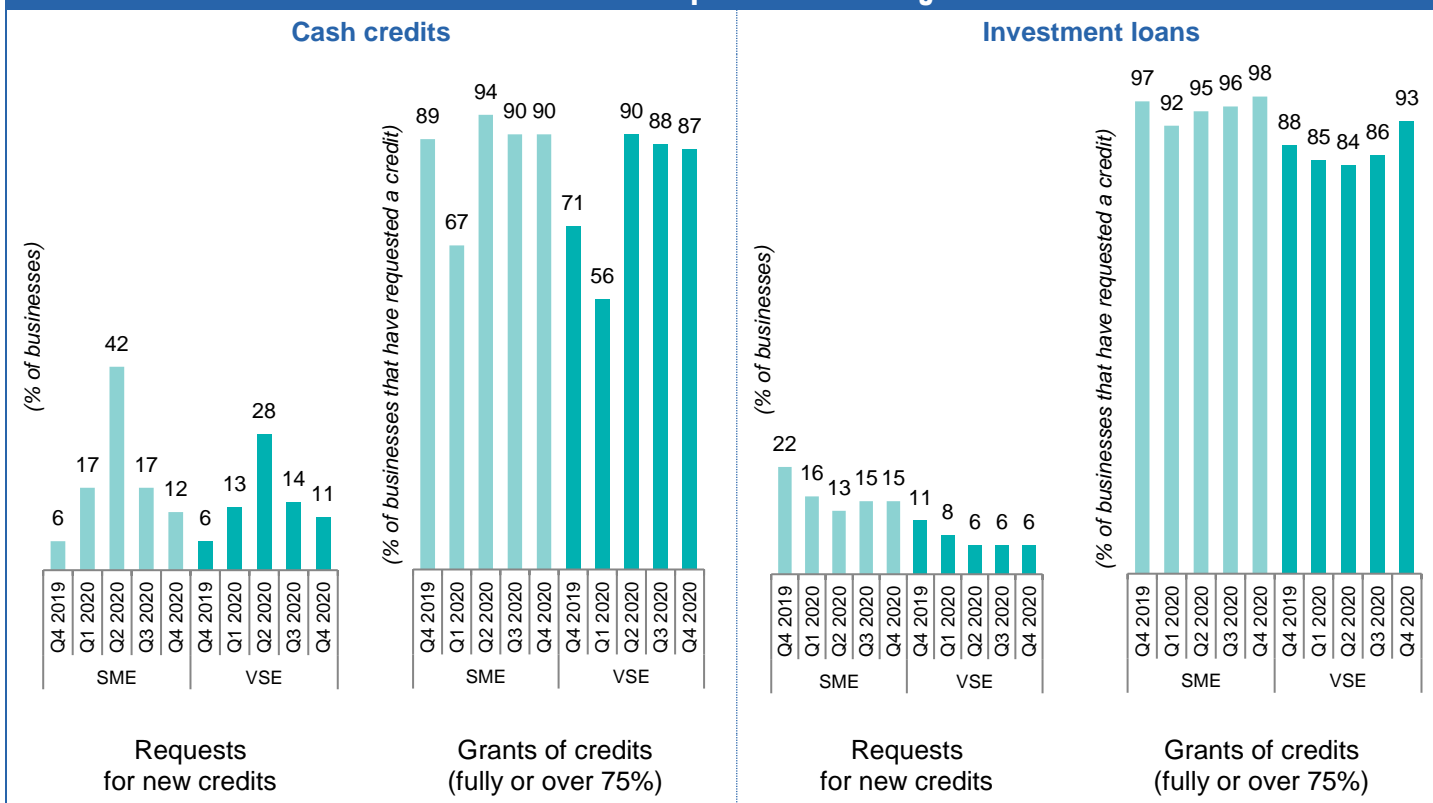


Quarterly survey on the access to bank financing of companies in France • 4th quarter 2020

Access to investment loans improved

- After peaking in the second quarter of 2020, the share of **Small and Medium-sized Enterprises (SMEs)** requesting **new cash credits again** shrank by 5 points to 12% of businesses after a 25 points decrease in the preceding quarter. This level yet remains twice as high as it was during the same quarter in 2019. The share of **Very Small Enterprises (VSEs)** followed the same pattern reaching 11% of companies, which displays a 3 points loss from the previous quarter, a figure that remains above its long-term average of 6%. Meanwhile, demands for **new investment loans** kept their previous level both for SMEs (15%) and for VSEs (6%) and remained below their pre-Covid average. Companies' expectations for banks turn down stayed on the fringe; the proportion of companies declaring **self-censorship behaviors** remained below the 2% threshold.
- The supply rate of SMEs for cash credits** kept its high previous level with 90% of demands granted, which is linked to the implementation of state granted loans (PGEs). **Supply rate to investment loans** stepped up from 96% to 98% of SMEs obtaining all or most of the requested loans. As for **equipment loans**, the rate of access rose by 1 point to 92%.
- Under the effect of the implementation of state guaranteed loans, **the supply rate of VSEs for cash credits** stayed very high and close to that of SMEs with 87% of granted requests after 88% in the preceding quarter. **Access to investment loans** sharply improved this quarter, with 93% of VSEs that were fully or almost fully granted their credits. Such a figure marks a historic high since the beginning of the survey in 2014, since this level never exceeded 90%. Regarding **equipment loans**, the supply rate also increased by 11 points this quarter to reach 95%.

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** decreased by 3 points this quarter for **cash credits** but remained very high with 11% of businesses that have applied for new cash credits against 6% in the same quarter last year. The **demand rate for new investment loans** remained at 6% of VSEs.
- **The supply rate for cash credits** remained close to the all-time high observed in the last two quarters with 87% of VSEs that were fully or very substantially granted their requests this quarter.
- **The rate of access to investment loans** increased by 7 points with 93% of granted requests (fully or over 75%). Concerning equipment loans specifically, the supply rate amounted to 95%, namely 11 points more 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 increased and amounted to 39% after 38% in the preceding quarter. These requests were still widely satisfied, at 97%.
 - 46% of SMEs mobilized credit lines this quarter, namely 2 points less than in Q3 2020, and 15 points less than in Q4 2019.
- **Regarding new loans** - excluding the use of available credit lines - :
 - The proportion of SMEs that have applied for **new cash credits** decreased at 12% this quarter after 17% in Q3 2020 but was still almost twice as high as in the same quarter last year.
The rate of access to cash credits for SMEs remained stable and at a high level with 90% of requests that were fully or almost fully granted (this supply rate was of 89% in Q4 2019).
 - After two consecutive quarters of decline, the share of SMEs that have requested **new investment loans** stayed equal at 15% of companies, namely 7 points less than in the same quarter last year.
The supply rate for investment loans slightly improved with 98% of SMEs' requests that were fully or very substantially granted, after 96% in Q3 2020. About equipment loans specifically, the rate of access also got better by 1 point at 92%.
- 2% of SMEs reported a rise in the total cost of financing, the same level than 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 after 47% in Q3 2020. 52% of those MTEs whose requests were satisfied drew down available credit lines, against 56% in the last quarter.
- **The share of MTEs that requested new cash credits** decreased by 5 points at 10% of businesses that have applied for such credits, which matches the pre-Covid figures. The supply rate (fully or over 75% of the requested loans) decreased by 4 points at 88%.
- **The proportion of MTEs that applied for new investment loans** stayed at 21% of businesses that requested such financings this quarter, a share that was still 9 points less than in Q4 2019. The rate of access diminished by 1 point with 98% of MTEs' requests that were fully or almost fully granted. Concerning **equipment loans** specifically, the supply rate also decreased by 1 point and reached 88%.
- Only bank financing is considered here. MTEs also access to financing through private debt issuance, which is not covered by this survey.

Next publication: May 2021

