

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

Statement of Cash Flows

Year Ended December 31, 2017  
(In Thousands)

**Cash flows from operating activities**

Net income	\$ 52,574
Adjustments to reconcile net income to net cash used in operating activities:	
Decrease (increase) in operating assets:	
Securities segregated under Federal and other regulations	27,744
Receivable from affiliates	(2,129)
Receivable from customers	72,934
Receivable from brokers, dealers, and clearing organizations	250,012
Securities borrowed	(105,991)
Securities purchased under agreements to resell at fair value	(6,890,493)
Financial instruments owned, at fair value	291,691
Financial instruments owned, not readily marketable, at fair value	(188)
Other assets	(3,154)
(Decrease) increase in operating liabilities:	
Payable to customers	(670,158)
Payable to brokers, dealers, and clearing organizations	(172,506)
Securities loaned	(2,339,389)
Securities sold under agreements to repurchase at fair value	9,689,238
Financial instruments sold, not yet purchased, at fair value	(312,699)
Accounts payable, accrued expenses, and other liabilities	6,894
Net cash used in operating activities	<u>(105,620)</u>

**Cash flows from financing activities**

Proceeds from short-term loans from affiliate	<u>501,005</u>
Net cash provided by financing activities	<u>501,005</u>
Net decrease in cash	395,385
Cash at beginning of period	32,585
Cash at end of period	<u>\$ 427,970</u>

**Supplemental disclosures of cash flow information**

Cash paid during the year for:	
Interest	\$ 593,589
Income taxes paid to Parent	\$ 24,215

**Supplemental disclosure of non-cash operating activities**

Change in securities received as collateral and obligation to return securities received as collateral	\$ 140,411
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*See accompanying notes to financial statements.*