



## Quarterly Bank Watch Report Q2'20

02/09/2020

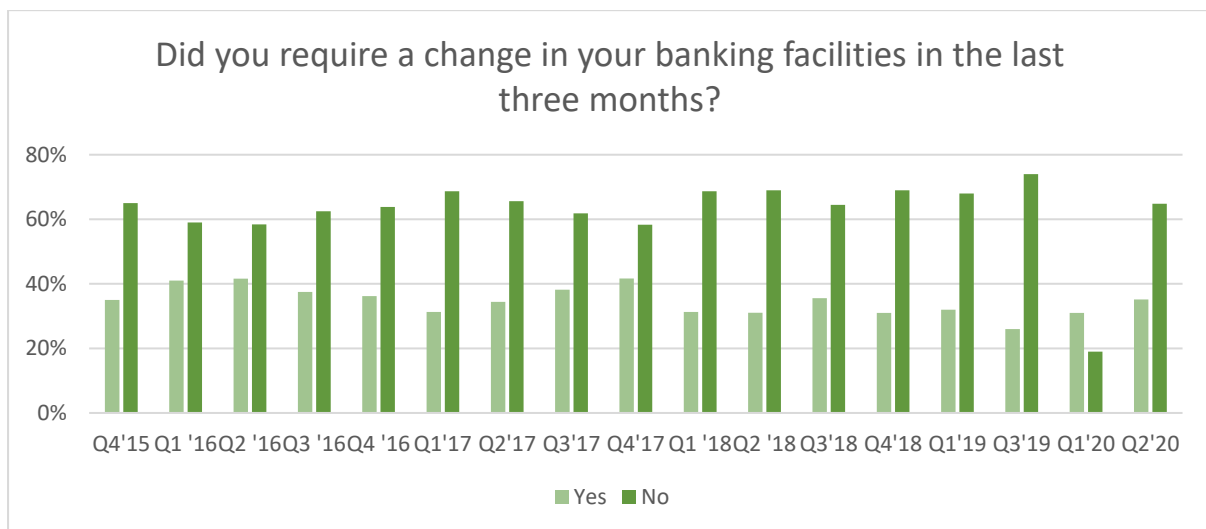
- 15% of those surveyed had applied for the SBCI Future Growth Loan Scheme, the SBCI Covid-19 Working Capital Loan Scheme, or the SBCI SME Credit Guarantee Scheme
- 75% of applications to SBCI were approved
- Less than 4% availed of peer-to-peer funding
- Loan refusal rates increase from 19% to 34%, with 46% being successful, up 2% on Q1.
- 25% waiting longer than 4 weeks from permission to drawdown.
- 51% stated that the bank was not helpful in their request for acquiring finance?
- 58.25% of SMEs believe banks are making it more difficult for SME's to access finance
- 10% of SMEs pay over €5,000 in Bank Charges (excluding interest).

ISME, the Irish SME Association, today 2<sup>nd</sup> of September, released its quarterly Bank Watch survey for Q2'20. The results show an increase in loan refusal rates, increasing to 19% to 34%, although 20% of respondents reported being only partially successful with their request. Demand for credit fell from 24% to 13%. Waiting time from decision to drawdown is on average two weeks.

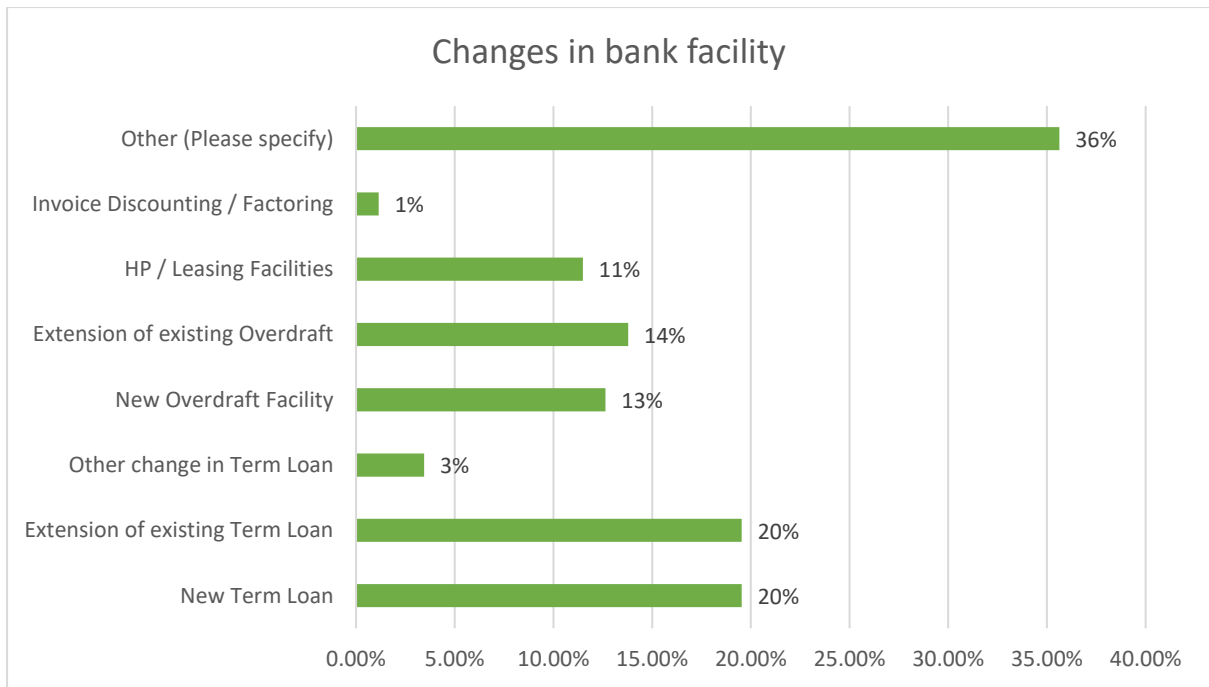
The main findings from the 229 respondents are as follows:

- 35% required a change in banking facilities in the last three months up from 31% the previous quarter, while 65% required no change.
- 46% of SMEs were successful in their application for credit, an increase from 37% at the start of 2020. However, it should be noted that 34% were refused credit up from 19%.

- There was an increase in demand for a new overdraft facility of over 300% from 3 – 13%
- Demand for leasing / HP fell from 25% in Q1 to 11% in Q2
- 20% of SMEs requested an extension of an existing term loan up from 6% in Q1 and up further from 3% in Q4 2019.
- Similarly, 14% requested an extension of an overdraft facility up from 9% in both Q1'2020 and Q4'2019.



	Q3'18	Q4'18	Q1'19	Q2'19	Q1'20	Q2'20
Required change in bank facilities in last 3 months	36%	30%	32%	26%	31%	35%
Unsuccessful	29%	12%	33%	58%	19%	34%
Approach the Bank	79%	84%	53%	67%	60%	64%
Made Informal Approach	75%	79%	27%	38%	30%	34%
Made Formal (Written) Approach	55%	58%	38%	31%	37%	39%
Banks making it more difficult for SMEs	52%	43%	69%	75%	69%	58%
Aware of banks appeals procedure	63%	58%	68%	44%	65%	55%
Aware of Credit Review Office	68%	70%	67%	61%	63%	65%
Aware of Credit Guarantee Scheme	66%	66%	68%	58%	57%	80%
Aware of Microfinance Scheme	57%	53%	59%	54%	60%	76%



20% of respondents requested a 'New Term Loan', compared to 28% in Q1 of 2020. 20% requested an 'Extension of an Existing Term Loan', 3% requested 'other changes' to their term loan', and 13% requested a 'New Overdraft Facility'. 14% applied for an 'Extension of Overdraft Facility'. A further 15% requested HP/Leasing facilities, while 1% applied for Invoice Discounting/Factoring.

**ENDS.**

For further information, please contact  
 ISME  
 T: 01 6622755  
 E: [marketing@ism.ie](mailto:marketing@ism.ie)

**Note to Editors:**

**This survey was conducted in the last week of July , covering the second quarter of 2020. There were 229 SME owner manager respondents.**