

Key Developments and Growth in Greek Ship-Finance

June 2020

By Ted Petropoulos, Head, Petrofin Research ©.

Petrofin Research© presents, for the 19th year running, an overview and an in-depth analysis of the bank loan portfolios to Greek shipping, as of 31st December 2019.

Petrofin wish to thank all participating banks for their steadfast 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

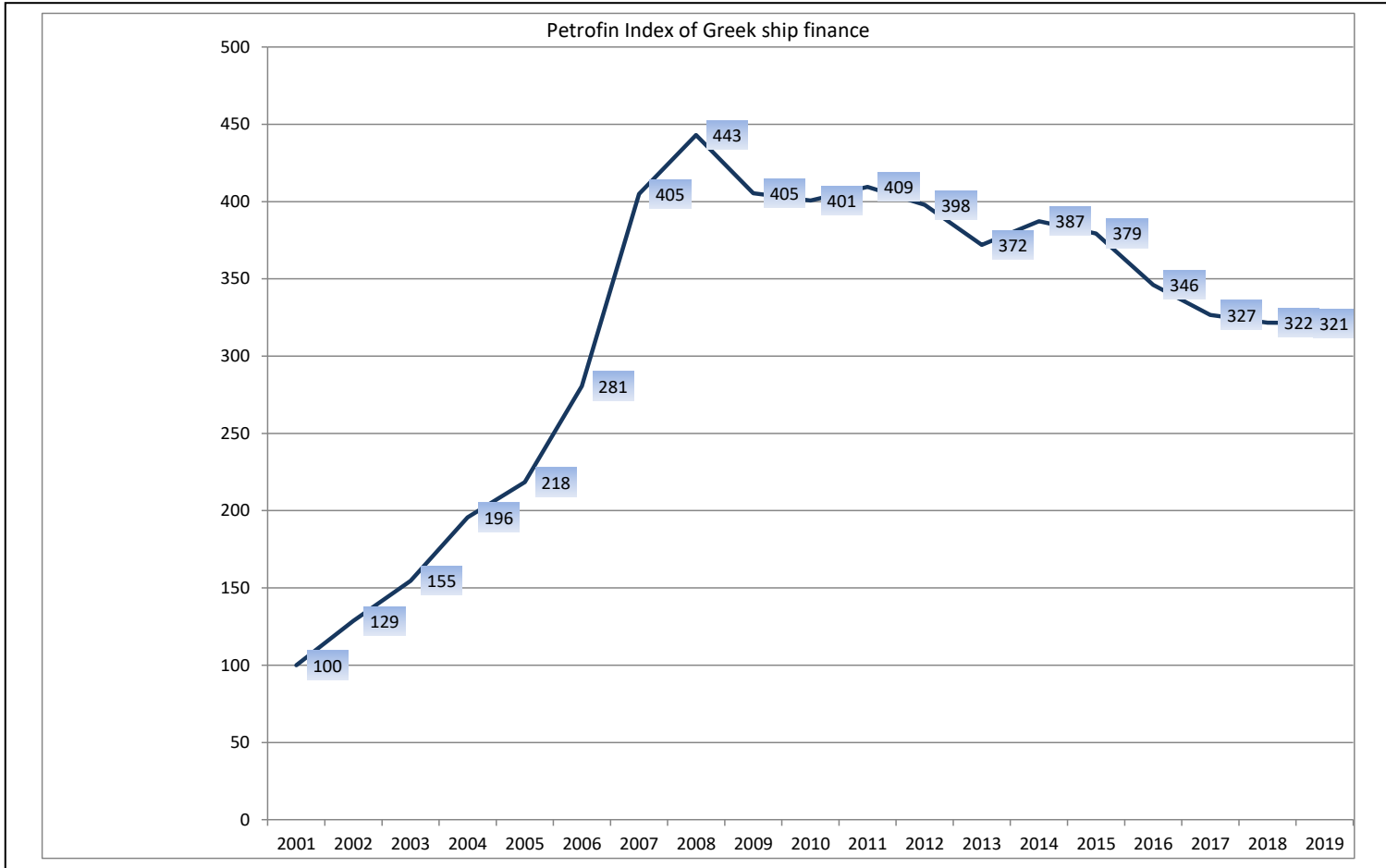
Highlight points of this year's results for Greek ship finance are as follows:

- * Bank shipfinance for Greek shipping has slowed down its decline further to -0.13% compared to -1.52% during 2018 from -5.62% in 2017 and -8.77% during 2016.
- * **The Petrofin Index for Greek Shipfinance**, which commenced at 100 in 2001 and peaked at 443 in 2008, fell from 322 to 321.
- * The overall Greek loans (both drawn and committed but undrawn) booked both in Greece and worldwide as of 31/12/2019 fell to \$53,107.8m from \$53,176.32 in 2018, \$53,994.96 in 2017 and \$57,211.35m in 2016.
- * Specifically, Drawn loans are down by -2.38% compared to -1.12% in 2018, -3.69% in 2017 and -5.34% the year before. However, Commitments have shown a large increase of 43.75% compared to a continuous slowdown: -8.8% in 2018, -30.63% in 2017 and -38% in 2016.
- * Greek banks continue the upward trend that started in 2017 and their portfolios are up by 1.05% (including loan portfolio sales executed by 31/12/2019), a slower growth than the 8.03% growth of 2018.
- * International banks WITH a Greek presence continued to reduce their exposure, this time by only 5.19%, compared to -14.13% in 2018, -10.52% in 2017, -6.5% in 2016, - 4.96% in 2015. HSBC and BNP Paribas are the only two which showed growth.
- * The International Banks WITHOUT a Greek presence have risen again for the second year in a row by 3.15%.
- * The number of banks involved in Greek shipfinance has gone up to 55 from 52 in 2018, with the addition of Astrobank (Cypriot bank included in Greek banks), Iyo Bank and Merchant and Maritime (cited in Other Banks).
- * Credit Suisse remains in the top position with another substantial increase of 10%.
- * The top 10 Greek ship financing banks showed a small decrease of -2.48%, compared to the small increase of the previous year of 1.14% and their share of the total Greek portfolio has gone down to 56.33% from 57.69% in 2018, 56.17% in 2017 and 55.19% in 2016.
- * European banks still account for the vast majority of total loans at 75.8% down from 76.9%, in 2018, 78.70% in 2017, 81.04% in 2016
- * The Lead Managers are down by 5.48%, although BNP Paribas has increased its leadership position by 189%.
- * Forward commitments to newbuildings increased by 11% showing a strong momentum by year end.

2. Petrofin Index of Greek ship finance

The Petrofin Index for Greek ship finance published by Petrofin Research © is slightly down to 321 from 322 last year.

Graph 1: Petrofin Index



Petrofin Bank Research© - as of end 2019, June 2020

3. Total Greek ship finance portfolio as of end 2019 Petrofin Bank Research ©

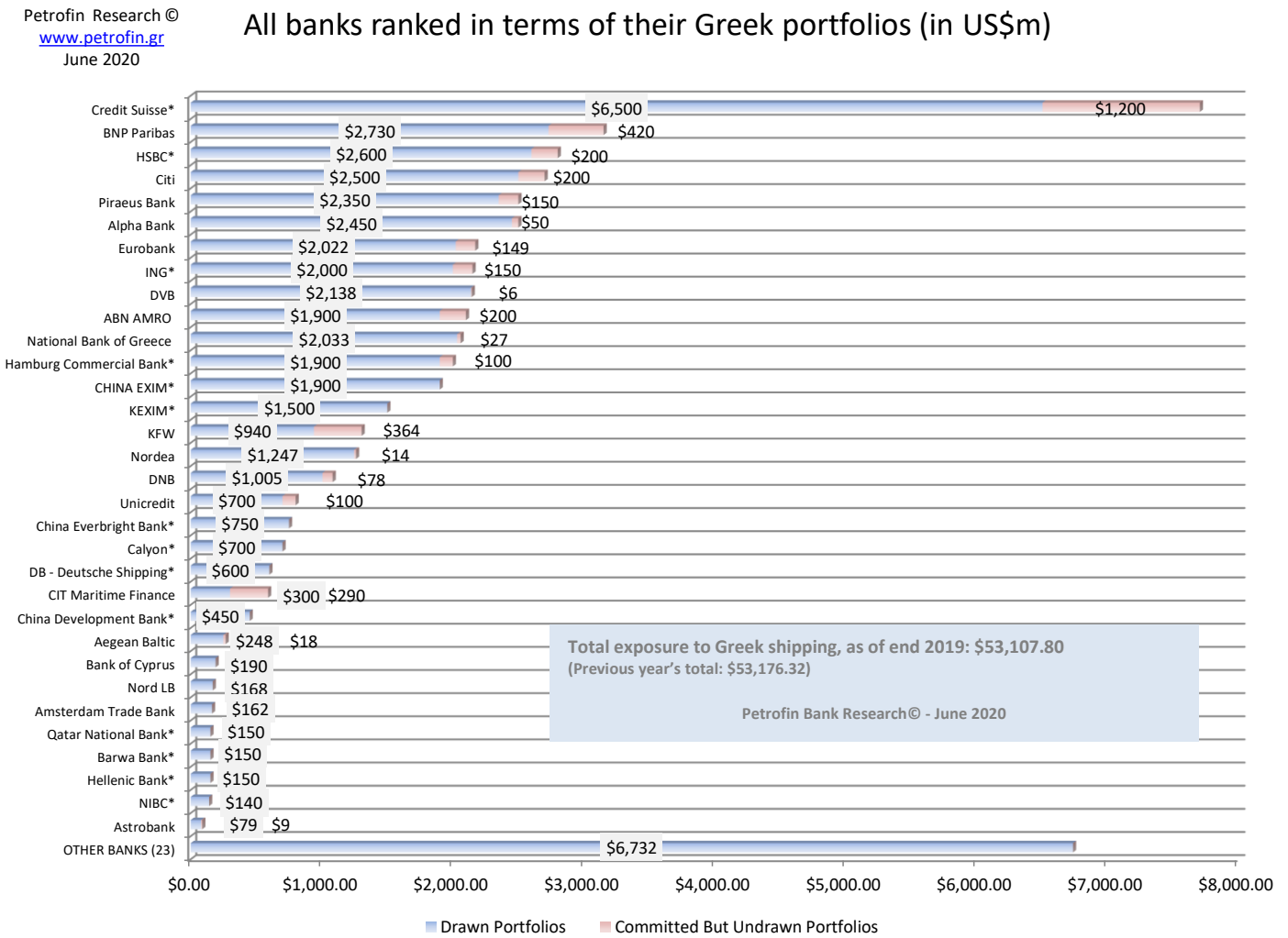
The annual results by Petrofin Bank Research©, now released for the 19th year running, reflect the exposure of all banks engaged in lending to Greek owners, at the end of 2019.

As of end 2019, the total Greek shipping portfolio stood at \$53,108m, showing a minor reduction of 0.13%.

Graph 2: Greek ship finance portfolios



Graph 3: All banks ranked in terms of their Greek portfolios (in US\$m):



Credit Suisse* continued to hold the top position for the sixth year running , with BNP Paribas now at the second place replacing DVB who has decided to leave ship finance. The big three Greek banks occupy the top 5th, 6th, and 7th position.

4. Research and Analysis

A. The Greek shipfinance market as of end 2019

Table 1: Bank ranking – in US\$m



Greek shipping portfolios as of end 2019

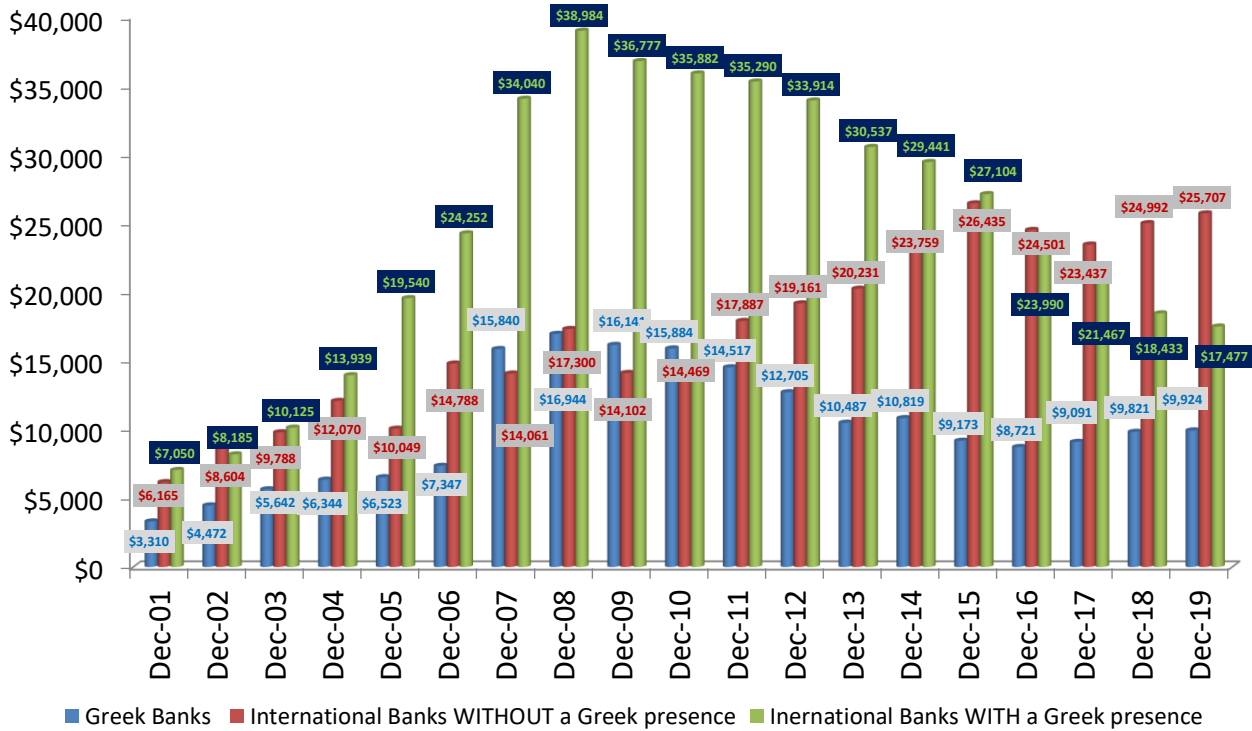
Rank	Bank	Drawn	Committed but Undrawn	Total
1	Credit Suisse*	\$6,500.00	\$1,200.00	\$7,700.00
2	BNP Paribas	\$2,730.00	\$420.00	\$3,150.00
3	HSBC*	\$2,600.00	\$200.00	\$2,800.00
4	Citi	\$2,500.00	\$200.00	\$2,700.00
5	Piraeus Bank	\$2,350.00	\$150.00	\$2,500.00
6	Alpha Bank	\$2,450.00	\$50.00	\$2,500.00
7	Eurobank	\$2,022.00	\$149.00	\$2,171.00
8	ING*	\$2,000.00	\$150.00	\$2,150.00
9	DVB	\$2,138.00	\$6.00	\$2,144.00
10	ABN AMRO	\$1,900.00	\$200.00	\$2,100.00
11	National Bank of Greece	\$2,032.50	\$26.60	\$2,059.10
12	Hamburg Commercial Bank*	\$1,900.00	\$100.00	\$2,000.00
13	CHINA EXIM*	\$1,900.00	\$0.00	\$1,900.00
14	KEXIM*	\$1,500.00	\$0.00	\$1,500.00
15	KFW	\$940.01	\$363.75	\$1,303.76
16	Nordea	\$1,246.98	\$14.08	\$1,261.06
17	DNB	\$1,005.00	\$77.90	\$1,082.90
18	Unicredit	\$700.00	\$100.00	\$800.00
19	China Everbright Bank*	\$750.00	\$0.00	\$750.00
20	Calyon*	\$700.00	\$0.00	\$700.00
21	DB - Deutsche Shipping*	\$600.00	\$0.00	\$600.00
22	CIT Maritime Finance	\$300.00	\$290.00	\$590.00
23	China Development Bank*	\$450.00	\$0.00	\$450.00
24	Aegean Baltic	\$248.20	\$18.10	\$266.30
25	Bank of Cyprus	\$190.00	\$0.00	\$190.00
26	Nord LB	\$168.00	\$0.00	\$168.00
27	Amsterdam Trade Bank	\$162.00	\$0.00	\$162.00
28	Qatar National Bank*	\$150.00	\$0.00	\$150.00
29	Barwa Bank*	\$150.00	\$0.00	\$150.00
30	Hellenic Bank*	\$150.00	\$0.00	\$150.00
31	NIBC*	\$140.00	\$0.00	\$140.00
32	Astrobank	\$79.18	\$8.50	\$87.68
	OTHER BANKS (23)	\$6,732.00	\$0.00	\$6,732.00
	Total Greek portfolio	\$49,383.87	\$3,723.93	\$53,107.80
	Overall number of banks	55		

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*Market Estimate



Graph 4: Bank exposure in terms of bank groups is as follows:

Greek shipping bank portfolios since 2001 – per bank group
 in US\$m



Greek banks and banks without a Greek presence continue their growth, whilst banks with a Greek presence continue their decline.

Table 2: Actual Drawn and Undrawn Commitments for the 3 bank groups

DRAWN								
	Change between 2018-2019	Drawn loan portfolios as of end 2019	Drawn loan portfolio as of end 2018	Drawn loan portfolio as of end 2017	Drawn loan portfolio as of end 2016	Drawn loan portfolio as of end 2015	Drawn loan portfolio as of end 2014	Drawn loan portfolio as of end 2013
International Banks WITH a Greek presence	-8.04%	\$16,173	\$17,586	\$20,169	\$21,425	\$25,329	\$27,070	\$28,467
International Banks WITHOUT a Greek presence	0.97%	\$23,688.99	\$23,461	\$22,199	\$23,204	\$21,841	\$20,551	\$17,623
Greek banks	-0.17%	\$9,521.89	\$9,538	\$8,785	\$8,485	\$8,941	\$10,378	\$10,310
Total	-2.38%	\$49,383.88	\$50,586	\$51,153	\$53,114	\$56,111	\$57,998	\$56,400
COMMITTED BUT UNDRAWN								
	Change between 2018-2019	Committed but Undrawn loan portfolio as of end 2019	Committed but Undrawn loan portfolio as of end 2018	Committed but Undrawn loan portfolio as of end 2017	Committed but Undrawn loan portfolio as of end 2016	Committed but Undrawn loan portfolio as of end 2015	Committed but Undrawn loan portfolio as of end 2014	Committed but Undrawn loan portfolio as of end 2013
International Banks WITH a Greek presence	53.92%	\$1,303.9	\$847	\$1,298	\$2,565	\$1,775	\$2,371	\$2,276
International Banks WITHOUT a Greek presence	38.12%	\$2,017.83	\$1,461	\$1,238	\$1,297	\$4,594	\$3,208	\$2,645
Greek banks	42.32%	\$402.20	\$283	\$306	\$236	\$232	\$442	\$177
Total	43.75%	\$3,723.93	\$2,591	\$2,842	\$4,098	\$6,600	\$6,021	\$5,098
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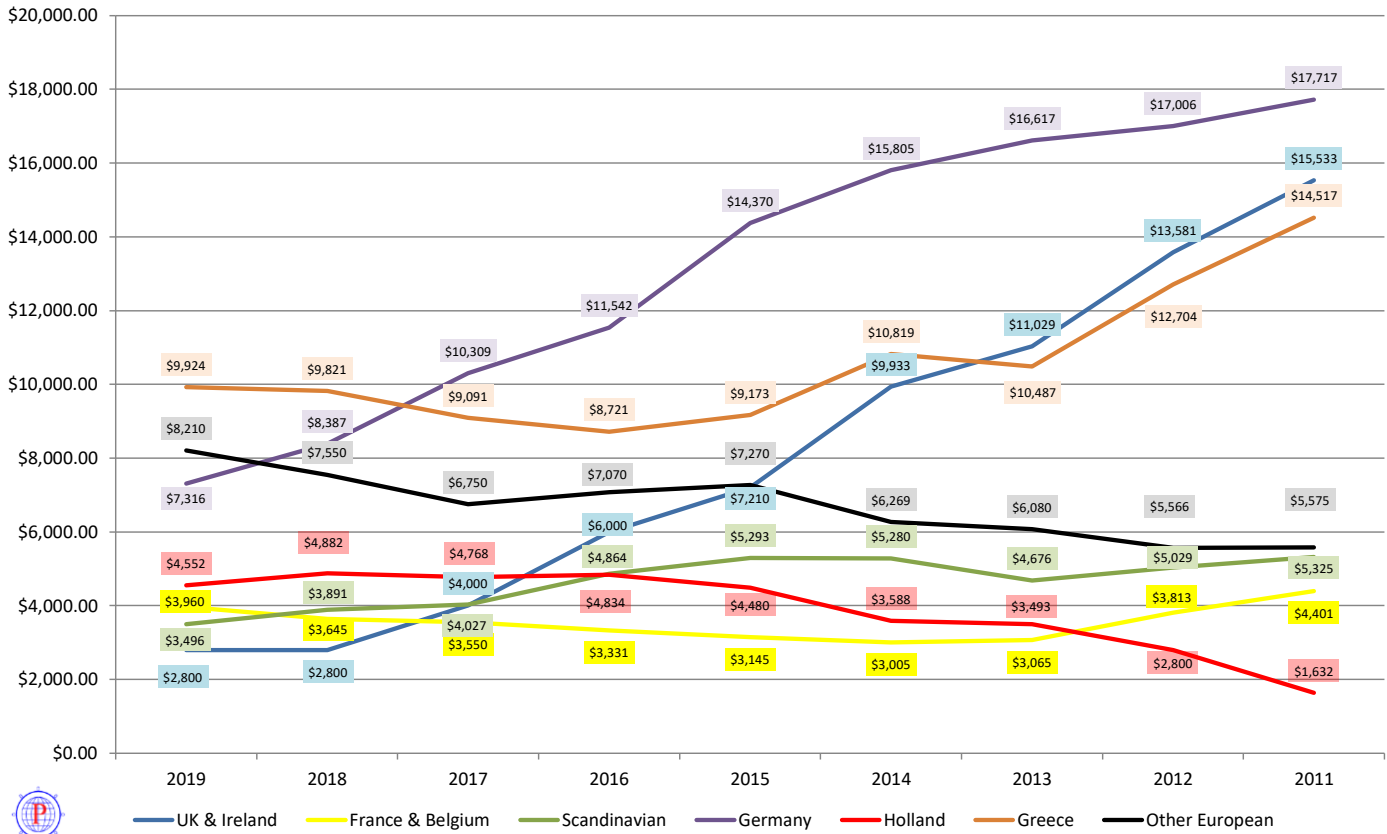
Here, it is worth noting that, although Drawn loans were down during 2019, Commitments have risen substantially in all bank groups.

Nationality of banks

Graph 5: European ship finance since 2011

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Development of European bank portfolios for Greek ship finance in US\$m



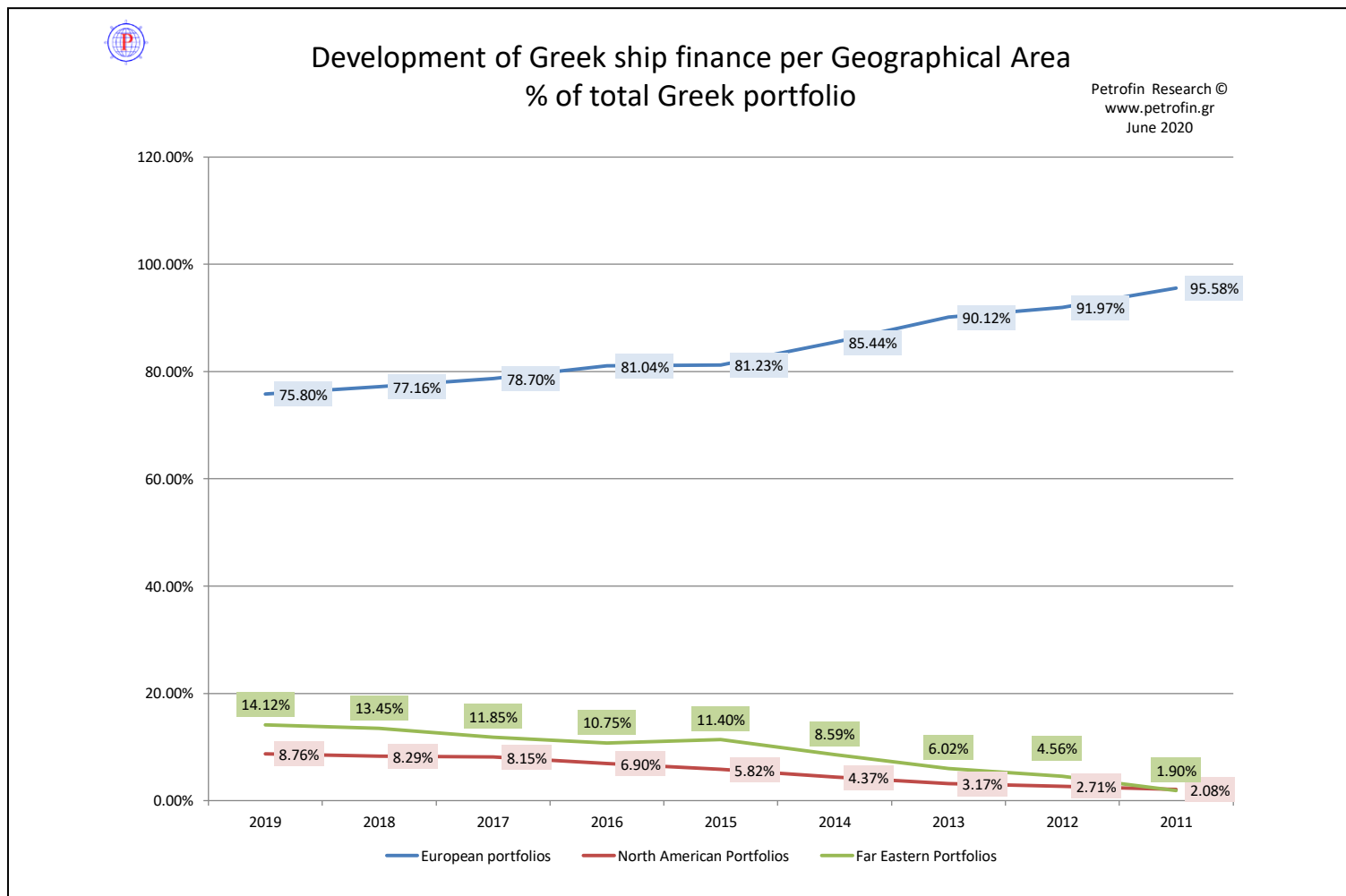
The European total amounts to \$40,258. France has increased its presence through BNP Paribas. Germany continues to decline. Other European, led by Credit Suisse* are increasing their share. Holland is showing a decline, whereas Greece is going up. UK and Ireland are steady through HSBC.

Table 4: European portfolios per country since 2011

	UK & Ireland	France & Belgium	Scandinavian	Germany	Holland	Greece	Other European	TOTALS
2019	\$2,800.00	\$3,960.00	\$3,495.96	\$7,315.76	\$4,552.00	\$9,924.09	\$8,210.00	\$40,257.81
2018	\$2,800.00	\$3,645.00	\$3,891.27	\$8,387.09	\$4,882.00	\$9,820.96	\$7,550.00	\$40,976.32
2017	\$4,000.00	\$3,550.00	\$4,027.00	\$10,309.00	\$4,767.80	\$9,091.00	\$6,750.00	\$42,494.80
2016	\$6,000.00	\$3,331.00	\$4,864.00	\$11,542.00	\$4,834.00	\$8,721.00	\$7,070.00	\$46,362.00
2015	\$7,210.00	\$3,145.00	\$5,293.00	\$14,370.00	\$4,480.00	\$9,173.00	\$7,270.00	\$50,941.00
2014	\$9,933.00	\$3,005.00	\$5,280.00	\$15,805.00	\$3,588.00	\$10,819.00	\$6,269.00	\$54,699.00
2013	\$11,029.00	\$3,065.00	\$4,676.00	\$16,617.00	\$3,493.00	\$10,487.00	\$6,080.00	\$55,447.00
2012	\$13,581.00	\$3,813.00	\$5,029.00	\$17,006.00	\$2,800.00	\$12,704.00	\$5,566.00	\$60,499.00
2011	\$15,533.00	\$4,401.00	\$5,325.00	\$17,717.00	\$1,632.00	\$14,517.00	\$5,575.00	\$64,700.00

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Graph 6: Geographical distribution of Greek ship finance share.



Far Eastern Portfolios are steadily rising.

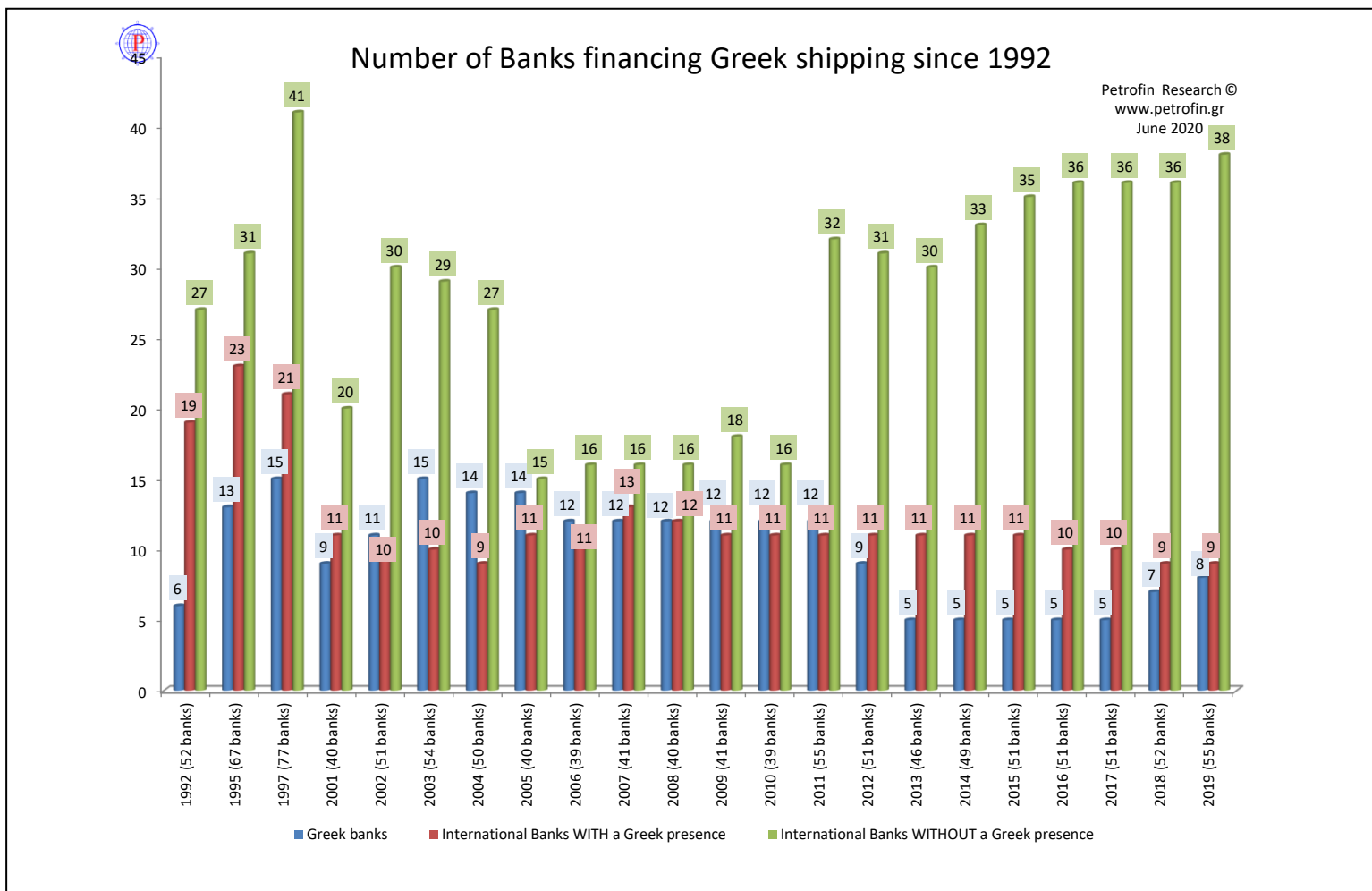
Table 5: Portfolios per geographical area

	European	North America	Far East	Middle East	Australia	TOTALS
2019	\$40,257.81	\$4,650.00	\$7,500.00	\$300.00	\$400.00	\$53,107.81
2018	\$40,976.32	\$4,400.00	\$7,150.00	\$300.00	\$350.00	\$53,176.32
2017	\$42,495.00	\$4,400.00	\$6,400.00	\$400.00	\$300.00	\$53,995.00
2016	\$46,362.00	\$3,950.00	\$6,150.00	\$500.00	\$250.00	\$57,212.00
2015	\$50,942.00	\$3,650.00	\$7,150.00	\$670.00	\$300.00	\$62,712.00
2014	\$54,669.00	\$2,800.00	\$5,500.00	\$670.00	\$350.00	\$63,989.00
2013	\$55,447.00	\$1,950.00	\$3,700.00		\$400.00	\$61,497.00
2012	\$60,500.00	\$1,780.00	\$3,000.00		\$500.00	\$65,780.00
2011	\$64,700.00	\$1,408.00	\$1,286.00		\$300.00	\$67,694.00

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The evolution of the number of banks financing Greek shipping in the last 27 years is as follows:

Graph 7: Number of banks financing Greek Shipping – 1992-2019



Astrobank is the third Cypriot Bank included in the Greek bank group and was added in 2019. We also recorded the contribution of Iyo Bank to some Greek finance syndications, as well as the exposure of Merchant and Maritime Bank to some Greek entities. The total, therefore, now stands at 55 banks worldwide, supporting Greek shipping.

Table 6: Summarises the comparative statistics for the Greek ship-finance market over the last 19 years.

	<i>International banks WITH a Greek presence</i>	<i>International banks WITHOUT a Greek presence</i>	<i>Greek banks</i>	<i>Total Number of Banks</i>	<i>International banks WITH a Greek presence</i>	<i>International banks WITHOUT a Greek presence</i>	<i>Greek banks</i>	<i>Total Annual Bank Exposure</i>
Dec-01	11	20	9	40	\$7.05	\$6.17	\$6.17	\$16.53
Dec-02	10	30	11	51	\$8.19	\$8.60	\$4.47	\$21.26
Dec-03	10	29	15	54	\$10.12	\$9.79	\$5.64	\$25.55
Dec-04	9	27	14	50	\$13.94	\$12.07	\$6.34	\$32.35
Dec-05	11	15	14	40	\$19.45	\$10.05	\$6.52	\$36.02
Dec-06	11	16	12	39	\$24.25	\$14.79	\$7.34	\$46.38
Dec-07	13	16	12	41	\$37.04	\$14.06	\$15.84	\$66.94
Dec-08	12	16	12	40	\$38.98	\$17.30	\$16.94	\$73.22
Dec-09	11	18	12	41	\$36.78	\$14.10	\$16.14	\$67.02
Dec-10	11	16	12	39	\$35.88	\$14.47	\$15.88	\$66.23
Dec-11	11	32	12	55	\$35.29	\$17.89	\$14.52	\$67.70
Dec-12	11	31	9	51	\$33.90	\$19.16	\$12.70	\$65.76
Dec-13	11	30	5	46	\$30.74	\$20.27	\$10.49	\$61.50
Dec-14	11	33	5	49	\$29.44	\$23.76	\$10.82	\$64.02
Dec-15	11	35	5	51	\$27.10	\$26.44	\$9.17	\$62.71
Dec-16	10	36	5	51	\$23.99	\$24.50	\$8.72	\$57.21
Dec-17	10	36	5	51	\$21.47	\$23.44	\$9.09	\$54.00
Dec-18	9	36	7	52	\$18.43	\$24.92	\$9.82	\$53.17
Dec-19	9	38	8	55	\$17.48	\$25.71	\$9.92	\$53.11

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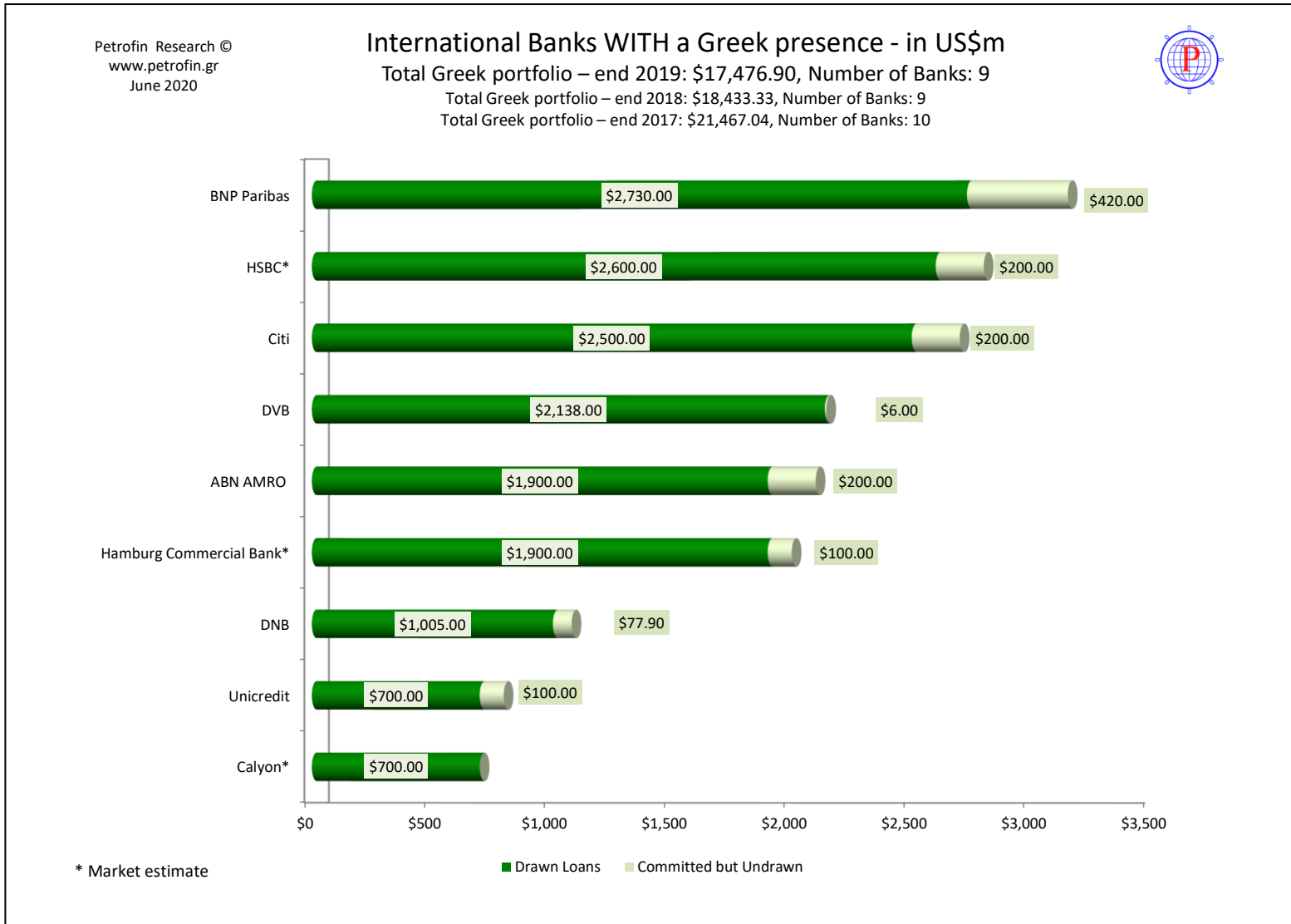
The fluctuation and internal reshuffling of shipping banks is yet to stabilise. There are still some big traditional lenders who are withdrawing or reducing their exposure as smaller players are joining the sector. The number of banks engaged in Greek ship finance has seen an increase this year in all sectors, except for the international banks with a Greek presence (which are primarily Central and North European).



B. Analysis of the 3 bank groups

International Banks WITH a Greek Presence

Graph 8: International banks with a Greek presence





Graph 9: Total portfolios: Change between 2018 and 2019

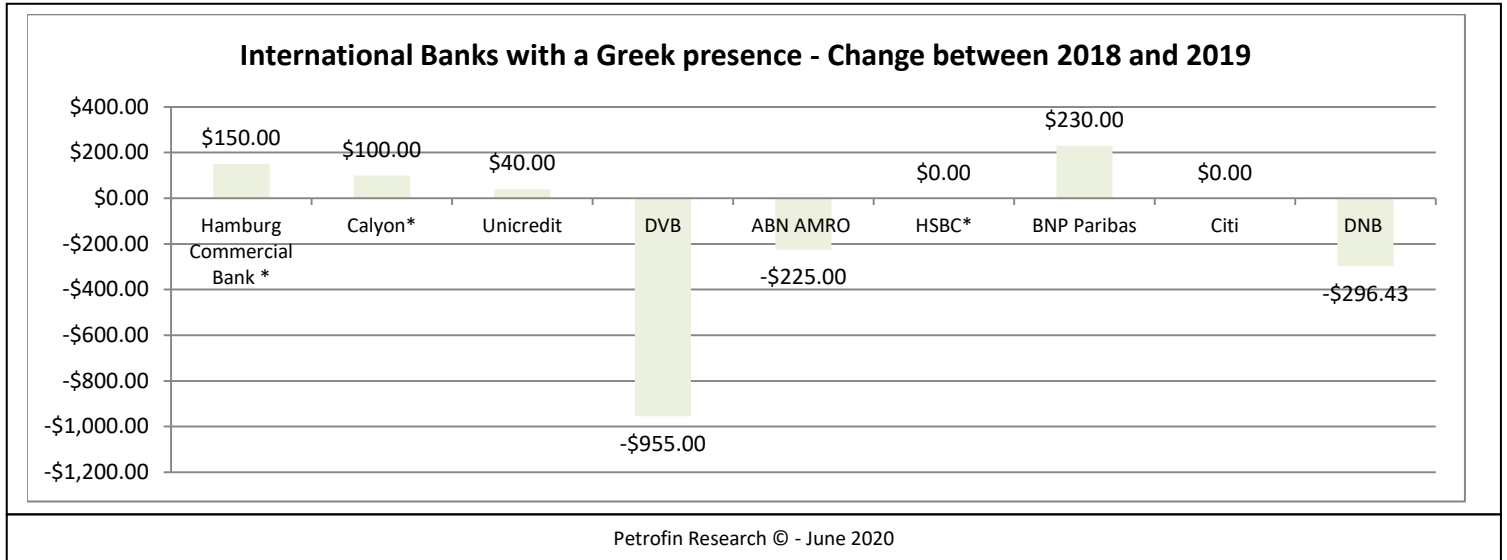


Table 7: International Banks WITH a Greek presence - **Total Greek Portfolios** (in US\$m) since 2013

Bank	end 2019	end 2018	end 2017	end 2016	end 2015	end 2014	end 2013	Change between 2018 and 2019	Individual Bank Share
Hamburg Commercial Bank *	\$2,000	\$1,850.00	\$1,950.00	\$1,950.00	\$2,340.71	\$2,567.58	\$2,354.87	8.11%	3.77%
Calyon*	\$700	\$600.00	\$650.00	\$750.00	\$800.00	\$800.00	\$1,100.00	16.67%	1.32%
Unicredit	\$800	\$760.00	\$1,100.00	\$1,360.00	\$1,800.00	\$1,573.00	\$1,755.35	5.26%	1.51%
DVB	\$2,144	\$3,099.00	\$4,308.00	\$4,310.00	\$4,542.00	\$4,547.00	\$3,700.00	-30.82%	4.04%
ABN AMRO	\$2,100	\$2,325.00	\$2,350.04	\$2,524.70	\$2,160.30	\$1,988.00	\$1,693.00	-9.68%	3.95%
HSBC*	\$2,800	\$2,800.00	\$2,500.00	\$3,000.00	\$2,000.00	\$2,000.00	\$1,750.00	0.00%	5.27%
BNP Paribas	\$3,150	\$2,920.00	\$2,800.00	\$2,481.00	\$2,220.00	\$1,955.00	\$1,600.00	7.88%	5.93%
Citi	\$2,700	\$2,700.00	\$2,700.00	\$2,500.00	\$2,200.00	\$1,600.00	\$1,400.00	0.00%	5.08%
DNB	\$1,083	\$1,379.33	\$1,609.00	\$2,114.00	\$2,341.00	\$2,310.00	\$2,576.00	-21.49%	2.04%
Total	\$17,476.90	\$18,433.33	\$21,467[^]	\$23,990[^]	\$25,604[^]	\$26,941[^]	\$26,742[^]	-5.19%	32.91%

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Hamburg Commercial Bank*, now under new ownership, seems to be on a recovery path since 2014. The same applies to Unicredit. DNB continues its lending decline according to its new policy.



Table 8: International banks WITH a Greek presence (in US\$m) – Drawn Loans

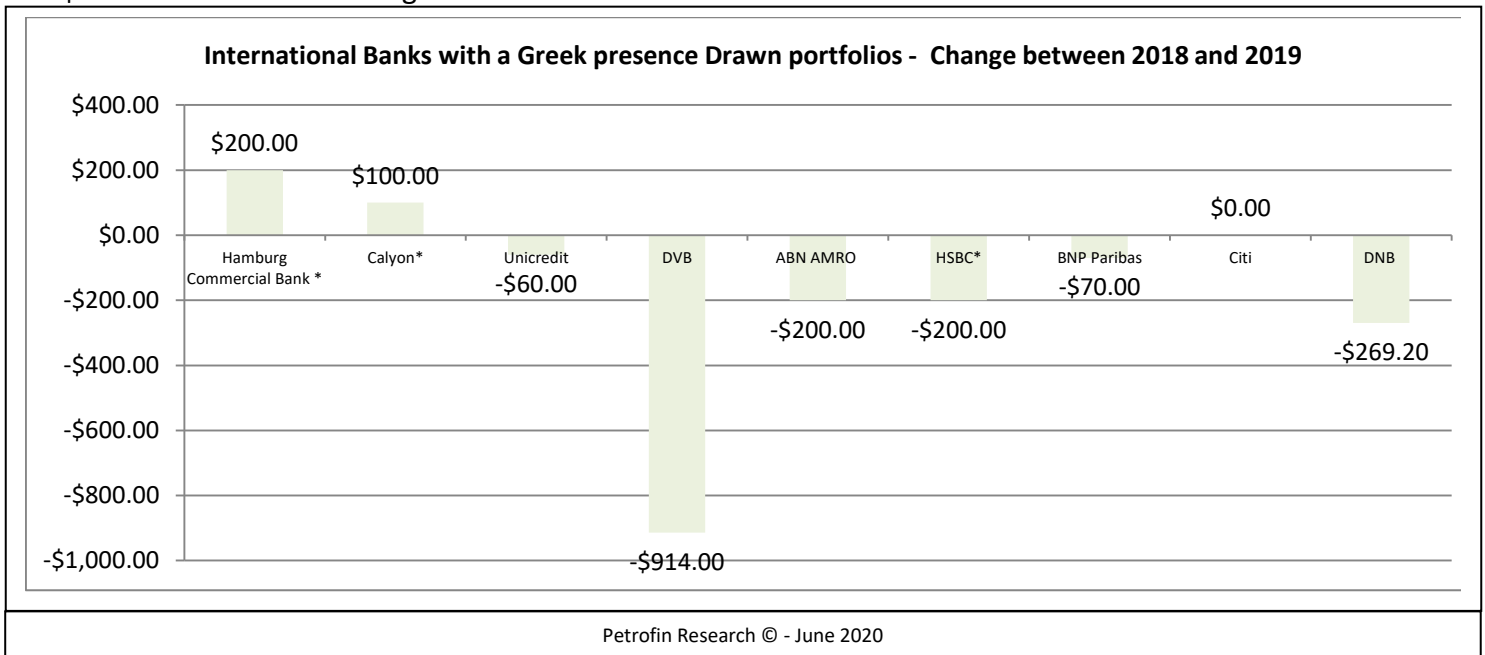
Bank	end 2019	end 2018	end 2017	end 2016	end 2015	end 2014	end 2013	Change between 2018 and 2019
Hamburg Commercial Bank *	\$1,900	\$1,700.00	\$1,850.00	\$1,850	\$2,156	\$2,171	\$1,993	11.76%
Calyon*	\$700	\$600.00	\$650.00	\$750	\$800	\$800	\$1,000	16.67%
Unicredit	\$700	\$760.00	\$1,000.00	\$1,190	\$1,500	\$1,480	\$1,680	-7.89%
DVB	\$2,138	\$3,052.00	\$4,289.00	\$4,230	\$4,400	\$4,200	\$3,200	-29.95%
ABN AMRO	\$1,900	\$2,100.00	\$2,220.00	\$1,933	\$2,047	\$1,725	\$1,462	-9.52%
HSBC*	\$2,600	\$2,800.00	\$2,500.00	\$2,600	\$2,000	\$2,000	\$1,750	-7.14%
BNP Paribas	\$2,730	\$2,800.00	\$2,400.00	\$2,072	\$1,927	\$1,644	\$1,600	-2.50%
Citi	\$2,500	\$2,500.00	\$2,200.00	\$1,800	\$1,600	\$1,100	\$1,100	0.00%
DNB	\$1,005	\$1,274.20	\$1,560.00	\$2,000	\$2,200	\$1,850	\$2,082	-21.13%
Total	\$16,173	\$17,586.20	\$20,169[^]	\$21,425.02[^]	\$23,829.426[^]	\$24,569.74[^]	\$24,466.87[^]	-8.04%

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*Market Estimate

[^] Includes banks that are not active anymore

Graph 10: Drawn loans – Change between 2018 and 2019





International Banks WITHOUT a Greek Presence

Graph 12: International banks without a Greek presence

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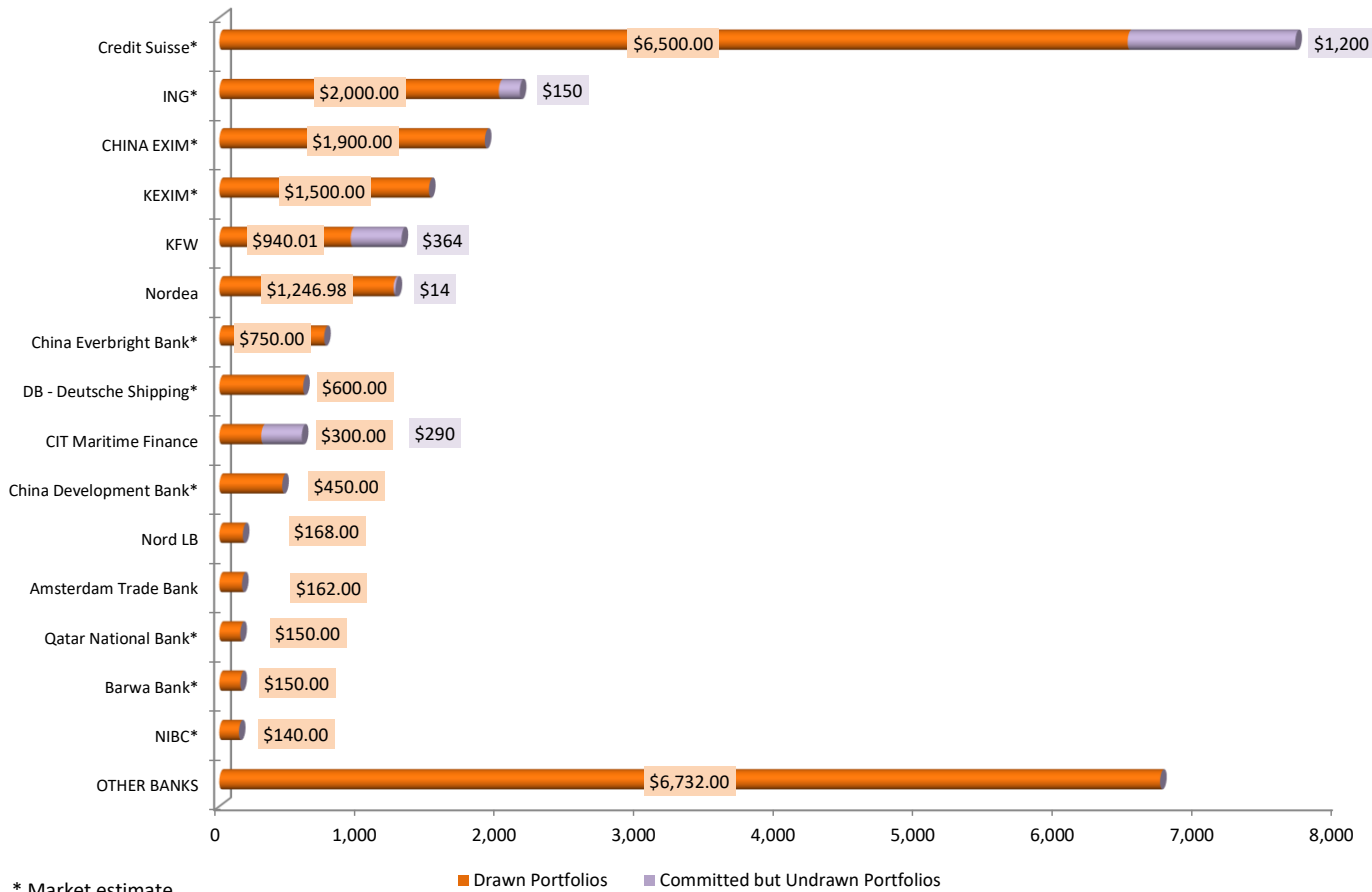
International Banks WITHOUT a Greek presence – in US\$



end 2019: \$25,706.82, Number of Banks: 38

end 2018: \$24,922.03, Number of Banks: 36

end 2017: \$23,437, Number of Banks: 36





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

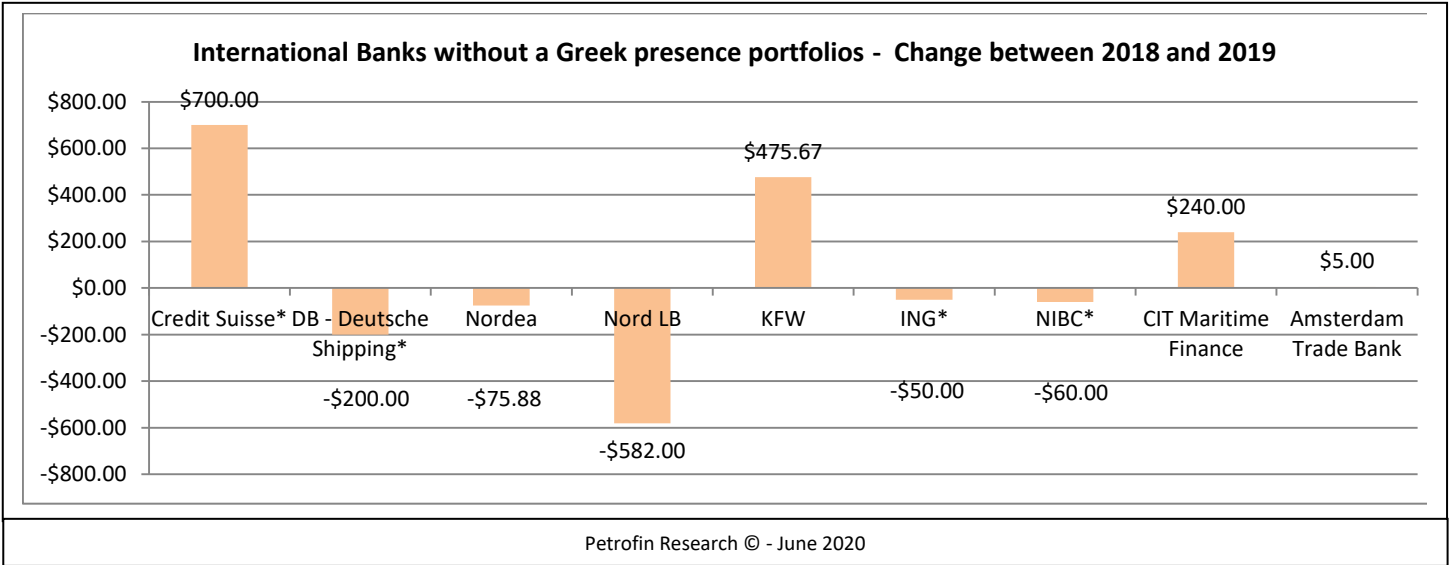
Table 10: Other banks

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*
Berenberg*
Deka*
IIG Bank Malta*
FIMbank Malta*
Sumitomo Mitsui Trust Banking*
Mitsubishi UFG*
ICBC*
Bank of China*
Bank of Communications*
Iyo Bank*
Merchant and Maritime Bank

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Graph 13: Total portfolios – Change between 2018 and 2019



Above a selective comparison between bank portfolios over the period 2018-2019

Table 11: International banks WITHOUT a Greek presence since 2013 (in US\$m) – **Total Greek Portfolios**

Bank	end 2019	end 2018	end 2017	end 2016	end 2015	end 2014	end 2013	Change between 2018 and 2019	Individual Bank Share
Credit Suisse*	\$7,700.00	\$7,000.00	\$6,200.00	\$6,470.00	\$6,720.00	\$5,919.00	\$5,700.00	10.00%	14.48%
DB - Deutsche Shipping*	\$600.00	\$800.00	\$1,000.00	\$1,500.00	\$1,800.00	\$2,000.00	\$2,000.00	-25.00%	1.13%
Nordea	\$1,261.06	\$1,336.94	\$1,393.00	\$1,600.00	\$1,702.00	\$1,620.00	\$1,060.00	-5.68%	2.37%
Nord LB	\$168.00	\$750.00	\$710.00	\$500.00	\$605.00	\$655.00	\$855.04	-77.60%	0.32%
CHINA EXIM*	\$1,900.00	\$1,800.00	\$1,600.00	\$1,600.00	\$2,300.00	\$2,000.00	\$1,450.00	5.56%	3.57%
KFW	\$1,303.76	\$828.09	\$941.14	\$1,042.00	\$1,007.59	\$932.09	\$899.17	57.44%	2.45%
ING*	\$2,150.00	\$2,200.00	\$2,069.00	\$2,109.00	\$2,120.00	\$1,350.00	\$1,500.00	-2.27%	4.04%
KEXIM*	\$1,500.00	\$1,400.00	\$1,300.00	\$1,300.00	\$1,150.00	\$1,000.00	\$700.00	7.14%	2.82%
China Everbright Bank*	\$750.00	\$650.00	\$600.00	\$600.00	\$650.00	\$500.00	\$350.00	15.38%	1.41%
NIBC*	\$140.00	\$200.00	\$200.00	\$200.00	\$200.00	\$250.00	\$300.00	-30.00%	0.26%
China Development Bank*	\$450.00	\$450.00	\$400.00	\$400.00	\$1,850.00	\$1,600.00	\$1,000.00	0.00%	0.85%
CIT Maritime Finance	\$590.00	\$350.00	\$350.00	\$400.00	\$500.00	\$400.00		68.57%	1.11%
Qatar National Bank*	\$150.00	\$150.00	\$200.00	\$250.00	\$335.00	\$335.00		0.00%	0.28%
Barwa Bank*	\$150.00	\$150.00	\$200.00	\$250.00	\$335.00	\$335.00		0.00%	0.28%
Amsterdam Trade Bank	\$162.00	\$157.00	\$148.75					3.18%	0.30%
OTHER BANKS (23)	\$6,732.00	\$6,700.00	\$6,125.00	\$5,700.00	\$4,475.00	\$3,600.00	\$2,885.00	0.48%	12.66%
Total	\$25,706.82	\$24,922.03	\$23,436.89	\$23,921.00	\$25,749.59	\$22,496.09	\$18,699.21	3.15%	48.34%

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* Market estimates



Overall these banks are up by 3.15% compared to a rise of 6.34% the previous year. The OTHER BANKS, comprised primarily of Far Eastern Banks, are up by 0.48%. CIT, KfW and Credit Suisse* were the banks that recorded the fastest growth last year whilst Nord LB, NIBC and DB-Deutsche Shipping* recorded the largest falls.

Table 12: International banks WITHOUT a Greek presence since 2013 (in US\$m) - **Drawn Loans**

	end 2019	end 2018	end 2017	end 2016	end 2015	end 2014	end 2013	Change between 2018 and 2019
Credit Suisse*	\$6,500.00	\$5,900.00	\$5,800.00	\$5,935.00	\$5,580.00	5300	\$4,800.00	10.17%
DB - Deutsche Shipping*	\$600.00	\$800.00	\$1,000.00	\$1,500.00	\$1,800.00	2000	\$2,000.00	-25.00%
Nordea	\$1,246.98	\$1,153.91	\$1,304.00	\$1,300.00	\$1,335.00	1160	\$800.00	8.07%
Nord LB	\$168.00	\$750.00	\$710.00	\$500.00	\$552.20	615	\$758.50	-77.60%
CHINA EXIM*	\$1,900.00	\$1,800.00	\$1,600.00	\$1,600.00	\$1,600.00	1400	\$1,000.00	5.56%
KfW	\$940.01	\$650.25	\$662.80	\$799.00	\$643.66	616.5	\$751.61	44.56%
ING*	\$2,000.00	\$2,200.00	\$1,630.00	\$1,890.00	\$1,400.00	1350	\$1,500.00	-9.09%
KEXIM*	\$1,500.00	\$1,400.00	\$1,300.00	\$1,300.00	\$700.00	600	\$400.00	7.14%
China Everbright Bank*	\$750.00	\$650.00	\$600.00	\$600.00	\$450.00	350	\$250.00	15.38%
NIBC	\$140.00	\$200.00	\$200.00	\$200.00	\$200.00	162.5	\$250.00	-30.00%
China Development Bank*	\$450.00	\$450.00	\$400.00	\$400.00	1250	1100	\$700.00	0.00%
CIT Maritime Bank*	\$300.00	\$350.00	\$350.00	\$400.00	500	400		-14.29%
Qatar National Bank*	\$150.00	\$150.00	\$200.00	\$250.00	335	335		0.00%
Barwa*	\$150.00	\$150.00	\$200.00	\$250.00	335	335		0.00%
Amsterdam Trade Bank	\$162.00	\$157.00	\$116.75					3.18%
Other banks (23)	\$6,732.00	\$6,700.00	\$6,125.00	\$5,700.00	4475	3600	\$2,885.00	0.48%
Total	\$23,688.99	\$23,461.16	\$22,198.55	\$22,624.00	\$21,155.86	\$20,551^	\$17,623^	0.97%

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*Market estimate

^Includes banks not active anymore



Table 13: International banks WITHOUT a Greek presence since 2013 (in USm)- **Committed But Undrawn Loans**

Bank	end 2019	end 2018	end 2017	end 2016	end 2015	end 2014	end 2013	end 2008	Change between 2018 and 2019
Credit Suisse*	\$1,200.00	\$1,100.00	\$400.00	\$535	\$1,140	\$619	\$900		9.09%
DB - Deutsche Shipping*	\$0.00	\$0.00	\$0.00	\$0	0	0	0		
Nordea	\$14.08	\$183.03	\$89.00	\$300	\$367	\$460	\$260		-92.31%
Nord LB	\$0.00	\$0.00	\$0.00	\$0	\$53	\$40	\$97		
CHINA EXIM*	\$0.00	\$0.00	\$0.00	\$0	\$700	\$600	\$450		
KFW	\$363.75	\$177.84	\$278.34	\$243	\$364	\$316	\$148		104.54%
ING*	\$150.00	\$0.00	\$439.00	\$219	\$720	0	0		
KEXIM*	\$0.00	\$0.00	\$0.00	\$0	\$450	\$400	\$300		
China Everbright Bank*	\$0.00	\$0.00	\$0.00	\$0	\$200	\$150	\$100		
China Development Bank*	\$0.00	\$0.00	\$0.00	\$0	\$600	\$500	\$300		
NIBC*	\$0.00	\$0.00	\$0.00	\$0	0	\$88	\$50		
CIT Maritime Finance	\$290.00	\$0.00	\$0.00	\$0	0	0			
Qatar National Bank*	\$0.00	\$0.00	\$0.00	\$0	0	0			
Barwa Bank*	\$0.00	\$0.00	\$0.00	\$0	0	0			
Amsterdam Trade Bank	\$0.00	\$0.00	\$32.00						
Total	\$2,017.83	\$1,460.88	\$1,238.34	\$1,297	\$4,594	\$3,208^	\$2,645^		38.12%

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* Market estimates

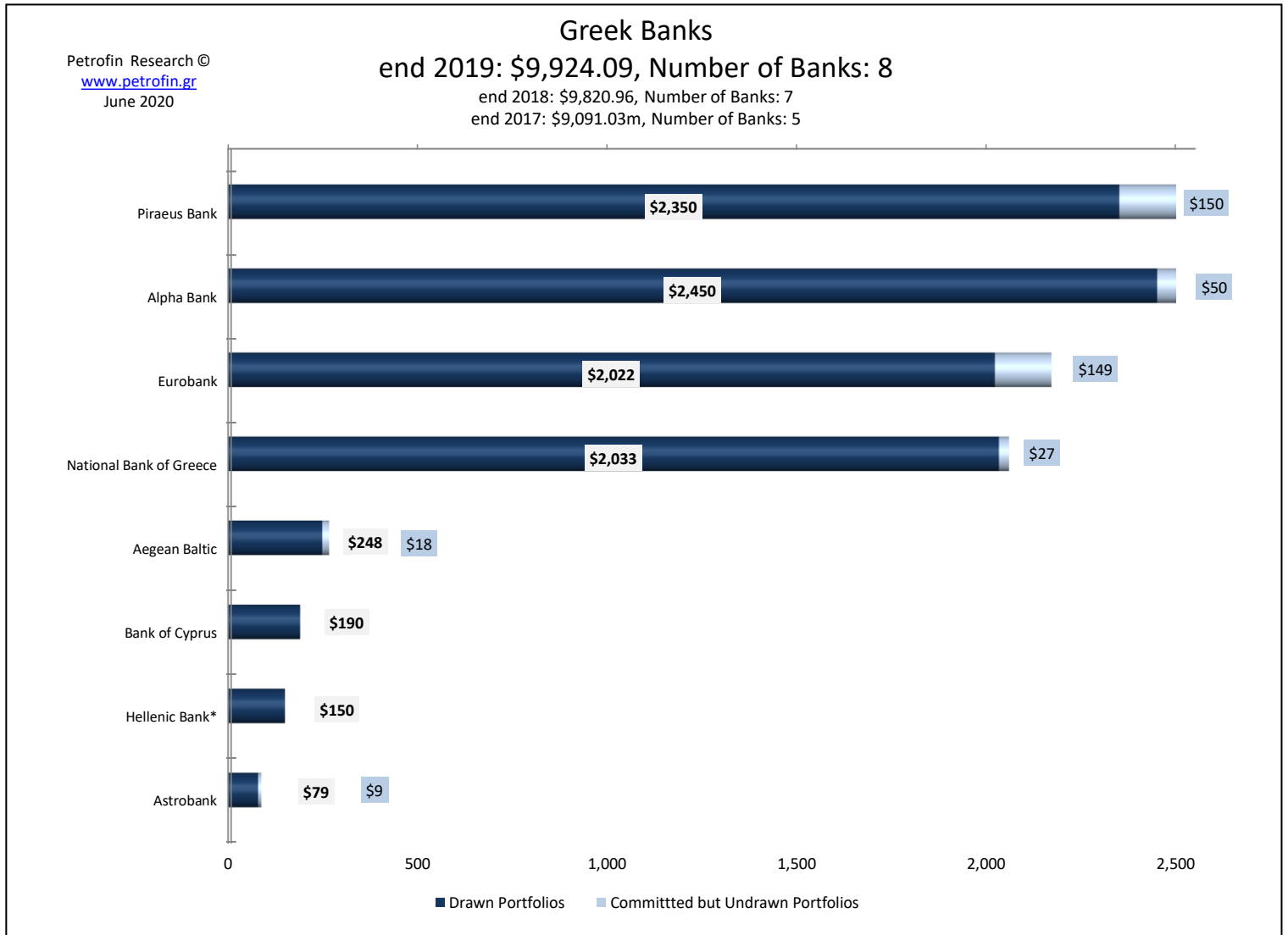
^Includes banks not active anymore

The upwards momentum is shown in the higher totals in Committed but Undrawn loans with KFW showing the biggest rise and Nord LB showing the largest fall due to primarily loan portfolio sales.



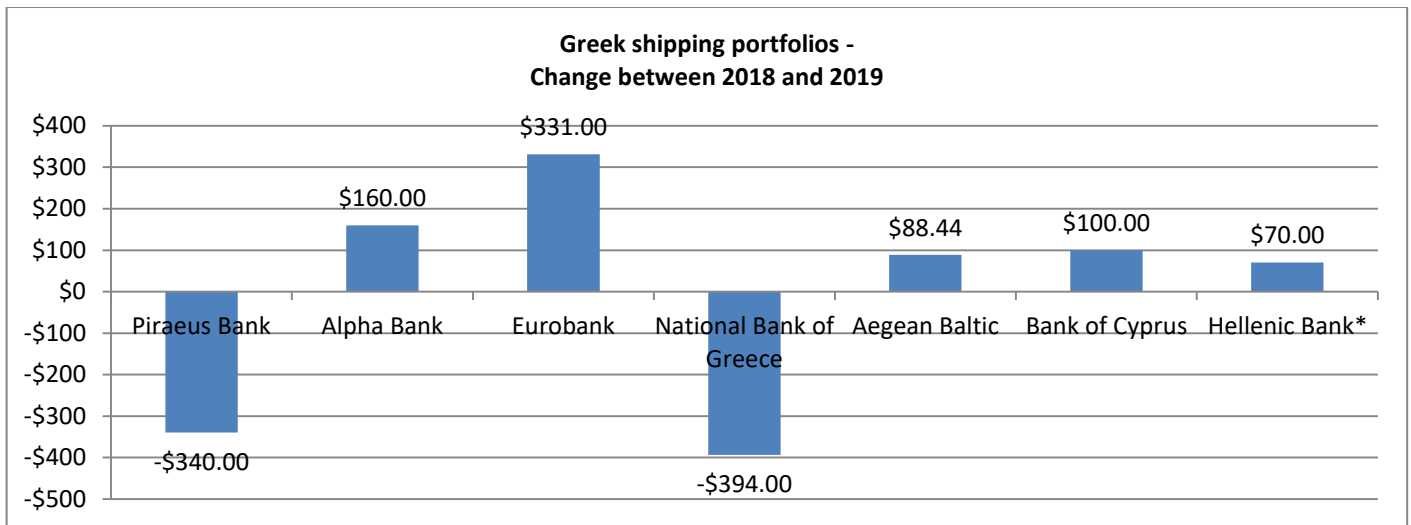
Greek Banks

Graph 14: Greek banks





Graph 15: Greek banks – Change in portfolios between 2018 and 2019



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Table 14: **Greek Banks - Total Portfolios (in US\$m) since 2013**

Bank	end 2019	end 2018	end 2017	end 2016	end 2015	end 2014	end 2013	Change between 2018 and 2019	Individual bank share
Piraeus Bank	\$2,500.00	\$2,840	\$2,750	\$2,730	\$3,000	\$3,850	\$3,900	-11.97%	4.71%
National Bank of Greece	\$2,059.10	\$2,453	\$2,428	\$2,368	\$2,640	\$2,933	\$2,733	-16.06%	3.88%
Alpha Bank	\$2,500.00	\$2,340	\$2,225	\$2,190	\$2,100	\$2,420	\$2,435	6.84%	4.71%
Eurobank	\$2,171.00	\$1,840	\$1,524	\$1,227	\$1,196	\$1,315	\$1,150	17.99%	4.09%
Aegean Baltic	\$266.30	\$178	\$164	\$205	\$237	\$301	\$269	49.73%	0.50%
Bank of Cyprus	\$190.00	\$90						111.11%	0.36%
Hellenic Bank*	\$150.00	\$80						87.50%	0.28%
Astrobank	\$87.68								0.17%
Total	\$9,924.09	\$9,820.96	\$9,091.03	\$8,720.65	\$9,172.91	\$10,819.16	\$10,486.91	1.05%	18.69%

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*Market estimate

Greek banks as a group are up in their exposure to Greek shipping by 1.05%. Bank of Cyprus, Aegean Baltic, Hellenic Bank* and Eurobank recorded the biggest increases y-o-y. Indeed Eurobank's loan portfolio has almost doubled since 2013.



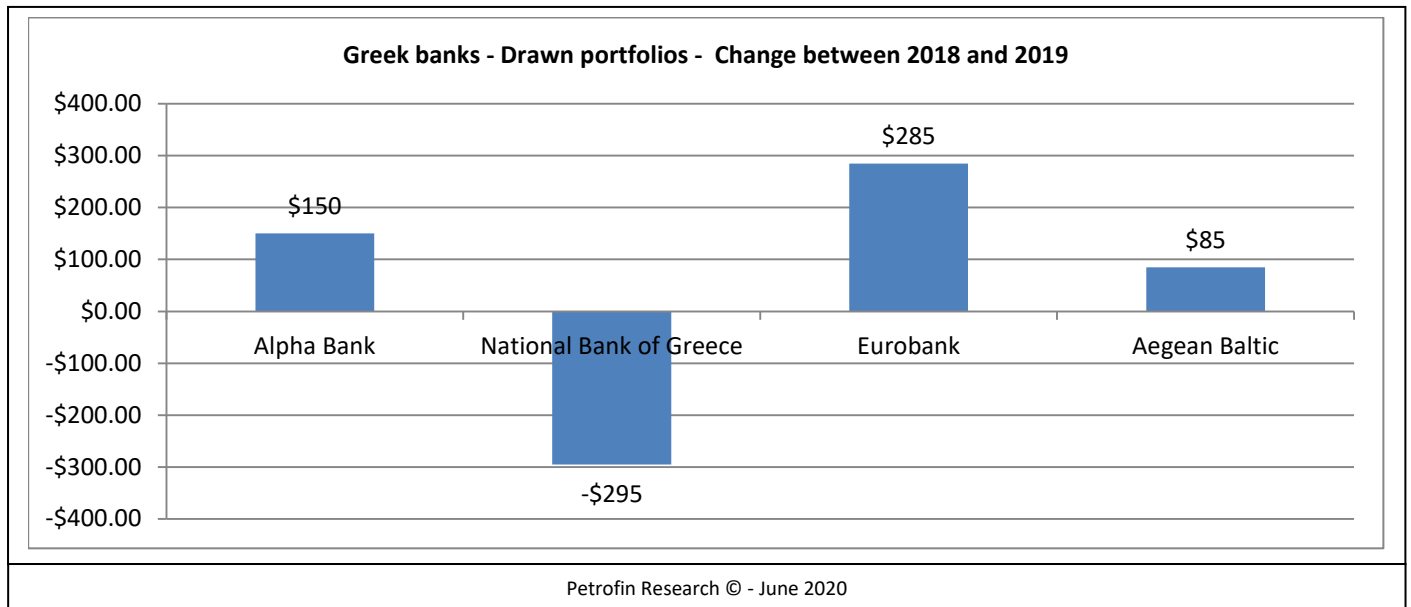
Table 15: Greek banks – Drawn loans

Table 15: **Greek Banks - Drawn Loans (in US\$m) since 2013**

Bank	end 2019	end 2018	end 2017	end 2016	end 2015	end 2014	end 2013	Change between 2018 and 2019
Piraeus Bank	\$2,350.00	\$2,840	\$2,750	\$2,730	\$3,000	\$3,850	\$3,900	-17.25%
Alpha Bank	\$2,450.00	\$2,300	\$2,100	\$2,100	\$2,100	\$2,420	\$2,400	6.52%
National Bank of Greece	\$2,032.50	\$2,328	\$2,302	\$2,355	\$2,515	\$2,652	\$2,592	-12.68%
Eurobank	\$2,022.00	\$1,737	\$1,470	\$1,100	\$1,089	\$1,160	\$1,150	16.41%
Aegean Baltic	\$248.20	\$163.62	\$162.55	\$200	\$237	\$296	\$268	51.69%
Bank of Cyprus	\$190.00	\$90.00						111.11%
Hellenic Bank*	\$150.00	\$80.00						
Astrobank	\$79.18							
Total	\$9,521.88	\$9,538.32	\$8,784.95	\$8,485	\$8,941	\$10,378	\$10,309.76	-0.17%

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Graph 16: Drawn loans – Change between 2018 and 2019



Piraeus Bank excluded due to lack of comparative data.



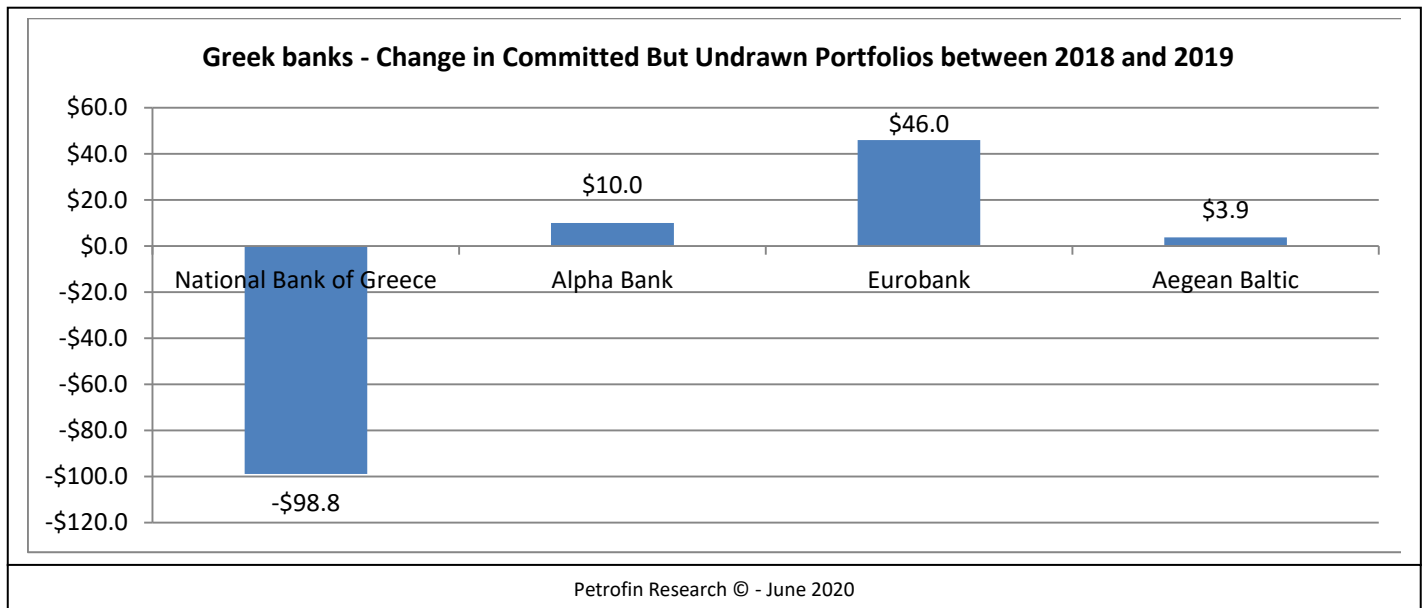
Table 16: Greek Banks – Committed but Undrawn loans

Table 16: **Greek Banks - Committed But Undrawn Loans - (in US\$m) since 2013**

Bank	end 2019	end 2018	end 2017	end 2016	end 2015	end 2014	end 2013	Change between 2018 and 2019
Piraeus Bank	\$150.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	\$0.0	
National Bank of Greece	\$26.6	\$125.4	\$125.2	\$13.2	\$125.0	\$281.0	\$141.0	-78.79%
Alpha Bank	\$50.0	\$40.0	\$125.0	\$90.0	\$0.0	\$0.0	\$35.0	25.00%
Eurobank	\$149.0	\$103.0	\$54.0	\$127.0	\$107.0	\$155.0	\$0.0	44.66%
Aegean Baltic	\$18.1	\$14.2	\$1.9	\$5.8	\$0.0	\$5.5	\$1.2	27.15%
Bank of Cyprus								
Hellenic Bank*								
Astrobank	\$8.5							
Total	\$402.2	\$282.6	\$306.1	\$236.00	\$232.00	\$441.50	\$177.15	42.30%

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Graph 17: Committed but Undrawn loans – Change between 2018 and 2019



Piraeus bank excluded due to lack of comparative data



C. Newbuilding Finance Research

Table 17: Newbuilding finance – in US\$m

	end 2017				Change in % allocation to Newbuildings between 2016 and 2017	end 2018				Change in % allocation to Newbuildings between 2017 and 2018	end 2019				Change in % allocation to Newbuildings between 2018 and 2019
	Committed but Undrawn portfolio (in \$m)	% of N/Bs	Amount for N/Bs			Committed but Undrawn portfolio (in \$m)	% of N/Bs	Amount for N/Bs			Committed but Undrawn portfolio (in \$m)	% of N/Bs	Amount for N/Bs		
Bank Credit Suisse*	\$400	80%	\$320		36%	\$1,100	60%	\$660		-20%	\$1,200	54.17%	\$650		-6%
National Bank of Greece	\$125.20	31.50%	\$39.44		-69%	\$125.40	9.00%	\$11.29		-23%	\$26.60	0.00%	\$0.00		-9%
BNP Paribas	\$400.00	87.00%	\$348.00		-13%	\$120.00	55%	\$66.00		-32%	\$420.00	97.00%	\$407.40		42%
ABN AMRO	\$130.04	67.00%	\$87.13		-22%	\$225.00	82%	\$184.50		15%	\$200.00	100%	\$200.00		18%
CITI	\$500.00	90.00%	\$450.00		0%	\$200.00	90%	\$180.00		0%	\$200.00	90%	\$180.00		0%
Alpha	\$125.00	80.00%	\$100.00		-20%	\$40.00	100%	\$40.00		20%	\$50.00	100%	\$50.00		0%
ING*											\$150.00	98%	\$147.00		
HSBC*											\$200.00	50%	\$100.00		
DNB											\$77.90	97%	\$75.56		
Eurobank											\$149	21%	\$31.29		
Unicredit											\$100.00	100%	\$100.00		
Totals	2413.24^	76.94%	1856.69^		2.07%	\$2,007	58.85%	\$1,181		-18.09%	\$2,780	69.84%	\$1,941		11%

^ Figure includes banks not featured this year * Market estimates

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Although some banks are not featured in the above table (such as Hamburg Commercial Bank* – ex HSH Nordbank, DVB), other banks have appeared or reappeared, such as ING*, HSBC*, DNB, Eurobank and Unicredit, who have financed newbuildings in varying degrees. Committed but Undrawn exposure from these banks with an appetite for newbuildings has gone up by 38.5% from \$2,007bn in 2018 to \$2,780bn in 2019. The actual percentage dedicated to newbuildings is also up at 70% in 2019 from 58.85% in 2018. The actual funds towards n/bs are up from \$1,181m in 2018 to \$1,941 in 2019.



D. The Greek shipping Syndications Market

Table 18: Syndication Leaders (US\$m)

Bank	2011	2012	2013	2014	2015	2016	2017	2018	2019	Change in the last year
CITI	\$300	\$2,000	\$2,000	\$2,500	\$3,500	\$5,500	\$5,000	\$5,500	\$6,100	10.91%
AEGEAN BALTIC	\$1,399	\$1,346	\$1,291	\$1,270	\$1,066	\$890	\$867	\$819	\$630	-23.06%
HAMBURG COMMERCIAL BANK*	\$822	\$623	\$673	\$504	\$414	\$500	\$500	\$500	\$500	0.00%
DNB	\$2,085	\$2,487	\$2,479	\$2,000	\$2,700	\$3,000			\$2,116	
UNICREDIT	\$246	\$227	\$210	\$341	\$150	\$100	\$100	\$10	\$10	0.00%
NATIONAL BANK OF GRECE	\$447	\$427	\$451	\$360	\$336	\$317	\$259	\$107	\$101	-5.6%
ABN AMRO	\$278	n/a	\$121	\$1,299	\$1,463	\$1,390	\$730	\$835	\$300	-64.07%
BNP PARIBAS	\$473	\$665	\$580	\$545	\$442	\$321	\$357	\$242	\$698	188.60%
KFW	n/a	\$402	\$312	\$311	\$338	\$273	\$64	\$109	122	11.34%
Totals	\$10,276 [^]	\$11,512 [^]	\$9,897 [^]	\$9,713	\$11,935 [^]	\$13,790 [^]	\$10,247 [^]	\$11,191 [^]	\$10,578	-5.48%

Petrofin Research © - June 2020 - * Market estimate [^] Totals include banks not featured anymore

The Greek leadership syndication market is marked by a small drop of 5.48%. The biggest syndication leader, CITI is up by 11%, DNB is showing a decline, whereas BNP Paribas has increased its leadership by an impressive 189%.



5. Highlights of this year's research

2019 was a year in which Greek shipfinance levels stood still at \$53.1bn. The declining / exiting banks were largely counter balanced by the expanding / new entrant banks. Credit Suisse at \$7.7bn grew by 10% and held a 14.5% market share. Other growing banks were BNP Paribas, KfW, CIT, as well as Eurobank, Alpha bank, Aegean Baltic bank and Bank of Cyprus. The two main departing banks, Nord LB and DVB, showed large falls.

Overall, European banks and especially German banks continued their decline in contrast with the Far Eastern and North American banks which increased market share. The Petrofin Index, which commenced at 100 in 2001 and peaked at 443 in 2008, stood at 321 as of end of last year.

Last year, Greek and Cypriot Banks continued their rise by 1.05%. Furthermore, the sale of some loans also took place during the same period. This process continued by the departing German banks. On the whole, in 2019, Greek and Cypriot banks' liquidity and capital ratios allowed them to also reduce their loan margins and become more competitive versus other lenders.

We note this year the addition of Astrobank in Cyprus. We also saw the number of banks lending to Greek owners increase to 55. Interestingly, in all 10 largest banks there are no Far Eastern banks, as there has been a shift in the Far East away from bank finance and towards leasing, often by the large banks' leasing subsidiaries.

Newbuilding related ship finance also grew last year but syndications declined reflecting difficult banking conditions.

As the Greek fleet grew both in DWT terms as well as in value, the static shipfinance totals emphasize the increasing role played by leasing and alternative finance providers.

Overall, 2019 was a year of adjustment by many banks reflecting their individual corporate and shipping policies.



6. The outlook for 2020 and beyond

The main event this year has undoubtedly been the Covid-19 pandemic. This has increasingly adversely affected the global economy as countries went into lock down resulting in an estimated sharp global economic contraction of approximately 6%.

China, who bore early the brunt of the infection and the lockdown, had begun to stabilise and recover by the time the western world and other Pacific countries were hit. As international trade slowed down, vessels had to face increasingly stringent quarantine and other restrictions affecting their crewing, supplies, repairs, spare parts, drydockings, ballast water treatment fittings, scrubber retrofits and movements. All the above have hit shipping hard.

Dry bulk demand suffered as did the container, car carrier, offshore and other sectors. Charter rates and utilisation plummeted with rates falling to below operating costs levels. The tanker sector fared better and experienced a good market as a result of the drastic fall in oil prices with vessels being used for storage as the industry faced a terminal capacity problem. Still, the heydays did not last long and tankers too now suffer by the pandemic restrictions.

The above events and developments had a strong impact on banks and non-bank lenders. As the global economy and international trade entered into uncharted territory, confidence amongst both banks and owners fell. Most banks staff 'worked from home' and marketing and meetings were carried out remotely. The rate of loan requests and the loan throughput by banks fell as credit and risk departments by banks were hard put to support fresh lending at a time of such crisis and uncertainty and sought lending only to the strongest clients and credits often on stringent terms. Loan margins started to rise as perceived shipping risk rose and as banks started to face loan restructure requests from hard pressed clients.

It is noticeable that Chinese lending and leasing also came to an abrupt halt for non-Chinese business. This was not only due to the shipping crisis but also due to the Chinese heavy exposure to other hard hit sectors such as aviation. An additional factor was the lack of US Dollar funding for Chinese leasing companies who also faced higher funding costs that could not be passed on to their clients.

Some banks, Greek banks in particular, managed to continue lending to their stronger clients. At a time of rising loan margins internationally, Greek banks were able to secure liquidity at a reduced cost due to ECB policy, lower deposit costs the enhanced credit status of Greece and this enabled them to reduce their margins to competitive levels with other non-Greek lenders. Greek banks perceived the pandemic as an opportunity to enhance their position with Greek owners who faced limited finance possibilities.

Bank leadership in syndications fell in the first half of 2020 and due to an overall mismatch between new lending and retiring loan debts, it is expected that on the whole Greek ship finance lending contracted during this period from end 2019 levels.

In the last couple of weeks, as many countries are coming out of lockdown and their markets restart, the outlook and expectations for the global economy has improved. Supported by strong Chinese demand for commodities and the return to full production of Brazil's iron ore industry, the dry bulk market has started to recover. Banks are monitoring this recovery which may well turn out to be volatile and fragile. During this period, most banks are dealing



with their own loan related issues. It is expected, however, that loan requests will increase as the global economy, international trade and the dry bulk market shall begin to recover.

Loan demand for newbuildings has slowed down in line with the declining order book with bank finance becoming harder and costlier.

Alternative finance during this period remained active and often represented the only available source of finance. Funds too drove up their margins to higher levels offsetting this by long maturity loans coupled with moratoria where needed.

Investors in the major public equity markets took fright with hardly any new issues to record. This is expected to change as the economy and shipping recovers which will bring more business to the public markets.

It is difficult to predict when the Greek ship finance market shall recover to pre pandemic levels. Thus far we are not aware of any fresh banks entering shipfinance nor of any existing banks leaving the market. However, the effects of the pandemic crisis are still being worked through the banking system.

It is expected that Chinese ship finance and leasing shall return in the second half of 2020 but not at the high levels of 2019. Further lending by Japanese banks and lenders to Greek owners is anticipated later in 2020.

It should be remembered that banks still face strict capital ratio requirements and difficulties to raise additional capital via the public markets. These factors restrict bank lending as a whole and ship finance accordingly.

Chinese lending is supported by State liquidity support packages but these are aimed at boosting domestic business and not international lending unless linked to Chinese newbuildings.

The US and other public markets have had a rollercoaster ride with shipping stocks particularly hard hit. Investor appetite has waned and will need time to be boosted. In Norway private investment and new bonds flow slowed down but already there is some interest developing for dry bulk investments and companies.

For the tanker and offshore markets, the price of oil, production cut backs and oil exploration will determine a possible recovery in 2021. As the general economy recovers, the container sector is expected to recover too but it is doubtful if it shall surpass 2019 levels.

There are also uncertainties associated with medical breakthroughs and a possible Covid-19 vaccine which, if successful, would reduce the risks of a second wave of the pandemic returning in the fall and winter of 2020.

Another important factor that will affect the future outlook of ship finance is the development of environmental regulation. Recently, several financial institutions have expressed commitment to engage in more sustainable lending and participate in ambitious environmental lending practices (e.g. the Poseidon Principles, see Petrofin Research © at www.petrofin.gr under Research, Bankers' Surveys, 2020). It remains to be seen whether the Covid-19 pandemic will slow down this trend or, notwithstanding the crisis, lending will



become more environmentally friendly, thus significantly altering the ship finance landscape in the years to come.

The enormous US, EU, Japanese and other liquidity expansion packages are expected to accelerate demand later in 2020 and in 2021. The sums involved are unprecedented and their overall effect untested at this scale. However, the swiftness of the response by Central banks and states in fighting recession will be a notable feature of this pandemic.