

Basel II Pillar 3

December 2010

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
Capital Requirements in Terms of Risk Weighted Assets	
Credit Risk	22,523.0
Retail	
- Residential Mortgages	17,383.2
- Commercial Property	3,660.1
Wholesale	
- Financial Institutions	1,309.7
- Governments	0.0
Other	96.1
Securitisation	74.0
Market Risk	0.0
Operational Risk	2,528.8
	Capital Ratios
Total Capital Ratio	14.3%
Tier 1 Capital Ratio	9.9%

CREDIT RISK

amount in millions of dollars	December 2010	4 th Quarter Average
Total Gross Credit Risk Exposure	53,403.0	53,229.7
Loans	44,871.4	44,853.5
Bank Guarantee	31.0	32.0
Derivatives	337.9	362.0
Wholesale	8,039.5	7,867.1
Other	123.1	115.0
Portfolio	53,403.0	53,229.7
Residential Mortgage	41,242.4	41,250.3
Commercial	3,660.1	3,635.2
Wholesale	8,377.4	8,229.2
Other	123.1	115.0

Impaired and Past Due Facilities	
Retail Mortgages	
- Impaired Facilities	201.1
- Past Due Facilities	494.5
- Specific Provisions	13.7
- Charges for Specific Provisions and Write Offs during the Quarter	1.7
Commercial Property	
- Impaired Facilities	207.0
- Past Due Facilities	48.7
- Specific Provisions	49.0
- Charges for Specific Provisions and Write Offs during the Quarter	5.9
Wholesale	
- Impaired Facilities	0.0
- Past Due Facilities	0.0
- Specific Provisions	0.0
- Charges for Specific Provisions and Write Offs during the Quarter	0.0
General Reserve for Credit Losses	102.5

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.