

## **Quarterly Bank Watch Report Q3'24**

*9<sup>th</sup> October 2024*

### **SME DEMAND FOR CREDIT STEADY, LOAN REFUSAL RATES INCREASE**

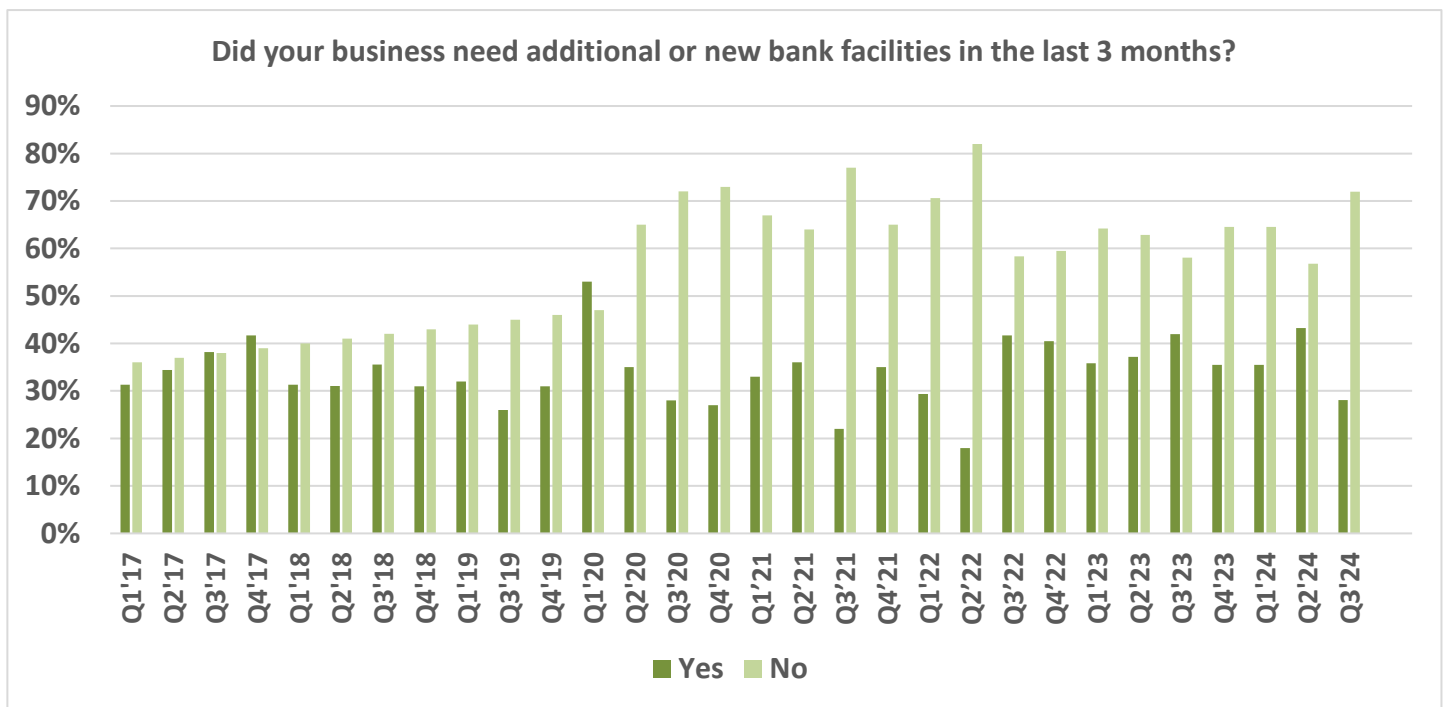
- Demand for credit is at 28%, decreasing 15% from Q2'24.
- Loan refusal rates increased to 45%, up 4%. 15% were partially successful. 40% were successful with their request.
- 12% have availed of peer-to-peer funding.
- 25% waited longer than 4 weeks from permission to drawdown.
- 55% stated that the bank was not helpful in their request for acquiring finance.
- 77% of SMEs believe banks are making it more difficult for SMEs to access finance.
- 29% of SMEs pay over €5,000 in Bank Charges (excluding interest).

**ISME, the Irish SME Association**, today (9<sup>th</sup> October) released its quarterly Bank Watch survey for Q3'24. The results show that loan refusal rates increased from last quarter, rising to 45%, with 15% of respondents being partially successful with their request. Demand for credit decreased by 15%. Waiting time from decision to drawdown is on average greater than 1 week.

The main findings from the 70 respondents are as follows:

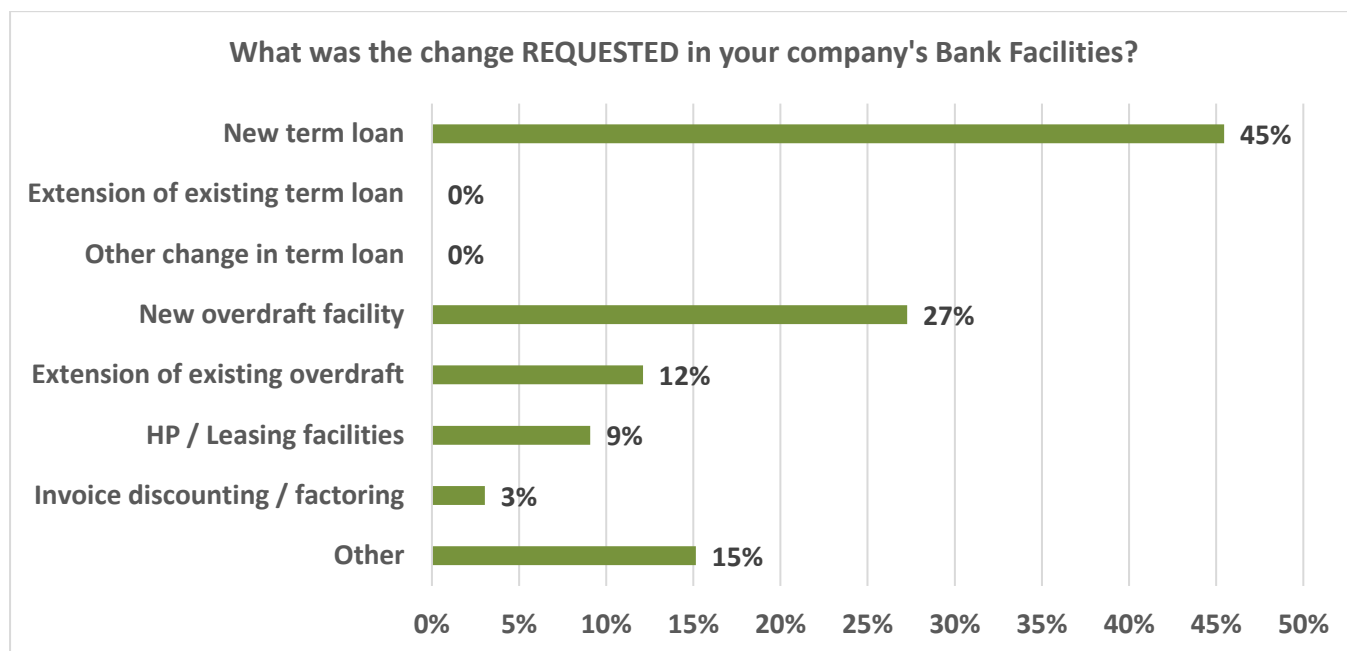
- **18% of those surveyed had applied for the SBCI Future Growth Loan Scheme, with 67% approved. Of those approved, 56% received approval from their bank.**

- 12% of those surveyed had applied for the SBCI SME Credit Guarantee Scheme, with 83% approved. Of those, 67% received approval from their bank.
- 28% required a change in banking facilities in the last three months, down from 43% the previous quarter, while 72% required no change.
- There was an increase in demand for a new overdraft facility of 7%, rising from 20% in Q2'24 to 27% Q3'24.
- Demand for leasing / HP decreased this quarter, going from 16% in Q2'24 to 9% in Q3'24.
- 0% of SMEs requested an extension of an existing term loan this quarter, decreasing from 5% in Q2'24.
- 12% requested an extension of an existing overdraft facility, increasing from 8% in Q2'24.



	Q1'23	Q2'23	Q3'23	Q4'23	Q1'24	Q2'24	Q3'24
Required change in bank facilities in last 3 months	36%	37%	42%	35%	35%	43%	28%
Unsuccessful	43%	50%	36%	29%	20%	41%	45%
Approach the Bank	55%	56%	40%	67%	50%	61%	58%
Made Informal Approach	30%	17%	40%	20%	43%	36%	39%
Made Formal (Written) Approach	42%	65%	45%	50%	36%	44%	39%
Banks making it more difficult for SMEs	68%	75%	75%	50%	83%	85%	77%

<b>Aware of banks appeals procedure</b>	48%	58%	58%	68%	48%	44%	53%
<b>Aware of Credit Review Office</b>	65%	75%	75%	80%	72%	55%	63%
<b>Aware of Credit Guarantee Scheme</b>	76%	67%	69%	75%	68%	64%	72%
<b>Aware of Microfinance Scheme</b>	82%	78%	83%	75%	75%	58%	65%



45% of respondents requested a 'New Term Loan', compared to 28% in Q2 of 2024. 0% requested an 'Extension of an Existing Term Loan', 0% requested an 'Other change in Term Loan' and 27% requested a 'New Overdraft Facility'. 12% applied for an 'Extension of existing Overdraft'. A further 9% requested 'HP/Leasing Facilities', while 3% applied for 'Invoice Discounting/Factoring'.

**ENDS.**

For further information, please contact:

T: 01 6622755

E: [marketing@isme.ie](mailto:marketing@isme.ie)

**Note to Editors:**

This survey was conducted in the first week of September 2024, covering the third quarter of 2024. There were 70 SME owner manager respondents.