

Basel III Pillar 3

Risk Disclosure

As at 30 September 2013

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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 30 September 2013	As at 30 June 2013
Common Equity Tier 1 Ratio	12.7%	12.6%
Tier 1 Capital Ratio	12.7%	12.6%
Total Capital Ratio	13.2%	13.2%

Risk Weighted Assets¹

Credit Risk subject to standardised approach	As at 30 September 2013	As at 30 June 2013
Residential Mortgages	17,045.6	16,790.8
Commercial Property	4,047.3	3,829.3
Wholesale - Financial Institutions	1,179.7	1,326.7
Securitisation	18.1	23.8
Other	95.0	83.4
Total Credit Risk	22,385.7	22,054.0
Operational Risk	2,671.3	2,671.3
Total RWA	25,057.0	24,725.3

Credit Risk Exposure²

Portfolio Type	On balance sheet	Non-market related off-balance sheet	Market related off-balance sheet	Total as at 30 September 2013	Total as at 30 June 2013	3rd Quarter Average
Residential Mortgages	37,096.2	5,232.8	0.0	42,329.0	41,595.0	42,127.4
Commercial Property	3,614.7	487.7	0.0	4,102.4	3,884.5	4,032.9
Wholesale ³	8,933.7	31.6	161.9	9,127.2	9,548.3	9,073.5
Other	130.0	0.0	0.0	130.0	88.9	100.3
Total	49,774.6	5,752.1	161.9	55,688.6	55,116.7	55,334.1

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 the RMBS or CMBS or any other securitisation type products. Balances noted on balance sheet do not include fees and default interest.

³ Wholesale market related off-balance sheet exposure is net of credit risk mitigation in the form of financial collateral.

General Reserve for Credit Losses

	As at 30 September 2013	As at 30 June 2013
Collective provision (after tax basis)	7.3	8.9
Additional GRCL Requirement		
Opening Quarter Balance	125.3	134.4
Transfer from / (to) retained earnings	1.6	(9.1)
Total	126.9	125.3
Total GRCL (after tax basis)	134.2	134.2

Impaired and Past Due Facilities

Portfolio Type	As at 30 September 2013			3 months ended 30 September 2013		3 months ended 30 June 2013	
	Past due facilities	Impaired facilities	Specific provisions	Specific Provisions Movement	Write offs	Specific Provisions Movement	Write offs
Residential Mortgages	221.6	117.2	7.7	(1.8)	1.8	1.6	1.4
Commercial Property	1.8	335.2	75.0	1.6	0.0	2.6	0.0
Wholesale	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total	223.4	452.4	82.7	(0.2)	1.8	4.2	1.4

Securitisation⁴

Securitisation Type	Residential Mortgages	Commercial Loans	Other	Gains/(losses) recognised
Current Quarter Securitisation	953.7	0.0	0.0	0.0
Total Internally Securitised Assets	7,395.1	0.0	0.0	0.0
Total External Issuance of Securitised Assets ⁵	4,347.4	0.0	0.0	0.0
On-balance Securitisation Investments ⁶	84.4	0.0	0.0	0.0

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

⁵ This item includes Liquidity Facilities provided to the ING Direct Originated Loan Trust Series ("IDOL Series") for the amount of AUD 63m as well as derivative instruments with a market value of AUD (10.6m) in the IDOL Series.

⁶ As at 30 September 2013 S&P rating on the ING Direct's RMBS investment portfolio is AAA.