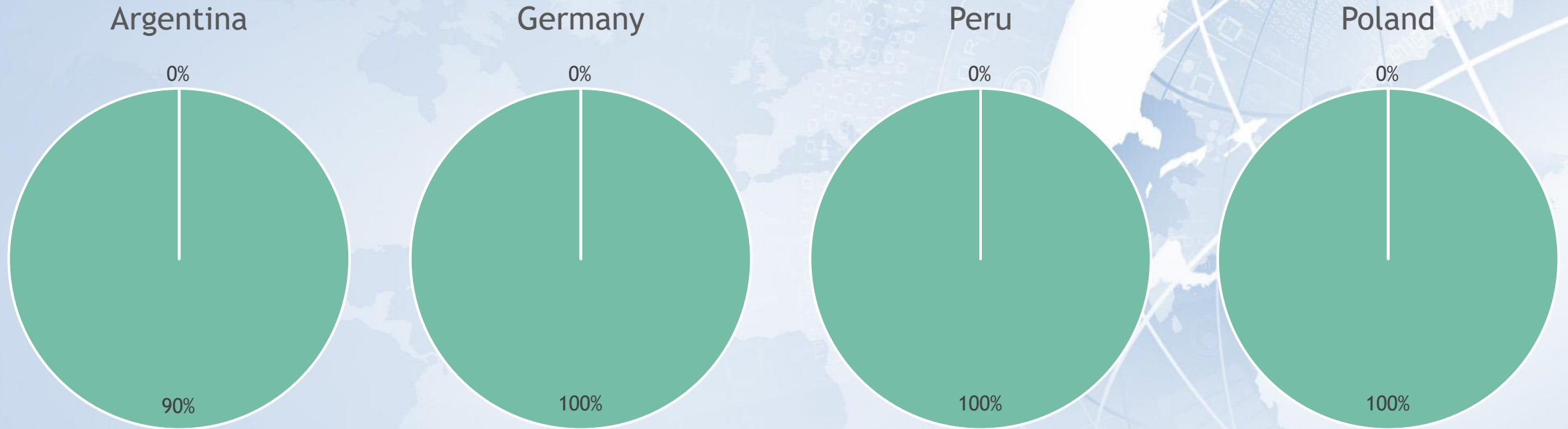


July 2022

FCIB Credit & Collections Survey

Argentina, Germany, Peru, & Poland

Are your sales primarily to **new** or **existing** customers?

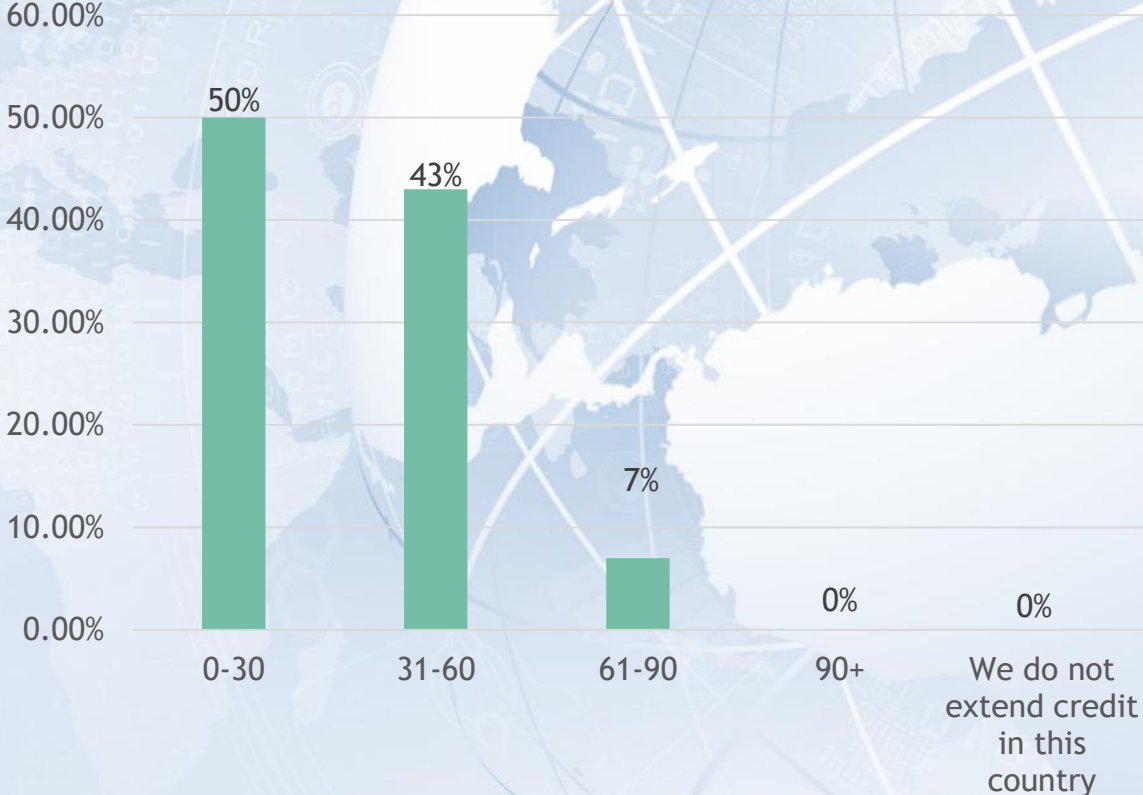


On average, what payment terms are you granting?

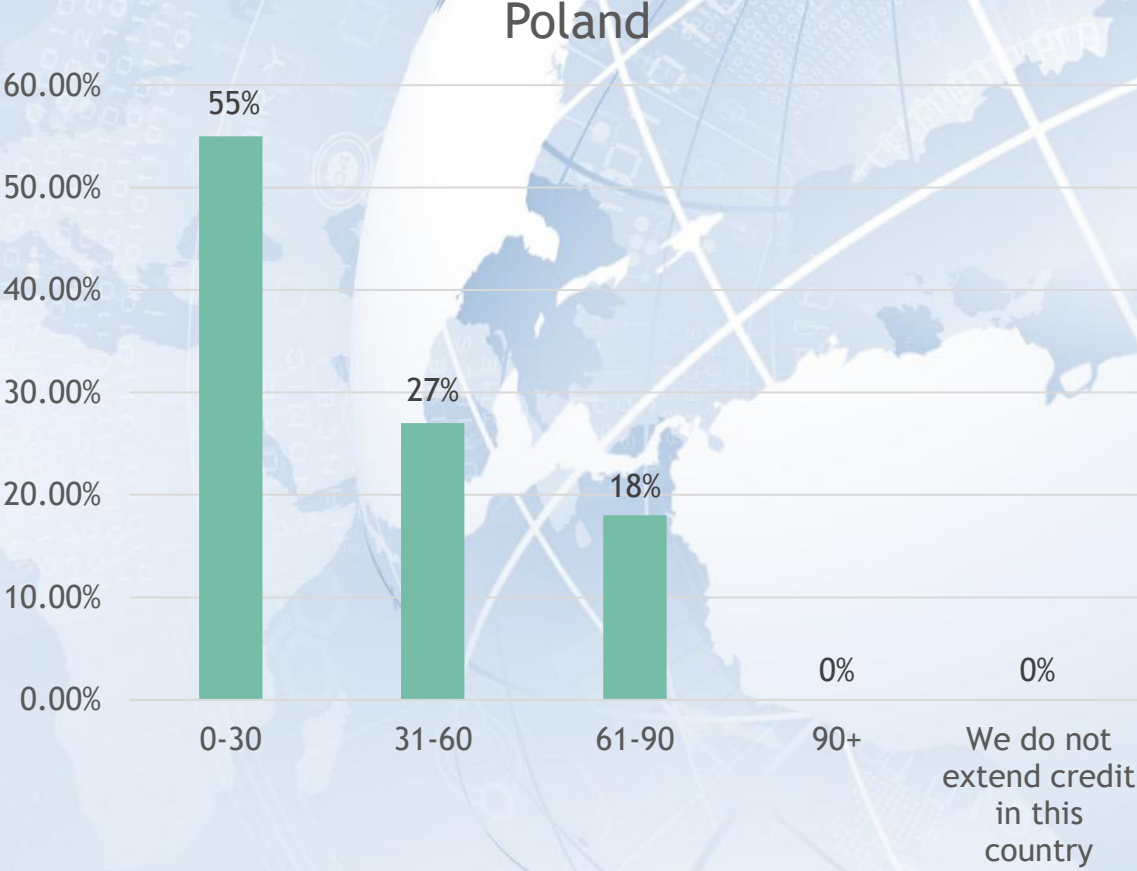
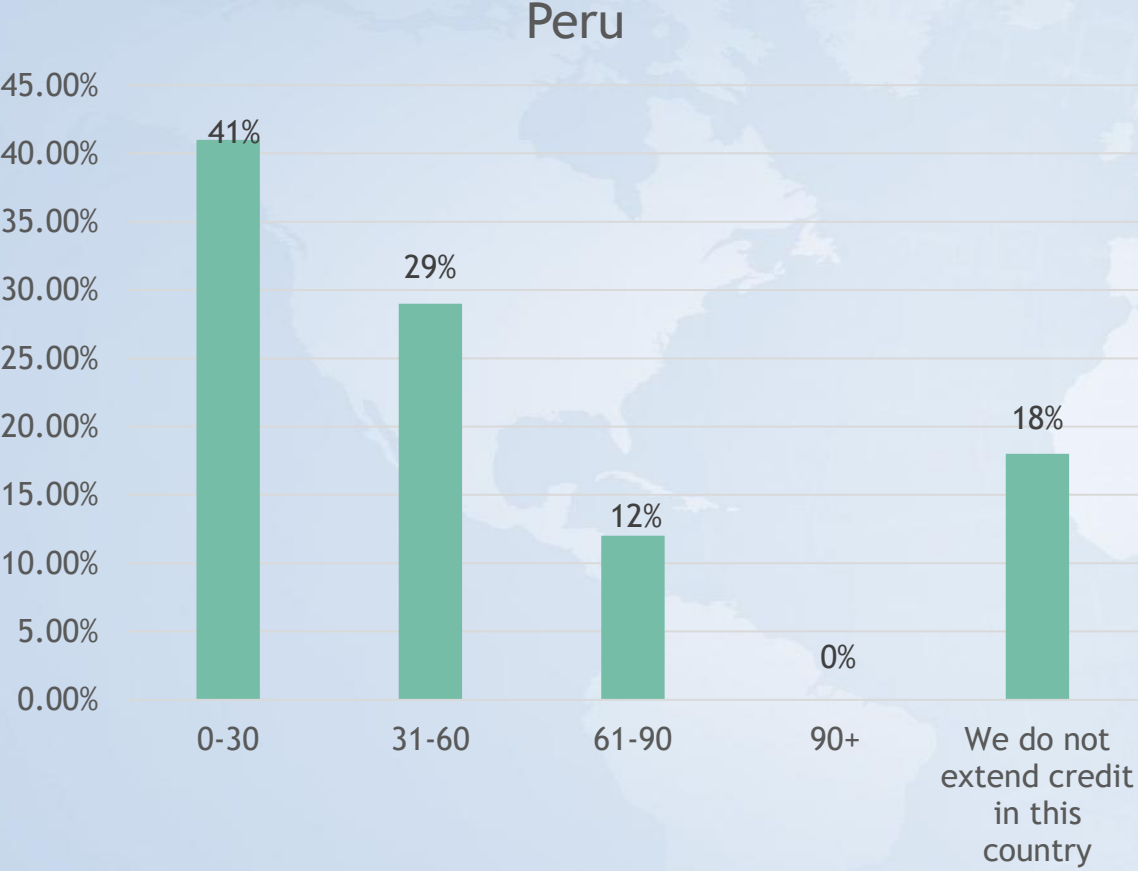
Argentina



Germany



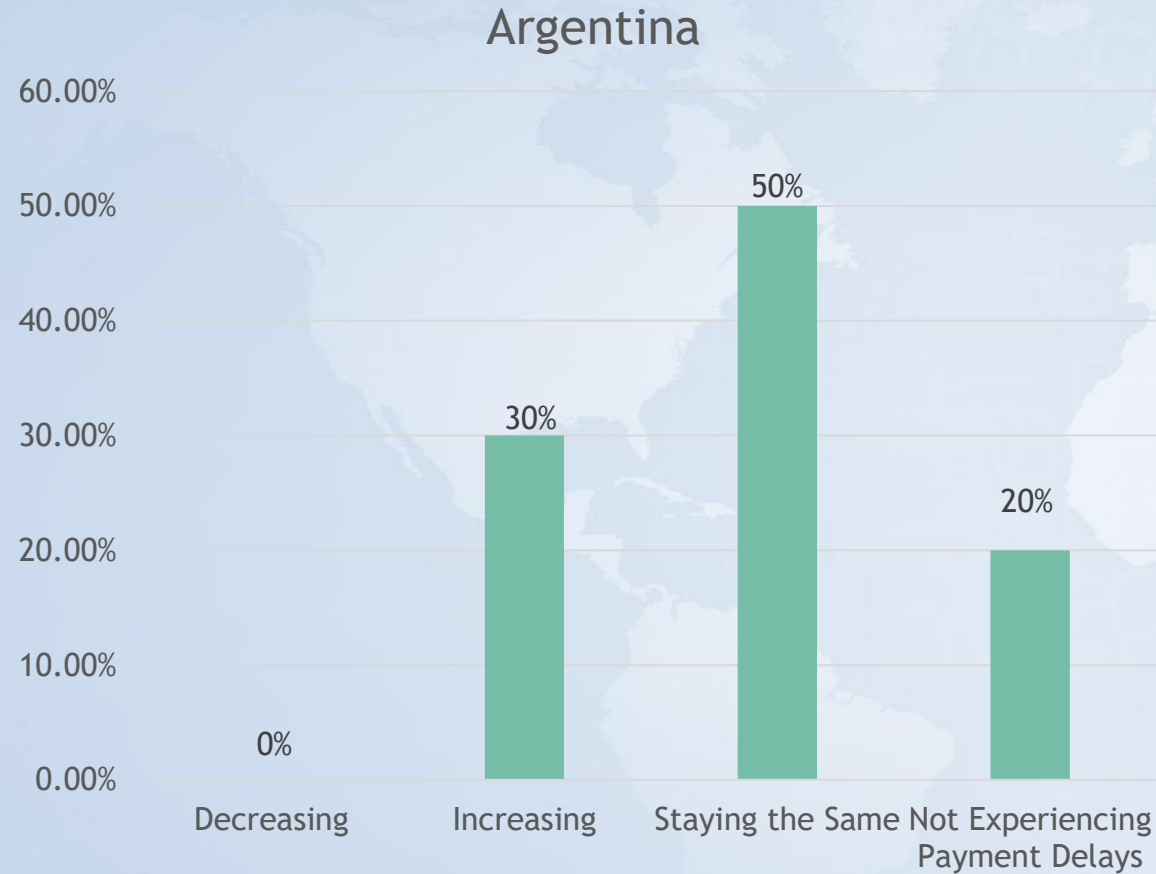
On average, what payment terms are you granting?



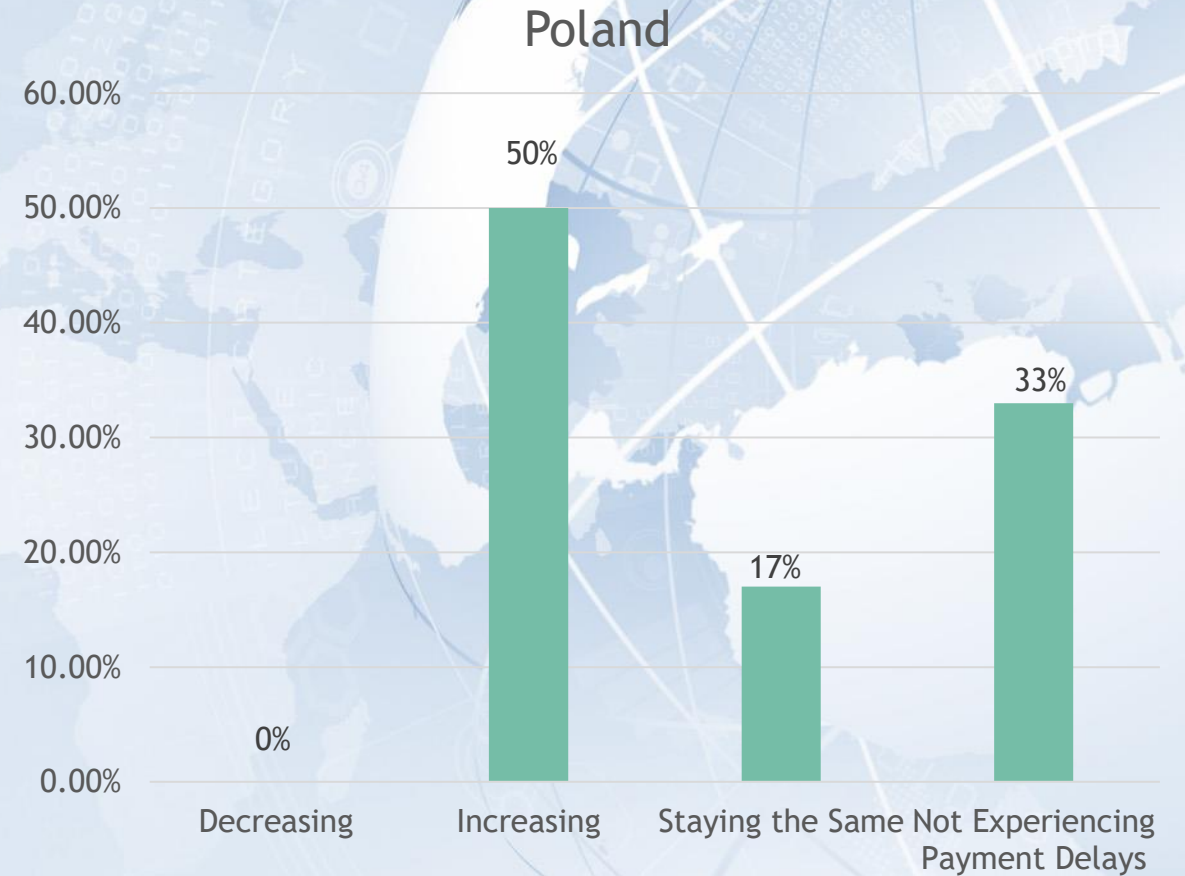
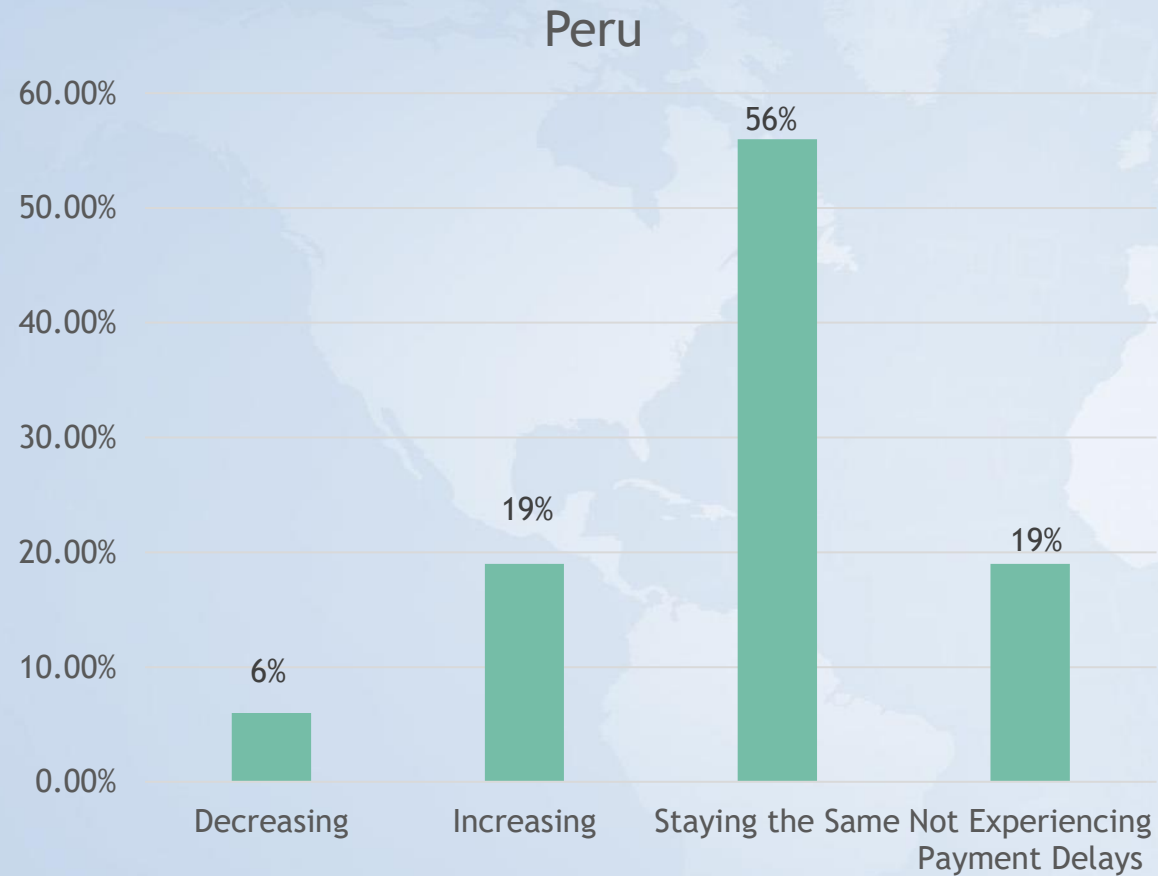
What is the average number of days beyond terms in these countries?



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

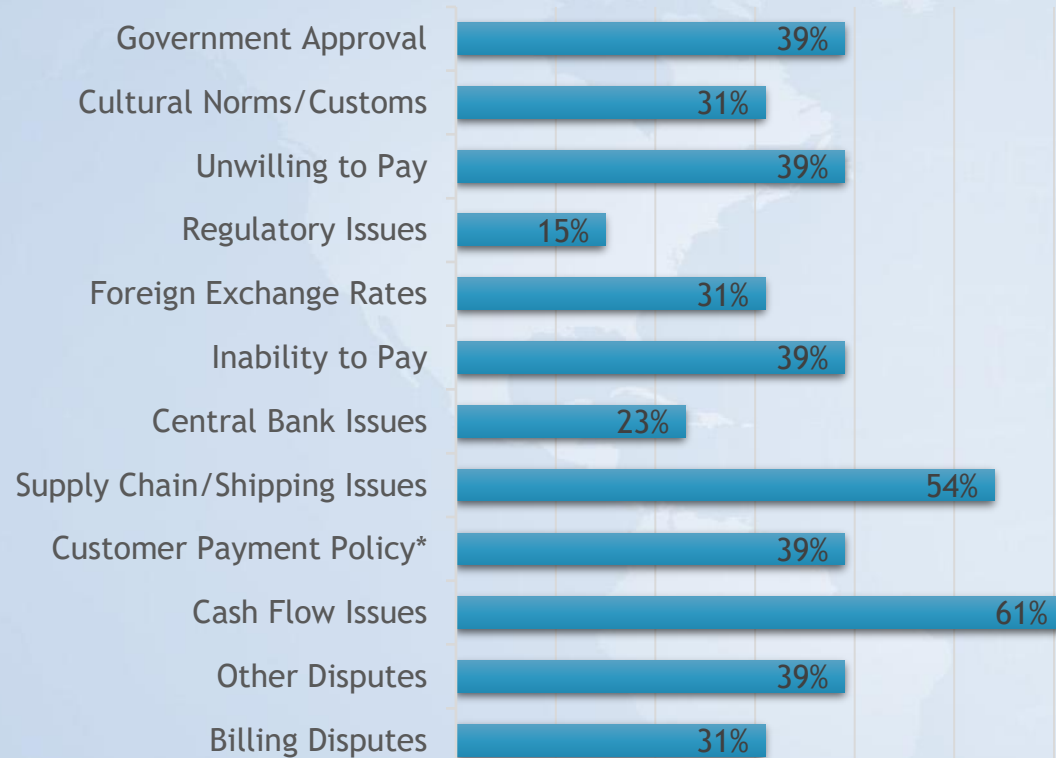


Are payment delays increasing, decreasing, or staying the same?

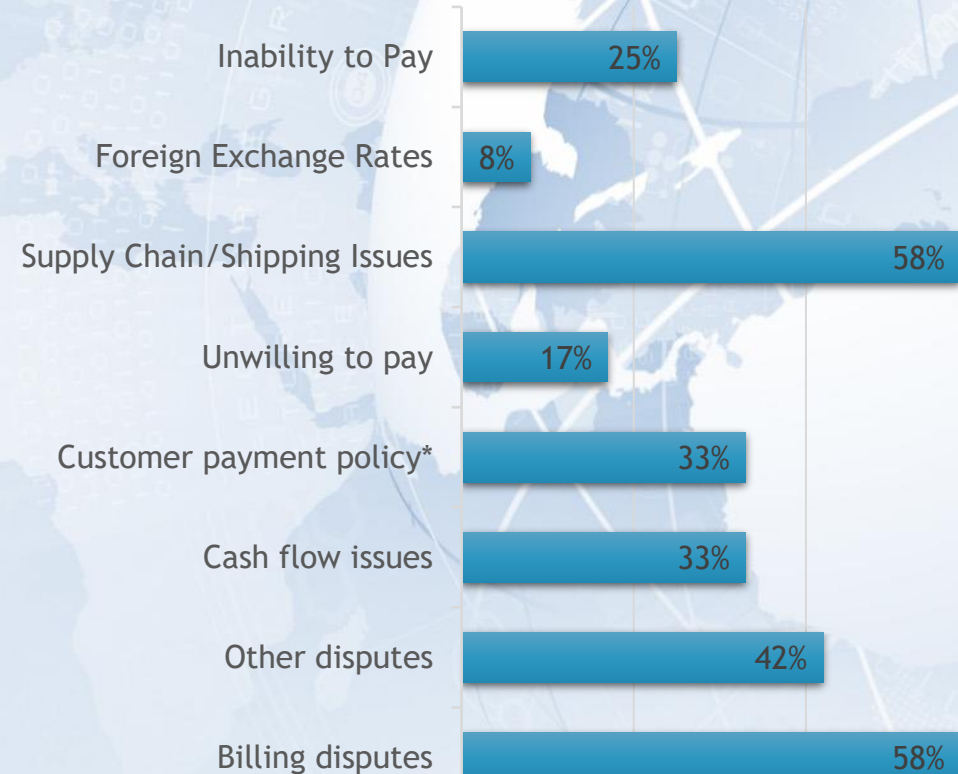


The most common causes of payment delays

Argentina



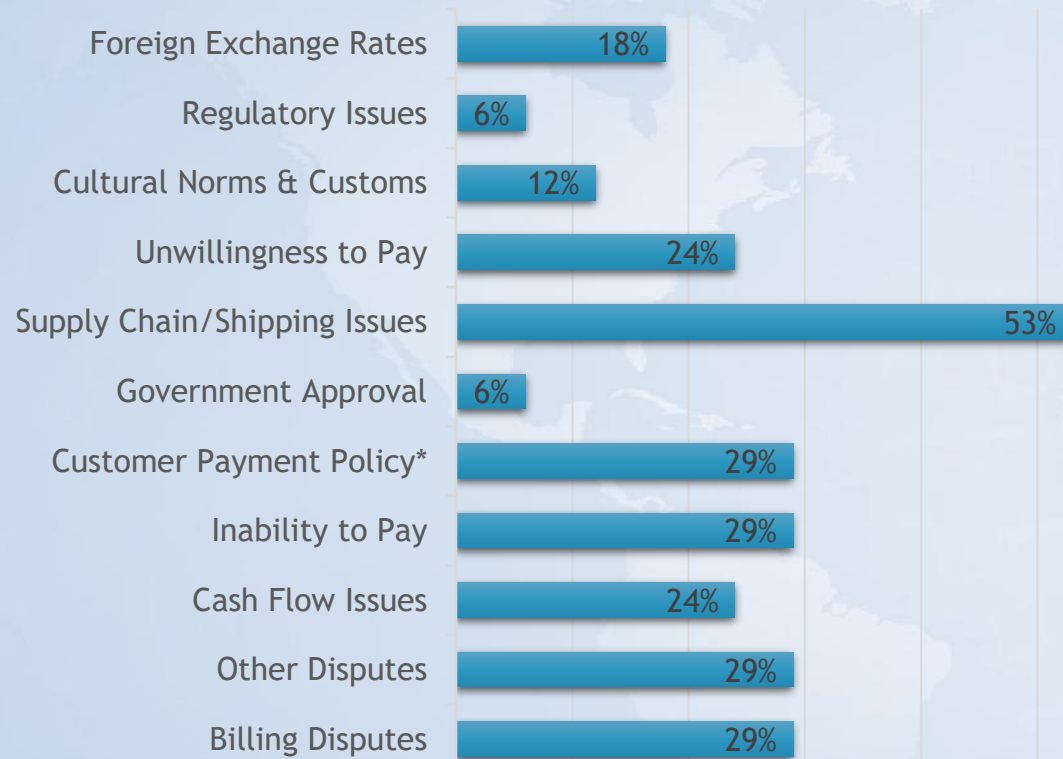
Germany



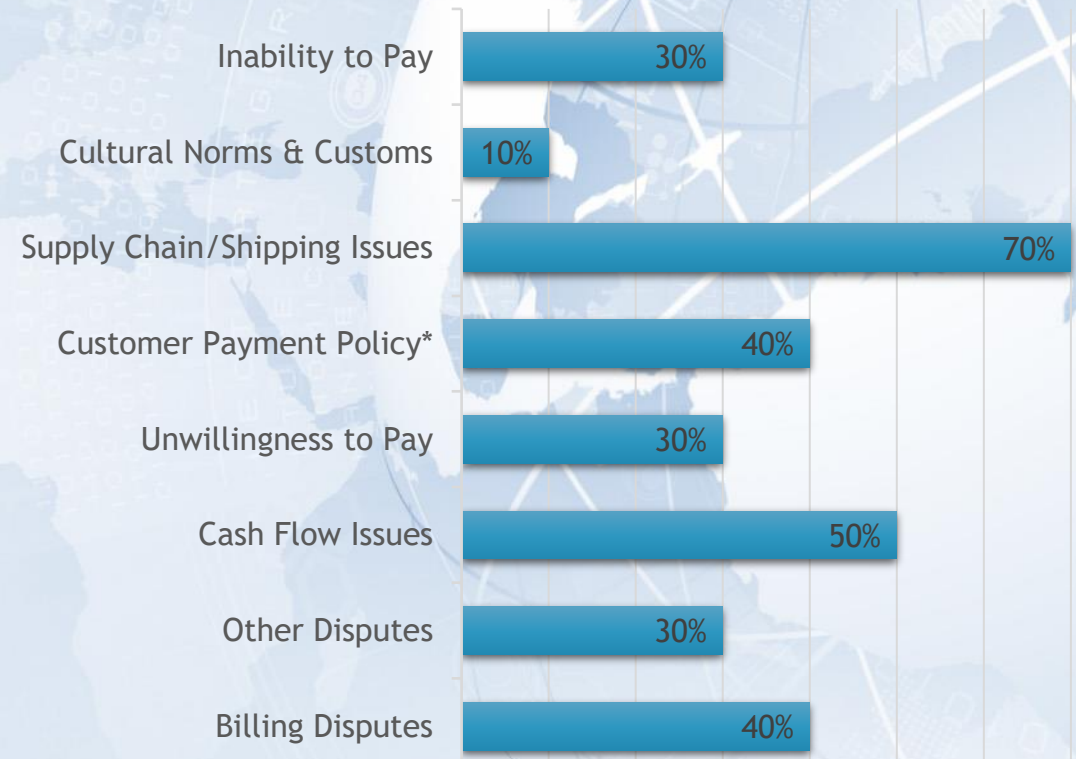
*(i.e. customer only pays on a set day of the month)

The most common causes of payment delays

Peru

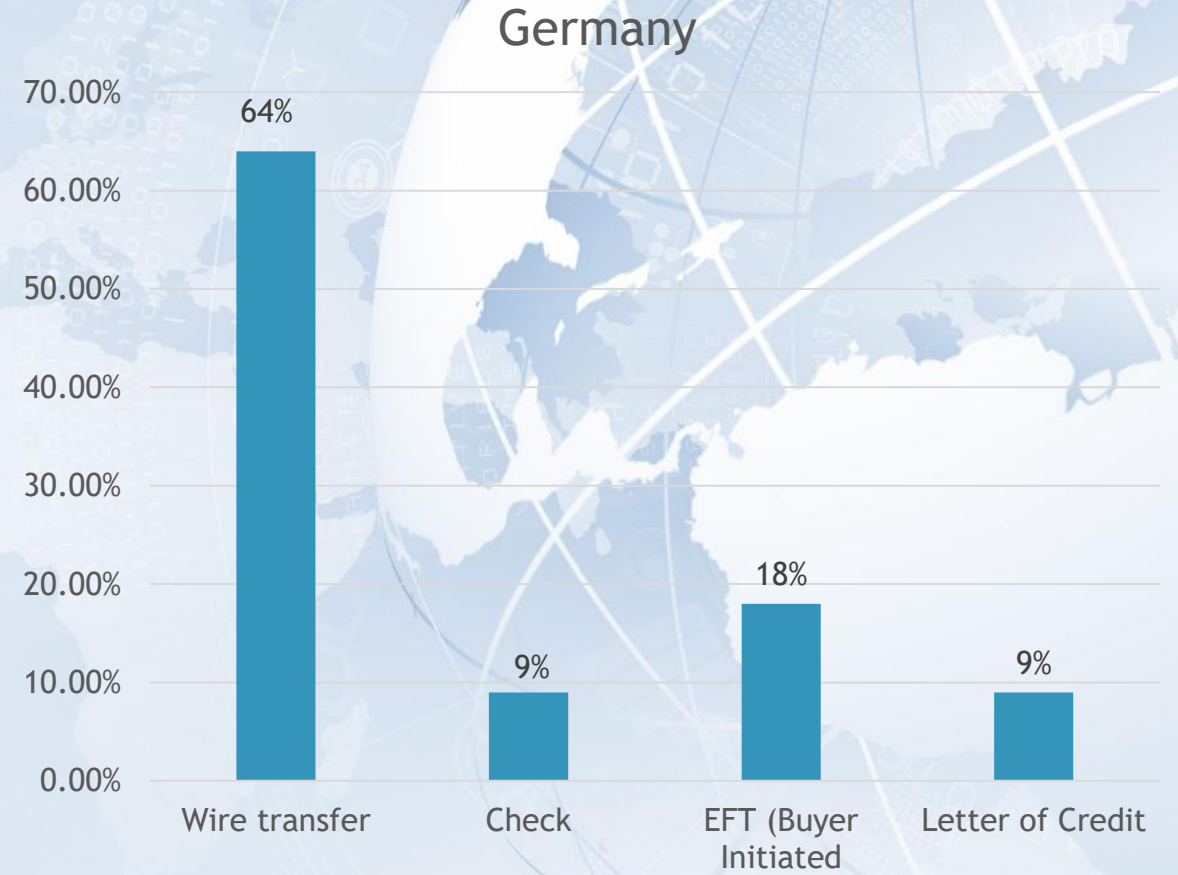
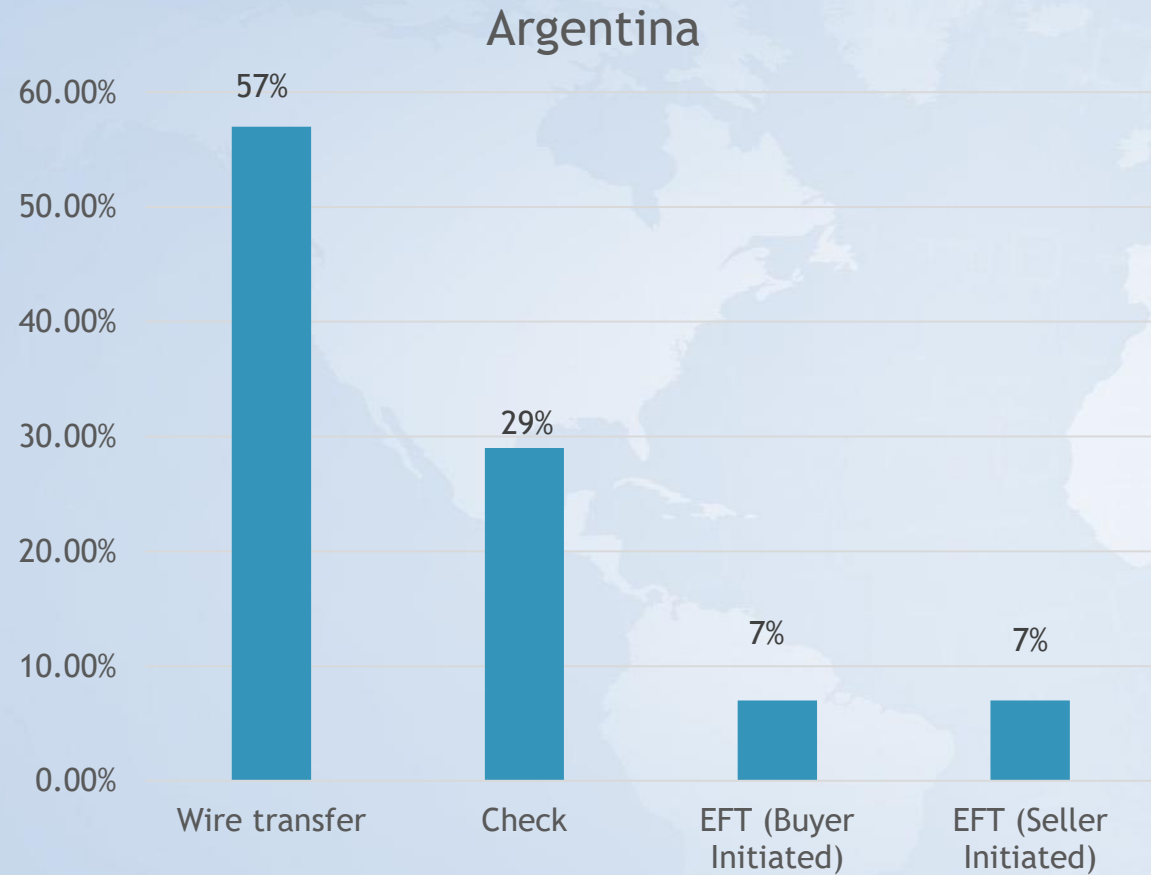


Poland

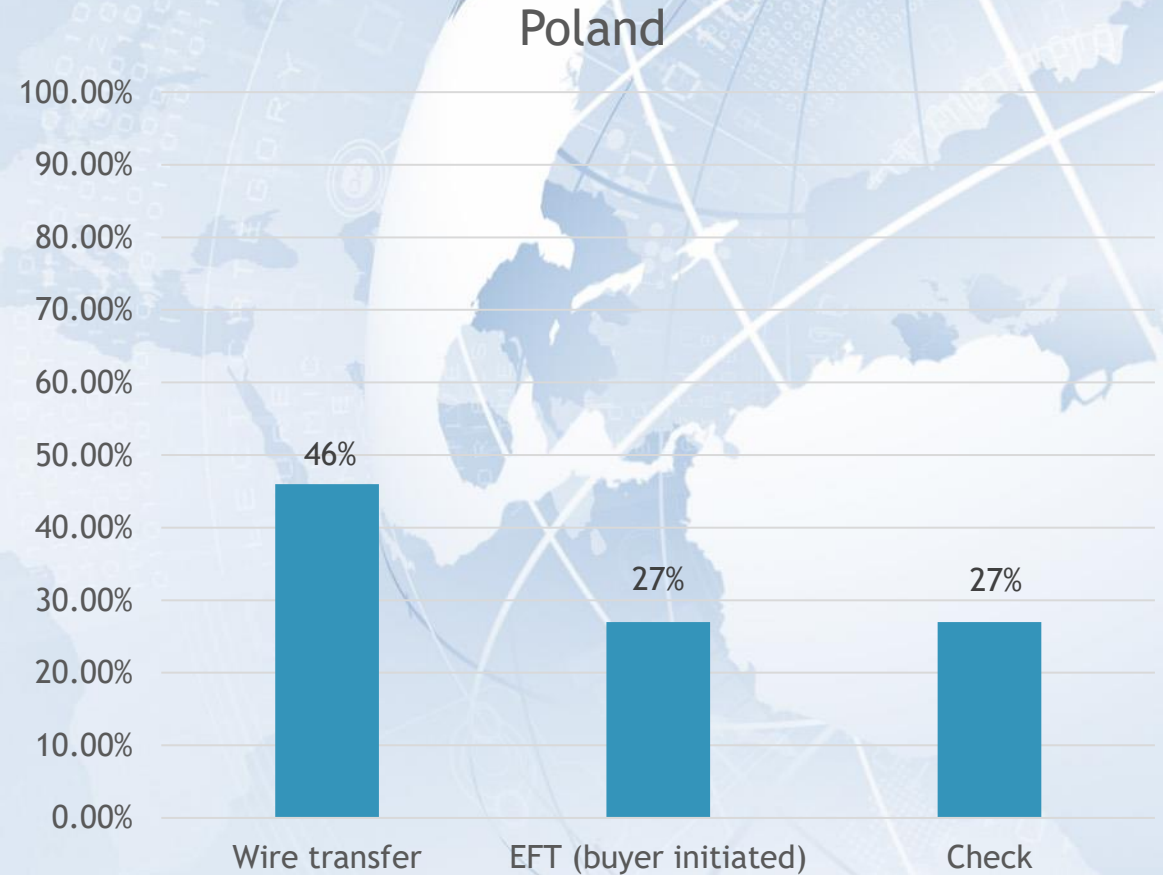
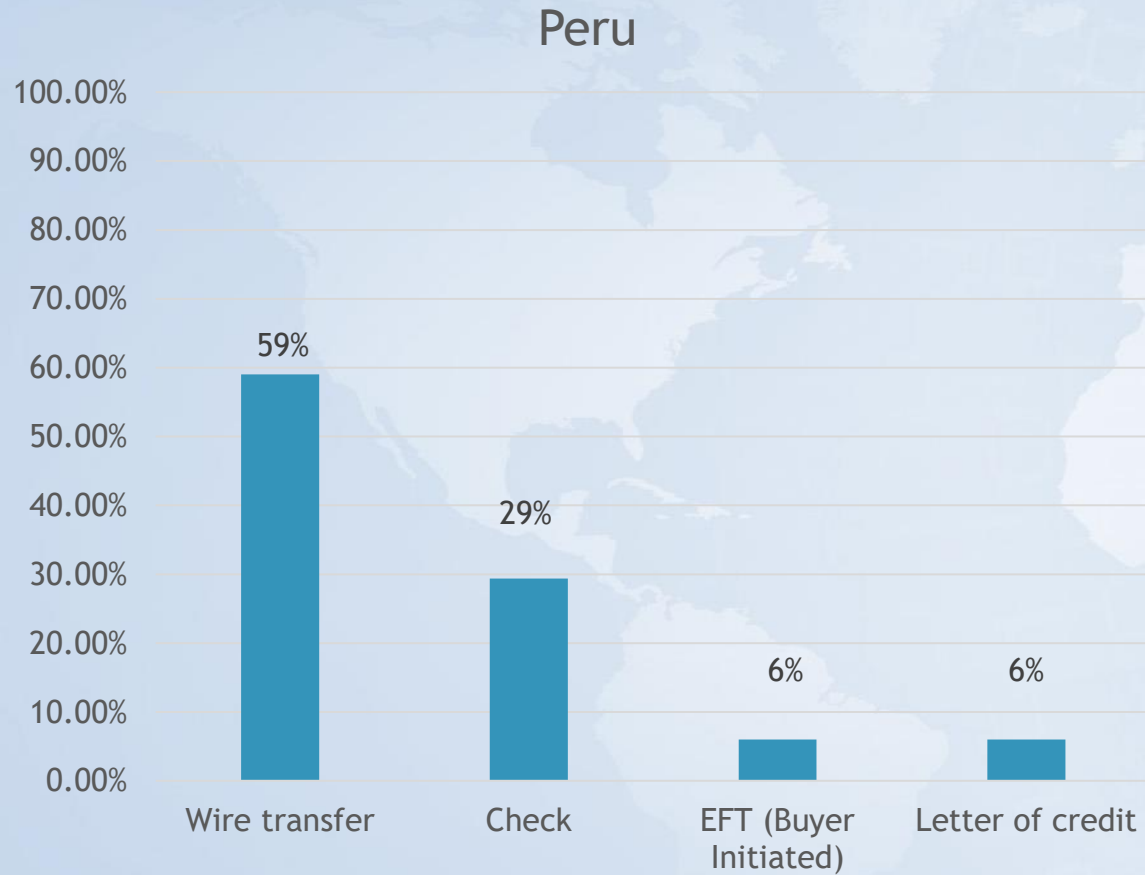


*(i.e. customer only pays on a set day of the month)

Methods used to secure payment



Methods used to secure payment



Insights from Credit Professionals

Argentina

- Clear agreements, strict control. They are not able to pay before due date (government normative).
- New regulations are being implemented, be careful extending credit.
- Availability of USD and EUR controlled by Central Bank.

Germany

- We have a sales rep that lives in Germany, she is great communicating to customers if they start to fall behind. She said it is not part of German culture to pay late, unless there are problems beyond their control.
- Norms and customs have produced traditionally close adherence to payment terms.

Insights from Credit Professionals

Peru

- Peru has a good local report where usually you can find financials, payment behaviour. Customers usually share their financials as well and are open related this topic.

Poland

- Terms are cash in advance for bulk orders. Extend very small credit line to accommodate service parts.

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).
- Build a relationship with the customer directly, don't depend on the sales people to handle all the customer issues
- 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.
- Do due diligence for all prospect customers especially to those small/medium privately held companies with no Financials, credit report, etc. Check the profile and validate like business address, company domain e-mail address, etc. and start with small, reasonable credit line and reasonable payment terms.
- It is important to know customer's payment process to avoid misunderstandings or delays due to administrative issues.