

Greek Shipping Summit 2009

**What do bank capital providers think one year on?
What are the prospects for the world economy and
the shipping industry?
When will it be safe to lend and / or invest again?**

***The results of an exclusive finance survey presented by
Petrofin S.A.***

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MD

Petrofin S.A.

3rd November 2009

Ledra Marriott, Athens

Seeking answers amidst the crisis



What are the recovery prospects for the world economy, international trade, shipping and finance?

Is there light at the end of the tunnel?

How long will the credit crunch last?

Should we fasten our seatbelts for a hard landing for problem borrowers?

Seeking answers amidst the crisis



Results of a Top International Ship Finance
Bankers' survey, conducted by Petrofin S.A. in
late October 2009



Presenting the results of a top international ship finance banks' survey

We posed, between 14th to 31st October 2008, 15 questions to **27** top ship finance bankers, who collectively hold over **\$287.7bn** in shipping loans portfolios, or approx **70%** of global shipfinance totals.

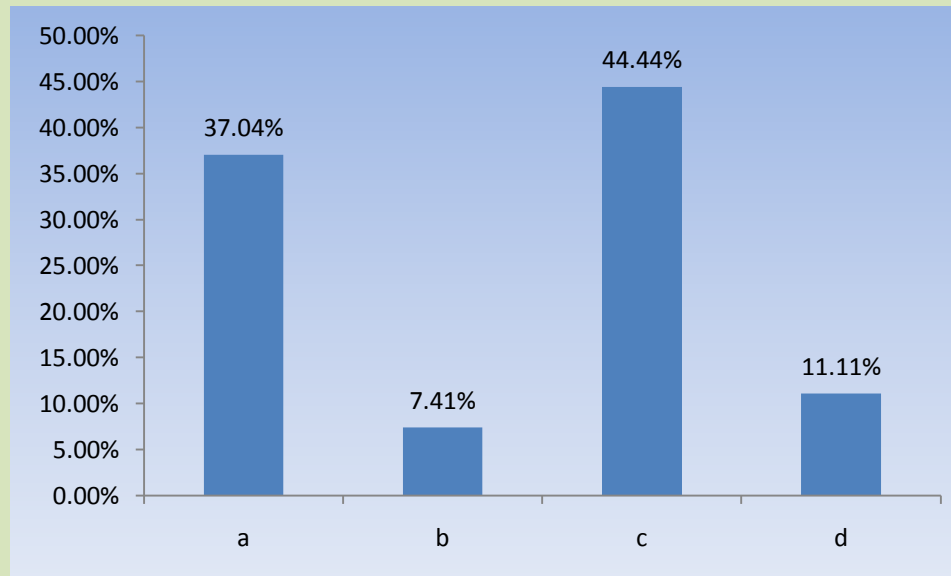
The results are as follows:



Presenting the results of a top international ship finance banks' survey

Q1A: Do you think that the shipping freight market for
DRY BULK

	Bankers' responses
a) Has bottomed	37.04%
b) Shall bottom within next 3-6 months	7.41%
c) Shall bottom within next 6-12 months	44.44%
d) Shall bottom in over 12 months	11.11%





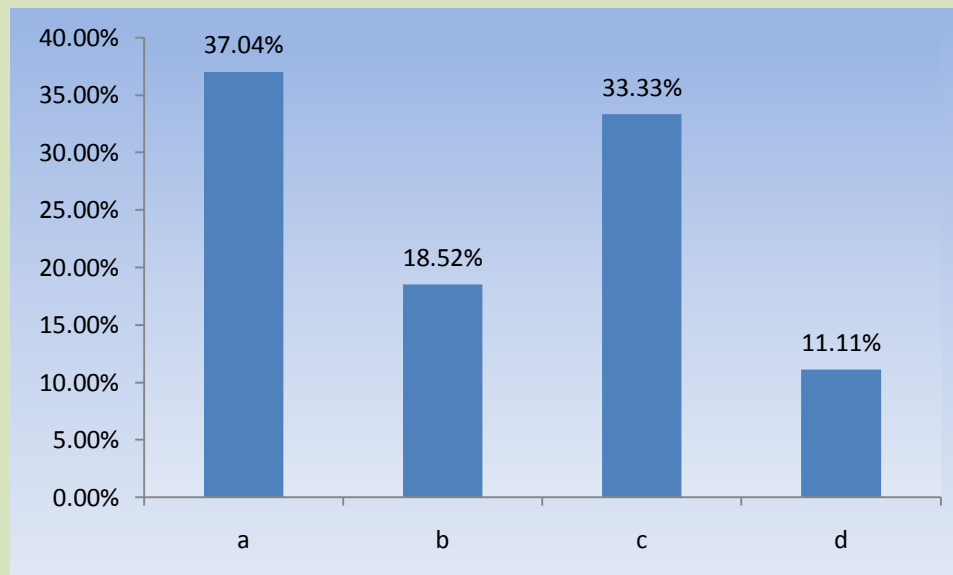
Presenting the results of a top international ship finance banks' survey

Q1B: Do you think that the shipping freight market for

TANKERS

Bankers' responses

- a) Has bottomed **37.04%**
- b) Shall bottom within next 3-6 months **18.52%**
- c) Shall bottom within next 6-12 months **33.33%**
- d) Shall bottom in over 12 months **11.11%**





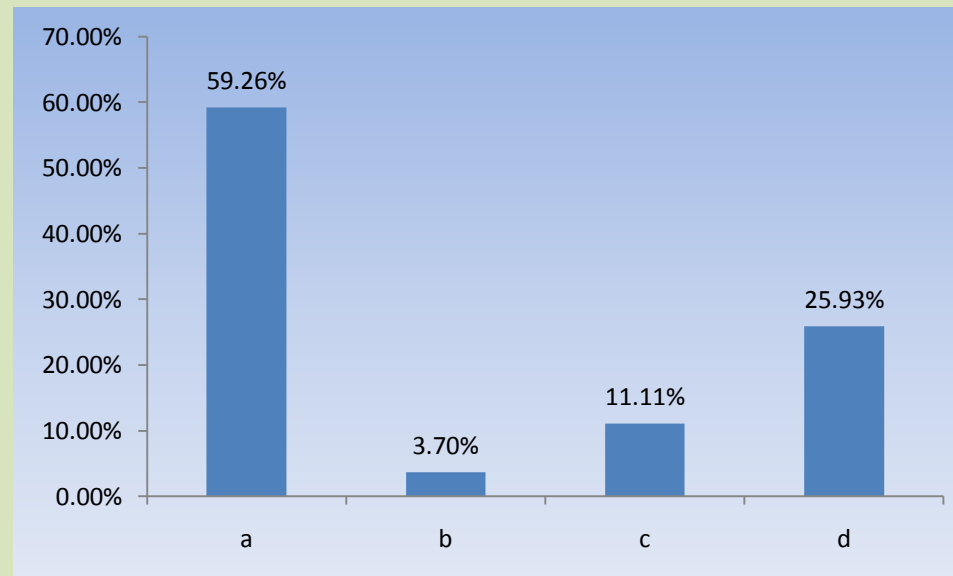
Presenting the results of a top international ship finance banks' survey

Q1C: Do you think that the shipping freight market for

CONTAINERS

Bankers' responses

a) Has bottomed	59.26%
b) Shall bottom within next 3-6 months	3.70%
c) Shall bottom within next 6-12 months	11.11%
d) Shall bottom in over 12 months	25.93%



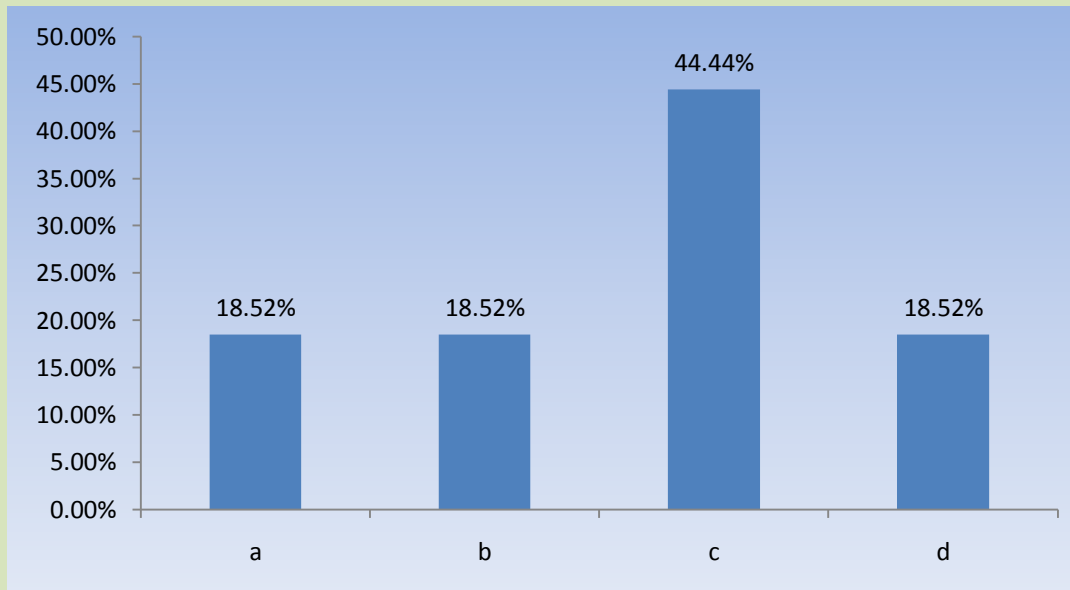


Presenting the results of a top international ship finance banks' survey

Q2: Do you think that second hand vessel prices across all sectors :

Bankers' responses

- a) Have bottomed already / now **18.52%**
- b) Shall bottom within next 3-6 months **18.52%**
- c) Shall bottom within next 6-12 months **44.44%**
- d) Shall bottom in over 12 months **18.52%**



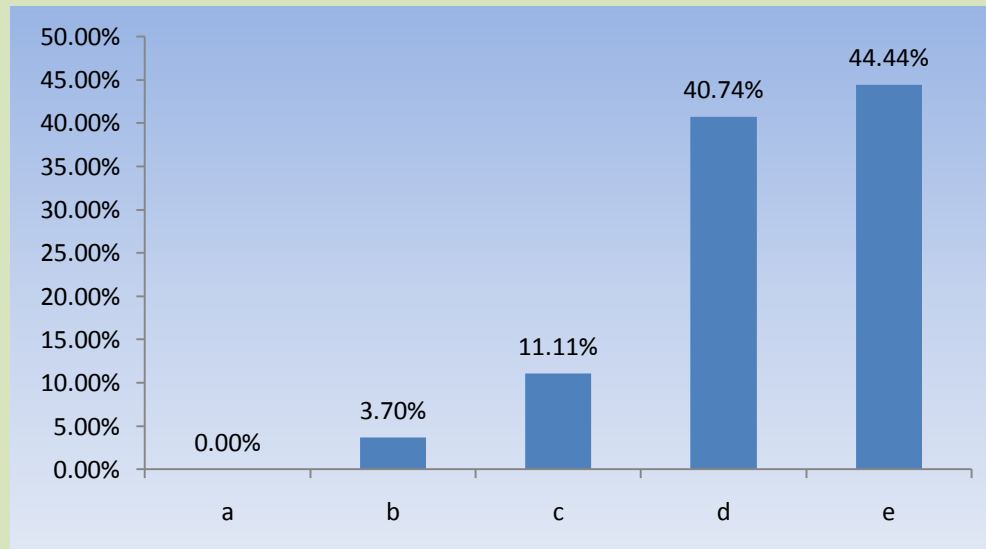


Presenting the results of a top international ship finance banks' survey

Q3: What percentage of newbuilding orders over the period 2009-2011 do you believe will not be built or shall be postponed beyond 2011

Bankers' responses

a) 5%	0%
b) 10%	3.70%
c) 15%	11.11%
d) 20%	40.74%
e) Over 25%	44.44%



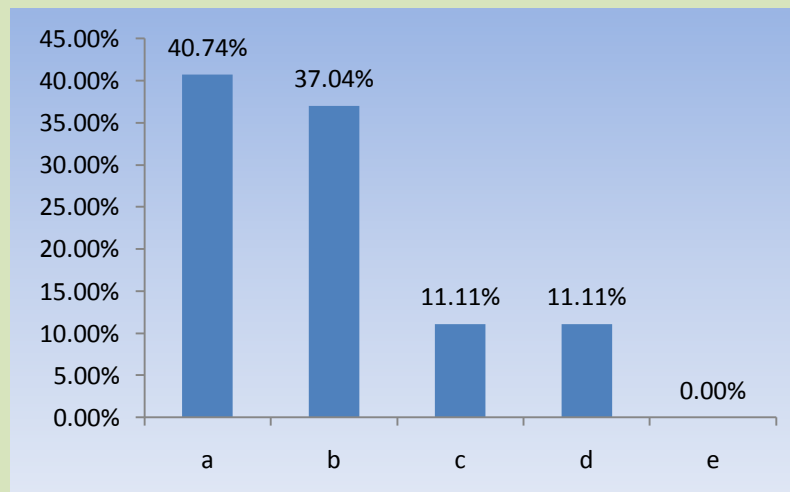


Presenting the results of a top international ship finance banks' survey

**Q4: Do you expect China's economic growth, currently running at about 8%,
in the next 12 months to**

Bankers' responses

- | | |
|------------------------------|---------------|
| a) Stay the same | 40.74% |
| b) Rise to 9-10% p.a. | 37.04% |
| c) Rise over 10% p.a. | 11.11% |
| d) Drop to 6-8% p.a. | 11.11% |
| e) Drop below 6% p.a. | 0% |





Presenting the results of a top international ship finance banks' survey

Q5: Do you think that global economic growth over the period 2010-2011 will be

- a) About 0-1%**
- b) 1-2%**
- c) 3%-4%**
- d) Over 4%**

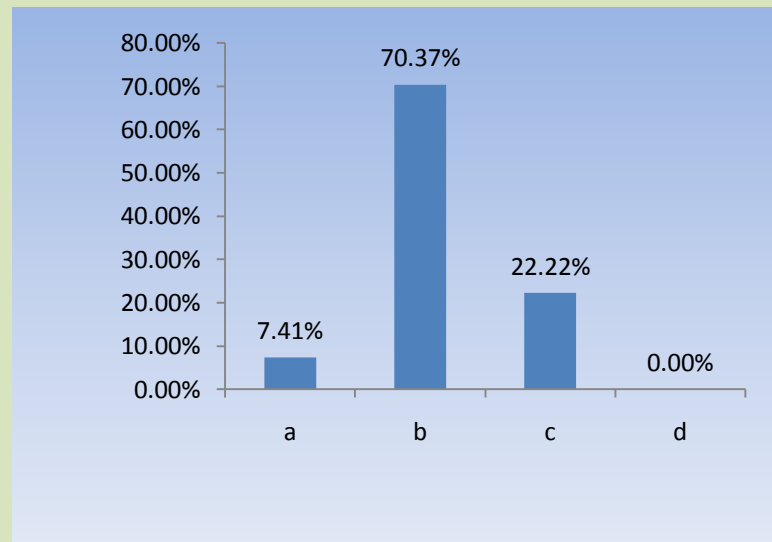
Bankers' responses

7.41%

70.37%

22.22%

0%



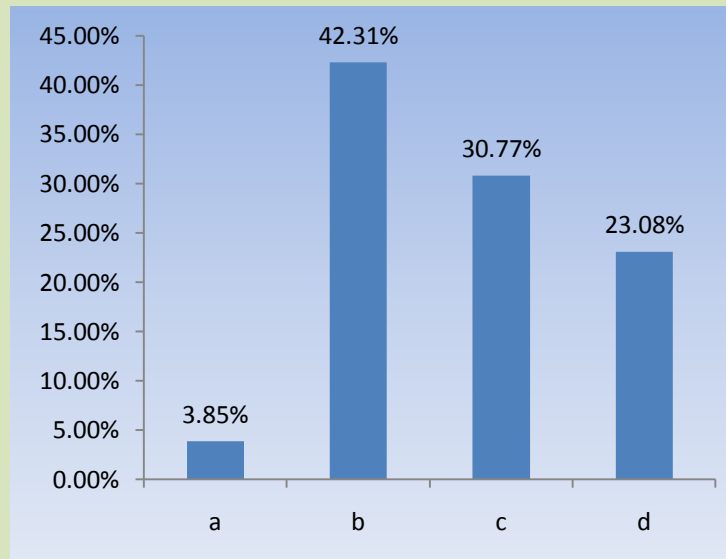


Presenting the results of a top international ship finance banks' survey

Q6: Do you think that ship finance activity will re-commence

Bankers' responses

- | | |
|-----------------------|--------|
| a) Within 3-6 months | 3.85% |
| b) Within 6-12 months | 42.31% |
| c) Within 1-2 years | 30.77% |
| d) After 2 years | 23.08% |



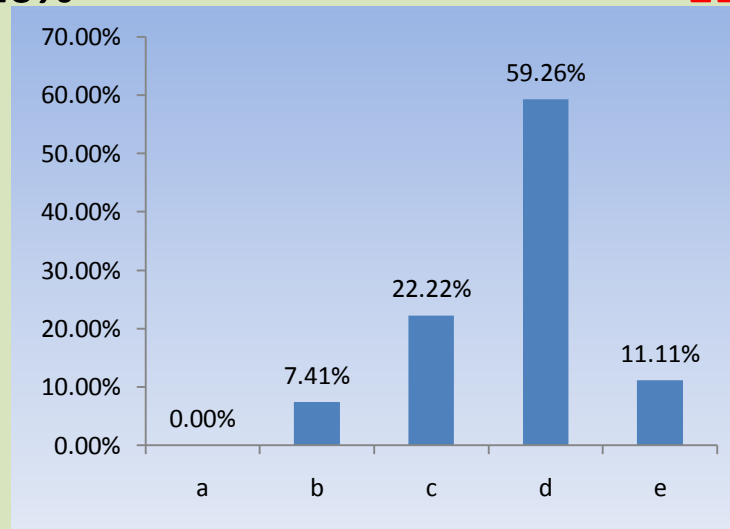


Presenting the results of a top international ship finance banks' survey

Q7: Do you expect the overall global ship finance loan portfolio (loans + commitments) in 2010 to

Bankers' responses

- | | |
|---------------------------------|---------------|
| a) Increase by over 10% | 0% |
| b) Increase by up to 10% | 7.41% |
| c) Stay the same | 22.22% |
| d) Reduce up to 10% | 59.26% |
| e) Reduce by over 10% | 11.11% |



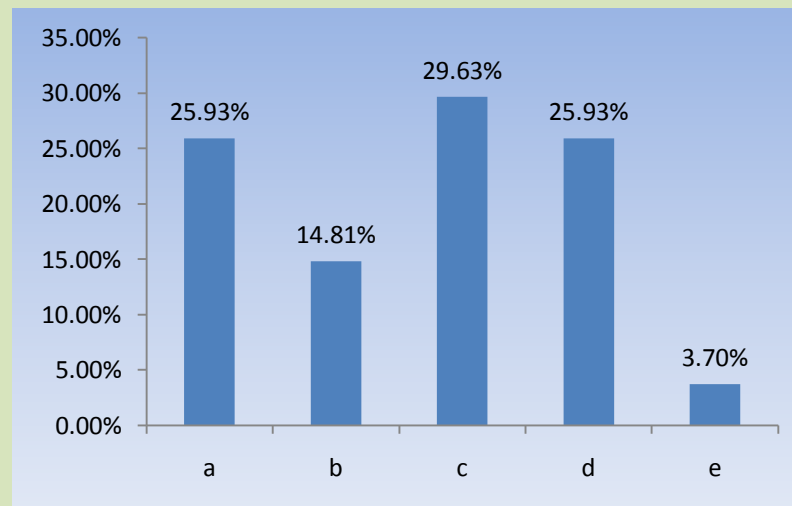


Presenting the results of a top international ship finance banks' survey

Q8: For your own institution, do you expect your ship finance portfolio (loans + commitments) in 12 months' time to

Bankers' responses

- | | |
|-----------------------------------|---------------|
| a) Increase by over 10% | 25.93% |
| b) Increase by up to 10% | 14.81% |
| c) Stay the same | 29.63% |
| d) Reduce up to 10% | 25.93% |
| e) Reduce by more than 10% | 3.70% |





Presenting the results of a top international ship finance banks' survey

Q9: Assuming for new shipping loans that loan spreads (currently about 300bps) over the next 12 months, do you expect loan spreads to?

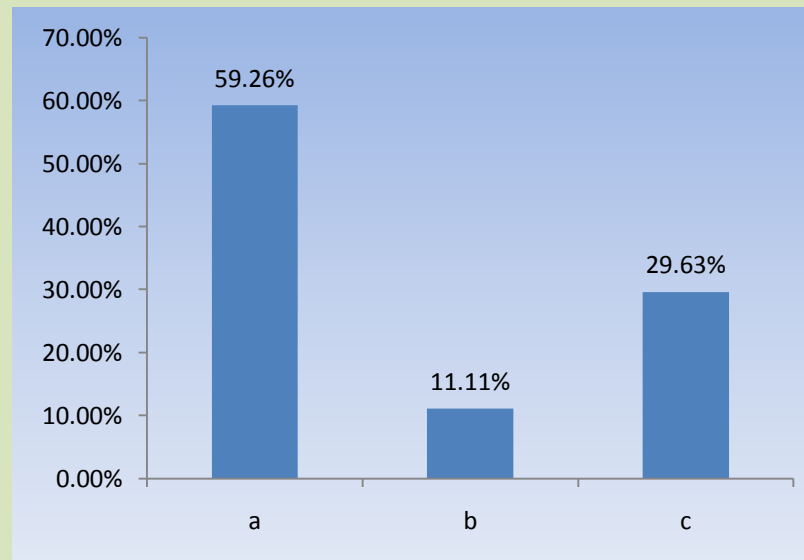
Bankers' responses

- a) Stay the same
- b) Rise
- c) Fall

59.26%

11.11%

29.63%





Presenting the results of a top international ship finance banks' survey

Q10: Do you think that the number of shipping banks worldwide over the next 12 months shall:

a) Stay the same

25.93%

b) Rise

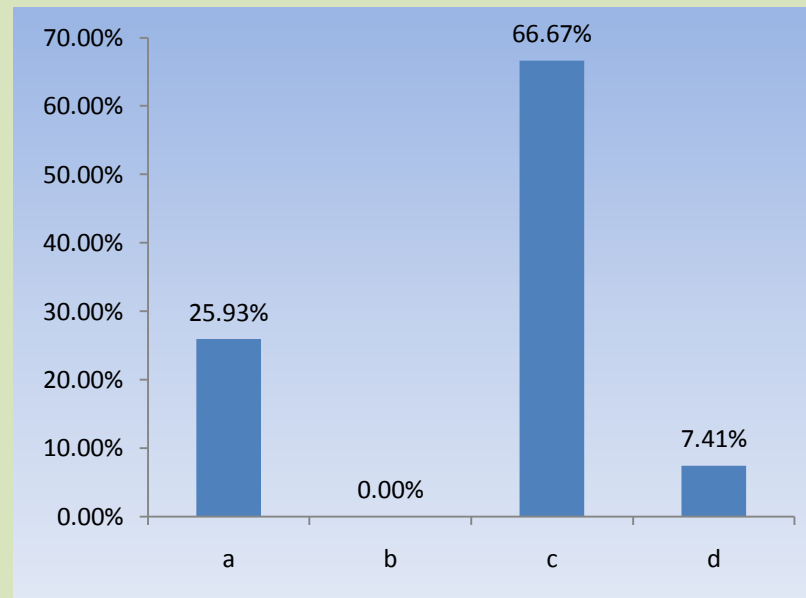
0%

c) Reduce by 10%-20%

66.67%

d) Reduce by over 20%

7.41%



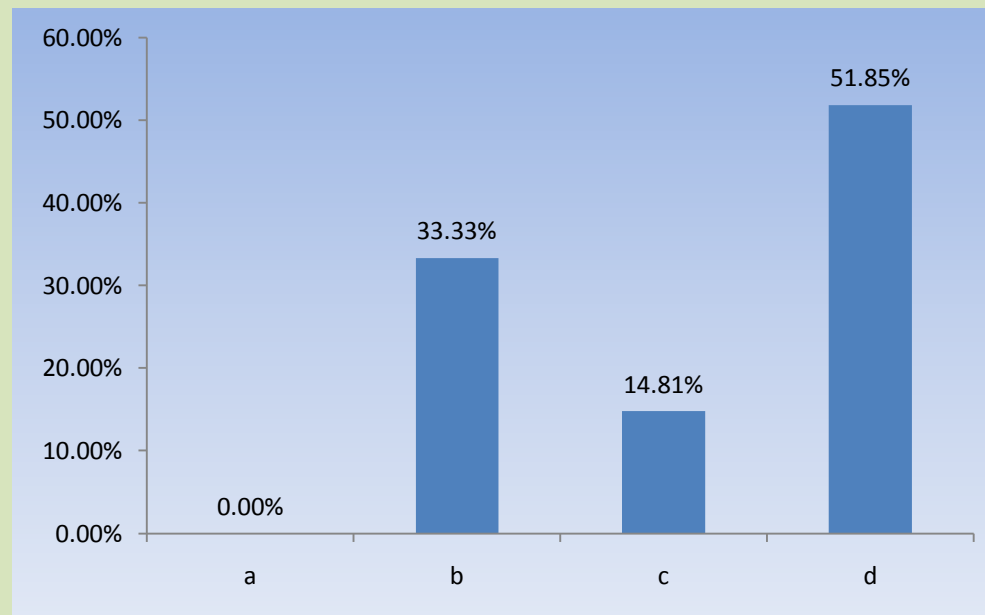


Presenting the results of a top international ship finance banks' survey

Q11: In the light of the low vessel values and vessel earnings do you foresee bad shipping loans (non-performing) to rise within 2010 to:

Bankers' responses

a) 1-3% of all banks' shipping portfolio	0%
b) 4-6% of all banks' shipping portfolio	33.33%
c) 6-9% of all banks' shipping portfolio	14.81%
d) Over 9% of all banks' shipping portfolio	51.85%





Presenting the results of a top international ship finance banks' survey

Q12: Do you think that the shipping crisis will last:

- a) Up to a further 1 year**
- b) 1-2 years**
- c) 2-3 years**
- d) Over 3 years**

Bankers' responses

15.38%

57.69%

23.08%

3.85%





Presenting the results of a top international ship finance banks' survey

Q13: Do you anticipate scrapping volume over the next 12 months to

Bankers' responses

a) Continue at today's levels

22.22%

b) Rise from today's levels

70.37%

c) Fall from today's levels

7.41%

Note: in 2009 total scrapping =659 vessels as of beginning of October





Presenting the results of a top international ship finance banks' survey

Q14: Do you foresee Far Eastern banks to develop over the next 3-5 years into:

- a) Major competition**
- b) Medium competition**
- c) Minor competition**

Bankers' responses

29.63%

37.04%

33.33%



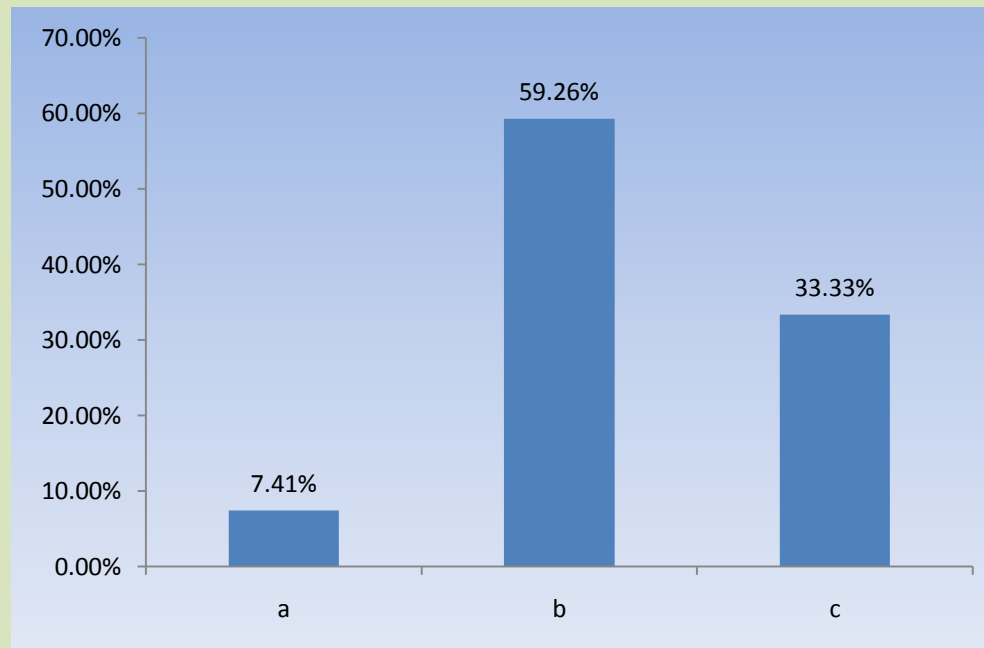


Presenting the results of a top international ship finance banks' survey

Q15: Over the next 2-3 years, will ship finance from non-bank sources, i.e. private equity, stock markets, bonds, etc, play

Bankers' responses

- a) A very significant role** **7.41%**
- b) An important role** **59.26%**
- c) A rather unimportant role** **33.33%**



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Summary and conclusions

