



## Quarterly Bank Watch Report Q2'20

02/09/2020

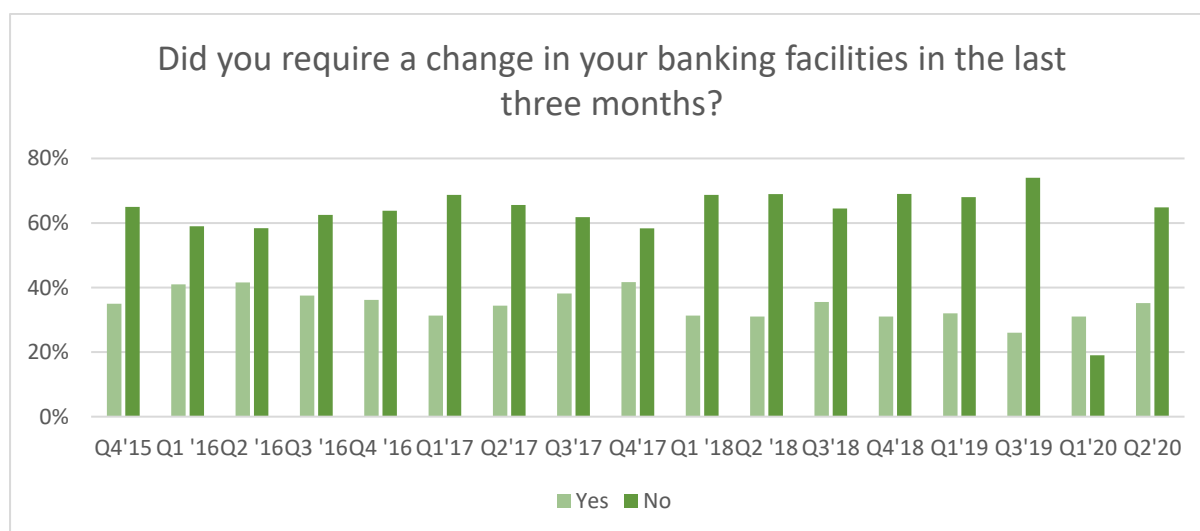
- 15% of those surveyed had applied for the SBCI Future Growth Loan Scheme, the SBCI Covid-19 Working Capital Loan Scheme, or the SBCI SME Credit Guarantee Scheme
- 75% of applications to SBCI were approved
- Less than 4% availed of peer-to-peer funding
- Loan refusal rates increase from 19% to 34%, with 46% being successful, up 2% on Q1.
- 25% waiting longer than 4 weeks from permission to drawdown.
- 51% stated that the bank was not helpful in their request for acquiring finance?
- 58.25% of SMEs believe banks are making it more difficult for SME's to access finance
- 10% of SMEs pay over €5,000 in Bank Charges (excluding interest).

ISME, the Irish SME Association, today (date) released its quarterly Bank Watch survey for Q2'20. The results show an increase in loan refusal rates, increasing to 19% to 34%, although 20% of respondents reported being only partially successful with their request. Demand for credit fell from 24% to 13%. Waiting time from decision to drawdown is on average two weeks.

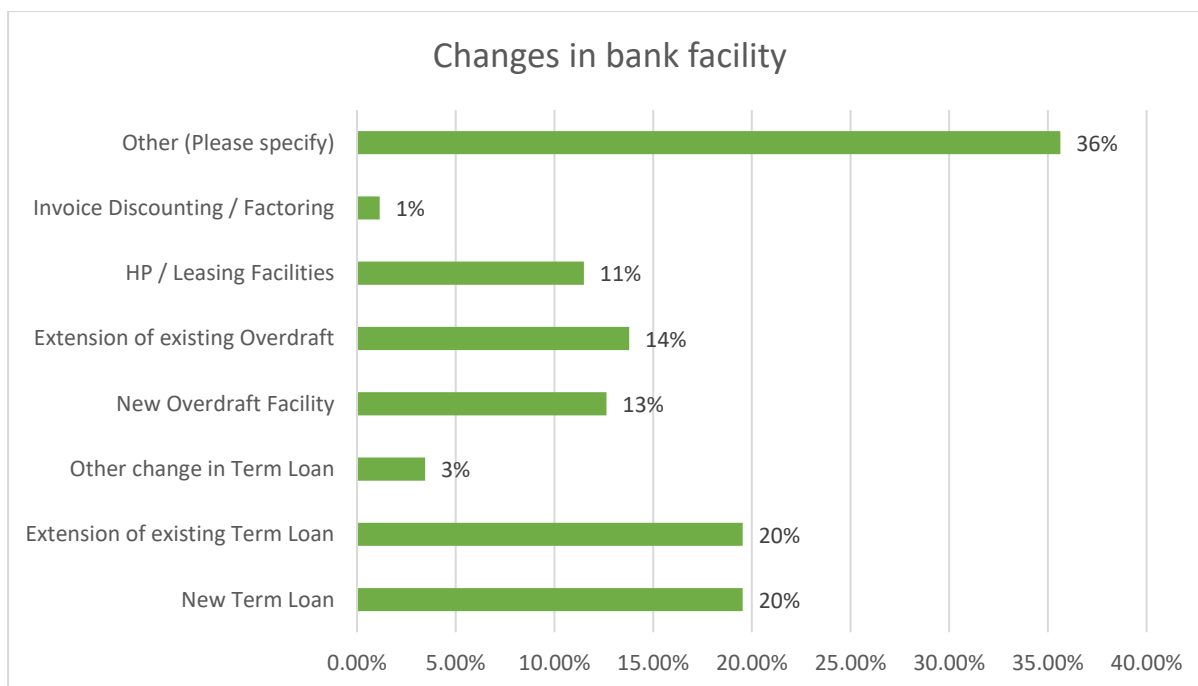
The main findings from the 229 respondents are as follows:

- 35% required a change in banking facilities in the last three months up from 31% the previous quarter, while 65% required no change.
- 46% of SMEs were successful in their application for credit, an increase from 37% at the start of 2020. However, it should be noted that 34% were refused credit up from 19%.
- There was an increase in demand for a new overdraft facility of over 300% from 3 – 13%

- Demand for leasing / HP fell from 25% in Q1 to 11% in Q2
- 20% of SMEs requested an extension of an existing term loan up from 6% in Q1 and up further from 3% in Q4 2019.
- Similarly, 14% requested an extension of an overdraft facility up from 9% in both Q1'2020 and Q4'2019.



	Q3'18	Q4'18	Q1'19	Q2'19	Q1'20	Q2'20
Required change in bank facilities in last 3 months	36%	30%	32%	26%	31%	35%
Unsuccessful	29%	12%	33%	58%	19%	34%
Approach the Bank	79%	84%	53%	67%	60%	64%
Made Informal Approach	75%	79%	27%	38%	30%	34%
Made Formal (Written) Approach	55%	58%	38%	31%	37%	39%
Banks making it more difficult for SMEs	52%	43%	69%	75%	69%	58%
Aware of banks appeals procedure	63%	58%	68%	44%	65%	55%
Aware of Credit Review Office	68%	70%	67%	61%	63%	65%
Aware of Credit Guarantee Scheme	66%	66%	68%	58%	57%	80%
Aware of Microfinance Scheme	57%	53%	59%	54%	60%	76%



20% of respondents requested a 'New Term Loan', compared to 28% in Q1 of 2020. 20% requested an 'Extension of an Existing Term Loan', 3% requested 'other changes' to their term loan', and 13% requested a 'New Overdraft Facility'. 14% applied for an 'Extension of Overdraft Facility'. A further 15% requested HP/Leasing facilities, while 1% applied for Invoice Discounting/Factoring.

**ENDS.**

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**Note to Editors:**

**This survey was conducted in the last week of July , covering the second quarter of 2020. There were 229 SME owner manager respondents.**