

# Basel II Pillar 3

December 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>22,926.8</b>
Retail	
- Residential Mortgages	18,531.0
- Commercial Property	3,091.8
Wholesale	
- Financial Institutions	1,104.1
- Governments	0.0
Other	100.9
Securitisation	99.1
<b>Market Risk</b>	<b>0.0</b>
<b>Operational Risk</b>	<b>2,441.3</b>
	<b>Capital Ratios</b>
<b>Total Capital Ratio</b>	<b>13.0%</b>
<b>Tier 1 Capital Ratio</b>	<b>8.6%</b>

## CREDIT RISK

amount in millions of dollars	December 2009	4 <sup>th</sup> Quarter Average
<b>Total Gross Credit Risk Exposure</b>	<b>52,104.2</b>	<b>52,251.3</b>
Loans	43,623.8	43,399.1
Bank Guarantee	30.0	29.8
Derivatives	329.4	347.2
Wholesale	8,009.3	8,364.1
Other	111.7	111.1
<b>Portfolio</b>	<b>52,104.2</b>	<b>52,251.3</b>
Residential Mortgage	40,562.0	40,296.4
Commercial	3,091.8	3,132.6
Wholesale	8,338.7	8,711.3
Other	111.7	111.1

<b>Impaired and Past Due Facilities</b>	
<b>Retail Mortgages</b>	
- Impaired Facilities	169.1
- Past Due Facilities	396.5
- Specific Provisions	12.3
- Charges for Specific Provisions and Write Offs during the Quarter	3.8
<b>Commercial Property</b>	
- Impaired Facilities	182.3
- Past Due Facilities	68.3
- Specific Provisions	41.2
- Charges for Specific Provisions and Write Offs during the Quarter	13.9
<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.*