

# Straight Talk

## SECOND QUARTER 2011 REVIEW

On August 4, ING Groep N.V., or "ING Group," the parent company of the ING Retirement business, which includes U.S. Retirement Services, announced strong financial results for both the second quarter and the first half of the year. We are pleased to provide certain details on these financial results below. Please read these details together with a complete copy of the ING Group earnings announcement and its accompanying statistical supplement available at [www.ing.com/Our-Company/Investor-relations/Results-Interim-Accounts/Latest-Quarterly-Results.htm](http://www.ing.com/Our-Company/Investor-relations/Results-Interim-Accounts/Latest-Quarterly-Results.htm).

While delivering a strong operating performance is a key priority for ING, we remain, as always, keenly focused on our customers and business partners. In the U.S. Retirement Services business alone, we serve more than 5 million individuals who are saving for the future. On the following page, we share some of the high points of our service during the second quarter.

As always, we thank you for your confidence in ING and for the opportunity to join with you in the important work of helping Americans grow, protect and enjoy their wealth in retirement.

The snapshot below captures key second quarter 2011 metrics.

### Financial Updates Second Quarter 2011<sup>1</sup>

#### ING Group

- ING Group underlying net profit<sup>2</sup> of \$2.2 billion in second quarter 2011 was up 20% from second quarter 2010 results of \$1.9 billion and up 4% compared to prior quarter results of \$2.1 billion. Results for the first half of 2011 were 39% better than the first half of 2010

#### ING Global Insurance

- Operating profit of \$1.0 billion in second quarter 2011 was up 83% compared to \$547 million in second quarter 2010 and up 35% relative to \$740 million in first quarter 2011. Current quarter results were driven by higher investment and technical margins in both prior periods

<sup>1</sup> Amounts in U.S. dollars have been converted from amounts that have been publicly reported in euros by ING Group at the exchange rate set forth in the ING Group earnings announcement and statistical supplement for the applicable period.

<sup>2</sup> After tax profits but before investment related gains/losses and special items.

<sup>3</sup> Excludes U.S. closed block variable annuity business.

#### ING U.S. Insurance and U.S. Retirement Services

- Insurance U.S., which includes the U.S. Retirement Services business, saw an operating profit of \$221 million<sup>3</sup> in second quarter 2011, up 68% from second quarter 2010. Results for the first half of 2011 were 41% better than the first half of 2010
- U.S. Retirement Services operating results of \$97 million were up 43% from second quarter 2010 and up 5% from first quarter 2011. Results for the first half of 2011 saw a 28% improvement over 2010
- U.S. Retirement Services full-service sales of \$1.2 billion were 35% better than second quarter 2010, helped by strong results in the Corporate and Public Markets business segments. Sales for the first-half of 2011 were also up 22% compared to 2010
- U.S. Retirement Services stable value investment products sales of \$1.0 billion in second quarter 2011 were 16% better than first quarter 2011

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## INVESTING IN THE FUTURE WITH ING

Together with our clients and business partners, ING Retirement is committed to improving the financial security of Americans, including the more than 5 million workplace retirement investors we personally serve. We are pleased to share a few of the second-quarter highlights of how we continue to build tools and services for our customers and help our partners as they grow their practices and demonstrate value to their clients:

### Driving positive retirement outcomes for individuals “to and through” retirement

As part of our commitment to retirement readiness, ING Retirement is further enhancing our outreach to help transitioning employees make informed decisions, and we are continuing to invest in evolving technologies to help drive positive retirement outcomes for all participants. We are pleased to announce that our efforts have been recognized with the 2011 Dalbar Communications Seal, awarded for excellence in participant communications and best practices.

### Providing fiduciary support and administrative solutions to sponsors

To help make plan oversight easier and allow employers to remain focused on their businesses, we expanded our continuum of fiduciary services for 401(k) plans of small and mid-sized companies, allowing sponsors to delegate specific fiduciary actions under ERISA to an investment manager.

### Adding new investment classes

In our ongoing effort to provide customers with investment options to help meet their needs, including socially responsible investment

options, ING Retirement is making the non-proprietary, multi-manager ESG Managers™ Portfolios available to many ING-administered defined contribution retirement plans.

### Advocating for industry best practices

In our recent response to a DOL request for information on the use of electronic media by ERISA benefit plans, ING Retirement advocated for electronic delivery methods as a powerful channel for reaching benefit plan participants.

### Helping educators in the classroom

For 15 years, ING’s Unsung Heroes® program has recognized and rewarded nearly 1,500 educators for breakthroughs in the classroom. The program now has a new Facebook fan page... check it out at [www.facebook.com/home.php#!/unsungheroesgrant](http://www.facebook.com/home.php#!/unsungheroesgrant) for updates on how America’s teachers are transforming education and how ING is helping to support their dedication and innovation.

## OUR THANKS TO YOU

We are pleased to welcome a number of new plans to ING Retirement from states and cities, private-sector companies and educational institutions across America and extend our thanks to all of you, including the Colorado Public Employees’ Retirement Association (PERA) for selecting ING Retirement as the plans’ exclusive recordkeeper. We’re looking forward to working with you on ongoing initiatives, like the upcoming mobile app and retirement-education game and others, that use social media to engage retirement investors in positive behaviors.

ING Group’s Annual Accounts are prepared in accordance with International Financial Reporting Standards as adopted by the European Union (‘IFRS-EU’). In preparing the financial information in this document and in ING Group’s earnings release and statistical supplement for the second quarter and first half of 2011, the same accounting principles are applied as in the 2Q 2011 ING Group interim accounts. All figures in this document are unaudited.

Certain of the statements contained herein and in ING Group’s earnings announcement and statistical supplement for the second quarter and first half of 2011 are not historical facts, including, without limitation, certain statements made of future expectations and other forward-looking statements that are based on management’s current views and assumptions and involve known and unknown risks and uncertainties that could cause actual results, performance or events to differ materially from those expressed or implied in such statements. Actual results, performance or events may differ materially from those in such statements due to, without limitation: (1) changes in general economic conditions, in particular economic conditions in ING’s core markets, (2) changes in performance of financial markets, including developing markets, (3) the implementation of ING’s restructuring plan to separate banking and insurance operations, (4) changes in the availability of, and costs associated with, sources of liquidity such as interbank funding, as well as conditions in the credit markets generally, including changes in borrower and counterparty creditworthiness, (5) the frequency and severity of insured loss events, (6) changes affecting mortality and morbidity levels and trends, (7) changes affecting persistency levels, (8) changes affecting interest rate levels, (9) changes affecting currency exchange rates, (10) changes in general competitive factors, (11) changes in laws and regulations, (12) changes in the policies of governments and/or regulatory authorities, (13) conclusions with regard to purchase accounting assumptions and methodologies, (14) changes in ownership that could affect the future availability to us of net operating loss, net capital and built-in loss carry forwards, and (15) ING’s ability to achieve projected operational synergies. ING assumes no obligation to publicly update or revise any forward-looking statements, whether as a result of new information or for any other reason.

The assets of ING have no impact on the issuing insurance company’s ability to meet its obligations or upon the performance of its products. All guarantees are based on the financial strength and claims-paying ability of the issuing insurance company, which is solely responsible for all obligations under its policies.

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