



PEFCO
PRIVATE EXPORT FUNDING CORPORATION



Trade Finance Solutions for Exporters and Lenders

**PRIVATE EXPORT FUNDING
CORPORATION**



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HISTORY

- Incorporated on April 9, 1970, PEFCO is principally engaged in making U.S. dollar loans to foreign importers to finance purchases of U.S. goods and services, backed by explicit U.S. Government support
- PEFCO was established with the support of the United States Department of the Treasury and the U.S. Ex-Im Bank
- PEFCO operates under the provisions of a charter approved by the U.S. government acting through the U.S. Ex-Im Bank
- PEFCO shareowners include most of the major commercial banks involved in financing U.S. exports, industrial companies involved in exporting U.S. products and services and financial services companies
- PEFCO seeks to *complement* financing available through the banking community



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PEFCO SHAREOWNERS

Commercial Banks *Number of Shares*

Bank of America, Charlotte	1,924
The Bank of New York Mellon	702
Bank of the West, California	79
Brown Brother Harriman & Co., New York	38
Citibank, N.A., New York	1,066
Deutsche Bank, New York	1,066
ING Capital LLC., New York	120
The International Bank of Miami, N.A.	280
JPMorgan Chase & Co., New York	2,496
Key Bank, Cleveland	165
PNC Bank Corp., Pittsburgh	503
Regional Financial Corporation, Birmingham Alabama	20
The Royal Bank of Scotland, New York	1,549
Silicon Valley Bancshares	42
Societe Generale, New York	100
Standard Chartered Bank, Los Angeles	300
Sterling National Bank & Trust Company New York	39
UBS Ag, New York	137
Union Bank of California, San Francisco	93
UPS Capital Business Credit, Hartford	266
U.S. Bank N.A., Minneapolis	486
Wachovia Corporation, Winston-Salem	375

Industrial Companies *Number of Shares*

Asea Brown Boveri, Inc.	80
The Boeing Company	984
The Cessna Aircraft Company	40
General Electric Company	200
Halliburton Co., Houston	113
United Technologies Corporation	200

Financial Services Companies *Number of Shares*

Exporters Insurance Corp.	380
Radian Asset Assurance Inc.	212

Total	14,055
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PEFCO Lending Programs

PEFCO's lending activities and programs mirror Ex-Im Bank's various guarantee and insurance programs. In short, for almost every Ex-Im guarantee program, there is a PEFCO loan product.

- Long-term programs
 - Direct Lending and Secondary Market Purchases
- Medium-term programs
 - Guaranteed Loans, Insured Loans and Leases
- Short-term programs
 - Insured Loans and Working Capital



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PEFCO Long-Term Loan Programs

- PEFCO's Long-Term Loan Program is designed around the terms of Ex-Im's Long-Term Guarantee program.
- The basic distinction between PEFCO's Long-Term Loan Programs is whether we are acting in a primary lending capacity (the "Long-Term Direct Lending Program) or as a secondary market buyer of loans (the "Long-Term Secondary Market program)
- This distinction is relevant to both how the transaction is funded and how it is priced. Typically, secondary market loans are not eligible to be funded by PEFCO Secured Notes (except for environmental, sub-Saharan Africa and small business exports).



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Long-Term Direct Loan Programs

- PEFCO is always the named direct lender to borrower.
- Typically a fixed rate program wherein Borrowers can fix rates in advance of disbursement. PEFCO also makes floating rate direct loans during the disbursement period.
- Direct fixed rate loans benefit from the 1971 Guarantee, are eligible collateral for the Secured Trust and are funded (typically) by PEFCO Secured Notes.
- Pricing is derived through a formula based on PEFCO's cost of funds.
- Floating Rate structures are available for environmental, Sub-Saharan Africa, small business loans, as well.



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Long-Term Secondary Market Program

- PEFCO commits to purchase new or existing loans at face value without recourse to lender.
- Provides liquidity to Banks.
- Direct Lenders may add an additional interest spread.
- PEFCO / lender documentation is standardized.
- PEFCO will administer loans.
- PEFCO poses no threat to exporter and buyer relationships.



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PEFCO Short and Medium-Term Programs

Short-term Working Capital

Short-term Insured Loan Participations

Medium-term Guaranteed Loan

Medium-term Insured Loan

Medium-term Guaranteed Leases

- Both as a secondary market buyer of short-term and medium-term export loans and as a direct lender under the PEFCO Stand-In Lender Program.



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Common Program Features

- Lender is always PEFCO's customer (any Lender with Ex-Im Bank Financial Institution Status)
- PEFCO irrevocably commits to purchase new or existing loans at face value without recourse to lender
- Neutral regarding borrower and country
- Formula pricing based on PEFCO's cost of funds
- Lenders earn skim on top of PEFCO's price
- PEFCO is not a competitor



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Special Initiative Programs

For Exporters

- Lender Program, Committed Purchase Program, Trade Association Program and Small Note Program

For Lenders

- Emerging Market Lender Program
- Small Lender Program

Stand-In Short Program

- PEFCO assumes role of direct lender



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Contact Information

Long Term

John Neblo

(212)916-0332

j.neblo@pefco.com

Richard Youtz

(212)916-0304

r.youtz@pefco.com

Short & Medium Term

Vincent J. Herman

(212)916-0327

v.herman@pefco.com

Melinda Scott

(212)916-0331

m.scott@pefco.com

PRIVATE EXPORT FUNDING CORPORATION

280 Park Avenue

New York, NY 10017

General Website: www.pefco.com

SBLC Website: www.pefco-smallbusinesslenders.com