



“Build Profitable Client Relationships Through ACC’s Leasing Expertise.”

Community banks are beginning to recognize how aggressive middle-market regional and national banks have become at creating and retaining relationships. And a common tool being used to attract new clients is leasing. Banks use their vendor manufacturing clients, their own captive leasing companies, and outsourced partnerships to generate business. Relationship managers seeking to find the best fit products for their clients’ needs are finding success in leasing and are being incentivized to do so. According to the *State of the Industry Report 2000**, “**bank lessors reported 22.5% growth over the previous year, the highest (industry segment) average in 1999.**” Bank lessors were also the most profitable segment of the leasing industry reporting “**15.4% ROE and strong pre-tax income to total revenue of 20.8%. 2001 has also shown similar trends in this particular segment. Bank lessors’ success, in part, is due to a low direct cost structure, existing customer relationships, and lower funding costs than other lessor types.**”



The good news? It’s relatively simple to compete against the banks that currently provide leasing. Here are a few ways Amembal Capital Corporation and community banks work together to increase fee income and profits:

1. ACC will bring you customers! ACC originates leases throughout the USA and syndicates these leases to both banks and nonbanks. In many cases, we are able to bring the relationship to the community bank through a leasing transaction. The bank simply purchases the lease by originating a nonrecourse note and assignment agreement with ACC. You book the lease as a loan and begin a relationship

with a new client in your community. If you are in a Fed funds purchase position, this program is a unique way to attract assets and new clients.

2. Let ACC help you market. ACC has unique tools to help the community bank identify leasing opportunities for both clients and prospects. Banks can decide whether to retain the asset or have ACC syndicate it to a non-competitive institution. This is especially

*Equipment Leasing Association (ELA)



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attractive to those banks that are seeking fee income and have a limited appetite for loans. ACC will help you create the relationship, retain the treasury management business and generate fees to enhance ROA and ROE. In a period of high scrutiny for the risk-adjusted use of capital, a syndicated lease is a powerful tool.

3. Do you have an existing portfolio of leases and need liquidity? ACC can help you diversify your risk or improve your liquidity. If you have an existing portfolio of lease transactions and wish to create liquidity, ACC's advisory group will help you sell the portfolio (non-recourse to the bank), generally at a gain. You may retain servicing of the portfolio if desired. This allows you to control the relationship, generate liquidity, and the transaction creates a current gain on sale for today's books.

4. A Simple Process. Think of a transaction you did not pursue because of the client's desire for an asset you were not comfortable with, or the advance rate was too high. A quick call to an ACC advisor will determine if it is an opportunity for a referral. A phone call and a name or introduction can get you started generating fees. Recently, ACC received a referral from a bank who specializes in

consumer loans and real estate. The request was from a proprietor client for specialized equipment for \$200,000. ACC completed the transaction and paid the bank \$4200 for the referral!



The leasing opportunity is knocking.

Eighty percent of businesses lease some or all of their equipment. The community bank can benefit greatly through our simple process. ACC provides leases for a broad array of equipment from \$25,000 to in excess of \$10 million. Also, we now offer agricultural leasing (see page 4).

*From Randy S. Cameron,
Executive Vice President*





“Team with ACC to reduce risk, generate fee income and create new clients.”

At ACC we're witnessing a trend that may be beneficial to your ability to market your products and services.

I'm sure that at some point you have been the benefactor of large bank mergers. That is, many excellent clients get orphaned in the “big bank” merger process. Mergers eliminate relationship officers, banks change their pricing, worse yet, they discontinue offering many products, or substantially alter the services to the point that the client becomes dissatisfied. Clients of the big banks are facing fewer choices with higher prices. And, big banks are very quick to react to credit tightening.

Since 1989, the number of commercial banks and thrifts has decreased by almost a third.

With fewer and bigger banks surviving, the remaining big banks' demand for loans has waned and their interest is centered in maintaining “whole” relationships where their risk is mitigated and capital is distributed over a broader range of income producing assets and liabilities. Several national banks have gone on record proclaiming their desire to “only” deal with commercial clients where they can maintain substantially all of the

relationship. This causes concern for small to middle-market companies who need and seek stable relationships. The community bank has historically been a provider of such stability.

How does the community bank benefit?

Look for opportunities to provide transactions that are being cast off or neglected by the larger banks. Marketing to these prospects with the intent to establish a relationship will provide the opportunity to determine all of the prospect's needs, deliver your services and generate value. If leasing is deemed an appropriate need, ACC will help you mitigate any risks you perceive in funding and structuring the transaction. By teaming with ACC, you can create clients, avoid funding risk, and generate fee income. A relationship is a process; it evolves, and entering the relationship with a needed lease or loan is an excellent way to begin.

*From Loni L. Lowder,
President and CEO*





Amembal Goes Country!

Amembal Capital Corporation Announces New Agricultural Leasing Program.

ACC offers new growth opportunities in agricultural leasing.

ACC has become the community bank's leasing partner to the agricultural community. We offer programs for full and part-time farmers, farm-related service businesses, and those businesses involved in agricultural processing or marketing operations. These programs finance a broad range of equipment types from tractors to computers.

If you are a community bank that has the opportunity to serve this critical and valuable market, but haven't done so due to underwriting policies or expertise, let ACC help you serve your agricultural community and generate new relationships and fees for your bank.

Special Features:

\$15,000 to \$5 million (or more)

Capital, operating, tax and TRAC structures

Application only up to \$100,000
(special application required)

Terms from 2 to 7 years

Monthly, semiannual, annual and harvest payments

Broad range of equipment types from
tractors to computers

For more information on any ACC programs for community banks, please call John Walsh, Community Banking Group Manager, at 801-530-7774 or FAX this coupon to 801-595-9066.

- I have a referral to discuss with you. Please call me.
- I would like further information on ACC's risk management and leasing programs.
- I have additional questions or comments regarding your programs

Name: _____ Phone: _____ Email: _____



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