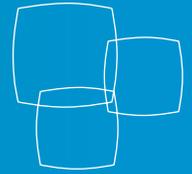




# Biannual Survey of Suppliers of Business Financing—Data Analysis, 2011



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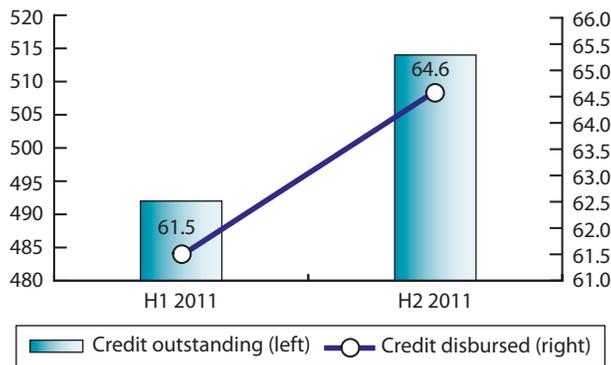
October 2012

This document represents the first Industry Canada release of information from the new Biannual Survey of Suppliers of Business Financing. The survey collects data on business lending activities.

## Overall Conditions

Survey results reflect an overall increase in business lending activity over the second half of 2011. In total, lenders disbursed approximately \$65 billion in new loans<sup>1</sup> to Canadian businesses between July and December (H2), compared with approximately \$62 billion in new loans disbursed between January and June (H1) (Figure 1). This translates into an increase in new loan activity of approximately 5.1 percent. Survey results are consistent with an overall loosening in business lending conditions as reported in the Bank of Canada's *Senior Loan Officer Survey*.<sup>2</sup>

Figure 1: Value of credit outstanding (\$ billions) and value of credit disbursed (\$ billions)



Source: Statistics Canada, *Survey of Suppliers of Business Financing*, 2011.

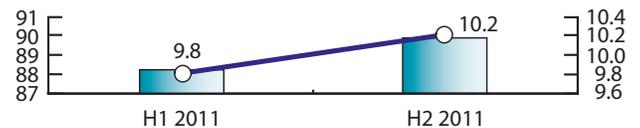
## Business Size Conditions

Based on survey findings, lending activity for businesses of all sizes increased over the second half of the year. The increase was most pronounced among large businesses (those with loan authorization levels above \$5 million) to which lenders disbursed over \$41 billion in new loans. This represented a 5.9-percent increase in loan disbursements over the first half of the year. Similarly, lending activity increased for small businesses (those with loan authorization

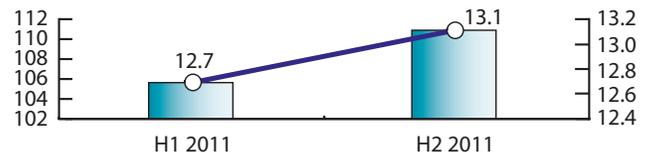
levels below \$1 million) and medium-sized businesses (those with loan authorization levels of \$1 million or more but less than \$5 million), with loan disbursements rising by about 4.2 percent and 3.2 percent respectively (Figure 2).

Figure 2: Value of credit outstanding (\$ billions) and value of credit disbursed (\$ billions) by size of business

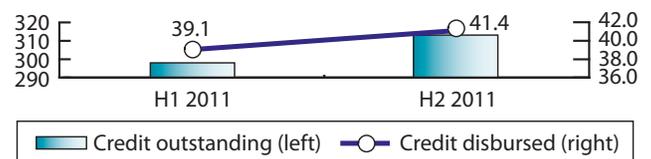
### Small businesses



### Medium-sized businesses



### Large businesses



Source: Statistics Canada, *Survey of Suppliers of Business Financing*, 2011.

## Lending Activity

Lending activity increased across most financial institutions in the second half of 2011. Finance companies increased loan disbursements by a high of 17.5 percent over the second half of the year compared with the first half (Table 1). This was followed by domestic banks at about 12.2 percent and credit unions and Caisses populaires at about 10.0 percent. Insurance companies and portfolio managers increased loan disbursements the least (6.9 percent), with new loans

<sup>1</sup> New loans include term loans and mortgages that generally have a fixed repayment schedule of greater than one year.

<sup>2</sup> The *Senior Loan Officer Survey* collects information, on a quarterly basis, on the perspectives of lenders on price and non-price terms of business lending.

disbursed rising from about \$5.6 billion in the first half of the year to \$6.0 billion in the second half. "Other banks," a category of lenders that includes primarily foreign banks, saw lending activities decrease in the second half of the year, with new loans disbursed falling from about \$15.6 billion in the first half of the year to \$13.2 billion in the second half, representing a decrease in new loan activity of approximately 15.5 percent.

**Table 1: Value of credit disbursed (\$ millions) by supplier type**

Supplier type	2011		Change (%)
	H1	H2	
Domestic banks	26,726	29,994	12.2
Other banks	15,609	13,191	-15.5
Credit unions, Caisses populaires	6,745	7,419	10.0
Finance companies	6,876	8,081	17.5
Insurance companies and portfolio managers	5,578	5,964	6.9
All suppliers	61,533	64,648	5.1

Source: Statistics Canada, *Survey of Suppliers of Business Financing*, 2011.

## Industry Conditions

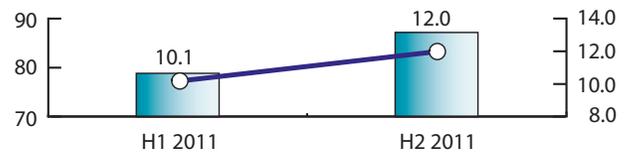
Survey findings point to an increase in lending activity across most sectors in the last six months of 2011. Sectors experiencing the highest increases were the primary and agricultural sector, professional services sector and transportation sector, which saw increases in loan disbursements of 18.9 percent, 13.4 percent and 12.0 percent respectively (Figure 3). Firms in the manufacturing sector; wholesale and retail trade sector; and finance, insurance, real estate and rental sector also experienced an increase in lending activity. Conversely, a decline in lending activity was observed in the construction sector, and accommodation and food services sector. Specifically, new loans disbursed to construction businesses fell by about 4.6 percent from \$6.5 billion in the first half of 2011 to \$6.2 billion in the second half. Loan disbursements to the accommodation and food services sector fell most sharply, declining by 33.7 percent in the second half of the year from \$2.4 billion to about \$1.6 billion.

## About the Survey

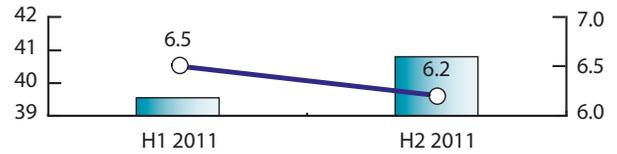
The *Biannual Survey of Suppliers of Business Financing* is the result of a commitment by the Government of Canada to improve the availability of information about financing of businesses in Canada. Data are collected from 120 major suppliers of financing, including domestic banks and credit unions and Caisses populaires, representing over 90 percent of all lending to businesses in Canada. Data are collected through an electronic questionnaire. Survey results provide baseline statistics to quantify and monitor changes in Canadian business lending activity.

**Figure 3: Value of credit outstanding (\$ billions) and value of credit disbursed (\$ billions) by industry**

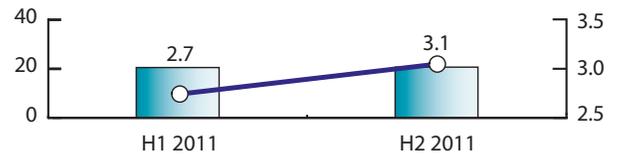
### Primary and agriculture



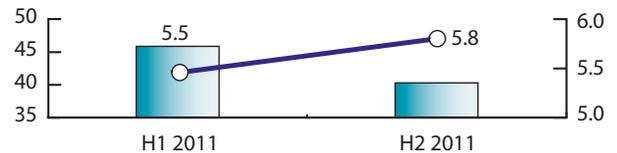
### Construction



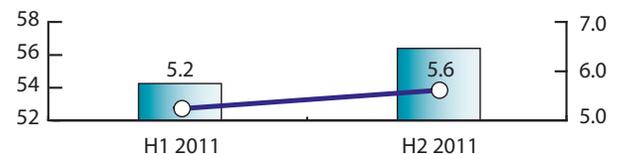
### Transportation



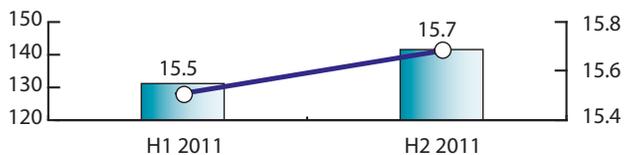
### Manufacturing



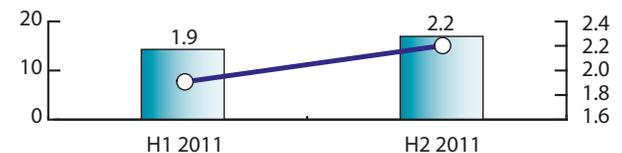
### Wholesale and retail trade



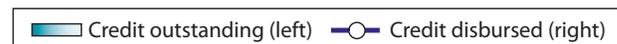
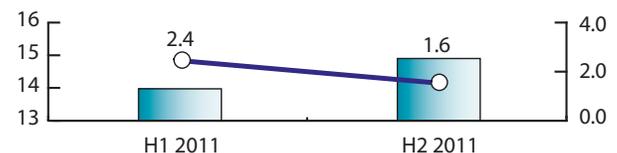
### Finance, insurance, real estate and rental



### Professional services



### Accommodation and food services



Source: Statistics Canada, *Survey of Suppliers of Business Financing*, 2011.