

# Q3 SME PULSE SURVEY

We know the knowledge of our broker panel is our best resource when it comes to understanding the SME lending market.

That's why we have launched our SME Pulse Survey, a quarterly survey, providing you with the opportunity to share your views on the market with us

We'll use the insight gained from the survey to improve our bank in ways that will benefit both you, the broker, and the businesses we lend to. We'll also aim to track emerging patterns in the sector over time and share those with you.

## KEY HEADLINES FOR Q3

**54%**

Over half of brokers see a rising appetite from SMEs for external funding, up 6% from Q2 Pulse

**43%**

The majority cited rising costs as the driving force, over a third pointed to growing business confidence

**40%**

Property purchase was the most common purpose for taking out a loan followed by business expansion

**60%**

Almost two-thirds are yet to be convinced that the Consumer Duty rules will benefit the industry and their clients.

**53%**

Just over half are seeing a dampening of demand from commercial property investors in response to increased interest coverage ratios



"Despite some lingering economic and market uncertainty, it's highly encouraging to see that SME's appetite for external finance is trending upwards, with property purchase and business expansion dominating the reasons for this rising demand.

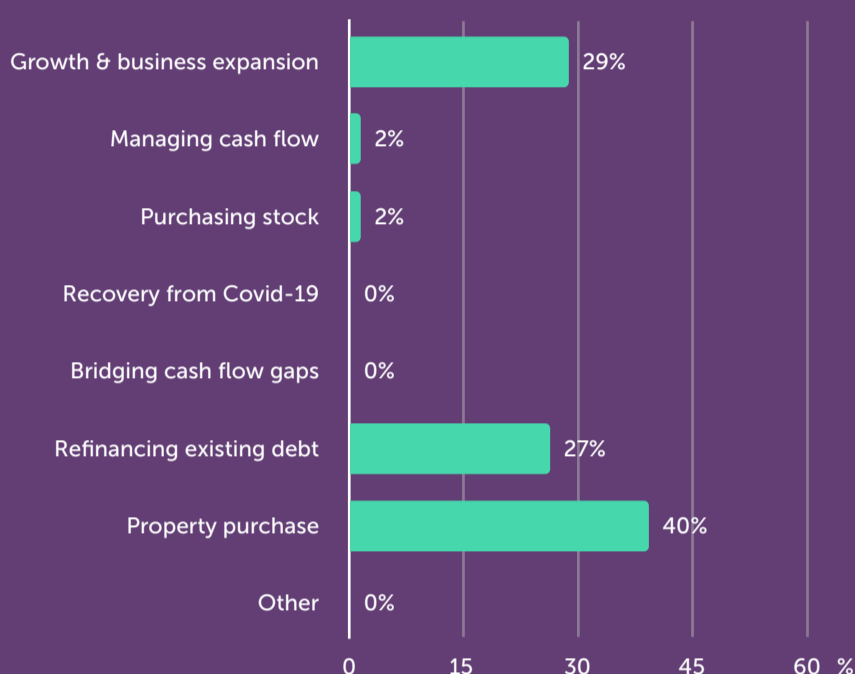
On the flip side, we're still seeing a large chunk of broker respondents struggling to access the type of finance required by their clients, with many stating a lack of appetite from lenders, so this is a figure which must improve across the board.

"As a lender, we are constantly evolving our offering in a bid to increase the number of small businesses we are able to support in the current economic environment. A key part of this is utilising tech efficiency to ensure that we can deliver speed, ease and certainty for our intermediary partners and their clients."

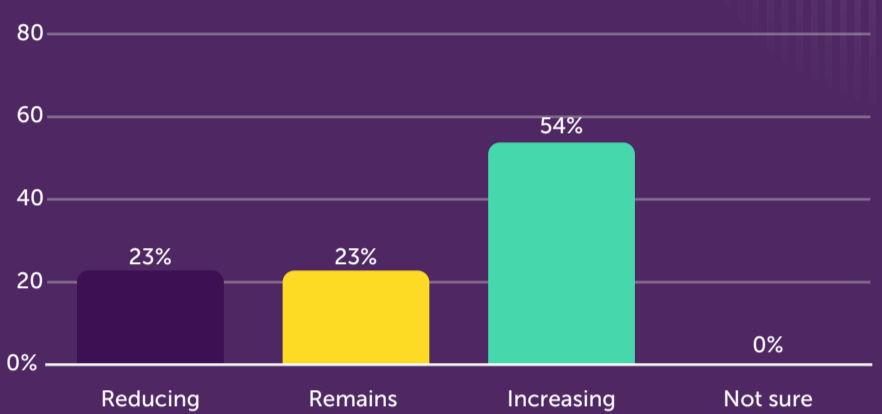
**David Castling**  
Head of Intermediary Distribution

## THE RESULTS

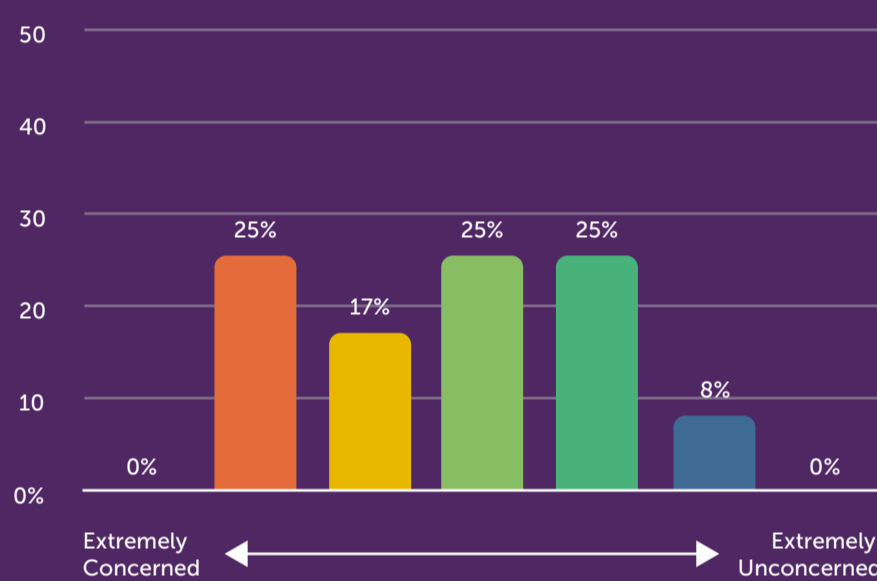
### 1. What is the most common purpose for taking out a loan among your clients?



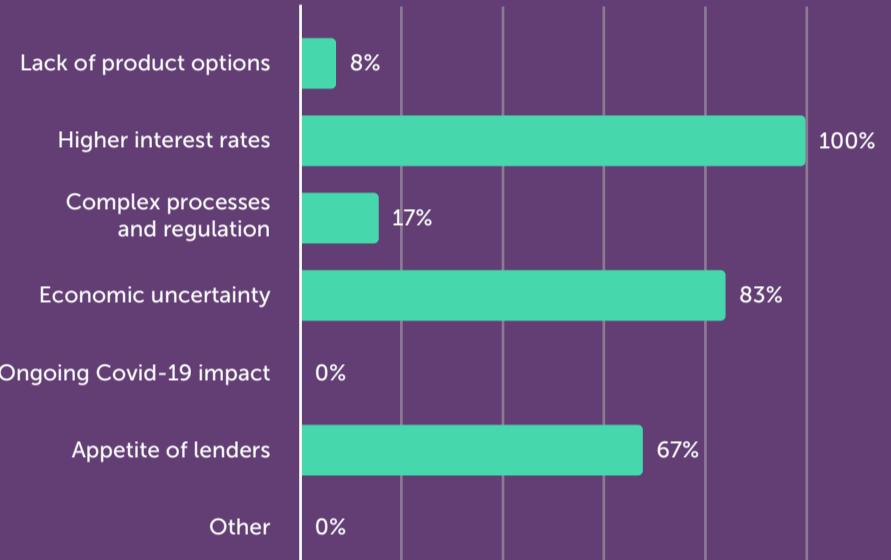
### 2. Do you believe that SMEs' appetites for external finance is increasing or reducing?



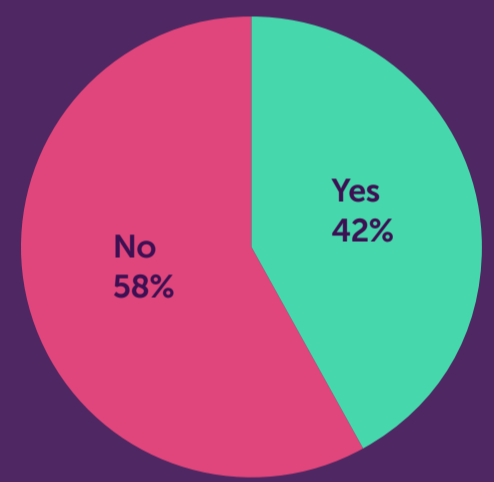
### 3. How concerned are you that SMEs' appetite for external finance may be reducing?



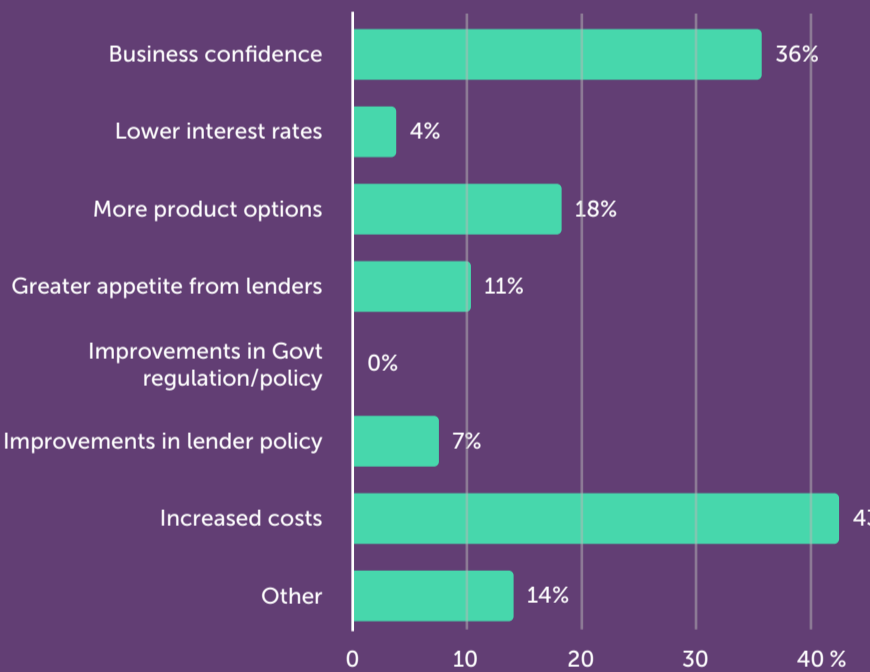
### 4. What do you think is causing any potential slow down in appetite for business lending?



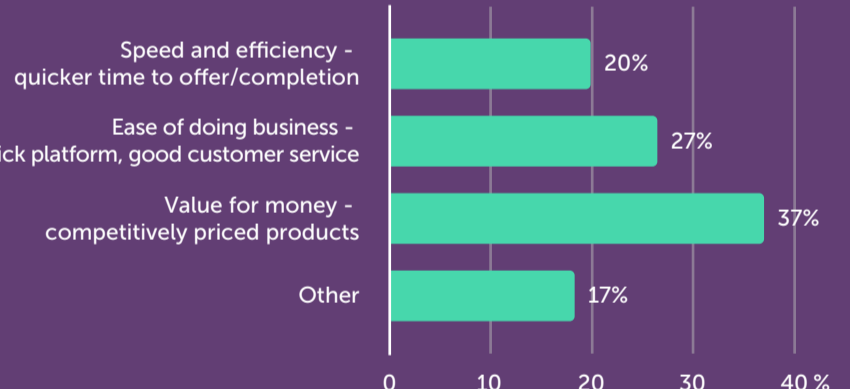
### 6. Do you currently find it difficult to access financing on behalf of your clients?



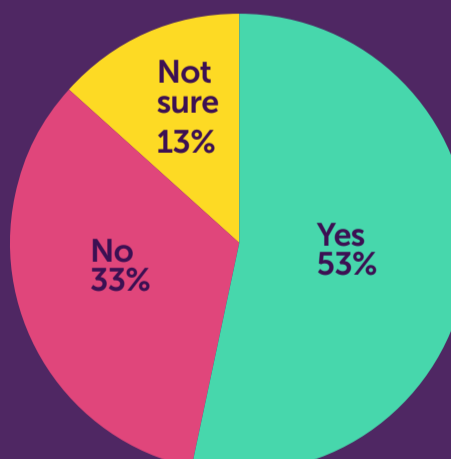
### 5. Why do you think that SMEs' appetite for external finance may be increasing?



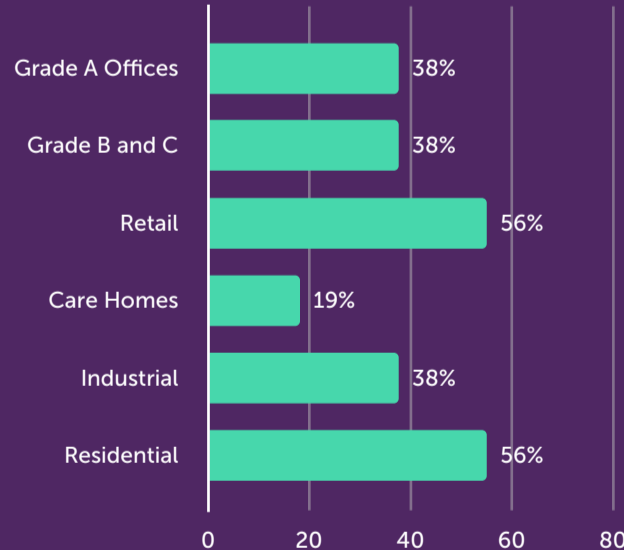
### 7. What is the main advantage you look for when searching for a lender?



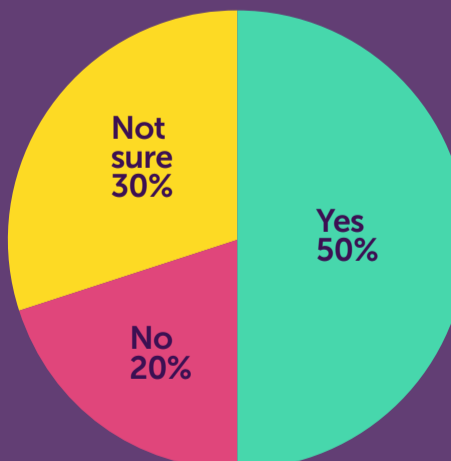
### 8. With increased interest coverage ratios across the market, are you seeing a dampening of demand from commercial property investors?



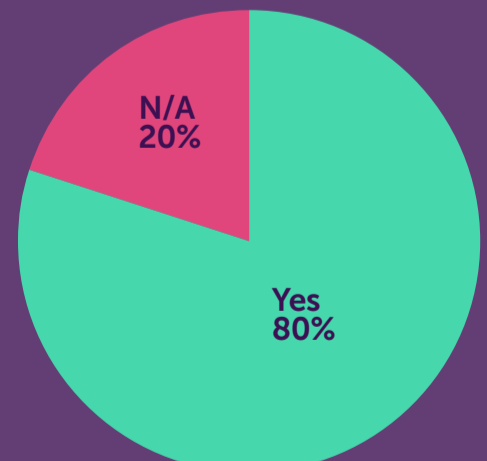
### 9. Which asset classes are you seeing reduced demand from?



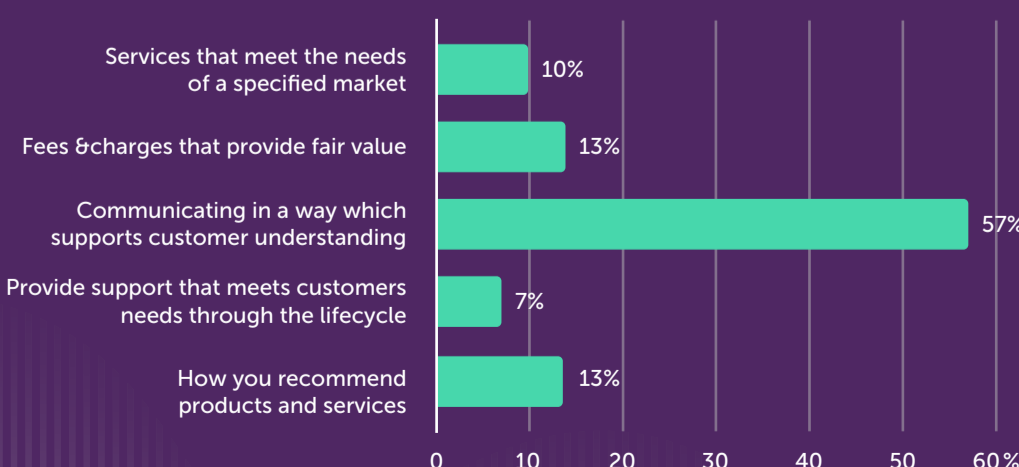
### 10. With some forecasts predicting that commercial real estate is reaching the peak of the trough in asset value, do you expect to see an increase in demand from clients for investment in commercial real estate?



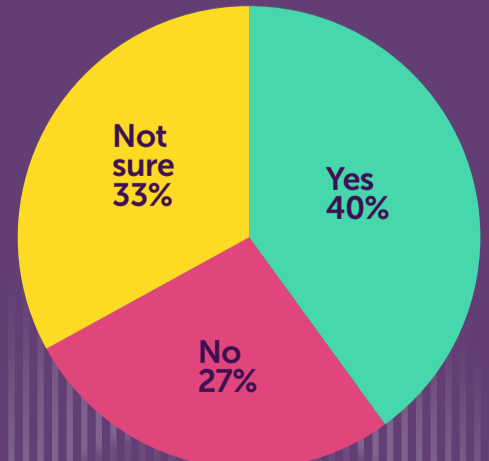
### 11. Were you able to comfortably meet the 31 July deadline for Consumer Duty?



### 12. What was the main area you had to focus on or change as part of the Consumer Duty rules?



### 13. Do you think the introduction of the Consumer Duty rules will have a positive impact on the industry/your customers?



# THANK YOU