

ING Canada Reports First Quarter Results

3.6% increase in net operating income per share driven by improved underwriting results

Risk reduction initiative led to a non-recurring investment loss of \$83 million

Strong financial position with \$389 million in excess capital and no debt

ING Canada Inc. (TSX: IIC) reported a net loss of \$36.3 million or \$0.30 per share for the quarter ended March 31, 2009 compared to a gain of \$23.0 million or \$0.19 per share last year. Net operating income for the quarter was \$69.1 million, up 3.6% per share to \$0.58 from the corresponding quarter of last year, reflecting improved underwriting results with a 99.2% combined ratio, and a lower number of outstanding shares.

The decline in net income was driven by an \$82.9 million pre-tax non-recurring investment loss resulting from the implementation of a hedging program aimed at reducing market risk and maintaining the company's financial strength and flexibility.

CEO's comments

Charles Brindamour, President and CEO, commented:

"Our operating performance continued to be healthy during the quarter driven by good underwriting results. All our business lines performed well in the current environment except our home insurance business. We are focused on improving our home insurance results through a robust action plan."

"During the quarter, we continued our efforts to protect our strong excess capital position by launching a hedging program that significantly reduced our exposure to the fluctuations of the market values of common shares of financial institutions. Our portfolio has been repositioned over the last nine months to better weather the capital market weaknesses and we have maintained our financial strength and flexibility in the current volatile environment."

Dividend

The Board of Directors of ING Canada declared a quarterly dividend of 32 cents per share on its outstanding common shares. The dividend will be payable on June 30, 2009 to shareholders of record on June 15, 2009.

Current Outlook

Home and auto insurance premiums are likely to rise over the next 12 months across the industry. The increase in claims costs in auto insurance in Ontario, the uncertainty associated with the minor injury cap in Alberta as well as the water-related damages in home insurance are leading to premium increases in personal insurance. In business insurance, current market indications suggest that the pricing environment may begin to firm up. While the results of the P&C industry are not significantly correlated with the fluctuations in economic cycles, lower investment yield and lower capital levels could also contribute to increased premiums during the year.

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.

Consolidated Highlights

(in millions of dollars, except as otherwise noted)	Q1-2009	Q1-2008	Change
Direct Premiums Written	868.8	860.3	1.0%
Underwriting Income ¹	7.9	0.8	7.1
Net Operating Income ²	69.1	70.2	(1.6)%
Net income (loss)	(36.3)	23.0	(59.3)
Net operating income per share (dollars)	0.58	0.56	3.6%
Earnings per share	(0.30)	0.19	(0.49)
Basic and diluted (dollars)			
Return on equity ("ROE") for the last 12 months	2.4%	13.0%	(10.6) pts
Combined ratio	99.2%	99.9%	(0.7) 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

Operating Highlights

- Net operating income amounted to \$69.1 million and increased 3.6% on a per share basis. The improvement was driven by a good underwriting performance which was partly offset by lower investment income, resulting from a more conservative portfolio.
- Direct premiums written increased 1.0% in the first quarter and reached \$868.8 million in the quarter driven by higher premium rates and insured amounts in personal lines.
- Underwriting income improved during the quarter as a result of a 70 basis point reduction in the combined ratio to 99.2%. A solid performance in all lines of business except home insurance led to an underwriting income of \$7.9 million.

Personal auto insurance results improved significantly increasing by \$24.2 million. Current year accident results remain stable while more favourable prior year claims development contributed to bring the combined ratio to 96.1%, a 4.8 percentage point improvement. However, the home insurance business sustained a loss of \$26.9 million with a combined ratio of 112% due to higher claims frequency related to the rapid snow melt. Several initiatives are underway to improve personal property results.

The performance of our commercial insurance portfolio was healthy during the quarter with an underwriting income of \$15.4 million and a combined ratio of 94.1%. The combined ratio in commercial auto improved by 4.6 percentage points to 88.1% reflecting stable current year results and more favourable prior year claims development. Despite large fire-related property losses, the combined ratio in commercial non-auto was solid at 96.6%.

- Interest and dividend income, net of expenses decreased by more than 15% during the quarter to \$72.5 million. The \$13.1 million decline reflects mainly the impact of initiatives taken over the past year to reduce the risks associated with our investment portfolio. Primarily, as a result of a more conservative asset mix, the market-based yield declined to 4.7%.

Investments

- Net losses on invested assets, excluding held-for-trading debt securities, totalled \$135.3 million, compared to \$60.9 million last year. The increase is the result of the implementation of a hedging program aimed at reducing the market risk associated with our holding of financial institutions' common equity stocks. The launch of the program led to a non-recurring loss of \$82.9 million. Our total common shares exposure, net of hedges, has declined significantly and now represents only 7% of our total investment portfolio.

Capital and cash management

Overall, the company finished the quarter in a strong financial position with \$388.9 million in excess capital, no debt and a minimum capital test of 208.2%, 3.2 percentage points higher than at the end of 2008.

Analyst Estimates

The average estimate of earnings per share and operating earnings per share for the first quarter among the analysts who follow the company were \$0.42 and \$0.56 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, the statistical supplement and other information not included in this press release, visit our website at www.ingcanada.com and click on "Investor Relations".

The conference call is also available by dialling 416-644-3418 or 1-800-732-9307 (toll-free in North America). Please call ten minutes before the start of the call.

A replay of the call will be available at 12:00 p.m. ET today through 11:59 p.m. ET on Wednesday, May 20th. To listen to the replay, call 416-640-1917 or 1-877-289-8525 (toll-free in North America). The passcode is 21303213#. A transcript of the call will also be available on ING Canada's website.

Annual and Special Meeting of Shareholders

ING Canada will hold an Annual and Special Meeting of Shareholders at 2:00 pm ET at the Art Gallery of Ontario, 317 Dundas

Street West, Toronto, ON. At the meeting, shareholders will be asked to approve among other things a resolution authorizing the change of the name of the company to Intact Financial Corporation. The meeting will be webcast on ING Canada's website at www.ingcanada.com

About ING Canada

ING Canada is the largest provider of property and casualty insurance in the country with over \$4 billion in premiums. Its 7,000 employees offer home, auto and business insurance under the Intact Insurance, Novex Group Insurance, belairdirect and Grey Power brands. On February 19, ING Canada became a widely held Canadian company following the completion of a private placement and a secondary offering whereby institutional and retail investors acquire ING Groep's shares in the company.

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