

Quarterly Bank Watch Report Q1'22

4th April 2022

SME DEMAND FOR CREDIT FALLS, LOAN REFUSAL CONTINUES TO DROP

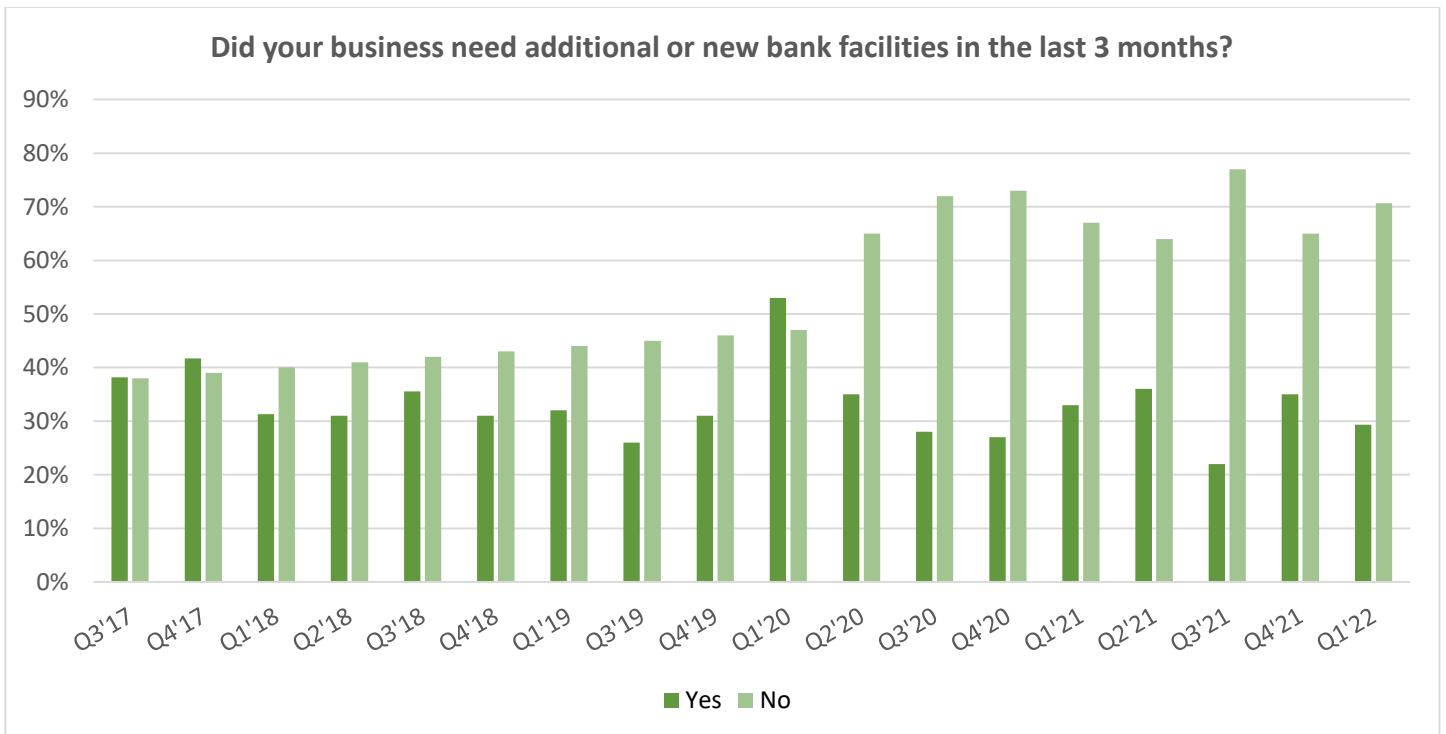
- Demand for credit is at 25%, decreasing 18% from Q4'21.
- Loan refusal rates decreased from 33% to 22%, with 58% being successful, up 6% on Q4'21. 19% were partially successful, compared to 14% in Q4'21.
- 4% have availed of peer-to-peer funding.
- 19% waited longer than 4 weeks from permission to drawdown.
- 69% stated that the bank was not helpful in their request for acquiring finance.
- 67% of SMEs believe banks are making it more difficult for SMEs to access finance.
- 15% of SMEs pay over €5,000 in Bank Charges (excluding interest).

ISME, the Irish SME Association, today (4th February) released its quarterly Bank Watch survey for Q1'22. The results show a decrease in loan refusal rates, decreasing from 33% to 22%, with only 19% of respondents being partially successful with their request. Demand for credit fell by 18%. Waiting time from decision to drawdown is on average greater than 5 weeks.

The main findings from the 210 respondents are as follows:

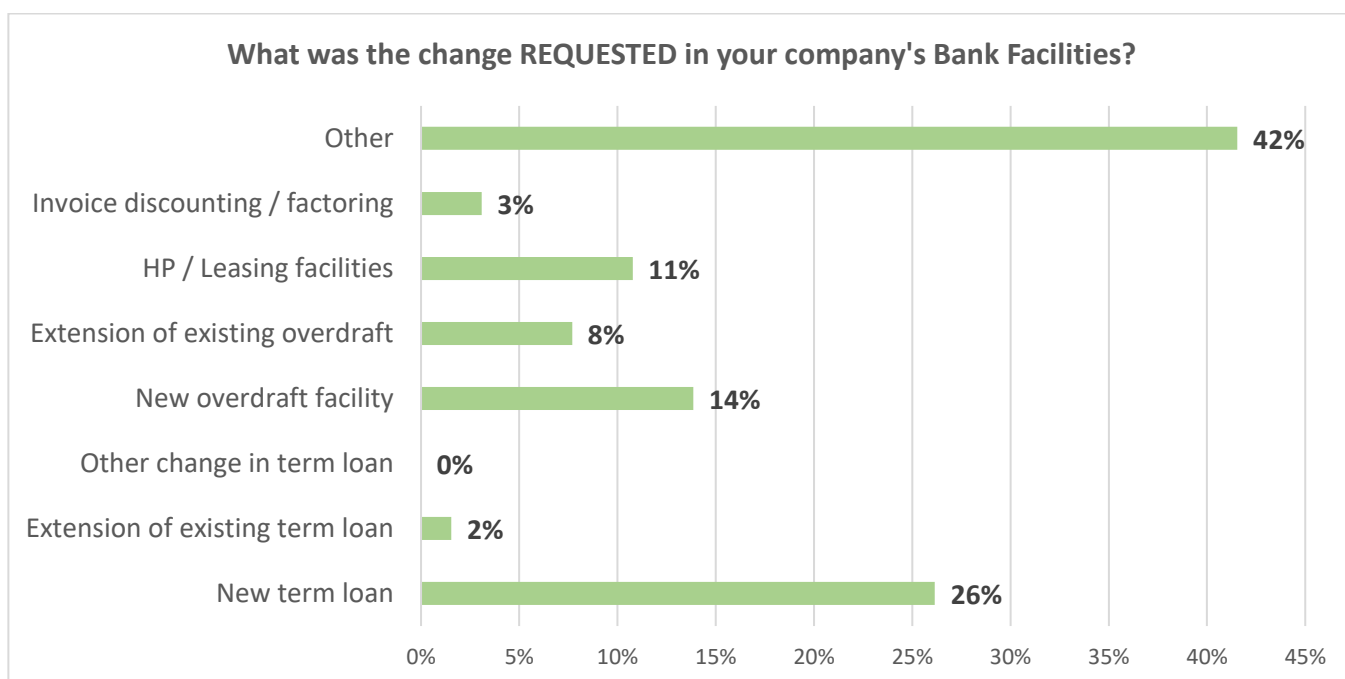
- **10% of those surveyed had applied for the SBCI Future Growth Loan Scheme, with 100% approved. Of those approved, 100% received approval from their bank.**

- 6% of those surveyed had applied for the SBCI Covid-19 Working Capital Loan Scheme, with 83% approved. Of those approved, 83% received approval from their bank.
- 2% of those surveyed had applied for the SBCI SME Credit Guarantee Scheme, with 100% approved. Of those, 100% received approval from their bank.
- 29% required a change in banking facilities in the last three months, down from 35% the previous quarter, while 71% required no change.
- There was an increase in demand for a new overdraft facility of 4%, rising from 10% in Q4'21 to 14% Q1'22.
- Demand for leasing / HP also decreased this quarter, from 13% in Q4'21 to 11% in Q1'22.
- 2% of SMEs requested an extension of an existing term loan, decreasing from 3% in Q4'21.
- 8% requested an extension of an existing overdraft facility, increasing from 7% in Q4'21.



	Q3'20	Q4'20	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22
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Required change in bank facilities in last 3 months	29%	27%	33%	36%	22%	35%	29%
Unsuccessful	29%	37%	35%	22%	37%	52%	22%
Approach the Bank	74%	44%	50%	64%	50%	63%	84%
Made Informal Approach	19%	20%	20%	31%	26%	25%	26%
Made Formal (Written) Approach	63%	43%	49%	47%	40%	41%	42%
Banks making it more difficult for SMEs	68%	56%	71%	84%	65%	68%	67%
Aware of banks appeals procedure	50%	64%	52%	62%	51%	42%	65%
Aware of Credit Review Office	60%	71%	71%	72%	62%	68%	86%
Aware of Credit Guarantee Scheme	81%	88%	85%	79%	79%	84%	77%
Aware of Microfinance Scheme	70%	80%	74%	81%	76%	75%	80%



26% of respondents requested a 'New Term Loan', compared to 40% in Q4 of 2021. 2% requested an 'Extension of an Existing Term Loan', 0% requested an 'Other change in Term Loan' and 14% requested a 'New Overdraft Facility'. 8% applied for an 'Extension of existing Overdraft'. A further 11% requested 'HP/Leasing Facilities', while 3% applied for 'Invoice Discounting/Factoring'.

ENDS.

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Note to Editors:

This survey was conducted in the second week of May 2022, covering the first quarter of 2022. There were 210 SME owner manager respondents.