

# Key Developments and Growth in Greek Ship-Finance

*By Ted Petropoulos, Petrofin S.A.*

**Petrofin Bank Research©** presents, for the 7<sup>th</sup> year running, an overview and in-depth analysis of the bank loan portfolios to Greek shipping, as of 31<sup>st</sup> December 2007.

Petrofin wish to thank all participating banks for their on-going support, without which this research would not have been possible.

The portfolios show the loans outstanding, as well as committed but undrawn. The committed but undrawn amounts may be viewed as an indication of each bank's shiplending momentum and / or the extent of its involvement in newbuilding finance.

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# 1. Main findings

In a nutshell, this year's results are as follows:

- Total loans (drawn and committed) by banks into Greek shipping in the year 2007: \$66.941bn, up by 44.31% from \$46.39bn in 2006.
- These monies are divided into Drawn Loans: \$45.37bn and committed but Undrawn Loans: \$21.56bn
- The increase in drawn loans ,compared to last year's \$31.47bn, is 44.17% and in committed but undrawn loans, compared to last year's \$14.92bn, is 44.5%
- Greek bank loan portfolios amount to: \$15.84bn. This represents an increase by 115.59% since the year before.
- International Banks with a Greek Presence loan portfolios amount to: \$37.039bn. This represents an increase by 52.73% since 2006.
- International Banks without a Greek presence loan portfolios amount to: \$14.060bn. This is down by 4.91% since the huge portfolio of HSH-Nordbank moved to the category of Banks with a Greek presence.
- The number of banks involved in Greek shipfinance are 41, up by 2 since last year.
- The top 10 banks hold 63.52% of the market. Last year, the top 10 banks held 68.14%. This reduction in the concentration ratio points to an all round growth of all banks.
- The Lead Managers in syndication loans have increased their managed portfolios to \$13.004bn, up by 22.82% from \$10.588bn in 2006.
- The number of Lead Managers has gone up by 4, to 25 banks, after a consecutive 2-year drop in their numbers.
- Derivative/hedging/swap lines have increased to \$25.289bn from \$15.6bn in 2006, showing the swift development of such services from banks to Greek shipping clients.
- The sub-prime and international banking crisis had not yet affected the growth of shiplending to Greek clients by the end of 2007.
- The overall picture is that of swift growth.

## **2. General Remarks and Analysis on the 2007 Petrofin Bank Research © and Prospects for 2008**

The annual results by Petrofin Bank Research ©, now released for the 7th year running, reflect the exposure of all banks engaged in lending to Greek owners, at the end of 2007.

The main findings are that total funds committed to Greek shipping in 2007 rose by 44.3% to \$66.94 bn. This demonstrates the attraction of Greek shipping, the increasing trust shown by international and Greek banks and the upgrading of the Greek fleet. Record buying of second hand tonnage, as well as a record of newbuilding orders, has raised the demand for loans. Banks have been most eager to lend at ever reducing cost and conditions, until the 4<sup>th</sup> quarter when the effects of the sub-prime and international bank crisis began to be felt. As vessel values held high throughout 2007 and as these represent a multiple of those of 3 years ago, the vessel value inflation effect has boosted shipping loans considerably.

The drawn loans' total reached \$45.37bn with committed but undrawn loans rising to \$21.56bn. The latter number is substantially higher on account of the large Greek newbuilding order book.

According to Petrofin Bank Research © in April 2008, approximately 77% of the Greek newbuilding order book has already been financed.

International Banks with a Greek presence loan portfolios amount to \$37.039bn or a 52.73% annual increase. The remarkable rise reflects general growth, as well as the inclusion this year of HSH-Nordbank in this category, following the opening of their Greek representative office. 2007 growth leaders were BNP Paribas with 113%, followed by Calyon (according to market estimates) at 92.3% and Fortis by 60.53%. Growth laggards have been HSBC by -24.11% and Citibank by a modest +12.28%. Interestingly, the market leader, RBS, grew by 23.59%, i.e. a rate close to only half of the market average.

International banks without a Greek presence totals were down by -4.91%, mainly on account of HSH's departure from this category. However, Deutsche Bank Shipping grew by a record of 445.76% in 2007, followed by BTMU Capital Corporation at 191.67%, Commerzbank by 180.76% and Bremer Landesbank by 96.16%. Laggards were Dresdner with -21.54%, DNB with -17.29% and Bank of Scotland with -12.25%.

Greek banks loan portfolios grew by 115.59% in 2007, a remarkable performance given that in the previous year Greek banks grew only by 12.63%. The most impressive story of 2007 was the performance by Piraeus bank's growth by 197.71%, which place it as the market leader closely followed by Alpha Bank. Indeed, in terms of drawn loans alone, the above two banks share the lead. However, the top performance in growth terms went to Bank of Cyprus by 500%, followed by Proton

Bank at 223.68% and Marfin-Egnatia bank at 204.05%. Slow risers were the Agricultural Bank of Greece with 14.29% and the National Bank of Greece at 49.5% with no bank showing a decline.

Indeed, there are now 4 Greek banks in the top 10 bank worldwide and 7 Greek banks in the top 30 banks worldwide.

The top names continue to be Royal Bank of Scotland with \$12.945bn, or 19.34% market share, followed by HSH – Nordbank with \$5.9bn, or 8.81% market share and Deutsche Schiffsbank with \$4.8bn, or 7.17% market share.

The rate of growth of Greek shipping finance accelerated in 2007, as the 7-year annual growth stood at 26.25%, as against 44.3% for 2006. According to Petrofin Bank Research ©, the Greek shipping finance market accounts for approximately 19% of the world's totals.

The number of banks involved in Greek shipfinance grew from 39 to 41 banks, despite continuous mergers and acquisitions by banks. The top 10 banks' share of the total reduced from 68.14% in 2006 to 63.52% in 2007, underlying the universal growth of all banks.

In 2007, there was also a significant increase in syndication loans by 22.82% to \$13.004bn. Citibank and Aegean Baltic are clear leaders followed by Nordea, HSH-Nordbank, Deutsche Schiffsbank and DNB. Interestingly, Fortis bank reduced its syndication role from a total of \$1,650m in 2006 to only \$450m in 2007, whereas Nordea did the opposite by growing from \$380m to \$1,175m and DNB likewise from \$260m to \$851m. The Royal Bank of Scotland continues to be absent from this category, but this position may well change in 2008 and beyond.

In 2007, there was also a significant increase in the derivative / hedging / swap lines available to Greek owners reflecting both the willingness of banks to increase their non-credit risk products and services as well as the growth appetite and sophistication of Greek owners and their financial staff. Reflecting its huge book, RBS is the clear leader followed by Citibank, HSBC, HVB and others.

The growth was, also, seen in the number of shipping staff dedicated to Greek shipping, which rose from 201 in 2005, to 232 in 2006, to 247 in 2007. As only about 75% of banks provided data, these figures should be used indicatively and not factually.

Overall, the success of Greek shipping is well reflected in the growth of the Greek ship finance totals and the increased interest shown in Greek shipping by both Greek and International banks.

The current sub-prime and international banking crisis had not affected the above total but has since impacted on the rate of growth of Greek ship finance.

Consequently, the appetite of banks has slowed down not as a reflection of shipping prospects as such but on account of the international banking crisis.

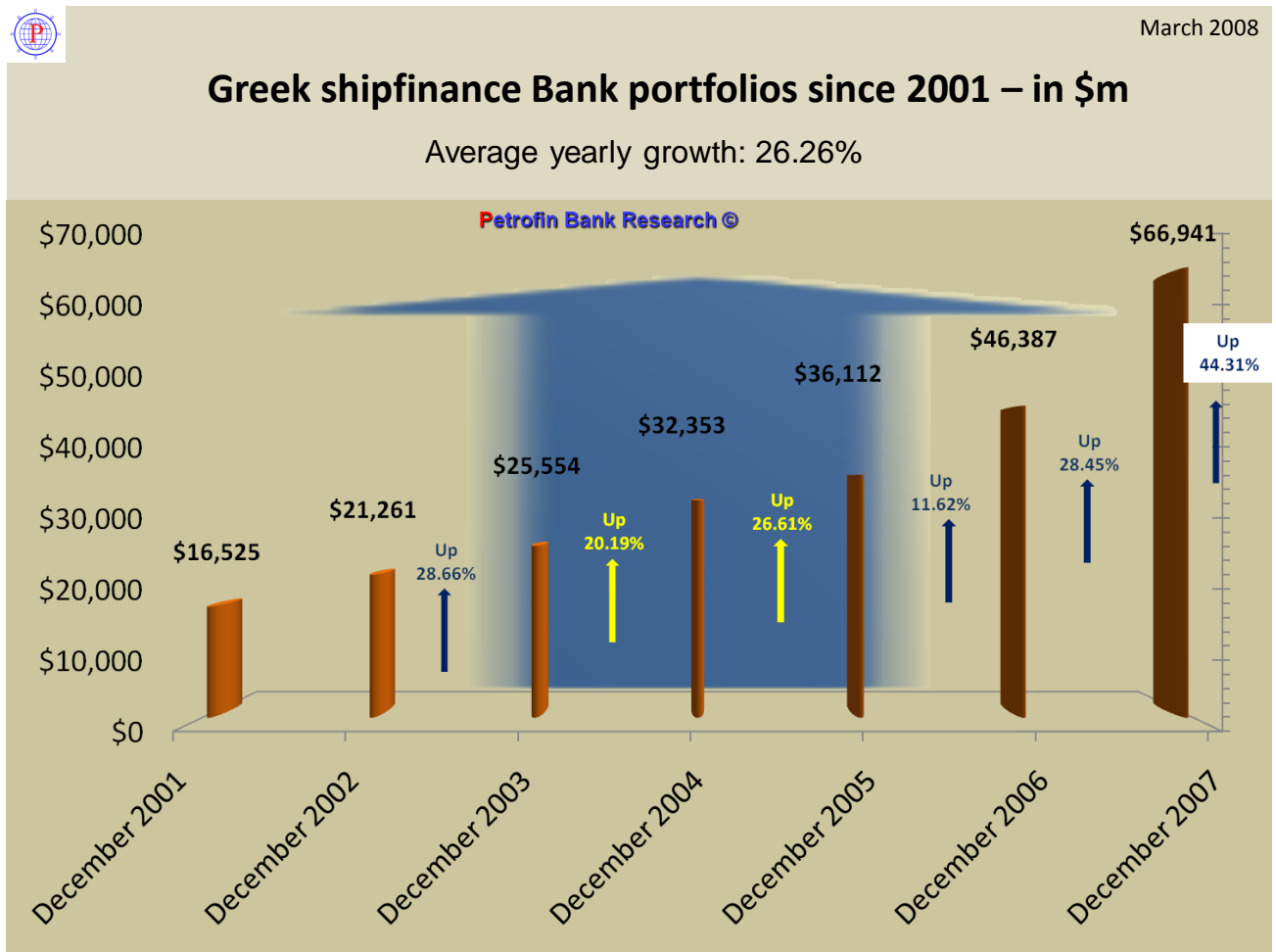
It is widely expected that as the Greek fleet shall continue to modernize and grow, ship finance total loans to Greek owners shall continue their upward trend unabated.

### 3. Research and Analysis

#### A. The Greek shipfinance market

In the past 7 years we have witnessed a steady growth in banks' shiplending portfolios to the Greek market. However, 2007 was the year of skyrocketing lending that raised the figure available to Greek shipping by a staggering 44.31% from \$46.39bn in 2006 to **\$66.94bn**.

Graph 1



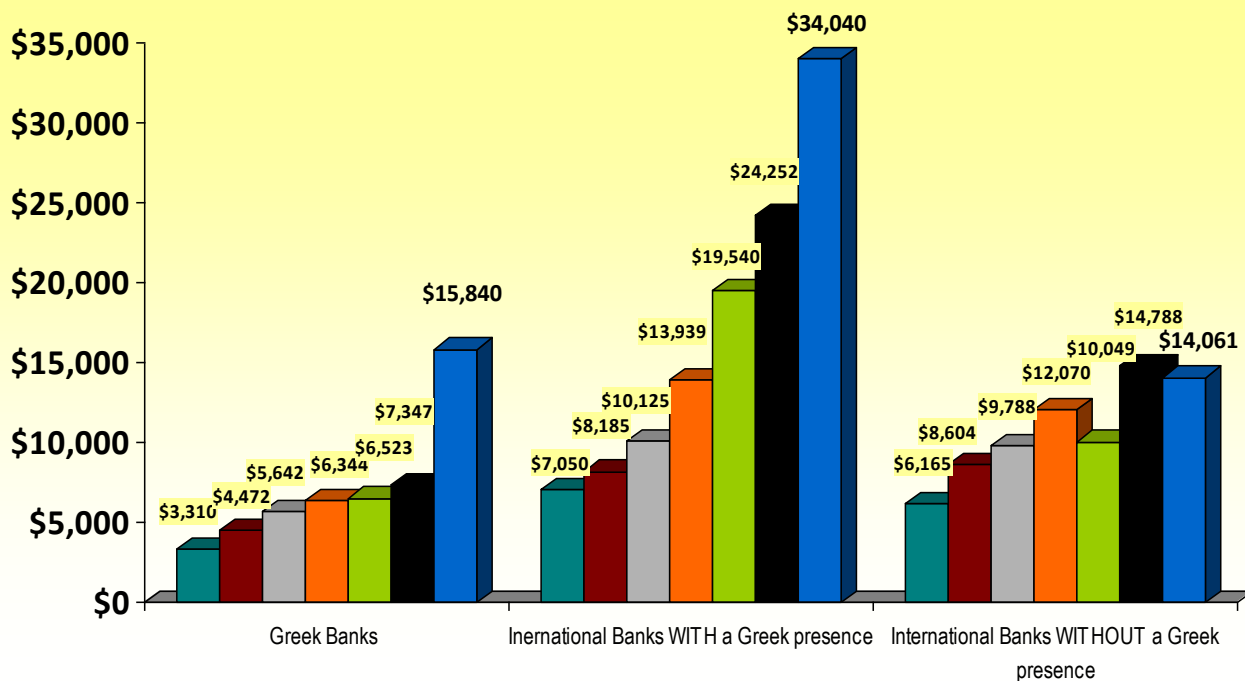
This rise brings the annual average growth from 2001 onwards to 26.26% from 23% in 2006 in Greek shiplending by all bank categories.

In Graph 2 we observe the evolution of portfolios as per Bank group:

**Graph 2**

**Evolution of Bank Portfolios available to Greek shipping in millions of US\$m  
2001-2007**

**Total portfolio: US\$ 66,941mn**



■ Dec-01   
 ■ Dec-02   
 ■ Dec-03   
 ■ Dec-04   
 ■ Dec-05   
 ■ Dec-06   
 ■ Dec-07


April 2008

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In the table below (**Table 1**) we observe the overall growth in Greek shiplending for the market as a whole as well as for the three bank groups:

**Table 1: Overall Growth in Greek Shiplending**

Petrofin Bank Research © April 2008	<i>Overall Greek shiplending portfolio in US\$m as of 31<sup>st</sup> December 2007</i>	<i>Percentage of growth between December 2001 and December 2007</i>	<i>Average yearly growth since 2001</i>	<i>Percentage of growth between December 2006 and December 2007</i>
				
<b>International Banks WITH a Greek presence</b>	<b>\$37,040</b>	<b>425.39.00%</b>	<b>31.85%</b>	<b>52.73%</b>
<b>International Banks without a Greek presence</b>	<b>\$14,061</b>	<b>139.86%</b>	<b>14.73%</b>	<b>-4.91%</b>
<b>Greek banks</b>	<b>\$15,840</b>	<b>378.55%</b>	<b>29.81%</b>	<b>115.59%</b>
<b>Totals (rounded)</b>	<b>\$66,941</b>	<b>305.09%</b>	<b>26.25%</b>	<b>44.31%</b>


It should be noted that the only reason the International Banks Without a Greek Presence show a decline by -4.91% is that the *HSH-Nordbank* has moved to the sector of the International Banks With a Greek Presence since last year. *HSH-Nordbank* is one of the biggest lenders and, therefore, its shift has affected severely the banks without a Greek presence, without in fact taking anything away from the overall picture of immense growth in Greek shipfinance. On the contrary, *HSH-Nordbank* itself shows this year a rise by 23.59%, from \$4.2bn to \$5.9bn (see below).

The international banks with a Greek presence are the banks that always collectively top the list in Greek ship-finance. As of end 2007, they committed US\$34.04bn to the sector, as compared to US\$24.252bn in the preceding year – corresponding to a 52.73% portfolio increase. The *Royal Bank of Scotland* (Table 2) heads the group with their, by far the largest, portfolio of US\$12.945bn. *RBS* remains the biggest lender to Greek shipping for yet another year.



The top 10 banks' ranking order follows in Table 2.

**Table 2: The top ten banks ranked by portfolio size (in US\$m)**

		Banks	Portfolios	% increase since previous year	Market share
1		Royal Bank of Scotland	\$12,945	23.59%	19.34%
2		HSH-Nordbank	\$5,900	40.61%	8.81%
3		Deutsche Schiffsbank	\$4,800	29.73%	7.17%
4		Credit Suisse*	\$3,500	34.62%	5.23%
5		Piraeus Bank	\$3,376	197.71%	5.04%
6		Alpha Bank	\$2,677	49.50%	4.00%
7		Calyon*	\$2,500	92.31%	3.73%
8		National Bank of Greece	\$2,392	40.35%	3.57%
9		Marfin - Egnatia - Laiki	\$2,250	204.05%	3.36%
10		DNB	\$2,181	-17.29%	3.26%
		<b>Top 10 banks total</b>	<b>\$42,521</b>		<b>63.52%</b>
<b>Petrofin Bank Research © - April 2008</b>					

\*based on market estimates

The listed top 10 bank portfolios account for 63.52% of the market, compared to 68.14% in 2006, 67.14% for 2005, 67% for 2004 and 65% in 2003. The concentration ratio of the top 10 banks has come down for the first time, although the actual amount they hold collectively has gone up from \$31.6bn to \$42.52bn, a rise of 34.53%. A rise of almost \$11bn from the top 10 banks is not showing in a rise in the concentration ration for the mere fact that there is very substantial overall growth in lending by nearly ALL banks.

This year we see that among the top Greek banks, *Piraeus Bank* has moved for the first time to the top position with a massive growth percentage of 197.71%. The bank has increased its commitment to Greek shipping by a further \$2.242bn during 2007, bringing it to the 5<sup>th</sup> place worldwide. Within the group of Greek banks, the *National Bank of Greece* holds its steady position in the top 10, occupying the 8<sup>th</sup> position worldwide and the 3<sup>rd</sup> among Greek banks, whereas *Alpha Bank* retains its second place among Greek banks having moved up, however, to the 6<sup>th</sup> position worldwide in the year 2007 from the 9<sup>th</sup> it held during 2006.

In terms of market share, it is important to note that more than 19% belongs to RBS. This means that almost one in five loans is provided by the Royal Bank of Scotland.

The total number of banks involved in Greek shiplending is 41, as of 31<sup>st</sup> December 2007. Their number has gone up by 2.

In terms of nationality, and compared to the three previous years, the banks are distributed as follows:

**Table 3: Distribution of banks engaged in Greek Ship-finance by nationality**

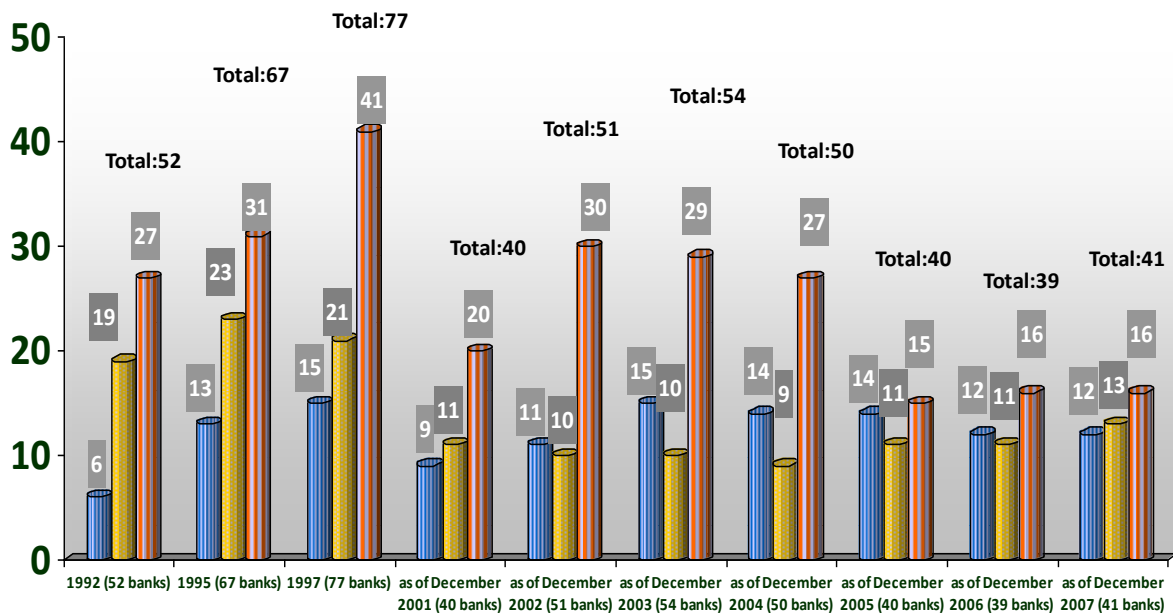
<b>Nationality</b>	<b>End 2003</b>	<b>End 2004</b>	<b>End 2005</b>	<b>End 2006</b>	<b>End 2007</b>
UK & Ireland	5	5	4	5	5
France / Belgium	8	6	3	3	3
Scandinavia	2	2	2	2	2
Germany	10	10	9	10	11
Holland	5	5	4	3	3
Greece	15	14	14	12	12
Other European	4	4	2	1	1
<b><i>European Total</i></b>	<b><u>49</u></b>	<b><u>46</u></b>	<b><u>38</u></b>	<b><u>36</u></b>	<b><u>37</u></b>
North America	4	3	1	2	3
Far East and other countries	1	1	1	1	1
<b><i>World Total</i></b>	<b><u>54</u></b>	<b><u>50</u></b>	<b><u>40</u></b>	<b><u>39</u></b>	<b><u>41</u></b>
<b>Petrofin Bank Research ©</b>					

In view of the booming 2007, the number of banks has gone up by 2.

In **Graph 3** we observe a fluctuation in the number of banks financing Greek shipping since 1992 and an overall downward trend in the last 4 years. However, there is an increase in their number in 2007 by 2:

**Graph 3**

## Number of banks financing Greek Shipping 1992-2007



■ Greek banks  
 ■ International banks with a Greek presence  
 ■ International banks without a Greek presence

April 2008

Petrofin Bank Research ©

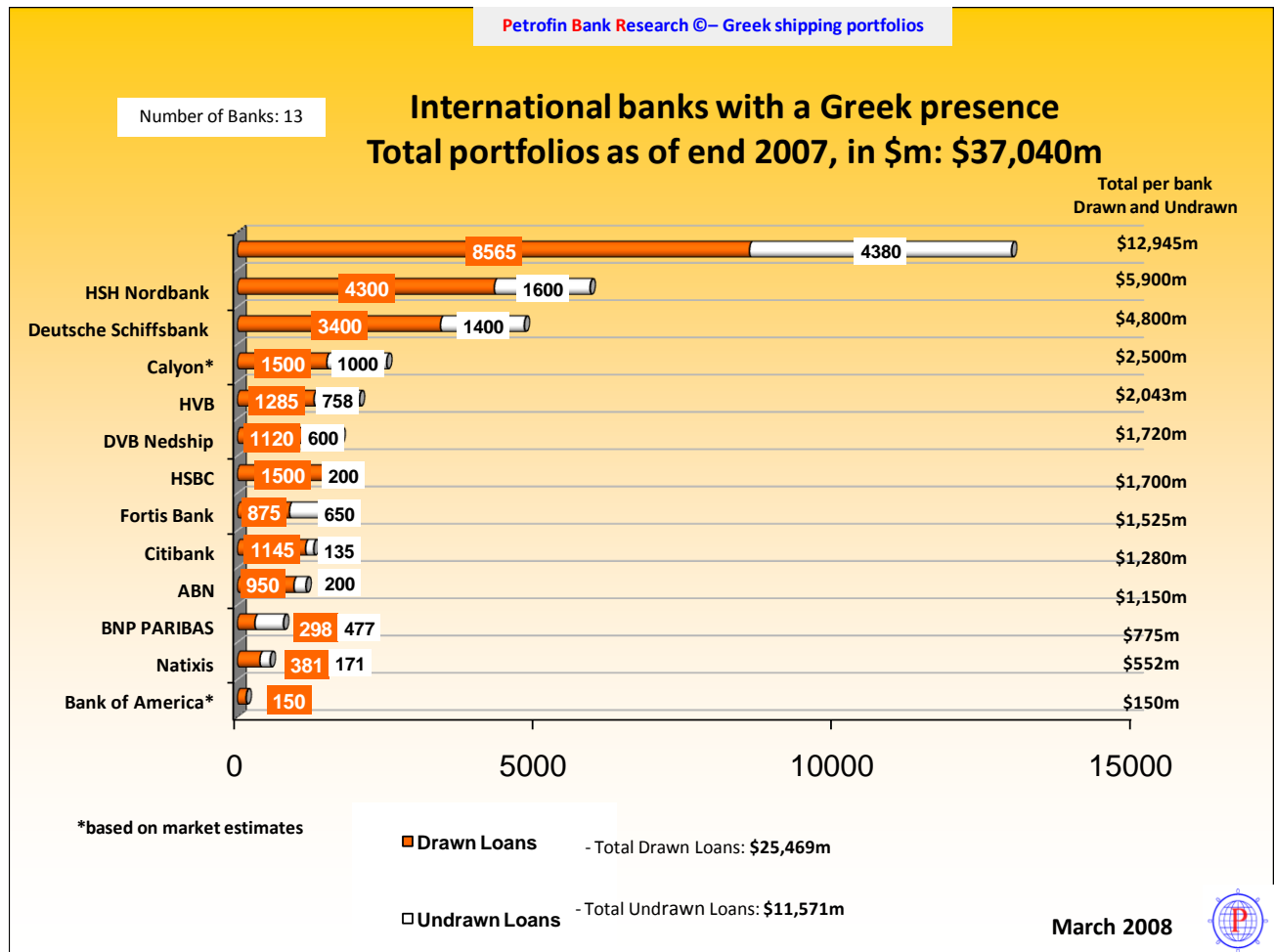


## B. International Banks WITH a Greek Presence

In **Graph 4** we note that the International Banks with a Greek Presence include HSH-Nordbank for the first time and we also note the return of Bank of America to Greek soil, bringing their number up to 13.

Once again, this is the leading group of banks commanding the biggest portfolio of **\$37.040**, as well as the biggest annual increase by **52.73%**, reflecting the above additions to the group.

**Graph 4**

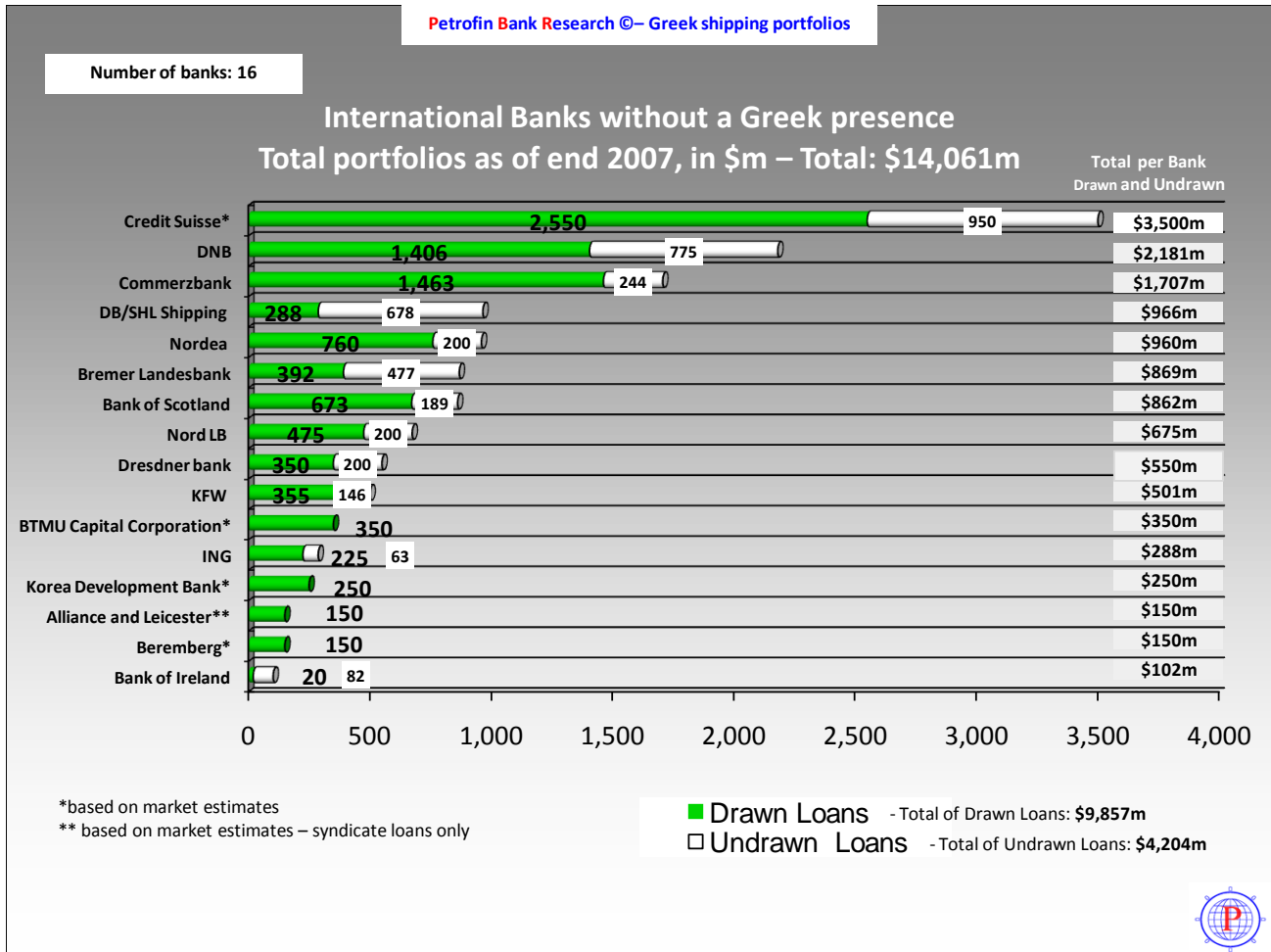


These banks have shown consistent and remarkable growth throughout the last 7 years. Number 1 in Greek ship-finance, over all categories, continues to be the *Royal Bank of Scotland*, exhibiting an average yearly growth of 23.59% (see Table 6a below). This overall category has shown an average percentage growth of 31.85% per annum over the last 7 years.

### C. International Banks WITHOUT a Greek Presence

In **Graph 5**, there are 16 banks based outside of Greece that finance Greek shipping. The sector shows a decrease of -4.91% in portfolio since last year due to the transfer of *HSH-Nordbank* to the group of banks with Greek representation.

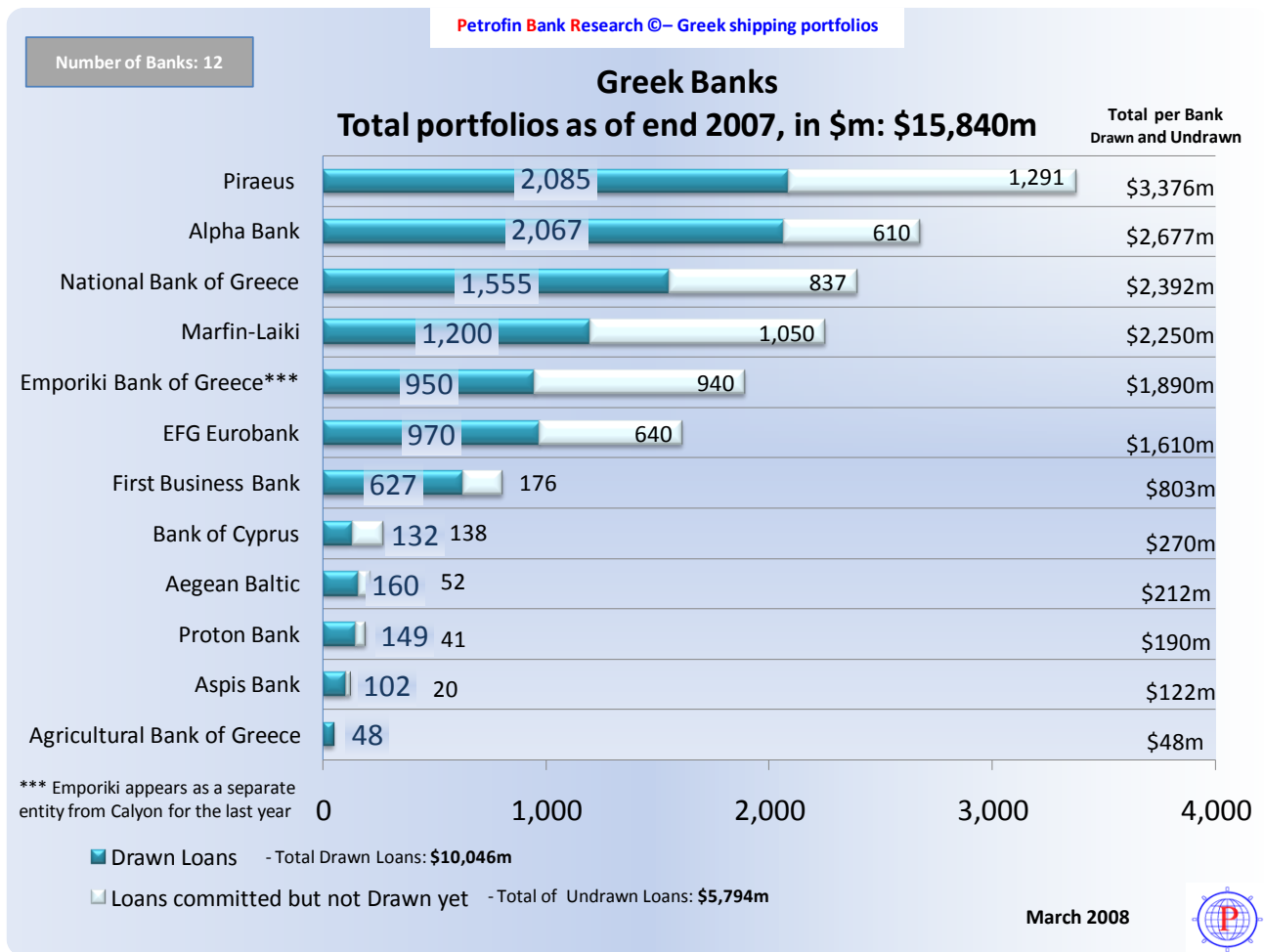
**Graph 5**



## D. Greek Banks

This sector has remained steady in the number of banks. This makes their collective portfolio growth by **115.59%** all the more notable. Greek banks have supported Greek shipping with great fervour and they brought up the overall finance from \$7.35bn in 2006 to **\$15.8bn in 2007**.

**Graph 6**



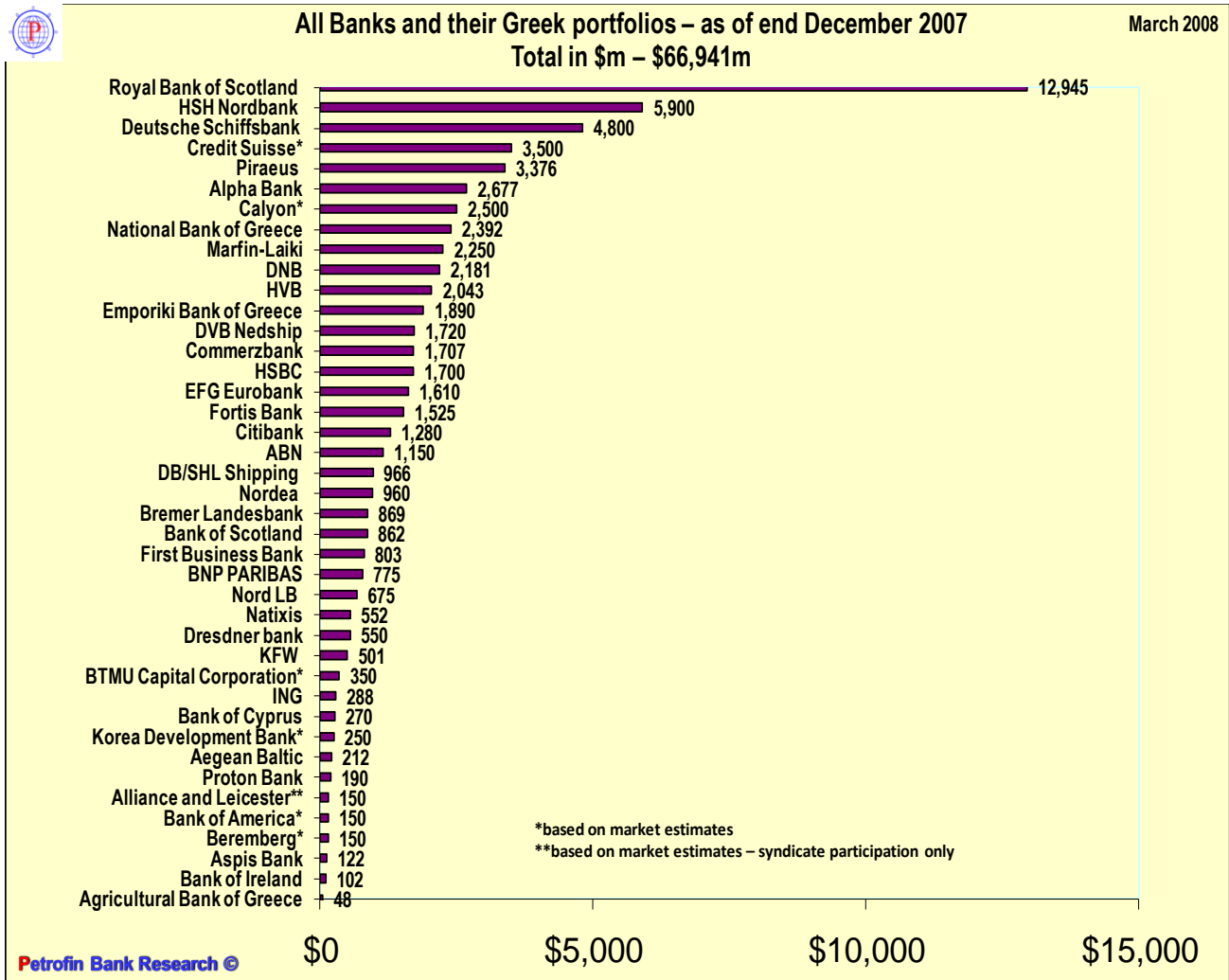
Greek bank exposure has been steadily increasing since December 2001, when our research was first published. Since then, the funds available to Greek shipping have risen by **378.55% (Table 1)**.

The most important change in the ranking of Greek banks is the rise of Piraeus Bank to top position. However, in terms of drawn loan portfolios, Piraeus and Alpha Bank share the lead position.

### E. Bank ranking and growth patterns

In the Graph below all banks are cited according to portfolio size.

Graph 7



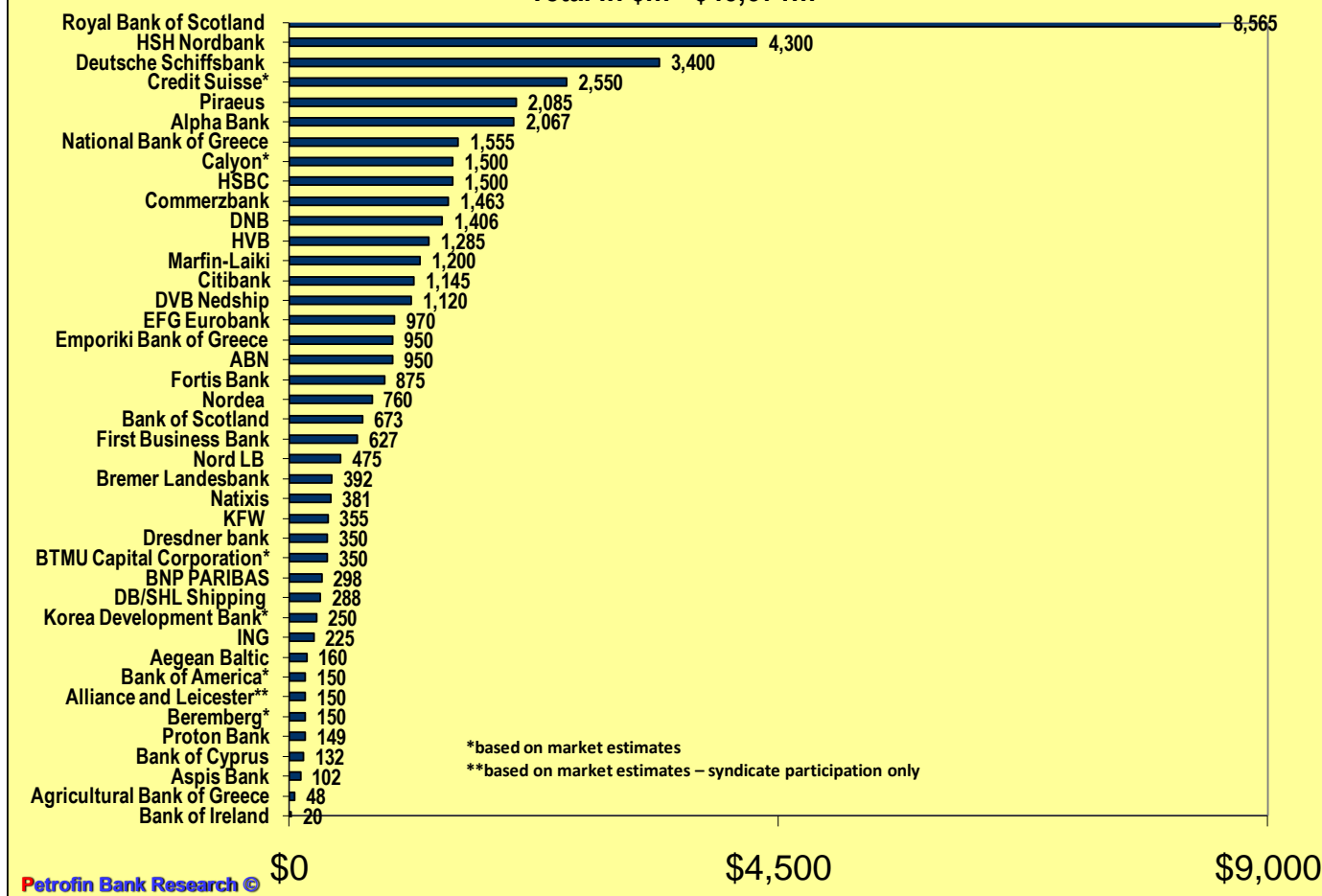
Shipping, in the last few years, has been one of the most upper coming and strongest industries worldwide. Newbuilding orders have surged and, as such, committed finance has been rising. It is important to observe, therefore, that this year, bank ranking shows some important variations when it comes to drawn and undrawn loans (Graphs 8 and 9)

Graph 8



March 2008

**All Banks - Drawn Greek exposure as of end December 2007**  
**Total in \$m - \$45,371m**

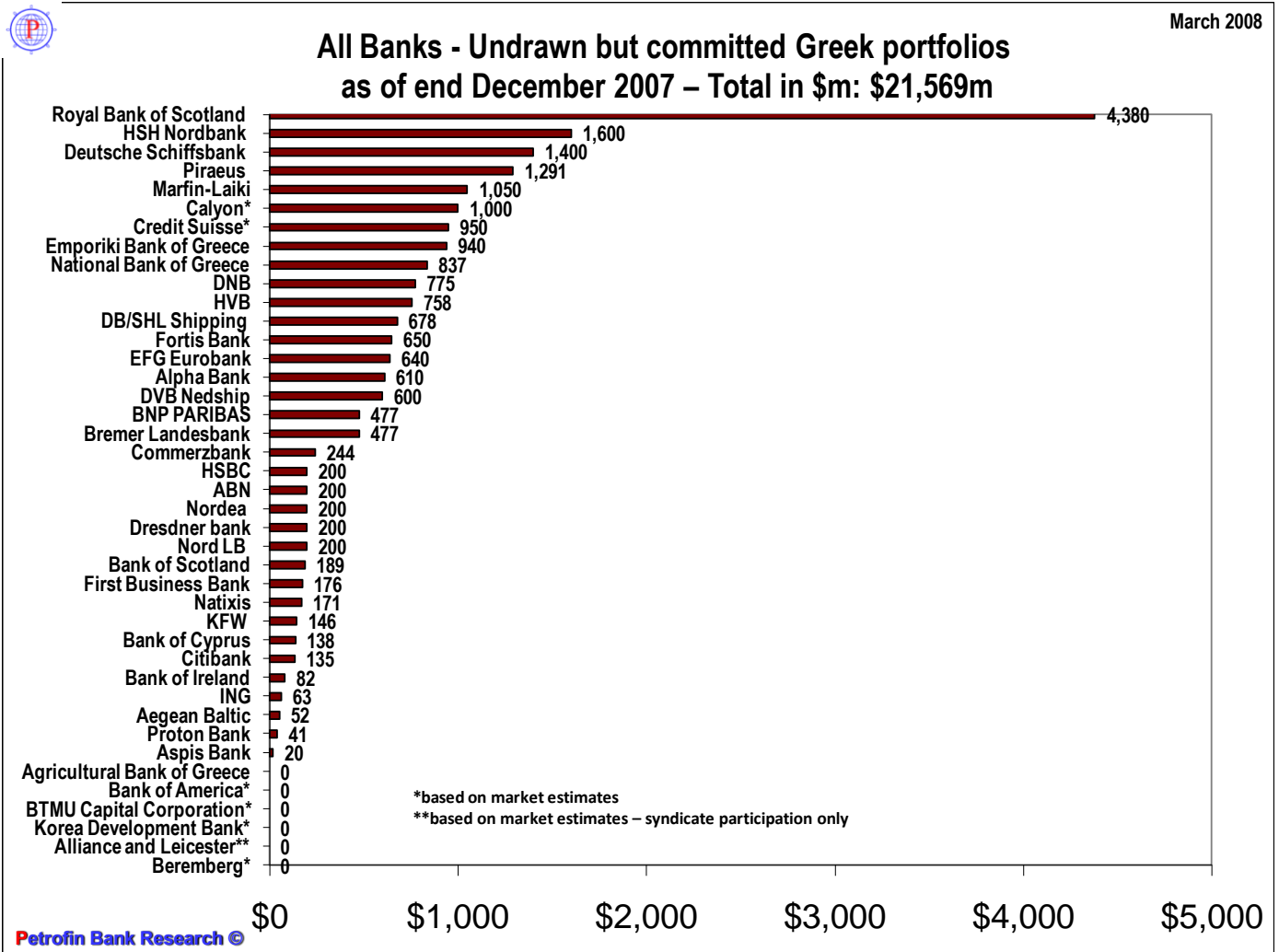


In terms of Drawn Loans, Calyon\* (\*market estimate) fares better than its overall position and occupies the 7<sup>th</sup> place, whereas the National Bank of Greece falls below it. Marfin, DNB, HVB, Emporiki (which appears as a separate entity from Calyon for the last year) and DVB Nedship also move up in terms of their drawn loans.



Graph 9

March 2008



The top 10 Banks that have committed significant amounts of money for future deliveries are the 3 leading ones, (RBS, HSH Nordbank and Deutsche Schiffsbank), as well as Piraeus, Marfin-Laiki, Calyon\*, Credit Suisse\* (\*market estimates), Emporiki Bank, the National Bank of Greece and DNB.

The top 30 banks in Greek ship-finance are as follows:

**Table 4: Top 30 banks holding Greek shipping portfolios, as of 31<sup>st</sup> December 2007**


Rank	Bank	Total exposure in \$m
1	Royal Bank of Scotland	\$12,945
2	HSB Nordbank	\$5,900
3	Deutsche Schiffsbank	\$4,800
4	Credit Suisse*	\$3,500
5	Piraeus	\$3,376
6	Alpha Bank	\$2,677
7	Calyon*	\$2,500
8	National Bank of Greece	\$2,392
9	Marfin-Laiki	\$2,250
10	DNB	\$2,181
11	HVB	\$2,043
12	Emporiki Bank of Greece**	\$1,890
13	DVB Nedship	\$1,720
14	Commerzbank	\$1,707
15	HSBC	\$1,700
16	EFG Eurobank	\$1,610
17	Fortis Bank	\$1,525
18	Citibank	\$1,280
19	ABN	\$1,150
20	DB/SHL Shipping	\$966
21	Nordea	\$960
22	Bremer Landesbank	\$869
23	Bank of Scotland	\$862
24	First Business Bank	\$803
25	BNP PARIBAS	\$775
26	Nord LB	\$675
27	Natixis	\$552
28	Dresdner bank	\$550
29	KFW	\$501
30	BTMU Capital Corporation*	\$350

\*Based on market estimates

\*\*Emporiki appears for the last time as a separate entity from Calyon.

7 Greek banks are in the above list with Piraeus leading the group.

**Table 5** summarises the comparative statistics for the Greek ship-finance market.

	Dec 2001	Dec 2002	Dec 2003	Dec 2004	Dec 2005	Dec 2006	Dec 2007	Greek Shipping loan volumes in \$						
	Number of banks							Dec 2001	Dec 2002	Dec 2003	Dec 2004	Dec 2005	Dec 2006	Dec 2007
International banks WITH a Greek presence	11	10	10	9	11	11	13	7.050bn	8.185bn	10.124bn	13.938bn	19.450bn	24.252bn	37.04bn
International banks WITHOUT a Greek presence	20	30	29	27	15	16	16	6.165bn	8.604bn	9.788bn	12.07bn	10.049bn	14.788bn	14.061bn
Greek banks	9	11	15	14	14	12	12	3.31bn	4.472bn	5.642bn	6.344bn	6.523bn	7.347bn	15.84bn
<i>Totals</i>	<b>40</b>	<b>51</b>	<b>54</b>	<b>50</b>	<b>40</b>	<b>39</b>	<b>41</b>	\$16.525bn	\$21.261bn	\$25.554bn	\$32.353bn	\$36.112bn	\$46.387bn	<b>66.941bn</b>

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In **Tables 6a, 6b and 6c** we note the percentages of Greek shipping portfolio growth over the last 12 months and the Average Annual Growth over the last 6 years for each category of banks:

**Table 6a**




<b>Petrofin Bank Research © April 2008</b>  	<i>Banks</i>	% of Bank portfolio growth December 2006 - December 2007	% of Bank portfolio growth December 2005 - December 2006	% of Bank portfolio growth December 2004 -December 2005	% of Bank portfolio growth December 2003 - December 2004	% Average Annual Growth since 2001 – or later, according to data availability
<b>International Banks with a Greek Presence</b>	<b>Royal Bank of Scotland</b>	<b>23.59%</b>	<b>29.32%</b>	<b>19.58%</b>	<b>50.51%</b>	<b>30.67%</b>
	<b>HSH Nordbank</b>	<b>40.61%</b>	<b>20.99%</b>	<b>22.28%</b>	<b>21.51%</b>	<b>26.09%</b>
	<b>Citibank</b>	<b>12.28%</b>	<b>12.32%</b>	<b>-16.80%</b>	<b>75.54%</b>	<b>11.96%</b>
	<b>Calyon*</b>	<b>92.31%</b>	<b>-13.33</b>	<b>n/a</b>	<b>n/a</b>	<b>24.39%</b>
	<b>HSBC</b>	<b>-24.11%</b>	<b>91.45%</b>	<b>11.43%</b>	<b>13.51%</b>	<b>26.19%</b>
	<b>DVB</b>	<b>37.49%</b>	<b>16.92%</b>	<b>21.59%</b>	<b>13.26%</b>	<b>19.19%</b>
	<b>HVB</b>	<b>34.41%</b>	<b>52.00%</b>	<b>22.70%</b>	<b>36.97%</b>	<b>37.68%</b>
	<b>ABN</b>	<b>27.78%</b>	<b>-10.00%</b>	<b>33.33%</b>	<b>41.51%</b>	<b>19.24%</b>
	<b>Fortis</b>	<b>60.53%</b>	<b>35.71%</b>	<b>27.27%</b>	<b>15.79%</b>	<b>24.99%</b>
	<b>BNP Paribas</b>	<b>113.01%</b>	<b>-9.27%</b>	<b>0.12%</b>	<b>22.29%</b>	<b>18.85%</b>
	<b>Natixis</b>	<b>33.66%</b>	<b>123%</b>	<b>351%</b>	<b>-27.30%</b>	<b>76.87%</b>
<b>Deutsche Schiffsbank</b>	<b>29.73%</b>	<b>8.82%</b>	<b>9.68%</b>	<b>24.50%</b>	<b>25.14%</b>	
<b>* Based on market estimates</b>						

Table 6b

Petrofin Bank Research © April 2008 	Banks	% of Bank portfolio growth between December 2006 and December 2007	% of Bank portfolio growth between December 2005 and December 2006	% of Bank portfolio growth between December 2004 and December 2005	% of Bank portfolio growth between December 2003 and December 2004	% Average Annual Growth since 2001 – or later, according to data availability
International Banks without a Greek Presence	Credit Suisse*	34.62%	40.54%	15.63%	77.78%	40.76%
	DNB	-17.29%	147.14%	27.78%	29.46%	56.23%
	KFW	-4.57%	-18.10%	-10.26%	-17.90%	-2.96%
	Commerzbank	180.76%	0.00%	14.29%	36.41%	39.6%
	Bremer Landesbank	96.16%	-1.12%	-5.38%	14.36%	17.81%
	Nordea	47.69%	23.57%	44.90%	29.64%	15.71%
	Bank of Scotland	-12.25%	94.90%	61.66%	23.71%	13.65%
	Dresdner	-21.54%	300.57%	-12.50%	0%	16.17%
	Bank of Ireland	6.25%	-31.43	16.67%	166.67%	22.7%
	Nord LB	25.58%	137.84	88.33%	-21.88%	44.79%
	ING	8.75%	128.95	65.57%	107.92%	33.89%
	Korean Development Bank*	n/a	n/a	n/a	n/a	n/a
	DB Shipping	445.76%	120.15	47.14%	56.11%	54.87%
	BTMU Capital Corporation*	191.67%	n/a	n/a	n/a	n/a
Alliance and Leicester**	n/a	n/a	n/a	n/a	n/a	
* Based on market estimates						
** Based on market estimates – syndicate participation only						

**Table 6c**

Petrofin Bank Research © April 2008			% of Bank portfolio growth between December 2006 and December 2007	% of Bank portfolio growth between December 2005 and December 2006	% of Bank portfolio growth between December 2004 and December 2005	% of Bank portfolio growth between December 2003 and December 2004	% Average Annual Growth since 2001 – or later, according to data availability
  <b>Greek Banks</b>	<b>National Bank of Greece</b>	<b>49.5%</b>	<b>40.35%</b>	<b>-18.57%</b>	<b>1.52%</b>	<b>17.69%</b>	
	<b>Alpha Bank</b>	<b>99.78%</b>	<b>-9.46%</b>	<b>9.63%</b>	<b>12.50%</b>	<b>22.82%</b>	
	<b>Emporiki Bank*</b>	<b>77.97%</b>	<b>13.22%</b>	<b>7.82%</b>	<b>2.35%</b>	<b>29.54%</b>	
	<b>Piraeus Bank</b>	<b>197.71%</b>	<b>26.42%</b>	<b>3.46%</b>	<b>-5.76%</b>	<b>41.25%</b>	
	<b>Eurobank</b>	<b>143.57%</b>	<b>9.87%</b>	<b>6.05%</b>	<b>59.85%</b>	<b>38.82%</b>	
	<b>First Business Bank</b>	<b>72.1%</b>	<b>2.11%</b>	<b>3.02%</b>	<b>18.45%</b>	<b>17.83%</b>	
	<b>Bank of Cyprus</b>	<b>500%</b>	<b>12.50%</b>	<b>-47.37%</b>	<b>16.92%</b>	<b>28.49%</b>	
	<b>Aegean Baltic</b>	<b>43.24%</b>	<b>38.32%</b>	<b>46.58%</b>	<b>111.59%</b>	<b>57.45%</b>	
	<b>Proton Bank</b>	<b>223.68%</b>	<b>n/a</b>	<b>15.01% (Omega figure)</b>	<b>75% (Omega figure)</b>	<b>58.64%</b>	
	<b>Agricultural Bank of Greece</b>	<b>14.29%</b>	<b>45.53%</b>	<b>n/a</b>	<b>n/a</b>	<b>24.47%</b>	
	<b>Marfin-Laiki-Egnatia</b>	<b>204.05%</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	<b>n/a</b>	
	<b>Aspis Bank</b>	<b>144.79%</b>	<b>60.25%</b>	<b>-22.52%</b>	<b>n/a</b>	<b>45.02%</b>	
<b>*Emporiki appears for the last time as a separate entity from Calyon</b>							

## F. Greek shipping Syndications Market

We present the lead manager activities for each bank, now shown for the sixth time internationally by **Petrofin Bank Research ©** in **Graph 10**.

**Graph 10**



These reflect loans contributed by banks **other than the lead managers**. The total loans controlled by lead managing banks for December 2007 is up from \$10.588bn in 2006 to **\$13.004bn in 2007**. It represents an increase of **22.82%** over the past year. In December 2005 it stood at **\$7.24bn**, in 2004 the figure stood at **\$5.16bn** and in December 2003 at **\$5.056bn**.

The fresh figures show a significant increase in the total loans controlled by lead managing banks over the last 12 months. This is indicative of the banks' wish to share the risk, since the amounts involved in shipping have risen impressively, initially due to the IPO wave of the last three years, which involved purchases of

whole fleets, but primarily due to the huge demand for vessels in view of booming world trade. In Table 7 we observe that *Citibank* is once again the top syndication leader with the *Aegean Baltic* holding firmly in second position.

The number of banks in this category has gone up to 25 after a consecutive drop in the last 2 years (see Table 7). In view of the advent of the current credit crunch, it is expected that syndications will continue to grow as banks wish to limit their individual risks.



**Table 7: Leading banks in syndication loans and club deals**

LEADERS 2007	end 2007 – in US\$m	LEADERS 2006	end 2006 – in US\$m	LEADERS 2005	end 2005 – in US\$m
<b>Citibank</b>	\$2,905	<b>Citibank</b>	<b>\$2,585</b>	<b>Citibank</b>	<b>\$2,165</b>
Aegean Baltic	\$1,979	<b>Aegean Baltic</b>	<b>\$1,852</b>	<b>Aegean Baltic</b>	<b>\$1,153</b>
<b>Nordea</b>	\$1,175	<b>Fortis Bank</b>	<b>\$1,650</b>	<b>Credit Suisse*</b>	<b>\$800</b>
<b>HSB Nordbank</b>	\$1,100	<b>HSB Nordbank</b>	<b>\$772</b>	<b>Deutsche Schiffsbank</b>	<b>\$600</b>
<b>Deutsche Schiffsbank</b>	\$1,000	<b>Deutsche Schiffsbank</b>	<b>\$750</b>	<b>Fortis Bank</b>	<b>\$400</b>
<b>DNB</b>	\$851	<b>Bank of Scotland</b>	<b>\$483</b>	<b>ABN</b>	<b>\$320</b>
National Bank of Greece	\$731	<b>Credit Suisse*</b>	<b>\$400</b>	<b>Bank of Scotland</b>	<b>\$305</b>
<b>DB/SHL</b>	\$538	<b>Nordea</b>	<b>\$380</b>	<b>DVB Nedship</b>	<b>\$285</b>
<b>Bank of Scotland</b>	\$516	<b>HVB</b>	<b>\$350</b>	<b>HSB Nordbank</b>	<b>\$218</b>
<b>Fortis Bank</b>	\$450	<b>DNB</b>	<b>\$260</b>	<b>Commerzbank</b>	<b>\$171</b>
<b>HVB</b>	\$290	<b>ABN</b>	<b>\$200</b>	<b>Nordea</b>	<b>\$160</b>
<b>ABN</b>	\$280	<b>Alpha Bank</b>	<b>\$150</b>	<b>HVB</b>	<b>\$120</b>
Alpha Bank	\$180	<b>Calyon*</b>	<b>\$150</b>	<b>DNB</b>	<b>\$90</b>
<b>DVB Nedship</b>	\$180	<b>DVB Nedship</b>	<b>\$145</b>	<b>Bremer Landesbank</b>	<b>\$84</b>
<b>Commerzbank</b>	\$173	<b>BTMU Capital Corporation</b>	<b>\$130</b>	<b>Alpha Bank</b>	<b>\$80</b>
First Business Bank	\$127	<b>National Bank of Greece</b>	<b>\$90</b>	<b>HSBC</b>	<b>\$70</b>
<b>HSBC</b>	\$100	<b>Bremer Landesbank</b>	<b>\$87</b>	<b>EFG Eurobank</b>	<b>\$47</b>
<b>BNP PARIBAS</b>	\$99	<b>First Business Bank</b>	<b>\$55</b>	<b>National Bank of Greece</b>	<b>\$40</b>
Marfin	\$70	<b>EFG Eurobank</b>	<b>\$40</b>	<b>KFW</b>	<b>\$40</b>

EFG Eurobank	\$60	Natixis	\$34	BNP PARIBAS	\$35
Emporiki Bank of Greece**	\$60	ING	\$25	First Business Bank	\$34
Nord LB	\$53			Aspis Bank	\$17
KFW	\$50			Emporiki Bank of Greece	\$10
Piraeus	\$25				
Bremer Landesbank	\$12				
<b>GRAND TOTAL</b>	<b>\$13,004</b>	<b>GRAND TOTAL</b>	<b>\$10,588</b>	<b>GRAND TOTAL</b>	<b>\$7,243</b>
<b>Petrofin Bank Research © April 2008</b>					

\* Based on market estimates

\*\* Emporiki appears as a separate entity from Calyon for the last time.

## G. Greek shipping Derivative/Swap/Hedging Product Providers

The volume of derivative products and hedging lines is very volatile. There are also perception differences in what are considered derivative products across banks. We view derivative products as mainly those related to interest and foreign exchange hedging but not those related to bunker hedging, FFAs, etc.

RBS has increased its lines to \$16.5bn. Citibank also reports \$3.2bn in lines and HSBC shows an increase to \$1.5bn.

The positions as of end 2007 are as follows:

**Table 8**

end of 2007 Bank	Limits/Lines/ Approved in US\$mil	end of 2006 Bank	Limits/Lines/ Approved in US\$mil	end of 2005 Bank	Limits/Lines/Approv ed in US\$mil
Royal Bank of Scotland	16500	Royal Bank of Scotland	11474	Royal Bank of Scotland	3770
Citibank	3200	Fortis bank	1200	Citibank	1150
HSBC	1500	Credit Suisse*	533	Credit Suisse*	800*
HVB	1190	Emporiki	458	BNP Paribas	750
Credit Suisse*	750	HSBC	400	HSBC	550
Marfin Egnatia	600	HVB	250	Alpha	284
National Bank of Greece	308	Marfin Egnatia	185	HVB	200
Piraeus	300	Aegean Baltic	180	Bank of Scotland	168
Eurobank	275	National Bank of Greece	170	Fortis bank	150
ABN	140	ABN	165	Piraeus Bank	140
DNB	135	Piraeus Bank	110	Nordea	100
Nordea	120	Nordea	100	ABN	100
BNP Paribas	119	DNB	85	DNB	80
Alpha	60	EFG Eurobank	75	DB/SHL shipping	24
ING	25	Bank of Scotland	55.268	ING	5
DB/SHL	25	BNP Paribas	53.26	Aegean Baltic	2
Dresdner	20	ING	36	EFG Eurobank	not available

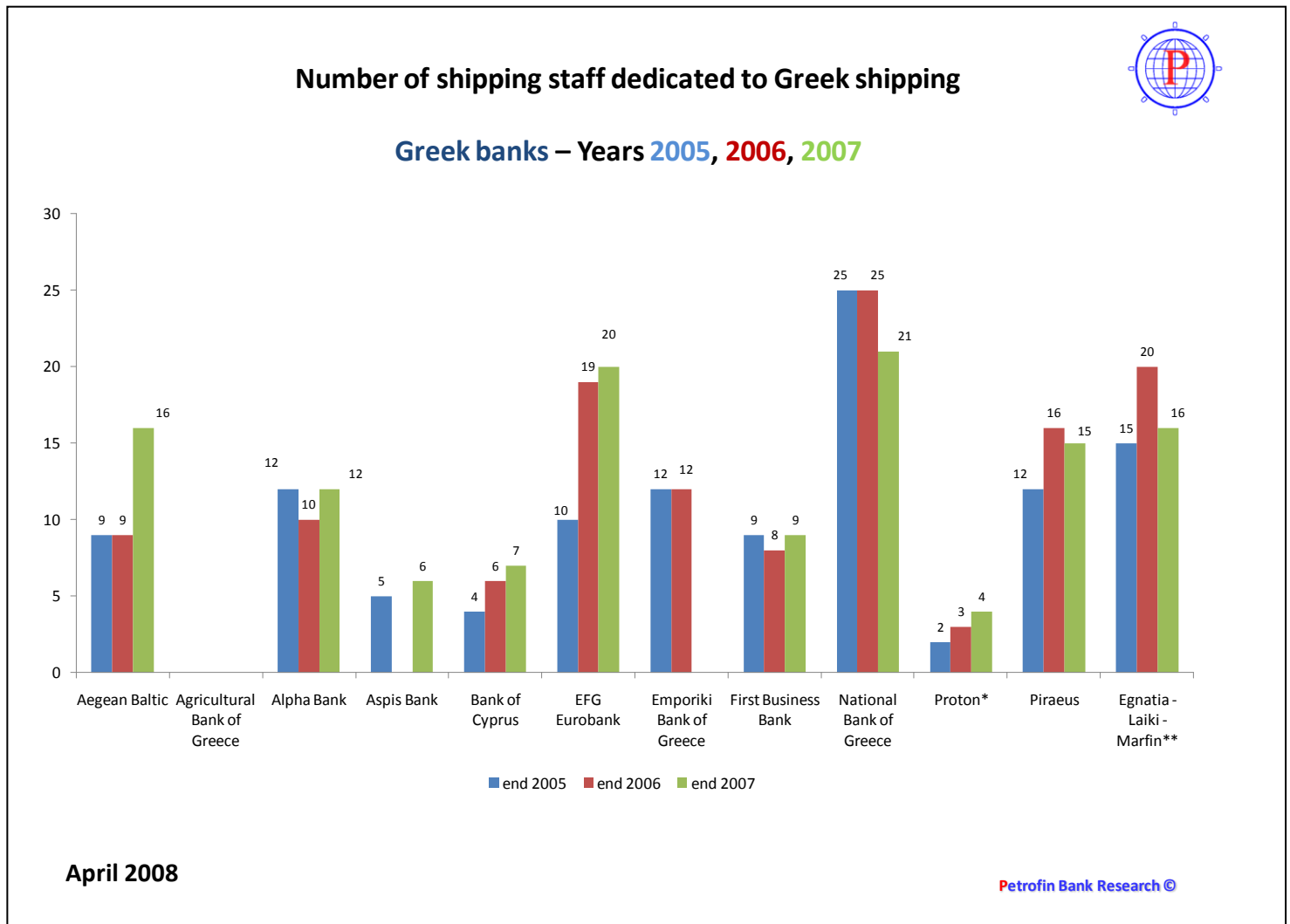
<b>Nord LB</b>	9.148	<b>Alpha</b>	30	<b>National Bank of Greece</b>	not available
<b>Bank of Ireland</b>	7	<b>DB/SHL shipping</b>	27		
<b>Aegean Baltic</b>	4.4	<b>Dresdner Bank</b>	10		
<b>KFW</b>	2	<b>Bank of Ireland</b>	4.69		
<b>TOTALS</b>	<b>25289.5</b>	<b>TOTALS</b>	<b>15601.2</b>	<b>TOTALS</b>	<b>7473</b>

## H. Greek shipfinance: the human providers

Shipping Staff dedicated to Greek shipping has been evolving alongside their respective banks' portfolios.

We have data for the last 3 years and for Greek banks the situation is as follows:

**Greek banks – Graph 11**



\* Proton took over Omega in 2005

\*\* Egnatia Laiki Marfin merged in 2006. The figure for 2005 is for Laiki and Egnatia together.

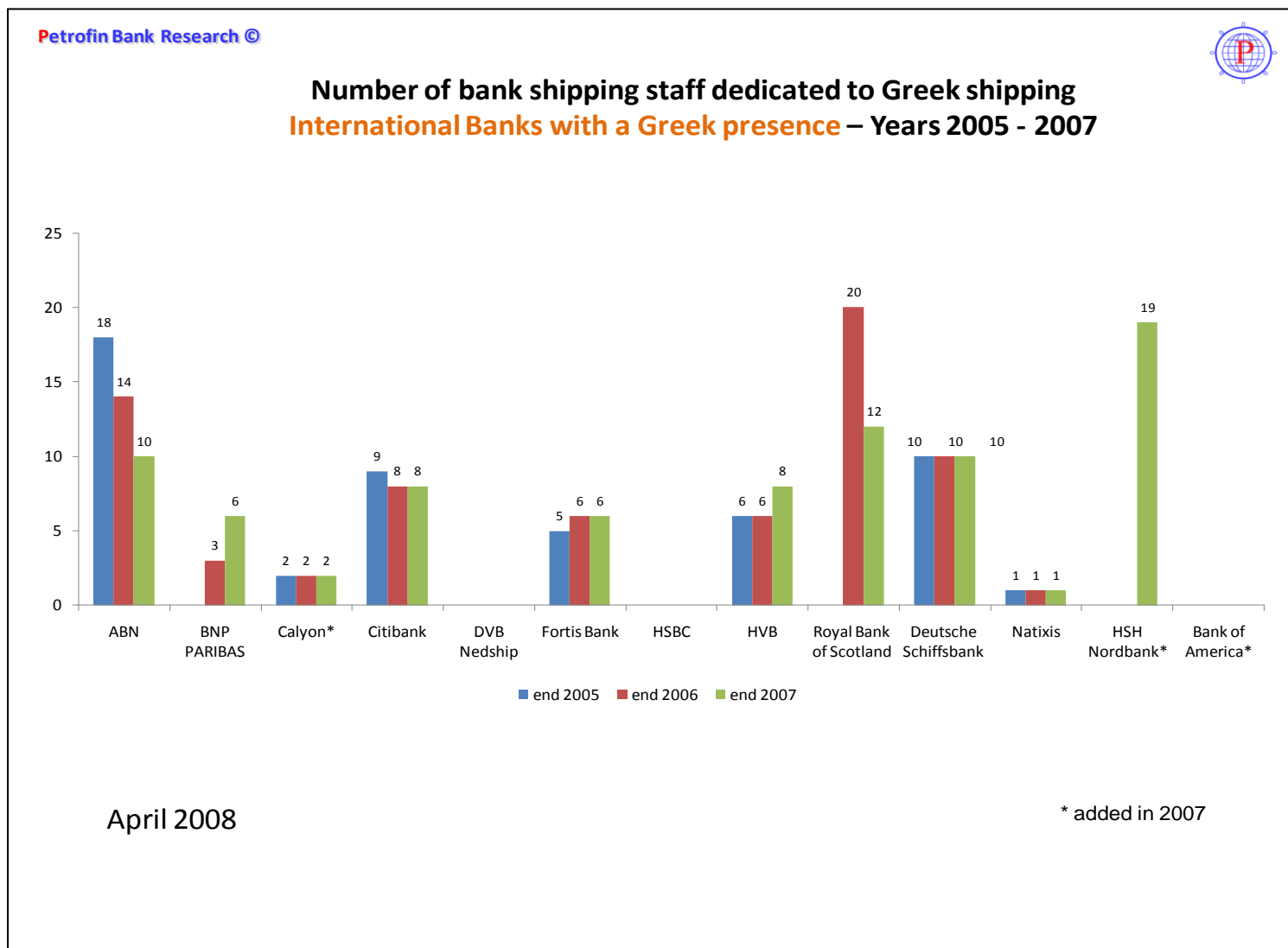
Total for 2005: 115

Total for 2006: 128

Total for 2007: 126

Greek banks are steady in their allocation of staff after the various mergers that took place in the last 2 years.

## International Banks with a Greek presence – Graph 12



Total for 2005: 51

Total for 2006: 70

Total for 2007: 82

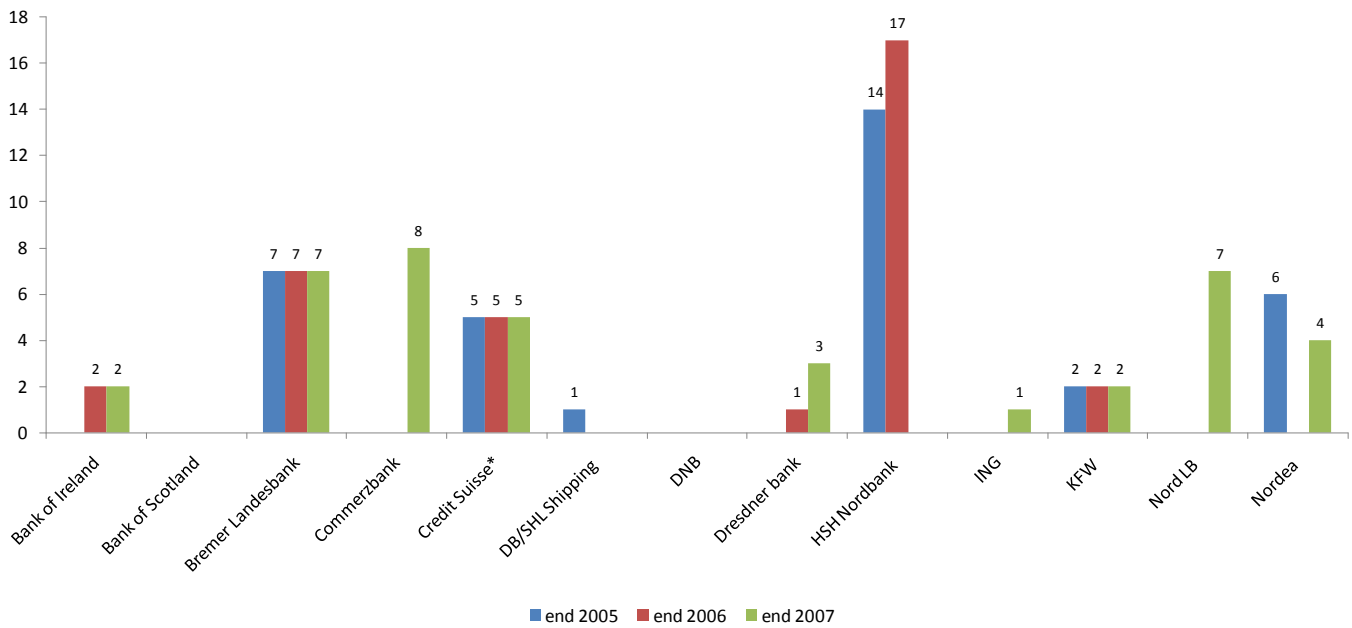
There is a steady growth in staff numbers in this group, especially with the addition of the HSH-Nordbank.

International Banks without a Greek presence – Graph 13



Number of shipping staff dedicated to Greek shipping

International Banks Without a Greek Presence – Years 2005-2007



April 2008

Petrofin Bank Research ©

\* Based on market estimates

Total in 2005: 35

Total in 2006: 34

Total in 2007: 39

Here we observe that although HSH-Nordbank has left the group, shipping staff numbers dedicated to Greek shipping have gone up.