

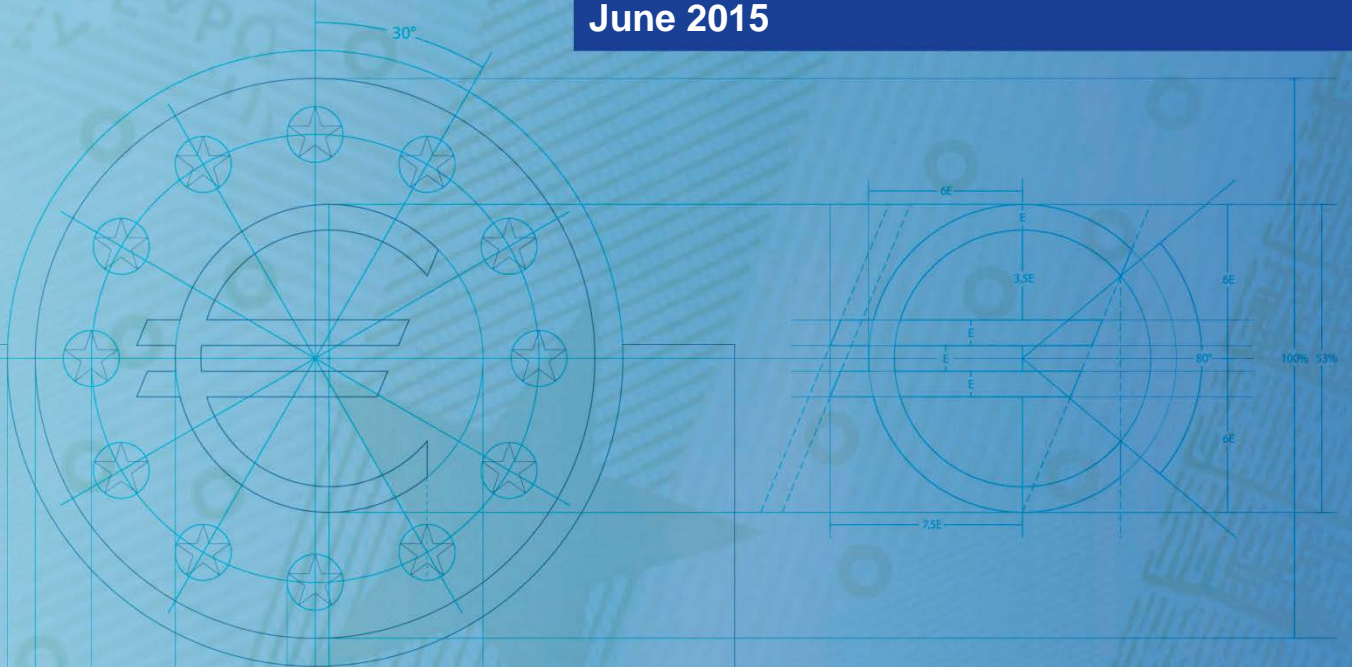


EUROPEAN CENTRAL BANK  
EUROSYSTEM

# Survey on the access to finance of enterprises in the euro area

October 2014 to March 2015

June 2015



# Contents

<b>1</b>	<b>The financial situation of SMEs in the euro area</b>	<b>1</b>
<b>2</b>	<b>External sources of financing and needs of SMEs in the euro area</b>	<b>7</b>
<b>3</b>	<b>Availability of external financing for SMEs in the euro area</b>	<b>12</b>
3.1	Availability of external financing	12
3.2	Applications for external financing and their success	17
3.3	Terms and conditions of bank loan financing	20
	<b>Box 1</b>	
	Financial situation and financing conditions of euro area SME exporters	28
<b>4</b>	<b>Expectations regarding access to finance</b>	<b>32</b>
	<b>Annex 1</b>	
	<b>Euro area enterprises – overview of the survey replies</b>	<b>34</b>
	<b>Annex 2</b>	
	<b>Descriptive statistics for the sample of enterprises</b>	<b>40</b>
	<b>Annex 3</b>	
	<b>Methodological information on the survey</b>	<b>42</b>
	Background	42
	Fieldwork	42
	Sample selection	43
	Weighting	46
	Questionnaire	46

*This report presents the main results of the 12th round of the survey on the access to finance of enterprises (SAFE), which was conducted between 16 March and 25 April 2015. The total euro area sample size was 11,720 enterprises, of which 10,707 (91%) had fewer than 250 employees.<sup>1</sup> The report mainly provides evidence on changes in the financial situation, financing needs and access to external financing of small and medium-sized enterprises (SMEs) in the euro area, and compares it with that of large enterprises. In addition, it provides an overview of developments in SMEs' access to finance across euro area countries. The reference period is the period from October 2014 to March 2015.<sup>2</sup>*

# 1 The financial situation of SMEs in the euro area

In the period from October 2014 to March 2015, the income and debt situation of euro area enterprises improved slightly on balance, compared with the previous six months. However, developments across firms' size and countries remained relatively diverse.

Across firms' size, a net percentage<sup>3</sup> of euro area **SMEs** reported an increase in **turnover** (10%, unchanged from the previous survey period) (see Chart 1)<sup>4</sup>. This was due mainly to an almost unchanged percentage of micro enterprises signalling a reduction in turnover (-3%, compared with -2% in the previous survey period) and higher percentages of medium-sized enterprises instead reporting increases (26%, up from 24%). Small enterprises reported unchanged percentages of increases in turnover (17%), while large enterprises continued to signal, on balance, an increase in turnover in the period from October 2014 to March 2015 (37%, up from 32% in the previous survey period).

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<sup>1</sup> See Annex 3 for details on the sample structure and the weighting scheme.

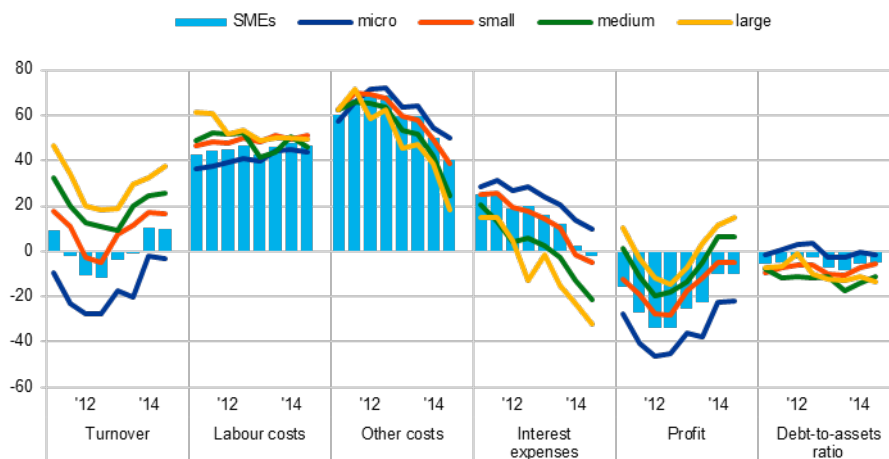
<sup>2</sup> The reference period for the previous survey round was April to September 2014.

<sup>3</sup> Net percentages refer to the difference between the percentage of firms reporting an increase for a given factor and that of those reporting a decrease.

<sup>4</sup> Micro enterprises are enterprises with 1-9 employees, while small enterprises are those with 10-49 employees, medium-sized enterprises have 50-249 employees and large enterprises have more than 250 employees. SMEs comprise micro, small and medium-sized enterprises.

**Chart 1****Change in the income and debt situation of euro area enterprises**

(over the preceding six months; net percentage of respondents)



Base: All enterprises. Figures refer to rounds five (April-September 2011) to twelve (October 2014-March 2015) of the survey. Note: The net percentage is the difference between the percentage of enterprises reporting an increase for a given factor and that reporting a decrease. From round 11 (April-September 2014), the concept of "Net interest expenses (what you pay in interest for your debt minus what you receive in interest for your assets)" was changed to "Interest expenses (what your company pays in interest for its debt)".

The net percentage of euro area SMEs reporting an increase in **labour costs** remained high, but relatively stable over time (47%, compared with 48% in the previous survey period). The percentages declined for **other costs**, mainly related to materials and energy costs (41%, down from 50%). Among SMEs, similar developments were reported by micro enterprises, with percentages mainly unchanged at 44% for labour costs and declining to 50% for other costs. Small firms instead signalled slightly increasing labour costs (51%). For large enterprises, the net percentage reporting an increase in labour costs remained broadly unchanged at 49%, while the percentage reporting an increase in other costs fell to 18%.

The net percentage of SMEs reporting a decline in **profits** remained unchanged at -10%, reflecting the fact that there were no changes in the percentages among micro enterprises (-22%) and small enterprises (-5%). Large enterprises and medium-sized enterprises reported increases in profit (15% and 6% respectively).

**Deleveraging** in euro area enterprises was reported to have continued. For SMEs, the net percentage of enterprises reporting a decline in their debt to total assets was -5%, almost unchanged compared with the previous survey period, while for large enterprises it was -13%, compared with -11%. Among SMEs, medium enterprises reported smaller percentages in this survey round (-11% from -14%).

**Interest expenses** declined across firm sizes, except in the case of micro enterprises, where 10% reported an increase, down from 14%. Hence, as a whole, 2% of SMEs reported a decline in interest expenses, while in the previous survey 3% reported a net increase. For large enterprises, 32% indicated declines in interest expenses in net terms.

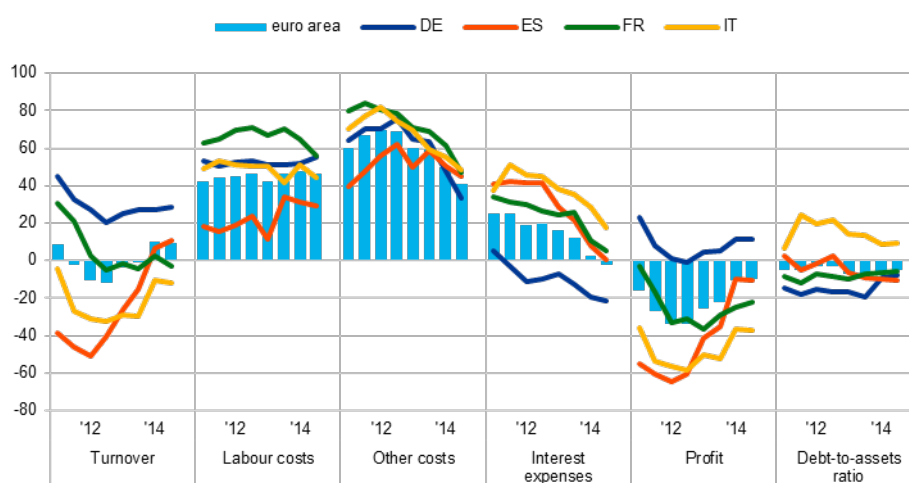
### Developments in the turnover and profits of SMEs across euro area countries

were diverse. Among the largest euro area countries, turnover increased in Germany (29%) and Spain (11%, up from 7%) (see Chart 2). By contrast, SMEs in Italy indicated that their turnover declined (-12%), while in France the decline (-3%) reversed the increase recorded in the previous survey. Among other euro area countries, Ireland and the Netherlands recorded the highest increases in turnover, with the net responses at 47% and 25% respectively (see Chart 1a in Annex 1). By contrast, SMEs in Greece again reported a strong deterioration in their turnover in net terms (-18%, down from -1%).

### Chart 2

#### Change in the income and debt situation of euro area SMEs

(over the preceding six months; net percentage of respondents)



Base: All SMEs. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.

Note: See the note to Chart 1. From round 11 (April-September 2014), the concept of "Net interest expenses (what you pay in interest for your debt minus what you receive in interest for your assets)" was changed to "Interest expenses (what your company pays in interest for its debt)".

Across the euro area, SMEs' **profit** dynamics were reported to have made a clear improvement in the Netherlands, where the net percentage of respondents rose to 14%, up from 9% in the previous survey round. By contrast, there was still a reported worsening in the profit situation of SMEs in Greece (-46%), while in Italy, Spain and France the negative percentages remained broadly unchanged. In Portugal the percentage fell to -13% and in Finland to -4%. In Germany, a continued increase in profits was reported.

SMEs in all euro area countries reported a smaller decline or no change in their **debt-to-assets ratio** (see Chart 2a in Annex 1). The declines were stronger for Slovak enterprises (-7%), whereas SMEs in Italy stand out as reporting a continued increase in their debt-to-assets ratio in net terms (10% of respondents). As for **interest expenses on debt**, a net majority of SMEs in Belgium, Germany, the Netherlands, Austria, Finland and Slovakia reported a decline.

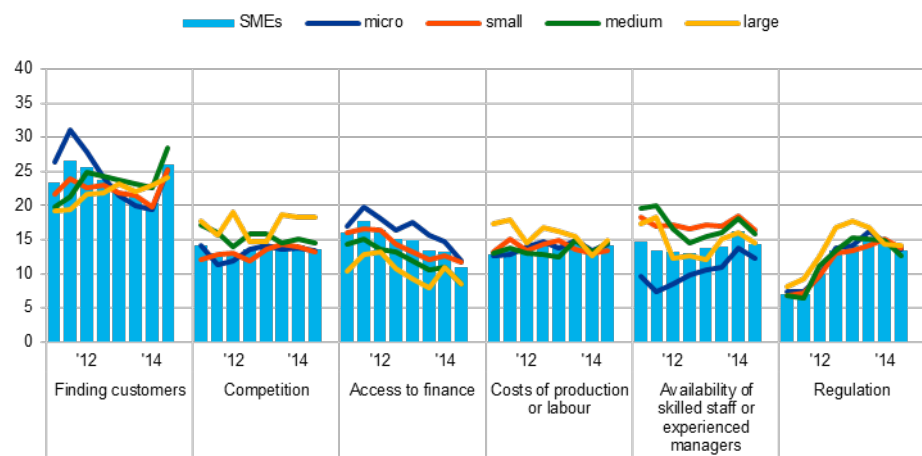
"**Finding customers**" remained the dominant concern for euro area SMEs in this survey period, with 26% of euro area SMEs mentioning this issue as their main problem, up from 20% in the previous survey round (see Chart 3), while "**Access to**

**finance**” was considered the least important concern (11%, down from 13%), after “Availability of skilled labour” (14%), “Cost of production” (14%), “Competition” (14%) and “Regulation” (13%). Among SMEs, access to finance was a more important problem for micro enterprises (12%). For large enterprises, “Finding customers” (24%) was reported as the dominant concern, followed by “Competition” (18%). “Access to finance” was mentioned less frequently (9%, down from 11% in the previous round).

**Chart 3**

The most important problems faced by euro area enterprises

(percentage of respondents)



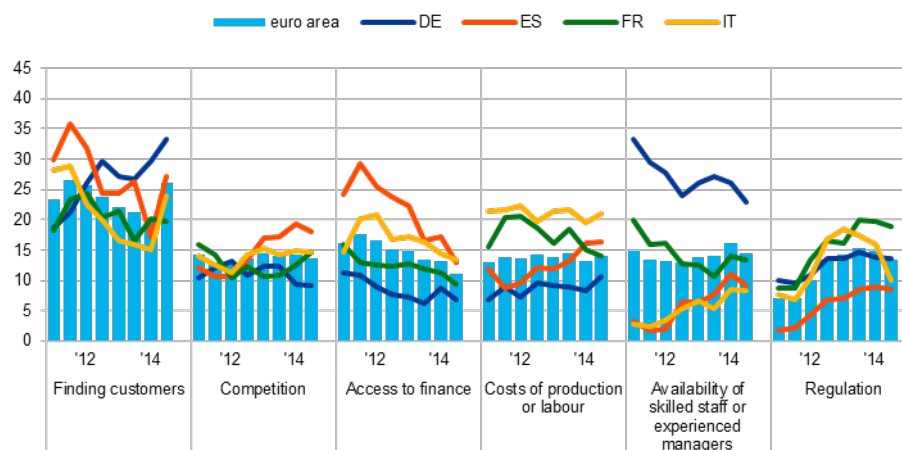
Base: All enterprises. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey. Note: The formulation of the question has changed over the survey rounds. Initially, respondents were asked to select one of the categories as the most pressing problem. From round eight, respondents were asked to indicate how pressing a specific problem was on a scale from 1 (not pressing) to 10 (extremely pressing). In round seven, the formulation of the question followed the initial phrasing for half of the sample and the new phrasing for the other half. Additionally, if two or more items had the highest score in question Q0B on the “pressingness” of the problems, a follow-up question (Q0C) was asked to resolve this, i.e. which of the problems was more pressing, even if only by a small margin. This follow-up question was removed from the questionnaire in round 11. The past results from round seven onwards were recalculated, disregarding the replies to question Q0C. In round 12, the word “pressing” was replaced by the word “important”. Please see Annex 3 for more information on the changes introduced to the latest version of the questionnaire.

Wide divergences across euro area countries persist on the perceptions of the most important problems that SMEs are facing. With regard to “Access to finance”, 34% of the SMEs in Greece, 15% in Ireland and 15% in the Netherlands named access to finance as the most important problem, compared with only around 7% of SMEs in Germany and Austria (see Chart 4 and Chart 3a in Annex 1). The “**Availability of skilled staff or experienced managers**” (14% at the euro area level) remained a significant concern in countries such as Germany, Austria and Slovakia, where the percentages stood at 23%, 19% and 19% respectively.

**Chart 4**

**The most important problems faced by euro area SMEs**

(percentage of respondents)



Base: All SMEs. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.  
Note: See the note to Chart 3.

In particular, when asked **how important “access to finance” was** as a problem in their current situation,<sup>5</sup> SMEs in Greece continued to perceive it as a very important problem (rating it approximately 7 on a scale of 1-10) (see Chart 5). In Austria Ireland, Spain, France and the Netherlands, access to finance has become a less important problem than before (falling to or remaining close to 5). SMEs in Italy and Portugal reported on average a score of 6, while in Belgium, Germany and Finland, the respective score remains between 3 and 4.

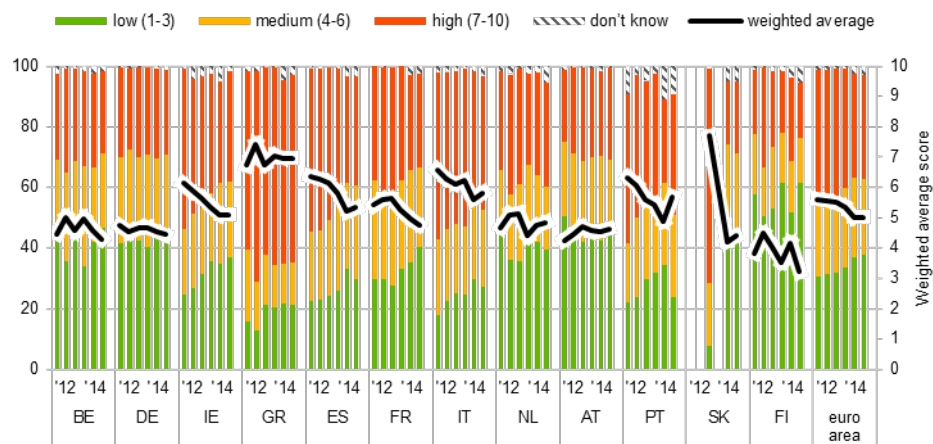
In the previous survey round, a new question on the percentage of turnover that arises from export was asked for the first time. Box 1 presents some results of the financial characteristics and financing conditions of export-oriented enterprises compared with that of non-export-oriented enterprises. Overall, **export-oriented SMEs in the euro area enjoy easier access to finance.**

<sup>5</sup> See the note to Chart 5.

**Chart 5**

**Importance of access to finance as perceived by SMEs across euro area countries**

(percentages and weighted averages)



Base: All SMEs. Figures refer to rounds seven (April-September 2012) to 12 (October 2014-March 2015) of the survey.  
 Note: Enterprises were asked to indicate how important a specific problem was on a scale from 1 (not at all important) to 10 (extremely important). The first observation, referring to round seven (April-September 2012), is based on half of the sample. In the chart, the scale has been divided into three categories: low (1-3), medium (4-6) and high importance (7-10). The weighted average score is an average of the responses using the weighted number of respondents as weight. In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

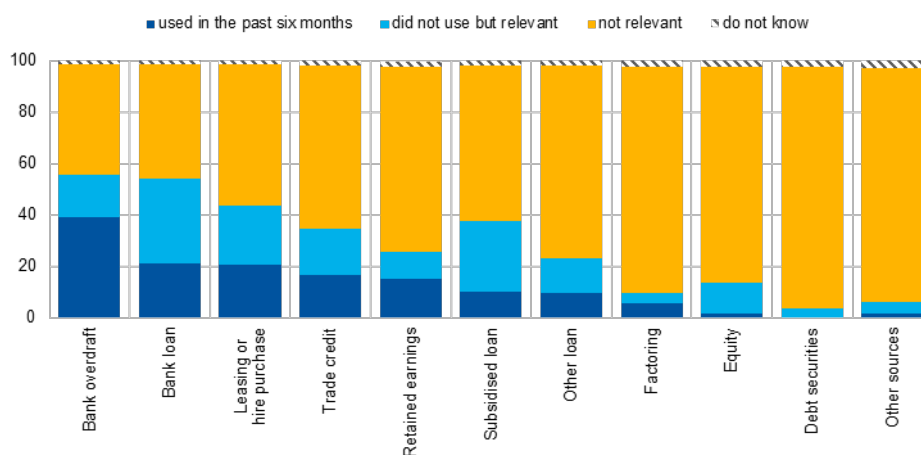


## 2 External sources of financing and needs of SMEs in the euro area

Bank-related products are the most relevant sources of finance for euro area SMEs (see Chart 6).<sup>6</sup> 54% of SMEs considered bank loans to be relevant, while 55% included bank overdrafts. Furthermore, 37% signalled that grants and subsidised loans, which involve support from public sources in the form of guarantees or other interventions, were relevant for their financing. Leasing is also relevant for 44% of SMEs, closely followed by trade credit (34%). Other loans, for example from family, friends or related companies, are relevant for 23% of SMEs. Market-based sources of finance, as well as factoring, are reported less often as relevant instruments. Internal funds play an important role as an alternative source of finance, as indicated by 25% of SMEs.

**Chart 6**  
Financing structure of euro area SMEs

(over the preceding six months; percentage of respondents)



Base: All SMEs. Figures refer to round 12 (October 2014-March 2015) of the survey.

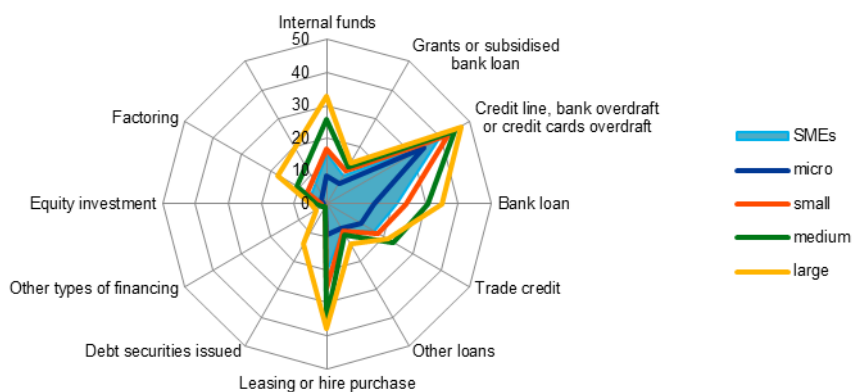
As regards the usage of the various funding instruments to finance activities in the past six months, there is a clear pattern of increasing use with firm size (see Chart 7). Short-term bank finance (credit line/bank overdraft/credit card), followed by long-term bank loans, trade credit and leasing are the most often used by micro and small firms. Likewise, credit lines are also the most often reported financing instrument for medium and large enterprises, while leasing, followed by bank loans (long-term and short-term) and trade credit, are the other external financing sources most often used by medium and large firms. Issued debt is mainly used by large companies.

<sup>6</sup> A new reformulation of the question allows the relevance of a specific financial instrument to be disentangled from its usage. See Annex 3.

## Chart 7

### Use of internal and external funds by euro area enterprises across firm size

(percentage of respondents that had used the respective instrument in the past six months)



Base: All enterprises. Figures refer to round 12 (October 2014-March 2015) of the survey.

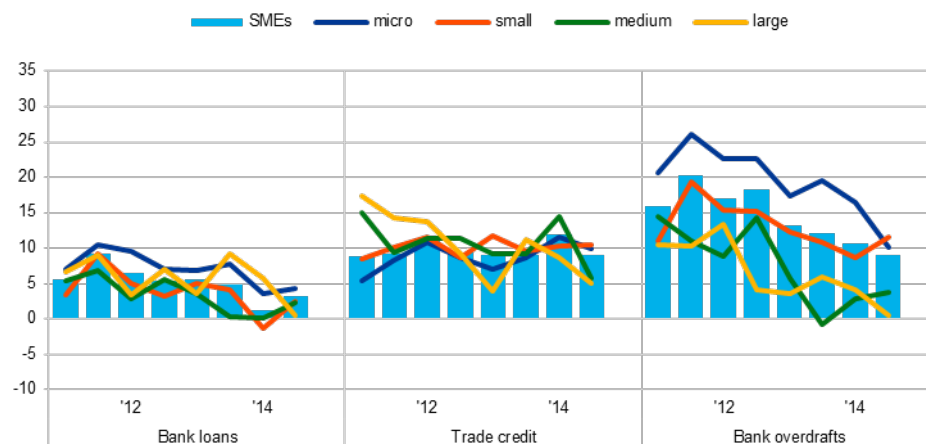
Looking at the need (demand) for external sources of finance, euro area enterprises reported that their need for bank loans and overdrafts was increasing. In particular, a net 3% of SMEs reported an increase in their **need (demand) for bank loans** (up from 1% in the previous survey round) and 9% reported an increased need for **bank overdrafts** (down from 11% in the previous survey round) (see Chart 8).<sup>7</sup> On the whole, the picture was similar for all sizes of enterprise, although large firms indicated a lower need for bank loans and small enterprises a higher need for bank overdrafts. A net 9% of euro area SMEs reported an increased need for **trade credit** (down from 12% in the previous survey period), with declining percentages for medium and large enterprises (6% and 5% respectively).

<sup>7</sup> See the note to Chart 8. Only survey respondents who report that a particular financing instrument is relevant for their enterprise are asked about their need for this source of financing (i.e. bank loans, bank overdrafts and credit lines, trade credit, equity and debt securities issuance).

## Chart 8

### Change in external financing needs of euro area enterprises

(over the preceding six months; net percentage of respondents)



Base: Enterprises for which the respective instrument is relevant. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.

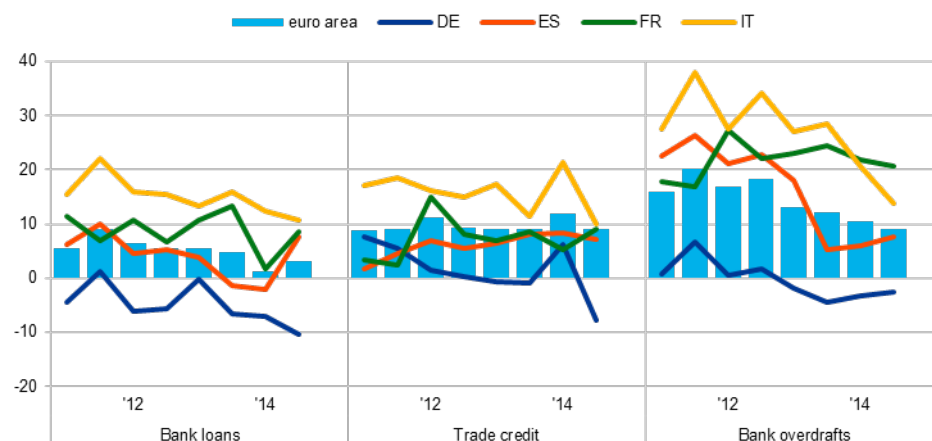
Note: A financing instrument is "relevant" if the enterprise used the instrument in the past six months or did not use it but has experience of it (for rounds one to ten). From round 11, the respondents were asked whether the instrument was relevant, i.e. whether the enterprise had used it in the past or considered using it in the future. Given that the current concept of a "relevant" financing instrument differs from in the past, this might have an impact on the comparability over time for the following questions, and caution should be exercised when comparing the recent results with those of the previous rounds.

Among the largest countries, SMEs in Spain and France reported increases in their need for bank loans with respect to the previous survey round (8% and 9% respectively), while a broadly unchanged percentage of Italian SMEs continued to report increasing needs (11%). The need for bank overdrafts also increased in these countries, albeit with lower percentages in Italy (14%) and France (21%) and a slightly higher percentage in Spain (8%) (see Chart 9). By contrast, German SMEs signalled a decreasing need for bank loans (-10%) and bank overdrafts (-2%). In the case of trade credit, SMEs in Italy signalled a strong decrease in their need for this source of funds (10%, down from 21%), followed by Spanish SMEs, although the percentages were much smaller. French SMEs also signalled increasing needs, with higher percentages than in the previous survey round. Similar to bank financing instruments, SMEs in Germany reported declining needs for trade credit.

**Chart 9**

**Change in external financing needs of euro area SMEs**

(over the preceding six months; net percentage of respondents)



Base: SMEs for which the respective instrument is relevant. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.  
Note: See the note to Chart 8.

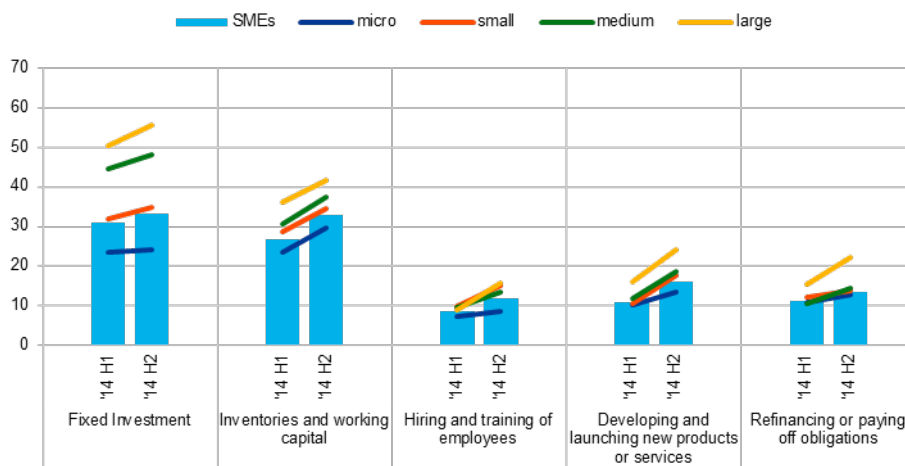
**Among other euro area countries**, the highest net percentages of SMEs reporting an increase in their need for bank loans were again recorded in Greece (28%) (see Chart 5a in Annex 1). By contrast, SMEs in the Netherlands and Austria reported, on balance, a decline in their need for bank loans.

**Fixed investment** and **inventory and working capital** remained the two most important factors affecting SMEs' need for external financing, and their importance increases with firm size (see Chart 10). While a net 33% of SMEs signalled fixed investment and 33% signalled working capital as the main sources of their financing needs, the percentages were 24% and 30% respectively for micro enterprises. By contrast, the percentages for large enterprises were 56% and 42% respectively.

**Chart 10**

**Purpose of the external financing as perceived by euro area enterprises**

(over the preceding six months; percentage of respondents)



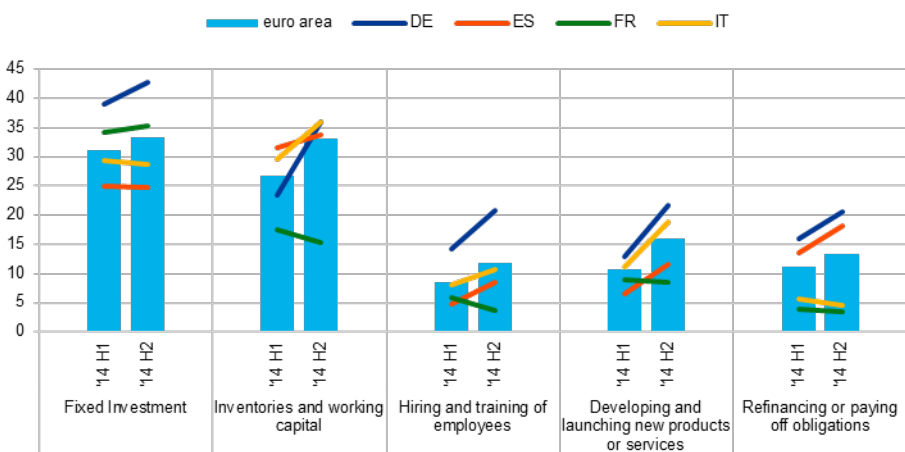
Base: All enterprises. Figures refer to rounds 11 (April-September 2014) to 12 (October 2014-March 2015) of the survey.  
 Note: The figures are based on the new question introduced in round 11 (April-September 2014).

Across large euro area countries, 43% of German and 35% of French SMEs identified fixed investment and inventory and working capital as the main sources of their increased financial needs, while the percentages were lower for Spanish and Italian SMEs (unchanged at 25% and 29% respectively) (see Chart 11).

**Chart 11**

**Purpose of the external financing as perceived by SMEs across euro area countries**

(over the preceding six months; percentage of respondents)



Base: All SMEs. Figures refer to rounds 11 (April-September 2014) to 12 (October 2014-March 2015) of the survey.  
 Note: See the note to Chart 10.

## 3 Availability of external financing for SMEs in the euro area

### 3.1 Availability of external financing

After the stabilisation in the availability of external financing reported at the previous round, in the period from October 2014 to March 2015 external financing conditions improved on balance. Micro enterprises was the only size class to report a deterioration, which was considerably smaller than in the previous survey round (see Chart 12)<sup>8</sup>.

With regard to the availability of **bank financing (loans and overdrafts)** in particular, small enterprises reported a sizeable improvement in net terms, while for medium-sized enterprises the reported improvement was much more significant than in the previous round for both bank loans (23%, up from 14%) and bank overdrafts (17%, up from 11%). In respect of **trade credit**, an improvement was reported on balance, with differences depending on the size of the firms. For micro enterprises, the number of firms reporting an improvement and the number reporting deterioration were roughly the same. Small enterprises reported a larger positive net figure for trade credit, while for medium-sized enterprises there was a significantly greater improvement than in the previous survey period (the net percentage increased from 7% to 15%).

Improvements increasing by firm size were reported for the availability of **leasing or hire purchase** (such data is provided for the first time in this survey round). With regard to **other loans**, a sizeable improvement in net terms was reported by SMEs; large firms in the euro area mostly also reported a large improvement.

Confirming their generally easier access to external finance, **large enterprises** in the euro area reported, on balance, higher positive net percentages for the availability of bank loans (33%, up from 22% in the previous survey round) and bank overdrafts (31%, up from 16%). The net percentage for trade credit decreased slightly to 13%.

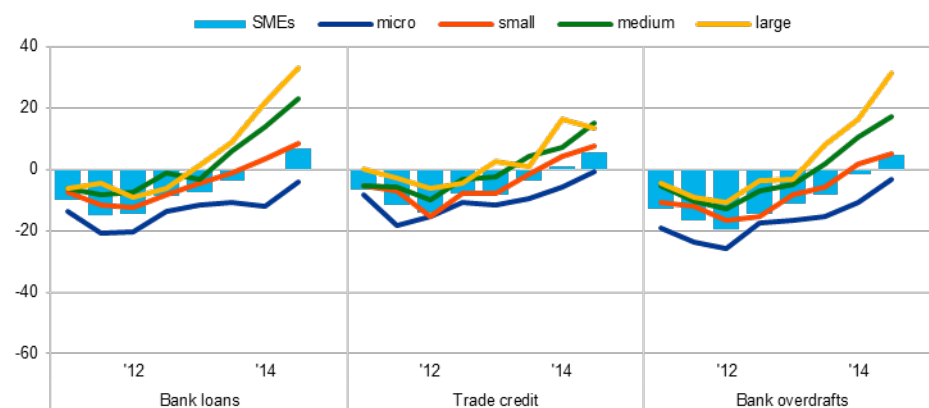
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<sup>8</sup> See the note to Chart 8. Only survey respondents that report that a particular financing instrument (i.e. bank loans, bank overdrafts and credit lines, trade credit, equity and debt securities issuance) is relevant for their enterprise are asked about the availability of this source of financing. In addition, for equity and debt securities, only enterprises that have applied for external financing are taken into account in the calculation of the aggregated results.

**Chart 12**

**Change in the availability of external financing for euro area enterprises**

(over the preceding six months; net percentage of respondents)



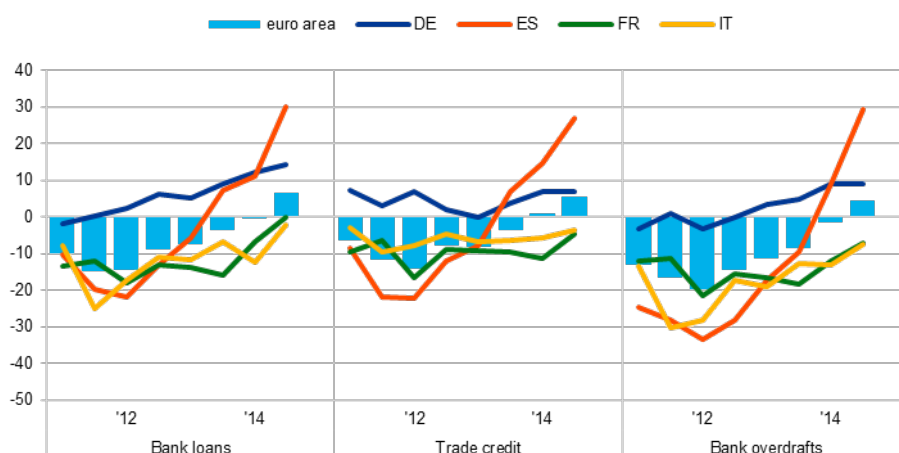
Base: Enterprises for which the respective instrument is relevant. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.

**Among the largest euro area countries**, SMEs signalled an improvement in the availability of bank loans in Germany and – most noticeably – Spain (30%, up from 11% in the previous survey period). In France, SMEs reported a slightly negative net percentage, while in Italy, they signalled eased impediments to accessing bank loans, as the net percentages for both bank loans (-2%) and bank overdrafts (-8%) were less negative than in the previous survey period, when they stood at -12% and -13% respectively (see Chart 13).

**Chart 13**

**Change in the availability of external financing for euro area SMEs**

(over the preceding six months; net percentage of respondents)



Base: SMEs for which the respective instrument is relevant. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.

**In other euro area countries**, there seems to be a general slowdown in the deterioration in bank loan availability (see Chart 6a in Annex 1). In Belgium, Ireland

and – most noticeably – Portugal, the positive net percentages of SMEs improved further (7%, 10% and 15% respectively, up from 3%, 8% and 5% respectively in the previous round). In Netherlands, Austria and Finland, the net percentages remained negative (-7%, -6% and -2% respectively), but improved compared with the previous survey round (-11%, -13% and -4% respectively). In Greece, the development of the net percentage (-28%, up from -21% in the previous round), continues to signal the presence of significant difficulties in accessing bank credit. Developments in the availability of bank overdrafts mirrored those in the availability of bank loans very closely.

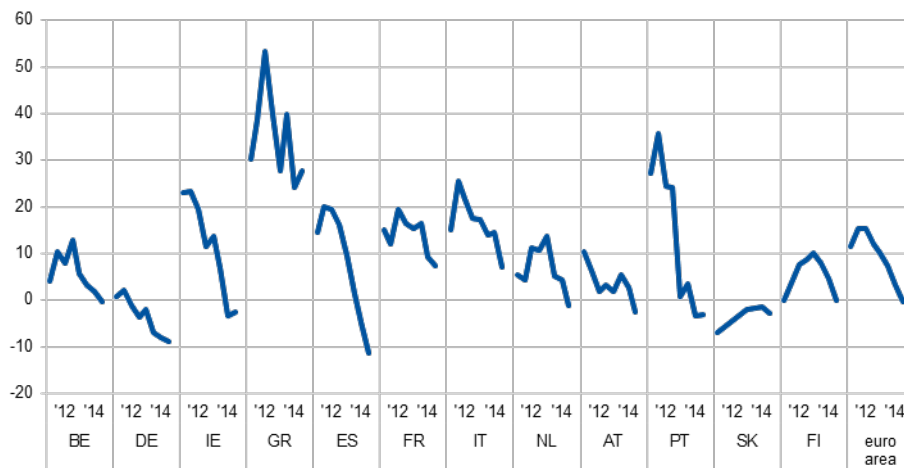
Difficulty in accessing trade credit eased in Belgium (-4%), France (-5%), Italy (-4%), Austria (-5%) and Finland (-1%). Further improvements in positive net percentages were recorded in the Netherlands (8%) and Ireland (+30%), Portugal (13%) and Spain (27%). In Germany, the net percentage recorded a minor change in comparison with previous survey rounds, while in Greece SMEs signalled increased impediments to accessing trade credit (-17%).

The **external financing gap**, which measures the perceived difference at firm level between the need for external funds (across all channels, i.e. bank loans, bank overdrafts, trade credit, equity and debt securities) and the availability of funds (see Chart 14) has been reduced to zero (from 3% in the previous survey round) for SMEs in the euro area. At country level, France and Italy reported still positive but clearly declining net balances. A zero balance was recorded in Belgium and Finland, whereas most other countries reported that their financing gap was negative. Greece was the only country where SMEs reported an increase in the financing gap indicator (28%, up from 24%).



**Chart 14****Change in the external financing gap perceived by SMEs across euro area countries**

(over the preceding six months; weighted net balances)



Base: SMEs for which the respective instrument is relevant. "Non-applicable" and "Don't know" answers are excluded. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.

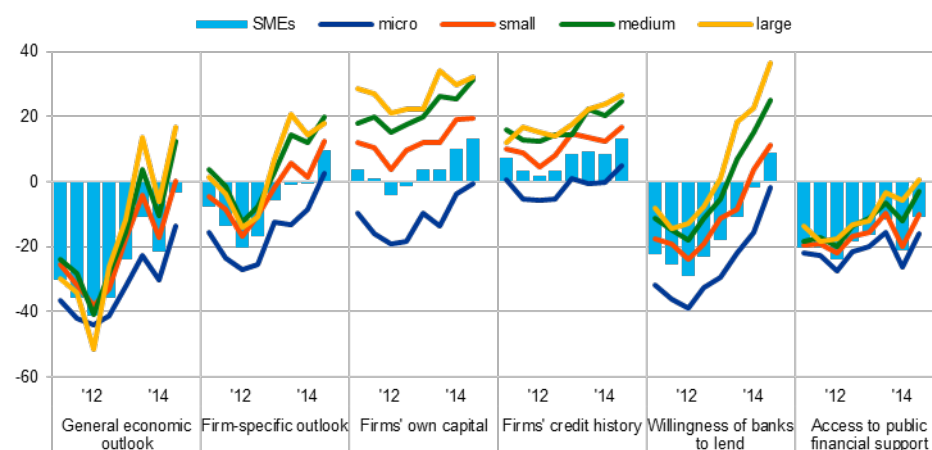
Note: The financing gap indicator combines both financing needs and availability of bank loans, bank overdrafts, trade credit, and equity and debt securities at firm level. For each of the five financing instruments, an indicator of a perceived financing gap change takes the value of 1 (-1) if the need increases/decreases and availability decreases/increases. If enterprises perceive only a one-sided increase/decrease in the financing gap, the variable is assigned a value of 0.5 (-0.5). The composite indicator is the weighted average of the financing gap related to the five instruments. A positive value of the indicator suggests an increasing financing gap. Values are multiplied by 100 to obtain weighted net balances in percentages. For details, see Ferrando, A., Griesshaber, S., Köhler-Ulbrich, P., Perez-Duarte, S. and Schmitt, N., "Measuring the opinion of enterprises on the supply and demand of external financing in the euro area", in *Proceedings of the Sixth IFC Conference on "Statistical issues and activities in a changing environment"*, Bank for International Settlements, Basel, 28-29 August 2012, IFC Bulletin, No 36, February 2013. In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

Turning to the **factors** affecting the availability of external financing for SMEs, the survey clearly shows positive developments in the contributions from all factors in comparison with the previous survey round, while, across SME size categories, only micro firms indicated still negative (but considerably smaller) effects (see Chart 15). A significantly less negative contribution was reported for the **general economic outlook** (-3%) and **access to public financial support** (-11%). The effect of the **firm-specific outlook** and **the willingness of banks to lend** on financing conditions turned positive in this survey round (10% and 9% respectively). Further improvements were recorded in the positive contributions of **credit history** (13%) and **firms' own capital** (13%).

**Large enterprises** also assessed positively the impact of all factors on the availability of external financing. In particular, the effect of the general economic outlook and access to public financial support turned positive in this survey round (17% and 1% respectively). Further improvements were also recorded in the positive contributions of all other factors.

**Chart 15****Change in factors having an impact on the availability of external financing to euro area enterprises**

(over the preceding six months; net percentage of respondents)



Base: All enterprises; for the category "Willingness of banks to lend", enterprises for which at least one bank financing instrument (credit line, bank overdraft, credit card overdraft, bank loan, subsidised bank loan) is relevant. Figures refer to rounds five (April-September 2011) to twelve (October 2014-March 2015) of the survey.  
 Note: From round 11 (April-September 2014), the category "Willingness of banks to provide a loan" was reformulated slightly to "Willingness of banks to provide credit to your enterprise".

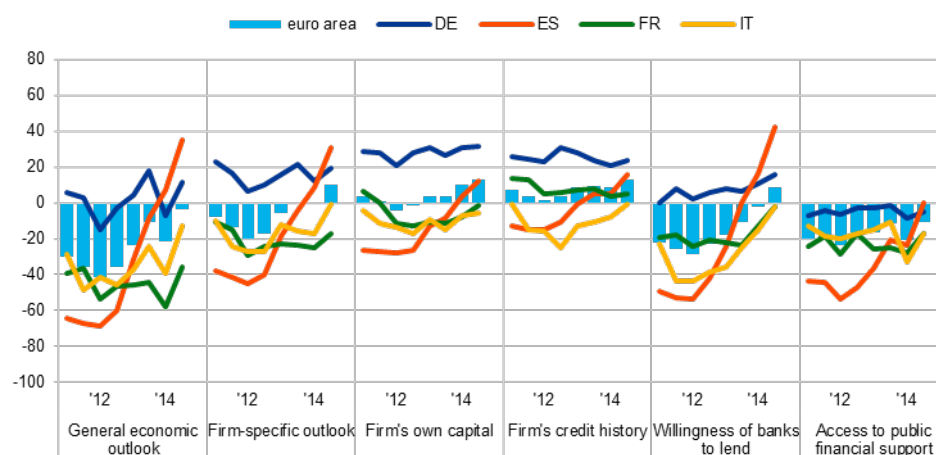
The positive developments at the euro area level mirrored those reported for SMEs in most but not all countries. In Germany and in Spain, SMEs signalled that the **general economic outlook** (12% and 35%, up from -7% and 7% in the previous survey round) and the **firm-specific outlook** (19% and 31%, up from 12% and 9%) were having a positive impact on the availability of external financing. In France and Italy, the impact of these factors was considerably less negative in this survey period. An increased positive contribution was reported in Germany and Spain from the **willingness of banks to lend**, as well as from **firms' own capital** and **credit history** (also in France). SMEs in France and Italy signalled a less negative impact from the **willingness of banks to lend**, as well as from **firms' own capital**.

In the Netherlands, the **general economic outlook** had a less positive effect than in the previous survey round (10%, down from 21%) (see Chart 16). The contribution of **firms' own credit history** and **own capital** in Austria and Portugal was also less positive. Against the trend of a widespread positive contribution, SMEs in Greece signalled a more negative impact for most of the factors and reported in particular that the **general economic outlook** (and, to a lesser extent, the **firm-specific outlook**) was having a greater negative effect on the availability of external financing, as the net responses declined from -39% (5%) in the previous survey round to -67% (-16%).

**Chart 16**

**Change in factors having an impact on the availability of external financing to euro area SMEs**

(over the preceding six months; net percentage of respondents)



Base: All SMEs; for the category "Willingness of banks to lend", SMEs for which at least one bank financing instrument (credit line, bank overdraft, credit card overdraft, bank loan, subsidised bank loan) is relevant. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.  
Note: From round 11 (April-September 2014), the category "Willingness of banks to provide a loan" was reformulated slightly to "Willingness of banks to provide credit to your enterprise".

From the supply side, SMEs again indicated an improvement in **banks' willingness to lend**<sup>9</sup> in the period from October 2014 to March 2015, as the net responses increased from -2% in the previous survey round to 9%. A significantly less negative contribution was reported for **access to public financial support** (-11%, up from -21%). However, SMEs in Greece signalled an increased negative impact of **banks' willingness to lend** (-30%, down from -22%) and **access to public financial support** (-51%, down from -36%) than in the previous survey period.

## 3.2 Applications for external financing and their success

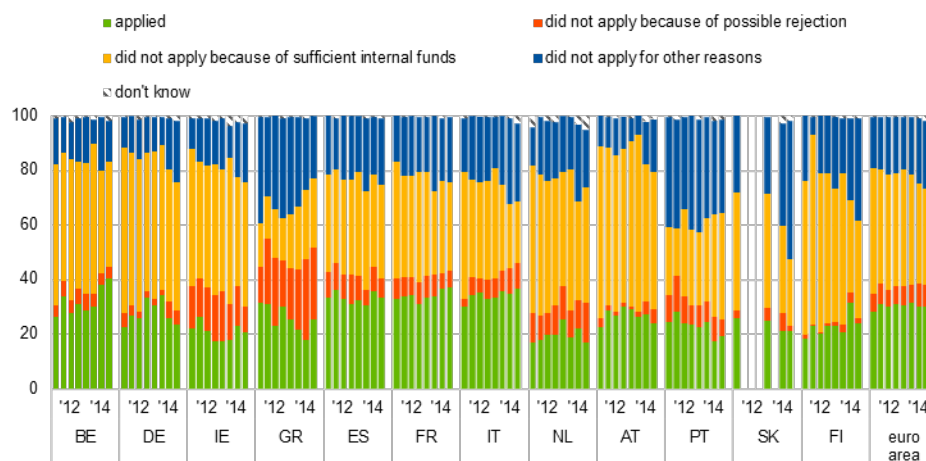
Between October 2014 and March 2015, 30% of respondent SMEs **applied for a bank loan**, which was broadly unchanged from the previous survey, while 35% did not apply because of **sufficient internal funds** (see Table 1 and Chart 17). The percentage of enterprises not applying for a loan for **fear of rejection** (discouraged borrowers) remained unchanged at 8%. Among the individual countries, Belgium (41%) was the country with the highest percentage of SMEs applying for a bank loan, followed by France (37%) and Italy (36%), while the lowest figures were recorded in the Netherlands (17%) and Portugal (19%).

<sup>9</sup> See the note to Chart 16.

**Chart 17**

**Applications for bank loans by SMEs across euro area countries**

(over the preceding six months; percentage of respondents)



Base: SMEs for which bank loans (including subsidised bank loans) are relevant. Figures refer to rounds five (April-September 2011) to twelve (October 2014-March 2015) of the survey.  
 Note: In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

**Table 1**

**SMEs that applied for a bank loan (including subsidised bank loans)**

(over the preceding six months; percentage of respondents)

	BE	DE	IE	GR	ES	FR	IT	NL	AT	PT	SK	FI	euro area
October 2014-March 2015	41	23	21	26	33	37	36	17	24	19	21	24	30

The largest percentages (more than 40%) of SMEs reporting that they did not apply for a loan owing to **sufficient internal funds** were recorded in Germany, Ireland, the Netherlands and Austria. In Belgium, Portugal and Finland, the percentages remained between 35% and 40%, and in Spain and France between 30% and 35%, while SMEs in Italy (23%), Greece and Slovakia (both 25%) reported the smallest shares of SMEs having sufficient internal funds.

In Belgium, Germany, Austria, Slovakia and Finland, **fear of rejection** was cited by SMEs as a very minor reason for not having applied for a loan during the period from October 2014 to March 2015 (less or equal to 5%). In Greece, by contrast, the percentage of SMEs that mentioned fear of rejection as a factor discouraging applications for a bank loan was 26% (down from 29%) reflecting the ongoing difficult situation in the country. In the Netherlands, the percentage remained high compared with the remainder of the countries (14%) and increased from the previous round (10%).

When asked about the **actual success** of their bank loan applications, 64% of SMEs reported that they had received the **full amount** they had applied for, which was a higher percentage than in the previous survey period (59%) (see Chart 18). On the opposite side of the distribution, the share of SMEs reporting a rejection of their bank loan application declined from 12% in the previous survey round to 8%, while the

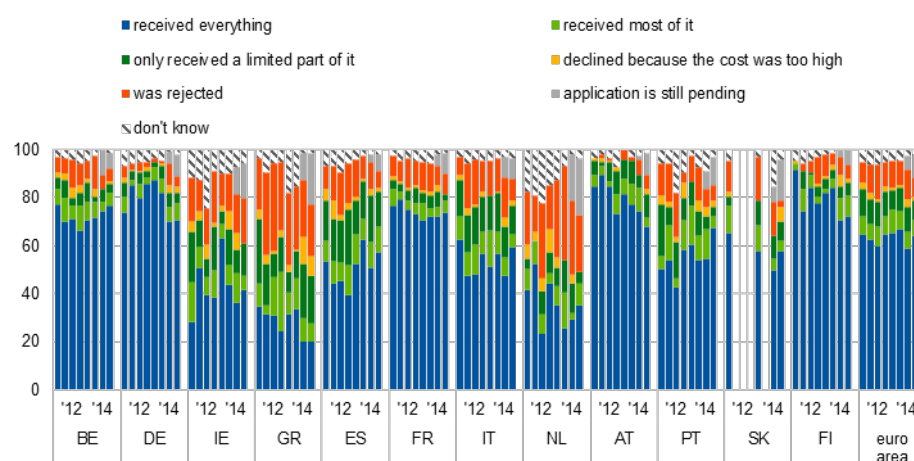
share of SMEs reporting that they had received only a **limited part** of the amount requested declined marginally from 10% to 8%.

During the survey period, 9% of SMEs reported that their **loan applications** were still **pending** (up from 6%). The increase was higher in Greece (21%, up from 11%), the Netherlands (24%, up from 20%) and Slovakia (17%, up from 7%).

**Chart 18**

**Outcome of applications for bank loans by SMEs across euro area countries**

(over the preceding six months; percentage of enterprises that had applied for bank loans)



Base: SMEs that had applied for bank loans (including subsidised bank loans). Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.

Note: The category "My application is still pending" was introduced in round 11 (April-September 2014). In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

**In most euro area countries**, the percentages of SMEs that were **fully successful** in their bank loan applications either increased or remained broadly stable. Only in Austria did the rate of success decline from the previous survey round (69%). The highest percentages of outright **rejection** of loan applications were reported by SMEs in the Netherlands (23%) and Greece (21%). SMEs in Germany and Slovakia experienced the lowest net percentages of rejections (4% and 3%).

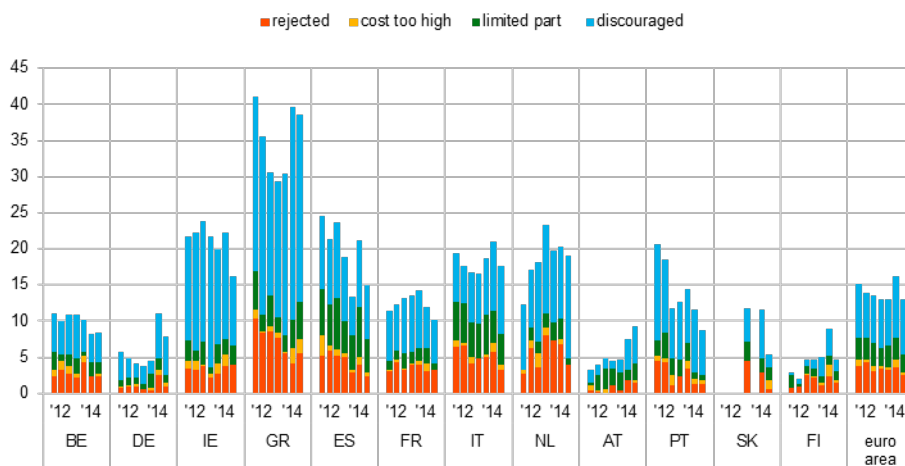
As a result, the overall indicator of **financing obstacles** has improved (see Chart 19). The total – across the euro area – of the percentages of SMEs reporting rejections of loan applications, loan applications for which only a limited amount was granted, and loan applications which resulted in an offer that was rejected by the SME because of borrowing costs being too high, as well as the percentage of SMEs which did not apply for a loan for fear of rejection, declined to 13% (from 16% in the previous survey round). Across countries, the highest percentage was recorded in Greece (39%). SMEs in Italy and the Netherlands reported values around 20%, while SMEs in Slovakia and Finland reported the lowest percentages (both 5%).

**Large enterprises** had greater success in applying for bank loans than SMEs, with 78% of requests being met and with a rejection rate of 2% (broadly unchanged from the previous round).

**Chart 19**

**Obstacles to receiving a bank loan for SMEs across euro area countries**

(over the preceding six months; percentage of respondents)



Base: SMEs for which bank loans (including subsidised bank loans) are relevant. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.

Note: Financing obstacles are defined here as the total of the percentages of SMEs reporting loan applications which were rejected, loan applications for which only a limited amount was granted, and loan applications which resulted in an offer that was rejected by the SME because the borrowing costs were too high, as well as of SMEs which did not apply for a loan for fear of rejection (i.e. discouraged borrowers). The calculation of the indicator starts in 2010 when the question on applications for bank overdrafts was included in the questionnaire.

The components of the financing obstacles indicator are affected by the amendments to the questionnaire in round 11 (i.e. filtering based on the relevance of the financing instrument and addition of the new category "My application is still pending"), and past data have been revised accordingly. The figures are calculated including the category "My application is still pending" and "Don't know". In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

### 3.3 Terms and conditions of bank loan financing

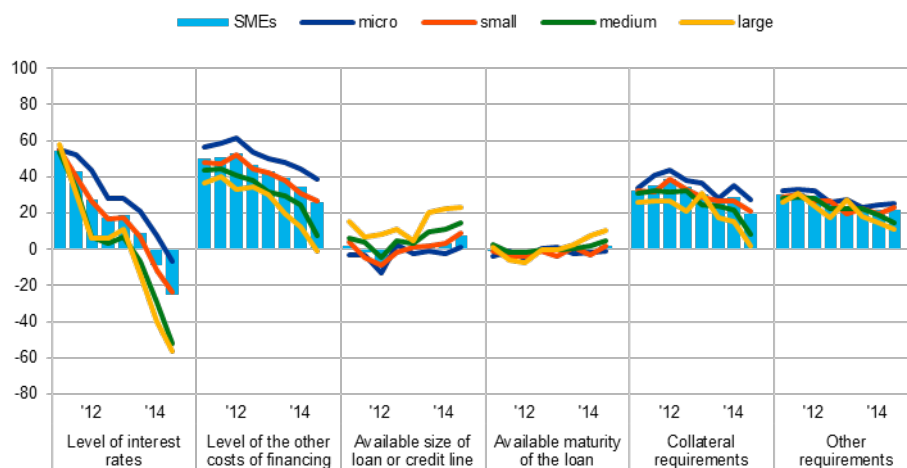
In line with the improvement in the availability of bank loans for all enterprises, euro area SMEs reported, on balance, a fall in interest rates (-25%, down from -9%) and an increase in the available size (8%, up from 3%) and maturity (2%, up from -1%) of loans and overdrafts (see Chart 20). The significantly negative net percentages regarding the level of **interest rates** reflect the reduction in aggregate bank lending rates, including those on very small loans (up to EUR 0.25 million) that occurred in the period from October 2014 to March 2015 and confirm the recent results of the euro area bank lending survey, which showed a net easing of credit standards. However, a net percentage of SMEs continued to indicate a tightening in the collateral and other requirements of banks.

**Large enterprises** benefited most from the improvement in the terms and conditions of bank loans. They reported a dramatic decline in interest rates (-56%, down from -40%) and an increase in the maturity of loans (10%, up from 7%). The same percentage of large firms (23%) as in the previous survey signalled, on balance, an increase in the available size of loans or credit lines.

**Chart 20**

**Change in terms and conditions of bank loans granted to euro area enterprises**

(over the preceding six months; net percentages of enterprises that had applied for bank loans)

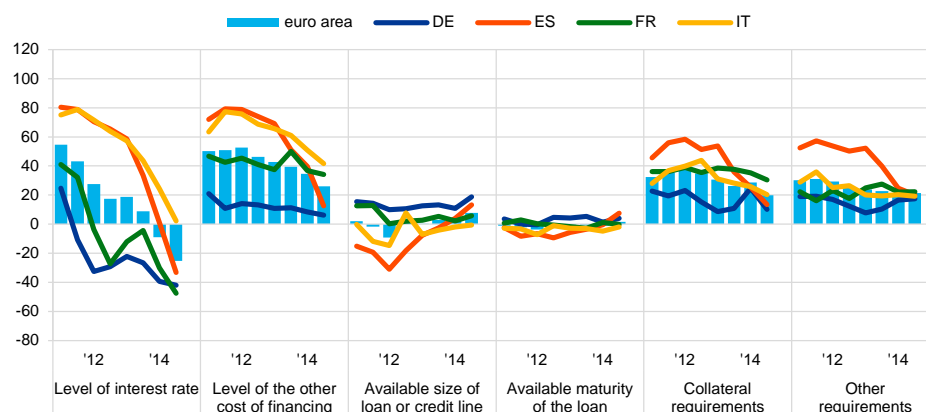


Base: Enterprises that had applied for bank loans (including subsidised bank loans), credit line, bank overdraft or credit card overdraft. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey. Note: See the note to Chart 18.

With regard to the large countries, the net percentage of the level of the interest rate for SMEs in Italy (2%, down from 24%) declined strongly but remained positive (see Chart 21), while SMEs in Spain reported a decline in interest rates for the first time (-33%, down from 1%). In the same vein, the decline in the net percentages reported by SMEs in France and Germany in the previous survey round continued at a faster pace. As far as the other indicators of price and non-price terms and conditions are concerned, country developments systematically signal a better situation for SMEs located in Germany, compared with the other large countries. In line with the reduction in interest rates, Spanish SMEs reported a significant decline in **other requirements** (20%, down from 25%).

**Chart 21****Change in terms and conditions of bank loans granted to euro area SMEs**

(over the preceding six months; net percentages of enterprises that had applied for bank loans)



Base: SMEs that had applied for bank loans (including subsidised bank loans), credit lines, bank overdrafts or credit card overdrafts. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.  
 Note: See the note to Chart 1.

In most of the other euro area countries (see Chart 8a in Annex 1), the net percentage of SMEs reporting a decline in bank lending rates was most pronounced in Belgium (-44%), Slovakia (-27%), the Netherlands (-14%) and Portugal (-20%). By contrast, SMEs in Ireland (25%), Greece (20%) and Finland (1%) reported, on balance, an increase in bank lending rates.

With respect to non-price terms and conditions, SMEs in Greece indicated, on balance, a decrease (-24%) in the **size of loans**. SMEs in other euro area countries reported an increase in loan size. Most noticeably, net percentages in Austria went up from 3% in the previous survey round to 12%.

**Collateral requirements** (see Chart 9a in Annex 1) remain on the high side – but declined since the previous survey round – for SMEs in Greece (46%), Austria (39%) and Finland (31%).

In this survey round, a set of ad hoc questions about the **presence and degree of collateralisation** in loan contracts was included. The question about whether collateral was required for their most recent loan was asked to all enterprises that applied for bank loans, which constitute 22% of enterprises. Across firm sizes, 59% of SMEs reported that the financing of their most recent loan was supported by collateral. Among these, the highest percentages were signalled by micro firms (65%) (see Table 2). On the other hand, fewer than 50% of large enterprises signalled that banks required any kind of collateral.



**Table 2****Euro area enterprises that had to provide collateral to receive a loan**

(over the preceding six months; percentage of respondents)

	SMEs	Micro	Small	Medium	Large
October 2014-March 2015	59	65	62	51	46

Base: Enterprises that had applied for bank loans (including subsidised bank loans) that required collateral. Figures refer to round 12 (October 2014-March 2015) of the survey.

Among large euro area countries, 68% of German SMEs and 54% of Italian SMEs signalled a request for collateral (see Table 3).

**Table 3****Euro area SMEs that had to provide collateral to receive a loan**

(over the preceding six months; percentage of respondents)

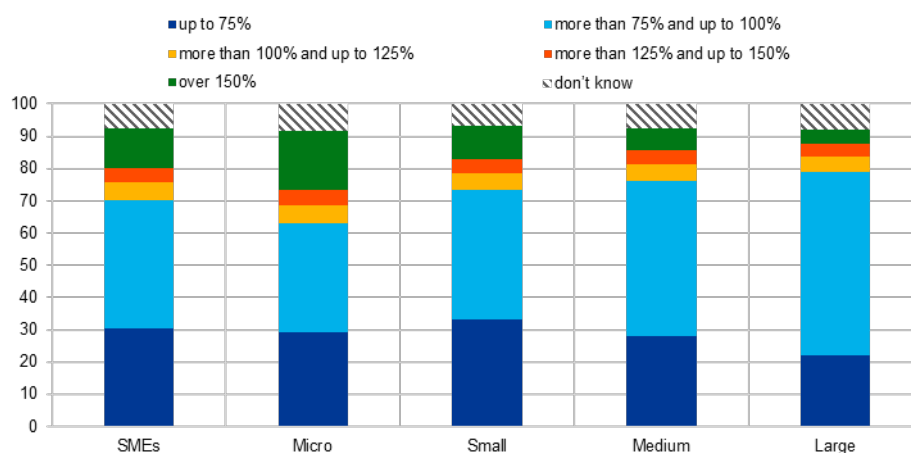
	Euro area	DE	ES	FR	IT
October 2014-March 2015	59	68	57	56	54

Base: SMEs that had applied for bank loans (including subsidised bank loans) that required collateral. Figures refer to round 12 (October 2014-March 2015) of the survey.

When asked about the **collateral-loan ratio**, euro area SMEs most often indicated collateral of between 75% and up to 100% of the size of the loan (40%) (see Chart 22), while for large enterprises the percentage was 57%. Values lower than 75% were reported by 30% of SMEs and 22% of large enterprises. In addition, values higher than 150% were reported by 18% of micro firms, but fewer than 10% of firms in the other size classes.

**Chart 22****Collateral-loan ratio required from euro area enterprises**

(over the preceding six months; percentage of respondents)



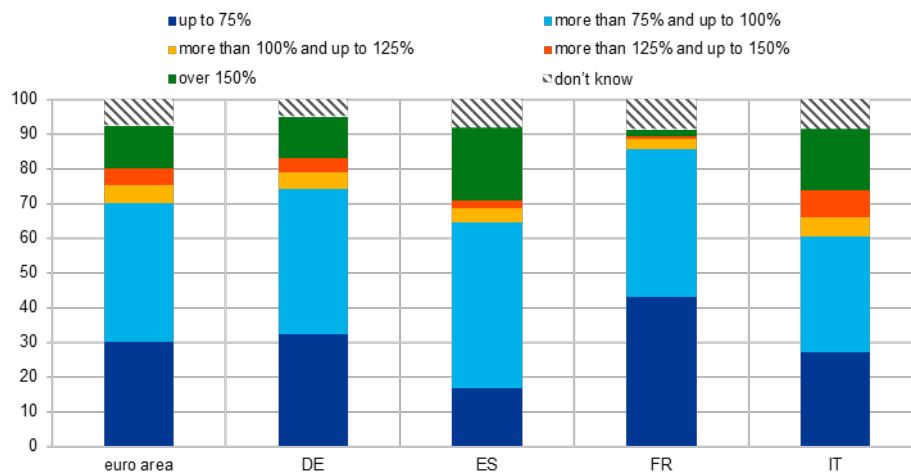
Base: Enterprises that had applied for bank loans (including subsidised bank loans) that required collateral. Figures refer to round 12 (October 2014-March 2015) of the survey.

Among large euro area countries, collateral of between 75% and 100% was reported by more than 40% by German, French and Spanish firms, but only 33% of Italian firms (see Chart 23). On the high side, 21% of Spanish and 18% of Italian SMEs indicated a value higher than 150% of the size of the loan they obtained.

**Chart 23**

**Collateral-loan ratio required from euro area SMEs**

(over the preceding six months; percentage of respondents)



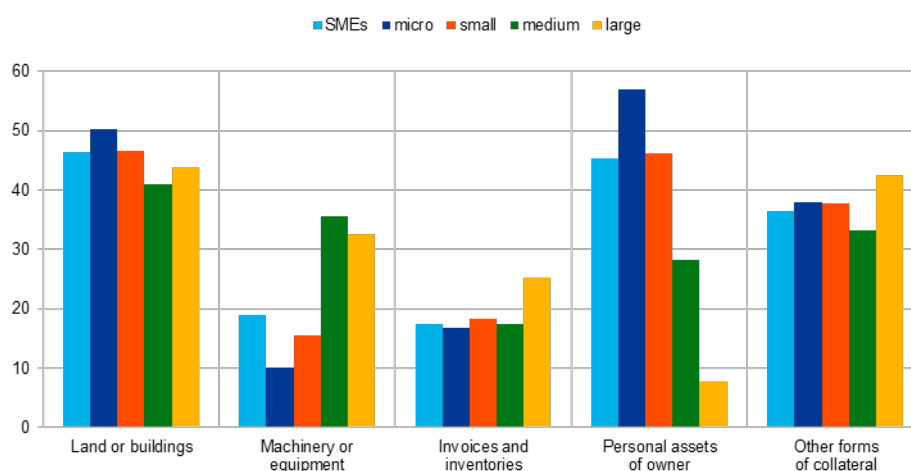
Base: SMEs that had applied for bank loans (including subsidised bank loans) that required collateral. Figures refer to round 12 (October 2014-March 2015) of the survey.

Firms were also asked to provide information on the **type of collateral** requested by banks (see Chart 24). The most common types of collateral for euro area SMEs were land or buildings (46%) and personal assets of the owner (45%), while for large enterprises these were land or buildings (44%) and other collateral (43%).

**Chart 24**

**Type of collateral required from euro area enterprises**

(over the preceding six months; percentage of respondents)



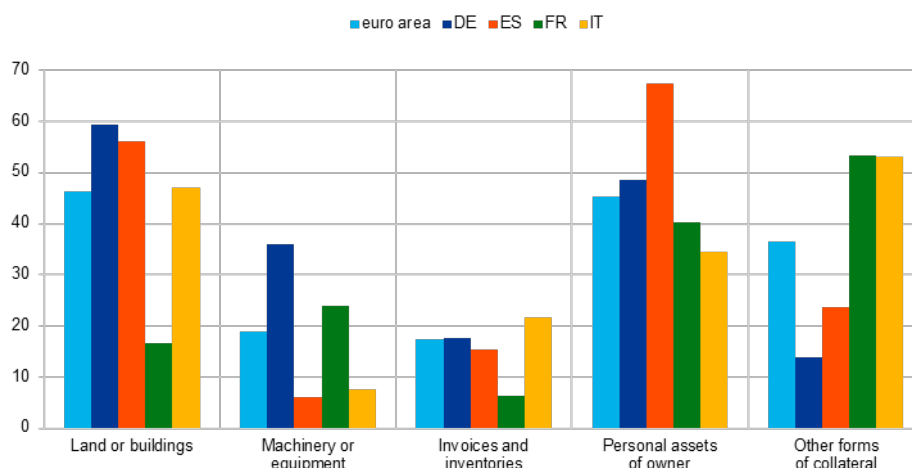
Base: Enterprises that had applied for bank loans (including subsidised bank loans) that required collateral. Figures refer to round 12 (October 2014-March 2015) of the survey.

Among large euro area countries, the most frequently required type of collateral was personal assets of the owner for Spanish SMEs (67%), land or buildings for German SMEs (67%), and other types of collateral for Italian (53%) and French (53%) SMEs (see Chart 25).

**Chart 25**

**Type of collateral required from euro area SMEs**

(over the preceding six months; percentage of respondents)



Base: SMEs that had applied for bank loans (including subsidised bank loans) that required collateral. Figures refer to round 12 (October 2014-March 2015) of the survey.

Some of the terms and conditions analysed in the previous charts are also important for explaining **why bank loans were not a relevant source of financing** for euro area SMEs (see Chart 26). First, the majority of SMEs, at the euro area level and in each country, reported that they simply do not need bank loans. Second, despite the decline in interest rates, price conditions are still considered too high by Greek, Spanish, Italian, Portuguese and Slovak SMEs; there are also some problems regarding the availability of bank loans (in particular in Greece and Ireland). Finally, insufficient collateral or guarantees were most often reported as a reason by Austrian, German, Greek and Italian SMEs, while too much paperwork being involved was an important reason for German and Slovak SMEs.

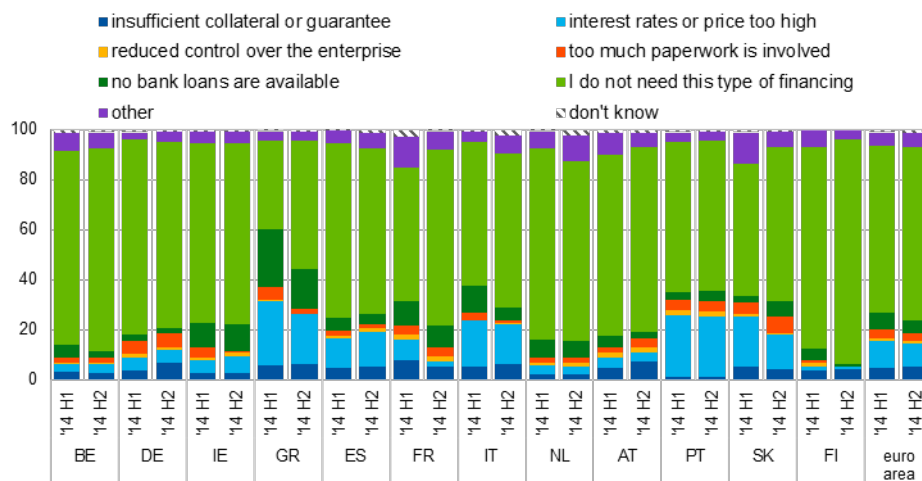
Looking at the percentages across sizes of enterprise, price conditions are important for micro and small enterprises (see Chart 4a in Annex 1). Overall, the bigger the enterprise, the more often loans were reported as not being relevant because they were not needed.

SMEs in the euro area were asked about **the size of the last loan** that they had obtained or attempted to obtain in the past six months (see Chart 27). The majority applied for small loans: 14% reported that they received a loan up to EUR 25,000 and 28% reported a loan of between EUR 25,000 and EUR 100,000. Large loans were obtained by 34% of SMEs: 22% reported a loan of between EUR 250,000 and EUR 1 million and 12% reported a loan that exceeded EUR 1 million.

**Chart 26**

**Reasons why bank loans are not a relevant source of financing for euro area SMEs**

(over the preceding six months; percentage of respondents)

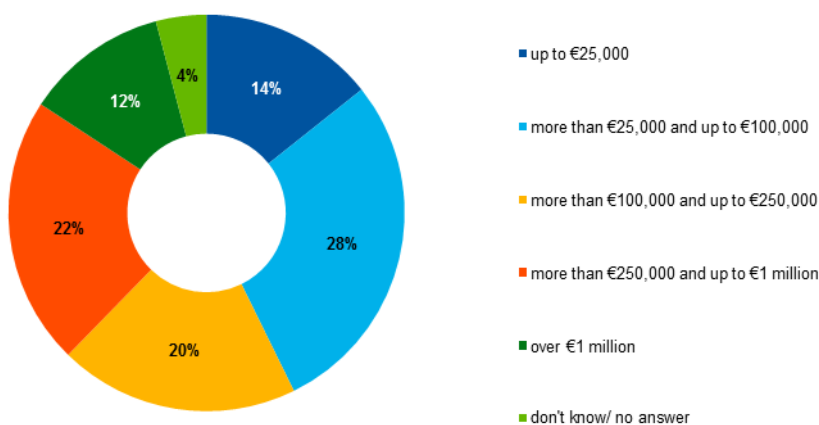


Base: SMEs for which bank loans are not a relevant source of financing. Figures refer to rounds 11 (April-September 2015) to 12 (October 2014-March 2015) of the survey.  
 Note: The figures are based on the new question introduced in round 11 (April-September 2014). In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

**Chart 27**

**Size of the last bank loan of euro area SMEs**

(over the preceding six months; percentages of enterprises that had applied for bank loans)



Base: SMEs that had applied for bank loans (including subsidised bank loans). Figures refer to round 12 (October 2014-March 2015) of the survey.  
 Note: The figures are based on the new question introduced in round 11 (April-September 2014).

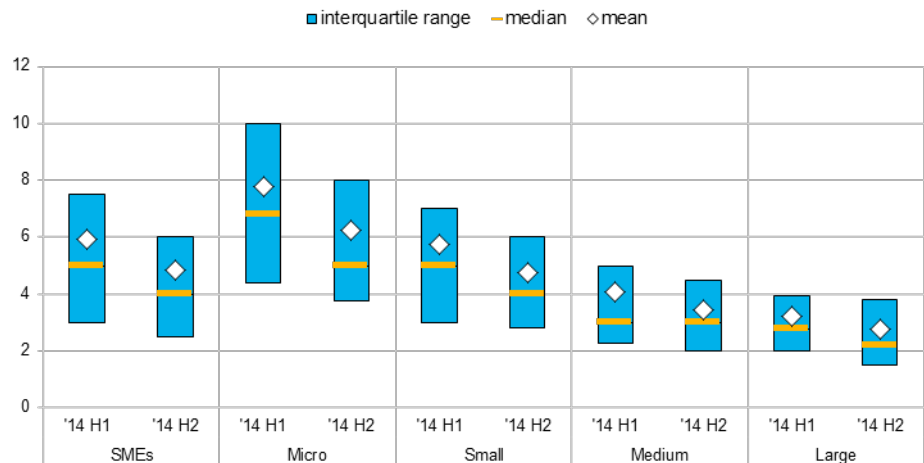
Concerning the price conditions of the loans obtained by SMEs, the survey included a question on the **interest rates charged by banks on credit lines and**

**overdrafts.**<sup>10</sup> Chart 28 indicates a clear size effect, as interest rates were reported to be higher for smaller-sized enterprises, although the largest decline in interest rates from the previous survey round concerns micro and small enterprises in particular. The decline has affected SMEs across the large euro area countries (see Chart 29).

### Chart 28

#### Interest rate charged for the credit line or bank overdraft to euro area enterprises

(percentages)



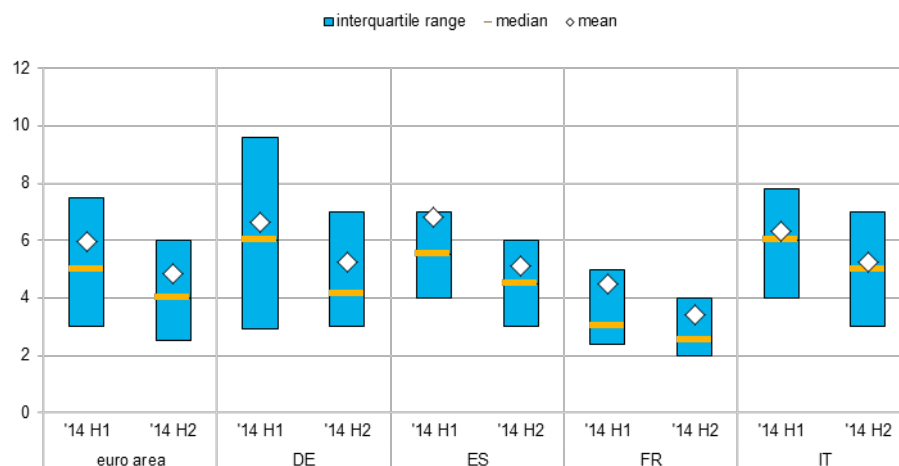
Base: Enterprises that had successfully applied for a credit line or bank overdraft or did not apply because the cost was too high. Figures refer to rounds 11 (April-September 2015) to 12 (October 2014-March 2015) of the survey.

Note: The interquartile range is defined as the difference between the 75th percentile and the 25th percentile. The figures are based on the new question introduced in round 11 (April-September 2014).

<sup>10</sup> From round 11 (April-September 2014), the question on the interest rate of the credit line or bank overdraft was added to the questionnaire. The weighted mean reported by euro area enterprises is around 50 basis points higher than the official MFIs interest rate statistics on bank overdrafts (average in the period from October 2014 to March 2015), while the median value is 50 basis points lower. Some caveats apply when comparing the figures reported in this report with the official bank interest rate statistics: (i) the bank statistics are weighted by the loan volumes, while the survey responses are weighted by the number of employees; and (ii) the bank statistics refer to the full financing granted in the period, while the survey includes all enterprises that had successfully applied for the credit line or bank overdraft or did not apply because the cost was too high.

**Chart 29****Interest rate charged for the credit line or bank overdraft to euro area SMEs**

(percentages)



Base: SMEs that had successfully applied for the credit line or bank overdraft or did not apply because the cost was too high. Figures refer to rounds 11 (April-September 2015) to 12 (October 2014-March 2015) of the survey.  
 Note: The interquartile range is defined as the difference between the 75th percentile and the 25th percentile. The figures are based on the new question introduced in round 11 (April-September 2014).

**Box 1****Financial situation and financing conditions of euro area SME exporters**

In the previous survey round, a new question on the percentage of turnover that is accounted for by exports of goods and services was asked for the first time. Based on the information collected in the previous and current survey rounds, this box compares the situation of export-oriented and non-export-oriented enterprises.

**Characteristics of the exporting enterprises**

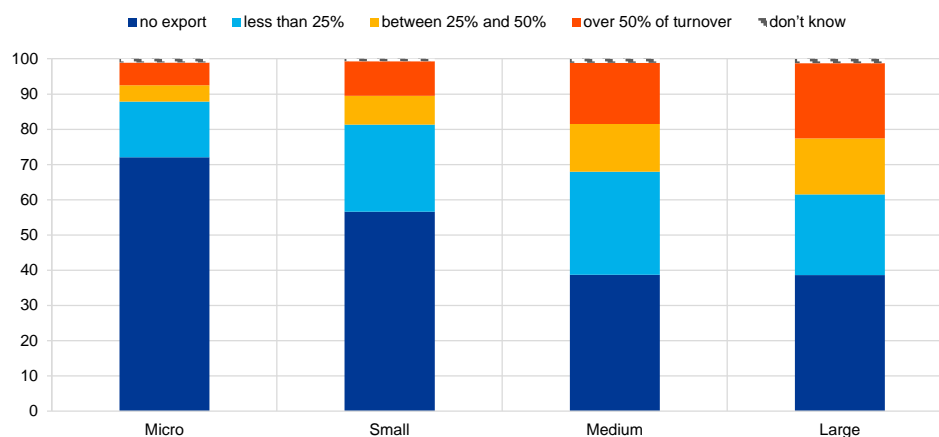
Looking at the latest survey results across euro area **countries**, the share of exporters is higher in smaller open countries (Austria, Belgium, Portugal, Slovakia and Ireland). Among larger countries, Germany has the highest percentage of exporters (52%), with the smallest companies exporting their products more often than those in France, Italy or Spain. On the other hand, only 36% of all enterprises in France replied that they had exported goods in the last year.

Non-exporters are usually smaller companies: the percentage of goods exported increases with **company size**, as measured in terms of the number of employees and turnover. Among the micro firms, only 7% of respondents replied that they export more than 50% of their turnover, while 17% of medium and 21% of large enterprises did so (see Chart A). Similarly, among the enterprises with low annual turnover (up to EUR 500,000), 76% of respondents replied that they had not exported any goods and services in the past year; for enterprises with turnover of more than EUR 50 million, this figure was only 30%.

## Chart A

### Breakdown of euro area enterprises by export brackets across size classes

(percentage of exports of goods and services in total turnover; weighted percentage of respondents)



Base: Figures refer to round 12 (October 2014-March 2015) of the survey.

### Turnover, costs and financial situation of exporting and non-exporting SMEs

While the income and debt situation of euro area enterprises has improved overall recently, exporters<sup>11</sup> are in a noticeably better position than non-exporters.

In net terms, more exporting SMEs reported an increase in **turnover** (19%, broadly unchanged since the previous survey period) than non-exporting SMEs (3%, up from 1%) (see Chart B). Exporters also fared better in terms of **profits**. In terms of **labour costs**, there is not much difference between exporting and non-exporting SMEs.

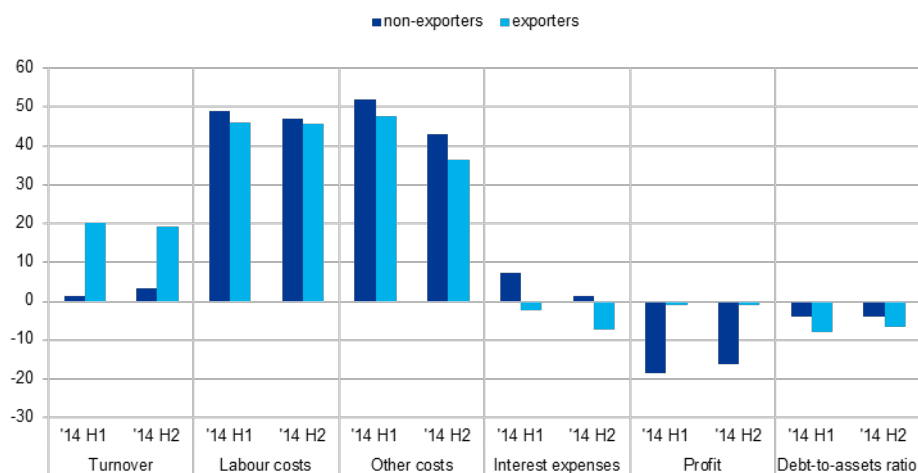
Exporting SMEs reported a decline in their **interest expenses** (-7%, down from -2%), while non-exporters still signalled an increase (1%, down from 7%). **Deleveraging**, on the other hand, was slightly more prevalent among exporters (-7%) than non-exporters (-4%).

<sup>11</sup> Exporters are enterprises which reported that the percentage of exported goods and services in their total turnover in the preceding year was above 0%.

## Chart B

### Change in the income and debt situation of euro area SMEs

(over the preceding six months; net percentage of respondents)



Base: All SMEs (enterprises for which the share of exports is not known were excluded). Figures refer to rounds 11 (April-September 2014) to 12 (October 2014-March 2015) of the survey.

Note: Exporters are enterprises which reported that the percentage of exported goods and services in their total turnover in the preceding year was above 0%.

### Availability of external financing

While the recent survey results do not show a clear distinction between the **financing needs** of companies engaged in exporting activities and those that are not, the availability of and access to finance is noticeably more favourable for exporters.

Exporting SMEs reported a stronger improvement in the **availability of various financing sources** in the period from October 2014 and March 2015 than the non-exporters: 13% of exporters versus 2% of non-exporters with regard to bank loans, 10% versus 2% for trade credit, and 9% versus 1% for bank overdrafts. Exporters also applied more frequently for financing, in particular for trade credit (35% versus 25% of non-exporters), but also for bank loans (34% versus 28%) and bank overdrafts (33% versus 30%).

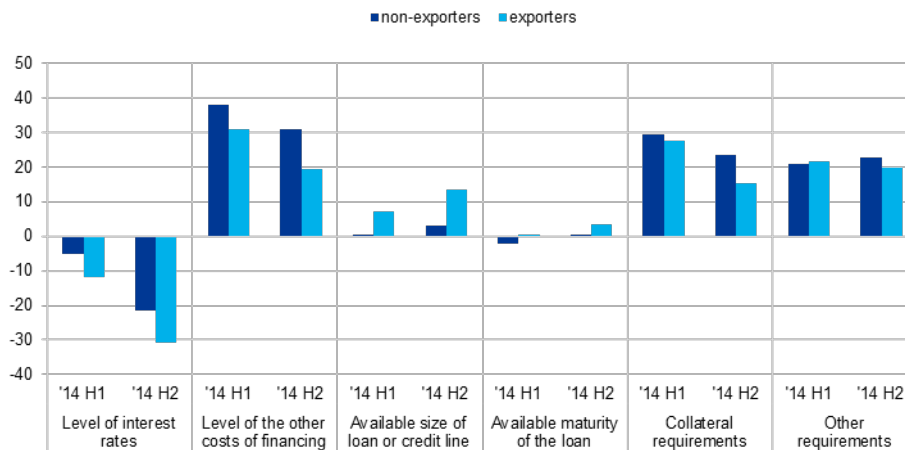
Easier access to finance for exporters can also be seen in the slightly higher rate of fully **successful applications** for bank loans (66% for exporters versus 63% for non-exporters), as well as in the lower rejection rate (7% versus 9%). More exporting than non-exporting SMEs reported an improvement in the **terms and conditions** of bank financing with respect to level of interest rates, available size and maturity of the loan. More non-exporters than exporters signalled an increase in **collateral requirements** and the level of the **costs of financing other than interest rates** (see Chart C).



### Chart C

#### Change in the terms and conditions of bank loans granted to euro area SMEs

(over the preceding six months; net percentage of respondents)



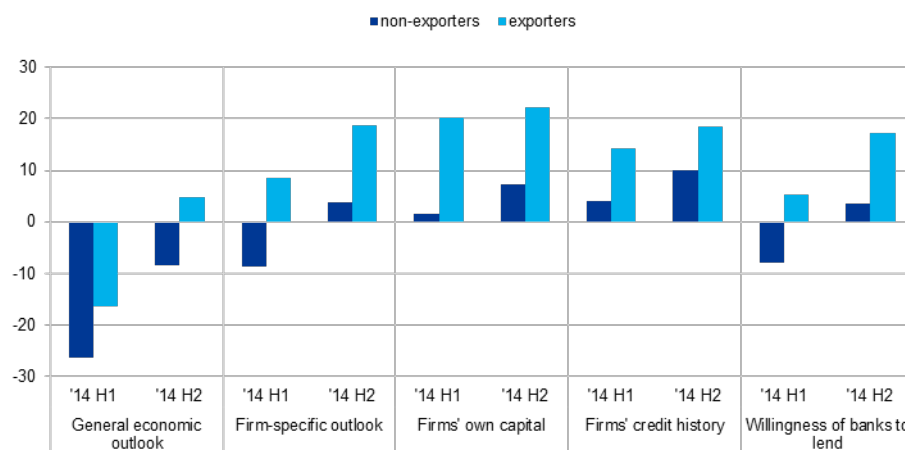
Base: SMEs that had applied for bank loans (including subsidised bank loans), credit lines, bank overdrafts or credit card overdrafts. Figures refer to rounds 11 (April-September 2014) to 12 (October 2014-March 2015) of the survey.  
 Note: See the note to Charts 1, 8 and B.

These results are consistent with the fact that greater numbers of exporters reported an improvement in all **factors affecting financial availability**, from the general economic outlook to their firm-specific situation, credit history and own capital (see Chart D).

### Chart D

#### Change in factors with an impact on the availability of external financing to euro area SMEs

(over the preceding six months; net percentage of respondents)



Base: All SMEs (enterprises for which the percentage of exports is not known were excluded); for the category "Willingness of banks to lend", SMEs for which at least one bank financing instrument (credit line, bank overdraft, credit card overdraft, bank loan, subsidised bank loan) is relevant. Figures refer to rounds 11 (April-September 2014) to 12 (October 2014-March 2015) of the survey.  
 Note: See the note to Charts 1, 8 and B.

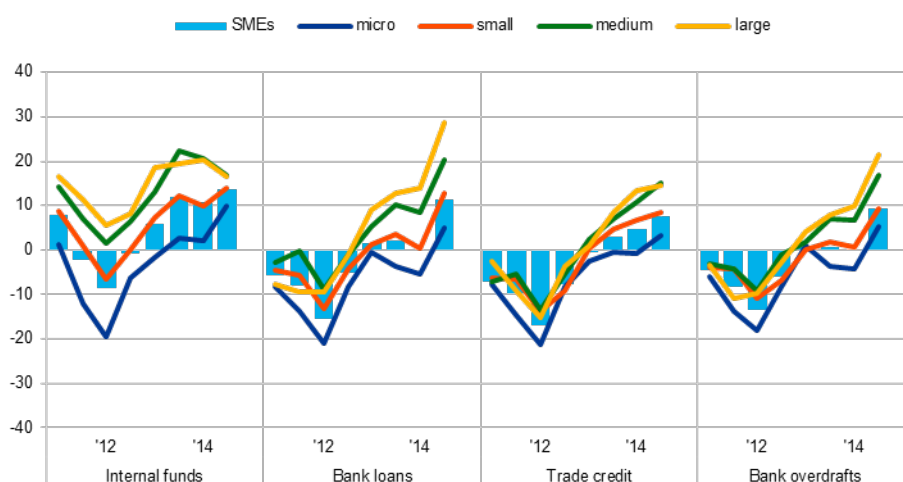
## 4 Expectations regarding access to finance

For the coming six-month period (April to September 2015), euro area SMEs expected, on balance, a significant improvement in the **availability of bank loans** (11%, compared with 0% for the period from October 2014 to March 2015) and **bank overdrafts** (9%, compared with 0%) (see Chart 30). In addition, they expected **internal funds** (retained earnings or sale of assets) and **trade credit** for the same period to improve on balance, but to a lesser extent (14% and 8% respectively, compared with 11% and 5% respectively in the previous period).

**Chart 30**

Change in euro area enterprises' expectations regarding the availability of financing

(over the preceding six months; net percentage of respondents)



Base: Enterprises for which the respective instrument is relevant. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.  
Note: See the note to Charts 1 and 8.

Among **SMEs**, micro enterprises were more optimistic regarding the availability of external funds, as their expectations for the period from April to September 2015 turned positive for bank loans, bank overdrafts and trade credit (5%, 5% and 3% respectively, up from -5%, -4% and -1% respectively). They also expected a significant further increase in internal funds (10%, up from 2%). Optimism was also signalled by SMEs' expectations of further improvements in the availability of internal and external financing sources.

**Large enterprises** expected a greater improvement in the availability of bank loans (29%, up from 14%), bank overdrafts (21%, up from 10%) and to a lesser extent trade credit (14%, up from 13%). They also expected a somewhat smaller increase in their internal funds (17%, down from 20%).

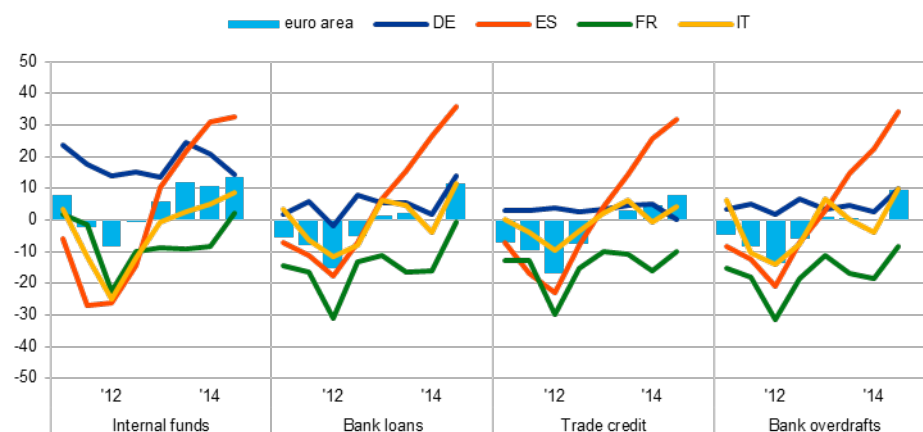
According to new information available since this survey round, the expectations by firm size regarding the availability of **other loans** and **leasing or hire purchase** are positive and increasing for the coming six-month period.

**These positive developments were widespread in most, but not all countries.** In Spain, there was a strong improvement in the outlook of SMEs regarding their access to finance for the different sources of external finance and, to a lesser extent, for internal funds. The outlook of SMEs in France regarding external financing sources was less negative than previously (see Chart 31). In Italy, SMEs were more optimistic regarding the availability of external funds, as their expectations for April to September 2015 turned positive for bank loans, bank overdrafts and trade credit (11%, 10% and 4% respectively). Expectations regarding the availability of external sources of finance improved significantly for SMEs in Portugal (28% for bank loans, up from 6%) (see Chart 10a in Annex 1).

### Chart 31

#### Change in euro area SMEs' expectations regarding the availability of financing

(over the preceding six months; net percentage of respondents)



Base: SMEs for which the respective instrument is relevant. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.  
Note: See the note to Charts 1 and 8.

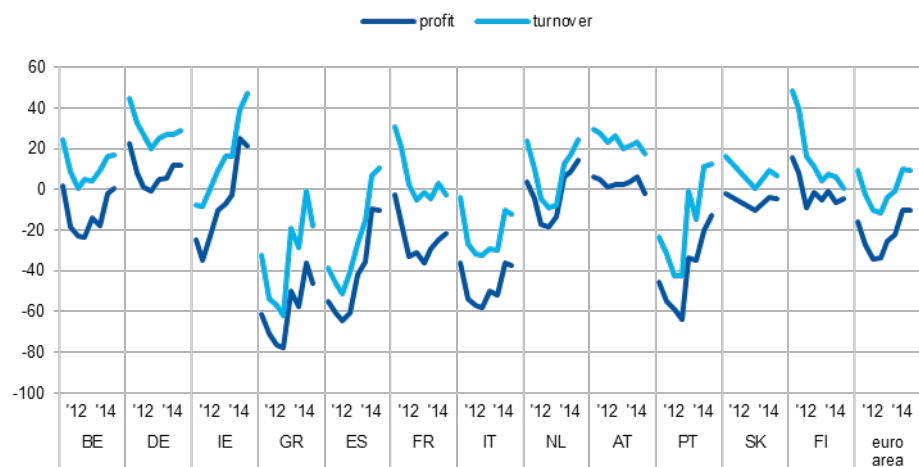
# Annex 1

## Euro area enterprises – overview of the survey replies

**Chart 1a**

Change in turnover and profit of SMEs across euro area countries

(over the preceding six months; net percentage of respondents)

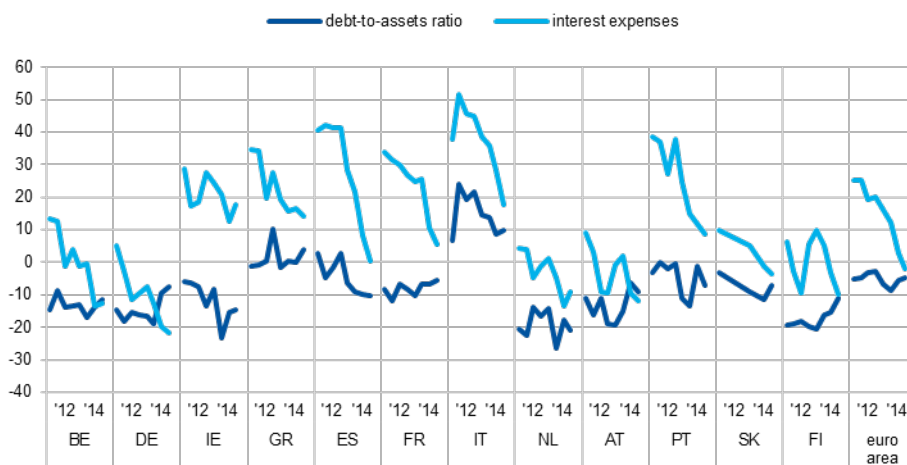


Base: All SMEs. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.  
 Note: See the note to Chart 1. In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

**Chart 2a**

Change in debt to total assets and interest expenses of SMEs across euro area countries

(over the preceding six months; net percentage of respondents)

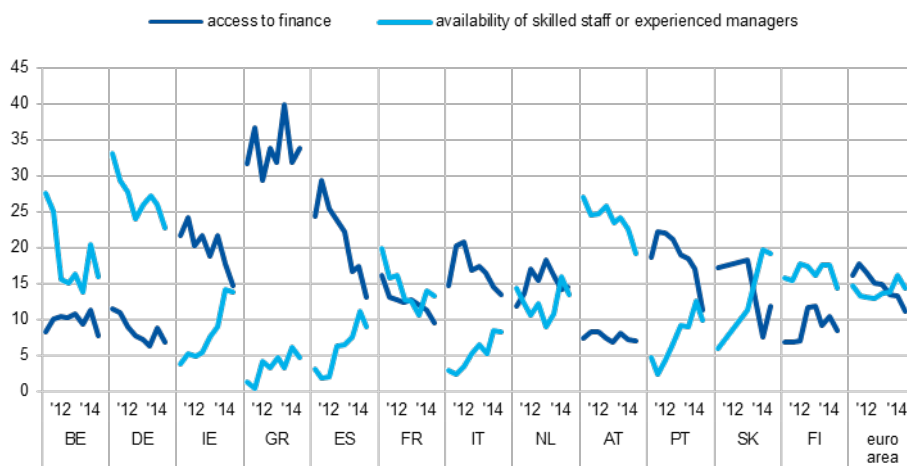


Base: All SMEs. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.  
 Note: See the note to Chart 1. From round 11 (April-September 2014), the concept of "Net interest expenses (what you pay in interest for your debt minus what you receive in interest for your assets)" was changed to "Interest expenses (what your company pays in interest for its debt)". The latest results may therefore not be comparable with those of the previous rounds. In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

**Chart 3a**

The most important problems faced by euro area SMEs across euro area countries

(percentage of respondents)

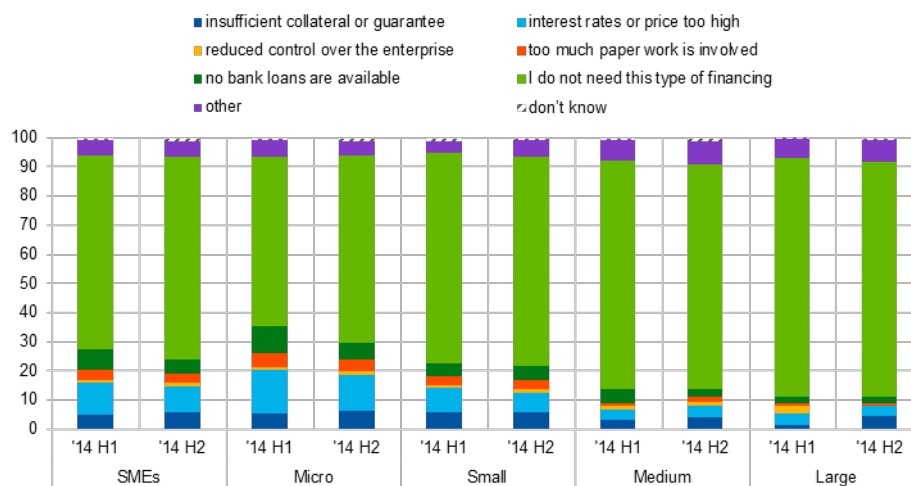


Base: All SMEs. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.  
 Note: See the notes to Chart 3. In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

**Chart 4a**

**Reasons why bank loans are not a relevant source of financing for euro area enterprises**

(over the preceding six months; percentage of respondents)

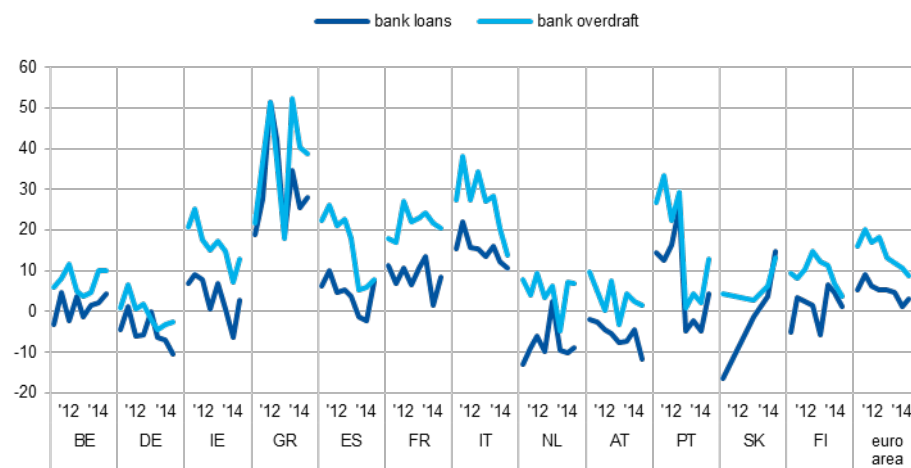


Base: Enterprises for which bank loans are not a relevant source of financing. Figures refer to rounds 11 (April-September 2014) to 12 (October 2014-March 2015) of the survey.  
 Note: The figures are based on the new question introduced in round 11 (April-September 2014).

**Chart 5a**

**Change in euro area SMEs' need for bank loans and overdrafts**

(over the preceding six months; net percentage of respondents)

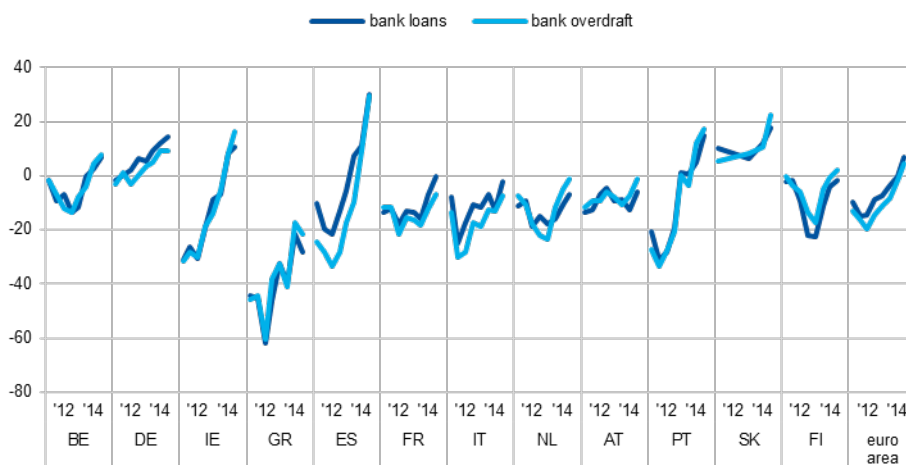


Base: SMEs for which the respective instrument is relevant. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.  
 Note: See the note to Charts 1 and 8. In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

**Chart 6a**

**Change in the availability of bank loans and overdrafts, as perceived by SMEs across euro area countries**

(over the preceding six months; net percentage of respondents)

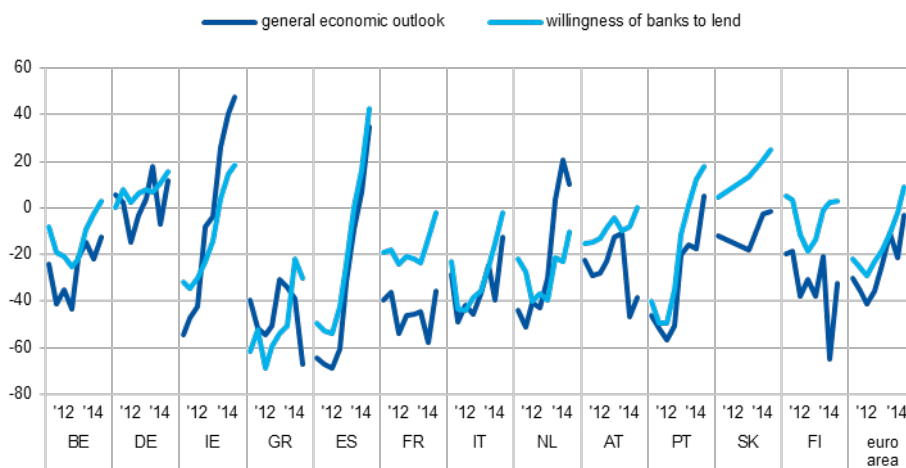


Base: SMEs for which the respective instrument is relevant. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.  
Note: See the note to Charts 1 and 8. In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

**Chart 7a**

**Change in factors having an impact on the availability of external financing for SMEs across euro area countries**

(over the preceding six months; net percentage of respondents)

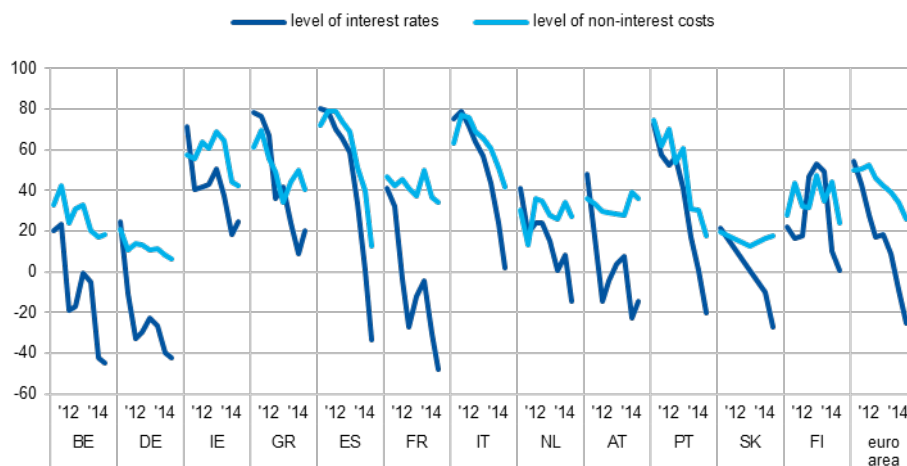


Base: All SMEs; for the category "Willingness of banks to lend", these are SMEs for which at least one bank financing instrument (credit line, bank overdraft, credit card overdraft, bank loan, subsidised bank loan) is relevant. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.  
Note: See the note to Charts 1 and 8. From round 11 (April-September 2014), the category "Willingness of banks to provide a loan" was reformulated slightly to "Willingness of banks to provide credit to your enterprise". In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

**Chart 8a**

**Change in the cost of bank loans granted to SMEs across euro area countries**

(over the preceding six months; net percentages of enterprises that had applied for bank loans)

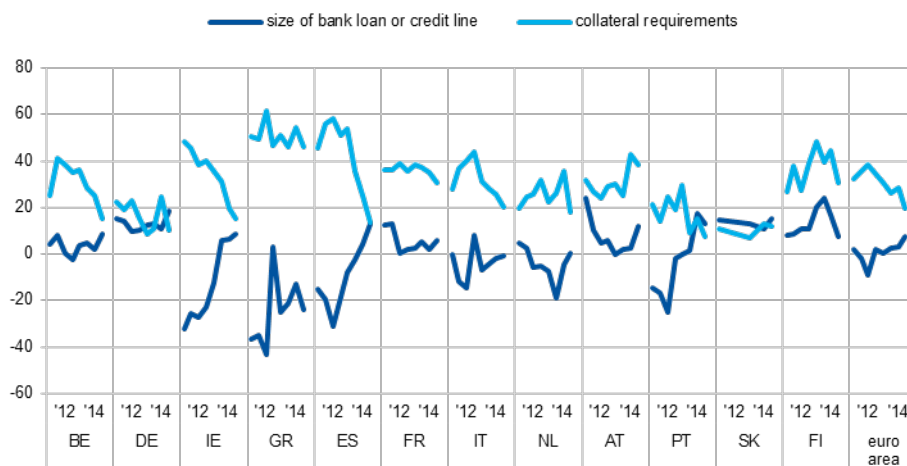


Base: SMEs that had applied for bank loans (including subsidised bank loans), credit lines, bank overdrafts or credit card overdrafts. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey. Note: See the note to Chart 1. In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

**Chart 9a**

**Change in non-price terms and conditions of bank loans granted to SMEs across euro area countries**

(over the preceding six months; net percentages of enterprises that had applied for bank loans)



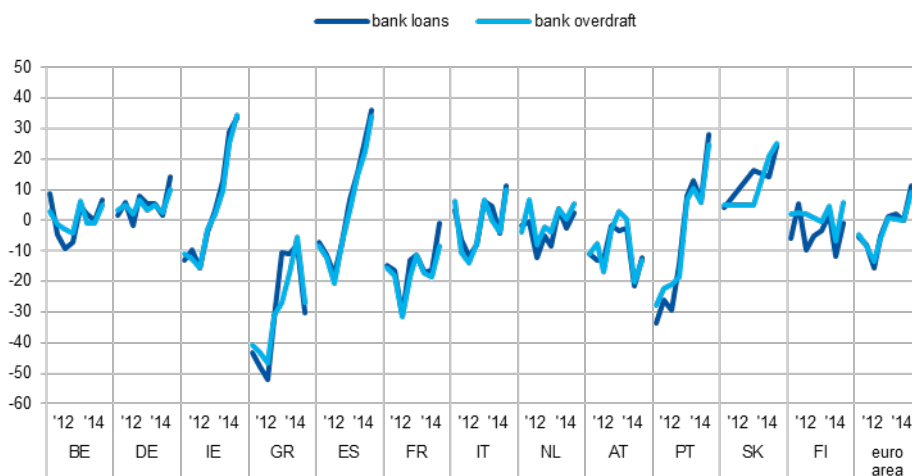
Base: SMEs that had applied for bank loans (including subsidised bank loans), credit lines, bank overdrafts or credit card overdrafts. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey. Note: See the note to Chart 1. In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.



### Chart 10a

#### SMEs' expectations regarding the availability of bank loans and overdrafts across euro area countries

(over the preceding six months; net percentages of respondents)



Base: SMEs for which the respective instrument is relevant. Figures refer to rounds five (April-September 2011) to 12 (October 2014-March 2015) of the survey.

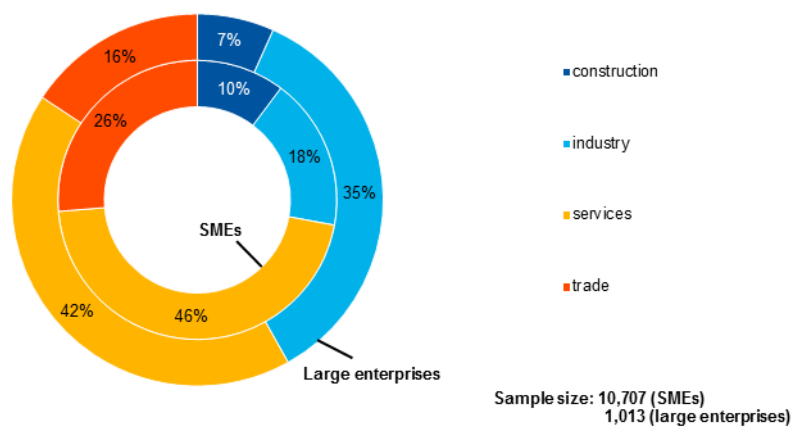
Note: See the note to Charts 1 and 8. In Slovakia, the survey was initially conducted every two years (H1 2009, H1 2011 and H1 2013). As from 2014, Slovakia is included in the sample in each survey round.

## Annex 2

# Descriptive statistics for the sample of enterprises

**Chart 1b**  
Breakdown of enterprises across economic activities

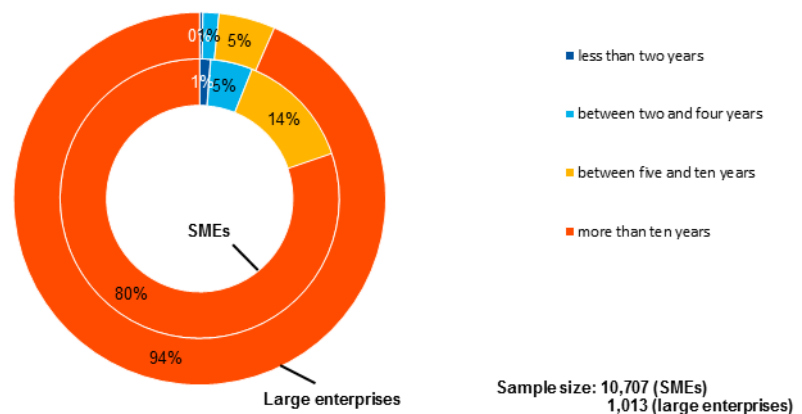
(weighted percentage)



Base: Figures refer to round 12 (October 2014-March 2015) of the survey.

**Chart 2b**  
Breakdown of enterprises by firm age

(weighted percentage)

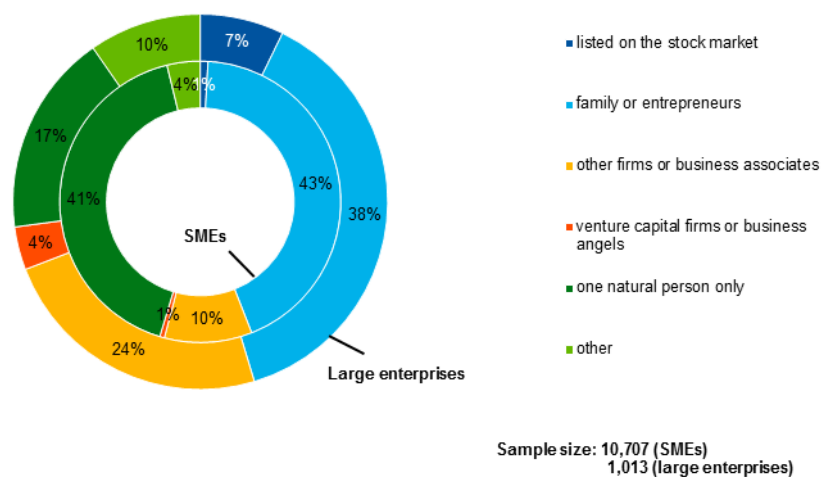


Base: Figures refer to round 12 (October 2014-March 2015) of the survey.

**Chart 3b**

Breakdown of enterprises according to ownership

(weighted percentage)

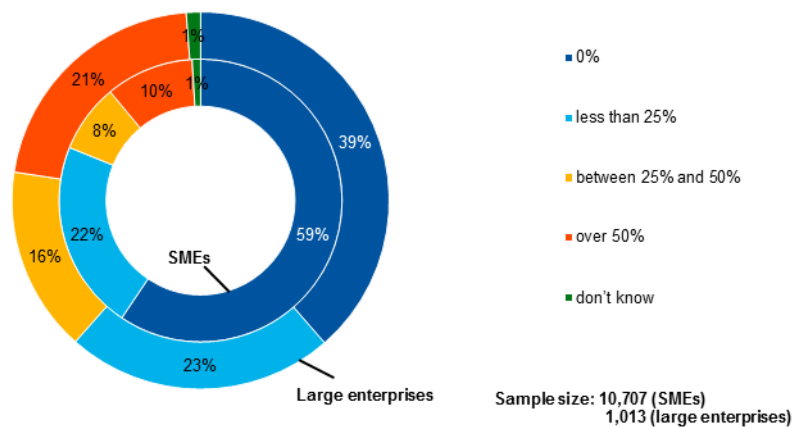


Base: Figures refer to round 12 (October 2014-March 2015) of the survey.

**Chart 4b**

Breakdown of enterprises according to exports

(weighted percentage)



Base: Figures refer to round 12 (October 2014-March 2015) of the survey.

# Annex 3

## Methodological information on the survey

This annex presents an overview of the methodology of the Survey on Access to Finance of Enterprises (SAFE), focusing on the set-up of the study and the general characteristics of the euro area enterprises that participated in the survey.

### Background

The data presented in this report were collected through a survey of enterprises in the euro area.

In 2009, i.e. for the first two rounds, the SAFE was carried out by Gallup. From 2010 to March 2014, rounds three to ten were conducted by IPSOS MORI, in cooperation with the IPSOS network of national research agencies in the various Member States. Since September 2014 the survey has been carried out by Panteia b.v., in cooperation with the fieldwork provider GDCC. To the best of our knowledge, no breaks in the series are attributable to the change of provider.

However, some changes in the questionnaire may have caused a break between the round covering the second half of 2013 and that covering the first half of 2014. This stems from the review of various components of the SAFE after ten survey rounds, covering the questionnaire, sample allocation, survey mode and weighting scheme (see the corresponding report on the ECB's website for details<sup>12</sup>). In this survey round there were no major changes introduced in the questionnaire, although some questions were slightly rephrased (see the section below entitled "Questionnaire").

### Fieldwork

The survey interviews for this round were conducted between 16 March and 25 April 2015. The interviews were conducted mostly by telephone (using computer-assisted telephone interviewing, or CATI). The enterprises had also an opportunity to fill in the questionnaire online (using computer-aided web interviewing, or CAWI). However, this option was used by only 5.5% of the respondents. The interviewee in each company was a top-level executive (general manager, financial director or chief accountant).

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<sup>12</sup> <https://www.ecb.europa.eu/pub/pdf/other/accesstofinancesmallmediumsizedenterprises201411.en.pdf>

## Sample selection

The companies in the sample are selected randomly from the Dun & Bradstreet business register. The sample is stratified by country, enterprise size class and economic activity.

The number of firms in each of these strata was adjusted to increase the accuracy of the survey across activities and size classes. For example, the proportion of small firms selected for the sample was higher than their economic weight. The results were then adjusted using the appropriate weights (see the “Weighting” section below).

The total euro area sample size was 11,720 enterprises, of which 10,707 had fewer than 250 employees.

## Sample allocation across countries

The sample sizes in the different countries were selected on the basis of a compromise between the costs of the survey at the euro area level and representativeness at the country level. The sample size in the seven euro area countries, aside from the four largest euro area countries (Germany, France, Italy and Spain), that are included in the survey every time (Belgium, Ireland, Greece, the Netherlands, Austria, Portugal and Finland) was increased in the round covering the second half of 2010 to 500 enterprises in each country, enabling some significant results to be drawn for these countries. In the round covering first half of 2014, the sample size was further increased for the four largest euro area countries to 1,500 enterprises in Germany, France, Italy and Spain, and to a lesser extent in the Netherlands, Slovakia and Slovenia, in order to better reflect their share of employment in Europe. In this round, the targets for the number of interviews were increased again for the small countries (Belgium, Greece, Austria and Portugal) to 800 companies and to 1,000 in the Netherlands.

As is the case in every March round<sup>13</sup>, the smallest countries in the euro area (Estonia, Cyprus, Latvia, Lithuania, Luxembourg, Malta and Slovenia) were excluded from the sample. Since they represent less than 3% of the total number of employees in the euro area, this had only a very marginal impact on the results for the euro area as a whole. As from 2014 Slovakia is included in the sample in each survey round, while initially it was included only every two years (H1 2009, H1 2011 and H1 2013).

Consequently, the aggregated country data are available<sup>14</sup> in the form of time series for (i) all size classes (micro, small, medium and large enterprises, and SMEs as a whole) in four largest euro area countries, and (ii) only for SMEs as a whole in

<sup>13</sup> Before 2013 the more comprehensive survey with an extended sample covering all EU countries plus some neighbouring countries was run every two years (2009 and 2011). The categories “Euro area countries” and “Other small euro area countries” shown in the report take into account the composition of the euro area at the time to which the statistics relate.

<sup>14</sup> See the Statistical Data Warehouse (SDW): <http://sdw.ecb.europa.eu/browseSelection.do?node=9138811>

Belgium, Ireland, Greece, the Netherlands, Austria, Portugal, Slovakia and Finland. The data for the smallest countries (Estonia, Cyprus, Latvia, Lithuania, Luxembourg, Malta and Slovenia) are not published at the country level but they are included in the aggregate comprising smaller euro area countries (i.e. countries except Germany, France, Italy and Spain) available for all size classes.

Table 1c shows the structure of the sample for the euro area countries in this survey round.

**Table 1c**

Number of interviews conducted with euro area enterprises, broken down by country

	Number of interviews		Number of interviews
Belgium	801	Italy	1,503
Germany	1,500	Netherlands	1,001
Ireland	501	Austria	801
Greece	800	Portugal	802
Spain	1,506	Slovakia	502
France	1,503	Finland	500

### Sample allocation across size classes

As regards the stratification by firm size class, the sample was constructed to offer comparable precision for micro (1-9 employees), small (10-49 employees) and medium-sized (50-249 employees) enterprises, taking into account total employment in these size classes. In addition, a sample of large enterprises (250 or more employees) was included in order to make it possible to compare developments for SMEs with those for large enterprises.

In the previous survey round, the sample allocation across size classes was amended to better reflect the distribution between the micro, small and medium-sized enterprises, with the aim of improving the precision in the main domains of interest measured in the survey. In comparison to the previous sample allocation, the share of the micro enterprises increased, and this was offset by the decrease in that of medium-sized companies, reflecting the distribution of euro area employment. The share of large enterprises in the SAFE sample remained broadly unchanged, since the survey focuses on SMEs. This is also dictated by the fact that the share of the total population accounted for by large firms is not large.

In this survey round, the allocation across size classes remained the same, i.e. in the countries where the sample size increased, the number of enterprises in each size class increased proportionally to the increase in the sample size of the country.

**Table 2c**

Number of interviews conducted with euro area enterprises, broken down by firm size class

	Number of interviews		Number of interviews
Micro	4,593	Medium-sized	2,817
Small	3,297	Large	1,013

## Sample allocation across sectors

The sample sizes for each economic activity were selected to ensure sufficient representativeness across four major activities: industry, construction, trade and other services (see Table 1c). The statistical stratification was based on economic activities at the one-digit level of the European NACE classification (presented here according to Rev. 2). Enterprises from mining and quarrying (B), manufacturing (C), electricity, gas, steam and air conditioning supply (D), and water supply, sewerage, waste management and remediation activities (E) were combined under “industry”. “Construction” is simply construction (F). “Trade” includes wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods (G). “Services” includes enterprises in transport and storage (H), accommodation and food service activities (I), information and communication (J), real estate activities (L), professional, scientific and technical activities (M), administrative and support service activities (N), arts, entertainment and recreation (R) and other service activities (S).

Agriculture, forestry and fishing (A), financial and insurance activities (K), public administration and defence; compulsory social security (O), education (P), human health and social work activities (Q)<sup>15</sup>, activities of households as employers; undifferentiated goods- and services-producing activities of households for own use (T), activities of extra-territorial organisations and bodies (U), holding companies (NACE 64.20) and private non-profit institutions were excluded from the sample.

**Table 3c**

Number of interviews conducted with euro area enterprises, broken down by economic activity

	Number of interviews		Number of interviews
Industry	3,115	Trade	3,267
Construction	1,322	Services	4,016

<sup>15</sup> The enterprises that fall under education and health services have been excluded from the SAFE sample since the 11th survey round. Since the SAFE respondents rarely belonged to these sectors, the loss of information stemming from their exclusion is negligible. See the corresponding website report for details:

<https://www.ecb.europa.eu/pub/pdf/other/accesstofinancesmallmediumsizedenterprises201411.en.pdf>

## Weighting

In order to restore the modified proportions, calibrated weights were used with regard to company size and economic activity (see the section above entitled “Sample selection”). Since the economic weight of the companies varies according to their size, there are two main classes of weights which can be used: (i) weights that restore the proportions of the number of enterprises in each size class, economic activity and country; and (ii) weights that restore the proportions of the economic weight of each size class, economic activity and country. In this report, the second set of weights is used, as the objective is to measure the effect of access to finance on economic variables. The number of persons employed is used as a proxy for economic weight.<sup>16</sup>

The calibration targets were derived from the latest figures from Eurostat’s structural business statistics (SBS) in terms of the number of persons employed, economic activity, size class and country, with figures from national accounts and different country-specific registers used to cover activities not included in the SBS regulations, as well as from figures from the European Commission’s SME Performance Review.

In the previous survey round, the weighting scheme was changed to reflect the exclusion of the P and Q sectors from the target population of the survey. In this way, this revised weighting scheme better reflects the economic weight of the enterprises active in the market services.

## Questionnaire

The questionnaire used for the survey is available on the ECB’s website. It was translated into the respective languages for the purposes of the survey.

In this round, it included additional questions on the collateral required from the enterprises that had applied for bank loans (including subsidised bank loans).

This section describes the main changes introduced in the questionnaire in this round of the survey and the motivation for them. The amendments include the addition of (i) tailored questions for panel respondents, (ii) ad hoc questions, (iii) new categories, and (iv) reformulation of existing questions.

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<sup>16</sup> According to official statistics, 92% of enterprises in the euro area are micro enterprises (with one to nine employees), 7% are small enterprises, 1% are medium-sized enterprises and 0.2% are large enterprises. However, in terms of economic weight, as measured by the number of persons employed, micro enterprises represent 31% of all enterprises, small enterprises 22%, medium-sized enterprises 16% and large enterprises 30%.



### (i) Tailored questions for panel respondents (questions on characteristics of the enterprise)

As of this survey round, the questions on the characteristics of the enterprise (Section 1 of the questionnaire) were rephrased for those enterprises that participated in earlier round(s) of the survey. The questions were either directly based on the responses collected in an earlier round (e.g. “Can you confirm that your enterprise is a subsidiary of another enterprise?”) or the respondent was asked for confirmation if the current answer diverged significantly from the information provided previously (e.g. “The last time your enterprise was interviewed, the share of total turnover accounted for by exports was less than 25%. Can you confirm that it is now over 50%? If not, what is the correct number?”).

### (ii) Ad hoc questions

Three questions on collateral requirements were included in the questionnaire in this survey round.

In *question Q41A* the enterprises that had applied for bank loans (including subsidised bank loans) were asked whether some collateral was required. In *question Q41B* the respondents were then asked about the type of collateral, and *question Q41C* concerned the value of the collateral as a percentage of the size of the loan.

### (iii) Addition of new categories

The “other” category was removed from the questions on financing needs (*question Q5*), availability (*question Q9*) and expectations about future availability of financing (*question Q23*). It included instrument such as loans from a related company, shareholders or family and friends (i.e. the “other loan” category), and leasing, factoring, grants, subordinated debt instruments, participating loans, peer-to-peer lending and crowdfunding. This residual category was replaced with the two most frequently used instruments from this set – “leasing or hire purchase” and “other loan” – and they are added as separate categories.

### (iv) Reformulation of existing questions

#### Follow-up questions to *question Q4* for bank loans and trade credit

In the previous survey round, *question Q4* was reformulated so that the respondent is first asked if a particular instrument is relevant, i.e. if the enterprise has used it in the past or considered using it in the future. If so, a follow-up question is asked as to whether the instrument has been used in the past six months. However, for two instruments – bank loans and trade credit – the follow-up question was not asked,

since the information should be equivalent to the successful application for the respective instrument in the past six months (*question Q7B*), i.e. the enterprise used the loan or trade credit in the past six months if it had received at least part of the amount for which it had applied. However, the lack of a follow-up question for those instruments caused a clear break in the series, which is why it is now included for all instruments in *question Q4*.

## Addition or reformulation of the definitions of financial terms

Many definitions of financial terms (e.g. inventories and other working capital, equity capital, peer-to-peer lending, crowdfunding, loan covenants and credit history), which are read out by the interviewer if the respondent has difficulties in understanding them, were clarified, added, expanded or made more precise.

At the same time, the English terminology and corresponding translations were unified across the questionnaire, e.g. for equity capital and debt securities issued.

## Other changes

Some questions were reformulated slightly or categories were re-ordered without the meaning being changed in order to make them more precise or clearer to the respondents.

The following further minor amendments were made to the questionnaire:

- in *question D3* on the main activity, the term “manufacturing” was replaced by “industry”;
- in *question D3* on ownership of the enterprise, the categories were reordered from the simplest to more complex ownership structures;
- in *question Q0B*, the term “pressing problem”, which was not easy to translate into other languages, was replaced by “important problem”;
- in *question Q6A* on the purpose of financing, the scope was extended from solely external financing to financing obtained from both external sources and funds generated by the enterprise;
- some categories of *question Q7B* on the outcome of the application were shortened, but without changing their meaning.

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**Postal address** 60640 Frankfurt am Main, Germany  
**Telephone** +49 69 1344 0  
**Internet** [www.ecb.europa.eu](http://www.ecb.europa.eu)

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