Quarterly survey on the access to bank financing of companies in France • 1st quarter 2022

Demands for new credits remain stable and well-served

Demands for new cash credits remained at a low level, confirming the return to pre-crisis magnitudes. Demands for new investment loans were stable as well, slightly below their pre-crisis level. Both demands remained well-served, with high supply rates.

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 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 Agréées (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.

New cash credits

In 2022 Q1, demands for new cash credits remained at the low level they now have kept for several quarters: 4% of VSEs and 4% of SMEs and 6% of MTEs have requested this type of credit over the last three months. Supply rates for these demands rose slightly for VSEs by 1pp at 80% of companies having obtained their loan fully or almost fully. Meanwhile, the supply rate for SMEs fell by 3pp, reaching 87%.

New investment loans

Demands for new investment loans stabilized mildly below pre-crisis levels, with 8% of VSEs, 18% of SMEs and 25% of MTEs having requested a loan. Supply rates for investment loans remained high and slightly on the rise: 89% of VSEs, 97% of SMEs were fully or almost fully granted their demand. However, supply rate for MTEs decreased by 3pp, at 95% 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 stabilized and stood at 29%. Among MTEs, 36% have made requests, which represents 2pp less compared to the previous quarter. These requests were still largely satisfied (fully or by more than 75%), in 95% of cases for SMEs and 97% of MTEs’ demands.

44% of SMEs drew on credit lines this quarter. Among MTEs, 53% 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%) rose slightly to 90% of VSEs and to 85% for MTEs. Supply rates for SMEs fell by 1pp at 90%.

3. Evolution of the cost of credit

Notably, this quarter, the balance on the cost of credit* for both SMEs and MTEs dropped sharply to negative, that is, more companies reported an increase in the cost of credit than a decrease in the cost of credit in the first quarter of 2022.

Such drop can be paralleled with the increase in business interest rates observed over March.

* 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.