

Straight Talk with Catherine Smith

FOURTH QUARTER / YEAR-END 2010 REVIEW



Catherine Smith, CEO
U.S. Retirement Services

To Our Valued Clients and Partners,

On February 16, ING Groep N.V. (ING Group or ING) reported strong fourth-quarter / year-end financial results, generating even greater positive momentum for our global operations — including the U.S. Retirement, Insurance, and Investment Management businesses. All of us in U.S. Retirement Services are extremely pleased to announce the financial results summarized below, along with the strategic progress we continue to make.

In addition to delivering a solid financial performance in 2010, ING successfully completed the operational separation of the global banking and global insurance and investment management businesses, a year after announcing plans to create financially strong and stand-alone companies. Reaching this milestone marks a significant step forward in our base-case strategy of a U.S.-focused IPO and a European-led IPO, and ING's businesses in the United States are continuing to make steady progress on this path forward.

Today, U.S. Retirement Services continues to be highly focused on our mission to serve you and America's retirement savers. In 2010, we worked to deliver authentic thought leadership, true participant advocacy, value-added technologies, and industry-leading service levels. In 2011, we know you will again challenge us to excellence, as we carry these initiatives forward with even greater focus and commitment. Thank you.

Very truly yours,



The snapshot below captures key fourth-quarter and year-end 2010 metrics.

Financial Updates Fourth Quarter 2010

ING Group

- ING Group underlying net profit¹ of \$868 million in fourth-quarter 2010 was up from \$121 million in fourth-quarter 2009, and full-year 2010 results of \$5.2 billion were up fourfold from \$1.3 billion in 2009.

ING Global Insurance

- Operating profit of \$590 million in fourth-quarter 2010 was up 45% as compared to \$408 million in fourth-quarter 2009, and full-year 2010 results of \$2.4 billion were 22% better than full-year 2009 results of \$1.9 billion.
- New sales² of \$1.6 billion for fourth-quarter 2010 were up 19% from fourth-quarter 2009 sales of \$1 billion, driven in part by higher sales of stable value retirement plans and life insurance products in the U.S. Insurance business.

¹ After tax profits but before investment related gains/losses and special items.
² Annual Premium Equivalent excluding the closed blocks in the U.S. and Japan.
³ Excluding U.S. closed block VA business.

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

- Insurance U.S.³, which includes the U.S. Retirement Services business, operating profit of \$231 million in fourth-quarter 2010 was up 29% from fourth-quarter 2009 and up 24% from third-quarter 2010.
- U.S. Retirement Services operating results of \$88 million were up 32% versus fourth-quarter 2009, and full-year results of \$329 million were up 9% from full-year 2009 results.
- Full-service sales of \$1.1 billion were 5% better than fourth-quarter 2009 with solid improvement in targeted growth markets.
- Stable value investment product sales more than quadrupled to \$1.3 billion in fourth-quarter 2010 compared to fourth-quarter 2009.
- Recordkeeping sales were \$3.2 billion in fourth-quarter 2010, nearly triple those of fourth-quarter 2009.
- Assets under management and administration (AUM/AUA) of \$293 billion were up 7% from year-end 2009.



BUILDING MOMENTUM IN 2010

Over the last 12 months, we have worked alongside you to help Americans save more for retirement. Through this joint advocacy and teamwork, we reached a number of high points that underscore our mutual commitment to retirement saving:

- Motivating retirement savers to action — partnering with our customers, we earned 28 participant communication and education awards for our efforts to drive positive retirement behaviors and reach traditionally underserved employee groups.
- Delivering the retirement advice individuals say they need, the way they need it — partnering with the advisor community and offering features such as in-plan advisory services and managed accounts, transition counseling, and embedded advice in investment strategies like target-date funds.
- Providing individuals with a wide range of investment choices, including industry-leading stable value products and services and target-date funds.
- Conducting primary research through the ING Retirement Research Institute (www.INGRetirementResearch.com) that provides insight into the behaviors of diverse retirement plan investors. We are also pleased to announce that four members of the Institute's board were recognized in the polling for The 401kWire "Top 100" influencers in the DC industry.
- Helping sponsors prepare for regulatory developments through fiduciary-level standards of operation and the ongoing legislative webcast series and e-newsletters.
- Reaching more than one million 403(b) retirement plan participants with our pioneering plan administration service, planwithease.com, and helping our customers navigate the new requirements created by the 403(b) regulations.
- Delivering solutions like the ING GROW Program practice development tools and resources to help advisors, consultants and third-party administrators work effectively.

- Deepening the relationships with our clients, for example, retaining 100% of all kindergarten-through-grade-12 contract rebids in 2010 and achieving \$15.3 billion in full-year sales through ongoing participant contributions and implementing new plans.
- Validating the high levels of service we strive to provide when our sponsors say: "ING is truly a partner."² And when individuals say, "They have educational tools on their website which help you plan for the future. You can also set goals, and aim to reach them."³

CARRYING THE MOMENTUM FORWARD

Last year's hard work has gotten us off to a fast start in 2011, and the momentum continues to build. We're extremely excited about a soon-to-come mobile application that uses smartphone technology to engage participants and a new app that uses gaming technology to make retirement education fun and even "habit-forming." The Institute has already lined up a series of behavioral-finance studies to provide insight into how individuals make decisions with their finances. And we will continue our ongoing dialogue with you on regulatory issues, as new guidance emerges.

Building on our 40-plus years as a retirement industry leader,⁴ ING enters 2011 strong, focused and positioned for continued success. We thank you for the opportunity to serve you in 2010, and we look forward to the work ahead.

¹ ING Life Insurance and Annuity Company, One Orange Way, Windsor, CT 06095-4774, a wholly owned, indirect subsidiary of ING Groep N.V., provides these administration services under the trade name planwithease.com. Planwithease.com services may not be available in all states. These services are offered at no additional cost, provided ING is an active investment provider in your plan.

² 2010 ING Third-party Client Satisfaction Survey.

³ 2010 ING Retirement Services Customer Experience Research.

⁴ ING and our predecessor companies.

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