



Industry
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Canada Small Business Financing Act

Annual Report

2005-2006



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The Canada Small Business Financing (CSBF) Program is a national program operating in all provinces and territories. Under the loans component of the program, financial institutions make term loans of up to \$250 000 to small businesses to purchase land, buildings or equipment, or to improve buildings and equipment. Under the CSBF Capital Leasing Pilot Project, participating lessors provide leases of up to \$250 000 to small businesses to finance the leasing of equipment. The Government of Canada pays lenders 85 percent of the eligible losses incurred on defaulted loans and leases. One of the objectives of the CSBF Program is incrementality, which is the program's effectiveness in extending financing that would otherwise have been unavailable to small and medium-sized businesses, or available only under less attractive conditions. The other objective is cost recovery, which is defined as the cost of claims on defaulted loans and leases being balanced by revenues on loans and leases over a period of 10 years.

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Minister of Industry



Ministre de l'Industrie

Ottawa, Canada K1A 0H5

I am pleased to present to Parliament this annual report on the Canada Small Business Financing Program for 2005–06, in accordance with section 20 of the *Canada Small Business Financing Act*.

This report details how Industry Canada, working in partnership with lending institutions across the country, helped small businesses access over 10 800 loans worth more than \$1.1 billion, to acquire assets to either start new businesses or expand existing ones. This initiative has facilitated the creation of more than 17 000 jobs in Canada. The report also provides information on the Capital Leasing Pilot Project, which was launched in April 2002 to test the feasibility and utility of a similar program for capital leases.

Small businesses are the backbone of the Canadian economy. The Government of Canada is focused on ensuring that Canadian businesses operate in a supportive environment. The Canada Small Business Financing Program is an important part of this government's support for small and medium-sized enterprises.

Maxime Bernier

Canada

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Highlights for 2005–06

Small and medium-sized businesses took out loans worth \$1.1 billion.

There were 10 840 small business loans made under the *Canada Small Business Financing Act*. The average loan size was approximately \$101 500. The funds were used to help new businesses get started and established firms make improvements, purchase equipment and modernize.

Small and medium-sized businesses signed capital leases worth \$39 million.

Under the Capital Leasing Pilot Project, small businesses were able to obtain 452 leases, with an average value of \$86 700. Businesses leased new and used equipment such as vehicles, machinery and printing presses.

There was \$72.5 million in claims paid to lenders.

There were 1615 claims on loans settled, with payments of \$72.5 million, which averaged \$44 892 per claim. These claims were associated with defaulted loans registered during the seven-year period from 1999–2006. There were 21 claims for loss under the Capital Leasing Pilot Project in the amount of \$486 000.

Start-ups and new businesses received the largest share of available financing.

Start-ups and new businesses borrowed more than \$645.5 million, or 59 percent of the total loan value. Under the leasing pilot, start-ups and new businesses accounted for 28 percent of the value of leases.

More than 19 000 new jobs were created.

Borrowers estimated that the loans enabled them to create 17 725 new jobs across Canada, an average of 1.6 new jobs per loan. As a result of the leasing pilot, businesses estimated that they were able to create 2.8 jobs per lease for a total of 1279 new jobs.

Lending is available in every province and territory.

A total of 1351 private sector lenders — in every province and territory — participate in the program to extend financing to small businesses.

The Canada Small Business Financing Program website is Industry Canada's most visited site.

The Canada Small Business Financing Program website recorded 116 280 visits, evidence of a high level of interest in loans and leasing.

1. Introduction

Lending a Hand to Business

The purpose of the Canada Small Business Financing (CSBF) Program is to help an important part of the economy — small and medium-sized businesses — get access to adequate financing. The CSBF Program helps fill a gap in the range of financing instruments available to these businesses, which might otherwise have difficulty qualifying for financing or finding financing that meets their needs.

The CSBF Program works because the Government of Canada shares the burden of risk with private sector lenders. As a result, lenders are able to increase the amount of financing they extend to small business.

The *Canada Small Business Financing Act* (CSBFA or the Act) took effect in 1999, replacing the successful *Small Business Loans Act* that had operated since 1961. The CSBFA provides for two forms of financing: loans and capital leases.¹

Under the loans component of the program, start-up businesses and established businesses can expand and modernize by taking out loans to purchase real property, buy equipment and make improvements to their leased property. In 2005–06, the CSBF Program helped small and medium-sized businesses obtain over 10 800 loans with a value of more than \$1 billion.

Under the five-year Capital Leasing Pilot Project component of the program, in effect since April 2002, firms may lease new and used equipment. In 2005–06, the Capital Leasing Pilot Project enabled businesses to sign 452 capital leases, worth \$39 million.

The CSBF Program supports asset-based debt financing. The maximum loan or lease is \$250 000, and terms of loans and leases are 10 years or less. The program is limited to small and medium-sized businesses with revenues of up to \$5 million per year and is not targeted to any group or region. Both franchise and non-franchise businesses may participate, and any type of for-profit business is eligible, with the exception of farms and charitable institutions.

Industry Canada administers the CSBF Program, registers loans and leases, collects fees and pays eligible portions of losses on defaulted loans and leases. However, the Department is not involved in assessing individual loan and lease applications. It is the responsibility of private sector lenders and leasing companies to make all credit decisions and disburse funds. In accordance with the CSBFA and its regulations, lenders and leasing companies must act with due diligence, as they would with their own conventional loans and leases. In addition, they are required to register securities against the loans and leases.

¹ A *capital lease* is a lease under which a leasing company provides equipment to a lessee meeting at least one of the following conditions: it includes a bargain purchase option; it provides for the transfer of ownership of the leased equipment to the lessor at the end of the term; the lease term is greater than 75 percent of the economic life of the equipment; and the net present value of the payments made under the lease is 90 percent or more of the cost of the equipment on the day the lease was entered into.

Lenders include some 1350 chartered banks, credit unions, loan and insurance companies, and Caisses populaires. They operate from more than 15 000 locations, providing service to Canadians in all provinces and territories.

The Government of Canada shares the cost of losses with lenders and leasing companies by paying 85 percent of eligible losses on defaulted loans and leases. In order to limit the Crown's liability, there is a cap on claims paid to any one lender or leasing company. The Crown's exposure to high volume lenders and leasing companies is limited to approximately 10 percent of the value of the loans and leases.

2. Performance and Financial Review

2.1 Program Objectives and Impacts

Helping Small Business Grow

One of the objectives of the CSBF Program is incrementality.

Incrementality means that small and medium-sized businesses have access to financing that otherwise would not have been available to them. Incrementality may also mean that businesses can borrow on more favourable terms or with better security arrangements.

Research shows that new businesses and start-ups have the greatest difficulty of any business in accessing capital.² Therefore, an indicator of incrementality is the number of start-ups and new businesses that receive loans. In 2005–06, start-ups and new businesses borrowed

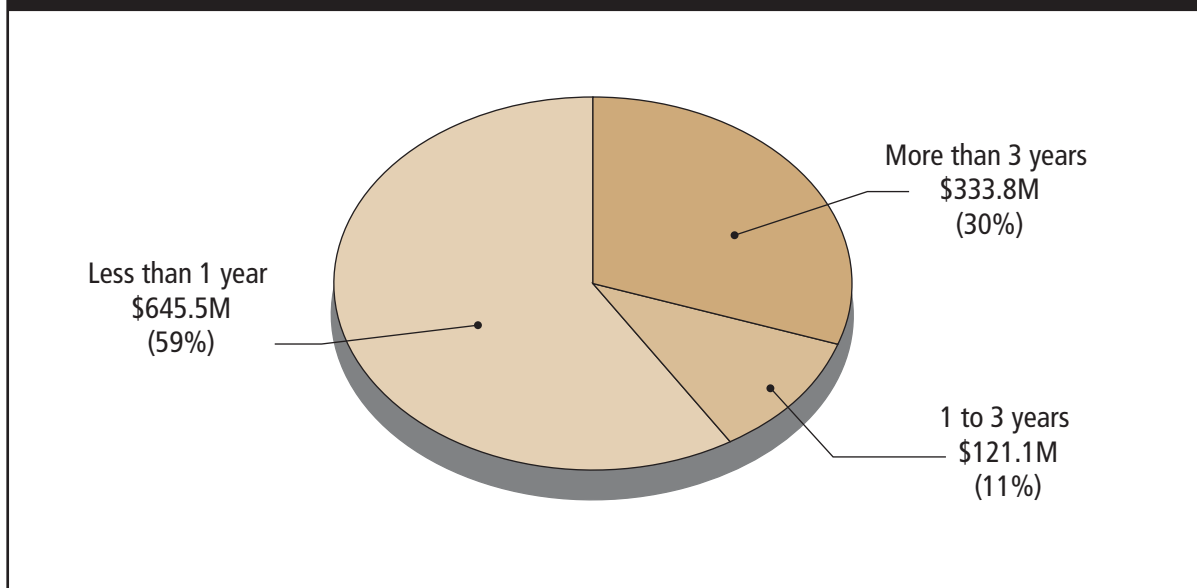
\$645.5 million in loans, or 59 percent of the total value of loans under the program (see Figure 1). This is a strong indication that the program is achieving incrementality.

The other objective of the CSBF Program is cost recovery.

Cost recovery means that the program should be self-sustaining, with the costs of paying claims on defaulted loans being balanced by the registration and administration fees being paid to Industry Canada.

For the current five-year period (2004–09), CSBF Program revenues amounted to \$66.0 million as of March 31, 2006 (see Table 1). Total claim expenses were \$12.2 million, resulting in a net balance of \$53.8 million. A positive net balance early in the term of a five-year period is due to the

Figure 1: Value of CSBF Loans by Age of Borrower Firm, 2005–2006



For more detailed information, see Appendix B, Table VII.

² Source: Industry Canada, *Small and Medium-Sized Enterprise Financing in Canada*, 2003.

Table 1: Cumulative Revenues and Expenses, CSBF Program Presented by Five-Year Administrative Period

	(\$000)	
	1999–2004	2004–06
Revenues		
Registration fees	\$106 937.75	\$42 560.49
Administration fees	\$159 346.63	\$23 693.80
Refunds of previous years' revenues	(\$837.29)	(\$206.73)
Total revenues	\$265 447.09	\$66 047.56
Expenditures		
Claims paid	\$336 724.44	\$12 206.92
Refunds of previous years' claims	(\$1 210.58)	\$0.00
Total expenditures	\$335 513.85	\$12 206.92
Total revenues less total expenditures	(\$70 066.76)	\$53 840.64

Details may not add up to totals because of rounding.

For more detailed information, see Appendix B, Table VIII.

fact that fees on loans start being collected at the time of registration, while claims are typically submitted 2 to 4 years after loans are made. For the first five-year period of the CSBF Program (1999–2004), expenditures were \$70 million greater than revenues at the time of reporting.

Small Business and Job Creation

Small and medium-sized businesses are engines of job creation. Information provided by borrowers on their loan registration forms enabled the CSBF Program to measure the gross effect on employment. In 2005–06, borrowers estimated that loans would help their businesses create a total of 17 725 new jobs, or 1.6 jobs per loan. In the previous year, 2004–05, borrowers estimated job creation at 2.3 new jobs per loan. Since 1999, the CSBF Program has helped to create some 241 571 new jobs, or 2.8 jobs per loan.

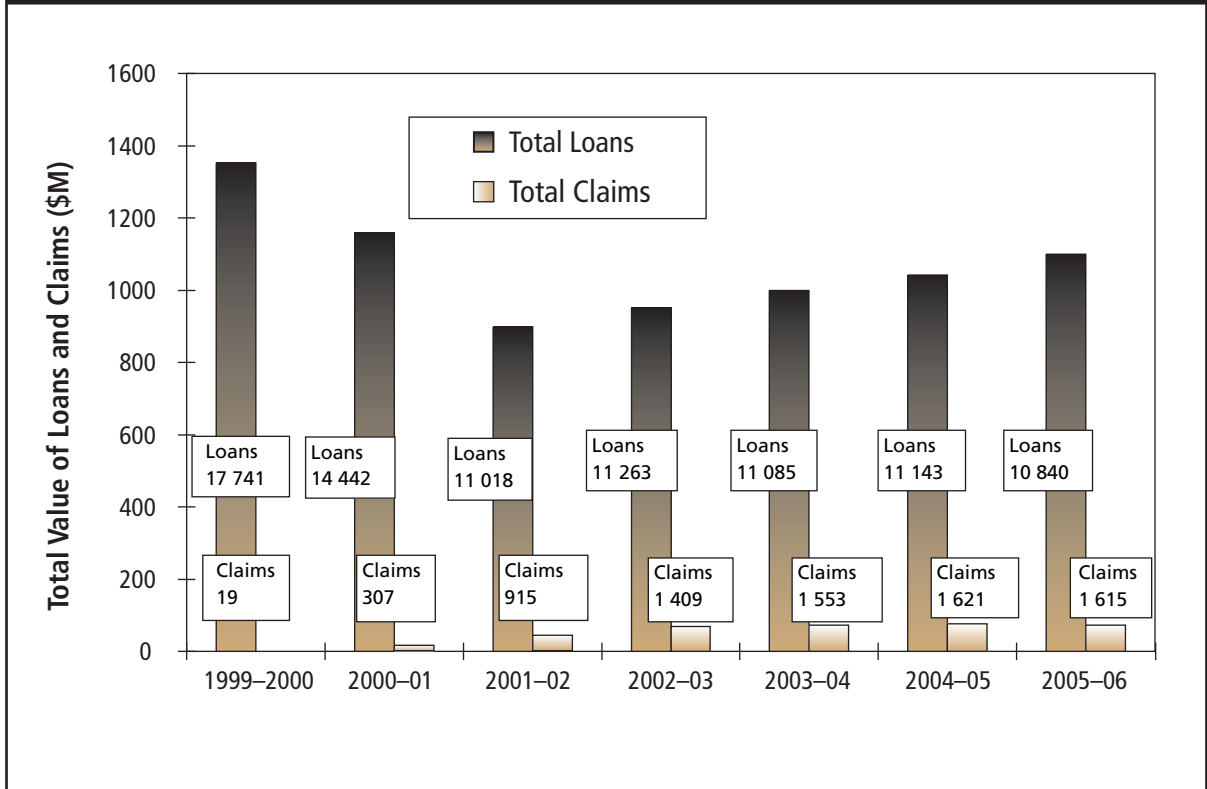
2.2 Program Activity

Loans, Business Successes and Claims

During the period 2005–06 the total value of loans that private sector lenders made under the CSBF Program surpassed \$1 billion. This represents a significant injection of new financing for small and medium-sized businesses. Loans numbered 10 840, almost 3 percent less than the previous year (see Figure 2), and the size of the average loan grew 8 percent to \$101 500 (see Figure 3).

Even with good financing at affordable rates, some business ventures cannot succeed. In 2005–06, 1615 claims were settled, with payments of \$72.5 million, which averaged \$44 892 per claim (see Figures 2 and 3). These claims were associated with defaulted loans registered during the seven-year period from 1999–2006 and the average value per claim remained relatively unchanged between 2000 and 2006.

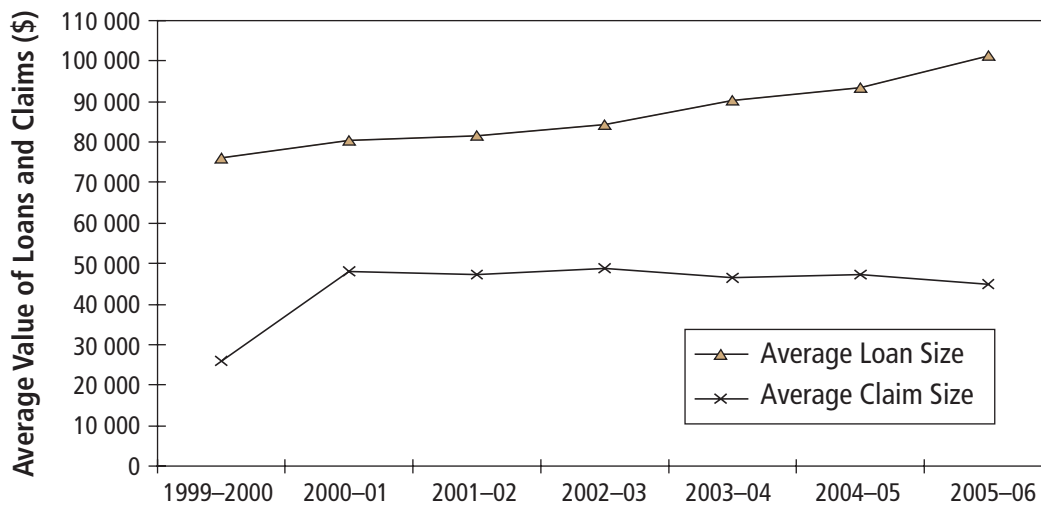
Figure 2: Number and Value of CSBF Loans and Claims, 1999–2006



*Claims are typically submitted 2–4 years after loans are made.³ This explains the rising number of claims later in the life of the program. The CSBF Program came into effect in 1999. For more detailed information, see Appendix B, Table I.

³ Source: Equinox Management Consultants, *SBLA and CSBFA Claims and Cost Experience*, 2003.

Figure 3: Average Loan Size and Average Claim Size, 1999–2006



For more detailed information, see Appendix B, Table I.

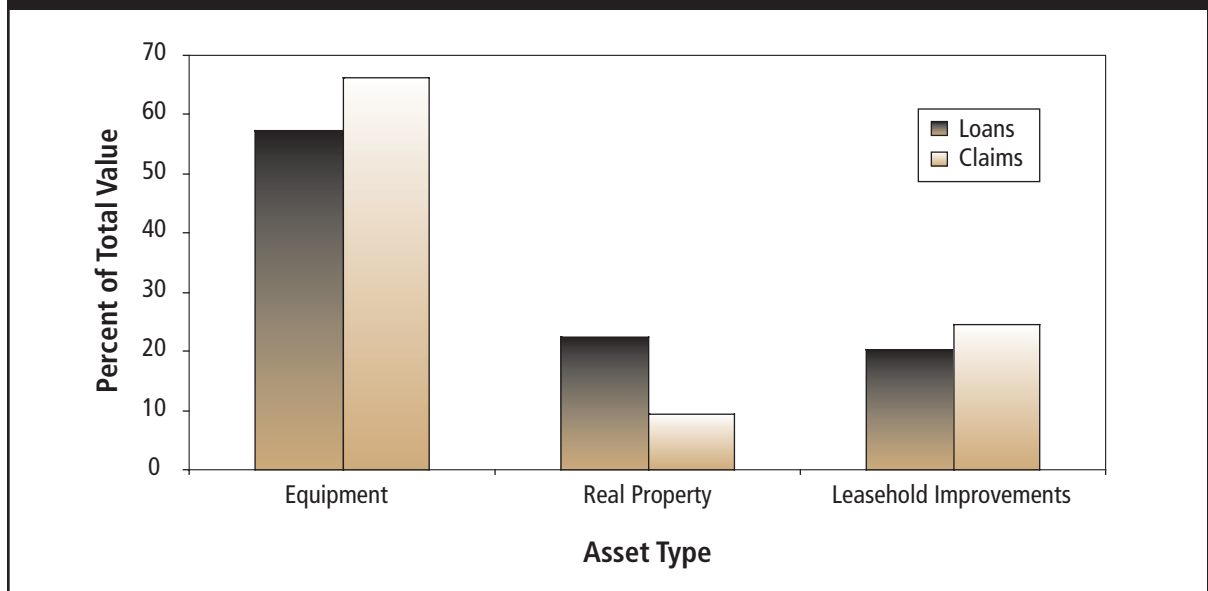
Investments in Modernization and Growth — Review by Asset Type

Firms borrowed capital for a variety of reasons. They invested in equipment and real property, and made other business improvements and innovations. Figure 4 shows the distribution of the total value of CSBF loans and claims by asset type over the seven years of the program. The purchase of equipment accounted for the largest percentage of the total value of both loans (57 percent) and claims (66 percent). During the same period, purchasing real property accounted for 22 percent of the total value of all loans, and 9 percent of the total value of claims. Finally, leasehold improvements represented the smallest percentage (20 percent) of the total value of loans, and accounted for 24 percent of the total value of claims.

The text below shows how the loans and claims were distributed by asset type during fiscal year 2005–06 relative to the seven years of the program:

- 56 percent of the total value of loans went toward purchasing equipment. This is similar to the seven-year average of 57 percent.
- 20 percent of the total value of loans went toward purchasing real property (land and buildings). This share is slightly below the seven-year average of 22 percent for real property.
- 25 percent of the total value of loans went toward making improvements to leasehold improvements. This is higher than the seven-year average of 20 percent for these expenditures.
- 58 percent of the total value of claims involved loans for the purchase of equipment. This is below the seven-year average of 66 percent.

Figure 4: Percent of Total Value of CSBF Loans and Claims by Asset Type, 1999–2006



For more detailed information, see Appendix B, Table II.

- 10 percent of the total value of claims related to loans for financing real property. This is slightly higher than the seven-year average of 9 percent.
- 32 percent of the total value of claims was tied to leasehold improvements. The seven-year average was lower at 24 percent.

Loans for Businesses in Every Province, Every Territory

Thanks to a large network of 1350 private sector lenders, the CSBF Program is able to serve Canadian firms in every part of the country, whether they do business in big cities, small towns or rural communities. The program is driven by demand. Variations in its use reflect choices made by lenders and borrowers.

In 2005–06, although businesses in every province and territory took out loans, the provinces of Quebec and Ontario registered the largest share. Businesses in these two provinces borrowed 68 percent of the value of the loans, consistent with the seven-year average. Studies have shown that 58 percent of all for-profit Canadian small and medium-sized businesses operate in Ontario and Quebec.⁴

Ontario and Quebec together accounted for 78 percent of the value of claims during 2005–06 and 80 percent over the period 1999–2006. For more information, see Appendix B, Table III.

⁴ Source: Industry Canada, *Small and Medium-Sized Enterprise Financing in Canada*, 2003.

Food and Beverage Services, Retail Trade, Manufacturing, and Transportation and Warehousing Sectors Lead the Way in Borrowing

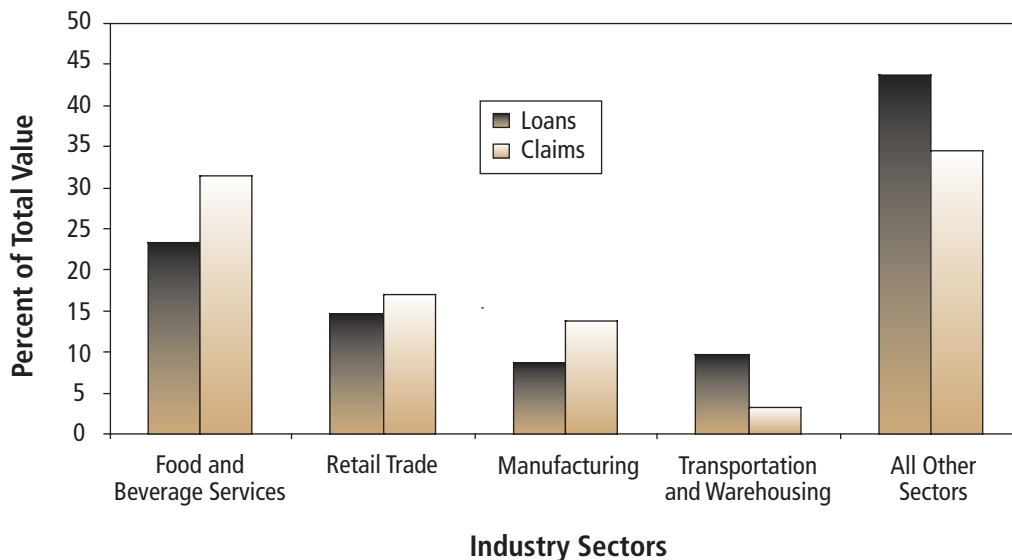
Based on the seven-year average, the food and beverage sector accounted for 23 percent of the total value of loans made, the retail sector accounted for 15 percent, the manufacturing sector accounted for 9 percent and the transportation and warehousing sector accounted for 10 percent (see Figure 5).

For the seven-year period from 1999–2006, the food and beverage sector accounted for 32 percent of the total value of claims paid, while the retail trade sector accounted for 16 percent, the manufacturing sector accounted for 14 percent and the transportation and warehousing sector accounted for 3 percent.

As for 2005–06:

- These top four industry sectors, both by number and value of loans, together accounted for 57 percent of the total value of loans, consistent with the seven-year average.
- All other sectors together represented borrowing worth 43 percent of the value of loans. These include health care, construction, educational services, information and cultural industries, mining, oil and gas, and others.
- On the claims side, the top four industry sectors were responsible for a significant share of claims for losses, 65 percent of the value of claims, consistent with the seven-year average.

Figure 5: Percent of Total Value of CSBF Loans and Claims by Industry Sector, 1999–2006

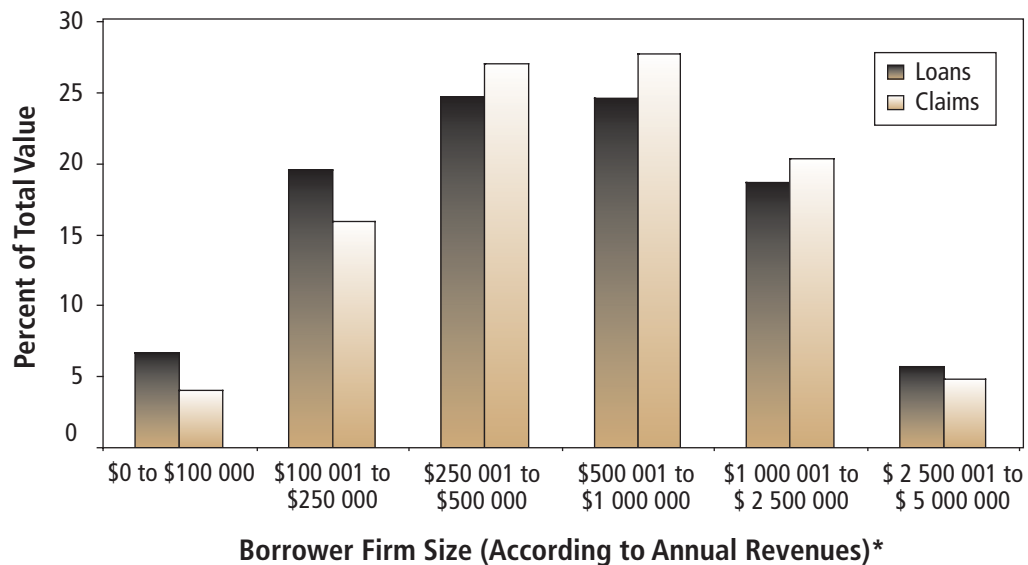


For more detailed information, see Appendix B, Table IV.

Type and Size of Borrowers Remain Steady

- Non-franchise businesses accounted for 84 percent of the total value of loans, whereas franchise businesses accounted for 16 percent of loans, figures consistent with the seven-year average. Franchise businesses represented 21 percent of the value of claims, consistent with the seven-year average. For more information, see Appendix B, Table V.
- Firms with annual revenues between \$100 001 and \$2 500 000 accounted for 89 percent of the value of all loans made in 2005–06, consistent with the past seven years. Based on this seven-year average, loan and claim values by segment are roughly in line with each other (see Figure 6). These firms also accounted for 93 percent of claims that were paid, slightly higher than the seven-year average of 91 percent.

Figure 6: Percent of Total Value of CSBF Loans and Claims by Borrower Firm Size, 1999–2006



*Based on borrower's revenue forecasts at time of loan registration.

For more detailed information, see Appendix B, Table VI.

2.3 The Crown's Program Liability

To limit the Government of Canada's overall exposure to liability, the *Canada Small Business Financing Act* established a \$1.5 billion liability ceiling for each consecutive five-year period for claims paid on defaulted loans. As of March 31, 2006, the second year of the current five-year period, the Crown's remaining potential liability was \$352.0 million, which was well below the statutory limit. The remaining contingent liability is calculated by the maximum potential liability⁵ less reductions in the repayment of loans by borrowers and the reimbursement of losses by the government for this same period.

2.4 Program Administration

The Canada Small Business Financing Program Directorate of Industry Canada is responsible for the administration of three programs: the Canada Small Business Financing Program (loans component), the five-year Capital Leasing Pilot Project and the Small Business Loans program. Although the Canada Small Business Financing Program replaced the Small Business Loans (SBL) program on April 1, 1999, the Directorate is still processing claims and recoveries from loans that were registered before 1999.

The Directorate employs 27 full-time staff and operates with an annual budget of about \$2.8 million. Among its main administrative duties, the Directorate evaluates claims for losses and reimburses lenders for eligible losses. The time required to process a claim in 2005–06 took an average of 13 days, consistent with 2004–05.

The Directorate received a total of eight appeals of decisions made related to the two loan programs. Each appeal was considered in the light of any additional information or clarifications. As a result, the Directorate rejected five appeals and accepted two appeals. A decision on one appeal was pending at the time of writing.

It took an average of two days or less to register loans and leases.

There were 2467 telephone and email inquiries from small businesses and lenders. The program's website received more than 116 000 visits (similar to 2004–05), making it the most visited website at Industry Canada.

Claims for Losses

During 2005–06, the Directorate accepted 94 percent (1615) and rejected 6 percent (107) of Canada Small Business Financing Program claims (see Table 2). The rejection rate is consistent with last year's.

During 2005–06, the Directorate accepted 90 percent (183) and rejected 10 percent (20) of Small Business Loans program claims. By comparison, the 2004–05 rate of rejection was 15 percent. The reason for the difference in rejection rates is that under the CSBF Program, there are provisions for adjusting claims that would have been rejected outright under the terms of the SBL program.

⁵ The Government of Canada's maximum potential liability is calculated as the sum of the Government of Canada's potential liability to each lender, per lending period, capped by the 90–50–10 formula. This formula limits the Crown's payments with respect to any lender according to the following: 90 percent of the first \$250 000 of loans in a lender's account, 50 percent on the next \$250 000 and 10 percent of all remaining loans.

Table 2: Canada Small Business Financing Program Directorate

Transactions	2005-06	2004-05
CSBF Program loans	10 840	11 143
Claims for loan losses processed		
CSBF claims accepted	1 615	1 621
CSBF claims rejected	107	108
CSBF total number of claims	1 722	1 729
SBL claims accepted	183	377
SBL claims rejected	20	64
SBL total number of claims	203	441
Capital Leasing Pilot Project leases made	452	288
Claims for lease losses processed	21	1

3. Capital Leasing Pilot Project

The Capital Leasing Pilot Project was launched April 1, 2002. The project was based on consultations with the business and leasing communities. The purpose is to identify and test the viability and utility of the CSBF Program for capital leasing. This pilot project is based largely on the loan program and shares the objectives of incrementality and cost recovery. There is a maximum lease value of \$250 000 and maximum term of 10 years. The Government of Canada pays eligible portions of defaulted leases up to 85 percent of their value. The pilot collects registration fees and administration fees. For more details, see Appendix A.

3.1 Leasing Activity

The Capital Leasing Pilot Project has enabled businesses to sign 921 capital leases, worth \$90.1 million, since April 2002. In 2005–06, the leasing pilot made 452 capital leases worth a total value of \$39.2 million. The average lease value was about \$86 700, an amount that is approximately \$15 000 less than the average value of CSBF Program loans.

Like the loans program, the leasing pilot project is driven by demand — variations in activity across the country reflect choices made by the leasing companies and the businesses that sign leases. The pilot project is available in all provinces and territories, and does not target any sector or region. Currently, there are five active lessors under this pilot project. In 2005–06, leasing activity took place in eight provinces (see Table 3).

- Start-ups and new businesses accounted for 28 percent of the value of leases.
- Firms more than three years old made up 50 percent of the value of new leases.
- Quebec accounted for the largest share of leases, 42 percent of the total value of leases.
- Firms that participated in the leasing pilot estimated that each lease helped create an average of 2.8 new jobs. All leases together contributed to the creation of 1279 new jobs.

**Table 3: Capital Leases by Province and Territory, April 1,
2002 – March 31, 2006**

Province or territory	Fiscal year	Leases made			
		Number	Value (\$000)	Percent of total value	Average (\$000)
Newfoundland and Labrador	2002-03	2	240.2	3	120.1
	2003-04	0	0.0	0	0.0
	2004-05	0	0.0	0	0.0
	2005-06	0	0.0	0	0.0
Prince Edward Island	2002-03	0	0.0	0	0.0
	2003-04	0	0.0	0	0.0
	2004-05	0	0.0	0	0.0
	2005-06	0	0.0	0	0.0
Nova Scotia	2002-03	2	292.2	3	146.1
	2003-04	2	227.2	1	113.6
	2004-05	3	342.4	1	114.1
	2005-06	1	198.0	1	198.0
New Brunswick	2002-03	5	707.1	8	141.4
	2003-04	9	1 044.0	6	116.0
	2004-05	11	1 318.4	5	119.9
	2005-06	8	816.8	2	102.1
Quebec	2002-03	9	1 410.6	16	156.7
	2003-04	23	2 608.9	16	113.4
	2004-05	139	9 443.7	36	67.9
	2005-06	263	16 618.2	42	63.2
Ontario	2002-03	24	4 107.7	47	171.2
	2003-04	44	5 939.5	37	135.0
	2004-05	69	7 953.2	31	115.3
	2005-06	75	9 038.7	23	120.5
Manitoba	2002-03	2	287.9	3	143.9
	2003-04	0	0.0	0	0.0
	2004-05	5	768.6	3	153.7
	2005-06	8	852.1	2	106.5
Saskatchewan	2002-03	1	122.4	1	122.4
	2003-04	2	278.9	2	139.4
	2004-05	1	111.2	0	111.2
	2005-06	2	363.3	1	181.7
Alberta	2002-03	6	758.3	9	126.4
	2003-04	24	2 726.8	17	113.6
	2004-05	40	4 149.8	16	103.7
	2005-06	46	5 401.9	14	117.4
British Columbia	2002-03	6	847.3	10	141.2
	2003-04	20	3 383.2	21	169.2
	2004-05	20	1 886.3	7	94.3
	2005-06	49	5 879.2	15	120.0
Yukon	2002-03	0	0.0	0	0.0
	2003-04	0	0.0	0	0.0
	2004-05	0	0.0	0	0.0
	2005-06	0	0.0	0	0.0
Northwest Territories	2002-03	0	0.0	0	0.0
	2003-04	0	0.0	0	0.0
	2004-05	0	0.0	0	0.0
	2005-06	0	0.0	0	0.0
Nunavut	2002-03	0	0.0	0	0.0
	2003-04	0	0.0	0	0.0
	2004-05	0	0.0	0	0.0
	2005-06	0	0.0	0	0.0
Total*	2002-03	57	8 773.7	100	153.9
	2003-04	124	16 208.5	100	130.7
	2004-05	288	25 973.7	100	90.2
	2005-06	452	39 168.3	100	86.7
	Total	921	90 124.1	100	97.9

* Details may not add up to totals because of rounding.

3.2 Revenues and Costs

Revenues reached \$2.7 million in fiscal year 2005–06 for the Capital Leasing Pilot Project. There have been 21 claims received in the amount of \$486 000. A forecast of expected revenues and expenses for the pilot project will be undertaken in 2006–07 to assess whether the pilot can achieve cost recovery.

3.3 The Crown's Program Liability

To limit the Government of Canada's exposure to liability, the Capital Leasing Pilot Project established a \$400 million liability ceiling for the five-year period ending March 31, 2007. Four years into the pilot project, on March 31, 2006, the Crown's remaining potential liability was calculated at \$9.9 million, well below the \$400 million ceiling permitted. The remaining contingent liability is calculated by the maximum potential liability⁶ less reductions in the repayment of leases by borrowers and the reimbursement of losses by the government.

3.4 Pilot Project Evaluation

The Capital Leasing Pilot Project was launched in April 2002 and its regulations cease to have effect from April 1, 2007, unless the Government of Canada decides to make capital leasing a permanent component of the program. In that instance, following an announcement of the Government of Canada's decision, pilot project regulations will continue in force for one year while legislation and regulations are put in place to give effect to this decision. To facilitate the decision-making process, Industry Canada will be carrying out an evaluation of the pilot project in 2006–07.

⁶ The Government of Canada's maximum potential liability is calculated as the sum of the Government of Canada's potential liability to each lessor, per lease period, capped by the 90–50–10 formula. This formula limits the Crown's payments with respect to any lessor according to the following: 90 percent of the first \$250 000 of leases in a lessor's account, 50 percent on the next \$250 000 and 10 percent of all remaining leases.

4. Future Directions

Under the provisions of the *Canada Small Business Financing Act*, the CSBF Program undergoes a program review every five years. The last review report was tabled in Parliament in April 2005. The report (along with the related research and a summary review of the research) is available online (www.strategis.gc.ca/sbresearch/csbfa). The 2005 review report confirmed the importance, efficiency and effectiveness of the program in helping address the financing challenges faced by small business. It also established a framework for consultations to identify how the CSBF Program could be improved.

Industry Canada is continuing work to address program improvements, as well as regular program monitoring and assessment based on an evaluation framework that provides results-based monitoring of program activities. Framework evaluation activities include program awareness and satisfaction surveys, study of the level of cost recovery and incrementality, and economic and employment impact assessment.

Appendix A

Major Program Parameters



The CSBF Program operates according to the following major parameters.

Parameters	Loans	Capital Leases
Assets financed	Loans are restricted to financing: (1) equipment; (2) real property or immovables; (3) leasehold improvements; and (4) program registration fees.	Leases are restricted to financing: (1) new equipment, or used equipment that has a remaining economic life greater than the term of the lease; and (2) program registration fees.
Percentage of asset cost accepted for financing	The maximum amount of financing available under the loans component is 90 percent of the eligible cost of the assets.	The maximum amount of financing available under the pilot project is 100 percent of the cost of the equipment.
Fees	A one-time, up-front fee of 2 percent of the amount financed is paid at the time of registration. This fee can be included in the CSBF loan/lease. In addition, the lender/lessor is charged an administration fee of 1.25 percent (paid quarterly) on outstanding loan/lease amounts. Lenders/lessors may pass this fee on to borrowers/lessees only as part of the interest rate charged on their loans/leases.	
Maximum interest rate	The maximum floating rate is the lender's prime rate plus 3 percent (including the 1.25 percent administration fee). The maximum fixed rate is the lender's residential mortgage rate plus 3 percent (including the 1.25 percent administration fee).	Lessors may not charge interest in excess of the Government of Canada Bond rate plus 13.25 percent (including the 1.25 percent administration fee).
Maximum financing amount	A borrower/lessee cannot have more than \$250 000 in total loans and leases outstanding under the CSBF Program and the Small Business Loans Program.	
Length of term	The maximum term for any loan is 10 years from the date the first principal payment is scheduled to be made.	The maximum term for any lease is 10 years from the date the lease was entered into.
Loss-sharing ratio	The Government of Canada shares in eligible losses after realizations on security. The Government of Canada's share of eligible losses for loans/leases in default is 85 percent. Lenders/lessors are responsible for the remaining 15 percent.	
Cap on claims	Each lender/lessor has a separate account for loans/leases made under the program. The Government of Canada's obligation to an individual lender/lessor is to pay eligible claims (i.e. 85 percent of the eligible losses) on defaulted loans/leases in its account, up to a maximum of the aggregate of 90 percent of the first \$250 000 in loans/leases registered, 50 percent of the next \$250 000, and 10 percent of all loans/leases in excess of \$500 000.	

Appendix B

Canada Small Business Financing Act Tables



Table I: Summary of Financial Activities per Fiscal Year, CSBF Program													
Fiscal year	Loans			Revenues					Expenditures				Net revenues less expenditures (\$000)
	Number	Amount (\$000)	Average size (\$000)	Registration fees (\$000)	Administration fees (\$000)	Refunds of previous years' revenues (\$000)	Total revenues (\$000)	Number of claims	Claims paid (\$000)	Refunds of previous years' expenditures (\$000)	Total expenditures (\$000)		
1999-2000	17 741	1 352 320.5	76.2	26 976.2	6 449.6	0.0	33 425.9	19	494.6	0.0	494.6	32 931.3	
2000-01	14 442	1 159 048.0	80.3	23 130.2	20 208.0	(200.4)	43 137.8	307	14 769.0	0.0	14 769.0	28 368.8	
2001-02	11 018	899 350.2	81.6	17 919.7	26 849.6	(200.1)	44 569.2	915	43 466.0	(21.7)	43 444.3	1 124.9	
2002-03	11 263	951 159.1	84.4	18 960.2	29 588.6	(117.3)	48 431.5	1 409	68 891.6	(100.4)	68 791.3	(20 359.8)	
2003-04	11 085	999 884.9	90.2	19 951.4	31 732.1	(139.2)	51 544.3	1 553	71 949.1	(286.5)	71 662.7	(20 118.4)	
2004-05	11 143	1 041 307.2	93.4	20 798.5	33 209.1	(170.0)	53 837.6	1 621	76 881.2	(412.4)	76 468.7	(22 631.1)	
2005-06	10 840	1 100 431.3	101.5	21 761.9	35 003.4	(217.0)	56 548.3	1 615	72 479.8	(389.7)	72 090.2	(15 541.8)	
Total *	87 532	7 503 501.0	85.7	149 498.2	183 040.4	(1 044.0)	331 494.6	7 439	348 931.4	(1 210.6)	347 720.8	(16 226.2)	

*Details may not add up to totals because of rounding.

Table II: Loans and Claims, by Asset Type, CSBF Program, 1999–2006											
Asset type*	Fiscal year	Loans made					Claims paid				
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)		
Equipment	1999–2004	43 099	3 110 049.2	58.0	72.2	2 998	140 455.7	70.4	46.8		
	2004–05	7 064	576 176.8	55.3	81.6	1 062	48 402.5	63.0	45.6		
	2005–06	6 899	611 618.7	55.6	88.7	1 013	42 011.4	58.0	41.5		
	Subtotal	57 062	4 297 844.6	57.3	75.3	5 073	230 869.6	66.2	45.5		
Real property	1999–2004	12 445	1 232 632.7	23.0	99.0	396	18 242.2	9.1	46.1		
	2004–05	2 064	229 141.0	22.0	111.0	160	7 082.1	9.2	44.3		
	2005–06	1 839	219 067.0	19.9	119.1	173	7 402.2	10.2	42.8		
	Subtotal	16 348	1 680 840.6	22.4	102.8	729	32 726.6	9.4	44.9		
Leasehold improvements	1999–2004	10 005	1 019 080.8	19.0	101.9	809	40 872.4	20.5	50.5		
	2004–05	2 015	235 989.4	22.7	117.1	399	21 396.5	27.8	53.6		
	2005–06	2 102	269 745.6	24.5	128.3	429	23 066.3	31.8	53.8		
	Subtotal	14 122	1 524 815.8	20.3	108.0	1 637	85 335.2	24.5	52.1		
Total**	1999–2004	65 549	5 361 762.6	100.0	81.8	4 203	199 570.4	100.0	47.5		
	2004–05	11 143	1 041 307.2	100.0	93.4	1 621	76 881.2	100.0	47.4		
	2005–06	10 840	1 100 431.3	100.0	101.5	1 615	72 479.8	100.0	44.9		
	Total**	87 532	7 503 501.0	100.0	85.7	7 439	348 931.4	100.0	46.9		

*Given that loans can be used for multiple purposes, a given loan was associated with an asset type if more than 50 percent of the proceeds were devoted to that asset type.

**Details may not add up to totals because of rounding.

Annual data for 1999–2004 are available in prior annual reports at www.strategis.gc.ca/csbfa.

Table III: Loans and Claims, by Province and Territory, CSBF Program, 1999–2006

Province or territory	Fiscal year	Loans made			Claims paid				
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)
Newfoundland and Labrador	1999–2004	1 465	105 223.2	2.0	71.8	15	541.2	0.3	36.1
	2004–05	204	14 447.6	1.4	70.8	15	579.1	0.8	38.6
	2005–06	191	13 545.5	1.2	70.9	24	783.9	1.1	32.7
	Subtotal	1 860	133 216.2	1.8	71.6	54	1 904.2	0.5	35.3
Prince Edward Island	1999–2004	411	31 732.7	0.6	77.2	13	295.9	0.1	22.8
	2004–05	50	3 286.7	0.3	65.7	8	299.6	0.4	37.5
	2005–06	50	4 711.4	0.4	94.2	5	71.4	0.1	14.3
	Subtotal	511	39 730.9	0.5	77.8	26	666.9	0.2	25.7
Nova Scotia	1999–2004	2 510	192 219.1	3.6	76.6	100	3 000.0	1.5	30.0
	2004–05	397	30 064.6	2.9	75.7	33	599.6	0.8	18.2
	2005–06	293	21 716.8	2.0	74.1	35	1 278.3	1.8	36.5
	Subtotal	3 200	244 000.5	3.3	76.3	168	4 877.9	1.4	29.0
New Brunswick	1999–2004	2 208	178 044.3	3.3	80.6	113	4 906.5	2.5	43.4
	2004–05	419	31 258.4	3.0	74.6	29	1 021.9	1.3	35.2
	2005–06	397	33 517.5	3.0	84.4	65	2 280.0	3.1	35.1
	Subtotal	3 024	242 820.2	3.2	80.3	207	8 208.5	2.4	39.7
Quebec	1999–2004	24 388	1 751 915.6	32.7	71.8	1 524	64 916.6	32.5	42.6
	2004–05	3 980	357 360.8	34.3	89.8	553	22 997.7	29.9	41.6
	2005–06	3 913	388 077.3	35.3	99.2	522	20 905.5	28.8	40.0
	Subtotal	32 281	2 497 353.7	33.3	77.4	2 599	108 819.9	31.2	41.9
Ontario	1999–2004	16 892	1 677 364.2	31.3	99.3	1 712	96 591.2	48.4	56.4
	2004–05	3 082	342 695.0	32.9	111.2	715	40 056.5	52.1	56.0
	2005–06	2 951	364 430.2	33.1	123.5	674	35 379.5	48.8	52.5
	Subtotal	22 925	2 384 489.3	31.8	104.0	3 101	172 027.2	49.3	55.5
Manitoba	1999–2004	2 325	173 124.3	3.2	74.5	110	3 653.8	1.8	33.2
	2004–05	395	30 474.6	2.9	77.2	40	1 221.6	1.6	30.5
	2005–06	410	32 603.4	3.0	79.5	44	1 919.3	2.6	43.6
	Subtotal	3 130	236 202.3	3.1	75.5	194	6 794.7	1.9	35.0

Table III (cont.): Loans and Claims, by Province and Territory, CSBF Program, 1999–2006

Province or territory	Fiscal year	Loans made				Claims paid			
		Number	Value (\$'000)	Percent of total value	Average (\$'000)	Number	Value (\$'000)	Percent of total value	Average (\$'000)
Saskatchewan	1999–2004	2 906	194 599.5	3.6	67.0	87	2 967.7	1.5	34.1
	2004–05	481	37 688.0	3.6	78.4	37	981.3	1.3	26.5
	2005–06	515	41 553.3	3.8	80.7	44	1 201.6	1.7	27.3
	Subtotal	3 902	273 840.8	3.6	70.2	168	5 150.6	1.5	30.7
Alberta	1999–2004	6 959	606 685.5	11.3	87.2	281	12 630.0	6.3	44.9
	2004–05	1 226	115 807.2	11.1	94.5	94	4 402.6	5.7	46.8
	2005–06	1 289	126 503.0	11.5	98.1	119	4 946.6	6.8	41.6
	Subtotal	9 474	848 995.7	11.3	89.6	494	21 979.2	6.3	44.5
British Columbia	1999–2004	5 341	437 849.0	8.2	82.0	248	10 067.4	5.0	40.6
	2004–05	886	76 165.2	7.3	86.0	97	4 721.1	6.1	48.7
	2005–06	812	71 980.3	6.5	88.6	82	3 515.4	4.9	42.9
	Subtotal	7 039	585 994.4	7.8	83.2	427	18 304.0	5.2	42.9
Yukon	1999–2004	56	5 003.7	0.1	89.4	0	0.0	0.0	0.0
	2004–05	10	1 120.8	0.1	112.1	0	0.0	0.0	0.0
	2005–06	10	706.2	0.1	70.6	0	0.0	0.0	0.0
	Subtotal	76	6 830.7	0.1	89.9	0	0.0	0.0	0.0
Northwest Territories	1999–2004	81	7 110.5	0.1	87.8	0	0.0	0.0	0.0
	2004–05	13	938.4	0.1	72.2	0	0.0	0.0	0.0
	2005–06	9	1 086.4	0.1	120.7	1	198.3	0.3	198.3
	Subtotal	103	9 135.3	0.1	88.7	1	198.3	0.1	198.3
Nunavut	1999–2004	7	891.0	0.0	127.3	0	0.0	0.0	0.0
	2004–05	0	0.0	0.0	0.0	0	0.0	0.0	0.0
	2005–06	0	0.0	0.0	0.0	0	0.0	0.0	0.0
	Subtotal	7	891.0	0.0	127.3	0	0.0	0.0	0.0
Total*	1999–2004	65 549	5 361 762.6	100.0	81.8	4 203	199 570.4	100.0	47.5
	2004–05	11 143	1 041 307.2	100.0	93.4	1 621	76 881.2	100.0	47.4
	2005–06	10 840	1 100 431.3	100.0	101.5	1 615	72 479.8	100.0	44.9
	Total*	87 532	7 503 501.0	100.0	85.7	7 439	348 931.4	100.0	46.9

*Details may not add up to totals because of rounding.

Annual data for 1999–2004 are available in prior annual reports at www.strategis.gc.ca/csbfa.

Table IV: Loans and Claims, by Industry Sector, CSBF Program, 1999–2006

Industry sector	Fiscal year	Loans made				Claims paid			
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)
Accommodation services	1999–2004	862	100 496.4	1.9	116.6	19	932.9	0.5	49.1
	2004–05	115	16 227.4	1.6	141.1	6	398.2	0.5	66.4
	2005–06	140	21 104.5	1.9	150.7	11	770.5	1.1	70.0
	Subtotal	1 117	137 828.3	1.8	123.4	36	2 101.7	0.6	58.4
Administration and support, waste management and remediation services	1999–2004	743	47 424.4	0.9	63.8	61	2 331.4	1.2	38.2
	2004–05	42	4 120.0	0.4	98.1	13	312.9	0.4	24.1
	2005–06	99	7 835.8	0.7	79.1	9	491.1	0.7	54.6
	Subtotal	884	59 380.2	0.8	67.2	83	3 135.4	0.9	37.8
Agriculture (support activities), forestry, fishing and hunting	1999–2004	3 808	300 472.1	5.6	78.9	123	5 906.0	3.0	48.0
	2004–05	619	52 107.7	5.0	84.2	42	1 990.8	2.6	47.4
	2005–06	549	48 953.4	4.4	89.2	54	2 370.5	3.3	43.9
	Subtotal	4 976	401 533.2	5.4	80.7	219	10 267.3	2.9	46.9
Arts, entertainment and recreation	1999–2004	1 568	149 184.9	2.8	95.1	160	8 725.8	4.4	54.5
	2004–05	194	19 878.7	1.9	102.5	63	3 279.4	4.3	52.1
	2005–06	206	23 578.9	2.1	114.5	62	2 643.2	3.6	42.6
	Subtotal	1 968	192 642.5	2.6	97.9	285	14 648.4	4.2	51.4
Construction	1999–2004	3 653	217 191.4	4.1	59.5	114	5 031.8	2.5	44.1
	2004–05	638	42 887.1	4.1	67.2	39	1 627.7	2.1	41.7
	2005–06	646	45 769.5	4.2	70.9	35	1 158.1	1.6	33.1
	Subtotal	4 937	305 848.1	4.1	62.0	188	7 817.6	2.2	41.6
Educational services	1999–2004	536	42 953.0	0.8	80.1	33	1 553.5	0.8	47.1
	2004–05	83	7 418.7	0.7	89.4	11	318.7	0.4	29.0
	2005–06	85	8 930.3	0.8	105.1	11	475.5	0.7	43.2
	Subtotal	704	59 302.0	0.8	84.2	55	2 347.7	0.7	42.7
Finance and insurance	1999–2004	323	23 466.6	0.4	72.7	7	149.7	0.1	21.4
	2004–05	52	5 382.3	0.5	103.5	5	163.1	0.2	32.6
	2005–06	48	4 571.5	0.4	95.2	3	66.6	0.1	22.2
	Subtotal	423	33 420.3	0.4	79.0	15	379.4	0.1	25.3
Food and beverage services	1999–2004	10 644	1 189 361.6	22.2	111.7	1 140	62 785.3	31.5	55.1
	2004–05	2 097	270 372.3	26.0	128.9	448	24 886.7	32.4	55.6
	2005–06	2 064	287 156.2	26.1	139.1	457	22 733.4	31.4	49.7
	Subtotal	14 805	1 746 890.1	23.3	118.0	2 045	110 405.4	31.6	54.0

Table IV (cont.): Loans and Claims, by Industry Sector, CSBF Program, 1999–2006

Industry sector	Fiscal year	Loans made				Claims paid			
		Number	Value (\$'000)	Percent of total value	Average (\$'000)	Number	Value (\$'000)	Percent of total value	Average (\$'000)
Health care and social assistance	1999–2004	1 464	133 466.4	2.5	91.2	75	2 848.3	1.4	38.0
	2004–05	250	24 504.8	2.4	98.0	58	2 356.4	3.1	40.6
	2005–06	246	26 879.2	2.4	109.3	37	1 539.4	2.1	41.6
	Subtotal	1 960	184 850.5	2.5	94.3	170	6 744.1	1.9	39.7
Information and cultural industries	1999–2004	412	29 968.1	0.6	72.7	47	1 734.9	0.9	36.9
	2004–05	34	2 482.8	0.2	73.0	9	315.4	0.4	35.0
	2005–06	25	2 734.1	0.2	109.4	22	790.7	1.1	35.9
	Subtotal	471	35 185.1	0.5	74.7	78	2 841.0	0.8	36.4
Manufacturing	1999–2004	5 890	513 678.1	9.6	87.2	516	29 797.5	14.9	57.7
	2004–05	666	65 503.3	6.3	98.4	199	9 937.1	12.9	49.9
	2005–06	689	75 280.9	6.8	109.3	192	10 538.6	14.5	54.9
	Subtotal	7 245	654 462.3	8.7	90.3	907	50 273.2	14.4	55.4
Mining, and oil and gas extraction	1999–2004	707	58 710.2	1.1	83.0	9	419.2	0.2	46.6
	2004–05	184	16 781.1	1.6	91.2	5	299.3	0.4	59.9
	2005–06	201	20 206.8	1.8	100.5	2	47.9	0.1	24.0
	Subtotal	1 092	95 698.1	1.3	87.6	16	766.5	0.2	47.9
Other services	1999–2004	11 443	857 689.1	16.0	75.0	476	21 064.8	10.6	44.3
	2004–05	2 417	206 264.3	19.8	85.3	263	11 467.6	14.9	43.6
	2005–06	2 271	216 871.2	19.7	95.5	241	10 311.6	14.2	42.8
	Subtotal	16 131	1 280 824.7	17.1	79.4	980	42 844.1	12.3	43.7
Professional, scientific and technical services	1999–2004	2 855	201 951.9	3.8	70.7	190	7 318.6	3.7	38.5
	2004–05	260	21 771.0	2.1	83.7	67	2 838.3	3.7	42.4
	2005–06	221	19 231.2	1.7	87.0	64	2 072.8	2.9	32.4
	Subtotal	3 336	242 954.1	3.2	72.8	321	12 229.7	3.5	38.1
Real estate, and rental and leasing	1999–2004	783	70 112.6	1.3	89.5	84	3 523.5	1.8	41.9
	2004–05	69	7 389.4	0.7	107.1	26	1 135.2	1.5	43.7
	2005–06	108	11 966.7	1.1	110.8	15	205.1	0.3	13.7
	Subtotal	960	89 468.8	1.2	93.2	125	4 863.8	1.4	38.9
Retail trade	1999–2004	10 052	792 792.6	14.8	78.9	740	31 410.6	15.7	42.4
	2004–05	1 612	151 482.0	14.5	94.0	269	12 067.6	15.7	44.9
	2005–06	1 571	154 430.1	14.0	98.3	303	13 340.7	18.4	44.0
	Subtotal	13 235	1 098 704.7	14.6	83.0	1 312	56 818.9	16.3	43.3

Table IV (cont.): Loans and Claims, by Industry Sector, CSBF Program, 1999–2006											
Industry sector	Fiscal year	Loans made				Claims paid					
		Number	Value (\$'000)	Percent of total value	Average (\$'000)	Number	Value (\$'000)	Percent of total value	Average (\$'000)		
Transportation and warehousing	1999–2004	8 106	509 106.1	9.5	62.8	299	8 486.9	4.3	28.4		
	2004–05	1 592	105 630.2	10.1	66.4	61	1 542.0	2.0	25.3		
	2005–06	1 484	106 510.6	9.7	71.8	52	1 015.3	1.4	19.5		
	Subtotal	11 182	721 246.9	9.6	64.5	412	11 044.2	3.2	26.8		
Utilities	1999–2004	298	20 290.7	0.4	68.1	8	351.9	0.2	44.0		
	2004–05	42	3 730.8	0.4	88.8	0	0.0	0.0	0.0		
	2005–06	37	2 631.1	0.2	71.1	0	0.0	0.0	0.0		
	Subtotal	377	26 652.5	0.4	70.7	8	351.9	0.1	44.0		
Wholesale trade	1999–2004	1 402	103 446.2	1.9	73.8	102	5 197.5	2.6	51.0		
	2004–05	177	17 373.2	1.7	98.2	37	1 944.6	2.5	52.6		
	2005–06	150	15 789.2	1.4	105.3	45	1 908.7	2.6	42.4		
	Subtotal	1 729	136 608.6	1.8	79.0	184	9 050.8	2.6	49.2		
Total*	1999–2004	65 549	5 361 762.6	100.0	81.8	4 203	199 570.4	100.0	47.5		
	2004–05	11 143	1 041 307.2	100.0	93.4	1 621	76 881.2	100.0	47.4		
	2005–06	10 840	1 100 431.3	100.0	101.5	1 615	72 479.8	100.0	44.9		
	Total *	87 532	7 503 501.0	100.0	85.7	7 439	348 931.4	100.0	46.9		

*Details may not add up to totals because of rounding.

Annual data for 1999–2004 are available in prior annual reports at www.strategis.gc.ca/csbfa.

Table V: Loans and Claims, by Type of Operation, CSBF Program, 1999–2006											
Type of operation	Fiscal year	Loans made				Claims paid					
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)		
Franchises	1999–2004	7 603	845 406.3	15.8	111.2	689	39 119.0	19.6	56.8		
	2004–05	1 396	174 333.4	16.7	124.9	355	17 839.1	23.2	50.3		
	2005–06	1 283	179 083.8	16.3	139.6	315	14 888.6	20.5	47.3		
	Subtotal	10 282	1 198 823.4	16.0	116.6	1 359	71 846.6	20.6	52.9		
Non-Franchises	1999–2004	57 946	4 516 356.4	84.2	77.9	3 514	160 451.4	80.4	45.7		
	2004–05	9 747	866 973.8	83.3	88.9	1 266	59 042.1	76.8	46.6		
	2005–06	9 557	921 347.4	83.7	96.4	1 300	57 591.3	79.5	44.3		
	Subtotal	77 250	6 304 677.6	84.0	81.6	6 080	277 084.8	79.4	45.6		
Total*	1999–2004	65 549	5 361 762.6	100.0	81.8	4 203	199 570.4	100.0	47.5		
	2004–05	11 143	1 041 307.2	100.0	93.4	1 621	76 881.2	100.0	47.4		
	2005–06	10 840	1 100 431.3	100.0	101.5	1 615	72 479.8	100.0	44.9		
	Total *	87 532	7 503 501.0	100.0	85.7	7 439	348 931.4	100.0	46.9		

*Details may not add up to totals because of rounding.
Annual data for 1999–2004 are available in prior annual reports at www.strategis.gc.ca/csbfa.

Table VI: Loans and Claims, by Borrower Firm Size (Annual Revenues), CSBF Program, 1999–2006

Borrower firm size (annual revenues)*	Fiscal year	Loans made				Claims paid			
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)
\$0 – \$100 000	1999–2004	8 170	373 486.3	7.0	45.7	404	9 112.6	4.6	22.6
	2004–05	1 286	66 350.4	6.4	51.6	101	2 028.5	2.6	20.1
	2005–06	1 241	63 458.1	5.8	51.1	109	2 354.2	3.2	21.6
	Subtotal	10 697	503 294.8	6.7	47.1	614	13 495.2	3.9	22.0
\$100 001 – \$250 000	1999–2004	16 499	1 046 122.8	19.5	63.4	1 056	34 056.9	17.1	32.3
	2004–05	2 912	203 595.7	19.6	69.9	317	8 833.5	11.5	27.9
	2005–06	2 827	220 725.9	20.1	78.1	335	10 540.0	14.5	31.5
	Subtotal	22 238	1 470 444.5	19.6	66.1	1 708	53 430.3	15.3	31.3
\$250 001 – \$500 000	1999–2004	15 920	1 311 910.4	24.5	82.4	1 147	54 341.9	27.2	47.4
	2004–05	2 788	262 985.3	25.3	94.3	448	20 577.5	26.8	45.9
	2005–06	2 705	275 412.0	25.0	101.8	484	21 109.2	29.1	43.6
	Subtotal	21 413	1 850 307.6	24.7	86.4	2 079	96 028.7	27.5	46.2
\$500 001 – \$1 000 000	1999–2004	13 114	1 288 450.2	24.0	98.2	892	52 182.5	26.1	58.5
	2004–05	2 336	272 741.9	26.2	116.8	444	26 125.5	34.0	58.8
	2005–06	2 238	285 796.8	26.0	127.7	381	19 840.9	27.4	52.1
	Subtotal	17 688	1 846 988.8	24.6	104.4	1 717	98 148.8	28.1	57.2
\$1 000 001 – \$2 500 000	1999–2004	9 168	1 014 486.6	18.9	110.7	562	39 314.3	19.7	70.0
	2004–05	1 483	189 692.3	18.2	127.9	252	15 690.3	20.4	62.3
	2005–06	1 428	199 009.8	18.1	139.4	248	16 024.0	22.1	64.6
	Subtotal	12 079	1 403 188.8	18.7	116.2	1 062	71 028.6	20.4	66.9
\$2 500 001 – \$5 000 000	1999–2004	2 678	327 306.4	6.1	122.2	142	10 562.3	5.3	74.4
	2004–05	338	45 941.6	4.4	135.9	59	3 625.8	4.7	61.5
	2005–06	401	56 028.6	5.1	139.7	58	2 611.6	3.6	45.0
	Subtotal	3 417	429 276.6	5.7	125.6	259	16 799.8	4.8	64.9
Total**	1999–2004	65 549	5 361 762.6	100.0	81.8	4 203	199 570.4	100.0	47.5
	2004–05	11 143	1 041 307.2	100.0	93.4	1 621	76 881.2	100.0	47.4
	2005–06	10 840	1 100 431.3	100.0	101.5	1 615	72 479.8	100.0	44.9
	Total **	87 532	7 503 501.0	100.0	85.7	7 439	348 931.4	100.0	46.9

*Based on borrower estimates at the time of loan registration.

**Details may not add up to totals because of rounding.

Annual data for 1999–2004 are available in prior annual reports at www.strategis.gc.ca/csbfa.

Table VII: Loans and Claims, by Age of Borrower Firm, CSBF Program, 1999–2006											
Age of borrower firm	Fiscal year	Loans made				Claims paid					
		Number	Value (\$000)	Percent of total value	Average (\$000)	Number	Value (\$000)	Percent of total value	Average (\$000)		
Less than 1 year	1999–2004	32 867	3 039 827.0	56.7	92.5	3 097	158 054.9	79.2	51.0		
	2004–05	5 873	620 334.1	59.6	105.6	1 202	61 828.1	80.4	51.4		
	2005–06	5 663	645 528.0	58.7	114.0	1 200	58 153.4	80.2	48.5		
	Subtotal	44 403	4 305 689.1	57.4	97.0	5 499	278 036.4	79.7	50.6		
1 to 3 years	1999–2004	9 650	654 674.8	12.2	67.8	565	20 300.3	10.2	35.9		
	2004–05	1 473	115 702.2	11.1	78.5	204	6 970.9	9.1	34.2		
	2005–06	1 456	121 061.1	11.0	83.1	215	7 119.4	9.8	33.1		
	Subtotal	12 579	891 438.1	11.9	70.9	984	34 390.7	9.9	34.9		
More than 3 years	1999–2004	23 032	1 667 260.8	31.1	72.4	541	21 215.1	10.6	39.2		
	2004–05	3 797	305 270.8	29.3	80.4	215	8 082.2	10.5	37.6		
	2005–06	3 721	333 842.2	30.3	89.7	200	7 207.0	9.9	36.0		
	Subtotal	30 550	2 306 373.8	30.7	75.5	956	36 504.3	10.5	38.2		
Total*	1999–2004	65 549	5 361 762.6	100.0	81.8	4 203	199 570.4	100.0	47.5		
	2004–05	11 143	1 041 307.2	100.0	93.4	1 621	76 881.2	100.0	47.4		
	2005–06	10 840	1 100 431.3	100.0	101.5	1 615	72 479.8	100.0	44.9		
	Total *	87 532	7 503 501.0	100.0	85.7	7 439	348 931.4	100.0	46.9		

*Details may not add up to totals because of rounding.
Annual data for 1999–2004 are available in prior annual reports at www.strategis.gc.ca/csbf.

Table VIII: Revenues and Expenses Related to Loans Made from April 1, 1999, to March 31, 2006, CSBF Program										
Year loans were made	Amount of loans (\$000)	Type of revenues and expenses	Year associated fees were due and associated claims were received (\$000)						Cumulative revenues and expenses (\$000)	
			1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05		2005-06
1999-2000	1 352 320.5	2% registration fees	26 976.2	12 833.5	10 173.3	7 243.3	4 769.3	2 832.7	1 875.6	26 976.2
		1.25% administration fees*	6 449.6	(200.4)	(13.7)	(0.2)	(0.9)	(0.3)	(0.7)	46 177.4
		Prior years' fee refunds	(494.6)	(14 258.3)	(33 504.5)	(32 326.9)	(17 512.4)	(9 232.4)	(4 108.6)	(216.2)
		Claims paid		21.7	21.7	76.0	251.1	277.9	122.5	(111 437.8)
		Prior years' claim refunds		(1 625.2)	(23 323.3)	(25 007.8)	(12 492.8)	(6 122.0)	(2 111.3)	749.2
Annual cash flow		32 931.3							(37 751.1)	
2000-01	1 159 048.0	2% registration fees	23 130.2	23 130.2	10 976.1	8 491.9	6 086.2	3 924.5	2 341.2	23 130.2
		1.25% administration fees*	7 374.5	7 374.5	(186.4)	(0.7)	(1.0)	(0.4)	(1.0)	39 194.4
		Prior years' fee refunds		(510.7)	(9 641.2)	(28 613.9)	(28 616.3)	(18 405.4)	(6 847.2)	(189.6)
		Claims paid		29 994.0	1 148.5	24.4	23.7	49.7	124.6	(92 634.7)
		Prior years' claim refunds				(20 098.3)	(22 507.4)	(14 431.7)	(4 382.5)	222.3
Annual cash flow									(30 277.4)	
2001-02	899 350.2	2% registration fees			17 919.7	8 264.1	6 457.5	4 584.4	3 019.7	17 919.7
		1.25% administration fees*			5 700.2	(116.4)	(1.0)	(0.5)	(1.2)	28 025.9
		Prior years' fee refunds			(320.2)	(7 569.1)	(18 101.2)	(19 689.9)	(8 218.6)	(119.0)
		Claims paid					11.6	75.1	92.6	(53 899.0)
		Prior years' claim refunds			23 299.6	578.6	(11 633.1)	(15 030.8)	(5 107.4)	179.3
Annual cash flow									(7 893.1)	
2002-03	951 159.1	2% registration fees				18 960.2	8 685.1	6 660.7	4 784.1	18 960.2
		1.25% administration fees*				5 589.3	(136.3)	(0.6)	(1.7)	25 719.2
		Prior years' fee refunds				(381.8)	(7 426.4)	(19 969.1)	(16 330.1)	(138.7)
		Claims paid						9.7	46.9	(44 107.3)
		Prior years' claim refunds				24 167.7	1 122.4	(13 299.3)	(11 500.9)	56.6
Annual cash flow									490.0	
2003-04	999 884.9	2% registration fees					19 951.4	8 822.8	6 829.3	19 951.4
		1.25% administration fees*					5 734.0	(168.1)	(5.5)	21 386.1
		Prior years' fee refunds					(292.8)	(8 837.9)	(23 847.0)	(173.7)
		Claims paid						0.0	3.0	(32 977.7)
		Prior years' claim refunds					25 392.6	(183.1)	(17 020.2)	3.1
Annual cash flow									8 189.3	

Table VIII (cont): Revenues and Expenses Related to Loans Made from April 1, 1999, to March 31, 2006, CSBF Program										
Year loans were made	Amount of loans (\$'000)	Type of revenues and expenses	Year associated fees were due and associated claims were received (\$'000)						Cumulative revenues and expenses (\$'000)	
			1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05		2005-06
2004-05	1 041 307.2	2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow						20 798.5 6 383.9 (738.0) 26 444.4	9 692.1 (206.7) (12 720.4) (3 235.0)	20 798.5 16 076.0 (206.7) (13 458.4) 0.0 23 209.4
2005-06	1 100 431.3	2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow							21 761.9 6 461.4 (416.5) 27 806.8	21 761.9 6 461.4 (416.5) 27 806.8
Total**	7 503 501.0	2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow	26 976.2 6 449.6 0.0 (494.6) 0.0 32 931.3	23 130.2 20 208.0 (200.4) (14 769.0) 0.0 28 368.8	17 919.7 26 849.6 (200.1) (43 466.0) 21.7 1 124.9	18 960.2 29 588.6 (117.3) (68 891.6) 100.4 (20 359.8)	19 951.4 31 732.1 (139.2) (71 949.1) 286.5 (20 118.4)	20 798.5 33 209.1 (170.0) (76 872.6) 412.4 (22 622.5)	21 761.9 35 003.4 (217.0) (72 488.4) 389.7 (15 550.4)	149 498.2 183 040.4 (1 044.0) (348 931.4) 1 210.6 (16 226.1)

* Distribution of 1.25 percent administration fees among fiscal years has been determined on the estimated average loan outstanding amount of each fiscal year.

** Details may not add up to totals because of rounding.

Appendix C

Small Business Loans Act Tables



Year loans were made	Amount of loans (\$'000)	Type of revenues and expenses	Year associated fees were due and associated claims were received (\$'000)										Cumulative revenues and expenses (\$'000)	
			1995-96	1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05		2005-06
			1995-96	2 243 156.5	2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow	44 625.0 13 763.7 (718.4)	21 785.3 (144.4) (22 588.2)	16 793.6 (28.7) (63 065.4) 35.2 (46 265.3)	11 846.6 (5.9) (64 808.6) 107.8 (52 860.0)	8 238.3 (1.7) (42 886.2) 104.5 (34 545.2)	4 261.7 (0.6) (18 270.3) 248.9 (13 760.2)	2 847.4 (0.6) (8 987.3) 100.4 (6 040.2)		1 709.1 (1.6) (5 211.7) 107.7 (3 396.4)
1996-97	2 018 862.3	2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow	40 112.2 13 145.4 (517.6)	40 112.2 13 145.4 (517.6)	19 027.4 (117.4) (21 514.2) 0.5 (2 603.7)	14 591.2 (4.4) (51 375.2) 8.4 (36 780.1)	11 079.4 (0.7) (49 105.3) 32.3 (37 994.3)	6 220.0 (0.8) (31 900.0) 128.2 (25 552.6)	3 734.9 (0.8) (15 385.9) 156.6 (11 495.3)	2 233.5 (2.1) (8 263.1) 84.1 (5 947.6)	1 234.0 (4.3) (3 707.6) 175.1 (2 302.8)	582.6 (0.1) (1 544.0) 98.6 (862.9)	271.1 0.0 (971.1) 36.3 (663.8)	40 112.2 72 119.3 (130.6) (184 284.2) 720.0 (71 463.2)
1997-98	1 977 315.4	2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow	39 321.8 12 470.3 (598.6)	39 321.8 12 470.3 (598.6)	39 321.8 12 470.3 (598.6)	17 920.8 (140.8) (16 283.4)	14 811.7 (0.9) (45 976.4) 36.9 (31 128.7)	9 064.7 (1.0) (40 432.1) 41.9 (31 326.5)	5 861.5 (1.1) (30 939.0) 143.4 (24 935.2)	3 150.3 (3.3) (17 549.0) 124.9 (14 277.1)	1 723.7 (6.1) (6 900.2) 209.7 (4 972.9)	836.3 (0.1) (2 834.0) 214.6 (1 783.2)	434.2 0.0 (1 476.8) 110.8 (931.7)	39 321.8 66 273.4 (153.3) (62 989.3) 882.2 (56 665.2)
1998-99	1 613 736.9	2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow	32 110.1 10 075.5 (170.5)	32 110.1 10 075.5 (170.5)	32 110.1 10 075.5 (170.5)	15 723.2 (136.8) (17 963.8)	15 723.2 (136.8) (17 963.8)	10 362.4 (2.5) (39 845.6) 55.2 (29 430.5)	7 407.4 (1.2) (40 986.8) 175.8 (33 404.8)	4 309.2 (4.1) (24 383.8) 132.4 (19 946.3)	2 153.9 (8.3) (9 955.7) 158.8 (7 651.4)	1 056.1 (0.2) (4 780.1) 220.7 (3 503.4)	575.0 0.0 (2 388.4) 71.9 (1 741.4)	32 110.1 51 662.7 (153.1) (140 474.6) 814.8 (56 040.2)
Total **	7 853 071.1	2% registration fees 1.25% administration fees* Prior years' fee refunds Claims paid Prior years' claim refunds Annual cash flow	44 625.0 13 763.7 (718.4) 0.0 57 670.3	40 112.2 34 930.7 (144.4) (23 105.9) 51 792.6	39 321.8 48 291.3 (146.1) (85 178.2) 2 324.5	32 110.1 54 434.0 (151.0) (132 637.7) 46 128.4	15 723.2 (136.8) (17 963.8) 173.7 (106 045.7)	10 362.4 (2.5) (39 845.6) 474.2 (100 069.8)	7 407.4 (1.2) (40 986.8) 576.2 (75 875.4)	4 309.2 (4.1) (24 383.8) 449.1 (43 567.5)	2 153.9 (8.3) (9 955.7) 668.5 (16 470.8)	1 056.1 (0.2) (4 780.1) 567.7 (6 506.6)	575.0 0.0 (2 388.4) 269.5 (3 524.7)	156 169.0 272 593.0 (623.8) (717 870.5) 3 330.7 (286 401.5)

*Distribution of 1.25 percent administration fees among fiscal years has been determined on the estimated average loan outstanding amount of each fiscal year.

**Details may not add up to totals because of rounding.

Table II: Summary of Financial Activities per Fiscal Year, SBL Program

Fiscal year	Loans				Revenues				Expenditures				Net revenues less expenditures (\$000)
	Number	Amount (\$000)	Average size (\$000)	Registra. fees (\$000)	Admin. fees (\$000)	Refunds of previous years' revenues (\$000)	Total revenues (\$000)	Number of claims	Claims paid (\$000)	Refunds of previous years' expenditures (\$000)	Total expenditures (\$000)		
1961-90	281 948	7 724 821.3	27.4	33 575.2		(2.5)	33 572.7	12 611	276 500.9	(1 848.7)	274 652.2	(241 079.5)	
1990-91	10 626	413 258.4	38.9	4 143.7		(14.5)	4 129.2	1 704	37 448.4	(1 379.2)	36 069.2	(31 940.0)	
1991-92	10 557	397 274.5	37.6	3 984.3		(5.2)	3 979.1	1 882	45 378.6	(1 472.5)	43 906.1	(39 927.0)	
1992-93	13 154	502 141.3	38.2	5 034.4		(8.9)	5 025.5	1 653	40 048.0	(1 754.7)	38 293.3	(33 267.8)	
1993-94	43 351	2 548 797.2	58.8	50 762.4		(10.1)	50 752.2	1 277	28 711.8	(2 064.9)	26 646.9	24 105.3	
1994-95	68 377	4 397 136.1	64.3	87 716.2		(128.5)	87 587.7	1 171	30 600.7	(1 525.7)	29 075.0	58 512.7	
1995-96	34 613	2 243 156.5	64.8	44 625.0	13 763.7	(460.5)	57 928.2	2 256	80 335.5	(1 200.4)	79 135.1	(21 206.8)	
1996-97	31 002	2 018 862.3	65.1	40 112.2	34 930.7	(154.1)	74 888.7	4 210	169 316.7	(839.8)	168 476.9	(93 588.2)	
1997-98	29 064	1 977 315.4	68.0	39 321.8	48 291.3	(148.1)	87 465.0	5 428	223 569.2	(977.8)	222 591.4	(135 126.4)	
1998-99	22 524	1 613 736.9	71.6	32 110.1	54 434.0	(151.0)	86 393.0	5 262	229 618.3	(985.5)	228 632.8	(142 239.7)	
1999-2000					49 852.5	(140.1)	49 712.4	4 673	200 252.7	(1 001.7)	199 251.0	(149 538.7)	
2000-01					29 908.8	(4.9)	29 903.9	3 680	152 107.7	(928.1)	151 179.6	(121 275.6)	
2001-02					19 851.1	(3.7)	19 847.4	2 664	105 111.1	(827.2)	104 283.9	(84 436.5)	
2002-03					11 402.1	(11.1)	11 391.0	1 708	61 038.2	(789.1)	60 249.1	(48 858.1)	
2003-04					6 018.5	(22.0)	5 996.5	807	25 671.6	(853.0)	24 818.6	(18 822.1)	
2004-05					2 860.0	(0.5)	2 859.5	377	11 001.7	(756.5)	10 245.2	(7 385.7)	
2005-06					1 280.3	0.0	1 280.3	183	5 252.7	(314.4)	4 938.3	(3 658.0)	
Total*	545 216	23 836 499.9	43.7	341 385.3	272 593.0	(1 265.9)	612 712.4	51 546	1 721 963.8	(19 519.3)	1 702 444.5	(1 089 732.1)	

*Details may not add up to totals because of rounding.