

## Basel II Pillar 3

March 2012

The following information is presented to meet the APRA Prudential Standard (APS 330) under Basel II Accord utilising the Standardised Approach to Capital Adequacy. This prudential standard fulfils the Pillar 3 requirements of Public Disclosure of Prudential Information to be published on a quarterly basis.

This following disclosure 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>21,679.6</b>
Residential mortgages	17,068.7
Commercial Property	3,500.7
Wholesale	
- Financial Institutions	973.0
- Governments	0.0
Other	89.4
Securitisation	47.8
<b>Market Risk</b>	<b>0.0</b>
<b>Operational Risk</b>	<b>2,618.3</b>
	<b>Capital Ratios</b>
<b>Total Capital Ratio</b>	<b>16.1%</b>
<b>Tier 1 Capital Ratio</b>	<b>11.5%</b>

### CREDIT RISK

amount in millions of dollars	March 2012	1st Quarter Average
<b>Total Gross Credit Risk Exposure</b>	<b>53,721.1</b>	<b>53,237.7</b>
Loans	46,123.4	45,965.5
Bank Guarantees	27.8	27.5
Derivatives	313.3	380.5
Wholesale	7,169.1	6,764.4
Other	87.5	99.8
<b>Portfolio</b>	<b>53,721.1</b>	<b>53,237.7</b>
Residential Mortgage	42,598.4	42,438.9
Commercial	3,552.9	3,554.1
Wholesale	7,482.3	7,144.9
Other	87.5	99.8

<b>Impaired and Past Due Facilities</b>	
<b>Retail Mortgages</b>	
- Impaired Facilities	215.9
- Past Due Facilities	472.0
- Specific Provisions	16.7
- Charges for Specific Provisions and Write Offs during the Quarter	2.3
<b>Commercial Property</b>	
- Impaired Facilities	235.9
- Past Due Facilities	43.9
- Specific Provisions	56.7
- Charges for Specific Provisions and Write Offs during the Quarter	0.1
<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>107.5</b>

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