

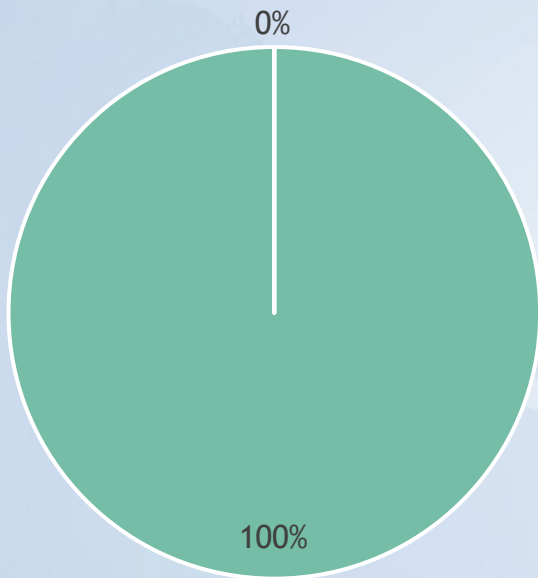
October 2023

FCIB Credit & Collections Survey

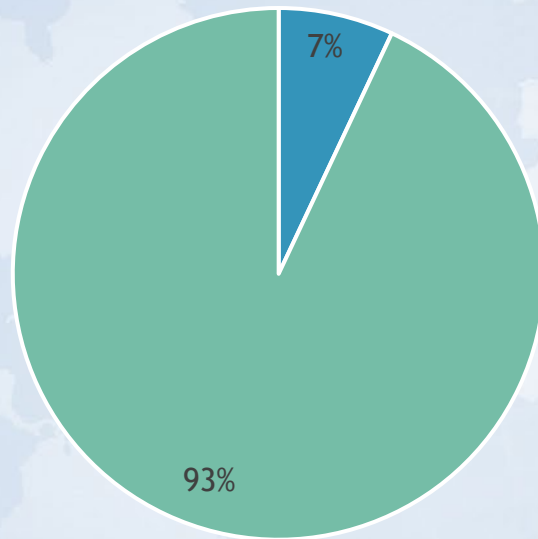
Argentina, Brazil, Israel, Lebanon

Are your sales primarily to new or existing customers?

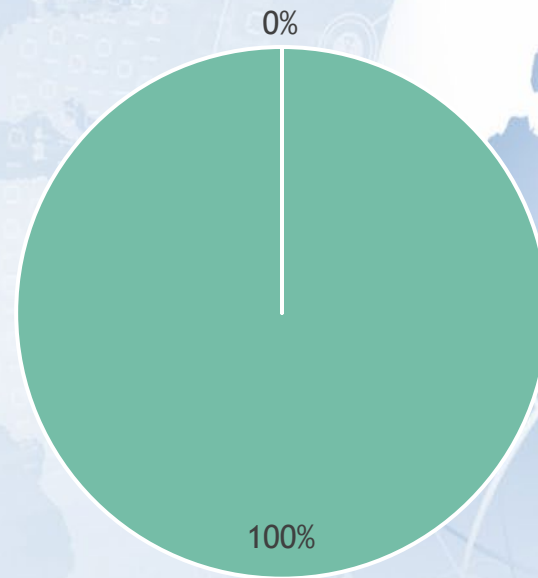
Argentina



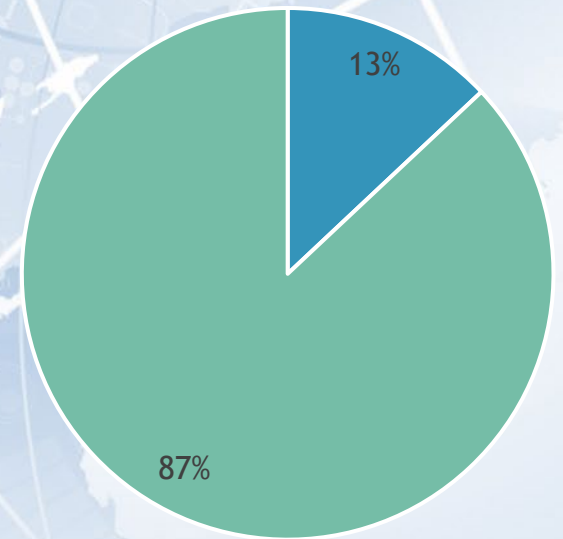
Brazil



Israel

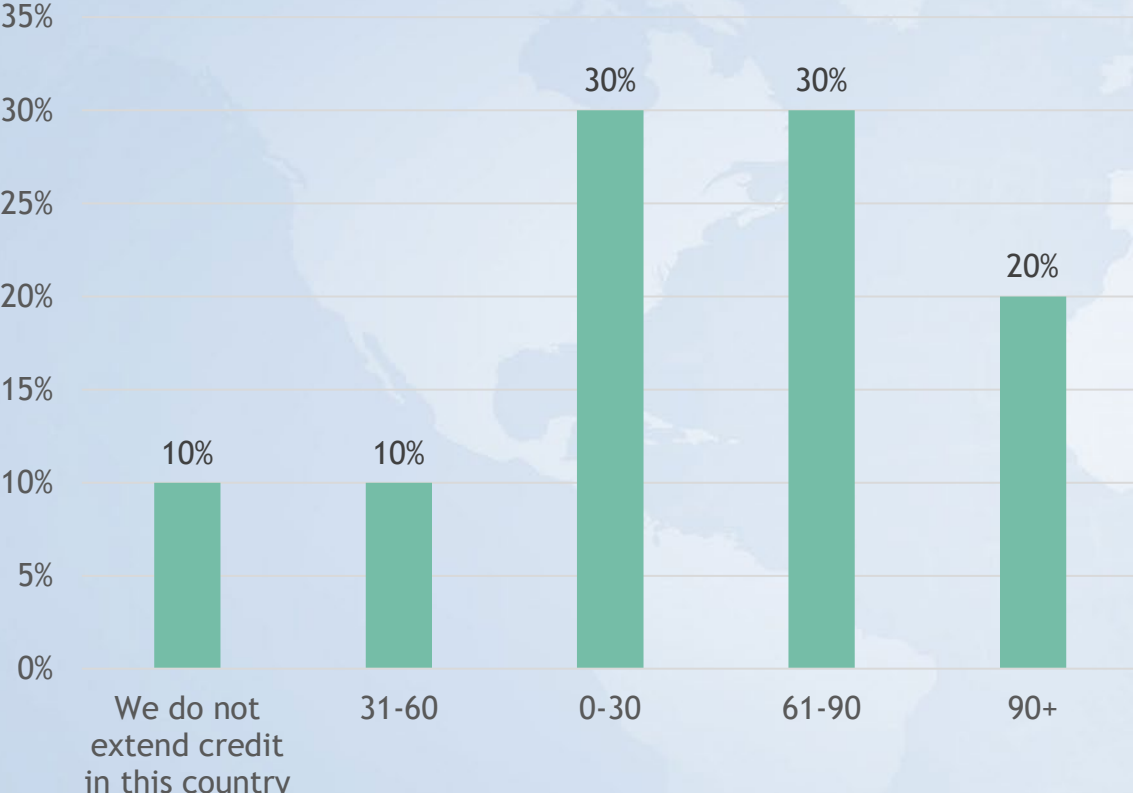


Lebanon

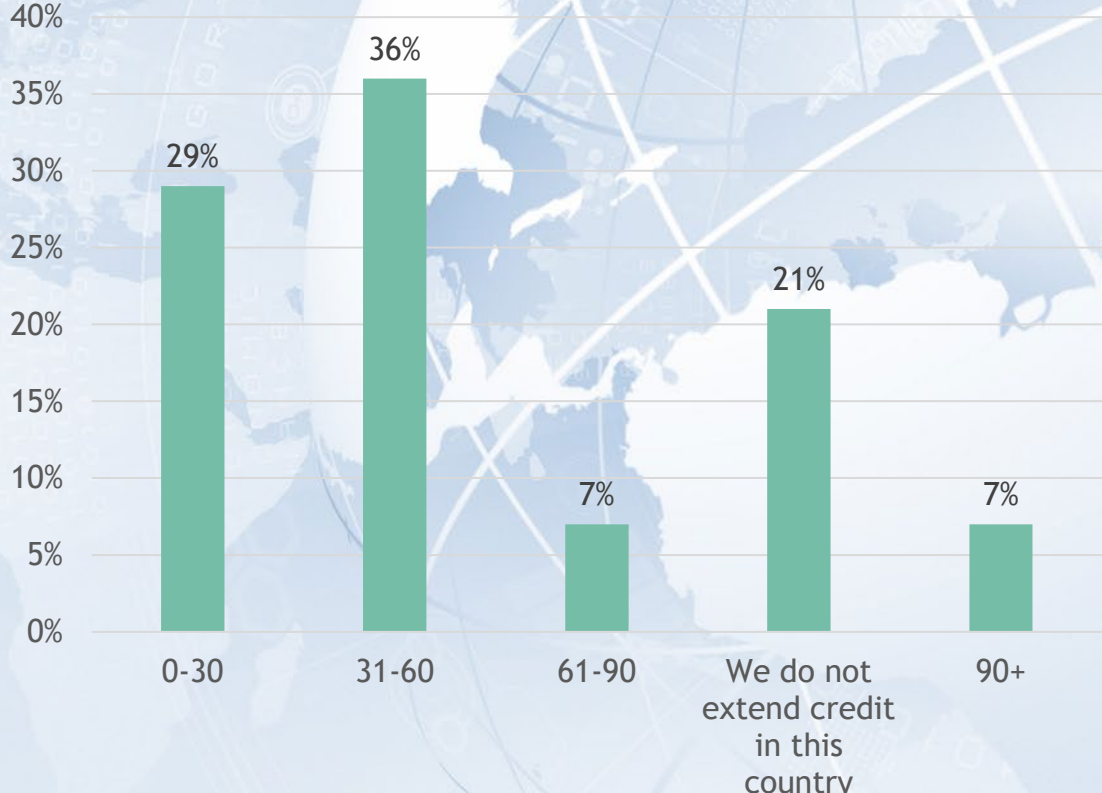


On average, what payment terms are you granting?

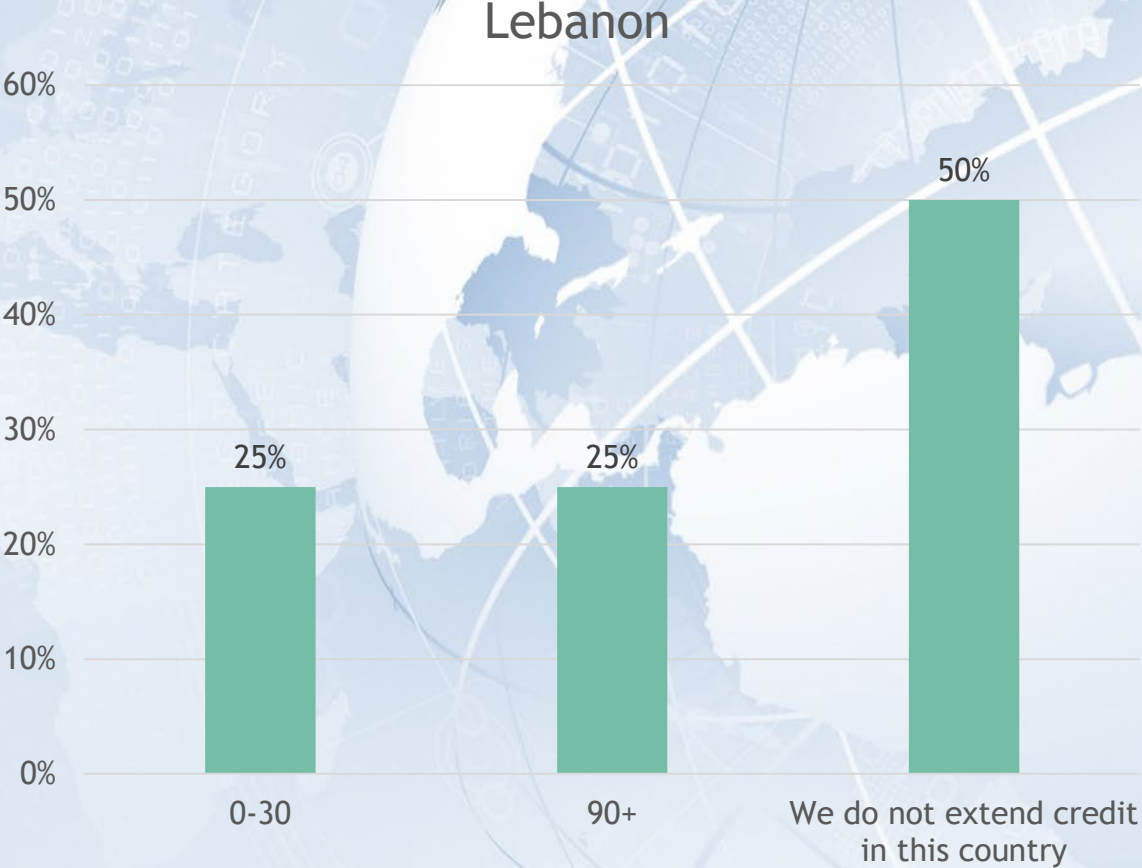
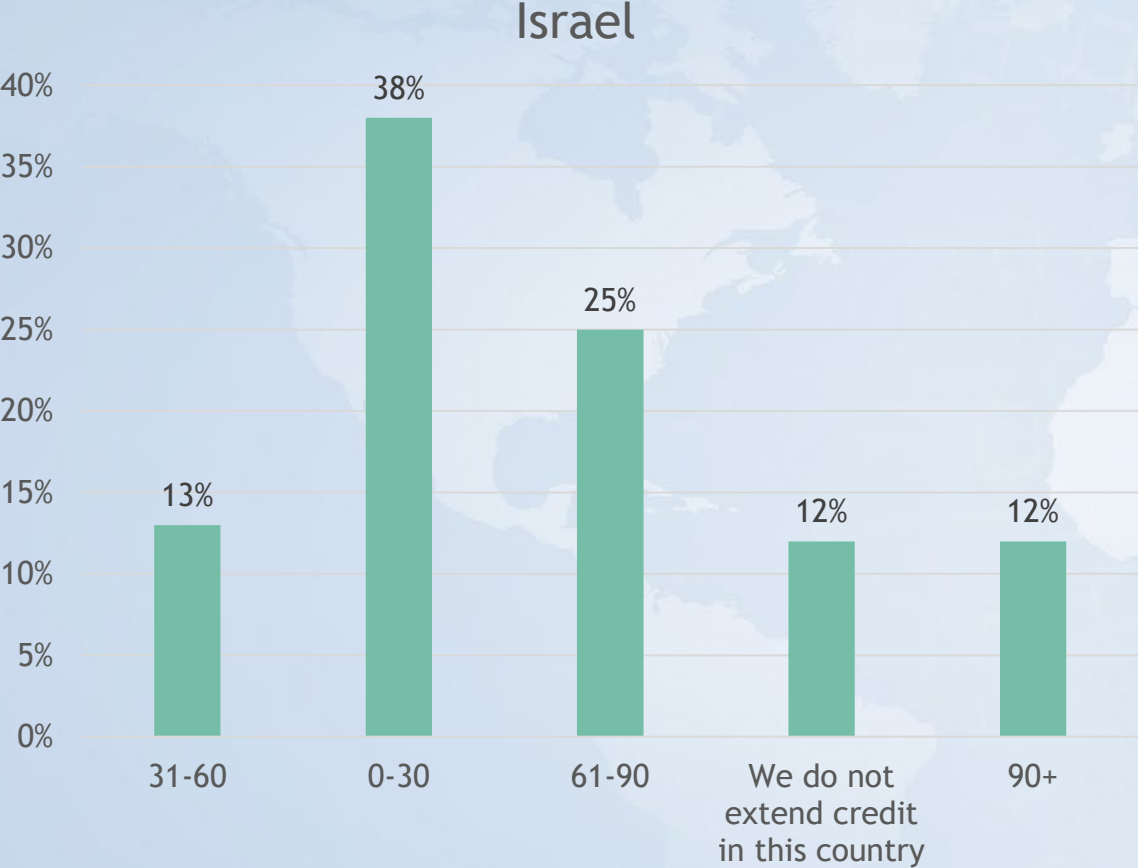
Argentina



Brazil



On average, what payment terms are you granting?



What is the average number of days beyond terms in these countries?

Argentina

78

Brazil

28

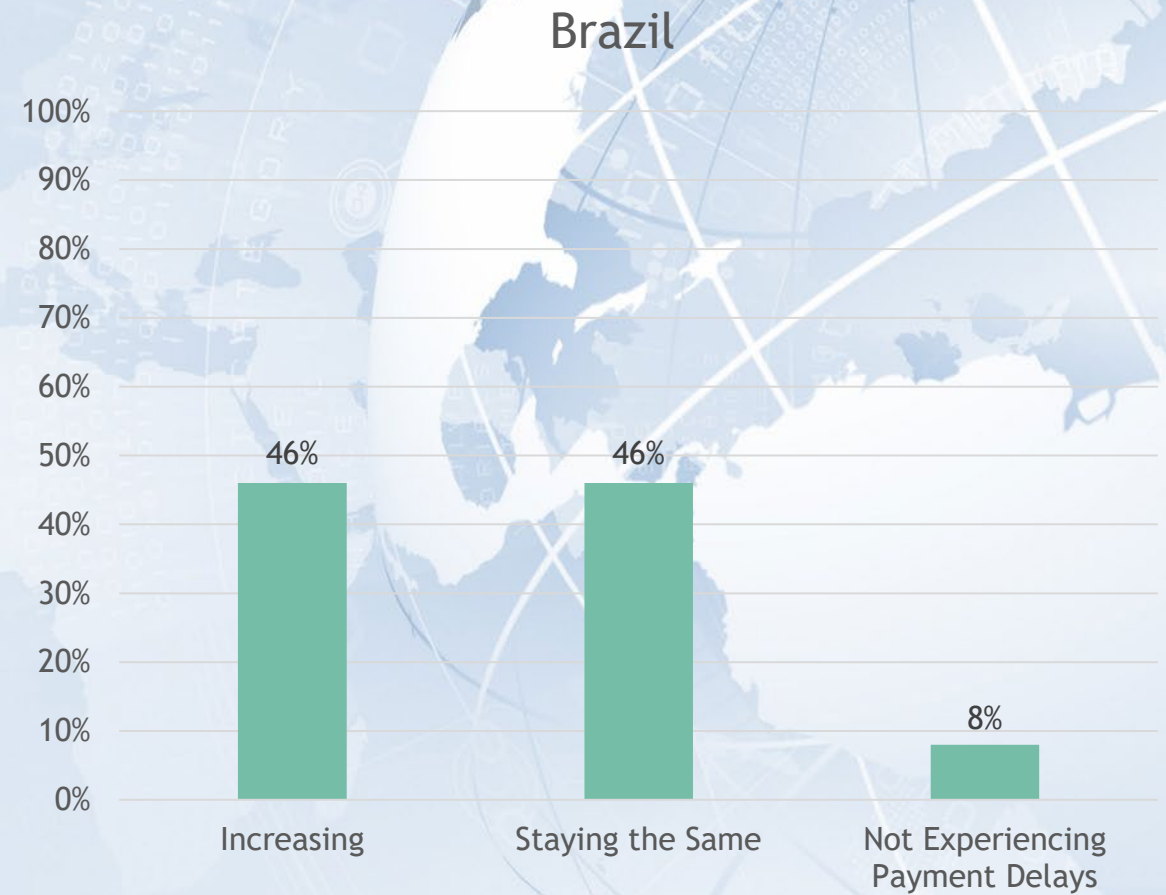
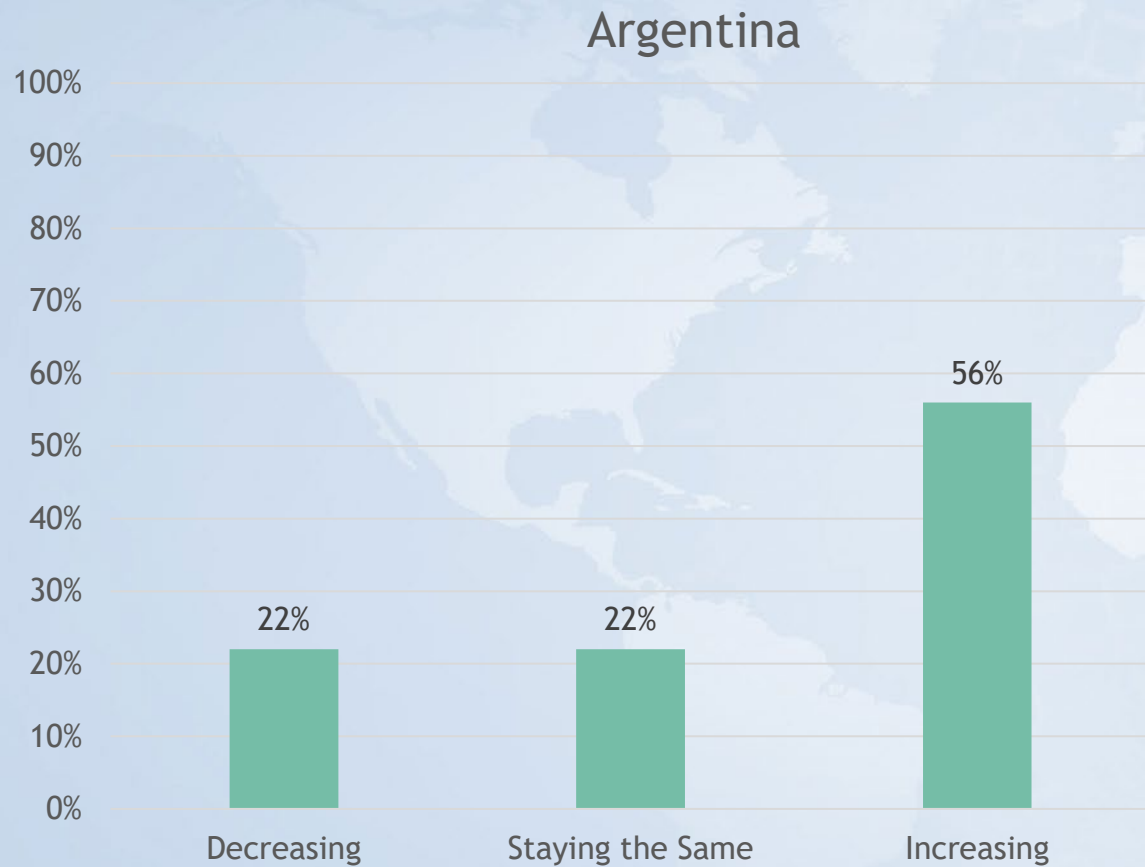
Israel

41

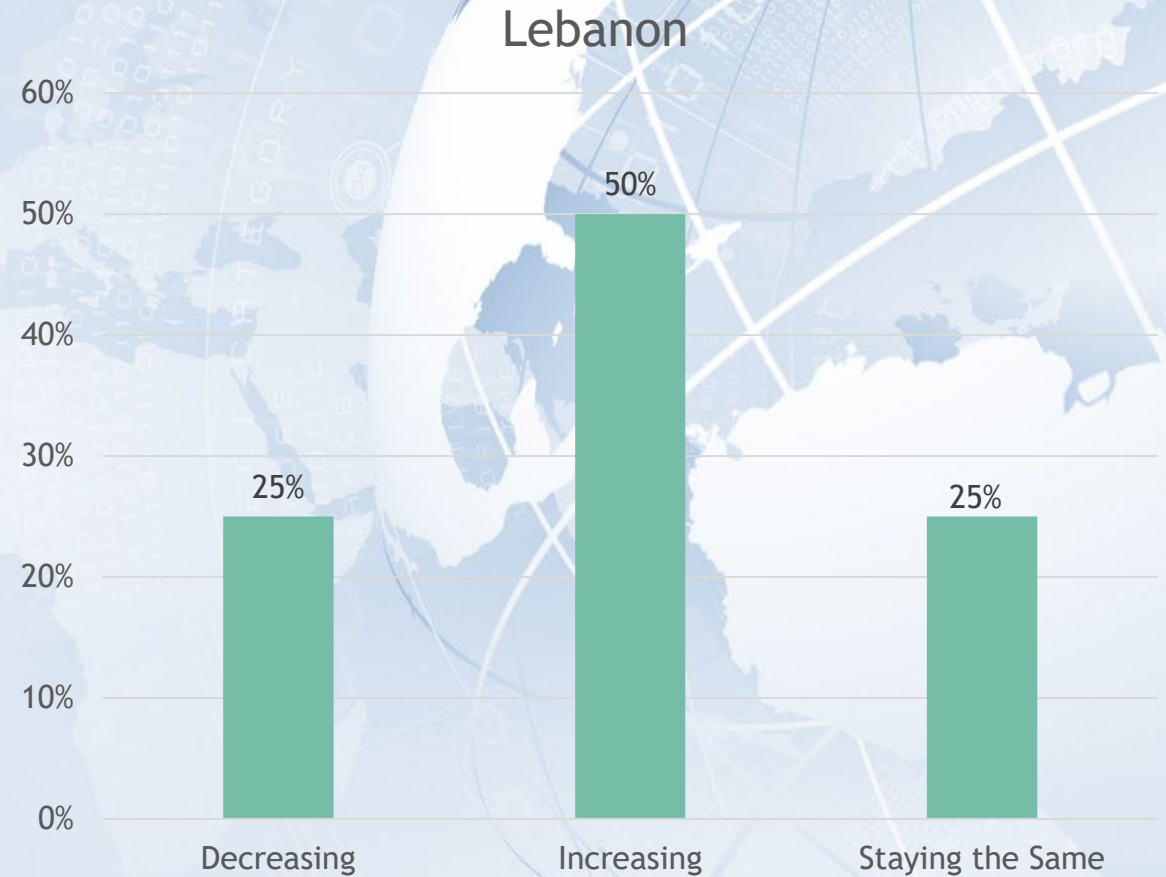
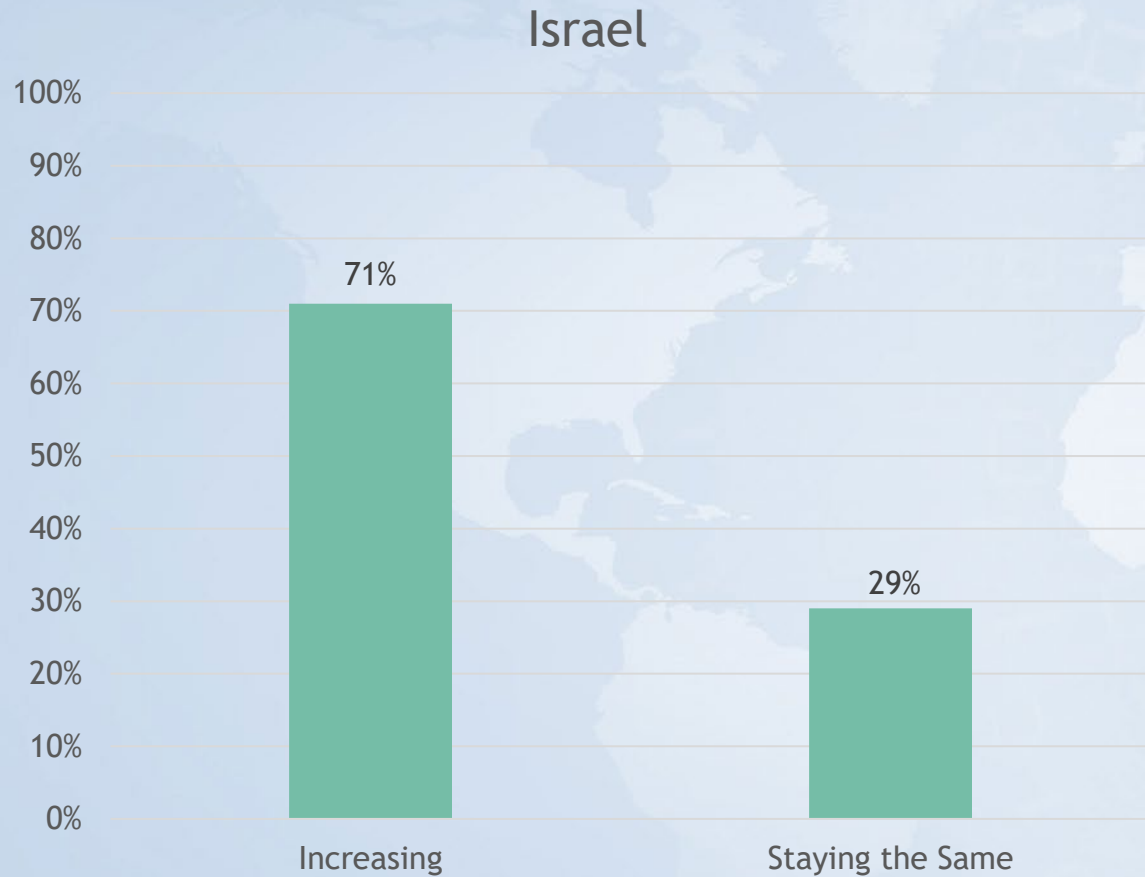
Lebanon

38

Are payment delays increasing, decreasing, or staying the same?

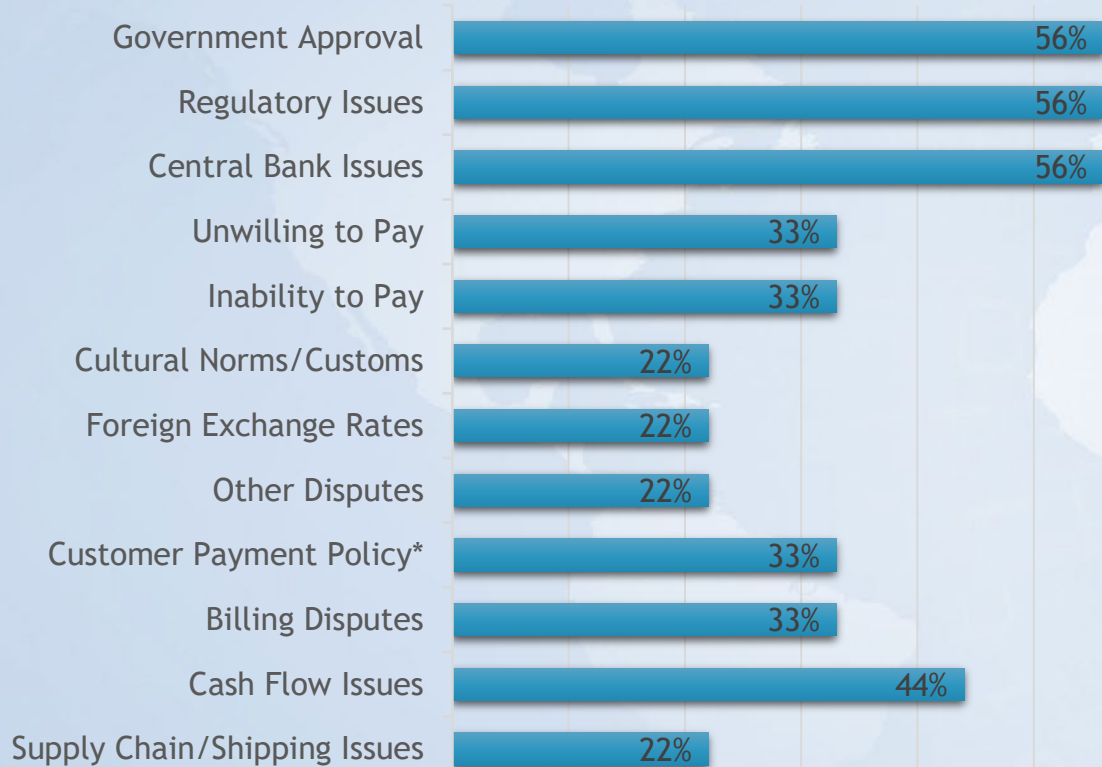


Are payment delays increasing, decreasing, or staying the same?

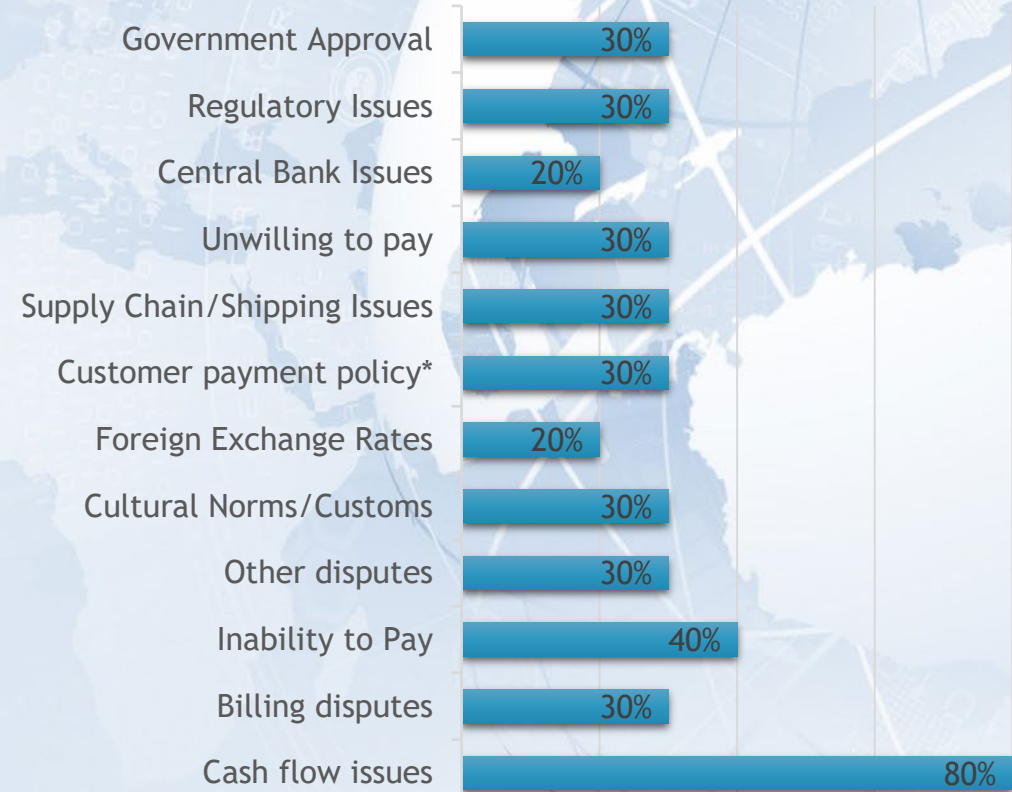


The most common causes of payment delays

Argentina



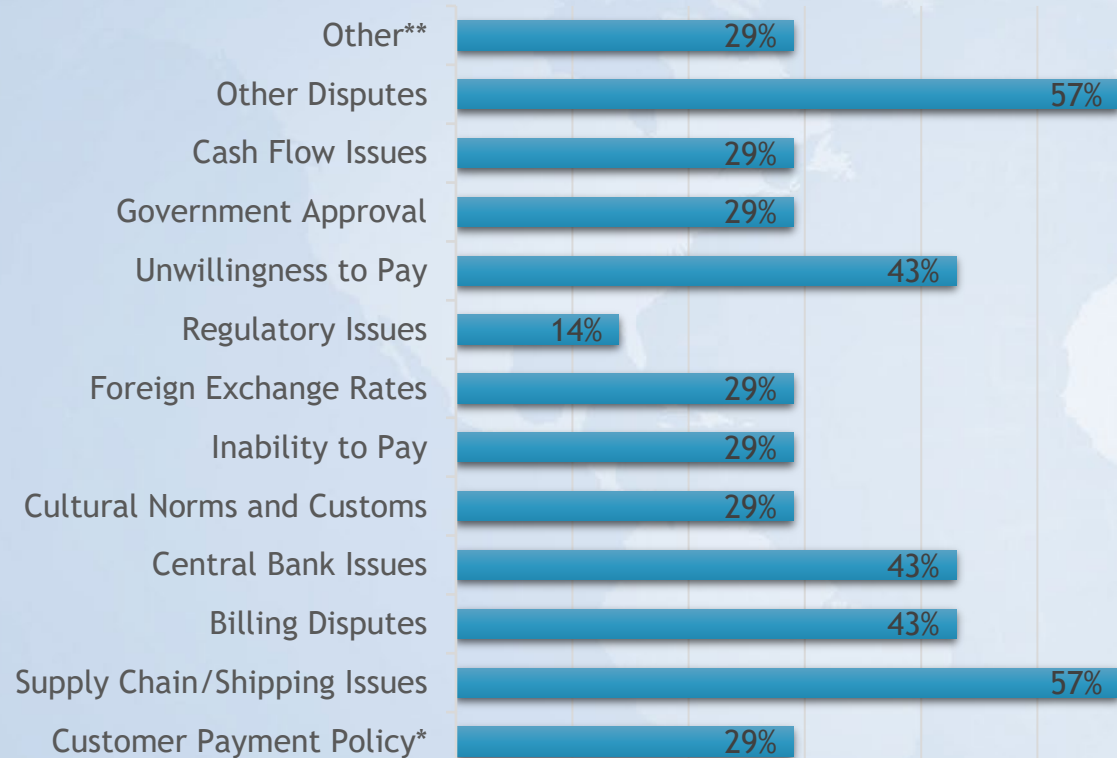
Brazil



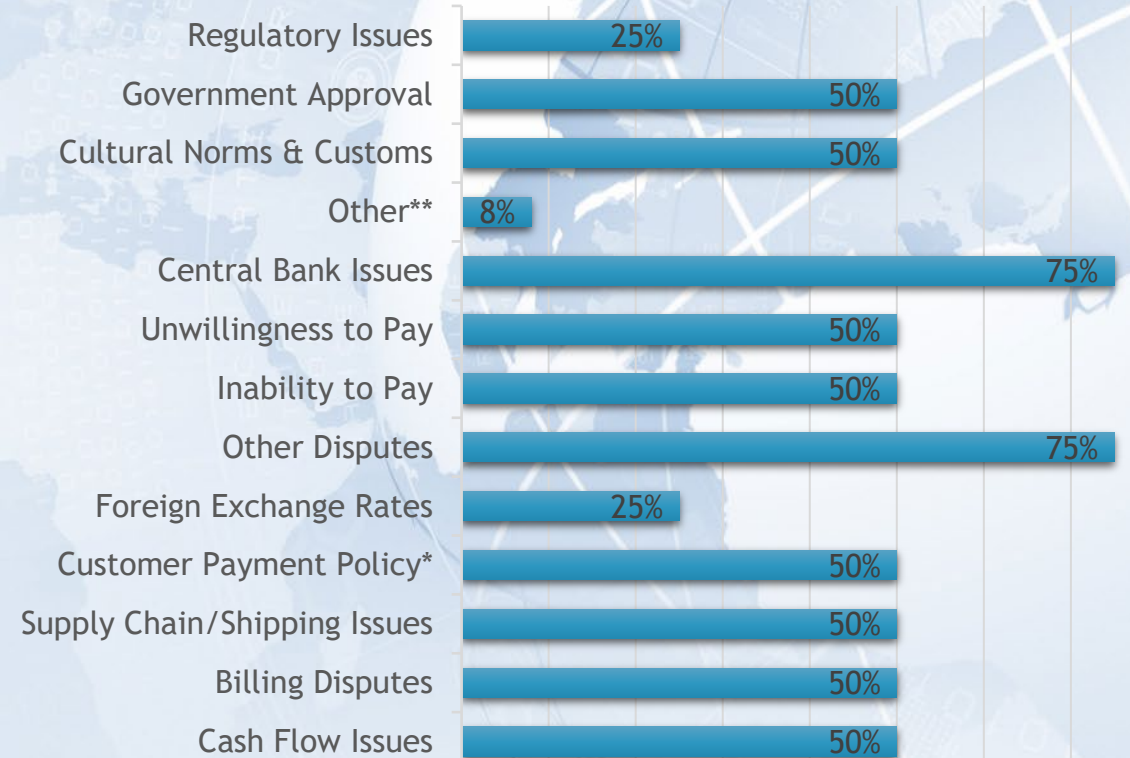
*(i.e. customer only pays on a set day of the month)

The most common causes of payment delays

Israel



Lebanon

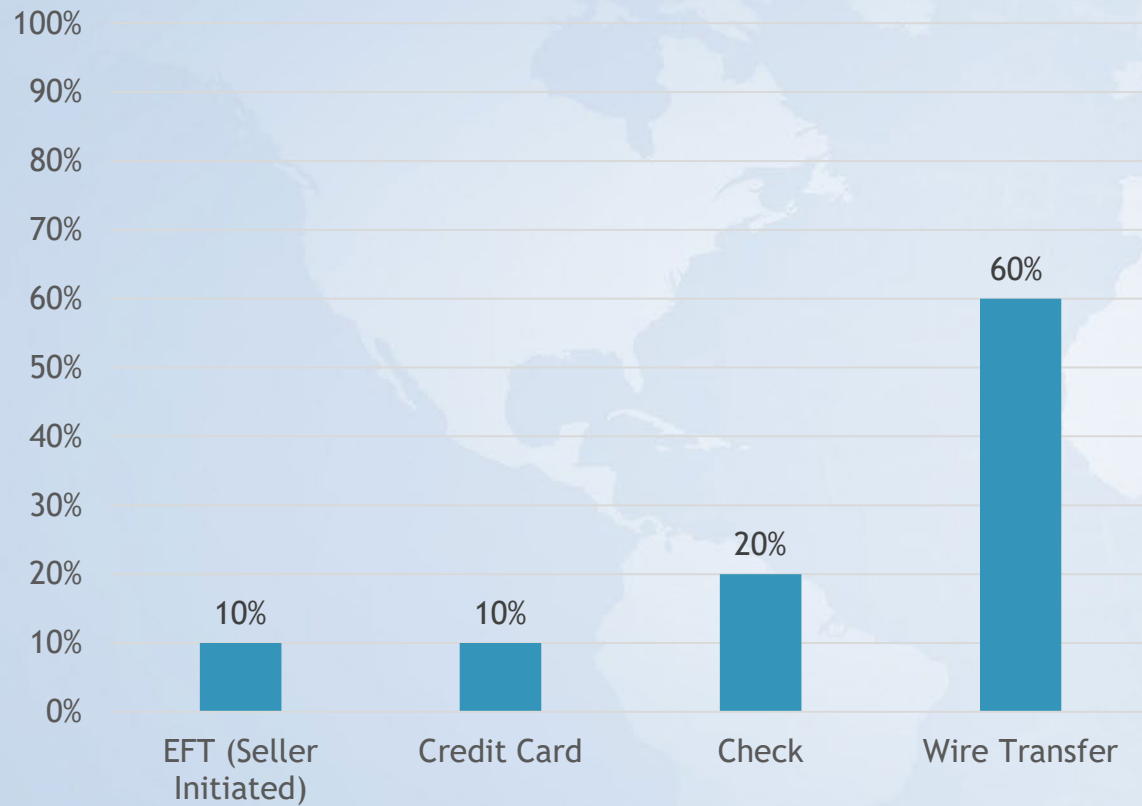


** (i.e. Israel-Hamas war)

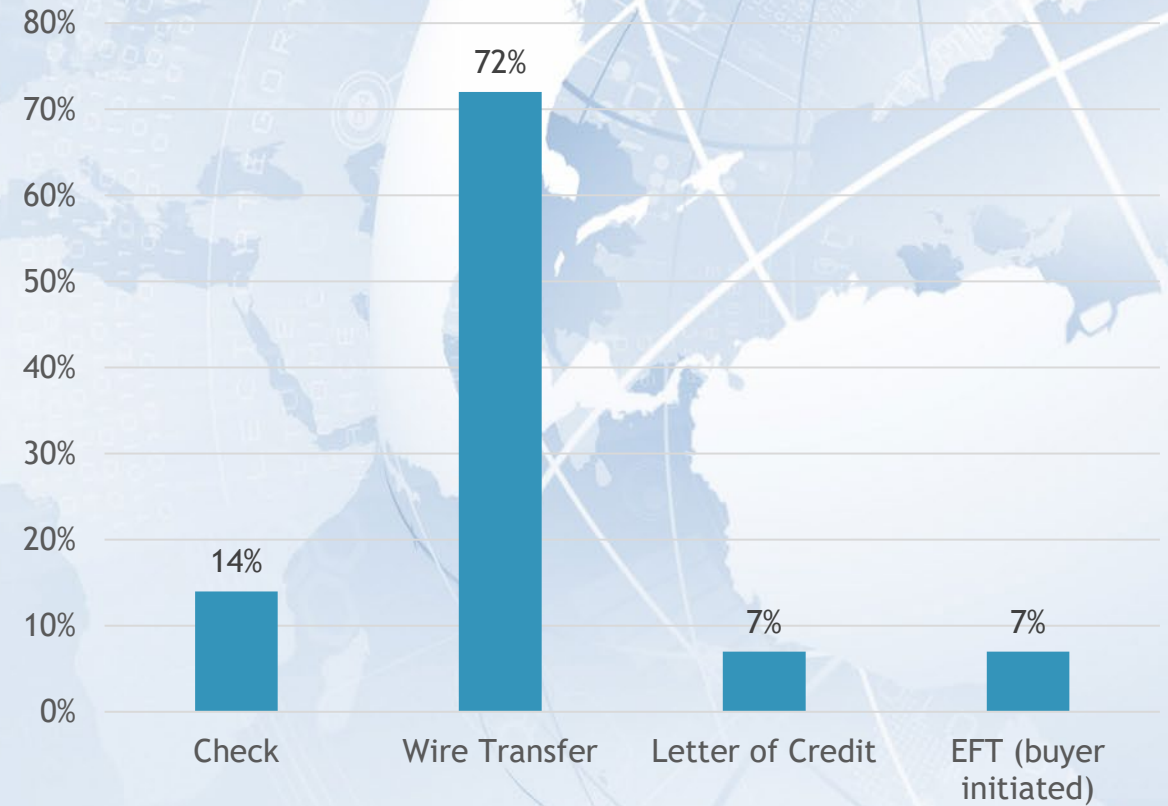
* (i.e. customer only pays on a set day of the month)

Methods used to secure payment

Argentina

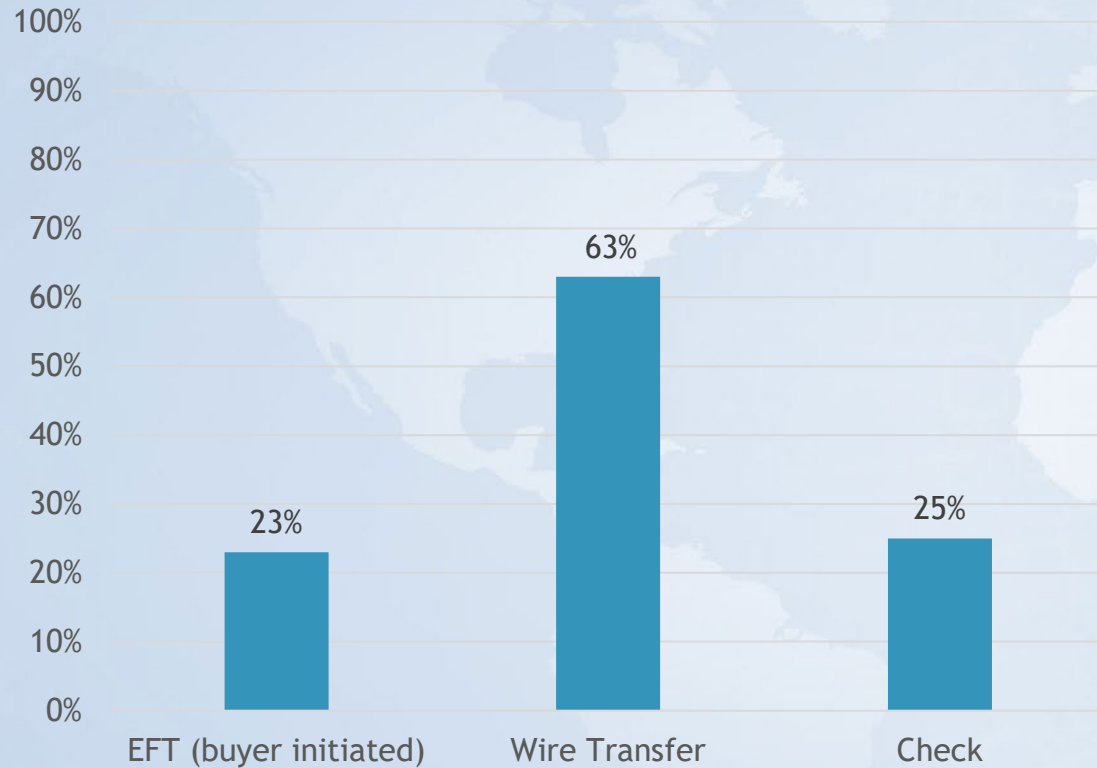


Brazil

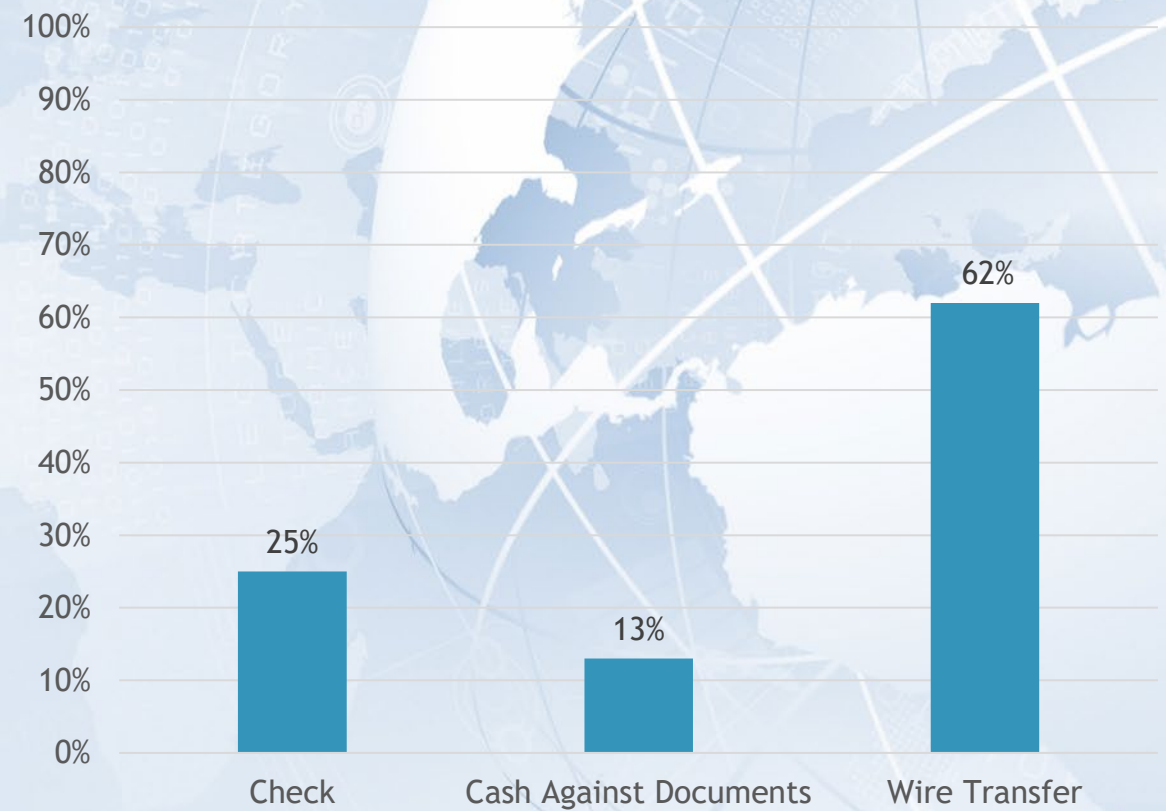


Methods used to secure payment

Israel



Lebanon



Insights from Credit Professionals

Argentina

- Be cautious. At times, it would best not to get the sale.
- Our customers are constantly battling against the central bank's hard currency restrictions and the ongoing plague of hyperinflation. Win-win solutions are difficult to come by under those circumstances.
- Ensure stringent contracts are in place and don't expect to be paid to terms. Secured terms are advised.

Lebanon

- Everything that ships is prepaid via wire. No open credit as geopolitical risk is too great.
- You need a confirmed LC because not all banks are financially stable. KYC and due diligence are essential because fraud and money laundering are frequent. The Lebanese commercial law is not in favor of foreign parties.
- Our customers have bank accounts in Europe from which they pay their invoices.
- We only offer PIA terms here.

Brazil

- Consider opting for a mutually agreed upon but legally binding debt repayment agreement before pursuing legal collections on materially overdue accounts. It is typically better received by the customer and may result in faster payments.
- Expect payment delays.

Israel

- With the current situation we are considering secure terms, LCs, CAD or cash-in-advance terms.
- Develop good working relationship with customer. Follow up is important.

Insights from Credit Professionals

Non-country-specific Advice from the survey.

- Know your real customer, not the Trade/Banner name but the True Legal Entity (5 C's of Credit).
- Start early building a relationship with your customer, and include your salesperson - you'll make a team and teams work together.
- Follow up with the customer's Procurement Dept and Finance Dept as many times as necessary.
- Obtain updated credit information Look for owner and addresses verification, as changes are often not communicated by the customer. Know all you can about the customer. Pull a credit report for payment history and legal status and name verification.
- With continued global inflation, war in Ukraine and high interest, you need to know your true legal customer to prevent fraud and keep your A/R secured.
- It is important to know customer's payment process to avoid misunderstandings or delays due to administrative issues.
- Obtain financial statements on your customers and backstop sales with credit insurance.
- Ensure payment language is on the wire payments received.