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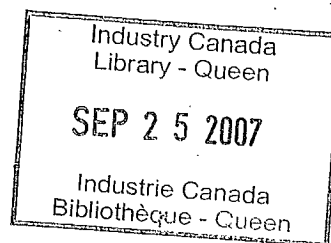
## *Small Business Loans Act*

**Annual Report on Operations  
for the 12-month period ended March 31, 1994**

RESOURCE CENTRE

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# ***Small Business Loans Act***

**Annual Report on Operations  
for the 12-month period ended March 31, 1994**

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1993/94

His Excellency the Right Honourable Ramon John Hnatyshyn, P.C., C.C., C.M.M., C.D., Q.C.  
Governor General and Commander-in-Chief of Canada  
Government House  
1 Sussex Drive  
Ottawa, Ontario  
K1A 0A1

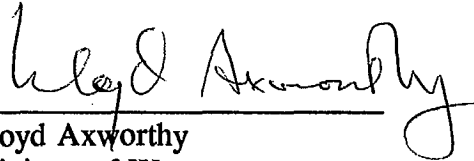
Your Excellency:

In accordance with section 11 of the *Small Business Loans Act*, the undersigned have the honour to put before Your Excellency a report on the administration of the Act for the 12-month period ended March 31, 1994.

Respectfully submitted,



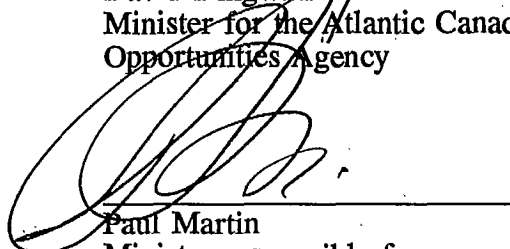
John Manley  
Minister of Industry, Science and Technology



Lloyd Axworthy  
Minister of Western  
Economic Diversification



David Dingwall  
Minister for the Atlantic Canada  
Opportunities Agency



Paul Martin  
Minister responsible for  
the Federal Office of Regional Development -  
Quebec

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## Foreword

The government is determined to create and maintain an environment in which small business can flourish. The *Small Business Loans Act* (SBLA) is fundamental to this strategy to support small businesses in their role as engines of economic growth and job creation. Under the SBLA, a qualifying business enterprise may obtain a Business Improvement Loan (BIL) from an authorized financial institution such as a chartered bank, Alberta Treasury Branch, credit union, *caisse populaire*, trust, loan or insurance corporation, provided the business' estimated gross revenue does not exceed \$5 million in the year the BIL is approved by the lender.

This Annual Report for the fiscal year 1993-94 is the first since major program revisions were implemented on April 1, 1993. It reflects a dramatic increase in the use of the program, by financial institutions and entrepreneurs alike, which has seen lending under this program surge ahead at an unprecedented rate — so that by March, 1994 it was running at about \$2.5 billion annually, compared to approximately \$0.5 billion in 1992-93.

This report highlights the importance of BILs to the creation of new jobs and businesses — in 1993-94 it helped entrepreneurs create over 14,000 new businesses and more than 90,000 new jobs. A study by Informetrica Limited of the first five months of 1994-95 has suggested that most jobs created under this program are full-time and cost taxpayers only \$2600 per job.

In addition, Professors Riding and Haines<sup>1</sup> have found that 60 to 70 percent of BILs go to borrowers who represent above average risk. This is substantial incrementality, comparing very favourably with studies which found the pre-1993 level of incrementality to be about 50 percent — and has been achieved with very limited additional risk to the taxpayer.

Reflecting a wide-spread trend of business investment in machinery and equipment, nearly three quarters of all BILs were used to help small and medium-sized firms finance the purchase, installation, renovation, improvement and modernization of equipment. The size of the average BIL has also grown dramatically — jumping by over 50 percent above the average for the previous fiscal year — to \$58,747 from \$38,353.

Clearly, this program plays a key role in helping small businesses find the financing they need. However, the dramatic increase in the use of the program has significantly increased the potential costs of the program. In conjunction with major lenders' and borrowers' representatives, the government continues to explore ways to put the program on a cost recovery basis.

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<sup>1</sup> Riding and Haines, *Recent Experience with the SBLA: Economic Impacts, Incrementality, and Risk Profile Analysis*, August 1994.

## Introduction

The objective of the SBLA, which has been in force since January 1961, is to encourage lenders in the private sector to increase the availability of loans for the purpose of the establishment, expansion, modernization and improvement of small business enterprises. A firm is eligible for consideration for a BIL if it estimates that its gross revenues will not exceed \$5 million in the year the BIL is approved by the lender. Up to \$250,000 can be borrowed in respect of equipment, land, premises or the BIL registration fee of 2 percent. The maximum term for these BILs is ten years. Farming businesses, which are eligible for loans under a separate program sponsored by Agriculture Canada, are not eligible for BILs; charitable and religious organizations are also not eligible.

Under the SBLA, the Minister is liable to pay to an approved lender 90 per cent of the amount of any loss sustained by the lender as a result of a BIL made subsequent to March 31, 1993. Such payments are only made if the lender has minimized the loss through the sale of the defaulting business's assets and other legislated requirements are met.<sup>2</sup>

## Approved Lenders

Approved lenders include (a) all chartered banks and Alberta Treasury Branches and (b) cooperative credit societies (inclusive of their respective credit unions and *caisses populaires*), trust, loan and insurance corporations with membership in the Canadian Payments Association. Other organizations, such as members of the Canadian Financing and Leasing Association, that make loans, may, upon application, be designated as approved lenders.

During the past fiscal year, approximately 1,500 lending institutions operating from more than 13,000 branches/offices across Canada participated in making BILs to small businesses under the SBLA.

- 
- <sup>2</sup> The principal legislated requirements relate to:
- eligibility of the borrower as a defined business enterprise;
  - eligible purpose for which a BIL may be made;
  - maximum amount of the BIL which may be outstanding to an individual borrower at any one time;
  - maximum repayment term; and
  - maximum rate of interest which may be charged to a borrower and the minimum security to be taken.

## **Types of Loans (or Loan Purposes)**

BILs may be granted by an approved lender to finance up to 100% of the borrower's eligible costs in respect of the following:

- Land Loans made for the purchase of land, including any building or structure on the land, necessary for the operation of a business enterprise;
- Premises Loans made for the renovation, improvement, modernization, construction and/or purchase of premises necessary for the operation of a business enterprise;
- Equipment Loans made for the purchase, installation, renovation, improvement and/or modernization of equipment necessary for the operation of a business enterprise;
- Fee Loans made for the purpose of financing the 2% loan registration fee.

Loans to finance inventory, working capital, franchise fees or share purchases are not eligible. A BIL can be used to refinance commitments or expenditures which are otherwise eligible and have been incurred within 180 days of the date of the lender's BIL approval.

## **Operating Results**

The loans made during 1993-94 brought the total lending under the SBLA over the 33-year history of the program to over \$11.6 billion.

In the fiscal year ended March 31, 1994, (see Table 1)

- over 43,000 BILs totalling more than \$2.5 billion were made;
- the average size of a BIL was nearly \$59,000 compared with about \$38,000 during the previous 12-month period;

BILs outstanding on lenders' books as at March 31, 1994, (see Table 3):

- totalled nearly \$3 billion; and
- the Crown's contingent liability in relation to this total was about \$745 million.

Of the dollar value loaned during the period under review,

- \$1.8 billion, or 73.8 per cent, was used to finance the purchase, installation, renovation, improvement and/or modernization of **equipment**;
- \$549.2 million, or 21.6 per cent, was used to finance the renovation, improvement, modernization, construction and/or purchase of **premises**;
- \$99.9 million, or 3.9 per cent, was used to finance the purchase of **land** and \$17.6 million, or 0.7 per cent, was used to finance **2% loan registration fees**.



## **The Crown's Contingent Liability to Approved Lenders**

When an approved lender registers BILs it has made during a legislated lending period, the Crown is contingently liable to the lender for reimbursement of losses caused by registered BILs going into default.

To encourage lenders to make sound credit judgements, the federal government will reimburse losses in excess of \$250,000 up to a maximum of 10 percent of the BILs made by a lender during the lending period. However, to encourage the participation of smaller lenders and therefore increase competition among lenders, the government will reimburse lenders in relation to BILs made and registered: 90 per cent of the first \$125 000 in losses and 50 per cent of the second \$125 000 in losses.

The Crown's contingent liability to an approved lender during a lending period is reduced by the repayment of BILs by borrowers and/or the reimbursement of BIL losses by the Crown.

No contingent liability remains on any BILs made prior to July 1, 1980.

Since July 1, 1980, overall BIL reductions have comprised:

- Borrowers' repayments of \$6 994 879 403; and
- reimbursement of \$384 033 350 in BIL losses by the Crown.

Together, these payments have reduced the amount of BILs outstanding on the books of all approved lenders to \$2 978 891 413, (See Table 3).

The Crown's net contingent liability as at March 31, 1994, was \$744 666 505<sup>3</sup>.

\$10 357 804 166	BILs registered between July 1, 1980, and March 31, 1994 (see Table 3)
( \$6 994 879 403)	Borrowers' repayments
( <u>384 033 350</u> ) <sup>4</sup>	Crown's loss reimbursements (5.2% of overall reductions BILs)
( <u>7 378 912 753</u> )	Overall BIL reductions
\$ 2 978 891 413	BILs outstanding on lenders' books as at March 31, 1994 (see Table 3)

Taken together, the relatively low loss rate (5.2%) for this type of program and the extensive use of the program (currently over \$2.5 billion per annum), demonstrate the effectiveness of this program in increasing small business access to term debt financing for business improvements, particularly in difficult economic times.

<sup>3</sup> The Crown's statutory net contingent liability in respect of \$2.979 billion in BILs outstanding as at March 31, 1994, has been calculated at \$744.667 million. The actual claims experience suggests that losses may total no more than 5.2% of this portfolio, reducing the estimate of future claim payments over the next ten years to approximately \$155 million.

<sup>4</sup> Included in the \$384 033 350 in loss reimbursements paid by the Crown, which represent subrogated debts, are amounts which, in accordance with standard procedures, were written off as follows:

- \$170 453 036, between July 1, 1980 and March 31, 1991;
- \$29 580 716 in 1991/92,
- \$41 573 074 in 1992/93; and
- \$48 595 263 in 1993/94.

## Age of Small Business Enterprise Borrowers

From November 1987, a lender was required to report the age of a business enterprise in respect of which a BIL had been made under the SBLA. Business start-ups and young businesses are the recipients of the majority of BILs made under the SBLA.

Fiscal Year	Age of Business Enterprise				Sub-Total	Older Than Three years	Totals
	Start-ups	1st year	2nd Year	3rd Year			
1988/89	6 987 39.4%	1 227 6.9%	1 424 8%	1 107 6.2%	10 745 60.5%	7 013 39.5%	17 758 100%
1989/90	5 293 38.3%	940 6.8%	1 064 7.7%	921 6.7%	8 218 59.5%	5 585 40.5%	13 803 100%
1990/91	4 254 40%	700 6.6%	710 6.7%	644 6.1%	6 308 59.4%	4 316 40.6%	10 624 100%
1991/92	3 921 37.3%	658 6.3%	682 6.5%	660 6.3%	5 921 56.4%	4 567 43.6%	10 488 100%
1992/93	4 806 36.7%	828 6.3%	809 6.2%	836 6.4%	7 279 55.6%	5 813 44.4%	13 092 100%
1993/94	14 072 32.5%	3 120 7.2%	2 891 6.7%	2 663 6.2%	22 746 52.6%	20 468 47.4%	43 214 100%

## Employment by Small Business Enterprise Borrowers

Employment by small business borrowers is also being reported by lenders in respect of BILs made under the SBLA since November 1987. The following employment data are reported by the lenders based on information supplied by the borrowers:

Fiscal Year	No. of Borrowers	Total Employment by Borrowers	Average Employment per Borrower	Additional Employment	
				Total	Per Borrower
1988/89	17 758	83 678	4.7	37 290	2.1
1989/90	13 803	63 125	4.6	36 963	2.7
1990/91	10 624	50 433	4.7	25 549	2.4
1991/92	10 488	47 910	4.6	25 250	2.4
1992/93	13 092	58 064	4.4	23 928	1.8
1993/94	43 214	248 563	5.8	90 060	2.1

## Subsequent Events

The current lending period that commenced April 1, 1993 and is to end March 31, 1998 (also referred to as Period 12) has a legislated aggregate lending ceiling of \$4 billion. With aggressive program lending to small business by conventional lenders, that ceiling has been reached. The government has therefore proposed to Parliament an appropriate increase to the current lending ceiling through the Supplementary Estimates process.

## Background

This Annual Report on the operations of the *Small Business Loans Act* is being presented by four Ministers as a result of the following distribution of responsibilities.

1. As at June 5, 1987, the Minister for the purposes of the Atlantic Canada Opportunities Agency Act became the designated Minister for purposes of the SBLA in relation to small business enterprises located in the provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.<sup>5</sup>
2. As at August 4, 1987, the Minister of Western Economic Diversification became the designated Minister for purposes of the SBLA in relation to small business enterprises located in the provinces of Manitoba, Saskatchewan, Alberta and British Columbia.<sup>6</sup>
3. As at June 13, 1991, the Minister responsible for the Federal Office of Regional Development - Quebec became the designated Minister for purposes of the SBLA in relation to small business enterprises located in the province of Quebec.
4. The Minister of Industry, Science and Technology continues to be the designated Minister for purposes of the SBLA in relation to small enterprises located in the province of Ontario as well as in the Northwest Territories and the Yukon Territory. He also continues to be the Minister responsible for all other purposes respecting the SBLA.<sup>7</sup>

For the purpose of this report, the foregoing individual Ministers are collectively referred to as "the Minister".

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<sup>5</sup> In this report the combined area is designated as "Atlantic Canada".

<sup>6</sup> The combined area of those four provinces is referred to in this report as "Western Canada."

<sup>7</sup> The combined area of Ontario and the two territories is referred to in this report as "Ontario and Territories".

Any questions respecting the Annual Report or other aspects of this program should be addressed to:

*Director  
Small Business Loans Administration  
Industry Canada  
235 Queen Street  
Ottawa, Ontario  
K1A 0H5*

Table 1

## Summary of Operations - Total Program

Period	Business Improvement Loans (BILs) Made		Average Size of BIL \$	Claims Paid	
	Number	Amount \$		Number	Amount \$
<b>12 months ended Dec. 31</b>					
1961-1969	20 865	195 424 436	9 366	142	873 289
1970	1 367	13 772 340	10 075	27	148 649
1971	2 138	22 361 763	10 459	20	71 329
1972	2 860	28 453 509	9 949	21	125 955
1973	3 149	32 068 566	10 184	17	112 178
1974	2 947	37 241 269	12 637	37	239 175
1975	4 835	82 003 157	16 960	35	237 093
1976	5 106	91 893 663	17 997	42	231 896
1977	5 001	99 636 016	19 923	72	632 794
1978	7 321	176 760 504	24 144	122	1 380 584
1979	10 821	268 770 603	24 838	152	1 788 619
1980	16 829	421 402 955	25 040	242	3 825 688
1981	17 544	522 475 588	29 781	390	6 761 102
1982	17 378	450 863 534	25 945	561	11 705 508
1983	26 484	712 845 494	26 916	998	22 283 733
<b>3 months ended March 31</b>					
1984	7 601	211 368 935	27 808	368	10 724 817
<b>12 months ended March 31</b>					
1985	34 743	1 005 937 892	28 954	1 533	29 079 005
1986	23 587	737 228 691	31 256	1 884	44 429 322
1987	21 138	709 345 691	33 558	1 524	37 066 765
1988	18 665	683 880 203	36 640	1 457	35 052 253
1989	17 758	682 669 216	38 443	1 436	32 345 578
1990	13 803	539 019 429	39 051	1 224	32 951 533
1991	10 624	413 244 766	38 897	1 556	33 233 302
1992	10 488	397 209 065	37 873	1 927	45 924 377
1993	13 092	502 122 538	38 353	1 826	45 182 427
1994	43 214	2 538 682 342	58 747	1 376	32 413 976
<b>Total</b>	<b>359 358</b>	<b>11 576 682 165</b>	<b>32 215</b>	<b>18 989</b>	<b>428 820 947</b>

Note: 1) Subsequent to the December 31, 1983 calendar year, the reporting period was changed to coincide with the federal government's fiscal year-end of March 31.

2) Statistics shown above under "BILs Made" and "Average Size of BIL" for the year ended March 31, 1993, and prior periods may differ from those presented in previous Annual Reports because of late registration of BILs and sundry adjustments.

Table 2

## Record of Claim Payments, Recoveries and Receipt of Fees

Period	Claims Paid				Recoveries of prior years' claims \$	Claims paid less all recoveries \$	Receipt of fee income\$	Claims less all recoveries less all fees \$
	Number	Gross \$	Recoveries \$	Net * \$				
<b>12 months ended Dec. 31</b>								
1961-1969	142	873 289	-	873 289	(2 386)	870 903	-	870 903
1970-1974	122	697 286	-	697 286	(56 640)	640 646	-	640 646
1975-1979	423	4 270 986	-	4 270 986	(94 132)	4 176 854	-	4 176 854
1980	242	3 825 688	-	3 825 688	(62 036)	3 763 652	-	3 763 652
1981	390	6 761 102	-	6 761 102	(88 662)	6 672 440	-	6 672 440
1982	561	11 705 508	-	11 705 508	(63 385)	11 642 123	-	11 642 123
1983	998	22 283 733	-	22 283 733	(178 500)	22 105 233	-	22 105 233
<b>3 months ended March 31</b>								
1984	368	10 724 817	-	10 724 817	(44 625)	10 680 192	-	10 680 192
<b>12 months ended March 31</b>								
1985	1 533	29 079 005	-	29 079 005	(670 000)	28 409 005	-	28 409 005
1986	1 884	44 450 775	(21 453)	44 429 322	(592 178)	43 837 144	(7 101 331)	36 735 813
1987	1 524	37 331 898	(265 133)	37 066 765	(507 944)	36 558 821	(7 172 167)	29 386 654
1988	1 457	35 379 304	(327 051)	35 052 253	(1 102 547)	33 949 706	(6 639 065)	27 310 641
1989	1 436	32 675 582	(330 004)	32 345 578	(1 004 661)	31 340 917	(6 887 911)	24 453 006
1990	1 224	33 562 975	(611 442)	32 951 533	(1 364 747)	31 586 786	(5 545 077)	26 041 709
1991	1 556	33 600 015	(366 713)	33 233 302	(1 729 656)	31 503 646	(4 179 079)	27 324 567
1992	1 927	46 424 478	(500 101)	45 924 377	(1 655 259)	44 269 118	(3 931 474)	40 337 644
1993	1 826	45 939 762	(757 335)	45 182 427	(1 733 998)	43 448 429	(4 755 772)	38 692 657
1994	1 376	32,851 594	(437 618)	32 413 976	(1 943 207)	30 470 769	(47 080 551)	(16 609 782)
<b>Total</b>	<b>18 989</b>	<b>432 437 797</b>	<b>(3 616 850)</b>	<b>428 820 947</b>	<b>(12 894 563)</b>	<b>415 926 384</b>	<b>(93 292 427)</b>	<b>355 853 521</b>

\* Corresponds to table 1

This table provides SBLA's historical cash flows but does not reflect future claims for loss in respect of outstanding business improvement loans.

Table 3 BILs Advanced, Repayments Made and Principal Balance of BILs Outstanding

Lending Periods	Loans made \$	Repayments \$	* Balance of Loans Outstanding as at March 31, 1994 \$
<b>Period 1:</b> January 19, 1961 - December 31, 1963	74 549 220	74 549 220	-
<b>Period 2:</b> January 1, 1964 - December 31, 1966	72 662 656	72 662 656	-
<b>Period 3:</b> January 1, 1967 - December 31, 1969	48 212 560	48 212 560	-
<b>Period 4:</b> January 1, 1970 - June 30, 1971	23 140 841	23 140 841	-
<b>Period 5:</b> July 1, 1971 - June 30, 1974	86 281 765	86 281 765	-
<b>Period 6:</b> July 1, 1974 - June 30, 1977	241 496 183	241 496 183	-
<b>Period 7:</b> July 1, 1977 - June 30, 1980	672 534 774	672 534 774	-
<b>Sub-Total</b> January 19, 1961 - June 30, 1980	1 218 877 999	1 218 877 999	-
<b>Period 8:</b> July 1, 1980 - March 31, 1983	1 354 152 068	1 353 846 134	305 934
<b>Period 9:</b> April 1, 1983 - March 31, 1985	1 799 607 317	1 794 971 956	4 635 361
<b>Period 10:</b> April 1, 1985 - March 31, 1990	3 352 186 069	3 166 079 279	186 106 790
<b>Period 11:</b> April 1, 1990 - March 31, 1993	1 313 176 370	743 611 222	569 565 148
<b>Period 12:</b> April 1, 1993 - March 31, 1998	2 538 682 342	320 404 162	2 218 278 180
<b>Sub-Total</b> July 1, 1980 - March 31, 1994	10 357 804 166	7 378 912 753	2 978 891 413
<b>Total</b>	11 576 682 165	8 597 790 752	2 978 891 413

\* As reported by lenders at time of printing.



Table 4

Summary of BIL Lending Classified by Type of Lender and by Province  
April 1, 1993 - March 31, 1994

Lender	Chartered Banks under the <i>Bank Act</i>		Credit unions, caisses populaires and cooperative credit societies		Alberta Treasury Branches		Trust, Loan and Insurance Corporations		Total Lending	
Province	Number	Amount \$	Number	Amount \$	Number	Amount \$	Number	Amount \$	Number	Amount \$
B.C.	3 969	237 695 955	154	7 827 578	0	0	29	2 970 436	4 152	248 493 969
Alberta	3 844	202 045 555	156	8 539 427	693	47 596 187	7	513 026	4 700	258 694 195
Sask.	1 661	68 270 392	616	27 876 968	2	168 705	4	371 270	2 283	96 687 335
Manitoba	1 097	56 338 053	114	6 765 961	0	0	4	305 236	1 215	63 409 250
Western Canada	10 571	564 349 955	1 040	31 009 934	695	47 764 892	44	4 159 968	12 350	667 284 749
Ontario	11 141	679 619 758	118	8 786 714	0	0	106	8 709 664	11 365	697 116 136
N.W.T.	54	2 944 312	0	0	0	0	0	0	54	2 944 312
Yukon	65	3 364 976	0	0	0	0	0	0	65	3 364 976
Ontario & Territories	11 260	685 929 046	118	8 786 714	0	0	106	8 709 664	11 484	703 425 424
Quebec	9 148	621 197 214	6 368	341 596 291	0	0	50	3 889 668	15 566	966 683 173
N.B.	1 451	85 363 841	10	513 309	0	0	9	818 956	1 470	86 696 106
N.S.	1 280	63 605 856	13	680 094	0	0	1	35 166	1 294	64 321 116
P.E.I.	358	16 016 184	3	353 325	0	0	0	0	361	16 369 509
Nfld.	688	33 747 014	0	0	0	0	1	155 251	689	33 902 265
Atlantic Cda.	3 777	198 732 895	26	1 546 728	0	0	11	1 009 373	3 814	201 288 996
Total	34 756	2 070 209 110	7 552	402 939 667	695	47 764 892	211	17 768 673	43 214	2 538 682 342

TABLE 4a

BIL Lending by Chartered Banks by Province  
April 1, 1993 - March 31, 1994

Lender Province	Chartered Banks that Individually Made \$3,200,000 or More in BILs									
	The Bank of Nova Scotia		The National Bank of Canada		The Royal Bank of Canada		Bank of Montreal		Canadian Imperial Bank of Commerce	
	Number	Amount \$	Number	Amount \$	Number	Amount \$	Number	Amount \$	Number	Amount \$
B.C.	978	57 399 067	1	91 800	560	39 310 733	1 194	68 303 597	400	26 162 695
Alberta	986	46 769 413	0	0	415	30 743 666	712	33 812 599	1 099	56 768 579
Saskatchewan	439	18 119 908	0	0	484	21 112 726	298	10 264 318	299	13 360 961
Manitoba	316	14 939 127	2	420 000	225	12 959 233	157	8 031 622	252	13 308 802
Western Canada	2 719	137 227 515	3	511 800	1 684	104 126 358	2 361	120 412 136	2 050	109 601 037
Ontario	2 430	146 548 135	74	5 863 402	1 927	121 891 893	1 875	114 369 424	2 156	126 130 637
N.W.T.	8	451 025	0	0	7	491 982	23	1 330 600	11	352 974
Yukon	16	837 423	0	0	4	376 932	23	1 026 232	4	75 800
Ontario & Territories	2 454	147 836 583	74	5 863 402	1 938	122 760 807	1 921	116 726 256	2 171	126 559 411
Quebec	422	23 383 042	4 985	362 037 498	1 420	93 216 007	1 371	78 022 275	420	26 102 772
New Brunswick	702	36 762 785	260	20 060 625	142	9 713 023	174	8 840 731	72	4 921 888
Nova Scotia	724	31 554 752	13	944 429	227	14 846 661	169	8 357 680	57	4 202 540
P.E.I.	164	6 580 651	23	959 453	43	2 488 254	41	1 288 723	74	4 068 188
Newfoundland	471	18 122 401	2	342 800	40	3 262 400	119	7 796 141	24	2 015 067
Atlantic Cda.	2 061	93 020 589	298	22 307 307	452	30 310 338	503	26 283 275	227	15 207 683
TOTAL	7 656	401 467 729	5 360	398 720 007	5 494	350 413 510	6 156	341 443 942	4 868	277 470 903

TABLE 4a (continued)

BIL Lending by Chartered Banks by Province  
April 1, 1993 - March 31, 1994

Province	Chartered Banks that Individually Made \$3,200,000 or More in BILs								BILs Made by All Other Chartered Banks		Total BIL Lending by All Chartered Banks	
	The Toronto-Dominion Bank		Hongkong Bank of Canada		Laurentian Bank		Canadian Western		Number	Amount \$	Number	Amount \$
	Number	Amount \$	Number	Amount \$	Number	Amount \$	Number	Amount \$				
B.C.	722	37 353 201	84	5 125 483	0	0	29	3 769 375	1	180 004	3 969	237 695 955
Alberta	561	26 681 847	54	5 523 789	0	0	17	1 745 659	0	0	3 844	202 045 552
Saskatchewan	124	4 439 820	17	972 656	0	0	0	0	0	0	1 661	68 270 389
Manitoba	143	6 399 016	2	280 249	0	0	0	0	0	0	1 097	56 338 049
Western Canada	1 550	74 873 884	157	11 902 177	0	0	46	5 515 034	1	180 004	10 571	564 349 945
Ontario	2 622	159 233 607	34	2 703 589	0	0	1	29 490	22	2 849 605	11 141	679 619 782
N.W.T.	5	317 730	0	0	0	0	0	0	0	0	54	2 944 311
Yukon	18	1 048 588	0	0	0	0	0	0	0	0	65	3 364 975
Ontario & Territories	2 645	160 599 925	34	2 703 589	0	0	1	29 490	22	2 849 605	11 260	385 929 044
Quebec	390	25 856 436	26	1 776 237	96	8 841 003	0	0	18	1 961 944	9 148	621 197 214
New Brunswick	98	4 971 966	3	92 820	0	0	0	0	0	0	1 451	85 363 838
Nova Scotia	90	3 699 791	0	0	0	0	0	0	0	0	1 280	63 605 853
P.E.I.	13	630 912	0	0	0	0	0	0	0	0	358	16 016 181
Newfoundland	32	2 208 202	0	0	0	0	0	0	0	0	688	33 747 011
Atlantic Cda.	233	11 510 871	3	92 820	0	0	0	0	0	0	1 777	198 732 883
TOTAL	4 818	272 841 116	220	16 474 823	96	8 841 003	47	5 544 524	41	4 991 553	34 756	2 070 209 110

TABLE 4b

BIL Lending by Credit Unions, Caisses Populaires and Other Cooperative Credit Societies by Province  
April 1, 1993 - March 31, 1994

Lender  Province	Credit Unions, Caisses Populaires and Other Cooperative Credit Societies that Individually Made \$3,200,000 or More in BILs								BILs Made by All Other Credit Unions, Caisses Populaires and Other Cooperative Credit Societies		Total BIL Lending by All Credit Unions, Caisses Populaires and Other Cooperative Credit Societies	
	Caisse Populaire Desj. de Joliette		Sherwood Credit Union		Caisse Populaire Desj. de la Pocatiere		Caisse Populaire de Victoriaville		Number	Amount \$	Number	Amount \$
	Number	Amount \$	Number	Amount \$	Number	Amount \$	Number	Amount \$				
B.C.	0	0	0	0	0	0	0	0	154	7 827 578	154	7 827 578
Alberta	0	0	0	0	0	0	0	0	156	8 539 427	156	8 539 427
Saskatchewan	0	0	65	3 525 175	0	0	0	0	551	24 351 793	616	27 876 968
Manitoba	0	0	0	0	0	0	0	0	114	6 765 961	114	6 765 961
Western Canada	0	0	65	3 525 175	0	0	0	0	975	47 484 759	1 040	51 009 934
Ontario	0	0	0	0	0	0	0	0	118	8 786 714	118	8 786 714
N.W.T.	0	0	0	0	0	0	0	0	0	0	0	0
Yukon	0	0	0	0	0	0	0	0	0	0	0	0
Ontario & Territories	0	0	0	0	0	0	0	0	118	8 786 714	118	8 786 714
Quebec	61	3 558 179	0	0	47	3 271 195	75	3 264 573	6 185	331 502 344	6 368	341 596 291
New Brunswick	0	0	0	0	0	0	0	0	10	513 309	10	513 309
Nova Scotia	0	0	0	0	0	0	0	0	13	680 094	13	680 094
P.E.I.	0	0	0	0	0	0	0	0	3	353 325	3	353 325
Newfoundland	0	0	0	0	0	0	0	0	0	0	0	0
Atlantic Cda.	0	0	0	0	0	0	0	0	26	1 546 728	26	1 546 728
TOTAL	61	3 558 179	65	3 525 175	47	3 271 195	75	3 264 573	7 304	389 320 545	7 552	402 939 667

TABLE 4c

BIL Lending by Trust, Loan and Insurance Corporations by Province  
April 1, 1993 - March 31, 1994

Lender Province	Trust, Loan and Insurance Corporations that Individually Made \$3,200,000 or More in BILs		BILs Made by All Other Trust, Loan and Insurance Corporations		Total BIL Lending by All Trust, Loan and Insurance Corporations	
	Newcourt Credit Group Incorporated					
	Number	Amount \$	Number	Amount \$	Number	Amount \$
B.C.	24	2 537 650	5	432 786	29	2 970 436
Alberta	7	513 026	0	0	7	513 026
Saskatchewan	4	371 270	0	0	4	371 270
Manitoba	4	305 236	0	0	4	305 236
Western Canada	39	3 727 182	5	432 786	44	4 159 968
Ontario	70	5 576 125	36	3 133 539	106	8 709 664
N.W.T.	0	0	0	0	0	0
Yukon	0	0	0	0	0	0
Ontario & Territories	70	5 576 125	36	3 133 539	106	8 709 664
Quebec	49	3 852 538	1	37 130	50	3 889 668
New Brunswick	9	818 956	0	0	9	818 956
Nova Scotia	1	35 166	0	0	1	35 166
P.E.I.	0	0	0	0	0	0
Newfoundland	1	155 251	0	0	1	155 251
Atlantic Cda.	11	1 009 373	0	0	11	1 009 373
TOTAL	169	14 165 218	42	3 603 455	211	17 768 673

Table 5

Amendments effective April 1, 1993

Fact Sheet		
Item	Prior to April 1, 1993	After April 1, 1993
Maximum Eligible Business Size	\$2 million in annual revenue	\$5 million in annual revenue
Maximum Loan Size	\$100,000	\$250,000
Interest Rate - Floating - Fixed	Prime + 1% Not Permitted	Prime + 1 3/4% 1 3/4% over residential mortgage rate for the applicable term
Up-Front Government Fee	1%	2% which may be added to amount of the loan
Refinancing	Not permitted	Up to 180 days prior
Percentage of Financing Permitted	80% of Equipment 90% of Land and Buildings	100% of all eligible assets until Dec. 31, 1995, and 90% thereafter
Amount of Government Guarantee	85% of any loss	90% of any loss sustained on loans made after March 31, 1993, and before January 1, 1996, and 85% thereafter
Maximum Loan Term	10 years	10 years
Businesses Excluded from the Program	Finance, insurance, real estate, professions, mining of metals, minerals, non-metallic materials, production of petroleum, natural gas, farming, charitable and religious organizations	The business of farming as well as charitable and religious organizations
Classes of Loans	Land Premises Movable Equipment Fixed Equipment	Land Premises Equipment Fee