



Quarterly Bank Watch Report Q4'23

6th February 2024

SME DEMAND FOR CREDIT AND LOAN REFUSAL RATES DECREASE

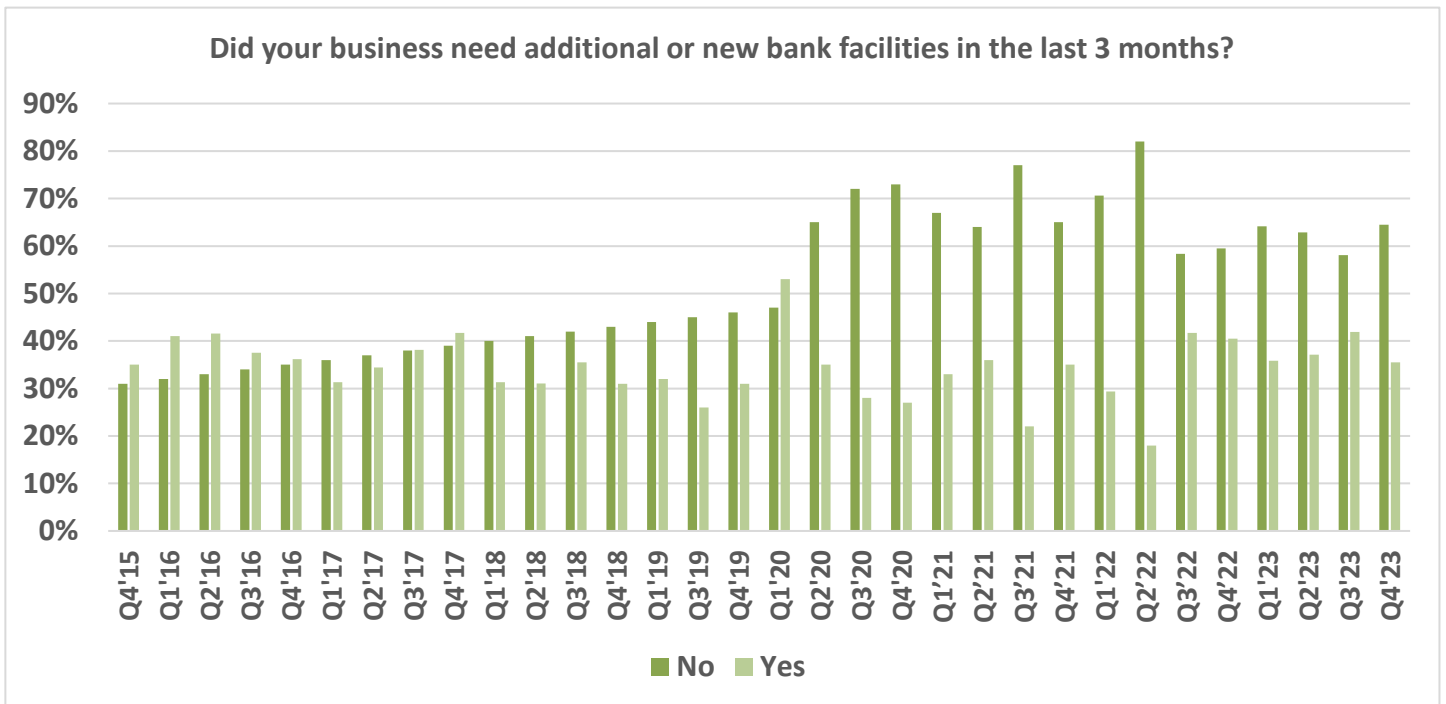
- Demand for credit is at 35%, decreasing 7% from Q3'23.
- Loan refusal rates decreased to 29%, down 7%. 7% were partially successful, compared to 28% in Q3'23. 64% were successful with their request.
- 13% have availed of peer-to-peer funding.
- 22% waited longer than 4 weeks from permission to drawdown.
- 33% stated that the bank was not helpful in their request for acquiring finance.
- 50% of SMEs believe banks are making it more difficult for SMEs to access finance.
- 20% of SMEs pay over €5,000 in Bank Charges (excluding interest).

ISME, the Irish SME Association, today (6th February) released its quarterly Bank Watch survey for Q4'23. The results show that loan refusal rates decreased from last quarter, falling to 29%, with 7% of respondents being partially successful with their request. Demand for credit decreased by 7%. Waiting time from decision to drawdown is on average greater than 1 week.

The main findings from the 40 respondents are as follows:

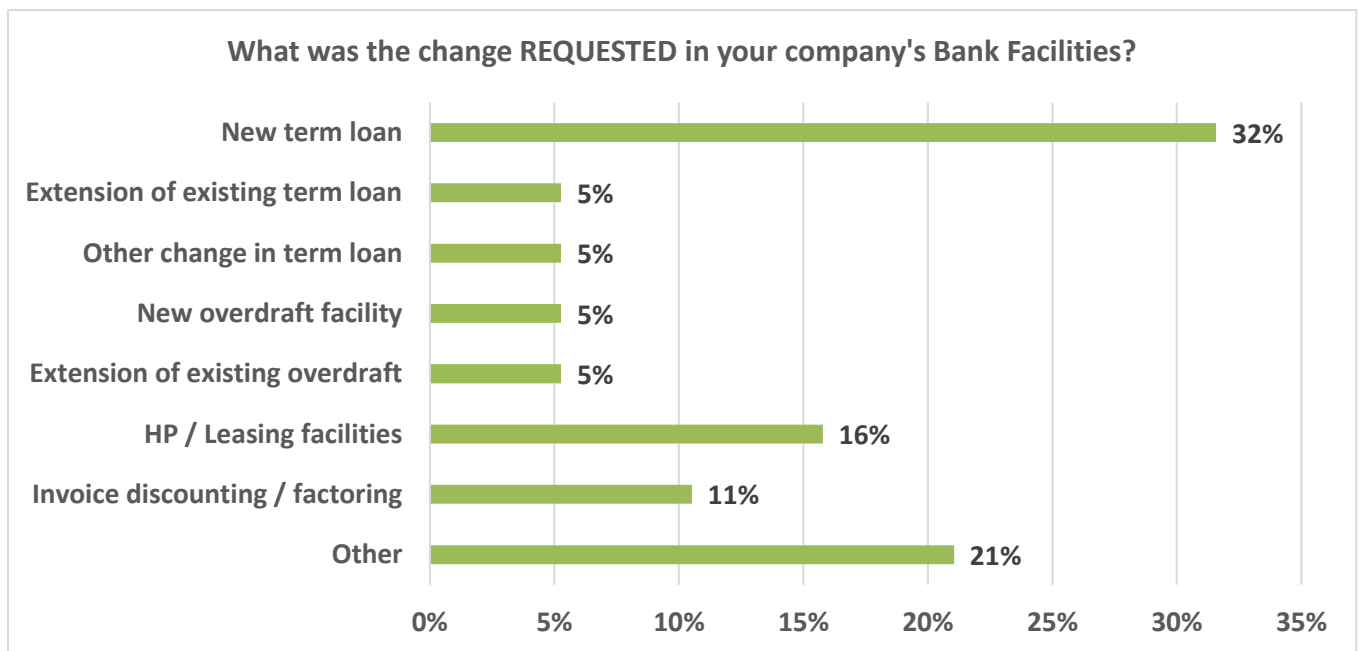
- **4% of those surveyed had applied for the SBCI Future Growth Loan Scheme, with 0% approved.**

- 7% 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.
- 4% of those surveyed had applied for the SBCI SME Credit Guarantee Scheme, with 100% approved. Of those, 100% received approval from their bank.
- 35% required a change in banking facilities in the last three months, down from 42% the previous quarter, while 65% required no change.
- There was a decrease in demand for a new overdraft facility of 9%, falling from 14% in Q3'23 to 5% Q4'23.
- Demand for leasing / HP increased this quarter, going from 10% in Q3'23 to 16% in Q4'23.
- 5% of SMEs requested an extension of an existing term loan this quarter, increasing from 0% in Q3'23.
- 5% requested an extension of an existing overdraft facility, decreasing from 19% in Q3'23.



	Q2'22	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23
Required change in bank facilities in last 3 months	18%	42%	41%	36%	37%	42%	35%
Unsuccessful	40%	42%	42%	43%	50%	36%	29%
Approach the Bank	55%	75%	55%	55%	56%	40%	67%
Made Informal Approach	13%	33%	21%	30%	17%	40%	20%

Made Formal (Written) Approach	43%	46%	54%	42%	65%	45%	50%
Banks making it more difficult for SMEs	64%	69%	75%	68%	75%	75%	50%
Aware of banks appeals procedure	63%	47%	52%	48%	58%	58%	68%
Aware of Credit Review Office	75%	64%	64%	65%	75%	75%	80%
Aware of Credit Guarantee Scheme	82%	77%	84%	76%	67%	69%	75%
Aware of Microfinance Scheme	85%	82%	69%	82%	78%	83%	75%



32% of respondents requested a 'New Term Loan', compared to 48% in Q3 of 2023. 5% requested an 'Extension of an Existing Term Loan', 5% requested an 'Other change in Term Loan' and 5% requested a 'New Overdraft Facility'. 5% applied for an 'Extension of existing Overdraft'. A further 16% requested 'HP/Leasing Facilities', while 11% applied for 'Invoice Discounting/Factoring'.

ENDS.

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Note to Editors:

This survey was conducted in the first week of December 2023, covering the fourth quarter of 2023. There were 40 SME owner manager respondents.