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RESEARCH CONFIRMS IT... CANADIANS SAVE

Recent research from HSBC Bank Canada shows Canadians believe savings are important

A national survey conducted by HSBC Bank Canada looking at Canadians' saving and spending habits has found that while there are strong regional differences regarding how and why people save, but regardless of age or region, Canadians are primarily savers.

Tracy Redies, Executive Vice President, Personal Financial Services, HSBC Bank Canada said that the study conducted by Innovative Research Group "found that over seventy percent of Canadians have some savings, either investments or savings in or outside of an RRSP plan, and a third of Canadians are saving on a schedule of pre-authorized deductions."

In fact, a majority of Canadians (55%) will save up all the funds necessary to buy what they want, rather than using credit. Young adults (aged 18-24: 42%) and those aged 35-44 (50%) were most likely to be saving on a schedule of pre-authorized payments. While not everyone is putting pennies away as often as they think they should (one in six Canadians chooses to enjoy life today, and 12% will pay their credit cards off tomorrow), most Canadians are careful with their cash.

An overwhelming number of Canadians (91%) believe a high rate of return on their savings or investments is important, but less than half of Canadians (48%) check their rates of return each month, and a majority of Canadians would choose safety of their nest egg over high rates of return (55%).

"Canadians are looking for strong return on investments with the least amount of risk – which is a perfect formula for the HSBC Direct Savings Account™," says Redies. "We want to let Canadians know the HSBC Direct Savings Account is an investment option that offers a high rate of interest and the safety that customers obviously want for their savings." The everyday savings rate on the Direct Savings Account has increased to 4.25 per cent effective today.

more...

Research confirms it...Canadians save/2

According to poll results, Canadians' saving and spending habits vary according to region. Albertans are among the most likely to be banking their bucks and looking for higher rates of return on their investments, whereas in BC, Ontario, Quebec and the Atlantic, Canadians like to stow their money away and make safer investments. In the Prairies, they like to take a bit more risk with their investments – whether they have savings or prefer to live for the moment. Here are a few ways Canadians are saving:

- The playground of the West: British Columbians are twice as likely to save up to pursue an expensive pastime or sport (10% vs. national average of 4%).
- Albertans are Canada's most confident financiers, with 88% saying they feel confident in managing their money, and are twice as likely as other Canadians to put away a set amount of money on a monthly basis (32%).
- Stretched in the middle: In the Prairies, they are more likely to feel that they are always at their credit card maximum than the rest of the country (29% vs. national average of 17%)
- More Ontarians are willing to drive an extra 5 km out of their way for cheaper gas than the rest of Canadians (42% vs. a national average of 38%)
- Quebecers are Canada's big dreamers: Quebecers are two times more likely than other Canadians to say they are saving up to play hooky from work to pursue a passion or dream (16% vs. national average of 7%).
- Where your home is your Castle: The number one reason Canadians in the Atlantic are putting their pennies away? Home renovation (42% vs. a national average of 26%)

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Research confirms it...Canadians save/3

HSBC Direct Savings Account™

Effective 11 October 2007, the interest rate on balances in the HSBC Direct Savings Account™ will be 4.25 per cent on balances up to \$1 million. There is no minimum balance requirement, monthly or transaction fees and customers can access to their account, online and through one of the largest surcharge free ABM networks in the country. Customers can easily link the account to their accounts at other Canadian banks, deposit cheques and withdraw and deposit cash at over 4,100 ABMs - Canada's 2nd largest surcharge-free ABM network, 24 hours a day, 7 days a week.

Poll Background and Methodology

These are findings of an HSBC Bank Canada poll conducted by Innovative Research Group between August 24th and 29th, 2007. The research is based responses from 1,292 adult Canadians who are members of Innovative Canada's 20/20 on-line panel. With a representative sample of this size, the results are considered accurate to within ± 2.7 percentage points, 19 times out of 20.

About HSBC Bank Canada

HSBC Bank Canada, a subsidiary of HSBC Holdings plc, has more than 170 offices and is the leading international bank in Canada. With around 10,000 offices in 83 countries and territories and assets of US\$2,150 billion at 30 June 2007, the HSBC Group is one of the world's largest banking and financial services organizations. For more information about the Direct Savings Account visit www.hsbcdirect.ca.

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HSBC DIRECT CANADIAN SAVING SURVEY

PREPARED FOR HSBC BANK CANADA

CONFIRMS: CANADIANS LIKE TO SAVE

Regional Profiles of Canadian's Savings Habits

British Columbia

- British Columbians are among the most likely to disagree with the statement that they are always at the maximum limit on their credit cards (78% vs. the national average 70%)
- British Columbians are more likely to report that they are saving up in order to pursue an expensive pastime or sport (10% vs. the national average of 4%).
- More than twice as many British Columbians are saving to buy a house or condo than Albertans (25% vs. Albertans 10%).

Alberta

- Albertans are more likely than those in other parts of the country to say they have a savings plan, where they put away a set amount of money on a regular basis (32%, double the national average of 16%)
- 85% of Albertans disagree they always seem to be at the maximum limit of their credit card (vs. the national average of 70%).
- Albertans are more likely to be saving up for a cottage or recreational property (21%, double the national average of 9%)

The Prairies

- Prairie residents are the most likely to say the most important thing when it comes to their savings and investments is that they provide high rates of returns, even if some risk may be involved (50% vs. the national average 32%).
- Prairie residents are among the most likely across the country to agree that 'a penny saved is a penny earned' (87% vs. the national average 78%).
- Prairie residents are overwhelmingly likely to depend on a broker or financial advisor affiliated with a full service firm when making financial decisions (95% vs. the national average of 55%)

Ontario

- Ontarians (42%) are more likely than the national average (38%) to report that they would be willing to drive up to 5 km out of their way to save 10 cents a litre on gasoline.
- Residents of Ontario are the most likely to say that the level of risk associated is important to them when evaluating a possible savings account (90% vs. the national average of 86%).
- Ontarians are more likely to say they always have cash on hand for a rainy day than Quebeckers (68% vs. Quebeckers 56%)
- More Ontarians feel it is important to build up their savings and investments than Quebeckers do (Ontarians 93% vs. Quebeckers 76%)

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HSBC Direct Canadian Saving Survey: Regional Profiles / 2

Quebec

- Quebecers are among the most likely to report not having any savings or investments (36% vs. the national average 26%).
- A majority of Quebecers agree with the view that they buy themselves little treats every chance they get (55% vs. the national average of 38%).
- Quebecers are the most likely of all Canadians to report that they never shop at warehouse/bulk food stores (41% vs. the national average of 29%)

Atlantic Canada

- Atlantic Canadians are among the most likely to say that they try to save, but something unforeseen always comes up (58% vs. the national average 50%).
- More than twice as many Atlantic Canadians are saving for a dream vacation than Canadians in the Prairies (Atlantic Canada is 30% vs. The Prairies 13%)