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Canada Small Business Financing Act

Annual Report

2001-2002



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Annual Report **2001-2002**

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The Canada Small Business Financing program is a national program operating in all provinces and territories. Under the Canada Small Business Financing program, financial institutions make term loans of up to \$250 000 to small businesses to purchase land, buildings or equipment, or to improve buildings and equipment. The Government of Canada underwrites 85 percent of the net losses incurred on defaulted loans. One of the objectives of the *Canada Small Business Financing Act* is to move towards cost recovery. Revenues on loans made are expected to offset claim costs over a period of 10 years.

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Minister of Industry



Ministre de l'Industrie

Ottawa, Canada K1A 0H5

Her Excellency the Right Honourable
Adrienne Clarkson, C.C., C.M.M., C.O.M., C.D.
Governor General of Canada
Rideau Hall
1 Sussex Drive
Ottawa ON K1A 0A1

Excellency:

In accordance with section 18 of the *Canada Small Business Financing Act* (CSBFA), I have the honour to place before Your Excellency a report on the administration of the CSBFA for the 12-month period ending March 31, 2002.

The purpose of the Canada Small Business Financing (CSBF) program is to increase the availability of financing for the establishment, expansion, modernization and improvement of eligible small businesses in Canada, thus promoting business confidence and encouraging productivity and innovation. In 2001-02, there were 11 142 loans registered under the program worth approximately \$915.1 million in asset-based debt financing. The average loan size was \$82 134.

Our government is committed to helping small and medium-sized enterprises (SMEs) succeed as they are key drivers to economic growth and job creation. Start-up or new businesses continue to have difficulty in accessing the financing they need to launch or to grow. Almost half of the CSBF loans registered in 2001-02 were to start-up or new businesses. This share of the loan portfolio demonstrates the program's success in filling a significant market gap in debt financing available for SMEs. Moreover, a conservative estimate of the employment impact of the program in 2001-02 would be two jobs created for each loan registered, for a total of more than 22 000 new jobs across Canada.

Yours truly,

A handwritten signature in dark ink, appearing to read "Allan Rock".

Allan Rock

Canada

Contents

Highlights	1
Introduction	2
1. Overview of the <i>Canada Small Business Financing Act</i>	3
1.1 Goals of the Canada Small Business Financing Program	3
1.2 Major Program Parameters	3
2. Performance Review	5
2.1 Program Activity	5
2.2 Incrementality	8
2.3 Awareness Study	9
2.4 Employment Impact	9
2.5 The Crown's Maximum Potential Liability	10
2.6 Cost Recovery and Monitoring	11
3. Financial Review	12
3.1 Loans and Claims Distribution	12
3.2 Revenues and Cost Recovery	13
4. Looking Forward	16
4.1 Capital Leasing Pilot Project	16
4.2 Forecasting Model	16
4.3 Program Evaluation Framework	17
4.4 Government On-Line	17
Appendix A: <i>Canada Small Business Financing Act Tables</i>	19
Appendix B: <i>Small Business Loans Act Tables</i>	27

Highlights

Loans registered

Some 11 142 small business loans, totaling \$915.1 million, were registered under the *Canada Small Business Financing Act* (CSBFA) during 2001–02. The average loan size was \$82 134.

Loan uses

Of the \$915.1 million in loans registered under the program, 56 percent financed equipment; 23 percent financed real property or immovables; 19 percent was for leasehold improvements; while 1 percent each went to purchasing software and financing loan registration fees.

Firms using the program

Start-ups accounted for almost half of the number (47 percent) and the majority of the value (55 percent) of loans registered. By value, more than half (52 percent) of the loans went to four industry sectors: food and beverage services; retail trade; manufacturing; and transportation and warehousing. Franchise businesses accounted for 16 percent of the value of loans registered, and more than half (64 percent) of these went to food and beverage services franchises.

Employment impact

Survey results and borrower estimates have suggested that a conservative estimate of the employment impact of the program would be two jobs per loan registered. Based on this approximation, for all loans registered in 2001–02, there was a total impact of 22 284 new jobs across Canada.

Claims paid

During 2001–02, some 789 claims, totaling \$37.5 million, were paid for loans made during the three-year life of the CSBFA.

Cost recovery

Cost recovery is an important goal of the CSBFA. Since the CSBFA was enacted only three years ago, sufficient data are just now becoming available to assess its ability to achieve cost recovery. Industry Canada will report on this issue more fully in its annual report on the program next year.

Capital Leasing Pilot Project

The Capital Leasing Pilot Project (CLPP) was developed for launch on April 1, 2002. The purpose of this five-year project is to determine the effectiveness of the Canada Small Business Financing loss-sharing program in helping small and medium-sized enterprises in Canada access lease financing to innovate, modernize and grow.

Introduction

The *Canada Small Business Financing Act* (CSBFA) facilitates asset-based debt financing of up to \$250 000 for small and medium-sized enterprises (SMEs) in Canada with revenues of up to \$5 million per year. The purpose of the program is to improve access to financing for the establishment, expansion, modernization and improvement of small businesses. It is not available for inventory or accounts receivable financing, farming, most rental operations, real estate for resale, or charitable institutions. The assets financed must be used to carry on business in Canada.

Industry Canada administers the Canada Small Business Financing (CSBF) program through a network of about 1700 private sector lenders through some 15 400 points of service in all provinces and territories. The lenders, while acting with due diligence, are responsible for all credit decisions, making the loans and registering them with Industry Canada. Lenders are also responsible for registering security and, when necessary, realizing the security, in accordance with the CSBFA and its regulations. The Government of Canada underwrites 85 percent of lenders' eligible net losses on defaulted loans registered under the program. In addition, there is a cap on claims paid to any particular lender that effectively limits the Crown's exposure to high volume lenders to 10.6 percent of the value of loans registered by that lender.

The CSBFA was enacted in 1999 to build on the success of the *Small Business Loans Act* (SBLA). Over the past three years, it has facilitated access to about \$3.4 billion in financing through some 42 583 loans. The CSBFA goals and parameters closely parallel those of the SBLA, but provisions have been incorporated to streamline loan administration and strengthen the program's ability to move towards cost recovery.

Industry Canada performs the following functions in relation to the administration of the CSBF program. It:

- registers loans made by lenders under the CSBFA;
- collects loan registration fees and annual administration fees from lenders;
- provides lenders with guidelines for interpreting the CSBFA and its regulations;
- verifies claims made by lenders for payment on losses;
- audits lenders' active CSBF loan files as provided under the CSBFA;
- collects and publishes detailed statistics on program lending, performance and related matters in its annual reports; and
- monitors the program on an ongoing basis and performs regular evaluations.

1. Overview of the *Canada Small Business Financing Act*

1.1 Goals of the Canada Small Business Financing Program

The CSBF program is evaluated on its ability to achieve two goals:

- **Incrementality:** The program's effectiveness in extending financing that would have been otherwise unavailable to SMEs, or only available under less attractive conditions. Attractiveness refers not only to formal loan terms (interest rate, term, security arrangements, etc.), but also to such factors as timeliness, a better lender-borrower working relationship, and the availability of a wider range of financial services to SMEs.
- **Cost recovery:** The ability of the program's revenues to offset its associated cost of claims. Cost recovery is measured by comparing the fee revenues generated by a cohort of loans made in a given year to the total claims paid for losses on those loans over their term, up to a maximum of 10 years. Operating costs associated with the administration of the program are not cost-recovered.

These goals must be kept in balance. As incrementality increases, so usually does the loan portfolio's potential for default, thereby potentially impacting cost recovery. Industry Canada is aware of this need for balance, and of the need to monitor performance constantly and to recommend any adjustments needed to achieve an optimal level of incrementality, while ensuring the program continues to pursue cost recovery.

1.2 Major Program Parameters

The CSBF program operates according to the following major parameters:

- **Loan loss sharing ratio:** The government shares in net losses after recoveries on security. The government's share of eligible losses for loans in default is 85 percent. Lenders are responsible for the remaining 15 percent.
- **Cap on claims:** Each lender has a separate account for loans registered under the program. The government's aggregate obligation to an individual lender is to pay eligible claims (i.e. 85 percent of the eligible losses, as mentioned above) on defaulted loans up to a maximum of the aggregate of 90 percent of the first \$250 000 in loans registered, 50 percent of the next \$250 000, and 10 percent of all remaining loans.
- **Loan uses:** CSBF loans are restricted to the purchase of equipment, real property or immovables, and leasehold improvements; the improvement of real property and equipment; and the financing of program registration fees.
- **Percentage of asset cost accepted for financing:** The maximum available amount of CSBFA financing under the program is 90 percent of the eligible cost of the assets.
- **Fees:** The borrower pays a one-time, up-front fee of 2 percent of the amount of the asset financed. This fee can be included in the CSBF loan. The lender is charged an annual administration fee of

1.25 percent of outstanding loan amounts during the term. Lenders are allowed to pass this on to the borrowers only as part of the interest rate charged on the loan.

- **Maximum interest rate:** Lenders may not charge interest in excess of 3 percent above the prime lending rate for floating rate loans, or above the residential mortgage rate for the same term in the case of fixed rate loans. Most of the loans registered in 2001–02 were floating rate loans.

- **Maximum loan size:** A borrower cannot have more than \$250 000 in total loans outstanding under the CSBFA and the SBLA.

- **Length of loan term:** The maximum term for any loan is 10 years from the date the first principal payment is scheduled to be paid.

2. Performance Review

2.1 Program Activity

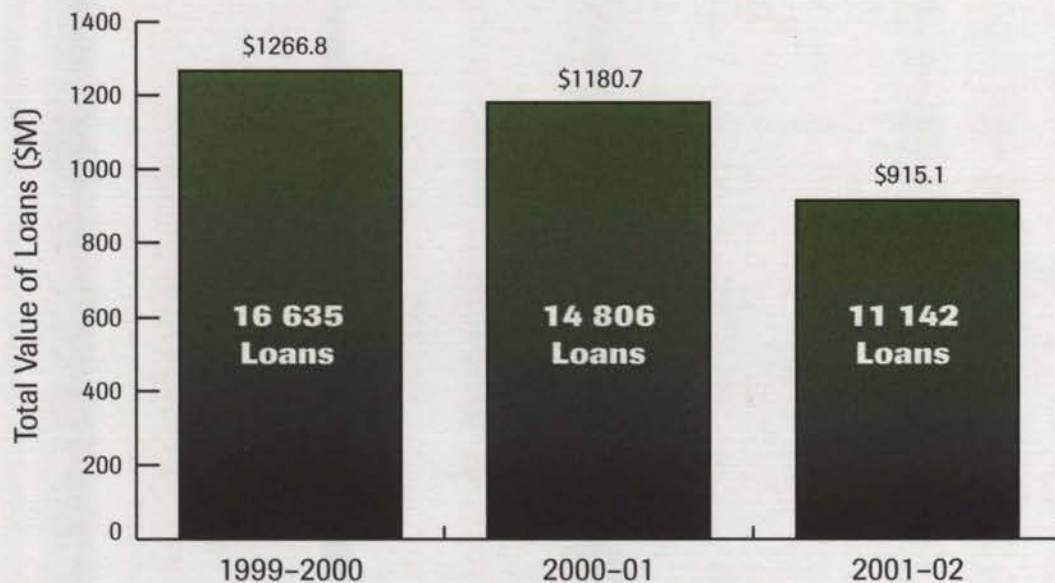
Some 11 142 loans, worth a total of \$915.1 million, were registered¹ under the CSBF program in 2001-02 (see Figure 1). This represented a decrease of about 25 percent by number and 22 percent by value from the previous year. The average loan size in 2001-02 was \$82 134, an increase of 3 percent over the previous year.

Since 1999, the number of loans registered under the CSBF program has declined by 33 percent, while the total value of loans decreased by 28 percent. The decline is reflected in all sizes and ages of borrower firms. In 2001, Industry Canada commissioned a qualitative research study by means of interviews with representatives of financial

institutions in order to better understand the decline in the use of *Canada Small Business Financing Act* (CSBFA) loans. The researchers obtained feedback on possible factors contributing to the decline in the use of these loans, such as administrative requirements. They also identified general trends in lending practices such as increased use of credit cards, increased use of leasing and a greater range of financing products.

The decline in the use of the program between 1999 and 2001 coincided with good economic conditions and an increase in the financial health of businesses, and as such, may not necessarily be a negative development. Under these conditions, small firms may not have had to borrow as much

Figure 1: Number and Value of CSBF Loans, 1999-2002



For more detailed information, see Appendix A, Table I.

1. In order to better reflect actual loan activity in a given fiscal year, loan registration data have been used. "Loans registered" refers to the date when Industry Canada registers the loans, which is usually within three months of the date on which the loans are made.

money, or may have been in a position to qualify for non-CSBF loans. It is interesting to note that Canadian Federation of Independent Business surveys have found an overall declining trend in borrowing by SMEs in this period.

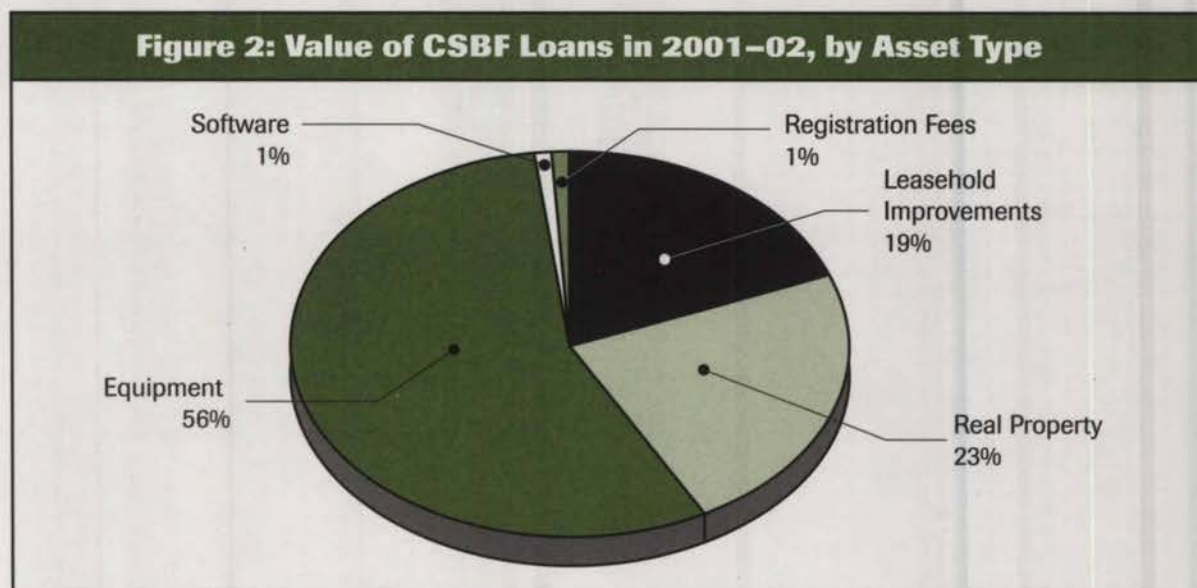
A more complete picture of factors affecting loan volume will be available through the work of the SME Financing Data Initiative (SME FDI), to which Industry Canada is a contributor. This initiative aims to develop a comprehensive picture of both supply (providers of financing) and demand (users of financing) through regular surveys of these groups. It is described more fully in section 2.2 of this report.

Loan uses

CSBF loans registered in 2001–02 were used for the following purposes (see Figure 2):

- equipment purchase, installation, renovation, improvement and/or modernization accounted for \$508 million (56 percent of the total 2001–02 financing);
- real property renovations, improvements, modernization, construction and/or purchase of real property accounted for \$211.5 million (23 percent);
- leasehold improvements by tenants accounted for \$176 million (19 percent);
- software acquisition accounted for \$10.3 million (1 percent); and
- loan registration fees represented \$9.2 million (1 percent).

The distribution of total loan value by asset type in 2001–02 was fairly consistent with the three-year average. There has been a slight year-over-year decrease in equipment-related loans, offset by a slight increase in loans related to leasehold improvements and real property.



For more detailed information, see Appendix A, Table II.

Lending by province and territory

In 2001–02, the CSBF program facilitated access to financing by SMEs in all provinces and territories (see Table 1). However, most of the loan activity took place in Quebec and Ontario:

- Quebec accounted for the most loans in number (39 percent) and in value (33 percent) for the 2001–02 period, as well as for the three-year period 1999–2002 (37 percent and 32 percent respectively).
- Ontario accounted for the second-largest number and value of loans (24 percent

and 30 percent respectively) for the 2001–02 period and for the 1999–2002 period (26 percent and 32 percent respectively).

- Together, Quebec and Ontario (which have about 56 percent of Canadian SMEs) accounted for 63 percent of loans and loan value for both the 2001–02 and 1999–2002 periods.

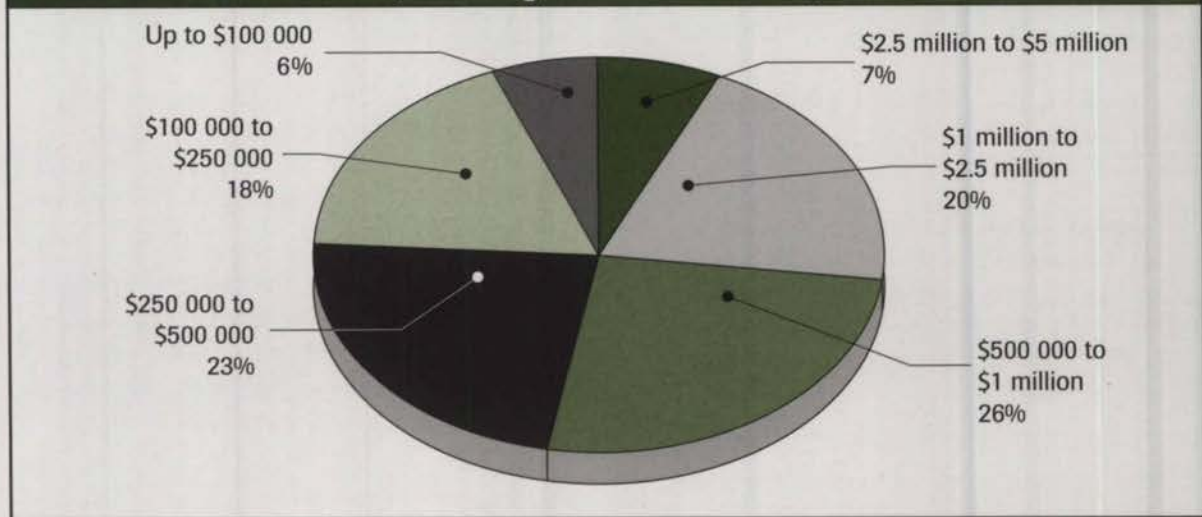
It should be noted that the CSBF program does not target any region, province or territory. The CSBF program is demand driven. Variations in its use reflect choices made by lenders and borrowers across the country.

Table 1: CSBF Loans Registered, by Province and Territory

Province/Territory	April 1, 2001, to March 31, 2002				April 1, 1999, to March 31, 2002			
	Number	Percent of number	Value (\$000)	Percent of value	Number	Percent of number	Value (\$000)	Percent of value
Newfoundland and Labrador	263	2	19 115.0	2	946	2	70 246.3	2
Prince Edward Island	65	1	5 986.1	1	269	1	20 234.4	1
Nova Scotia	454	4	38 015.5	4	1 630	4	123 738.0	4
New Brunswick	331	3	27 117.3	3	1 359	3	107 095.7	3
Quebec	4 321	39	304 992.5	33	15 698	37	1 064 663.8	32
Ontario	2 724	24	275 165.7	30	11 177	26	1 060 331.5	32
Manitoba	363	3	28 790.4	3	1 411	3	105 104.7	3
Saskatchewan	486	4	32 621.5	4	1 932	5	128 038.6	4
Alberta	1 159	10	100 193.1	11	4 549	11	389 098.9	12
British Columbia	949	9	80 140.6	9	3 506	8	284 678.1	8
Yukon	9	0	1 070.9	0	40	0	3 470.1	0
Northwest Territories	18	0	1 932.0	0	62	0	5 486.5	0
Nunavut	-	-	-	-	4	0	431.0	0
Total*	11 142	100	915 140.6	100	42 583	100	3 362 617.6	100

*Details may not add up to totals because of rounding.

**Figure 3: Value of CSBF Loans in 2001–02, by Borrower Firm Size
(According to Annual Revenues)**



For more detailed information, see Appendix A, Table III.

Lending by firm size, industry sector, and type of operation

As part of the registration process, Industry Canada requires lenders to provide information on borrowers, including their size by annual revenues, the industry sector in which they operate, and the type of operation (franchise or non-franchise). Based on this information, the distribution of firms obtaining financing in 2001–02 showed the following patterns:

- Firms with revenues between \$100 000 and \$2.5 million accounted for 84 percent by number and 87 percent by value of loans registered (see Figure 3). This distribution has remained relatively stable over the program's three-year activity.
- Four industry sectors — food and beverage services; retail trade; manufacturing; and transportation and warehousing — accounted for 49 percent by number and 52 percent by value of loans registered, down slightly from the 1999–2002 average of 53 percent and

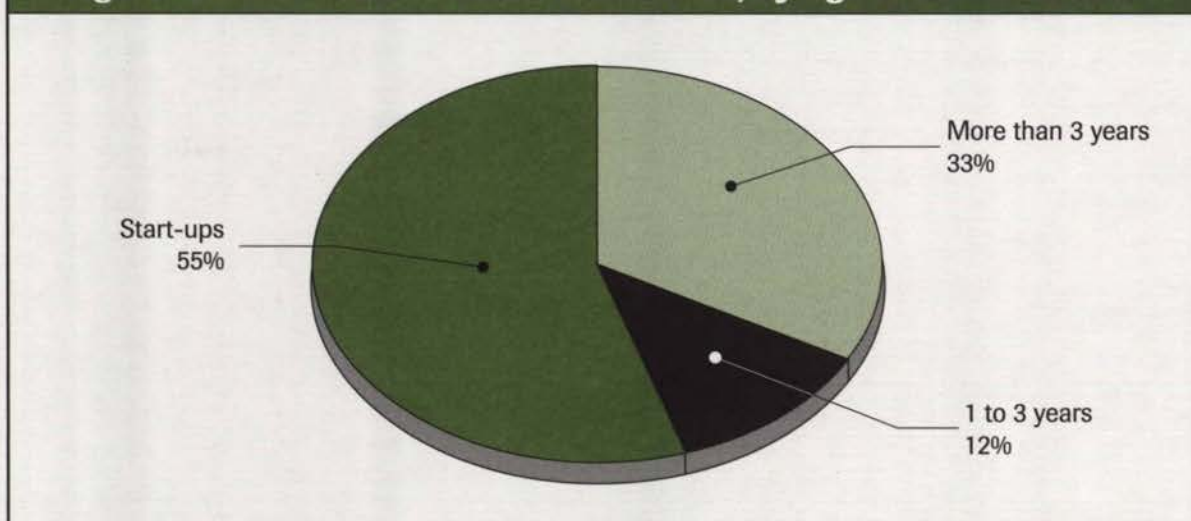
56 percent, respectively. (For more detailed information by industry sector, see Appendix A, Table IV.)

- By type of operation (franchises vs. non-franchises), franchise businesses accounted for 11 percent by number and 16 percent by value of loans registered, in line with the 1999–2002 averages of 11 percent by number and 15 percent by value. (For more detailed information by type of operation, see Appendix A, Table V.)

2.2 Incrementality

The CSBF program is measured in part by its effectiveness in extending financing that would have been otherwise unavailable to SMEs, or only available under less attractive conditions. One important indicator of incrementality is the number of start-ups that use the CSBF program, since new businesses report the greatest difficulty in accessing capital. In 2001–02, start-ups accounted for 55 percent of loans by value (see Figure 4), down slightly from the 1999–2002 average of 57 percent. The average size of loan to a

Figure 4: Value of CSBF Loans in 2001–02, by Age of Borrower Firm



For more detailed information, see Appendix A, Table VI.

start-up in 2001–02 was \$95 600, higher than the average of \$82 134 for all borrower firm age groups combined.

To assess all aspects of incrementality and develop appropriate responses, Industry Canada has undertaken efforts aimed at better understanding the evolving financing needs of SMEs.

SME Financing Data Initiative

Industry Canada is a partner in the SME FDI, the first large-scale effort to probe the complexities of SME financing in Canada. The goal of the SME FDI is to provide consistent, comprehensive and impartial SME finance data collection and analysis. Surveys under the initiative will offer the potential to assess directly the extent to which capital markets may be failing to meet the demand for SME financing. Examples of SME FDI information that helps in this assessment and, consequently, in measuring the ongoing relevance of the CSBF program, include numbers and profiles of SMEs seeking debt financing, the types of institutions that are approached, and the

types of debt instruments SMEs request. More information on the SME FDI can be found at <http://strategis.gc.ca/FDI>

2.3 Awareness Study

In 2001, Industry Canada commissioned a study of SMEs to better understand the levels of awareness of the CSBF program among both the general business population and CSBF clients. Following an analysis of the study findings, the Department developed a communications plan to better ensure that SMEs are aware of the CSBF program as a financing option. The study results will be used as a benchmark for future studies. The full text of the study can be found at <http://strategis.gc.ca/SSG/rd00444e.html>

2.4 Employment Impact

Borrowers in 2001–02 estimated that the CSBF loans they were obtaining would allow them to create 33 584 new jobs, equivalent to three new jobs per loan registered. This is a decrease of 32 percent from the 49 425 new jobs reported by borrowers in 2000–01.

Much of this is the result of the decrease in the number of loans registered.

While information is collected on the borrowers' estimates of jobs created by the loans, it must be recognized that the overall impact of the program is also affected by factors such as the following:

- Job displacement may take place within the firm as a result of the loan. For example, the purchase of a new machine may result in the loss of jobs for some workers. However, there may be benefits as well, as the initial CSBF loan may spark further growth in the firm.
- Job displacement may occur in other firms (competitors, clients or suppliers) as a result of the loan. For example, the expansion of one firm may result in the diminution of another, or the decision of a firm to produce some inputs on its own may result in job losses at a supplier. Again, there are potential positive consequences too, as a growing firm may generate new jobs for suppliers or clients.
- Firms usually receive funding from a number of sources, so it is difficult to attribute causality for job creation to one element, like the CSBFA, alone.

In assessing the program's job creation impact, the borrowers' estimates alone are not sufficient to make any firm conclusions. As a result, in 2002, Industry Canada commissioned a study to compare the projections made by borrowers against actual results. The study was done by surveying borrowers one or two years after they had received their CSBF loans. While the factors listed above were included in the survey design, borrowers were not in a position to give definitive answers about impacts felt outside of their respective firms.

What the survey did find was that borrowers' initial projections about the impacts within their own firms were borne

out. They reported that, on average, about three jobs were created as a result of the loans they received. They also reported the creation of a significant number of part-time jobs, which is something that earlier program evaluations did not take into account.

Recognizing that the survey has added to our knowledge about the impact of the program, but does not deal definitively with all of its possible consequences, it has been suggested that a conservative approximation of the impact of the program in 2001-02 would be two jobs per loan registered, or 22 284 new jobs in total across Canada.

The study will be used as a benchmark for future studies, which will include improvements to the study methodology where possible. Employment impact results will be incorporated into the evaluation of the CSBF program.

The full report of the study can be found at <http://strategis.gc.ca/SSG/rd00227e.html>

2.5 The Crown's Maximum Potential Liability

As the CSBFA is a demand-driven program, measures are in place to ensure that its use remains within the parameters set by Parliament. Included in the Act is a stipulation that imposes a liability ceiling for each of the program's five-year periods. The Crown cannot make any payments under the program once the liability ceiling is reached, unless Parliament decides to extend the program. This liability ceiling functions as a control mechanism for the program.

For the current five-year period, which runs between April 1, 1999, and March 31, 2004, the Crown's calculated maximum potential liability has reached \$529.1 million, with respect to the \$3.4 billion in loans that have been registered as at March 31, 2002. This is well below the liability ceiling of \$1.5 billion established in the Act. Based on activity to

date and projections for future activity, it is not expected that the liability ceiling will be hit during the current period.

It should be stressed that the Crown's maximum potential liability is a control feature for the program and not a true measure of the Crown's potential exposure to loss. The maximum potential liability is calculated by assuming that every loan made under the program defaults at the time the loan is made and that there are no recoveries. That is, the calculation assumes the Crown would pay the maximum claim to each lender based on the size of the loan registered. In addition, the maximum potential liability is not adjusted for loans that are paid off by borrowers: the figure increases each time a loan is registered, but is never adjusted downwards as loans are repaid or as claims are settled. Finally, the maximum potential liability calculation does not take into account the registration and administration fees that the program collects.

The concept of maximum potential liability is a useful control mechanism, but does not reflect the reality of the program. In recent years, more than 92 percent of loans made under the program have been fully repaid. When a default occurs, there have usually been significant repayments made by the borrower and lenders are able to realize security, which lowers the claim paid by the government. The CSBF program is also designed for cost recovery over time, through the collection of registration and annual administration fees.

2.6 Cost Recovery and Monitoring

One of the goals of the CSBF program is to operate on a cost-recovery basis. This means that, for the portfolio of loans made in a given year, the registration and administration fees collected over the term of the loans (a maximum of 10 years) should offset the cost of eligible claims paid by the government on these loans.

Since the SBL program was not expected to achieve cost recovery for loans made between 1995 and 1999, several new provisions aimed at improving the program's ability to meet the goal of cost recovery were incorporated into the CSBFA. These measures include tightened due diligence requirements for lenders, an interim claims procedure, a reduced time period over which interest is paid to lenders on claims, quarterly payment of administration fees, and provisions to audit lenders' loan files.

The evaluation of how successful these measures have been in achieving cost recovery is complicated by the timing of revenues and expenses on any given year's loans. Registration fees are collected up front, and administration fees are collected over the term of the loans, while claims are paid several months after the loans have defaulted. Independent experts reviewing the loan portfolio have noted that only once the CSBF program has been in operation for three years will sufficient data be available to assess its ability to achieve cost recovery. Beginning in the 2002-03 fiscal year, Industry Canada will have the necessary data to do this assessment.

3. Financial Review

Revenues on CSBF program loans are collected when the loan is registered and every year during its term, which can be up to 10 years. Loans may default at any time during their term. Given this pattern of revenues and costs, this chapter includes claim and revenue information for CSBF loans registered since the program began on April 1, 1999.

In addition to its loan registration activity, Industry Canada processed 840 claims (789 paid, 51 rejected) for losses under the CSBF program, and 2908 claims (2660 paid, 248 rejected) relating to SBLA loans, in 2001–02. The average time to process a lender's claim was 31 days for CSBF loans and 36 days for SBLA loans. Claims processing has improved significantly since the benchmark year of 1996–97, when the average claim took 69 days to process. (For additional financial information relating to the SBLA program, please refer to Appendix B.)

3.1 Loans and Claims Distribution

Since April 1, 1999, 42 583 loans totaling \$3.36 billion were registered under the CSBF program. In 2001–02, 789 claims, totaling \$37.5 million, were paid on CSBF loans, for an average of \$47 500 per claim. About 1038 claims have been paid on CSBF loans since April 1, 1999, for a total value of \$48.8 million and an average claim size of about \$47 000. (For more detailed information, see Appendix A, Table I.)

Since 1999, borrowers have been asked to provide the following data through the loans registration process:

- firm size by annual revenues;
- industry sector; and

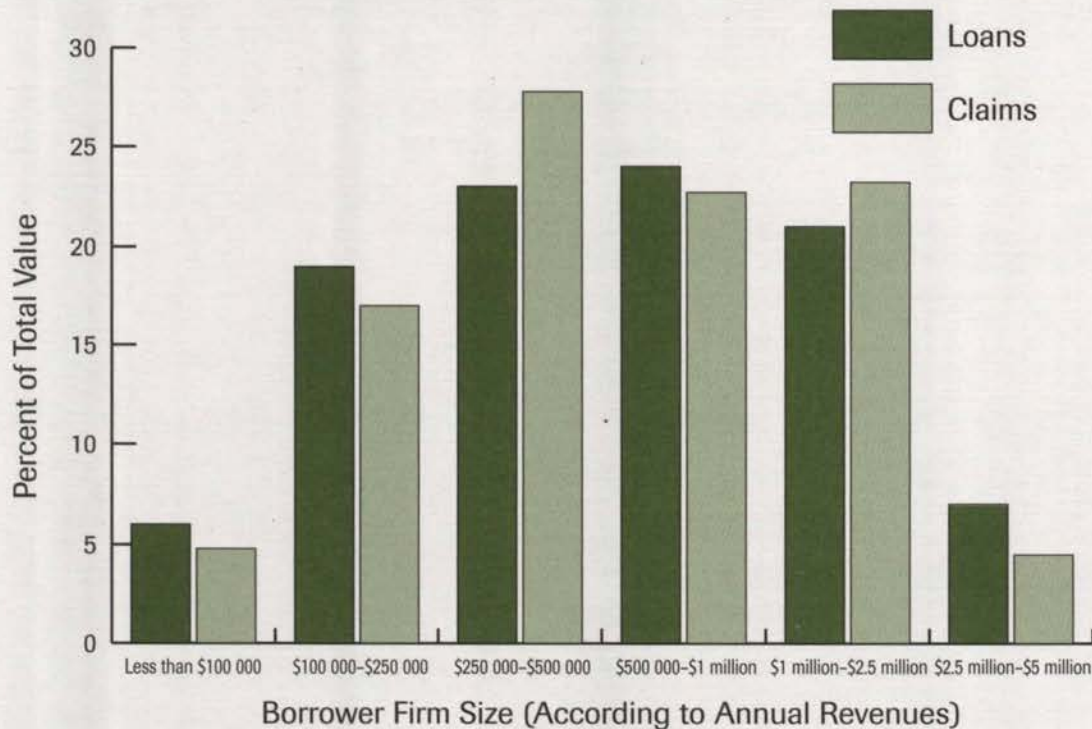
- type of operation (franchise or non-franchise).

Over time, analysis of these data will let Industry Canada report more detailed breakdowns of loans and claims than before. The information also has the potential to strengthen the program's claims forecasting model, permitting it to correlate claims experiences with borrower characteristics to assess the risks associated with similar loan categories in the CSBF portfolio.

In reading the loans and claims distribution figures and tables, it is important to remember that the data have been collected for only three years and that trends are not well established. However, the following trends have been observed for the period between April 1, 1999, and March 31, 2002:

- When comparing loans and claims by borrower firm size (measured by annual revenues), percentages of claims for each group correspond fairly closely to percentages of loans by value (see Figure 5).
- Four industry sectors account for 57 percent of the total loans by value and 70 percent of the claims by value (see Figure 6 on page 14): food and beverage services (21 percent of loans, 31 percent of claims); retail trade (15 percent of loans, 19 percent of claims); manufacturing (11 percent of loans, 16 percent of claims); and transportation and warehousing (10 percent of loans, 4 percent of claims).
- Start-ups account for a significantly higher percentage of claims (84 percent) than loans by value (57 percent), compared to firms that are at least one year old (see Figure 7 on page 15). Although start-ups account for a

Figure 5: Percent of Total Value of CSBF Loans and Claims, by Borrower Firm Size (According to Annual Revenues), 1999–2002



For more detailed information, see Appendix A, Table III.

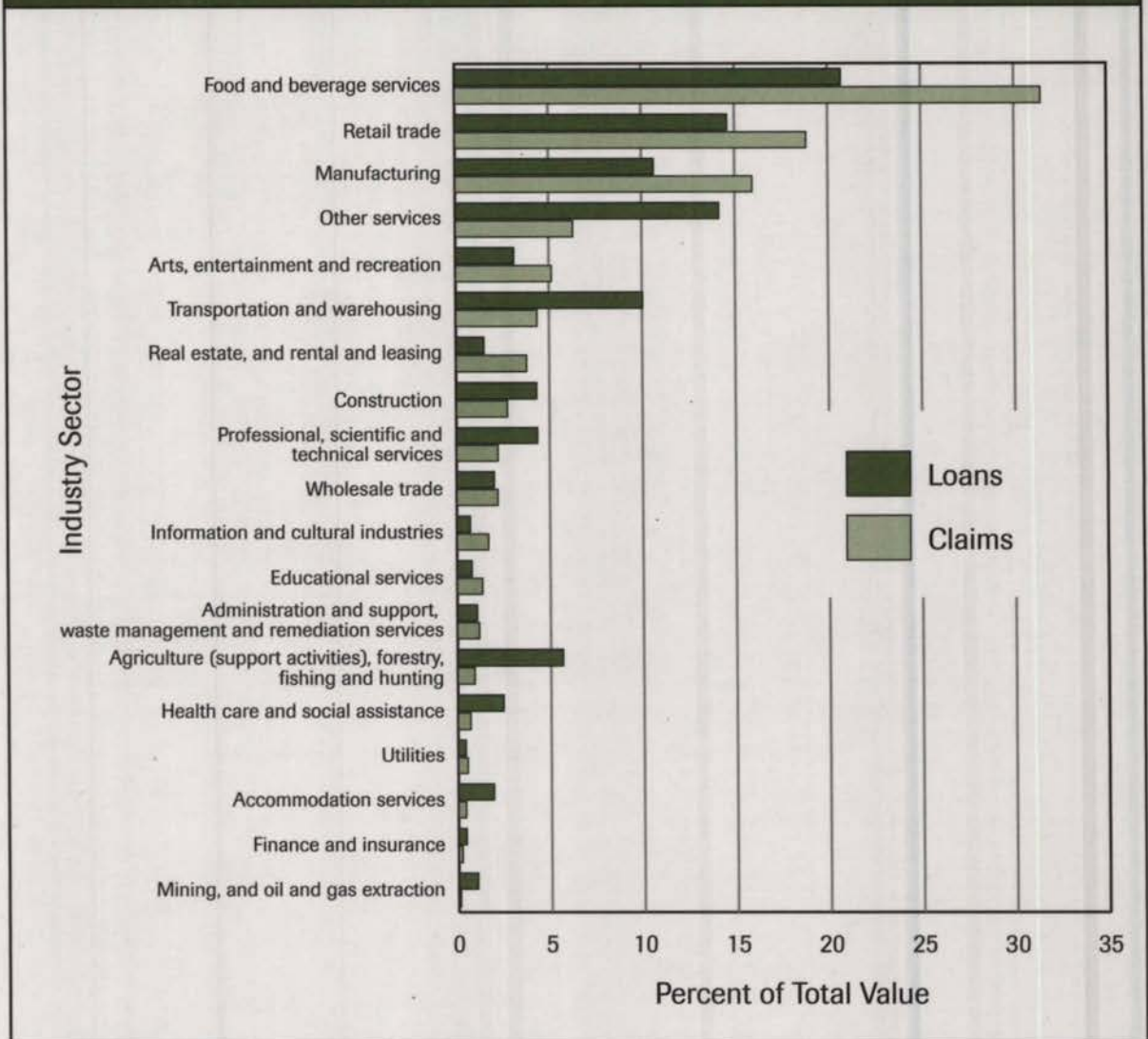
disproportionate share of the claims, they are one of the program's target clients since they are recognized as having particular difficulties in accessing the financing they need to grow.

3.2 Revenues and Cost Recovery

Program revenues in 2001–02 amounted to \$42.6 million, consisting of \$18 million in registration fees and \$24.6 million in administration fees. Claims paid amounted to \$37.5 million. The overall net result was a positive balance of \$5 million for the year on a cash basis.

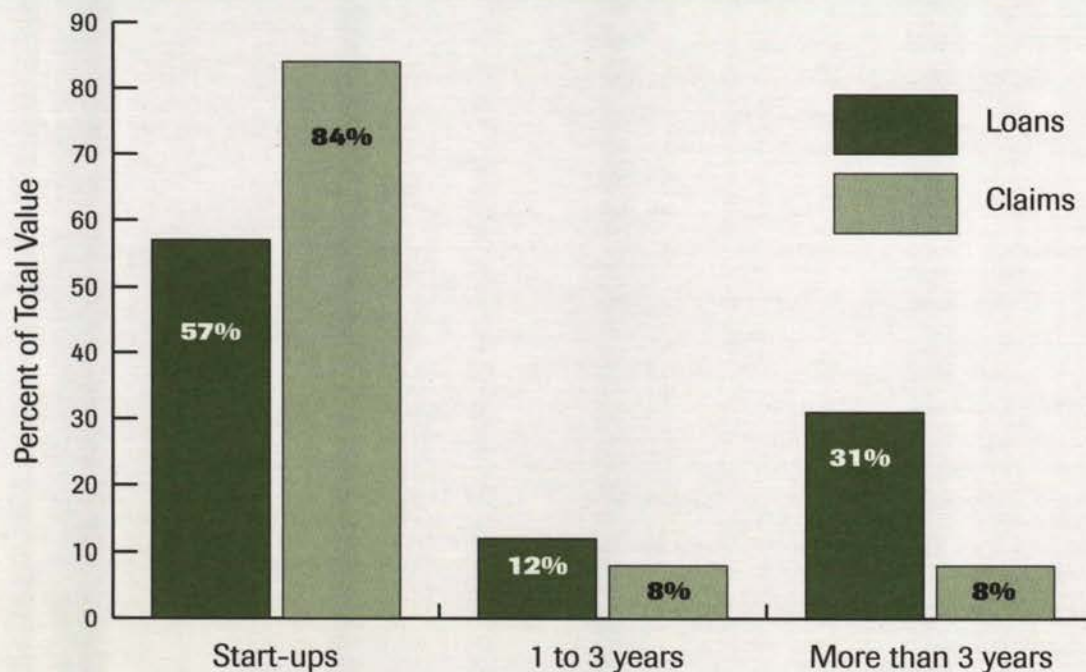
For the April 1, 1999, to March 31, 2002, period, registration and administration revenues totaled \$111.8 million, whereas total net claims paid for the same period totaled \$48.8 million (see Table 2 on page 15). This suggests that, in the CSBF program's first three years, on \$3.4 billion of registered loans revenues exceeded costs by \$63.1 million. Historical trends suggest that revenues tend to exceed costs early in the period, however costs tend to exceed revenues in the latter part of the period. Thus, given the limited amount of data available at this point in time, Industry Canada will be in a better position next year to evaluate the ability of the CSBF program to achieve cost recovery.

**Figure 6: Total Value of CSBF Loans and Claims,
by Industry Sector, 1999–2002**



For more detailed information, see Appendix A, Table IV.

**Figure 7: Total Value of CSBF Loans and Claims,
by Age of Borrower Firm, 1999–2002**



For more detailed information, see Appendix A, Table VI.

**Table 2: Revenues and Expenses Related to CSBF Loans
from April 1, 1999, to March 31, 2002**

	(\$000)
Revenues	
Registration fees	66 577.8
Administration fees	45 240.3
Total revenues	111 818.1
Expenses	
Claims paid	(48 790.7)
Claims recovered	38.6
Total expenses*	(48 752.0)
Total revenues less total expenses	63 066.1

*Details may not add up to totals because of rounding.

For more detailed information, see Appendix A, Table VII.

4. Looking Forward

Investment in small and young businesses remains an important element of the federal government's agenda for Canada's economic growth and prosperity. Financial institutions and the federal government alike continue to innovate in the area of small business financing, with new products, new services and new delivery modes. The CSBF program complements these initiatives.

Industry Canada has several projects under way to ensure that the CSBF program continues to meet the evolving financing needs of SMEs, and to improve its ability to monitor and assess the operational and financial performance of the program. A number of these initiatives are described below.

4.1 Capital Leasing Pilot Project

The CSBFA contains provisions for a pilot project to extend the CSBF program guarantee to capital leasing. In 2002, the Capital Leasing Pilot Project (CLPP) will test the feasibility and utility of a loss-sharing program in addressing gaps in the capital lease financing market, particularly for small and young companies. The five-year pilot project will be managed by Industry Canada through lessors, some of whom are also lenders under the loan program.

The CLPP operates within parameters similar to those for the loan program. Maximum lease size, firm eligibility, maximum term, registration and administration fees, due diligence requirements, and government loss-sharing provisions are all the same. Significant differences include the following:

- eligible assets are limited to new and used equipment;
- the amount of asset value accepted for CLPP lease financing is 100 percent; and

- the maximum interest rate on CLPP leases is the Government of Canada bond interest rate for the lease period plus a maximum of 13.25 percent.

Risk management features of the CLPP include the following:

- CLPP leases are combined with SBLA/CSBFA loans for purposes of the \$250 000 maximum financing available to a single borrower;
- lessors must meet specified criteria in order to be designated by the Minister of Industry;
- the cap on claims by individual lessors is based on the same formula as that used for loan portfolios, except for securitized leases, which are capped at 10 percent; and
- the Crown's maximum liability for the CLPP is \$400 million, and is calculated in the same manner as for the CSBF loans program.

Preparations for the CLPP launch included consulting with the leasing community, developing regulations and administrative procedures, and developing and presenting a series of awareness-building and educational seminars to lessors across Canada. The CLPP will be evaluated on incrementality and cost recovery. More information on the CLPP is available at <http://strategis.gc.ca/SSG/la01144e.html>

4.2 Forecasting Model

Since 1995, Industry Canada has used a forecasting model that uses historical loan data to estimate the total claims that will be paid on the cohort of loans made in each fiscal year. By adding together actual and projected claims percentages for all loan cohorts, the Department aims to calculate the total estimated costs for the program.

The forecasting model has been modified to anticipate the effects of provisions introduced with the CSBF program, but Industry Canada recognizes that further adjustments will be required as the actual impacts of these new provisions become clear. Research has indicated that a minimum of three years of data will be required for meaningful analysis and projection of future claims experience. This analysis will be conducted during the 2002-03 fiscal year and used to refine and improve the forecasting model. Additional refinements are anticipated as data from future years become available.

4.3 Program Evaluation Framework

The CSBF program undergoes a legislated program review every five years, in consultation with Parliament. The next review report must be tabled in Parliament within 12 months of March 31, 2004. The review will determine if the program is meeting its goals of cost recovery and incrementality, and will assess whether changes to the program are necessary.

Industry Canada has established an evaluation framework to provide results-based monitoring of program activities. Ongoing program evaluation will benefit from the availability of the more complete loans and claims information now being collected, improved collection of data on internal operations, and the results of the SME FDI.

4.4 Government On-Line

Government On-Line (GOL) is the Government of Canada's commitment to deliver programs and services via the Internet. It is expected that, by 2005, Canadians will be able to request and receive all key federal services through secure, interactive and timely on-line transactions.

Industry Canada commissioned a study in 2001 to determine the feasibility of applying e-commerce processes to the CSBF program. Through extensive consultations with various stakeholders and experts within Industry Canada and related government departments, the report determined how the CSBF program could fulfil the objectives of the GOL initiative.

During the current fiscal year, Industry Canada will examine the results of an e-commerce test project conducted by the *Farm Improvement and Marketing Cooperatives Loans Act* (FIMCLA) program administration. Because the FIMCLA loan program closely parallels the CSBF program, its e-commerce test with lenders will provide valuable insights for the CSBF program.

Appendix A

Canada Small Business Financing Act Tables



Table I: Summary of Financial Activities per Fiscal Year, CSBF Program

Fiscal year	Loans			Revenues			Costs				Net
	Number	Value (\$000)	Average (\$000)	Registration fees (\$000)	Admin. fees (\$000)	Total revenues (\$000)	Number of claims	Claims paid (\$000)	Claims recovered (\$000)	Net claims paid (\$000)	Revenues less costs* (\$000)
1999-2000	16 635	1 266 757.4	76.2	25 237.4	-	25 237.4	12	323.5	-	323.5	24 914.0
2000-01	14 806	1 180 719.6	79.7	23 378.3	20 651.4	44 029.7	237	10 956.3	(2.3)	10 954.1	33 075.6
2001-02	11 142	915 140.6	82.1	17 962.1	24 588.9	42 551.0	789	37 510.9	(36.4)	37 474.5	5 076.5
Total*	42 583	3 362 617.6	79.0	66 577.8	45 240.3	111 818.1	1 038	48 790.7	(38.6)	48 752.0	63 066.1

*Details may not add up to totals because of rounding.

Table II: Number and Value of Loans Registered, by Asset Type, CSBF Program, 1999-2002

Asset type	Loans Registered				
	Fiscal year	Number*	Value (\$000)	Percent of value	Average (\$000)
Equipment	1999-2000	13 018	774 691.5	61	59.5
	2000-01	11 407	694 983.0	59	60.9
	2001-02	8 352	508 031.9	56	60.8
Leasehold improvements	1999-2000	3 966	198 620.9	16	50.1
	2000-01	3 940	213 456.4	18	54.2
	2001-02	3 140	176 010.5	19	56.1
Real property	1999-2000	3 106	268 634.0	21	86.5
	2000-01	2 790	248 701.9	21	89.1
	2001-02	2 344	211 534.7	23	90.2
Software	1999-2000	725	12 218.6	1	16.9
	2000-01	587	11 790.7	1	20.1
	2001-02	425	10 322.8	1	24.3
Registration fees**	1999-2000	8 909	12 592.3	1	1.4
	2000-01	8 113	11 787.7	1	1.5
	2001-02	6 215	9 240.7	1	1.5
Total***	1999-2000	16 635	1 266 757.4	100	76.2
	2000-01	14 806	1 180 719.6	100	79.7
	2001-02	11 142	915 140.6	100	82.1

*Total numbers may not add up given each loan registered may be used to finance more than one asset type.

**Registration fees may also be financed with the loan.

***Details may not add up to totals because of rounding.

Table III: Loans and Claims, by Borrower Firm Size (Annual Revenues), CSBF Program, 1999-2002

Borrower firm size (Annual revenues)	Fiscal year	Loans				Claims			
		Number	Value (\$000)	Percent of value	Average (\$000)	Number	Value (\$000)	Percent of value	Average (\$000)
\$0-\$100 000	1999-2000	1 911	75 887.8	6	39.7	-	-	-	-
	2000-01	1 563	69 855.7	6	44.7	31	434.4	4	14.0
	2001-02	1 173	51 481.5	6	43.9	80	1 906.0	5	23.8
\$100 001-\$250 000	1999-2000	4 424	268 113.2	21	60.6	5	101.5	31	20.3
	2000-01	3 619	217 483.6	18	60.1	68	1 983.9	18	29.2
	2001-02	2 703	165 629.7	18	61.3	216	6 205.6	17	28.7
\$250 001-\$500 000	1999-2000	3 858	292 193.2	23	75.7	7	221.9	69	31.7
	2000-01	3 540	279 038.7	24	78.8	62	3 302.2	30	53.3
	2001-02	2 587	205 948.3	23	79.6	213	10 055.5	27	47.2
\$500 001-\$1 000 000	1999-2000	3 219	294 085.6	23	91.4	-	-	-	-
	2000-01	3 046	278 076.2	24	91.3	46	2 649.9	24	57.6
	2001-02	2 353	234 046.2	26	99.5	144	8 412.5	22	58.4
\$1 000 001-\$2 500 000	1999-2000	2 500	252 383.1	20	101.0	-	-	-	-
	2000-01	2 312	248 097.4	21	107.3	24	1 999.7	18	83.3
	2001-02	1 742	187 440.0	20	107.6	113	9 295.7	25	82.3
\$2 500 001-\$5 000 000	1999-2000	723	84 094.5	7	116.3	-	-	-	-
	2000-01	726	88 168.0	7	121.4	6	586.2	5	97.7
	2001-02	584	70 594.9	8	120.9	23	1 635.6	4	71.1
Total*	1999-2000	16 635	1 266 757.4	100	76.2	12	323.5	100	27.0
	2000-01	14 806	1 180 719.6	100	79.7	237	10 956.3	100	46.2
	2001-02	11 142	915 140.6	100	82.1	789	37 510.9	100	47.5

*Details may not add up to totals because of rounding.

Table IV: Loans and Claims, by Industry Sector, CSBF Program, 1999-2002

Industry sector	Fiscal year	Loans				Claims			
		Number	Value (\$000)	Percent of value	Average (\$000)	Number	Value (\$000)	Percent of value	Average (\$000)
Accommodation services	1999-2000	222	24 103.9	2	108.6	-	-	-	-
	2000-01	193	20 104.5	2	104.2	1	60.5	1	60.5
	2001-02	165	20 025.6	2	121.4	4	140.6	0	35.2
Administration and support, waste management and remediation services	1999-2000	368	18 808.0	1	51.1	-	-	-	-
	2000-01	184	12 103.7	1	65.8	2	140.4	1	70.2
	2001-02	69	4 738.5	1	68.7	11	428.6	1	39.0
Agriculture (support activities), forestry, fishing and hunting	1999-2000	919	68 780.4	5	74.8	-	-	-	-
	2000-01	932	71 961.2	6	77.2	3	76.6	1	25.5
	2001-02	631	49 541.5	5	78.5	13	365.3	1	28.1
Arts, entertainment and recreation	1999-2000	455	45 440.6	4	99.9	1	49.6	15	49.6
	2000-01	393	37 072.4	3	94.3	8	559.6	5	69.9
	2001-02	242	22 621.3	2	93.5	34	1 899.9	5	55.9
Construction	1999-2000	1 043	62 711.9	5	60.1	-	-	-	-
	2000-01	907	49 179.9	4	54.2	7	173.2	2	24.7
	2001-02	554	33 278.4	4	60.1	25	1 164.5	3	46.6
Educational services	1999-2000	143	10 511.2	1	73.5	1	48.3	15	48.3
	2000-01	130	9 526.9	1	73.3	3	173.6	2	57.9
	2001-02	78	6 425.6	1	82.4	7	437.3	1	62.5
Finance and insurance	1999-2000	103	6 135.6	0	59.6	1	67.9	21	67.9
	2000-01	52	3 830.3	0	73.7	-	-	-	-
	2001-02	59	4 428.7	0	75.1	2	33.4	0	16.7
Food and beverage services	1999-2000	2 435	247 105.3	20	101.5	2	62.8	19	31.4
	2000-01	2 378	254 069.4	22	106.8	65	3 169.6	29	48.8
	2001-02	1 763	198 273.0	22	112.5	234	12 105.5	32	51.7
Health care and social assistance	1999-2000	387	32 007.5	3	82.7	-	-	-	-
	2000-01	357	30 749.7	3	86.1	4	76.0	1	19.0
	2001-02	208	19 710.9	2	94.8	11	255.2	1	23.2

Table IV (cont.): Loans and Claims, by Industry Sector, CSBF Program, 1999-2002

Industry sector	Fiscal year	Loans				Claims			
		Number	Value (\$000)	Percent of value	Average (\$000)	Number	Value (\$000)	Percent of value	Average (\$000)
Information and cultural industries	1999-2000	182	11 998.7	1	65.9	1	22.8	7	22.8
	2000-01	101	8 600.4	1	85.2	9	263.0	2	29.2
	2001-02	46	3 427.7	0	74.5	10	537.2	1	53.7
Manufacturing	1999-2000	1 807	148 191.4	12	82.0	1	4.5	1	4.5
	2000-01	1 502	128 101.3	11	85.3	17	1 302.6	12	76.6
	2001-02	928	81 893.4	9	88.2	102	6 470.8	17	63.4
Mining, and oil and gas extraction	1999-2000	142	12 454.7	1	87.7	-	-	-	-
	2000-01	150	12 772.9	1	85.2	1	8.9	0	8.9
	2001-02	142	9 467.5	1	66.7	1	45.2	0	45.2
Other services	1999-2000	1 602	107 209.6	8	66.9	1	21.0	6	21.0
	2000-01	2 199	167 213.4	14	76.0	22	844.8	8	38.4
	2001-02	2 689	201 433.6	22	74.9	58	2 211.1	6	38.1
Professional, scientific and technical services	1999-2000	933	60 588.0	5	64.9	-	-	-	-
	2000-01	809	57 212.6	5	70.7	13	286.8	3	22.1
	2001-02	393	28 627.0	3	72.8	29	795.9	2	27.4
Real estate, and rental and leasing	1999-2000	340	27 218.9	2	80.1	-	-	-	-
	2000-01	168	14 858.3	1	88.4	10	343.4	3	34.3
	2001-02	85	8 337.8	1	98.1	25	1 500.3	4	60.0
Retail trade	1999-2000	2 646	195 373.7	15	73.8	1	6.3	2	6.3
	2000-01	2 217	165 873.7	14	74.8	48	2 544.9	23	53.0
	2001-02	1 612	129 823.1	14	80.5	146	6 642.4	18	45.5
Transportation and warehousing	1999-2000	2 494	159 821.6	13	64.1	2	22.9	7	11.5
	2000-01	1 707	107 525.5	9	63.0	11	269.3	2	24.5
	2001-02	1 165	70 057.2	8	60.1	60	1 835.2	5	30.6
Utilities	1999-2000	49	2 990.3	0	61.0	-	-	-	-
	2000-01	90	6 196.2	1	68.8	2	197.0	2	98.5
	2001-02	70	4 530.7	0	64.7	2	50.4	0	25.2
Wholesale trade	1999-2000	365	25 306.1	2	69.3	1	17.3	5	17.3
	2000-01	337	23 767.4	2	70.5	11	466.3	4	42.4
	2001-02	243	18 499.1	2	76.1	15	592.0	2	39.5
Total*	1999-2000	16 635	1 266 757.4	100	76.2	12	323.5	100	27.0
	2000-01	14 806	1 180 719.6	100	79.7	237	10 956.3	100	46.2
	2001-02	11 142	915 140.6	100	82.1	789	37 510.9	100	47.5

*Details may not add up to totals because of rounding.

Table V: Loans and Claims, by Type of Operation, CSBF Program, 1999-2002

Fiscal year	Franchises				Non-Franchises			
	Loans		Claims		Loans		Claims	
	Number	Value (\$000)	Number	Value (\$000)	Number	Value (\$000)	Number	Value (\$000)
1999-2000	1 769	183 507.8	1	21.0	14 866	1 083 249.5	11	302.5
2000-01	1 637	174 869.7	32	1 982.2	13 169	1 005 849.9	205	8 974.1
2001-02	1 264	142 285.7	135	7 763.3	9 878	772 854.9	654	29 747.6

Table VI: Loans and Claims, by Age of Borrower Firm, CSBF Program, 1999-2002

Age of borrower firm	Fiscal year	Loans				Claims			
		Number	Value (\$000)	Percent of value	Average (\$000)	Number	Value (\$000)	Percent of value	Average (\$000)
Start-ups	1999-2000	8 347	716 636.6	57	85.9	10	315.1	97	31.5
	2000-01	7 671	681 236.6	58	88.8	195	9 446.5	86	48.4
	2001-02	5 284	505 159.7	55	95.6	617	31 240.5	83	50.6
1 to 3 years	1999-2000	2 547	166 284.0	13	65.3	2	8.3	3	4.2
	2000-01	2 146	144 554.2	12	67.4	21	823.9	8	39.2
	2001-02	1 736	109 527.4	12	63.1	98	2 970.7	8	30.3
3+ years	1999-2000	5 741	383 836.8	30	66.9	-	-	-	-
	2000-01	4 989	354 928.8	30	71.1	21	685.9	6	32.7
	2001-02	4 122	300 453.6	33	72.9	74	3 299.6	9	44.6
Total*	1999-2000	16 635	1 266 757.4	100	76.2	12	323.5	100	27.0
	2000-01	14 806	1 180 719.6	100	79.7	237	10 956.3	100	46.2
	2001-02	11 142	915 140.6	100	82.1	789	37 510.9	100	47.5

*Details may not add up to totals because of rounding.

**Table VII: Revenues and Expenses Related to Loans Made
from April 1, 1999, to March 31, 2002, CSBF Program**

Year loans were made	Amount of loans (\$000)	Type of revenues and expenses	Year associated fees were collected and associated claims were paid (\$000)			Cumulative revenues and expenses (\$000)*
			1999-2000	2000-01	2001-02	
1999-2000	1 352 481	2% registration fees 1.25% admin. fees Claims paid Claims recovered Annual cash flow	25 237.4 - (323.5) - 24 914.0	1 545.5 16 217.5 (10 633.5) 2.3 7 131.8	(2.3) 8 644.2 (30 350.0) 31.4 (21 676.8)	26 780.7 24 861.6 (41 306.9) 33.6 10 369.0
2000-01	1 159 175	2% registration fees 1.25% admin. fees Claims paid Claims recovered Annual cash flow		21 832.8 4 433.9 (322.9) - 25 943.8	1 119.5 12 081.6 (6 946.8) 5.0 6 259.3	22 952.3 16 515.5 (7 269.6) 5.0 32 203.1
2001-02	850 962	2% registration fees 1.25% admin. fees Claims paid Claims recovered Annual cash flow			16 844.9 3 863.2 (214.1) - 20 493.9	16 844.9 3 863.2 (214.1) - 20 493.9
Total*	3 362 618	2% registration fees 1.25% admin. fees Claims paid Claims recovered Annual cash flow	25 237.4 - (323.5) - 24 914.0	23 378.3 20 651.4 (10 956.3) 2.3 33 075.6	17 962.1 24 588.9 (37 510.9) 36.4 5 076.5	66 577.8 45 240.3 (48 790.7) 38.6 63 066.1

*Details may not add up to totals because of rounding.

Appendix B

Small Business Loans Act Tables



**Table I: Revenues and Expenses Related to the SBL Program as at March 31, 2002,
for Loans Made from April 1, 1995, to March 31, 1999**

Year loans were made	Amount of loans (\$000)	Type of revenues and expenses	Year associated fees were collected and associated claims were paid (\$000)							Cumulative revenues and expenses (\$000)*
			1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	
1995-96	2 243 157	2% registration fees	40 564.3	3 916.4	(5.4)	(2.8)	-	-	-	44 472.4
		1.25% admin. fees	-	13 763.7	22 594.9	16 828.5	11 715.1	9 029.2	4 337.3	78 268.6
		Claims paid	(307.0)	(15 448.2)	(65 198.5)	(63 455.9)	(44 066.5)	(22 053.2)	(9 669.5)	(220 198.9)
		Claims recovered	-	2.2	86.5	150.2	158.0	270.6	109.4	776.8
		Annual cash flow	40 257.3	2 234.1	(42 522.6)	(46 480.0)	(32 193.5)	(12 753.4)	(5 222.9)	(96 681.0)
1996-97	2 018 865	2% registration fees	0.8	36 154.3	3 853.0	(0.8)	-	-	-	40 007.3
		1.25% admin. fees	-	-	12 298.5	19 409.9	13 875.8	11 137.2	6 684.7	63 406.2
		Claims paid	-	(231.1)	(18 287.8)	(46 832.5)	(51 671.1)	(34 332.2)	(17 152.5)	(168 507.2)
		Claims recovered	-	3.1	14.4	42.3	70.0	169.8	165.9	465.6
		Annual cash flow	0.8	35 926.3	(2 121.9)	(27 381.1)	(37 725.2)	(23 025.2)	(10 301.8)	(64 628.1)
1997-98	1 977 315	2% registration fees			35 469.8	3 706.6	6.1	-	-	39 182.5
		1.25% admin. fees			-	12 045.4	19 010.0	14 364.1	8 933.1	54 352.6
		Claims paid			(346.1)	(13 553.1)	(44 150.5)	(40 561.1)	(30 578.9)	(129 189.6)
		Claims recovered			-	7.9	97.5	104.1	150.8	360.4
		Annual cash flow			35 123.7	2 206.8	(25 036.9)	(26 092.9)	(21 495.0)	(35 294.2)
1998-99	1 613 566	2% registration fees				28 625.9	3 338.0	5.1	-	31 969.0
		1.25% admin. fees				-	9 829.3	16 375.3	9 592.6	35 797.3
		Claims paid				(117.1)	(14 143.4)	(39 000.2)	(39 726.3)	(92 987.0)
		Claims recovered				-	21.1	85.3	188.0	294.4
		Annual cash flow				28 508.8	(954.9)	(22 534.5)	(29 945.7)	(24 926.3)
Total*	7 852 901	2% registration fees	40 565.1	40 070.7	39 317.4	32 328.9	3 344.0	5.1	-	155 631.2
		1.25% admin. fees	-	13 763.7	34 893.4	48 283.8	54 430.2	50 905.8	29 547.8	231 824.7
		Claims paid	(307.0)	(15 679.3)	(83 832.5)	(123 958.6)	(154 031.4)	(135 946.7)	(97 127.2)	(610 882.7)
		Claims recovered	-	5.3	100.9	200.5	346.6	629.7	614.1	1 897.2
		Annual cash flow	40 258.0	38 160.4	(9 520.8)	(43 145.4)	(95 910.6)	(84 406.1)	(66 965.3)	(221 529.7)

*Details may not add up to totals because of rounding.

Table II: Summary of Financial Activities per Fiscal Year, SBL Program

Fiscal year	Loans			Revenues			Costs			
	Number	Amount (\$000)	Average size (\$000)	Registration fees (\$000)	Admin. fees (\$000)	Total revenues (\$000)	Number of claims	Claims paid (\$000)	Claims recovered (\$000)	Net claims paid (\$000)
1961-90	281 130	7 696 684.4	27.4	33 342.8	-	33 342.8	12 305	273 626.1	(7 496.0)	266 130.1
1990-91	10 786	417 995.7	38.8	4 179.1	-	4 179.1	1 559	33 600.0	(2 095.4)	31 504.6
1991-92	10 402	392 764.5	37.8	3 931.9	-	3 931.9	1 924	46 413.9	(2 144.8)	44 269.1
1992-93	12 564	475 501.8	37.8	4 755.8	-	4 755.8	1 827	45 950.0	(2 490.5)	43 459.5
1993-94	41 583	2 392 832.9	57.5	47 081.7	-	47 081.7	1 376	32 851.6	(2 380.9)	30 470.7
1994-95	63 009	3 942 979.5	62.6	78 307.3	-	78 307.3	1 015	24 094.3	(1 631.5)	22 462.9
1995-96	40 220	2 704 869.5	67.3	53 599.3	-	53 599.3	2 002	65 984.7	(1 381.3)	64 603.4
1996-97	31 077	2 023 500.6	65.1	40 069.9	13 763.7	53 833.6	3 826	151 251.1	(920.1)	150 331.0
1997-98	29 287	1 983 971.4	67.7	39 316.7	34 893.4	74 210.1	5 964	246 336.8	(1 151.6)	245 185.2
1998-99	22 895	1 631 372.1	71.3	32 328.9	48 283.8	80 612.7	5 102	221 593.0	(1 203.0)	220 390.0
1999-2000	2 167	173 611.3	80.1	3 344.0	54 430.2	57 774.2	4 720	203 406.8	(1 223.4)	202 183.4
2000-01	2	326.1	163.0	5.1	50 905.8	50 910.9	3 821	160 552.1	(1 121.4)	159 430.8
2001-02	-	-	-	-	29 547.8	29 547.8	2 660	106 254.1	(907.9)	105 346.3
Total*	545 122	23 836 409.9	43.7	340 262.4	231 824.7	572 087.1	48 101	1 611 914.5	(26 147.6)	1 585 766.9

*Details may not add up to totals because of rounding.

Table III: Summary of Financial Activities Relative to Periods, SBL Program

Period	Loans			Revenues			Costs			
	Number	Amount (\$000)	Loan balance as at March 31, 2002 (\$000)	Registration fees (\$000)	Admin. fees (\$000)	Total revenues (\$000)	Number of claims	Claims paid (\$000)	Claims recovered (\$000)	Net claims paid (\$000)
Periods 1 to 9 inclusive January 19, 1961, to March 31, 1985	186 901	4 372 850.2	-	-	-	-	10 379	221 888.8	(8 966.2)	212 922.6
Period 10 April 1, 1985, to March 31, 1990	94 955	3 352 052.0	309.5	33 612.4	-	33 612.4	7 863	179 111.4	(10 562.7)	168 548.7
Period 11 April 1, 1990, to March 31, 1993	34 337	1 312 674.0	5 536.9	13 137.6	-	13 137.6	2 826	73 441.2	(2 237.5)	71 203.7
Period 12 April 1, 1993, to March 31, 1995	111 728	6 945 931.8	-	137 881.2	-	137 881.2	12 660	526 590.4	(2 484.1)	524 106.3
April 1, 1995, to March 31, 1999	117 201	7 852 901.5	-	155 631.2	231 824.7	387 455.9	14 373	610 882.7	(1 897.2)	608 985.6
Sub-total Period 12	228 929	14 798 833.3	1 476 417.2	293 512.4	231 824.7	525 337.1	27 033	1 137 473.1	(4 381.3)	1 133 091.8
Total Periods*	545 122	23 836 409.4	1 482 263.6	340 262.4	231 824.7	572 087.1	48 101	1 611 914.5	(26 147.6)	1 585 766.9

*Details may not add up to totals because of rounding.