

# The Fair Market Value Leasing Advantage

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## Highlights

- Lower your costs by up to 14 percent\* over cash purchase
  - Minimize upfront cash expenses and choose from flexible payment terms
  - Add capacity and functionality during the lease as you grow
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As new technologies—such as cloud and AI—grow more essential to meeting core business needs, the IT decisions you make matter more than ever before. Integrating servers, storage systems and software into a more efficient and resilient IT infrastructure creates opportunities to accelerate growth, respond quickly to new demands, and reduce your financial risk and lower costs.\*

## The Fair Market Leasing advantage

FMV leasing can help you meet today's IT challenges by providing:

- Lower cost of IT use compared to purchase Increased IT flexibility via end of lease options
- Improved cash flow with predictable monthly payments
- Additional capacity with minimal change in monthly payments
- A sustainable approach to IT lifecycle management that also helps reduce costs

Compared to purchase, leasing can help:

- Reduce technological obsolescence risk; lessor assumes the risk
- Avoid disposal risk and landfill waste: just return the equipment and IBM will manage disposal in accordance with applicable local environmental laws and regulations

## What is a Fair Market Value (FMV) Lease?

With an FMV lease, you pay only for the use of the equipment during the lease term. Your lease payments take into account residual value: the estimated value of the equipment at the end of the lease. This means that your lease payments are based on the value of the equipment that you will actually use, therefore resulting in a lower payment versus a loan or outright purchase.

During the lease term you can grow the capacity of your system and even refresh technology to keep up with new demand. At the end of the lease decide whether to return the system, buy it, or continue your lease with further growth and refresh opportunities in the future.

## **Quantifiable Savings**

In fact, FMV leasing can result in Present Value (PV) savings of up to 14 percent\* over outright purchase, which can be used to invest in other areas of your business.

\*Represents a hypothetical POWER9™ server lease over a 36 month period with rates based on a client's credit rating of investment grade and payments in advance. Actual client savings will vary depending on country, term, credit qualifications and other local conditions.

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## For more information

To learn more about FMV Leasing from IBM Global Financing, visit [ibm.com/financing/it-infrastructure](https://ibm.com/financing/it-infrastructure) or [contact us here](#).

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