

# Basel II Pillar 3

June 2009

The following information is presented to meet the APRA Prudential Standard (APS330) under the Basel II Accord utilising the Standardised Approach to Capital Adequacy. This prudential standard fulfills the Pillar 3 requirements of Public Disclosure of Prudential Information to be published on a quarterly basis.

This following disclosures relate to ING Bank (Australia) Limited trading as ING Direct.

## CAPITAL ADEQUACY

amount in millions of dollars	Risk Weighted Assets
<b>Capital Requirements in Terms of Risk Weighted Assets</b>	
<b>Credit Risk</b>	<b>23,230.2</b>
Retail	
- Residential Mortgages	18,295.6
- Commercial Property	3,496.6
Wholesale	
- Financial Institutions	1,220.3
- Governments	0.0
Other	103.0
<b>Securitisation</b>	<b>114.7</b>
<b>Market Risk</b>	<b>0.0</b>
<b>Operational Risk</b>	<b>2,337.4</b>
	<b>Capital Ratios</b>
<b>Total Capital Ratio</b>	<b>12.4%</b>
<b>Tier 1 Capital Ratio</b>	<b>8.1%</b>

## CREDIT RISK

amount in millions of dollars	June 2009	2 <sup>nd</sup> Quarter Average
<b>Total Gross Credit Risk Exposure</b>	<b>52,475.0</b>	<b>52,420.9</b>
Loans	43,178.5	43,015.5
Bank Guarantee	37.7	38.6
Derivatives	483.6	587.5
Wholesale	8,672.1	8,675.6
Other	103.1	103.7
<b>Portfolio</b>	<b>52,475.0</b>	<b>52,420.9</b>
Residential Mortgage	39,719.6	39,498.8
Commercial	3,496.6	3,555.4
Wholesale	9,155.7	9,263.1
Other	103.1	103.7

<b>Impaired and Past Due Facilities</b>	
<b>Retail Mortgages</b>	
- Impaired Facilities	241.5
- Past Due Facilities	411.9
- Specific Provisions	13.4
- Write Offs during the Quarter	7.1
<b>Commercial Property</b>	
- Impaired Facilities	180.4
- Past Due Facilities	102.8
- Specific Provisions	27.3
- Write Offs during the Quarter	0.0
<b>Wholesale</b>	
- Impaired Facilities	0.0
- Past Due Facilities	0.0
- Specific Provisions	0.0
- Write Offs during the Quarter	0.0
<b>General Reserve for Credit Losses</b>	<b>102.0</b>

*In this document, references to 'dollar amounts', '\$', 'AUD' or 'A\$' are to Australian dollars. Any discrepancies between totals and sums of components in these tables are due to rounding.*