

Fitch Downgrades ING Group's Ratings to 'A'; Outlook Negative

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Fitch Ratings-Paris/London/Chicago-12 August 2009: Fitch Ratings has today downgraded ING Group's and ING Verzekeringen N.V.'s Long-term Issuer Default Ratings (IDR) to 'A' from 'A+' and downgraded ING Bank N.V.'s Long-term IDR to 'A+' from 'AA-'. ING Group's and ING Verzekeringen's Outlooks remain Negative, while the Outlook of ING Bank remains Stable. ING Verzekeringen's U.S. subsidiaries have been placed on Rating Watch Negative. ING Group, the group holding company, has two main subsidiaries: ING Bank, which operates most of the group's banking businesses, and ING Verzekeringen, which runs most of the insurance activities.

Fitch has also today downgraded ING Bank's Individual rating to 'B/C' from 'B', while affirming the Support Rating at '1' and the Support Rating Floor at 'A+'. Fitch has affirmed the rating of ING Bank's mortgage covered bonds at 'AAA', which remains under analysis in line with Fitch's 7 July 2009 announcement relating to its updated criteria for the treatment of liquidity risks inherent to covered bond programmes. A full rating breakdown is provided at the end of this comment.

ING Group's ratings have been downgraded in line with its two main operating subsidiaries. Consolidated results for 2009 are expected to remain under pressure, despite a number of de-risking and cost-cutting initiatives, and are unlikely to allow the group to rebuild its capital resources in the short-term.

ING Verzekeringen's downgrade reflects the challenging operating environment faced by most of its insurance subsidiaries, especially in the United States, which is constraining current and prospective profitability. ING Verzekeringen's ratings continue to reflect its strong business positions and excellent geographic diversification. Although capital adequacy is in line with the current rating due to support from the Dutch state (rated 'AAA'), it is unlikely to be materially strengthened by internal accumulation until the profitability of the insurance operation substantially recovers, which is unlikely in 2009.

The ratings of the US insurance operations reflect the change in Fitch's view of group support status to very important from core for ING America Insurance Holdings Inc. and its subsidiaries. This in turn reflects the material restructuring that is expected to occur in the near future due to an ongoing strategic review. Fitch notes that capital levels and the earnings performance of ING's US life insurance subsidiaries have been negatively affected by investment-related losses and equity market deterioration, which have materially impacted their variable annuity business. Fitch will resolve the Rating Watch Negative on ING Verzekeringen's U.S. subsidiaries based on how ongoing/run-off businesses are allocated and depending on how this impacts the capitalisation and business profiles of the individual legal entities.

The downgrade of ING Bank's Long-term IDR and Individual rating reflects deteriorating profitability, which has been affected by the global financial crisis and is expected to remain under pressure throughout 2009. While net interest income is likely to grow given the steep yield curve and higher customer spreads, commissions could be hampered by the decline in the value of assets under management and lower brokerage activity. Moreover, loan impairment charges are expected to be above their long-term average, although lower costs should help the bank cope with the difficult environment. The bank's ratings continue to be based on its strong franchise in the Benelux countries and in other mature markets via ING Direct, sound loan book, good funding base and adequate capital, which has been strengthened by support from the Dutch state.

Fitch has downgraded to 'BB' and maintained on Rating Watch Negative the rating of hybrid debt issued by ING Group and some of its subsidiaries as the agency is reviewing the potential impact of the 'burden-sharing' concept from the European Commission regarding state-aided financial institutions. Fitch will publish a comment on this issue shortly. With respect to ING, this could have a further material negative impact on the ratings of its hybrid securities.

The rating actions are as follows:

ING Group

Long-term IDR downgraded to 'A' from 'A+'; Outlook Negative

Senior unsecured rating downgraded to 'A' from 'A+'

Subordinated debt downgraded to 'A-' from 'A'

Hybrid capital downgraded to 'BB' from 'BBB-'; remains on Rating Watch Negative

Short-term IDR affirmed at 'F1'

ING Verzekeringen N.V.

Long-term IDR downgraded to 'A' from 'A+'; Outlook Negative

Short-term IDR affirmed at 'F1'
Senior unsecured rating downgraded to 'A-' from 'A+'
Hybrid capital downgraded to 'BB' from 'A'; placed on Rating Watch Negative

ING Bank N.V.
Long-term IDR downgraded to 'A+' from 'AA-'; Outlook Stable
Senior unsecured rating downgraded to 'A+' from 'AA-'
Subordinated debt downgraded to 'A' from 'A+'
Short-term IDR affirmed at 'F1+'
Individual rating downgraded to 'B/C' from 'B'
Support rating affirmed at '1'
Support Rating Floor affirmed at 'A+'
Mortgage covered bonds affirmed at 'AAA'
The 'AAA/F1+' ratings of the Dutch government guaranteed fixed income programme are unaffected by today's rating actions.

ING Belgium
Long-term IDR downgraded to 'A+' from 'AA-'; Outlook Stable
Senior unsecured rating downgraded to 'A+' from 'AA-'
Short-term IDR affirmed at 'F1+'
Individual rating downgraded to 'B/C' from 'B'
Support rating affirmed at '1'
Support Rating Floor affirmed at 'A-'

ING Bank Slaski
Long-term IDR downgraded to 'A' from 'A+'; Outlook Stable
Short-term IDR affirmed at 'F1'
Individual rating affirmed at 'C'
Support rating affirmed at '1'

ING America Insurance Holdings Inc.
Commercial paper guaranteed by ING Verzekeringen N.V. affirmed at 'F1'

Lion Connecticut Holdings
Senior unsecured notes, guaranteed by ING Verzekeringen N.V., downgraded to 'A-' from 'A+'

ReliaStar Financial Corp
Long-term IDR downgraded to 'BBB+' from 'A'; placed on Rating Watch Negative

Equitable of Iowa Companies, Inc
Long-term IDR downgraded to 'BBB+' from 'A'; placed on Rating Watch Negative
Capital Trust II downgraded to 'BB' from 'A-'; placed on Rating Watch Negative

ING Life Insurance and Annuity Company
Insurer Financial Strength rating (IFS) downgraded to 'A' from 'AA-'; placed on Rating Watch Negative

ING USA Annuity and Life Insurance Company
IFS downgraded to 'A' from 'AA-'; placed on Rating Watch Negative

ReliaStar Life Insurance Co.
IFS downgraded to 'A' from 'AA-'; placed on Rating Watch Negative

ReliaStar Life Insurance Company of New York
IFS downgraded to 'A' from 'AA-'; placed on Rating Watch Negative

Security Life of Denver Insurance Company
IFS downgraded to 'A' from 'AA-'; placed on Rating Watch Negative

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