

1. Find the words or phrases in the article below that match these definitions. Use the paragraph numbers to help you. Provide the Polish equivalents.

- a. to calmly accept a bad situation that cannot be changed (par. 1) _____
- b. able to pay the money that you owe (par. 1) _____
- c. a place where information used by an organization is kept, especially official records or lists (par. 1) _____
- d. to be unable to operate because the company has lost all its money (2 words) (par. 3) _____
- e. to help someone get to the end of a difficult period, especially by giving them money until they can earn some money (2 words) (par. 3) _____
- f. the technology and innovation that aims to make financial services more accessible to the general public (par. 5) _____
- g. raising money for a business by selling shares (2 words) (par. 7) _____
- h. a difficult period (2 words) (par. 7) _____
- i. a sudden increase in something such as price, value or interest (par. 8) _____
- j. designed and produced for particular customers (par. 8) _____
- k. delay until a later date (par. 8) _____
- l. keep something strongly under control (4 words) (par. 8) _____
- m. to increase quickly to a high level (par. 9) _____
- n. property that you agree to give to a bank if you fail to repay money that you have borrowed (par. 9) _____
- o. to become smaller (par. 10) _____
- p. money or property that a business can sell in order to pay money that it owes (par. 12) _____
- q. to increase the amount or size of something (par. 13) _____
- r. a way of raising money by asking a lot of people to each contribute a small amount of money (par. 13) _____

Quick loans for Mexican businesses

By Jude Webber

- (1) Gabriel Méndez is resigned to having to close his language school as coronavirus slashes demand for English lessons. The Mexican entrepreneur also runs a small pizza business, which he is struggling to keep afloat, but he says he cannot access government help because he is not on an official social programmes registry.
- (2) So he is looking to Konfío, a Mexican fintech start-up, whose success at lending modest sums in minutes has catapulted it into the top 50 fastest-growing companies in the Americas, according to an FT ranking of 500 businesses from across the continent, compiled by Statista, a research company.
- (3) A client of the online lender for more than a year, Mr Méndez initially borrowed 80,000 pesos (\$3,320), repaid it and then borrowed another 120,000 pesos. “The school’s going to go bust, I’m sure of that ... But I could ask to refinance the loan to save the pizza business,” he says. That would allow him to spread out the repayments to tide him over in the coming months.
- (4) Between choosing to borrow from Konfío or a bank, Mr Méndez, who lives in Pánuco in the south-eastern state of Veracruz, says there is no contest. He reckons he will pay 24,000 pesos in interest on his Konfío loan of 120,000 pesos. By contrast, a 50,000 peso bank loan he had taken out doubled with the interest payments, he says.
- (5) Konfío – a play on the Spanish word for trust — has become a rising star in the booming Mexican fintech sector and has found itself perfectly placed for the pandemic.
- (6) “Timing has helped us because we had just closed a financing round,” says chief executive David Arana, 35, who founded Konfío in 2013. In December last year, before Covid-19 reached Mexico, the company had closed a \$100m funding round led by Japan’s SoftBank.
- (7) The company, which began operations in January 2014, has raised more than \$400m in debt and equity financing, says Mr Arana, an MIT maths graduate. “If we’re able to work with clients and help

them get through this rough patch, customers will come back. There are going to be very good opportunities once this is over.”

- (8) Konfio’s website has seen a 20 per cent surge in visits since the pandemic hit. The company estimates 45 per cent of its customers will need some kind of flexibility on their loan terms and it is working with clients on bespoke plans to defer repayments. This, the company believes, will keep a lid on non-performing loans, which stand at 4.95 per cent.
- (9) The lender has already seen electric compound annual growth of 186 per cent between 2015 and 2018; over the period, revenue soared to more than \$12m from \$629,000, according to the FT ranking. Konfio boasts that it can approve a loan in seven minutes with no collateral, making it a hit with small businesses, which can struggle to secure financing in a country where less than 50 per cent of people have a bank account. Konfio’s average loan size is now some \$25,000 with an average interest rate of 28 per cent.
- (10) Mexico’s economy is forecast to contract as much as 12 per cent this year due to the coronavirus. Mexican President Andrés Manuel López Obrador has refused to take on debt to fund a major stimulus package but is offering 3m cheap loans for small businesses, with an interest rate of 6 per cent. Officials say the government is also making loans available to companies not on the registry of recipients of social programmes, but they are micro loans only.
- (11) For other Konfio clients, like Joan Cordoves, the government credits are too small — he has borrowed 2.5m pesos from Konfio for his franchise of the Dinner in the Sky experience, in which diners are hoisted 45 metres into the air on a crane. But with the restaurant closed since March 18, he needs to negotiate extra time for repayments.
- (12) “The key in the current crisis is to have liquidity,” says Konfio’s website. Fortunately, that has hitherto been flooding into Mexico’s tech sector.
- (13) Enrico Robles, chief financial officer and intelligence director at Endeavor México, which helps entrepreneurs scale their start-ups, says 2019 was a “historic year for Mexico” accounting for half of the \$1.6bn raised for tech ventures in the past decade. Of Mexico’s nearly 400 fintechs, a third are in crowdfunding, digital banking and lending, he adds.
- (14) “In 2019, fintech was the top sector by deals and dollars, a trend that has been growing for at least the past three years,” says Julie Ruvolo, director of venture capital at the Association for Private Capital Investment in Latin America. The country’s smaller businesses, however, may have to wait before they feel the benefit of these flows.”
- (15) If small firms were underserved in the past, for a while they’re going to be even more underserved,” Konfio’s Mr Arana says. “This [pandemic] just makes our mission much more necessary.”

2. Choose the best answer according to the text

1. Why will Gabriel Méndez have to close his language school?
 - a) He is struggling to keep his pizza business afloat.
 - b) Demand for English lessons has fallen as a result of the coronavirus pandemic.
 - c) Government help is not available for language schools.
2. What does Konfio do?
 - a) It lends large amounts of money to global companies.
 - b) It lends relatively small amounts of money very quickly.
 - c) It lends money exclusively to start-up businesses.
3. What is the advantage for Mr Méndez in borrowing money from Konfio rather than a bank?
 - a) He can spread out the repayments over a number of years.
 - b) He can get a much larger loan from Konfio than he could get from a bank.
 - c) The interest rate is much lower than it would be with a bank loan.
4. Why has Konfio found itself perfectly placed for the pandemic?
 - a) Konfio had just secured money for its operations when the pandemic started.
 - b) Konfio is a rising star in the Mexican fintech sector.
 - c) Konfio is able to raise money from financing debt.
5. Why is Konfio popular with small businesses?
 - a) Fewer than 50 per cent of people in Mexico have a bank account.
 - b) Konfio does not require collateral and can approve a loan in seven minutes.

- c) Konfio has seen a 20% surge in visits to its website since the pandemic began.
6. How do Konfio's loans compare with Mexican government credits?
- a) Konfio's loans can be much bigger.
 - b) Konfio's loans have a lower interest rate.
 - c) Konfio's loans are available online.

(adapted from <https://www.onestopenglish.com/> photocopiable material)