



ING Bank N.V., Hong Kong Branch

(Incorporated in the Netherlands with limited liability)

Annual Financial Disclosure Statement

31 December 2020

Basis of Preparation

The Annual Financial Disclosure Statement for the year ended 31 December 2020 (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 2020	Year ended 31 December 2019
Interest income	1,112	1,958
Interest expense	(536)	(1,442)
Net interest income	576	516
Other operating income		
Gains less losses arising from trading in foreign currencies	(19)	47
Gains less losses on securities held for trading purposes	-	-
Net fees and commission income	131	160
Others	127	101
Total operating income	815	824
Operating expenses		
Staff expenses	(210)	(208)
Rental expense	(33)	(30)
Other operating expenses	(207)	(189)
Total operating expenses	(450)	(427)
Net income before impairment allowances	365	397
Net charge of impairment allowances on advances and other accounts	(426)	(56)
(Loss)/profit before taxation	(61)	341
Taxation	8	(57)
(Loss)/profit after taxation	(53)	284

Balance Sheet (unaudited)

Figures in HKD million	At 31 December 2020	At 30 June 2020
Assets		
Cash and balances with banks	85	248
Balances with central bank	1,096	96
Placements with banks and other financial institutions maturing between one and twelve months	-	493
Amount due from overseas offices	21,857	24,894
Trade bills	7,854	2,871
Impairment allowances	(4)	-
Investment securities	5,269	6,010
Loans and receivables		
Advances to customers	31,732	38,848
Advances to banks and other financial institutions	20,826	12,920
Impairment allowances	(492)	(368)
Accrued interest and other accounts	307	347
Fixed assets	58	74
Total assets	88,588	86,433
Liabilities		
Deposits and balances of central banks, banks and other financial institutions	9,800	7,228
Deposits from customers		
Demand deposits and current accounts	32	31
Savings deposits	1,323	1,403
Time, call and notice deposits	5,186	4,711
Amount due to overseas offices	71,790	71,773
Other liabilities	457	1,287
Total liabilities	88,588	86,433

Supplementary Financial Information (unaudited)

1. Net Fees and Commission Income

Figures in HKD million	Year ended 31 December 2020	Year ended 31 December 2019
Fees and commission income	136	179
Fees and commission expenses	(5)	(19)
	131	160

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

Figures in HKD million	At 31 December 2020		At 30 June 2020	
	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	2,514	-	2,842	201
- Property development	1,160	1,160	1,600	-
- Property investment	-	-	-	-
- Wholesale and retail trade	500	-	500	-
- Transport and transport equipment	1,100	-	1,711	-
- Financial concerns	2,200	-	3,736	-
- Electricity and gas	7,910	-	7,448	-
- Information technology	-	-	-	-
- Others	567	180	180	180
	15,951	1,340	18,017	381
<i>Individuals</i>				
- For the purchase of other residential properties	-	-	-	-
- Others	-	-	-	-
	-	-	-	-
Total advances for use in Hong Kong	15,951	1,340	18,017	381
Trade finance	4,310	2,551	9,983	2,290
Advances for use outside Hong Kong	11,471	1,771	10,848	2,699
Gross advances to customers	31,732	5,662	38,848	5,370

Supplementary Financial Information (unaudited)

3. Analysis of Gross Advances to Customers by Geographical Areas

Figures in HKD million	At 31 December 2020	At 30 June 2020
Asia Pacific	28,843	33,956
<i>Of which: Hong Kong</i>	<i>19,179</i>	<i>22,461</i>
<i>Of which: Mainland China</i>	<i>8,927</i>	<i>9,887</i>
Europe	2,632	4,498
America	195	356
Middle East	62	38
	<u>31,732</u>	<u>38,848</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 2020	At 30 June 2020
Stage 1	52	10
Stage 2	1	-
Stage 3	443	358
	<u>496</u>	<u>368</u>

Supplementary Financial Information (unaudited)

5. Impaired Advances to Customers

Figures in HKD million	At 31 December 2020	At 30 June 2020
Total amount of impaired advances to customers	1,447	1,925
Individual impairment allowances made in respect of such advances	(443)	(358)
	<u>1,004</u>	<u>1,567</u>
Total value of collateral	5	409
Percentage of such advances to total advances to customers	4.56%	4.96%
Analysis of such advances by geographical areas after risk transfer:		
Asia Pacific	812	711
Europe	635	858
America	-	356
Middle East	-	-
	<u>1,447</u>	<u>1,925</u>

There were no impaired advances to banks and other financial institutions as at 31 December 2020 and 30 June 2020.

Supplementary Financial Information (unaudited)

6. Overdue and Rescheduled Advances to Customers

Figures in HKD million	At 31 December 2020		At 30 June 2020	
	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>				
Six months or less but over three months	100	0.32%	605	1.56%
One year or less but over six months	1,343	4.23%	-	-
Over one year	-	-	-	-
	<u>1,443</u>	4.55%	<u>605</u>	1.56%
<i>Analysis of such advances by geographical areas after risk transfer:</i>				
Asia Pacific	812	2.56%	268	0.69%
Europe	631	1.99%	136	0.35%
America	-	-	201	0.52%
Middle East	-	-	-	-
	<u>1,443</u>	4.55%	<u>605</u>	1.56%

No advances to banks and other financial institutions and other assets were overdue for more than 3 months as at 31 December 2020 and 30 June 2020.

(b) Rescheduled advances:

There were no rescheduled advances to customers, banks and other financial institutions as at 31 December 2020 and 30 June 2020.

(c) Repossessed assets:

There were no repossessed assets as at 31 December 2020 and 30 June 2020.

Supplementary Financial Information (unaudited)

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

Figures in HKD million	At 31 December 2020	At 30 June 2020
Current market value of collateral held against the covered portion of overdue loans and advances	-	201
Covered portion of overdue loans and advances	-	201
Uncovered portion of overdue loans and advances	1,443	404
Individual impairment allowances made in respect of overdue loans and advances	443	196

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

	Banks	Official sector	Non-bank private sector		Others	Total
			Non-bank Financial institutions	Non-financial private sector		
At 31 December 2020						
Developed countries						
of which: Netherlands	21,910	-	-	627	-	22,537
Developing Asia and Pacific countries						
of which: China	26,772	-	-	8,796	-	35,568
Offshore centres						
of which: Hong Kong	73	-	1,677	11,199	-	12,949
At 30 June 2020						
Developed countries						
of which: Netherlands	25,162	-	-	1,636	-	26,798
Developing Asia and Pacific countries						
of which: China	11,797	-	2,107	7,704	-	21,608
Offshore centres						
of which: Hong Kong	286	-	2,548	12,577	-	15,411

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 2020

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”)	12,679	9,072	21,751
2. Local governments, local government-owned entities and their subsidiaries and JVs	1,065	705	1,770
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	6,845	1,926	8,771
4. Other entities of central government not reported in item 1 above	365	396	761
5. Other entities of local governments not reported in item 2 above	494	-	494
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	5,496	2,599	8,095
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	26,944	14,698	41,642
Total assets after provisions	88,588		
On-balance sheet exposures as % of total assets	30.42%		

Supplementary Financial Information (unaudited)

9. Non-bank Mainland China Exposures (Continued)

Figures in HKD million

At 30 June 2020

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”)	17,404	6,885	24,289
2. Local governments, local government-owned entities and their subsidiaries and JVs	2,564	508	3,072
3. PRC nationals residing in Mainland China or other entities incorporated in Mainland China and their subsidiaries and JVs	8,035	2,626	10,661
4. Other entities of central government not reported in item 1 above	1,147	343	1,490
5. Other entities of local governments not reported in item 2 above	495	-	495
6. PRC nationals residing outside Mainland China or entities incorporated outside Mainland China where the credit is granted for use in Mainland China	4,806	2,448	7,254
7. Other counterparties where the exposures are considered by the reporting institution to be non-bank Mainland China exposures	-	-	-
Total	34,451	12,810	47,261
Total assets after provisions	86,433		
On-balance sheet exposures as % of total assets	39.86%		

Supplementary Financial Information (unaudited)

10. Currency Risk

Figures in HKD million

At 31 December 2020

	USD	EUR	CNY	GBP	SGD	AUD	Others	Total
Spot assets	50,026	16,587	2,703	600	353	1	1	70,271
Spot liabilities	(57,511)	(16,585)	(2,466)	(599)	(352)	-	-	(77,513)
Forward purchases	8,754	-	802	-	31	-	15	9,602
Forward sales	(1,275)	-	(1,036)	-	(31)	-	(15)	(2,357)
Net (short)/long position	<u>(6)</u>	<u>2</u>	<u>3</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>3</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net option position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

At 30 June 2020

	USD	EUR	CNY	GBP	SGD	AUD	Others	Total
Spot assets	42,981	22,258	1,313	598	418	1	1	67,570
Spot liabilities	(49,810)	(24,428)	(498)	(596)	(418)	-	-	(75,750)
Forward purchases	10,166	2,175	465	-	50	-	36	12,892
Forward sales	(3,277)	(1)	(1,276)	-	(50)	-	(36)	(4,640)
Net long position	<u>60</u>	<u>4</u>	<u>4</u>	<u>2</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>72</u>
Net structural position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net option position	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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 2020 and 30 June 2020.

Supplementary Financial Information (unaudited)

11. Liquidity

11.1 Liquidity Ratios

	For the quarter ended 31 December 2020	For the quarter ended 31 December 2019
Average Liquidity Maintenance Ratio (“LMR”)	58.09%	44.94%

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 and covers the areas of (i) intra-day liquidity risk (ILAAP); (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 and limits set by the Assets & Liabilities Committee (“ALCO”) and the Market Risk Management department of the Branch.

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 funding and liquidity risk appetite that is cascaded from the Group's ALCO towards the Branch's ALCO and it simultaneously takes fully into account all relevant local HKMA regulations. The ALCO members (which include representatives of staff departments from the Chief Risk Officer ("CRO") 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 Branch's second line market risk management function is responsible for developing and maintaining the Branch's policies, standards, guidelines and risk appetite for funding and liquidity risk management. The Financial Risk function measures funding and liquidity risks, is responsible for stress testing activities and controls the liquidity requirements related to commercial products. 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.

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 ALCO (i.e. ING Bank N.V. Limited) where appropriate.

Each first level ALCO must comply with the limits and/or monitoring metrics set in the bank-wide RAS. 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.

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 prepared and proposed by market risk management function, 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 prepared and proposed by market risk management function, 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 Asset and Liability Management (“ALM”) risk 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, 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 together with the HKMA Stable Funding Requirement.

11.2.4 Stress Testing

The Funding & Liquidity Stress Testing 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 Funding & Liquidity Stress Testing 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”) and Time-to-Survive (“TTS”) are two pre-determined output metrics both of which are affected as a result of the application of specific scenarios and parameters.

The Funding & Liquidity Stress Testing 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 Funding & Liquidity Stress Testing 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 Stress Testing (Continued)

The outcomes of the stress tests are taken into consideration across all the key aspects of the Branch's funding and liquidity risk 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 Funding & Liquidity Stress Testing 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 monthly 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.

Supplementary Financial Information (unaudited)

11. Liquidity (Continued)

11.2 Liquidity Risk Management (Continued)

11.2.5 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 2020			
Contractual Maturity mismatch	7,521	(6,166)	843
Cumulative Contractual Maturity mismatch	7,521	1,355	2,198
At 31 December 2019			
Contractual Maturity mismatch	25,374	(26,610)	(398)
Cumulative Contractual Maturity mismatch	25,374	(1,236)	(1,634)

11.2.6 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 2020	As % of total liabilities	At 31 December 2019	As % of total liabilities
The Group companies	71,300	80.49%	87,268	83.58%
Non-bank customers	6,542	7.38%	6,945	6.65%
Central banks	5,256	5.93%	3,379	3.24%
Banks	4,166	4.70%	4,249	4.07%

Supplementary Financial Information (unaudited)

11. Liquidity (Continued)

11.2 Liquidity Risk Management (Continued)

11.2.7 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 2020					
Balances with central bank	1,096	1,096	-	-	-
Due from banks	42,823	24,685	3,811	12,927	1,400
Debt securities	5,268	5,268	-	-	-
Trade bills	7,854	2,022	5,069	763	-
Advances to customers	31,822	10,180	7,421	6,688	7,533
Other assets*	220	4,425	4,497	297	113
Total on-balance sheet assets	89,083	47,676	20,798	20,675	9,046
Total off-balance sheet claims	19,490	5,939	8,667	4,880	4
Deposits from non-bank customers	6,541	5,278	1,196	47	20
Due to central banks	5,256	4,371	885	-	-
Due to banks	75,506	26,253	20,379	17,816	11,058
Other liabilities and reserves*	1,285	4,492	4,502	336	1,066
Total on-balance sheet liabilities	88,588	40,394	26,962	18,199	12,144
Total off-balance sheet obligations	22,835	5,700	8,667	6,515	1,953

*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)

11.2.7 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 2019					
Balances with central bank	119	119	-	-	-
Due from banks	57,520	42,472	5,017	9,146	885
Debt securities	4,403	4,403	-	-	-
Trade bills	8,892	4,502	3,984	406	-
Advances to customers	33,393	16,472	3,622	4,211	9,088
Other assets	156	53	1	1	101
Total on-balance sheet assets	104,483	68,021	12,624	13,764	10,074
Total off-balance sheet claims	38,903	15,685	15,316	7,528	374
Deposits from non-bank customers	6,945	4,472	2,390	63	20
Due to central banks	3,379	3,379	-	-	-
Due to banks	91,539	38,689	33,321	10,036	9,493
Other liabilities and reserves	2,550	836	416	94	1,204
Total on-balance sheet liabilities	104,413	47,376	36,127	10,193	10,717
Total off-balance sheet obligations	43,978	10,956	18,423	11,497	3,102

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 2020 Annual report of ING Group N.V. for details.

13. Contingent Liabilities and Commitments

Figures in HKD million	At 31 December 2020	At 30 June 2020
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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	-	469
Transaction-related contingencies	1,335	971
Trade-related contingencies	12,745	10,305
Forward forward deposits placed	2,557	9,138
Other commitments		
With an original maturity of under 1 year or are unconditionally cancellable	41,777	40,676
With an original maturity of 1 year and over	1,981	2,603
	<u>60,395</u>	<u>64,162</u>

Supplementary Financial Information (unaudited)

14. Derivatives

Figures in HKD million	At 31 December 2020	At 30 June 2020
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The contractual/notional amounts of derivatives are disclosed as follows:

Exchange rate contracts	10,101	13,615
Interest rate contracts	4,189	4,322
	<u>14,290</u>	<u>17,937</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 2020	At 30 June 2020
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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	7	72
- Negative fair value	(10)	(5)
	<u>(3)</u>	<u>67</u>
Interest rate contracts		
- Positive fair value	-	-
- Negative fair value	-	-
	<u>-</u>	<u>-</u>

15. Comparative Figures

Certain comparative figures have been reclassified to conform to the financial statements presentation adopted in the current year.

Hong Kong, 29 April 2021

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 2020 (Audited)	At 30 June 2020 (Unaudited)
Shareholders’ funds	54,637	54,305
Capital Adequacy Ratios		
Common Equity Tier 1 Ratio	15.5%	15.0%
Tier 1 Ratio	17.3%	16.9%
Total Capital Ratio	20.1%	19.6%

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 2020 (Audited)	Year ended 31 December 2019 (Audited)
Pre-tax profit	3,809	6,834
Figures in EUR million	At 31 December 2020 (Audited)	At 30 June 2020 (Unaudited)
Total assets	937,275	984,842
Total liabilities	881,616	929,515
Total loans and advances to customers	598,176	616,709
Total customer deposits	609,642	605,798

Details of the above information can be obtained from the Group 2020 Annual report and the Group 2020 Interim report.
