

The PNC logo consists of the letters 'PNC' in a white, bold, sans-serif font, set against a solid green square background. To the left of this square are three vertical bars of color: orange, green, and blue.

BUSINESS

Strategies

A Special Supplement to PNC Directions Magazine

SELECTING THE RIGHT FINANCING

for Your Cash Flow Needs

MAKE YOUR LIFE EASIER

With an Accounting
Software Package

CHECK 21

Clearing the Way for
Business Banking Benefits

Let's have a **Cash Flow Conversation**

It really could make your heart beat faster



You probably don't jump out of bed in the morning thinking, "I can't wait to get to work and manage some cash flow." While managing cash flow generally isn't something that will get your adrenaline pumping, it is one of the most critical aspects of operating a business – and it's often one of the most neglected aspects as well. That's why a cash flow conversation with a PNC Business Banking relationship manager can be so valuable to your business.

At PNC, we are committed to improving our customers' cash flow. Our approach to this is very simple: We understand that each business is unique, so we take the time to get to know your business, and then we give you specific ideas on how to enhance your cash flow. We'll show you ways to accelerate the collection of your receivables, as well as improve your process for making payments. We'll also show you ways to invest your excess cash wisely, and we'll provide you with advanced capabilities for tracking your finances.

We'll conduct a thorough analysis of your business checking requirements, transaction volume, deposit balances, online needs and other factors that impact your cash flow. And we'll deliver creative solutions – not "cookie cutter" services – based on your individual needs and goals.

It's all part of our commitment to deliver customized banking solutions that make a real difference in your business. PNC Bank recently was ranked "Highest in Customer Satisfaction With Small Business Banking" by J.D. Power and Associates in its 2006 Small Business Banking Satisfaction Study. We are thrilled and humbled to have received this recognition from our small business customers, and we appreciate your confidence in us and the opportunity you've given us to serve you.



"Highest in Customer Satisfaction with Small Business Banking"†

We are eager to apply our expertise to help you further your business success. So have a conversation today with a PNC Business Banking relationship manager about ways to improve the cash position of your business. It just might make your heart beat a little faster.

Sincerely,

Jeff Schmidt
Executive Vice President and Manager
Business Banking

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PNC Product Guide
Innovative products and services for every stage of your business.

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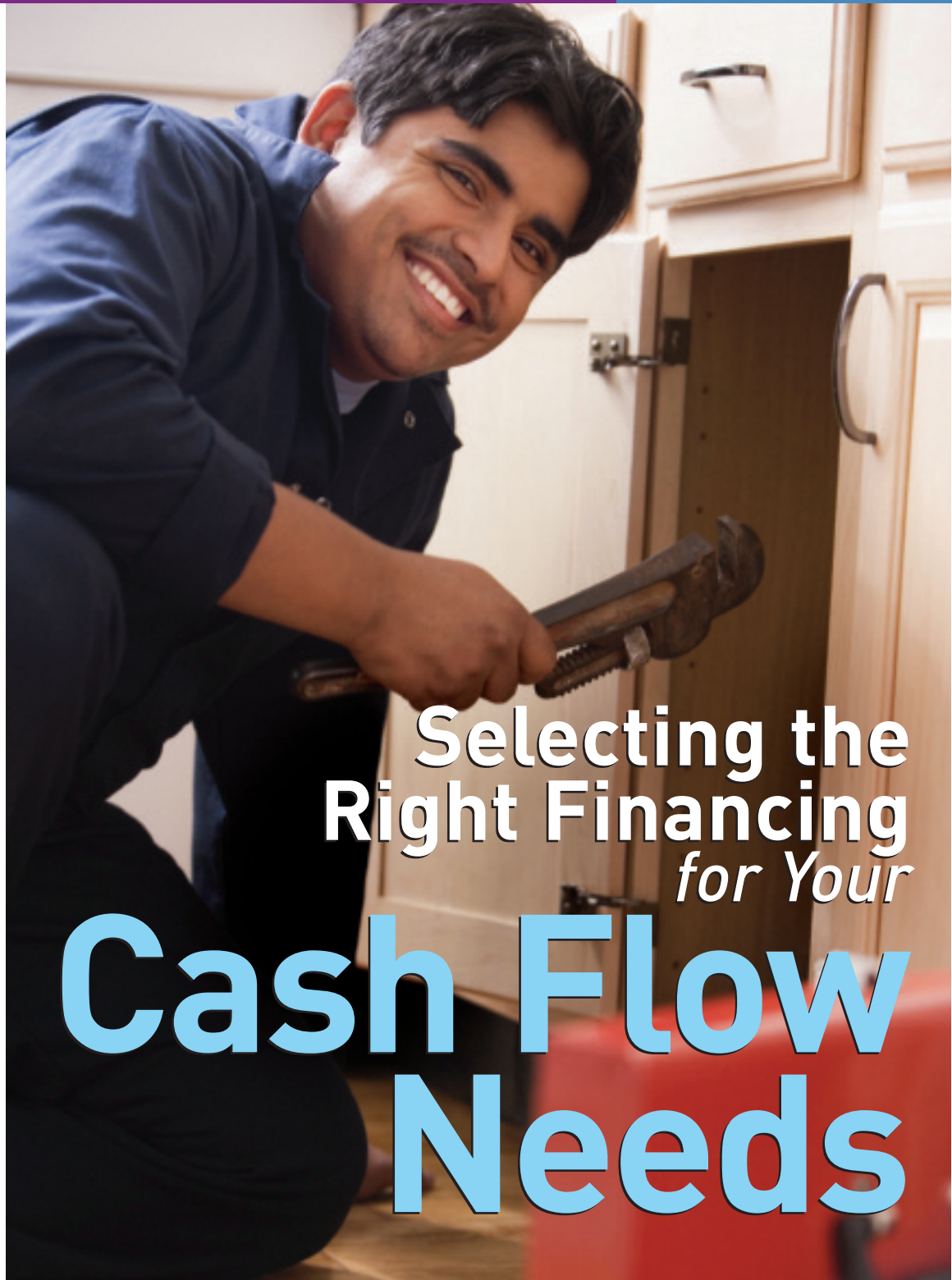
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Selecting the Right Financing for Your

Cash Flow Needs

It's a simple reality... cash makes a business run.

Small businesses are no different, and while almost all businesses experience peaks and valleys in their cash flow, a small business can be particularly sensitive to these fluctuations.

“A successful company can grow itself right out of business without enough working capital,” says Jerry Mills, who advises businesses on financing as CEO and managing partner of the consulting firm B2B CFO/CIO. “Small businesses usually need some type of financing to help with their cash flow needs. The challenge is finding the right tool.”

From the Lender's Perspective

Securing financing for a small business is similar to acquiring financing for personal needs. Except for credit cards and smaller lines of credit, the lender most likely will require the financing to be secured. A small business owner typically will use personal assets, such as a house, or business assets, such as a building, equipment or inventory, as collateral.



Considering the Alternatives

There are three primary ways for small businesses to acquire financing. Each has its pros and cons.

- 1) **Lines of Credit** – “The purpose of a line of credit is to smooth out the peaks and valleys of financing day-to-day operations,” says Bill Payne, an angel investor and entrepreneur-in-residence with the Kauffman Foundation.
 - > **What they're for:** Day-to-day financing of business operations, such as meeting seasonal inventory demands or covering operating expenses while waiting for accounts receivable to be collected.
 - > **What they're not for:** Large purchases, such as a building or expensive capital equipment.
 - > **Pros:** You pay interest only on what you use. Flexible, convenient and can help pick up the slack in a cash flow crunch.
 - > **Cons:** If not repaid quickly, the amount borrowed can grow to become a monthly drain on finances.

“A successful company can grow itself right out of business without enough working capital.”

2) **Loans** – Term loans can help finance a larger purchase. You will have a payment for principal and interest each month.

> **What they're for:** New equipment, a building or other large purchase that depreciates slowly.

> **What they're not for:** Short-term needs, such as payroll, office supplies or other expenditures where the need is temporary or recurring.

> **Pros:** They typically carry fixed interest at a competitive rate. Predictable payment schedules can be built into your operating budget.

> **Cons:** Make sure the loan term does not exceed the life of the item being financed, or you can end up paying on an asset that you're no longer using.

3) **Business Credit Cards** – Often used for travel and entertainment expenses, as well as various smaller purchases. Provide the flexibility to pay in full each month or carry a balance – but at a higher interest rate than other financing.

> **What they're for:** Widely accepted payment vehicle that also can be used for short-term financing when needed.

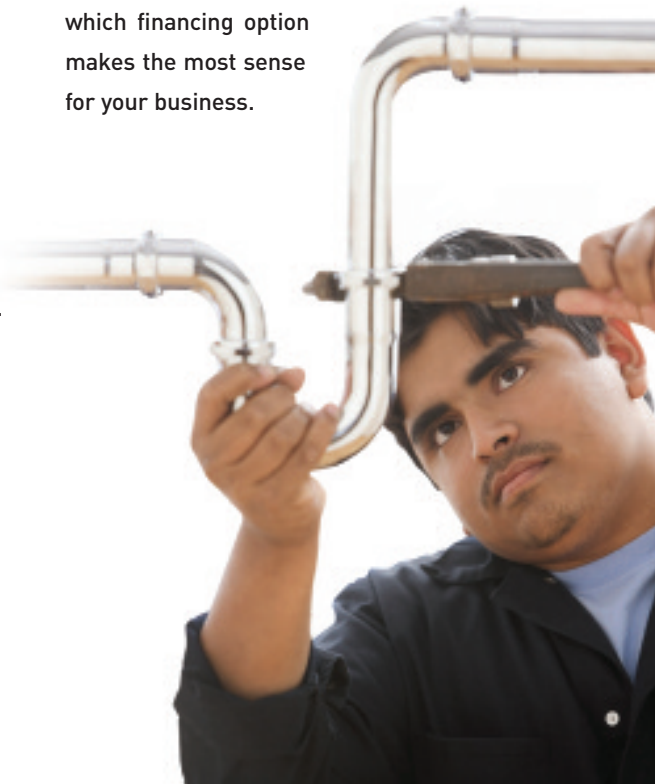
> **What they're not for:** Any use where a loan could be obtained at a better rate and with terms more suited to the borrowing need.

> **Pros:** Very flexible. Also, can be a great way to earn points for various goods and services, such as airline miles.

> **Cons:** Higher interest rates, as compared to other financing options. Also, typically have lower credit limits than business lines of credit.

Matching the Right Financing Tool to Your Needs

Business financing is necessary to keep almost any business on a path to growth. It can be tempting to tap into the most readily available source of financing, but it may not make sense in the long run. Be sure to evaluate your cash flow needs and how the financing will be used, and then work with your banker to determine which financing option makes the most sense for your business.



PUTTING P-CARDS TO WORK FOR YOUR BUSINESS

Purchasing cards (or “P-cards”) can greatly simplify the process of procuring goods and services for almost any business. Available through financial institutions and credit card issuers, P-cards are designed to enable businesses to reduce the administrative costs and burdens associated with authorizing, making, tracking, allocating and reconciling everyday business purchases.

P-cards allow for controlled spending for purchases anywhere that accepts a major credit card. You should consider purchasing cards for your employees if:

- > Your company makes frequent small purchases that currently require a requisition process or instrument, such as a purchase order.
- > You use a chain of approval for all purchases.
- > You wish to allow more autonomy among designated employees, but you still want to retain controls on spending.
- > Your employees spend a lot of time buying simple goods and services.

Make Your Life Easier

With an

Accounting Software Package

The behind-the-scenes work to keep a business running

often can feel like a black hole of endless effort.

As you grow, you find you're spending more and more time on tasks that seem to have little to do with serving and pleasing customers.

For business owners, accounting is one of those areas that can consume mountains of time – with little apparent contribution to your bottom line. It's one of the most critical yet complex tasks you face. It's your window into the health of your business, and it helps ensure you are complying with ever-changing state and federal tax laws. Luckily, today's accounting software packages have made the task easier than it's ever been for both the do-it-yourselfer and those who rely on an accountant.

An Essential Tool for Running a Business

"If you are serious about your business, you must use an accounting program," says Dennis Piper, CPA and President of the certified public accounting firm Dennis Piper & Associates.

Piper says accounting software programs can satisfy a myriad of important needs for any business owner, including:

- > The ability to review income statements, balance sheets and other reports to monitor the health of your business and plan intelligently for growth.



- > A quick and simple way to track and review previous transactions.
- > Simplified payroll and tax compliance.
- > Projecting the image of an organized, properly run business in case the IRS comes calling, as well as for potential business partners or investors.

Features to Look for When Selecting a Program

There are numerous accounting packages available. Depending on the kind of business you operate, some may be more useful than others, but almost all can deal with the "ins and outs" of both service businesses and those that carry inventory. If you require specialized accounting or billing features – something that's common in the medical industry, for example – packages like QuickBooks® have tremendous third-party support with software plug-ins to meet the needs of your business.

"If you are serious about your business, you must use an accounting program."

The three most popular choices – Peachtree Complete, Quickbooks® Pro and MYOB Business Essentials™ Pro – all cost less than \$300 to start, and they compete feature for feature. As you evaluate your choices, consider the following:

- > **Support and Ease of Use** – Many programs have tutorials included or available online, set-up “wizards” and extensive built-in “help” functions. Some include a block of initial phone support and the ability to purchase additional support in a package or as needed.
- > **Flexibility** – Your business probably will change over time. You may convert from a sole proprietorship to a corporation, or you may want to begin carrying inventory or tracking job time. A package that offers only basic functionality may not serve you down the road.
- > **Reporting Functions** – Look for the ability to view and customize reports the way you want. Each business is different. Today’s packages offer dozens of reports, so be sure the one you choose can do what you need.

- > **Popularity** – The leaders enjoy widespread adoption, making it easy for your accountant to work with the data and help you keep your books in order. You can e-mail a backup copy to your accountant, have him or her review the file and resend it to you without missing a beat.

Consult With an Expert

Before you select an accounting software package, consult with your accountant or an accounting professional. Many accountants specialize in one of the popular packages, such as Quickbooks® or Peachtree, which ultimately can make your life a lot easier. They can help you select the package that’s best for your business, and they can provide ongoing support to help you get the most out of your program.



ASSETS & LIABILITIES OF POPULAR ACCOUNTING PACKAGES

There are more than a dozen business accounting software packages on the market. Here are four of the most popular, along with a brief summary of the key features of each package:

Quickbooks® Pro

- > The most popular, by far, and familiar to almost any accountant.
- > Easy-to-use set-up “wizards.”
- > Extensive third-party support to customize package for your business.

Peachtree Complete

- > Offers many product options customized by industry – such as construction, manufacturing and non-profit – right out of the box.
- > Includes four levels of software, from basic entry-level businesses to multi-user mid-size enterprises.

MYOB Business Essentials™ Pro

- > Extensive reporting functions, as well as key summaries illustrated with pie charts, bar graphs and other diagrams.
- > Allows users to create in-depth profiles of both customers and contacts.
- > Strong Macintosh support.

Microsoft™ Money

- > Entry-level package offers less flexibility and fewer features, but may be a smart choice for home-based businesses.
- > Good for people who commingle personal and business finances.



Check 21

Clearing the Way
for **Business
Banking Benefits**

If you know only a little about the Check Clearing for the 21st Century Act – more commonly known as “Check 21” – you might think its sole impact on your business is that your canceled checks gradually are being replaced by paper “images” of your original checks. In reality, however, the act includes a number of measures that are paving the way to make business banking more convenient, efficient, secure and economical.

This Substitute is as Good as the Original

The most noticeable impact of Check 21 – which became effective in October 2004 – has been those replacement images, called “substitute checks.” Check 21 has made it easier for financial institutions of all types (from banks to savings associations to credit unions) to process payments electronically.

The original items are truncated at some point in the clearing process, allowing the payment information to move swiftly across the country. When the electronic transaction is converted back into paper, the result is a substitute check.

A substitute check is the legal equivalent of the original check and can be used just as the original check might have been. No party – not even the Internal Revenue Service – can refuse to accept a substitute check that meets Check 21 requirements. It’s also important to note that no financial institution can refuse to accept a substitute check presented to it for payment in the check-clearing process. Thus, individual business or consumer accounts cannot “opt out,” or refuse to accept substitute checks in lieu of their original items.

The Check's No Longer in the Mail

Electronic check processing reduces the need to transport checks physically from one location to another and decreases the chance of a delay caused by outside forces such as weather, transportation problems, etc. With the increasing cost of gasoline and jet fuel, the reduced use of trucks and planes to move checks can help control the costs of check clearing.

Businesses that take advantage of "check safekeeping," where their financial institution archives their check information, can access their canceled checks when necessary. This can be done by directly contacting the institution to request a fax copy or by taking advantage of online access to check images for printing and/or downloading to a PC. In this way, a substitute check is treated as the equivalent of an original canceled check – but without the hassles of handling and storing canceled checks.

Helping the Fight Against Fraud

Check 21 also provides additional protection against check fraud, since electronic check processing may enable financial institutions to identify fraud earlier in the process –

allowing you to take more immediate action to minimize and even prevent losses. This doesn't mean you should drop your guard and assume fraud will be detected earlier in every case.

It's Only the Beginning

In addition to clearing the way for greater business banking ease and efficiency, Check 21 is opening the door for banks to develop new programs that enable customers to make deposits electronically (please see sidebar article). With these and other benefits on tap, Check 21 ultimately will enable you to reduce the time you spend on day-to-day banking activities.



REMOTE DEPOSIT – IT'S LIKE A TELLER IN YOUR LOBBY

One of the most appealing aspects of Check 21 for businesses is bringing the idea of remote deposit one step closer to reality.

Remote deposit allows a business to capture images of checks upon receipt and transmit them to the bank for deposit. Check images are scanned into a PC at any business location, and they then can be transmitted electronically to a financial institution for deposit at any time of the day or night – eliminating the need to race to the bank to make a deposit. Additionally, many business accounting software packages now include features to capture remote-deposit transactions for posting.

Check 21 has made it acceptable for financial institutions to accept electronic images of checks, and many banks are making plans to use the new law to make things easier on their customers. According to a survey recently conducted by the Community Bankers of America, 41 percent of all U.S. banks plan to have remote-deposit capabilities available to their business customers by 2008.



Putting Online Banking to Work *for Your Business*

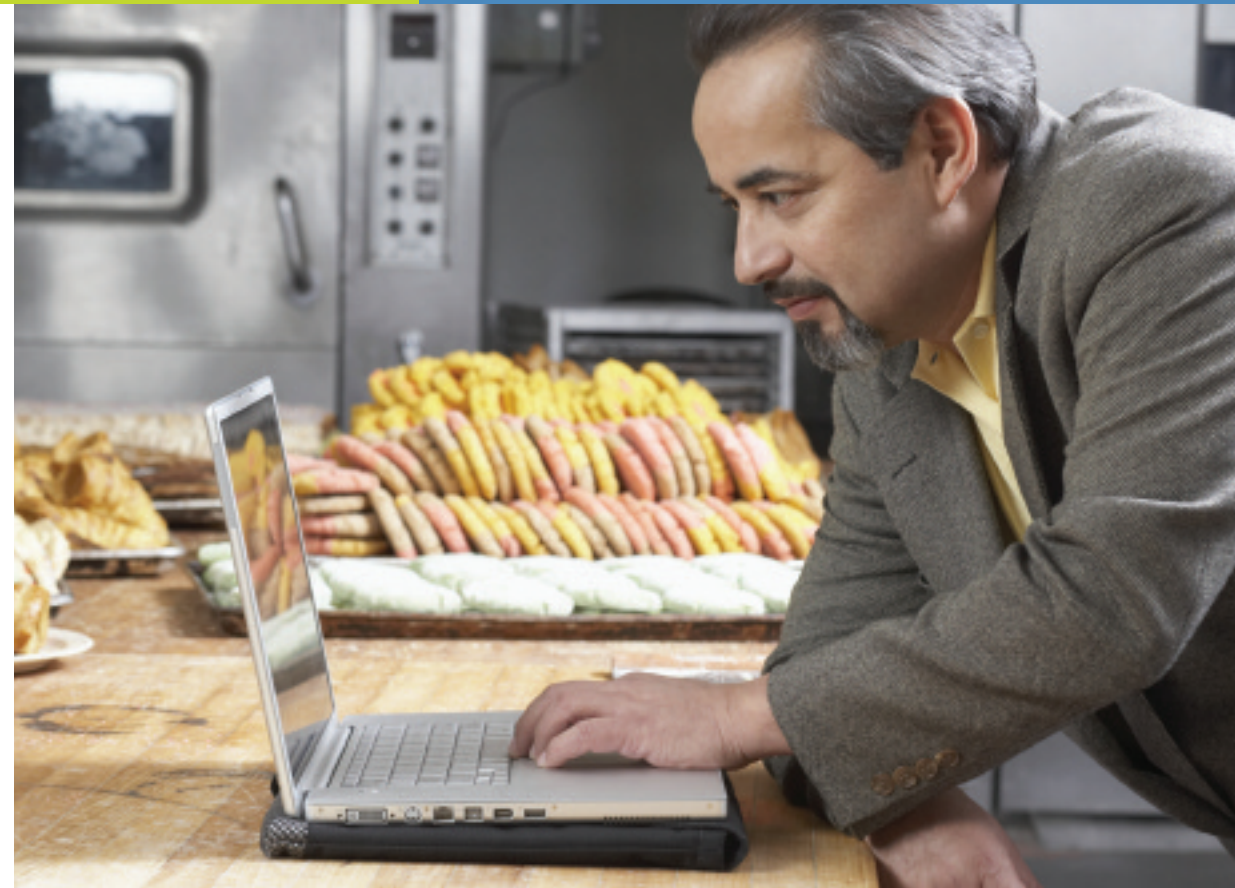
For many people, owning a business is a dream; however, the demands on today's business owner can turn into a nightmare if not managed properly.

Gone are the days of the business that closes its doors at 5 p.m. each day. Even the smallest of firms can go global and be a 24/7 operation with the help of the Internet. Add the everyday tasks of managing a staff, marketing your business and overseeing the financials, and it can become an overwhelming burden for any business owner.

It's Like Money in the Bank

When it comes to managing cash flow and the day-to-day financial activities of a business, utilizing online banking is a great way to save time and boost efficiency. As any savvy business owner knows – increased efficiency is like money in the bank.

Banking online is not a new phenomenon. In fact, online banking has been the fastest-growing Internet activity in the United States over the past five years, and businesses



are taking advantage of online banking in growing numbers each year. A survey recently conducted by Greenwich Associates indicated that the portion of U.S. small businesses utilizing online banking increased from 43 percent in 2003 to 66 percent in 2005.

If you've not yet discovered the benefits of online banking for your business, consider everything it can do for a small business owner. A business can review statements,

transfer funds and pay bills online, as well as manage accounts receivable and pay taxes automatically. Online banking also can provide you with 24/7 access to an instant snapshot of your financial picture.

A Full Spectrum of Benefits

"Online banking provides small business owners the flexibility they need to effectively run their business," says Mylle Mangum, CEO of IBT Enterprises, which provides consulting services for the financial services and specialty retail industries.

To truly realize the full spectrum of benefits that online banking delivers, a business owner needs to look no further than their checkbook. Virtually everything that you need to do with your business banking account(s), you can do more efficiently online. And that's just the beginning. Check out some of the specific advantages of using online banking:

- > **Anytime, Anywhere Account Access** – Online banking offers a quick, convenient and easy way to access your account(s) and monitor balances anytime of the day, anywhere Internet access is available.
- > **Online Statements** – You can access statements for all of your accounts online, and most banks allow you to access past statements as well.
- > **Online Bill Payments** – Online bill pay services deliver payments to vendors with a few clicks of your computer mouse. You can pre-schedule your bills to be paid in advance, and you can set up recurring payments to be deducted automatically each month – saving time and postage while avoiding late fees.
- > **Treasury Management Services** – If your business has multiple locations and multiple accounts, an online banking solution that offers wire transfers, as well as Automated Clearing House, lockbox and electronic collection services, can save you time and money.

- > **Linking Multiple Accounts** – Electronic banking allows a business to link its various bank accounts. This makes transferring funds more convenient, which can ease a cash-flow crunch.
- > **Payroll and Tax Services** – Online banking can be set up for various payroll services, including direct deposit, and to pay certain taxes.

Manage Your Company's Finances on *Your* Schedule

Perhaps the most significant benefit to using online banking for your business is the ability to regain precious time. Owning a business may be a lifelong dream, but it shouldn't keep you up at night. With online banking, the bank is always "open," whenever and wherever you need it – saving you time and making the job of managing your company's finances more convenient and more efficient.



BANKING ON SECURITY WHEN YOU'RE ONLINE

Banks typically have some of the most stringent online security policies, with strict data encryption and authentication procedures to keep your sensitive business information private. In fact, according to a recent study conducted by Javelin Strategy & Research, online banking is actually more secure than traditional banking. Nevertheless, there are things you can do to maintain your security online as well:

- > Read and understand your bank's online security policies.
- > Don't fall for copycat bank Web sites. Scammers create Web sites with similar names to trick consumers into revealing personal information.
- > Do not provide your bank account number to anyone over the telephone or Internet, unless you initiate the contact.
- > Be "password smart." Create hard-to-guess passwords that include both letters and numbers and keep your passwords secret.
- > Log off of your banking Web site immediately after completing your banking.

A Growing Devotion to Customer

It seems like everyone from the local pizza parlor to the swankiest downtown retailer has a customer loyalty program today.



But the days when an effective loyalty program meant giving away a free submarine sandwich for every 10 subs sold are long gone. With smart cards, radio-frequency identification tags and wireless point-of-sale technology proliferating, a new age of customer loyalty programs is upon us.

According to Jupiter Research, more than 75 percent of American consumers have at least one loyalty card, and at least one-third of all U.S. shoppers are estimated to carry two or more loyalty cards. It's obvious that customers love the benefits of loyalty programs, but it's also becoming apparent that loyalty programs are reaching their saturation point – leaving businesses to wrestle with a variety of questions regarding the implementation of these programs.

According to Gartner Research, U.S. companies spent more than \$1.2 billion on loyalty programs last year.

Loyalty Programs

An Investment That Pays Big Dividends

A well-run customer loyalty program can be a tremendous asset to virtually any type of business, whether you market to the public or to other companies.

Regardless of your customer base, loyalty programs can provide a treasure trove of valuable information on purchasing habits and preferences – but they do require a significant investment of energy and resources.

According to Gartner Research, U.S. companies spent more than \$1.2 billion on loyalty programs last year. In the supermarket industry, where loyalty programs are relatively sophisticated and mature, their costs average between 1 and 1.5 percent of total revenues – and the percentage is greater in other industries.

That type of investment poses a costly question: are loyalty programs worth it? When you consider that most marketing



experts agree that the cost of generating a sale from a new customer is four or five times greater than the cost of generating a sale from an existing customer, it's easy to understand the payoff. Companies like eBay and Harrah's Entertainment credit their loyalty programs as the keys to their new revenue growth, but the majority of companies still are struggling to get it right.

Sorting Through the Options

There are frequent-flyer programs, frequent-shopper cards and frequent-diner coupons; there are pump points, holiday turkey giveaways and donations to charity in a customer's name; and there are club

cards, VIP cards, advantage cards and smart cards. With an almost endless array of program options, how exactly does a business determine what type of loyalty program makes the most sense?

“We see too many businesses implementing customer loyalty programs without the proper amount of planning and strategizing,” explains Louis Musante, managing partner of Echo Strategies, a customer loyalty consulting firm.

“First, do some research with your customers and establish some measurable objectives for your program. Next, take a look at what your competitors are doing and figure out a way to differentiate your program from theirs. Finally, be sure your top management is firmly committed to the program. Successful loyalty campaigns require an ongoing investment of time and money, and it can be extremely counter-productive to pull the plug on a loyalty program after a short period of time.”

Profiling Your Success

In addition to generating repeat business from customers, loyalty programs enable companies to collect a multitude of information about their customers and their purchasing behavior. This data can be used to understand, profile, target and market to customers – as well as customize future communications and promotions based on each customer’s profile (a record of their buying habits and preferences).

In well-run programs, customer profiling is used extensively to identify a company’s most profitable customers – and then to anticipate and motivate their purchasing behavior. According to Musante, 20 percent of a company’s customers generally are responsible for 80 percent of its income, and it’s imperative to the success of any business to be able to recognize and rewards its best customers.

“Let’s face it – not all customers are created equal,” says Musante. “No business has unlimited resources, so it’s absolutely essential to know which customers warrant the greatest allocation of your resources.”

Another Brick in the Wall

For all of their benefits, even the most effective customer loyalty programs cannot ensure customer loyalty. But a loyalty program can serve as another tool in your efforts to enhance cash flow – providing you with a valuable foundation for maintaining, and growing, a dedicated customer base.

“You cannot buy customer loyalty, and a loyalty program does not create loyal customers. You create loyal customers with everyday excellence in your product and service offerings,” concludes Musante. “Creating loyal customers also requires a thorough understanding of the purchasing behavior of your customer base, and that’s the most valuable deliverable you can derive from a customer loyalty program.”

GETTING CUSTOMER LOYALTY PROGRAMS RIGHT

More and more businesses are implementing customer loyalty programs each day, but many are struggling to get it right.

Here are some key considerations to keep in mind when developing a customer loyalty program for your business:

Establish measurable objectives for your program. Are you trying to drive repeat business, increase purchase volume per visit, generate referrals, etc.?

Take a look at what your competitors are offering with their loyalty programs and devise something that’s different from theirs.

Offer “reward points” rather than cash discounts. Points have a higher perceived value than the dollars that they’re actually worth.

Make sure the rewards you’re offering are desirable to your specific customer base. Do some research to determine what motivates your customers.

Keep the program fresh and exciting with a constant variety of activities to involve your customers. Refresh your reward offerings regularly.

Use the program to collect data on your customers’ purchasing habits and interests. Don’t just hand out static discount or “punch” cards.

Make sure your program is properly funded and management is committed to it. You can alienate customers by canceling a program once you’ve started it.



The Business Life Cycle

Your business has a life cycle that's similar to the human life cycle.

Think about it: you're born, you grow, you mature and eventually you make a transition to your ultimate objective – maybe a beach house on Captiva or a little place along the fairways in Pinehurst. Every stage in the business life cycle has its own challenges – and opportunities – and PNC Bank is there with the financial services, technologies, expertise and solutions to support you every step of the way.



STARTUP

*Hold on tight.
You're in for the ride of your life.*

Your focus is making sales, building a customer base, establishing a market presence and implementing a business plan. Your big challenge is cash flow. Your needs include credit, cash management tools and insurance against unexpected losses.

PNC Solutions

- > Business Checking
- > Online Banking and Bill Pay
- > Merchant Services
- > Business Credit Cards, Lines of Credit and SBA Financing
- > Business Insurance

GROWING

*You've successfully navigated the pitfalls of the startup years.
Now you have a new set of challenges ahead of you.*

Your focus is hiring key employees, establishing policies and procedures, growing market share and fine-tuning your product and service offerings. Your big challenges are escalating overhead and payroll costs. Your needs include increased credit, working capital, employee benefits packages and customer loyalty programs.

PNC Solutions

- > Money Market and Sweep Accounts
- > Collection and Payment Management Services
- > Business Lines of Credit, Loans and Commercial Mortgages
- > WorkPlace Banking and Other Employee Benefits Programs
- > IRA and Retirement Planning

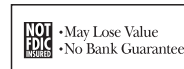
MATURE

Your business is a success, and you want to maintain the momentum.

Your focus is protecting your market position, adding new products and services and expanding into new markets. Your big challenges are increased competition and changing customer tastes. Your needs include risk management, international financing and investment advice.

PNC Solutions

- > Treasury Management Services
- > Capital Markets
- > Personal Investment Management Services



Important Investor Information: Securities and brokerage services are provided by PNC Investments LLC. Member NASD and SIPC. Annuities and other insurance products are offered by PNC Insurance Services, LLC, a licensed insurance agency.

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TRANSITION

It's Time to Decide Whether to Sell Your Business, Take It Public, Liquidate It or Pass It on to Your Family.

Your focus is capturing value, reducing risk and developing a transition plan for your business. Your big challenges are securing a realistic valuation of the company and dealing with the emotional aspects of exiting the business. Your needs include estate planning, family trusts and long-term care insurance.

PNC Solutions

- > Business Valuation
- > Business Succession Planning
- > Business Continuation Planning
- > Trust and Estate Planning
- > Family Wealth Management

Delivering the Solutions for Each Stage of the Business Life Cycle

A PNC Relationship Manager can deliver the solutions you need throughout the life cycle of your business. We support you with an understanding of the different financial challenges of every stage of business, and we provide you with access to the products, services and planning to meet your evolving personal financial needs and goals.

Fast Find

- 24 > Cash Flow
- 27 > Personal Finance
- 27 > Financing
- 29 > Value Added Services

PNC Product Guide

CASH FLOW

Effectively managing cash flow is one of the most critical aspects of operating a business, and PNC Bank offers a wide range of business tools to enable you to meet virtually any cash flow need or challenge.

Keeping Liquid*

Liquidity – Cash you have on hand or assets that can be easily converted to cash now or in the near future.

Premium Business Money Market

The amount of money in your account determines your interest rate based on current money market rates—and rates can increase as your balance grows.

Treasury Enterprise Account¹

Not just a checking account, this package allows you to manage your cash efficiently, help reduce your business' costs, improve cash flow and simplify your accounting. This package meets the needs of larger companies with significant deposits, multiple checking accounts and the flexibility to invest excess cash deposits.

Business Lines of Credit²

Instead of waiting until your money is tight and you need financing, request a line of credit when things are going well. You'll have easy access by check and flexibility when it comes to rates, repayment schedules and secured, unsecured and overdraft protection options.

Business Sweep Checking*

If you normally have more money in your business checking account than you need to cover your daily operating expenses, let that extra cash work for you with a sweep account. A

sweep account allows you to keep enough money in your checking account to cover all day-to-day expenses and automatically invests any excess cash at the end of each day, while maintaining the security of FDIC insurance to the maximum permitted by law.

Business Certificates of Deposit

Options include multi-term CDs with automatic renewal, variable-rate CDs and CDs that allow withdrawal of funds after the first seven days with no penalty. To give your business flexibility in managing its cash flow, we offer terms from as short as seven days to as long as 10 years.

Making & Collecting Payments

Improve your cash position by simply streamlining your systems for paying bills and collecting from your customers.

Remote Deposit For Business

Now you can deposit checks for your business without making a trip to the bank! Remote deposit lets you make (transmit) deposits at your convenience — 24/7 right from your place of business.⁴ Free up more time in your day — time better spent on running your business. Ask your PNC Business Banker how remote deposit can be a simple and secure way to make check deposits.

Merchant Services³

PNC Merchant Services³ offers more than credit and debit card acceptance. Our solutions encompass traditional non-cash acceptance, gift cards, statement and reconciliation tools, e-commerce options, Electronic Check Acceptance[®] (ECA[®]) and more! Services are backed up with one-on-one customer service 24 hours a day, 365 days a year. Plus, receive free next-day funding for payments

Conducting Everyday Business*

We can help you choose the right checking account to handle your specific needs.

Free Business Checking¹

Are you just getting your business started? Or maybe you don't have a lot of transactions.

- > No minimum balance or monthly maintenance fee

Business Basic Checking¹

Okay, your banking needs are still pretty basic, but you want more options than our Free Business Checking has.

- > No monthly maintenance fee when you maintain an average monthly collected balance of \$2,500

Business Enterprise Checking¹

Your daily transactions are growing as fast as your business.

- > No monthly maintenance fee when you maintain an average monthly collected balance of \$10,000

Analysis Business Checking¹

If your business is active, with high transaction volumes and substantial balances, your higher balances can work for you to offset fees.

- > A la carte pricing — you only pay for the services you use
- > Multiple accounts combined on one detailed monthly statement

What comes with a PNC Business Checking Account

	Free Business Checking	Business Basic Checking	Business Enterprise Checking	Analysis Business Checking
Combined transaction items free each month	200	300	500	
Cash deposited free each month	Up to \$5,000	Up to \$10,000	Up to \$50,000	
Free Online Banking ² and Free Bill Pay	Yes	Yes	Yes	Yes
Free Visa Check Card with Reward Points ¹⁴	Yes	Yes	Yes	Yes
Free next-day funding on Visa and MasterCard payment transactions with PNC Merchant Services ³	Yes	Yes	Yes	Yes
Free global ATMs		Yes	Yes	Yes
25% discount on Clarke American checks		Yes	Yes	
Merchant Services discounts ⁵			Yes	
Free first order of Clarke American checks			Yes	
Earnings credit rate used to offset fees				Yes
Free Personal Performance Checking Account ¹⁵ (Limit 10 per business)		Yes	Yes	
Free overdraft protection set up ¹			Yes	
Loan origination fee discount ¹		Yes	Yes	

¹ See PNC Bank's "Account Information - Business Checking Accounts and Related Charges" document for further information. Bank deposit products provided by PNC Bank, National Association and PNC Bank, Delaware. **Members FDIC.**

⁴ Payment processing services are subject to credit approval and provided by PNC Merchant Services Company. See PNC Bank's Business Checking Accounts and Related Charges for further information.

deposited to your PNC Bank Business checking account.³ Call 888-562-2300 today and ask for a complimentary analysis of your current processing statement to validate whether you are receiving the best rates for your business.

Free Online Bill Pay⁶

Use your PC to pay business bills and schedule future or recurring payments. Spend less time writing checks, reordering checks and buying stamps. Take advantage of vendors who offer electronic delivery of invoices. Save time by downloading invoices and their payment history into popular business accounting programs. Best of all, it's free.

Treasury Management Services

PNC Bank offers an extensive array of Treasury Management Services to help you manage your company's cash flow and financial position, streamline business operations, gain better control and accelerate your collection processes.

Talk to us about electronic tax payment lockbox services, ACH, Wire Transfer, Zero Balance Account, Money Room Services and more.

Online Information & Reporting

Free Online Banking⁵

Online Banking gives you free 24-hour access to your PNC Bank accounts, for a complete picture of your business finances. View your current day ledger and available balances, daily deposit account activity and transaction history up to 90 days. See the status of your loan balances and verify payments. View images of cleared checks and deposit tickets up to 180 days. Transfer funds between your accounts,⁷ including draws on select lines of credit. Place stop-payment orders and order copies of checks, deposits or statements.

PINACLE[®] Express

For growing businesses that need to expand their cash management, PINACLE Express provides an affordable and easy-to-use way to conduct your company's banking online. With a single sign-on, you have one-stop, 24-hour access to critical information and a variety of services that help you monitor and control complex cash management activities.

PINACLE[®] Web

When your business has grown enough to need sophisticated Treasury Management Services, PINACLE Web provides our most sophisticated cash management tools. All the features of PINACLE Express are included, plus a selection of online cash management services from PNC Treasury Management.

Specialty Checking^{*}

A selection of accounts for very specific industries and situations.

Non-Profit Checking

PNC supports the efforts of non-profit organizations with an account designed exclusively for them—featuring no minimum balance requirement and no monthly maintenance fee.

Analysis Business Checking With Interest

A qualifying business, non-profit, government agency or sole proprietor can open the account. This account has the features of Analysis Business Checking plus earns interest on the entire account balance. An Earnings Credit does not apply to this account.

IOLTA (Interest On Lawyers' Trust Accounts)

Specifically designed to manage funds for multiple clients. Interest earned on an IOLTA, less any permitted service fees, is forwarded to the state IOLTA board. No minimum balance or monthly maintenance fee.

Client Escrow Management Account

Managing and tracking client escrow accounts made easy. This account has one master account that can be linked to any number of individual client sub-accounts. Option to earn interest on client accounts. Account provides one detailed monthly statement.

² All loans subject to credit approval and require automatic payment deduction from a PNC Bank business checking account. Origination and/or annual fees may apply.

³ Next day funding valid only when processing Visa and Mastercard transactions is provided by PNC Merchant Services and funds are deposited into a PNC Bank Business Checking account. Merchant serv-

ices is subject to credit approval and provided by PNC Merchant Services Company. Please speak with your representative for further details. PINACLE is a registered trademark of The PNC Financial Services Group, Inc.

⁴ Credits to the accounts are Monday - Friday after midnight. See the applicable "Funds Availability Policy" to determine when the funds will be made available. Remote deposit is subject to Bank approval.

PERSONAL FINANCE

Personal Banking^{*}

It's what you need to run your life right now. And cover what's going to happen later.

- Checking • Savings
- Money Market Accounts and CDs
- Mortgages and Home Equity Loans⁸
- Education and Personal Loans
- Credit Cards • Online Banking

Investments^{**}

This is the dream part. Where you see your kids dressed in graduation gowns. A second home on a rocky coast. Teeing off on the first fairway of your retirement.

- IRAs and Retirement Plans
- Education Savings Plans
 - Brokerage Services
- Mutual Funds • Annuities
- Tax-Advantaged Investments

FINANCING

At PNC, we're always looking for ways to help our clients meet the challenges of running their businesses. When it comes to credit, that means providing flexible interest rates, convenient repayment terms and credit availability. We help you choose the right loan from a wide range of loan products, so we can match interest rate, term and other features for your particular situation and needs. Our lending philosophy is what truly sets us apart—our goal is to ultimately say "yes" as often as possible.⁸

Managing Cash Flow

A line of credit can help you manage the peaks and valleys of your cash flow.

Choice CreditSM for Business Line of Credit

An unsecured line of credit that puts from \$5,000 up to \$100,000 at your fingertips.⁹ Applying is easy and quick, with a simple application and a decision, in most cases, in one business day or less. Plus,

⁵ There are fees for certain optional PNC Online Banking Services. See our "Account Information - Business Checking Accounts and Related Charges" brochure for further information. Offers, products and pricing subject to change.

⁶ Payment processing services are subject to credit approval and provided by PNC Merchant Services Company. See PNC Bank's Business Checking Accounts and Related Charges for further information.



you can access your funds online or by writing a check, or with optional overdraft protection for your PNC Bank Business Checking Account.

Business Equity Line of Credit

Provide some capital for your business by using the equity in your home or company building. Available in amounts from \$10,000 to \$1,000,000. Offers variable interest rate based on Prime Rate¹⁰ and a 10-year principal repayment. Easy online access or by writing a check.

Secured Line of Credit

Use your company's assets to free up cash. Because the line of credit is backed by the value of your business assets, inventory and receivables, it offers lower interest rates than unsecured options. Available in amounts from \$100,000 to \$2,000,000, and interest-only payments deducted automatically from your PNC Bank business checking account.

Growing Your Business

Solutions for financing business expansion, the purchase of a business, equipment purchases or other major business expenses.

Choice CreditSM for Business Installment Loan

Choose a fixed or variable term loan based on Prime Rate¹⁰ and a repayment schedule that best fits your situation. Payments are deducted automatically from your PNC Bank Business Checking Account. Available in amounts from \$2,500 to \$100,000.

⁷ Federal regulations prohibit you from making more than a total of 6 transfers each month to other accounts from a savings or money market account.

Business Equity Term Loan

Use the equity in your home or company building or both to get the cash you need. Payments are deducted automatically from your PNC Bank business checking account. Available in amounts from \$10,000 to \$1,000,000 and for a repayment period of up to 20 years.¹¹

Business Secured Term Loan

Use assets like accounts receivables and inventory to secure funding for equipment, machinery or other major expenses. Competitive fixed interest rates and a variety of repayment options are offered. Available in amounts from \$10,000 to \$2,000,000 and a term up to seven years.

Other Business Financing Needs

PNC also offers business credit solutions for specific borrowing needs—such as Commercial Mortgages and Business Vehicle Financing. Leasing options are available and offer your company the opportunity to procure equipment at a fixed rate for a fixed amount of time.^{***}

SBA Loans and Other Government Business Loan Programs

The U.S. Small Business Administration (SBA) offers a number of loan programs, some of which are targeted to specific types of businesses, owners or opportunities. PNC Bank can help you choose the right program with the right features to meet your borrowing needs. Ask your PNC Business Banker about SBA loans and other government business loan programs today.

Conducting Everyday Business

Manage routine expenses better.

PNC Platinum Business Rewards MasterCard®

Keep business and personal expenses separate. Our Platinum Business Rewards MasterCard® is a great way to manage and control travel, entertainment and other business expenses. Track expenses by category or employee.



Purchasing Card

A streamlined process for purchasing a variety of business goods and services. Reduces costs and paperwork associated with purchase orders and checks. Provides flexible spending limits, merchant controls and fraud prevention.

Employee Benefits

PNC provides access to 401(k)s,[†] Simple IRAs, group insurance^{12**} and our own WorkPlace Banking program—a program providing personal banking services and educational seminars to your employees at no cost to your company.

Talk to a PNC Business Banker about 401(k) plans today and discover a competitive edge in attracting and retaining employees.

Business Insurance

Protect your business. PNC provides access from simple, low-cost insurance packages for small businesses to more comprehensive, customized insurance solutions for businesses with more complex needs.¹² Talk to your PNC Business Banker.

⁸ All loans and lines of credit subject to credit approval and if applicable, require automatic deduction from a PNC Bank checking account. Origination and/or other fees may apply. All first mortgage products are offered and provided by PNC Mortgage, LLC. PNC Mortgage, LLC is licensed in New Jersey as a Department of Banking Mortgage Banker. PNC Mortgage, LLC may not be available in your area. Credit subject to approval.

⁹ \$175 annual fee applies to Choice Credit™ for Business Line of Credit.

¹⁰ "Prime Rate" means the highest prime rate published in the "Money Rates" section of The Wall Street Journal for the last day of the preceding calendar month.

¹¹ 20-year term available with residential equity only.

[†] Securities and brokerage services are provided by PNC Investments LLC. Member NASD and SIPC. A licensed affiliate of PNC Bank, N.A. may receive compensation if you purchase.

¹² Insurance products and advice are provided by PNC Insurance Services, LLC Inc., a licensed insurance agency affiliate of PNC Bank, N.A. or by licensed insurance agencies that are not affiliated with PNC Bank, N.A. PNC Insurance Services Inc. will receive compensation if you choose to purchase coverage through this program. A decision to purchase insurance will not affect the cost or availability of other products or services from PNC Bank, N.A. The coverage can be purchased from any source of your choice.

¹³ Payroll services are provided by Paychex, Inc. PNC Bank receives compensation from Paychex in connection with payroll services provided to PNC Bank's customers.

VALUE ADDED SERVICES

Paychex®

PNC provides access to Paychex®, a leading provider of payroll processing services.¹³ Paychex streamlines the administration of employee compensation programs and provides all the documentation necessary to keep your payroll system in compliance with state and federal requirements.

Visa Extras

Turn everyday business purchases into redeemable points for the rewards you want or need—just by signing your name. You can also earn points for online or electronic purchases.¹⁴ The choice is yours every time you use your PNC Bank Visa Business Check Card for a qualifying purchase when you enroll in Visa Extras.¹⁴

To learn more about how a relationship with PNC Bank makes banking easier, stop by any branch, call 1.877.BUS.BNKG or visit www.pnc.com

¹⁴ A "qualifying purchase" is any signature-based purchase, phone or mail order purchase, or automatic bill payment made with an enrolled VISA card, which is processed or submitted through the VISA USA Transaction Processing System.

¹⁵ See our Consumer Schedule of Service Charges and Fees for further information. Bank deposit products provided by PNC Bank, National Association and PNC Bank, Delaware. **Members FDIC.**

PINACLE® is a registered trademark of the PNC Financial Services Group, Inc.

^{*} Bank deposit products provided by PNC Bank, National Association and PNC Bank, Delaware. **Members FDIC.** Loans subject to credit approval.

NOT LOAN • May Lose Value • No Bank Guarantee

Important Investor Information: Securities and brokerage services are provided by PNC Investments LLC, member NASD and SIPC. Annuities and other insurance products are offered by PNC Insurance Services, LLC, a licensed insurance agency.

^{***} Leasing services provided by PNC Equipment Finance, LLC.

  **TT: 1.800.531.1648**

Business Credit Solutions®

Need	PNC Solution	Loan Amounts	Features	Benefits
Short-term working capital, equipment purchases and general business needs	Choice Credit™ for Business	\$5,000 to \$100,000	Unsecured Line of Credit with check, telephone and online access and a variable interest rate based on the Prime Rate. ¹⁰ Or Term Loan with either a fixed interest rate or variable interest rate based on the Prime Rate. ¹⁰	Simple application and decision, in most cases, in one business day or less. Optional overdraft protection for your PNC Business Checking Account.
Working capital, equipment purchases, expansion and building improvements	Business Equity Loan	\$10,000 to \$1,000,000	Line of Credit secured by primary residence and/or owner-occupied commercial property, with check, telephone and online access and a variable interest rate. Or Term Loan secured by primary residence and/or owner-occupied commercial property with a fixed interest rate.	Equity in real estate you own – your home, your company's building or both, can be used to secure a longer repayment term and lower interest rate compared to other loan options.
Larger working capital needs, seasonal inventory purchases, equipment and machinery purchases	Secured Loan	Line of Credit \$100,000 to \$1,000,000 Term Loan \$10,000 to \$2,000,000	Line of Credit secured by business assets with check and telephone access and variable interest rate, based on the Prime Rate. ¹⁰ Or Term Loan secured by business assets with a fixed interest rate.	Leverage the value of your receivables, inventory and equipment to obtain larger loan amounts. Optional overdraft protection for your PNC Bank Business Checking Account.
Purchase or finance commercial property	Commercial Mortgage	\$50,000 to \$2,000,000	Loan secured by commercial property. Choice of fixed or variable interest rate.	Streamlined process to buy or refinance your company's building.
Purchase business vehicle	Business Vehicle Loan	\$10,000 to \$250,000	Loan secured by vehicle, with a fixed interest rate.	100% financing of new cars and trucks, 80% financing of used vehicles.

“Highest in Customer Satisfaction with Small Business Banking”[†]

We're honored and humbled with this recognition from our small business customers. To us you're more than customers; you're a source of inspiration. **Thank you.**



[†] PNC Bank received the highest numerical score in the proprietary J.D. Power and Associates 2006 Small Business Banking Satisfaction StudySM. Study based on 4,996 total responses, measuring 13 financial institutions and measures opinions of small business customers with annual revenues from \$100,000 to \$10 million. Proprietary study results are based on experiences and perceptions of customers surveyed in July – September 2006. Your experiences may vary. Visit jdpower.com