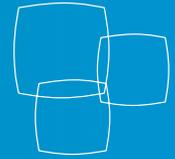




## Biannual Survey of Suppliers of Business Financing Data Analysis, First Half 2013

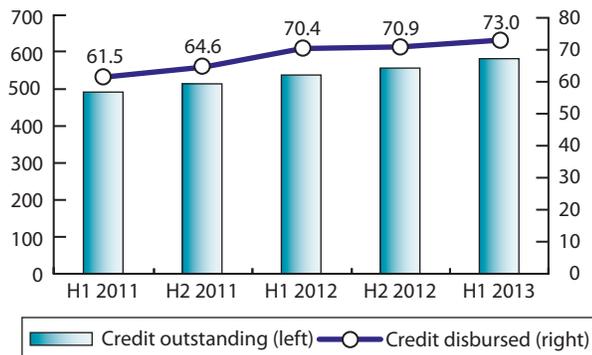


This document presents data on business lending activities gathered from the Statistics Canada Biannual Survey of Suppliers of Business Financing.

### Overall Conditions

Survey results highlight a continued increase in business lending activity in the first half of 2013. In total, lenders disbursed approximately \$73 billion in new loans<sup>1</sup> to Canadian businesses between January and June (H1 2013), compared with approximately \$71 billion in new loans disbursed between July and December 2012 (H2 2012) (Figure 1). This translates into an increase in new loan activity of 2.8 percent and represents more than 2 years of straight increases. 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 disbursed (\$ billions)**



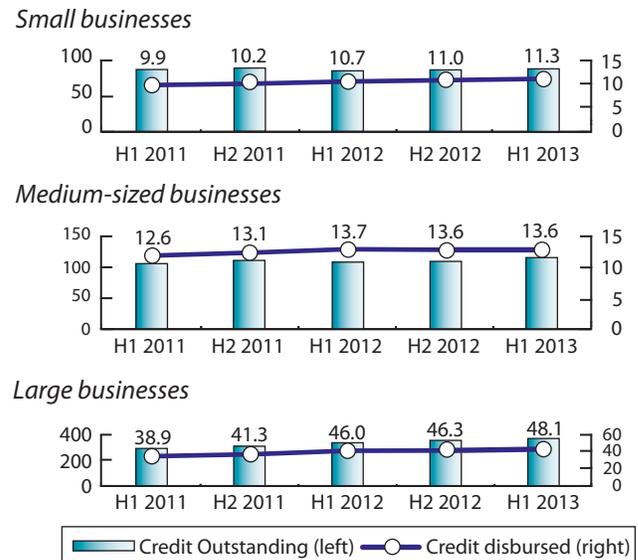
Source: Statistics Canada, *Biannual Survey of Suppliers of Business Financing*, 2013.

### Business Size Conditions

Based on survey findings, lending activity for businesses of most size categories increased in the first half of 2013. The increase was most pronounced among large businesses (those with loan authorization levels above \$5 million) to which lenders disbursed approximately \$48 billion in new loans. This represented a 3.9-percent increase in disbursals compared with the second half of 2012. Similarly, lending

activity increased for small businesses (those with loan authorization levels below \$1 million) with loan disbursals rising by 2.7 percent but remained flat for medium-sized businesses (those with loan authorization levels of greater than \$1 million and less than \$5 million) (Figure 2).

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



Source: Statistics Canada, *Biannual Survey of Suppliers of Business Financing*, 2013.

### Lending Activity

Domestic banks, which account for 46.8 percent of Canada's new loans market, were the most aggressive lending institutions in the first half of 2013, increasing loan disbursals to businesses by 7.9 percent. This followed a 3.3-percent increase in disbursals in the second half of 2012. Credit unions and Caisses populaires continued to increase loans as well, with disbursals rising by 0.6 percent in the first half of 2013 compared with the second half of

<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.

2012 and by 2.1 percent year-over-year. Loan disburseals by other banks, including foreign banks, reversed sharply falling by 5.6 percent in H1 2013 compared to H2 2012 and 9.0 percent year-over-year. This could reflect a combination of both decreasing credit demand among “other” bank borrowers and relatively stricter underwriting standards. Credit disbursed from both finance companies and insurance and portfolio managers grew in the first half of 2013 compared to the second half of 2012 but have trended down on a year-over-year basis (Table 1).

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

Supplier type	2011		2012		2013
	H1	H2	H1	H2	H1
Domestic banks	26.7	30.0	30.6	31.6	34.1
Other banks	15.6	13.2	16.6	16.0	15.1
Credit unions, Caisses populaires	6.7	7.4	8.0	8.9	8.9
Finance companies	6.9	8.1	9.4	9.2	9.6
Insurance companies and portfolio managers	5.6	6.0	5.9	5.2	5.3
All suppliers	61.5	64.6	70.4	70.9	73.0

Source: Statistics Canada, *Biannual Survey of Suppliers of Business Financing*, 2013.

## Industry Conditions

Survey findings point to an increase in lending activity across most sectors in the first half of 2013. Sectors experiencing the strongest increases were the transportation and the manufacturing sectors, which saw increases in loan disburseals of 39.3 percent and 6.2 percent respectively (Figure 3). Firms in the primary sector also experienced a notable increase in lending activity, with loan disburseals rising by 6.2 percent. Conversely, a decline in lending activity was observed in the professional services sector. Specifically, new loans disbursed to professional service businesses fell by 7.1 percent from \$2.8 billion in the second half of 2012 to \$2.6 billion in the first half of 2013.

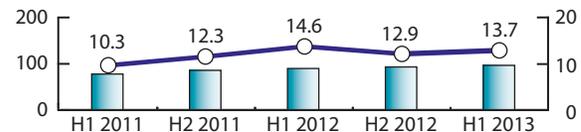
## About the Survey

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.

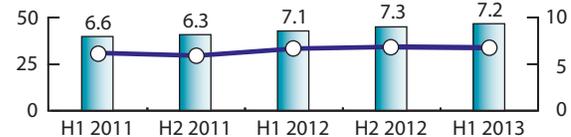
This report was prepared by Daniel Seens, CFA, an economist in the Small Business Branch. Questions can be directed to him at [daniel.seens@ic.gc.ca](mailto:daniel.seens@ic.gc.ca).

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

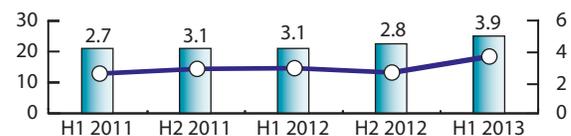
### Primary and agriculture



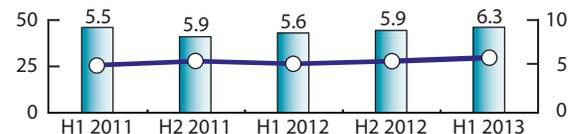
### Construction



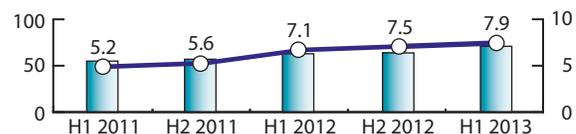
### Transportation



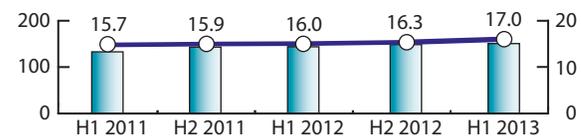
### Manufacturing



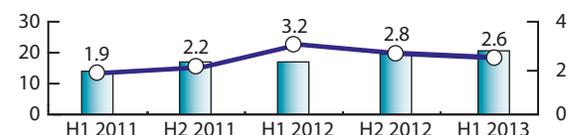
### Wholesale and retail trade



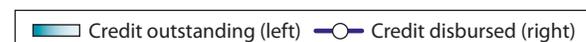
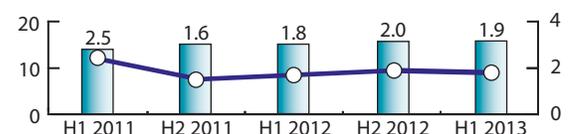
### Finance, insurance, real estate and rental



### Professional services



### Accommodation and food services



Source: Statistics Canada, *Biannual Survey of Suppliers of Business Financing*, 2013.

Note: Numbers do not add up due to exclusion of the “other industries” category.