

Lease Corporation of America Completes Capital Offering

Lease Corporation of America
Holding Company for:

LCA BANK CORPORATION
Member FDIC
Financing you can trust.™

**\$11.5 Million 5.25% 5NC2
Senior Unsecured Debt Offering**

Callable at 103 on July 31, 2023, 102 on July 31,
2024 and 100 on July 31, 2025. CUSIP: 52205LAA5

Sole Placement Agent
Finance 500, Inc.
July 30, 2021

Transaction Overview

On July 30, 2021, Troy, Michigan-based Lease Corporation of America (“LCA”), the holding company for LCA Bank Corporation (“LCA Bank”), completed the issuance of \$11.5 Million in 5NC2 Senior Unsecured Notes rated BBB by Egan-Jones Ratings Company. The 5-year notes will bear interest at 5.25% per annum, maturing on July 31, 2026. The notes will be callable at 103 on July 31, 2023, 102 on July 31, 2024, and 100 on July 31, 2025. This is a Regulation D Private Placement, with balanced distribution among insurers and money managers. The Company intends to use the proceeds for the retirement of extant debt.

LCA is a unique financial institution that has been focused on equipment leasing on a national scale since its inception 35 years ago. 98% of the LCA’s business is sourced from direct relationships with vendors. LCA funds its equipment lease portfolio with the issuance of CDs by LCA Bank, which it established in 2005. This results in an industry-leading Net Interest Margin. LCA Bank operates similar to a community bank, but with nationwide credit exposure and without the expense of branches.



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Issuer Highlights

Dynamic Business Model-Industrial Bank Focused on Leasing: Specialty equipment lessor focused on defined products and vendors and end users (as described in the adjacent chart). LCA has multi-year relationships with most of these clients.

Excellent Net Interest Margin at 6.15% is 2:1 higher than peer average (Top 10% nationwide)

High Yields on Leases and Loans at 7.88%, significantly higher than peer average of 5.60%

Conservative Asset-Liability Policy: loan and lease cash flows are match-funded with CD’s and other borrowings

Sound Asset Quality Metrics: 30-89 days past dues at 0.53% of total loans and leases, no 90+ days delinquent loans and leases and still accruing. Non-accrual loans as a percentage of total loans and leases historically <0.50%

Accelerating Asset Growth 31% in 2020 and projected annualized growth of 33% in 2021

Strongly-capitalized: Total Capital 20.6%; CBLR Tier I Leverage 17.3%

Transaction Highlights

- ❖ Priced at 5.25%, 75 BP through comparables
- ❖ Innovative redemption protocol, designed to give LCA the greatest possible flexibility
- ❖ Light covenant package, modeled on bank package, not a leasing company package
- ❖ BBB Investment Grade Rating from Egan-Jones Ratings
- ❖ Two quality investors in the deal, whose role in it speaks highly of LCA

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Executive Feedback



Jeffery Sugg

Chief Executive Officer
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The Finance 500 team successfully executed for LCA a senior debt structure and pricing that all of its more established competitors said was not possible. I have been in banking for over 33 years and have worked with all of the well-known investment bankers. I would put Chris Hogg and his team above them all. They know the market, they have a great network, and are professionals.

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Travis Soto

Chief Executive Officer
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Chris Hogg and his team at Finance 500 did what many said could not be done. They helped us secure an investment grade rating and allowed us to significantly reduce our borrowing costs. They also negotiated favorable covenants that limit our administrative burden and designed an innovative call structure, which gives us the flexibility we need going forward. As a Finance 500 client of over 20 years I am honored to have been one of their first clients to take advantage of their investment banking services. The execution of the transaction was top-notch and we could not be more pleased with the results.

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