

ING Canada Reports 2008 Third Quarter Results

Operating income per share up 14.3% on improved underwriting results

Net income impacted by financial market volatility

Strong financial position with significant excess capital and no debt

ING Canada Inc. (TSX: IIC) reported net operating income of \$106.4 million or \$0.88 per share for the quarter ended September 30, 2008 up from \$95.4 million or \$0.77 per share recorded in the same quarter of last year on improved underwriting performance. Direct premiums written increased marginally in the quarter to \$1,100.3 million, excluding industry pools, as the company remains committed to its disciplined approach to risk selection and pricing.

Despite improved operating performance, net income declined to \$57.3 million or \$0.47 per share down from \$92.0 million or \$0.74 per share, last year. The decline reflects \$62.0 million of realized losses on investment associated with the turbulent financial market conditions.

CEO's comments

Charles Brindamour, President and CEO, commented:

"Our operating performance continues to improve with a significant increase in the profitability of our auto and commercial insurance activities during the quarter. This improvement resulted from numerous underwriting and pricing initiatives taken over the last twelve months to address the increased costs in claims in personal insurance, and our strategy to concentrate on the most profitable segments of commercial insurance.

"Our investment activities are generating substantial interest and dividend income with a 4.9% yield. During the quarter we reduced the impact of the volatility of the capital markets on our balance sheet by decreasing our common share portfolio by \$260 million and reinvesting the proceeds in Canadian government treasury bills.

"We also exercised prudence in the management of our capital base by suspending for the time being our share repurchase plan after acquiring nearly 75% of the planned repurchases. Overall, our balance sheet is strong with approximately \$500 million in excess capital and no debt. This positions us well among financial institutions and allows us to pursue our growth strategy."

Dividend and share buyback

ING Canada declared a quarterly dividend of 31 cents per share on its outstanding common shares. The dividend will be payable on December 31 to shareholders of record on December 15. Since announcing its normal course issuer bid in February, the company has acquired for cancellation as of September 30, 4.6 million shares for \$176.0 million. In late September, given the extraordinary market volatility, the company suspended for the time being the purchase of shares. The decision reflects the company's prudent practices in managing its financial resources.

Recent events

On October 21st, Moody's Investors Services affirmed its long-term issuer rating of A3 to ING Canada and the insurance financial strength rating of Aa3 to its insurance subsidiaries with a stable outlook.

On November 3rd, the company announced that it was discontinuing its use of the debt rating services provided by Standard & Poor's. Upon the cessation of its coverage, S&P reaffirmed the A+ rating of ING Canada's primary insurance subsidiaries with a stable outlook.

Consolidated Highlights

In millions of dollars, except as otherwise noted	2008	2007	Change	2008	2007	Change
	Q3	Q3		YTD	YTD	
Direct Premiums Written	1,100.3	1,091.2	0.8%	3,177.3	3,147.3	1.0%

Underwriting Income ¹	\$61.9	\$29.0	113.4%	106.1	120.8	(12.2)%
Net Operating Income ²	106.4	95.4	11.5%	285.8	340.7	(16.1)%
Net Operating Income Per Share	0.88	0.77	14.3%	2.33	2.67	(12.7)%
Net Income	57.3	92.0	(37.7)%	192.3	412.6	(53.4)%
Net Income Per Share (\$)						
Basic and Diluted	0.47	0.74	(36.5)%	1.57	3.24	(51.5)%
Return on Equity - last 12 months	9.5%	16.0%	(6.5) pts			
Combined Ratio (excluding MYA)	94.0%	97.1%	(3.1) pts	96.5%	95.9%	0.6 pts

¹ Underwriting income is defined as underwriting income excluding market yield adjustment (MYA)

² Net operating income is defined as the sum of underwriting income, interest and dividend income and corporate income after tax

Current Outlook

The profitability of the industry will continue to be under pressure as a result of increases in claims and weaker capital market conditions.

The increase in claims costs in auto insurance in Ontario and Alberta as well as the water-related damages in home insurance will lead to premium increases in personal insurance.

The unprecedented volatility and instability of the capital markets will likely result in additional investment losses for the industry and a reduction of its excess capital position.

The Canadian economy is weakening under the pressures of the global financial crisis and reduced commodity prices. However, the property and casualty insurance industry tends to be less sensitive to economic slowdown than many other sectors.

ING Canada is well-positioned to continue to outperform the property and casualty industry in the current environment due to its significant scale, pricing and underwriting discipline, prudent investment management and its strong financial position.

Operating Highlights

- **Net operating income**, which is defined as the sum of underwriting income, interest and dividend income and corporate income after tax, increased 11.5% to \$106.4 million during the quarter but decreased 16.1% to \$285.8 million for the first nine months mainly as a result of the impact of the severe winter and spring storms.
- **Direct premiums written** reached \$1,100.3 million during the quarter, a 0.8% increase over the same quarter of last year. The slow pace of growth reflects our continued pricing discipline in both personal and commercial lines. In home and auto insurance, higher average amounts insured and higher rates more than compensated for the decline in the number of risks insured. In commercial insurance premiums declined slightly, as competitive pressures continue, despite a 1.6% increase in the number of risks insured. For the first nine months of the year, total direct premiums written increased by 1.0%.
- **Underwriting income**, excluding the market yield adjustment, improved significantly during the quarter to reach \$61.9 million. The combined ratio improved 3.1 percentage points to 94.0% with underwriting income rising substantially in all lines of business, except personal property.

Personal auto insurance results improved by \$22.4 million during the quarter with a combined ratio of 90.8% reflecting the impact of premiums increases and better current accident year results. Personal property insurance continued to be impacted by excessive rain and seasonal storms in Quebec and Ontario and sustained an underwriting loss of \$27.6 million with a combined ratio of 112.2%. Our commercial insurance business posted a solid performance with a combined ratio of 85.3% and an underwriting income of \$40.4 million, up from \$23.2 million. The increased profitability in commercial insurance reflects an

improved current year experience as well as more favourable prior year claims development.

For the first nine months of the year, underwriting income declined 12.2% to \$106.1 million due to the severe storms that took place both during the winter and spring months. The combined ratio for the first nine months was 96.5%.

- **Interest and dividend income, net of expenses** decreased slightly to \$83.1 million as a result of the share buyback program. For the first nine months of the year, interest and dividend income amounted to \$250.5 million compared to \$258.4 million the year before.

Investments

- **Net losses on invested assets**, excluding held-for-trading debt securities, totalled \$62.0 million, up from \$9.5 million last year. The turbulence of the financial markets and the disposition of \$259.5 million of common shares held in our investment portfolio resulted in realized losses of \$41.4 million. Impairments to both equity and debt securities were down 47% to \$15.1 million. For the year to date, we realized a loss of \$122.2 million compared to a gain of \$113.4 million during the corresponding period of last year.

Analyst Estimates

The average estimate of earnings per share and operating earnings per share for the third quarter among the analysts that follow the company were \$0.85 and \$0.86 respectively.

Conference Call

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

The conference call is also available by dialling 416 915-5763 or 1-800-814-4941 (toll-free in North America). Please call ten minutes before the start of the call.

A replay of the call will be available at 12:30 p.m. ET today through 11:59 p.m. ET on November 20. To listen to the replay, call 416 640-1917 or 1-877-289-8525 (toll-free in North America). The passcode is 21287153#. A transcript of the call will also be available on ING Canada's website.

About ING Canada

ING Canada offers automobile, property and liability insurance to individuals and businesses through its insurance subsidiaries. It is the largest provider of property and casualty insurance in the country with more than \$4 billion in direct premiums written. The company's investment subsidiary manages a portfolio of approximately \$7 billion, comprised mainly of high quality Canadian securities.

Media Enquiries:	Investor Enquiries:
Gilles Gratton	Michelle Dodokin
Vice President - Corporate Communications	Vice President – Investor Relations
416-217-7206	416-344-8044
Email: gilles.gratton@ingcanada.com	Email: michelle.dodokin@ingcanada.com

<https://newsroom.intactfc.com/2008-11-12-ING-Canada-Reports-2008-Third-Quarter-Results>