

# PNC's New Imaging Technology Moving Corporate Receivables Towards a Paperless Environment

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PNC Bank Treasury Management, a member of The PNC Financial Services Group (NYSE: PNC), announced today that more than 64 clients have broken new ground in receivables processing by implementing its cutting-edge service called A/R Advantage for 206 lockbox accounts during the first six months of operations. Launched last fall, PNC's A/R Advantage combines the technology of digital images of all lockbox payments and remittance documents with Internet-based access to those same images plus all electronic payment information.

"A/R Advantage is the newest addition to PNC Bank Treasury Management's array of receivables services designed to help improve our clients' business processes. We're not surprised that our clients are finding value in trading cumbersome archives of paper lockbox documents for an electronic image and a reporting system that provides information about multiple forms of paper and electronic payments in a single stream that the client can import into their accounts receivable systems," said Francine Miltenberger, executive vice president and division executive of PNC Bank Treasury Management.

"Our initial concern was that our clients might be reticent to relinquish a paper-based environment and to accept an image-only environment. Although we offer to return the original paper documents for a period, most clients have quickly moved to the image-only environment, supported by our full color, easy-to-use image system," she continued.

While a traditional bank lockbox accepts only checks as an input medium, PNC's A/R Advantage also includes electronic forms of payment such as electronic data interchange (EDI), automated clearinghouse (ACH) transactions and wire transfers. Combined information about paper and electronic payments is delivered to the client in a single, streamlined report. Each client may choose how that comprehensive report is delivered: computer-to-computer data transmission, CD-ROM or Internet. Data transmissions and CD-ROMs deliver the client's updated receivables information on a scheduled basis; the Web page provides the client's receivables data plus images of all checks and associated remittance documents (including the envelope for postage mark inspection) on a same-day basis.

"When it comes to business-to-business receivables management information, faster is better," continued Miltenberger. "Same-day access to all receivables information has many benefits for A/R Advantage clients, including potentially faster resolution of exception items as well as payment inquiries."

"Operational efficiency is a key benefit," said Steve Skerl, treasurer, Day International, Inc., Dayton, Ohio with lockboxes in Philadelphia and Pittsburgh that utilize A/R Advantage. "We have staff in multiple states that used to rely on an overnight delivery of lockbox documents to close out daily transactions. With A/R Advantage, we are now able to close out daily transactions same day, posting money to customer accounts immediately."

PNC's A/R Advantage clients include Campbell Soup, General Electric, General Electric Capital Corporation (GECC), IKON Office Solutions and New Jersey Hospital Association.

PNC Bank Treasury Management ranks high among a select group of only four U.S. banks that offer a nationwide lockbox system. Because of the success of this nationwide lockbox network, PNC patterned its A/R Advantage processing sites similarly with locations now fully operational in Atlanta, Ga.; Chicago, Ill., Los Angeles, Calif.; Philadelphia, Pa. and Pittsburgh, Pa. One additional processing site in Dallas, Texas is scheduled to be operational by July 2001.

"The goal of this \$20 million investment is to help corporations shave time off the receivables cycle, to shorten information float time and to integrate traditional paper remittances with electronic formats," continued Miltenberger. "In the first six months, we've discovered that A/R Advantage benefits our clients' businesses beyond cash application and accounts receivable processing. It is impacting credit management, sales and other departments."

"Individual lockboxes are allocated to our insurance and seminar departments. These lockboxes are very high volume and require daily monitoring by those departments," explained Larry Parker, director of Accounting Services with New Jersey Hospital Association located in Princeton. "Instead of requiring my

staff to separate those two lockbox reports and to deliver them to the appropriate departments, I assigned those departments their own A/R Advantage access numbers. Staff from the insurance and seminar departments retrieve their own lockbox information whenever they want, keeping my staff out of the loop."

PNC Bank is one of the top ten treasury management providers in the nation, maintaining its position as an industry leader with a diverse mix of advanced products and services. PNC Bank Treasury Management helps companies manage their finances by integrating their receivables, payables, investment and information reporting activities into one streamlined system.

Over the past year, PNC Bank Treasury Management has introduced several industry-leading innovations. These include: A/R Advantage, state-of-the art receivables imaging technology; Internet Service Center, an expanding portal to online customer service and treasury management services; and Digital Community Settlement Service, an online payment and settlement solution that supports the B2B e-commerce community. In addition, through a joint venture with Perot Systems Corporation, PNC Bank introduced BillingZone, a business- to-business electronic invoice presentment and payment service, which provides businesses with a consolidator model for presenting and paying invoices on the Internet.

The PNC Financial Services Group, Inc., headquartered in Pittsburgh, is one of the nation's largest diversified financial services organizations providing community banking, corporate banking, real estate finance, asset- based lending, wealth management, asset management and global fund services.

Reach PNC Bank Treasury Management on the Web at <http://www.treasury.pncbank.com/>.

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