

ING Financial Markets LLC
(A Wholly Owned Subsidiary of ING Financial Holdings Corporation)

Statement of Cash Flows

Year Ended December 31, 2016
(In Thousands)

Cash flows from operating activities

Net income	\$ 56,163
Adjustments to reconcile net income to net cash provided by operating activities:	
Decrease (increase) in operating assets:	
Securities segregated under Federal and other regulations	150,127
Receivable from affiliates	762
Receivable from customers	(75,799)
Receivable from brokers, dealers, and clearing organizations	(28,032)
Securities borrowed	4,762,343
Securities purchased under agreements to resell at fair value	447,504
Financial instruments owned, at fair value	401,524
Financial instruments owned, not readily marketable, at fair value	(124)
Other assets	185
(Decrease) increase in operating liabilities:	
Payable to customers	(1,597,767)
Payable to brokers, dealers, and clearing organizations	172,520
Securities loaned	(1,874,133)
Securities sold under agreements to repurchase at fair value	(1,145,694)
Financial instruments sold, not yet purchased, at fair value	(827,883)
Accounts payable, accrued expenses, and other liabilities	5,099
Net cash provided by operating activities	<u>446,795</u>

Cash flows from financing activities

Proceeds of short-term loan from affiliate	10,227,000
Payments of short-term loans from affiliate	<u>(10,718,000)</u>
Net cash used by financing activities	<u>(491,000)</u>

Net decrease in cash	(44,205)
Cash at beginning of period	<u>76,790</u>
Cash at end of period	<u>\$ 32,585</u>

Supplemental disclosures of cash flow information

Cash paid during the year for:	
Interest	\$ 279,716
Income taxes paid to Parent	\$ 29,117

Supplemental disclosure of non-cash operating activities

Change in securities received as collateral and obligation to return securities received as collateral	\$ (266,019)
--	--------------

See accompanying notes to financial statements.