

ING Canada Inc. Reports Continued Strong Earnings

ING Canada Inc. (TSX: IIC.LV) reported net income of \$202.8 million for the quarter ended September 30, 2005, up 24.0% from \$163.6 million in the same period of the preceding year. Revenues for the third quarter amounted to \$1.123 billion, a 22.1% increase from \$ 919.7 million in the corresponding quarter of 2004.

For the first nine months of 2005, net income amounted to \$584.9 million up 29.7% from \$451.1 million in the same period of the previous year, on increased revenues of \$3.335 billion from the \$2.776 billion recorded in the first nine months of 2004.

The results for both the quarter and the first nine months of the year were driven by the continued strength of the underwriting results, higher investment income and realized investment gains.

Claude Dussault, president and CEO commented: "ING Canada continued to deliver impressive earnings growth in the third quarter as a result of the positive contribution of Allianz Canada, continued strength of our underwriting activities and solid investment performance."

"Our underwriting income remained impressive during the quarter even though it decreased compared to the corresponding period of 2004. The impact of the August 19 storms in Ontario, heavy rain across Canada, rate reductions in automobile insurance and the higher cost of claims in commercial insurance was partially offset by continued positive development of prior-year reserves."

Basic and diluted pro-forma earnings per adjusted share for the quarter amounted to \$1.52 compared to \$1.27 (basic) and \$1.22 (diluted) in the corresponding period of 2004. Earnings per adjusted share reached \$4.38 for the first nine months of 2005 versus \$3.51 (basic) and \$3.37 (diluted) last year. The earnings per adjusted share figures were retroactively determined as if the shares issued as a result of last December's initial public offering ("IPO") had been outstanding throughout 2004. Under Canadian generally accepted accounting principles, the earnings per share for the third quarter amount to \$1.52 compared to \$1.75 for the corresponding period of 2004. For the first nine months of 2005, earnings per share were \$4.38 compared to \$4.82 in the same period of 2004. The reduction in earnings per share reflects the higher number of shares outstanding this year following the 2004 IPO.

ING Canada also announced that it has declared a quarterly dividend of 16.25 cents per share on its outstanding common shares, payable on December 30 to shareholders of record on December 15.

Current Outlook

Barring any unexpected developments, industry returns in automobile insurance are likely to exceed historical levels in the next four quarters. Sustainability of the cost containment measures adopted by governments as well as potential rate reductions will continue to be the key drivers in the short term. Automobile claims frequency remains low, and we continue to believe that it will either increase or lead to further premium reductions.

Competition in commercial insurance is increasing; prices are softening but continue to yield returns above historical levels. Continued increases in non-residential construction costs are putting additional pressure on underwriting margins and we are encouraging our brokers to ensure that their commercial customers maintain adequate insured values.

Overall, we still expect the industry's top-line growth for the next twenty-four months to be below historical levels. We also expect that the underwriting results of the industry will not remain at the favourable levels experienced thus far in 2005. However, management remains convinced that ING Canada, with its scale advantage, underwriting discipline and pricing sophistication, is well positioned to capitalize on the above conditions and continue to outperform the industry's return on equity for the foreseeable future. Furthermore, our distinct product and service proposition delivered through a multi-channel distribution network will be a key driver in fuelling organic growth.

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

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