

# Basel II Pillar 3

September 2008

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>21,074.9</b>
Retail	
- Residential Mortgages	15,951.6
- Commercial Property	3,726.7
Wholesale	
- Financial Institutions	1,307.0
- Governments	0.0
Other	89.6
<b>Securitisation</b>	<b>156.7</b>
<b>Market Risk</b>	<b>0</b>
<b>Operational Risk</b>	<b>2,013.0</b>
	<b>Capital Ratios</b>
<b>Total Capital Ratio</b>	<b>11.7%</b>
<b>Tier 1 Capital Ratio</b>	<b>8.6%</b>

## CREDIT RISK

amount in millions of dollars	September 2008	3 <sup>rd</sup> Quarter Average
<b>Total Gross Credit Risk Exposure</b>	<b>48,615.7</b>	<b>48,836.3</b>
Loans	41,857.7	41,593.6
Bank Guarantee	48.5	42.8
Derivatives	309.2	294.2
Wholesale	6,300.7	6,780.4
Other	99.5	125.2
<b>Portfolio</b>	<b>48,615.7</b>	<b>48,836.3</b>
Residential Mortgage	38,179.6	37,885.6
Commercial	3,726.7	3,750.9
Wholesale	6,610.0	7,074.6
Other	99.5	125.2

<b>Impaired and Past Due Facilities</b>	
<b>Retail Mortgages</b>	
- Impaired Facilities	181.7
- Past Due Facilities	368.3
- Specific Provisions	8.3
- Write Offs during the Quarter	0.5
<b>Commercial Property</b>	
- Impaired Facilities	10.1
- Past Due Facilities	42.5
- Specific Provisions	0.0
- Write Offs during the Quarter	0.0
<b>Wholesale</b>	
- Impaired Facilities	0.0
- Past Due Facilities	0.0
- Specific Provisions	0.0
- Write Offs during the Quarter	0.0
<b>General Reserve for Credit Losses</b>	<b>13.4</b>

*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.*