

Canada has \$311 B SME credit gap;
Canadian SMEs are responsible for more
exports than may be appreciated;
SMEs are the largest employer in most G7
economies.

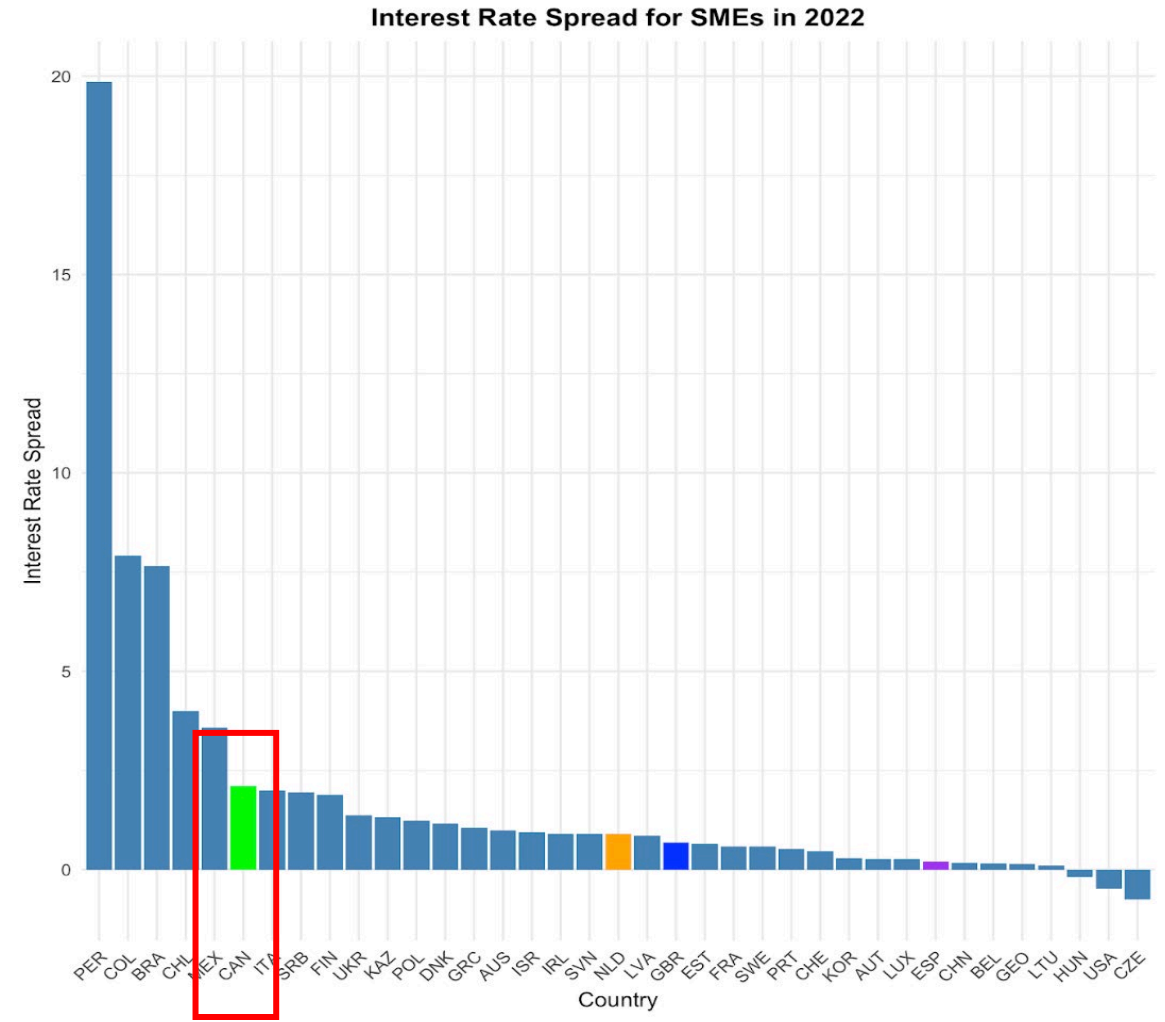
2026

Background considerations: Bridge - Small and medium-sized enterprises (SMEs)– G7 comparisons

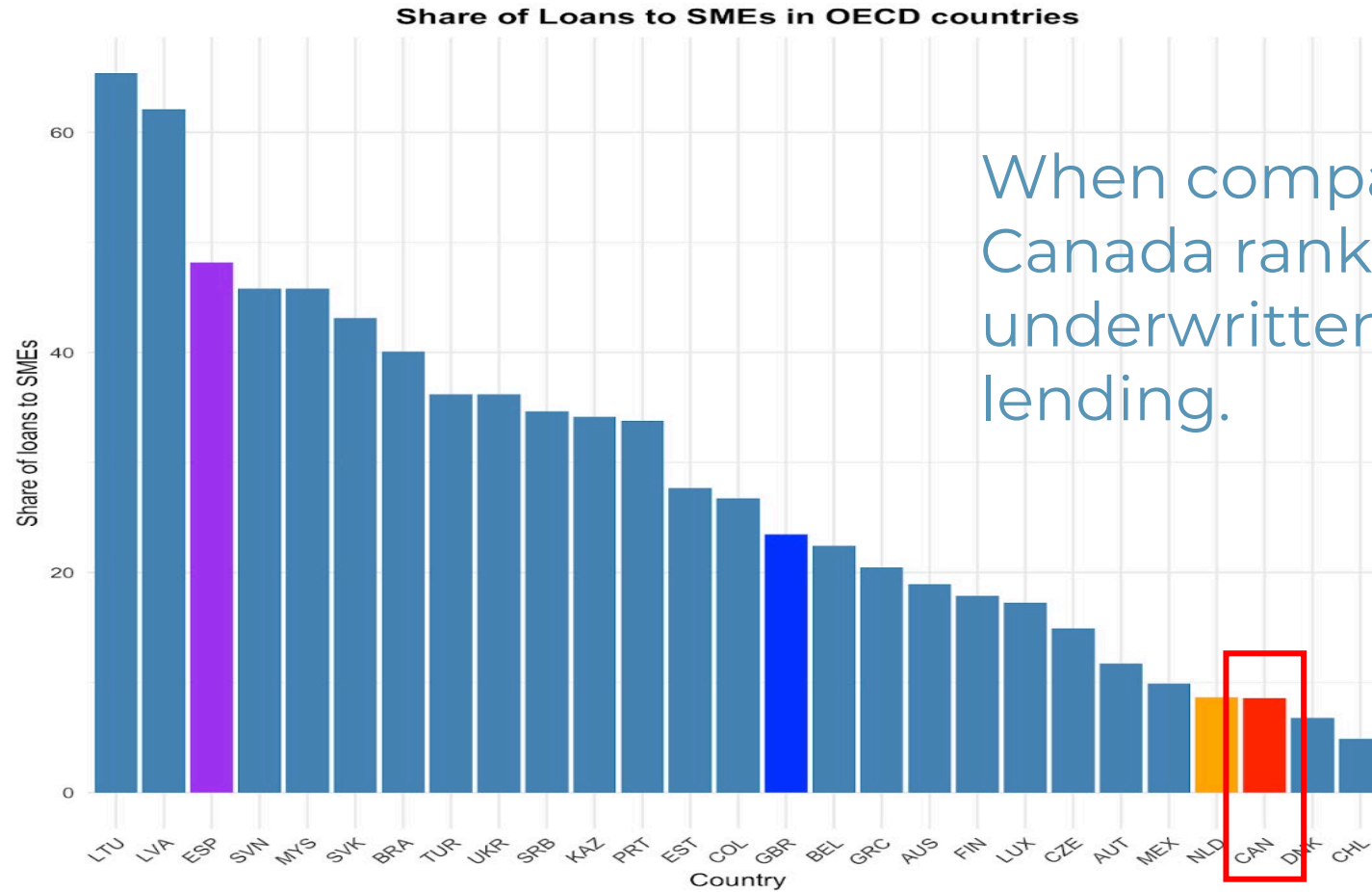
1. SMEs Credit availability – benchmarking Canada versus G7 plus Spain, Norway and Australia
2. Canadian SMEs versus all natural resources - contribution to total exports
3. SMEs contribution to total employment - G7 and Canada

1. It is true, the price premia of credit to Canadian SMEs reflects restricted credit supply dynamics

- Among OECD countries, Canada has the sixth largest spread between interest rates for large companies versus small- and medium-sized entities.
- Peru, Colombia, Brazil, Chile and Mexico have larger spreads than Canada.
- SME loans are priced lower than large company loans in Hungary, the USA and the Czech Republic
- All other OECD countries reporting including The Netherlands, Great Britain and Spain have smaller SME premium spreads than Canada.



1. But the much more significant issue is the % of SME lending as a share of total lending.

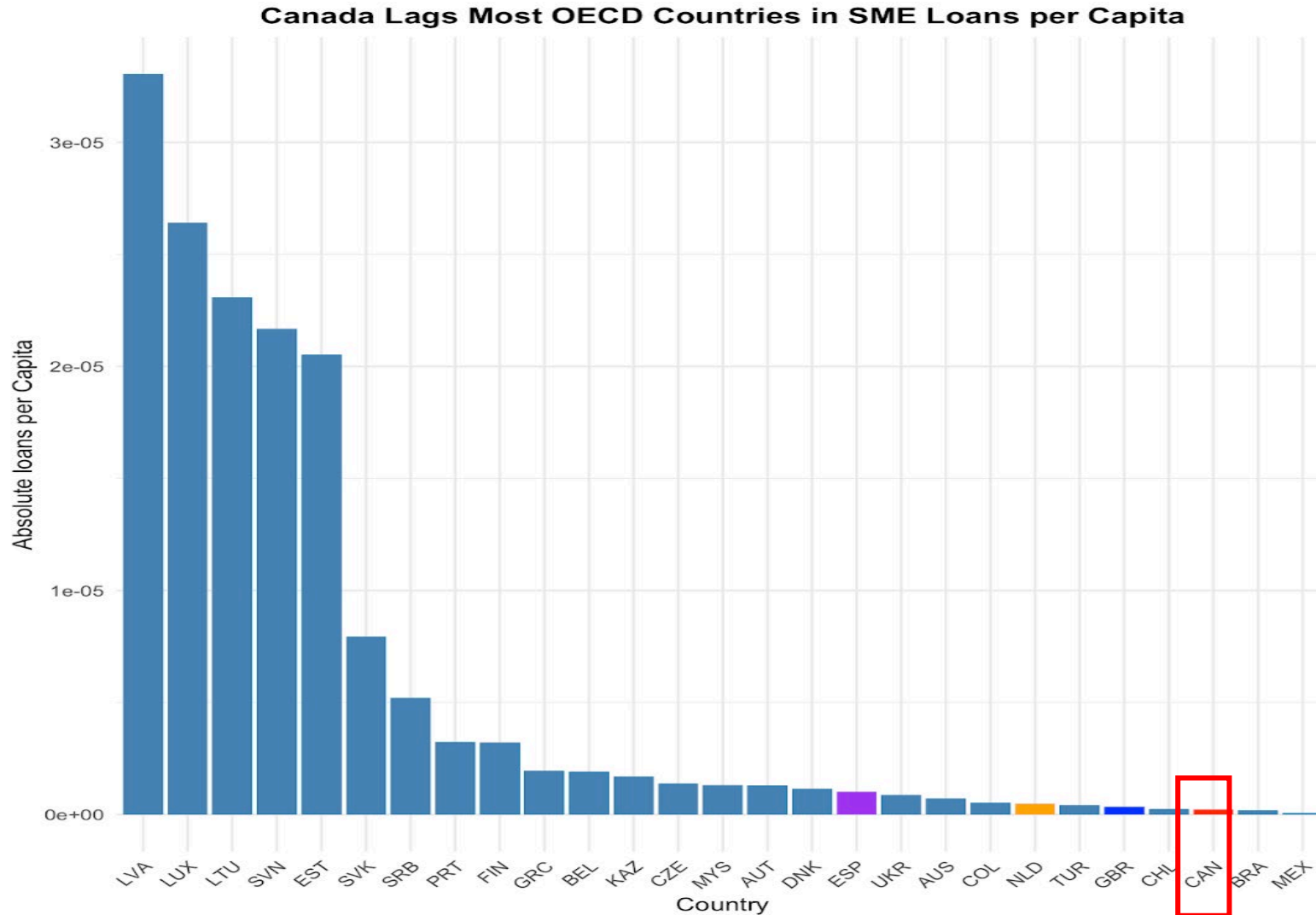


When compared to OECD countries; Canada ranks third lowest for credit underwritten for SMEs as a share of total lending.

Source: Financing SMEs and Entrepreneurs 2024 An OECD Scoreboard - CAD - Cohort figures include Canada - All data from 2022 except the US, which is from 2021

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1. When absolute value of SME loans are normalized on a per capita basis, Canada still ranks third from last

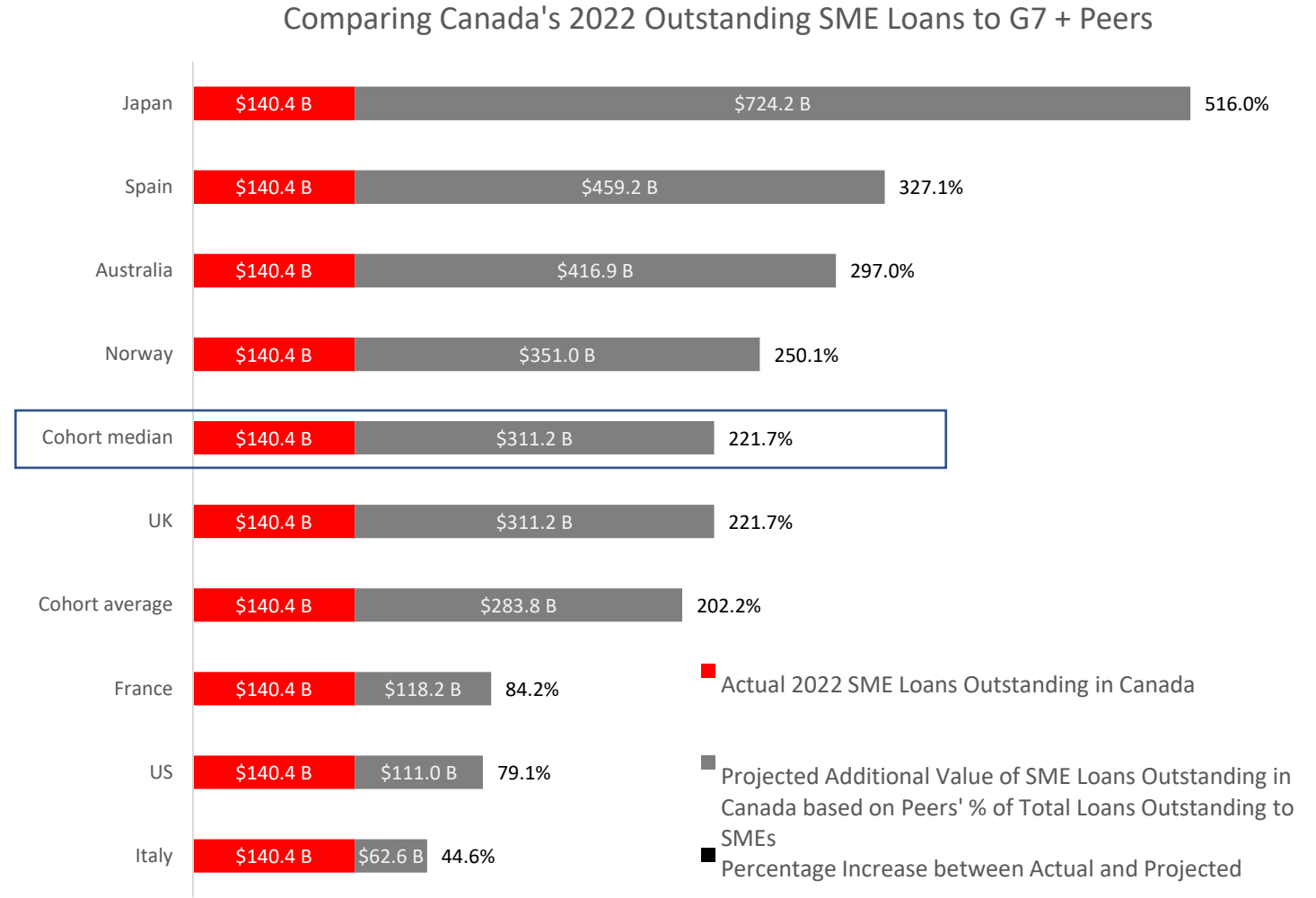


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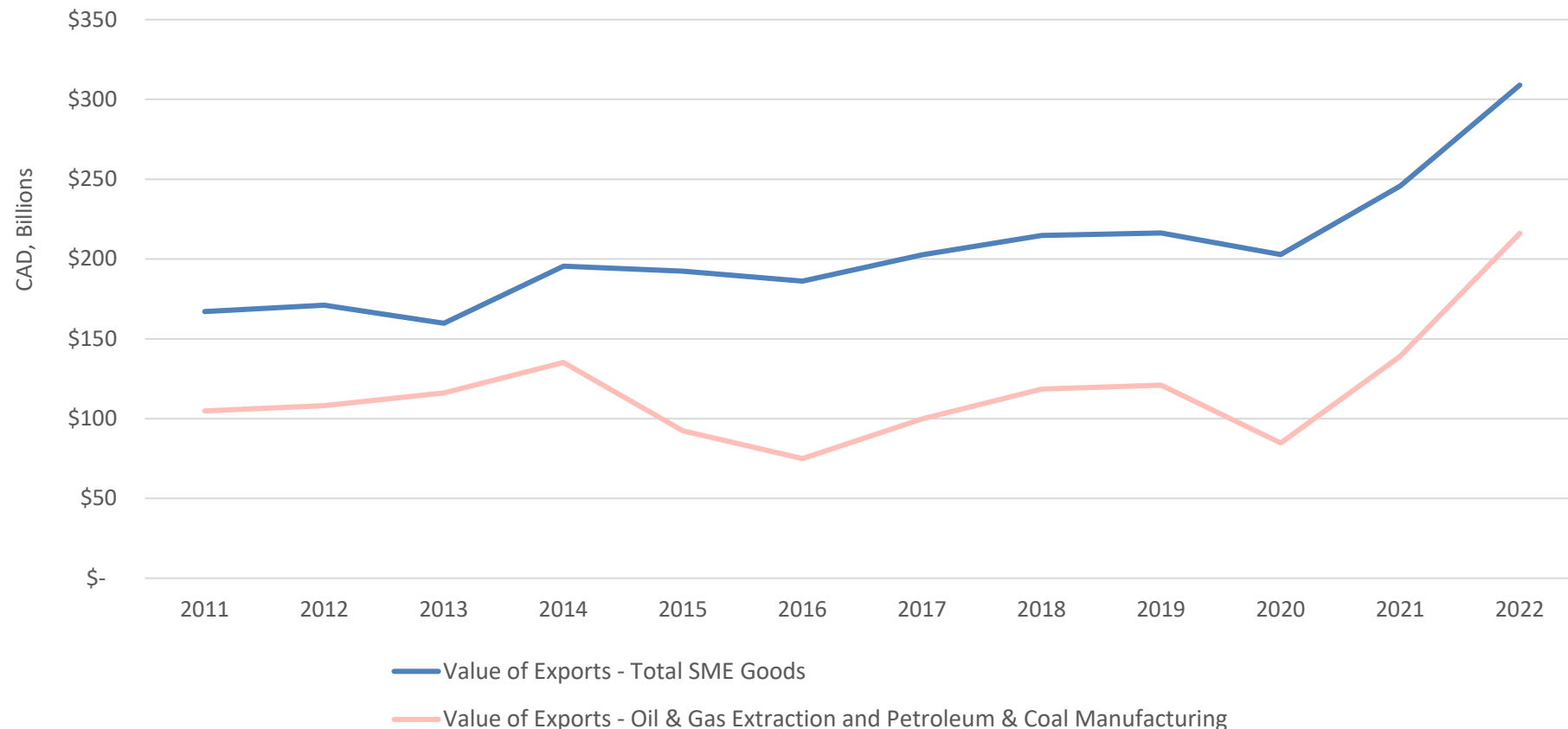
1. Closing the gap between Canada and G7 peers is a \$311 B opportunity

- Canada's SMEs face restricted access to credit compared to all G7 and resource-based economies
- To align its share of credit underwritten for SMEs with the proportion of credit underwritten for US SME's, credit for Canadian SME's would need to grow by \$111 B (79%) from \$140 B to \$251 B
- To reach the median of G7 (plus Norway, Australia and Spain) credit underwritten for SME's would need to grow by \$311 B from \$140 B to \$452 B
- The gaps are even greater with Norway and Australia, Canada's resource economy peers (\$351 B and \$417 B respectively)



Source: Financing SMEs and Entrepreneurs 2024 An OECD Scoreboard - CAD - Cohort figures include Canada - All data from 2022 except the US, which is from 2021

2. For more than 10 years, Canadian SMEs have exported more than Canadian Coal, Oil & Gas producers



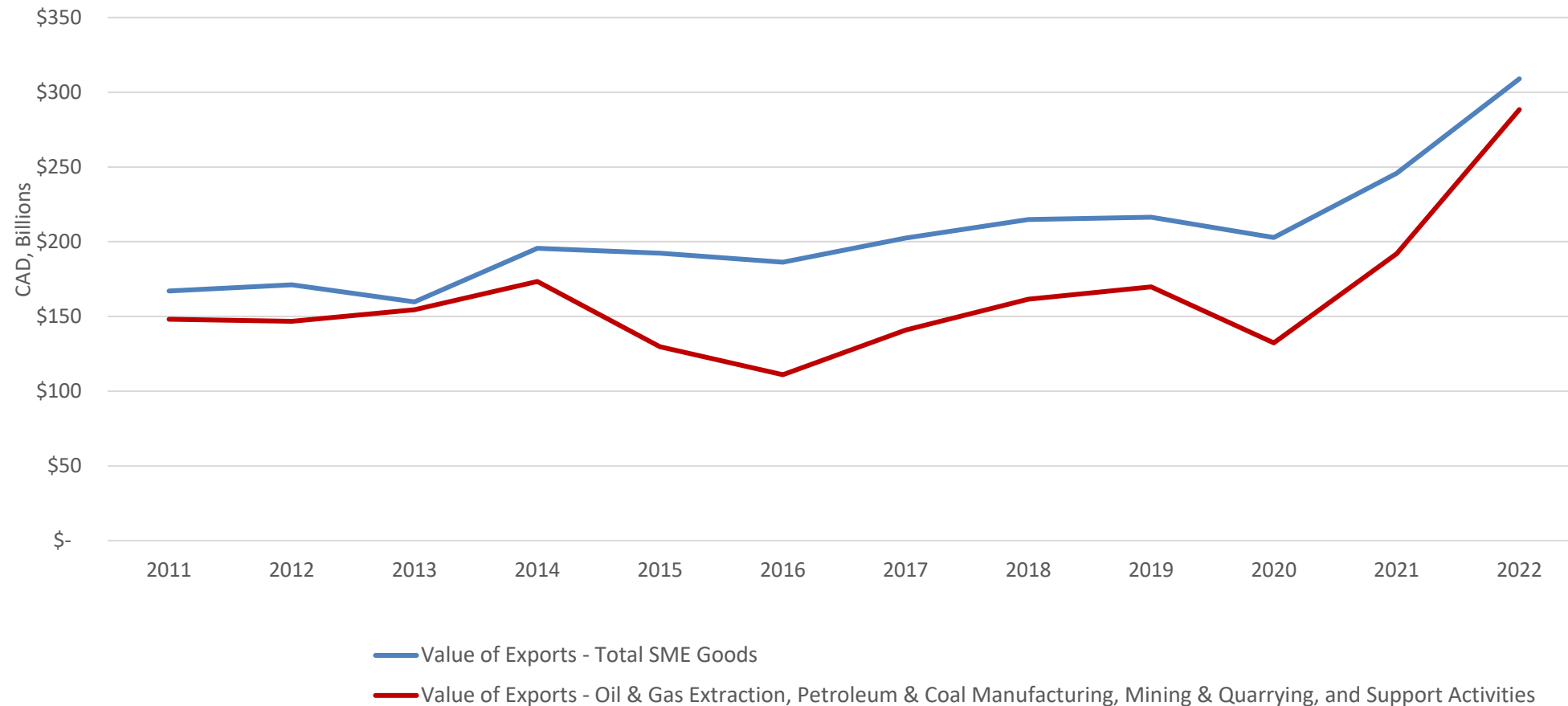
Sources: Statistics Canada: TEC, ISED Trade Data

CAD, current dollars

Coal, Oil, and Gas NAICS codes: 211 Oil & gas extraction, 3241 Petroleum & coal product manufacturing. NOTE: SME export data may contain some SME companies that are oil & gas exporters.

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2. For more than 10 years, Canadian SMEs have exported more than Canadian companies in Coal, Oil & Gas, Mining plus the companies providing services to these industries



Sources: Statistics Canada: TEC, ISED Trade Data

CAD, current dollars

Coal, Oil, and Gas and related services NAICS codes: 211 Oil & gas extraction, 3241 Petroleum & coal product manufacturing, 212 Mining & quarrying (coal, metal ore), 213 Support activities for mining, oil & gas extraction. NOTE: SME export data may contain some SME companies that are oil & gas exporters.

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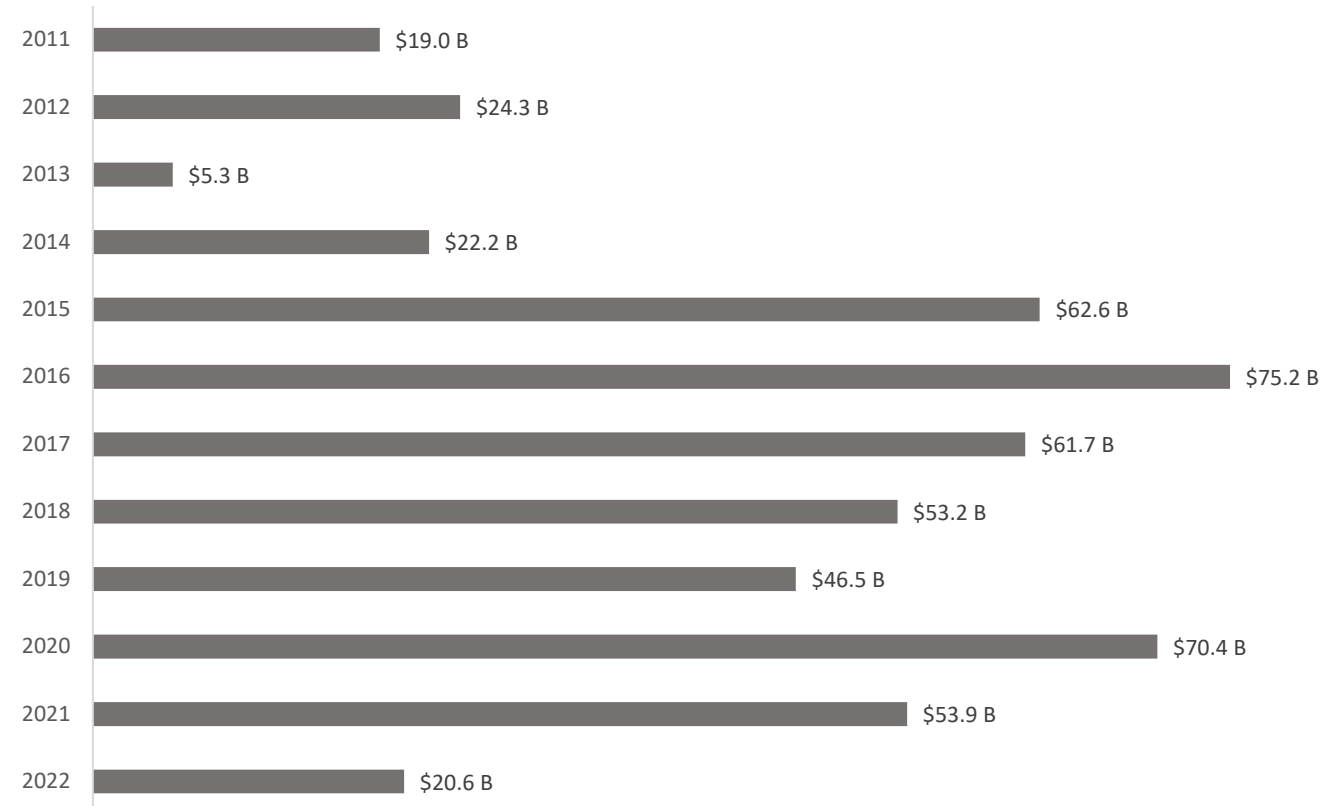
2. On average, between 2011 and 2022, the value of exports by SMEs was \$42.9 B greater than those of combined Coal, Oil & Gas producers, mining companies and all companies providing services to these industries

➤ Median value difference over the period: \$49.9 B

➤ Average value difference over the period: \$42.9 B

➤ 2022 value difference: \$20.6 B

Annual surplus in \$CAD of SME exports versus Coal, Oil & Gas and related services exports



Sources: Statistics Canada: TEC, ISED Trade Data

CAD, current dollars

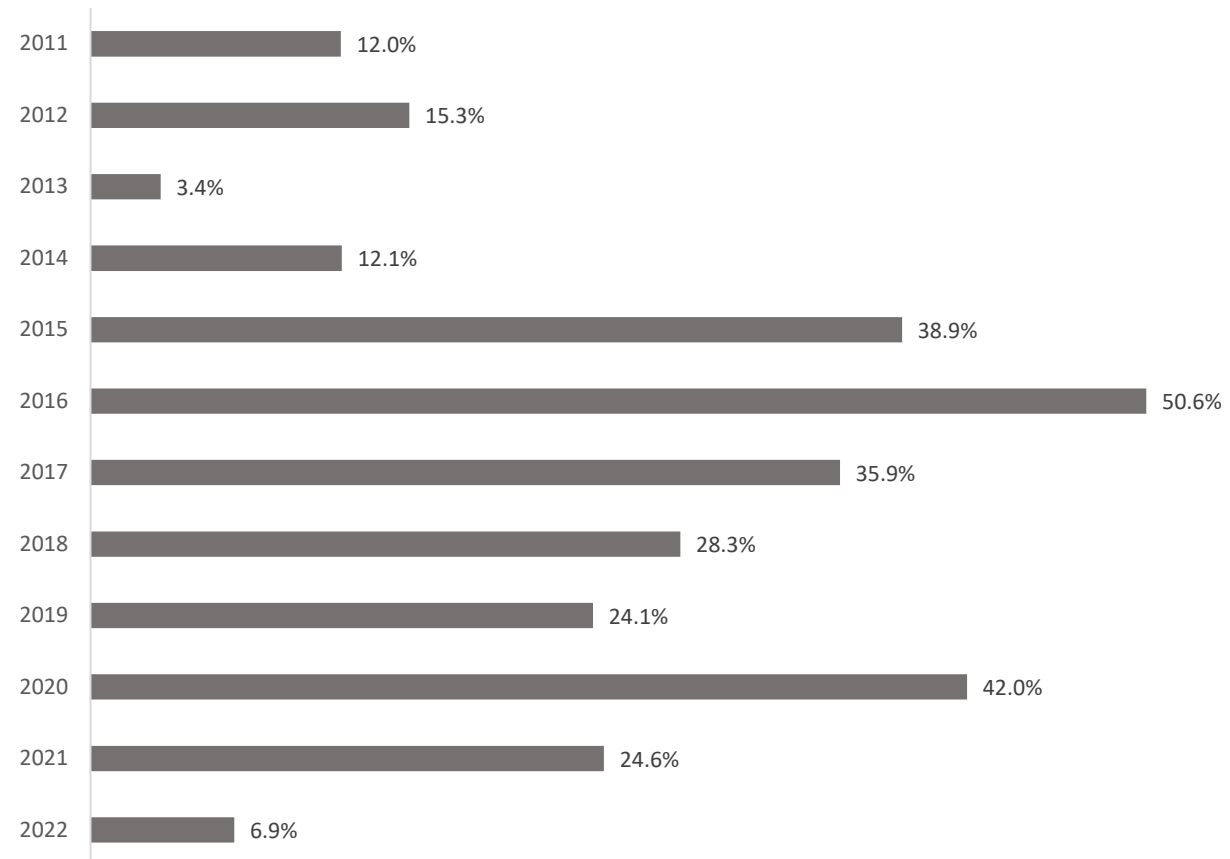
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2. On average, annually between 2011 and 2022, the value of SMEs exports was 24.5% more than Coal, Oil & Gas producers, the mining sector and all companies providing services to these industries

- Median percentage difference over the period: 24.3%
- Average percentage difference over the period: 24.5%
- 2022 percentage difference: 6.9%

Annual % surplus of SME exports versus Coal, Oil & Gas and related services exports



Sources: Statistics Canada: TEC, ISED Trade Data.
CAD, current dollars

Coal, Oil, and Gas and related services NAICS codes: 211 Oil & gas extraction, 3241 Petroleum & coal product manufacturing, 212 Mining & quarrying (coal, metal ore), 213 Support activities for mining, oil & gas extraction. NOTE: SME export data may contain some SME companies that are oil & gas exporters.

3. SME contribution to total employment – G7 and Canada – SMEs account for at least two thirds of employment except in the US and France

- The definition of an SME varies somewhat but the share is roughly equal across G7 and resource economy peers.

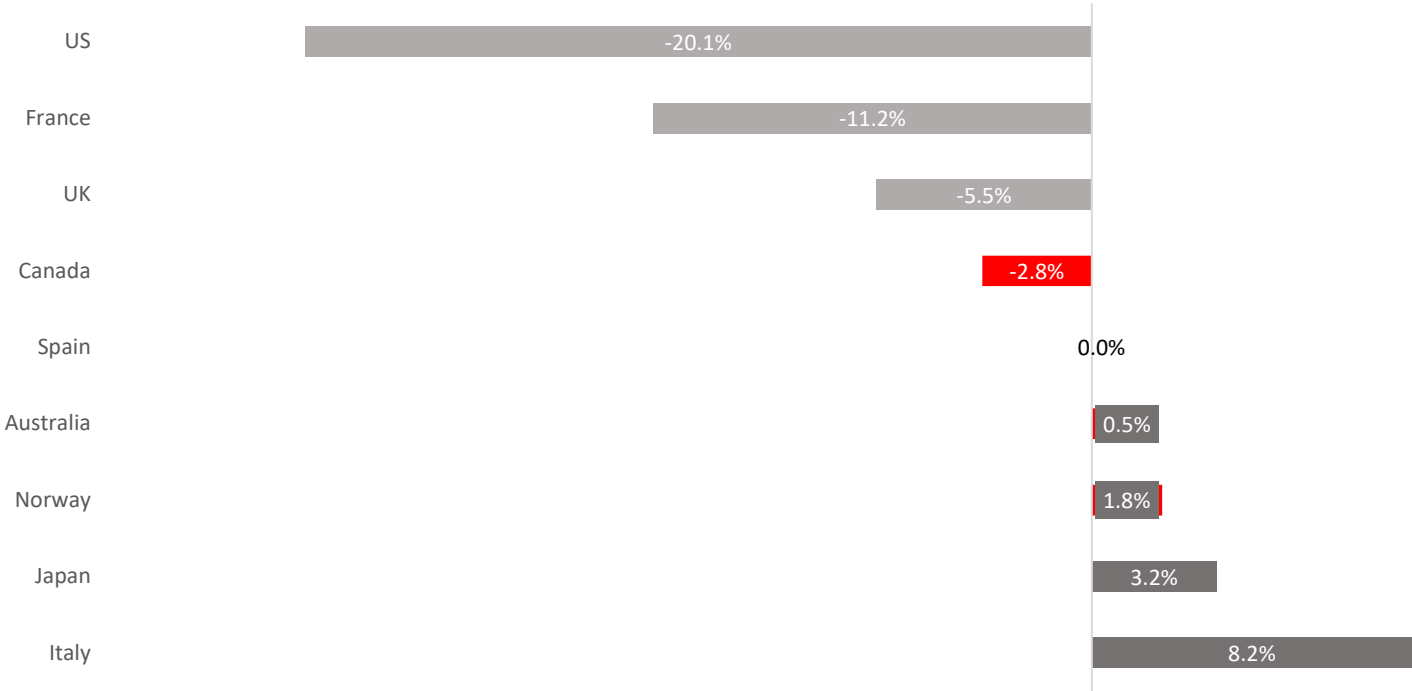
Country	Share of Total Employment that SMEs Contribute	Definition of SME
Canada	63.7%	under 500 employees
Italy	74.7%	under 250 employees
US	46.4%	under 500 employees
France	55.3%	under 250 employees
UK	61.0%	under 250 employees
Norway	68.3%	under 250 employees
Australia	67.0%	under 200 employees
Spain	66.5%	under 250 employees
Japan	69.7%	under 300 employees
Cohort average	63.6%	
Cohort median	66.5%	

Definitions of SME: Under 200 employees (Australia), Under 250 employees (Spain, Norway, UK, France, Italy), Under 300 employees (Japan), Under 500 employees (Canada, US)
 Sources: ISED, EuroStat, JCCI US Gov, UK Gov, Australia Gov

3. SMEs contribution to total employment – G7 and Canada

- Or viewed differently...

Difference from Cohort Median in Share of Total Employment that SMEs Contribute



Definitions of SME: Under 200 employees (Australia), Under 250 employees (Spain, Norway, UK, France, Italy), Under 300 employees (Japan), Under 500 employees (Canada, US)
Sources: ISED, EuroStat, JCCI US Gov, UK Gov, Australia Gov
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