

Lloyd's List

More public listings may emerge from 'bastion' Greek market

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| by [More than 50 banks are counted as having a stake in the financing of Greek-owned ships and total portfolio now exceeds \\$25bn, writes Nigel Lowry in Athens](#)

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Evangelos Pistiolis' Primal Tankers group earlier this year gained a listing in New York as TOP Tankers, using the funds to acquire a fleet of Sovcomflot handymax tankers, and financial circles suggest that one or two more public listings may emerge from the Greek market in the next few months.

There remains at least one application also pending for the Athens Stock Exchange where deep-sea shipping companies, with the exception of the ferry sector, have only been represented in the past through one or two special maritime affiliates of groups that are better known for their onshore businesses.

But Greece has been well served over the years by a legion of international banks that have supported the entrepreneurial local shipping sector and their lending has been supplemented in recent years by a crop of domestic banks that have made the mark in the industry for the first time.

While there has always been some turnover of institutions financing the Greek controlled fleet, as existing players occasionally drop out and new banks enter the market, a large contingent can consider themselves very mature partners of Greek shipowners.

That has been underlined this year by Dutch lender ABN-AMRO and the UK's Royal Bank of Scotland, both celebrating the 30th anniversaries of the founding of their respective branches in Piraeus.

Altogether, there are more than 50 banks that are counted as having a stake in the financing of Greek-owned ships, with the overall portfolio of lending on the fleet entering this year calculated at more than \$25bn.

In the last few years the size of the portfolio has climbed dramatically as the Greek fleet has expanded and replenished itself, notably through a near-unprecedented investment in newbuildings of almost all types, spanning bulkers, tankers, container vessels, LNG carriers and others.

According to a study released by Petrofin Bank Research earlier this year, 10 foreign banks maintained a physical presence in Greece with a total portfolio of \$10.1bn invested in Greek owners.

Meanwhile, the number of non-Greek banks active in the market, but without a presence in the country, was larger — Petrofin counted 29 — although their collective lending portfolio was also very important at just under \$10bn.

The total of Greek banks involved in ship finance rose from 12 to 15 by the end of last year. Their portfolio at the start of 2004 was estimated at \$5.6bn.

In all, 16 banks were counted as having portfolios of more than \$500m and overall the league table of top banks involved in the Greek market reflected a dramatic change over the last decade or so.

Nowadays, continental European and Greek domestic banks dominate the scene instead of the numerous British and American institutions that were to the fore in support of the earlier phase of Greek shipping growth. There are exceptions, however, the main one being the Royal Bank of Scotland — the largest individual lender to the market with a portfolio now said to be close to \$5bn.

Bankers generally agree that Greek owners are currently cash-rich from the recent boom times in most of the shipping markets.

"The high market has given the opportunity to most shipowners to accumulate large sums of cash. It is indeed a time for owners to sit back and wait," Lloyd's List was recently told by Nikolaos Vouyoukas, head of shipping for First Business Bank.

"We have noticed a slight shift in owners' appetite for investment, hence a lot fewer new financing enquiries, which is not a bad thing with highly inflated vessel values," he added.

"We believe that mortgage based finance will maintain its leading role in financing Greek shipping and that the capital markets locally or abroad will remain relatively limited sources of funds for Greek shipping," Mr Vouyoukas added.

Although FBB sees the Greek market as "very competitive", it felt there was a gap to exploit when it was launched under three years ago.

"We felt there was room for a new bank with substantial expertise and deep knowledge of the local market. FBB has already achieved market acceptance and doubled its loan portfolio and customer base."

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