

Basel III Pillar 3 Risk Disclosure

As at 31 March 2014

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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.

Capital Adequacy Ratios

Ratio	As at 31 March 2014	As at 31 December 2013
Common Equity Tier 1 Ratio	13.7%	13.2%
Tier 1 Capital Ratio	13.7%	13.2%
Total Capital Ratio	14.2%	13.7%

Risk Weighted Assets¹

Subject to Standardised Approach	As at 31 March 2014	As at 31 December 2013
Residential Mortgages	17,321.5	17,247.4
Commercial Property	3,212.2	3,298.1
Corporate	677.8	552.0
Wholesale - Financial Institutions	829.6	1,127.9
Securitisation	13.1	16.8
Other	71.8	45.9
Total Credit Risk	22,126.0	22,288.1
Operational Risk	2,699.3	2,699.3
Total Risk Weighted Assets	24,825.3	24,987.4

Credit Risk Exposure²

Portfolio Type	On balance sheet	Non-market related off-balance sheet	Market related off-balance sheet	Total as at 31 March 2014	Total as at 31 December 2013	1st Quarter Average
Residential Mortgages	37,855.6	5,330.3	0.0	43,185.9	42,873.9	42,980.6
Commercial Property	2,830.9	439.0	0.0	3,269.9	3,356.0	3,227.4
Corporate	522.5	155.3	0.0	677.8	552.0	679.8
Wholesale	7,553.0	54.3	108.4	7,715.8	8,358.8	8,551.9
Other	382.3	0.0	0.0	382.3	382.4	448.6
Total	49,144.3	5,978.9	108.4	55,231.7	55,523.1	55,888.3

¹ IBAL does not have a trading book and therefore Market Risk RWA under standardised approach is \$0.

² This table does not include investments in Residential Mortgage Backed Securities ("RMBS") or any other securitisation type products. Balances noted are net of suspended interest.

General Reserve for Credit Losses

	As at 31 March 2014	As at 31 December 2013
Collective provision (after tax basis)	4.5	6.6
Additional GRCL Requirement		
Opening Quarter Balance	127.6	126.9
Transfer from retained earnings	2.1	0.7
Total	129.7	127.6
Total GRCL (after tax basis)	134.2	134.2

Impaired and Past Due Facilities

Portfolio Type	As at 31 March 2014			3 months ended 31 March 2014		3 months ended 31 December 2013	
	Past due facilities	Impaired facilities	Specific provisions	Specific Provisions Movement	Write offs	Specific Provisions Movement	Write offs
Residential Mortgages	201.7	96.9	7.4	(0.9)	0.9	0.6	1.4
Commercial Property	0.6	115.8	27.8	4.0	0.0	(51.2)	55.6
Corporate	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Wholesale	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	202.3	212.7	35.2	3.1	0.9	(50.6)	57.0

Securitisation³

Securitisation Type	As at 31 March 2014			
	Residential Mortgages	Commercial Loans	Other	Gains/(losses) recognised
Current Quarter Securitisation	0.0	0.0	0.0	0.0
Total Internally Securitised Assets	7,406.8	0.0	0.0	0.0
Total External Issuance of Securitised Assets ⁴	3,779.2	0.0	0.0	0.0
On-balance Securitisation Investments ⁵	60.6	0.0	0.0	0.0

³ All securitised loans remain on the balance sheet of ING Direct.

⁴ This item includes Liquidity Facilities provided to the ING Direct Originated Loan Trust Series ("IDOL Series") for the amount of AUD 54.3m as well as derivative instruments with a market value of AUD 20.3m in the IDOL Series.

⁵ As at 31 March 2014, Standard & Poor's (S&P) rating on the ING Direct's RMBS investment portfolio is AAA.