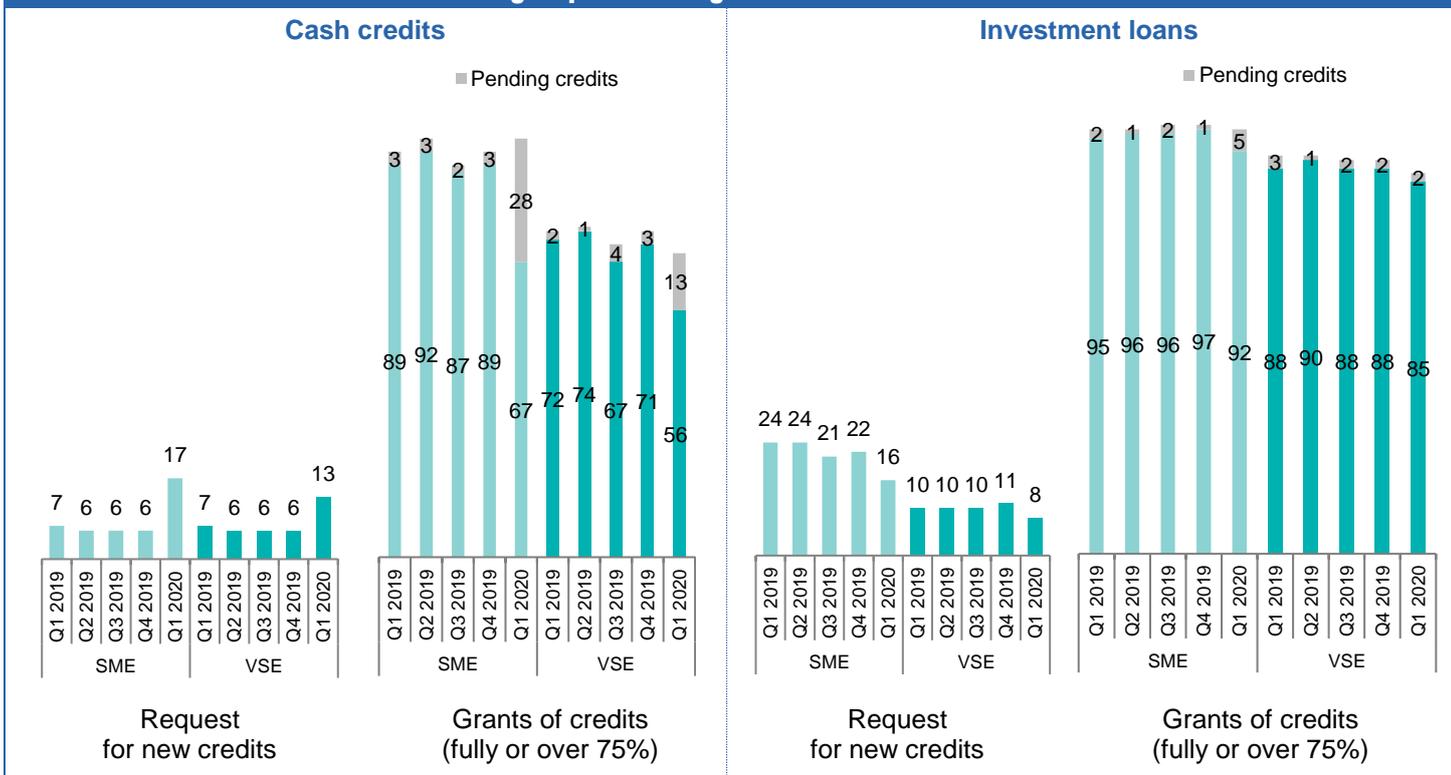


Quarterly survey on the access to bank financing of companies in France • 1st quarter 2020

Demand for new cash credits reached an all-time high

- **Demand for new cash credits** of SMEs tripled at 17% of businesses after 6% in the preceding quarter, as a consequence of the crisis that has affected businesses' liquidity at the end of March; for VSEs it also increased very strongly at 13% of businesses after 6% in Q4 2019. These data include demand for state guaranteed loans (PGE) whose nature differs from usual bank loans. On the contrary, **demand for new investment loans** slowed down, by 6 points for SMEs (16% of businesses) and by 3 points for VSEs (8% of businesses).
- **Cash credit supply for SMEs** declined to 67% this quarter. However, **this fall must be interpreted with caution** given the high increase in requests. When questioning SMEs (between March, 27 and April, 7), many cash credit demands were under investigation; pending cash credits represented 28% of cases, corresponding to the sharp rise in demand for state guaranteed loans. **Access to investment loans** lowered but remained at a high level, at 92% after 97% in Q4 2019. For **equipment loans** more specifically, access stayed constant at 91%.
- **Access to cash credits for VSEs** strongly tightened to 56% of granted requests this quarter. As for SMEs, **this decline is to be put into perspective** given the rapid increase in requests. A significant share was still being processed at the time of the survey (13% of cases). Available data regarding state guaranteed loans show that 90% of them were granted to VSEs, along with a refusal rate of less than 2.5%. **Access to investment loans** decreased by 3 points with 85% of VSEs that were fully or almost fully granted their credits. Regarding **equipment loans**, access raised by 4 points this quarter and reached 87%.

Financing requests and grants for SMEs and VSEs*



* 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 – 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 increased and amounted to 38%, after 36% in the preceding quarter. These requests were still widely satisfied, at 94%.
 - 55% of SMEs mobilized credit lines this quarter, namely 6 points less than in Q4 2019 (61%).
- **Regarding new loans** - excluding the use of available credit lines - :
 - Demand for **new cash credits** increased by 11 points, at 17%.
 - **Cash credit supply for SMEs** declined compared to the previous quarters, in a context of a strong increase in demand. 67% of SMEs' requests of cash credits were fully or almost fully granted, against 90% on average over the last four quarters. 28% of requests were pending at the time of the interview.
 - Demand for **new investment loans** decreased by 6 points, at 16%.
 - **Access to investment loans** lowered but remained high with 92% of SMEs' requests that were fully or very substantially granted, after 97% in Q4 2019. About equipment loans specifically, access remained unchanged at 91%.
- 2% of SMEs reported a rise in the total cost of financing, one point less than in the last quarter.

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

provided by FCGA and Banque de France

Demand for new financing from VSEs significantly increased for cash credits (13% after 6% in Q4 2019) but reduced for investment loans (8% after 11% in Q4 2019).

Access to cash credit strongly tightened, there too in a context of rapid increase in demand. 56% of VSEs that were fully or very substantially granted their requests this quarter, namely a drop of 15 points compared to the preceding quarter. 13% of requests were pending at the time of the interview.

Access to investment loans decreased by 3 points with 85% of granted requests (fully or over 75%). Concerning equipment loans specifically, the supply rate raised and amounted to 87%, after 83% in the preceding quarter.

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

provided by Banque de France

50% of MTEs submitted requests for credit lines, 1 point less than in the last quarter. Only 58% of those MTEs whose requests were satisfied drew down available credit lines, against 64% in Q4 2019.

Demand for new cash credits raised sharply compared to the previous quarters with 22% of MTEs that requested such credits (10% in Q4 2019). The supply rate (fully or over 75% of the requested loans) fell by 27 points at 67% but 29% of requests were pending at the time of the interview given the rapid increase in demand.

Demand for investment loans drastically decreased with 18% of MTEs that requested financing this quarter against 30% in the preceding quarter. Concurrently, access contracted by 4 points but stayed at a high level: 94% of MTEs' requests were fully or almost fully granted. Concerning equipment loans specifically, the supply rate slightly improved and reached 89%, after 87% in Q4 2019.

Only bank financing is considered here. MTEs also access to financing through private debt issuance, which is not covered by this survey.

Next publication: August 2020

