



ING Bank N.V., Hong Kong Branch

(Incorporated in the Netherlands with limited liability)

Annual Financial Disclosure Statement

31 December 2023



ING Bank N.V., Hong Kong Branch

Basis of Preparation

The Annual Financial Disclosure Statement for the year ended 31 December 2023 (the “Disclosure Statement”) has been prepared in accordance with the relevant requirements of the Banking (Disclosure) Rules and the disclosure standards as stated in the Hong Kong Monetary Authority’s Supervisory Policy Manual on “Guideline on the application of the Banking (Disclosure) Rules”.

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Income Statement (unaudited)

Figures in HKD million	Year ended 31 December 2023	Year ended 31 December 2022
Interest income	3,278	1,221
Interest expense	(2,821)	(796)
Net interest income	457	425
Other operating income		
Gains less losses arising from trading in foreign currencies	147	59
Gains less losses on securities held for trading purposes	-	-
Net fees and commission income	203	129
Others	48	54
Total operating income	855	667
Operating expenses		
Staff expenses	(180)	(199)
Rental expenses	(26)	(30)
Other operating expenses	(245)	(231)
Total operating expenses	(451)	(460)
Net income before impairment allowances	404	207
Net charge of impairment allowances on advances and other accounts	(553)	(466)
Loss before taxation	(149)	(259)
Taxation	18	43
Loss after taxation	(131)	(216)

Balance Sheet (unaudited)

Figures in HKD million	At 31 December 2023	At 30 June 2023
Assets		
Cash and balances with banks	245	155
Balances with central bank	402	72
Placements with banks and other financial institutions maturing between one and twelve months	-	-
Amount due from overseas offices	38,010	32,553
Trade bills	2,850	4,697
Impairment allowances	-	(1)
Investment securities	801	886
Loans and receivables		
Advances to customers	34,086	29,620
Advances to banks and other financial institutions	-	-
Impairment allowances	(1,131)	(847)
Accrued interest and other accounts	699	404
Impairment allowances	(94)	(26)
Fixed assets	71	80
Total assets	75,939	67,593
Liabilities		
Deposits and balances of central banks, banks and other financial institutions	10,868	11,085
Deposits from customers		
Demand deposits and current accounts	1,148	-
Savings deposits	-	821
Time, call and notice deposits	13,866	4,494
Amount due to overseas offices	48,423	49,911
Certificates of deposit issued	-	-
Other liabilities	1,634	1,282
Total liabilities	75,939	67,593

Supplementary Financial Information (unaudited)

1. Net Fees and Commission Income

Figures in HKD million	Year ended 31 December 2023	Year ended 31 December 2022
Fees and commission income	207	136
Fees and commission expenses	<u>(4)</u>	<u>(7)</u>
	<u>203</u>	<u>129</u>

Supplementary Financial Information (unaudited)
2. Analysis of Gross Advances to Customers by Industry Sectors and Advances Usage

Figures in HKD million	At 31 December 2023		At 30 June 2023	
	Gross Advances	Balance covered by collateral and other security	Gross Advances	Balance covered by collateral and other security
Advances for use in Hong Kong				
<i>Industrial, commercial and financial sectors</i>				
- Manufacturing	187	87	398	87
- Property development	-	-	1,600	-
- Property investment	1,170	-	1,170	-
- Wholesale and retail trade	-	-	500	-
- Transport and transport equipment	2,700	-	2,142	-
- Financial concerns	9,689	706	3,846	763
- Electricity and gas	1,420	-	2,130	-
- Information technology	-	-	47	-
- Others	-	-	-	-
	<u>15,166</u>	<u>793</u>	<u>11,833</u>	<u>850</u>
<i>Individuals</i>				
- For the purchase of other residential properties	-	-	-	-
- Others	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total advances for use in Hong Kong	<u>15,166</u>	<u>793</u>	<u>11,833</u>	<u>850</u>
Trade finance	5,535	2,800	4,541	2,334
Advances for use outside Hong Kong	<u>13,385</u>	<u>3,718</u>	<u>13,246</u>	<u>4,081</u>
Gross advances to customers	<u>34,086</u>	<u>7,311</u>	<u>29,620</u>	<u>7,265</u>

Supplementary Financial Information (unaudited)
3. Analysis of Gross Advances to Customers by Geographical Areas

Figures in HKD million	At 31 December 2023	At 30 June 2023
Asia Pacific	31,569	27,272
<i>Of which: Hong Kong</i>	27,285	24,109
<i>Of which: Mainland China</i>	1,519	1,744
Europe	2,517	2,348
	<u>34,086</u>	<u>29,620</u>

The above analysis by geographical area is based on the location of the counterparty after taking into account the transfer of risk. In general, transfer of risk applies when an advance is guaranteed by a party in a location which is different from that of the counterparty.

4. Impairment Allowances on Advances and Other Accounts

Figures in HKD million	At 31 December 2023	At 30 June 2023
Stage 1	13	11
Stage 2	1	1
Stage 3	1,211	862
	<u>1,225</u>	<u>874</u>

Supplementary Financial Information (unaudited)

5. Impaired Advances to Customers

Figures in HKD million	At 31 December 2023	At 30 June 2023
Total amount of impaired advances to customers	2,043	2,057
Individual impairment allowances made in respect of such advances	(1,117)	(836)
	926	1,221
 Total value of collateral	 1,783	 1,800
 Percentage of such advances to total advances to customers	 5.99%	 6.94%
 Analysis of such advances by geographical areas after risk transfer:		
Asia Pacific	1,424	1,436
Europe	619	621
	2,043	2,057

There were no impaired advances to banks and other financial institutions as at 31 December 2023 and 30 June 2023.

Supplementary Financial Information (unaudited)

6. Overdue and Rescheduled Advances to Customers

Figures in HKD million	At 31 December 2023		At 30 June 2023	
	Amount	% of gross advances to customers	Amount	% of gross advances to customers
<i>(a) Gross amount of advances to customers which have been overdue for:</i>				
Three months or less but over one month	-	0.00%	-	0.00%
Six months or less but over three months	-	0.00%	-	0.00%
One year or less but over six months	-	0.00%	1,155	3.90%
Over one year	2,027	5.95%	875	2.95%
	<u>2,027</u>	5.95%	<u>2,030</u>	6.85%

Analysis of such advances by geographical areas after risk transfer:

Asia Pacific	1,408	4.13%	1,409	4.75%
Europe	619	1.82%	621	2.10%
	<u>2,027</u>	5.95%	<u>2,030</u>	6.85%

No advances to banks and other financial institutions and other assets were overdue for more than 3 months as at 31 December 2023 and 30 June 2023.

(b) Rescheduled advances:

There were no rescheduled advances to customers, banks and other financial institutions as at 31 December 2023 and 30 June 2023.

(c) Repossessed assets:

There were no repossessed assets as at 31 December 2023 and 30 June 2023.

Supplementary Financial Information (unaudited)

7. Disclosure of Value of Collateral Held Against Overdue Loans and Advances

Figures in HKD million	At 31 December 2023	At 30 June 2023
Current market value of collateral held against the covered portion of overdue loans and advances	1,768	1,773
Covered portion of overdue loans and advances	1,768	1,773
Uncovered portion of overdue loans and advances	259	257
Individual impairment allowances made in respect of overdue loans and advances	1,117	836

Supplementary Financial Information (unaudited)
8. International Claims

Geographical segments and individual countries constituting 10% or more of the aggregate international claims are summarised as follows:

Figures in HKD million

		<u>Non-bank private sector</u>				
	Banks	Official sector	Non-bank Financial institutions	Non-financial private sector	Others	Total
At 31 December 2023						
Developed countries of which: Netherlands	38,508	-	-	18	-	38,526
Developing Asia and Pacific countries of which: China	2,916	-	-	7,088	-	10,004
Offshore centres of which: Hong Kong	164	-	3,009	4,491	-	7,664
At 30 June 2023						
Developed countries of which: Netherlands	32,585	-	-	30	-	32,615
Developing Asia and Pacific countries of which: China	4,215	-	-	7,041	-	11,256
Offshore centres of which: Hong Kong	113	-	3,332	7,050	-	10,495

The above analysis is prepared with reference to the completion instructions for the Hong Kong Monetary Authority Return of International Banking Statistics. International claims are on-balance sheet exposures to counterparties based on the location of the counterparties after taking into account the transfer of risk, and represent the sum of cross-border claims in all currencies and local claims in foreign currencies.

Supplementary Financial Information (unaudited)
9. Non-bank Mainland China Exposures

Figures in HKD million

At 31 December 2023

Types of Counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and Joint Ventures (“JVs”)	9,375	12,033	21,408
2. Local governments, local government-owned entities and their subsidiaries and JVs	1,904	1,178	3,082
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	5,520	3,801	9,321
4. Other entities of central government not reported in item 1 above	274	1,541	1,815
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	4,488	588	5,076
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	21,561	19,141	40,702
Total assets after provisions	75,939		
On-balance sheet exposures as % of total assets	28.39%		

Supplementary Financial Information (unaudited)

9. Non-bank Mainland China Exposures (Continued)

 Figures in HKD million

At 30 June 2023

Types of Counterparties	On-balance sheet exposure	Off-balance sheet exposure	Total
1. Central government, central government-owned entities and their subsidiaries and Joint Ventures (“JVs”)	8,722	16,205	24,927
2. Local governments, local government-owned entities and their subsidiaries and JVs	2,708	715	3,423
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	5,812	2,133	7,945
4. Other entities of central government not reported in item 1 above	402	852	1,254
5. Other entities of local governments not reported in item 2 above	-	-	-
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	5,010	813	5,823
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	<u>22,654</u>	<u>20,718</u>	<u>43,372</u>
Total assets after provisions	67,593		
On-balance sheet exposures as % of total assets	33.52%		

Supplementary Financial Information (unaudited)

10. Currency Risk

Figures in HKD million

At 31 December 2023

	USD	EUR	CNY	GBP	Others	Total
Spot assets	27,417	27,134	2,777	299	1,109	58,736
Spot liabilities	(34,254)	(27,075)	(1,397)	(300)	(1,108)	(64,134)
Forward purchases	12,641	-	3,220	-	-	15,861
Forward sales	(5,844)	(4)	(4,590)	-	-	(10,438)
Net (short)/long position	(40)	55	10	(1)	1	25
Net structural position	-	-	-	-	-	-
Net option position	-	-	-	-	-	-

At 30 June 2023

	USD	EUR	CNY	GBP	Others	Total
Spot assets	17,546	27,888	6,041	377	739	52,591
Spot liabilities	(26,396)	(27,881)	(3,675)	(375)	(739)	(59,066)
Forward purchases	14,142	12	831	-	-	14,985
Forward sales	(5,311)	-	(3,182)	-	-	(8,493)
Net (short)/long position	(19)	19	15	2	-	17
Net structural position	-	-	-	-	-	-
Net option position	-	-	-	-	-	-

Net position in a particular foreign currency is disclosed if the net position (regardless of sign) constitutes 10% or more of the total net position in all foreign currencies.

There is no structural position/ option position in any currency as at 31 December 2023 and 30 June 2023.

Supplementary Financial Information (unaudited)

11. Liquidity
11.1 Liquidity Ratios

	For the quarter ended 31 December 2023	For the quarter ended 31 December 2022
Average Liquidity Maintenance Ratio (“LMR”)	64.09%	60.94%

The Branch complies with the minimum requirement of LMR in accordance with the Banking (Liquidity) Rules issued by the Hong Kong Monetary Authority (“HKMA”).

The average LMR is calculated as the simple average of each calendar month’s average LMR.

11.2 Liquidity Risk Management

ING Bank N.V., Hong Kong Branch (“the Branch”) manages its liquidity under the ING Global Funding and Liquidity Risk framework, which is defined and set by the ING Bank N.V.’s Management Board.

Funding and liquidity risk is the risk that ING Group (the “Group”) or one of its subsidiaries/branches cannot meet its financial liabilities when they are due, at a reasonable cost and in a timely manner. ING incorporates funding and liquidity management in its business strategy globally and applies the above funding and liquidity risk framework in order to manage such risks within pre-defined boundaries.

The Branch is a full branch of the Group and it applies both the Group’s and its own localized funding and liquidity risk frameworks in order to manage the Group’s pre-defined boundaries and the Branch’s local regulatory limits at the same time.

The Branch distinguishes several key drivers of future liquidity and funding needs:

- Refinancing needs resulting from maturing liabilities and asset growth;
- Current and future regulatory requirements;
- Risk appetite statements set by ING’s funding and liquidity risk function;
- The outcomes of various stress tests; and
- Ability to distribute and transfer liquidity.

Taking into consideration the abovementioned factors, the Branch assesses its current and future liquidity adequacy and, if deemed necessary, takes steps to further improve the liquidity position and to ensure sufficient counterbalancing capacity; this is achieved by executing the annual Internal Liquidity Adequacy Assessment Process (“ILAAP”).

Liquidity Management is performed by the Group Treasury (“GT”) and covers the areas of (i) intra-day liquidity risk; (ii) short term cash management (overnight and tomorrow next); (iii) funding risk (1 week to 1 year tenors); (iv) structural liquidity risk (1 year+ tenors); and (v) stress testing. Group Treasury operates under the oversight of limits set by the Assets & Liabilities Committee (“ALCO”) and the Trading Risk Management (“TRM”) department.

Supplementary Financial Information (unaudited)

11. Liquidity (Continued)

11.2 Liquidity Risk Management (Continued)

11.2.1 Governance

In line with the Group's overall governance, the funding and liquidity risk management of the Branch falls under the supervision of the Branch's ALCO. It approves the local funding and liquidity risk limits and it simultaneously takes fully into account all relevant local HKMA regulations. The ALCO members (which include representatives of staff from TRM and Chief Financial Officer ("CFO") domain, as well as Group Treasury and commercial business lines) have oversight and are locally responsible for managing funding and liquidity risk.

The TRM function is responsible for maintaining the Branch's funding and liquidity risk policy based on the global standard format. This function also monitors the branch's funding and liquidity risks, including stress testing results. The local finance function is responsible for reporting and providing management information related to funding and liquidity management.

In order to effectively monitor and manage funding and liquidity risk, the Group has set up a comprehensive funding and liquidity framework. This framework contains the following main components:

- Charters: setting out the governance;
- Policies: providing background on what needs to be done and the corresponding obligations;
- Minimum standards: setting out the mandatory rules and requirements to be met related to a policy;
- Guidance: including all additional useful information to support the funding and liquidity risk framework; and
- Templates and tools: supporting the performance of the funding and liquidity risk management tasks.

11.2.2 Funding and Liquidity Management Strategy and Objectives

The Branch's liquidity position is the responsibility of local management, with support from the Regional Office (the "RO"), especially Group Treasury in Singapore. The funding, liquidity strategy and planning is in line with the Group's strategy, risk appetite and identified risks.

As the Branch is operating in a global network of other ING branches under the Group, the Branch's funding strategy depends largely on the centralized funding strategy of the Group. The main pillars of the funding and liquidity strategy and objectives are aimed at diversification targets for short and long-term sources as part of the overall funding plan. Another essential component of ensuring funding diversity is maintaining market access to new funds and managing existing funding and liquidity sources.

The main objective of Branch's funding and liquidity risk management is to maintain sufficient liquidity to fund the commercial activities of ING both under normal and stressed market circumstances across various geographies, currencies and tenors. This requires a diversified funding structure considering relevant opportunities and constraints.

Supplementary Financial Information (unaudited)

11. Liquidity (Continued)**11.2 Liquidity Risk Management (Continued)****11.2.3 Funding and Liquidity Risk Tolerance and Reporting****Local Risk Appetite Statement (“RAS”) setting process**

Metrics and limits are set to measure the current exposure according to bank-wide Risk Appetite principles. The starting point for each principle is to set a limit for the Group on a consolidated basis. To address the liquidity risk throughout the bank, consolidated RAS metrics and limits are cascaded to first level ALCOs (e.g. ALCO N.V. Solo) where appropriate.

Each first level ALCO must comply with the limits and/or monitoring metrics set in the bank-wide RAS, when applicable. Any limit breach must be reported to ALCO Bank and may lead to corrective measures. Higher level ALCOs are responsible to allocate the limits to lower level ALCOs and local entities, when applicable.

First and lower level ALCOs and local entities are encouraged to set their own RAS and/or related limits. Limits defined under the Group wide RAS prevail over such limits, except when conflicting with stricter local regulatory requirements. Therefore, a review of (additional) local RAS is mandatory to assure that Group wide and local RAS is complementing each other.

Updating a local RAS is done on an annual process. In addition, principles, metrics and limits may be amended when deemed necessary anytime during the year as long as they are approved by the required committee.

Components of local RAS Setting:

- **Group Strategy, Dynamic Plan and local regulation:**
The strategy, Group-wide RAS, stress testing and the Dynamic Plan (“DP”) are the starting point of the local RAS setting. In general, the strategy will not be updated annually. Only significant changes trigger review in the DP, Group wide and local RAS.
- **Local risk identification & assessment:**
The local risk identification and assessment process must be completed before initiating the local RAS setting process. Risk identification is the process of detecting potential new risks and changes in known risks. Significant risks that are specific to local circumstances could be managed and monitored by setting a local RAS and/or limits.
- **Head office defined RAS principles and limits:**
Head office defined RAS principles and limits prevail over local RAS principles and limits. When defining a local RAS, the Group-wide RAS must be taken as the starting point. This can, however, be supplemented with local principles, metrics and limits.
- **Local risk appetite principles & metrics:**
If local risk identification identifies significant local risks that are not covered by the Bank-wide RAS, (e.g. based on regulatory requirements or strategic/DP objectives), ALCOs and local entities are required to evaluate whether new local RAS are to be set. New local RAS principles and metrics are agreed upon with both first and second line representatives and approved by ALCO.

Supplementary Financial Information (unaudited)

11. Liquidity (Continued)**11.2 Liquidity Risk Management (Continued)****11.2.3 Funding and Liquidity Risk Tolerance and Reporting (Continued)**

- Local limit:

An integral review of the risk appetite limits must be executed annually. However, review of the local RAS limits is a continuous process. Local RAS limits can be changed during the year, based on, for example, analyses of monitoring findings, internal or external developments, regulatory developments, peer review and stress test results. As a result of this review, risk appetite limits can be continued unchanged/reconfirmed, adjusted or newly set. Local limits are agreed upon with both first and second line representatives and approved by ALCO.

Local RAS Reporting

Local RAS reporting refers to reports in which the compliance with the RAS limits is monitored. Local RAS reporting to ALCO is a second line responsibility (exact responsibilities may vary and are detailed at local level). However, first line must ensure they stay within the limits, which involves a form of first line monitoring. The TRM function independently monitors the compliance with both Group's and local risk appetite and the corresponding limits.

To comply with one of the Group's funding & liquidity adequacy and RAS, the Branch is obliged to monitor and manage the Liquidity Coverage Ratio ("LCR"). Next to the Group's requirements with respect to LCR DA (Delegated Act), the Branch has to comply with local regulatory requirements of the HKMA. As the Branch is earmarked as a Category 2 entity, it needs to comply with the LMR requirements.

11.2.4 Global Liquidity Stress Testing

The Liquidity Stress Testing (LST) forms part of the overall Funding & Liquidity framework. It allows ING to examine the effects of exceptional but plausible future events on ING's liquidity position and provides insight into which entities, business lines or portfolios are vulnerable to which types of risk and/or under which scenarios.

The scope of the global LST framework includes the funding and liquidity risks of the Branch's balance sheet, all underlying business lines, on- and off-balance sheet positions as well as contingent assets and liabilities. The Net Liquidity Position ("NLP") is the output metric which is affected as a result of the application of specific scenarios and parameters.

The global LST framework distinguishes between idiosyncratic and market-wide scenarios (and a combination of the two) and differentiates between stress events that develop in a gradual or fast manner. The generic design of the LST framework, which is based on empirical evidence supplemented with expert judgment, can easily be applied to a specific scenario, for example as input for the firm-wide stress testing or reverse stress testing.

Supplementary Financial Information (unaudited)

11. Liquidity (Continued)

11.2 Liquidity Risk Management (Continued)

11.2.4 Global Liquidity Stress Testing (Continued)

The outcomes of the stress tests are taken into consideration across all the key aspects of the bank's LST framework and liquidity management:

- risk appetite framework (through RAS);
- risk identification and assessment;
- monitoring of the liquidity position;
- the contingency funding plan; and
- early warning indicators.

The global LST framework is also subject to regular internal validation.

In line with European Central Bank ("ECB") regulation, ING's liquidity position is stress tested on a weekly basis under a particular scenario that forms part of the Funding and Liquidity RAS. In addition, the results of the stress scenarios are monitored and evaluated on a regular basis and provide input for any follow-up on the need for additional contingency measures. The results of stress testing either confirm sound liquidity risk management, or reveal weaknesses that may require mitigating actions such as an adjustment of liquidity risk management strategies, tolerance, positions, or crisis plans.

The results of the stress tests may result in the adjustment of the contingency funding plan. The contingency funding plan addresses the contingency liquidity risk which specifically relates to the organization, planning and actions to address liquidity shortfalls under stressed conditions. Unexpected events, economic conditions, market fluctuations, earnings problems or situations beyond ING's control could cause either a short- or long-term liquidity crisis. The contingency funding plan supports taking effective mitigating measures to maintain or regain financial strength, viability and market trust. The contingency funding plan is developed in conjunction with the Branch's Recovery Plan and is tested on a regular basis.

11.2.5 Regional Liquidity Report

Besides the global LST, there is a regional liquidity report generated on a daily basis for ING Hong Kong.

It shows the granular liquidity ladder based on both contractual Balance Sheet data (unstressed). Main monitoring indicators include maximum mismatch per period, cumulative funding gap at 1 week & 1 month, O/N borrowing vs. total liabilities ratio, and interbank / intercompany vs. total liabilities ratio. The indicators are monitored against the predefined limits.

Supplementary Financial Information (unaudited)

11. Liquidity (Continued)
11.2 Liquidity Risk Management (Continued)
11.2.5 Regional Liquidity Testing (Continued)

This report is used by local GT to manage the daily liquidity positions for the branch. Limit breaches need to be approved by regional Head of GT and/or local/regional Head of TRM – ALM Risk, depending on the currency and scenario. The limit breaches during the month are also tabled at monthly local ALCO meetings.

11.2.6 Cash Flow Maturity Mismatch Analysis

Figures in HKD million	Within 1 month	Over 1 month to 3 months	Over 3 months to 12 months
At 31 December 2023			
Contractual Maturity mismatch	5,334	(20,250)	5,790
Cumulative Contractual Maturity mismatch	5,334	(14,916)	(9,127)
At 31 December 2022			
Contractual Maturity mismatch	5,625	(12,020)	(3,803)
Cumulative Contractual Maturity mismatch	5,625	(6,395)	(10,198)

11.2.7 Sources of Funding

The Branch's source of funding is mainly from intragroup borrowing, non-bank customers deposit, central banks and inter-banks placement:

Figures in HKD million	At 31 December 2023	As % of total liabilities	At 31 December 2022	As % of total liabilities
The Group companies	48,942	64.45%	68,982	78.49%
Non-bank customers	15,192	20.01%	5,009	5.70%
Central banks	-	-	-	-
Banks	10,917	14.36%	12,371	14.07%

Supplementary Financial Information (unaudited)

11. Liquidity (Continued)

11.2 Liquidity Risk Management (Continued)

11.2.8 Liquidity Gap

Base on the HKMA MA(BS)23 Return on Liquidity Monitoring Tools (“LMT”), the table below analyses the on and off-balance sheet items, broken down into maturity buckets of the Branch.

Figures in HKD million					
	Total amount	Within 1 month	Over 1 month to 3 months	Over 3 months to 12 months	Over 1 year and balancing amount
At 31 December 2023					
Balances with central bank	402	402	-	-	-
Due from banks	38,406	27,066	4,273	5,092	1,975
Debt securities held	801	801	-	-	-
Trade bills	2,850	1,600	1,250	-	-
Advances to customers	34,326	12,197	1,646	9,902	10,581
Other assets*	<u>379</u>	<u>8,960</u>	<u>8,763</u>	<u>592</u>	<u>295</u>
Total on-balance sheet assets	<u>77,164</u>	<u>51,026</u>	<u>15,932</u>	<u>15,586</u>	<u>12,851</u>
Total off-balance sheet claims	<u>29,476</u>	<u>19,317</u>	<u>7,852</u>	<u>2,295</u>	<u>12</u>
Deposits from non-bank customers	15,192	4,863	4,991	5,338	-
Due to central banks	-	-	-	-	-
Due to banks	59,843	29,469	17,836	3,785	8,753
Debt securities issued	-	-	-	-	-
Other liabilities and reserves*	<u>904</u>	<u>9,956</u>	<u>8,767</u>	<u>673</u>	<u>(265)</u>
Total on-balance sheet liabilities	<u>75,939</u>	<u>44,288</u>	<u>31,594</u>	<u>9,796</u>	<u>8,488</u>
Total off-balance sheet obligations	<u>35,468</u>	<u>20,721</u>	<u>12,440</u>	<u>2,295</u>	<u>12</u>

*Total amount of Other assets and Other liabilities and reserves include present value arising from derivative contracts and therefore the balances are not the total of cash flow as shown in each time buckets based on the completion instructions of the LMT.

Supplementary Financial Information (unaudited)

11. Liquidity (Continued)

11.2 Liquidity Risk Management (Continued)

11.2.8 Liquidity Gap

Figures in HKD million

	Total amount	Within 1 month	Over 1 month to 3 months	Over 3 months to 12 months	Over 1 year and balancing amount
At 31 December 2022					
Balances with central bank	227	227	-	-	-
Due from banks	52,271	41,432	5,761	2,665	2,413
Debt securities held	1,582	1,582	-	-	-
Trade bills	4,462	1,698	2,423	341	-
Advances to customers	30,222	9,462	3,760	6,048	10,952
Other assets*	<u>279</u>	<u>11,306</u>	<u>3,763</u>	<u>23</u>	<u>244</u>
Total on-balance sheet assets	<u>89,043</u>	<u>65,707</u>	<u>15,707</u>	<u>9,077</u>	<u>13,609</u>
Total off-balance sheet claims	<u>34,687</u>	<u>21,657</u>	<u>11,791</u>	<u>1,225</u>	<u>14</u>
Deposits from non-bank customers	5,009	3,400	1,589	20	-
Due to central banks	-	-	-	-	-
Due to banks	81,353	38,991	20,090	12,201	10,071
Debt securities issued	-	-	-	-	-
Other liabilities and reserves*	<u>1,523</u>	<u>12,837</u>	<u>3,766</u>	<u>74</u>	<u>(105)</u>
Total on-balance sheet liabilities	<u>87,885</u>	<u>55,228</u>	<u>25,445</u>	<u>12,295</u>	<u>9,966</u>
Total off-balance sheet obligations	<u>42,408</u>	<u>26,511</u>	<u>14,073</u>	<u>1,810</u>	<u>14</u>

*Total amount of Other assets and Other liabilities and reserves include present value arising from derivative contracts and therefore the balances are not the total of cash flow as shown in each time buckets based on the completion instructions of the LMT.

Supplementary Financial Information (unaudited)

12. Disclosure on Remuneration

Pursuant to section 3 of Supervisory Policy Manual (CG-5) Guideline on a Sound Remuneration System issued by the HKMA, the Branch complies with the requirements and has adopted the remuneration systems of ING Bank N.V. Head Office. Please refer to 2023 Annual report of ING Group N.V. for details.

13. Contingent Liabilities and Commitments

Figures in HKD million	At 31 December 2023	At 30 June 2023
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The following is a summary of the contractual amount of each significant class of contingent liabilities and commitments:

Direct credit substitutes	-	-
Transaction-related contingencies	4,778	3,176
Trade-related contingencies	13,800	16,661
Forward forward deposits placed	1,504	1,928
Other commitments		
With an original maturity of under 1 year or are unconditionally cancellable	28,810	34,408
With an original maturity of 1 year and over	1,137	1,258
	50,029	57,431

Supplementary Financial Information (unaudited)

14. Derivatives

Figures in HKD million	At 31 December 2023	At 30 June 2023
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The contractual/notional amounts of derivatives are disclosed as follows:

Exchange rate contracts	18,519	19,430
Interest rate contracts	17,024	14,230
	<u>35,543</u>	<u>33,660</u>

The amounts are shown on a gross basis and do not take into account the effect of bilateral netting arrangements.

The contract/notional amounts of these instruments indicate the volume of transactions outstanding as at the balance sheet date. They do not represent amounts at risk.

Figures in HKD million	At 31 December 2023	At 30 June 2023
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Total positive and negative fair value of each class of derivatives are disclosed as follows:

Exchange rate contracts		
- Positive fair value	66	30
- Negative fair value	(70)	(22)
	<u>(4)</u>	<u>8</u>
Interest rate contracts		
- Positive fair value	-	-
- Negative fair value	(1)	(5)
	<u>(1)</u>	<u>(5)</u>

Hong Kong, 22 April 2024

Group Consolidated Financial Information

1. Capital Position and Capital Adequacy Ratios

The information set out below is based on the consolidated accounts of ING Group N.V. (the “Group”).

Figures in EUR million	At 31 December 2023 (Audited)	At 30 June 2023 (Unaudited)
Shareholders’ funds	51,240	50,742
Capital Adequacy Ratios		
Common Equity Tier 1 Ratio	14.7%	14.9%
Tier 1 Ratio	16.9%	17.1%
Total Capital Ratio	19.8%	20.0%

The capital adequacy ratios of the Group have been calculated in accordance with the Basel Capital Accord and incorporated market risk associated with trading portfolios.

2. Other Financial Information

Figures in EUR million	Year ended 31 December 2023 (Audited)	Year ended 31 December 2022 (Audited)
Pre-tax profit	10,492	5,502
Figures in EUR million	At 31 December 2023 (Audited)	At 30 June 2023 (Unaudited)
Total assets	975,583	1,029,181
Total liabilities	923,400	977,718
Total loans and advances to customers	642,402	637,582
Total customer deposits	650,267	677,959

Details of the above information can be obtained from the Group 2023 Annual report and the Group 2023 Interim report.