

Basel II Pillar 3

March 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

Credit Risk	21,446.9
Retail	
- Residential Mortgages	16,554.7
- Commercial Property	3,748.1
Wholesale	
- Financial Institutions	978.2
- Governments	0.0
Other	95.8
Securitisation	70.1
Market Risk	0.0
Operational Risk	2,528.8
	Capital Ratios
Total Capital Ratio	15.1%
Tier 1 Capital Ratio	10.4%

CREDIT RISK

amount in millions of dollars

March 2011

1st Quarter
Average

Total Gross Credit Risk Exposure	52,599.3	53,022.7
Loans	45,367.1	45,182.4
Bank Guarantee	32.4	31.5
Derivatives	264.6	290.9
Wholesale	6,804.8	7,411.5
Other	130.4	106.3
Portfolio	52,599.3	53,022.7
Residential Mortgage	41,603.3	41,448.2
Commercial	3,796.2	3,765.6
Wholesale	7,069.4	7,702.5
Other	130.4	106.3

Impaired and Past Due Facilities	
Retail Mortgages	
- Impaired Facilities	262.5
- Past Due Facilities	617.2
- Specific Provisions	16.5
- Charges for Specific Provisions and Write Offs during the Quarter	3.3
Commercial Property	
- Impaired Facilities	207.7
- Past Due Facilities	51.8
- Specific Provisions	49.0
- 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	102.7

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