

When things get tougher so do Albertans.

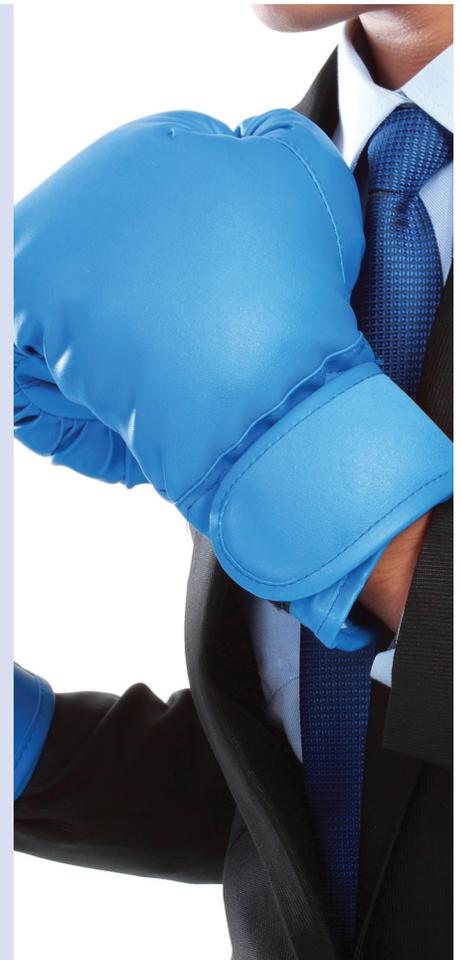
Around the province, negative sentiment about the economy and the market is growing. Meanwhile, the saving rates of Albertans are staying reasonably strong. However the focus is shifting, with more Albertans prioritizing paying down debt and reducing spending and less focus on saving for retirement.

Needless to say, the drop in oil has had the biggest effect with significantly more Albertans struggling with job losses or reductions. Alberta also has the highest average household debt in Canada*. Despite having fewer funds available, intent to increase both saving and investments is also trending higher in the province, perhaps representing a desire to do the right thing even though the current economy may present a roadblock to either course of action.

In the past year, federal and provincial tax structures have changed, yet less than half of Albertans are familiar with how the new tax codes will affect them. Overall the awareness and consideration of tax implications when selecting an investment product is also very low.

Given all this, there is a need for the wealth management industry to navigate the waters with some timely advice. It is incumbent on all financial advisors to encourage their clients to see beyond the current economic reality and maintain their long-term focus, plus plan ahead when it comes to impacts from the new tax structures on their saving and investing. Advisors can also create plans and provide advice to help clients spend more wisely in this environment of cutbacks and increased debt.

* According to Equifax Canada's Q3 2015 National Consumer Credit Trends Report.



WHILE THE DOWNTURN PERSISTS, THE MAJORITY ARE KEEPING THE FAITH

86%
OF ALBERTANS HAVE
A POSITIVE OR NEUTRAL VIEW
TOWARDS SAVING AND/OR
INVESTING

While 86% Albertans remain positive or neutral in their view, there is a jump among those with a negative outlook, which increased to 14% in January from 10% in the Fall of 2015. Albertans who think it is a good time to save or invest and have the means to do so are seeing the opportunities the poor economy presents.

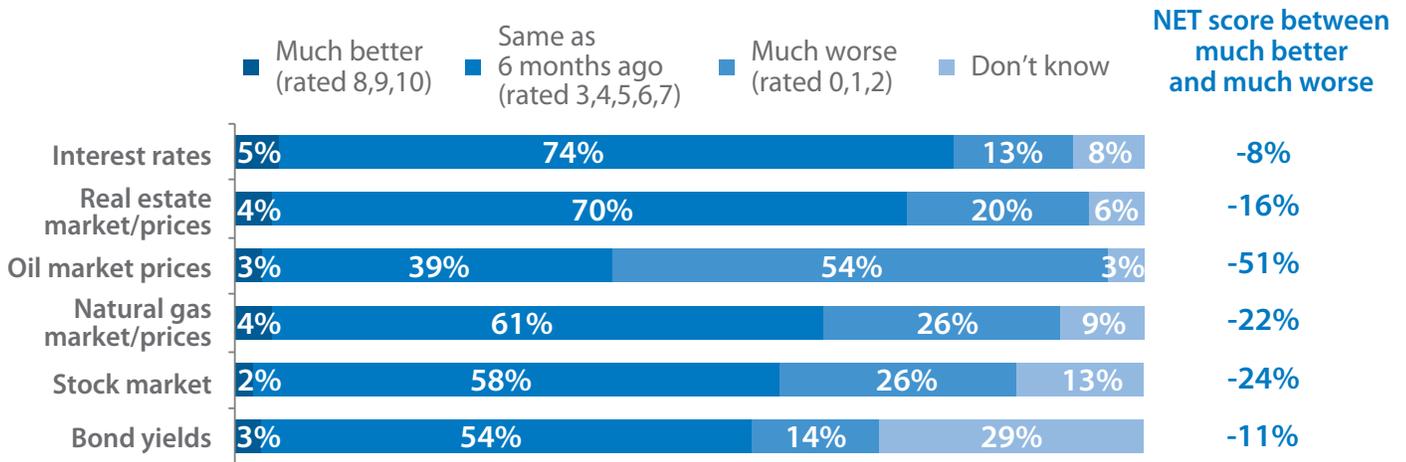
Looking ahead: How Albertans view saving/investing opportunities in the next 3 to 6 months



NOT A PRETTY PICTURE, NO MATTER HOW YOU LOOK AT IT

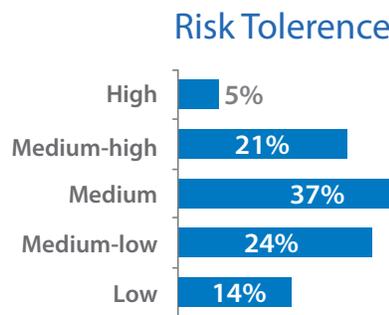
In line with a negative perception of the economy, savings and investment options are also seen as being much worse compared to 6 months ago by most Albertans.

Perception of savings and investment options



More Albertans now consider themselves to have a higher risk tolerance

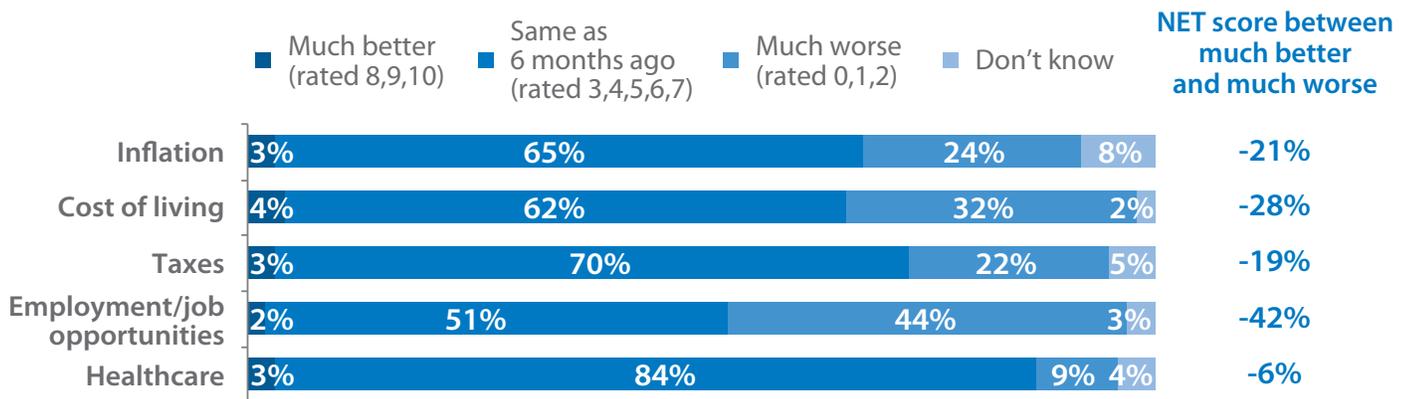
Albertans' investment knowledge has remained stable since we started conducting our survey nine months ago. Meanwhile, there has been a significant decrease in respondents stating they have a low risk tolerance (14% in the Fall of 2015 vs. 18% three months ago). While more women than men consider themselves to be inexperienced in investment knowledge, the proportion of women rating themselves as such has declined this wave (26% in the Fall of 2015 vs. 35% three months ago). We can surmise women are seeking out more information on finances in this economic climate.



44%
OF ALBERTANS WITH SAVINGS AND/OR INVESTMENTS SAY THAT THE RETURN THEY RECEIVED IN THE PAST 6 MONTHS HAS DECREASED, HOLDING STEADY FROM THREE MONTHS AGO

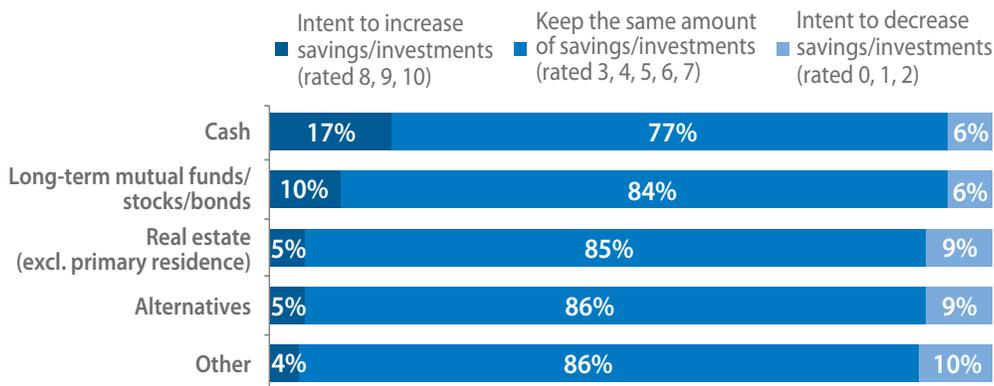
Significantly more middle-aged (35-54 years) and older Albertans (55+) are indicating their returns have decreased (46% and 56%) versus the younger age group of 18-34 year olds. In addition, Albertans with \$100K or more in investible assets are more likely to indicate losses versus those with less than \$100K.

Albertans feel worse about most of these issues compared to six months ago



On the up side, the perception of the quality of healthcare in Alberta has remained stable wave over wave.

In the current investment climate, Albertans favour cash



Millennials are most likely intending to increase their savings/investments in all of the investment products measured compared to the middle and older age sets. Albertans with less than \$25k in savings or investments would like to focus their future savings into cash products, significantly more so than all other investible asset groups.

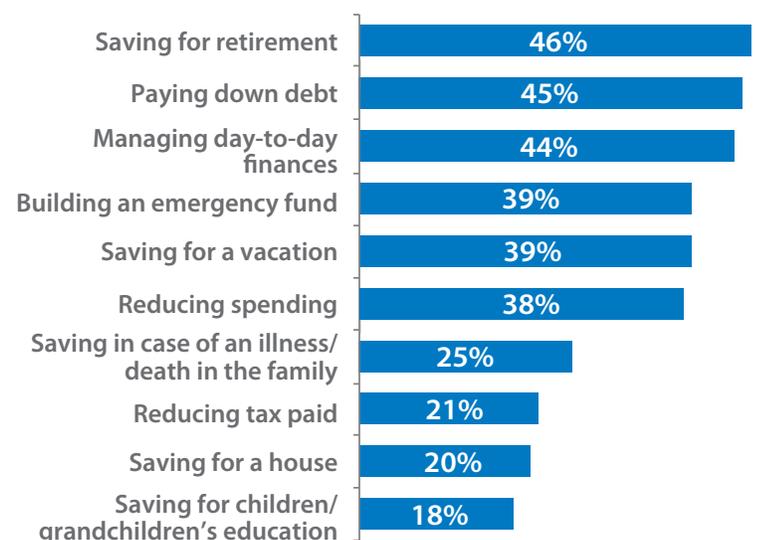
SHIFTING PRIORITIES

Paying down debt vs building a retirement nest egg

Compared to the last wave, Albertans are curbing their spending and shifting their priorities from retirement goals to paying down their household debt. In one sense this is a good thing with high rates of personal debt in Alberta, yet Albertans need to be cautious not to neglect their long-term goals.

52% OF ALBERTANS SAY THEY ARE BEHIND ON THEIR RETIREMENT GOALS

Top 10 personal financial goals

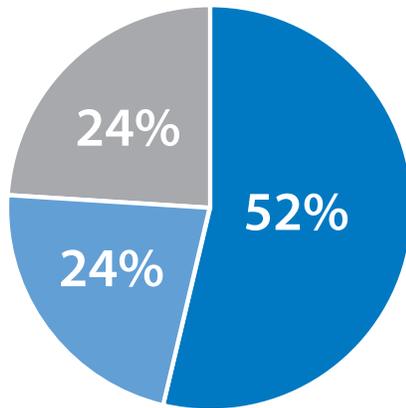


The cost of living, slow downs in business and changes in gas prices continue to be the top three factors impacted by the drop in oil prices. Notably, there is a significant increase among those impacted by the drop in oil in the difficulty of finding employment compared to six months ago (19% vs. 14%).

48% OF ALBERTANS SAY THEY HAVE BEEN PERSONALLY IMPACTED BY THE DROP IN OIL PRICES

INCOME TAX TIME

Expectation of a 2015 refund



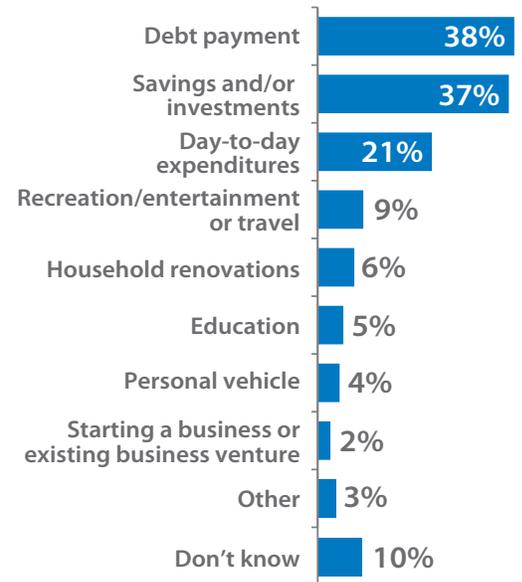
- Expect a refund
- Expect to make a payment
- Don't know

Those in the 18-34 and 35-54 age ranges are more likely to expect refunds, while more Albertans 55+ expect to make payments. If a refund is received, paying down debt (38%) or putting it into savings or investments (37%) are the two most commonly cited options for what recipients would do with this money.

22%

OF ALBERTANS EXPECT THEIR INCOME TAX WILL BE HIGHER FOR THE 2015 TAX YEAR

Expected use of a 2015 refund



ABOUT INVESTOR BEAT

For more information on this report or the next ATB Investor Beat edition, please write us at investorbeat@atb.com. You can also visit atb.com/investorbeat to be included on the mailing list.

About ATB Investor Services

ATB Financial (atb.com) is the largest Alberta-based financial institution, with assets of \$43.1 billion. ATB offers investor services, as well as retail, business, agricultural and corporate financial services to more than 710,000 Albertans across 244 communities in our province.

ATB Investor Services is the wealth management arm of ATB Financial. Our goal is to sort through the clutter and make investing easier to understand so our clients can focus on the things that really matter in life.



To learn more about ways our investing philosophy is helping Albertans, please contact:
Chris Turchansky, President of ATB Investor Services at christurchansky@atb.com

Who did we talk to?

Ipsos (www.ipsos-na.com) is the third largest market research company in the global industry providing a full range of market research services. In North America, Ipsos has more than 2,100 research professionals and support staff located in 33 offices, with eight offices in Canada.

These findings are from an online survey conducted from January 4-13, 2016 using Ipsos' i-Say panel. The 1,004 respondents are representative of Albertans 18 years of age and older based on age, gender and region. Using a Bayesian credibility interval the survey is considered accurate to within +/- 3.5 percentage points had all adults in Alberta been polled.

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