

# Basel II Pillar 3

## September 2011

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>21,868.5</b>
Retail	
- Residential Mortgages	16,846.2
- Commercial Property	3,656.4
Wholesale	
- Financial Institutions	1,202.4
- Governments	0.0
Other	98.5
Securitisation	65.1
<b>Market Risk</b>	<b>0.0</b>
<b>Operational Risk</b>	<b>2,627.2</b>
	<b>Capital Ratios</b>
<b>Total Capital Ratio</b>	<b>15.45%</b>
<b>Tier 1 Capital Ratio</b>	<b>10.90%</b>

### CREDIT RISK

amount in millions of dollars	September 2011	3 <sup>rd</sup> Quarter Average
<b>Total Gross Credit Risk Exposure</b>	<b>53,947.9</b>	<b>53,963.2</b>
Loans	45,802.8	45,712.4
Bank Guarantee	32.4	32.6
Derivatives	420.9	393.5
Wholesale	7,540.6	7,691.9
Other	151.2	132.8
<b>Portfolio</b>	<b>53,947.9</b>	<b>53,963.2</b>
Residential Mortgage	42,124.7	42,063.4
Commercial	3,710.6	3,681.5
Wholesale	7,961.5	8,085.4
Other	151.2	132.8

<b>Impaired and Past Due Facilities</b>	
<b>Retail Mortgages</b>	
- Impaired Facilities	258.7
- Past Due Facilities	551.2
- Specific Provisions	16.8
- Charges for Specific Provisions and Write Offs during the Quarter	-0.2
<b>Commercial Property</b>	
- Impaired Facilities	228.5
- Past Due Facilities	39.1
- Specific Provisions	56.6
- Charges for Specific Provisions and Write Offs during the Quarter	-0.92
<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.*