

ING Investor Dashboard

Q4 2008 Regional Findings

Presented by ING

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WWW.ING.ASIA

BANKING - INVESTMENTS - LIFE INSURANCE - RETIREMENT SERVICES



Introduction to the ING Investor Dashboard

- ING Investor Dashboard measures and tracks investor sentiment and behaviour of mass affluent investors each quarter across 13 Asia Pacific markets
 - Markets surveyed include China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Japan, Australia and New Zealand
- Each market covered in the survey is assigned an investor sentiment score ranging from 0 (least optimistic) to 200 (most optimistic)
- First quarterly survey in Asia Pacific that also provides a pan-Asia (ex-Japan) investor sentiment index
 - Pan-Asia investor sentiment index is derived from the median investor sentiment index scores of all 10 Asian markets and excludes Japan, Australia and New Zealand
 - Allows each market in Asia Pacific to be benchmarked and tracked against the pan-Asia index

Introduction to the ING Investor Dashboard

- Launched in Asia Pacific in October 2007 following the success of ING's Investor Barometer in Europe, which measures the sentiment of private investors and is closely tracked by the European financial industry
- Q4 08 survey was conducted in December 08 and involved online interviews. Q4 07, Q1 08, Q2 08, and Q3 08 surveys were carried out in December 07, March 08, June 08 and September 08 respectively
- Respondents are aged 30 years and above, and have disposable assets or investments of US\$100,000* and above
- Total sample size of 1,343 mass affluent investors
- Survey conducted by international and independent research firm#

* *Exception for Indonesia (disposable assets or investments of US\$56,000 and above) and the Philippines (disposable assets or investments of US\$100,000 or monthly income of Php250,000 and above)*

Survey in Q4 08 was conducted by Research International and previous ones by TNS



KEY FINDINGS

Key Findings – Index Scores

- ING Investor Dashboard pan-Asia (ex-Japan) Sentiment Index for Asia shows decline of 46% in 2008
 - Index falls to 73 for Q4 08 from 135 for Q4 07
- Index registers quarter-on-quarter fall of 15% for Q4 08
 - Index falls to 73 for Q4 08 from 86 for Q3 08
- China and Taiwan show significant upswing for Q4 08 from Q3 08
 - China index rises 17% -- possibly driven by announcement of economic stimulus packages
 - Taiwan index rises 17% -- possibly driven by optimism about cross-straits relations and economic stimulus measures
- India and Thailand show significant decline for Q4 08 from Q3 08
 - Impacted by domestic developments
 - India index falls 51%
 - Thailand index falls 30%

Key Findings – Investor Sentiment and Outlook

- More investors are feeling the negative impact of the financial crisis
 - 80% of Asian investors (ex-Japan) say the economy deteriorated in Q4 08 compared to 58% in Q3 08
 - 54% say their personal financial situation deteriorated in Q4 08 compared to 40% in Q3 08
 - 57% say the economic slowdown has had a negative impact on job security
- Moving into 2009, Asian investors expect the local economy and their personal financial situation to worsen
 - 53% expect the economic situation will deteriorate in the next quarter (Q1 09) compared to 39% the quarter before
 - 34% expect their personal financial situation to deteriorate in the next quarter (Q1 09) compared to 26% the quarter before

Key Findings – Credit Crunch and US Economy

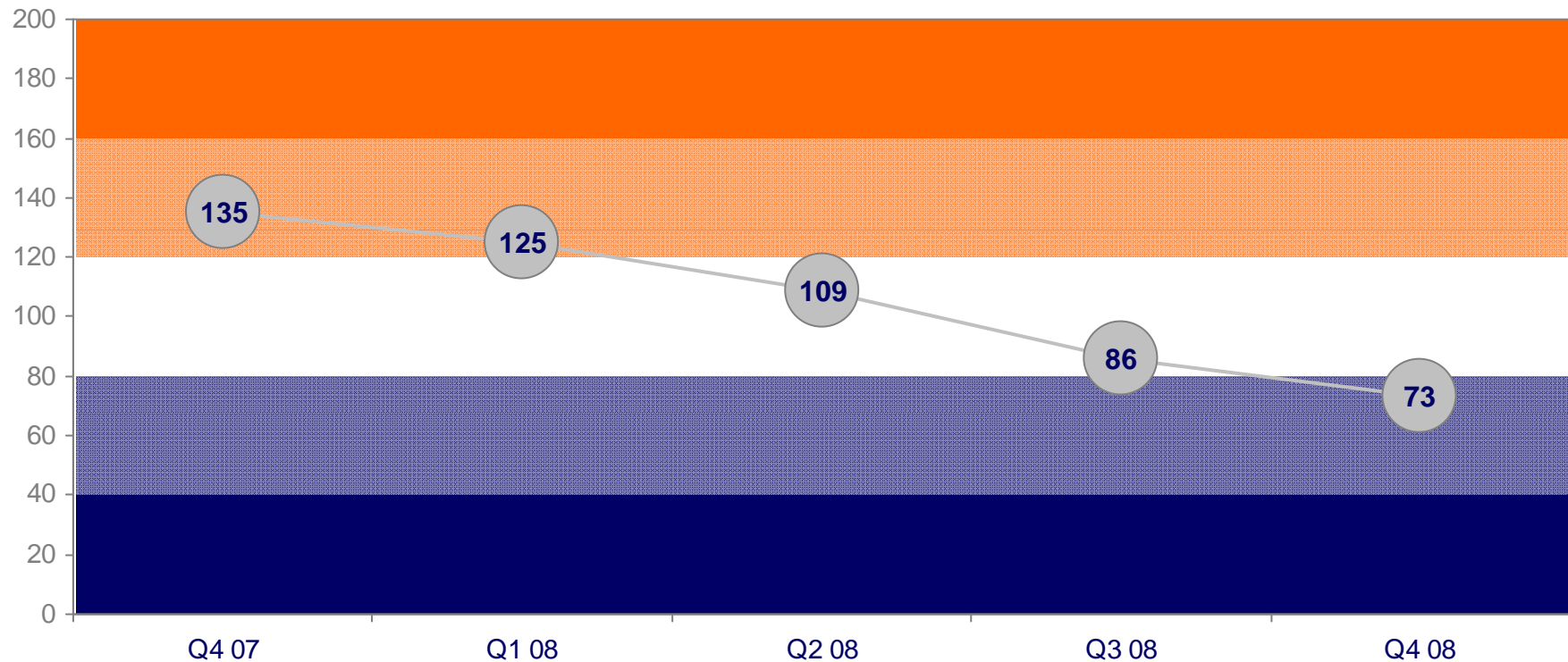
- The credit crunch and slowdown in the US economy continue to weigh on investors as they move into 2009
 - 79% of Asian investors (ex-Japan) say they have been impacted by the credit crunch in Q4 08 and 77% say they will continue to be impacted in Q1 09
 - 80% say they have been impacted by the US economy in Q4 08 and 75% say they will continue to be impacted in Q1 09
 - 43% expect the US economy to further deteriorate in Q1 09
 - 40% say the change in US presidency will have a positive impact on investment decisions while 39% are neutral on the change

Key Findings – Investor Behaviour

- Asian investors hold on to low-risk investments (e.g. cash) as they move into 2009
 - 41% of Asian investors (ex-Japan) view low-risk investments as favourable compared to 24% for medium-risk and 16% for high-risk investments
 - 42% intend to hold more cash/deposits in Q1 09 compared to 35% who intended to do so in Q4 08
- Slightly more investors also plan to invest more in gold and local stocks in 2009
 - 25% intend to invest more in gold in Q1 09 compared to 17% who intended to do so in Q4 08
 - 22% intend to invest more in local stocks in Q1 09 compared to 17% who intended to do so in Q4 08

Pan-Asia ING Investor Dashboard Sentiment Index

The ING Investor Dashboard pan-Asia (ex-Japan) sentiment index shows a decline of 46% in 2008. Index falls 15% to 73 for Q4 08 from 86 for Q3 08 amidst the global economic slowdown triggered by the financial turmoil.



The ING Investor Dashboard pan-Asia sentiment index is derived from the median of 10 markets – China (CN), Hong Kong (HK), India (IN), Indonesia (ID), Korea (KR), Malaysia (MY), the Philippines (PH), Singapore (SG), Taiwan (TW) and Thailand (TH)

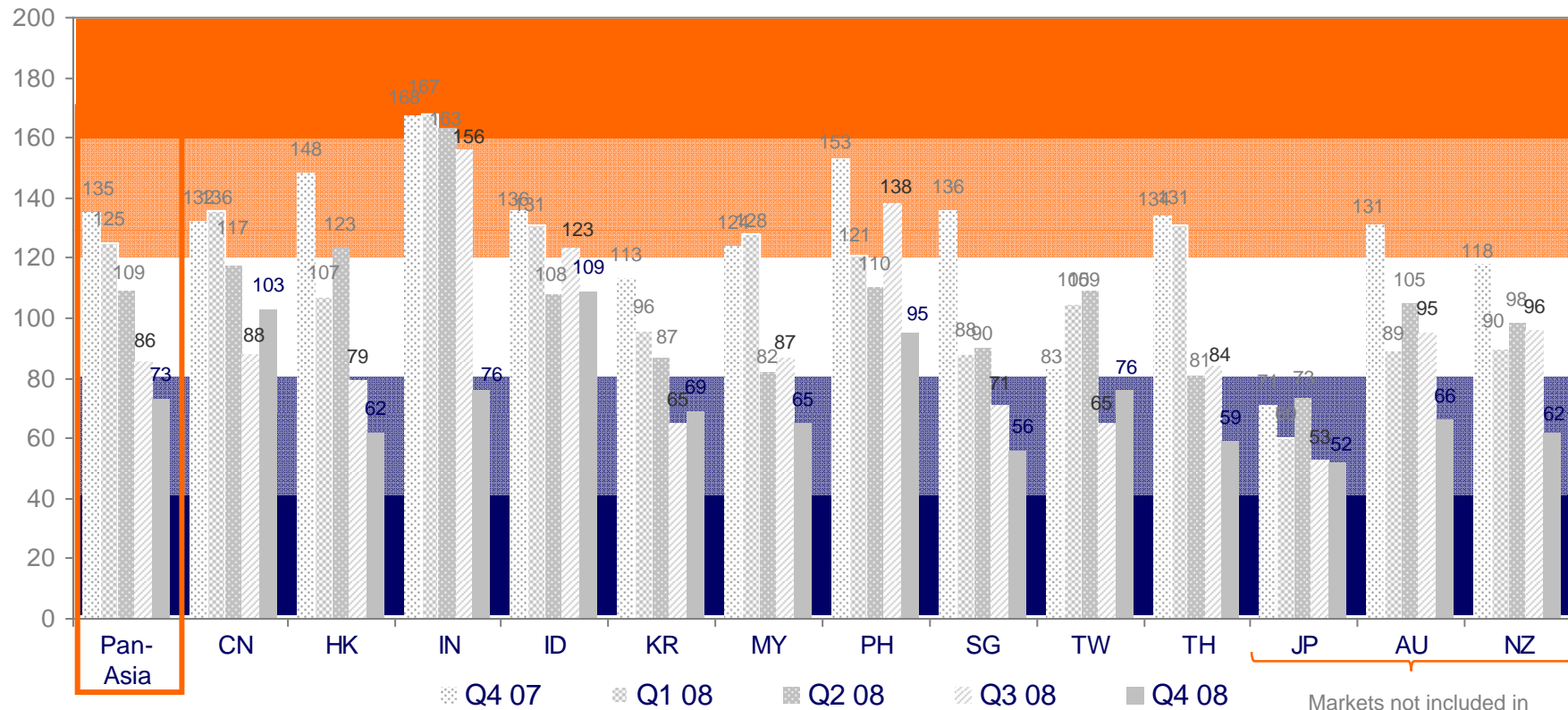
■ Very optimistic
 ■ Optimistic
 ■ Neutral
 ■ Pessimistic
 ■ Very pessimistic

Base: All Respondents - excluding Japan (JP), Australia (AU) and New Zealand (NZ)



ING Investor Dashboard Sentiment Index – 13 Markets

Overall fall in investor sentiment across Asia. China, Taiwan and to a lesser extent Korea buck the trend while India, Thailand and the Philippines show the largest decline.



Markets not included in calculation for Pan-Asia figures

The ING Investor Dashboard pan-Asia sentiment index is derived from the median of 10 markets – China (CN), Hong Kong (HK), India (IN), Indonesia (ID), Korea (KR), Malaysia (MY), the Philippines (PH), Singapore (SG), Taiwan (TW) and Thailand (TH)

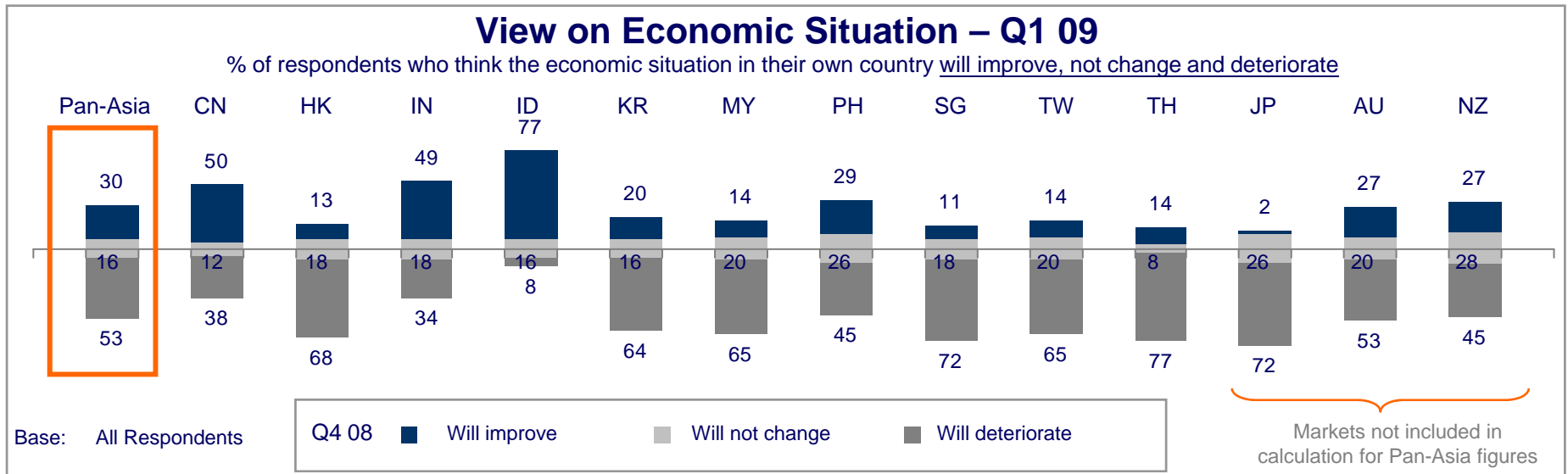
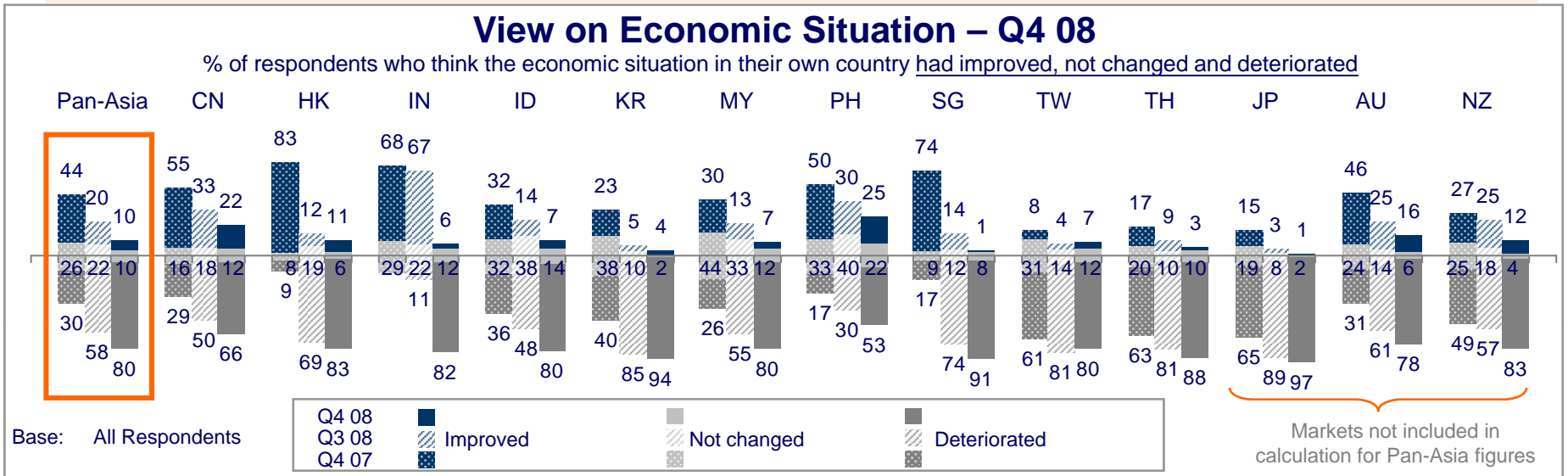
Very optimistic Optimistic Neutral Pessimistic Very pessimistic

Base: All Respondents



View on Economic Situation

80% of Asian investors (ex-Japan) say the economy deteriorated in Q4 08 compared to 58% in Q3 08.

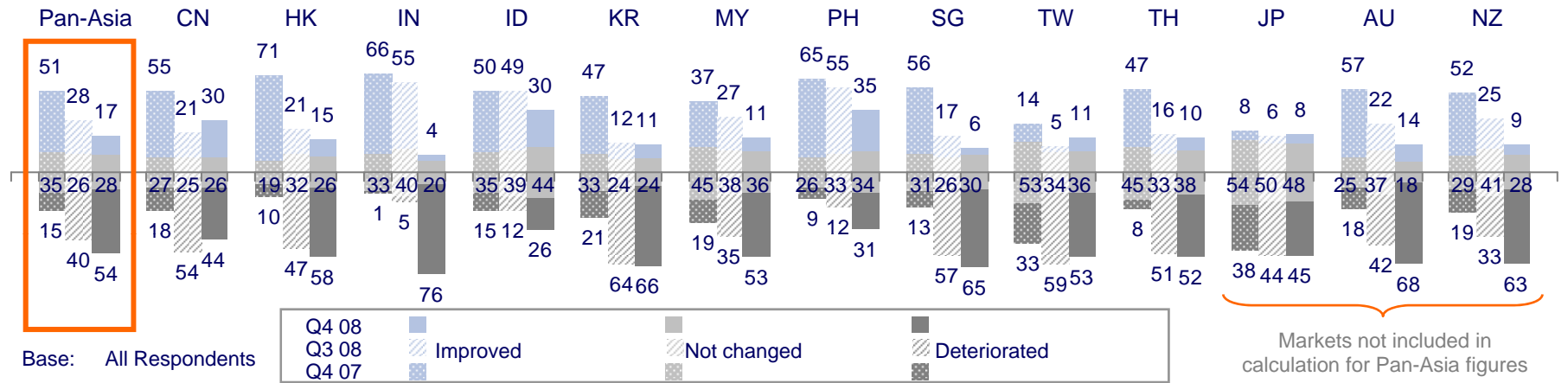


View on Personal Financial Situation

54% of Asian investors (ex-Japan) say their personal financial situation deteriorated in Q4 08 compared to 40% in Q3 08.

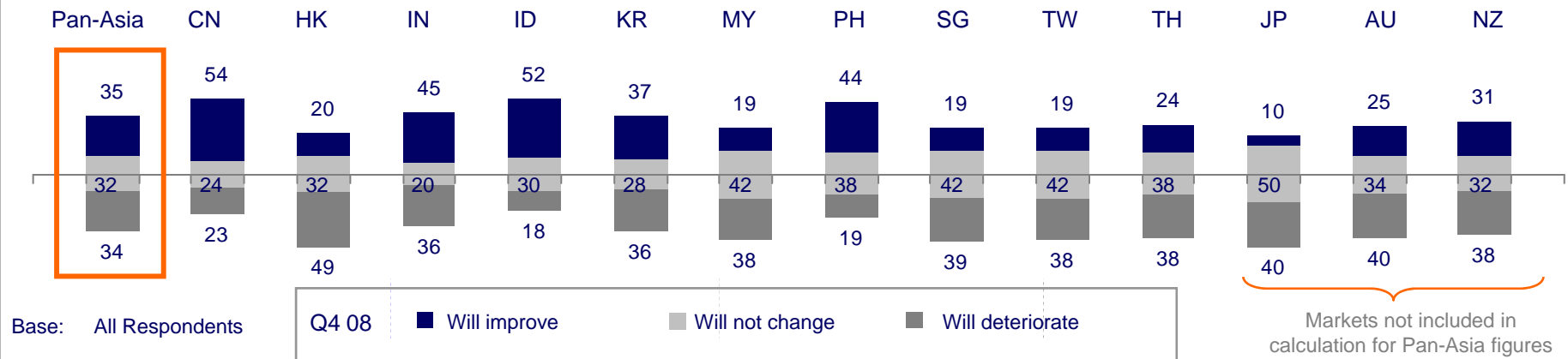
View on Personal Financial Situation – Q4 08

% of respondents who think their personal financial situation had improved, not changed and deteriorated



View on Personal Financial Situation – Q1 09

% of respondents who think their personal financial situation will improve, not change and deteriorate

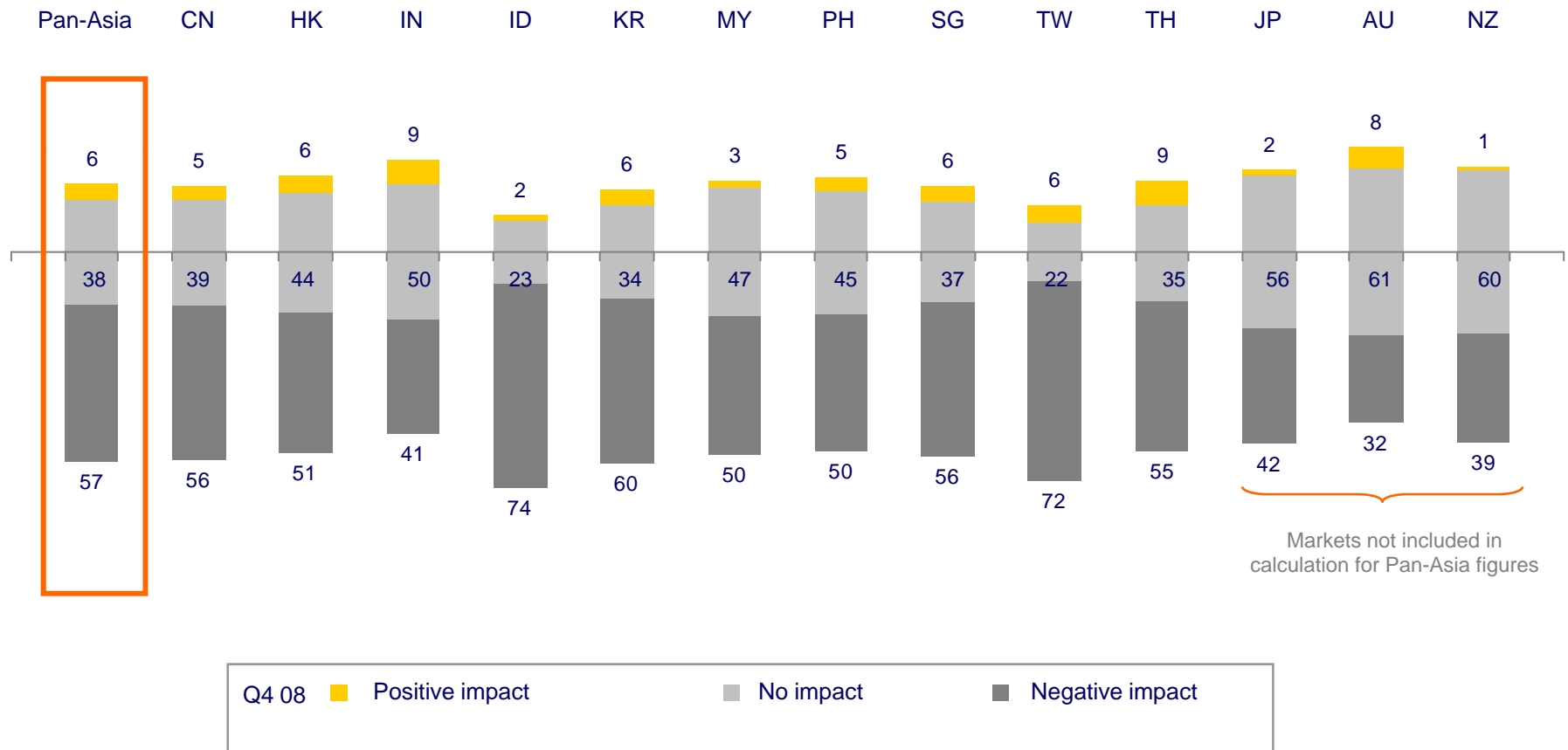


Effect of Economic Slowdown on Job Security

57% of Asian investors (ex-Japan) say the economic slowdown has had a negative impact on job security.

Effect of Economic Slowdown on Job Security – Q4 08

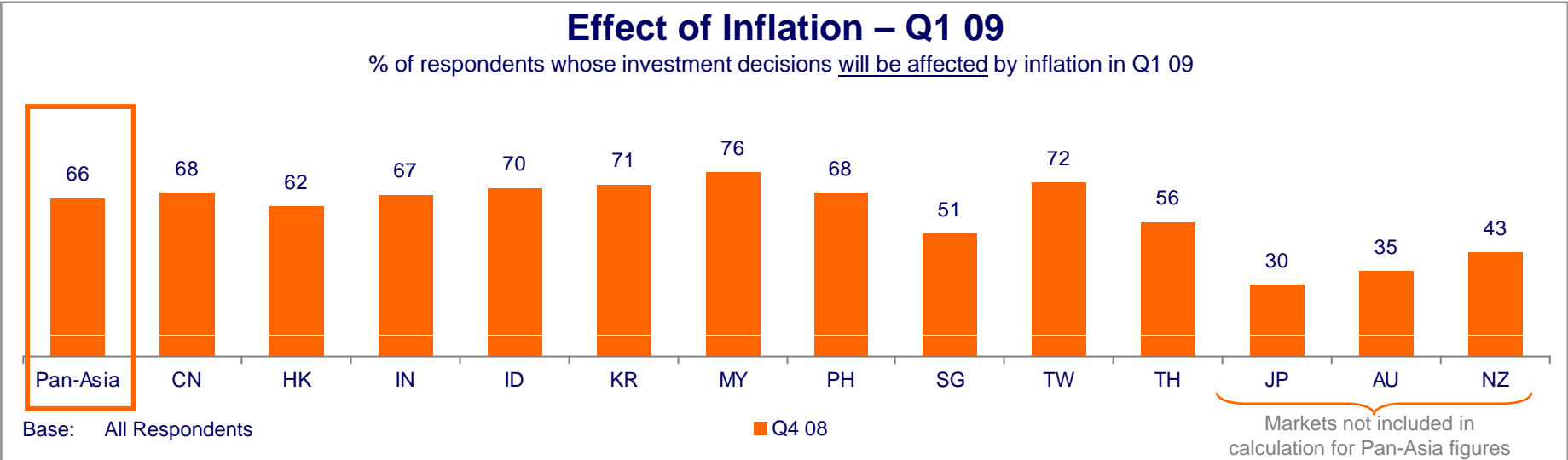
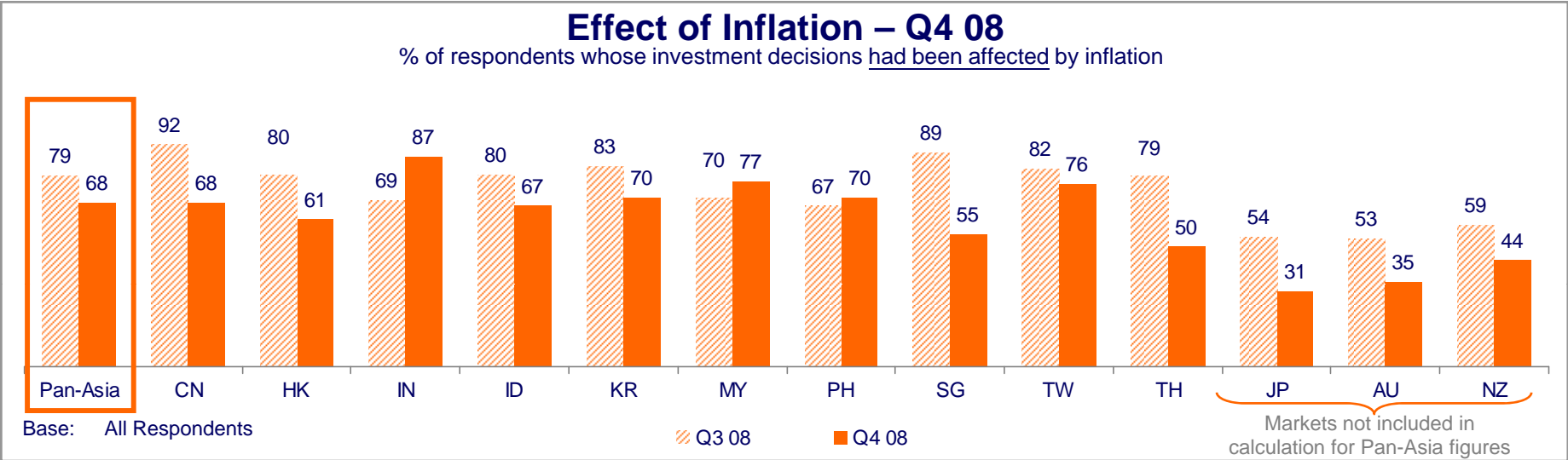
% of respondents who feel job security had been affected by the economic slowdown



Base: All Respondents

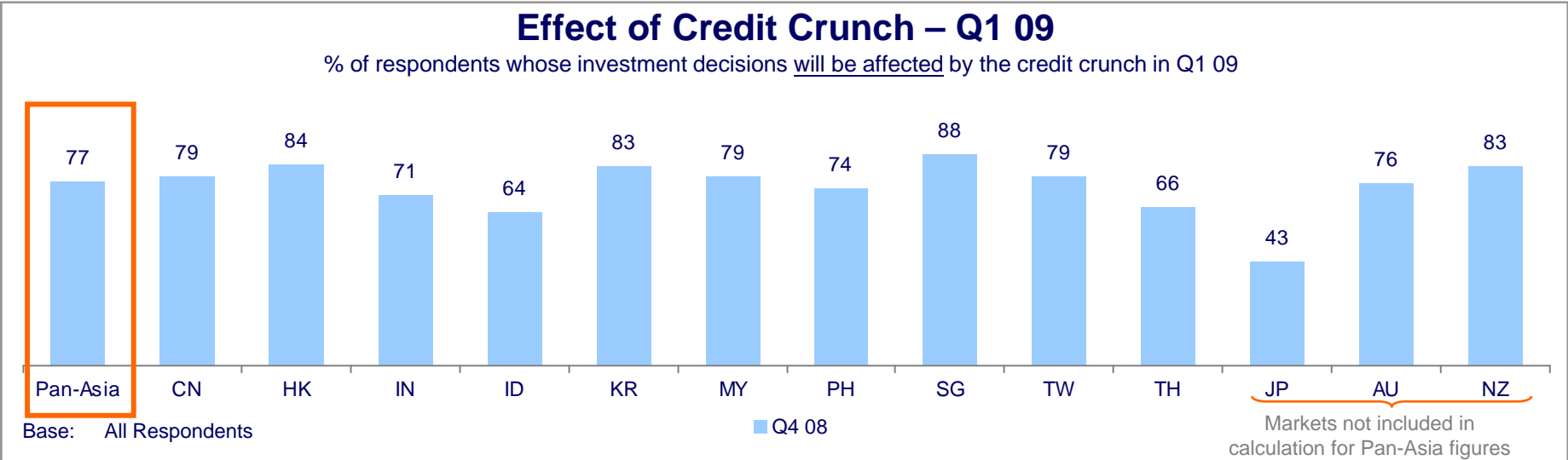
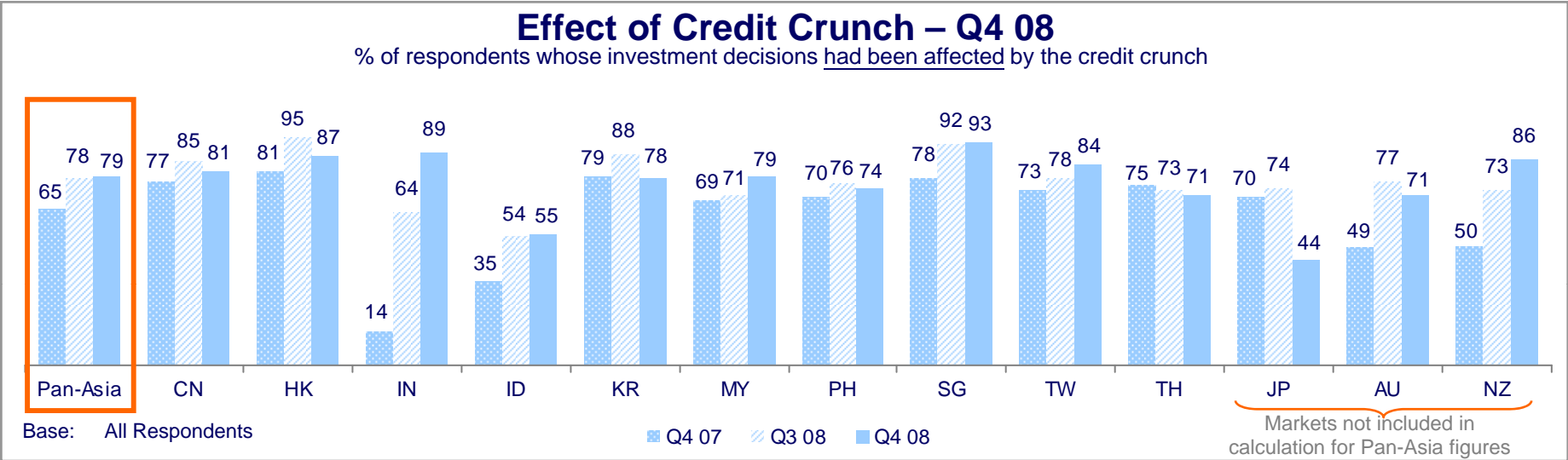
Effect of Inflation

Concerns about inflation appear to be easing. 68% of Asian investors (ex-Japan) say inflation impacted their investment decisions in Q4 08 compared to 79% in Q3 08. 66% expect inflation to affect their investment decisions in Q1 09.



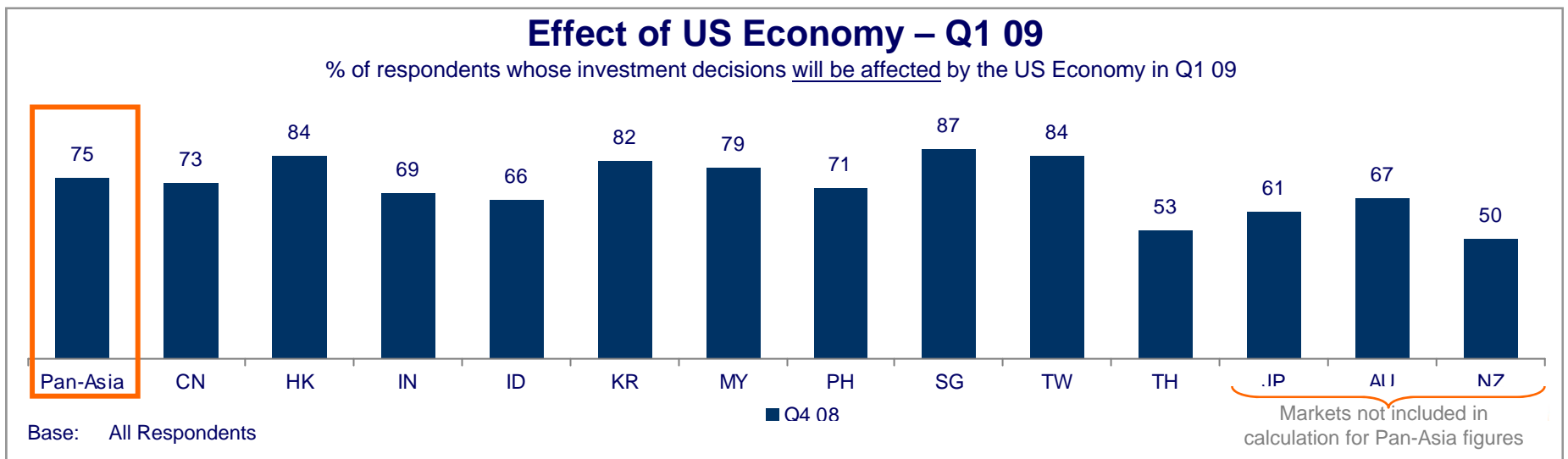
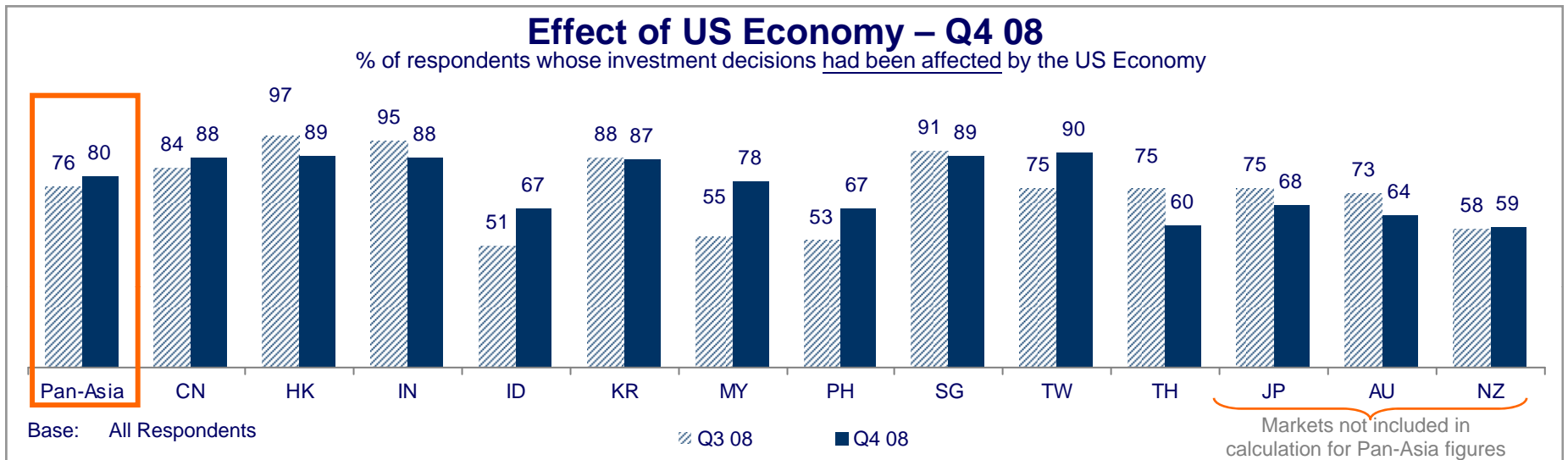
Effect of Credit Crunch

79% of Asian investors (ex-Japan) say they have been impacted by the credit crunch in Q4 08 and 77% say they will continue to be impacted by the credit crunch in Q1 09. Singapore, Hong Kong and Korea appear the most concerned about the impact in Q1 09.



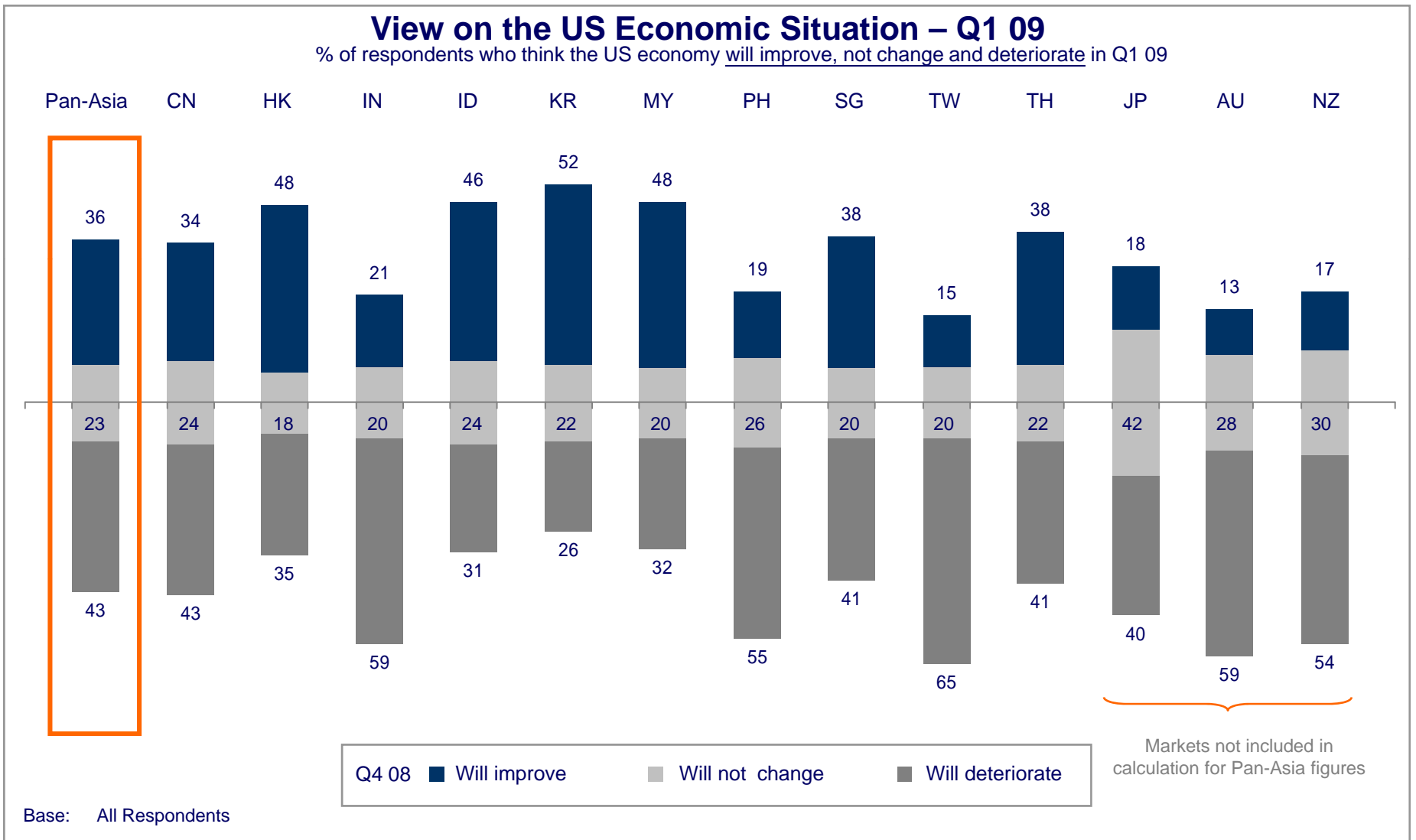
Effect of US Economy

80% of Asian investors (ex-Japan) say they have been impacted by the US economy in Q4 08 and 75% say they will continue to be impacted in Q1 09. Singapore, Hong Kong, Taiwan and Korea appear to be the most concerned about the impact in Q1 09.



View on the US Economic Situation

43% of Asian investors (ex-Japan) expect the US economy to deteriorate in Q1 09.

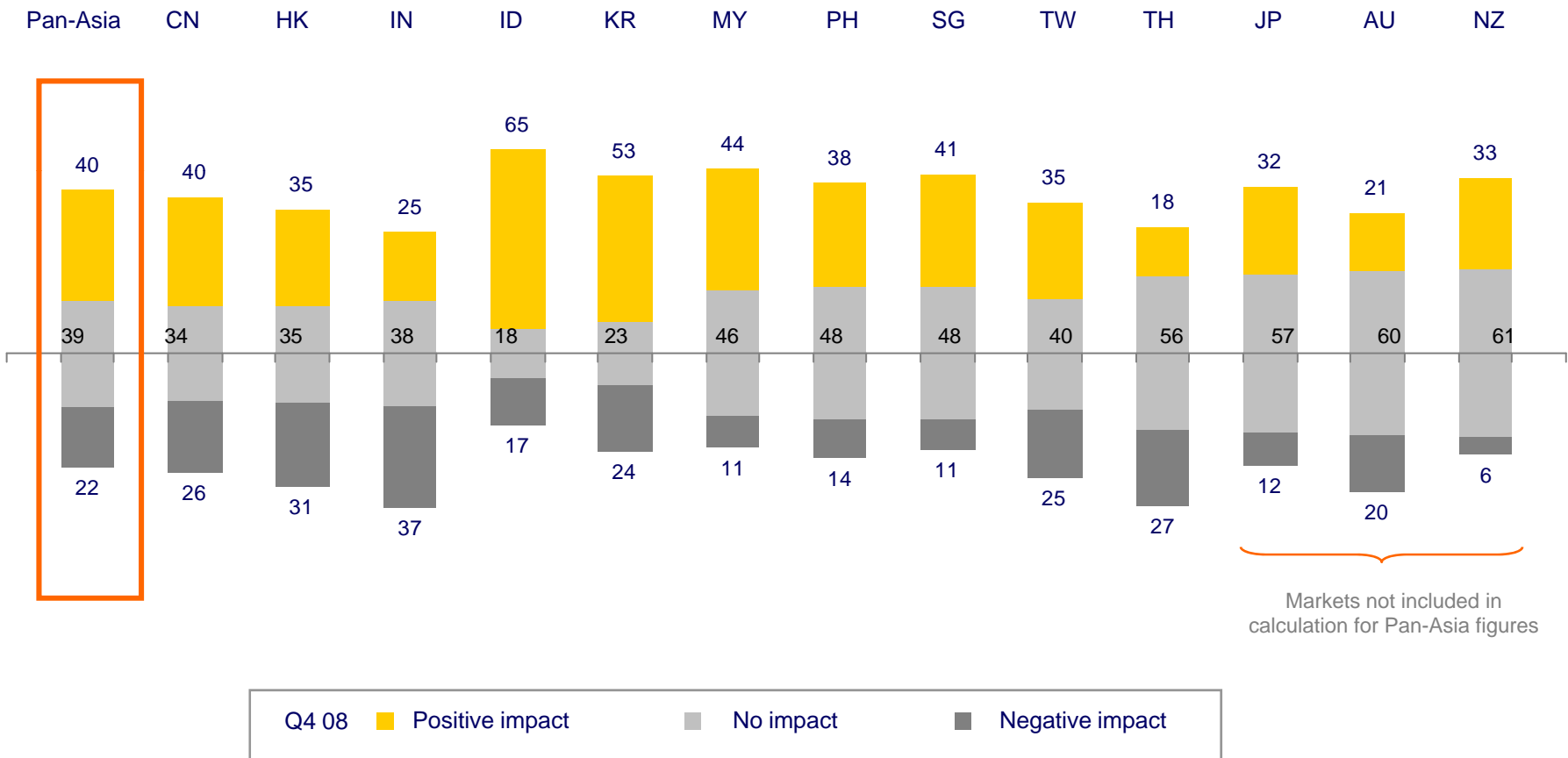


Effect of the Change in US Presidency

40% say the change in US presidency will have a positive impact on investment decisions; 39% are neutral.

Effect of Change in US Presidency – Q1 09

% of respondents whose investment decisions will be affected by the change in US presidency



Base: All Respondents

IN SUMMARY

Conclusion

- **ING's Viewpoint**

- Investor sentiment in Asia has been impacted on two fronts:
 - Slowdown in the global economies
 - Turmoil in the global financial markets
- Investor sentiment largely tracked along the performance of the financial markets
 - ING Investor Dashboard Pan-Asia Sentiment Index down 46% in 2008
 - DJIA ended the year down 33.8% for 2008; Hang Seng Index ended down 48.3%; Shanghai Composite Index ended down 65%
- All economies in Asia have been impacted by the global financial crisis but the markets with large domestic economies such as China are in a stronger position
- Outlook for economies both globally and in the region will likely weaken further for first half of 2009
- Expect Asia to be in better shape than the US or Europe in 09, cushioned to an extent by the large domestic economies and continued urbanization and infrastructural development in the region



Conclusion

- **Overall Outlook for Investors**

- Investors should not give in to panic but take a longer-term view of one to two years
- Investors should consider moving away from cash as its long-term value will likely depreciate – particularly as more government funds are currently being pumped into the economy through fiscal packages
- Investors should look at an investment plan that covers a portfolio of real assets including equities and real estate
- Investments should be conducted in stages each quarter over a one-year period so that investments are grown at a level that matches their overall risk appetites