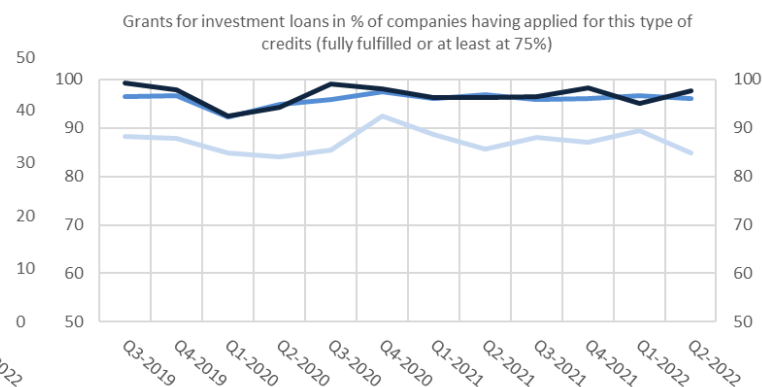
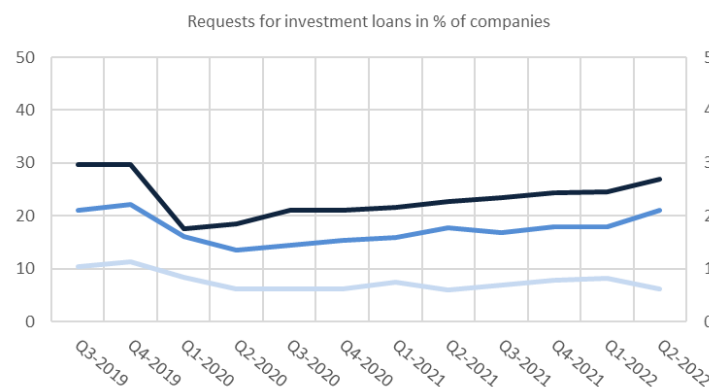
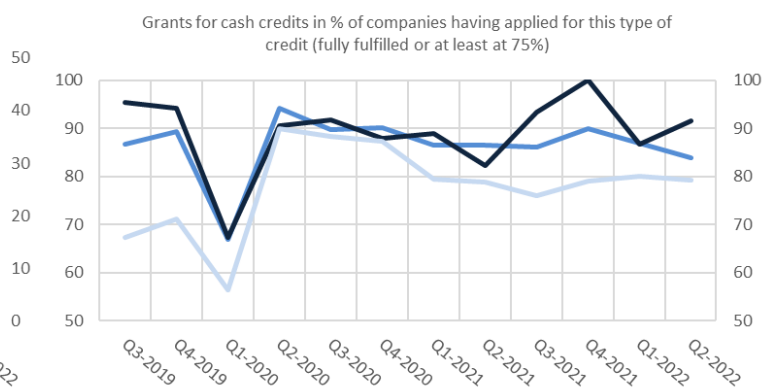
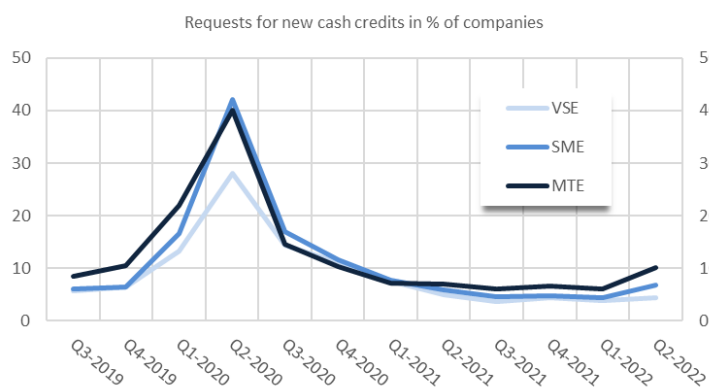


# Quarterly survey on the access to bank financing of companies in France • 2<sup>nd</sup> quarter 2022

## Modest rise in credit requests

Demands for new credits tepidly rose during Q2, albeit remaining below pre-Covid era magnitudes. Regardless of their size, more than 8 out of 10 companies had their demand satisfied. Concurrently, a larger share reported a surge in credit costs compared to previous quarters.

The Banque de France carries out a quarterly survey on the access to bank financing of companies. Around 4,000 small and medium-sized companies (SMEs) and 500 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). NB: bank credits alone are examined in this survey; MTEs have access to private financing options, which provides them with financing solutions not covered by this survey.



Data not seasonally adjusted, in %; excluding use of previously granted credit lines

Scope: companies with autonomy to decide on credit applications: VSE = 0 – 9 employees; SME = 10 – 249 employees; MTE = 250 – 4999 employees

Note: figures for MTEs are to interpret with caution considering the small sample size in the survey

## New cash credits

Over 2022 Q2, demands for new cash credits rose for the first time since the 2020 Q2 peak, although in a moderate proportion: 5% of VSEs, 7% of SMEs and 10% of MTEs have requested cash credits over the last three months. Supply rates for these credits remained high, in spite of a slight decrease for VSEs at 79% of companies having obtained their loan fully or almost fully, as well as for SMEs at 84%. Meanwhile, the supply rate for MTEs rose by 4pp, reaching 91%.

## New investment loans

Demands for new investment loans increased for larger companies, with 21% of SMEs and 27% of MTEs having requested a loan, whereas 6% of VSEs did, 2pp less than in the previous quarter. Supply rates for investment loans remained high: almost all SMEs (96%) and MTEs (98%) were fully or almost fully (at least at 75%) granted their demand. However, supply rate for VSEs decreased by 4pp, at 85% of companies having been granted their demand fully or almost fully.



## 1. Credit lines

For operating needs, SMEs and MTEs can apply (usually at the beginning of the year) for credit lines giving them drawing rights over the year.

The share of SMEs that have applied for credit lines in the last 12 months rose by 4pp at 33%. Among MTEs, 45% have made requests, which represents 9pp more compared to the previous quarter. These requests were still largely satisfied (fully or by more than 75%), in 96% of cases for SMEs and 98% of MTEs' demands.

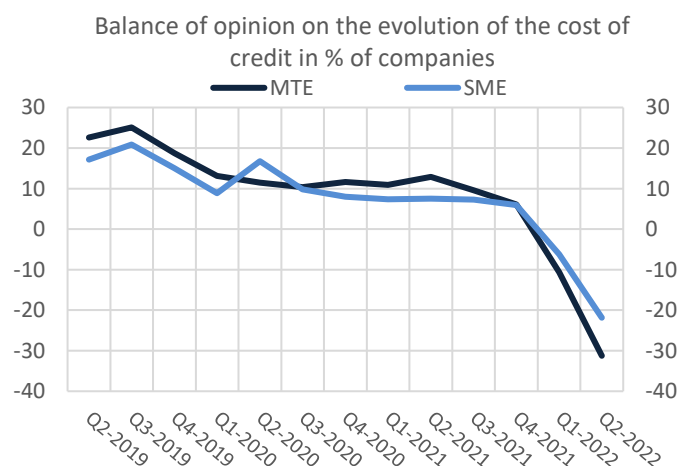
53% of SMEs drew on credit lines this quarter, compared to 44% during 2022 Q1. 55% of MTEs drew on their credit lines.

## 2. Supply rate for equipment loans

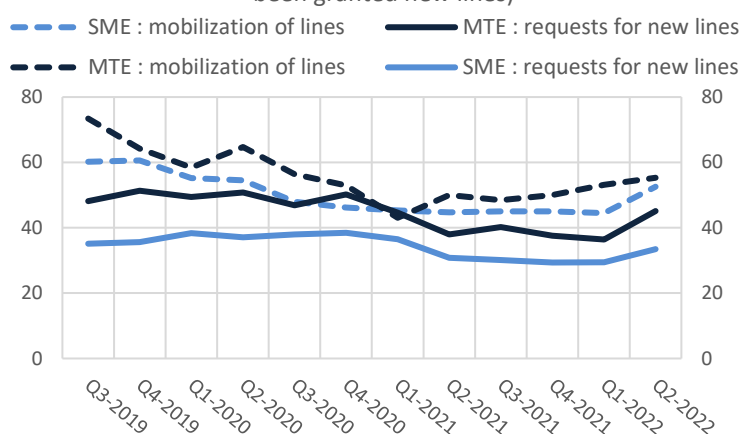
Among investment loans, equipment loans are intended to finance intangible or tangible assets, excluding real estate.

The supply rate for equipment loans (entirely or more than 75%) fell by 6pp to 84% of VSEs and rose to 93% for SMEs and 88% for MTEs.

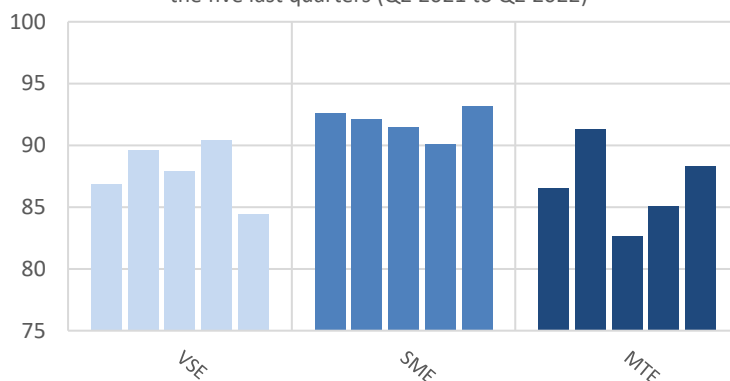
## 3. Evolution of the cost of credit



Requests for new credit lines over the last 12 months (in % of companies) and mobilization of credit lines over the last 3 months (in % of companies having been granted new lines)



Grants for equipment loans in % of companies having applied for this type of credits (fulfilled at least at 75%) over the five last quarters (Q2 2021 to Q2 2022)



For a second time, the balance on the cost of credit\* for both SMEs and MTEs dropped further into negative area, that is, more companies reported an increase in the cost of credit than a decrease over the second quarter of 2022.

Once again, the rise in business interest rates observed since March 2022 is key to read such figures.

\* The balance of opinion is the difference between the proportion of respondents reporting a decrease in the cost of credit and the proportion reporting an increase in the cost of credit. A positive balance of opinion indicates that more firms are reporting a decrease in the cost of credit than an increase.

## 4. Self-censorship

Self-censoring behavior refers to a situation where a company does not apply for a new bank credit because it anticipates that the banks will refuse. Companies' expectations for banks turn down stayed on the fringe; the proportion of companies declaring self-censorship remained below the 2% threshold over the last quarter.

