

PRESS RELEASE

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ING Investor Dashboard Sentiment Index for Hong Kong shows an overall decline of 58% in 2008

Hong Kong investor sentiment registers a further quarterly fall with 22% decline in Q4 08 as global markets plunge

Key Highlights of the Quarterly ING Investor Dashboard Survey

- **Hong Kong index falls 58% year-on-year to 62 for Q4 2008 from 148 for Q4 2007**
- **Hong Kong index continues to register a quarterly fall with a 22% decline to 62 for Q4 2008 from 79 for Q3 2008 amidst the global market turmoil and economic slowdown**
- **Hong Kong investors expect the local economy and their personal financial situation to worsen in 2009 and 51% are worried about job security**
- **Hong Kong investors continue to move towards lower risk investments as they brace themselves for continued uncertainty**
- **China bucks the trend in the rest of Asia and data suggests investor sentiment was boosted by fiscal stimulus package**

ING, the global financial services group, today released data from the quarterly ING Investor Dashboard Survey which shows a significant overall decline of 58% in investor sentiment in Hong Kong in 2008, highlighting the negative impact of the global financial crisis on Hong Kong investors over the past year.

Hong Kong's investor sentiment falls year-on-year to 62 for Q4 2008 from 148 for Q4 2007 as investors react to the financial market and economic developments of 2008. The index also registers a third consecutive quarter-on-quarter fall of 22% to 62 for Q4 2008 from 79 for Q3 2008, making it slide from the fourth most pessimistic market in Q3 2008 to the third most pessimistic market in Asia (ex-Japan) in Q4 2008, after Thailand and Singapore.

The overall pan-Asia (ex-Japan) ING Investor Dashboard Sentiment Index declines 46% in 2008 to 73 for Q4 2008 from 135 for Q4 2007, and registers a fifth quarter-on-quarter fall of 15% to 73 for Q4 2008 from 86 for Q3 2008.

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.

* 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.

Hong Kong investors expect the negative impact of the credit crunch and US economy on their personal financial situation and the local economy to continue in 2009

The data shows a significant increase in the number of Hong Kong investors who say that the economy and their personal financial status deteriorated in Q4 2008 compared to the quarter before.

- 83% of Hong Kong investors say the economy deteriorated in Q4 2008 compared to 69% in Q3 2008
- 58% of Hong Kong investors say their personal financial situation deteriorated in Q4 2008 compared to 47% in Q3 2008

Data suggests the key drivers of the decline in investor sentiment for Q4 2008 include the credit crunch and slowdown in the US economy. Concerns about inflation, on the other hand, appear to have abated.

- 87% of Hong Kong investors say they were impacted by the credit crunch in Q4 2008
- 89% say they were impacted by the US economy in Q4 2008
- 61% say they were impacted by inflation in Q4 2008 compared to 80% in Q3 2008

Moving into Q1 2009, the credit crunch and the US economy are expected to continue having a significant negative impact on their investment decisions. Hong Kong investors continue to be less optimistic about the economy and their personal financial status moving into 2009 and many are also concerned about the impact of the economic slowdown on job security.

- 84% of Hong Kong investors say they will continue to be impacted by the credit crunch in Q1 2009
- 84% say they will continue to be impacted by the US economy in Q1 2009
- 68% expect the local economy to deteriorate in Q1 2009
- 49% expect their personal financial situation to deteriorate in Q1 2009
- 51% say the economic slowdown has had a negative impact on job security

Commenting on the results, Mr. Alan Harden, CEO of ING Investment Management Asia/Pacific said: "It is not surprising to find that investor sentiment in Hong Kong has been one of the hardest hit by the financial crisis when compared to the rest of Asia as it is a key financial services hub. As global and regional economies continue to weaken in the first half of 2009, we expect to see a dampening effect on investors in 2009 even if the stock and credit markets recover slightly."

Hong Kong investors continue to hold on to low-risk investments as they brace themselves for further uncertainty in 2009

Amidst the current financial crisis, 35% of Hong Kong investors view low-risk investments as favourable compared to 23% for medium-risk investments and 10% for high-risk investments. Hong Kong investors stay on the sidelines by holding on to cash. Investments in local stocks, overseas mutual funds and unit trusts, as well as local residential real estate also decline significantly in Q4 2008.

- 89% of Hong Kong investors held on to cash in Q4 2008
- 69% of Hong Kong investors invested in local stocks in Q4 2008 compared to 85% in Q3 2008
- 24% invested in overseas mutual funds and unit trusts in Q4 2008 compared to 46% in Q3 2008
- 15% invested in local residential real estate in Q4 2008 compared to 30% in Q3 2008

Moving into 2009, Hong Kong investors intend to keep to their current low-risk investment portfolio.

- 42% of Hong Kong investors say they intend to hold more cash/deposits in Q1 2009
- Only 28% intend to invest more in local stocks, 7% in local mutual funds and unit trusts, and 15% in local residential real estate in Q1 2009

Most investors are also expecting residential property prices to ease in Q1 2009. 76% of local investors expect residential property prices to decline in Q1 2009 by an average of 7.5%.

“In general, holding on to cash is not a savvy investment decision in the long-term as the value of cash will likely depreciate particularly as more government funds are currently being pumped into the economy. Our advice is for investors to look at an investment plan that covers a portfolio of real assets, including equities and real estate, over the course of the year, and to invest in stages each quarter over a one-year period so that their investments are grown at a level that matches their overall risk-appetites,” commented Mr. Harden.

China and Taiwan investor sentiment bucks trend in the rest of Asia

Despite the overall drop in investor sentiment in Hong Kong and across Asia, there was an upswing in sentiment among investors in China and Taiwan, possibly driven by the recent announcement of an economic stimulus package in China and optimism about cross-straits relations and economic stimulus measures in Taiwan.

Markets	Q3 2008 Index Score	Q4 2008 Index Score	Significant QoQ % Increase
China	88	103	17%
Taiwan	65	76	17%

Looking ahead to Q1 2009, data also indicates that China investors may continue to be more optimistic, suggesting that they think China is less influenced by the US and global developments.

- 50% of China investors expect the local economy to improve in Q1 2009 and 54% expect their personal financial situation to improve over the same period
- 73% of China investors expect the US economy to impact their investment decisions compared to 88% who indicated so about their investments in Q4 2008

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

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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, Q2 2008 and Q3 2008 surveys were carried out in August 2007, December 2007, March 2008, June 2008 and September 2008, respectively. The Q4 2008 survey was conducted in December 2008 and involved online interviews with a total of 1,343 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 Research International.

Profile of ING

ING is a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services to over 85 million private, corporate and institutional clients in more than 50 countries. With a diverse workforce of about 130,000 people, ING is dedicated to setting the standards in helping our clients manage their financial future.

Profile of Research International

Founded in 1962, Research International is owned by WPP, the leading global communications services company. Also part of the Kantar group, the parent company for WPP's worldwide information and consultancy interests, Research International boasts an extensive network with offices in more than 50 countries. Research International has specialist knowledge in sectors from automotive and financial services to new media, retail, technology and packaged goods. Established in Asia in 1991, its offices in Asia Pacific include Singapore, Malaysia, Thailand, Indonesia, the Philippines, China, Taiwan, Hong Kong, South Korea, Japan, India, Australia and New Zealand. For further information, please go to: www.research-int.com

APPENDIX

Q4 08 Ranking	Country	Q4 08 Index Score	Q3 08 Index Score	Q2 08 Index Score	Q1 08 Index Score	Q4 07 Index Score	Q3 07 Index Score
1	Indonesia	109	123	108	131	136	133
2	China	103	88	117	136	132	164
3	The Philippines	95	138	110	121	153	148
4	India	76	156	163	168	167	168
4	Taiwan	76	65	109	105	83	134
5	Korea	69	65	87	96	113	137
6	Australia	66	95	105	89	131	125
7	Malaysia	65	87	82	128	124	148
8	Hong Kong	62	79	123	107	148	141
8	New Zealand	62	96	98	90	118	114
9	Thailand	59	84	81	131	134	129
10	Singapore	56	71	90	88	136	141
11	Japan	52	53	73	60	71	89

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