

## PRESS RELEASE

Hong Kong, 14 October 2008

### **ING Investor Dashboard Sentiment Index for Asia shows 39% year-on-year decline**

Investor sentiment registers substantial quarterly fall of 21% in Q3 08 amidst market volatility

#### Key Highlights of the Quarterly ING Investor Dashboard Survey

- **Index for Asia falls 39% to 86 for Q3 2008 from 141 for the same quarter last year**
- **Index falls to 86 for Q3 2008 from 109 for Q2 2008 as investors take stock of the global markets and economic developments**
- **Data suggests investors in more US-dependent markets including China, Hong Kong, Singapore, Korea and Taiwan are more sensitive to volatility in global markets**
- **Hong Kong and China, in particular, show some of the largest quarter-on-quarter falls for the year**
- **Investors continue to move towards lower risk investments as they look to ride out the current downturn**

ING, the global financial services group, today released data from its quarterly ING Investor Dashboard Survey which shows a significant overall decline of 39% in investor sentiment in Asia over the past 12 months, reinforcing the point that Asia is not as decoupled from the US or global economy.

The overall pan-Asia (ex-Japan) ING Investor Dashboard Sentiment Index falls to 86 for Q3 2008 from 141 for the same quarter last year (Q3 2007) as external market and economic developments continue to weigh on Asian investors. The Index also registers the largest consecutive quarter-on-quarter fall of 21% to 86 for Q3 2008 from 109 for Q2 2008, as investors take stock of the global markets and economic developments.

The ING Investor Dashboard is the first quarterly survey in the Asia Pacific region that provides a pan-Asia (ex-Japan) investor sentiment index. The survey is conducted quarterly across 13 markets\* in Asia Pacific, and not only provides market insights on investor attitude and outlook but also allows each market to be benchmarked and tracked against the overall investor sentiment across Asia using the pan-Asia index.

#### **Continued concerns about subprime crisis and slowdown in the US economy impact views on local economy and personal financial situation**

More Asian investors say that the economy and their personal financial status deteriorated in Q3 2008 compared to the quarter before.

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\* The survey was conducted across 13 markets in Asia Pacific including Hong Kong, China, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Japan, Australia and New Zealand. The pan-Asia investor sentiment index includes all Asia markets and excludes Japan, Australia and New Zealand.

- 58% of Asian investors (ex-Japan) say the economy deteriorated in Q3 2008 compared to 54% in Q2 2008
- 40% say their personal financial situation deteriorated in Q3 2008 compared to 28% in Q2 2008

The worsening global financial situation that originated in the US subprime crisis, slowdown in the US economy and inflation remain key concerns for Asian investors moving into Q4 2008.

View on subprime crisis:

- 78% of Asian investors (ex-Japan) say they have been impacted by the subprime crisis in Q3 2008 and 73% say they will continue to be impacted by the subprime crisis in Q4 2008

View on US economy:

- 76% of Asian investors (ex-Japan) say they have been impacted by the US economy in Q3 2008 and 72% say they will continue to be impacted by the US economy in Q4 2008
- 35% expect the US economy to deteriorate in Q4 2008

View on inflation:

- 75% expect inflation to impact their investment decisions in Q4 2008 compared to 79% who expected it to impact their investment decisions the previous quarter
- 51% of Asian investors (ex-Japan) expect inflation to rise in Q4 2008

Commenting on the results, Mr. Alan Harden, CEO of ING Investment Management Asia/Pacific said: "Inflation is easing as an issue at the moment for investors as commodity and food prices have come down recently and are putting less pressure on local economies and investors. While the Asian economies continue to remain strong, the financial crisis in the US and Europe will continue to have a major impact on Asian investors and we expect that investor sentiment in the region will continue to slowly decline as we move into 2009 and investors try to take stock of the global developments."

### **Investor confidence hardest hit for US-dependent markets with Hong Kong and China showing some of the largest declines**

The more US-dependent markets in Asia appear to be the most vulnerable to external market developments and volatility and have registered the largest falls in investor sentiment.

<b>US-dependent Markets</b>	<b>Q2 2008 Index Score</b>	<b>Q3 2008 Index Score</b>	<b>% Fall</b>
Taiwan	109	65	40%
Hong Kong	123	79	36%
China	117	88	25%
Korea	87	65	25%
Singapore	90	71	21%

Looking ahead to Q4 2008, investors in China, Hong Kong, Korea and Singapore also appear to be the most sensitive about the global impact of the subprime crisis and slowdown in the US economy compared to the rest of the Asian markets.

- 80% of Chinese investors; 94% of Hong Kong investors; 87% of Korean investors; and 87% of Singaporean investors say they will continue to be impacted by the subprime crisis in Q4 2008
- 86% of Chinese investors; 89% of Hong Kong investors; 92% of Korean investors; and 93% of Singaporean investors say they will continue to be impacted by the slowdown in the US economy in Q4 2008

### **Asian investors moving increasingly towards low risk investments as risk appetites continue to fall**

Not surprisingly, the data shows that Asian investors have a higher preference for lower-risk investments given the current market volatility. 48% of Asian investors (ex-Japan) view low-risk investments as favourable compared to 30% for medium-risk investments and 24% for high-risk investments.

Investors are also continuing to hold on to cash while moving away from investments in local stocks and global resources.

- 35% of Asian investors (ex-Japan) say they intend to continue holding or investing in cash/deposits in Q4 2008
- 17% intend to invest in local stocks in Q4 2008 compared to 23% who intended to do so in Q3 2008
- 28% intend to invest in global resources in Q4 2008 compared to 40% who intended to do so in Q3 2008

"We have confidence in the Asian economies and financial sector and in the longer-term, we do see the Asian markets performing better than that of the US and Europe. We encourage investors not to give in to panic but to keep their longer-term investment objectives in mind and to focus on the short to medium-term opportunities of investing in growth sectors with sound fundamentals such as non-discretionary consumer-related sectors," commented Mr. Harden.

For detailed (high-resolution) data charts on the ING Investor Dashboard Sentiment Index, please download the results presentation from: [http://www.ing.asia/investor\\_dashboard](http://www.ing.asia/investor_dashboard)

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### **Notes to Editors**

#### **About the ING Investor Dashboard**

The ING Investor Dashboard survey measures and tracks investor sentiment and behaviour of mass affluent investors each quarter from 13 Asia Pacific markets including China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, Thailand, Japan, Australia and New Zealand. Each market covered by the survey is assigned an investor sentiment score ranging from 0 (the least optimistic) to 200 (the most optimistic).

It is the first quarterly survey in Asia Pacific which provides a specific industry benchmark for pan-Asia (ex-Japan) investor sentiment. Each quarter, the pan-Asia ING Investor Dashboard sentiment index is also developed as part of the survey. The pan-Asia sentiment index is derived from the median sentiment index scores of 10 of the Asian markets including China, Hong Kong, India, Indonesia, Korea, Malaysia, the Philippines, Singapore, Taiwan, and Thailand (excludes Japan, Australia and New Zealand).

The ING Investor Dashboard was launched in Asia Pacific following the success of ING's Investor Barometer in Europe. The Investor Barometer is published regularly in the Netherlands and Belgium to gauge the confidence of private investors. It is considered an authoritative measure of the sentiment of private investors and is closely followed by key players in the European financial industry.

The Q3 2007, Q4 2007, Q1 2008 and Q2 2008 surveys were carried out in August 2007, December 2007, March 2008 and June 2008 respectively. The Q3 2008 survey was conducted in September 2008 and involved face-to-face or online interviews with a total of 1,307 mass affluent investors across the 13 Asia Pacific markets. The respondents are aged 30 years and above, and have disposable assets or investments of US\$100,000 and above, with the exception of 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).

The survey is conducted by international and independent research firm TNS.

#### **Profile of ING**

ING is a global financial institution of Dutch origin offering banking, insurance and asset management to over 85 million private, corporate and institutional clients in more than 50 countries. With a diverse workforce of about 130,000 people, ING comprises a broad spectrum of prominent companies that increasingly serve their clients under the ING brand.

#### **Profile of TNS**

TNS is the world's foremost provider of custom research and analysis, combining in-depth industry sector understanding with world-class expertise in the areas of Retail and Shopper Insights, Stakeholder Management, New Product Development and Brand and Communications. It works in partnership with its clients, meeting their needs for high-quality information, analysis and foresight across a network of over 70 countries.

## APPENDIX

Q3 08 Ranking	Country	Q3 08 Index Score	Q2 08 Index Score	Q1 08 Index Score	Q4 07 Index Score	Q3 07 Index Score
1	India	156	163	168	167	168
2	The Philippines	138	110	121	153	148
3	Indonesia	123	108	131	136	133
4	New Zealand	96	98	90	118	114
5	Australia	95	105	89	131	125
6	China	88	117	136	132	164
7	Malaysia	87	82	128	124	148
8	Thailand	84	81	131	134	129
9	Hong Kong	79	123	107	148	141
10	Singapore	71	90	88	136	141
11	Korea	65	87	96	113	137
11	Taiwan	65	109	105	83	134
13	Japan	53	73	60	71	89

Note: The Investor Sentiment Score gauges the confidence of private investors in investment across 13 Asia Pacific countries.