

## ING Canada reports first quarter results

ING Canada Inc. (TSX: IIC.LV) reported net income of \$158.5 million for the quarter ended March 31, 2005, up from \$115.1 million in the same period of the preceding year. Revenue for the first quarter also increased to \$1,099 million, up 15% from \$956 million in the corresponding quarter of 2004.

Basic and diluted earnings per share for the first quarter of 2005 amounted to \$1.19 compared to \$1.23 for the corresponding period in 2004. The decrease reflects the higher number of shares outstanding following the December 2004 IPO. Earnings per adjusted share on a diluted basis for the quarter amounted to \$1.19 compared to \$0.86 in the corresponding period of 2004. The earnings per adjusted share figures were computed as if the number of shares issued and outstanding as a result of the recent IPO were identical in the first quarters of 2004 and 2005.

ING Canada also announced that it has declared a quarterly dividend of 16.25 cents per share on its outstanding common shares, payable on June 30, 2005 to shareholders of record on June 20, 2005.

Claude Dussault, President and CEO said: "Results for the first quarter reflect the positive impact made by the acquisition of Allianz Canada on our revenues as well as a positive contribution to earnings. In addition, we achieved organic growth by increasing the number of insured risks by 4.7%, which partially offset the impact of an average reduction of 9% in our auto insurance premium rates from the first quarter of last year."

"All lines of business continued to perform well during the quarter. However, the improvement was driven by auto insurance. Reduced claim frequencies, favourable reserve developments as well as improvement in the year over year results of the Facility Association contributed positively to our results."

### Current Outlook

- The performance of the P&C industry will continue to be impacted by regulatory changes to automobile insurance. Sustainability of the cost containment measures adopted as well as the ongoing rate reductions will be key drivers of our performance in the short term. Furthermore, the lower automobile claim frequencies observed in the last 15 months will either return to normal levels or competitive pressures will lead to further premium reductions in the coming 24 months.
- Favourable experience in commercial insurance in the last three years and the strengthening of the P&C insurance industry's capital position will accelerate competition in commercial insurance. Furthermore, increases in non-residential construction costs will put additional pressure on underwriting margins.
- Consequently, the industry's growth rates for the next 12 to 24 months are likely to be below historical levels. We also expect that the underwriting results will not remain at such favourable levels.

[Click here for the complete earnings release, including the Management Discussion & Analysis and Consolidated Financial Statements](#) for the complete earnings release, including the Management Discussion & Analysis and Consolidated Financial Statements

---

<https://newsroom.intactfc.com/2005-05-12-ING-Canada-reports-first-quarter-results>