

Quarterly Bank Watch Report Q3'22

5th March 2023

SME DEMAND FOR CREDIT, LOAN REFUSAL RATES ON THE RISE

- Demand for credit is at 42%, increasing 24% from Q2'22.
- Loan refusal rates increased from 29% to 42%, up 13% on Q2'22. 8% were partially successful, compared to 36% in Q2'22. 50% were successful with their request.
- 2% have availed of peer-to-peer funding.
- 18% waited longer than 4 weeks from permission to drawdown.
- 52% stated that the bank was not helpful in their request for acquiring finance.
- 69% of SMEs believe banks are making it more difficult for SMEs to access finance.
- 19% of SMEs pay over €5,000 in Bank Charges (excluding interest).

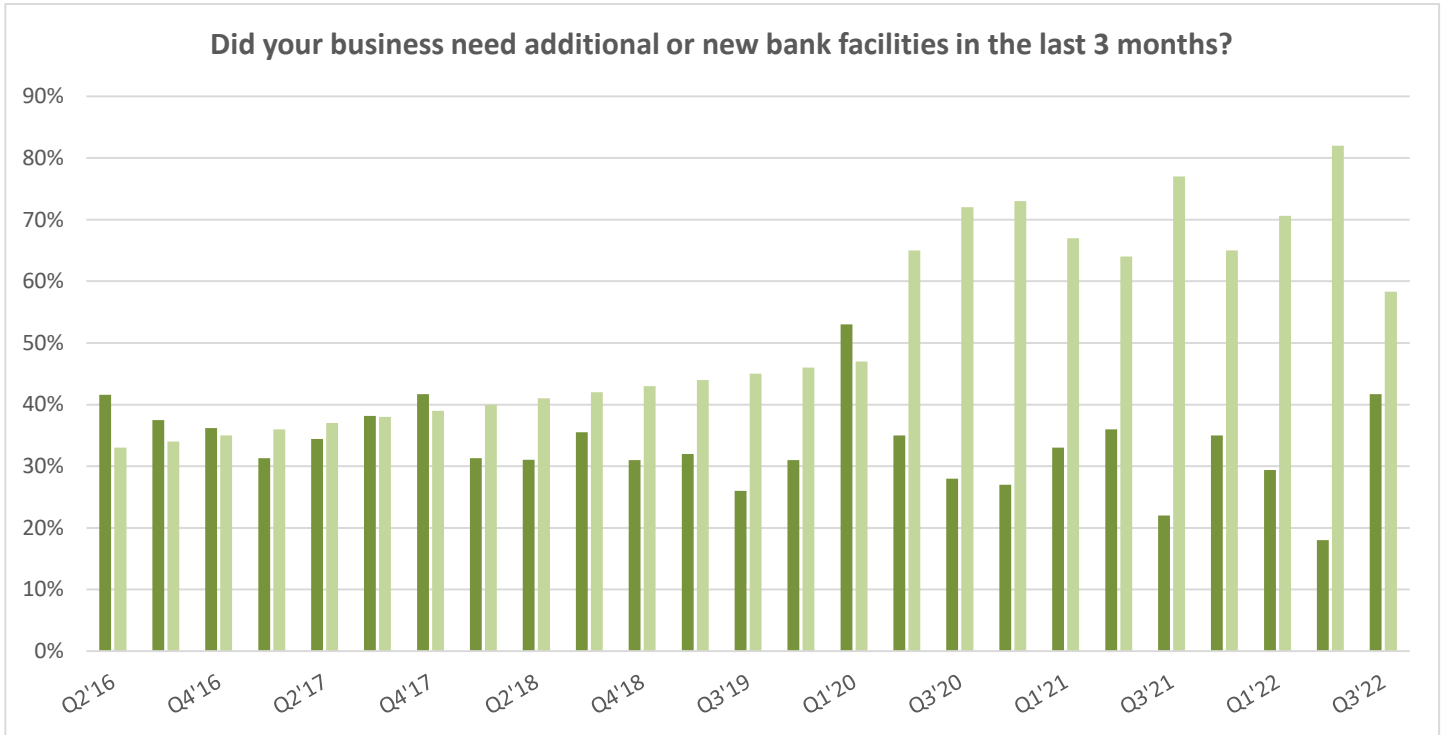
ISME, the Irish SME Association, today (5th March) released its quarterly Bank Watch survey for Q3'22. The results show an increase in loan refusal rates, increasing from 29% to 42%, with 8% of respondents being partially successful with their request. Demand for credit grew by 24%. Waiting time from decision to drawdown is on average greater than 1 week.

The main findings from the 71 respondents are as follows:

- 11% of those surveyed had applied for the SBCI Future Growth Loan Scheme, with 100% approved. Of those approved, 50% received approval from their bank.
- 9% of those surveyed had applied for the SBCI Covid-19 Working Capital Loan Scheme, with 80% approved. Of those approved, 75% received approval from their bank.
- 11% of those surveyed had applied for the SBCI SME Credit Guarantee Scheme, with 100% approved. Of those, 67% received approval from their bank.
- 42% required a change in banking facilities in the last three months, up from 18% the previous quarter, while 58% required no change.
- There was a decrease in demand for a new overdraft facility of 6%, rising from 17% in Q2'22 to 11% Q3'22.
- Demand for leasing / HP increased this quarter, going from 7% in Q2'22 to 16% in

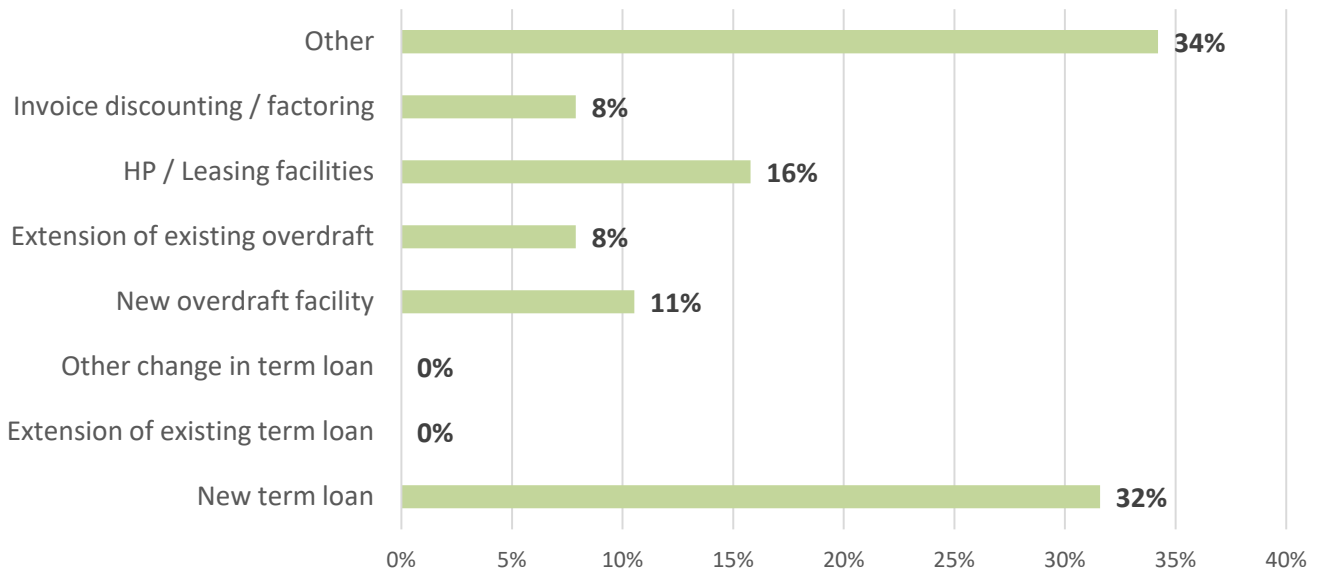
Q3'22.

- **0% of SMEs requested an extension of an existing term loan, decreasing from 4% in Q2'22.**
- **8% requested an extension of an existing overdraft facility, increasing from 7% in Q2'22.**



	Q1'21	Q2'21	Q3'21	Q4'21	Q1'22	Q2'22	Q3'22
Required change in bank facilities in last 3 months	33%	36%	22%	35%	29%	18%	42%
Unsuccessful	35%	22%	37%	52%	22%	40%	42%
Approach the Bank	50%	64%	50%	63%	84%	55%	75%
Made Informal Approach	20%	31%	26%	25%	26%	13%	33%
Made Formal (Written) Approach	49%	47%	40%	41%	42%	43%	46%
Banks making it more difficult for SMEs	71%	84%	65%	68%	67%	64%	69%
Aware of banks appeals procedure	52%	62%	51%	42%	65%	63%	47%
Aware of Credit Review Office	71%	72%	62%	68%	86%	75%	64%
Aware of Credit Guarantee Scheme	85%	79%	79%	84%	77%	82%	77%
Aware of Microfinance Scheme	74%	81%	76%	75%	80%	85%	82%

What was the change REQUESTED in your company's Bank Facilities?



32% of respondents requested a 'New Term Loan', compared to 34% in Q2 of 2022. 0% requested an 'Extension of an Existing Term Loan', 0% requested an 'Other change in Term Loan' and 11% requested a 'New Overdraft Facility'. 8% applied for an 'Extension of existing Overdraft'. A further 16% requested 'HP/Leasing Facilities', while 8% applied for 'Invoice Discounting/Factoring'.

ENDS.

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Note to Editors:

This survey was conducted in the second week of December 2022, covering the second quarter of 2022. There were 71 SME owner manager respondents.