



Petrofin EPE (Ltd)

from the Baltic Exchange, 250th Anniversary

May 1994

The Greek Perspective

The number of firms providing financial services and/or intermediation to the maritime industry has risen substantially over the years. Using primarily Lloyd's Shipping Economist "Capital for Shipping" information and augmented by additional data, the position over the period can be summarised as follows:

Number and Nationality of financial services firms

	1990	1993
Scandinavian	9	11
UK	7	21
US	7	12
Greek	3	6
Dutch	1	2
French	0	2
Other	1	8
<i>French</i>	28	62

Most of the above firms rely on intermediation, i.e. financial brokerage, and as such their income is primarily transaction fee oriented income, based on their successfully placing shipping clients' loan requirements with international ship finance banks.

The rise in numbers can be explained partly by the recovery in the shipping industry and consequently by the level of ship finance transactions, partly by the ability of these firms to structure and match (well) clients' requirements with the credit policies and requirements of shipping banks and partly by the plethora of experienced ex-bankers who found themselves jobless in the aftermath of the last banking recession.

An exception among the hordes of financial brokers is a Greek based firm of Petrofin EPE (Ltd.). Founded in 1987 (in London and moved to Greece in 1989) by a respected ex-banker Mr. Ted Petropoulos and supported by a team of experienced professionals, Petrofin has emphasized consultancy and the provision of "value added" financial services rather than brokerage. Its clientele (over 80) is characterized by the same conservative and well thought out approach, which gives meaning to such terms as financial strategy, project analysis and contingency planning. Whereas shipping companies would often use brokers as "horses for courses", the relationship with their long term permanent financial advisor such as Petrofin is a precious one which provides stability and confidence to both shipping clients as well as their financing banks. Since their fees are mostly on an hourly basis, Petrofin see little reason for changing their clients' banking relationship but every reason to assist such relationships to develop closer over the years. Where client expansion or change in direction requires an additional bank, this is done discreetly and effectively with full knowledge by Petrofin of its client's affairs over a number of years.

Asked to comment Mr. Petropoulos said: "It is true that we do not make as much income during boom market conditions. However, our income stream is steadier, our permanent clientele is larger and consequently our average cost per client is much lower".

As a result of the above conservative approach, helped by Mr. Petropoulos' numerous articles in leading shipping publications over the years and Petrofin's exemplary record, rather uniquely, it is the ship finance banks that actively encourage Petrofin for more client business.

Turning to the financial services industry as a whole, the number of participants is expected to continue to increase although at a slower pace. In addition, as with all industries, greater diversification and product differentiation will also take place.

Petrofin EPE provides consultancy services to its selective shipping clientele, stressing long term relationships and seeking to maximize each client's potential whilst maintaining a prudent financial approach.

Mr. Ted Petropoulos, a graduate of the London School of Economics and the Manchester Business School, has enjoyed a long banking career with leading US and European banks. The son of a shipowner, he moved to banking in 1975 and has occupied senior management positions in commercial as well as shipping banking departments. He is the author of numerous articles and a guest lecturer at universities and conferences.

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