Quarterly Bank Watch Report Q2’25

8th July 2025

SME CREDIT DEMAND DECREASES, LOAN REFUSAL RATES INCREASE

- **Demand for credit is at 37%, decreasing from 43% in Q4’24.**
- **Loan refusal rates increased to 44%, up 3%. 33% were partially successful and 23% were successful with their request.**
- **5% have availed of peer-to-peer funding.**
- **50% waited longer than 4 weeks from permission to drawdown.**
- **60% stated that the bank was not helpful in their request for acquiring finance.**
- **66% of SMEs believe banks are making it more difficult for SMEs to access finance.**
- **8% of SMEs pay over €5,000 in Bank Charges (excluding interest).**

ISME, the Irish SME Association, today (8th July) released its quarterly Bank Watch survey for Q2’25. The results show that loan refusal rates increased from last quarter, rising to 44%, with 33% of respondents being partially successful with their request. Demand for credit decreased to 37%. Waiting time from decision to drawdown is on average greater than 1 week.

The main findings from the 65 respondents are as follows:

- **30% of those surveyed had applied for the SBCI Future Growth Loan Scheme, with 23% approved.**

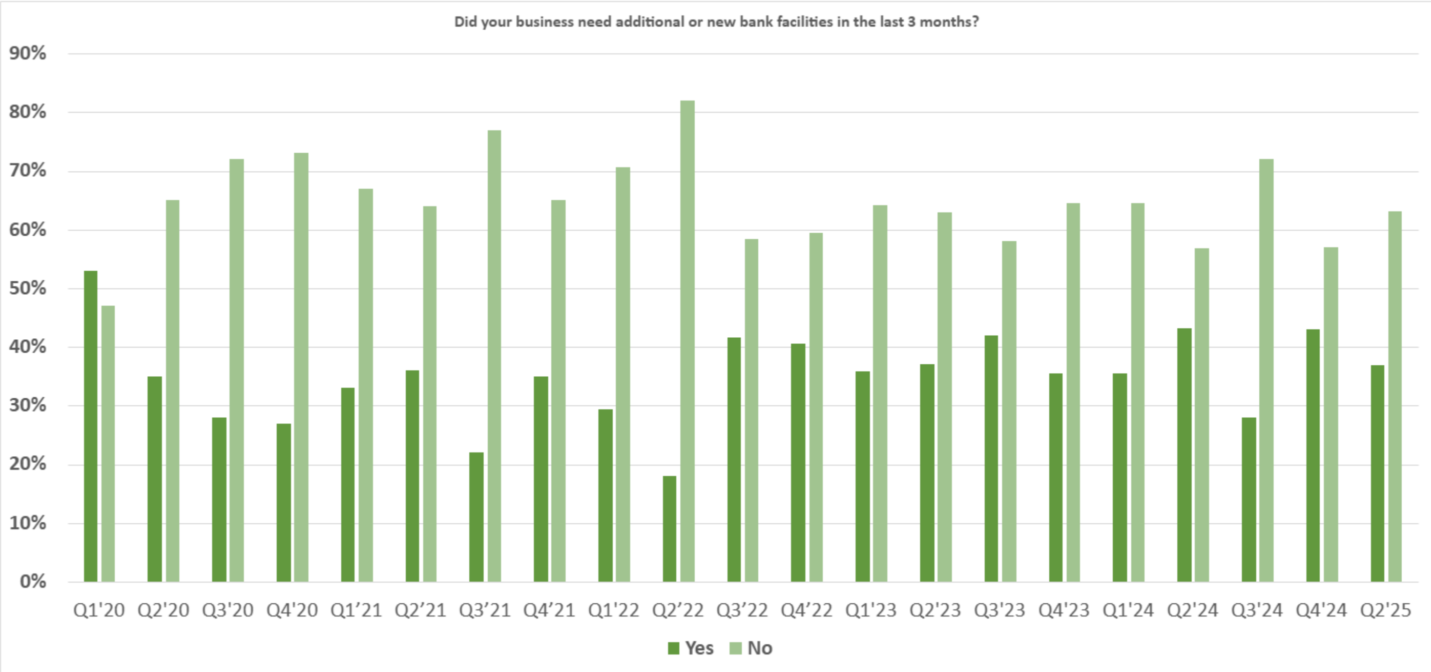
- **37% required a change in banking facilities in the last three months, down from 43% in the previous quarter, while 63% required no change.**

- **There was a decrease in demand for a new overdraft facility of 10%, down from 19% in Q4’24 to 9% Q2’25.**

- **Demand for leasing / HP increased this quarter, going from 11% in Q4’24 to 26% in Q2’25.**

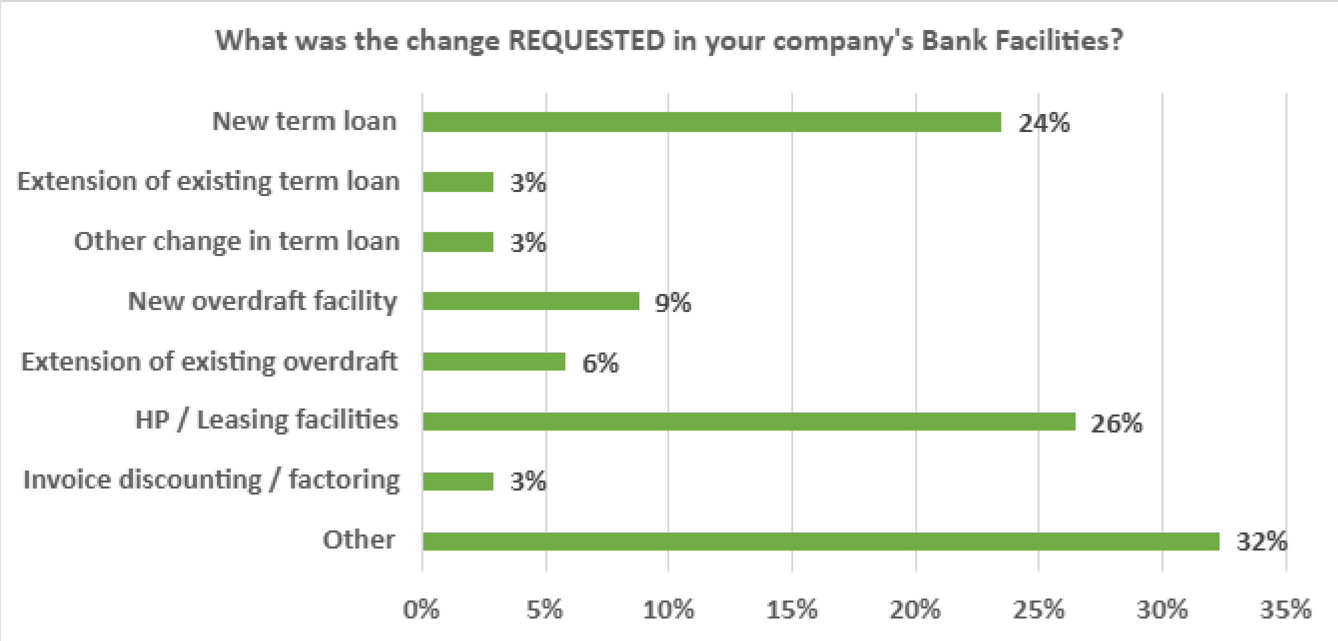
- **3% of SMEs requested an extension of an existing term loan this quarter, increasing from 0% in Q2'25.**

- **6% requested an extension of an existing overdraft facility, increasing from 4% in Q4'24.**



	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24	Q4'24	Q2'25
Required change in bank facilities in last 3 months	42%	35%	35%	43%	28%	43%	37%
Unsuccessful	36%	29%	20%	41%	45%	41%	44%
Approach the Bank	40%	67%	50%	61%	58%	71%	60%
Made Informal Approach	40%	20%	43%	36%	39%	30%	24%
Made Formal (Written) Approach	45%	50%	36%	44%	39%	48%	43%
Banks making it more difficult for SMEs	75%	50%	83%	85%	77%	82%	66%
Aware of banks appeals procedure	58%	68%	48%	44%	53%	45%	41%
Aware of Credit Review Office	75%	80%	72%	55%	63%	52%	53%

Aware of Credit Guarantee Scheme	69%	75%	68%	64%	72%	57%	67%
Aware of Microfinance Scheme	83%	75%	75%	58%	65%	62%	57%



24% of respondents requested a ‘New Term Loan’, compared to 37% in Q4 of 2024. 3% requested an ‘Extension of an Existing Term Loan’, 3% requested an ‘Other change in Term Loan’ and 9% requested a ‘New Overdraft Facility’. 6% applied for an ‘Extension of existing Overdraft’. 26% 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 June covering the second quarter of 2025. There were 65 SME owner manager respondents.