

Key Developments and Growth in Greek Ship-Finance

April 2012

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Petrofin Bank Research© presents, for the 11th year running, an overview and an in-depth analysis of the bank loan portfolios to Greek shipping, as of 31st December 2011.

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

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

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1. Main findings

The highlight points of this year's results for Greek ship finance are as follows:

 Greek ship finance remained subdued in 2011 when counting the old players in the field. We have, though, an interesting paradox. Whereas the existing banks have on the whole, with some notable exceptions, scaled down their Greek ship finance presence, from \$66.235bn in 2010 to \$64,984bn in 2011, representing a fall of 1.89%, we note the appearance of 16 banks, new to Greek ship finance, which have developed a visible presence. This presence is increasingly manifesting itself via participation in public companies' syndicated/club deals, as well as restructures, and which collectively amount to \$2.71bn of Greek ship finance exposure.

Consequently, the overall Greek loans (drawn and committed but undrawn) booked both in Greece and worldwide for 2011 rose from \$66.235bn to \$67.694bn, representing a growth of 2.2%. The above paradox represents an issue, from a research point of view, as undoubtedly these 16 banks had some limited exposure in the last years, which was individually rather insignificant, was below the market radar and these banks elected not to report their exposures.

However, we have decided to include these banks within the Greek ship finance, as they have now appeared in a more transparent manner in the public eye. It may be considered, that among these banks, which are identified below, there may be some future major ship finance banks for the Greek shipping market.

The Greek ship finance market has been adversely affected by the amalgamation of numerous factors, such as:

- a. Poor shipping market across most sectors
- b. Decline of vessels' earnings and values
- c. Poor immediate prospects for most shipping sectors due to over-ordering and over-supply conditions
- d. Increased loan provisions
- e. Restructurings and / or defaults
- f. The Greek State crisis
- g. Announced departure from ship finance and / or Greek ship finance of a number of banks (see later)

The above adverse factors have created difficult credit conditions for new loans with only the most financially robust owners being provided with some limited finance.

Additionally, the global banking issues and the slow-down in the global economy have produced significant difficulties for primarily the European banks, coupled with liquidity shortages and capital adequacy problems. It is significant to note that, with notable exceptions, most European and some international banks, are still in the phase of deleveraging and this has impacted also on Greek ship finance.


 Specifically, in this year's research, there is a fall in the Committed but undrawn Greek exposure from \$9.153bn in 2010 to \$7.115bn in 2011, i.e. -22.27%. This fall signifies that, as previous commitments, essentially for n/bs, turned into loans, they were not replaced by fresh commitments. This affects both the ability of existing n/b orders being financed, as well as the possibility of placing new orders.


In essence, the international banks, via credit restrictions, shall be instrumental in assisting the restoring, over time, of market equilibrium.


Whereas for large financially strong public and private Greek companies some ship finance is still available, there are virtually no prospects for the smaller to medium-sized owners, who are often reduced to paying in cash for purchases.


On a positive note, where finance is available, the rule of thumb is for 50%, unless there is secured employment in place, whilst margins and fees have increased yields to 350-400 basis points or higher. Given the low values applicable today, the above terms represent significant opportunities for profitable transactions for all banks and an incentive for newcomers to enter shipping counter-cyclically.


 Drawn Loans are up to \$60.58bn, again counting in the \$2.71bn of the OTHER BANKS, representing a rise of 6.13% from 2010's \$57.082bn.

 The Greek banks loan portfolios' fall is the biggest so far (-8.6%), from \$15.884bn in 2010 to \$14.517bn in 2011, whereas in 2010 it was only 1.59% lower compared to 2009 (from \$16.14bn to \$15.883bn). In view of the Greek State crisis, the continuing recession in Greece, the high cost of liquidity, the losses due to the PSI and the Greek banks' capital inadequacy, it is hardly surprising that their portfolios have declined and, especially so, their future commitment, which have fallen by 59% in one year. We further believe that the decline would have been higher, had shipping conditions been better, enabling Greek bank clients to repay loans faster via cashflow, vessel sales, or re-financings. Once re-capitalised Greek banks will seek to apply their new liquidity to those sectors offering the highest rewards, whilst maintaining sufficient liquidity for the future. Consequently, the outlook for Greek banks towards ship finance remains hazy.

 Additionally, international banks WITH a Greek presence are re-assessing their position in the light of the Greek State crisis and concerns over a possible departure of Greece from the euro. The loan portfolios of the International Banks with a Greek Presence show a decline of 1.65%, less than last year's -2.43%, which is less than the previous year's -5.66% and now, stands at \$35.29bn, down from \$35.882bn in 2010. Their Committed but Undrawn portfolio, however, is again down by a significant 11.85%, less than the decline of 29.62% in 2010. The Drawn portfolio of this group of banks slightly down by 0.31%, compared to the positive figure of 2010 of 2.78%, and now stands at \$31.62bn. These figures, however, have not been impacted significantly yet by the recent decline of the shipping market. As 2011 progressed, the slowdown in Greek ship finance lending became more pronounced for this sector.

 The usual players in the International Banks without a Greek presence show an increase to \$15.176bn, a rise of 4.8%. If we include the new 16 OTHER BANKS, then the rise amounts to \$17.887bn, a rise of 23.62%, from \$14.101bn in 2010. These banks again displayed more favourable characteristics towards Greek ship finance in 2011.

 The number of banks involved in Greek shipfinance is 55, including the 16 (new) banks. However, LBG, Bank of Ireland, Santander and Natixis are running off their Greek portfolios and there are market rumours of their attempts to sell their shipping portfolios, which so far has not been successful.

 The top 10 Greek ship financing banks held 59.29% in 2011 compared to 63.10% of the market in 2010. The top 10 banks still dominate the market but their percentage is coming down, as some of the leading ship finance banks are contracting their presence.


In view of the potential for additional banks (local, Far eastern and Western) entering the Greek ship finance market and the continuous difficulties associated with European banks, forming the vast majority of current lenders, it is expected that the Greek ship finance market will become more fragmented and the share of the top 10 banks shall continue to decline. Interestingly, there appears for the first time since the 80s, a possibility of North American banks entering Greek ship finance primarily via loans to US quoted public companies.


 European banks continue to account for the vast majority of total loans, 95.58%, but the reduction of this percentage from 97% last year points to new interest in Greek ship finance from elsewhere (Table 5).

The banks that have been included in this year's research, as a collective entry, are the following:


	Japan Bank for International Co-operation*
	Nippon Export and Investment Insurance*
	Danish Ship Finance*
	Danske*
	Fokus*
	KBC Bank*
	SEB*
	ITF*
	Scotia Bank*
	Banque Lblux*
	Bank of America*
	Commonwealth Bank of Australia*
	Standard Chartered*
	Beremberg*
	Corner*
	Dexia Bank Belgium*
*Market estimates	Total portfolio: \$2.71bn


It is noticeable that these names cover a very wide spectrum of nationalities.

 RBS remained the market leader with \$11.455bn. Commerzbank-Deutsche Schiffsbank, Credit Suisse*, DNB, and DVB are, together with RBS, the top five. No Greek banks in their midst for the first time.

 Emporiki moves to first place in terms of Greek banks with NBG now second, closely followed by Marfin and Alpha bank. Only the Aegean Baltic reported an overall growth of 10.86%.

 The total percentage of German banks in Greek ship finance now stands at 26.17%, from 26.95% in 2010 and 28.74% in 2009.

 Star (growth) performers in 2011 have been ABN Amro and ING with increases of 228% and 199% respectively. However, the following banks have also reported growth: Commerzbank/Deutsche Schiffs (0.9%), Credit Suisse (market estimate: 11.11%), DVB (30.22%), HSBC (4.35%), Unicredit (2%), Citibank (bilateral only: 17.87%), China Exim (market estimate: 30.77%), KEXIM (market estimate: 25%), Aegean Baltic (10.86%) and Deka (4.4%).

 The Lead Managers in syndication loans have decreased their managed portfolios to \$12.023bn from \$14.6bn. We suspect this may be due to a re-definition of third party participations and leader/manager positions by

these banks. Whether affected by tangible or intangible factors, the decline shows a syndication market in turmoil, re-definition and re-alignment of roles within it, especially for client credits undergoing restructures.



Continuing our research into the percentage of Committed but Undrawn loans that refer to Newbuildings, we note that the largest percentage of Committed and Undrawn loans continues to refer to Newbuilding orders, but with a significant fall to 68.28% from 82.89% of Committed but Undrawn in 2010. This underlines the reduced interest in committed n/b finance by banks in the light of their own restraints and the poor conditions of the shipping market.

2. Total Greek shipfinance portfolio as of end 2011

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The annual results by Petrofin Bank Research ©, now released for the 11th year running, reflect the exposure of all banks engaged in lending to Greek owners, at the end of 2011.

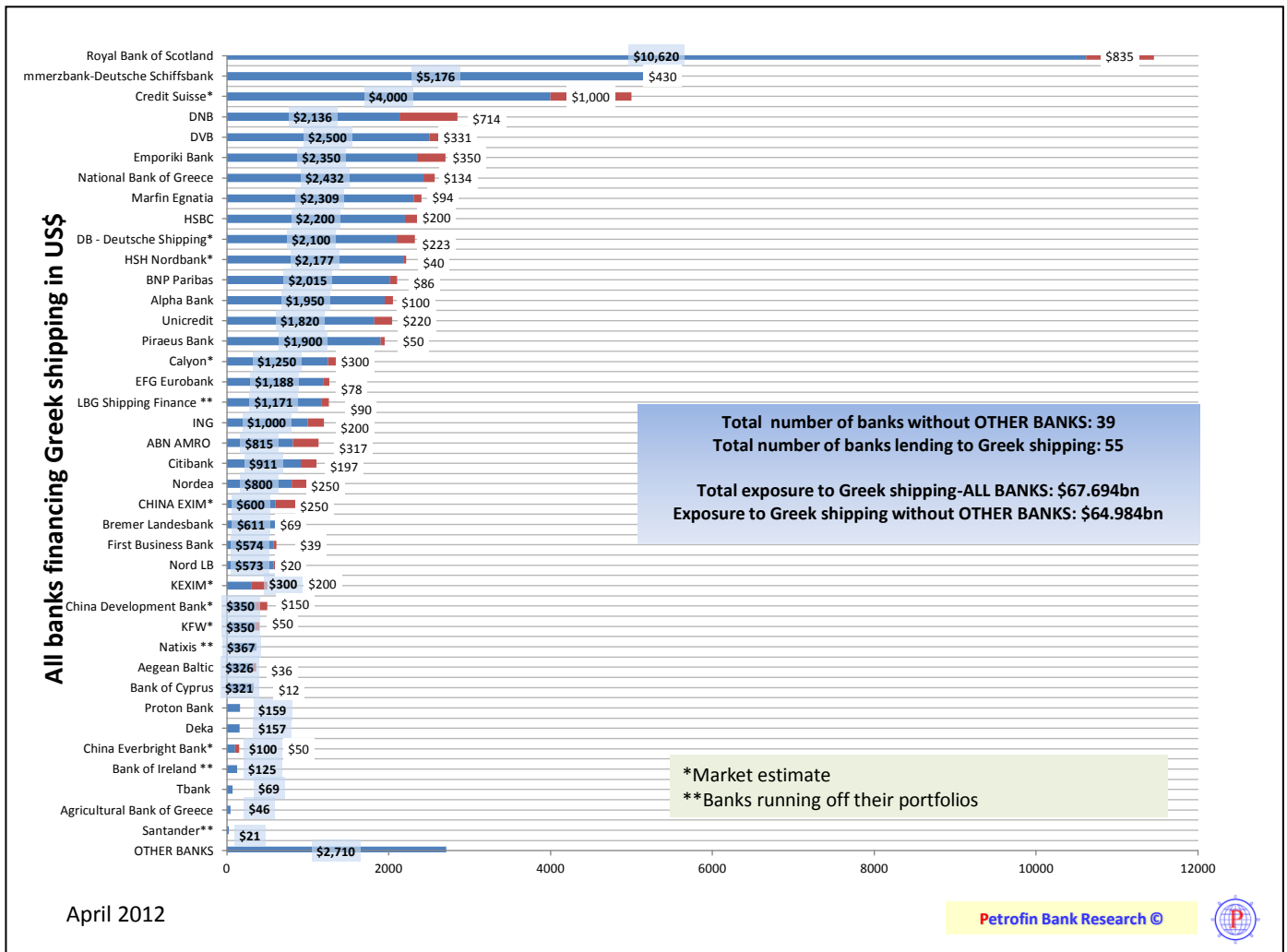
In **Table 1** below, we note that for after a 2-year decreasing trend, this year there was a small increase in lending to Greek shipping. It should be further stressed, that for the first time we have reflected more accurate information on Far Eastern banks, who are becoming more forthcoming regarding their involvement in shipping in general and Greek shipping in particular. We have also included information on smaller banks being involved in large syndications. All these banks, are included in the term OTHER BANKS, under international banks WITHOUT a Greek representation. Without this expansion in our research, the total would have been about \$2.7bn less, thus continuing the downward trend of the important Greek financiers.

Table 1

	December 2001	December 2002	December 2003	December 2004	December 2005	December 2006	December 2007	December 2008	December 2009	December 2010	December 2011*
Growth percentage		28.66%	20.19%	26.61%	11.62%	28.45%	44.31%	9.39%	-8.478%	-1.17%	2.20% -1.89%
Total Greek Shipping Portfolio	\$16,525m	\$21,261m	\$25,554m	32,353m	\$36,112m	\$46,387m	\$66,941m	\$73,228m	\$67,020m	\$66,235	\$67,694 \$64,983
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*16 other banks were added this year through syndications of Greek public companies. Without these, the overall Greek portfolio is down by 1.89%. With them, it is up by 2.2%											

In Graph 1 below we see all the banks in terms of their portfolios:

Graph 1

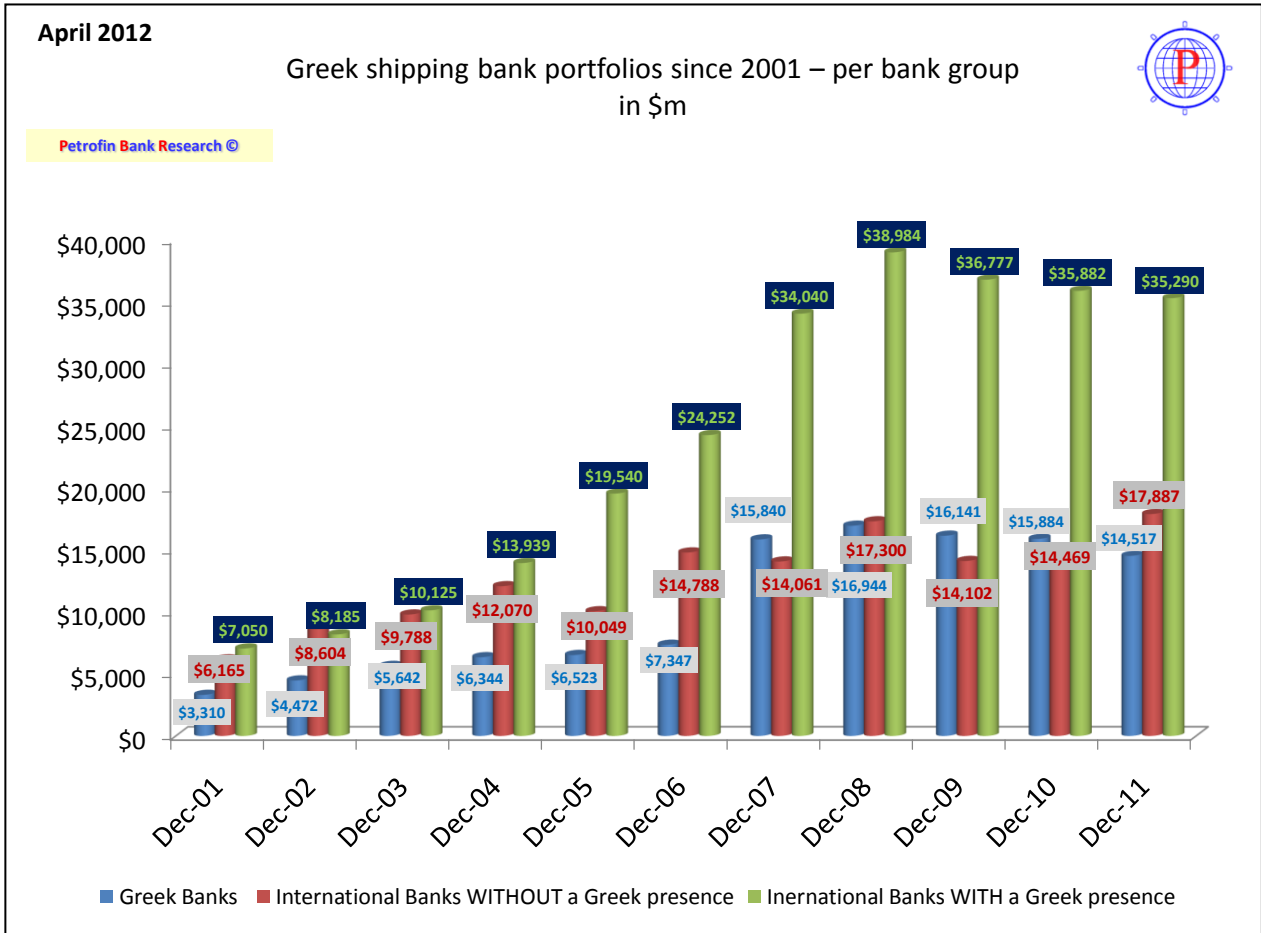


3. Research and Analysis

A. The Greek shipfinance market

Graph 2

Bank exposure in terms of bank groups is as follows:



In line with last year, Greek banks and International banks with a Greek presence totals showed a decline for the third year running. International banks without a Greek presence showed a significant increase by \$3.4bn. This sector is highly fragmented given the extra 16 banks that comprise the OTHER BANKS category.

In the table below (**Table 2**) we observe the overall growth evolution in Greek ship lending as a whole as well as for the three bank groups:

Table 2: Overall Growth in Greek Ship lending (in US\$m)


 Petrofin Bank Research © April 2011	Overall Greek ship lending portfolio as of end 2011	Overall Greek ship lending portfolio as of end 2010	Overall Greek ship lending portfolio as of end 2009	Overall Greek ship lending portfolio as of end 2008	Percentage of growth between December 2010 and December 2011	Percentage of growth between December 2009 and December 2010	Percentage of growth between December 2008 and December 2009	Percentage of growth between December 2001 and December 2011	Average yearly growth since 2001
International Banks WITH a Greek presence	\$35,290.47	\$35,882.29	\$36,777.31	\$38,984.4	-1.65%	-2.43%	-5.66%	400.57% (Between 2001 and 2010: 408.97%)	17.48% (Between 2001 and 2010: 19.82%)
International Banks WITHOUT a Greek presence	\$17,886.81	\$14,468.76	\$14,101.65	\$17,299.5	+23.62%	+2.60%	-18.49%	190.13% (Between 2001 and 2010: 134.69%)	11.24% (Between 2001 and 2010: 9.94%)
Greek banks	\$14,517.08	\$15,883.60	\$16,140.55	\$16,944.24	-8.60%	-1.59%	-4.74%	338.58% (Between 2001 and 2010: 379.87%)	15.93% (Between 2001 and 2010: 19.04%)
Total	\$67,694.36	\$66,234.65	\$67,019.51	\$73,228.14	+2.20%	-1.17%	-8.48%	309.65% (Between 2001 and 2010: 300.81%)	15.14% (Between 2001 and 2010: 16.68%)
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Table 3: Growth in Drawn portfolios and Committed and Undrawn portfolios (in US\$m)

Petrofin Bank Research © April 2012	Drawn loan portfolio as of end 2011	Drawn loan portfolio as of end 2010	Drawn loan portfolio as of end 2009	Drawn Loan portfolio as of end 2008	Percentage of change in Drawn Loan portfolio between 2010 and 2011	Committed but Undrawn loan portfolio as of end 2011	Committed but Undrawn loan portfolio as of end 2010	Committed but Undrawn loan portfolio as of end 2009	Committed but Undrawn loan portfolio as of end 2008	Percentage of change in Committed but Undrawn Loan portfolio between 2010 and 2011
International Banks WITH a Greek presence	\$31,620.25	\$31,718.47	\$30,861.13	\$29,020	2011:-0.31% 2010 growth:+2.78% 2009 growth: +6.34%	\$3,670.22	\$4,163.82	\$5,916.19	\$9,964.4	2011:-11.85% 2010 growth:-29.62% 2009 growth:-40.63%
International Banks WITHOUT a Greek presence	\$15,334.69	\$11,647.95	\$10,516.29	\$11,777.88	2011: +31.65% 2010 growth: +10.76% 2009 growth: -10.71%	\$2,552.12	\$2,820.8	\$3,585.35	\$5,521.62	2011: -9.52% 2010 growth:-21.32% 2009 growth:-35.07%
Greek banks	\$13,624.62	\$13,715.56	\$13,229.71	\$12,776.77	2011: -0.66% 2010 growth: +3.68% 2009 growth: +3.54%	\$892.46	\$2,168.04	\$2,911.38	\$4,167.46	2011: -58.84% 2010 growth:-25.5% 2009 growth:-30.14%
Total	\$60,579.55	\$57,082	\$54,607.00	\$53,574.65	2011:+6.13 2010 growth: +4.53 2009 growth:+1.93%	\$7,114.8	\$9,153	\$12,412.92	\$19,653.48	2011:-22.27 2010 growth:-26.27 2009 growth:-36.84

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Underlying the negative trend towards Greek ship financing, all bank categories have shown a reduction in committed but undrawn portfolios ranging from -9.52% for international banks without a Greek presence, to -11.85% to international banks with a Greek presence, to -58.84% for Greek banks.

The top 10 banks' ranking order follows in Table 4.

Table 4: The top ten banks ranked by portfolio size (in US\$m)

Rank	As of end 2011			As of end 2010			As of end 2009		
	Bank	Total exposure in \$m	Market share % of total Greek portfolio	Bank	Total exposure in \$m	Market share % of total Greek portfolio	Bank	Total exposure in \$m	Market share % of total Greek portfolio
1	Royal Bank of Scotland	\$11,455	16.92%	Royal Bank of Scotland	\$12,439	18.78%	Royal Bank of Scotland	\$13,302	19.85%
2	Commerzbank-Deutsche Schiffsbank	\$5,606	8.28%	Deutsche Schiffsbank	\$5,556	8.39%	HSH Nordbank	\$5,202	7.76%
3	Credit Suisse*	\$5,000	7.39%	Credit Suisse*	\$4,500	6.79%	Deutsche Schiffsbank	\$4,969	7.41%
4	DNB	\$2,850	4.21%	HSH Nordbank*	\$3,122	4.71%	Credit Suisse*	\$4,000	5.97%
5	DVB	\$2,831	4.18%	National Bank of Greece	\$3,004	4.54%	National Bank of Greece	\$3,217	4.80%
6	Emporiki Bank	\$2,700	3.99%	DNB Nor	\$2,877	4.34%	Alpha Bank	\$2,675	3.99%
7	National Bank of Greece	\$2,566	3.79%	Emporiki Bank	\$2,730	4.12%	Emporiki Bank of Greece	\$2,620	3.91%
8	Marfin Egnatia	\$2,403	3.55%	DB - Deutsche Shipping	\$2,613	3.95%	DNB Nor	\$2,544	3.80%
9	HSBC	\$2,400	3.55%	Marfin Egnatia	\$2,483	3.75%	Marfin Egnatia	\$2,450	3.66%
10	DB - Deutsche Shipping*	\$2,323	3.43%	Alpha Bank	\$2,470	3.73%	Calyon*	\$2,000	2.98%
	Total	\$40,134	59.29%	Total	\$41,794	63.10%	Total	\$42,979	64.13%

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The market share of the top 10 banks has receded to just below 60%. Also, remarkably, HSH has ceased to be among the top 10 banks (ranking 11th).

Nationality of banks

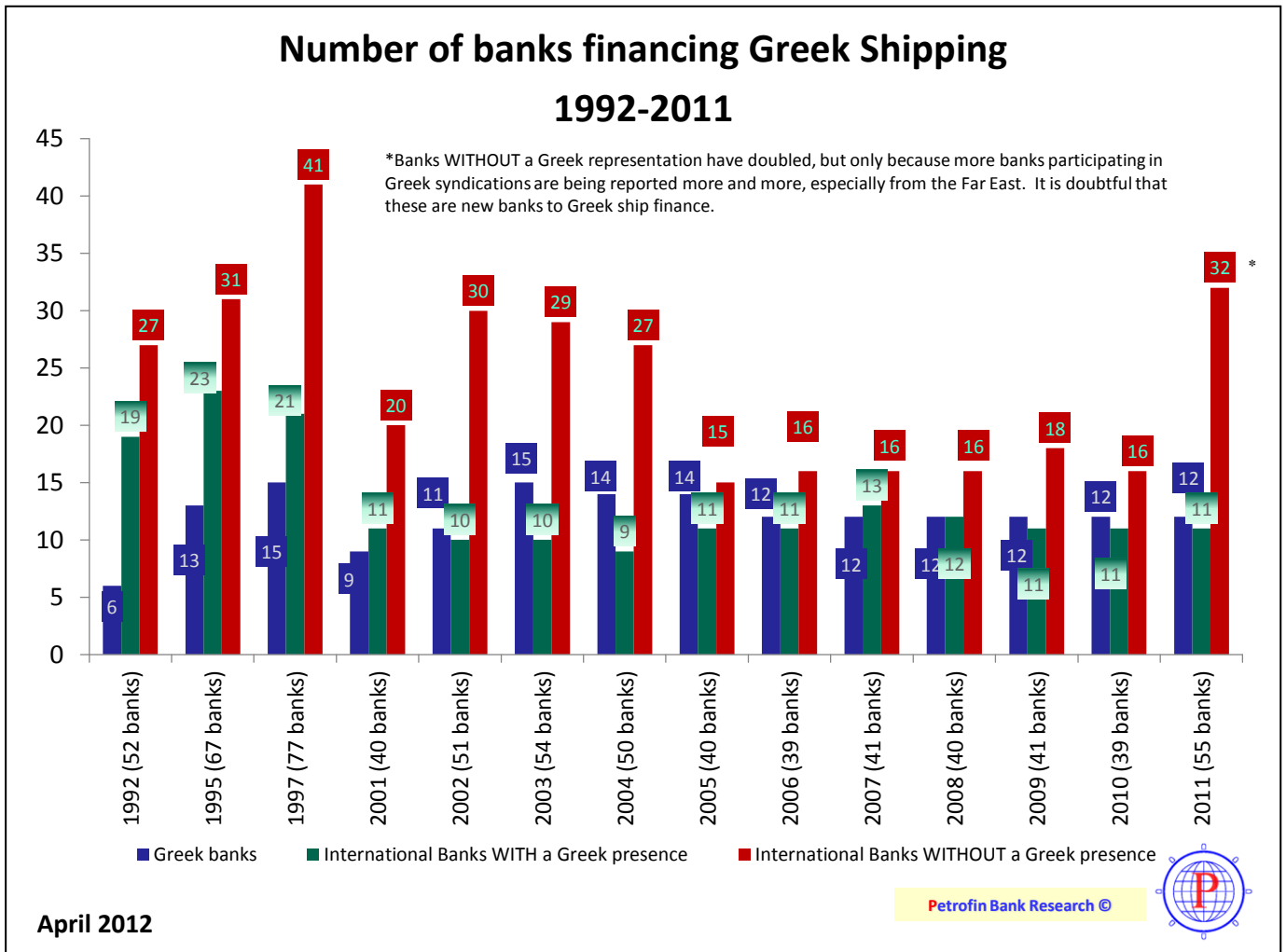
In terms of nationality, and compared to the previous years, the banks are distributed as follows:

Table 5: Distribution of banks engaged in Greek Ship-finance by nationality

Nationality	end 2003	end 2004	end 2005	end 2006	end 2007	end 2008	end 2009	end 2010	end 2011	Total Portfolios per Geographical region as of end 2011	Percentage of total of Greek ship finance as of end 2011
UK & Ireland	5	5	4	5	5	6	5	4	5	\$15,532.96 2010:\$16,260.9	22.95% (2010:24.85%)
France / Belgium	8	6	3	3	3	4	4	3	5	\$4,401.00 2010:\$4,702	6.50% (2010:7.18%)
Scandinavian	2	2	2	2	2	2	2	2	6	\$5,324.98 2010:\$4,227	7.87% (2010:6.46%)
Germany	10	10	9	10	11	11	11	10	10	\$17,717.33 2010:\$17,848.54	26.17% (2010:26.95%)
Holland	5	5	4	3	3	3	2	2	2	\$1,632.17 2010:\$747.61	2.41% (2010:1.14%)
Greece	15	14	14	12	12	12	12	12	12	\$14,517.08 2010:\$15,883.60	21.45% (2010:24.27%)
Other European	4	4	2	1	1	1	2	3	5	\$5,575 2010:\$4,575.00	8.24% (2010:6.99%)
European Total	49	46	38	36	37	39	38	36	45	\$64,700.51 2010:\$64,244.65	95.58% (2010:97%)
North America	4	3	1	2	3	1	1	1	3	\$1,408 2010:\$940.00	2.08% (2010:1.44%)
Far East	1	1	1	1	1	0	2	2	6	\$1,286 2010:\$1,050.00	1.90% (2010:1.60%)
Australia									1	\$300	0.44%
World Total	54	50	40	39	41	40	41	39	55	\$67,694 2010: \$66,235	
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Regarding new entrants, the Commonwealth Bank of Australia has been reported by the market to have participated in some syndicated ship finance, and to have concluded some bilateral finance. Also, there are a number of Far Eastern banks showing interest in the Greek market, primarily for ship building finance. Germany, Holland and Greece show no change but all other European and international sectors show a rise.

Graph 3

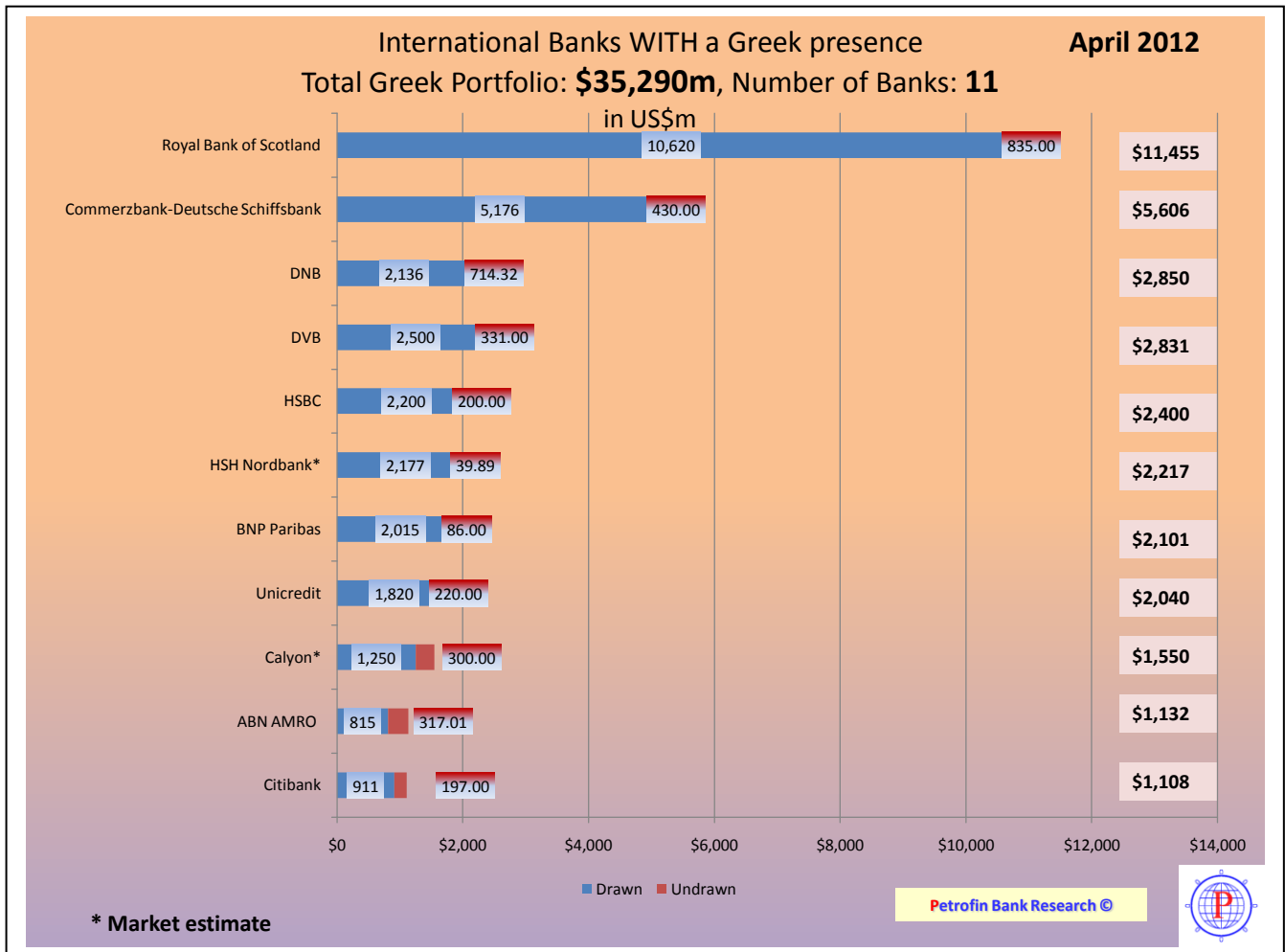


B. Analysis of the 3 bank groups

International Banks WITH a Greek Presence

In **Graph 4** we note that the International Banks with a Greek presence is the leading group of banks commanding the biggest portfolio at **\$35.290bn**. This is a decrease by 1.65% since 2010. It marks the third year in a row where we observe an overall reduction in these banks' portfolios.

Graph 4



This is still the Group with the highest exposure to Greek shipping.

In Tables 6 and 7 below we note the differences between the Drawn loans and the Committed but Undrawn loans for the last 3 years for the Banks WITH a Greek presence:

Table 6:

International Banks WITH a Greek presence - Drawn Loans (in US\$m)					
	end 2011	end 2010	end 2009	end 2008	Change between 2011 and 2010
Royal Bank of Scotland	\$10,620	\$11,288	\$11,279	\$10,730	-5.92% (Between 2009 and 2010: +0.08%)
HSH Nordbank*	\$2,177	\$2,881	\$4,583	\$4,402	-24.44% (Between 2009 and 2010: -37.14%)
Commerzbank- Deutsche Schiffsbank	\$5,176	\$5,007	\$4,046	\$4,100	+3.38% (Between 2009 and 2010: +23.75%)
Calyon*	\$1,250	\$1,500	\$1,500	\$1,750	-16.67% (Between 2009 and 2010: 0%)
Unicredit	\$1,820	\$1,701.4	\$1,562	\$1,640	+6.97% (Between 2009 and 2010: +8.92%)
DVB	\$2,500	\$2,080	\$1,309	\$1,250	+20.19 (Between 2009 and 2010: +58.9%)
ABN AMRO	\$815	\$304.07	\$135	\$204	+168.03% (Between 2009 and 2010: +125.24%)
HSBC	\$2,200	\$1,900	\$1,450	\$1,233	+15.79% (Between 2009 and 2010: +31.03%)
BNP Paribas	\$2,015	\$1,980	\$750	\$523	+1.77% (Between 2009 and 2010: +164%)
Citibank	\$911	\$780	\$875	\$1,100	+16.79% (Between 2009 and 2010: -10.86%)
DNB	\$2,136	\$2,297	\$2,257	\$2,530	+7.01% (Between 2009 and 2010: +1.77%)
*Market Estimate					
Total	\$31,620.25	\$31,718	\$30,861	\$29,020	-0.31% (Between 2009 and 2010: -2.78%)
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Interestingly, 3 of the biggest lenders are showing decreases, whereas the remaining banks are all showing modest increases. The declining 3 banks do outweigh the growing 8 ones resulting in an overall decline in loan totals by 0.31% over the last year.


Table 7:

International bank WITH a Greek presence - Committed but Undrawn loans (in US\$m)					
	end 2011	end 2010	end 2009	end 2008	Change between 2011 and 2010
Royal Bank of Scotland	\$835	\$1,150.68	\$2,023	\$3,250	-27.45% (Between 2009 and 2010: -43.12%)
HSH Nordbank*	\$40	\$241	\$619	\$1,268	-83.4% (Between 2009 and 2010: -61.03%)
Commerzbank-Deutsche Schiffsbank	\$430	\$549	\$923	\$1,550	-21.68% (Between 2009 and 2010: -40.52%)
Calyon*	\$300	\$500	\$500	\$1,000	-40% (Between 2009 and 2010: -0%)
Unicredit	\$220	\$183.4	\$389	\$536	+19.96% (Between 2009 and 2010: -52.88%)
DVB	\$331	\$94	\$161	\$600	+252.13% (Between 2009 and 2010: -41.61%)
ABN AMRO	\$317	\$41.54	\$116	\$32	+663.12% (Between 2009 and 2010: -64.19%)
HSBC	\$200	\$400	\$200	\$110	-50% (Between 2009 and 2010: +100%)
BNP Paribas	\$86	\$264	\$499	\$716	-67.42% (Between 2009 and 2010: -47.09%)
Citibank	\$197	\$160	\$65	\$45	+23.13% (Between 2009 and 2010: +146.15%)
DNB	\$714	\$580	\$287	\$512	+23.1% (Between 2009 and 2010: +102.09%)
* Market estimate					
Total	\$3,670.22	\$4,164	\$5,916	\$9,964	-11.86% (Between 2009 and 2010: -29.62%)

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In **Table 8**, below, we present the evolutionary growth (or decline) of the Greek shipping portfolio of this Group over the last year and the Average Annual Growth over 7 years for each bank, as well as the Annual Group Growth over the last 11 years (or since data exist):

Table 8

	Banks	% of Bank portfolio growth December 2010 - December 2011	% of Bank portfolio growth December 2009 - December 2010	% of Bank portfolio growth December 2008 - December 2009	% of Bank portfolio growth December 2007 - December 2008	% 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	Overall Average Growth 2001 – 2011 (or since data exist)
International Banks with a Greek Presence	Royal Bank of Scotland	-7.91%	-6.49%	-4.85%	8%	23.59%	29.32%	19.58%	50.51%	15.99%
	HSH Nordbank*	-28.98%	-39.98%	-8.26%	-3.89%	40.61%	20.99%	22.28%	21.51%	-0.64%
	Citibank	+17.87%	0%	-17.9%	-10.55%	12.28%	12.32%	-16.80%	75.54%	5.48%
	Calyon*	-22.5%	0%	-27.27%	10%	92.31%	-13.33	n/a	n/a	8.67%
	HSBC	+4.35%	+39.39%	+22.86%	-21%	-24.11%	91.45%	11.43%	13.51%	13.11%
	DVB	+30.22%	+47.89%	-20.54%	7.56%	37.49%	16.92%	21.59%	13.26%	16.78%
	Unicredit	+8.23%	-3.41%	-10.33	6.51%	34.41%	52.00%	22.70%	36.97%	21.13%
	BNP Paribas	-6.37%	+79.66%	+0.82%	59.86%	113.01%	-9.27%	0.12%	22.29%	22.55%
	Commerzbank-Deutsche Schiffsbank	+0.9%	+11.81%	-12.05%	17.71%	29.73%	8.82%	9.68%	24.50%	16.19%
	DNB	-0.94%	+13.09%	-16.37%	39.48%	-17.29%	147.14%	27.78%	29.46%	34.24%
	ABN AMRO	+227.59%	+37.69%	6.22%	n/a	n/a	n/a	n/a	n/a	68.58%
	Annual Group Growth	-1.65%	-2.43%	-5.66%	+5.25%	+52.73%	+24.11%	+40.19	+37.67%	17.48%
* Based on market estimates										
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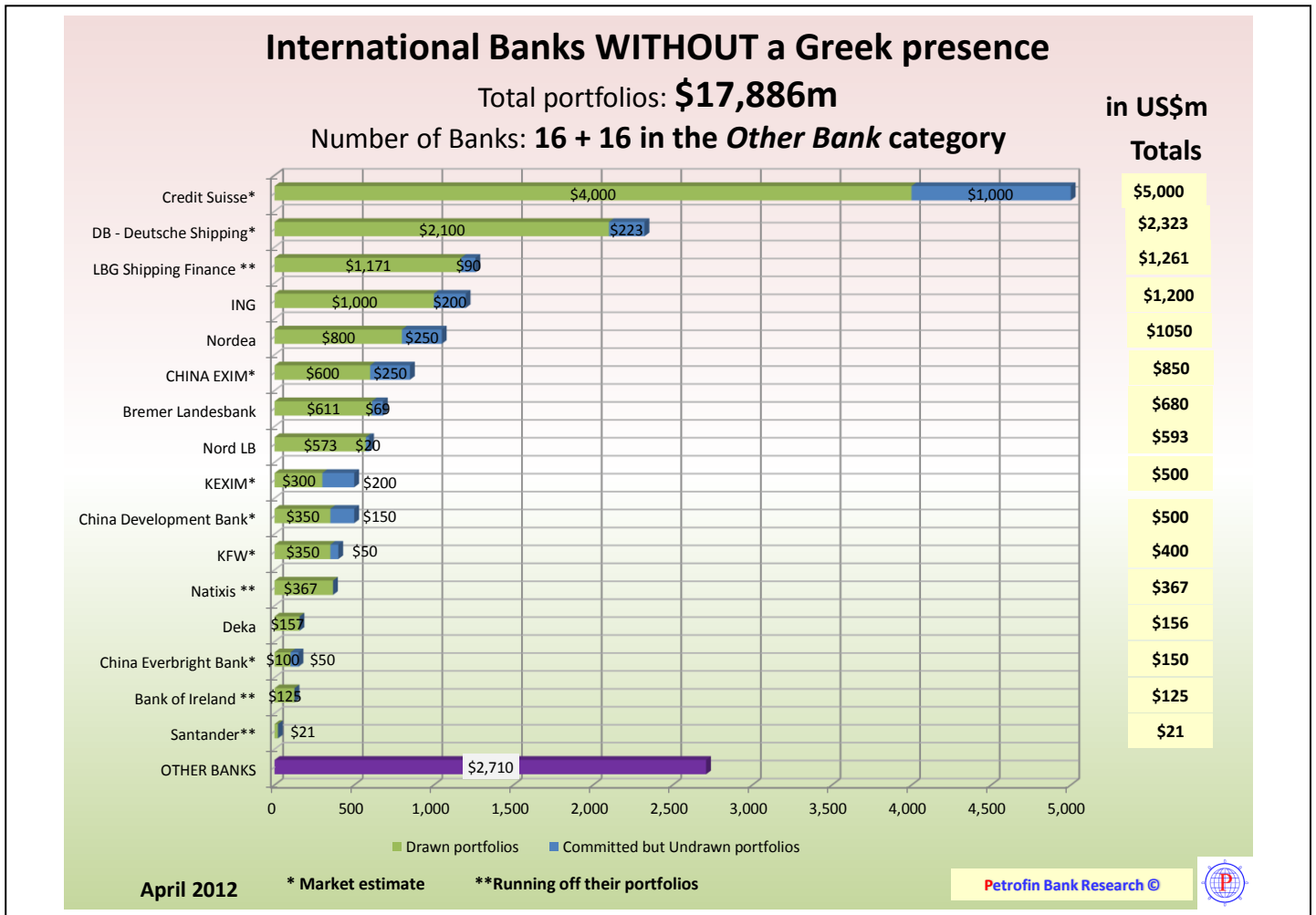
The only bank that shows a year on year negative growth for the first time is HSH Nordbank (-0.64%). Otherwise, against an average 11-year growth of 17.48% per annum, the top performers are ABN Amro 68.58%, DNB 34.24%, BNP Paribas 22.55% and Unicredit 21.13%.

International Banks WITHOUT a Greek Presence

16 banks have been added to the existing 16. These new 16 banks have been identified in participating in syndications with some of them rumoured to provide bilateral loans as well. Their overall portfolio, according to market estimates and our research, stood at approx. \$2.71bn. These banks have chosen to keep a low profile and do not produce Greek shipping finance statistics.

Regarding the original 16 banks with no representation in Greece, it is interesting to observe that Far Eastern banks have increased their exposure. Also, ING shows the biggest increase to \$1.5bn. The overall portfolio of this group stood at **\$17,886m**, i.e. a rise of **+23.62** compared to **+2.6% last year** (compared to a fall of 18.49% the year before). Also, it is the only group that has shown any overall rise in their exposure at all.

Graph 5



In the Tables below, we observe banks' performance in terms of their Drawn and Committed but undrawn loans. Interestingly, this is also the only category with declared exits from ship finance. Bank of Ireland, LBG, Natixis and Santander are running off their portfolios.

Table 9:

	International banks WITHOUT a Greek presence – DRAWN LOANS (in US\$m)				Change
	end 2011	end 2010	end 2009	end 2008	Change between 2010 and 2009
Credit Suisse*	\$4,000	\$3,500	\$3,000	\$3,000	+14.29% (Between 2009 and 2010: +16.67%)
DB - Deutsche Shipping*	\$2,100	\$2,439	\$1,122	\$902	-13.90% (Between 2009 and 2010: +117.38%)
LBG Shipping Finance**	\$1,171	\$1,272	\$1,145	\$994	-7.94% (Between 2009 and 2010: +11.07%)
Nordea	\$800	\$1,050	\$800	\$840	-23.81% (Between 2009 and 2010: +31.25%)
Bremer Landesbank	\$611	\$449	\$468	\$325	+36.08% (Between 2009 and 2010: -4.09%)
Nord LB	\$573	\$525	\$580	\$580	+9.14% (Between 2009 and 2010: -9.48%)
CHINA EXIM*	\$600	\$500	\$150		+20% (Between 2009 and 2010: +233%)
KFW*	\$350	\$332.5	\$350	\$370	+5.2% (Between 2009 and 2010: -5%)
Natixis**	\$367	\$442	\$440		-16.9% (Between 2009 and 2010: +0.45%)
ING	\$1,000	\$402	\$180	\$127	+148.76% (Between 2009 and 2010: +122.84%)
KEXIM*	\$300	\$200	\$150		+50% (Between 2009 and 2010: +33.33%)
China Everbright Bank*	\$100				-
Bank of Ireland**	\$125	\$161	\$195	\$192	-22.36% (Between 2009 and 2010: -17.48%)
Deka	\$156	\$100	\$100	\$100	+56% (Between 2009 and 2010: 0.00%)
Santander**	\$21	\$50	\$35	\$120	-58% (Between 2009 and 2010: +42.86%)
China Development Bank*	\$350				-
* Market estimates ** Running off portfolios					
Total	\$12,624	\$11,648	\$10,516	\$11,778	+8.38% (Between 2009 and 2010: +10.76%)
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Table 10

	International banks WITHOUT a Greek presence - Committed but Undrawn Loans (in US\$m)				Change
	end 2011	end 2010	end 2009	end 2008	Change between 2011 and 2010
Credit Suisse*	\$1,000	\$1,000	\$1,000	\$1,900	0% (Between 2009 and 2010: 0%)
DB - Deutsche Shipping*	\$223	\$174	\$327	\$692	+28.16% (Between 2009 and 2010: -46.79%)
LBG Shipping Finance**	\$90	\$89	\$250	\$593	0% (Between 2009 and 2010: -64.42%)
Nordea	\$250	\$300	\$100	\$200	-1.67% (Between 2009 and 2010: +200%)
Bremer Landesbank	\$69	\$454	\$491	\$520	-84.80% (Between 2009 and 2010: -7.37%)
Nord LB	\$20	\$162	\$94	\$94	-87.65% (Between 2009 and 2010: +72.23%)
CHINA EXIM*	\$250	\$150	\$94	\$94	+66.67 (Between 2009 and 2010: -57.14%)
KFW*	\$50	\$225	\$250	\$224	-77.78% (Between 2009 and 2010: -10%)
Natixis**	\$0	\$16	\$78		-100% (Between 2009 and 2010: -79.49%)
ING	\$200	\$0	\$17	\$134	+200% (Between 2009 and 2010: -100%)
KEXIM*	\$200	\$200	\$250		0% (Between 2009 and 2010: -20%)
China Everbright Bank*	\$50				-
Bank of Ireland**	\$0	\$0	\$18	\$40	0% (Between 2009 and 2010: -100%)
Deka	\$0	\$50	\$100	\$120	-100% (Between 2009 and 2010: -50%)
Santander**	\$0	\$0	\$0		0%
China Development Bank*	\$150				-
	* Market estimates ** Running off portfolios				
Total	\$2,552	\$2,821	\$3,585	\$5,521	-9.54% (Between 2009 and 2010: -21.32%)

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With the exception of ING, China Exim*, DB bank*, China Everbright Bank* and CDB*, all the other banks have shown either flat or declining numbers.

Table 11

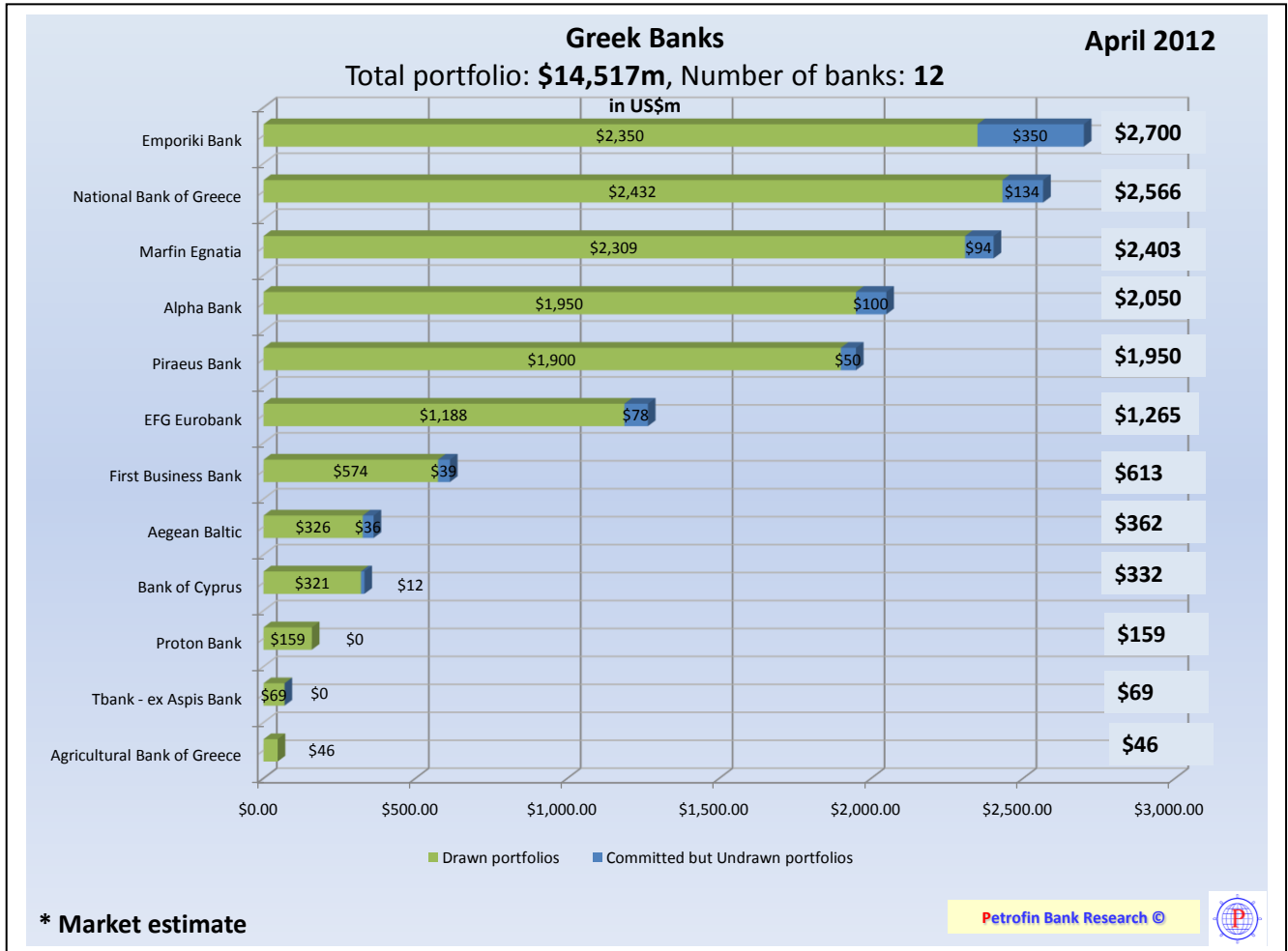
	Banks	% of Bank portfolio growth between December 2010 and December 2011	% of Bank portfolio growth between December 2009 and December 2010	% of Bank portfolio growth between December 2008 and December 2009	% of Bank portfolio growth between December 2007 and December 2008	% of Bank portfolio growth 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	Overall Average Growth 2001 – 2011 (or since data exist)
International Banks without a Greek Presence	Credit Suisse*	+11.11%	12.50%	-18.37%	40%	34.62%	40.54%	15.63%	77.78%	27.23%
	KFW*	-28.25%	-7.08%	+1.09%	18.47%	-4.57%	-18.10%	-10.26%	-17.90%	-3.97%
	Bremer Landesbank	-24.77%	-5.77%	+13.49%	-2.76%	96.16%	-1.12%	-5.38%	14.36%	7.66%
	Nordea	-22.22%	50%	-13.46%	8.33%	47.69%	23.57%	44.90%	29.64%	11.32%
	LBG Shipping**	-7.36%	-2.47%	n/a	57.08%	-12.25%	94.90%	61.66%	23.71%	-4.95%
	Bank of Ireland**	-22.36%	-24.54%	-8.04%	127.45%	6.25%	-31.43	16.67%	166.67%	13.62%
	Nord LB	-13.67%	1.94%	0%	-0.11%	25.58%	137.84	88.33%	-21.88%	18.4%
	ING	+198.51%	103.63%	-24.47%	-9.24%	8.75%	128.95	65.57%	107.92%	37.41%
	Deka	+4.4	-25%	-9.09%	n/a	n/a	n/a	n/a	n/a	-10.71%
	DB Shipping*	-11.1%	80.33%	-9.1%	65.01%	445.76%	120.15	47.14%	56.11%	41.94%
	Santander**	-58%	42.86%	-70.83%	-20%	n/a	n/a	n/a	n/a	-38.38%
	China Everbright Bank*									
	CHINA Exim*	+30.77%	30%	n/a						
Natixis**	-19.88%	-11.58%	-16.18%	11.96%	33.66%	123%	351%	-27.30%	26.38%	
KEXIM*	+25%	0%	n/a							
	China Development Bank*									
	Annual Group Growth – including other banks	+23.62%	+2.6%	-18.49%	+23.03%	-4.91%	+47.15%	-16.74%	+23.32%	11.24%
* Based on market estimates										
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The top performers over the last 11-year period have been DB shipping* and ING followed by Credit Suisse* and China Exim* banks.

Greek Banks

The Greek sector has remained steady in the number of banks that comprise it. Since last year it has lost a further -8.6% in exposure to Greek shipping.

Graph 6



The National Bank of Greece has surrendered its leadership to Emporiki.

The distinction of Drawn and Committed but Undrawn again sheds more light in each bank's behaviour and attitude towards the market. The situation regarding the Greek banks is as follows:

Table 12:

	Greek Banks - Drawn Loans (in US\$m)				
	end 2011	end 2010	end 2009	end 2008	Change between 2011 and 2010
National Bank of Greece	\$2,432	\$2,545	\$2,374	\$2,382	-14.58% (Between 2009 and 2010: +7.2%)
Alpha Bank	\$1,950	\$2,120	\$2,275	\$2,100	-17% (Between 2008 and 2010: -6.81%)
Emporiki Bank	\$2,350	\$2,126	\$2,010	\$1,650	-1.1% (Between 2009 and 2010: +5.77%)
Marfin Egnatia	\$2,309	\$2,181.08	\$1,900	\$2,035	-3.22% (Between 2009 and 2010: +14.79%)
Piraeus Bank	\$1,900	\$1,870	\$1,700	\$1,960	-2.5% (Between 2009 and 2010: +10%)
EFG Eurobank	\$1,188	\$1,210.64	\$1,181	\$1,001	-10.23% (Between 2009 and 2010: +2.51%)
First Business Bank	\$574	\$662.91	\$815	\$768	-10.8% (Between 2009 and 2010: -18.65%)
Bank of Cyprus	\$321	\$360.21	\$430	\$302	-11.72% (Between 2009 and 2010: -16.23%)
Aegean Baltic	\$326	\$290.51	\$308	\$273	+10.85% (Between 2009 and 2010: -5.69%)
Proton Bank	\$159	\$202.44	\$105	\$130	-27.71% (Between 2009 and 2009: +92.8%)
Agricultural Bank of Greece	\$69	\$65.82	\$68	\$88	-29.38% (Between 2009 and 2010: -3.69%)
Tbank – (ex - Aspis Bank)	\$46	\$80.95	\$63	\$88	-37.26% (Between 2009 and 2010: +28.7%)
	* Market estimates				
Total	\$13,624.62	\$13,715.56	\$13,229	\$12,777	-0.66% (Between 2009 and 2010: +3.68%)
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All banks are down with the exception of Aegean Baltic. The biggest reduction among the top banks relate to NBG and Alpha, whereas Emporiki, Marfin and Piraeus have remained relatively flat.

Table 13:

Greek Banks - Committed but Undrawn loans (in US\$m)					
	end 2011	end 2010	end 2009	end 2008	Change between 2011 and 2010
National Bank of Greece	\$134	\$459	\$843	\$1,164	-70.81% (Between 2009 and 2010: -45.55%)
Alpha Bank	\$100	\$350	\$400	\$550	-71.43% (Between 2009 and 2010: -12.5%)
Emporiki Bank	\$350	\$604	\$610	\$1,320	-42.05% Between 2009 and 2010: -0.98%
Marfin Egnatia	\$94	\$301.89	\$550	\$400	-68.86% (Between 2009 and 2010: -45.11%)
Piraeus Bank	\$50	\$130	\$110	\$118	-61.54% (Between 2009 and 2010: +18.18%)
EFG Eurobank	\$78	\$198.86	\$192	\$298	-60.78% (Between 2009 and 2010: +3.41%)
First Business Bank	\$39	\$24.84	\$81	\$108	+57% (Between 2009 and 2010: -69.3%)
Bank of Cyprus	\$11.5	\$16	\$60	\$147	-28.13% (Between 2009 and 2010: -73.33%)
Aegean Baltic	\$36	\$36.45	\$31	\$51	0% (Between 2009 and 2010: +16.22%)
Proton Bank	\$0	\$17.50	\$22	\$12	-100% (Between 2009 and 2010: -18.6%)
Agricultural Bank of Greece	\$0	\$0	\$0	\$0	0%
Tbank (ex Aspis Bank)	\$0	\$29.50	\$12	\$0	-100% (Between 2009 and 2010: +139.47%)
* Market estimates					
Total	\$892.46	\$2,168.04	\$2,911	\$4,168	-58.84% (Between 2009 and 2010: -25.53%)
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Only FBB shows a glimmer of committing some funds to the future. Even Aegean Baltic is staying put. The remainder are rapidly allowing committed but undrawn lines to lapse without replacement.

Table 14

	Banks	% of Bank portfolio growth between December 2010 and December 2011	% of Bank portfolio growth between December 2009 and December 2010	% of Bank portfolio growth between December 2008 and December 2009	% of Bank portfolio growth between December 2007 and December 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	Overall Average Growth 2001 – 2011 (or since data exist)
Greek Banks	National Bank of Greece	-14.58%	-6.62%	-9.26%	48.22%	49.5%	40.35%	-18.57%	1.52%	11.05%
	Alpha Bank	-17%	-7.66%	0.94%	-1.01%	99.78%	-9.46%	9.63%	12.50%	10.15%
	Emporiki Bank	-1.10%	4.2%	-11.78%	57.14%	77.97%	13.22%	7.82%	2.35%	21.04%
	Piraeus Bank	-2.5%	10.5%	-12.9%	-38.45%	197.71%	26.42%	3.46%	-5.76%	16.46%
	EFG Eurobank	-10.23%	2.64%	+5.76%	-19.34%	143.57%	9.87%	6.05%	59.85%	20.14%
	First Business Bank	-10.8%	-23.22%	+2.27%	9.07%	72.1%	2.11%	3.02%	18.45%	7.42%
	Bank of Cyprus	-11.72%	-23.22%	+8.97%	66.54%	500%	12.50%	-47.37%	16.92%	0.19%
	Aegean Baltic	+10.85%	-3.67%	+4.76%	52.83%	43.24%	38.32%	46.58%	111.59%	34.18%
	Proton Bank	-27.71%	73.87%	-10.8%	-25.36%	223.68%	n/a	15.01% (Omega figure)	75% (Omega figure)	23.18%
	Agricultural Bank of Greece	29.38%	-3.69%	-22.46%	83.63%	14.29%	45.53%	n/a	n/a	11.12%
	Marfin-Egnatia	-3.22%	1.35%	0.62%	8.22%	204.05%	n/a	n/a	n/a	26.56%
	Tbank – (ex Aspis Bank)	-37.26%	46.84%	-14.33%	-28.03%	144.79%	60.25%	-22.52%	n/a	7.11%
	Annual Group Growth	-8.6%	-1.59%	-4.74%	+6.97%	+115.59%	12.63%	+2.82%	+12.45%	15.93%
* Based on market estimates										
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The Greek state crisis and the associated Greek bank crisis have put an end to a very long and sustained rise in Greek ship finance by Greek banks. Over the last 11 years, Aegean Baltic has shown the largest annual average growth at 34.18% followed by Marfin 26.56%, Proton 23.18%, Emporiki 21.04% and EFG 20.14%. The slowest performers among the biggest banks have been Alpha and NBG.

C. Bank ranking and growth patterns

In the Table 15 below all banks are presented according to portfolio size.

Rank	as of end 2011			as of end 2010			as of end 2009			as of end 2008	
	Bank	Total exposure in \$m	% of change	Bank	Total exposure in \$m	% of change	Bank	Total exposure in \$m	% of change	Bank	Total exposure in \$m
1	Royal Bank of Scotland	\$11,455	-7.91%	Royal Bank of Scotland	\$12,439	-6.49%	Royal Bank of Scotland	\$13,302	-4.85%	Royal Bank of Scotland	\$13,980
2	Commerzbank-Deutsche Schiffsbank	\$5,606	0.90%	Deutsche Schiffsbank	\$5,556	11.81%	HSH Nordbank	\$5,202	-8.26%	HSH Nordbank	\$5,671
3	Credit Suisse*	\$5,000	11.11%	Credit Suisse*	\$4,500	12.5%	Deutsche Schiffsbank	\$4,969	-12.05%	Deutsche Schiffsbank	\$5,650
4	DNB	\$2,850	-0.94%	HSH Nordbank*	\$3,122	-39.98%	Credit Suisse*	\$4,000	-18.37%	Credit Suisse*	\$4,900
5	DVB	\$2,831	30.22%	National Bank of Greece	\$3,004	-6.62%	National Bank of Greece	\$3,217	-9.26%	National Bank of Greece	\$3,545
6	Emporiki Bank	\$2,700	-1.10%	DNB Nor	\$2,877	13.09%	Alpha Bank	\$2,675	0.94%	DNB	\$3,042
7	National Bank of Greece	\$2,566	-14.58%	Emporiki Bank	\$2,730	4.2%	Emporiki Bank of Greece	\$2,620	-11.78%	Emporiki Bank of Greece	\$2,970
8	Marfin Egnatia	\$2,403	-3.22%	DB - Deutsche shipping	\$2,613	80.33%	DNB Nor	\$2,544	-16.37%	Calyon*	\$2,750
9	HSBC	\$2,400	4.35%	Marfin Egnatia	\$2,483	1.35%	Marfin Egnatia	\$2,450	0.62%	Alpha Bank	\$2,650
10	DB - Deutsche Shipping*	\$2,323	-11.10%	Alpha Bank	\$2,470	-7.66%	Calyon*	\$2,000	-27.27%	Marfin-Laiki	\$2,435
11	HSH Nordbank*	\$2,217	-28.98%	HSBC	\$2,300	39.39%	HVB/Unicredit	\$1,951	-10.33%	HVB	\$2,176
12	BNP Paribas	\$2,101	-6.37%	BNP Paribas	\$2,244	79.66%	Piraeus Bank*	\$1,810	-12.90%	Piraeus	\$2,078
13	Alpha Bank	\$2,050	-17.00%	DVB	\$2,174	47.89%	Commerzbank/ex-Dresdner	\$1,684	-13.82%	DVB	\$1,850
14	Unicredit	\$2,040	2.00%	Calyon*	\$2,000	0%	HSBC	\$1,650	22.86%	Fortis Bank Belgium	\$1,800
15	Piraeus Bank	\$1,950	-2.50%	Piraeus Bank*	\$2,000	10.5%	Fortis Bank Belgium	\$1,500	-16.67%	Commerzbank	\$1,600
16	Calyon*	\$1,550	-22.50%	Unicredit	\$1,885	-3.41%	DVB	\$1,470	-20.54%	DB/SHL Shipping	\$1,594
17	EFG Eurobank	\$1,265	-10.23%	EFG Eurobank	\$1,410	2.64%	DB - Deutsche shipping	\$1,449	-9.10%	Bank of Scotland	\$1,354
18	LBG Shipping Finance **	\$1,261	-7.36%	LBG Shipping Finance	\$1,361	-2.47%	LBG Shipping Finance - (Lloyds/Bank of Scotland)	\$1,396		HSBC	\$1,343
19	ING	\$1,200	198.51%	Nordea	\$1,350	50%	EFG Eurobank	\$1,373	5.76%	EFG Eurobank	\$1,299
20	ABN AMRO	\$1,132	227.58%	Citibank	\$940	0%	BNP Paribas	\$1,249	0.82%	BNP PARIBAS	\$1,239
21	Citibank	\$1,108	17.87%	Bremer Landesbank	\$904	-5.77%	Bremer Landesbank	\$959	13.49%	Citibank	\$1,145
22	Nordea	\$1,050	-22.22%	First Business Bank	\$688	-23.22%	Citibank	\$940	-17.90%	Nordea	\$1,040
23	CHINA EXIM*	\$850	30.77%	Nord LB	\$687	1.94%	Nordea	\$900	-13.46%	First Business Bank	\$876
24	Bremer Landesbank	\$680	-24.77%	CHINA EXIM*	\$650	30%	First Business Bank	\$896	2.27%	Bremer Landesbank	\$845
25	First Business Bank	\$613	-10.80%	KFW*	\$558	-7.08%	Nord LB	\$674	0.00%	ABN (subsidiary undertaking of Royal Bank of Scotland)	\$763
26	Nord LB	\$593	-13.67%	Natixis	\$458	-11.58%	KFW*	\$600	1.09%	Nord LB	\$674
27	KEXIM*	\$500	25.00%	ING	\$402	103.63%	Natixis	\$518	-16.18%	Natixis	\$618
28	China Development Bank*	\$500		KEXIM*	\$400	0%	CHINA EXIM*	\$500		KFW	\$594
29	KFW*	\$400	-28.25%	Bank of Cyprus	\$376	-23.22%	Bank of Cyprus	\$490	8.97%	Bank of Cyprus	\$450
30	Natixis **	\$367	-19.88%	ABN AMRO (ex Fortis Bank Netherlands)	\$346	39.69%	KEXIM*	\$400		Dresdner Bank	\$354
31	Aegean Baltic	\$362	10.86%	Aegean Baltic	\$327	-3.67%	Aegean Baltic	\$339	4.76%	Aegean Baltic	\$324
32	Bank of Cyprus	\$332	-11.72%	Proton Bank	\$220	73.87%	Fortis Bank NL	\$251	6.22%	ING	\$261
33	Proton Bank	\$159	-27.71%	Beremberg*	\$200	100%	Bank of Ireland	\$213	-8.04%	Fortis Bank NL	\$236
34	Deka	\$157	4.40%	Bank of Ireland	\$161	-24.54%	Deka*	\$200	-9.09%	Lloyds Bank	\$233
35	China Everbright Bank*	\$150		Deka*	\$150	-25%	ING	\$197	-24.47%	Bank of Ireland	\$232
36	Bank of Ireland **	\$125	-22.36%	Tbank - (ex Aspis Bank)	\$110	46.84%	Proton Bank	\$127	-10.80%	Deka	\$220
37	Tbank	\$69	-37.26%	Agricultural Bank of Greece	\$66	-3.69%	Beremberg*	\$100		Proton Bank	\$142
38	Agricultural Bank of Greece	\$46	-29.38%	Santander (Alliance and Leicester)	\$50	42.86%	Aspis Bank	\$75	-14.33%	Alliance and Leicester/Santander	\$120
39	Santander**	\$21	-58.00%	Corner*	\$25	0%	Agricultural Bank of Greece	\$68	-22.46%	Agricultural Bank of Greece	\$88
	OTHER BANKS	\$2,710					Santander/Abbey-ex Alliance and Leicester	\$35	-70.83%	Aspis Bank	\$88
	Total portfolios WITHOUT OTHER BANKS	\$64,984	-1.89%				Corner Bank*	\$25			
	Total portfolios including OTHER BANKS	\$67,694	+2.20%	Total portfolios	\$66,235	-1.17%	Total portfolios	\$67,020	-8.48%	Total portfolios	\$73,228

Greek Banks

*Market estimate

**Running off shipping portfolio

In terms of Drawn loans the last three years the evolution of portfolios is as per Table 16 below:

Table 16: Comparison table of Drawn only loan portfolios (in US\$m)

end 2011		end 2010		end 2009		end 2008		end 2007	
Royal Bank of Scotland	\$10,620.00	Royal Bank of Scotland	\$11,288.00	Royal Bank of Scotland	\$11,279	Royal Bank of Scotland	\$10,730	Royal Bank of Scotland	\$8,565
Commerzbank-Deutsche Schiffsbank	\$5,176.00	Deutsche Schiffsbank	\$5,007.00	HSH Nordbank	\$4,583	HSH Nordbank	\$4,402	HSH Nordbank	\$4,300
Credit Suisse*	\$4,000.00	Credit Suisse*	\$3,500.00	Deutsche Schiffsbank	\$4,046	Deutsche Schiffsbank	\$4,100	Deutsche Schiffsbank	\$3,400
DNB	\$2,135.66	HSH Nordbank*	\$2,881.00	Credit Suisse*	\$3,000	Credit Suisse*	\$3,000	Credit Suisse*	\$2,550
DVB	\$2,500.00	National Bank of Greece	\$2,545.00	National Bank of Greece	\$2,374	DNB	\$2,530	Piraeus Bank	\$2,085
Emporiki Bank	\$2,350.00	DNB Nor	\$2,297.00	Alpha Bank	\$2,275	National Bank of Greece	\$2,382	Alpha Bank	\$2,067
National Bank of Greece	\$2,432.00	Emporiki Bank	\$2,126.00	DNB Nor	\$2,257	Alpha Bank	\$2,100	National Bank of Greece	\$1,555
Marfin Egnatia	\$2,309.00	DB - Deutsche shipping	\$2,439.00	Emporiki Bank	\$2,010	Marfin-Laiki	\$2,035	Calyon*	\$1,500
HSBC	\$2,200.00	Marfin Egnatia	\$2,181.08	Marfin Egnatia	\$1,900	Piraeus	\$1,960	HSBC	\$1,500
DB - Deutsche Shipping*	\$2,100.00	Alpha Bank	\$2,120.00	Piraeus Bank*	\$1,700	Calyon*	\$1,750	Commerzbank	\$1,463
HSH Nordbank*	\$2,177.43	HSBC	\$1,900.00	HVB/Unicredit	\$1,562	Emporiki Bank of Greece	\$1,650	DNB Nor	\$1,406
BNP Paribas	\$2,015.00	BNP Paribas	\$1,980.00	Commerzbank/ex-Dresdner	\$1,540	HVB	\$1,640	HVB	\$1,285
Alpha Bank	\$1,950.00	DVB	\$2,080.00	Calyon*	\$1,500	DVB Bank	\$1,250	Marfin-Laiki	\$1,200
Unicredit	\$1,820.00	Calyon*	\$1,500.00	HSBC	\$1,450	HSBC	\$1,233	Citibank	\$1,145
Piraeus Bank	\$1,900.00	Piraeus Bank*	\$1,870.00	DVB	\$1,309	Fortis Bank Belgium	\$1,200	DVB Bank	\$1,120
Calyon*	\$1,250.00	Unicredit	\$1,701.40	Fortis Bank Belgium	\$1,250	Commerzbank	\$1,140	EFG Eurobank	\$970
EFG Eurobank	\$1,187.64	EFG Eurobank	\$1,210.64	EFG Eurobank	\$1,181	Citibank	\$1,100	Emporiki Bank of Greece	\$950
LBG Shipping Finance **	\$1,171.00	LBG Shipping Finance	\$1,272.18	LBG Shipping Finance	\$1,145	EFG Eurobank	\$1,001	ABN	\$950
ING	\$1,000.00	Nordea	\$1,050.00	DB-Deutsche Shipping	\$1,122	DB/SHL Shipping	\$902	Fortis Bank	\$875
ABN AMRO	\$815.16	Citibank	\$780.00	Citibank	\$875	Nordea	\$840	Nordea	\$760
Citibank	\$911.00	Bremer Landesbank	\$449.27	First Business Bank	\$815	Bank of Scotland	\$834	Bank of Scotland	\$673
Nordea	\$800.00	First Business Bank	\$662.91	Nordea	\$800	First Business Bank	\$768	First Business Bank	\$627
CHINA EXIM*	\$600.00	Nord LB	\$525.00	BNP Paribas	\$750	ABN (subsidiary undertaking of Royal Bank of Scotland)	\$625	Nord LB	\$475
Bremer Landesbank	\$610.73	CHINA EXIM*	\$500.00	Nord LB	\$580	Nord LB	\$580	Bremer Landesbank	\$392
First Business Bank	\$574.28	KFW*	\$332.50	Bremer Landesbank	\$468	BNP PARIBAS	\$523	Natixis	\$381
Nord LB	\$573.40	Natixis	\$442.00	Natixis	\$440	Natixis	\$467	KFW	\$355
KEXIM*	\$300.00	ING	\$402.00	Bank of Cyprus	\$430	KFW	\$370	Dresdner bank	\$350
China Development Bank*	\$350.00	KEXIM*	\$200.00	Aegean Baltic	\$308	Dresdner Bank	\$354	BTMU Capital Corporation*	\$350
KFW*	\$350.00	Bank of Cyprus	\$360.21	KFW*	\$350	Bremer Landesbank	\$325	BNP PARIBAS	\$298
Natixis **	\$366.96	ABN AMRO (Fortis Bank Netherlands)	\$304.07	Bank of Ireland	\$195	Bank of Cyprus	\$302	DB/SHL Shipping	\$288
Aegean Baltic	\$326.32	Aegean Baltic	\$290.51	ING	\$180	Aegean Baltic	\$273	Korea Development Bank*	\$250
Bank of Cyprus	\$320.60	Proton Bank	\$202.44	KEXIM*	\$150	Fortis Bank NL	\$204	ING	\$225
Proton Bank	\$159.00	Berenberg*	\$200.00	CHINA EXIM*	\$150	Bank of Ireland	\$192	Aegean Baltic	\$160
Deka	\$156.60	Bank of Ireland	\$161.00	Fortis Bank NL	\$135	Lloyds Bank	\$160	Bank of America	\$150
China Everbright Bank*	\$100.00	Deka*	\$100.00	Proton Bank	\$105	Proton Bank	\$130	Alliance and Leicester	\$150
Bank of Ireland **	\$125.00	Tbank - ex Aspis Bank	\$80.95	Deka*	\$100	ING	\$127	Berenberg	\$150
Tbank	\$69.30	Agricultural Bank of Greece	\$65.82	Berenberg*	\$100	Alliance and Leicester/Santander	\$120	Proton Bank	\$149
Agricultural Bank of Greece	\$46.48	Santander/ex Alliance and Leicester	\$50.00	Agricultural Bank of Greece	\$68	Deka	\$100	Bank of Cyprus	\$132
Santander**	\$21.00	Corner*	\$25.00	Aspis Bank	\$63	Agricultural Bank of Greece	\$88	Aspis Bank	\$102
OTHER BANKS	\$2,710.00			Santander/abbey-ex-alliance and Leicester	\$35	Aspis Bank	\$88	Agricultural Bank of Greece	\$48
* Market estimates				Corner Bank*	\$25			Bank of Ireland	\$20
** Running off portfolios									
Drawn totals	\$60,580	Drawn totals	\$57,082	Drawn totals	\$54,606	Drawn totals	\$53,575	Drawn totals	\$45,371

And the same comparison for Committed but Undrawn loans is shown in Table 17:

Table 17: Comparison Table of Committed but Undrawn only Loan portfolios (in US\$m)

as of end 2011		as of end 2010		as of end 2009		as of end 2008		as of end 2007	
Royal Bank of Scotland	\$835.00	Royal Bank of Scotland	\$1,150.68	Royal Bank of Scotland	\$2,023	Royal Bank of Scotland	\$3,250	Royal Bank of Scotland	\$4,380
Commerzbank-Deutsche Schiffsbank	\$430.00	Credit Suisse*	\$1,000.00	Credit Suisse*	\$1,000	Credit Suisse*	\$1,900	HSH Nordbank	\$1,600
Credit Suisse*	\$1,000.00	Emporiki Bank	\$604.00	Deutsche Schiffsbank	\$923	Deutsche Schiffsbank	\$1,550	Deutsche Schiffsbank	\$1,400
DNB	\$714.32	DNB Nor	\$580.00	National Bank of Greece	\$843	Emporiki Bank of Greece	\$1,320	Piraeus	\$1,291
DVB	\$331.00	Deutsche Schiffsbank	\$549.00	HSH Nordbank	\$619	HSH Nordbank	\$1,268	Marfin-Laiki	\$1,050
Emporiki Bank	\$350.00	Calyon*	\$500.00	Emporiki Bank	\$610	National Bank of Greece	\$1,164	Calyon*	\$1,000
National Bank of Greece	\$134.00	National Bank of Greece	\$459.00	Marfin Egnatia	\$550	Calyon*	\$1,000	Credit Suisse*	\$950
Marfin Egnatia	\$94.00	Bremer Landesbank	\$454.37	Calyon*	\$500	BNP PARIBAS	\$716	Emporiki Bank of Greece	\$940
HSBC	\$200.00	HSBC	\$400.00	BNP Paribas	\$499	DB/SHL Shipping	\$692	National Bank of Greece	\$837
DB - Deutsche Shipping*	\$223.00	Alpha Bank	\$350.00	Bremer Landesbank	\$491	DVB Nedship	\$600	DNB	\$775
HSH Nordbank*	\$39.89	Marfin Egnatia	\$301.89	Alpha Bank	\$400	Fortis Bank Belgium	\$600	HVB	\$758
BNP Paribas	\$86.00	Nordea	\$300.00	HVB/Unicredit	\$389	Alpha Bank	\$550	DB/SHL Shipping	\$678
Alpha Bank	\$100.00	BNP Paribas	\$264.00	CHINA EXIM*	\$350	HVB	\$536	Fortis Bank	\$650
Unicredit	\$220.00	HSH Nordbank*	\$241.20	DB-Deutsche Shipping	\$327	Bank of Scotland	\$520	EFG Eurobank	\$640
Piraeus Bank	\$50.00	KFW*	\$225.00	DNB Nor	\$287	Bremer Landesbank	\$520	Alpha Bank	\$610
Calyon*	\$300.00	KEXIM*	\$200.00	LBG Shipping Finance (Lloyds+Bank of Scotland)	\$250	DNB	\$512	DVB Nedship	\$600
EFG Eurobank	\$77.63	EFG Eurobank	\$198.86	Fortis Bank Belgium	\$250	Commerzbank	\$460	BNP PARIBAS	\$477
LBG Shipping Finance **	\$90.00	Unicredit	\$183.40	KEXIM*	\$250	Marfin-Laiki	\$400	Bremer Landesbank	\$477
ING	\$200.00	DB - Deutsche shipping	\$174.00	KFW*	\$250	Eurobank	\$298	Commerzbank	\$244
ABN AMRO	\$317.00	Nord LB	\$162.40	HSBC	\$200	KFW	\$224	HSBC	\$200
Citibank	\$197.00	Citibank	\$160.00	EFG Eurobank	\$192	Nordea	\$200	ABN	\$200
Nordea	\$250.00	CHINA EXIM*	\$150.00	DVB	\$161	Natixis	\$151	Nordea	\$200
CHINA EXIM*	\$250.00	Piraeus Bank*	\$130.00	Commerzbank+Dresdner	\$144	Bank of Cyprus	\$147	Dresdner bank	\$200
Bremer Landesbank	\$69.12	DVB	\$94.00	Fortis Bank NL	\$116	ABN (subsidiary undertaking of Royal Bank of Scotland)	\$138	Nord LB	\$200
First Business Bank	\$39.19	LBG Shipping Finance	\$89.04	Piraeus Bank*	\$110	ING	\$134	Bank of Scotland	\$189
Nord LB	\$20.00	Deka*	\$50.00	Nordea	\$100	Deka	\$120	First Business Bank	\$176
KEXIM*	\$200.00	ABN AMRO (Fortis Bank Netherlands)	\$41.54	Deka*	\$100	Piraeus	\$118	Natixis	\$171
China Development Bank*	\$150.00	Aegean Baltic	\$36.45	Nord LB	\$94	HSBC	\$110	KFW	\$146
KFW*	\$50.00	Tbank - ex Aspis Bank	\$29.50	First Business Bank	\$81	First Business Bank	\$108	Bank of Cyprus	\$138
Natixis **	\$0.00	First Business Bank	\$24.84	Natixis	\$78	Nord LB	\$94	Citibank	\$135
Aegean Baltic	\$36.14	Proton Bank	\$17.50	Citibank	\$65	Lloyds Bank	\$73	Bank of Ireland	\$82
Bank of Cyprus	\$11.50	Natixis	\$16.00	Bank of Cyprus	\$60	Aegean Baltic	\$51	ING	\$63
Proton Bank	\$0.00	Bank of Cyprus	\$16.00	Aegean Baltic	\$31	Citibank	\$45	Aegean Baltic	\$52
Deka	\$0.00	ING	\$0.00	Proton Bank	\$22	Bank of Ireland	\$40	Proton Bank	\$41
China Everbright Bank*	\$50.00	Berenberg*	\$0.00	Bank of Ireland	\$18	Fortis Bank NL	\$32	Aspis Bank	\$20
Bank of Ireland **	\$0.00	Bank of Ireland	\$0.00	ING	\$17	Proton Bank	\$12	Agricultural Bank of Greece	\$0
Tbank	\$0.00	Agricultural Bank of Greece	\$0.00	Aspis Bank	\$12	Agricultural Bank of Greece	\$0	Bank of America*	\$0
Agricultural Bank of Greece	\$0.00	Santander/ex Alliance and Leicester	\$0.00	Agricultural Bank of Greece	\$0	Aspis Bank	\$0	BTMU Capital Corporation*	\$0
Santander**	\$0.00	Corner*	\$0.00	Santander/Abbey-ex Alliance and Leicester	\$0	Dresdner Bank	\$0	Korea Development Bank*	\$0
OTHER BANKS				Berenberg* (only this year)	\$0	Alliance and Leicester/Santander	\$0	Alliance and Leicester**	\$0
				Corner Bank (only this year)	\$0			Berenberg*	\$0
Committed but Undrawn Totals	\$7,114.78	Committed but Undrawn Totals	\$9,153	Committed but Undrawn Totals	\$12,413	Committed but Undrawn Totals	\$19,653	Committed but Undrawn Totals	\$21,570

* Market estimates

** Running off portfolios

Table 18 summarises in one table the comparative statistics for the Greek ship-finance market over the last 11 years.

	Dec-01	Dec-02	Dec-03	Dec-04	Dec-05	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11	Greek Shipping loan volumes in \$bn										
	Number of banks											Dec-01	Dec-02	Dec-03	Dec-04	Dec-05	Dec-06	Dec-07	Dec-08	Dec-09	Dec-10	Dec-11
International banks WITH a Greek presence	11	10	10	9	11	11	13	12	11	11	11	7.050bn	8.185bn	10.124bn	13.938bn	19.450bn	24.252bn	37.04bn	38.984bn	36.777bn	35.882bn	35.29bn
International banks WITHOUT a Greek presence	20	30	29	27	15	16	16	16	18	16	32	6.165bn	8.604bn	9.788bn	12.07bn	10.049bn	14.788bn	14.061bn	17.299bn	14.101bn	14.469bn	17.887bn
Greek banks	9	11	15	14	14	12	12	12	12	12	12	3.31bn	4.472bn	5.642bn	6.344bn	6.523bn	7.347bn	15.84bn	16.944bn	16.140bn	15.884bn	14.517bn
Totals	40	51	54	50	40	39	41	40	41	39	55	\$16.525bn	\$21.261bn	\$25.554bn	\$32.353bn	\$36.112bn	\$46.387bn	\$66.941bn	\$73.228bn	\$67.019bn	\$66.235bn	\$67.694bn
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D. Newbuilding finance research

For the third year round we collected from banks the percentage of their Committed but Undrawn loans that refer to newbuildings. 25 banks responded this year and we note that 12 have reduced the percentage of finance that they dedicate to newbuilding finance. 7 banks have not changed their policy towards newbuildings at all, whereas 6 banks have increased the funds allocated to newbuildings. Marfin, Nordea and DNB are leading this increase.

Table 19

	Bank	end 2009			end 2010			end 2011			Change
		Committed but Undrawn portfolio (in \$m)	% for N/Bs	Amount for N/Bs	Committed but Undrawn portfolio (in \$m)	% for N/Bs	Amount for N/Bs	Committed but Undrawn portfolio (in \$m)	% for N/Bs	Amount for N/Bs	
1	Royal Bank of Scotland	2023	80.45%	1627.5035	1150.68	95.65%	1100.62542	835.00	75%	626.25	-21.59%
2	Credit Suisse*	1000	100.00%	1000	1000	100.00%	1000	1000.00	95%	950.00	-5.00%
3	Commerzbank-Deutsche Schiffs	923	100.00%	923	549	80.00%	439.2	430.00	50%	215.00	-37.50%
4	National Bank of Greece	843	82.50%	695.475	459	63.82%	292.9338	134.00	60%	80.40	-5.99%
5	HSH Nordbank*	619	73.00%	451.87	241	50.00%	120.5	39.89	29%	11.57	-42.00%
6	Emporiki Bank	610	79.00%	481.9	604	80.00%	483.2	350.00	93%	325.50	16.25%
7	Marfin Egnatia	550	50.00%	275	301.886116	43.00%	129.81103	94	100%	94	132.56%
8	BNP Paribas	499	96.00%	479.04	264	100.00%	264	86.00	100%	86.00	0.00%
9	Bremer Landesbank	490.53	100.00%	490.53	454.365	100.00%	454.365	69.12	100%	69.12	0.00%
10	Alpha Bank	400	90.00%	360	350	90.00%	315	100.00	90%	90.00	0.00%
11	Unicredit	389.19	53.45%	208.02206	183.4	75.00%	137.55	220.00	31%	67.76	-58.93%
12	DB-Deutsche Shipping*	327	95.00%	310.65	174	90.00%	156.6	223.00	75%	167.25	-16.67%
13	DNB	287	65.00%	186.55	580	64.14%	372	714.32	83%	591.45	29.10%
14	LBG Shipping Finance**	250.26	100.00%	250.26	89.036	100.00%	89.036	90.00	100%	90.00	0.00%
15	HSBC	200	100.00%	200	400	95.00%	380	200.00	100%	200.00	5.26%
16	EFG Eurobank	192.3	90.60%	174.2238	198.862	78.00%	155.11236	77.63	90%	70.18	15.90%
17	DVB	161	80.00%	128.8	94	100.00%	94	331.00	62%	205.22	-38.00%
18	ABN AMRO	116	55.00%	63.8	41.54	37.00%	15.3698	317.00	29%	91.93	-21.62%
19	Nordea	100	100.00%	100	300	54.00%	162	250.00	93%	232.50	72.22%
20	First Business Bank	81	64.00%	51.84	24.836368	79.62%	19.774423	39.19	0%	0.00	-100.00%
21	Natixis**	78	100.00%	78	16	0.00%					
22	Citibank	65	93.00%	60.45	160	100.00%	160	197.00	100%	197.00	0.00%
23	Bank of Cyprus	60	70.00%	42	16	4.40%	0.704	0.00	0%	0.00	-100.00%
24	Aegean Baltic	31.37	36.45%	11.434365	36.452	54.83%	19.9866316	36.35	32%	11.70	-41.27%
25	Nord LB			0	162.4	100.00%	162.4	20.00	100%	20.00	0.00%
26	Piraeus			0	130	100.00%	130	50.00	100%	50.00	0.00%
27	Proton Bank	21.5	30.23%	6.49945	17.5	0.00%					
28	Bank of Ireland	18.25	100.00%	18.25							
29	ING	17.02	9.00%	1.5318							
30	Fortis Bank Belgium	250	98.10%	245.25							
31	Dresdner-Commerzbank	144	100.00%	144							
32	KFW*	250	100.00%	250							
33	Tbank	12.32	0.00%	0	29.5	0.00%	0				
	Totals	11,008.74	84.62%	9,315.88	8,027.46	82.89%	6,654.17	6654.17	68.28%	4543.43	-22.66%

April 2012

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E. The Greek shipping Syndications Market

The overall fall in Greek syndications is 17.63% compared to 9.54% last year.

Table 20

Petrofin Bank Research ©		Syndications – in USm			
		2009	2010	2011	
1	Citibank	\$2,090.00	\$2,390.00	\$300.00	-87.45%
2	Nordea	\$1,880.00	\$2,100.00	\$1,100.00	-47.62%
3	Aegean Baltic	\$1,695.67	\$1,496.83	\$1,399.29	-6.52%
4	Commerzbank- Deutsche Schiffsbank*	\$1,692.00	\$1,300.00	\$1,100	-15.38%
5	Credit Suisse*	\$1,500.00	\$1,800.00	\$1,800	0%
6	HSH Nordbank*	\$1,475.00	\$469.00	\$822.36	75.34%
7	DNB	\$1,234.00	\$1,352.00	\$2,085.11	54.22%
8	Unicredit	\$950.99	\$280.80	\$245.70	-12.50%
9	LBG Shipping Finance**	\$750.00	\$847.00	\$820.00	-3.19%
10	Royal Bank of Scotland	\$593.58	\$984.00	\$353.00	-64.13%
11	National Bank of Greece	\$590.00	\$490.00	\$447.00	-8.78%
12	ABN AMRO		\$122.61	\$278.19	126.89%
13	Nord LB	\$249.00	\$204.00	\$247.20	21.18%
14	Deutsche Bank*	\$185.00	\$200.00	\$204.00	2.00%
15	HSBC	\$160.00	\$90.00	\$140.00	55.56%
16	Alpha Bank	\$143.00	\$38.50	\$34.50	-10.39%
17	BNP Paribas	\$142.00	\$255.00	\$473.00	85.49%
18	First Business Bank	\$95.61	\$85.46	\$63.06	-26.21%
19	KFW*	\$50.00	\$45.00	n/a	
20	Emporiki Bank	\$38.00	\$31.00	\$27.00	-12.90%
21	Eurobank	\$17.00	\$15.13	\$13.28	-12.24%
22	Natixis			\$70.14	
	Fortis Belgium	\$517.00			
	Commerzbank-ex Dresdner	\$87.00			
		\$16,134.85	\$14,596.33	\$12,022.84	-17.63%
		*Market estimate **Running their portfolios			
		April 2012			

The reported differences by some key banks, e.g. Citibank, Nordea and RBS are the result of re classification of roles, re-definition of lead/manager positions, break up of syndicates, etc. This shows a syndicated market in turmoil.

4. The outlook for 2012 and beyond

It is important to highlight that as 2012 evolved, an increasing number of European banks entered into a 'shut down' mode. As a consequence, new loan production has reduced substantially and only offered by an ever dwindling small number of European banks.

The same does not apply for the Far Eastern banks, which have continued to lend with a heavy emphasis towards local clients and / or in support of local newbuildings. Those Greek owners, which fit into the above category, have fared better in terms of ship finance.

Export credit finance has become more popular and necessary for all newbuildings including European built vessels, primarily linked to the offshore or specialty sectors.

If large Greek private and publicly listed companies have struggled to obtain satisfactory finance on acceptable terms, the position for small to medium Greek owners has become dire. If even a medium financially robust and performing Greek owner finds himself in search of a new bank (where his existing bank(s) may have stopped lending) the available choice of banks is very limited and the terms offered rather steep. Hence, many Greek owners have started to acquire vessels for cash or have turned to private capital providers to cover the funding gap.

Interest in Greek shipping by international private capital has increased and there are a number of Joint Venture funds in existence with Greek owners. However, the annual rate of return sought by private capital is in excess of 20% and this can only be achieved primarily via capital gains by investing counter cyclically. In addition to international private equity, individual private equity providers have been attracted by the upside potential of shipping, as vessel values have plummeted.

Despite the above, second hand vessel demand remains relatively weak, as it is not supported by an active ship finance market, which for shipping is the life blood of the industry.

European banks have been adversely affected by a large number of factors, all acting collectively to limit their fresh ship lending capability. The main reasons rest with the European banks' capital adequacy problems in the light of the Basle III requirements and having taken into account provisions and losses, the effects of sovereign risk including the Greek PSI and their previous over-leveraged position. Coupled with the above, are the liquidity issues for European banks finding themselves unable to fund their requirements via their deposit base or the interbank market and, therefore, needing central bank support.

The slowdown in global GDP growth, international trade and the European recession has not helped either.

Lastly, shipping itself, with notable exceptions, is facing severe vessel values, cashflow and liquidity problems, affecting many owners who have been caught with expensive purchases and / or n/b commitment. As more and more shipping loans are in need of restructure, often, time and time again, shipping banks have become wary of fresh lending at a time of weakening loan portfolios and individual loan provisions and losses. It is self-evident that of the remainder lenders, most have perceived the opportunities offered by a low market with well-structured loans to the best clients and on high yielding terms.

For Greek shipping and in particular Greek banks, lending conditions have become even more acute following the Greek state crisis, the PSI and the difficult financial conditions of Greek banks. The Greek economy is now in its fourth year of continuous recession and the non-performing loans (as distinct from shipping loans) have increased leaving Greek banker with mounting loan provisions and losses.

The Greek crisis has also had an effect on 'Greek lending' by non-Greek banks, even though Greek shipping is not directly impacted by the Greek crisis. Whereas all banks with a shipping presence may be affected by a possible Greek exit from Europe and / or the Euro, an unlikely event, the fear of such an upheaval is affecting all Greek related business.

So, when will this bleak picture change?

According to the IMF, Global growth for 2012 and 2013 is now expected to be 3.5% and 4.1% respectively. Moreover, international trade is expected to rebound as the US and the Far East recover.

The re-capitalization of European banks is expected to take place from 2012 onwards and this shall have a positive effect on European bank liquidity and risk taking. Moreover, it is anticipated that, slowly, interbank confidence shall return, thus, restoring liquidity. Having raised equity, banks must generate profits and this will not be done by continuing to be risk-averse. In addition, the capital increase, together with the de-leveraging process, should bring about a new financial platform, capable of providing fresh loans and enjoying shipping' considerable yields.

A relaxation of the European deficit minimisation policy is now widely expected and this should reduce the recessionary effects in Europe and hopefully restore European growth.

Shipping, as well, is expected to recover in the next 1-2 years and a change of sentiment towards shipping risk shall also be a helpful development. Of course, such recovery is linked not only to the increased demand for shipping but also to the swift curtailment of newbuilding deliveries and orders.

Lastly, although too early to call, should Greece achieve the EU/IMF public deficit targets and a way is found to reduce state debt, as well as carry out all the structural changes, it is possible that Greece shall stop from being a de-stabilising factor for Greek ship finance.

All in all, we remain reasonably optimistic of a gradual return of confidence and strong future growth in Greek ship finance, even though 2012 may well turn out to be a most difficult year.