



2007 First Quarter Financial and Operating Results

May 16, 2007

Forward-Looking Statement Disclaimer

Certain of the statements contained in this presentation about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments constitute forward looking statements. The words "may", "will", "would", "should", "could", "expects", "plans", "intends", "anticipates", "believes", "estimates", "predicts", "likely" or "potential" or the negative or other variations of these words or other comparable words or phrases, are intended to identify forward looking statements. Forward looking statements are based on estimates and assumptions made by us in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we believe are appropriate in the circumstances. Many factors could cause our actual results, performance or achievements or future events or developments to differ materially from those expressed or implied by the forward looking statements, including, without limitation, the following factors: our ability to implement our strategy or operate our business as we currently expect; our ability to accurately assess the risks associated with the insurance policies that we write; adverse capital market developments or other factors which may affect our investments; the cyclical nature of the property and casualty (P&C) insurance industry; our ability to accurately predict future claims frequency; government regulations; litigation and regulatory actions; periodic negative publicity regarding the insurance industry; intense competition; our reliance on brokers and third parties to sell our products; our ability to successfully pursue our acquisition strategy; the substantial influence of ING Groep; our participation in the Facility Association (a mandatory pooling arrangement among all industry participants); terrorist attacks and ensuing events; the occurrence of catastrophic events; our ability to maintain our financial strength ratings; our ability to alleviate risk through reinsurance; our ability to successfully manage credit risk; our reliance on information technology and telecommunications systems; our dependence on key employees; general economic, financial and political conditions; our dependency on the results of operations of our subsidiaries; the limited trading history of our common shares; the volatility of the stock market and other factors affecting our share price; and future sales of a substantial number of our common shares. These factors should be considered carefully, and readers should not place undue reliance on our forward looking statements. We have no intention and undertake no obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Claude Dussault, President & Chief Executive Officer
Charles Brindamour, Chief Operating Officer
Mark Tullis, Chief Financial Officer

2007 Q1 Highlights

Financial Summary

	Q1 07	Q1 06	Change
Direct premiums written (in millions)	\$854.0	\$812.5	5.1%
Direct premiums written (excluding pools, in millions)	\$846.3	\$812.5	4.2%
Written insured risks (in thousands)	950.4	915.0	3.9%
Net income (in millions)	\$126.2	\$185.9	(32.1)%
Net operating income (in millions)	\$113.9	\$113.9	--
Earnings per share – basic and diluted (in dollars)	\$0.95	\$1.39	(31.6)%
Net operating income per share (in dollars)	\$0.85	\$0.85	--
Return on equity	19.4%	30.1%	(10.7) pts
Combined ratio	95.8%	91.5%	4.3 pts
Debt to equity ratio	0.0%	4.0%	(4.0) pts
	Q1 07	Q4 06	Change
Book value per share	\$25.05	\$25.58	(2.1)%

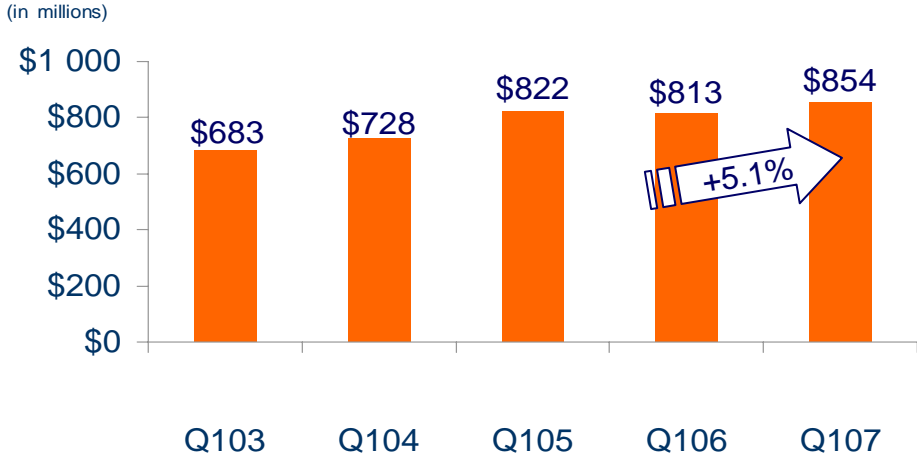
Book value per share decreased slightly at the end of Q1 because of the share buy back.

Income Before Income Taxes - Reconciliation

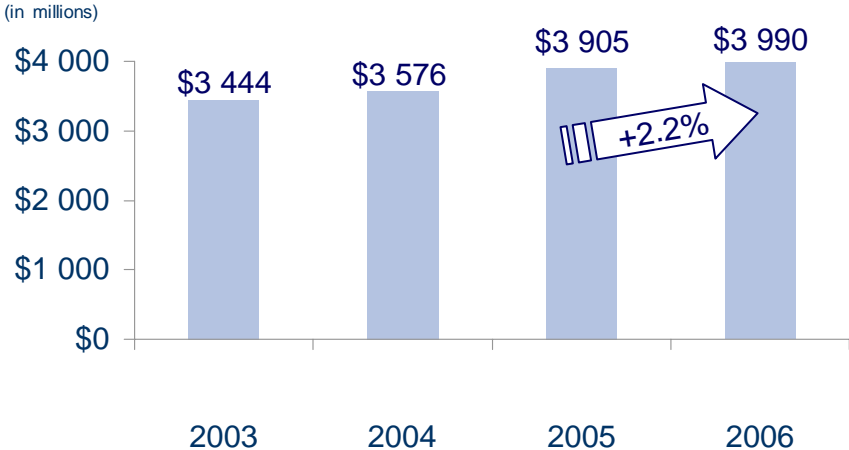
		(in millions)
2006 Q1 Income before income taxes		\$268.4
Lower favourable prior year claims development	\$(24.8)	
Current accident year:		
Lower losses from catastrophes	5.7	
Better results from Facility Association	6.6	
Lower underwriting income	(27.1)	
Change in net underwriting income		(39.6)
Lower net gains on invested assets and other gains		(81.6)
Higher interest and dividend income, net of expenses		13.5
Other		10.7
2007 Q1 Income before income taxes		\$171.4

Direct Premiums Written

Quarterly



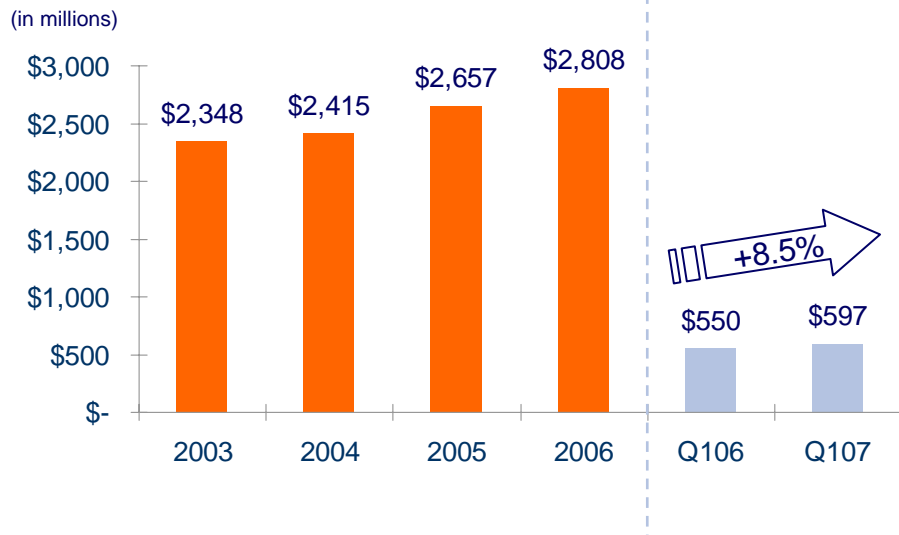
Annual



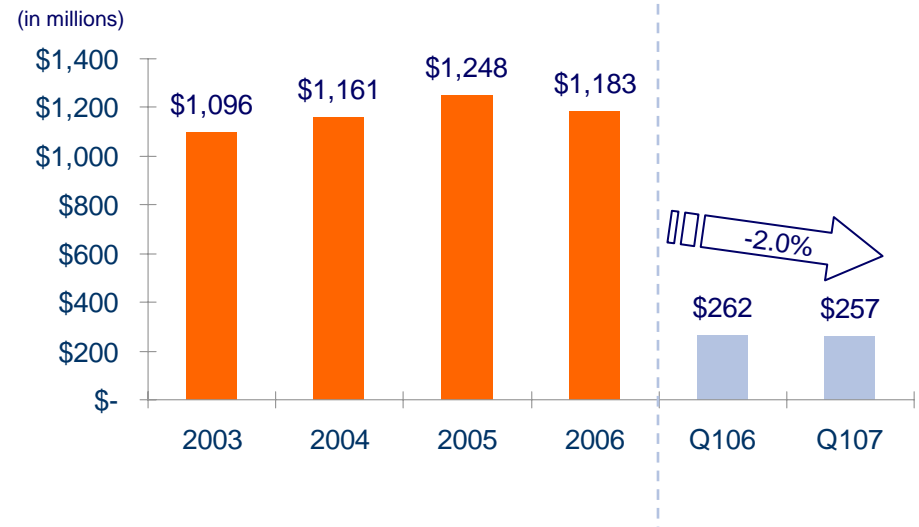
Strong growth in direct premiums written in Q107 was driven by an increase in the number of written insured risks and average amount insured in personal lines. Excluding industry pools, direct premiums written were up 4.2%.

Direct Premiums Written – by Lines

Personal lines

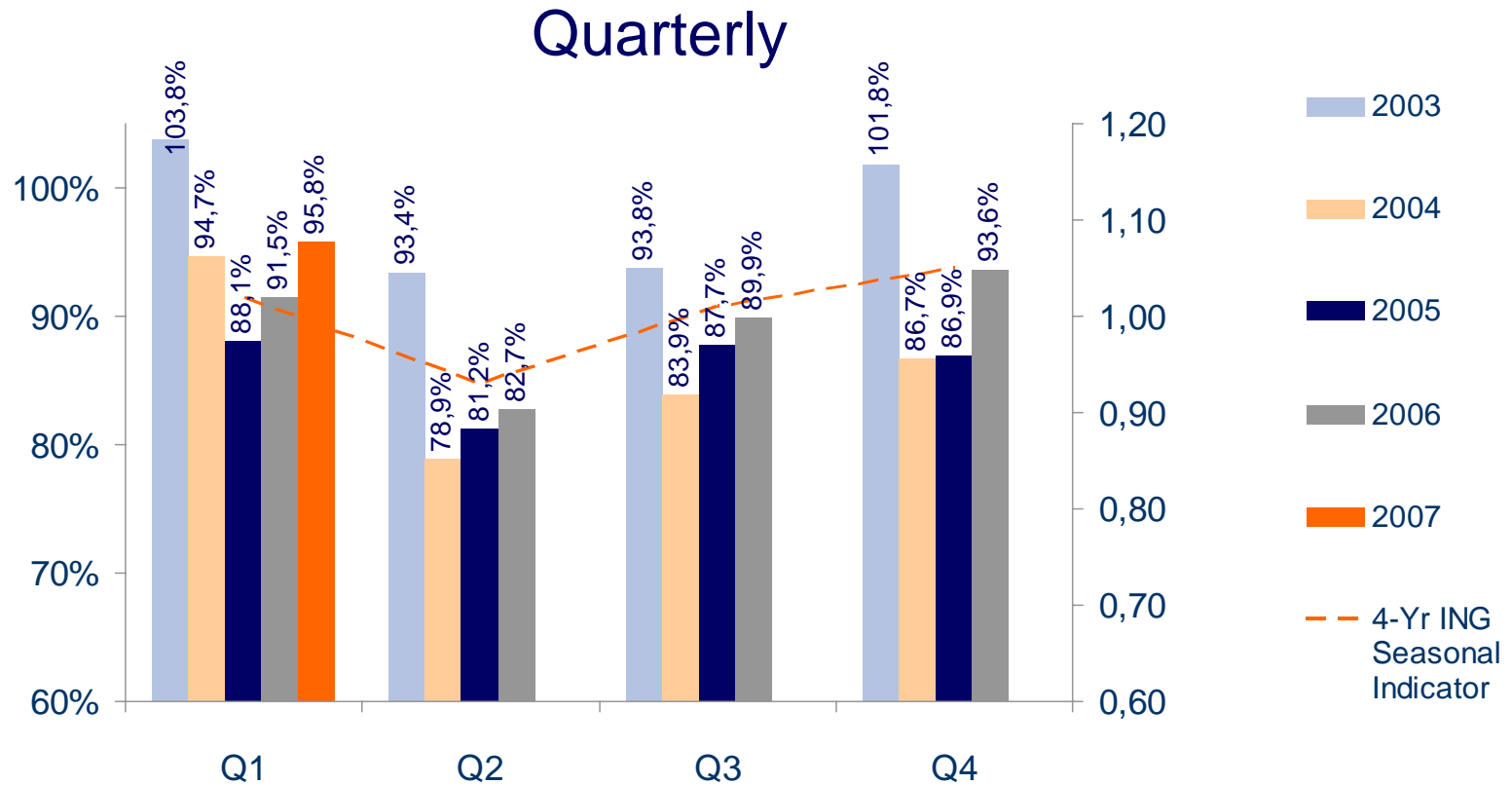


Commercial Lines



Personal property and personal auto both experienced strong growth in the first quarter. Commercial auto was stable while commercial non-auto decreased. Excluding pools, personal auto was up 6.7% despite rate decreases of 4.1%.

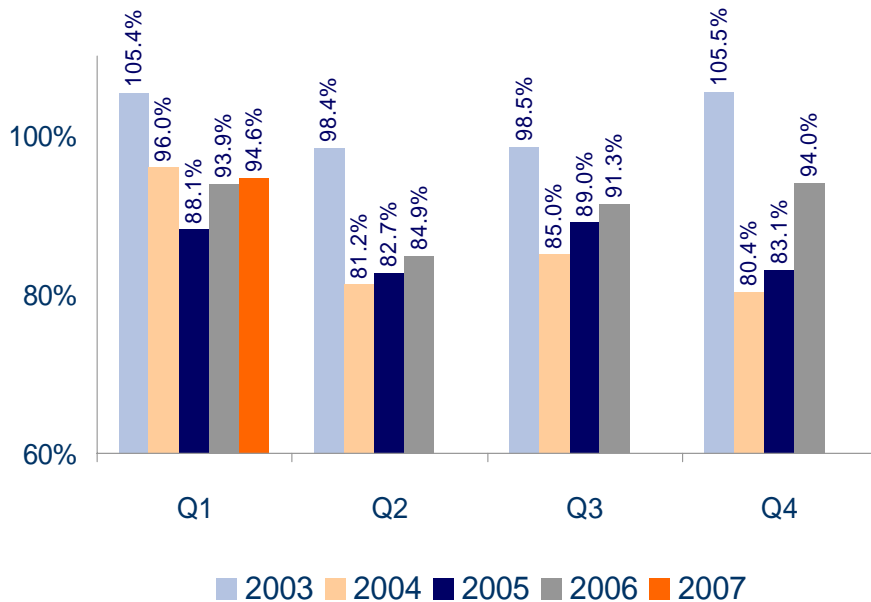
Combined Ratio



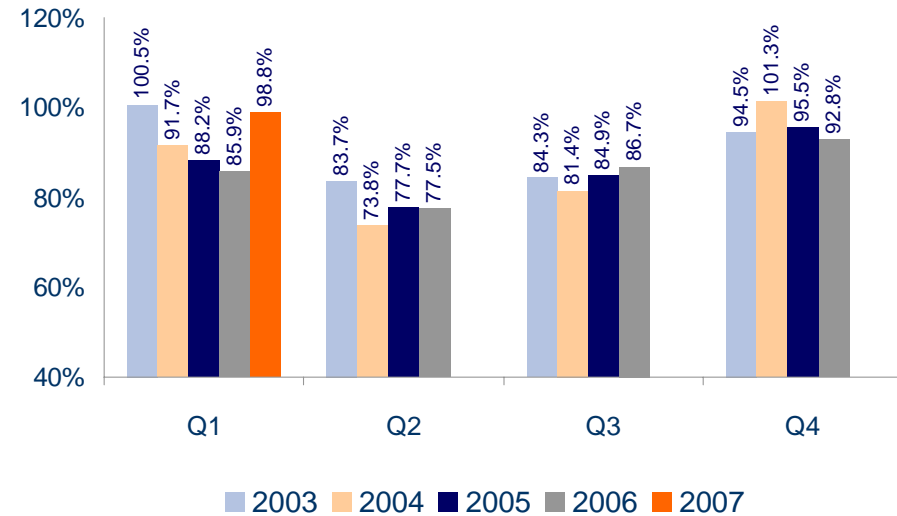
Due to the seasonality of the P&C industry, combined ratios are generally higher in the first and fourth quarters of each year.

Combined Ratio - by Lines

Personal Lines

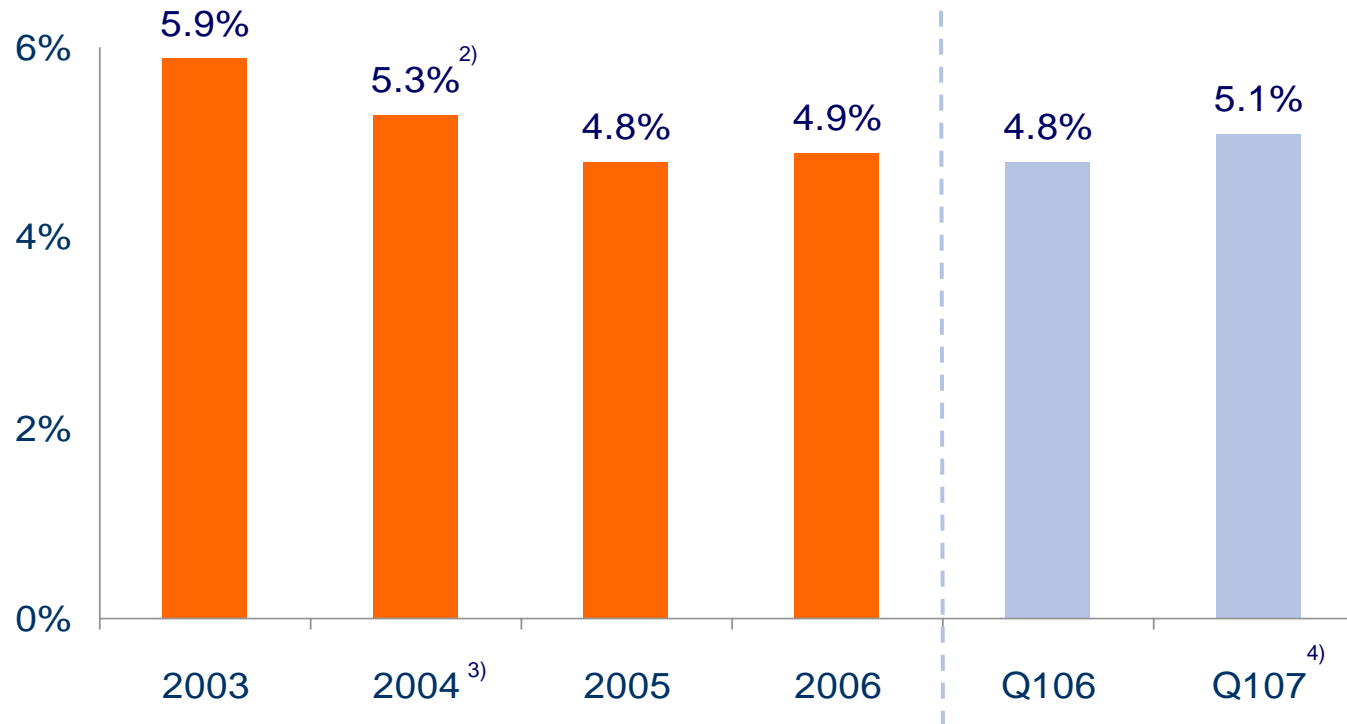


Commercial Lines



The combined ratio was higher in Q107 primarily due to an increase in severity in commercial property. The combined ratio in personal lines was stable.

Cost-based Yield¹⁾



Interest and dividend income increased year-over-year.

1) Pre-tax, at book value.

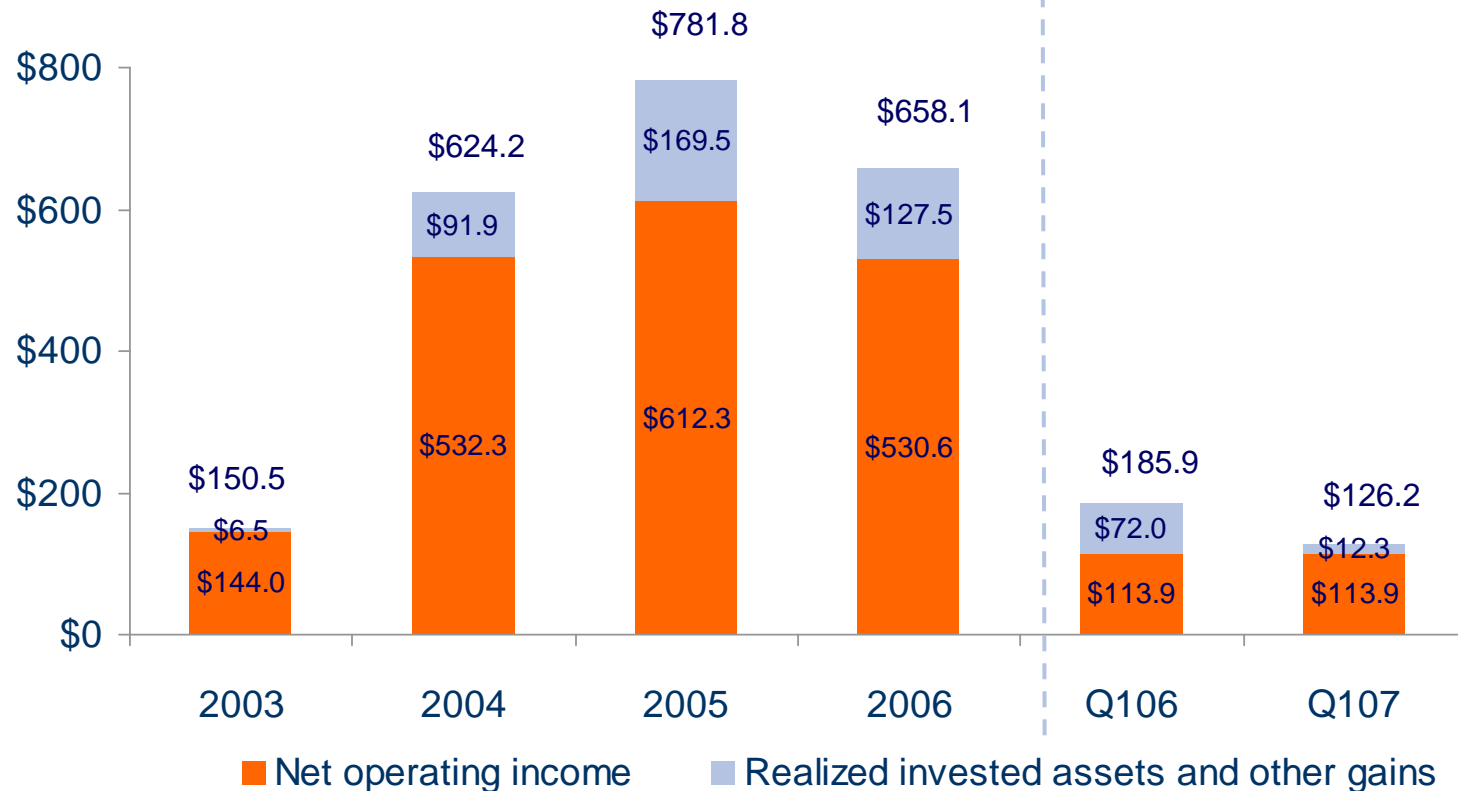
2) Calculation based on adjusted book value reflecting January 2004 quota share commutation; excluding this adjustment the yield is 5.7%

3) Calculations for 2004 and prior years include bank overdraft balances and miscellaneous income; subsequent yields exclude these items

4) Q107 yield is consolidated data, previous data are for P&C subsidiaries only

Sources of Earnings

(in millions)



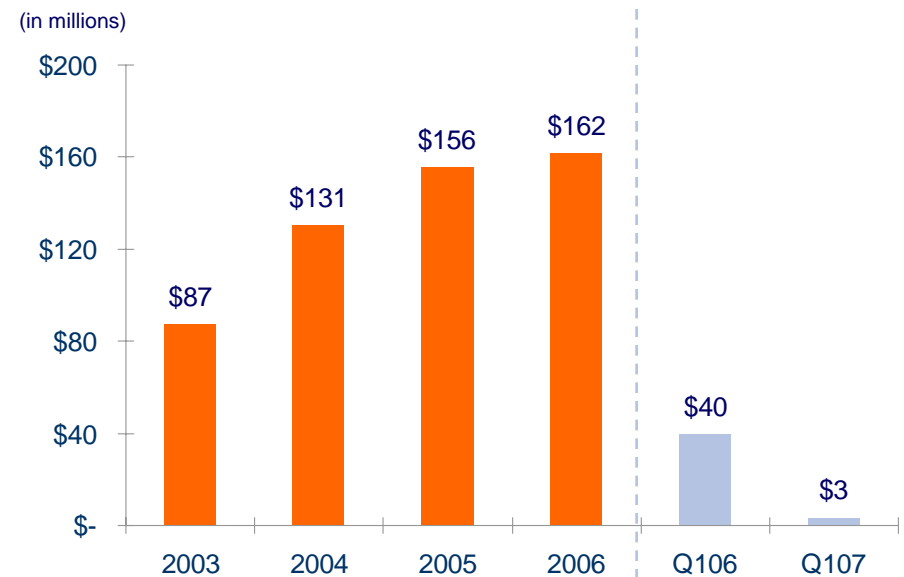
Net operating income was unchanged year-over-year. Favourable equity market conditions and higher asset turnover in Q106 resulted in lower year-over-year gains in Q107. Our invested assets portfolio is managed on an after-tax total return basis, therefore, quarterly fluctuations are not unusual due to the timing of asset divestitures.

Net Underwriting Income - by Lines

Personal lines

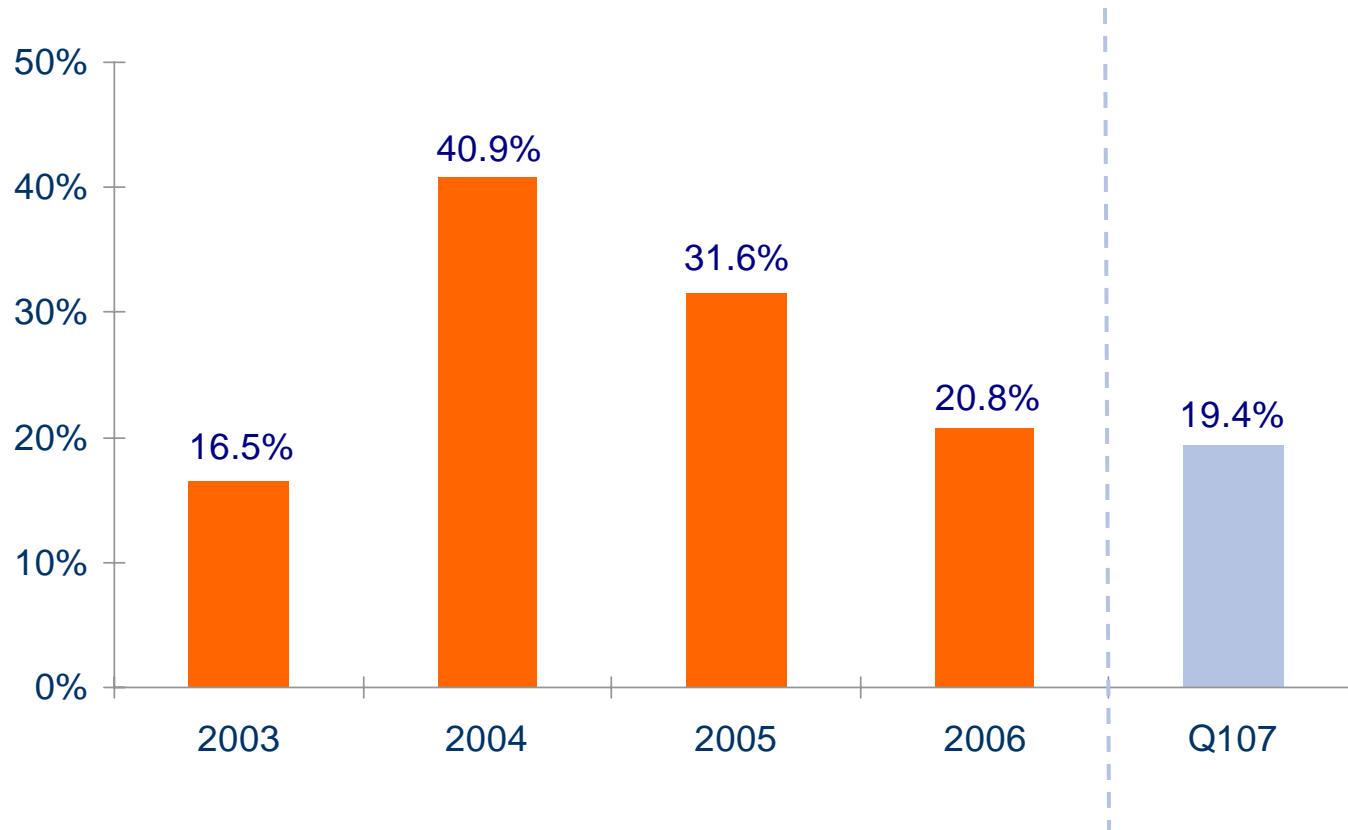


Commercial Lines



Net underwriting income decreased year-over-year due to lower favourable prior year claims development, higher severity in commercial property, lower auto rates, and modestly higher frequency in personal auto.

Return on Equity¹⁾



Return on equity remained relatively stable in Q107 despite lower profitability, reflecting the impact of the share buy-back.

1) Net income over the last 12 months divided by the average of beginning and ending shareholders' equity over that period.

Questions and Answers

Impairments

Why did the Company's impairments increase in the first quarter?

We perform an impairment review every quarter to determine if any invested assets need to be impaired. They are impaired when the market value has declined significantly and we believe that it is unlikely to recover within a reasonable period of time.

In the first quarter 2007, we completed our usual review which resulted in a \$6.1 million impairment based on our established policies. We voluntarily impaired an additional \$6.4 million of invested assets following a specific review of our positions in income trusts. We believe this was prudent given the changes in the sector. We still hold invested assets in income trusts and they will fluctuate along with market conditions. At the end of Q107, after these impairments, our income trust portfolio was in a net gain position.

Earned Premiums

What do you mean by one less day of earned premium in Q107?

We adjusted our allocation process for earned premiums which resulted in approximately one less day of premiums to be included in the first quarter compared to the first quarter of 2006, negatively impacting our underwriting income by \$10.8 million. This is a non-recurring timing issue which will reverse itself in the second half of the year. There is no impact for the whole year.



Coming: August 8, 2007 at 10:00 a.m.
Q2 07 Earnings Conference Call

www.ingcanada.com

