

# LOANS FOR SMEs

**Peter Sádovský** is in charge of the Ludová Banka Corporate Finance team of about 50 professionals, managing the sale of banking products to corporate customers including small and medium-sized enterprises (SMEs) and larger, international clients. The team, in the main, provides loans and credit products. The bank's clear focus is to develop their market with SMEs, but also to deal with larger clients on a selective basis.

## How does Ludova Banka attract and keep customers?

In 2003 we established five regional corporate centres, where account managers are based, covering all the main regions of Slovakia. Our account managers will contact potential clients within their designated region. Having established contact with a new client, our account managers construct a tailor made package taking into account the exact needs of each company.

Ludova Banka's traditional strength is oriented towards SME's and, true to our reputation, we always try to establish a long-term relationship with our clients. Our aim is to project a stable image in the market, to be a constant as it were, in a sea of change. Of course, we prepare ourselves to be technologically and product-wise in line with top developments. We invest into quality products such as electronic banking and cash management. Our products reflect the developments in the market, for example, offering quick, small loans in crowns, euros and dollars with as little bureaucracy as possible and an emphasis on speed. Our clients will appreciate the fact that we are able to process a loan in five working days.

In addition to credit products we offer business accounts, domestic & foreign payments, treasury products, cash management and real estate financing. Last week we established an EU Support Centre to assist SMEs in obtaining and using EU funds.

## More and more banks are competing for corporate customers. Is there a danger Slovakia is over-banked?

Slovakia is not over-banked in terms of numbers of banks but in terms of their broad range of target customer segments. I

suspect that in the next two or three years some of the banks will drop out of some segments and become more specialised. At present it is difficult to get new business because of the intense competition among banks for corporate banking clients. As a result margins and pricing have gone down. It's true to say supply is growing faster than demand.

## What effect will joining EU have on the corporate banking business with SMEs?

I do not see dramatic changes in the growth of this sector. There will be more chance for trade and service companies. An exciting new opportunity will be the chance to utilise EU funds. However real change will occur as people mobilise themselves. Now there is a lot more access to credit at prices comparable to and even better than western Europe. So, we need the entrepreneurs to come forward and take advantage of the situation.

## Can you describe some of the typical deals you are involved in?

Typically we're involved in loans for working capital or investment financing for SMEs and also micro companies - family businesses or for special occupations. We have attractive products such as Fleximoney and the recently launched EU-credit, to name a few. We are also selectively involved in deals in the larger client segment, namely syndicated loans that appear on the market. We also get involved in club deals with other banks.

## How does an SME go about getting credit from Ludová Banka?

Like all banks we are looking for a credible



## Peter Sádovský

**BORN** 14th July 1968

**EDUCATION** Economic university in Bratislava specialised in foreign trade

**FIRST JOB** Norwegian company Elopak. Area Sales Manager

### CAREER STEPS

**1994:** joined GiroCredit Bank in Vienna

**1997-2001:** worked for Erste Bank in Vienna

**2001-2003:** worked for Slovenská Sporiteľňa in Bratislava

**2003:** appointed head of corporate banking for Ludová Banka in Bratislava

business plan with a clear strategy for return on financing. A speculative and risky plan will most probably not attract credit. Typically, the SME will be able to show they can finance 20% to 30% of the amount needed themselves. We are able to offer them credit products with about 7% interest at this moment. Many of our clients are Slovak companies but we are also interested in attracting foreign companies. We are able to conduct business in German, French, Italian and, of course, in English.

## What are the positive challenges you are facing in your position?

Our main challenge is to move even more deeply into the SME market and to stay ahead of the competition. SME is a booming market now and the banking sector is growing very fast too. We want to be a respected player here. ■■

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