

# Basel II Pillar 3

## September 2010

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>23,557.2</b>
Retail	
- Residential Mortgages	18,835.1
- Commercial Property	3,595.6
Wholesale	
- Financial Institutions	953.9
- Governments	0.0
Other	94.0
Securitisation	78.6
<b>Market Risk</b>	<b>0.0</b>
<b>Operational Risk</b>	<b>2,528.3</b>
	<b>Capital Ratios</b>
<b>Total Capital Ratio</b>	<b>13.5%</b>
<b>Tier 1 Capital Ratio</b>	<b>9.2%</b>

### CREDIT RISK

amount in millions of dollars	September 2010	3 <sup>rd</sup> Quarter Average
<b>Total Gross Credit Risk Exposure</b>	<b>51,566.9</b>	<b>51,390.7</b>
Loans	44,810.4	44,852.3
Bank Guarantee	32.6	32.9
Derivatives	364.9	388.4
Wholesale	6,261.0	5,994.4
Other	98.0	122.7
<b>Portfolio</b>	<b>51,566.9</b>	<b>51,390.7</b>
Residential Mortgage	41,247.4	41,268.3
Commercial	3,595.6	3,616.9
Wholesale	6,625.9	6,382.8
Other	98.0	122.7

<b>Impaired and Past Due Facilities</b>	
<b>Retail Mortgages</b>	
- Impaired Facilities	196.5
- Past Due Facilities	539.4
- Specific Provisions	16.1
- Charges for Specific Provisions and Write Offs during the Quarter	2.6
<b>Commercial Property</b>	
- Impaired Facilities	213.8
- Past Due Facilities	48.7
- Specific Provisions	51.4
- Charges for Specific Provisions and Write Offs during the Quarter	1.5
<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>102.5</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.*