



## Quarterly survey on the access to bank financing of companies in France

*The Banque de France carries out a quarterly survey on the access to bank financing of manufacturing, service and building companies. Based on a sample of more than 500 MTEs, 4,100 SMEs and 2,200 VSEs, this survey provides an insight into managers' perception about financing needs, access to financing and the lending conditions offered by banks. The sample has a large population that remains substantially the same from one quarter to the next, thereby allowing to closely monitor any changes in credits to businesses in France.*

### Scope of the survey

Companies interviewed in the Banque de France's monthly business survey in the manufacturing and market services sectors are surveyed since the second quarter of 2012. Building companies are also interviewed since the third quarter of 2013.

Among the companies contacted, only those that claim decisional autonomy for loan requests are included in the scope of this survey.

MTEs are defined as companies with 250 to 4,999 employees, SMEs as companies with 10 to 249 employees, and VSEs (or micro-enterprises) as companies with less than 10 employees.

For the latter, the Banque de France and the Fédération des Centres de Gestion Agréés (FCGA) have signed an agreement intending to increase the number of responses and to ensure a relevant analysis. VSEs surveyed by the FCGA are members of an approved management center, namely an Organisme de Gestion Agréé (OGA), and there is no restriction on their sector. They are all independent for their credits' requests.

### Questionnaire

The questionnaire for SMEs and MTE is detailed on page 3. It is composed of three blocks, each corresponding to one distinct type of credit, plus one question on the change in the overall cost of financing and one question on the request of additional guarantees. Some questions are inter-dependent. For instance, question 2bis on the grant of credit lines is only asked if the company has declared it has submitted a request for a credit line at the previous question 2.

The three types of credits considered are credit lines, cash credits and investment loans. They are exclusive of each other and defined as follows:

- A credit line is understood as the possibility given to the company to borrow funds made available by its banks anytime (it corresponds to a "drawing right"), the amount and the duration being defined by a contract which is usually annual.
- A cash credit is defined as a promptly negotiated credit in order to face a need for short term cash. It can have the same function as a credit line but differs from it since it is not negotiated beforehand.
- An investment loan is a medium or long term credit aiming at financing substantial expenditures assigned to a project defined upstream. Within investment loans, equipment loans are intended to finance intangible or tangible fixed assets excluding real estate.



The question on the evolution of the total cost of financing refers to the overall effective rate, that is to say the sum of the interest rate taken in the narrow sense plus the various banking fees (administrative costs, insurance fees...). This question does not refer to one type of credit in particular but to any credit the companies could have requested and have been granted during the last quarter.

Since the second quarter of 2015, the survey includes twice a year questions about managers' self-censorship in their relationship with credit institutions. Self-censorship is here defined as the behavior of a manager who does not apply for credit because of anticipation of too harsh lending conditions.

Since the first quarter of 2016, the survey also includes an additional question about access to equipment loans (included in investment loans).

The questionnaire sent to VSEs is a lighter version of the one of MTEs and SMEs. In particular, VSEs are not interviewed on credit lines because they do not use it for the vast majority of them. They are also not questioned on the evolution of their overall cost of financing. The complete questionnaire is detailed page 4.

## Results

The quarterly publication STAT INFO is available at the end of the first fortnight after the end of the quarter and comments on the main results in level and evolution.

Results are broken down by firm size (MTE/SME/VSE) and are expressed as percentages: for each response, the figure displayed is the proportion of companies that gave that response (among all the possible responses). There is no weighting factor applied and no seasonal adjustment.

The entire time series are available on the interactive Webstat database (<http://webstat.banque-france.fr/en/browseBox.do?node=5384962>)

## Revisions

Penultimate quarter data are revised when the last quarter data is published.

Furthermore, recalculations are occasionally performed on the complete history: the last global revision occurred at the third quarter of 2016 release.



## Questionnaire : Quarterly survey on the access to bank financing of companies in France

1. **Filter question: do you have decisional autonomy for loan requests?**
  - Yes
  - No
  - No answer
2. **Have you applied for a new credit line or the rollover of an existing credit line during the last 12 months?**
  - Yes
  - No
  - No answer
- 2bis – If so, was it granted:**
  - Fully
  - Substantially (over 75%)
  - Partially (less than 75%)
  - Bank refusal
  - No because the costs and/or guarantees were too high
  - No answer
- 2ter – If granted, have you used this line of credit over the last three months?**
  - Yes
  - No
  - No answer
- 2quater – If the credit line was granted, has it been revised by the bank over the last three months<sup>1</sup>?**
  - Yes
  - No
  - No answer
3. **Have you applied for a cash credit over the last three months<sup>2</sup> ?**
  - Yes
  - No
  - No answer
- 3bis – If so, was it granted :**
  - Fully
  - Substantially (over 75%)
  - Partially (less than 75%)
  - Bank refusal
  - No because the costs and/or guarantees were too high
  - No answer
- 3ter – If not, why didn't you apply?**
  - No credit needs
  - Willingness of no further indebtedness
  - Unsuitable business situation according to the manager itself
  - Anticipation of too stringent lending criteria
  - No answer
4. **Have you requested an investment loan over the last three months?**
  - Yes
  - No
  - No answer
- 4bis – If so, was it granted :**
  - Fully
  - Substantially (over 75%)
  - Partially (less than 75%)
  - Bank refusal
  - No because the costs and/or guarantees were too high
  - No answer
- 4ter – Regarding equipment loans in particular, was it granted :**
  - Fully
  - Substantially (over 75%)
  - Partially (less than 75%)
  - Bank refusal
  - No because the costs and/or guarantees were too high
  - No answer
- 4quater – If not, why didn't you apply?**
  - No credit needs
  - Willingness of no further indebtedness
  - Unsuitable business situation according to the manager itself
  - Anticipation of too stringent lending criteria
  - No answer
5. **How has the overall cost of the financing granted changed compared to the cost of your previous request?**
  - Increased
  - No change
  - Decreased
  - No answer
6. **Has your bank requested additional guarantees before granting you a loan?**
  - Yes
  - No
  - No answer

<sup>1</sup> A revision is the cancellation of all or part of the initially agreed drawing rights by the bank because of a deterioration of the company's financial situation.

<sup>2</sup> That is to say a request for cash credit that does not involve drawing down an existing credit line.



## Questionnaire sent to VSEs interviewed by the FCGA

**1. Have you applied for a cash credit over the last three months?**

- Yes
- No
- No answer

**1bis. If so, was it granted fully or substantially (over 75%)?**

- Yes
- No
- No answer

**1ter. If not, why didn't you apply?**

- No credit needs
- Willingness of no further indebtedness
- Unsuitable business situation according to the manager itself
- Anticipation of too stringent lending criteria
- No answer

**2. Have you requested an investment loan over the last three months?**

- Yes
- No
- No answer

**2bis. If so, was it granted fully or substantially (over 75%)?**

- Yes
- No
- No answer

**2ter. Regarding equipment loans in particular, was it granted fully or substantially (over 75%)?**

- Yes
- No
- No answer

**2quater. If not, why didn't you apply?**

- No credit needs
- Willingness of no further indebtedness
- Unsuitable business situation according to the manager itself
- Anticipation of too stringent lending criteria
- No answer

**3. Has your bank requested additional guarantees before granting you a loan?**

- Yes
- No
- No answer