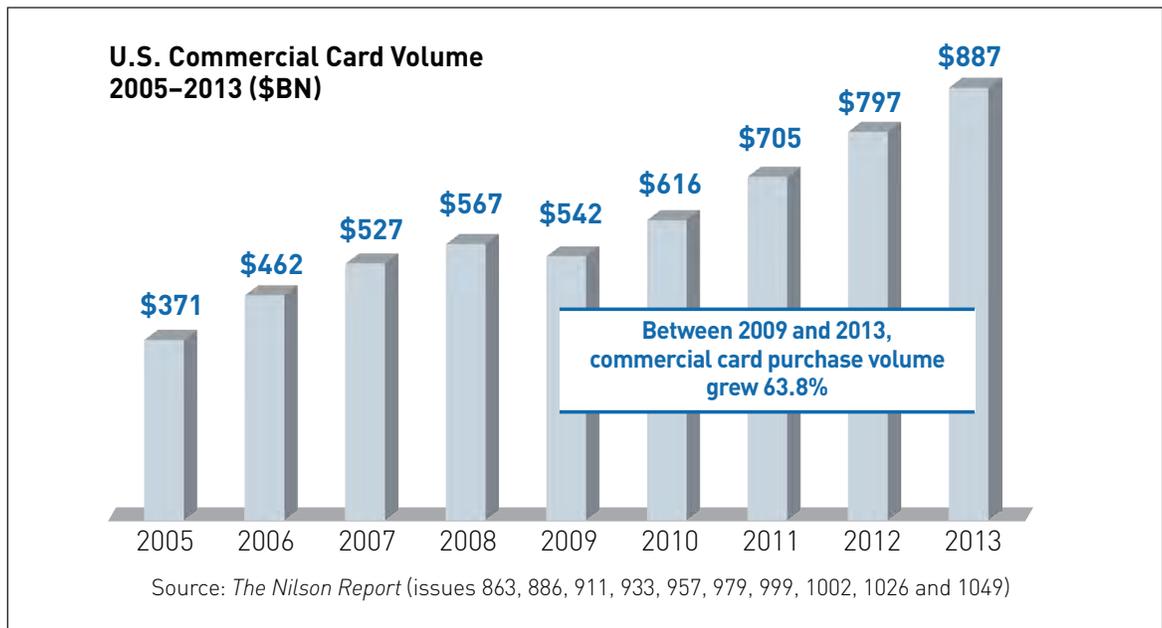


MANAGING T&E SPENDING WITH CORPORATE CARD

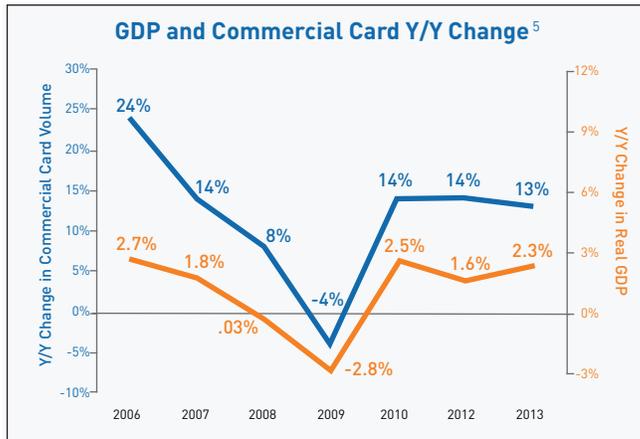
Over the past eight years, we've seen more than a doubling in U.S. commercial card usage, which includes purchasing and corporate cards, along with small business card spending. According to *The Nilson Report*, overall U.S. commercial card purchase volume rose from \$542 billion in 2009 to \$887 billion in 2013, a compound annual growth rate of 13.1%.¹



This growth is driven by several factors:

- **The growth rate of the U.S. economy indirectly but importantly impacts commercial card spending volumes.**
The U.S. Department of Commerce recently reported that real gross domestic product (GDP) rose at an annualized rate of 4.2% in the second quarter of 2014.² And a panel of professional forecasters surveyed by the Federal Reserve Bank of Philadelphia predicted that real GDP will grow 2.1% in 2014, 3.1% in 2015, 2.9% in 2016 and 2.8% in 2017.³
- **Growing business confidence and the improved outlook for the economy has led to increased travel and entertainment (T&E) budgets** to support traveling employees and sales executives. As these budgets grow, companies such as yours need to closely control their increased spending — another one of the many reasons for implementing comprehensive corporate card platforms.

According to a recent survey by Certify⁴, 64% of midsized companies and 63% of large companies plan to spend more on T&E in 2014 compared with 2013.



- More U.S. firms are traveling internationally.** The Global Business Travel Association projects that U.S. outbound international business travel will grow by 5.6% in 2014 and 6.5% in 2015.⁶ The broad adoption of chip-based transactions in Europe has led to increased demand in the U.S. for corporate cards with chip technology.
- Advances in card security, with greatly reduced fraud risk, have led more companies to mandate corporate card use.** With better security measures in place, companies like yours are more comfortable putting cards in the hands of more of their employees. Customizable spending controls and 24/7 online monitoring provide new levels of payables management and are strong motivators for program implementation.
- Rewards and shared revenue opportunities from accelerated spending are attractive both to corporate executives and to financial officers.**

PURCHASING VS. CORPORATE TRAVEL CARDS

Historically, U.S. companies have been more likely to implement purchasing cards than corporate cards. The 2014 AFP Fraud and Control survey found that 78% of companies used

purchasing cards, but only 51% used corporate travel cards. The lower penetration of corporate cards can be attributed to a number of factors, including:

- There is a lack of awareness of the full range of corporate card features provided (including an expanded range of valuable travel protections) and the efficiencies corporate cards offer to companies over checks and cash.
- Many believe that integrating cards into payment systems will require a significant investment of time and money.
- Employees are reluctant to use corporate cards, as they feel they will lose some of the perks they gain from using their personal cards.

Despite these common beliefs, there is a wide range of corporate card benefits for both company program administrators as well as the traveling employees who use them.

BENEFITS FOR PAYMENT PROGRAM ADMINISTRATORS

- Greater control over employee spending** through customized spending limits, fraud monitoring and alerts, and employee misuse protection
- Reporting tools provide **greater visibility into employee spending** and insights into spending patterns
- Streamlined administration** with fewer resources needed to manually process employee T&E expenses

BENEFITS FOR TRAVELING EMPLOYEES

- Reduced administrative burden** in filing expenses
- Potential to **enjoy individual benefits** from business travel (e.g., rewards points redemption for use, access to airline lounges and concierge assistance)
- More widespread acceptance** of cards for payments and cash access when traveling overseas (as a result of embedded chip technology)
- By not using personal cards for their authorized business travel expenses, **employees' individual credit scores and personal card credit limits** are not impacted

T&E MANAGEMENT: DID YOU KNOW?

51% of firms cite poor visibility into T&E spending as one of the biggest T&E management challenges⁷

40% of firms say that reducing administrative costs is a top T&E management challenge⁸

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, insight and solutions to you, please contact your Treasury Management Officer or visit pnc.com/treasury.

- 1 *The Nilson Report*, issue 957 (published September 2010), *The Nilson Report*, issue 1049 (published September 2014). Note: Purchase volume includes Visa®, MasterCard®, American Express® and Discover®.
- 2 "National Income and Product Accounts Gross Domestic Product: Second Quarter 2014," Bureau of Economic Analysis News Release, July 20, 2014.
- 3 "Third Quarter 2014 Survey of Professional Forecasters," Federal Reserve Bank of Philadelphia News Release, August 15, 2014.
- 4 "Certify Releases 2014 Business Travel Trends Report," Press Release, March 13, 2014.
- 5 GDP data source: Bureau of Economic Analysis http://www.bea.gov/iTable/index_nipa.cfm. Year to year change in commercial card volume source: *The Nilson Report*, issue 863 (August 2006); *The Nilson Report*, issue 886 (September 2007); *The Nilson Report*, issue 911 (September 2008); *The Nilson Report*, issue 933 (September 2009); *The Nilson Report*, issue 957 (September 2010); *The Nilson Report*, issue 979 (September 2011); *The Nilson Report*, issue 1002 (September 2012); *The Nilson Report*, issue 1026 (September 2013); *The Nilson Report*, issue 1049 (September 2014).
- 6 *GBTA News Release*, October 7, 2014.
- 7 *Aberdeen Group Analyst Insight Report*, March 2013.
- 8 *Aberdeen Group Analyst Insight Report*, March 2013.

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For more detailed information about Commercial Card Program, please visit www.pnc.com/corporatecard/benefits.

For more information about Executive Card Program, please visit www.pnc.com/corporatecard/executivebenefits.

Airline Club Annual Membership Fee Statement Credit

Each calendar year PNC Visa Executive cardholders are eligible to receive a statement credit for up to \$500 for the annual membership fee to one U.S.-based airline club of their choice. To receive the credit, the PNC Visa Executive cardholder must: 1) select a qualifying U.S.-based airline from the list below; 2) enroll in an annual club membership with the chosen airline; and 3) use their PNC Visa Executive Card to pay the annual membership fee. A credit of up to \$500 for the annual membership fee will appear on the cardholder's statement within 6–8 weeks of the charge, though it may appear on a different monthly statement than the charge itself. If the annual membership fee exceeds \$500, only \$500 will be credited to the cardholder's account. The credit may include the club's initiation fee, if any, as long as the combined annual fee and initiation fee do not exceed \$500. The annual fee may be charged, and up to \$500 will be credited, each calendar year. Qualifying airlines for an annual club membership are: Alaska Airlines, American Airlines, Delta Air Lines, Hawaiian Airlines, United Airlines and US Airways. Fees incurred for club memberships at other airlines will not be credited. This benefit is not transferable, cannot be applied to a Priority Pass membership and applies only to one airline club membership for the PNC Visa Executive cardholder per calendar year. Other terms and restrictions may apply. Visa and PNC have no control over the airline club program including, but not limited to, application, approval process or enrollment, fees charged by the airline, and no liability with regard to the airline club program.

Global Entry Application Fee Statement Credit

Global Entry is a U.S. government program, operated by U.S. Customs and Border Protection (CBP). Visa and PNC have no control over the program including, but not limited to, application, approval process or enrollment, fees charged by CBP, and no liability with regard to the Global Entry program. For complete details on the Global Entry program, including full terms and conditions, go to www.globalentry.gov. \$100 statement credit will be processed after the Global Entry program application fee is charged to an eligible card. Holders of eligible cards are entitled to one (1) \$100 statement credit per card every four years in connection with the Global Entry program application fee. Please allow 6–8 weeks after the Global Entry program application fee is charged to an eligible card for a statement credit to be posted to your account. Cardholders are responsible for payment of all charges until the statement credit posts to the account. Visa and PNC reserve the right to modify or cancel this offer at any time and without notice.

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