



Key Developments and Growth in Greek Ship-Finance

April 2014

By Ted Petropoulos, Head, Petrofin Research.

Petrofin Bank Research© presents, for the 13th year running, an overview and an in-depth analysis of the bank loan portfolios to Greek shipping, as of 31st December 2013.

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.

Contents

1.	Main Findings	p. 2
2.	Total Greek shipfinance portfolio as of end 2013	p. 3
3.	Research and Analysis	
	A. The Greek shipfinance market as of end 2013	p. 5
	B. Analysis of the 3 Bank Groups	p. 13
	C. Newbuilding finance research	p. 30
	D. The Greek Shipping Syndications market	p. 31
4.	The outlook for 2014 and beyond	p. 32



1. Main findings

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

- ① Greek ship finance shows an overall reduction in 2013 of 6.5%

The overall Greek loans (drawn and committed but undrawn) booked both in Greece and worldwide as of 31/12/ 2013 fell to \$61.498bn from \$65.78bn last year.

- ① Specifically, there continues to be a drop in the Committed but undrawn Greek ship finance exposure by 11.58%.

- ① Drawn Loans have dropped further, from to \$60.014bn to \$56.400bn.

① The Greek banks are now only 5. Of these, the 'big 4' that have absorbed the portfolios of Emporiki, First Business Bank, Marfin Egnatia, Bank of Cyprus etc, now show an increase of loan portfolios. Overall, however, the Greek bank total is the lowest in many years, standing at \$10.49bn, or 17.46% less than last year.

① International banks WITH a Greek presence have reduced further their exposure by approx. 9.35% compared to last year's reduction of -3.9%. The Drawn portfolio of this group of banks is down by 8.6%, whereas Commitments are down by 17.37%.

① The International Banks WITHOUT a Greek presence show a small increase to \$20,268bn from \$19.161bn, a rise of 5.78%. Although a smaller rise than last year's, these banks continue to be the most positive force in Greek ship finance.

- ① The number of banks involved in Greek shipfinance is down to 46 from 51.

① The top 10 Greek ship financing banks now hold 62.38% of the total Greek portfolio, showing a rise in their market share for the first time in 5 years.

① European banks continue to account for the vast majority of total loans, although they show a reduction from 92% to 90%.

- ① RBS remained the market leader but with a reduction of 16.5%.

① The Lead Managers in syndicated loans have reversed last year's increase in their managed portfolios and have reduced such exposure by 14%, down to \$9.89bn.

- ① Forward commitments to newbuildings have decreased as a percentage of committed loans.

① The reduced shipfinance totals need to be set against the record rise in the Greek owned fleet to 3901 vessels of 291m DWT (Lloyd's Register-Fairplay-2014).

- ① There remain a number of banks who have and continue to expand their presence.

① Lastly, and although not the focus of this research, we need to highlight the increasing presence of US equity funds in Greek ship finance, drawn by bottom picking opportunities and the lack or unattractive terms of traditional ship finance.



2. Total Greek shipfinance portfolio as of end 2013 Petrofin Bank Research ©

The annual results by Petrofin Bank Research ©, now released for the 13th year running, reflect the exposure of all banks engaged in lending to Greek owners, at the end of 2013.

In **Table 1** below, we note that

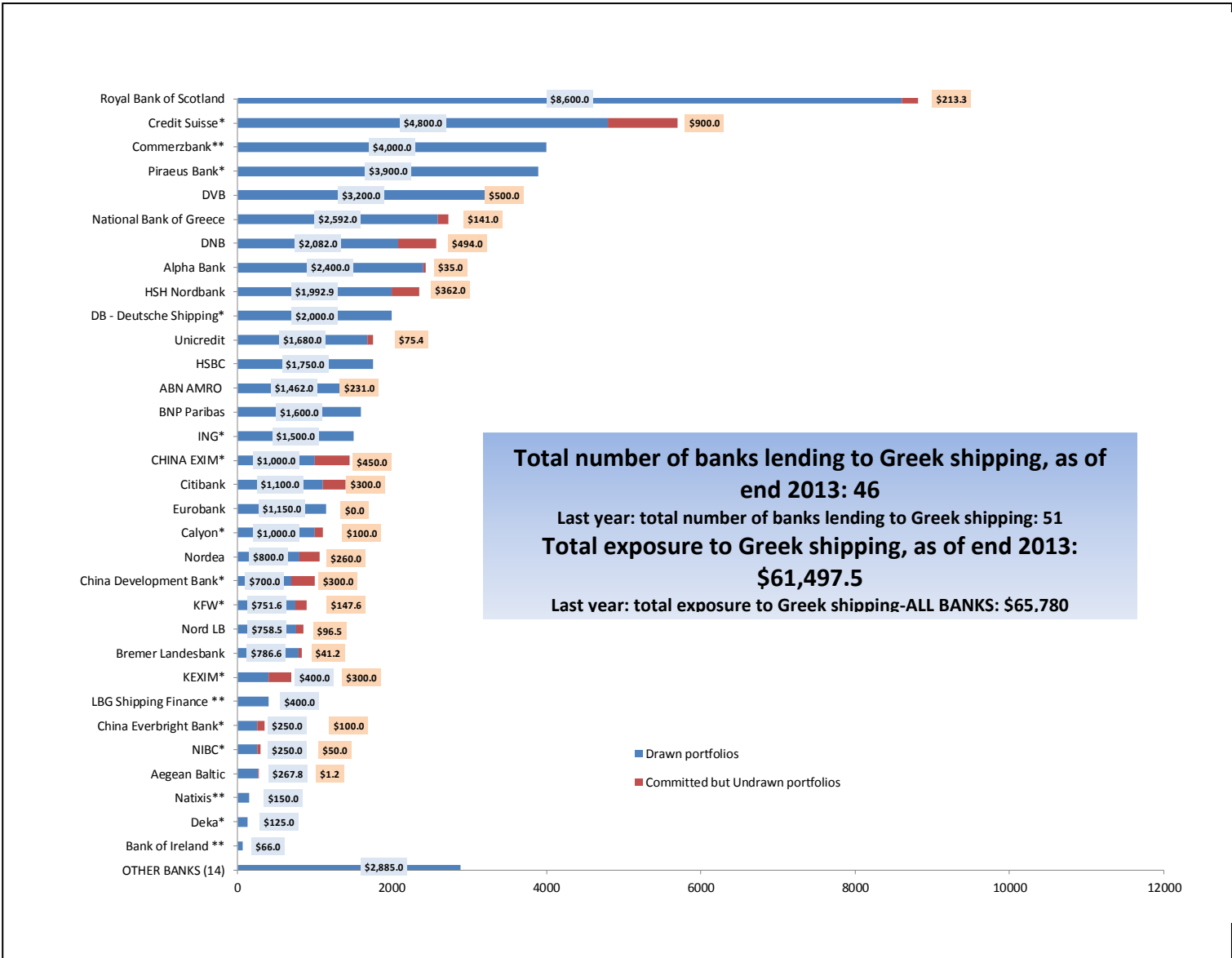
Table 1

	December 2001	December 2002	December 2003	December 2004	December 2005	December 2006	December 2007	December 2008	December 2009	December 2010	December 2011	December 2012	December 2013
Growth percentage		28.66%	20.19%	26.61%	11.62%	28.45%	44.31%	9.39%	-8.478%	-1.17%	2.20%	-2.83%	-6.51%
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	\$65,780	\$61,498
Petrofin Bank Research © - April 2014													



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

Graph 1



Petrofin Bank Research© - as of end 2013, published April 2014

* Market estimates

** Banks running off their portfolios

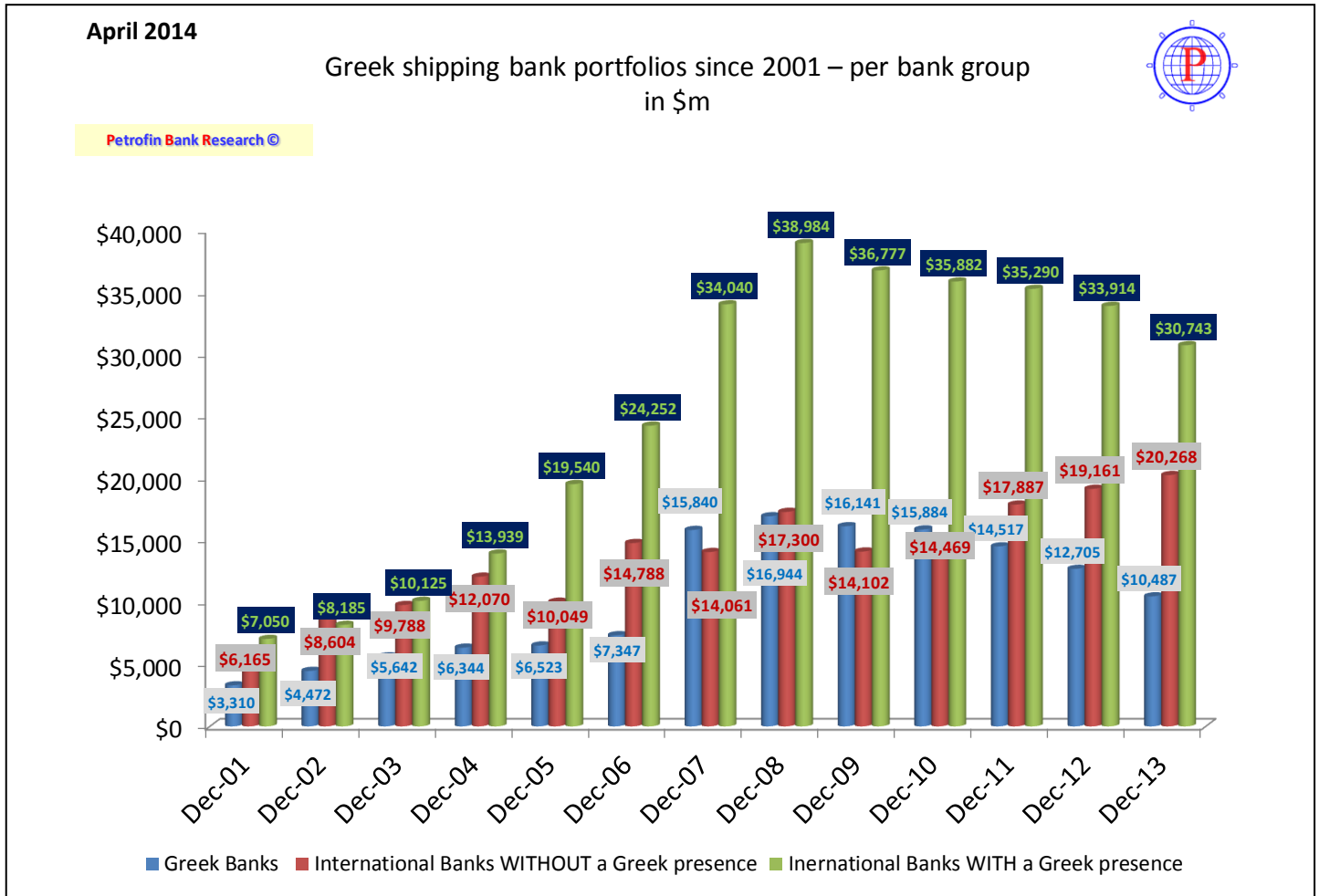
Note: for ranking total and performance, please refer to pages 8 and 9.

3. Research and Analysis

A. The Greek shipfinance market as of end 2013

Bank exposure in terms of bank groups is as follows:


Graph 2



Greek banks and International banks with a Greek presence showed a decline for the fifth year running. International banks without a Greek presence show an increase for the fifth year in a row, by \$1.107bn, a smaller rise than last year, of the order of 5.78%. This sector remains highly fragmented with 14 banks in the OTHER BANKS category (one less than last year – see page 19). This year they show an increase of portfolio by 8% (from \$2.655bn to \$2.885bn).


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)

	Overall Greek ship lending portfolio						Percentage of annual growth					Percentage of growth between December 2001 and December 2013	Average yearly growth since 2001
	End 2013	End 2012	End 2011	End 2010	End 2009	End 2008	End 2013	End 2012	End 2011	End 2010	End 2009		
International Banks WITH a Greek presence	\$30,742.5	\$33,914.38	\$35,290.47	\$35,882.29	\$36,777.31	\$38,984.4	-9.35%	-3.90%	-1.65%	-2.43%	-5.66%	336.06%	13.06%
												(Between 2001 and 2012: 381.05%)	(Between 2001 and 2012: 15.35%)
International Banks WITHOUT a Greek presence	\$20,268	\$19,161.35	\$17,886.81	\$14,468.76	\$14,101.65	\$17,299.5	5.78%	7.13%	23.62%	2.60%	-18.49%	228.76%	10.43%
												(Between 2001 and 2012: 210.81%)	(Between 2001 and 2012: 10.86%)
Greek banks	\$10,486.91	\$12,704.53	\$14,517.08	\$15,883.60	\$16,140.55	\$16,944.24	-17.46%	-12.49%	-8.60%	-1.59%	-4.74%	216.83%	10.09%
												(Between 2001 and 2012: 283.82%)	(Between 2001 and 2012: 13.01%)
Total	\$61,497.51	\$65,780.26	\$67,694.36	\$66,234.65	\$67,019.51	\$73,228.14	-6.51%	-2.83%	2.20%	-1.17%	-8.48%	272.15%	11.57%
												(Between 2001 and 2012: 298.06%)	(Between 2001 and 2012: 13.68%)

Petrofin Bank Research © - April 2014

Table 3: Growth in Drawn portfolios and Committed and Undrawn portfolios (in US\$m)

	Drawn loan portfolios						% of change in Drawn Loan portfolio	Committed but Undrawn loan portfolios						% of change in Committed but Undrawn Loan portfolio
	End 2013	End 2012	End 2011	End 2010	End 2009	End 2008		End 2013	End 2012	End 2011	End 2010	End 2009	End 2008	
 International Banks WITH a Greek presence	\$28,467	\$31,160	\$31,620.25	\$31,718.47	\$30,861.13	\$29,020	2013: -8.64%	\$2,276	\$2,754.15	\$3,670.22	\$4,163.82	\$5,916.19	\$9,964.4	2013: -17.37%
							2012: -1.45%							2012: -25%
							2011: -0.31%							2011: -12%
							2010: +2.78%							2010: -29.6%
International Banks WITHOUT a Greek presence	\$17,623	\$16,536.00	\$15,334.69	\$11,647.95	\$10,516.29	\$11,777.88	2013: +6.57%	\$2,645	\$2,625.00	\$2,552.12	\$2,820.8	\$3,585.35	\$5,521.62	2013: +0.76%
							2012: +7.83%							2012: +2.86%
							2011: +31.5%							2011: -9.52%
							2010: +10.8%							2010: -21.3%
Greek banks	\$10,309.76	\$12,318.23	\$13,624.62	\$13,715.56	\$13,229.71	\$12,776.77	2013: -16.3%	\$177.15	\$386.30	\$892.46	\$2,168.04	\$2,911.38	\$4,167.46	2012: -54.1%
							2012: -0.6%							2012: -56.7%
							2011: -0.7%							2011: -58.8%
							2010: +3.68%							2010: -25.5%
Total	\$56,399.64	\$60,014.46	\$60,579.55	\$57,082	\$54,607.00	\$53,574.65	2013: -6.02%	\$5097.79	\$5,765.45	\$7,114.80	\$9,153	\$12,412.92	\$19,653.48	2013: -11.58%
							2012: -0.93%							2012: -19%
							2011: +6.13%							2011: -22.3%
							2010: +4.53%							2010: -26.3%

Petrofin Bank Research © - April 2014

The fall of the overall commitments is almost 12%. The international banks without a Greek presence, which are primarily European, continue to show marginal confidence in the future (0.76% rise in their commitments).

Table 4: Bank ranking

Greek shipping portfolios as of end 2013				
Bank Ranking				
Rank	Bank	Drawn	Committed but Undrawn	Total
1	Royal Bank of Scotland	\$8,600.0	\$213.3	\$8,813.3
2	Credit Suisse*	\$4,800.0	\$900.0	\$5,700.0
3	Commerzbank**	\$4,000.0	\$0.0	\$4,000.0
4	Piraeus Bank*	\$3,900.0	\$0.0	\$3,900.0
5	DVB	\$3,200.0	\$500.0	\$3,700.0
6	National Bank of Greece	\$2,592.0	\$141.0	\$2,733.0
7	DNB	\$2,082.0	\$494.0	\$2,576.0
8	Alpha Bank	\$2,400.0	\$35.0	\$2,435.0
9	HSH Nordbank	\$1,992.9	\$362.0	\$2,354.9
10	DB - Deutsche Shipping*	\$2,000.0	\$0.0	\$2,000.0
11	Unicredit	\$1,680.0	\$75.4	\$1,755.4
12	HSBC	\$1,750.0	\$0.0	\$1,750.0
13	ABN AMRO	\$1,462.0	\$231.0	\$1,693.0
14	BNP Paribas	\$1,600.0	\$0.0	\$1,600.0
15	ING*	\$1,500.0	\$0.0	\$1,500.0
16	CHINA EXIM*	\$1,000.0	\$450.0	\$1,450.0
17	Citibank	\$1,100.0	\$300.0	\$1,400.0
18	Eurobank	\$1,150.0	\$0.0	\$1,150.0
19	Calyon*	\$1,000.0	\$100.0	\$1,100.0
20	Nordea	\$800.0	\$260.0	\$1,060.0
21	China Development Bank*	\$700.0	\$300.0	\$1,000.0
22	KFW*	\$751.6	\$147.6	\$899.2
23	Nord LB	\$758.5	\$96.5	\$855.0
24	Bremer Landesbank	\$786.6	\$41.2	\$827.8
25	KEXIM*	\$400.0	\$300.0	\$700.0
26	LBG Shipping Finance **	\$400.0	\$0.0	\$400.0
27	China Everbright Bank*	\$250.0	\$100.0	\$350.0
28	NIBC*	\$250.0	\$50.0	\$300.0
29	Aegean Baltic	\$267.8	\$1.2	\$268.9
30	Natixis**	\$150.0	\$0.0	\$150.0
31	Deka*	\$125.0	\$0.0	\$125.0
32	Bank of Ireland **	\$66.0	\$0.0	\$66.0
	OTHER BANKS (14)	\$2,885.0		\$2,885.0
	Overall number of banks	46	Total Greek portfolio	\$61,497.5
	* Market estimate			
	** Withdrawing from shipping			

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

Table 5: Last year's top ten banks ranked by portfolio size (in US\$m)

Rank	As of end 2013			As of end 2012			As of end 2011			As of end 2010			As of end 2009		
	Bank	Total exposure in \$m	Market share % of Greek portfolio	Bank	Total exposure in \$m	Market share % of Greek portfolio	Bank	Total exposure in \$m	Market share % of Greek portfolio	Bank	Total exposure in \$m	Market share % of Greek portfolio	Bank	Total exposure in \$m	Market share % of Greek portfolio
1	Royal Bank of Scotland	\$8,813	14.39%	Royal Bank of Scotland	\$10,555	16.05%	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	Credit Suisse*	\$5,700	9.31%	Credit Suisse*	\$5,211	7.92%	Commerzbank-Deutsche Schiffsbank	\$5,606	8.28%	Deutsche Schiffsbank	\$5,556	8.39%	HSH Nordbank	\$5,202	7.76%
3	Commerzbank**	\$4,000	6.53%	Commerzbank***	\$5,200	7.91%	Credit Suisse*	\$5,000	7.39%	Credit Suisse*	\$4,500	6.79%	Deutsche Schiffsbank	\$4,969	7.41%
4	Piraeus Bank*	\$3,900	6.37%	DVB	\$2,949	4.48%	DNB	\$2,850	4.21%	HSH Nordbank*	\$3,122	4.71%	Credit Suisse*	\$4,000	5.97%
5	DVB	\$3,700	6.04%	DNB	\$2,754	4.19%	DVB	\$2,831	4.18%	National Bank of Greece	\$3,004	4.54%	National Bank of Greece	\$3,217	4.80%
6	National Bank of Greece	\$2,733	4.46%	Emporiki*	\$2,484	3.78%	Emporiki Bank	\$2,700	3.99%	DNB Nor	\$2,877	4.34%	Alpha Bank	\$2,675	3.99%
7	DNB	\$2,576	4.21%	National Bank of Greece	\$2,389	3.63%	National Bank of Greece	\$2,566	3.79%	Emporiki Bank	\$2,730	4.12%	Emporiki Bank of Greece	\$2,620	3.91%
8	Alpha Bank	\$2,435	3.98%	HSH Nordbank**	\$2,297	3.49%	Marfin Egnatia	\$2,403	3.55%	DB - Deutsche Shipping	\$2,613	3.95%	DNB Nor	\$2,544	3.80%
9	HSH Nordbank	\$2,355	3.51%	Marfin Egnatia	\$2,152	3.27%	HSBC	\$2,400	3.55%	Marfin Egnatia	\$2,483	3.75%	Marfin Egnatia	\$2,450	3.66%
10	DB-Deutsche Shipping*	\$2,000	3.27%	HSBC	\$2,000	3.04%	DB - Deutsche Shipping*	\$2,323	3.43%	Alpha Bank	\$2,470	3.73%	Calyon*	\$2,000	2.98%
				ING		3.04%	HSH Nordbank	\$2,217	3.28%						
	Totals	\$38,212	62.38%	Totals	\$39,992	60.80%	Total	\$42,351	62.56%	Total	\$41,794	63.10%	Total	\$42,979	64.13%

Petrofin Bank Research © - April 2014

* Market estimates

** Banks running off their portfolios

Credit Suisse has continued to increase its market share from 5.97% in 2009 to 9.31% as of end 2013. DVB holds now 6.04%, whilst RBS and Commerzbank have recorded falls. HSH Nordbank, DB and DNB are hovering around the same levels of market share. The Greek banks' growth is the direct result of absorption of other Greek banks' loan portfolios.

Nationality of banks

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

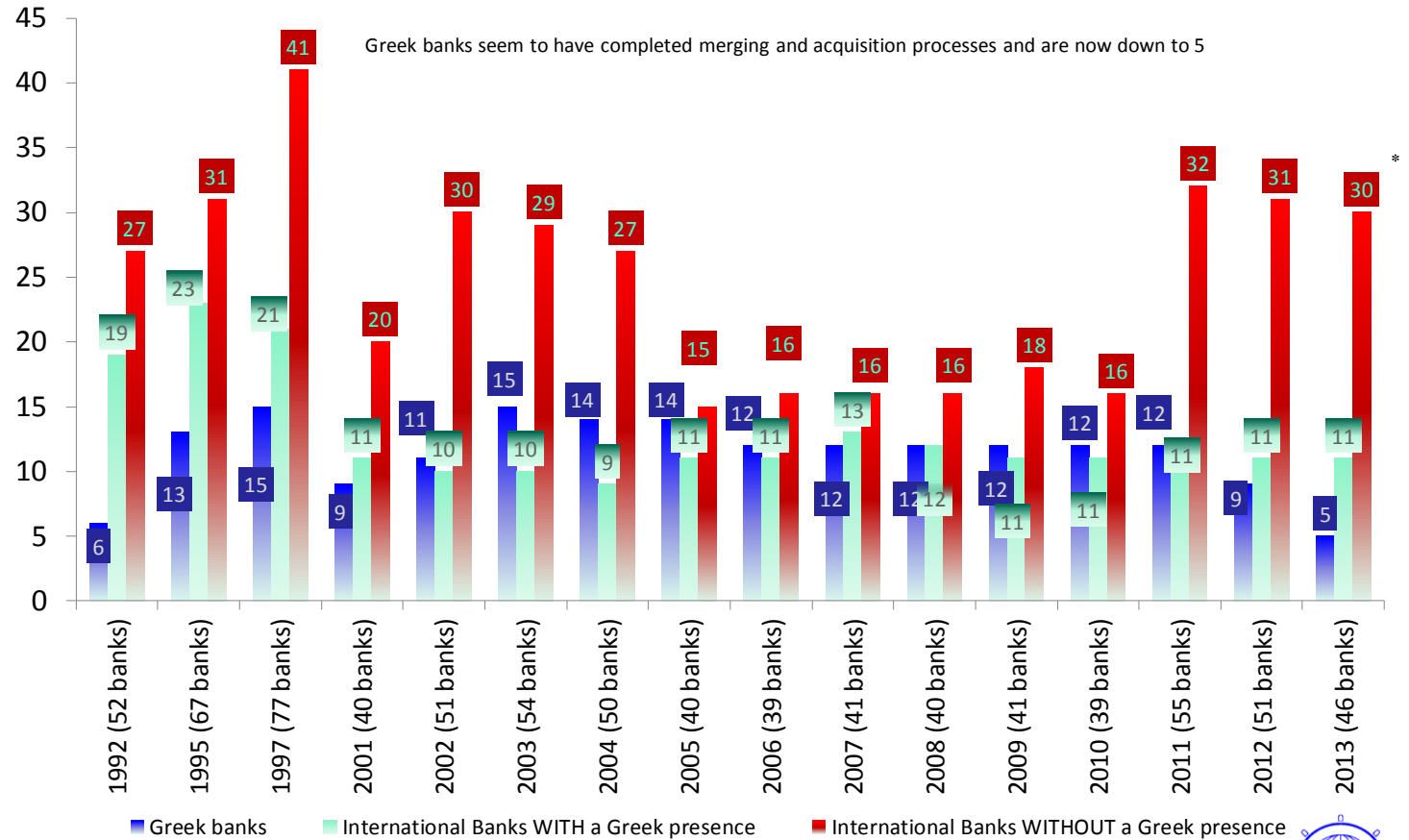
Table 6: Distribution of banks engaged in Greek Ship-finance by nationality

Nationality	end 2003	end 2004	end 2005	end 2006	end 2007	end 2008	end 2009	end 2010	end 2011	end 2012	end 2013	Total Portfolios per Geographical region as of end 2013	Percentage of total of Greek ship finance as of end 2013
UK & Ireland	5	5	4	5	5	6	5	4	5	5	4	2013: \$11,029	2013: 17.93%
												2012: \$13,581	2012: 20.65%
												2011: \$15,533	2011: 22.95%
France / Belgium	8	6	3	3	3	4	4	3	5	5	5	2013: \$3,065	2013: 4.98%
												2012: \$3,813	2012: 5.8%
												2011: \$4,401	2011: 6.5%
Scandinavian	2	2	2	2	2	2	2	2	6	6	6	2013: \$4,676	2013: 7.6%
												2012: \$5,029	2012: 7.65%
												2011: \$5,325	2011: 7.9%
Germany	10	10	9	10	11	11	11	10	10	10	10	2013: \$16,617	2013: 27%
												2012: \$17,006	2012: 25.8%
												2011: \$17,717	2011: 26.17%
Holland	5	5	4	3	3	3	2	2	2	3	3	2013: \$3,493	2013: 5.68%
												2012: \$2,800	2012: 4.26%
												2011: \$1,632	2011: 2.41%
Greece	15	14	14	12	12	12	12	12	12	9	5	2013: \$10,487	2013: 17.05%
												2012: \$12,704	2012: 19.31%
												2011: \$14,517	2011: 21.45%
Other European	4	4	2	1	1	1	2	3	5	3	3	2013: \$6,080	2013: 9.89%
												2012: \$5,566	2012: 8.5%
												2011: \$5,575	2011: 8.24%
European Total	49	46	38	36	37	39	38	36	45	41	36	2013: \$55,447.46	2013: 90.16%
												2012: \$60,500	2012: 91.97%
												2011: \$64,700	2011: 95.58%
North America	4	3	1	2	3	1	1	1	3	3	3	2013: \$1,950	2013: 3.17%
												2012: \$1,780	2012: 2.71%
												2011: \$1,408	2011: 2.08%
Far East	1	1	1	1	1	0	2	2	6	6	6	2013: \$3,700	2013: 6.02%
												2012: \$3,000	2012: 4.56%
												2011: \$1,286	2011: 1.9%
Australia									1	1	1	2013: \$400	2013: 0.65%
												2012: \$500	2012: 0.76%
												2011: \$300	2011: 0.44%
World Total	54	50	40	39	41	40	41	39	55	51	46	2013: \$61,498	
												2012: \$65,780	
												2011: \$67,694	
Petrofin Bank Research © April 2014													

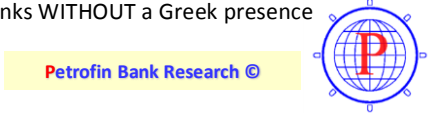
Germany, Holland and other European showed a small increase, although the European total is down to 90.16% from 92% last year. USA and the Far East have also slightly increased their exposure.

Graph 3

Number of banks financing Greek Shipping 1992-2013



April 2014



With the reduction through mergers and acquisitions of Greek banks and some other exits, the number of banks now financing Greek shipping is 46.

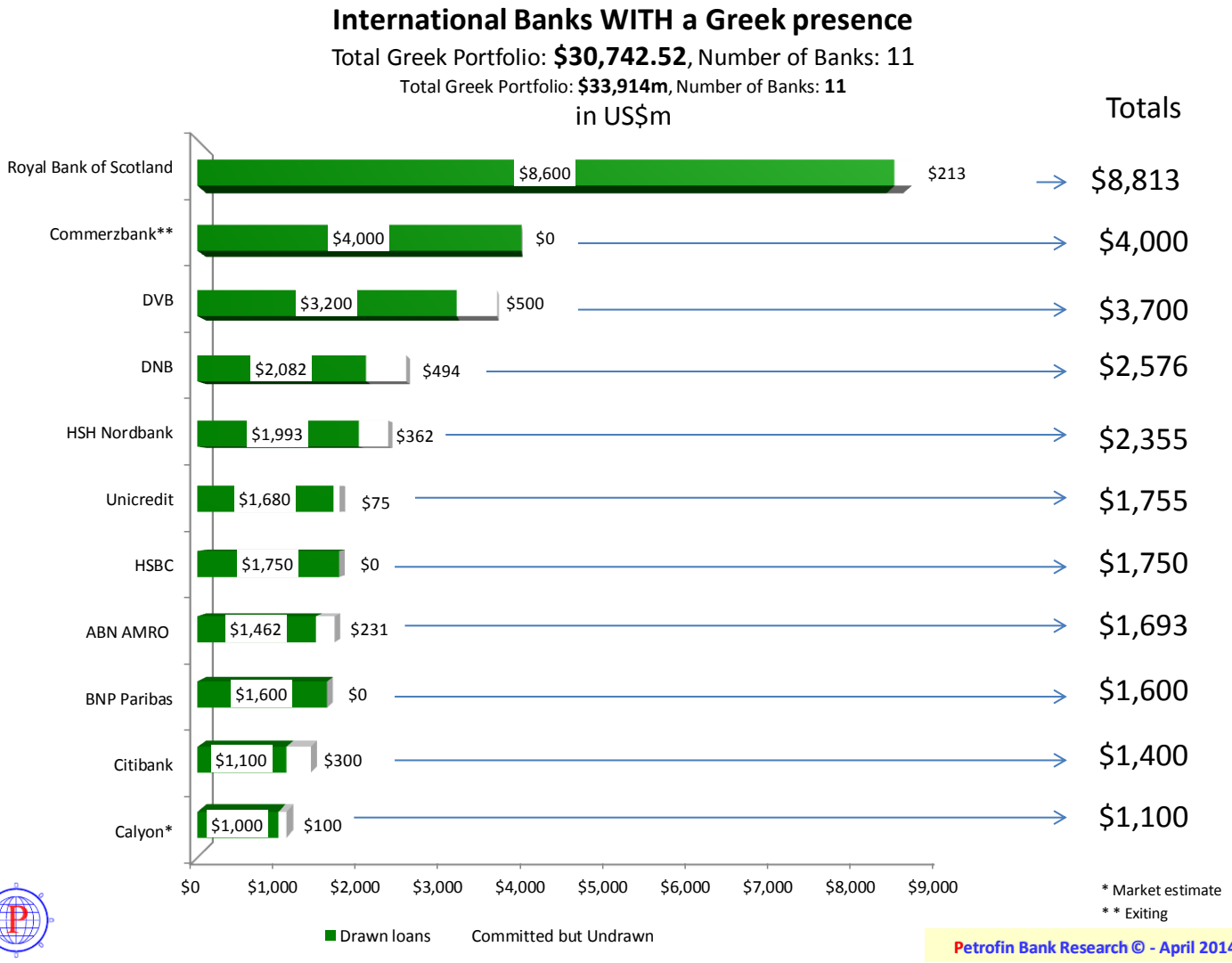


B. Analysis of the 3 bank groups

International Banks WITH a Greek Presence

In Graph 4 we note

Graph 4



This is still the Group with the highest exposure to Greek shipping. Total exposure, however, is down by 9.35%.

In Tables 7, 8 and 9 below we note the differences between Total portfolios, Drawn loans and Committed but Undrawn loans over a period of 6 years for the Banks WITH a Greek presence:



Table 7: International Banks with a Greek presence – Total Greek portfolios

International Banks WITH a Greek presence - Total Greek portfolios (in US\$m)							
Bank	end 2013	end 2012	end 2011	end 2010	end 2009	end 2008	Change between 2012 and 2013
Royal Bank of Scotland	\$8,813	\$10,555	\$11,455	\$12,439	\$13,302	\$13,980	-16.50% (Between 2012 and 2011: -7.85%)
HSB Nordbank	\$2,355	\$2,297	\$2,220	\$3,122	\$5,202	\$5,670	2.5% (Between 2012 and 2011: 3.48%)
Commerzbank**	\$4,000	\$5,200	\$5,606	\$5,556	\$4,969	\$5,650	-23.08% (Between 2012 and 2011: -7.24%)
Calyon*	\$1,100	\$1,400	\$1,550	\$2,000	\$2,000	\$2,750	-21.43% (Between 2012 and 2011: -9.68%)
Unicredit	\$1,755	\$1,860	\$2,040	\$1,885	\$1,951	\$2,176	-5.65% (Between 2012 and 2011: -8.8%)
DVB	\$3,700	\$2,949	\$2,831	\$2,174	\$1,470	\$1,850	25% (Between 2012 and 2011: 4%)
ABN AMRO	\$1,693	\$1,450	\$1,132	\$346	\$251	\$236	16.76% (Between 2012 and 2011: 28.09%)
HSBC	\$1,750	\$2,000	\$2,400	\$2,300	\$1,650	\$1,343	-12.50% (Between 2012 and 2011: -16.67%)
BNP Paribas	\$1,600	\$1,948	\$2,101	\$2,244	\$1,249	\$1,239	-17.88% (Between 2012 and 2011: -7.27%)
Citibank	\$1,400	\$1,500	\$1,108	\$940	\$940	\$1,145	-6.67% (Between 2012 and 2011: 35.38%)
DNB	\$2,576	\$2,754	\$2,850	\$2,877	\$2,544	\$3,042	-6.46% (Between 2011 and 2012: -3.37%)
*Market Estimate ** Exiting ship finance							
Total	\$30,742.52	\$33,914.38	\$35,293.00	\$35,882.09	\$36,777.31	\$38,984.40	-9.35% (Between 2011 and 2012: -3.9%)

Petrofin Bank Research © - April 2014

The group that has always supported Greek shipping is still declining. These are banks that are continuing to have a Greek presence, which gives them a first hand position of knowledge on Greek shipping and are still funding new orders, especially for the very big owners.

DVB and ABN Amro stand out in terms of portfolio growth and HSB is continuing its financing from its core bank.



Table 8: International banks WITH a Greek presence – Drawn loans

International Banks WITH a Greek presence - Drawn Loans (in US\$m)							
Bank	end 2013	end 2012	end 2011	end 2010	end 2009	end 2008	Change between 2012 and 2013
Royal Bank of Scotland	\$8,600	\$10,170	\$10,620.00	\$11,288.00	\$11,279.00	\$10,730.00	-15.44% (Between 2012 and 2011: -4.42%)
HSH Nordbank	\$1,993	\$2,087	\$2,180.00	\$2,881.00	\$4,583.00	\$4,402.00	-4.51% (Between 2012 and 2011: 0.87%)
Commerzbank**	\$4,000	\$5,200	\$5,176.00	\$5,007.00	\$4,046.00	\$4,100.00	-23.08% (Between 2012 and 2011: 0.46%)
Calyon*	\$1,000	\$1,200	\$1,250.00	\$1,500.00	\$1,500.00	\$1,750.00	-16.67% (Between 2012 and 2011: -4%)
Unicredit	\$1,680	\$1,836	\$1,820.00	\$1,701.40	\$1,562.00	\$1,640.00	-8.51% (Between 2012 and 2011: 0.89%)
DVB	\$3,200	\$2,700	\$2,500.00	\$2,080.00	\$1,309.00	\$1,250.00	18.52% (Between 2012 and 2011: 8%)
ABN AMRO	\$1,462	\$1,100	\$815.00	\$304.07	\$135.00	\$204.00	32.91% (Between 2012 and 2011: 34.97%)
HSBC	\$1,750	\$2,000	\$2,200.00	\$1,900.00	\$1,450.00	\$1,233.00	-12.50% (Between 2012 and 2011: -9.09%)
BNP Paribas	\$1,600	\$1,920	\$2,015.00	\$1,980.00	\$750.00	\$523.00	-16.67% (Between 2012 and 2011: -4.71%)
Citibank	\$1,100	\$1,000	\$911.00	\$780.00	\$875.00	\$1,100.00	10.00% (Between 2012 and 2011: 9.77%)
DNB	\$2,082	\$1,947	\$2,136.00	\$2,297.00	\$2,257.00	\$2,530.00	6.93% (Between 2011 and 2012: -8.85%)
*Market Estimate ** Exiting ship finance							
Total	\$28,466.88	\$31,160.23	\$31,620.25	\$31,718.00	\$30,861.00	\$29,020.00	-8.64% (Between 2012 and 2011: -1.11%)
Petrofin Bank Research © - April 2014							



Table 9: International Banks WITH a Greek presence – Committed but Undrawn loans

International banks WITH a Greek presence - Committed but Undrawn loans (in US\$m)							
Bank	end 2013	end 2012	end 2011	end 2010	end 2009	end 2008	Change between 2012 and 2013
Royal Bank of Scotland	\$213	\$385	\$835.00	\$1,150.68	\$2,023.00	\$3,250.00	-44.64% (Between 2012 and 2011: -53.86%)
HSH Nordbank	\$362	\$210	\$40.00	\$241.00	\$619.00	\$1,268.00	72.1% (Between 2012 and 2011: 426%)
Commerzbank**	\$0	\$0	\$430.00	\$549.00	\$923.00	\$1,550.00	-
Calyon*	\$100	\$200	\$300.00	\$500.00	\$500.00	\$1,000.00	-50% (Between 2012 and 2011: -33%)
Unicredit	\$75	\$24	\$220.00	\$183.40	\$389.00	\$536.00	211% (Between 2012 and 2011: -89%)
DVB	\$500	\$249	\$331.00	\$94.00	\$161.00	\$600.00	101% (Between 2012 and 2011: -25%)
ABN AMRO	\$231	\$350	\$317.00	\$41.54	\$116.00	\$32.00	-34.00% (Between 2012 and 2011: -10.4%)
HSBC	\$0	\$0	\$200.00	\$400.00	\$200.00	\$110.00	-
BNP Paribas	\$0	\$28	\$86.00	\$264.00	\$499.00	\$716.00	- (Between 2012 and 2011: -67.08%)
Citibank	\$300	\$500	\$197.00	\$160.00	\$65.00	\$45.00	-40.00% (Between 2012 and 2011: 153.81%)
DNB	\$494	\$807	\$714.00	\$580.00	\$287.00	\$512.00	-38.79% (Between 2012 and 2011: 13.03%)
* Market estimate **Exiting ship finance							
Total	\$2,275.64	\$2,754.15	\$3,670.22	\$4,164.00	\$5,916.00	\$9,964.00	-17.37% (Between 2012 and 2011: -24.96%)

Petrofin Bank Research © - April 2014

In terms of commitments, along with DVB's rise, it is Unicredit that has increased its commitments to \$75m, after a major drop last year. Interestingly, HSH has continued to provide some fresh lending from its core bank.



In **Table 10**, below, we present the evolutionary growth (or decline) of the Greek shipping portfolio of this Group over the last years and the Average Annual Growth over a period of 10 years for each bank, as well as the Annual Group Growth over the last 13 years (or since data exist):

Table 10: Growth rates

International Banks with a Greek Presence	% of yearly Bank portfolio growth										Overall Average Growth between 2001-2013
	Banks	end 2013	end 2012	end 2011	end 2010	end 2009	end 2008	end 2007	end 2006	end 2005	
Royal Bank of Scotland	-16.50%	-7.88%	-7.91%	-6.49%	-4.85%	8%	23.59%	29.32%	19.58%	50.51%	10.71%
HSH Nordbank	2.50%	3.61%	-28.98%	-39.98%	-8.26%	-3.89%	40.61%	20.99%	22.28%	21.51%	0.09%
Citibank	-6.67%	35%	17.87%	0%	-17.90%	-10.55%	12.28%	12.32%	-16.80%	75.54%	6.60%
Calyon*	-21.43%	-10%	-22.50%	0%	-27.27%	10%	92.31%	-13.33	n/a	n/a	4.15%
HSBC	-12.50%	-16.67%	4.35%	39.39%	22.86%	-21%	-24.11%	91.45%	11.43%	13.51%	7.93%
DVB	25.47%	4.17%	30.22%	47.89%	-20.54%	7.56%	37.49%	16.92%	21.59%	13.26%	16.37%
Unicredit	-5.65%	-8.80%	8.23%	-3.41%	-10.33	6.51%	34.41%	52.00%	22.70%	36.97%	15.86%
BNP Paribas	-17.88%	-7.27%	-6.37%	79.66%	0.82%	59.86%	113.01%	-9.27%	0.12%	22.29%	15.81%
Commerzbank**	-23.08%	-7.42%	0.90%	11.81%	-12.05%	17.71%	29.73%	8.82%	9.68%	24.50%	10.18%
DNB	-6.46%	-3.37%	-0.94%	13.09%	-16.37%	39.48%	-17.29%	147.14%	27.78%	29.46%	26.74%
ABN AMRO	16.76%	28.07%	227.59%	37.69%	6.22%	n/a	n/a	n/a	n/a	n/a	48.27%
Annual Group Growth	-9.35%	-3.90%	-1.65%	-2.43%	-5.66%	5.25%	52.73%	24.11%	40.19	37.67%	13.06%

* Based on market estimates **Exiting ship finance

Petrofin Bank Research © - April 2014

Primarily a downhill picture, with the exceptions of DVB, ABN Amro and, to a lesser extent, HSH Nordbank.



International Banks WITHOUT a Greek Presence

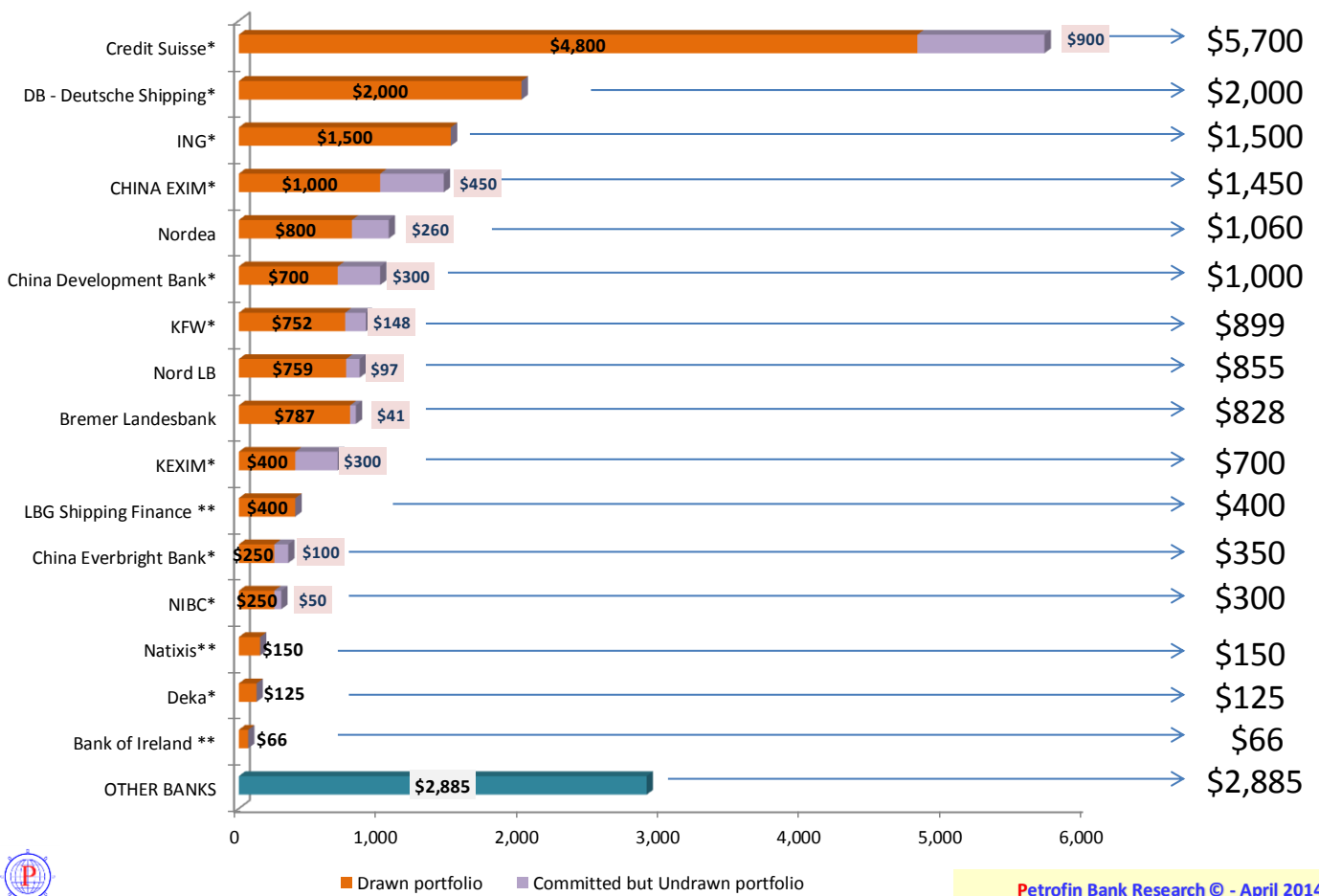
Regarding the original 16 banks with no representation in Greece, it is interesting to observe that Far Eastern banks have increased their exposure. The overall portfolio of this group is the only portfolio that has gone up to \$20,268 from \$19,161 in 2012, a rise of 5.78%.

Graph 5

International Banks WITHOUT a Greek presence

Total Portfolio: **\$20,268**, Number of Banks: **30**

Last year: Total portfolios: **\$19,161m**, Number of Banks: **31**





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*
Beremberg*
Dexia Bank Belgium*
*Market estimates <i>Total portfolio: \$2.885bn</i>

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



Table 11: International Banks WITHOUT a Greek presence – Total Greek portfolios

International banks WITHOUT a Greek presence – Total Greek portfolios (in US\$m)							
Bank	end 2013	end 2012	end 2011	end 2010	end 2009	end 2008	Change between 2012 and 2013
Credit Suisse*	\$5,700.00	\$5,211.00	\$5,000.00	\$4,500.00	\$4,000.00	\$4,900.00	9.38% (Between 2012 and 2011: 4.22%)
DB - Deutsche Shipping*	\$2,000.00	\$2,000.00	\$2,323.00	\$2,613.00	\$1,449.00	\$1,594.00	0.00% (Between 2012 and 2011: -13.90%)
LBG Shipping Finance**	\$400.00	\$900.00	\$1,261.00	\$1,361.00	\$1,395.00	\$1,587.00	-55.56% (Between 2012 and 2011: 28.63%)
Nordea	\$1,060.00	\$1,160.00	\$1,050.00	\$1,350.00	\$900.00	\$1,040.00	-8.62% (Between 2012 and 2011: 10.48%)
Bremer Landesbank	\$827.82	\$814.37	\$680.00	\$903.00	\$959.00	\$845.00	1.65% (Between 2012 and 2011: 19.76%)
Nord LB	\$855	\$804.85	\$593.00	\$687.00	\$674.00	\$674.00	6.24% (Between 2012 and 2011: 35.737%)
CHINA EXIM*	\$1,450.00	\$1,200.00	\$850.00	\$650.00	\$244.00	\$94.00	21% (Between 2012 and 2011: 41%)
KFW*	\$899.17	\$904.83	\$400.00	\$557.50	\$600.00	\$594.00	-0.63% (Between 2012 and 2011: 126.2%)
Natixis**	\$150.00	\$250.00	\$367.00	\$458.00	\$518.00	\$0.00	-40.00% (Between 2012 and 2011: -31.88%)
ING*	\$1,500.00	\$1,200.00	\$1,200.00	\$402.00	\$197.00	\$261.00	25.00% (Between 2012 and 2011: 0%)
KEXIM*	\$700.00	\$600.00	\$500.00	\$400.00	\$400.00	\$0.00	17% (Between 2012 and 2011: 20%)
China Everbright Bank*	\$350.00	\$300.00	\$150.00	\$0.00	\$0.00	\$0.00	16.67%
Bank of Ireland**	\$66.00	\$86.30	\$125.00	\$161.00	\$213.00	\$232.00	-23.52% (Between 2012 and 2011: -31%)
Deka*	\$125.00	\$125.00	\$156.00	\$150.00	\$200.00	\$220.00	0% (Between 2012 and 2011: -20%)
NIBC	\$300.00	\$150.00					
China Development Bank*	\$1,000.00	\$800.00	\$500.00				
OTHER BANKS	\$2,885.00	\$2,655.00	\$2,710.00				
* Market estimates ** Exiting ship finance							
Total	\$20,268	\$19,161	\$17,865	\$14,469	\$14,102	\$17,300	5.78% (Between 2012 and 2011: +7.13%)

Petrofin Bank Research © - April 2014



Table 12: International banks WITHOUT a Greek presence – Drawn loans

International banks WITHOUT a Greek presence – Drawn loans (in US\$m)							
	end 2013	end 2012	end 2011	end 2010	end 2009	end 2008	Change between 2012 and 2013
Credit Suisse*	\$4,800.00	\$4,308.00	\$4,000	\$3,500	\$3,000	\$3,000	11.42% (Between 2012 and 2011: 7.7%)
DB - Deutsche Shipping*	\$2,000.00	\$2,000.00	\$2,100	\$2,439	\$1,122	\$902	0.00% (Between 2012 and 2011: -4.76%)
LBG Shipping Finance**	\$400.00	\$900.00	\$1,171	\$1,272	\$1,145	\$994	-55.56% (Between 2012 and 2011: -23.14%)
Nordea	\$800.00	\$750.00	\$800	\$1,050	\$800	\$840	6.67% (Between 2012 and 2011: -6.25%)
Bremer Landesbank	\$786.62	\$785.97	\$611	\$449	\$468	\$325	0.08% (Between 2012 and 2011: 28.64%)
Nord LB	\$758.5	\$715.16	\$573	\$525	\$580	\$580	6.06% (Between 2012 and 2011: 24.81%)
CHINA EXIM*	\$1,000.00	\$850.00	\$600	\$500	\$150		18% (Between 2012 and 2011: 42%)
KFW*	\$751.61	\$660.82	\$350	\$332.50	\$350	\$370	13.74% (Between 2012 and 2011: 88.8%)
Natixis**	\$150.00	\$250.00	\$367	\$442	\$440		-40.00% (Between 2012 and 2011: 31.88%)
ING*	\$1,500.00	\$1,200.00	\$1,000	\$402	\$180	\$127	25.00% (Between 2012 and 2011: 20%)
KEXIM*	\$400.00	\$350.00	\$300	\$200	\$150		14% (Between 2012 and 2011: 17%)
China Everbright Bank*	\$250.00	\$200.00	\$100				-
Bank of Ireland**	\$66.00	\$86.30	\$125	\$161	\$195	\$192	-23.52% (Between 2012 and 2011: -30.96%)
Deka*	\$125.00	\$125.00	\$156	\$100	\$100	\$100	0% (Between 2012 and 2011: -20%)
NIBC	\$250.00	\$150.00					n/a
China Development Bank*	\$700.00	\$550.00	\$350				n/a
Other banks	\$2,885.00	\$2,655.00	\$2,710.00				
* Market estimates ** Exiting ship finance							
Total	\$17,623	\$16,536	\$15,334	\$11,650	\$10,516	\$11,778	6.57% (Between 2012 and 2011: 7.84%)

Petrofin Bank Research © - April 2014



Table 13: International Banks WITHOUT a Greek presence – Committed but Undrawn loans

International banks WITHOUT a Greek presence - Committed but Undrawn Loans (in USm)							
Bank	end 2013	end 2012	end 2011	end 2010	end 2009	end 2008	Change between 2012 and 2013
Credit Suisse*	\$900	\$903	\$1,000	\$1,000	\$1,000	\$1,900	-0.33% (Between 2012 and 2011: -9.7%)
DB - Deutsche Shipping*	\$0	\$0	\$223.00	\$174.00	\$327.00	\$692.00	- (Between 2012 and 2011: -100%)
LBG Shipping Finance**	\$0	\$0	\$90.00	\$89.00	\$250.00	\$593.00	- (Between 2012 and 2011: -100%)
Nordea	\$260	\$410	\$250.00	\$300.00	\$100.00	\$200.00	-37% (Between 2012 and 2011:64%)
Bremer Landesbank	\$41	\$28	\$69.00	\$454.00	\$491.00	\$520.00	45.07% (Between 2012 and 2011: -58.9%)
Nord LB	\$96.53	\$90	\$20.00	\$162.00	\$94.00	\$94.00	7.63% (Between 2012 and 2011: 348%)
CHINA EXIM*	\$450	\$350	\$250.00	\$150.00	\$94.00	\$94.00	29% (Between 2012 and 2011:- 100%)
KFW	\$148	\$244	\$50.00	\$225.00	\$250.00	\$224.00	-39.53% (Between 2012 and 2011: 388%)
Natixis**	\$0	\$0	\$0.00	\$16.00	\$78.00		- (Between 2012 and 2011: -100%)
ING*	\$0	\$0	\$200.00	\$0.00	\$17.00	\$134.00	- (Between 2012 and 2011: -100%)
KEXIM*	\$300	\$250	\$200.00	\$200.00	\$250.00		20% (Between 2012 and 2011: 0%)
China Everbright Bank*	\$100	\$100	\$50.00		n/a		0.00%
Bank of Ireland**	\$0	\$0	\$0.00	\$0.00	\$18.00	\$40.00	0% (Between 2012 and 2011: 0%)
Deka*	\$0	\$0	\$0.00	\$50.00	\$100.00	\$120.00	0% (Between 2012 and 2011: 0%)
China Development Bank*	300	\$250	\$150.00		n/a		20.00%
NIBC	\$50	\$0					
* Market estimates ** Exiting ship finance							
Total	\$2,645	\$2,625	\$2,552	\$2,820	\$3,585	\$5,521	0.77% (Between 2012 and 2011: -34.4%)
Included more banks than shown							

Petrofin Bank Research © - April 2014



Table 14: International banks without a Greek presence – Growth rates

International Banks without a Greek Presence	% of yearly Bank portfolio growth											Overall Average Growth between 2001-2013
	Banks	end 2013	end 2012	end 2011	end 2010	end 2009	end 2008	end 2007	end 2006	end 2005	end 2004	
	Credit Suisse*	9.38%	4.22%	11.11%	12.50%	-18.37%	40%	34.62%	40.54%	15.63%	77.78%	23.56%
	KFW*	-0.63%	126.21%	-28.25%	-7.08%	1.09%	18.47%	-4.57%	-18.10%	-10.26%	-17.90%	3.43%
	Bremer Landesbank	1.65%	19.79%	-24.77%	-5.77%	13.49%	-2.76%	96.16%	-1.12%	-5.38%	14.36%	8.10%
	Nordea	-8.62%	10.48%	-22.22%	50%	-13.46%	8.33%	47.69%	23.57%	44.90%	29.64%	8.46%
	LBG Shipping**	-55.56%	-28.63%	-7.36%	-2.47%	n/a	57.08%	-12.25%	94.90%	61.66%	23.71%	-18.35%
	Bank of Ireland**	-23.52%	-30.96%	-22.36%	-24.54%	-8.04%	127.45%	6.25%	-3143.00%	16.67%	166.67%	3.90%
	Nord LB	6.24%	35.76%	-13.67%	1.94%	0%	-0.11%	25.58%	13784.00%	88.33%	-21.88%	18.73%
	ING*	25.00%	0.00%	198.51%	103.63%	-24.47%	-9.24%	8.75%	12895.00%	65.57%	107.92%	32.77%
	Deka*	0.00%	-20.18%	4.4	-25%	-9.09%	n/a	n/a	n/a	n/a	n/a	-10.69%
	DB Shipping*	0.00%	-13.90%	-11.10%	80.33%	-9.10%	65.01%	445.76%	12015.00%	47.14%	56.11%	32.23%
China Everbright Bank*	16.67%	66.67%	n/a									
CHINA Exim*	20.83%	17.65%	30.77%	30%	n/a							
Natixis**	-40.00%	-31.87%	-19.88%	-11.58%	-16.18%	11.96%	33.66%	123.00%	351.00%	-27.30%	11.48%	
KEXIM*	16.67%	-20.00%	25%	0%	n/a							
China Development Bank*	25.00%	30.00%	n/a									
NIBC*	100.00%	recently rejoined Greek shipping lenders after many years	n/a									
OTHER BANKS	8.86%	-2.03%	n/a									
Annual Group Growth – including other banks	5.78%	7.13%	23.62%	2.60%	-18.5%	23.03%	-4.91%	47.15%	-16.74%	23.32%	10.43%	

* Based on market estimates ** Exiting ship finance

Petrofin Bank Research © - April 2014

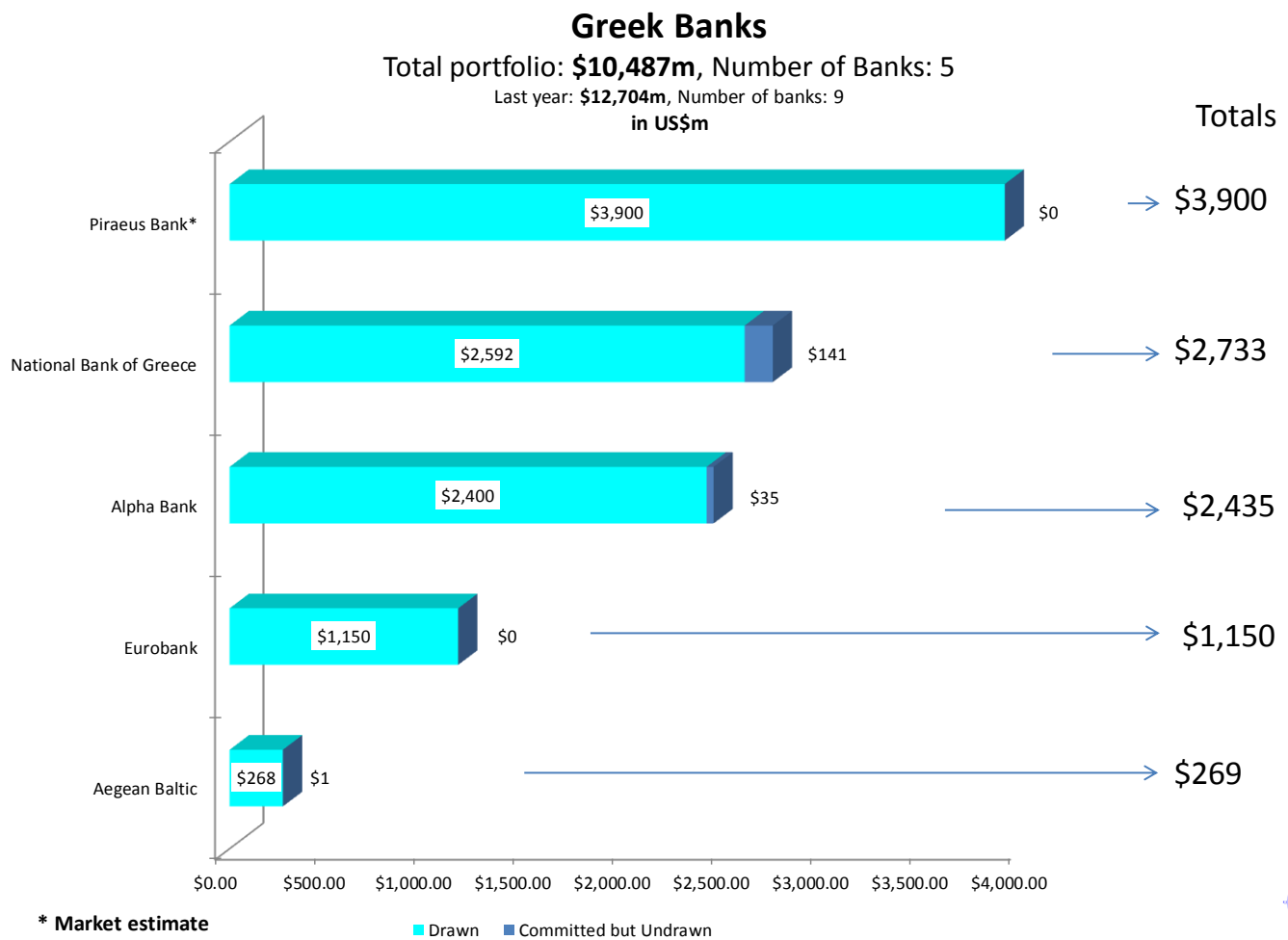
This group with a steady growth over the last years is showing a minor upward fluctuation of 5.78%. Even its commitments show a very marginal growth.



Greek Banks

Individually, most banks show a remarkable increase in their portfolios. This is due to the mergers and acquisitions which has reduced the number of Greek banks further from 9 to 5.

Graph 6



Petrofin Bank Research © - April 2014

Piraeus bank has developed into the largest bank in Greece with the largest shipping loan portfolio.



Table 15: Total Greek portfolios

Greek Banks - Total portfolios (in US\$m)							
	end 2013	end 2012	end 2011	end 2010	end 2009	end 2008	Change between 2012 and 2013
Piraeus Bank*	\$3,900	\$1,860	\$1,950	\$2,000	\$1,810	\$2,078	109.68% (Between 2010 and 2011: -4.6)
National Bank of Greece	\$2,733	\$2,389	\$2,566	\$3,004	\$3,217	\$3,546	14.40% (Between 2010 and 2011: -6.9)
Alpha Bank	\$2,435	\$1,715	\$2,050	\$2,470	\$2,675	\$2,650	42% (Between 2010 and 2011: -16)
Eurobank	\$1,150	\$1,054	\$1,266	\$1,410	\$1,373	\$1,299	9.07% (Between 2010 and 2011: -16.7)
Aegean Baltic	\$269	\$308	\$362	\$327	\$339	\$324	-12.80% (Between 2010 and 2011: -14.8%)
							* Market estimates
Total	\$10,486.91	\$12,704.54 [∇]	\$14,517.07 [∇]	\$15,833.6 [∇]	\$16,140 [∇]	\$16,945 [∇]	-17.46% (Between 2010 and 2011:-49.5%)
[∇] Includes portfolios of banks not showing anymore * Market estimate							
Petrofin Bank Research © - April 2014							



Table 16: Greek banks – Drawn loans

Greek Banks - Drawn loans (in US\$m)							
	end 2013	end 2012	end 2011	end 2010	end 2009	end 2008	Change between 2012 and 2013
Piraeus Bank*	\$3,900	\$1,850	\$1,900	\$1,870	\$1,700	\$1,960	110.81% (Between 2012 and 2011: -2.63%)
National Bank of Greece	\$2,592	\$2,232	\$2,432	\$2,545	\$2,374	\$2,382	16.13% (Between 2012 and 2011: -8%)
Alpha Bank	\$2,400	\$1,700	\$1,950	\$2,120	\$2,275	\$2,100	41% (Between 2012 and 2011: -13%)
Eurobank	\$1,150	\$1,054	\$1,188	\$1,211	\$1,181	\$1,001	9.07% (Between 2012 and 2011: -11.25%)
Aegean Baltic	\$268	\$304	\$326	\$291	\$308	\$273	-11.95% (Between 2012 and 2011: -6.72%)
* Market estimates							
Total	\$10,309.76	\$12,318.23 [∇]	\$13,624.62 [∇]	\$13,715.56 [∇]	\$13,229 [∇]	\$12,777 [∇]	-16.30% (Between 2012 and 2011:-9.59%)
[∇] Includes portfolios of banks not showing anymore * Market estimate							
Petrofin Bank Research © - April 2014							



Table 17: Greek Banks – Committed but Undrawn loans

Greek Banks - Committed but Undrawn loans (in US\$m)							
	end 2013	end 2012	end 2011	end 2010	end 2009	end 2008	Change between 2013 and 2012
National Bank of Greece	\$141	\$157	\$134	\$459	\$843	\$1,164	-10.19% (Between 2011 and 2012: - 17.16%)
Alpha Bank	\$35	\$15	\$100	\$350	\$400	\$550	133.33% (Between 2011 and 2012: - 85%)
Piraeus Bank*	\$0	\$10	\$50	\$130	\$110	\$118	— (Between 2011 and 2012: - 80%)
Eurobank	\$0	\$0	\$78	\$199	\$192	\$298	— (Between 2011 and 2012: 0%)
Aegean Baltic	\$1	\$4	\$36	\$36	\$31	\$51	-73.26% (Between 2011 and 2012:- 88%)
* Market estimates							
Total	\$177.15	\$386.3[∇]	\$892.46[∇]	\$2,168.04[∇]	\$2,911[∇]	\$4,168.00[∇]	-54.14% (Between 2012 and 2013 - 58.84%)
[∇] Includes portfolios of banks not showing anymore * Market estimate							
Petrofin Bank Research © - April 2014							

Greek commitments have plummeted again, this time by 54.14%. Last year's confusion seems to be settling down and Greek banks, are now re-organizing their shipping departments.



Table 18: Greek banks - Growth rates

Greek Banks	% of yearly Bank portfolio growth										Overall Average Growth between 2001-2013
	Banks	end 2013	end 2012	end 2011	end 2010	end 2009	end 2008	end 2007	end 2006	end 2005	
National Bank of Greece	14.40%	-6.90%	-14.58%	-6.62%	-9.26%	48.22%	49.50%	40.35%	-18.57%	1.52%	9.28%
Alpha Bank	41.98%	-16%	-17%	-7.66%	0.94%	-1.01%	99.78%	-9.46%	9.63%	12.50%	7.43%
Piraeus Bank*	109.68%	-4.62%	-2.50%	10.50%	-12.90%	-38.45%	197.71%	26.42%	3.46%	-5.76%	14.36%
Eurobank	9.07%	-16.67%	-10.23%	2.64%	5.76%	-19.34%	143.57%	9.87%	6.05%	59.85%	15.08%
Aegean Baltic	-12.80%	-14.92%	10.85%	-3.67%	4.76%	52.83%	43.24%	38.32%	46.58%	111.59%	27.56%
Annual Group Growth	-17.46%	-12.49%	-8.60%	-1.59%	-4.74%	6.97%	115.59%	12.63%	2.82%	12.45%	13.01%
* Based on market estimates											
Petrofin Bank Research © April 2014											



Table 19 summarises in one table the comparative statistics for the Greek ship-finance market over the last 13 years.

	ΔΕΚ-01	ΔΕΚ-02	ΔΕΚ-03	ΔΕΚ-04	ΔΕΚ-05	ΔΕΚ-06	ΔΕΚ-07	ΔΕΚ-08	ΔΕΚ-09	ΔΕΚ-10	ΔΕΚ-11	ΔΕΚ-12	ΔΕΚ-13	Greek Shipping loan volumes in \$bn												
	Number of banks												ΔΕΚ-01	ΔΕΚ-02	ΔΕΚ-03	ΔΕΚ-04	ΔΕΚ-05	ΔΕΚ-06	ΔΕΚ-07	ΔΕΚ-08	ΔΕΚ-09	ΔΕΚ-10	ΔΕΚ-11	ΔΕΚ-12	ΔΕΚ-13	
International banks WITH a Greek presence	11	10	10	9	11	11	13	12	11	11	11	11	11	\$7.05	\$8.19	\$10.12	\$13.94	\$19.45	\$24.25	\$37.04	\$38.98	\$36.78	\$35.88	\$35.29	\$33.90	\$30.74
International banks WITHOUT a Greek presence	20	30	29	27	15	16	16	16	18	16	32	31	30	\$6.17	\$8.60	\$9.79	\$12.07	\$10.05	\$14.79	\$14.06	\$17.30	\$14.10	\$14.47	\$17.89	\$19.16	\$20.27
Greek banks	9	11	15	14	14	12	12	12	12	12	12	9	5	\$3.31	\$4.47	\$5.64	\$6.34	\$6.52	\$7.35	\$15.84	\$16.94	\$16.14	\$15.88	\$14.52	\$12.70	\$10.49
Totals	40	51	54	50	40	39	41	40	41	39	55	51	46	\$16.53	\$21.26	\$25.55	\$32.35	\$36.11	\$46.39	\$66.94	\$73.23	\$67.02	\$66.24	\$67.69	\$65.76	\$61.50

Petrofin Bank Research © - April 2014



C. Newbuilding finance research

Forward commitments to newbuildings have declined but some banks show a marked increase.

Table 20

	Bank	end 2010			end 2011			end 2012			end 2013			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	Committed but Undrawn portfolio (in \$m)	% for N/Bs	Amount for N/Bs	
1	HSH Nordbank	241	50%	120.5	38.39	29%	11.57	210.34	0%	2.1	361.99	11%	39.82	-
2	Royal Bank of Scotland	1150.68	96%	1100.62	835.00	75%	626.25	385.30	78%	300.53	213.30	67%	142.91	-14.10%
3	National Bank of Greece	459	68%	292.93	134.00	60%	80.40	157.00	59%	92.41	141.00	38%	53.44	-35.61%
4	Bremer Landesbank	454.365	100%	454.3	69.12	100%	69.12	28.40	17%	4.83	41.20	0%	0.00	-100.00%
5	Unicredit	183.4	75%	137.55	220.00	31%	67.76	24.20	100%	24.20	75.35	58%	43.33	-42.50%
6	DNB	580	64%	372	714.32	83%	591.45	807.00	79%	638.98	494.00	86%	423.36	8.23%
7	DVB	94	100%	94	331.00	62%	205.22	249.00	96%	239.04	500.00	99%	493.50	2.81%
8	ABN AMRO	41.54	37%	15.37	317.00	29%	91.93				231.00	100%	231.00	
9	Nordea	300	54%	162	250.00	93%	232.50	410.00	75%	307.50	260.00	60%	156.00	-20.00%
10	Citibank	160	100%	160	197.00	100%	197.00	500.00	100%	500.00	300.00	100%	300.00	0.00%
11	Aegean Baltic	36.452	54%	19.98	36.35	32%	11.70	4.30	42%	1.80	1.15	100%	1.15	138.89%
12	Nord LB	162.4	100%	162.4	20.00	100%	20.00	89.69	98%	87.45	94.50	90%	85.05	-7.69%
Totals		8,027.46 [∇]	83%	6,654.17 [∇]	6654.17 [∇]	68%	4542.8 [∇]	3796.54 [∇]	79%	2987.67 [∇]	2713.49	72.58%	1969.55	-6.42%

[∇] Totals until 2012 do include more banks than actual showing. For 2013 we show only the banks currently involved in newbuilding finance. The overall amount of committed loans dedicated to newbuildings has fallen to 72.58% from 79%.



D. The Greek shipping Syndications Market

The liquidity constraints faced by banks have provided a slowdown in syndications. The overall Greek syndications fell by 14%. The National Bank of Greece and HSH Nordbank have increased their portfolio leadership.

Table 21

Syndicated portfolios of third parties lead by these banks (excluding their own exposure)						
No of banks	Bank	2010	2011	2012	2013	Change in the last year
1	Citibank	\$2,390.00	\$300.00	\$2,000.00	\$2,000.00	0.00%
2	Nordea	\$2,100.00	\$1,100.00	\$2,500.00	\$1,510.00	-39.60%
3	Aegean Baltic	\$1,496.83	\$1,399.29	\$1,345.74	\$1,290.55	-4.10%
4	Credit Suisse*	\$60.00	\$53.00	\$46.00	\$0.00	-100.00%
5	HSH Nordbank	\$469.00	\$822.36	\$623.03	\$672.81	7.99%
6	DNB	\$1,352.00	\$2,085.11	\$2,487.00	\$2,479.00	-0.32%
7	Unicredit	\$280.80	\$245.70	\$226.89	\$210.00	-7.44%
8	Royal Bank of Scotland	\$984.00	\$353.00	\$462.10	\$30.00	-93.51%
9	National Bank of Greece	\$490.00	\$447.00	\$427.00	\$451.00	5.62%
10	ABN AMRO	\$122.61	\$278.19	n/a	\$121.00	
11	Nord LB	\$204.00	\$247.20	\$226.87	\$216.00	-4.79%
12	Alpha Bank	\$38.50	\$34.50	\$30.00	\$25.00	-16.67%
13	BNP Paribas	\$255.00	\$473.00	\$664.82	\$580.00	-12.76%
14	KFW*	\$45.00	n/a	\$402.30	\$311.85	-22.48%
	Totals	\$12,856.33 ^V	\$10,275.83 ^V	\$11,512.48 ^V	\$9,897.21	-14.03%
* Market estimate		^V These portfolios include more banks that are not featured anymore			Petrofin Bank Research © April 2014	



4. The outlook for 2014 and beyond

Banks witnessed, after a long and arduous road since 2009, a useful recovery in 2013 in both vessel values and cash flows via higher freights. Although the recovery was not evenly spread among the various shipping sectors, it had a pronounced effect on the quality of the banks' loan portfolios and in borrowers' ability to meet their (often restructured) loan obligations. Confidence grew among banks that shipping was on the way to recovery and this was felt even more by owners and private equity funds.

Dry bulk lead the way with a 12-month March 2013 to March 2014 recovery of 41.4% in vessel values and 52.3% in freights (from Shipping Intelligence Inc. – 1st April 2014).

With overall shipping confidence rising to record heights (Moore Stephens) and with the sector's progress picking up, one would have expected banks to be rushing headlong into shipping loans and for competition to grow.

This is not, however, what happened and the question is: why?

The answer lies with the banks themselves. Commencing with their shipping exposures, many banks had nurtured weaker clients in the hope of such a recovery. The process of recovery, though, could not work miracles overnight. It simply takes time to work out difficult loans and improve the health of a bank's loan portfolio. In addition, from a common shipping approach by the boards of major banks to be cautious to a change, involving a willingness to expand, one needs time.

A second factor is that many shipping banks had what they believed to be a higher than desired overall shipping exposure and needed time to reduce it to acceptable levels via client loan repayments.

A third factor is that banks had set up too strict criteria for lending resulting in too few potential loan transactions meeting the grade.

However, there were other more significant reasons for the banks' lack of ship lending appetite. It relates to the fundamental weakness in the liquidity and capital ratios of European banks in the light of Basel III and the new ECB regulatory overview. Banks simply lacked the resources and the risk appetite to step on the gas pedal. European banks especially found themselves bracing for the ECB loan review and proving their financial robustness. In a world of doubt, to banks profitability came second to financial strength. As the majority of shipping banks were European (72% of global ship finance in December 2013), the difficulty of European banks had a pronounced effect on Greek ship lending.

To add insult to injury, three of shipping champions of previous years i.e. RBS, HSH and Commerzbank were under immense pressure to downsize their shipping portfolios and/or leave ship lending altogether. During this time, some banks stood out for either lending counter-cyclically or standing their ground as ship finance providers. These were mainly DVB, ABN AMRO, Credit Suisse and ING among European banks and China Exim, CDM from the Far Eastern banks.

A classic West-East divide took place with shipping credit being more readily available in the Far East, where a large number of small to medium banks supported local clients. The same was not true in the West for any but the biggest and often publicly quoted companies.

For Greek ship finance, in particular, it had been most hit as the biggest lenders exited the market at precisely the time when Greek newbuilding orders and second-hand purchases accelerated. With the Greek banks unable to provide new ship finance and caught by the difficulties of European banks as a whole, Greek owners turned to the remaining few active lenders, to Far Eastern lenders (linked only to shipbuilding orders) and, increasingly, to US private equity funds (PEFs).



As the finance gap widened, PEFs were for many Greek owners often the only way to take advantage of what promised to be a healthy shipping recovery. PEFs were not only active but often scoured Greece for opportunities to co-invest and lend to Greek owners believing that the anticipated shipping recovery will provide them with the high returns they have been seeking. The result was an explosion of Joint Ventures most of which investing in eco-friendly vessels of a new design that is hoped will be the vessels of the future.

Characteristically, according to Tufton Oceanic data, on a global basis between January 2002 and January 2014, the share of global mortgage lending of the world fleet and orderbook fell from 43% to 36%. The above was even more pronounced in Greece. There are no hard data for the Greek shipping exposure by PEF, but we believe that there are over 40 Joint Ventures in place today.

This explains the paradox of a 6.5% fall in Greek shiplending at a time when the Greek fleet grew to record levels of 3901 vessels and 291 DWT (Lloyd's Fairplay) and Greek newbuilding orders exceeded 375 vessels. Provided the shipping recovery continues, (a big 'if'), it is expected that PEF interest shall wane in 2014/2015 as the opportunity to invest at a low point in the cycle falls away. In addition, over the last months, Chinese ship lending and, especially, lending to non-Far East owners has stumbled due to Chinese credit restrictions. These two developments will be counteracted by the increasing confidence and financial ability of Western banks (European and North American) which will be attracted by the high loan yields of Greek shipping based on modern eco design vessels.

It is anticipated, therefore, that mortgage lending will pick up globally, as well as in Greece, in 2014/2015. A factor that may help Greek owners is the economic recovery of Greece which had cast a shadow over the last 4 years. In addition, Greek banks too have, at long last, started the long road to recovery. It is anticipated that all 5 Greek ship lending banks will channel funds into shipping once their financial condition shall permit, as shipping is high on the list of preferences.

A Greek ship finance recovery will come at the right time as newbuilding orders are delivered and finance shall be needed. With most orders being placed in 2015 and 2016, the timing of ship finance demand and supply appears right.

Of course a big question is overhanging the shipping market. It is whether the shipping recovery witnessed thus far will continue or stall. It is a tough call, as the fundamentals, as well as the once again rising order book, do not support such a rise. On the other hand, shipping, despite the still oversupply position, is still able to absorb over supply tonnage through slow steaming and increasing port congestion.

Vessel values have risen on the wake of a euphoria that has taken hold of shipping. It remains to be seen if such high expectations shall be met.

In the meantime, banks are clearing out their loan books, selling loans to hungry recovery funds and preparing themselves for more active ship lending in the years to come.