



Quarterly Bank Watch Report Q4'24

30th January 2025

SME DEMAND FOR CREDIT INCREASES WHILE LOAN REFUSAL RATES DECREASE

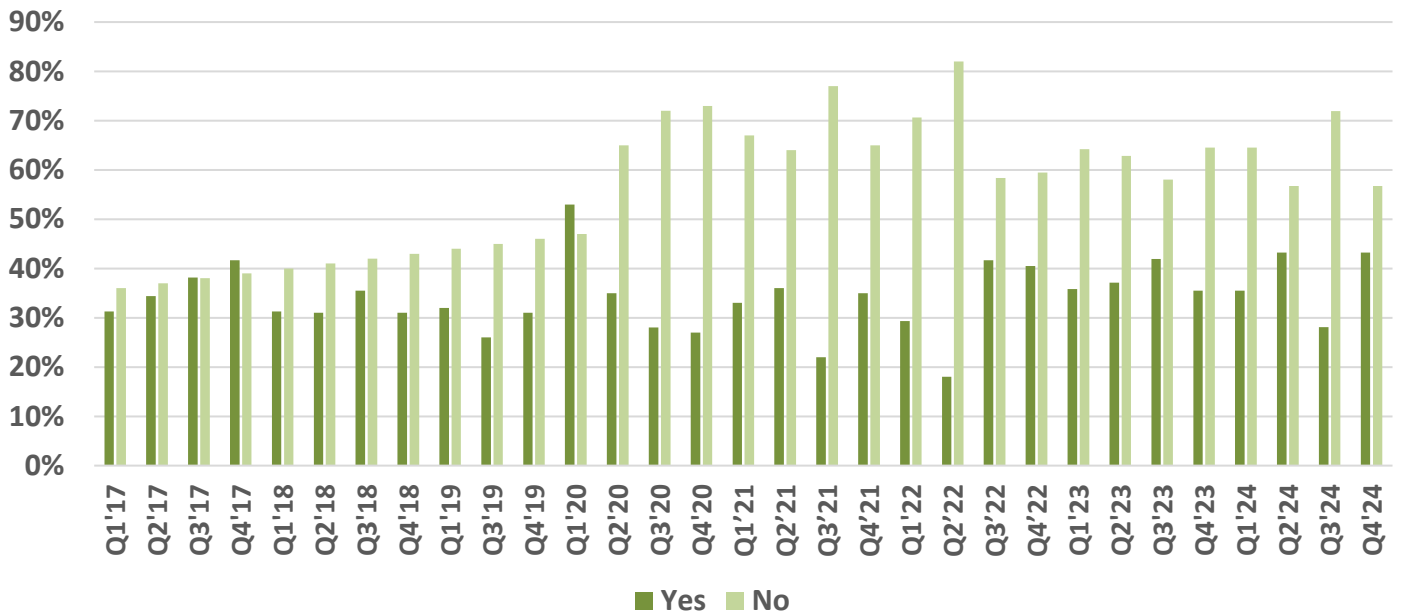
- Demand for credit is at 43%, increasing 15% from Q3'24.
- Loan refusal rates decreased to 41%, down 4%. 0% were partially successful. 59% were successful with their request.
- 11% have availed of peer-to-peer funding.
- 10% waited longer than 4 weeks from permission to drawdown.
- 47% stated that the bank was not helpful in their request for acquiring finance.
- 82% of SMEs believe banks are making it more difficult for SMEs to access finance.
- 17% of SMEs pay over €5,000 in Bank Charges (excluding interest).

ISME, the Irish SME Association, today (30th January) released its quarterly Bank Watch survey for Q4'24. The results show that loan refusal rates decreased from last quarter, falling to 41%, with 59% of respondents being successful with their request. Demand for credit increased by 15%. Waiting time from decision to drawdown is on average greater than 1 week.

The main findings from the 44 respondents are as follows:

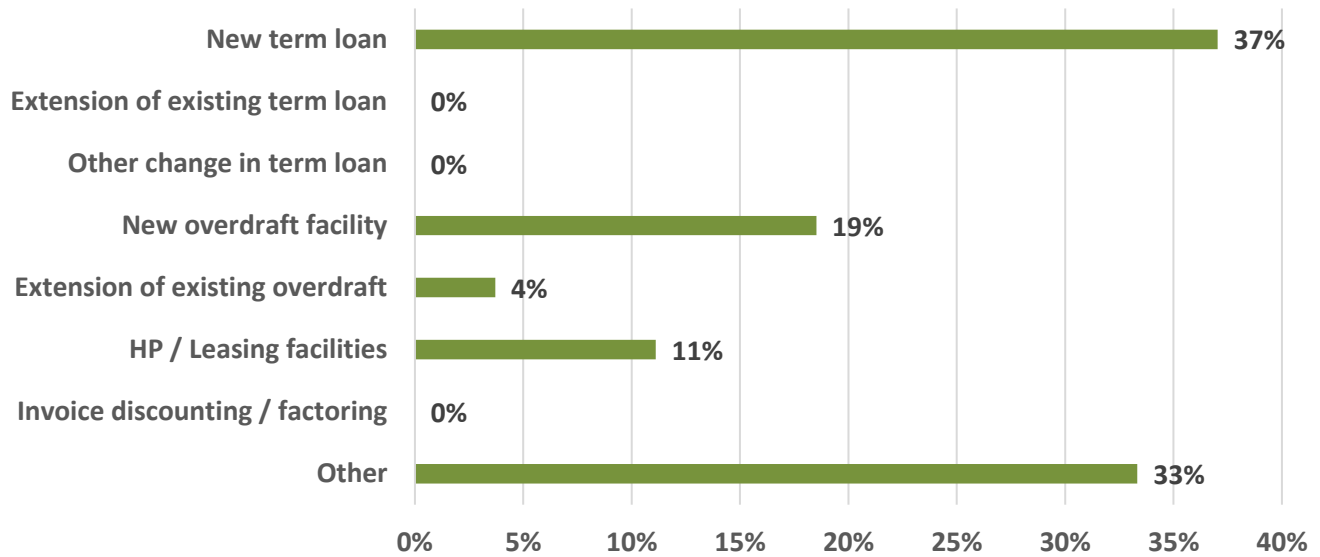
- 43% required a change in banking facilities in the last three months, up from 28% the previous quarter, while 57% required no change.
- There was a decrease in demand for a new overdraft facility of 8%, falling from 27% in Q3'24 to 19% Q4'24.
- Demand for leasing / HP increased this quarter, going from 9% in Q3'24 to 11% in Q4'24.
- 0% of SMEs requested an extension of an existing term loan this quarter, the same as in Q3'24.
- 4% requested an extension of an existing overdraft facility, decreasing from 12% in Q3'24.

Did your business need additional or new bank facilities in the last 3 months?



	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24
Required change in bank facilities in last 3 months	37%	42%	35%	35%	43%	28%	43%
Unsuccessful	50%	36%	29%	20%	41%	45%	41%
Approach the Bank	56%	40%	67%	50%	61%	58%	71%
Made Informal Approach	17%	40%	20%	43%	36%	39%	30%
Made Formal (Written) Approach	65%	45%	50%	36%	44%	39%	48%
Banks making it more difficult for SMEs	75%	75%	50%	83%	85%	77%	82%
Aware of banks appeals procedure	58%	58%	68%	48%	44%	53%	45%
Aware of Credit Review Office	75%	75%	80%	72%	55%	63%	52%
Aware of Credit Guarantee Scheme	67%	69%	75%	68%	64%	72%	57%
Aware of Microfinance Scheme	78%	83%	75%	75%	58%	65%	62%

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



37% of respondents requested a 'New Term Loan', compared to 45% in Q3 of 2024. 0% requested an 'Extension of an Existing Term Loan', 0% requested an 'Other change in Term Loan' and 19% requested a 'New Overdraft Facility'. 4% applied for an 'Extension of existing Overdraft'. A further 11% requested 'HP/Leasing Facilities', while 0% applied for 'Invoice Discounting/Factoring'.

ENDS.

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Note to Editors:

This survey was conducted in the second week of December 2024, covering the fourth quarter of 2024. There were 44 SME owner manager respondents.