

Basel III Pillar 3 Risk Disclosure

As at 31 March 2015

Table of Contents

Capital Adequacy Ratios	3
Risk Weighted Assets	3
Credit Risk Exposure	3
General Reserve for Credit Losses	4
Impaired and Past Due Facilities	4
Securitisation	4

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 2015	As at 31 December 2014
Common Equity Tier 1 Ratio	13.8%	13.5%
Tier 1 Capital Ratio	13.8%	13.5%
Total Capital Ratio	14.3%	14.0%

Risk Weighted Assets¹

Subject to Standardised Approach	As at 31 March 2015	As at 31 December 2014
Residential Mortgages ²	16,530.6	17,017.4
Commercial Property	3,130.9	3,081.6
Corporate	1,402.8	1,313.4
Wholesale - Financial Institutions	799.0	508.0
Securitisation	6.0	5.8
Other	61.3	70.7
Total Credit Risk	21,930.6	21,996.9
Operational Risk	2,758.3	2,758.3
Total Risk Weighted Assets	24,688.9	24,755.2

Credit Risk Exposure³

Portfolio Type	On balance sheet	Non-market related off-balance sheet	Market related off-balance sheet	Total as at 31 March 2015	Total as at 31 December 2014	Quarter Average
Residential Mortgages ²	36,717.6	4,916.8	0.0	41,634.4	42,772.6	42,456.0
Commercial Property	2,855.0	335.3	0.0	3,190.3	3,142.0	3,352.1
Corporate	1,102.6	300.1	0.0	1,402.7	1,313.4	1,199.7
Wholesale	7,685.4	0.0	115.7	7,801.1	7,651.7	7,645.2
Other	377.0	0.0	0.0	377.0	479.0	378.1
Total	48,737.6	5,552.2	115.7	54,405.5	55,358.7	55,031.1

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

² On 12th March 2015, IBAL sold a \$1.2b portfolio of residential mortgages. Total RWA of the sold portfolio was \$ 0.5b.

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.

General Reserve for Credit Losses

	As at 31 March 2015	As at 31 December 2014
Collective provision	4.1	4.4
Additional GRCL Requirement		
Opening Quarter Balance	129.8	129.9
Transfer from /(to) retained earnings	0.3	(0.1)
Total	130.1	129.8
Total GRCL (after tax basis)	134.2	134.2

Impaired and Past Due Facilities

Portfolio Type	As at 31 March 2015			3 months ended 31 March 2015		3 months ended 31 December 2014	
	Past due facilities	Impaired facilities	Specific provisions	Specific Provisions Movement	Write offs	Specific Provisions Movement	Write offs
Residential Mortgages	219.1	103.1	8.0	2.4	0.2	1.4	1.2
Commercial Property	1.3	49.1	22.3	(8.1)	6.3	1.5	0.0
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	220.4	152.2	30.3	(5.7)	6.5	2.9	1.2

Securitisation⁴

Securitisation Type	As at 31 March 2015			
	Residential Mortgages	Commercial Loans	Other	Gains/(losses) recognised
Current Quarter Securitisation	0.0	0.0	0.0	0.0
Total Internally Securitised Assets	7,211.2	0.0	0.0	0.0
Total External Issuance of Securitised Assets	3,596.6	0.0	0.0	0.0
On-balance Securitisation Investments ⁵	26.7	0.0	0.0	0.0

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

⁵As at 31 March 2015, Standard & Poor's (S&P) rating on the ING Direct's RMBS investment portfolio is AAA.