

## Quarterly Bank Watch Report Q1'24

15<sup>th</sup> May 2024

### **SME CREDIT DEMAND STEADIES, LOAN REFUSAL RATES DECREASE**

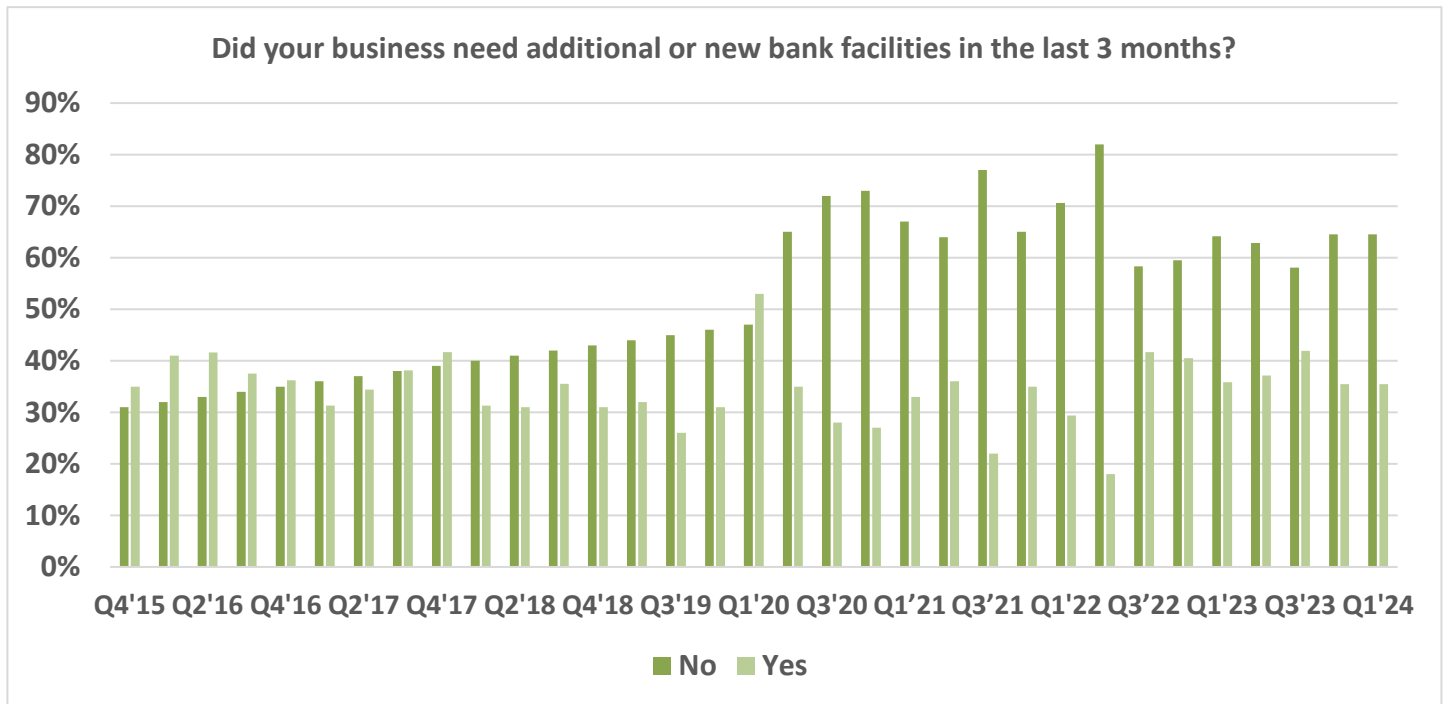
- Demand for credit is at 35%, the same as in Q4'23.
- Loan refusal rates decreased to 20%, down 9%. 10% were partially successful, compared to 7% in Q4'23. 70% were successful with their request.
- 13% have availed of peer-to-peer funding.
- 0% waited longer than 4 weeks from permission to drawdown.
- 78% stated that the bank was not helpful in their request for acquiring finance.
- 83% of SMEs believe banks are making it more difficult for SMEs to access finance.
- 21% of SMEs pay over €5,000 in Bank Charges (excluding interest).

ISME, the Irish SME Association, today (15<sup>th</sup> May) released its quarterly Bank Watch survey for Q1'24. The results show that loan refusal rates decreased from last quarter, falling to 20%, with 10% of respondents being partially successful with their request. Demand for credit remained the same at 23%. Waiting time from decision to drawdown is on average greater than 1 week.

The main findings from the 42 respondents are as follows:

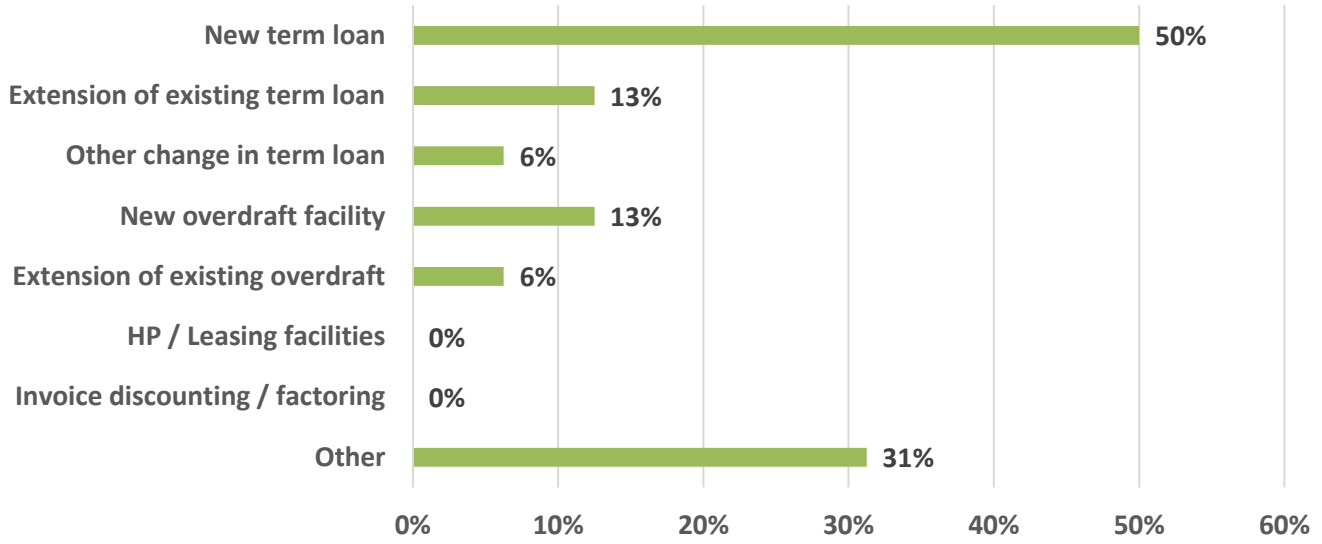
- 14% of those surveyed had applied for the SBCI Future Growth Loan Scheme, with 100% approved.
- 4% of those surveyed had applied for the SBCI Covid-19 Working Capital Loan Scheme, with 100% approved. Of those approved, 0% received approval from their bank.
- 11% of those surveyed had applied for the SBCI SME Credit Guarantee Scheme, with 100% approved. Of those, 67% received approval from their bank.
- 35% required a change in banking facilities in the last three months, the same as the previous quarter, while 65% required no change.
- There was an increase in demand for a new overdraft facility of 8%, rising from 5% in Q4'23 to 13% Q1'24.

- Demand for leasing / HP decreased this quarter, going from 16% in Q4'24 to 0% in Q1'24.
- 13% of SMEs requested an extension of an existing term loan this quarter, increasing from 5% in Q4'23.
- 6% requested an extension of an existing overdraft facility, increasing from 5% in Q4'23.



	Q3'22	Q4'22	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24
<b>Required change in bank facilities in last 3 months</b>	42%	41%	36%	37%	42%	35%	35%
<b>Unsuccessful</b>	42%	42%	43%	50%	36%	29%	20%
<b>Approach the Bank</b>	75%	55%	55%	56%	40%	67%	50%
<b>Made Informal Approach</b>	33%	21%	30%	17%	40%	20%	43%
<b>Made Formal (Written) Approach</b>	46%	54%	42%	65%	45%	50%	36%
<b>Banks making it more difficult for SMEs</b>	69%	75%	68%	75%	75%	50%	83%
<b>Aware of banks appeals procedure</b>	47%	52%	48%	58%	58%	68%	48%
<b>Aware of Credit Review Office</b>	64%	64%	65%	75%	75%	80%	72%
<b>Aware of Credit Guarantee Scheme</b>	77%	84%	76%	67%	69%	75%	68%
<b>Aware of Microfinance Scheme</b>	82%	69%	82%	78%	83%	75%	75%

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



50% of respondents requested a 'New Term Loan', compared to 32% in Q4 of 2023. 13% requested an 'Extension of an Existing Term Loan', 6% requested an 'Other change in Term Loan' and 13% requested a 'New Overdraft Facility'. 6% applied for an 'Extension of existing Overdraft'. 0% requested 'HP/Leasing Facilities' and 'Invoice Discounting/Factoring'.

**ENDS.**

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**Note to Editors:**

This survey was conducted in the first week of April covering the first quarter of 2024. There were 42 SME owner manager respondents.