smarter.loans

SMARTER LOANS RESEARCH | INAUGURAL EDITION | FIRST HALF 2026

The Canadian Lending Demand Index

Canadians are borrowing more often, and asking for less

Lending demand rose 30.6 percent in the strongest half since 2024, and the typical request got smaller. This Index measures the side of credit Canada has never counted: what borrowers ask for, before any lender decides.

TORONTO | AUGUST 2026 | PUBLISHED QUARTERLY

Key findings

+30.6% The strongest half since 2024

Demand grew in both quarters and every covered province. Ontario grew fastest, up 52.6 percent.

2 in 3 Growth is small-loan-led

Two thirds of personal requests are now under $1,500, up from 62.3 percent a year ago. The average small-dollar ask is $495, while the average installment ask fell from $6,229 to $6,061. Canadians are borrowing more often, in smaller amounts.

4.7x Alberta applies, Quebec asks big

Albertans apply nearly five times more often per capita than Quebecers. Quebec applicants request the most per application of any province: $575 small-dollar, $6,886 installment.

117% Installment borrowing outruns a month's income

New recurring metric, the Borrowing Stress Ratio: small-dollar requests equal 13 percent of a month's income, installment requests 117 percent, and the share rises with credit score, from 46 percent below 560 to 110 percent above 725.

1 in 5 The startup demand signal

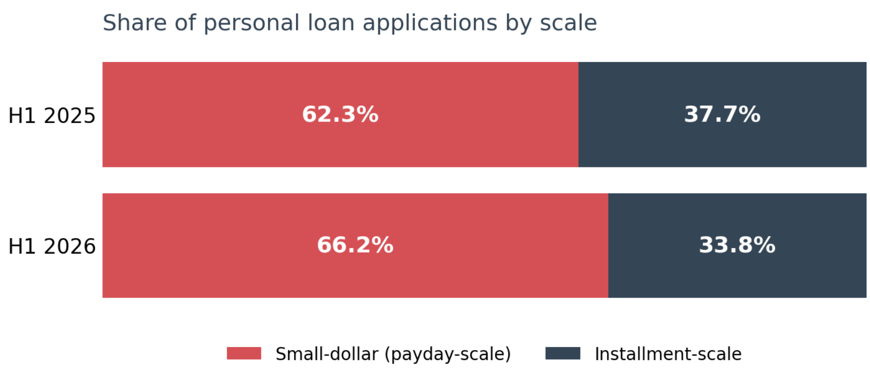
One in five business loan applications is to start a new company, and they ask the most: $124,450 against an overall business average of $98,168. Would-be founders applying through personal channels ask for $9,646, a thirteen-fold financing gap.

Built from loan applications submitted on the Smarter Loans platform, the Index measures borrowing demand at the point of application, before any lending decision is made: what Canadians ask for, where, and at what scale.

> *"Lending data in this country has always been told from the lender's side of the table. This Index tells it from the borrower's side: what Canadians ask for, where, and at what scale. It is a view into the economy that has not existed before, and starting now, it will be published every quarter, free for anyone to use."*
>
> VLAD SHERBATOV, PRESIDENT AND CO-FOUNDER, SMARTER LOANS

One market in name, two in practice

Personal lending demand splits cleanly at the $1,500 line. Below it sits everyday borrowing measured in hundreds of dollars; above it, a genuine installment market with requests in the thousands. The two moved in opposite directions this half: the small-dollar side grew its share while the installment side asked for less.



Segment, H1 2026	Share of demand	Average request	H1 2025 average
Small-dollar (payday-scale)	66.2%	$495	$476
Installment-scale	33.8%	$6,061	$6,229

Published averages exclude entries outside the plausible product range; see methodology.

What the borrowing is for

Paying off bills is the single largest stated purpose at 34.4 percent of applications, followed by debt consolidation at 10.2 percent and medical expenses at 9.6 percent. Consolidation carries the largest installment-scale requests, averaging $8,346, followed by home improvement at $7,909. Medical-purpose demand grew 38.1 percent year over year on a clean quarterly comparison, the fastest of any purpose; start-a-business purpose declined 22.1 percent.

Purpose	Share of demand	Small-dollar avg	Installment avg
Pay Off Bills	34.4%	$517	$4,838
Debt Consolidation	10.2%	$633	$8,346
Medical Expenses	9.6%	$459	$4,700
Moving	4.4%	$512	$4,334
Improve Credit	4.0%	$500	$6,017
Home Improvement	2.8%	$544	$7,909
Education	2.2%	$534	$6,624

Top stated purposes shown; the general-purpose category is excluded from growth claims due to a 2025 taxonomy change (see technical notes).

Where demand lives

Per-capita demand varies nearly fivefold across the country. Alberta leads at an index of 158.4 against a national base of 100; Quebec sits at 33.4. Ontario, the largest market by volume share, grew fastest at 52.6 percent year over year. Request sizes tell a different story: Quebec's averages are the country's highest at both scales, consistent with a provincial rate cap that filters out the smallest-dollar lending.

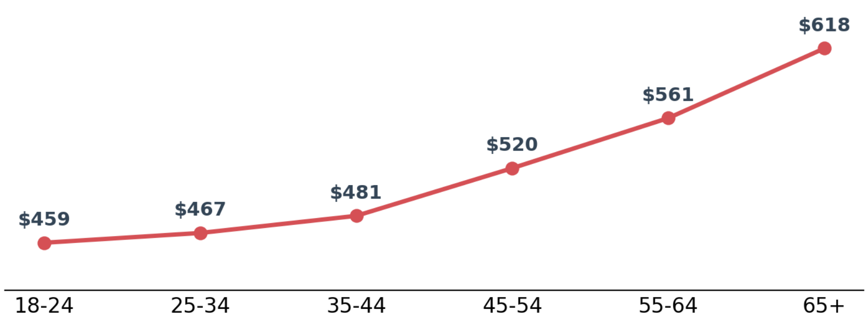
Province	Per-capita index	Small-dollar avg	Installment avg
Alberta	158.4	$513	$5,917
Saskatchewan		$488	$5,961
Manitoba		$435	$5,758
British Columbia		$494	$5,647
Ontario		$486	$6,107
Quebec	33.4	$575	$6,886
Nova Scotia		$467	$5,622
New Brunswick		$517	$5,731
Newfoundland and Labrador		$496	$6,257
Prince Edward Island		$466	n/a (small sample)

Territories excluded pending data verification; segments under 100 applications suppressed.

Younger applicants, and requests that grow with age

Applicants aged 18 to 24 are the fastest-growing group in the country. At small-dollar scale, the average request climbs steadily with age, from $459 among 18 to 24 year olds to $618 among applicants 65 and older, a 35 percent difference end to end. Installment-scale requests peak in the 45 to 54 band at $6,299.

Average small-dollar request by age band



A below-prime market, shifting upward

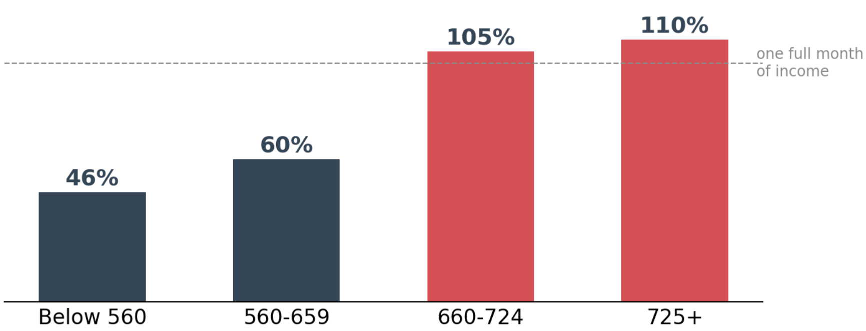
Most verified applicants sit below the credit threshold where mainstream lending ends. The composition is shifting: the below-560 share of verified applications fell from 42.0 to 37.4 percent year over year. Request size rises with credit standing at both scales; verified applicants above 725 average $10,906 at installment scale, more than double the below-560 average of $5,282.

Credit band (verified)	Small-dollar avg	Installment avg
Below 560	$491	$5,282
560 to 659	$504	$6,147
660 to 724	$558	$8,262
725 and above	n/a (small sample)	$10,906

The Borrowing Stress Ratio

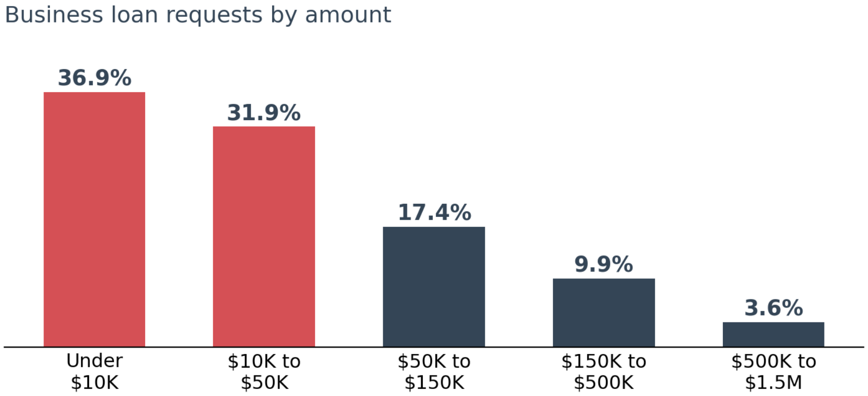
Debuting in this edition and recurring in every future one: the average requested amount expressed as a share of the same applicants' average monthly income. Small-dollar demand is fractional: a typical request equals 13 percent of one month's income. Installment demand is structural: 117 percent, slightly more than a full month. The share climbs with credit standing, meaning better-credit applicants borrow further against their income, and among purposes it peaks at debt consolidation, where the average request equals 117 percent of a month's income.

Requested amount as a share of one month's income, by credit band



Business demand: micro at the bottom, ambition at the top

Business borrowing demand is a barbell. Two thirds of requests, 68.8 percent, are under $50,000: working-capital-scale needs from small operators. At the other end, 13.5 percent of requests exceed $150,000, and this tail pulls the overall average up to $98,168, roughly six times what a typical operator asks for. Any lender or policymaker reading business demand through the average alone misses the market's actual shape.



What business borrowing is for

Startup formation is the clearest signal in the data. Excluding general-purpose applications, starting a new company is the single largest stated purpose, 21.6 percent of business demand, and these applicants ask the most: $124,450 on average. Expansion follows at $118,580. Operational purposes ask far less: everyday operations averages $89,090 and inventory purchases $78,083. Read together, growth capital is requested at $110,000-plus scale while operating capital sits closer to $80,000.

Business purpose	Share of stated purposes	Average request
Other (general business)	22.8%	$103,572
Start A Business	21.6%	$124,450
Everyday Operations	15.3%	$89,090
Purchase Inventory	11.9%	$78,083
Expansion	10.6%	$118,580
All other purposes	17.9%	suppressed (small samples)

The startup financing gap

Start-a-business demand appears on both sides of the platform, at very different scales. Applicants who apply through the business channel to start a company ask for $124,450 on average. Applicants who select the same purpose on a personal installment application ask for $9,646. That thirteen-fold gap sketches two distinct founder populations: funded ventures seeking growth capital, and individuals bootstrapping a business out of personal credit. The personal-side path is the one mainstream small business statistics never see.

Methodology

The Index is built from loan applications submitted on the Smarter Loans platform, measured at the point of application and before any lending decision. All figures are aggregates: indexes, shares, and averages. No individual application data is disclosed, no lender-attributable figures appear, and no absolute application volumes are published. Segments under 100 applications are suppressed. Published averages exclude entries below the $100 product minimum and above product plausible ceilings; these exclusions cover 2.3 percent of personal records. Small-dollar (payday-scale) means requests under $1,500. The Borrowing Stress Ratio is the ratio of the average requested amount to the average monthly income of the same applicant group. Territories are excluded from provincial figures pending data verification. Year-over-year purpose comparisons use matched quarters only, due to a purpose taxonomy change in 2025. Provincial per-capita indexes use Statistics Canada population estimates, national base 100.

Press

Data tables accompany every chart. Next release: Q3 2026, October. Press and researcher inquiries: info@smarter.loans.