



**Your International
Business Advantage**





State Of International Business

- Trends: Recovering international economy, emerging markets increasing global power and rapid technology innovations
- Key Competitive Differentiators: Enabling international transactions while navigating regulatory frameworks
- Critical Focus: Reducing cost structures and mitigating raw material price fluctuations

Top International Business Challenges:

- Fluctuating currency exchange rates
- Cross-border credit risks
- Payment and delivery challenges
- Complex documentation

\$12

TRILLION

Annual revenue generated by the global manufacturing sector*

12%

Exports accounted for 12% of the U.S. GDP**

Top U.S. trade partners ranked by 2016 U.S. total export value for goods***

1. Canada
2. Mexico
3. China
4. Japan
5. United Kingdom

* Dun & Bradstreet, First Research Manufacturing Sector Industry Profile, data published February 2017

** http://www.trade.gov/mas/ian/build/groups/public/@tg_ian/documents/webcontent/tg_ian_005537.pdf

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Bringing foreign markets and resources within reach



Responding to your needs

International Credit Risk Mitigation

Solutions to Streamline Cash Flow

What you need

Faster collection of funds and goods

Reduced vendor payment and credit risks

Better understanding of payment options

Extend Payables and Shorten Receivables Collection

Online Origination

Our solutions

- Import letter of credit – The credit risk of payment to the foreign seller becomes that of First Horizon.
- Confirmed export letter of credit – Helps ensure you get paid if terms of credit are met. The local exporter can choose for First Horizon to carry the payment risk rather than a foreign bank.
- Standby letter of credit – A letter of credit that supports a payment or performance obligation, should the primary obligor fail to pay or perform as agreed.
- Draft discounting – Improves the cash flow of a shipper/exporter when proceeds from deferred payment letters of credit can be discounted at sight.
- Documents against payment and acceptance – Shipper instructions and title documents delivered bank-to-bank, which can lower risk of non-payment and non-delivery.

- International Wire – Send and receive payments in U.S. dollars and foreign currency quickly and securely.
- Foreign Check Clearing – Get access to your funds with this service that clears checks written on foreign banks
- Foreign Currency Drafts – Send checks denominated in local currency to pay for business expenses



Focus on Foreign Exchange

Protection from Fluctuating Exchange Rates



real-time, competitive rates



Cash on hand during foreign travel



- Spot payments – “Lock in” live exchange rates when they are most profitable for your business with our online wire system.
- Foreign currency hedging – Develop a strategy that helps guard your business against fluctuating exchange rates.
- Foreign travel money – Save time by ordering and picking up currency at a First Horizon location near you.

Conducting Business Abroad?

Avoid These Faux Pas:

- **China:** Gifts are appropriate, and often expected, at meetings in China. Great gift ideas include liquor or whiskey, wine or high-tech gadgets.
- **India:** Say “no” to the word “no” in business meetings, as it comes across as impolite in Indian culture. Try “maybe” or “possibly” instead.
- **Japan:** Handshakes are rare in Japanese business culture, so wait for your host to offer his/her hand first.
- **Egypt:** Crossing your legs or showing the soles of your feet are both considered impolite.
- **Dominican Republic:** Maintain eye contact during conversations, or risk appearing to have lost interest.
- **Caribbean:** In the Caribbean, address people with titles such as Mister or Professor until a first name is explicitly offered.

Above all express sincerity in any business setting, not just internationally. And while you may not be fluent in foreign languages, take the opportunity to learn basic phrases and greetings.

Sources:

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International Payment Instruments Comparison Chart

| Method of Payment | Time of Payment to Seller | Goods Available to Buyer | Risk to Seller | Risk to Buyer |
|---|---|-------------------------------------|--|---|
| Cash (in advance) | Prior to shipment | On arrival | None | Buyer has loss of funds until merchandise arrives. Relies completely on seller to ship goods as ordered |
| Sight letter of credit | Normally within 30 days after shipment | Upon settlement of letter of credit | Exporter accepts performance risk of meeting L/C terms. Credit risk shifts from buyer to issuing bank. | L/C requires proof of shipment, but relies on seller to ship goods as described in L/C documents |
| Time letter of credit | At maturity of draft, or at discounting of draft (e.g. 60/90/180 days after shipment) | Upon acceptance of time draft | Exporter accepts performance risk of meeting L/C terms. Credit risk shifts from buyer to issuing bank. | L/C requires proof of shipment, but relies on seller to ship goods as described in L/C documents |
| Sight draft for collection of documents against payment | Upon presentation and acceptance of collection draft | Upon payment | Possible nonacceptance of draft | Similar to open account |
| Open account | Upon payment of invoice | Upon delivery | Completely relies on buyer to pay invoice when due | No risks to buyer |



The First Horizon Advantage

- A broad range of lending services to meet supply and demand side needs
- A comprehensive, end-to-end approach to cash cycle management
- A proven Treasury Management service model
- An experienced team with hands-on knowledge of international business
- The strength and stability of a trusted financial institution that has served customers for over 150 years

Get Started

Our world-class International Services team is here to help. Contact us at toll-free at 844-724-8795 or internationalops@firsthorizon.com to set up an appointment today. To learn more about First Horizon International Services, visit us online any time at firsthorizon.com/international.