

# Basel II Pillar 3

March 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
<b>Capital Requirements in Terms of Risk Weighted Assets</b>	
<b>Credit Risk</b>	<b>23,803.1</b>
Retail	
- Residential Mortgages	18,698.7
- Commercial Property	3,696.5
Wholesale	
- Financial Institutions	1,209.9
- Governments	0.0
Other	104.3
Securitisation	93.8
<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>12.9%</b>
<b>Tier 1 Capital Ratio</b>	<b>8.6%</b>

## CREDIT RISK

amount in millions of dollars	March 2010	1 <sup>st</sup> Quarter Average
<b>Total Gross Credit Risk Exposure</b>	<b>52,882.1</b>	<b>51,394.6</b>
Loans	44,289.0	43,986.3
Bank Guarantee	28.2	29.2
Derivatives	285.1	324.2
Wholesale	8,139.5	6,938.8
Other	140.3	116.2
<b>Portfolio</b>	<b>52,882.1</b>	<b>51,394.6</b>
Residential Mortgage	40,620.7	40,527.5
Commercial	3,696.5	3,487.9
Wholesale	8,424.7	7,262.9
Other	140.3	116.2

<b>Impaired and Past Due Facilities</b>	
<b>Retail Mortgages</b>	
- Impaired Facilities	187.5
- Past Due Facilities	473.1
- Specific Provisions	14.1
- Charges for Specific Provisions and Write Offs during the Quarter	3.7
<b>Commercial Property</b>	
- Impaired Facilities	231.8
- Past Due Facilities	6.8
- Specific Provisions	49.9
- Charges for Specific Provisions and Write Offs during the Quarter	8.5
<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>102.0</b>

*The reporting basis for PCM (small commercial) facilities has changed since December 2009. These facilities were previously reported under Retail Mortgages and are now reported as commercial property.*

*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.*