

Basel III Pillar 3 Risk Disclosure

30 June 2015

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ING DIRECT (the trading name of ING Bank (Australia) Limited) is an Authorised Deposit-taking Institution subject to regulation by the Australian Prudential Regulation Authority (APRA) and is a part of the ING Group.

The following information is presented in accordance with the APRA Prudential Standard APS 330, 'Public Disclosure'. The bank utilises the Basel III Standardised Approach to Capital Adequacy.

All amounts are presented in Australian dollars and rounded to the nearest million.

Table 3 Capital Adequacy

Capital Adequacy Ratios	30 June 2015	31 March 2015
Common Equity Tier 1 Ratio	14.3%	13.8%
Tier 1 Capital Ratio	14.3%	13.8%
Total Capital Ratio	14.8%	14.3%

Risk Weighted Assets ¹	30 June 2015	31 March 2015
Residential Mortgages ²	16,252.2	16,530.6
Commercial Property	3,519.2	3,130.9
Corporate	1,302.6	1,402.8
Wholesale - Financial Institutions	534.4	799.0
Securitisation	4.6	6.0
Other	65.2	61.3
Total Credit Risk	21,678.2	21,930.6
Operational Risk	2,739.0	2,758.3
Total Risk Weighted Assets	24,417.2	24,688.9

¹ As IBAL does not have a trading book, Market Risk RWA is reported as nil the under standardised approach.

² During the quarter IBAL sold \$1.2b of its residential mortgage portfolio, with a total RWA impact of \$0.5b.

Table 4 Credit Risk

Credit Risk Exposure ³ by portfolio	On balance sheet	Non-market related off-balance sheet	Market related off-balance sheet	Total 30 June 2015	Total 31 March 2015	Quarter Average
Residential Mortgages	36,052.6	5,140.3	-	41,192.9	41,634.4	41,276.4
Commercial Property	3,176.3	395.7	-	3,572.0	3,190.3	3,427.7
Corporate	1,068.2	234.4	-	1,302.6	1,402.7	1,321.5
Wholesale	5,646.6	-	173.7	5,820.3	7,801.1	6,893.4
Other	456.3	-	-	456.3	377.0	406.7
Total	46,400.0	5,770.4	173.7	52,344.1	54,405.5	53,325.7

Impaired and Past Due Facilities by portfolio	As at 30 June 2015			3 months ended 30 June 2015		3 months ended 31 March 2015	
	Pastdue facilities	Impaired facilities	Specific provisions	Specific Provisions Movement	Write offs	Specific Provisions Movement	Write offs
Residential Mortgages	217.2	105.2	8.1	-	0.8	2.4	0.2
Commercial Property	6.1	40.9	17.4	(4.8)	2.5	(8.1)	6.3
Corporate	-	-	-	-	-	-	-
Wholesale	-	-	-	-	-	-	-
Total	223.3	146.1	25.5	(4.8)	3.3	(5.7)	6.5

General Reserve for Credit Losses	30 June 2015	31 March 2015
Collective provision	3.5	4.1
Additional GRCL Requirement		
Opening Quarter Balance	130.1	129.8
Transfer from /(to) retained earnings	0.6	0.3
Total	130.7	130.1
Total GRCL (after tax basis)	134.2	134.2

³ This table does not include investments in Residential Mortgage Backed Securities ("RMBS") or any other securitisation type products. Balances noted on balance sheet are net of suspended interest, but not capitalised commitment fees.

Table 5 Securitisation

Summary of Securitisation Activity ⁴ by exposure type	As at 30 June 2015		As at 31 March 2015	
	Securitisation Activity	Gain or Loss on Sale	Securitisation Activity	Gain or Loss on Sale
Residential Mortgages	-	-	-	-
Other	-	-	-	-

As at 30 June 2015

Securitisation Exposures	Derivatives	Liquidity facilities	Holdings of securities	Other
On-balance sheet securitisation exposures retained or purchased	33.2	-	7,128.9	47.9
Off-balance sheet securitisation exposures	11.3	218.5	-	-

As at 31 March 2015

Securitisation Exposures	Derivatives	Liquidity facilities	Holdings of securities	Other
On-balance sheet securitisation exposures retained or purchased	44.4	-	7,821.9	52.2
Off-balance sheet securitisation exposures	12.2	239.7	-	-

⁴ All securitised loans remain on the balance sheet of ING Direct.