



## ING Marks One-Year Anniversary of CitiStreet Deal

### Swift, seamless integration and new alignment keeps ING positioned as a top U.S. retirement services provider

WINDSOR, Conn., July 29 /PRNewswire-FirstCall/ -- This month, ING marked the one-year anniversary of its acquisition of CitiStreet LLC, a \$900 million deal which significantly expanded ING's footprint in the retirement industry and confirmed the company's status as a premier defined contribution plan provider and recordkeeper in the U.S.

Since the purchase last July, ING's US Retirement Services division has been leveraging the complementary strengths of each legacy business to enhance existing capabilities and create new opportunities. ING's extensive network of distribution partners and leadership in the education, government and smaller corporate markets, combined with the former CitiStreet's robust technology platform and expertise serving large institutional clients, now uniquely positions ING to meet the needs of all types of plan sponsors.

"The integration of ING and CitiStreet produced incredible synergies and opportunities for our business," said Catherine Smith, CEO of ING US Retirement Services. "Today, ING is one of the few companies with a scaled leadership presence across the entire defined contribution spectrum and the ability to offer retirement solutions for any size or type of plan sponsor we encounter. I'm extremely proud of the outstanding work our merged businesses have completed -- and continue to undertake -- as we help Americans prepare for a sound and secure retirement."

With the recent departure of Sandy McCarthy who ran the legacy CitiStreet business, ING has further streamlined its Retirement Services structure, while ensuring the institutional businesses remain focused under their current leadership model. Wayne Finnegan will continue to lead large corporate defined contribution and Brian Haendiges will continue to lead large corporate defined benefit, both reporting to Richard Mason, head of Corporate Markets for ING US Retirement Services. Bill Jasien will continue to lead the government business, reporting to Brian Comer, head of Health, Education & Government Markets for ING US Retirement Services.

"We remain committed to serving our valued customers and stakeholders in each segment with the focus and attention they require, specifically our large institutional clients that

call for a unique service model," added Smith. "Moreover, this is a perfect opportunity to further integrate the organization and leverage the skills of our strong, existing leadership."

#### Integration Conducted with Discipline, Energy and Speed

Work to integrate CitiStreet into ING's Retirement Services operations after the acquisition in 2008 was executed quickly and efficiently. The transaction itself closed in approximately 60 days from signing, reflecting the complementary nature of the two businesses and the seamlessness of the transition. Since then, the integration efforts have either hit their business targets or remain on track to achieve them, which many experts say is not the norm.

"The vast majority of major business mergers fail to meet their anticipated targets and never will," noted Ron Ashkenas, Managing Partner at Robert H. Schaffer & Associates, a leader in organizational transformation and a consultant on the ING-CitiStreet integration. "By all accounts, ING has been an exception to the rule. Its success on both a strategic and cultural level can be credited to a number of things that were done right. Specifically, management got everyone aligned quickly on the most critical opportunities, goals, and milestones; engaged people from both organizations in the work; fostered regular, productive communications among key leaders; and treated all employees with dignity and respect."

In addition to the speed of the work, there was very little disruption for existing customers, particularly those of the former CitiStreet. Even more compelling - the bulk of the integration efforts were executed during one of the worst possible business cycles on record. Still, the team managed to stay focused on their goals and serve customers effectively.

"The effort was impressive on everyone's part," added Ashkenas. "It was done with discipline, energy, and speed, even amidst the tough market conditions. This would not have been possible without a great deal of commitment from all employees to make this work."

### **ING US Retirement Services - One Year Later**

According to recent data from Pensions & Investments magazine, ING's US Retirement Services is currently the nation's largest defined contribution plan provider based on number of sponsors, with over 52,000; the second largest based on number of plan participants with approximately 7 million; and the third largest based on combined assets under management and administration, with more than \$235 billion.<sup>(1)</sup>

To date, results stemming from the integration have been extremely positive. For example, ING has continued to deliver on more than eight years of consecutive growth for its institutional 401(k) customers. CitiStreet customer retention and new business relationships in the past year represented over \$30 billion in assets and 1.2 million plan participants. The team has been leveraging ING's strong brand and resources to benefit the legacy CitiStreet clients and further demonstrate its commitment to the large case market. This includes the INGYourNumber.com webtool and marketing campaign, the tools and thought leadership behind the ING Institute for Retirement Research, and ING's Taking Control(R) suite of transition counseling, retirement planning and benefits solutions services.

In the small corporate segment, ING has leveraged the robust CitiStreet technology downmarket, upgrading all clients with the newly-enhanced technology. As a leader in unbundled plan services, the new technology also significantly improves and simplifies plan administration for ING's many third party administrator (TPA) partners. ING's commitment to small plan clients has extended even further with enhanced TPA service reimbursement and improved pricing. Proof of these efforts was evidenced during the first

quarter of 2009, as ING moved from #6 to # 2 in sales for plans with 100 to 500 employee participants.<sup>(2)</sup> In the mid-sized corporate market, ING established a new channel management strategy that consolidated several key distribution functions under one area. Currently, the team has generated a ten-fold increase from the previous year in the mid market sales proposal pipeline.

ING has also continued its nearly six-year streak as the leader in sales for the K-12 education market; it also assumed the top rank during the first quarter of 2009 in K-12 plan participants, with over 615,000.<sup>(3)</sup> In addition, ING has been at the forefront of helping school officials navigate the new IRS 403(b) regulation requirements. One example is the October 2008 launch of ING's pioneering planwithease.com(R), a one-stop plan administration service to ensure districts are compliant with the new IRS regulations while easing their administrative burdens. Another is the company's recent announcement to participate in the IRS 403(b) prototype plan program, helping eligible employers meet their 403(b) regulatory requirements.

"I couldn't be more pleased with where ING US Retirement Services is heading today. In just one year, we've generated significant momentum and demonstrated ING's strong commitment to all of our market segments," said Smith. "With the strengths of both ING and the legacy CitiStreet businesses at work, we're embracing a unified culture, capitalizing on new opportunities, leveraging technology and top talent across the business, and creating a value proposition that meets the needs of the entire plan sponsor marketplace."

### **About ING**

ING is a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services to over 85 million private, corporate and institutional clients in over 40 countries. With a diverse workforce of nearly 115,000 people, ING is dedicated to setting the standard in helping our clients manage their financial future.

In the U.S., the ING (NYSE: ING) family of companies offers a comprehensive array of financial services to retail and institutional clients, which includes life insurance, retirement plans, mutual funds, managed accounts, alternative investments, direct banking, institutional investment management, annuities, employee benefits, financial planning, and reinsurance. ING holds top-tier rankings in key U.S. markets and serves approximately 30 million customers across the nation. For more information, visit [www.ing.com/US](http://www.ing.com/US).

1. Pensions & Investments, *July 27, 2009*.
2. LIMRA 401(k) Scorecard Survey, Q1 2009 results.
3. 23 consecutive quarters, as of 3/31/09. LIMRA Not-For-Profit Sales and Assets survey, Q1 2009 results.

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