%	14.41%
5b	CET1 ratio (%) (pre-floor ratio)	14.62%	14.26%	14.77%	15.03%	14.41%
6	Tier 1 ratio (%)	14.62%	14.26%	14.77%	15.03%	14.41%
6b	Tier 1 ratio (%) (pre-floor ratio)	14.62%	14.26%	14.77%	15.03%	14.41%
7	Total capital ratio (%)	14.76%	14.44%	14.96%	15.20%	14.59%
7b	Total capital ratio (%) (pre-floor ratio)	14.76%	14.44%	14.96%	15.20%	14.59%
	Additional CET1 buffer requirements as a percentage of RWA					
8	Capital conservation buffer requirement (%)	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 (%) *	6.76%	6.44%	6.96%	7.20%	6.59%
	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)	3,624	3,293	2,836	2,281	2,175
16	Total net cash outflow	2,104	2,190	1,971	1,720	1,648
17	LCR ratio (%)	175.0%	151.1%	143.9%	132.7%	132.2%
	Net Stable Funding Ratio (NSFR)					
18	Total available stable funding	23,547	24,074	21,498	20,625	21,171
19	Total required stable funding	20,026	20,423	18,580	17,798	18,729
20	NSFR ratio	117.6%	117.9%	115.7%	115.9%	113.0%

* 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.

On 30 September 2025, the CET1 ratio amounted to 14.62% which is well above the minimum prudential capital requirement. This represents an increase of 0.36% from 14.26% in June 2025. The uplift was primarily driven by the decline in loan balance from June to September, reflecting seasonal drawdowns peaking in June followed by repayments in July and August, with a rebound in September.

The liquidity coverage ratio, and the net stable funding ratio are well above the minimum requirements. The Bank's average LCR rose to 175% for the quarter ended 30 September 2025, up from 151.1% in the previous quarter. The increase was mainly driven by higher holdings of liquid assets and a reduction in net cash outflows.

As at 30 September 2025, the Bank's NSFR declined slightly to 117.6%, compared to 117.9% as at 30 June 2025. The decrease was primarily driven by a reduction in Available Stable Funding (ASF), partially offset by a corresponding decline in Required Stable Funding (RSF). The decline in ASF was mainly driven by lower intragroup funding, partially offset by continued deposit growth from the Retail and Small and Medium Enterprise (SME) segments. Meanwhile, the reduction in RSF was largely driven by the decline in loan balances from June to September, from seasonal loan repayments in July and August, following the peak drawdown period of May and June.

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

OV1: Overview of RWA				
		a	b	c
		RWA		Minimum capital requirements ¹
		30 September 2025	30 June 2025	September 2025
1	Credit risk (excluding counterparty credit risk)	22,585	22,829	1,807
2	Of which: standardised approach (SA)	22,585	22,829	1,807
6	Counterparty credit risk (CCR)	93	108	7
7	Of which: standardised approach for counterparty credit risk	93	108	7
10	Credit valuation adjustment (CVA)	88	120	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	836	836	67
29	Total	23,602	23,893	1,888

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

Credit risk RWA decreased by AUD291mln due to seasonality. This was in line with the agribusiness production cycle.

3. Credit valuation adjustment risk

3.1. 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 Over the counter (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 AUD 7mln as at 30 September 2025.

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 increased to 175% for the quarter ended 30 September 2025, up from 151.1% in the previous quarter. This remains well above the regulatory minimum of 100%. The uplift in LCR was primarily driven by a higher level of liquid asset holdings and a reduction in average net cash outflows. 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, partially offset by a reduction 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 declined over the quarter, primarily due to reduced deposit outflows driven by a shift from call deposits to term deposits. In addition, average contingent funding obligations decreased, largely reflecting fewer business loan commitments during the period. Cash inflows from placements with other banks also declined, partially offsetting the overall reduction in NCOs. 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 Cooperatieve 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 manage interest rate risk residing in the Bank.

LIQ1: Liquidity Coverage Ratio (LCR)					
		30 September 2025		30 June 2025	
		Total unweighted value (average)*	Total weighted value (average)**	Total unweighted value (average)*	Total weighted value (average)**
	High-quality liquid assets				
1	Total HQLA		3,624		3,293
	Alternative liquid assets (ALA)		-		-
	Reserve bank of New Zealand (RBNZ) securities		-		-
	Cash outflows				
2	Retail deposits and deposits from small business customers, of which:	7,648	1,417	7,856	1,452
3	Stable deposits	2,180	109	2,229	111
4	Less stable deposits	5,468	1,308	5,627	1,341
5	Unsecured wholesale funding, of which:	1,283	738	1,331	758
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	-	-	-	-
7	Non-operational deposits (all counterparties)	1,283	738	1,331	758
8	Unsecured debt	-	-	-	-
9	Secured wholesale funding	-	-	-	-
10	Additional requirements, of which:	5,035	395	5,817	479
11	Outflows related to derivative exposures and other collateral requirements	4	4	4	4
12	Outflows related to loss of funding on debt products	-	-	-	-
13	Credit and liquidity facilities	2,865	250	3,227	282

LIQ1: Liquidity Coverage Ratio (LCR)					
		30 September 2025		30 June 2025	
		Total unweighted value (average)*	Total weighted value (average)**	Total unweighted value (average)*	Total weighted value (average)**
14	Other contractual funding obligations	-	-	-	-
15	Other contingent funding obligations	2,166	141	2,585	193
16	TOTAL CASH OUTFLOWS		2,550		2,689
Cash inflows					
17	Secured lending (eg reverse repos)	-	-	-	-
18	Inflows from fully performing exposures	558	429	639	480
19	Other cash inflows	17	17	18	18
20	TOTAL CASH INFLOWS	575	446	657	498
Total adjusted value					
21	Total HQLA		3,624		3,293
22	Total net cash outflows		2,104		2,190
23	Liquidity Coverage Ratio (%)		175.0		151.1

**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)