

# Basel II Pillar 3

June 2011

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

<b>Credit Risk</b>	<b>21,796.4</b>
Retail	
- Residential Mortgages	16,721.4
- Commercial Property	3,667.4
Wholesale	
- Financial Institutions	1,251.3
- Governments	0.0
Other	89.9
Securitisation	66.4
<b>Market Risk</b>	<b>0.0</b>
<b>Operational Risk</b>	<b>2,630.4</b>
	<b>Capital Ratios</b>
<b>Total Capital Ratio</b>	<b>15.25%</b>
<b>Tier 1 Capital Ratio</b>	<b>10.65%</b>

## CREDIT RISK

amount in millions of dollars

June 2011

2<sup>nd</sup> Quarter  
Average

<b>Total Gross Credit Risk Exposure</b>	<b>53,527.3</b>	<b>53,152.5</b>
Loans	45,547.4	45,582.2
Bank Guarantee	32.5	32.6
Derivatives	299.5	263.6
Wholesale	7,559.2	7,174.6
Other	88.8	99.5
<b>Portfolio</b>	<b>53,527.3</b>	<b>53,152.5</b>
Residential Mortgage	41,863.5	41,872.3
Commercial	3,716.4	3,742.5
Wholesale	7,858.7	7,438.3
Other	88.8	99.5

<b>Impaired and Past Due Facilities</b>	
<b>Retail Mortgages</b>	
- Impaired Facilities	287.3
- Past Due Facilities	640.7
- Specific Provisions	18.5
- Charges for Specific Provisions and Write Offs during the Quarter	3.5
<b>Commercial Property</b>	
- Impaired Facilities	223.9
- Past Due Facilities	29.6
- Specific Provisions	56.6
- Charges for Specific Provisions and Write Offs during the Quarter	10.9
<b>Wholesale</b>	
- 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
<b>General Reserve for Credit Losses</b>	<b>107.7</b>

*All amounts are in Australian dollars. Any discrepancies between totals and sums of components in these tables are due to rounding.*