



Corporate Profile

Lincoln Financial Group®

About Lincoln Financial Group

Lincoln Financial Group is the marketing name for Lincoln National Corporation (NYSE:LNC) and its affiliates. With headquarters in the Philadelphia region, the operating companies of Lincoln Financial Group had assets under management of \$140 billion as of June 30, 2010. Through its affiliated companies, Lincoln Financial Group offers: annuities; life, group life and disability insurance; 401(k) and 403(b) plans; savings plans; and comprehensive financial planning and advisory services.

New York products are issued by Lincoln Life & Annuity Company of New York, Syracuse, NY. The Lincoln National Life Insurance Company of Fort Wayne, IN, issues products in all other states. The Lincoln National Life Insurance Company is not authorized, nor does it solicit business in the state of New York. It is separately responsible for satisfying its own financial and contractual obligations. Variable products distributed by Lincoln Financial Distributors, Inc., a broker/dealer.

Strategic Highlights

A Broad and Balanced Product Portfolio for Individuals

The companies of Lincoln Financial Group are known for innovation in life insurance and annuity products, and enjoy a leadership position among U.S. companies for life and annuities sales.

Product Rankings*

3 in total life sales¹ # 5 in VUL sales¹ # 5 in variable annuity sales²
1 in UL sales¹ # 9 in fixed annuity sales¹ # 7 in indexed annuity sales¹

Product rankings are based on first quarter YTD 2010 sales. The rankings are provided by outside sources, and are inclusive of all products issued by Lincoln National Corp. affiliates. As of April 16, 2010, the above rankings are the most recently published.

Insurer Financial Strength Ratings*

	A.M. Best	Standard & Poor's	Moody's	Fitch
The Lincoln National Life Insurance Company (LNL)	A+ (2 of 16)	AA- (4 of 21)	A2 (6 of 21)	A+ (5 of 21)
Lincoln Life & Annuity Company of New York (LLANY)	A+ (2 of 16)	AA- (4 of 21)	A2 (6 of 21)	A+ (5 of 21)
First-Penn Pacific Life Insurance Company (FPP)	A+ (2 of 16)	A+ (5 of 21)	A2 (6 of 21)	A+ (5 of 21)

**These ratings apply only to the claims-paying ability of each company as of June 28, 2010. All ratings are subject to revision or withdrawal at anytime by the rating agencies. The ratings are not recommendations to buy, sell or hold our securities. For more information on ratings, including rating agency outlooks, see www.LincolnFinancial.com/investor.*



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Integrated Solutions for Employers

Lincoln Financial Group offers a broad range of products and services focused on retirement, group life, group disability, and dental insurance, as well as growing defined contribution and group protection businesses. This includes servicing more than 96,000 retirement plans and group insurance contracts with approximately 9.0 million plan participants.

Three Powerful Distribution Platforms

Lincoln Financial Distributors, a leading wholesaling force of more than 500 professionals, has well-established relationships with wirehouses, regional brokerage firms, national banks, and independent advisors. Lincoln Financial Network encompasses active, experienced independent planners and producers across the country, who work directly with high net worth, affluent, and emerging affluent clients. Lincoln's worksite sales and service organizations are found in our Group Protection and Defined Contribution businesses.

Summary of Key Facts

Parent Company: Lincoln National Corporation (NYSE: LNC)
Headquarters: Radnor, PA
Locations: Arlington Heights, IL; Concord, NH; Fort Wayne, IN;
Greensboro, NC; Hartford, CT; Omaha, NE; Philadelphia, PA,
Radnor, PA; Syracuse, NY.
President & CEO: Dennis R. Glass
Founded: 1905 in Fort Wayne, IN

Company Executives

Dennis R. Glass

President & Chief Executive Officer

Lisa Buckingham

Chief Human Resources Officer

Charles C. Cornelio

Defined Contribution

Frederick J. Crawford

Chief Financial Officer

Robert W. Dineen

*Lincoln Financial Advisors Corp.
Lincoln Financial Securities Corp.*

Heather Dzielak

Chief Marketing Officer

Will Fuller

Lincoln Financial Distributors

Nicole S. Jones

General Counsel

Mark E. Konen

*Insurance Solutions
Retirement Solutions*



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Certain Companies Affiliated with Lincoln National Corp.

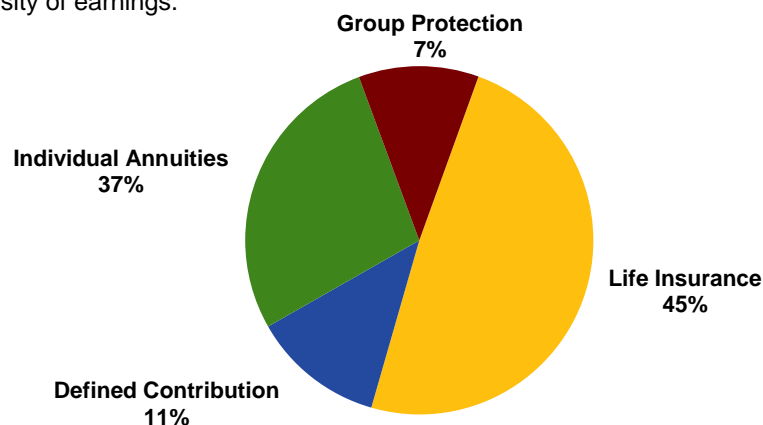
First Penn-Pacific Life Insurance Company, Fort Wayne, IN
Lincoln Life & Annuity Company of New York, Syracuse, NY
Lincoln Financial Advisors Corp., Fort Wayne, IN
Lincoln Financial Distributors, Inc., Radnor, PA
Lincoln Financial Foundation, Inc., Radnor, PA
Lincoln Financial Securities Corp., Concord, NH
The Lincoln National Life Insurance Company, Fort Wayne, IN

Key Financial Metrics

Assets Under Management at 6/30/10:	\$ 140 billion
Net Income for the three months ended 6/30/10:	\$ 255 million
Income from Operations ³ for the three months ended 6/30/10:	\$ 290 million
Market Cap (Based 6/30/10 closing price of \$24.29):	\$ 7.4 billion
Basic Shares Outstanding at 6/30/10:	304.5 million
Average Diluted Shares Outstanding in 2Q10:	314.6 million

Earnings by Segment

Lincoln Financial Group provides products and solutions along the dual pathways of wealth protection and transfer, and retirement accumulation and distribution, which leads to a diversity of earnings.



▶ Percentages above based on YTD Income from Operations, excluding Other Operations, as of June 30, 2010.



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Footnotes

1 LIMRA – YTD rankings as of 3/31/10; the latest available published rankings.

2 MARC – YTD rankings, as of 12/31/09; the latest available published rankings.

3 Definition of Income (Loss) from Operations and ROE

Income (loss) from operations and ROE, as used in the earnings release, are non-GAAP financial measures and are not substitutes for net income (loss) and ROE, calculated using GAAP measures. We exclude the after-tax effects of the following items from GAAP net income (loss) to arrive at income (loss) from operations: realized gains and losses associated with the following ("excluded realized gain (loss)": sale or disposal of securities; impairments of securities; change in the fair value of embedded derivatives within certain reinsurance arrangements and the change in the fair value of our trading securities; change in the fair value of the derivatives we own to hedge our guaranteed death benefit ("GDB") riders within our variable annuities, which is referred to as "GDB derivatives results"; change in the fair value of the embedded derivatives of our guaranteed living benefit ("GLB") riders within our variable annuities accounted for under the Derivatives and Hedging and the Fair Value Measurements and Disclosures Topics of the FASB ASC ("embedded derivative reserves"), net of the change in the fair value of the derivatives we own to hedge the changes in the embedded derivative reserves, the net of which is referred to as "GLB net derivative results"; and changes in the fair value of the embedded derivative liabilities related to index call options we may purchase in the future to hedge contract holder index allocations applicable to future reset periods for our indexed annuity products accounted for under the Derivatives and Hedging and the Fair Value Measurements and Disclosures Topics of the FASB ASC ("indexed annuity forward-starting option"); change in reserves accounted for under the Financial Services - Insurance - Claim Costs and Liabilities for Future Policy Benefits Subtopic of the FASB ASC resulting from benefit ratio unlocking on our GDB and GLB riders ("benefit ratio unlocking"); income (loss) from the initial adoption of new accounting standards; income (loss) from reserve changes (net of related amortization) on business sold through reinsurance; gain (loss) on early extinguishment of debt; losses from the impairment of intangible assets; and income (loss) from discontinued operations.

The earnings used to calculate ROE, as used in the earnings release, are income (loss) from operations. Income (loss) from operations is an internal measure used by the company in the management of its operations. Management believes that this performance measure explains the results of the company's ongoing businesses in a manner that allows for a better understanding of the underlying trends in the company's current business because the excluded items are unpredictable and not necessarily indicative of current operating fundamentals or future performance of the business segments, and, in most instances, decisions regarding these items do not necessarily relate to the operations of the individual segments.

The company uses its prevailing corporate federal income tax rate of 35% while taking into account any permanent differences for events recognized differently in its financial statements and federal income tax returns when reconciling non-GAAP measures to the most comparable GAAP measure.

	For the Three Months Ended June 30,
	2010
(\$ in millions, except per share data)	
Revenues	\$2,604.5
Net Income	\$255.2
Preferred stock dividends and accretion of discount	(18.3)
Minority interest adjustment	-
Net Income Available to Common Stockholders	104.4
Earnings Per Share - Basic	\$0.35
Earnings Per Share - Diluted	0.33
Average Shares - Basic	304,483,369
Average Shares - Diluted	314,611,633



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Forward Looking Statements — Cautionary Language

These materials may contain or incorporate by reference statements made by Lincoln, or “we,” “us,” or “our,” or on Lincoln's behalf based upon “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 (“PSLRA”). A forward-looking statement is a statement that is not a historical fact and, without limitation, includes any statement that may predict, forecast, indicate or imply future results, performance or achievements, and may contain words like: “believe”, “anticipate”, “expect”, “estimate”, “project”, “will”, “shall” and other words or phrases with similar meaning in connection with a discussion of future operating or financial performance. In particular, these include statements relating to future actions, trends in Lincoln's businesses, prospective services or products, future performance or financial results, and the outcome of contingencies, such as legal proceedings. Lincoln claims the protection afforded by the safe harbor for forward-looking statements provided by the PSLRA.

Forward-looking statements involve risks and uncertainties that may cause actual results to differ materially from the results contained in the forward-looking statements. Risks and uncertainties that may cause actual results to vary materially, some of which are described within the forward-looking statements include, among others:

- Continued deterioration in general economic and business conditions, both domestic and foreign, that may affect foreign exchange rates, premium levels, claims experience, the level of pension benefit costs and funding and investment results;
- Continued economic declines and credit market illiquidity could cause us to realize additional impairments on investments and certain intangible assets, including goodwill and a valuation allowance against deferred tax assets, which may reduce future earnings and/or affect our financial condition and ability to raise additional capital or refinance existing debt as it matures;
- Uncertainty about the impact of the U.S. Treasury's Troubled Asset Relief Program on the economy;
- The cost and other consequences of our participation in the Capital Purchase Program, including the impact of existing and future regulations to which we may become subject;
- Legislative, regulatory or tax changes, both domestic and foreign, that affect the cost of, or demand for, Lincoln's products, the required amount of reserves and/or surplus, or otherwise affect our ability to conduct business, including changes to statutory reserves and/or risk-based capital requirements related to secondary guarantees under universal life and variable annuity products such as Actuarial Guideline 43 also known as VACARVM; restrictions on revenue sharing and 12b-1 payments; and the potential for U.S. Federal tax reform;
- The initiation of legal or regulatory proceedings against Lincoln or its subsidiaries, and the outcome of any legal or regulatory proceedings, such as: adverse actions related to present or past business practices common in businesses in which Lincoln and its subsidiaries compete; adverse decisions in significant actions including, but not limited to, actions brought by federal and state authorities and extra-contractual and class action damage cases; new decisions that result in changes in law; and unexpected trial court rulings;
- Changes in interest rates causing a reduction of investment income, the margins of Lincoln's fixed annuity and life insurance businesses and demand for Lincoln's products;
- A decline in the equity markets causing a reduction in the sales of Lincoln's products, a reduction of asset-based fees that Lincoln charges on various investment and insurance products, an acceleration of amortization of deferred acquisition costs, value of business acquired, deferred sales inducements and deferred front-end loads and an increase in liabilities related to guaranteed benefit features of Lincoln's variable annuity products;
- Ineffectiveness of Lincoln's various hedging strategies used to offset the impact of changes in the value of liabilities due to changes in the level and volatility of the equity markets and interest rates;
- A deviation in actual experience regarding future persistency, mortality, morbidity, interest rates or equity market returns from Lincoln's assumptions used in pricing its products, in establishing related insurance reserves and in the amortization of intangibles that may result in an increase in reserves and a decrease in net income;
- Changes in GAAP that may result in unanticipated changes to Lincoln's net income;
- Lowering of one or more of Lincoln's debt ratings issued by nationally recognized statistical rating organizations and the adverse impact such action may have on Lincoln's ability to raise capital and on its liquidity and financial condition;
- Lowering of one or more of the insurer financial strength ratings of Lincoln's insurance subsidiaries and the adverse impact such action may have on the premium writings, policy retention, profitability of its insurance subsidiaries and liquidity;
- Significant credit, accounting, fraud or corporate governance issues that may adversely affect the value of certain investments in the portfolios of Lincoln's companies requiring that Lincoln realize losses on such investments;
- The impact of acquisitions and divestitures, restructurings, product withdrawals and other unusual items, including Lincoln's ability to integrate acquisitions and to obtain the anticipated results and synergies from acquisitions;
- The adequacy and collectibility of reinsurance that Lincoln has purchased;
- Acts of terrorism, a pandemic, war or other man-made and natural catastrophes that may adversely affect Lincoln's businesses and the cost and availability of reinsurance;
- Competitive conditions, including pricing pressures, new product offerings and the emergence of new competitors, that may affect the level of premiums and fees that Lincoln can charge for its products;
- The unknown impact on Lincoln's business resulting from changes in the demographics of Lincoln's client base, as aging babyboomers move from the asset-accumulation stage to the asset-distribution stage of life; and
- Loss of key management, financial planners or wholesalers.



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The risks included here are not exhaustive. Lincoln's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and other documents filed with the SEC include additional factors which could impact Lincoln's business and financial performance. Moreover, Lincoln operates in a rapidly changing and competitive environment. New risk factors emerge from time to time and it is not possible for management to predict all such risk factors.

Further, it is not possible to assess the impact of all risk factors on Lincoln's business or the extent to which any factor, or combination of factors, may cause actual results to differ materially from those contained in any forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. In addition, Lincoln disclaims any obligation to update any forward-looking statements to reflect events or circumstances that occur after the date of this document.

Order code: LFG-CORP-BRC002



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