

## Why Depository Banks Send Letter of Credit Request to IBS, N.A.



### CORPORATE FINANCE FOR GROWTH & MATURE COMPANIES

*IBS Investment Bank offers institutional investors a distinctive array of qualified investment opportunities through its origination arm Institutional Banking Services, N.A. CORP.*

#### **The Letter of Credit Dilemma**

One of the least understood yet most powerful small business financing tools is the Letter of Credit (LC). While it is used fairly extensively by larger companies, many small business owners have not had the opportunity to leverage this valuable vehicle for their enterprise. The LC is often the “missing link” that a business needs to unlock the capital that it needs to succeed. Due to the regulatory nature of depository banks, LC approval decisions are primarily based upon the review of corporate tax returns, personal and business credit as well as other factors. In addition, depository banks typically require a 1:1 ratio of cash-on-hand versus the amount of the LC. Unfortunately, many businesses are being denied the credit that they need to grow based upon historical data and their present cash position. Banks often turn to IBS to fulfill their client’s Letter of Credit needs and enhance their relationships.

#### **IBS, N.A. Fills the Trade Financing Gap**

Founded by nationally recognized entrepreneurs, IBS, N.A. strives to understand the story behind the applicant’s transaction. Focusing beyond historical data, IBS, N.A. takes the applicant’s vendor relationships, intrinsic value and product/service as well as other pertinent factors into consideration. This panoramic, relationship-centric approach allows IBS, N.A. to provide applicants with 60% more approvals than its competitors.

IBS, N.A. originates Performance Letters of Credit (PLOC) to safeguard its client’s commitment to perform services in a timely and satisfactory manner. IBS, N.A. also provides Stand-By Letters of Credit to client’s who are performing international trade or other large purchase contracts where other forms of payment protection cannot be obtained.

With an underwriting process that is typically more flexible than those offered by depository banks clients are able to obtain a reliable LC with certainty of execution. IBS, N.A. LC fuels corporate access to capital by:

- Issuing in favor of beneficiaries within a matter of a few days;
- Deploying panoramic-view based underwriting;
- Providing seamless completion of contract negotiations; and
- Offering competitive rates/fees to allow businesses to grow.

“We are truly entrepreneurs fueling entrepreneurs”, Jason Jackson, IBS Chief Investment Officer.