



WIB Service Corporation

A Subsidiary of Western Independent Bankers

"Your Partner in Excellence"

Equipment leasing services you can bank on

By Anne K. Scully

“Banks have increased their share of the leasing market (by new business volume) from 21 percent in 1997 to 44 percent in 2003. ... Banks are increasingly managing leasing as another banking product to cross-sell into their existing customer base.”

— *ELT, the magazine of the Equipment Leasing Association, August 2004*

Nearly anything your commercial customers use in their business operations can be leased — from computers, furniture and telephone systems to copy machines, audio/visual equipment and company vehicles. By leasing, your customers benefit by not drawing on their credit lines, so they are unaffected and remain available for other needs.

If you want the opportunity to enhance your bank's revenues without adding overhead costs, consider BancLeasing, WIB's endorsed Value & Income Program (VIP) Partner. BancLeasing offers a private-label equipment leasing program to more than 200 community banks. BancLeasing works with community banks and their commercial customers to design specific and flexible lease packages that meet each customer's special needs.

Whether you have a small or start-up lease portfolio, or a fully established leasing program, BancLeasing enhances your bank's ability to increase your no-risk fee income, accommodate your customers and stay competitive in the market.

And the good news? There's no risk, no investment required and no additional headcount needed. Your leases will likely be the highest-yielding product you have in your credit portfolio.

Why does your bank need its own lease program?

Net interest margins in all community banks are shrinking. Community banks need fee income and alternate financing programs. Leasing provides another tool in the toolbox to strengthen current customer relation-

ships, offer a more comprehensive product offering and cross-sell.

BancLeasing's three leasing options

BancLeasing offers community banks three turnkey programs.

- Referral basis. Once you make the referral, BancLeasing does the rest. You generate referral fee income.
- Participation. Your bank funds the lease in participation with BancLeasing. You earn fee and interest income, incentive bonus fees and fee income at the end of the lease term.
- Lease-loan. Your bank funds the lease as if it were a loan. You earn loan origination, fee and interest income, incentive income and residual fee income at the end of the lease term.

BancLeasing's back-office services

BancLeasing provides complete back room and administrative services, including:

- Invoicing and remittance processing.
- Tax return material generation.
- Compliance.
- Tax billing (property and use tax).
- Tax filing.
- UCC filings.
- Lease documentation and maintenance.
- Pricing and lease structuring.
- Vendor/equipment invoice reconciliation.

Benefits to your bank

As noted above, leases have great non-interest income potential.

- Leases provide a great cross-sell opportunity, e.g., a life insurance product for which the bank receives a commission, or a business credit card.
- It gives a great competitive advantage, particularly in communi-

ties where your competitors don't offer a lease product.

- There are tax advantages to the bank or holding company. You receive the depreciation benefits.

- There are also great advantages for your customers, particularly those in "high lease" industries, such as

agriculture, medical and technology. Chances are, they are already leasing equipment now.

- Your bank determines the type of leasing program and then manages it like you want to. For example, if you choose the lease-loan program, you fund it, you make the credit deci-

sions and you reap the reward.

For further information, contact Mark Buchanan, BancLeasing
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He can provide additional information and answer any questions. **WB**

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