

New Lending Services Price Index, second quarter 2013

Released at 8:30 a.m. Eastern time in *The Daily*, Friday, October 11, 2013

First-ever data are now available from the New Lending Services Price Index (NLSPI).

The purpose of the NLSPI is to collect and compile data to measure movements in the price of new lending services in Canada. The NLSPI is not an index of loan rates paid by consumers and businesses, but represents the change in the price of service. Prices are derived as the difference between annual percentage rates for new loan products and averages of yields on financial market instruments.

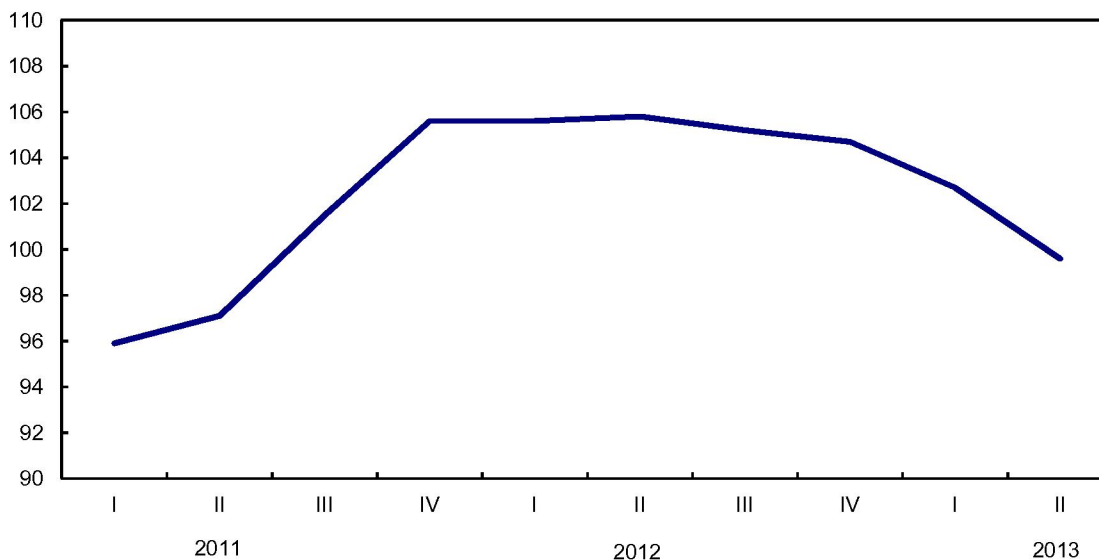
New lending services include newly issued funds for personal loans, lines of credit, mortgage loans, business loans, and leases. These data are combined with other data to estimate a price for new lending activity. Lending is one of the many services provided by the banking industry and this is the first in a series of financial service indexes to be published. This index will provide better estimates of real output, productivity and price change in financial services in Canada.

The NLSPI decreased by 3.0% in the second quarter compared with the previous quarter.

On a year-over-year basis, the index was down 5.9% in the second quarter compared with the same quarter in 2012. The decrease in the index was primarily a result of recent increases in yields on long-term Government of Canada securities. In particular, the yield-to-maturity on Government of Canada bonds with maturities between 5 and 10 years increased by 52 basis points between May and June.

Chart 1
New Lending Services Price Index

index (2011=100)



From the first quarter of 2011 to the second quarter of 2012, the NLSPI increased by 10.3%. This was primarily because of declines in yields on long-term Government of Canada securities during a period of global financial market volatility.

With this release, monthly data are also available from January 2011.

Note to readers

The New Lending Services Price Index (NLSPI) is not an index of loan rates paid by consumers and businesses, but represents the change in the price of service. Prices are derived as the difference between annual percentage rates for new loan products and averages of yields on financial market instruments. The variables used to derive the prices are weighted annual percentage rates for new lending services, funds advanced by product, and market rates. The NLSPI is a monthly index that is disseminated on a quarterly basis.

With each release, data for the previous quarter may have been revised. The series is also subject to an annual revision with the release of second quarter data of the following reference year. The index is not seasonally adjusted.

For a more detailed explanation of the methodology, refer to the [NLSPI Methodology Summary Document](#).

**Table 1
New Lending Services Price Index – Not seasonally adjusted**

	Second quarter 2012	First quarter 2013 ^r	Second quarter 2013 ^p	First quarter to second quarter 2013	Second quarter 2012 to second quarter 2013
	(2011=100)			% change	
New Lending Services Price Index	105.8	102.7	99.6	-3.0	-5.9

^r revised

^p preliminary

Available in CANSIM: tables 332-0014 and 332-0015.

Definitions, data sources and methods: survey number 5207.

The New Lending Services Price Index for the third quarter will be released in January 2014.

For more information, or to enquire about the concepts, methods or data quality of this release, contact us (toll-free 1-800-263-1136; 514-283-8300; infostats@statcan.gc.ca) or Media Relations (613-951-4636; mediahotline@statcan.gc.ca).