



ING International Consumer Resourcefulness study

Summary of global results

- International survey among + 5,000 respondents across 10 countries in Europe, US, Latin America and Asia
- Exploring how financial literacy of consumers influences their attitude, behaviour and emotional well-being related to financial decision making

ING Group, Corporate Communications
January 10, 2011

Survey design and sample definition

Survey done by an independent research agency:



www.epiphany-rbc.com

A total of 10 countries participated



Americas

USA and Mexico



Europe

The Netherlands, Romania, Poland
Belgium and Spain



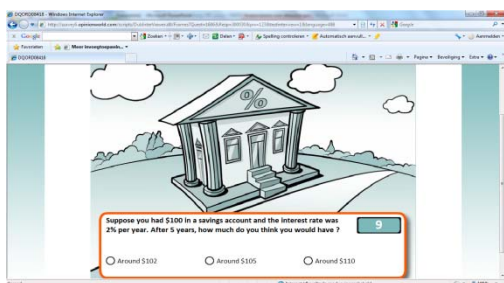
Asia

India, Korea and Japan

- ❑ Online research, n=500 per country, mix of consumers that are (jointly) responsible for household finances; representative on age, gender and income (total sample n= 5,380)
- ❑ Average duration to complete questionnaire 21 minutes
- ❑ In field between November 5 – 23, 2010
- ❑ Translated in local languages, checked by local ING staff
- ❑ CAPI research in India (*computer assisted personal interviews*)

Survey design

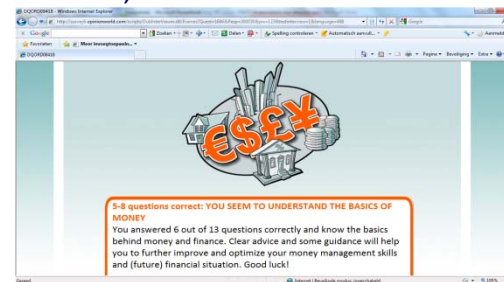
Introducing the “FQ” to self-assess Financial Intelligence



13 QUESTIONS
with each 13 seconds to answer



SAVINGS, INVESTMENTS, FINANCIAL FUTURE, IN & AROUND THE HOUSE



INSTANT FEEDBACK

- Online survey included multiple interactive and intuitive techniques to self-assess financial intelligence, attitudes and behaviours
- With the objective to understand more about consumers' financial literacy we created a self-assessment tool and integrated this tool in the overall research
- Introducing the 'FQ'-test as a statistically valid new global metric to measure financial literacy and intelligence levels of consumers With over 5.000 assessments conducted in 10 countries (this study), ING now has a globally validated assessment tool to measure literacy (FQ-test now also available on Facebook)
- Four literacy segments were found, each segment with it's own unique character and profile (attitudes and behaviours)



LITERACY SELF ASSESSMENT



LITERACY SEGMENTS





44% would not find the means to pay for an unexpected bill of USD 1000,-.



59% of the Dutch has the intention to be better at money (versus almost 90% globally)



When there is not enough money left for the rest of the month the Polish are likely to cut costs (71% versus 51% global) and borrow money (24% versus 16% global)



95% of the Koreans has the intention to be better at money (versus 89% global).



People in Belgium manage their finances in an organized manner. Only 26% feels less organized (versus 36% global).



Only 44% of the Spanish is saving for retirement (versus 59% global).



Romanians find managing finance not that complicated (91% versus 81% global) but 39% feels they are lacking time (versus 20% global).



Mexicans expect their kids to retire with a significant higher level of wealth (90% expect this to be higher than their own)



With 44% scoring good or excellent on the "FQ" test Japan is the most financial literate country.

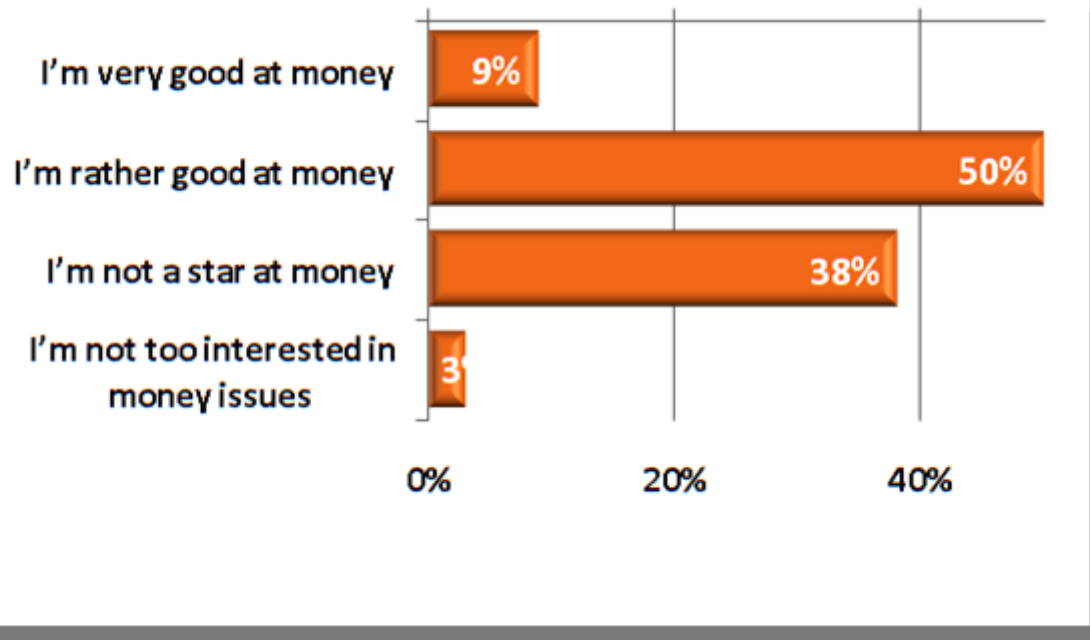


87% of the households in India have an emergency fund for two months or more (versus 33% global).

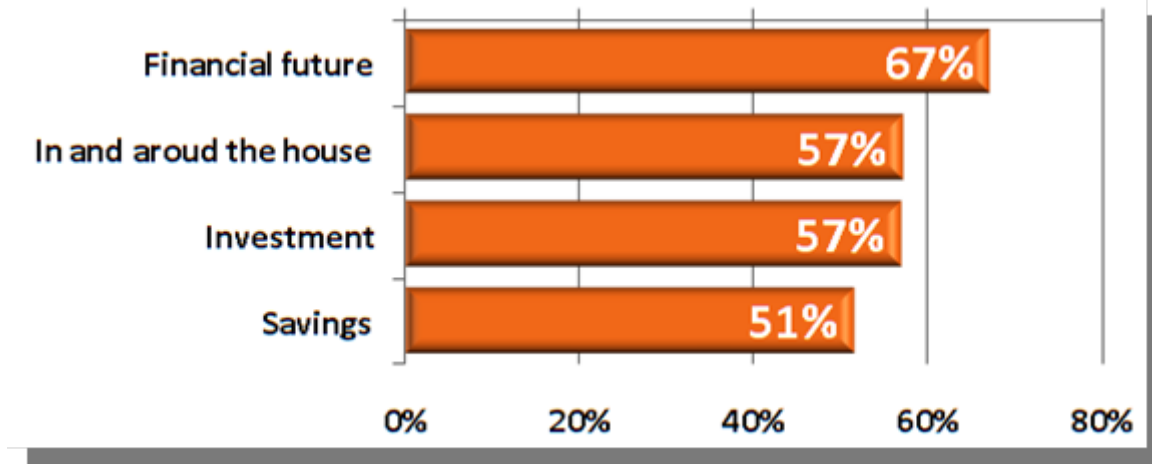


Pre-assessment expectations of own 'FQ' were rather high

In which of the following profiles do you expect to fit, looking at your knowledge on money and finance? (n=5380) (before doing the FQ test)



Questions around savings proved to be most challenging



Average
7,4
questions
correct

FINANCIAL FUTURE

1. The earlier you start saving for retirement, the more money you will have because the money has more time to grow.
2. Financial educators recommend you to have an emergency fund that covers 3 to 6 months of your expenses?
3. \$ 1,000 saved each year at 5% grows to \$ 71,000 over 30 years. If you had only 15 years how much would you need to save each year to accumulate the same amount?
4. How much money should someone save before he is 65 years old in order to have an extra income of \$100 per month for the rest of his life? The average life expectancy is 76.

IN & AROUND THE HOUSE

1. Joan has money set aside for emergencies. She also has a credit card with an outstanding balance of \$ 3,000 and a further \$ 3,000 in the bank earning 0.5% per year. What would Joan do?
2. A 15-year mortgage requires higher monthly payments than a 30-year mortgage, but the total interest paid over the life of the loan will be less?
3. If you would pay 5% interest on an interest-only mortgage of \$ 100,000 (30 years), would you pay more or less than \$ 500,- per month?

INVESTMENT

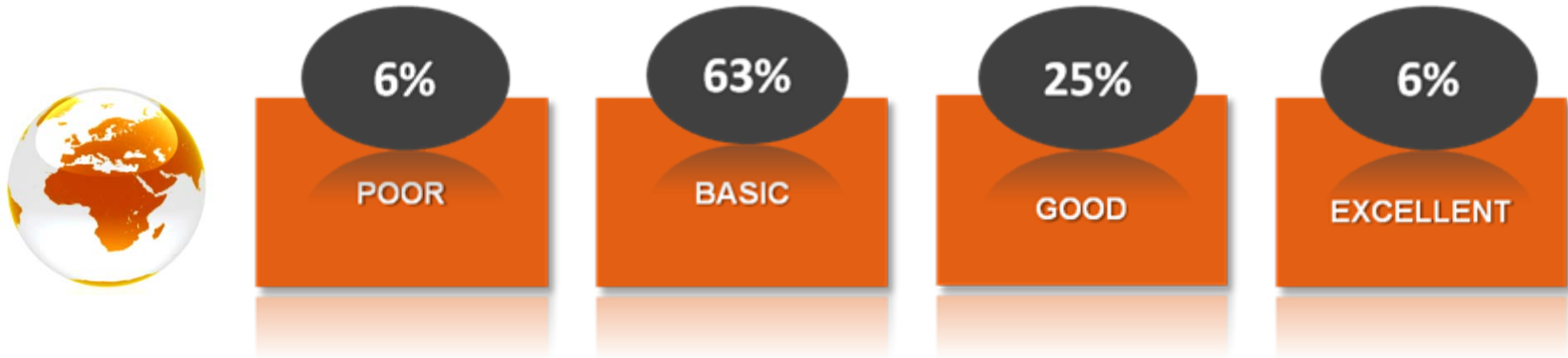
1. Buying a single company's stock usually provides a safer return than a stock mutual fund.
2. In January Tom buys a share for \$10. In December he sells it for \$11. In the meantime he received \$1 dividend. How much money did Tom make with his share?
3. Tom buys a financial product with which he loans money to a company. What product did Tom buy?

SAVINGS

1. Suppose you had \$100 in a savings account and the interest rate was 2% per year. After 5 years, how much do you think you would have?
2. Imagine that the interest rate on your savings account was 1,5% per year and inflation was 2% per year. After 1 year, how much can you buy with this money ?
3. One saving account offers 12% compounded each year and another 1% compounded each month. Which offers the higher rate of return at the end of the year?

Literacy segmentation

63% of the global population has only basic knowledge



	POOR	BASIC	GOOD	EXCELLENT		POOR	BASIC	GOOD	EXCELLENT
	5%	62%	27%	7%		6%	58%	29%	7%
	10%	71%	16%	3%		6%	69%	21%	3%
	8%	69%	20%	3%		10%	63%	23%	4%
	4%	52%	36%	8%		7%	66%	23%	5%
	3%	60%	26%	11%		4%	57%	27%	13%



Literacy segmentation

Almost 90% want to become better at money

Do you want to be better at money?



POOR	BASIC	GOOD	EXCELLENT
It appears like money and finance are topics that you have no real interest for. If you want to learn more, it is really not that difficult. We'd recommend you to invest some time in mastering some financial basics or find some financial advice.	You know the basics behind money and finance. Clear advice and some guidance will help you to further improve and optimize your money management skills and (future) financial situation. Good luck!	You are likely to feel comfortable managing your money and finance. After collecting all relevant information you feel very capable to make your own decisions. Good for you!	You must be a financial wizard! Money and finance hold no secrets for you. With your knowledge level it is most likely that you have great financial control and are a trusted advisor to your family and friends. Keep it up!

Intention to be better at money

89%

85%

90%

89%

91%

Intention to be better at money

89%

59%

99%

Lowest score

Highest score

Base: all

Base: all



Becoming better at money

Where to start?

What prevents you from being better at money?



		POOR	BASIC	GOOD	EXCELLENT
Don't know where to start	27%	31%	28%	25%	23%
Postponing	26%	23%	25%	28%	31%
Need help, don't know where to get it	24%	29%	25%	21%	21%
No time	20%	15%	19%	23%	27%
To complicated	19%	16%	19%	19%	17%
Not interested	8%	9%	8%	8%	8%

Don't know where to start

Postponing

Need help, don't know where to get it

No time

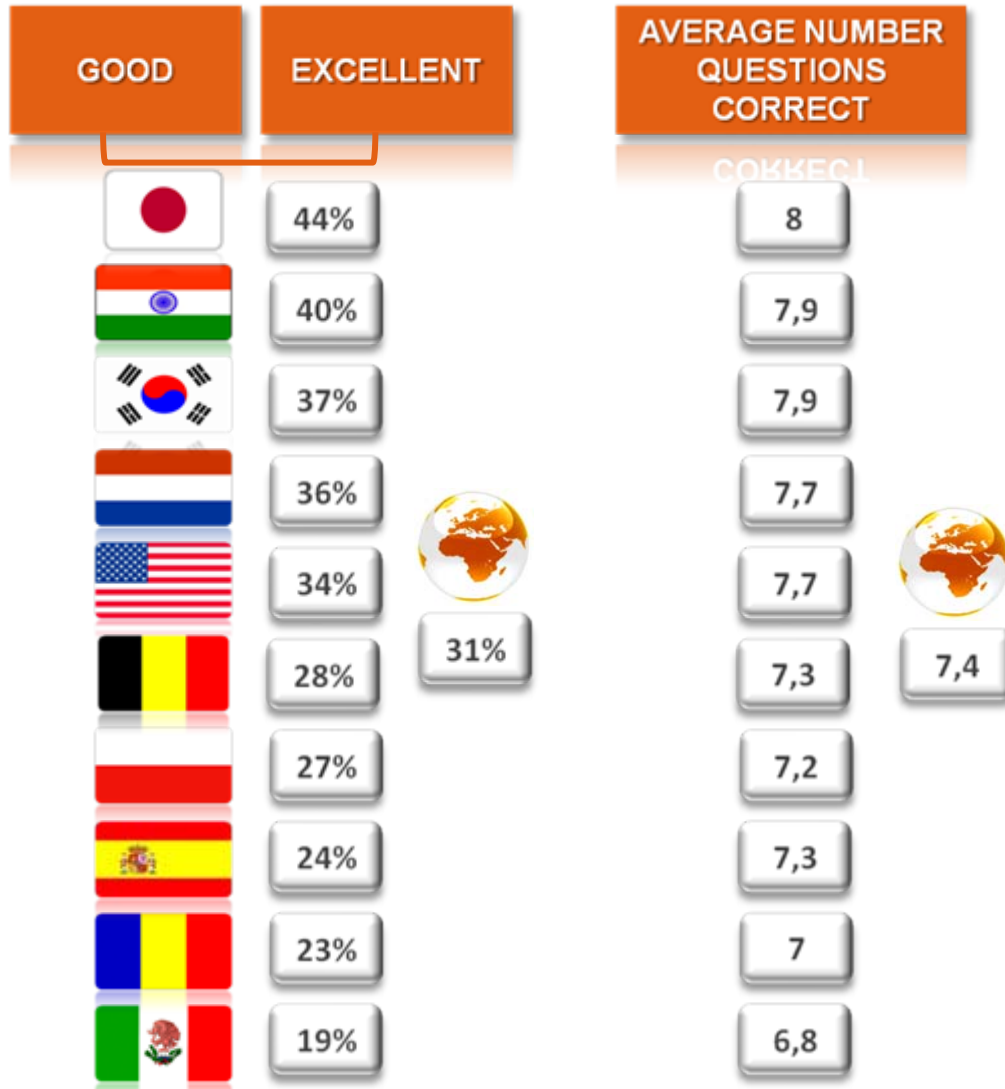
To complicated

Not interested



Literacy segmentation

Asia region most literate



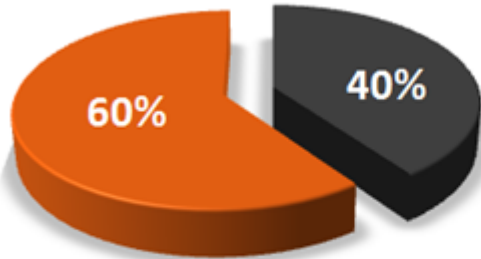
Comparing countries on top-2 literacy segments and number of questions correct we learn that Asians are most financial literate, followed by the Dutch and Americans (we did not find a potential bias from education, age or level of income).

Battle of the sexes: this time the males win

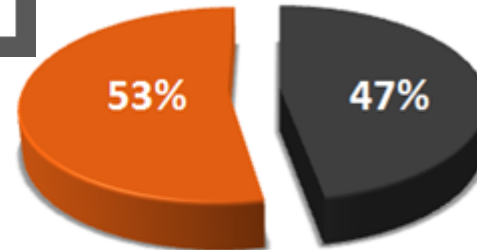
What is your gender?

■ Male
■ Female

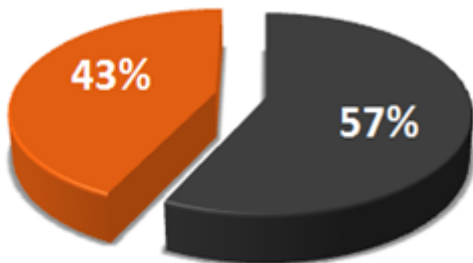
POOR



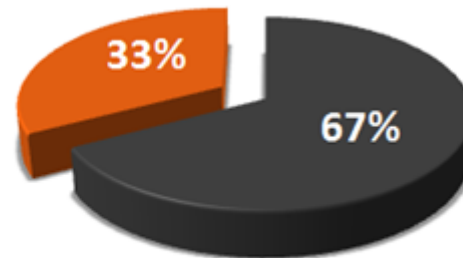
BASIC



GOOD



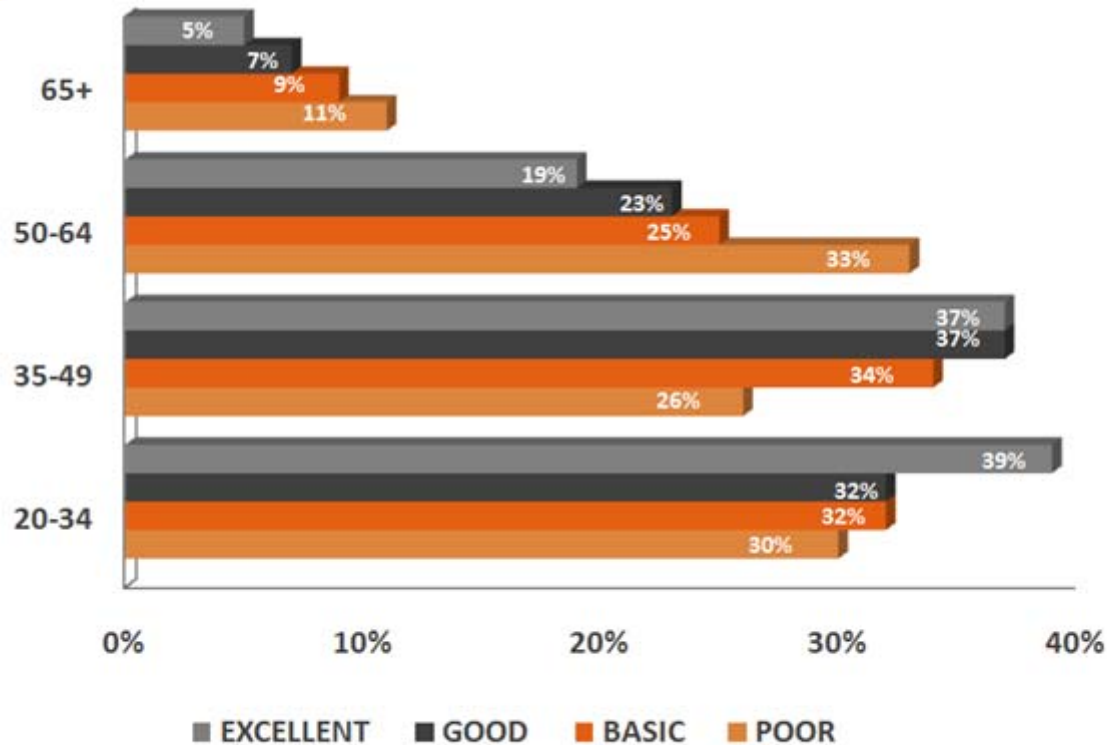
EXCELLENT



Younger people are significantly more literate



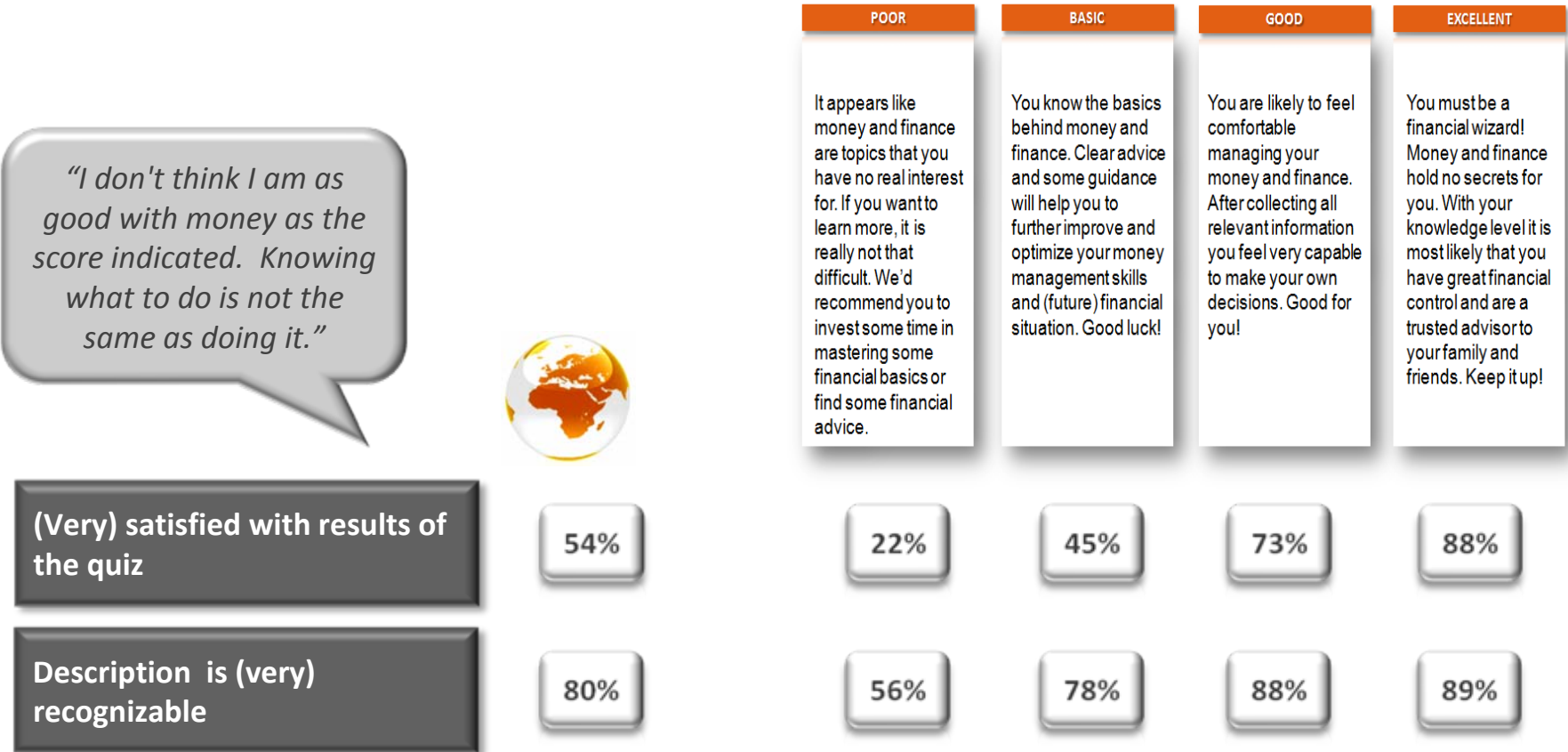
What is your age?



Literacy segmentation

80% recognises themselves in pre-defined profile

How satisfied are you with your final score compared to the number of questions you expected to answer correctly before you took the quiz?



Attitude & Motivations - Thinking about managing their finances triggers feelings of pride, hope and safety

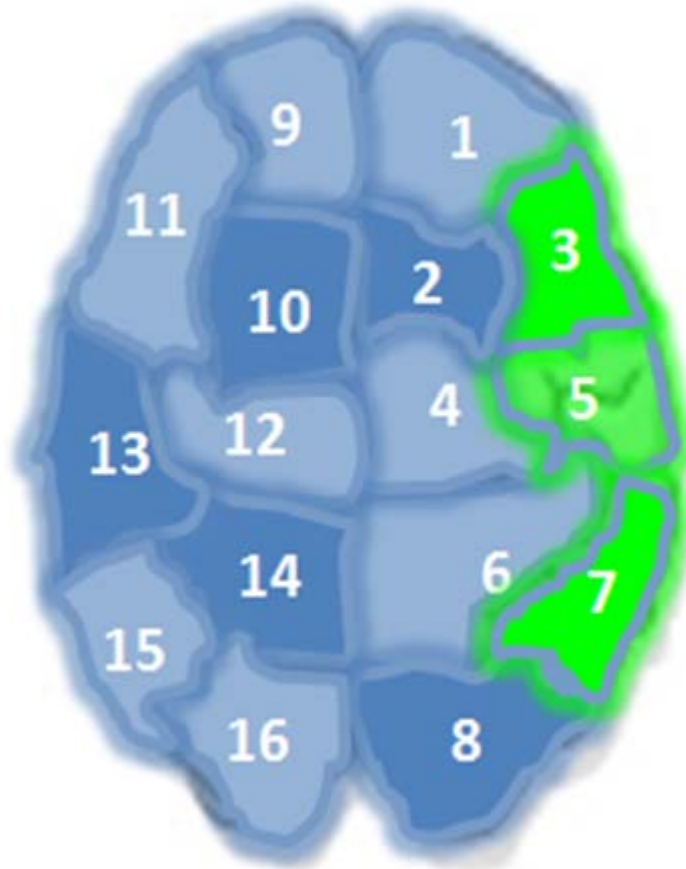
How does thinking about managing your finances make you feel?

POSITIVE EMOTIONS

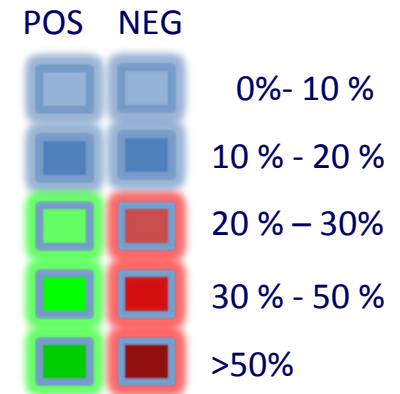
- 1.Surprise
- 2.Joy
- 3.Hope
- 4.Love
- 5.Pride
- 6.Adoration
- 7.Safe

NEGATIVE EMOTIONS

- 8.Sorrow
- 9.Guilt
- 10.Anger
- 11.Boredom
- 12.Shame
- 13.Fear
- 14.Despair
- 15.Contempt
- 16.Envy



EMOTIONS AROUND MANAGING FINANCE



Thinking about finance triggers a feeling of pride (when managed well), hope (for a better financial situation) and safety (looking at the future).

[Emotuning™ is a methodology developed by Epiphany to capture the emotions of consumers worldwide.]



Knowledge and skill create more positive emotions

How does thinking about managing your finances make you feel?

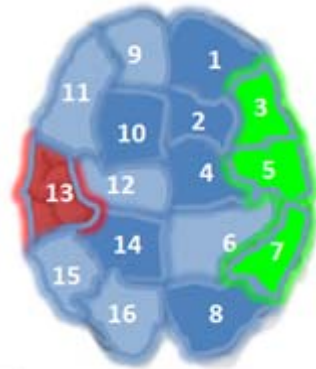
POSITIVE EMOTIONS

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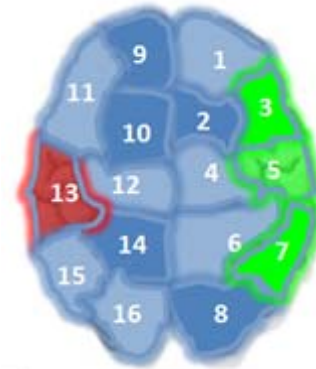
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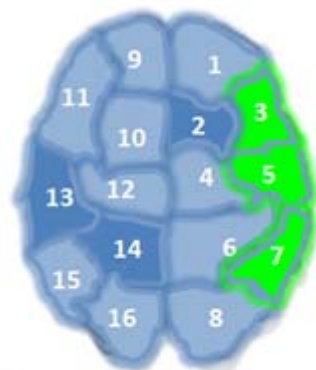
POOR



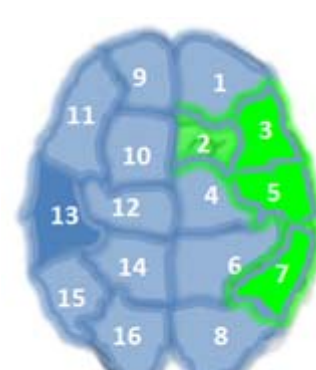
BASIC



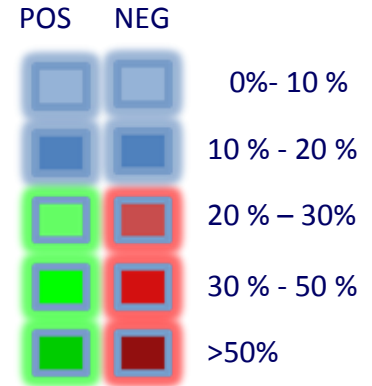
GOOD



EXCELLENT



EMOTIONS AROUND MANAGING FINANCE



"Fun to keep track of my money."

"Hope for being better, pride for knowing how to manage my finances better and security for everything that I have learned through life experience.."

"We are in control of our home base and feel good about keeping everything in order!"

Attitude & Motivations

Having debts is fearful and makes people feel guilty

Having debt triggers a strong feeling of fear (for the future), guilt (not being able to take care of themselves) and shame (towards family and friends).

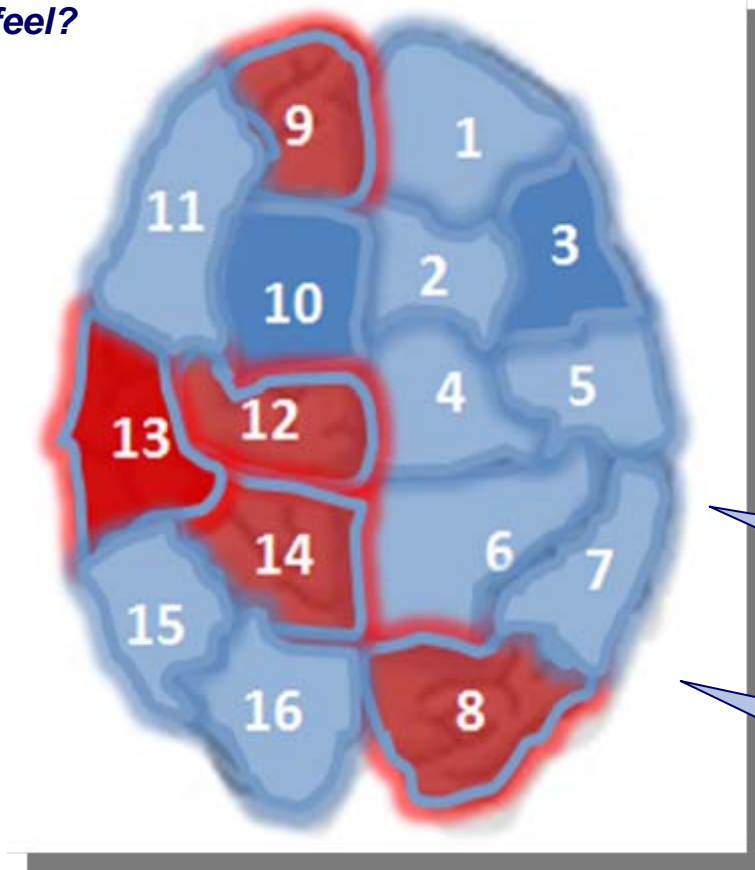
How does thinking about having debt make you feel?

POSITIVE EMOTIONS

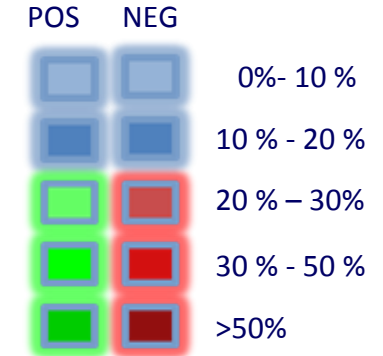
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14. Despair
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16. Envy



EMOTIONS AROUND HAVING DEBT



"I feel ashamed that I did not do better and now owe quite a significant amount."

"there is a modest amount of guilt associated with borrowing against the future"

"Fear that I don't have enough to retire and guilt because I did not start sooner."



Cultural diversity seen in the '100 dollar dilemma'

Imagine you have \$100 left at the end of the month, How would you spend it?*



Saving account

100%

Neutral

Crazy night out

100%



Lend to a friend who needs it

Ask some friends for dinner



Saving account

Buy great electronic gadget



Visit favorite shop

Saving account



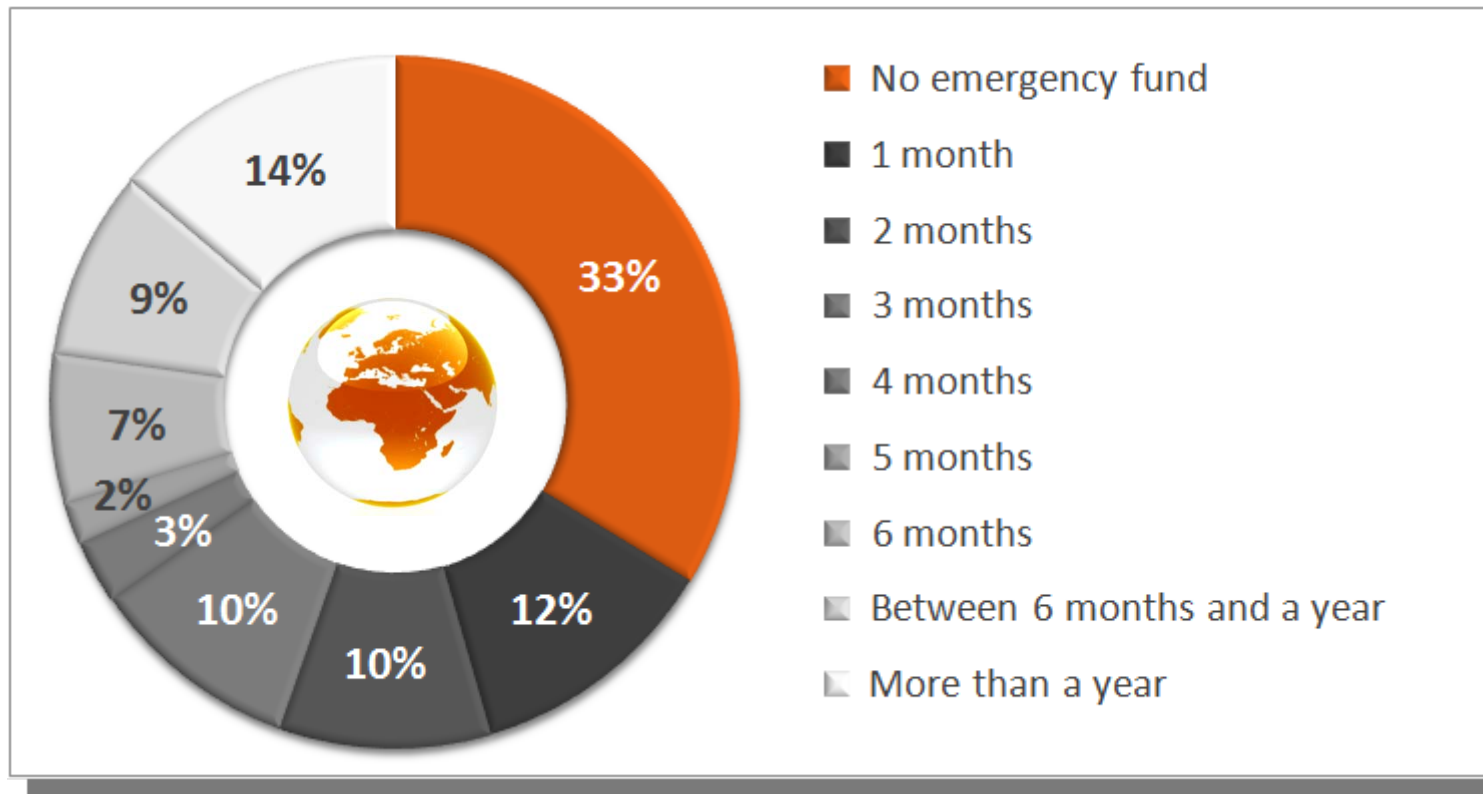
Pay down debt

Give it to charity



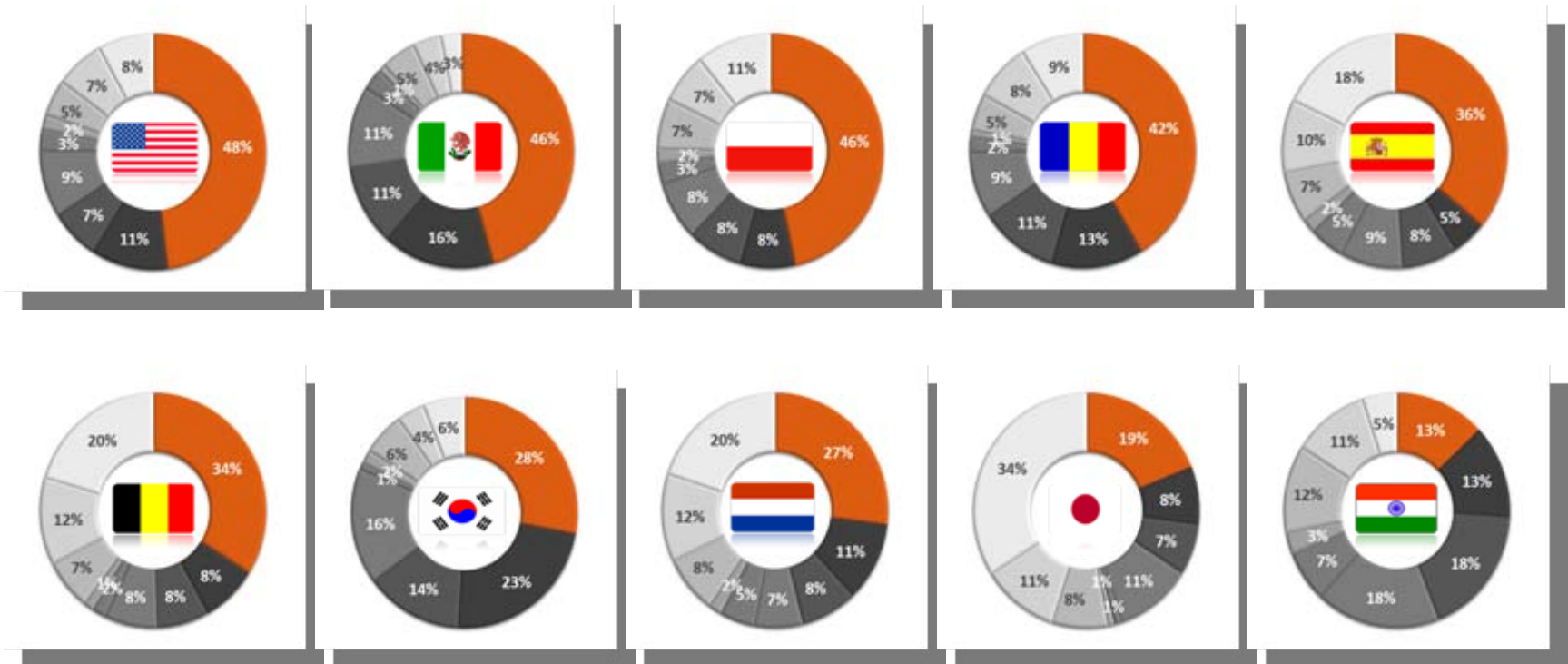
1/3th of consumers worldwide has no emergency fund

Do you currently have an emergency fund and how many months of your expenses does it cover?



Americans the least prepared for financial emergencies

Do you currently have an emergency fund and how many months of your expenses does it cover?



- No emergency fund
- 1 month
- 2 months
- 3 months
- 4 months
- 5 months
- 6 months
- Between 6 months and a year
- More than a year

The most literate keep track via a self made overview

How do you keep your household budget/keep track of your finances?

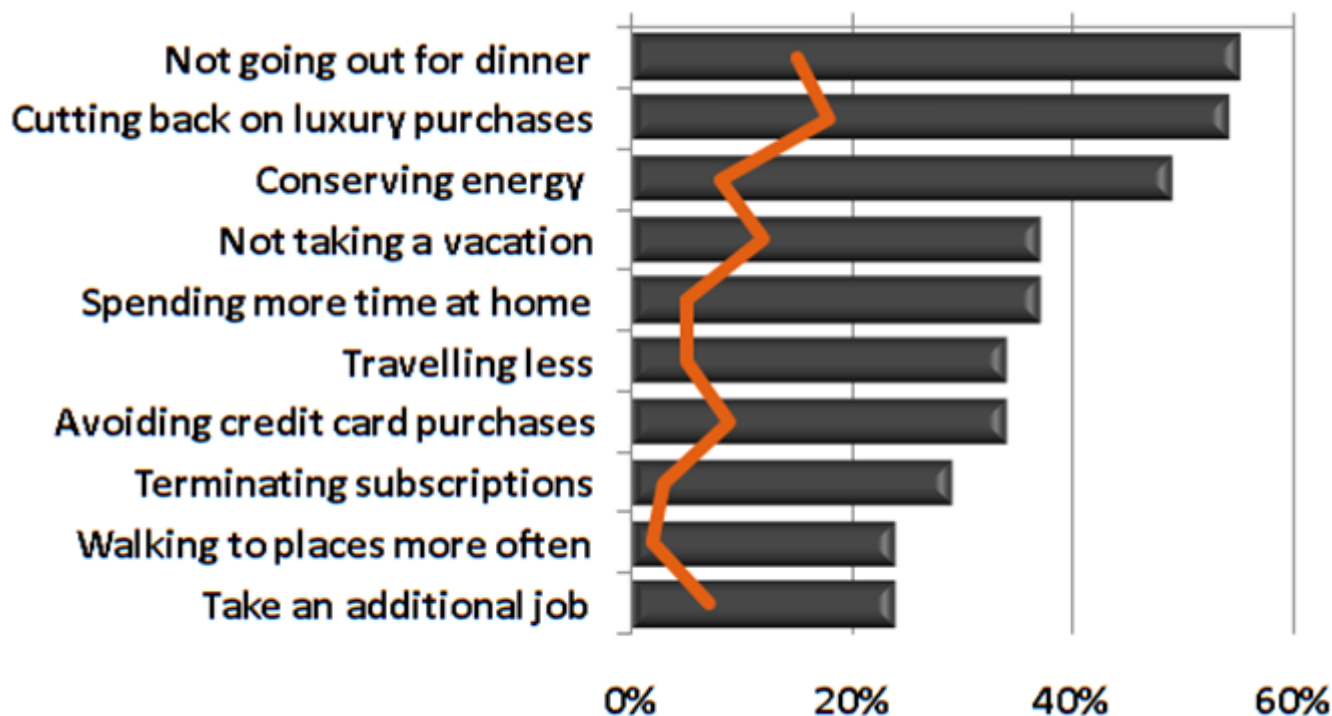


			POOR		BASIC		GOOD		EXCELLENT	
1st	Bank account statements	55%	Bank account statements	49%	Bank account statements	55%	Bank account statements	55%	Bank account statements	57%
2nd	On paper	37%	On paper	40%	On paper	39%	Self made overview on pc	37%	Self made overview on pc	42%
3rd	Self made overview on pc	33%	In my head	30%	Self made overview on pc	31%	On paper	34%	In my head	37%
4th	In my head	29%	Self made overview on PC	26%	In my head	29%	In my head	27%	On paper	34%
5th	Help of PC program	11%	Help of PC program	6%	Help of PC program	11%	Help of PC program	13%	Help of PC program	11%

Cutting back on luxury purchases when income goes down

Imagine your monthly income goes down by 20%. What would you do in order to stay within your monthly budget?

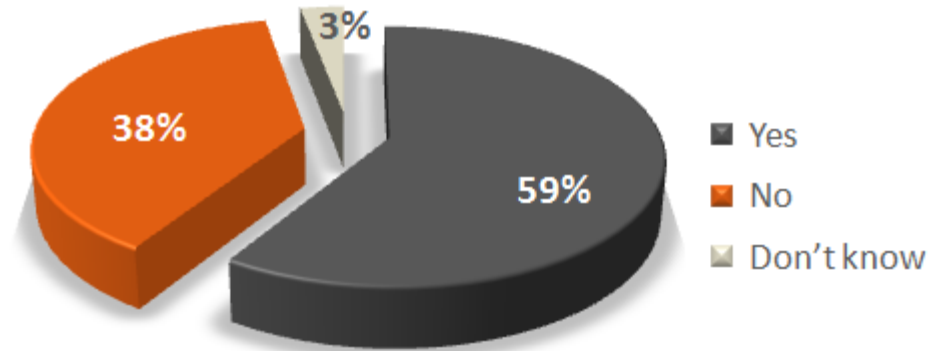
Of these things that you have previously selected which item would you choose first to stay within your monthly budget? (orange line)



Money skills & Behavior

Saving for retirement?

Are you currently saving for retirement?



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More information:

- ING's global initiatives to empower and support customers in managing their financial future and making finance easier to understand can be found on the internet: <http://www.ing.com/ing/BGAM.jsp?menopt=bga>
- The FQ test that ING develop for people to self-assess their Financial Literacy level can be found on: www.facebook.com/BeGoodAtMoney
- Examples of local ING initiatives aimed at helping our customers to become better at money can be found on: http://bgam.ing.com/overview_finance_made_easier_customers.shtml
- Some examples of ING's broader commitment to financial education and literacy – specifically through children & youth education and promoting financial literacy in traditionally underserved groups - can be found on: http://bgam.ing.com/overview_finance_made_easier_kids.shtml or http://www.ingforsomethingbetter.com/employee/volunteering/financial_basics/

ING PROFILE ING is a global financial institution of Dutch origin offering banking, investments, life insurance and retirement services. As of 30 September 2010, ING served more than 85 million private, corporate and institutional clients in more than 40 countries. With a diverse workforce of about 107,000 people, ING is dedicated to setting the standard in helping our clients manage their financial future.

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