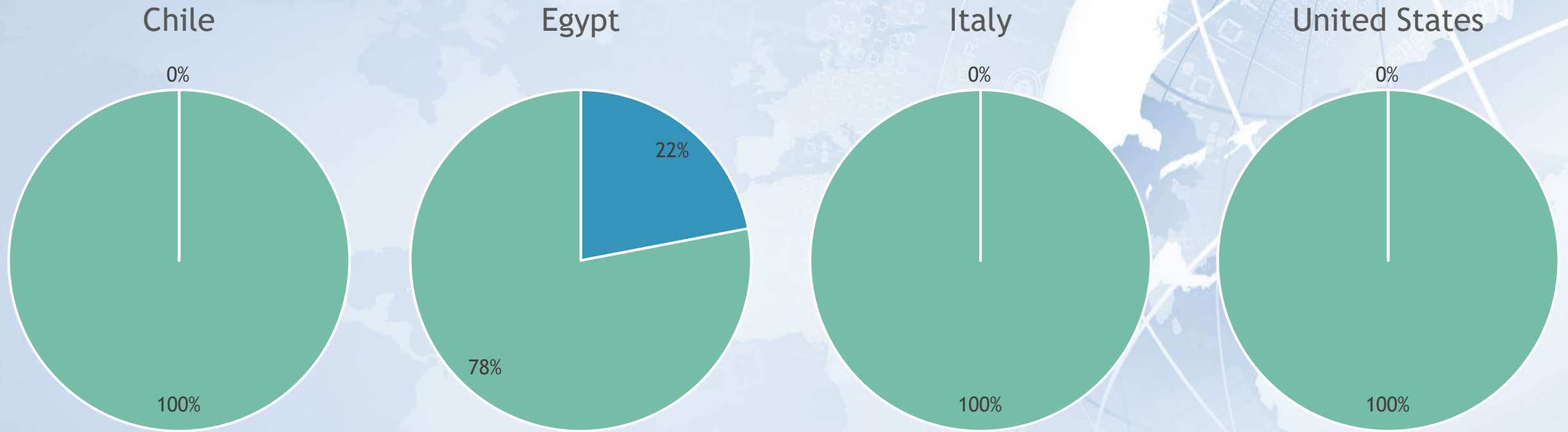


December 2023

# FCIB Credit & Collections Survey

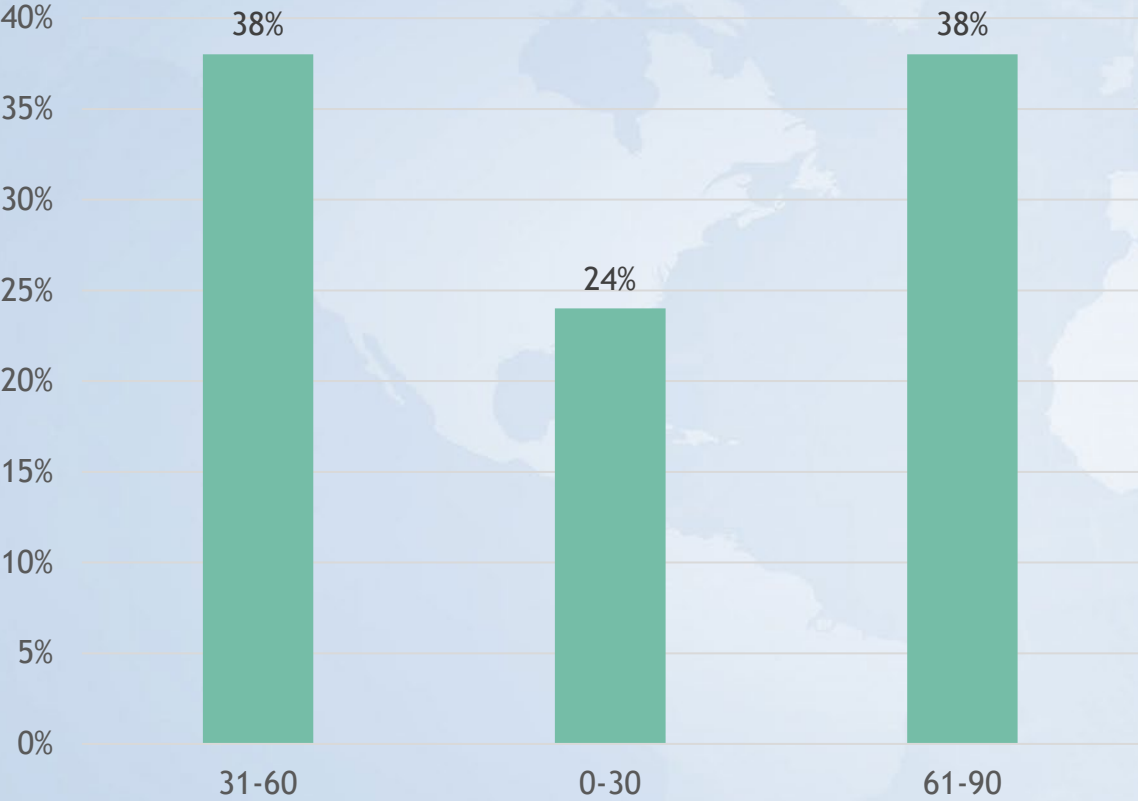
Chile, Egypt, Italy, United States

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

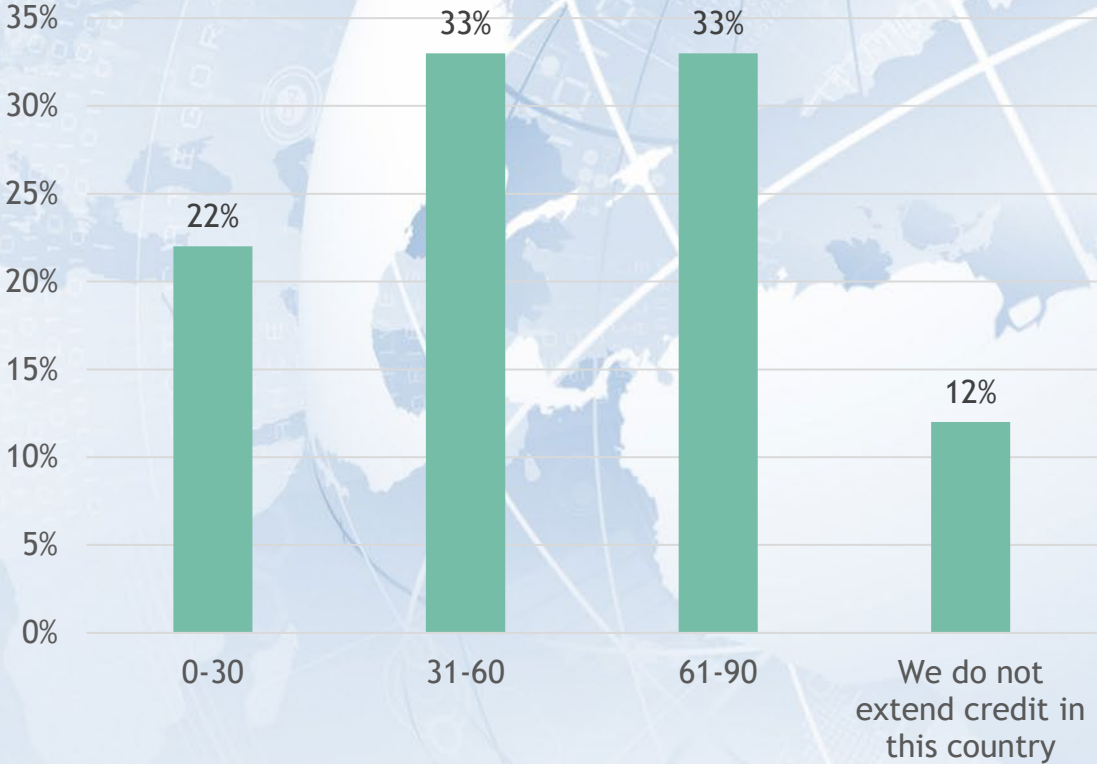


# On average, what payment terms are you granting?

## Chile

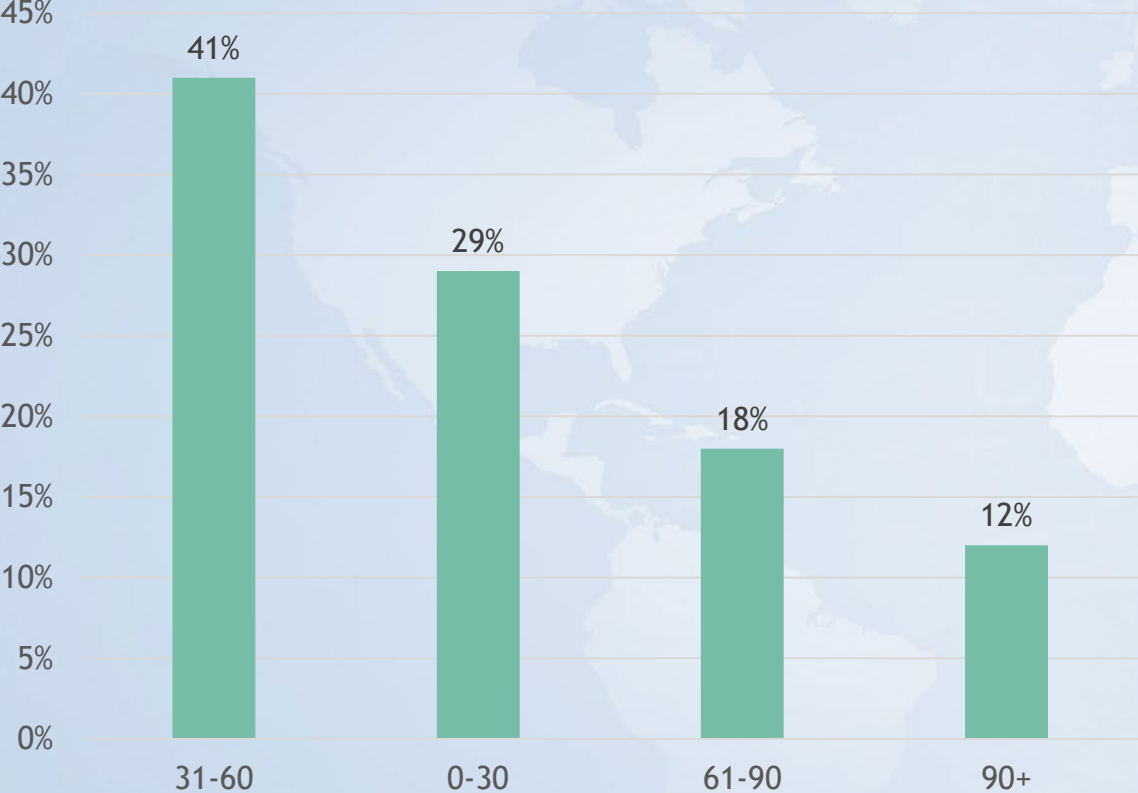


## Egypt

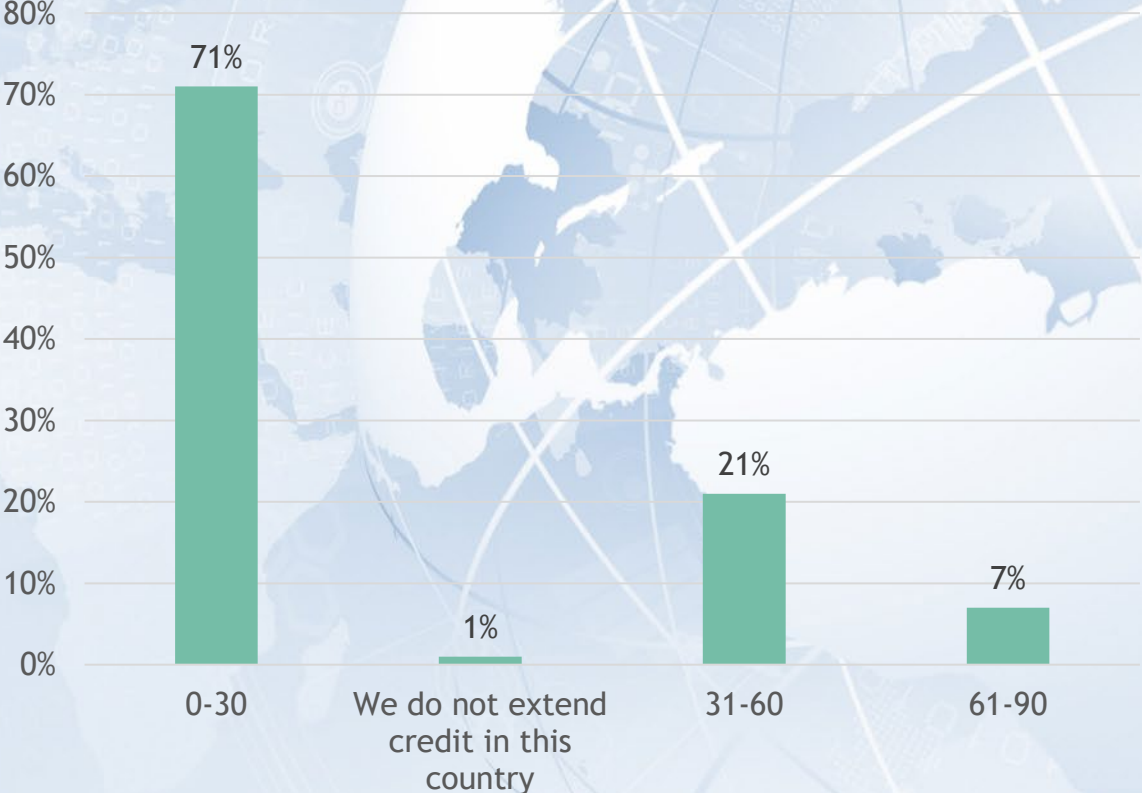


# On average, what payment terms are you granting?

Italy



United States





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

Chile

11

Egypt

47

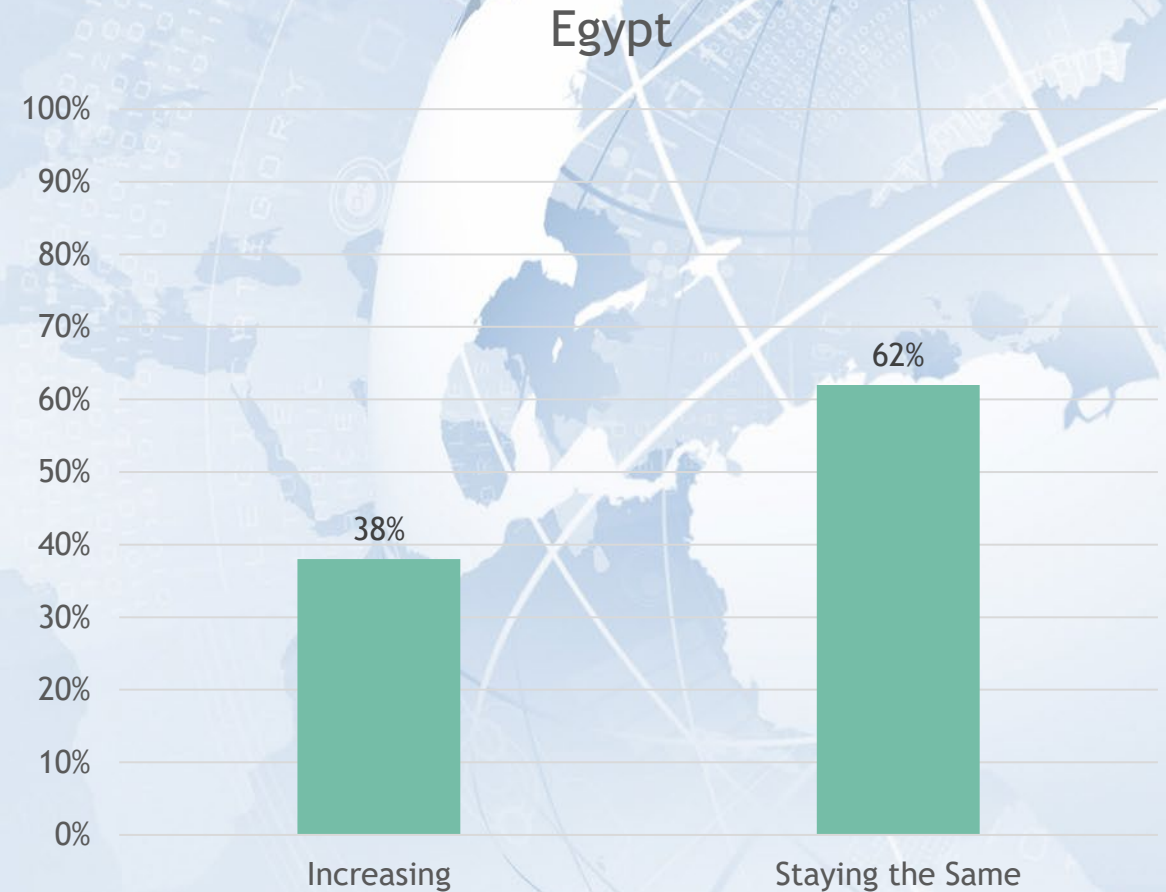
Italy

19

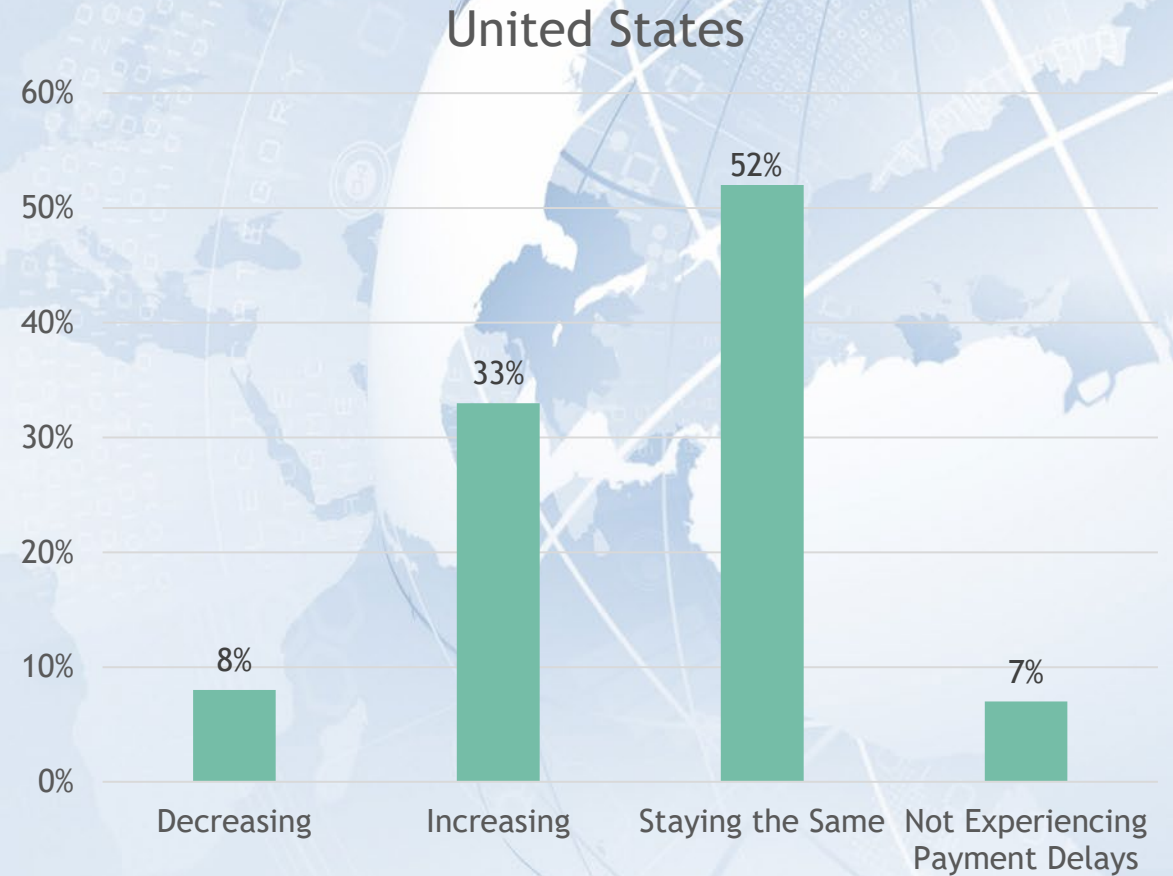
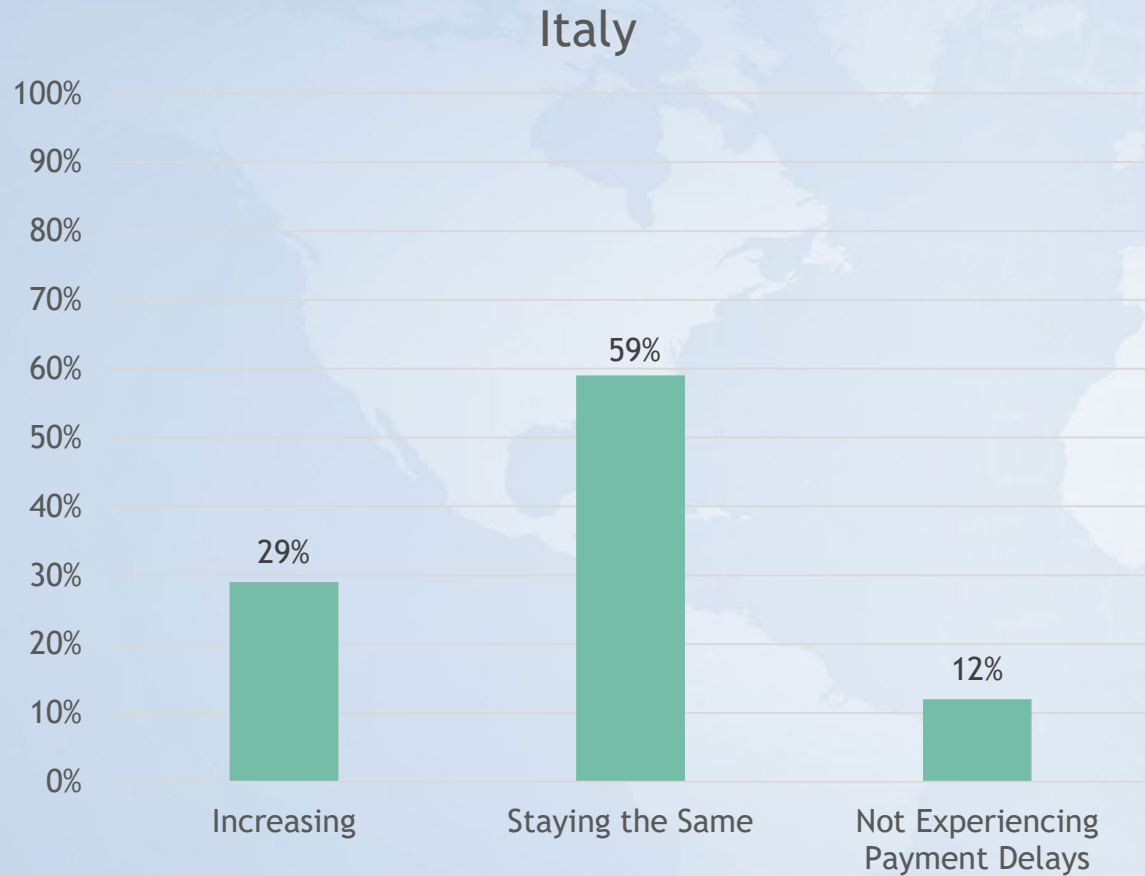
United States

16

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



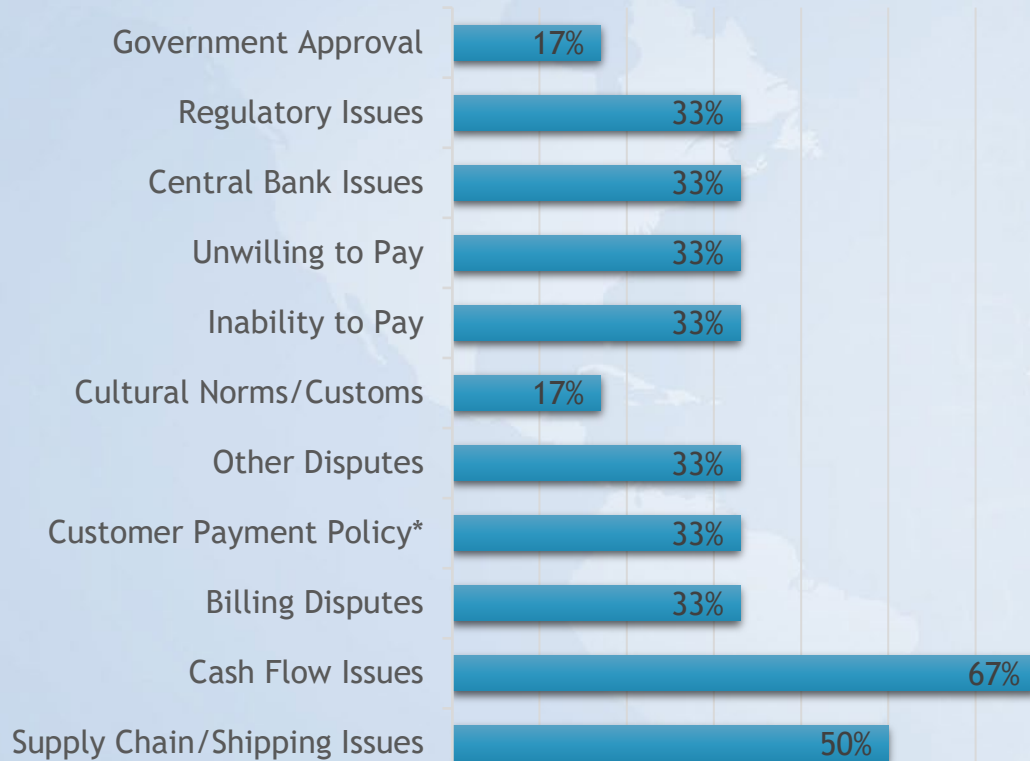
# Are payment delays increasing, decreasing, or staying the same?



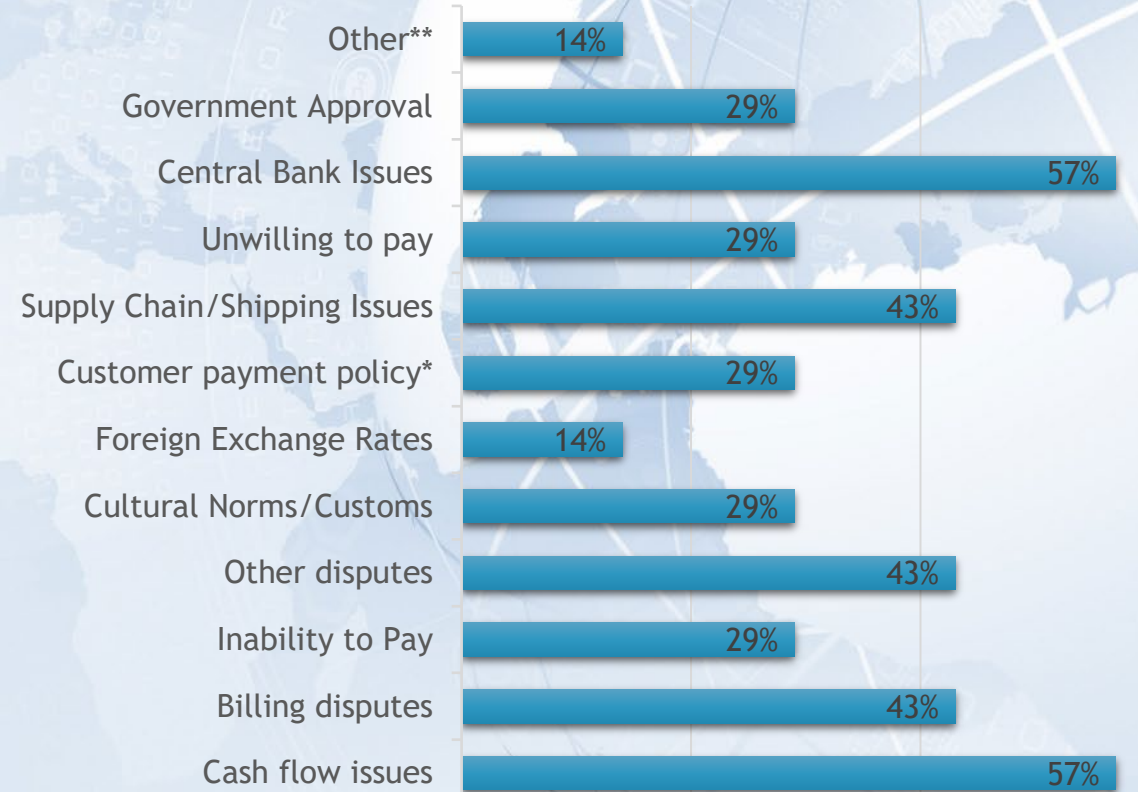


# The most common causes of payment delays

## Chile



## Egypt



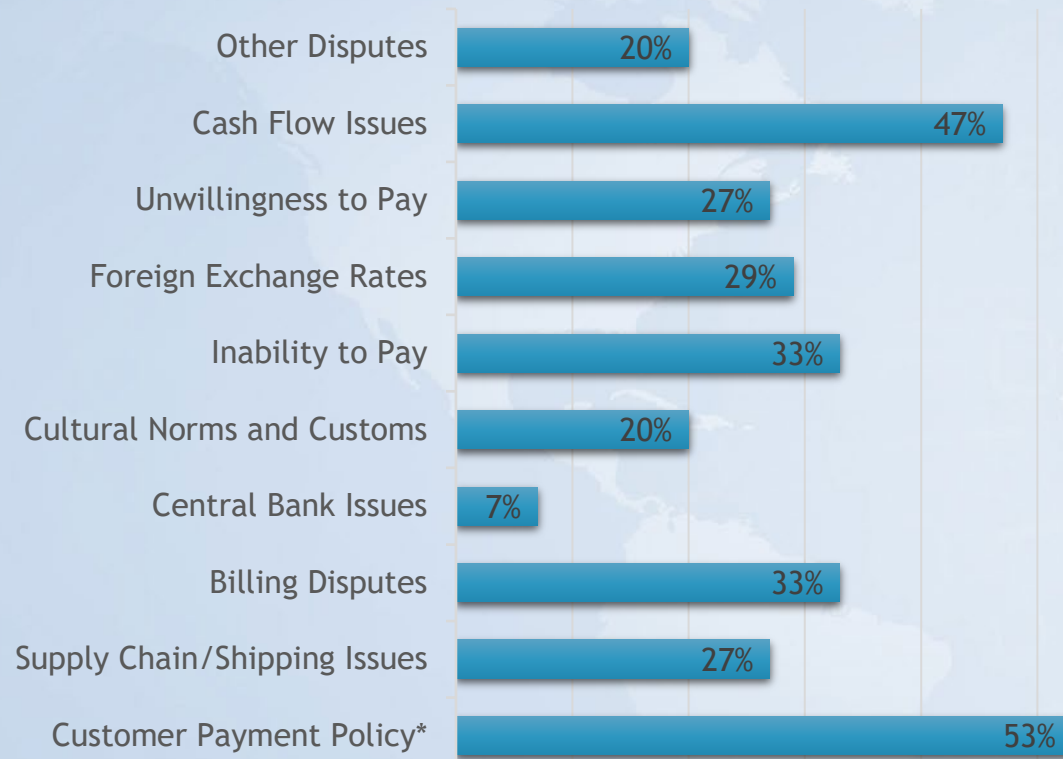
\*(i.e. customer only pays on a set day of the month)

\*\* Israel-Hamas war

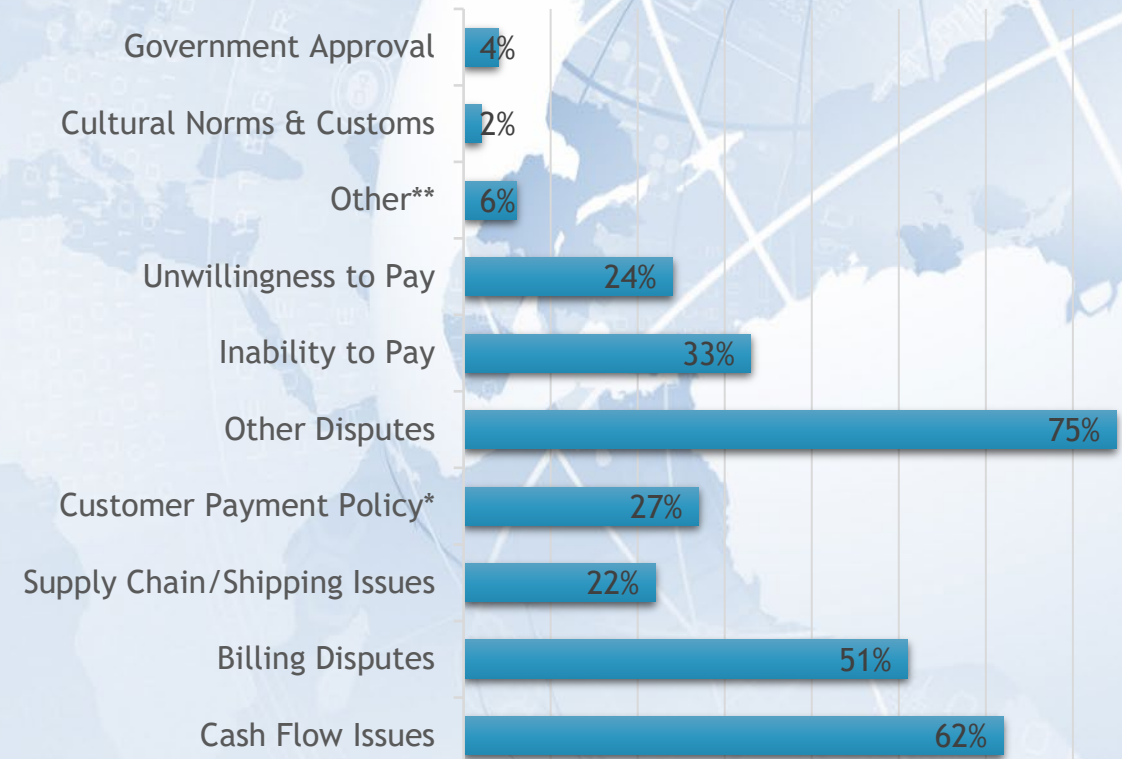


# The most common causes of payment delays

## Italy



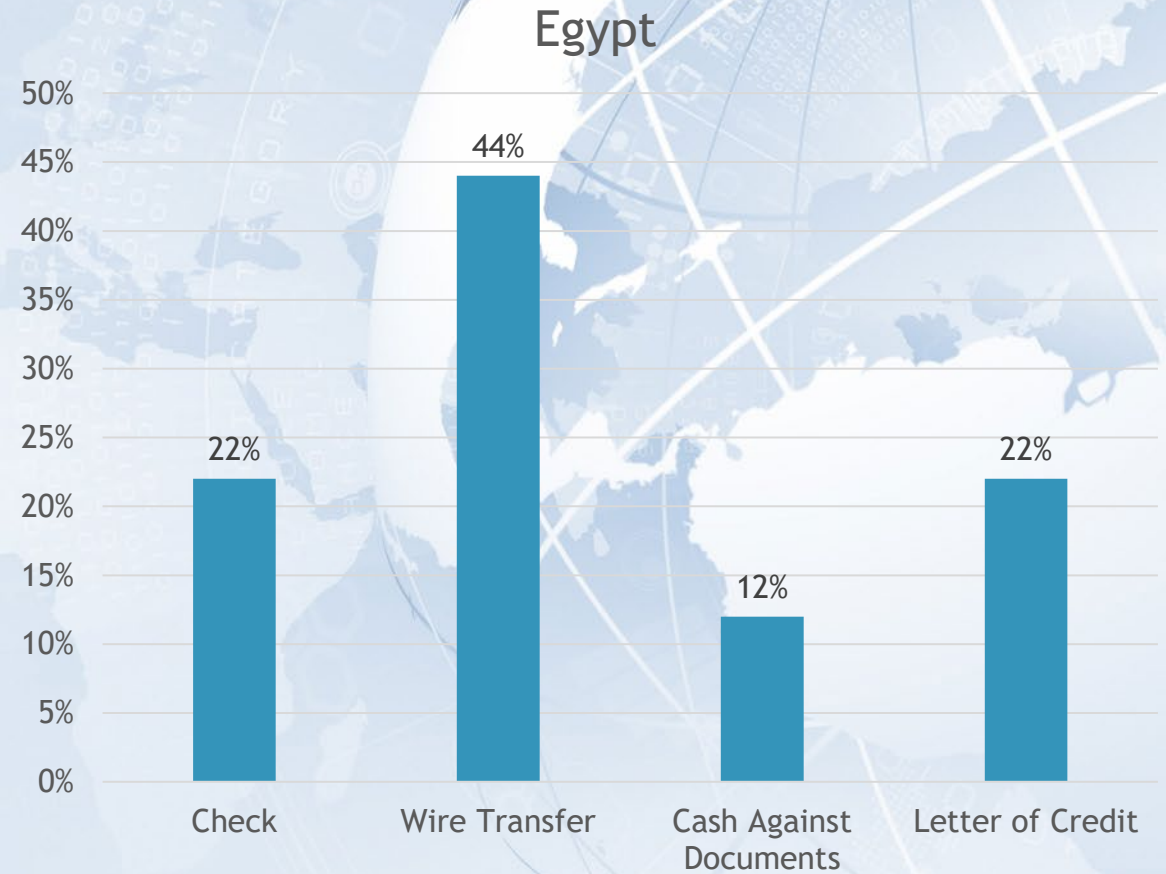
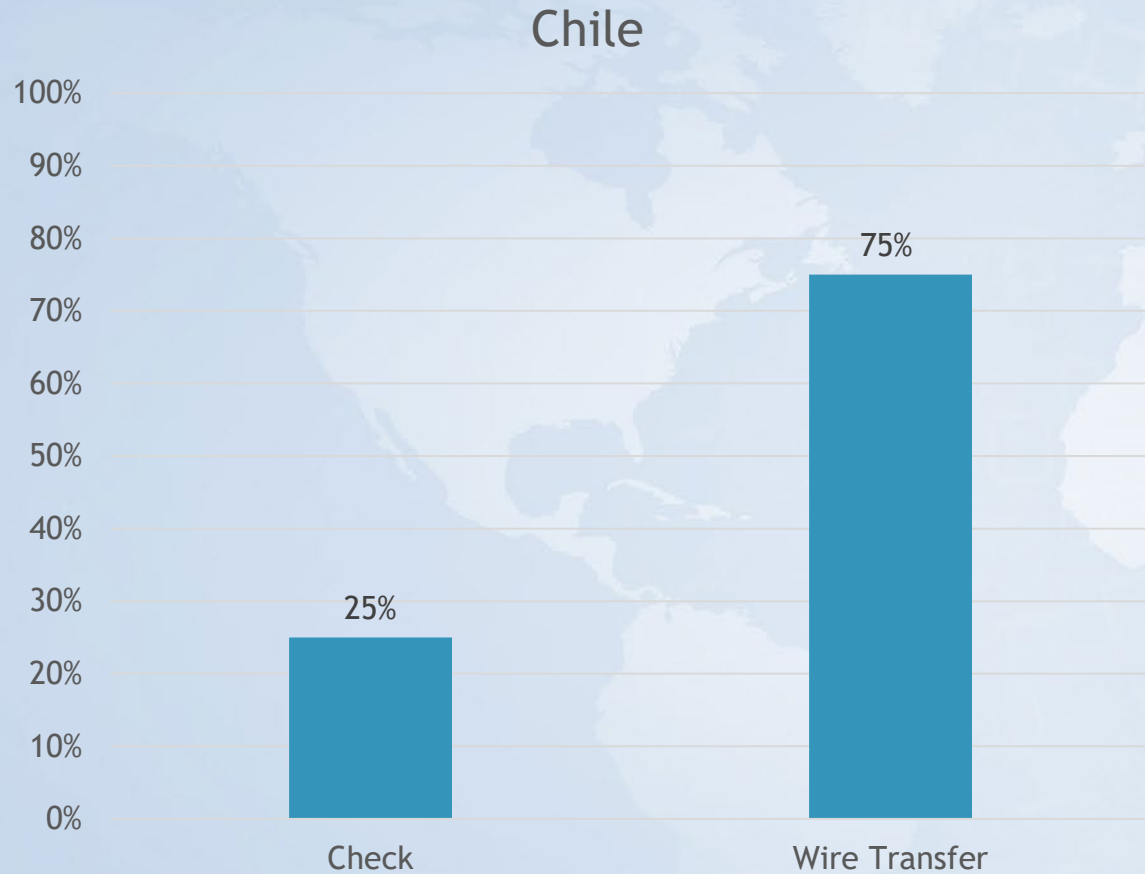
## United States



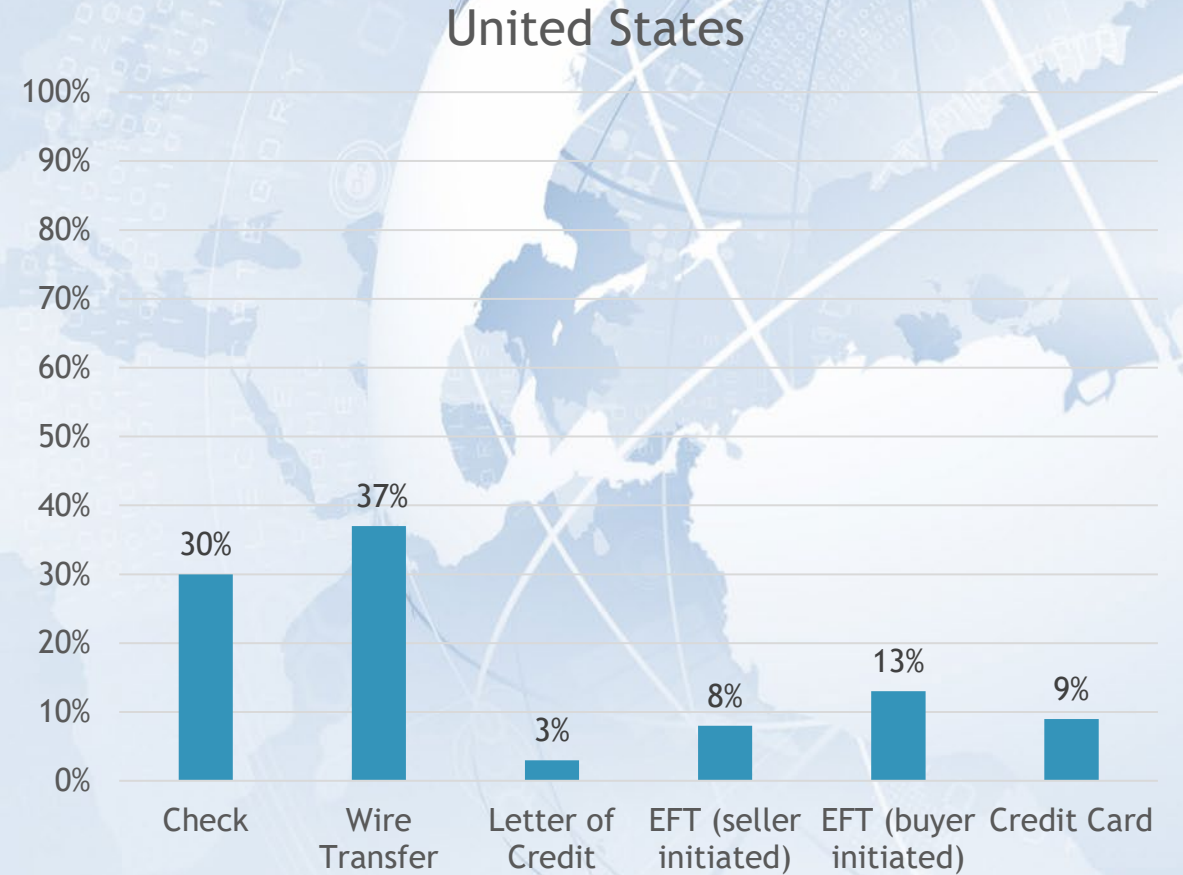
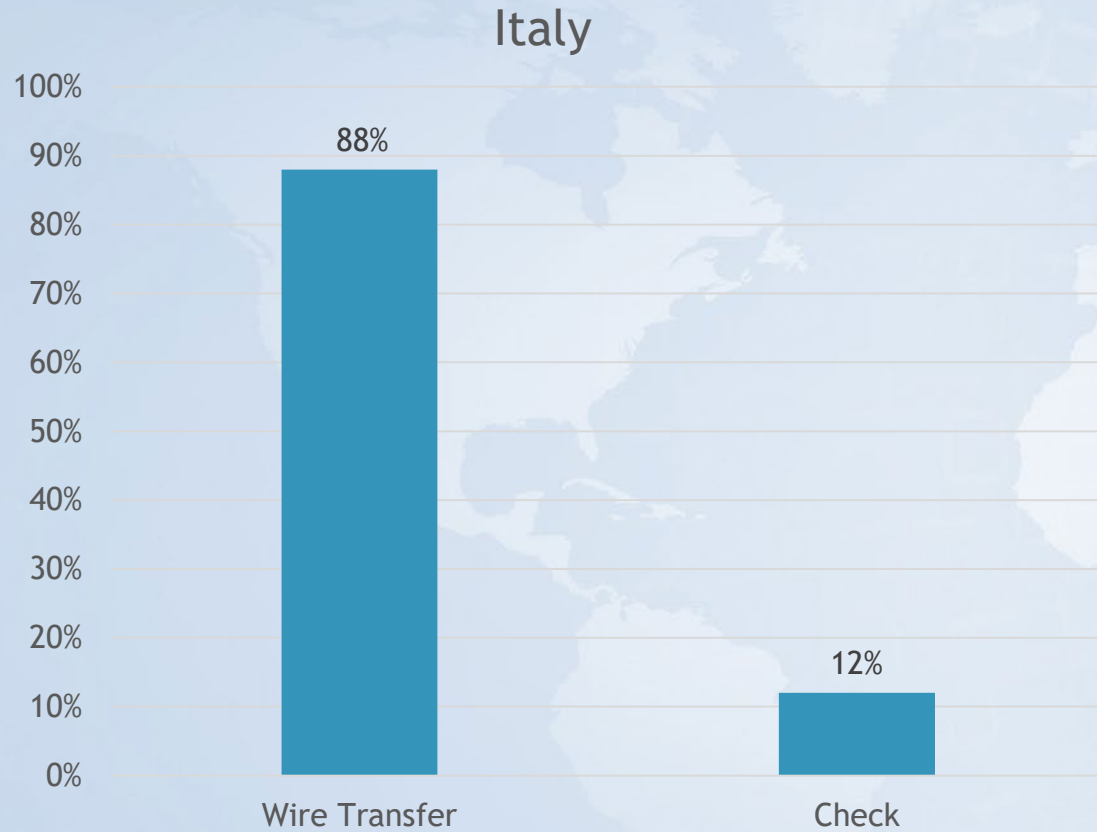
\*\* Economic volatility, breakdown in electronic invoice process, lack of payment term enforcement

\*(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

## Chile

- “The Chilean government is heavy involved in payment authorizations.”

## Italy

- “Credit professionals need to be very clear in communicating with sales and service of the need to pay within pay terms failing which upcoming orders would be blocked.”
- “Make sure customers have liquidity.”

## United States

- “Inflation continues to be an issue.”
- “Get an application or company information document that includes multiple contacts, email addresses and phone numbers.”
- “Expect a wide variety of customers from very small to very large and keep in mind that they all pay different based on their size and capital.”
- “U.S. customers expect a higher level of service and not only are more likely to pay timely when they receive it but will also pay more.”

## Egypt

- “The best possible way to secure the biggest portion of money is to receive a decent down payment and use L/C for all your transactions.”
- “Use collateral and secure payment methods.”
- “Establish strong partnership with internal Sales team. Gain knowledge of the potential customer relationship Sales is pursuing as early as possible. This will help make the Credit/AR department a more equitable partner in the O2C process and stakeholder in the relationship.”

# 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.