# ING U.S.
# Second Quarter 2013 Investor Presentation

August 7, 2013

# Forward-Looking and Other Cautionary Statements

This presentation and the remarks made orally contain forward-looking statements. Forward-looking statements include statements relating to future developments in our business or expectations for our future financial performance and any statement not involving a historical fact. Forward-looking statements use words such as “anticipate,” “believe,” “estimate,” “expect,” “intend,” “plan,” and other words and terms of similar meaning in connection with a discussion of future operating or financial performance. Actual results, performance or events may differ materially from those projected in any forward-looking statement due to, among other things, (i) general economic conditions, particularly economic conditions in our core markets, (ii) performance of financial markets, including emerging markets, (iii) the frequency and severity of insured loss events, (iv) mortality and morbidity levels, (v) persistency and lapse levels, (vi) interest rates, (vii) currency exchange rates, (viii) general competitive factors, (ix) changes in laws and regulations and (x) changes in the policies of governments and/or regulatory authorities. Factors that may cause actual results to differ from those in any forward-looking statement also include those described under “Risk Factors,” and “Management’s Discussion and Analysis of Results of Operations and Financial Condition—Trends and Uncertainties” in our Form 10-Q, and under “Risk Factors,” “Management’s Discussion and Analysis of Results of Operations and Financial Condition—Trends and Uncertainties” and “Business—Closed Blocks—Closed Block Variable Annuity” in our Form S-1 Registration Statement (file no. 333-184847), both filed or to be filed with the Securities and Exchange Commission.

This presentation and the remarks made orally contain certain non-GAAP financial measures. Information regarding these non-GAAP financial measures, including reconciliations to the most directly comparable GAAP financial measures, is provided in the press release issued on August 7, 2013 and ING U.S.’s Quarterly Investor Supplement for the quarter ended June 30, 2013, which are available at the Investor Relations section of ING U.S.’s website at investors.ing.us.

This presentation and the remarks made orally include certain statutory financial results of our insurance company subsidiaries for the second quarter of 2013. These results are still being finalized, and are therefore preliminary and subject to change.

# Agenda

1. **Key Highlights**
   - **Rod Martin, Chairman and Chief Executive Officer**

2. **Executing Our Return on Equity (ROE) / Return on Capital (ROC) Improvement Plan**
   - **Alain Karaoglan, Chief Operating Officer**

3. **Business Operating and Balance Sheet Metrics**
   - **Ewout Steenbergen, Chief Financial Officer**

# Second Quarter 2013 Highlights

- **After-tax operating earnings of $177 million, or $0.71 per share**
- **Ongoing Business adjusted operating earnings before income taxes increased to $303 million from $279 million in 2Q'12**
- **Ongoing Business 6M'13 annualized adjusted operating return on equity improved to 9.9% from 8.3% in FY'12**
- **Closed Block Variable Annuity (CBVA) hedge program insulated regulatory capital from market movements: equity market statutory net impact of approximately breakeven**
- **Net loss available to common shareholders of $82 million as operating earnings from the Ongoing Business were offset by losses from CBVA**

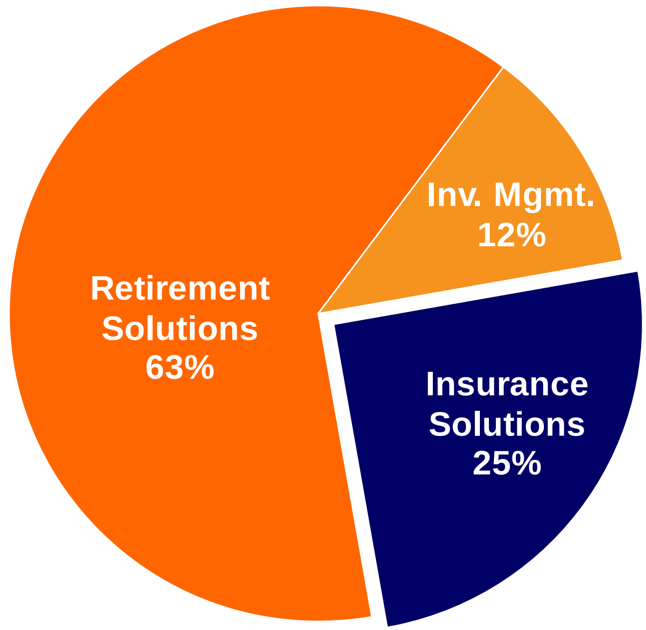
# Premier Franchise with Diverse Earnings

## 6M’13 Ongoing Business Adjusted Operating Earnings Before Income Taxes[1]: $581 million

**75% from Retirement Solutions and Investment Management**

**Retirement Solutions: 63%**

#2 and #3 in defined contribution market[2]




**Investment Management: 12%**

Top 20 manager of institutional tax exempt assets[2]

**Insurance Solutions: 25%**

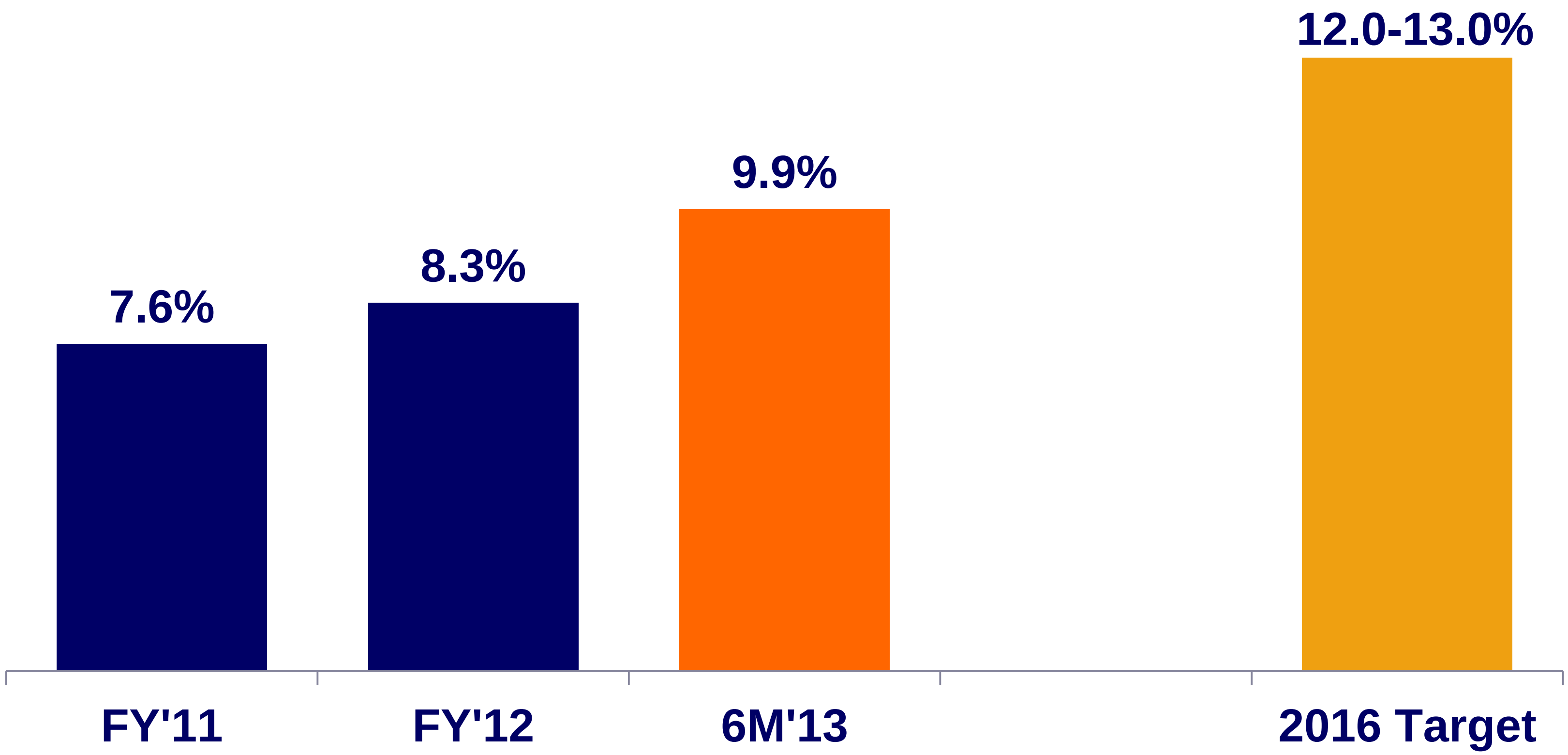
Top 10 player in term life and stop loss[2]

**Access to 13 million customers[3] through over 200,000 points of distribution[3] with total AUM and AUA of $482 billion[4]**

1. Ongoing Business reflects Retirement, Annuities, Investment Management, Individual Life, and Employee Benefits segments; adjustments include DAC/VOBA and other intangible unlocking
2. Sources: Pensions & Investments Magazine, Defined Contribution Record Keepers Directory (rankings by record-kept plan sponsors and participants; based on data as of September 30, 2012); Pensions & Investments Magazine, Money Manager Directory (based on 401(k), 403(b), 457 and DB assets as of December 31, 2012); LIMRA 1Q’13 Final Premium Reporting; MyHealthGuide newsletter rankings (as of 6/3/2013); does not include most managed healthcare providers
3. As of December 31, 2012
4. As of June 30, 2013; includes Closed Blocks

# Ongoing Business Annualized Adjusted Operating ROE On Track to Meet Target

## Ongoing Business Adjusted Operating ROE[1]




1. Ongoing Business includes Retirement, Annuities, Investment Management, Individual Life, and Employee Benefits segments; the ROE for the Ongoing Business is estimated by using the operating earnings (loss) before income taxes for the Ongoing Business, excluding DAC/VOBA unlocking and the impact of portfolio restructuring in 2012, but including an allocation of pro forma interest expense ("Adjusted Operating Earnings (Loss)"). We calculate adjusted operating ROE for the Ongoing Business by dividing the after-tax adjusted operating earnings (loss) (using a 35% effective tax rate) by the average capital allocated to the Ongoing Business less an allocation of pro forma debt. Allocated pro forma debt and allocated pro forma interest expense are based on our long term debt to capital target of 25% and an estimated 5.5% pre-tax interest rate on debt.

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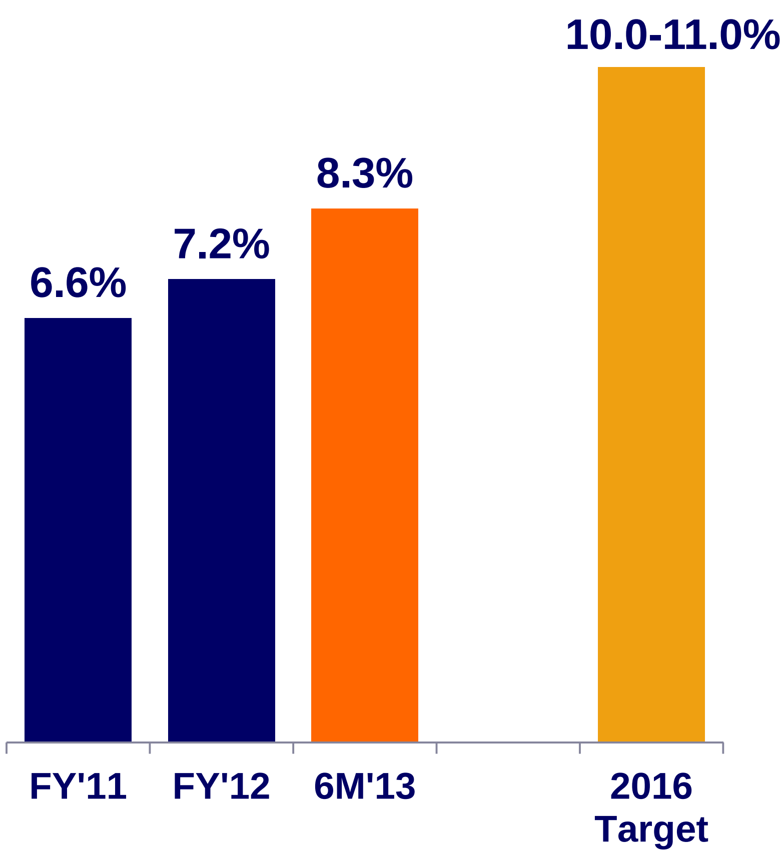
# Return on Capital Improved 110 bps in 6M'13

## Adjusted Operating ROC



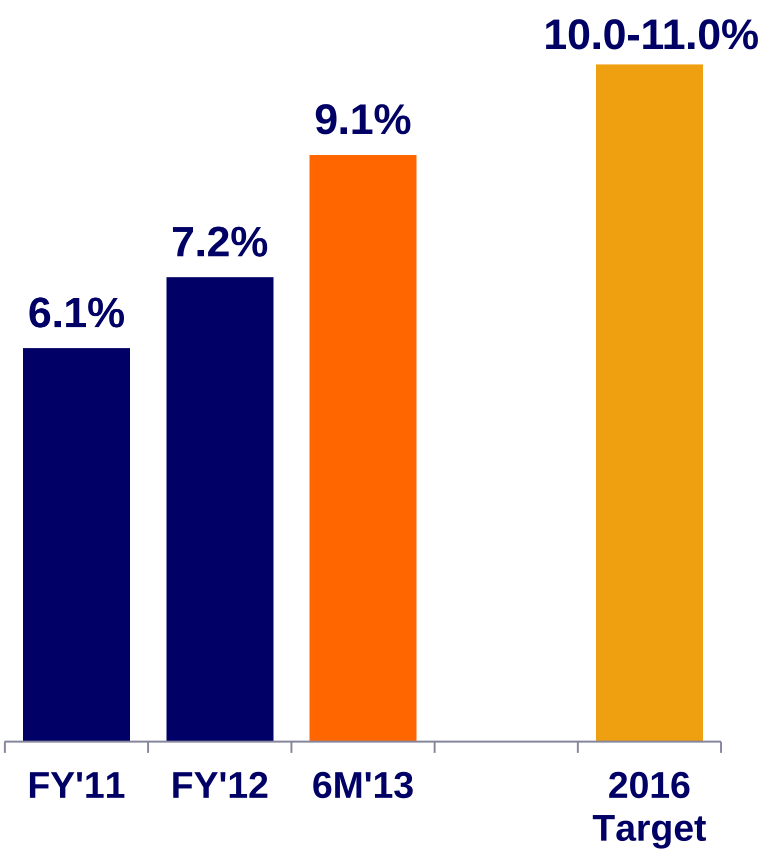

## Key Drivers of 6M'13 ROC Improvement

- Retirement, Annuities, Investment Management, and Individual Life all contributed to ROC improvement
- Benefited from higher fee based margin on higher assets
- Lower investment income (despite higher prepayment income), partly offset by lower crediting rates
- Continued profitable growth while shifting to less capital intensive, fee based products

Note: Ongoing Business includes Retirement, Annuities, Investment Management, Individual Life, and Employee Benefits segments; we calculate Ongoing Business Adjusted Operating Return on Capital by dividing adjusted operating earnings before interest and after income taxes, by average capital

# Retirement – Leading Franchise Driving Long-Term Growth and Returns

## Adjusted Operating ROC




## ROC Initiatives

**Margin**
- Adjusting crediting rates in response to changes in the external rate environment
- Increasing returns on Full Service and Recordkeeping businesses
- Managing costs actively

**Growth**
- Continuing sales momentum in the institutional markets
- Growing Individual Markets business

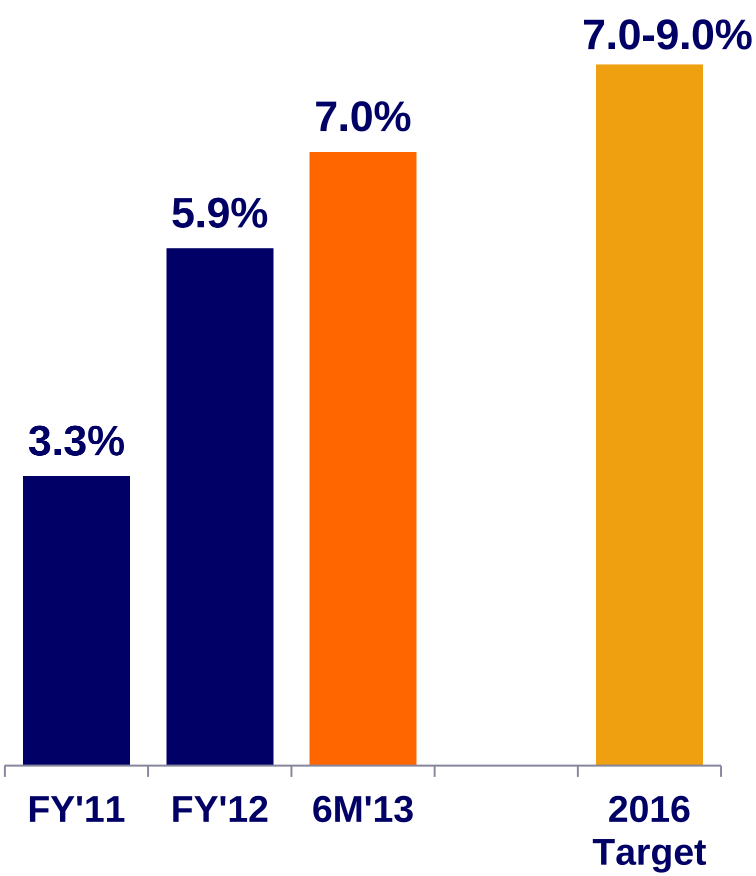
**Capital**
- Executing reinsurance transactions
- Running off less profitable business

## Examples of Execution

✓ Improved pricing of retained contracts and won new contracts that allow us to meet targeted IRRs

# Annuities – Selective Growth while Running Off Less Profitable Business

## Adjusted Operating ROC




## ROC Initiatives

| | |
|---|---|
| **Margin** | ❑ Running off Annual Reset / Multi-Year Guarantee Annuities (products with high fixed rate crediting levels) |
| **Growth** | ❑ Growing Mutual Fund Custodial sales |
| **Capital** | ❑ Running off less profitable business |

## Examples of Execution

- ✓ More than $300mn in Mutual Fund Custodial net flows in 6M'13
- ✓ Success in Mutual Fund Custodial driven by expansion of distribution model with an increased focus on the wholesale channel

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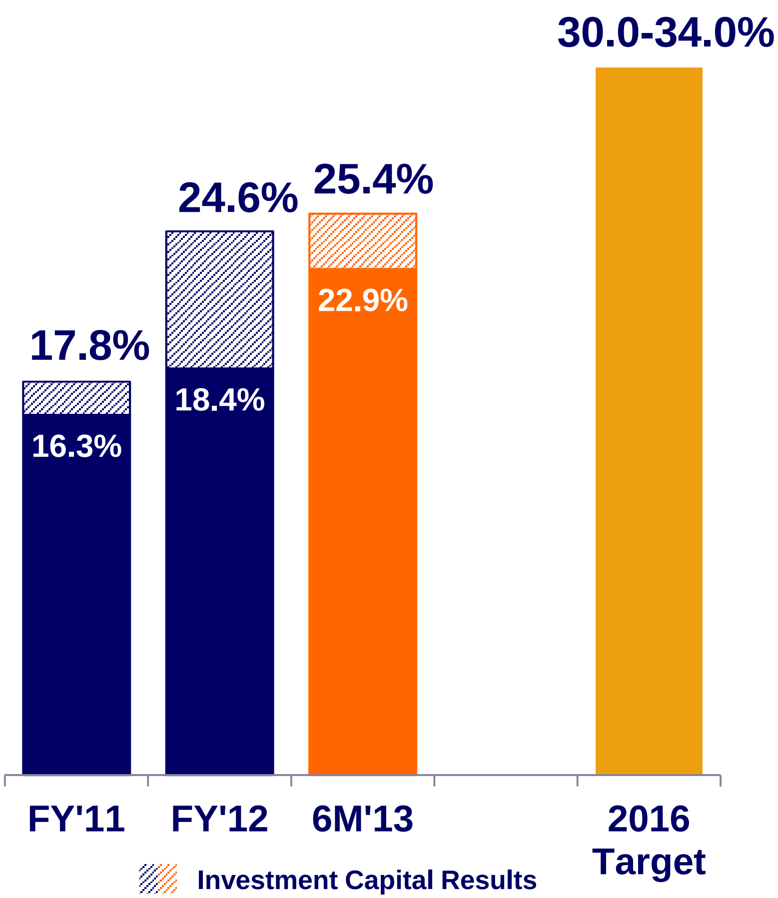
# Investment Management – Scalable Platform Leveraging Strong Investment Performance

## Operating Margin[1]




## Initiatives

| | |
|---|---|
| **Margin** | ❑ Improving sales force productivity<br>❑ Reducing retail outflows |
| **Growth** | ❑ Increasing third-party business<br>❑ Growing in high-fee asset classes<br>❑ Winning Defined Contribution Investment Only (DCIO) mandates<br>❑ Replacing underperforming non-ING U.S. mutual fund sub-advisers |

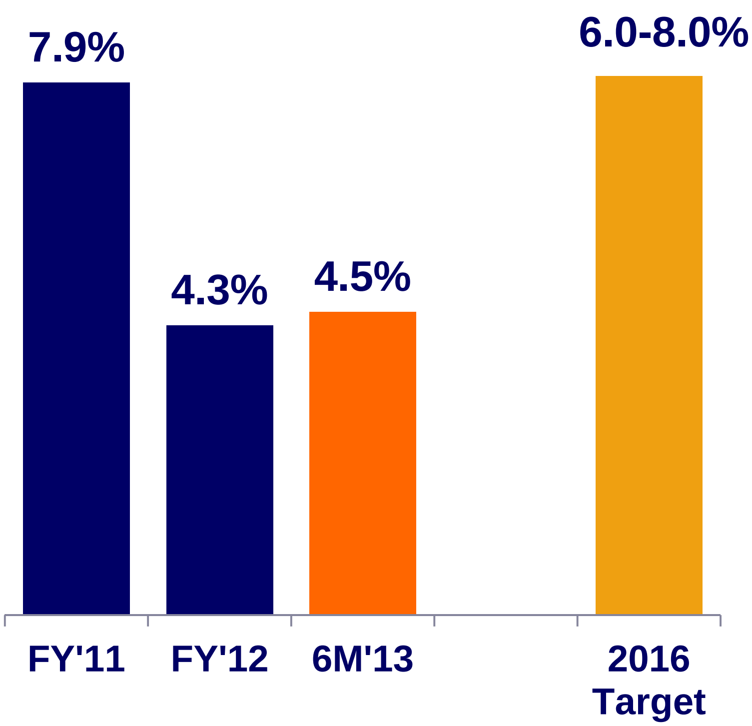
## Examples of Execution

- ✓ 74% of fixed income assets outperformed benchmark performance on a 5-year basis
- ✓ 89% of equity assets achieved above median returns on a 5-year basis
- ✓ DCIO sales of approx. $300mn in 2Q'13, mainly in higher-fee asset categories

1. Includes investment capital results

# Individual Life – Repositioning Toward More Capital Efficient Products

## Adjusted Operating ROC




## ROC Initiatives

| | |
|---|---|
| **Margin** | ❑ Reducing expense and commission structures<br>❑ Adjusting crediting rates in response to changes in the external rate environment |
| **Capital** | ❑ Executing reinsurance transactions<br>❑ Shifting toward less capital intensive products |

## Examples of Execution

- ✓ Approx. 76% of the book at guaranteed minimums
- ✓ Launch of new Indexed Universal Life product in July

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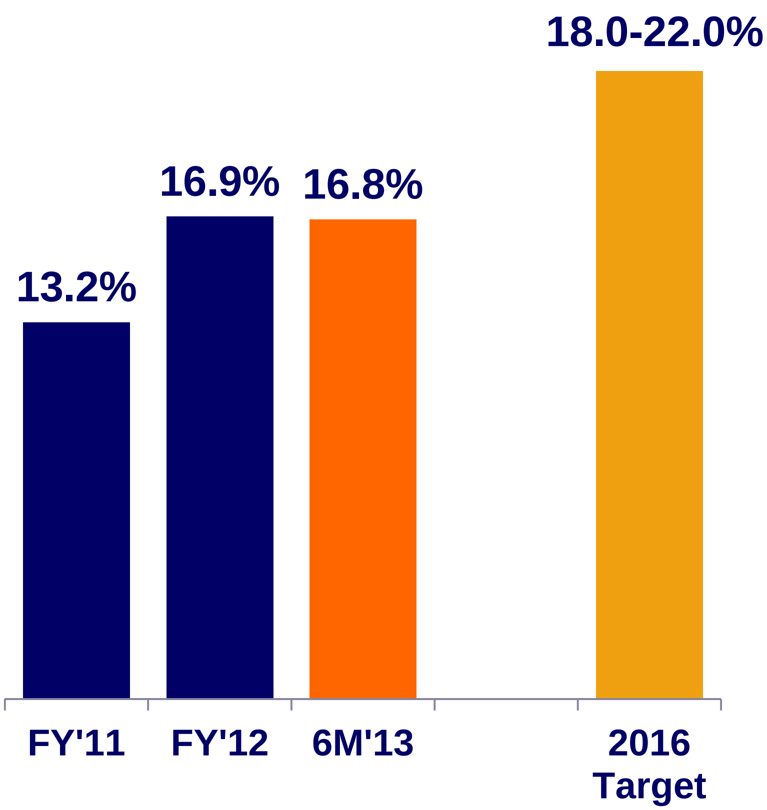
# Employee Benefits – Higher Return and Capital Generation with Less Interest Rate Sensitivity

## Adjusted Operating ROC




## ROC Initiatives

**Margin**

- Improving loss ratio for Stop Loss policies

**Growth**

- Increasing persistency and sales in the Group Life business
- Expanding the Voluntary business

## Examples of Execution

- ✓ Voluntary sales increased 14% in 6M'13 vs. 6M'12 driven by Compass products
- ✓ New hospital confinement indemnity product launched in July

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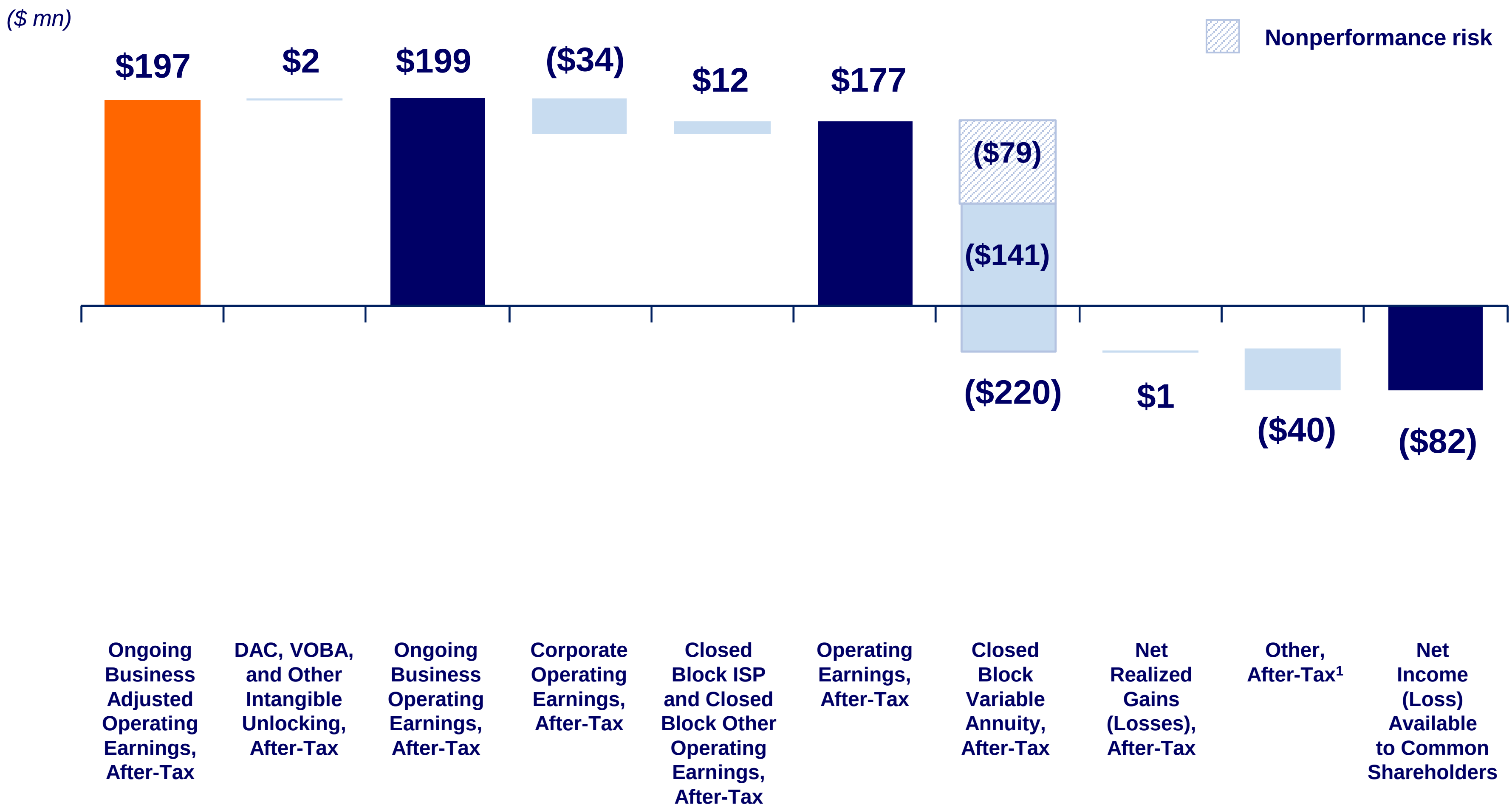
# Reconciliation of 2Q'13 Operating Earnings to Net Income (Loss)

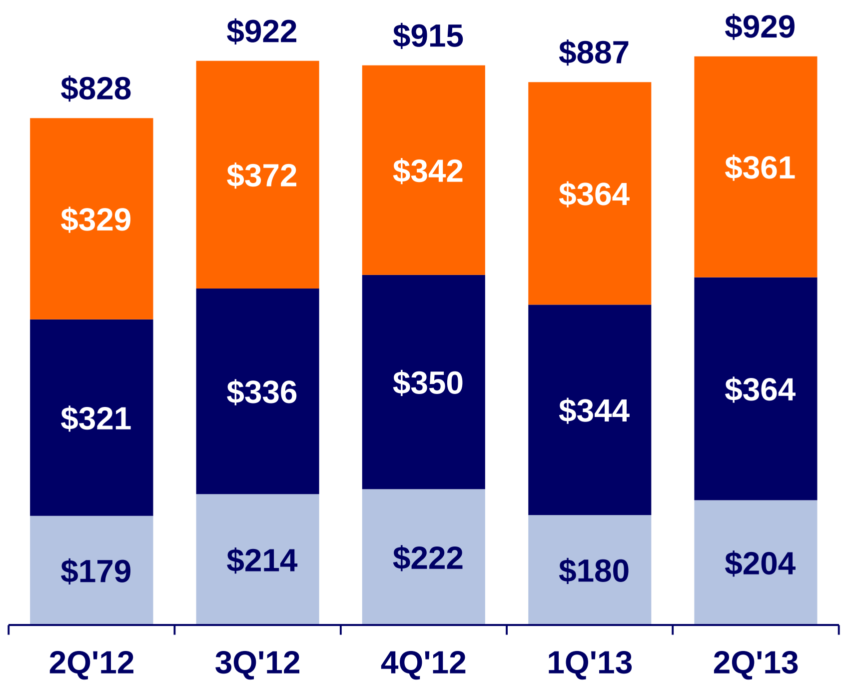



1. Other, After-tax consists of net guaranteed benefit hedging gains (losses) and related charges and adjustments; income (loss) from business exited; certain expenses related to the anticipated divestment of ING U.S. by ING Group and the difference between the actual tax rate for the quarter and the federal tax rate of 35%, which is primarily driven by changes in tax valuation allowances

# Diversified Drivers of Operating Earnings

| | |
|---|---|
| **Investment Spread and Other Investment Income** | **Primarily consists of spread between yield and credited interest and investment income on capital supporting the business** |
| **Fee Based Margin** | **Primarily consists of fees on AUM and AUA** |
| **Net Underwriting Gain (Loss) and Other Revenue** | **Primarily consists of difference between premiums or fees charged for insurance risks and incurred benefits** |

**Ongoing Business Sources of Revenues ($ mn)**



# Rising Interest Rates Are Positive

| | |
|---|---|
| **Key Benefits** | ❑ Higher new money and reinvestment yields<br>▪ Approx. $60mn annual operating earnings after-tax lift by 2016<br>▪ Reduces ROC walk interest rate drag by approx. half (initial estimate was 110-130 bps)<br>❑ Potential greater product demand and higher IRRs<br>▪ Annuities<br>▪ Individual Life<br>▪ Potential new opportunities<br>❑ Stronger balance sheet over time<br>❑ Improved risk profile for CBVA<br>▪ Living Benefit NAR improved by approx. $600mn, primarily driven by rising interest rates |
| **Other Considerations** | ❑ Minimal effect on Retirement and Investment Management fees (<$10mn after-tax reduction to annual operating earnings)<br>❑ Significant liquidity protection in place |

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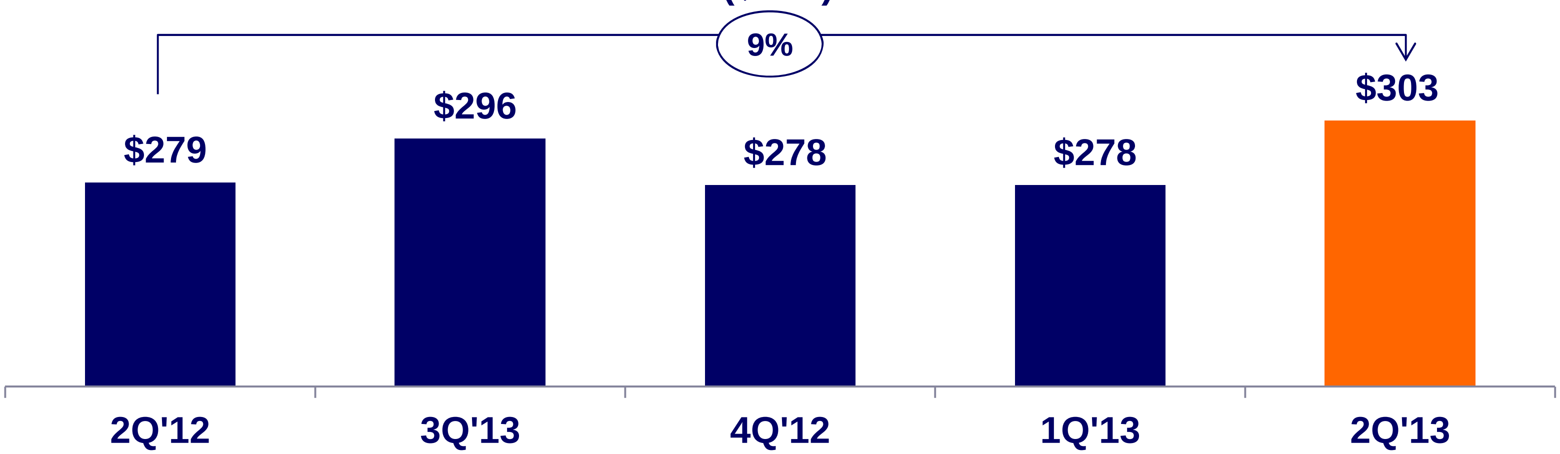
# Improvement in Year-Over-Year Operating Earnings, Administrative Expenses Flat

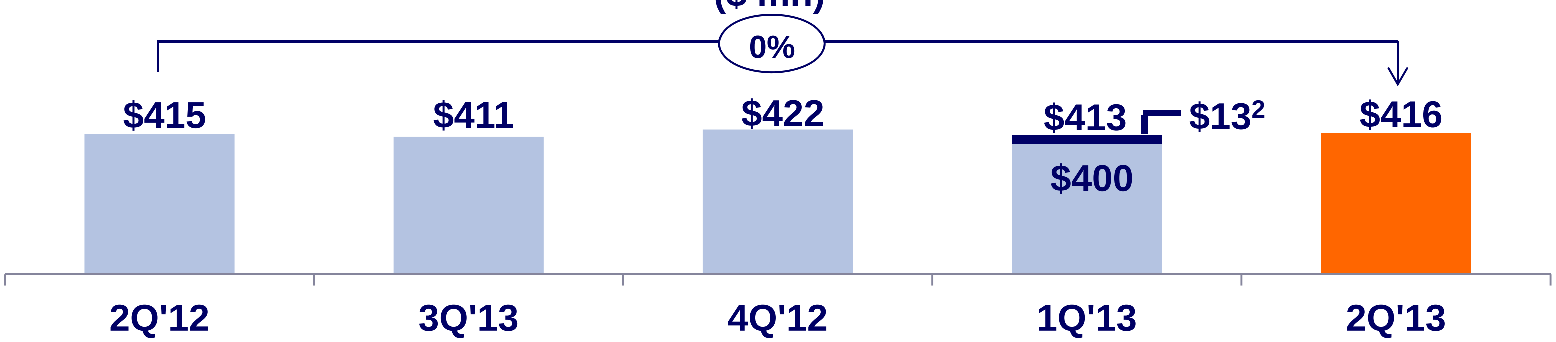
## Ongoing Business Adjusted Operating Earnings Before Income Taxes[1]

($ mn)



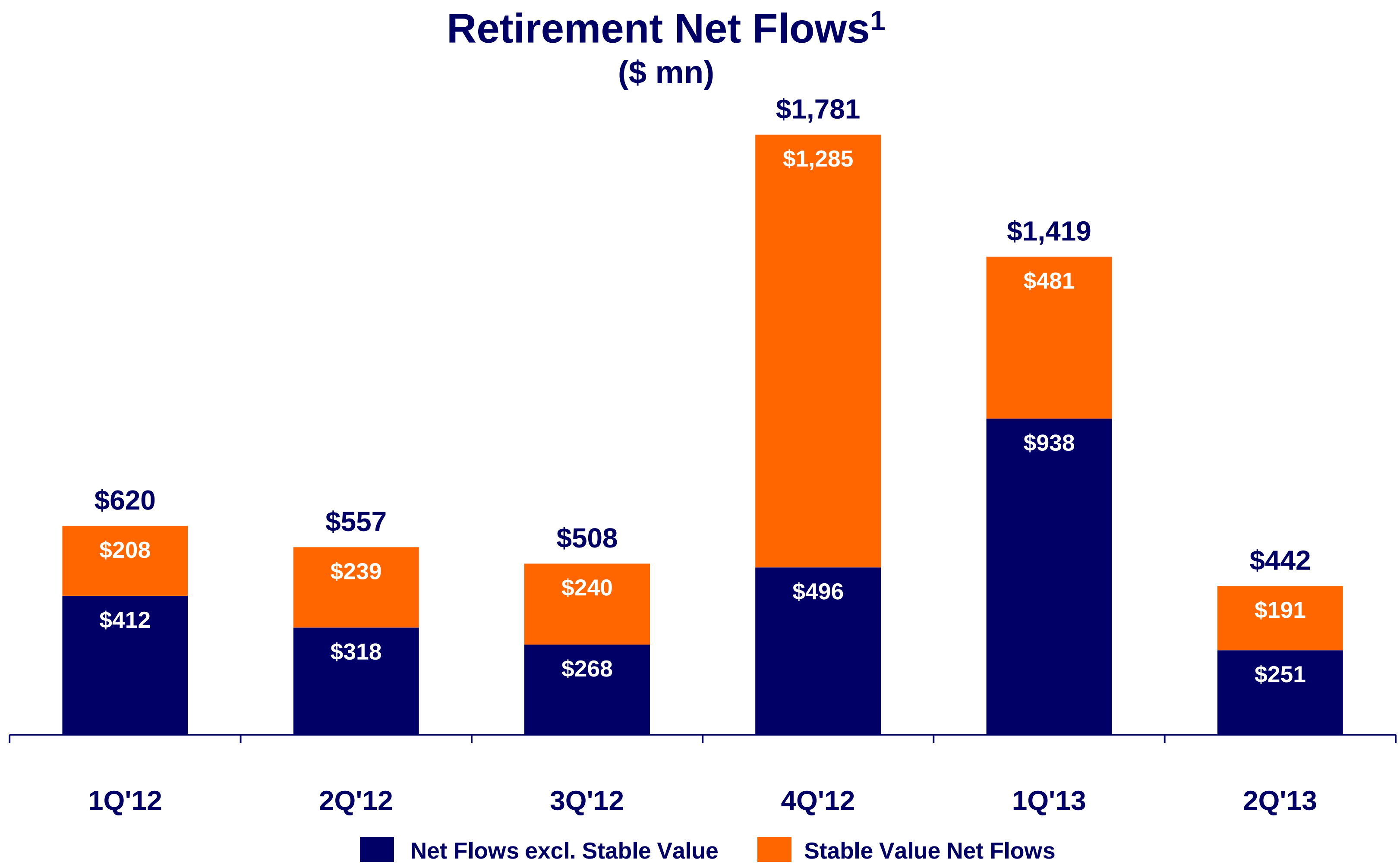

## Ongoing Business Administrative Expenses

($ mn)



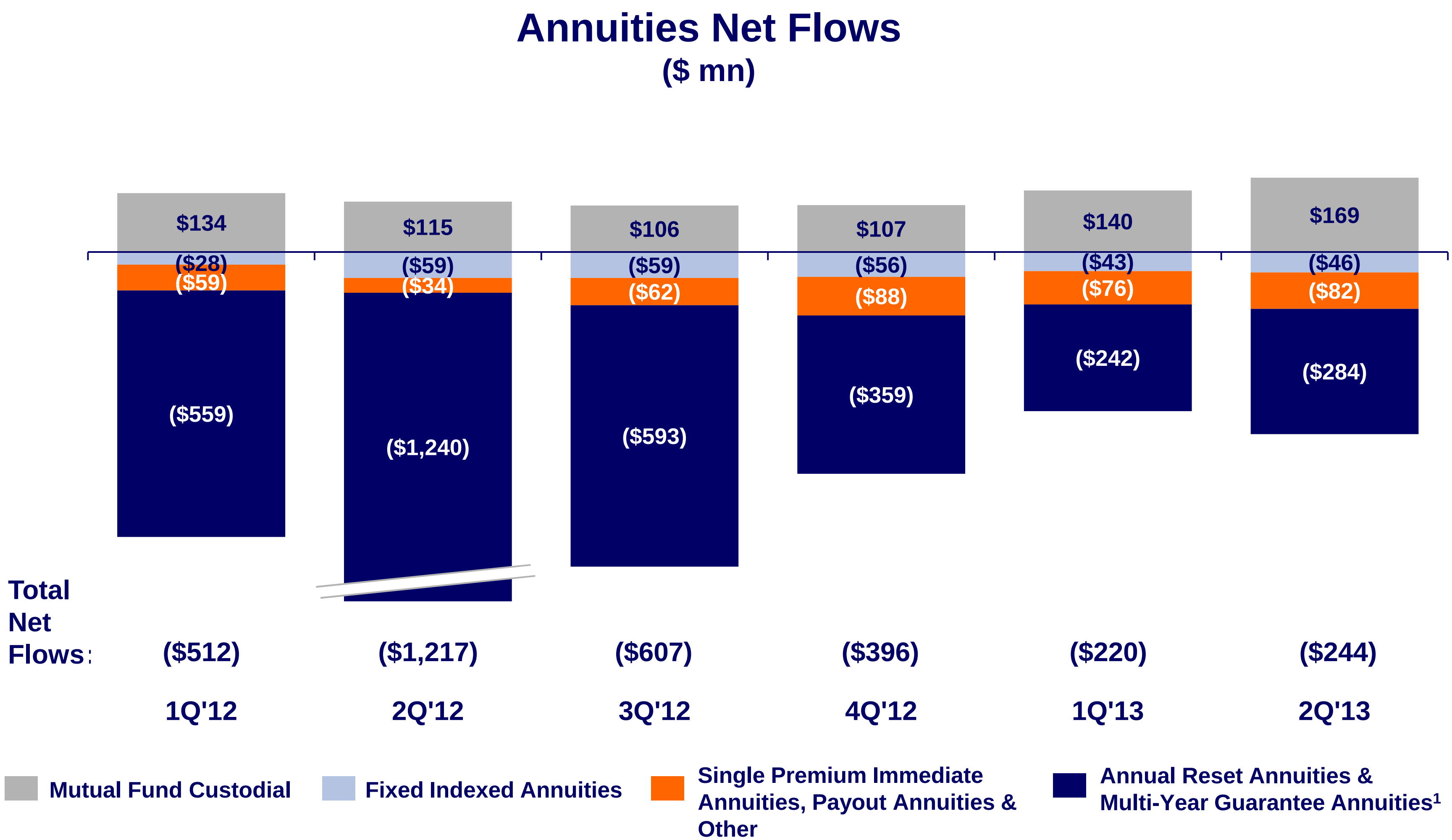

1. Ongoing Business reflects Retirement, Annuities, Investment Management, Individual Life, and Employee Benefits segments; adjustments include DAC/VOBA and other intangible unlocking, and the impact of portfolio restructuring in 2012
2. $13mn benefit related to a variable compensation accrual true-up

# Retirement Net Flows Positive and Priced At or Above 12% Targeted IRR




1. Excludes recordkeeping

# Growing in Focused Profitable Areas, Running Off Unprofitable Business




1. Annual reset (AR) / Multi-year guarantee annuities (MYGA) are in run-off

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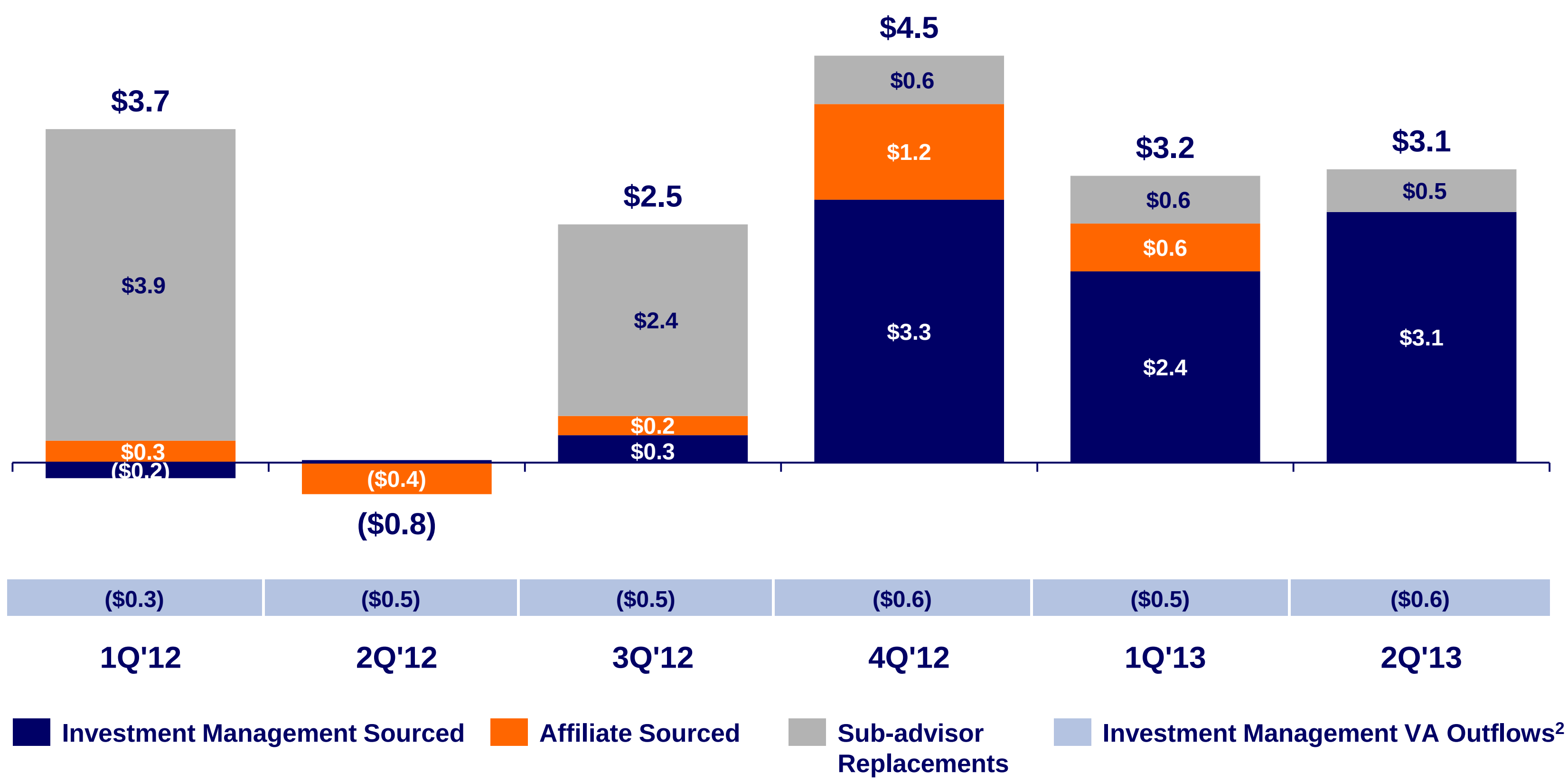
# Sustained Commercial Momentum in Investment Management

## Investment Management Third-Party Net Flows[1]

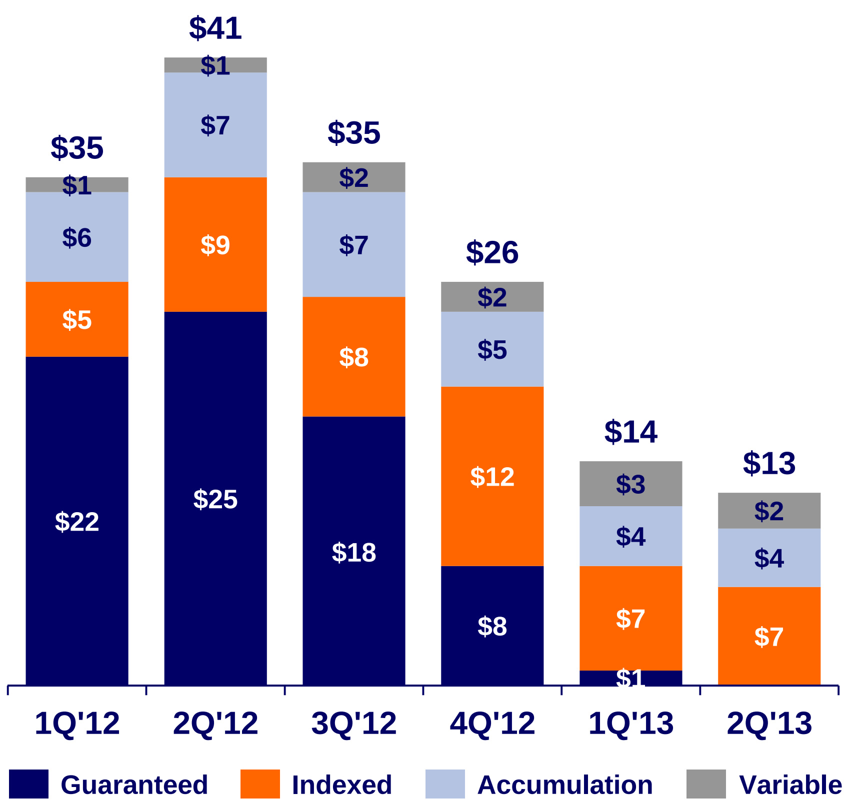
($ bn)



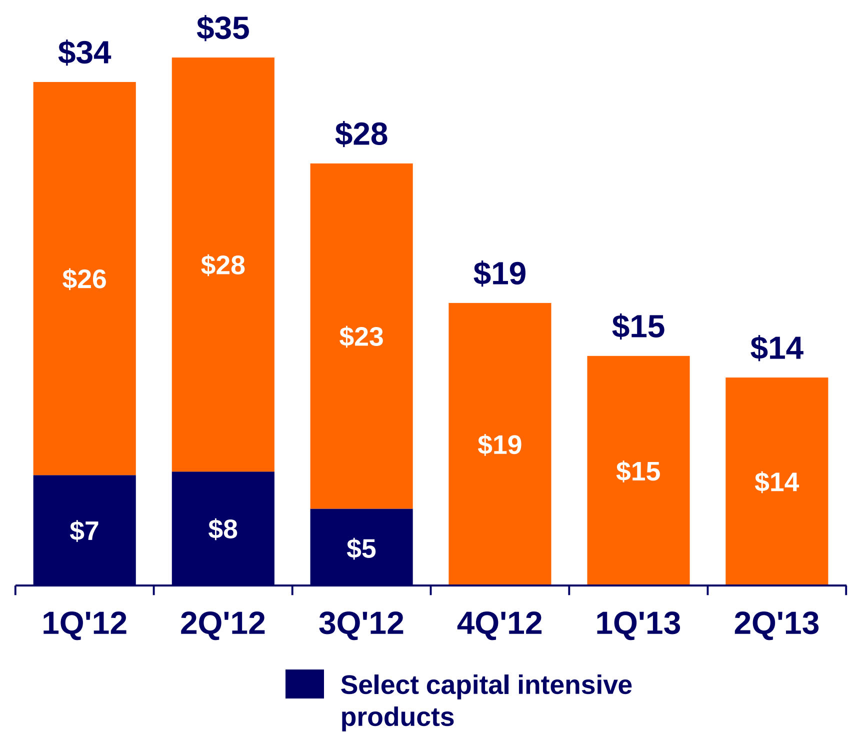

1. Excludes General Account
2. Total Closed Block Variable Annuity net outflows were $1,018 million in 2Q'13

# Individual Life Sales Reflect Shift to Less Capital Intensive Products and Pricing Actions

## Universal Life and Variable Life Sales
($ mn)

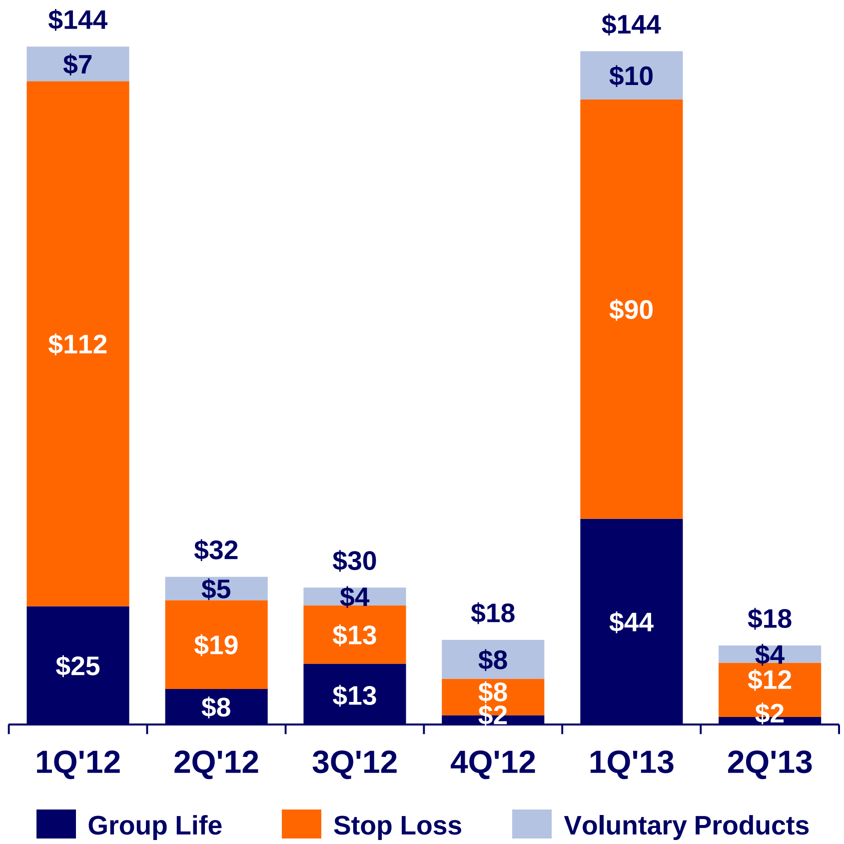



## Term Sales
($ mn)

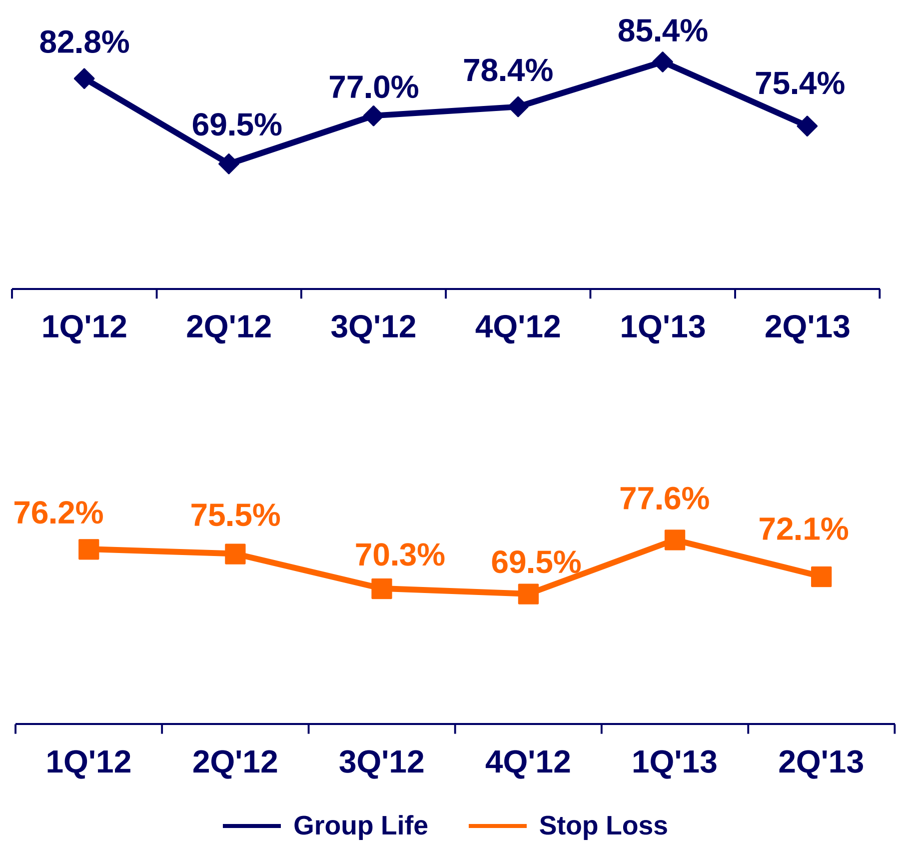


# Employee Benefits Loss Ratios Within Expectations

## Sales[1]
($ mn)



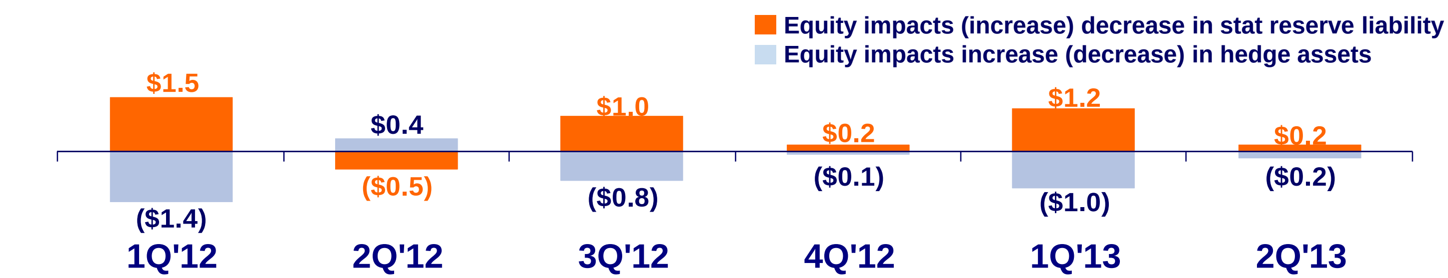

## Loss Ratios
(%)




1. Excludes sales figures for Disability, Association, or Other (refer to the 2Q'13 Quarterly Investor Supplement)

# Demonstrated Effectiveness of Hedge Program in Closed Block Variable Annuity

## Change in Statutory Reserves Relative to Hedge[1]
($ bn)




| Net Impact ($ bn) | | | | | |
|---|---|---|---|---|---|
| $0.1 | ($0.1) | $0.2 | $0.1 | $0.2 | $0.0 |

**Guaranteed Living Benefit Statutory Reserves declined to $4.7bn from $5.3bn**

**Living Benefit Net Amount at Risk improved to $3.8bn from $4.4bn**

**CBVA Net Flows of ($1.0)bn in 2Q'13, annualized 9.1% of beg. of period assets**

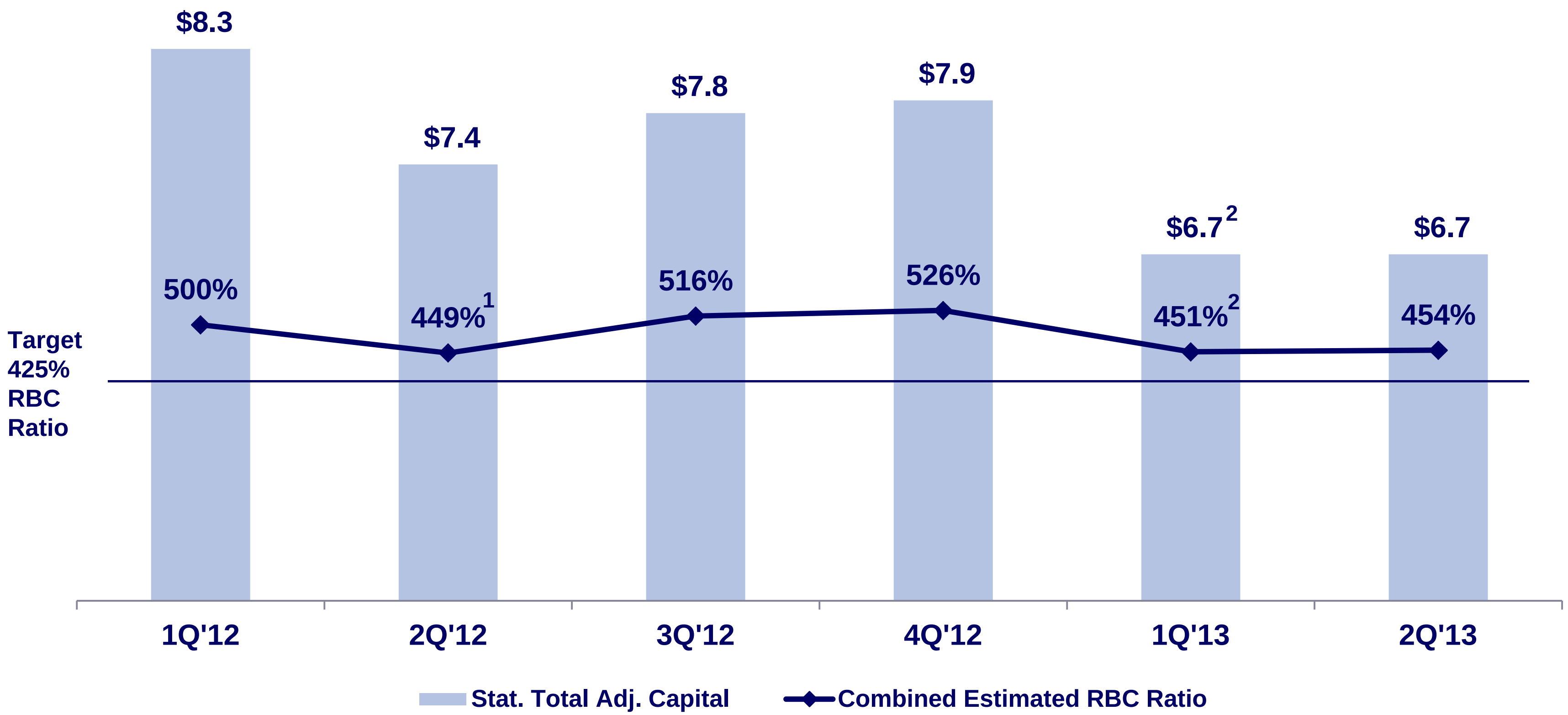
## Impact to Regulatory Capital and Earnings[2,3]
($ mn)

| Net impact (increase / (decrease)) | Equity Market (S&P 500) | | | | | | Interest Rates | |
|---|---|---|---|---|---|---|---|---|
| | -25% | -15% | -5% | 5% | 15% | 25% | -1% | 1% |
| Regulatory Capital | - | - | - | 50 | 550 | 850 | 50 | (50) |
| U.S. GAAP Earnings Before Income Taxes | 1,250 | 600 | 150 | (250) | (550) | (800) | (200) | 100 |

1. 1Q'13 amounts restated to conform with a refinement in equity related reserve movement calculation
2. These sensitivities illustrate the estimated impact of the indicated shocks beginning on the first market trading day following June 30, 2013, and give effect to dynamic rebalancing over the course of the shock event. This reflects the hedging we had in place at the close of business on June 30, 2013 in light of our determination of risk tolerance and available collateral at that time, which may change from time to time. The impact includes an equity effect on CARVM and change in cash flow testing reserve, and excludes smoothing effect on risk based capital (RBC). The estimates of equity market shocks reflect a shock to all equity markets, domestic and global, of the same magnitude
3. Actual results will differ due to issues such as basis risk, variance in market volatility versus what is assumed, combined effects of interest rates and equities, rebalancing of hedges in the future, or the effects of time and other variations from assumptions. Additionally, estimated sensitivities vary over time as the market and closed book of business evolve or if assumptions or methodologies that affect sensitivities are refined

# Combined Estimated RBC Ratio Above 425% Target

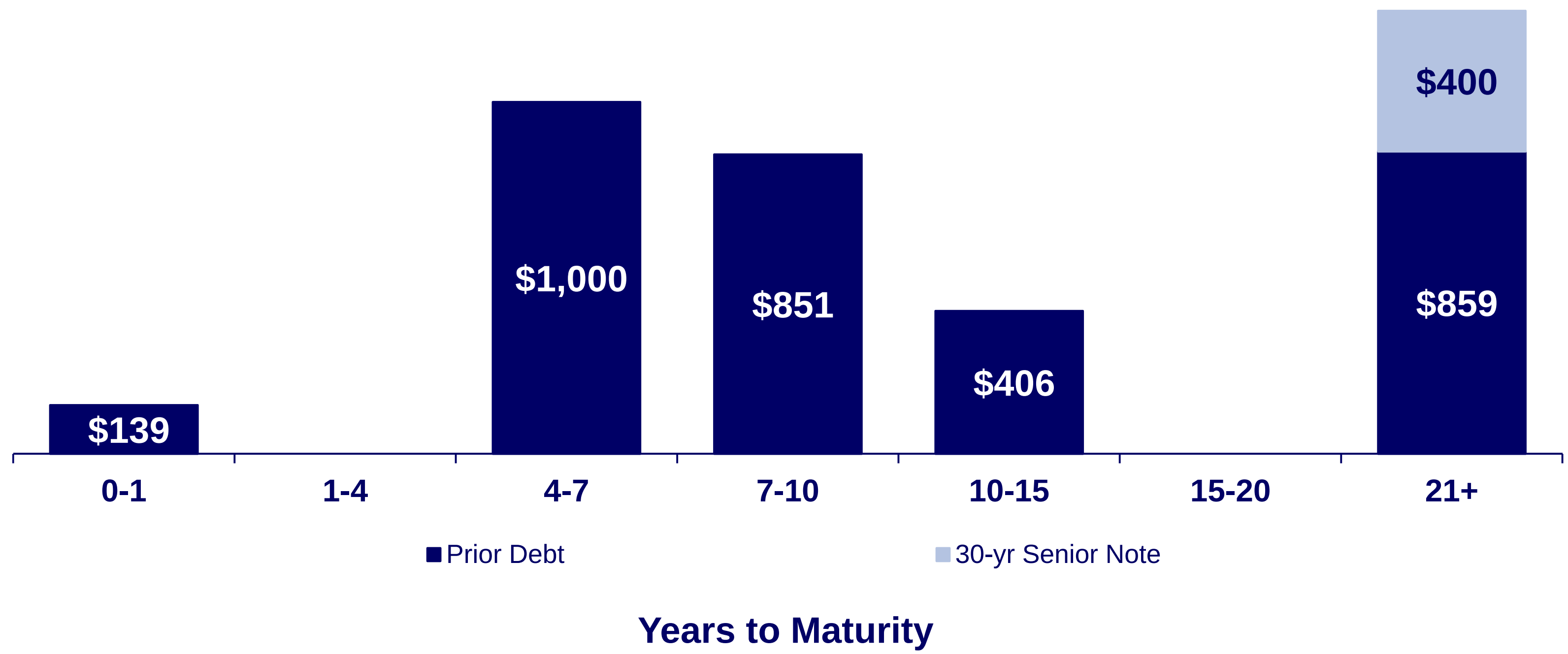
## Statutory Total Adjusted Capital ($ bn) & Combined Estimated RBC Ratio




1. 449% after $800 million of distributions; 497% before distributions
2. 1Q'13 Statutory total adjusted capital is $6.7 billion and pro forma combined estimated RBC ratio is 451% after $1.4 billion of distributions; Statutory total adjusted capital is $8.2 billion and combined estimated RBC ratio is 556% before distributions

# Completed Recapitalization Efforts Have Extended Our Debt Maturity Profile

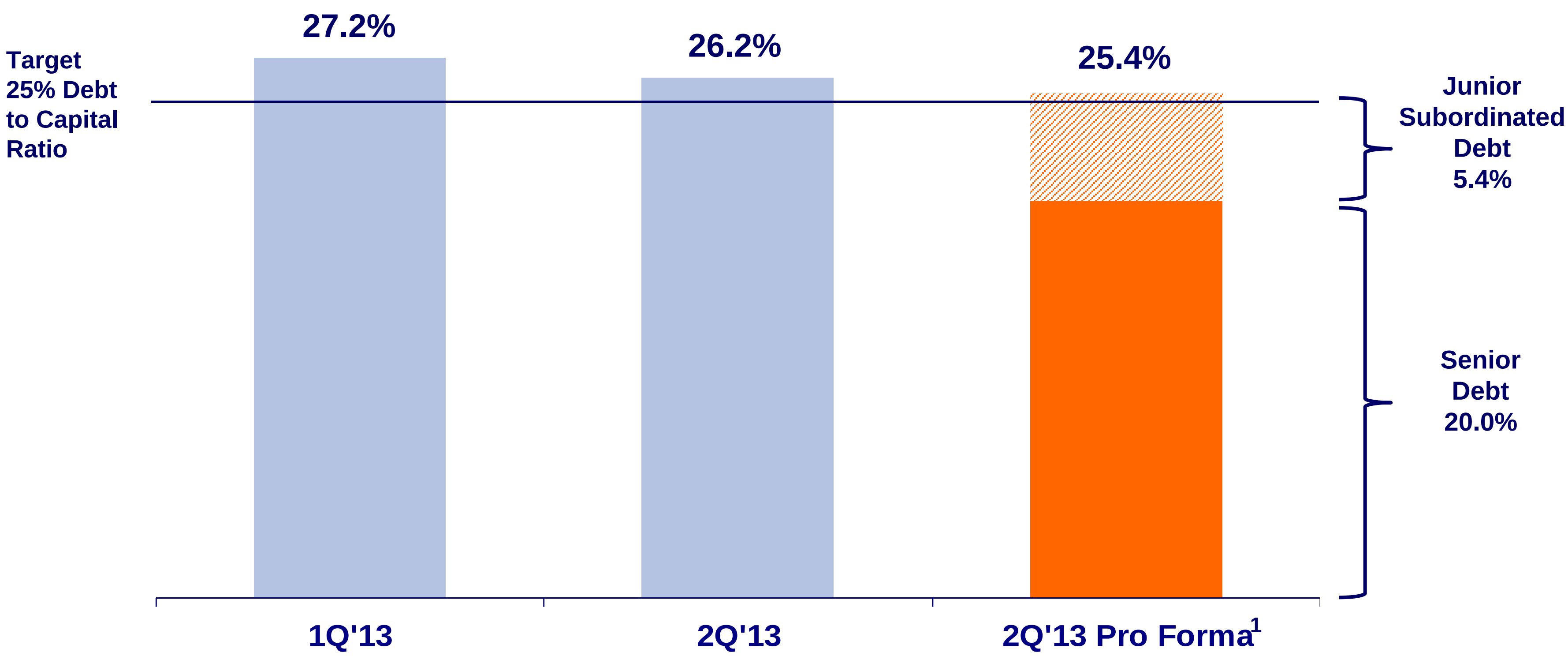
## Pro forma Debt Maturity Profile as of June 30, 2013[1,2,3] ($ mn)




1. Pro forma for $150 million repayment of ING Verzekeringen N.V. loan and issuance of 5.7% 30-year Senior Notes
2. Excludes operating leverage
3. 5.7% 30-year senior notes shown before offering discount of $1.4 million

# Debt To Capital Ratio Improving Through Recapitalization Efforts

## Debt to Total Capital Ratio ex. AOCI




1. Pro forma for $150 million repayment of ING Verzekeringen N.V. loan; our debt to capital ratio is on a U.S. GAAP basis and ignores the 100% and 25% equity treatment afforded by S&P and Moody's, respectively

# America's Retirement Company™

**1** **Premier Franchise with Leading Positions in Attractive Markets**

**2** **Experienced Management Team With a 400-500 bps ROE Improvement Goal by 2016**

**3** **Solid Foundation Based on a Re-Capitalized and De-Risked Balance Sheet**