

Banks helping to cope with recession

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Re: Audit big banks to ensure fairness, March 4.

Letter-writer Duff Conacher is wrong in saying that the federal government has provided banks with "subsidies." In fact, it is purchasing healthy bank mortgages on commercial terms to ensure that credit remains available to borrowers.

And the government anticipates making \$1 billion for taxpayers from the first group of mortgages purchased in this fiscal year.

The banks are doing their part, lending money to credit-worthy businesses and individuals. Business lending by banks was up nearly 11 per cent in January 2009, compared to January 2008.

Banks in Canada have been prudent lenders, allowing them to largely avoid the financial difficulties that are plaguing banks in other countries. The strength and stability of our banking sector is vital to Canada's economic recovery.

Banking is one of the most highly-regulated industries in the country, and there are extensive consumer protection regulations around such things as access to banking services and cost of credit disclosure, all overseen by the federal consumer watchdog, the Financial Consumer Agency of Canada at the website www.fcac.gc.ca.

Banks fully disclose their service fees, interest rates and features for all products and services and encourage customers to ask questions so that they can make informed decisions: this is in the best interest of not just the customer, but the bank as well. And treating customers fairly and providing low-cost banking services is something our banks do -- it just makes good business sense in our competitive banking market.

Let's not forget the contribution that banks make in Canada; in 2007 banks paid \$8.7 billion in taxes, employed 257,000 Canadians, provided startup and growth financing to more than 1.2 million small- and medium-sized businesses and contributed 3.3 per cent to total Canadian GDP.

Most Canadians are shareholders in Canadian banks either directly or through the Canada Pension Plan, other pension funds and mutual funds. Pension funds and RRSPs are the main beneficiaries of the billions of dollars that the banks pay in dividends each year.

Nancy Hughes Anthony

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