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VISITS TO BANK BRANCHES CONTINUE TO SLIDE: STUDY

Migration to Electronic Channels Continues

TORONTO, January 31, 2006 – In a multi-channel world, the traditional bank branch continues to lose ground as a method of banking, according to an annual marketing research study by TNS Canadian Facts.

Conducted in the fall of 2005, the firm's *How Canadians Bank* study found that just over half of Canadians (54%) reported visiting a branch in the month prior to the survey, the lowest level of branch banking reported since the tracking study began in 1994. Not only are fewer Canadians visiting a branch, but also the number of monthly visits for those who do go to a branch has been steadily declining.

"As people become increasingly comfortable doing their day-to-day transactions through electronic channels such as Internet banking and bank machines, visiting the branch is becoming less necessary, but it is certainly not irrelevant," said Rhonda Grunier, a vice president at TNS Canadian Facts.

"Canadians still demand choice in the ways they handle their everyday finances, so they can use the channel that best suits their needs at a given point in time. Financial product purchases, such as opening accounts or acquiring loans, continue to be primarily done at the branch," added Grunier.

Online banking appears to be maturing, with only modest growth over the past two years. Last fall, 34% of Canadians reported using an online banking service in the month prior to the survey, compared to 33% in 2003. Over half of Canadians with Internet access have signed up for online banking (55%).

Telephone banking continues to decline in popularity as more people go online for their banking needs. In the fall of 2005, 19% of Canadians had used a telephone banking service in the previous month, down from its peak of 26% in 2001.

Internet banking is primarily used for paying bills (91%), checking account balances (92%) and transferring money between accounts (72%). One-quarter (24%) of those who bank online use an electronic bill presentment service to receive their bills directly to their computer.

“Convenience is a major factor behind the popularity of online banking. The main reason why non-users are not interested in adopting online banking is that other channels are available which adequately meet their needs,” observed Grunier.

For the study, TNS Canadian Facts surveyed a nationally representative sample of Canadian adults 18 years and older. A total of 2,001 self-administered mail surveys were completed between October 4 and November 8, 2005. The survey results are considered accurate to within 2.1 percentage points, 19 times out of 20.

TNS Canadian Facts (www.tns-cf.com) is one of Canada's most prestigious full-service marketing, opinion and social research organizations.

About TNS

TNS is a market information group. We are the world's largest custom research company and a leading provider of social and political polling. We are also a major supplier of consumer panel, TV audience measurement and media intelligence services.

TNS operates a global network spanning 70 countries and employs over 13,000 people. We provide market information and measurement, together with insights and analysis, to local and multinational organizations.

We combine our specialist sector knowledge with expertise in the areas of new product development, motivational research, brand and advertising research and stakeholder management to bring our clients up-to-the minute, internationally consistent information.

We think differently to help our clients build competitive advantage, making TNS the sixth sense of business (www.tns-global.com).

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