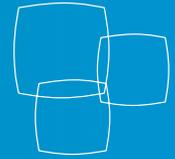




# Biannual Survey of Suppliers of Business Financing Data Analysis, Second Half 2013

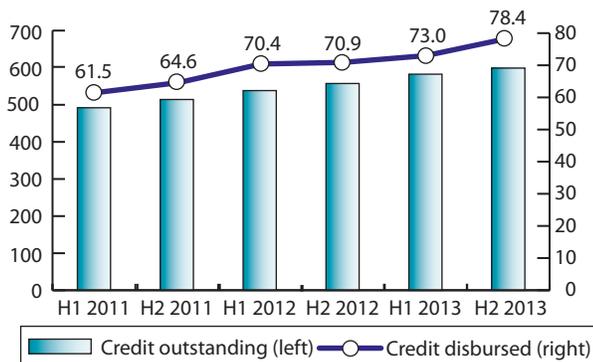


This document presents data on business lending activities gathered from the Statistics Canada Biannual Survey of Suppliers of Business Financing.

## Overall Conditions

Survey results highlight a continued increase in business lending activity in the second half of 2013. In total, lenders disbursed approximately \$78 billion in new loans<sup>1</sup> to Canadian businesses between July and December (H2 2013), compared with approximately \$73 billion in new loans disbursed between January and June 2013 (H1 2013) (Figure 1). This translates into an increase in new loan activity of 7.4-percent and reflects 3 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.

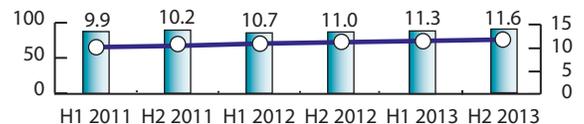
## Business Size Conditions

Based on survey findings, lending activity for businesses of all size categories increased in the second half of 2013. The increase was most pronounced among medium-sized businesses (those with loan authorization levels of between \$1 million and less than \$5 million) to which lenders disbursed approximately \$15 billion in new loans. This represented a 10.9-percent increase in disbursals compared with the first half of 2013. Similarly, lending activity increased for small

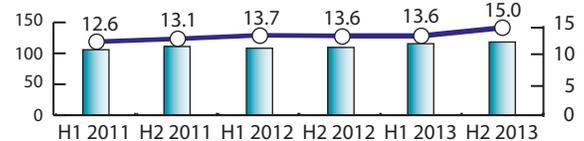
businesses (those with loan authorization levels below \$1 million) with loan disbursals rising by 2.7-percent and for large businesses (those with loan authorization levels above \$5 million) with loan disbursals rising by 7.7-percent (Figure 2).

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

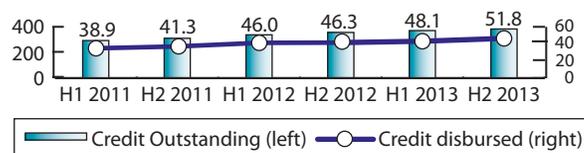
### Small businesses



### Medium-sized businesses



### Large businesses



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

## Lending Activity

Domestic banks, which account for 46.7 percent of Canada's new loans market, continued to lend aggressively in the second half of 2013, increasing loan disbursals to businesses by 7.3-percent. This followed a 7.9-percent increase in disbursals in the first half of 2012. Credit unions and Caisses populaires continued to increase loans as well, with disbursals rising by 5.1-percent in the second half of 2013 compared with the first half of 2013 and by 5.7-percent year-over-year. Loan disbursals by other

<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.

banks, including foreign banks, rebounded by 14.2-percent in H2 2013. This compared to a 5.9-percent drop in disbursements in H1 2013. This could reflect a combination of both increasing credit demand among “other” bank borrowers and relatively softer underwriting standards. Credit disbursed from finance companies fell again in the second half of 2013, down 8.4-percent compared to the first half of 2013 and 4.7-percent 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	H2
Domestic banks	26.7	30.0	30.6	31.6	34.1	36.6
Other banks	15.6	13.2	16.6	16.0	15.1	17.2
Credit unions, Caisses populaires	6.7	7.4	8.0	8.9	8.9	9.4
Finance companies	6.9	8.1	9.4	9.2	9.6	8.8
Insurance companies and portfolio managers	5.6	6.0	5.9	5.2	5.3	6.4
All suppliers	61.5	64.6	70.4	70.9	73.0	78.4

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 second half of 2013. Sectors experiencing the strongest increases were the construction and the accommodation and food services sectors, which saw increases in loan disbursements of 16.7-percent and 15.8-percent respectively (Figure 3). Firms in the wholesale and retail trade sector also experienced a notable increase in lending activity, with loan disbursements rising by 15.2-percent. Conversely, a decline in lending activity was observed in the transportations sector. Specifically, new loans disbursed to transportation businesses fell by 5.1 percent from \$3.9 billion in the first half of 2013 to \$3.7 billion in the second half of 2013.

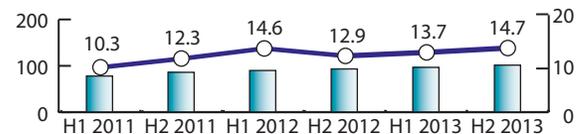
## About the Survey

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.

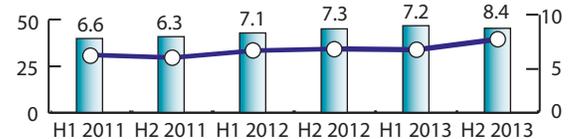
This report was prepared by Daniel Seens, CFA, an economist in the Small Business Branch. Questions can be directed to him at [daniel.seens@ic.gc.ca](mailto:daniel.seens@ic.gc.ca).

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

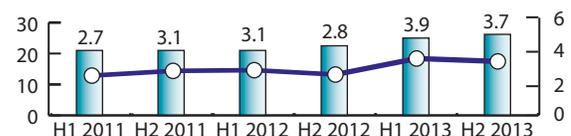
### Primary and agriculture



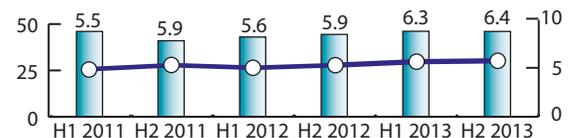
### Construction



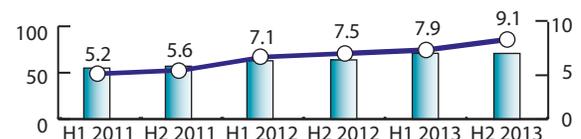
### Transportation



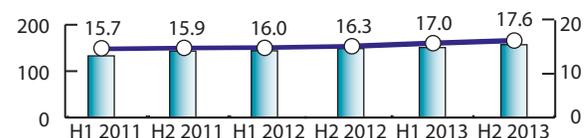
### Manufacturing



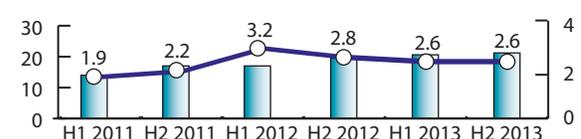
### Wholesale and retail trade



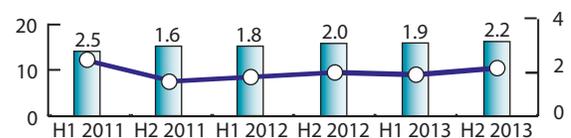
### Finance, insurance, real estate and rental



### Professional services



### Accommodation and food services



Legend: Credit outstanding (left) — Credit disbursed (right)

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.