

SMALL AND LARGE BUSINESS LENDING ACTIVITY

The Reserve Bank's views about changes in the number of banks lending to small and large businesses are based on quarterly APRA data on commercial loan approvals. The data do not cover other financial institutions that may lend to either the small or large business sectors. As in the submission, lending to large businesses are proxied by loans over \$2 million, while loans below that threshold are assumed to be made to small businesses.

Overall, the number of banks reporting business loan approvals fell from 44 in the June quarter 2007 to 40 over the March quarter 2010 (Table 1). The number of banks reporting lending to large businesses fell from 41 to 34. The impact of four mergers was offset by the entry of four new banks offering business loans. The number of banks offering small business loans declined from 34 to 32.

Table 1: Number of Banks Reporting Business Loan Approvals

As at	Large businesses (Loans greater than or equal to \$2 million)	Small businesses (Loans less than \$2 million)	Total commercial loan approvals
June quarter 2007	41	34	44
March quarter 2010	34	32	40

Reserve Bank of Australia
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