

Basel III Pillar 3 Risk Disclosure

30 SEPTEMBER 2015

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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.

Table 3 Capital Adequacy

Capital Adequacy Ratios	30 Sep 2015	30 June 2015
Common Equity Tier 1 Ratio	14.0%	14.3%
Tier 1 Capital Ratio	14.0%	14.3%
Total Capital Ratio	14.5%	14.8%

Risk Weighted Assets ¹	30 Sep 2015	30 June 2015
Residential Mortgages	16,398.7	16,252.2
Commercial Property	3,642.3	3,519.2
Corporate	1,776.2	1,302.6
Wholesale - Financial Institutions	602.8	534.4
Securitisation	1.3	4.6
Other	84.9	65.2
Total Credit Risk	22,506.2	21,678.2
Operational Risk	2,739.0	2,739.0
Total Risk Weighted Assets	25,245.2	24,417.2

¹ As IBAL does not have a trading book, Market Risk RWA is reported as nil the under standardised approach.

Table 4 Credit Risk

Credit Risk Exposure ² by portfolio	On balance sheet	Non-market related off- balance sheet	Market related off- balance sheet	Total 30 Sep 2015	Total 30 June 2015	Quarter Average
Residential Mortgages	37,157.5	5,333.7	0.0	42,491.2	41,192.9	42,164.9
Commercial Property	3,167.3	528.5	0.0	3,695.8	3,572.0	3,680.6
Corporate	1,467.2	309.0	0.0	1,776.2	1,302.6	1,565.5
Wholesale	6,860.7	0.0	167.0	7,027.7	5,820.3	6,673.3
Other	436.1	0.0	0.0	436.1	456.3	408.5
Total	49,088.8	6,171.2	167.0	55,427.0	52,344.1	54,492.8

Impaired and Past Due Facilities by portfolio	As at 30 Sep 2015			3 months ended 30 Sep 2015		3 months ended 30 June 2015	
	Pastdue facilities	Impaired facilities	Specific provisions	Specific Provisions Movement	Write offs	Specific Provisions Movement	Write offs
Residential Mortgages	178.0	98.7	7.5	(0.6)	1.3	-	0.8
Commercial Property	6.5	24.2	17.5	0.1	0.1	(4.8)	2.5
Corporate	0.0	0.0	0.0	0.0	0.0	-	-
Wholesale	0.0	0.0	0.0	0.0	0.0	-	-
Total	184.5	122.9	25.0	(0.5)	1.4	(4.8)	3.3

General Reserve for Credit Losses	30 Sep 2015	30 June 2015
Collective provision	3.6	3.5
Additional GRCL Requirement		
Opening Quarter Balance	130.7	130.1
Transfer from /(to) retained earnings	(0.1)	0.6
Total	130.6	130.7
Total GRCL (after tax basis)	134.2	134.2

² This table does not include investments in Residential Mortgage Backed Securities ("RMBS") or any other securitisation type products.

Table 5 Securitisation

Summary of Securitisation Activity ³ by exposure type	As at 30 Sep 2015		As at 30 June 2015	
	Securitisation Activity	Gain or Loss on Sale	Securitisation Activity	Gain or Loss on Sale
Residential Mortgages	-	-	-	-
Other	-	-	-	-

As at 30 Sep 2015

Securitisation Exposures	Derivatives	Liquidity facilities	Holdings of securities	Other
On-balance sheet securitisation exposures retained or purchased	32.6	-	6,648.9	43.9
Off-balance sheet securitisation exposures	10.4	203.2	-	-

As at 30 June 2015

Securitisation Exposures	Derivatives	Liquidity facilities	Holdings of securities	Other
On-balance sheet securitisation exposures retained or purchased	33.2	-	7,128.9	47.9
Off-balance sheet securitisation exposures	11.3	218.5	-	-

³ All securitised loans remain on the balance sheet of ING Direct.