International Services

Letters of Credit Import, Export, Standby

Ideas

to reach your goals.

Advice

to make your decisions with more confidence.

Solutions

to meet your challenges with greater ease.

Confidence and Security When Buying and Selling Abroad

You understand the tremendous value in doing business in the global marketplace. But you're concerned with the risks of buying or selling goods and services abroad. You need to ensure that your import shipments and documents comply with your specific terms and conditions, or that your export sales will be paid for, or that your performance and financial contracts overseas can be completed without risk.

PNC Delivers

PNC's Import, Export, and Standby Letters of Credit can provide you with security and convenience, along with the backing of a strong institution in the international banking arena. We assign an experienced global trade expert to your account, so you always know your contact at PNC and receive best-in-class service. And PNC delivers it all to your desktop through advanced technology, resulting in fast and efficient transaction initiation and tracking.

A Widely Used Component of International Trade

Letters of credit have been used for hundreds of years and are still a commonlyused instrument of international trade today. They are used any time a seller wants payment security above and beyond that of the buyer either due to:

- Lack of familiarity with the buyer
- Buyer's financial condition
- Regulatory environment of the buyer's country

There are three basic types of letters of credit:

- Import letters of credit for the buyer / importer (applicant) of commercial goods and services
- Export letters of credit for the seller / exporter (beneficiary) of commercial goods and services
- Standby letters of credit support performance or financial contracts and payments

How Letters of Credit Work

- Issued by a bank on behalf of the applicant or buyer
- Represent the issuing bank's obligation to pay the beneficiary or seller when, in the bank's determination, as evidenced solely by the documents presented by the beneficiary or seller, the beneficiary or seller has shipped the merchandise or performed accordingly and strictly complied with the terms and conditions stated in the letter of credit



The U.S. Department of Commerce awarded PNC the Presidential "E" Award for excellence in export service.





How Letters of Credit Work (Continued)

- May include such terms as shipping date, payment terms, and required documents, such as:
 - Invoice
 - Bill of lading
 - Packing list
 - Customs documentation
 - Drafts
 - Certificates
- Ensure that when payment has been made the documents are either released to the applicant/buyer allowing him/ her to take title to the goods or, in the case of Standby Letters of Credit, the applicant party is notified that payment has occurred

For Importers, a Recognized and Experienced Partner

As an importer, you want a strong partner that is recognized worldwide. PNC's excellent credit rating and long-standing international reputation ensures that sellers worldwide accept the letters of credit that we issue. Our extensive network of correspondent banks and membership in the Society for Worldwide Interbank Financial Telecommunications (SWIFT) global banking network, provide efficient delivery of your letters of credit virtually anywhere in the world. When we issue a letter of credit on your behalf, you benefit from:

- The strength of PNC's backing, relieving the exporter's fear of non-payment
- The right to refuse a shipment, and thereby payment, if there are discrepancies between the shipping documents presented and the terms and conditions of the letter of credit
- The ability to receive extended payment terms under the letter of credit, reducing the related financing costs

For Exporters, Payment Security and Efficient Processing

If you're an exporter, then PNC is ready to assist you with a number of services in the role of an advising, confirming, and negotiating bank.

- The advising bank receives a letter of credit transmission and verifies its authenticity before passing it on to the seller. PNC's worldwide correspondent network makes this process quick and reliable.
- Adding our confirmation provides the additional undertaking of PNC. Since a letter of credit represents the obligation only of the issuing bank, confirmation is an option when the issuing bank is not well known or when the bank's country presents political or economic risk. Our correspondent banking group continuously monitors global banking conditions to respond quickly to confirmation requests with sound credit decisions.
- The negotiating bank accepts documents from the seller, checks them against the letter of credit requirements and initiates the payment process. PNC works closely with you to clarify the letter of credit requirements in order to speed up the payment process.

Standby Letters of Credit

A standby letter of credit is broader in scope and can typically be used in transactions to support international trade and other types of payment and performance obligations. They are commonly used to:

- Provide payment when one party's obligations in a business agreement have not been met
- Guarantee large projects or government contracts such as bid bonds, performance bonds, and payments. PNC's experience in structuring standby letters of credit can help support a wide range of your company's business endeavors

Online Global Trade Services Activity

PNC's Global Trade Excellence® provides an efficient and secure Web-based transaction initiation service and reporting system. Import and standby letter of credit customers can initiate and receive timely information on all of their transactions. Exporters can access history and balance information, and all relevant bank documents relating to each transaction, as they are processed by PNC for their account.

At PNC, we combine a wider range of financial resources with a deeper understanding of your business, to help you achieve your goals. To learn more about how we can bring ideas, advice and solutions to you, please call your Global Treasury Management Officer or visit pnc.com/international.

