

Basel II Pillar 3

June 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	23,622.1
Retail	
- Residential Mortgages	18,808.9
- Commercial Property	3,668.4
Wholesale	
- Financial Institutions	960.4
- Governments	0.0
Other	96.7
Securitisation	87.7
Market Risk	0.0
Operational Risk	2,528.3
	Capital Ratios
Total Capital Ratio	13.1%
Tier 1 Capital Ratio	8.9%

CREDIT RISK

amount in millions of dollars	June 2010	2 nd Quarter Average
Total Gross Credit Risk Exposure	51,449.6	52,340.9
Loans	44,659.3	44,470.0
Bank Guarantee	33.2	30.4
Derivatives	354.5	340.2
Wholesale	6,288.3	7,385.4
Other	114.2	114.9
Portfolio	51,449.6	52,340.9
Residential Mortgage	41,024.1	40,809.8
Commercial	3,668.4	3,690.7
Wholesale	6,642.8	7,725.6
Other	114.2	114.9

Impaired and Past Due Facilities	
Retail Mortgages	
- Impaired Facilities	198.0
- Past Due Facilities	529.6
- Specific Provisions	14.9
- Charges for Specific Provisions and Write Offs during the Quarter	2.1
Commercial Property	
- Impaired Facilities	222.5
- Past Due Facilities	41.5
- Specific Provisions	49.9
- Charges for Specific Provisions and Write Offs during the Quarter	0.0
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.