

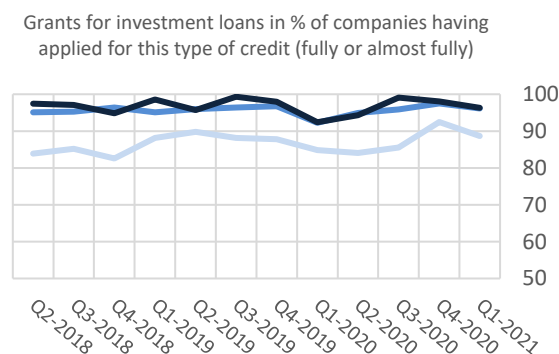
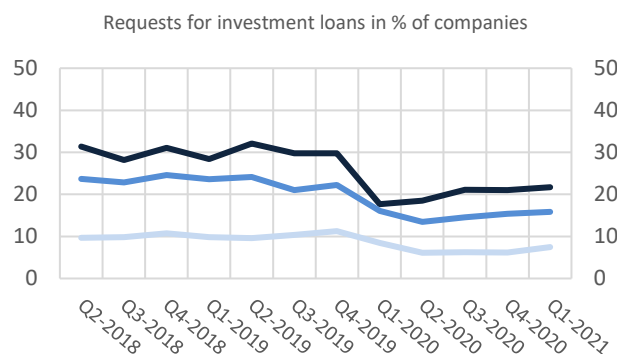
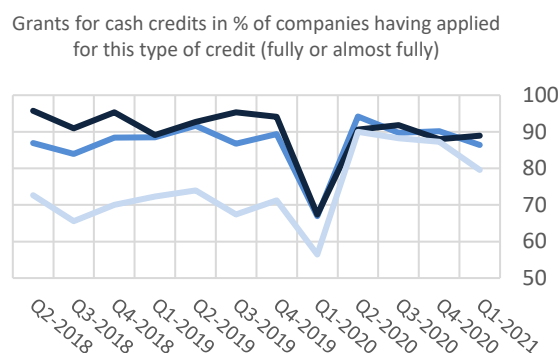
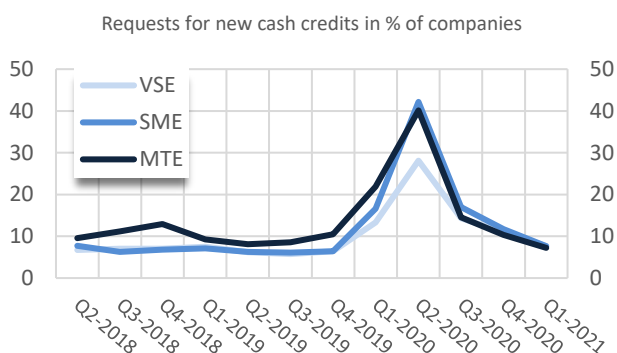


Quarterly survey on the access to bank financing of companies in France • 1st quarter 2021

Demands for cash credits fall back to their pre-crisis levels

As demands for new cash credits kept decreasing until reaching levels comparable to the pre-crisis figures, demands for new investment loans improved slightly. For both credit types, supply rates ebbed marginally yet remained at high levels.

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 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

New cash credits

After peaking in the second quarter of 2020, **demands for new cash credits** kept lowering and reached their pre-crisis level: the share of **Very Small Enterprises (VSEs)** and of **Small and Medium-sized Enterprises (SMEs)** asking for new credits over the last three months thus fell down to 8%, and to 7% of **Mid-tier companies (MTEs)**. **Supply rates for cash credits** remained high in spite of a 7 points drop at 80% of **VSEs** and a 4 points drop at 86% of **SMEs**, having fully or almost fully been granted their credits. The **supply rate for MTEs** gained 1 percentage point at 89%.

New investment loans

Demands for new investment loans remained below their pre-crisis levels, notwithstanding a slight increase of 1 point for each company size, with 7% of **VSEs**, 16% of **SMEs**, and 22% of **MTEs** seeking a loan over the last three months. Against this backdrop, **supply rates for investment loans** remained at high levels despite a 3 points decrease for **VSEs**, with 89% of demands being fully or almost fully granted, and a 2 points decrease for both **SMEs** and **MTEs**, with 96% of demands granted.

Complements



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 proportion of SMEs having applied for new credit lines over the last 12 months fell by 2 points and reached 36%. Among MTEs, 45% applied for new credit lines, a 5 points drop compared to the preceding quarter. These demands were still largely fulfilled, at 97 % for both SMEs and MTEs.

45% of SMEs mobilized their credit lines, a share smaller by 1 point than in the preceding quarter, and smaller by 10 points than in Q1 2020. 43% of MTEs mobilized their credit lines, 10 points less than in Q4 2020.

2. Supply rate for equipment loans

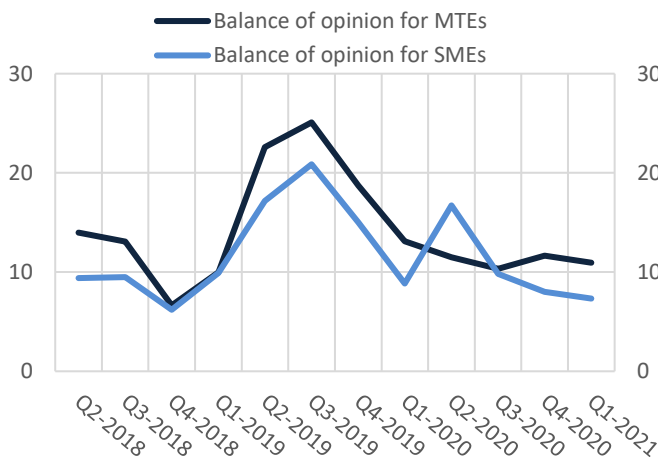
Among investment loans, equipment loans are intended to finance intangible or tangible assets, excluding real estate.

The supply rate for equipment loans dropped down back to 85% of VSEs after peaking at a historical high of 95% in the preceding quarter.

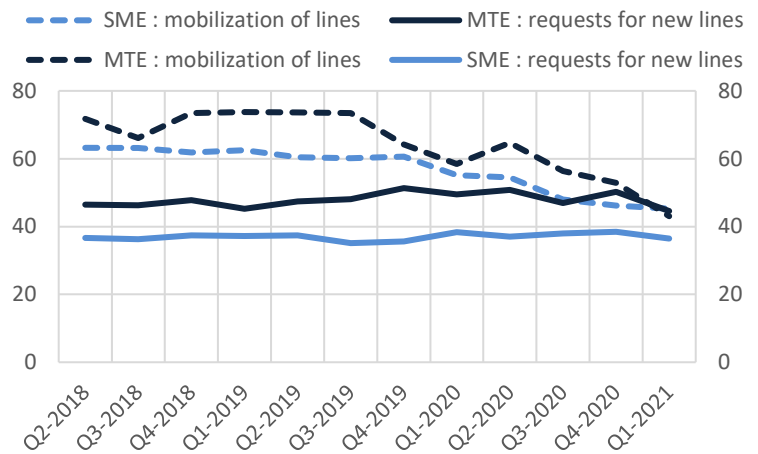
For SMEs and MTEs, the extent of the diminution is smaller, with 91% of SMEs having been granted their credits, against 93% in Q4 2020, and 85% of MTEs, against 88% in Q4 2020.

3. Evolution of the cost of credit

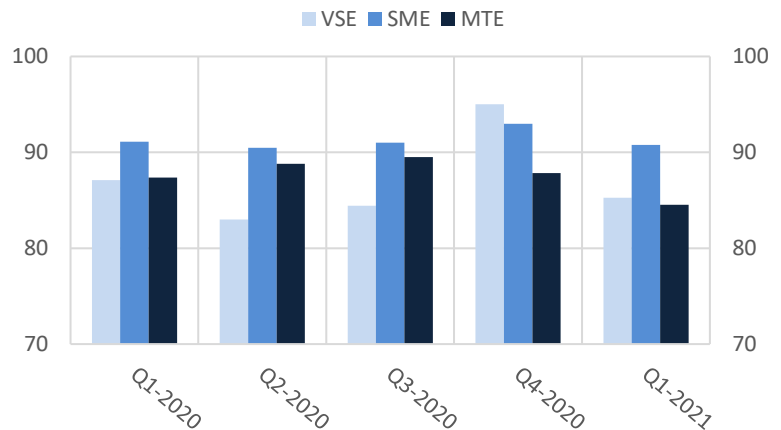
Balance of opinion on the evolution of the cost of credit in % of companies



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



Grants for equipment loans in % of companies having applied for this type of credit (fully or almost fully)



As in the previous quarters, the share of SMEs and MTEs reporting a decrease in the cost of credit was larger than that of SMEs and MTEs reporting an increase.

* 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.