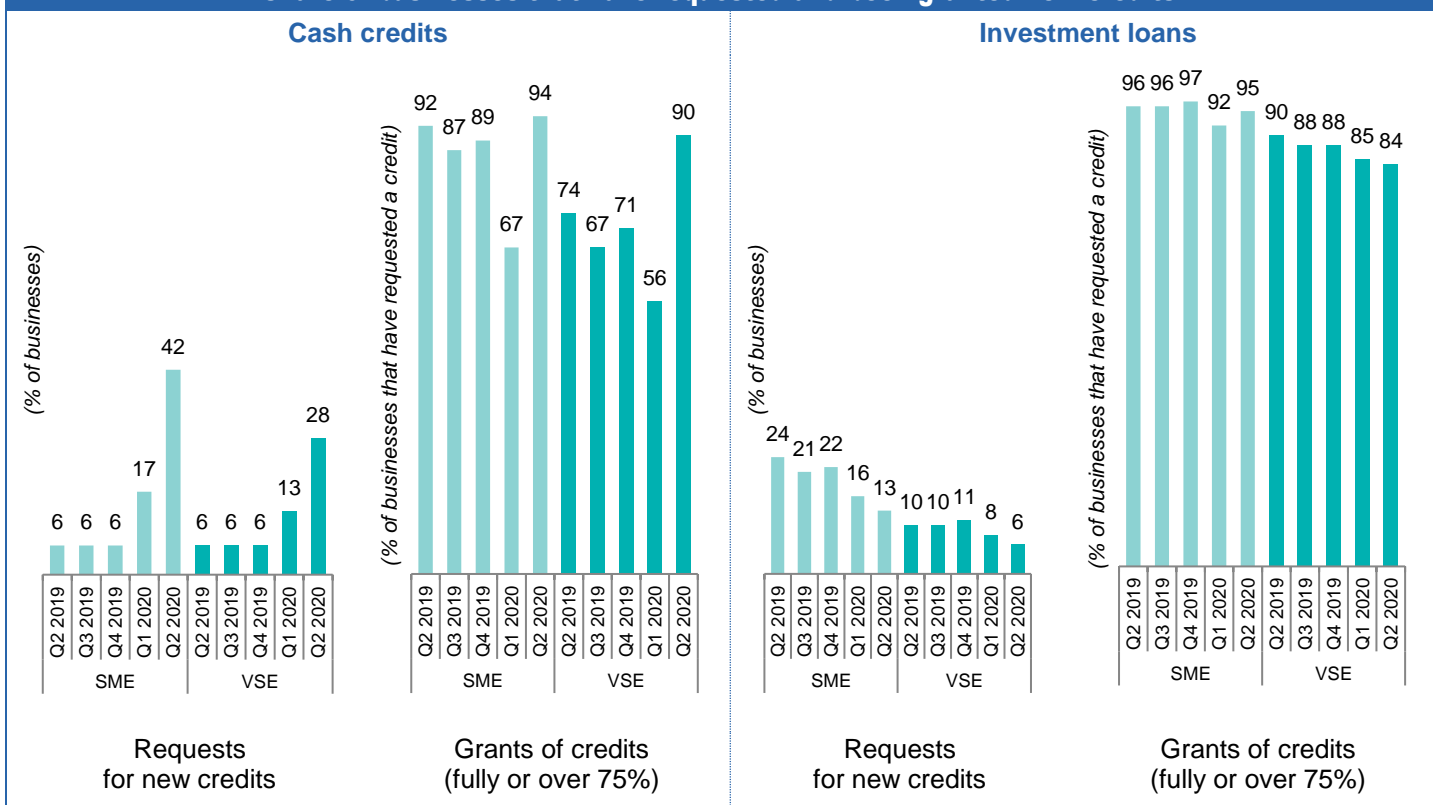


## Quarterly survey on the access to bank financing of companies in France • 2<sup>nd</sup> quarter 2020

### Demands for new cash credits reached exceptional levels and have been widely satisfied

- The share of SMEs requesting **new cash credits** continued to escalate at 42% of businesses after 17% in the preceding quarter; that of VSEs also increased very strongly at 28% of businesses after 13% in Q1 2020. On the opposite, the proportion of businesses demanding for **new investment loans** further slowed down as in the preceding quarter, by 3 points for SMEs at 13% of businesses, and by 2 points for VSEs at 6% of businesses. Anticipating a bank refusal was rare: less than 2% of entrepreneurs censored themselves.
- **Cash credit supply for SMEs** substantially improved and reached its highest historical level with 94% of granted credits, in connection with access to state guaranteed loans (PGE). Unlike the first quarter, very few requests were under investigation when questioning SMEs. The **supply rate for investment loans** raised by 3 points with 95% of SMEs that were fully or almost fully granted their credits. For **equipment loans** more specifically, the rate of access stayed constant at 91%.
- **Access to cash credits for VSEs** strongly expanded as a result of the implementation of state guaranteed loans and reached an all-time high, close to that of SMEs, with 90% of granted requests. As for SMEs and unlike the first quarter, very few requests were still in progress at the time of the survey. The **rate of access to investment loans** slightly decreased for the second consecutive quarter, with 84% of VSEs that were fully or almost fully granted their credits after 85% in Q1 2020. Regarding **equipment loans**, the supply rate reduced by 5 points this quarter to reach 82%.

### Share of businesses that have requested and been granted new credits\*



\* Not seasonally adjusted data, in %; except for the use of credit lines earlier granted

Source : Banque de France (Statistics, Studies and International General Directorate) and FCGA

Scope : Enterprises with real decisional autonomy regarding requests for credit; SMEs: 10 - 249 employees; VSEs: 0 - 9 employees

The Banque de France carries out a quarterly survey on the access to bank financing of companies. 4,000 small and medium-sized companies (SMEs) and 400 mid-tier companies (MTEs) have answered; as well as 2,500 very small companies (VSEs) thanks to a partnership with the **Fédération des Centres de Gestion Agréés** (small firms authorised management centers federation).



Additional information

1 – Very small enterprises (VSE: 0 - 9 employees)

provided by FCGA and Banque de France

- **The share of VSEs that have requested new financings** significantly increased for **cash credits** at 28% of businesses after 13% in Q1 2020 and 6% in Q4 2019. Conversely, the **demand rate for investment loans** decreased by 2 points at 6% of VSEs.
- **Access to cash credit** strongly expanded and reached an all-time high with 90% of VSEs that were fully or very substantially granted their requests this quarter, after 56% in Q1 2020 (where 12% of requests were pending at the time of the interview) and 71% in Q4 2019.
- **The rate of access to investment loans** decreased by 1 point with 84% of granted requests (fully or over 75%). Concerning equipment loans specifically, the supply rate amounted to 82%, namely 5 points less than in the preceding quarter.

2– Small and medium-sized enterprises (SME: 10 - 249 employees)

provided by Banque de France

- **SMEs** can apply for **credit lines** that remain available over the year, most of the time at the beginning of the year, and/or for various types of cash facilities during the year.
  - The proportion of SMEs applying for credit lines slightly decreased and amounted to 37% after 38% in the preceding quarter. These requests were still widely satisfied, at 96%.
  - 54% of SMEs mobilized credit lines this quarter, namely 1 point less than in Q1 2020.
- **Regarding new loans** - excluding the use of available credit lines - :
  - The proportion of SMEs that have applied for **new cash credits** raised by 25 points and reached 42% of businesses this quarter, after a first increase of 11 points in the previous quarter.  
**Cash credit supply for SMEs** substantially improved and reached its highest level observed in the survey since 2012 with 94% of SMEs' requests of cash credits that were fully or almost fully granted, after 67% in Q1 2020 (where 27% of requests pending at the time of the interview) and 89% in Q4 2019.
  - After a drop of 6 points in the previous quarter, the share of SMEs that have requested **new investment loans** further decreased by 3 points this quarter, at 13% of businesses.  
**The supply rate for investment loans** improved by 3 points with 95% of SMEs' requests that were fully or very substantially granted. About equipment loans specifically, access stayed constant at 91%.
- 3% of SMEs reported a rise in the total cost of financing, one point more than in the last quarter.

3 – Mid-tier enterprises (MTE: 250 - 4 999 employees)

provided by Banque de France

- 50% of MTEs submitted requests for credit lines (49% in Q1 2020). 64% of those MTEs whose requests were satisfied drew down available credit lines, against 58% in Q1 2020.
- **The share of MTEs that requested new cash credits** raised sharply as in the previous quarter, with 40% of businesses that had applied for such credits, after 22% in Q1 2020 and 10% in Q4 2019. The supply rate (fully or over 75% of the requested loans) increased by 24 points at 91% and recovered a level close to that of end 2019.
- **The proportion of MTEs that applied for new investment loans** settled down around the level reached in the preceding quarter with 19% of businesses that requested such financings this quarter against 18% in Q1 2020. The rate of access improved by 4 points with 96% of MTEs' requests that were fully or almost fully granted. Concerning equipment loans specifically, the supply rate also improved and reached 89%, after 87% in the previous quarter.
- Only bank financing is considered here. MTEs also access to financing through private debt issuance, which is not covered by this survey.

Next publication: November 2020

