



Bankers' Survey

Results of a Top International Ship Finance Bankers' survey,
conducted by Petrofin Research ©

presented 25th *Annual Ship Finance & Investment forum 2012*
London

14th – 15th November 2012



What is the current attitude to risk among top bankers?

Top Bankers' Survey

- What are the prospects for the world economy, international trade and shipping?

- When is the recovery expected to come?

- Is ship finance expected to recover?

- How much of a problem are loans?



We posed, in October/November, 15 questions to 28 top ship finance bankers, who collectively hold over \$273bn in shipping loan portfolios, or approx. 64.7% of top 40 international bank shipfinance totals (\$422.135bn).

The results are as follows:



Q1: Do you think that the DRY shipping freight market for 2013 shall be:

Bankers' responses

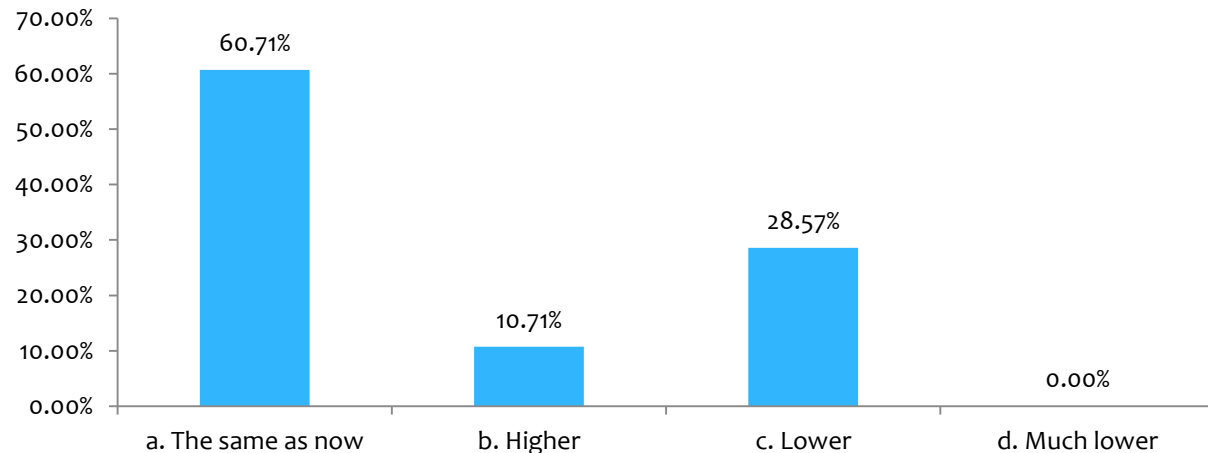
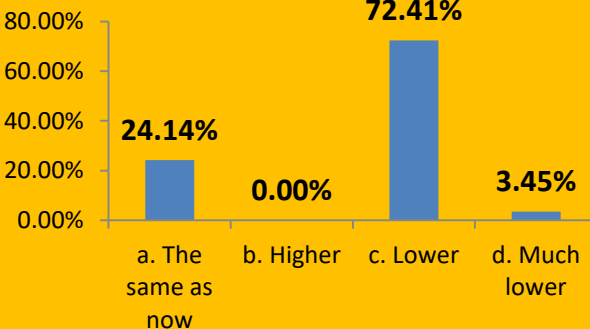
a) The same as now	60.71%
b) Higher	10.71%
c) Lower	28.57%
d) Much lower	0%

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Q1: Do you think that the DRY shipping freight markets for 2013 shall be

Last year's response

1. Do you think that the DRY shipping freight markets for 2012 shall be:





Q2: Do you think that the TANKERS shipping freight markets for 2013 shall be:

- a) The same as now
- b) Higher
- c) Lower
- d) Much higher

Bankers' responses

39.29%

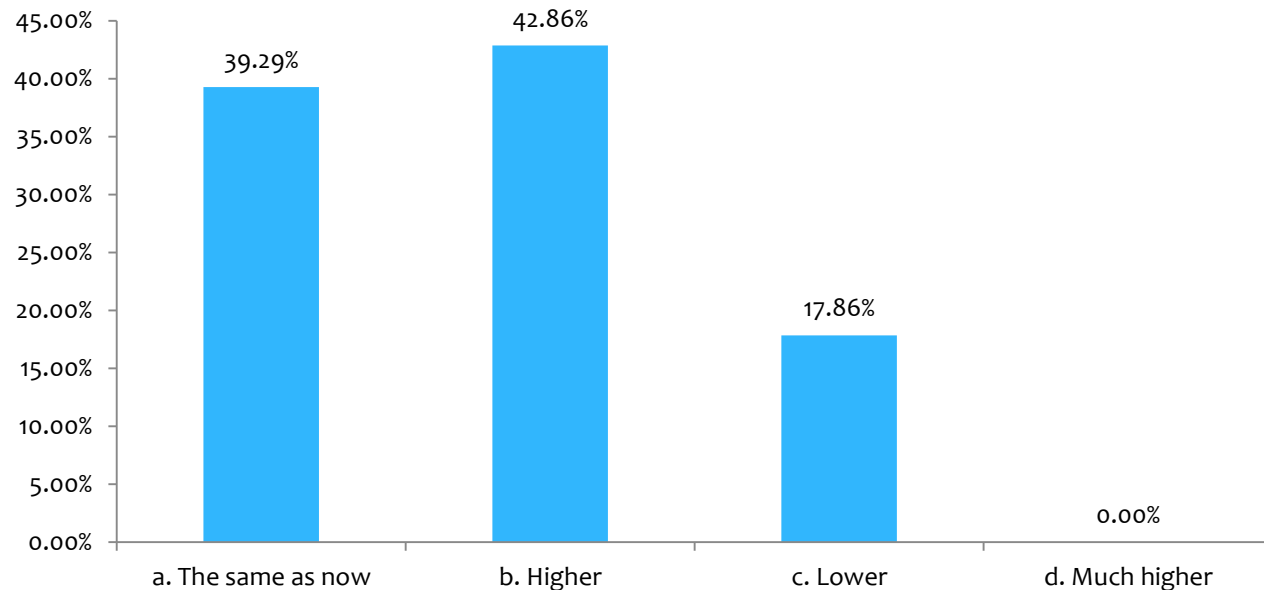
42.86%

17.86%

0%

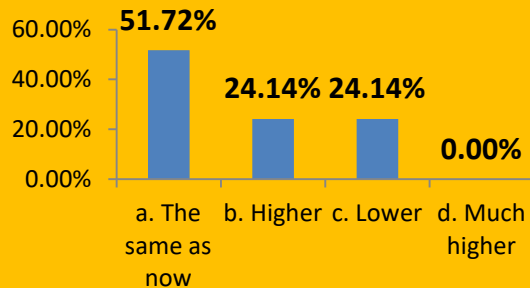
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Q2: Do you think that the TANKER shipping freight markets for 2013 shall be



Last year's response

2. Do you think that the TANKERS shipping freight markets for 2012 shall be:





Q3: Do you think that the CONTAINER shipping freight markets for 2013 shall be

Bankers' responses

- a) The same as now
- b) Higher
- c) Lower
- d) Much lower

50%

21.43%

28.57%

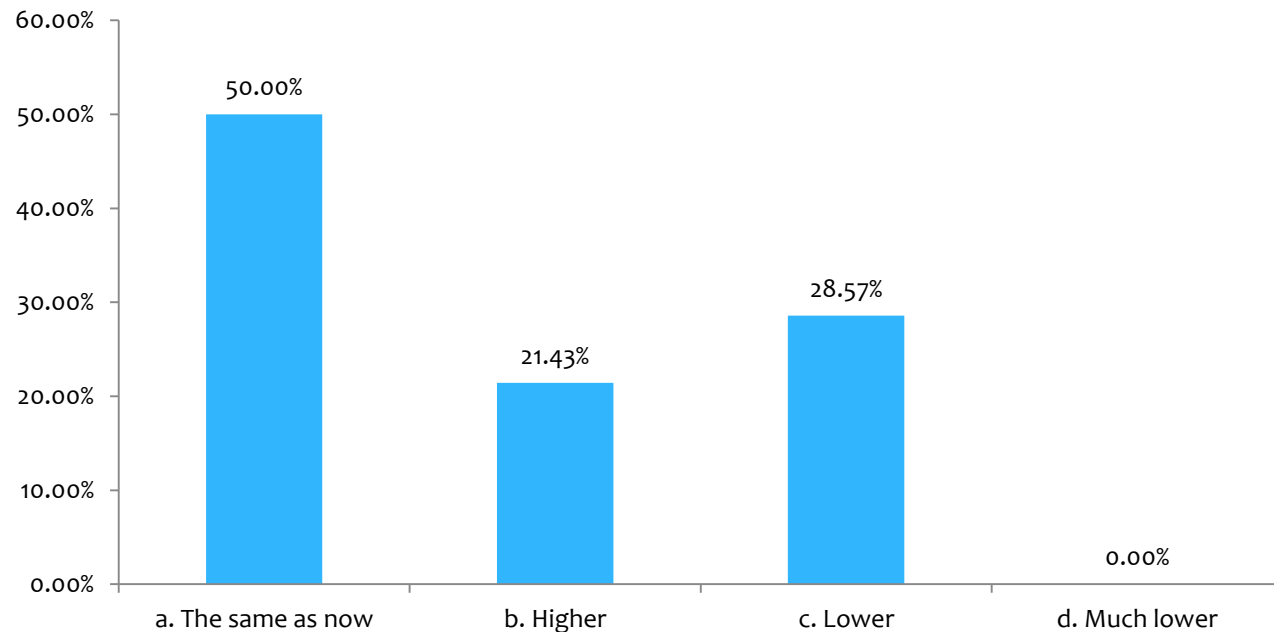
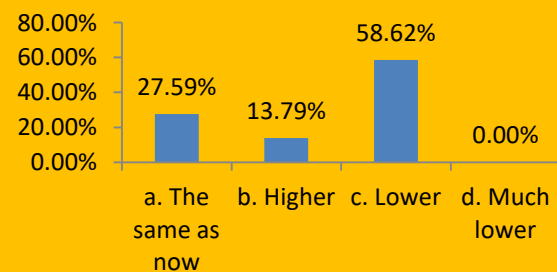
0%

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Q3: Do you think that the CONTAINER shipping freight markets for 2013 shall be

Last year's response

3. Do you think that the CONTAINER shipping freight markets for 2012 shall be:





Q4: Do you think that second hand vessel prices for dry bulk for 2013 shall be:

Bankers' responses

- a) The same as now
- b) Higher
- c) Lower
- d) Much lower

28.57%

7.14%

64.29%

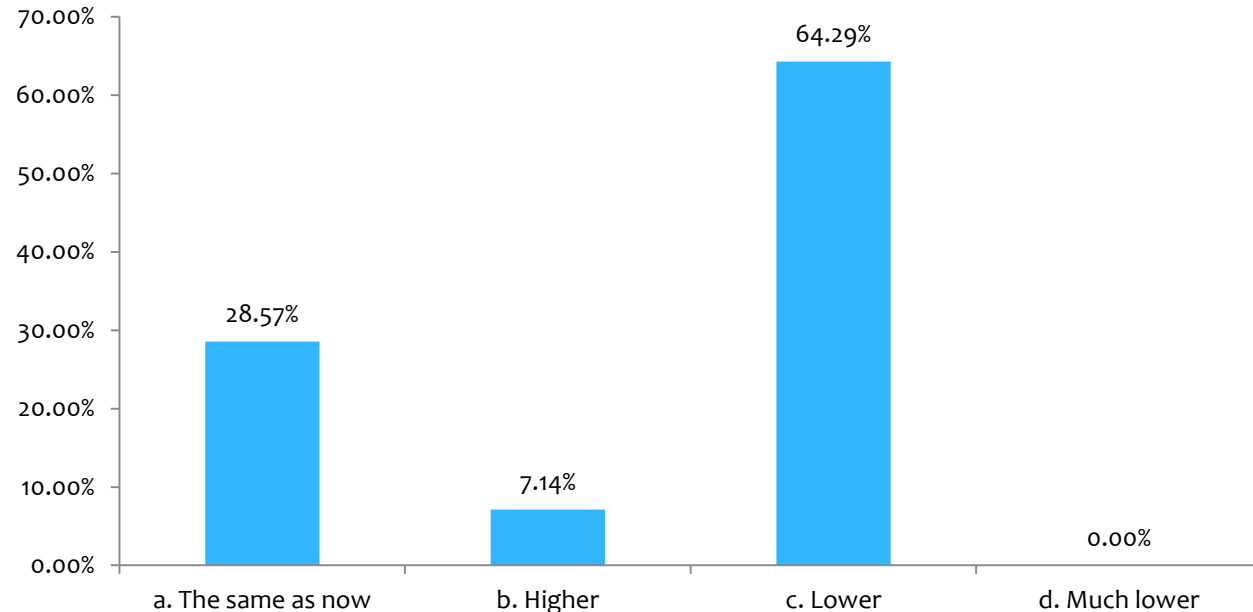
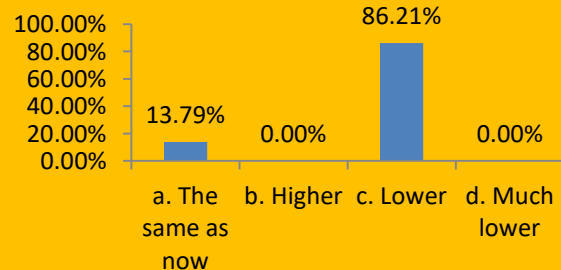
0%

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Q4: Do you think that second hand vessel prices for dry bulk for 2013 shall be

Last year's response

4. Do you think that second hand vessel prices for Dry bulk for 2012 shall be:



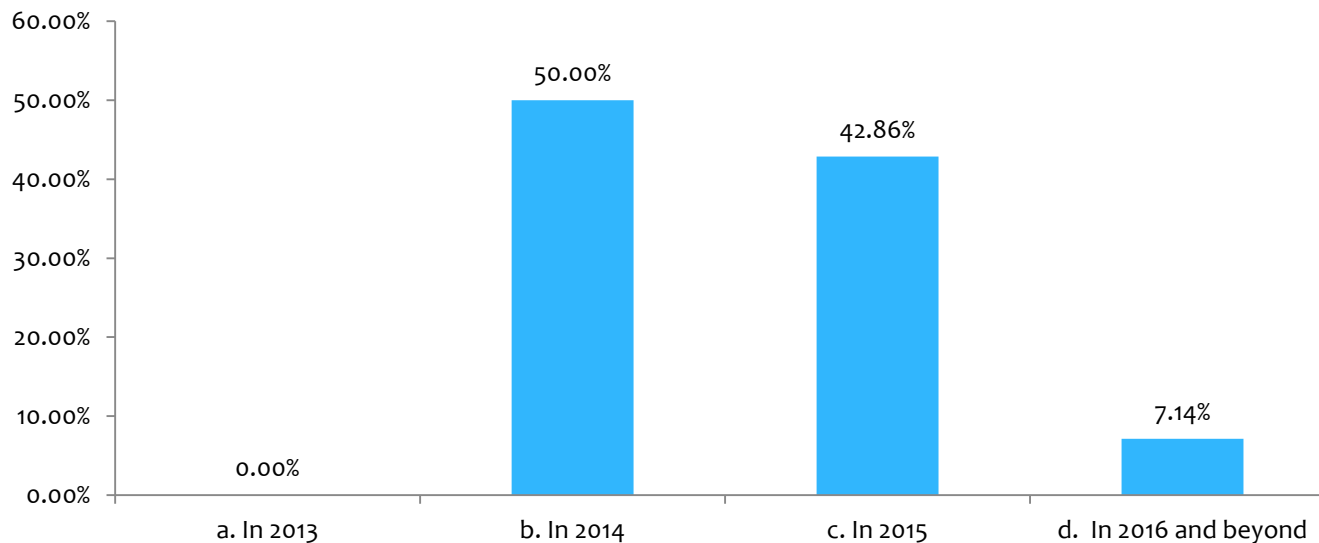


Q5: When do you believe that equilibrium between demand and supply will be reached in the dry bulk sector:

Bankers' responses

a) In 2013	0%
b) In 2014	50%
c) In 2015	42.86%
d) In 2016 and beyond	7.14%

Q5: When do you believe that equilibrium between demand and supply will be reached in the dry bulk sector?





Q6: Do you expect China's growth, currently running at about 7%, in the next 12 months to:

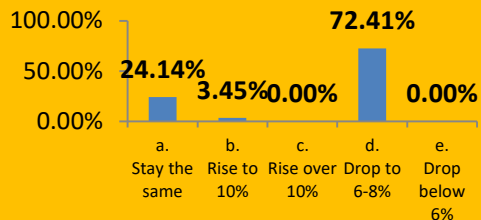
Bankers' responses

a) Stay the same	42.86%
b) Rise to 8% p.a.	28.57%
c) Rise above 8% p.a.	3.57%
d) Drop to 6% p.a.	21.43%
e) Drop below 6% p.a.	3.57%

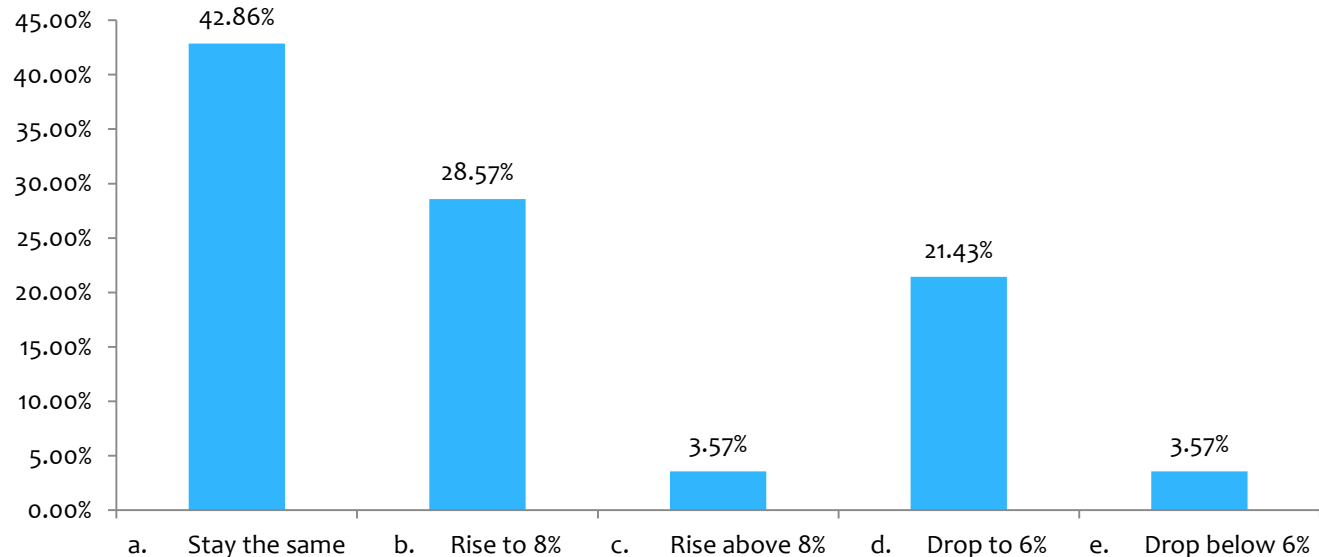
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Last year's response

6. Do you expect China's growth currently at about 9.5%, in the next 12 months to:



Q6: Do you expect China's growth, currently at about 7%, in the next 12 months to



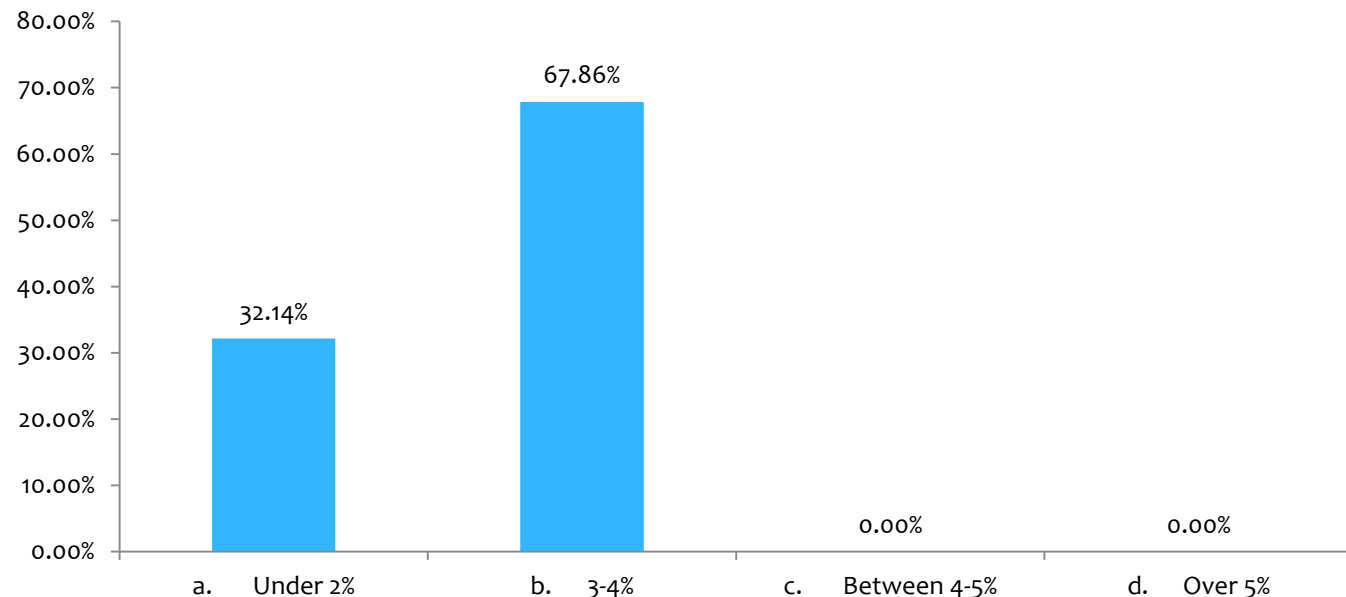


Q7: Do you think that global economic growth over the period 2013-2014 will be:

a) Under 2%	32.14%
b) 3-4%	67.86%
c) Between 4-5%	0%
d) Over 5%	0%

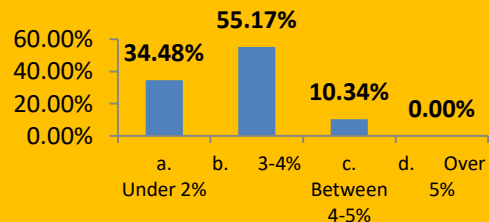
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Q7: Do you think that global economic growth over the period 2013-2014 will be



Last year's response

7. Do you think that global economic growth over the period 2012-2013 will be:





Q8: Do you think that European ship finance activity will revive in:

Bankers' responses

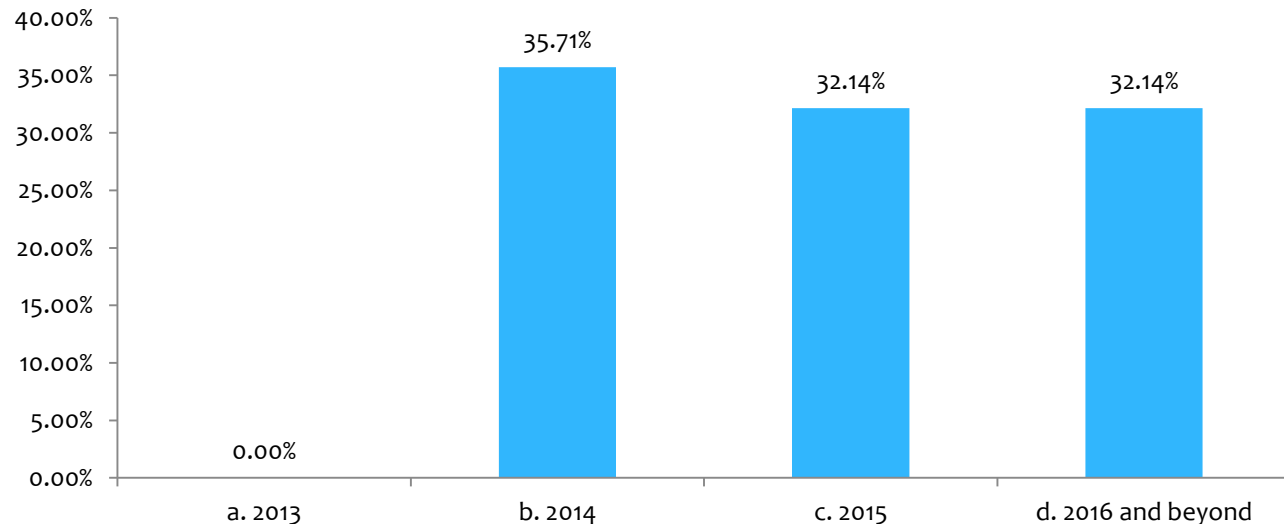
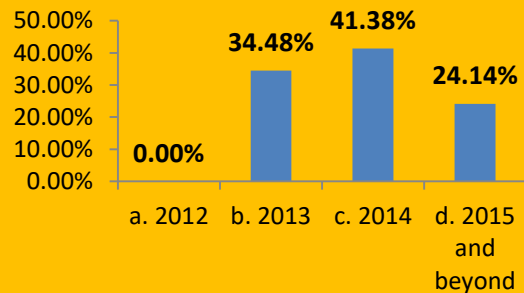
a) 2013	0%
b) 2014	35.71%
c) 2015	32.14%
d) 2016 and beyond	32.14%

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Q8: Do you think that European ship finance activity will revive in

Last year's response

8. Do you think that European ship finance activity will revive in:





Q9: Do you expect the overall global ship finance loan portfolio (loans + commitments) in 2013 to:

Bankers' responses

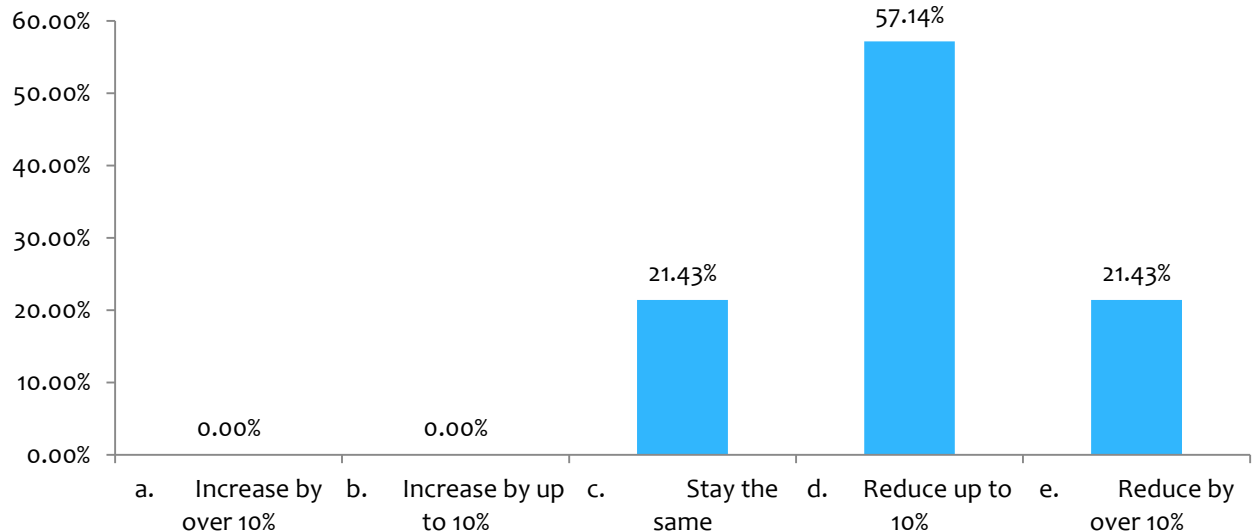
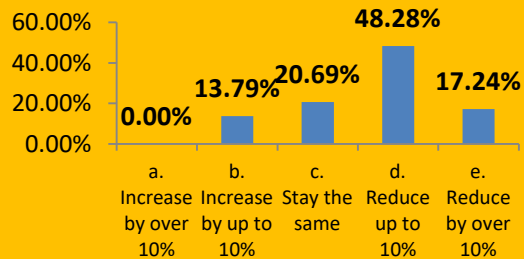
a) Increase by over 10%	0%
b) Increase by up to 10%	0%
c) Stay the same	21.43%
d) Reduce up to 10%	57.14%
e) Reduce by over 10%	21.43%

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Q9: Do you expect the overall global ship finance loan portfolio (loans + commitments) in 2013 to:

Last year's response

9. Do you expect the overall global ship finance loan portfolio (loans+commitments) in 2012 to:





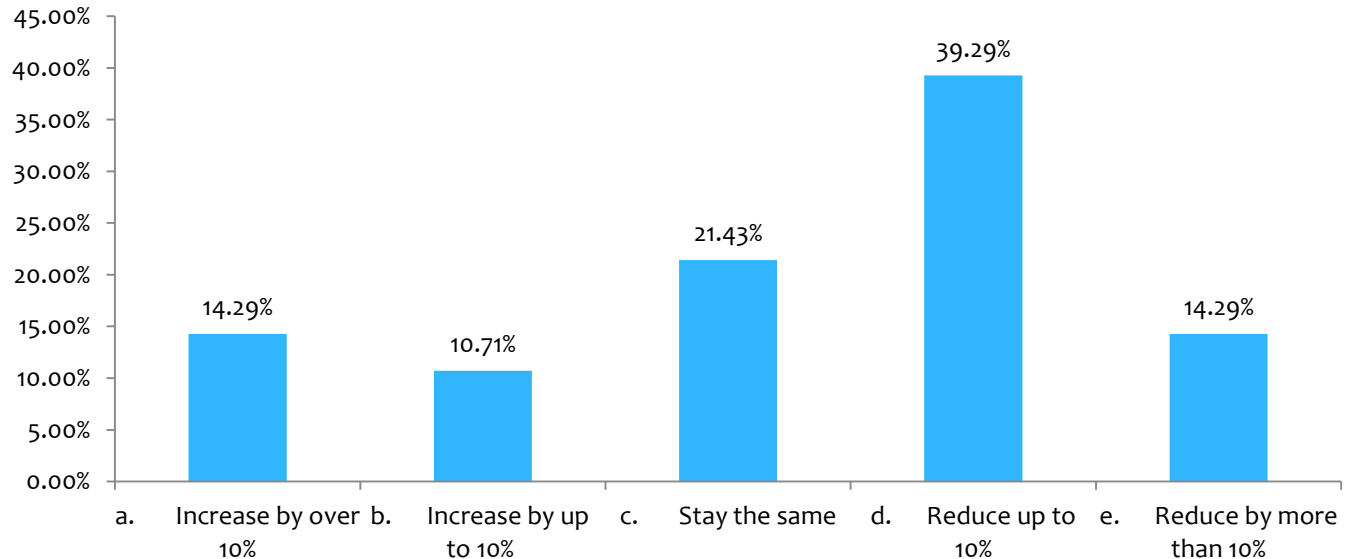
Q10: For your own institution, do you expect your ship finance portfolio (loans + commitments) in 12 months' time to

Bankers' responses

a) Increase by over 10%	14.29%
b) Increase by up to 10%	10.71%
c) Stay the same	21.43%
d) Reduce up to 10%	39.29%
e) Reduce by more than 10%	14.29%

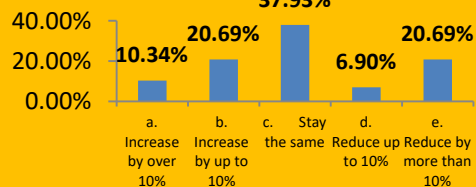
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Q10: For your own institution, do you expect your ship finance portfolio (loans + commitments) in 12 months' time to:



Last year's response

10. For your own institution, do you expect your ship finance portfolio (loans+commitments) in 12 months' time to:





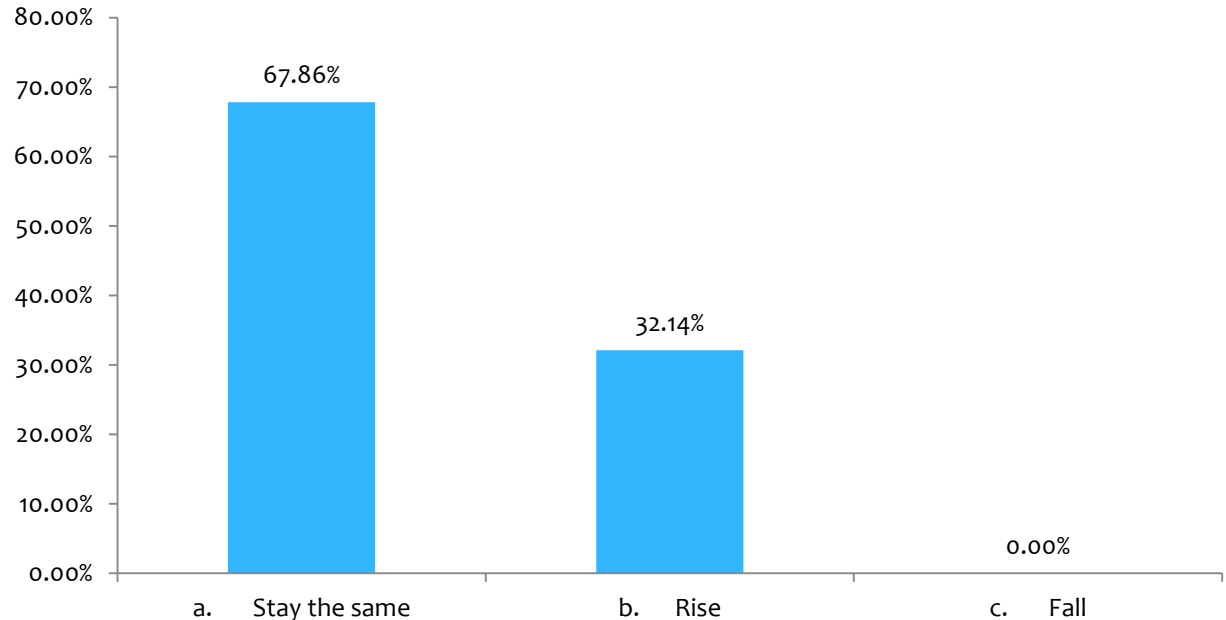
Q11: Do you expect loan spreads for new shipping loans (currently about 300-450bps) over the next 12 months, to:

Bankers' responses

- a) Stay the same **67.86%**
- b) Rise **32.14%**
- c) Fall **0%**

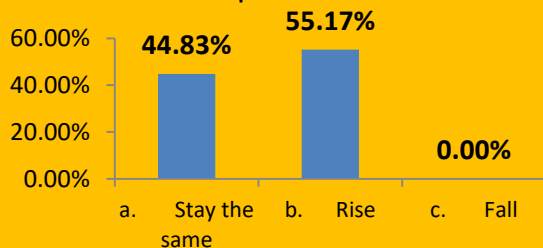
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Q11: Do you expect that loan spreads (currently about 300-750bps) over the next 12 months, to



Last year's response

11. Assuming for new shipping loans that loan spreads (currently about 300-750bps) over the next months, do you expect loan spreads to:





Q12: Do you foresee for 2013 non-performing loans to:

Bankers' responses

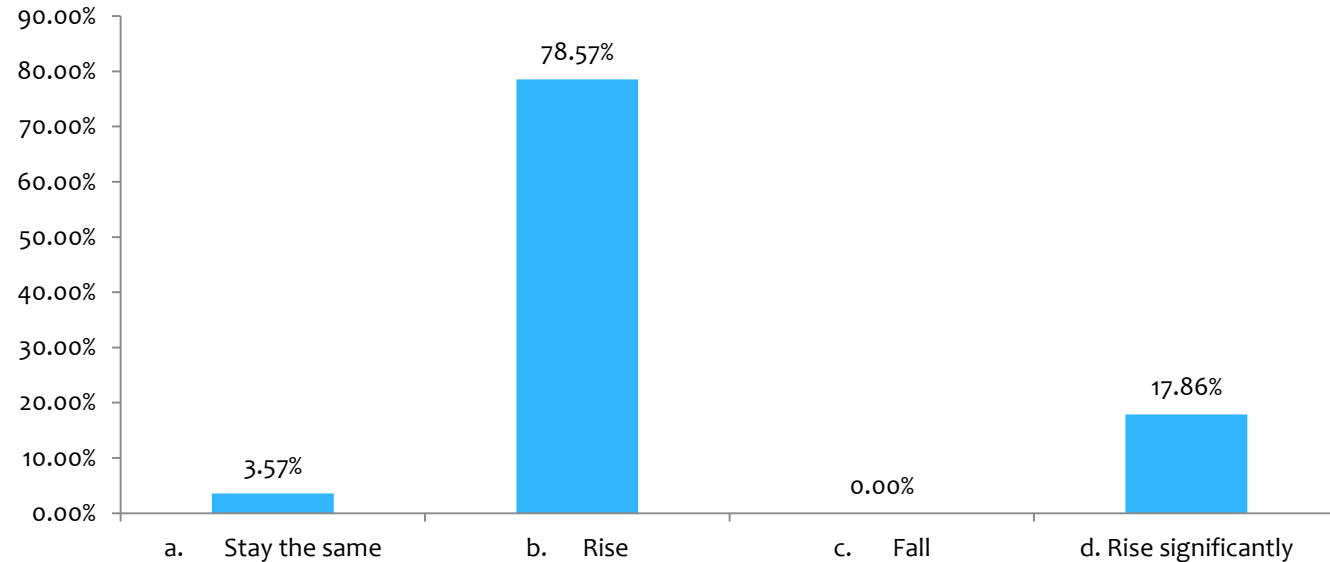
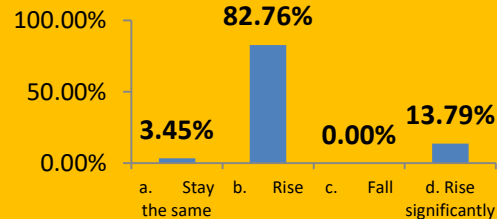
- | | |
|-----------------------|--------|
| a) Stay the same | 3.57% |
| b) Rise | 78.57% |
| c) Fall | 0% |
| d) Rise significantly | 17.86% |

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Q12: Do you foresee for 2013 non-performing loans to

Last year's response

12. Do you foresee for 2012 non-performing loans to:





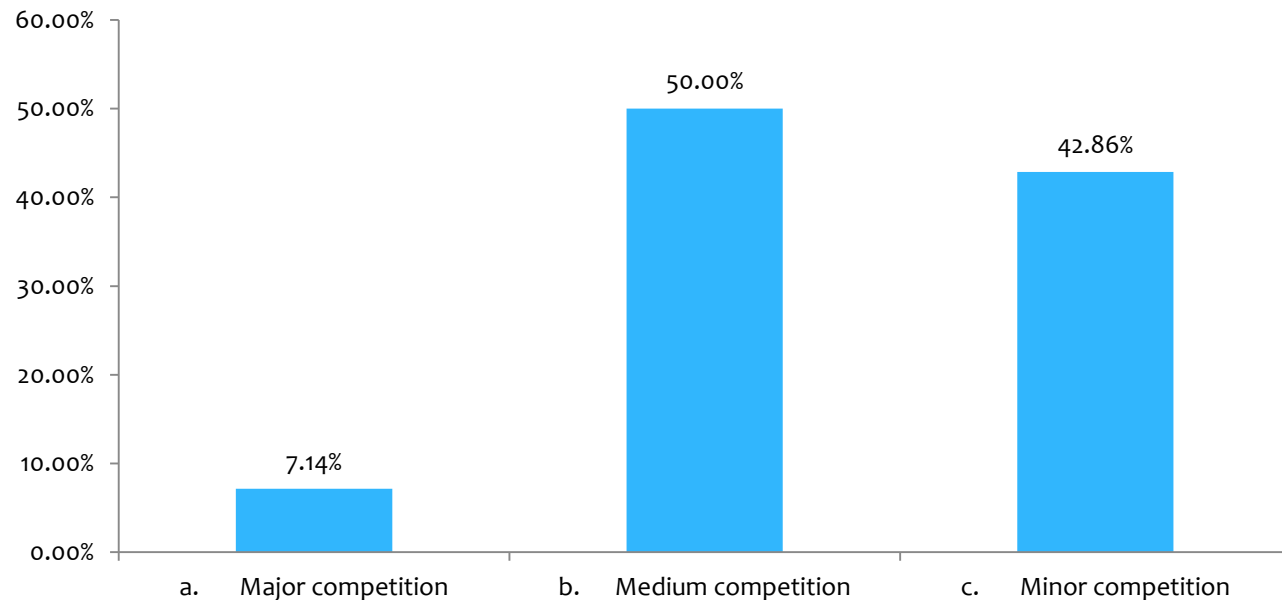
Q13: Do you foresee Far Eastern banks to develop over the next 3-5 years into:

Bankers' responses

- a) Major competition **7.14%**
- b) Medium competition **50%**
- c) Minor competition **42.86%**

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Q13: Do you foresee Far Eastern banks to develop over the next 3-5 years into



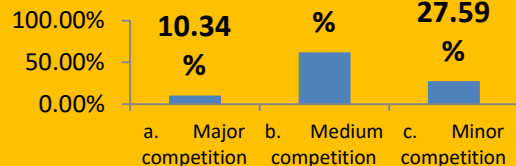
Last year's response

13. Do you foresee Far Eastern banks to develop over the next 3-5 years into:

into:

62.07%

27.59%





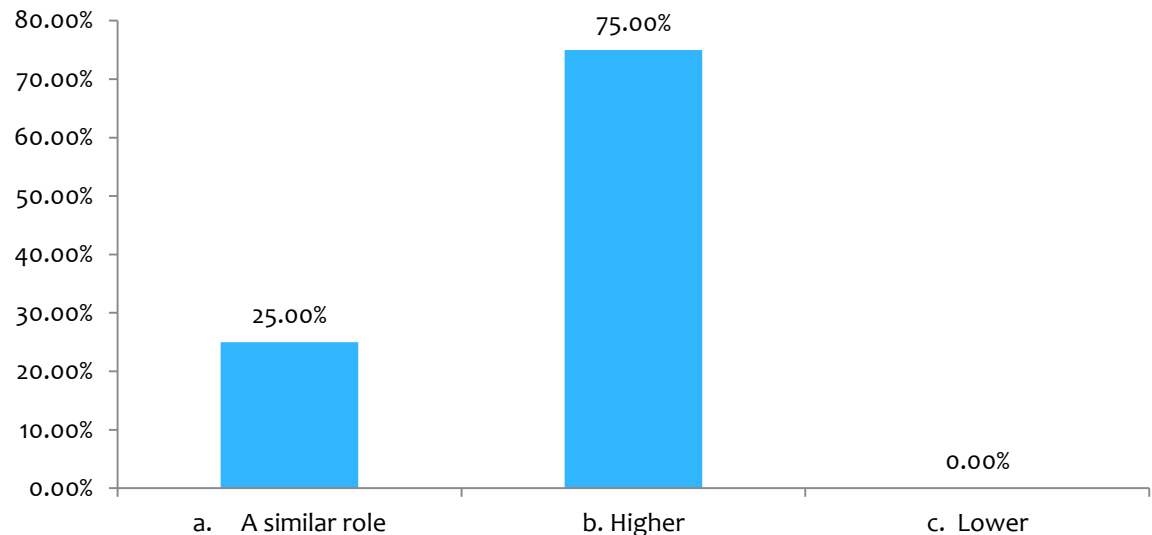
Q14: Over the next 2-3 years, will ship finance from non-bank sources, i.e. private equity, stock markets, etc. play:

Bankers' responses

- a) A similar role **25%**
- b) Higher **75%**
- c) Lower **0%**

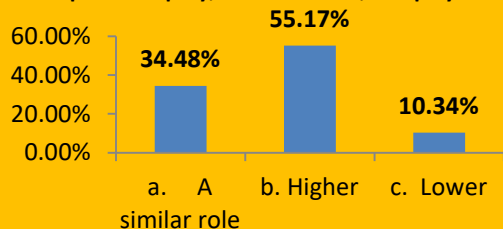
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Q14: Over the next 2-3 years, will ship finance from non-bank sources, i.e. private equity, stock markets, etc. play



Last year's response

14. Over the next 2-3 years, will ship finance from non-bank sources, i.e. private equity, stock markets, etc. play





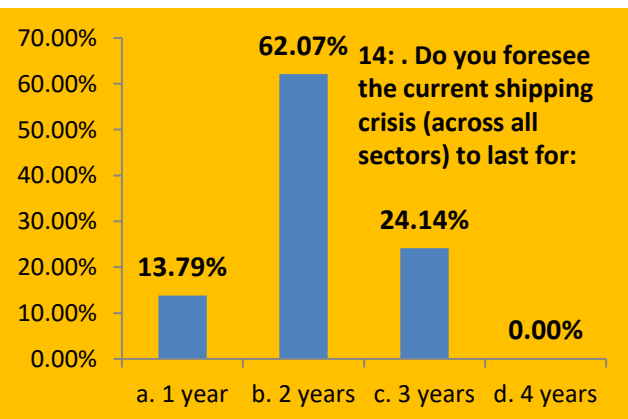
Q15: Do you foresee the current shipping crisis (across all sectors) to last for a further:

Bankers' responses

- a) 1 year **10.71%**
- b) 2 years **85.71%**
- c) 3 years **0%**
- d) 4 years **3.57%**

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Last year's response



15. Do you foresee the current shipping crisis (across all sectors) to last for a further

