

Biannual Survey of Suppliers of Business Financing, first half 2017

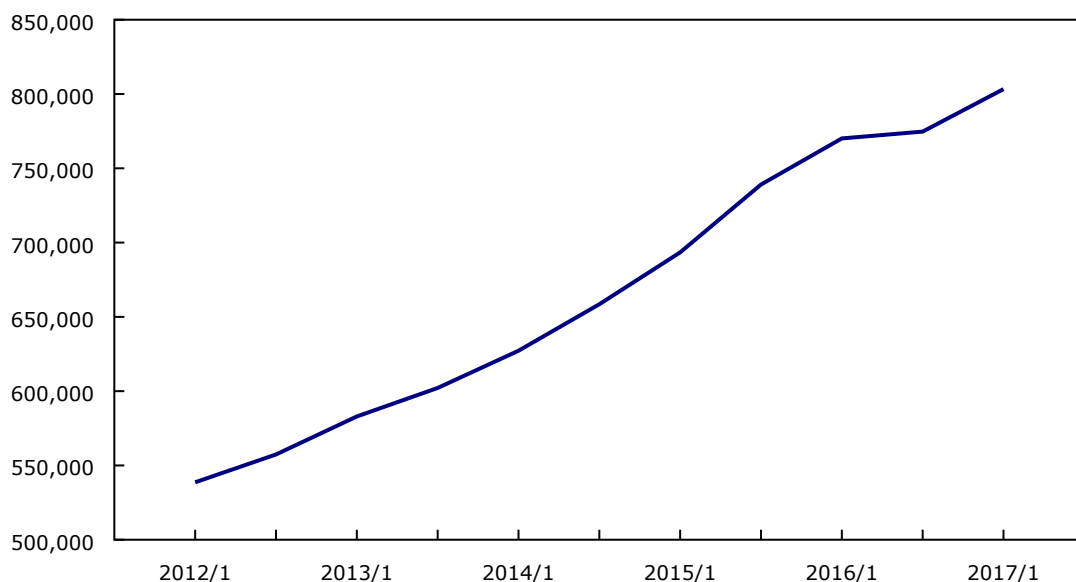
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Overall credit conditions remained essentially unchanged during the first half of 2017. The Bank of Canada maintained its policy interest rate at 0.50% along with the prime rate, unchanged at 2.70%. Corporations in Canada recorded a third consecutive lower debt-to-equity ratio, which fell from 0.948 in the second half of 2016 to 0.932 in the first half of 2017, according to the Quarterly Survey of Financial Statements.

Total credit outstanding for corporations in Canada rose 3.7% to \$803.3 billion during the first half of 2017, up \$28.6 billion from the second half of 2016.

Chart 1
Total credit outstanding

millions of dollars



Source(s): CANSIM table [190-0001](#).

The real estate, rental and leasing industry led the growth in credit outstanding, up 4.8% or \$7.3 billion in the first half of the year.

A report by the Western Investor highlighted that Vancouver commercial real estate saw record high investment during the first half of 2017, surpassing Toronto.

Other primary industries, which include mining, quarrying and oil and gas extraction, had the smallest increase of credit outstanding to businesses, edging up 0.1% or \$47 million to \$46.7 billion. This marks the first positive change in credit outstanding for this industry category and follows two consecutive declines after a high of \$51.2 billion in the second half of 2015.

Data from the Quarterly Survey of Financial Statements showed a reduction in provisions for loan losses of 14.4% for the financial industries in the first half of 2017, following a 22.5% decrease in the second half of 2016. Risk was adjusted by financial institutions as oil prices rose.

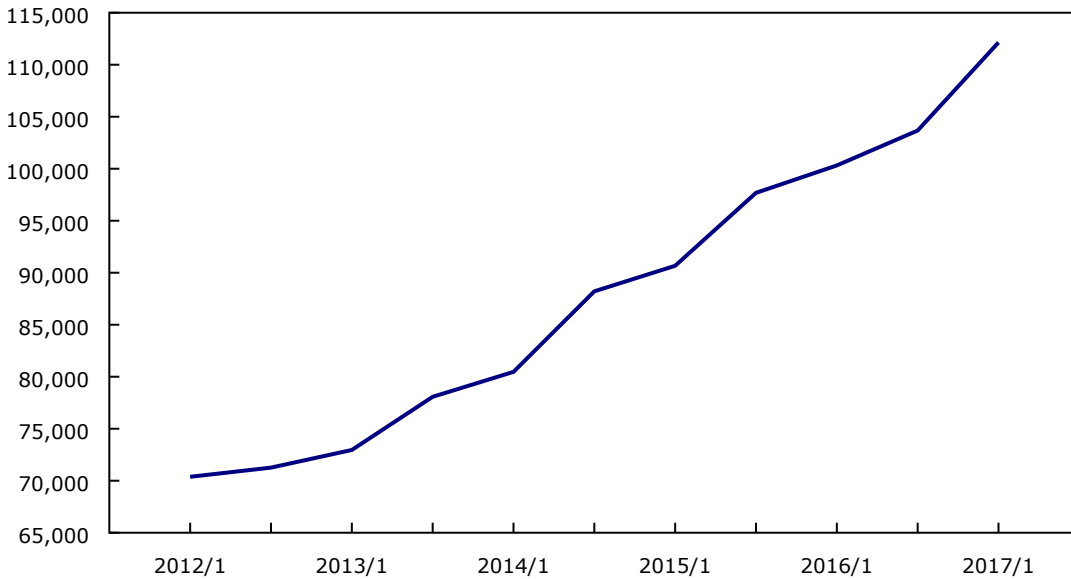


The Bank of Canada Senior Loan Officer Survey indicated that overall, corporate borrowers reported higher demand for credit in the first half of 2017—specifically driven by British Columbia and the Prairies. However, lower demand for credit was noted in Quebec for small-business and commercial borrowers.

Total disbursements for the first half of 2017 grew 8.2% to \$112.1 billion, up \$8.5 billion from the second half of 2016.

Chart 2 Total disbursements

millions of dollars



Source(s): CANSIM table [190-0001](#).

Contributing to this growth in disbursements were loans to the finance and insurance industries, up 29.7% or \$3.5 billion, and loans to other primary industries (which include mining, quarrying and oil and gas extraction), up 17.6% or \$1.3 billion. Banks were the main lenders funding the growth.

Note to readers

Data from the Biannual Survey of Suppliers of Business Financing have been revised for the second half of 2016.

Available in CANSIM: tables [190-0001](#) to [190-0003](#).

Definitions, data sources and methods: survey number [2514](#).

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; STATCAN.infostats-infostats.STATCAN@canada.ca) or Media Relations (613-951-4636; STATCAN.mediahotline-ligneinfomedias.STATCAN@canada.ca).