

ING Canada Reports Solid Earnings

ING Canada Inc. (TSX: IIC) reported net income of \$205.9 million for the three months ended June 30, 2006, down \$17.7 million or 7.9% from the record results achieved during the second quarter of 2005. Revenues for the second quarter amounted to \$1,097 million, compared to \$1,112 million last year.

Net income for the first six months of 2006 was up by \$9.7 million over the same period last year, to \$391.8 million, while revenues increased by \$19.3 million to \$2,231 million.

Earnings per share for the quarter amounted to \$1.54, compared to \$1.67 for the corresponding period of 2005. Earnings per share reached \$2.93 for the first six months of 2006 versus \$2.86 last year.

ING Canada also announced that it has declared a quarterly dividend of 25.0 cents per share on its outstanding common shares, payable on September 29 to shareholders of record on September 15.

Claude Dussault, President and CEO, commented: "ING Canada had another quarter of strong performance. While we did not achieve the record level of the second quarter of last year, we continued to deliver solid earnings as a result of the sustained strength of our underwriting operations and the robust performance of our investment activities.

"Both our personal and commercial insurance businesses performed very well during the quarter resulting in a healthy overall combined ratio of 82.7%."

Current Outlook

Our outlook for the next twelve months remains unchanged from the previous quarter.

Top line growth for the property and casualty insurance industry will remain below historical levels, as we experienced in the second quarter. However, the underwriting results of the industry are expected to exceed historical averages.

Automobile insurance reforms adopted by various provinces have continued to be effective at containing and stabilizing claims costs. Furthermore, automobile claims frequency remains low and we believe frequency will either increase or continued low frequency will lead to premium reductions. Sustainability of the cost containment measures, as well as potential rate reductions, will continue to be key performance drivers.

Commercial insurance markets continue to be highly competitive. While prices are softening, returns are expected to remain above historical levels.

Financial Summary

	2006 Q2	2005 Q2	Change	2006 6-month	2005 6-month	Change
Direct Premiums Written (\$ million)	1,176.2	1,171.4	0.4%	1,988.7	1,993.4	-0.2%
Underwriting Income (\$ million)	165.6	179.8	-7.9%	245.5	294.7	-16.7%
Net income (\$ million)	205.9	223.6	-7.9%	391.8	382.1	2.5%
Earnings per share (in dollars) Basic and diluted	1.54	1.67	-7.8%	2.93	2.86	2.4%
Return on equity for last 12 months	27.5%	37.8%	-10.3			
Combined ratio	82.7%	81.2%	1.5	87.0%	84.7%	2.3%

Financial Highlights

- **Net income for the quarter amounted to \$205.9 million, compared to the record high of \$223.6 million achieved in the second quarter of last year. However, for the first six months of 2006, net income is up 2.5% from the corresponding period of 2005 at \$391.8 million.**

- Revenues for the second quarter amounted to \$1,097 million compared to \$1,112 million in the corresponding quarter of 2005. Net premiums earned remained unchanged at \$956 million while investment activities continued to generate strong revenues. Investment income from insurance subsidiaries increased \$4.3 million after adjusting for non-recurring interest in 2005 related to a 2001 portfolio purchase. Realized investment and other gains amounted to \$34.8 million. Total income before income taxes for the quarter decreased 8.6% to \$295.7 million.
- For the first six months of the year, revenues increased by nearly 1% to \$2,231 million despite a 1.6% decline in net premiums earned. Investment income from insurance subsidiaries decreased \$9.8 million to \$154.9 million while realized investment and other gains increased by \$53.0 million to \$142.5 million. Total income before income taxes increased by \$11.8 million to \$564.1 million in the first half of 2006.
- Shareholders' equity increased by 11.3% since the beginning of the year to \$3,220 million at the end of the second quarter, reflecting the profitability of our activities during the first half of the year. Our debt to total capital ratio fell to 3.8%.

Business Highlights

- Direct written premiums for the quarter increased by nearly \$5 million from the second quarter of 2005 to reach \$1,176 million, establishing a new record. The number of insured risks continued to increase with a 3.4% growth rate. Direct written premiums from our personal lines activities increased by 4.9% to \$835.2 million despite continued rate reductions in auto insurance. Commercial insurance premiums decreased by \$34.1 million or 9.1% to \$341.0 million despite a 0.9% increase in the number of risks insured. The decline resulted mainly from last year's transfer of a \$17.0 million portfolio to Allianz Global Risks, and the greater proportion of small business risks within our portfolio. For the first six months of the year, overall direct written premiums were down less than 1% to \$1,989 million.
- Underwriting income for the quarter remained strong at \$165.6 million, down \$14.2 million from the record level reached in the second quarter of 2005 when unusually favourable claims development for prior years was registered. The combined ratio of 82.7% remains however at a very favourable level. For the year to date, underwriting income stands at \$245.5 million compared to \$294.7 million in the first six months of 2005.
- The contribution of our personal lines activities to underwriting income fell \$13.5 million to \$101.4 million. The property insurance contribution improved significantly while that of automobile insurance remained healthy with a combined ratio of 83.6%.
- Underwriting income from the commercial lines business remained stable with a \$64.2 million contribution during the second quarter and was slightly higher at \$104.2 million for the first six months.

Corporate Developments

On May 29, the company announced a national multi-year agreement to offer Aeroplan's members the opportunity to earn Aeroplan Miles on certain insurance products sold by the company's insurance subsidiaries. This initiative is part of ING Canada's ongoing efforts to provide a compelling and differentiated value proposition to consumers.

Conference Call

ING Canada will host a conference call to review its earnings results today at 10:00 am ET. To listen to the call via live audio webcast and to view the presentation slides, visit our website at www.ingcanada.com and click on "Investor Relations".

The conference call is also available by dialling 617-614-3474 or 1-800-706-7749 (toll-free in North America). The passcode is 51957322. Please dial in ten minutes before the start of the call.

A playback of the call will be available starting at 1:00 p.m. ET on August 10 through 5:00 p.m. ET on August 17. To listen to the replay, call 617-801-6888 or 1-888-286-8010 (toll-free in North America). The passcode is 56623154. A transcript of the call will also be available on ING Canada's website.

About ING Canada

ING Canada is the largest provider of property and casualty insurance in the country, offering automobile, property and liability insurance to individuals and businesses through its insurance subsidiaries.

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