

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

Statement of Financial Position and Supplementary Information

June 30, 2025

(Unaudited)

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

Statement of Financial Condition

June 30, 2025
(U.S. Dollars in Thousands)
(Unaudited)

Assets

Cash	\$43,913
Receivables	
<i>Brokers, dealers, clearing organizations and customers</i>	1,633,116
<i>Affiliates</i>	961,785
Trading assets	
<i>Financial instruments owned, at fair value (including assets pledged of \$6,000,572)</i>	15,336,787
<i>Derivative financial instruments (customers)</i>	5,376,452
<i>Derivative financial instruments (affiliates)</i>	10,051,052
Short-term lending to affiliate	1,157,164
Other assets	5,802
Securities purchased under agreements to resell (includes \$7,839 at fair value)	2,615,533
Total assets	<u>\$37,181,604</u>

Liabilities and Member's equity

Payables	
<i>Brokers, dealers and clearing organizations and customers</i>	\$897,532
<i>Affiliates</i>	5,080,272
Trading liabilities	
<i>Financial instruments sold, not yet purchased, at fair value</i>	957,016
<i>Derivative financial instruments (customers)</i>	4,068,482
<i>Derivative financial instruments (affiliates)</i>	10,672,429
Short-term borrowing	8,426,158
Other liabilities	5,977
Securities loaned	5,977,189
Total liabilities	<u>\$36,085,055</u>
Member's equity	1,096,550
Total liabilities and member's equity	<u>\$37,181,605</u>

See accompanying notes to financial statements.

ING Capital Markets LLC
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Notes to Financial Statements

June 30, 2025
(Unaudited)

1. Organization

ING Capital Markets LLC (“NCM” or the “Company”) is a wholly owned subsidiary of ING Financial Holdings Corporation (the “Parent”). The Parent is an indirect, wholly owned subsidiary of ING Groep N.V. The Company is a limited liability company incorporated in Delaware on December 17, 1998. The Company is registered as a full-service swap dealer with the Commodity Futures Trading Commission (“CFTC”). The Company is also registered with the Securities and Exchange Commission (“SEC”) as a security-based swap dealer. While ING Capital Markets LLC, as a security-based swap dealer, is required to comply with SEC rules with respect to most security-based swaps requirements, SEC rules have permitted an “Alternative Compliance Mechanism” that allows for compliance, subject to eligibility requirements, with CFTC capital and margin rules applying to swap dealers in lieu of SEC capital and margin rules applying to security-based swap dealers. ING Capital Markets LLC has elected to use the Alternative Compliance Mechanism. Therefore, the Company complies with the capital, margin, and financial reporting requirements of the CFTC in lieu of those of the SEC. The Company primarily acts as a counterparty to its domestic and international client base in a broad variety of product offerings including, but not limited to, FX, Rate, Equity, Commodity derivatives. The Company's line of business includes the purchase and sale of equities.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The Company prepares its financial statements in accordance with U.S. Generally Accepted Accounting Principles (U.S. GAAP).

(b) Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements in addition to the reported amounts of revenues and expenses during the reporting period. The most important of these estimates and assumptions relate to fair value measurements. Management believes that the estimates utilized in the preparation of the financial statements are reasonable; however, actual results could differ from those estimates.

(c) Cash and Cash Equivalents

The Company maintains cash at federally insured banking institutions. Cash on deposit with financial institutions may, at times, exceed federal insurance limits. The Company defines cash equivalents to be highly liquid investments with original maturities of three months or less, other than those held for trading purposes.

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Notes to Financial Statements (continued)

June 30, 2025
(Unaudited)

2. Summary of Significant Accounting Policies (continued)

(c) Cash and Cash Equivalents (continued)

The Company does not have an expectation of nonpayment of these amounts.

(d) Securities Purchased Under Agreements to Resell

Securities purchased under agreements to resell are accounted for as collateralized financing transactions. Collateralized financing transactions utilized to source collateral to meet initial margin requirements are carried at amortized cost.

Collateralized financing transactions that are economically hedging firm inventory positions are accounted for at fair value. The gains or losses from the fair value adjustments are reported in *Principal Transactions*.

As described in Note 5 Fair Value Measurements, the Company uses the income approach which is based on a cash flow discounting methodology to determine the fair value of certain securities purchased under agreements to resell. Such transactions are mainly collateralized by cash. The Company's exposure to credit risk associated with the nonperformance of counterparties in fulfilling these contractual obligations can be directly impacted by market fluctuations, which may impair the counterparties' ability to satisfy their obligations. It is the Company's policy to obtain possession of collateral related to securities purchased under agreements to resell with a market value equal to or in excess of the principal amount loaned. The market value of securities to be resold is valued daily and the Company may require counterparties to deposit additional collateral or return collateral pledged when appropriate.

The allowance for credit losses for securities purchased under agreements to resell is measured at the difference between the security's amortized cost without considering the allowance for credit loss and the fair value. Due to the collateral pledged by counterparties, the expectation of nonpayment of the amortized cost basis is zero.

Accrued interest receivable and payable for these agreements are reported within the corresponding line items in the statement of financial position. Interest income and interest expense are recorded at the contractual rate within Interest and dividend income and Interest and dividend expense in the statement of income. The Company does not recognize allowance for credit losses for interest receivables.

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Notes to Financial Statements (continued)

June 30, 2025
(Unaudited)

2. Summary of Significant Accounting Policies (continued)

(e) Securities Loaned

Securities loaned are collateralized financing arrangements that are recorded at the amount of cash collateral received. With respect to securities loaned, the Company receives collateral in the form of cash. The Company monitors the market value of securities loaned on a daily basis with additional collateral obtained or refunded as necessary.

Accrued rebates are reported within Receivable from and Payable to brokers, dealers, and clearing organizations in the statement of financial condition. Rebates generated from these transactions are recorded at the contractual rate within Interest and dividend income and Interest and dividend expense in the statement of income.

(f) Securities Transactions

The Company records principal securities transactions, including realized and unrealized trading gains and losses, and related expenses on a trade-date basis.

Amounts receivable and payable for securities transactions that have not reached their contractual settlement date are recorded net in the statement of financial condition under Receivable from or Payable to brokers, dealers, and clearing organizations.

(g) Revenue Recognition

Revenue consists of interest and dividend income, principal transactions, and other income.

Interest and dividend income is earned primarily from trading assets, securities purchased under agreements to resell, and cash collateral pledged and is accounted for on an accrual basis.

Principal transactions revenue consists of revenues related to realized and unrealized gains and losses on securities, derivative financial instruments, and reverse repos at fair value.

Other Income includes model reserves and counterparty and own credit risk adjustments on derivative transactions.

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Notes to Financial Statements (continued)

June 30, 2025
(Unaudited)

2. Summary of Significant Accounting Policies (continued)

(h) Income Taxes

The Company is included in the consolidated federal and combined state and local income tax returns filed by the Parent. Federal income taxes are calculated as if the Company filed on a modified separate company approach and the amount of current tax provision or benefit calculated is either remitted to or received from the Parent. The Company accounts for income taxes in accordance with ASC 740, *Income Taxes*. The Company is subject to a tax sharing agreement with the Parent whereby the Company's tax provision is calculated on a modified separate company approach.

(i) Foreign Currency Translation

Assets and liabilities denominated in foreign currencies are translated at the rates of exchange prevailing at the close of business at the statement of financial condition date with resulting gains and losses reflected in the statement of income. Statement of income accounts are translated at average rates of exchange during the year. Net gains and losses resulting from foreign currency transactions are included in the statement of income under other expenses.

(j) Accounting Developments

In December 2023, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2023-09, *Income Taxes (Topic 740): Improvements to Income Tax Disclosures*. This ASU enhances income tax disclosures primarily by requiring further disaggregation of the information for income taxes paid, the disclosure of specific categories in the effective tax rate reconciliation, and the provision of information for certain reconciling items. The Company is adopting this ASU for annual periods starting on January 1, 2025. The adoption of ASU 2023-09 is not expected to have a material impact on the Company's financial statements.

3. Collateralized Transactions

The Company enters into securities purchased under agreements to resell and securities loaned transactions to, among other things, to accommodate customers' needs and to finance the Company's inventory positions. The Company manages credit exposure arising from such collateralized transactions by, in appropriate circumstances, entering into enforceable collateral agreements with counterparties.

Such agreements provide the Company, in the event of a counterparty default (such as bankruptcy or counterparty's failure to pay or perform), the right to set off a counterparty's rights and obligations under such agreement and liquidate and net collateral against the net amount owed by the counterparty.

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Notes to Financial Statements (continued)

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(Unaudited)

3. Collateralized Transactions (continued)

Secured Financing Transactions—Maturities and Collateral Pledged

As of June 30, 2025, the Company's gross obligation resulting from securities lending transactions was \$5,977,189,058. The Company exclusively collateralizes securities lending transactions with corporate equity securities.

The following table presents analyses of the total gross balance of liabilities recognized in the Statement of Financial Condition for securities lending transactions by remaining contractual maturity of the agreement as of June 30, 2025.

	Remaining Contractual Maturity (U.S. Dollars in Thousands)				Total
	Overnight and Open	Less than 30 days	30-90 days	Over 90 days	
Securities lending transactions	\$618,954	-	\$4,488,346	\$869,889	\$5,977,189
Total	\$618,954	-	\$4,488,346	\$869,889	\$5,977,189

Collateral pledged by the Company

In addition, the Company pledges firm-owned securities as collateral in connection with securities lending transactions. Pledged securities that can be sold or repledged by the secured party are \$6,000,571,533 at June 30, 2025, and are disclosed in parentheses as pledged within trading assets on the Statement of Financial Condition. At June 30, 2025, the Company had pledged \$0 of assets owned as collateral which the secured party does not have the right to sell or repledge.

Collateral received by the Company

The Company receives collateral in the form of US treasury securities in connection with resale agreements.

At June 30, 2025, the fair value of securities received as collateral where the Company is permitted to repledge the securities was \$4,438,853,849 and the fair value of the portion that had been repledged was \$4,438,853,849.

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Notes to Financial Statements (continued)

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4. Related Party Transactions

In the normal course of business, the Company transacts with affiliated companies as part of its trading, financing, and general operations.

The Company is subject to a tax sharing agreement with the Parent, whereby the Company's tax provision is calculated on a separate entity basis and then allocated on a pro rata basis amongst the Parent group. The Company pays taxes to the Parent periodically during the year based on an estimated effective tax rate. At June 30, 2025, the Company has a tax payable to its Parent included in payable to affiliates and other liabilities of \$68,859,661.

At June 30, 2025, the Statement of Financial Condition included the following balances with related parties:

(U.S. Dollars in Thousands)	
Cash	\$42,084
Receivables from affiliates	961,785
Derivative financial instruments (affiliates)	10,051,052
Short-term lending to affiliate	1,157,164
Securities purchased under agreements to resell	2,615,533
Total assets	\$14,827,618
Payables to affiliates	\$5,080,272
Derivative financial instruments (affiliates)	10,672,429
Short-term borrowings	8,420,629
Securities loaned	5,977,189
Total liabilities	\$30,150,519

Receivables from and payables to affiliates are primarily comprised of excess cash collateral posted to/received from affiliates in relation to derivative activities. The Company clears its equity security business through its affiliate, ING Financial Markets LLC, who is registered with the SEC as a securities broker-dealer.

As of June 30, 2025, the Company had a payable balance of \$4,491,897,821 associated with equity securities that were purchased on margin through its affiliate ING Financial Markets LLC.

Derivative financial instruments (affiliates) represent the fair value balances of derivative instruments that the Company has entered with its affiliates. The trades are economically hedged.

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Notes to Financial Statements (continued)

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(Unaudited)

4. Related Party Transactions (continued)

Short-term lending and borrowings represent balances due to and due from the Company's Parent, through a funding agreement which is used to satisfy funding needs and requirements in the normal course of business. These funding arrangements are overnight, uncollateralized, interest-bearing notes that accrue interest at variable rates.

Collateralized agreements, the securities loaned and reverse repurchase agreement balances are comprised of transactions with ING Financial Markets LLC.

The securities lending balances provide funding for the Company's Global Securities Linear Equity Derivative business, whereas the reverse repurchase balances provide the Company with US Treasury securities that are needed to meet the initial margin collateral requirements of "Over-the-counter" (OTC) derivative contracts in which the Company enters into.

Interest income and interest expense on securities lending and reverse repurchase transactions is included in interest income and interest expense in the Statement of Income.

For the period ended June 30, 2025, revenues earned and expenses incurred with related parties are reflected in the Statement of Income as listed below:

Statement of Income Items (U.S. Dollars in Thousands)	
Interest and dividend income	\$2,915,294
Principal transactions	118,029
Other Income	25,412
Total revenue	\$3,058,735
Interest and dividend expense	\$3,356,703
Operating expense	29,867
Other expense	90,157
Total expenses	\$3,476,727

Interest and dividend income and expense is earned and incurred primarily from financial instruments owned which are primarily comprised of trading derivatives and securities purchased under agreements to resell, and cash collateral pledged and is accounted for on an accrual basis.

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Notes to Financial Statements (continued)

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(Unaudited)

4. Related Party Transactions (continued)

Principal transactions consist of realized and unrealized gains and losses on the Company's derivatives.

Operating expense is comprised of management fees paid to the Company's affiliate ING Financial Services. Expenses of the businesses include employee compensation and benefits of both front office and support personnel, occupancy and equipment, communications, data processing, travel and representation and professional services.

Other expense consists of stock loan rebate expense associated with securities lending transactions that are utilized to finance Financial instruments owned, at fair value.

The Company's Ultimate Parent, ING Bank NV, provides guarantees for derivatives transactions entered into by the Company, which could require the Parent to make payments to certain of the Company's counterparties if the Company failed to perform.

5. Fair Value Measurements

The Fair Value of Financial Instruments

A significant amount of the Company's financial instruments is carried at fair value. Financial instruments that are carried at fair value on a recurring basis include trading assets, and trading liabilities. Additionally, the Company applies the fair value option to a portion of securities purchased under agreements to resell. In all cases, fair value is determined in accordance with ASC 820.

ASC 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value, and establishes a fair value hierarchy which prioritizes the inputs to valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market or, in the absence of a principal market, the most advantageous market.

Fair Value Hierarchy

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure value into three broad levels:

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Notes to Financial Statements (continued)

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(Unaudited)

5. Fair Value Measurements (continued)

- Level 1 inputs to the valuation methodology are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly for substantially the full term (contractual life) of the asset or liability.
- Level 3 inputs to the valuation methodology are unobservable inputs. Such unobservable inputs are estimates that management expects market participants would use to determine the fair value of the asset or liability.

The following table presents the Company's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis at June 30, 2025 (U.S. Dollars in Thousands):

	Level 1	Level 2	Level 3	Total
Assets				
Trading assets:				
Derivative financial instruments				
Cross currency contracts	-	\$3,700,544	-	\$3,700,544
Equity contracts	-	214,045	-	214,045
Interest rate contracts	-	11,049,496	-	11,049,496
Commodity contracts	-	462,453	-	462,453
Foreign exchange contracts	-	967	-	967
Financial instruments owned, at fair value				
Equity securities	\$15,336,787	-	-	15,336,787
US Treasury Securities	-	-	-	-
Total trading assets	\$15,336,787	\$15,427,505	-	\$30,764,292
Securities purchased under agreements to resell ⁽¹⁾	-	7,839	-	7,839
Total assets at fair value	\$15,336,787	\$15,435,344	-	\$30,772,131

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Notes to Financial Statements (continued)

June 30, 2025
(Unaudited)

Liabilities

Trading liabilities:

Derivative financial instruments

Cross currency contracts	-	\$3,402,426	-	\$3,402,426
Equity contracts	-	633,482	-	633,482
Interest rate contracts	-	10,569,314	-	10,569,314
Commodity contracts	-	134,861	4	134,865
Foreign exchange contracts	-	823	-	823
Financial instruments sold, not yet purchased, at fair value				
Equity securities	\$957,016	-	-	957,016
US Treasury Securities	-	-	-	-
Total trading liabilities at fair value	\$957,016	\$14,740,906	\$4	\$15,697,926

⁽¹⁾Items for which the Company elected the fair value option under ASC 825.

Valuation Methodology for Financial Instruments Carried at Fair Value on a Recurring Basis

The fair value of financial instruments is based on quoted market prices including market indices, broker or dealer quotations or an estimation by management of the expected exit price under current market conditions. Certain instruments may be measured using valuation techniques, such as valuation pricing models incorporating observable parameters, unobservable parameters, or a combination of both. If the inputs used to measure an asset or liability fall into different levels within the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

In addition, valuation adjustments are integral to determining the fair value of derivative portfolios and are achieved by developing and calibrating sophisticated pricing models to determine the fair value and appropriate exit price. The Company utilizes a valuation methodology that incorporates various valuation adjustments including “XVA” in the valuation of open derivative trades.

XVA is comprised of Bilateral Valuation Adjustment (BVA), which accounts for the bilateral nature of counterparty risk for existing transactions in Financial Instruments; Funding Valuation Adjustment (FVA), which accounts for uncollateralized or low credit quality collateralized clients with whom the Company has transactions in Financial Instruments outstanding; Collateral Valuation Adjustment (CollVA) which is intended to capture specific features of a collateral arrangement with a client that the regular discounting framework does not capture and lastly; and

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Notes to Financial Statements (continued)

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(Unaudited)

5. Fair Value Measurements (continued)

Fair Value Adjustment, which is in place to adjust for model risk related to pricing models accounted for in the profit and loss account.

XVA is applied to the fair values of the Company's derivative instruments to capture the risks outlined above. XVA can have significant impacts to the Company's Financial Statements in periods of high market volatility. To reduce the impacts of this volatility, the Company entered into a service level agreement with their Ultimate Parent, ING Bank N.V., where their Parent manages the XVA risks on behalf of the Company. Based on the outcome of the risk management activities during the period there is a flow of compensation either due to or due from the Ultimate Parent that offsets the financial reporting impacts of XVA during the period. This compensation is reported as either a receivable due to or payable due from the Ultimate Parent with an offsetting adjustment to the Statement of Income through Other Income or Other Expense.

The following is a description of the valuation basis, including valuation techniques and inputs, used in measuring the Company's financial assets and liabilities that are accounted for at fair value on a recurring basis.

Equity securities held by the Company are measured using quoted prices for identical securities in active dealer markets. Accordingly, equity securities are categorized in Level 1 of the fair value hierarchy.

US Treasury securities held by the Company are measured based on quoted market prices and categorized within Level 1 of the fair value hierarchy.

Derivative financial instruments can be exchange-traded or OTC. Derivatives that trade in liquid markets, such as forwards, futures, swaps, and options, are classified within Level 2 of the fair value hierarchy when all of the significant inputs are observable and can be corroborated to market evidence. If observable market data is not available, fair value is based upon internally developed valuation models that use current market-based or independently sourced market parameters, such as credit spreads and option volatilities. These instruments are classified within Level 3 of the fair value hierarchy.

Fair Value Option

The Company accounts for a portion of its securities purchased under agreements to resell at fair value under the fair value option election. The primary reason for electing fair value option is to reflect economic events in earnings on a timely basis.

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Notes to Financial Statements (continued)

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5. Fair Value Measurements (continued)

The fair value is computed using a standard cash flow discounting methodology. The inputs to the valuation include contractual cash flows and collateral funding spreads, which are estimated using various benchmarks and interest yield curves. Securities purchased under agreements to resell are generally classified as level 2 because the inputs are observable. The fair value of Securities purchased under agreements to resell at June 30, 2025 is included in the table of Financial Instruments Measured at Fair Value on a Recurring Basis.

Quantitative Information Regarding Significant Unobservable Inputs and Assumptions

The following table presents quantitative information about the significant unobservable inputs and assumptions used by the Company for certain material Level 3 financial instruments as of June 30, 2025 (U.S. Dollars in Thousands):

Class of Financial Instrument	Fair Value (Net)	Valuation Technique	Unobservable Inputs
Commodity Contracts	\$4*	Prudent value adjustment	Commodity Volatility Correlations

*The fair value amount is representative pre XVA adjustment.

The tables below disclose the balances of sales, and transfers into and out of Level 3 during the period, for all assets and liabilities categorized as Level 3 as of June 30, 2025 (U.S. Dollars in Thousands).

Opening Balance as of January 1, 2024	Sales	Transfers into Level 3	Transfers out of Level 3	Unrealized Gains (Losses)	Balance as of June 30, 2025
\$(1450)	\$0	\$0	\$(450)	\$1,896	\$(4)

Estimated Fair Value of Financial Instruments Not Carried at Fair Value

Certain financial instruments are not carried at fair value on a recurring basis on the Statement of Financial Condition since they are neither held for trading purposes nor elected for the fair value option. These are typically carried at contractual amounts due or amortized cost.

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Notes to Financial Statements (continued)

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5. Fair Value Measurements (continued)

The carrying value of the majority of the following financial instruments will approximate fair value since they are liquid, short-term in nature and/or contain minimal credit risk. These include cash, securities purchased under agreements to resell, securities loaned, short-term borrowing, short-term lending.

However, the fair value of other financial instruments may be different than carrying value if they are longer term in nature or contain more than minimal credit risk. All of these financial assets and financial liabilities would be generally classified as Level 2 or Level 3 within the fair value hierarchy.

The following table presents carrying values for financial instruments which are carried on a basis other than fair value within our Statement of Financial Condition as of June 30, 2025. Financial instruments measured at fair value on a recurring basis are separately reported in the tables above.

	Carrying amount (U.S. Dollars in Thousands)
Assets	
Cash	\$43,913
Receivables from affiliates brokers, dealers clearing organizations and customers	1,633,116
Receivables from affiliates	961,785
Securities purchased under agreements to resell	2,607,694
Short-term lending to affiliate	1,157,164
Total	\$6,403,672
Liabilities	
Securities loaned	\$5,977,189
Payables to brokers, dealers clearing organizations and customers	897,532
Payables to affiliates	5,080,272
Short-term borrowing	8,426,158
Total	\$20,381,151

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Notes to Financial Statements (continued)

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6. Income Taxes

The Company is a single member limited liability company for federal, state, and local tax purposes, and accordingly, for the period ended June 30, 2025, it was not subject to federal, state and local corporate income taxes directly, but is included in the consolidated and combined returns filed by the Parent.

The Company is subject to a tax sharing agreement with the Parent whereby the Company's tax provision is calculated on a modified separate company basis. At June 30, 2025, the expense to the Company was \$24,149,124 and the Company has a payable to the Parent of \$68,859,661 related to income taxes. The provision for income taxes for the period ended June 30, 2025 consists of the following (U.S. Dollars in Thousands):

Tax Expense	
Current	
Federal	\$17,489
State and local	3,933
Total Current	<u>\$21,422</u>
Deferred	
Federal	\$2,226
State and local	501
Total Deferred	<u>\$2,727</u>
Total Income Tax Expense	<u>\$24,149</u>

The components of the Company's net Deferred Tax Liabilities at June 30, 2025, are as follows (U.S. Dollars in Thousands):

Deferred Tax Assets	
Deferred Tax Assets	\$-
Less: Valuation Allowance	<u>-</u>
Deferred Tax Assets	
Deferred Tax Liabilities	
Deferred Tax Liabilities	\$10,675
Less: Valuation Allowance	<u>-</u>
Deferred Tax Liabilities	<u>\$10,675</u>
Net Deferred Taxes	<u>\$10,675</u>

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6. Income Taxes (continued)

ASC 740 prescribes an asset and liability approach to accounting for taxes that requires the recognition of deferred tax assets ('DTAs') and deferred tax liabilities ('DTLs') for the expected future tax consequences of events that have been recognized in the financial statements or tax returns. In estimating future tax consequences, ASC 740 generally considers all expected future events other than future enactment of changes in the tax law or rates. The gross DTLs relates to the valuation adjustment.

The difference between the expected statutory federal rate of 21% and the effective income tax rate of 24.56% for the period ended June 30, 2025 is due to state and local income taxes.

As of June 30, 2025, the Company was not required to establish a liability for uncertain tax positions. As of June 30, 2025, the Company has no accrued liabilities for interest or penalties in its statement of financial condition. The Parent's federal tax returns are open to IRS examination beginning with the 2021 tax year. Most state and local tax returns are open to examination beginning with tax year 2020 whereas a select few state and local tax returns are open to examination beginning with the 2013 tax year.

7. Concentrations of Credit Risk

Credit Risk

As a swap dealer, the Company is engaged in various trading activities servicing a diverse group of domestic and foreign entities. The Company's transactions are often collateralized and are executed with and on behalf of institutional investors, including other swap dealers, commercial banks, insurance companies, pension plans, mutual funds, and other financial institutions. The Company's exposure to credit risk associated with the nonperformance of these counterparties in fulfilling their contractual obligations can be directly impacted by volatile trading markets, which may impair the counterparties' ability to satisfy their obligations to the Company.

The Company enters into OTC derivatives, which are negotiated and settled bilaterally with the derivative counterparty. In addition, the Company enters into certain exchange traded derivatives such as futures and options and cleared OTC derivative contracts with central counterparties ('CCP'). Exchange traded contracts are generally standardized contracts traded on an exchange and cleared by the CCP. OTC centrally cleared contracts are those contracts which are traded bilaterally and then novated to a CCP for clearing.

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Notes to Financial Statements (continued)

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7. Concentrations of Credit Risk (continued)

The Company attempts to minimize credit risk by monitoring counterparty credit exposure and creditworthiness and limiting such transactions with certain counterparties. Credit risk arises from a failure of a counterparty to perform according to the terms of the contract. The Company's exposure to credit risk at any point in time is approximated by the fair value of the contracts reported as assets.

For receivables, the Company monitors the past due status on a daily basis. As per June 30, 2025, no material amounts of receivables was past due.

The Company mitigates credit exposure arising from trading activities by entering into ISDA Master Agreements with counterparties that require the posting of collateral on derivative contracts in which the Company enters into. The Company reviews the market value of securities and collateral held on a daily basis and requires additional collateral to be delivered or returned to the Company pursuant to the terms of such collateral agreements.

The Company's concentrations of credit risk arise from its gross exposure to the industry types it transacts with. The following table presents the Company's concentration of exposures by counterparty arising out of derivative transactions (U.S. Dollars in Thousands).

The gross fair value of derivative assets represents the maximum amount of loss due to credit risk that the Company would incur if the counterparties of the Company failed to perform in accordance with the terms of the instruments and if any collateral or other securities the Company held in relation to those instruments proved to be of no value.

Industry Concentration	Gross Fair Value	Impact of Collateral
Commercial Banks	13,236,943	128,070
Non-Bank Financial Institutions	1,001,177	150,607

Financial Instruments with Off-Balance-Sheet Risk

Financial instruments sold, not yet purchased at fair value, include an obligation to purchase securities at a future date. Such securities have market risk to the extent subsequent market fluctuations may require the Company to repurchase the securities at prices in excess of the market value reflected in the statement of financial condition.

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

Notes to Financial Statements (continued)

June 30, 2025
(Unaudited)

8. Commitment and Contingencies

The Company operates in a legal and regulatory business environment that exposes it to various legal and regulatory compliance risks. As a result, the Company is involved in certain types of litigation and regulatory proceedings in the ordinary course of business that it operates in.

In accordance with ASC 450, "Loss Contingencies", the Company will accrue a liability when it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. In many lawsuits and regulatory proceedings, it is not possible to determine whether a liability has been incurred or to estimate the ultimate or minimum amount of that liability until the matter is close to resolution. In view of the inherent difficulty of predicting the outcome of such matters, the Company cannot determine the probability or estimate what the eventual loss or range of loss related to such matters will be. Subject to the foregoing, the Company continues to assess these matters and believes, in conjunction with consultation with outside counsel that based on information available to it, that the resolution of these matters will not have a material adverse effect on its statements of income and financial condition of the Company for the period ended June 30, 2025.

9. Capital Requirements

The Company is subject to CFTC Regulation 23.101 (the Rule), which requires the maintenance of minimum regulatory capital requirements for swap dealers. The Company has elected to take the bank-based approach with respect to this regulation, and is required to maintain capital equal to the greater of the following items, as defined by the Rule:

Regulatory requirement	Minimum required	Actual as of December 31, 2024
Common equity tier 1 capital (in \$ millions)	\$20	\$1,096
Common equity tier 1 capital as percentage of risk-weighted assets (RWA)	6.5%	14%
Total capital as percentage of RWA	8%	14%
Total capital as percentage of uncleared swap margin	8%	14%

At June 30, 2025, the Company had regulatory capital of \$1,096,260,483, which was \$461,047,299 in excess of the minimum requirement. The minimum requirement was \$635,213,184, which is 8% of Risk-Weighted Assets.

ING Capital Markets LLC
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Notes to Financial Statements (continued)

June 30, 2025
(Unaudited)

10. Derivative Instruments and Hedging Activities

In the normal course of business, the Company enters into transactions in derivative instruments in order to meet the financing and hedging needs of its customers, to reduce its own exposure to market, credit and liquidity risks, and in connection with its proprietary trading activities. These financial instruments may include cross currency contracts, interest rate contracts, equity contracts, commodity contracts and foreign exchange contracts.

Risks arise from unfavorable changes in interest rates, foreign currency exchange rates or the market values of the securities underlying the instruments as well as the possible inability of counterparties to meet the terms of their contracts. The credit risk associated with these contracts is typically limited to the cost of replacing all contracts on which the Company has recorded an unrealized gain.

Derivatives are presented on the Statement of Financial Condition at fair value, which is equal to the present value of all remaining cash flows including accrued interest. The fair value of the instrument, inclusive of accrued interest is allocated to the applicable sub-line of the Trading Assets or Trading Liabilities financial statement line.

The following table quantifies the volume of the Company's derivative activity recorded in Trading assets and Trading liabilities on the Statement of Financial Condition, as of June 30, 2025, through a disclosure of notional amounts, in comparison with the fair value of those derivatives. All notional and fair value amounts are disclosed on a gross basis (U.S. Dollars in Thousands):

	Contract/Notional	Fair Value Derivative Assets	Fair Value Derivative Liabilities
Cross currency contracts	\$198,111,157	\$3,700,544	\$3,402,426
Equity contracts	21,375,224	214,045	633,482
Interest rate contracts	738,429,793	11,049,496	10,569,314
Commodity contracts	20,651,079	462,453	134,865
Foreign exchange contracts	1,610,910	967	823
Gross derivative instruments	\$980,178,163	\$15,427,505	\$14,740,910

11. Segments

The entity is a single reportable segment entity that acts as a counterparty swap-dealer to its domestic and international client base. The entity's chief operating decision maker is the chief executive officer. The CODM uses net income to evaluate the results of the business. The CODM manages the business activities using information of the Company as a whole and decides on

ING Capital Markets LLC
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Notes to Financial Statements (continued)

June 30, 2025
(Unaudited)

11. Segments (continued)

resource allocations for the entity by considering the results of the entity jointly with the results of an affiliate on an aggregate basis. Additionally, the CODM uses excess net capital, which is not a measure of profit or loss, to make operational decisions while maintaining capital adequacy. The accounting policies used to measure the profit and loss of the segment are the same as those described in the summary of significant accounting policies. Significant segment expenses are reported on the entity's Statement of Income.

12. Subsequent Events

The Company evaluated subsequent events through August 28, 2025, the date the financial statements were issued. The Company did not note any subsequent events requiring disclosure or adjustment to the financial statements.

Supplemental Information

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

Schedule I - Computation of Regulatory Capital Under 17 CFR §23.101

June 30, 2025
(U.S. Dollars in Millions)

Computation of Minimum Capital Requirements

Computation of Aggregate Bank Holding Company Capital

1. Common Equity Tier 1 Capital	1,096.3
2. Additional Tier 1 Capital	0.0
3. Tier 2 Capital	0.0
4. Total aggregate BHC capital (sum of Lines 1, 2, and 3)	1,096.3
A. Amount of liabilities subordinated to claims of creditors allowable under 17 CFR 240.18a-1d and included in total aggregate BHC capital	\$0

Computation of Minimum Capital Requirements

5. Fixed-dollar minimum regulatory capital requirement	20.0
6. Excess common equity Tier 1 capital (difference between Lines 1 and 5)	1,076.3
7. Aggregate BHC capital in excess of 120% of minimum capital requirement (Line 4 less (Line 5 multiplied by 120%))	1,072.3
8. Risk weighted assets - credit risk exposure requirement (for firms approved to use models)	
9. Risk weighted assets - credit risk exposure requirement (for firms not approved to use models)	5,918.9
10. Risk weighted assets - market risk exposure requirement (for firms approved to use models)	2,021.3
A. Aggregate VaR	\$18.2
11. Market risk capital charges (for firms not approved to use models)	
A. Commodity futures contracts and spot commodities	\$0
B. Haircuts on securities other than swaps	\$0
1. Contractual securities commitments	\$0
2. Subordinated securities borrowings	\$0
3. Trading and investment securities	\$0
a. Bankers acceptances, certificates of deposit, commercial paper, and money market instruments	\$0
b. U.S. and Canadian government obligations	\$0
c. State and municipal government obligations	\$0
d. Corporate obligations	\$0
e. Stocks and warrants	\$0
f. Options	\$0
g. Arbitrage	\$0
h. Risk based haircuts computed under 17 CFR 240.18a-1a	\$0
i. Other securities	\$0
4. Undue concentration	\$0
5. Other (List: _____)	\$0
C. Haircuts on security-based swaps	\$0
D. Haircuts on swaps	\$0
E. Other deductions, charges or haircuts	\$0
F. Total market risk capital charges (sum of Lines 11A-E)	\$0
G. Factor of market risk exposure amount computed under 17 CFR 23.100	\$0
12. Risk weighted assets - other (as applicable)	7,940.2
13. Total BHC equivalent risk weighted assets (sum of Lines 8, 9, 10, 11G, and 12, as applicable)	635.2
14. Percentage of BHC equivalent risk weighted assets computed under 17 CFR 23.101	461.0
15. Excess aggregate BHC capital (difference between Lines 4 and 14)	0.138065
16. Common equity Tier 1 to BHC equivalent RWA capital ratio (Line 1 divided by Line 13)	334.0
17. Aggregate BHC capital in excess of 120% of minimum capital requirement (Line 4 less (Line 14 multiplied by 120%))	7,940.2
18. Risk based margin	
A. Amount of uncleared swap margin	7,888.2
B. Percentage of risk margin amount computed under 17 CFR 23.101	631.1
19. Excess aggregate BHC capital (difference between Lines 4 and 18B)	465.2
20. Aggregate BHC capital in excess of 120% of minimum capital requirements (Line 4 less (Line 18B multiplied by 120%))	339.0
21. Other NFA requirement (if applicable)	\$0
22. Excess aggregate BHC capital (difference between Lines 4 and 21)	1,096.3
23. Aggregate BHC capital in excess of 120% of minimum capital requirements (Line 4 less (Line 21 multiplied by 120%))	1,096.3

There are no material differences between the amounts presented above and the amounts presented in the Company's June 30, 2025, unaudited schedule of regulatory capital filed with the CFTC and NFA on July 24, 2025.

