



POLICY UPDATE

News and views from the Metropolitan Halifax Chamber of Commerce **May 15, 1998**

Bank Mergers - What do They Mean For Your Business?

Changes in the financial services sector are occurring at an accelerating pace. The recent announcement of proposed mergers between the Royal Bank and the Bank of Montreal and between the Toronto Dominion Bank and CIBC have led to much speculation about the impacts and implications for business, particularly small and medium sized business.

The Chamber supports and encourages private sector companies who are working to improve the way in which they

deliver their product to their customers.

A key concern heard regarding bank mergers, however, is the need to ensure that the changes in the financial services sector do not reduce the amount of competition in the delivery of services. If competition is limited, then services which businesses need may no longer be available or may be available at too high a cost.

This question is particularly important for small and medium size enterprises (SME's) who

already have concerns about their access to banking services.

Essentially, many small businesses continue to feel that the Banks just don't understand how their SME's work. SME's need the banks to be flexible and supportive. How the mergers will affect this goal is a question worth answering.

What do you think? Please take a moment to answer the questions below and fax your responses back to the Chamber.

Fax Back to the Chamber at 468-7333 by Friday, May 22.

1) Are you concerned about further consolidation in the financial services sector? Yes No

Why or Why Not?

2) Do you think the Chamber should be speaking out on this issue? Yes No

Why or why not?

3) What questions do you have about the proposed mergers?

4) How will the bank mergers affect your business?

5) Do you have any other comments on this issue?

***Your responses will serve as an important guide to Chamber activity
surrounding the changes in the delivery of financial services.***