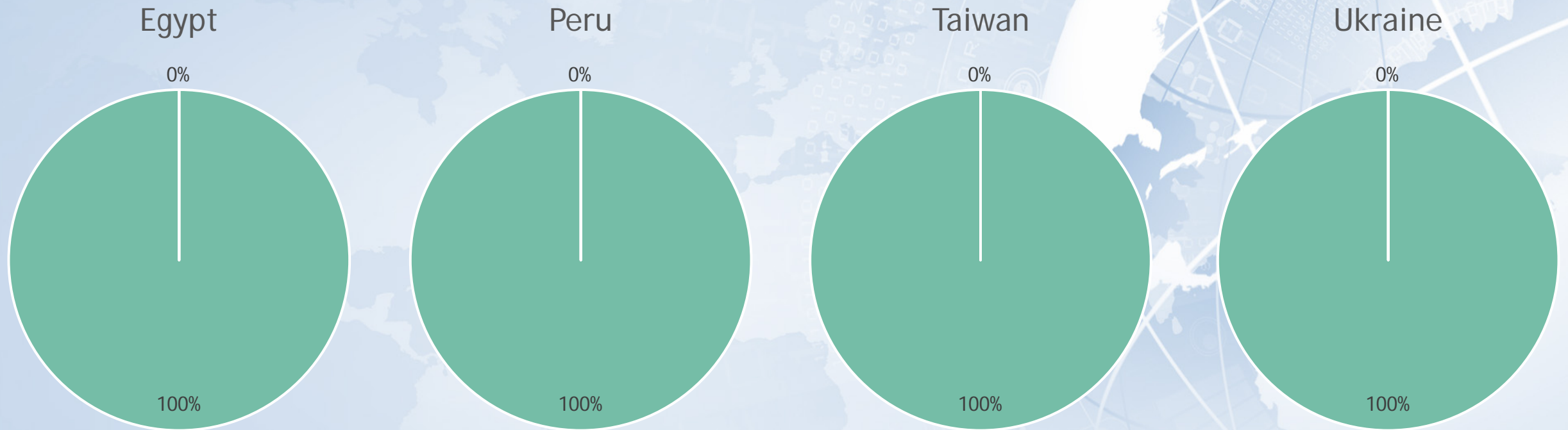


May 2023

FCIB Credit & Collections Survey

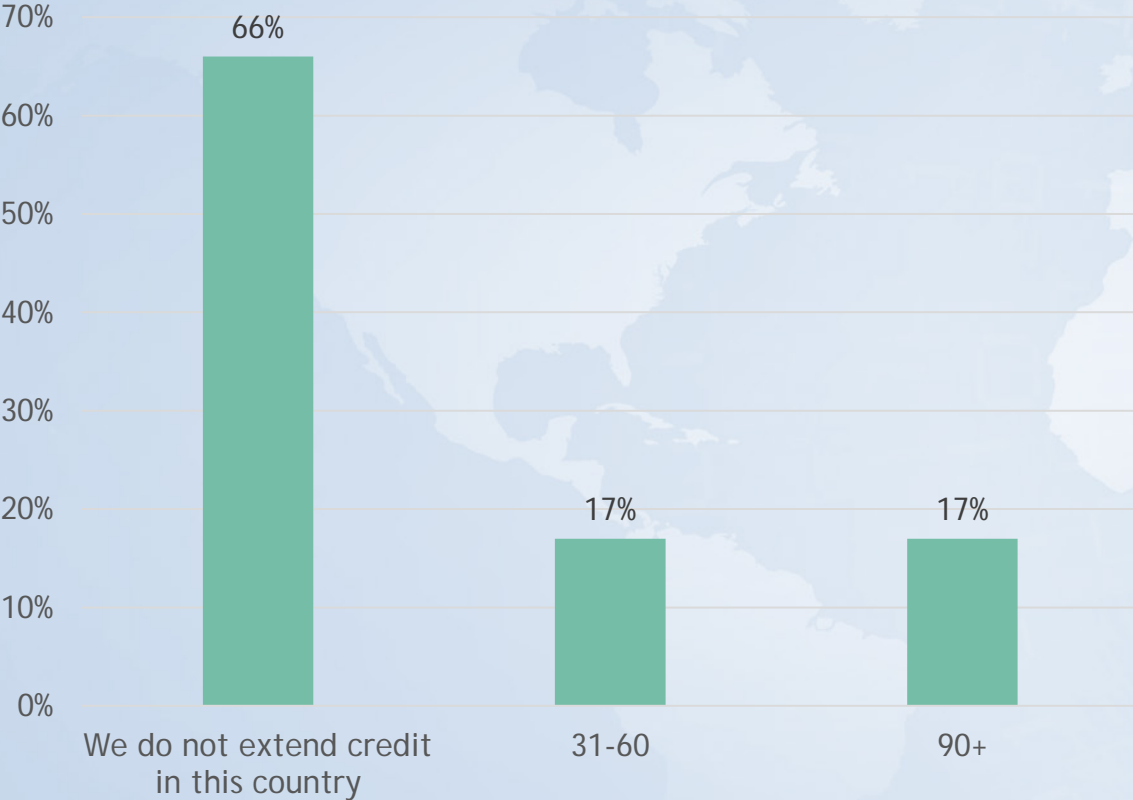
Egypt, Peru, Taiwan, Ukraine

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

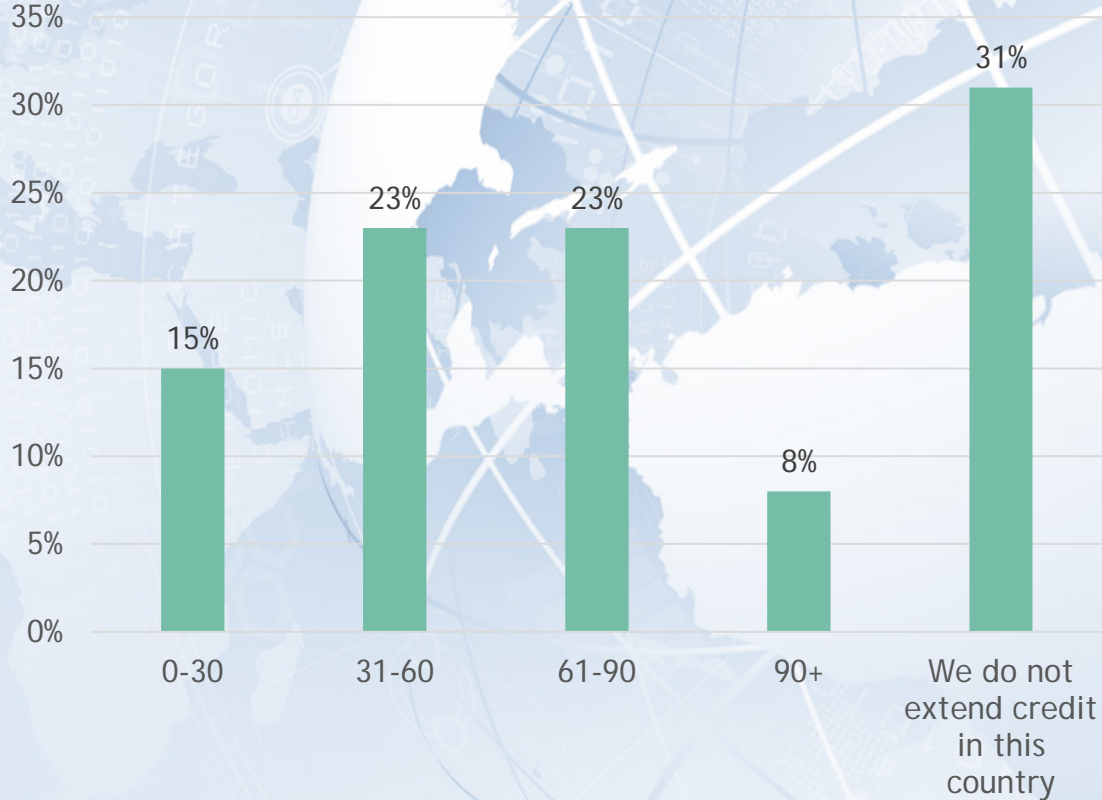


On average, what payment terms are you granting?

Egypt

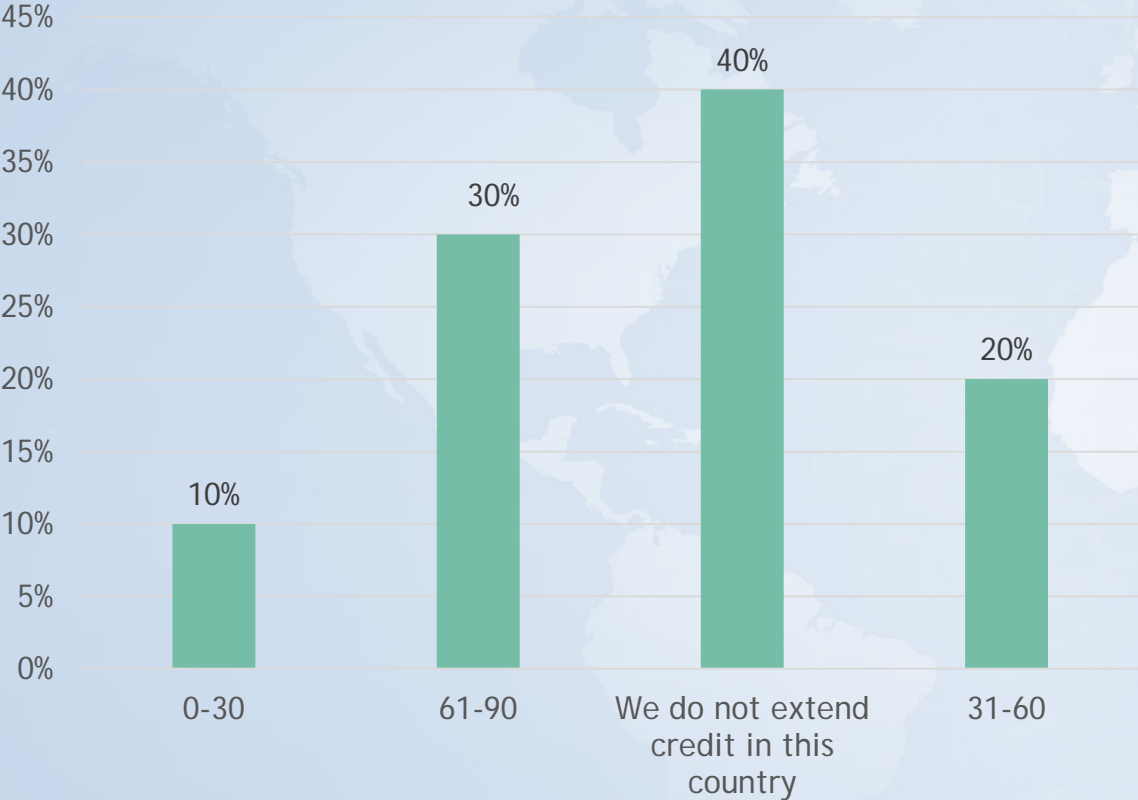


Peru

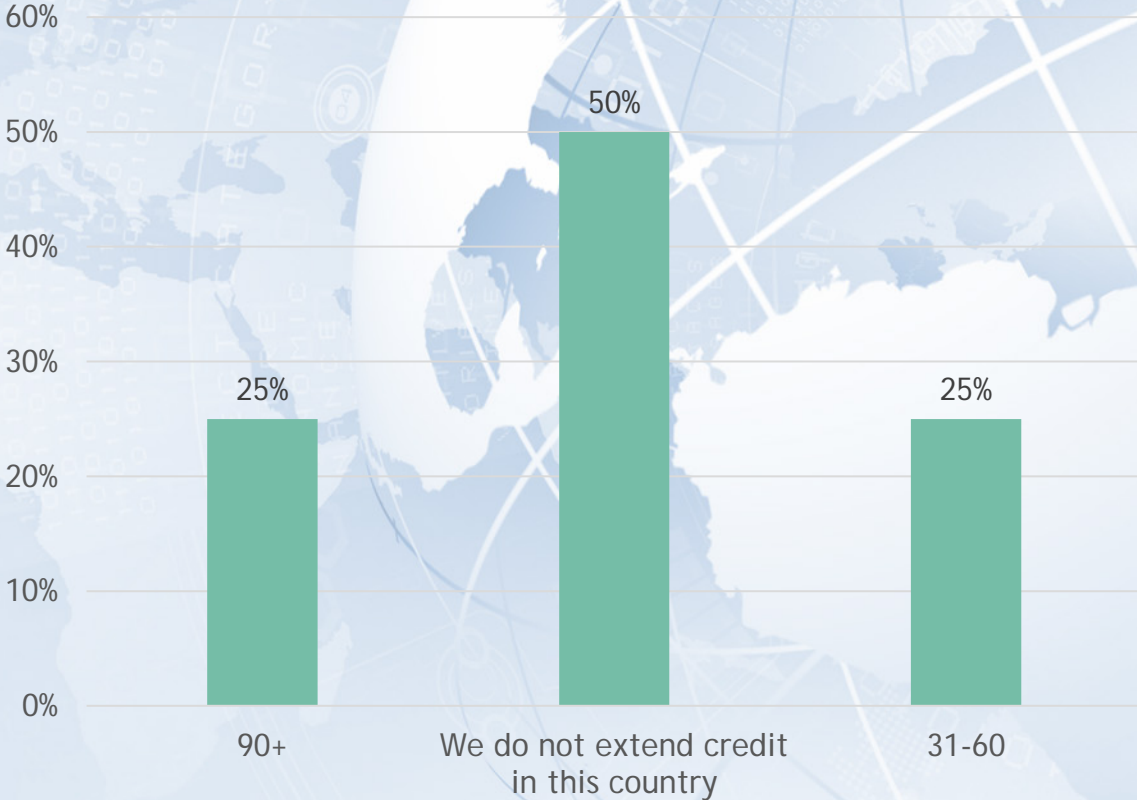


On average, what payment terms are you granting?

Taiwan



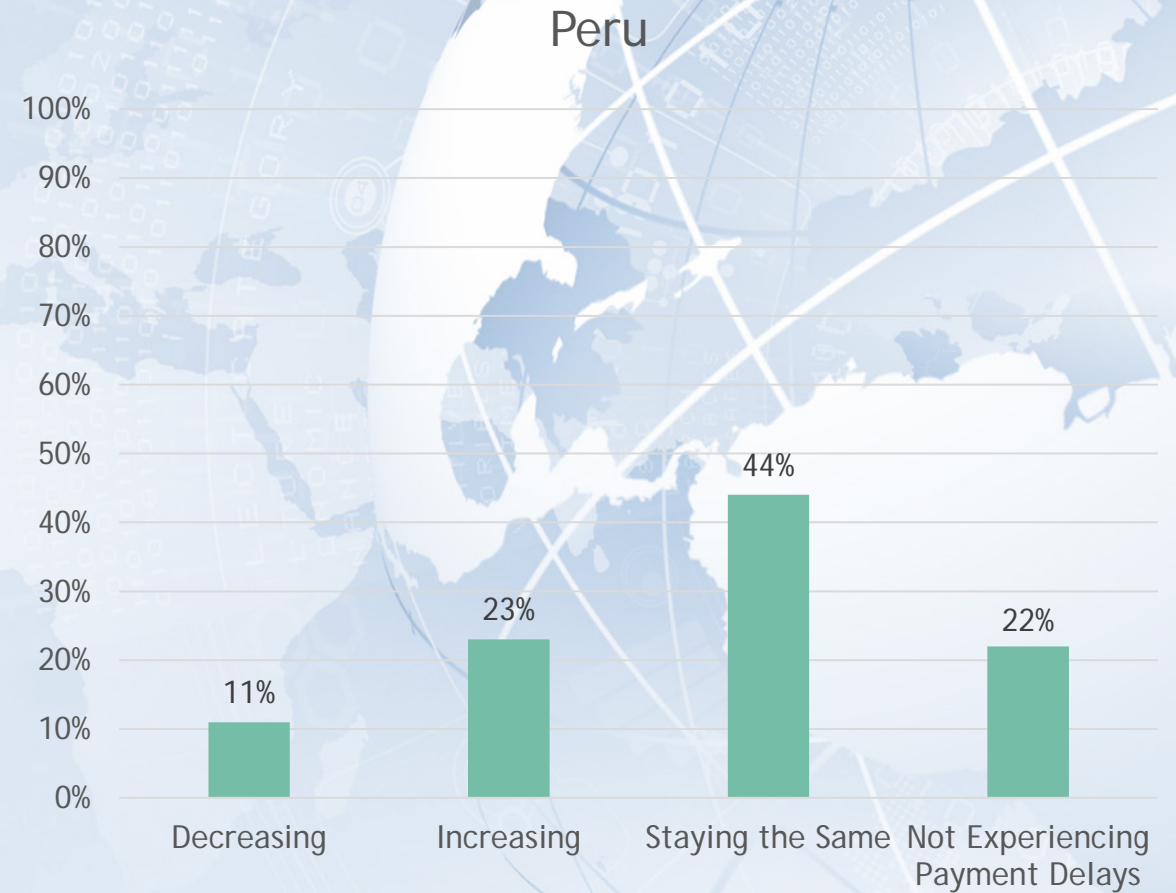
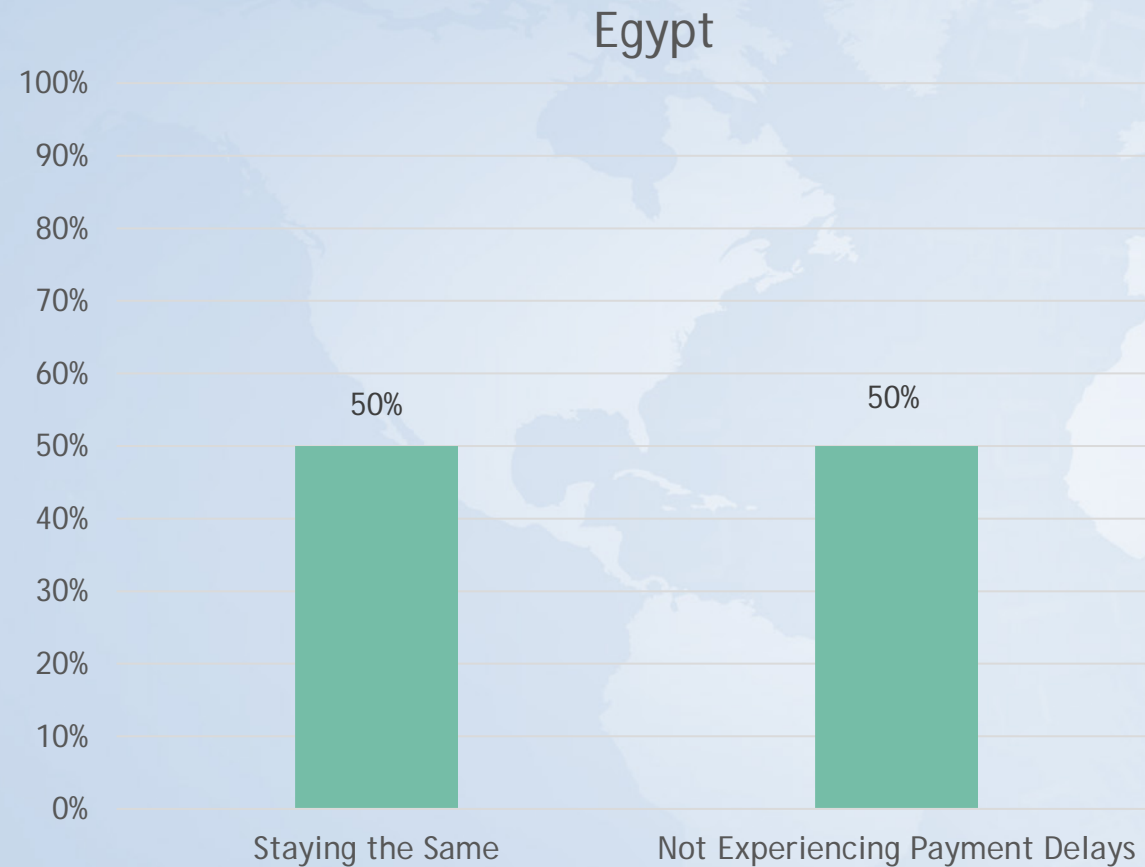
Ukraine



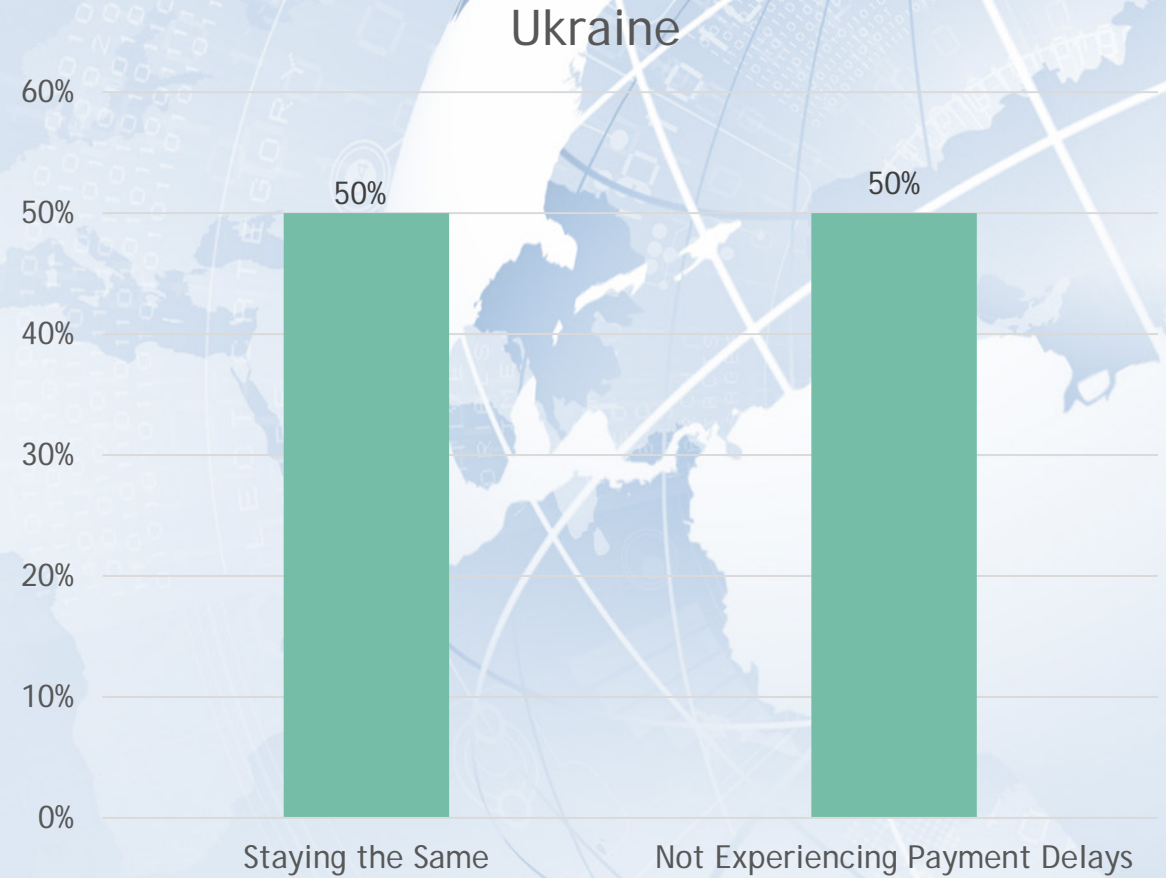
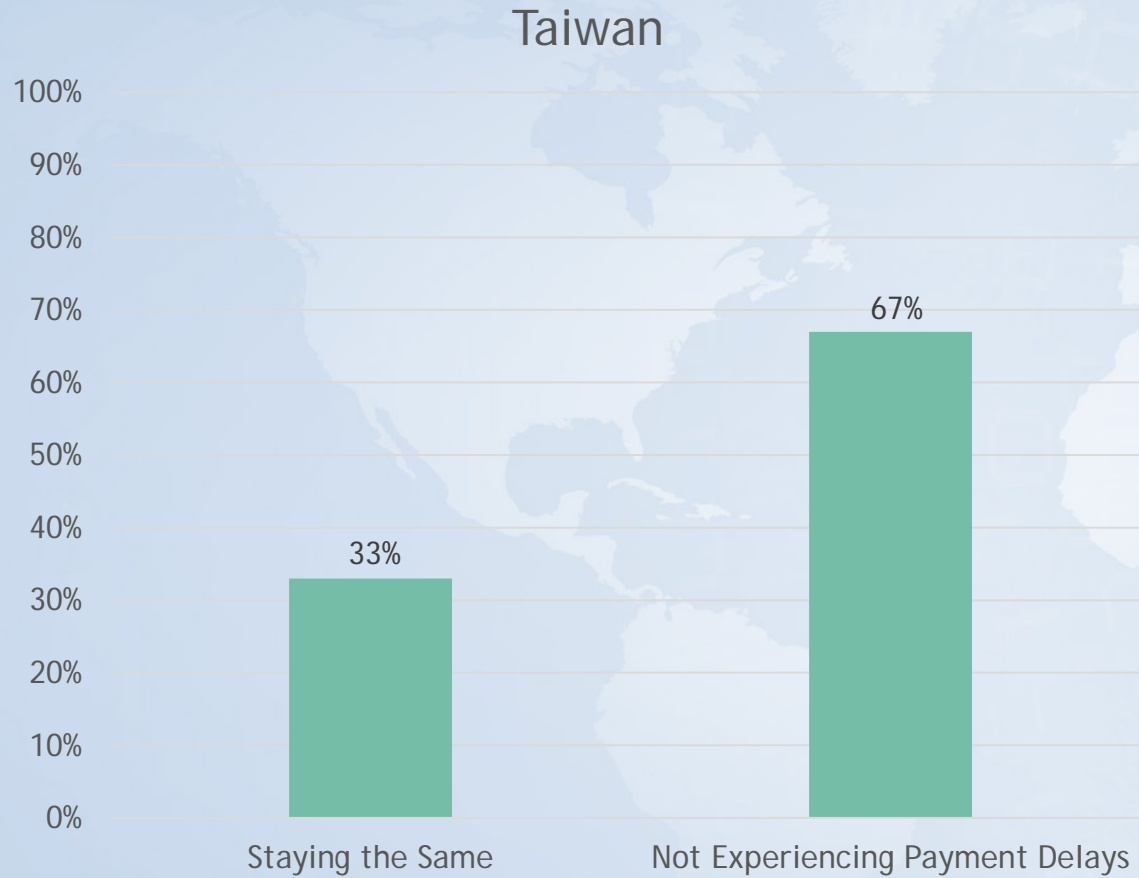
What is the average number of days beyond terms in these countries?



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



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

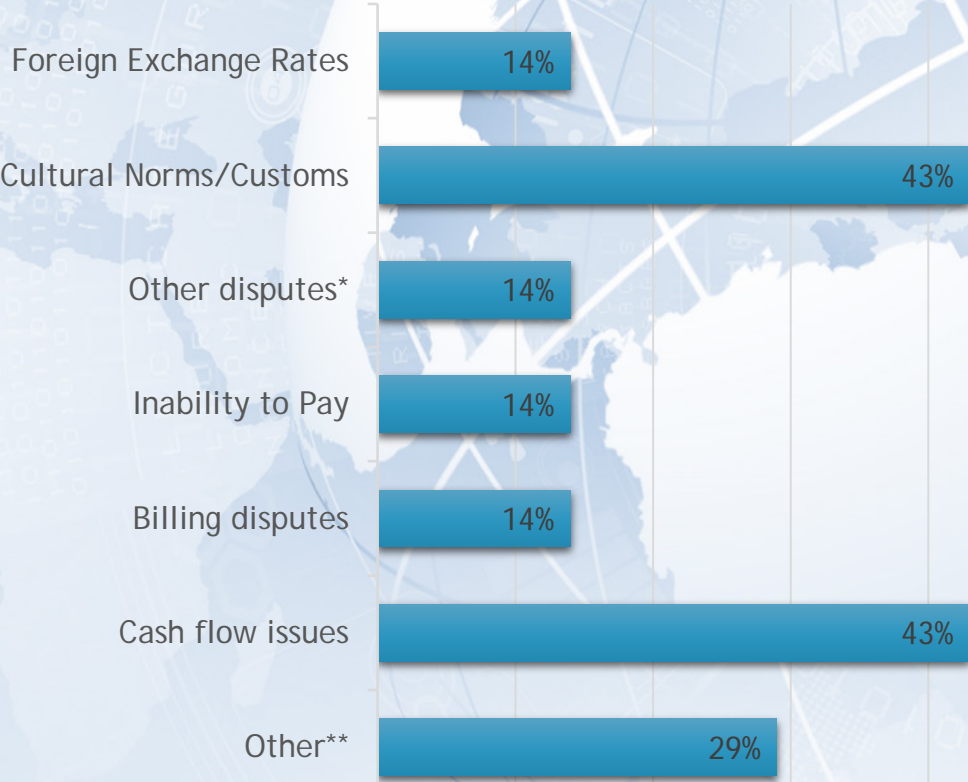


The most common causes of payment delays

Egypt



Peru

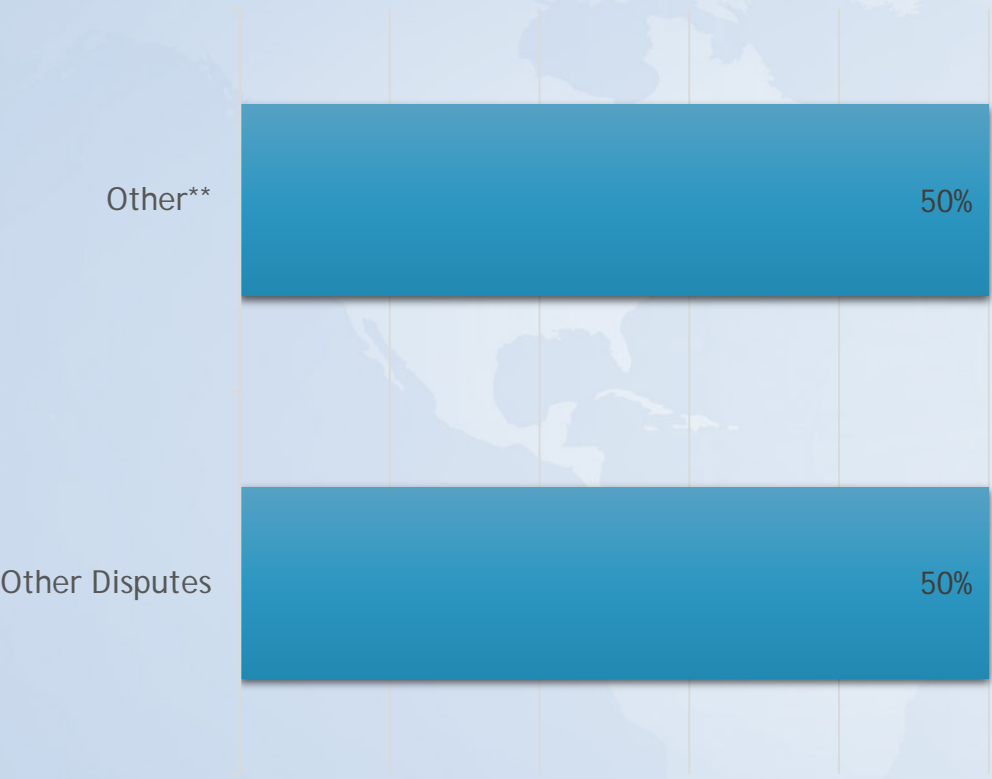


*(i.e. customer only pays on a set day of the month)

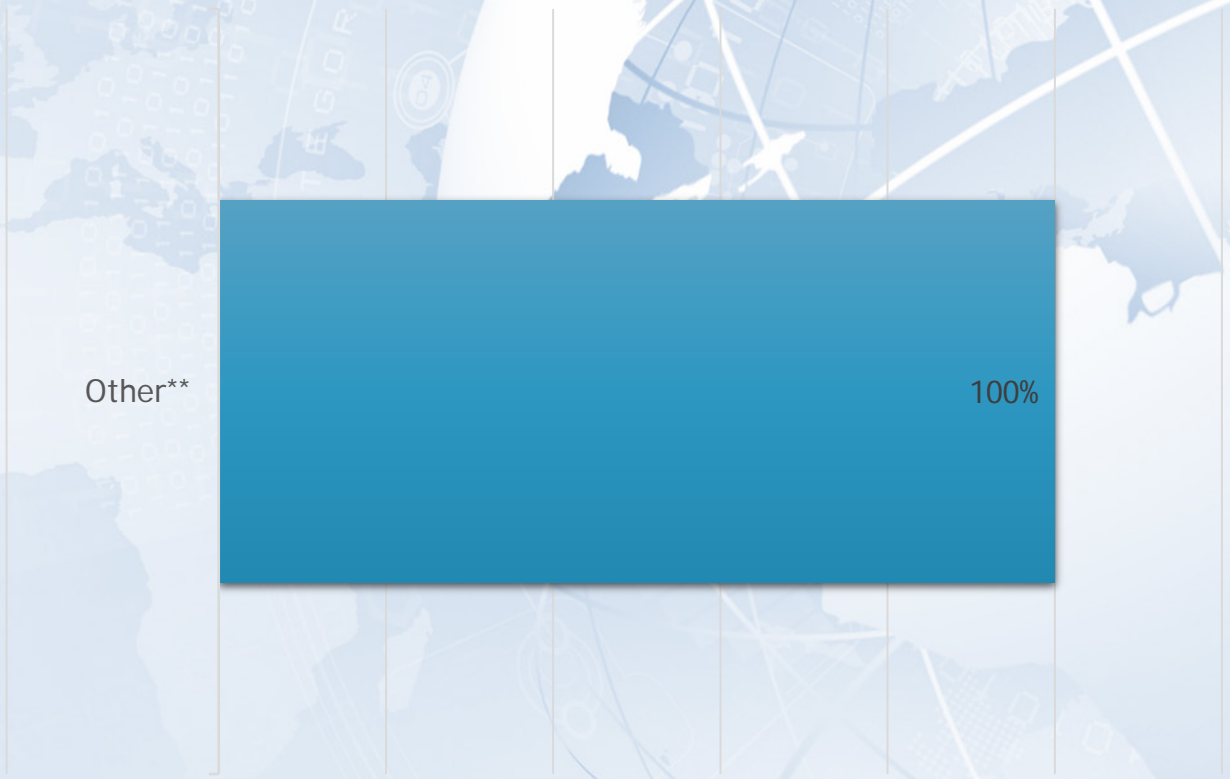
** (i.e. Civil unrest, political instability and Martial Law)

The most common causes of payment delays

Taiwan



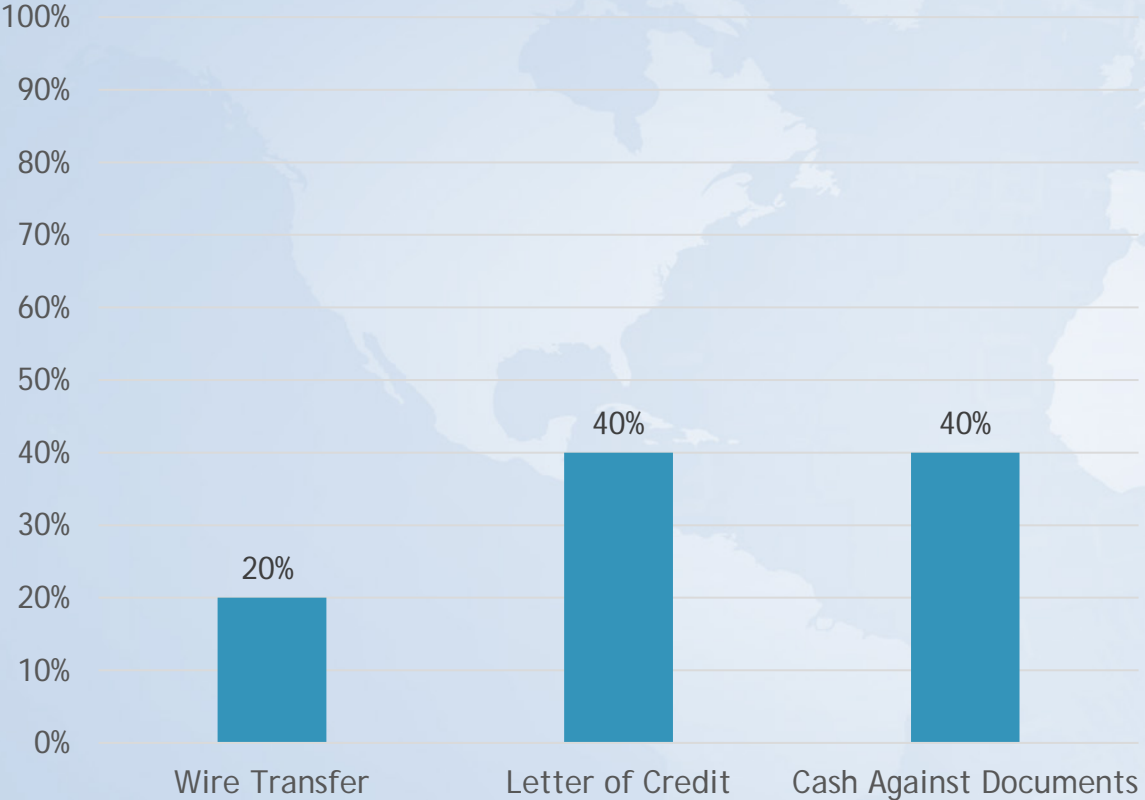
Ukraine



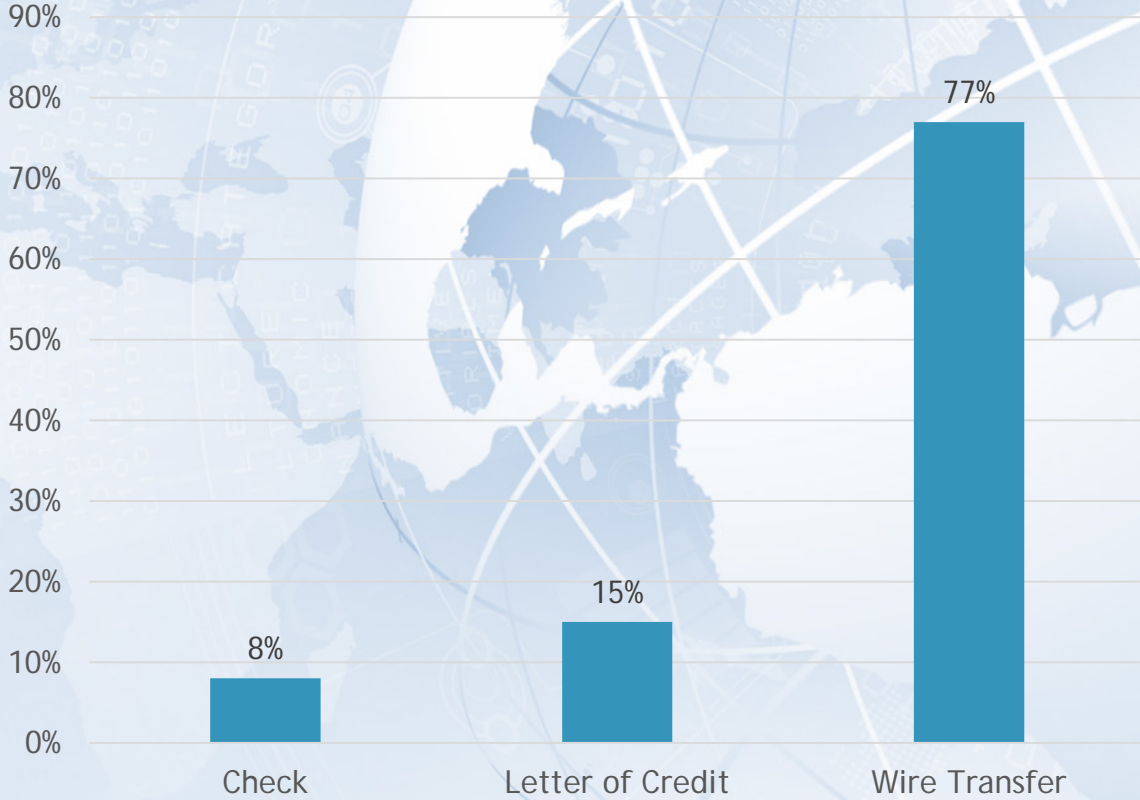
*(i.e. customer only pays on a set day of the month)

Methods used to secure payment

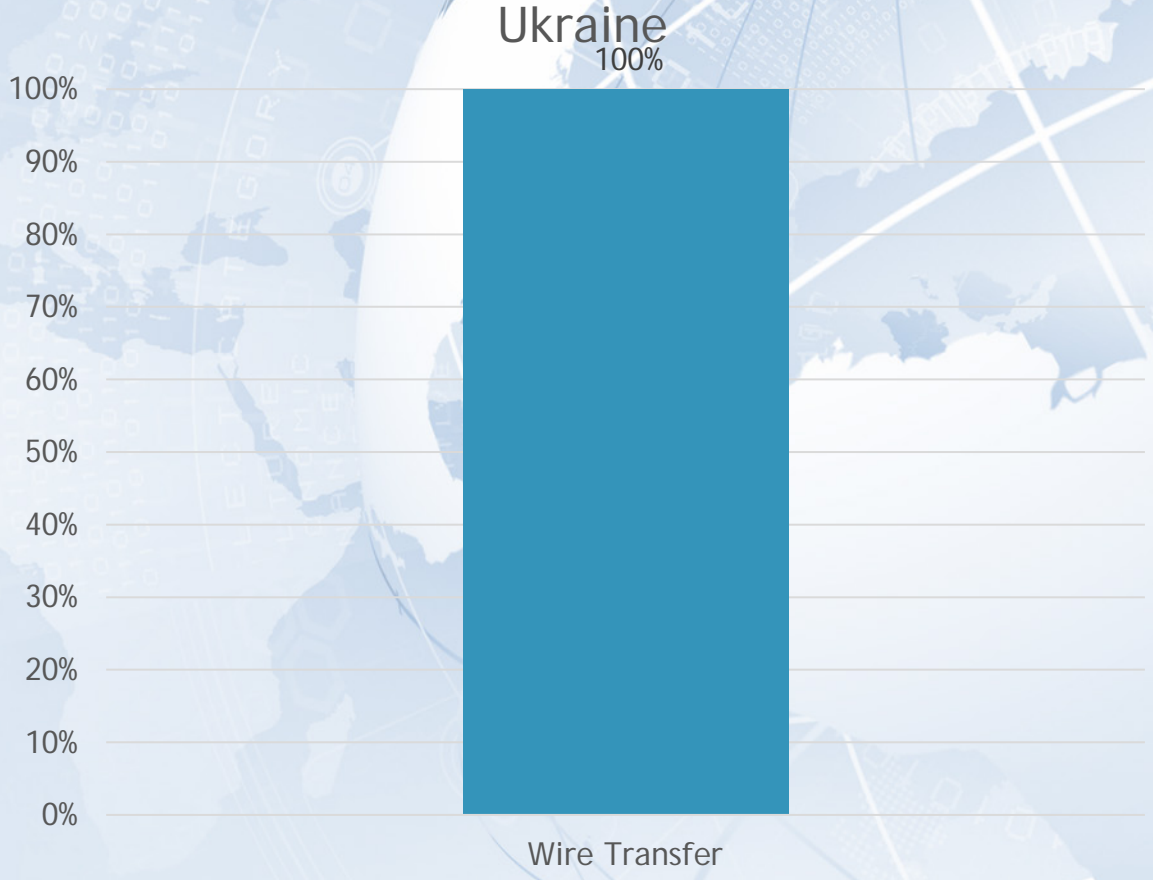
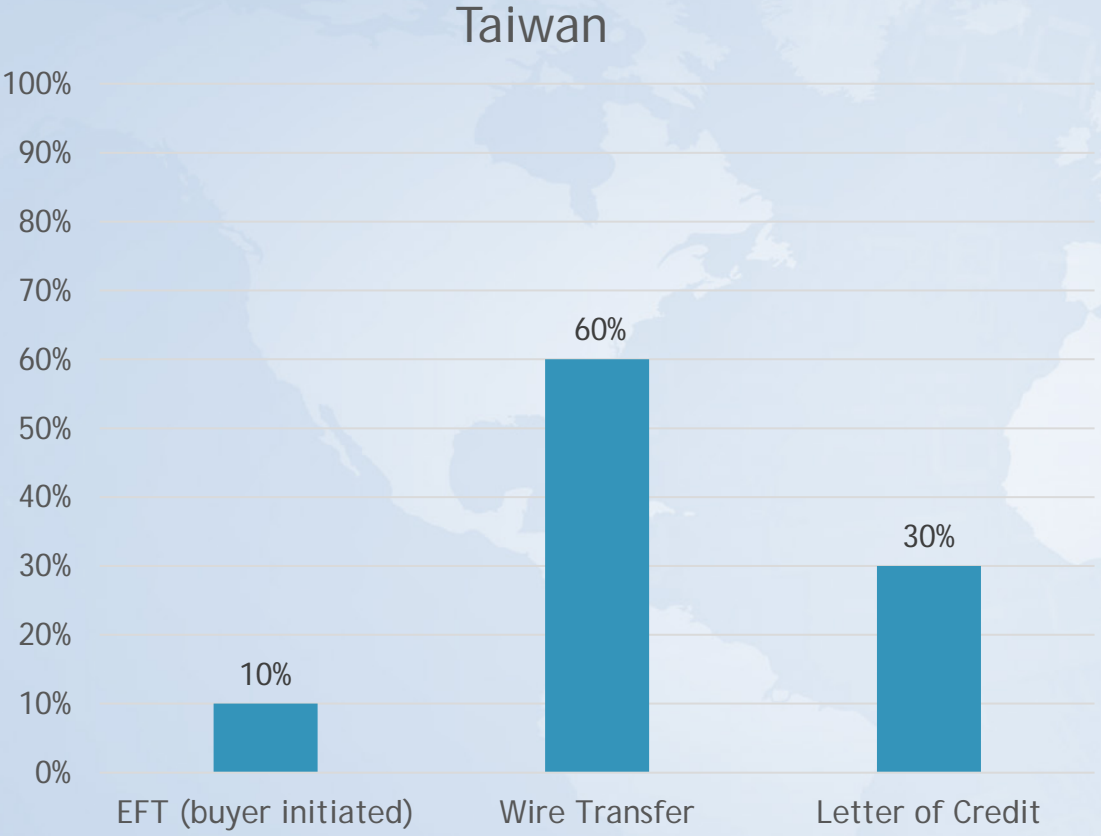
Egypt



Peru



Methods used to secure payment



Insights from Credit Professionals

Egypt

- We're only selling under LCs due to the restrictions in banks getting USD.
- Trade using a secure payment method only.

Taiwan

- We do not extend credit in Taiwan. If you do extend credit make sure you secure the balance with a confirmed letter of credit.
- Having a solid, simple LC is key. Don't complicate things or get buried in required documentation for payment that leaves you vulnerable to discrepancies. Do this and you should have no issues.

Peru

- while it seems that the worst of the martial law and civil unrest delays are easing, Peru has been plagued by these in recent years. We have strong relationships with our customers so we've always been paid, but outbound remittances can get caught in the upheaval.
- The legal system is rarely useful. I would advise securing all transactions regardless of credit worth as the credit environment in Peru is very volatile.
- Peru experiences political instability from time to time, most recently beginning in December. Businesses are forced to either shut down completely or open only during specific times and movement of citizens is highly restricted. This interferes with banking operations and turns the country into largely a cash society until the unrest improves. Seems to be slowly normalizing from the earlier months long delays.
- Customers tend to process their payment on or after the due date. It is important to remind them when you need to received the payments before month end.

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.
- 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.
- Obtain financial statements on your customers and backstop sales with credit insurance.