



PRESS RELEASE

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New Zealand investor confidence in sharp decline as ING investor sentiment index highlights a 35% drop locally in the last quarter

Key Highlights of the Quarterly ING Investor Dashboard Survey

- New Zealand index score drops 35% to 62 for Q4 2008 from 96 in Q3 2008 and 47% over a 12 month period from 118 in Q4 2007
- Pan-Asian Index falls 15% to 73 for Q4 2008 from 86 for Q3 2008 amidst continued global market volatility and economic slowdown
- NZ investors expecting the local economic and their personal financial situation to worsen in Q1 2009

New Zealand private, high net worth investors recorded a 35% drop in confidence during the last quarter of 2008 highlighting the continued impact of the global financial and economic crisis on the market. This is according to data released today from ING, the global financial services group, as part of their quarterly ING Investor Sentiment Dashboard Survey. For the first time, local investors recorded a score indicating a pessimistic outlook as confidence dropped to 62 out of 200, the lowest level since the survey began in 2007. With this latest score, New Zealand also dropped from being the fourth most confident market in the region to eighth out of 13.

The ING Investor Dashboard is the first quarterly survey in the Asia Pacific region that provides a pan-Asia (excluding 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.

In the pan-Asia region (ex-Japan), the results highlighted a significant decline in investor confidence, with a 46% year-on-year fall in sentiment in 2008. The Index also registered a consecutive quarter-on-quarter fall of 15% to a score of 73 for the last quarter from 86 in Q3 2008. In the 13 markets included in the survey, only China, Taiwan and Korea bucked the trend. China recorded a significant 17% improvement from 88 to 103 during the last quarter. However, across a 12 month period, investor sentiment in China still fell 22%.

New Zealand investors expect economy and personal situation to deteriorate in next quarter

Looking ahead, 45% of the New Zealand investors surveyed expect that the general economic situation will worsen in the first quarter of 2009. This compares to a much more optimistic outlook in Q3 2008 when 43% of investors in New Zealand projected that the economic environment

* 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.

would improve during the last quarter of 2008. Now only 27% are taking an optimistic outlook for the general economy in Q1 2009 with 38% also forecasting that their personal economic situation will continue to worsen during Q1 2009. However in more positive terms, investors outlook on inflation has improved here, with 43% in Q4 2008 regarding inflation as having a significant impact on their decisions, down from 62% in Q3 2008.

Commenting on the survey, ING New Zealand Investor Services Manager, Steven Giannoulis, observes, "To some extent, New Zealanders may have felt insulated from the global financial turmoil until now, but as an exporting nation we feel the effects of international events more quickly and directly than other markets."

"The combination of the official recession being identified in New Zealand earlier than the rest of the region, with declining economic growth and lower dairy prices, may have led to local investors demonstrating caution in their investment decisions and expectations sooner than some other markets across Asia," Giannoulis continues.

"However, while the recession in New Zealand may be prolonged due to the global slowdown, overall we expect the Asia Pacific region as a whole to be in better shape than US or Europe in the year ahead."

The credit crunch and deterioration of the US economy continue to weigh heavily on investors as they remain cautious in their investment strategies

- 86% of New Zealand investors say they were impacted by the credit crunch in Q4 2008, with 33% indicating that they were impacted considerably. 83% say they will continue to be impacted by the credit crunch in Q1 2009
 - This compares with 71% of Australian investors saying they have been impacted by the credit crunch last quarter, with 35% indicating that they have been heavily hit and 76% expecting a continued impact next quarter
- 59% of New Zealand investors say they were impacted by the US economy in Q4 2008, 20% of these considerably, while 50% say they will continue to be impacted by the US economy in Q1 2009
 - This compares to 64% of Australian investors being impacted by the US economy, with 32% being impacted significantly
- In New Zealand, 54% expect the US economy to further deteriorate in Q1 2009 while in Australia 59% expect to see a continued decline
- 46% of New Zealand Investors are taking a conservative long-term capital preservation view and 51% are taking a balanced strategy approach

Investment decisions

- 72% of New Zealand private investors saw their return on investments decrease in the last quarter with 46% seeing their returns continue to decrease in the next quarter; only 19% expect to see their returns improve in Q1 2009.
 - 64% of Asian investors saw their return on investments decrease in the last quarter with 40% seeing their returns continue to decrease; 32% expect to see their returns improve in Q1 2009
- 75% of New Zealand investors are holding cash/ deposits in Q4 2008, while 30% say they will start to invest and/or invest more into cash in Q1 2009
- Currently 23% of New Zealanders are holding local stocks, while 8% say they intend to start to invest and/or invest more in local stocks in Q1 2009

- In Australia, 46% of investors are currently holding local stocks and 20% of Australian investors intend to start to invest/invest more in Q1 2009

ING's Mr Giannoulis continues, "New Zealand investors say they have felt the impact of the credit crunch in the last quarter and this has led to many investors taking a more cautious and conservative approach to investment. It appears that globally we are more dependent on one another than we thought we were, we are not isolated from global financial events."

"Overall, New Zealand investors say they are continuing to hold on to cash while slowly moving away from investing in stocks and local property and many are clearly still undecided as to the best response to the downturn in local and global markets. Additionally, the introduction of the government deposit guarantee scheme may be having an effect."

Effect of recent elections in New Zealand and USA on investment decisions

One sign of optimism amongst New Zealand investors is that a third (32%) believe that the new National government's policies will have a favourable impact on their investments. This is almost double the figure recorded in the previous quarter before the election. However, the majority of investors (56%) consider the new government will have no impact on their investments.

A third (33%) of New Zealand investors also think that a change in the US Presidency would have a positive impact on the global economy, while 61% say that it will have no impact on their decisions. Among Asian investors, 40% say the change in US presidency will have a positive impact on their investment decision while 39% are neutral to the change.

Steven Giannoulis concludes, "It's not all doom and gloom out there and many investors have viewed both the local and US elections as a positive step towards economic recovery. Although it is likely that economies both globally and in the region will weaken during the first half of 2009, investors need to ensure that they are not giving in to panic and that they are taking a longer-term view of their investment strategies."

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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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 standard 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.