

Module 6: Corporate banking

Unit 2: Loans, credit lines and leasing

LISTENING 1

PK = Piotr Kot; L = Mr Lizak

- PK: Good afternoon, Mr Lizak. What can I do for you?
- L: Hello, Mr Kot. I'm interested in bringing my business to your bank.
- PK: May I ask why you are looking for a new bank?
- L: Of course. I started my textile business six years ago and stayed with my small local bank. But my business has grown and I now have the chance to expand into several new cities. Therefore, I need financing, and my bank cannot handle these needs.
- PK: I see. What kind of expansion are you planning?
- L: I buy clothing and accessories from several different suppliers. As my business is going well, I need to expand. I plan to rent several shops but need to buy furnishings such as shelves and display areas

LISTENING 2

PK = Piotr Kot; L = Mr Lizak

- PK: Good afternoon, Mr Lizak. What can I do for you?
- L: Hello, Mr Kot. I'm interested in bringing my business to your bank.
- PK: May I ask why you are looking for a new bank?
- L: Of course. I started my textile business six years ago and stayed with my small local bank. But my business has grown and I now have the chance to expand into several new cities. Therefore, I need financing, and my bank cannot handle these needs.
- PK: I see. What kind of expansion are you planning?
- L: I buy clothing and accessories from several different suppliers. As my business is going well, I need to expand. I plan to rent several shops but need to buy furnishings such as shelves and display areas.
- PK: Do you also need to buy more inventory?
- L: Yes, that as well. The problem is that I don't know exactly how much I will sell but I have to pay my suppliers within a short time.
- PK: So, it sounds like you need two or three different products. The first one I would suggest is a leasing agreement. If you found shops with the necessary furnishings, we could arrange the leasing contract for you. Then you would have monthly payments for as long as the lease, and you could decide at the end if you want to continue it or not.
- L: What would the other possibility be?
- PK: Well, we could also look into a corporate loan. This could be fixed for five years if it was necessary, for example. Then you could buy all your furnishings and other things you needed and pay the instalments monthly or quarterly.
- L: Is there anything else I would need?
- PK: We should think about a credit line if you wanted to buy inventory for the new shops.
- L: And how would that work?
- PK: You could overdraw your account up to a certain limit and pay only interest but no penalties. If your liquidity was a problem, you might think about this option. And if you didn't need to overdraw your account, you wouldn't pay anything. If you didn't have a credit line, it would be expensive if you overdraw your account.
- L: You have given me a great deal to think about! I will take a look at all these possibilities and come and talk to you again next week.