



Quarterly Bank Watch Report Q4'21

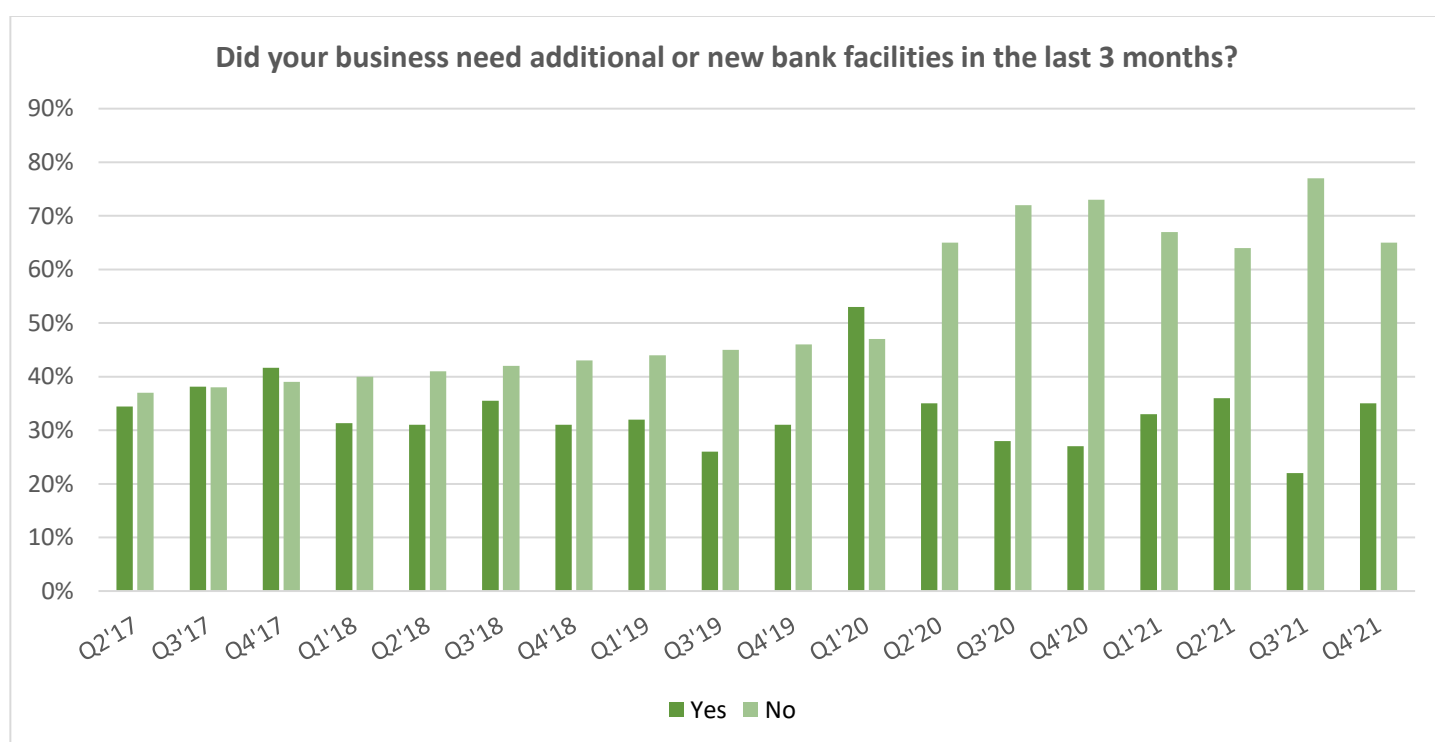
SME DEMAND FOR CREDIT INCREASES WHILE LOAN REFUSAL RATES DROP

- Demand for credit is at 43%, increasing 10% from Q3'21.
- Loan refusal rates decreased from 37% to 33%, with 52% being successful, up 11% on Q3'21. 14% were partially successful, compared to 22% in Q3'21.
- 4% have availed of peer-to-peer funding.
- 54% waited longer than 4 weeks from permission to drawdown.
- 57% stated that the bank was not helpful in their request for acquiring finance.
- 68% of SMEs believe banks are making it more difficult for SMEs to access finance.
- 22% of SMEs pay over €5,000 in Bank Charges (excluding interest).

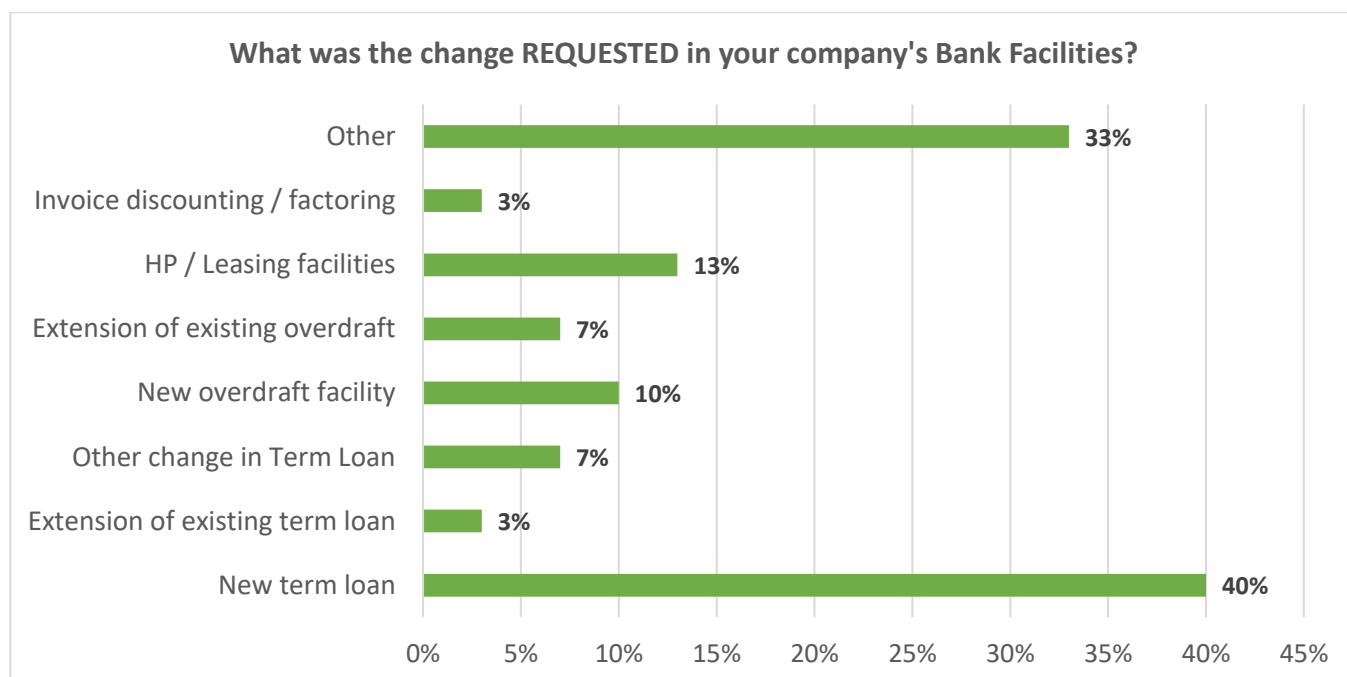
ISME, the Irish SME Association, released its quarterly Bank Watch survey for Q4'21. The results show a decrease in loan refusal rates, decreasing from 37% to 33%, with only 14% of respondents being partially successful with their request. Demand for credit rose by 10%. Waiting time from decision to drawdown is on average greater than 10 weeks.

The main findings from the 393 respondents are as follows:

- **14% of those surveyed had applied for the SBCI Future Growth Loan Scheme, with 67% approved. Of those approved, 83% received approval from their bank.**
- **2% of those surveyed had applied for the SBCI Covid-19 Working Capital Loan Scheme, with 100% approved. Of those approved, 100% received approval from their bank.**
- **7% of those surveyed had applied for the SBCI SME Credit Guarantee Scheme, with 100% approved. Of those, 67% received approval from their bank.**
- **35% required a change in banking facilities in the last three months, up from 22% the previous quarter, while 65% required no change.**
- **There was an increase in demand for a new overdraft facility of 6%, rising from 4% in Q3'21 to 10% Q4'21.**
- **Demand for leasing / HP also decreased this quarter, from 16% in Q3'21 to 13% in Q4'21.**
- **3% of SMEs requested an extension of an existing term loan, decreasing from 7% in Q3'21.**
- **7% requested an extension of an existing overdraft facility, remaining the same as the previous quarter.**



	Q2'20	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21
Required change in bank facilities in last 3 months	35%	29%	27%	33%	36%	22%	35%
Unsuccessful	34%	29%	37%	35%	22%	37%	52%
Approach the Bank	64%	74%	44%	50%	64%	50%	63%
Made Informal Approach	34%	19%	20%	20%	31%	26%	25%
Made Formal (Written) Approach	39%	63%	43%	49%	47%	40%	41%
Banks making it more difficult for SMEs	58%	68%	56%	71%	84%	65%	68%
Aware of banks appeals procedure	55%	50%	64%	52%	62%	51%	42%
Aware of Credit Review Office	65%	60%	71%	71%	72%	62%	68%
Aware of Credit Guarantee Scheme	80%	81%	88%	85%	79%	79%	84%
Aware of Microfinance Scheme	76%	70%	80%	74%	81%	76%	75%



40% of respondents requested a 'New Term Loan', compared to 31% in Q3 of 2021. 3% requested an 'Extension of an Existing Term Loan', 7% requested an 'Other change in Term Loan' and 10% requested a 'New Overdraft Facility'. 7% applied for an 'Extension of existing Overdraft'. A further 13% requested 'HP/Leasing Facilities', while 3% applied for 'Invoice Discounting/Factoring'.

Note to Editors:

This survey was conducted in the second week of December, covering the fourth quarter of 2021. There were 393 SME owner manager respondents.